

Hill Appraisal and Real Estate Services, Inc.

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March 26, 2009

~~REDACTED~~
As requested I have made a study of the above-identified property for the purpose of formulating an opinion of value based upon the **improvements as existing on March 23, 2009**. This Appraisal includes improvements that include approximately 6,000 sf+/- square foot one story building built in 2004 and three mini storage buildings with approximately 9,000 square feet of GBA built in 2004 per tax records.

This report is a Summary Appraisal Report presented in Summary format for the exclusive use of **James E Homer** to assist with a selling decision. **It is not to be relied upon by third party for any purpose, whatsoever.** The value reported is qualified by certain definitions, limiting conditions, and certifications that are set forth within the attached report.

The appraiser's opinion of value is based on the analyses set forth, documented and qualified in the attached summary report. The Market value of the *Fee Simple Estate* of this property as it exists on the date of inspection/effective date of February 23, 2009 is:

\$ 999,000

The valued reported above is substantiated by the data and reasoning set forth in the attached report. I certify that I have no present or contemplated future interest in the property appraised, and further that this appraisal assignment was not made, nor, was the appraisal rendered on the basis of a requested minimum valuation, specific, valuation, or an amount that would result in approval of a loan. In addition, I am in compliance with the North Carolina Appraisal Board, standards, and specifications, in conducting and executing research and analyses, and formulating my conclusions concerning market value.

Horace C. Hill Jr.
State-Certified Residential/General Real Estate Appraiser A-5261



Horace C. Hill Jr.

Cost Addendum

Commercial cost grid

| COMMERCIAL COST APPROACH | | | | | |
|--|---------------------------------------|---|-----------|----------------------|----------------------|
| Component | No. | # Units | Unit Cost | | Cost |
| Retail Bldg | 1 | 6,000 | \$ 45.24 | | \$ 271,440.00 |
| Mini Storage Bldgs | 3 | 9,000 | \$ 20.03 | | \$ 540,810.00 |
| Fencing, Rock Parking Signage | 1 | | | | \$ 35,000.00 |
| | 1 | | | | \$ - |
| | 1 | | | | \$ - |
| | 1 | | | | \$ - |
| | 1 | | | | \$ - |
| | 1 | 0 | \$ - | | \$ - |
| | 1 | 0 | \$ - | | \$ - |
| Misc. Items | * | 0 | \$ - | | \$ - |
| | Reproduction <input type="checkbox"/> | Replacement <input checked="" type="checkbox"/> | | Cost of Improvements | \$ 847,250.00 |
| Plus: Indirect (Soft Costs) | | | | | |
| Plus: Entrepreneurial Profit | | | 5% | | \$ 42,363 |
| Total Cost New | | | | | \$ 889,612.50 |
| Less: Depreciation/Obsolescence | | | 15% | \$ 40,716 | - |
| Less: Depreciation/Obsolescence | | | 15% | \$ 81,122 | - |
| Less: Depreciation/Obsolescence | | | 0% | \$ - | - |
| Less: Depreciation/Obsolescence | | | 0% | \$ - | - |
| Less: External/Obsolescence | | | 0% | \$ - | - |
| Less: Depreciation/Obsolescence | | | | \$ - | - |
| Less: Depreciation/Obsolescence | | | | \$ - | - |
| Less: Depreciation/Obsolescence | | | | \$ - | - |
| Less: Depreciation/Obsolescence | | | | \$ - | - |
| Total Accrued Depreciation (Deterioration&Obsolescence) | | | | | \$ 121,838 |
| Depreciated Value of Building(s) | | | | | \$ 767,775.00 |
| Plus: Contributing Value of Site Improvements | | | | | |
| Depreciated Value of Improvements | | | | | \$ 767,775 |
| Estimated Site Value | | | | | \$ 300,000.00 |
| Plus: Estimated Excess Land Value | | | | | \$ - |
| Plus: Market Value of Personal Property and Other Non-Realty Interests | | | | | \$ - |
| Value Indication - Cost Approach | | | | | \$ 1,067,775 |
| Rounded | | | | | \$ 1,000,000 |

Analysis/Comments:

Cost figures were derived from Marshall and Swift Cost Service. Marshall and Swift Cost Service were used to verify the cost figures provided to the appraiser. The Retail Building was estimated utilizing Marshall and Swift Commercial Edition Section 13. Page 26 Class S Low Cost condition with local multipliers of .89 and 1.1 added to the final cost figure determined to be \$45.24. The Mini Storage facilities were found in Section 14 page 28 Dated February 2008. Utilizing Class S Low Cost with a multipliers of .89 local and 1.1