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BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2021-____-E

IN RE:

Application of Duke Energy Progress, LLC for Approval of the Transfer and Sale of Property in Holly Springs, North Carolina	)	APPLICATION FOR APPROVAL OF TRANSFER AND SALE OF PROPERTY

Duke Energy Progress, LLC ("DEP"), hereby applies to the Public Service Commission of South Carolina (the "Commission") for approval of the transfer and sale of certain real estate, known as the Holly Springs, North Carolina Property (the "Property") that is currently included in the rate base of DEP. The Property is located in the DEP service territory in North Carolina. This Application is made pursuant to S.C. Code Ann. § 58-27-1300, S.C. Code Ann. Regs. 103-823, and other applicable rules and regulations of the Commission. In support of this Application, DEP would show the following:

1. The name and address of the Applicant is

   Duke Energy Progress, LLC
   550 South Tryon Street
   Charlotte, North Carolina 28202

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2. The name and address of the Applicant's attorneys are:

Heather Shirley Smith, Deputy General Counsel
Duke Energy Corporation
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5045
heather.smith@duke-energy.com

and

Frank R. Ellerbe, III (S.C. Bar No. 01866)
Samuel J. Wellborn (S.C. Bar No. 101979)
ROBINSON GRAY STEPP & LAFFITTE, LLC
Post Office Box 11449
Columbia, South Carolina 29211
Telephone: (803) 227-1112
fellerbe@robinsongray.com
swellborn@robinsongray.com

3. Copies of all pleadings, orders or correspondence in this proceeding should be served upon the attorneys listed above.

4. DEP is a public utility engaged in the generation, transmission, distribution, and sale of electric energy in South Carolina and is subject to the jurisdiction of this Commission.

5. The Property consists of certain real estate that is not required for DEP's current utility operations. The property is a parcel of vacant land of 214.71 acres. The Commission previously approved the sale and transfer of other DEP-owned parcels of land in Holly Springs, NC, in Order No. Order No. 2018-235 issued in Docket No. 2018-79-E and Order No. 2019-451 issued in Docket No. 2019-181-E. The boundary lines of the Property are shown in Attachment A.

6. The Property is being sold to Helix Ventures LLC, a North Carolina limited liability company. Helix Ventures LLC is not affiliated with DEP in any way, and this transaction will not affect DEP's ability to provide reliable service to its customers at just and

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reasonable rates.

7. The Property is located on both sides of Friendship Road in Wake County, North Carolina. The Property was acquired by DEP-predecessor Carolina Power & Light as part of the development of the Shearon Harris Nuclear Plant, is currently owned by Duke Energy Progress, and it has been determined that the Property is surplus.

8. DEP has entered a contract with Helix Ventures LLC to sell the Property for $9,661,950. The Property has a calculated tax value of $763,216.90. An appraisal of the Property completed on April 9, 2021 valued the Property at $45,000 per acre, equating to $9,661,950. The appraisal is attached hereto as Attachment B. The Property has a current net book value of $116,319. The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of DEP under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, "Gain on Disposition of Property."

10. The South Carolina Office of Regulatory Staff has been served with a copy of this application and exhibits. S.C. Code Ann. § 58-27-1300 provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility property with a fair market value greater than $1 million. Therefore, DEP applies to the Commission for permission to sell the Property.

11. Applicant requests that this Commission: (i) approve this matter at the next appropriate weekly agenda session; (ii) issue an order approving the relief sought in the DEP's Application; and (iii) grant such other and further relief as this Commission may deem just and proper.

WHEREFORE, Applicant prays that, pursuant to S.C. Code § 58-27-1300 and other

applicable rules and regulations, the Commission enter an order approving the transfer and sale of the Property.

Respectfully submitted this 6th day of August, 2021.

Heather Shirley Smith, Deputy General Counsel
Duke Energy Corporation
40 West Broad St., Suite 690
Greenville, South Carolina 29601
Telephone: (864) 370-5045
heather.smith@duke-energy.com

and

s/ Samuel J. Wellborn
Samuel J. Wellborn (S.C. Bar No. 101979)
Frank R. Ellerbe, III (S.C. Bar No. 01866)
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Attorneys for Duke Energy Progress, LLC

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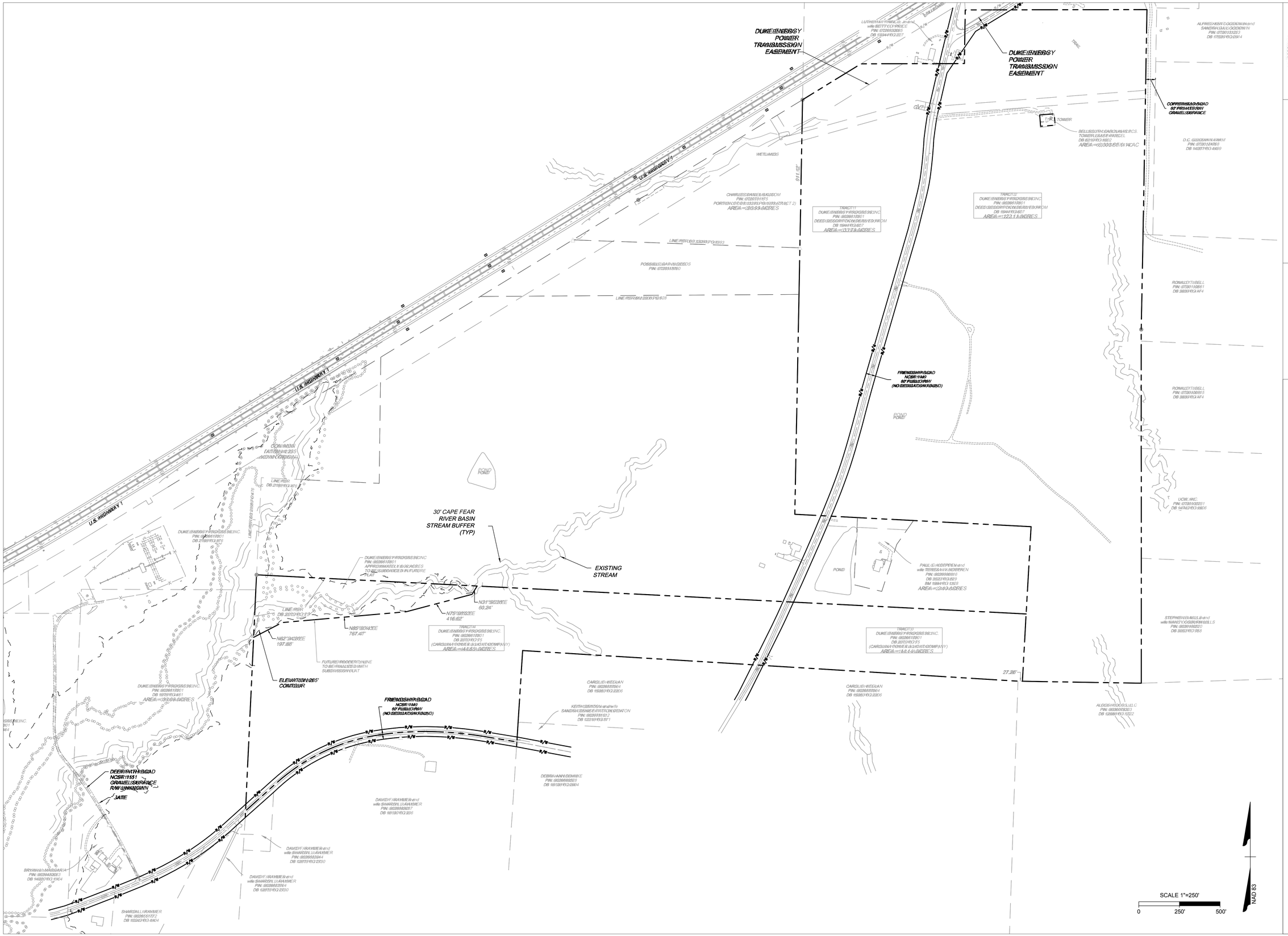

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DESIGNED BY	W ALTMAN
CHECKED BY	B HALL
SCALE	AS SHOWN

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FRIENDSHIP DEVELOPMENT

WAKE COUNTY - NORTH CAROLINA

BOUNDARY EXHIBIT

JOB NO.	SHEET NO.
48802	EX-1

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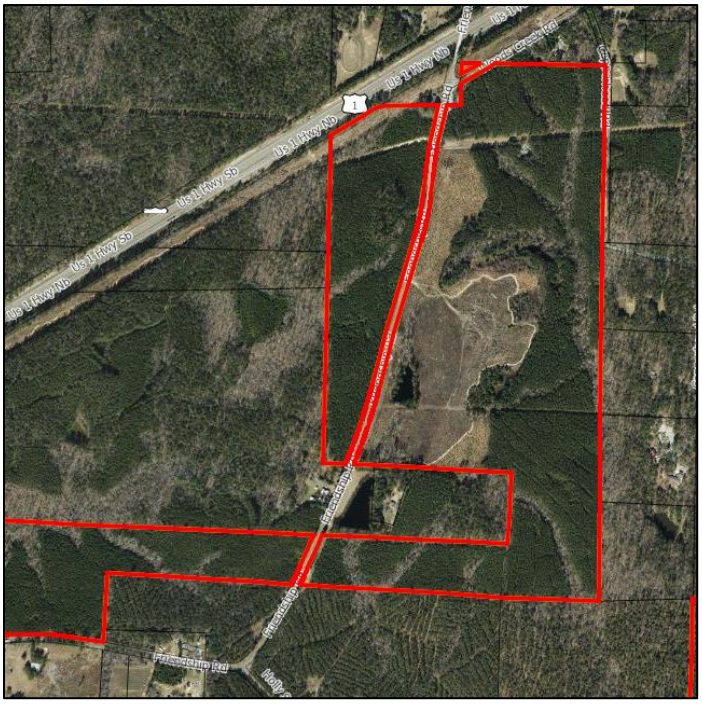
AN APPRAISAL REPORT OF
215 ACRES OF INDUSTRIAL LAND
LOCATED ALONG BOTH SIDES OF FRIENDSHIP ROAD
IN APEX, NORTH CAROLINA 27539



AT THE REQUEST OF
HELIX VENTURES
3717 NATIONAL DRIVE
SUITE 209
RALEIGH, NORTH CAROLINA 27612

EFFECTIVE DATE OF APPRAISAL
MARCH 31, 2021

REPORT DATE
APRIL 9, 2021

PREPARED BY
LEATHERMAN REAL ESTATE SERVICES, LLC
4006 BARRETT DRIVE, SUITE 201
RALEIGH, NORTH CAROLINA 27609

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Real Estate Services

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Leatherman Real Estate Services
Real Estate Appraisers • Consultants • Brokers
4006 BARRETT DRIVE · SUITE 201 · RALEIGH, NORTH CAROLINA 27609
(919) 571-1244 (PHONE) · (919) 571-4661 (FAX)

Frank D. Leatherman, Jr., MAI, CCIM

April 9, 2021

Helix Ventures
3717 National Drive
Suite 209
Raleigh, North Carolina 27612

RE: An appraisal of 215 acres of industrial land located along both sides of Friendship Road in Apex, North Carolina 27539

Parcel Identifier(s): 0110325 (Wake County)

Owner: Duke Energy Progress, Inc.

Dear Client:

Per your request, we have made the necessary inspection and analysis to appraise the above referenced property. The purpose of the following report is to provide an opinion of the market value of the fee simple interest in the property "as is" as of March 31, 2021; the last date of inspection. The function of this report is for internal planning purposes by Helix Ventures. This appraisal is in an appraisal report format and has been completed in accordance with the Uniform Standards of Professional Appraisal Practice [Standards Rule 2-2 (a)] and the appropriate government oversight agencies. This type of report has an expanded level of detail. It details the information analyzed, the appraisal methods employed and the reasoning that supports the analyses, opinions and conclusions.

The property being appraised consists of 215 acres of industrial land located along both sides of Friendship Road in Apex, North Carolina 27539. The Wake County real estate identification number of the subject parcel is 0110325. The property is currently owned by Duke Energy Progress, Inc.

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Value Conclusion

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions and limiting conditions expressed in the report, it is our opinion that the market value of the fee simple interest of the 215 acres of industrial land located along both sides of Friendship Road in Apex, North Carolina 27539 as of March 31, 2021, the last date of inspection, was as follows:

215 Acres= $9,675,000

Extraordinary Assumptions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information that is accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, the conclusions of value provided within this appraisal report may become invalid.

- The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. We have utilized the most recent & comparable data to estimate the market value of the property as of the effective date of the appraisal.

Hypothetical Conditions

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- None

Recommendations

Following this appraisal report, we recommend the following:

- Environmental Report
- Flood Survey
- ALTA Survey (Improvement)

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Most Notable Facts

We feel as though the following facts are pertinent to the valuation of the subject and are detailed further throughout the appraisal report.

- The subject consists of 215 acres according to information provided by the client. The subject is out of parcel 0110325 which consists of 1,773.22 acres.
- The subject is under the Town of Holly Springs ETJ and zoned R-30 (Residential District).
- The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal. We have utilized the most recent & comparable data to estimate the market value of the property as of the effective date of the appraisal.
- To understand the impact of COVID-19 and the implications going forward, we have spent significant time conducting interviews of market participants. This included individuals in the construction, development, leasing, sales, banking, and legal professions. As you are aware, we have been in this market for over 30 years with contacts of similar histories in their respective professions. Obviously, everyone is concerned about the health issue and its immediate and long term effects on the economy. Most of the participants interviewed were continuing forward on their existing and proposed projects, indicating there may be some short term delays or hurdles, but overall, the economy would return to normal after a robust bounce back. The brokerage community was continuing to see interest in all areas with even a slight uptick as a "flight to safety and stability" from other traditional sectors such as stocks and bonds. Builder groups were still acquiring lots as inventories are depleted and demand is outpacing supply. The low interest rates should continue to drive housing in this and surrounding markets for the foreseeable future. Most participants indicated the demand for all types of products (commercial and residential) will continue to outpace deliveries due to the limited ability to produce finished product. Governmental regulation and infrastructure limitation will continue to limit supply. National relocation trends and quality of life will continue to push this and surrounding markets. In summary, the general consensus was this is hopefully a short term issue and the market will respond when unleashed and return to normal after some pent up demand release.

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The Addenda located at the end of this report is incorporated and made part of this report. The opinion of value is supported by the data and the reasoning set forth in the attached narrative. Your attention is directed to the Assumptions and Limiting Conditions, Extraordinary Assumptions and Hypothetical Conditions attached and made part of this report. Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation, are the cause of the client, the amount of the opinion of value, the attainment of a stipulated contemplated future interest in the property and that the fee for this assignment is in no way contingent upon the opinion of value concluded.

We have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice. This appraisal in an appraisal report format contains the supporting documentation, reasoning, analyses and conclusions.

Thank you for the opportunity of service. Please advise if you have any questions or comments.

Sincerely,

Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser

Herman A. Leatherman
Registered Trainee

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Summary of Salient Facts and Conclusions

Address	Along both sides of Friendship Road, Apex, North Carolina 27539
Property Type	Industrial Land
Owner of Record	Duke Energy Progress, Inc.
Real Estate ID	0110325 (Wake County)
Census Tract	0532.07
FEMA Flood Map	3720062800J (Dated 5/2/2006) 3720072000J (Dated 5/2/2006)
Land Area	215 Acres
Improvement Size(s)	N/A
Year Built/Effective Year Built	N/A
Zoning District	R-30 (Residential District)
Zoning Jurisdiction	Town of Holly Springs
Highest & Best Use	
As if Vacant	Industrial
As Improved	N/A
Marketing Period	6-12 months
Exposure Time	6-12 months
Effective Date of Appraisal	March 31, 2021
Date of Appraisal Report	April 9, 2021
Property Interest(s) Appraised	Fee Simple Interest
Extraordinary Assumption(s)	See page 3
Hypothetical Condition(s)	None
Value Indications	
Cost Approach	N/A
Sales Comparison Approach	$9,675,000
Income Capitalization Approach	N/A
Final Value Conclusion	**$9,675,000**

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General Information

Purpose of the Appraisal

The purpose of this appraisal is to communicate in written form the opinion of market value as determined by the Board of Governors of the Federal Reserve System, in accordance with Title XI of FIRREA (1989) regarding appraisals for federally related transactions in arriving at a supportable opinion of market value of the fee simple interest of the subject property "as is" as defined in this report as the date of last inspection, March 31, 2021.

Use of the Appraisal

The use of this appraisal report is for internal planning purposes by Helix Ventures. The information in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of the report by anyone other than Helix Ventures.

Date of the Appraisal

The effective date of this appraisal is the last date of inspection; March 31, 2021.

Applicable Requirements

This appraisal report is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of the 2020-2021 edition of USPAP. This type of report has a moderate level of detail. It summarizes the information analyzed, the appraisal methods employed and the reasoning that supports analyses, opinions and conclusions. It meets or exceeds the former Summary Appraisal Report requirements that were contained in the 2018-2019 edition of USPAP.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting property management, brokerage or any other services. We have not performed services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

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Property Rights Appraised

Fee Simple Estate is defined as:

> *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*
> ***Source: The Dictionary of Real Estate Appraisal, 6th Edition (2015), Pg. 90, Published by the Appraisal Institute, 200 W. Madison Street, Suite 1500, Chicago, IL 60606***

The appraisers will estimate the fee simple interest of the subject as of the date of the appraisal, March 31, 2021. There are no known easements, encumbrances or deed restrictions that will interfere with the fee simple estate.

Definition of Market Value

The Office of the Comptroller of Currency definition of market value is utilized in this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

> *"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale. The buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*
>
> 1. *Buyer and seller are typically motivated;*
> 2. *Both parties are well-informed or well-advised, and acting in what they consider to be their best interest;*
> 3. *A reasonable time is allowed for exposure in the open market;*
> 4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
> 5. *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.*
>
> *Source: 12 C.F.R. Part 34.42(g)*

Competency

The appraisers have experience with appraising these types of properties and are considered competent in respect to all aspects of the Competency Rule, as defined by the Uniform Standards of Professional Appraisal Practice 2020-2021 Edition and stated below:

"Perfection is impossible to attain, and competence does not require perfection." "Competency requires: (1) the ability to properly identify the problem to be addressed; and (2) the knowledge and experience to complete the assignment competently; and (3) recognition of and compliance with laws and regulations that apply to the appraisers or to the assignment." Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition

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Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Omitted
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Omitted

The Cost Approach is not an applicable valuation method.

- The subject only consists of industrial land.

The Sales Comparison Approach is an applicable valuation method.

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The Income Capitalization Approach is not an applicable valuation method.

- The subject only consists of industrial land.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the individual comparable profile sheets.

Inspection

The appraisers, Frank D. Leatherman, Jr., MAI and Herman A. Leatherman conducted an inspection of a representative sample of the subject property on March 31, 2021.

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Identification of the Subject

The property being appraised consists of 215 acres of industrial land located along both sides of Friendship Road in Apex, North Carolina 27539. The Wake County real estate identification number of the subject parcel is 0110325. The property is currently owned by Duke Energy Progress, Inc. The legal description can be found in the addenda of this report.

Deed History

Date	Grantor	Grantee	Units	Deed Book/Page	Sales Price	Price Per Unit
05/29/2013	Carolina Power & Light Company	Duke Energy Progress, Inc.	1,773.22 Acres	15289/2437	N/A	N/A

The most recent transaction was a related party transaction.

Purchase Contracts

The appraisers have no knowledge of any purchase contracts on the subject property.

History of the Improvements

N/A

Leasing History

The appraisers have no knowledge of any purchase contracts on the subject property.

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Economic Analysis

Wake County is centrally located in the Triangle in central North Carolina and is one of the fastest growing areas in the country. Wake County is the second most populated county in all of North Carolina with 1,025,000 residents. The county is approximately 857 square miles in size and has a population density of 1,171 persons per square mile. It is the State of North Carolina's second most populated county. The county seat is Raleigh, which is the state capital. Wake County is part of the Research Triangle metropolitan region, which encompasses the cities of Raleigh and Durham, the towns of Cary and Chapel Hill, and their surrounding suburban areas. The Research Triangle region encompasses the U.S. Census Bureau's Combined Statistical Area (CSA) of Raleigh-Durham-Cary. Wake County has 12 core municipalities, the largest of which is Raleigh (pop. approximately 439,000).

The triangle market (encompassing Raleigh, Durham, Cary, Chapel Hill and the surrounding areas) is home to the Research Triangle Park, one of the nation's largest planned research development communities. Raleigh is continually on the "Best of" lists throughout numerous publications. It has received both national and international rankings from publications such as *Money*, *Fortune* and *Time* magazines as being one of the best places to live and work, best business climates, and best places to earn a world-class education, among many others. The region is home to some of the world's largest corporations as well as many start-up businesses.

Quality of life is a priority in the Triangle area. While highly recognized for stability, prosperity and growth, the City of Raleigh also has unique neighborhoods and a family of communities steeped in history and tradition, as well as a blend of diverse people from worldwide locations. The community offers all the amenities of big-city life without the high cost of living along with a unique mix of urban and rural small towns, providing something for every lifestyle.

Wake County is home to North Carolina State University; a public, coeducational, research university. NC State is home to approximately 35,000 students (undergraduate and post graduate) with over 2,000 employees. NC State is a top research university attracting top faculty and student from around the world. The university was founded in 1887 and has developed into a vital educational resource. It is ranked a best value among the nation's public universities.

Population

Wake County had an estimated 2019 population of 1,069,079, which represents a 18.66% increase over the 2010 census of 900,993. Wake County added an average of 8,846 residents per year between 2010 and 2019.

Employment

Trends in employment are a key indicator of economic health and strongly correlate with real estate demand. According to AccessNC, employment as of December 2020 (most recent available) was 557,276; down from the 2019 annual figure of 580,731. AccessNC also reports 1,589 job announcements in 3Q2020 and $112,200,000 in announced investments in 3Q2020 throughout Wake County.

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ACCESSNC

NC DEPARTMENT of COMMERCE LABOR & ECONOMIC ANALYSIS

County Profile **Wake County (NC)** **February 2021**

Demographics

Population & Growth	Population	% Annual Growth
2019 Est Population	1,069,079	2.2%
2010 Census Total Population	900,993	4.4%
Jul2019 NC Certified Population Estimate	1,085,297	1.4%

Urban/Rural Representation		Urban/Rural Percent
2010 Census Total Population: Urban	846,020	93.9%
2010 Census Total Population: Rural	54,973	6.1%

Estimated Population by Age		% Pop by Age
2019 Est Median Age	36	
2019 Est Total Pop 0-19	288,322	27.0%
2019 Est Total Pop 20-24	67,697	6.3%
2019 Est Total Pop 25-34	157,847	14.8%
2019 Est Total Pop 35-44	160,777	15.0%
2019 Est Total Pop 45-54	153,453	14.4%
2019 Est Total Pop 55-64	120,604	11.3%
2019 Est Total Pop 65+	120,379	11.3%

Commuters, Workers Age 16 and Over, 2019 Census ACS Est

Percent of Workers, By Travel Time	
Avg Travel Time, Minutes	25.5
Workers Not Working at Home	503,893
Travel Time to Work: < 10 minutes	8.8%
Travel Time to Work: 10-14 minutes	12.4%
Travel Time to Work: 15-19 minutes	16.8%
Travel Time to Work: 20-24 minutes	16.8%
Travel Time to Work: 25-29 minutes	8.9%
Travel Time to Work: 30-34 minutes	15.4%
Travel Time to Work: 35-44 minutes	8.4%
Travel Time to Work: 45-59 minutes	7.4%
Travel Time to Work: 60+ minutes	5.1%

Workers, By Transportation	
Worker Transp, Base	557,427
Work at Home	9.6%
Drove Car/Truck/Van Alone	79.0%
Carpooled Car/Truck/Van	8.0%
Public Transportation	1.0%
Walked	1.2%
Bicycle	0.3%
Taxi, Motorcycle, Other	1.0%

Place of Work	Commuters	Residents
Worked in State/County of Residence	462,664	83.0%
Worked in State/Outside County of Residence	88,631	15.9%
Worked Outside State of Residence	6,132	1.1%

Education

		Pop Age 25+
2019-20 Kindergarten-12th Enrollment	172,292	
2020 Average SAT score (1600 scale)	1,153	
2020 Percent of Graduates taking SAT	58.0%	
2018-19 (Provisional) Higher Education Completions	21,373	
2018-19 (Provisional) Higher Education Enrollment	93,966	
2019 Est Education Attainment age 25+, At Least High School Graduate	663,119	93.0%
2019 Est Education Attainment age 25+, At Least Bachelor`s Degree	376,153	52.8%

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ACCESSNC

NC DEPARTMENT of COMMERCE

Housing

		% Ann Growth or % Total
2010 Census Total Housing	345,645	
2010 Census Total Households	371,836	
2019 Est Total Housing Units, % annual growth	431,552	2.4%
2019 Est Occupied Housing, % of total	400,172	92.7%
2019 Est Vacant Housing, % of total	31,380	7.3%
2019 Est Median Value of Owner Occupied Housing	$281,700	
2019 Est Median Gross Rent	$1,150	
2019 Est Owner Occupied Housing, % of total	255,708	63.9%
2019 Est Renter Occupied Housing, % of total	144,464	36.1%
2019 Est % Owner Occupied Vacancy Rate	1.0%	
2019 Est % Renter Occupied Vacancy Rate	5.8%	

Income

		% Ann Growth or % Pov
2019 Est Median Family Income	$95,958	
2019 Median Household Income (SAIPE)	$84,377	5.2%
2019 Est Median Worker Earnings	$42,675	
2019 Per Capita Income (BEA)	$62,264	
2019 Est Pop, Income Below Poverty (SAIPE)	87,375	8.0%

Employment / Unemployment

	Currently	2019 Annual
DEC2020 Prelim., 2019 Employment	557,276	580,731
DEC2020 Prelim., 2019 Unemployment	29,950	20,095
DEC2020 Prelim., 2019 Unemployment Rate	5.1%	3.3%
2020Q3YTD, 2019 Announced Job Creation	1,589	1,362
2020Q3YTD, 2019 Total Announced Investments ($mil)	$112.2	$145.1

Employment / Wages by Industry	2020Q2 Employment	2019 Employment	2020Q2 Avg Weekly Wage	2019 Avg Weekly Wage
Total All Industries	518,541	574,989	$1,207	$1,180
Total Government	80,903	81,991	$1,101	$1,045
Total Private Industry	437,638	492,998	$1,226	$1,203
Agriculture Forestry Fishing & Hunting	1,021	1,005	$972	$987
Mining	.	.	.	.
Utilities	.	2,321	.	$2,019
Construction	34,817	35,268	$1,209	$1,241
Manufacturing	19,979	26,455	$2,024	$2,094
Wholesale Trade	24,462	24,582	$1,762	$1,737
Retail Trade	56,772	62,456	$646	$627
Transportation and Warehousing	13,214	13,351	$1,004	$961
Information	.	22,205	.	$2,028
Finance and Insurance	21,995	21,835	$1,825	$1,893
Real Estate and Rental and Leasing	9,333	9,841	$1,146	$1,152
Professional and Technical Services	63,709	63,544	$1,762	$1,910
Mgt of Companies, Enterprises	10,768	10,999	$1,923	$2,145
Administrative and Waste Services	39,281	44,096	$903	$861
Educational Services	44,903	46,706	$962	$926
Health Care and Social Assistance	58,402	63,292	$1,037	$1,074
Arts, Entertainment and Recreation	4,943	12,518	$655	$506
Accommodation and Food Services	33,838	53,903	$370	$376
Other Services Ex. Public Admin	14,840	18,014	$905	$811
Public Administration	41,689	42,378	$1,164	$1,078
Unclassified	0	.	$0	.

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ACCESSNC

NC DEPARTMENT of COMMERCE

Commercial/Retail/Industrial

Local Business

2020Q4 Available Industrial Buildings	62
2020Q2 Establishments: Total Private Industry	38,319
2020Q2 Establishments: Manufacturing	806
2019 Est Self Employed	27,040

Local Retail Business

2020 Total Retail Sales (With Food/Drink) ($mil)	$15,663.7
2020 Total Retail Businesses (With Food/Drink)	7,876
2020 Avg Sales/Business Total (with Food/Drink)	$1,988,784
2020Q4 Available Commercial Buildings (if County reports)	77

Quality of Life

Taxes

FY2020-21 Property Tax Rate per $100 Value	$0.6000
FY2019-20 Annual Taxable Retail Sales ($mil)	$20,128.8
2021 Tier designation	3

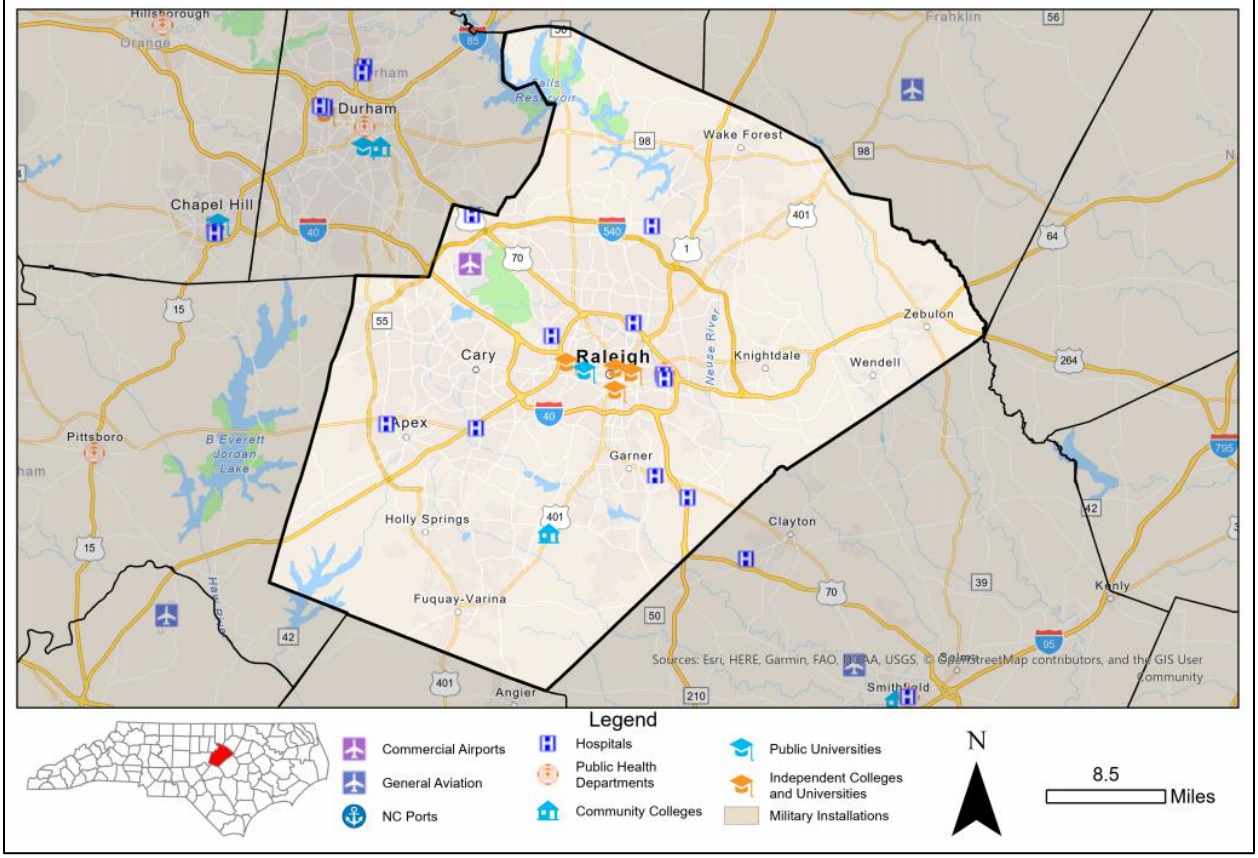
Childcare

2020Q4 Licensed Child Care Facilities	502
2020Q4 Licensed Child Care Enrollment	24,193

Healthcare Providers

2019 Number of Physicians	2,732
2019 Physicians/10,000 population	25.1
2019 RNs/10,000 population	105.1
2019 Dentists/10,000 population	8.3
2017 Pharmacists/10,000 population	15.1

Wake County, North Carolina



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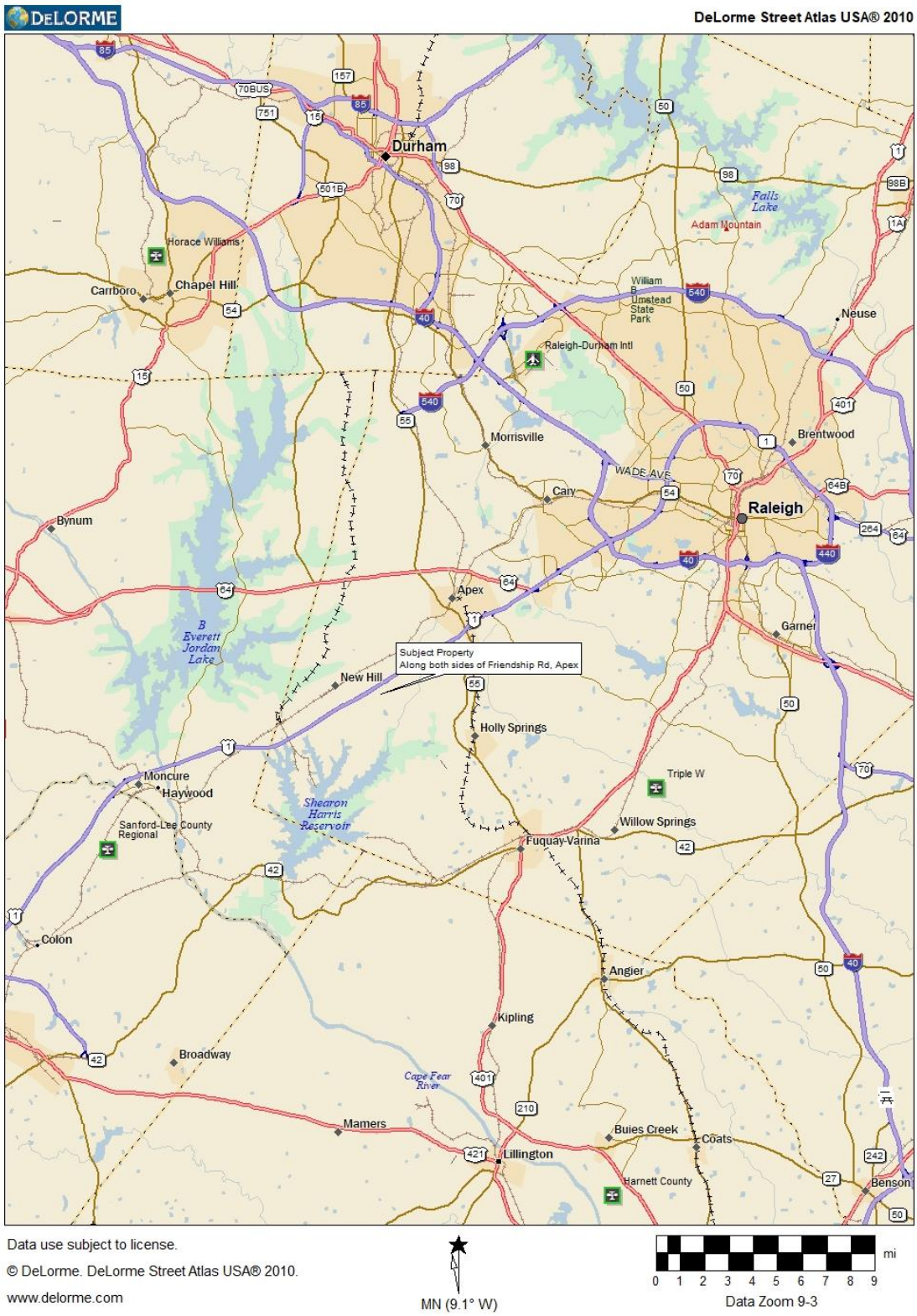
Regional Map



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Surrounding Area Analysis

Area/Location Description	The subject is located in Wake County and is under the Town of Holly Springs ETJ. The subject is located off of Friendship Road just south of US 1. The subject is within close proximity of I-540 and US 1, major transportation corridors throughout the area and region. There are dense residential uses and some commercial uses within close proximity of the subject property. The area has improved over the past couple of years and that trend is expected to continue.	
Neighborhood Boundaries	North	US 1
	East	NC 55
	South	Shearon Harris Reservoir
	West	US 1
Adjacent Uses	North	Residential
	East	Residential
	South	Residential
	West	Industrial
Access and Visibility	The subject has good access and visibility via Woods Creek Road (320 FF) and Friendship Road (3,276 FF).	
Transportation Corridors	US 1, I-540, NC 55	

Residential Uses

The following is within a 5-mile radius of the subject:

5 Mile Ring	2020	2025	Change	% Change
Population	64,949	73,548	8,599	13.24%
Median Household Income	$104,419	$111,870	$7,451	7.14%
Owner Occupied Housing Units	18,561	20,672	2,111	11.37%
Percentage of Total Housing Units-Owner Occupied	79.50%	79.10%	-0.40%	-0.50%

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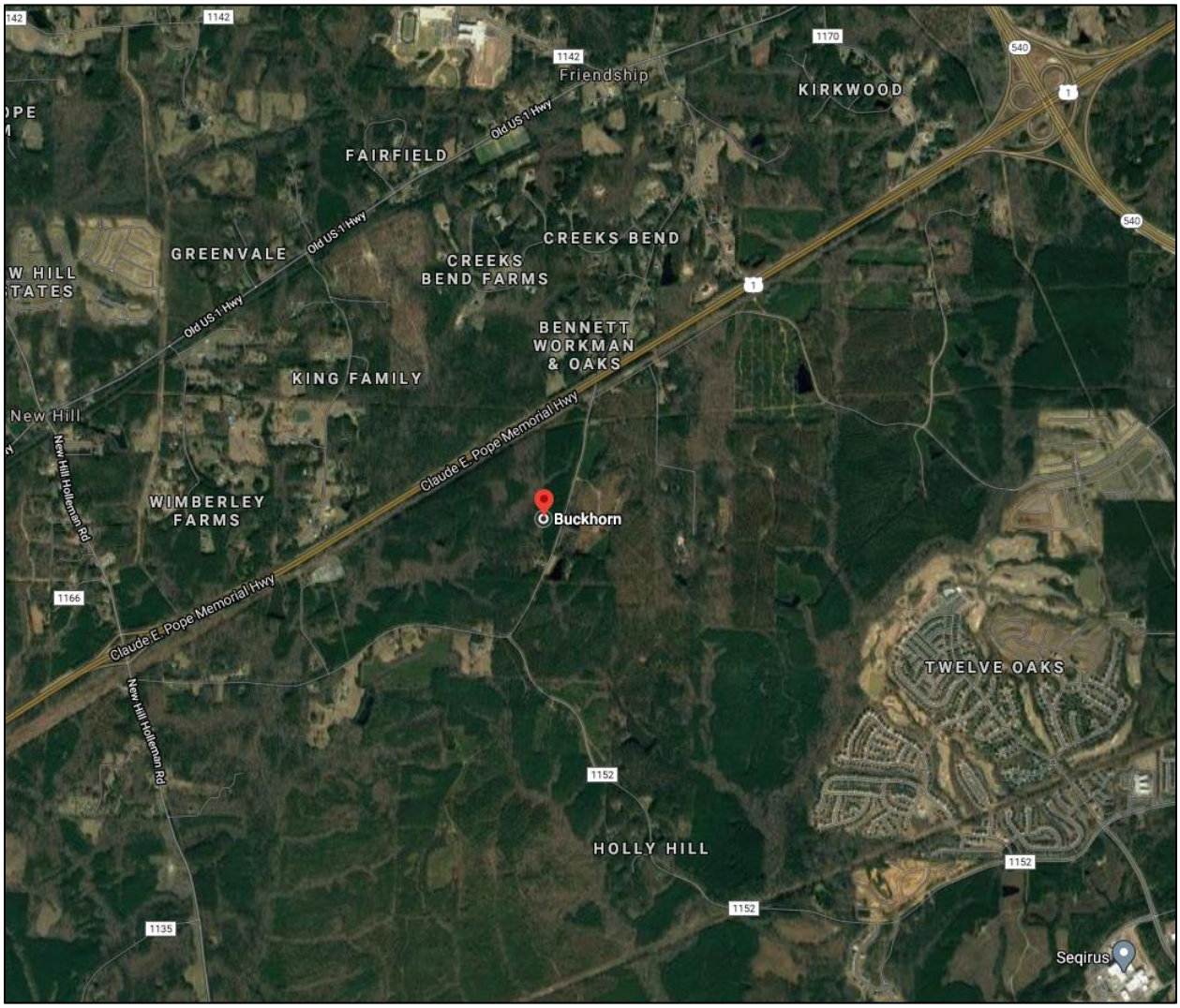
Commercial Uses	The subject is located in the Wake County. There are dense residential uses within close proximity of the subject. There are some commercial uses within close proximity of the subject. A map of the surrounding uses is below.



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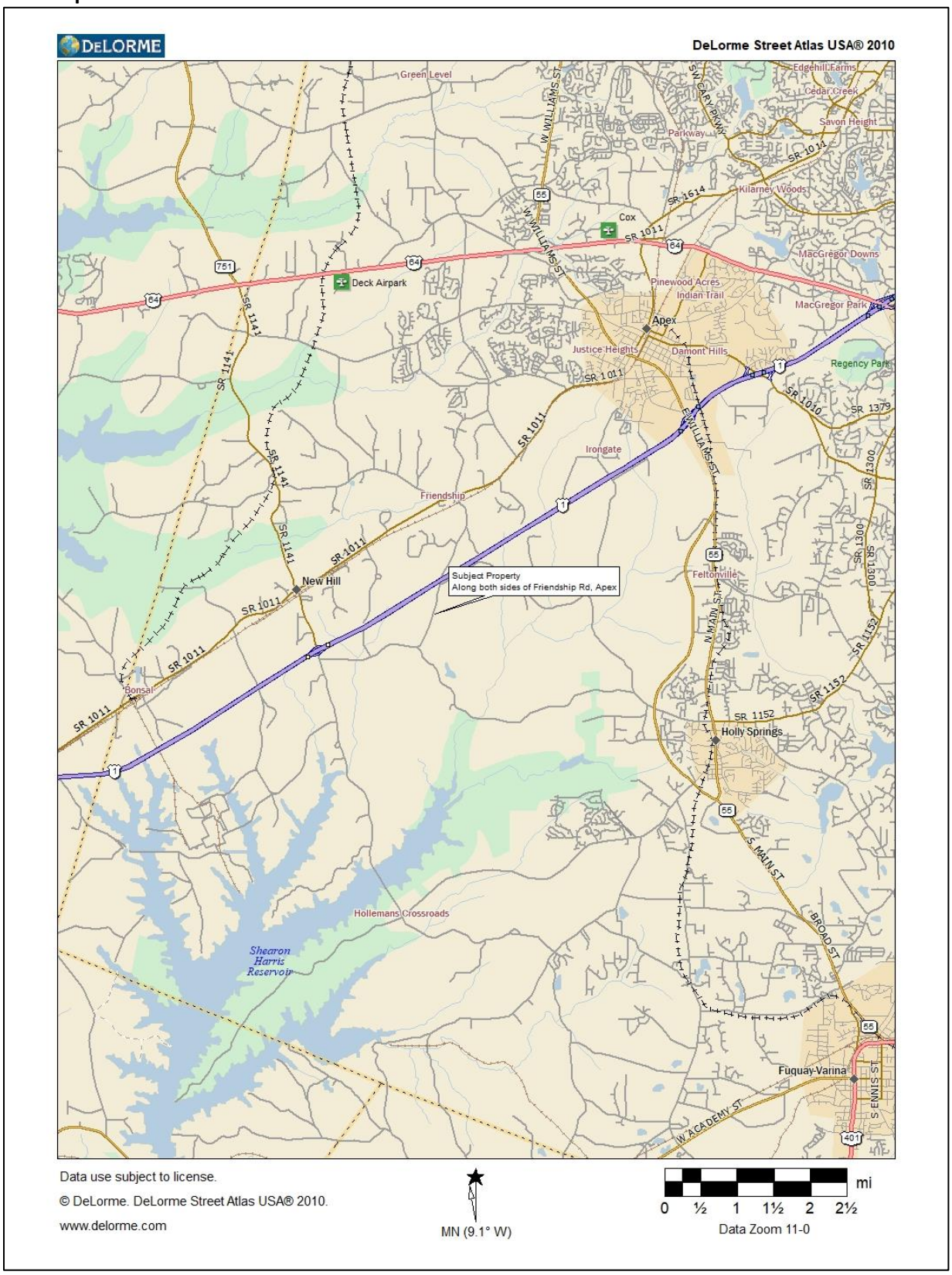
Area Map



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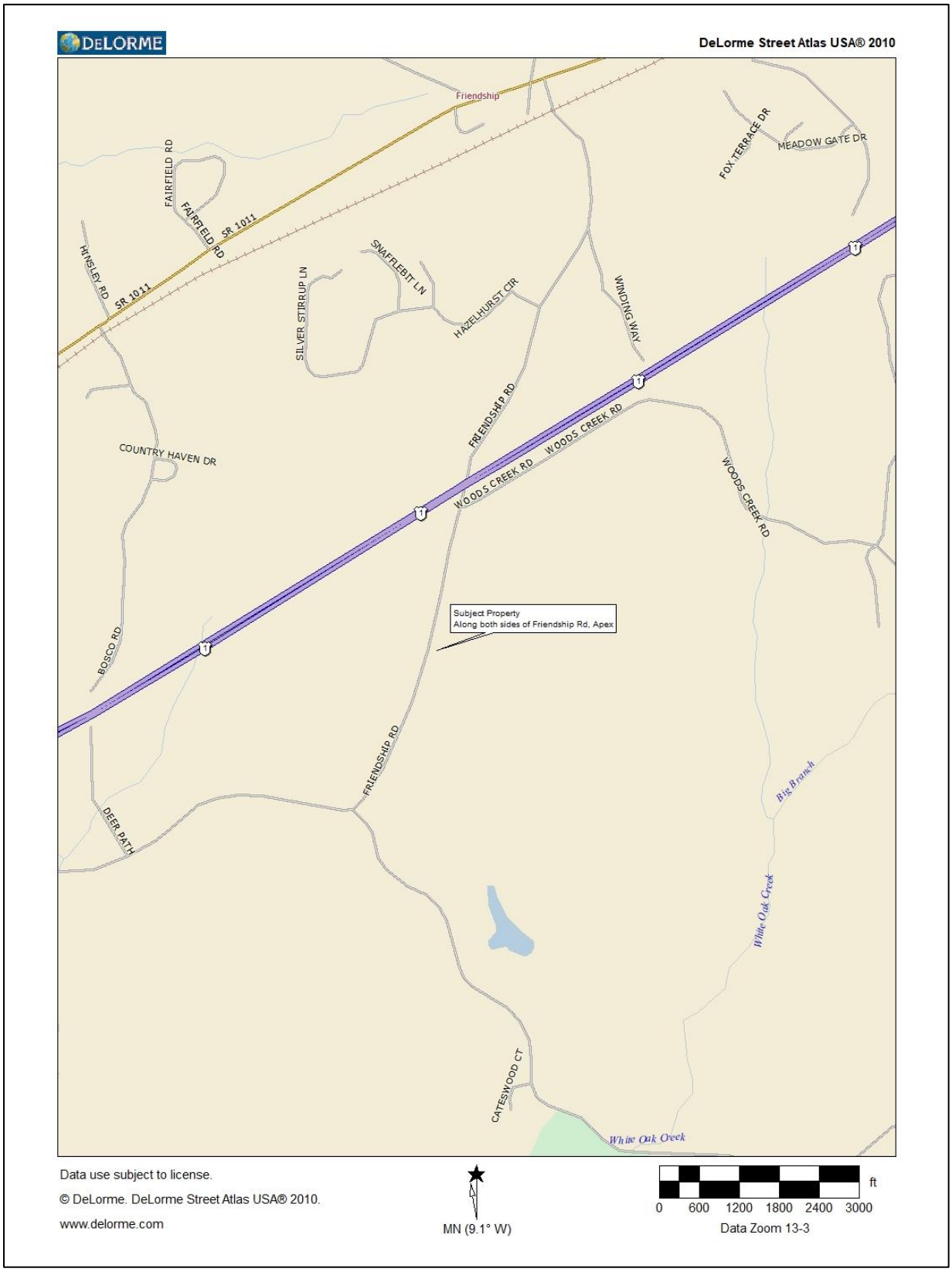
Location Map



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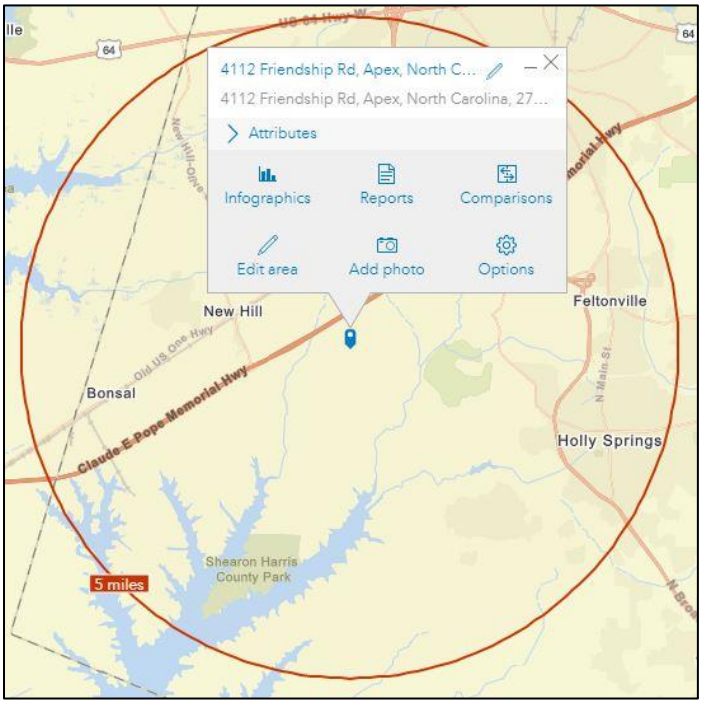
Demographic/Income, Graphic and Housing Profile

The following map displays the demographic area within a 5-mile radius of the subject property:



According to the U.S. Bureau of the Census, 2010 Census of Population and Housing, the population, median household income and housing unit trends within a 5-mile radius of the subject is as follows:

Year	Population	Change	%Change
2010	41,574	N/A	N/A
2020	64,949	23,375	56.23%
2025	73,548	8,599	13.24%

5 Mile Ring	2020	2025	Change	% Change
Population	64,949	73,548	8,599	13.24%
Median Household Income	$104,419	$111,870	$7,451	7.14%
Owner Occupied Housing Units	18,561	20,672	2,111	11.37%
Percentage of Total Housing Units-Owner Occupied	79.50%	79.10%	-0.40%	-0.50%
New Owner-Occupied Housing Units per year			422.2	
New Owner-Occupied Housing Units per month			35.2	
Renter Occupied Housing Units	3,354	4,106	752	22.42%
Percentage of Total Housing Units-Renter Occupied	14.40%	15.70%	1.30%	9.03%
New Renter-Occupied Housing Units per year			150.4	
New Renter-Occupied Housing Units per month			12.5	

The anticipated increase in population and income levels should drive demand for residential and commercial properties.

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Recent housing and demographic statistics for the subject's immediate area (5-mile radius) are as follows:

esri

Demographic and Income Profile

4112 Friendship Rd, Apex, North Carolina, 27539
Ring: 5 mile radius

Prepared by Esri
Latitude: 35.67321
Longitude: -78.90390

Summary	Census 2010	2020	2025
Population	41,574	64,949	73,548
Households	14,289	21,915	24,779
Families	11,112	16,952	19,077
Average Household Size	2.90	2.96	2.96
Owner Occupied Housing Units	11,702	18,561	20,672
Renter Occupied Housing Units	2,587	3,354	4,106
Median Age	33.4	35.1	33.6
Trends: 2020-2025 Annual Rate	**Area**	**State**	**National**
Population	2.52%	1.13%	0.72%
Households	2.49%	1.14%	0.72%
Families	2.39%	1.04%	0.64%
Owner HHs	2.18%	1.04%	0.72%
Median Household Income	1.39%	1.42%	1.60%

			2020		2025
Households by Income		Number	Percent	Number	Percent
<$15,000		947	4.3%	1,025	4.1%
$15,000 - $24,999		739	3.4%	711	2.9%
$25,000 - $34,999		930	4.2%	904	3.6%
$35,000 - $49,999		1,572	7.2%	1,555	6.3%
$50,000 - $74,999		2,734	12.5%	2,759	11.1%
$75,000 - $99,999		3,305	15.1%	3,460	14.0%
$100,000 - $149,999		5,309	24.2%	5,950	24.0%
$150,000 - $199,999		2,747	12.5%	3,390	13.7%
$200,000+		3,633	16.6%	5,025	20.3%
Median Household Income		$104,419		$111,870	
Average Household Income		$130,247		$146,875	
Per Capita Income		$43,906		$49,432	

	Census 2010		2020		2025	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	3,989	9.6%	5,262	8.1%	6,096	8.3%
5 - 9	4,453	10.7%	5,852	9.0%	6,533	8.9%
10 - 14	3,744	9.0%	5,838	9.0%	6,311	8.6%
15 - 19	2,473	5.9%	4,769	7.3%	5,091	6.9%
20 - 24	1,295	3.1%	3,173	4.9%	3,393	4.6%
25 - 34	6,020	14.5%	7,526	11.6%	11,243	15.3%
35 - 44	8,763	21.1%	10,777	16.6%	11,037	15.0%
45 - 54	5,545	13.3%	10,067	15.5%	9,809	13.3%
55 - 64	2,878	6.9%	6,435	9.9%	7,367	10.0%
65 - 74	1,433	3.4%	3,340	5.1%	4,196	5.7%
75 - 84	686	1.7%	1,394	2.1%	1,889	2.6%
85+	296	0.7%	515	0.8%	584	0.8%

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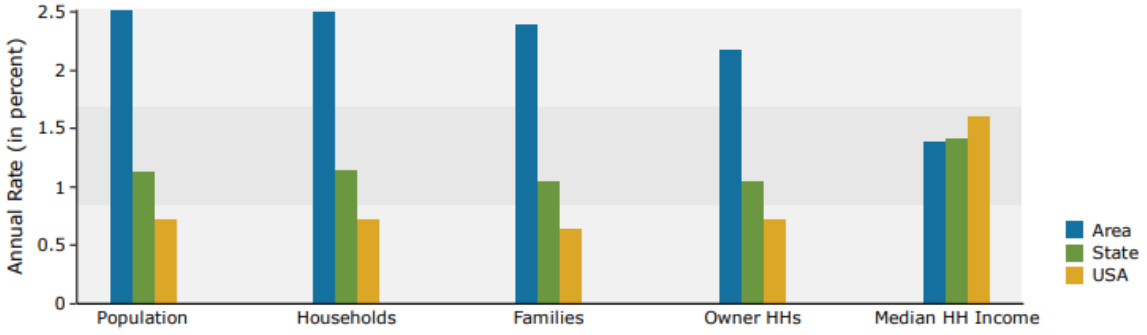
Demographic and Income Profile

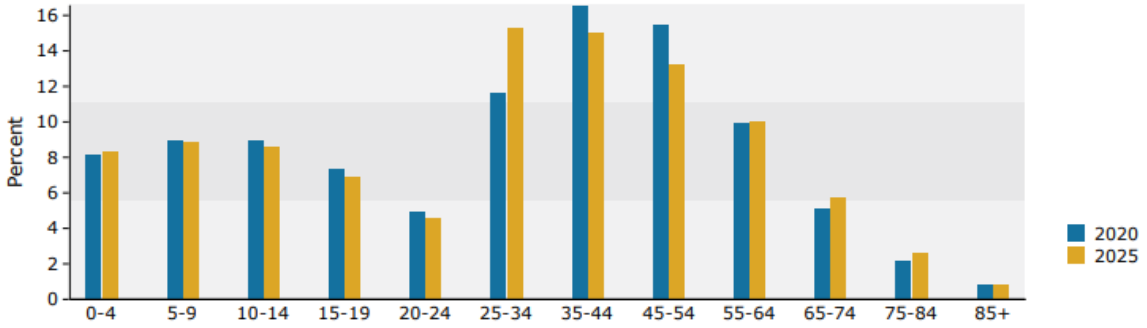
4112 Friendship Rd, Apex, North Carolina, 27539
Ring: 5 mile radius

Prepared by Esri
Latitude: 35.67321
Longitude: -78.90390

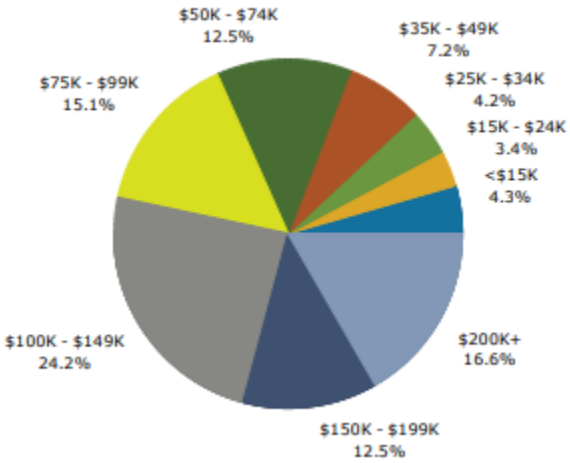
Trends 2020-2025



Population by Age



2020 Household Income



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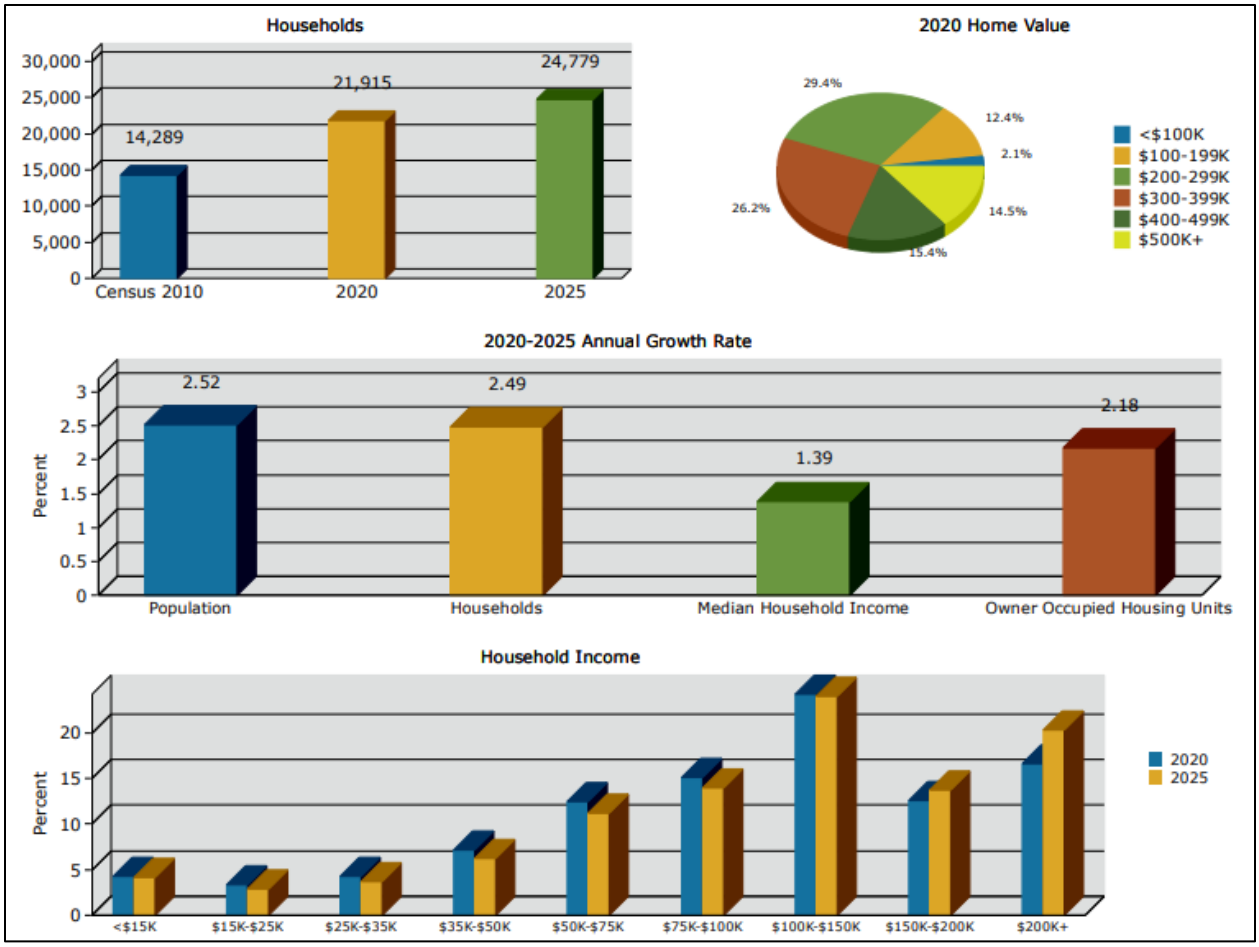

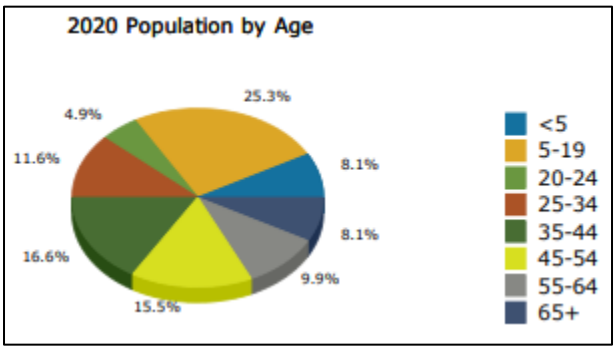

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Housing Profile

4112 Friendship Rd, Apex, North Carolina, 27539
Ring: 5 mile radius

Prepared by Esri
Latitude: 35.67321
Longitude: -78.90390

Population		Households	
2010 Total Population	41,574	2020 Median Household Income	$104,419
2020 Total Population	64,949	2025 Median Household Income	$111,870
2025 Total Population	73,548	2020-2025 Annual Rate	1.39%
2020-2025 Annual Rate	2.52%		

	Census 2010		2020		2025	
Housing Units by Occupancy Status and Tenure	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Total Housing Units	15,149	100.0%	23,335	100.0%	26,123	100.0%
Occupied	14,289	94.3%	21,915	93.9%	24,778	94.9%
Owner	11,702	77.2%	18,561	79.5%	20,672	79.1%
Renter	2,587	17.1%	3,354	14.4%	4,106	15.7%
Vacant	860	5.7%	1,420	6.1%	1,344	5.1%

	2020		2025	
Owner Occupied Housing Units by Value	**Number**	**Percent**	**Number**	**Percent**
Total	18,562	100.0%	20,673	100.0%
<$50,000	201	1.1%	160	0.8%
$50,000-$99,999	193	1.0%	154	0.7%
$100,000-$149,999	519	2.8%	425	2.1%
$150,000-$199,999	1,774	9.6%	1,595	7.7%
$200,000-$249,999	2,780	15.0%	2,706	13.1%
$250,000-$299,999	2,683	14.5%	2,856	13.8%
$300,000-$399,999	4,858	26.2%	5,673	27.4%
$400,000-$499,999	2,866	15.4%	3,628	17.5%
$500,000-$749,999	1,768	9.5%	2,297	11.1%
$750,000-$999,999	574	3.1%	737	3.6%
$1,000,000-$1,499,999	183	1.0%	238	1.2%
$1,500,000-$1,999,999	33	0.2%	38	0.2%
$2,000,000+	130	0.7%	166	0.8%
Median Value	$323,281		$343,020	
Average Value	$373,580		$395,598	

Census 2010 Housing Units	**Number**	**Percent**
Total	15,149	100.0%
In Urbanized Areas	13,820	91.2%
In Urban Clusters	0	0.0%
Rural Housing Units	1,329	8.8%

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Housing Profile

4112 Friendship Rd, Apex, North Carolina, 27539
Ring: 5 mile radius

Prepared by Esri
Latitude: 35.67321
Longitude: -78.90390

Census 2010 Owner Occupied Housing Units by Mortgage Status	Number	Percent
Total	11,702	100.0%
Owned with a Mortgage/Loan	10,448	89.3%
Owned Free and Clear	1,254	10.7%

Census 2010 Vacant Housing Units by Status	Number	Percent
Total	859	100.0%
For Rent	343	39.9%
Rented- Not Occupied	11	1.3%
For Sale Only	238	27.7%
Sold - Not Occupied	49	5.7%
Seasonal/Recreational/Occasional Use	50	5.8%
For Migrant Workers	0	0.0%
Other Vacant	168	19.6%

Census 2010 Occupied Housing Units by Age of Householder and Home Ownership		Owner Occupied Units	
	Occupied Units	Number	% of Occupied
Total	14,290	11,703	81.9%
15-24	252	86	34.1%
25-34	2,856	2,176	76.2%
35-44	4,731	4,021	85.0%
45-54	3,259	2,805	86.1%
55-64	1,696	1,460	86.1%
65-74	903	742	82.2%
75-84	417	318	76.3%
85+	176	95	54.0%

Census 2010 Occupied Housing Units by Size and Home Ownership		Owner Occupied Units	
	Occupied Units	Number	% of Occupied
Total	14,289	11,703	81.9%
1-Person	2,594	1,823	70.3%
2-Person	3,884	3,229	83.1%
3-Person	2,776	2,347	84.5%
4-Person	3,200	2,817	88.0%
5-Person	1,277	1,066	83.5%
6-Person	383	303	79.1%
7+ Person	175	118	67.4%

2020 Housing Affordability	
Housing Affordability Index	179
Percent of Income for Mortgage	12.9%

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Market Conditions

Commercial Financing

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2021*
PERMANENT FINANCING

	Apt.	Golf	Health Senior Housing	Ind.	Lodging	RV/Camp Mfg Hsg MH Park	Office	Restaurant	Retail	Self Storage	Special Purpose
Spread Over Base**											
Minimim	1.36%	1.40%	1.40%	1.40%	1.40%	1.07%	1.36%	2.36%	1.40%	1.40%	2.00%
Maximum	6.23%	11.90%	6.98%	6.10%	11.25%	8.78%	5.98%	11.25%	7.23%	6.45%	13.19%
Average	3.07%	5.92%	3.77%	3.47%	4.17%	4.37%	3.17%	5.27%	3.65%	4.62%	5.62%
Interest Rate											
Minimim	2.23%	2.27%	2.27%	2.27%	2.27%	1.94%	2.23%	3.23%	2.27%	2.27%	2.87%
Maximum	7.10%	12.77%	7.85%	6.97%	12.12%	9.65%	6.85%	12.12%	8.10%	7.32%	14.06%
Average	3.94%	6.79%	4.64%	4.34%	5.04%	5.24%	4.04%	6.14%	4.52%	5.49%	6.49%
Debt Coverage Ratio											
Minimim	1.10	1.20	1.10	1.15	1.00	1.10	1.15	1.10	1.05	1.15	1.15
Maximum	1.86	2.15	2.25	2.05	2.85	2.05	2.15	2.15	2.15	2.50	2.15
Average	1.43	1.56	1.50	1.46	1.53	1.36	1.65	1.59	1.39	1.53	1.70
Loan-to-Value Ratio											
Minimim	55%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Maximum	90%	80%	90%	80%	80%	80%	80%	80%	80%	80%	80%
Average	73%	67%	71%	70%	67%	69%	68%	66%	70%	70%	66%
Amortization (Yrs.)											
Minimim	15	15	15	15	15	15	15	15	15	40	15
Maximum	40	40	40	40	40	40	40	30	40	15	40
Average	26	23	26	25	23	26	30	23	25	28	23
Term (Yrs.)											
Minimim	3	5	3	3	5	5	3	3	3	3	3
Maximum	40	30	25	30	30	30	30	15	10	10	20
Average	20.50	9.00	13.65	11.46	7.80	9.15	8.00	7.45	6.20	6.10	7.85

** 10-Year Treasury

*4th Quarter 2020 Data

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Marketing Period

Marketing period is defined as follows:

> "An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal."
> *Source: Appraisal Institute, The Dictionary of Real Estate Appraisal 5th Edition (Chicago: Appraisal Institute, 2010), 121*

The subject "as is" is readily marketable to investors actively engaged in the acquisition of these types of properties. The subject's market has been improving and will continue to improve throughout the foreseeable future and we expect the subject to sell within 6-12 months.

Market Conditions

As previously mentioned, the subject is well-located in Wake County. The real estate market in Wake County is improving and is in the healthiest condition it has been since 2006. Inventories are moving as fast as supply can come onto the market. Most of the market participants interviewed indicated that the market is improving and that the conditions will continue to improve throughout the foreseeable future with ever increasing demand and a limited dwindling supply of good industrial sites.

To understand the impact of COVID-19 and the implications going forward, we have spent significant time conducting interviews of market participants. This included individuals in the construction, development, leasing, sales, banking, and legal professions. As you are aware, we have been in this market for over 30 years with contacts of similar histories in their respective professions. Obviously, everyone is concerned about the health issue and its immediate and long term effects on the economy. Most of the participants interviewed were continuing forward on their existing and proposed projects, indicating there may be some short term delays or hurdles, but overall, the economy would return to normal after a robust bounce back. The brokerage community was continuing to see interest in all areas with even a slight uptick as a "flight to safety and stability" from other traditional sectors such as stocks and bonds. Builder groups were still acquiring lots as inventories are depleted and demand is outpacing supply. The low interest rates should continue to drive housing in this and surrounding markets for the foreseeable future. Most participants indicated the demand for all types of products (commercial and residential) will continue to outpace deliveries due to the limited ability to produce finished product. Governmental regulation and infrastructure limitation will continue to limit supply. National relocation trends and quality of life will continue to push this and surrounding markets. In summary, the general consensus was this is hopefully a short term issue and the market will respond when unleashed and return to normal after some pent up demand release.

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Exposure Time

Exposure Time is defined as:

1. "The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."
   Source: Appraisal Institute, The Dictionary of Real Estate Appraisal 5th Edition (Chicago: Appraisal Institute, 2010), 73

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Based upon current market conditions, the comparable sales analyzed and market information collected to date, we estimate, that if the subject had sold on the effective date of the appraisal (March 31, 2021) at a price at or near the indicated market value, the exposure time required to sell the property would have been 6-12 months. This is a reasonable time-frame based upon the competitive and open market found in the subject's area.

Summary

The subject is located in Wake County with good access and all of the necessary support services in the area. The subject property is located in an established area with industrial and residential uses nearby. Real estate in the area has been improving in value in the past and this trend is anticipated to continue, particularly as the economy improves. The subject property should benefit from the growing economic environment of the region and should experience long term price appreciation.

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Property Analysis

Site Description and Analysis

Real Estate ID #	0110325 (Wake County)
Land Size	215 Acres
Source of Land Area	Information provided by the client
Access	Woods Creek Road, Friendship Road
Street Frontage	320 FF Woods Creek Road, 3,276 FF Friendship Road
Corner Lot	No
Shape	Regular
Topography	Level
Drainage	Appears Adequate
Soils	The soils are common and prevalent in the area. *Note: It is assumed there to be no hidden, apparent, or unapparent conditions of toxic materials or fill of any kind which would render the property less valuable. We are not experts in such matters, and an appropriate engineering study may be necessary in order to determine the presence or absence of such substances. We are assuming the site is environmentally clean and the soils are suitable for any commercial use of the subject.*
Flood Plain	The FEMA flood map indicates no flood risk
Flood Zone	Zone "X"
FEMA Map	3720062800J (Dated 5/2/2006) 3720072000J (Dated 5/2/2006)
Zoning	R-30- Residential District – Town of Holly Springs

> Intent – The R-30 *Districts* are established to: allow *agricultural uses*; rural residential uses; conserve the desirable characteristics of the land; preserve prime agriculture land; and, protect open areas and other rural areas from the encroachment of scattered urban-type uses that may inhibit the overall development of the community in accordance with the *Comprehensive Plan*. The R-30 *District* should be located near the periphery of the jurisdictional boundary in areas not expected to be developed for intensive urban or suburban uses.

Source: Town of Holly Springs Unified Development Ordinance

Utilities	Electric and water services.
Improvements	N/A
Easements, Encroachments and Restrictions	There is a power line easement and a propane line easement located on the subject.

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Environmental Hazards	Unless otherwise stated in this report, the existence of hazardous substances, including but not limited to asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the appraisers' inspection. The appraisers had no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers are not qualified to test such substances or conditions. The presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property. Our opinions of value are predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
Summary	The subject parcel is similar in physical attributes and access to other sites in the area which have been developed with industrial uses. The access, size, topography, shape and infrastructure are supportive of the land and allow for any prospective industrial use of the site, similar to the other uses nearby.

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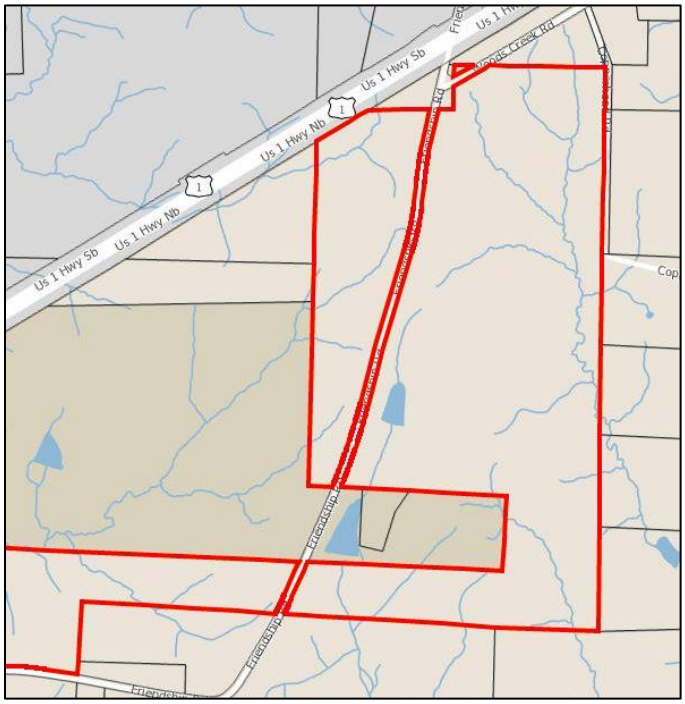
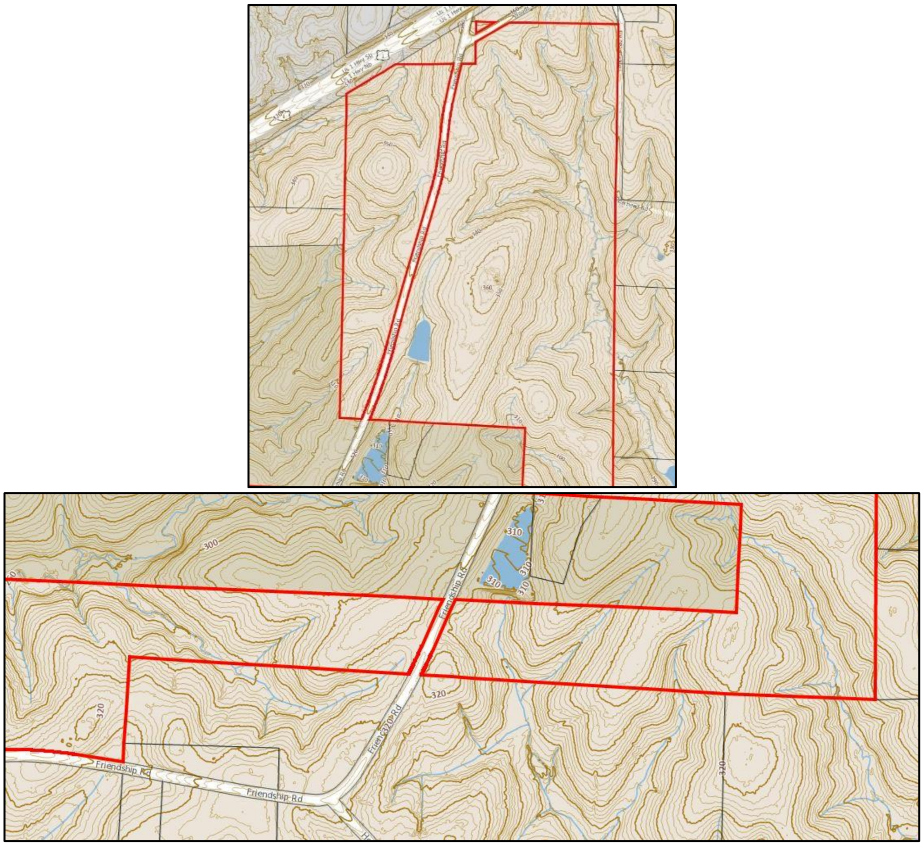
Site Analysis Maps

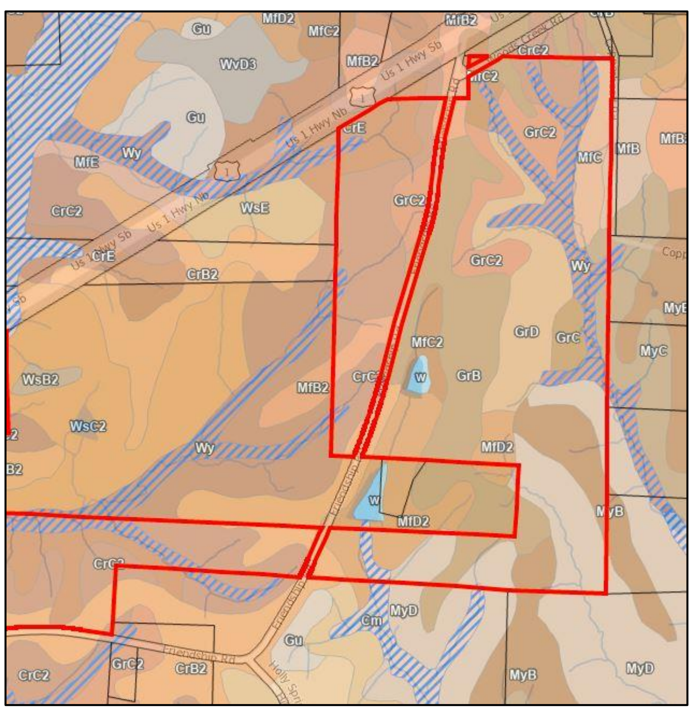


Parcel

Aerial



Topography



Soils

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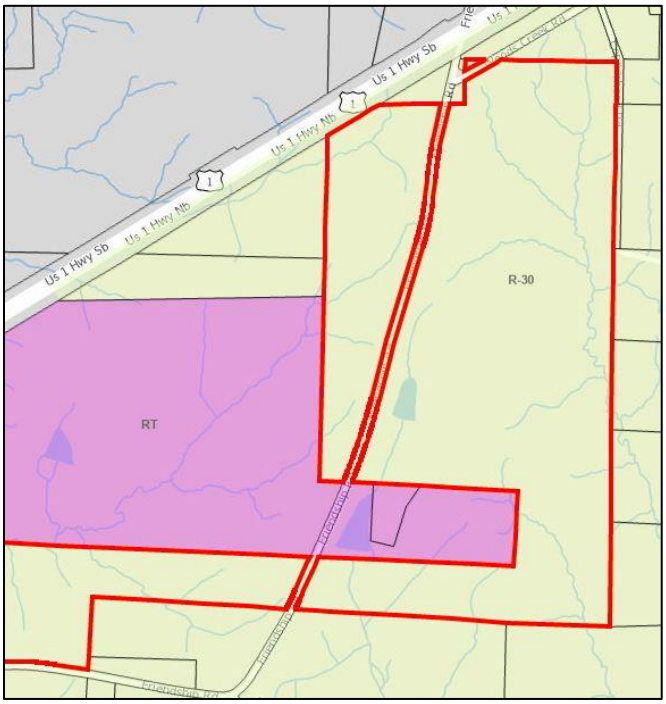

Town of Knightdale Zoning

FEMA Flood Map

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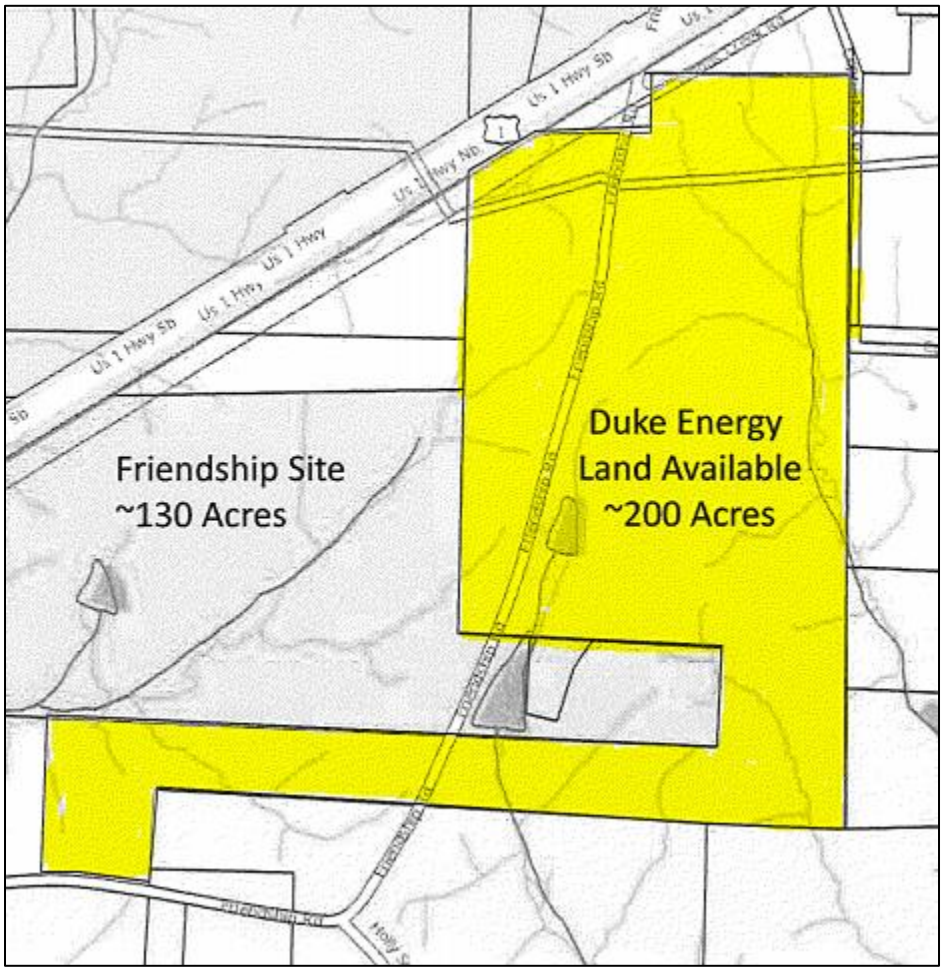

215 Acres out of the 1,773.22 Acres

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Subject Photographs

Views of subject and access

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Real Estate Taxes

There are no current real estate taxes collected on the subject as it is currently under the ownership of Duke Energy Progress, Inc.

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Highest and Best Use

Highest and Best Use is defined as follows:

> "The reasonably probable and legal use of vacant land or an 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 productivity."
> *Appraisal Institute, The Dictionary of Real Estate Appraisal 5th Edition (Chicago: Appraisal Institute, 2010), 93.*

As If Vacant
Assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. The question asked in this type of analysis is: What type of building or other improvement (if any) should be constructed on the land?

As Improved
Analyzes the use of the property as it exists. The question asked in this type of analysis is: Should the existing improvements be maintained, renovated, expanded, partially demolished or should it be replaced with a different type use?

Criteria

Legally Permissible	Private restrictions such as zoning, building codes, environmental regulations, historic codes and other items must be considered in order to determine the highest and best use of the subject tract. Governmental regulations are controlled by zoning.
Physically Possible	The size, shape, area and topography of the site can to a great degree determine the extent to which the property can be developed. Items such as exposure, frontage, depth, and irregular configuration are important.
Financially Feasible	Any physically possible, legal use of property that produces a positive return to the land after considering risk and all costs to create and maintain the use; any use that results in a positive land value.
Maximally Productive	The physically possible, legally permissible, and financially feasible use that results in the highest present value.

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As if Vacant	
Legally Permissible	As previously defined under Zoning, the subject is currently zoned R-30 (Residential District) and the permitted uses include industrial uses. A industrial use would be compatible with the surrounding uses. There are no known private restrictions other than those previously mentioned.
Physically Possible	The size, topography, and other physical features of the subject tracts are typical of similar tracts in the area that have been developed with industrial uses.
Financially Feasible	The industrial market is stable in this area and a industrial use would be productive over and above any of the alternative uses and there is no reason to believe market conditions will deteriorate and should in all likelihood continue to improve (as evidenced by the success of other industrial uses in the area).
Maximally Productive Use	A industrial use is the highest and best use as it would create the greatest return to the subject land of all of the alternative uses, and it is would be compatible with the surrounding land use patterns. A industrial use is compatible with the zoning, is legally permissible, physically possible, financially feasible and maximally productive based on the site.
Users/ Market Participants	The subject demand would come from investors seeking industrial land.
Timing of Use	Demand for industrial land continues in this area and we believe a developer would be interested in similar vacant land within 6-12 months for the development of industrial uses.
Conclusion	
Ideal Improvement:	The ideal improvement for the subject site ***"as if vacant"*** would be a industrial use. The size of the improvement(s) would be dictated mostly by the land area and zoning.
Highest and Best Use:	The subject appears to conform to the current zoning and other uses in the area that have been developed with industrial uses. The highest and best use ***"as improved"*** would be a industrial use.

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Methods of Valuation

The appraisal process typically involves three approaches to value which consist of the Cost, Sales Comparison and Income Capitalization Approaches. The Sales Comparison Approach to value was used in this analysis. The Cost and Income Capitalization Approaches were excluded as the subject consists only of industrial land. A credible opinion is developed using the Sales Comparison Approaches. A brief description of each technique is as follows:

The Cost Approach

An appraisal procedure that assumes the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

Sales Comparison Approach

An appraisal procedure using sale prices of properties similar to the subject property as a basis for estimating market value. The Sales Comparison Approach is based on the principle of substitution. The underlying assumption is that an informed purchaser will pay no more for a property than would have to be paid for a similar property of comparable utility. Since no two properties are identical, market supported adjustments are necessary to the comparable sales. Inferior sales are adjusted upward and superior sales are adjusted downward depending upon comparability to the subject's particular characteristics.

Income Capitalization Approach

An appraisal procedure using capitalization of expected future income as a basis for estimating market value. The underlying assumption is that an informed buyer will pay no more for the subject property than would have to be paid for another property with an income stream of comparable amount, duration and quality. The Income Capitalization is based on the principle of anticipation as it is based on expected income over a specified period of time. The buyer of a property buys in anticipation of acquiring income from the property in the future. This income is capitalized into a value estimate based on capitalization rates (or relationships) of net incomes and sales prices of comparable sale properties and current market conditions (rates of return).

Use of the approaches in this assignment is summarized as follows:

Approaches to Value	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Omitted
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Omitted

After completion of the approaches, they will be reconciled into a final opinion of value. The process of reconciliation is the consideration of each approach, its validity, its accuracy and its relevance in the final opinion of value. Each approach may have importance in different areas but when combined together can formulate a solid opinion of value based upon the reasoning and judgment of the appraiser.

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Sales Comparison Approach

The definition of the Sales Comparison Approach is:

> "The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on the relevant, market-derived elements of comparison."
> *Appraisal Institute, The Dictionary of Real Estate Appraisal 5th Edition (Chicago: Appraisal Institute, 2010), 175.*

The Sales Comparison Approach is a method of estimating market value whereby the subject property is compared with comparable properties that have sold recently. The basic premise of this approach is that the market determines the value of the property being appraised in the same manner that it determines the prices paid for comparable, competitive properties. In addition, the informed purchaser would pay no more for a property than the cost of acquiring an existing, or substitute, property with equal utility. For properties similar to the subject, this principle refers to alternate investment properties that produce equivalent investment returns with equal risk.

This approach to value involves the process of analyzing sales of comparable properties which have recently sold to develop an indication of the most probable value for the subject property. Fundamental to this process is recognition of the fact that the limits of prices (value), rents, and rates tend to be set by the prevailing prices, rents, and rates for equally desirable substitute properties. To facilitate the comparison process, the subject property and the comparable sales are analyzed based sales price per acre. Following are the most comparable sales with similar highest and best use as the subject, utilized to estimate the market value of the subject property with the Sales Comparison Approach.

Land Sales Summary Table

No.	Location	Sale Date	Price	Size in Acres	Price/ Acre
1.	Auburn Church Road	05/10/2017	$1,600,000	20.000	$80,000
2.	4032 & 4050 Patriot Drive	07/28/2017	$3,800,000	101.574	$37,411
3.	4401 Auburn Church Road	08/15/2017	$4,452,000	59.003	$75,454
4.	1599 Dash Drive	05/31/2018	$1,628,000	32.563	$49,995
5.	1251 NC Highway 42	03/18/2020	$2,763,500	32.510	$85,005
6.	Knightdale Eagle Rock Road	06/30/2021	$5,362,350	153.210	$35,000

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Land Sale No. 1

<u>Property Identification</u>

Record ID	2688
Property Type	Industrial, Industrial

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Land Sale No. 1 (Cont.)

Address	Auburn Church Road, Garner, Wake County, North Carolina 27529
Tax ID	0300157
User 1	Vacant/Industrial

Sale Data

Grantor	Resun Modspace, Inc.
Grantee	JRE Raleigh, LLC
Sale Date	May 10, 2017
Deed Book/Page	16777/314
Recorded Plat	BM2002/1899
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller (No D/T)
Verification	Grantee to FL
Sale Price	$1,600,000
Cash Equivalent	$1,600,000

Land Data

Zoning	City of Raleigh, IH-CU
Topography	Rolling to sloped
Utilities	All
Shape	Regular
Flood Info	Appears adequate

Land Size Information

Gross Land Size	20.000 Acres or 871,200 SF
Front Footage	665 ft Total Frontage: 665 ft Auburn Church Road;

Indicators

Sale Price/Gross Acre	$80,000
Sale Price/Gross SF	$1.84
Sale Price/Front Foot	$2,406

Remarks

Inspected by JPR on 3/29/2018

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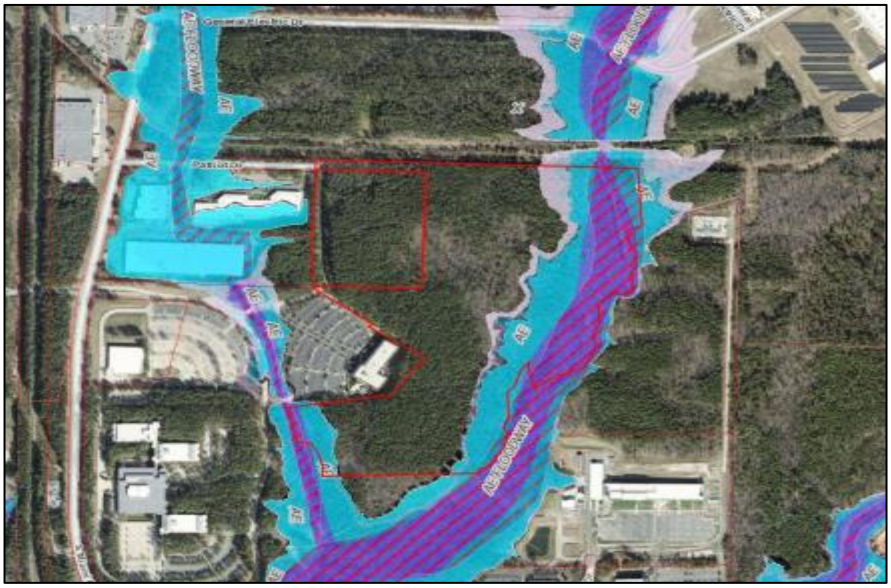
Land Sale No. 2



Property Identification

Record ID	2863
Property Type	Industrial, Industrial

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Land Sale No. 2 (Cont.)

Property Name	Patriot Park
Address	4032 & 4050 Patriot Drive, Durham, Durham County, North Carolina 27703
Tax ID	222386 & 157341
User 1	Vacant/Industrial

Sale Data

Grantor	International Business Machines Corporation
Grantee	Patriot Park Partners, LLC
Sale Date	July 28, 2017
Deed Book/Page	8238/332 & 338
Recorded Plat	197/312
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller (No D/T)
Verification	Tiffany Hillburn, with broker (Chester Allen); Confirmed by Jessica Rouse
Sale Price	$3,800,000
Cash Equivalent	$3,800,000

Land Data

Zoning	City of Durham, IL(D)
Topography	Rolling
Utilities	All
Shape	Irregular
Flood Info	Floodplain along eastern boundary

Land Size Information

Gross Land Size	101.574 Acres or 4,424,581 SF
Front Footage	50 ft Total Frontage: 50 ft Patriot Drive;

Indicators

Sale Price/Gross Acre	$37,411
Sale Price/Gross SF	$0.86
Sale Price/Front Foot	$76,000

Remarks

Inspected by JPR on 10/23/2018

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Land Sale No. 3

Property Identification

Record ID	2942
Property Type	Industrial, Industrial

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Land Sale No. 3 (Cont.)

Address	4401 Auburn Church Road, Garner, Wake County, North Carolina 27529
Tax ID	A portion of 0339767
User 1	Vacant/Light Industrial

Sale Data

Grantor	Sound Timber Management, LLC
Grantee	Duke Energy Progress, LLC
Sale Date	August 15, 2017
Deed Book/Page	16877/2605
Recorded Plat	BM2005/2295
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller (No D/T)
Verification	Glenn Bagwell, with Grantor; Confirmed by Frank Leatherman
Sale Price	$4,452,000
Cash Equivalent	$4,452,000

Land Data

Zoning	Town of Garner, IH-CU
Topography	Sloped
Utilities	All
Shape	Irregular
Flood Info	Floodplain along eastern property boundary due to Big Branch

Land Size Information

Gross Land Size	59.003 Acres or 2,570,171 SF
Front Footage	3,235 ft Total Frontage: 3,235 ft Auburn Church Road;

Indicators

Sale Price/Gross Acre	$75,454
Sale Price/Gross SF	$1.73
Sale Price/Front Foot	$1,376

Remarks

Inspected by JPR on 12/6/2018

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Land Sale No. 4

<u>Property Identification</u>

Record ID	2943
Property Type	Industrial, Industrial

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Land Sale No. 4 (Cont.)

Address	1599 Dash Drive, Fuquay-Varina, Wake County, North Carolina 27526
Tax ID	0182620
User 1	Vacant/Light Industrial
Sale Data	
Grantor	TE Connectivity Corporation
Grantee	Town of Fuquay-Varina
Sale Date	May 31, 2018
Deed Book/Page	17142/2677
Recorded Plat	BM2018/878
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller (No D/T)
Verification	Carla Morgan, with Grantee; Confirmed by Frank Leatherman
Sale Price	$1,628,000
Cash Equivalent	$1,628,000
Land Data	
Zoning	Town of Fuquay-Varina, HI
Topography	Rolling
Utilities	All
Shape	Regular
Flood Info	Some flood plain along western property boundary
Land Size Information	
Gross Land Size	32.563 Acres or 1,418,444 SF
Front Footage	1,160 ft Total Frontage: 810 ft Purfoy Road; 350 ft Dash Drive;
Indicators	
Sale Price/Gross Acre	$49,995
Sale Price/Gross SF	$1.15
Sale Price/Front Foot	$1,403

Remarks

Inspected by JPR on 12/6/2018

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Land Sale No. 5

<u>Property Identification</u>

Record ID	3452
Property Type	Industrial, Industrial

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Land Sale No. 5 (Cont.)

Address	1251 NC Highway 42, Fuquay-Varina, Wake County, North Carolina 27526
Tax ID	0469513
User 1	Light Industrial
Sale Data	
Grantor	ACC Investments of NC, LLC
Grantee	Southern Wake Industrial Park, LLC
Sale Date	March 18, 2020
Deed Book/Page	17788/688
Property Rights	Fee SImple
Conditions of Sale	Market
Financing	Cash to Seller
Verification	Meda Williams with Grantee; September 10, 2020; Confirmed by Jessica Williams
Sale Price	$2,763,500
Cash Equivalent	$2,763,500
Land Data	
Zoning	Town of Fuquay-Varina, IH
Topography	Relatively level
Utilities	All
Shape	Irregular
Flood Info	None noted
Land Size Information	
Gross Land Size	32.510 Acres or 1,416,136 SF
Front Footage	2,106 ft Total Frontage: 2,106 ft NC Highway 42;
Indicators	
Sale Price/Gross Acre	$85,005
Sale Price/Gross SF	$1.95
Sale Price/Front Foot	$1,312

Remarks

Inspected by LJF 9-10-20

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Pending Land Sale No. 6

<u>Property Identification</u>

Record ID	3752
Property Type	Industrial, Industrial
Address	Knightdale Eagle Rock Road, Knightdale, Wake County, North Carolina 27545
Location	Just west of US 64

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Pending Land Sale No. 6 (Cont.)

Tax ID	0091981
Sale Data	
Grantor	Whitley Eagle Rock Company, LLC
Grantee	AIS Forestry and Farming, LLC
Closing Date	June 30, 2021
Verification	Purchase Contract; Confirmed by Alex Leatherman
Contract Price	$5,362,350
Cash Equivalent	$5,362,350
Land Data	
Zoning	Town of Knightdale, RT
Topography	Sloping to the north
Utilities	E,T,W
Shape	Irregular
Flood Info	Flood risk on northern edge of property
Land Size Information	
Gross Land Size	153.210 Acres or 6,673,828 SF
Front Footage	831 ft Total Frontage: 831 ft Knightdale Eagle Rock Road;
Indicators	
Sale Price/Gross Acre	$35,000
Sale Price/Gross SF	$0.80
Sale Price/Front Foot	$6,453

Remarks

Inspected by FDL and HAL on 12/10/20.

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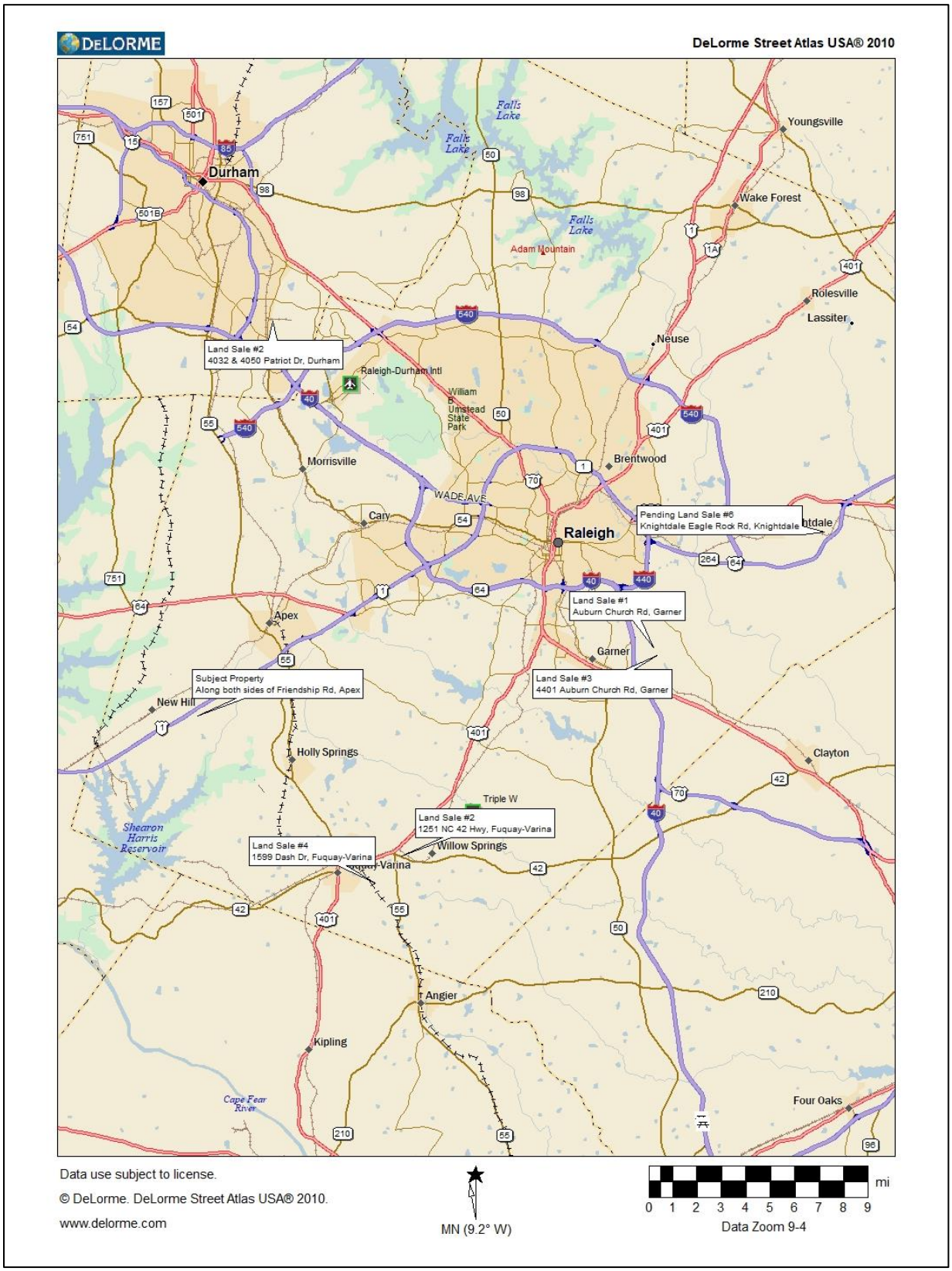
Map of Land Sales



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Analysis and Adjustment of Sales

The Sales Comparison Approach provides a general overview of sales activity and tends to bracket reasonable prices paid, once adjustments for dissimilarities and comparable sales have been considered. The sales are compared on a price per acre basis. These adjustments are based on our opinion of how the comparable compares to the subject, our experience and analysis of the market. Every adjustment is subjective.

Market Adjustment Factors

Property Rights:	Adjustments are made as necessary for the property rights, however, there were none made in this particular case.
Financing Terms:	In certain circumstances, special financing may be more advantageous to the buyer or seller as it relates to the purchase price. In such circumstances, an adjustment would be applied. There were no adjustments made for financing terms.
Condition of Sale:	Adjustments for conditions of sale usually reflect the motivation of the buyer and seller. The sale may be transacted at a below-market price if the seller needs cash in a hurry. There were no adjustments based on condition of sale.
Date of Sale:	The date of the comparable sales ranged from 2016 to 2021. We have not made any time adjustments to the sales that have occurred prior to 2021 as the market appears to have stabilized for similar properties.
Expenditures after Sale:	Adjustments were not made to the sale based on any expenditures that the buyer incurred after the sale.

Physical Conditions

Location:	Typically, properties located in higher traffic areas with exposure to major transportation corridors and more intense commercial development sell for higher prices per square foot all other factors considered equal. Adjustments were not made based on location.
Utilities:	Properties and their access to utilities may affect the value of a property depending on the cost to gain access to services. There were adjustments made based on utilities.
Size:	Historic market behavior indicates that larger properties generally sell for lower prices per unit all other factors considered equal. This is generally due to a larger number of buyers able to compete for smaller (less expensive) properties as well as allowances for holding costs and extended lease up or marketing periods associated with larger properties. There were adjustments for size.

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Road Frontage:	Property located along a primary transportation or commercial corridor is more likely to attract commercial business in comparison to property located along a secondary traffic artery. There is likely to be more competition for property which has frontage along a main road which would tend to increase prices. There were adjustments for road frontage.
Zoning:	Restrictions such as zoning, dictate the type of use which can be applied to a particular property. A less restrictive or heavier use parcel tends to attract more investors and ultimately more competition when compared to a highly restrictive or lighter use property. The greater the land use, the higher the price as density increases (more intense use) the price per usable acre increases as more units can be placed on the site resulting in higher overall sales. We have detailed the allowance under the existing zoning classification for the land use. There were adjustments made based upon zoning.
Shape:	Sites with good site configuration are more desirable as this broadens the uses of the land, lowers the cost of grading and preparation (cost of development) and makes it more attractive to a potential investor. Sites with poor site configuration are less desirable as this limits the uses of the land (lowers lot yield) and occasionally renders some portions of the property unusable and lowers overall site value in comparison to more regularly shaped sites. There were adjustments made based on shape.
Topography:	Sites with good site configuration are more desirable as this broadens the uses of the land, lowers the cost of grading and preparation (cost of development) and makes it more attractive to a potential investor. Sites with poor site configuration are less desirable as this limits the uses of the land (lowers lot yield) and occasionally renders some portions of the property unusable and lowers overall site value in comparison to sites that have more level topography or more cleared usable land. There was an adjustment made based on topography.
Access/Visibility:	Property with better access and more visibility to local traffic is likely to sell for higher prices when compared to property with poor access and visibility. As a result adjustments were applied to the sales based upon their access/visibility as they compare to the subject. Adjustments were made based on access/visibility.

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Land Sales Chart

Land Sales Chart							
Property:	**Along both sides of Friendship Road, Apex**				***"As Is"***		
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**	**6**
Location	Along both sides of Friendship Rd	Auburn Church Rd	4032 & 4050 Patriot Dr	4401 Auburn Church Rd	1599 Dash Dr	1251 NC 42 Hwy	Knightdale Eagle Rock Rd
City	Apex	Garner	Durham	Garner	Fuquay-Varina	Fuquay-Varina	Knightdale
Sales Date	5/29/2013	05/10/17	07/28/17	08/15/17	05/31/18	03/18/20	06/30/21
Land area (Acres)	215.000	20.00	101.57	59.00	32.56	32.51	153.21
Land area (SF)	9,365,400	871,200	4,424,563	2,570,171	1,418,444	1,416,136	6,673,828
Zoning	R-30	IH-CU	IL(D)	IH-CU	HI	IH	RT
Utilities	E,T	All	All	All	All	All	E,T,W
Frontage	3596	665	50	3,235	1,160	2,106	831
Sales Price		$1,600,000	$3,800,000	$4,452,000	$1,628,000	$2,763,500	$5,362,350
Price/Acre		**$80,000**	**$37,411**	**$75,454**	**$49,995**	**$85,005**	**$35,000**
Primary Adjustments							
Property Rights							
Financing							
Condition of Sale							
Expenditures after Sale							
Market Conditions							
Primary Adjusted Price/Acre		**$80,000**	**$37,411**	**$75,454**	**$49,995**	**$85,005**	**$35,000**
Other Adjustments							
Location							
% Adjustment							
Utilities		superior	superior	superior	superior	superior	
% Adjustment		-10%	-10%	-10%	-10%	-10%	
Size		smaller	smaller	smaller	smaller	smaller	
% Adjustment		-15%	-5%	-10%	-15%	-15%	
Road Frontage			inferior				inferior
% Adjustment			10%				10%
Zoning		superior	superior	superior	superior	superior	
% Adjustment		-5%	-5%	-5%	-5%	-5%	
Shape		superior			superior		
% Adjustment		-5%			-5%		
Topography			inferior				
% Adjustment			15%				
Access/Visibility			inferior		inferior		inferior
% Adjustment			10%		10%		10%
Net Adjustments		**-35%**	**15%**	**-25%**	**-25%**	**-30%**	**20%**
Final Adjusted Price/Acre		**$52,000**	**$43,023**	**$56,590**	**$37,497**	**$59,503**	**$42,000**
Ranking		**3**	**4**	**2**	**6**	**1**	**5**
Range of Values Before Adjustments		**$35,000**	**to**	**$85,005**	**Per Acre**		
Range of Values After Adjustments		**$37,497**	**to**	**$59,503**	**Per Acre**		
		No. of Acres	**X**	**Price/Acre**	**=**	**Land Value**	
		215.000		$45,000		$9,675,000	
					Rounded	**$9,675,000**	

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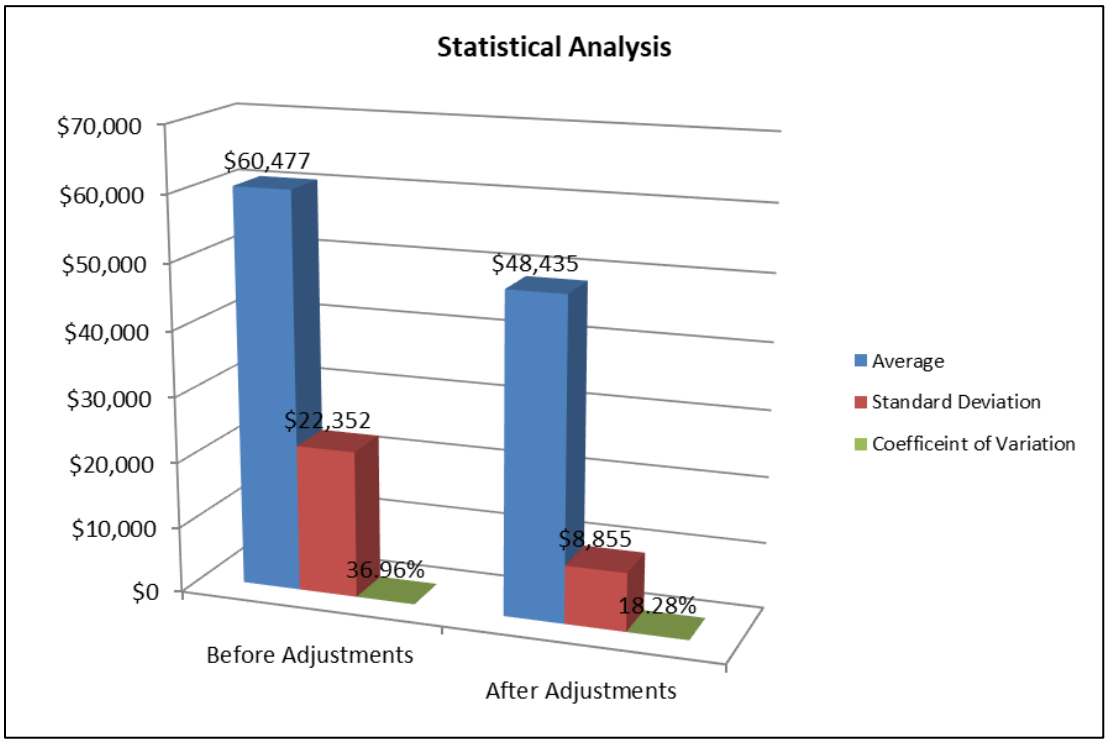
As previously discussed, properties in this market are bought and sold on a price per acre basis and we have applied the same methodology in this analysis. We believe the comparable sales we have chosen best reflect the subject property. These comparable sales have been summarized in a relative comparison array and are not meant to infer any type of ranking in terms of similarity to the subject.

Sale	Adjusted Sales Price per Acre
5	$59,503
3	$56,590
1	$52,000
Subject	$45,000
2	$43,023
6	$42,000
4	$37,497
Conclusion	$45,000

Standard deviation is a measurement of dispersion from the average. A low standard deviation indicates the values (sale price per unit of comparable sales) are close to the average. A high standard deviation indicates the data is spread out over a larger range of values. A lower standard deviation after adjustments in comparison to the standard deviation prior to adjustments indicates a tightening of values.



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Statistics		
	Before Adjustments	**After Adjustments**
Number of Comparables Cited	6	6
Minimum Sales Price	$1,600,000	$1,040,000
Maximum Sales Price	$5,362,350	$6,434,820
Min. Sales Price/Acre	$35,000	$37,497
Max. Sales Price/Acre	$85,005	$59,503
Mean/Avg. Sales Price/Acre	$60,477	$48,435
Range (based on $/unit)	$50,005	$22,007
Standard Deviation	$22,352	$8,855
COV	36.96%	18.28%
The Coefficient of Variation (COV) approximates the average distance of each data point from the mean, expressed as a percentage. Since its is calculated using all the data, it's a better measure of dispersion of the range, which is based on just two data points.		

The "as is" estimate of value via the Sales Comparison Approach is **$9,675,000**.

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We have also considered the following additional sales:

No.	Location	Sale Date	Price	Size in Acres	Price/ Acre
7.	North of US 64; South of Jenks Road; West of Sunset Meadows Drive	12/07/2016	$12,375,000	100.060	$123,676
8.	Burlington Mills Road & Ligon Mill Road	12/16/2016	$10,000,000	108.390	$92,259
9.	4721 Lake Wheeler Road	01/31/2017	$10,000,000	214.539	$46,612
10.	Richardson Road	03/01/2017	$14,226,000	122.726	$115,917
11.	North side of Olive Chapel Road; Across from Richardson Road	03/14/2017	$25,676,000	231.955	$110,694
12.	5713 Honeycutt Road	09/12/2018	$20,940,500	231.830	$90,327
13.	North side of Little Drive; Between Davis Drive & Louis Stephens Drive	12/21/2018	$49,599,000	281.140	$176,421
14.	1800 Old Milburnie Road	01/09/2019	$7,223,500	167.455	$43,137
15.	8608 Purfoy Road	01/10/2019	$8,253,500	165.550	$49,855
16.	US Hwy. 401 & E. Young Street	01/17/2020	$14,691,500	293.890	$49,990
17.	Earnest Jones Road	08/25/2020	$13,619,175	217.070	$62,741

As shown above there has been, and continues to be, strong demand for vacant larger sites in the area for all types of development ranging from single family to mixed use development. All property types are in relatively short supply in the market. Demand continues to outpace supply in all market sectors with prices, rents and occupancies are at record levels with records dating back to the 1980's. This trend is anticipated to continue with larger sites becoming more scare for development and we anticipate prices will continue to increase for the foreseeable future. Population and job growth has and is expected to continue to increase over time increasing demand beyond existing levels. Deliveries have not and will not be able to support or satisfy the ongoing demand. Based on research with clients and market participants there is a severe shortage of light industrial properties both vacant and improved in the market. Development of these types of properties is well behind development of almost all other property types. We anticipate a strong demand for the subject property continuing for the foreseeable future.

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Value Conclusion

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions and limiting conditions expressed in the report, it is our opinion that the market value of the fee simple interest of the 215 acres of industrial land located along both sides of Friendship Road in Apex, North Carolina 27539 as of March 31, 2021, the last date of inspection, was as follows:

Value Estimate	Interest Appraised	Value Appraised	Value Conclusion
"As Is"	Fee Simple	Market Value	$9,675,000

Marketing Period

Marketing period is defined as follows:

> "An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal."
> *Source: Appraisal Institute, The Dictionary of Real Estate Appraisal 5th Edition (Chicago: Appraisal Institute, 2010), 121*

The subject "as is" is readily marketable to investors actively engaged in the acquisition of these types of properties. The subject's market has been improving and will continue to improve throughout the foreseeable future and we expect the subject to sell within 6-12 months as we are continuing to see increasing demand with ever declining supply.

Sincerely,

Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser

FRANK D. LEATHERMAN, JR. STATE CERTIFIED NORTH CAROLINA A1079 REAL ESTATE APPRAISER GENERAL APPRAISER

Herman A. Leatherman
Registered Trainee

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Certification

I certify that to the best of my knowledge and belief...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported General Assumptions and Limiting Conditions and, where applicable, the Special Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My 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 Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report unless otherwise stated.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have complied with the Appraisal Standards of USPAP and the Appraisal Institute in conducting the research and analysis, and in formulating the value conclusion(s) contained in this report.
- I have performed no professional 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.
- As of the date of the report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Appraisal Date: March 31, 2021

Report Date: April 9, 2021

Frank D. Leatherman, Jr., MAI, CCIM
Certified General Real Estate Appraiser

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Certification

I certify that to the best of my knowledge and belief...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported General Assumptions and Limiting Conditions and, where applicable, the Special Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My 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 Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the persons signing this report unless otherwise stated.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have complied with the Appraisal Standards of USPAP and the Appraisal Institute in conducting the research and analysis, and in formulating the value conclusion(s) contained in this report.
- I have performed no professional 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.

Appraisal Date: March 31, 2021 Report Date: April 9, 2021

Herman A. Leatherman
Registered Trainee

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Assumptions and Limiting Conditions

The certification of the appraiser appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as set forth by the appraiser in the report.

1. The appraisers assumed no responsibility for matters of a legal nature affecting the property appraised or the title hereto, nor do the appraisers render any opinions as to the title, which is assumed to be good and marketable. The property is appraised as though under reasonable ownership.

2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraisers have made no survey of the property.

3. The appraisers will not be required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.

4. Any distribution of the valuation in the report between land and improvements applies only under the existing program for utilization. The separate valuations for land and building must not be used in conjunction with other appraisals and are invalid if so used.

5. The appraisers assumed that there are no hidden or unapparent conditions of the property, or subsoil, which would render the property more or less valuable. The appraisers assume no responsibility for such conditions, or for engineering which might be required to discover such factors.

6. Information, estimates and opinions furnished to the appraisers and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy for such items furnished to the appraisers can be assumed by the appraisers.

7. Disclosure of the contents of the appraisal report is governed by the by-laws and regulations of the professional appraisal organizations with which the appraisers are affiliated and the Uniform Standards of Professional Appraisal Practice.

8. Neither all, nor any part of the contents of the report, or copy thereof (including conclusions as to the property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which the appraisers are connected) shall be used for any purpose by anyone but the client specified in the report, the borrower if appraisal fee paid by same, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency or instrumentality of the United States or any State or District of Columbia, without the previous written consent of the appraiser, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraisers.

9. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the improvements, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste, which may or may not be present

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on the property, was not observed by the appraisers; nor do we have any knowledge of the existence of such materials on or in the property. The appraisers are not qualified to detect such substances. The existence of urea-formaldehyde foam insulation or other potentially hazardous waste material may have an effect on the value of the property. We urge the client to retain an expert in this field if desired.

10. The appraisers have assumed the property is in conformity with the Americans with Disabilities Act of 1992. This act specifically requires all public buildings (or property) to be in conformity to allow accessibility by all disabled American citizens. The requirements of access are assumed by the appraisers to be adequate and we are not experts in such matters and suggest the client retain an expert in the field as the cost of conformity if the building (or property) is not in compliance may directly affect the value conclusions contained in the appraisal.

11. We have assumed the information regarding the subject is as represented in this report. Any deviation from the public record or information provided to the appraisers by the property owner as related in this report may affect the value conclusion contained in this report. The size of the subject was determined by information provided by the client. We recommend an ALTA survey prior to any transactions as we feel this is the most accurate method of measurement.

12. Our description of the land and/or improvements is based on our visual inspection of the property, from which we have drawn conclusions. No quality, engineering, or engineering assumptions should be drawn from this report, other than to assist the reviewer in understanding the conclusions.

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ADDENDA

Leatherman Real Estate Services, LLC
4006 Barrett Drive, Suite 201
Raleigh, North Carolina 27609

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BK015289PG02437

NORTH CAROLINA
Department of the Secretary of State

CERTIFICATE OF NAME CHANGE

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify that on the 8th day of March, 2013, an Articles of Amendment Business Corporation with an effective date of 29th day of April 2013 duly executed by the proper officer to change the corporate name of the business corporation named below, were filed in this office:

Name at time of submission of Articles of Amendment:

CAROLINA POWER & LIGHT COMPANY

Name Change To

DUKE ENERGY PROGRESS, INC.

I FURTHER CERTIFY that this certificate is in compliance with North Carolina General Statutes 55D-26 and may be recorded in the office of the Register of Deeds in the same manner as deeds, the former name of the corporation appearing in the "Grantor" index and the amended name of the corporation appearing in the "Grantee" index.

WAKE COUNTY, NC 97
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
05/29/2013 AT 11:01:12

BOOK:015289 PAGE:02437 - 02438

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 17th day of May, 2013.

Elaine F. Marshall

Secretary of State

Scan to verify online.

Certification# 94233645-1 Reference# 11553137-ea Page: 1 of 1
Verify this certificate online at www.secretary.state.nc.us/verification

~~Return to~~: Sheila Lemoine
Duke Energy Co.
550 S. Tryon St.
Charlotte, NC 28202

ENV

Return to: Kerrie Barrett
Staples
500 Staples Drive
Framingham, MA 01702

UPS ENV.

Attachment B

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BOOK:015289 PAGE:02437 - 02438

Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.

Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

This Customer Group
_____ # of Time Stamps Needed

This Document
_____ New Time Stamp
2 # of Pages

22.004-8/15/11

Attachment B

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Home

Wake County Real Estate Data
Account Summary

iMaps
Tax Bills

Account Search

Real Estate ID **0110325** PIN # **0629617801**

WAKE COUNTY NORTH CAROLINA

Location Address
4113 NEW HILL HOLLEMAN RD

Property Description
PROP CP&L SHEARON HARRIS NUCLEAR PLANT

Pin/Parcel History New Search

Account | Buildings | Land | Deeds | Notes | Sales | Photos | Tax Bill | Map

Property Owner	Owner's Mailing Address	Property Location Address
DUKE ENERGY PROGRESS INC (Use the Deeds link to view any additional owners)	**TAX DEPT - DEC41B** **550 S TRYON ST** **CHARLOTTE NC 28202-4200**	**4113 NEW HILL HOLLEMAN RD** **APEX NC 27539-**

Administrative Data		Transfer Information		Assessed Value	
Old Map #	812--				
Map/Scale	0629 04	Deed Date	5/29/2013	Land Value Assessed	$6,303,160
VCS	SWWC001	Book & Page	15289 2437	Bldg. Value Assessed	$69,559
City		Revenue Stamps			
Fire District	23	Pkg Sale Date			
Township	BUCKHORN	Pkg Sale Price		Tax Relief	
Land Class	COMMERCL	Land Sale Date			
ETJ	WC	Land Sale Price		Land Use Value	
Spec Dist(s)				Use Value Deferment	
Zoning	R-80	**Improvement Summary**		Historic Deferment	
History ID 1				Total Deferred Value	
History ID 2		Total Units	0		
Acreage	1,773.22	Recycle Units	0		
Permit Date	5/30/2012	Apt/SC Sqft		Use/Hist/Tax Relief	
Permit #	0000122353	Heated Area	1,248	Assessed	
				Total Value Assessed*	$6,372,719

*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.

Attachment B

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Real Estate ID **0110325** PIN # **0629617801**

Location Address
4113 NEW HILL HOLLEMAN RD

Property Description
PROP CP&L SHEARON HARRIS NUCLEAR PLANT

Account Search
Go!

Pin/Parcel History New Search

Account | Buildings | Land | Deeds | Notes | Sales | Photos | Tax Bill | Map

Building Location Address	Building Description	Card 01 Of 01
4113 NEW HILL HOLLEMAN RD	**PROGRESS ENERGY-APEX #1**	

Bldg Type	**82 Prefab Warehous**	Year Blt **2003**	Eff Year **2003**	Base Bldg Value	**$86,948**
Units		Addns	Remod	Grade	**41.55 100%**
Heated Area	**1,248**	Int. Adjust.		Cond %	**B 80%**
Story Height	**1 Story**			Market Adj.	
Style	**Conventional**	Other Features		Market Adj.	
Basement	**Crawl Space**			Accrued %	**80%**
Exterior	**Metal**			Incomplete Code	
Const Type	**Exposed Steel**			**Card 01 Value**	**$69,559**
Heating	**No Heating**			All Other Cards	
Air Cond	**No Air Conditio**			Land Value Assessed	**$6,303,160**
Plumbing	**No Plumbing**			Total Value Assessed	**$6,372,719**

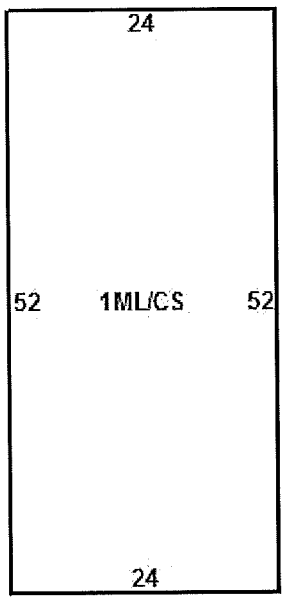
Main and Addition Summary

	Story	Type	Code	Area	Inc
M	1	ML/CS		1248	
A					
B					
C					
D					
E					
F					
G					
H					

Other Improvements

Units	DesItem	Code	Year	%ADJ	Inc	Value
2000	UN FENCE6	0000	2000	45		0
1	UN CELLTWR	REF	1995	100		0

Building Sketch



Photograph
1/29/2011

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Home

Wake County Real Estate Data
Ownership History

iMaps
Tax Bills

Account Search

Real Estate ID **0110325** PIN # **0629617801**

Location Address
4113 NEW HILL HOLLEMAN RD

Property Description
PROP CP&L SHEARON HARRIS NUCLEAR PLANT

Pin/Parcel History New Search

WAKE COUNTY NORTH CAROLINA

Account | Buildings | Land | Deeds | Notes | Sales | Photos | Tax Bill | Map

Disclaimer: The information on this site, including but not limited to the real estate "Owner Name" and date of acquisition, is provided for informational purpose only and is gathered from public records submitted, filed and recorded with various government departments, agencies, and offices. Although every effort has been made to ensure that the information presented on this website is accurate and timely, it is not intended to replace information that could be obtained directly from any other government department, agency, or office, nor should it be used as the exclusive basis for determining ownership or date of acquisition of real property. Wake County makes no representation or warranties, express or implied, concerning the accuracy, completeness, reliability, or suitability of the information provided herein or the status of title to the subject real estate.

	Owner Name	Type	% Own	Stamps	Book	Page	Date
Current	**DUKE ENERGY PROGRESS INC**		**ALL**	**.00**	**15289**	**2437**	**05-29-2013**
1 Back	**CAROLINA POWER AND LIGHT COMPANY**		**ALL**	**.00**	**10887**	**2370**	**06-24-2004**
2 Back	**CAROLINA POWER & LIGHT CO**		**ALL**	**27.00**	**08249**	**1397**	**02-15-1999**
3 Back	**CAROLINA POWER & LIGHT CO**		**ALL**		**02760**	**0885**	**08-22-1979**
4 Back	**CP&L CO**		**.9466%**		**0**		
5 Back	**NC EASTERN MUNICIPAL POWER AGENCY**		**.0534%**	**79477.50**	**03010**	**0718**	**04-21-1982**
6 Back	**CP&L**	**QCD**	**ALL**		**02760**	**0885**	**08-22-1979**

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QUALIFICATIONS OF THE APPRAISER

Herman A. Leatherman

4006 Barrett Drive, Suite 201, Raleigh, NC 27609

(919) 571-1244 (Phone) (919) 571-4661 (Fax)

Leathermanre.com

Registered Trainee Real Estate Appraiser, No. T5832

EDUCATION

B.A. in History (2013), Cum Laude, Barton College

Recipient of Department of History and Social Sciences Jerry and Betty Maclean Scholarship, (2011- 2013)

Member of Dean's List (Fall 2012, Spring 2012, Fall 2013, Spring 2013), Barton College

Member of Pi Sigma Alpha, The National Political Science Honor Society, Omega Tau Chapter (Barton College)

Recipient of Who's Who Among Students in American Universities & Colleges (2013)

EXPERIENCE

Registered Trainee Real Estate Appraiser

Leatherman Real Estate Services, LLC

January 2016- Present

Research Assistant

Leatherman Real Estate Services, LLC

May 2011- January 2016

Education Tutor (History)

Barton College

Fall 2013

Customer Service

Jersey Mike's Subs

January 2011- November 2012

Client List/References available upon request.

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NORTH CAROLINA APPRAISAL BOARD

APPRAISER QUALIFICATION CARD

Expires June 30, 2020

REGISTRATION / LICENSE / CERTIFICATE HOLDER

19 **HERMAN A LEATHERMAN** 20

T5832	T	N
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

APPRAISER'S SIGNATURE

EXECUTIVE DIRECTOR

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QUALIFICATIONS OF THE APPRAISER

Frank D. Leatherman, Jr., MAI, CCIM

4006 Barrett Drive, Suite 201, Raleigh, NC 27609
(919) 571-1244 (phone) (919) 571-4661 (fax)
fleathermanjr@gmail.com

Designated Member of the Appraisal Institute, No. 11944
State-Certified General Real Estate Appraiser, No. A1079
Designated member of the CCIM Institute, No. 12967
Licensed Real Estate Broker, State of North Carolina, No.62248
Licensed General Contractor (Inactive), State of North Carolina, No. 12564

NCAI Chapter President for 2017

Relevant Coursework:

Residential & Commercial Valuation of Solar
Evaluation Appraisal Seminar
Introduction to Green Buildings; Principles & Concepts
Uniform Standards for Federal Land Acquisitions
Fundamentals of Separating Real Property, Personal Property (SBA)
Valuation of Conservation Easements
Partial Interest Valuation Divided

EDUCATION
B.S. in Business Administration (1980), University of North Carolina at Chapel Hill

EXPERIENCE

Partner/ Chief Appraiser

Leatherman Real Estate Services, LLC
November 1991 to Present. Clients include individuals, banks, insurance companies, attorneys, government agencies and private companies. Territory includes central North Carolina and southern Virginia. Properties of all types including condemnation, easements and partial interest valuations.

Instructor

Wake Technical Community College, Raleigh, NC
May 1991 to May 1995
Course Instructor for commercial property appraisal courses.

Staff Appraiser

State of North Carolina, Department of Transportation, Raleigh, NC
June 1990 to October 1991

Staff Appraiser

T.B. Harris, Jr. & Assoc., Charlotte, NC
January 1990 to June 1990

Asst. Vice Pres.

First American Savings Bank, Charlotte, NC
March 1988 to December 1989

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Staff Appraiser	*Shipplett/Wilkins and Assoc., Charlotte, NC,* July 1985 to March 1988
Asst. Vice Pres.	*Stockton, White and Company, Greensboro, NC* June 1983 to July 1985
Loan Officer	*State Employees' Credit Union, Fayetteville, NC* August 1981 to June 1983

Client List/References available upon request.

Attachment B

NORTH CAROLINA APPRAISAL BOARD

APPRAISER QUALIFICATION CARD

Expires June 30, 2021

REGISTRATION / LICENSE / CERTIFICATE HOLDER

20 FRANK D LEATHERMAN JR 21

A1079	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

APPRAISER'S SIGNATURE EXECUTIVE DIRECTOR

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