The following Staff Report was originally presented at the June Board of Adjustment hearing and subsequently continued to August, then September, then October.

The applicant has obtained an appraisal of the property with an effective date of September 26, 2024, prior to storm damage to the building. That appraisal was provided to City of Brevard on September 22, 2026, and is attached here. The appraised value is $202,496, resulting in a 29% investment in the building with the $60,000 value stated on the application.

The September 2024 UDO defines "Significant damage: Damage of any origin sustained by a structure during any one-year period whereby the cost of restoring the structure to it's before-damaged condition would equal or exceed 25 percent of the market value of the structure before the damage occurred. In the absence of any information pertaining to market value, the administrator shall utilize the assessed value of the structure. See definition of significant improvement."

The September 2024 UDO defines "Significant improvement: Any combination of repairs, reconstruction, rehabilitation, addition, or other modification of improvement of a structure, taking place during any one-year period, for which the cost equals or exceeds 25 percent of the market value of the structure as of the date the improvement was permitted (or, in the absence of any permit, as of the date of start of construction of the improvement). In the absence of any information pertaining to market value, the administrator shall utilize the assessed value of the structure. This term includes structures which have incurred significant damage regardless of the actual repair work performed. The term does not, however, include either of the following:

A. Any correction of existing violations of state, city, or county health, sanitary, or safety code specifications which have been identified by the administration of other authorized officials of the State of North Carolina or Transylvania County, and which are the minimum necessary to assure safe living conditions; or
B. Any alteration of a historic structure provided that: such alteration is necessary to maintain retain or restore historically significant characteristic; the alteration will not preclude the structure's continued designation as a historic structure; and the alteration does not result in the expansion of a non-conforming condition.

Background

Dolly's Dairy Bar, a tenant at 128 Pisgah Hwy in Pisgah Forest, is zoned Downtown Mixed Use (DMX) and is within the City's Extra Territorial Jurisdiction (ETJ). The parcel identification number is 8597-45-1544-002.

Dolly's sustained damage from Hurricane Helene and construction repairs were estimated at $60,000 per the permit application. The County tax office has appraised the building's value (primary structure) at $43,430.

Per the Unified Development Ordinance (UDO), the primary structure is considered a pre-existing nonconformity and based on the cost of repairs to be invested in the building, it will be considered a Substantial Damage/Improvement.

Per UDO 14.3.E.(5): "Significant damage and/or significant improvement to any non-conforming structure that is located within a lot containing any other non-conforming condition shall, to the maximum extent possible, require the satisfaction of the all-other requirements of this ordinance and the elimination of all non-conforming conditions. Examples include, but are not limited to, the provision of sufficient parking, landscaping and buffering, and public improvements (i.e., sidewalks and other), and

full compliance with all applicable signage, flood hazard reduction, surface water protection, and stormwater management provisions."

The parking lot is currently not paved with permanent non-erodible surface treatment, which is a requirement of Chapter 10.7.D.1.

The owner of the property and the City executed an Infrastructure Improvement Agreement, as they stated NCDOT work will be happening with the R-5799 roundabout and wanted to wait until it's completion to do their parking lot improvements.

The applicant is requesting a variance of the Unified Development Ordinance's (UDO) Chapter 10.7.D.1 for non-conforming parking lot to be brought into compliance.

Notice of the hearing was advertised and posted on the property in accordance with North Carolina General Statute §160D-406.

Discussion

The City did approve the repairs requested based on the fact that we have the Infrastructure Improvement Agreement on file. The owners did add ADA parking as part of these repairs.

Investigation

Upon inspection, the existing parking lot is a gravel lot but does have some holes/low spots.





Standards for the Granting of Variances
In order to grant the variance *all* of the conditions below must be met:

1. Unnecessary hardship would result from the strict application of the regulations. It shall not be necessary to demonstrate that, in the absence of the variance, no reasonable use can be made of the property.

2. The hardship results from conditions that are peculiar to the property, such as location, size, or topography. Hardships resulting from personal circumstances, as well as hardships resulting from conditions that are common to the neighborhood or the general public, may not be the basis for granting a variance.

3. The hardship did not result from actions taken by the applicant or the property owner. The act of purchasing property with knowledge that circumstances exist that may justify the granting of a variance shall not be regarded as a self-created hardship.

4. The requested variance is consistent with the spirit, purpose, and intent of the regulations, such that public safety is secured, and substantial justice achieved. Substantial justice is not achieved when granting the variance would be injurious to the neighborhood or to the general welfare.

Economic hardship or the fact that property may be utilized more profitably with a variance shall not constitute an unnecessary hardship. In its motion the Board should include Findings of Fact to support each of the items listed above.

NCAC
NORTH CAROLINA
APPRAISAL COMPANY

Consulting Report
128 Pisgah Hwy
Pisgah Forest, NC 28768

Report Date: August 28, 2026



For:
John D. Noor
Roberts & Stevens, P.A.
City Centre Building | 301 College Street, Suite 400
Asheville, NC 28801

North Carolina Appraisal Company
130 US 64 E, Suite 15A
Cashiers, NC 28717
828-743-9758
www.wncappraise.com

NCAC
NORTH CAROLINA
APPRAISAL COMPANY

August 28, 2026
John D. Noor
Roberts & Stevens, P.A.
City Centre Building | 301 College Street, Suite 400
Asheville, NC 28801

Re: 128 Pisgah Hwy, Pisgah Forest, NC 28768

Dear Mr. Noor:

Following your request we have reviewed the information you provided and searched for the information that would guide us in determining a reasonable value for the building. We also have made a property inspection. We have summarized our findings herein. This is a **Real Property Appraisal Consulting Report**. It is our understanding that the purpose of the report is to determine the value of the existing building prior to damage sustained from Hurricane Helene. We can assure the reader that all of the usual research and analyses have been undertaken in the work here. However, the presentation of that data has been abbreviated for the writing of this communication. Our findings are as follows:

CONSULTING REPORT

Client and Intended Users
The client in this assignment is Roberts & Stevens, P.A.. The intended users of the report are Roberts & Stevens, P.A..

Intended Use of the Consulting Report
The intended use of the report is to determine the value of the existing building prior to damage sustained from Hurricane Helene.

Property Identification
The subject property is located at 128 Pisgah Hwy, Pisgah Forest, NC. The subject property is further identified by the tax map parcel 8597-45-1544-001. The subject is situated on a 0.95+/- acre, or 41,382+/- square foot site.

The subject is currently improved with a 841+/- (by our measure) square foot food service building. There are additional improvements on the property; however, they have been excluded from our analysis based on the scope of work involved.

Effective Date of Report
September 26, 2024

Scope of Work
We have reviewed the documents provided, inspected the subject property and searched for information we believe is relevant to this assignment. The scope of this assignment requires the writer to estimate the current value of the building prior to damage sustained from Hurricane Helene. In order to determine the value for the building alone, the underlying land value must be excluded.

We attempted to find recent, comparable sales of similar commercial sites in order to extract the land value from the sales price, to then end up with a resulting building value, but we did not find any comparable commercial land sales. There have been seven closed sales of "commercial" sites in Transylvania County over the last 5+ years, but they range from 0.81+/- acres (and had multiple improvements) to almost 9 acres. In short, none of these are considered to be comparable to the subject.

Due to the lack of available land sales, it was determined that developing a value for the existing structure based on a depreciated replacement cost would be a reasonable approach. Our findings related to that methodology are below.

The replacement cost new of the subject improvements was developed utilizing the Marshall & Swift Valuation Service, a nationally recognized and widely accepted cost estimating resource within the appraisal profession. Marshall & Swift provides cost data derived from extensive analysis of construction costs throughout the United States and is commonly relied upon by appraisers, assessors, lenders, and other real estate professionals for estimating the current cost of constructing comparable improvements. The building in question is a single-story food service building. Building characteristics including construction quality, design, size, class, and occupancy were analyzed and matched to the appropriate Marshall & Swift cost classification. Base costs were then adjusted as necessary for local market conditions, building features, and indirect costs to arrive at an estimate of the replacement cost new of the improvements as of the effective date of this report.

After estimating the replacement cost new, all applicable forms of depreciation were considered. Depreciation reflects the loss in value from physical deterioration, functional obsolescence, and external influences affecting the property. Based upon the building's effective age, observed condition, remaining economic life, and overall utility, an appropriate depreciation allowance was applied to the replacement cost new estimate. The resulting depreciated cost estimate represents the contributory value of the improvements as of the effective date of this report. A summary of our findings are as follows.

CoreLogic - SwiftEstimator
Commercial Estimator - Summary Report

General Information

Estimate ID:	128 Pisgah Hwy	**Date Created:**	08-04-2026
Property Owner:		**Date Updated:**	08-04-2026
Property Address:	28712	**Date Calculated:**	08-06-2026
Local Multiplier:	1.50	**Cost Data As Of:**	using report date
Architects Fee:	3%	**Report Date:**	08-2026

Section 1

Area	841	**Overall Depreciation %**	
Stories in Section	1	**Physical Depreciation %**	15
Stories in Building	1	**Functional Depreciation %**	
Shape	irregular	**External Depreciation %**	
Perimeter	(auto-calc)		
Effective Age	15		

Occupancy Details

Occupancy	%	Class	Height	Quality
353 Retail Store	60	D	10	2.0
350 Restaurant	40	D	10	2.0
Occupancy Total Percentage	100			

System : Exterior Walls

	%/Units	Quality	Depr%	Other
896 Exterior Walls : Stud Walls-Wood Siding	100	Occ.	15	
Total Percent for Exterior Walls:	**100**			

System : HVAC (Heating)

	%/Units	Quality	Depr%	Other
611 HVAC (Heating) : Package Unit	100	Occ.		
Total Percent for HVAC (Heating):	**100**			

System : Land and Site

	%/Units	Quality	Depr%	Other
7006 Land and Site : Bumpers, Parking Lot	20	Occ.		
62 Land and Site : Site Improvements	10000	Occ.		

Remark / Note Details

Remark Date :	08-04-2026	**Reference Date :**	08-01-2026

Note:

NCAC
NORTH CAROLINA APPRAISAL COMPANY

Calculation Information (All Sections)

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
Basic Structure					
Base Cost	841	$204.98	$172,388	$25,858	$146,530
Exterior Walls	841	$41.00	$34,481	$5,172	$29,309
Heating & Cooling	841	$25.40	$21,361	$3,204	$18,157
Basic Structure Cost	**841**	**$271.38**	**$228,230**	**$34,234**	**$193,996**
Extras					
Site Improvements - Depreciated			$10,000	$1,500	$8,500
Replacement Cost New	**841**	**$283.27**	**$238,230**		
Less Depreciation					
Physical	15.0%			$35,734	$202,496
Depreciated Cost	**841**	**$240.78**		**$35,734**	**$202,496**
Miscellaneous					
Bumpers, Parking Lot	20	$13.70	$274		$274
Total Cost	**841**	**$283.60**	**$238,504**	**$35,734**	**$202,770**

Cost data by CoreLogic, Inc.

Except for items and costs listed under "Addition Details," this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.

CoreLogic®

Conclusions

The subject is an 841-square-foot, single-story retail/food service building classified as a "Class D" structure with an effective age of 15 years. Based on the Marshall & Swift/CoreLogic SwiftEstimator analysis, utilizing a local cost multiplier of 1.50 applicable to the Brevard, North Carolina market area for this property type, the estimated replacement cost new of the improvements is calculated at $238,230, or approximately $283 per square foot (including site improvements). After applying physical and functional depreciation related to the effective age, the depreciated value of the improvements is estimated at approximately $203,000. This figure represents the contributory value of the building improvements as of the effective date of this report.

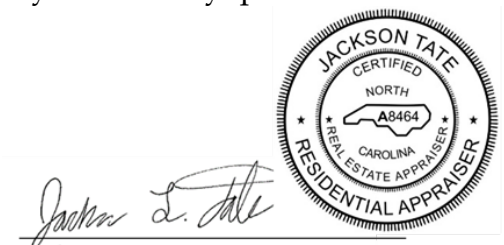
Hypothetical Conditions & Extraordinary Assumptions

None

The purpose of this assignment is to determine the value of the existing building prior to damage sustained from Hurricane Helene. It is not to estimate value. Any reference to values or value indications is called for with regard to the purpose of the assignment not necessarily to conclude one. If the reader has any questions, please contact the writer.

This report has been prepared for the sole and exclusive use of the addressee. No third parties are authorized to rely upon this communication without the express written consent of the undersigned.

If you have any questions concerning this report, please contact the undersigned.



Jackson L. Tate
North Carolina Appraisal Co.
Certified Residential/General
Real Estate Appraiser #A8464

NCAC
NORTH CAROLINA
APPRAISAL COMPANY

Definitions

Glossary
Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

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

Amortization
The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent
The minimum rent stipulated in a lease. (Dictionary)

Base Year
The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area
In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area
The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)
A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)
The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium
A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement
An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value
A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction
A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation
1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

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

Easement
The right to use another's land for a stated purpose. (Dictionary)

EIFS
Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date
1) The date on which the appraisal or review opinion applies. (SVP)
2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)
The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent
Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM
Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause
A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause, expense recovery clause or stop clause*. (Dictionary)

Estoppel Certificate
A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land
Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent
The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time
1) The time a property remains on the market.
2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption
An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

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

Floor Common Area
In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)
Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value
An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business.* (Dictionary)

Gross Building Area (GBA)
1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2) Gross leasable area plus all common areas.
3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method
A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout
The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values.* (Dictionary)

Ground Lease
A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent
The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC
Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use
1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use of for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition
1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease
A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value
A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value
The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation
In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the

owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)
One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)
One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value
The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- 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.

(Dictionary)

Loan to Value Ratio (LTV)
The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations
Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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.

(Dictionary)

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease
A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease
A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross le*ase. (Dictionary)

Operating Expense Ratio
The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option
A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest
Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through
A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)
The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. … The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report …The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost
The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

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

deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate
The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease
An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination
A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land
Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease
An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease.* (Dictionary)

Usable Area
The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use
The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.

2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.

3. Unless otherwise noted, the appraisal will value the property as though free of contamination. North Carolina Appraisal Company will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.

4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.

5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.

6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.

7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of North Carolina Appraisal Company is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.

8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.

11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.

13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.

14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent North Carolina Appraisal Company and the Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.

15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.

16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by North Carolina Appraisal Company.

17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.

18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.

20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.

21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.

23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or

can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.

25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.

27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and 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 asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.

30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.

31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.

32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.

33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and

related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and North Carolina Appraisal Company both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If North Carolina Appraisal Company and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against North Carolina Appraisal Company or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by North Carolina Appraisal Company for this assignment, and under no circumstances shall any claim for consequential damages be made.

36. North Carolina Appraisal Company shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of North Carolina Appraisal Company. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold North Carolina Appraisal Company and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold North Carolina Appraisal Company harmless from and against any liability, loss, cost, or expense incurred or suffered by North Carolina Appraisal Company in such action, regardless of its outcome.

37. This report and any associated work files may be subject to evaluation by North Carolina Appraisal Company for quality control purposes.

38. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Jackson Tate

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

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

4. Within the three-year period immediately preceding acceptance of this assignment, Jackson L. Tate has not provided previous services regarding the property that is the subject of this report, as an appraiser or in any other capacity.

5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

9. Jackson L. Tate did personally inspect the subject property.

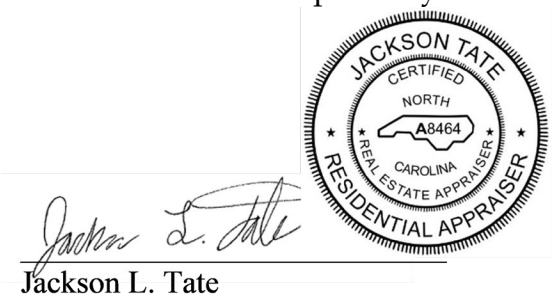
10. No one provided significant real property appraisal assistance to those signing this certification, unless otherwise noted.

11. 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.

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

13. As of the date of this report, Jackson L. Tate has completed the continuing education program for Practicing Affiliates of the Appraisal Institute.

Respectfully submitted,



Jackson L. Tate
North Carolina Appraisal Co.
Certified Residential/General
Real Estate Appraiser #A8464

Addenda

- *Qualifications of Jackson L. Tate*
- *License*

Qualifications of Jackson L. Tate

Jackson L. Tate, Certified Real Estate Appraiser, has been active in Real Estate Appraisal since 2013.

Education

Bachelor of Science
Clemson University, Clemson, SC

Experience

President
North Carolina appraisal Company (2026)

Managing Partner
North Carolina Appraisal Company (2022 - 2025)

Associate Appraiser
North Carolina Appraisal Company (2019 - 2022)

Associate Appraiser
Valbridge Property Advisors LLC (2015 - 2019)

Appraiser
Compass South Appraisals (2013 - 2015)

Member

Board of Equalization and Review
Transylvania County (2022 - Present)

Board of Adjustment
City of Brevard (2024 - Present)

City of Brevard
Parks, Trails, and Recreation Committee (2025 - Present)

Qualified

Expert Witness
Transylvania County, North Carolina

NCAC
NORTH CAROLINA
APPRAISAL COMPANY

Expert Witness
Henderson County, North Carolina

Expert Witness
Buncombe County, North Carolina

Licensed

South Carolina Certified General Real Estate Appraiser from 2013 to 2019
North Carolina Certified General Real Estate Appraiser since November 2019

Completed Appraisal Courses

Basic Appraisal Principles - 2013
Basic Appraisal Procedures - 2013
USPAP 15 Hour Course - 2013
Real Estate Finance Statistics and Valuation Modeling - 2014
General Appraiser Sales Comparison Approach - 2014
General Appraiser Site Valuation & Cost Approach - 2014
Business Practices and Ethics - 2014
General Appraiser Report Writing and Case Studies - 2015
General Appraiser Income Approach/Part 1 - 2015
USPAP 7 Hour Update - 2015
General Appraiser Income Approach/ Part 2 - 2016
General Appraiser Market Analysis and Highest & Best Use - 2017
Parking and Its Impact on Value on South Carolina Properties - 2017
USPAP 7 Hour Course - 2017
Residential Sales Comparison and Income Approach - 2018
The Valuation of Breweries - 2019
USPAP 7 Hour Course - 2020
North Carolina Supervisory Appraiser/Trainee Appraiser Course - 2021
Business Practices and Ethics - 2021
Cool Tools: New Technology for Real Estate Appraisers - 2021
Practical Applications of the Residential Sales Comparison Approach - 2021
Quantitative Analysis - 2021
7-Hour National USPAP Update Course - 2022
ANSI, Home Measurements, & the Power of Price-Per-Square-Foot - 2022
Valuation of Conservation Easements - 2023
Advanced Income Capitalization - 2023
Advanced Market Analysis and Highest & Best Use - 2023
Advanced Concepts & Case Studies - 2023

7-Hour National USPAP Update Course - 2024
Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications - 2024
General Demonstration Report Writing - 2024
Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation - 2024
Becoming Proficient in Fractional Interest Valuation - 2024
Appraising Residential Property on Tribal Lands in Closed Market Areas - 2025
Appraiser Liability 101: Essential Concepts - 2025
Appraiser's Guide to the New URAR - 2026
2026-27 7-Hour National USPAP® Continuing Education Course - 2026
Appraiser's Guide to Expert Witnessing - 2026

Jackson Tate's experience includes new construction, condominiums, townhouses, residential lots, single-family homes and rentals, two- to four-family properties, large land tracts, conservation easement valuations, UASFLA (Yellow Book) appraisals, commercial properties, and real estate-related litigation and consulting.

License



NORTH CAROLINA APPRAISAL BOARD

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

26 JACKSON L TATE 27

A8464	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

Jackson L. Tate
Appraiser's Signature

Executive Director

EXPIRES JUNE 30, 2027