

INSURABLE REPLACEMENT COST ESTIMATE

PROPERTY: Office
LOCATION: 128831 US 231/431
 Hazel Green, AL 35750
PROPERTY DESCRIPTION: Office

INSURABLE REPLACEMENT COST CALCULATIONS:

Building #:	A				
Building Size (SF):	4,480				
Structure Class:	D				
Marshall Valuation Service Reference: (or source referenced)	Sec 15; Pg 17 (11/23)				
Base Cost PSF:	\$ 149.00	Average			
Plus (PSF)					
Storage Shed	\$ 2.86				
Porches	\$ 1.20				
Shop Office delete	\$ (42.15)				
	\$ -				
Subtotal:	\$ 110.91	\$ -	\$ -	\$ -	\$ -
Multipliers					
Number of Stories:	1.00				
Height Per Story:	0.90				
Perimeter:	1.10				
Calculator Cost:	1.01				
Local:	0.92				
Adjusted Cost PSF:	\$ 102.03	\$ -	\$ -	\$ -	\$ -
Estimated Insurable 100% Replacement Cost Estimate:	\$460,000	\$0	\$0	\$0	\$0
Insurable Replacement Cost Estimate:	\$410,000	\$0	\$0	\$0	\$0

Insurable Replacement Costs (IRC) are 90% of the current replacement cost of EACH INDIVIDUAL structure, either as proposed in plans and specifications or as existing when physically inspected. Only PERSONAL PROPERTY necessary to the operation, management or marketing of the property is included.

IRCs INCLUDE: repair engineering and design fees; permit fees; and contractor's overhead and profit.

IRCs EXCLUDE: costs associated with land acquisition and development; professional fees not directly related to repairs; taxes, financing costs, owner's overhead and profit; loss of income during repairs, chattels not included above; and , all other costs not relevant to the repair of insured damages.

DIRECTIONS:

1. Each structure being appraised requires a separate IRC estimate. This requirement pertains to all structures. Even structures not considered to contribute any value
2. Shaded areas of the IRC document automatically calculate.
3. Use additional IRC forms should the number of buildings exceed the columns available.

CERTIFICATION

The undersigned hereby certifies 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 is my personal, unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest or bias in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- *Allen J. Sasso, MAI* made a personal inspection (interior and exterior) of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify that, to the best of our knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- We certify that 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, *Allen J Sasso, MAI* has completed the continuing education program for Designated Members of the Appraisal Institute.
- This assignment was made subject to the regulations of the State of Alabama Real Estate Appraisers Board. The undersigned State Certified Appraiser has met the requirements of the Board that allows this report to be regarded as a "Certified Appraisal."
- We have not performed a previous appraisal involving the Subject Property within the three year period prior to this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Respectfully Submitted,



Allen J. Sasso, MAI
Certified General Real Property Appraiser
Alabama Certification #G00652

ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumptions and Limiting Conditions (*the use of an extraordinary assumption is an issue that is believed to be true, but, if found false, could affect the assignment results*):

1. Some water penetration was noted near the southwest corner of the front office area. It is assumed that no significant/extraordinary (i.e. only typical maintenance required) to correct this issue. If significant or extraordinary costs/measures are required to correct this issue, the value conclusion could change.
-

Unless otherwise stated, this appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description(s) furnished is assumed to be correct and no responsibility is assumed for matters pertaining to legal or title considerations. The value estimates herein are reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of legal nature unless non-compliance has been stated, defined, and considered in this appraisal report. It is assumed that the title is good and marketable.
2. No survey or title policy was provided. It is assumed any and all easements and/or encroachments affecting the property as of their respective effective dates are not detrimental to the properties value. Also, 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 in the report.
3. Sketches, maps, photographs and other exhibits in this report are included only to assist the reader in visualizing the property.
4. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as, but not limited to, asbestos, urea-formaldehyde foam insulation, site contaminants, or other potentially hazardous materials may affect the value of the property. The value estimate herein is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge and cost required to discover them. The client is urged to retain an expert in this field, if desired.
5. 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 herein. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered herein. It is assumed that all licenses, certificates of occupancy, consents or other legislature or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or received for any use on which the value estimate contained in this report is based.
6. No environmental impact studies were made in conjunction with this appraisal and the appraiser hereby reserves the right to alter, amend, revise, or rescind any portion of the value or opinions expressed herein, based on any subsequent data discovered.
7. The distribution of the total valuation estimate in this report between land and improvements applies only under the existing or reported program of utilization. The separate valuation for land and improvements must not be used in conjunction with any other appraisal and is invalid if so used.
8. It is assumed that the property is free and clear of all encumbrances, unless specific mention to the contrary has been made herein.

Assumptions and Limiting Conditions - continued

9. It is assumed that the property is, and will continue to be, operated under competent and responsible ownership and management.
10. The value estimate herein is predicated upon an all-cash basis as of the effective date of appraisal.
11. Real estate values are influenced by a large number of external factors and we have no ability to predict future events. The representations herein are based upon known supply and demand conditions existing in the current market. The data contained herein comprises that pertinent data considered necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the property being appraised. Due to rapid changes in external factors, the value estimate is considered reliable only as of the effective date of appraisal.
12. Certain information concerning the market, comparable properties and operating data, as well as data pertaining to the property being appraised was obtained from others and/or based on observation. This information has been verified and checked, where possible, and is considered reliable and believed to be true and correct. However, such information is not guaranteed and no liability is assumed resulting from possible inaccuracies or errors regarding such information or estimates.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of communication without the prior written consent and approval of the appraiser.
14. The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the client and the appraiser.
15. The appraiser assumes that there are no hidden or unapparent conditions on the property, soil or structures which could affect the value conclusion. The appraiser assumes no responsibility for such conditions, if any, or for engineering which may be required to discover such possible conditions. The client is urged to retain experts in the appropriate fields (environmental, engineering, property condition, etc.) necessary to determine the existence of any such conditions.
16. We are not experts in detecting termite damage or infestation and have assumed that any infestation and/or damage that may or may not be present could be corrected or cured by nominal capital expense. It is highly recommended that any person or entity that could suffer financial loss from such infestation or damage seek a professional opinion regarding the extent of damage or infestation, if any.
17. We are not licensed building inspectors or otherwise experts in determining the structural conditions of buildings. It is assumed that the basic building structures and roof structures of the various buildings are sound. Furthermore, it is assumed that the Subject's electrical and plumbing systems meet any and all applicable building codes, and are otherwise in good working order, unless otherwise noted herein.
18. Disclosure of the contents of this appraisal is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated and applicable Federal, State and Local law.
19. The appraised value concluded herein is made for the real property only, exclusive of furniture, fixtures and special equipment.

ADDENDA

QUALIFICATIONS OF APPRAISER

Allen J. Sasso, MAI



Owner/Partner - A&S Appraisal Company, LLC

Actively engaged in the valuation of commercial real property since June 1998. Property types appraised include: proposed and existing apartments, single and multi-tenant retail facilities, restaurants, general and medical office buildings, single- and multi-tenant light industrial facilities, vacant land, as well as special-purpose properties such as veterinary clinics, churches, daycare centers, dialysis clinics and funeral homes.

Former Employment: *The David Wilson Company, LLC*, appraisal
Huntsville, Alabama
Senior Appraiser - June 1998 to March 2007

SouthBank & SouthTrust Mortgage Corporation, mortgage banking
Huntsville, Alabama
Loan Processor/Loan Originator - October 1997 to June 1998

Professional Affiliations: State Certified General Real Property Appraiser - Alabama (G00652)
Appraisal Institute MAI #12421 - issued September 2006
Appraisal Institute Leadership Development Advisory Counsel (LDAC) 2010
President - Alabama Chapter Appraisal Institute 2012
Vice President - Alabama Chapter Appraisal Institute 2011
Treasurer - Alabama Chapter Appraisal Institute 2010
Secretary - Alabama Chapter Appraisal Institute 2009

Education: Auburn University; Auburn, Alabama
Bachelor of Arts – degree granted June 1994
Major: Economics Minors: Political Science and History

Appraisal Courses/Seminars: Appraisal Institute courses/exams successfully completed:

420	Business Practices and Ethics; multiple times
540	Report Writing and Valuation Analysis; October 2005
400	Standards of Professional Practice - Part C (USPAP), September, 2005
550	Advanced Applications; July 2005
530	Advanced Sales Comparison and Cost Approaches; August, 2004
510	Advanced Income Capitalization; October, 2003
520	Highest & Best Use and Market Analysis; April, 2002
310	Basic Income Capitalization; March, 2001
320	General Applications; October, 2000
120	Appraisal Procedures; October, 1999
410	Standards of Professional Practice - Part A (USPAP), March, 1999 & 2003
420	Standards of Professional Practice - Part B (USPAP), March, 1999

Appraisal Institute and Other Seminars/Courses completed:

- An Introduction to Valuing Green Buildings
- Feasibility Analysis, Market Value & Investment Timing
- Appraising Distressed Commercial Real Estate
- Analyzing Operating Expenses
- Comparative Analysis
- Forecasting Revenue
- Appraisal of Fast Food Facilities
- Appraisal of Land Subject to Ground Lease
- The Basics of Expert Witness for Commercial Appraisers
- Appraisal of Owner-Occupied Commercial Properties
- Appraisal of Self-Storage Facilities
- Appraisal of Industrial and Flex Facilities
- Appraisal of Medical Office Buildings

QUALIFICATIONS - continued
Allen J. Sasso, MAI

Appraisal/Consulting Services Performed For (partial list):

- Redstone Federal Credit Union
- PNC Bank
- BBVA Compass Bank
- Alabama Housing Finance Authority
- CB&S Bank
- Wells Fargo Bank
- Iberia Bank
- ServisFirst Bank
- Bryant Bank
- Synovus Bank
- Regions Bank
- National Bank of Commerce
- First Citizens Bank
- Progress Bank
- CB Richard Ellis
- BancorpSouth Bank

Partial List of Major Appraisal Assignments:

Green Isle Apartments, Bessemer, Alabama, 168 units built in 1973 proposed for a major renovation in 2007
Regal Pointe Apartments, Tuscaloosa, Alabama, 208 units built in 2002 and 2003
The Arbors of Madison Apartments, Madison, Alabama, 204 units built in 1990
Sara's Ridge Apartments, Cullman, Alabama, 56 LIHTC "elderly" units proposed for 2008
More than 20 proposed LIHTC apartment communities throughout Alabama

2317 Bob Wallace Avenue, Huntsville, Alabama, a 10,200 SF single-tenant retail facility on leased land, built in 2004
Meadowbrook Place, Huntsville, Alabama, a 65,168 SF former Winn Dixie anchored shopping center, built in 1994
11227 Highway 157, Moulton, Alabama, a 19,456 SF multi-tenant strip retail facility, built in 1998
2691 Sandlin Road, Decatur, Alabama, a 10,500 SF strip retail facility, built in 2001

7010 Governor's West, Huntsville, Alabama, a 17,500 SF daycare facility, proposed for 2011
10020 Blanda Drive, Huntsville, Alabama, a 4,476 SF daycare facility, built in 1978 and renovated in 2010

7583 Wall Triana Highway, Harvest, Alabama, a 3,996 SF freestanding medical office facility, built in 2005 and 2006
4001 Balmoral Drive, Huntsville, Alabama, a 10,762 SF freestanding dental/orthodontic office facility, built in 2005
8045 Highway 72, Madison, Alabama, a 7,416 SF freestanding medical facility, built in 1995
2353 Whitesburg Drive, Huntsville, Alabama, a 6,248 SF dental office facility, built in 1977 and renovated in 2005

LEED Certified "Green" Buildings at Madison Research Park, Madison, Alabama, 80,000 SF, proposed for 2008/2009
Rockwell Collins R & D Facility, Huntsville, Alabama, a 30,074 SF research & development facility, proposed for 2007
302-305 2nd Avenue., Decatur, Alabama, a 15,248 SF downtown retail/office facility, built in 1924
350 Wynn Drive, Huntsville, Alabama, a 30,480 SF office building, built in 2004
401 Holmes Avenue, Huntsville, Alabama, multi-tenant downtown office building totaling 16,800 SF

Limestone Chapel Funeral Home, Athens, Alabama, a 13,990 SF funeral home, built in 1989

Bojangles, Florence, Alabama, a 3,197 SF restaurant, built in 1999 and extensively renovated in 2006/2007
Captain D's, Huntsville, Alabama, a 2,230 SF restaurant on a leased parcel of land
Ricatonis, Florence, Alabama, a 6,486 SF restaurant, built in the early 1900's and renovated to a restaurant in 1996

118 Woodward Ave., Tuscumbia, Alabama, a 44,065 SF, three-building automobile sales facility, built from 1980 - 2005
3800 University Drive, Huntsville, Alabama, a 89,793 SF, four-building, automobile sales facility, built from 1972 - 2007

Jetplex Center, Huntsville, Alabama, a 147,200 SF, multi-tenant distribution facility, built in 1988 and 1989
2845 Wall Triana Highway, Huntsville, Alabama, a 120,387 SF office/warehouse facility, built in 1985
341 RTI Drive, Fort Payne, Alabama an 8,460 SF distribution/warehouse facility, built in 2004
376 Dan Tibbs Road, Huntsville, Alabama, a 8,130 SF net leased retail/service facility for United Rentals
528 Tennessee Street, Florence, Alabama, a 21,412 SF downtown showroom/warehouse facility, built in 1978
661 Railroad Avenue, Albertville, Alabama, 16,965 SF light manufacturing facility, originally built in the mid 1980's
331 City Park Drive, Arab, Alabama, 78,150 SF manufacturing facility, originally built in 1971 and expanded in 1975
1071 Winchester Road, Huntsville, Alabama, a 4,000 SF automobile service facility, built in 1989

E Mini-Storage, Limestone County, Alabama, a 164-unit mini-storage facility built in 1999 and expanded in 2007
Ryland Mini-Storage, Madison County, Alabama, a 260-unit mini-storage facility built in 2001, 2005 and 2009

Cornerstone Baptist Church, Madison Co., AL, a 18,242 SF church facility, built in 2006 with proposed addition in 2012
Right Way Church of God in Christ, Huntsville, Alabama, a 12,332 SF church facility, built in 1970 and expanded in 1995
Lindsay Lane Baptist Church, Athens, Alabama, a 109,756 SF church and school facility, built from 1988 - 2008

State of Alabama



This is to certify that

Allen J Sasso

*having given satisfactory evidence of the necessary
qualifications required by the laws of the State of Alabama
is licensed to transact business in Alabama as a*

Certified General Real Property Appraiser

*With all rights, privileges and obligations
appurtenant thereto.*

A handwritten signature in black ink, appearing to read "Spina Baker", is written over the printed name of the Executive Director.

Executive Director

LICENSE NUMBER: G00652
EXPIRATION DATE: 9/30/2025

ALABAMA REAL ESTATE APPRAISERS BOARD

Engagement Letter



Date: 03/25/2024 Appraisal Order #: 33974

A&S Appraisal Co., LLC
287 A Taylor Road
Owens Cross Roads, Alabama 35763
Allen Sasso, MAI
allensasso@yahoo.com
Allen Sasso

Dear Sir/Madam:

This letter will confirm your engagement to provide the below mentioned professional appraisal service. The assignment must be prepared in accordance with SouthState Bank's Appraisal Policy and Guidelines. In addition, the appraisal must conform with the specific conditions indicated on the following pages. **Please consider this letter as your authorization to proceed. In conformance with Interagency Guidelines and Bank policy, the engaged appraiser must sign the Report.**

Representatives of Bank will perform a review of the report. Your full cooperation in the review process is deemed to be an integral part of this valuation assignment. The appraisal report will not be considered "Accepted" until Bank has reviewed the appraisal for completeness, clarity and content. The appraiser accepting engagement is expected to fully cooperate with the Review Appraiser in providing additional information pertaining to any revisions or requested clarification of the report. The appraiser agrees to promptly respond to all inquiries for revisions and resubmit a revised report to Bank. Payment of the appraisal fee will be upon final acceptance of the report by Bank. Please note – revision requests are expected to take priority due to time considerations.

It is mutually agreed that time is of the essence and the completed report will be delivered to the undersigned on or before the date specified below, and that the total fee (including expenses) will not exceed the agreed upon fee. SouthState Bank, N.A. reserves the right to impose a penalty of **\$100 per day** for appraisal reports not delivered as promised or without prior notice as outlined herein. This penalty does not apply to single family residential property appraisals or evaluations. If an appraisal or evaluation is not completed and received on or before the scheduled due date (unless otherwise notified), SouthState Bank, N.A. reserves the right, at its sole discretion, to cancel your employment under this agreement, in which case **no fee** will be paid. Notwithstanding the right to cancel, SouthState Bank, N.A. may at its sole discretion elect to accept the appraisal report subject to the late penalty previously stated. **Timely delivery is important on all assignments. Late delivery is documented and may affect future engagements.**

The undersigned authority is your **confidential** client. You are to take all reasonable steps to ensure that you and your organization divulge no information concerning your report to any person other than the undersigned without prior approval from said undersigned.

All members and/or appraisal sub-contractors of your organization certify that they have no personal, business, or other relationship with the subject property's ownership, or have attached an explanation disclosing the nature of such relationship(s).

No 3rd party property inspections without prior approval from Appraisal Management.

The engaged appraiser is not required to inspect the property, however the inspecting appraiser MUST sign the appraisal report.

**Please address the current COVID-19 pandemic within the appraisal, including how, if at all, current market conditions affect the value and marketability of the subject property. A general discussion is not satisfactory by itself. You should discuss with the property owner/property contact how COVID-19 pandemic has impacted the subject property specifically and what future effects are anticipated.*

Assignment Conditions Summary

Appraisal Due Date:	04/01/2024	Total Fee:	\$1,995
Request Type:	Commercial RE Appraisal		
Requestor:	Sean Ruane, MAI, AI-GRS, AVP/Commercial Appraisal Analyst, SouthState Bank		
Request Purpose:	Internal Risk Rated		
Borrower Name(s): (Not required in report)	Flint Crossing Outdoors LLC		
Property Contact(s):	Mathew Hillis , Owner, (256) 759-1483, MATTHEW@FLINTCROSSING.COM		
Property Location:	12883 Hwy 231/431 N, Hazel Green, Alabama 35750		
Parcel Number(s):	080306000003.015		



Real Estate Appraisals performed are to adhere to the following requirements:

1. The appraisal report shall be in writing, in a narrative format or on an approved form.
2. The appraisal report must conform to the most current edition of the Uniform Standards of the Professionals Appraisal Practices (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.
3. The appraisal report shall contain an affirmative statement that the appraiser is competent to complete the report in accordance with the competency provision of USPAP. In the absence of such affirmative statement, the appraiser must disclose any lack of knowledge and/or experience in this assignment, and any steps taken to comply with the competency provision of USPAP.
4. The appraisal report shall analyze and report, in a reasonable detail, any prior sales of the subject property that occurred within the last three years.
5. The appraisal report shall analyze and report data on current revenues, expenses, and vacancies for the property, if it is and will continue to be income producing. Current revenues are based on those currently being earned on competing properties.
6. **Strengths and weakness:** Include a Strengths and Weaknesses section within the appraisal that focuses on the subject property, and its product type and market on a micro and macro level.
7. The appraisal report shall analyze and report on current market conditions and trends that will affect projected income or the absorption period, to the extent they affect the value of the subject property.
8. In addition to the certification required by USPAP, the appraisal report shall contain an additional statement that the appraiser has acted in an independent capacity, and that the appraisal assignment is not based upon a requested minimum valuation or a specific valuation.
9. The appraisal report, in addition to the description required by USPAP, **shall include the legal description of the subject property.**
10. The appraisal report shall include sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at a conclusion indicate to the reader the reasonableness of the values reported. The appraisal report shall be sufficiently descriptive to enable the reader to ascertain the estimated values and the rationale for the estimates and shall provide detail and depth of analysis reflecting the complexity of the subject property.
11. The appraisal report shall follow a reasonable valuation method that addresses the cost, direct sales comparison, and income approaches to value, reconciles those approaches and explains the elimination of each approach not used.
12. The appraisal report shall identify and separately value any personal property, fixtures or intangible items that are not real property but are included in the appraisal and discuss the impact of their inclusion or exclusion on the estimates of market value and fair value.
13. If a **Going Concern Value** is requested or is derived in the course of the appraisal assignment, the components of the Going Concern Value **MUST** be allocated to include, at a minimum, the value of the Real Estate.
14. All appraisals must include an estimation of remaining economic life. If remaining economic life is five (5) years or less, please provide value of the land "as vacant."
15. Appraiser must make comment in the report regarding prior 3 year services on the subject property.
16. The appraisal report must include a signed copy of this engagement letter.
17. **Delivery Instructions:** Please upload report to the YouConnect management system. ***Document security **must** be set to allow Commenting, Copying, Printing, Document Compare and Extracting of Content for use in the Bank's review function. Documents may be otherwise restricted from changes subject to the supplier's personal security preference.
18. The following definitions are set forth:

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

Disposition Value is defined as: "The most probable price that a specified interest in real property should bring under the following conditions: a) Consummation of a sale within a specified time period, which is shorter than the typical exposure time for such a property in that market; b) The property is subjected to market conditions prevailing as of the date of valuation; c) Both the buyer and seller are acting prudently and knowledgeably; d) The seller is under compulsion to sell; e) The buyer is typically motivated; f) Both parties are acting in what they consider to be their best interests; g) An adequate marketing effort will be made during the exposure time; h) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; i) 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."

Bulk Sale Market Value is defined as: "The sale of two or more parcels of real estate to one buyer in one transaction. Usually a bulk sale will involve multiple parcels of either vacant or improved properties."

Going Concern Value is defined as: "The value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place."



Insurable Value (Replacement Cost for Insurance purposes) is defined as: "The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted)." As there are multiple methods with which to calculate insurable value, we strongly suggest following Section 96 of Marshall Valuation Service as a guide.

Please direct all requests for additional information to the undersigned by utilizing the "Vendor/Job Manager Discussion" section located on the Report Submission web form. Please do not utilize external email.

Sean Ruane, MAI, AI-GRS
Appraisal Department
1951 8th Street NW
Winter Haven, FL 33881
(863) 695-7348
sean.ruane@southstatebank.com

By confirming your acceptance of this contract through SouthState Bank's YouConnect management system, you acknowledge that you have read and agreed to the general and special requirements.

A signed copy of this letter must be included in the appraisal.

Sincerely,

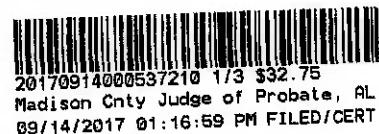
Acknowledged and Agreed by the following authorized representative of the Appraisal Firm:

By: Allen J. Sasso, MAI Date: 3/25/24

SUBJECT PROPERTY DATA

STATE OF ALABAMA

COUNTY OF MADISON



THIS INDENTURE made and entered into on this the **13th day of September, 2017** by and between **JAMES K. SWAIM AND ASHLEY T. SWAIM, husband and wife and JAMES L. TATE AND CONNIE M. TATE, husband and wife**, as Grantors and **FLINT CROSSING OUTDOORS, LLC, an Alabama limited liability company**, as Grantee.

WITNESSETH: That the Grantors for and in consideration of the sum of Ten and no/100 Dollars to them cash in hand paid this day by the Grantee, and other good and valuable consideration, receipt of which is hereby acknowledged, have this day given, granted, bargained, sold and conveyed and do by these presents give, grant, bargain, sell and convey unto the Grantee the following described real estate lying and being situated in the **County of Madison, State of Alabama, to-wit:**

ALL THAT PART OF THE SOUTHWEST QUARTER OF SECTIONS 6, TOWNSHIP 2 SOUTH, RANGE 1 EAST OF THE HUNTSVILLE MERIDIAN, MADISON COUNTY, ALABAMA.

PARTICULARLY DESCRIBED AS COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 6, THENCE SOUTH 00 DEGREES 01 MINUTES 52 SECONDS EAST 4010.26 FEET TO A POINT; THENCE SOUTH 89 DEGREES 41 MINUTES 20 SECONDS EAST 342.37 FEET TO A POINT; THENCE SOUTH 08 DEGREES 53 MINUTES 10 SECONDS EAST 81.27 FEET TO A POINT; THENCE SOUTH 09 DEGREES 05 MINUTES 30 SECONDS EAST 335.50 FEET TO A 3/8" CAPPED REBAR STAMPED "HEL5", SAID POINT BEING ON THE WESTERLY RIGHT OF WAY MARGIN OF U.S. HIGHWAY 231 - 431; THENCE ALONG SAID MARGIN SOUTH 09 DEGREES 03 MINUTES 08 SECONDS EAST 650.00 FEET TO A 5/8" CAPPED REBAR STAMPED "CSCE-CA-0489-LS" AND THE POINT OF BEGINNING;

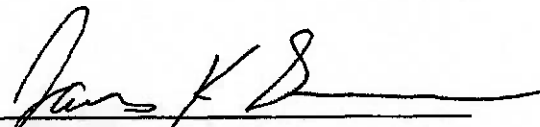
THENCE FROM THE POINT OF BEGINNING CONTINUE ALONG SAID MARGIN SOUTH 09 DEGREES 03 MINUTES 08 SECONDS EAST 100.00 FEET TO A 5/8" CAPPED REBAR STAMPED "CSCE-CA-0489-LS"; THENCE LEAVING SAID MARGIN SOUTH 80 DEGREES 54 MINUTES 29 SECONDS WEST 200.00 FEET TO A 5/8" CAPPED REBAR STAMPED "CSCE-CA-0489-LS"; THENCE NORTH 09 DEGREES 03 MINUTES 08 SECONDS WEST 100.00 FEET TO A 5/8" CAPPED REBAR STAMPED "CSCE-CA-0489-LS"; THENCE NORTH 80 DEGREES 54 MINUTES 29 SECONDS EAST 200.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.46 ACRES, MORE OR LESS.

SUBJECT TO A 20 FOOT PUBLIC UTILITY, DRAINAGE AND LANDSCAPE EASEMENT ALONG THE REAR PROPERTY LINE.

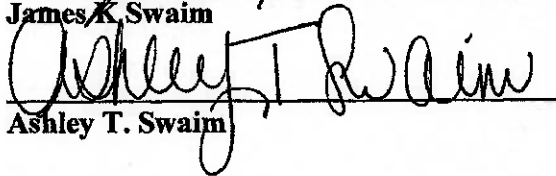
AND FURTHER SUBJECT TO THOSE RESTRICTIVE COVENANTS APPLICABLE TO THE SUBJECT PROPERTY RECORDED IN DEED BOOK 897, PAGE 157, IN THE PROBATE OFFICE OF MADISON COUNTY,

1. Ad valorem taxes for the year 2017 and subsequent years.
2. Restrictive Covenants for Jacob's Landing and filed May 20, 1997, as recorded in Deed Book 897, at Page 157, in the Office of the Judge of Probate of Madison County, Alabama.


IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals on the day and year first above written.




 James K. Swaim



 Ashley T. Swaim



 James L. Tate



 Connie M. Tate

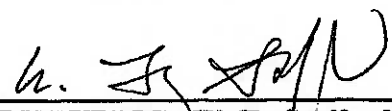
STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned, a Notary Public in and for the above County, in said State, hereby certify that **James K Swaim and Ashley T. Swaim**, whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand, this 13th day of September, 2017.





 NOTARY PUBLIC - W. Ty Stafford
 My Commission Expires: 08/01/2020

STATE OF ALABAMA

COUNTY OF MADISON

I, the undersigned, a Notary Public in and for the above County, in said State, hereby certify that **James L. Tate and Connie M. Tate**, whose names are signed to the foregoing conveyance, and who are known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand this 13th day of September, 2017.

Real Estate Sales Validation Form

This Document must be filed in accordance with Code of Alabama 1975, Section 40-22-1

Grantor's Name James K Swaim and Ashley T. Swaim and James L. Tate and Connie M. Tate

Grantee's Name Flint Crossing Outdoors, LLC, an Alabama limited liability company

Mailing Address 135 Forrest Lane Meridianville, AL 35759

Mailing Address 102 Tanner Road New Market, AL 35761

Property Address 12883 Hwy 231/431 N Hazel Green, AL 35750

Date of Sale September 13, 2017

Total Purchase Price \$382,500.00

or Actual Value \$

or Assessor's Market Value \$

The purchase price or actual value claimed on this form can be verified in the following documentary evidence: (check one) (Recordation of documentary evidence is not required)

- Bill of Sale
Sales Contract
[X] Closing Statement

- Appraisal
Other

If the conveyance document presented for recordation contains all of the required information referenced above, the filing of this form is not required.

Instructions

Grantor's name and mailing address - provide the name of the person or persons conveying interest to property and their current mailing address.

Grantee's name and mailing address - provide the name of the person or persons to whom interest to property is being conveyed.

Property address - the physical address of the property being conveyed, if available. Date of Sale - the date on which interest to the property was conveyed.

Total purchase price - the total amount paid for the purchase of the property, both real and personal, being conveyed by the instrument offered for record.

Actual value - if the property is not being sold, the true value of the property, both real and personal, being conveyed by the instrument offered for record. This may be evidenced by an appraisal conducted by a licensed appraiser or the assessor's current market value.

If no proof is provided and the value must be determined, the current estimate of fair market value, excluding current use valuation, of the property as determined by the local official charged with the responsibility of valuing property for property tax purposes will be used and the taxpayer will be penalized pursuant to Code of Alabama 1975 § 40-22-1(h).

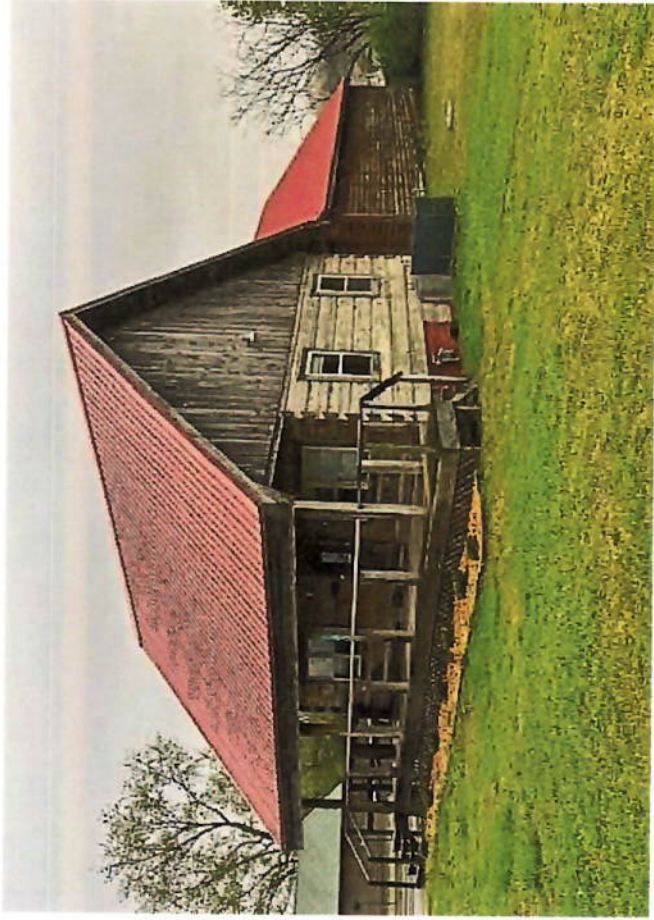
I attest, to the best of my knowledge and belief that the information contained in this document is true and accurate. I further understand that any false statements claimed on this form may result in the imposition of the penalty indicated in Code of Alabama 1975 § 40-22-1 (h).

Date September 13, 2017

Print W. Ty Stafford, Closing Agent

Unattested (verified by)

Sign (Grantor/Grantee/Owner/Agent) circle one



Northeast corner



Southwest corner



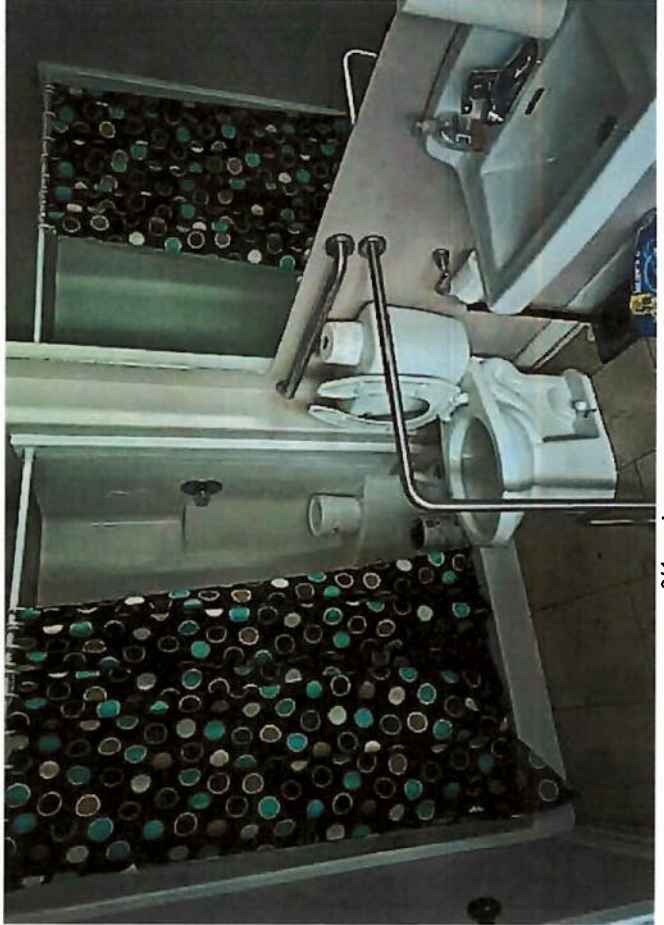
Southeast corner



Shed



Break room



3/4 restroom



Rear, upstairs area



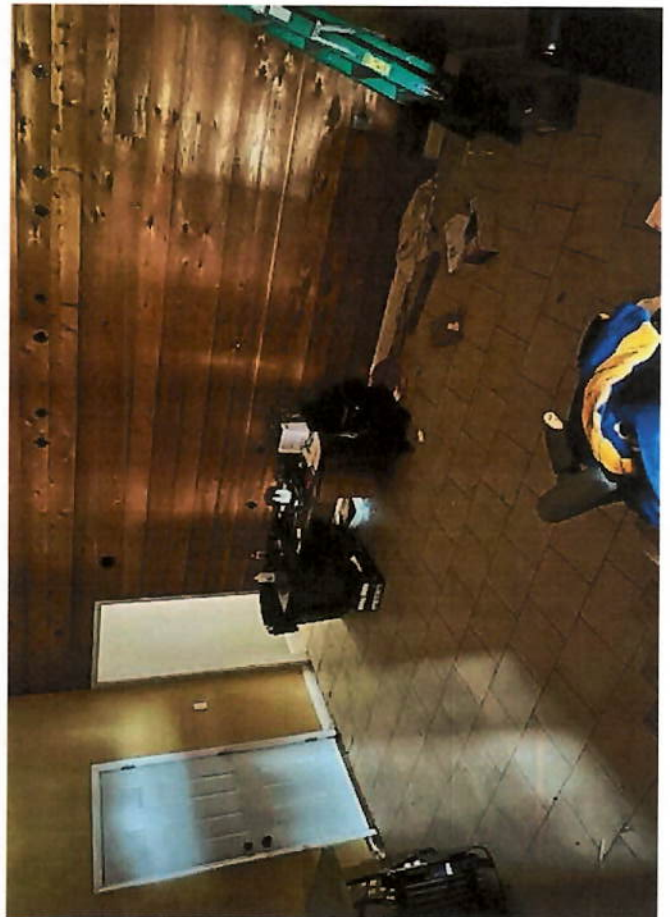
Rear production/shop area



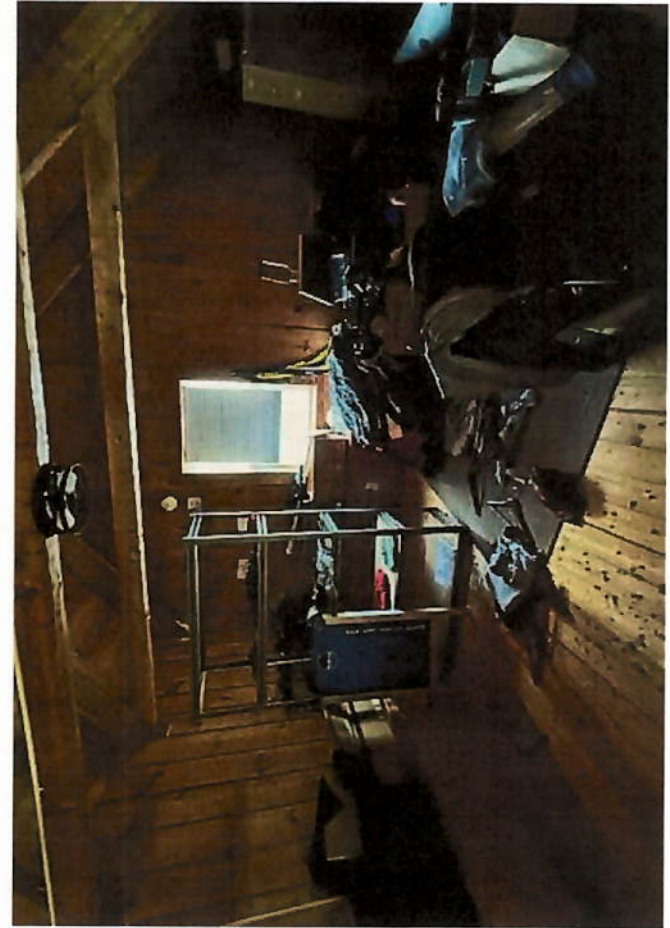
Front office area



Front office area



Connector room



Front "loft" office area

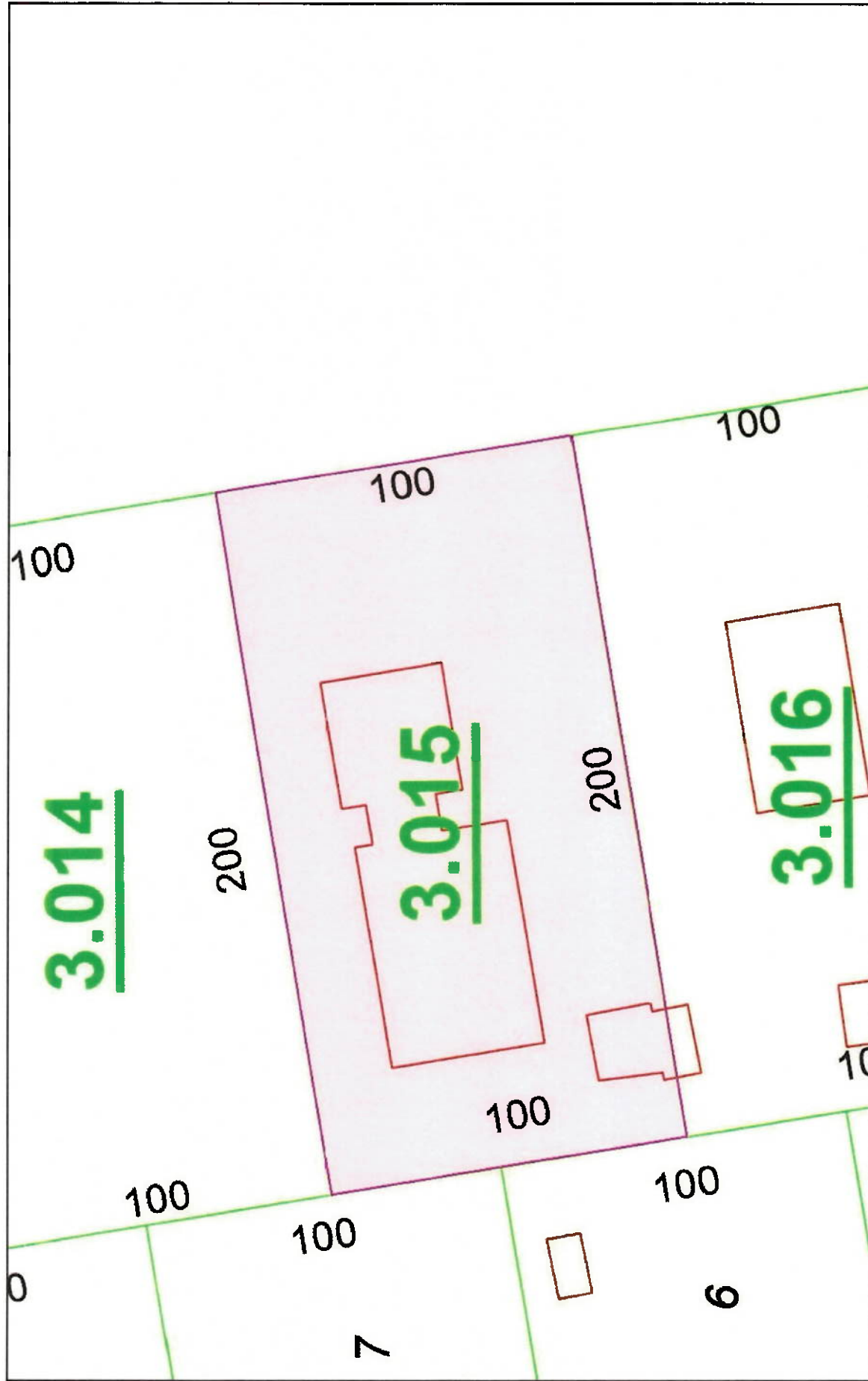


Street scene looking north

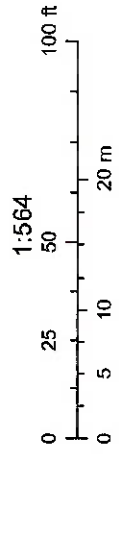


Water penetration in front office area

Viewer Map



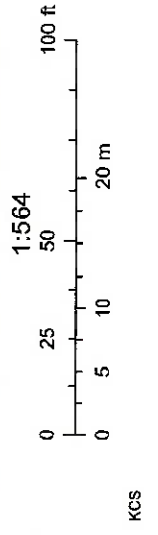
March 25, 2024



Viewer Map



March 25, 2024





MADISON COUNTY
Property Appraisal and Tax Payments

Current Date: 3/25/2024 Tax Year: 2024

⚠️ You are viewing a future tax year. Any values and taxes shown are estimates and are subject to change. [Click here](#) for the current amount due.

Parcel Info

PIN 146838
PARCEL 08-03-05-0-000-003.015
ACCOUNT NUMBER 456927

OWNER FLINT CROSSING
 OUTDOORS LLC
MAILING ADDRESS 102 TANNER RD, NEW
 MARKET, AL 35761
PROPERTY ADDRESS 12883 HWY 231-431 N

LEGAL DESCRIPTION ALL THAT PART OF THE
 SW1/4 OF SEC 6 PARTIC
 DESC AS COMM AT THE
 NW COR OF SD SEC 6 TH
 S 4010.26 FT TH S 89
 DEG E 342.37 FT TH S 08
 DEG E 81.27 FT TH S 09
 DEG E 335.50 FT TH S 09
 DEG E 650.0 FT TO THE
 P/O/B TH FR THE P/O/B
 S 09 DEG E 100.0 FT TH S
 80 DEG W 200.0 FT TH N
 09 DEG W 100.0 FT TH N
 80 DEG E 200.0 FT TO
 THE P/O/B & CONTA
 .46AC M/L SEC 6 T2S R1E

EXEMPT CODE
TAX DISTRICT COUNTY



Tax Information

TAXES ARE DUE ON 10/1/2024

PPIN	YEAR	TAX TYPE	TAX DUE	PAID	BALANCE
146838	2024	REAL	\$ 1,007.11	\$ 0.00	\$ 1,007.11
Total Due: \$ 1,007.11					

LAST PAYMENT DATE **N/A**
PAID BY

Property Values

Total Acres 0.46
Use Value \$0
Land Value \$60,100
Improvement Value \$82,800
Total Appraised Value \$142,900
Total Taxable Value \$142,900
Assessment Value \$28,580

Subdivision Information

Code
Name
Lot
Block
Type / Book / DEED / 2017 /
Page 537210
S/T/R 06-2S-1E

Detail Information

TYPE	REF	DESCRIPTION	LAND USE	TC	HS	PN	APPRAISED VALUE
LAND	1	20037.000 SqFt	5000-WHOLESALE & RETAIL TRADE	2	N	N	\$60,100
RES/COM	1	551 - AUTO SALES OFFICE	-	2	N	N	\$78,000
UTILITY	2	26WCC - UTILITY WOOD OR C.B.	-	2	N	N	\$4,800

Building Components

Improvement

Year Built 2003
Structure AUTO SALES OFFICE
Structure Code 551
Total Living Area 1044
Building Value N/A

Computations

Stories 1.0
1st Level Sq. Ft. 696
Add'l Level Sq. Ft. 348
Total Living Area 1044
Total Adjusted Area 1114

Materials and Features

Exterior Walls LOGS, SINGLE WAL - 100
Roof Type HIP-GABLE - 100
Roof Material METAL, STAND. SE - 100
Floors PINE, SINGLE - 100
Interior Finish UNFINISHED - 100
Plumbing AVERAGE - 100
Plumbing BATH 2FIX - 1
Heat/AC FHA/AC - 1044

Improvement

Year Built 2003
Structure UTILITY WOOD OR C.B.
Structure Code 26WCC
Total Living Area 256
Building Value N/A

Computations

Stories 1.0
1st Level Sq. Ft. 256
Add'l Level Sq. Ft. 0
Total Living Area 256
Total Adjusted Area 256

Materials and Features

** No Materials / Features For This Improvement **

Tax History

YEAR	OWNER(S)	TOTAL TAX	PAID (Y/N)	PAID BY	APPRAISED	ASSESSED
2023	FLINT CROSSING OUTDOORS LLC	\$ 1,014.51	N		\$ 139200	\$ 27840
2022	FLINT CROSSING OUTDOORS LLC	\$ 966.74	Y	2/18/2023 Hillis Matthew	\$ 134100	\$ 26820
2021	FLINT CROSSING OUTDOORS LLC	\$ 918.21	Y	1/25/2022 Hillis Matthew	\$ 128800	\$ 25760
2020	FLINT CROSSING OUTDOORS LLC	\$ 857.46	Y	1/11/2021 MATTHEW HILLIS	\$ 122400	\$ 24480

YEAR	OWNER(S)	TOTAL TAX	PAID (Y/N)	PAID BY	APPRAISED	ASSESSED
2019	FLINT CROSSING OUTDOORS LLC	\$ 854.24	Y 1/9/2020	MATTHEW HILLIS C.C.	\$ 120100	\$ 24020
2018	FLINT CROSSING OUTDOORS LLC	\$ 793.22	Y 12/10/2018	FLINT CROSSING OUTDOOR LLC(CC)	\$ 113600	\$ 22720
2017	SWAIM, JAMES K & ASHLEY T & AND JAMES L TATE AND CONNIE M TATE	\$ 793.22	Y 12/19/2017	MATTHEW HILLIS C/C	\$ 113600	\$ 22720
2016	SWAIM, JAMES K & ASHLEY T & AND JAMES L TATE AND CONNIE M TATE	\$ 793.22	Y 12/20/2016	JAMES LARRY TATE (CR/CD)	\$ 113600	\$ 22720
2015	SWAIM, JAMES K & ASHLEY T & AND SWAIM, JAMES K & ASHLEY T & AND JAMES L TATE AND CONNIE M TATE	\$ 793.22	Y 12/29/2015	PRINT TWO IMPRESS	\$ 113600	\$ 22720
2014	SWAIM, JAMES K & ASHLEY T &	\$ 788.84	Y 10/14/2014	PRINT TWO IMPRESS	\$ 113000	\$ 22600
2013	SWAIM, JAMES K & ASHLEY T &	\$ 788.84	Y 10/23/2013	PRINT TWO IMPRESS	\$ 113000	\$ 22600
2012	SWAIM, JAMES K & ASHLEY T &	\$ 788.84	Y 12/28/2012	PRINT TWO IMPRESS	\$ 113000	\$ 22600
2011	SWAIM, JAMES K & ASHLEY T &	\$ 788.84	Y 10/17/2011	PRINT TWO IMPRESS	\$ 113000	\$ 22600
2010	SWAIM, JAMES K & ASHLEY T &	\$ 804.17	Y 12/29/2010	PRINT TO IMPRESS	\$ 115100	\$ 23020
2009	FINCHER, LARRY W & SHERRY F	\$ 817.37	Y 1/2/2010	PRINT TWO IMPRESS	\$ 115100	\$ 23020
2008	TAYLOR, WAYNE H & CRAIG A BUCHANAN	\$ 804.17	Y 10/17/2008	WOLFE, JONES, BOSWELL, WOLFE	\$ 115100	\$ 23020
2007	TAYLOR, WAYNE H & CRAIG A BUCHANAN	\$ 788.11	Y 9/18/2007	PIONEER REALTY INC	\$ 112900	\$ 22580
2006	TAYLOR, WAYNE H & CRAIG A BUCHANAN	\$ 576.89	Y 12/26/2006	PIONEER REALTY, INC	\$ 81500	\$ 16300
2005	TAYLOR, WAYNE H & CRAIG A BUCHANAN	\$ 565.94	Y 12/19/2005	TAYLOR, WAYNE H & CRAIG A BUCH	\$ 80000	\$ 16000
2004	TAYLOR, WAYNE H & CRAIG A BUCHANAN	\$ 513.44	Y 10/6/2004	PIONEER REALTY & AUCTION INC	\$ 72800	\$ 14560

AVAILABLE



**12883 HIGH
HAZEL GR**

Property Description

For Lease or Sale - 4,348sf of mixed office/warehouse/retail space.

.46 acres on Hwy 231/431. Property is on sewer. 8 parking spaces in the front with additional parking in the back. Small storage building to stay on property. Traffic Count is 26,223 VPD

Front space is 943sf with 1-2 offices, a loft and a restroom.

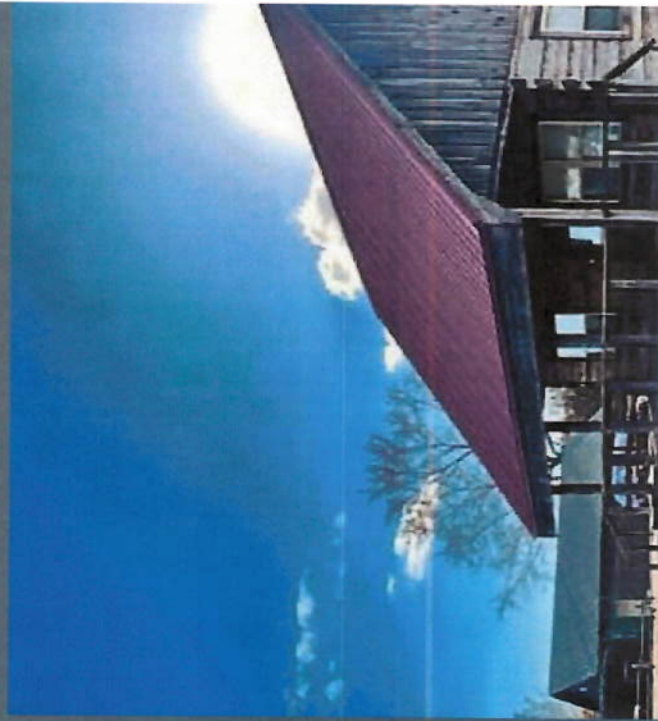
Warehouse is 2685sf of heated and cooled space with a small office, break room, storage, and a restroom. There is a 8x10 roll up door and a loading dock and ramp.

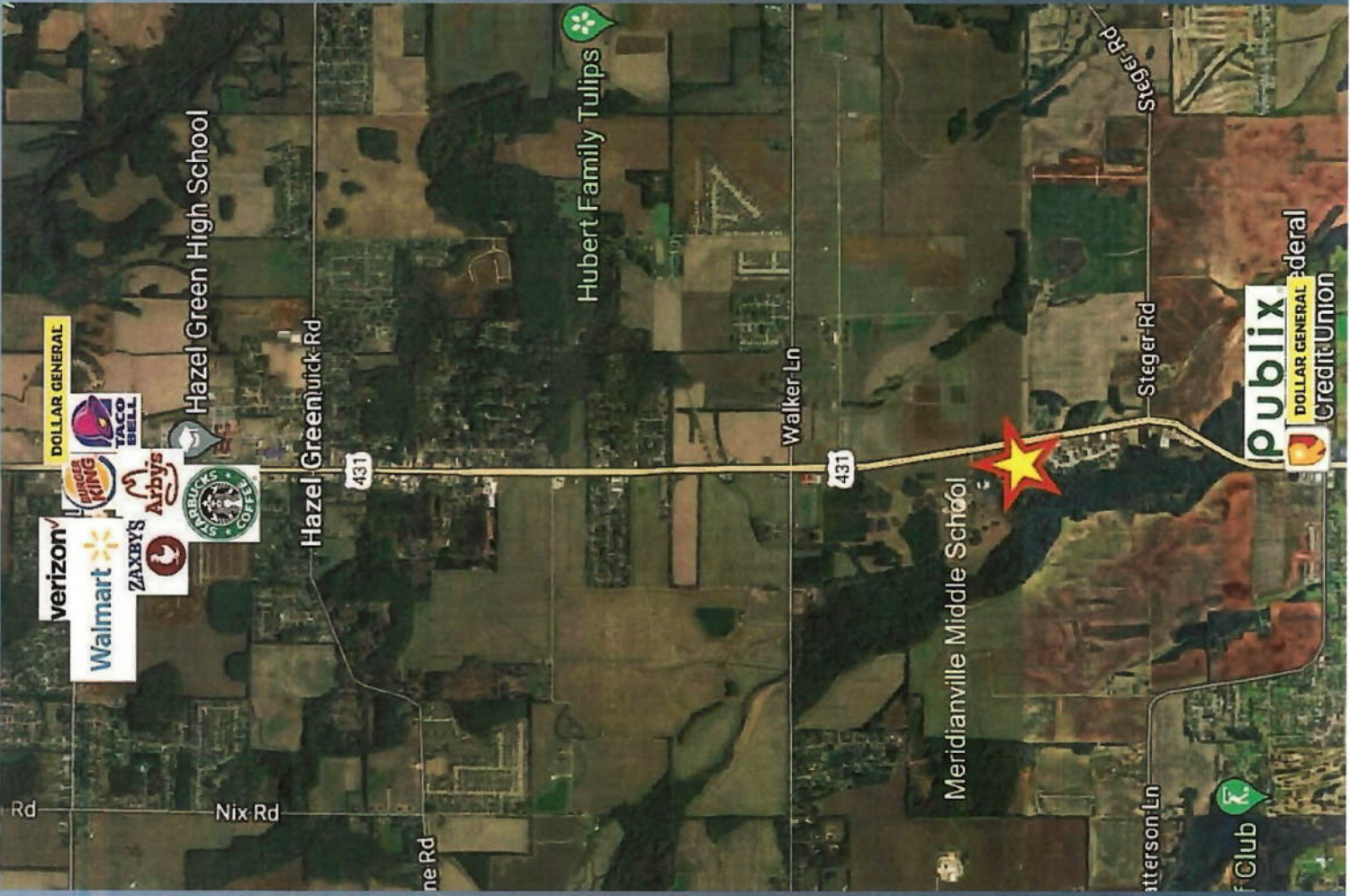
Modified Gross Lease - \$12/sf

Sale Price - \$450,000

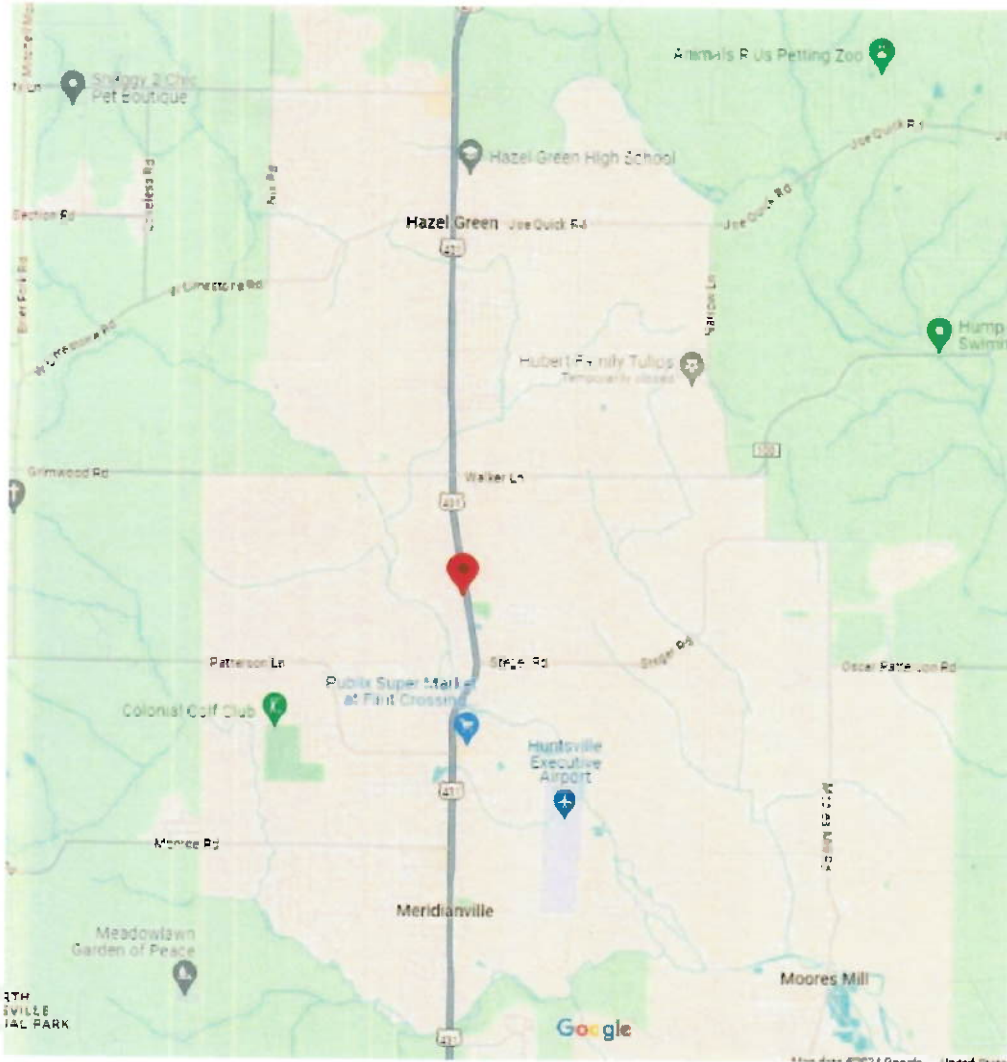
Demographics

1 MILE 3 MILE 5 MILE





**NEIGHBORHOOD AND
MARKET ANALYSIS**



NEIGHBORHOOD / MARKET ANALYSIS

A neighborhood is a homogeneous grouping of inhabitants, buildings or business enterprises. Neighborhood boundaries may consist of well-defined natural or man-made barriers, or they may be more or less defined by a distinct change in land use or in the character of the inhabitants. The objective of this section of the report is to analyze data indicating discernible patterns of urban growth, structure and change that may detract from, or enhance, values.

SUBJECT NEIGHBORHOOD

The Subject Property is located in north-central Madison County, approximately 10 miles north of downtown Huntsville, Alabama. More specifically, it is located in the Meridianville community (population of more than 6,000 as of 2010 census) just west of U.S. Highway 231. The Neighborhood is generally bounded by Moores Mill Road to the east, Pulaksi Pike to the west, Hazel Green to the north and by Bob Wade Lane to the south. Meridianville is a bedroom community of Huntsville, located approximately 9 to 11 miles north of downtown Huntsville. Following is an analysis and description of the delineated Subject neighborhood.

Linkages

U.S. Highway 231/431 is the primary traffic artery serving this area. U.S. 231/431 is a four-lane, asphalt-paved divided highway in this area. Most other roadways serving the neighborhood are two-lane, asphalt-paved roadways. Numerous overpasses were recently completed along US Highway 231/431 in north Huntsville (about 5 miles south of Meridianville), which has significantly reduced traffic congestion for commuters.

The most significant recent roadway improvement to the neighborhood has been the opening of the northern extension of Research Park Boulevard (Highway 255) from Highway 53 to Pulaski Pike at the southwest corner of the neighborhood. This four-lane divided roadway extension has provided much improves access to/from the neighborhood to Research Park, I-565 and the West Huntsville Area. The continuation of this "Northern Bypass," of the widening of Bob Wade Lane extending this "bypass" to U.S. 231/431 is underway. Future plans will extend this bypass into northeast Madison County toward US Highway 72 East.

Neighborhood Land Uses

Overall, development activity has noticeably increased over the past several years as the local Huntsville/Madison County economy has boomed. Much of the growth in the area is due to the lower cost of land in this neighborhood, providing more "bang-for-the-buck" in new residential development compared to most other areas of Huntsville. Except for retail/commercial uses located along major thoroughfares in the vicinity of U.S. Highway 231, the area of the Subject neighborhood off of this roadway is primarily comprised of single-family residential and agricultural land uses, as well as some industrial development.

The type and quality of residential development within the neighborhood varies greatly ranging from low-quality mobile homes to new custom homes priced up to \$500,000. The predominant price of new home construction in the neighborhood is from \$250,000 to \$350,000 with an increasing trend. An abundance of single-family lots have recently been developed in the neighborhood.

Development along U.S. Highway 231 includes a variety of commercial uses to include several churches, fast food restaurants, numerous strip and freestanding retail/office developments. A Super-Walmart is one of the newer major developments along this corridor. It opened in 2014 at the southwest corner of U.S. 231/431 and Charity Lane in Hazel Green. A Burger King and a Zaxby's restaurant were construction on outparcels of this center. A Taco Bell was built across the highway from this center in 2016. A Publix anchored center and a Star Supermarket with adjacent strip retail are other major retail centers along this roadway in Meridianville. Several mini-storage facilities and used car sales facilities are also located along this roadway in the neighborhood.

Additional new commercial development in the area is listed as follows:

- *Dental clinic opened in late 2014 or early 2015 adjacent to the High School in Hazel Green*
- *A Hardee's restaurant opened in 2009 at the northwest corner of U.S. 231 and Monroe Road in Meridianville*
- *A Jack's restaurant opened north of Patterson Lane in 2010*
- *An Urgent Care facility opened in this area in 2011.*
- *A mini-storage development opened across from the new Wal-Mart in 2013.*

Neighborhood Market Analysis - continued

- *A new McDonald's restaurant and a new Frescenius dialysis clinic opened in late 2014 or early 2015 along U.S. 231/431, just south of Monroe Road.*
- *A new strip retail center opened in 2014 along the east side of U.S. 231/431 south of Monroe Road.*
- *In the extreme southern portion of the neighborhood and new Raceway convenience store opened in December 2013 at the northwest corner of U.S. 231/431 and Bob Wade Lane.*

The Huntsville Executive Airport (formerly known as the Madison Co. Executive Airport) was chartered in 1993 to provide general aviation services and stimulate economic and industrial growth and development in north Madison County. The HEA has used over \$12,000,000 in grants since its inception to develop the airport, which includes a 5,008' x 100' runway and taxi extension that allows corporate jets to access the airport. A recent \$9.5 million runway extension project extended the runway to 6,500 feet. There are 48-T hangers and 20 plane ports on the property as well as a terminal building. The airport is home to some 130 private aircrafts and Yulista Management Services, which performs maintenance work on military and private aircraft, and has more than 1,000 employees working across different locations in Madison County. Future airport improvements planned include corporate hangers, site preparation for industrial expansion and perimeter fencing.

Light industrial development does exist in neighborhood consisting mostly of small office/warehouse uses surrounding the 485-acre *Huntsville Executive Airport*, as well as other smaller office/warehouse of showroom/service buildings scattered sparsely around Meridianville. There are numerous light industrial facilities located on Commissioner Drive, just west of Hwy. 231 in Meridianville. Companies located around the airport include Yulista Management Services, Medflight, Die-Matic Tool and Admiral Cleaning and Restoration Services, and On-site Lighting and Sign Services. In mid-2016, Yulista began construction of a 60,000 SF aviation hanger and 20,000 SF support facility on Bolling Road adjacent to the airport. Yulista's total investment is about \$13.5 million and its local workforce may increase by as many as 200 employees.

Although located several miles southwest of the neighborhood, the newly developed North Huntsville Industrial Park is positively influencing the area. Initially, this Park consisted of 600 acres with about 200 acre of vacant land after the massive Toyota Manufacturing Plant was completed in 2005. In April 2017, Aerojet Rocketdyne announced plans to build a new 135,000 SF manufacturing plat in the North Huntsville Industrial Park. This facility was completed in early 2019. In June 2018, Facebook announced it will be building a \$750 million data center in the North Huntsville Industrial Park which will create around 100 jobs. Additional phases have been announced since, creating at least another 200 jobs. These events coupled with the city's establishment of a Tax Increment Finance District for much of northwest Huntsville should help spur additional demand for development in areas of north Huntsville.

Neighborhood Zoning, Utilities and Services

The neighborhood area outside of the Huntsville city limits is not zoned and is not provided with sanitary sewer service from the City. However, a private sanitary sewer service has been developed in the neighborhood serving some of the new subdivisions and new commercial development in the vicinity of U.S. 231. Most homes and businesses within the unincorporated area of the neighborhood use septic tanks for wastewater disposal and treatment. Water, electrical service and telephone service is sufficient in the area to service all existing and future housing and commercial needs.

Neighborhood Market Analysis - continued

The unincorporated areas of the neighborhood are within the jurisdiction of the Madison County School District which has adequate elementary-, middle- and high-school facilities in the area. Furthermore, basic retail services are available within the neighborhood with more abundant services located in nearby Huntsville.

Conclusion - Neighborhood Analysis

The Subject neighborhood area is comprised of the Meridianville/Hazel Green area, a growing "bedroom" community of Huntsville. New development is occurring in the immediate Subject Area, consisting of retail or service-oriented uses along the major roadways supported by adjoining residential uses (i.e, new subdivisions, churches, etc). Overall, this is considered a desirable area for real estate investment consideration and land values are expected to increase over the near term. Also, the neighborhood life cycle is characterized as growing.

.....

HUNTSVILLE/MADISON MARKET DATA - All Sectors

Local and Regional Market Report Data

On a macroeconomic level, The 2024 and past Graham Reports presents a historic trend which is summarized in the following table.

Huntsville, Madison Co., AL- Industrial Market	2016	2017	2018*	2019	2020	2021**	2022	2023
Single Tenant	4.71%	4.72%	7.87%	5.00%	5.70%	11.23%	6.20%	n/a
Multi-Tenant	14.28%	10.20%	6.87%	9.40%	1.89%	1.77%	4.65%	n/a
Overall Industrial Vacancy Rate	6.86%	5.97%	7.64%	5.84%	4.98%	9.50%	5.94%	5.71%
Average 8-year Vacancy Rate	6.56%							
Source: 2024 and past Graham Reports - Huntsville, AL Market								

*Excluding the Qualitest and Navistar Buildings (1.3 million SF) the overall industrial vacancy rate drops to 1.9%

**Excluding the Cinram plant (1.3 million SF) the overall industrial vacancy rate drops to 4.63%

Huntsville, Madison Co., AL- Office Market	2016	2017	2018	2019	2020	2021	2022	2023
Single Tenant	7.87%	6.32%	4.06%	6.31%	4.22%	5.21%	6.33%	n/a
Multi-Tenant	24.39%	17.53%	16.38%	13.97%	14.48%	14.29%	16.47%	n/a
Overall Office Vacancy Rate	16.63%	12.26%	10.64%	10.40%	9.46%	9.82%	11.43%	23.88%
Average 8-year Vacancy Rate	13.07%							
Source: 2024 and past Graham Reports - Huntsville, AL Market								

.....

.....

Neighborhood Market Analysis - continued

Additionally, the *Quarterly Huntsville Market Report* by *Colliers International* presents historic vacancy trends, which are summarized in the following table(s).

. . .

Huntsville Market <i>Industrial Market</i>	3 rd Qtr 2016	3 rd Qtr 2017	4 th Qtr 2018	1 st Qtr 2019	4 th Qtr 2019	3 rd Qtr 2020*	2 nd Qtr 2022	4 th Qtr 2023
Overall Industrial Vacancy Rate	5.9%	5.3%	7.0%	7.6%	9.1%	10.7%	9.0%	6.5%
Average Running Vacancy Rate	7.64%							
Source: Colliers International 4 th Quarter 2023 and Prior Huntsville Market Reports								

*Increase due to Technicolor vacating 1.2 million SF in North Huntsville

Huntsville Market <i>Office Market</i>	1 st Qtr 2017	1 st Qtr 2018	1 st Qtr 2019	3 rd Qtr 2020	3 rd Qtr 2021	1 st Qtr 2022	2 nd Qtr 2023	4 th Qtr 2023
Overall Vacancy Rate	11.3%	7.6%	7.3%	8.9%	8.9%	6.8%	8.4%	10.1%
Average Running Vacancy Rate	8.66%							
Source: Colliers International 4 th Quarter 2023 and Prior Huntsville Market Reports								

. . . .

Huntsville Market <i>Retail Market</i>	4 th Qtr 2016	3 rd Qtr 2017	4 th Qtr 2018	1 st Qtr 2019	4 th Qtr 2019	3 rd Qtr 2020	3 rd Qtr 2021	4 th Qtr 2023
Overall Retail Vacancy Rate	4.8%	4.6%	4.4%	3.9%	3.9%	5.6%	3.4%	2.8%
Average Running Vacancy Rate	4.18%							
Source: Colliers International 4 th Quarter 2023 and Prior Huntsville Market Reports								

Local Market Participant Survey

The following table provides a recent Market Participant Survey based on interviews with several local investors, brokers and property managers.

Neighborhood Market Analysis - continued

...

LATE SUMMER - 2023 MARKET PARTICIPANT SURVEY - HUNTSVILLE MSA						
Market Participant	Occupancy Status - Trend past 12 months	Rental Rate - Trend past 12 months	Marketing Time - Trend past 12 months	Sales Volume - Trend past 12 months	New construction planned or known	Overall Market Conditions - Trend past 12 months
Tyler Fanning Graham & Company	(=) Retail (=) Ind. (+) Office	(+) Retail (+) Ind. (+) Office	(=) Retail (=) Ind. (-) Office	(=)	(+) Retail (+) Ind. (+) Off.	(=+) Retail (=) Ind. (=+) Office
Bart Smith Graham & Company	(=) Retail (+) Ind. (-) Office	(=) Retail (=) Ind. (=) Office	(=) Retail (+) Ind. (+) Office	(-)	(+) Retail (+) Ind. (+) Off.	(=+) Retail (=+) Ind. (=+) Office
Bill Chapman Chapman Commercial Real Estate	(=) Retail (+) Ind. (-) Office	(=) Retail (=) Ind. (-) Office	(=) Retail (=) Ind. (-) Office	(-)	(=) Retail (=) Ind. (-) Off.	(=) Retail (=+) Ind. (-) Office
Chris Hanback The Ventis Group	(=) Retail (+) Ind. (n/a) Office	(=) Retail (+) Ind. (n/a) Office	(+) Retail (+) Ind. (n/a) Office	(-)	(-) Retail (-) Ind. (n/a) Off.	(=) Retail (+) Ind. (n/a) Office
Eric St. John, Crunkleton & Associates	(+) Retail (+) Ind. (=) Office	(+) Retail (+) Ind. (+) Office	(-) Retail (-) Ind. (=) Office	(-)	(=) Retail (=) Ind. (-) Off.	(=+) Retail (+) Ind. (=) Off.
Michael Samples, Samples Properties	(=) Retail (+) Ind. (=) Office	(=) Retail (+) Ind. (+) Office	(-) Retail (-) Ind. (+) Office	(+)	(n/a) Retail (+) Ind. (-) Off.	(=) Retail (+) Ind. (=+) Office
Barry Looser, John Blue Realty	(+) Retail (+) Ind. (+) Off.	(+) Retail (+) Ind. (+) Off.	(+) Retail (+) Ind. (+) Office	(+)	(+) Retail (+) Ind. (+) Off.	(+) Retail (+) Ind. (+) Office

Survey stats based on changes over the past year (=) (-) or (+) ; Source: A&S Appraisal Co., LLC late August 2023

Notes: Based on the Broker comments, any negative effects of the COVID-19 pandemic observed in early 2020 (most of its impact having been on the local "mom and pop" retail and office users) completely rebounded between summer 2020 and summer 2021 and this portion of the market has remained healthy since.

...

Recent market surveys indicate that market conditions have been very healthy for the Industrial portion of the market over the past decade or so. Graham and Company reported that the Huntsville industrial market had experienced positive net absorption for the eight years in a row until 2022 due to the significant increase in new construction recently.

.....

The occupancy rate for the local Huntsville office market improved significantly from 2016 - 2020. In fact, in 2019 prior to the COVID 19 viral outbreak, the local office market was experiencing its highest level of demand since prior to the 2008/2009 economic collapse. According to the 2024 Report, the overall vacancy rate in the Huntsville office market nearly doubled from year-end 2022 to year-end 2023 with the vast majority of this new vacancy being in the Research Park portion of the market. The Colliers survey shows a similar trend. For the most part, the office portion of the market has remained healthy since in all areas of Huntsville except in the Research Park market which has seen a significant increase in vacancy over the past few years.

Neighborhood Market Analysis - continued

The local retail market occupancy improved significantly in 2016 (almost 300 bp's) and again in 2017 (over 160 bp's). Some of this drop in the vacancy rate was due to the demolition of the Madison Square Mall and a vacant former Wal-Mart building in 2016. The minor up-tick in vacancy in 2018 is primarily due to significant new supply hitting the market. The overall vacancy rate dipped into single digits in 2016 for the first time since 2012 and has been below 8% for the past couple of years despite the significant new supply added to the market over this time frame. New retail construction continues in the Western and Southern submarkets of town. Based on the recent Broker survey, the retail portion of the local market has completely rebounded from the effects of COVID-19 observed in early 2020 and has remained healthy since. However, Colliers reported the highest vacancy (7.0%) in the retail sector in the second quarter of 2023 in the last seven years, but by the 4th Quarter of 2023, the vacancy rate had dropped to the lowest level (2.8%) in the last seven years.

Madison County / Huntsville Area Data

Madison County is located in the north-central portion of Alabama approximately 100 miles north of Birmingham, 110 miles south of Nashville, Tennessee and 110 miles southwest of Chattanooga, Tennessee. Huntsville is the county seat of Madison County, whose southern boundary is formed by the Tennessee River, one of the largest navigable waterways in the region. Surrounding counties include: Limestone, Morgan, Jackson, Marshall and Lincoln (Tennessee). Just west of Huntsville is the City of Madison, one of the fastest growing cities in Alabama. Huntsville and the surrounding area is identified geographically as the Tennessee Valley Region, which is characterized by its variety of topographical features to include a combination of mountains, valleys and lakes. Following is an analysis of the various forces that influence real property value in the Madison County and Huntsville Area.

POPULATION

Population data for the county and its two largest cities are provided below.

Neighborhood Market Analysis - continued

Population Trends						
Year	Madison County		City of Huntsville		City of Madison	
	Pop.	Average Annual Growth	Pop.	Average Annual Growth	Pop.	Average Annual Growth
1990 Census	238,912	4,195	159,789	1,728	14,904	1,040
2000 Census	276,700	3,778	158,216	(-157)	29,329	1,443
2010 Census	334,811	5,811	180,105	2,189	42,938	1,361
2020 Census	388,153	5,334	215,006	3,490	56,933	1,400
2022 Estimate	403,012	7,430	222,448	3,721	59,031	1,049
2027 Projection	420,615	3,521	212,960	2,279	61,121	418

Source: U.S. Census Bureau and ESRI Data

The population in Madison County grew 15.8% from 1990 to 2000 and 21.0% from 2000 to 2010. After a slight decline in population during the 1990's, Huntsville exhibited healthy population growth between 2000 and 2010 (13.8%) and a gain from 2010 and 2020 (15.9%). The City of Madison has continued a healthy population growth pattern since 2000 (101.3%), albeit at a much lower rate than the nearly 10% per year growth observed in the 1990's.

ECONOMIC CONDITIONS

The desirability of Madison County is attributed to several factors including: 1) a stable economic base; 2) a well-educated workforce; 3) location of Cummings Research Park and Redstone Arsenal; and, 4) a desirable location within the southeastern region with abundant natural amenities. Although Madison County's employment base is largely related to government contracts, the area's business community has successfully diversified. Manufacturing and industrial businesses comprise a large percentage of area employment, as do retail and service related businesses. Furthermore, Madison County offers a well-educated work force with over 34% of the population over 25 years in age holding bachelor's or higher degrees. *A summary of the major employers in Madison County is as follows:*

.....

2023 Leading Employers Huntsville/Madison County, Alabama

Company	Industry	Empl
U.S. Army/Redstone Arsenal	Government	
Huntsville Hospital	Health Care	
NASA/Marshall Space Flight Center	Government	
Mazda Toyota Manufacturing USA, Inc.	Automotive, Mfg	
The Boeing Company	Research & Development	
Huntsville City Schools	Education	
Dynetics, Inc.	Research & Development	
SAIC	Research & Development	
City of Huntsville	Government	
Madison County Schools	Education	
Northrop Grumman Corporation	Research & Development	
University of Alabama in Huntsville	Education	
Polaris	ATV, Mfg	
Toyota Alabama	Automotive Engine, Mfg	
Lockheed Martin Corporation	Research & Development	
Crestwood Medical Center	Health Care	
Alabama A&M University	Education	
Amazon	Distribution Center	
Redstone Federal Credit Union	Finance	
Madison County Commission	Government	
Hexagon	Software Development	
Blue Origin	Rocket Engine, Mfg	
Madison City Schools	Education	
Raytheon Technologies	Research & Development	
AT&T Alabama	Telecommunications	
Yulista	Aviation Support	
SCI Technology, Inc.	Electronics, Mfg	
KBR	Research & Development	
Kohler Company	Bath Fittings, Mfg	
Teledyne Brown Engineering	Research & Development	
ADTRAN, Inc.	Telecommunications, Mfg	
Aerojet Rocketdyne	Rocket Engine, Mfg	
Axient	Research & Development	
Target Distribution Center	Warehouse Distribution	
COLSA Corporation	Research & Development	
Mazda North America Operations	Automotive, Mfg	
Sanmina	Electronics, Mfg	

Neighborhood Market Analysis - continued

EMPLOYMENT CHARACTERISTICS

Historic and current employment levels and trends are essential to understanding the health of a real estate market. Labor force estimate data over the last decade as provided by the Alabama Department of Industrial Relations has been analyzed. The following table presents annual average labor force estimates and employment trends for Madison County.

Annual Average Labor Force Estimates Past 10 Years Madison County, AL										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Civilian Labor Force	170,857	189,262	173,295	175,152	179,752	185,219	187,283	192,204	190,204	204,706
Employment	161,110	180,110	164,279	168,411	173,532	180,505	178,615	187,100	186,145	200,742
Unemployment	9,747	9,152	9,016	6,741	6,220	4,714	8,668	5,104	4,059	3,964
Rate of Unemployment	5.7%	5.4%	5.2%	3.8%	3.5%	2.5%	4.6%	2.7%	2.1%	1.9%
Change in Employment from prior year (total)	257	-1,000	4,169	4,132	5,121	6,973	-1,890	8,485	-955	14,597
Change in Employment from prior year (%)	2.0%	-0.6%	2.6%	2.5%	3.0%	4.0%	-1.0%	4.8%	-0.5%	7.8%
Employment Trend Info	<u>Prior 10-years</u>		<u>Prior 5-years</u>			<u>Prior 3-years</u>				
Sum of Annual Changes	39,889		27,210			22,127				
Persons per year (avg.)	3,989		5,442			7,376				
% per year (avg.)	2.5%		3.0%			4.0%				

Source: Alabama Department of Industrial Relations, Labor Market Information Division

The preliminary unemployment rate for Madison County was 2.2% for December 2024. Madison County enjoyed a downward trend in the unemployment rate and an increase in the CLF since 2014, save for during the COVID-19 pandemic in 2020. The unemployment rate for 2017 dropped below 5.0% for the first time since prior to the economic of 2008/2009 and has remained below 5.0% since. 2016 - 2019 saw an average of almost 5,100 more employed people in each of these years on average with an increasing trend before COVID affected 2020 and a net lose in jobs occurred. 2023 saw the largest increase in employment in over 10 years.

ECONOMIC DEVELOPMENT

Several recent announcements since 2014 have had a positive effect on the Madison County economy and employment picture, listed as follows:

- In mid-2015, The *Hudson-Alpha Institute of Biotechnology* announced that Howard Jacob, Ph.D., one of America's top clinical genomics experts, will be starting a program to advance the use of DNA research in patient care. This announcement is expected to create 200 jobs at the institute over the next five years. As of 2022, this facility employed more nearly 900 people and supported another 600+ indirect jobs in the area. A economic study released in mid 2017 showed that this facility has had a \$1.85 billion impact on the Alabama economy over the past decade (\$500 over the past 24 months).
- In late 2015, *GE Aviation* invested more than \$200 million in new facilities to be located at the Greenbrier exit on I-565 in southeastern Limestone County/City of Huntsville. The facility was 2018. These facilities were completed in 2018 and have created about 300 high paying, advanced manufacturing jobs.
- In December 2016, Boeing announced that it will be adding 400 jobs to Huntsville by the end of 2020.
- In 2017, *Polaris Industries, Inc.*, one of the largest manufacturers of off-road vehicles, completed construction of a \$142-million, 600,000 SF manufacturing facility on a 453-acre campus in southeastern Limestone County within the Huntsville city limits. Upon full capacity, the facility is expected to employ between 1,700 and 2,000 people.

Neighborhood Market Analysis - continued

- In April 2017, *Aerojet Rocketdyne* announced that it will build a new manufacturing facility for its A11 rocket engine in Huntsville and relocated engineering, program management and other jobs to Huntsville. The company expects the new facility to be ready for production in mid-2019. This new facility and consolidation plans are expected to bring 800 jobs to the Huntsville market.
- In late June 2017, *Blue Origin* announced that it will be building a 350,000 SF facility in Research Park for the production of the new BE-4 rocket engine (opened in early 2020). The \$200 million capital investment in the state will employ up to 342 people at the new facility with an average annual salary of about \$75,000.
- In November 2017, *Bocar*, a Tier 1 automotive supplier, announced plans to invest \$115 million in a new plant in west Huntsville in Limestone near I-65 and I-565. Construction began in the spring of 2018 with production starting within two years and is expected to create 300 jobs.
- In January 2018, *Toyota and Mazda* announced a \$1.6 billion joint venture plant to be built on 3,000 acres on and surrounding the TVA megasite in eastern Limestone County. This new plant is expected to come on-line in 2021, produce 300,000 vehicles per year and employ 4,000 people. In August 2020 these companies announced an additional \$830 investment into this facility.
- *Facebook, Inc* completed a two building, 970,000 SF Data Center in the North Huntsville Industrial Park in 2020. These facilities employ about 100 people with an average salary of about \$80K per year. In early 2021 Facebook announced a two-building addition to this campus which will push the total investment to over \$1 billion.
- In November 2018, The *FBI* announced it will be relocating 1,350 employees from locations near Washington DC to its Redstone Arsenal campus. This will be an increase from the 300 people already employed locally by the FBI. This is the first expansion phase for the FBI which ultimately plans to expand its local offices to between 4,000 and 5,000 jobs over the next 10 years or so.
- In May 2019, Mazda, Toyota supplier *DaikyoNishikawa US (DNUS)* announced a \$110 million investment in a new manufacturing facility to serve the Toyota/Mazda facility. This facility is expected to create 380 jobs.
- In May 2019, Y-tec Keylex Toyotetsu Alabama (YKTA), a new joint venture between three Mazda/Toyota suppliers, announced a \$220 million investment in a new manufacturing facility on the Toyota/Mazda campus. This facility is expected to create 650 jobs and be completed by the fall of 2020.
- In August 2019, Vuteq, announced a \$60 million investment in a new manufacturing facility adjacent to the Toyota/Mazda campus. This facility is expected to create 200 jobs and be completed by the fall of 2020.
- In May 2021, Amazon, announced that it will be building a 1,000,000 SF fulfillment center in southeastern Limestone County near the Toyota/Mazda campus. This facility is expected to create 500 jobs and be completed by the fall of 2022. In November 2021, Amazon announced it will be building a second 1,100,000 SF fulfillment center in this same area of Limestone County which will add an additional 250 jobs.
-
- In June 2022, a \$325 million mixed use development named Front Row was announced on an 11 acre site along Clinton Avenue in downtown Huntsville across from the Von Braun Center. This development is planned for a mix of residential apartments, office and retail/restaurant uses.

Neighborhood Market Analysis - continued

Data from the **2023 Huntsville Development Review** (data obtained from City records and the North Alabama Multiple Listing Service (NALMLS) is summarized as follows:

- 4,415** – number of building permits issued for residential dwellings (down 25.5% from 2022)
- 4,693** – number of housing units granted certificates of occupancy; up 26.2% from the previous record set in 2002
- 10,784** – number of multi-family units approved for construction
- 23.4%** – year-over-year change in approved single-family subdivision lots
- 3,044** – number of single-family residential units sold in Huntsville (down 15.7% from 2022)
- \$392,725** – average sale price for a single-family residence (up 3.8% from 2022)
- 551** – number of non-residential building permits issued (down 20.6% from 2022)
- 992.7** – number of acres annexed into Huntsville

Military Influence

As a result of the location of NASA, the U.S. Army's Redstone Arsenal, and the U.S. Army's Missile Command Center within Madison County, the area's employment base is largely comprised of defense, aerospace, and related industry. In the mid-to-late 1990's and again in the mid-to-late 2000's Madison County benefitted from Base Realignment and Closure Committee (BRAC) which transferred thousands of jobs to Redstone Arsenal, as very generous to Huntsville and North Alabama as 4,651 jobs transferred to Redstone Arsenal from 2007 to The expectations for continued benefits from BRAC to the Madison County Area should be expected.

The rise in job growth has prompted the need for additional office space in the vicinity of Redstone Arsenal. Redstone Gateway, an Enhanced Use Lease (EUL) multi-use development project, will create over 4 million SF of office, retail, academic and entertainment space to be constructed (beginning in late 2010 over the next ± 20 years) on 468 acres at Redstone's entrance, just south of I-565. The first building ($\pm 121,000$ SF) became available in the spring of 2012. This structure, as well as the next two have already been leased ($\pm 363,000$ SF) by Boeing Corporation which consolidated their facilities within this development from many buildings scattered throughout Madison County. Boeing's occupancy of the first building occurred in the Spring of 2013, the second later in 2013 and moved into third building in 2014. Recent retail and hospitality development within this facility include the following: Fiero Mexican Grill, Dipwich Sandwiches, Rocket City Tavern and TownPlace Suites, as well as, the 2,100 SF Redstone Gateway Conference & Dining Center. In the spring of 2019, Yulista announced plans for a new four-building campus at Redstone Gateway which will total at least 300,000 SF. Yulista moved into these facilities in late 2021.

LINKAGES

As stated previously, Huntsville is located midway between Nashville and Birmingham. The link between these cities is Interstate Highway 65, a north-south highway located approximately 15 miles west of Huntsville, in west Madison County. A major interstate connector, I-565, was completed in 1992 providing freeway access to I-65 from Huntsville and Decatur. I-565 is the largest traffic artery in Huntsville and provides east/west access to I-65 to the west and U.S. 72 to the east. In 2021, this highway was widened to six lanes between I-65 and Greenbrier Parkway.

Major proposed projects include an extension of I-565 toward Decatur and an extension of the northern bypass (Research Park Blvd./Martin Luther King Blvd.) from Pulaski Pike to US Highway 231/431 (under construction) and beyond.

Neighborhood Market Analysis - continued

The most significant project for the next 50 years will be the planned super-highway that would connect Memphis and Atlanta, and is expected to extend through Huntsville along a portion of I-565. This new transportation artery would have a significant positive effect on the local economy; however, the effects of this project will not be felt for many, many years as the project continued to be held up by a lack of funding and route revisions.

CONCLUSION

Madison County is among the strongest counties in Alabama in terms of expected population and employment growth and is forecast to grow significantly over the next decade. This growth is attributed to a relatively diverse economy significantly influenced by Redstone Arsenal, BRAC and Cummings Research Park in the area and has positively impacted the Madison County area in many ways including retail and service growth, industrial growth, better schools, and economic growth.

Overall, the Madison County economy is in a strong growth pattern and should exhibit an above-average employment growth pattern over the next several years. Madison County's growth in recent years has resulted in a real estate market in which commercial and residential building activity has been occurring at a higher pace than most areas of the state and is expected to continue, given the recent job announcements. In our opinion, the long-term outlook for Madison County is positive. Based on available indications 2014 through 2022 have been improving periods for Madison County and the Huntsville Area with continued population and employment growth. A slight decline in employment occurred during the COVID pandemic in 2020. A positive trend has been occurring since 2021 and is continuing in 2024. Property values are increasing in all areas of town with good upside potential over the next several years. The long-term outlook remains very favorable.

MARKET CONDITION COMMENTS RELATED TO COVID-19

Comments regarding the COVID-19 pandemic as it relates to the local commercial real estate market are as follows: Beginning March 20, 2020, the COVID-19 pandemic has had a sudden impact on many aspects of people's daily lives and society as a whole. However, its long-term impact on the local commercial real estate markets are unknown. One obvious observation is that the effects have varied depending on the property type. Retail, hospitality and potentially multi-tenant office properties were more negatively affected compared to storage/warehousing, distribution, industrial and multi-family properties. So, across sectors the trends have differed and have had varied implications for real property demand.

Surveys of local brokers and other market participants are as follows:

Mr. Jeff Parker with Parker Real Estate, Mr. Joe Jefferson with Jefferson Real Estate and Mr. Bill Chapman with Chapman Commercial Real Estate all indicated that they have not experienced any slowdown in market activity since the outbreak.

Mr. Bart Smith and Mr. Tyler Fanning with Graham & Company indicated that activity had slowed down a bit and a couple of deals pending as the pandemic hit were delayed. Although as the market normalized, investment demand has increased significantly again since the summer of 2020.

Mr. Dustin Taylor with Taylor Properties indicated that he had one client cancel a pending contract, but all other deals in the works proceeded and activity remains high.

Neighborhood Market Analysis - continued

Mr. Bill Ming with Ming Enterprises indicated that he had one client cancel a pending contract and a couple of other pending contracts were delayed/extended, but all other deals in the works continued as normal and activity remains high.

In early summer 2020, an out of town investor reported attempting to renegotiate two, multi-tenant office deals (LOI's) in anticipation of lower demand. The broker on at least one of these deals indicated that any such negotiations would not be acceptable to the owner, as other offers had been received.

Overall, we have no direct knowledge of widespread market declines, vacancy increases, or decreases in asset pricing in the local market. Additionally, the recent Market Participant survey indicates that any of the negative effects from the COVID-19 pandemic observed in the market (mostly having had affected the local, "mom and pop" retail/office portion of the market) have fully recovered.

In conclusion, the level of uncertainty in the economy was at an all-time high in late-Spring and early-Summer 2020, however, market activity has increased significantly since this time frame and investment demand is currently high. Still, the long-term impact on the real estate market from COVID-19 remains unclear; however, it is reasonable to assume that potential restrictions in market activity could extended marketing periods or reduced marketability beyond that of prior to the outbreak. A delay in market activity is possible in the short-term, but no significant long-term shift in supply and demand for most property types is expected to result in the local market, which is more insulated from such effects compared to other weaker or low-growth MSAs or market areas.



Property Type: Retail, Retail - Free-Standing - Other

Estimated Site Area: 0.46 Acres

Estimated Improvement Size: 4,600 SF

Site Comments: Rectangular parcel within the City limits of Hazel Green. No zoning per previous valuation.

Building Comments: The subject includes a one-story retail/warehouse building that is 100% owner occupied. The subject is improved with a security system and fencing.

SBA Involvement: No

SBA Intended User (If applicable):

Intended Use: The intended use of this appraisal is for loan underwriting, loan renewal and-or credit decisions by SouthState Bank, N.A. and/or participants.

Intended User: The intended users of this report are SouthState Bank, N.A. and/or affiliates.

Approach(es) to Value: All Applicable Approaches

All **Appraisal Reports** must include a minimum of two (2) approaches to value unless prior authorization has been granted by the Appraisal Management Department.

All **Restricted Appraisal Reports** must include a minimum of the single most applicable approach; however, a second approach is strongly recommended especially if the quality of data for the single approach is questionable.

Inspection Requirements: An interior and exterior inspection of the subject property is required. Please include a building sketch with field measurements, exterior and interior photos documenting layout and significant characteristics impacting market value. Photos of all comparables are required. Please include a copy of the most recent recorded plat or survey of the subject property and all land comparables in report. Measurements based on GIS information will not be accepted unless there are no legal documents recorded.

Additional Work Scope:

Report Format: Appraisal Report

<u>Value Premise</u>	<u>Interest Appraised</u>	<u>Comments</u>
Market Value - As Is	Fee Simple	
Liquidation Value (90-180 days)	Fee Simple	
Insurable Value (RCN) - Replacement Cost New of Vertical Improvements less Land and Exclusions	Insurable Components	

Please note -- Interest Appraised (Fee Simple/Leased Fee/Lease Hold): The intention of this appraisal report should be to arrive at the **Market Value** of the subject property. **It is the appraiser's responsibility in this assignment to verify the borrower's interest in the property and properly identify and describe.** A discussion of the **relationship of the values** of the Fee Simple and Leased Fee estates **is required** for all leased properties.

General Instructions: ** Important -- Please read ******

This letter communicates the real estate appraisal requirements, which we expect your firm to follow for appraisals ordered by and performed for SouthState Bank, N.A. This letter is valid until further written notice. We will also refer to this letter and ask that you adhere to its information requirements.

LIQUIDATION VALUE ANALYSIS (90 Day Marketing Time)

In this assignment, the client has requested that the appraiser provide a *liquidation* value in addition to the market value estimate for the Subject Property. Liquidation value, as defined herein, is the most probable price which a specified interest in real property is likely to bring under certain conditions as described in the Introduction section of this report. Implicit in this value conclusion is that consummation of a sale will occur within a limited future marketing time, which in this case is defined by the client to be 90 to 180 days for the Liquidation value. Two methods are utilized herein to support respective discount rates, or discount to the previously estimated market value for the Subject Property. Application of an appropriate discount rate provides a reliable liquidation value estimate.

The first method included real estate broker surveys. Several local commercial property brokers were contacted and interviewed regarding "short" or "liquidation/disposition" pricing in the market to estimate an appropriate discount to current market value, reflecting expected pricing following only a 90-180 day marketing time. Based on discussions with these brokers, discounts in the 0% to 25% range should be expected in the Subject's neighborhood at the present time, for a 90-180 day marketing period.

The second method employed in determining a liquidation or disposition discount rate for the Subject Property included analysis of recent auction sales or "short" sales of various types of commercial property that sold below market due to limited marketing times or atypical motivations. Approximate liquidation or disposition discount rates from actual sales data are summarized as follows:

Address	Description	Sale Date	Sale Price/SF	Implied Discount
4820 University Square Huntsville, AL	135,746 SF Office Built in 1995	9/25/20 - bank sale after foreclosure	\$25.78/SF	50%±
160 Castle Drive Madison, AL	5,292 SF Music/Dance studio Built in 2009	6/29/18 - bank sale after foreclosure	\$63.30/SF	20% - 25%±
1806 University Drive Huntsville, AL	14,771 SF Showroom/office Built in '79 ('05 & '15 renov)	1/27/17 - Note sale	\$108.32/SF	25%±
6001 CR 47 Florence, AL	19,562 SF Church Built in 1995	6/13/16 - Below market sale	\$15.08/SF	55%±
2513 Washington Street Huntsville, AL	4,000 SF Flex building Built in 1968	5/27/15 - bank sale after foreclosure	\$12.63/SF	30%±
515 Sparkman Dr., Huntsville, AL	20,832 SF Office building Built in 1968 ('03 renov.)	11/14/14 - quick sale prior to foreclosure	\$55.20/SF	35%±
6727 US 431, OXR, AL	22,500 SF Strip retail center Built in 2003	Note sale prior to foreclosure	\$71.11	40%±
4601 Old Hwy 31, Decatur, AL	14,187 SF; 3-Bldg. Light Ind. Campus; Built in 1979	4/1/13 - quick sale prior to foreclosure	\$17.27/SF	20%±
3150 Leeman Ferry Rd., Huntsville, AL	17,419 SF Showroom/ warehouse; Built in 1980	9/30/13 - Quick sale after foreclosure	\$28.70/SF	30% - 35%
2150 Meridian St., Huntsville, AL	6,000 SF retail building; Built in 2005	03/29/2013 - short sale	\$40.83/SF	35%±

4601 Old Hwy 31, Decatur, AL	3-Bldg., 14,187 total SF Yr. Blt. 1979, Light Industrial	04/01/2013 - quick sale prior to foreclosure	\$17.27/SF	20%±
247 Chateau Dr. Huntsville, AL	11,024 SF Office building; Built in 1992	6/29/12 - Note sale after foreclosure	\$72.93/SF	25% - 30%
3007 Hood Lane, Huntsville AL	Arden Place Apt.; 42 Units; Yr Blt 1986	5/03/2011 - Sold after repossession	\$17,381/Unit	25%±
1343 14 th Ave. S., Birmingham AL	Piedmont Terrace Apt.; 42 Units; Yr Blt 1988	6/7/2010 - Short Sale after more than 1 yr Mkt.	\$21,429/Unit	33% - 45%
1803 University Drive, Huntsville, AL	Storefront retail/Office; 8,166 SF; Blt. 1999	3/15/2012 - Sold after foreclosure	\$57.07/SF	35% - 45%
2321 Center Point Pkwy, Center Point, AL	8,764 SF Strip office/retail; year blt - late 70's/early 80's	4/11/12 - prior foreclosure 40% occupied	\$10.84/SF	45%±
6515 University Dr., Huntsville AL	33,000 SF Retail/showroom; Built - 1986	6/23/10 - sold after foreclosure	\$40.08/SF	35%±
2328 1 st Street, Center Point, AL	7,228 SF Strip office/retail year blt - late 70's/early 80's	4/11/12 - prior foreclosure 30% occupied	\$13.14/SF	45%±
3223 Hi-Lo Circle, Huntsville AL	21,946 SF Office/Whse.; year blt.-1968/84	5/28/2010 Auction Sale	\$17.29/SF	40% - 45%
733 Arcadia Circle, Huntsville AL	12,639 SF Office/Whse.; Year Blt. -1974	5/27/2010 Auction Sale	\$15.37/SF	40% - 45%
1531 4 th Ave. SE, Decatur, AL	8,227 SF Off/Show/Whse. Year Blt. - early 2000's	3/28/11 - 175 days on market pre-auction list.	\$25.77/SF	40% - 50%
2234 Graham Ave., Decatur AL	6,865 SF Office; Year Blt. 1984	8/9/11 - prior foreclosure auction; 90 day mkt.	\$23.97/SF	50%±
7531 Memorial Pkwy. SW, Huntsville AL	5,040 SF Multi-tenant Office; Year Blt. - 1988	May, 2011 -REO sale April Foreclosure	\$81.35/SF	30%±
507 Drake Ave., Huntsville AL	15,290 SF Multi-tenant Office; Year Blt. - 2007	10/12/2010 - REO sale	\$104.64/SF	30%±

Based on discussions with local brokers as well discounts observed in recent "short" or "liquidation/disposition" sales, discounts in the 0% to 25% range should be expected for a liquidation sale given the Subject's 180 - 240 day marketing time estimated herein.

Liquidation Value Conclusion

Considering the Subject's physical and economic characteristics as well as the defined marketing period of 90-180 days, a discount rate exhibited range is most appropriate. Based on the foregoing analysis, it is our opinion that a reconciled "Liquidation" value range for the Subject's fee simple interest, "As Is," as of March 26, 2024, was:

@ 0% discount to \$405,000 = \$405,000
 @ 25% discount to \$405,000 = \$303,750
 reconciled at \$350,000

**RECONCILED "LIQUIDATION" VALUE OF
 SUBJECT'S, FEE SIMPLE INTEREST, "AS IS":**

\$350,000 (78.13/SF)

INSURABLE REPLACEMENT COST ESTIMATE

If requested by the client, we are providing an estimate of the Subject's Insurable Replacement Cost and/or the Actual Cash Value, as previously defined herein, which is calculated using the worksheets on the following page. Based on this analysis, the Subject's estimated Insurable Replacement Cost, as of the effective date of appraisal was as follows:

ESTIMATED INSURABLE REPLACEMENT COST & ACTUAL CASH VALUE BY BUILDING:

Ins. Replacement Cost:	\$410,000
Actual Cash Value:	N/A

Provisions of an Insurable Cost Estimate by the appraiser does not change the intended user or the intended purpose of the appraisal. The appraiser assumes no liability for the Insurable Cost estimate provided and does not guarantee that any estimate or opinion will result in the subject property being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Cost estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing cost of labor and material as well as changing building codes, governmental regulations and requirements.