

# North Carolina Department of Transportation-Right of Way Unit

## REVIEW CERTIFICATION

TIP/Parcel No.: U-6049/044 WBS Element: 46995.2.1 County: Henderson  
Owner(s): City of Hendersonville FedAid Project: N/A

I HEREBY CERTIFY THAT, to the best of my knowledge and belief the facts and data reported by me and used in the review process are true and correct.

I understand that this estimate of value is to be used in connection with a highway project and/or NCDOT Real Estate transaction.

The analyses, opinions, and conclusions in the **Review Report** are limited only by the critical assumptions and limiting conditions stated in the **Review Report** and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no direct or indirect, present or prospective interest in the subject property or in any benefit from the acquisition of the subject property and I have no personal interests or bias with respect to the parties involved.

I have ☐, have not ☒, performed an appraisal and / or any other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of the assignment.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, the **Review Report**.

My estimate of the value of all items which are Compensable under State law but not eligible for Federal Aid reimbursement is \$ N/A

I personally inspected the subject parcel. I did ☒ did not ☐ personally inspect all sales/rentals considered to be comparable to the subject parcel.

My analyses, opinions, and conclusions were developed and the **Review Report** was prepared in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto. No one provided me with significant professional assistance with the **Review Report**.

The value opinion stated in the appraisal report is adequately supported as the estimate of just compensation. The difference indicated, if any, in the "**Market Value**" of the entire tract **Before the Acquisition** and the "**Market Value**" of the remaining property immediately **After the Acquisition** is \$443,250, as allocated:

### Allocation

|                     |                  |
|---------------------|------------------|
| Right of Way        | <u>\$382,950</u> |
| Permanent Easements | <u>\$0</u>       |
| Temporary Easements | <u>\$0</u>       |

|                                |                  |
|--------------------------------|------------------|
| Total Value of Land Acquired   | <u>\$382,950</u> |
| Value of Improvements Acquired | <u>\$60,300</u>  |
| Damage to Remainder            | <u>\$0</u>       |
| Benefits to Remainder          | <u>\$0</u>       |
| <b>DIFFERENCE</b>              | <u>\$443,250</u> |



October 9, 2024  
DATE OF CERTIFICATION

Laura A. Gourlay  
REVIEW APPRAISER

Un-Economic Remnant to the Owner is a Factor ☐ Yes ☒ No  
Area 0.000 Amount \$0

### **Administrative Approval**

Laura A. Gourlay  
APPROVED BY:

October 9, 2024  
DATE:

**North Carolina Department of Transportation  
Right of Way Branch - Appraisal Summary Sheet**

1. TIP/Parcel No. U-6049/044 WBS Element: 46995.2.1 County: Henderson

2. Owner(s): City of Hendersonville Fed Aid Project: N/A

3. Plan Sheet No.: 7 Survey Stations: SS 11+60.00 to SS 13+10.00 SL Rt of Y7

| 4. Land Areas:                     | AREA LT.OF R/W | AREA IN R/W | AREA RT.OF R/W | TOTAL    |
|------------------------------------|----------------|-------------|----------------|----------|
|                                    | 0.000 ac       | 0.333 ac    | 0.000 ac       | 0.333 ac |
| 5. Add: Land Area in Existing R/W: | 0.000 ac       | 0.000 ac    | 0.000 ac       | 0.000 ac |
| 6. Appraise Net Areas              | 0.000 ac       | 0.333 ac    | 0.000 ac       | 0.333 ac |

7. Easements: TCE: \_\_\_\_\_ AUE: \_\_\_\_\_ PDE: \_\_\_\_\_  
TDE: \_\_\_\_\_ PUE: \_\_\_\_\_ PCE: \_\_\_\_\_  
TUE: \_\_\_\_\_ DUE: \_\_\_\_\_ Other: \_\_\_\_\_

| 8. Improvements Lt. of R/W | Improvements to be Acquired                                                        | Improvements Rt. of R/W |
|----------------------------|------------------------------------------------------------------------------------|-------------------------|
| None                       | Monument sign, wood sign, concrete paving, ground lights, flag poles, landscaping, | None                    |

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**  
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

10. Estimated "MARKET VALUE" of Property Immediately Before:

|                 |                |                |
|-----------------|----------------|----------------|
| Land \$         | <u>382,950</u> |                |
| Improvements \$ | <u>60,300</u>  |                |
| <b>TOTAL \$</b> |                | <u>443,250</u> |

11. Estimated "MARKET VALUE" of Property Immediately After:

|                 |          |          |
|-----------------|----------|----------|
| Land \$         | <u>0</u> |          |
| Improvements \$ | <u>0</u> |          |
| <b>TOTAL \$</b> |          | <u>0</u> |

12. "DIFFERENCE" Between Before and After Value (If Benefited, Type "BENEFITS") \$ 443,250

*Ella M Vrolyk*

Signed

September 17, 2024

Date of Appraisal

Name: Ella M. Vrolyk, MAI Phone: (828) 301 0051  
Address: 4 Maltese Lane  
Weaverville, NC 28787  
E-Mail Address: EllaVrolyk@gmail.com



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## CERTIFICATION

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

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

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

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

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

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

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.

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 Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

I completed an inspection of the property on September 17, 2024.

I inspected the comparable site sales from the right-of-way.

I have not provided appraisal services or any other services related to the subject property in the last three years.

No one provided significant real property appraisal assistance in the preparation of this appraisal.

This report was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

As of the date of this report I have completed the continuing education program of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



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Ella Vrolyk, MAI

September 26, 2024

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## OBJECTIVE OF APPRAISAL AND PURPOSE OF REPORT

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The objective of this appraisal is to estimate the market value of the subject property. The purpose of this report is to present data and analyses which support the opinion of market value. This appraisal report is prepared for the North Carolina Department of Transportation under the guidelines of the NCDOT Right-of-Way Manual, Uniform Standards of Professional Appraisal Practice 2024 Edition, and General Legal Principles for Highway Right-of-Way Acquisitions. This report is to be reviewed and utilized by the North Carolina Department of Transportation as the basis for payment of just compensation under the laws of eminent domain.

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## APPRAISER CERTIFICATION

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This appraisal report has been made in conformity with, and is subject to, the requirements of the Uniform Standards of Professional Appraisal Practice as set forth by the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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## STATEMENT OF COMPETENCY

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The signing appraiser is competent to perform the requested assignment. The appraiser has completed appraisals of similar properties, is familiar with, and knowledgeable of, the geographical market as well as the nuances of the subject's competitive market.

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## INSPECTION OF THE PROPERTY

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The appraiser inspected the subject property on September 17, 2024, accompanied by the property owner's representatives, Angela Beeker and Brent Detwiler.

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## THREE YEAR REPORTING PERIOD

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The signing appraiser has not performed 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 the acceptance of this assignment.

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## DATE OF VALUE ESTIMATE(S)/DATE OF REPORT

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|                        |                    |
|------------------------|--------------------|
| Date of Inspection:    | September 17, 2024 |
| Date of Valuation:     | September 17, 2024 |
| Appraisal Report Date: | September 26, 2024 |

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## SCOPE OF WORK

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The Scope of Work is "the amount and type of information researched and the analysis applied in an assignment"<sup>1</sup>.

Per the **Scope of Work Rule**, "An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results."<sup>2</sup>

Scope of work includes, but is not limited to, the following:

1. the extent to which the property is identified;
2. the extent to which tangible property is inspected;
3. the type and extent of data researched;
4. the type and extent of analysis applied to arrive at opinions or conclusions"<sup>3</sup>.

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<sup>1</sup> Uniform Standards of Professional Appraisal Practice 2024, p. 6

<sup>2</sup> Scope of Work Rule; Uniform Standards of Professional Appraisal Practice 2024, p. 15

<sup>3</sup> Scope of Work Rule; Uniform Standards of Professional Appraisal Practice 2024, p. 15

Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal assignment. Credible assignment results require support by relevant evidence and logic. The credibility of assignment results is always measured in the context of *intended use*.

In making a determination of an appropriate scope of work the appraiser must: Identify the problem to be solved; Determine and perform the scope of work necessary to develop credible assignment results; and Disclose the scope of work in the report.

In addition to the property inspection, the remainder of the neighborhood was also inspected and additional photographs were taken of the surrounding area. An analysis of the market area and neighborhood was performed with focus on the four forces which affect property value: social, economic, governmental, and environmental. The analysis led to an opinion of highest and best use both as vacant and as improved. The highest and best use conclusions dictated the type of data gathered and used in the development of the appraisal.

|                                                  |                                                                                                                                                                                                                                                                                                                                       |                   |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Inspection Challenges:</b>                    | None                                                                                                                                                                                                                                                                                                                                  |                   |
| <b>Unusual Market Externalities:</b>             | None                                                                                                                                                                                                                                                                                                                                  |                   |
| <b>Data Sources Considered:</b>                  | Public records, MLS, Costar, local brokers and appraisers, and data retained in the appraiser's files for this property type.                                                                                                                                                                                                         |                   |
| <b>Data Time Frame:</b>                          | One to Three Years                                                                                                                                                                                                                                                                                                                    |                   |
| <b>Valuation Approaches:</b>                     | <b>Applicable?</b>                                                                                                                                                                                                                                                                                                                    | <b>Completed?</b> |
| Cost Approach:                                   | Yes                                                                                                                                                                                                                                                                                                                                   | Yes               |
| Sales Comparison Approach                        | No                                                                                                                                                                                                                                                                                                                                    | No                |
| Income Capitalization Approach                   | No                                                                                                                                                                                                                                                                                                                                    | No                |
| <b>Applicability of Approaches:</b>              | The subject property includes a 0.333-acre tract of land with site improvements only. The site improvements include a monument sign, landscaping, and other site improvements. As such, the cost approach is the only applicable method of valuation and is therefore the only method of analysis used to value the subject property. |                   |
| <b>Scope of Sales Researched:</b>                | Henderson County, North Carolina as well as surrounding counties.                                                                                                                                                                                                                                                                     |                   |
| <b>Highest and Best Use Analysis Completed?:</b> | Yes, when applicable, the work included a Highest and Best Use Analysis for the property both <i>before</i> and <i>after</i> the proposed roadway project.                                                                                                                                                                            |                   |
| <b>Extraordinary Assumptions?:</b>               | Yes, see Extraordinary Assumptions/Limiting Conditions section                                                                                                                                                                                                                                                                        |                   |
| <b>Hypothetical Conditions?:</b>                 | Yes, see Hypothetical Conditions section                                                                                                                                                                                                                                                                                              |                   |
| <b>Comparable Sales Inspected?:</b>              | Site Sales – Yes                                                                                                                                                                                                                                                                                                                      |                   |
| <b>Market Analysis:</b>                          | Inferred                                                                                                                                                                                                                                                                                                                              |                   |

**Report/Format Type:**

The data, analysis, and conclusions are presented in this appraisal report, in a narrative format.

The level of analysis was determined to meet the needs of the client and was consistent with the level of work and analysis performed by knowledgeable appraisal professionals given the level of risk associated with the subject property type, the current and anticipated market conditions, and the intended use of the conclusions.

Lastly, the appraisal report is written in compliance with, and according to, the North Carolina Department of Transportation Division of Highways – Right of Way Branch: NCDOT Real Estate Appraisal Standards and Legal Principles, Uniform Standards of Professional Appraisal Practice (2024 Edition), and the NCDOT Right of Way Manual.

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**CLIENT/INTENDED USER/INTENDED USER OF REPORT**

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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Client:        | North Carolina Department of Transportation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Intended User: | The intended users are the North Carolina Department of Transportation and their agents and assigns which include but are not limited to: Carolina Land Acquisitions, project consultants; agents and negotiators; the Attorney General's office; the courts including the judge and jury; and any other parties deemed appropriate by the client.                                                                                                                                                                               |
| Intended Use:  | The intended use of this appraisal is for the estimation of the market values, both <i>before</i> and <i>after</i> , of the subject property and for the estimation of just compensation in conjunction with the acquisition of a portion or all of the subject property's property rights through the process of eminent domain; as prepared under the guidelines set out in the <u>North Carolina Department of Transportation's Right-of-Way Manual</u> and the <u>Uniform Standards of Professional Appraisal Practice</u> . |

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**PROPERTY IDENTIFICATION**

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|                                     |                                                                                                                                  |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Owner:                              | City of Hendersonville                                                                                                           |
| Deed Book/Page:                     | 1357/559 (Henderson County)                                                                                                      |
| Parcel Identification Number (PIN): | 9568-85-0368                                                                                                                     |
| Address:                            | Intersection of S. Church St. and S. Main St., Hendersonville, NC 28729; (The subject has not been assigned a physical address.) |

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### **PROPERTY INTEREST TO BE APPRAISED – FEE SIMPLE ESTATE**

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The property rights appraised include the fee simple estate. These rights are the legal and economic properties of the separate entities which may rightfully be exchanged for money or equivalent goods. Fee simple interest, as defined by the 15<sup>th</sup> Edition of The Appraisal of Real Estate, is:

*“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.”<sup>4</sup>*

Fee simple interest typically means no encumbrances whatsoever, however, for the purpose of this report the definition of fee simple is intended to include a reference to typical financing arrangements available in today's market. The nature of real estate investments in the current market is such that some financing is typically in place, and not considering any leverage precludes a market value estimate.

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### **DEFINITION OF MARKET VALUE**

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As defined in The Appraisal of Real Estate, 15<sup>th</sup> Edition, “*Market Value is the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in other precisely revealed terms, 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 is under undue duress.*”<sup>5</sup>

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### **PERSONAL PROPERTY, TRADE FIXTURES, OR INTANGIBLE ITEMS**

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The opinion(s) of market value include real estate only. There are no items of personal property included in the value estimate(s). Note that all fixtures and equipment have been excluded from the analysis.

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### **SITE SIZE**

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The reported property size prior to the taking is based on information provided by the North Carolina Department of Transportation. The subject site encompasses 0.333 acres.

Size(s) of any areas within existing R/W, proposed R/W, easements, and remainders is taken from information provided by the North Carolina Department of Transportation.

When possible, I have verified the reported size(s). However, I am not qualified as a surveyor and I reserve the right to alter the opinions and estimates of value should more accurate tract size data be made available. Further, in instances in which significant portions of tracts are unusable, and in the absence of surveys identifying net usable areas, reliance was placed on my best estimates.

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<sup>4</sup> The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020) p.60.

<sup>5</sup> The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020) p.49.



## HYPOTHETICAL CONDITIONS

In compliance with *Uniform Standards of Professional Appraisal Practice* this section identifies a hypothetical condition(s) required for the completion of the appraisal assignment.

A **hypothetical condition** is defined as “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.”<sup>5</sup> Hypothetical conditions assume conditions 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. A hypothetical condition may be used in an assignment only if: Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;

1. Use of the hypothetical condition results in a credible analysis; and
2. The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

The appraisal involves estimating the value of a property before and after the proposed project and additional right-of-way is established with additional consideration for damages, benefits, or both. The property is appraised “as is”, before consideration of the proposed taking and impact of the project. Next, the property is appraised under the *hypothetical condition*<sup>6</sup> that the proposed project is complete as of the appraisal date. Consideration is given to the impact on value for the use of the easement area(s) and any benefits or damages resulting from the project.

The hypothetical condition is used in this instance to properly develop credible opinions and conclusions for purposes of reasonable analysis, and the use of the hypothetical condition results in a credible analysis consistent with the intended use of the appraisal report. The hypothetical condition is prominently displayed and explained in accordance with the requirements set forth in USPAP for hypothetical conditions.

## EXTRAORDINARY ASSUMPTIONS/LIMITING CONDITIONS

An **extraordinary assumption condition** is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>7</sup>

1. This appraisal report is written in compliance with, and according to, the *North Carolina Department of Transportation Division of Highways – Right of Way Branch: NCDOT Real Estate Appraisal Standards and Legal Principles (2021)*. Please note that in accordance with the referenced document, property characteristics specifically identified as *non-compensable damages* (pgs. 44 - 47) have not been considered as damages.

These include:

- Decrease in traffic volume in front of the premises which might be caused by moving the main travel lanes away from a business or by rerouting or diversion of traffic or by one-way streets.
- Circuity of travel to achieve access to main traveled lanes or roads.
- One-way street; median strips which prevent turning; fences; and trees and shrubbery

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<sup>6</sup> *Uniform Standards of Professional Appraisal Practice 2024*, p. 4

<sup>7</sup> Per the *Uniform Standards of Appraisal Practice, 2024*, Standards Rule 1-2, all hypothetical conditions and extraordinary assumptions are identified and explained.

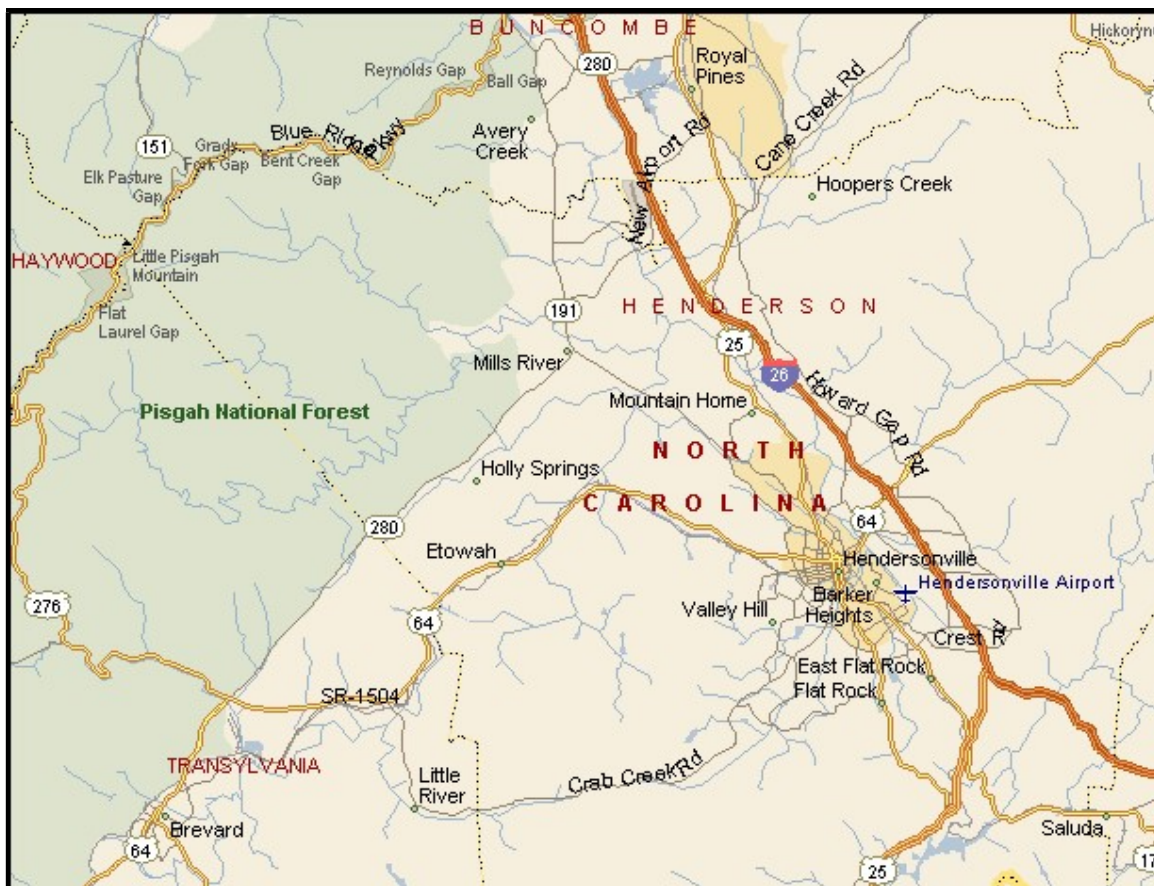
<sup>8</sup> *Uniform Standards of Professional Appraisal Practice 2024*, p. 4

- erected or planted on the right of way by the Department of Transportation.
  - Lowering or raising the grade of an existing street or highway within the old right of way where access is not controlled.
  - Cul-de-sac which results when an existing rural highway is dead-ended.
  - Loss of use and occupation of the property caused by the construction of the project.
  - Personal annoyance due to interference with peaceful living conditions caused by traffic noise, fumes, and vibrations; however, the appraiser may consider the use to which the condemnor will put any portion of the subject property, but not other property obtained by the condemnor, in arriving at a market value of the subject premises after the taking, in so far as concerns damage to the subject property.
  - Moving expenses including the expense of removal of or relocation of personal property and trade fixtures; breakage or other injury to such property caused by removal.
  - Loss of business, good will, or other interruption of business.
  - Anticipated loss from intended uses or purposes, which the owner has in mind, and all other speculative losses.
2. Unless otherwise stated in this report, the existence of hazardous material and/or contamination which may or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client/property owner is urged to retain an expert in this field, if desired. That is, the subject property is appraised **"as clean"**.
3. The appraiser has not made a specific compliance survey and analysis of the subject parcel to determine whether or not it is in conformity with the various detailed requirements of the **American with Disabilities Act ("ADA")**. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the **ADA** could reveal that the subject parcel is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of **ADA** in estimating the value of the subject.
4. For the purposes of this analysis, it is assumed that the road project will be completed according to the plans provided. If this is not the case, the value estimate(s) herein could change.

If any of the noted assumptions prove to be false, I reserve the right to amend the value estimate(s) and the results of this report are null and void. There are no additional extraordinary assumptions or limiting conditions in this appraisal assignment that would have an effect on the opinion(s) of the market value(s) for the subject property.

**The use of hypothetical conditions and/or extraordinary assumptions may affect the assignment results.**

## REGIONAL AREA ANALYSIS



The appraisal process begins with a description and analysis of the area in which the subject property is located. This analysis considers the four forces that affect property value. These are: social, economic, governmental, and environmental. The forces are interactive and each affects the general economic climate of the area, and more particularly the behavior patterns of typical buyers and sellers in the subject's market.

The subject property is located in Henderson County, North Carolina, one of the seventeen counties comprising what is commonly referred to as Western North Carolina. Henderson County is located along the North Carolina/South Carolina state line in the south-central portion of the Appalachian Mountain chain. Henderson County is bordered by Transylvania County to the west, Buncombe County to the North, Rutherford and Polk Counties to the east and South Carolina to the south. Interstate 26 comes up from the South Carolina coast and runs through Henderson County in a North/South direction. The Blue Ridge Parkway runs along the northwestern border of the county for approximately 15 miles. Henderson County covers 374 square miles, and the City of Hendersonville is the county seat.

Henderson County is a growth area which maintains a diverse economic structure based on tourism, services, and industry. Each provides the strongest influences on property development trends and real estate values.

Properties within Henderson County have demonstrated that they are similarly influenced by the four primary forces (social, economic, governmental, and environmental). As such, the area for analysis is delineated as being all of Henderson County, North Carolina. The remainder of this section examines

each of these forces, describing each as they pertain to Henderson County and their interaction which affects real estate trends and value.

### **SOCIAL FORCES**

Social forces such as population growth or decline patterns, education levels, and overall living standards directly affect the need for real estate by influencing requirements for housing and businesses which provide goods and services. The Henderson County area population is in a growth pattern. The overall education levels in the area are higher than those of the remainder of the state and the nation. Furthermore, overall wages and per capita income levels are above average, resulting in higher standards of living.

The following chart compares some of the social trends of the county with those of the state.

| <b>Social Forces</b>                        | <b>Henderson<br/>County</b> | <b>North<br/>Carolina</b> |
|---------------------------------------------|-----------------------------|---------------------------|
| Population change (April 2020 to July 2023) | 2.5%                        | 3.8%                      |
| High School graduate or higher (age 25+)    | 91.6%                       | 89.4%                     |
| Bachelor's degree or higher (age 25+)       | 34.0%                       | 33.9%                     |
| Homeownership Rate (2022)                   | 74.4%                       | 66.2%                     |

*Source: U.S. Census Bureau*

### **Population**

Henderson County's population has seen stable growth in recent years and projections include a continuation of this trend moving forward.

According to US Census data, Henderson County's population grew approximately 2.5% between April 2020 and July 2023. The population growth rate for the county was below the state growth rate of 3.8% for the same time period. Henderson County has consistently been one of the fastest growing of North Carolina's twenty western-most counties, but the rate reflected was likely negatively impacted by the Covid pandemic.

The area is heavily populated by retirees. The most recent data (2022) reported that 27.1% of the population of Henderson County is composed of residents 65 years of age and older. As the "baby boomers" continue to reach retirement age, the increases in the elderly population are anticipated to continue. The availability of good quality medical services, housing, services geared to retirees, and a favorable climate continues to draw older residents to the area.

Overall Henderson County projects as a growth area relative to other counties in Western North Carolina.

### **Education**

The population of Henderson County consists of people with average education levels compared to the rest of the state. As indicated above, the county indicates a high school graduation rate of 91.6%, compared to the state average of 89.4%. The post-high school education rate is similar in the county as compared to the state average.

### **ECONOMIC FORCES**

These forces typically include economic base factors which influence property development types, and consequently property values. Factors considered are the characteristics of the area workforce, trends in employment opportunities, and the influence each has on property. The following section considers these factors.

| <b>Economic Forces</b>                 | <b>Henderson County</b> | <b>North Carolina</b> |
|----------------------------------------|-------------------------|-----------------------|
| Per Capita Income (2022)               | \$37,457                | \$37,641              |
| Median Household Income (2022)         | \$65,508                | \$66,186              |
| Unemployment Rate (July 2024)          | 3.5%                    | 4.3%                  |
| Persons below the Poverty Level (2022) | 12.3%                   | 12.8%                 |
| Retail Sales per Capita (2022)         | \$13,723                | \$13,735              |

Source: U.S. Census Bureau, Bureau of Labor Statistics

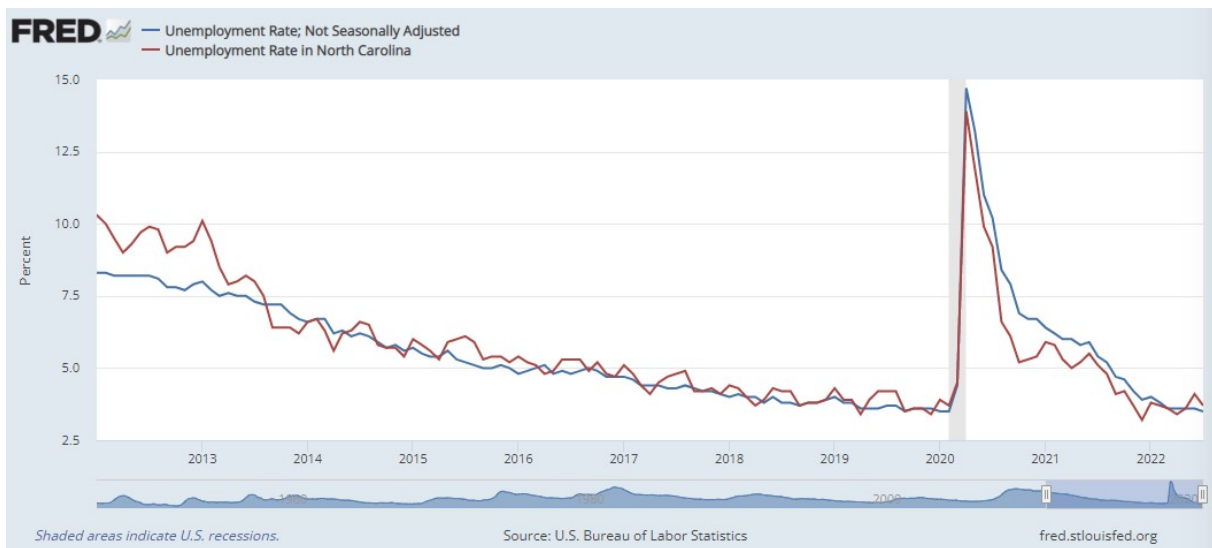
### **Income**

Employment and education levels directly influence per capita personal incomes. In 2022, the per capita income and the median household income of Henderson County were very similar to the state averages.

### **Work Force & Employment Levels**

North Carolina Department of Commerce statistics indicate the Henderson County labor force is distributed in four major employment sectors. The manufacturing, services, retail and government sectors comprise 23.9%, 23.8%, 18.9%, and 13.5% respectively of the labor force in Henderson County for a combined total of 80.1%. The manufacturing and services sectors alone account for 47.7% of the job market.

Unemployment in Henderson County has consistently been lower than the state and national average and tends to mirror overall trends. The following table shows the available unemployment rates since 2012 Henderson County (blue line) and the state (red line).



The largest employers in Henderson County include the Henderson County Board of Education, Margaret Pardee Memorial Hospital, Ingles Markets, Inc., and Park Ridge Health.

Growth of the population, available workforce, and employment opportunities affect all major property types. The following section includes a broad description of each of the area's major property types, describing the locations of major sections of each, the status of the available supply and demand, recent changes and projected trends.

**Industrial:**

Henderson County is well-suited for some forms of industrial development. The county is centrally located within the southeast United States, and has close proximity to the I-40/I-26 intersection. Additionally, public utility service is extended to a large portion of the county with adequate capacity to support this development type. Heavy industrial development is restricted to small sections along both NC 176 and Upward Road east to I-26, and there have been few new construction projects which require the heavy industrial district in recent years. Local zoning and land use regulations enacted in recent years have significantly limited the amount of land available for heavy industrial uses.

Light industrial/manufacturing development is found sporadically throughout the county. Developments include the Mountain Home Industrial Park in the north, Cane Creek Industrial Park off Asheville Highway, Fletcher Commerce Park, Brickton Industrial Park, Appleland Business Park, and Broad Pointe Industrial Park. These developments include international, national, regional, and local businesses. New construction is found in heavy concentrations in these sections of the county with new buildings, or current construction projects, in each of the noted parks. Each of these developments has good access to Interstate 26, a major shipping route, and the Asheville/Buncombe Regional Airport.

In addition to the larger industrial parks, numerous smaller facilities can be found throughout Henderson County along NC 191 in the northern part of the county, US 176 in the south, and along Fletcher Road (US25) running north/south through the county. Similar to the larger parks, these properties benefit from close proximity to the interstate highway and airport.

Conversations with leasing agents active in the industrial rental market indicate overall solid demand for light industrial space, but add that there is generally a balance of supply and demand in this market, with new development being relatively uncommon in the current market. Indications are that this will continue into the foreseeable future.

**Commercial/Retail:**

Growth of commercial/retail development in the Henderson County area has been sporadic in recent years but is in line with the economy as a whole. The growth is in direct response to the increases in population and demand for goods and services. The primary commercial/retail corridors include Hendersonville Road (US 25) and Four Seasons Boulevard (US 64), as well as Spartanburg Highway. Additionally the central business district has experienced a solid revitalization.

One of the most active commercial/retail corridors in the northern portion of the county is Asheville Highway (US 25). The NC Department of Transportation widened a section of this roadway north of Hendersonville from two lanes to four lanes with a turning lane several years ago. Growth is expected to continue as a result of this improvement. On the southern end of the county, the Upward Road corridor is also witnessing growth as a result of a relatively recent road-widening project.

The Four Seasons Boulevard (US64) commercial/retail corridor has experienced significant growth in recent years. Many of the older residential buildings have been renovated and converted to commercial uses or removed to make way for newer commercial/retail developments. Much of the vacant land within the area has been developed for commercial uses.

The Highland Square Shopping Center northeast of Exit 49b off I-26 along the US 64 corridor is one of the most significant retail projects in recent years. This complex boasts thousands of square feet of commercial space covering approximately 50 acres of land. Many national brand name stores and restaurants have located in this complex including Wal-Mart, Staples, Pier 1 Imports, Chick-Fil-A and Jack in the Box.

The Spartanburg Highway district on the south side of Hendersonville boasts some of the most recent retail development, as a new Harris Teeter grocery store was recently developed within a complex known

as Southside Square. The Harris Teeter anchors an adjoining retail strip center that includes a Rite-Aid pharmacy as an outlot tenant. Across from the new development, a large new Ingle's grocery store has been developed, and new nearby big-box retail tenants include PetSmart and a new gym facility.

Lastly, Hendersonville's central business district has been revitalized and is once again a healthy retail and office sector. A public utility project, coupled with parking and traffic re-design along Main Street caused a stagnant market for several years, but now that construction is complete the downtown district is once again thriving. Many downtown row buildings have been gutted and rebuilt to include retail on the ground levels and professional office or residential suites on the upper levels. Most of the retail establishments in the central business district are locally owned.

As the primary commercial corridors continue to expand within Henderson County they exert pressure on more outlying areas. Overall, commercial and retail activity is solid in the Henderson County area, which generally mirrors national trends. This pattern of moderate growth is expected to continue into the foreseeable future.

#### **Hotel/Motel:**

Henderson County is a major tourist area with a rapidly growing hostelry industry. This market segment is driven by the growing tourism industry in Henderson County. Attractions such as the Blue Ridge Parkway, the Carl Sandburg Home National Historic Site, Flat Rock Playhouse, apple orchards and the wonderful outdoor recreation generate increasing tourist numbers and increasing demand for tourist services. According to data compiled by the Hendersonville Area Chamber of Commerce – Visitors Center, attendance to each of the noted attractions remains consistently high.

Domestic tourism generated \$313.37 million in economic activity in Henderson County in 2018 (most recent data available). These revenues have grown annually since 2010 at annual rates ranging from 3.1% to 6.8%. State and local tax revenues from travel amounted to \$27.7 million, representing a tax savings of \$232.04 for each county resident. Henderson County ranks 14<sup>th</sup> in travel impact among the state's 100 counties.

A survey of local managers and hotel owners report overall competitive average daily rates with occupancy levels with near full occupancies in the fall leaf season and spring flower season. Typically, vacancies increase in the late winter months. Conversations with managers and owners reveal strong optimistic outlooks for the future as the area tourism trade is expected to continue the pattern of growth.

#### **Residential:**

The single-family residential market in Henderson County continues to gain momentum, a trend that began shortly after the recession in the mid 2000's. The 2023 home sales volume was over 60% higher than the previous year, spurred largely by reduced mortgage interest rates. Overall, residential indicators show a strong market, with the median sale price increasing from the prior year, and shorter marketing periods as compared to the prior year.

### **GOVERNMENT FORCES**

Governmental forces include zoning, public services, and taxation. Each affects real estate values in that they reflect the land use plans and patterns for the area. In general, the area can be characterized as being pro-development. This is evident in the recent restructuring of the zoning ordinance, favorable taxation system, and continued willingness on the part of the area government and residents to expand public services.

#### **Zoning**

Area zoning policies are set by Henderson County and each of the county's municipalities. Each zoning body reports that their goal is to provide for a wider range of business development and for different levels of business development within the area while maintaining the integrity of residential



neighborhoods. This is accomplished through planned land use patterns in which commercial and other non-residential development is centralized in various neighborhoods, and residential land is allocated for the needs of a growing population. The idea is to preserve a balance between the growth of these two primary development types. The area population is notably sensitive to community needs for housing and recreational areas.

In September 2007 Henderson County adopted the new Land Development Code. The introduction of this code eliminated the “Open Use” districts within the county making Henderson County now fully zoned.

### **Taxation**

Real property tax rates are levied based on the Henderson County assessment. The last complete assessment became effective on January 1, 2023 and is scheduled again for 2025. Individual parcels are also commonly re-assessed upon transfer or significant development. Taxes are levied based on 100 percent of the assessed value. The following table provides a summary of the most recently announced major tax rates for the county.

## **Henderson County Tax Rates - 2024**

| District              | Tax Code & Name             | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015  | 2014  | 2013  |
|-----------------------|-----------------------------|------|------|------|------|------|------|------|------|------|-------|-------|-------|
| <b>County</b>         |                             |      |      |      |      |      |      |      |      |      |       |       |       |
| N/A                   | G01 GENERAL COUNTY          | .431 | .431 | .561 | .561 | .561 | .561 | .565 | .565 | .565 | .5136 | .5136 | .5136 |
| <b>Municipalities</b> |                             |      |      |      |      |      |      |      |      |      |       |       |       |
|                       |                             |      |      |      |      |      |      |      |      |      |       |       |       |
| 10                    | C10 HENDERSONVILLE, City of | .520 | .490 | .520 | .520 | .490 | .490 | .490 | .470 | .460 | .460  | .440  | .410  |
| 20                    | C20 LAUREL PARK, Town of    | .395 | .395 | .435 | .435 | .435 | .435 | .430 | .430 | .430 | .430  | .390  | .360  |
| 30                    | C30 SALUDA, Town of         | .561 | .690 | .680 | .675 | .665 | .665 | .645 | .605 | .605 | .605  | .6050 | .6050 |
| 40                    | C40 FLETCHER Town of,       | .280 | .280 | .340 | .340 | .340 | .340 | .340 | .340 | .340 | .340  | .325  | .325  |
| 50                    | C50 FLAT ROCK, Village of   | .119 | .119 | .130 | .130 | .130 | .130 | .110 | .110 | .110 | .110  | .084  | .084  |
| 60                    | C60 MILLS RIVER, Town of    | .170 | .170 | .190 | .190 | .190 | .190 | .180 | .180 | .180 | .1124 | .0974 | .0974 |

Tax rates in other areas of the county often include alternative school rates, and fire district rates. Tax incentives are typically granted to industries considering expansion, or companies considering relocation to the area. In the interest of growth and development and increased employment opportunities for the growing population, the tax breaks diminish relocation costs and increase appeal. These include tax deferment, or exemption during a start-up period.

### **Services**

Governmental services include law enforcement, fire protection, public schools and transportation.

Area law enforcement is provided by the City of Hendersonville Police Department and the Henderson County Sheriff's Department. Townships within the county also have their own police forces. Each continues to grow, mirroring the area's overall population growth. Both the city and county provide fire protection through several strategically located fire stations.

Public education is provided either through the city or county systems. Henderson County has 22 public schools. Higher learning can be found at Blue Ridge Community College in Flat Rock. In nearby Buncombe county students may attend Asheville-Buncombe Technical Community College, Warren Wilson College or the University of North Carolina, Asheville.

There are two hospitals in Henderson County. Pardee Memorial Hospital is near downtown Hendersonville with 222 beds, and Park Ridge Hospital is in the northern area of the county south of Fletcher area with 275 beds. A wide array of ancillary medical services are available throughout the area, with well-trained medical specialists in most areas of medicine.



Apple Country Transportation provides subscription and dial-a-ride transportation services for residents of Henderson County. Hours of operation are 6:45 a.m. to 6 p.m., Monday through Friday.

In summary, each aspect of the governmental forces facilitate the continued growth pattern of the area. Recently rewritten zoning plans provide for increased development opportunities while maintaining the integrity of existing residential neighborhoods and allocating land for future residential development. Taxation levels have shown moderate increases, but are not prohibitive to continued economic development. Further, tax incentives are used to attract business to the area. The development of governmental services such as law enforcement, public education, and transportation have been made, and continue to adjust, in response to population needs.

## **ENVIRONMENTAL FORCES**

### **Infrastructure**

The area infrastructure affects property value. Availability of utilities and roadways dictate development direction.

Area utilities are provided as follows: electricity by Progress Energy Carolinas and Duke Power Company; natural gas by Public Service Company of North Carolina, water and sewer/waste management by the Fletcher Water and Sewer Department and the City of Hendersonville.

Utility costs are typical for the state and are regulated to maintain affordability. Further, each of the suppliers noted have usage programs for both residential and business users. These programs provide billing allocation throughout the year for residential customers to prevent atypically large expenses during heavy usage months, and cost breaks for larger business users based on consumption. These programs are considered to facilitate growth, preventing utility costs or availability from being a hindrance.

Area roadways are predominantly asphalt or concrete paved and are either city or state maintained. The North Carolina Department of Transportation – Division of Highways has widened several local commercial corridors to allow for increasing growth, with several additional projects on the way.

## **CONCLUSION**

Henderson County is a growth area within western North Carolina. The local economy continues to grow and outpace most areas in the region. The population generally consists of people with average or above education levels and above average earnings and has particular appeal to retirees, which represent the fastest growing segment of the population. A direct result of this growth has been the increased need for residential dwellings, commercial development, medical services, and retail services, which has fueled demand for most property types. Additionally, city and county government continue to facilitate the growth with moderate taxes and tax incentives for new business. Lastly, the area's infrastructure is growing to meet traffic flow and utility service demands.

In conclusion, the trends noted above are anticipated to continue into the foreseeable future. The area's diverse economic base decreases the likelihood of negative influence from any single factor.

## **NEIGHBORHOOD DESCRIPTION**

A neighborhood is defined in the Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises”.

Neighborhood analysis is defined as “the objective analysis of observable and/or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors.

**Boundaries:** The neighborhood is roughly bounded by Interstate 26 to the north and east, North Rugby Road to the west, and Spartanburg Highway and Kanuga Road to the south.

**Land Use Characteristics:** The subject neighborhood is stable, with some development activity noted. The subject neighborhood is approximately 75% developed with 25% remaining in vacant land. Commercial development is concentrated along Kanuga Road, Greenville Highway and Spartanburg Highway as well as within the central business district. However, commercial development is also scattered throughout other areas of the town. Residential development is primarily single-family detached homes with limited multi-family developments, mostly along secondary roadways. Improvements in the subject neighborhood typically reflect average quality construction and represent a wide range of ages and types of construction.

**Land Use Change:** The subject neighborhood has seen light commercial development and modest residential growth in recent years. Some residential development was noted in the neighborhood during the inspection process.

**Access:** Access to the subject neighborhood is considered good. Interstate 26 runs in a northwest/southeast manner along the eastern edge of the neighborhood. Asheville Highway and Highway 64 bisect the central portion of the neighborhood. The subject neighborhood is considered to have average access to area employment, shopping, schools, etc.

**Road Improvements:** Most roads in the area are two-way, asphalt-paved, state-maintained rights-of-way with open ditch drainage.

**Utilities Available:**

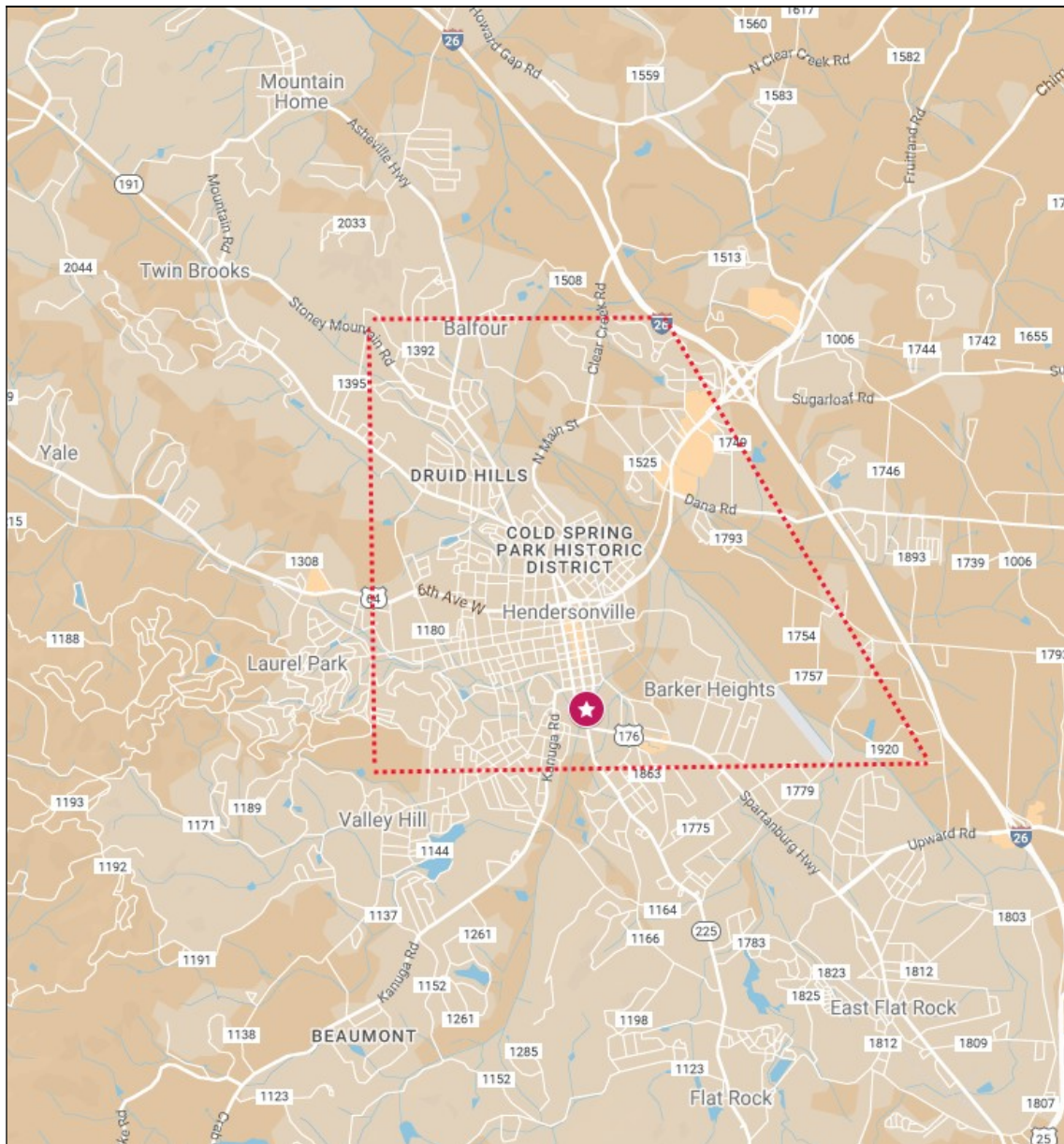
|                     |                             |
|---------------------|-----------------------------|
| <b>Electricity:</b> | Yes, widely available       |
| <b>Telephone:</b>   | Yes, various providers      |
| <b>Water/Sewer:</b> | Yes, city of Hendersonville |
| <b>Natural Gas:</b> | In limited areas            |

**Nuisances &**

**External Obsolescence:** Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

**Neighborhood Life Cycle:** Stability: The neighborhood is stable, and growing modestly. The forecast for the neighborhood is for continued stability and moderate growth.

## NEIGHBORHOOD MAP



Subject identified with a star. Neighborhood roughly outlined with red dashed line.

## SITE DESCRIPTION

An analysis of the subject site is particularly important in estimating the highest and best use and for separate valuation of the improvements (when applicable).

**Location:** The subject is located at the northern intersection of S. Church St. and S. Main St in Hendersonville, North Carolina. As vacant land, it does not have a physical address assigned.

**Size:** Approximately 0.333 acres (per NCDOT).

**Shape:** The subject site is irregular in shape, but considered conducive to development.

**Frontage/Access:** The subject has approximately 170 linear feet of frontage along the west side of S. Main Street and approximately 200 feet of frontage along the east side of S. Church Street. As a pedestrian park, the property did not have any developed points of vehicular access from either roadway. At the subject site, both roadways are two-way asphalt-paved primary public roadways.

**Topography:** The subject site's topography is considered generally level and sits at or above the grade of the roadway. The topography is considered conducive to development. (Note that a small portion of the southern end of the site was elevated with fill dirt to allow for better visibility of the stone monument.)

**Soil Conditions:** No soil tests were available to the appraiser; however, the soil appears to be loamy clay suitable for most construction purposes and typical for the area. There were no apparent environmental, soil or sub-soil conditions which would hinder development, as evidenced by the existing and nearby improvements.

**Zoning/Restrictions:** The subject site is located within the C-2, Secondary Business Zoning District, as identified by the City of Hendersonville. According to the city's zoning ordinance, *"This zoning district classification is designed primarily to accommodate a) existing developments of mixed commercial and light industrial uses, and b) certain commercial and light industrial uses compatible with one another but inappropriate in certain other zoning district classifications."*

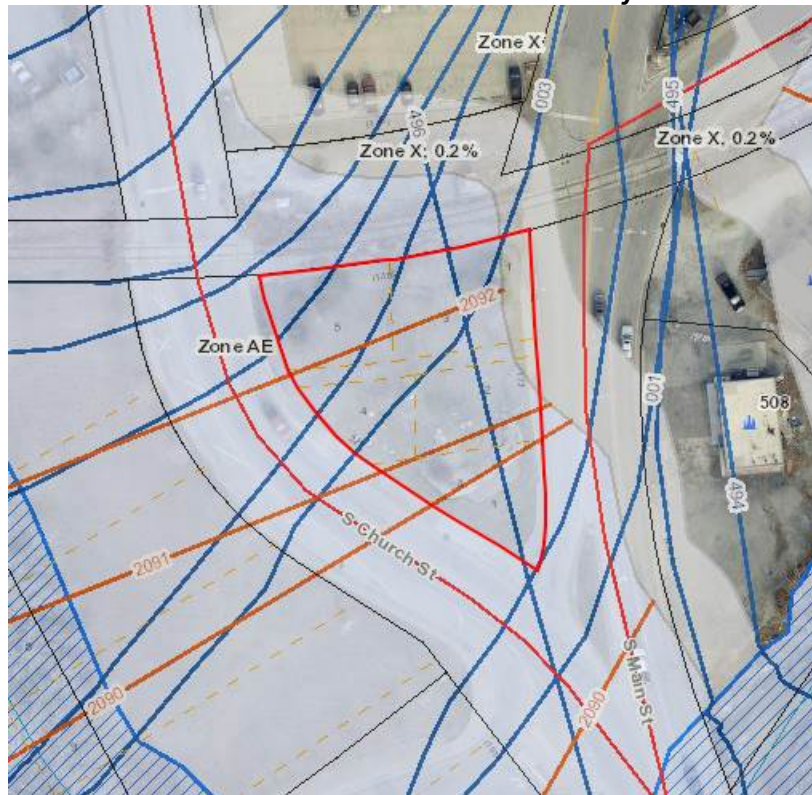
Permitted developments in this zoning district include, but are not limited to, accessory dwelling units and structures, adult care homes, animal hospitals and clinics, automobile car washes, automobile sales and service, banks and financial institutions, bed and breakfast facilities, business services, construction trades, convenience stores, dry cleaning facilities, funeral homes, hotels and motels, offices, personal services, recreational facilities, religious facilities, repair services, single-family dwellings, two-family dwellings, multi-family dwellings, restaurants, retail stores, service stations, theaters, and wholesale businesses.

Development standards within the C-2 district include the following:

|                    |                                             |
|--------------------|---------------------------------------------|
| Minimum lot size:  | 8,000 sf (6,000 sf for residential uses)    |
| Minimum lot width: | None                                        |
| Minimum setbacks:  | Front – 15 ft<br>Side – 5 ft<br>Rear – None |
| Maximum height:    | 48 ft                                       |

**Flood Zone:** According to flood map 3700956800J, dated October 2, 2008, nearly all of the subject site is located within flood hazard zone AE, with only a small portion of the northeastern corner of the site located within Zone X, 0.2%. Below is a visual representation from the Henderson County GIS with a flood zone overlay. A flood map is located in the addenda.

**GIS Aerial with Flood Zone Overlay**



**Easements:** Typical utility easements are present at the site, but there are no adverse easements noted.

**Environmental:** Environmental aspects of the subject property are beyond my expertise. Based on the property inspection, I am unaware of any potential environmental hazards; however, they could exist, and I recommend consulting a professional in environmental proficiency.

**Utilities:** Electricity and telephone are available to the subject site and presumed to be adequate for any likely development. Municipal water and sewer services are available to the site from the city of Hendersonville.

**Analysis and Conclusions:** The overall physical characteristics for the subject site are considered typical for the area and conducive to development. The subject is similar and consistent with many other parcels in the area.

The following is an aerial tax map of the subject property taken from the Henderson County GIS.



HENDERSON COUNTY LAND RECORDS – AERIAL MAP



The subject site is outlined in red.

## **SUBJECT IMPROVEMENTS**

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The subject site is owned by the city of Hendersonville and is improved with a pedestrian park. According to the property representatives, the park was established in 2013, and subsequently named “HonorAir Park”. As a park, it is improved with site improvements only, which are itemized below.

### **Site Improvements**

Site Improvements include the following:

- Stone monument sign – approximately 20 feet in length by approximately 3 ½ feet tall, with metal lettering
- Wood/metal sign – approximately 5 ½ feet wide by 7 feet tall; metal posts; engraved “HonorAir Park”
- Concrete paving – sidewalk – around the perimeter (excluding the north side) – approx. 1,750 sf
- Ground lights – 3 small
- Flag Poles – 3 – each approximately 25 feet tall
- Landscaping – includes various decorative boulders placed throughout the park, approx. 35 mature bushes of different varieties, 24 medium-sized trees of different varieties, and approximately 12,000 sf of grass/mulch/seasonal flowers.

**Subject Overview (additional photos are located in the addenda)**



## PROPERTY TAXES AND ASSESSMENTS

The following chart summarizes the current ad valorem tax information for the subject property.

|                                             |                                                      |                       |        |
|---------------------------------------------|------------------------------------------------------|-----------------------|--------|
| Parcel Identification Number:               | 9568-85-0368                                         |                       |        |
| Assessing Authority:                        | Henderson County                                     |                       |        |
| Assessment Basis:                           | Market Value                                         |                       |        |
| Assessed Values and Sizes (per tax records) |                                                      |                       |        |
|                                             | <u>Size</u>                                          | <u>Assessed Value</u> |        |
| Site                                        | 0.350 Acres                                          | \$171,500             |        |
| Improvements                                | N/A SF                                               | \$0                   |        |
| Total                                       |                                                      | \$171,500             |        |
| Taxing Jurisdictions                        |                                                      |                       |        |
|                                             | <u>Tax Rate</u>                                      | <u>Tax Amount</u>     |        |
| Henderson County                            | 0.4310                                               | \$739.17              |        |
| Hendersonville                              | 0.5200                                               | \$891.80              |        |
| Total                                       | 0.9510                                               | Total \$1,630.97      | EXEMPT |
| Rates applied to:                           | 100% of assessed value (tax rate per \$100 of value) |                       |        |
| Last Revaluation:                           | 2023                                                 |                       |        |
| Next Scheduled Revaluation:                 | 2025                                                 |                       |        |
| Year of Reported Tax Rates:                 | 2024                                                 |                       |        |
| Delinquent Taxes?:                          | No                                                   |                       |        |
| Is property competitively assessed:         | Yes                                                  |                       |        |

The state of North Carolina mandates that revaluations be performed at a minimum of every eight years. The most recent revaluation occurred for the 2023 tax year, with values and tax rates indicated as of 2024. Note that as a government-owned property, the subject is exempt from taxes under the current ownership.

As compared to the total estimate of market value as reconciled herein, the tax assessed value is significantly below the estimated market value. This could be due to the fact that the mass valuation techniques utilized in assessment do not take into account the specific characteristics of the property. The subject property appears to be competitively assessed however, and includes a tax assessment that is comparable to other similar properties in the area.

Significant increases or decreases in the tax rate are infrequent, and there are no changes anticipated that would significantly impact the subject's market value. As of the date of valuation, the subject property was not encumbered by any delinquent taxes.



## **PUBLIC AND PRIVATE RESTRICTIONS**

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The additional known private and public restrictions affecting the use of the subject property are typical sanitation regulations imposed on the installation of sewage disposal systems, well systems and typical building code restrictions, which are applicable to all properties. The subject must adhere to typical roadway rights-of-way as well as utility easements. There are no other known private or public restrictions affecting the subject.

## **EXPOSURE TIME AND MARKETING TIME**

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Exposure time is defined as follows:

*The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.*<sup>8</sup>

Exposure time is a retrospective opinion based on analysis of past events assuming a competitive and open market.

In this instance, the estimated exposure time is six to twelve months, with a point estimate of nine months. The primary basis of the estimate is the average days on the market of sales as reported by the marketing times of similar properties, and conversations with brokers and owners of similar properties.

Marketing time is defined as follows:

*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.*<sup>9</sup>

The definition of market value implies a “reasonable exposure in a competitive market” and buyers and sellers acting in their own self-interest assuming that neither are under “undue stimulus.”

The local market has not shown any discernible trend in marketing times in recent months, either upward or downward. Therefore, in this instance, the marketing time is estimated to be consistent with the exposure time, or within the range of six to twelve months.

## **HISTORY OF THE PROPERTY**

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According to the NCDOT and Henderson County public records, the subject was acquired by the current owner in April 2008, as identified and described in the county registry in deed book 1357, beginning on page 559. Due to the age of the transaction, it was not considered relevant to the current analysis. As of the date of valuation, the site included site improvements only (no structural improvements).

To the best of my knowledge, there have been no transfers involving the subject property in the last five years and the subject property has not been listed for sale.

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<sup>8</sup> Standards of Professional Appraisal Practice of the Appraisal Institute 2024, Statement on Appraisal Standards No. 6.

<sup>9</sup> Standards of Professional Appraisal Practice of the Appraisal Institute 2024, Statement on Appraisal Standards No. 6.

## HIGHEST AND BEST USE

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According to The Appraisal of Real Estate, 15th Edition, copyright 2020, page 305, as published by the Appraisal Institute, highest and best use may be defined as:

*“The reasonably probable use of property that results in the highest value.”*

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, green belts, preservation, conservation, wildlife habitats and the like.

The procedure used in this report to estimate the highest and best use of the subject site was to consider, in sequence, the site’s legally permitted uses, the physically possible uses, the feasible uses, and finally the optimum, or highest and best use. Under the highest and best use premise, the property must be considered as if the site were vacant and as it is currently improved.

### **Highest and Best Use as if Vacant**

#### Legally Permissible

Private (deed) restrictions and covenants, zoning regulations, building codes, historic district controls, environmental regulations, and in some cases the existence of a lease may preclude many potential property uses.

The subject site is located within the C-2, Secondary Business Zoning District, as designated by the city of Hendersonville. This zoning district allows for a wide variety of commercial and residential development types. The minimum lot size for development is 8,000 square feet (or 6,000 sf for residential development), and the subject site exceeds that size.

There are no apparent deed restrictions associated with the subject property that would adversely affect its highest and best use. In addition, there are no known environmental regulations, historic district controls, or burdensome building codes, which would adversely affect the development of the subject property. Deed restrictions are a legal matter and only a title examination by an attorney would normally uncover such restrictive covenants. Thus, an examination by a title attorney is recommended on the subject property if any questions regarding such restrictions arise.

#### Physically Possible

The subject site contains 0.333 acres, which is considered somewhat smaller in size as compared to other tracts in the immediate vicinity, but an adequate size to accommodate most uses typical for the neighborhood. Uses in the vicinity include primarily commercial development, with a limited amount of residential development.

The shape of the subject site is irregular but considered conducive to development. The topography of the site is characterized as level and at the grade of the roadway, which is typical for the area. Frontage and access to the subject property are considered good, with open access from S. Main Street and S. Church Street.

The site has access to electricity and telephone service, as well as municipal water and sewer services from the city of Hendersonville. No soil report for the subject property was available, however, based on the field inspection, it is assumed that the soil has sufficient load bearing capacity to accommodate typical development.

The site is almost fully located within flood hazard areas (Zone AE primarily) as previously described.

However, development within the flood zones is feasible, as evidenced by the surrounding developed sites also within the flood zone.

#### Economically Feasible

In order to be economically feasible, improvements generally should be compatible and complementary to surrounding land use areas. This procedure is expanded to include a minimum, acceptable return on equity capital. Implied in this analysis is the consideration of surrounding land uses, public opinion, supply and demand characteristics, and occupancy, income, and expense levels for various property types in the neighborhood market, or other competing markets.

The subject is located at the intersection of S. Main Street and S. Church Street. The immediate vicinity of the subject site includes primarily commercial development.

Based on the legally permissible, physically possible and economically feasible options for the site, the highest and best use of the site as if vacant is considered to be commercial development.

#### **Highest and Best Use - As If Vacant**

Considering all appropriate factors, the Highest and Best Use for the subject site, as if vacant, is for commercial development.

|                             |                                     |
|-----------------------------|-------------------------------------|
| Most probable physical use: | Commercial development              |
| Most probable buyer:        | Developer or Owner-User             |
| Most probable user:         | Owner-occupant or Investor          |
| Timing of use:              | Less than 12 months for development |

#### **Highest and Best Use – As Improved**

The subject site includes site improvements only. As indicated, the site is owned by the city of Hendersonville, and the site is improved with a large monument sign and other site improvements as a pedestrian park for the city. The site improvements are considered to contribute value to the site. Therefore, the highest and best use of the property as improved is for continued use of the existing improvements. Note however, that a change in ownership would likely result in the demolition of the site improvements for commercial development. Demolition costs are considered nominal.

## APPRAISAL PROCESS – VALUATION METHODOLOGY

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The appraisal process begins by determining data needed to complete the assignment and includes the processes and methods of collecting and analyzing the data and developing a meaningful conclusion.

Traditionally, three approaches to value are considered to include the Cost, Sales Comparison, and Income Capitalization Approaches. The valuation process using these three approaches leads to a supportable conclusion of value.

The **Cost Approach** estimates the value of the real property. When developing the Cost Approach the reproduction/replacement costs of any improvements are estimated, and then, if the improvements are not new, accrued depreciation is estimated. The depreciation is deducted from the cost new, and the resulting depreciated improvement value is added to the land value for a market value estimated by this approach.

The **Sales Comparison Approach** is a readily recognized valuation technique based on the principle of substitution which states that a knowledgeable purchaser will not pay more for a given property than for an equally desirable substitute property. This approach involves a direct comparison between the subject and recently sold similar properties when adequate sales data is available.

The **Income Capitalization Approach** is based on the principle of anticipation and derives value through the analysis of income and expenses attributable to the property and is generally the best measure of value for an income producing, investment property since it more accurately simulates the perception and desires of investors in the market. A value estimate may be derived by discounting the present value of a net income stream and reversions (estimated resale price) over a typical ownership period. Another method for value estimation via this approach is direct capitalization which capitalizes a stabilized year net operating income by an overall capitalization rate derived from market sales of similar properties.

As indicated, the subject includes site improvements only. As such, the cost approach is considered the only applicable method of valuation. The sales comparison approach (as applied to improved properties) and the income capitalization approach were not considered applicable and were not utilized.

The Reconciliation and Final Value Estimate section of this report analyzes the relative significance, applicability, and defensibility of each of the approaches. A final estimate of value is based on the appropriateness, accuracy, and quantity of evidence in the entire appraisal.

The following data details the information obtained, analysis, and the value estimate for the subject property.

## **VALUATION OF PROPERTY BEFORE THE TAKING**

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As previously discussed, the valuation of the subject property before the acquisition assumes no knowledge of the planned project.

### **COST APPROACH**

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The Cost Approach is based on the assumption that the value of the property tends to reflect the value of the site, plus the current cost to produce the improvements, less any existing depreciation. It is based on the principle of substitution stating that an informed and prudent buyer would pay no more for a property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility without undue delay. The steps taken are as follows:

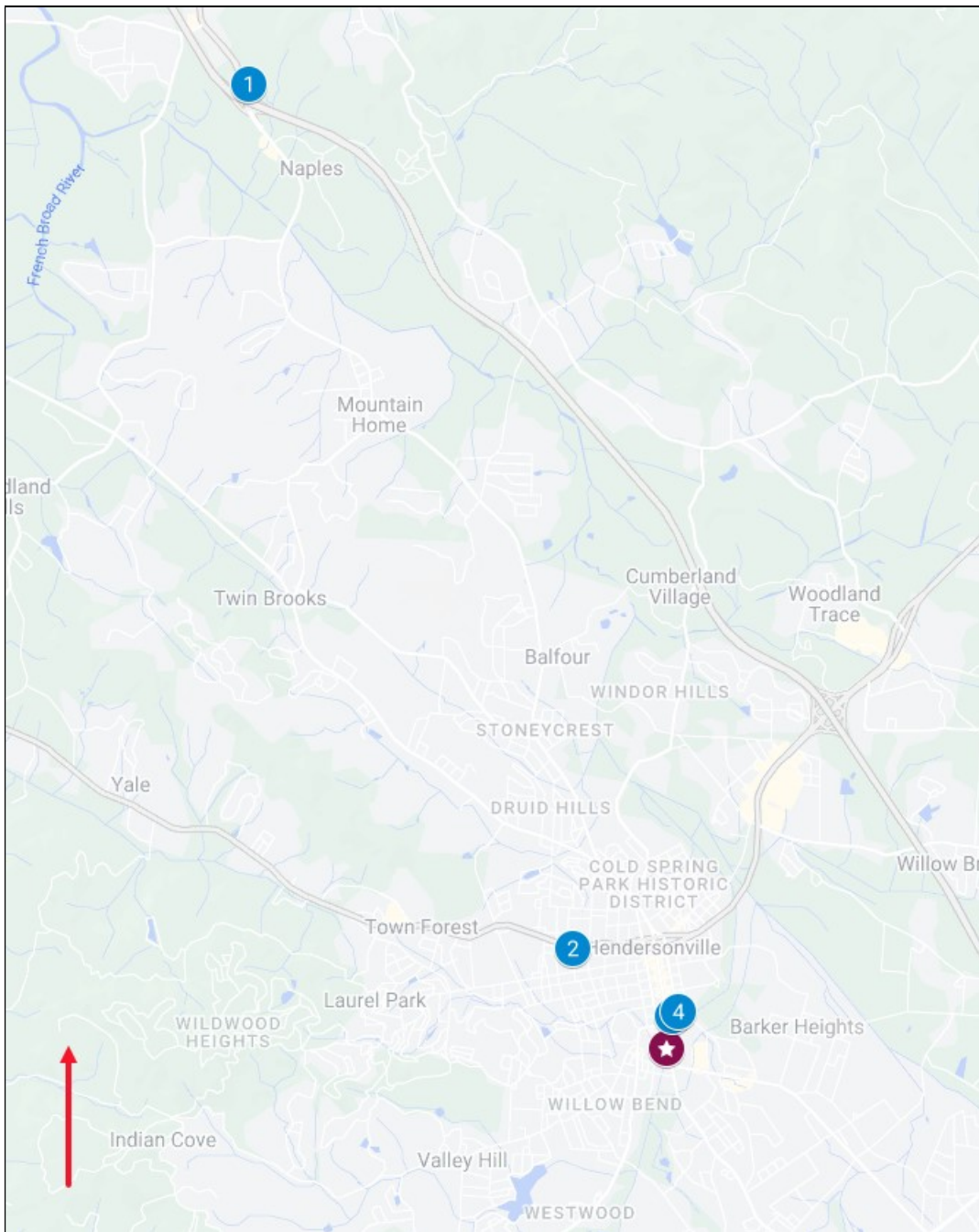
1. Estimate the value of the site (land) as if vacant and available for its highest and best use.
2. Estimate the reproduction/replacement cost new of all of the improvements.
3. Estimate accrued depreciation from all causes physical deterioration, functional obsolescence and economic obsolescence.
4. Deduct accrued depreciation from the cost new of the improvements to arrive at a depreciated improvement value.
5. Add the site value to the depreciated improvement value for a final value estimate.

Within the Cost Approach, the Sales Comparison Approach is utilized in order to estimate the value of the site. In estimating the value of the site as if vacant and available for development to its highest and best use, extensive research was conducted for recent sales of similar land tracts in the market area. These sales are then analyzed, focusing on the differences between the subject and the comparable sales using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution; or, the premise that a buyer would not pay more for a specific property than the cost of obtaining a property with the same quality, utility and perceived benefits of ownership.

The process of developing the sales comparison approach consists of the following analysis: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

The comparable site sales used in the analysis are summarized on the following pages.

### Map of Comparable Sales



# NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

## RIGHT OF WAY BRANCH COMPARABLE NO: 1 LAND SALE

|                                                  |                                                                                                                                                                                                                                                                                                                                              |                   |                                                                  |                             |     |                                                             |         |                  |           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------|-----------------------------|-----|-------------------------------------------------------------|---------|------------------|-----------|
| <b>Date:</b>                                     | 10/27/2023                                                                                                                                                                                                                                                                                                                                   | <b>Deed Book:</b> | 4100                                                             | <b>Page:</b>                | 489 | <b>Stamps:</b>                                              | \$1,760 | <b>County:</b>   | Henderson |
| <b>Grantor:</b>                                  | Stuart I. Rubin Revocable Trust dated February 11, 2003                                                                                                                                                                                                                                                                                      |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Grantee:</b>                                  | Enigma Corporation, LLC                                                                                                                                                                                                                                                                                                                      |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Location:</b>                                 | 6000 block of Asheville Highway., Hendersonville, NC 28792<br>(NE intersection of Asheville Highway and Maxwell Drive)                                                                                                                                                                                                                       |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Sale Price:</b>                               | \$880,000                                                                                                                                                                                                                                                                                                                                    |                   | <b>Confirmed by (Name):</b> Seller - Stuart Rubin; Public Record |                             |     |                                                             |         |                  |           |
| <b>Financing:</b>                                | Cash                                                                                                                                                                                                                                                                                                                                         |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Condition of Sale and Reason Bought/Sold:</b> | Arms' length transaction; Commercial Development                                                                                                                                                                                                                                                                                             |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Present Use:</b>                              | Vacant                                                                                                                                                                                                                                                                                                                                       |                   |                                                                  |                             |     | <b>Zoning:</b> RC - Regional Commercial - Henderson Co.     |         |                  |           |
| <b>Highest and Best Use:</b>                     | Commercial Development                                                                                                                                                                                                                                                                                                                       |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Size:</b>                                     | 0.680                                                                                                                                                                                                                                                                                                                                        | AC                | <b>Shape:</b>                                                    | Sl. Irregular               |     | <b>Topography:</b> Generally Level                          |         |                  |           |
| <b>Existing R/W Area:</b>                        | N/A AC                                                                                                                                                                                                                                                                                                                                       |                   | <b>Area Cleared/Wooded:</b> Cleared                              |                             |     |                                                             |         |                  |           |
| <b>Soil Type:</b>                                | Typical for area                                                                                                                                                                                                                                                                                                                             |                   | <b>Drainage:</b> Appears Adequate                                |                             |     | <b>Available Utilities:</b> All Public                      |         |                  |           |
| <b>Access:</b>                                   | Asheville Highway                                                                                                                                                                                                                                                                                                                            |                   |                                                                  |                             |     | <b>Frontage:</b> 210 FF Asheville Hwy<br>135 FF Maxwell Dr. |         |                  |           |
| <b>Improvements:</b>                             | None at sale                                                                                                                                                                                                                                                                                                                                 |                   |                                                                  |                             |     |                                                             |         |                  |           |
| <b>Lessor:</b>                                   | N/A                                                                                                                                                                                                                                                                                                                                          |                   |                                                                  | <b>Lessee:</b> N/A          |     |                                                             |         |                  |           |
| <b>Rentable Area:</b>                            | N/A                                                                                                                                                                                                                                                                                                                                          | <b>Rent:</b>      | N/A                                                              | <b>V &amp; C:</b>           | N/A | <b>Expenses:</b>                                            | N/A     | <b>Term:</b> N/A |           |
| <b>Unit Price:</b>                               | \$1,294,118                                                                                                                                                                                                                                                                                                                                  |                   | per ac                                                           | <b>Tax ID:</b> 9651-49-6716 |     |                                                             |         |                  |           |
| <b>Other Pertinent Information:</b>              | This site is located along the east side of Asheville Highway at Maxwell Drive, just north of I-26. It was reportedly purchased for the development of a gas station/convenience store. The buyer purchased adjoining land for assemblage with this tract. The sales were negotiated separately.<br>ADT count of 36,500 cars per day (2022). |                   |                                                                  |                             |     |                                                             |         |                  |           |



site outlined in red

Taken by: EMV  
Date Inspected: 9/11/2024

FRM5-G  
Revised: 3/08





# NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

## RIGHT OF WAY BRANCH COMPARABLE NO: 2 LAND SALE

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                      |                                                  |                             |                                                                 |         |                             |         |                |                 |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------|-----------------------------------------------------------------|---------|-----------------------------|---------|----------------|-----------------|
| <b>Date:</b>                                     | 5/25/2023                                                                                                                                                                                                                                                                                                                                                                                            | <b>Deed Book:</b>                                | 4047                        | <b>Page:</b>                                                    | 157     | <b>Stamps:</b>              | \$1,030 | <b>County:</b> | Henderson       |
| <b>Grantor:</b>                                  | Castles & Cottages, LLC                                                                                                                                                                                                                                                                                                                                                                              |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Grantee:</b>                                  | Hawkins Pointe Limited Partnership                                                                                                                                                                                                                                                                                                                                                                   |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Location:</b>                                 | 746 6th Ave. and 745 Florida Ave., Hendersonville, NC 28792<br>(SE corner of 6th Ave. and N. Oak St., extending to the north side of Florida Ave.)                                                                                                                                                                                                                                                   |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Sale Price:</b>                               | \$515,000                                                                                                                                                                                                                                                                                                                                                                                            | <b>Confirmed by (Name):</b>                      |                             | Public Record<br>Broker - James Wilson with Pulliam Properties; |         |                             |         |                |                 |
| <b>Financing:</b>                                | Cash                                                                                                                                                                                                                                                                                                                                                                                                 |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Condition of Sale and Reason Bought/Sold:</b> |                                                                                                                                                                                                                                                                                                                                                                                                      | Arms' length transaction; Commercial Development |                             |                                                                 |         |                             |         |                |                 |
| <b>Present Use:</b>                              | Vacant                                                                                                                                                                                                                                                                                                                                                                                               | <b>Zoning:</b>                                   |                             | UR (Urban Residential)                                          |         |                             |         |                |                 |
| <b>Highest and Best Use:</b>                     | Commercial Development                                                                                                                                                                                                                                                                                                                                                                               |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Size:</b>                                     | 0.400                                                                                                                                                                                                                                                                                                                                                                                                | <b>AC</b>                                        | <b>Shape:</b>               | Sl. Irregular                                                   |         | <b>Topography:</b>          |         |                | Generally Level |
| <b>Existing R/W Area:</b>                        | N/A                                                                                                                                                                                                                                                                                                                                                                                                  | <b>AC</b>                                        | <b>Area Cleared/Wooded:</b> |                                                                 | Cleared |                             |         |                |                 |
| <b>Soil Type:</b>                                | Typical for area                                                                                                                                                                                                                                                                                                                                                                                     |                                                  | <b>Drainage:</b>            | Appears Adequate                                                |         | <b>Available Utilities:</b> |         |                | All Public      |
| <b>Access:</b>                                   | 6th Ave.<br>Florida Ave.<br>N. Oak St.                                                                                                                                                                                                                                                                                                                                                               | <b>Frontage:</b>                                 |                             | 55 FF 6th Ave.<br>220 FF N. Oak St.<br>72 FF Florida Ave.       |         |                             |         |                |                 |
| <b>Improvements:</b>                             | None at sale                                                                                                                                                                                                                                                                                                                                                                                         |                                                  |                             |                                                                 |         |                             |         |                |                 |
| <b>Lessor:</b>                                   | N/A                                                                                                                                                                                                                                                                                                                                                                                                  |                                                  | <b>Lessee:</b>              |                                                                 | N/A     |                             |         |                |                 |
| <b>Rentable Area:</b>                            | N/A                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Rent:</b>                                     | N/A                         | <b>V &amp; C:</b>                                               | N/A     | <b>Expenses:</b>            | N/A     | <b>Term:</b>   | N/A             |
| <b>Unit Price:</b>                               | \$1,287,500                                                                                                                                                                                                                                                                                                                                                                                          | per ac                                           |                             | <b>Tax ID:</b> see notes                                        |         |                             |         |                |                 |
| <b>Other Pertinent Information:</b>              | This represents the sale of 2 tracts in one transaction. The tracts were subsequently combined with adjacent properties to total 1.68 acres that have a current single PIN of 9568-58-2912. The zoning was also changed from MIC (Medical, Institutional and Cultural) to UR (Urban Residential). The developers have been approved to build a 3-story, 43-unit affordable senior apartment complex. |                                                  |                             |                                                                 |         |                             |         |                |                 |



site outlined and shaded in teal



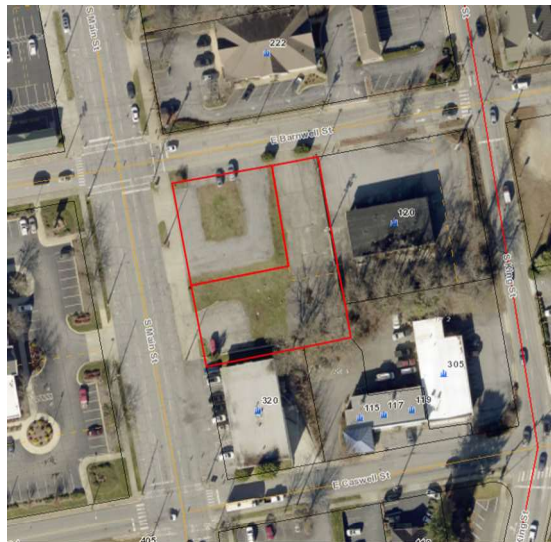
Taken by: EMV  
Date Inspected: 2/15/2024

FRM5-G  
Revised: 3/08

# NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

## RIGHT OF WAY BRANCH COMPARABLE NO: 3 LAND SALE

|                                                  |                                                                                                                                                                                                                                                                                                                                  |                             |                                             |                               |                             |                    |                 |                |           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|-------------------------------|-----------------------------|--------------------|-----------------|----------------|-----------|
| <b>Date:</b>                                     | 6/1/2022                                                                                                                                                                                                                                                                                                                         | <b>Deed Book:</b>           | 3921                                        | <b>Page:</b>                  | 275                         | <b>Stamps:</b>     | \$1,700         | <b>County:</b> | Henderson |
| <b>Grantor:</b>                                  | Piccolo Development, LLC                                                                                                                                                                                                                                                                                                         |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Grantee:</b>                                  | Cabin Dream Homes, Inc.                                                                                                                                                                                                                                                                                                          |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Location:</b>                                 | 310 S Main St., Hendersonville, NC 28792<br>(SE corner of S. Main St. and E. Barnwell St.)                                                                                                                                                                                                                                       |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Sale Price:</b>                               | \$850,000                                                                                                                                                                                                                                                                                                                        | <b>Confirmed by (Name):</b> | Broker - Philip Green;<br>Public Record     |                               |                             |                    |                 |                |           |
| <b>Financing:</b>                                | Cash                                                                                                                                                                                                                                                                                                                             |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Condition of Sale and Reason Bought/Sold:</b> | Arms' length transaction; Commercial Development                                                                                                                                                                                                                                                                                 |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Present Use:</b>                              | Cleared, Vacant                                                                                                                                                                                                                                                                                                                  | <b>Zoning:</b>              | C1 - Commercial                             |                               |                             |                    |                 |                |           |
| <b>Highest and Best Use:</b>                     | Commercial Development                                                                                                                                                                                                                                                                                                           |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Size:</b>                                     | 0.620                                                                                                                                                                                                                                                                                                                            | <b>AC</b>                   | <b>Shape:</b>                               | Rectangular                   |                             | <b>Topography:</b> | Generally Level |                |           |
| <b>Existing R/W Area:</b>                        | N/A                                                                                                                                                                                                                                                                                                                              | <b>AC</b>                   | <b>Area Cleared/Wooded:</b>                 | Cleared                       |                             |                    |                 |                |           |
| <b>Soil Type:</b>                                | Typical for area                                                                                                                                                                                                                                                                                                                 | <b>Drainage:</b>            | Appears Adequate                            |                               | <b>Available Utilities:</b> | All Public         |                 |                |           |
| <b>Access:</b>                                   | S. Main St.<br>E. Barnwell St.                                                                                                                                                                                                                                                                                                   | <b>Frontage:</b>            | 150 FF S King St.<br>180 FF E. Barnwell St. |                               |                             |                    |                 |                |           |
| <b>Improvements:</b>                             | None                                                                                                                                                                                                                                                                                                                             |                             |                                             |                               |                             |                    |                 |                |           |
| <b>Lessor:</b>                                   | N/A                                                                                                                                                                                                                                                                                                                              |                             | <b>Lessee:</b>                              | N/A                           |                             |                    |                 |                |           |
| <b>Rentable Area:</b>                            | N/A                                                                                                                                                                                                                                                                                                                              | <b>Rent:</b>                | N/A                                         | <b>V &amp; C:</b>             | N/A                         | <b>Expenses:</b>   | N/A             | <b>Term:</b>   | N/A       |
| <b>Unit Price:</b>                               | \$1,370,968                                                                                                                                                                                                                                                                                                                      | <b>per ac</b>               | <b>Tax ID:</b>                              | 9568-86-4520 and 9568-86-2580 |                             |                    |                 |                |           |
| <b>Other Pertinent Information:</b>              | This site is on the southeastern edge of the Hendersonville CBD with a commercial zoning that allows for a wide range of uses. The site includes 2 tax parcels with frontage along 2 corridors and has a generally level topography. The broker did not disclose the buyer's development plans. 2021 traffic count - 12,500 AADT |                             |                                             |                               |                             |                    |                 |                |           |



Taken by: EMV  
Date Inspected: 2/15/2024

FRM5-G  
Revised: 3/08



# NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

## RIGHT OF WAY BRANCH COMPARABLE NO: 4 LAND SALE

**Date:** 6/1/2022 **Deed Book:** 3921 **Page:** 278 **Stamps:** \$710 **County:** Henderson

**Grantor:** Barker Construction, Inc.

**Grantee:** Cabin Dream Homes

**Location:** SE corner of S. King St. and E. Barnwell St., Hendersonville, NC 28792

**Sale Price:** \$355,000 **Confirmed by (Name):** Broker - Philip Green; Public Record

**Financing:** Cash

**Condition of Sale and Reason Bought/Sold:** Arms' length transaction; Commercial Development

**Present Use:** Cleared, Vacant **Zoning:** CMU - Central Mixed Use

**Highest and Best Use:** Commercial Development

**Size:** 0.480 AC **Shape:** Sl. Irregular **Topography:** Generally Level

**Existing R/W Area:** N/A AC **Area Cleared/Wooded:** Cleared

**Soil Type:** Typical for area **Drainage:** Appears Adequate **Available Utilities:** All Public

**Access:** S. King St. and E. Barnwell St. **Frontage:** 150 FF S King St.  
138 FF E. Barnwell St.

**Improvements:** None

**Lessor:** N/A **Lessee:** N/A

**Rentable Area:** N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A

**Unit Price:** \$739,583 per ac **Tax ID:** 9568-86-5592 and 9568-86-6563

**Other Pertinent Information:** This site is on the southeastern edge of the Hendersonville CBD with a commercial zoning that allows for a wide range of uses. The site includes 2 tax parcels with frontage along 2 corridors and has a generally level topography. The broker indicated that the site was purchased for the construction of a multi-family condo building that may have ground level retail space. 2021 traffic count - 12,500 AADT



Taken by: EMV  
Date Inspected: 7/17/2023

FRM5-G  
Revised: 3/08



| Land Sales Summary and Adjustment Chart      |                                  |                             |                    |                    |                                 |
|----------------------------------------------|----------------------------------|-----------------------------|--------------------|--------------------|---------------------------------|
| Sale No.                                     | Subject                          | 1                           | 2                  | 3                  | 4                               |
|                                              | S. Main St. and<br>S. Church St. | 6000 block<br>Asheville Hwy | 746 6th Ave.       | 310 S Main St.     | S. King St./<br>E. Barnwell St. |
| Location                                     |                                  |                             |                    |                    |                                 |
| County                                       | Henderson                        | Henderson                   | Henderson          | Henderson          | Henderson                       |
| Neighborhood                                 | Hendersonville                   | Hendersonville              | Hendersonville     | Hendersonville     | Hendersonville                  |
| Sale Price                                   |                                  | \$880,000                   | \$515,000          | \$850,000          | \$355,000                       |
| Sale Price per Acre                          |                                  | \$1,294,118                 | \$1,287,500        | \$1,370,968        | \$739,583                       |
| Date of Sale                                 |                                  | 10/27/23                    | 05/25/23           | 06/01/22           | 06/01/22                        |
| Property Rights                              |                                  | Fee simple                  | Fee simple         | Fee simple         | Fee simple                      |
| Financing                                    |                                  | Cash to seller              | Cash to seller     | Cash to seller     | Cash to seller                  |
| Conditions of Sale                           |                                  | Mkt. trans.                 | Mkt. trans.        | Mkt. trans.        | Mkt. trans.                     |
| Location/Access/Visib.                       | Good                             | Good                        | V. Good            | Good               | Fair - Avg                      |
| Size (in Acres)                              | 0.333                            | 0.680                       | 0.400              | 0.620              | 0.480                           |
| Topography                                   | Level                            | Comparable                  | Comparable         | Comparable         | Comparable                      |
| Shape                                        | Irregular                        | Comparable                  | Comparable         | Comparable         | Comparable                      |
| Easements/Encroach.                          | Typical                          | Comparable                  | Comparable         | Comparable         | Comparable                      |
| Zoning                                       | C-2                              | RC                          | MIC                | C-1                | CMU                             |
| Functional Utility                           | Average                          | Comparable                  | Comparable         | Comparable         | Comparable                      |
| Flood Zone                                   | Full                             | None                        | None               | None               | None                            |
| Utilities                                    | All                              | All                         | All                | All                | All                             |
| Property Rights                              |                                  | \$0                         | \$0                | \$0                | \$0                             |
| Adjusted Price/Ac                            |                                  | \$1,294,118                 | \$1,287,500        | \$1,370,968        | \$739,583                       |
| Financing Terms                              |                                  | \$0                         | \$0                | \$0                | \$0                             |
| Adjusted Price/Ac                            |                                  | \$1,294,118                 | \$1,287,500        | \$1,370,968        | \$739,583                       |
| Conditions of Sale                           |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Adjusted Price/Ac                            |                                  | \$1,294,118                 | \$1,287,500        | \$1,370,968        | \$739,583                       |
| Expenditures after Sale                      |                                  | \$0                         | \$0                | \$0                | \$0                             |
| Adjusted Price/Ac                            |                                  | \$1,294,118                 | \$1,287,500        | \$1,370,968        | \$739,583                       |
| Market Conditions                            | 4.0%                             | 3.6%                        | 5.3%               | 9.2%               | 9.2%                            |
| Adjusted Price/Ac                            |                                  | <b>\$1,340,706</b>          | <b>\$1,355,738</b> | <b>\$1,497,097</b> | <b>\$807,625</b>                |
| Location/Access/Visib.                       |                                  | 0%                          | -10%               | 0%                 | 20%                             |
| Size                                         |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Topography                                   |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Shape                                        |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Easements/Encroachments                      |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Zoning                                       |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Functional Utility                           |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Flood Zone                                   |                                  | -10%                        | -10%               | -10%               | -10%                            |
| Utilities                                    |                                  | 0%                          | 0%                 | 0%                 | 0%                              |
| Gross Adjustment                             |                                  | 10%                         | 20%                | 10%                | 30%                             |
| Net Adjustment                               |                                  | -10%                        | -20%               | -10%               | 10%                             |
| Indicated Unit Value - per Ac                |                                  | <b>\$1,206,635</b>          | <b>\$1,084,590</b> | <b>\$1,347,387</b> | <b>\$888,388</b>                |
| Adjusted Sales Analysis (closed sales only): |                                  |                             |                    |                    |                                 |
| Low:                                         |                                  | \$888,388                   |                    |                    |                                 |
| High:                                        |                                  | \$1,347,387                 |                    |                    |                                 |
| Mean:                                        |                                  | \$1,131,750                 |                    |                    |                                 |
| Median:                                      |                                  | \$1,145,613                 |                    |                    |                                 |

#### Unit of Comparison:

When comparing the comparables to the subject property, the unit of comparison given the most consideration is the sale price per acre. This method of analysis is considered to provide a reasonable method of comparison between the subject and comparable properties.

#### Explanation of Adjustments:

The preceding sales are taken from the local market and represent the most current and best data available as of the date of valuation. Each of the comparables was compared to the subject tract and adjusted, as necessary, for differences reflected in the sale price. Those properties

with characteristics considered superior to the subject received minus, or downward adjustments, reducing the indicated value of the subject property

Conversely, those properties with inferior characteristics received plus, or upward adjustments, thus increasing the indicated subject value. In most instances, adjustments are made in percentage of unit price increments. The following is a discussion of the comparisons used in the analysis.

In this instance, adjustments are generally made based on a percentage of the sale price.

**Property Rights:**

All of the comparables represent the transfer of fee simple rights, similar to the subject. Therefore, no adjustments for differences in property rights were necessary.

**Financing Terms:**

All of the transactions indicated typical market financing, so no adjustments for differences in financing terms were necessary.

**Conditions of Sale:**

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. This adjustment considers unusual features of the transaction, such as financing, or whether or not the sale took place under open market conditions. All of the sales were typical arms' length transactions and did not require adjustments.

**Expenditures After Sale:**

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination, etc...

These costs are often quantified in price negotiations and can be discovered through verification of transaction data. The relevant figure is not the actual cost that was incurred but the cost that was anticipated by the buyer.

No adjustments for expenditures after sale were necessary.

**Market Conditions/Time:**

The sales presented occurred between June 2022 and October 2023. Market data indicates an upward trend in sale prices for commercial properties, both vacant and improved, for the region over this time period and through the date of valuation. Market data indicates an overall average of approximately 4% for the period from transaction dates to the date of valuation. Therefore, the comparables have been adjusted upward to reflect changing market conditions by approximately 4% annually, based on market data.

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Location/Access/Visibility:</b> | Sales 1 and 3 are considered similar to the subject in terms of location/access/visibility characteristics and were not adjusted. Sale 2, located in an area of denser development along a more heavily-traveled roadway was adjusted downward for its superior location/access/visibility characteristics as compared to the subject. Sale 4 was adjusted upward for its inferior location along a less heavily-traveled roadway.                                                                           |
| <b>Size:</b>                       | The comparable sales are all considered generally similar in size to the subject, with no adjustments necessary.                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Topography:</b>                 | The subject has a generally level topography. The sales are considered similar in terms of topography and were not adjusted.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Shape:</b>                      | The subject and sales have shapes that are considered conducive to development. No adjustments were required.                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Easements/Encroachments:</b>    | The subject property and all of the comparables have typical easements, so no adjustments were required.                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Zoning:</b>                     | The subject site and sales have varying commercial district zoning designations, and all of the sites include a similar highest and best use. Therefore, no adjustments for zoning were considered necessary.                                                                                                                                                                                                                                                                                                |
| <b>Functional Utility:</b>         | The subject is considered to have average functional utility characteristics. Each of the comparables was similar with respect to functional utility characteristics when compared to the subject and no adjustments were required.                                                                                                                                                                                                                                                                          |
| <b>Flood Zone:</b>                 | As previously discussed, the subject site is located within a flood hazard area. Although development at the site is feasible, as evidenced by the developed sites nearby also located within flood hazard and floodway zones, higher development costs as well as the potential for ongoing costs of flood insurance, could influence the sale price. All of the sales are located outside of flood hazard areas and were therefore adjusted downward for this superior feature as compared to the subject. |
| <b>Utilities:</b>                  | <p>The subject has access to all public utilities, similar to the sales. No adjustments were necessary.</p> <p>The subject and comparables were all considered similar with respect to all other measurable factors and no further adjustments were required.</p>                                                                                                                                                                                                                                            |
| <b>Summary, after Adjustments:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Range:                             | \$888,388 to \$1,347,387 per acre                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Average:                           | \$1,131,750 per acre                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



Median: \$1,145,613 per acre

**Correlation/Reconciliation:** In reconciliation, all of the comparables are considered good indicators of value, and required typical levels of adjustments. Sales 1, 2 and 3 indicate a fairly narrow range of adjusted unit prices. Sale 4 indicates a unit price somewhat lower than the other sales, which could mean this sale represents an outlier in terms of pricing. Therefore, Sales 1, 2 and 3 were given primary consideration, while Sale 4 was given secondary consideration in reconciliation.

**Reconciled Unit Value:** Considering all of the data presented and the specific characteristics of the subject site, an appropriate value for the subject site is estimated to range from \$1,100,000 to \$1,200,000 per acre, with a value at the mid-point of the range considered most appropriate. The subject site value is estimated below.

**Conclusion of Site Value:** \$1,150,000 per acre x 0.333 ac = **\$382,950**

### **Site Improvements**

The subject includes site improvements only. Value estimates for the site improvements are included based on their estimated depreciated contributory values. Reproduction costs for the site improvements are based upon the actual price quotes provided by those active in the local market, local contractors, the Marshall and Swift Cost Estimator guide, and cost information maintained in the appraiser's office. Additionally, the property owner representatives provided actual cost quotes for the improvements which were also relied upon.

Below is a summary of the cost estimates provided by local builders and contractors with respect to site improvements.

- For the monument stone sign and the smaller wood and metal sign, cost estimates for similar signs were provided by Sign Systems International and Fast Signs of Asheville. Additionally, the original cost of construction for the monument sign was also reviewed. These estimates generally correlated with cost estimates indicated by the cost guide. Based on the information received, a reconciled cost of \$22,500 was utilized for the monument sign, and a reconciled cost of \$750 was utilized for the smaller wood and metal sign.
- For the concrete paving, Mr. Leroy Sawyer with APAC Carolina and James Parker with Parker Paving of NC provided cost estimates for areas similar to the subject's. Both contractors indicated similar ranges which generally correlated with the ranges indicated by the cost guide. A reconciled cost of \$6.75 per square foot for the concrete paving is utilized.
- Cost estimates for the ground lights and flag poles were obtained from Liberty Flagpoles, US Flag Supply, and Sunco Lighting. These estimates generally correlated with those indicated by the cost guide.
- As a pedestrian park, the subject site is extensively landscaped. Greenstate Landscaping and Reems Creek Nursery were consulted for general cost estimates for the landscaping. There



are various large boulders at the site, for which the original cost provided by the property owner's representative was relied upon.

After consideration of all of the data available, costs for each site improvement item have been estimated as well as the level of depreciation for each item. The depreciation is estimated based on the condition of each improvement. The following table summarizes the estimates, and the indicated contributory value of the site improvements.

| <b>Site Improvements</b>                                            |                 |             |                          |                 |                              |                               |
|---------------------------------------------------------------------|-----------------|-------------|--------------------------|-----------------|------------------------------|-------------------------------|
| <b>Description</b>                                                  | <b>Quantity</b> | <b>Unit</b> | <b>Unit Cost<br/>New</b> | <b>Cost New</b> | <b>Less<br/>Depreciation</b> | <b>Contributory<br/>Value</b> |
| Stone Sign                                                          | 1               | Ea          | \$22,500                 | \$22,500        | 20%                          | \$18,000                      |
| Small Wood/Metal Sign                                               | 1               | Ea          | \$750                    | \$750           | 20%                          | \$600                         |
| Concrete paving (sidewalk)                                          | 1,750           | SF          | \$6.75                   | \$11,813        | 30%                          | \$8,269                       |
| Ground Lights                                                       | 3               | Ea          | \$250                    | \$750           | 20%                          | \$600                         |
| Flag Poles                                                          | 3               | Ea          | \$1,750                  | \$5,250         | 20%                          | \$4,200                       |
| Landscaping                                                         |                 |             |                          |                 |                              |                               |
| Boulders                                                            | Various         | Ea          | \$2,000                  | \$2,000         | NA                           | \$2,000                       |
| Mature Bushes (various types)                                       | 35              | Ea          | \$75                     | \$2,625         | NA                           | \$2,625                       |
| Med-sized trees (various types)                                     | 24              | Ea          | \$750                    | \$18,000        | NA                           | \$18,000                      |
| Grass/Flowers/Mulch                                                 | 12,000          | SF          | \$0.50                   | \$6,000         | NA                           | \$6,000                       |
| <b>Total Contributory Value of all Site Improvements (rounded):</b> |                 |             |                          |                 |                              | <b>\$60,300</b>               |

#### **Summary of Estimate of Value via the Cost Approach**

The estimate of market value of the subject property via the cost approach is summarized below:

| <b>Cost Approach Summary - BEFORE</b>            |                  |
|--------------------------------------------------|------------------|
| Land - Value Estimate                            | \$382,950        |
| Plus: Contributory Value of Site Improvements    | \$60,300         |
| <b>Total Value Indication via Cost Approach:</b> | <b>\$443,250</b> |

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### RECONCILIATION AND FINAL "BEFORE" VALUE ESTIMATE

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Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final estimate of value from the approaches utilized. The appraiser weighs the relative significance, applicability, and defensibility of the indication of value estimated by each approach and places most credence on the one that, in his professional judgment, best approximates the value being sought in the appraisal.

As the sole method of valuation, the value indication via the cost approach is the final indication of value for the subject property, and is allocated as follows:

| Value Estimate BEFORE         |                  |
|-------------------------------|------------------|
| Land - Value Estimate         | \$382,950        |
| Improvements - Value Estimate | <u>\$60,300</u>  |
| <b>Total Value Indication</b> | <b>\$443,250</b> |

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### DESCRIPTION OF THE ACQUISITION

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The NCDOT project indicates that the subject will be acquired in its entirety. Therefore, the acquisition includes the entire site and all improvements, with no remainder parcel.

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### VALUATION OF PROPERTY AFTER THE TAKING

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The subject property will be acquired in its entirety, so there is no remainder or "after" value.

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### DIFFERENCE IN THE BEFORE AND THE AFTER VALUES

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The indicated difference between the before and after values is summarized below.

| Comparison of Before and After Value Indications |                 |                  |
|--------------------------------------------------|-----------------|------------------|
| <b>Before - Estimated Value</b>                  |                 |                  |
| Land                                             | \$382,950       |                  |
| Improvements                                     | <u>\$60,300</u> |                  |
| Total (Rounded)                                  |                 | \$443,250        |
| <b>After - Estimated Value</b>                   |                 |                  |
| Land                                             | \$0             |                  |
| Improvements                                     | <u>\$0</u>      |                  |
| Total (Rounded)                                  |                 | <u>\$0</u>       |
| <b>Difference</b>                                |                 | <b>\$443,250</b> |

## ALLOCATION

The allocation of the difference between the value of the subject property in the “before”, and the value of the remainder parcel in the “after” is summarized in the following chart.

| Breakdown of Allocation        |            |                      |                         |                  |
|--------------------------------|------------|----------------------|-------------------------|------------------|
| Value of Land Acquired*        |            |                      |                         | <i>rounded</i>   |
| Right of Way                   | 0.333 ac @ | \$1,150,000 per ac @ | 100% =                  | \$382,950        |
|                                |            |                      |                         | <b>\$382,950</b> |
| Value of Improvements Acquired |            |                      |                         |                  |
| Site Improvements              |            |                      |                         | <b>\$60,300</b>  |
| Damages to Remainder           |            |                      |                         |                  |
| <u>Land</u>                    |            |                      |                         |                  |
| N/A                            |            |                      |                         | <b>\$0</b>       |
| <u>Improvements</u>            |            |                      |                         |                  |
| N/A                            |            |                      |                         | <b>\$0</b>       |
| Benefits to the Remainder      |            |                      |                         |                  |
| N/A                            |            |                      |                         | <b>\$0</b>       |
|                                |            |                      | <b>Total Allocation</b> | <b>\$443,250</b> |
| <i>*each component rounded</i> |            |                      |                         |                  |

## **ADDENDA**

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Photographs of Subject/Photo Location Map  
Subject Deed  
Flood Map  
NCDOT Plan Sheet  
Appraiser Qualifications  
Assumption/Limiting Conditions  
Certificate(s) of Appraiser

|                    |            |                   |                            |
|--------------------|------------|-------------------|----------------------------|
| <b>TIP/Parcel</b>  | U-6049/044 | <b>Taken By</b>   | Ella Vrolyk                |
| <b>County</b>      | Henderson  | <b>Date Taken</b> | September 17, 2024         |
| <b>WBS Element</b> | 46995.2.1  | <b>Owner</b>      | The City of Hendersonville |
|                    |            |                   |                            |
| <b>Photo No.</b>   | <b>1</b>   | <b>Direction</b>  | <b>NW</b>                  |



Overview of Subject Property

|                  |          |                  |          |
|------------------|----------|------------------|----------|
| <b>Photo No.</b> | <b>2</b> | <b>Direction</b> | <b>N</b> |
|------------------|----------|------------------|----------|



Closer view of stone monument sign



|                    |            |                   |                            |
|--------------------|------------|-------------------|----------------------------|
| <b>TIP/Parcel</b>  | U-6049/044 | <b>Taken By</b>   | Ella Vrolyk                |
| <b>County</b>      | Henderson  | <b>Date Taken</b> | September 17, 2024         |
| <b>WBS Element</b> | 46995.2.1  | <b>Owner</b>      | The City of Hendersonville |
|                    |            |                   |                            |
| <b>Photo No.</b>   | <b>3</b>   | <b>Direction</b>  | <b>SW</b>                  |



Looking SW at subject from adjoining site

|                  |          |                  |           |
|------------------|----------|------------------|-----------|
| <b>Photo No.</b> | <b>4</b> | <b>Direction</b> | <b>SE</b> |
|------------------|----------|------------------|-----------|



Looking SE at subject property



|                    |            |                   |                            |
|--------------------|------------|-------------------|----------------------------|
| <b>TIP/Parcel</b>  | U-6049/044 | <b>Taken By</b>   | Ella Vrolyk                |
| <b>County</b>      | Henderson  | <b>Date Taken</b> | September 17, 2024         |
| <b>WBS Element</b> | 46995.2.1  | <b>Owner</b>      | The City of Hendersonville |
|                    |            |                   |                            |
| <b>Photo No.</b>   | <b>5</b>   | <b>Direction</b>  | <b>E</b>                   |



Looking E at subject property

|                  |          |                  |          |
|------------------|----------|------------------|----------|
| <b>Photo No.</b> | <b>6</b> | <b>Direction</b> | <b>N</b> |
|------------------|----------|------------------|----------|



Looking N at subject property, including small wood/metal sign



|                    |            |                   |                            |
|--------------------|------------|-------------------|----------------------------|
| <b>TIP/Parcel</b>  | U-6049/044 | <b>Taken By</b>   | Ella Vrolyk                |
| <b>County</b>      | Henderson  | <b>Date Taken</b> | September 17, 2024         |
| <b>WBS Element</b> | 46995.2.1  | <b>Owner</b>      | The City of Hendersonville |
|                    |            |                   |                            |
| <b>Photo No.</b>   | <b>7</b>   | <b>Direction</b>  | <b>NW</b>                  |



Looking NW at subject property

|                  |          |                  |          |
|------------------|----------|------------------|----------|
| <b>Photo No.</b> | <b>8</b> | <b>Direction</b> | <b>N</b> |
|------------------|----------|------------------|----------|



Looking N along subject's frontage along S Church St.



|                    |            |                   |                            |
|--------------------|------------|-------------------|----------------------------|
| <b>TIP/Parcel</b>  | U-6049/044 | <b>Taken By</b>   | Ella Vrolyk                |
| <b>County</b>      | Henderson  | <b>Date Taken</b> | September 17, 2024         |
| <b>WBS Element</b> | 46995.2.1  | <b>Owner</b>      | The City of Hendersonville |
| <b>Photo No.</b>   | 9          | <b>Direction</b>  | S                          |



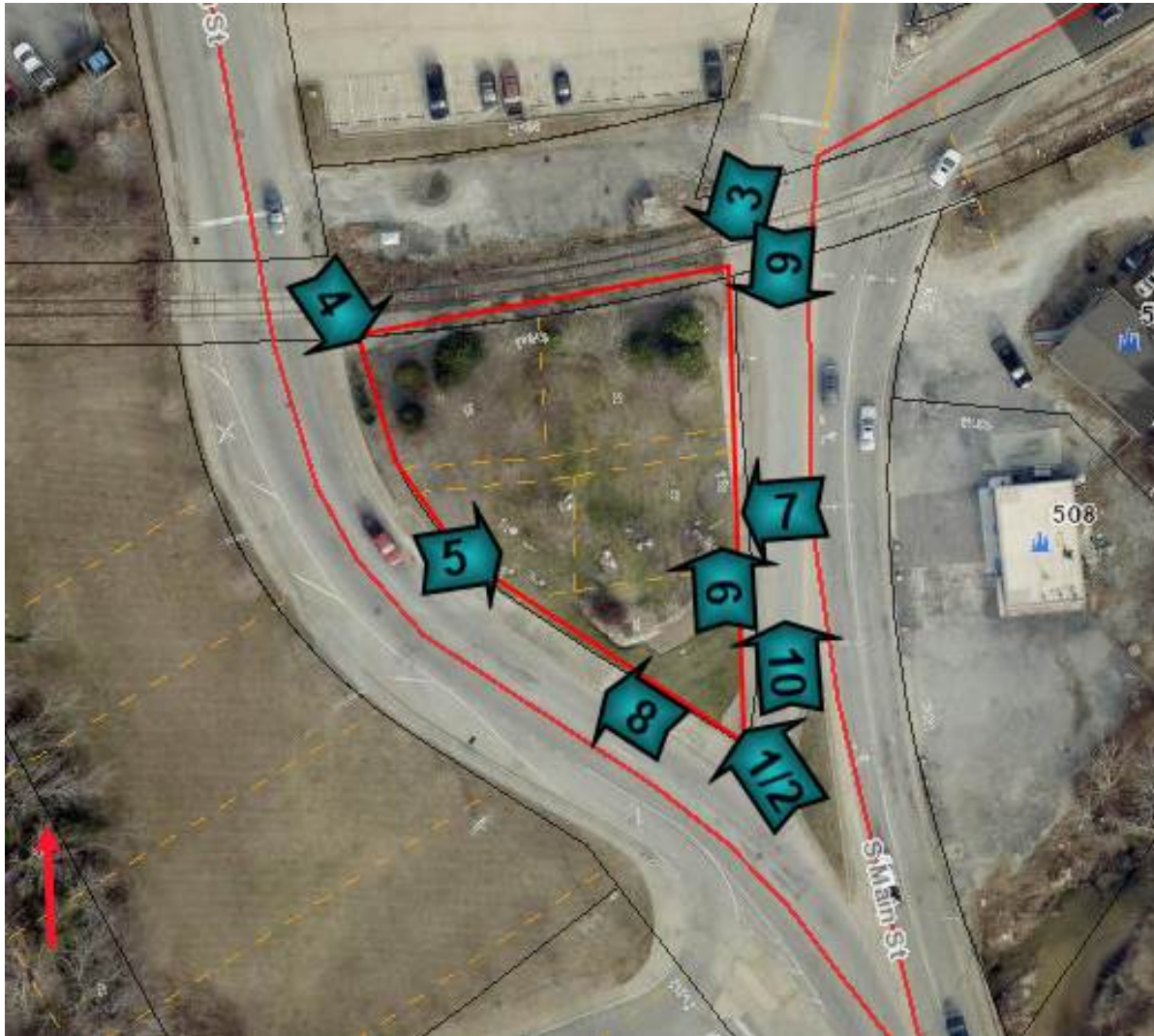
Looking S along subject's frontage along S Main St.

|                  |    |                  |   |
|------------------|----|------------------|---|
| <b>Photo No.</b> | 10 | <b>Direction</b> | N |
|------------------|----|------------------|---|



Looking N along subject's frontage along S Main St.

Subject Photograph Location Map



**Subject Deed**

1357 P.559

FILED IN HENDERSON COUNTY REGISTER OF DEEDS  
OFFICE, NEDRA W. MOLES, REGISTER  
DATE: 4-18-08 TIME: 11:57am  
EXCISE TAX STAMP: \$950.  
BOOK: 1357 PAGE: 559

~~\$455.00~~  
Excise Tax 950.00

Recording Information

Parcel Identifier Number: 0116914  
PREPARED by: Peter Knight, Attorney, seller representation limited to  
deed preparation only  
RETURN to:  City of Hendersonville, P.O. Box 1670, Hendersonville, NC 28793  
Attn: Samuel H. Fritschner  
BRIEF DESCRIPTION for the Index: tract, South Main Street and Church Street

**NORTH CAROLINA GENERAL WARRANTY DEED**

THIS DEED made this 11th day of April, 2008, by and between

GRANTOR

GRANTEE

MIKE M. HODGES, unmarried

CITY OF HENDERSONVILLE  
a municipality located within  
the State of North Carolina

P.O. Box 1670  
Hendersonville, NC 28793

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all of that certain lot or parcel of land situated in Henderson County, North Carolina, and more particularly described as follows:

See attached Exhibit A for description

Warranty Deed  
 Mike M. Hodges, unmarried, to  
 City of Hendersonville  
 April 11, 2008  
 Page Two

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

Henderson County and City of Hendersonville ad valorem real property taxes for 2008; easements and restrictions of record; governmental ordinances.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, the day and year first above written.

Mike M. Hodges (Seal)  
 MIKE M. HODGES, unmarried

SEAL - STAMP



NORTH CAROLINA, HENDERSON COUNTY

I, J. Michael Edney a Notary Public of the County and State aforesaid, certify that, MIKE M. HODGES, unmarried, Grantor, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 12 day of April, 2008.

My commission expires:

6/11/2010

J. Michael Edney  
 Notary Public

Warranty Deed  
 Mike M. Hodges, unmarried, to  
 City of Hendersonville  
 April 11, 2008

Exhibit A

BEGINNING at an iron pin in the west margin of South Main Street at its intersection with the northeast margin of Church Street as projected and laid out by the City Engineer of the City of Hendersonville and adopted by the Commissioners of said City and running thence with the said margin of South Main Street on a curve, the bearing of the chord of which is North 7 deg. 1 min. West 73 feet to an iron pin; thence with the eastern line of Lot 2 as shown on a plat of the subdivision of W.A. Smith and J.L. Pace, hereinafter referred to, North 4 deg. 28 min. West a distance of 50 feet to an iron pipe; thence with the eastern line of Lot 3 North 1 deg. 03 min. West a distance of 50 feet to an iron pipe, corner to right of way of Hendersonville and Brevard Railway; thence North 80 deg. 4 min. West a distance of 70 feet to an iron pipe, corner of Lot 5; thence North 84 deg. 42 min. West a distance of 63 feet to an iron pipe on the eastern right of way line of Church Street; thence with the eastern margin of Church Street, on a radius of 116.61 feet, a distance of 109.8 feet to an iron pipe in the eastern margin of said Church Street; thence with said margin of Church Street South 56 deg. 29 min. East 112 feet to the beginning and being the properties acquired by two deeds:

Deed from R.G. Grady and wife Bessie G. Grady by deed dated June 17, 1937 as recorded in Deed Book 219, Page 45 of the Henderson County Registry and deed from W.A. Smith and Sada W. Smith, his wife, to Gulf Refining Company dated March 20, 1926 and recorded in Deed Book 163, Page 26, Henderson County Registry.

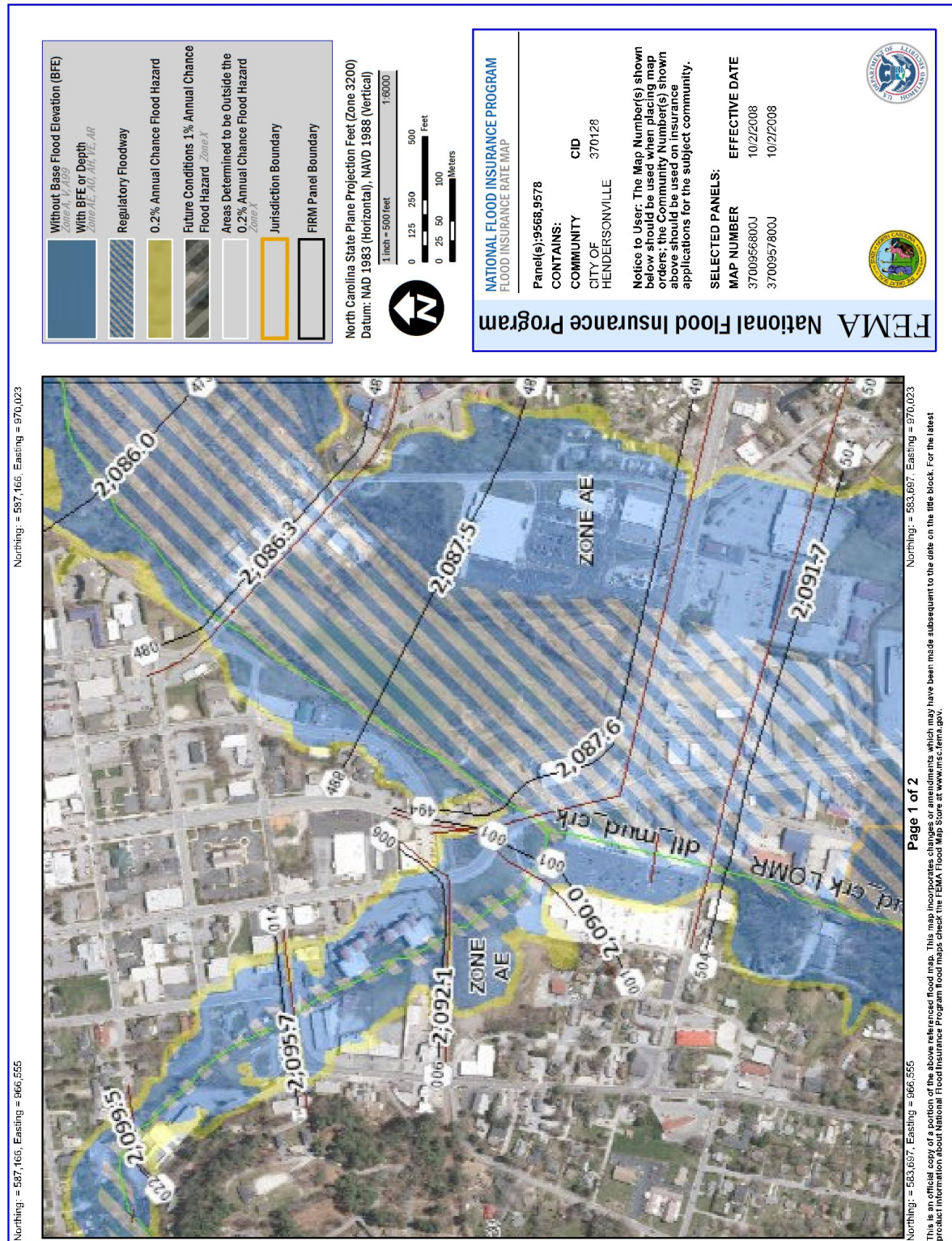
**LESS AND EXCEPTING** from the above description: all of that interest in property conveyed to the North Carolina Highway Commission by Deed of Easement dated May 20, 1970, recorded in Deed Book 475, at Page 499 of the Henderson County Registry, and described as follows:

Beginning at the present northeasterly corner of the intersection of South Main Street and Church Street in the City of Hendersonville, North Carolina, and running thence with the present westerly right of way line of South Main Street, North 7 deg. 46 min. West 58.28 feet to a point; thence along the arc of a curve, concave to the northwest, on a radius of 150 feet, for an arc distance of 49.75 feet (chord bearing and distance South 5 deg. 32 min. West 49.52 feet) to a point in the northerly right of way line of Church Street; thence with the said line of Church Street South 56 deg. 16 min. East 15.21 feet to the point of beginning.

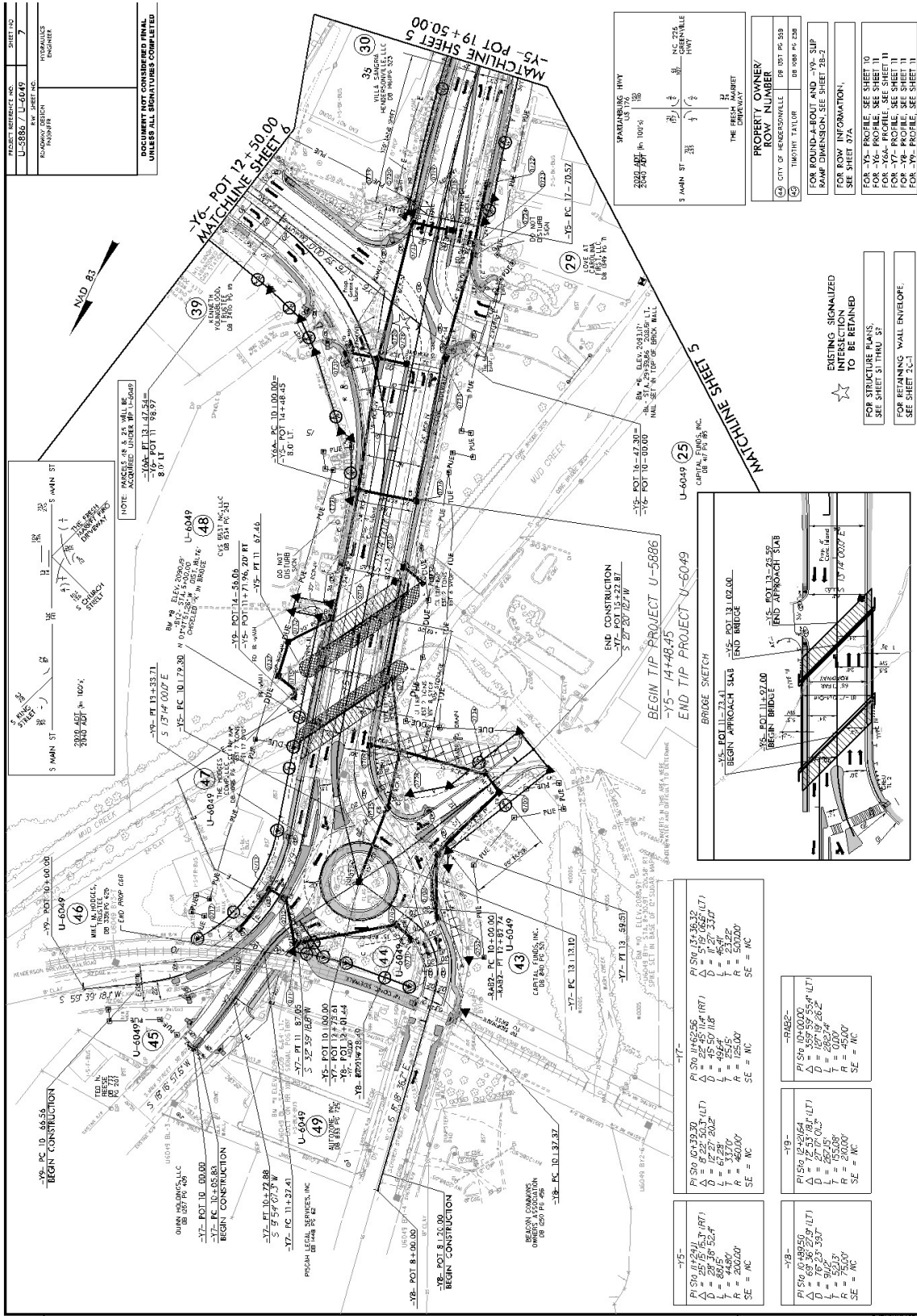
This conveyance consists of all of that property conveyed to Mike M. Hodges by deed dated January 4, 2000, which is recorded in Deed Book 1012, at Page 41 of the Henderson County Registry.



## Flood Map



# NCDOT Plan Sheet 7



4/23/2023 REVISED PUE ON PARCEL 25, (MMS)

## **Appraiser Qualifications**

### ***Ella Vrolyk, MAI***

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Cell: 828.301.0051

Email: ellavrolyk@gmail.com

#### **Professional Experience**

Ella Vrolyk has over 25 years of experience in real estate valuation and consulting. She started her real estate career as a staff appraiser in 1997 with Arthur Andersen in Houston Texas, later working as a senior appraiser with National Appraisal Partners. In 2009, Ms. Vrolyk moved to North Carolina to work as an independent real estate appraiser and consultant. Ms. Vrolyk has performed real estate valuations of fee simple, easement, leased fee and leasehold interests of existing and proposed properties including land, retail, industrial, office, hotels, residential subdivisions, single-family residences, RV parks, automotive dealerships, churches, conservation easements, agricultural ranches, and specialty properties. Consulting assignments performed by Ms. Vrolyk have included market rent analyses, feasibility studies, and various easement impact studies.

For the last 13 years, Ms. Vrolyk has specialized in eminent domain valuation, working primarily with the North Carolina Department of Transportation in providing estimates and valuations for proposed roadway projects in multiple counties across the state.

#### **Professional Affiliations**

- Appraisal Institute, Designated Member (MAI)
- NC State-Certified General Appraiser #A7339
- SC State-Certified General Appraiser #7559
- TN State-Certified General Appraiser #6420
- IRWA – Member, Candidate for SR/WA
- North Carolina Licensed Real Estate Broker (#324252)

#### **Education**

Bachelor of Business Administration, Cum Laude, 1993  
Ohio University; Athens, Ohio

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## Assumptions and Limiting Conditions

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The certification of the Appraiser appearing in this appraisal report is subject to the following conditions and to such other limiting condition as are set forth by the Appraiser in this report:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. All existing liens and encumbrances securing payment of money have been disregarded and the property is appraised as though under responsible ownership and competent management.
2. Any sketch in the report may show approximate dimensions and is included only to assist the reader in visualizing the property. The Appraiser has made no survey of the property and the reliability of the information contained on any such map or drawing cannot be guaranteed to be correct.
3. Information provided by informed sources, such as government agencies, financial institutions, realtors, buyers, sellers, property owners, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility is assumed for errors or omissions nor for information not disclosed which might otherwise affect the value estimate.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuation of land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes all applicable zoning and use regulation and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
6. The Appraiser assumes the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there are no encroachments unless noted in the report.
7. This appraisal is not a detailed report on the physical items that are a part of the property. Although the appraisal report contains information about the physical items being appraised, this information is only to be used as a general guide to property valuation. The Appraiser is not a construction, engineering, or legal expert and any opinion of observed condition comments should be considered preliminary in nature and no guarantee that a problem does not exist. No guarantee is made as to the adequacy or condition of floors, heating and air-conditioning systems, plumbing systems, electrical systems, or other mechanical or building components. The structure(s) were not checked for building code violations, and it is assumed that all structure(s) meet applicable building codes unless otherwise stated in the report.
8. The condition of items which are hidden from view, such as behind walls, above ceilings, under floors, or underground or not exposed to casual view were not inspected and are assumed to be adequate and functional unless otherwise stated in the report.
9. Engineering analyses of the subject property were neither provided for use nor made a part of this appraisal contract or assignment. No test borings or analysis of subsoils were made or caused to be made by the Appraiser. The Appraiser assumes no responsibility for the presence of any adverse conditions, or for any engineering which might be required to discover such conditions. Subsurface mineral rights were not considered in making this appraisal. No soils report was furnished to the Appraiser and the Appraiser assumes soil and subsoil conditions are satisfactory for real estate development. If this assumption is invalid, the Appraiser reserves the right to revise the appraisal report accordingly.
10. Any proposed improvements, as well as any alterations or repairs to existing improvements, are assumed to be completed in a workmanlike manner according to standard practices.

11. It is assumed that there are no hazardous materials present at the subject property. I am not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
12. This report contains professional opinions and is expressly not intended to serve as any warranty, assurance, or guarantee of any particular value of the subject property, either in the "before" or "after" situation. Other appraisers may reach different conclusions as to the value(s) of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. This report is for the sole purpose of providing the intended user with my independent professional opinion of the value(s) of the subject property as of the date of valuation.
13. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. I advise the user to retain experts in areas that fall outside the scope of the real estate appraisal profession.
14. It is assumed that the subject property is managed and operated in a prudent and competent manner.
15. I certify that to the best of my knowledge and belief, that reported analysis, 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 Foundation.
16. It is my intent that this report meets the requirements of an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice.
17. The term "Opinion" is synonymous with "Estimate", when the term "Estimate" is used for "Opinion".



# North Carolina Department of Transportation - Right of Way Unit

## Certificate of Appraiser

TIP/Parcel No.: U-6049/044 WBS Element: 46995.2.1 County: Henderson

Description Improvement of NC 225 (South Main St.) from South King Street to US 176

Property Owner's Name: City of Hendersonville Fed Aid N/A

### I HEREBY CERTIFY THAT:

I have ☐, have not ☒, performed an appraisal or other specified services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment. If "Have" box is marked, please see Scope of Appraisal Section for details.

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable site sales relied upon in making said appraisal. The improved sales utilized in the sales comparison approach were not inspected due to the regional nature of the sales utilized and their distance from the subject property. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the **State of North Carolina**, and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the **State of North Carolina**.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto.

**Neither my employment nor my compensation for making this appraisal is in any way contingent on the values reported herein.**

I have no direct or indirect, present or prospective interest in neither the subject property nor any benefit from the acquisition of this property nor any bias with respect to the parties involved.

In addition to the undersigned, those persons duly noted in this report and under my direct supervision and responsibility, in so far as this particular appraisal is concerned, have contributed to the production of this appraisal. The analyses, conclusions or value estimates set forth in this appraisal are those of the undersigned.

I will not reveal the findings and results of such appraisal to anyone other than the proper officials of the **State of North Carolina** or officials of the **Federal Highway Administration** until authorized by State officials to do so, or until I am required to do so by **due process of law**, or until I am released from this obligation by having publicly testified as to such findings or to a duly authorized professional peer review committee.

**My independent opinion of the difference in Market Value as of the** 17<sup>th</sup> **day of**  
September, 20 24, is \$ 443,250 **based upon my independent appraisal and**  
**the exercise of my professional judgment.**

*Ellen M. Vrolyk*

**Specified Appraiser**

September 26, 2024  
**Date**

