

Appraisal Report
Of A Property Located at
New Lots 1 and 2 from Recombination Plat for Cary Regional
Library and Parking Deck
Cary, North Carolina



AS OF
January 24, 2020

PREPARED FOR
Town of Cary

Kirkland File Number 2019017



Kirkland
Appraisals, LLC

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January 25, 2020

Town of Cary
316 N Academy Street
Cary, North Carolina 27513

Subject: *New Lots 1 and 2 from Recombination Plat for Cary Regional Library and Parking Deck, Cary, North Carolina*

Town of Cary:

In response to your recent request I have prepared this appraisal for the property known as New Lots 1 and 2 from Recombination Plat for Cary Regional Library and Parking Deck, Cary, North Carolina.

The subject site includes 2.382 acres (103,729 square feet) of land located on the northwest corner of Walnut Street and S Walker Street, in Cary, Wake County, North Carolina. The two proposed lots are being formed as part of a recombination of eight parcels around the library and parking deck that were recently completed on this new assemblage. The property is currently owned by Town of Cary. The New Lots will have access to the parking deck as will be discussed more fully in the Conditions Covenants and Restrictions (CC&Rs) later in this report. This property will sometimes hereinafter be referred to as the “subject property.”

The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal. I certify that I have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions listed later in this report. Acceptance of this report constitutes an agreement with these conditions and assumptions.

I inspected the property on January 24, 2019. The purpose of this report is to develop an opinion of the value of the property as of January 24, 2020 for asset management.

The new lots are proposed to be sold subject to extensive CC&Rs that are outlined in 19 pages that require very specific design and construction specifications that are intended to provide a visual “wrap” around the parking deck and with significant upgrades over the typical market that will make construction of these required buildings more costly than a similar sized building in this area. The CC&Rs also includes a required lot reservation ongoing expense for spaces in the parking deck. Another important point is that the CC&Rs have specific requirements on the timing of construction that would require development to start regardless of typical market timing considerations.

Town of Cary
January 25, 2020

The CC&Rs outlined above are being assigned to the property as part of the sale pursuant to powers Section 11.3 in its Charter and two General Statutes. Section 11.3 “Conveyance of real property with restrictions” outlines the power to sale subject to restrictions. Furthermore, the land is being sold as part of a downtown development project (160A-458.3) and property sold as part of a downtown development project may be sold subject to covenants, conditions, and restrictions for the appraised value of the property to be sold (160A-457).

Considering the value based on a traditional sales comparison approach does not work for property subject to significant CC&Rs unless you can find sales that are subject to similar CC&Rs. As the CC&Rs for this site are very specific to this site then a land sales comparison approach would necessarily provide an unrealistic value as the land being sold does not have the same development rights as similar land in the area. I have therefore shown a traditional sales comparison approach in this report to illustrate the value with no restrictions, but I have relied on a land residual valuation to determine the value of the site subject to the significant limitations of the CC&Rs.

This report reaches the following conclusion as to the fee simple value of the property identified above, as of the date of appraisal:

	New Lot 1	New Lot 2
Market Value with CC&R Impact	\$150,000	\$720,000

Kirkland Appraisals’ client for this report is the Town of Cary represented to me by Mr. John Cooke with Womble Bond Dickinson. This report and its contents are intended for this client’s use only and Kirkland Appraisals takes no responsibility for its unauthorized use. This letter must remain attached to the report in order for the value opinion expressed above to remain valid.

This report is subject to the *Uniform Standards of Professional Appraisal Practice* (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. It is also subject to the *Code of Professional Ethics* of the Appraisal Institute and it complies with the requirements of the State of North Carolina for State Certified General Appraisers.

The opinion of value reported in this document was developed based on a scope of work as specified in the Scope of Work section of this report.

This document is an Appraisal Report prepared in accordance with USPAP. As such, this report presents only minimal discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the Kirkland Appraisals file for this assignment.

This report is subject to the certification, definitions, and assumptions and limiting conditions set forth herein.

Town of Cary
January 25, 2020

If you have any questions, please call and I will be glad to discuss the report with you.

Sincerely,



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser

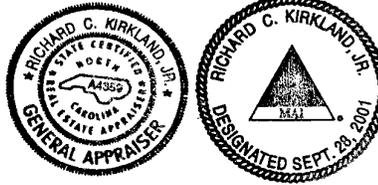


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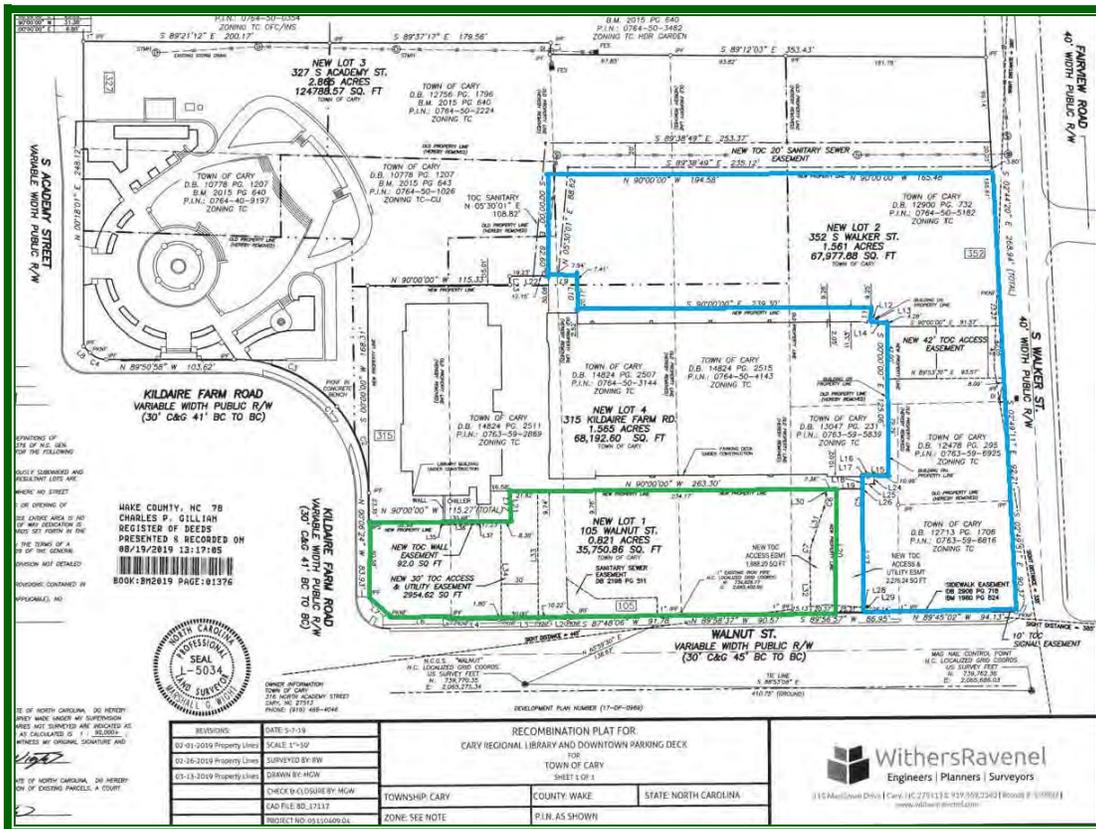
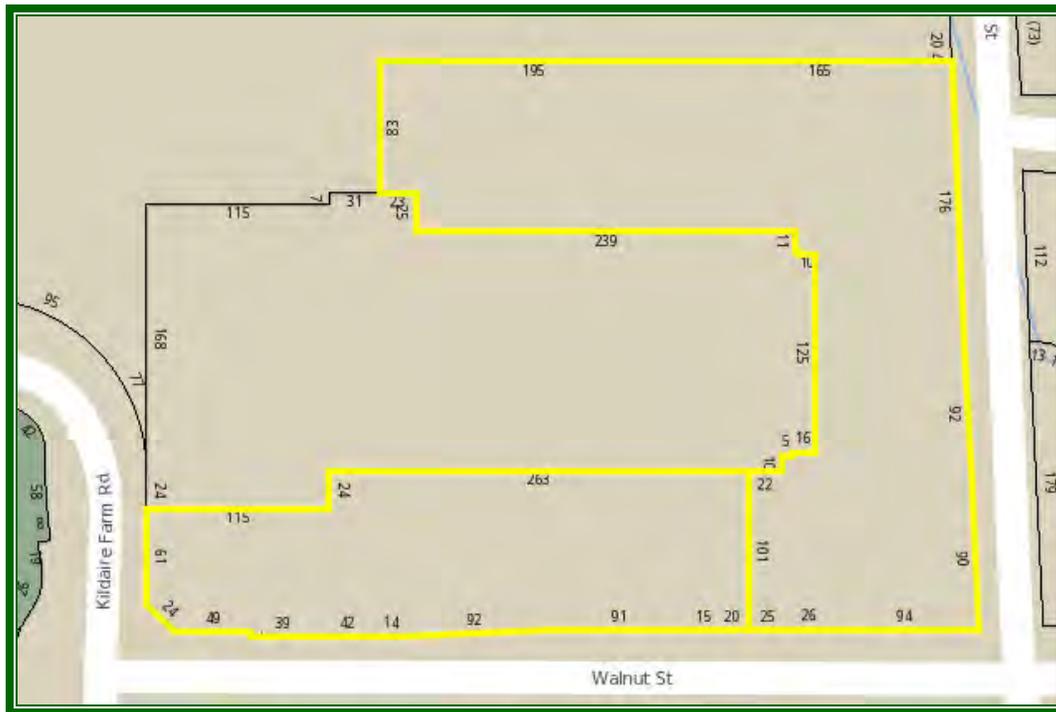
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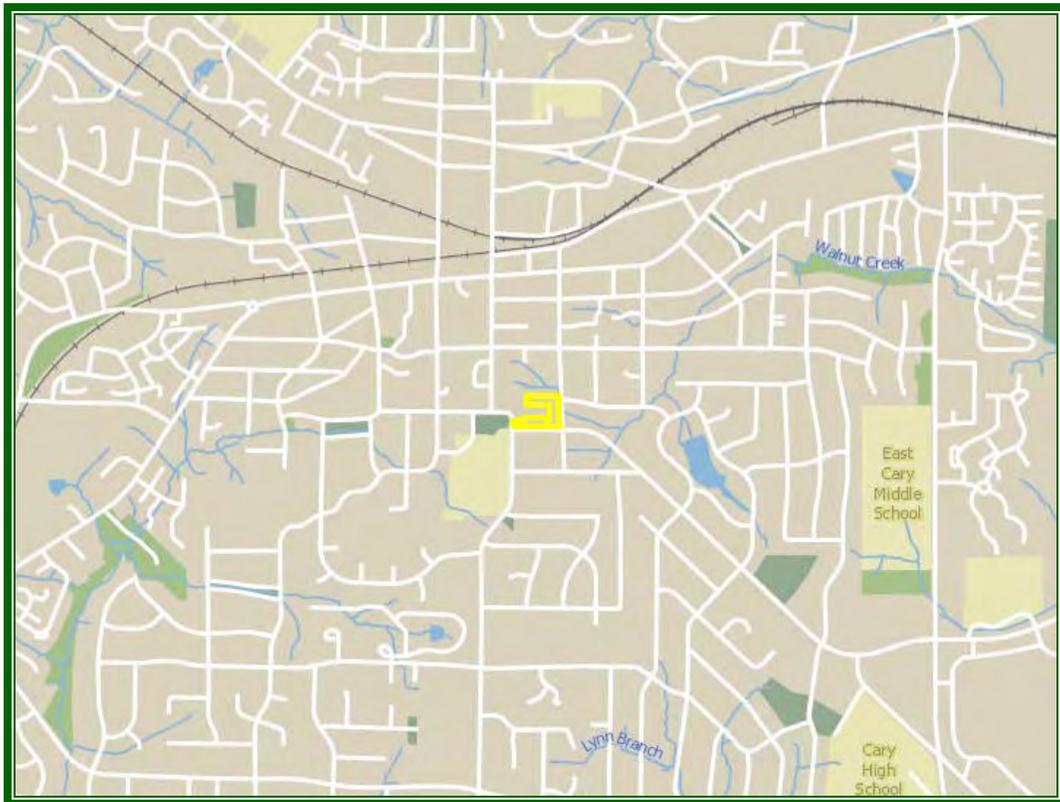
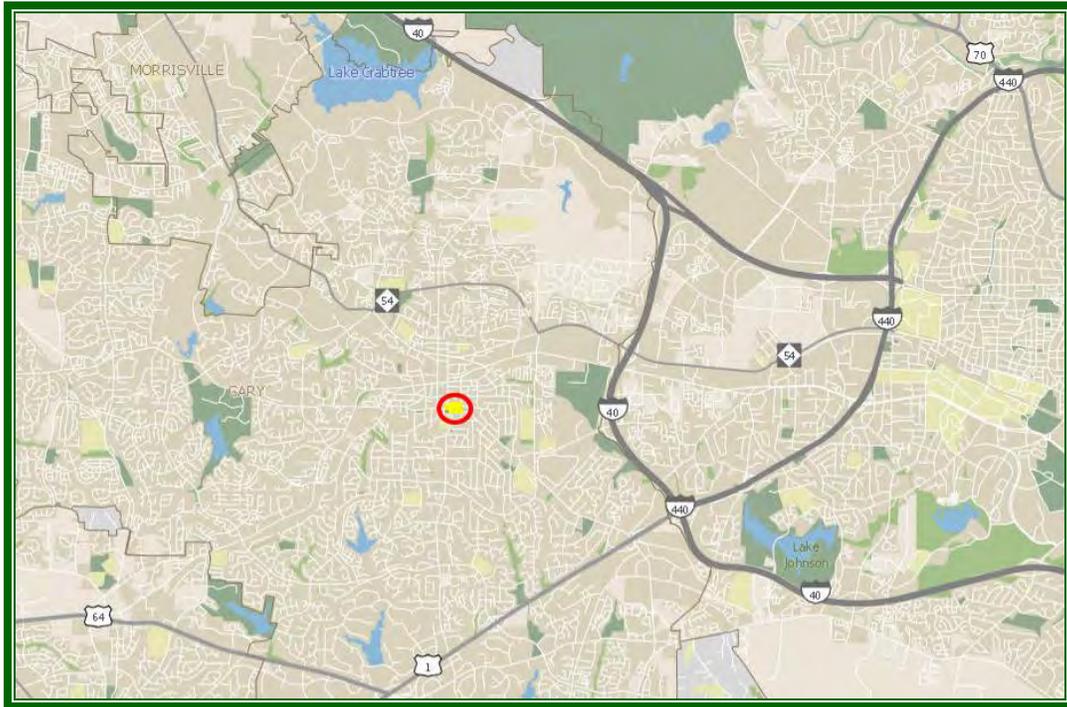
- ❖ Qualifications
- ❖ Area Data
- ❖ Deeds/Recorded Documents
- ❖ Property Record Card
- ❖ Survey

LOCATION MAPS



New Layout – Lot 1 in Green, Lot 2 in Blue

LOCATION MAPS



PROPERTY SUMMARY

Property Identification:

Location: Northwest corner of Walnut Street and S Walker Street, in Cary, Wake County, North Carolina

Ownership: Town of Cary

Site Data:

Land Area:

Lot #	PIN	Parcel ID	Address	Tax Card Acres	Survey Acres	Survey SF
1	0763.07-59-3847	469488	105 Walnut	0.820	0.821	35,751
2	0764.19-50-4183	469489	352 S Walker	1.560	1.561	67,978
				2.380	2.382	103,729

Utilities Available: All available

Zoning: Town Center with High Intensity Mixed Use (HMXD) Subdistrict (by Cary)

FEMA Floodplain Panel: 3720076400J (eff 5/2/2006)

County Data:

Deed Book-Page: 14824-2511 (June 29, 2012)
(Wake County Registry)

APPRAISAL SUMMARY

Assignment:

Effective Date of Appraisal:	January 24, 2020
Client for this Appraisal:	Town of Cary
Other Intended User(s):	None
Indicated Use of Appraisal:	Asset management
Property Rights Appraised:	Fee simple

Highest and Best Use:

As Vacant:	Commercial
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Final Opinion of Market Value:

I conclude that the value of the subject property as of the date of appraisal is:

	New Lot 1	New Lot 2
Market Value with CC&R Impact	\$150,000	\$720,000

The new lots are proposed to be sold subject to extensive CC&Rs that are outlined in 19 pages that require very specific design and construction specifications that are intended to provide a visual “wrap” around the parking deck and with significant upgrades over the typical market that will make construction of these required buildings more costly than a similar sized building in this area. The CC&Rs also includes a required lot reservation ongoing expense for spaces in the parking deck. Another important point is that the CC&Rs have specific requirements on the timing of construction that would require development to start regardless of typical market timing considerations.

Considering the value based on a traditional sales comparison approach does not work for property subject to significant CC&Rs unless you can find sales that are subject to similar CC&Rs. As the CC&Rs for this site are very specific to this site then a land sales comparison approach would necessarily provide an unrealistic value as the land being sold does not have the same development rights as similar land in the area. I have therefore shown a traditional sales comparison approach in this report to illustrate the value with no restrictions, but I have relied on a land residual valuation to determine the value of the site subject to the significant limitations of the CC&Rs.

APPRAISAL SPECIFICS

INTENDED USE

This appraisal report is prepared for the sole and exclusive use of Town of Cary to assist with the asset management. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

The date of the appraisal is January 24, 2020.

DEFINITION OF MARKET VALUE

The analysis presented in this report is an estimate of "market value." The Appraisal Institute offers the following economic definition of market value as stated in *The Appraisal of Real Estate* 13th Edition page 23.

Market value is the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

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

- ❖ buyer and seller are typically motivated;
- ❖ both parties are well informed or well advised, and acting in what they consider their own best interests;
- ❖ a reasonable time is allowed for exposure in the open market;
- ❖ payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- ❖ the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The opinion of value stated in this report presumes that the property has been exposed to the market prior to the date of appraisal for an adequate, sufficient and reasonable time and with adequate, sufficient and reasonable effort. The exposure time for this property is discussed in the "Marketing Period and Exposure Time" section near the end of this report.

The **Interagency Appraisal and Evaluation Guidelines** also require an "As-Is" market value for any appraisal that will be handled by the US Banking system as regulated by federal agencies. The "As-Is" market value is defined as "the estimate of the market value of real property in its current physical condition, use and zoning as of the appraisal's effective date."

COMPETENCY OF THE APPRAISER

The appraiser's specific qualifications are included within the Addenda to the report. These qualifications serve as evidence of my competence for the completion of this appraisal assignment in compliance with the *competency provision* contained within the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraiser's knowledge and experience, combined with his professional qualifications, are commensurate with the complexity of this assignment, based on the following:

- ❖ Professional experience
- ❖ Educational background and training
- ❖ Business, professional, academic affiliations and activities

SALES HISTORY

The following is a summary of the recent transfers or other recorded documents regarding the property. All recorded documents are in the Wake County Registry. This information is based on a search of the public record, although it is not a complete title search of the property. I searched the history of the property for at least five years prior to the date of appraisal.

1. Document Type: General warranty deed
 Date of Document: June 29, 2012
 Date Recorded: June 29, 2012
 Grantor: Jane G. Fairbetter, Widow
 Grantee: Town of Cary
 Deed Book-Page: 14824/2511
 Property Transferred: Parcel 0763592869 - part of parent assemblage
 Revenue Stamps: \$4,000
 Indicated Price: \$2,000,000
 Remarks: None

Additional deeds related to the parent assemblage are included in the addenda.

Additional Recorded Items

Restrictive Covenants	None
Other Encumbrances	None noted
Survey	See survey of assemblage in the addenda
Leases	None identified

CURRENT LISTING/PENDING CONTRACTS

No current listings, options or agreements of sale of the subject property were discovered in the course of this analysis. It is my understanding that these lots may be sold but I found no information about any current asking prices on these lots.

SCOPE OF APPRAISAL

The extent of this appraisal is to correctly employ the most appropriate and recognizable techniques that are necessary to produce a credible appraisal; and to communicate each analysis, opinion, and conclusion in a manner that is not misleading. According to the Uniform Standards of Professional Practice (USPAP), it is the appraiser's responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited, to the following:

- The degree to which the property is inspected or identified;
- The extent of research into physical or economic factors that could affect the property;
- The extent of data research; and
- The type and extent of analysis applied to arrive at opinions or conclusions.

Scope of Work:

Client:	Town of Cary
Intended Users:	No other noted intended users
Intended Use:	Asset management
Property Type:	Vacant land
Conditions:	None
Inspection Date:	January 24, 2019
Inspection Type:	Exterior
Data Research:	<p>Researched the public record and municipal publications for information regarding the property.</p> <p>Ms. Donna Lunsford with the Town of Cary provided information on the property including a survey.</p> <p>Researched information on comparable land sales, construction costs, building sales, rental rates, rent expenses, and overall capitalization rates.</p>
Physical Factors:	Land area determined from the survey.
Property Rights:	<p>The various interests in the property are defined as follows:</p> <ul style="list-style-type: none"> ❖ Fee simple is an absolute fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. ❖ Leased fee is an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others.

- ❖ Leasehold estate is the lessee's, or tenant's estate and is the right to use and occupy real estate for a stated term under the conditions conveyed in a lease.

The property rights appraised in this report are the: Fee simple interest. This fee simple interest is somewhat modified by the proposed CC&Rs.

Analysis: Sales Comparison Approach: This approach is applicable, necessary and has been fully developed for the land value.

Cost Approach: I have considered a cost approach for the property as proposed to be developed. Deducting the cost from the indicated value as complete allows for an analysis of what value the land can support with the proposed CCRs that requires this specific construction on this site.

Income Approach: I have considered an income analysis for the property as proposed for the property as complete and as stabilized. I have used this in conjunction with the projected cost of the project to derive an indication of what value the land can support.

LIMITING CONDITIONS AND ASSUMPTIONS

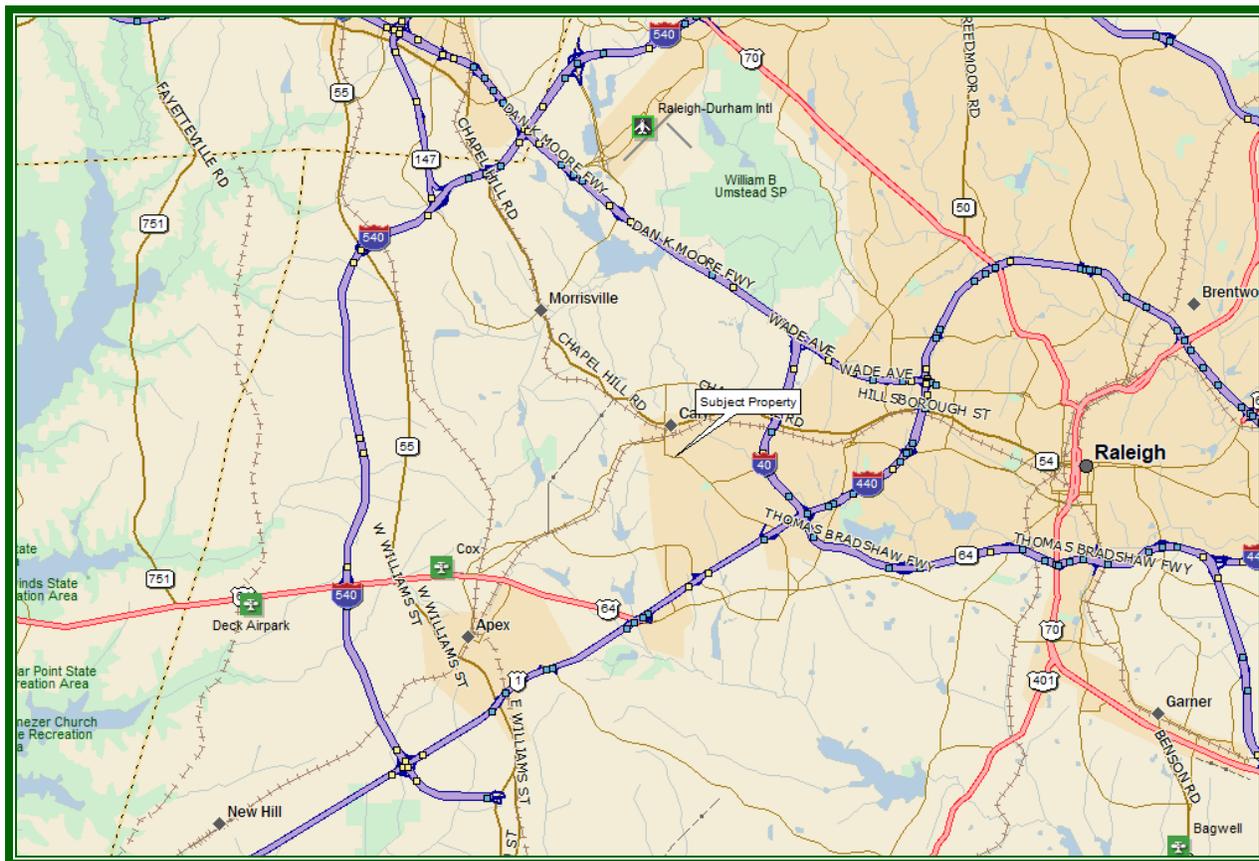
Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

- ❖ The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property would sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market value, as defined herein, is an opinion of the probable price that is obtainable in a market free of abnormal influences.
- ❖ I do not assume any responsibility for the legal description provided or for matters pertaining to legal or title considerations. I assume that the title to the property is good and marketable unless otherwise stated.
- ❖ I am appraising the property as though free and clear of any and all liens or encumbrances unless otherwise stated.
- ❖ I assume that the property is under responsible ownership and competent property management.
- ❖ I believe the information furnished by others is reliable, but I give no warranty for its accuracy.
- ❖ I have made no survey or engineering study of the property and assume no responsibility for such matters. All engineering studies prepared by others are assumed to be correct. The plot plans, surveys, sketches and any other illustrative material in this report are included only to help the reader visualize the property. The illustrative material should not be considered to be scaled accurately for size.

- ❖ I assume that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. I take no responsibility for such conditions or for obtaining the engineering studies that may be required to discover them.
- ❖ I assume that the property is in full compliance with all applicable federal, state, and local laws, including environmental regulations, unless the lack of compliance is stated, described, and considered in this appraisal report.
- ❖ I assume that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in this appraisal report.
- ❖ I assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- ❖ I assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
- ❖ I am not qualified to detect the presence of floodplain or wetlands. Any information presented in this report related to these characteristics is for this analysis only. The presence of floodplain or wetlands may affect the value of the property. If the presence of floodplain or wetlands is suspected the property owner would be advised to seek professional engineering assistance.
- ❖ For this appraisal, I assume that no hazardous substances or conditions are present in or on the property. Such substances or conditions could include but are not limited to asbestos, urea-formaldehyde foam insulation, polychlorinated biphenyls (PCBs), petroleum leakage or underground storage tanks, electromagnetic fields, or agricultural chemicals. I have no knowledge of any such materials or conditions unless otherwise stated. I make no claim of technical knowledge with regard to testing for or identifying such hazardous materials or conditions. The presence of such materials, substances or conditions could affect the value of the property. However, the values estimated in this report are predicated on the assumption that there are no such materials or conditions in, on or in close enough proximity to the property to cause a loss in value. The client is urged to retain an expert in this field, if desired.
- ❖ Unless otherwise stated in this report the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act (effective 1/26/92). The presence of architectural and/or communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- ❖ Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- ❖ Possession of this report, or a copy thereof, does not carry with it the right of publication.
- ❖ I have no obligation, by reason of this appraisal, to give further consultation or testimony or to be in attendance in court with reference to the property in question unless further arrangements have been made regarding compensation to Kirkland Appraisals, LLC.

- ❖ Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of Kirkland Appraisals, LLC, and then only with proper qualifications.
- ❖ Any value estimates provided in this report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
- ❖ Any income and expenses estimated in this report are for the purposes of this analysis only and should not be considered predictions of future operating results.
- ❖ This report is not intended to include an estimate of any personal property contained in or on the property, unless otherwise stated.
- ❖ This report is subject to the Code of Professional Ethics of the Appraisal Institute and complies with the requirements of the State of North Carolina for State Certified General Appraisers. This report is subject to the certification, definitions, and assumptions and limiting conditions set forth herein.
- ❖ The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- ❖ This report assumes the CC&Rs will be binding on the property as presented in the documents provided to me and included in my file.

REGIONAL ANALYSIS



INTRODUCTION

The economic vitality of the area surrounding the subject property is an important consideration in establishing historical trends in the regional real estate market, future demand/supply for selected types of real estate and cash flow potential. The regional analysis generally focuses on the social, economic, governmental, and environmental forces that affect real estate. All general data are ultimately understood in terms of its effect on the economic climate in which property transactions occur.

DEFINITION OF REGION

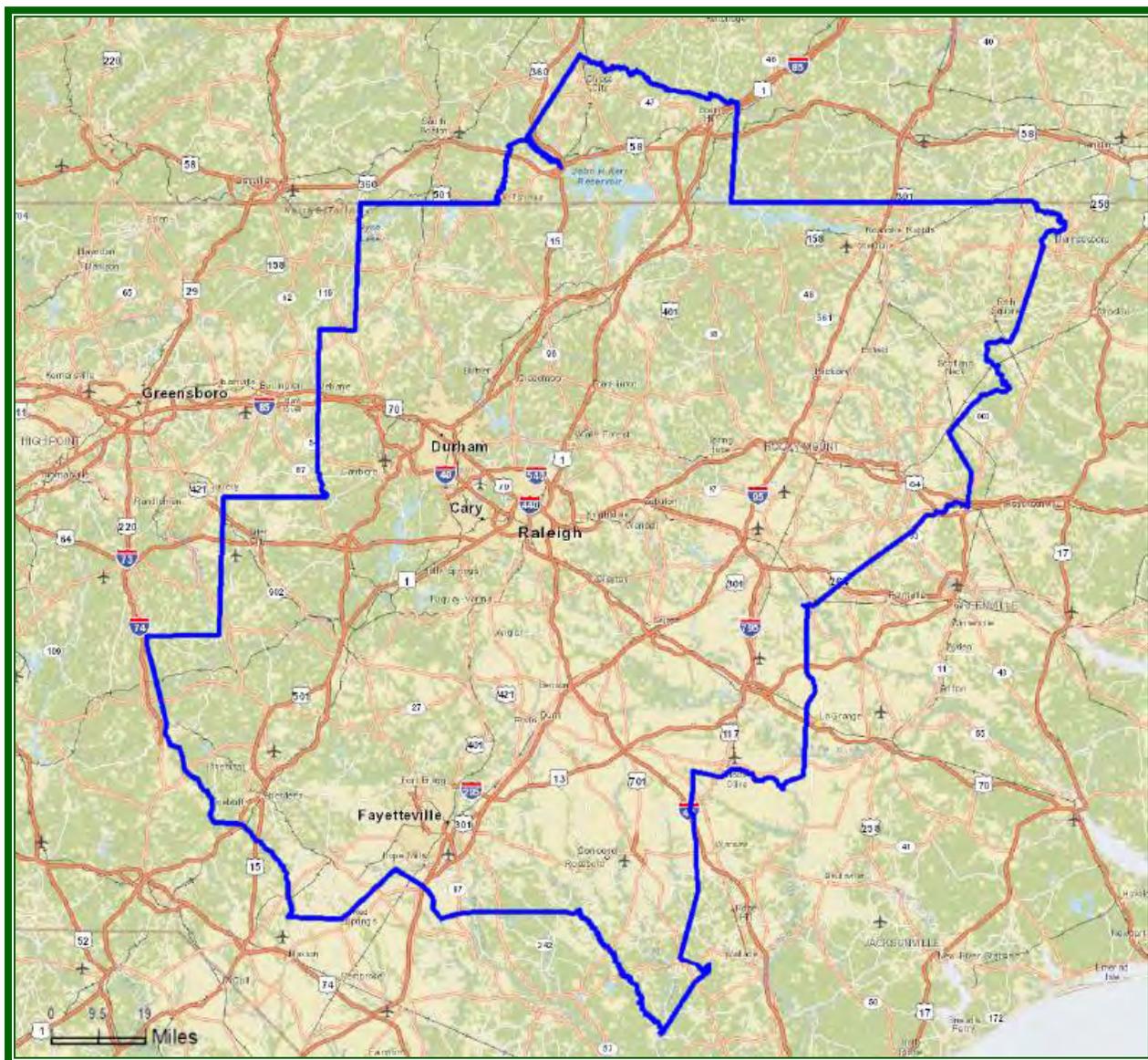
The subject is located within the Raleigh-Durham DMA. Accordingly, its Market Value is influenced by the social, economic, governmental and environmental characteristics of this DMA.

The DMA is often referred to as the “Triangle” with each point being one of the major local cities of Raleigh, Durham and Chapel Hill. The three cities have established themselves as separate entities with different appeals for businesses and residents. Raleigh, the state capitol and the second largest city in North Carolina, has established itself as a center of business, education and commerce for the Mid-Atlantic Region of the United States. Durham is recognized as a center for international

business and medical research with the development of the Research Triangle Park. Chapel Hill is recognized for its education, medical and biological research and upper income lifestyle.

Raleigh is located in Wake County, Durham in Durham County, and Chapel Hill is in Orange County. Wake County has experienced a sustained high level of growth in population, employment and most types of developed real estate, while similar growth in Durham has been conspicuously more moderate. Orange County has historically controlled growth to the point of constraint with plan approvals taking longer, but this constraint on supply means demand for most uses typically runs high.

Because the Triangle comprises such three diverse cities, the area has continued to experience significant population growth and has shown resiliency to economic downturns.



GEOGRAPHICAL INFLUENCES

The Triangle is located in the Piedmont of North Carolina centrally located between the Appalachian Mountains and the Outer Banks beaches. The weather is defined as moderate. The area's average annual rainfall is 44.7 inches per year with an inconsistent annual snowfall of less than 2 inches per year. The average low temperature is 47 degrees and the average high temperature is 73 degrees. The area enjoys a long spring, summer and fall season with relatively short winters. Highs can reach into the 90's during the peak of the summer and around freezing during the winter months.

Transportation: Accessibility to and within the metropolitan area is provided by a variety of transportation choices. The Triangle is located near the confluence of two major interstate highways: Interstates 85 and 40. These major transportation routes are augmented with numerous other major highways, providing good market accessibility to the Midwest and Sunbelt regions.

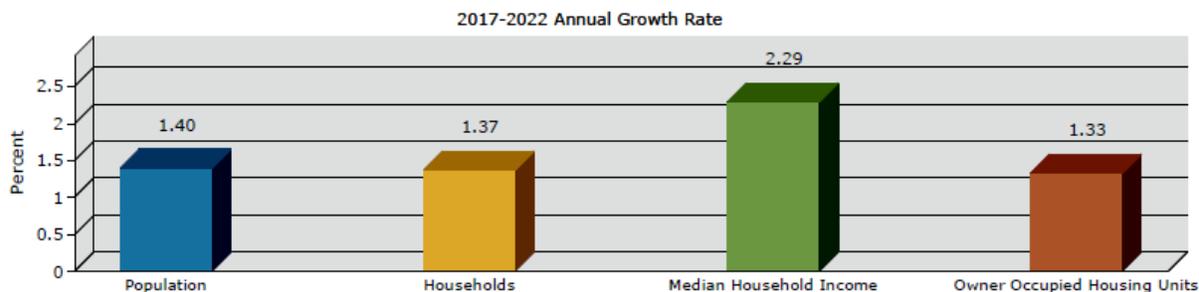
Triangle roadway officials and related state agencies have an aggressive development and maintenance program that facilitates well-maintained roadways and allows for a generally constant flow of traffic. The most substantial recent development is the ongoing Raleigh Outer Loop (Interstate 540). Currently I540 runs from US 64 Bypass counter clockwise around Wake County to NC Highway 55 at Apex/Holly Springs. The southern link is still proposed.

Raleigh Durham International Airport (RDU) provides commercial air transportation for the Triangle. RDU is the second largest airport in North Carolina and is served by 10 major passenger airlines. The RDU Airport Authority has been working on capital improvements to dramatically enlarge and currently has two terminals with 28 gates.

SOCIAL INFLUENCES

Social forces are primarily those forces that are exerted by the demographic characteristics of the market area. These include population density, employment status, quality of education, availability of health care and the overall quality of life that can be found within the region.

Population: The continued strength of the Triangle economy, coupled with the establishment of the region as a center for business and industry has positively impacted the demographic trends of the region. Population growth trends influence employment growth, income levels and retail sales. The following table is a summary of population growth within the region, compared to the state and United States.



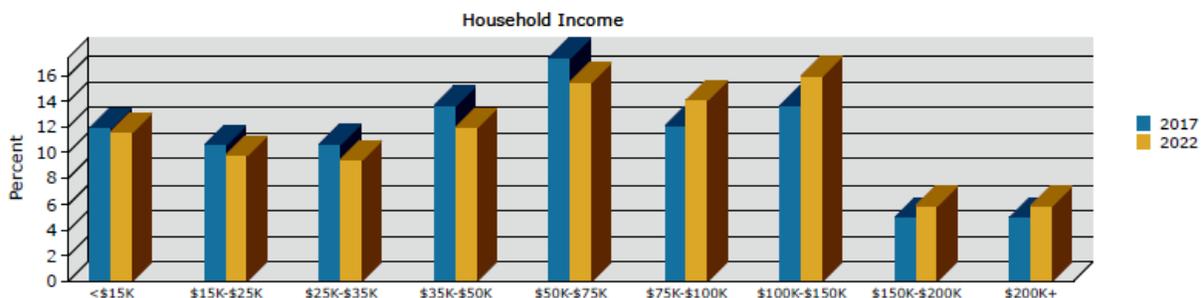
The Raleigh-Durham-Chapel Hill DMA has experienced a compound annual rate of growth of 1.48 percent from 2010 to 2017 and is projected at 1.40 percent of growth from 2017 to 2022. A steady growth rate, such as that in the population of the DMA, is typically considered to be a positive influence for commercial real estate, since population growth influences the development of new projects within a market. The DMA has experienced a significantly higher growth rate than the state of North Carolina and the United States.

Education: Public education in the region is superior to the majority of the state of North Carolina. The quality of life in the Triangle region is enriched by the presence of several colleges and universities. The most notable educational opportunities in the region include the University of North Carolina at Chapel Hill, North Carolina State University, and Duke University; with two of the most renowned medical schools in the southeast.

ECONOMIC INFLUENCES

According to The Appraisal of Real Estate, Twelfth Edition, economic influences “relate to the financial capacity of a market area’s occupants and their ability to rent or own a property, to maintain it in an attractive and desirable condition and to renovate it or rehabilitate it when needed.” In order to determine the economic condition of the region, we have researched items such as median household income, home ownership, unemployment, and employment by industry.

One of the primary demographics that indicates the strength or weakness of a regional economy and the demand for commercial real estate is the median household income. Typically, a market with a higher median household income is an indication of economic vitality and the standard of living within that region. The following table is a summary of the median household income levels within the DMA, North Carolina and the United States.



The Triangle DMA has experienced a steady growth in the median household income from with higher growth rates than both the state and the U.S. as a whole. The annual growth rate for the DMA is projected to be 2.40 percent from 2017-2022.

The Triangle ranks as one of the more affluent metropolitan areas in the state. The high concentration of white-collar jobs found in the area, and the strong economic growth experienced throughout most of the recent past, has led to a higher standard of living in the MSA than in most other U.S. urban areas. One relative measure of affluence is the average household Effective Buying Income (EBI), used by **Claritas**,

Inc. for metropolitan areas throughout the nation. The 2017 estimate reported that the Triangle had a median household EBI of \$53,127.

Employment: The Triangle has historically experienced relative stability in terms of employment and there are several factors that drive this stability. First, there are three state universities in the region that have a large employment base that is less affected during economic slow downs than other employment sectors. Next, Raleigh, the state capital, is located within the Raleigh-Cary DMA, and there are a large number of people employed through various government agencies. Finally, the Research Triangle Park has a diversified workforce that includes domestic and international companies. The following table is a summary of the employment status for the local population.

2017 Civilian Population 16+ in Labor Force	
Civilian Employed	93.9%
Civilian Unemployed (Unemployment Rate)	6.1%
2017 Employed Population 16+ by Industry	
Total	1,494,722
Agriculture/Mining	1.4%
Construction	6.9%
Manufacturing	10.6%
Wholesale Trade	2.4%
Retail Trade	10.4%
Transportation/Utilities	3.6%
Information	1.7%
Finance/Insurance/Real Estate	5.7%
Services	51.9%
Public Administration	5.4%
2017 Employed Population 16+ by Occupation	
Total	1,494,722
White Collar	63.7%
Management/Business/Financial	15.2%
Professional	25.9%
Sales	10.4%
Administrative Support	12.1%
Services	16.8%
Blue Collar	19.5%
Farming/Forestry/Fishing	0.8%
Construction/Extraction	4.9%
Installation/Maintenance/Repair	3.2%
Production	5.3%
Transportation/Material Moving	5.3%

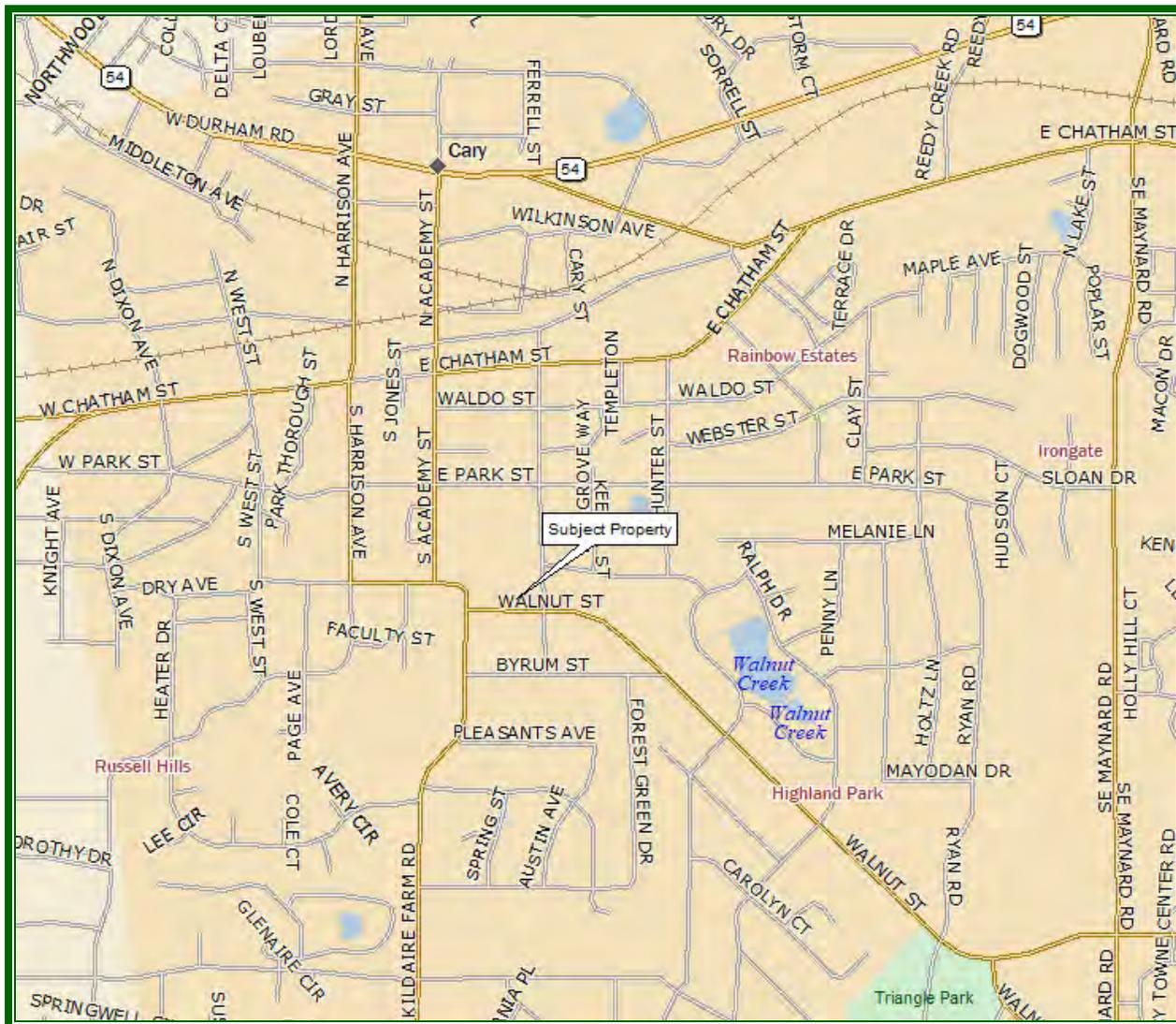
Employment within the Raleigh/Durham/Chapel Hill area is complex and diversified with a wide range of employment sectors including services, governmental, trade, and manufacturing being among the more significant industries. Employment growth throughout the MSA has outpaced the U.S. economy over the past two decades. Most economic declines within the DMA occurred during times of national recession. Unemployment in the DMA has historically been below the state and national averages.

Although, the Triangle is well known for its technology industries and business, the table above shows a workforce that is highly diversified and the employers come from several different sectors, including retail and health care. This broad based employment has encouraged more than 150 companies to establish their company headquarters in the region.

CONCLUSION

With a broad range of social and economic assets, the Triangle DMA is well positioned to be among the most affluent and successful DMAs in the nation. The high quality of life established by its government and citizens, the desirability of its temperate climate and appealing scenery, the strong diversity in culture, the successful transition from an agricultural based economy to a leader in high technology, research and development, and the distinguished concentration of quality higher education centers have combined to create a climate appealing to a wide variety of national and international businesses. This diverse workforce, along with steady population growth has shown great resiliency during economic downturns. Since the national economic downturn of 2008 the local market showed strong growth due to capital investment in both the public and private sectors in the technology industries. Development in 2018 and 2019 was strong in most areas and Cary has been experiencing strong commercial growth with significant activity in the downtown area.

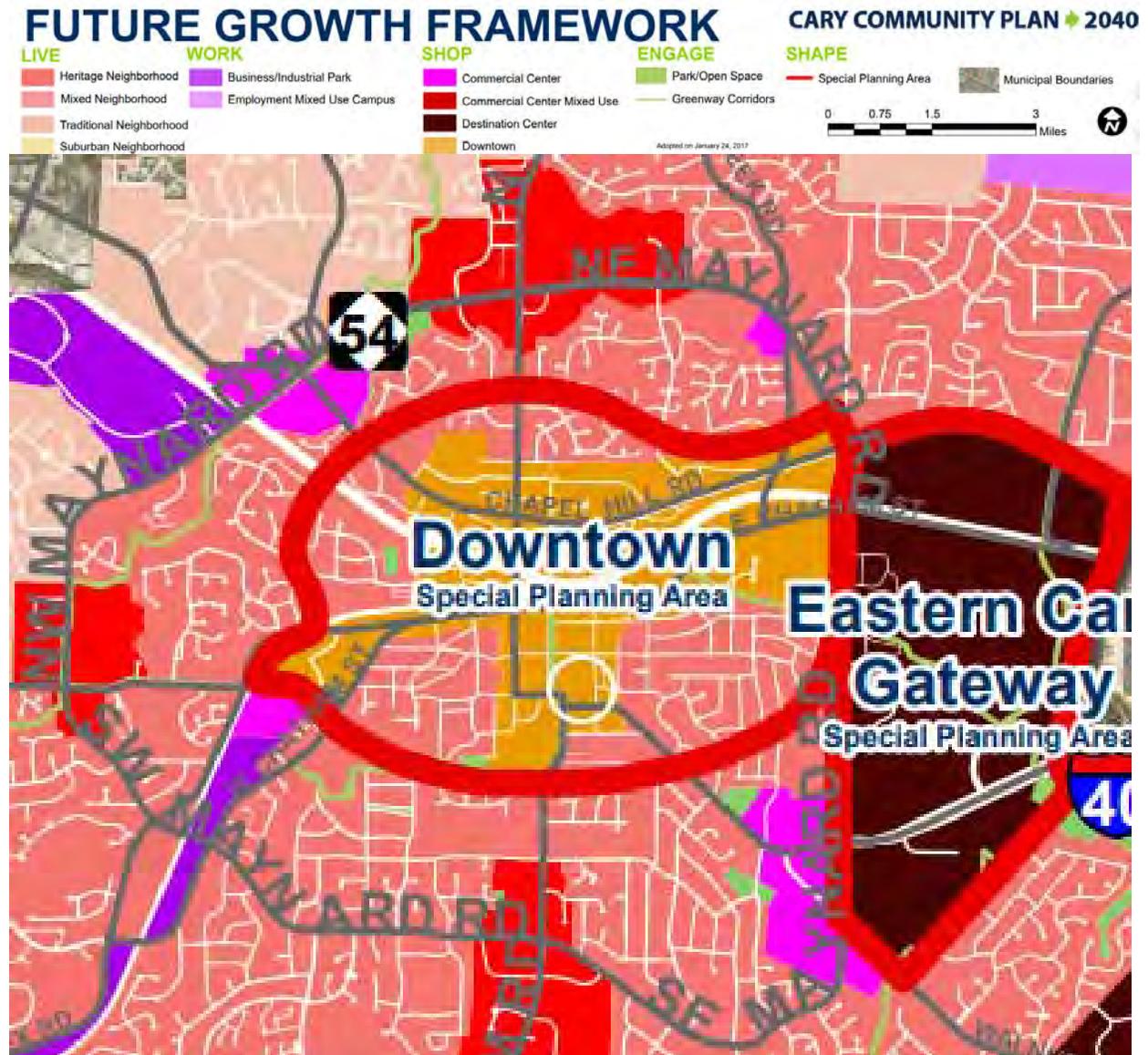
NEIGHBORHOOD LOCATION MAP



NEIGHBORHOOD DESCRIPTION

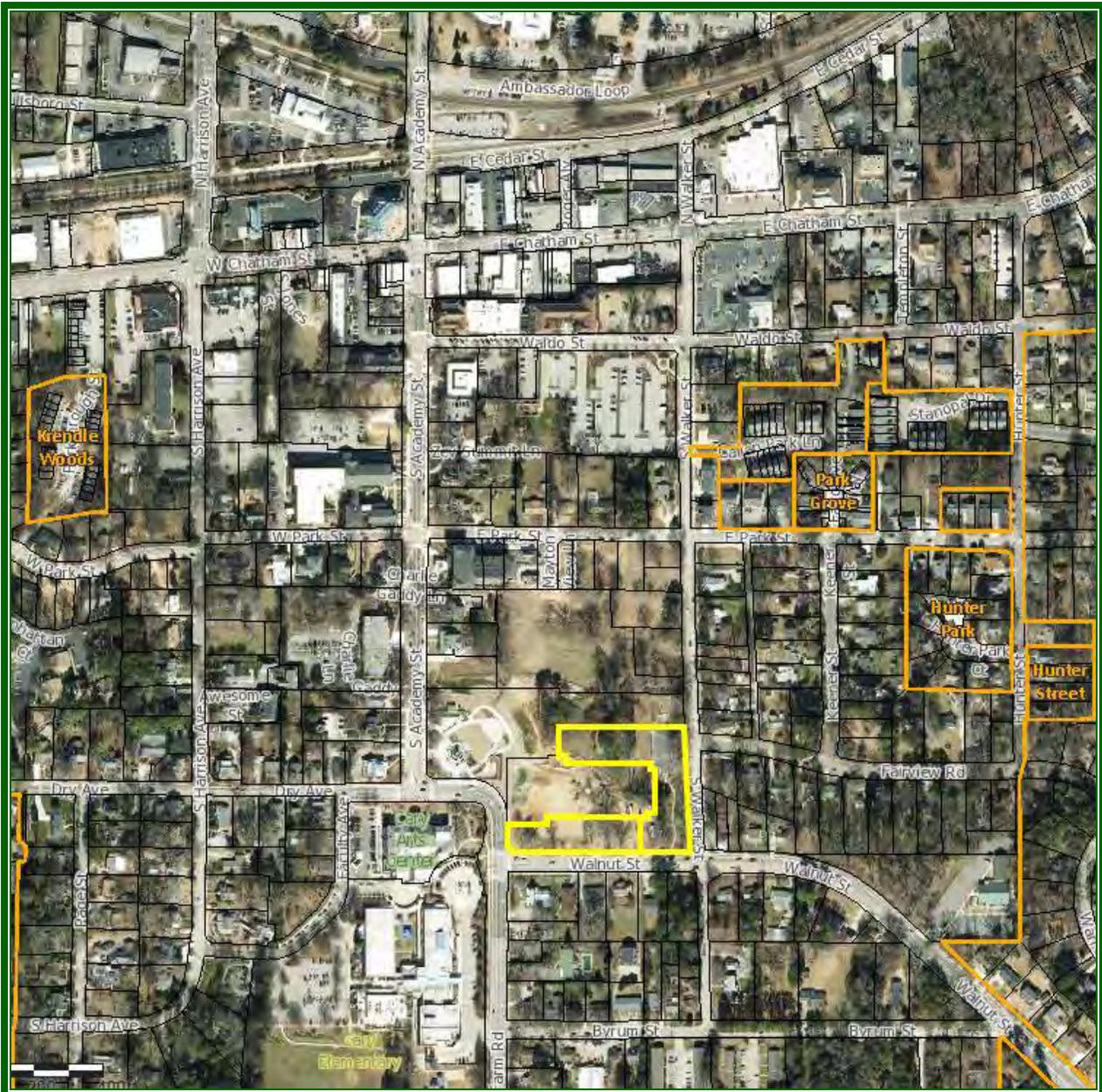
A neighborhood is a separately identifiable, cohesive area within a community with some interests shared by occupants. Most neighborhoods have recognizable natural or man-made boundaries. While physical boundaries are stipulated in order to define the neighborhood, they are often less significant than other boundaries of influence. A neighborhood may be further defined as a grouping of complimentary uses affected in a similar manner by social, economic, governmental, and/or environmental factors. In addition to physical boundaries, a neighborhood may be delineated by perceptible changes in land use and the architectural style and condition of the area improvements. Finally every neighborhood is subject to influence by the greater, abutting or surrounding community, or metropolitan area.

Jurisdiction: Cary
 Corporate Limits: Cary
 Township: Cary
 Land Use Plan Document: Cary Future Growth Framework
 Land Use Plan Category: Downtown



Neighborhood Boundaries

North: NC Highway 54
 South: Walnut Street
 East: S Walker Street
 West: W Chatham Street



Surrounding Uses

The immediate market area is characterized by commercial uses along S. Academy Street and Chatham Street with mostly residential uses along the other neighborhoods. The Downtown Cary area is transitioning to new uses with many properties being assembled for future commercial, mixed use, or higher density residential development.

The Town of Cary has focused a great deal of revitalization efforts including the Cary Arts Center, Cary Park, and Cary Regional Library.

Neighborhood Conclusion

The trend for the neighborhood is very positive with continued growth anticipated for the coming years.

PROPERTY DESCRIPTION

AERIAL MAP



SITE DESCRIPTION

Site Size:

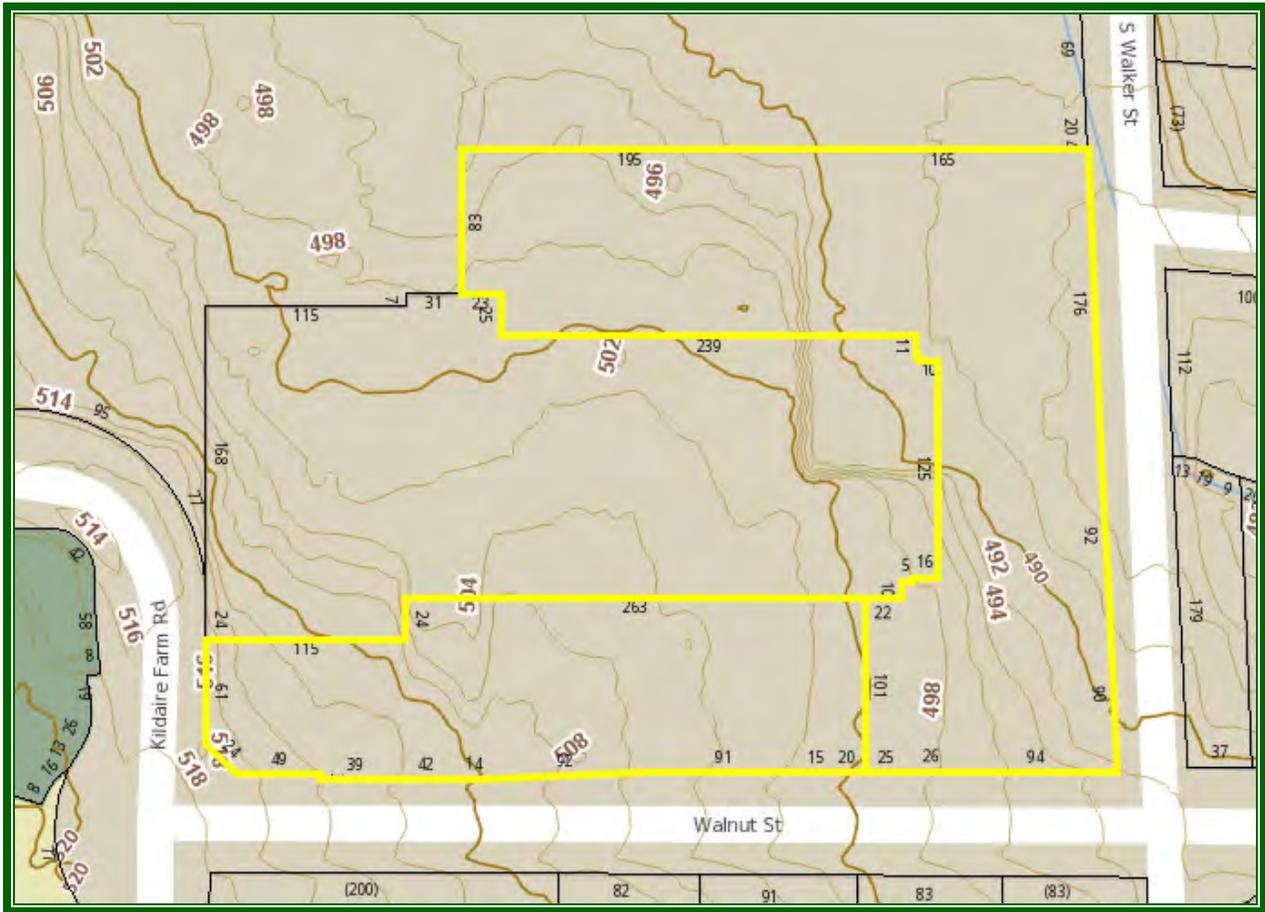
Lot #	PIN	Parcel ID	Address	Tax Card Acres	Survey Acres	Survey SF
1	0763.07-59-3847	469488	105 Walnut	0.820	0.821	35,751
2	0764.19-50-4183	469489	352 S Walker	1.560	1.561	67,978
				2.380	2.382	103,729

Site Shape: New Lot 1 is a rectangular parcel while New Lot 2 is "L" shaped

Road Frontage/Access: New Lot 1 has good frontage along Walnut Street, while New Lot 2 has frontage along S. Walker Street and the corner with Walnut Street

Tree Cover: Mostly cleared

Site Topography: Gentle



Flood Zone:

FEMA Panel # 3720076400J (eff 5/2/2006)

FEMA Category None

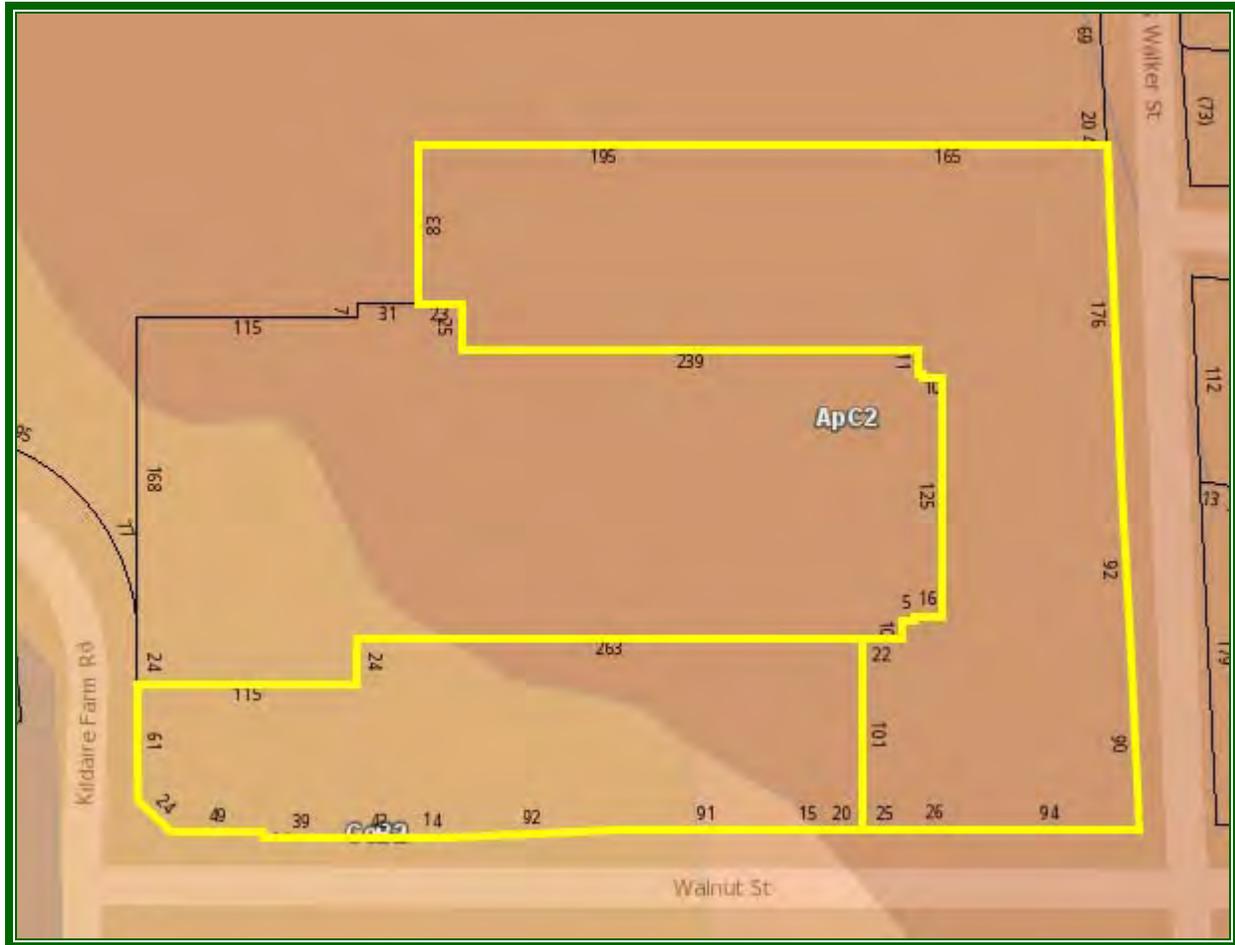
FEMA Flood % 0%

NOTE: This is not intended as a flood certification



Soils:

Soils Types: Appling and Cecil
 Flood Hazard Soils: N/A
 Flood Soils %: N/A%
 Flood Soils Location: N/A
 Notes: None



Utilities:

Municipal Water: Available
 Municipal Sewer: Available
 Electricity: Available
 Telephone: Available

Adjacent Uses:

Cary Arts Center, Residential

Easements/Encroachments:

I did not do a title search for easements on the subject property. The survey shows that Lot 1 will have a Sanitary Sewer Easement in the middle along Walnut Street as well as a 30-foot access and utility easement near the western end of the property. There is also a sidewalk easement along Walnut Street. The survey shows that Lot 2 will have a sidewalk easement along Walnut Street, a signal easement at the corner of S

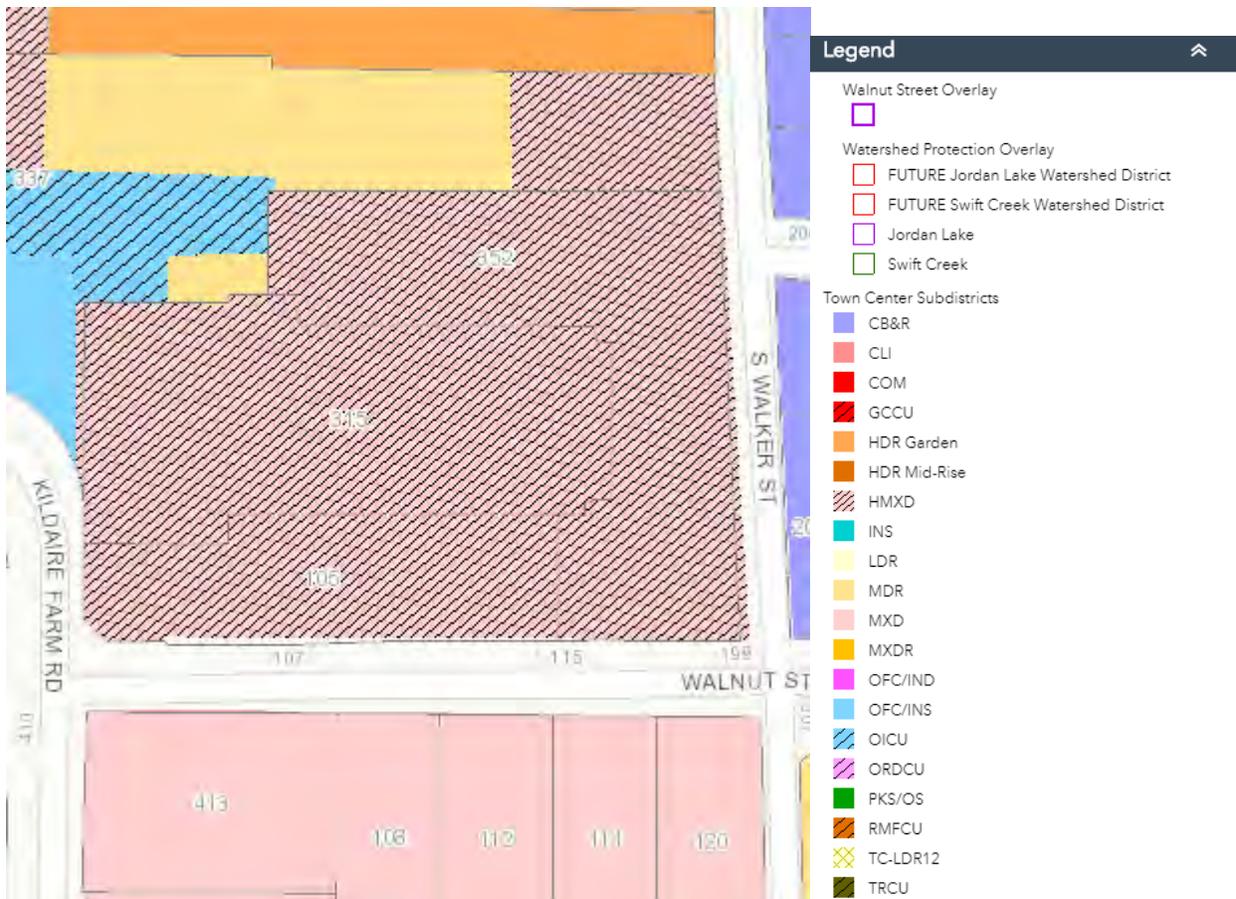
Walker Street and Walnut Street, and a 42-foot wide access easement.

Environmental Hazards: I am not an expert in that field and I have been provided with no certification or environmental report on this property. This report assumes that there are no hazardous substances, toxic wastes, pollutants, or contaminates.

Nearby Nuisances/Hazards: None noted

Zoning:

Zoning District: Town Center with High Intensity Mixed Use (HMXD) Subdistrict
Zoning Jurisdiction: Cary
Highest Permitted Use: High intensity mixed use
Likelihood of Rezoning: Recently rezoned to TC - HMXD (parts) and unlikely to be rezoned at this time
Zoning Conformance: Yes
Note: None



SUMMARY

The subject site is well located and the physical characteristics are well suited to commercial retail and multifamily development. The subject property will have parking requirements covered by the adjacent parking deck, which allows for a higher density of development on the subject lots than similar lots, but will also have an ongoing reservation cost.

PHOTOGRAPHS



New Lot 1 facing west
Along Walnut Street



New Lot 2 facing northeast
From Walnut Street



Proposed parking deck under
Construction
Facing northwest

PHOTOGRAPHS



Walnut Street facing west



Walnut Street facing east



S. Walker Street facing north

PROPOSED COVENANTS, CONDITIONS & RESTRICTIONS (CC&Rs)

The Town of Cary is placing Covenants, Conditions & Restrictions (CC&Rs) that are outlined in 19 pages that require very specific design and construction specifications that are intended to provide a visual “wrap” around the parking deck and with significant upgrades over the typical market that will make construction of these required buildings more costly than a similar sized building in this area. The CC&Rs also includes a required lot reservation ongoing expense for spaces in the parking deck. Another important point is that the CC&Rs have specific requirements on the timing of construction that would require development to start regardless of typical market timing considerations.

The potential improvements are to be developed as two buildings. Building One is to be located on New Lot 1 and will include 101,900 square feet in five floors. This will primarily be office space with some retail on the first floor and a restaurant on the fifth floor.

Building Two is to be located on New Lot 2. It is currently known as Academy Park Residential and will include 153 apartment units and 162,308 square feet of gross building area in a six floors. The unit mix will include 10 studio apartments, 77 one bedroom units, 46 two bedroom units, and 20 three bedroom units. The building will also include 22,000 s.f. of retail space along the eastern side of the property fronting on the park. The building will also include a pool and courtyard near the retail section.

The mix of units and related sizes is presented below.

ACADEMY PARK MIXED USE
CARY, NC

Updated: 6/5/2018

UNIT MATRIX

Unit Type	BUILDINGS		Description	Gross SF	Heated SF	Covered porch SF	# of Units	Total Unit Type % Mix	Individual Unit % Mix	Total GSF	Total HSF	% HSF	Total % HSF
	A	TOTAL											
S1	10	10	Studio		514	0	10	7%	6.5%	0	5,140	3.2%	3%
A1 (Den A)	10	10	1 Bedroom + Den (Inside Corner)		322	60	10	50%	8.5%	0	9,270	5.7%	41%
A1 (Den B)	10	10	1 Bedroom + Den (Inside Corner)		898	60	10		8.5%	0	8,980	5.5%	
A2	52	52	1 Bedroom (Inside Corner)		860	60	52	34.0%	0	44,720	27.6%		
A3	5	5	1 Bedroom (Inline)		815	60	5	3.3%	0	4,090	2.5%		
B1	21	21	2 Bedroom (Outside Corner)		1,273	0	21	30%	13.7%	0	25,733	16.5%	36%
B1m1	20	20	2 Bedroom (Outside Corner)		1,258	60	20		13.1%	0	25,160	15.5%	
B2	5	5	2 Bedroom (Inline)		1,348	60	5	3.3%	0	8,740	4.2%		
C1	15	15	3 Bedroom (Outside Corner)		1,558	60	15	1.9%	0	23,340	14.4%		1.9%
C1m1	5	5	3 Bedroom (Outside Corner)		1,813	60	5	3.3%	0	8,085	5.0%		
Total	153	153					153	100.0%	100.0%	0	162,168	100.0%	100%
			Avg. Unit Size		0	1,060							

Floorplans for each building are included in the addenda of this report.

An additional requirement for the purchase of the site is an agreement to pay for a reservation for 250 parking spaces within the parking deck for use with these two buildings that would start at \$75/month for 250 parking spaces. I have assigned 160 of those spaces to the residential building and 90 of those spaces to the commercial building based on conversations with John Cooke. The office and retail uses would benefit from the parking deck being open to the public for general use. This saves the property from having to develop independent parking, but effectively charges a premium for the use of the existing spaces. The parking reservation expense can't go up more than 5% over the next 10 years.

These proposed restrictions limit the property to a specific structure with specific layout, specific unit mix, specific building height, all of which removes flexibility for the site and thereby increases the risk. The proposed building is larger, taller, and higher quality upfit than other structures in the Downtown Cary area. The large size increases the potential lease up period, while the higher quality means the project will have to push for higher rents. Further, the CC&Rs require the builder to start construction within a specified time period which separates that decision from typical market factors.

All of these factors increase the risk associated with this project and means that there needs to be more/larger buffers in the plan to accommodate that risk. As construction costs remain constant regardless of the risk, the only area where the risk can be assigned is to the land price. It is for this reason that I have considered a land residual analysis in this report as well as a land sales comparison approach. The land sales comparison approach does not account for the risks associated with this site when coupled with the deed restrictions.

Conceptual Image of Building One



Conceptual Image of Building Two.



ASSESSMENT & TAXES

Identification

Lot			Tax Card	Survey	Survey	Calc	Assessed	
# PIN	Parcel ID	Address	Acres	Acres	SF	Acres	Value	\$/SF
1 0763.07-59-3847	469488	105 Walnut	0.820	0.821	35,751	0.821	\$796,534	\$22.28
2 0764.19-50-4183	469489	352 S Walker	1.560	1.561	67,978	1.561	\$1,515,374	\$22.29
			2.380	2.382	103,729	2.382	\$2,311,908	\$22.29

Both parcels were recently recombined from portions of several other lots. The assessment noted above is based on the current 2020 reassessment. However, the tax rates for 2020 have not been set and assuming that no increase in net revenue is intended, the tax rate for the area is likely to come down given the significant increases in property value. Where it actually will be has not yet been determined, but in order to consider the effective tax rate for the property from 2019 to establish a baseline tax estimate for these parcels I have considered the following set of tax comparables based on similar nearby lots and the 2019 tax assessed values. I have then applied those rates to the 2019 tax rates to derive an estimated tax on these properties. This estimate could be higher or lower than the actual tax on the property once the 2020 tax rates are established.

Tax Comparables - Land

REID	Acres	Assessed	\$/AC	\$/SF
627	0.39	\$238,512	\$611,569	\$14.04
37628	0.46	\$281,334	\$611,596	\$14.04
65566	0.46	\$281,334	\$611,596	\$14.04
Average	0.4367		\$611,587	\$14.04

Based on the comparables, I conclude that the likely tax assessed value of the subject sites for 2019 would have been \$14.04 per square foot or \$1,456,355 for both parcels.

Applying that rate to the 2019 tax rate yields the following estimated tax expense for these parcels.

Lot			Tax Card	Survey	Survey	2019 Tax	2019 Est.
# PIN	Parcel ID	Address	Acres	Acres	SF	Assess. Est.	Tax
1 0763.07-59-3847	469488	105 Walnut	0.820	0.821	35,751	\$501,944	\$5,374.31
2 0764.19-50-4183	469489	352 S Walker	1.560	1.561	67,978	\$954,411	\$10,218.88
			2.380	2.382	103,729	\$1,456,355	\$15,593.19

The future tax value of the buildings becomes more problematic to estimate given the interlinkage with the parking deck and the lack of similar properties in the area for comparison. I have instead considered a % of the EGI for the estimated tax impact later in this report for the property as proposed to be improved.

Tax Rates

Wake County	\$0.7207	
Cary	\$0.3500	
Total	\$1.0707	(per \$100 of assessed value)

TAX RATE TRENDS**Tax Rates**

TAXING UNIT	2019	2018	2017	2016*	2015	2014	2013	2012	2011	2010
WAKE COUNTY ¹	.7207	.6544	.615	.6005	.6145	.578	.534	.534	.534	.534
ANGIER ²	.53	.53	.53	.53	.53	.53	.53	.53	.53	.53
APEX	.415	.415	.38	.38	.39	.39	.39	.39	.34	.34
CARY	.35	.35	.35	.35	.37	.35	.35	.33	.33	.33
CLAYTON	.58	.58	.55	.55	.55	.525	.525	.525	.525	.54
DURHAM	.5317	.5786	.5786	.5607	.5912					
FUQUAY VARINA	.4325	.4325	.4325	.4325	.385	.385	.385	.385	.385	.385
GARNER	.56	.5325	.5325	.5325	.5175	.50	.49	.49	.49	.49
HOLLY SPRINGS	.4825	.4325	.4325	.4325	.435	.435	.435	.435	.415	.415
KNIGHTDALE	.43	.43	.43	.43	.43	.43	.43	.41	.41	.41
MORRISVILLE ^{2,4}	.39	.39	.39	.39	.41	.39	.39	.3665	.3665	.3665
RALEIGH ²	.4382	.4382	.4253	.4183	.421	.4038	.3826	.3826	.3735	.3735
ROLESVILLE	.48	.48	.48	.48	.44	.44	.44	.44	.44	.42
WAKE FOREST ²	.52	.52	.52	.52	.52	.52	.51	.51	.51	.51
WENDELL ³	.49	.49	.49	.49	.49	.49	.49	.49	.49	.49
ZEBULON	.592	.592	.575	.575	.525	.525	.525	.5125	.50	.50

HIGHEST & BEST USE

A fundamental step in estimating the value of the subject property is making a determination as to its highest and best use. The 11th Edition, Page 297 of The Dictionary of Real Estate Appraisal defines highest and best use as follows:

Highest and Best Use is the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

- ❖ **Legal Permissibility** Uses that the present public and private restrictions (e.g. zoning regulations and deed restrictions) permit
- ❖ **Physical Possibility** Uses that are physically possible, considering the physical characteristics of the site such as size, shape, contour, location, access/visibility, and availability of utilities
- ❖ **Financial Feasibility** Uses from among the possible and permissible uses that will provide a net positive return to the site
- ❖ **Maximal Productivity** The uses that produces the highest price or value consistent with the rate of return warranted by the market

Highest and best use must be determined separately for the land or site as though vacant and available for development, and for the property as currently improved.

ANALYSIS – AS THOUGH VACANT

LEGAL PERMISSIBILITY

As stated in the site description of this report, the subject property is zoned Town Center with High Intensity Mixed Use (HMXD) Subdistrict. The land use plan calls for the area to support uses similar to HMXD.

The subject lots will be subject to restrictions that will require the development of buildings substantially as depicted in the addenda of this report. This includes the upgraded exterior enhancements as well as the size, scope and mix of uses of the project. These legal requirements lock the property in to one specific use that would have to be developed regardless of changes in the market. These limitations include a reservation expense on 250 parking spaces within the adjoining parking deck. It effectively impacts the indication of land value either as an ongoing expense that will diminish the value by the income approach. As the cost remains fixed, this impact must be attributed to the land which is where that limitation comes from.

Furthermore, the project as part of an assembled mixed use development will have different setback requirements as shown in the site plan from standalone land sales in the downtown Cary area.

Based on the legal permissibility I believe the best use of the site as though vacant would be for a mixed use development substantially as presented earlier in this report as required by the proposed deed restrictions.

PHYSICAL POSSIBILITY

The subject property consists of 2.382 acres of land located on the northwest corner of Walnut Street and S Walker Street. The subject market area is considered good. The most important influence on growth in this market area is the proximity to the new library, Cary Arts Center, and Downtown Cary.

The subject site is New Lot 1 is a rectangular parcel while New Lot 2 is "L" shaped in shape. New Lot 1 has good frontage along Walnut Street, while New Lot 2 has frontage along S. Walker Street and the corner with Walnut Street. All public utilities are available. Topography is gentle. Floodplain is not a limiting factor.

Based on the physical possibility of the site, I believe the subject property is adequately suited for commercial or mixed use development. Given that there is only one legally permissible use and it is physically possible as shown in the site plans, I conclude that the development shown earlier in this report is supported.

FINANCIAL FEASIBILITY

There is good demand for commercial, office and apartment uses in the market area, the parking deck and library will make the site a destination area not just for that location, but for foot traffic around Downtown Cary and the Cary Arts Center. Retail uses at this site would benefit from that foot traffic first and would be a great location for restaurants, coffee shops, small retail boutiques and similar uses. Therefore, the financial feasibility of the site as a mixed use development supports my conclusions for legal permissibility and physical possibility.

MAXIMAL PRODUCTIVITY

Based on the physical possibility, legal permissibility and the financial feasibility, I believe a mixed use development as outlined earlier in this report would be the highest and best use of the subject site as though vacant.

LAND VALUE

Land value by comparison is an appraisal technique in which the land value estimate is predicated upon prices paid in actual market transactions and current listings of similar tracts of land. The subject property's land value was determined by the sales comparison approach. I have researched and analyzed a number of comparables for analysis. These comparables are detailed on the following pages, followed by a location map, analysis grid, analysis narrative and value conclusion.

Since this is an appraisal of a vacant parcel of land, the land value by comparison approach will be the only approach used, and all the sales will be vacant parcels of land. The income, building sales comparison and cost approaches are not typically applicable to vacant parcels of land where adequate comparable sales of vacant parcels are available.

I have compared each of these sales to the subject site, making adjustments to the sales prices for differences in such items as time, location, size and zoning. A chart summarizing the adjustments is included following the sales information. The adjustments are positive where the sale property is considered inferior to the subject site, and negative where considered superior.

From the summary and adjustment chart presented below the range of sales prices before and after adjustments is summarized as follows:

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/ SF
1.	149 East Chatham Street and 130 East Cedar Street	12/21/2018	\$850,000	23,958	\$35.48
2.	113 - 119 E Park Street	09/18/2018	\$1,692,000	89,298	\$18.95
3.	400 East Chatham Street	05/18/2018	\$485,000	17,424	\$27.84
4.	272 West Chatham Street	08/14/2017	\$295,000	18,731	\$15.75
5.	220 West Chatham Street	08/01/2016	\$1,200,000	49,223	\$24.38
6.	312 East Chatham Street	06/24/2016	\$1,000,000	57,935	\$17.26

Land Sale No. 1**Property Identification**

Record ID	4067
Property Type	Mixed Use
Address	149 East Chatham Street and 130 East Cedar Street, Cary, Wake County, North Carolina
Location	North side of East Chatham Street and east and west side of Roger Alley and south side of East Cedar Street
Tax ID	60972 and 60974

Sale Data

Grantor	James Rogers and Barbara Rogers
Grantee	Northwoods Associates, LLC
Sale Date	December 21, 2018
Deed Book/Page	17323/1586
Recorded Plat	106748073
Property Rights	Fee
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Jordan Gussenhoven with grantee; Other sources: GIS, deed, CoStar, Confirmed by Richard Kirkland
Sale Price	\$800,000
Cash Equivalent	\$800,000
Upward Adjustment	\$50,000 Demolition
Adjusted Price	\$850,000

Land Sale No. 1 (Cont.)**Land Data**

Zoning	TC-HMXD
Topography	Gentle
Utilities	All
Shape	2 regular parcels
Landscaping	None
Rail Service	East Cedar Street property is across the street from railway to the north
Flood Info	None noted

Land Size Information

Gross Land Size	0.550 Acres or 23,958 SF
Front Footage	161 ft East Chatham Street; 201 ft Roger Alley; 51 ft East Cedar Street;

Indicators

Sale Price/Gross Acre	\$1,454,545 Actual or \$1,545,455 Adjusted
Sale Price/Gross SF	\$33.39 Actual or \$35.48 Adjusted

Remarks

Properties are diagonally across from each other on either side of Roger Alley. The East Chatham Street property has a 5,984 sf. building built in 1920 that has a store front, but is listed as an apartment. The East Cedar Street property has a 1,470 sf. building built in 1978 that is currently being used as apartments. According to Mr. Gussenhoven, the property was purchased as land and they plan to remove the buildings for a mixed office/retail development at this site. They have completed a Phase II Environmental that came back clean, but overall costs were higher due to the older buildings.

Land Sale No. 2**Property Identification**

Record ID	4177
Property Type	Multi-family, Townhouse
Property Name	Park Station Townhomes Site
Address	113 - 119 E Park Street, Raleigh, Wake County, North Carolina
Location	North side of Park Street west of Walker Street
Tax ID	0764501831 et al

Sale Data

Grantor	Frank F. Yarborough et al
Grantee	Park Towns, LLC
Sale Date	September 18, 2018
Deed Book/Page	17244/1369
Property Rights	Fee
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	MSG Mick Michaels with grantee; 919-414-4780, Other sources: GIS, deed

Sale Price	\$1,632,000
Cash Equivalent	\$1,632,000
Upward Adjustment	\$60,000 Demolition
Adjusted Price	\$1,692,000

Land Sale No. 2 (Cont.)**Land Data**

Zoning	TC-HMXD
Topography	Gentle
Utilities	All
Shape	Regular
Landscaping	Light
Flood Info	None noted

Land Size Information

Gross Land Size	2.050 Acres or 89,298 SF
Planned Units	30
Front Footage	447 ft Total Frontage: 447 ft E Park Street;

Indicators

Sale Price/Gross Acre	\$796,098 Actual or \$825,366 Adjusted
Sale Price/Gross SF	\$18.28 Actual or \$18.95 Adjusted
Sale Price/Planned Unit	\$54,400 Actual or \$56,400 Adjusted
Sale Price/Front Foot	\$3,651 Actual or \$3,785 Adjusted

Land Sale No. 3**Property Identification**

Record ID	4070
Property Type	Mixed Use
Address	400 East Chatham Street, Cary, Wake County, North Carolina
Location	Southeast side of East Chatham Street
Tax ID	32253

Sale Data

Grantor	Patricia Holding et al
Grantee	Urban Place, LLC
Sale Date	May 18, 2018
Deed Book/Page	17130/562
Recorded Plat	106713849
Property Rights	Fee
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Richard Ladd, with grantee; 919-524-0405, Other sources: GIS, deed, Confirmed by Richard Kirkland

Sale Price	\$450,000
Cash Equivalent	\$450,000
Upward Adjustment	\$35,000 Demolition
Adjusted Price	\$485,000

Land Sale No. 3 (Cont.)**Land Data**

Zoning	TC-HMXD
Topography	Gentle
Utilities	All
Shape	Regular
Landscaping	Regular
Flood Info	None noted

Land Size Information

Gross Land Size	0.400 Acres or 17,424 SF
Front Footage	272 ft Total Frontage: 100 ft East Chatham Street; 172 ft Urban Drive;

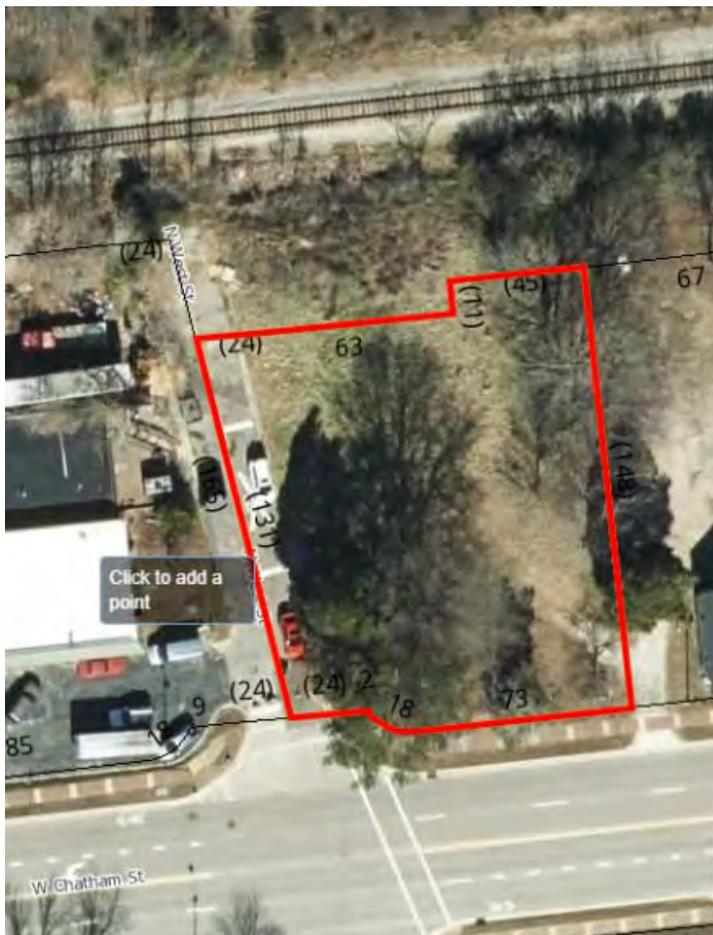
Indicators

Sale Price/Gross Acre	\$1,125,000 Actual or \$1,212,500 Adjusted
Sale Price/Gross SF	\$25.83 Actual or \$27.84 Adjusted
Sale Price/Front Foot	\$1,654 Actual or \$1,783 Adjusted

Remarks

Dwelling on site razed following purchase. Richard Ladd indicated he had \$10,000 in demolition expense, \$15,000 in asbestos remediation, and \$10,000 in backfilling the basement from the house, which is where the \$35,000 demolition cost comes from. Mr. Ladd indicated that he hopes to get 28 apartment units on this site and is currently going through site plan approval to that end, which works out to \$17,321 per potential unit. This will include a mix of 1 and 2 BR units with some daylight parking, and some parking underneath the building. Mr. Ladd indicated that in his opinion the shift from TC-MXD and TC-HMXD is huge - the number of units is doubled and he would consider that almost a doubling in value.

Land Sale No. 4



Property Identification

Record ID	4066
Property Type	Mixed Use
Address	272 West Chatham Street, Cary, Wake County, North Carolina
Location	East side of North West Street and north side of West Chatham Street
Tax ID	43957

Sale Data

Grantor	Harry Pasterchick, Jr. and Joanece Pasterchick
Grantee	Greenhouse Cary, LLC
Sale Date	August 14, 2017

Land Sale No. 4 (Cont.)

Deed Book/Page	16876/607
Property Rights	Fee
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Scott Korbin; 919-677-9911, Other sources: GIS, deed, Confirmed by Richard Kirkland

Sale Price	\$295,000
Cash Equivalent	\$295,000

Land Data

Zoning	TC-HMXD
Topography	Gentle
Utilities	All
Shape	Regular
Landscaping	Regular
Rail Service	Adjoin railway on the north side of property
Flood Info	None noted

Land Size Information

Gross Land Size	0.430 Acres or 18,731 SF
Front Footage	229 ft Total Frontage: 96 ft West Chatham Street; 133 ft North West Street;

Indicators

Sale Price/Gross Acre	\$686,047
Sale Price/Gross SF	\$15.75
Sale Price/Front Foot	\$1,288

Land Sale No. 5**Property Identification**

Record ID	4062
Property Type	Mixed Use
Address	220 West Chatham Street, Cary, Wake County, North Carolina
Location	North side of West Chatham Street and west side of North Harrison Avenue
Tax ID	14835

Sale Data

Grantor	Loyd Sorrell
Grantee	La Farm Downtown Cary, LLC
Sale Date	August 01, 2016
Deed Book/Page	16477/109
Property Rights	Fee
Conditions of Sale	Arm's length
Financing	Cash to seller
Verification	Laura Comire, with grantee; laura.comire@lafarmbakery, Other sources: GIS, deed, CoStar
Sale Price	\$1,600,000
Cash Equivalent	\$1,600,000
Downward Adjustment	\$400,000 Improvements
Adjusted Price	\$1,200,000

Land Sale No. 5 (Cont.)**Land Data**

Zoning	TC-HMXD
Topography	Gentle
Utilities	All
Shape	Regular
Landscaping	Average
Rail Service	Adjoins railway to the north of the property
Flood Info	None noted

Land Size Information

Gross Land Size	1.130 Acres or 49,223 SF
Front Footage	467 ft Total Frontage: 300 ft West Chatham Street; 167 ft North Harrison Avenue;

Indicators

Sale Price/Gross Acre	\$1,415,929 Actual or \$1,061,947 Adjusted
Sale Price/Gross SF	\$32.51 Actual or \$24.38 Adjusted
Sale Price/Front Foot	\$3,426 Actual or \$2,570 Adjusted

Remarks

Improved with commercial building with a gross building area of 15,851 square feet that was built in 1958. Building renovated following purchase for LaFarm Bakery. The tax assessed value shows 75% of the overall value being in the land and 25% in the building. Using this ratio, I adjusted the purchase price downward by \$400,000 to reflect the building value.

Land Sale No. 6**Property Identification**

Record ID	4061
Property Type	Mixed Use
Address	312 East Chatham Street, Cary, Wake County, North Carolina
Location	Southern side of East Chatham Street and corner of Urban Drive
Tax ID	61042 and 41548

Sale Data

Grantor	Clara W Williams heirs et al
Grantee	George Jordan III et al
Sale Date	June 24, 2016
Deed Book/Page	16432/908
Property Rights	Fee
Conditions of Sale	Arms length
Sale History	Also see deed 16432/913. Both later transferred to BJB Real Estate Venture
Verification	Trinity Partners, Mike Eberle; 919-674-3690, Other sources: GIS, deed

Land Sale No. 6 (Cont.)

Sale Price	\$950,000
Cash Equivalent	\$950,000
Upward Adjustment	\$50,000 Demolition
Adjusted Price	\$1,000,000

Land Data

Zoning	TC-MXD
Topography	Gentle
Utilities	All
Shape	Regular
Landscaping	Average
Flood Info	None noted

Land Size Information

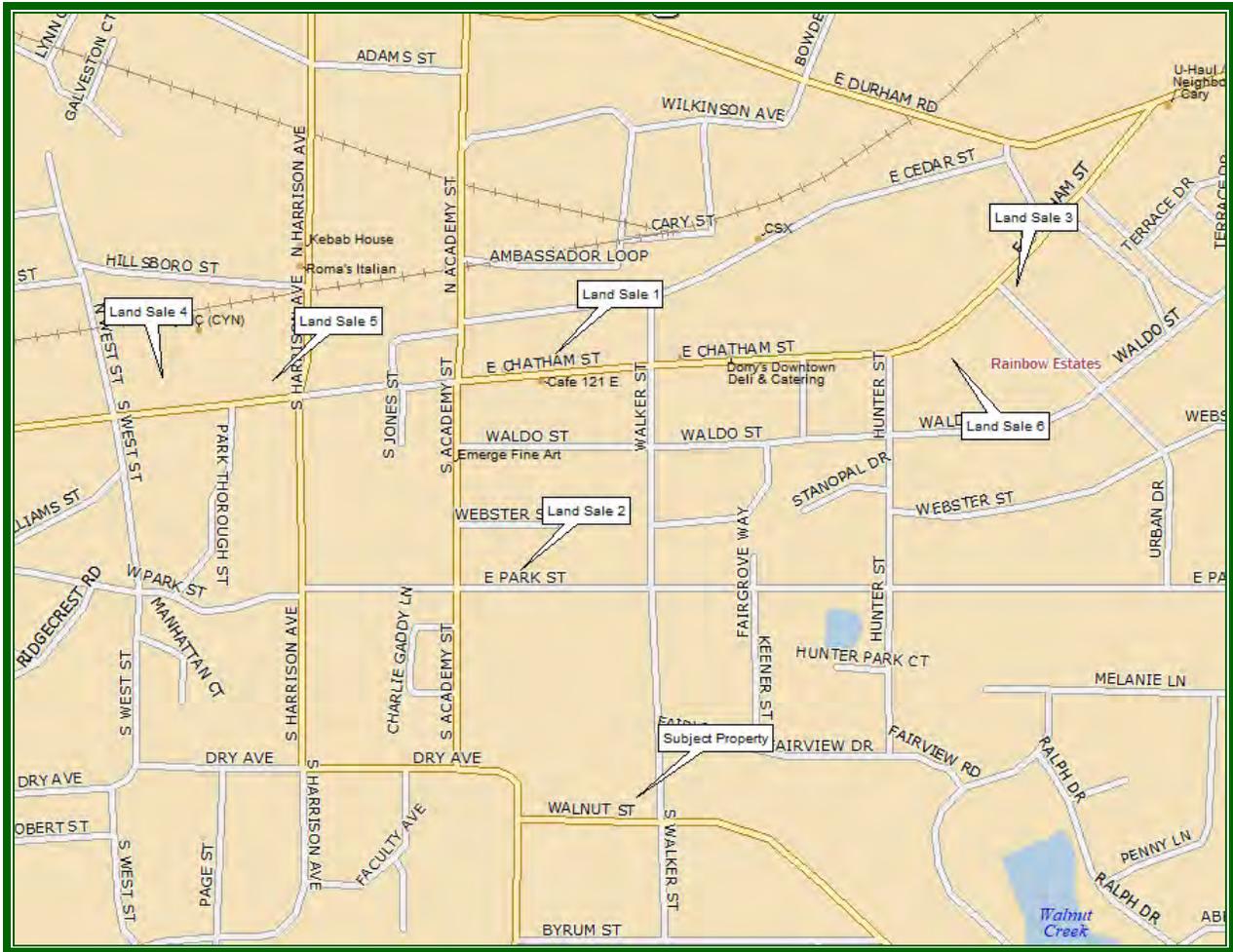
Gross Land Size	1.330 Acres or 57,935 SF
Front Footage	198 ft East Chatham Street ; 244 ft Urban Drive;

Indicators

Sale Price/Gross Acre	\$714,286 Actual or \$751,880 Adjusted
Sale Price/Gross SF	\$16.40 Actual or \$17.26 Adjusted

Remarks

This was two transactions; \$450,000 (312 East Chatham) for .69 acres or \$14.97 per sf & \$500,000 (318 East Chatham) for .64 acres or \$17.94 per sf. There was a residential dwelling on each property at the time of purchase. Both dwellings were razed in 2018. I adjusted the price upward by \$50,000 for demolition costs, based on actual demolition costs for an adjoining home. This is higher than normal due to asbestos remediation costs, which these homes likely had due to the similar age of the improvements. Property was marketed as development land and not as two homes.



Land Sales Summary							
	Subject	LS #1	LS #2	LS #3	LS #4	LS #5	LS #6
Grantor	N/A	Rogers	Yarborough	Holding	Pasterchick	Sorrell	Williams
Grantee	N/A	Northwoods	Park	Urban	Greenhouse	La Farm	Jordan
Sale Date	1/24/2020	12/21/2018	9/18/2018	5/18/2018	8/14/2017	8/1/2016	6/24/2016
Location	Walnut St	149 E Chatham	113 E Park	400 E Chatham	272 W Chatham	220 W Chatham	312 E Chatham
Size	2.382 acres (103,760 s.f.)	0.550 acres (23,958 s.f.)	2.050 acres (89,298 s.f.)	0.400 acres (17,424 s.f.)	0.430 acres (18,731 s.f.)	1.130 acres (49,223 s.f.)	1.330 acres (57,935 s.f.)
Frontage	One street	Two Streets	One street	Two streets	One street	One street	Two streets
Shape	Regular	Regular	Regular	Regular	Regular	Regular	Regular
Topography	Gentle	Gentle	Gentle	Gentle	Gentle	Gentle	Gentle
Drainage	Good	Good	Good	Good	Good	Good	Good
Utilities	All	All	All	All	All	All	All
Zoning	HMXD*	HMXD	HMXD	HMXD	HMXD	HMXD	HMXD
Other	N/A	Demo*	Demo*	Demo*	N/A	Improv*	Demo*
Total Price	N/A	\$850,000	\$1,692,000	\$485,000	\$295,000	\$1,200,000	\$1,000,000
Price /S.F.	N/A	\$35.48	\$18.95	\$27.84	\$15.75	\$24.38	\$17.26

Land Sales Adjustments							
Real Property Rights Conveyed	0%	0%	0%	0%	0%	0%	0%
Subtotal	\$35.48	\$18.95	\$27.84	\$15.75	\$24.38	\$17.26	
Financing Terms	0%	0%	0%	0%	0%	0%	0%
Subtotal	\$35.48	\$18.95	\$27.84	\$15.75	\$24.38	\$17.26	
Conditions of Sale	0%	0%	0%	0%	0%	0%	0%
Subtotal	\$35.48	\$18.95	\$27.84	\$15.75	\$24.38	\$17.26	
Market Conditions	3%	4%	5%	7%	10%	11%	
Subtotal	\$36.54	\$19.71	\$29.23	\$16.85	\$26.82	\$19.16	
Physical Characteristics							
Location	0%	0%	0%	25%	0%	0%	
Frontage	0%	0%	0%	0%	0%	0%	
Shape	0%	0%	0%	0%	0%	0%	
Size	0%	0%	0%	0%	0%	0%	
Topography	0%	0%	0%	0%	0%	0%	
Drainage /Flood	0%	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	0%	
Zoning	0%	0%	0%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	0%	
Subtotal	\$36.54	\$19.71	\$29.23	\$21.06	\$26.82	\$19.16	
Adjusted Price Per S.F.	\$36.54	\$19.71	\$29.23	\$21.06	\$26.82	\$19.16	

Before Adjustments

Average	\$23.28
Median	\$21.67
Low	\$15.75
High	\$35.48
Std. Dev.	\$7.52

After Adjustments

Average	\$25.42
Median	\$23.94
Low	\$19.16
High	\$36.54
Std. Dev.	\$6.80

ANALYSIS OF LAND SALES

In the chart above the adjustments are positive where the sale property is considered inferior to the subject site, and negative where considered superior.

Property Rights Conveyed: Based on Kirkland Appraisals, LLC research each of the comparable sales represented a transfer of the fee simple interest in the property.

Financing Terms: Financing terms were determined to be market terms or cash equivalent. Any adjustments for cash equivalency or favorable financing have been noted.

Conditions of Sale: Each of the comparable sales was made under market conditions and represents an "arms-length" transaction. Any undue duress on the part of either Grantor or Grantee has been noted and accounted for.

Market Conditions: The adjustments for market conditions are based on a general monitoring of real estate values in the area. I adjusted each of the land sale comparables upward by 3 percent annually for appreciation over the last few years.

Location: The location adjustments reflect the proximity to business centers and major corridors, the characteristics of the nearby development, and the ease of access to each of the sale properties, relative to the subject property. I adjusted Land Sale 3 upward for an inferior location. The other land sales are primarily located along Chatham Street and closer to the center of Downtown Cary. However, I made no adjustment for location as the subject property is located adjoining the proposed Cary Park, Cary Library, and Cary Arts Center. There is an argument that the subject property is better located than these other comparables, but I have made no such adjustment as it is also located along a corridor that has historically been more residential.

Size: The adjustments for size are based on the fact that the typical buyer will pay more per unit for a smaller parcel of land, and vice versa. I made no adjustments for size.

Utilities: All of these properties have all utilities available and no adjustments were required.

Zoning: No adjustments were required for zoning.

Other: Adjustments for demolition and improvements is described in the land sales write up and I used the adjusted sales price as the Total Price listed on the chart so no further adjustment was required.

ADDITIONAL CONSIDERATIONS

I also considered the October 25, 2019 sale of 319-401 E Chatham Street between Cody & Kara R. Hand to George H. Jordan, III. This 0.80 acre site sold for \$1,150,000, or \$33.00 per square foot for land. The properties are currently improved with a 1,288 square foot dwelling that has been converted to a commercial/office use and a 2,280 square foot dwelling that has been converted to a commercial/office use. These are considered to have an interim use value that can provide an income stream until these properties are ready to be developed. I contacted Jorden Gussenhoven

about this sale. The property was originally listed on the market for \$1,400,000. This property is zoned TC-MXD. According to Mr. Gussenhoven this purchase price did include value on the improvements and does not reflect solely a land value.

Similarly, I looked at 111 E. Chatham Street that was purchased on September 4, 2019 for \$2,375,000. This 0.63-acre parcel is improved with 9,738 square feet of multi-tenant retail space built in 1968. This property was purchased by 111 E. Chatham Street and reportedly will be updating the buildings for ongoing retail use and possible future redevelopment. Therefore, this sale does not provide a good indication of land value for this area.

CONCLUSION

Land Sales 3 and 6 are adjoining parcels with similar zoning and highest and best use. The indicated value by Land Sale 2 is significantly higher than Land Sale 5, which is two years older. This strongly illustrates the growing perception of value in the Downtown Cary area. I spoke with Mr. Richard Ladd for some time regarding the downtown area. He has additional land two blocks away under contract at a similar price and he believes that given the density allowed by the HMXD zoning that this is still a bargain price. Mr. Ladd's project is still in the planning stages but would include 28 apartment units in a 4-story building on 0.40 acres, or 70 units per acre. The LDO indicates a maximum of 50 units per acre, which would suggest 20 units instead of 28 units.

This is across Urban Drive from Chatham Walk (Land Sale 6) which is a proposed 4-story condominium building with 33 units on 1.32 acres, or 25 units per acre, that is to be developed by Chatham Street Commercial. This is an older sale and likely understates value given the shift in the market over time and given the lower density being accessed despite higher density being achievable at this zoning.

Land Sale 2 is the site for Park Station Townhomes which will have 30 townhomes on 2.05 acres or a density of 14.6 units per acre. This lower development density is one of the reasons this developer paid less for this site than the higher density comparables.

Land Sale 1 is similarly zoned HMXD, but in speaking with Jordan Gussenhoven with the developer, they see that site as being a mix of retail and office uses and therefore at a higher price point than say their development projected for Chatham Walk (Land Sale 6).

It is this shift in the projected yield that largely shows the difference in land values in these similarly zoned mixed use sites. Land Sales 1 and Land Sales 4 and 5 provide the best indication of value for a retail/office land value in the area, which range from \$21.06 per square foot up to \$36.54 per square foot with a median of \$26.82 per square foot. I consider a value closer to the low end of this range to be the better indication of value for the subject property as this has historically been more of a residential section of Downtown Cary, or \$24 per square foot. The more recent sale on Chatham Street shown in Additional Considerations shows continued strength in the market, but sales prices in that corridor are trending to the high end as there is more commercial synergy in that area. I have therefore not relied on that high end of the range.

Land Sales 2, 3 and 6 provide the best indication of the range for residential mixed uses, with a range of \$19.16 per square foot to \$29.23 per square foot with a median of \$19.71 per square foot. I consider a value near the low end of the range to be the best indication of value or \$22 per square foot.

Based on the discussion above I conclude that the value of the subject site without the CC&Rs and without the requirements associated with development in combination with the parking deck is as calculated below.

New Lot 1

35,751 s.f. x \$24.00 per s.f. = \$858,024

Rounded \$860,000

New Lot 2

67,978 s.f. x \$22.00 per s.f. = \$1,495,516

Rounded \$1,495,000

DIRECT CAPITALIZATION: LAND RESIDUAL TECHNIQUE/EXTRACTION

Essentially, the deed requirements proscribe specific buildings that must be built on the subject property. I have valued that proscribed building and deducted the costs from that indicated improved property to determine the amount that can be feasibly paid for the land. This is a modified Land Residual Technique/Extraction method that substitutes deducting the cost of the improvements from dividing the income between the land and building.

As outlined in Chapter 13 of **The Appraisal of Real Estate** published by the Appraisal Institute, this land technique was developed to estimate land value where sales data on similar parcels of vacant land was not available. While I have shown a Land Sales Comparison Approach for land in the area, none of the comparables included deed restrictions that so significantly modified and proscribed the required use of the property. Given the very specific and limiting conditions on developing the subject property, it is not possible to find similar land sales with such limiting conditions. I have therefore considered the Land Residual Technique.

The Extraction Method derives a value for the property as improved and deducts the value of the improvements from the total indicated value to derive a land value. The building contribution in this case is based on the supported Construction Costs.

The Land Residual Technique requires more data than any other valuation technique such as an accurate identification of buildings costs and an accurate projection of income streams.

The steps are as follows:

- 1 The appraiser supports the Net Operating Income of the property based on market rents and expenses.
- 2 The appraiser calculates the cost of the required improvements.
- 3 The appraiser deducts the cost of the improvements from the indicated value to derive the amount that can feasibly be supported in land value.

This essentially is a Feasibility Test on the subject property.

STEP ONE: INCOME APPROACH

The income capitalization approach is an appraisal technique in which the anticipated net income is processed to indicate the capital amount of the investment that produces the net income. Various methods can be used for processing or capitalizing income to arrive at an indication of value.

In this appraisal, I will apply the stabilized income capitalization approach. I have also considered the lease-up period required for the proposed improvements.

This income approach is not based on the specific requirements of an individual investor. It is based on estimates of income and expenses, expected rates of return, and anticipated financing terms derived from the marketplace.

POTENTIAL GROSS INCOME

OCCUPANCY

The subject property is proposed to be developed as two buildings which I will identify as Academy Park Commercial (on New Lot 1) and Academy Park Residential (on New Lot 2).

Academy Park Commercial will include 101,900 s.f. of office and retail space in five floors. This building will require a 50% to 70% pre-leasing prior to any construction being approved for bank financing.

Academy Park Residential will include 162,308 s.f. including 153 apartment units. The unit mix will include 10 studio apartments, 77 one bedroom units, 46 two bedroom units, and 20 three bedroom units. The building will also include 22,000 s.f. of retail space along the eastern side of the property fronting on the park. The building will also include a pool and courtyard near the retail section.

The mix of units and related sizes is presented below.

ACADEMY PARK MIXED USE CARY, NC

Updated: 6/6/2018

UNIT MATRIX

Unit Type	BUILDINGS		Description	Gross SF	Heated SF	Covered porch SF	# of Units	Total Unit Type % Mix	Individual Unit % Mix	Total GSF	Total HSF	% HSF	Total % HSF
	A	TOTAL											
S1	10	10	Studio		514	0	10	7%	6.5%	0	5,140	3.2%	3%
A1 (Den A)	10	10	1 Bedroom + Den (Inside Corner)		922	60	10	50%	6.5%	0	9,220	5.7%	41%
A1 (Den B)	10	10	1 Bedroom + Den (Inside Corner)		898	60	10		6.5%	0	8,980	5.5%	
A2	52	52	1 Bedroom (Inside Corner)		860	60	52		34.0%	0	44,720	27.6%	
A3	5	5	1 Bedroom (InLine)		816	60	5		3.3%	0	4,090	2.5%	
B1	21	21	2 Bedroom (Outside Corner)		1,273	0	21	30%	13.7%	0	25,733	16.5%	35%
B1m1	20	20	2 Bedroom (Outside Corner)		1,258	60	20		13.1%	0	25,100	15.5%	
B2	5	5	2 Bedroom (InLine)		1,348	60	5		3.3%	0	8,740	4.2%	
C1	15	15	3 Bedroom (Outside Corner)		1,355	60	15	13%	9.8%	0	23,340	14.4%	19%
C1m1	5	5	3 Bedroom (Outside Corner)		1,613	60	5		3.3%	0	8,065	5.0%	
Total	153	153					153	100.0%	100.0%	0	162,168	100.0%	100%
			Avg. Unit Size	0	1,060								

While the gross building area for the retail component is 22,000 square feet, the net rentable area is 17,500 square feet. The estimated TICAM is \$6.89 per square foot.

RENT COMPARABLES - OFFICE

To determine the market rent for the subject property, I have researched the local market for leases of comparable space that would be competitive with the subject property. Summary information pertaining to several recently negotiated rental arrangements for comparable space is included on the following pages.

The typical office lease arrangement for this type of space is a gross lease where the lessor (landlord) is responsible for all operating expenses, including property taxes, hazard and liability insurance, utilities, housekeeping, grounds keeping, interior and exterior repairs and maintenance and any other expenses associated with operating the property. The lessee (tenant) would pay rent, but not be responsible for any other expenses associated with operating the property. Most of the rent comparables presented below are set up on this basis.

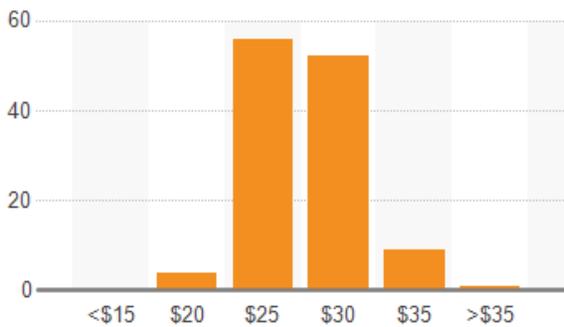
I first considered a survey of office leases around Cary over \$20 per square foot signed since January 1, 2017 for over 1,000 s.f. of space. I identified 126 lease comps using CoStar with the following breakdown on those signed leases.

This lease survey supports a Gross Effective rent between \$20.50 per square foot and \$36.27 per square foot in general. As can be seen in the bar graph, the bulk of the leases where signed between \$25 per square foot and \$30 per square foot.

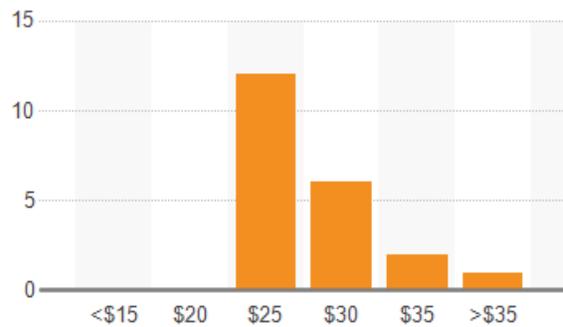
Rents Per SF	Survey	Low	High
Gross Asking Rent	\$26.50	\$17.50	\$72.00
Gross Starting Rent	\$35.07	\$20.14	\$240.00
Gross Effective Rent	\$33.03	\$19.19	\$240.00
Concessions	Survey	Low	High
Months Free Rent	6.0	2.0	10.0
TI Allowance Per SF	\$0.00	\$0.00	\$0.00
Concessions	-	-	-
Asking Rent Discount	-4.4%	-35.7%	4.1%
Annual Rent Increase	2.8%	2.0%	3.0%

Volume	Survey	Low	High
Deals	126	-	-
SF Leased	1,127,014	1,057	101,960
Average Deal SF	8,944	1,057	101,960
Buildings	59	-	-
Building SF	3,750,041	3,200	253,490
Time on Market	Survey	Low	High
Months on Market	11.5	1.0	151.5
Months Vacant	9.8	0.0	113.7
Average Term in Years	5.1	1.0	12.3

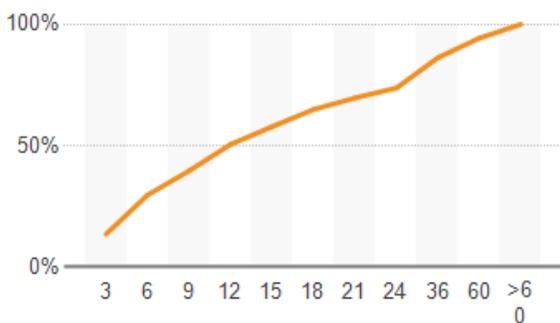
Deals by Gross Asking Rent



Deals by Gross Starting Rent



Probability of Leasing in Months



Office Rent Comparable 1

Specific leases identified in this survey includes 215 East Chatham Street which is a 23,060 square foot office building built in 2017 and known as Mid Town Square. Office space was signed in 2017 for most of the building at \$26.50 per square foot and \$27.50 per square foot for the third floor space.



Office Rent Comparable 2

Also in the survey is 901 Kildaire Farm Road which signed a 1,057 square foot office space on the first floor for \$22.71 per square foot in a modified gross lease signed in December 2018. This is an older building built in 1961 and renovated in 1974 that is located just south of the Downtown Cary area. This clearly marks a low end of the range for office lease space at the subject property.

**Office Rent Comparable 3**

I also considered 4000 CentreGreen Way which is located north of Downtown Cary off Weston Parkway. This building recently signed a lease for 6,526 square feet on the first floor within this 99,804 square foot building that was built in 2000. That lease started on May 20, 2019 at \$28.95 per square foot.



Office Rent Comparable 4

I also considered 5444 Wade Park Boulevard which is located off Wade Avenue within the Offices at Wade, which is a signature mixed-use, master planned development featuring a unique central courtyard with extensive landscaping. While this is not in Cary, it is nearby with similar access to I-40, RTP, and RDU International Airport and also located with similar features as the proximity to the Cary Park and Arts Center that the subject property has. This is part of a larger mixed use development, while the subject is part of a larger Downtown Area. I consider this to be a strong comparable.

This building is one of several office buildings in the area of similar age and construction around the courtyard and with nearby apartments. This building was built in 2017 with 104,071 square feet and there have been multiple signed leases indicated in CoStar at \$28.50 per square foot for sizes ranging from 11,865 square feet up to 39,885 square feet. Smaller spaces of 2,459 to 5,704 square feet are currently available at \$29 per square foot.



Office Rent Comparable 5

I also considered The Block, a building under construction at 300 S. Main Street in Downtown Holly Springs. This building will be a three-story mixed-use building with a gross building area of 52,530 square feet including office space with units up to 7,065 square feet and retail units between 1,000 and 6,000 square feet. The asking rate for offices is \$20 to \$24 per square foot NNN. Adjusting this upward by a TICAM of \$6/square foot, the indicated full service rate would be \$26 to \$30 per square foot. I note that the TICAM projected for the subject property is actually higher at \$6.89 per square foot.



Office Rent Conclusion

The pro forma shows an office rental rate at \$28.50 per square foot full service with a \$50 Tenant Improvement Allowance off the shell. The rent survey supports that range and the office rent comparables range from \$22.71 per square foot to \$30 per square foot. Excluding Office Rent Comparable 2, which was shown as the low end rate for lower quality, older, less well-located space, the range becomes \$26 to \$30 per square foot with an average of \$28.36 per square foot and a median of \$28.48 per square foot.

I therefore conclude that \$28.50 per square foot is a well supported office rental rate for the proposed subject property.

RENT COMPARABLES - RETAIL

To determine the market rent for the subject property, I have researched the local market for leases of comparable space that would be competitive with the subject property. Summary information pertaining to several recently negotiated rental arrangements for comparable space is included on the following pages.

The typical retail lease arrangement for this type of space is a triple net lease where the tenant is responsible for most operating expenses, the landlord passes thru a pro rata share of property taxes, insurance, and common area utilities, housekeeping, grounds keeping, as well as exterior repairs and maintenance and any other expenses associated with operating the property. The lessee (tenant) would pay rent, the pass thru and any expenses related to interior maintenance, housekeeping, and utilities. Most of the rent comparables presented below are set up on this basis.

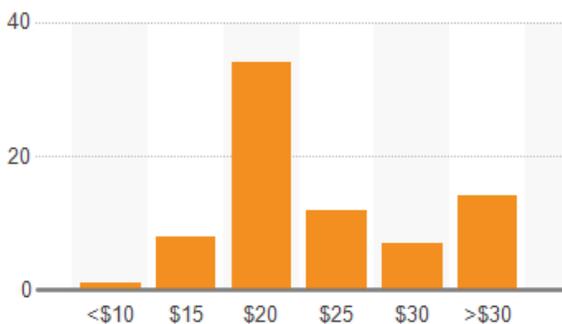
I first considered a survey of retail leases around Cary since January 1, 2017 for over 1,000 s.f. of space. I focused only on retail leases inside the Maynard Road loop and identified 119 lease comps using CoStar with the following breakdown on those signed leases.

This lease survey supports a NNN Effective rent between \$6.11 per square foot and \$40.87 per square foot in general. The CoStar Survey rate indicates an effective rate of \$14.64 per square foot. As can be seen in the bar graph, the bulk of the leases where signed between \$15 per square foot and \$25 per square foot.

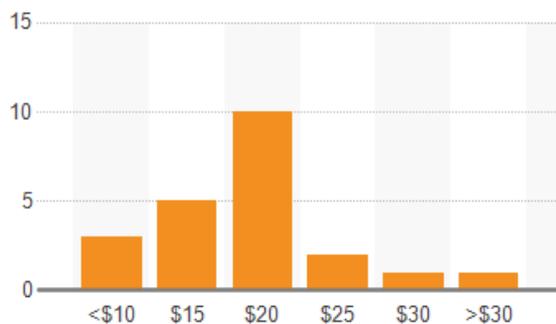
Rents Per SF	Survey	Low	High
NNN Asking Rent	\$21.57	\$9.00	\$38.61
NNN Starting Rent	\$15.51	\$6.50	\$40.87
NNN Effective Rent	\$14.64	\$6.11	\$40.87
Concessions	Survey	Low	High
Months Free Rent	1.8	0.0	3.0
TI Allowance Per SF	\$0.00	\$0.00	\$0.00
Concessions	-	-	-
Asking Rent Discount	9.3%	-16.5%	28.1%
Annual Rent Increase	2.9%	2.0%	6.8%

Volume	Survey	Low	High
Deals	119	-	-
SF Leased	480,076	1,000	109,700
Average Deal SF	4,034	1,000	109,700
Buildings	62	-	-
Building SF	1,837,188	1,563	222,263
Time on Market	Survey	Low	High
Months on Market	7.4	0.0	94.1
Months Vacant	9.0	0.0	116.4
Average Term in Years	3.9	1.0	15.0

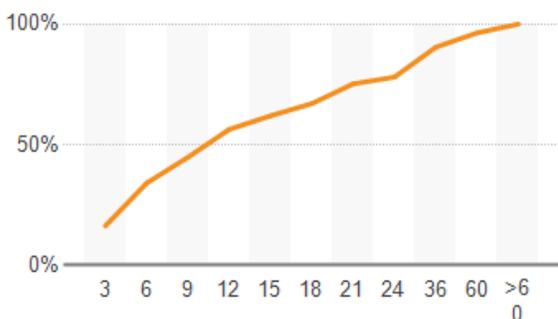
Deals by NNN Asking Rent



Deals by NNN Starting Rent



Probability of Leasing in Months



Retail Rent Comparable 1

Specific leases identified in this survey includes 215 East Chatham Street which is a 23,060 square foot office/retail building built in 2017 and known as Mid Town Square. Retail space with 1,348 square feet was signed in 2017 for \$27.50 per square foot on a modified gross lease basis. Adjusting that downward based on a \$6.50 TICAM, the indicated rental rate is \$21 per square foot.



Retail Rent Comparable 2

Also in the survey is 312 West Chatham Street, which is a 9,575 s.f. retail building with two floors built in 2000. A second floor space leased in April 2018 including 1,775 s.f. at a rate of \$15 per square foot NNN. This is second floor space which is inferior to first floor space and the building is older and in an inferior location. This suggests a low end to the range of rental rates. Two other 2nd floor spaces were also leased in 2018 at the same rate.



Retail Rent Comparable 3

I also considered 651-683 Cary Towne Boulevard which includes 184,356 square feet of neighborhood shopping center built in 1975 which was significantly renovated recently in 2015. A 12,750 s.f. space was leased in July 2017 for \$12.10 per s.f. NNN to Harbour Sew & Vac. A smaller 1,275 s.f. space was leased in October 2017 to Gorgeous Nails for \$19.51 per s.f. NNN. Another space was leased to Wake County ABC for 3,145 s.f. at \$17.80 per s.f. The most recent lease is 1,227 square feet leased to Jenny Taylor for \$18.00 per s.f. signed in July 2019. The marketing brochure shows a variety of spaces available at rates ranging from \$9 per square foot for 12,000 s.f. up to \$24 per square foot for 2,000 s.f.

availability		
suite	SF	rate
Suite 675	+/- 6,600 SF	\$13.00/PSF/NNN
Suite 688	+/- 2,000 SF	\$24.00/PSF/NNN
Suite 683- C	+/- 2,250 SF	\$15.00/PSF/NNN
Suite 1000	+/- 12,000 SF	\$9.00/PSF/NNN



Retail Rent Comparable 4

I also considered 682-792 Cary Towne Boulevard which is a 14,243 s.f. building built in 1975 and significantly renovated in 2015. This retail building signed 1,275 s.f. in November 2018 for \$20 per s.f. NNN. Older leases in this building from 2016 include NY Pizza at \$26 per s.f. NNN and Wingstop at \$27 per s.f. NNN.



Retail Rent Comparable 5

I also considered The Block, a building under construction at 300 S. Main Street in Downtown Holly Springs. This building will be a three-story mixed-use building with a gross building area of 52,530 square feet including office space with units up to 7,065 square feet and retail units between 1,000 and 6,000 square feet. The asking rate for retail is \$24 to \$26 per square foot NNN.



Retail Rent Comparable 6

This project is located at 1347 Olde Apex Road. This is a mixed use building with retail and apartments built in 2015. Retail rents at this located are asking \$19.50 per square foot NNN in 2018, which increased to \$21.00 per square foot in 2019. Three leases were noted as signed in 2018 and one in 2019 as shown below.

4 Lease Comps									
Sign Date	Floor	SF Leased	Rent	Services	Rent Type	Use	Lease Type	Term	Tenant
Sep 2019	1st	1,915	\$21.00	NNN	Asking	Retail	Direct		Lyfe By Hemp, LLC
Sep 2018	1st	1,687	\$19.50	NNN	Asking	Retail	Direct		A - Z Pharmacy
May 2018	1st	1,713	\$19.50	NNN	Asking	Retail	Direct		Trilogy Edible Bake
Feb 2018	1st	1,658	\$19.50	NNN	Asking	Retail	Direct		Craft Beer Cellar



Retail Rent Conclusion

The rent survey supports a broad range from \$6 to \$28 per square foot with most of the signed leased being in the \$20 range. The retail rent comparables range from \$15 per square foot to \$25 per square foot with an average of \$20.10 per square foot and a median of \$20 per square foot. Rent Comparable 1 is the most similarly located in Downtown Cary and supports a \$21 per square foot NNN. Rent Comparable 5 is located in a similar mixed use building in Downtown Holly Springs that is under construction and supports a rate up to \$26 NNN.

Excluding Retail Rent Comparable 2, which was shown as the low end rate for lower quality, older, less well-located space, the range becomes \$19.51 to \$26 per square foot with an average of \$21.63 per square foot and a median of \$20.50 per square foot.

I therefore conclude that \$21.50 per square foot NNN with a \$6.89 TICAM is a well supported retail rental rate for the proposed subject property in the Academy Park Commercial building which has good visibility and would make for some very good restaurant sites at the Cary Arts Center corner. Rent Comparable 1 for example indicated a current \$6.50 per square foot TICAM. I have converted the NNN rental rate into a gross lease for simplicity to \$28.50 per square foot (\$21.50 plus \$6.89 equals \$28.39, rounded to \$28.50) for the commercial building.

However, the Academy Park Residential building has retail uses that will front on the Cary Park, that will not be complete until 2021. The reduced visibility of this retail space is inferior, but the location once the park is complete will be superior. I consider this to be a somewhat balancing factor on this portion of the property with these spaces potentially being marketed at a premium in the future, but will likely require significant initial discounts to entice a tenant. I therefore conclude that \$15.00 NNN is a better indicator for that 17,500 square feet in that building. This adjusts upward to \$21.89 per square foot with the TICAM, which I have rounded to \$21.50 per square foot for the retail portion of the apartment building.

RENT COMPARABLES - APARTMENT

CoStar Multifamily Submarket Report

I ran a CoStar Multifamily Submarket Report for the area that includes Downtown Cary as shown below in the North Cary/Morrisville Multi-Family report. It indicates an effective rental rate for an average unit at \$1,287 for a 4 and 5 Star development. It notes strong absorption and slowing development to allow for even stronger rent growth.

North Cary/Morrisville Multi-Family			
12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
296	908	6.4%	3.9%

North Cary/Morrisville is a suburban area with a growing office using sector. The residential market largely consists of single-family homes, though the area has been a hotspot for multifamily development as the increasing working-age and senior population continues to drive demand for rental housing. More than 1,200 units are under construction in the submarket, a number second only to downtown Raleigh in the metro. But the pipeline is still lighter than it was in previous years, and rent growth is still strong given the extensive amount of new supply. Moving forward, the pace of development in this submarket will likely cool off or shift north to

Morrisville as Cary runs out of available land.

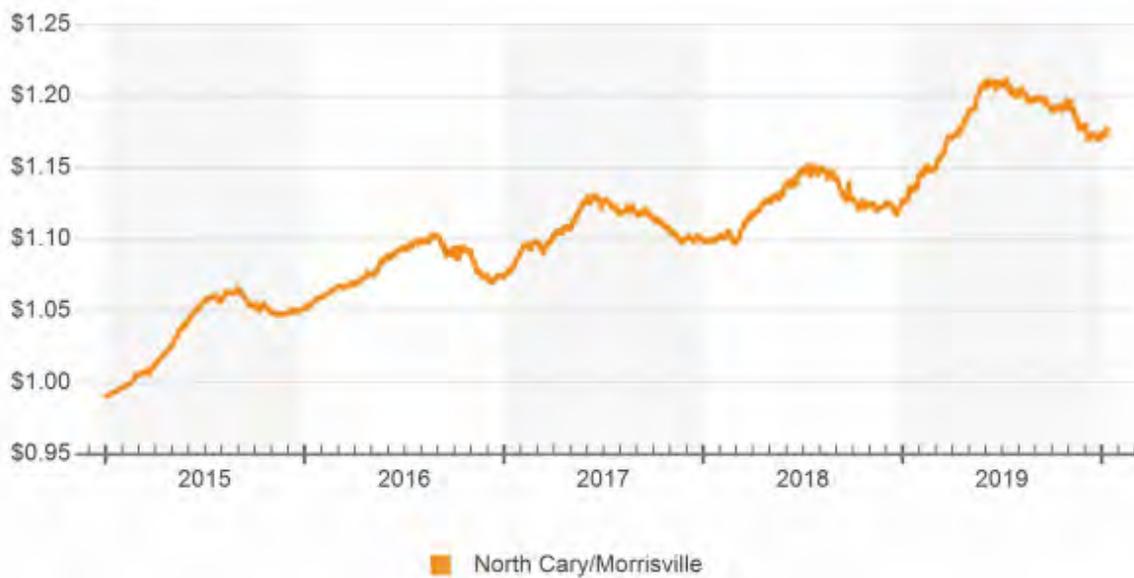
North Cary/Morrisville is one of the most expensive housing markets in Raleigh. Nonetheless, this has not had a significant impact on leasing given the area's large high-wage profile, and new communities are able to lease up without significant concessions. With stiff competition among the newer, luxury apartments, middle-market communities have seen the most rapid rent gains in the past four quarters, outperforming the submarket average.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	11,041	6.3%	\$1,287	\$1,280	6	0	938
3 Star	8,498	6.6%	\$1,094	\$1,083	6	0	238
1 & 2 Star	381	6.4%	\$930	\$923	0	0	0
Submarket	19,920	6.4%	\$1,197	\$1,188	12	0	1,176
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-3.2%	6.6%	6.9%	11.4%	2018 Q1	1.8%	2002 Q2
Absorption Units	908	438	545	1,639	2001 Q1	(416)	2003 Q3
Delivered Units	296	501	609	1,775	2014 Q1	0	2017 Q2
Demolished Units	0	19	16	344	2017 Q4	0	2019 Q4
Asking Rent Growth (YOY)	3.9%	1.7%	1.6%	8.3%	2015 Q2	-5.6%	2002 Q4
Effective Rent Growth (YOY)	6.1%	1.7%	1.8%	7.5%	2015 Q3	-5.7%	2002 Q4
Sales Volume	\$411 M	\$226.5M	N/A	\$726.3M	2019 Q3	\$0	2006 Q3

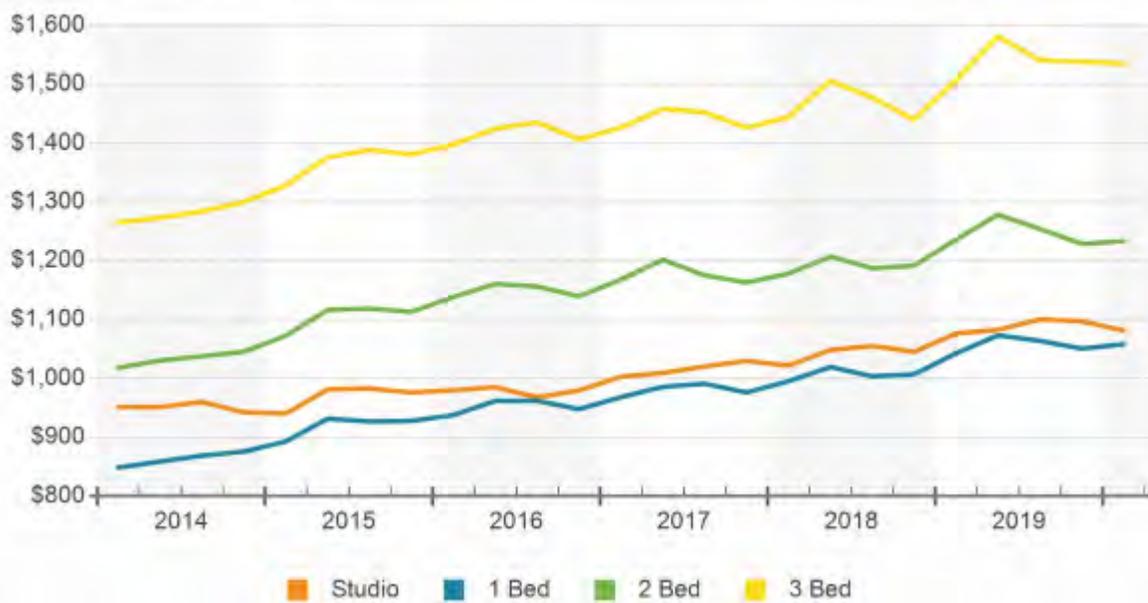
The rental rates based on the square foot of apartment space has steadily trended upwards as shown below.

DAILY ASKING RENT PER SF



The market rent by bedroom is shown below.

MARKET RENT PER UNIT BY BEDROOM



The chart below shows future projections on rent based on average unit rents and suggests a 2020 rental rate at \$1.29 per square foot for 4 and 5 star units.

4 & 5 STAR VACANCY & RENT

Year	Vacancy			Market Rent				Effective Rent	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Per Unit	Per SF
2024	1,205	8.6%	0.2	\$1,359	\$1.33	-0.1%	(0.3)	\$1,351	\$1.32
2023	1,132	8.4%	0.4	\$1,361	\$1.33	0.2%	(0.7)	\$1,353	\$1.32
2022	1,037	8.1%	0.5	\$1,359	\$1.33	0.9%	(1.0)	\$1,350	\$1.32
2021	935	7.6%	0	\$1,346	\$1.31	1.9%	(1.3)	\$1,338	\$1.31
2020	880	7.6%	1.3	\$1,321	\$1.29	3.2%	0.1	\$1,313	\$1.28
YTD	694	6.3%	(0.1)	\$1,287	\$1.24	0.5%	(2.5)	\$1,280	\$1.23
2019	700	6.3%	(6.5)	\$1,281	\$1.24	3.1%	0.3	\$1,268	\$1.22
2018	1,416	12.8%	0.8	\$1,243	\$1.20	2.7%	0.4	\$1,199	\$1.16
2017	1,191	12.0%	3.9	\$1,209	\$1.17	2.3%	1.4	\$1,167	\$1.13
2016	735	8.1%	0.1	\$1,182	\$1.14	0.9%	(5.0)	\$1,157	\$1.12
2015	704	8.0%	0.4	\$1,171	\$1.13	5.9%	3.0	\$1,152	\$1.11
2014	636	7.6%	(6.3)	\$1,106	\$1.07	2.9%	(0.1)	\$1,088	\$1.05
2013	1,077	13.9%	8.8	\$1,074	\$1.04	3.1%	(0.7)	\$1,054	\$1.02
2012	305	5.1%	(1.9)	\$1,042	\$1.00	3.8%	1.3	\$1,035	\$1.00
2011	418	7.0%	(0.2)	\$1,004	\$0.97	2.5%	1.4	\$998	\$0.96
2010	418	7.3%	(4.1)	\$980	\$0.94	1.1%	4.1	\$971	\$0.94
2009	653	11.3%	(0.1)	\$970	\$0.93	-3.1%	(3.6)	\$958	\$0.92
2008	586	11.4%	(0.4)	\$1,000	\$0.96	0.5%	-	\$989	\$0.95

Apartments Considered

I ran additional specific rent breakdown CoStar reports on several apartment complexes in and around Cary for consideration.

Apartment Rent Comparable 1 – Post Parkside at Wade

This development is located off Wade Park Boulevard near the offices noted earlier in the rent analysis. There are 803 apartment units in this complex in 22 buildings with an average unit size of 908 s.f. built in 2013. These units are located in a similar mixed use area and provide a strong indication of rental rates, but the average sizes are generally 10% smaller than the subject property units on average.



Unit Mix

Show All Actual Export

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
Studio	1	394	14	1.5%	0	0.0%	\$852	\$2.16	\$848	\$2.15	0.6%
Studio	1	616	13	1.4%	0	0.0%	\$1,030	\$1.67	\$1,024	\$1.66	0.6%
Studio	1	626	14	1.5%	5	35.7%	\$1,020	\$1.63	\$1,014	\$1.62	0.6%
Studio	1	628	13	1.4%	0	0.0%	\$1,216	\$1.94	\$1,209	\$1.93	0.6%
Studio	1	632	14	1.5%	0	0.0%	\$1,014	\$1.60	\$1,008	\$1.60	0.6%
1	1	-	150	15.7%	0	0.0%	\$1,122	-	\$1,115	-	0.6%
1	1	328	34	3.6%	0	0.0%	\$1,074	\$3.27	\$1,068	\$3.26	0.6%
1	1	429	34	3.6%	0	0.0%	\$1,157	\$2.70	\$1,150	\$2.68	0.6%
1	1	672	1	0.1%	1	100%	\$1,115	\$1.66	\$1,108	\$1.65	0.6%
1	1	688	68	7.1%	0	0.0%	\$1,153	\$1.68	\$1,147	\$1.67	0.6%
1	1	725	34	3.6%	12	35.3%	\$1,100	\$1.52	\$1,094	\$1.51	0.6%
1	1	741	34	3.6%	0	0.0%	\$1,014	\$1.37	\$1,009	\$1.36	0.6%
1	1	743	34	3.6%	0	0.0%	\$1,075	\$1.45	\$1,069	\$1.44	0.6%
1	1	744	34	3.6%	0	0.0%	\$1,001	\$1.35	\$996	\$1.34	0.6%
1	1	745	34	3.6%	0	0.0%	\$1,218	\$1.63	\$1,211	\$1.63	0.6%
1	1	746	34	3.6%	0	0.0%	\$1,092	\$1.46	\$1,086	\$1.46	0.6%
1	1	853	34	3.6%	0	0.0%	\$1,032	\$1.21	\$1,026	\$1.20	0.6%
2	2	835	28	2.9%	0	0.0%	\$1,347	\$1.61	\$1,340	\$1.60	0.6%
2	2	1,004	28	2.9%	10	35.7%	\$1,481	\$1.48	\$1,473	\$1.47	0.6%
2	2	1,054	28	2.9%	0	0.0%	\$1,202	\$1.14	\$1,195	\$1.13	0.6%
2	2	1,077	28	2.9%	0	0.0%	\$1,309	\$1.22	\$1,301	\$1.21	0.6%
2	2	1,126	28	2.9%	5	17.9%	\$1,415	\$1.26	\$1,407	\$1.25	0.6%
2	2	1,128	28	2.9%	0	0.0%	\$1,390	\$1.23	\$1,383	\$1.23	0.6%
2	2	1,138	28	2.9%	0	0.0%	\$1,261	\$1.11	\$1,254	\$1.10	0.6%
2	2	1,140	28	2.9%	0	0.0%	\$1,471	\$1.29	\$1,462	\$1.28	0.6%
2	2	1,193	28	2.9%	0	0.0%	\$1,451	\$1.22	\$1,443	\$1.21	0.6%
2	2	1,235	28	2.9%	0	0.0%	\$1,428	\$1.16	\$1,420	\$1.15	0.6%
2	2.5	1,671	35	3.7%	0	0.0%	\$1,760	\$1.05	\$1,750	\$1.05	0.6%
3	2	-	-	-	-	-	\$1,920	-	\$1,909	-	0.6%
3	2	1,374	6	0.6%	0	0.0%	\$1,777	\$1.29	\$1,767	\$1.29	0.6%
3	2	1,386	21	2.2%	0	0.0%	\$2,283	\$1.65	\$2,271	\$1.64	0.6%
3	3	1,053	8	0.8%	0	0.0%	\$2,404	\$2.28	\$2,391	\$2.27	0.6%
3	3	1,459	1	0.1%	0	0.0%	\$1,802	\$1.24	\$1,791	\$1.23	0.6%
3	3.5	2,086	8	0.8%	0	0.0%	\$2,625	\$1.26	\$2,611	\$1.25	0.6%
3	3.5	2,107	1	0.1%	0	0.0%	\$2,179	\$1.03	\$2,167	\$1.03	0.6%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All Studios		578	68	7.1%	5	7.4%	\$1,024	\$1.77	\$1,018	\$1.76	0.6%
All 1 Beds		675	525	55.1%	13	2.5%	\$1,104	\$1.62	\$1,098	\$1.62	0.6%
All 2 Beds		1,157	315	33.1%	15	4.8%	\$1,418	\$1.23	\$1,410	\$1.22	0.6%
All 3 Beds		1,467	45	4.7%	0	0.0%	\$2,277	\$1.56	\$2,264	\$1.55	0.6%
Totals		901	953	100%	33	3.5%	\$1,259	\$1.43	\$1,252	\$1.42	0.6%

Estimate Updated January 13, 2020

Apartment Rent Comparable 2 – The Dakota

This project is located at 1201 Pine Haven Drive near Trinity Road. There are 314 apartment units in this complex in 8 buildings with an average unit size of 971 s.f. built in 2018. These units are located in a similar mixed use area and provide a strong indication of rental rates, but the average sizes are generally 10% smaller than the subject property units on average. These rents are expected to increase over time as the buildings were just finished and getting quick occupancy often encourages initial discounted rental rates that will be stepped up in following years.

Unit Mix											
Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
1	1	706	32	10.2%	2	6.3%	\$1,107	\$1.57	\$1,101	\$1.56	0.6%
1	1	716	72	22.9%	3	4.2%	\$1,088	\$1.52	\$1,082	\$1.51	0.6%
1	1	750	18	5.7%	1	5.6%	\$1,215	\$1.62	\$1,208	\$1.61	0.6%
1	1	760	25	8.0%	3	12.0%	\$1,188	\$1.58	\$1,181	\$1.55	0.6%
1	1	812	1	0.3%	0	0.0%	\$1,225	\$1.51	\$1,218	\$1.50	0.6%
1	1	1,086	2	0.6%	2	100%	\$1,310	\$1.21	\$1,303	\$1.20	0.6%
2	2	1,095	8	2.5%	0	0.0%	\$1,312	\$1.20	\$1,305	\$1.19	0.6%
2	2	1,104	13	4.1%	1	7.7%	\$1,387	\$1.26	\$1,379	\$1.25	0.6%
2	2	1,105	20	6.4%	0	0.0%	\$1,342	\$1.21	\$1,334	\$1.21	0.6%
2	2	1,114	15	4.8%	1	6.7%	\$1,383	\$1.24	\$1,375	\$1.23	0.6%
2	2	1,180	16	5.1%	0	0.0%	\$1,307	\$1.13	\$1,300	\$1.12	0.6%
2	2	1,170	36	11.5%	1	2.8%	\$1,397	\$1.19	\$1,389	\$1.19	0.6%
2	2	1,206	4	1.3%	0	0.0%	\$1,452	\$1.20	\$1,444	\$1.20	0.6%
2	2	1,207	10	3.2%	1	10.0%	\$1,540	\$1.28	\$1,531	\$1.27	0.6%
2	2	1,247	4	1.3%	1	25.0%	\$1,378	\$1.11	\$1,370	\$1.10	0.6%
2	2	1,293	6	1.9%	0	0.0%	\$1,542	\$1.19	\$1,533	\$1.19	0.6%
3	3	1,332	10	3.2%	1	10.0%	\$1,840	\$1.38	\$1,830	\$1.37	0.6%
3	3	1,342	4	1.3%	0	0.0%	\$2,015	\$1.50	\$2,004	\$1.49	0.6%
3	3	1,352	18	5.7%	0	0.0%	\$2,010	\$1.49	\$1,999	\$1.48	0.6%
Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%	
All 1 Beds	731	150	47.8%	11	7.3%	\$1,128	\$1.54	\$1,122	\$1.53	0.6%	
All 2 Beds	1,153	132	42.0%	5	3.8%	\$1,389	\$1.20	\$1,381	\$1.20	0.6%	
All 3 Beds	1,345	32	10.2%	1	3.1%	\$1,958	\$1.46	\$1,946	\$1.45	0.6%	
Totals	971	314	100%	17	5.4%	\$1,322	\$1.36	\$1,315	\$1.35	0.6%	

Property uses Price Optimization Software

Estimate Updated January 12, 2020

Apartment Rent Comparable 3 – Shops at Town Station Apartments

This project is located at 1000 Ballena Circle off Old Apex Road. There are 59 apartment units in this complex with an average unit size of 814 s.f. built in 2015. These units are located in an inferior but similar mixed use area and provide a reasonable indication of rental rates, but the average sizes are generally 20% smaller than the subject property units on average. Retail rents at this located are asking \$19.50 per square foot NNN. Three leases were noted as signed in 2018.



Unit Mix

Show **All** Actual

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
1	1	506	16	27.1%	1	6.3%	\$1,010	\$2.00	\$1,000	\$1.98	1.0%
1	1	665	14	23.7%	1	7.1%	\$1,100	\$1.65	\$1,089	\$1.64	1.0%
1	1	810	5	8.5%	1	20.0%	\$1,107	\$1.37	\$1,096	\$1.35	1.0%
2	1	923	6	10.2%	0	0.0%	\$1,270	\$1.38	\$1,257	\$1.36	1.0%
2	2	968	3	5.1%	2	66.7%	\$1,280	\$1.32	\$1,267	\$1.31	1.0%
2	2	1,014	3	5.1%	3	100%	\$1,315	\$1.30	\$1,302	\$1.28	1.0%
2	2	1,034	3	5.1%	2	66.7%	\$1,421	\$1.37	\$1,407	\$1.36	1.0%
2	2	1,181	3	5.1%	0	0.0%	\$1,424	\$1.21	\$1,410	\$1.19	1.0%
3	2	1,347	3	5.1%	0	0.0%	\$1,555	\$1.15	\$1,539	\$1.14	1.0%
3	2	1,459	3	5.1%	0	0.0%	\$1,648	\$1.13	\$1,631	\$1.12	1.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All 1 Beds		613	35	59.3%	3	8.6%	\$1,060	\$1.73	\$1,049	\$1.71	1.0%
All 2 Beds		1,007	18	30.5%	7	38.9%	\$1,330	\$1.32	\$1,317	\$1.31	1.0%
All 3 Beds		1,403	6	10.2%	0	0.0%	\$1,602	\$1.14	\$1,585	\$1.13	1.0%
Totals		814	59	100%	10	17.0%	\$1,197	\$1.47	\$1,185	\$1.46	1.0%

 Estimate Updated January 12, 2020

Apartment Rent Comparable 4 – Tryon Place Apartments

This project is located at 4101 Skye Lane. There are 205 apartment units in this complex with an average unit size of 866 s.f. built in 2013. These units are located in a similar mixed use area and provide a reasonable indication of rental rates, but the average sizes are generally 20% smaller than the subject property units on average.



Unit Mix Show **All** Actual Export

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
Studio	1	558	10	4.9%	0	0.0%	\$1,001	\$1.79	\$995	\$1.78	0.6%
1	1	690	1	0.5%	0	0.0%	\$899	\$1.30	\$893	\$1.29	0.7%
1	1	693	9	4.4%	0	0.0%	\$1,124	\$1.82	\$1,117	\$1.81	0.6%
1	1	703	1	0.5%	1	100%	\$991	\$1.41	\$984	\$1.40	0.7%
1	1	705	24	11.7%	0	0.0%	\$1,109	\$1.57	\$1,102	\$1.56	0.6%
1	1	710	30	14.6%	2	6.7%	\$997	\$1.40	\$991	\$1.40	0.6%
1	1	716	35	26.8%	8	14.6%	\$957	\$1.34	\$951	\$1.33	0.6%
1	1	844	1	0.5%	0	0.0%	\$1,084	\$1.28	\$1,077	\$1.28	0.6%
1	1	868	6	2.9%	1	16.7%	\$1,205	\$1.39	\$1,198	\$1.38	0.6%
2	2	1,028	2	1.0%	0	0.0%	\$1,276	\$1.24	\$1,268	\$1.23	0.6%
2	2	1,053	1	0.5%	1	100%	\$1,366	\$1.30	\$1,357	\$1.29	0.7%
2	2	1,066	2	1.0%	0	0.0%	\$1,252	\$1.17	\$1,244	\$1.17	0.6%
2	2	1,079	18	8.8%	0	0.0%	\$1,126	\$1.04	\$1,119	\$1.04	0.6%
2	2	1,232	36	17.6%	2	5.6%	\$1,442	\$1.17	\$1,433	\$1.16	0.6%
2	2	1,293	6	2.9%	0	0.0%	\$1,516	\$1.17	\$1,507	\$1.17	0.6%
2	2	1,309	1	0.5%	0	0.0%	\$1,606	\$1.23	\$1,596	\$1.22	0.6%
2	2	1,314	2	1.0%	1	50.0%	\$1,758	\$1.34	\$1,747	\$1.33	0.6%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All Studios		558	10	4.9%	0	0.0%	\$1,001	\$1.79	\$995	\$1.78	0.6%
All 1 Beds		719	127	62.0%	12	9.5%	\$1,020	\$1.42	\$1,013	\$1.41	0.6%
All 2 Beds		1,187	68	33.2%	4	5.9%	\$1,365	\$1.15	\$1,357	\$1.14	0.6%
Totals		868	205	100%	18	7.8%	\$1,133	\$1.31	\$1,126	\$1.30	0.6%

Estimate Updated January 12, 2020

Apartment Rent Comparable 5 – The Franklin at Crossroads Apartments

This project is located at 6010 Attleboro Drive and was included in the Developer's Data. I have restated it here with the data I found on the rental rates, which is higher than what was reported by the developer. There are 199 apartment units in this complex with an average unit size of 1,018 s.f. built in 2016. These units are located in a somewhat similar mixed use area and provide a strong indication of rental rates as they also have a similar size.



Unit Mix Show

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions	
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%	
1	1	701	1	0.5%	0	0.0%	\$1,287	\$1.84	\$1,287	\$1.84	0.0%	
1	1	711	32	16.1%	0	0.0%	\$1,292	\$1.82	\$1,292	\$1.82	0.0%	
1	1	724	2	1.0%	0	0.0%	\$1,312	\$1.81	\$1,312	\$1.81	0.0%	
1	1	740	20	10.1%	2	10.0%	\$1,401	\$1.89	\$1,401	\$1.89	0.0%	
2	2	973	12	6.0%	1	8.3%	\$1,719	\$1.77	\$1,719	\$1.77	0.0%	
2	2	1,046	60	30.2%	1	1.7%	\$1,941	\$1.86	\$1,941	\$1.86	0.0%	
2	2	1,056	42	21.1%	2	4.8%	\$1,755	\$1.66	\$1,755	\$1.66	0.0%	
3	2	1,431	14	7.0%	1	7.1%	\$1,733	\$1.21	\$1,733	\$1.21	0.0%	
3	2	1,504	16	8.0%	3	18.8%	\$1,678	\$1.12	\$1,678	\$1.12	0.0%	
Totals			Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All 1 Beds			722	55	27.6%	2	3.6%	\$1,332	\$1.85	\$1,332	\$1.85	0.0%
All 2 Beds			1,042	114	57.3%	4	3.5%	\$1,849	\$1.77	\$1,849	\$1.77	0.0%
All 3 Beds			1,470	30	15.1%	4	13.3%	\$1,704	\$1.16	\$1,704	\$1.16	0.0%
Totals			1,018	199	100%	10	5.0%	\$1,884	\$1.85	\$1,884	\$1.85	0.0%

■ Estimate Updated January 12, 2020

Apartment Rent Comparable 6 – Meridian at Harrison Pointe

This project is located at 2000 Banyon Grove Loop and was included in the Developer's Data. I have restated it here with the data I found on the rental rates, which is higher than what was reported by the developer. There are 248 apartment units in this complex with an average unit size of 927 s.f. built in 2014. These units are located in a somewhat similar mixed use area and provide a reasonable indication of rental rates though they are about 10% smaller in size.



Unit Mix Show **All** Actual Report

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
1	1	639	15	6.0%	0	0.0%	\$1,150	\$1.80	\$1,150	\$1.80	0.0%
1	1	664	15	6.0%	3	20.0%	\$1,049	\$1.58	\$1,049	\$1.58	0.0%
1	1	704	15	6.0%	2	13.3%	\$1,049	\$1.49	\$1,049	\$1.49	0.0%
1	1	725	15	6.0%	1	6.7%	\$1,049	\$1.45	\$1,049	\$1.45	0.0%
1	1	742	15	6.0%	2	13.3%	\$1,049	\$1.41	\$1,049	\$1.41	0.0%
1	1	777	15	6.0%	3	20.0%	\$999	\$1.29	\$999	\$1.29	0.0%
1	1	782	14	5.6%	0	0.0%	\$1,156	\$1.48	\$1,156	\$1.48	0.0%
1	1	841	12	4.8%	1	8.3%	\$1,187	\$1.41	\$1,187	\$1.41	0.0%
1	1	856	12	4.8%	1	8.3%	\$1,250	\$1.46	\$1,250	\$1.46	0.0%
1	1	861	12	4.8%	1	8.3%	\$1,348	\$1.57	\$1,348	\$1.57	0.0%
1	1	887	12	4.8%	0	0.0%	\$1,339	\$1.51	\$1,339	\$1.51	0.0%
1	1	1,051	12	4.8%	0	0.0%	\$1,629	\$1.55	\$1,629	\$1.55	0.0%
2	2	1,086	12	4.8%	1	8.3%	\$1,507	\$1.39	\$1,507	\$1.39	0.0%
2	2	1,097	12	4.8%	3	25.0%	\$1,399	\$1.28	\$1,399	\$1.28	0.0%
2	2	1,121	12	4.8%	2	16.7%	\$1,425	\$1.27	\$1,425	\$1.27	0.0%
2	2	1,171	12	4.8%	2	16.7%	\$1,344	\$1.15	\$1,344	\$1.15	0.0%
2	2	1,257	12	4.8%	2	16.7%	\$1,599	\$1.27	\$1,599	\$1.27	0.0%
2	2	1,348	12	4.8%	3	25.0%	\$1,599	\$1.19	\$1,599	\$1.19	0.0%
3	2	1,306	12	4.8%	1	8.3%	\$1,972	\$1.41	\$1,972	\$1.41	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All 1 Beds		785	164	66.1%	14	8.5%	\$1,173	\$1.50	\$1,173	\$1.50	0.0%
All 2 Beds		1,180	72	29.0%	13	18.1%	\$1,479	\$1.25	\$1,479	\$1.25	0.0%
All 3 Beds		1,306	12	4.8%	1	8.3%	\$1,972	\$1.41	\$1,972	\$1.41	0.0%
Totals		929	248	100%	28	11.3%	\$1,301	\$1.40	\$1,301	\$1.40	0.0%

Eluminate | Updated January 13, 2020

Apartment Rent Comparable 7 – Lantower Weston Corners

This project is located at 6000 Elevate Circle. There are 308 apartment units in this complex with an average unit size of 975 s.f. built in 2018. These units are located in an unsimilar area, but are new and similar in size.



Unit Mix

Show **All** Actual Export

Models	Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions		
	Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF
Studio	1	703	11	3.6%	1	9.1%	\$1,118	\$1.59	\$1,118	\$1.59	0.0%
Studio	1	704	10	3.2%	1	10.0%	\$1,143	\$1.62	\$1,143	\$1.62	0.0%
Studio	1	730	10	3.2%	0	0.0%	\$1,305	\$1.79	\$1,305	\$1.79	0.0%
1	1	716	20	6.5%	2	10.0%	\$1,233	\$1.72	\$1,233	\$1.72	0.0%
1	1	717	24	7.8%	1	4.2%	\$1,227	\$1.71	\$1,227	\$1.71	0.0%
1	1	746	23	7.5%	4	17.4%	\$1,182	\$1.58	\$1,182	\$1.58	0.0%
1	1	793	22	7.1%	1	4.6%	\$1,289	\$1.63	\$1,289	\$1.63	0.0%
1	1	869	23	7.5%	1	4.4%	\$1,316	\$1.51	\$1,316	\$1.51	0.0%
1	1	889	22	7.1%	3	13.6%	\$1,334	\$1.50	\$1,334	\$1.50	0.0%
1	1	893	23	7.5%	0	0.0%	\$1,605	\$1.80	\$1,605	\$1.80	0.0%
2	1	985	1	0.3%	0	0.0%	\$1,635	\$1.66	\$1,635	\$1.66	0.0%
2	2	1,146	10	3.2%	2	20.0%	\$1,665	\$1.45	\$1,665	\$1.45	0.0%
2	2	1,150	9	2.9%	2	22.2%	\$1,698	\$1.47	\$1,698	\$1.47	0.0%
2	2	1,165	10	3.2%	2	20.0%	\$1,607	\$1.46	\$1,607	\$1.46	0.0%
2	2	1,183	9	2.9%	0	0.0%	\$1,815	\$1.53	\$1,815	\$1.53	0.0%
2	2	1,222	19	6.2%	5	26.3%	\$1,674	\$1.37	\$1,674	\$1.37	0.0%
2	2	1,249	10	3.2%	0	0.0%	\$1,915	\$1.53	\$1,915	\$1.53	0.0%
2	2	1,262	9	2.9%	3	33.3%	\$1,740	\$1.38	\$1,740	\$1.38	0.0%
2	2	1,278	18	5.8%	1	5.6%	\$1,717	\$1.34	\$1,717	\$1.34	0.0%
2	2	1,307	9	2.9%	1	11.1%	\$1,794	\$1.37	\$1,794	\$1.37	0.0%
3	2	1,490	8	2.6%	2	25.0%	\$2,074	\$1.39	\$2,074	\$1.39	0.0%
3	2	1,642	8	2.6%	2	25.0%	\$2,180	\$1.33	\$2,180	\$1.33	0.0%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All Studios		712	31	10.1%	2	6.5%	\$1,186	\$1.67	\$1,186	\$1.67	0.0%
All 1 Beds		804	157	51.0%	12	7.6%	\$1,313	\$1.63	\$1,313	\$1.63	0.0%
All 2 Beds		1,220	104	33.8%	16	15.4%	\$1,735	\$1.42	\$1,735	\$1.42	0.0%
All 3 Beds		1,566	16	5.2%	4	25.0%	\$2,127	\$1.36	\$2,127	\$1.36	0.0%
Totals		975	308	100%	34	11.0%	\$1,485	\$1.52	\$1,485	\$1.52	0.0%

Colimate Updated: January 12, 2020

Apartment Rent Comparable 8 – Bainbridge Lake Crabtree Apartments/Pointe at Lake Crabtree

This project is located at 2599 Evans Road and was included in the Developer's Data. I have restated it here with the data I found on the rental rates, which is higher than what was reported by the developer. There are 248 apartment units in this complex with an average unit size of 1,015 s.f. built in 2018. These units are located not in a similar location, but they are new and despite being built in 2018 show only 10% vacancy.



Unit Mix

Show **All** Actual

Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
1	1	748	63	31.5%	1	1.8%	\$1,285	\$1.69	\$1,253	\$1.68	0.9%
1	1	781	2	1.0%	2	100%	\$1,358	\$1.74	\$1,346	\$1.72	0.9%
1	1	918	7	3.5%	1	14.3%	\$1,424	\$1.55	\$1,410	\$1.54	0.9%
2	1	990	3	1.5%	1	33.3%	\$1,398	\$1.41	\$1,385	\$1.40	0.9%
2	2	1,060	64	32.0%	1	1.6%	\$1,499	\$1.41	\$1,485	\$1.40	0.9%
2	2	1,074	3	1.5%	1	33.3%	\$1,509	\$1.40	\$1,495	\$1.39	0.9%
2	2	1,178	20	10.0%	1	5.0%	\$1,662	\$1.41	\$1,646	\$1.40	0.9%
2	2	1,183	3	1.5%	2	66.7%	\$1,671	\$1.41	\$1,656	\$1.40	0.9%
2	2	1,211	3	1.5%	3	100%	\$1,659	\$1.37	\$1,644	\$1.36	0.9%
2	2	1,382	1	0.5%	1	100%	\$1,907	\$1.38	\$1,889	\$1.37	0.9%
3	2	1,245	3	1.5%	1	33.3%	\$1,795	\$1.44	\$1,778	\$1.43	0.9%
3	2	1,350	26	13.0%	2	7.7%	\$1,897	\$1.41	\$1,880	\$1.39	0.9%
3	2	1,486	2	1.0%	1	50.0%	\$2,046	\$1.38	\$2,027	\$1.36	0.9%
Totals		Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All 1 Beds		765	72	36.0%	4	5.6%	\$1,283	\$1.68	\$1,271	\$1.66	0.9%
All 2 Beds		1,094	97	48.5%	10	10.3%	\$1,544	\$1.41	\$1,530	\$1.40	0.9%
All 3 Beds		1,349	31	15.5%	4	12.9%	\$1,897	\$1.41	\$1,879	\$1.39	0.9%
Totals		1,015	200	100%	18	9.0%	\$1,505	\$1.48	\$1,491	\$1.47	0.9%

Estimate Updated January 11, 2020

Apartment Rent Comparable 9 – Bradford Apartments & Townhomes

This project is located at 21035 Bradford Green Square and was included in the Developer's Data. I have restated it here with the data I found on the rental rates, which is higher than what was reported by the developer. There are 370 apartment units in this complex with an average unit size of 1,342 s.f. built in 2014. These units are located in a similar mixed use location, but they are significantly larger than the subject units on average.



Models			Counts		Units Available		Avg Asking Rent		Avg Effective Rent		Concessions
Beds	Baths	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
1	1	665	5	1.4%	0	0.0%	\$1,161	\$1.75	\$1,153	\$1.73	0.7%
1	1	677	5	1.4%	0	0.0%	\$1,081	\$1.60	\$1,073	\$1.59	0.7%
1	1	712	5	1.4%	0	0.0%	\$1,124	\$1.58	\$1,116	\$1.57	0.7%
1	1	719	11	3.0%	0	0.0%	\$1,170	\$1.63	\$1,161	\$1.62	0.7%
1	1	780	5	1.4%	5	100%	\$1,245	\$1.60	\$1,236	\$1.58	0.7%
1	1	841	5	1.4%	0	0.0%	\$1,188	\$1.41	\$1,180	\$1.40	0.7%
1	1	858	10	2.7%	4	40.0%	\$1,303	\$1.52	\$1,294	\$1.51	0.7%
1	1	864	5	1.4%	0	0.0%	\$1,193	\$1.38	\$1,185	\$1.37	0.7%
1	1	866	5	1.4%	1	20.0%	\$1,248	\$1.44	\$1,239	\$1.43	0.7%
1	1	890	5	1.4%	0	0.0%	\$1,163	\$1.32	\$1,155	\$1.31	0.7%
1	1	898	5	1.4%	0	0.0%	\$1,238	\$1.38	\$1,229	\$1.37	0.7%
1	1	914	5	1.4%	0	0.0%	\$1,248	\$1.37	\$1,239	\$1.36	0.7%
1	1	961	5	1.4%	0	0.0%	\$1,263	\$1.31	\$1,254	\$1.30	0.7%
1	1	974	40	10.8%	1	2.5%	\$1,253	\$1.29	\$1,244	\$1.28	0.7%
1	1	1,021	5	1.4%	0	0.0%	\$1,268	\$1.24	\$1,259	\$1.23	0.7%
2	2	1,131	5	1.4%	0	0.0%	\$1,495	\$1.32	\$1,484	\$1.31	0.7%
2	2	1,152	15	4.1%	5	33.3%	\$1,567	\$1.36	\$1,556	\$1.35	0.7%
2	2	1,153	5	1.4%	0	0.0%	\$1,580	\$1.37	\$1,569	\$1.36	0.7%
2	2	1,169	10	2.7%	2	20.0%	\$1,520	\$1.30	\$1,509	\$1.29	0.7%
2	2	1,181	5	1.4%	0	0.0%	\$1,620	\$1.37	\$1,609	\$1.36	0.7%
2	2	1,221	5	1.4%	0	0.0%	\$1,515	\$1.24	\$1,504	\$1.23	0.7%
2	2	1,223	10	2.7%	0	0.0%	\$1,533	\$1.25	\$1,522	\$1.24	0.7%
2	2	1,228	5	1.4%	0	0.0%	\$1,545	\$1.26	\$1,534	\$1.25	0.7%
2	2	1,230	5	1.4%	0	0.0%	\$1,475	\$1.20	\$1,465	\$1.19	0.7%
2	2	1,242	5	1.4%	0	0.0%	\$1,560	\$1.26	\$1,549	\$1.25	0.7%
2	2	1,274	25	6.8%	1	4.0%	\$1,525	\$1.20	\$1,514	\$1.19	0.7%
2	2	1,303	5	1.4%	0	0.0%	\$1,560	\$1.20	\$1,549	\$1.19	0.7%
2	2	1,313	5	1.4%	0	0.0%	\$1,635	\$1.25	\$1,623	\$1.24	0.7%
2	2	1,316	10	2.7%	0	0.0%	\$1,515	\$1.15	\$1,504	\$1.14	0.7%
2	2	1,338	5	1.4%	0	0.0%	\$1,585	\$1.18	\$1,574	\$1.18	0.7%
2	2	1,339	15	4.1%	0	0.0%	\$1,583	\$1.18	\$1,572	\$1.17	0.7%
2	2	1,382	10	2.7%	1	10.0%	\$1,588	\$1.17	\$1,576	\$1.16	0.7%
2	2	1,423	5	1.4%	0	0.0%	\$1,580	\$1.11	\$1,569	\$1.10	0.7%
2	2	1,473	5	1.4%	1	20.0%	\$1,581	\$1.07	\$1,570	\$1.07	0.7%
3	2	1,698	15	4.1%	0	0.0%	\$2,270	\$1.34	\$2,254	\$1.33	0.7%
3	2	1,728	5	1.4%	1	20.0%	\$2,347	\$1.36	\$2,330	\$1.35	0.7%
3	2	1,780	10	2.7%	1	10.0%	\$2,283	\$1.30	\$2,267	\$1.29	0.7%
3	2	1,831	15	4.1%	1	6.7%	\$2,289	\$1.25	\$2,273	\$1.24	0.7%
3	2	1,960	12	3.2%	0	0.0%	\$2,493	\$1.27	\$2,476	\$1.26	0.7%
3	2	1,988	6	1.6%	0	0.0%	\$2,518	\$1.28	\$2,500	\$1.27	0.7%
3	2	2,005	6	1.6%	1	16.7%	\$2,545	\$1.27	\$2,527	\$1.26	0.7%
3	2.5	2,215	5	1.4%	1	20.0%	\$2,690	\$1.21	\$2,671	\$1.21	0.7%
3	2.5	2,443	5	1.4%	0	0.0%	\$2,638	\$1.08	\$2,619	\$1.07	0.7%
3	2.5	2,453	5	1.4%	1	20.0%	\$2,776	\$1.13	\$2,756	\$1.12	0.7%
3	2.5	3,353	5	1.4%	0	0.0%	\$3,188	\$0.95	\$3,166	\$0.94	0.7%
3	4	3,115	5	1.4%	0	0.0%	\$3,113	\$1.00	\$3,091	\$0.99	0.7%

Totals	Avg SF	Units	Mix %	Units	Percent	Per Unit	Per SF	Per Unit	Per SF	%
All 1 Beds	875	121	32.7%	11	9.1%	\$1,224	\$1.40	\$1,215	\$1.39	0.7%
All 2 Beds	1,265	155	41.9%	10	6.5%	\$1,552	\$1.23	\$1,541	\$1.22	0.7%
All 3 Beds	2,068	94	25.4%	6	6.4%	\$2,503	\$1.21	\$2,485	\$1.20	0.7%
Totals	1,342	370	100%	27	7.3%	\$1,886	\$1.26	\$1,875	\$1.25	0.7%

Estimate Updated January 13, 2020

Apartment Rent Conclusion

I have shown the breakdown of effective rents for each of the comparables broken down by unit type and the price per square foot. I have also shown the pro forma indicated rental rates. I have included a concluded best indicator for each unit type. These conclusions are based on a combination of looking at the most similar unit size and similar location.

The conclusion for studio units is just above the median rate for monthly rents, but well above the price per square foot due to the smaller studio size at the subject property.

The conclusion for 1 BR units is at the high end of the range of the comparables on a monthly basis, but above the range on the per square foot due to the smaller size for these subject units.

The conclusion for 2 BR units is above the high end of the range on a monthly basis and just above the price per square foot. This is appropriate as these units are also larger than the high end of the range.

The conclusion for 3 BR units is just above the high end of the range on a monthly basis and just above the high end of the range on a per square foot basis. The size for the subject property is average.

Apartment Rent Comparable	Studio Size	Studio Rent	Studio \$/SF	1BR Size	1BR Rent	1BR \$/SF	2BR Size	2BR Rent	2BR \$/SF	3BR Size	3BR Rent	3BR \$/SF
1 Post Parkside	578	\$1,024	\$1.77	675	\$1,104	\$1.64	1,157	\$1,418	\$1.23	1,467	\$2,264	\$1.54
2 The Dakota	N/A	N/A	N/A	731	\$1,128	\$1.54	1,153	\$1,381	\$1.20	1,345	\$1,946	\$1.45
3 Town Station	N/A	N/A	N/A	613	\$1,060	\$1.73	1,007	\$1,317	\$1.31	1,403	\$1,585	\$1.13
4 Tryon Place	558	\$1,001	\$1.79	719	\$1,020	\$1.42	1,187	\$1,365	\$1.15	N/A	N/A	N/A
5 The Franklin	N/A	N/A	N/A	722	\$1,332	\$1.84	1,042	\$1,849	\$1.77	1,470	\$1,704	\$1.16
6 Meridian @ Harrison	N/A	N/A	N/A	785	\$1,173	\$1.49	1,180	\$1,479	\$1.25	1,396	\$1,972	\$1.41
7 Lantower	712	\$1,186	\$1.67	804	\$1,313	\$1.63	1,220	\$1,735	\$1.42	1,566	\$2,127	\$1.36
8 Bainbridge	N/A	N/A	N/A	765	\$1,283	\$1.68	1,094	\$1,544	\$1.41	1,349	\$1,897	\$1.41
9 Bradford	N/A	N/A	N/A	875	\$1,224	\$1.40	1,265	\$1,552	\$1.23	2,068	\$2,503	\$1.21
Subject Property Pro Forma	514	\$1,200	\$2.33	872	\$1,575	\$1.81	1,274	\$2,293	\$1.80	1,570	\$3,051	\$1.94
Average	616	\$1,070	\$1.74	743	\$1,182	\$1.60	1,145	\$1,516	\$1.33	1,508	\$2,000	\$1.33
Median	578	\$1,024	\$1.77	731	\$1,173	\$1.63	1,157	\$1,479	\$1.25	1,435	\$1,959	\$1.39
High	712	\$1,186	\$1.79	875	\$1,332	\$1.84	1,265	\$1,849	\$1.77	2,068	\$2,503	\$1.54
Low	558	\$1,001	\$1.67	613	\$1,020	\$1.40	1,007	\$1,317	\$1.15	1,345	\$1,585	\$1.13
Best Indicator	514	\$1,100	\$2.14	872	\$1,575	\$1.81	1,274	\$2,000	\$1.57	1,570	\$2,500	\$1.59
Proposed Units		10			77			46			20	
Potential Monthly Income		\$11,000			\$121,275			\$92,000			\$50,000	
Potential Annual Income		\$132,000			\$1,455,300			\$1,104,000			\$600,000	
Apt. Potential Gross Income		\$3,291,300										
Apt. Rent/SF for 162,308 s.f.		\$20.28										

VACANCY

For stabilized occupancy, I considered the Triangle Space Survey which shows office vacancy overall at 10.73% and for Cary it is at 11.26%. Class A Office space is at 7.36% vacancy overall, while in Cary it is at 10.85%. Absorption in Cary over the last 12 months has shown a significant 375,370 square feet in absorption in office space and 74,464 square feet in retail space.

Triangle Commercial Space Summary												
All Submarkets												
Type Space	Leasable SF	Prev. Leasable SF	Change in SF	% Change	2019 3rd Q		2019 2nd Q		Net Absorption			
					Vacancy	%	Vacancy	%	Past Quarter	%	Past 12 months	%
Office Class A	37,983,619	37,976,152	7,467	0.02%	2,794,490	7.36%	3,105,467	8.18%	310,977	0.82%	2,034,903	5.36%
Office Class B	17,259,891	17,550,194	-290,303	-1.65%	3,180,790	18.43%	3,319,996	18.92%	139,206	0.81%	252,444	1.46%
Office Class C	2,075,625	2,180,810	-105,185	-4.82%	172,342	8.30%	164,887	7.56%	-7,455	-0.36%	9,965	0.48%
Office Total	57,319,135	57,707,156	-388,021	-0.67%	6,147,622	10.73%	6,590,350	11.42%	442,728	0.77%	2,297,312	4.01%
Flex	17,555,941	17,550,693	5,248	0.03%	983,438	5.60%	1,028,554	5.86%	45,116	0.26%	430,537	2.45%
Warehouse	30,574,779	30,952,024	-377,245	-1.22%	1,435,526	4.70%	1,228,065	3.97%	-207,461	-0.68%	849,485	2.78%
Retail	46,608,404	46,697,514	-89,110	-0.19%	3,282,955	7.04%	3,446,893	7.38%	450,874	0.97%	223,978	0.48%
Total	152,058,259	152,907,387	-849,128	-0.56%	11,849,541	7.79%	12,293,862	8.04%	731,257	0.48%	3,801,312	2.50%

Source: The Triangle Business Journal, 3rd Quarter 2019 Space Survey

Triangle Commercial Space Summary												
Cary												
Type Space	Leasable SF	Prev. Leasable SF	Change in SF	% Change	2019 3rd Q		2019 2nd Q		Net Absorption			
					Vacancy	%	Vacancy	%	Past Quarter	%	Past 12 months	%
Office Class A	5,399,646	5,399,646	0	0.00%	586,092	10.85%	714,042	13.22%	127,950	2.37%	272,531	5.05%
Office Class B	1,565,567	1,560,135	5,432	0.35%	190,071	12.14%	205,968	13.20%	15,897	1.02%	101,538	6.49%
Office Class C	127,620	127,620	0	0.00%	22,542	17.66%	22,542	17.66%	0	0.00%	1,301	1.02%
Office Total	7,092,833	7,087,401	5,432	0.08%	798,705	11.26%	942,552	13.30%	143,847	2.03%	375,370	5.29%
Flex	990,225	967,525	22,700	2.35%	267,059	26.97%	72,278	7.47%	-21,992	-2.22%	-38,994	-3.94%
Warehouse	153,277	153,277	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Retail	7,476,666	7,476,854	-188	0.00%	640,284	8.56%	724,966	9.70%	84,682	1.13%	74,464	1.00%
Total	15,713,001	15,685,057	27,944	0.18%	1,706,048	10.86%	1,739,796	11.09%	206,537	1.31%	410,840	2.61%

Source: The Triangle Business Journal, 3rd Quarter 2019 Space Survey

Cary Office Submarket ▾ Raleigh - NC ☆☆☆☆	13.7 M ↓ Inventory SF	287 K ↓ Under Constr SF	147 K 12 Mo Net Absorp SF	6.8% ↓ Vacancy Rate	\$26.17 ↓ Market Rent/SF	\$217 ↓ Market Sale Price/SF	7.0% ↓ Market Cap Rate
Summary	Leasing	Rent	Construction	Sales	Players	Properties	Data

Summary

Office vacancies in Cary have been rising following a recent uptick in construction. Deliveries including Regency Woods II and HealthPark at Kildaire One recently added space to the submarket, though vacancies remain in single digits. Strong demand for space in Cary has contributed to falling vacancies throughout most of the cycle, especially in low and mid-tier office assets. The bulk of the submarket's largest office assets are low and mid-rise towers and

located in suburban office parks both north and south of the city and notable tenants include John Deere, HCL Technologies, and Siemens Healthcare. Rents in Cary continue to rise at a fast pace, climbing 3.5% over the past year. Investors looking for high-end office assets have been more active here in recent years. More than half of all 4 and 5-star office buildings have traded hands since 2010 and pricing has steadily increased.

AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$26.17 ↓	\$27.08 ↓
Vacancy Rate	6.8% ↓	5.5% ↓
Vacant SF	930 K ↓	4 M ↓
Availability Rate	8.8% ↑	9.4% ↓
Available SF	1.2 M ↑	7.1 M ↓
Sublet SF	200 K ↓	1 M ↓
Months on Market	8.9	8.8

INVENTORY	SUBMARKET	MARKET
Existing Buildings	482 ↓	3,465 ↓
Inventory SF	13.7 M ↓	72.7 M ↓
Average Building SF	28.4 K ↓	21 K ↓
Under Construction SF	287 K ↓	2.6 M ↓
12 Mo Delivered SF	280 K ↑	1.7 M ↑

DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	147 K	1.1 M
6 Mo Leasing Probability	33.1%	32.2%

SALES	SUBMARKET	MARKET
12 Mo Properties Sold	37 ↑	260 ↓
Market Sale Price/SF	\$217 ↓	\$215 ↓
Average Market Sale Price	\$6.2 M ↓	\$4.6 M ↓
12 Mo Sales Volume	\$45.4 M ↑	\$831 M ↑
Market Cap Rate	7.0% ↑	7.0% ↑

I have also considered a CoStar submarket office report on Cary that shows an overall vacancy at 6.8%.

I consider 7% vacancy to be a stabilized vacancy rate in the Cary office market and that is well supported by these historical rates.

Cary Retail Submarket ▾ Raleigh - NC ☆☆☆☆	12.7 M ↓ Inventory SF	16.6 K ↓ Under Constr SF	(28.3 K) 12 Mo Net Absorp SF	4.1% ↓ Vacancy Rate	\$24.37 ↓ Market Rent/SF	\$227 ↓ Market Sale Price/SF	6.8% ↓ Market Cap Rate
Summary	Leasing	Rent	Construction	Sales	Players	Properties	Data

Summary

AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$24.37 ↓	\$21.39 ↓
Vacancy Rate	4.1% ↓	2.9% ↓
Vacant SF	518 K ↓	2.2 M ↓
Availability Rate	4.9% ↑	3.9% ↑
Available SF	618 K ↑	2.9 M ↑
Sublet SF	18.4 K ↑	137 K ↑
Months on Market	9.5	10.4

INVENTORY	SUBMARKET	MARKET
Existing Buildings	712 ↓	5,739 ↓
Inventory SF	12.7 M ↓	74.9 M ↓
Average Building SF	17.8 K ↓	13.1 K ↓
Under Construction SF	16.6 K ↑	482 K ↑
12 Mo Delivered SF	14.2 K ↑	1.1 M ↓

DEMAND	SUBMARKET	MARKET
12 Mo Net Absorption SF	(28.3 K)	779 K
6 Mo Leasing Probability	32.8%	32.3%

SALES	SUBMARKET	MARKET
12 Mo Properties Sold	34 ↑	277 ↑
Market Sale Price/SF	\$227 ↓	\$204 ↓
Average Market Sale Price	\$4 M ↓	\$2.7 M ↓
12 Mo Sales Volume	\$139 M ↓	\$636 M ↓
Market Cap Rate	6.8% ↑	7.0% ↑

The vacancy for Retail space in the Cary market is at 4.1% based on the CoStar data shown above.

I consider 6% vacancy to be a stabilized vacancy rate in the Cary retail market and that is well supported by these historical rates.

The CoStar Multifamily Market analysis for Cary shows vacancy rates at 6.3%. I consider a 6.75% vacancy rate to be a stabilized rate in this market and it is well supported by this historical data and CoStar projection. This is a little higher than average due to the number of other projects coming online and the higher price point for the subject property.

For the Academy Park Residential building I have used a 6.75% vacancy rate. For the Academy Park Commercial building I have used a 6.0% vacancy rate.

North Cary/Morrisville Multi-Family Submarket		19,920 ↓	1,176 ↓	908	6.3% ↓	\$1,197 ↓
Raleigh - NC		Inventory Units	Under Constr Units	12 Mo Absorp Units	Vacancy Rate	Market Asking Rent/Unit
Summary	Vacancy	Rent	Construction	Sales	Players	Properties
						Data

Summary

North Cary/Morrisville is a suburban area with a growing office using sector. The residential market largely consists of single-family homes, though the area has been a hotspot for multifamily development as the increasing working-age and senior population continues to drive demand for rental housing. More than 1,200 units are under construction in the submarket, a number second only to downtown Raleigh in the metro. But the pipeline is still lighter than it was in previous years, and rent growth is still strong given the extensive amount of new supply. Moving forward, the pace of development in this submarket will likely cool off or shift north to Morrisville as Cary runs out of available land.

North Cary/Morrisville is one of the most expensive housing markets in Raleigh. Nonetheless, this has not had a significant impact on leasing given the area's large high-wage profile, and new communities are able to lease up without significant concessions. With stiff competition among the newer, luxury apartments, middle-market communities have seen the most rapid rent gains in the past four quarters, outperforming the submarket average.

AVAILABILITY	SUBMARKET	MARKET
Vacancy Rate	6.3% ↓	7.1% ↓
Vacant Units	1.3 K ↓	7.4 K ↓
Market Asking Rent/Unit	\$1,197 ↓	\$1,157 ↓
Market Effective Rent/Unit	\$1,189 ↓	\$1,148 ↓
Concession Rate	0.7% ↓	0.8% ↓
Studio Asking Rent	\$1,081 ↓	\$1,034 ↓
1 Bedroom Asking Rent	\$1,058 ↓	\$1,047 ↓
2 Bedroom Asking Rent	\$1,232 ↓	\$1,198 ↓
3 Bedroom Asking Rent	\$1,536 ↓	\$1,414 ↓

INVENTORY	SUBMARKET	MARKET
Inventory Units	19,920 ↓	103,274 ↓
Existing Buildings	74 ↓	738 ↓
Avg Units Per Bldg	269 ↓	140 ↓
12 Mo Demolished Units	0 ↓	0 ↓
12 Mo Occ % At Delivery	33.8% ↓	35.7% ↓
Under Construction Units	1,176 ↓	5,389 ↓
12 Mo Construction Starts Units	994 ↓	3,223 ↓
12 Mo Delivered Units	296 ↓	2,981 ↓
12 Mo Avg Delivered Units	296 ↓	302 ↓

ABSORPTION

The subject property once built will have significant vacancy that will need to be filled, but the Academy Commercial building would have to be at least 50% pre-leased and more likely 70% pre-leased in order to get bank financing. During construction leasing would be ongoing for the space so the amount of vacant space would be minimized on that end.

The apartments would allow for some pre-leasing, but much of it would require leasing up once construction is complete or close to complete.

The overall Cary office absorption rate indicated by the Triangle Space Survey shows strong absorption, but also a lot of competing inventory coming online in Cary. However, Downtown Cary as a submarket does not have a large inventory of competition. CoStar projects a total of 67,000 square feet of office absorption in Cary even with significant new construction in the area over the next 12 months. That is over the entire Cary submarket and the downtown area would only capture a portion of that. CoStar also projects 32,000 square feet of retail absorption in Cary over the next 12 months.

I also considered Office Rent Comparable 1, which was built in 2017 and signed leases from 2016 to 2017 with all 23,060 s.f. leased in one year. This would have at least been 50% leased at time of construction, but supports annual absorption of at least 12,000 s.f. per year in Downtown Office space.

Based on 70% preleasing for Academy Park Commercial on New Lot 1, or 71,330 s.f. pre-leased space, the building would require approximately 1.5 years to lease up to stabilization. That would be if the building were entirely office and not partly retail. The exact mix of office and retail in the building will be determined in the lease-up process. A mix of potential uses expands the pool of lessee's and allows for a better lease up rate. There is no office use proposed for Academy Park Residential to compete with leasing up this building. Given a minimal 1.5 year absorption period, I consider the absorption period to be typical and while it would impact the value as of the day the improvements were complete, it would not reduce the value of the projected property or the underlying land due to the absorption period as this would be considered a typical lease up period.

The Academy Park Residential includes a small area of retail that will front on the future Cary Park, but will be somewhat inferior due to the fact that the Cary Park will not be complete once this space is projected to become available. A discounted lease rate for an initial opening without the park exposure was noted earlier in the projected market rental rate for this space.

Apartment absorption projected by CoStar shows 975 units under construction and 971 units absorption over the next 12 months. Absorption is showing strong with supply and demand in good balance. CoStar also shows a typical 50% occupancy at time of completion for apartments. I therefore conclude that once the building is complete it will be reasonable to expect 50% occupancy for the apartment units. The remaining 77 apartments would be leased over the next year for an indicated absorption of 6.5 units per month on average, which accounts for just under 8% of total anticipated absorption for the entire market.

At this rate, I conclude that the entire project could be fully leased to stabilization with 12 months of completion and I will not be looking at any discount for the lease up period given such a short lease up period.

OPERATING EXPENSES

The expense chart in red is for the Academy Park Residential Building with 153 apartment units in 162,308 square feet.

The expense chart in green is for the Academy Park Commercial Building with 101,900 square feet.

The estimate of operating expenses provided by the developer for the Academy Park Residential Building supports an expense ratio of 32%.

The estimate of operating expenses provided by the developer for the Academy Park Commercial Building indicates a 28% expense ratio.

A summary of the operating income and expenses for a mixed office/retail building in a town downtown area was also considered as shown below. I have redacted the address for anonymity of the building, but I note that it shows a 31% expense ratio. This building did not include apartments, but does provide support for the commercial side of this equation. That building had no associated expense for parking.

	TOTAL	Mic
INCOME	310,520.80	
EXPENSES		
Elevator	2,401.93	
Fire Safety Expense	1,158.71	
Garbage Collection	5,488.41	
HVAC Maintenance	1,577.44	
Roof Maintenance	664.95	
Insurance	2,333.38	
Janitorial	10,199.95	
Landscaping	4,764.40	
Legal and Accounting	300.00	
Management Fees	11,509.24	
Office Expense	385.14	
Pest Control	300.00	
Plumbing Maintenance	916.56	
Property Tax	20,050.68	
Repairs & Maintenance	13,673.09	
Tenant Appreciation	389.26	
Snow Removal	675.00	
Supplies - Interior Lighting	223.48	
Supplies - Lock & Key	29.89	
Utility - Telephone	2,439.05	
Utility - Electricity	12,601.23	
Utility - Water	810.62	
Leasing Commissions	2,535.80	
TOTAL EXPENSES	95,428.21	
INCOME BEFORE DEPRECIATION	215,092.59	

ESTIMATE OF EXPENSES

The stabilized (average annual) operating expenses for the subject property are estimated as follows:

Management: A fee in the amount of 5 percent of the effective (collected) gross income would be appropriate to hire competent management of the property, and to cover other administrative expenses.

Leasing Commissions: Leasing commissions will typically average another 1 percent of the effective gross income. I only applied this expense to the commercial building.

Property Taxes: Based on the ratio of taxes to income in the expense comparable, I derived an indicated expense of 7% of the gross income.

Insurance: The general property insurance should average about \$0.15 per square foot per year for the commercial building and \$0.30 per square foot for the apartment building. This should include both hazard and public liability coverage.

Utilities: The utility expense includes electricity, water and sewer and natural gas. It is based on historical usage rates. I project that this expense will average approximately \$1.50 per square foot per year for the commercial building and \$0.80 per square foot for the apartments.

Housekeeping: The housekeeping expense includes contract cleaning, carpet shampooing, tile maintenance, window washing and cleaning supplies. I project that this expense will average approximately \$0.75 per square foot per year for the commercial building. I did not apply this expense to the apartment building.

Contract Services/Advertising and Marketing: This expense was only applied to the apartment building and reflects ongoing expenses in maintaining/leasing the property as well as expenses between tenants. I project that this expense will average approximately \$0.75 per square foot per year. I did not apply this expense to the commercial building.

Parking Lot Lease: The subject property will be leasing a total of 250 parking spaces from the adjoining parking lot. I have assigned 160 of those spaces to the apartment building and 90 of those to the commercial building. The contract lease rate is reported at \$75 per parking space per month, or \$900 annually per space. Most apartment/commercial buildings in the area do not have this expense and it cannot be passed thru to tenants effectively when the competition has free parking associated. Any pass thru is effectively considered in the total lease rate already.

Maintenance and Repairs: In the normal course of maintaining a building the landlord will incur some expenses for the maintenance and repairs of the roof, the mechanical systems, and the structural walls. Other expenses in this category include the extermination contract, landscaping, and security. Given the age of the building, I anticipate that the cost of these maintenance and repairs will average \$0.45 per square foot over the long term.

Capital Replacements: The owner will also incur an additional expense for the periodic replacement of short life items such as mechanical systems, plumbing, interior finishes, roof repairs, and other similar items. Typically these expenses are incurred on a "pay-as-you-go" basis and can vary widely. This expense category

reflects the potential for replacements at an annualized expense rate. I anticipate that the capital reserve necessary to account for these items should average approximately \$0.35 per square foot per year.

Miscellaneous: I estimate that the cost of other miscellaneous items will average not more than approximately \$0.25 per square foot per year.

OVERALL CAPITALIZATION RATE ANALYSIS

To value the ownership interest of an income producing property, valuation models have been developed to quantify the projected benefits of ownership. The capitalization rate (Ro) and the discount rates (Y) are primary components of these models. The capitalization rate expresses the relationship between a single year's income for a property and the purchase price of the property. The discount rate reflects the ratio between a series of cash flows including a presumed resale of the property at the end of the holding period, and value. Both rates reflect an investor's expectations from all sources of income and growth in value as well as the reversion of the property at the end of the holding period.

For this analysis, I have used an overall capitalization rate, which is also referred to as the "going-in rate." This only considers the first year of income for the property. When the capitalization rate is applied to a future stabilized year's income, then it is the "stabilized rate." And finally, when applied to a future income stream derived in the year of a presumed sale of the property, it is referred to as the "terminal rate."

The overall rate in this analysis was derived from industry surveys and abstraction, band of investment, and debt coverage ratio.

ABSTRACTION OF OVERALL RATE

The equation utilized to abstract overall rates directly from market sales is as follows:

$$Ro = I/V$$

Where: Ro = Overall Capitalization Rate
 I = Net Operating Income
 V = Value (Purchase Price)

RATES DERIVED FROM COMPARABLES

I searched CoStar for recent office sales in the market with overall capitalization rates reported. As shown below I found 48 sales in the last two years supporting rates between 4.95% and 8.31% with an average of 6.82% and a median of 7.00%.

Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Sale Price	\$3,390,500	\$29,150,861	\$18,128,201	\$141,900,000	46
RBA	51,066 SF	117,630 SF	101,604 SF	329,613 SF	48
Price per SF	\$53.07	\$247.11	\$188.86	\$458.57	46
Actual Cap Rate	4.95%	6.82%	7.00%	8.31%	13
Days on Market	42	92	42	274	8
Sale Price to Asking Price Ratio	-	-	-	-	-
Totals					
Sold Transactions	Total Sales Volume:	\$1,340,939,628	Total Sales Transactions:	48	
Survey Criteria					
<p>basic criteria: Type of Property - Office; Property Size - 50,000 - 500,000 SF; Sale Date - from 10/18/2017; Cap Rate - 2.00 % - 20.00 %; Sale Status - Sold, Under Contract/Pending; Return and Search on Portfolio Sales as Individual Properties - Yes; Exclude Non-Arms Length Comps - Yes</p> <p>geography criteria: Geography - User Defined Search</p>					

I have also considered cap rates from recent apartment sales identified through CoStar as shown below. The 87 closed sales show rates ranging from 4.00% to 8.50% with an average of 5.48% and a median of 5.25%.

Quick Stats Report

Comps Statistics					
	Low	Average	Median	High	Count
Price					
For Sale & UC/Pending	\$6,790,000	\$6,790,000	\$6,790,000	\$6,790,000	1
Sold Transactions	\$171,429	\$28,366,083	\$25,950,000	\$119,000,000	127
Building Size					
For Sale & UC/Pending	28,247 SF	28,247 SF	28,247 SF	28,247 SF	1
Sold Transactions	2,706 SF	204,521 SF	192,432 SF	713,952 SF	131
Price per SF					
For Sale & UC/Pending	\$240.38	\$240.38	\$240.38	\$240.38	1
Sold Transactions	\$32.79	\$134.52	\$122.66	\$528.97	127
Actual Cap Rate					
For Sale & UC/Pending	6.21%	6.21%	6.21%	6.21%	1
Sold Transactions	4.00%	5.48%	5.25%	8.50%	87
Gross Income Multiplier					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	-	-	-	-	-
Gross Rent Multiplier					
For Sale & UC/Pending	-	-	-	-	-
Sold Transactions	8.09	8.09	8.09	8.09	1
# of Units					
For Sale & UC/Pending	16	16	16	16	1
Sold Transactions	2	195	199	788	131
Price per Unit					
For Sale & UC/Pending	\$424,375	\$424,375	\$424,375	\$424,375	1
Sold Transactions	\$39,063	\$140,965	\$120,833	\$720,000	127
Days on Market					
For Sale & UC/Pending	57	57	57	57	1
Sold Transactions	19	144	126	730	27
Sale Price to Asking Price Ratio					
Sold Transactions	88.63%	95.97%	97.56%	105.04%	15
Totals					
For Sale & UC/Pending	Asking Price Total:	\$6,790,000	Total For Sale Transactions:		1
Sold Transactions	Total Sales Volume:	\$3,602,492,543	Total Sales Transactions:		131
	Total Included in Analysis:	\$3,609,282,543	Total Included in Analysis:		132

NATIONAL SURVEY

I have also considered a survey of National Market Indicators reported by Price Waterhouse Cooper as shown below. This shows Overall Rates for Central Business District Office ranging from 3.75% to 7.50%, with an average of 5.52%. It shows the rates for Apartments at 3.75% to 7.00% with an average of 5.10%. These rates are supportive, but are not as reliable as the local market data.

Economic Indicators | PwC Real Estate Investor Survey, Q3 2019

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q3 2019	Q2 2019	Q3 2019	Q2 2019	Q3 2019	Q2 2019	Q3 2019	Q2 2019
Discount Rate (IRR)^a								
Range (%)	5.00 – 10.00	5.00 – 10.00	5.25 – 10.00	5.25 – 9.50	5.25 – 8.00	5.25 – 8.00	5.50 – 10.00	5.25 – 10.00
Average (%)	7.23	7.00	6.86	6.82	6.13	6.21	7.09	7.11
Change (bps)		+23		+4		-8		-2
Overall Cap Rate (OAR)^a								
Range (%)	4.00 – 9.00	4.00 – 9.00	3.75 – 7.50	3.00 – 7.25	3.75 – 6.40	3.00 – 6.25	3.75 – 7.00	3.50 – 7.00
Average (%)	6.18	6.08	5.52	5.39	4.83	4.65	5.10	5.14
Change (bps)		+10		+13		+18		-4
Residual Cap Rate								
Range (%)	4.25 – 10.00	4.25 – 10.00	5.00 – 7.50	4.50 – 7.50	4.50 – 6.75	4.50 – 6.75	4.00 – 7.00	4.00 – 7.00
Average (%)	6.85	6.72	5.91	5.80	5.46	5.46	5.50	5.47
Change (bps)		+13		+11		0		+3

^aRate on unleveraged, all-cash transactions. Definitions: bps — basis points, Discount Rate (IRR) — internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) — initial rate of return in an all-cash transaction. Residual Cap Rate — overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC Real Estate Investor Survey; Personal survey conducted by PwC during September 2019. For subscription information, please email us-pwcsurvey@pwc.com.

RealtyRates.com shows a similar range with 8.51% being the best indicator for office and 8.07% being the best indicator for apartments for 2019 overall and for 3rd quarter 2019 those rates are 8.25% for office and 7.96% for apartments, suggesting both markets improving throughout 2019.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2019*																								
CURRENT & HISTORICAL CAP RATE INDICES																								
Method-Weighted* Property Category Indices																								
Year	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MHRV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted* Composite Indices	
	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg
2019	8.07	-35	11.53	-49	8.55	-46	8.70	-49	9.90	-63	9.07	-49	8.51	-53	8.91	-47	11.16	-41	9.36	-51	11.09	-56	9.16	-49
3rd Qtr	7.96	0	11.27	-28	8.32	-27	8.46	-25	9.62	-30	8.81	-27	8.25	-31	8.68	-26	10.97	-21	9.10	-29	10.74	-48	8.92	-24
2nd Qtr	7.95	-22	11.54	-25	8.59	-19	8.72	-22	9.92	-26	9.08	-24	8.56	-22	8.94	-21	11.18	-18	9.39	-22	11.23	-21	9.17	-22
1st Qtr	8.18	-28	11.79	-29	8.78	-29	8.94	-29	10.18	-35	9.32	-30	8.78	-30	9.15	-29	11.36	-26	9.61	-31	11.44	-27	9.39	-29
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.80	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

BAND OF INVESTMENT

This method of assembling an overall rate is based on the basic components of a capitalization rate. These are the return “of” and “on” the investment (payback financing) as well as the return “of” and “on” the equity (equity dividend rate). The formula for deriving the overall rate by this method is shown below:

$$Ro = M \times Rm + (1-M) \times Re$$

Where:

- Ro = Overall Capitalization Rate
- M = Loan to Value Ratio
- Rm = Mortgage Constant
- Re = Equity Dividend Rate
- 1-M = Equity Ratio

In order to support the lending assumptions in the formula above, I have considered the following typical terms available in the market as summarized below in the lender survey.

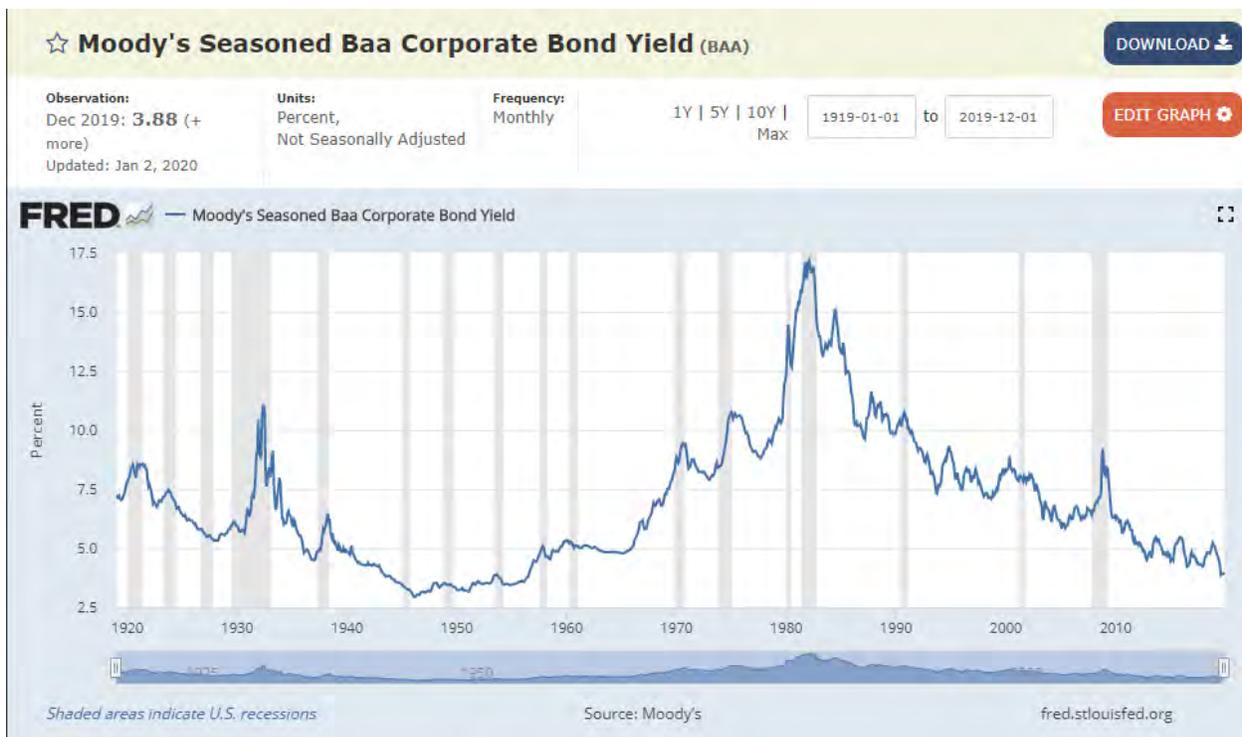
Local Lender/Developer Survey	
Mortgage Interest Rate:	6.00% to 9.00%
Loan to Value Ratio:	60.00% to 85.00%
Required Debt Coverage Ratio:	1.2 to 1.65

Amortization Term:	15 to 30
Term of Loan:	3 to 30
Loan Fee	1 percent of Loan Amount
Equity Capitalization Rate	5% to 10%

For the Equity yield rate I have considered the following breakdown.

A comparison of rates must consider the risk, limited liquidity and burden of management associated with a real estate investment. Risk associated with real estate investments include market risk from supply and demand factors and fluctuating rents, market risk from changes in functional requirements for improved properties, and mortgage interest rate risk.

The yield rates from several alternative types of investments are summarized below. I have focused on the Prime Rate, 5-year Treasury Note, 10-year Treasury Note, Aaa Bonds, Baa Bonds, and LIBOR.



U.S. Treasury securities, such as U.S. Treasury bills and U.S. Treasury bonds, are the means by which the U.S. government borrows money and are issued regularly by the Federal Reserve. They are considered risk-free because they are backed by the Federal government itself, are highly liquid and are exempt from state and local taxes. These government bonds have significantly lower rates of return than do most real estate investments.

Corporate bonds compare more closely to equity yield rates. These bonds are the primary way corporations raise capital and are more risky than government bonds depending on the quality of the bond purchased. The quality of the bond is rated by Moody's Investor's Service, Inc. Moody's measures the financial stability of the issuer

and rates the bonds from the best quality, which is rated Aaa to the lowest class of bonds, rated C.

I conclude that Moody's Baa corporate bonds are the most similar in terms of rate of return, liquidity and risk, to equity yield rates. The Moody's Baa corporate bond rating characterizes bonds of medium-grade quality, which are bonds that are neither highly protected nor secured. These bonds are generally considered to be the lowest rated "investment grade" bond. The security of these bonds appears adequate at present, but the capacity to repay can be weakened by adverse economic conditions.

To derive an equity yield rate for the subject property I would add 3.00% to 5.00% to the Baa bond rate shown above to account for limited liquidity, management involvement and market risk. This mark-up would result in a range of equity yield rates from 6.88% to 8.88%

Based on the discussion above I conclude that the typical investor in the subject property would seek an equity yield rate of 7.00% to 9.00% for an all cash investment.

The equity yield rate is used to determine the overall capitalization rate for the subject property in the Band of Investment technique.

Based on the indications above, I conclude that an equity dividend rate of 9 percent is realistic on an equity representing 20 percent of the total investment. Therefore, the overall rate utilizing the band of investment method with a mortgage ratio of 80 percent, an interest rate of 6.50 percent per annum, an equity ratio of 20 percent, and an equity dividend rate of 10 percent is calculated below. I note that the R_m was calculated first based on a 30 year mortgage to derive the mortgage constant.

$$(0.80 \times 0.07585) + (0.20 \times 0.09) = .08068$$

$$R_o = 7.87\%$$

DEBT COVERAGE FORMULA – OVERALL RATE

The Debt Coverage Ratio is the ratio of net operating income to annual debt service and is typically imposed by the lender to protect their investment in the underwriting. The formula devised to determine an overall rate through the utilization of a debt coverage ratio is as follows:

$$R_o = DCR \times R_m \times M$$

Where: R_o = Overall Capitalization Rate
 M = Loan to Value Ratio
 R_m = Mortgage Constant
 DCR = Debt Coverage Ratio

Inserting the various mortgage terms described previously, results in an overall rate by the Debt Coverage Formula calculated as follows:

$$\begin{array}{ll} \text{Low End: } 1.20 \times 0.07585 \times 0.80 = & 0.072816 \\ \text{High End: } 1.65 \times 0.07585 \times 0.80 = & 0.100122 \end{array}$$

Indicated Range 7.28% to 10.01%

CAPITALIZATION RATE CONCLUSION

Typically, in an active commercial market an overall rate as abstracted from comparable sales is given the greatest weight in determining an appropriate capitalization rate. Below is a summary of the capitalization rate findings.

Office/Retail

Comparable Sales	4.95% to 8.31% with a median of 7.00%
PwC Survey	3.75% to 7.50%, with an average of 5.52%
Realty Rates	8.51%
Band of Investment	7.87%
Debt Coverage Ratio	7.28% to 10.01%

Apartments

Comparable Sales	4.00% to 8.50% with a median of 5.25%
PwC Survey	3.75% to 7.00% with an average of 5.10%
Realty Rates	8.07%
Band of Investment	7.87%
Debt Coverage Ratio	7.28% to 10.01%

The subject property has additional limitations and restrictions on the development and ownership of the site that are atypical for the market. These added complications and risks have to be addressed in the analysis and the overall capitalization rate is the appropriate place to account for those factors. I will therefore be relying on overall capitalization rates above the median rates.

The best indication of an overall capitalization rate for the commercial building is 6.85% if the CC&Rs were not involved. I have increased this to 7.35% due to the CC&R impact.

The best indication of an overall capitalization rate for the apartment building is 5.10% if the CC&Rs were not involved. I have increased this to 5.60% due to the CC&R impact.

PROJECTED COST OF PROJECT

The final step of this analysis is to deduct the cost of constructing the project from the indicated value of the project derived through the income analysis. The difference is what the developer can pay for the land and have the project remain feasible.

I have relied heavily on the cost projections provided by the developer and checked those costs with the Marshall Swift Cost Estimating Service.

The cost breakdown and supporting Marshall Cost Estimate is available in my file.

I have also included a tenant upfit allowance based on \$50 per square foot for the office building that would be required to convert the shell tenant space into functional leasable space.

I therefore conclude on the following estimated cost for the project as proposed and required by the CC&Rs including typical soft costs and other related factors works out as follows:

Academy Park Office Cost Projection	\$20,448,031
Tenant Upfit Cost Estimate	\$5,095,000
Academy Park Apartments Cost Projection	\$41,402,711

DIRECT CAPITALIZATION CONCLUSION

Based on the discussion above the estimate of stabilized income and expenses, the capitalization of the net operating income and an analysis of the financing criteria are presented on the following page.

As described in the analysis, once the Value As Proposed is derived, I have subtracted \$0 for the discount for the lease-up period due to a short lease-up period. I have then subtracted the cost estimate, the increased site work cost estimate, the soft costs, and the developer's profit to derive a value that the developer can then afford to pay for the land and parking in order to build this building. Essentially, this is a feasibility test that I will compare to the unencumbered land value derived earlier in this report.

Income Capitalization Approach
Fee Simple Analysis Based on Market Rents
 Academy Park Commercial Building
 0.82 Acres

Income & Expense Statement

Potential Gross Income				Per Year	Per Month
Office/Retail					
101,900 s.f.	x	\$28.50	per s.f.	=	
Total Base Income				\$2,904,150	\$242,013
101,900 s.f.		\$28.50	per s.f. (avg.)		
Less: Vacancy & Rent Loss					
\$2,904,150	x	6.00%		\$174,249	\$14,521
Effective Gross Income (EGI)				\$2,729,901	\$227,492
Less: Operating Expenses					
Management	5% EGI			\$136,495	\$11,375
Real Est. Taxes	7.0% EGI			\$203,291	\$16,941
Leasing Commiss.	1% EGI			\$27,299	\$2,275
Insurance	0.15 /s.f.			\$15,285	\$1,274
Utilities	1.50 /s.f.			\$152,850	\$12,738
Housekeeping	0.75 /s.f.			\$76,425	\$6,369
Parking	\$75/Mo for 90 spaces			\$81,000	\$6,750
Repairs & Maint.	0.45 /s.f.			\$45,855	\$3,821
Capital Reserve	0.35 /s.f.			\$35,665	\$2,972
Miscellaneous	0.25 /s.f.			\$25,475	\$2,123
Total Expenses				\$799,640	\$66,637
29.29% EGI	\$7.85	per s.f.			
Net Operating Income	\$18.94	per s.f.		\$1,930,261	\$160,855

Capitalization - Commercial Building

Net Operating Income ÷ Overall Capitalization Rate

$$\$1,930,261 \div 7.35\% = \$26,262,054$$

Indicated Value As Stabilized **\$26,260,000**

Less: Discount for Lease Up Period \$0

Indicated Value As Complete **\$26,260,000**

Less: Indicated Cost **(\$20,448,031)**

Less: Tenant Upfit Costs@\$50/SF **(\$5,095,000)**

Indicated Land Value **\$716,969**

Rounded (Indication of Value) **\$720,000**

Income Capitalization Approach
Fee Simple Analysis Based on Market Rents
 Academy Park Residential Building
 1.56 Acres

Income & Expense Statement

Potential Gross Income				Per Year	Per Month
Retail					
17,500 s.f.	x	\$21.50	per s.f. =	\$376,250	\$31,354
Apartments					
162,308 s.f.	x	\$20.28	per s.f. =	\$3,291,606	\$274,301
Total Base Income				\$3,667,856	\$305,655
179,808 s.f.		\$20.40	per s.f. (avg.)		
Less: Vacancy & Rent Loss					
\$3,667,856	x	6.75%		\$247,580	\$20,632
Effective Gross Income (EGI)				\$3,420,276	\$285,023
Less: Operating Expenses					
Management	5% EGI			\$171,014	\$14,251
Real Est. Taxes	7.0% EGI			\$256,750	\$21,396
Insurance	0.30 /s.f.			\$53,942	\$4,495
Utilities	0.80 /s.f.			\$143,846	\$11,987
Contract/Adver	0.75 /s.f.			\$134,856	\$11,238
Parking Deck	\$75/Mo for 160 spaces			\$144,000	\$12,000
Repairs & Maint.	0.45 /s.f.			\$80,914	\$6,743
Capital Reserve	0.35 /s.f.			\$62,933	\$5,244
Miscellaneous	0.25 /s.f.			\$44,952	\$3,746
Total Expenses				\$1,093,207	\$91,101
31.96% EGI	\$6.08	per s.f.			
Net Operating Income	\$12.94	per s.f.		\$2,327,069	\$193,922

Capitalization - Apartment Building

Net Operating Income ÷ Overall Capitalization Rate

$$\$2,327,069 \div 5.60\% = \$41,554,804$$

Indicated Value As Stabilized **\$41,550,000**

Less: Discount for Lease Up Period \$0

Indicated Value As Complete **\$41,550,000**

Less: Indicated Cost **(\$41,402,711)**

Indicated Land Value **\$147,289**

Rounded (Indication of Value) **\$150,000**

REPORT CONCLUSION

RECONCILIATION -- FINAL OPINION OF MARKET VALUE

The indications of value arrived at by the various approaches are restated as follows:

	New Lot 1	New Lot 2
Sales Comparison Approach No CC&R Impact	\$860,000	\$1,495,000
Land Residual Technique CC&R Impact Includes Parking Impact	\$150,000	\$720,000

SALES COMPARISON APPROACH

The Sales Comparison Approach provides a strong indication of value for the land with no CC&Rs and no requirement on parking space reservation expenses. Given that the land will be sold subject to the CC&Rs and there will be a parking arrangement requiring ongoing payments for reserving parking spaces, this is more of a reference point for this analysis than a useful indication of the land value in this context. The comparables are well situated and provide a good indication of land value if the property were not being marketed subject to these other limitations.

LAND RESIDUAL TECHNIQUE

This approach provides a strong indication of the value subject to the CC&Rs which requires the construction of a very specific set of buildings. The costs are very well defined, which is typically the main limitation of applying this approach. Given that the income stream is well supported and the costs are well supported, I consider this approach to provide a strong indication of what the developer can pay for the land and parking situation at this site.

CONCLUSION

Considering the value based on a traditional sales comparison approach does not work for property subject to significant CC&Rs unless you can find sales that are subject to similar CC&Rs. As the CC&Rs for this site are very specific to this site then a land sales comparison approach would necessarily provide an unrealistic value as the land being sold does not have the same development rights as similar land in the area. I have therefore shown a traditional sales comparison approach in this report to illustrate the value with no restrictions, but I have relied on a land residual valuation to determine the value of the site subject to the significant limitations of the CC&Rs.

I conclude that the value of the subject property as of the date of appraisal is:

	New Lot 1	New Lot 2
Market Value with CC&R Impact	\$150,000	\$720,000

MARKETING PERIOD AND EXPOSURE TIME

Marketing Period/Exposure Time	
Marketing Period:	12 months
Exposure Time:	12 months

MARKETING PERIOD

I project that if the subject property were put on the market at a price at or near the market value estimated above, the marketing period required to sell the property would be no more than 12 months.

This time frame is based on conversations with local brokers, property owners, developers and other people knowledgeable with the market.

The typical marketing strategy would involve listing the property for sale with a local commercial real estate broker knowledgeable in this sub-market. The estimated market value anticipates that a real estate commission would be paid to sell the property, and the typical commission in this market could range from 4 percent to 10 percent of the sales price, depending on the size and property type. For the subject property I anticipate that the commission would be in the range of 5 to 6 percent of the sales price. The typical listing agreement for this property would be between six and 12 months, with the likelihood of renewal depending on the level of service provided by the broker.

EXPOSURE TIME

The value estimated in this report presumes that the property has been exposed to the market prior to the date of appraisal for an adequate, sufficient and reasonable time and with adequate, sufficient and reasonable effort.

Based on the discussion of marketing period presented above I estimate the appropriate exposure time to be 12 months. This is the length of time the property is presumed to have been on the market prior to a hypothetical sale at the estimated market value.

CERTIFICATION -- RICHARD C. KIRKLAND, JR., MAI

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

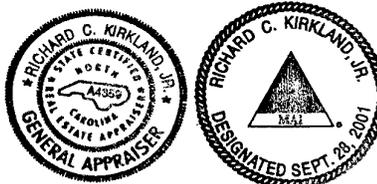
1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal;
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
10. I have made a personal inspection of the property that is the subject of this report, and;
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. As of the date of this report I have completed the continuing education program for Designated Members of the Appraisal Institute;
13. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. I have provided verbal updates on the status of this assignment at various times throughout 2019 and early 2020. I provided a written draft on January 25, 2020. This update includes updated maps, images, CC&R specific language as well as updates in analysis supporting information with no change in value.

Disclosure of the contents of this appraisal report is governed by the bylaws and regulations of the Appraisal Institute and the National Association of Realtors.

Neither all nor any part of the contents of this appraisal report shall be disseminated to the public through advertising media, public relations media, news media, or any other public means of communications without the prior written consent and approval of the undersigned.



Richard C. Kirkland, Jr., MAI
State Certified General Appraiser





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PROFESSIONAL EXPERIENCE

Kirkland Appraisals, LLC , Raleigh, N.C. Commercial appraiser	2003 – Present
Hester & Company , Raleigh, N.C. Commercial appraiser	1996 – 2003

PROFESSIONAL AFFILIATIONS

MAI (Member, Appraisal Institute) designation #11796	2001
NC State Certified General Appraiser # A4359	1999
VA State Certified General Appraiser # 4001017291	
SC State Certified General Appraiser # 6209	
FL State Certified General Appraiser # RZ3950	
IL State Certified General Appraiser # 553.002633	
OR State Certified General Appraiser # C001204	
GA State Certified General Appraiser # 321885	

EDUCATION

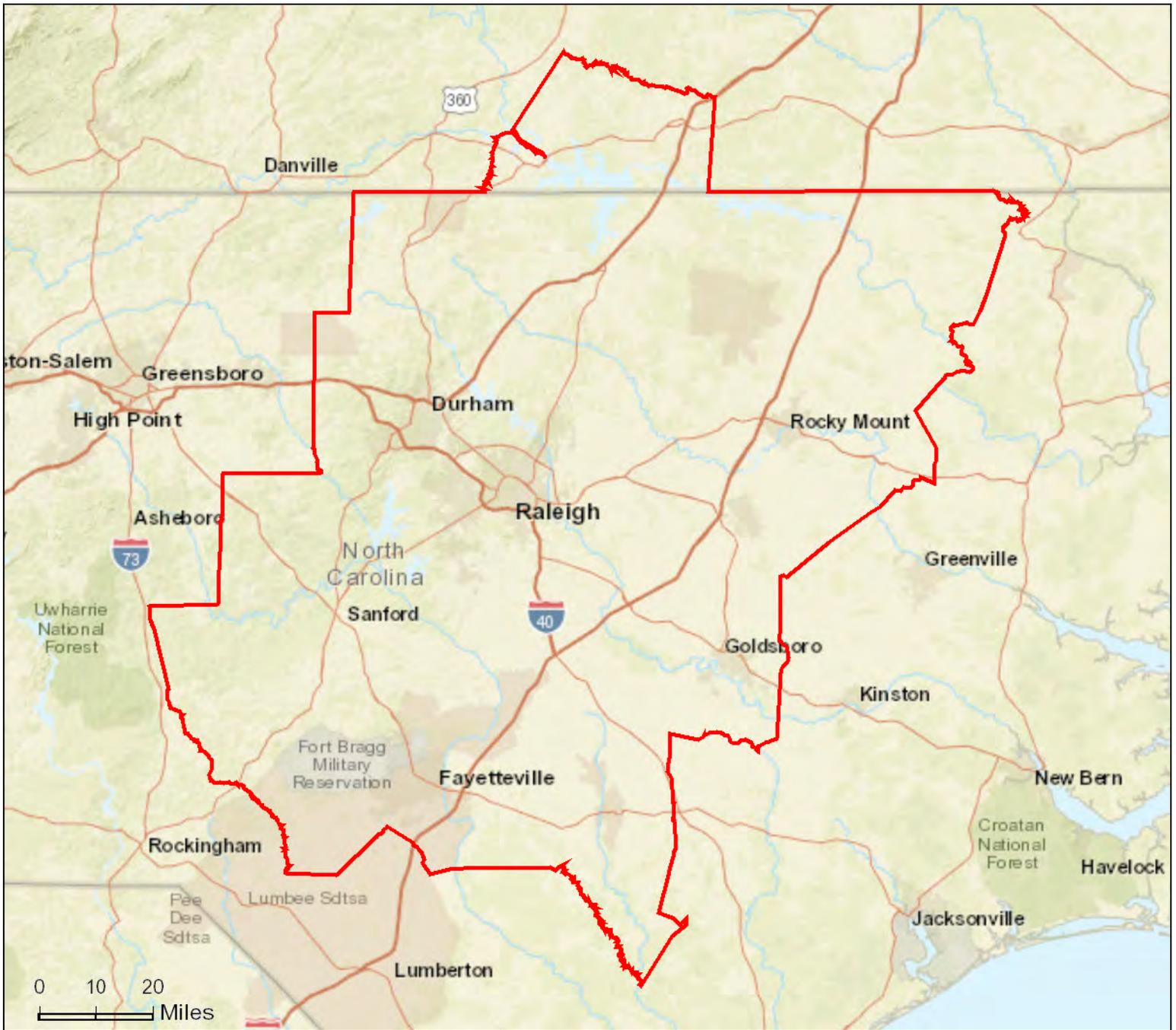
Bachelor of Arts in English , University of North Carolina, Chapel Hill	1993
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CONTINUING EDUCATION

Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2019
Income Approach Case Studies for Commercial Appraisers	2018
Introduction to Expert Witness Testimony for Appraisers	2018
Appraising Small Apartment Properties	2018
Florida Appraisal Laws and Regulations	2018
Uniform Standards of Professional Appraisal Practice Update	2018
Appraisal of REO and Foreclosure Properties	2017
Appraisal of Self Storage Facilities	2017
Land and Site Valuation	2017
NCDOT Appraisal Principles and Procedures	2017
Uniform Standards of Professional Appraisal Practice Update	2016
Forecasting Revenue	2015
Wind Turbine Effect on Value	2015
Supervisor/Trainee Class	2015
Business Practices and Ethics	2014
Subdivision Valuation	2014
Uniform Standards of Professional Appraisal Practice Update	2014
Introduction to Vineyard and Winery Valuation	2013
Appraising Rural Residential Properties	2012
Uniform Standards of Professional Appraisal Practice Update	2012
Supervisors/Trainees	2011
Rates and Ratios: Making sense of GIMs, OARs, and DCFs	2011
Advanced Internet Search Strategies	2011
Analyzing Distressed Real Estate	2011
Uniform Standards of Professional Appraisal Practice Update	2011
Business Practices and Ethics	2011
Appraisal Curriculum Overview (2 Days – General)	2009
Appraisal Review - General	2009

Uniform Standards of Professional Appraisal Practice Update	2008
Subdivision Valuation: A Comprehensive Guide	2008
Office Building Valuation: A Contemporary Perspective	2008
Valuation of Detrimental Conditions in Real Estate	2007
The Appraisal of Small Subdivisions	2007
Uniform Standards of Professional Appraisal Practice Update	2006
Evaluating Commercial Construction	2005
Conservation Easements	2005
Uniform Standards of Professional Appraisal Practice Update	2004
Condemnation Appraising	2004
Land Valuation Adjustment Procedures	2004
Supporting Capitalization Rates	2004
Uniform Standards of Professional Appraisal Practice, C	2002
Wells and Septic Systems and Wastewater Irrigation Systems	2002
Appraisals 2002	2002
Analyzing Commercial Lease Clauses	2002
Conservation Easements	2000
Preparation for Litigation	2000
Appraisal of Nonconforming Uses	2000
Advanced Applications	2000
Highest and Best Use and Market Analysis	1999
Advanced Sales Comparison and Cost Approaches	1999
Advanced Income Capitalization	1998
Valuation of Detrimental Conditions in Real Estate	1999
Report Writing and Valuation Analysis	1999
Property Tax Values and Appeals	1997
Uniform Standards of Professional Appraisal Practice, A & B	1997
Basic Income Capitalization	1996

Raleigh-Durham (Fayetteville)
Raleigh-Durham (Fayetteville) (560)
Geography: Designated Market Area (DMA)



This site is located in:

City: ---
County: Chatham County
State: North Carolina
ZIP Code: 23915
Census Tract: 37037020103
Census Block Group: 370370201031
CBSA: Dunn, NC Micropolitan Statistical Area



Community Profile

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
Population Summary	
2000 Total Population	2,388,597
2010 Total Population	2,917,528
2017 Total Population	3,219,715
2017 Group Quarters	79,299
2022 Total Population	3,451,753
2017-2022 Annual Rate	1.40%
2017 Total Daytime Population	3,218,520
Workers	1,518,060
Residents	1,700,460
Household Summary	
2000 Households	908,751
2000 Average Household Size	2.53
2010 Households	1,127,470
2010 Average Household Size	2.51
2017 Households	1,240,649
2017 Average Household Size	2.53
2022 Households	1,327,837
2022 Average Household Size	2.54
2017-2022 Annual Rate	1.37%
2010 Families	751,398
2010 Average Family Size	3.06
2017 Families	815,763
2017 Average Family Size	3.10
2022 Families	867,950
2022 Average Family Size	3.12
2017-2022 Annual Rate	1.25%
Housing Unit Summary	
2000 Housing Units	999,768
Owner Occupied Housing Units	59.9%
Renter Occupied Housing Units	31.0%
Vacant Housing Units	9.1%
2010 Housing Units	1,250,976
Owner Occupied Housing Units	58.0%
Renter Occupied Housing Units	32.1%
Vacant Housing Units	9.9%
2017 Housing Units	1,380,968
Owner Occupied Housing Units	55.0%
Renter Occupied Housing Units	34.9%
Vacant Housing Units	10.2%
2022 Housing Units	1,485,164
Owner Occupied Housing Units	54.6%
Renter Occupied Housing Units	34.8%
Vacant Housing Units	10.6%
Median Household Income	
2017	\$53,127
2022	\$59,504
Median Home Value	
2017	\$186,794
2022	\$206,316
Per Capita Income	
2017	\$29,370
2022	\$33,361
Median Age	
2010	35.6
2017	36.8
2022	37.4

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
2017 Households by Income	
Household Income Base	1,240,633
<\$15,000	11.9%
\$15,000 - \$24,999	10.6%
\$25,000 - \$34,999	10.7%
\$35,000 - \$49,999	13.7%
\$50,000 - \$74,999	17.4%
\$75,000 - \$99,999	12.1%
\$100,000 - \$149,999	13.7%
\$150,000 - \$199,999	5.0%
\$200,000+	5.0%
Average Household Income	\$75,198
2022 Households by Income	
Household Income Base	1,327,821
<\$15,000	11.6%
\$15,000 - \$24,999	9.8%
\$25,000 - \$34,999	9.5%
\$35,000 - \$49,999	11.9%
\$50,000 - \$74,999	15.5%
\$75,000 - \$99,999	14.1%
\$100,000 - \$149,999	16.0%
\$150,000 - \$199,999	5.9%
\$200,000+	5.9%
Average Household Income	\$85,769
2017 Owner Occupied Housing Units by Value	
Total	758,854
<\$50,000	7.5%
\$50,000 - \$99,999	13.8%
\$100,000 - \$149,999	17.0%
\$150,000 - \$199,999	15.9%
\$200,000 - \$249,999	12.7%
\$250,000 - \$299,999	9.0%
\$300,000 - \$399,999	11.2%
\$400,000 - \$499,999	5.5%
\$500,000 - \$749,999	4.7%
\$750,000 - \$999,999	1.3%
\$1,000,000 +	1.3%
Average Home Value	\$235,988
2022 Owner Occupied Housing Units by Value	
Total	810,683
<\$50,000	5.9%
\$50,000 - \$99,999	12.0%
\$100,000 - \$149,999	15.8%
\$150,000 - \$199,999	14.8%
\$200,000 - \$249,999	12.4%
\$250,000 - \$299,999	9.6%
\$300,000 - \$399,999	13.1%
\$400,000 - \$499,999	6.9%
\$500,000 - \$749,999	6.0%
\$750,000 - \$999,999	1.7%
\$1,000,000 +	1.8%
Average Home Value	\$262,431

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
2010 Population by Age	
Total	2,917,528
0 - 4	7.1%
5 - 9	7.0%
10 - 14	6.8%
15 - 24	14.1%
25 - 34	14.1%
35 - 44	14.3%
45 - 54	14.2%
55 - 64	11.1%
65 - 74	6.4%
75 - 84	3.5%
85 +	1.3%
18 +	75.0%
2017 Population by Age	
Total	3,219,715
0 - 4	6.5%
5 - 9	6.7%
10 - 14	6.7%
15 - 24	13.7%
25 - 34	13.9%
35 - 44	13.4%
45 - 54	13.2%
55 - 64	12.2%
65 - 74	8.4%
75 - 84	3.8%
85 +	1.5%
18 +	76.5%
2022 Population by Age	
Total	3,451,753
0 - 4	6.4%
5 - 9	6.4%
10 - 14	6.6%
15 - 24	13.3%
25 - 34	14.0%
35 - 44	13.4%
45 - 54	12.3%
55 - 64	12.0%
65 - 74	9.4%
75 - 84	4.6%
85 +	1.5%
18 +	76.8%
2010 Population by Sex	
Males	1,416,723
Females	1,500,805
2017 Population by Sex	
Males	1,568,069
Females	1,651,646
2022 Population by Sex	
Males	1,683,884
Females	1,767,869

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
Raleigh-Durham (Fayetteville) (560)
Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
2010 Population by Race/Ethnicity	
Total	2,917,528
White Alone	60.9%
Black Alone	27.7%
American Indian Alone	0.9%
Asian Alone	3.0%
Pacific Islander Alone	0.1%
Some Other Race Alone	5.0%
Two or More Races	2.5%
Hispanic Origin	9.8%
Diversity Index	63.1
2017 Population by Race/Ethnicity	
Total	3,219,715
White Alone	59.5%
Black Alone	27.2%
American Indian Alone	0.9%
Asian Alone	3.9%
Pacific Islander Alone	0.1%
Some Other Race Alone	5.5%
Two or More Races	2.9%
Hispanic Origin	10.8%
Diversity Index	65.3
2022 Population by Race/Ethnicity	
Total	3,451,753
White Alone	58.2%
Black Alone	26.7%
American Indian Alone	0.9%
Asian Alone	4.7%
Pacific Islander Alone	0.1%
Some Other Race Alone	6.0%
Two or More Races	3.3%
Hispanic Origin	12.0%
Diversity Index	67.4
2010 Population by Relationship and Household Type	
Total	2,917,528
In Households	97.1%
In Family Households	80.9%
Householder	25.8%
Spouse	18.5%
Child	30.9%
Other relative	3.7%
Nonrelative	2.1%
In Nonfamily Households	16.2%
In Group Quarters	2.9%
Institutionalized Population	1.2%
Noninstitutionalized Population	1.6%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
Raleigh-Durham (Fayetteville) (560)
Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
2017 Population 25+ by Educational Attainment	
Total	2,139,503
Less than 9th Grade	4.8%
9th - 12th Grade, No Diploma	7.1%
High School Graduate	19.6%
GED/Alternative Credential	3.9%
Some College, No Degree	20.2%
Associate Degree	9.1%
Bachelor's Degree	21.4%
Graduate/Professional Degree	13.8%
2017 Population 15+ by Marital Status	
Total	2,580,645
Never Married	33.4%
Married	50.3%
Widowed	5.5%
Divorced	10.7%
2017 Civilian Population 16+ in Labor Force	
Civilian Employed	93.9%
Civilian Unemployed (Unemployment Rate)	6.1%
2017 Employed Population 16+ by Industry	
Total	1,494,722
Agriculture/Mining	1.4%
Construction	6.9%
Manufacturing	10.6%
Wholesale Trade	2.4%
Retail Trade	10.4%
Transportation/Utilities	3.6%
Information	1.7%
Finance/Insurance/Real Estate	5.7%
Services	51.9%
Public Administration	5.4%
2017 Employed Population 16+ by Occupation	
Total	1,494,722
White Collar	63.7%
Management/Business/Financial	15.2%
Professional	25.9%
Sales	10.4%
Administrative Support	12.1%
Services	16.8%
Blue Collar	19.5%
Farming/Forestry/Fishing	0.8%
Construction/Extraction	4.9%
Installation/Maintenance/Repair	3.2%
Production	5.3%
Transportation/Material Moving	5.3%
2010 Population By Urban/ Rural Status	
Total Population	2,917,528
Population Inside Urbanized Area	57.4%
Population Inside Urbanized Cluster	12.3%
Rural Population	30.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

	Raleigh-Durha...
2010 Households by Type	
Total	1,127,470
Households with 1 Person	26.8%
Households with 2+ People	73.2%
Family Households	66.6%
Husband-wife Families	47.8%
With Related Children	22.2%
Other Family (No Spouse Present)	18.8%
Other Family with Male Householder	4.4%
With Related Children	2.6%
Other Family with Female Householder	14.4%
With Related Children	9.9%
Nonfamily Households	6.5%
All Households with Children	35.1%
Multigenerational Households	3.8%
Unmarried Partner Households	5.8%
Male-female	5.1%
Same-sex	0.7%
2010 Households by Size	
Total	1,127,470
1 Person Household	26.8%
2 Person Household	33.1%
3 Person Household	17.0%
4 Person Household	13.6%
5 Person Household	5.9%
6 Person Household	2.2%
7 + Person Household	1.3%
2010 Households by Tenure and Mortgage Status	
Total	1,127,470
Owner Occupied	64.4%
Owned with a Mortgage/Loan	47.7%
Owned Free and Clear	16.7%
Renter Occupied	35.6%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	1,250,976
Housing Units Inside Urbanized Area	56.7%
Housing Units Inside Urbanized Cluster	12.3%
Rural Housing Units	31.0%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.



Community Profile

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

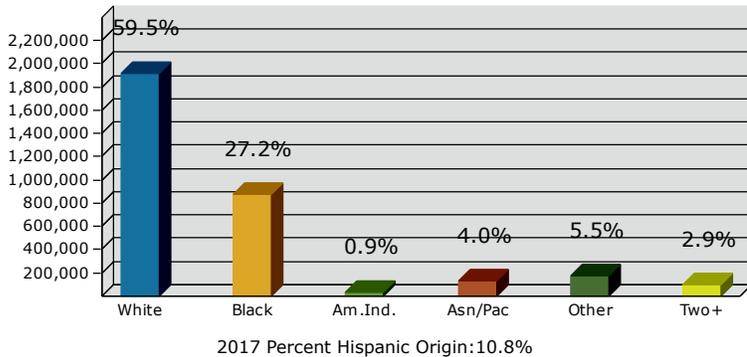
		Raleigh-Durha...
Top 3 Tapestry Segments		
	1.	Southern Satellites (10A)
	2.	Middleburg (4C)
	3.	Up and Coming Families
2017 Consumer Spending		
Apparel & Services: Total \$		\$2,529,496,551
Average Spent		\$2,038.85
Spending Potential Index		94
Education: Total \$		\$1,601,773,652
Average Spent		\$1,291.08
Spending Potential Index		89
Entertainment/Recreation: Total \$		\$3,644,165,126
Average Spent		\$2,937.31
Spending Potential Index		94
Food at Home: Total \$		\$5,950,236,199
Average Spent		\$4,796.07
Spending Potential Index		95
Food Away from Home: Total \$		\$3,960,152,122
Average Spent		\$3,192.00
Spending Potential Index		96
Health Care: Total \$		\$6,534,669,167
Average Spent		\$5,267.14
Spending Potential Index		94
HH Furnishings & Equipment: Total \$		\$2,288,608,714
Average Spent		\$1,844.69
Spending Potential Index		95
Personal Care Products & Services: Total \$		\$925,551,723
Average Spent		\$746.02
Spending Potential Index		94
Shelter: Total \$		\$18,586,443,288
Average Spent		\$14,981.23
Spending Potential Index		92
Support Payments/Cash Contributions/Gifts in Kind: Total \$		\$2,730,714,969
Average Spent		\$2,201.04
Spending Potential Index		94
Travel: Total \$		\$2,324,456,307
Average Spent		\$1,873.58
Spending Potential Index		90
Vehicle Maintenance & Repairs: Total \$		\$1,262,242,544
Average Spent		\$1,017.41
Spending Potential Index		95

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

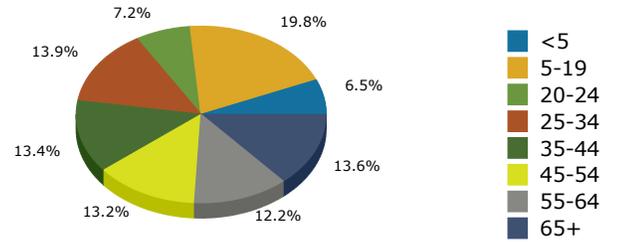
Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022 Esri converted Census 2000 data into 2010 geography.

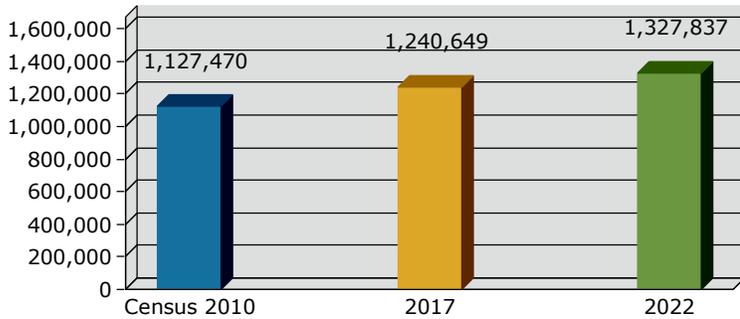
2017 Population by Race



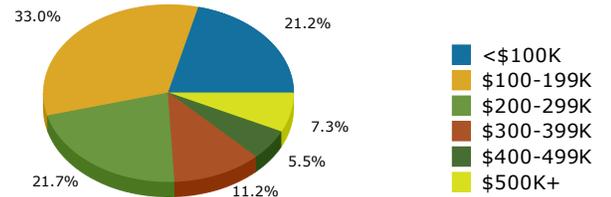
2017 Population by Age



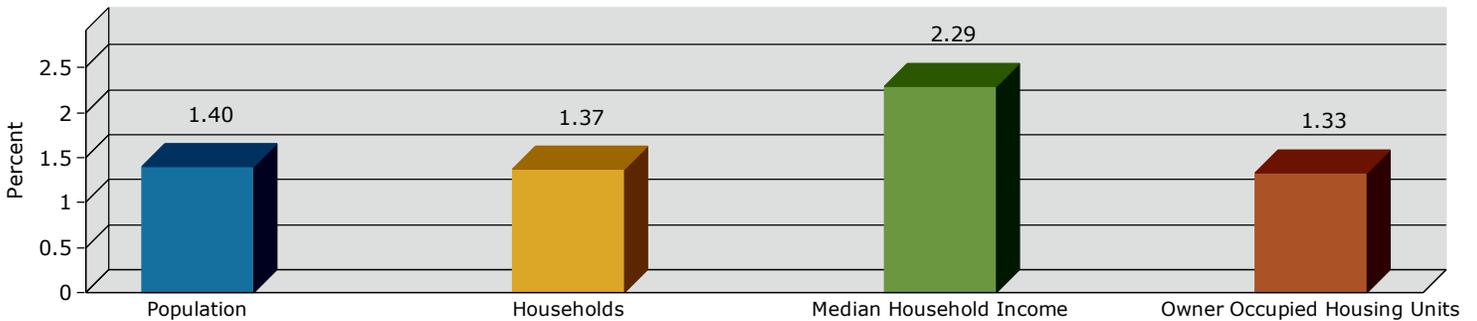
Households



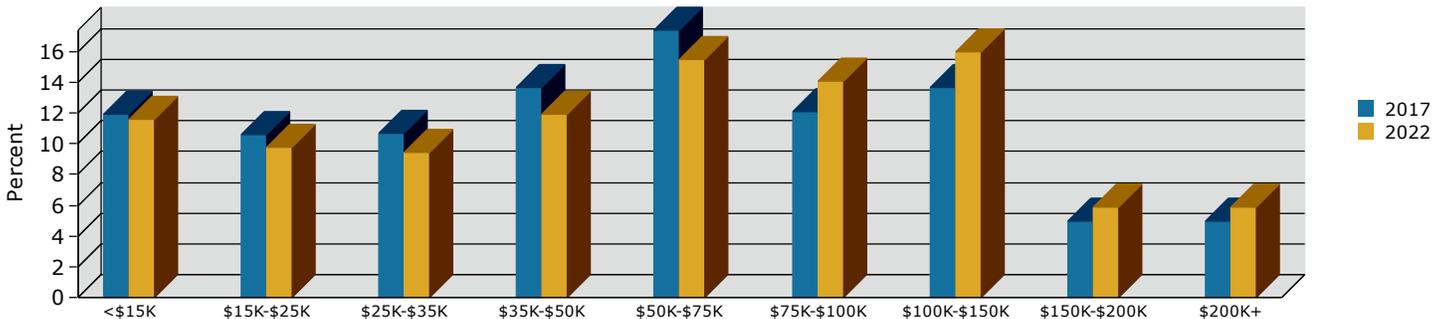
2017 Home Value



2017-2022 Annual Growth Rate



Household Income



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.



Business Summary

Raleigh-Durham (Fayetteville)
 Raleigh-Durham (Fayetteville) (560)
 Geography: Designated Market Area (DMA)

Prepared by Esri

Data for all businesses in area

Total Businesses:	101,947	
Total Employees:	1,394,582	
Total Residential Population:	3,219,715	
Employee/Residential Population Ratio (per 100 Residents)	43	

	Businesses		Employees	
	Number	Percent	Number	Percent
by SIC Codes				
Agriculture & Mining	2,667	2.6%	21,770	1.6%
Construction	7,216	7.1%	57,525	4.1%
Manufacturing	2,738	2.7%	104,256	7.5%
Transportation	2,430	2.4%	22,103	1.6%
Communication	945	0.9%	16,258	1.2%
Utility	383	0.4%	12,432	0.9%
Wholesale Trade	3,308	3.2%	57,403	4.1%
Retail Trade Summary	21,378	21.0%	304,109	21.8%
Home Improvement	1,219	1.2%	21,304	1.5%
General Merchandise Stores	982	1.0%	36,379	2.6%
Food Stores	2,532	2.5%	41,212	3.0%
Auto Dealers, Gas Stations, Auto Aftermarket	2,857	2.8%	31,093	2.2%
Apparel & Accessory Stores	1,348	1.3%	11,405	0.8%
Furniture & Home Furnishings	1,671	1.6%	16,451	1.2%
Eating & Drinking Places	5,817	5.7%	106,280	7.6%
Miscellaneous Retail	4,952	4.9%	39,985	2.9%
Finance, Insurance, Real Estate Summary	9,492	9.3%	68,912	4.9%
Banks, Savings & Lending Institutions	1,600	1.6%	18,579	1.3%
Securities Brokers	1,035	1.0%	5,937	0.4%
Insurance Carriers & Agents	1,988	2.0%	13,525	1.0%
Real Estate, Holding, Other Investment Offices	4,869	4.8%	30,871	2.2%
Services Summary	42,798	42.0%	618,566	44.4%
Hotels & Lodging	769	0.8%	16,978	1.2%
Automotive Services	3,303	3.2%	15,880	1.1%
Motion Pictures & Amusements	2,625	2.6%	23,047	1.7%
Health Services	6,461	6.3%	184,699	13.2%
Legal Services	1,494	1.5%	11,349	0.8%
Education Institutions & Libraries	2,309	2.3%	136,327	9.8%
Other Services	25,837	25.3%	230,286	16.5%
Government	4,163	4.1%	108,149	7.8%
Unclassified Establishments	4,429	4.3%	3,099	0.2%
Totals	101,947	100.0%	1,394,582	100.0%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2017.
Date Note: Data on the Business Summary report is calculated using **Esri's Data allocation method** which uses census block groups to allocate business summary data to custom areas.



Business Summary

Raleigh-Durham (Fayetteville)
Raleigh-Durham (Fayetteville) (560)
Geography: Designated Market Area (DMA)

Prepared by Esri

by NAICS Codes	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	979	1.0%	7,946	0.6%
Mining	66	0.1%	1,414	0.1%
Utilities	175	0.2%	9,652	0.7%
Construction	7,679	7.5%	61,453	4.4%
Manufacturing	2,910	2.9%	102,723	7.4%
Wholesale Trade	3,203	3.1%	56,966	4.1%
Retail Trade	15,063	14.8%	193,518	13.9%
Motor Vehicle & Parts Dealers	1,952	1.9%	26,085	1.9%
Furniture & Home Furnishings Stores	863	0.8%	6,846	0.5%
Electronics & Appliance Stores	683	0.7%	8,745	0.6%
Bldg Material & Garden Equipment & Supplies Dealers	1,164	1.1%	21,074	1.5%
Food & Beverage Stores	2,250	2.2%	38,273	2.7%
Health & Personal Care Stores	1,370	1.3%	13,649	1.0%
Gasoline Stations	906	0.9%	5,011	0.4%
Clothing & Clothing Accessories Stores	1,671	1.6%	12,876	0.9%
Sport Goods, Hobby, Book, & Music Stores	821	0.8%	8,136	0.6%
General Merchandise Stores	982	1.0%	36,379	2.6%
Miscellaneous Store Retailers	2,118	2.1%	13,258	1.0%
Nonstore Retailers	283	0.3%	3,186	0.2%
Transportation & Warehousing	1,912	1.9%	19,688	1.4%
Information	2,338	2.3%	40,470	2.9%
Finance & Insurance	4,763	4.7%	38,944	2.8%
Central Bank/Credit Intermediation & Related Activities	1,683	1.7%	18,917	1.4%
Securities, Commodity Contracts & Other Financial	1,081	1.1%	6,238	0.4%
Insurance Carriers & Related Activities; Funds, Trusts &	1,999	2.0%	13,789	1.0%
Real Estate, Rental & Leasing	6,509	6.4%	34,562	2.5%
Professional, Scientific & Tech Services	8,900	8.7%	96,844	6.9%
Legal Services	1,571	1.5%	11,619	0.8%
Management of Companies & Enterprises	90	0.1%	1,205	0.1%
Administrative & Support & Waste Management & Remediation	3,598	3.5%	30,878	2.2%
Educational Services	2,674	2.6%	135,976	9.8%
Health Care & Social Assistance	9,094	8.9%	225,124	16.1%
Arts, Entertainment & Recreation	1,705	1.7%	21,589	1.5%
Accommodation & Food Services	6,700	6.6%	124,807	8.9%
Accommodation	769	0.8%	16,978	1.2%
Food Services & Drinking Places	5,931	5.8%	107,829	7.7%
Other Services (except Public Administration)	14,980	14.7%	79,187	5.7%
Automotive Repair & Maintenance	2,374	2.3%	11,437	0.8%
Public Administration	4,184	4.1%	108,586	7.8%
Unclassified Establishments	4,425	4.3%	3,050	0.2%
Total	101,947	100.0%	1,394,582	100.0%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2017.

Date Note: Data on the Business Summary report is calculated using Esri's Data allocation method which uses census block groups to allocate business summary data to custom areas.

April 07, 2018

WAKE COUNTY, NC 475
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
06/29/2012 AT 13:59:53
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$4000
BOOK:014824 PAGE:02511 - 02514

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$4,000.00

Parcel Identification No. 0763592869

Hold for: Weatherspoon & Voltz (Vault Box 36)

This instrument was prepared by: Weatherspoon & Voltz LLP

Brief description for the Index: 105 Walnut Street, Cary, NC

THIS DEED is made this 29th day of June, 2012, by and between:

GRANTOR	GRANTEE
<p>JANE G. FAIRBETTER, Widow</p> <p>922 Washington Street Cary, North Carolina 27511-3918</p>	<p>TOWN OF CARY, a North Carolina municipal corporation</p> <p>P.O. Box 8005 Cary, North Carolina 27512-8005</p>

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple that certain lot or parcel of land situated in the Town of Cary, Wake County, North Carolina and being described in **Exhibit A** attached hereto and incorporated herein.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 12894, Page 2189, Wake County Registry.

A map showing the above described property is recorded in Book of Maps _____, Page _____, Wake County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

2012 and subsequent years ad valorem taxes, easements, restrictions and rights-of-way of record.

All or a portion of the property herein conveyed includes or does not include the primary residence of Grantor.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the day and year first above written.

Jane G. Fairbetter, by her attorney-in-fact,
Jane G. Fairbetter, by her attorney-in-fact, *Ginger Fairbetter Hayes*
Ginger Fairbetter Hayes

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public for said County and State, hereby certify that Ginger Fairbetter Hayes, attorney-in-fact for Jane G. Fairbetter, personally appeared before me this day, and being by me duly sworn, says that she executed the foregoing and annexed instrument for and on behalf of said Jane G. Fairbetter, and that her authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded on March 7, 2008 in Book 12992, Page 2192, Wake County Registry, and that this instrument was executed under and by virtue of the authority given by said instrument granting power of attorney.

I do further certify that said Ginger Fairbetter Hayes acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of Jane G. Fairbetter.

Date: June 29, 2012.

William H. Weatherspoon, Jr.
Notary Public

William H. Weatherspoon, Jr.
Printed Name

My commission expires: 3-27-2016

[Official seal]



EXHIBIT A

Lying and being located in Cary Township, Wake County, North Carolina and being described as follows:

Beginning at an existing mark on a concrete sidewalk in the northern margin of the 60-foot right-of-way of Walnut Street, said mark being located North 33° 27' 36" East a distance of 63.41' from N.C. Grid Monument "WALNUT" having NAD83 coordinates N=739,770.77', E=2,065,274.37'; thence from such point of Beginning running with and along the northern margin of the 60-foot right-of-way of Walnut Street South 89° 46' 34" West a distance of 94.70' to a point; thence leaving the northern margin of the 60-foot right-of-way of Walnut Street and running North 00° 06' 14" West a distance of 310.74' to a point; thence North 89° 37' 15" East a distance of 87.15' to a point; thence South 01° 29' 36" East a distance of 311.05' to an existing mark in the northern margin of the 60-foot right-of-way of Walnut Street, being the point and place of beginning, containing 0.649 acres, according to that certain unrecorded survey entitled "Survey For The Town of Cary", prepared by Al Prince & Associates, P.A., dated May 29, 2012, to which survey reference is hereby made for a more particular description of the metes, bounds, courses and distances of such property.

WAKE COUNTY, NC 494
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
04/11/2008 AT 15:13:15
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$450
BOOK: 013047 PAGE: 00231 - 00234

Revenue: \$ 450.00

Tax Lot No. 0071219

Prepared By: Nathan M. Garren, a licensed North Carolina attorney. Delinquent taxes, if any to be paid by the closing attorney to the tax collector upon disbursement of closing proceeds.

Mail to: Hold Weatherspoon & Voltz LLP (Box 36)

STATE OF NORTH CAROLINA

GENERAL WARRANTY DEED

COUNTY OF WAKE

THIS DEED, made this 11th day of April, 2008, by and between **Thomas Anderson Clemmer and wife, Ellen Betts Clemmer** (hereinafter "Grantors") and **Town of Cary, a North Carolina Municipal Corporation** (hereinafter "Grantee") with a mailing address of PO Box 8005, Cary, NC 27512.

WITNESSETH:

THAT Grantors in consideration of Ten Dollars (\$10.00) and other valuable consideration to them paid by Grantee, the receipt of which is hereby acknowledged, have and by these presents do grant, bargain, sell and convey, unto Grantee, its heirs, successors and assigns, all of their interest in that certain tract or parcel of land situate in the City of Cary, Wake County, North Carolina and as described on Exhibit A attached hereto and incorporated herein by reference.

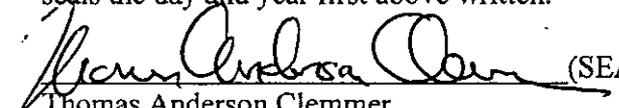
TO HAVE AND TO HOLD the said land, together with all privileges and appurtenances as thereunto belonging unto the said Grantee in fee simple.

And the Grantors covenant with the Grantee, that the Grantors are seized of the premises in fee simple, have the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantors will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

- 1. Ad Valorem taxes for the year 2008 and thereafter.
- 2. Restrictive covenants and easements of record.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and affixed their seals the day and year first above written.

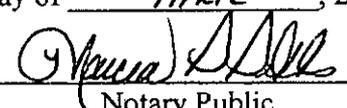
 (SEAL)
 Thomas Anderson Clemmer

 (SEAL)
 Ellen Betts Clemmer

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, certify that **Thomas Anderson Clemmer and Ellen Betts Clemmer**, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 11th day of April, 2008.


 Notary Public

My Commission Expires: 11/29/2012

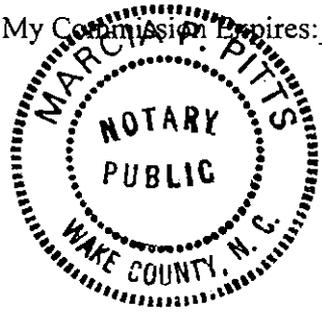


Exhibit A

BEGINNING at an existing iron pipe located in the northern margin of the 65-foot right-of-way line of Walnut Street and located 94.05 feet west from the intersection of the western margin of the right-of-way of Walker Street and the northern margin of the 65-foot right-of-way of Walnut Street; runs thence South 03 degrees 41 minutes 40 seconds West 7.48 feet across an existing sidewalk to a point within the right-of-way of Walnut Street; runs thence along a line within the right-of-way of Walnut Street North 86 degrees 38 minutes 58 seconds West 87.00 feet to another point within the right-of-way of Walnut Street; runs thence across an existing sidewalk North 03 degrees 41 minutes 40 seconds East 8.52 feet to a new iron pipe located in the northern margin of the 65-foot right-of-way of Walnut Street; runs thence North 03 degrees 41 minutes 40 seconds East 168.48 feet to an existing iron pipe; runs thence South 86 degrees 38 minutes 43 seconds East 87.00 feet to an existing iron pipe; runs thence South 03 degrees 41 minutes 40 seconds West 169.52 feet to an existing iron pipe located in the northern margin of the 65-foot right-of-way of Walnut Street, being the point and place of BEGINNING, containing 0.354 acre (0.339 acre exclusive of that portion lying within the right-of-way of Walnut Street), as shown by that certain unrecorded survey entitled "Survey for Thomas A. Clemmer – Anne F. Clemmer" dated October 24, 1995, prepared by Al Prince & Associates, P.A., reference to such unrecorded survey being made for a more accurate description of the metes, bounds, courses and distances of such property.

BK012713PG01706

WAKE COUNTY, NC 573
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
08/20/2007 AT 15:34:07
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$280
BOOK:012713 PAGE:01706 - 01708

Revenue Stamps: \$280.00

Parcel #0034624

Prepared by: Perry & Lee, PLLC, P.O. Box 147, Pittsboro, NC 27312 (WTE)

~~Return after Recording to Grantee at address below~~ Hold For *Weatherspoon + Voltraz LLC (Box 36)*

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 20th day of August, 2007 by and between

GRANTOR: EDWARD C. HALEY and PATRICIA C. HALEY
Married Persons

GRANTEE: TOWN OF CARY
316 North Academy Street, Cary, NC 27513

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of Cary, Wake County, North Carolina, and more particularly described as:

BEING all that certain tract or parcel of land denominated as Lot 1A, containing 8,162 square feet, more or less, as shown on that plat entitled "Subdivision of Lot 1, Russell O. Heater Subdivision, Survey for Edward C. Haley and wife Patricia C. Haley" by Al Prince & Associates, P.A., dated January 6, 1987, which plat is recorded in the Wake County Registry in Book of Maps 1988, Page 168, and to which plat reference is hereby made for a more particular description of same.

The property herein above described was acquired by Grantor by instrument recorded in Book 3891, Page 149, of the Wake County Registry.

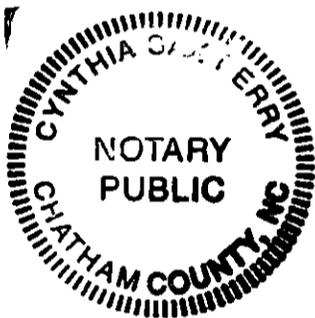
TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions: Easements, rights of way and restrictions of record.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed and sealed this the day and year first above written.

Edward C. Haley (SEAL) Patricia C. Haley (SEAL)
EDWARD C. HALEY PATRICIA C. HALEY

SEAL/STAMP



STATE OF NORTH CAROLINA, COUNTY OF CHATHAM

I, Cynthia Sax Perry a Notary Public of the County and State aforesaid, certify that EDWARD C. HALEY and PATRICIA C. HALEY, Married Persons, personally known to me or known to me by presentation of their North Carolina Drivers Licenses, came before me this day and acknowledged their due execution of the foregoing instrument for the purposes herein expressed.

WITNESS my hand and official seal/stamp, this the 15 day of August, 2007.

Cynthia Sax Perry
NOTARY PUBLIC
Printed or Typed Name of Notary:
CYNTHIA SAX PERRY

My Commission Expires: 5/26/2011

BK012478PG00295

WAKE COUNTY, NC 283
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
04/02/2007 AT 11:12:01
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$260
BOOK:012478 PAGE:00295 - 00297

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$260.00

Real Estate Identifier No 0200793

Mail/Box to: Hold for Weatherspoon & Voltz LLP (Box 36)

This instrument was prepared by: Weatherspoon & Voltz LLP

Brief description for the Index: Lot 1B of Russell O. Heater Subdivision

THIS DEED is made this 2 day of April, 2007, by and between

GRANTOR

ELIZABETH A.N. PUTZ (formerly known as Elizabeth
A. Nicolay), and husband,
BRENDAN O. PUTZ

GRANTEE

TOWN OF CARY,
a North Carolina municipal corporation

P.O. Box 8005
Cary, NC 27512-8005

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, that certain lot or parcel of land situated in the Town of Cary, Wake County, North Carolina and being described as follows:

BEING all of Lot 1B as shown on map of Subdivision of Lot 1, Russell O. Heater Subdivision, as depicted in Book of Maps 1988, Page 168, Wake County Registry.

The property hereinabove described was acquired by Grantor by instruments recorded in Book 11291, Page 1738, and Book 12413, Page 374, Wake County Registry.

A map showing the above described property is recorded in Book of Maps 1988, Page 168, Wake County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

BK012478PG00296

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions: 2007 and subsequent years ad valorem taxes, easements, restrictions and rights-of-way of record affecting the subject property.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Elizabeth A.N. Putz (SEAL)
Elizabeth A.N. Putz

Brendan O. Putz (SEAL)
Brendan O. Putz

State of North Carolina – County of Wake

I certify that the following person(s) personally appeared before me this day, either being personally known to me or proven by satisfactory evidence (said evidence being NC driver license), acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Elizabeth A.N. Putz and husband Brendan O. Putz.

Date: 4/2/07

Maryle S. Herkimer
Printed Name of Notary: Maryle S. Herkimer

[official seal]



My commission expires: 12-10-2008

BK014824PG02507

WAKE COUNTY, NC 471
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
06/29/2012 AT 13:59:00
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$822
BOOK:014824 PAGE:02507 - 02510

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$822.00

Parcel Identification No. 0764503144

Hold for: Weatherspoon & Voltz (Vault Box 36)

This instrument was prepared by: Weatherspoon & Voltz LLP

Brief description for the Index: 109 Walnut Street, Cary, NC

THIS DEED is made this 29th day of June, 2012, by and between:

GRANTOR	GRANTEE
<p>GINGER FAIRBETTER HAYES, DISABILITY TRUSTEE UNDER THE PAUL FAIRBETTER FAMILY TRUST UNDER AGREEMENT DATED SEPTEMBER 3, 1997 AND CREATED MARCH 3, 2003</p> <p>922 Washington Street Cary, North Carolina 27511-3918</p>	<p>TOWN OF CARY, a North Carolina municipal corporation</p> <p>P.O. Box 8005 Cary, North Carolina 27512-8005</p>

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple that certain lot or parcel of land situated in the Town of Cary, Wake County, North Carolina and being described in **Exhibit A** attached hereto and incorporated herein.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 12850, Page 1139, Wake County Registry.

A map showing the above described property is recorded in Book of Maps _____, Page _____, Wake County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

2012 and subsequent years ad valorem taxes, easements, restrictions and rights-of-way of record.

All or a portion of the property herein conveyed includes or does not include the primary residence of Grantor.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the day and year first above written.

Ginger Fairbetter Hayes Disability Trustee
Ginger Fairbetter Hayes, Disability Trustee
Under the Paul Fairbetter Family Trust Under
Agreement Dated September 3, 1997 and Created
March 3, 2003

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated: Ginger Fairbetter Hayes, Disability Trustee.

Date: June 29, 2012.

William H. Weatherspoon, Jr.
Notary Public

William H. Weatherspoon, Jr.
Printed Name

My commission expires: 3-27-2016

[Official seal]

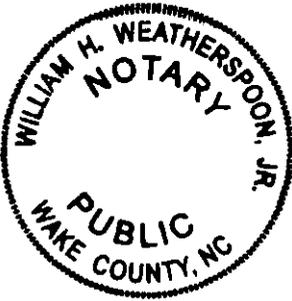


EXHIBIT A

Lying and being located in Cary Township, Wake County, North Carolina and being described as follows:

Beginning at an existing mark on a concrete sidewalk in the northern margin of the 60-foot right-of-way of Walnut Street, said mark being located North 33° 27' 36" East a distance of 63.41' from N.C. Grid Monument "WALNUT" having NAD83 coordinates N=739,770.77', E=2,065,274.37'; thence from such point of Beginning leaving the northern margin of the 60-foot right-of-way of Walnut Street and running North 01° 29' 36" West a distance of 311.05' to a point; thence North 00° 56' 32" West a distance of 60.79' to a point; thence North 00° 45' 44" West a distance of 87.38' to a point; thence South 89° 13' 13" East a distance of 96.44' to a point; thence South 00° 42' 18" East a distance of 454.42' to a point in the northern margin of the 60-foot right-of-way of Walnut Street; thence with and along the northern margin of the 60-foot right-of-way of Walnut Street South 87° 52' 37" West a distance of 91.81' to an existing mark, being the point and place of beginning, containing 0.993 acres, according to that certain unrecorded survey entitled "Survey For The Town of Cary", prepared by Al Prince & Associates, P.A., dated May 29, 2012, to which survey reference is hereby made for a more particular description of the metes, bounds, courses and distances of such property.

WAKE COUNTY, NC 481
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
06/29/2012 AT 13:59:54
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$1000
BOOK:014824 PAGE:02515 - 02518

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$1,000.00

Parcel Identification No. 0764504143

Hold for: Weatherspoon & Voltz (Vault Box 36)

This instrument was prepared by: Weatherspoon & Voltz LLP

Brief description for the Index: 113 Walnut Street, Cary, NC

THIS DEED is made this 29th day of June, 2012, by and between:

GRANTOR	GRANTEE
<p>JANE G. FAIRBETTER, Widow</p> <p>922 Washington Street Cary, North Carolina 27511-3918</p>	<p>TOWN OF CARY, a North Carolina municipal corporation</p> <p>P.O. Box 8005 Cary, North Carolina 27512-8005</p>

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple that certain lot or parcel of land situated in the Town of Cary, Wake County, North Carolina and being described in **Exhibit A** attached hereto and incorporated herein.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 12894, Page 2189, Wake County Registry.

A map showing the above described property is recorded in Book of Maps _____, Page _____, Wake County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

2012 and subsequent years ad valorem taxes, easements, restrictions and rights-of-way of record.

All or a portion of the property herein conveyed includes or does not include the primary residence of Grantor.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the day and year first above written.

Jane G. Fairbetter, by her attorney-in-fact,
Jane G. Fairbetter, by her attorney-in-fact,
Ginger Fairbetter Hayes *Ginger Fairbetter Hayes*

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public for said County and State, hereby certify that Ginger Fairbetter Hayes, attorney-in-fact for Jane G. Fairbetter, personally appeared before me this day, and being by me duly sworn, says that she executed the foregoing and annexed instrument for and on behalf of said Jane G. Fairbetter, and that her authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded on March 7, 2008 in Book 12992, Page 2192, Wake County Registry, and that this instrument was executed under and by virtue of the authority given by said instrument granting power of attorney.

I do further certify that said Ginger Fairbetter Hayes acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of Jane G. Fairbetter.

Date: June 29, 2012.

William H. Weatherspoon, Jr.
Notary Public

William H. Weatherspoon, Jr.
Printed Name

My commission expires: 3-27-2016

[Official seal]



EXHIBIT A

Lying and being located in Cary Township, Wake County, North Carolina and being described as follows:

Beginning at an existing iron stake in the northern margin of the 60-foot right-of-way of Walnut Street, said stake being located North $66^{\circ} 02' 33''$ East a distance of 138.66' from N.C. Grid Monument "WALNUT" having NAD83 coordinates $N=739,770.77'$, $E=2,065,274.37'$; thence from such point of Beginning leaving the northern margin of the 60-foot right-of-way of Walnut Street and running North $00^{\circ} 42' 18''$ West a distance of 454.42' to a point; thence South $89^{\circ} 13' 13''$ East a distance of 93.84' to a point; thence South $00^{\circ} 22' 44''$ East a distance of 285.17' to a point; thence South $00^{\circ} 08' 11''$ East a distance of 167.80' to a point in the northern margin of the 60-foot right-of-way of Walnut Street; thence with and along the northern margin of the 60-foot right-of-way of Walnut Street South $89^{\circ} 54' 20''$ West a distance of 90.53' to an existing iron stake, being the point and place of beginning, containing 0.962 acres, according to that certain unrecorded survey entitled "Survey For The Town of Cary", prepared by Al Prince & Associates, P.A., dated May 29, 2012, to which survey reference is hereby made for a more particular description of the metes, bounds, courses and distances of such property.

BK012900PG00732

WAKE COUNTY, NC 5
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
01/03/2008 AT 08:35:45
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$3120
BOOK:012900 PAGE:00732 - 00735

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$ 3,120.00

Parcel Identifier No. 0065878 Verified by _____ County on the _____ day of _____, 2007
By: _____

Mail/Box to: Weatherspoon & Voltz LLP (Box 36)

This instrument was prepared by: Weatherspoon & Voltz LLP

Brief description for the Index: 1.0849 acres; 320 South Walker Street, Cary

THIS DEED made this 20TH day of DECEMBER, 2007, by and between

GRANTOR	GRANTEE
WCWSR, LLC, A North Carolina limited liability company	Town of Cary, A North Carolina Municipal Corporation
	PO Box 8005 Cary, NC 27512

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of Cary, Cary Township, Wake County, North Carolina and more particularly described as follows:

See the attached Exhibit A for a more complete description which is incorporated herein by reference.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 9568, Page 474, Wake County Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

BK012900PG00733

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

Restrictive Covenants, easements, assessments and right of ways of record.
2007 Town of Cary and County of Wake ad valorem taxes.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

WCWSR, LLC, a North Carolina limited liability company
(Entity Name)

By: [Signature]
William Curtis Westbrook, Sr.,
Title: Manager

By: _____
Title: _____

By: _____
Title: _____



State of North Carolina – County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purpose therein expressed. Witness my hand and Notarial stamp or seal this _____ day of _____, 2007.

My Commission Expires: _____
Notary Public

State of North Carolina – County of Wake

I, the undersigned Notary Public of the County and State aforesaid, certify that **William Curtis Westbrook, Sr.** personally came before me this day and acknowledged that he is the **Manager of WCWSR, LLC, a North Carolina limited liability company**, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal this 20th day of December, 2007.

My Commission Expires: 5-25-2008
Susan F. Winstead
Notary Public

State of North Carolina – County of _____

I, the undersigned Notary Public of the County and State aforesaid, certify that _____

Witness my hand and Notarial stamp or seal this _____ day of _____, 2007.

My Commission Expires: _____
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By: _____ Register of Deeds for _____ County
Deputy/Assistant - Register of Deeds

EXHIBIT A

BEGINNING at IPS Control Corner having co-ordinates of N=739995.11 and E=2065490.81, and being a common corner with property now or formerly owned by Clemmer and Fairbetter and further being the northwestern corner of Clemmer and in the line of Fairbetter; runs thence along a common line with Fairbetter North 00 degrees 20 minutes 48 seconds West 284.98 feet to an existing iron pipe, the northeastern corner of Fairbetter and in the line of Hunter; runs thence along a common line with Hunter South 89 degrees 14 minutes 26 seconds East 161.90 feet to an existing iron pipe in the western right-of-way line of Walker Street and further being the southeastern corner of Hunter; runs thence along the western right-of-way line of Walker Street South 02 degrees 37 minutes 23 seconds East 279.78 feet to an iron pipe set, the northeastern corner of Yeh; runs thence along a common line with Yeh and Clemmer South 88 degrees 53 minutes 37 seconds West 173.00 feet to the point and place of BEGINNING, containing 1.0849 acres, more or less, as shown on survey entitled "As-Built Survey of 320 South Walker Street" prepared by Bass, Nixon and Kennedy, Inc. dated August 27, 1999.

BK010778PG01207

WAKE COUNTY, NC 403
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
04/22/2004 AT 13:55:15
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$870
BOOK:010778 PAGE:01207 - 01210

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: \$870

Parcel Identifier No. 84876, 16887 & Verified by _____ County on the _____ day of _____, 20__
By: 20297

Mail/Box to: Hold for Cox and Cox, L.L.P. (Box 48)

This instrument was prepared by: William H. Weatherspoon, Jr.

Brief description for the Index: 325 S. Academy Street, Cary, NC

THIS DEED made this 22nd day of April, 2004, by and between

GRANTOR

ASHWORTH FAMILY LIMITED PARTNERSHIP,
a North Carolina limited partnership

GRANTEE

TOWN OF CARY,
a North Carolina municipal corporation

P.O. Box 8005
Cary, NC 27512-8005

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of _____, Cary Township, Wake County, North Carolina and more particularly described as follows:

Set forth on Exhibit A attached hereto and incorporated herein by this reference.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 7819 page 148.

A map showing the above described property is recorded in Plat Book _____ page _____.

BK010778PG01208

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions: 2004 ad valorem taxes, easements and restrictions of record affecting the subject property.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Ashworth Family Limited Partnership _____ (SEAL)
(Entity Name)

By: Ralph H. Ashworth _____ (SEAL)
Title: General Partner

By: _____ (SEAL)
Title: _____

By: _____ (SEAL)
Title: _____

State of North Carolina - County of _____

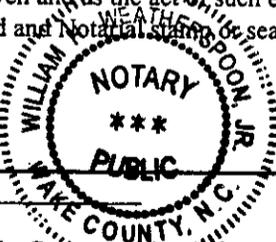
I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this ____ day of _____, 20__.

My Commission Expires: _____
Notary Public

State of North Carolina - County of Wake * Limited Partnership

I, the undersigned Notary Public of the County and State aforesaid, certify that Ralph H. Ashworth personally came before me this day and acknowledged that he is the general partner of Ashworth Family *, a North Carolina or _____ ~~corporation~~ ~~limited liability company~~ ~~general partnership~~ / limited partnership (strike through the inapplicable), and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this 22nd day of April, 2004

My Commission Expires: 1-28-2006 _____
Notary Public



State of North Carolina - County of _____

I, the undersigned Notary Public of the County and State aforesaid, certify that _____

Witness my hand and Notarial stamp or seal, this ____ day of _____, 20__.

My Commission Expires: _____
Notary Public

The foregoing Certificate(s) of _____ is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By: _____ Register of Deeds for _____ County
Deputy/Assistant - Register of Deeds

BK010778PG01209

Exhibit A

Lying in Cary Township, Wake County, North Carolina, and being described as follows:

BEGINNING at a point at the northeast intersection of South Academy Street and Dry Avenue; thence along the eastern margin of the 75-foot right of way of South Academy Street North 00°21'38" East 111.67' to a point; thence South 87°59'06" East 160.25' to a point; thence North 00°06'06" East 67.18' to a point; thence South 88°10'04" East 221.98' to a point; thence South 00°56'32" East 60.79' to a point; thence South 89°37'15" West 87.19' to a point; thence South 00°06'14" East 310.74' to a point in the northern margin of the 80-foot right-of-way of Walnut Street; thence along the northern margin of the 80-foot right-of-way of Walnut Street North 89°50'16" West 77.72' to a point at the northeast intersection of Walnut Street and Kildaire Farm Road; thence along the eastern margin of the right-of-way of Kildaire Farm Road North 00°00'58" West 204.03' to a point at the northeast intersection of Kildaire Farm Road and Dry Avenue; thence along the northern margin of the right-of-way of Dry Avenue North 89°33'05" West 219.44' to the POINT AND PLACE OF BEGINNING, containing 1.430 acres (62,277 sq. ft.), as shown on plat of survey dated September 22, 2003 prepared by Al Prince & Associates, P.A., to which unrecorded plat of survey reference is hereby made for a more particular description of the metes, bounds, courses and distances of such property.

Whw/cary.ashworth



[Home](#)

Wake County Real Estate Data Account Summary

[iMaps](#)
[Tax Bills](#)

Real Estate ID **0469488**

PIN # **0763593847**

Location Address
105 WALNUT ST

Property Description
**LO1 CARY REGIONAL LIBRARY AND DOWNTOWN PARKING
DECK BM2019-01376**

Account Search



[Pin/Parcel History](#) [New Search](#)

[Account](#) | [Buildings](#) | [Land](#) | [Deeds](#) | [Notes](#) | [Sales](#) | [Photos](#) | [Tax Bill](#) | [Map](#)

Property Owner CARY TOWN OF <i>(Use the Deeds link to view any additional owners)</i>	Owner's Mailing Address PO BOX 8005 CARY NC 27512-8005	Property Location Address 105 WALNUT ST CARY NC 27511-3443
--	--	--

Administrative Data	Transfer Information	Assessed Value
Old Map # 028--	Deed Date 6/29/2012	Land Value Assessed \$796,534
Map/Scale 0763 07	Book & Page 14824 2511	Bldg. Value Assessed
VCS CACA001	Revenue Stamps	Tax Relief
City CARY	Pkg Sale Date	Land Use Value
Fire District	Pkg Sale Price	Use Value Deferment
Township CARY	Land Sale Date	Historic Deferment
Land Class EXEMPT	Land Sale Price	Total Deferred Value
ETJ CA		Use/Hist/Tax Relief Assessed
Spec Dist(s)	Improvement Summary	Total Value Assessed* \$796,534
Zoning GCP	Total Units 0	
History ID 1	Recycle Units 0	
History ID 2	Apt/SC Sqft	
Acreage .82	Heated Area	
Permit Date		
Permit #		

*Wake County assessed building and land values reflect the market value as of January 1, 2020, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date does not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment.

The January 1, 2020 values will remain in effect until the next county-wide revaluation. Until that time, any real estate accounts created or new construction built is assessed according to the 2020 Schedule of Values.

For questions regarding the information displayed on this site, please contact the Department of Tax Administration at Taxhelp@wakegov.com or call 919-856-5400.



[Home](#)

Wake County Real Estate Data Account Summary

[iMaps](#)
[Tax Bills](#)

Real Estate ID **0469489**

PIN # **0764504183**

Location Address
352 S WALKER ST

Property Description
**LO2 CARY REGIONAL LIBRARY AND DOWNTOWN PARKING
DECK BM2019-01376**

Account
Search



[Pin/Parcel History](#) [New Search](#)

[Account](#) | [Buildings](#) | [Land](#) | [Deeds](#) | [Notes](#) | [Sales](#) | [Photos](#) | [Tax Bill](#) | [Map](#)

Property Owner CARY TOWN OF <i>(Use the Deeds link to view any additional owners)</i>	Owner's Mailing Address PO BOX 8005 CARY NC 27512-8005	Property Location Address 352 S WALKER ST CARY NC 27511-3422
--	--	--

Administrative Data	Transfer Information	Assessed Value
Old Map # 028--	Deed Date 6/29/2012	Land Value Assessed \$1,515,374
Map/Scale 0764 19	Book & Page 14824 2511	Bldg. Value Assessed
VCS CACA001	Revenue Stamps	Tax Relief
City CARY	Pkg Sale Date	Land Use Value
Fire District	Pkg Sale Price	Use Value Deferment
Township CARY	Land Sale Date	Historic Deferment
Land Class EXEMPT	Land Sale Price	Total Deferred Value
ETJ CA	Improvement Summary	Use/Hist/Tax Relief Assessed
Spec Dist(s)	Total Units 0	Total Value Assessed* \$1,515,374
Zoning GCP	Recycle Units 0	
History ID 1	Apt/SC Sqft	
History ID 2	Heated Area	
Acreage 1.56		
Permit Date		
Permit #		

*Wake County assessed building and land values reflect the market value as of January 1, 2020, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date does not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment.

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