

APPRAISAL OF

**297.60 Acres Sand Hill Road
Guyton, Georgia 31312**

Property of Herbert Fetzer Nease



June 3, 2025

Troy A. Hill and Andy O'Quinn
Johnson, Mirmiran & Thompson, Inc.
300 Chastain Center Boulevard, Suite 325
Kennesaw, Georgia 30144

Re: Appraisal of 297.60 acres in the 1559th GMD of Effingham County, Georgia

Dear Mr. Hill and Mr. O'Quinn,

As requested, I have personally inspected the above parcel and based upon the facts and opinions contained in this appraisal report, it is my considered opinion the estimated fee simple market value of the property above as of May 30, 2025 is as follows:

TWO MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS
\$2,230,000.00

This appraisal was made utilizing the extraordinary assumption that the Effingham County Tax Assessor's Acreage amount for the subject property is correct. This is due to the recorded deeds and plats for the property that the appraiser found not appearing to reflect the entire property and having conflicting acreage amounts.

Thank you for the privilege of having served you.

Very truly yours,

HULSEY-JOHNSTON APPRAISAL SERVICES, INC.

A handwritten signature in cursive script that reads "John B. Underwood".

John B. Underwood
Certified General Real Estate Appraiser, Georgia License #388668
108 North College Street
Statesboro, Georgia 30458

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location:	297.6 Acres Sand Hill Road Guyton, Georgia 31312
Property Rights Appraised:	Fee Simple Interest
Legal Description:	297.6 acres in the 1559 th GMD of Effingham County, Georgia
Site Area:	297.6 Acres
Improvements:	Single family dwelling, barns/outbuildings
Zoning:	AR-1 and I-1
Flood Map Data:	13103C 0334E/13103C 0333E Zone X/A – March 16, 2015
Assessed Value/Taxes:	\$1,599,658.00 / \$17,644.87
Highest & Best Use:	Residential Development/Borrow Pit/Timberland
Valuation Date:	May 30, 2025
Value Conclusion:	\$2,230,000.00
Marketing/Exposure Time:	1 Year

TABLE OF CONTENTS

	PAGE
IDENTIFICATION OF THE PROPERTY.....	6
OBJECTIVE OF THE APPRAISAL.....	8
AUTHORIZATION.....	8
DATE OF THE APPRAISAL.....	8
THREE YEAR DELINEATION OF TITLE.....	8
STATEMENT OF OWNERSHIP.....	8
LISTING/CONTRACT DATA.....	9
SCOPE OF THE APPRAISAL ASSIGNMENT.....	9
COMPETENCY PROVISION.....	10
PROPERTY RIGHT APPRAISED.....	10
MARKET VALUE DEFINED.....	12
AREA DATA FOR GUYTON, SPRINGFIELD, AND EFFINGHAM COUNTY.....	13
NEIGHBORHOOD DATA.....	15
SITE DATA.....	16
TIMBER.....	17
DESCRIPTION OF IMPROVEMENTS.....	18
SURFACE MINE LEASE.....	18
ZONING.....	19
TAX DATA.....	19
EXPOSURE TIME / MARKETING TIME.....	20
HIGHEST AND BEST USE.....	21

VALUATION.....	24
COST APPROACH.....	27
INCOME APPROACH.....	27
MARKET APPROACH.....	29
RECONCILIATION, FINAL ESTIMATE, AND CONDITIONS OF THE APPRAISAL	39
ADDENDA.....	40
Photographs	
Certification and Limiting Conditions/Disclaimers	
Qualifications of the Appraiser	

IDENTIFICATION OF THE PROPERTY

The property under appraisal consists of a tract of land located in the 1559th GMD of Effingham County, Georgia. The tract is comprised of a total of 297.60 acres, more or less, of total land area. This parcel is located approximately (8) eight miles south of the City of Guyton in southwestern Effingham County. The parcel lies on the western side of Sand Hill Road approximately (1.5) one and a half miles north of its intersection with U.S. Highway 80. The Ogeechee River, which is the Effingham and Bryan County line, borders the subject property on its western boundary.



As shown above, the current 911 address for the subject property is 2714 Sand Hill Road, Guyton, Georgia 31312. The parcel currently consists of a homesite, borrow pit, and timberland.

The complete legal description covering the subject property is recorded in various Deed Books of Effingham County. The most recent recorded deed covering 270.97 acres of the subject property is recorded in the Effingham County Clerk of Courts Deed Book 2593 Page 157.

All that certain lot, tract or parcel of land situate, lying and being in the 1559th G.M. District, Effingham County, Georgia, containing a total of 270.97 acres, more or less, known and designated on said plat as Parcel 301-4E (122.58 acres, more or less), Parcel 301-4D (containing 88.19 acres, more or less); and Parcel 301-5 (containing 60.29 acres, more or less), and being shown and more particularly described by the plat of survey made by Adolph N. Michells, G.R.L.S. #1323, dated December 18, 2012, recorded in the Office of the Clerk of the Superior Court of Effingham County, Georgia, in Plat Cabinet D, Slide 115C-2, which is incorporated into this description by specific reference thereto.

ALSO: a perpetual non-exclusive right-of-way easement for a road and for utility purposes over and across a 60-foot wide access easement shown on said plat which extends from the northeasterly boundary line of said property over and across other lands of Herbert F. Nease and meandering in a easterly direction to a point where it reaches the Sandhill Road as shown on said plat above referred to.

This being the same property conveyed by Herbert Fetzner Nease to Miguel Baca Perez as evidenced by that certain Warranty Deed dated October 17, 2017, recorded in Deed Book 2433, page 256, Effingham County, Georgia records.

SUBJECT HOWEVER to all restrictive covenants, easements and rights-of-way of record.

THIS CONVEYANCE IS ABSOLUTE AND EFFECTIVE IMMEDIATELY UPON EXECUTION OF THIS DEED EVIDENCING THE CONVEYANCE. ANY DEFAULT OF GRANTOR UNDER THE TERMS OF THE AGREEMENT BETWEEN THE PARTIES BEARING EVEN DATE HERewith PERTAINING TO THE PROPERTY SHALL RESULT IN LEGAL AND/OR EQUITABLE CLAIMS AGAINST GRANTOR, BUT SHALL NOT IN ANY MANNER IMPACT THE TITLE TO THE PROPERTY AS VESTED IN GRANTEE HEREUNDER.

GRANTEE RETAINS ALL RIGHTS UNDER THE AGREEMENT BETWEEN THE PARTIES BEARING EVEN DATE HERewith AND UNDER THE PROVISIONS OF THE PROMISSORY NOTE AND DEED TO SECURE DEBT DATED OCTOBER 17, 2017 FROM GRANTOR TO

This deed does not include 26.63 acres of the subjects site that is identified by the Effingham County Tax Assessor as Parcel Number 03010004TPO.

A complete plat covering the subject property could not be located, as a result, the parcel is outlined in blue on the Effingham County Tax Assessor's map below.



OBJECTIVE OF THE APPRAISAL

The objective of this appraisal report is to establish an estimate of market value for the subject property as of May 30, 2025. In estimating this value, it has been necessary to make a careful physical examination, study and analysis of the parcels.

AUTHORIZATION

The appraisal report was authorized by Troy A. Hill and Andy O'Quinn of Johnson, Mirmiran & Thompson Inc. on May 21, 2025.

DATE OF THE APPRAISAL

The subject site was inspected on a variety of occasions; however, the "effective" date of this appraisal report is May 30, 2025.

THREE YEAR DELINEATION OF TITLE

According to the public records, the subject parcel has not had any title exchanges in the last (3) three years.

STATEMENT OF OWNERSHIP

According to public records, current ownership of the subject is vested in the name of Herbert Fetzer Nease whose mailing address is 2714 Sandhill Road, Guyton, Georgia 31312.

LISTING/CONTRACT DATA

After conversations with the realtor representing the seller, they revealed that they had listed the property approximately (1) one year ago. This listing was placed on their website with an asking price of \$2,550,000.00. It was not listed on any local multi-list services.

Conversations with the client as well as with the realtor representing the seller revealed that a sales contract is not currently in place.

SCOPE OF THE APPRAISAL ASSIGNMENT

The scope of the appraisal assignment includes market research to support the objective of the appraisal. This includes public records research, appraisers, buyers, sellers, brokers and commercial agents in the local market. Land size is reported from information provided by the most Effingham County Tax Assessor's Office.

The Principle of Substitution maintains that a prudent purchaser will not pay more for one property than for another that is equally desirable or with the same or similar utility. Property values tend to be set by the price of acquiring an equally desirable substitute property. While this is a defined real estate principle, it is founded on common sense. This principle is at the forefront of the opinions stated in this report.

Data gathered from local sources, supported by regional data as discussed, is considered sufficient and reliable for a Market Value indication for its current use. No feasibility study was made for alternative uses. Specific approaches and considerations are referenced throughout this report.

This appraisal has been conducted in compliance with the Uniform Standards of Professional Appraisal Practice with attention given to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) relating to appraisal standards.

I certify that I am fully qualified and competent by training, knowledge and experience to perform appraisals which meet the requirements of FIRREA and currently state certified in the State of Georgia in which I conduct appraisals. I certify that this appraisal assignment is not based upon a requested minimum valuation, a specific valuation, or for the approval of a loan.

COMPETENCY PROVISION

The appraiser, John B. Underwood, has knowledge and prior experience in appraising properties regarded as similar to the subject property. Consequently, the competency provision as set out by the Uniform Standards of Professional Appraisal Practice has been met. Additionally, John B. Underwood is a Georgia Certified General Real Property Appraiser (CG 388668) with a valid license through August 31, 2025.

PROPERTY RIGHT APPRAISED

The property right appraised is the fee simple ownership, subject to normal mortgage loan encumbrances, utility easements, and rights of tenants. Fee simple is defined as an absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.

MARKET VALUE DEFINED

Market value is defined by the Appraisal Institute as:

“The most probable price, as of a specified date, in terms of cash or cash equivalency for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither in under undue duress.”

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- A. Buyer and seller are typically motivated.
- B. Both parties are well informed or well advised, and each acting in what they consider their own best interest.
- C. A reasonable time is allowed for exposure in the open market.
- D. Payment is made in cash or its equivalent.
- E. Financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale.
- F. The price represents a normal consideration for the property sold unaffected by special financing amounts and terms, services, fees, costs, or credits incurred in the transaction.

AREA DATA FOR GUYTON, SPRINGFIELD, AND EFFINGHAM COUNTY

Effingham County is located in Southeast Georgia near the Atlantic coast. Effingham County borders Chatham County which is one of the major metropolitan counties within the state of Georgia. The county is adjoined on the north by Screven County, on the east by the Savannah River and the state of South Carolina, on the south by Chatham County, and on the west by the Ogeechee River. Springfield is the county seat. Other incorporated cities within Effingham County include Guyton and Rincon

Effingham County has become a suburban neighborhood for Chatham County, who is a major commerce hub due to many industries and commercial businesses being located within the county. The largest contributor of positive economic impact on the county is the Georgia Ports Authority – Port of Savannah that is located along the Savannah River. The Port of Savannah is the largest single container port in the United States. Another major influence on the local economy is the recently opened Hyundai Meta Site in neighboring Bryan County. This is the site of one of the largest automobile manufacturing plants in the United States. These two businesses drive the demand for warehouse space, secondary commercial establishments, and residential developments that support these businesses and local population.

Several major transportation routes travel throughout the county to provide interstate and intrastate commerce. These include Interstate 16 that connects Savannah to Interstate 75 in Macon that travels through Atlanta. U.S. Highway 80 also traverses

through the county. State Routes 17, 119, and 21 also provide major travel corridors. Several Railroads also have terminals in the county. The nearby Port of Savannah on the Savannah River provides maritime transportation for worldwide shipment of goods.

The 2024 population of Effingham County was 73,148. The local economy has had a positive impact on the population which has created an increase in demand for housing in the county. National builders and local builders alike have focused on the area to develop new neighborhoods consisting of both single-family dwellings and multifamily dwellings.

The Effingham County Board of Education operates (17) seventeen schools for grades Pre-K through 12th grade. The total enrollment is approximately 12,500 pupils. There are also several private and charter schools located throughout the county. Post-secondary education is provided by Georgia Southern University which is located in neighboring Bulloch County, as well as, Savannah College of Art and Design (SCAD) and the Georgia Southern Armstrong Campus that are located in neighboring Chatham County.

Overall, Effingham County has been developing at a steady pace over the last several decades due to the growth experienced in Chatham County that has caused migration to more suburban and rural areas of Effingham County. The Port of Savannah that is always expanding to accept modern ships and the recent meta site have created a

positive economic outlook for the County. As a result, the local economy is expected to remain positive over the foreseeable future, which will support a healthy population trend and have a positive impact on the county as well as the region.

NEIGHBORHOOD DATA

The subject property neighborhood is bound on the north by Midland Road, on the east by Midland Road, on the south by Interstate 16, and on the west by Interstate 16. The neighborhood has been developing at a steady rate over recent years with the construction of the Hyundai Meta Site and other in industries moving into the region and along Interstate 16. The area is made up a mixture of single-family developments and commercial and industrial properties, as well as, agricultural and timberland properties. Some of the commercial establishments in the neighborhood include Subway Restaurant, Pilot Travel Center, Love's Travel Stop, Dorel Home Furnishings, Orafol Americas, Parker's Convenience Store, Ken's IGA, Sandra's Seafood, and South Effingham High School, to name a few. Nevertheless, Guyton, Rincon, and Springfield are the centers for all goods and services including shopping, schools, employment, churches and recreation, etc.

The neighborhood is approximately 50% developed and is served by electricity and telephone service in adequate supply and at competitive rates. Most of the parcels are provided water by on site deep and shallow wells while sewage disposal is provided by on site individual septic tanks and drain field systems. There is no known market

evidence to conclude that these types of utilities have an adverse effect on the value or marketability of the various properties in the neighborhood.

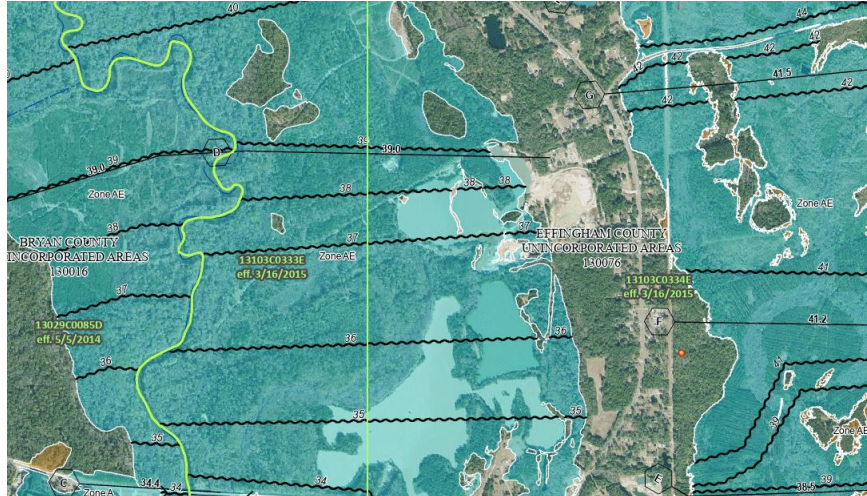
Additionally, there are no known hazards, either man-made or natural, in the area which would limit value. There are no factors, physical, social, governmental or economic, which would adversely affect the development the subject to its highest and best use. I am of the opinion that the subject neighborhood is in a reasonably favorable competitive position when compared to competing neighborhoods due to the increased growth over the last few years.

SITE DATA

This site is irregular in shape with frontage along the western side of Sand Hill Road. The western boundary consists of the Ogeechee River. As previously indicated, this tract contains 297.60 acres, more or less, of total land area. Approximately 5.0 acres is currently utilized as a homesite, 86.0 acres is utilized or was previously utilized as a borrow pit, and the remaining 206.60 acres is mainly timberland.

Topographically, the subject is relatively flat. Access to the subject property is provided by Sand Hill Road. Drainage is considered average to poor across the tract. According to the flood maps covering the subject property approximately three quarters of the site is located in Flood Zone A.

The flood maps covering the property are 13103C 0334E and 13103C 0333E dated March 16, 2025.



DESCRIPTION OF IMPROVEMENTS

As previously indicated, there is a residential dwelling located on the subject property. According to the Effingham County Tax Assessor's Office this dwelling was constructed in 1914. It is in poor to fair condition currently. Other improvements consist of several barns and outbuildings. These improvements are also in poor to fair condition. Due to the poor to fair condition of these improvements they will not be given any value in this appraisal due to their current contributory value being offset by the cost to raze them and make the site vacant and ready for development with new improvements.

SURFACE MINE LEASE

A portion of the subject property is encumbered by a surface mine lease for sand mining from borrow pits. This lease was executed on June 25, 2020 between the owner and Hollingshead Materials, LLC. The contract is effective for (20) twenty years. At the end of this period renewal periods consisting of (5) five years each will be available. The lease amount is \$0.75 per ton of material removed. A minimum of \$50,000.00 per year will be paid to the lessor in the event \$50,000.00 of material is not removed within that year. The lease can be terminated only if both parties agree to terminate the contract.

ZONING

The subject property is currently under (2) two zoning classifications. The eastern portion along Sand Hill Road and the western portion along the Ogeechee River are zoned AR-1, which is an agricultural district with residential overtones of 5.0 acres. The middle portion of the subject property is zoned I-1. The I-1 zoning classification allows for Industrial uses. This portion of the property is zoned I-1 to allow for the operation of the borrow pit.

TAX DATA

Taxes are levied by both Effingham County based upon a 40% assessment of market value. The subject parcel is identified in the Effingham County Tax Assessor's Office as Parcel Numbers 03010004TPO, 03010005, 03010004D00, and 03010004E00. The combined 2024 millage rate for Effingham County is 27.576 mills per thousand dollars of assessment. The combined 2024 tax data for both parcels are as follows:

<u>Component</u>	<u>Value</u>	<u>2024 Taxes</u>
Land	\$1,520,884.00	\$16,775.96
Improvements	\$ 78,774.00	\$ 868.91
Total	\$1,599,658.00	\$17,644.87

Note: The subject property is current enrolled in a ten year conservation land use covenant for tax purposes. This allows the taxable value to be calculated by the Georgia Department of Revenue based on value in use rather than Highest and Best Use. These reduced taxes are not reflected above.

EXPOSURE TIME / MARKETING TIME

As explained in Statement 6 and advisory Opinion G-7 of the Appraisal Standards Board of the Appraisal Foundation, marketing time and exposure time are distinct concepts.

Marketing time refers to the period immediately following the effective date of the appraisal. Based on discussions with brokers and other market participants, and in consideration of current and anticipated future economic conditions, it is my opinion that a marketing time of (1) one year will be required to sell the subject tracts at the value estimated.

Exposure time is defined as the estimated length of offering time the subject property would require prior to the effective date of the appraisal in order to consummate a sale at the appraised value, on that date. Exposure time therefore precedes the effective date of the appraisal. In my opinion, based upon interviews with brokers and other market participants, exposure time for the subject property is estimated to be (1) one year.

HIGHEST AND BEST USE

The Appraisal Institute defines the term Highest and Best Use as follows:

"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."

In estimating highest and best use, there are (4) four aspects to be considered:

1. Physically Possible: What uses are physically appropriate to the site in question?

The subject property is located in southwestern Effingham County. This area has been growing at a steady to rapid pace in recent years with the development of the nearby Hyundai Meta Site. This recent development has increased the number of commercial and industrial establishments in the area which has also increased residential development. The immediate area that the subject is located in consists of residential uses. The subject site possesses adequate road exposure, size, and topography to support residential development along its eastern side that fronts Sand Hill Road. There are approximately (25) twenty-five to (30) acres that could support residential development. Near the middle of the tract are approximately (55) fifty-five acres of former borrow pits that are now (2) two ponds. An additional (25) twenty-five acres is active borrow pit area. The remaining acreage on the western side of the property that is located along the Ogeechee River consists of primarily river overflow and floodplain area. This soil profile puts extreme limitations on the development potential for this portion of the property. In conclusion, the eastern portion of the subject property could be

used for residential development, the middle section for surface mining in the borrow pits or recreation, and the western portion for timberland and recreational uses.

2. Legally permissible: What uses are permitted by zoning, deed restriction, etc. on the site in question?

The eastern and western portions of the subject property are zoned AR-1, which allows for agricultural uses with residential overtones. The residential overtones must have a site area consisting of a minimum of 5.0 acres. The middle section is zoned I-1 which is for Industrial uses.

3. Financially feasible: Which possible and permissible uses will produce a net return to the owner of the site?

The eastern portion of the subject property is currently utilized as a single family homesite. The dwelling is in poor to fair condition and near the end of its economic life. As a result, the most financially feasible use of this portion of the property is to raze the improvements and have the site vacant and ready for higher density residential uses. The middle portion of the property is comprised of former borrow pits and active borrow pits. Due to the cost to fill in these pits it is financially feasible to continue the borrow pit use. Especially due to a lease contract already being in place for the rights to extract from the borrow pits. The western portion of the property consists of primarily wetlands and flood plain area. It would not be financially feasible to attempt any kind of development on this portion of the property. Its financially feasible use is for timber production.

4. Maximally productive: Among the feasible uses, which will produce the highest present worth?

As previously indicated, the subject property is in an area with accelerated growth due to recent industrial developments in the area. These industrial developments have increased the number of housing units needed, therefore, the maximally productive use of the eastern portion of the subject site is for higher density residential development. This use would provide the most return to this portion of the subject site. The maximally productive use of the middle section of the subject property is for continued use as a borrow pit. The lease has (15) fifteen years remaining which will provide cash flow to the owner and result in a positive return to the site. The western portion of the subject site is suited for timber production and recreational uses. Due to the low lying nature of this section of the property it will not support development. Future timber harvesting will be the only financial return to this section of the subject property.

In summary, the Highest and Best Use of the eastern section of the subject property as vacant and as improved is for higher density residential development. The Highest and Best Use for the middle section is for a borrow pit. The western portion of the property has a Highest and Best Use of timber production.

VALUATION

Real Estate Appraisers typically use (3) three methods to estimate Market Value: The Cost Approach, the Market or Direct Sales Comparison Approach, and the Income Approach.

The Cost Approach to value is derived by estimating the depreciated reproduction cost of the improvements to which is added land value as estimated from comparable market sales. Reproduction Cost is defined as "the cost of construction at current prices of an exact duplicate or replica using the same materials, construction standards, design, layout, and quality of workmanship, embodying all the deficiencies, super adequacies and obsolescence of the subject building". Since it is sometimes impossible to acquire the exact same materials, the replacement cost is also used.

Replacement Cost is defined as "the cost of construction at current prices of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design and layout".

The Cost Approach tends to represent the upper limit of value when the improvements are new and represent the highest and best use of the site. The Cost Approach is market oriented based upon the principle of substitution and tends to represent the Market Value of the property assuming proper management and accrued depreciation.

The Market Approach, like the Cost Approach, is based upon the principle that an informed purchaser will not pay more for a property than the cost of acquiring a similar, existing property that offers comparable utility. This is referred to as the principle of substitution and is of utmost importance in real estate valuation.

The Market Approach, also called the Direct Sales Comparison Approach, involves market investigation and analysis of recent sales of similar improved properties to the subject being appraised. The most important characteristics - location, design, and structural - of the properties and subject are compared and adjusted to reflect dissimilarities which affect value. Necessary adjustments are generally factors such as location, date of sale, size, quality, and physical characteristics. This estimate considers the subject property as the base and sales are adjusted to the subject. Upon application of all appropriate adjustments, the adjusted sales prices are then reconciled to an indication of value of the subject property.

The value of the property by the Income Approach is based upon the gross income potential generated by the property and the quantity, quality and durability of that gross income stream. Necessary expense deductions are made from the gross income estimate to arrive at a net operating income. The net income is then capitalized into a value estimate representing the reasonable price an investor should pay for a property generating that amount of net annual income. Expense deductions include an allowance for vacancy and rent loss over the property's economic life, the inherent

expenses in the operation of the property, and a reserve for replacement of short-lived building components.

The basis of the projection of gross income is economic rent. Economic rent is defined as "the rental income that a property would most probably command on the open market, as of the effective date of the appraisal". The estimate of economic rent involves a comparative analysis of recent lease terms of similar properties in the subject area. This analysis is a process of adjustments to the comparable rentals for features dissimilar to the subject which affect economic rental such as location, size and condition of the property.

COST APPROACH

The Cost Approach has not been utilized in this report due to the improvements on the subject site being near the end of their economic life. Any contributory value they may possess is believed to be offset by the cost to raze them for development of the site.

INCOME APPROACH

The income approach to value will be utilized to value the remaining income stream of the borrow pit lease. This lease was executed on June 25, 2020 between the owner and Hollingshead Materials, LLC. The contract is effective for (20) twenty years. At the end of this period renewal periods consisting of (5) five years each will be available. The lease amount is \$0.75 per ton of material removed. A minimum of \$50,000.00 per year will be paid to the lessor in the event \$50,000.00 of material is not removed within that year. The lease can be terminated only if both parties agree to terminate the contract.

As a result, the net present value will be utilized to value the income stream of the remaining lease amount. Due to the lessee not currently utilizing the pits the minimum payment will be utilized as the yearly cash flow. After researching all available data, lessors of borrow pits tend to require a higher return than average real estate investors due to the destruction of the land and highly variable yearly income. As a result, a discount rate of 15% is believed appropriate for the subjects remaining lease. Thus:

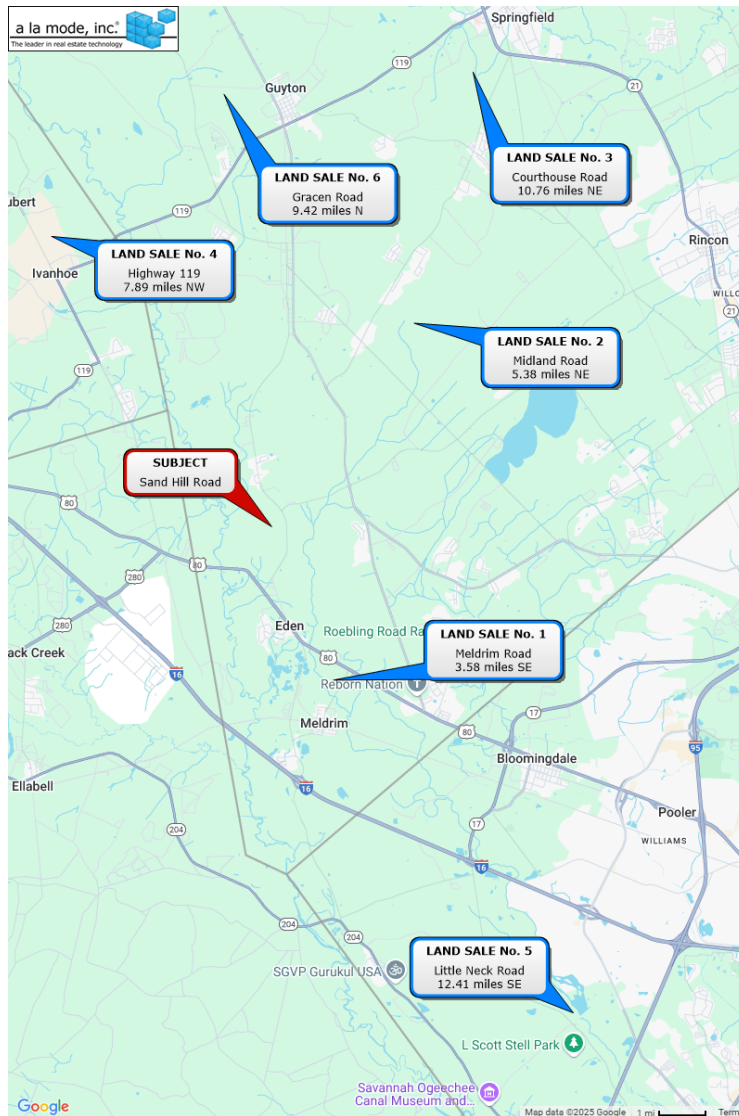
<u>Year</u>	<u>Cash Flow</u>	<u>Discount Rate</u>	<u>Net Present Value</u>
5	\$ 50,000.00	15%	\$297,711.74
6	\$ 50,000.00		
7	\$ 50,000.00		
8	\$ 50,000.00		
9	\$ 50,000.00		
10	\$ 50,000.00		
11	\$ 50,000.00		
12	\$ 50,000.00		
13	\$ 50,000.00		
14	\$ 50,000.00		
15	\$ 50,000.00		
16	\$ 50,000.00		
17	\$ 50,000.00		
18	\$ 50,000.00		
19	\$ 50,000.00		
20	\$ 50,000.00		

<u>NPV of Lease Terms</u>		<u>Value of Land</u>		<u>Total Value</u>
\$297,711.74	+	\$1,934,440.00	=	\$2,232,111.74
			Rounded	\$2,230,000.00

VALUE INDICATION VIA THE INCOME APPROACH - \$2,230,000.00

MARKET APPROACH

A search of the market was made to locate recent exchanges of reasonably similar parcels from which to estimate the value of the subject. In the conducting the search, primary emphasis was placed on tracts possessing a dual highest and best use of residential development and borrow pit/timberland. The following sales were located and are believed to provide a reasonable indication of the value of the subject. These sales are discussed on the following pages.



COMPARABLE SALE NUMBER 1

LOCATION/ID	Located on the southwestern corner of Meldrim Road and U.S. Highway 80 where these two roadways intersect in southwestern Effingham County Tax Parcel Number: 0329 0041E00 and 0329 0041E01
GRANTOR	Quail Preserve, LLC
GRANTEE	Linhos Chemical, Inc., Xinyang Lin, and Xinyue Lin
SALE DATE	November 17, 2023
SALE PRICE	\$680,000.00
DEED REFERENCE	Effingham County Deed Book 2883 Page 579
FINANCING	Cash to seller
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Realtor / Public Records
HIGHEST AND BEST USE	Timberland
GROSS LAND AREA	213.97 Acres
ZONING	AR-1
FLOOD ZONE	Zone A – Western/Southern portion of parcel
UTILITIES	Electric
UNIT PRICE	\$3,178.00 Per Acre

COMMENTS: This is a sale of a piece of property in southwestern Effingham County. A conservation easement encompasses the parcel with only a small section of the property that could be used for a single homesite. A power line easement also dissects the property from east to west near the center of the property. The western and southern portion of the property are in Flood Zone A.

COMPARABLE SALE NUMBER 2

LOCATION/ID	Located on the northeastern side of Meldrim Road just southeast of its intersection with Courthouse Road in southwestern Effingham County Tax Parcel Number: 0348 0037
GRANTOR	St. George Timberland Holdings, Inc.
GRANTEE	Benjamin J. Tarbutton, Jr. 2014 Trust
SALE DATE	January 31, 2025
SALE PRICE	\$5,142,034.00
DEED REFERENCE	Effingham County Deed Book 2954 Page 992
FINANCING	Cash to seller
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Public Records
HIGHEST AND BEST USE	Timberland
GROSS LAND AREA	828.2 Acres
ZONING	AR-1
FLOOD ZONE	Zone A – Majority of parcel
UTILITIES	Electric
UNIT PRICE	\$6,209.00 Per Acre

COMMENTS: This is a sale of a piece of property in southwestern Effingham County. A majority of the property is located in Flood Zone A and encompassed by wetlands.

COMPARABLE SALE NUMBER 3

LOCATION/ID	Located just off the western side of Courthouse Road just south of its intersection with State Route 21 in central Effingham County Tax Parcel Number: S125 0012
GRANTOR	Hat Trick Holdings, LLC
GRANTEE	TWC Farms, LLC
SALE DATE	April 29, 2024
SALE PRICE	\$1,050,000.00
DEED REFERENCE	Effingham County Deed Book 2906 Page 893
FINANCING	Cash to seller
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Public Records
HIGHEST AND BEST USE	Timberland
GROSS LAND AREA	148.622 Acres
ZONING	AR-1
FLOOD ZONE	None
UTILITIES	Electric
UNIT PRICE	\$7,065.00 Per Acre

COMMENTS: This is a sale of a piece of property in central Effingham County. There are no areas of flood zone, however, there are significant areas encompassed by wetlands. Access is by an easement from Courthouse Road.

COMPARABLE SALE NUMBER 4

LOCATION/ID	Located on the eastern side of Highway 119 in southeastern Bulloch County Tax Parcel Number: 191 000011 000
GRANTOR	Gregory T. Sikes
GRANTEE	Harold M. Arrington, II
SALE DATE	March 24, 2025
SALE PRICE	\$600,000.00
DEED REFERENCE	Bulloch County Deed Book 2892 Page 421
FINANCING	Cash to seller
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Seller/Public Records
HIGHEST AND BEST USE	Small Development/Timberland
GROSS LAND AREA	133.87 Acres
ZONING	Ag-5
FLOOD ZONE	Flood Zone A – Eastern portion of property
UTILITIES	Electric
UNIT PRICE	\$4,482.00 Per Acre

COMMENTS: This is a sale of a piece of property in southeastern Bulloch County along the Ogeechee River. Wetlands are on the western and eastern side of the subject property. Flood Zone A covers the entire eastern portion of the property.

COMPARABLE SALE NUMBER 5

LOCATION/ID	Located just off the eastern side of Little Neck Road just west of its intersection with Bush Road in western Chatham County Tax Parcel Number: 51009 03020
GRANTOR	Joseph Franklin Monroe
GRANTEE	Little Neck Partners, LLC
SALE DATE	October 18, 2024
SALE PRICE	\$795,000.00
DEED REFERENCE	Chatham County Deed Book 3506 Page 156
FINANCING	Cash to seller
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Realtor/Public Records
HIGHEST AND BEST USE	Small Development/Timberland
GROSS LAND AREA	124.56 Acres
ZONING	R-A
FLOOD ZONE	Flood Zone A – Eastern portion of property
UTILITIES	Electric
UNIT PRICE	\$6,382.00 Per Acre

COMMENTS: This is a sale of a piece of property in western Chatham County along the northern side of the Savannah-Ogeechee Canal. Approximately 42.26 acres are uplands while the remaining 82.3 acres is flood zone and wetlands. Access is by easement access only.

COMPARABLE SALE NUMBER 6

LOCATION/ID	Located on the southern side of Gracen Road in the northwestern section of the City of Guyton in western Effingham County Tax Parcel Number: G028 0003
GRANTOR	Janice E. Sullivan
GRANTEE	F2S Holdings, LLC
SALE DATE	December 29, 2023
SALE PRICE	\$1,850,000.00
DEED REFERENCE	Effingham County Deed Book 2888 Page 484
FINANCING	Bank Financing
INTEREST CONVEYED	Fee Simple
CONDITIONS OF SALE	Arm's Length
INFORMATION SOURCES	Purchaser/Public Records
HIGHEST AND BEST USE	Residential Development
GROSS LAND AREA	121.0 Acres
ZONING	R-1
FLOOD ZONE	None
UTILITIES	Electric
UNIT PRICE	\$15,289.00 Per Acre

COMMENTS: This is a sale of a piece of property in the City of Guyton in western Effingham County. There was a single family dwelling located on the property, however, it did not possess any contributory value due to the site being purchased for a residential neighborhood. Approximately 40 acres of the eastern portion of the property is in wetlands. Public water and sewer are available to the site.

RE-CAP OF SALES

The following is a re-cap of all (6) six sales previously discussed:

<u>Sale No.</u>	<u>Date</u>	<u>Location</u>	<u>Size (Acres)</u>	<u>Price Per Acre (Rounded)</u>
1	11/23	Effingham	213.97	\$3,178.00
2	01/25	Effingham	828.20	\$6,209.00
3	04/24	Effingham	148.622	\$7,065.00
4	03/25	Bulloch	133.87	\$4,482.00
5	10/24	Chatham	124.56	\$6,382.00
6	12/23	Effingham	121.00	\$9,174.00

SALES GRID

<u>Item</u>	<u>Subject</u>	<u>Land Sale 1</u>	<u>Land Sale 2</u>	<u>Land Sale 3</u>	<u>Land Sale 4</u>	<u>Land Sale 5</u>	<u>Land Sale 6</u>
Address	Sand Hill Road	Meldrim Road	Midland Road	Courthouse Road	Highway 119	Little Neck Road	Gracen Road
Proximity to the Subject	N/A	3.58 miles SE	5.38 miles NE	10.62 miles NE	7.89miles NW	12.41 miles SE	9.42 miles N
Sales Price	N/A	\$680,000.00	\$5,142,034.00	\$1,050,000.00	\$600,000.00	\$795,000.00	\$1,850,000.00
Size (Acres)		213.97	828.20	148.622	133.87	124.56	121.00
Unit Value	N/A	\$3,178.02	\$6,208.69	\$7,064.90	\$4,481.96	\$6,382.47	\$15,289.26
Market Conditions	N/A	11/17/2023	1/31/2025	4/29/2024	3/24/2025	10/18/2024	12/29/2023
Condition of Sale	N/A	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Location	Average	Similar	Similar	Similar	Similar	Similar	Similar
Size	Average	Similar	Inferior	Superior	Superior	Superior	Superior
Access	Average	Similar	Similar	Inferior	Similar	Inferior	Similar
Topography	Average	Similar	Similar	Similar	Similar	Similar	Similar
Utility	Average	Inferior	Similar	Similar	Similar	Similar	Similar
Flood Zone/Wetland	Yes/Yes	Yes/Yes	Yes/Yes	No/Yes	Yes/Yes	Yes/Yes	No/Yes
Shape	Irregular	Similar	Similar	Similar	Inferior	Similar	Similar
Utilities	Limited Public	Limited Public	Limited Public	Limited Public	Limited Public	Limited Public	Full Public
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjusted Unit Value	N/A	\$4,290.32	\$7,760.86	\$7,064.90	\$3,809.67	\$6,382.47	\$9,173.55
Overall Comparability	N/A	Inferior	Similar	Similar	Similar	Similar	Superior

ADJUSTMENT COMMENTARY

TIME

Due to comparables 1 and 6 having sales dates over (18) eighteen months ago an upward adjustment of 10% was applied to these two sales. The market was increasing before this time but has since become more stable due to interest rates staying elevated.

LOCATION

All (6) six comparables were in similar locations when compared to the subject.

SIZE

Comparable 2 required an upward adjustment of 25% for its inferior size when compared to the size of the subject while comparables 3, 4, 5, and 6 required a downward adjustment of 25% for their superior size. It is a common phenomenon in real estate that as unit sizes increase unit values tend to decrease and vice versa.

ACCESS

Comparables 3 and 5 required a positive adjustment of 25% for their inferior access due to only being accessible by easements.

TOPOGRAPHY

All (6) six sales had similar topography when compared to the subject property.

Utility

Comparable 1 required an upward adjustment of 25% due to being encumbered by a conservation easement. This easement does not allow development on the property.

FLOOD ZONE/WETLAND

All of the comparables had areas of either flood zone, wetlands, or a combination of both like the subject. An adjustment was not believed to be warranted when comparing the subject to each sale.

SHAPE

Comparable 4 required a positive adjustment of 10% for its inferior shape due to being a long narrow strip of land.

UTILITIES

Comparable 6 required a downward adjustment of 25% due to having access to public utilities.

SALES COMPARISON ANALYSIS

As noted above, the unadjusted per acre value of the (6) six sales ranges from a low of \$3,178/Acre to a high of \$15,289/Acre. After applying all necessary adjustments, the range is reduced from a low of \$3,810/Acre to a high of \$9,174/Acre. The mean of the sales is \$6,414/Acre and the median is \$6,724/Acre. Therefore, a final value conclusion of \$6,500/Acre is believed to be applicable for the subject property. Thus:

$$\begin{array}{rclcl} 297.6 \text{ Acres} & \times & \$6,500/\text{Acre} & = & \$1,934,400.00 \\ & & \text{NPV of Pit Lease} & + & \underline{\$ 297,711.74} \\ & & \text{Total} & = & \$2,232,111.74 \\ & & \text{Rounded:} & & \$2,230,000.00 \end{array}$$

Value Indication via the Market Approach - \$2,230,000.00

RECONCILIATION AND FINAL VALUE ESTIMATE

COST APPROACH: Not Employed

INCOME APPROACH: \$2,230,000.00

MARKET APPROACH: \$2,230,000.00

As noted above, the Market Approach and Income Approach were the only approaches applicable for the development of an opinion of value for the subject property due to the absence of improvements. The Market or Direct Sales comparison approach tends to best reflect the actions of buyers and sellers in the marketplace and is believed to be reliable in determining the value of the subject property.

Therefore, on the basis of this analysis, the market value of the fee simple interest on May 30, 2025 is estimated as follows:

TWO MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS

\$2,230,000.00

ADDENDA

SUBJECT PROPERTY PHOTOGRAPHS





LIMITING CONDITIONS AND DISCLAIMERS

1. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
2. I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of my data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of any subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that any subject improvements are structurally sound and all components are in working condition.
3. I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
4. I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, I have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. I will not

be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.

5. I will not disclose the contents of this appraisal report except as provided for in the Standards and Ethical Rules under which this appraisal was developed and reported and/or applicable federal, state or local laws.
6. The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
7. If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

CERTIFICATION

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. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
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 Standards of Professional Practice of the Appraisal Institute.

Georgia Law Comment - My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser classifications and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.

John B. Underwood

John B. Underwood

Certified General Real Estate Appraiser, Georgia License #388668

Hulsey-Johnston Appraisals

108 North College Street

Statesboro, GA 30458

RESUME OF QUALIFICATIONS, EDUCATION & EXPERIENCE
John B. Underwood
Certified General Real Property Appraiser #388668

EDUCATION

Statesboro High School, Statesboro, GA, 2014

Georgia Southern University, Statesboro, GA, 2014-2018

Basic Appraisal Principles, McKissock Learning Online, 2018

Basic Appraisal Procedures, McKissock Learning Online, 2018

Residential Report Writing and Case Studies, McKissock Learning Online, 2018

Supporting Your Adjustments: Methods for Residential Appraisers, McKissock Learning Online, 2019

Evaluations, Desktops, and Other Limited Scope Appraisals, McKissock Learning Online, 2019

Residential Sales Comparison and Income Approaches, McKissock Learning Online, 2020

Residential Market Analysis and Highest and Best Use, McKissock Learning Online, 2020

Residential Appraiser Site Valuation and Cost, McKissock Learning Online, 2020

Statistics Modeling and Finance, McKissock Learning Online, 2021

Appraisal Subject Matter Electives, McKissock Learning Online, 2021

Advanced Residential Applications and Case Studies, McKissock Learning Online, 2021

General Appraiser Market Analysis Highest and Best Use, McKissock Online, 2023

General Appraiser Site Valuation and Cost Approach, McKissock Learning Online, 2023

General Appraiser Sales Comparison Approach, McKissock learning Online, 2023

General Appraiser Income Approach, McKissock Learning, 2024

General Appraiser Report Writing and Case Studies, McKissock Learning, 2024

Advanced Income Capitalization, Appraisal Institute, Nashville, TN, November 2024

Advanced Market Analysis and Highest and Best Use, Synchronous, Appraisal Institute, December 2024

Advanced Concepts and Case Studies, Dallas, TX, Appraisal Institute, May 2025

Various continuing education classes covering a variety of real estate related topics as required by the Georgia Real Estate Appraisers Board from 2018 - 2025

EXPERIENCE

Independent Fee Appraiser covering Bulloch, Bryan, Candler, Effingham, Emanuel, Evans, Jenkins, Liberty, Tattnall, Toombs, and Screven Counties, November 2018-present

PROFESSIONAL AFFILIATIONS

Georgia Association of Assessing Officials (GAAO)

Statesboro and Bulloch County Board of Realtors

Hinesville-Liberty County Board of Realtors

Altamaha Basin Board of Realtors

International Association of Assessing Officials (IAAO)

Certified General Real Property Appraiser - Georgia License #CG388668

Practicing Affiliate of the Appraisal Institute

CLIENTS

Department of Veterans Affairs

U.S. Department of Housing and Urban Development

Small Business Administration

Georgia Department of Transportation

Federal Aviation Administration

Georgia Department of Labor

U.S. Attorney General's Office - Secret Service Division

Various city and county governments

Synovus Bank

Renasant Bank

The Heritage Bank

Truist Bank

AgSouth

Pineland State Bank

Bulloch First Bank

Morris Bank

Wells Fargo Bank

Citizens Bank of the South

Tippins Bank & Trust

The Claxton Bank

Various other banks, lending institutions, etc.