APPRAISAL OF REAL PROPERTY

Proposed Municipal Office Building
229 North Union Street
Canton, Madison County, MS 39046

IN AN APPRAISAL REPORT

As of July 14, 2023

Prepared For:

Madison County
125 West North Street
Canton, MS 39046

Prepared By:

Cushman and Wakefield of Georgia, LLC
Valuation & Advisory
133 Executive Drive, Suite G
Madison, MS 39110
Cushman & Wakefield File ID: 23-41004-900141-001

Proposed Municipal Office Building

229 North Union Street

Canton, Madison County, MS 39046

133 Executive Drive, Suite G
Madison, MS 39110
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July 25, 2023

Greg Higginbotham
Madison County Administrator
Madison County
125 West North Street
Canton, MS 39046

Re: Appraisal Report

Proposed Municipal Office Building
229 North Union Street
Canton, Madison County, MS 39046

Cushman & Wakefield File ID: 23-41004-900141-001

In fulfillment of our agreement as outlined in the Letter of Engagement copied in the Addenda, we are pleased to transmit this appraisal of the above referenced property in the following Appraisal Report.

The subject is one block northwest from the Canton Square. It is surrounded by County government offices, commercial and residential uses. More specifically, it is at the NWQ of N. Union Street and W. Center Street. It is south of W. North Street. At the time of the property visit, it is a former Fred's vacant retail building that contains 26,488 square feet of rentable area situated on a 80,350 square foot site. The improvements were completed in 1976 and are in fair to poor condition. There are 77 on-site surface parking spaces, resulting in a parking ratio of 2.91 per 1,000 square feet of net rentable area. The building is going to be extensively renovated for Madison County. Madison County intends to use it for County Court, Youth Court, Madison County Tax Collector and the Election Commission.

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impacts on both factors as they relate to the Federal Reserve's recent and forecast interest rate hikes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. As we did throughout the pandemic, Cushman & Wakefield is closely monitoring all latest economic developments, and their effects on the subject and its market.

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinions:

Value Conclusions

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 14, 2023	$880,000
Prospective Market Value Upon Completion	Fee Simple	October 01, 2024	$6,550,000

Compiled by Cushman and Wakefield of Georgia, LLC

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimate is based upon market participant attitudes and perceptions existing as of the effective date of our appraisal. We assume no material change in the physical characteristics and condition of the subject property or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report.

It is assumed that the proposed improvements are constructed in a quality manner in accordance with the information communicated to us by the developer. If the design or quality differs from that which has been considered herein, the value conclusions could be impacted accordingly. Any undue delay in the construction timeline could materially impact the value conclusion reported herein.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN AND WAKEFIELD OF GEORGIA, LLC

Tracy K. Wofford
Senior Director
MS Certified General Appraiser
License No. GA-677
Tracy.wofford@cushwake.com
601-605-0366 Office

Table of Contents

Summary of Salient Facts and Conclusions

BASIC INFORMATION		
Common Property Name:	Proposed Municipal Office Building	
Address:	229 North Union Street Canton, Mississippi 39046	
County:	Madison	
Property Ownership Entity:	SAKS2, LLC & SAKS3, LLC	

SITE INFORMATION		
Land Area:	80,350 SF	1.84 Acres
Site Shape:	Irregularly shaped	
Site Topography:	Level at street grade	
Frontage:	Average	
Site Utility:	Average	
Flood Zone Status:		
Flood Zone:	X	
Flood Map Number:	28089C0410F	
Flood Map Date:	March 17, 2010	

BUILDING INFORMATION	
Type of Property:	Retail - Commercial
Subtype:	Retail
Building Area:	
Gross Building Area:	26,488 SF
Net Rentable Area:	26,488 SF
Land-to-Building Ratio:	3.03:1
Number of Buildings:	One
Number of Stories:	One
Quality:	Average
Year Built:	1976
Year Renovated:	NA
Condition:	Average
Actual Age:	47 Years
Effective Age:	30 Years
Remaining Economic Life:	15 Years
Parking:	
Number of Parking Spaces:	77
Parking Ratio (per 1,000 SF):	2.91:1
Parking Type:	Surface

MUNICIPAL INFORMATION	
Assessment Information:	
Assessing Authority:	Madison County
Assessor's Parcel Identification:	093D-19B-087/00.00 (PPIN:29655) 093D-19B-088/00.00 (PPIN:29656) 093D-19B-094/00.00 (PPIN:29662) 093D-19B-093/00.00 (PPIN:29661)
Current Tax Year:	2022
Taxable Assessment:	$72,365
Current Tax Liability:	$10,782
Taxes per Square Foot:	$0.41
Are Taxes Current?	Taxes are current
Is a Grievance Underway?	Not to our knowledge
Subject's Assessment Is:	At market levels
Zoning Information:	
Municipality Governing Zoning:	City of Canton
Current Zoning:	Historic Commercial District (HC-1)
Is Current Use Permitted?	Yes
Current Use Compliance:	Complying use
Zoning Change Pending:	No
Zoning Variance Applied For:	Not applicable

HIGHEST & BEST USE

As Though Vacant:
A municipal office building built to its maximum feasible building area

As Improved:
A municipal office building built to its maximum feasible building area as proposed

VALUATION INDICES	Market Value As-Is	Prospective Market Value Upon Completion
VALUE DATE	**July 14, 2023**	**October 1, 2024**
Land Value		
Indicated Value:	$160,000	$150,000
Per Square Foot:	$1.99	$1.87
COST APPROACH		
Indicated Value:	$880,000	$6,550,000
Per Square Foot (GBA):	$33.22	$247.28
SALES COMPARISON APPROACH		
Indicated Value:	$875,000	$5,850,000
Per Square Foot (NRA):	$33.03	$220.85
FINAL VALUE CONCLUSION		
Real Property Interest:	Fee Simple	Fee Simple
Concluded Value:	$880,000	$6,550,000
Per Square Foot (NRA):	$33.22	$247.28
EXPOSURE AND MARKETING TIMES		
Exposure Time:	12 Months	
Marketing Time:	12 Months	

Extraordinary Assumptions

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Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Summary of Critical Observations

SUMMARY OF CRITICAL OBSERVATIONS

The strengths and weaknesses analysis applies both specifically (attributes internal or specific to the subject) and generally (external or economic considerations that influence the subject).

Strengths

- The subject is in downtown Canton across the street from the existing municipal offices.
- Benefit of buying an existing building rather than building new with extended lead times of materials and cost of interest payments over the construction period.
- Average occupancy for General Services Administration (commonly referred to as GSA) offices or govenrement occupied offices is 27.5 to 35 years. They are typically vacated for 2 reasons. 1) The occupant needs to expand. The strength for this property is there is room for future growth. 2) The improvements are unable to meet governmental standards. The strength for this property is it will be like-new with a high level of finishout, specifically the holding cells, evidence room, cashier windows and courtrooms.

Weaknesses

- Borrowing power has significantly declined over the past 18 months.
- Cost of construction and lead time on materials has increased over the past 18 months.
- The cost of loan payments over the coarse of the construction period.

Conclusions

Based on the preceding strengths and weaknesses, the subject property's specific outlook is considered to be stable while the general outlook for the overall market is concluded to be neutral with upside potential.

Property Photographs

AERIAL PHOTOGRAPH

VIEW ALONG N. UNION STREET TO THE NORTH
SUBJECT ON THE LEFT

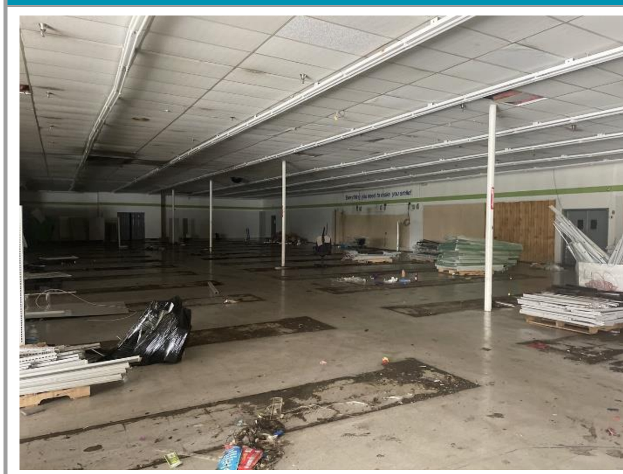
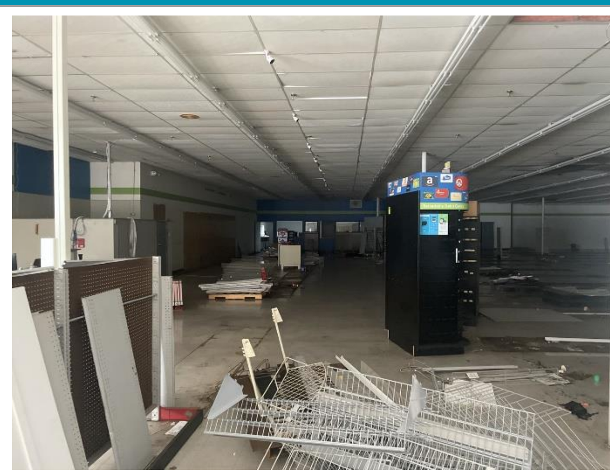
VIEW ALONG N. UNION STREET TO THE SOUTH TOWARDS THE SQUARE
SUBJECT ON THE RIGHT

EAST SIDE

SOUTH AND WEST SIDES

SOUTH SIDE

NORTH AND WEST SIDES
FORMER LOADING DOC

DRIVE UP WINDOW	INTERIOR AS IS
	
INTERIOR AS IS	INTERIOR AS IS
	
INTERIOR AS IS	INTERIOR AS IS
	

INTERIOR AS IS

UTILITY PANELS

INTERIOR AS IS

WATER HEATER

VIEW ALONG EAST SIDE BEHIND THE ADJACENT BUILDING

EXCESS SURFACE PARKING

Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- Tracy K. Wofford and Hayden Speed visited and photographed the property on July 14, 2023. Jon David Johnson, CCIM, Sperry Commercial Global Affiliates / JD Johnson Realty and Greg Higginbotham, Madison County Administrator showed the property.
- Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.
- Patrick J. Besselievre, MS Trainee Appraiser, License No. AI-801, provided the following assistance:
  - Research of Comparable Sales & Analysis
  - Cost Approach
  - Sales Approach
  - Appraisal Report Preparation
  - Workfile Preparation
- Hayden Speed, MS Trainee Appraiser, License No.AI-830, provided the following assistance:
  - Site/Building Inspections & Descriptions
  - Neighborhood Description & Analysis
  - Highest & Best Use Analysis
  - Research of Comparable Sales & Analysis
  - Cost Approach
  - Sales Approach
  - Final Reconciliation
  - Preparation of Appraisal Report
  - Preparation of a Workfile

This Appraisal Report has been prepared in accordance the Uniform Standards of Professional Appraisal Practice (USPAP).

Cushman and Wakefield of Georgia, LLC has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment.

This analysis employs the Cost Approach. Due to the special nature and unique feature of the property upon completion, it provides the best indication of market value.

We considered the Sales Comparison Approach. We surveyed the market for similar market sale transaction of government service properties. The search did not reveal any reliable market data.

In an effort to adequately support this market value conclusion, we interviewed Charles Piccola, an active market participant in the GSA office sector throughout the country. Construction costs to meet the government standard for government office building are between $250 and $300 per square foot in the current construction environment with rising construction costs due to supply issues and rising labor costs. Given this, the replacement cost new for this proposed building is between $6.6 million and $7.9 million. Tenant improvements are generally $35.00 per square foot which would add another $0.9 million. This supports that the redevelopment of this former Fred’s is an advantageous option for Madison County.

Based on the interview with Mr. Piccola’s, recent lease terms are 10 years with one 5-year renewal option; however, many national entity leases are negotiated for 20 years with 17 years firm. The current issues with leasing are post inflation, the threat of recession, post Covid office environment and bank financing. Rental rates range from $35.00 to $50.00 per square foot. The current market derived capitalization rate is 7 percent. We will rely on this market information as a crosscheck of reasonableness.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Identification of Property

Common Property Name:	Proposed Municipal Office Building
Address:	229 North Union Street, Canton, Madison, MS 39046
Location	The subject is one block northwest from the Canton Square. It is surrounded by County government offices, commercial and residential uses. More specifically, it is at the NWQ of N. Union Street and W. Center Street. It is south of W. North Street.
Assessor's Parcel Number:	093D-19B-087/00.00 (PPIN:29655) 093D-19B-088/00.00 (PPIN:29656) 093D-19B-094/00.00 (PPIN:29662) 093D-19B-093/00.00 (PPIN:29661)
Legal Description:	The legal description is presented in the addenda.
Property Overview	The subject property consists of vacant retail building that contains 26,488 square feet of rentable area situated on a 80,350 square foot site. The improvements were completed in 1976 and are in fair to poor condition at the time of this analysis. The proposed improvements are anticipated to be good to excellent upon completion.

Property Ownership and Recent History

Current Ownership:	SAKS2, LLC & SAKS3, LLC
Sale History:	On July 22, 2021, SAKS2, LLC and SAKS3, LLC (buyer) purchased the subject property from Fridss, LP (seller) in an arm's length transaction (Madison County Warranty Deed Book 4075, page 126, Instrument 932311) in what appears to be an arm’s length transaction. According to CoStar, but unconfirmed, the sale price for the Fred’s store was $3,750,000 ($141.57 per square foot). SAKS2, LLC and SAKS3, LLC resold the property as vacant to Canton Multiplex Development, LLC for $845,000 on July 12, 2023 (Madison County Warranty Deed Book 4349, page 452, Instrument 985367) in an arm’s length transaction. The buyer had pre-sale expenditures totaling $25,000. The total investment was $860,000. The buyer’s intention is to resell the property for development.
Current Disposition:	The property is currently under contract. Canton Multiplex Development, LLC has agreed to sell the property to the Central MS Public Improvement Corporation for $860,000. This is not an arm’s length transaction. The Public Improvement Corporation is going to renovate the property and lease it to Madison County. The renovation budget was provided for this analysis, but to our knowledge the lease terms have not been negotiated.

Dates of Inspection and Valuation

Effective Dates of Valuation:

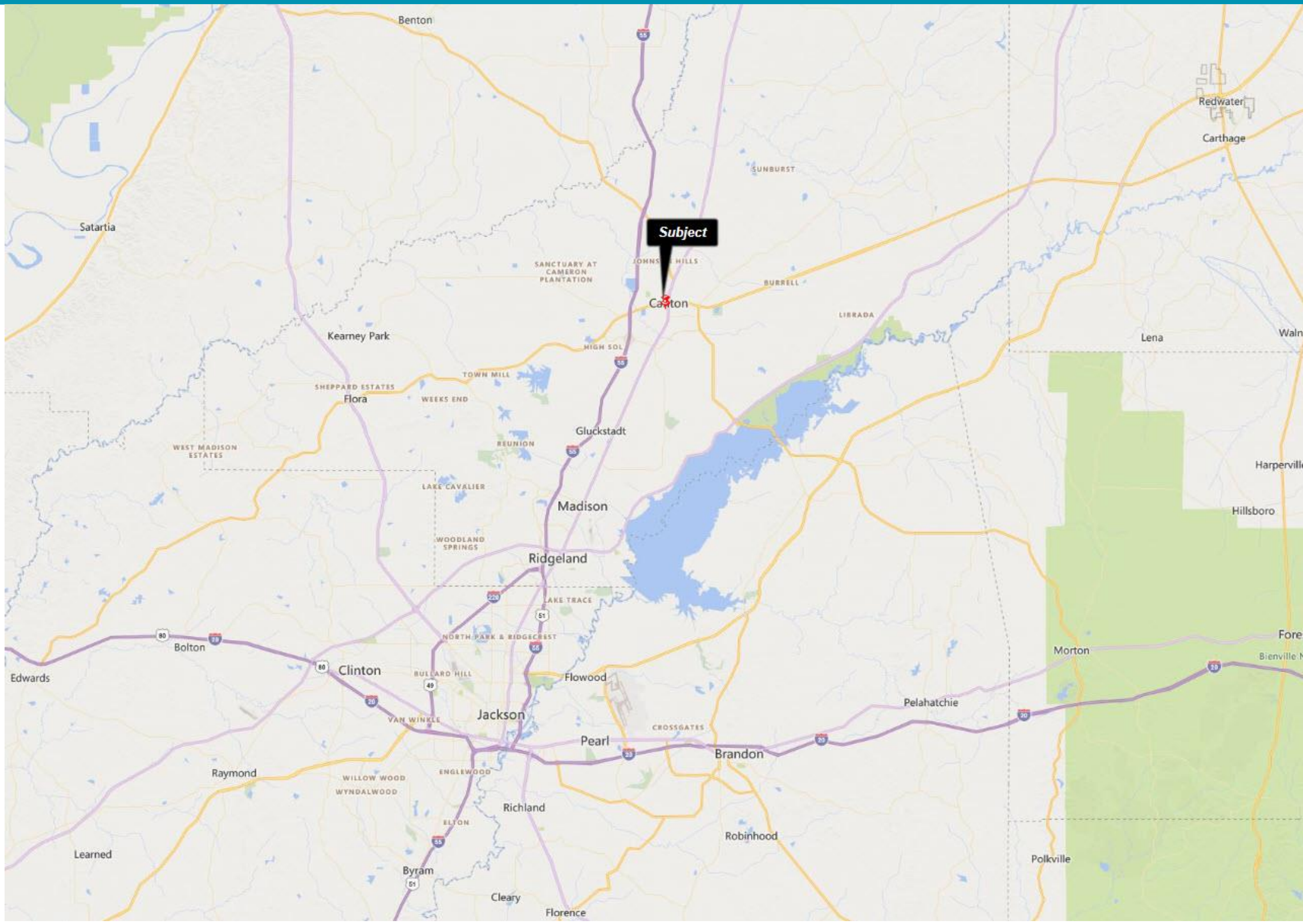
As Is:	July 14, 2023
Upon Completion:	October 1, 2024. The renovation is expected to be initiated in October 2023 and take 12 months to complete depending on the weather. A build-to-suit, it will be stabilized upon completion.
Date of Report:	July 25, 2023
Date of Inspection:	July 14, 2023
Property Inspected by:	Tracy K. Wofford did make a personal inspection of the subject property.

Client, Intended Use and Users of the Appraisal

Client:	Madison County
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of the Fee Simple interest in the property for the use of county approval to purchase the vacant retail building and convert it to office and court space. This report is not intended for any other use.
Intended User:	This appraisal report was prepared for the exclusive use of Madison County and the Madison County Board of Supervisors. Use of this report by others is not intended by the appraiser. Please see the Engagement Letter in the addenda.

Regional Analysis

REGIONAL MAP



Jackson, MS CBSA Regional Market Analysis

Introduction

The Jackson, MS Core Based Statistical Area (Jackson CBSA) includes Yazoo, Madison, Hinds, Rankin, Copiah and Simpson Counties. The regional is centrally located at the crossroads of Interstate 50 and 20. The region is referred to as the "Crossroads of the South", as it is roughly equal distance via I-55 between Memphis, TN and New Orleans, LA (about 200 miles to each city) and equal distance via I-20 between Dallas, TX and Atlanta, GA (about 400 miles to each city). Jackson is the capital of Mississippi and its largest city. Like most capital cities, Jackson is the hub of state politics, commerce and industry for the state. Jackson is home to Jackson State University.

Map

The following map portrays the Jackson CBSA within the state of Mississippi:

Source: CoStar Group, Inc., compiled by Cushman & Wakefield Valuation & Advisory

Macro Trends

The economy continues to recover and evolve from the impacts of the pandemic and the economic crisis that followed. Right now, inflation remains elevated and the Federal Reserve's interest rate hikes are further compounding market volatility. With this, it is important to take in mind that data lags, and industry participants are still trying to accurately determine some of the effects these events will, or have had, on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. For this market analysis section of the report, we ask that you keep in mind that some macro trends may not affect the subject property directly.

Current Trends

The Jackson CBSA's economy is showing strength, as the labor market has surpassed pre-pandemic levels. Job growth measured 3% over the year (as of April 2023), adding 8,200 new jobs. Growth slowed over the past months; however, keeping pace with state and trailing slightly behind the national average. Trade, transportation and utilities led growth increasing 7.6% over the year. Construction, education and health services and leisure and hospitality also reported strong gains. The presence of large hospitals and the government funding help to keep healthcare services moving in the right direction.

As the state capital, the region is highly dependent upon the public sector, which continues to underperform and continues to contract. The state of Mississippi plans to cut at least 2,000 open state government jobs, further hindering recovery in the sector. Manufacturing is also on the decline with the sector shedding 900 jobs over the year, decreasing 4.4%. However, with Nissan choosing its Canton facility to spearhead the company's U.S. production of electric vehicles, as well as some battery-pack assembly, manufacturing is set to receive a major boost. The region's outsized auto manufacturing sector will lend further support to the economy.

Demographic Characteristics

The demographic characteristics of the Jackson CBSA are generally weaker than the demographic traits of the national average. At 38 years, the median age of residents in the region is one year younger than that of the national median age of 39 years. Local residents are slightly less likely to graduate from college compared to adults across the United States with 30% of adults in in the county having earned a bachelor's degree or advanced university degree, compared to 31.9% of adults across the U.S. have achieved similar levels of educational attainment. With lower levels of educational attainment, household incomes in the Jackson CBSA are lower than they are in the nation overall.

The following chart compares the demographic characteristics of the Jackson, MS CBSA with those of the United States:

Demographic Characteristics
Jackson, MS CBSA vs. United States
2022 Estimates

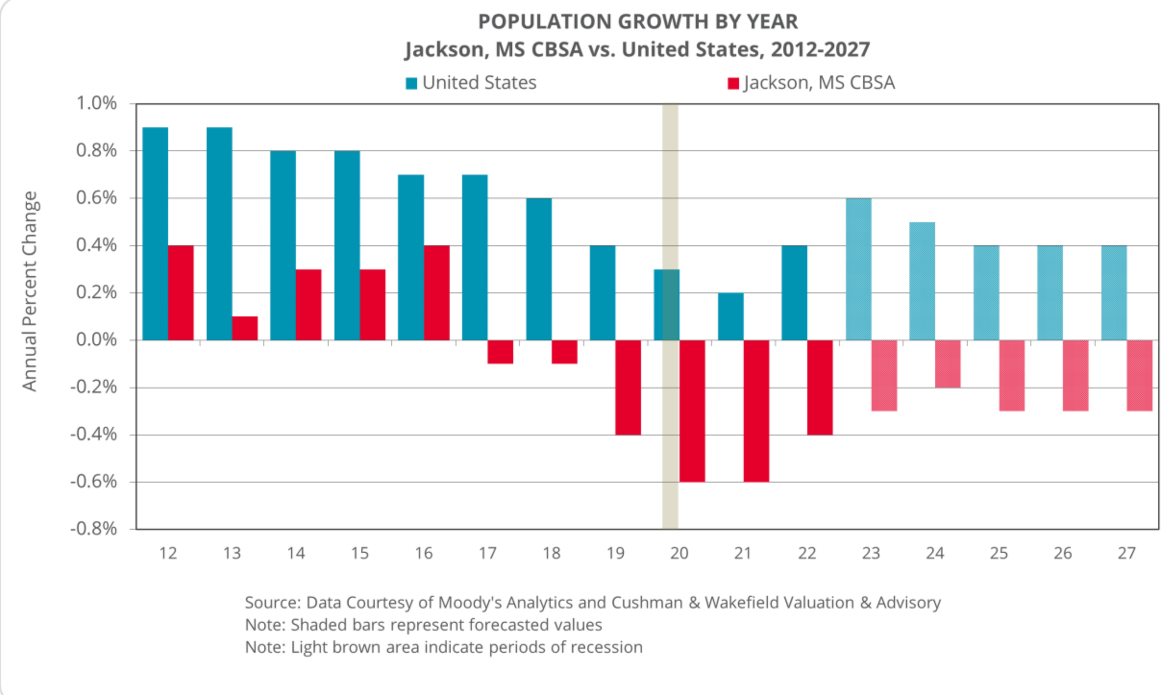
Characteristic	Jackson CBSA	United States
Median Age (years)	38	39
Average Annual Household Income	$74,975	$96,357
Median Annual Household Income	$52,777	$66,422
Households by Annual Income Level:		
<$25,000	24.0%	18.2%
$25,000 to $49,999	23.8%	20.0%
$50,000 to $74,999	18.7%	17.4%
$75,000 to $99,999	11.9%	13.3%
$100,000 plus	21.6%	31.1%
Education Breakdown:		
< High School	12.5%	12.1%
High School Graduate	25.7%	27.1%
College < Bachelor Degree	31.8%	28.8%
Bachelor Degree	18.5%	19.7%
Advanced Degree	11.5%	12.2%

Source: © 2022 Experian Marketing Solutions, Inc. •All rights reserved• Cushman & Wakefield Valuation & Advisory

Population

Population growth in the Jackson CBSA trailed national population growth, decreasing at an average annual rate of 0.1% from 2012 through 2022. Over the decade, Jackson, MS CBSA's population grew at a lower rate compared to the nation due to weak performance from the following counties: Hinds (-1.2%), Simpson (-0.6%), Copiah (-0.5%) and Yazoo (-0.5%). During the same time period, national population growth increased at an average annual rate of 0.6%. Population growth in the Jackson CBSA is forecast to decrease to an average annual growth rate of 0.3% through 2027, remaining behind the 0.4% projected average annual growth rate for the national average over the next five years.

The following chart compares population growth between the Jackson, MS CBSA and the United States:



The following table shows the Jackson, MS CBSA's annualized population growth:

Annualized Population Growth
Jackson, MS CBSA
2012-2027

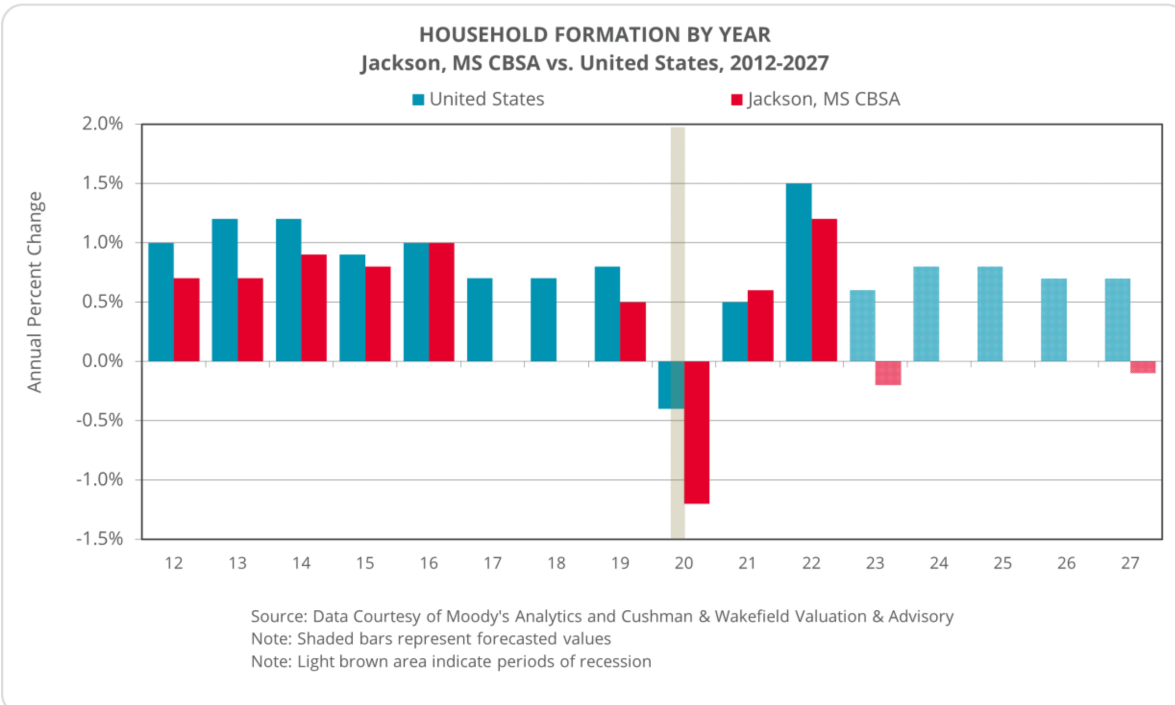
Population (000's)	2012	2022	Forecast 2023	Forecast 2027	Compound Annual Growth Rate 12-22	Compound Annual Growth Rate 23-27
United States	314,688.6	333,287.6	335,190.6	340,478.5	0.6%	0.4%
Jackson, MS CBSA	**575.5**	**568.5**	**567.1**	**560.6**	**-0.1%**	**-0.3%**
Hinds County, MS	247.4	219.1	216.5	210.3	-1.2%	-0.7%
Rankin County, MS	145.8	159.1	160.0	161.2	0.9%	0.2%
Madison County, MS	98.5	110.7	111.4	112.5	1.2%	0.2%
Copiah County, MS	29.1	27.8	27.5	26.3	-0.5%	-1.1%
Yazoo County, MS	27.6	26.3	26.3	26.0	-0.5%	-0.3%
Simpson County, MS	27.2	25.5	25.3	24.3	-0.6%	-1.0%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Generally, a region's household formation trends are directly tied to its overall population growth, as an increase in the population drives demand for real estate. From 2012 through 2022, household formation in the Jackson CBSA trailed national expansion, averaging 0.4% annually. In the same ten-year period, household formation for the national average increased at an annual rate of 0.8%. Household formation in the Jackson CBSA is forecast to stagnate, averaging no annual growth through 2027, remaining behind the 0.8% average annual growth rate projected for the national average.

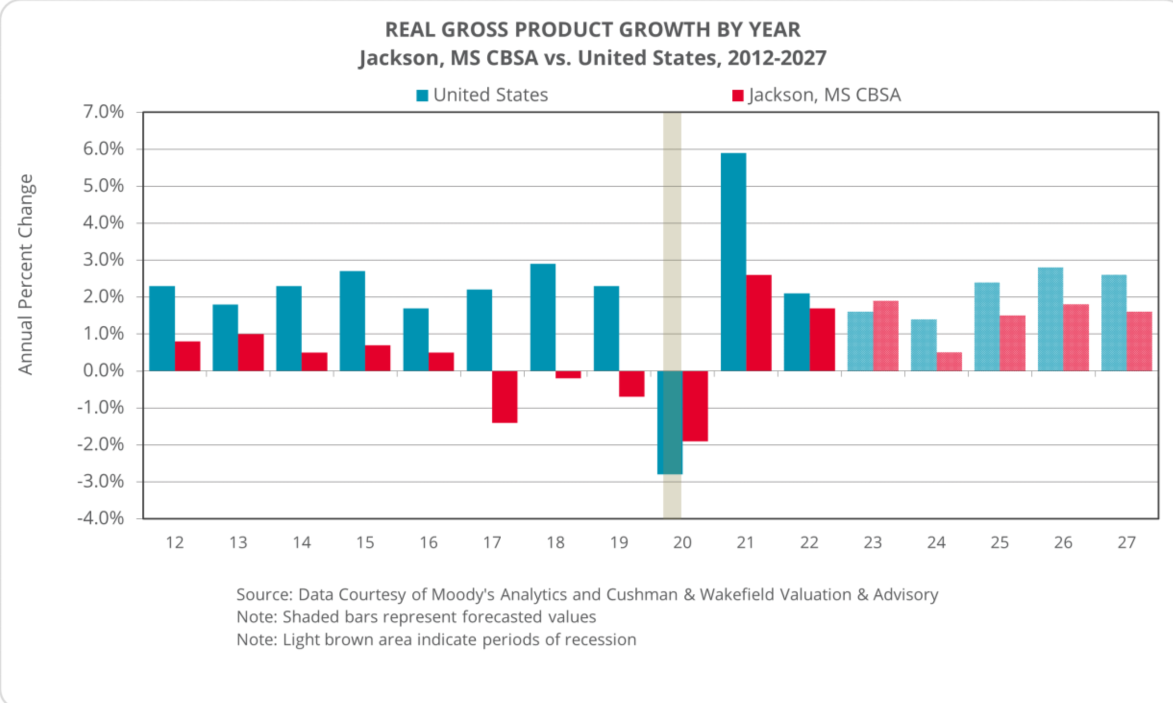
The chart below compares household formation growth between the Jackson, MS CBSA and the United States:



Gross Metro Product

Gross Metro Product (GMP) is defined as the market value of all final goods and services produced within a metropolitan area, and when compared to the nation's Gross Domestic Product (GDP), can determine shifting economic trends in a given region. Economic growth in the Jackson CBSA trailed national economic expansion over the decade, averaging 0.3% annually from 2012 through 2022. Over the decade, the national GDP increased at an average annual rate of 2.1%. GMP growth in the Jackson CBSA GMP is forecast to increase to an average annual growth rate of 1.4% through 2027, trailing the average annual growth rate of 2.3% project for the national average over the next five years.

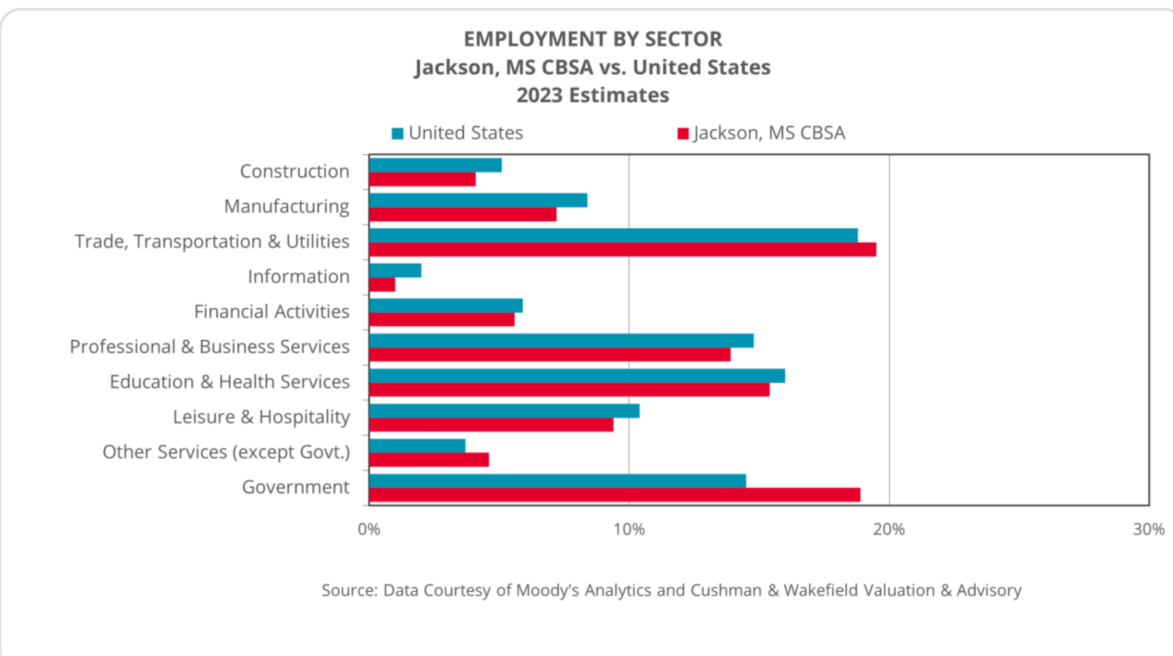
The chart below compares gross product growth by year for the Jackson, MS CBSA and the United States:



Employment Distribution

The Trade, Transportation & Utilities sector dominates the Jackson CBSA as the largest employment sector with roughly 19.5% of the regional workforce, compared to 18.8% on the national level. The Jackson CBSA offers a diverse mix of industry employment with the Government and Education & Health Services sectors accounting for 18.9% and 15.4% of total employment, respectively. Together, these three industries comprise 53.8% of the region's share of employment.

The following chart compares non-farm employment sectors for the Jackson, MS CBSA and the United States:



Major Employers

The following table lists the largest employers in the Jackson CBSA:

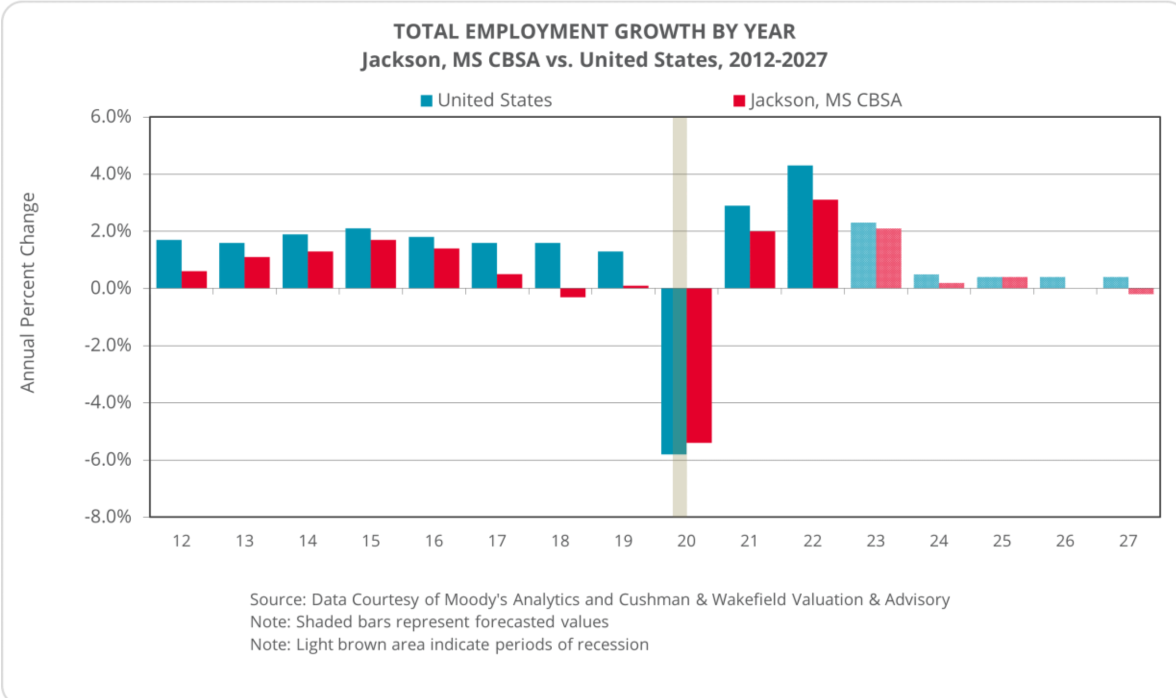
Major Employers Jackson, MS		
Company	No. of Employees	Business Type
University of Mississippi Medical Center	9,750	Healthcare
Merit Health	7,000	Healthcare
Nissan North America, Inc.	5,250	Manufacturer (Automotive)
Baptist Health System	3,599	Healthcare
Cal-Maine Foods, Inc.	3,500	Manufacture (Food Process)
St. Dominic Memorial Hospital	3,000	Healthcare
Walmart Inc.	2,725	Retail
At&T	2,500	Utiities
Ergon Inc.	2,300	Energy
GV (Sonny) Montgomery Medical Center	2,200	Healthcare

Source: Data Courtesy of Moody's Analytics ;
compiled by Cushman & Wakefield & Valuation Advisory

Employment Growth

From 2012 through 2022, employment growth in the Jackson CBSA trailed national expansion, averaging 0.5% annually. Over the decade, Jackson, MS CBSA's employment grew at a lower rate compared to the nation due to weak performance from the following counties: Copiah (-1.0%), Simpson (-1.0%), Hinds (-0.4%) and Yazoo (0.2%). During the same time period, national employment growth increased at an average annual rate of 1.3%. Employment growth in the Jackson CBSA is forecast to decrease to an average annual growth rate of 0.1% through 2027, trailing the average annual growth rate of 0.4% projected for the national average over the next five years.

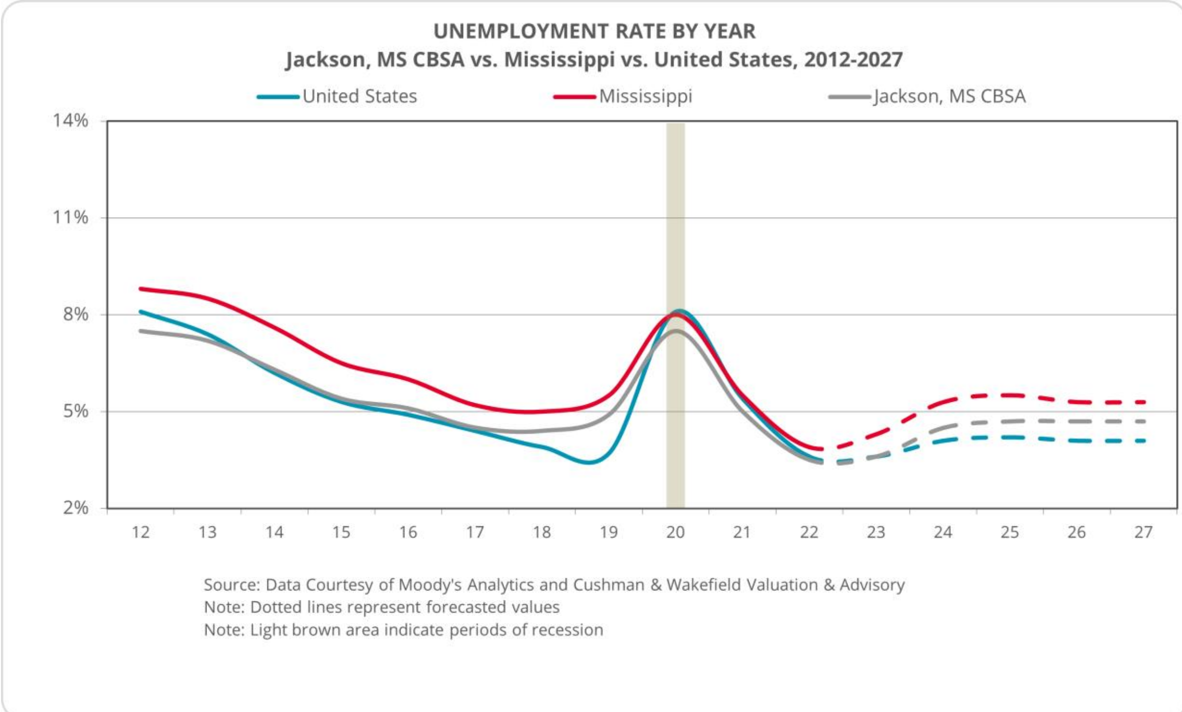
The following chart illustrates employment growth for Jackson, MS CBSA and the United States:



Unemployment

From 2012 through 2022, the Jackson, MS CBSA regional unemployment rate decreased at an average annual rate of 7.4%, compared to the nation's unemployment rate which decreased at an average annual rate of 7.7%. Jackson, MS CBSA's unemployment rate is forecast to increase by an average annual rate of 6.3% between 2023 and 2027. The following counties contributed to the decrease in Jackson, MS CBSA's unemployment rate over the decade: Copiah (-8.7%), Yazoo (-8.6%) and Hinds (-7.6%). The unemployment rate of the Jackson CBSA measured 2.4% as of April 2023, equating to 6,300 persons out of work.

The graph below illustrates unemployment rates for Jackson, MS CBSA, the State of Mississippi, and the United States:

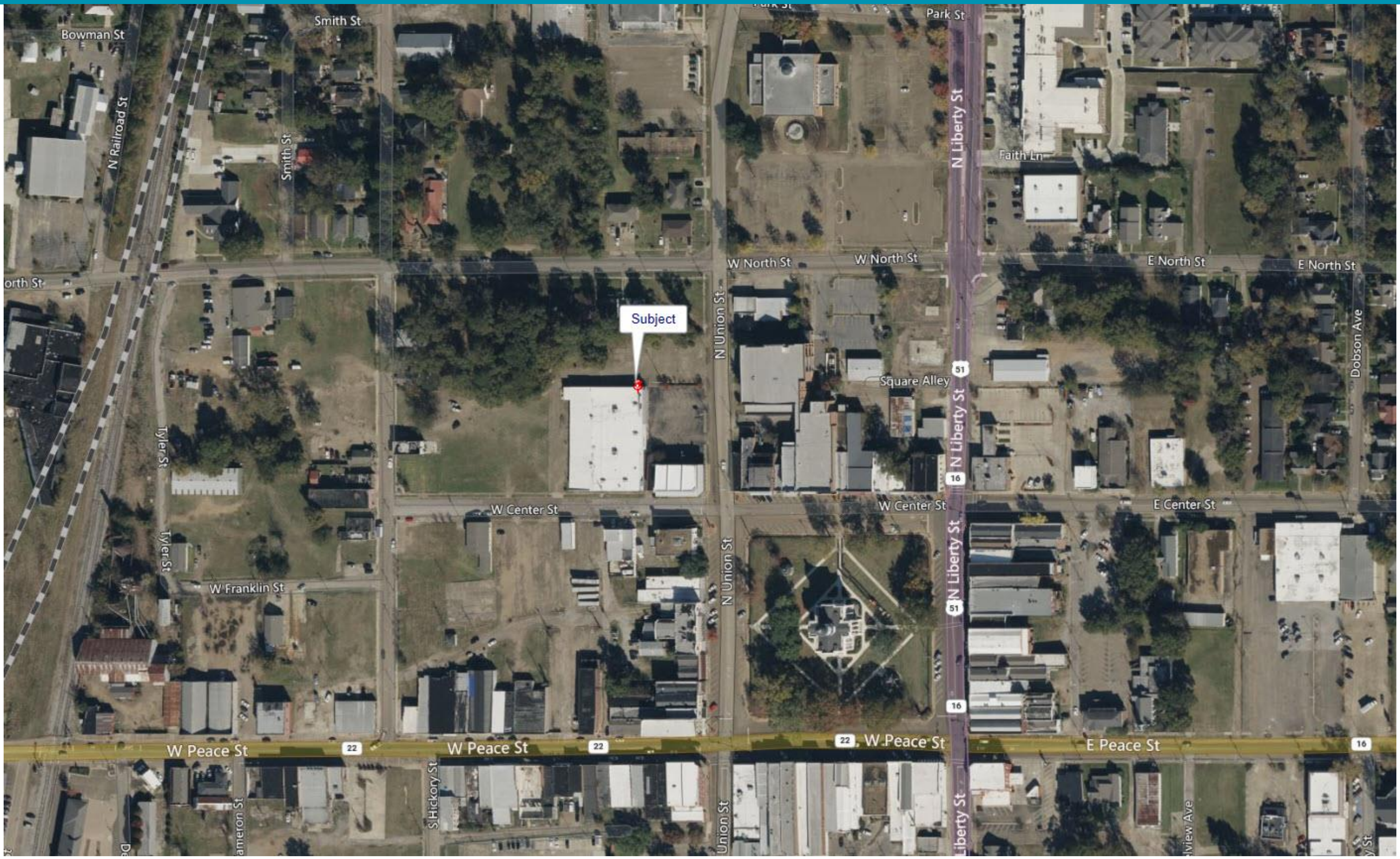


Conclusion

The economy the Jackson CBSA remains in recovery mode; however, progress remain slow this year. Challenging demographics and population declines remain a headwind for the region. Nevertheless, job growth is positive, increasing 3% year-over-year to measure 283,500 jobs, remaining well-above pre-pandemic levels. The presence of the large hospitals provide some stability to the volatility of the employment. Additionally, manufacturing, specifically, the transportation equipment manufacturing (Nissan), will help support growth with the production of newest electric-vehicle models at the Caton facility. Nevertheless, recessionary concerns, global inflationary pressures, and high interest rates creating economic volatility and is anticipated to slow economic activity.

Local Area Analysis

LOCAL AREA MAP



Canton Overview

The property is on North Union Street. It is one block northwest from the Canton Square. It is surrounded by County government offices, commercial and residential uses. Canton is in north Madison County and is in the northern part of the metropolitan area of Jackson, Mississippi the Capital City. It is the County Seat for Madison County. A significant portion of Canton is on the National Register of Historic Places, as well as the Mississippi Blues Trail. It is generally east of Interstate-55 and south of State Highway 16/22. Canton is a family-oriented municipality with a proactive business environment. It is known for its' world-famous Canton Flea Market Arts & Crafts Show, which is on the second Thursday of May and October. During Christmas season it features festive lights display in the historic downtown. It is home to Mississippi's oldest Hot Air Balloon race held on July 4th.
The subject general boundaries are:

- North: Green Acres Drive
- South: Highway 22/Peace Street
- East: N. Liberty Street
- West: Interstate-55

The most significant impact on this market is the Nissan Canton Vehicle Assembly Plant. Construction was completed in 2003. Nissan has transformed Mississippi into a hub for world-class automotive manufacturing, creating more than 6,500 jobs for team members and more than 25,000 direct and indirect jobs statewide. The property is 1,038 acres and the facility is 4.7M square feet. With more than $3.5 billion in total local investment, the Nissan Canton Vehicle Assembly Plant is an employer of choice that continues to have a positive economic impact on local businesses and communities throughout the region. The plant is located approximately 4 miles south of the subject property.

Another driving force in the Canton market is the Amazon Fulfillment Center on the west side of I-55. The third MS fulfillment center is at 219 Madison County Parkway, Canton MS - approximately 3.5 miles west of the subject property. The facility is 700,000 square feet and is bringing over 1,000 jobs to the area. Officials anticipate the center will have a grand opening in August 2022.

Coca-Cola recently announced a $100 million new sales and distribution facility at the Madison County Mega Site. The expansion is expected to create 30 new jobs for the state and 300 jobs for the county. Site work is in progress and the new facility is anticipated to be completed in Q1 2025. The new property is expected to generate $550k in property tax revenue in the first 10 years.

Access

Local area accessibility is good, relying on the following transportation arteries:

- Local: Highway 22/Peace Street is a major east-west thoroughfare, connecting Canton to Interstate 20 and east state border. Nissan Parkway/Canton Parkway is another east-west thoroughfare, connecting Highway 22/Peace Street with Highway 43.
- Regional: Regional linkage via Interstate-55 and Mississippi State Highway 16/22. I-55 provides direct access to the Capital City of Jackson and metropolitan areas north of Jackson. The major interstate runs north south through the center of the US from LaPlace, LA through New Orleans, LA, Jackson, MS, Memphis TN, St. Louis, MO and Chicago, IL. Mississippi State Highway 16/22 runs east – west for 186.4 miles connecting Mississippi Delta to Alabama state line. After it intersects with I-55 it interchanges with Mississippi State Highway 22 only for approximately 43 miles.
- Public Transportation: The predominant mode of transportation in this market is private vehicle. The city also has private cabs, Uber and Lyft. The Jackson-Medgar Wiley Evers International Airport is approximately 30 miles south-east of the subject via I-55, Lakeland Drive/MS Highway 25 and Airport Road/MS Highway 475. The Amtrak Train Station and the Bus Station are approximately 25 miles south-west of the subject via I-55 and Pascagoula Street.

Local Area Characteristics

Most of the land uses along this area is commercial retail, special use, and related services. Properties in the subject’s local area generally appear to be functional for the current uses.

Special Hazards or Adverse Influences

No environmentally hazardous conditions were noted during the inspection. No environmentally hazardous conditions are known to exist on the property or within the immediate vicinity of the property that affects the property value. There is no knowledge of nuisances or hazards resulting from odors, noises, vibrations, smoke, mold, or interior moisture, etc. Any materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) will adversely affect the property's value. The Appraiser is not qualified to detect such substances. No environmental issues relating to the subject property were considered in this report.

Land Use Changes

No detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories were observed.

Population Trends

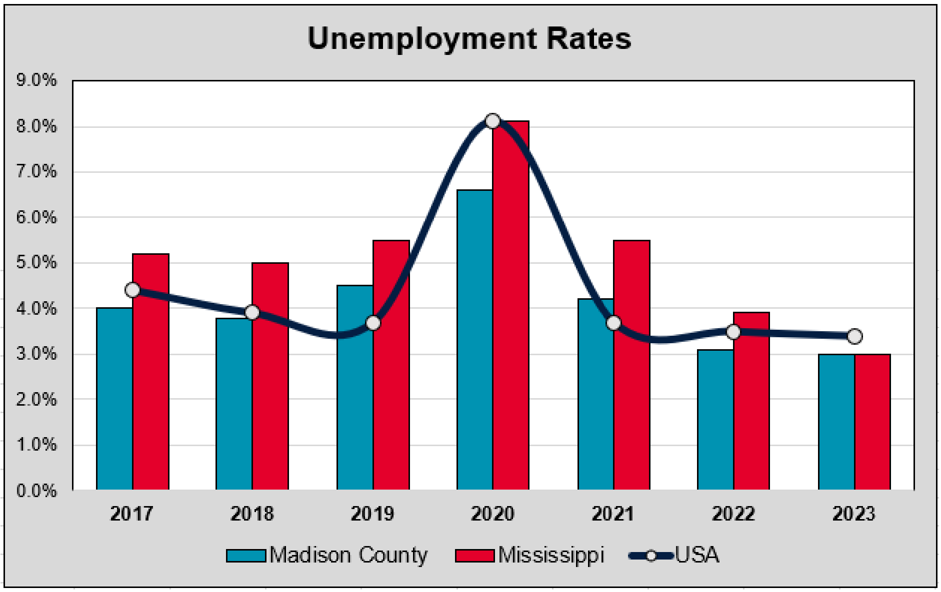
The population in this market has remained relatively flat for the past 2 decades with 1.24 percent annual growth. This market is projected to continue to grow at the same modest rate as the population continues to migrate north over the next 5 years.

Approximately 39 percent of this market is between the ages of 25 and 54 years. Thirty-nine percent is younger than 25 years of age and 22 percent is over the age of 55. The average age is 31 years.

The average annual income level in this market is between $52k within the 3-mile radius and $69k, with the larger 5-mile radius. It is in-line with the State level, but below the Jackson metropolitan and the national average levels. Approximately 53 percent of the housing units in this market are owner-occupied and the average price is $156,566.

Employment Trends

The unemployment rates for Madison County, Jackson MSA, MS and US are presented in the following chart. Historically, Hinds County and the Jackson MSA tend to have higher employment rate with a lower unemployment rate than MS overall. The unemployment rate at the end of 2022 for Madison County was 3.1 percent, compared to the 3.9 percent MS level and 3.5 percent nations level. Year to date, it is a slightly improved 3.0 percent.



Conclusion

Canton benefits from its proximity to Jackson, the State Capital. Offering a good quality of life with a focus on education, affordable housing, job opportunities, recreation, safety, health care, shopping and entertainment.

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Demographics

We considered several factors in defining boundaries for the subject's market area. First, the property's location with respect to transportation provides the basis for regional access to the area. Second, competition and geographic boundaries help to define the potential size of the market area as a measure of distance from the property.

The proposed municipal office building is in the City of Canton within the Jackson CBSA and benefited by good regional and local accessibility, as well as the proliferation of peripheral draws. Major roadway proximity to the center provides the necessary access to more regional destinations throughout the area.

We analyzed the subject's market area based on the following:

- Highway accessibility, including area traffic patterns;
- Geographical constraints, and nodes of residential development;

Given all of the above, we conclude the subject property's primary market area would likely span an area encompassing about 3.0 miles around the center. The subject's secondary market area might span up to 5.0 miles given its regional accessibility and location of competitive properties.

Using these observations, we analyzed a primary demographic profile for the subject based on a radius of approximately 3.0 miles from the property. To add perspective to this analysis, we segregated our survey into 1.0, 3.0, and 5.0 mile concentric circles with a comparison to the Jackson CBSA, Mississippi, and the United States. This data is presented on the following page.

DEMOGRAPHIC SUMMARY	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	Jackson, MS Met CBSA	State of Mississippi	United States
POPULATION STATISTICS						
2000	9,268	13,963	15,457	546,966	2,844,616	281,422,025
2022	9,190	15,375	18,686	598,261	3,013,050	333,040,740
2027	9,379	15,846	19,562	612,045	3,076,110	344,351,112
Compound Annual Change						
2000 - 2022	-0.04%	0.44%	0.87%	0.41%	0.26%	0.77%
2022 - 2027	0.41%	0.61%	0.92%	0.46%	0.42%	0.67%
HOUSEHOLD STATISTICS						
2000	2,926	4,395	4,888	197,053	1,046,422	105,480,443
2022	3,002	4,936	6,347	224,748	1,153,364	127,431,146
2027	3,069	5,106	6,731	231,535	1,185,744	132,457,503
Compound Annual Change						
2000 - 2022	0.12%	0.53%	1.19%	0.60%	0.44%	0.86%
2022 - 2027	0.44%	0.68%	1.18%	0.60%	0.56%	0.78%
AVERAGE HOUSEHOLD INCOME						
2000	$33,149	$38,198	$40,162	$49,214	$42,360	$56,675
2022	$39,538	$47,306	$58,952	$74,975	$66,340	$96,357
2027	$46,302	$55,584	$69,689	$85,732	$74,424	$109,861
Compound Annual Change						
2000 - 2022	0.80%	0.98%	1.76%	1.93%	2.06%	2.44%
2022 - 2027	3.21%	3.28%	3.40%	2.72%	2.33%	2.66%
OCCUPANCY						
Owner Occupied	40.45%	46.59%	51.03%	67.32%	68.01%	64.02%
Renter Occupied	59.55%	53.41%	48.97%	32.68%	31.99%	35.98%

SOURCE: © 2022 Experian Marketing Solutions, Inc. •All rights reserved

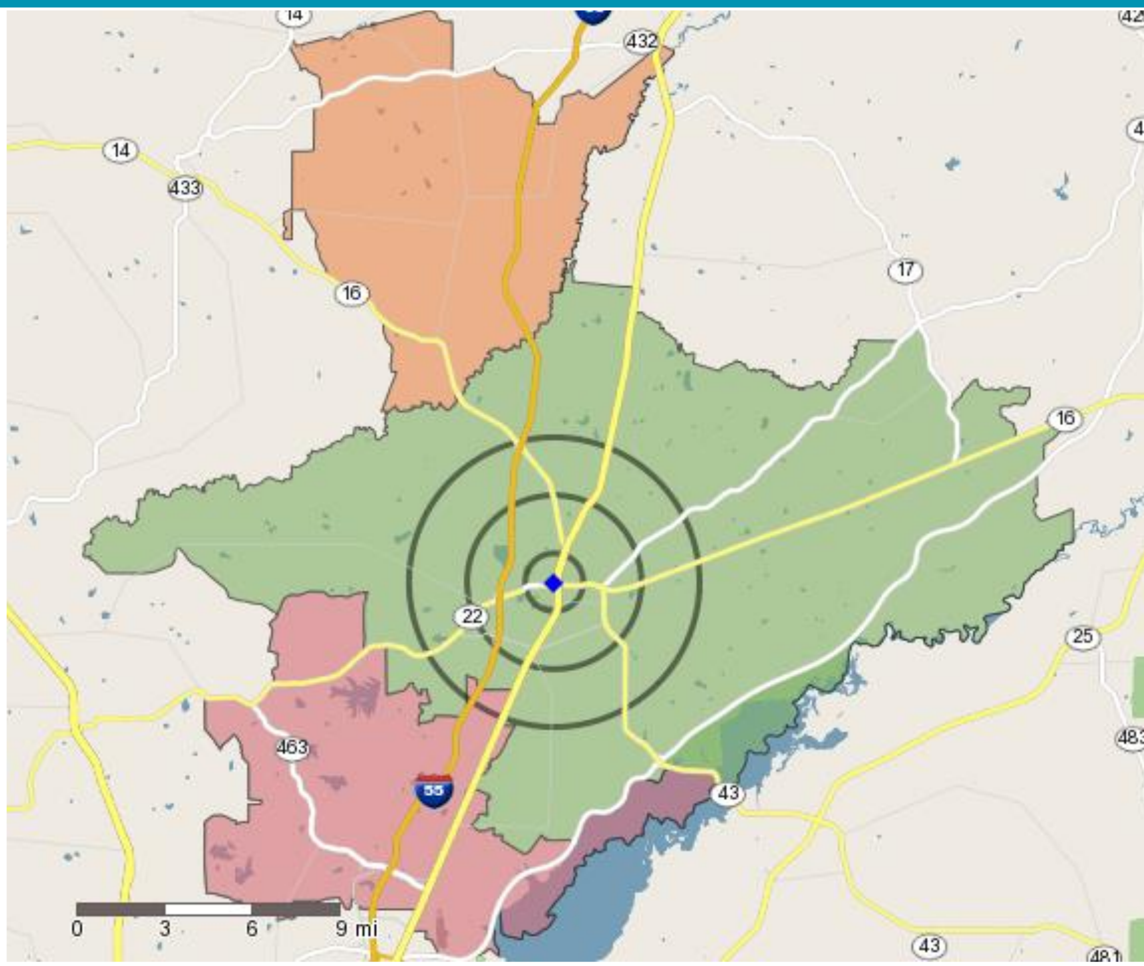
Population

Having established the subject's market area, our analysis focuses on the market area's population. Experian Marketing Solutions, Inc., provides historical, current and forecasted population estimates for the total market area. Patterns of development density and migration are reflected in the current levels of population estimates.

Between 2000 and 2022, Experian Marketing Solutions, Inc., reports that the population within the primary market area (3.0-mile radius) increased at a compound annual rate of 0.44 percent. This is characteristic of suburban areas in this market. This trend is expected to continue into the near future. Expanding to the total market area (5.0-mile radius), population is expected to increase 0.92 percent per annum over the next five years.

The following page contains a graphic representation of the current population distribution within the subject's region.

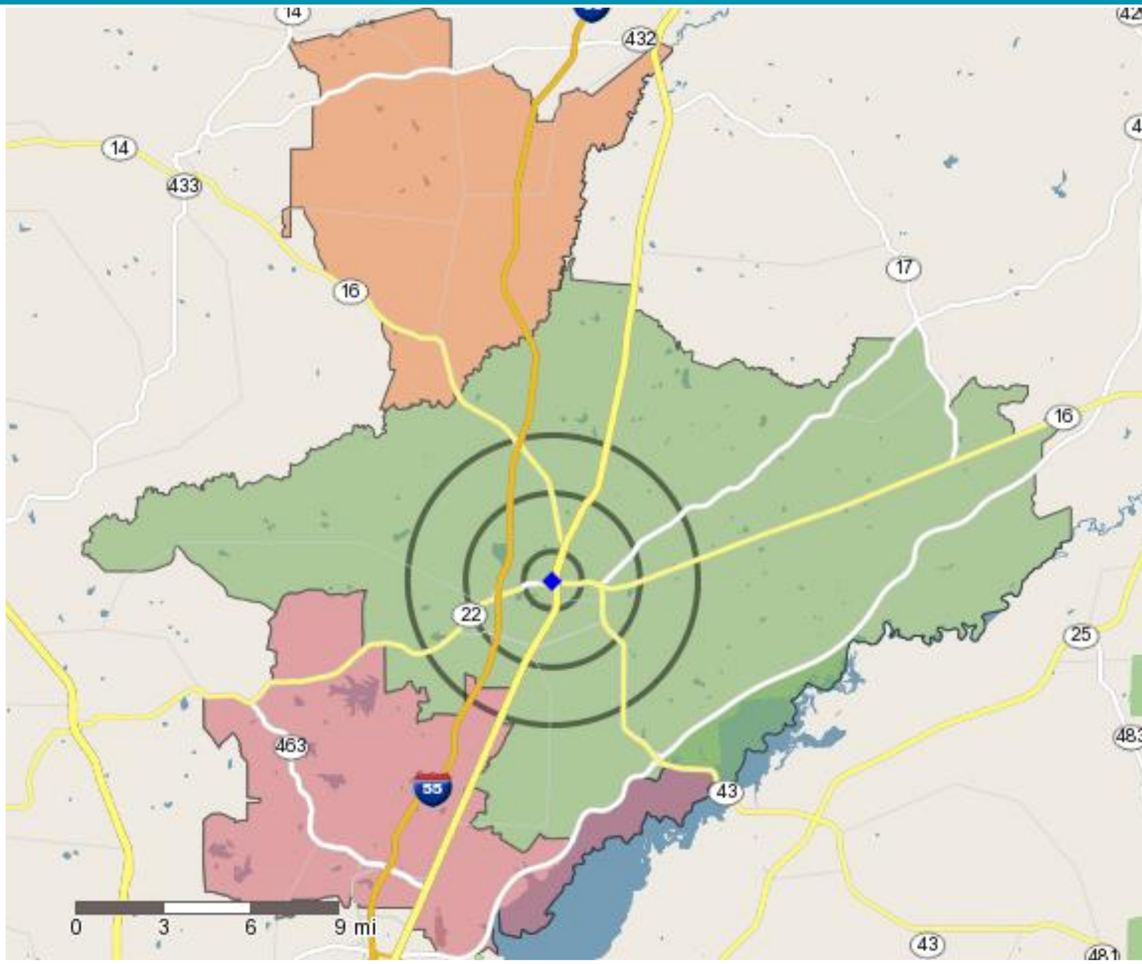
CURRENT POPULATION MAP



Population - 1: 45,645 - 45,645
Population - 2: 38,316 - 45,644
Population - 3: 16,143 - 38,315
Population - 4: 1,299 - 16,142

The following graphic illustrates projected population growth within the market area over the next five years (2022 - 2027). The market area is clearly characterized by various levels of growth.

POPULATION GROWTH MAP



- Population Growth - 1: 50,997 - 50,997
- Population Growth - 2: 42,015 - 50,996
- Population Growth - 3: 17,171 - 42,014
- Population Growth - 4: 1,310 - 17,170

Households

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the market area as it impacts the retail center.

Figures provided by Experian Marketing Solutions, Inc., indicate that the number of households are increasing at a faster rate than the growth of the population. Several changes in the way households are being formed have caused this acceleration, specifically:

- The population is living longer on average. This results in an increase of single-and two-person households;
- Higher divorce rates have resulted in an increase in single-person households; and
- Many individuals have postponed marriage, also resulting in more single-person households.

According to Experian Marketing Solutions, Inc., the Primary Market area grew at a compound annual rate of 0.53 percent between 2000 and 2022. Consistent with national trends the market area is experiencing household changes at a rate that varies from population changes. That pace is expected to continue through 2027, and is estimated at 0.68 percent.

Correspondingly, a greater number of smaller households with fewer children generally indicates more disposable income. In 2000, there were 3.11 persons per household in the Primary Market area and by 2022, this number is estimated to have decreased to 2.93 persons. Through 2027, the average number of persons per household is forecasted to decline to 2.91 persons.

Market area Income

Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the market area and form an important component of this total analysis. Average household income, when combined with the number of households, is a major determinant of an area's retail sales potential.

Market area income figures for the subject support the profile of a lower-income market. According to Experian Marketing Solutions, Inc., average household income in the primary market area in 2022 was approximately $47,306, 63.10 percent of the Jackson average ($74,975) and 71.31 percent of the state average ($66,340).

Further analysis shows a relatively broad-based distribution of income, although skewed toward the lower income brackets similar to the distribution within the larger Jackson. This information is summarized as follows:

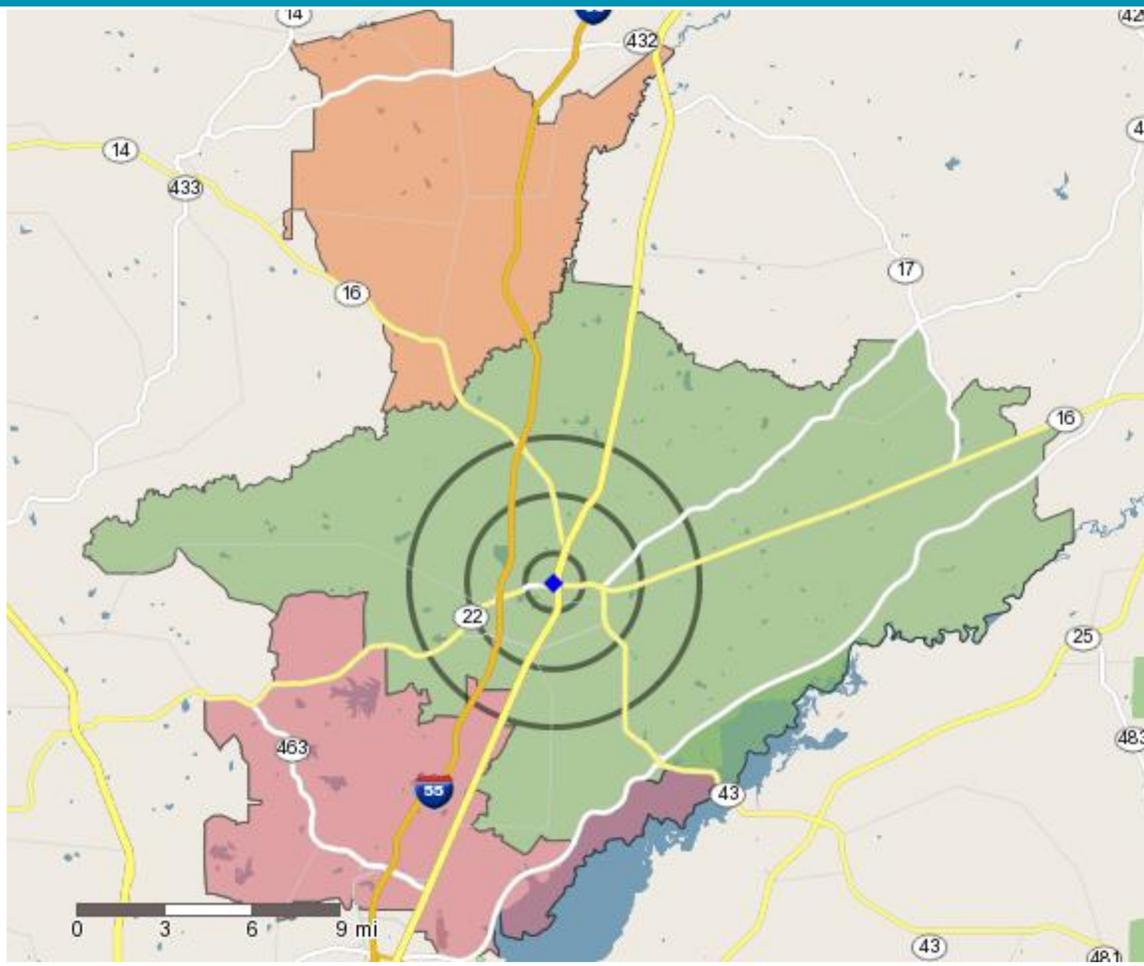
DISTRIBUTION OF HOUSEHOLD INCOME

Category	1.0-Mile Radius	3.0-Mile Radius	5.0-Mile Radius	Jackson, MS Met CBSA	State of Mississippi	United States
$150,000 or more	2.56%	4.62%	7.30%	9.32%	6.78%	15.01%
$125,000 to $149,999	1.50%	2.05%	3.06%	4.60%	4.12%	6.26%
$100,000 to $124,999	2.43%	3.46%	4.81%	7.71%	6.88%	9.80%
$75,000 to $99,999	4.63%	6.01%	7.68%	11.88%	11.95%	13.31%
$50,000 to $74,999	10.23%	11.36%	12.53%	18.71%	18.27%	17.41%
$35,000 to $49,999	13.86%	14.60%	14.44%	13.68%	13.75%	11.70%
$25,000 to $34,999	15.29%	14.30%	13.05%	10.12%	10.54%	8.31%
$15,000 to $24,999	18.45%	16.42%	14.69%	11.19%	12.02%	8.36%
Under $15,000	31.05%	27.18%	22.46%	12.78%	15.70%	9.85%

SOURCE: © 2022 Experian Marketing Solutions, Inc. •All rights reserved

The following is a graphic presentation of the household income distribution throughout the market area that clearly shows the area surrounding the subject to be characterized by lower to middle income households.

HOUSEHOLD INCOME MAP



Household Income - 1: $133,352 - 133,352
Household Income - 2: $102,901 - 133,351
Household Income - 3: $66,463 - 102,900
Household Income - 4: $60,476 - 66,462

Conclusion

We analyzed the retail trade history and profile of the subject's region and primary market area in order to make reasonable assumptions regarding the continued performance of the property.

A metropolitan and locational overview was presented which highlighted important points about the study area. Demographic and economic data specific to the market area were also presented. Marketing information relating to these sectors was presented and analyzed in order to determine patterns of change and growth as it impacts Proposed Municipal Office Building. The data quantifies the dimensions of the total market area, while our comments provide qualitative insight into this market. A compilation of this data forms the basis for our projections and forecasts for the subject property. The following are our key conclusions.

- The subject has good accessibility via the regional Interstate network and local arterials that provide linkages throughout Madison County.
- Based on our analysis we concluded that the subject is well positioned within its market area and the prospect for net appreciation in real estate values is expected to be in line with the overall market.

Property Analysis

Site Description

GENERAL	
Location:	229 North Union Street Canton, Madison County, MS 39046 The subject is one block northwest from the Canton Square. It is surrounded by County government offices, commercial and residential uses. More specifically, it is at the NWQ of N. Union Street and W. Center Street. It is south of W. North Street.
Shape:	Irregularly shaped
Topography:	Level at street grade
Land Area:	80,350 Square Feet / 1.84 Acres
Access, Visibility and Frontage:	The subject property has good access and average visibility. The frontage is rated as average. The frontage dimensions are listed below: North Union Street: 200 feet West Center Street: 230 feet
Utilities:	Electricity, gas, water and sewer are provided by the City of Canton. All public utilities are available and deemed adequate.
Site Improvements:	Site improvements include asphalt paved parking areas, curbing, signage, yard lighting and drainage.
SITE CONDITIONS	
Soil Conditions:	We were not provided a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Land Use Restrictions:	We were not provided a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist
Wetlands:	We were not provided a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.

Flood Zone Description: The subject property is in flood zone X (Areas determined to be outside the 500 year flood plain) as indicated by FEMA Map 28089C0410F, dated March 17, 2010.

The flood zone determination and other related data are provided by a third-party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.

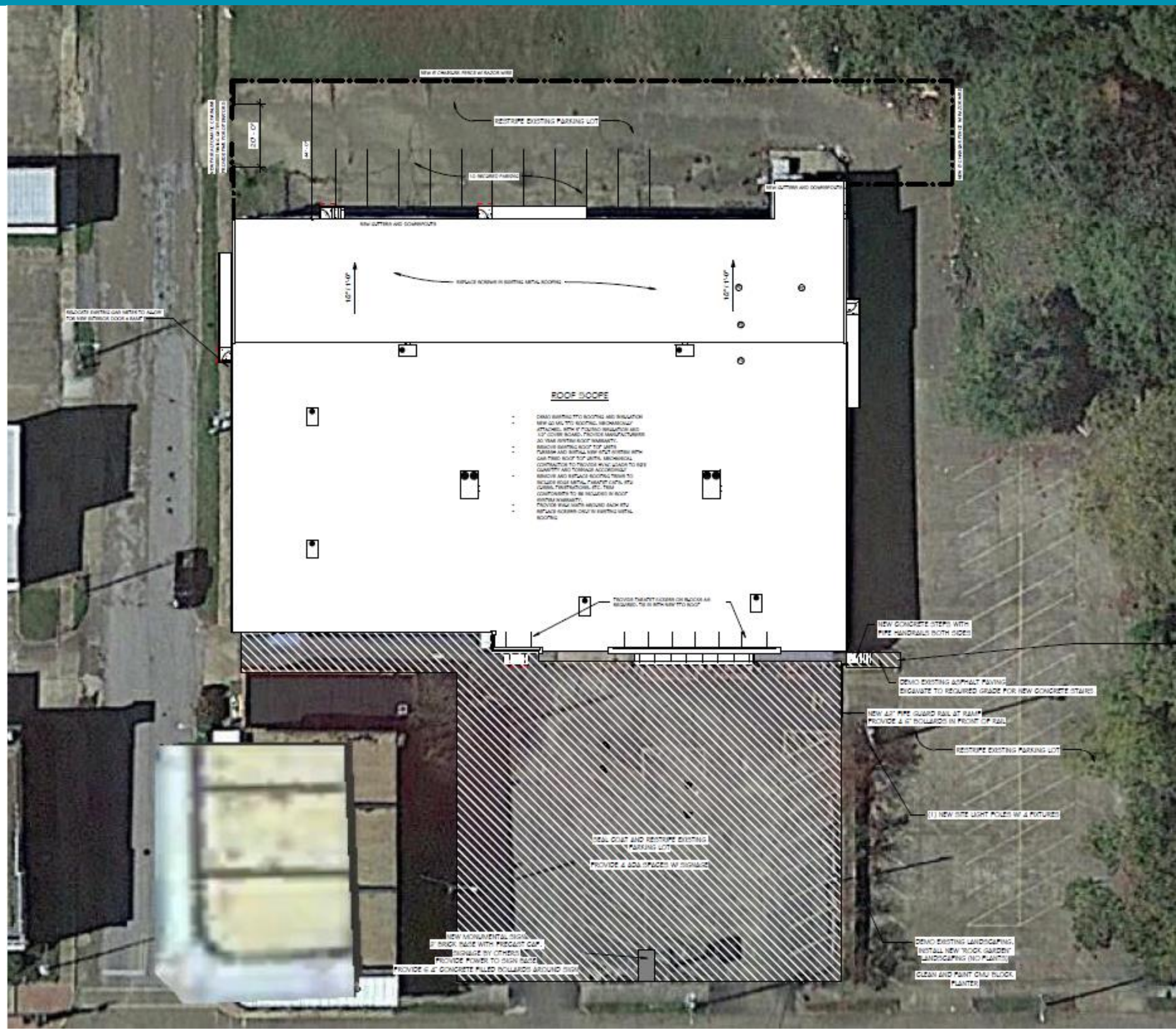
FLOOD MAP

CONCLUSIONS

Overall Site Utility: The subject site is functional for its current use.

Location Rating: Average

SITE PLAN


RESTRIPE EXISTING PARKING LOT
ROOF SCOPE
NEW CONCRETE STEPS WITH
PIPE HANDRAILS BOTH SIDES
DEMO EXISTING ASPHALT PAVING
EXCAVATE TO REQUIRED GRADE FOR NEW CONCRETE STAIRS
NEW 42" PIPE GUARD RAIL AT RAMP
PROVIDE 4 6" BOLLARDS IN FRONT OF RAIL
RESTRIPE EXISTING PARKING LOT
(1) NEW SITE LIGHT POLES W/ 4 FIXTURES
SEAL COAT AND RESTRIPE EXISTING
PARKING LOT
PROVIDE 4 ADA SPACES W/ SIGNAGE
NEW MONUMENTAL SIGN
2' BRICK BASE WITH PRECAST CAP,
SIGNAGE BY OTHERS
PROVIDE POWER TO SIGN BASE
PROVIDE 6 4" CONCRETE FILLED BOLLARDS AROUND SIGN
DEMO EXISTING LANDSCAPING,
INSTALL NEW "ROCK GARDEN"
LANDSCAPING (NO PLANTS)
CLEAN AND PAINT CMU BLOCK
PLANTER

Improvements Description

The following description of improvements is based on our physical inspection of the improvements and our discussions with the Greg Higginbotham Madison County Administrator, JD Johnson and Jeff Peoples, Peoples Construction.

GENERAL DESCRIPTION	
Property Type:	Retail - Commercial (Retail)
Year Built:	1976
Year Renovated:	Proposed completion October 2024
Number of Buildings:	1
Number of Stories:	1
Land to Building Ratio:	3.03 to 1
Gross Building Area:	26,488 square feet
Gross Leasable Area:	26,488 square feet
CONSTRUCTION DETAIL	
Basic Construction:	Masonry
Foundation:	Reinforced concrete slab
Framing:	Structural steel with masonry and concrete encasement
Floors:	Concrete slab
Exterior Walls:	Various including brick and EFIS
Roof Type:	Flat deck roof with waterproof membrane cover
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass, metal and wood
MECHANICAL DETAIL	
Heat Source:	Gas
Heating System:	Forced Air
Cooling:	HVAC
Cooling Equipment:	The cooling equipment is roof mounted.
Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.

Electrical Service:	The electrical system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical Metering:	The building will have master meters.
Fire Protection:	100 percent sprinklered
Security:	The building will have extensive security including an interior and exterior camera system.

INTERIOR DETAIL

Layout:	The building will include cashier windows for the Madison County Tax Collector, two judges' chambers with clerk and support offices, 2 court rooms, jury conferencing room, secure evidence storage and holding cells. It will also have a variety of conference rooms and offices, breakrooms, work rooms and adequate restrooms,
Floor Covering:	To be determined
Walls:	Painted drywall
Ceilings:	Acoustical tile and painted dry
Lighting:	LED
Restrooms:	The property will feature adequate restrooms.

OTHER IMPROVEMENTS

Parking:	The property contains approximately 77 surface parking spaces, reflecting an overall parking ratio of 2.91 spaces per 1,000 square feet of net rentable area. The parking spaces are asphalt and concrete-paved and striped, and will adequately support the users.
On-site Landscaping:	The site will be landscaped with a variety of trees and bushes.
Other:	Site improvements include asphalt paved parking areas, curbing, signage, yard lighting and drainage.
Personal Property:	Personal property is excluded from this valuation.

ANALYSIS AND CONCLUSIONS

Condition:	As Is, fair to poor; upon completion, good to excellent
Quality:	As is, good; upon completion, good
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average, when measured against other properties in this marketplace. Upon completion, it will have an overall rating that is good to excellent.

Roof & Mechanical Inspections:	We did not inspect the roof, nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
Actual Age:	47 years
Effective Age:	35 years – As Is; upon completion, 5 years.
Expected Economic Life:	55 years - The Marshall Valuation Services publication was relied on to estimate life expectancy of the subject's improvements.
Remaining Economic Life:	50 years
Curable Physical Deterioration:	We were provided with a proposed construction budget.
Functional Obsolescence:	No functional obsolescence is noted in the proposed redevelopment

FLOOR PLAN

A floor plan was provided for this analysis, but due to the facility's sensitive nature with courtrooms and holding cells, it is maintained in the appraisal file.

Real Property Taxes and Assessments

Current Property Taxes

The subject property is in the taxing districts of Madison County, the City of Canton, and the Separate School District. It is identified as tax parcels:

- 093D-19B-087/00.00 (PPIN:29655)
- 093D-19B-088/00.00 (PPIN:29656)
- 093D-19B-094/00.00 (PPIN:29662)
- 093D-19B-093/00.00 (PPIN:29661).

The property is valued for tax purposes by the county tax assessor's office. The assessed value, by statute, is 15% of the true value. The millage rate for the current year is determined in October. According to the Tax Assessor's Office, the current combined millage rate for 2021 equals $149.00 per $1,000 of assessed value. Applying the 2021 millage rate per one thousand dollars of assessment equals the current property taxes. Assuming the millage rate does not change significantly using the current millage rate gives a reasonable projection.

In Madison County, property taxes, real or personal, and other special assessments are due and payable by February 1, of the following year. Thereafter, a penalty of 1 percent per month accrues on any unpaid taxes until the tax sale in August of that same year. Statute allows the payment of these taxes in installments as long as the first payment is at least one-half (½) of the taxes due and is made by February 1st following the tax year for which payment is collected. Installment payments are subject to 1 percent per month interest on the unpaid balance for the second and third payments.

Within this jurisdiction, reassessments typically occur every 4 years. The sale of a property does not typically trigger a reassessment. Based on the Madison County website, taxes appear to be current. The assessment and taxes for the property are presented in the following table:

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	093D-19B-087/00.00 (PPIN:29655) 093D-19B-088/00.00 (PPIN:29656) 093D-19B-094/00.00 (PPIN:29662) 093D-19B-093/00.00 (PPIN:29661)
Assessing Authority:	Madison County
Current Tax Year:	2022
Assessment Ratio (% of market Value):	15%
Are Taxes Current?	Taxes are current
Is There a Grievance Underway?	Not to our knowledge
The Subject's Assessment and Taxes Are:	At market levels

ASSESSMENT INFORMATION	
Assessed Value	**Totals**
Land:	$20,733
Improvements:	$51,632
Taxable Assessment:	**$72,365**
TAX LIABILITY	
Total Tax Rate:	$149.00
Total Property Taxes:	**$10,782**

Compiled by Cushman and Wakefield of Georgia, LLC

Total taxes for the property As Is equal $10,782, or $0.41 per square foot.

Tax Comparable Analysis

To determine if the taxes on the property are reasonable, we examined the actual tax burdens of similar properties in the market. They are illustrated in the following table:

REAL ESTATE TAX COMPARABLES							
No.	**Property Name & Location**	**Parcel No.**	**Building Area (SF)**	**Year Built**	**Assessment Year**	**Assessment**	**Assess/SF**
S	SUBJECT PROPERTY	093D-19B-087/00.00 (PPIN:29655) 093D-19B-088/00.00 (PPIN:29656) 093D-19B-094/00.00 (PPIN:29662) 093D-19B-093/00.00 (PPIN:29661)	26,488	1976	2022	$72,365	$2.73
1	Family Dollar, 3376 N Liberty Street, Canton, MS	093D-19B-270/00.00	9,232	2017	2022	$79,637	$8.63
2	Piggly Wiggly, 110 E Academy Street, Canton, MS	093D-19C-245/00.00	34,221	1972	2022	$89,835	$2.63
3	Dollar Tree, 838 E Peace Street, Canton, MS	093D-20B-072/00.00	9,995	2017	2022	$91,452	$9.15
4	Dollar General, 1948 MS-43 N, Canton, MS	093D-20D-154/01.00	8,254	2003	2022	$63,059	$7.64
STATISTICS							
Low:			8,254	1972		$63,059	$2.63
High:			34,221	2017		$91,452	$9.15
Average:			15,426	2002		$80,996	$7.01

Compiled by Cushman and Wakefield of Georgia, LLC

Real Property Tax Conclusion

The comparable properties reflect assessed values ranging from $2.63 to $9.15 per square foot with an average of $7.01 per square foot. Reflected taxes range from $0.39 to $1.36 per square foot with an average of $1.04 per square foot. Based upon these comparables, the subject is generally commensurate with comparable properties at the time of this analysis.

Upon completion, the renovated property will be occupied by county government entities; however, the property will be held by a private investment company and subject to ad valorem taxes.

TAX MAP

Zoning

General Information

The property is zoned Historic Commercial District (HC-1) by City of Canton. A summary of the subject's zoning is provided in the following table:

ZONING	
Municipality Governing Zoning:	City of Canton
Current Zoning:	Historic Commercial District (HC-1)
Current Use:	Retail
Is Current Use Permitted?	Yes
Proposed Use:	Municipal Office
Is Proposed Use Permitted?	Yes
Change in Zone Likely:	No
Permitted Uses:	Permitted uses within this district include all uses permitted in C-1 Restricted Commercial Zones, commercial uses in which the services performed and merchandise offered for sale are conducted or displayed within enclosed structures and full service restaurants.

ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	Not Regulated	Complying
Maximum Building Height:	35 feet	Complying
Maximum Floor Area Ratio (FAR):	Not Regulated	Complying
Minimum Yard Setbacks		
Front (Feet):	Not Regulated	Complying
Rear (Feet):	Not Regulated	Complying
Side (Feet):	Not Regulated	Complying
Required On-Site Parking:		
Spaces per Square Foot:	100 square feet per space	Complying

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Zoning Compliance

Property value is affected by whether or not an existing or proposed improvement complies with zoning regulations, as discussed below.

Complying Uses

An existing or proposed use that complies with zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

Pre-Existing, Non-Complying Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Complying Uses

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

Other Restrictions

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

Zoning Conclusions

We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property as proposed appears to be a complying use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Valuation

Highest and Best Use

Highest and Best Use Definition

The Dictionary of Real Estate Appraisal, Seventh Edition (2022), a publication of the Appraisal Institute, defines the highest and best use as:

> The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned Historic Commercial District (HC-1) by City of Canton. Permitted uses are discussed in the preceding section. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 1.84 acres, or 80,350 square feet. The site is irregularly shaped and level at street grade. It has average frontage, good access, and average visibility. The overall utility of the site is considered to be average. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with a municipal office building built to its maximum feasible building area.

Highest and Best Use of Property as Proposed

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is zoned Historic Commercial District (HC-1). The site is improved with a retail - commercial use containing 26,488 square feet of gross building area. In the Zoning section of this appraisal, we determined that the existing improvements represent a complying use. We also determined that the proposed use is a permitted use in this zone.

Physically Possible

The subject improvements were originally constructed in 1976. As is, the improvements are in fair to poor condition. Upon completion, the proposed improvement, as built-to-suit, will be in like-new condition and will adequate meet the intended use. We know of no current or pending municipal actions or covenants that would require a change to the improvements as proposed.

Financially Feasible and Maximally Productive

In the Reconciliation section, we estimate a market value for the subject property, as is improved, of $880,000, which is greater than the value of the site as though vacant, determined to be $160,000. The improvements upon completion are significantly higher and increase the value to the land. In our opinion, the improvements upon completion will significantly contribute to the value of the site. It is likely that no alternative use would result in a higher value.

Conclusion

It is our opinion that the proposed improvements will add value to the site as though vacant. It is our opinion that the Highest and Best Use of the subject property as improved is a municipal office building built to its maximum feasible building area as proposed.

Most Likely Buyer

The subject upon completion will be leased to a public entity. Its size, type, and configuration make it well suited for owner-user or single tenant occupancy. We conclude that the most likely purchaser of the subject upon completion is an investor, who would typically rely on the income approach to value the property. However, due to a lack of similar sales from the immediate or surrounding market and the lack of leasing information, this analysis is based on the Cost Approach and Sales Comparison Approach. A consideration of The Income Capitalization Approach is relied on as a crosscheck of reasonableness.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial incentive and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In each case, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Summary

This appraisal employs the Cost Approach and the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Because the subject property is a specialized land use, it is not typically marketed, purchased or sold on the basis of anticipated lease-income. Lease comparables are rare and generally not market transactions. Therefore, we have not employed the Income Capitalization Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per square foot of land. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

There is limited land sale transactions from the Canton market. Comparables 2 and 6 are the most recent known land sales transactions in the immediate area. Comparable 6 is an older transaction, but is considered relevant due to the lack of more recent information. Albeit, different intended uses, they provide some insight about the Canton market and the demand there. The survey for relevant land sales was extended beyond the immediate market. Reliance is placed on six relatively recent transactions from surrounding or similar markets. The comparables and our analysis are presented on the following pages.

Comparable land sale data sheets are presented in the Addenda.

SUMMARY OF LAND SALES

PROPERTY INFORMATION							TRANSACTION INFORMATION				
No.	Location	Size (SF)	Size (Acres)	Proposed Use	Zoning	Public Utilities	Grantor	Grantee	Sale Date	Sale Price	$/SF Land
S	Subject Property	80,350	1.84	Retail	Historic Commercial District (HC-1)	All Available					
1	Proposed Dollar General 511 Palmetto Road Tupelo, MS	65,340	1.50	Retail-Commercial	None	All Available	John Lamar Metcalf	Dollar General Corporation	3/21	$150,000	$2.30
2	22 West Storage 1799 W. Peace Street/Hwy 22 Canton, MS	164,221	3.77	Industrial	C-5, Canton West Special Planned District	All Available	22 West Storage, LLC	The Arena, LLC	10/20	$282,750	$1.72
3	800 North Martin Luther King Junior Drive Cleveland, MS	76,666	1.76	Office	Commercial	All Available	Timbo Sandifer	Plateu Investments, LLC	10/20	$160,000	$2.09
4	210 Meadowbrook Road Jackson, MS	30,928	0.71	Retail-Commercial	C-3 General Commercial District	All Available	210 Meadowbrook Properties, LLC	Steven Jones	9/20	$65,000	$2.10
5	Dollar General Proposed Site 20Nat G Troutt Road Grenada, MS	68,478	1.57	Retail-Commercial	None	All Available	Eddie D Carnathan, Et Ux	Elliott DG, L.L.C.	1/20	$145,000	$2.12
6	Fast Pace Urgent Care 1621 West Peace Street Canton, MS	43,560	1.00	Retail-Commercial	C-5, Canton West Special Planned District	All Available	JTS Capital Realty 3, LLC	FP Canton MS, LLC	11/19	$90,000	$2.07
STATISTICS											
Low		30,928	0.71						11/19	$65,000	$1.72
High		164,221	3.77						3/21	$282,750	$2.30
Average		74,866	1.72						7/20	$148,792	$2.06

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LAND SALE ADJUSTMENT GRID

	Economic Adjustments (Cumulative)						Property Characteristic Adjustments (Additive)					
No.	Price PSF Land & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	PSF Land Subtotal	Location	Size	Public Utilities	Utility[2]	Other	Adj. Price PSF Land
1	**$2.30**	Fee Simple	Arm's-Length	None	Superior	**$2.26**	Superior	Similar	Similar	Similar	Similar	**$2.15**
	3/21	0.0%	0.0%	0.0%	-1.5%	-1.5%	-5.0%	0.0%	0.0%	0.0%	0.0%	-5.0%
2	**$1.72**	Fee Simple	Arm's-Length	None	Superior	**$1.70**	Similar	Larger	Similar	Similar	Similar	**$1.87**
	10/20	0.0%	0.0%	0.0%	-1.1%	-1.1%	0.0%	10.0%	0.0%	0.0%	0.0%	10.0%
3	**$2.09**	Fee Simple	Arm's-Length	None	Superior	**$2.06**	Similar	Similar	Similar	Similar	Similar	**$2.06**
	10/20	0.0%	0.0%	0.0%	-1.1%	-1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	**$2.10**	Fee Simple	Arm's-Length	None	Superior	**$2.08**	Superior	Smaller	Similar	Similar	Similar	**$1.77**
	9/20	0.0%	0.0%	0.0%	-1.0%	-1.0%	-5.0%	-10.0%	0.0%	0.0%	0.0%	-15.0%
5	**$2.12**	Fee Simple	Arm's-Length	None	Superior	**$2.11**	Inferior	Similar	Similar	Similar	Similar	**$2.21**
	1/20	0.0%	0.0%	0.0%	-0.5%	-0.5%	5.0%	0.0%	0.0%	0.0%	0.0%	5.0%
6	**$2.07**	Fee Simple	Arm's-Length	None	Superior	**$2.06**	Similar	Smaller	Similar	Similar	Similar	**$1.85**
	11/19	0.0%	0.0%	0.0%	-0.5%	-0.5%	0.0%	-10.0%	0.0%	0.0%	0.0%	-10.0%
	STATISTICS											
	$1.72	**- Low**									**Low -**	**$1.77**
	$2.30	**- High**									**High -**	**$2.21**
	$2.06	**- Average**									**Average -**	**$1.99**

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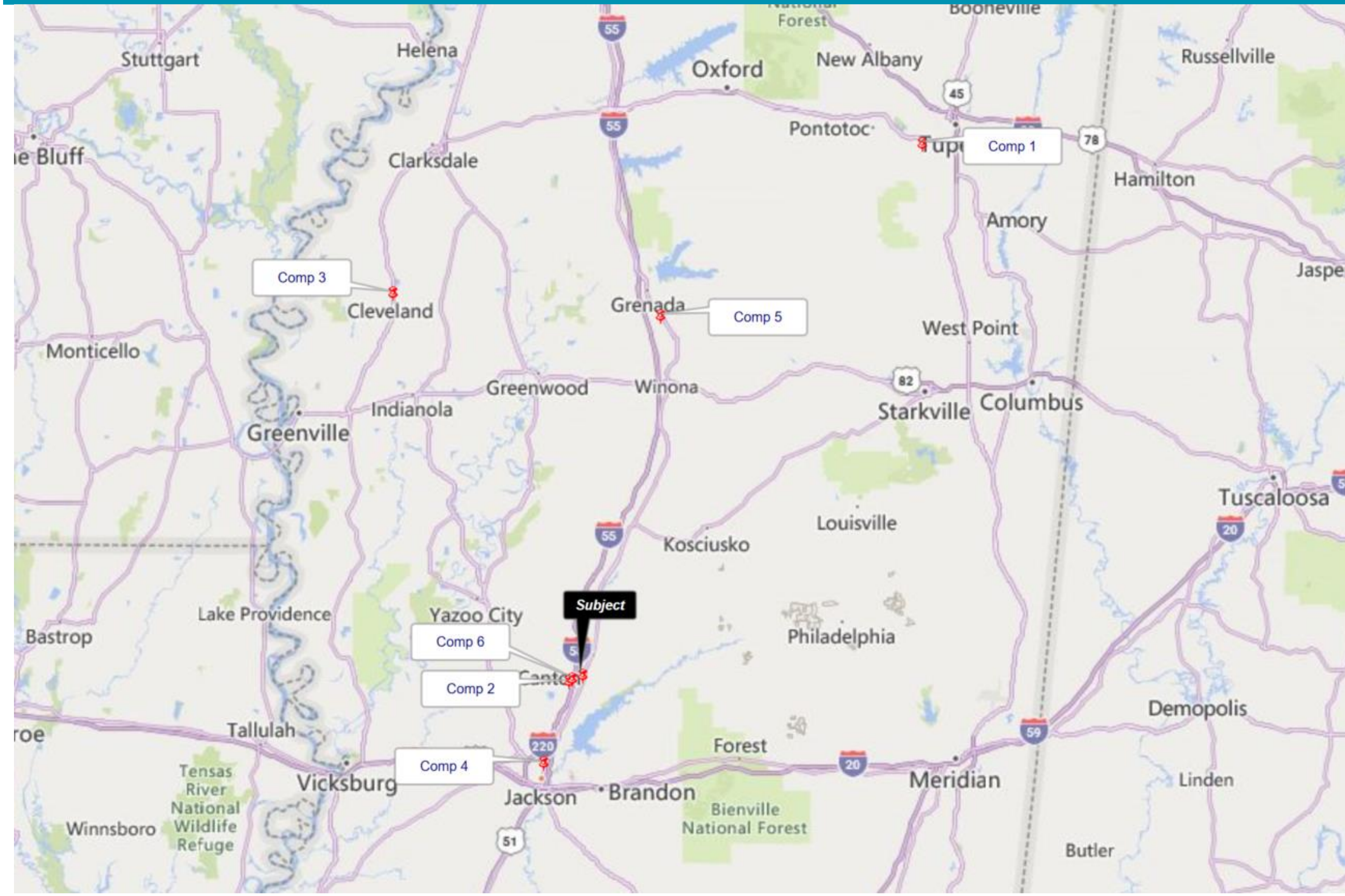
(1) Market Conditions Adjustment Footnote
See Variable Growth Rate Assumptions Table
Date of Value (for adjustment calculations): 7/14/23

(2) Utility Footnote
Utility includes shape, access, frontage and visibility.

Variable Growth Rate Assumptions

Starting Growth Rate:	0.0%
Inflection Point 1 (IP1):	**3/1/2020**
Change After IP1:	1.0%
Inflection Point 2 (IP2):	**8/1/2022**
Change After IP2:	-3.0%

LAND SALE LOCATION MAP



Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between November 2019 and March 2021, which were adjusted to the date of value using inflection points. Upon the onset of the COVID-19 Pandemic, growth declined to 0.0 percent. After a year, the market began to recover. In early 2022, the Federal Reserve was holding the federal funds rate close to zero. To combat inflation, the Fed began increasing interest rates in March 2022. These increases have triggered higher capitalization rates and negatively impacted market values. These inflection points are indicated on the adjustment chart.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. We made a downward adjustment to Comparable 1 and 4, considered superior in location as compared to the subject. Conversely, Comparable 5 merits upward adjusting for its inferior location.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Larger sites usually sell for a lower unit price due to the economy of scale. Conversely, smaller sites typically sell for a higher unit price. Comparable 2 is adjusted upward for its larger site; Comparables 4 and 6 downward for smaller sizes.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often, but not always, provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its comparables. All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building. It has good access, average frontage and average visibility. All the comparables have similar utility and no adjustments are warranted.

Other

No other adjustments are noted

Conclusion of Site Value

The adjustments applied to the comparable sales in the Land Sale Adjustment Chart reflect what we determined is appropriate in the marketplace.

Prior to adjusting, the unit prices range from a low of $1.72 to a high of $2.30 per square foot with a $2.06 per square foot mean. Despite the subjectivity, the adjustments were considered reasonable and were applied consistently. After analysis, the comparable land sales reflect adjusted unit values ranging from $1.77 per square foot to $2.21 per square foot, with a $1.99 per square foot average. Comparables 2 and 6 from the Canton, MS market form a close range. Overall, this market data provides support that the market price is $2.00 per square foot for this site in this market.

AS IS LAND VALUE CONCLUSION	Price PSF
Indicated Value	$2.00
SQFT Measure	x 80,350
Indicated Value	$160,700
LAND VALUE CONCLUSION	**$160,000**
$/SF Basis	$1.99

Compiled by Cushman and Wakefield of Georgia, LLC

The prospective value upon completion is:

PROSPECTIVE LAND VALUE CONCLUSION					
Prospective Land Values	**Prospective Date**	**Market* Conditions**	**Prospective Land Value**	**Rounded**	**Price PSF**
Prospective Value Upon Completion:	10/24	-3.58%	$154,940	$150,000	$1.87

** Forecast compound annual change in market conditions from the as is value date through prospective value date.*

Cost Approach

Methodology

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. The steps in this approach have been outlined in the Valuation Process section of this report. We previously developed an opinion of land value for the subject site of $150,000 upon completion.

Replacement Cost New

The Marshall Valuation Service is used to determine the replacement cost of the subject building. These costs include labor, materials, supervision, contractor's profit and overhead, architect's plans and specifications, sales taxes and insurance. Base costs are provided by the Marshall and Swift (M&S) Square Foot Commercial Methodology. These costs are refined, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The refined base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the M&S Commercial Cost Explorer.

Our estimates of Replacement Cost New (RCN), Indirect Costs, Entrepreneurial Incentive, and Depreciation for the subject property are summarized on the following pages.

Indirect Costs

Indirect costs (soft costs) not included in our Base Costs are developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.

An average property in the subject market requires an allowance for indirect costs of between 5.0 and 10.0 percent of Base Costs. We used a higher 10.0 percent for the Building Improvements (Structures) and 10.0 percent for the Site Improvements in this analysis due to the higher soft cost associated with this unique project for development approval and legal fees.

Entrepreneurial Incentive

Typically, an allowance for entrepreneurial incentive would be added when preparing the cost approach. This allowance provides a prospective developer with the incentive to develop a property, especially one of a speculative nature.

Based on our discussions with developers in the local market, this figure tends to range between 10.0 and 20.0 percent of Base Building, Site Improvement and Other Indirect Costs. We chose to use 20.0 percent in our analysis consistent with the risk of undertaking this project.

Depreciation

There are several methods for capturing the loss in value attributable to depreciation: The market extraction method, the age-life method, and the breakdown method. Our Cost Approach utilizes the fundamental components of the age-life method. In some situations, the impact of certain items of depreciation on value is known or is easily estimated. In the most common variation of the age-life method the cost to cure certain curable items (physical and functional) is known and can be deducted before the age-life ratio is applied; a process that mirrors what typical purchasers consider as part of the investment decision. Once processed, incurable items (physical and functional) can be estimated via the age-life ratio. In situations where External Obsolescence is present it, too, can be analyzed either as a residual to the market value conclusion or via an estimate of capitalized rent loss attributable to the external condition.

Physical Deterioration

The *Marshall & Swift CCE* defines physical deterioration as:

> The wearing out of the improvement through the combination of wear and tear of use, the effects of the aging process and physical decay, action of the elements, structural defects, etc. It is typically divided into two types, curable and incurable, which may be individually estimated by the component breakdown method using some type of age/life approach. Physical deterioration may be further categorized as deferred maintenance, generally requiring immediate attention and treated separately based on the items' cost to repair.

Curable physical deterioration is generally associated with individual short-lived items such as paint, floor and roof covers, hot-water heaters, etc., requiring periodic replacement or renewal, or modification continuously over the normal life span of the improvement. The subject will be like-new upon completion and not have curable physical depreciation.

Incurable physical deterioration is generally associated with the residual group of long-lived items such as floor and roof structures, mechanical supply systems and foundations. Such basic structural items are not normally replaced in a typical maintenance program and are usually incurable except through major reconstruction. Physical Incurable Obsolescence is calculated using a modified age-life method with consideration to the like new condition upon completion.

Functional Obsolescence

According to the *Appraisal Institute*, functional obsolescence can be caused by changes in market conditions that have made some aspect of a structure, material or design obsolete by current market standards. Functional obsolescence may also be curable or incurable.

To be curable, the cost to correct the deficiency must be equal to or less than the anticipated increase in value. There are three subcategories of curable functional obsolescence: (1) deficiency requiring addition, (2) deficiency requiring substitution and (3) superadequacy. A deficiency requiring addition is measured by how much the cost of the addition exceeds the cost of the item if it were installed new during construction. A deficiency requiring substitution is measured as the cost of the existing component less physical deterioration already charged against the component and salvage value, plus the cost to remove the existing component and the added cost of installation. A superadequacy is measured as the current reproduction cost of the item minus any physical deterioration already charged plus the cost of removal, less the salvage value. A superadequacy is curable if correcting it on the date of the appraisal is economically feasible.

The subject improvements are constructed and will be renovated using modern materials and techniques. Furthermore, the design and layout of the property will be consistent with current market standards. No functional obsolescence is noted based on the plans and specs or market participant discussions.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of lagging rental rates, high inflation, excessive construction costs, access to highways, the lack of an adequate labor force, changing land use patterns and market conditions, or proximity to an objectionable use or condition.

Based on a review of the location of the subject as well as local market conditions, no external obsolescence is noted.

Replacement Cost New (Structures)

A breakdown of each building component is presented by the following table. A separate analysis of each component allows for a consideration of the unique cost differences of each component. The following table summarizes the replacement cost new of the building improvements (structures).

COST APPROACH SUMMARY			
IMPROVEMENTS (STRUCTURES)			
DESCRIPTION		Future Buildout	Office
Marshall & Swift - Improvement Type		Interior Finishout	Governmental Building
Construction Class		C	C
Quality of Construction		Good/Excellent	Good
Marshall & Swift - Section		Section 15	Section 15
Marshall & Swift - Page		Page 35	Page 30
Date		Nov-21	Nov-21
Number of Stories		1	1
Base SF Cost		$100.25	$250.00
SQUARE FOOT REFINEMENTS			
Sprinklers		$0.00	$4.15
Jail Equipment		$0.00	$0.74
Adjusted Base Cost		$100.25	$254.89
HEIGHT AND SIZE REFINEMENTS			
Height Per Story		1.000	1.000
Perimeter		1.000	0.905
Adjusted Base Cost		$100.25	$230.65
FINAL CALCULATIONS			
Current Cost Multiplier		1.050	1.050
Local Area Multiplier		0.890	0.890
Prospective Multiplier		0.994	0.994
Adjusted SF Cost		$93.12	$214.25
TIMES: SF for Replacement Cost Purposes		4,608	21,880
Adjusted Cost		**$429,104**	**$4,687,809**
PLUS: Indirect Costs	10.0%	$42,910	$468,781
Adjusted Cost		$472,014	$5,156,590
PLUS: Entrepreneurial Incentive (Structures)	20.0%	$94,403	$1,031,318
Replacement Cost New (RCN)		**$566,417**	**$6,187,908**
REPLACEMENT COST SUMMARY (STRUCTURES)			
Total Adjusted Costs			**$5,116,913**
PLUS: Total Indirect Costs			$511,691
PLUS: Total Entrepreneurial Incentive (Structures)			$1,125,721
Total RCN			**$6,754,325**
Total GBA (SF)	26,488		
PSF of GBA			254.9956715

Total includes all component / building costs as detailed above

Depreciation (Structures)

As previously discussed, our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the modified age-life method. If applicable, economic obsolescence is independently estimated and deducted. To allow for any variances in the age/condition of individual building components, a separate depreciation analysis was applied to each. The following table summarizes the depreciated value of improvements (structures).

COST APPROACH SUMMARY		
DEPRECIATION ANALYSIS (STRUCTURES)		
DESCRIPTION	Future Buildout	Office
RCN	$566,417	$6,187,908
Age/Life Analysis		
Year Built	1976	1976
Actual Age (Years)	47	47
Economic Life (Years)	55	55
Effective Age (Years)	5	5
Remaining Economic Life (Years)	50	50
Percent Depreciated	9.09%	9.09%
Age/Life Depreciation (% of Adjusted RCN)	$51,492	$562,537
Adjusted RCN	$566,417	$6,187,908
LESS: Age/Life Depreciation	($51,492)	($562,537)
Depreciated RCN	**$514,925**	**$5,625,371**
Depreciation Subtotal	($51,492)	($562,537)
DEPRECIATION SUMMARY (STRUCTURES)		
Total RCN		**$6,754,325**
LESS: Total Depreciation - Age/Life		($614,030)
Total Depreciated Value of Improvements		**$6,140,296**
Total Depreciated Value PSF of GBA		$231.81

Total includes all component / building costs as detailed above

Replacement Cost New (Site Improvements)

Because site improvements can vary significantly and have a shorter typical age/life than the building components, a separate analysis was conducted. Site improvement costs include landscaping, asphalt paving, walkways, etc. The following table presents a detail of the replacement cost new of site improvements.

SITE IMPROVEMENTS - REPLACEMENT COST NEW								
Item	**Unit Type**	**Area (Units)**	**Cost Per Unit**	**Cost New**	**Indirect 10.0%**	**Adjusted Cost**	**Incentive 20.0%**	**Replacement Cost New**
Paving	SF	33,100	$3.50	$115,850	$11,585	$127,435	$25,487	$152,922
Landscaping				$50,000	$5,000	$55,000	$11,000	$66,000
Signage				$10,000	$1,000	$11,000	$2,200	$13,200
Other				$25,000	$2,500	$27,500	$5,500	$33,000
Totals				$200,850	$20,085	$220,935	$44,187	**$265,122**

Depreciation (Site Improvements)

The site improvements will be new upon completion. No depreciation is noted.

SITE IMPROVEMENTS - DEPRECIATION										
Item	**Physical Curable**	**Functional Curable**	**Adjusted Total**	**Economic Life**	**Effective Age**	**Depreciation %**	**Age/Life Depreciation**	**Adjusted Total**	**Economic Obsolescence 0.0%**	**Depreciated Cost**
Paving	$0	$0	$131,076	15	0	0.00%	$0	$131,076	$0	$131,076
Landscaping	$0	$0	$33,000	15	0	0.00%	$0	$33,000	$0	$33,000
Signage	$0	$0	$13,200	15	0	0.00%	$0	$13,200	$0	$13,200
Other	$0	$0	$33,000	15	0	0.00%	$0	$33,000	$0	$33,000
Totals	$0	$0	$210,276				$0	$210,276	$0	**$210,276**

Summary (Site Improvements)

The following table provides a summary of the depreciated value of the site improvements.

SITE IMPROVEMENTS			
Cost New (Site Improvements)			$200,850
PLUS: Indirect Costs	10.0% of Hard Costs		$20,085
Adjusted Cost			$220,935
PLUS: Entrepreneurial Incentive	20.0% of Adjusted Costs		$44,187
RCN (Site Improvements)			**$265,122**
DEPRECIATION ANALYSIS (SITE IMPROVEMENTS)			
RCN (Site Improvements)			**$265,122**
LESS: Age/Life Depreciation			$0
Adjusted RCN (Site)			$265,122
Total Depreciated Value of Site Improvements			**$265,122**
Site Area SF		80,350	
Conclusion PSF of Land Area			**$3.30**

Conclusion

As a culmination to the Cost Approach, we reiterate the conclusions from each portion of this analysis. Please refer to the following table for our Cost Approach summary.

COST APPROACH VALUE SUMMARY		
MARKET VALUE TYPE		**Prospective Market Value Upon Completion**
COST SOURCE		Marshall & Swift (Commercial Cost Explorer)
IMPROVEMENTS (Structures)		
Adjusted Costs		**$5,116,913**
PLUS: Indirect Costs		$511,691
PLUS: Entrepreneurial Incentive		$1,125,721
LESS: Total Depreciation		($614,030)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (Structures)		**$6,140,296**
IMPROVEMENTS (Site)		
Cost New		**$200,850**
PLUS: Indirect Costs		$20,085
PLUS: Entrepreneurial Incentive		$44,187
LESS: Total Depreciation		$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (Site)		**$265,122**
SUMMARY (ALL IMPROVEMENTS)		
Adjusted Costs/Cost New		$5,317,763
PLUS: Total Indirect Costs		$531,776
PLUS: Entrepreneurial Incentive		$1,169,908
TOTAL REPLACEMENT COST NEW		**$7,019,447**
LESS: Total Depreciation		($614,030)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS		**$6,405,418**
Depreciated Value PSF of GBA		$241.82
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS		
PLUS: Prospective Land Value		$150,000
INDICATED VALUE BY THE COST APPROACH		**$6,555,418**
Rounded to the Nearest	**$25,000**	**$6,550,000**
TOTAL GBA (SF)	26,488	
Conclusion PSF of GBA		**$247.28**

The conclusion is crosschecked with the construction budget. The calculation is presented as follows:

CROSSCHECK OF REASONABLENESS		
Replacement Cost New		$7,019,447
Less: Entrepreneurial Incentive		($1,169,908)
Equals		$5,849,539
Less: Redevelopment Cost	$4,138,202	
Plus: 20% Entrepreneurial Incentive (for associated risk)	$827,640	
		($4,965,842)
Remaining to the Existing Improvements		$883,697
Former Fred's purchase costs		$860,000
Δ		-2.68%

Compiled by Cushman & Wakefield of Georgia, LLC

The total replacement cost new less entrepreneurial incentive equals $5,849,539. This is within 0.41 percent of the developer's $5,825,842 outlay including the $860,000 purchase price plus the $4,965,843 redevelopment construction budget including entrepreneurial incentive.

The balance to the existing improvements equals $880,000, rounded. This crosscheck of reasonableness supports that based on the overall project the vacant improvements purchase price is at market. The As Is market value based on the Cost Approach is $880,000, rounded.

Sales Comparison Approach

Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot of net rentable area, effective gross income multiplier, or net income per square foot;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. A search of market information did not reveal any comparable government leased office building sales like the subject as proposed. The following pages contain a summary of vacant improved retail store properties that we compared to the subject property As Is. We then added the renovation costs and some entrepreneurial incentive for the risk associated with development.

Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments. The adjustment process and a map showing the comparable locations is included. Comparable improved sale data sheets are presented in the Addenda of this report.

SUMMARY OF IMPROVED SALES

PROPERTY INFORMATION						TRANSACTION INFORMATION				
No.	**Property Name Address, City, State**	**Land (AC)**	**Land to Building Ratio**	**Building NRA**	**Year Built**	**Grantor**	**Grantee**	**Sale Date**	**Sale Price**	**$/SF**
S	Subject Property	1.84	3.03:1	26,488	1976					
1	203 West Peace Street Canton, MS	0.15	0.59:1	11,000	1896	1955 Investments, LLC	JCA Real Estate Holdings, LLC	11/22	$417,500	$37.95
2	Freestanding Retail (former shoe store) 820 Wilson Drive Ridgeland, MS	0.77	2.24:1	15,000	1998	820 Wilson Drive, LLC	Arvest Church Madison Inc.	7/21	$625,000	$41.67
3	Dollar Tree Family Dollar 1960 Veterans Memorial Boulevard Eupora, MS	2.00	5.74:1	15,171	1972	FRIDSS, LLC	BEL Investments Eupora, MS, LLC	7/20	$500,000	$32.96
4	Former Fred's Pharmacy 951 Main Street Leakesville, MS	1.16	2.99:1	16,878	2012	STORE Capital	Unknown	3/20	$630,000	$37.33
STATISTICS										
Low		0.15	0.59:1	11,000	1896			3/20	$417,500	$32.96
High		2.00	5.74:1	16,878	2012			11/22	$630,000	$41.67
Average		1.02	2.89:1	14,512	1970			4/21	$543,125	$37.48

Compiled by Cushman and Wakefield of Georgia, LLC

IMPROVED SALE ADJUSTMENT GRID

	ECONOMIC ADJUSTMENTS (CUMULATIVE)						PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)							
No.	**Price PSF & Date**	**Property Rights Conveyed**	**Conditions of Sale**	**Financing**	**Market Conditions (1)**	**Subtotal**	**Location**	**Size**	**Age, Quality & Condition**	**Land-Building Ratio**	**Utility (2)**	**Economics**	**Other**	**Adj. Price PSF**
1	**$37.95** 11/22	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -2.0%	**$37.20** -2.0%	Similar 0.0%	Smaller -10.0%	Superior -5.0%	Inferior 5.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	**$33.48** -10.0%
2	**$41.67** 7/21	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -1.8%	**$40.90** -1.8%	Superior -10.0%	Smaller -10.0%	Superior -5.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	**$30.68** -25.0%
3	**$32.96** 7/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -0.9%	**$32.66** -0.9%	Inferior 10.0%	Smaller -10.0%	Similar 0.0%	Superior -5.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	**$31.03** -5.0%
4	**$37.33** 3/20	Fee Simple 0.0%	Arm's-Length 0.0%	None 0.0%	Superior -0.6%	**$37.12** -0.6%	Inferior 10.0%	Smaller -10.0%	Superior -10.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	**$33.41** -10.0%
	STATISTICS													
	$32.96	**- Low**											**Low -**	$30.68
	$41.67	**- High**											**High -**	$33.48
	$37.48	**- Average**											**Average -**	$32.15

Compiled by Cushman and Wakefield of Georgia, LLC

(1) Market Conditions Adjustment

See Variable Growth Rate Assumptions Table

Date of Value (for adjustment calculations): 7/14/23

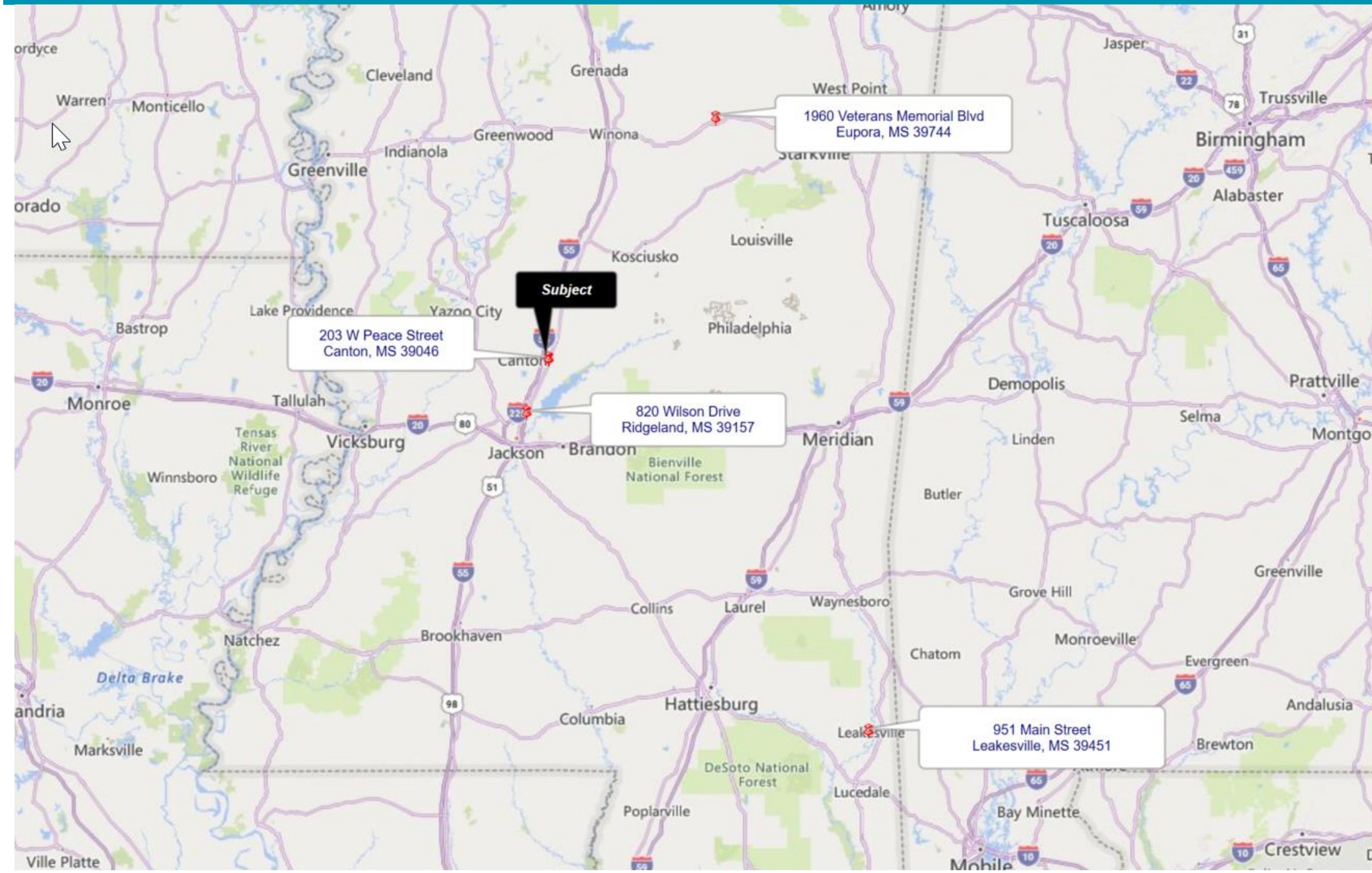
(2) Utility Footnote

Utility includes site layout, signage, visibility, etc.

Variable Growth Rate Assumptions

Starting Growth Rate:	1.0%
Inflection Point 1 (IP1):	**8/1/2022**
Change After IP1:	-3.0%

IMPROVED SALE LOCATION MAP



Percentage Adjustment Method

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

When the subject was superior, we adjusted the comps upward to those comparables considered inferior. When the subject was inferior, we adjusted the comps downward to those comparables considered superior.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm’s-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments are required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments are required.

Market Conditions

In this analysis, we determined the Market Value As-Is using the value date of July 2023. All of the comparables are adjusted to this date to reflect changes in market values over time. The sales that are included in this analysis occurred between March 2020 and November 2022, which were adjusted to the date of value using inflection points. Upon the onset of the COVID-19 Pandemic, growth stalled. After a year, the market began to recover. In early 2022, the Federal Reserve was holding the federal funds rate close to zero. To combat inflation, the Fed began increasing interest rates in March 2022. These increases have triggered higher capitalization rates and negatively impacted market values. These inflection points are indicated on the adjustment chart.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The location of the subject property is rated average, and it has good access and average visibility. Comparable 1 is from the Canton market and does not merit adjusting. Comparable 2 is from the neighboring Ridgeland market and is adjusted downward. Comparables 3 and 4 are from less dense markets and require upward adjusting for location.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, parking ratio and utility. Each comparable is adjusted accordingly.

Size: Each of the comparables are smaller buildings and require downward adjusting.

Age: Comparables 1, 2 and 3 merit downward adjusting for age as compared to the subject.

Land to Building Ratio: Comparable 1 warrants upward adjusting for its land to building ratio as compared to the subject; Comparable 3, downward adjusting.

Economic Characteristics

All four comparable were vacant at the time of sale. No economic adjustments are required.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none require any additional adjustment.

Summary of Percentage Adjustment Method

We used the Sales Comparison Approach to estimate the Market Value As-Is of the subject property. From that value, we make certain adjustments to derive the As-Is Market Value. Prior to adjustments the comparable improved sales reflect unit prices ranging from $32.96 to $41.67 per square foot with an average pre adjusted price of $37.48 per square foot. After adjustments, the comparable improved sales form a narrower range from $30.68 to $33.48 per square foot with a $32.15 per square foot average adjusted price. Therefore, we conclude that the indicated value by the Percentage Adjustment Method was:

APPLICATION TO SUBJECT	
Market Value As-Is	
Indicated Value per Square Foot NRA	$33.00
Net Rentable Area in Square Feet	x 26,488
Indicated Value	$874,104
Rounded to Nearest $25,000	**$875,000**
Per Square Foot	$33.03

APPLICATION TO SUBJECT		
Prospective Value Upon Completion		
Market Value As-Is		**$874,104**
PLUS	Renovation Budget	$4,138,202
	Entrepreneurial Incentive	$827,640
Indicated Value		$5,839,946
Rounded to Nearest $25,000		**$5,850,000**
Per Square Foot		$220.85

Compiled by Cushman and Wakefield of Georgia, LLC

Consideration of the Income Capitalization Approach

This consideration of the Income Capitalization Approach provides a crosscheck as to the feasibility and reasonableness of the proposed project for a government building. As discussed in the Scope of Work, based on the market participant interview, municipal buildings like the subject, typically lease for $35.00 per square foot. This consideration of the income approach is based on the market value conclusion, market capitalization rate and required net operating income for a feasible project.

The principle of "anticipation" is essential to this approach, which recognizes the relationship between an asset's potential future income and its value. To value project's anticipated economic benefit, potential income and expenses are projected. This analysis is based on the most commonly relied on Direct Capitalization method.

The steps for this approach are:

1) Determine the market capitalization rate
2) Calculate the net operating income
3) Analyze expenses
4) Calculated effective gross income
5) Add a market vacancy and collection loss
6) Calculate the potential gross income and market rent

Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impacts on both factors as they relate to the Federal Reserve's recent and forecast interest rate hikes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. As we did throughout the pandemic, Cushman & Wakefield is closely monitoring all latest economic developments, and their effects on the subject and its market.

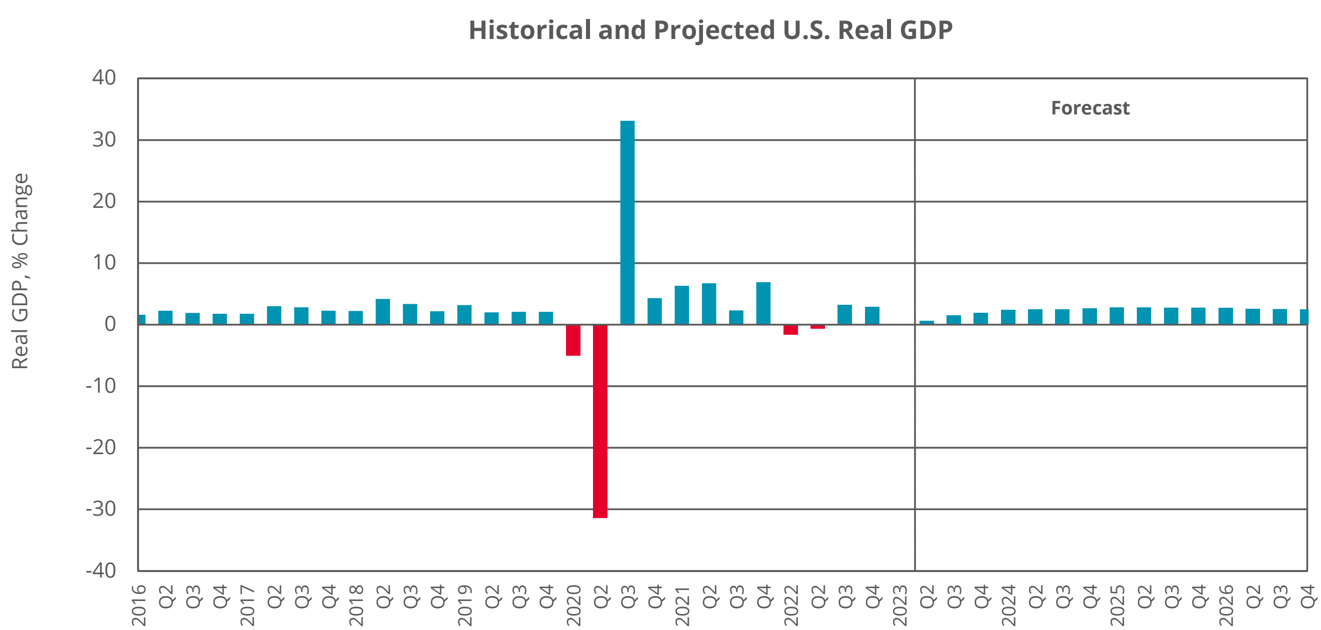
Current Trends and Economic Conditions

Throughout 2022, the U.S. economy wrestled with high inflation and rising interest rates. In response, the Federal Reserve (the Fed) responded aggressively to subdue wage and price pressures as rates surged higher and financial conditions tightened. As we move through the second quarter of 2023, we see that the Fed's efforts to cool off the economy are working. An unintended consequence of this is that the housing market is slowing, businesses are holding off on hiring, and the investment market is slowing down. For the time being, however, Americans are keeping the economy out of a recession as consumer spending rose at an annual rate of 3.7% for first quarter 2023.

With a mixed bag like this, it is unclear if a recession can be avoided this year. While first quarter consumer spending was strong, spending slowed as the quarter progressed. Adding more uncertainty are headlines about upcoming layoffs, hiring freezes, and bank failures. Consumer savings rates have been edging higher, which is often a sign that consumers are growing more cautious or may be falling behind on debt payments. Inflation, although trending downwards again, remains elevated well above the target rate of 2%. Further, first quarter advanced estimates by the Bureau of Economic Analysis show that gross domestic product (GDP) dropped from a rate of 2.6% at the end of last year to a rate of 1.1% for the first quarter 2023.

The U.S. is a consumer-driven economy. If companies start laying off workers, it will drive down consumer spending and that would almost certainly push the economy into a recession. On top of that, high interest rates, elevated inflation and a shaky banking industry are making it all but impossible to believe we can avoid one. That said, pinpointing exactly when a recession takes place can be incredibly difficult for economists, and oftentimes we don’t know that we’ve had one until long after its ended. For example, the last recession started in February 2020 and ended in April 2020, but the Feds waited 15 months to declare it was over. While we may, in fact, already be in a recession now, one thing is certain – the market has always recovered.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2016 through fourth quarter 2026:

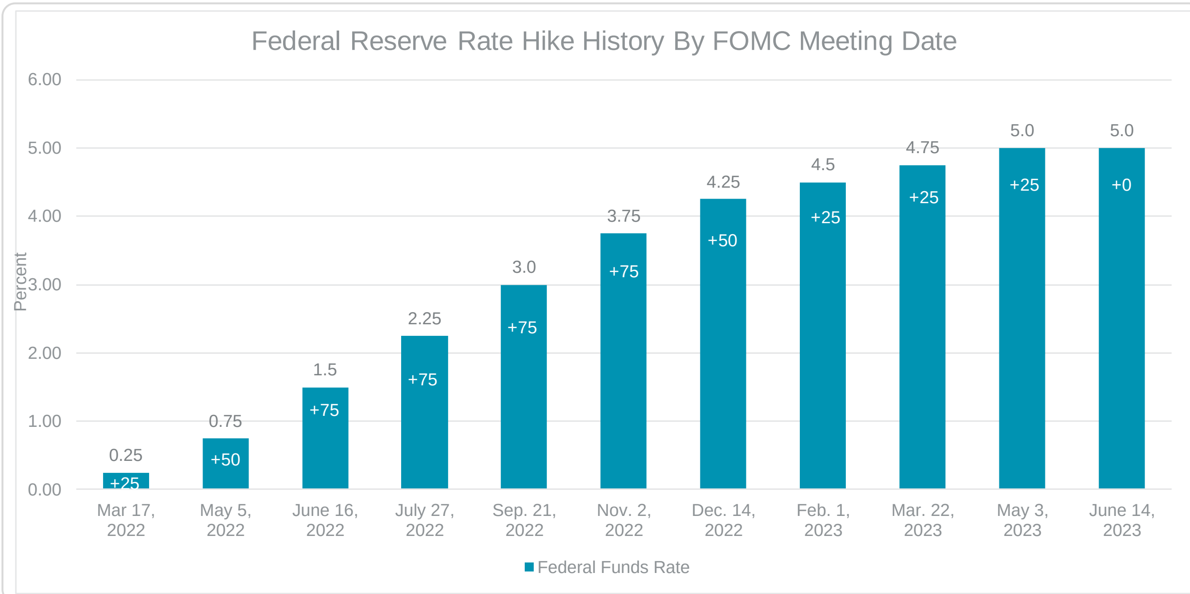


Source: Historical Data Courtesy of the Bureau of Economic Analysis, Forecast Data Courtesy of Moody's Analytics, and Cushman & Wakefield Valuation & Advisory

The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimulus, shortages in the global supply chain, price gouging, and as of 2022, the Russian invasion of Ukraine. At the beginning of 2023, inflation appears to be loosening its grip on the economy, although its grip is uneven with some categories faring better than others. For May 2023, the Bureau of Labor Statistics (BLS) reported that, on an annual basis, the Consumer Price Index (CPI) eased to 4%, or its lowest level since March 2021. Core inflation, however, which excludes volatile food and energy prices, rose 0.4% over last month and was still up 5.3% over a year ago.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve employed multiple increases to the effective federal funds rate in 2022 and into the first half of 2023. On June 14, 2023, after ten consecutive increases, the Central Bank decided to take a pause and keep rates at a range of 5.00% to 5.25%. As the Feds move into a more patient stage on the war against inflation, they signaled that they are still likely to raise rates again, possibly twice, before the end of the year.

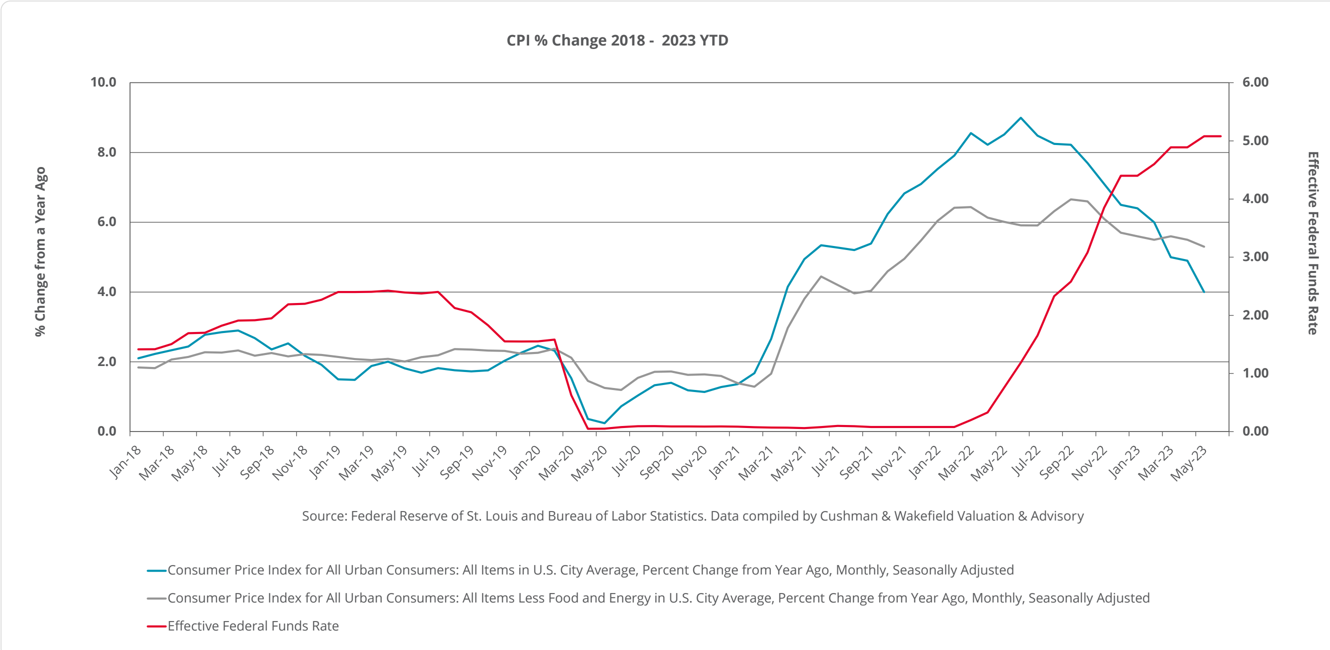
The chart on the following page displays when the Federal Open Market Committee met, their federal funds rate changes, and their basis point increases:



The Effective Federal Funds Rate is an interest rate that calculates the effective median interest rate of overnight federal funds transactions from the previous day and is published daily by the Federal Reserve Bank of New York. The current effective federal funds rate is now targeted between 5.00% and 5.25%. This rate, and all interest rates, tend to move in the same direction as inflation, however they typically lag because they are also the primary tool used by central banks to manage inflation. Conversely, when inflation is falling and economic growth is slowing, central banks may lower interest rates to stimulate the economy.

The Federal Reserve generally strives for the dual objective of maximum employment and stable inflation near 2%. The former objective has been satisfied. For May 2023, employers added 339,000 jobs which beat expectations, even as the economy cools. The unemployment rate dropped to 3.7%, against the estimate of 3.5%. The Fed's focus on raising interest rates until it is clear inflation is heading back towards target appears to be working. Inflation is moderating, but on the downside, the higher interest rates may affect GDP growth and reverse the employment trend in the coming months.

The graph on the following page compares CPI and Core CPI data (January 2018 – May 2023) with the Federal Funds Rate from (January 2018 – June 2023):



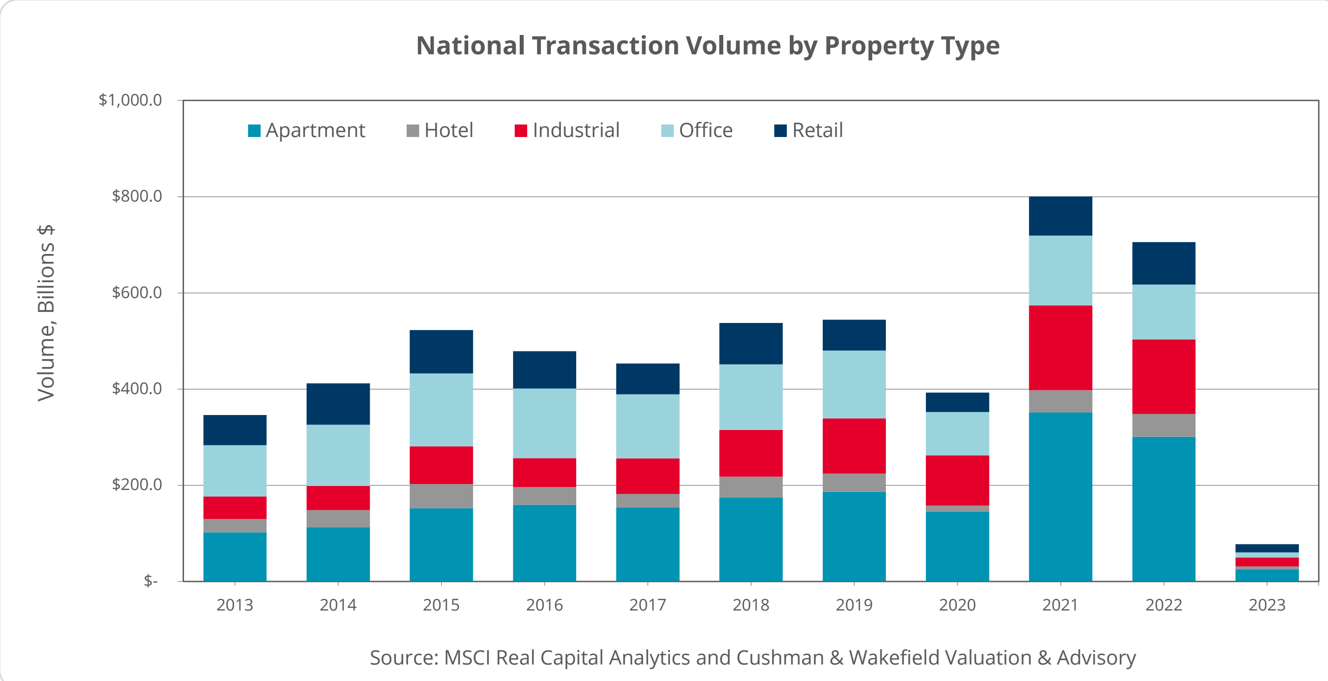
U.S. Real Estate Market Implications

There is a lot of uncertainty in the commercial real estate market right now. The status of financing, particularly for office and retail properties, is in question due to the turmoil in the banking industry. Over the past few years there have been high levels of construction in the apartment and industrial sectors raising concerns about an oversupply situation. Additionally, deal volume is down at double-digit rates from a year earlier, prices are dropping, and cap rates are on the rise. All these factors combined are drawing comparisons to the Global Financial Crisis.

Many investors, however, are viewing all this recent turmoil simply as a market adjustment following a period of excess liquidity. Between 2005 and 2019, investment sales averaged $87.8 billion across every first quarter period. This puts the $85.0 billion in sales for first quarter 2023 broadly in line with historical averages. What has changed over the past 15 years or so, are the asset classes investors are seeking.

At $25.4 billion the apartment sector had the largest sales volume for first quarter 2023. While this total is down 64% from one year ago, which was also a record high, it is still 9% ahead of the historical level of first quarter activity. Other property types and sectors, however, did not fare as well. Sales for CBD offices fell 78% from first quarter 2022; well below historical norms, as investors are leery about these assets at the reservation prices held by current owners. The big question is whether or not price declines will accelerate from their current pace.

The graph on the following page compares national transaction volume by property type from 2013 through first quarter 2023:



The PricewaterhouseCoopers (PwC) Real Estate Investor Survey analyzes a total of 8 major asset classes, 4 regional warehouse markets, 4 regional apartment markets, and 19 individual office markets for a total of 35 surveyed markets. For second quarter 2023, the average overall cap rate witnessed quarter-over-quarter increases almost entirely across the board for second quarter 2023, averaging a 24-basis-point increase. Only the regional mall asset class held steady, and the strip shopping center asset classed declined 6 basis points. When comparing cap rates to the same time last year; however, all market averages are higher today than they were in second quarter 2022. In fact, the average increase is 77 basis points over last year.

A few city-specific office markets recorded some of their largest year-over-year increases in their average overall cap rate including Atlanta and Austin which were both up 142 basis points, Houston which was up 126 basis points and Phoenix which was up 108 basis points over second quarter 2022. For the second half of 2023, PwC reports that investors anticipate that overall cap rates will continue to increase in most markets, while holding steady in just a few.

PwC further notes that while interest rate increases are making debt and, in turn, real estate more costly and challenging to acquire retail assets, the U.S. retail sector has been performing well three years from the pandemic's onset. In fact, their PwC Real Estate Barometer shows the recovery phase of the cycle dominating the retail sector through year-end 2026. The office sector, on the other hand, is having a very different experience as it still faces challenges from the work-from-home trends, higher interest rates and recent bank failures. That said, the spread between these rates could continue to tighten as investors' perceptions of risk continues to evolve.

The table on the following page displays an overall cap rate analysis of six distinct property classes during second quarter 2023, and compares them to the previous year:

Overall Cap Rate Analysis			
Second Quarter 2023			
Asset Class	Q2 2023	Q2 2022	Basis Point Change
National CBD Office	5.88%	5.70%	+18
National Suburban Office	6.30%	6.03%	+27
National Warehouse	4.96%	4.37%	+59
National Apartment	5.25%	4.45%	+80
National Regional Mall	7.28%	7.23%	+5
National Net Lease	6.73%	5.95%	+77

Source: PwC Real Estate Investor Survey

Conclusion

The U.S. economy is facing interest rate and inflationary challenges while other measures remain strong. This is causing mixed signals and much speculation about a possible recession. The Federal Reserve is taking steps to address inflation by raising interest rates, but this may have negative impacts on consumer spending and economic growth. Despite low unemployment, GDP slowed in the first quarter of 2023 despite increased consumer spending. Uncertainty has caused investment activity to pause as they wait for the market to find its footing.

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently neutral.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject tenant, Madison County, is considered to be fair.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is average, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is average.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

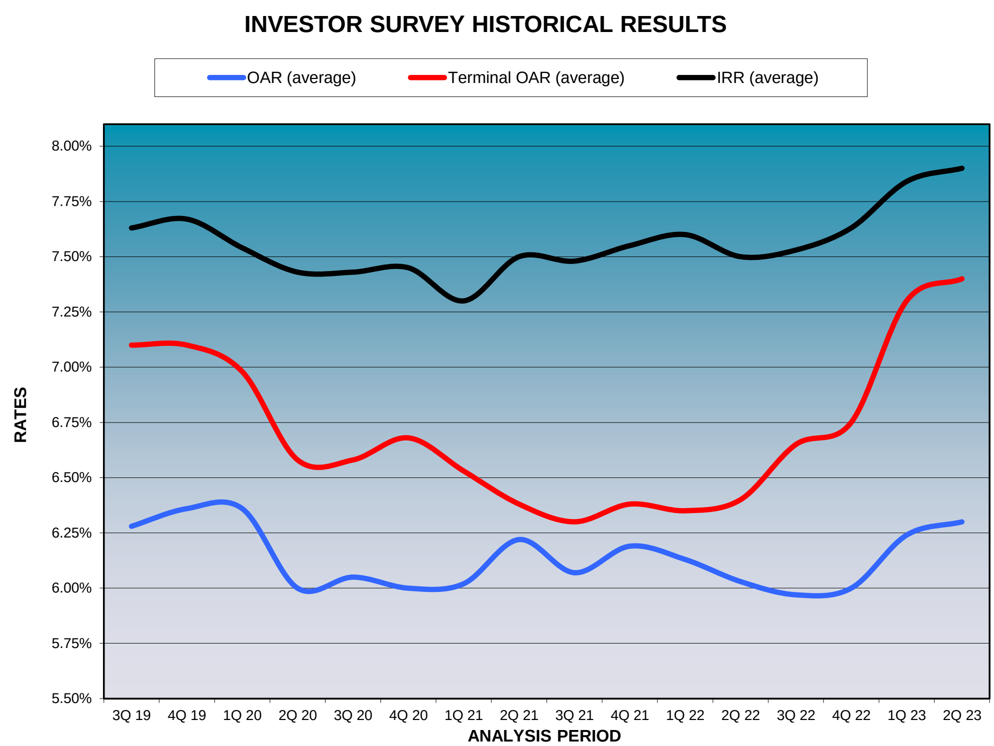
Investor Survey Trends

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	PwC	End Quarter:
Property Type:	NATIONAL SUBURBAN OFFICE	2Q 23

Quarter	3Q 19	4Q 19	1Q 20	2Q 20	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23
OAR (average)	6.28%	6.36%	6.36%	6.00%	6.05%	6.00%	6.02%	6.22%	6.07%	6.19%	6.13%	6.03%	5.97%	6.00%	6.24%	6.30%
Terminal OAR (average)	7.10%	7.10%	6.98%	6.58%	6.58%	6.68%	6.53%	6.38%	6.30%	6.38%	6.35%	6.40%	6.65%	6.75%	7.30%	7.40%
IRR (average)	7.63%	7.67%	7.54%	7.43%	7.43%	7.45%	7.30%	7.50%	7.48%	7.55%	7.60%	7.50%	7.53%	7.63%	7.84%	7.90%



Source: PwC Real Estate Investor Survey

The chart illustrates, the return requirements cited by investors since mid-2019, particularly in core markets as access to capital was readily available and high-quality properties traded. Based on the nationwide market survey, suburban office going in capitalization rates (OAR) have been steadily between 6.00 percent and 6.50 percent. Terminal capitalization rates basically are approximately 50 to 75 basis points higher than the OAR, except during 2021 when the spread narrowed to approximately 20 basis points. Since 2021, the current spread is over 100 basis points. Since mid-20121, the internal rate of return or yield rate has been running over 100 basis points above the terminal rates. It dropped 50 basis points beginning in 2023, and is approximately 50 points higher than the terminal rate near 7.90 percent.

Step 1, Calculate a Market Capitalization Rate

Capitalization Rate Analysis

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

Capitalization Rate from Investor Surveys

We considered data extracted from the Investor Survey for institutional grade assets. We presented historical capitalization rates for the prior four-year period above. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	**Date**	**Range**	**Average**
PwC Institutional	Second Quarter 2023	4.30% - 8.00%	6.30%
PwC Noninstitutional	Second Quarter 2023		7.60%
RealtyRates.com	Second Quarter 2023	5.59% - 11.87%	9.23%
RERC	Second Quarter 2023	5.60% - 9.00%	7.10%

PwC Institutional - Refers to National Suburban Office market regardless of class or occupancy

PwC Noninstitutional - Reflects the average rate for this property type, adjusted by the average premium

Derivation of R_O from Band of Investment

Most properties are purchased with debt and equity capital; therefore, the overall capitalization rate must satisfy the market return requirements of both investment positions. The lender/mortgagee must anticipate a rate of return that is appropriate for the investment's perceived risk in order to make the loan; the loan principal is typically repaid through periodic amortization payments. The equity investor/mortgagor must also anticipate a rate of return that is commensurate with the investment's perceived risk or they opt for an alternative investment. Thus, we analyze capitalization rates for debt and equity.

The capitalization rate for debt is known as the mortgage constant (R_M); it is the ratio of annual debt service to the principal amount of the mortgage loan. A mortgage interest rate of 7.00 percent, coupled with an amortization term of 20 years, was employed to derive a mortgage constant of 9.30 percent. It is calculated as follows:

$$R_M = \frac{\text{Monthly Payment x 12}}{\text{Amount of Loan}}$$

The monthly payment of a loan is calculated using the following formula:

$$\text{Monthly Payment} = \frac{\text{Interest Rate (i)}}{1 - \text{Present Value Factor}}$$

The Present Value Factor can be obtained from financial tables that show the six functions of a dollar.

The rate used to capitalize equity income is called the equity capitalization rate (R_E); it is the ratio of annual pre-tax cash flow (usually in the first year of the holding period) to the amount of the equity investment.

The R_O indicated by the band of investment is a weighted average of the R_M and R_E. Using the loan-to-value ratio (M) and the equity ratio (E or 1-M) the R_O is calculated as follows:

$$R_O = (M \times R_M) + (E \times R_E)$$

Mortgage Terms

The following mortgage interest rate is based on periodic conversations with representatives of lending institutions providing local mortgage financing. Thus, given the physical and economic characteristics of the subject property, and on the basis of our research, the market terms for conventional loans made on properties similar to the subject are as follows:

MORTGAGE COMPONENT	
TYPICAL LOAN TERMS	
Mortgage Rate	7.00%
Amortization Term (Years)	20
Number of Payments	240
Loan-to-Value Ratio (M)	65.00%
Equity Ratio (E)	35.00%
Mortgage Constant (R_M)	9.30%

Compiled by Cushman and Wakefield of Georgia, LLC

The preceding data are used in the development of an overall capitalization rate (R_O) for the subject property using the Band of Investment Technique.

Equity Dividend Rate (R_e)

The Appraisal Institute defines equity dividend rate as an income rate that reflects the relationship between a single year's equity cash flow expectancy and the equity investment. Also known as the equity capitalization rate, cash on cash rate or cash flow rate, this rate is used to convert equity dividend into an equity value indication.

Our selected R_E is as follows:

EQUITY COMPONENT	
Equity Dividend Rate (R_E)	7.00%

Compiled by Cushman and Wakefield of Georgia, LLC

Calculation of Overall Capitalization Rate (R_O)

The calculation of the overall capitalization rate (R_O) using the band of investment technique is as follows:

R_O BY BAND OF INVESTMENT		
Mortgage Ratio	65.00%	
Annual Mortgage Constant	9.30%	
Mortgage Component		6.05%
Equity Ratio	35.00%	
Equity Dividend Rate	7.00%	
Equity Component		2.45%
Indicated Overall Rate (R_O)		**8.50%**

Compiled by Cushman and Wakefield of Georgia, LLC

Capitalization Rate Conclusion

We considered all aspects of the subject property that would influence the overall rate.

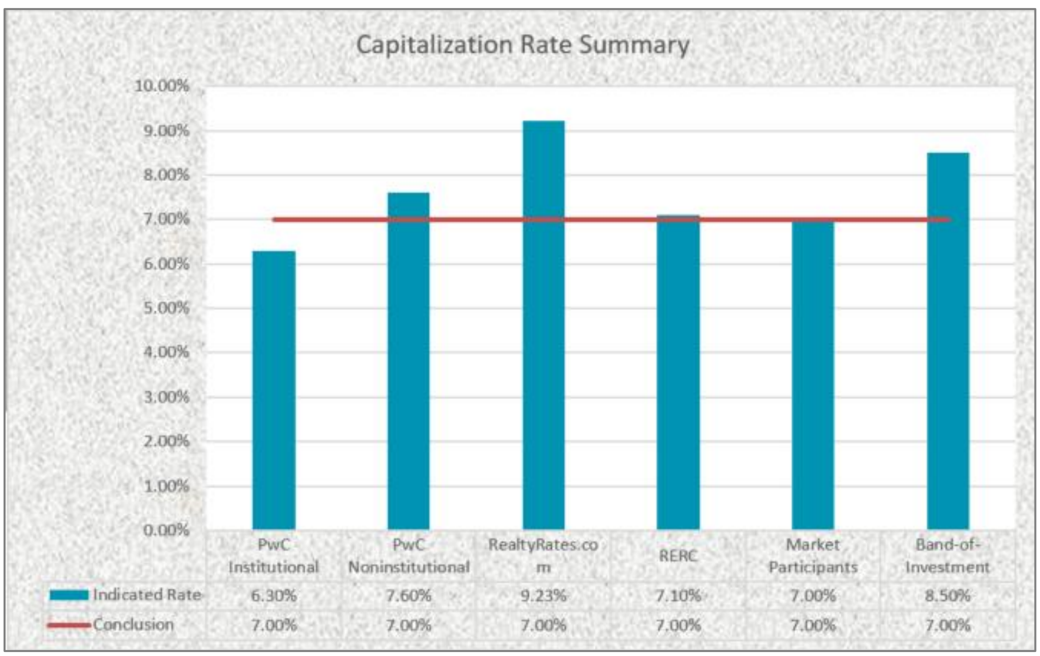
The subject will be an investment-grade asset in a less intense market. In addition, the project's build-to-suit features suggests leasing risk exposure to be below average. As a result, typical increases in net operating income are anticipated over the holding period.

We considered OARs indicated by sales of comparable properties, national investor surveys, and the opinions of brokers, owners, and prospective purchasers. The indications from these various sources are:

CAPITALIZATION RATE SUMMARY		
Data Source	**Range**	**Average**
PwC Institutional	4.30% - 8.00%	6.30%
PwC Noninstitutional		7.60%
RealtyRates.com	5.59% - 11.87%	9.23%
RERC	5.60% - 9.00%	7.10%
Market Participants		7.00%
Band-of-Investment		8.50%
Overall Rate Conclusion		**7.00%**

Compiled by Cushman & Wakefield, Inc.

Based on the market participant discussion with Charles Picciola, included in the Scope, the current market capitalization rate for government leased offices is 7 percent. Given the property attributes and the prevailing market return rates, we conclude that a 7.00 percent OAR is applicable to the subject NOI forecast. The selected rate is near the investor survey midpoint.



Step 2: Calculate the Net Operating Income based on the Market Value and Market Capitalization Rate

The indicated net operating income is calculated by multiplying the market value conclusion by a 7.00 percent capitalization rate. Net operating income equals $455,000.

Market Value Conclusion:	$6,550,000
X Market Capitalization Rate:	7.00%
Net Operating Income:	$458,500

Step 3: Projected Operating Expenses

Discussion of Expenses

We analyzed each expense item in making this forecast, with our conclusions. Due to the lack of the historical or budget information for the new buildings, reliance is placed on comparable data.

Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage. Insurance costs are modeled in-line with other comparable properties.

Years	PSF
Expense Comparable Low	$0.29
Expense Comparable Average	$0.70
Expense Comparable High	$1.50
Cushman & Wakefield - Year One	**$1.50**

Insurance is a non-controllable. This analysis is based on the high end of the range. Commercial real estate is experiencing historic increases in rates due to rising construction costs, natural disasters and lawsuits. Existing policies are seeing premiums double and triple.

Common Area Maintenance (CAM)

This expense category includes all expenses incurred including utilities, janitorial, repairs and maintenance, general and administrative costs, and grounds upkeep to name a few.

Years	PSF
Expense Comparable Low	$5.55
Expense Comparable Average	$6.93
Expense Comparable High	$9.25
Cushman & Wakefield - Year One	**$7.10**

Our forecast for Common Area Maintenance is within the range of comparable properties and market parameters.

Management Fees

Management expenses typically include the costs paid for professional management services. Management services may be contracted for or provided by the property owner. Management fees for this type of property typically range from 2.00 to 4.00 percent of effective gross income. We utilized a management fee of 3.00 percent of effective gross income, which we consider to be market oriented.

Years	PSF
Expense Comparable Low	$0.75
Expense Comparable Average	$0.89
Expense Comparable High	$1.04
Cushman & Wakefield - Year One	**$0.98**

The forecast for Management Fees is within the range of comparable properties and market parameters.

Real Estate Taxes

While the building will be occupied by a Madison County tenant, it will be investor owned and subject to ad valorem taxes. Real estate taxes are projected at the high end of the range due to the high quality and value of the improvements.

Years	PSF
Expense Comparable Low	$2.22
Expense Comparable Average	$3.46
Expense Comparable High	$5.30
Cushman & Wakefield - Year One	**$5.00**

Operating Expense Conclusion

We analyzed expense comparables to make projections. We forecast total operating expenses for the subject property (excluding real estate taxes) to be $0 per square foot in the first stabilized year (year one). The operating expenses (excluding real estate taxes) projected for the subject property reflect an operating expense ratio at stabilization of 30.04 percent of effective gross income. The operating expense comparisons presented in the operating expense analysis table in the following section support our opinion of operating expenses for the subject property.

Years	PSF
Expense Comparable Low	$6.72
Expense Comparable Average	$8.52
Expense Comparable High	$10.58
Cushman & Wakefield - Year One	**$9.58**

Based on this analysis of the expense levels at comparable properties, we concluded that there is adequate support for our operating expense conclusions.

Operating Expense Comparables

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of between $9.58 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age, size and budgeted expense figures.

	SUBJECT PROPERTY	COMPARABLES REVENUE AND EXPENSE ANALYSIS		
Property City	Canton	Jackson	Jackson	Jackson
Property County	Madison	Hinds	Hinds	Hinds
Property State	Mississippi	MS	MS	MS
Property MSA	Jackson	Jackson	Jackson	Jackson
Year Built	2023	2000s	1980s	1990s
Year Renovated	NA	2020s		
Property Type	Office	Office	Office	Office
Property Sub-Type	Government	Government	Office Building	Office Building
Rentable Square Feet	26,488	100,001-300,000	0-50,000	0-50,000
Year of Record		2022	2021	2020
Actual/Budget/Annualized		Budget	Actual	Actual

	Cushman & Wakefield Forecast (2)		Comp 1		Comp 2		Comp 3		Min	Max	Average
REVENUE	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**PSF**	**PSF**
EFFECTIVE GROSS REVENUE	$31.89	100.00%	$34.56	100.00%	$21.77	100.00%	$20.48	100.00%	$20.48	$34.56	$25.60
OPERATING EXPENSES											
Insurance	$1.50	4.70%	$0.29	0.84%	$0.30	1.38%	$1.50	7.32%	$0.29	$1.50	$0.70
CAM	$7.10	22.26%	$9.25	26.77%	$5.55	25.49%	$6.00	29.30%	$5.55	$9.25	$6.93
Management Fees	$0.98	3.08%	$1.04	3.01%	$0.87	4.00%	$0.75	3.66%	$0.75	$1.04	$0.89
Total Operating Expenses	$9.58	30.04%	$10.58	30.61%	$6.72	30.87%	$8.25	40.28%	$6.72	$10.58	$8.52
Real Estate Taxes	$5.00	15.68%	$5.30	15.34%	$2.22	10.20%	$2.87	14.01%	$2.22	$5.30	$3.46
TOTAL EXPENSES	$14.58	45.72%	$15.88	45.95%	$8.94	41.07%	$11.12	54.30%	$8.94	$15.88	$11.98

10/1/2024

Compiled by Cushman and Wakefield of Georgia, LLC

Final Operating Expense Projection

Expense Category	Total	$ PSF
Insurance:	$39,732	$1.50
CAM:	$188,065	$7.10
Management Fees:	$25,958	$0.98
RE Taxes:	$132,440	$5.00
Total Operating Expenses:	$386,195	$14.58

Step 4: Calculate Effective Gross Income

Effective gross income is the sum of the net operating income and total operating expense.

		Total	$ PSF
Market Value Conclusion		$6,550,000	$247.28
Capitalization Rate	7.00%		
Net Operating Income		$458,500	$17.31
Total Opearting Expenses		$386,195	$14.58
Effective Gross Income		$844,695	$31.89

Step 5: Vacancy & Collection Loss

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base. The subject is a build to suit. The tenant is considered a credit tenant in this market. Due to the lack of competing options, it is unlikely they will vacate the building at the end of the lease term. Furthermore, market information suggests government tenants occupy space for approximately 30 years. No vacancy and collection loss is considered in this analysis.

Step 6: Derive Potential Gross Income

Potential gross income equals $844,695. The indicated tenant rent equals $31.89 per square foot. Based on the market participant interview, government build-to-suit offices typically lease in the $35.00 per square foot range. Overall, this information supports the reasonableness of this project.

Reconciliation and Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs the Cost Approach and the Sales Comparison Approach. The Income Capitalization Approach is relied on as a crosscheck of reasonableness. Based on analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that the Cost Approach and Sales Comparison Approaches are particularly applicable and/or necessary for market participants in this case. The subject property is a specialized land use.

The approaches indicated the following:

FINAL VALUE RECONCILIATION				
	Market Value As-Is	PSF	Prospective Market Value Upon Completion	PSF
Date of Value	**July 14, 2023**		**October 1, 2024**	
Land Valuation				
Land Value	$160,000		$150,000	
Land Value PSF		$1.99		$1.87
Cost Approach				
Conclusion (GBA SF)	$880,000	$33.22	$6,550,000	$247.28
Sales Comparison Approach				
Percentage Adjustment Method	$875,000	$33.03	$5,850,000	$220.85
Consideration of the Income Capitalization Approach				
Direct Capitalization	N/A	N/A	N/A	N/A
Final Value Conclusion	**$880,000**	**$33.22**	**$6,550,000**	**$247.28**

Compiled by Cushman and Wakefield of Georgia, LLC

The most reliance is placed on the Cost Approach since it is the most applicable in this situation and based on the best quality of data. It most closely mirrors the investor's mentality in this scenario. It is reasonably supported by the Sales Comparison Approach.

Value Conclusions			
Appraisal Premise	**Real Property Interest**	**Date of Value**	**Value Conclusion**
Market Value As Is	Fee Simple	July 14, 2023	$880,000
Prospective Market Value Upon Completion	Fee Simple	October 01, 2024	$6,550,000

Compiled by Cushman and Wakefield of Georgia, LLC

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimate is based upon market participant attitudes and perceptions existing as of the effective date of our appraisal. We assume no material change in the physical characteristics and condition of the subject property or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report.

It is assumed that the proposed improvements are constructed in a quality manner in accordance with the information communicated to us by the developer. If the design or quality differs from that which has been considered herein, the value conclusions could be impacted accordingly. Any undue delay in the construction timeline could materially impact the value conclusion reported herein.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Exposure Time and Marketing Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately twelve (12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Based on the assumptions employed in this analysis, as well as our selection of investment parameters for the subject, that this value conclusion represents a price achievable within twelve (12) months.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- C&W has undertaken to complete this report without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and it is not intended to contain references that could be regarded as discriminatory.
- Tracy K. Wofford did make a personal inspection of the property that is the subject of this report.
- Tracy K. Wofford has performed prior services, which included a previous appraisal, but has performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- Patrick J. Besselievre, MS Trainee Appraiser, License No. AI-801 and Hayden Speed, Associate Appraiser, provided real property appraisal assistance to the persons signing this report as noted in the Scope of Work.
- As of the date of this report, Tracy K. Wofford has completed all the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

Tracy K. Wofford

Tracy K. Wofford
Senior Director
MS Certified General Appraiser
License No. GA-677
Tracy.wofford@cushwake.com
601-605-0366 Office

Addenda Contents

Addendum A:
Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Disposition Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made in the limited time allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. In the case of Disposition value, the seller would be acting under compulsion within a limited future marketing period.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

$RO = [YE - M (YE + P\ 1/Sn\neg - RM) - \Delta O\ 1/S\ n\neg] / [1 + \Delta I\ J]$

where

RO = Overall Capitalization Rate
YE = Equity Yield Rate
M = Loan-to-Value Ratio
P = Percentage of Loan Paid Off
$1/S\ n\neg$ = Sinking Fund Factor at the Equity Yield Rate
RM =Mortgage Capitalization Rate
ΔO = Change in Total Property Value
ΔI = Total Ratio Change in Income
J = J Factor
Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

Extraordinary Assumption

An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

Fee Simple Estate

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

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use of Property as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Conditions

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost/Insurable Value

A type of value for insurance purposes.

Intended Use

The use or uses of an appraiser's reported appraisal, appraisal review, or appraisal consulting assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

The client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

Liquidation Value

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

- Consummation of a sale will occur within a severely limited future marketing period specified by the client.
- The actual market conditions currently prevailing are those to which the appraised property interest is subject.
- The buyer is acting prudently and knowledgeably.

- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- The buyer is acting in what he or she considers his or her best interest.
- A limited marketing effort and time will be allowed for the completion of a sale.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note that this definition differs from the definition of market value. The most notable difference relates to the motivation of the seller. Under market value, the seller would be acting in his or her own best interests. The seller would be acting prudently and knowledgeably, assuming the price is not affected by undue stimulus or atypical motivation. In the case of liquidation value, the seller would be acting under extreme compulsion within a severely limited future marketing period.

Market Rent

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

Market Value

As defined in the Agencies' appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

Marketing Time

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

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Value upon Reaching Stabilized Occupancy

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Addendum B:
Engagement Letter

Tracy K. Wofford, MAI, AI-GRS
Senior Director

Cushman & Wakefield of Georgia, LLC
133 Executive Drive, Suite G
Madison, MS 39110
601-605-0366 Tel
Tracy.Wofford@cushwake.com

July 10, 2023

Greg Hgginbotham, JD, CPA
Madison County Administrator
MADISON COUNTY
125 West North Street
Canton, MS 39046

Via email: Greg Hgginbotham, JD, CPA <greg.higginbotham@madison-co.com>

Re: **Former Fred's**
229 North Union Street
Canton, MS 39046

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

ENGAGEMENT TERMS

I. PROBLEM IDENTIFICATION

The Parties to This Agreement:	Cushman & Wakefield of Georgia, LLC, Inc. ("C&W") and Madison County, MS (the "Client").
Intended Users:	The appraisal will be prepared for the Client and is intended only for the use specified below. It is understood it will be used by the Madison County Board of Supervisors. The Client agrees that there are no other Intended Users. Parties who receive a copy of the appraisal report do not become intended users
Intended Use:	County approval to purchase the vacant retail building and convert it to office and court space.
Type of Opinion and Rights Appraised:	Market value of the Fee Simple Interest.
Date of Value:	The As Is value will be the date of inspection. The market value Upon Completion will be a prospective value as of the projected completion date.
Subject of the Assignment and Relevant Characteristics:	The property to be appraised is former Fred's, a vacant retail / office property. It is located in Canton, MS and identified as Madison Tax Parcels: 093D-19B-088/00.00 (PPIN 29656) 093D-19B-087/00.00 (PPIN 29655) 093D-19B-093/00.00 (PPIN 29661) 093D-19B-094/00.00 (PPIN 29662).

Assignment Conditions: This analysis is based on the extraordinary assumption there are no structural or environmental issues.

No hypothetical conditions are anticipated.

II. ANTICIPATED SCOPE OF WORK

USPAP Compliance: C&W will develop an appraisal in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal Institute.

General Scope of Work:

- Property Inspection to the extent necessary to adequately identify the real estate
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based on our discussions with the Client, we anticipate developing the following valuation approaches:
  - Cost Approach
  - Sales Comparison Approach

III. REPORTING AND DISCLOSURE

Scope of Work Disclosure: The actual Scope of Work will be reported within the report.

Reporting Option: The appraisal will be communicated in an Appraisal Report.

IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT

Fee: $[redacted] All invoices are due and payable within 30 days of the invoice date. The Client shall be solely responsible for C&W's fees and expenses hereunder. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Additional Expenses: Fee quoted is inclusive of expenses related to the preparation of the report.

Retainer: A retainer is not required for this assignment in order to commence work.

Report Copies: The final report will be delivered in electronic format. Up to three hard copies will be provided upon request.

Start Date: The appraisal process will initiate upon receipt of signed agreement, applicable retainer, and the receipt of the property-specific data.

Acceptance Date: This proposal is subject to withdrawal if the engagement letter is not executed by the Client within four (4) business days.

Final Report Delivery:	Within ten business days of receipt of your written authorization to proceed, assuming prompt receipt of necessary property information. Payment of the fee shall be due and payable upon delivery of the report.
Changes to Agreement:	The identity of the Client, Intended User(s) identified herein, or Intended Use identified herein; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.
Prior Services Disclosure:	USPAP requires disclosure of prior services performed by the individual appraiser within the three years prior to this assignment. The undersigned appraiser has not provided prior services within the designated 3-year time frame.
Future Marketing Disclosure:	Unless otherwise directed at the conclusion of this engagement, we may disclose that we have appraised the subject property in future marketing documents and materials.
Conflicts of Interest:	C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment, we reserve the right to withdraw from the assignment without penalty.
Cancellation of Engagement:	Client may cancel this agreement at any time prior to C&W's delivery of the appraisal report upon written notification to C&W. Client shall pay C&W for work completed on the assignment prior to C&W's receipt of written cancellation notice, unless otherwise agreed upon by C&W and Client in writing.
Withdrawal of Appraiser Prior to Completion of Assignment:	C&W may withdraw without penalty or liability from the assignment(s) contemplated under this agreement before completion or reporting of the appraisal in the event that C&W determines, at C&W's sole discretion, that insufficient information was provided to C&W prior to the engagement, that Client or other parties have not or cannot provide C&W with documentation or information necessary to C&W's analysis or reporting, that conditions of the subject property render the original scope of work in appropriate, that appraiser becomes aware that he or she lacks the competency needed for the assignment with the meaning of applicable professional standards, that a conflict of interest has arisen, or that the Client has not complied with its payment obligations under this agreement. C&W shall notify the Client of such withdrawal in writing.
Further Conditions of Engagement:	The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Thank you for the opportunity to be of service. We look forward to working with you.

CUSHMAN & WAKEFIELD OF GEORGIA, LLC

Tracy K. Wofford

Tracy K. Wofford, MAI, AI-GRS
Senior Director

AGREED:

By: Greg Hgginbotham, JD, CPA　　Date: 7/8/23

Title: Madison County Administrator

E-mail Address: Greg Hgginbotham, JD, CPA <greg.higginbotham@madison-co.com>

Phone Number: 601-342-9273

Information Needed to Complete the Assignment

We understand that you will provide the following information for our review, ***if available***.

Physical Information

- Plot plan/survey and legal description
- Property Conditions Assessment Report
- Original construction and site acquisition costs
- Cost of proposed major modifications and repairs
- On Site Contact—name and phone number—for property inspection

Financial Information

- Sales history of the subject property over the past three years at a minimum

Other Documentation

- Additional Information to be considered in the appraisal

Note: Please advise if, to your knowledge, C&W is representing the Client or the subject property in any other capacity (i.e., leasing, sale, financing, property management, etc.)

CONDITIONS OF ENGAGEMENT

1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.

2) Unless identified expressly in this agreement, there are no third-party beneficiaries of agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the agreement.

3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.

4) C&W shall have the right to utilize its affiliates in the performance of its services, provided that they comply with the obligations of C&W pursuant to this engagement.

5) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users.

6) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such party.

7) The balance of the fee for the appraisal will be due upon delivery of a report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.

8) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

9) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement, or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential, indirect, special, punitive or liquidated damages be made.

10) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.

11) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorneys' fees incurred by C&W in connection with the collection or attempted collection thereof.

12) Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or this agreement shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after

delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

13) Notwithstanding that C&W may comment on, analyze or assume certain conditions in the appraisal, C&W shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.

14) Legal claims or causes of action relating to the appraisal or this agreement are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

15) Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.

16) Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.

Addendum C:
Central MS Public Improvement Corporation Construction Budget

Group	Phase	Description	Takeoff Quantity	Labor Cost/Unit	Labor Amount	Material Price	Material Amount	Sub Cost/Unit	Sub Amount	Sub Name	Equip Price	Equip Amount	Total Amount
1.000		GENERAL CONDITIONS		/LS	80,006		27,393	/LS	458,127			31,598	597,124
2.000		SITEWORK		/SF			33,409	/SF	78,616				112,025
2.200		DEMOLITION		/LS				/LS	10,323				10,323
3.000		CONCRETEWORK		/SF			8,808	/SF	7,564			2,376	18,748
4.000		MASONRY		/SF	396		39,036	/SF	81,555				120,987
5.000		STEEL		/TON			39,097	/TON	23,520				62,617
6.000		CARPENTRY		/SQFT			20,717	/SQFT	739,582				760,299
7.000		ROOFING, WATERPROOF, INS		/SQFT				/SQFT	494,163				494,163
8.000		DOORS & WINDOWS /GLASS		/EA			157,212	/EA	139,280				296,492
9.000		FINISHES		/SQFT				/SQFT	192,091				192,091
10.000		MISCELLANEOUS ITEMS		/EA			48,976	/EA	9,087				58,063
13.000		METAL BUILDING		/SF	5,064		19,006	/SF					24,070
15.000		MECHANICAL		/SUB				/SUB	998,245				998,245
16.000		ELECTRICAL		/SUB				/SUB	392,955				392,955

Estimate Totals

Description	Amount	Totals		Rate	Cost Basis	Cost per Unit	Percent of Total
Labor	85,466		hrs			3.227 /SF	2.07%
Material	393,654					14.862 /SF	9.51%
Subcontract	3,625,108					136.859 /SF	87.60%
Equipment	33,974		hrs			1.283 /SF	0.82%
Other							
	4,138,202	4,138,202				156.229 /SF	100.00
Total		*4,138,202*				*156.229 /SF*	

Addendum D:
Comparable Land Sale Data Sheets

LAND SALE COMPARABLE 1

Property Name:	Proposed Dollar General
Address:	511 Palmetto Road
City, State, Zip:	Tupelo MS 38801
Jurisdiction:	Lee County
MSA:	
Submarket:	
Property Type:	Land
Property Subtype:	Retail
Classification:	N/A
ID:	643196
Tax Number(s):	1050-21-012-00

PROPERTY INFORMATION

Site Area (Acres):	1.5000	Public Utilities:	All Available
Site Area (Sq.Ft.):	65,340	Electricity:	Yes
Zoning:	N/A	Water:	Yes
Utility:	Average	Sewer:	Yes
Access:	Average	Gas:	Yes
Frontage:	Average	Proposed Use:	Retail-Commercial
Visibility:	Average	Maximum FAR:	N/A
Shape:	N/A	Potential Building Area:	N/A
Topography:	N/A	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	3/2021	NOI:	N/A
Sale Price:	$150,000	Price per Sq.Ft.:	$2.30
Value Interest:	Fee Simple	Price per Acre:	$100,000
Grantor:	John Lamar Metcalf	Price per Potential Building Area:	N/A
Grantee:	Dollar General Corporation	Price per Potential Units:	N/A
Financing:	Cash or Cash Equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

CoStar

COMMENTS

This transaction was completed on March 11, 2021. The Buyer Broker was Gill Properties. The intended use was a Dollar General Store.

LAND SALE COMPARABLE 2

Property Name:	22 West Self Storage
Address:	3.77 Acres
City, State, Zip:	Canton MS 39046
Jurisdiction:	Madison County
MSA:	Jackson
Submarket:	
Property Type:	Land
Property Subtype:	Industrial
Classification:	N/A
ID:	587826
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	3.7700	Public Utilities:	All Available
Site Area (Sq.Ft.):	164,221	Electricity:	N/A
Zoning:	C-5, Canton West Special Planned District	Water:	N/A
Utility:	Average	Sewer:	N/A
Access:	Fair	Gas:	N/A
Frontage:	Fair	Proposed Use:	Industrial
Visibility:	Fair	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	10/2020	NOI:	N/A
Sale Price:	$282,750	Price per Sq.Ft.:	$1.72
Value Interest:	Fee Simple	Price per Acre:	$75,000
Grantor:	22 West Storage, LLC	Price per Potential Building Area:	N/A
Grantee:	The Arena, LLC	Price per Potential Units:	N/A
Financing:	Cash or cash equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Broker. Madison County Warranty Deed Book 3941, page 720 (Instrument No. 910012)

COMMENTS

This Lot 3, 22 West Subdivision. This particular tract is landlocked, but was purchased by an adjacent owner that bought 6 acres in May 2020. The intended use is to construct flex warehouses.

LAND SALE COMPARABLE 3

Address:	800 North Martin Luther King Junior Drive
City, State, Zip:	Cleveland MS 38732
Jurisdiction:	Bolivar County
MSA:	
Submarket:	
Property Type:	Land
Property Subtype:	Office
Classification:	N/A
ID:	706043
Tax Number(s):	33-15-900-00-00804- (PPIN: 33838)

PROPERTY INFORMATION

Site Area (Acres):	1.7600	Public Utilities:	All Available
Site Area (Sq.Ft.):	76,666	Electricity:	Yes
Zoning:	Commercial	Water:	Yes
Utility:	Average	Sewer:	Yes
Access:	Average	Gas:	Yes
Frontage:	Average	Proposed Use:	Office
Visibility:	Average	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	10/2020	NOI:	N/A
Sale Price:	$160,000	Price per Sq.Ft.:	$2.09
Value Interest:	Fee Simple	Price per Acre:	$90,909
Grantor:	Timbo Sandifer	Price per Potential Building Area:	N/A
Grantee:	Plateu Investments, LLC	Price per Potential Units:	N/A
Financing:	Cash or cash equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Information provided by Harold Campbell, Jr., MAI of Campbell Appraisal Services, LLC

COMMENTS

This lot was purchased by the adjoining land owner to expand his medical practice. It is located just north of the Bolivar Medical Center

LAND SALE COMPARABLE 4

Address:	210 Meadowbrook Road
City, State, Zip:	Jackson MS 39206
Jurisdiction:	Hinds County
MSA:	Jackson
Submarket:	
Property Type:	Land
Property Subtype:	N/A
Classification:	N/A
ID:	722537
Tax Number(s):	430-48

PROPERTY INFORMATION

Site Area (Acres):	0.7100	Public Utilities:	All Available
Site Area (Sq.Ft.):	30,928	Electricity:	Yes
Zoning:	C-3 General Commercial District	Water:	Yes
Utility:	Average	Sewer:	Yes
Access:	Average	Gas:	Yes
Frontage:	Average	Proposed Use:	N/A
Visibility:	Average	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	9/2020	NOI:	N/A
Sale Price:	$65,000	Price per Sq.Ft.:	$2.10
Value Interest:	Fee Simple	Price per Acre:	$91,549
Grantor:	210 Meadowbrook Properties, LLC	Price per Potential Building Area:	N/A
Grantee:	Steven Jones	Price per Potential Units:	N/A
Financing:	Cash or cash equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Bill Hankins, Cook Commercial Real Estate

COMMENTS

This property is at the corner of Northview Drive and Meadowbrook Road. 210 Meadowbrook Properties, LLC redeemed the taxes from Adair Holdings, LLC prior to the sale.

LAND SALE COMPARABLE 5

Property Name:	Dollar General Proposed Site
Address:	20 Nat G Troutt Road
City, State, Zip:	Grenada MS 38901
Jurisdiction:	Grenada County
MSA:	
Submarket:	
Property Type:	Land
Property Subtype:	Retail
Classification:	N/A
ID:	661951
Tax Number(s):	045W 15 135.00,042Z 10 206.00

PROPERTY INFORMATION

Site Area (Acres):	1.5720	Public Utilities:	All Available
Site Area (Sq.Ft.):	68,478	Electricity:	N/A
Zoning:	None	Water:	N/A
Utility:	Average	Sewer:	N/A
Access:	Average	Gas:	N/A
Frontage:	Good	Proposed Use:	Retail-Commercial
Visibility:	Good	Maximum FAR:	N/A
Shape:	Irregular	Potential Building Area:	N/A
Topography:	N/A	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	1/2020	NOI:	N/A
Sale Price:	$145,000	Price per Sq.Ft.:	$2.12
Value Interest:	Fee Simple	Price per Acre:	$92,239
Grantor:	Eddie D Carnathan, Et Ux	Price per Potential Building Area:	N/A
Grantee:	Elliott DG, L.L.C.	Price per Potential Units:	N/A
Financing:	Cash or cash equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Appraisal File

COMMENTS

The site was purchased by the current owner, Elliott DG, L.L.C., on January 06, 2020 from Eddie D Carnathan, Et Ux for $145,000 or $2.12 per square foot. The intended use was to construct a 9,100 square feet Dollar General. The subject $2.12 per square foot price appear to be at market. Dollar General land sales are less motivated by comparable sales, but meeting the contracted construction timeline and property feasibility. This component is 11 percent of the total leased fee market value. Between 10 and 15 of the market value of the leased fee interest appears to be consistent with the market. To our knowledge, the property has not otherwise sold or transferred within three years of the effective date of the appraisal..

LAND SALE COMPARABLE 6

Property Name:	Fast Pace Urgent Care
Address:	1621 West Peace Street
City, State, Zip:	Canton MS 39046
Jurisdiction:	Madison County
MSA:	Jackson
Submarket:	
Property Type:	Land
Property Subtype:	Retail-Commercial
Classification:	N/A
ID:	587731
Tax Number(s):	092H-27-031/01.00 (PPIN 39221)

PROPERTY INFORMATION

Site Area (Acres):	1.0000	Public Utilities:	All Available
Site Area (Sq.Ft.):	43,560	Electricity:	N/A
Zoning:	C-5, Canton West Special Planned District	Water:	N/A
Utility:	Average	Sewer:	N/A
Access:	Good	Gas:	N/A
Frontage:	Good	Proposed Use:	N/A
Visibility:	Good	Maximum FAR:	N/A
Shape:	Rectangular	Potential Building Area:	N/A
Topography:	Level	Potential Units:	N/A
Entitlements:	No		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	11/2019	NOI:	N/A
Sale Price:	$90,000	Price per Sq.Ft.:	$2.07
Value Interest:	Fee Simple	Price per Acre:	$90,000
Grantor:	JTS Capital Realty 3, LLC	Price per Potential Building Area:	N/A
Grantee:	FP Canton MS, LLC	Price per Potential Units:	N/A
Financing:	Cash or cash equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

CoStar. Grantor - Emily Nulph with JTS Capital Realty, LLC. Madison County Warranty Deed Book 3974, page 192.

COMMENTS

This property was listed on the open market for 136 days at $100k before it sold at $90k. It is at the SWQ of Peace Street and Curbview Cove on the west side of I-55 in the City of Canton, MS. It was purchased to construct a Face Pace outpatient medical clinic.

Addendum E:
Comparable Improved Sale Data Sheets

IMPROVED SALE COMPARABLE 1

Address:	203 West Peace Street
City, State, Zip:	Canton MS 39046
MSA:	Jackson
County:	Madison
Submarket:	
Property Type:	Retail-Commercial
Property Subtype:	N/A
Classification:	N/A
ID:	733833
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	0.15	Number of Buildings:	2
Site Area (Sq.Ft.):	6,534	Number of Stories:	2
Gross Bldg Area:	11,000	Number of Parking	N/A
Gross Leasable Area:	11,000	Parking Ratio:	N/A
Year Built:	1896	L:B Ratio:	0.59:1
Last Renovation:	N/A	Tenancy Type:	N/A
Quality:	Average		
Condition:	Average		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	4279/40	NOI:	N/A
Sale Date:	11/2022	NOI per Sq.Ft.:	N/A
Sale Price:	$417,500	Occupancy:	0.00%
Price per Sq.Ft.:	$37.95	Buying Entity:	Owner-User
Value Interest:	Fee Simple	No. of Years Remaining on Primary Lease:	N/A
Grantor:	1955 Investments, LLC	InvestmentGradeCredit:	N/A
Grantee:	JCA Real Estate Holdings, LLC	InvestmentGradeCreditRating:	N/A
Financing:	N/A		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Listing broker Rebecca Atkinson 601-707-5555

COMMENTS

This is the sale of a historic property known as the Iupe Building in Canton, MS. It was originally constructed in 1896 and had been vacant for approximately 20 years according to the listing broker. The building most recently operated as a clothing/thrift store and was purchased by an orthopedic doctor who plans to operate a medical practice on the main level (6,000 SF) while using the upper level (4,000 SF) which is in its original condition for storage and future expansion. There is also a 1,000 SF mezzanine level in the middle of the building. A new TPO roof was installed in 2021 due to a roof leak that occurred during a snowstorm. The purchase price of $417,500 and original asking price of $495,000 were confirmed by the listing broker.

IMPROVED SALE COMPARABLE 2

Property Name:	Freestanding Retail (former shoe store)
Address:	820 Wilson Drive
City, State, Zip:	Ridgeland MS 39157
MSA:	Jackson
County:	Madison
Submarket:	
Property Type:	Retail-Commercial
Property Subtype:	Freestanding Retail Store
Classification:	N/A
ID:	626429
Tax Number(s):	072I-31C-123-01-11

PROPERTY INFORMATION

Site Area (Acres):	0.77	Number of Buildings:	1
Site Area (Sq.Ft.):	33,541	Number of Stories:	1
Gross Bldg Area:	15,000	Number of Parking	60
Gross Leasable Area:	15,000	Parking Ratio:	4.00:1,000
Year Built:	1998	L:B Ratio:	2.24:1
Last Renovation:	N/A	Tenancy Type:	Multi-Tenant
Quality:	Average		
Condition:	Average		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Deed Reference:	Book 4069 p. 788	NOI:	N/A
Sale Date:	7/2021	NOI per Sq.Ft.:	N/A
Sale Price:	$625,000	Occupancy:	0.00%
Price per Sq.Ft.:	$41.67	Buying Entity:	Owner-User
Value Interest:	Fee Simple	No. of Years Remaining on Primary Lease:	N/A
Grantor:	820 Wilson Drive, LLC	InvestmentGradeCredit:	N/A
Grantee:	Arvest Church Madison Inc.	InvestmentGradeCreditRating:	N/A
Financing:	Cash or Cash Equivalent		
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

CoStar

COMMENTS

This freestanding retail property was sold on July 16, 2021 for $625,000. It was an arm's length fee-simple sale between 820 Wilson Drive, LLC (grantor) and Arvest Church Madison Inc. (grantee). The building is a former shoe store converting into a place of worship. The listing was on the market for 57 days. The buyer financed a loan for this sale with a 20% down payment.

IMPROVED SALE COMPARABLE 3

Property Name:	Dollar Tree Family Dollar
Address:	1960 Veterans Memorial Boulevard
City, State, Zip:	Eupora MS 39744
County:	Webster
Submarket:	
Property Type:	Retail-Commercial
Property Subtype:	Freestanding Retail Store
Classification:	N/A
ID:	555652
Tax Number(s):	073A020502.00

PROPERTY INFORMATION

Site Area (Acres):	2.00	Number of Buildings:	1
Site Area (Sq.Ft.):	87,120	Number of Stories:	1
Gross Bldg Area:	15,171	Number of Parking	N/A
Gross Leasable Area:	15,171	Parking Ratio:	N/A
Year Built:	1972	L:B Ratio:	5.74:1
Last Renovation:	N/A	Tenancy Type:	Single-Tenant
Quality:	Average		
Condition:	Fair		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	7/2020	NOI:	N/A
Sale Price:	$500,000	NOI per Sq.Ft.:	N/A
Price per Sq.Ft.:	$32.96	Occupancy:	N/A
Value Interest:	Fee Simple	Buying Entity:	Investor
Grantor:	FRIDSS, LLC	No. of Years Remaining on Primary Lease:	N/A
Grantee:	BEL Investments Eupora, MS, LLC	InvestmentGradeCredit:	N/A
Financing:	N/A	InvestmentGradeCreditRating:	N/A
Condition of Sale:	Arm's Length		

VERIFICATION COMMENTS

Review of purchase contract and lease

COMMENTS

This is the pending sale of a former Fred's Dollar Store. It was purchased by an active Dollar Tree / Family Dollar developer to convert to a Dollar Tree. The development budget was just over $500,000 and the 10 year NNN lease was created with a starting rent of $5.80 per square foot.

Property Name:	Former Fred's Pharmacy
Address:	951 Main Street
City, State, Zip:	Leakesville MS 39451
County:	Greene
Submarket:	
Property Type:	Retail-Commercial
Property Subtype:	Freestanding Retail Store
Classification:	N/A
ID:	548867
Tax Number(s):	130F-03-044.00-02

PROPERTY INFORMATION

Site Area (Acres):	1.16	Number of Buildings:	1
Site Area (Sq.Ft.):	50,530	Number of Stories:	1
Gross Bldg Area:	16,878	Number of Parking	40
Gross Leasable Area:	16,878	Parking Ratio:	2.37:1,000
Year Built:	2012	L:B Ratio:	2.99:1
Last Renovation:	N/A	Tenancy Type:	Single-Tenant
Quality:	Good		
Condition:	Good		

SALE INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	3/2020	NOI:	N/A
Sale Price:	$630,000	NOI per Sq.Ft.:	N/A
Price per Sq.Ft.:	$37.33	Occupancy:	N/A
Value Interest:	Fee Simple	Buying Entity:	Investor
Grantor:	STORE Capital	No. of Years Remaining on Primary Lease:	N/A
Grantee:	N/A	InvestmentGradeCredit:	No
Financing:	N/A	InvestmentGradeCreditRating:	N/A
Condition of Sale:	None		

VERIFICATION COMMENTS

Stirling Properties Mobile, Mobile, AL: Angela McArthur 251-375-2481 amcarthur@stirlingprop.com

COMMENTS

Former Fred's located in the county seat of Greene County in Leakesville, Mississippi. Positioned prominently on the corner of Main (Highway 63) and Main (Highway 57). The building is a steel framed building with enameled metal sides and block front façade and drive through side. It offers high ceilings, a drive through, and dock high delivery.

Addendum F:
Legal Description

LEGAL DESCRIPTION

LOT 2 AND 30 X 100 FEET OUT OF THE NORTH EAST.CORNER OF LOT 1, BLOCK 3 ACCORDING TO THE ORIGINAL PLAN OF THE TOWN OF CANTON, BEING ALSO, RESPECTIVELY, LOTS 18 AND 17 IN BLOCK 3 ACCORDING TO GEORGE & DUNLAP'S MAP OF THE CITY OF CANTON, AND BEING MORE SPECIFICALLY DESCRIBED AS:

BEGINNING AT A POINT ON THE WEST MARGIN OF NORTH UNION STREET 70 FEET, MORE OR LESS, NORTH OF THE NORTH MARGIN OF WEST CENTER STREET, THENCE 100 FEET WEST, PARALLEL TO WEST CENTER STREET, THENCE NORTH, PARALLEL TO NORTH UNION STREET, 30 FEET, THENCE WEST, PARALLEL TO WEST CENTER STREET, 100 FEET, MORE OF LESS, TO THE EAST MARGIN OF LOT 8 OF THE ORIGINAL PLAN OF CANTON (LOT 6 ACCORDING TO GEORGE & DUNLAP'S MAP), THENCE NORTH, PARALLEL TO NORTH UNION STREET, 98 FEET, MORE OR LESS, THENCE EAST, PARALLEL TO WEST CENTER STREET, 200 FEET, THENCE SOUTH ALONG THE WEST MARGIN OF NORTH UNION STREET 128 FEET TO THE POINT OF BEGINNING.

AND:

A LOT OR PARCEL OF LAND FRONTING 102 FEET ON THE WEST SIDE OF NORTH UNION STREET AND BEING ALL OF LOT 20 AND 2 FEET EVENLY OFF THE NORTH SIDE OF LOT 18 ON NORTH UNION STREET ACCORDING TO THE 1898 GEORGE AND DUNLAP MAP OF THE CITY OF CANTON, MADISON COUNTY, MISSISSIPPI, ALSO BEING THE SAME AS LOT 3 AND 2 FEET EVENLY OFF THE NORTH SIDE OF LOT 2, SQUARE 3, ACCORDING TO SAID GEORGE AND DUNLAP MAP.

AND ALSO:

PARCEL ONE:

LOT NO. 8 IN BLOCK 3 ACCORDING TO THE ORIGINAL PLAT OF THE TOWN OF CANTON, LESS 10 FEET OFF THE EAST SIDE THEREOF ON THE NORTH SIDE OF CENTER STREET WEST OF THE PUBLIC SQUARE AND BEING LOT 6 ON THE NORTH SIDE OF CENTER STREET ACCORDING TO GEORGE AND DUNLAP'S MAP OF THE CITY OF CANTON, AND BEING THE SAME LOT CONVEYED TO MISS ANNIE HARTER BY DEED OF S. A. MILLER, DATED DECEMBER 29, 1913, WHICH APPEARS OF RECORD IN BOOK UUU, PAGE 418.

PARCEL TWO:

THE SOUTH 75 FEET OF LOT 5 ON THE SOUTH SIDE OF WEST NORTH STREET.

Addendum G:
General Services Administration – GSA Market Overview

Overview

Established in 1949, the U.S. General Services Administration, GSA, is an independent agency of the United States of government established to help manage and support basic functioning federal agencies. GSA provides centralized procurement for the federal government, providing billions of dollars' worth of products, services and facilities that federal agencies need to serve the public. The GSA is comprised of the Federal Acquisition Service, the Public Buildings Service, 12 staff offices, and two independent offices. GSA's acquisition solutions supply federal purchasers with cost-effective high-quality products and services from commercial vendors. GSA helps federal agencies building and acquire office space, products and other workspace services and oversees the preservation of historic federal properties. Its policies cover travel, property and management practices promote efficient government operations.

Note: All figures in this report refer to date gleaned from the GSA 2022 Agency Financial Report published in fourth quarter 2022; this report covers Fiscal Year 2022, which began on October 1, 2021 and ended on September 30, 2022.

The Federal Acquisition Service provides federal agencies over 31 million different products and services and delivers over $87.5 billion in information technology products, services and solution, telecommunication services, assisted acquisitions services, travel and transportation management solutions, motor vehicles and fleet services and charge card services. FAS manages 227,000 leased vehicles, more than six million charge cards, and provides personal property disposal services facilitating the reuse of $1 billion in excess and surplus personal property every year.

The Public Building Service provides high-quality facility and workspace solutions to more than 50 Federal agencies, disposes of excess or unneeded Federal properties, and promotes the adoption of innovative workplace solutions and technologies. PBS acquires space on behalf of the federal government through new construction and leasing, while acting as caretake for Federal properties across the country. As the largest public real estate organization in the United States, the PBS owns or leases over 8,300 assets and maintains an inventory of 360 million square feet of rentable work space. Within this inventory, the PBS maintains over 429 owned and leased buildings on the National Register of Historic Places and an additionally 86 buildings eligible for listing in the National Register, provide high-quality facility and workspace solution to more than 50 Federal agencies, disposes of excess or unneeded federal properties; and promotes the adoption of innovative workplace solutions and technologies.

The Office of Government-wide Policy uses policies, data, and strategy to drive efficiency and management excellence across the Federal Government for key administrative areas to include shared services, travel and transportation, acquisition, fleet management, information technology modernization, and real estate management. OGP influences agency behavior in these areas through the development of Government-wide policy making, performance standards, data analysis and benchmarking, and transparent reporting of Government-wide data.

The GSA Staff Offices support the enterprise and ensure GSA is prepared to meet the needs of customers, both on a day-to-day basis and in crisis situations:

- **Office of Administrative Services (OAS)** delivers innovative, responsive, and timely value-added solutions for GSA's administrative, workplace, and information needs in ways that promote integrity, the efficient use of Government resources, and effective risk management.

- **Office of the Chief Financial Office (OCFO)** provides enterprise-wise budget, financial management, financial analysis, performance management, and strategic planning services to GSA business lines and Staff Offices.
- **Office of Civil Rights (OCR)** administers five programs related to Federal civil rights laws and regulation: Equal Employment Opportunity, Affirmative Employment, Non-discrimination in Federally Conducted Programs and Activities, Environmental Justice, and Non-discrimination in Federally Assisted Programs and Activities.
- **Office of Congressional and Intergovernmental Affairs (OCIA)** maintains agency liaison with Congress; prepares and coordinates the GSA annual legislative program; communicates the GSA legislative program to OMB, Congress and other interested parties; and works closely with OMB in the coordination and clearance of all proposed legislation impacting GSA.
- **Office of Customer Experience (OCE)** works with internal clients to enhance relationships with customers, industry partners and stakeholders. OCE improves the end-to-end experience of GSA customers by aligning operations to customer needs.
- **Office of General Counsel (OGC)** provides sound and timely legal advice and representation to GSA clients to enhance their ability to deliver the best value in real estate, acquisition, and technology services to the Government and the American people.
- **Office of GSA IT** provides staff with innovative technology to improve capabilities, productivity, mobility, agility, and cost savings.
- **Office of Government-Wide Policy (OGP)** utilizes policies, data, and strategy to boost effectiveness and achieve high standards of management in essential administrative sectors across the Federal Government. These sectors include fleet management, acquisition, modernization of information technology, management & disposal of personal property, management of real estate, and travel & transportation.
- **Office of Human Resources Management (OHRM)** provides thorough human resources services and solutions to GSA and its employees.
- **Office of Mission Assurance (OMA)** ensures resilience and continuity of the agency's critical business processes by integrating and coordinating activities across all domains of security (physical, personnel, and industrial), HSPD-12 credentialing, emergency management, and contingency and continuity planning.
- **Office of Small and Disadvantaged Business Utilization (OSDBU)** has nationwide responsibility for GSA's small business programs and is the chief advocate for small and disadvantaged businesses.
- **Office of Strategic Communication (OSC)** is the agency's resource for all internal and external communication needs, focusing on using communication to help GSA meet its mission and business goals.

Independent Offices include the **Office of Inspector General (OIG,)** which is responsible for promoting, efficiency and effectiveness and detecting and preventing fraud, waste, and mismanagement in GSA programs and operations; and the **Civilian Board of Contract Appeals (CBCA,)** an independent tribunal housed within GSA with the primary responsibility is to adjudicate contract disputes between civilian Federal agencies and contractors under the Contract Disputes Act.

Macro Trends

The economy continues to recover and evolve from the impacts of the pandemic and the economic crisis that followed. Right now, inflation remains elevated and the Federal Reserve's interest rate hikes are further compounding market volatility. With this, it is important to take in mind that data lags, and industry participants are still trying to accurately determine some of the effects these events will, or have had, on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. For this industry overview section of the report, we ask that you keep in mind that some macro trends may not affect the subject property directly.

GSA Assets

GSA assets primarily include property and equipment such as Federal buildings, motor vehicles, and office equipment; Fund Balance with Treasury (FBwT); and amounts due to GSA from Federal agencies and non-federal customers mostly from sales transactions or uncollected rents. In FY 2022, the GSA reported total assets of $59 billion, a net increase of nearly $8.7 billion over FY 2021. Significant changes in assets include an increase in the overall FBTw of $8.1 billion, mainly due to activities in the FBF, which saw an increase of nearly $7.8 billion, primarily as earnings generated as funding for capital programs to cover building repairs and alterations (R&A) and new construction costs, exceed amounts spent on these programs. GSA's accounts receivable from other Federal agencies also rose $924 million due to increases in business volume in the Acquisition Service Fund (ASF).

GSA manages more than $87.5 billion in procurement across the Government and oversees. Additionally, the GSA's Fleet program leases more than 227,000 vehicles to federal agencies, which represents approximately half of the Federal fleet excluding the Postal Service.

GSA Revenues

Revenue for the federal agency rose 2.2% in fiscal year 2022 to $32.4 billion. The GSA's net revenues from operations declined 47.6% from $915 million in FY 2021 to $479 million in FY 2021. The agency's green initiatives offer excellent growth potential for the future as the federal and state government's move towards sustainable practices.

The following chart contains annual financial information for the GSA:

GSA Financial Overview

	FY 2022	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Revenue (millions)	$32,390	$31,684	$28,965	$26,303	$23,843	$21,782	$20,457	$19,488
Percent Change in Revenue	2.2%	9.4%	10.1%	10.3%	9.5%	6.5%	5.0%	-3.0%
Net Revenues from Operations (in millions)	$479	$915	$384	$536	$414	$360	$290	$243

Source: GSA 2022 Agency Financial Report; compiled by Cushman & Wakefield Valuation & Advisory

Leasing Building Operations

GSA strives to be below commercial office space leasing market rates for every transaction. In FY 2022, GSA continued to create and implement solutions focused on people and backed by data, with a particular focus on addressing issues such as climate change and the global pandemic. The GSA works to deliver a top-notch customer experience and the highest value in real estate, acquisition, and technology services. In FY 2018, Public Building Service introduced the Lease Cost Avoidance Plan to replace 60% of their leases set to expire between FY 2019 and FY 2023. In 2019, GSA negotiated 48% of leases at or below market rates. At the end of 2020, the aggregate lease costs were 12.6% below market lease costs for the year, exceeding the goal of negotiating leases 7% below market rates. By comparison, in FY 2019, the total aggregate GSA lease costs were 17% below market lease cost, according to the GSA FY 2020 Annual Performance Report. Looking forward, the OIG's *Assessment of GSA's Management and Performance Challenges for Fiscal Year 2023* reports that between FY 2023 and FY 2027, roughly 45%, or 82.9 million rentable square feet, of leased space is set to expire across the country's assets. As these leases expire, PBS will continue to implement its Lease Cost Avoidance plan to shrink leasing costs and optimize its real estate portfolio. However, PBS has reported that evolving real estate market conditions caused by the COVID-19 pandemic necessitates additional analysis of the agency's long-term and short-term lease strategies.

Advantages to investing in single-tenant government leased properties include:

- The government is a tenant with strong credit; the U.S. Government received a rating of AAA from Fitch in May 2023 and a rating of AA+ from S&P in March 2023. A GSA-leased property offers investors a strong credit tenant under a lease contract that is backed by the U.S. government.
- The long-term, stable tenancy of GSA-leased properties is well-documented. For the period FY 01 through FY13, GSA maintained occupancy in their leased facilities for an average of 23.3 years weighted by RSF or 14.6 years weighted by lease.
- Single-tenant GSA facilities are often purpose built and very specialized with extensive tenant improvement and security requirements. The unique functionality and associated replication costs of these buildings generally increases the likelihood of renewal and remaining in a facility well beyond the initial term.
- GSA-leased properties typically exhibit higher returns than similar single tenant NNN investments– sometimes as much as several hundred basis points. Experienced investors that are willing to take on the risks of real estate ownership and operations find that these facilities can provide yields of more than 500 basis points over 10 year US treasuries.

Challenges to investing in single-tenant government leased properties include:

- The typical GSA lease is full-service, which requires significant landlord responsibilities. Long-term operating expense risk is pushed primarily to the landlord, particularly as it relates to utility costs.
- Many GSA leases include a soft term whereby GSA has the right to terminate the lease based on a specified notice period – early termination rights. This presents significant underwriting challenges, especially as relates to debt placement.
- The budget constrained environment and other factors have in effect shortened the average lease term, thus limiting the number of long term government-leased investment opportunities.
- The GSA lease renewal process is often opaque and bureaucratic resulting in a lengthy lease renewal process.
- As older buildings are being vacated, GSA is making a push to occupy its owned inventory to a greater extent. Consolidations are causing tenant relocations, as is the difficulty of renovating in-place. Experienced investors mitigate this risk by focusing on modern, efficient buildings, especially first-generation, specialized facilities.
- GSA-leased facilities are often allocated in secondary or tertiary markets, at rents above the market norm. For investors unfamiliar with these specialized facilities, this is a source of concern as it relates to residual use. Many investors will underwrite the risk of the tenant vacating facility, which can lead to a wide variety of viewpoints on pricing from a prospective pool of buyers.

GSA Strategy

The National Strategy for the Efficient Use of Real Property was released by the Office of Management and Budget, OMB, on March 2015 to improve real property management by freezing growth of the federal real property inventory, measuring performance to identify opportunities for improvements in efficiency, and finally reducing the size of the inventory through consolidation, colocation, or disposal of properties. The companion policy is Reduce the Footprint, RTF, which requires all Chief Financial Officer Act executive branch departments and agencies to move aggressively to dispose of surplus properties held by the Federal Government, make more efficient use of the Government's real property assets, and reduce the total square footage of their domestic office and warehouse inventory. The Federal Assets Sale and Transfer Act (FASTA) was passed December 2016, requiring OMB and GSA to identify opportunities for the federal government to reduce its inventory of civilian property, efficiently utilize existing properties and reduce the cost and maintenance of existing properties.

In fiscal year 2017 GSA disposed of 123 assets government-wide generating over $115 million in gross proceeds and resulting in the reduction of almost 3 million square feet. In fiscal year 2018, the GSA disposed of 140 assets generating more than $123.2 million in proceeds and resulting in a reduction of nearly 5 million gross square feet and 2,735 acres of land from the Federal inventory. In FY 2019, the GSA disposed of 167 assets on behalf of the Federal Government, generating more than $98.7 million in proceeds; these disposals resulted in a reduction of more than 879,000 gross square feet and 854.6 acres of land from the Federal inventory. In FY 2021, the GSA disposed of 94 assets, generating approximately $101 million in proceeds. This disposal resulted in a reduction of nearly two million square feet and 1,731acres from the federal footprint. Many of these former Federal properties found new uses, fueling local economic development and community revitalization efforts.

GSA Reduce the Footprint Baseline

	FY2015 Baseline	FY2018	Change
Useable Square Footage (msf)	5.2	3.5	(1.7)

Source: GSA 2019 Agency Financial Report; compiled by Cushman & Wakefield Valuation & Advisory

GSA leads Federal agencies in reducing its footprint with 32% decrease in usable square footage since FY 2015, allowing GSA to realize a saving of $4 million in overhead and maintenance (O&M) costs in FY 2018. In the three years since the 2015 usable square feet baseline was established, GSA has saved more than $10 million on O&M costs.

In fiscal year 2018, GSA implemented its Lease Cost Avoidance Plan. This plan reduces GSA lease costs by lowering agency space requirements through innovative workplace strategies, negotiating lower lease rates, executing better lease terms, maximizing the backfill of vacant Federal space, leveraging online leasing tools, such as the Automated Advanced Acquisition Platform (AAAP), and using the GSA Leasing Support Service Contact (GLS) more effectively.

GSA is continuously seeking to maximize the use of owned Federal space, eliminate costly lease arrangements, and dispose of underutilized assets. GSA seeks to improve the use of space through various workplace strategies including reconfiguring individual, collaborative, and support spaces; desk-sharing; a continued emphasis on enabling and supporting mobile work' and shifting from traditional office space to more flexible, equitable open-plan workplace environments.

In recent years, the agency has begun a new initiative, green building design, construction, retrofit and sustainable operations and maintenance. The agency completed a $7.0 million solar park at the Federal Center in Denver. The agency also provides green technology and products to its customer agencies and will continue to build new sustainable office developments. The GSA has offered 30 of its office buildings, over 117 million square feet of office space, to participate in the Deep Retrofit Challenge. The Deep Retrofit Challenge is asking energy service companies to make these buildings more energy efficient through the use of Energy Service Performance

Contracts. This challenge to the private sector should foster new sustainability practices that will benefit not only the GSA operated facilities, but private commercial properties as well.

Conclusion

According to the GSA Strategic Plan, about 60% of the GSA lease space will be expiring in the next few years. GSA will increase cost savings by utilizing a wide-range of strategies, including increased usage of automated systems and private brokers, where appropriate to improve efficiency in awarding leases. GSA will negotiate longer lease terms to provide better value for the federal customers. Negotiating more competitive lease terms and/or reduce space size with the GSA using market tools and brokers to become savvy and utilize its leverage as a large, credit tenant. Landlords that facilitate high space utilization, technology, and sustainability at reasonable rental rates will have the best chance to secure and keep GSA tenants. The expectations is lower activity levels (fewer build-to-suits) and a continuation of the trend of slightly decreasing renewals. As total space is projected to decrease over the next few years the renewal rate may stabilize at a level that is still higher than non-government commercial properties.

GSA has realigned internal resources and allotted additional resources to increase productivity and increase the pace of the lease replacement rate. Decreasing lease cost for agencies allows for the allocation of more resources to their mission. The five-year capital improvement plan in place prioritizes repair and alterations (R&A) projects in federally-owned assets and considers savings potential in reducing liabilities, consolidating agency footprint and reducing lease costs – thus reducing the size and cost of the overall federal inventory.

The appeal of GSA-leased properties remains good in spite of the risks. Market participants stress that direct capitalization should be utilized properly – only the base rent should be capitalized. Tenant improvements being amortized over the term, even when included in the rental rate, should not be included in net income for capitalization purposes. Instead, the present value of tenant improvement amortization should be added to the result of direct capitalization. Furthermore, the capitalization rate should consider the potential for lower market rent should the GSA vacate the premises.

Addendum H:
Appraiser's Qualifications

Tracy K. Wofford, MAI, AI-GRS Senior Director

Valuation & Advisory
Cushman & Wakefield of Georgia, LLC

Member of:

- Multifamily Practice Group
- Industrial Practice Group
- Office Practice Group
- Self Storage Practice Group
- Retail Practice Group
- Trusts & Estates Valuation Advisory Services Practice Group
- Dispute Analysis & Litigation Support Team

Professional Expertise

Ms. Wofford is a Senior Director with Cushman & Wakefield of Georgia, LLC Valuation & Advisory office in Jackson, MS. She joined Cushman & Wakefield in 2019 to expand the valuation and advisory presence in Mississippi. Tracy has been in the appraisal profession since 1999. Prior to joining Cushman & Wakefield, she managed her own appraisal and consulting firm in the Mississippi market. She specializes in a wide variety of commercial and special use properties.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute, as of the current date, Tracy Wofford, MAI, AI-GRS has completed the requirements of the continuing education program of the Appraisal Institute.

  Appraisal Institute Professional Standards and Guidance Committee Second Term, January 2023 through December 2024
- Member of the Mississippi Appraisal Board, January 2022 through December 2025
- Member of the MS / AL Chapter of the Appraisal Institute. Member of the University Relations Committee
- Certified General Real Estate Appraiser in the following states:
  - Mississippi – GA-677
  - Alabama – G01568
  - Arkansas – CG-4188
  - Louisiana – G4332
  - Tennessee – 6050
- Bachelor of Science, Accounting, Mississippi State University
- MS State University Adjunct Professor teaching Principals of Real Estate, 2023 Spring Semester

Speaking Engagements

- Central Chapter of the Mississippi Society of Certified Public Accountants, Jackson, Mississippi, River Hills Country Club, January 15, 2016 – *Appraising Commercial Real Estate*
- Mississippi Certified Public Accountants' Valuation/Litigation Conference, Ridgeland, Mississippi, CPA Building, December, 12, 2015 – *What Business Valuators Want to Know about Real Estate Appraisals*
- Mississippi Certified Public Accountants' Business Valuators Conference, Ridgeland, Mississippi, December, 2011 – *Real Estate Appraisal Report Overview*
- MS CCIM Chapter 2022 Commercial Real Estate Symposium Panelist, Flowood, MS, September 1, 2022
- University of MS Fall Career Fair Guest Panelist, October 21, 2022.

MISSISSIPPI

State of Mississippi
MISSISSIPPI REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

LICENSE # GA-677 STATUS: ACTIVE

TRACY KOBY WOFFORD

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER

Effective Date: 12/01/2022
Expiration Date: 11/30/2024

SIGNATURE OF LICENSEE
Robert E. Praytor, Administrator

ALABAMA

State of Alabama

This is to certify that

Tracy Koby Wofford

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

Certified General Real Property Appraiser

With all rights, privileges and obligations appurtenant thereto.

LICENSE NUMBER: G01568
EXPIRATION DATE: 09/30/2023

Executive Director
ALABAMA REAL ESTATE APPRAISERS BOARD

LOUISIANA

State of Louisiana

Certified General Appraiser License

Having complied with the license requirements as set forth in in R.S.1950 Title 37, Chapter 51, and Amendatory Acts, and the Real Estate Appraisers Board Rules and Regulations, a Certified General Appraiser License is hereby granted to Tracy K. Wofford

In Testimony Whereof, This license has been issued by the Authority of the Louisiana Real Estate Appraisers Board.

Period Covered: April 1, 2022 Through December 31, 2023

Chairman

License Number: G4332

Secretary

ARKANSAS

Arkansas Appraiser Licensing & Certification Board

This is to certify that

Tracy Wofford

Credential # CG-4188

has complied with the requirements of Arkansas code 17-14-201 et seq.; and is the holder of a valid credential. This card is for identification purposes only.

Expiration Date: 10/31/2023

Chairman

TENNESSEE

12706068

State of Tennessee

TENNESSEE REAL ESTATE APPRAISER COMMISSION
CERTIFIED GENERAL REAL ESTATE APPRAISER
TRACY K. WOFFORD

This is to certify that all requirements of the State of Tennessee have been met.

ID NUMBER: 6050
LIC STATUS: ACTIVE
EXPIRATION DATE: August 22, 2023

IN-1313
DEPARTMENT OF
COMMERCE AND INSURANCE