

Item No.	Parcel No.	Appraiser Name
7-3215.00-SYP	9	Will Berkley

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Parcel No. 9



APPRAISAL SUMMARY STATEMENT

1500 WILMORE ROAD

Parcel 9 Item # Jul-15

Jessamine County

Wilmore

1500 Wilmore Rd

Nicholasville, Kentucky 40356

VALUATION DATES

Market Value Before the Acquisition: April 28, 2023

Date of Report: October 26, 2023



PREPARED BY

William L. Berkley
Bluegrass Valuation Group
366 Waller Avenue, Suite 203
Lexington, KY 40504
File No: BVG-23124

PREPARED FOR

Mr. Matt McMakin
Strand & Associates, Inc
651 Perimeter Drive, 220
Louisville, KY

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Bluegrass Valuation Group
366 Waller Avenue, Suite 203
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October 26, 2023

Mr. Matt McMakin

Strand & Associates, Inc
651 Perimeter Drive 220
Louisville, KY

RE: Appraisal Report
1500 Wilmore Road
Parcel 9 Item # Jul-15
Jessamine County
Wilmore
1500 Wilmore Rd, Nicholasville, Kentucky 40356
Bluegrass Valuation Group File No: BVG-23124

Mr. McMakin:

Bluegrass Valuation Group is proud to present the appraisal that satisfies the agreed upon scope of work with Strand & Associates, Inc and Kentucky Transportation Cabinet.

The subject property, located at 1500 Wilmore Rd, Nicholasville, KY, is a Class C building, and is currently improved with 2 schools, West Jessamine Middle and Rosenwald Dunbar. These schools combined have over 175,727 sf which includes multiple offices, classrooms, and gyms. The schools are of newer construction. The site has good frontage and exposure along Wilmore Road and is located within the city limits of Nicholasville. The site is zoned R-1. Also located on the property are athletic complexes.

Before the acquisition the site contains a total of 2,178,000 square feet and 50.000 acres of land area. The proposed acquisition consists of 35,405 square feet or 0.81 acre of fee simple right of way, 14,751 square feet or 0.3386 acre of permanent easement, and 37,053 square feet or 0.85 acre of temporary easement. After the acquisition the subject property consists of one remainder and totals 2,142,593 square feet and 49.19 acre. The owner is due compensation because of the acquisition which is measured as the difference in the before and after value plus the fair market rental value for the 37,053 square feet of temporary easement.

Based on this the Market Value Before the Acquisition (Fee Simple Interest), Market Value After the Acquisition (Fee Simple Interest), and Difference in Market Value (Fee Simple Interest) opinions are as follows.

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MARKET VALUE CONCLUSION

VALUATION SCENARIO	INTEREST APPRAISED	EFFECTIVE DATE	VALUE
Market Value Before the Acquisition	Fee Simple Interest	April 28, 2023	\$50,626,000
Market Value After the Acquisition	Fee Simple Interest	April 28, 2023	\$50,569,800
Difference in Market Value	Fee Simple Interest	April 28, 2023	\$56,200

ADDITIONAL CONCLUSIONS

Temporary Easement			\$8,000
Total Difference in Market Value & Temporary Easement			\$64,200

This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP), and the appraisal guidelines of Commonwealth of Kentucky Department of Transportation.

EXTRAORDINARY ASSUMPTIONS

No Extraordinary Assumptions were made for this assignment.


HYPOTHETICAL CONDITIONS

The use of a hypothetical condition(s) may have impacted the results of the assignment. The after value assumes that the acquisition has taken place which is not the case as of the effective date of the appraisal.

If there are any specific questions or concerns regarding the attached appraisal report, or if Bluegrass Valuation Group can be of additional assistance, please contact the individuals listed below.

Respectfully Submitted,

BLUEGRASS VALUATION GROUP



William L. Berkley
 President
 Certified General Real Estate Appraiser
 Kentucky License No. 721
 Expiration Date 6/30/2024
 859-276-2278
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EXECUTIVE SUMMARY

PROPERTY IDENTIFICATION				
Name	Wilmore Road			
Parcel #	9			
Item #	480477			
Road Name:	Wilmore			
Property	Special Purpose - School/University			
Address	1500 Wilmore Rd			
City, State Zip	Nicholasville, Kentucky 40356			
County	Jessamine County			
MSA	Lexington-Fayette, KY MSA			
Market / Submarket	Jessamine County / Nicholasville			
SITE SUMMARY BEFORE & AFTER THE ACQUISITION				
Number of Parcels	1			
Assessor Parcel Number	046-00-00-010.01			
	BEFORE LAND AREA		AFTER LAND AREA	
Land Area	Square Feet	Acres	Square Feet	Acres
Primary Site Useable	2,178,000	50.000	2,142,593	49.187
Total	2,178,000	50.000	2,142,593	49.187
PROPOSED ACQUISITIONS	Square Feet	Acres		
Fee Simple Acquisition	35,405	0.8128		
Permanent Easement	14,751	0.3386		
Temporary Easement	37,053	0.8506		
Zoning	Single Family Residential (R1-A)			
Shape	Irregular			
Topography	Level above street grade			
Flood Zone	Zone X (Unshaded)			

IMPROVEMENT DESCRIPTION	
Tenancy	Single-Tenant Owner-Occupied
Net Rentable Area (NRA)	175,727
Gross Building Area (GBA)	175,727
Total Buildings	2
Floors	2
Year Built	1999
Actual Age	22 Years
Effective Age	15 Years
Economic Life	45 Years
Remaining Useful Life	30 Years
Building Class	C
Land To Building Ratio	12.39 : 1

HIGHEST & BEST USE	
Proposed Construction	No
As Vacant	School/Residential Development
As Improved	School

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EXECUTIVE SUMMARY

(CONTINUED)

VALUE CONCLUSION			
VALUATION SCENARIOS	MARKET VALUE BEFORE THE ACQUISITION	MARKET VALUE AFTER THE ACQUISITION	DIFFERENCE IN MARKET VALUE
Interest	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest
Effective Date	April 28, 2023	April 28, 2023	April 28, 2023
Site Value	\$2,400,000	\$2,346,500	
Cost Approach	\$50,626,000	\$50,569,800	\$56,200
Sales Comparison Approach	Not Presented	Not Presented	-
Income Capitalization Approach	Not Presented	Not Presented	-
FINAL VALUE CONCLUSION	\$50,626,000	\$50,569,800	\$56,200
ADDITIONAL CONCLUSIONS			
Temporary Easement		\$8,000	
Total Difference in Market Value & Temporary Easement		\$64,200	

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AERIAL PHOTOGRAPH



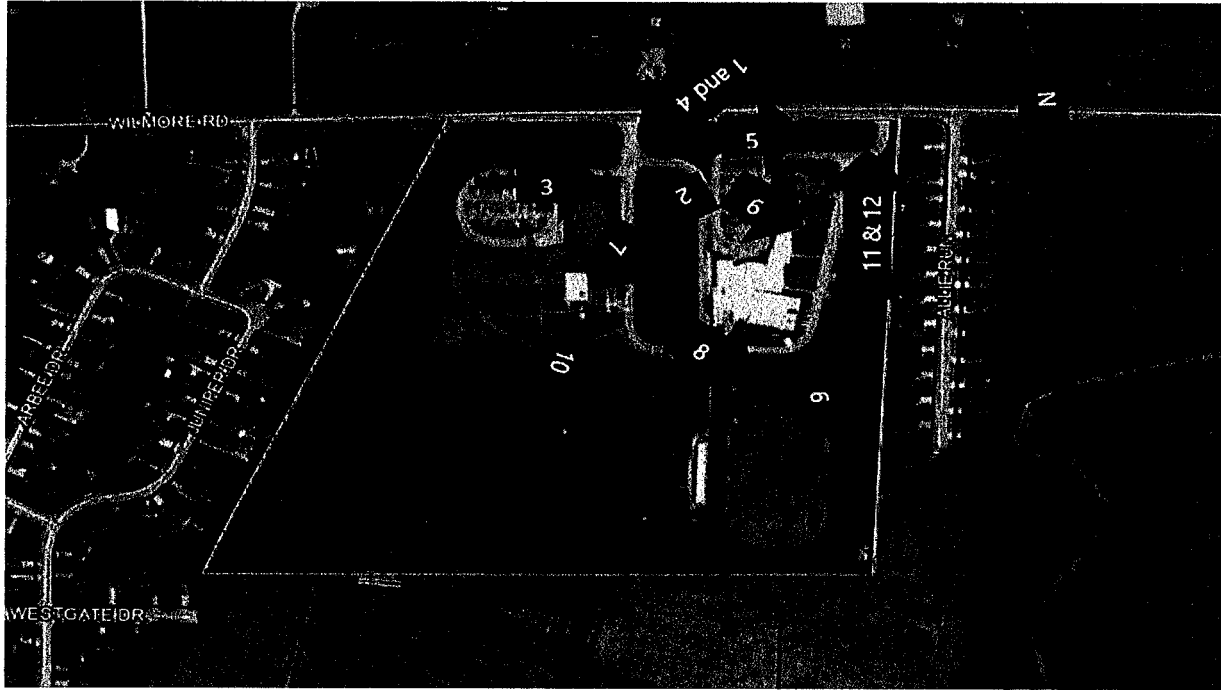
Google 23 Airbus, CNES / Airbus, Maxar Technologies, U.S. Geological Survey, USDA/FPAC/GEO

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AERIAL PHOTOGRAPH

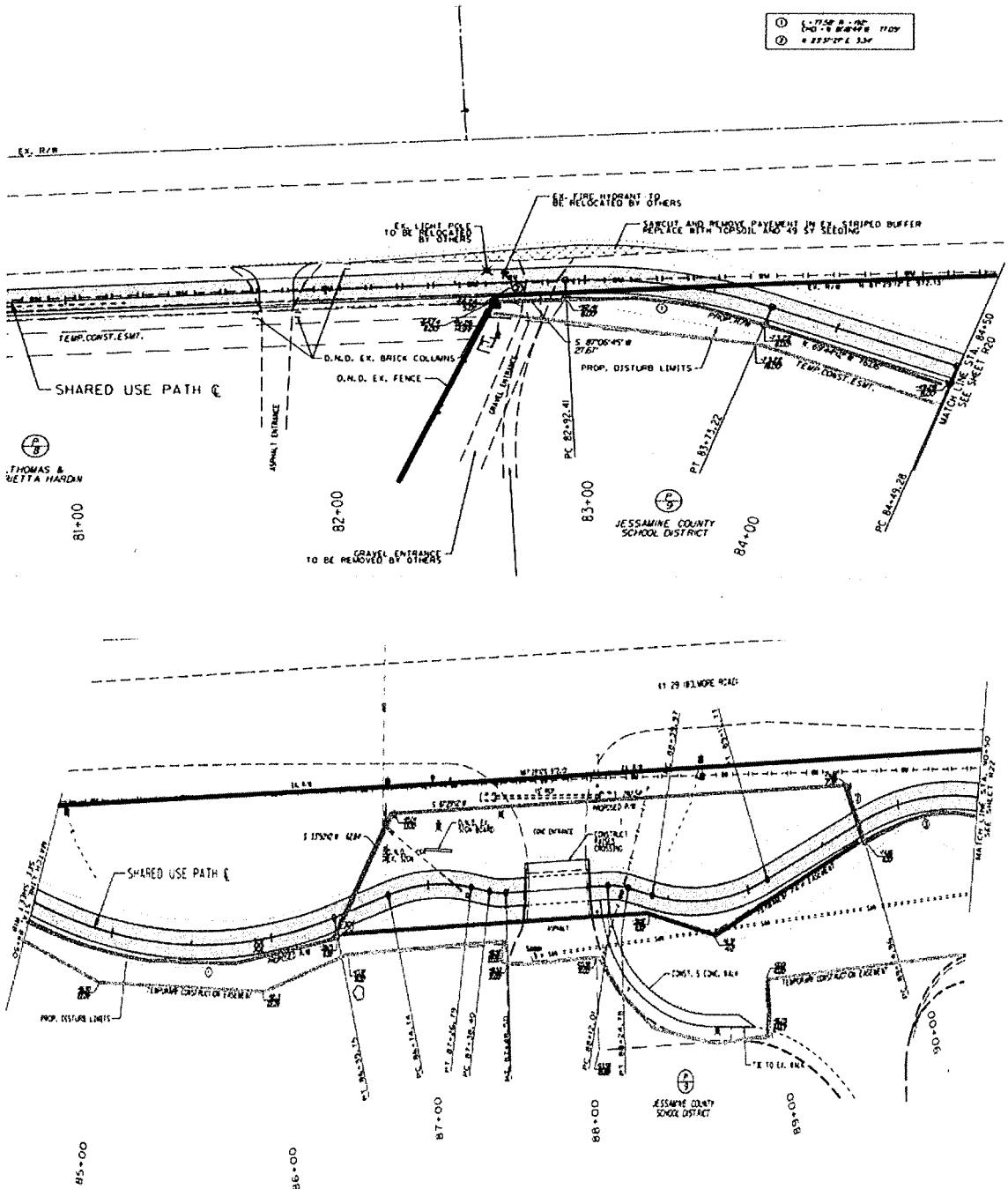
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PVA AERIAL & PHOTOGRAPH LOCATION MAP



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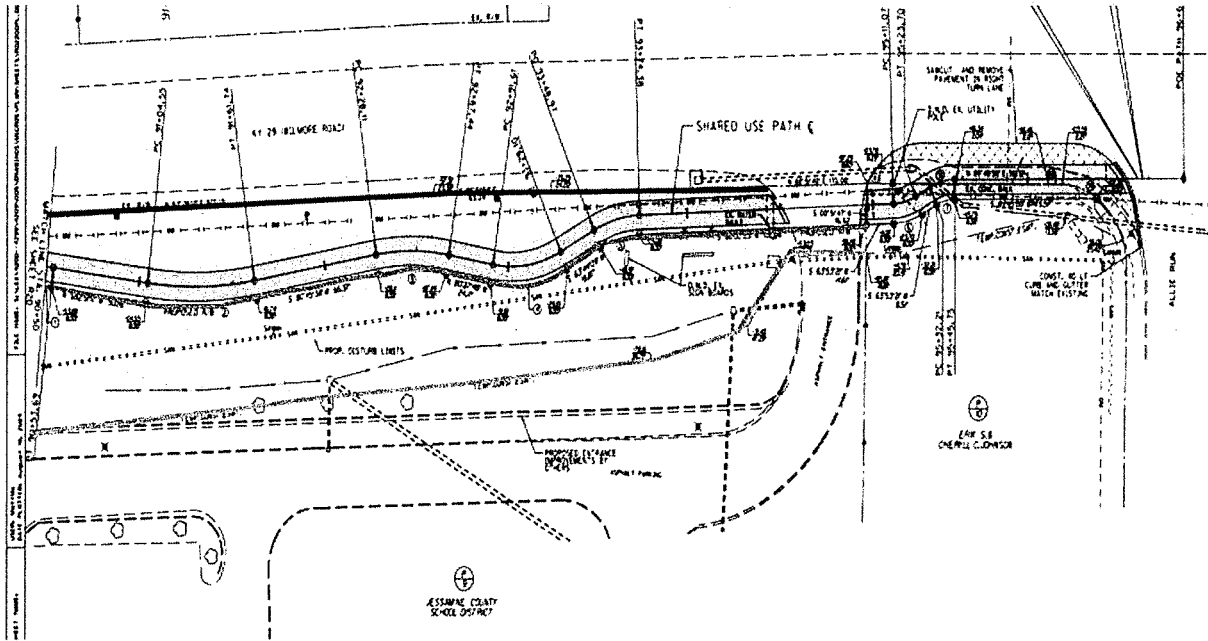
PLANS OF ACQUISITION



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PLANS OF ACQUISITION

(CONTINUED)



Before Area:	2,178,000 SF or 50.000 Acre
Fee Simple Acquisition:	35,405 SF or 0.81 Acre
Permanent Easement:	14,751 SF or 0.3386 Acre
Temporary Easement:	37,053 SF or 0.85 Acre
Remaining Property:	2,142,593 SF or 49.19 Acre

Areas Used above were provided by the client from the Summary Sheet. Some of the actual calculations differ slightly from the summary sheet.

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SUBJECT PROPERTY PHOTOGRAPHS



View looking West (Light Pole acquired signs DND)
(1)



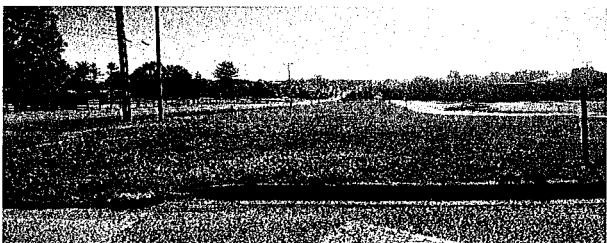
Looking Southwest general view of School (2)



View of School looking SE (3)



Light pole acquired looking NW (4)



View of taking Looking East (5)

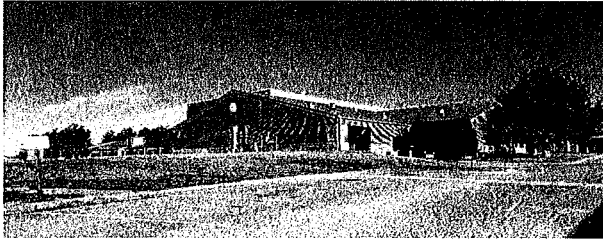


View of School Looking SW (6)

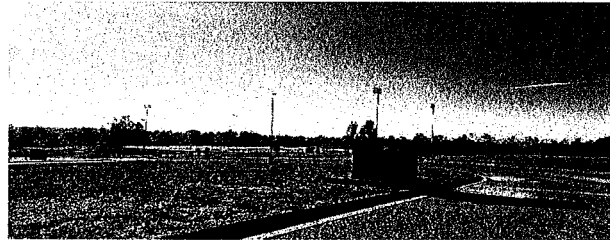
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SUBJECT PROPERTY PHOTOGRAPHS

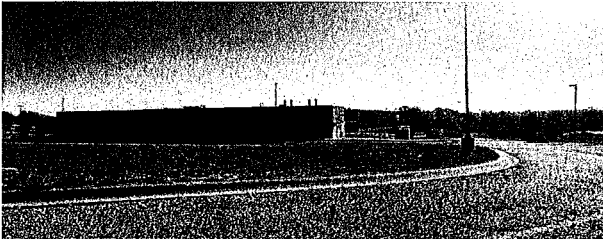
(CONTINUED)



View of School looking North (7)



View of stadium looking SE (8)



Rear of School looking North (9)



View of Fields looking SE (10)



View of Taking Looking West (11)



View of taking looking North (12)

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REGIONAL ANALYSIS

PROPERTY OWNER CONTACT INFORMATION

Jessamine County Schools

Jason U'Wren

501 East Maple Street

(859) 885-4179

PROPERTY IDENTIFICATION

The subject property, located at 1500 Wilmore Rd, Nicholasville, KY, is a Class C building, and is currently improved with 2 schools, West Jessamine Middle and Rosenwald Dunbar. These schools combined have over 175,727 sf which includes multiple offices, classrooms, and gyms. The schools are of newer construction. The site has good frontage and exposure along Wilmore Road and is located within the city limits of Nicholasville. The site is zoned R-1. Also located on the property are athletic complexes.

The assessor parcel Number is: 046-00-00-010.01.

CLIENT IDENTIFICATION

The client of this specific assignment is Strand & Associates, Inc. and Kentucky Transportation Cabinet.

INTENDED USE & INTENDED USERS

The intended use of this appraisal is to assist the client in preparing a fair market value offer under the laws of the Commonwealth of Kentucky for a proposed acquisition by the Department of Transportation. Intended users include the Kentucky Department of Transportation and professionals assisting the client in matters related to the intended use.

PURPOSE

The purpose of this appraisal is to develop opinions of the Market Value Before the Acquisition (Fee Simple Interest), Market Value After the Acquisition (Fee Simple Interest), and Difference in Market Value (Fee Simple Interest). Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Temporary Easement and Total Difference in Market Value & Temporary Easement.

DEFINITION OF MARKET VALUE

Wilhite v. Rockwell Int'l Corp., 83 S.W.3d 516, 519 n.6 (Ky., 2002) and cited in Commonwealth v. R.J. Corman Railroad Co., /Memphis Line, 116 S.W.3d 488, 491 (Ky., 2003) This case took the definition out of a footnote from Wilhite and held that the definition applies to eminent domain actions:

When private property is condemned for public use, the measure of just compensation is the difference between the fair market value of the property immediately before the taking and the fair market value of the remainder immediately afterwards. KRS 416.660. **Fair market value constitutes "the price that a willing seller will take and a willing buyer will pay for property, neither being under any compulsion to sell or buy and both being in possession of all relevant information regarding the property."** *Wilhite v. Rockwell Int'l Corp., Ky., 83 S.W.3d 516 n. 6 (2002)*

Market rent is defined as:

The rental income that a property would most probably command in the open market; indicated by current rents paid and asked for comparable space as of the date of appraisal. (Dictionary of Real Estate Appraisal)

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IDENTIFICATION OF APPRAISAL ASSIGNMENT

(CONTINUED)

Just Compensation is defined as being;

in a partial taking, the difference in the market value of the whole property immediately before the proposed taking and the value of the whole property immediately after the taking. This precedence was established through the Commonwealth, Department of Highways v. Sherrod cited Ky., 367S.W.2d 844.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

Fee Simple Interest

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

VALUE SCENARIOS

As-Is Value

The estimate of the value of real property in its current physical condition, use, and zoning as of the appraisal date.²

SUBJECT PROPERTY INSPECTION

PROPERTY INSPECTION					
APPRAISER	INSPECTED	EXTENT	ALL UNITS INSPECTED	DATE	ROLE
William L. Berkley	Yes	Exterior	Yes	April 28, 2023	Primary Appraiser
ALSO PRESENT	COMPANY	EXTENT	ALL UNITS INSPECTED	DATE	AFFILIATION
Jason U Wren	Jessamine County School Dis	Exterior	No	April 28, 2023	Representative

¹ The Dictionary of Real Estate Appraisal, 6th Ed. (Chicago: Appraisal Institute 2015)

² The Dictionary of Real Estate Appraisal, 6th Ed. (Chicago: Appraisal Institute 2015)

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SITE DESCRIPTION BEFORE THE ACQUISITION

The subject property consists of one parcel with a total site area of 2,178,000 SF (50.00 AC) which is based on information obtained from Client Provided Plans. It is perceived that there is no surplus or excess land at the subject. For the purposes of this report we have relied on this site area and reserve the right to amend our analysis upon receipt of a formal legal plan. The following summaries the salient characteristics of the subject site.

Address 1500 Wilmore Rd, Nicholasville, Kentucky.

Census Tract 21-113-060401

Number of Parcels 1

Assessor Parcel 046-00-00-010.01

Land Area	Square Feet	Acres
Economic Unit (Primary) Site Siz	2,178,000	50.00
Usable Site Size	2,178,000	50.00
Total Land Area	2,178,000	50.00

Excess/Surplus Land No

Corner No

Site Topography Level Above street grade

Site Shape Irregular

Site Grade Above street grade

Site Quality Average

Site Access Average

Site Exposure Average

Site Utility Average

Utilities Water, Electric, and Sewer

Adjacent Properties

North	Agricultural/Residential
South	Agricultural/Residential
East	Agricultural/Residential
West	Agricultural/Residential

Accessibility Access to the subject site is considered average overall.

STREET & TRAFFIC DETAIL

Street Improvements	Type	Direction	Lanes	Lights	Curbs	Sidewalks	Signals	Median	Parking	Center Lane	Bike Lane
Wilmore Rd	Major arterial	Two-Way	2								

Frontage
Wilmore Rd 1,230 LF

Exposure & Visibility Exposure of the subject is average balancing the frontage on Wilmore Rd.

Flood Plain Zone X (Unshaded). This is referenced by Panel Number 21113C0065D, dated December 21, 2017. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage

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SITE DESCRIPTION BEFORE THE ACQUISITION

(CONTINUED)

systems. Local storm water drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1% and 0.2% annual chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Easements

A preliminary title report was not available for review. During the property inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

I have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

Site Rating

Overall, the subject site is considered average as a special purpose site in terms of its location, exposure and access to employment, education and shopping centers, based on its location along a major arterial.

Site Improvements

The site improvements are listed as follows;

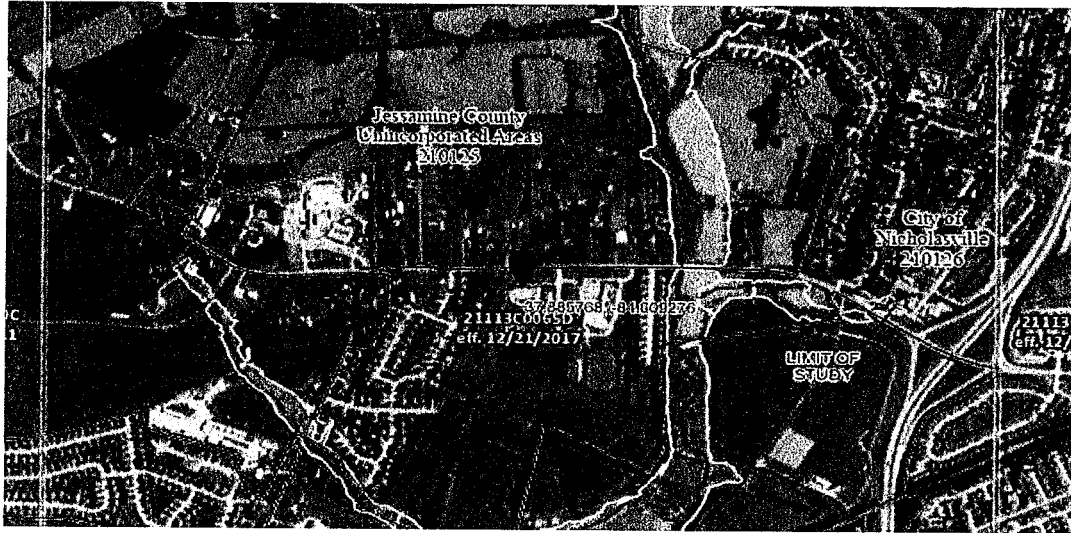
SITE IMPROVEMENTS - BEFORE ACQUISITION

SITE COMPONENT	SIZE/QTY	TYPE	\$/UNIT	EFF. AGE	ECON. LIFE	COST NEW	DEPRECATED %	DEPRECATED VALUE
Asphalt Paving	165,000	SF	\$6.00	3	11	\$990,000	27.27%	\$720,027
Landscaping	1	SF	\$500,000.00	3	10	\$500,000	30.00%	\$350,000
Signs	3	Ea	\$15,000.00	3	12	\$45,000	25.00%	\$33,750
Special Improvements	1	EA	\$7,500,000.00	5	15	\$7,500,000	33.33%	\$5,000,250
Light Poles	15	EA	\$1,500.00	5	20	\$22,500	25.00%	\$16,875
TOTAL								\$6,120,902

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FLOOD MAP

Flood Map 21113C0065D Effective 12/21/2017



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ZONING

The subject is in the Single Family Residential (R1-A) zoning area.

ZONING	
Designation	Single Family Residential (R1-A)
Zoning Authority	City of Nicholasville
Permitted Uses	Single Family Residence, Parks and playgrounds, planned unit development for residential use. Conditional Uses consist of nursery schools, schools and colleges, churches, hospitals to name a few.
Prohibited Uses	Kennels, mobile homes, two-family, retail sales, hotels and motels.
Current Use	School/University
Current Use Legally Permitted	Yes
Zoning Change	Not Likely
<small>Source: City of Nicholasville Planning & Zoning Department</small>	

Based upon the information available, the subject represents a legally conforming use.

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IMPROVEMENT DESCRIPTION BEFORE THE ACQUISITION

The information presented below is a basic description of the existing improvements that is used in the valuation of the property. Reliance is placed on information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

OVERVIEW

The subject property, located at 1500 Wilmore Rd, Nicholasville, KY, is a Class C building, and is currently improved with 2 schools, West Jessamine Middle and Rosenwald Dunbar. These schools combined have over 175,727 sf which includes multiple offices, classrooms, and gyms. The schools are of newer construction. The site has good frontage and exposure along Wilmore Road and is located within the city limits of Nicholasville. The site is zoned R-1. Also located on the property are athletic complexes.

Property Type	Special Purpose - School/University
Tenancy	Single-Tenant Owner-Occupied
Net Rentable Area (NRA)	175,727
Gross Building Area (GBA)	175,727
Total Buildings	2
Floors	2
Year Built	1991
Age/Life Analysis	
Actual Age	32
Effective Age	15
Economic Life	60
Remaining Useful Life	45
Overall Building Quality	Average
Overall Building Condition	Average
Overall Building Appeal	Average
Average Building Classes	C
Land to Building Ratio	12.39 : 1
Size	The gross building area (GBA) is taken from the site inspection.

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IMPROVEMENT DESCRIPTION BEFORE THE ACQUISITION

(CONTINUED)

COMPONENT DESCRIPTION

Foundation	Block
Exterior Walls/Framing	Brick Veneer
Roof	Rubber
Elevator	Yes
Heating & AC (HVAC)	Cooling Central
Insulation	Fiberglass
Lighting	Fluorescent
Electrical	Three Phase
Interior Walls	Concrete Block
Doors and Windows	Casement
Ceilings	Tiles
Plumbing	Standard
Floor Covering	Tile
Fire Protection	Wet Fire Sprinkler
Interior Finish/Build-Out	Breakrooms
Site Improvements	Sidewalks, Landscaping, Paving, Signs
Landscaping	A variety of trees, shrubbery and grass.
Signage	There is a monument style sign along Wilmore Rd
Deferred Maintenance	Ongoing
Functional Design	The building features a functional School/University design with typical site coverage and adequate off-street parking.
ADA Comment	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section.
Hazardous Materials	A Phase I report was not provided. This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) unseen asbestos and mold. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

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IMPROVEMENT DESCRIPTION BEFORE THE ACQUISITION

(CONTINUED)

BUILDING SKETCH

BUILDING SIZES PROVIDED BY A REPRESENTATIVE OF THE OWNER. NO INTERIOR INSPECTION WAS CONDUCTED.

HIGHEST & BEST USE BEFORE THE ACQUISITION

INTRODUCTION

The highest and best use of the subject property provides the foundation for the valuation section. Highest and best use is defined in the 6th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015), as follows:

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 analysis uses the following steps for the subject:

- ▶ Highest & Best Use As Vacant
- ▶ Determination of the ideal improvements
- ▶ Highest & Best Use As Improved
- ▶ Conclusion of the Highest & Best Use

The analysis of highest and best use can be thought of as the logical end of a spectrum of market analysis procedures, running from the macroeconomic overview of a general market study, through more detailed marketability studies and analyses of financial feasibility, to the formal analysis of highest and best use. In theory, the highest and best use is commonly described as that reasonable and most profitable use that will support its highest present value. The highest and best use, or most profitable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

This section develops the highest and best use of the subject property As-Vacant and As Improved.

AS VACANT ANALYSIS

In this section the highest and best use of the subject as-vacant is concluded after taking into consideration financial feasibility, maximal productivity, marketability, legal, and physical factors.

Legally Permissible

Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. Permitted uses of the subject's Single Family Residential (R1-A) include single family residence, parks and playgrounds, planned unit development for residential use. conditional uses consist of nursery schools, schools and colleges, churches, hospitals to name a few. Zoning change is not likely; therefore, uses outside of those permitted by the R1-A zoning is not considered moving forward in the as-vacant analysis.

Physical Possible

The test of what is physically possible for the subject site considers physical and locational characteristics that influence its highest and best use. In terms of physical features, the subject site totals 50.0000-acres (2,178,000 SF), it is irregular in shape and has a level topography. The site has average exposure and average overall access. There are no physical limitations that would prohibit development of any of the by-right uses on the site.

Financial Feasibility

Based on the analysis of the subject's market and an examination of costs, a newly constructed building similar to the subject would likely have a value commensurate with its cost; however, a speculative build is not prudent, and the site should only be developed for an identified user.

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HIGHEST & BEST USE BEFORE THE ACQUISITION

(CONTINUED)

Maximum Productivity

There is only one use that creates value and at the same time conforms to the requirements of the first three tests. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered and the highest and best use of the subject site as-vacant concluded to be school/residential development.

AS IMPROVED ANALYSIS

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The subject's improvements were constructed in 1991 and are a legal, conforming use. The physical and location characteristics of the subject improvements have been previously discussed in this report. The project is of average quality construction and in average condition, with adequate site coverage and parking ratios. Therefore, the property, as improved, meets the physical and location criteria as the highest and best use of the property.

The Highest and Best Use of the subject As Improved is its current use as a school campus.

MOST PROBABLE BUYER

Based on the type of property and the income generating potential of the improvements, the most probable buyer for the subject would be a local owner/user or developer.

VALUATION METHODS

In traditional valuation theory, the three approaches to estimating the value of an asset are the cost approach, sales comparison approach, and income capitalization approach. Each approach assumes valuation of the property at the property's highest and best use. From the indications of these analyses, an opinion of value is reached based upon expert judgment within the outline of the appraisal process.

SITE VALUATION

The site value is a specific scope requirement of this assignment. At the request of the Client, the estimate of vacant land value has been developed herein. Therefore, a valuation of the subject site has been provided herein.

COST APPROACH

The cost approach considers the cost to replace the improvements, less accrued depreciation, plus the market value of the land. The cost approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation in the structure from all causes. Profit for coordination by the entrepreneur is included in the value indication.

The Cost Approach is a specific scope requirement of this assignment. The subject property is a special use property which increases the reliability of utilizing the Cost Approach. Based on the preceding information, the Cost Approach will be presented.

SALES COMPARISON APPROACH

The sales comparison approach estimates value based on what other purchasers and sellers in the market have agreed to as price for comparable properties. This approach is based upon the principle of substitution, which states that the limits of prices, rents, and rates tend to be set by the prevailing prices, rents, and rates of equally desirable substitutes. In conducting the sales comparison approach, I gather data on reasonably substitutable properties and adjust for transactional and property characteristics. The resulting adjusted prices lead to an estimate of the price one might expect to realize upon sale of the property.

The Sales Comparison Approach is used to value the land but does not apply to the improved property due to limited availability of sale data.

INCOME CAPITALIZATION APPROACH

The income capitalization approach ("income approach") simulates the reasoning of an investor who views the cash flows that would result from the anticipated revenue and expense on a property throughout its lifetime. The net income developed in the analysis is the balance of potential rental income remaining after vacancy and collection loss, and operating expenses. This net rental income is then capitalized at an appropriate rate to derive an estimate of value. Thus, two key steps are involved: (1) estimating the net rental income applicable to the subject and (2) choosing appropriate capitalization rates. The appropriate rates are ones that will provide both a return on the investment and a return of the investment over the life of the particular property.

The Income Approach is not a scope requirement for this assignment. The subject property type is not typically analyzed on an income basis by buyers and sellers, reducing the applicability of this valuation technique. Therefore, the Income Approach is not developed.

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VALUATION METHODS

(CONTINUED)

CORRELATION AND CONCLUSION

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed the Land Sales Comparison and Cost Approaches. The values presented represent the Market Value Before the Acquisition (Fee Simple Interest), Market Value After the Acquisition (Fee Simple Interest), and Difference in Market Value (Fee Simple Interest).

Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Temporary Easement and Total Difference in Market Value & Temporary Easement.

SITE VALUATION BEFORE THE ACQUISITION

INTRODUCTION

This section values the subject site by comparing it with substitute land sales or listings within the local market area or in competitive areas throughout the region. Land value is influenced by a number of factors; most notably development and use potential. These factors, as well as others, are factored in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison for competing land is the \$/Acres. All of the comparable sales presented in this section were reported on this basis.

COMPARABLE SELECTION

A thorough search was made for similar land sales in the area. The parameters of the survey were highest and best use, zoning, proximity to the subject, size, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales used represent the best comparables available for this analysis.

PRESENTATION

The following Land Sales Comparison location map, details and comparison table summarizes the sales data. Following these items, the sales are adjusted for applicable elements of comparison and the site value is concluded.

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SITE VALUATION BEFORE THE ACQUISITION

(CONTINUED)

LAND SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3
Name	1500 Wilmore Road	1071 Ashgrove Road	2045-2121 Shun Pike	Equestrian Estates Phase II Keene - S. Elkhorn Road
Address	1500 Wilmore Rd	1071 Ashgrove Road	2045-2121 Shun Pike	Nicholasville
City	Nicholasville	Nicholasville	Nicholasville	Nicholasville
State	KY	KY	KY	KY
Zip	40356	40356	40356	40356
County	Jessamine	Jessamine	Jessamine	Jessamine
Submarket	Nicholasville	Nicholasville	Nicholasville	Nicholasville
Parcel	046-00-00-010.01	067-00-00-020.00	047-00-00-022.00 and 023.00	042-00-00-001.26

SALE INFORMATION

Transaction Price	\$828,000	\$1,048,080	\$1,544,400
Transaction Price \$/Acres	\$30,919	\$22,000	\$45,000
Property Rights ¹	Fee Simple	Fee Simple	Fee Simple
Financing ²	Conventional	Conventional	Conventional
Sale Conditions ³	Arm's Length	Arm's Length	Arm's Length
Expenditures After Sale ⁴	\$0	\$0	\$0
Market Conditions ⁵	1/4/2018 11%	12/18/2020 5%	11/20/2019 7%
Sale Status	Recorded	Recorded	Recorded
Recording Number	770/256	818-733	801/265
Marketing Status	Open Market	Off Market	Open Market
Total Transactional Adjustments	\$3,401 11%	\$1,100 5%	\$3,150 7%
Adjusted \$/Acres	\$34,320.00	\$23,100.00	\$48,150.00

PHYSICAL INFORMATION

Acres	50.0000	26.7800	47.6400	34.3200
Location	Very Good	Average 15%	Below Average 20%	Very Good
Access	Average	Average	Average	Average
Exposure	Very Good	Very Good	Average 15%	Very Good
Shape	Irregular	Irregular	Irregular	Irregular
Zoning	R1-A	R-1E	R-1D	R-1
Topography	Level	Level to Rolling	Rolling 5%	Level to Rolling
Total Physical Adjustments	\$5,148 15%	\$9,240 40%	\$0 0%	
Adjusted \$/Acres	\$39,468	\$32,340	\$48,150	

SITE VALUATION BEFORE THE ACQUISITION

(CONTINUED)

ADJUSTMENTS

Adjustments to the comparable sales were considered and made when warranted for expenditures after purchase, property rights transferred, conditions of sale, financing terms, and market conditions.

1. **Property Rights** - All of the sale comparables were fee simple reflecting the property rights appraised herein per the agreed upon scope of work.
2. **Financing** - The sales all reflected typical cash equivalent, lender-financed transactions and no adjustments were required for financing terms.
3. **Sale Conditions** - None of the comparables required a condition of sale adjustment, as all were confirmed to be arm's length transactions.
4. **Expenditures After Sale** - Expenses that the buyer incurs after purchase (demolition, cleanup costs, etc.). No adjustments are warranted based on review of the land sales.
5. **Market Conditions (Time)** - Based on research and interpretation of value trends, the analysis applies an upward market conditions adjustment of 2% annually.

QUANTITATIVE ADJUSTMENT PROCESS

Quantitative percentage adjustments are also made for location and physical characteristics such as size, location quality, access, exposure, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. The adjustment process is meant to illustrate the logic in deriving a value opinion for the subject property by the Land Sales Comparison Approach.

LAND SALES ADJUSTMENT DISCUSSION

The comparable land sales indicate an overall unadjusted value range from \$22,000/Acre to \$45,000/Acre, and average of \$32,640/Acre. After adjustments, the comparables indicate a narrower range for the subject site between \$32,340/Acre and \$48,150/Acre with an average of \$39,986/Acre. The adjustment process is described below.

Land Sale 1 (\$39,468/Acre Adjusted) -- A portion of the larger "Ashgrove Commons" development. Phase 1 will include a total of 312 apartments and 98 single family homes on 60 acres. This tract represents the single family portion. This sale is in Northern Jessamine County near Brannon Crossings. It is of similar size, access/exposure, shape, zoning, and topography but inferior in location warranting an upward adjustment of 15%. Overall, it is inferior to the subject.

Land Sale 2 (\$32,340/Acre Adjusted) -- Property does not currently have sanitary sewers. Buyer will have to either construct a pump station or obtain easement from adjacent Jasper property to achieve a gravity fed line. The buyer estimated the cost of easement at \$100,000. If not, the cost of a new pump station is in the range of \$250,000 to \$300,000.

This sale is in southern Jessamine County south of the bypass. Sale is similar in size, access, shape, zoning, and topography but inferior in location and exposure as the southern side of the County is less developed. It is adjusted upward 20% for location and 15% for exposure.

Land Sale 3 (\$48,150/Acre Adjusted) -- Approved for 13 lots ranging in size from 1.46 to 4.19 Acres. -

This sale is located just off Harrodsburg Road in Northern Jessamine County and is near 2 golf courses with one being private and the other being public. This sale is like the subject with no adjustment warranted.

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SITE VALUATION BEFORE THE ACQUISITION

(CONTINUED)

LAND VALUE CONCLUSION

The comparables indicate a unit value, based on a general bracketing analysis, between \$32,340/Acre and \$48,150/Acre. Based on the subject's overall locational and physical features, a unit value conclusion of \$48,000/Acre is supported. The following table summarizes the comparable land sales analysis and applies the unit value conclusion to the site area to provide an indication of the as-vacant land value.

LAND SALES COMPARISON APPROACH CONCLUSION (ACRES)							
TRANSACTION	ADJUSTMENT				FINAL	NET ADJ	GROSS ADJ
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²			
1	\$30,919	11%	\$34,320.00	15%	\$39,468	28%	26%
2	\$22,000	5%	\$23,100.00	40%	\$32,340	47%	45%
3	\$45,000	7%	\$48,150.00	0%	\$48,150	7%	7%
HIGH	\$45,000	11%	\$48,150	40%	\$48,150	47%	45%
AVG	\$32,640	8%	\$35,190	18%	\$39,986	27%	26%
MED	\$30,919	7%	\$34,320	15%	\$39,468	28%	26%
LOW	\$22,000	5%	\$23,100	0%	\$32,340	7%	7%
		SUBJECT ACRES		\$/ACRE		VALUE	
Total Land Area		50.0000	x	\$48,000	=	\$2,400,000	
INDICATED VALUE (ROUNDED TO NEAREST \$1,000)				\$48,000		\$2,400,000	

Continued on Addendum

COST APPROACH BEFORE THE ACQUISITION

INTRODUCTION

This approach is based on the principle of substitution, using the cost to construct a similar property as a reasonable alternative. Unless stated otherwise, the subject value is estimated based on a replacement cost analysis, which is consistent with this principle and defined by the 14th Edition of the Appraisal of Real Estate as: *The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.* The elements of cost are addressed in this section.

COST ESTIMATES

To estimate the improvement cost for the subject, the *Marshall Valuation Service* is utilized. .

MARSHALL & SWIFT® VALUATION SERVICE (MVS)

The estimated cost to construct a similar facility includes construction materials, labor, construction interest, permits, average government fees, average architect's and engineering fees, sales tax, and contractor's overhead and profit.

DIRECT COSTS

Direct costs are expenditures for labor and materials used in the construction of improvements (also known as hard costs). Examples include building permits, materials, labor, equipment, security, temporary structures and storage facilities, transportation costs, utility installation and service costs, contractor's profit and overhead and performance bonds³.

INDIRECT COSTS

These costs are expenditures for items other than labor and materials that are necessary for construction but are not typically part of the construction contract (also known as soft costs). Indirect costs represent (a) real property taxes (and direct assessments, if any), (b) professional fees, (c) permanent financing fees, (d) insurance expenses, (e) lease-up costs, (f) marketing and (g) contractor's overhead/contingency. Indirect costs in the market for similar commercial projects ranges 4 to 10% In this case we have relied upon 5%.

ENTREPRENEURIAL PROFIT

Entrepreneurial profit and overhead compensates the developer for project risk and management. It is unlikely that a developer would proceed with a development unless adequate profit is available to justify the effort. Based on information provided by developers of similar commercial projects, profit is typically based on a percentage of the replacement costs and land value, generally 5% to 15%, depending upon project size, location, and marketability. As the subject is special use no additional entrepreneurial profit is indicated.

DEPRECIATION

From the replacement cost new, a dollar amount of depreciation may be deducted. There are three types of depreciation: physical, functional, and economic. Physical depreciation is the result of physical wear and tear on the improvements. Functional obsolescence is the result of design or physical problems which reduce the income-producing ability or desirability of the subject property. Economic obsolescence is the result of outside influences (economic and neighborhood) which decrease the value of the property. The subject improvements show typical levels of depreciation for their age with no observed functional or economic depreciation.

³ The Appraisal of Real Estate, 14th Edition, Appraisal Institute, Chicago, 2013.

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COST APPROACH BEFORE THE ACQUISITION

(CONTINUED)

SITE IMPROVEMENTS

The following is a summary of the site improvements, quantity, cost new, effective age, economic life, and their depreciated contributory value.

SITE IMPROVEMENTS - BEFORE ACQUISITION

SITE COMPONENT	SIZE/QTY	TYPE	\$/UNIT	EFF. AGE	ECON. LIFE	COST NEW	DEPRECIATED %	DEPRECIATED VALUE
Asphalt Paving	165,000	SF	\$6.00	3	11	\$990,000	27.27%	\$720,027
Landscaping	1	SF	\$500,000.00	3	10	\$500,000	30.00%	\$350,000
Signs	3	Ea	\$15,000.00	3	12	\$45,000	25.00%	\$33,750
Special Improvements	1	EA	\$7,500,000.00	5	15	\$7,500,000	33.33%	\$5,000,250
Light Poles	15	EA	\$1,500.00	5	20	\$22,500	25.00%	\$16,875
TOTAL								\$6,120,902

COST APPROACH CONCLUSION

The Cost Approach analysis and conclusion are presented in the following table.

COST APPROACH SUMMARY

REPLACEMENT COST (CURRENT CONSTRUCTION COST)

SECTION	AREA	COST	TOTAL		
School 1	109,027 SF	@ \$261.25	\$28,483,304		
School 2	66,700 SF	@ \$261.25	\$17,425,375		
Total Direct Building Costs	175,727 SF	@ \$261.25	\$45,908,679		
Indirect Costs		5.0%	\$2,295,434		
Subtotal		\$274.31/SF	\$48,204,113		
Construction Loan Fees & Interest			\$2,524,977		
Total			\$50,729,090		
Total Replacement Cost New			\$50,729,090		
Less: Depreciation	<u>Actual Age</u>	<u>Effective Age</u>	<u>Economic Life</u>	<u>Depreciation</u>	
Less: Physical Deterioration	32 years	15 years	45 years	17.00%	-\$8,623,945
Total Depreciated Building Value					\$42,105,145
Fee Simple Site Value Opinion					\$2,400,000
Site Improvement Contribution					\$6,120,902
Total Estimated Cost of Improvements & Land Value					\$50,626,047
INDICATED VALUE (ROUNDED TO NEAREST \$1,000)					\$288.09 \$50,626,000

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RECONCILIATION OF VALUE CONCLUSIONS BEFORE THE ACQUISITION

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Land Sales Comparison and Cost approaches. The values presented represent the As-Is Market Value Before Acquisition (Fee Simple).

As previously discussed, the **Cost Approach** was used to provide an opinion of value for the building and site improvements. The site improvements contribution and value of the overall property by the cost approach is summarized as follows;

RECONCILIATION OF VALUES	
VALUATION SCENARIOS	MARKET VALUE BEFORE THE ACQUISITION
Interest	Fee Simple Interest
Date	April 28, 2023
LAND VALUE	
LAND CONCLUSION	\$2,400,000
\$/AC Total Land Area	\$48,000
COST APPROACH	
COST CONCLUSION	\$50,626,000
\$/SF GBA	\$288
FINAL VALUE CONCLUSION	
FINAL VALUE CONCLUSION	\$50,626,000
\$/SF NRA	\$288

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DESCRIPTION OF THE PROPERTY AFTER THE ACQUISITION

A summary of the property after the acquisition is as follows;

DESCRIPTION OF THE ACQUISITION

The proposed acquisition consists of 35,405 square feet or 0.81 acres of fee simple right of way, 14,751 square feet or 0.3386 acre of permanent easement, and 37,053 square feet or 0.85 acre of temporary easement.

The proposed right of way boundary begins at station 82+66.24 along the northwestern property boundary (Wilmore Road) and runs east until reaching station 86+39.75 then turning north for 62.84 lf then heading east for 282.54 lf then turning south for 74.86 ft then heads east until crossing the existing property boundary of Parcel 10. Improvements acquired consisted of 200 square feet of paving, landscaping and 1 light pole. The proposed fee simple is located around the main entrance to the schools.

The proposed Permanent Easement is for the construction of the sidewalk/bike path. This section of the path will be on school property and is potential development land. The easement begins at station 86+39.50 and runs east until reaching station No. 89+74.86 with various depths throughout. Total area located within the easement is 14,751 sf. This area will lose utility and have a diminished value of (1%) after, adjusted for in the land grid.

The temporary easement begins at Station 82+66.24 and parallels the proposed right of way boundary heading east until Station 87+78 where it turns south for 69.86 lf then runs east for 96.03 lf then turns north for 40 lf then turns east until reaching Station No. 94+31.40 then turning northeast until 53.03 lf before turning east again and crossing the property boundary of Parcel No. 10. The land affected is potential development land.

SITE DESCRIPTION

The description of the remaining site is as follows;

The subject property consists of one parcel with a total site area of 2,142,593 SF (49.19 AC) which is based on information obtained from Client Provided Plans. It is perceived that there is no surplus or excess land at the subject. For the purposes of this report, we have relied on this site area and reserve the right to amend our analysis upon receipt of a formal legal plan. The following summaries the salient characteristics of the subject site.

Site Improvements The remaining site improvements are listed as follows;

SITE IMPROVEMENTS - AFTER ACQUISITION

SITE COMPONENT	SIZE/QTY	TYPE	\$/UNIT	EFF. AGE	ECON. LIFE	COST NEW	DEPRECIATED %	DEPRECIATED VALUE
Asphalt Paving	164,800	SF	\$6.00	3	11	\$988,800	27.27%	\$719,156
Landscaping	1	SF	\$499,000.00	3	10	\$499,000	30.00%	\$349,300
Signs	3	Ea	\$15,000.00	3	12	\$45,000	25.00%	\$33,750
Special Improvements	1	EA	\$7,500,000.00	5	15	\$7,500,000	33.33%	\$5,000,250
Light Poles	14	EA	\$1,500.00	5	20	\$21,000	25.00%	\$15,750
TOTAL								\$6,118,206

IMPROVEMENT DESCRIPTION

The information presented below is a description of the existing improvements that is used in the valuation of the property. Reliance is placed on information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

DESCRIPTION OF THE PROPERTY AFTER THE ACQUISITION

(CONTINUED)

The subject property, located at 1500 Wilmore Rd, Nicholasville, KY, is a Class C building, and is currently improved with 2 schools, West Jessamine Middle and Rosenwald Dunbar. These schools combined have over 175,727 sf which includes multiple offices, classrooms, and gyms. The schools are of newer construction. The site has good frontage and exposure along Wilmore Road and is located within the city limits of Nicholasville. The site is zoned R-1. Also located on the property are athletic complexes.

HIGHEST AND BEST USE ANALYSIS

The highest and best use of the subject property provides the foundation for the valuation section. Highest and best use is defined in the 6th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2015), as follows:

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 analysis uses the following steps for the subject:

- ▶ Highest & Best Use As Vacant
- ▶ Determination of the ideal improvements
- ▶ Highest & Best Use As Improved
- ▶ Conclusion of the Highest & Best Use

The analysis of highest and best use can be thought of as the logical end of a spectrum of market analysis procedures, running from the macroeconomic overview of a general market study, through more detailed marketability studies and analyses of financial feasibility, to the formal analysis of highest and best use. In theory, the highest and best use is commonly described as that reasonable and most profitable use that will support its highest present value. The highest and best use, or most profitable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

This section develops the highest and best use of the subject property As-Vacant and As Improved.

AS VACANT ANALYSIS

In this section the highest and best use of the subject as-vacant is concluded after taking into consideration financial feasibility, maximal productivity, marketability, legal, and physical factors.

Legally Permissible

Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. Permitted uses of the subject's Single Family Residential (R1-A) include single family residence, parks and playgrounds, planned unit development for residential use. Conditional uses consist of nursery schools, schools and colleges, churches, hospitals to name a few. Zoning change is not likely; therefore, uses outside of those permitted by the R1-A zoning are not considered moving forward in the as-vacant analysis.

Physical Possible

The test of what is physically possible for the subject site considers physical and locational characteristics that influence its highest and best use. In terms of physical features, the subject site totals 49.19-acre, it is irregular in shape and has a level topography. The site has average exposure and average overall access. There are no physical limitations that would prohibit development of any of the by-right uses on the site.

DESCRIPTION OF THE PROPERTY AFTER THE ACQUISITION

(CONTINUED)

Financial Feasibility

Based on the analysis of the subject's market and an examination of costs, a newly constructed building similar to the subject would likely have a value commensurate with its cost; however, a speculative build is not prudent, and the site should only be developed for an identified user.

Maximum Productivity

There is only one use that creates value and at the same time conforms to the requirements of the first three tests. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered and the highest and best use of the subject site as-vacant concluded to be school/residential development.

AS IMPROVED ANALYSIS

The legal factors influencing the highest and best use of the subject property are primarily governmental regulations such as zoning and building codes. The subject's improvements were constructed in 1991 and are a legal, conforming use. The physical and location characteristics of the subject improvements have been previously discussed in this report. The project is of average quality construction and in average condition, with adequate site coverage and parking ratios. Therefore, the property as improved, meets the physical and location criteria as the highest and best use of the property.

In addition to legal and physical considerations, analysis of the subject property as-improved requires consideration of alternative uses. The five possible alternative treatments of the property are demolition (not warranted as the improvements contribute value to the site), expansion (not warranted, no excess or surplus land), renovation (not warranted), conversion (not applicable), and continued use "as-is".

Among the five alternative uses, school/residential development is the Highest and Best Use of the subject As Improved.

MOST PROBABLE BUYER

Based on the type of property and the income generating potential of the improvements, the most probable buyer for the subject would be a local owner user or developer.

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SITE VALUATION AFTER THE ACQUISITION

INTRODUCTION

This section values the subject site by comparing it with substitute land sales or listings within the local market area or in competitive areas throughout the region. Land value is influenced by a number of factors; most notably development and use potential. These factors, as well as others, are factored in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison for competing land is the \$/Acres. All of the comparable sales presented in this section were reported on this basis. As the same sales used in the before are applicable in the after, reference is made to the before value section for a complete description.

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SITE VALUATION AFTER THE ACQUISITION

(CONTINUED)

LAND SALES COMPARISON TABLE

	SUBJECT	COMP 1	COMP 2	COMP 3
Name	1500 Wilmore Road	1071 Ashgrove Road	2045-2121 Shun Pike	Equestrian Estates Phase II Keene - S. Elkhorn Road
Address	1500 Wilmore Rd	1071 Ashgrove Road	2045-2121 Shun Pike	Nicholasville
City	Nicholasville	Nicholasville	Nicholasville	Nicholasville
State	KY	KY	KY	KY
Zip	40356	40356	40356	40356
County	Jessamine	Jessamine	Jessamine	Jessamine
Submarket	Nicholasville	Nicholasville	Nicholasville	Nicholasville
Parcel	046-00-00-010.01	067-00-00-020.00	047-00-00-022.00 and 023.00	042-00-00-001.26

SALE INFORMATION

Transaction Price	\$828,000	\$1,048,080	\$1,544,400
Transaction Price \$/Acre	\$30,919	\$22,000	\$45,000
Property Rights ¹	Fee Simple	Fee Simple	Fee Simple
Financing ²	Conventional	Conventional	Conventional
Sale Conditions ³	Arm's Length	Arm's Length	Arm's Length
Expenditures After Sale ⁴	\$0	\$0	\$0
Market Conditions ⁵	1/4/2018 11%	12/18/2020 5%	11/20/2019 7%
Sale Status	Recorded	Recorded	Recorded
Recording Number	770/256	818-733	801/265
Marketing Status	Open Market	Off Market	Open Market
Total Transactional Adjustments	\$3,401 11%	\$1,100 5%	\$3,150 7%
Adjusted \$/Acre	\$34,320.00	\$23,100.00	\$48,150.00

PHYSICAL INFORMATION

Acres	49.19	26.7800	47.6400	34.3200
Location	Very Good	Average 15%	Below Average 20%	Very Good
Access	Average	Average	Average	Average
Exposure	Very Good	Very Good	Average 15%	Very Good
Shape	Irregular	Irregular	Irregular	Irregular
Zoning	R1-A	R-1E	R-1D	R-1
Topography	Level Permanent Easement	Level to Rolling	Rolling 5%	Level to Rolling
Utility	Easement	Superior (1%)	Superior (1%)	Superior (1%)
Total Physical Adjustments	\$4,805 14%	\$9,009 39%	(\$481) (1%)	
Adjusted \$/Acre	\$39,125	\$32,109	\$47,669	

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SITE VALUATION AFTER THE ACQUISITION

(CONTINUED)

LAND SALES ADJUSTMENT DISCUSSION

The comparable land sales indicate an overall unadjusted value range from \$22,000/Acre to \$45,000/Acre, and average of \$32,640/Acre. After adjustments, the comparables indicate a narrower range for the subject site between \$32,109/Acre and \$47,669/Acre with an average of \$39,634/Acre. The adjustment process is described below.

Land Sale 1 (\$39,125/Acre Adjusted) -- A portion of the larger "Ashgrove Commons" development. Phase 1 will include a total of 312 apartments and 98 single family homes on 60 acres. This tract represents the single family portion.

This sale is in Northern Jessamine County near Brannon Crossings. Sale is of similar size, access/exposure, shape, zoning, and topography but inferior in location warranting an upward adjustment of 15%. Overall, it is inferior to the subject.

Land Sale 2 (\$32,109/Acre Adjusted) -- Property does not currently have sanitary sewers. Buyer will have to either construct a pump station or obtain easement from adjacent Jasper property to achieve a gravity fed line. The buyer estimated the cost of easement at \$100,000. If not, the cost of a new pump station is in the range of \$250,000 to \$300,000.

This sale is in southern Jessamine County south of the bypass. Sale is similar in size, access, shape, zoning, and topography but inferior in location and exposure as the southern side of the County is less developed. It is adjusted upward 20% for location and 15% for exposure.

Land Sale 3 (\$47,669/Acre Adjusted) -- Approved for 13 lots ranging in size from 1.46 to 4.19 Acres. -

This sale is located just off Harrodsburg Road in Northern Jessamine County and is near 2 golf courses with one being private and the other being public. This sale is like the subject with no adjustment warranted.

Permanent Easement

The subject property will be encumbered with a permanent easement after the project is complete. This is inferior to all three sales in the grid above as the permanent easement area has suffered a diminished value due to loss of utility. Each sale is adjusted downward 1% which is equivalent to \$14,620.

LAND VALUE CONCLUSION

The comparables indicate a unit value, based on a general bracketing analysis, between \$32,109/Acre and \$47,669/Acre. Based on the subject's overall locational and physical features, a unit value conclusion of \$47,250/Acre is supported. The following table summarizes the comparable land sales analysis and applies the unit value conclusion to the site area to provide an indication of the as-vacant land value.

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 Parcel No. 9

SITE VALUATION AFTER THE ACQUISITION

(CONTINUED)

LAND SALES COMPARISON APPROACH CONCLUSION (ACRES)							
	TRANSACTION		ADJUSTMENT			NET	GROSS
	PRICE	TRANSACTIONAL¹	ADJUSTED	PROPERTY²	FINAL	ADJ	ADJ
1	\$30,919	11%	\$34,320.00	14%	\$39,125	27%	27%
2	\$22,000	5%	\$23,100.00	39%	\$32,109	46%	46%
3	\$45,000	7%	\$48,150.00	(1%)	\$47,669	6%	8%
<i>HIGH</i>	<i>\$45,000</i>	<i>11%</i>	<i>\$48,150</i>	<i>39%</i>	<i>\$47,669</i>	<i>46%</i>	<i>46%</i>
<i>AVG</i>	<i>\$32,640</i>	<i>8%</i>	<i>\$35,190</i>	<i>17%</i>	<i>\$39,634</i>	<i>26%</i>	<i>27%</i>
<i>MED</i>	<i>\$30,919</i>	<i>7%</i>	<i>\$34,320</i>	<i>14%</i>	<i>\$39,125</i>	<i>27%</i>	<i>27%</i>
<i>LOW</i>	<i>\$22,000</i>	<i>5%</i>	<i>\$23,100</i>	<i>(1%)</i>	<i>\$32,109</i>	<i>6%</i>	<i>8%</i>
	SUBJECT ACRES		\$/ACRE		VALUE		
Total Land Area	49.19	x	\$47,703	=	\$2,346,511		
INDICATED VALUE (ROUNDED TO NEAREST \$1,000)			\$47,702		\$2,346,500		

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Parcel No. 9

COST APPROACH AFTER THE ACQUISITION

INTRODUCTION

This approach is based on the principle of substitution, using the cost to construct a similar property as a reasonable alternative. Unless stated otherwise, the subject value is estimated based on a replacement cost analysis, which is consistent with this principle and defined by the 14th Edition of the Appraisal of Real Estate as: *The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.* The elements of cost are addressed in this section.

COST ESTIMATES

To estimate the improvement cost for the subject, the *Marshall Valuation Service* is utilized.

SITE IMPROVEMENTS

The following is a summary of the site improvements, quantity, cost new, effective age, economic life and their depreciated contributory value;

SITE IMPROVEMENTS - AFTER ACQUISITION									
SITE COMPONENT	SIZE/QTY	TYPE	\$/UNIT	EFF. AGE	ECON. LIFE	COST NEW	DEPRECIATED %	DEPRECIATED VALUE	
Asphalt Paving	164,800	SF	\$6.00	3	11	\$988,800	27.27%	\$719,156	
Landscaping	1	SF	\$499,000.00	3	10	\$499,000	30.00%	\$349,300	
Signs	3	Ea	\$15,000.00	3	12	\$45,000	25.00%	\$33,750	
Special Improvements	1	EA	\$7,500,000.00	5	15	\$7,500,000	33.33%	\$5,000,250	
Light Poles	14	EA	\$1,500.00	5	20	\$21,000	25.00%	\$15,750	
TOTAL								\$6,118,206	

COST APPROACH CONCLUSION

The Cost Approach analysis and conclusion are presented in the following table.

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Parcel No. 9

COST APPROACH AFTER THE ACQUISITION

(CONTINUED)

COST APPROACH SUMMARY

REPLACEMENT COST (CURRENT CONSTRUCTION COST)

SECTION	AREA		COST	TOTAL
School 1	109,027 SF	@	\$261.25	\$28,483,304
School 2	66,700 SF	@	\$261.25	\$17,425,375
Total Direct Building Costs	175,727 SF	@	\$261.25	\$45,908,679
Indirect Costs			5.0%	\$2,295,434
Subtotal			\$274.31/SF	\$48,204,113
Construction Loan Fees & Interest				\$2,524,977
Total				\$50,729,090
Total Replacement Cost New				\$50,729,090
Less: Depreciation	<u>Actual Age</u>	<u>Effective Age</u>	<u>Economic Life</u>	<u>Depreciation</u>
Less: Physical Deterioration	32 years	15 years	45 years	17.00%
Total Depreciated Building Value				\$42,105,145
Fee Simple Site Value Opinion				\$2,346,500
Site Improvement Contribution				\$6,118,206
Total Estimated Cost of Improvements & Land Value				\$50,569,851
INDICATED VALUE (ROUNDED TO NEAREST \$1,000)			\$287.77	\$50,569,800

RECONCILIATION OF VALUE CONCLUSIONS AFTER THE ACQUISITION

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Land Sales Comparison and Cost approaches. The values presented represent the As-Is Market Value Before Acquisition (Fee Simple), As-Is Market Value After Acquisition (Fee Simple), and Difference in Market Value (Fee Simple).

As previously discussed, the **Cost Approach** was used to provide an opinion of value for the building and site improvements. The site improvements contribution and value of the overall property by the cost approach is summarized as follows;

RECONCILIATION OF VALUES			
VALUATION SCENARIOS	MARKET VALUE BEFORE THE ACQUISITION	MARKET VALUE AFTER THE ACQUISITION	DIFFERENCE IN MARKET VALUE
Interest	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest
Date	April 28, 2023	April 28, 2023	April 28, 2023
LAND VALUE			
LAND CONCLUSION	\$2,400,000	\$2,346,500	-
\$/AC Total Land Area	\$48,000	\$47,703	-
COST APPROACH			
COST CONCLUSION	\$50,626,000	\$50,569,800	\$56,200
\$/SF GBA	\$288	\$288	
FINAL VALUE CONCLUSION			
FINAL VALUE CONCLUSION	\$50,626,000	\$50,569,800	\$56,200
\$/SF NRA	\$288	\$288	

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 Parcel No. 9

TEMPORARY EASEMENT VALUATION

An easement is defined by the Dictionary of Real Estate Appraisal, Appraisal Institute, as:
 An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements."

The proper method of estimating the compensation for a temporary easement is set forth in COMMONWEALTH OF KENTUCKY DEPARTMENT OF HIGHWAYS Appellant. vs Ina C. Goetz Nantz. et al. Ky. 421 S.W.2d 579. Basically, the Court said that the easement compensation is to be based on the difference between the rental value of the entire property immediately before the imposition of the easement and the rental value of the entire property during the construction period. Both estimates assume the subject public improvement is in place.

The temporary easement is for entrance construction, slopes, and pathway construction. It begins at Station 82+66.24 and parallels the proposed right of way boundary heading east until Station 87+78 where it turns south for 69.86 lf the runs east for 96.03 lf then turns north for 40 lf then turns east until reaching Station No. 94+31.40 then turning northeast until 53.03 lf before turning east again and crossing the property boundary of Parcel No. 10. The land affected is potential development land. The easement will remain in place throughout the construction period.

TEMPORARY EASEMENTS					
LAND CLASS	AREA (SF)	X UNIT PRICE	X MARKET RENT %	X TERM	= AMOUNT
Commercial	37,053	\$1.08	10%	2	\$8,003.45
TOTAL	37053				\$8,003.45
TOTAL ROUND					\$8,000.00

In the above-referenced case, the court does not specify gross or net rent. However, since any loss to the landowner would be the net income lost, this procedure will be followed in the analysis. Based on this the value of the temporary easement is \$8,000.00.


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CERTIFICATION

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

- ▶ The statements of fact contained in this report are true and correct.
- ▶ The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ▶ The signer of this report 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.
- ▶ William L. Berkley has performed no services, specifically 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.
- ▶ The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ The 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 analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute, and the *Uniform Standards of Professional Appraisal Practice*, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- ▶ William L. Berkley inspected the property that is the subject of this report.
- ▶ Greg Richardson provided significant real property appraisal assistance to the appraisers signing the certification including inspection, data collection, analysis and report writing.

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, William L. Berkley has completed the continuing education requirements for the Appraisal Institute.



William L. Berkley
Certified General Real Estate Appraiser
Kentucky License No. 721
Expiration Date 6/30/2024

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Parcel No. 9

ADDENDA

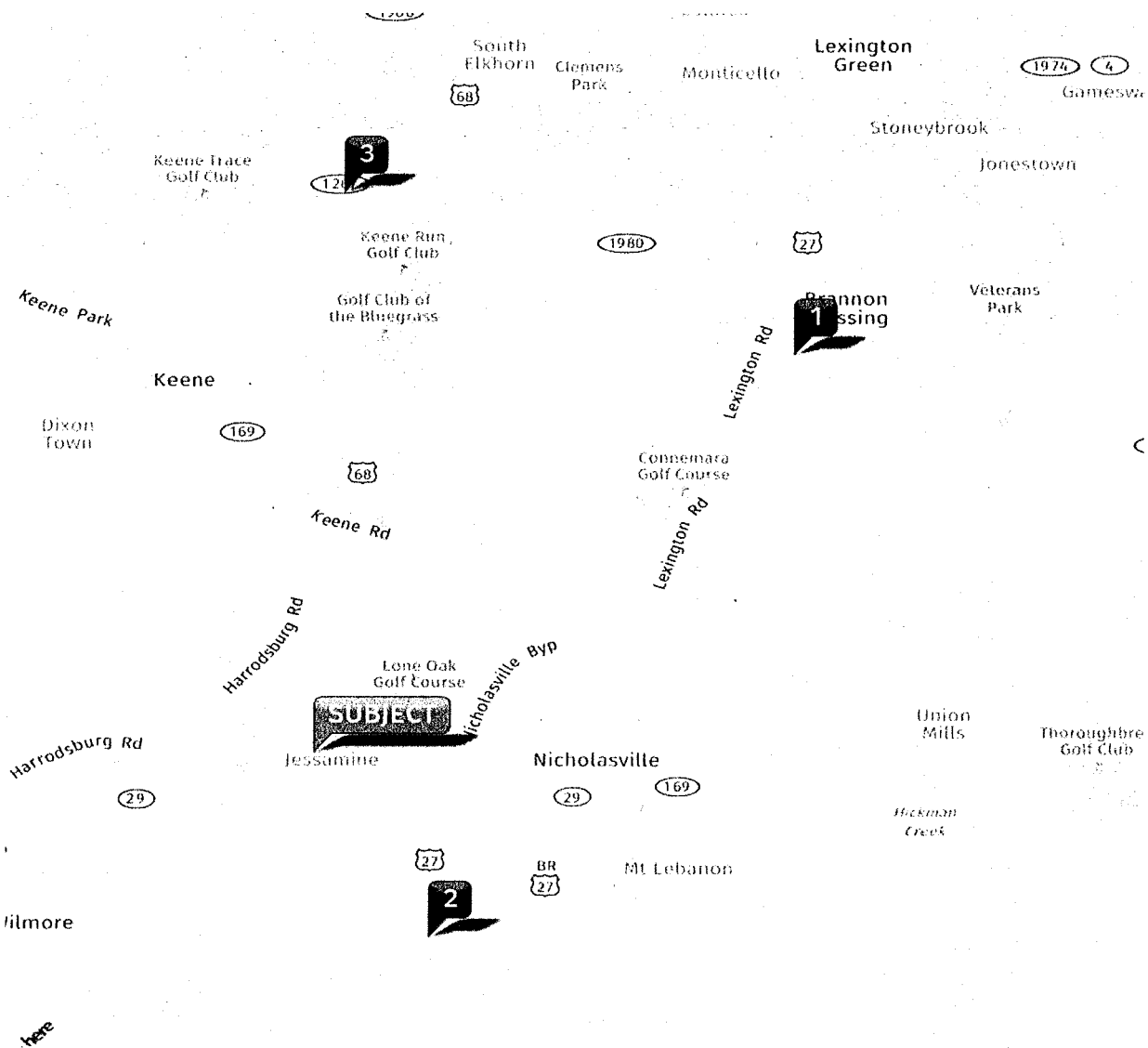
**Jessamine COUNTY PARCEL 9
COMPARABLE SALES, SCOPE OF WORK, ADDENDUM,
PROFESSIONAL QUALIFICATIONS & LICENSURE**

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ADDENDA

(CONTINUED)

COMPARABLE LAND SALES (BEFORE AND AFTER)



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	1071 Ashgrove Road, Nicholasville, KY, 40356	6.0
COMPARABLE 2	2	2045-2121 Shun Pike, Nicholasville, KY, 40356	2.2
COMPARABLE 3	3	Keene - S. Elkhorn Road, Nicholasville, KY, 40356	5.9

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ADDENDA

(CONTINUED)

LAND SALE EXHIBITS

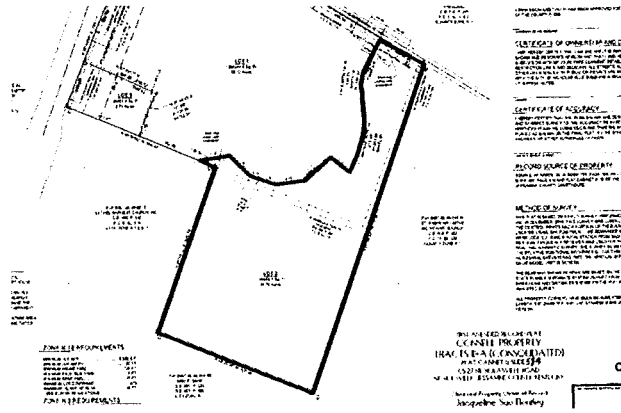
1071 Ashgrove Road
Comparable 1

Sale Information

Buyer	G3 Land Development, LLC	
Seller	Jacqueline Sue Bentley	
Sale Date	1/4/2018	
Transaction Status	Recorded	
Sale Price	\$828,000	\$30,919 /AC
Analysis Price	\$828,000	\$30,919 /AC
Recording Number	770/256	
Rights Transferred	Fee Simple	

Property

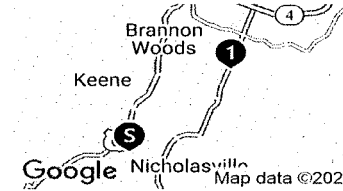
Land Area	26.78 Acres (1,166,537 SF)
Number of Parcels	1
Zoning	R-1E



1071 Ashgrove Road
Nicholasville, KY 40356

County
Jessamine

APN
067-00-00-020.00



Confirmation

Company Deed, PVA

Remarks

A portion of the larger "Ashgrove Commons" development. Phase 1 will include a total of 312 apartments and 98 single family homes on 60 acres. This tract represents the single family portion.

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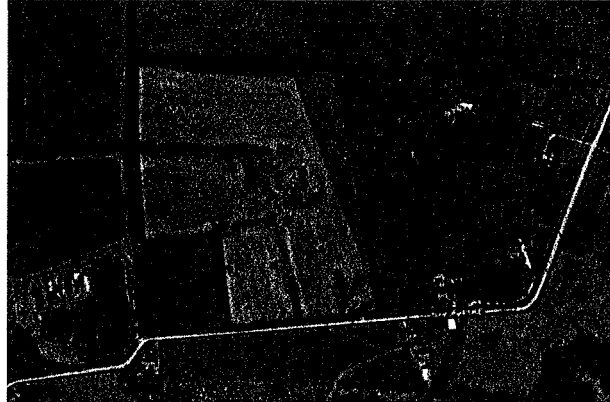
ADDENDA

(CONTINUED)

2045-2121 Shun Pike
 Comparable 2

Sale Information

Buyer	Perdue Environmental Contracting Company, Inc	
Seller	Lloyd B. and Peggy D. Watkins	
Sale Date	12/18/2020	
Transaction Status	Recorded	
Sale Price	\$1,048,080	\$22,000 /AC
Analysis Price	\$1,048,080	\$22,000 /AC
Recording Number	818-733	
Rights Transferred	Fee Simple	
Financing	Conventional	
Conditions of Sale	Arm's Length	



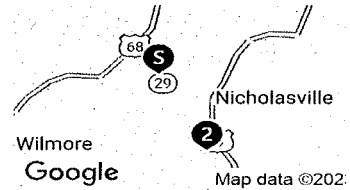
Property

Land Area	47.64 Acres (2,075,198 SF)
Number of Parcels	1
Zoning	R-1D
Shape	Irregular
Topography	Rolling
Proposed Land Use	Single Family Development
Utilities	All buy Sewers (To be extended)
Flood Zones	No Flood Zones

2045-2121 Shun Pike
 Nicholasville, KY 40356

County
 Jessamine

APN
 047-00-00-022.00 and 023.00



Confirmation

Name	Scottie Perdue
Company	Perdue Environmental Contracting Company, Inc
Phone Number	859-221-1758
Affiliation	Buyer
Date	12/4/2020

Remarks

Property does not currently have sanitary sewers. Buyer will have to either construct a pump station or obtain easement from adjacent Jasper property to achieve a gravity fed line. Byer estimated cost of easement at \$100,000. If not, the cost of a new pump station is in the range of \$250,000 to \$300,000.

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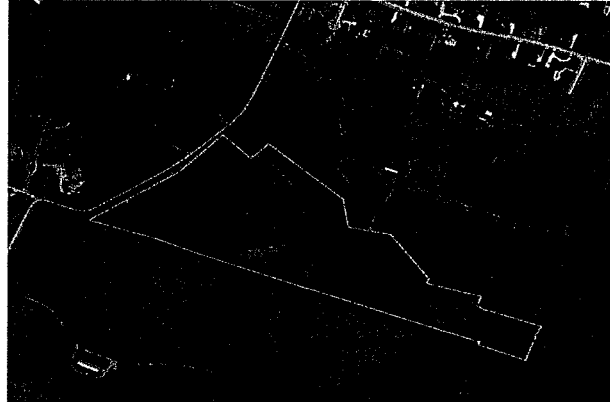
ADDENDA

(CONTINUED)

Equestrian Estates Phase II
Comparable 3

Sale Information

Buyer	Danny McQueen, LLC	
Seller	Harry McChesney, IV	
Sale Date	11/20/2019	
Transaction Status	Recorded	
Sale Price	\$1,544,400	\$45,000 /AC
Analysis Price	\$1,544,400	\$45,000 /AC
Recording Number	801/265	
Rights Transferred	Fee Simple	
Conditions of Sale	Arm's Length	



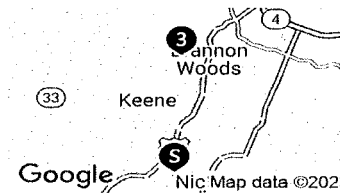
Property

Land Area	34.32 Acres (1,494,979 SF)
Number of Parcels	1
Zoning	R-1
Shape	Irregular
Topography	Rolling
Utilities	All Conventional

Keene - S. Elkhorn Road
Nicholasville, KY 40356

County
Jessamine

APN
042-00-00-001.26



Confirmation

Name	Jeff Orberson
Affiliation	Buyer
Date	10/18/2021

Remarks

Approved for 13 lots ranging in size from 1.46 to 4.19 Acres.

ADDENDA

(CONTINUED)

ASSUMPTIONS & LIMITING CONDITIONS

- ▶ Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- ▶ This analysis assumes that the information provided for this appraisal accurately reflect the current condition of the subject property.
- ▶ This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- ▶ The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.
- ▶ The statements of value and all conclusions shall apply as of the dates shown herein.
- ▶ There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- ▶ Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the company with which the appraiser is connected.
- ▶ This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- ▶ We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- ▶ The appraisal has provided exhibits to assist the client(s)/intended user(s) to understand from a graphical standpoint some of the salient issues which impact the subject property. We have made no survey of the property and if further verification is required, a survey by a registered surveyor is advised.
- ▶ The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- ▶ The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- ▶ **The liability of Bluegrass Valuation Group, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is provided to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.**
- ▶ The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Bluegrass Valuation Group and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- ▶ The appraiser assumes no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). Bluegrass Valuation Group, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance.
- ▶ This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- ▶ Unless otherwise noted herein, a detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection of the subject property and surrounding properties, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions

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ADDENDA

(CONTINUED)

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- ▶ The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.
- ▶ The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, site zoning, easements, encumbrances, site access and site exposure.
- ▶ The appraisal includes market analysis using vacancy, absorption, supply, and demand data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.
- ▶ The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant and As Improved. The analysis considered legal, locational, physical, and financial feasibility characteristics of the subject site and existing improvements both before and after the acquisition.
- ▶ In selecting applicable approaches to value, the appraiser considered the agreed upon appraisal scope and assessed the applicability of each traditional approach given the subject's characteristics and the intended use of the appraisal. As a result, this appraisal developed Land Sales Comparison and Cost Approaches. The values presented represent the Market Value Before the Acquisition (Fee Simple Interest), Market Value After the Acquisition (Fee Simple Interest), and Difference in Market Value (Fee Simple Interest). Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Temporary Easement and Total Difference in Market Value & Temporary Easement.
- ▶ The assignment was prepared as an Appraisal Report in accordance with USPAP Standards Rules 2, with the analysis stated within the document and representing a fully described level of analysis.
- ▶ The author of this report are aware of the Competency Rule of USPAP and meets the standards.

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ADDENDA

(CONTINUED)

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

INFORMATION PROVIDED

Property Assessment & Tax	Jessamine County Assessor
Zoning & Land Use Planning	City of Nicholasville Zoning
Site Size	Client Provided Plans
Building Size	Property Owner
Supply & Demand	CoStar
Flood Map	FEMA
Demographics	STDB On-Line
Comparable Information	MLS Public Records Confirmed by Local Agents
Legal Description	Assessor
Rent Roll	Client

The lack of unavailable items could affect the results of this analysis. As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance, or be impacted by adverse environmental conditions.

LEGAL DESCRIPTION

Provided by the Client

PERSONAL PROPERTY & BUSINESS INTANGIBLE

There is no personal property (FF&E) included in this valuation. There is not any business or intangible value included in the value conclusion reported herein.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of Jessamine County Board of Education who acquired title to the property on July 31, 1999, for the improvements as recorded in the Jessamine County Deed Records, Book & Page 411/080.

Three-Year Sales History

According to county records there has been no transfer of ownership for the subject property in the past three years nor has it been listed for sale in the last 12 months.

MARKET EXPOSURE TIME & JURISDICTIONAL EXCEPTION:

The JURISDICTIONAL EXCEPTION RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) is defined as an assignment condition that voids the force of a part or parts of USPAP, when compliance with part or parts of USPAP is contrary to law or public policy applicable to the assignment.

USPAP also states that, when the purpose of an assignment is to develop an opinion of market value the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.

The courts definition of value, cited later in this report, does not address exposure time among other things. The federal courts have not attempted to define a reasonable length of time nor have they required that an estimate of market value be linked to a specified exposure time on the open market, only that it be reasonable under the circumstances.

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Parcel No. 9

ADDENDA

(CONTINUED)

Therefore, this is considered a Jurisdictional Exception to Standards Rule 1-28) and Statement on Appraisal Standards No. 6 (SMT-6).

In addition, Commonwealth Dept. of Highways V. Sherrod. Ky., 367 SW2d 844, states that when part of a tract of land is taken by condemnation, the only fact for the appraiser to determine (as concerns damages) is the difference in market value of the tract before and after the taking.

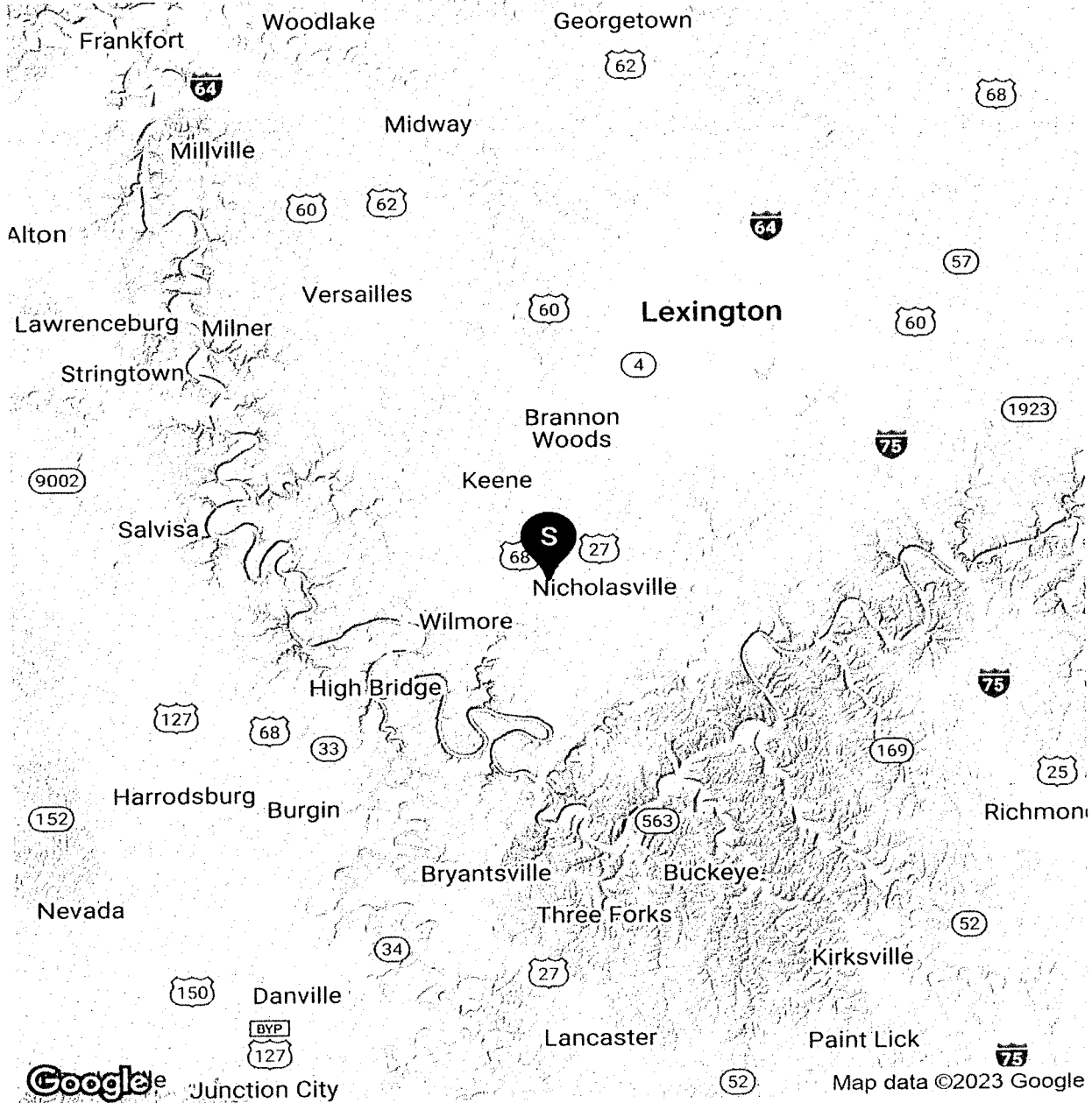
The court said, the jury should be instructed that in determining the value after the taking, it should take into consideration any enhancement in value growing out of the improvement that is attributable to the advantageous relation of the property to the improvement, as distinguished from general enhancement of values in the community generally to property not even abutting on the improvement...

Thus, this is considered a Jurisdictional Exception to Standards Rule 1-4(f).

ADDENDA

(CONTINUED)

REGIONAL & LOCAL DESCRIPTIONS



ADDENDA

(CONTINUED)

INTRODUCTION

In order to understand the subject's position in the area or region, an analysis of how trends—both historical and projected—in population, employment, personal income, consumer spending, and housing impact supply and demand and influence the subject's area directly and indirectly. This analysis first begins on a broader spectrum, and without respect to the subject itself, and is highlighted in the Regional Area Analysis. Second is, a more narrowly focused study of the aforementioned attributes as they relate directly to the subject and its neighborhood. This discussion is presented in the Local Area Analysis which follows.

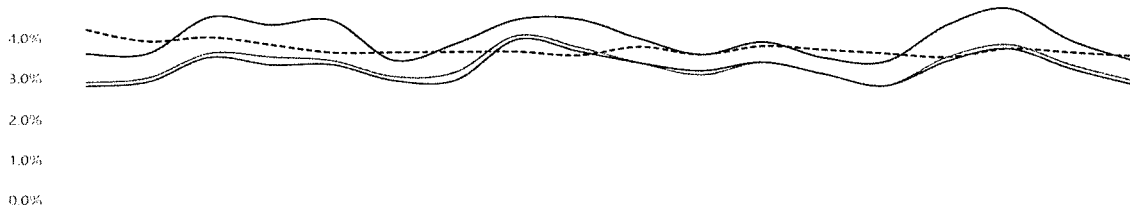
REGIONAL AREA ANALYSIS

The subject property is located in Nicholasville, Kentucky. The map presented on the previous page illustrates the subject property location relative to the Lexington-Fayette-Richmond-Frankfort, KY CBSA metropolitan area.

Unemployment

The following graphs charts the trailing 18 months and trailing 10 years unemployment rate for the United States, Lexington-Fayette-Richmond-Frankfort, KY CBSA, and Jessamine County.

MONTHLY UNEMPLOYMENT RATE (18 MONTHS)

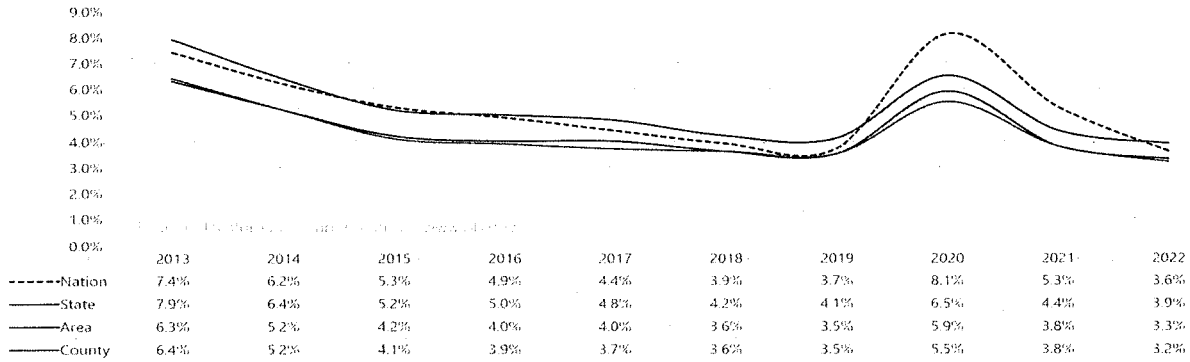


	Nov	Dec	Jan	Feb	Mar	2022 Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2023 Apr
-----Nation	4.2%	3.9%	4.0%	3.8%	3.6%	3.6%	3.6%	3.6%	3.5%	3.7%	3.5%	3.7%	3.6%	3.5%	3.4%	3.6%	3.5%	3.4%
-----State	3.6%	3.6%	4.5%	4.3%	4.4%	3.4%	3.8%	4.4%	4.4%	3.9%	3.5%	3.8%	3.4%	3.3%	4.2%	4.6%	3.8%	3.3%
-----Area	2.9%	3.0%	3.6%	3.5%	3.4%	3.0%	3.1%	4.0%	3.7%	3.3%	3.0%	3.3%	3.0%	2.7%	3.4%	3.7%	3.2%	2.8%
-----County	2.8%	2.9%	3.5%	3.3%	3.3%	2.9%	2.9%	3.9%	3.6%	3.3%	3.1%	3.3%	3.0%	2.7%	3.3%	3.6%	3.1%	2.7%

ADDENDA

(CONTINUED)

ANNUAL UNEMPLOYMENT RATE (10 YEARS)



Employment

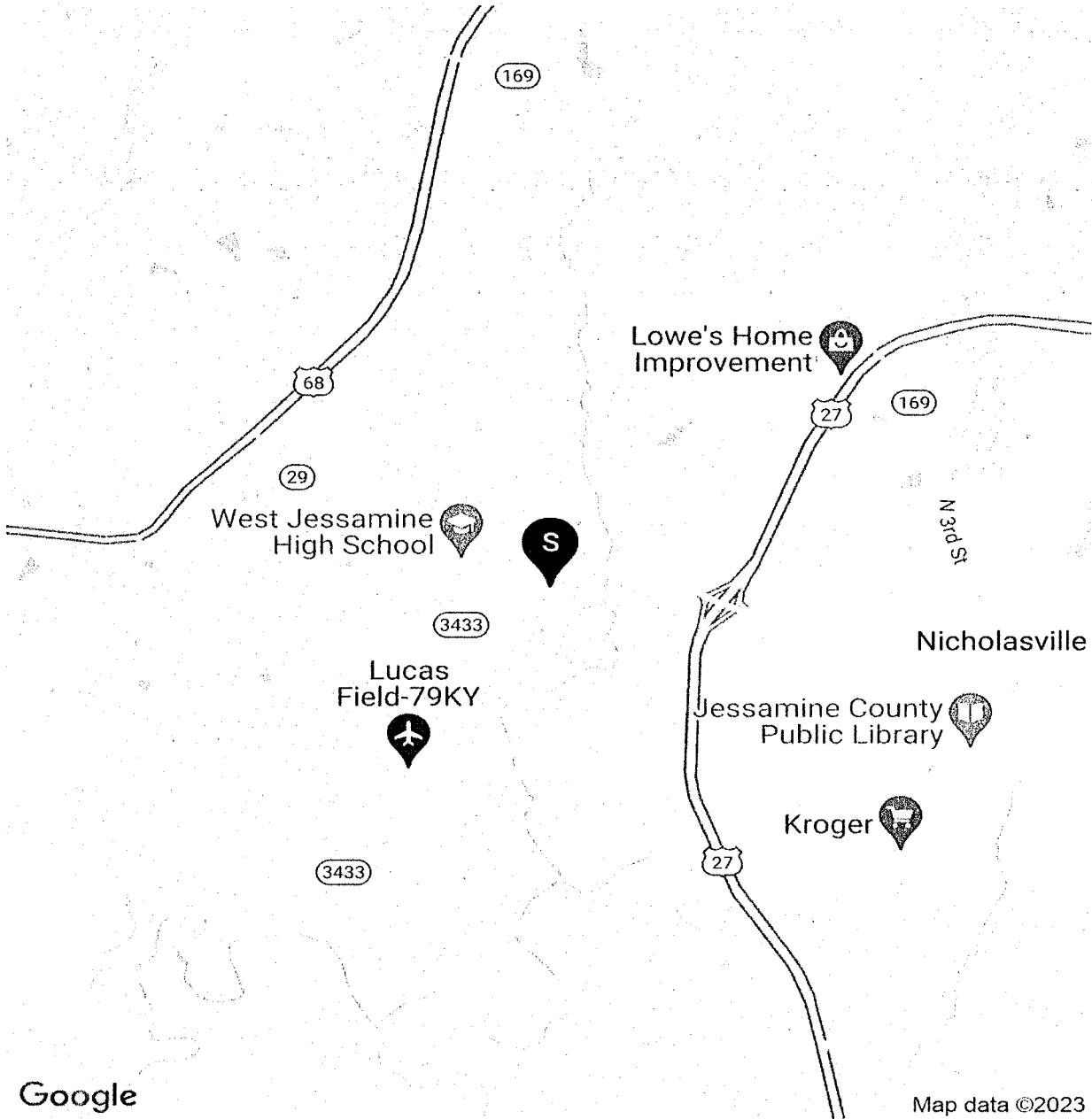
The following chart shows the trailing 10 years employment for the state of Kentucky, Lexington-Fayette-Richmond-Frankfort, KY CBSA, and Jessamine County.

STATE & REGIONAL EMPLOYMENT

YEAR	STATE	% CHG.	AREA	% CHG.	COUNTY	% CHG.
2013	1,892,777	0.1%	346,261	1.2%	23,479	1.4%
2014	1,877,551	(0.8%)	347,096	0.2%	23,619	0.6%
2015	1,876,009	(0.1%)	352,111	1.4%	24,218	2.5%
2016	1,914,479	2.0%	358,710	1.8%	24,677	1.9%
2017	1,955,234	2.1%	365,864	2.0%	25,450	3.0%
2018	1,966,186	0.6%	366,119	0.1%	25,478	0.1%
2019	1,983,872	0.9%	370,873	1.3%	25,840	1.4%
2020	1,886,072	(5.2%)	353,692	(4.9%)	24,508	(5.4%)
2021	1,937,537	2.7%	363,776	2.8%	25,170	2.6%
2022	1,968,121	1.6%	371,884	2.2%	25,773	2.3%
CAGR	0.4%	-	0.8%	-	1.0%	-

Source: U.S. Bureau of Labor Statistics, www.bls.gov

LOCAL AREA MAP



ADDENDA

(CONTINUED)

INTRODUCTION

The subject property is in the Nicholasville are along Wilmore Rd. The immediate area of the subject is characterized by residential uses with agricultural and commercial uses surrounding.

Demographics

The following information reflects the demographics for the subject's area.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILE	5 MILE	DESCRIPTION	1 MILE	3 MILE	5 MILE
POPULATION TOTAL				HOUSEHOLDS			
2010 Census	2,383	28,797	39,404	2010 Census	871	10,777	14,250
2020 Census	2,571	30,352	41,932	2020 Census	961	11,416	15,246
2023 Estimate	2,581	31,034	42,902	2023 Estimate	957	11,688	15,643
2028 Projection	2,563	31,485	43,717	2028 Projection	956	11,929	16,038
Δ 2010-2020	7.89%	5.40%	6.42%	Δ 2010-2020	10.33%	5.93%	6.99%
Δ 2020-2023	0.39%	2.25%	2.31%	Δ 2020-2023	(0.42%)	2.38%	2.60%
Δ 2023-2028	(0.70%)	1.45%	1.90%	Δ 2023-2028	(0.10%)	2.06%	2.53%
Total Daytime Population	2,578	27,696	38,177	HOUSEHOLDS BY INCOME (2023 ESTIMATE)			
HOUSING UNITS				< \$15,000			
Total (2023 Estimate)	984	12,298	16,526	\$15,000 - \$24,999	9.5%	11.8%	10.2%
Owner Occupied	65.4%	55.7%	58.2%	\$25,000 - \$34,999	11.3%	9.4%	8.4%
Renter Occupied	31.8%	39.4%	36.5%	\$35,000 - \$49,999	9.0%	9.4%	8.4%
Vacant Housing Units	2.7%	5.0%	5.3%	\$50,000 - \$74,999	8.5%	13.9%	13.4%
Total (2028 Projection)	985	12,534	16,913	\$75,000 - \$99,999	20.9%	18.8%	17.6%
Owner Occupied	65.8%	56.6%	59.1%	\$100,000 - \$149,999	11.3%	13.1%	13.3%
Renter Occupied	31.3%	38.6%	35.8%	\$150,000 - \$199,999	18.0%	15.8%	17.7%
Vacant Housing Units	2.9%	4.8%	5.2%	\$200,000+	7.1%	4.1%	5.9%
AVERAGE HOUSEHOLD INCOME				AVERAGE HOUSEHOLD SIZE			
2023 Estimate	\$83,290	\$76,028	\$84,951	2023 Estimate	2.55	2.61	2.65
2028 Projection	\$94,310	\$86,485	\$96,749	2028 Projection	2.54	2.59	2.63
Δ 2023-2028	13.23%	13.75%	13.89%	Δ 2023-2028	(0.39%)	(0.77%)	(0.75%)
MEDIAN HOUSEHOLD INCOME				MEDIAN HOME VALUE			
2023 Estimate	\$61,449	\$55,447	\$61,199	2023 Estimate	\$253,125	\$174,731	\$188,367
2028 Projection	\$67,865	\$61,571	\$70,148	2028 Projection	\$282,169	\$216,785	\$238,567
Δ 2023-2028	10.44%	11.04%	14.62%	Δ 2023-2028	11.47%	24.07%	26.65%
PER CAPITA INCOME				AVERAGE HOME VALUE			
2023 Estimate	\$29,427	\$28,388	\$30,929	2023 Estimate	\$268,323	\$216,631	\$241,716
2028 Projection	\$33,522	\$32,471	\$35,440	2028 Projection	\$306,105	\$272,762	\$299,374
Δ 2023-2028	13.92%	14.38%	14.59%	Δ 2023-2028	14.08%	25.91%	23.85%

Source: Sites To Do Business Online

Population

Esri estimates the current 2023 population of the neighborhood 3 mile radius of the subject property to be 31,034 representing a 2.25% change since 2020. The total trade area 5 mile radius of the subject is estimated to have a population of 42,902, which represents a 2.31% change since 2020.

Looking forward, the population of the neighborhood 3 mile radius is forecasted to change to 1.45% by the year 2028. The population within the total trade area 5 mile radius is forecasted to change to 43,717 over the next five years.

Households

Esri estimates that the number of households in the neighborhood 3 mile radius of the subject is 11,688, which is a 2.38% change since 2020. Within the total trade area 5 mile radius, the number of households is estimated to be 15,643, a 2.60% change over the same period of time.

ADDENDA

(CONTINUED)

By the year 2028, Esri estimates that the number of households in the neighborhood 3 mile radius will change by 2.06% to 11,929, households. Additionally, households in the entire trade area are expected to change by 2.53% to 16,038 households over the next five years.

The number of households in the neighborhood 3 mile radius of the subject changed 5.93% from 2010 to 2020; and since then, it has changed by 2.38%.

Income

According to Esri, the neighborhood 3 mile radius of the subject property has an estimated median household income of \$55,447 and an average household income of \$76,028. Esri reports that the total trade area 5 mile radius has a median household income of \$61,199, and an average household income of \$84,951. With 15,643 households currently in the total trade area 5 mile radius of the subject property, local effective buying income is estimated to be about \$1,328,888,493.

CONCLUSION

Based on the Esri data presented above, the demographics in the subject neighborhood are average. Population growth has increased by 2.25% since 2020 and is expected to increase 1.45% over the next 5 years in the 3 mile radius neighborhood. Average household incomes are \$76,028, and the area is populated with 11,688 households in a 3 mile radius around the subject property.

ECONOMIC INFLUENCES

The local area economic status is significant to the analysis as the measurement of income levels provides an indication of the ability of the area population to buy, rent and maintain property. The economic status of an area also provides an indication of the population's demand for goods and services. Relevant economic information includes income levels, property ownership vs. rent, property rent levels, rent level trends, property vacancies and new construction.

Most of the housing units within the area are owner occupied, which is similar to other parts of Nicholasville and Jessamine County.

GOVERNMENT INFLUENCE

Governmental considerations relate to zoning, building codes, regulations, flood plain restrictions, special assessment, property tax and empowerment zones.

Zoning in the area is mixed, including agricultural, residential, and commercial. The zoning code is enforced by the municipality and enforcement in all areas of City of Nicholasville is considered to be strong. Rezoning is typically discouraged and requires public input and approval of the local city council. Building codes are in force and require a certain standard of construction quality and design. This is a typical influence on properties similar to the subject and falls in line with the zoning classification.

Property taxes in the area are established by Jessamine County and are assessed based on fair market value. The assessments in the neighborhood are similar to other neighborhoods in the metropolitan area. There are no known special assessments that affect property in the neighborhood.

ACCESS/PUBLIC TRANSPORTATION

The streets within the neighborhood include Jessamine County By-Pass to the east which runs from north to south. The main east-west access is provided by Wilmore Road. With the existing transportation systems, most areas of Nicholasville and Jessamine County are accessible from the subject neighborhood and access is considered good.

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ADDENDA

(CONTINUED)

ENVIRONMENTAL INFLUENCES

The subject area is a typical suburban neighborhood with average building size and density. There are no extraordinary topographical features, nuisances or hazards. Public utilities are available in most all areas in quantities from public and private sources.

LOCAL AREA SUMMARY

The market benefits from a diverse blend of industrial, commercial, residential and community uses along with proximity to many recreational activities. The market has been increasing due to good livability factors associated with the region. The outlook for the market area is good into the foreseeable future.

CURRENT TAXATION & ASSESSMENT DESCRIPTION

The subject is owned by a tax exempt entity and therefore there is no assessment on the property.

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ADDENDA

(CONTINUED)

QUALIFICATIONS OF THE APPRAISER & APPRAISAL LICENSE

William L. Berkley, Jr.

Professional Affiliations:

- General Certification - Kentucky Real Estate Appraisers Board No.721.
- Appraisal Institute.
Candidate No: M90-0111.
Past Treasurer & Secretary - Bluegrass Chapter of Appraisal Institute
- Licensed Real Estate Broker in the State of Kentucky
- Member of the International Right of Way Association

Education:

- Graduated: University of Kentucky,
BS in Business Administration, Finance Major.
Courses include Real Estate Principles, Real Estate Finance, Independent Study in Real Estate, Statistical Inference, Statistical Probability.
- Graduated: Lexington Community College,
Associate of Applied Science, Real Estate Major.
Courses include Real Estate Appraisal, Real Estate Principles, Real Estate Marketing I & II, Real Estate Law, Real Estate Finance, Real Estate Investment, Real Estate Property Management.
- Course work through the Appraisal Institute: Real Estate Appraisal Principles, Capitalization A, Capitalization B, Advanced Applications, Report Writing and Valuation Analysis, Uniform Standards of Professional Practice, Fundamentals of Rural Appraisal.
- Seminars through the Appraisal Institute: Uniform Standards for Federal Land Acquisition, USPAP Update, Site to Do Business, Attacking & Defending an Appraisal for Litigation, Appraisal Practices for Litigation, Easement Valuation, Subdivision Analysis, Understanding Limited Appraisals, Highest and Best Use Analysis, Dynamics of Office Building Valuation, Money Market, Appraising From Blueprints and Specifications, Reviewing Appraisals, Evaluating Residential Construction, Survey Research Techniques, Appraising Troubled Properties, Applied Sales Comparison Approach, Appraisal Regulations of the Federal Banking Agencies, Farm Valuation, Accrued Depreciation, Cash Equivalency, Rates, Ratios & Reasonableness.

Experience:

Full time career in appraising commercial, industrial, multi-family, subdivisions, easement, condemnation, conservation easements, farm, and multi-family residential properties. Owner and manager of investment property. Commissioner Lexington Fayette Urban County Planning Commission 2011-2019.

RECENT APPRAISAL CLIENTS:

Financial Institutions:

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ADDENDA

(CONTINUED)

Traditional Bank, Republic Bank, Fifth Third Bank, Traditional Bank, BB&T, City National Bank, PNC Bank, Huntington National Bank, Bank of Kentucky, Heritage Bank, Central Bank & Trust Company, Bank One (JP Morgan Chase). Non-bank lender clients include; Law firm of White, Peck & Carrington; Law firm of Greenbaum, Doll & McDonald; Law Firm of Stoll, Keenon & Park; Law Firm of Wethington, Hurt & Crosby; Law Firm of McBrayer, McGinnis & Kirkland; Law firm of Deters, Benzinger & Lavelle; Law Firm of Adams, Stepner, Woltermann & Dusing.

Governmental, Utilities, & Railroads:

Commonwealth of Kentucky Department of Transportation - Right of Way and Legal Departments, Tennessee Valley Authority (TVA), Commonwealth of Kentucky Real Property Division, Columbia Gas of Kentucky, Kentucky American Water Company, East Kentucky Power Cooperative, Kentucky Utilities Company, Sanitation District No.1, CSX Real Property, Norfolk Southern Railroad, United States Postal Service, General Services Administration, University of Kentucky, Morehead State University, Northern Kentucky University, Eastern Kentucky University, Lexington Fayette Urban County Government, Lexington Fayette County Airport Board.

APPRAISED FOR:

Full Range of Commercial Properties, Multi-Family Residential, Subdivision Development, General and Horse Farms, Condemnation cases for both Plaintiff and Defendant, Tax & Divorce Cases, Gas, Water & Electric Utility Companies, Kentucky Department of Highway Projects, Conservation Easements, Partition of Real Property, Urban Renewal, and Major Industrial Properties.

QUALIFIED AS EXPERT IN REAL ESTATE VALUES:

Federal Bankruptcy Court Eastern Division State of Kentucky. Testified in Bankruptcy Court.

Qualified as Expert Witness in Circuit Court. Testified in condemnation and damage proceedings.

Review Appraiser Status – Commonwealth of Kentucky

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Parcel No. 9

ADDENDA

(CONTINUED)

In the name and by the Authority of the

Commonwealth of Kentucky



Kentucky Real Estate Appraisers Board

Hereby grants a/an Certified General Real Property Appraiser

To William L Berkley
366 Waller Ave., Ste. 203 Lexington KY 40504

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown below.

/s William Jeffrey Fultz

Chair

/s John C. Brewer

Vice Chair



License Number: 721
Issue Date: June 26, 1992
Expire Date: July 1, 2024



Kentucky Transportation Cabinet
Division of Right of Way and Utilities
Appraisal - Appraisal Recapitulation

TC 62-20.16
Rev. 04/11

Item No.	Parcel No.	Appraiser Name
7-3215.00-SYP	9	Will Berkley

1. Value of Entire Property Before Acquisition: (From Sheet(s) 9, Item 1e)	50,626,000.00
2. Value of Remainder(s) After Acquisition: (From Sheet(s) 15, Item 1e)	50,569,800.00
3. Difference Between Before and After Values:	56,200.00

4. Land Acquired				
Land Classification	Area	UOM	Unit Value	Allocated Value
Residential Development	.8100	AC	48,000.00	38,880.00
Total Land:				38,880.00

5. Site Improvements				
Site Improvements	Quantity/Area	UOM	Unit Cost	Allocated Value
Asphalt Paving	200	AC	3.38	875.00
Landscaping	700	LS	700.00	700.00
Light Pole	1	LS	1,125.00	1,125.00
Total Site Improvements:				2,700.00

6. Improvements Acquired				
Type	Class	Size	UOM	Allocated Value
Total Building:				

7. Estimated Contributing Value of Acquisition: (Item 4 Plus 5 Plus 6)	41,580.00
8. Severance Damage or Special Benefits: (Item 3 less 7) Correlate with Sheet 10, Item 3)	14,620.00

9. Temporary Easement						
Area	Unit	Unit Value Per	Result	Multiplier	Value	Use Value
37,053	SF	1.10	40,758.30	0.20	8,151.66	8,200.00
Total Easements:						8,200.00

Method: Temporary Easement based on 2 year rental rate.

10. Estimated Fair Market Value: (Item 3 Plus Item 9)	64,400.00
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11. *Enhancement
When Item 2 is greater than Item 1 and/or Item 7 is greater than Item 3, the property has been enhanced by taking the total amount of enhancement is computed as follows: Item 2 less Item 1 - Not less then '0') - (Item 7 Less Item 3) =

*Note: These Items must be discussed in Narrative on Sheet 10.

Total Enhancement of _____ **0.00**