

In re: Jackson County –Cashiers Hillside Project

AFFIDAVIT OF RICHARD M. ROBSON

The undersigned, Richard M. Robson, being first duly sworn, certifies as follows:

1. I am over the age of 18 and give this affidavit upon my own personal knowledge.
2. I am the President of North Carolina Appraisal Company, and a State Certified General Real Estate Appraiser in the State of North Carolina. I have been professionally active in the Western North Carolina real estate market since 1992. I became employed by and became a principal in the North Carolina Appraisal Company in 1994. I currently live in Cashiers, North Carolina.
3. I have experience in appraising both commercial and residential property. I have appraised apartment complexes, single and multi-tenant office buildings, restaurants, convenience stores, shopping centers, drug stores, industrial buildings, subdivisions, special use facilities (including PUDs), sports complexes, vacant land, and single-family residences.
4. Attached hereto as Exhibit “1” is my current curriculum vitae.
5. I am the appraiser of record for the Cashiers Hillside development project as identified and described on its application for a special use permit to Jackson County (“Project”), which permit request is being presented for hearing on November 16, 2020 before the Jackson County Community Planning Council (“Board”). In performing my appraisal analysis, I have become very familiar with the Project, including the exterior architectural renderings related thereto. I have prepared a written report documenting the factual and data support for my professional opinions, a true and accurate copy of which is attached hereto as Exhibit “2” and incorporated herein by reference.
6. I have reviewed the standards for a special use permit in Section 3.7.15(vi) of the Jackson County Unified Development Ordinance (“Ordinance”). Based upon my

review of the Project, including the Exhibit "2" report, and my many years of experience as an appraiser, I am of the opinion that:

- The proposed use or development of the land will not substantially injure the value of adjoining or abutting properties as specified in Section 3.7.15(vi)(1)(c).

In my opinion, the Project will not cause any negative impact on property values for those properties adjoining or abutting the Project's boundaries.

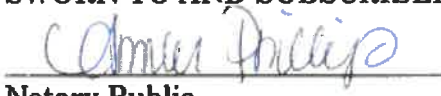
FURTHER AFFIANT SAYETH NAUGHT.

This the 12th day of November, 2020.



Richard M. Robson

SWORN TO AND SUBSCRIBED before me this 12th day of November, 2020.



Notary Public

Print Name: Amber Phillips

My Commission Expires: September 8, 2025
4846-4156-7953, v. 1

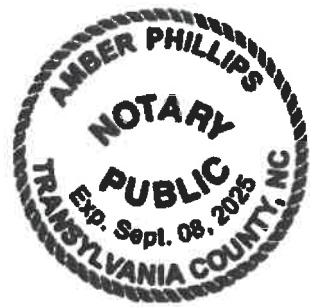


EXHIBIT 1

QUALIFICATIONS OF APPRAISER
RICHARD M. ROBSON

Richard M. Robson, MAI, SRA, has been active in the Western North Carolina real estate market on a personal basis since 1983. His professional research of the area began in 1992.

Attended H. B. Plant High School, Tampa, Florida-graduated 1971, Mercer University, Macon, Georgia 1973, and attended Florida State University, Tallahassee, Florida until 1977-Business Administration with a concentration in Real Estate.

Employed June 1977 to June 1985 as an associate independent fee appraiser active in the appraising of residential and income producing real property on a fee basis in central Florida, with other work in North Carolina, Georgia, and Tennessee.

Employed by Lee Pallardy Inc. in July 1985 as an appraiser.

Employed by and became a principal in the North Carolina Appraisal Company in 1994.

Completed Appraisal Institute Courses

Multiple courses completed from 1978 - 2010
7 Hour National USPAP Update Course - 2012
Residential Green Description Made Easy - 2012
IRS Valuation - 2012
Condemnation Appraising: Principles & Applications - 2012
7 Hour National USPAP Update Course - 2014
Business Practices and Ethics - 2014
Analyzing Operating Expenses - 2015
Data Verification Methods - 2015
Cool Tools: New Technology for Real Estate Appraisers - 2015
7 Hour National USPAP Update Course - 2016
Valuation of Conservation Easements - 2017
7 Hour National USPAP Update Course - 2018
Business Practices and Ethics - 2019
Thinking Outside the Form - 2019
Data Verification Methods - 2019
Cool Tools: New Technology for Real Estate Appraisers - 2019
7 Hour USPAP Update Course - 2020
Eminent Domain and Condemnation - 2020
Small Hotel/Motel Valuation - 2020

Member

Appraisal Institute
National Association of Realtors
North Carolina Association of Realtors
Highlands-Cashiers Board of Realtors
Carolina Smokies Board of Realtors
Mountain Lakes Board of Realtors

Qualified

Expert Witness, Macon County, North Carolina
Superior Court.
Expert Witness, Cherokee County, North Carolina
Superior Court.
Expert Witness, Department of Revenue, Raleigh,
North Carolina.
Expert Witness, Cherokee Tribal Court,
Eastern Band Cherokee Reservation
Cherokee, North Carolina.
Expert Witness, Jackson County, North Carolina
Superior Court.
Expert Witness, Haywood County, North Carolina
Superior Court.

Licensed

North Carolina Certified General Real Estate Appraiser # A3592

Appraised For

Asheville Savings Bank
Bank of America
Carolina Mountain Land Conservancy
Department of the Interior-Bureau of Indian Affairs
Duke Energy
Eastern Band of the Cherokee Indians
Federal Deposit Insurance Company
Federal National Mortgage Association
First Citizens Bank
Internal Revenue Service (IRS)
JPMorgan Chase Bank, N. A.
Nantahala Bank & Trust
PNC Bank
Rabun County Bank
Securities and Exchange Commission
United Community Bank
Various Attorneys, Accountants, Brokers,
Individuals, Developers, etc.

The experience range for Mr. Robson includes conventional appraisal work for all property types, court testimony (for condemnation, foreclosure, deficiency, bankruptcy, and general litigation), estate planning, development studies, feasibility, and highest and best use analyses.

Mr. Robson has valued Conservation Easement (CE) properties as far back as 1998, reviewed various CE appraisals, studied numerous articles on the subject, attended CE seminars, attended the Valuation of Conservation Easements course presented by the Land Trust Alliance, American Society of Appraisers, Appraisal Institute and Property Economics Professionals, and worked with numerous CE consultants. His work assignments include working for property owners in audit situations by the Internal Revenue Service and the North Carolina Department of Revenue.

EXHIBIT 2

North Carolina Appraisal Co.
Real Property Appraisals & Consulting

Richard M. Robson, MAI, SRA
North Carolina Certified Residential/
General Real Estate Appraiser #A3592

PO Box 389
Cashiers, NC 28717-0389

Telephone (828) 743-9758
<http://www.wncappraise.com>

November 13, 2020

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

Physical Location
130 US 64 E, Suite 5
Cashiers, NC 28717-0389

Stephen Macauley
Macauley Investments
2870 Peachtree Road #331
Atlanta, GA 30305

Re: Real Property Consulting: Impact on
nearby property values due to (proposed)
new construction - Cashiers Village
Cashiers, North Carolina 28717

Dear Mr. Macauley:

Following your request, we have reviewed the information you provided, and searched for the information that would guide us in determining if the property values of any adjoining or abutting parcels would be "injured" by the presence of the mixed use (proposed) development. We have made a property inspection. We have summarized our findings herein. This is a **Real Property Appraisal Consulting Report**. It is our understanding that the purpose of the report is to assist you in better understanding the impact on property values surrounding a proposed mixed-use development in the Cashiers area of South Jackson County. Our findings are as follows:

APPRAISAL CONSULTING REPORT

Client Identification and any intended users

The Client and Intended User of this report is the Addressee and any related third parties.

The problem to be addressed here is helping the client better understand any impact on value (for adjoining properties) arising from a proposed mixed-use development.

Intended Use of the Appraisal Consulting

This report was written for the purpose of assisting the clients in its request for a special use permit being considered by the Jackson County Community Planning Council as to the impact on the value of adjoining or abutting properties resulting from the proposed project.

Conclusion

Considering various issues described in greater detail herein we have found the values of the 78 properties in question here will not be injured because of the proposed development in question. In fact, the development of the proposed project will have a positive impact on values.

ADJACENT PROPERTY OWNERS MAP

Cashiers Village - Adjacent Properties



Properties situated within the green line are the proposed subject development. Those properties outside the green line are adjacent and/or abutting according to the Jackson County Planning Department.

Subject Property

The proposed development is to include a 55+/- acre tract improved with 600+/- residential units both owner and tenant occupied, 190,000+/- square feet of office or retail space, a 200+/- and a 300+/- car parking garage (available to the public), two unrelated hotels, and multiple greenspace areas. The land purchase price is reported to be \$11,400,000 (ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS) which equates to \$200,000 per acre. The construction cost for the infrastructure is reported to be \$653,000,000 (SIX HUNDRED AND FIFTY-THREE MILLION DOLLARS). Vehicle access is proposed to be on Hwy 107 S, US 64 E, and Monte Vista Road.

Date of Results, Report, etc.

The effective date of this report and results are November 2, 2020 (our date of inspections).

Scope of Work

We have reviewed the documents provided, inspected the subject property and the parcels in question, searched for information we believe is relevant to this assignment. The scope of this assignment requires the writer to conclude whether or not the proposed use or development of the land will or will not “substantially injure the value of the adjoining or abutting properties.” Our findings are as follows.

The question here is.... Will the proposed development substantially injure the value of adjoining or abutting properties? The Jackson County Planning Department has provided us with a list of those properties. That list follows.

Property ID #	PIN	Current Owner	Property Address	Assessed Acres
1	7572-52-0119	CASHIERS BAPTIST CHURCH	62 LANCE RD	2.5
2	7572-52-5074	WILLSON, TOM C	LT B MONTE VISTA RD	0.56
3	7572-52-1079	CASHIERS BAPTIST CHURCH TRUSTEES	US 64 E	0.67
4	7572-52-4035	WILLSON, TOM C	280 US 64 E	0.25
5	7572-51-2980	GLENVILLE CASHIERS RESCUE SQUAD INC	208 US 64 E	1.68
6	7572-61-0880	HARTLEY, CAROL	141 MONTE VISTA RD	0.65
7	7572-51-8525	CASHIERS VILLAGE LLC	216 MONTE VISTA RD	8.43
8	7572-41-9707	W H LEWIS FAMILY LLC	130 E US 64 UN 8	0.02
9	7572-41-8786	HA1040 OF CASHIERS LLC	130 E US 64 UN 7	0.02
10	7572-41-8765	VICHAMI LLC	130 E US 64 UN 6	0.02
11	7572-51-0719	VICHAMI LLC	130 E US 64 UN 16	0.02
12	7572-41-8743	VICHAMI LLC	130 E US 64 UN 5	0.02
13	7572-41-8794	VICHAMI LLC	130 E US 64 UN 15	0.02
14	7572-41-8722	VICHAMI LLC	130 E US 64 UN 4	0.02
15	7572-41-7772	BOWERS, RUBIN S	130 E US 64 UN 3A	0.01
16	7572-41-9735	BLUE RIDGE MTNS HEALTH PROJECT	130 E US 64 UN 12	0.04
17	7572-41-7792	BOWERS, RUBIN S	130 E US 64 UN 3B	0.01
18	7572-41-7770	HOME SERVICES OF CASHIERS LLC	130 E US 64 UN 2	0.02
19	7572-41-7659	HOME SERVICES OF CASHIERS LLC	130 E US 64 IN 1	0.02
20	7572-41-9704	EVANS HAIR GRAPHICS LLC	130 E US 64 UN 11B	0.01
21	7572-41-8793	EVANS HAIR GRAPHICS LLC	130 E US 64 UN 11A	0.01
22	7572-41-7684	CASHIERS CONDO 9 & 10 INC	130 E US 64 UN 10	0.02
23	7572-41-7652	CASHIERS CONDO 9 & 10 INC	130 E US 64 UN 9	0.02
24	7572-41-6614	PARKERS INVESTMENS INC	110 US 64 E	0.02
25	7572-41-4655	TCRC HOLDINGS LLC	78 US 64 E	0.63
26	7572-51-8525	CASHIERS VILLAGE LLC	216 MONTE VISTA RD	8.43
27	7572-41-1361	WACHOVIA BANK OF NC NA	68 HWY 107 S	0.25
28	7572-41-3292	CASHIERS VILLAGE LLC	95 HWY 107 S	0.11
29	7572-41-5028	CASHIERS VILLAGE LLC	57 PILLAR DR	0.3
30	7572-60-0871	HUMAN, ANITA C	298 MONTE VISTA RD	1.53
31	7572-40-6689	STRAIGHT EIGHT CO	S HWY 107	0.72
32	7572-40-9466	STRAIGHT EIGHT CO	S HWY 107	0.59
33	7571-49-8988	CM PARTNERS OF CASHIERS NC LLC	BUSTLE LN	0.42
34	7571-59-0838	DUCKHAM, DAN C	86 BUSTLE LN	0.12
35	7572-40-5407	JOHANNESSEN LLC	252 HWY 107 S	0.26

36	7572-40-4690	PRUITT, A BERT JR	214 HWY 107 S	0.13
37	7571-49-9665	HAUGHEY, JANET	411 HWY 107 S	0.91
38	7571-59-0758	JOHNSON, YVONNE	71 BUSTLE LN	0.16
39	7572-40-5051	HAWKINS, CONNIE L	133 VALLEY RD	0.8
40	7572-51-7004	STRAIGHT EIGHT LLC	MONTE VISTA RD	12.73
41	7572-61-6031	WILSON, MARY KATHLEEN	415 MONTE VISTA RD	0.94
42	7572-60-4612	NARDY, JANE GIBSON	3 BUSHWHACKER WAY	1.64
43	7572-41-9317	CASHIERS VILLAGE LLC	MARIGOLD ST	5.65
44	7572-41-6677	CENTERLINE OF CASHIERS INC	110 E US 64	1.25
45	7572-51-4656	CASHIERS VILLAGE LLC	112 MONTE VISTA RD	6.07
46	7572-51-0718	CENTERLINE OF CASHIERS INC	E US 64	0.43
47	7572-41-6231	CASHIERS VILLAGE LLC	7 PILLAR DR	3.79
48	7572-41-5031	STRAIGHT EIGHT CO	S HWY 107	0.22
49	7572-41-3431	KAUFMAN, GIULIANA	54 MARIGOLD ST	0.26
50	7572-40-4876	UNITED COMMUNTIY BANK	170 HWY 107 S	0.47
51	7572-40-2923	UNITED COMMUNTIY BANK	20 FRANK ALLEN RD	2.17
52	7572-41-2152	2MAC LLC	104 HWY 107 S	0.43
53	7572-41-1125	CASHIERS PROPERTIES OF JAX LLC	32 VILLAGE WALK WAY	1.19
54	7572-41-3354	CASHIERS VILLAGE LLC	95 S HWY 107	0.19
55	7572-40-5734	LYONS, MARK III	LT D VALLEY RD	0.03
56	7572-40-8445	STRAIGHT EIGHT CO	227 HWY 107 S	0.25
57	7572-40-9539	STRAIGHT EIGHT CO	225 HWY 107 S	4.76
58	7572-40-9807	STRAIGHT EIGHT CO	179 HWY 107 S	4.96
59	7572-50-0232	STRAIGHT EIGHT CO	TR A HWY 107 S	7.05
60	7572-60-6585	CARROLL, JANET C	366 MONTE VISTA RD	2.23
61	7572-41-8762	BROWN, CHARLES ALLEN	130 E US 64 UN 14	0.02
62	7572-50-8653	ZACHARY, MARK S ETAL	BUSHWACKER WAY	1.52
63	7572-50-9081	ZACHARY, MARK S ETAL	106 GANA SITA CIR	20.61
64	7572-51-9966	DRUMMONDS, THOMAS J	131 MONTE VISTA RD	0.5
65	7572-41-2251	FOWLER, MARVIN O	96 HWY 107 S	0.17
66	7572-41-4196	FOWLER, MARVIN O ETAL	HWY 107 S	0.3
67	7572-40-3937	FOWLER, EDWARD R TRUSTEE	132 HWY 107 S	0.22
68	7572-40-5315	HELLER, ARTHUR W	268 HWY 107 S	0.25
69	7571-59-1498	HURLEY, PATRICK E	451 HWY 107 S	2.02
70	7572-61-4664	JENNINGS, RICHARD G IV	463 MONTE VISTA RD	7
71	7572-41-3582	HOOPER, CHARLES W JR ETAL	MARIGOLD ST	0.23
72	7572-41-3180	ODOM, ALVIN J JR	124 HWY 107 S	0.24
73	7572-61-5203	HENDERSON, RUTH	461 MONTE VISTA RD	1
74	7572-52-9027	RICE, STEPHEN CLIFTON	135 MONTE VISTA RD	0.87
75	7572-52-7025	MENGE, FRANZ	91 MONTE VISTA RD	0.37

76	7571-59-4588	ZACHARY, MARK S	S HWY 107	0.32
77	7572-50-4022	ZACHARY, MARK S	S HWY 107	4.7
78	7572-40-5135	ZAHNER, JEFFREY D	304 HWY 107 S	0.5
79	7572-40-5216	ZAHNER, JEFFREY D	91 VALLEY RD	0.36

Description of Properties under Review

Below is a brief description of each property under review, identified by the corresponding “Property ID#” from the summary table above:

#1 & #3 are the Cashiers Baptist Church. The site is 3+ acres, according to Jackson County public records. They front US 64 E and Lance Road.

#2 & #4 are 0.75 +/- acre lot located on US 64 E and Monte Vista Road. It is improved with an office building and a 2nd floor residence.

#5 is a vacant 1.6+/- acre lot that is proposed to be made a part of the subject development.

#6 is a 0.6+/- acre tract located on 141 Monte Vista Road improved with a single-family residence, and split by that roadway.

#7 is a vacant 8.43+/- acre lot that is intended to be made a part of the subject development.

#8 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#9 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#10 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#11 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#12 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#13 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#14 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#15 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#16 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#17 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#18 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#19 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#20 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#21 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#22 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#23 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#24 is an office/retail condominium unit located at 110 US 64 E aka Laurel Terrace. It is in a commercial use now as the Subway Restaurant.

#25 is a 0.6+/- acre site improved with commercial use building at the corner of US 64 & Highway 107 aka The Farmer's Market.

#26 is the same property described in **#7**.

#27 is a 0.25+/- acre tract located at 68 Hwy 107 S aka the Wells Fargo Bank.

#28 is a 0.11+/- acre lot that is proposed to be made a part of the subject development.

#29 is a 0.3+/- acre lot that is proposed to be made a part of the subject development.

#30 is a 1.5 +/- acre lot that is located at 298 Monte Vista Road.

#31 is a 0.7+/- acre lot that is proposed to be made a part of the subject development.

#32 is a 0.5 +/- acre lot that is proposed to be made a part of the subject development.

#33 is a 0.4+/- acre unimproved lot located off Bustle Lane.

#34 is a 0.1+/- acre lot improved with a single-family residence located at 86 Bustle Lane.

#35 is a 0.2+/- acre lot improved with an office/retail building located at 252 Hwy 107 S.

#36 is a 0.1+/- acre lot improved with an office/retail building located at 214 Hwy 107 S.

#37 is a 0.91+/- acre tract improved with two homes located at 411 and 413 Hwy 107 S.

#38 is a 0.1+/- acre lot improved with a single-family residence located at 71 Bustle Lane.

#39 is a 0.8+/- acre lot split by Hwy 107 S, improved with a home on the west side located at 133 Valley Road and an office/retail building on the east at 341 Hwy 107 S.

#40 is a 12.73+/- acre tract that is proposed to be made a part of the subject development.

#41 is a 0.9+/- acre lot improved with a single-family residence at 415 Monte Vista Road.

#42 is a 1.6+/- acre lot that is improved with a home at 3 Bushwhacker Way.

#43 is a 5.6+/- acre lot that is proposed to be made a part of the subject development.

#44 is a 1.25+/- acre parking area used by the Laurel Terrace Condominium Association.

#45 is a 6+/- acre tract that is proposed to be made a part of the subject development.

#46 is a 0.4+/- acre parking area used by the Laurel Terrace Condominium Association.

#47 is a 3.7+/- acre tract that is proposed to be made a part of the subject development.

#48 is a 0.2+/- acre tract that is proposed to be made a part of the subject development.

#49 is a 0.2+/- acre tract located at 54 Marigold but also fronts Hwy 107 S. This is an office/retail property.

#50 is a 0.4+/- acre vacant tract that was known as the Texaco station.

#51 is a 2.1+/- acre tract known as the United Community Bank.

#52 is a 0.4+/- acre tract improved with an office/retail building located at 104 Hwy 107 S.

#53 is a 1.1+/- acre tract shopping center situated behind Wells Fargo Bank.

#54 is a 0.1+/- acre tract that is proposed to be made a part of the subject development.

#55 is a 0.03+/- acre tract that is improved with a commercial sign.

#56 is a 0.2+/- acre tract that is proposed to be made a part of the subject development.

#57 is a 4.7+/- acre tract that is proposed to be made a part of the subject development.

#58 is a 4.9+/- acre tract that is proposed to be made a part of the subject development.

#59 is a 7+/- acre tract that is proposed to be made a part of the subject development.

#60 is a 2.2+/- acre tract that is improved with a house at 366 Monte Vista Road.

#61 is an office/retail condominium unit located at 130 US 64 E aka Laurel Terrace. It is in a commercial use now.

#62 is a 1.5+/- acre vacant tract.

#63 20.6+/- acre tract that is improved with a home at 106 Gana Sita Cir.

#64 is a 0.5+/- acre tract improved with a residence located at 131 Monte Vista Road.

#65 is a 0.1+/- acre tract improved with an office/retail building situated at 96 Hwy 107 S.

#66 is a 0.3+/- acre tract improved as a “park” situated at Highway 107 S and Marigold St.

#67 is a is a 0.2+/- acre tract improved with an office/retail building situated at 132 Hwy 107 S.

#68 is a 0.2+/- acre tract improved with an office/retail building situated at 268 Hwy 107 S.

#69 is a 2+/- acre tract improved with an office/retail building situated at 451 Hwy 107 S.

#70 is a 7+/- acre vacant tract situated at 463 Monte Vista Road.

#71 is a 0.2+/- acre vacant tract on Marigold Street behind the Highland Hiker.

#72 is a 0.2+/- acre tract improved with an office/retail building situated at 124 Hwy 107 S.

#73 is a 1+/- acre tract that is improved with a home at 461 Monte Vista Road.

#74 is a 0.8+/- acre tract improved with a residence situated at 135 Monte Vista Road.

#75 is a 0.3+/- acre tract improved with a residence situated at 91 Monte Vista Road.

#76 is a 0.3+/- acre vacant tract.

#77 is a 4.7+/- acre vacant tract.

#78 & 79 are 0.8+/- acre tract located at 304 Hwy 107 S, known as Chattooga Gardens.

Considerations

Proposed Development

The proposed development is situated in the heart of the Cashiers Commercial District in the southeast quadrant of US 64 and Highway 107. It is to include a 55+/- acre tract improved with 600+/- residential units both owner and tenant occupied, 240,000+/- square feet of office and/or retail space, a 200+/- and a 300+/- car parking garage (available to the public), two unrelated hotels, and multiple greenspace areas. The land purchase price is reported to be \$11,400,000 (ELEVEN MILLION FOUR HUNDRED THOUSAND DOLLARS) which equates to \$200,000 per acre. The construction cost for the project, including infrastructure, is reported to be approximately \$653,000,000 (SIX HUNDRED AND FIFTY-THREE MILLION DOLLARS). Vehicle access is proposed to be on Hwy 107 S, US 64 E, and Monte Vista Road.

Opening Comments

Most of the annual economic activity in Cashiers area takes place between May and October when home owners and tourists are here. Outside of those dates, when property owners and tourists return to their year-round residences elsewhere many restaurants, shops, vacation rental operations, housekeeping businesses, etc. here close for the “off season.” There are not enough patrons to keep them open. Most of the country club developments close outside those dates because their members have returned to their year-round residences in other states. That is also true for most of the other residential properties in this market. That is, most of the homes here are not occupied outside of the May to October time frame because property owners and tourists have left for the season.

In essence, most of the businesses here must make a year’s worth of revenue in six months which is hard in any market. Many businesses cannot make enough income to succeed. Every year, some close permanently, just to be replaced by a new business that may or may not make it financially. This constant turnover of business tenants has a downward impact on the value of the commercial space here as well as lease rates and occupancies.

This situation complicates residential rental units as well. Landlords do not want to build rental units that may, at best, be occupied only half of the year. As a result, affordable housing (not low income) is in short supply. When the labor force has no place to live near the work areas all businesses suffer. A Hardee’s restaurant here closed many years ago because it could not find workers. The Wendy’s and Subway restaurants here struggle with finding food service workers. Sometimes they come from Georgia and/or South Carolina.

As an aside, affordable housing is difficult to find in most of Western North Carolina (WNC), not just Cashiers. It is not uncommon in WNC for people to drive 30+ minutes to get to work and then again to get home (Georgia and/or South Carolina). The supply of affordable housing here is so small most of the teachers at Blue Ridge School commute from at least 25 miles away, each day, each way. This motivates the teachers to transfer to a school closer to home as soon as possible and that is not a plus for the students at Blue Ridge School.

Every municipality in this market has considered creating or supporting affordable housing at one time or another over the last 20+ years. A proposed affordable housing project was in the news recently in Highlands. The Eastern Band of Cherokee Indians is now building affordable housing to deal with their needs. Further, the situation here has been so bad many businesses create their own employee housing. High Hampton Inn provided it for the employees there for years. Old Edwards Inn in Highlands has too. Several of the country clubs have built residential units for their employees. The local hospital considered building some units many years ago but that never happened. The problem here is simple. If there is no affordable housing here workers can’t, and won’t live and work here.

The proposed development will have a positive impact on temporary and permanent employment for the Cashiers area for both residential and commercial projects. During the construction of the proposed project some of the new workers to the area will need a full-time place for 5+/- years to live, and landlords will build those new units. After the proposed construction is over, 600+/- residential units and 240,000+/- square feet of office/retail space will create the need for more office and retail managers, chefs, barbers, nurses, maintenance personal, teachers, care takers, plumbers, electrical workers, housekeeping, landscaping, restaurant workers, waitstaff, appraisers, cashiers, etc. and they will need affordable housing. They will need full time places to live, either

as a tenants or owners, after the construction workers are gone. Again, landlords will build units for them. That will have a positive impact on virtually all property values.

Impact on Adjoining or Abutting Properties

All but a few of the 78+/- properties are situated in the Commercial Zoning district of Cashiers and as a result should be seen as having multifamily to commercial use potentials. That is, not simply single family uses. Well over half front US 64 or Hwy 107 again suggesting commercial uses are logical for them. And well over half of the properties are now in commercial uses. The proposed project will bring more depositors to the **adjoining or abutting** financial institutions. It will bring more diners to the **adjoining or abutting** restaurants. It will bring more patrons to the **adjoining or abutting** retail stores. These activities will increase the revenues of the **adjoining or abutting** commercial use properties.

The properties that are not now in commercial uses will find themselves in greater demand for multifamily to office uses in the foreseeable future. They are all within walking distance to the proposed project and so they will have direct access to the offices, stores, food services, etc. provided by it. Regardless of the **adjoining or abutting** properties being occupied on an owner or tenant basis the rental rates or purchase prices paid for them will increase.

- 1) In the late 1900's the Signal Ridge development (on Lake Glenville) was not experiencing strong real estate sales. It advertised itself at that time as a "Mountain Yacht Club." The development was purchased, the "Yacht Club" characterization was abandoned and replaced with a private golf course and country club. Lot and new homes sales started at prices above those that Signal Ridge could not achieve before the golf course and country club construction. Values of the **adjoining or abutting** properties increased soon after.
- 2) In 2000 the Pinchot development agreed to purchase 300+/- acres for almost \$5,800,000 (FIVE MILLION EIGHT HUNDRED THOUSAND DOLLARS) or less than \$20,000 per acre. They closed on the land over the next 24 months and developed the property into 40 individual lots. Values of the **adjoining or abutting** properties increased soon after.
- 3) In 2003 the Mountaintop development agreed to purchase 730+/- acres for almost \$22,000,000 (TWENTY-TWO MILLION DOLLARS) or over \$30,000 per acre. They closed on the land over the next 36 months and developed the property into 330+/-lots, a private golf course and country club. Values of the **adjoining or abutting** properties increased soon after. **It should be noted that the Mountaintop development is adjacent to the Pinchot project. The second project sold for \$30,000 per acre while the first sold for \$20,000 per acre, reflecting a positive impact on value.**
- 4) In the late 1900's/early 2000s the Old Edwards Inn (OEI) started to assemble different **adjoining or abutting (and nearby)** properties in Highlands. It has evolved into a mixed-use project situated at the core of the commercial use district of downtown Highlands. Through expensive new construction and renovations, it has become more of a destination location than Highlands was before. Commercial rental rates increased as did property prices for the **adjoining or abutting** properties. Residential rental rates increased as did prices paid for the **adjoining or abutting** properties.
- 5) It should also be noted that we found one commercial use land sale that we could verify amongst the 78 properties in question. It sold in in 11/15 at \$250,000 or less than \$150,000

per acre. Considering the subject's current contract price of \$200,000 per acre it is clear that the subject sale will have a positive impact on value, not a negative one.

Comments and Conclusions

Typically, multifamily to commercial use lands sell for higher prices per acre than single family tracts. The principle of progression is a principle of real estate and the appraisal industry that states that the value of lower-end property can be increased or positively affected by other higher-end property in the same neighborhood or locality. Here, this principle applies. Reviewing the characteristics of the adjoining properties, considering the land sale identified above, and accounting for the purchase price of the subject property and the tremendous capital investment in developing the land, the proposed property will have positive impact on value. So, the proposed development will not "substantially injure the value of adjoining or abutting properties."

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

Respectfully submitted,
North Carolina Appraisal Co.



Richard M. Robson, MAI, SRA
President, North Carolina Appraisal Co.
Certified Residential/General
Real Estate Appraiser #A3592

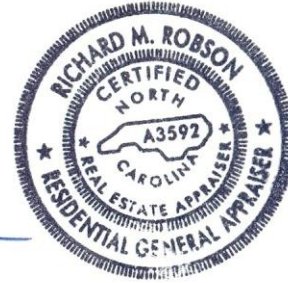
CERTIFICATE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

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

Respectfully submitted,
North Carolina Appraisal Co.



Richard M. Robson, MAI, SRA
President, North Carolina Appraisal Co.
Certified Residential/General
Real Estate Appraiser #A3592

ASSUMPTIONS & LIMITING CONDITIONS

The certification of the Appraiser(s) appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser(s) in the report.

1. The Appraiser(s) assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser(s) render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under competent ownership and capable management.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser(s) has made no survey of the property. The land area has been calculated from available surveys and public maps. The legal description, as given herein, is assumed to correctly set out the boundary lines of the property.
3. The Appraiser(s) is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser(s) assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser(s) assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates and opinions furnished to the Appraiser(s), and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser(s) can be assumed by the Appraiser(s).
7. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute of the National Association of Realtors. Neither all nor part of the contents of this report (especially any conclusions as to value, the identity of the Appraiser(s) or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the Appraiser(s).

ASSUMPTIONS AND LIMITING CONDITIONS

(Continued)

8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, radon gas, toxic waste, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

9. The subject property was appraised on an “as is” basis and the appraiser assumed that the improvements on the property, if any, are in conformance with local building codes and regulations and that there are no title encumbrances affecting the property. It is further assumed that the building(s), if any, is structurally sound and that all building systems (mechanical, electrical, HVAC, plumbing, roofing, etc.) are in good working order if not noted otherwise. If federal or local government regulations require significant expenditures to the property in addition to any deferred maintenance items noted, then the appraiser reserves the right to alter the value estimate accordingly and/or review the conclusions contained herein.

DEFINITIONS AND TERMS

Fee Simple Estate is defined as - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

Market Value is defined as - The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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 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.²

Exposure Time is defined as - 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.³

If this property had been marketed with full exposure (MLS, broker listed, signed, advertised in the proper publications, etc.) at a reasonable asking price, it should have sold within 3 to 18 months prior to the effective value date here. This estimate is based on the information found during the research for the Sales Comparison Approach.

Hypothetical Condition is defined as- A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.⁴

Extraordinary Assumption is defined as - An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.⁵

¹*The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, Page 90

²*The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, Page 142

³*The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, Page 83

⁴*The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, Page 113

⁵*The Dictionary of Real Estate Appraisal*, 6th Edition, Appraisal Institute, 2015, Page 83-84

QUALIFICATIONS OF APPRAISER
RICHARD M. ROBSON

Richard M. Robson, MAI, SRA, has been active in the Western North Carolina real estate market on a personal basis since 1983. His professional research of the area began in 1992.

Attended H. B. Plant High School, Tampa, Florida-graduated 1971, Mercer University, Macon, Georgia 1973, and attended Florida State University, Tallahassee, Florida until 1977-Business Administration with a concentration in Real Estate.

Employed June 1977 to June 1985 as an associate independent fee appraiser active in the appraising of residential and income producing real property on a fee basis in central Florida, with other work in North Carolina, Georgia, and Tennessee.

Employed by Lee Pallardy Inc. in July 1985 as an appraiser.

Employed by and became a principal in the North Carolina Appraisal Company in 1994.

Completed Appraisal Institute Courses

Multiple courses completed from 1978 - 2010
7 Hour National USPAP Update Course - 2012
Residential Green Description Made Easy - 2012
IRS Valuation - 2012
Condemnation Appraising: Principles & Applications - 2012
7 Hour National USPAP Update Course - 2014
Business Practices and Ethics - 2014
Analyzing Operating Expenses - 2015
Data Verification Methods - 2015
Cool Tools: New Technology for Real Estate Appraisers - 2015
7 Hour National USPAP Update Course - 2016
Valuation of Conservation Easements - 2017
7 Hour National USPAP Update Course - 2018
Business Practices and Ethics - 2019
Thinking Outside the Form - 2019
Data Verification Methods - 2019
Cool Tools: New Technology for Real Estate Appraisers - 2019
7 Hour USPAP Update Course - 2020
Eminent Domain and Condemnation - 2020
Small Hotel/Motel Valuation - 2020

Member

Appraisal Institute
National Association of Realtors
North Carolina Association of Realtors
Highlands-Cashiers Board of Realtors
Carolina Smokies Board of Realtors
Mountain Lakes Board of Realtors

Qualified

Expert Witness, Macon County, North Carolina
Superior Court.
Expert Witness, Cherokee County, North Carolina
Superior Court.
Expert Witness, Department of Revenue, Raleigh,
North Carolina.
Expert Witness, Cherokee Tribal Court,
Eastern Band Cherokee Reservation
Cherokee, North Carolina.
Expert Witness, Jackson County, North Carolina
Superior Court.
Expert Witness, Haywood County, North Carolina
Superior Court.

Licensed

North Carolina Certified General Real Estate Appraiser # A3592

Appraised For

Asheville Savings Bank
Bank of America
Carolina Mountain Land Conservancy
Department of the Interior-Bureau of Indian Affairs
Duke Energy
Eastern Band of the Cherokee Indians
Federal Deposit Insurance Company
Federal National Mortgage Association
First Citizens Bank
Internal Revenue Service (IRS)
JPMorgan Chase Bank, N. A.
Nantahala Bank & Trust
PNC Bank
Rabun County Bank
Securities and Exchange Commission
United Community Bank
Various Attorneys, Accountants, Brokers,
Individuals, Developers, etc.

The experience range for Mr. Robson includes conventional appraisal work for all property types, court testimony (for condemnation, foreclosure, deficiency, bankruptcy, and general litigation), estate planning, development studies, feasibility, and highest and best use analyses.

Mr. Robson has valued Conservation Easement (CE) properties as far back as 1998, reviewed various CE appraisals, studied numerous articles on the subject, attended CE seminars, attended the Valuation of Conservation Easements course presented by the Land Trust Alliance, American Society of Appraisers, Appraisal Institute and Property Economics Professionals, and worked with numerous CE consultants. His work assignments include working for property owners in audit situations by the Internal Revenue Service and the North Carolina Department of Revenue.

Richard M. Robson

was a member of the Regional Ethics and Counseling Panel
of the Appraisal Institute.

As of the date of this report, I, Richard M. Robson, MAI, SRA, have completed the requirements under the continuing education program of the Appraisal Institute.

The **North Carolina Appraisal Co.** was created in 1994, by Richard M. Robson, MAI, SRA, after a two-year research period of the Western Carolina region was completed. The appraisal services offered range from Single Family Residential to Commercial/Industrial use properties, as well as various related studies.