

APPRAISAL REPORT
OF
Office Warehouse Building
1128 Commerce Dr
Jamestown, TN 38556



AS OF
April 25, 2023

PREPARED FOR
Fentress County Industrial Development Board
P. O. Box 427
Jamestown , TN 38556

PREPARED BY
Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

Fuller Appraisal Company
204 Country Club Road
Rockwood, TN 37854

Fentress County Industrial
Development Board
P. O. Box 427
Jamestown , TN 38556

Re: Office Warehouse Building
1128 Commerce Dr
Jamestown, TN 38556

Dear Mr. Gammons:

Pursuant to your request, I have prepared an appraisal for the above referenced property. The purpose of this appraisal is to estimate the market value of the subject property's fee simple interest for portfolio management. This appraisal is intended for the use of the client and the client's advisors.

The Appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable Federal regulations.

The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Conditions and Assumptions, located on page 8. Acceptance of this report constitutes an agreement with these conditions and assumptions.

April 25, 2023

Page 2

Subject site of 7.23 acres is improved with an office warehouse built in 2003 and is used as an assembly facility. The ceiling height is 28 feet and the wall height is 24 feet. The site has adequate parking and delivery access at the front and rear of building along with security fencing and lighting. The improvements are in good condition and have been well maintained thru the years.

The property is located off Hwy 127 at the Jamestown exit onto a county road to the industrial park and Commerce Drive. Site has with good visibility and access.

My scope of work will help break down property. The cost approach will establish the site value and site improvement value, sales comparison approach will establish a current sales value and the income approach will establish a market rent value.

Property is appraised in "as is" condition without any assumptions or hypothetical conditions

In my opinion, the value of the subject property, as of April 25, 2023, was as follows:

**Office Warehouse Building
1128 Commerce Drive
Jamestown, TN 38556**

Two Million Eight Hundred Thousand Dollars ————— \$ 2,800,000

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mike Fuller", is written over a light blue horizontal line.

Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

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Summary of Salient Facts

Subject Property: Office Warehouse Building
1128 Commerce Dr
Jamestown, TN 38556

Interest Appraised: Fee Simple Interest

Highest and Best Use Industrial/Commercial development

Land As Vacant:

Highest and Best Use As Currently Improved

As Improved: Office Warehouse.

Land Value: \$ 200,000

Cost Approach: \$ 2,100,000

Sales Comparison

Approach: \$ 2,800,000

Income Approach NA

Direct Capitalization:

Reconciled Value: \$ 2,800,000

Extraordinary None
Assumptions:

Hypothetical Conditions: None

Appraisal Specifics

Appraisal Purpose

The purpose of this appraisal is to estimate the market value of the subject property

Intended Use

The intended use of this appraisal is for portfolio management.

Intended User(s)

This appraisal is intended the use of client and the client's advisors.

Market Value Definition

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

- A. Buyer and seller are typically motivated;
- B. Both parties are well informed or well advised, and each acting in what he/she considers his/her own best interest;
- C. A reasonable time is allowed for exposure in the open market;
- D. Payment is made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and;
- E. The price represents a normal consideration for the property sold unaffected by special or creative financing of sales concessions gained by anyone associated with the sale." ¹

Three-Year Sale History

None

Current Listing/Pending Contracts

None

¹ Title XI of FIRREA, 1989.

Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraisers responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

SCOPE OF WORK

Appraisal Type: Appraisal Report

Property Identification and Inspection: Identified and inspected by Mike Fuller as follows:

- An inspection of the subject was made, and photographs were taken.
- Found on Map 64 Parcel 1.01;
- Warranty Deed Book 60 Page 599
- Fentress County Court Records.

Analysis of Physical Factors: All pertinent physical factors were analyzed.

Analysis of Economic Factors: All pertinent economic factors were analyzed.

The Extent of Data Research: I maintain a current and comprehensive database of commercial sales and listings for the East Tennessee market area. Sources of information include: MLS/Court Records; Appraiser/Broker networking.

Market data confirmed by reliable sources.

The Type and Extent of Analysis: Cost Approach: This approach is applicable, necessary and has been fully developed.

Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.

Income Approach: This approach is applicable, necessary and has been fully developed.

Conditions and Assumptions

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

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

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

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

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

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

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

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

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

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

Area Analysis

Fentress County is located in the southeast region of the United States where more than half of the population of the country is within a 500-mile radius. The mountains, lakes and favorable climate have attracted people and industry to the region in recent years. This migration of people and industry to the region enhances the possibility of economic expansion for Fentress County.

The influx of retirees to Fentress County has raised the average age and income levels of the population. This change in demographics created the establishment of new industries and businesses in the region. In return new buyers of real estate entered the market in the lower to mid range of sale prices.

This increase reflects progress in the expansion of the economic base. The county has the educational, governmental and industrial resources in place to compete for new businesses and residents seeking to locate in the region. New residential developments signify the economic climate is favorable for the growth of Fentress County. The future growth of the county will be impacted by the regional, state and national economic trends.

Property Description

SITE

Information Sources: Inspection/Court records

Site Size: 7.23 Ac

Site Shape: Rectangular

Site Topography: Level to rolling

Road Frontage/Access: An estimated 856 feet on Commerce Drive.

Utilities: City Water, Gas

Site Improvements:

- Site was cleared and is level with road

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is not located in flood hazard zone.

FEMA Map Number: 47049C 0150C

FEMA Map Date: 3/02/2010

FEMA Zone Classification: X

**Easements/
Encroachments:** None per routine inspection.

Site Comments:

- Site features adequate size, depth, convenient location and good accessibility.
- The site is suitable for the industrial or commercial use
- Site is deemed ready and available for industrial / commercial development.

Improvements

Property Type: Office Warehouse buildings – Single tenant

Age, Effective Age & Condition:

- Warehouse Building 1 built in 2003
- Actual age - 20 years old
- Effective age of 10 years based on good maintenance levels.
- Overall condition is rated good.

Size:

- Warehouse Bldg - 58,520 square feet
- Office area – 1,480 square feet
-
- Total square footage is 60,000 square feet

Foundation/Basement: NA

Foundation/Frame: Concrete slab on grade

Exterior: Prefinished crimped metal

Roof: Bar joist with metal roof

**Service Access/
Loading Docks:**

- Total of 3 Bay doors

Interior

Interior Finish: Warehouse with 4 offices area break room and restrooms

Floor Cover: Finished concrete

Restrooms: Adequate for use

MECHANICAL SYSTEMS

Heating/HVAC: Unit heater in warehouse

Cooling/Air FA Central – office area

Conditioning:

Electrical: Adequate for use

Plumbing: Adequate for use

SITE IMPROVEMENTS

Parking: • Asphalt parking at front and rear of building

Fencing - Lighting: Security fencing and lighting

Drainage: Adequate

Landscaping: Minimal

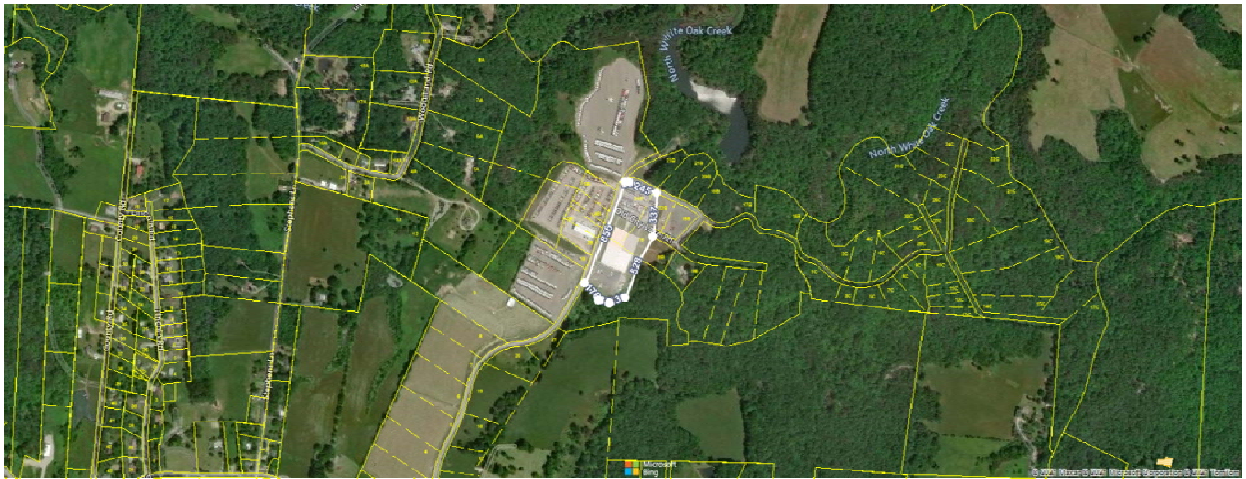
PROPERTY ANALYSIS

Functional Utility: Average

Highest and Best Use: AS currently improved

Occupancy: Owner occupied

Site Plan



Improvements Plan



Subject Photographs



Front view



Rear View



Side View from Commerce Drive



Warehouse / assembly area



Office area



Parking/storage area with fencing



Break Room Rest rooms



Commerce Dr

Highest and Best Use

Highest and best use may be defined as

the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.²

- **Permissible Use.** What uses are permitted by zoning and other legal restrictions?
 - **Possible Use.** To what use is the site physically adaptable?
 - **Feasible Use.** Which possible and permissible use will produce any net return to the owner of the site?
 - **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use as if Vacant

- Subject site encompasses 7.23 acres with rectangular shape on a street fronted lot near a major Hwy interchange.
- The topography is level to sloping with road grade creating good access and visibility. The site is sufficient in size, shape and depth to accommodate a variety of uses. Surrounding land uses are predominately commercial/wholesale to industrial. Considering the visibility and accessibility of site and its location the most appropriate use is commercial/industrial.
- **Permissible Use.** Site conforms to all legal land use regulations per routine inspection.
- **Possible Use/Financially Feasible.** The subject is located in a commercial/industrial use district with close proximity to major traffic routes in the general area. As such, the site is a good candidate for commercial/industrial development, as is evidenced by current improvements. However, based on research of local market, only build to suite development is feasible at this time
- **Maximally Productive Use, As If Vacant.** Based on the uses of subject site the have been determined to be physically possible, legally permissible and financially feasible, I conclude that the maximally productive use of site, as if vacant is for build to suit development of a office warehouse facility.

Highest and Best Use As Improved

The site as currently improved functions as a office warehouse facility. I can conceive no probable, alternate use of site that would provide a rate of return high enough to justify the cost of conversion. Therefore the use of the property as currently improved is the highest and best use of subject property.

² *The Appraisal of Real Estate* 11th Edition, Page 297, Appraisal Institute

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Income Approach
- The Sales Comparison Approach

This appraisal includes the following:

- Cost Approach: This approach is applicable, necessary and has been fully developed.
- Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.
- Income Approach: This approach is applicable, necessary and has been fully developed.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The applied process is as follows:

- Estimate the land value
- Estimate the replacement cost of the building and site improvements
- Estimate the physical, functional and/or external depreciation accrued to the improvements
- Sum the depreciated value of the improvements with the value of the land for an indication of value

Land Value

The subject's land value has been developed via the sales comparison approach. I have researched and analyzed Industrial site sales in the general market area to analyze in this approach. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

- Industrial site sales could not be found so in my opinion the best way to establish the site value is to base it on a percentage of the cost of improvements. This is a reliable method when comparable land sales can not be found.
- The subject's land value has been developed via a percentage of cost based on what developers in the general market are will pay for a site.
- Contractors / Developers will typically buy a site based on range of 8% to 15% of the cost of improvements, depending on property type.
- Subject site is located off the Hwy and is a warehouse facility so I will use 10% of the cost estimate.

Cost of Improvements \$ 2,164,946 x 10% = \$ 216,946 say \$ 200,000

Site value is estimated at \$ 200,000

Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement cost of the subject site and building improvements are based on Marshall and Swift Valuation Service, a nationally recognized cost service. Construction costs are compiled on a national basis and adjusted for time and location through use of multipliers. Where appropriate, I have used local cost data to supplement the Marshall and Swift data.

The Current Cost New is estimated by the the contractor and confirmed Marshall Swift
The reproduction cost new is estimated by the calculator cost method from Marshall Valuation Service Section 14, page 14. The type of building is classified as Office Warehouse Bldg, class C-average.

Reproduction Cost New -RCN	\$ 32.74
Current Cost Multiplier	X 1.05
Local Multiplier	<u>X .94</u>
Adjusted Reproduction Cost New	\$ 32.31

Where appropriate, I have included the following additional costs:

- Engineering
- Architectural
- Permits and Legal
- Marketing & Leasing Commissions
- Contingency
- Developer's Profit

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Depreciation Accrued To The Subject

- The actual age of improvements is 20 years and the effective age is 10 years .
- An economic life of 60 years for all buildings will be used to establish depreciation.

Cost Analysis					
Building Improvements			Cost Section 1 of 1		
Item	Unit Type	Cost	Quantity	Total	
Office warehouse bldg	Sq. Ft.	\$32.31	58,520	\$1,890,781	
Office area	Sq. Ft.	\$95.28	1,480	\$141,014	
				\$0	
				\$0	
				\$0	
				\$0	
				\$0	
				\$0	
				\$0	
				\$0	
Total Building Improvement Costs				\$2,031,796	
Site Improvements					
Item	Unit Type	Cost	Quantity	Total	
Parking areas	Lump Sum	\$50,000.00	1	\$50,000	
Fencing	Lump Sum	\$25,000.00	1	\$25,000	
Lighting	Lump Sum	\$15,000.00	1	\$15,000	
				\$0	
				\$0	
Total Site Improvement Costs				\$90,000	
Subtotal: Building & Site Costs				\$2,121,796	
Soft Costs					
Item	Percent Cost	Percent Type	Total		
Engineering	2.0%	% Building Cost	\$40,636		
Architectural	0.0%	% Building Cost	\$0		
Permits & Legal			\$5,000		
Leasing			\$0		
Total Soft Costs			\$45,636		
Contingency @			3.0%	\$63,654	
Entrepreneurial Profit			0.0%	\$0	
Total Cost			\$2,231,085		
Cost Allocation					
Total Building Costs				\$2,141,085	
Total Site Costs				\$90,000	
Depreciation					
Component	Effective Age	Life	Percent	Amount	
Physical Depreciation: Building	10	60	17%	\$356,848	
Physical Depreciation: Site	10	20	20%	\$18,000	
Functional Obsolescence Building			0%	\$0	
External Obsolescence Building			0%	\$0	
Total Depreciation			\$374,848		
Depreciated Value of Improvements			\$1,856,238		
Other Cost Sections					
				\$0	
				\$0	
				\$0	
				\$0	
Land Value					
Land Value				\$200,000	
Cost Approach Value Indication				\$2,056,238	
Rounded				\$2,100,000	

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Cost Approach Conclusion


Based on the analysis detailed on the following page, I have reconciled to a cost approach value of **\$ 2,100,000**, as of April 25, 2023, subject to the Conditions and Assumptions of this appraisal.


Sales Comparison Approach


The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principals of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

I have researched and analyzed office warehouse buildings sold in the general market area in this approach. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comparable 1	
Property Type: Office Warehouse Location: 197 Cardiff Valley Rd Rockwood TN Map/Lot: 44/32.15 Grantor: NCFRP LLC Grantee: First Quality LLC Deed: Warranty Book/Page: 1896/874 Property Rights: Fee Simple	Date: 12/22/2022 Sale Price: \$3,000,000 Price Per Square Foot GBA: \$60.30 Financing: Cash Marketing Time: 216 Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 8.47 Usable Site Size (Acres): 8.47 Road Frontage: 627 Utilities: City Water, Site Septic	Site Topography: Level Zoning: I-3 Other: Light Industrial
Improvement Data	
Improvements: single tenant Gross Building Area (SF): 49,750 Net Leasable Area (SF): 49,750 Year Built: 1989 Condition: Good - updated	Number of Units: 1 Additional Buildings: Other Improvements:
Images	
	
Notes	
<p>Sale is a 1989 Office Warehouse Building used for light mfg and sold in good / updated condition. Sale is located in Rockwood Industrial Park off of Hwy 27 near I-40</p>	
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Comparable 2	
Property Type: Office Warehouse Industrial Location: 100 Tech Drive Sweetwater TN Map/Lot: 15/199.01 Grantor: Sweetwater Investments LLC Grantee: Mastermelt America LLC Deed: Warranty Book/Page: 439/712 Property Rights: Fee Simple	Date: 8/31/2022 Sale Price: \$2,742,813 Price Per Square Foot GBA: \$63.37 Financing: Conventional Marketing Time: 67 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 10.00 Usable Site Size (Acres): 10.00 Road Frontage: 1,247 Utilities: City Water and Sewer	Site Topography: Level Zoning: I-1 Other:
Improvement Data	
Improvements: Office warehouse Single tenant Gross Building Area (SF): 43,280 Net Leasable Area (SF): 4,328 Year Built: 1996 Condition: Good	Number of Units: 1 Additional Buildings: None Other Improvements: Parking
Images	
	
Notes	
<p>Sale is a 1996 office warehouse building used for light mfg and sold in good condition. Sale is located in the Sweetwater Industrial Park off Hwy 68 and 6 miles for I-75.</p>	
<small>© Value Software - www.atvalue.com</small>	

Comparable 3	
Property Type: Office Warehouse Industrail Location: 2 West Center Stage Dr ClintonTN Map/Lot: 65/8.25 Grantor: Summit Investments Grantee: HBC Deed: Warranty Book/Page: 1768/2356 Property Rights: Fee Simple	Date: 9/8/2021 Sale Price: \$2,757,400 Price Per Square Foot GBA: \$42.42 Financing: Conventional Marketing Time: 10 days Data Source: MLS records Other Identifier: Realtor
Site Data	
Site Size (Acres): 5.00 Usable Site Size (Acres): 5.00 Road Frontage: 473 Utilities: City Water and Sewer	Site Topography: Level Zoning: I-1 Other:
Improvement Data	
Improvements: Office warehouse single tenant Gross Building Area (SF): 65,000 Net Leasable Area (SF): 65 Year Built: 1989 Condition: Average	Number of Units: 1 Additional Buildings: None Other Improvements: Parking
Images	
	
Notes	
<p>Sale is a 1989 Office warehouse Building used light mfg that sold in average condition in the Clinton Industrial Park off Hwy 61 and near fields-75</p>	
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Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Analyst: 121 Mike Fuller		Sales Analysis Grid		
	Subject	Comparable 1	Comparable 2	Comparable 3
Address	1128 Commerce Dr Jamestown, TN 38556	197 Cardiff Valley Rd Rockwood TN	100 Tech Drive Sweetwater TN	2 West Center Stage Dr ClintonTN
Sale Date	N/A	12/22/2022	8/31/2022	9/8/2021
Sale Price	N/A	\$3,000,000	\$2,742,813	\$2,757,400
Sale Price/SF	N/A	\$60.30	\$63.37	\$42.42
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		0.00%	0.00%	0.00%
Financing	NA	Cash	Conventional	Conventional
% Adjustment		0.00%	0.00%	0.00%
Conditions of Sale	NA	Normal	Normal	Normal
% Adjustment		0.00%	0.00%	0.00%
Economic Trends	4/25/2023	12/22/2022	8/31/2022	9/8/2021
% Adjustment	0.00%	0.00%	0.00%	0.00%
Adjusted Price		\$60.30	\$63.37	\$42.42
Location Comparison	Industrial Park Rural	Industrial park I-40 Superior	Indurial Park I-75 Superior	Indurial Park I-75 Superior
% Adjustment		-10.0%	-10.0%	-10.0%
\$ Adjustment		\$3.13	\$3.13	(\$4.24)
Improvements Comparison	Office / Warehouse	Office warehouse	Office warehouse	Office warehouse
% Adjustment		0.0%	0.0%	0.0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Gross Building Area Comparison	60,000	49750	43280	65000
% Adjustment		0.0%	0.0%	0.0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Site Size (Acres) Comparison	7.23	8.47 Comparable	10 Larger - Superior	5 Smaller - Inferior
% Adjustment		0.0%	-5.0%	5.0%
\$ Adjustment		\$0.00	(\$3.17)	\$2.12
Year Built Comparison	2003	1989 Inferior	1996 Comparable	1989 Inferior
% Adjustment		5.0%	0.0%	5.0%
\$ Adjustment		\$3.02	\$0.00	\$2.12
Condition Comparison	Good	Good	Good	Average Inferior
% Adjustment		0.0%	0.0%	10.0%
\$ Adjustment		\$0.00	\$0.00	\$4.24
Final Adjusted Price		\$66.45	\$63.34	\$46.66
Net Adjustments		\$6.15	(\$0.04)	\$4.24
Weighting, 1-10		10	10	10
Weighted Average		\$58.82		
Average		\$58.82		
Reconciled Value		\$ 47.00 per sf		

Adjustment Notes

The unit of measurement for site sales used in the local market is \$ per square foot.

Conditions of Sale

All sales represent normal conditions with no concessions paid and proper market exposure.

Reconciliation of Sales

- All sales are office warehouse buildings in rural counties located in general market area.
- Sales were selected based on square footage, design and Industrial location.
- All sales are adjusted downward for location near I-40 and I-75
- Sale 1 is a recent sale in Cookeville near I-40. Adjusted downward for location.
- Sale 2 is a recent sale in Sparta and best represents subject property. Adjusted downward for site size.
- All sales are located in Industrial parks
- Sale 3 represents a older, larger building sold in Cleveland
- Sales 1 and 2 are deemed most reliable based square footage, use and site size.
- Adjusted sales ranged from \$ 46.66 / sqft to \$ 66/ sqft,

Based on comparison of these sales and analysis of subject's competitive environment, indicated value by the sales comparison approach is reasonable at \$ 47.00 per square foot for this office warehouse building;

Improved Value Calculation Unit of Measurement - \$ per sqft

60,000 SF x \$ 47.00 per sqft = \$ 2,820,000 Say \$ 2,800,000

Sales Comparison Approach Conclusion

Based on the above analysis, I have reconciled to a value of **\$ 2,800, 000**, as of April 25, 2023, and subject to the Conditions and Assumptions of this appraisal.

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed.

In this appraisal, two approaches to value were applied. Each approach has been considered separately and comparatively with each other.

Value Indications

Sales Comparison Approach	\$ 2,800,000
Cost Approach	\$ 2,100,000
Income Approach.....	NA

Sales Comparison Approach

The sales data for office / warehouse buildings were limited in this build to suit commercial market. The sales selected were the best available and were adjusted for differences. This approach is given some weight in final analysis.

Cost Approach

The cost approach is generally regarded as the least reliable approach to value due to the subjective way depreciation is applied. Since the subject property represents new modern construction, the cost approach is deemed reliable and given strong consideration in final analysis

Income Approach

The income approach was not developed due to lack of data.

Value Conclusion

There based on the data and analyses developed in this appraisal, I have reconciled to a value estimate of \$ 2,800,000, as of April 25, 2023, subject to the Conditions and Assumptions of this appraisal.

Exposure Time

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

(Appraisal Standards Board of the Appraisal Foundation, Statement on Appraisal Standards # 6,” Reasonable exposure Time in Market Value Estimates,” October 1992)

Exposure times in East Tennessee typically range from six months to one year for similar properties. Therefore, the exposure time of subject property is estimated at six months to one year at or near the appraised value

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or contemplated future interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My experience with this type of property and knowledge of the market area allows me to competently complete this assignment.
- My analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- I have made a personal inspection of the property that is the subject of this report.
- I have not appraised this property in the past 3 years.
- No one provided significant professional assistance to me in the development of the conclusions contained in this report.
- The Appraiser has established sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- My value conclusion and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.



Mike Fuller, SRA
State Certified General Real Estate Appraiser
CG-86

Fuller Appraisal Company
204 Country Club Road
Rockwood, TN 37854

Qualifications of the Appraiser (2023)

Michael T. Fuller, SRA

Certified General Real Estate Appraiser

CG-86

Fuller Appraisal Company

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Rockwood, TN 37854

E-mail: mfullersra@gmail.com

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Memberships:

SRA Designation, Appraisal Institute

MAI Associate, Appraisal Institute

Knoxville Area Association of Realtors,

Upper Cumberland Board of Realtors,

River Counties Board of Realtors

Roane County and Cumberland County Chamber of Commerce

Elected to Rockwood City Council 11/2016

Re elected Rockwood City Council 11/2020

College Education:

Bachelor of Science - Business Management

Professional and Technical Educations - Appraisal Institute Courses

- **Hotel / Motel Valuation**
- **The Discounted Cash Flow Model: Concepts and Issues**
- **Golf Property Analysis & Valuation.**
- **Subdivision Valuation**
- **General Appraiser Sales Comparison Approach**
- **General Site Valuation & the Cost Approach**
- **Appraising Convenience Store**
- **Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets**
- **USPAP 2016**
- **General Appraiser Market Analysis and Highest & Best Use**
- **Real Estate Finance Statistics and Valuation Modeling**

Current Employment:

Presently self-employed fee appraiser and owner of Fuller Realty Services, Inc. dba Fuller Appraisal Company, a real estate appraisal firm, since 1990.

Experience includes residential, commercial and special purpose properties.

