

Mahaffey & Associates, LLC

REAL PROPERTY VALUATION



Narrative Appraisal of



721 Anderson Street
Belton, South Carolina 29627

Thomas B. Mahaffey, MAI, CCIM
Mahaffey & Associates, LLC

**APPRAISAL
OF**



**Vacant Land
721 Anderson Street
Belton, South Carolina 29627**

Client File No.: 19-004926-01-01

APPRAISAL REPORT

**PREPARED FOR
Mrs. Jody Odom, MAI, AI-GRS, CRE
South State Bank
817 Dave Gibson Road
Fort Mill, SC 29708**

**DATE OF INSPECTION
November 18, 2019**

**DATE OF VALUATION
November 18, 2019 "As Is"**

PREPARED BY

**Thomas B. Mahaffey, MAI, CCIM
John T. Palmer, Jr., Apprentice Appraiser
Mahaffey & Associates, LLC
P.O. Box 171805
Spartanburg, SC 29301**



Mahaffey & Associates, LLC
Real Property Valuation

PO Box 171805 | Spartanburg, SC 29301 | TEL. (864) 415-7538 | EMAIL tom@mahaffeyandassociates.com

November 29, 2019

Mrs. Jody Odom, MAI, AI-GRS, CRE
South State Bank
817 Dave Gibson Road
Fort Mill, SC 29708

Subject: Vacant Land – **Client File No.:19-004926-01-01**
721 Anderson Street
Belton, South Carolina 29627

Dear Mrs. Odom, MAI, AI-GRS, CRE:

In accordance with your request, I have personally inspected the above referenced property and have made an Appraisal. I am submitting an Appraisal Report with applicable exhibits and addenda which explain and demonstrate the process used in completing this assignment.

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

The subject property consists of a vacant tract of land having a gross area of 0.743 acres. The property is located on Anderson Street, aka US Highway 76, within the municipal limits of Belton, Anderson County, SC. The subject site lies approximately 0.73 miles west of downtown and is slightly elevated above road grade. There is a dilapidated brick, single-family residence located in the center of the site, however, no value has been given to these improvements and the site has been appraised as if vacant. The physical address is 721 Anderson Street, Belton, SC 29627 and the subject property is further identified on Anderson County Tax Map 226-10, Block 03, as Parcel 013.

Mrs. Odom, MAI, AI-GRS, CRE
November 29, 2019
Page Two

The purpose of this appraisal is to conclude the Market Value of the Fee Simple Estate of the subject property "As Is" as of November 18, 2019. I have also been asked to provide a 90-Day Liquidation Value. "As Is" Market Value, Market Value, Fee Simple Estate, and Liquidation Value are further defined and qualified in the following appraisal report.

This report is the result of the appraiser and client concurring on the appropriate valuation methods based on the subject property specifics resulting in a credible value opinion. The following table summarizes my value conclusions and relevant data. The scope of the appraisal and the definition of market value are found in the Introduction section of this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions.

Extraordinary Assumptions:

An extraordinary assumption is defined as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions" (USPAP 2018 - 2019 Edition, ASB of The Appraisal Foundation). "Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis" (USPAP 2018 - 2019 Edition, ASB of The Appraisal Foundation, Comment).

This appraisal makes the following extraordinary assumptions. **This appraisal makes the extraordinary assumption that the existing improvements located on the subject site provide no contributing value and have not been afforded any consideration in this analysis. An estimated demolition expense has been made and this cost will be deducted from the concluded market value of the fee simple estate. .**

Hypothetical Conditions:

A hypothetical condition is defined as "that which is contrary to what exists but is supposed for the purpose of analysis" (USPAP 2018 - 2019 Edition, ASB of The Appraisal Foundation, page U-3). "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" (USPAP 2018- 2019 Edition, ASB of The Appraisal Foundation, Comment).

This appraisal assumes the following hypothetical conditions. **None.**

Mrs. Odom, MAI, AI-GRS, CRE
November 29, 2019
Page Three

Based on the analysis contained within this report, it is my opinion that the Market Value for the subject property, with no consideration for FF&E, is:

Fee Simple Estate "As Is" as of November 18, 2019
SEVENTY THOUSAND DOLLARS
(\$70,000)

Liquidation Value – 90-Day
THIRTY-THREE THOUSAND DOLLARS
(\$33,000)

In this assignment, the existence of hazardous waste material, which may or may not be present on or in the subject property, was not observed by this appraiser. I have no knowledge of the existence of such materials on or near the subject property; however, I am not qualified to detect such substances. The presence of such material may have an effect on the value or use of the subject property. It is assumed that there are no hazardous material spills resulting from underground storage tanks or other causes associated with the subject property. Full compliance with all environmental laws is assumed. The client is urged to retain an expert in this field, if further clarification is desired. I wish to clearly emphasize that the detection of any such hazardous materials is beyond the scope of this valuation analysis. Furthermore, it is assumed that the presence of any hazardous materials, gases or toxic substances that would cause a loss in value is assumed not to exist on the subject property.

The value estimate assumes no impact on value because of "Section 404 - Wetlands" as defined by the US Army Corp. of Engineers. We have found no evidence of wetlands; however, we are not qualified in this field and urge the client to seek the advice of an expert to determine any potential impact of wetlands on the above referenced property.

The appraisal analysis, opinions and conclusions were developed, and this appraisal report has been prepared in conformance with (and the use of this report is subject to) all regulations issued under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP) 2018 - 2019 Edition as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

I certify that I have the experience and knowledge to competently complete an appraisal of this type and have made other appraisals of similar properties in the past. I further certify that the subject property was inspected by Thomas B. Mahaffey, MAI, CCIM and John T. Palmer, Jr., Apprentice Appraiser.

Mrs. Odom, MAI, AI-GRS, CRE
November 29, 2019
Page Four

This appraisal assignment was not conditional upon the production of a specified value, or a value within a given range. Future employment prospects are not dependent upon a specified value. Employment and the payment of the fee are not based on whether a loan application is approved or disapproved.

I appreciate the opportunity to be of service. If you have any questions, or require any additional information, please feel free to contact me anytime.

Respectfully submitted,

Mahaffey & Associates, LLC

A handwritten signature in black ink, appearing to read "Thomas B. Mahaffey", written over a horizontal line.

Thomas B. Mahaffey, MAI, CCIM
State Certified General Real Estate Appraiser
SC Certificate No. CG 4207

A handwritten signature in black ink, appearing to read "John T. Palmer, Jr.", written over a horizontal line.

John T. Palmer, Jr.
Apprentice Appraiser
SC Certificate No. 7836

Mahaffey & Associates, LLC
Job No: 19115



Subject Site from Anderson Street; Facing northwest



Subject Site from southwest corner; Facing northeast



Subject Site from southeast corner; Facing northwest



Subject Site; Facing east



Subject Site; Facing northwest



Residential Improvements Onsite – No consideration afforded



Anderson Street; Facing northeast – subject on left



Anderson Street; Facing southwest – subject on right

TABLE OF CONTENTS

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	1
ASSUMPTIONS AND LIMITING CONDITIONS	2
SCOPE OF WORK	6
REGIONAL ANALYSIS	13
NEIGHBORHOOD ANALYSIS	29
SITE ANALYSIS	42
TAX AND ASSESSMENT ANALYSIS.....	50
HIGHEST AND BEST USE ANALYSIS.....	52
SUMMARY OF ANALYSIS AND VALUATION	55
LIQUIDATION VALUE.....	69
EXPOSURE TIME.....	71
MARKETING PERIOD.....	73
CERTIFICATION.....	74
PARTIAL LISTING OF COMPANY CLIENTS	78
ADDENDA	79

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PROPERTY	Vacant Land
LOCATION: Street City County State	721 Anderson Street Belton Anderson South Carolina
TAX MAP NUMBER	226-10-03-013
OWNER OF RECORD	South State Bank
DATE OF INSPECTION	November 18, 2019
DATE OF REPORT	November 29, 2019
DATE OF APPRAISAL/VALUATION	November 18, 2019
LAND AREA	0.743 acres or 32,365 square feet
ZONING	C-3; General Commercial
FLOOD ZONE - PANEL # - DATE	X 450070269E; September 29, 2011
HIGHEST AND BEST USE - VACANT	Commercial Development
SITE VALUE	\$70,000
LIQUIDATION VALUE – 90 Day	\$33,000
ESTIMATED EXPOSURE TIME	24-48 months
ESTIMATED MARKETING PERIOD	24-48 months
INSPECTING APPRAISER	Thomas B. Mahaffey, MAI, CCIM
INSPECTING APPRAISER	John T. Palmer, Jr., Apprentice Appraiser

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is an appraisal report presented in an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice. It is understood between the parties that the scope of the assignment is limited and we relied on information obtained from the public records of Anderson County, published data sources and discussions with market professionals such as investors and brokers relative to County, published data sources and discussions with market professionals such as investors and brokers relative to the subject's income performance and physical composition. Mahaffey & Associates, LLC is not responsible for unauthorized use of this report.
2. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties which are identified as the subject of the report, are clear and marketable and there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Mahaffey & Associates, LLC has not examined title and makes no representations relative to the condition thereof.
3. Unless otherwise specifically noted in the body of the report, the legal description furnished is assumed to be correct. Any abbreviations or discrepancies relative to the legal would be identified.
4. It is assumed that surveys and/or plats furnished to, or acquired by, the appraiser and used in the making of this report are correct. Mahaffey & Associates, LLC has not made a land survey or caused one to be made unless identified in the report and therefore, assumes no responsibility for accuracy of same.
5. It is assumed any improvements have been, or will be, constructed according to approved architectural plans and specifications in conformance with recommendations contained in or based on any soil report(s). Unless otherwise noted, Mahaffey & Associates, LLC has not retained independent engineer(s) or architect(s) in connection with the report and therefore, makes no representations relative to conformance with approved architectural plans, specifications, or recommendations contained in or based on any soil(s) report.
6. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner are accurate and correct unless otherwise specifically noted in the report. I do not guarantee the correctness of such data, although as far as is reasonably possible, the data has been checked and is believed to be correct. Information and data referred to in this paragraph may include but is not limited to information relative to the subject of the report regarding numerical street addresses, lot and block numbers, assessor's parcel numbers, land dimensions, square footage area of land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, budgets, historic operating expenses, and related data. Information obtained regarding demographics, comparable verification, and data of a general sense is assumed factual

ASSUMPTIONS & LIMITING CONDITIONS - Continued

as confirmed and the source(s) reliable. Any material error in the gathered data could have substantial impact on the conclusions reported; as a result, Mahaffey & Associates, LLC reserves a right to amend conclusions reported if made aware of such an error.

7. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in the report and there are no other development rights of value that may be transferred. Subsurface rights, minerals and oils, were not considered in making this report unless otherwise stated.
8. Any riparian and/or littoral rights identified by survey or plat are assumed to go with the property unless easements and/or deeds of record were found by the appraiser to the contrary.
9. It is assumed that there is full compliance with all federal, state, and local environmental regulations and laws, unless non-compliance is stated, defined, and considered in the report.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless the non-conformity has been stated, defined, and considered in the report. Unless otherwise noted, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape, are being considered.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization has been, or can be, obtained or renewed for any use on which the value opinion contained in the report is based.
12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such material on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated ground water, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated upon the assumption that there is no such material on or in the property that would cause loss in value or affect its marketability. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field if desired.
13. The soil of the area which is the subject of the report appears to be firm and solid. Unless otherwise stated, subsidence in the area is unknown or uncommon, but Mahaffey & Associates, LLC does not warrant against this condition and/or occurrence.

ASSUMPTIONS & LIMITING CONDITIONS - Continued

14. It is assumed that the utilization of the land and improvements is within the boundaries or property lines as described in the report, and there is no encroachment or trespass, unless noted.
15. The date of value of which the opinions in the report apply is set forth in the body of the report. Mahaffey & Associates, LLC assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated in the report.
16. Unless otherwise specifically noted, this report is not being prepared for use in conjunction with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, disposition, or related services are included in this appraisal. If as a result of this undertaking, Mahaffey & Associates, LLC or any its officers, professionals, and/or consultants are requested or required to provide any of the foregoing services, such shall be subject to the availability of Mahaffey & Associates, LLC professionals or consultants at the time and shall further be subject to the party or parties requesting or requiring such services paying the then applicable professional fees and expenses.
17. Neither all nor any of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales or other media without written consent and approval of Mahaffey & Associates, LLC, particularly as to the valuation conclusions, the identity of the professionals or firm, or any reference to the Appraisal Institute, the MAI designation, or certification by the State of South Carolina . Exempt from restrictions relative to the transmittal of this report to third parties is duplication for internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom the report was prepared, providing that the report and/or its contents shall not be published, in whole or in part in any public document without the express written consent of Mahaffey & Associates, LLC or its principals, which consent Mahaffey & Associates, LLC reserves the right to deny. The report should not be advertised to the public or otherwise used to induce a third party to purchase the property. Any third party not covered by the exemptions herein who may possess this report is advised that he should rely on his own independently secured advice for any decision in conjunction with the property. Mahaffey & Associates, LLC, its professionals and/or principals, shall have no accountability or responsibility to any such third party.
18. Unless specifically set forth in the body of the report, nothing contained therein shall be construed to represent any direct or indirect recommendation to buy, sell, or hold the property(s) at the value(s), or development scenario as stated. Such decisions involve substantial investment strategy and must be specifically addressed in consultation form.
19. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other report and are invalid if so used.

ASSUMPTIONS & LIMITING CONDITIONS - Continued

20. The forecasts, projections, and/or operating estimates contained herein are based on current market conditions, anticipated (though recognizably short term) supply and demand factors, and a continued stable economy, unless otherwise stated. Any forecasts are therefore subject to changes in future conditions.
21. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraisal Associates, Inc. has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the 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 property 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 Mahaffey & Associates, LLC has no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
22. The exact location and the determination of specific availability of any particular utility are beyond the scope of this appraisal. The client and prospective user of the property must make such additional investigations and inquiries with professional engineers or directly with utility providers concerning specific utility services(s) as a part of the client's due diligence studies required for the client's intended use(s) of the property, all as the client, in the client's judgment, may deem appropriate. Any comments as to utilities contained herein are strictly limited to our physical observations, and we expressly do not warrant such comments or service(s) in any fashion. Any lack of particular utility service(s) will have a direct impact upon the valuation contained in this appraisal.
23. The appraisal analysis, opinions and conclusions were developed and this appraisal report has been prepared in conformance with (and the use of this report is subject to) all regulations issued under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice and Advisory Opinions (USPAP) 2018 – 2019 Edition as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
24. This Appraisal Report is intended to comply with the reporting requirements set forth under STANDARD 2 of the Uniform Standards of Professional Appraisal Practice and Advisory Opinions (2018 - 2019 Edition) for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. These appraisers are not responsible for unauthorized use of this report.

SCOPE OF WORK

Scope of work is the most critical decision an appraiser will make in performing an assignment. Solving an appraisal problem involves three steps:

1. Identifying the problem
2. Determining the solution (or scope of work)
3. Applying the solution

Scope of work encompasses all aspects of the valuation process, including which approaches to value will be used; how much data is to be gathered, from what sources, from which geographic area, and over what time period; the extent of the data verification process; and the extent of property inspection, if any. The scope of work decision is appropriate when it allows the appraiser to arrive at credible assignment results and is consistent with the expectations of similar clients and the work that would be performed by the appraiser's peers in a similar situation.

Inspection

Representing Mahaffey & Associates, LLC at the time of inspection was Thomas B. Mahaffey, MAI, CCIM and John T. Palmer, Jr. Mahaffey & Associates, LLC professionals are not engineers and are not competent to judge matters of an engineering nature, nor has Mahaffey & Associates, LLC retained independent structural, mechanical, electrical, or civil engineers in connection with the report. As such, Mahaffey & Associates, LLC makes no representations relative to detrimental conditions of the improvements, if any exist. Unless otherwise noted in the report, no problems were brought to the attention of Mahaffey & Associates, LLC professionals by ownership or management.

Unless otherwise noted, Mahaffey & Associates, LLC professionals inspected less than 100% of the entire interior and exterior portions of the improvements. If questions regarding engineering studies are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon.

Data Research

Mahaffey & Associates, LLC has collected factual information about the subject property and the surrounding market. The research included to some degree the Anderson County

SCOPE OF WORK - Continued

Assessor's Office. In general, due to the limited activity in the Belton, SC area, the research performed included searching data sources from as far as 4 years from the date of valuation including reviewing any relevant current listings. This information was confirmed with various sources such as buyers, sellers and brokers unless otherwise noted.

Methodology

There are generally two approaches utilized in the valuation of vacant land: The Sales Comparison Approach and the Income Capitalization Approach. The values concluded by each approach are reconciled into a final estimate of value.

Sales Comparison Approach

The Sales Comparison Approach compares the subject property to similar properties, which have recently sold, are listed or are under contract. The sales are analyzed using appropriate units of comparison, such as price per square foot, effective gross income multiplier (EGIM) and price per room. Each unit will result in a value conclusion for the subject property and will be reconciled into a value indication by the Sales Comparison Approach.

The most appropriate unit of comparison for the subject property is the price per square foot methodology.

Income Capitalization Approach

The Income Capitalization Approach estimates value by using one and or two methods of capitalization. Direct capitalization processes net operating income into value using an overall capitalization rate extracted from market data.

Yield capitalization considers the projected net operating income and subsequent resale proceeds over the estimated holding period. These cash flows are discounted to present value at a yield rate that would attract the necessary equity capital. The resulting amount is an indication of value by yield capitalization.

SCOPE OF WORK - Continued

The subject property is vacant land unencumbered by a ground lease; thus, the Income Capitalization Approach has been omitted from analysis.

Reconciliation

In this analysis only the Sales Comparison Approach has been performed. Therefore, no reconciliation is required.

INTENDED USERS

The intended user of this report is South State Bank and may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.

INTENDED USE / EFFECTIVE DATE

The purpose of this appraisal is to conclude the Market Value of the Fee Simple Estate of the subject property "As Is" as of November 18, 2019. I have also been asked to provide a 90-Day Liquidation Value. "As Is" Market Value, Market Value, Fee Simple Estate, and Liquidation Value are further defined and qualified in the following appraisal report.

This report is intended for use in connection with general business decisions in a federally related transaction. This report may be relied upon by South State Bank and its affiliates and participants, governmental/non-governmental agencies, legal counsel or other transaction participants.

VALUE TYPE & DEFINITION

"As Is" Market Value is defined as: *"the estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date".¹*

Market Value is defined as: *"the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by*

¹ The Dictionary of Real Estate Appraisal, 5th Edition, Chicago: The Appraisal Institute, 2010

SCOPE OF WORK - Continued

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

- 1) buyer and seller typically are motivated;*
- 2) both parties are well informed or well advised, and acting in what they consider their own best interest;*
- 3) a reasonable time is allowed for exposure in the open market;*
- 4) payment is made in terms of cash in US Dollars or in terms of financial arrangements comparable thereto; and*
- 5) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*²

Fee Simple Estate is defined as: *"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."*³

Liquidation Value

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

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

² Office/Warehouse of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].

³ The Dictionary of Real Estate Appraisal, 5th Edition. (Chicago: Appraisal Institute, 2010), p. 78.

SCOPE OF WORK - Continued

9. *The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

SUBJECT SALES HISTORY

According to current courthouse documents, the owner of record is South State Bank, having been acquired from Park Sterling Bank on November 29, 2017. This deed is recorded in the RMC Office of Anderson County in Deed Book 13158, at Page 216. This deed is representative of a merger. It is my understanding that this sale was an arm's length transaction.

This being the same property conveyed to the grantor by deed of CapitalBank as recorded in Anderson County Deed Book 10266, at Page 262 on December 14, 2011.

A copy of the most recent deed is found within the Addenda section of this report.

Recent Ownership – Three (3) Year History:

Multiple attempts were made to ascertain the history of the current listing and the interest that the listing agency has received with regard to the subject site. This appraiser has solicited information from the listing agent and has received limited correspondence from the same. From sources online this appraiser was able to find a record of the initial listing dated April 1, 2019 for a total of \$99,900. The asking price has since been reduced to \$89,900. This appraiser has not found any evidence of any prior listings preceding the date of this report other than referenced above.

Purchase/Sale Agreement:

N/A

ASSIGNMENT CONDITIONS

The scope of this appraisal encompasses the necessary research and analysis to prepare a report in accordance with the intended use, the Code of Professional Ethics and

SCOPE OF WORK - Continued

Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practices of the Appraisal Foundation. The scope of the assignment included inspecting the subject property, gathering regional, county and neighborhood data from various public information sources and determining the Highest and Best Use of the subject property. A final estimate of value is determined after assembling and analyzing the data defined in this category. It is my opinion that this analysis leads to a credible estimation of value for the subject property.

The appraiser's specific qualifications are included within the Addenda section of this report. These qualifications serve as evidence of competence for the completion of this appraisal assignment in compliance with the competency provision in USPAP. The appraiser's knowledge and experience, combined with his professional qualifications, are commensurate with the complexity of this assignment. The appraiser has previously provided consultation and value opinions for properties similar to the subject.

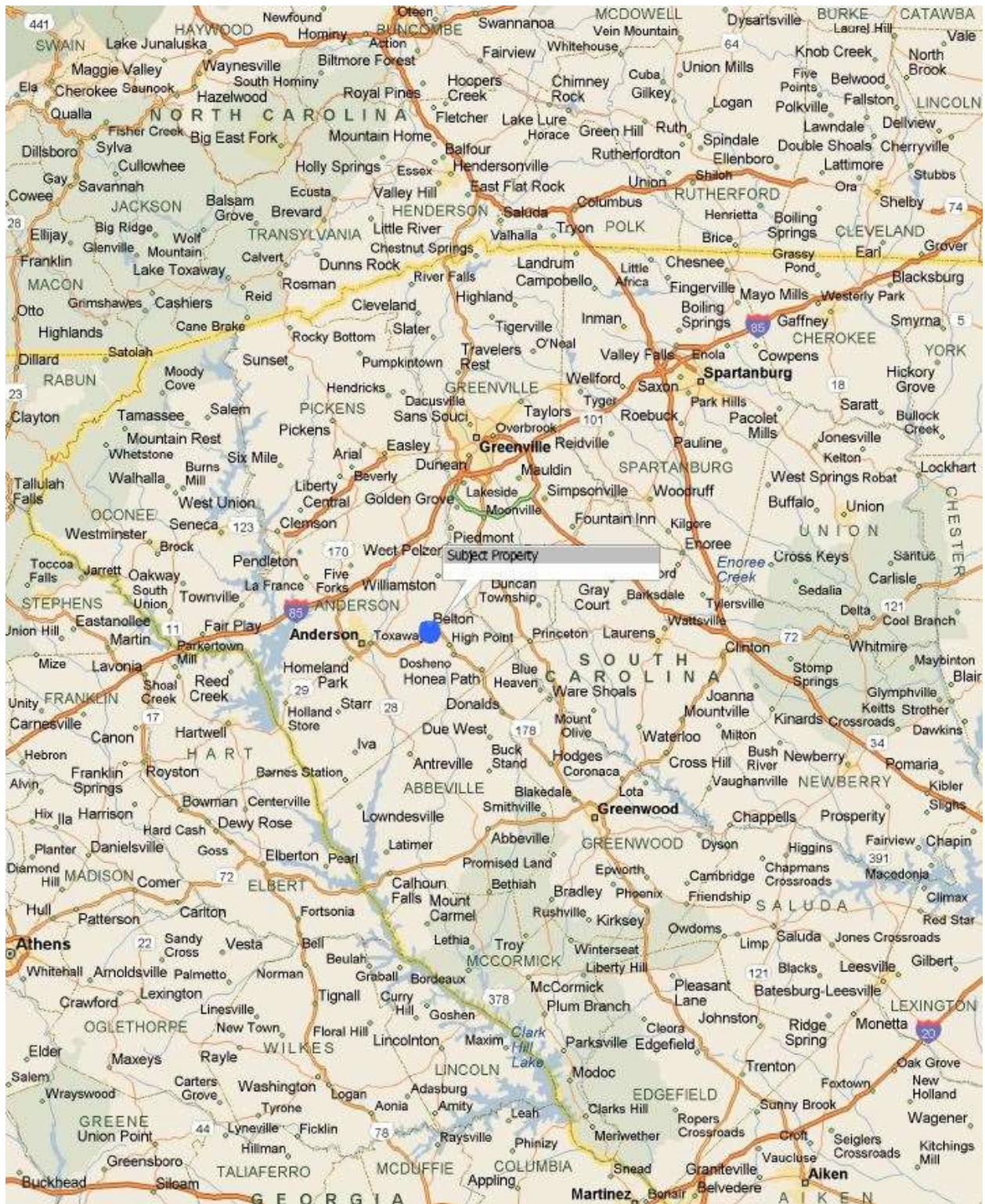
This Appraisal Report is a brief recapitulation of the appraisers' data, analyses and conclusions. Supporting documentation is retained in the appraiser's file.

I have identified the subject property by information received from the client and was assisted by the Anderson County GIS System, as well as public information found in the Anderson County RMC Office.

I have assumed no specific hypothetical conditions or extraordinary assumptions during the valuation of the subject property, except those listed under the Assumptions and Limiting Conditions section.

SCOPE OF WORK - Continued

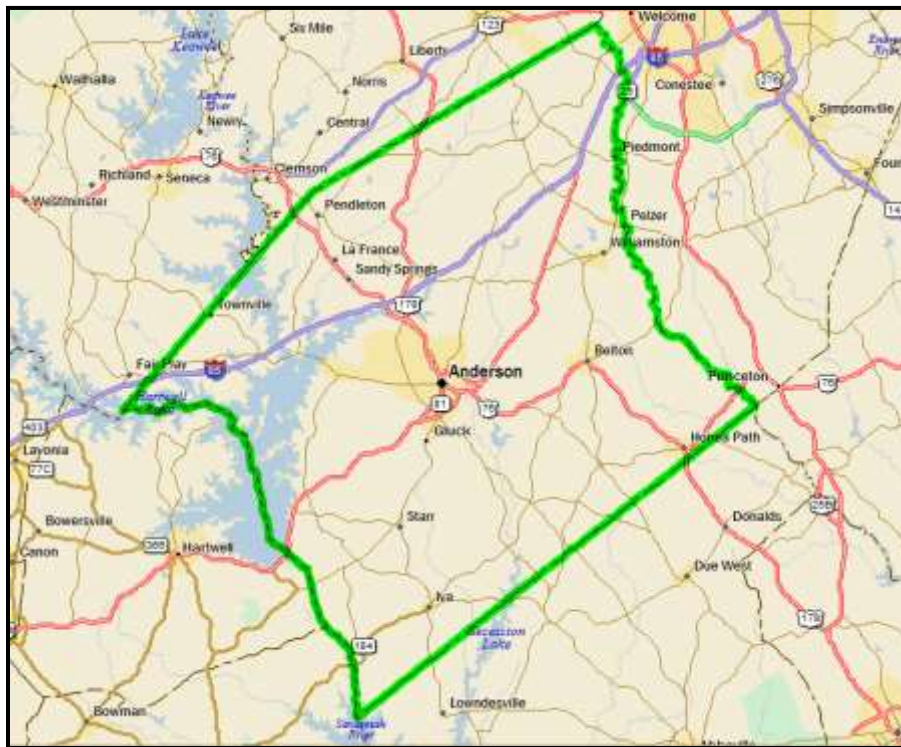
Location Map



REGIONAL ANALYSIS

GENERAL

Situated on the Anderson Plateau in northwestern South Carolina, Anderson County joins Greenville and Abbeville Counties on the east and southeast, Oconee and Pickens County on the northwest. The Savannah River and Hartwell Reservoir separate it from the State of Georgia on the southwest. The city of Anderson is located 113 miles from Columbia, the state capitol and 217 miles from the port city of Charleston. Anderson County has a land area of 776 square miles or 496,640 acres. In its approximate center is the county seat, the city of Anderson with an altitude of 764 feet. Anderson also has 37 miles of frontage property, the most I-85 frontage land available for development.

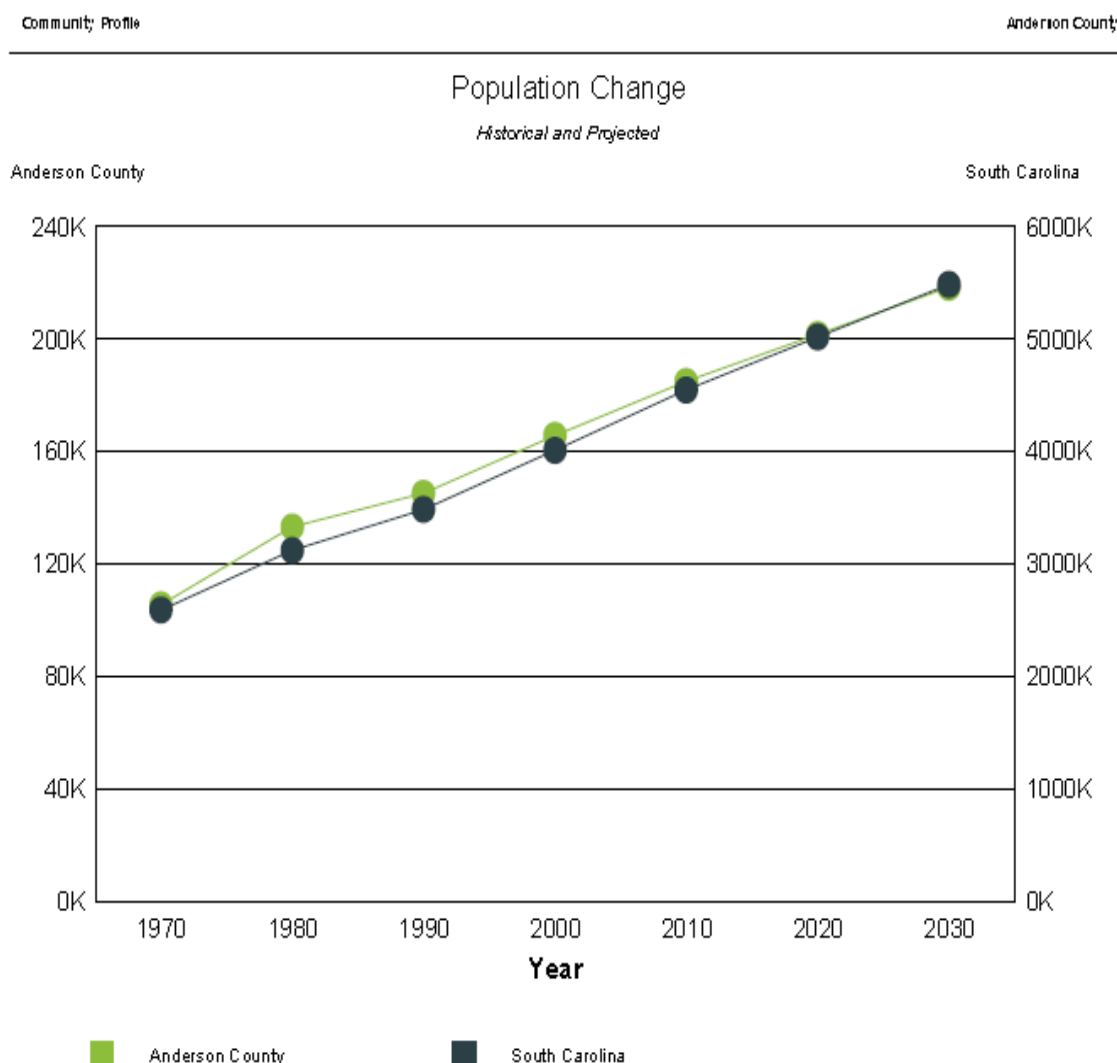


Geography QuickFacts	Anderson County	South Carolina
Land area in square miles, 2010	715.43	30,060.70
Persons per square mile, 2010	261.6	153.9
FIPS Code	7	45
Metropolitan or Micropolitan Statistical Area	Anderson, SC Metro Area	

REGIONAL ANALYSIS - Continued

POPULATION

Each year, Anderson is contributing more and more residents to the Metropolitan Statistical Area (MSA), which comprises Greenville, Spartanburg, Anderson, Cherokee and Pickens counties.



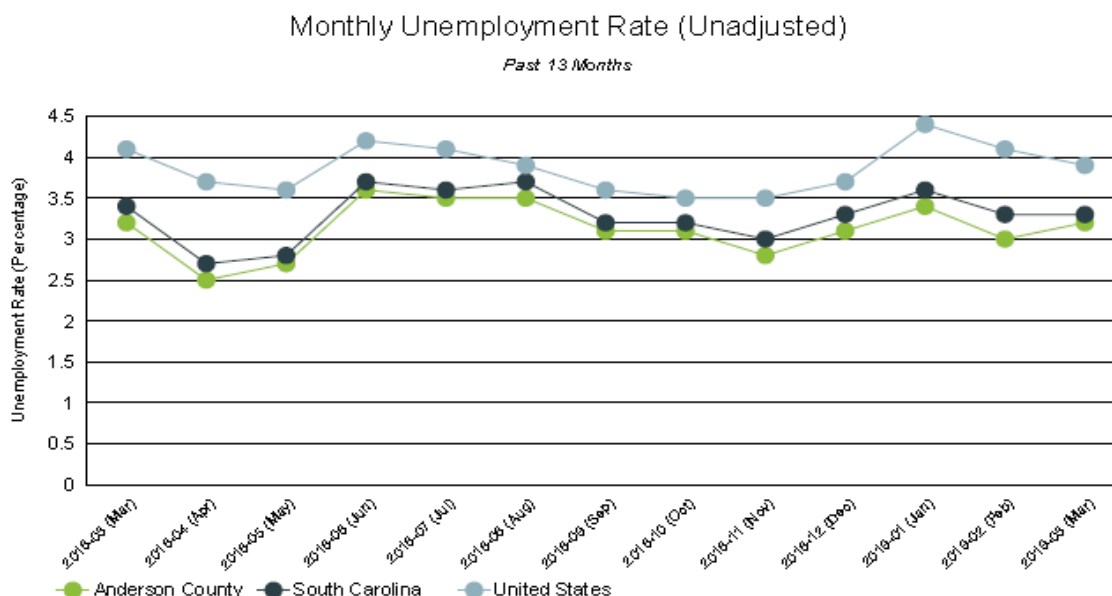
Year	Anderson County	South Carolina
1970	105,474	2,590,713
1980	133,235	3,121,820
1990	146,177	3,486,310
2000	165,740	4,012,012
2010	184,890	4,548,150
2020	201,730	5,020,400
2030	218,520	5,488,460

Source: U.S. Census Bureau

REGIONAL ANALYSIS - Continued

EMPLOYMENT

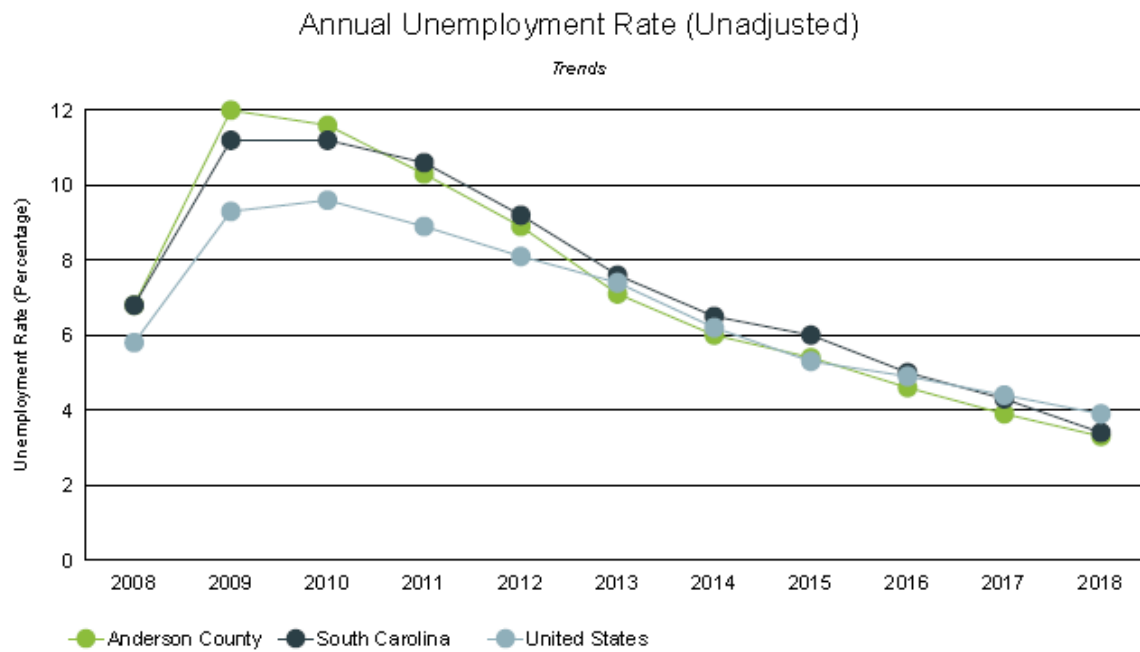
Based on the most recent statistics, the unemployment rate for Anderson County was 3.2% as of March 2019, the most recently reported for the county. The unemployment rates for South Carolina and the US are 3.3% and 3.9%, respectively, for the same period. The unemployment rate for Anderson County has dropped from a 20-year high of 13.7% in February 2010, from which the rates have been steadily declining overall. The same pattern is the case with unemployment rates for the state and country.



Period	Anderson County	South Carolina	United States
Mar 2019	3.2%	3.3%	3.9%
Feb 2019	3.0%	3.3%	4.1%
Jan 2019	3.4%	3.6%	4.4%
Dec 2018	3.1%	3.3%	3.7%
Nov 2018	2.8%	3.0%	3.5%
Oct 2018	3.1%	3.2%	3.5%
Sep 2018	3.1%	3.2%	3.6%
Aug 2018	3.5%	3.7%	3.9%
Jul 2018	3.5%	3.6%	4.1%
Jun 2018	3.6%	3.7%	4.2%
May 2018	2.7%	2.8%	3.6%
Apr 2018	2.5%	2.7%	3.7%
Mar 2018	3.2%	3.4%	4.1%

Source: S.C. Department of Employment & Workforce

REGIONAL ANALYSIS - Continued



Year	Anderson County			South Carolina			United States		
	Employment	Unemp	Rate	Employment	Unemp	Rate	Employment	Unemp	Rate
2018	86,663	2,917	3.3%	2,243,656	79,553	3.4%	155,761,000	6,314,000	3.9%
2017	85,781	3,506	3.9%	2,207,404	98,617	4.3%	153,337,000	6,982,000	4.4%
2016	84,714	4,094	4.6%	2,175,584	114,978	5.0%	151,436,000	7,751,000	4.9%
2015	83,616	4,785	5.4%	2,132,099	135,450	6.0%	148,834,000	8,296,000	5.3%
2014	81,481	5,180	6.0%	2,078,592	143,753	6.5%	146,305,000	9,617,000	6.2%
2013	79,702	6,091	7.1%	2,023,642	167,326	7.6%	143,929,000	11,460,000	7.4%
2012	77,998	7,579	8.9%	1,985,618	201,260	9.2%	142,469,000	12,506,000	8.1%
2011	77,037	8,863	10.3%	1,945,900	229,623	10.6%	139,869,000	13,747,000	8.9%
2010	75,380	9,854	11.6%	1,915,045	240,623	11.2%	139,064,000	14,825,000	9.6%
2009	74,955	10,222	12.0%	1,910,670	242,075	11.2%	139,877,000	14,265,000	9.3%
2008	79,547	5,766	6.8%	1,996,409	145,823	6.8%	145,362,000	8,924,000	5.8%

Source: S.C. Department of Employment & Workforce

REGIONAL ANALYSIS - Continued

ECONOMY

Anderson is one of the only 10 communities in the nation to be designated as an All-America City in 2000 by the National Civic League. With over 200 major manufacturers, and 22 international companies in the county, Anderson has a thriving business climate. The top major industries in Anderson include metal products, industrial machinery, plastics, publishing and textiles.

Two industries which many times inter-connect are the plastic and automotive sectors. There are more than 27 BMW suppliers in the Upstate, which is recognized internationally as an automotive supplier hub. The plastic industry has a strong presence in the Upstate with 244 plastic companies located within the 10 counties of the northwest corner of South Carolina. Anderson, in particular, has 11 automotive suppliers and is a major player in the plastic industry since 27 plastic companies are located in the county. Overall, Anderson County has received various recognitions based on its quality work force, access to I-85 and premiere quality of life features.

Manufacturing is the foundation of Anderson County's economy, with textile employment making up the largest manufacturing category. Diversification of the manufacturing base has brought about the development of dozens of new plants where old-line production methods have been replaced by enhanced technology requiring highly skilled workers.

Several of the county's major employers include auto suppliers, such as Robert Bosch, Michelin Tire Corporation, and AFCO. The Swiss based Mikron Corporation is one of the newest auto suppliers to locate in Anderson County. Many new companies are attracted to Anderson County due to the presence of the Clemson Research Park, located in Pendleton.

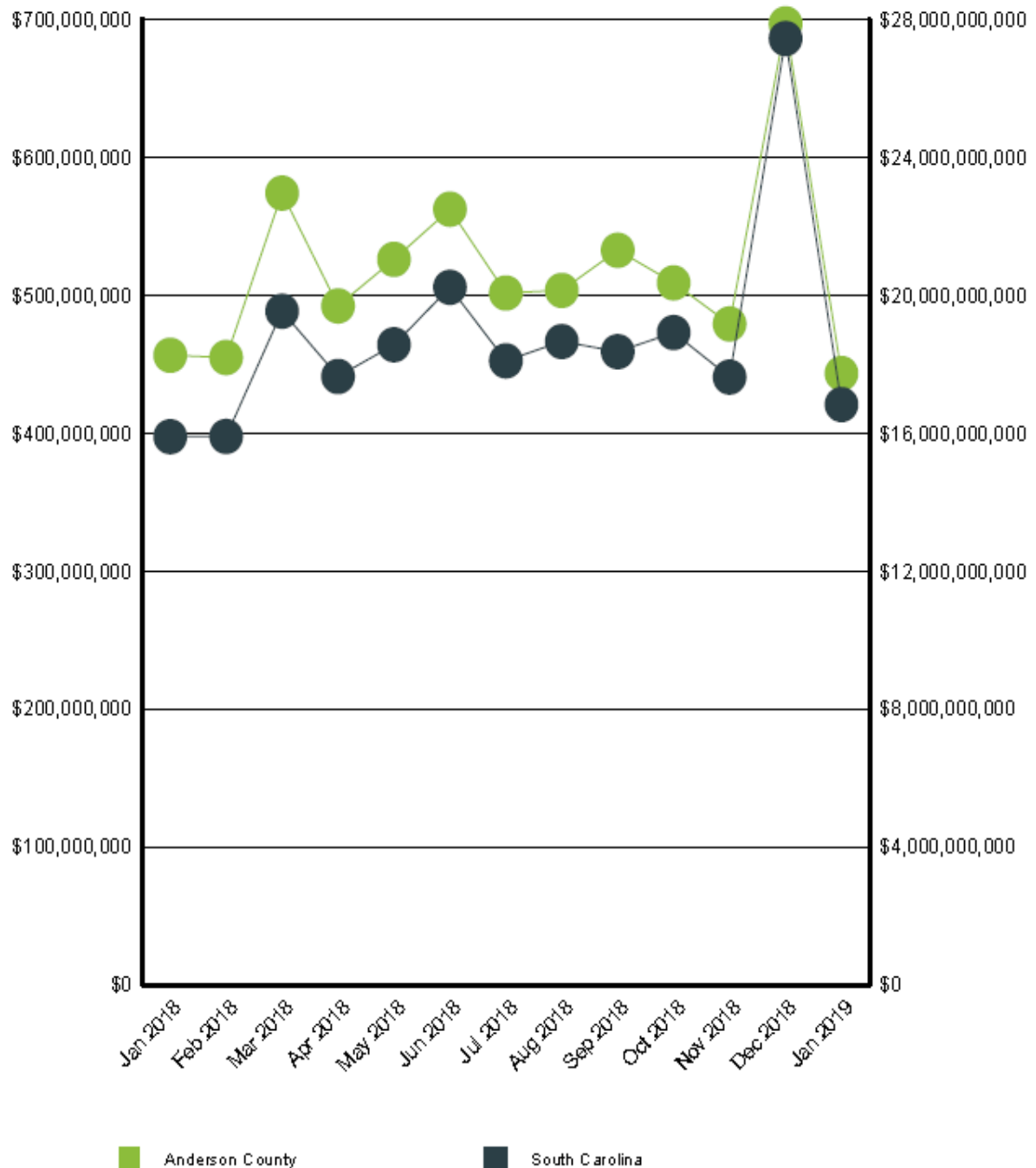
Anderson's economy is also dependent upon the strong trade and tourism of the area. The retail market has expanded significantly in recent years, as dozens of national retailers have added Anderson to their service areas.

REGIONAL ANALYSIS - Continued

Retail Sales

Anderson County

South Carolina



Source: S.C. Department of Revenue

REGIONAL ANALYSIS - Continued

Employers by Size of Establishment

Employees	Anderson County	South Carolina
0 to 4	1,907	81,012
5 to 9	633	21,036
10 to 19	496	15,706
20 to 49	399	11,931
50 to 99	120	4,727
100 to 249	76	2,792
250 to 499	22	894
500 to 999	7	398
1000 +	5	298

Source: S.C. Department of Employment & Workforce - 2018 Q3
 - Indicates that the requested data is suppressed

Employment by Size of Establishment

Employees	Anderson County	South Carolina
0 to 4	3,045	112,730
5 to 9	4,268	140,429
10 to 19	6,825	214,250
20 to 49	11,838	363,907
50 to 99	7,976	322,663
100 to 249	11,137	422,127
250 to 499	7,286	303,513
500 to 999	5,024	272,017
1000 +	7,904	752,504

Source: S.C. Department of Employment & Workforce - 2018 Q3
 - Indicates that the requested data is suppressed

REGIONAL ANALYSIS - Continued

20 Largest Employers

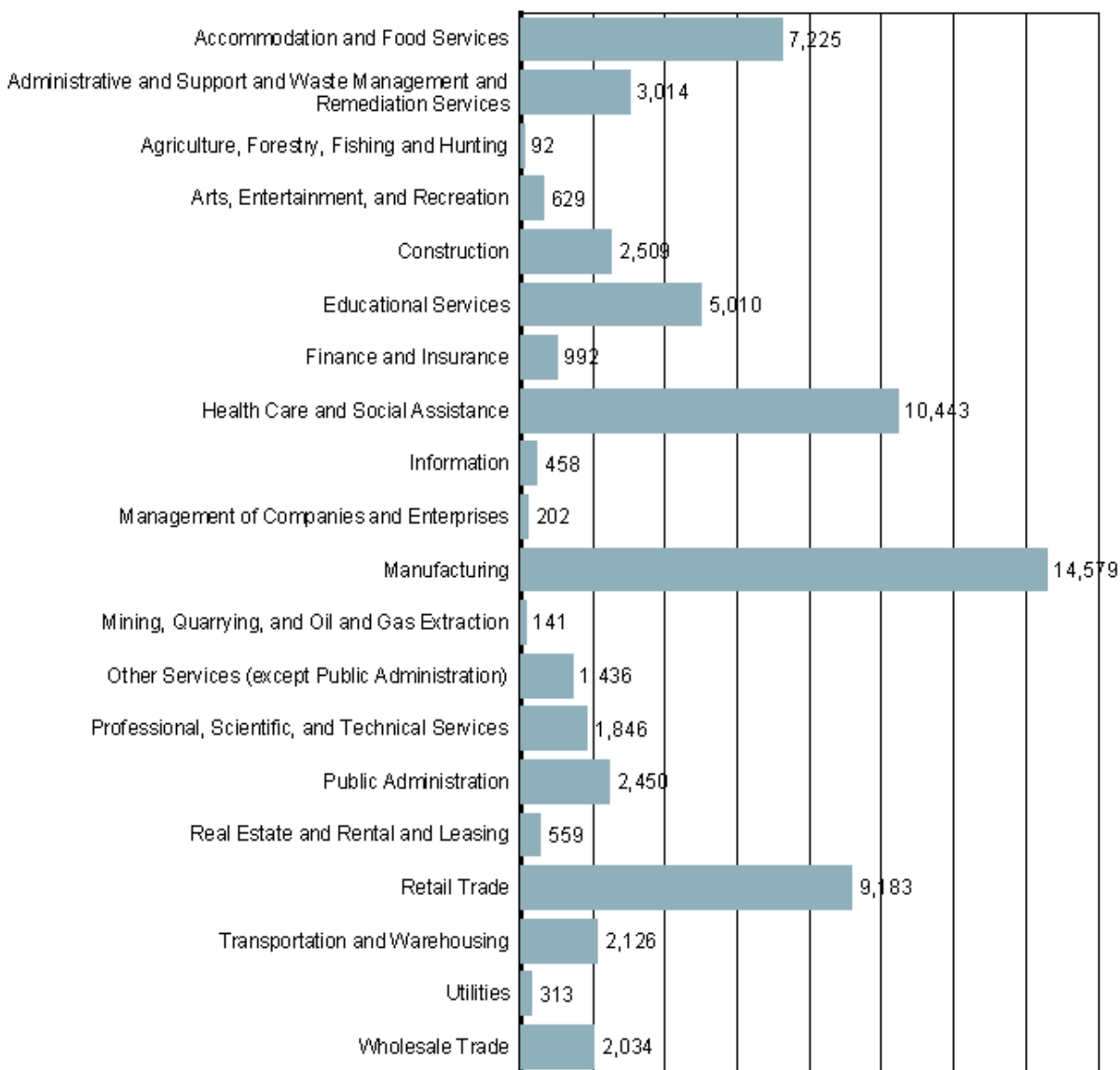
(Listed Alphabetically)

Corporation Name
ANDERSON AREA MEDICAL CENTER
ANDERSON COUNTY
ANDERSON COUNTY SCHOOL DISTRICT #5
ANDERSON COUNTY SCHOOL DISTRICT 1
ANDERSON UNIVERSITY
CITY OF ANDERSON
CROSS COUNTRY HOME SERVICES INC
ELECTROLUX HOME PRODUCTS INC
FIRST QUALITY TISSUE SE LLC
GLEN RAVEN CUSTOM FABRICS LLC
INGLES MARKET INC
MICHELIN NORTH AMERICA INC
ONE WORLD TECHNOLOGIES INC
PLASTIC OMNIUM AUTO EXTERIORS LLC
ROBERT BOSCH CORPORATION
SC DEPARTMENT OF MENTAL HEALTH
STAFF ONE PLUS INC
TRI COUNTY TECHNICAL EDUCATION CENT
WAL-MART ASSOCIATES INC
WALGREEN CO

Source : S.C. Department of Employment & Workforce - 2018 Q3

REGIONAL ANALYSIS - Continued

Employment by Industry



Source: S.C. Department of Employment & Workforce
Quarterly Census of Employment and Wages (QCEW) - 2018 Q3

REGIONAL ANALYSIS - Continued

INTERNATIONALLY - OWNED FIRMS

Anderson County occupies 37 miles along I-85 - the most interstate frontage in the Upstate. This enviable position is attractive to international firms locating to the U.S. Since 1994, Anderson County has experienced a 41 percent increase in the number of internationally owned firms. Below is a list of internationally owned firms as reported by the Anderson County Office of Economic Development:

International Companies in Anderson County		
American LIBA Inc	LIBA Maschinenfabrik GmbH	Germany
Associated Fuel Pump Systems (AFCO)	Bosch, Robert GmbH / Denso Corp	Germany/Japan
Electrolux Home Products	AB Electrolux	Sweden
Fraenkische USA LP	Fraenkische Rohrwerke Gebr. Kirchner GmbH + Co. KG	Germany
Friedrichs and Rath Inc	Friedrichs and Rath GmbH	Germany
Hanson	Hanson PLC	United Kingdom
Ilpea	Industrie Ilpea S.p.A.	Italy
Inergy Automotive Systems	Plastic Omnium SA / Solvay Automotive	France/Belgium
Mergon Corporation	Mergon International	Ireland
Cemex	RMC Group PLC	United Kingdom
Michelin North America, Inc.	Compagnie Generale des Etablissements Michelin	France
Nutra	Royal Numico	Netherlands
Orian Rugs Inc	McThree Carpets	Belgium
Opperman Webbing	Bandweberei E. Oppermann GmbH	Germany
Plastic Omnium Industries Inc	Plastic Omnium SA	France
Robert Bosch Corp	Robert Bosch GmbH	Germany
Roylco Incorporated	Roylco Ltd	Canada
Techtronics	Techtronics Co. Ltd	Japan
Sekido Technology Corp	Sekido Kiko Manufacturing Co	Japan
Thermo Heating Elements LLC	Thermo Flaechenheizungs GmbH	Germany

REGIONAL ANALYSIS - Continued

Labor Market Projections

Total Employment by Industry
(County/Metropolitan Statistical Area Data Unavailable)

Note: Projections are available by Workforce Investment Area (WIA). The data displayed is selected from the appropriate WIA.

Worklink Industry	2014 Estimated Employment	2024 Projected Employment	Change	Percent Change	Annual Percent
Total Employment, All Jobs	129,166	140,766	11,590	8.97	0.86
Health care and social assistance	15,173	18,231	3,058	20.15	1.85
Educational services; state, local, and private	14,663	16,926	2,263	15.43	1.46
Administrative and support and waste management and remediat	5,989	7,561	1,572	26.25	2.36
Accommodation and food services	12,985	14,371	1,386	10.67	1.02
Retail Trade	16,664	17,687	1,023	6.14	0.60
Construction	4,432	5,384	952	21.48	1.96
Manufacturing	24,364	25,244	880	3.61	0.36
Professional, scientific, and technical services	2,311	2,904	593	25.66	2.31
Wholesale trade	2,800	3,236	436	15.57	1.46
Transportation and Warehousing	1,734	1,992	258	14.88	1.40
Other services (except public administration)	3,845	4,100	255	6.63	0.64
Finance and insurance	2,182	2,369	187	8.57	0.83
Arts, entertainment, and recreation	1,336	1,445	109	8.16	0.79
Information	1,089	1,166	77	7.07	0.69
Real estate and rental and leasing	727	797	70	9.63	0.92
Management of companies and enterprises	323	350	27	8.36	0.81
Utilities	1,909	1,917	8	0.42	0.04

Source: S.C. Department of Employment & Workforce - Industry Projections

REGIONAL ANALYSIS - Continued

Labor Market Projections Total Employment by Occupation (County Metropolitan Statistical Area Data Unavailable)

Note: Projections are available by Workforce Investment Area (WIA). The data displayed is selected from the appropriate WIA.

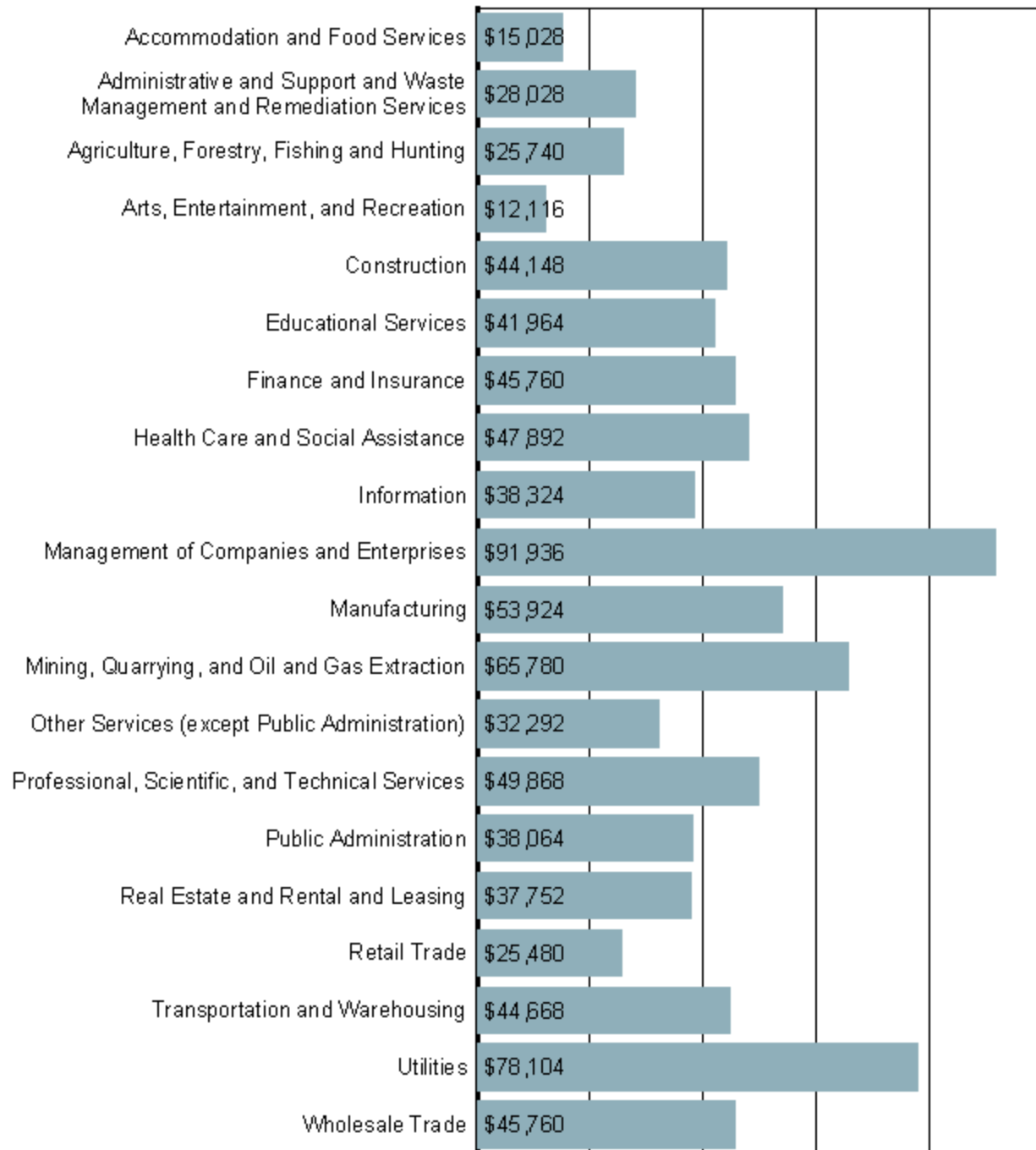
Workforce Occupation	2014 Estimated Employment	2024 Projected Employment	Openings (Replace)	Openings (Growth)	Annual Openings
Total, all occupations	129,166	140,766	3,101	1,429	4,530
Management occupations	7,349	8,869	162	54	216
Business and financial operations occupations	2,722	3,105	59	39	98
Computer and mathematical occupations	1,167	1,317	18	15	33
Architecture and engineering occupations	2,191	2,380	58	20	78
Life, physical, and social science occupations	701	784	20	9	29
Community and social service occupations	1,308	1,501	29	19	48
Legal occupations	450	517	8	7	15
Education, training, and library occupations	8,867	10,430	187	156	343
Arts, design, entertainment, sports, and media occupations	1,111	1,198	26	10	36
Healthcare practitioners and technical occupations	7,796	9,054	167	126	293
Healthcare support occupations	3,520	4,344	79	83	162
Protective service occupations	1,918	2,022	50	11	61
Food preparation and serving related occupations	12,935	14,317	463	151	614
Building and grounds cleaning and maintenance occupations	4,465	5,064	88	60	148
Personal care and service occupations	3,385	3,921	79	55	134
Sales and related occupations	12,520	13,558	399	104	503
Office and administrative support occupations	17,185	18,149	347	125	472
Farming, fishing, and forestry occupations	1,933	1,063	50	0	50
Construction and extraction occupations	4,823	5,662	76	84	160
Installation, maintenance, and repair occupations	6,313	7,061	153	77	230
Production occupations	18,236	19,150	382	121	503
Transportation and material moving occupations	8,271	9,290	199	104	303

Source: S.C. Department of Employment & Workforce - Occupational Projections

REGIONAL ANALYSIS - Continued

INCOME

Average Annual Wage by Industry



Source: U.S. Department of Employment & Workforce
Quarterly Census of Employment and Wages (QCEW) - 2018 Q3

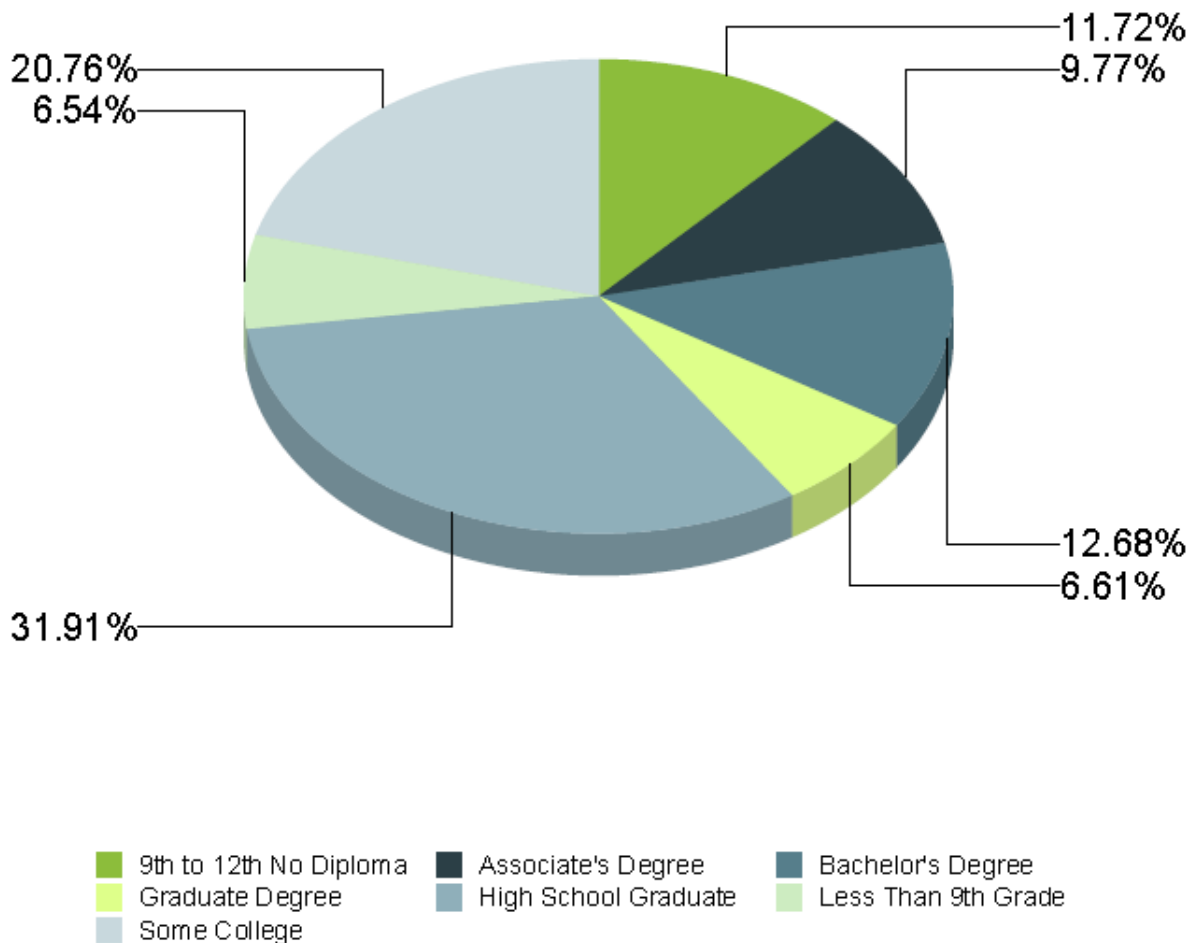
REGIONAL ANALYSIS - Continued

EDUCATION

Excellence in education is the central focus for Anderson County schools, with many of its elementary, middle and high schools winning state and national awards. Anderson County's public-school system consists of five districts and serves more than 27,000 students. In addition to the public schools, there are eight private schools located within the county.

Educational Attainment

(Population 25 Years and Older)



Source: U.S. Census Bureau, American Community Survey - 2013 5-Year Estimates

CONCLUSION

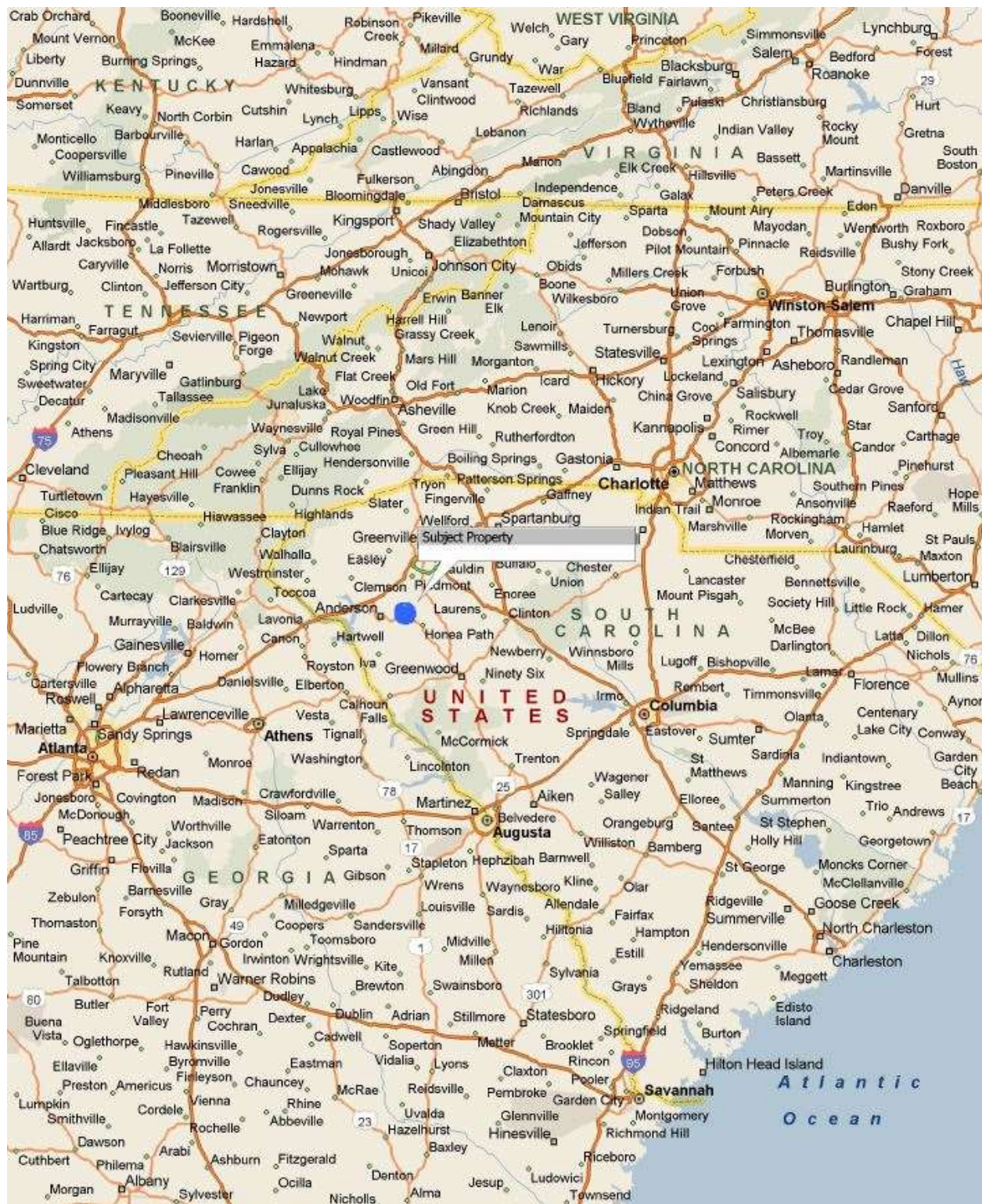
REGIONAL ANALYSIS - Continued

Anderson is part of the five-county Metropolitan Statistical Area (MSA) covering the Upstate. Officially known as the Greenville-Spartanburg MSA, the counties of Anderson, Pickens and Cherokee are also included. This is the largest MSA in the State. As the Upstate attracts new industry and jobs, Anderson County is in a good position to capture its share of this growth. New employment generates population increases and demand for commercial services. Anderson County benefits from its proximity to I-85 and has the available land to support new growth. The future outlook for Anderson and the region is considered to be favorable with the continued industrial growth occurring in the area.

Overall, the property values for the Anderson area should begin to stabilize and should increase in the years to come as the economy continues to improve and demand is renewed for land to be developed for industrial, commercial and residential uses. If the industrial base experiences this demand, there will be growth from all aspects of supporting developments. The labor statistics indicate a decreasing unemployment rate; and appear to be at the lowest point in several years. Anderson County is similar to the state and national levels. The future outlook for Anderson County remains positive considering the overall location and stability of the local economy. I expect stable growth in the market in the near future.

REGIONAL ANALYSIS - Continued

Regional Map



NEIGHBORHOOD ANALYSIS

The subject neighborhood is generally defined as that area south of SC Highway 205, north of Pine Top Road, west of US Highway 178, and east of Sherwood Drive within Anderson County, SC. The subject property is located along US Highway 76 which connects with Anderson, SC to the west and Greenwood, SC to the southeast. US Highway 76, aka Anderson Street, is the primary corridor within the municipal limits of Belton, SC and maintains relatively active traffic counts. Approximately 5.8 miles to the west of the subject site is US Highway 29. US Highway 29 is a secondary corridor that proceeds to the Central Business District of Greenville, SC approximately 27 miles to the north, and beyond Greenville to the Central Business District of Spartanburg, SC to the northeast. The subject site is located within Anderson County and the municipal limits of Belton, SC.

The Belton area is rural in nature with limited interstate access. The nearest interstate access is Interstate-85 approximately 14 miles to the northwest. The City of Anderson is the nearest city of a substantial size and development, and is located approximately 10 miles to the west. The subject's immediate area is best defined as second generations retail in nature with limited commercial and retail development, all surrounded by single-family residential development. The subject site is sandwiched between two regional bank branches and is approximately 0.73 miles west of downtown Belton, SC. Main Street, in downtown Belton, is home to the nearest primary commercial and retail development complete with second generation businesses and few national chain retailers.

Some of the immediate land uses surrounding the subject site include: South State Bank, BB&T, Maynard's Home Furnishings, Palmetto Insurance, Clinkscales Drugs, Subway, and single-family residential homes. To the east of the subject property, in downtown Belton, the land uses consist of 7-Eleven, CVS, Family Dollar, Tokyo Express, Cox Funeral Home, and Belton Area Museum Association.

NEIGHBORHOOD ANALYSIS - Continued

State Highway Access

State Highway	Est Distance (Miles)	Visibility
SC Highway 245	0.10	No
SC Highway 63	0.70	No

US Highway Access

State Highway	Est Distance (Miles)	Visibility
US Highway 76	Frontage	Yes
US Highway 29	6.40	No

Interstate Access

Interstate	Est Distance (Miles)	Visibility
Interstate 85	14.00	No
Interstate 385	23.00	No

Contiguous Land Uses

North	South	East	West
SFR	SFR	Commercial	Commercial

DEMOGRAPHICS AND TRAFFIC COUNT

Neighborhood demographics, traffic counts and traffic flow are considerations when analyzing the potential demand for a development site. A good commercial site would experience good exposure and visibility in order to generate a market share of demand. This demand is facilitated by proximity to densely populated residential housing and high traffic counts through the neighborhood and around the site.

A drive-time demographics report and a neighborhood traffic count map are included in the following pages. A drive-time analysis is most appropriate for this type of property

NEIGHBORHOOD ANALYSIS - Continued

because it narrows down the market to those people that are most likely to frequent and to make use of the subject property's services, and/or uses.

The neighborhood demographics indicate a moderate residential base with 2,086 households within the five-minute drive-time. These numbers expand to 4,975 and 14,350 households within the ten- and fifteen-minute drive-time intervals, respectively. The five year annual household growth projections (2019 – 2024) are increasing at 0.71%, 0.66% and 0.67% in the corresponding intervals.

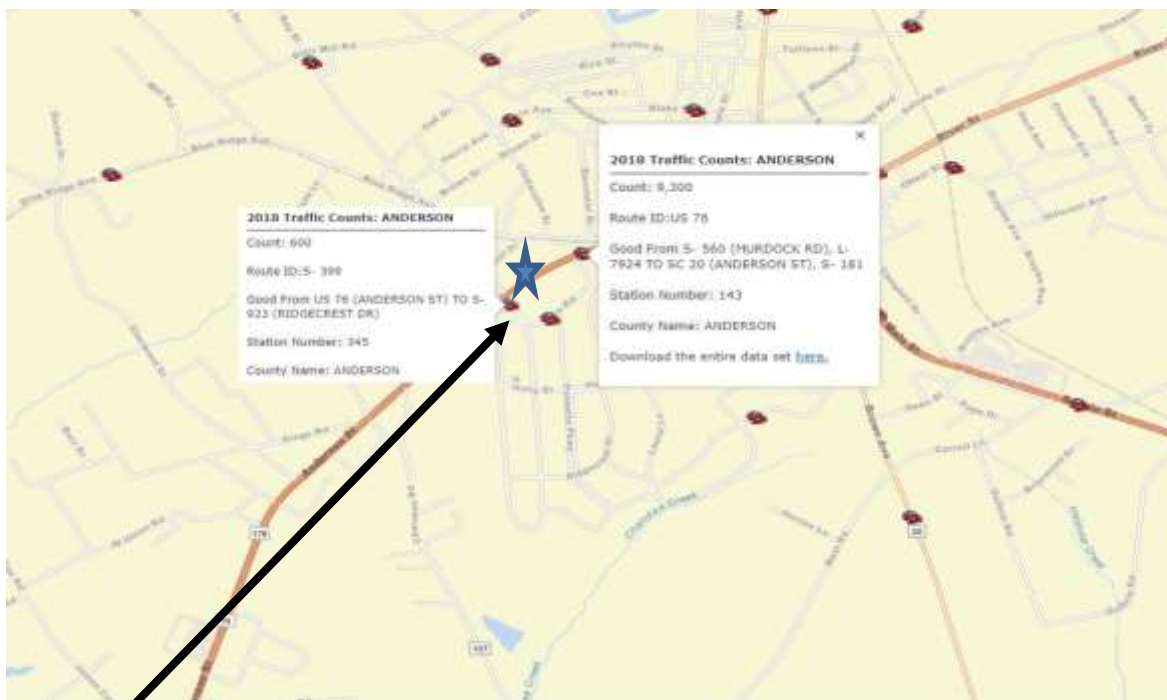
The typical household has an average level of income which can affect demand for commercial uses within close proximity to the residential base. The average/median household incomes are: (\$60,787/\$41,287, \$40,741/\$44,879, and \$55,511/\$40,442), respectively. The corresponding five year median household income growth rates are increasing at 4.74%, 3.62%, and 3.39% within these same 5, 10 and 15 minute intervals.

Traffic flow can be another consideration when analyzing the potential demand for a commercial related site. Ideally, the site would experience good exposure and visibility in order to generate a market share of demand. This can be facilitated by good traffic counts around the site. A traffic count map is included within the following pages.

Direct counts along Anderson Street and Rice Road are 9,300 and 600 CPD, respectively. These counts are provided by 2018 SCDOT data and are in close proximity to the subject location and depict the amount of travel in and around the neighborhood confines.

NEIGHBORHOOD ANALYSIS - Continued

TRAFFIC COUNT MAP



Subject Site

The neighborhood's demographics and the subject's location within the neighborhood factor strongly in several areas, including; the subject's value from a highest and best use standpoint, and estimating the subject's revenue potential and capitalization rate consideration. Hence, this neighborhood analysis provides another basis for several key judgments that are made throughout the appraisal process in this report.

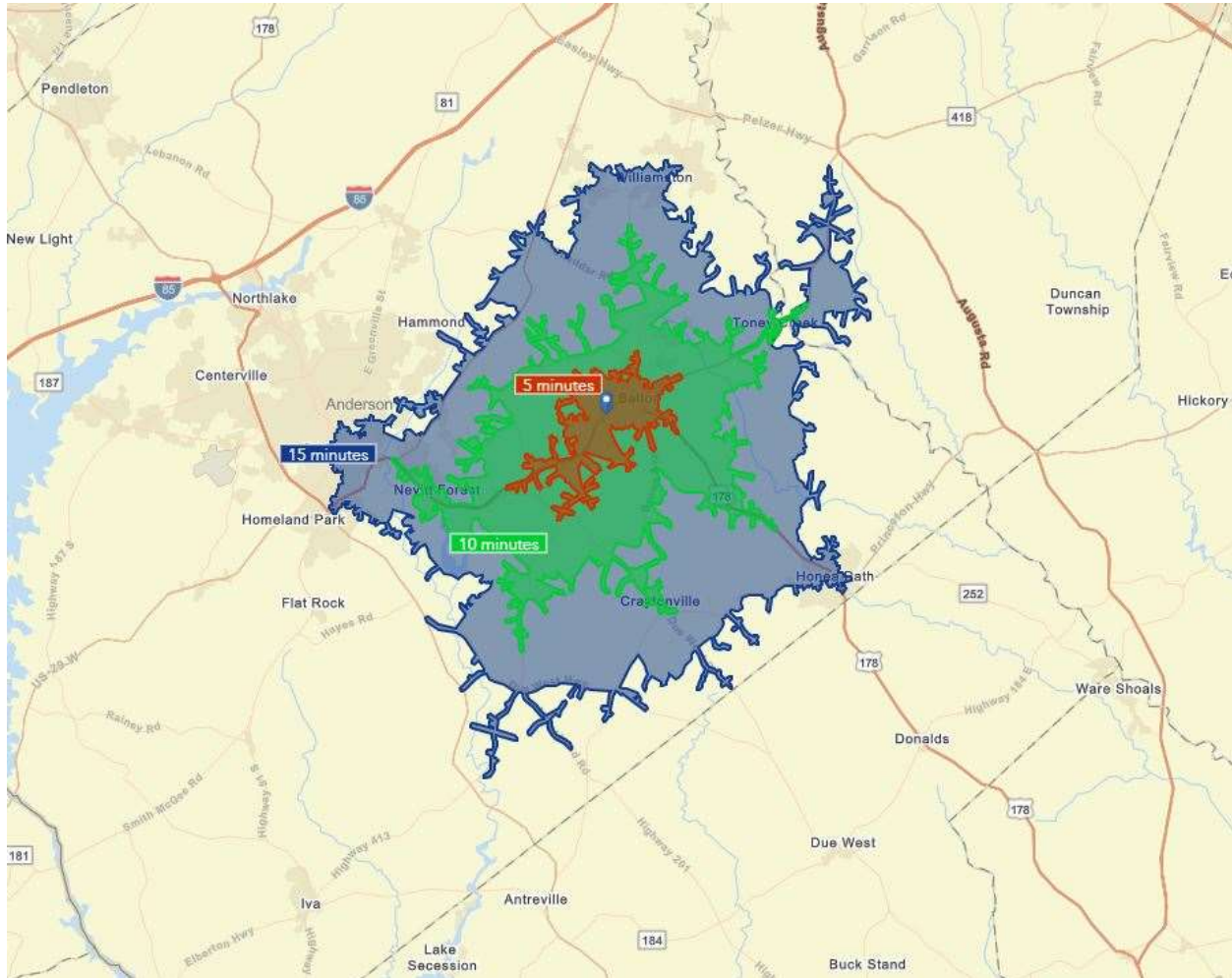
CONCLUSION

The neighborhood is in a stable area that has experienced moderate commercial and residential growth over the prior 10 years. The subject is located on a primary corridor within the market and access is considered to be good from the area roadways.

The subject neighborhood is well positioned to continue attracting residential growth as a bedroom community to Anderson, and it is my opinion that growth in the neighborhood will continue at a rate below changes in regional and local economic conditions within the areas larger markets.

NEIGHBORHOOD ANALYSIS - Continued

NEIGHBORHOOD DEMOGRAPHICS (5, 10, 15 MINUTE DRIVETIME)



NEIGHBORHOOD ANALYSIS - Continued



Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3
 721 Anderson St, Belton, South Carolina, 29627
 Drive Time: 5, 10, 15 minute radii

Prepared by Esri
 Latitude: 34.52006
 Longitude: -82.50563

	5 minutes	10 minutes	15 minutes
Census 2010 Summary			
Population	4,516	11,997	34,627
Households	1,963	4,712	13,606
Families	1,263	3,240	9,363
Average Household Size	2.29	2.49	2.49
Owner Occupied Housing Units	1,353	3,427	9,237
Renter Occupied Housing Units	610	1,285	4,369
Median Age	42.0	41.1	39.5
2019 Summary			
Population	4,822	12,718	36,698
Households	2,086	4,975	14,350
Families	1,312	3,356	9,697
Average Household Size	2.30	2.50	2.50
Owner Occupied Housing Units	1,387	3,504	9,414
Renter Occupied Housing Units	699	1,471	4,936
Median Age	43.3	42.8	41.4
Median Household Income	\$41,287	\$44,879	\$40,442
Average Household Income	\$60,787	\$60,741	\$55,511
2024 Summary			
Population	5,008	13,153	37,979
Households	2,161	5,142	14,839
Families	1,350	3,447	9,965
Average Household Size	2.30	2.51	2.51
Owner Occupied Housing Units	1,434	3,621	9,750
Renter Occupied Housing Units	728	1,520	5,088
Median Age	43.8	43.8	42.5
Median Household Income	\$52,033	\$53,619	\$47,774
Average Household Income	\$73,130	\$71,157	\$64,103
Trends: 2019-2024 Annual Rate			
Population	0.76%	0.67%	0.69%
Households	0.71%	0.66%	0.67%
Families	0.57%	0.54%	0.55%
Owner Households	0.67%	0.66%	0.70%
Median Household Income	4.74%	3.62%	3.39%

Sources: U.S. Census Bureau, Census 2010 Summary File 1; Esri forecasts for 2019 and 2024.

November 27, 2019

NEIGHBORHOOD ANALYSIS - Continued



Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3

721 Anderson St, Belton, South Carolina, 29627

Drive Time: 5, 10, 15 minute radii

Prepared by Esri

Latitude: 34.52006

Longitude: -82.50563

2019 Households by Income	5 minutes		10 minutes		15 minutes	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	366	17.5%	758	15.2%	2,683	18.7%
\$15,000 - \$24,999	235	11.3%	498	10.0%	1,576	11.0%
\$25,000 - \$34,999	305	14.6%	741	14.9%	2,060	14.4%
\$35,000 - \$49,999	276	13.2%	677	13.6%	1,948	13.6%
\$50,000 - \$74,999	307	14.7%	817	16.4%	2,290	16.0%
\$75,000 - \$99,999	279	13.4%	754	15.2%	2,031	14.2%
\$100,000 - \$149,999	190	9.1%	468	9.4%	1,213	8.5%
\$150,000 - \$199,999	64	3.1%	157	3.2%	328	2.3%
\$200,000+	64	3.1%	104	2.1%	219	1.5%
Median Household Income	\$41,287		\$44,879		\$40,442	
Average Household Income	\$60,787		\$60,741		\$55,511	
Per Capita Income	\$25,799		\$24,071		\$21,760	
2024 Households by Income	5 minutes		10 minutes		15 minutes	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	297	13.7%	624	12.1%	2,345	15.8%
\$15,000 - \$24,999	198	9.2%	425	8.3%	1,410	9.5%
\$25,000 - \$34,999	287	13.3%	707	13.7%	2,018	13.6%
\$35,000 - \$49,999	259	12.0%	636	12.4%	1,861	12.5%
\$50,000 - \$74,999	339	15.7%	887	17.3%	2,491	16.8%
\$75,000 - \$99,999	335	15.5%	881	17.1%	2,377	16.0%
\$100,000 - \$149,999	261	12.1%	617	12.0%	1,591	10.7%
\$150,000 - \$199,999	98	4.5%	226	4.4%	462	3.1%
\$200,000+	86	4.0%	138	2.7%	284	1.9%
Median Household Income	\$52,033		\$53,619		\$47,774	
Average Household Income	\$73,130		\$71,157		\$64,103	
Per Capita Income	\$30,969		\$28,168		\$25,081	

Data Note: Income is expressed in current dollars.

Sources: U.S. Census Bureau, Census 2010 Summary File 1; Esri forecasts for 2019 and 2024.

November 27, 2019

NEIGHBORHOOD ANALYSIS - Continued



Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3

721 Anderson St, Belton, South Carolina, 29627

Drive Time: 5, 10, 15 minute radii

Prepared by Esri

Latitude: 34.52006

Longitude: -82.50563

2010 Population by Age	5 minutes		10 minutes		15 minutes	
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	299	6.6%	805	6.7%	2,435	7.0%
Age 5 - 9	286	6.3%	780	6.5%	2,305	6.7%
Age 10 - 14	269	6.0%	763	6.4%	2,368	6.8%
Age 15 - 19	266	5.9%	762	6.4%	2,330	6.7%
Age 20 - 24	235	5.2%	635	5.3%	1,999	5.8%
Age 25 - 34	508	11.3%	1,350	11.3%	3,940	11.4%
Age 35 - 44	549	12.2%	1,503	12.5%	4,354	12.6%
Age 45 - 54	629	13.9%	1,720	14.3%	4,947	14.3%
Age 55 - 64	604	13.4%	1,616	13.5%	4,393	12.7%
Age 65 - 74	453	10.0%	1,109	9.2%	2,981	8.6%
Age 75 - 84	311	6.9%	713	5.9%	1,866	5.4%
Age 85+	105	2.3%	241	2.0%	709	2.0%
2019 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	287	5.9%	763	6.0%	2,340	6.4%
Age 5 - 9	295	6.1%	801	6.3%	2,334	6.4%
Age 10 - 14	280	5.8%	753	5.9%	2,229	6.1%
Age 15 - 19	258	5.3%	679	5.3%	2,078	5.7%
Age 20 - 24	246	5.1%	657	5.2%	2,082	5.7%
Age 25 - 34	587	12.2%	1,581	12.4%	4,614	12.6%
Age 35 - 44	556	11.5%	1,457	11.5%	4,205	11.5%
Age 45 - 54	596	12.4%	1,608	12.6%	4,602	12.5%
Age 55 - 64	666	13.8%	1,806	14.2%	5,110	13.9%
Age 65 - 74	576	11.9%	1,487	11.7%	4,076	11.1%
Age 75 - 84	342	7.1%	825	6.5%	2,177	5.9%
Age 85+	136	2.8%	301	2.4%	851	2.3%
2024 Population by Age						
	Number	Percent	Number	Percent	Number	Percent
Age 0 - 4	289	5.8%	762	5.8%	2,368	6.2%
Age 5 - 9	305	6.1%	808	6.1%	2,341	6.2%
Age 10 - 14	307	6.1%	825	6.3%	2,384	6.3%
Age 15 - 19	290	5.8%	764	5.8%	2,259	5.9%
Age 20 - 24	241	4.8%	618	4.7%	1,936	5.1%
Age 25 - 34	567	11.3%	1,478	11.2%	4,407	11.6%
Age 35 - 44	569	11.4%	1,506	11.4%	4,391	11.6%
Age 45 - 54	619	12.4%	1,631	12.4%	4,599	12.1%
Age 55 - 64	665	13.3%	1,790	13.6%	5,081	13.4%
Age 65 - 74	618	12.3%	1,628	12.4%	4,531	11.9%
Age 75 - 84	396	7.9%	1,020	7.8%	2,761	7.3%
Age 85+	140	2.8%	324	2.5%	920	2.4%

Sources: U.S. Census Bureau, Census 2010 Summary File 1; Esri forecasts for 2019 and 2024.

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Page 3 of 7

NEIGHBORHOOD ANALYSIS - Continued



Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3

721 Anderson St, Belton, South Carolina, 29627

Drive Time: 5, 10, 15 minute radii

Prepared by Esri

Latitude: 34.52006

Longitude: -82.50563

2010 Race and Ethnicity	5 minutes		10 minutes		15 minutes	
	Number	Percent	Number	Percent	Number	Percent
White Alone	3,706	82.1%	9,324	77.7%	24,505	70.8%
Black Alone	710	15.7%	2,378	19.8%	9,008	26.0%
American Indian Alone	7	0.2%	21	0.2%	78	0.2%
Asian Alone	9	0.2%	21	0.2%	78	0.2%
Pacific Islander Alone	0	0.0%	0	0.0%	1	0.0%
Some Other Race Alone	16	0.4%	76	0.6%	414	1.2%
Two or More Races	68	1.5%	177	1.5%	543	1.6%
Hispanic Origin (Any Race)	83	1.8%	240	2.0%	894	2.6%
2019 Race and Ethnicity	Number		Percent		Number	
					Percent	
White Alone	3,947	81.9%	9,861	77.5%	25,863	70.5%
Black Alone	739	15.3%	2,454	19.3%	9,292	25.3%
American Indian Alone	7	0.1%	22	0.2%	82	0.2%
Asian Alone	13	0.3%	28	0.2%	108	0.3%
Pacific Islander Alone	0	0.0%	0	0.0%	2	0.0%
Some Other Race Alone	23	0.5%	109	0.9%	598	1.6%
Two or More Races	93	1.9%	243	1.9%	754	2.1%
Hispanic Origin (Any Race)	122	2.5%	349	2.7%	1,308	3.6%
2024 Race and Ethnicity	Number		Percent		Number	
					Percent	
White Alone	4,083	81.5%	10,161	77.3%	26,634	70.1%
Black Alone	757	15.1%	2,503	19.0%	9,476	25.0%
American Indian Alone	7	0.1%	23	0.2%	85	0.2%
Asian Alone	17	0.3%	35	0.3%	134	0.4%
Pacific Islander Alone	0	0.0%	0	0.0%	2	0.0%
Some Other Race Alone	29	0.6%	133	1.0%	727	1.9%
Two or More Races	114	2.3%	298	2.3%	921	2.4%
Hispanic Origin (Any Race)	156	3.1%	439	3.3%	1,630	4.3%

Sources: U.S. Census Bureau, Census 2010 Summary File 1; Esri forecasts for 2019 and 2024.

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Page 4 of 7

NEIGHBORHOOD ANALYSIS - Continued



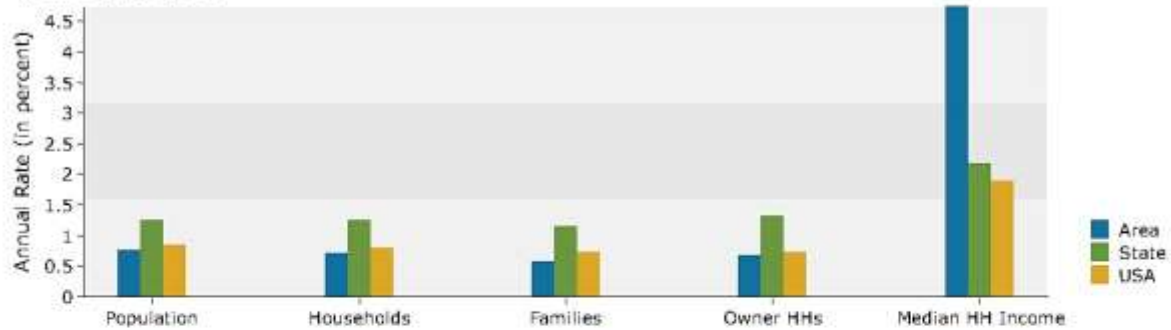
Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3
 721 Anderson St, Belton, South Carolina, 29627
 Drive Time: 5, 10, 15 minute radii

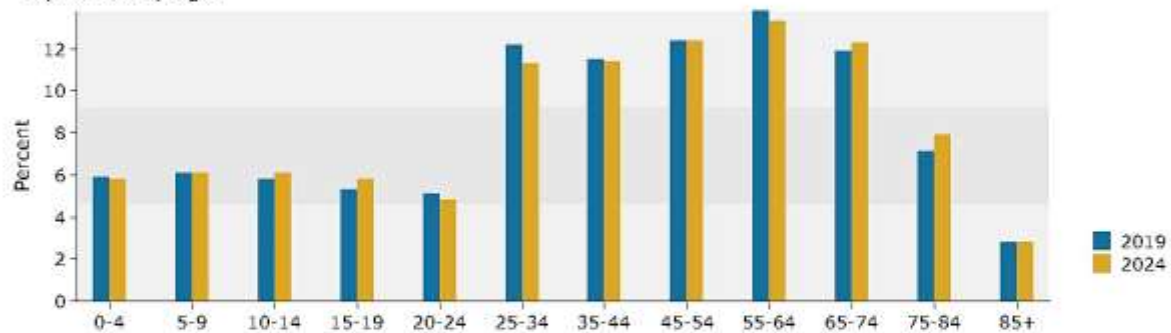
Prepared by Esri
 Latitude: 34.52006
 Longitude: -82.50563

5 minutes

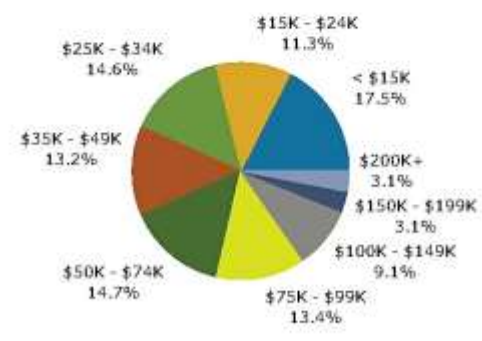
Trends 2019-2024



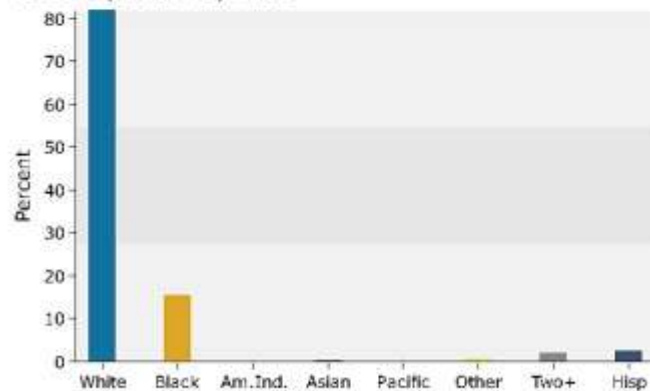
Population by Age



2019 Household Income



2019 Population by Race



Sources: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

November 27, 2019

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Page 5 of 7

NEIGHBORHOOD ANALYSIS - Continued



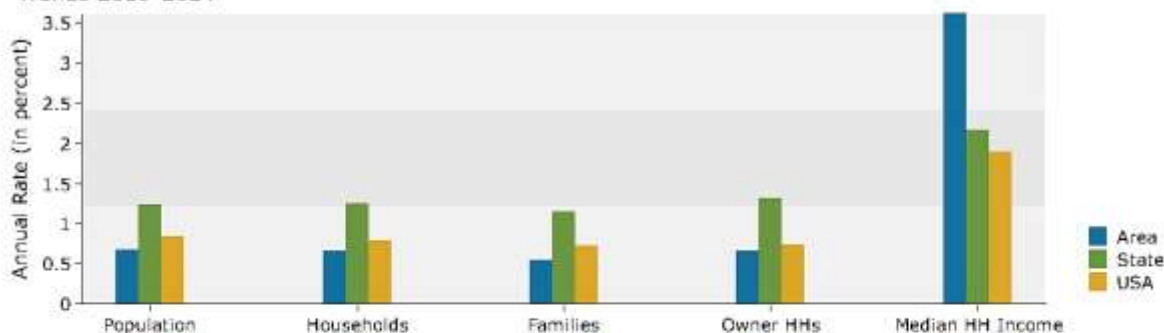
Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3
 721 Anderson St, Belton, South Carolina, 29627
 Drive Time: 5, 10, 15 minute radii

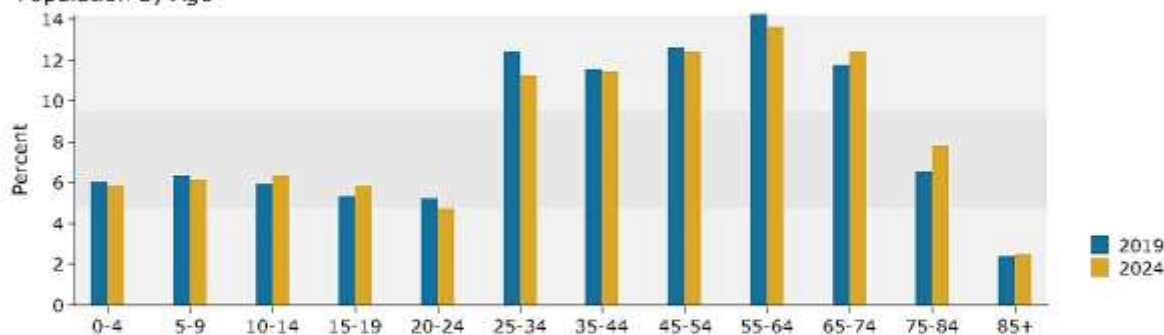
Prepared by Esri
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 Longitude: -82.50563

10 minutes

Trends 2019-2024



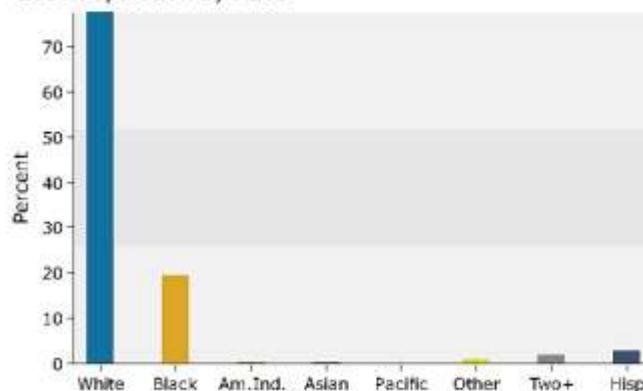
Population by Age



2019 Household Income



2019 Population by Race



Sources: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

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Page 6 of 7

NEIGHBORHOOD ANALYSIS - Continued



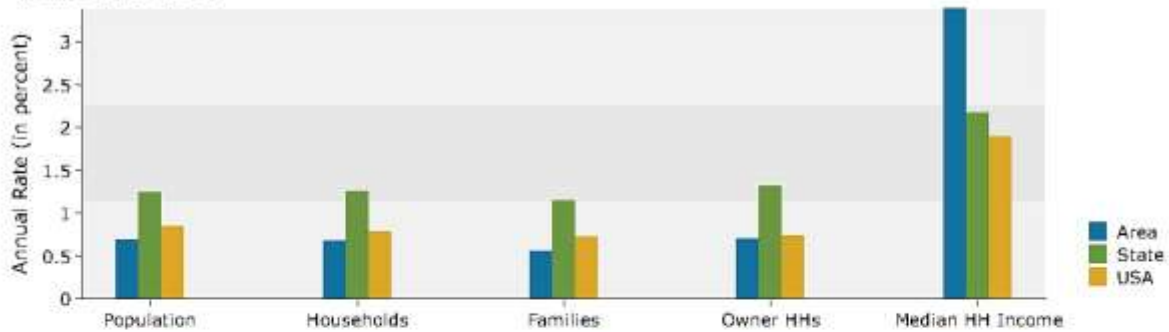
Demographic and Income Comparison Profile

721 Anderson St, Belton, South Carolina, 29627 3
 721 Anderson St, Belton, South Carolina, 29627
 Drive Time: 5, 10, 15 minute radii

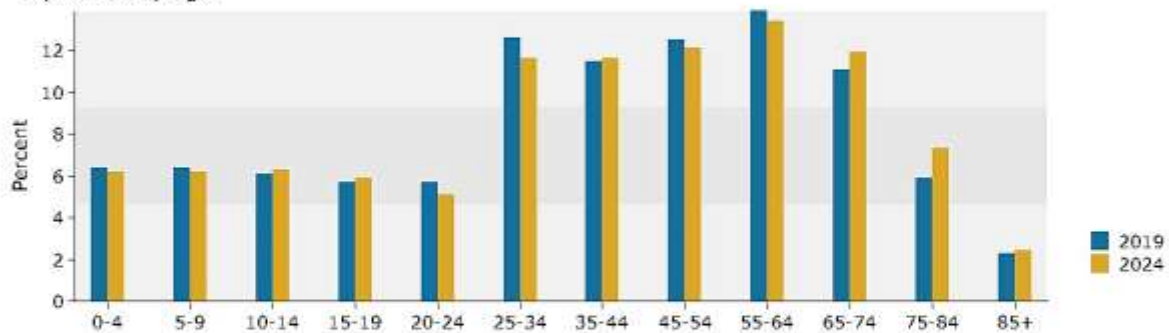
Prepared by Esri
 Latitude: 34.52006
 Longitude: -82.50563

15 minutes

Trends 2019-2024



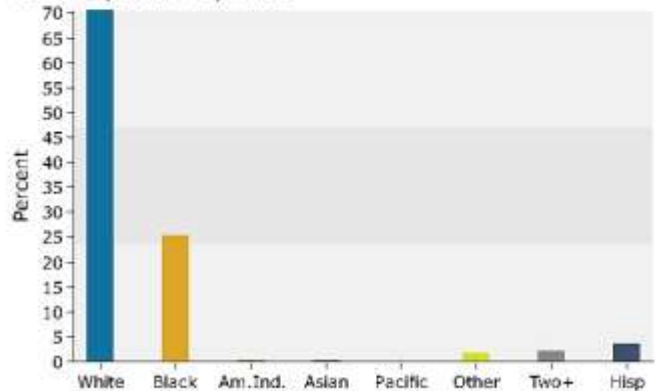
Population by Age



2019 Household Income



2019 Population by Race



Sources: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

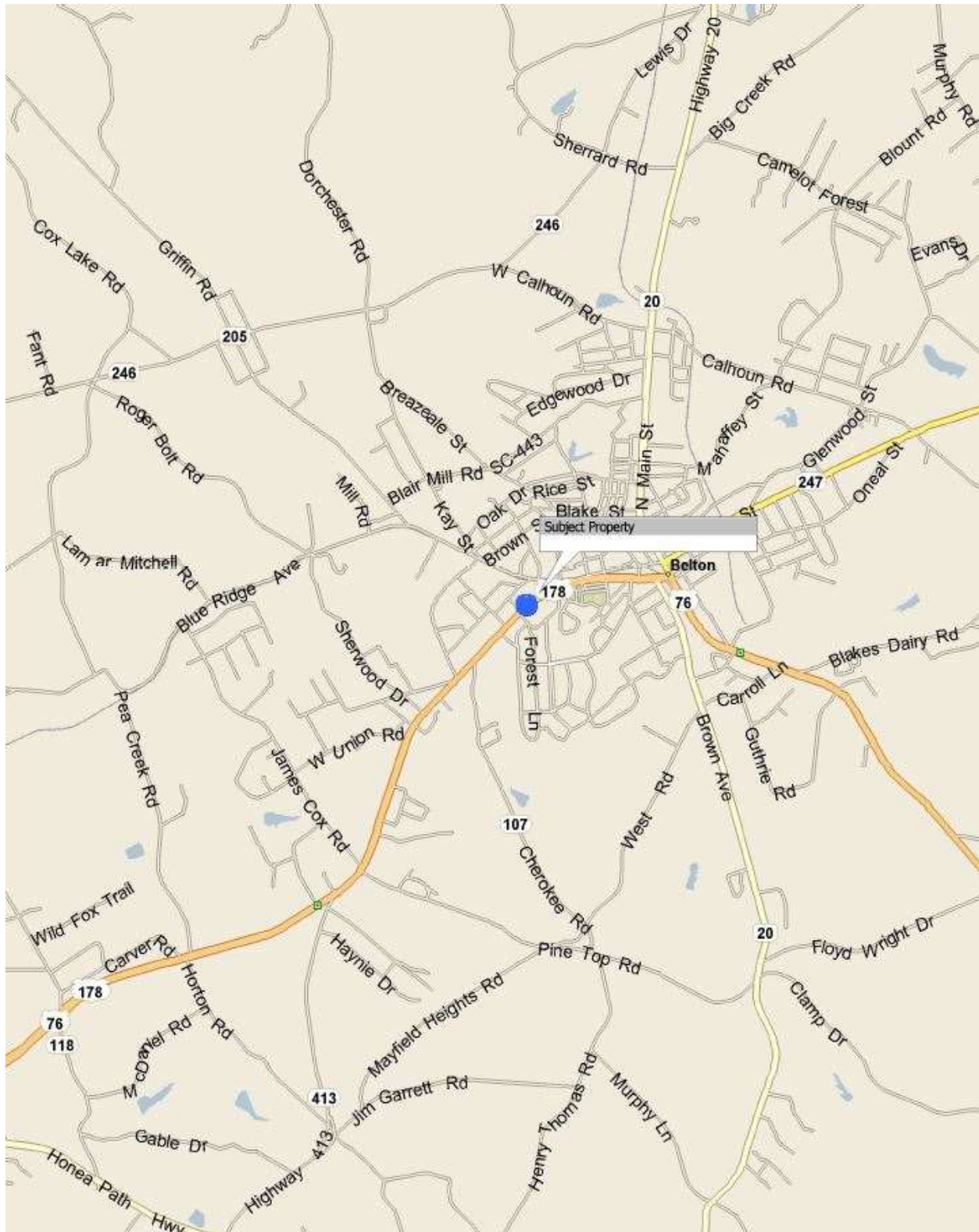
November 27, 2019

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Page 7 of 7

NEIGHBORHOOD ANALYSIS - Continued

Neighborhood Map



SITE ANALYSIS

The subject site is located along US Highway 76, aka Anderson Street, approximately .73 miles west of downtown Belton, SC within the municipal limits of the same. As will be discussed at greater length within this report, the subject site is zoned C-3; General Commercial. The immediate area is best characterized as having a limited variety of regional and 2nd generation commercial and retail development, whereas the primary development is located to the east within the downtown area of Belton as previously mentioned. Access to the subject site is afforded by US Highway 76 and there is one point of ingress/egress.

Anderson County GIS Map



SITE ANALYSIS - Continued

General Site Description:

Physical Characteristics	
Plat Book/Page	Metes & Bounds drawn in the following pages
Land Area (acres)	0.743
Land Area (square feet)	32,365
Shape	Rectangular
Frontage/Depth	130'/218'
Access	US Highway 76, aka Anderson Street
Secondary Access	None
Topography/Drainage	Basically Level
Soil/Subsurface	Appears typical of the area
Environmental Concerns	None noted or observed at inspection
Easements	None other than utilities - Assumed
Available Utilities	All Public
Functional Utility	Adequate

Topographic Overlay



SITE ANALYSIS - Continued

Flood Data:

The subject property appears to be situated in Zone X, a low risk flood area, after reviewing the Flood Insurance Rate Map identified on Community Panel No 450070269E, dated September 29, 2011 for Anderson County. A copy of the applicable map is located within this section of the appraisal report. **My observation of the subject site's flood zone status should not be relied upon as being accurate. The client should employ a professional engineer or surveyor to verify the actual flood zone status.**



RiskMeter

755 ANDERSON ST BELTON, SC 29627

LOCATION ACCURACY: *User-defined location*

Flood Zone Determination Report

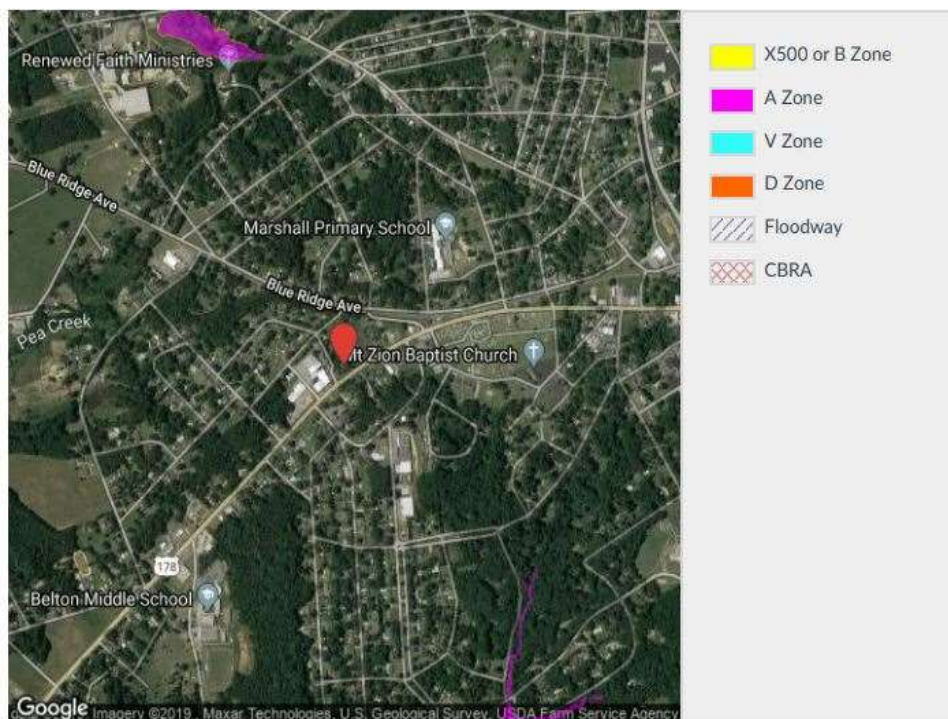
Flood Zone Determination: **OUT**

PANEL DATE

September 29, 2011

MAP NUMBER

450070269E



SITE ANALYSIS - Continued

Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

ZONE	DESCRIPTION
B and X (shaded)	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

High Risk Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones:

ZONE	DESCRIPTION
A	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
AE	The base floodplain where base flood elevations are provided. AE Zones are now used on new format FIRMs instead of A1-A30 Zones.
A1-30	These are known as numbered A Zones (e.g., A7 or A14). This is the base floodplain where the FIRM shows a BFE (old format).
AH	Areas with a 1% annual chance of shallow flooding, usually in the form of a pond, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
AO	River or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones.
AR	Areas with a temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Mandatory flood insurance purchase requirements will apply, but rates will not exceed the rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.
A99	Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones.

SITE ANALYSIS - Continued

High Risk - Coastal Areas

In communities that participate in the NFIP, mandatory flood insurance purchase requirements apply to all of these zones.

ZONE	DESCRIPTION
V	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. No base flood elevations are shown within these zones.
VE, V1 - 30	Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.

Undetermined Risk Areas

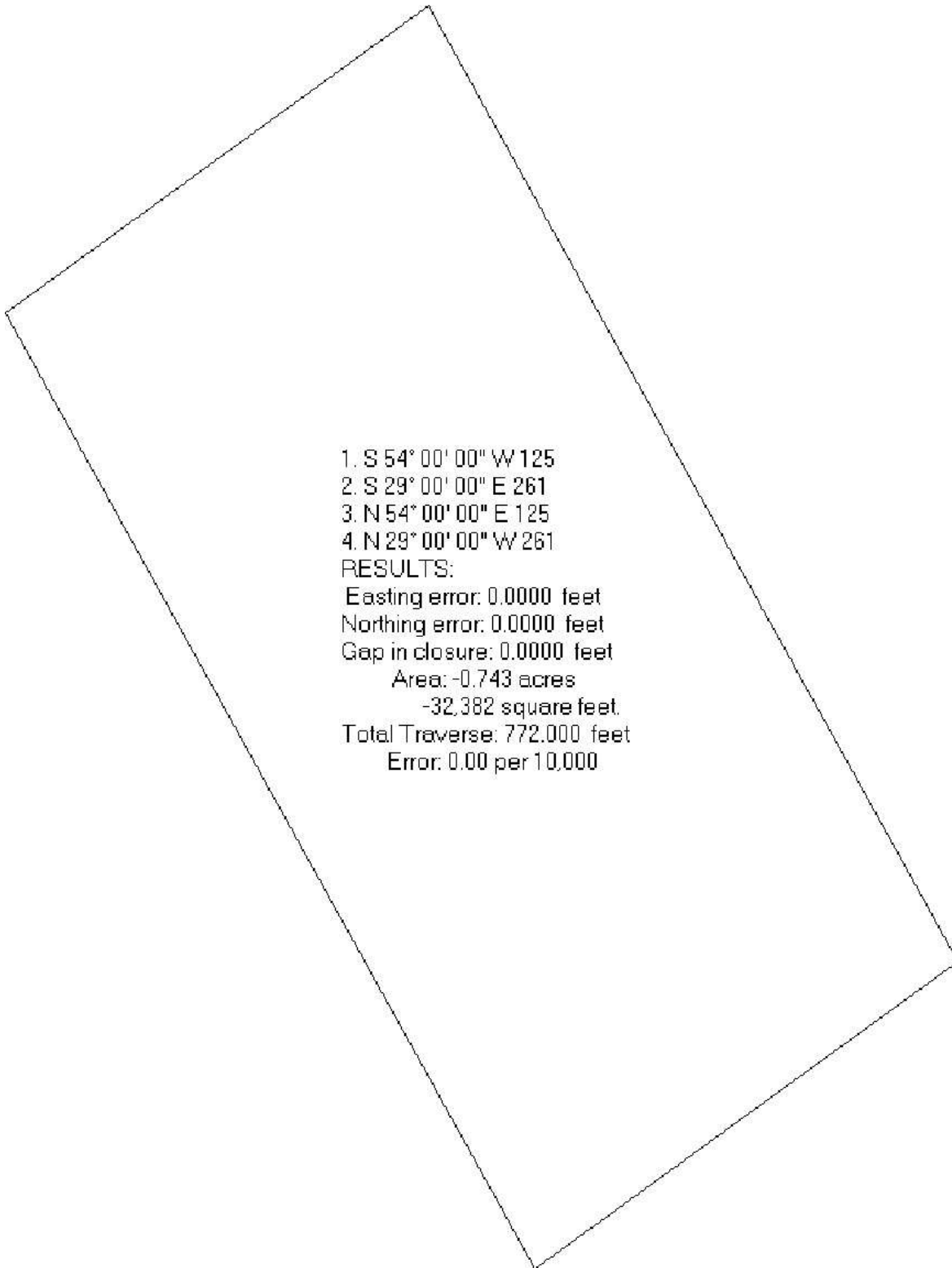
ZONE	DESCRIPTION
D	Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.

From FEMA Map Service Center:

<http://msc.fema.gov/webapp/wcs/stores/servlet/info?storeId=10001&catalogId=10001&langId=-1&content=floodZones&title=FEMA%20Flood%20Zone%20Designations>

SITE ANALYSIS - Continued

SURVEY -



SITE ANALYSIS - Continued

ZONING

The subject property is zoned C-3; General Commercial by the City of Belton. The intent of this ordinance and characteristics of the same are included within the following pages of this report.

Zoning Map



Subject Site

Restrictive Covenants:

None

SITE ANALYSIS - Continued

Section 5.7 C-3 General Commercial District

It is the intent of this Section that the C3 Zoning District be developed and reserved for general business purposes. The regulations which apply within this district are designed to encourage the formation of continuance of a compatible and economically healthy environment for business, financial service and professional uses which benefit from being located in close proximity to each other; and to discourage any encroachment capable of adversely affecting the general commercial character of the district.

Unless otherwise specified elsewhere in this Ordinance, uses permitted in C-3 General Commercial Zoning Districts shall be required to conform to the following standards:

1. Minimum Lot Area: Six (6,000) square feet.
2. Minimum Lot Width measured at the Building Line: Fifty (50) feet.
3. Minimum Front Yard measured from the nearest abutting street right-of-way line: Twenty-five (25) feet.
4. Minimum Side Yard: Not less than ten (10) feet for each side.
5. Where the district abuts any residential zoning district not separated by a street right-of-way, a buffer strip in shall be required.
6. If a common wall is used the side setback shall be zero (0) feet.
6. Minimum Rear Yard: Twenty (20) feet. Where the district abuts any residential zoning district not separated by a public right-of-way, a buffer strip shall be required.
7. Maximum Building Height: sixty (60) feet. For structures in excess of sixty (60) feet, the Fire Chief's approval is necessary.
8. Bufferyard Requirements of Section 8

TAX AND ASSESSMENT ANALYSIS

In South Carolina, property taxes are reassessed every five years. In 2007, the “*South Carolina Property Tax Valuation Reform Act, ACT 388*” was enacted to provide that the Taxable Market Value of real property does not exceed an increase of 15% over a five-year period unless an Assessable Transfer of Interest (ATI) occurs. Thus, when a property sells, is developed, renovated or added to, it can be reassessed, and the 15% cap can be overridden. However, an unintended consequence of this legislation was higher property taxes on recently sold properties. Thus, competing properties had unequal tax burdens depending upon when they were purchased.

Therefore, to remedy the perceived inequities, on June 2, 2011, the South Carolina General Assembly passed point of sale legislation. This new legislation is applicable to all non-primary residential properties which are assessed at a 6% rate and includes commercial properties, investment properties, and second homes but excludes manufacturing properties which are assessed at 10.5%. Under the new law, properties will receive a 25% exemption from the sales value for taxation purposes. The bill also provides for a minimum level of valuation established as the fair market value documented on the county tax assessor’s records. As the application of this law has yet to be demonstrated in significant quantities, the actual effect on value is inconclusive as of the date of this appraisal.

Once the taxable market value has been established by the county assessor, the proper assessment ratio is applied based on the property type. The following chart shows the assessment ratio per property type.

PROPERTY CLASSIFICATION	ASSESSMENT RATE
Manufacturing Property	10.5% of fair market value
Primary Residences	4.0% of fair market value
Agricultural Property (privately owned)	4.0% of use value
Agricultural Property (corporate owned)	6.0% of use value
Commercial Real Estate	6.0% of fair market value

The millage rates are set on a yearly basis by the taxing authority and applied to the assessed value in order to arrive at the annual real estate taxes.

TAX AND ASSESSMENT ANALYSIS - Continued

The subject property is located within Anderson County Tax District 212 and has a taxable market value of \$50,000. The subject property is assessed at a 6.00% rate for an assessed value of \$3,000. Tax District 212 carries a 2019 millage rate of 0.45930. Multiplying the current millage rate by the noted taxable market value indicates a tax amount of \$1,450 which is inclusive of ancillary storm, water and other fees. **The subject property's current tax status is *Paid*.** Please see **Exhibit I** below for the tax analysis.

Exhibit I			
PROPERTY TAX CALCULATIONS			
Vacant Land			
721 Anderson Street			
Belton, SC 29627			
		Tax Year 2019	Tax Year 2020**
Tax Status		Paid	
Parcel Number		226-10-03-013	226-10-03-013
District		212	212
Taxable Market Value		\$50,000	\$52,500
Other		\$0	\$0
Assessment Ratio	x	0.06	0.06
TOTAL ASSESSED VALUE	=	3,000	3,150
MILLAGE RATE	x	.4593000	.4593000
PROPERTY TAXES	=	1,378	1,447
plus: metro sewer/storm	+	\$72	\$72
Tax and Fees	=	\$1,450	\$1,518
Penalties	=	\$0	\$0
Total Taxes Due		\$1,450	\$1,518
<i>** Assumes contract or appraised value and applicable discount.</i>			

Since the appraisal is based on the premise that the property will sell for the reconciled market value a prudent investor would consider the possible effect this amendment to the "Point of Sale Statute" may have on the property tax expense.

The reconciled market value of the Fee Simple Estate is \$70,000. After applying the POS discount, the adjusted taxable market value is greater than the current taxable market value. Thus, the adjusted tax figure should be considered in the course of any due diligence.

HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE is defined as follows:

*"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, and financially feasible, and that results in the highest value."*⁴

When determining the Highest and Best Use of a property, one must address the Highest and Best Use of the site as vacant and the highest and best use of the site as improved. Highest and best use as vacant assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements. Two caveats should be noted with this analysis.

- The highest and best use of the land may be different from the highest and best use as improved, although this often does not mean that the improvements should be demolished. In these situations, the existing property is considered to be an interim use until such time as market demand indicates demolition of the existing improvements.
- When zoning requirements change often times variances would be necessary to build the same improvement, and they may or may not be obtainable, indicating that the site as vacant would yield a smaller improvement than the one that exists today.

For improved properties, the highest and best use analysis is performed separately for the land and building. This analysis pertains to the use that should be made of an improved property in light of its improvements. Although other improved uses may result in a profitable use, only the most productive use reflects the highest and best use as vacant. Changing the property use with the existing structure must be financially feasible and also generate the highest and best use as improved. If a site is improved, the existing use will continue unless and until land value as if vacant exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements.

The concept of Highest and Best Use represents the premise upon which value is based. Presumed in these definitions is that determination of Highest and Best Use takes into account the contribution of a specific use to the community as well as benefits to individual

⁴The Appraisal of Real Estate, 12th ed. (Chicago: Appraisal Institute, 2001), p. 305.

HIGHEST AND BEST USE ANALYSIS - Continued

property owners. Also, the motivation of a particular purchaser or investor contributes to this determination.

To estimate the highest and best use of a site as though vacant or as improved, a use must pass four consecutive tests:

CRITERIA FOR HIGHEST AND BEST USE
LEGALLY PERMISSIBLE
PHYSICALLY POSSIBLE
FINANCIALLY FEASIBLE
MAXIMALLY PROFITABLE

If Market Value is defined as "most probable selling price", then the Highest and Best Use may be considered most probable use, or in the context of investment value, the "most profitable use". The existing use of the property may or may not be different from the Highest and Best Use of the site.

LAND AS THOUGH VACANT

The goal of highest and best use as vacant is to estimate the ideal use of the subject property.

1. Legally Permissible:

The subject site is located within the municipal limits of Belton and is zoned C-3; General Commercial. Considering the size of the subject site, access, visibility, neighboring property types, and available utilities, it is my opinion that the subject site could be developed with a commercial related use. The current C-3 ordinance permits a variety of commercial development outright without special exception.

2. Physically Possible:

The size, shape, and topography affect the uses to which land may be developed, and the utility of a parcel of land often depends on its frontage and depth. The site analysis section of this report concluded that there were no material detriments to development.

HIGHEST AND BEST USE ANALYSIS - Continued

3. Financially Feasible:

Any use that results in a net return to the land after satisfying the return to the improvements is considered to be financially feasible; however, that use which returns the maximum dollars to the land is considered the use which is maximally productive. Current financial feasibility with respect to vacant land is not required in the highest and best use decision process. However, a prospective use must be financially feasible to be considered in the analysis.

Considering the typical land uses found in the subject neighborhood and current construction costs, it is my opinion that it would be financially feasible to construct a small commercial development common to the neighborhood.

4. Maximally Profitable:

The maximally profitable use is that use which provides the highest return to the underlying land. The uses that are physically possible and legally permissible have been narrowed down, and the financially feasible uses are considered to be commercial in nature. It is also my opinion that a small commercial development would also provide the highest residual land value.

Most Likely User:

It is also the opinion of these appraisers that the most likely user would be a local investor.

SUMMARY OF ANALYSIS AND VALUATION

Basic to the sales comparison approach are the concepts of anticipation and change, supply and demand, substitution, balance and externalities. These principles consider all issues relevant to the estimation of value in a consistent manner that reflects local market conditions.

An appraiser follows a systematic procedure in analyzing and adjusting the market information gathered in the sales comparison approach in accordance with the following steps:

1. *Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject property in terms of characteristics such as property type, date of sale, size, location, and zoning.*
2. *Verify the information by confirming that the data obtained are factually accurate and that the transactions reflect arm's-length market considerations. Verification may also elicit additional information about the market.*
3. *Select relevant units of comparisons (e.g., income multipliers or dollars per acre or per square foot) and develop a comparative analysis for each unit.*
4. *Compare comparable sale properties with the subject property using the elements of comparison and adjust the sale price of each comparable appropriately to the subject property or eliminate the property as a comparable.*
5. *Reconcile the various value indications produced by the analysis of comparables into a single value indication or a range of values. In an imprecise market subject to varying occupancies and economies, a range may be a better conclusion than a single estimate.*⁵

⁵The Appraisal of Real Estate, 10th Ed. (Chicago: Appraisal Institute, 1992), p. 371.

SUMMARY OF ANALYSIS AND VALUATION - Continued

SITE VALUATION

MARKET DATA

In order to conclude the value of the subject site it was necessary to research the immediate neighborhood for recent land sales that could adequately compare to the subject. The methodology used in concluding the value for the subject site is the Sales Comparison Approach.

To make comparisons, it was necessary to evaluate each Comparable Sale and make the appropriate adjustments for date of sale, location, and physical characteristics. It is a process of correlation and analysis of data about similar properties that have recently sold.

The Elements of Comparison are the characteristics of properties and transactions that cause the prices for real estate to vary. These elements are sorted into two general categories.

1. Transaction Adjustments

- a. Property Rights Conveyed (below market lease – or property not stabilized)
- b. Financing Terms (financing not readily available to market participants)
- c. Condition of Sale (motivations)
- d. Post-Purchase Expenditures (buyer must be aware at time of purchase)
- e. Market Conditions (time – however, time itself is not a factor)

2. Property Adjustments

- a. Location
- b. Physical Characteristics
- c. Economic Characteristics (attributes that effect NOI)
- d. Use (zoning/recognize difference in highest & best use)
- e. Nonrealty Components (tangible & intangible person property)

Substitution is the fundamental principle in the Sales Comparison Approach. This principle suggests that prices, rents and rates of property tend to be set by that of equally desirable substitute properties.

SUMMARY OF ANALYSIS AND VALUATION - Continued

In this approach four commercial sales were considered. The sales ranged in size from a minimum of 14,375 square feet to a maximum of 86,684 square feet. The sales dates ranged from October 29, 2015 to August 6, 2018. The most appropriate unit of comparison for the subject is the price per square foot methodology. Due to the improvement in local economic conditions over the prior 60+ months 2.00% annual adjustments were made to sales one year or older.

The unadjusted price per acre ranged from a minimum of \$1.12 to a maximum of \$2.78 per square foot, respectively. The mean and median indications were \$2.00 and \$2.04 per square foot, respectively. The standard deviation was \$0.70 or 35.05% of the mean.

The subject site is located within the municipal limits of Belton, SC along Anderson Street. Sale 1 is located in a superior location in Honea Path, SC and has received a downward adjustment for the same, while Sale 4 received an upward adjustment for its inferior location in Williamston, SC. Typically there is an inverse relationship with regard to size and price per unit. As size increases the price per unit tends to decrease and vice versa, all else being equal. Due to this relationship, Sale 1 received an upward adjustment for its larger size while Sale 2 received a downward adjustment for its smaller size. Sale 3 is a narrow and deep shaped site which substantially reduces the overall utility. Due to the shape of Sale 3 an upward adjustment was made.

After making the appropriate adjustments, the indications ranged from a minimum of \$1.58 to a maximum of \$2.55 per square foot, respectively. The mean and median indicators were \$2.16 and \$2.26 per square foot, respectively. The standard deviation was reduced to \$0.43, or 19.98% of the mean.

With consideration given to each of the sales, and with the least weight placed on Sale 3 due to its age, it is my opinion that the best indication of value for the subject site is \$2.32 per square foot. Thus, 32,365 square feet multiplied by \$2.25 per square foot results in an indication of value of \$72,821. These appraisers have deducted as a line item an estimated value for the demolition of the existing improvements. When referencing Marshall Valuation Cost Service, Section 66, Page 11; it is the opinion of these appraisers that \$4.00 per square foot is a reasonable cost to demolish and remove the structure. The improvements total approximately 1,232 square feet by field measurements. Thus, 1,232 square feet multiplied by \$4.00 equals \$4,928 total in demolition cost. Therefore,

SUMMARY OF ANALYSIS AND VALUATION - Continued

\$72,821 minus the cost to demolish of \$4,928, results in an “As Is” Fee Simple value of \$67,893, which is rounded to **\$70,000**.

The land sales adjustment grid is shown on the following page as **Exhibit II**.

SUMMARY OF ANALYSIS AND VALUATION - Continued

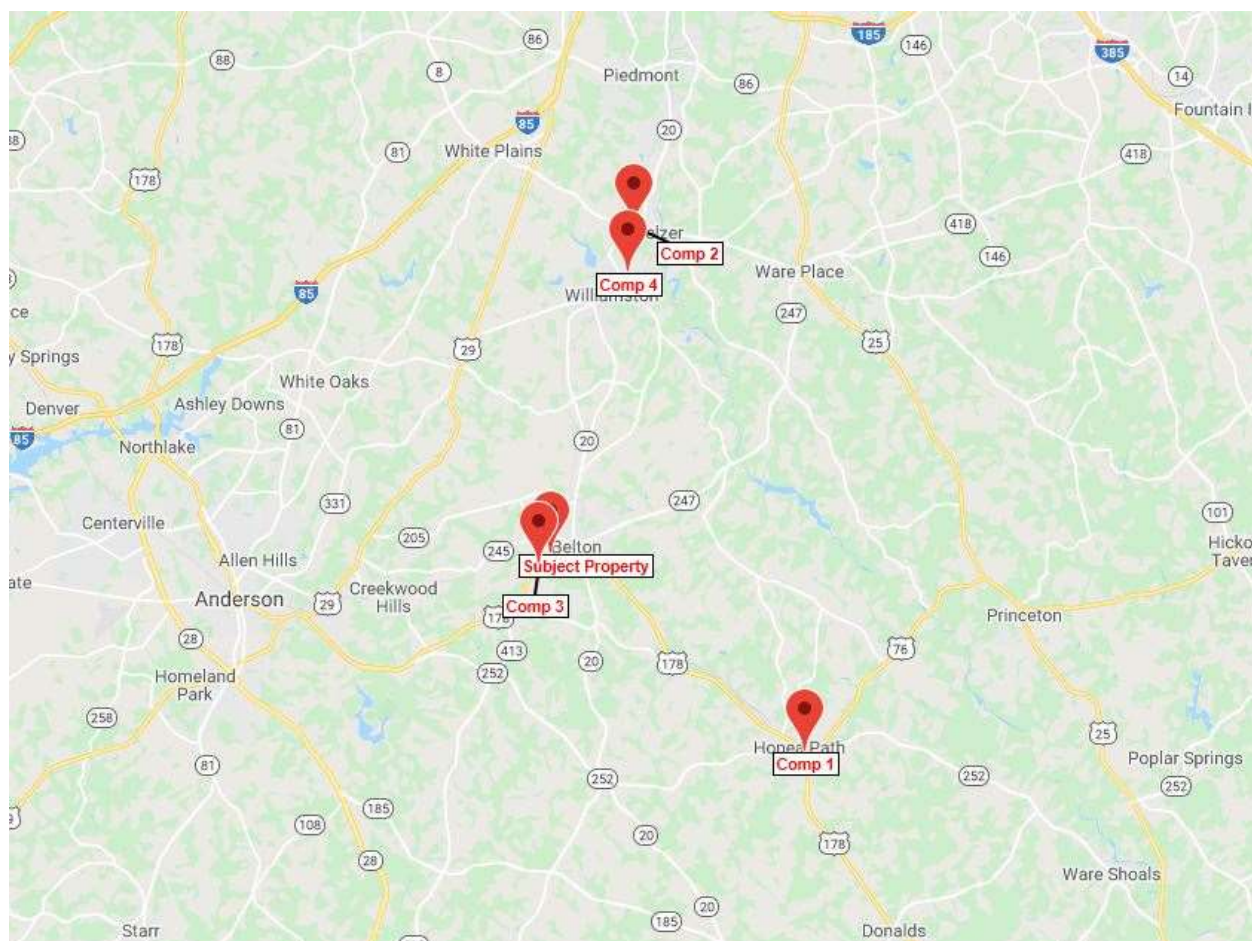
Exhibit II					
LAND SALES ADJUSTMENT GRID					
Vacant Land					
721 Anderson Street					
Belton, SC 29627					
	Subject Property	LAND SALE 1	LAND SALE 2	LAND SALE 3	LAND SALE 4
RID		602	657	659	662
STREET	721 Anderson Street	10 Sanders St.	Main Street	757 Anderson Street	602 E. Greenville Drive
CITY	Belton	Honea Path	Pelzer	Belton	Williamston
STATE	Belton	SC	SC	SC	SC
TAX MAP NUMBER	226-10-03-013	276-10-01-005, 004, & 003	243-04-07-006 & 243-04-06-015	226-09-03-012	244-02-06-026
ZONING	C-3	CC	CC	C-1	HC
Number of SF	32,365	86,684	14,375	40,075	32,670
Acres	0.743	1.990	0.330	0.920	0.750
SALE PRICE		\$195,000	\$40,000	\$45,000	\$60,000
Plus: Demo./Site Cure		0	0	0	0
Less: Improvements		0	0	0	0
EFFECTIVE PRICE		\$195,000	\$40,000	\$45,000	\$60,000
PRICE \$/SF		\$2.25	\$2.78	\$1.12	\$1.84
PROPERTY RIGHTS		Fee Simple	Fee Simple	Fee Simple	Fee Simple
		0%	0%	0%	0%
FINANCING TERMS		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Adjustment		0%	0%	0%	0%
CONDITION OF SALE		Arm's Length	Arm's Length	Arm's Length	Arm's Length
Adjustment		0%	0%	0%	0%
MARKET CONDITIONS		August 6, 2018	July 19, 2018	October 29, 2015	Pending Sale
Adjustment		2%	2%	8%	0%
ADJUSTMENT %		2%	2%	8%	0%
ADJUST. \$/SF		\$2.29	\$2.84	\$1.21	\$1.84
LOCATION					
Adjust: CORNER					
Adjust: LOCATION		-5%			15%
Adjust: Outparcel					
PHYSICAL					
Adjust: SIZE		10%	-10%		
Adjust: ZONING					
Adjust: SHAPE/TOPOGRAPHY				30%	
Adjust: ACCESS/VISIBILITY					
ADJUSTMENT %		5.00%	-10.00%	30.00%	15.00%
ADJUST. \$/SF		\$2.41	\$2.55	\$1.58	\$2.11
ALL COMPARABLES:		BEFORE ADJUSTMENTS	AFTER ADJUSTMENTS		
Minimum		\$1.12	\$1.58	Subject Site Size:	32,365
Maximum		\$2.78	\$2.55	\$ per Unit:	\$2.25
Mean		\$2.00	\$2.16	Value Indication	\$72,821
Median		\$2.04	\$2.26	Minus: Estimated Demolition	\$4,928
Standard Deviation		\$0.70	\$0.43	Value Indication	\$67,893
% of the Mean		35.05%	19.98%	Rounded To:	\$70,000

SUMMARY OF ANALYSIS AND VALUATION - Continued

COMPARABLE LAND SALES SUMMARY

Location	Sale Date	Price	Size in SF	Price/ SF
10 Sanders St.	08/06/2018	\$195,000	86,684	\$2.25
Main Street	07/19/2018	\$40,000	14,375	\$2.78
757 Anderson Street	10/29/2015	\$45,000	40,075	\$1.12
602 E. Greenville Drive	Pending Sale	\$60,000	32,670	\$1.84

Land Sales Location Map



SUMMARY OF ANALYSIS AND VALUATION - Continued

Land Sale No. 1



Property Identification

Record ID	602
Property Type	Vacant Land, Vacant Land
Property Name	Vacant Land
Address	10 Sanders St., Honea Path, Anderson County, South Carolina 29621
Tax ID	276-10-01-005, 004, & 003
Longitude, Latitude	W-82.388798, N34.444981

Sale Data

Grantor	California Aviators Licensed Investment Group, LLC
Grantee	Patton Development SC, LLC
Sale Date	August 06, 2018
Deed Book/Page	13510/81
Recorded Plat	2469/1
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: Public Records, Confirmed by Tom Mahaffey

Sale Price	\$195,000
Cash Equivalent	\$195,000
Adjusted Price	\$195,000

Land Data

SUMMARY OF ANALYSIS AND VALUATION - Continued

Zoning CC, Core Commercial District

Land Sale No. 1 (Cont.)

Topography Basically Level
Utilities All Public
Shape Slightly Irregular

Land Size Information

Gross Land Size 1.990 Acres or 86,684 SF
Front Footage 621 ft Total Frontage: 440 ft Sanders Street; 181 ft E. Greer St.;

Indicators

Sale Price/Gross Acre \$97,990 Actual or \$97,990 Adjusted
Sale Price/Gross SF \$2.25 Actual or \$2.25 Adjusted
Sale Price/Front Foot \$314 Actual or \$314 Adjusted

Remarks

This is a parcel of land located in the southwest corner of the intersection of E. Greer St. and Sanders Street within the municipal limits of honey a Path, Anderson County, South Carolina. Parcel is located east of the South Carolina Hwy. 252 and US Highway 178 intersection. A portion of the property was improved with two old residential structures and estimated demolition is \$7500. This property was purchased for the development of a Dollar General retail store.

SUMMARY OF ANALYSIS AND VALUATION - Continued

Land Sale No. 2



Property Identification

Record ID	657
Property Type	Vacant Land, Vacant Land
Property Name	Vacant Land
Address	Main Street, Pelzer, Anderson County, South Carolina 29669
Tax ID	243-04-07-006 & 243-04-06-015
Longitude, Latitude	W-82.467485, N34.644446

Sale Data

Grantor	Thelma E. Durham
Grantee	Sarah Maranda Sialmas
Sale Date	July 19, 2018
Deed Book/Page	1347/158
Recorded Plat	52480/4
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: Public Record, Confirmed by John T. Palmer

Sale Price	\$40,000
Cash Equivalent	\$40,000
Adjusted Price	\$40,000

Land Data

Zoning	CC, Core Commercial District
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SUMMARY OF ANALYSIS AND VALUATION - Continued

Land Sale No. 2 (Cont.)

Topography	Level
Utilities	Unknown
Shape	Irregular
Flood Info	X45007C0164E
User 5	September 29, 2011

Land Size Information

Gross Land Size	0.330 Acres or 14,375 SF
Front Footage	254 ft Total Frontage: 170 ft Main Street; 84 ft Spring Street;

Indicators

Sale Price/Gross Acre	\$121,212 Actual or \$121,212 Adjusted
Sale Price/Gross SF	\$2.78 Actual or \$2.78 Adjusted
Sale Price/Front Foot	\$157 Actual or \$157 Adjusted

Remarks

This is the sale of two parcels located on Main Street in West Pelzer, SC. The two parcels are on opposite sides of the street from one another and face diagonally. Both sites appear to have been paved with asphalt for parking at one time, but are currently in poor condition. The total acreage for both sites is .33 acres. The parcels sold on July 19, 2018 for \$40,000, or \$121,212 per acre.

SUMMARY OF ANALYSIS AND VALUATION - Continued

Land Sale No. 3



Property Identification

Record ID	659
Property Type	Vacant Land, Vacant Land
Property Name	Vacant Land
Address	757 Anderson Street, Belton, Anderson County, South Carolina 29627
Tax ID	226-09-03-012
Longitude, Latitude	W-82.511118, N34.516419

Sale Data

Grantor	Judith B. Mancini
Grantee	Gary Durkee
Sale Date	October 29, 2015
Deed Book/Page	12053/170
Recorded Plat	Not Recorded
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: Public Record, Confirmed by John T. Palmer

Sale Price	\$45,000
Cash Equivalent	\$45,000
Adjusted Price	\$45,000

Land Data

Zoning	C-3, General Commercial
Topography	Basically Level
Utilities	All Public
Shape	Rectangular
Flood Info	X45007C0269E

SUMMARY OF ANALYSIS AND VALUATION - Continued

Land Sale No. 3 (Cont.)

User 5	September 29, 2011
Depth	383

Land Size Information

Gross Land Size	0.920 Acres or 40,075 SF
Front Footage	105 ft Total Frontage: 105 ft Anderson Street;

Indicators

Sale Price/Gross Acre	\$48,913 Actual or \$48,913 Adjusted
Sale Price/Gross SF	\$1.12 Actual or \$1.12 Adjusted
Sale Price/Front Foot	\$429 Actual or \$429 Adjusted

Remarks

This is the sale of a vacant tract of land located on Anderson Street in Belton, SC. The property is basically level and all utilities are public to the site. The total acreage is .92 acres by GIS estimation. The plat on record is from 1937 and is not available to the public Via online public records with Anderson County. The property sold on October 29, 2015 for \$45,000, or \$48,913 per acre.

Attempts were made to confirm this information with the owner of record, Mr. Gary Durkee, at 864-940-7056

SUMMARY OF ANALYSIS AND VALUATION - Continued

Pending Land Sale No. 4



Property Identification

Record ID	662
Property Type	Vacant Land, Vacant Land
Property Name	Vacant Land
Address	602 E. Greenville Drive, Williamston, Anderson County, South Carolina 29697
Tax ID	244-02-06-026
Longitude, Latitude	W-82.470028, N34.627221

Sale Data

Grantor	Sammy G. Woods & James M. Stone
Recorded Plat	Not Recorded
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Other sources: Public Record; Costar, Confirmed by John T. Palmer

Contract Price	\$60,000
Cash Equivalent	\$60,000
Adjusted Price	\$60,000

Land Data

Zoning HC, Highway Commercial

SUMMARY OF ANALYSIS AND VALUATION - Continued

Topography Basically Level

Pending Land Sale No. 4 (Cont.)

Utilities All Public
Shape Slightly Irregular
Flood Info X45007C0165E
User 5 September 29, 2011
Depth 206

Land Size Information

Gross Land Size 0.750 Acres or 32,670 SF
Front Footage 372 ft Total Frontage: 168 ft E Greenville Drive; 204 ft Moorings Drive;

Indicators

Sale Price/Gross Acre \$80,000 Actual or \$80,000 Adjusted
Sale Price/Gross SF \$1.84 Actual or \$1.84 Adjusted
Sale Price/Front Foot \$161 Actual or \$161 Adjusted

Remarks

This is the pending sale of a vacant tract of land located on E Greenville Drive in Williamston, SC. The property consists of .75 acres of previously developed land. The entire site is gravel surfaced and was previously used as a car lot. The site is zoned HC; Highway Commercial and is basically level. The property is currently under contract for \$60,000, or 80,000 per acre.

LIQUIDATION VALUE

As stated earlier, it is also the purpose of this appraisal to determine the *Liquidation Value* of the subject property subject to a 90-day marketing period. Liquidation Value was defined previously in the Scope of Work section of this report.

The obtainable price at forced and semi-forced liquidation is typically below the market value of the property, often by a significant amount. Most definitions of market value require that “a reasonable time is allowed for exposure in the open market” or that “marketing efforts were adequate, and a reasonable time was allowed for exposure in the open market.” Absence of these requirements of market value usually results in a liquidation value. When there is limited exposure time, there is less opportunity to find the marginal buyer. When calculating the diminution in market value of the property due to liquidation, the estimate of reasonable time to find a buyer is critical. The diminution in market value is the result, not the cause, of the diminution. The exposure time is the primary cause. A forced sale is defined first as offering and transferring property for a valuable consideration under conditions of compulsion. Evidence for a market value/liquidation price ratio of the subject’s property type is scarce. Evidence of such an existing ratio should be studied in terms of the method of sale, the type of property, the relative demand for the product, and the type of buyer. While the liquidation price can relate to the market value of a normal sale, this ratio is less significant than the factors, which influence the price obtainable from liquidation. No uniform ratio exists and what limited market evidence exists is complicated by numerous variables. Relative demand influences the subject tracts’ liquidation price. While the general real estate market and overall economic conditions are important, the most significant aspect of relative demand is the demand for the subject’s specific property type. The relative demand for the specific type of property influences the financing availability. Experience indicates no assurance that some properties will sell in 30, 60, 90, or even 180 days with the possible exception of an absolute auction. I have consulted with brokers who have sold properties at liquidation prices. Indications are that the properties have sold for discount at approximately 30% to 60% of their market values. As previously stated, the sale prices are generally determined by the location of the subject property, and the demand for the type of property.

Considering current market conditions as well as the subject property’s location, it is estimated that the subject could sell at a liquidated value discounted by approximately 40% of its market value within a 90-day marketing period. Please see **Exhibit III** below.

LIQUIDATION VALUE - Continued

The Liquidation Value of the Fee Simple Estate of the subject property with a 90-day marketing period, as of November 18, 2019 is estimated as follows:

90-Day Liquidation Value
THIRTY-THREE THOUSAND DOLLARS
(\$33,000)

<i>Exhibit III</i>	
LIQUIDATION VALUE	
721 Anderson Street	
Belton, SC 29627	
<hr/>	
Market Value	\$70,000
Less Costs of:	
1.) Taking Possession	\$5,000
Preserving The Asset	
2.) Management	\$1,000
3.) Miscellaneous	\$500
Marketing The Asset	
4.) Sales Commission (6%)	\$2,520
Lender's Stigma (40% Discount)	\$28,000
Delinquent Real Estate Taxes	\$0
Liquidation (Net Collateral Value)	<hr/> \$32,980
Rounded:	\$33,000

EXPOSURE TIME

Exposure Time is defined as:

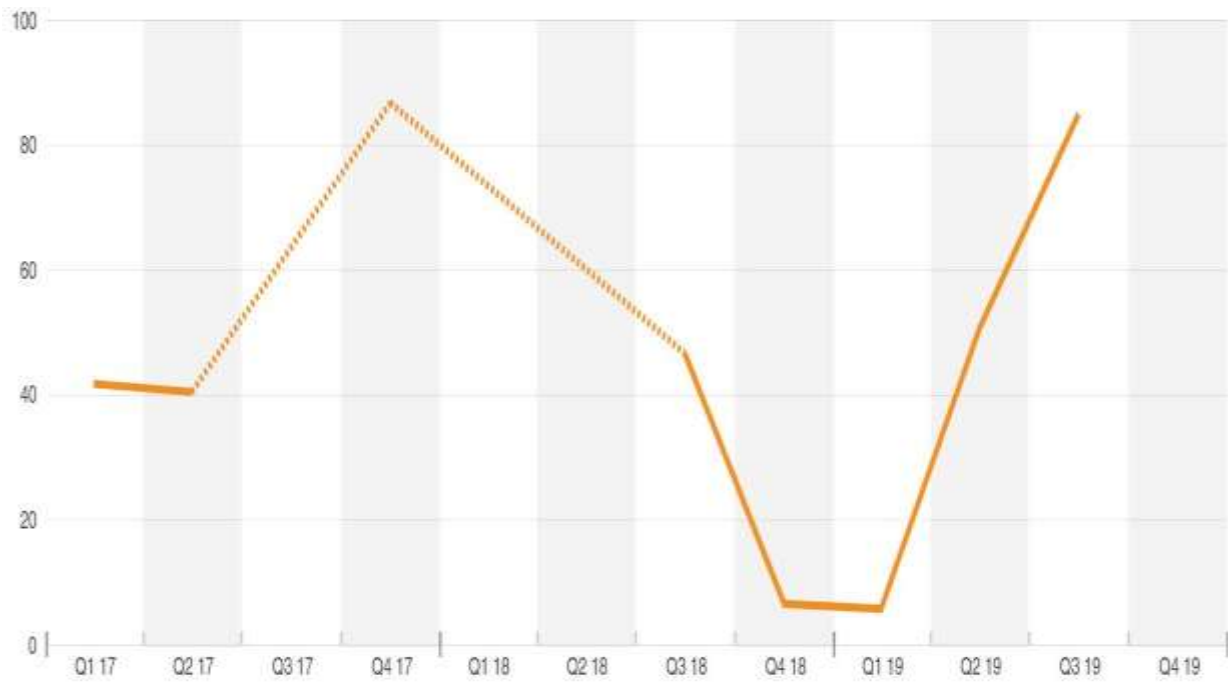
“Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Exposure Time may be defined as the estimated length of time that a 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. Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. This statement focuses on the time component.

The fact that exposure time is always presumed to occur prior to the effective date of the appraisal is substantiated by related facts in the appraisal process: supply/demand conditions as of the effective date of the appraisal; the use of current cost information; the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer); and the analysis of future income expectancy projected from the effective date of the appraisal.”⁶ Based on discussions with local appraisers, bankers, surveys, and real estate brokers combined with sales of comparable properties, we believe that a reasonable exposure time for a property such as the subject, would be 24-48 months.

⁶*Statement on Appraisal Standards No. 6 (SMT-6), “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions*, (USPAP 2016 - 2017 Edition) Appraisal Standards Board of The Appraisal Foundation.

EXPOSURE TIME - Continued



MARKETING PERIOD

Marketing Period is defined as:

"The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal."⁷

Estimating a marketing period is a very subjective exercise due to the forces operating in the market. The rise and fall in interest rates, general state of the economy, size of a property, changes in land uses and marketing expertise all impact a marketing period. All the above plus several additional factors would play a role in the time it would take to sell the subject property. Since many of these forces are unpredictable, we feel it is necessary to qualify any marketing estimate. In determining a marketing period, the appraiser may utilize statistical information of comparable sales to conclude the number of days on the market or obtain an estimate from active participants or brokers in the marketplace. Since the improvements represent the highest and best use as improved, its purchaser would most likely be an active knowledgeable investor.

Discussions with local appraisers, bankers and real estate brokers, combined with sales of comparable properties lead us to believe, that if properly priced for current conditions and professionally marketed, the subject property could sell within 24-48 months.

⁷Advisory Opinion 7 (USPAP 2016 - 2017 Edition) Appraisal Standards Board of The Appraisal Foundation.

CERTIFICATION

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, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

CERTIFICATION - Continued

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



Thomas B. Mahaffey, MAI, CCIM
State Certified General Real Estate Appraiser
SC Certificate No. CG 4207



John T. Palmer, Jr.
Apprentice Appraiser
SC Certificate No. 7836

November 29, 2019
Date

APPRAISER'S QUALIFICATIONS

Thomas B. Mahaffey, MAI, CCIM

EDUCATION:

- Graduated Wofford College, BA in Economics, 1989.
- Foundations of Real Estate Appraisal (L-1), Columbia, South Carolina 2001.
- Appraisal Principles, (L-2), Columbia, South Carolina 2001.
- Uniform Standards of Professional Appraisal Practice (L-3), Columbia, South Carolina 2001.
- Appraisal Institute - Basic Income Capitalization, Savannah, Georgia 2002.
- Appraisal Institute – General Applications, Atlanta, Georgia 2003.
- Appraisal Institute – Advanced Income Capitalization, Atlanta, Georgia 2003.
- Appraisal Institute Property Valuation Case Study – 03-CR-105, Columbia, South Carolina 2004.
- Appraisal Institute – Highest and Best Use and Market Analysis, Atlanta, Georgia 2004.
- Appraisal Institute – National USPAP, Atlanta, Georgia 2004.
- Appraisal Institute – Business Practices and Ethics, Atlanta, Georgia 2004.
- Appraisal Institute – Advanced Sales Comparison and Cost Approach, Tampa, Florida 2004.
- Appraisal Institute – Report Writing and Valuation Analysis, Tampa, Florida 2005.
- Appraisal Institute – Advanced Applications, Pittsburgh, Pennsylvania 2006.
- Appraisal Institute - Evaluating Commercial Construction, Columbia, South Carolina 2008.
- Appraisal Institute - Condemnation Appraising: Principals & Applications, Atlanta, Georgia 2009.
- Appraisal Institute - Fundamentals of Separating Real, Personal Property, and Intangible Business Assets, Columbia, South Carolina, 2012.
- Appraisal Institute – Marketability Studies: Advanced Considerations & Applications, Columbia, SC 2013.
- Appraisal Institute – Quantitative Analysis: Greensboro, North Carolina 2013.
- Appraisal Institute – Small Hotel/Motel Valuation: Limited-Service Lodging, October 2015.
- Appraisal Institute – Appraising Convenience Stores, February 2016.
- Appraisal Institute – Subdivision Valuation, February 2016.
- Appraisal Institute - 7 Hour USPAP Update Course (2018-2020), Columbia, SC 2018.
- Appraisal Institute = Business Practice and Ethics 2019
- Appraisal Institute – Comparative Analysis, June 2018
- Appraisal Institute – Rates & Ratios, June 2018
- Appraisal Institute – Appraisal of Medical Office Buildings
- CCIM Institute – Financial Analysis for Commercial Investment Real Estate 2014.
- CCIM Institute – Market Analysis for Commercial Investment Real Estate 2014.
- CCIM Institute – User Decision Analysis for Commercial Investment Real Estate 2014.
- CCIM Institute – Investment Analysis for Commercial Investment Real Estate 2014.
- CCIM Institute – Online Ethics Course 2014.
- CCIM Institute – Preparing to Negotiate 2014.
- CCIM Institute – Introduction to Real Estate Development Workshop 2017

PROFESSIONAL AFFILIATIONS:

Member of Appraisal Institute with the MAI Designation
Certified Commercial Investment Member - CCIM - Designee
National Association of Realtors Affiliate (IA)
Greater Greenville Association of Realtors (GGAR)

LICENSED:

South Carolina, Certified General Real Estate Appraiser - License No. CG4207.
North Carolina, Certified General Real Estate Appraiser – License No. A7994

EMPLOYMENT:

July 2015 – Present: Mahaffey & Associates, LLC., Spartanburg, South Carolina, Owner/Real Estate Appraiser/Consultant.
December 2001 - July 2015: Stone & Associates, Inc., Greenville, South Carolina, Real Estate Appraiser/Consultant.

APPRAISAL EXPERIENCE:

Appraisal experience consists of various types of commercial properties including, but not limited to; vacant land, office buildings, shopping centers, bank buildings, office/warehouse buildings, multi-family, industrial buildings, medical office buildings, churches, single tenant national retail, restaurants, post offices, self-storage, and various additional property types.

APPRAISER'S QUALIFICATIONS

John T. Palmer, Apprentice

EDUCATION:

- Bachelor of Arts, The Citadel, The Military College of South Carolina, 2014
- Appraisal Institute—Basic Appraisal Principles (QE1), 2019
- Appraisal Institute—Basic Appraisal Procedures (QE2), 2019
- Appraisal Institute—National Uniform Standards of Professional Appraisal Practice, USPAP (QE3), 2019
- Appraisal Institute—Supervisory Appraiser/Trainee Course, 2019

LICENSED:

South Carolina, Apprentice Appraiser—License Number: 7836

EMPLOYMENT:

February 2019 – Present: Mahaffey & Associates, LLC., Spartanburg, South Carolina, Apprentice Appraiser

February 2017—February 2019: Bonitz, Inc., Contracting Project Manager

March 2016—January 2017: Dan Ryan Builders, Project Manager

May 2014—February 2016: Sabal Homes, LLC, Assistant Construction Superintendent

APPRAISAL EXPERIENCE:

Appraisal experience consists of various types of commercial properties including, but not limited to; vacant land, office buildings, shopping centers, bank buildings, office/warehouse buildings, multi-family, industrial buildings, medical office buildings, churches, single tenant national retail, restaurants, post offices, self-storage, and various additional property types.

PARTIAL LISTING OF COMPANY CLIENTS

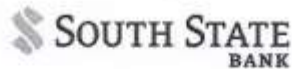
Lending Institutions

- Arthur State Bank
- Bank of Travelers Rest
- Bank Greenville
- Bank of North Carolina
- Branch Banking and Trust Co.
- Macon Bank
- Capital Bank
- CertusBank
- County Bank
- First Citizens
- Greer State Bank
- Palmetto Bank
- Professional Mortgage
- SunTrust Bank
- TD Bank, N.A.
- Wells Fargo
- Carolina Alliance bank
- Cornerstone National Bank
- PNC Bank
- South State bank
- UCBi
- Park Sterling Bank
- Pinnacle Bank
- Regions Bank
- Southern First

Commercial and Other

- City of Greenville, SC
- City of Greer, SC
- City of Simpsonville, SC
- City of Travelers Rest, SC
- Mission Hospital

ADDENDA



Date: November 7, 2019

Appraisal Order #: 19-004926-01-01

Thomas B. Mahaffey
Mahaffey & Associates, LLC
P. O. Box 171805
Spartanburg, SC29301

Dear Thomas B. Mahaffey,

This is our request for a professional appraisal service, which requires your endorsement. The assignment must be prepared in accordance with South State Bank's Appraisal Policy and Guidelines. In addition, the appraisal must conform with the specific conditions indicated on the following pages.

Authorization: This is your authorization to proceed with the assignment.

Requestor: South State Bank

Confidentiality: The undersigned authority is your confidential client. You are to take all reasonable steps to ensure that you and your organization divulge no information concerning your report to any person other than the undersigned.

Transmittal: The following information has been provided to aid you in the assignment: (plans and specs, cost analysis, etc.)

Property Contact(s): Max Kisner, Re Agent
Phone: 404-791-0865

BorrowerName(s): Fixed Asset - 721 Anderson St

Fee: \$900 **Due Date:** November 29, 2019

Property Location: 721 Anderson Street, Belton, SC29627

Parcel Number(s): 226-10-03-013-000

Property Description: Land

Property Type: Land - Commercial

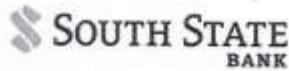
Intended Use: The intended use of this appraisal is to establish market value conclusion and market strategies for recovered portfolio

Intended User: The intended users of this report is South State Bank and-or affiliates

Approaches to Value: All Applicable Approaches

Inspection Requirements: An interior and exterior inspection of the subject property is required. Please include a building sketch with field measurements, exterior and interior photos documenting layout and significant characteristics impacting market value. Photos of all comparables are required. Please include a copy of the most recent recorded plat or survey of the subject property and all land comparables in report. Measurements based

v 1.3037.0



on GIS information will not be accepted unless there are no legal documents recorded.

Taxes: The property taxes must be discussed and should include Assessor's estimate of Market Value, assessment and millage rates, payment status, any delinquent amount due and date. If current, next payment date and amount. Any potential escalation of the property taxes on the property being appraised due to state mandatory statutes concerning changes in taxes upon the sale of the property must be discussed and considered in the valuation process.

File Identification: Display the Client File number with the property information on the invoice, cover page, transmittal letter, and summary of salient facts page.

Marketing: The subject property history must include a discussion about the details and adequacy of the marketing effort, if applicable.

Report Requirements: A copy of the engagement letter, appraiser's qualifications and copies of current applicable state license cards will be included in the addenda. The report will include applicable assumptions and limiting conditions as well as a signed certification for each appraiser. Please include a copy of the most recent recorded deed, containing a legal description of the subject property, in the Addenda of the appraisal.

Additional Work Scope: None.

Report Type: Appraisal Report

Format: Narrative

<u>Appraisal Premise</u>	<u>Premise Qualifier</u>	<u>Property Interest</u>	<u>Comment</u>
Market Value	As-Is	Fee Simple	
Liquidation Value - 90-Days	As-Is	Fee Simple	

Award Comments (If any): When completed, please upload an electronic copy of your report to the www.rimscentral.com web site, in addition to your instructions for hard-copy report distribution. Please also include the compliance checklist at the end of your report.

Hard Copy Distribution (if any): 0 Copy to:
Jody Odom, MAI, AI-GRS, CRE, MAI, AI-GRS, CRE
South State Bank
817 Dave Gibson Road
Fort Mill, SC 29708

Job Manager Contact: Jody Odom, MAI, AI-GRS, CRE
Phone: 803-802-9373
Email: jody.odom@southstatebank.com

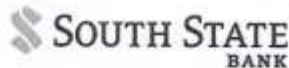
Effective Date: The date of valuation must be within thirty (30) days of the date of delivery, unless instructed otherwise.

Appraisal Premise

As an additional requirement, this engagement letter must be signed and included in the addendum of your report.

Addressee: The reports are to be addressed to the undersigned.

v.1.3011.0



Conflict of Interest: All members and/or appraisal sub-contractors of your organization certify that they have no personal, business or other relationship with the subject property's ownership, or have attached an explanation disclosing the nature of such relationship(s). Further, your acceptance of this assignment certifies that you agree not to accept or pursue the appraisal, or related assignment, of the subject property, or other assignments with the subject property's ownership (excluding limited partners, who are not primary principals, and other financial institutions), for a period extending one year from the later of the effective date of the assignment, its delivery date, or the conclusion of ongoing or pending litigation, without prior written notification to South State Bank.

Commitment: It is our understanding that an electronic copy of the report and an original be submitted to the undersigned on or before 11/29/2019, together with your bill for services in the amount of \$900. Time is of the essence. You agree that if any problems are encountered that would delay completion of the assignment; you will notify this office immediately.

A \$100 per day fine will be imposed for appraisal reports not delivered as promised or without prior notice as outlined herein. This penalty does not apply to single family residential property appraisal or evaluations. If an appraisal or evaluation is not completed and received on or before the scheduled due date (unless otherwise notified), South State Bank reserves the right, at its sole discretion, to cancel your employment under this agreement, in which case no fee will be paid. Notwithstanding the right to cancel, South State Bank may at its sole discretion elect to accept the appraisal report subject to the late penalty previously stated.

Your appraisal report will be reviewed upon receipt by an association reviewer; and an outside professional appraisal review firm may be utilized. The assignment is not considered complete until these reviews reveal the report to be in compliance with the requirements of South State Bank's appraisal policies. Our request for additional support or clarification, based on these reviews should be performed expeditiously.

As confirmation of your acceptance of this assignment under the terms specified in this letter, please return a signed copy of this engagement letter to us and include a copy in the addenda to the report. Signing of this engagement letter indicates that an appraisal report will comply with the most current USPAP and all guidelines specified.

All appraisal assignments completed for South State Bank are subject to review by South State Bank's authorized reviewers. Acceptance of an appraisal assignment from South State Bank indicates the signing appraiser(s) will cooperate with our reviewers in providing clarification or supplemental information to the report. Appraisers should respond to the reviewer in a timely manner. In the event South State Bank elects to pay the appraisal fee prior to the completion of the appraisal review process, the appraiser's obligation to cooperate during the review process may extend beyond the payment of the appraisal fee.

The signatory of this engagement letter must be a signatory to the assignment report and must inspect the property to be valued. Any changes to this agreement must be agreed to, in writing, by the undersigned.

Your acceptance of the appraisal assignment indicates the following:

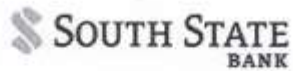
- Certifies that neither you, nor your employees, nor appraiser associates have an interest in the real estate described in the engagement and/or appraisal order; and that neither you, nor your employees, nor appraiser associates have a personal, business or client relationship with either the owner or the prospective purchaser of the property identified.
- Certifies the competency of the signing appraiser(s) to complete this assignment in accordance with the Competency Provision in USPAP.
- Certifies the persons preparing and signing the appraisal report are appropriately state certified or licensed in the subject property's state. A copy of each signing appraiser's license(s) must be included in the addendum of the appraisal report.
- Certifies that you agree to provide appraisal services in accordance with South State Bank's appraisal policy.

FIRREA Appraisal Standards

For federally related transactions, all appraisals shall, at a minimum:

- (1) Comply with the Uniform Standards of Professional Appraisal Practice ("USPAP");
- (2) Be sufficiently informative to support the institution's lending decision;
- (3) Analyze and report deductions and discounts, when appropriate;

* 1.007.0



(4) State a Market Value estimate, as defined by this appraisal regulation;

(5) Be performed by a State licensed or certified appraiser.

The following items should be included in every report:

- Signed copy of engagement letter
- Copy of appropriate state certifications in addenda
- Properly completed invoice

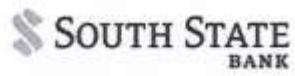
Please contact me at jody.odom@southstatebank.com if you have any questions.

Sincerely,

Jody Odom, MAI, AI-GRS, CRE

This document was created 11/7/2019 11:48:35 AM\0 by Jody Odom, MAI, AI-GRS, CRE for South State Bank. The user's identity has been verified and authenticated by RIMS through a secure login. The original version of this document is retained in RIMS.

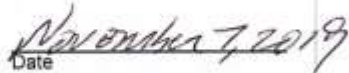
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ACCEPTED:

Mahaffey & Associates, LLC


Thomas B. Mahaffey


Date

41,00020

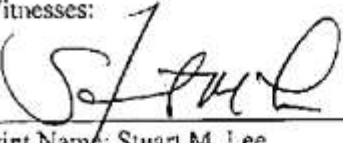
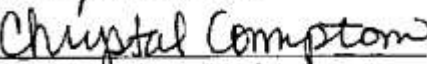
170030193 12/11/2017 Bk: 13158 Pg: 216

3. This affidavit is provided to give record notice that all assets owned by or in the name of Park Sterling Bank are now deemed owned and effectively titled in South State Bank, a South Carolina state chartered banking corporation, including but not limited to real property, loan documents, mortgages, assignments of leases and rents, uniform commercial code filings and other liens or collateral positions which may have been previously owned or held by Park Sterling Bank.
4. This Affidavit shall be deemed to be effective as of November 30, 2017 at 11:59:59 PM Eastern Standard Time notwithstanding the execution date hereof.


[SIGNATURE PAGE TO FOLLOW]

Executed this 29th day of November, 2017.

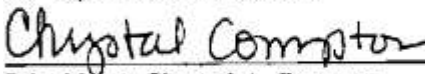
Witnesses:


Print Name: Stuart M. Lee

Print Name: Chrystal A. Compton

SOUTH STATE BANK

By: 
V. Nicole Comer, Senior Vice
President Corporate Counsel

Sworn to before me this
29th day of November, 2017.


Print Name: Chrystal A. Compton
Notary Public for South Carolina
My Commission Expires: April 1, 2024



State of South Carolina)
)
County of Richland)

Notary Acknowledgement

I, Chrystal Compton, a Notary Public for the State of South Carolina, certify that V. Nicole Comer personally appeared before me this day and acknowledge that she is the Senior Vice President, Corporate Counsel of South State Bank, a South Carolina state chartered banking corporation and that she as Senior Vice President, Corporate Counsel of South State Bank, a South Carolina state chartered banking corporation, being authorized to do so, executed the foregoing instrument on behalf of the said corporation.

Witness my hand and office seal, this 29th day of November, 2017.



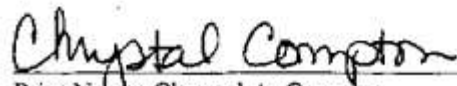

Print Name: Chrystal A. Compton
Notary Public for South Carolina
My Commission Expires: April 1, 2024

EXHIBIT "A"

ARTICLES OF MERGER-SOUTH CAROLINA
PARK STERLING BANK INTO SOUTH STATE BANK

170030193 12/11/2017 Bk: 13158 Pg: 220

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF MERGER

Corporation – Domestic
Filing Fee – \$110.00

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to S.C. Code of Laws § 33-11-105, the undersigned, as the surviving corporation in the Merger (as defined below), hereby submits the following information:

1. The name of the surviving corporation is **South State Bank**.
2. Attached hereto and made a part hereof is a copy of the Plan of Merger (see S.C. Code of Laws, Title 33, Ch. 11). Duplicate copies of the Plan of Merger must be attached in order for this form to be filed.

Attached hereto as Appendix A is a copy of the Agreement and Plan of Merger dated November 29, 2017, by and between South State Bank, a South Carolina banking corporation, and Park Sterling Bank, a North Carolina-chartered commercial bank.

3. Complete the following information to the extent it is relevant with respect to each corporation which is a party to the transaction:

(a) Name of the corporation: **Park Sterling Bank**.

Complete either (1) or (2), whichever is applicable:

- (1) ☐ Shareholder approval of the merger was not required (see S.C. Code of Laws § 33-11-103(h)).
- (2) ☒ The Plan of Merger was duly approved by shareholders of the corporation as follows:

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the Meeting ⁽¹⁾	Total Number of Votes Cast FOR	Total Number of Votes Cast AGAINST
Common stock	28,051,098	28,051,098	28,051,098	28,051,098	0

*NOTE: Pursuant to S.C. Code of Laws § 33-11-105(a)(3)(ii), the corporation can alternatively state the total number of undisputed votes cast for the Plan of Merger separately by each voting group with a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.

⁽¹⁾ The merger was approved by written consent of Park Sterling Corporation, the sole shareholder of Park Sterling Bank.

SC Secretary of State
Mark Hammond

(b) Name of the corporation: **South State Bank.**

Complete either (1) or (2), whichever is applicable:

- (1) ☐ Shareholder approval of the merger was not required (see S.C. Code of Laws § 33-11-103(h)).
- (2) ☒ The Plan of Merger was duly approved by shareholders of the corporation as follows:

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the Meeting ⁽¹⁾	Total Number of Votes Cast FOR	Total Number of Votes Cast AGAINST
Common stock	566,290	566,290	566,290	566,290	0

*NOTE: Pursuant to S.C. Code of Laws § 33-11-105(a)(3)(ii), the corporation can alternatively state the total number of undisputed votes cast for the Plan of Merger separately by each voting group with a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.

⁽¹⁾ The merger was approved by written consent of South State Corporation, the sole shareholder of South State Bank.

4. Unless a delayed date is specified, the effective date of this document shall be the date it is accepted for filing by the Secretary of State (see S. C. Code of Laws § 33-1-230(b)):

The merger shall become effective at 11:59 p.m. Eastern Time on November 30, 2017.

Date: November 30, 2017

South State Bank

Name of the Surviving or Acquiring Corporation



Signature and Office

Name: John F. Windley

Office: Chief Executive Officer and President

Type or Print Name and Office

Filing Checklist

- Articles of Merger (filed in duplicate)
- Attach a copy of the Plan of Merger
- \$110.00 made payable to the South Carolina Secretary of State
- Self-Addressed, Stamped Return Envelope
- Make sure the proper individual has signed the form (please see S.C. Code of Laws § 33-1-200(f)).

Corporate forms filed with the Secretary of State should be signed by:

- (1) the Chairman of the Board of Directors, president or another of its officers
- (2) if directors have not been selected or the corporation has not been formed, by incorporators, or
- (3) if the corporation is in the hands of a receiver, trustee or other court appointed fiduciary, by that fiduciary.

- Return all documents to: South Carolina Secretary of State's Office
Attn: Corporate Filings
1205 Pendleton Street, Suite 525
Columbia, SC 29201

[Signature Page to Articles of Merger]

170030193 12/11/2017 Bk: 13158 Pg: 223

Appendix A
Agreement and Plan of Merger
(see attached)

**AGREEMENT AND PLAN OF MERGER OF
SOUTH STATE BANK
AND
PARK STERLING BANK**

This Agreement and Plan of Merger (this "Agreement"), dated as of November 29, 2017, is made by and between South State Bank, a South Carolina banking corporation, and Park Sterling Bank, a North Carolina-chartered commercial bank. Each of South State Bank and Park Sterling Bank may be referred to individually as a "Party," or together as the "Parties."

WITNESSETH:

WHEREAS, South State Bank is a South Carolina banking corporation, all the issued and outstanding capital stock of which is owned as of the date hereof directly by South State Corporation, a South Carolina corporation ("South State");

WHEREAS, Park Sterling Bank is a North Carolina-chartered commercial bank, all the issued and outstanding capital stock of which is owned as of the date hereof directly by Park Sterling Corporation, a North Carolina corporation ("PSTB");

WHEREAS, South State and PSTB have entered into an Agreement and Plan of Merger, dated as of April 26, 2017 (as amended and/or supplemented from time to time, the "Merger Agreement"), pursuant to which, subject to the terms and conditions thereof, PSTB will merge with and into South State (the "Merger"), with South State surviving the Merger as the surviving corporation and as the direct parent of Park Sterling Bank;

WHEREAS, contingent upon the Merger, on the terms and subject to the conditions contained in this Agreement, the Parties intend to effect the merger of Park Sterling Bank with and into South State Bank, with South State Bank surviving the merger (the "Bank Merger"); and

WHEREAS, the board of directors of South State Bank and the board of directors of Park Sterling Bank deem the Bank Merger desirable and in the best interests of their respective banks, and have authorized and approved the execution and delivery of this Agreement and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the Parties do hereby agree as follows:

ARTICLE I

BANK MERGER

Section 1.01 The Merger. Subject to the terms and conditions of this Agreement, at the Effective Time (as defined below), Park Sterling Bank shall be merged with and into South State Bank pursuant to the provisions of, and with the effect provided in, applicable law. At the Effective Time, the separate existence of Park Sterling Bank shall cease, and South State Bank, as the surviving entity (the "Surviving Bank"), shall continue unaffected and unimpaired by the

Bank Merger. All assets of Park Sterling Bank as they exist at the Effective Time of the Bank Merger shall pass to and vest in the Surviving Bank without any conveyance or other transfer. The Surviving Bank shall be responsible for all of the liabilities of every kind and description of each of the merging banks existing as of the Effective Time of the Bank Merger.

Section 1.03 Closing. The closing of the Bank Merger will take place immediately following the Merger or at such other time and date as specified by the Parties, but in no case prior to the Merger or the date on which all of the conditions precedent to the consummation of the Bank Merger specified in this Agreement shall have been satisfied or duly waived by the Party entitled to satisfaction thereof, at such place as is agreed by the Parties.

Section 1.05 Effective Time. Subject to applicable law, the Bank Merger shall become effective as of the date and time specified in the Articles of Merger filed with the Secretary of State of the State of South Carolina and, if required, with the Secretary of State of the State of North Carolina (such date and time being herein referred to as the "Effective Time").

Section 1.04 Articles of Association and Bylaws. The articles of association and bylaws of South State Bank in effect immediately prior to the Effective Time shall be the articles of association and the bylaws of the Surviving Bank, in each case until amended in accordance with applicable law and the terms thereof.

Section 1.05 Board of Directors. At the Effective Time, the board of directors of the Surviving Bank shall consist of (a) those persons serving as directors of South State Bank immediately prior to the Effective Time, (b) James C. Cherry and (c) one other current non-employee member of the board of directors of PSTB mutually agreed upon by South State and PSTB (it being understood that such non-employee member must be approved by the Governance Committee of the board of directors of South State).

Section 1.06 Name and Main Office. The name of the Surviving Bank shall be "South State Bank" and the main office of the Surviving Bank shall be at 520 Gervais Street, Columbia, South Carolina 29201.

Section 1.07 Tax Treatment. It is the intention of the Parties that the Bank Merger be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

ARTICLE II

CONSIDERATION

Section 2.01 Effect on Park Sterling Bank Capital Stock. By virtue of the Bank Merger and without any action on the part of the holder of any capital stock of Park Sterling Bank, at the Effective Time, all shares of Park Sterling Bank capital stock issued and outstanding shall be automatically cancelled and retired and shall cease to exist, and no cash, new shares of common stock, or other property shall be delivered in exchange therefor.

Section 2.02 Effect on South State Bank Capital Stock. Each share of South State Bank capital stock issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding and unaffected by the Bank Merger.

ARTICLE III

COVENANTS

Section 3.01 During the period from the date of this Agreement and continuing until the Effective Time, subject to the provisions of the Merger Agreement, each of the Parties agrees to use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01 The Bank Merger and the respective obligations of each Party to consummate the Bank Merger are subject to the fulfillment or written waiver of each of the following conditions prior to the Effective Time:

- a. The approval of (i) the Federal Deposit Insurance Corporation, (ii) the South Carolina State Board of Financial Institutions and (iii) to the extent required, the North Carolina Commissioner of Banks, in each case with respect to the Bank Merger, shall in each case have been obtained and shall be in full force and effect, and all related waiting periods shall have expired, and all other material approvals and authorizations of, filings and registrations with, and notifications to, all governmental authorities required for the consummation the Bank Merger shall have been obtained or made and shall be in full force and effect, and all waiting periods required by law shall have expired.
- b. The Merger shall have been consummated in accordance with the terms of the Merger Agreement.
- c. No jurisdiction or governmental authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order or law (whether temporary, preliminary or permanent) which is in effect and prohibits consummation of the Bank Merger.
- d. This Agreement shall have been approved by the sole shareholder of each of South State Bank and Park Sterling Bank.

ARTICLE V

TERMINATION AND AMENDMENT

Section 5.01 Termination. This Agreement may be terminated at any time prior to the Effective Time by an instrument executed by each of the Parties. Notwithstanding the approval of this Agreement by the sole shareholder of South State Bank or the sole shareholder of Park Sterling Bank, this Agreement will terminate automatically prior to the Effective Time upon the termination of the Merger Agreement. In the event of termination of this Agreement as provided in this Section 5.01, this Agreement shall forthwith become void and have no effect.

Section 5.02 Amendment. This Agreement may not be amended, except by an instrument in writing signed on behalf of each of the Parties.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01 Representations and Warranties. Each of the Parties represents and warrants that this Agreement has been duly authorized, executed and delivered by such Party and (assuming due authorization, execution and delivery by the other Party) constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with the terms hereof, except as such enforceability may be limited by (x) the effect of bankruptcy, insolvency, fraudulent transfer, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally or (y) the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless whether considered in a proceeding in equity or at law.

Section 6.02 Nonsurvival of Agreements. None of the agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time.

Section 6.03 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and sent by facsimile, by nationally recognized overnight courier service or by registered mail and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section 6.03 prior to 5:00 p.m. (New York City time) on a Business Day (as defined in the Merger Agreement), (ii) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section 6.03 later than 5:00 p.m. (New York City time) or at any time on a date that is not a Business Day, (iii) when received, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given if sent by registered mail. The address for such notices and communications shall be as follows:

If to South State Bank, to:

South State Corporation
520 Gervais Street
Columbia, South Carolina 29201
Attention: John C. Pollok
Facsimile: (803) 531-0524

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Matthew M. Guest, Esq.
Facsimile: (212) 403-2000

If to Park Sterling Bank, to:

Park Sterling Bank
1043 East Morehead Street, Suite 201
Charlotte, North Carolina 28204
Attention: Donald K. Truslow
Facsimile: (704) 716-2138

with a copy (which shall not constitute notice) to:

McGuireWoods LLP
201 North Tryon Street
Suite 3000
Charlotte, North Carolina 28202
Attention: Chris Scheurer, Esq.
Facsimile: (704) 444-8772

Section 6.04 Interpretation. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 6.05 Counterparts. This Agreement may be executed in two (2) or more counterparts (including by facsimile or other electronic means), all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that each Party need not sign the same counterpart.

Section 6.06 Entire Agreement. This Agreement (including any exhibits thereto, and the documents and instruments referred to in this Agreement) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement, other than the Merger Agreement.

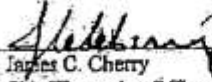
Section 6.07 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to any choice- or conflict-of-law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware; provided, that the North Carolina Business Corporation Act shall govern to the extent mandatorily applicable to North Carolina corporations and North Carolina banks, as applicable, and the South Carolina Business Corporation Act shall govern to the extent mandatorily applicable to South Carolina corporations and South Carolina banks, as applicable.

Section 6.08 Assignment. Neither this Agreement nor any of the rights, interests or obligations may be assigned by any of the Parties and any attempted assignment in contravention of this Section 6.08 shall be null and void.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in counterparts by their duly authorized officers and attested by their officers thereunto duly authorized, all as of the day and year first above written.

PARK STERLING BANK


By: James C. Cherry
Title: Chief Executive Officer

SOUTH STATE BANK

By: John F. Windley
Title: President and Chief Executive Officer

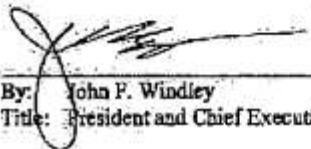
(Signature Page to the Agreement and Plan of Merger)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in counterparts by their duly authorized officers and attested by their officers thereunto duly authorized, all as of the day and year first above written.

PARK STERLING BANK

By: James C. Cherry
Title: Chief Executive Officer

SOUTH STATE BANK

By: 
Title: President and Chief Executive Officer

(Signatures Page to the Agreement and Plan of Merger)

EXHIBIT "B"

CERTIFICATE OF MERGER-NORTH CAROLINA
PARK STERLING BANK INTO SOUTH STATE BANK

STATE OF NORTH CAROLINA
DEPARTMENT OF SECRETARY OF STATE

ARTICLES OF MERGER

Pursuant to North Carolina General Statute Sections 55-11-05(a), the undersigned entity does hereby submit the following Articles of Merger as the surviving business entity in a merger between two or more business entities.

1. The name of the surviving entity is South State Bank, a corporation organized under the laws of South Carolina (the "Surviving Entity").
2. The address of the Surviving Entity is 520 Gervais Street, Columbia, South Carolina 29201, County of Richland.
3. The name of the merged entity is Park Sterling Bank, a corporation organized under the laws of North Carolina (the "Merged Entity").

The mailing address of the Merged Entity is 1043 East Morehead Street, Suite 201, Charlotte, North Carolina 28204, County of Mecklenburg.

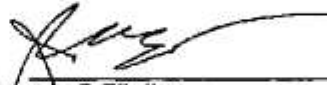
4. The Agreement and Plan of Merger between the Surviving Entity and the Merged Entity has been duly approved in the manner required by law by each of the Surviving Entity and the Merged Entity.
5. These Articles of Merger will be effective at 11:59 p.m. Eastern Time on November 30, 2017.

This is the 30th day of November, 2017.

[Signature page follows]

South State Bank has caused these Articles of Merger to be signed by the authorized officer below as of the date first set forth above.

SOUTH STATE BANK

By: 
Name: John F. Windley
Title: Chief Executive Officer and President

(Signature page to North Carolina Articles of Merger of Banks)



OFFICE OF THE COMMISSIONER OF BANKS

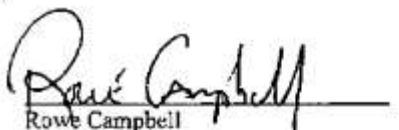
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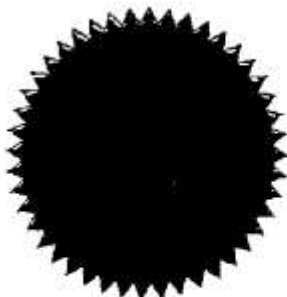
**CERTIFICATE OF AUTHORITY
FOR ARTICLES OF MERGER**

South State Bank, Columbia, South Carolina, a South Carolina state-chartered bank, and Park Sterling Bank, Charlotte, North Carolina, a North Carolina state-chartered bank, have submitted to me as Chief Deputy Commissioner of Banks for the State of North Carolina, Articles of Merger between the said institutions for the purpose of merging Park Sterling Bank into South State Bank with the surviving institution being South State Bank, pursuant to the Supervisory Order of the Commissioner of Banks.

I hereby certify that these Articles of Merger were approved by the Office of the Commissioner of Banks on the 9th day of October, 2017. Authority to file the Articles of Merger is, therefore, granted.

This the 23rd day of October, 2017.


Rowe Campbell
Chief Deputy Commissioner of Banks



170030193 12/11/2017 02:18:25 PM
FILED, RECORDED, INDEXED
Bk: 13158 Pg: 216 Pages: 20
Rec Fee: 26.00 St Fee: 0.00
Co Fee: 0.00
REGISTER OF DEEDS, ANDERSON CO, SC
Wendy Reffel

BCD1251696

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

THOMAS B MAHAFFEY

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: **4207**

Expiration Date: 06/30/2020

POCKET CARD

Laura L. Smith

Administrator

BCD1241256

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

JOHN TAYLOR PALMER JR

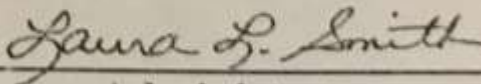
Is hereby entitled in practice as a:

Apprentice Appraiser

License Number: 7836

Expiration Date: 06/30/2020

POCKET CARD



Administrator

Property Name:	Vacant Land	Project Number:	19-004926-01-01
Location:	721 Anderson St, Belton, SC 29627	Borrower Name:	
Appraiser(s) / Firm:	Mahaffey & Associates, LLC	Assignment	Appraisal
		Report Type:	Narrative

USPAP REQUIREMENTS		Compliance Page(s)
1.	Does the appraisal consider and analyze all agreements of sale, purchase options, or listings of the subject property current as of the effective date of appraisal. S.R. 1-5 (a)	YES Pg. 10
2.	Does the appraisal consider and analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal. S.R. 1-5 (b)	YES Pg. 10
3.	Does the appraisal reconcile the quality and quantity of data available and analyzed within the approaches used, and reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s). S.R. 1-6 (a) (b)	NO One approach was used. (Sales)
4.	Does the appraisal state the identity of the client and any intended users (except Restricted Appraisal Report). S.R. 2-2 (abc) (i)	YES Pg. 8
5.	Does the report state the intended use of the appraisal. S.R. 2-2 (abc) (ii)	YES Pg. 8
6.	Does the appraisal identify and state/summarize/describe the real estate being appraised. S.R. 2-2 (abc) (iii)	YES Pg. 42
7.	Does the report state the real property interest being appraised. S.R. 2-2 (abc) (iv)	YES Pg. 8
8.	Does the appraisal state the type and definition of value and its source. S.R. 2-2 (abc) (v)	YES Pg. 9
9.	Does the report state the effective date of the appraisal and the date of the report. S.R. 2-2 (abc) (vi)	YES Pg. 8
10.	Does the report state/summarize/describe sufficient information to disclose to the client and any intended users of the appraisal the scope of work used to develop the appraisal. S.R. 2-2 (abc) (vii)	YES Pg. 6
11.	Does the appraisal state all extraordinary assumptions and hypothetical conditions, and state that their use might have affected the assignment results. S.R. 2-1C, 2-2 (abc) (viii)	YES Trans Letter
12.	Does the appraisal describe/summarize/state the information analyzed, the appraisal procedures followed, and the reasoning that supports the analyses, opinions and conclusions. S.R. 2-2 (abc) (ix)	YES Pg. 55
13.	Does the appraisal describe/summarize/state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal, and when reporting an opinion of market value, describe the support and rationale for the appraiser's opinion of Highest and Best Use of the real estate. S.R. 2-2 (abc) (x)	YES Pgs. 52-55
14.	Does the appraisal state and explain any permitted departures from specific requirements of Standard 1, and the reason for excluding any of the usual valuation approaches. S.R. 2-2 (abc) (xi)	YES Pg. 2
15.	Does the appraisal contain a prominent use restriction (applicable for Restricted Appraisal Reports only). S.R. 2-2 (a) (xi)	N/A
16.	Does the appraisal include a signed certification in accordance with Standards Rule 2-3. S.R. 2-2 (abc) (xii)	YES Pg. 74
FIRREA REQUIREMENTS		YES/NO/ N/A
A.	Does the appraisal conform to USPAP or stricter underwriting standards.	YES
B.	Does the written report contain sufficient information and analysis.	YES
C.	Do the analyses within the appraisal apply appropriate discounts/deductions for proposed construction or renovation, partially leased buildings, non-market lease terms, or tract developments with unrolled units.	YES
D.	Does the appraisal include a definition of market value as defined in 12 CFR 34.42.	YES
E.	Was the appraisal performed by a state licensed or certified appraiser.	YES

Note: The above sections of this compliance checklist are intended to ensure that the appraisal meets the minimum requirements of the Uniform Standards of Professional Appraisal Practice and FIRREA. The scope of this work is not that of an appraisal review. Furthermore, this checklist is not required to conform to Standard 3 of the Uniform Standards of Professional Appraisal Practice. The reviewer does not make judgments on the analysis or conclusions within the report.

Initialed: TBM
Date: 11/29/2019

Property Name:	Vacant Land	Project Number:	19-004926-01-01
Location:	721 Anderson St, Belton, SC 29627	Borrower Name:	
Appraiser(s) / Firm:	Mahaffey & Associates, LLC	Assignment / Report Type:	Appraisal Narrative

SOUTH STATE BANK REQUIREMENTS		Compliance Page(s)
1.	The type of inspection, i.e. Complete Interior & Exterior Inspection, Off-Site Observation, Exterior Access Only, as well as the Effective Date(s) of the inspection must be clearly and prominently set forth in the appraisal report.	YES Pgs 8 & 56
2.	The appraiser(s) conclusion of the most likely purchaser of the property, i.e. owner-occupant, local investor or entity, regional investor or entity, national / institutional investor or entity, REIT, public complex, etc. must be presented in the report.	YES Pg 54
3.	The property taxes must be discussed and should include the Assessor's estimate of Market Value, assessment and millage rates, payment status, & any delinquent amount due and date. If current, please disclose the amount due for the current taxable year. Any potential escalation of the property taxes on the property being appraised due to state mandatory statutes concerning changes in taxes upon the sale of the property must be discussed and considered in the valuation process.	YES Pg 51
4.	Display the Client File number (RIMS Project/Job #) with the property information on the Invoice, Cover Page, Transmittal Letter, and Summary of Salient Facts & Conclusions page.	YES
5.	If the subject property is currently listed for sale or rent, a discussion about the details and adequacy of the marketing effort must be addressed.	YES Pg 10
6.	A copy of the engagement letter, appraiser's qualifications and copies of current applicable state license cards will be included in the addenda.	YES Pg 79
7.	The report will include applicable assumptions and limiting conditions as well as signed certification of value for each appraiser.	YES Pgs 2 & 73
8.	The report includes a copy of the most recent recorded deed and plat of the subject property.	YES Pg 79
9.	The report includes a minimum of three closed sale transactions in the Sales Comparison Approach to Value section of the report.	YES Pg 56
10.	The report includes a minimum of three lease transactions in the Income Approach to Value. The rent survey must include but not be limited to, unit size and lease amounts, dates (commencement & expiration), terms (NNN, Mod. Gross, Gross, etc.), escalations and option(s) to renew.	YES N/A
11.	The report includes photographs and a map of all sale and/or lease comparables.	YES Pg 56
12.	A survey or recorded plat (if available) of all land comparables is provided in the report.	YES
13.	An "as built" survey or building sketch of the subject improvements is provided in the report.	YES N/A
14.	The report includes the actual and effective age & total and remaining economic/useful life of the subject improvements.	YES N/A
15.	Describe or summarize the four tests of Highest and Best Use, incorporating conclusions from inferred or fundamental analysis of market data. Please do not simply state the Highest and Best Use conclusion without support. If the Highest and Best Use of the property "As Improved" is different than the existing use, please call the RFP Contact for possible changes to the Scope of Work.	YES Pg 52
16.	Overall capitalization rates must be supported by comparable sales from the market that have recently sold. At least two closed sales having capitalization rate information are required. Pending sales and listings are acceptable along with the two required close sales in an attempt to bracket the subject property. The two sales do not necessarily have to be used in the Sales Comparison Approach, but must be sale of a relatively comparable property of similar utility as the subject.	YES N/A
17.		YES
18.		YES

Note: This section of the compliance checklist is intended to ensure that the appraisal meets the minimum requirements of South State Bank Appraisal Guidelines and Reporting Requirements. The scope of this work is not that of an appraisal review. The reviewer is required to assure that these items are included in Appraisal Reports completed for South State Bank.

This Compliance Checklist was completed by: Thomas B. Mahaffey, MAI, CCIM Date: 11/29/2019

LEXINGTON INSURANCE COMPANY

WILMINGTON, DELAWARE

Administrative Offices -- 99 High Street, Floor 23, Boston, Massachusetts 02110-23110

Certificate Number: 015291634-00

This Certificate forms a part of Master Policy Number: 018389876-07

Renewal of Master Policy Number : 018389876-06

**YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.
READ THE ATTACHED MASTER POLICY CAREFULLY**

THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder: Mahaffey & Associates, LLC and
Thomas B. Mahaffey
PO Box 171805
Spartanburg SC 29301
2. Certificate Period: Effective Date: 02/26/19 to Expiration Date: 02/26/20
12:01 a.m. Local Time at the Address of the Insured.
- 2a. Retroactive Date: 06/30/15
12:01 a.m. Local Time at the Address of the Insured.
3. Limit of Liability: \$ 1,000,000 each claim
\$ 1,000,000 aggregate limit
4. Deductible: \$1,000 each claim
5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES
6. Advance Certificate Holder Premium: \$ 1,164
7. Minimum Earned Premium: 25% or \$ 291

Forms and Endorsements:

PRG 3512 (12/15) Real Estate Appraisers Professional Liability Coverage Form, PRG 4020 (11/18) Addendum to the Declarations, PRG 3935 (2/16) Premises Liability Coverage Amendatory Endorsement, 89644 (6/13) Economic Sanctions Endorsement, 91222 (09/16) Policyholder Notice, 118477 (03/15) Policyholder Notice, 119914 (10/16) Recording and Distribution of Material or Information In Violation of Law Exclusion Endorsement, PRG 3150 (10/05) Real Estate Appraisers Professional Liability Insurance Declarations

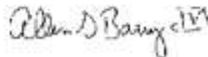
Additional Endorsements applicable to this Certificate only:

None

Agency Name and Address: INTERCORP, INC.
1438-F West Main Street
Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP INSURER WHICH MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP INSURER.



County: Spartanburg

Authorized Representative OR
Countersignature (in states where applicable)

Date: February 26, 2019

PRG 3152 (10/05)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/23/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CLYDE MCNEILL AGENCY 1252 OVERBROOK DRIVE SUITE 9 GAFFNEY, SC 29341	CONTACT NAME: CLYDE MCNEILL PHONE (A/C, No. Ext): 864-485-0044 FAX (A/C, No.): 864-485-0078 E-MAIL ADDRESS: CLYDE.MCNEILL@AMERICAN-NATIONAL.COM
INSURED MAHAFFEY & ASSOCIATES, LLC 724 WILLIS ROAD SPARTANBURG, SC 29301-5323	INSURER(S) AFFORDING COVERAGE INSURER A: AMERICAN NATIONAL PROPERTY & CASUALTY NAIC #: 406-28-401 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

FORM NO.	TYPE OF INSURANCE	ADDL. CODE (INSR) (RCD)	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		3901X1490	10/04/2019	10/04/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (EA OCCURRENCE) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED. <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ EL DISEASE - EA EMPLOYEE \$ EL DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE CLYDE MCNEILL

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ACORD 25 (2014/01)

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