Exhibit C

APPRAISAL REPORT
REAL ESTATE APPRAISAL
of
TRACT E-51/M-XX , A PORTION OF WAKE COUNTY PIN 0629649092

A Portion of the Property with address at 4113 Deer Path Road
Apex, Wake County, NC, 27539

As of
June 21, 2018

Prepared For
Ms. Betty L. Parker
Wake County Public School System
1429 Rock Quarry Road, Suite 116
Raleigh, NC, 27610

Client File:
PO # 209473

Prepared by
STEWART, MARTIN & MCCOY LLC
Kirk McCoy II, MAI, NC-A7687

File Name:
2018-06-21-A001

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Exhibit C

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July 10, 2018

Ms. Betty L. Parker
Wake County Public School System
1429 Rock Quarry Road, Suite 116
Raleigh, NC 27610

Re: Tract E-51/M-XX , a portion of Wake County Pin 0629649092
4113 Deer Path Road
Apex, Wake County, NC, 27539

Appraisal Report
File Name: 2018-06-21-A001

Dear Ms. Parker:

At your request, I have prepared an appraisal for the above referenced property, which may be described as follows:

The subject has been identified as the northernmost ±71.0 acre portion of the parcel designated under Wake County PIN # 0629649092. The subject property is located on the southern side of Woods Creek Road. The larger parent parcel has a Property Description of PROP CP&L SHEARON HARRIS NUCLEAR PLANT and a Wake County Real Estate ID number, 0110325.

Please reference page 6 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated interest in the subject beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 5). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions: The following hypothetical condition is assumed for this appraisal. The parcel designated under Wake County PIN # 0629649092 is a 1,844.16-acre tract in the Buckhorn Township of Wake County, however, our appraisal subject is only the northern most ±71.0-acre portion of the property located on the southern side of Woods Creek Road. Therefore, our appraisal assumes this portion of the parcel has been split away from the larger tract.

Extraordinary Assumptions: There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion:

Current As Is Market Value:
The "As Is" market value of the Fee Simple estate of the property, as of June 21, 2018, is

Two Million Six Hundred Twenty Seven Thousand Five Hundred Dollars ($2,627,500)

The market exposure time preceding June 21, 2018 would have been 12 months and the estimated marketing period as of June 21, 2018 is 12 months.

Respectfully submitted,
Stewart, Martin & McCoy LLC

Kirk McCoy II, MAI
NC-A7687

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Summary of Important Facts and Conclusions

GENERAL

Subject: Tract E-51/M-XX , a portion of Wake County Pin 0629649092
4113 Deer Path Road, Apex, Wake County, NC, 27539

The subject has been identified as the northernmost ±71.0 acre portion of the parcel designated under Wake County PIN # 0629649092. The subject property is located on the southern side of Woods Creek Road. The larger parent parcel has a Property Description of PROP CP&L SHEARON HARRIS NUCLEAR PLANT and a Wake County Real Estate ID number, 0110325.

Owner: Duke Energy Progress Inc.

Legal Description: PROP CP&L SHEARON HARRIS NUCLEAR PLANT

Date of Report: July 10, 2018

Intended Use: The intended use is for internal decision making.

Intended Users: The client and property owner.

Assessment:

Real Estate Assessment and Taxes

Tax ID	Land	Improvements	Other	Total Assessment	Tax Rate	Taxes
0110325	$6,548,150	$45,121	$0	$6,593,271	$0.71 per $100	$46,878

Note: This assessment represents the entire parent parcel, which is 1,844.16 acres.

Sale History: The subject has not sold in the last three years, according to public records.

The subject transferred ownership on May 29, 2013 in a Related Party Transaction.
The property transferred in with the merger of Duke Energy Progress and CP&L.

Current Listing/ Contract(s): The subject is not currently listed for sale, or under contract, however, it is under negotiation of sale between the client and property owner. No terms have been disclosed to the appraiser.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Subject Tract	71.00	3,092,760	62.88	2,739,020	Rolling	Irregular
Remaining Parcel	1773.16	77,238,850	1439.29	62,695,472	Rolling	Irregular
Totals	1844.16	80,331,610	1502.17	65,434,492	Rolling	Irregular

Zoning: R-80

Highest and Best Use of the Site: Residential or Community Use

Type of Value: Market Value

VALUE INDICATIONS

Land Value: $2,627,500

Reconciled Value:

	As Is
Value Conclusion	$2,627,500
Effective Date	June 21, 2018
Property Rights	Fee Simple

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Limiting Conditions and Assumptions

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

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Stewart, Martin & McCoy LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Stewart, Martin & McCoy LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Stewart, Martin & McCoy LLC has not made a determination regarding the subject's ADA compliance or non-compliance**. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal**.

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Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Betty L. Parker, Senior Director, Real Estate Services Wake County Public School System. The problem to be solved is to estimate the current 'As Is' market value for acquisition decision making purposes. The intended use is for internal decision making. This appraisal is intended for the use of client and property owner.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified as the northernmost ±71.0 acre portion of the parcel designated under Wake County PIN # 0629649092. The subject property is located on the southern side of Woods Creek Road. The larger parent parcel has a Property Description of PROP CP&L SHEARON HARRIS NUCLEAR PLANT and a Wake County Real Estate ID number, 0110325.
Inspection:	A complete exterior inspection of the subject property has been made, and photographs taken on June 21, 2018 at 2:00PM.
Market Area and Analysis of Market Conditions:	A summary analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
Valuation Analyses	
Cost Approach:	A cost approach was not applied as the approach is not applicable.
Land Sales Comparison Approach:	A land sales approach was applied as there is adequate data to develop a land value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as the subject is not an income producing property and this approach does not reflect market behavior for this property type.
Hypothetical Conditions:	The following hypothetical condition is assumed for this appraisal. The parcel designated under Wake County PIN # 0629649092 is a 1,844.16-acre tract in the Buckhorn Township of Wake County, however, our appraisal subject is only the northern most ±71.0-acre portion of the property located on the southern side of Woods Creek Road. Therefore, our appraisal assumes this portion of the parcel has been split away from the larger tract.
Extraordinary Assumptions:	There are no Extraordinary Assumptions for this appraisal.
Information Not Available:	A recent preliminary title report was not available.

Market Area Analysis

Area Description & Boundaries

The neighborhood boundaries extend from Old US Highway 1 to Avent Ferry Road on a north south axis and from the New Hill Holeman Road to NC Highway 55 on an east west axis. The area is mostly rural in nature but is becoming an opportunity zone for new residential development.

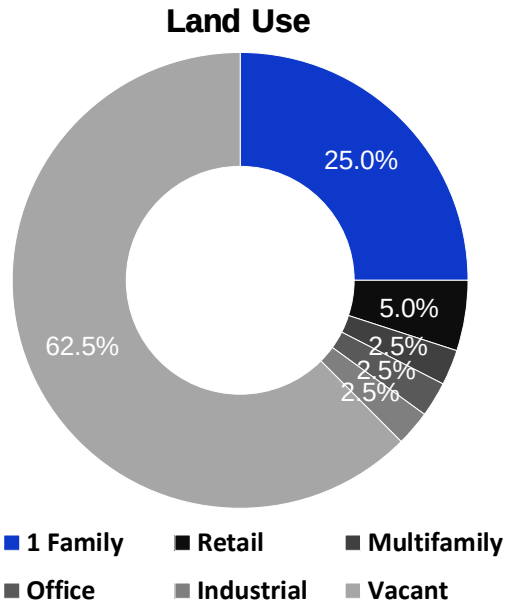
Area & Property Use Characteristics

							Up	Stbl	Dn
Location		Urban		Suburban	X	Rural	Population Trend	X		
Build Up		Over 75%		25% to 75%	X	Under 25%	Employment Trend	X		
Built Up	Fully Dev.	Rapid	X	Steady		Slow	Personal Income Level	X		
Property Values	X	Increasing		Stable		Declining	Retail Sales		X	
Demand/Supply	X	Shortage		In Balance		Over Supply	New Construction	X		
Vacancy Trend		Increasing	X	Stable		Declining	Vacancy Trend			X
Change in Economic Base	X	Likely		Unlikely		Taking Place	Rental Demand		X	

Land Use Trends

Present Land Use		Supply/Demand Under	In Bal.	Over
25.0%	1 Family		X	
5.0%	Retail		X	
2.5%	Multifamily		X	
2.5%	Office		X	
2.5%	Industrial			X
62.5%	Vacant		X	
100%				

Change in Land Use		
	Likely	X
	Not Likely	
	Taking Place	



Land uses in the neighborhood mostly consist of vacant tracts of land and agricultural land. There is a sprinkle of residential use on large land parcels as well as a few subdivisions. There is very minimal amounts of commercial space, usually relegated to the small retail operations and a few older manufacturing facilities.

Age Range for Subject Property Type 1950 to 2018

Adjacent Property Use

Adjacent property uses include vacant and wooded acreage to the north followed by US Highway 1; more vacant land and single family homes to the east and west; and the Twelve Oaks Golf Course and subdivisions to the south. Some of the vacant land has been cleared for farming a few single family residences. The Harris Lake County Park and the Shearon Harris Reservoir sit south of sthe subject.

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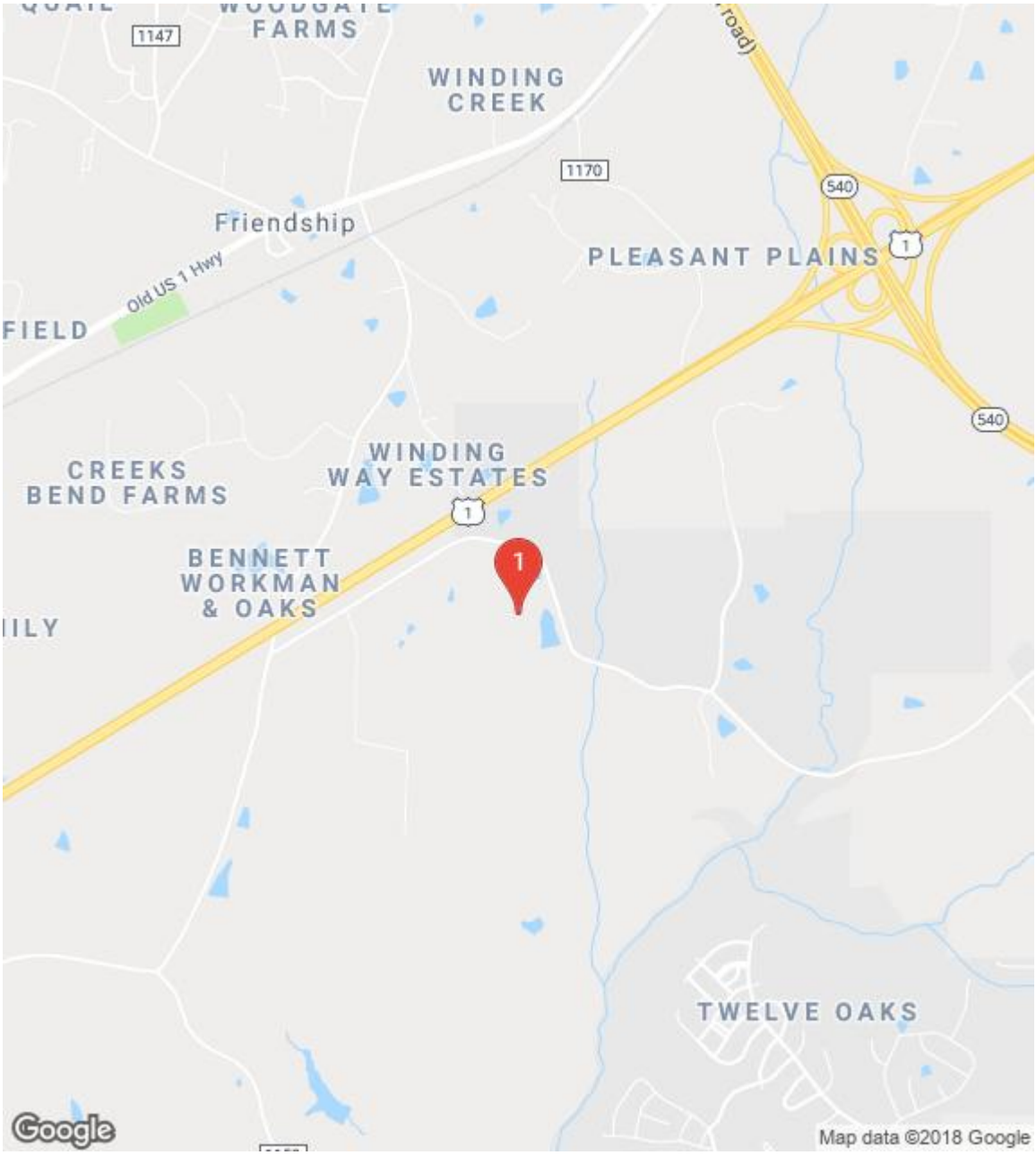
Location Map



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Property Description

The subject has been identified as the northernmost ±71.0 acre portion of the parcel designated under Wake County PIN # 0629649092. The subject property is located on the southern side of Woods Creek Road. The larger parent parcel has a Property Description of PROP CP&L SHEARON HARRIS NUCLEAR PLANT and a Wake County Real Estate ID number, 0110325.

Land Summary						
Parcel ID	**Gross Land Area (Acres)**	**Gross Land Area (Sq Ft)**	**Usable Land Area (Acres)**	**Usable Land Area (Sq Ft)**	**Topography**	**Shape**
Subject Tract	71.00	3,092,760	62.88	2,739,020	Rolling	Irregular
Remaining Parcel	1773.16	77,238,850	1439.29	62,695,472	Rolling	Irregular
Totals	1844.16	80,331,610	1502.17	65,434,492	Rolling	Irregular

SITE	
Location:	The subject is located on the southern side of Woods Creek Road, just south of US Highway 1 in southern Wake County, just outside of the northwestern boundary of the town of Holly Springs.
Current Use:	Vacant Land
Site Size:	Total: 71.00 acres; 3,092,760 square feet Usable: 62.88 acres; 2,739,020 square feet The subject tract has approximately 5.85 acres of land that is inundated within two ponds or a flood plained area near the eastern boundary. In addition, there is another approximate 2.27 acres that is encumbered with a natural gas easement that adversely impacts the development potential.
Shape:	The site is irregularly shaped
Frontage/Access:	The subject property has Average access with frontage as follows: Woods Creek Road: 3,800 feet The site has an average depth of 1,407 feet. It is not a corner lot.
Visibility:	Average
Topography:	The subject has a rolling topography.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by public electricity. Sewer: The site needs access to municipal sewer. Water: The site needs access to municipal water.
Site Improvements:	None
Flood Zone:	The subject is in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X and AE, which is classified as a flood hazard area. FEMA Map Number: 3720073000J FEMA Map Date: May 2, 2006 The subject has approximately 5.85 acres within two ponds or a flood plained area near the eastern boundary.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There is one known adverse encumbrance/ easement. There is a major natural gas line utility easement that traverses the southern portion of the subject property. We have estimated this area to be 2.27 acres of land upon which the development potential is diminished. Please reference Limiting Conditions and Assumptions.
Site Comments:	The site has average and typical utility.

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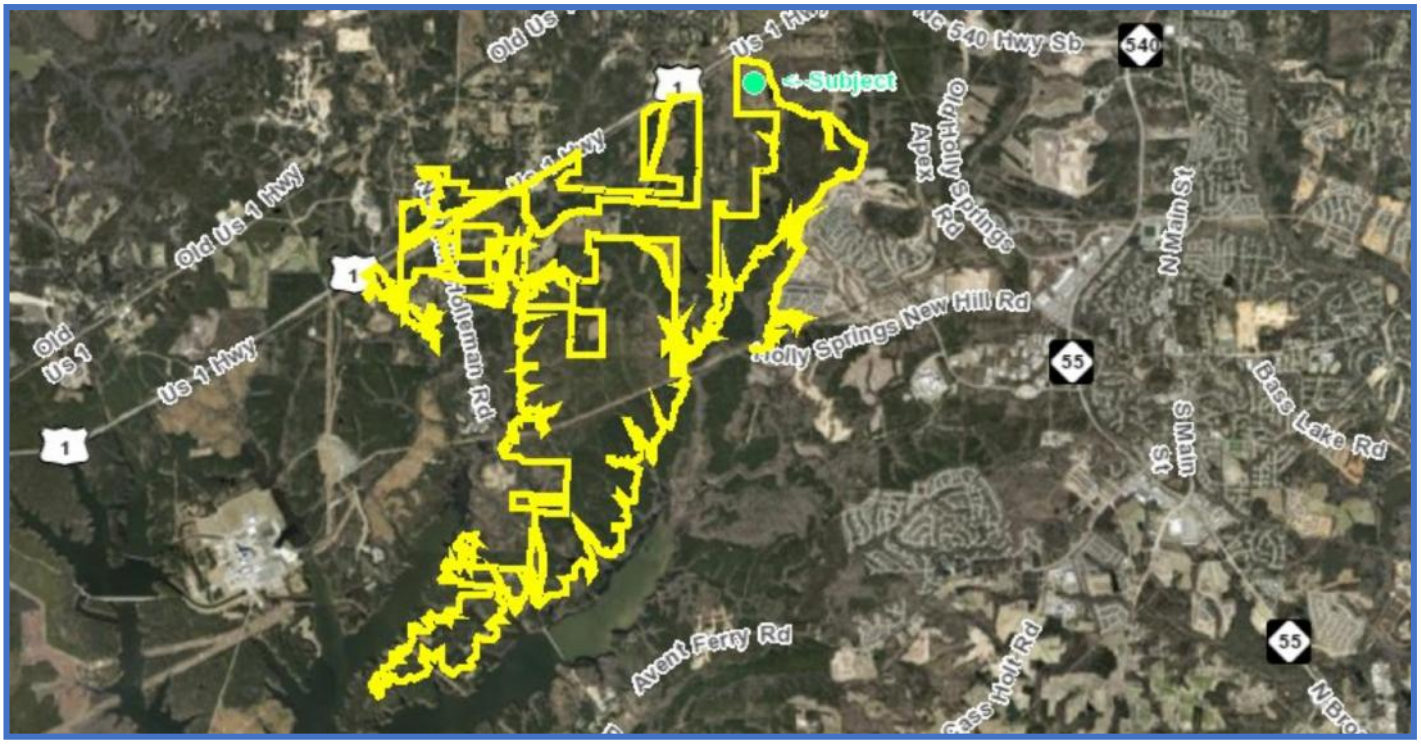
Tax Map – Parent Parcel



Tax Map – Subject Parcel

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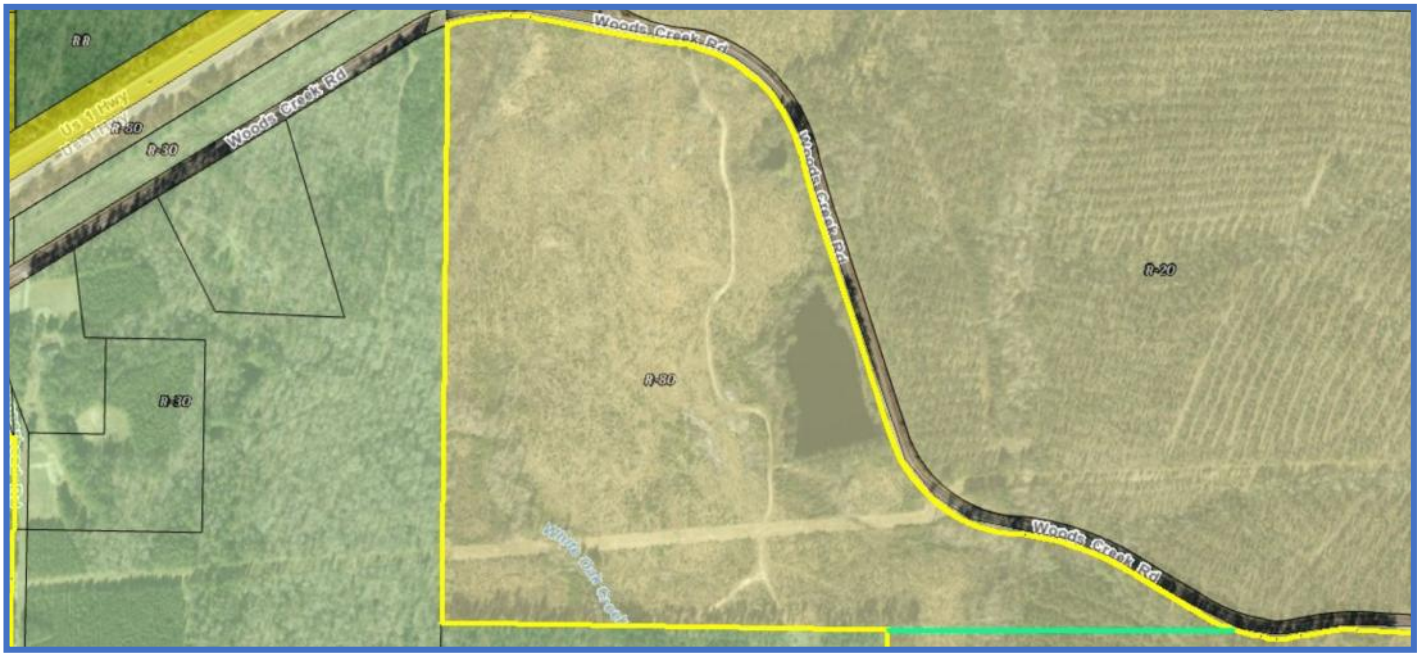
Flood Map

Zoning Map



Subject Photographs

Subject from Woods Creek Road

Alternate View from Woods Creek Road

Southern View along Woods Creek

Northern View along Woods Creek

Pond #1 on Property

Pond #2 on Property

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Assessment and Taxes

Taxing Authority Wake County

Assessment Year 2018

Note The assessment presented below incorporates the entire tax parcel.

Real Estate Assessment and Taxes						
Tax ID	**Land**	**Improvements**	**Other**	**Total Assessment**	**Tax Rate**	**Taxes**
0110325	$6,548,150	$45,121	$0	$6,593,271	$0.71 per $100	$46,878

Zoning

LAND USE CONTROLS	
Zoning Code	R-80
Zoning Description	Residential-80 District
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is likely.
Zoning Change Description	Not Applicable
Zoning Density	1 dwelling per 2 acres
Minimum Lot Size	80,000 square feet
Set Back Distance	40 feet
Side Yard Distance	20 feet
Rea Yard Distance	30 feet
Minimum Lot Width	150 feet
Building Height	35 feet
Coverage Area	30%
Zoning Comments	The R-80 District is intended to accommodate very-low-density residential development, as either single-family detached or attached dwellings on separate lots. Most divisions of parcels into separate building lots must be approved by the Planning Board as part of either a lot-by-lot subdivision – where each lot contains at least 80,000 square feet of land area – or a cluster subdivision – where lots may be reduced to as small as 40,000 square feet in area or cluster or Open Space Development – where lot size may be reduced and area is set aside as permanent open space. Certain nonresidential uses are permitted in this District with no special review. Such uses include: schools, libraries, museums, art galleries, and churches.

Highest and Best Use

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

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, which is vacant, is for Residential or Community Use. The site would be purchased for a residential or civic use.

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Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

Cost New – Depreciation + Land Value = Value

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **Cost Approach** was considered and was not developed because the approach is not applicable.

A **Land Sales Comparison Approach** was considered and was developed because there is adequate data to develop a land value estimate and this approach reflects market behavior for this property type.

An **Income Approach** was considered and was not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

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Land Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address City	Date Price	Acres Price Per Acre	Usable Acres Zoning
Subject	+/- 71 acre portion Apex	6/21/2018 --	71.00 --	62.88 R-80
1	7251 Woods Creek Road Apex	6/29/2017 $4,052,500	58.76 $68,972	58.35 PUD
2	6325 Rex Road Holly Springs	6/29/2017 $6,778,000	149.61 $45,304	141.98 R-10CU
3	12004 Holly Springs New Hill Road Holly Springs	2/7/2018 $2,965,000	43.72 $67,818	43.72 R-10
4	12101 Holly Springs New Hill Road Apex	4/30/2015 $9,500,000	156.37 $60,752	156.37 R-10CU
5	7300 Woods Creek Road Apex	Under Contract $17,020,800	425.52 $40,000	376.00 LB & R-20

Land Comparable 1

Transaction			
ID	436	**Date**	6/29/2017
Address	7251 Woods Creek Road	**Price**	$4,052,500
City	Apex	**Price per Acre**	$68,972
State	NC	**Financing**	Conventional
Tax ID	67468	**Property Rights**	Fee Simple
Grantor	H&B Stephenson Family	**Days on Market**	NA
Grantee	Meritage Homes of the	**Verification Source**	
Legal Description	H&B STEPHENSON		

Site			
Acres	58.8	**Topography**	Rolling
Land SF	2,559,586	**Zoning**	PUD
Road Frontage	1,950	**Flood Zone**	X and AE
Shape	Irregular	**Encumbrance or**	0.41 acres in flood zone
Utilities	All available	**Environmental Issues**	MyB, MyD

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Land Comparable 2

Transaction			
ID	437	**Date**	6/29/2017
Address	6325 Rex Road	**Price**	$6,778,000
City	Holly Springs	**Price per Acre**	$45,304
State	NC	**Financing**	Conventional
Tax ID	0056647, 0051152,	**Property Rights**	Fee Simple
Grantor	Christine M Powell, et al	**Days on Market**	NA
Grantee	Taylor Morrison of	**Verification Source**	
Legal Description	CARYS CREEK,		

Site			
Acres	149.6	**Topography**	Rolling
Land SF	6,517,012	**Zoning**	R-10CU
Road Frontage	775	**Flood Zone**	X and AE
Shape	Irregular	**Encumbrance or**	7.63 acres in flood zone
Utilities	Needs Sewer	**Environmental Issues**	MgC, MgB

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Land Comparable 3

Transaction			
ID	438	**Date**	2/7/2018
Address	12004 Holly Springs New	**Price**	$2,965,000
City	Holly Springs	**Price per Acre**	$67,818
State	NC	**Financing**	Conventional
Tax ID	040957 & 277218	**Property Rights**	Fee Simple
Grantor	Cape Partners LLC	**Days on Market**	NA
Grantee	Toll Southeast LP	**Verification Source**	
Legal Description	HARRIS JR &		

Site			
Acres	43.7	**Topography**	Rolling
Land SF	1,904,443	**Zoning**	R-10
Road Frontage	3,116	**Flood Zone**	X
Shape	Irregular	**Encumbrance or**	No flood zoned areas
Utilities	All available	**Environmental Issues**	MgC, MgB

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Land Comparable 4

Transaction			
ID	439	**Date**	4/30/2015
Address	12101 Holly Springs New	**Price**	$9,500,000
City	Apex	**Price per Acre**	$60,752
State	NC	**Financing**	Conventional
Tax ID	010522, 093450, 452302	**Property Rights**	Fee Simple
Grantor	Whitefield Development	**Days on Market**	NA
Grantee	Crescent Holly Springs,	**Verification Source**	
Legal Description	TRINITY CREEK		

Site			
Acres	156.4	**Topography**	Rolling
Land SF	6,811,477	**Zoning**	R-10CU
Road Frontage	732	**Flood Zone**	X
Shape	Irregular	**Encumbrance or**	No flood zoned areas
Utilities	All available	**Environmental Issues**	MgC, MgB

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Land Comparable 5

Transaction			
ID	440	**Date**	Under Contract
Address	7300 Woods Creek Road	**Price**	$17,020,800
City	Apex	**Price per Acre**	$40,000
State	NC	**Financing**	Conventional
Tax ID	292227	**Property Rights**	Fee Simple
Grantor	Duke Energy Progress Inc	**Days on Market**	NA
Grantee	Capital Properties of	**Verification Source**	
Legal Description	PROP CP&L SHEARON		

Site			
Acres	425.5	**Topography**	Rolling
Land SF	18,535,651	**Zoning**	LB & R-20
Road Frontage	7,058	**Flood Zone**	X and AE
Shape	Irregular	**Encumbrance or**	49.52 acres in flood zone
Utilities	Needs Water and Sewer	**Environmental Issues**	CfC, CfB

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Comparables Map

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Exhibit C

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	4113 Deer Path Road	7251 Woods Creek	6325 Rex Road	12004 Holly Springs	12101 Holly Springs	7300 Woods Creek
City	Apex	Apex	Holly Springs	Holly Springs	Apex	Apex
State	NC	NC	NC	NC	NC	NC
Date	6/21/2018	6/29/2017	6/29/2017	2/7/2018	4/30/2015	Under Contract
Price	--	$4,052,500	$6,778,000	$2,965,000	$9,500,000	$17,020,800
Price Adjustment (for Utility Access)	--	$0	$1,125,000	$0	$0	$4,250,000
Adjusted Price	--	$4,052,500	$7,903,000	$2,965,000	$9,500,000	$21,270,800
Acres	71.00	58.76	149.61	43.72	156.37	425.52
Acre Unit Price	--	$68,972	$52,824	$67,818	$60,752	$49,988
Transaction Adjustments						
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing	Conventional	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%	Conventional 0.0%
Conditions of Sale	Arm's Length	Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%
Adjusted Acre Unit Price		**$68,972**	**$52,824**	**$67,818**	**$60,752**	**$49,988**
Market Trends Through 6/21/2018	1.0%	1.0%	1.0%	0.4%	3.2%	0.0%
Adjusted Acre Unit Price		$69,646	$53,341	$68,066	$62,684	$49,988
Location		Similar	Inferior	Similar	Similar	Similar
% Adjustment		0%	5%	0%	0%	0%
$ Adjustment		$0	$2,667	$0	$0	$0
Acres	71.00	58.76	149.61	43.72	156.37	425.52
% Adjustment		0.0%	2.5%	-2.5%	2.5%	5.0%
$ Adjustment		$0	$1,334	-$1,702	$1,567	$2,499
Topography	Rolling	Rolling	Rolling	Rolling	Rolling	Rolling
% Adjustment		0%	0%	0%	0%	0%
$ Adjustment		$0	$0	$0	$0	$0
Usable Acres	88.56%	99.31%	94.90%	100.00%	100.00%	88.36%
% Adjustment		-10%	-5%	-12%	-12%	0%
$ Adjustment		-$6,965	-$2,667	-$8,168	-$7,522	$0
Zoning	R-80	PUD	R-10CU	R-10	R-10CU	LB & R-20
% Adjustment		-10%	-5%	-5%	-5%	0%
$ Adjustment		-$6,965	-$2,667	-$3,403	-$3,134	$0
Adjusted Acre Unit Price		**$55,717**	**$52,007**	**$54,793**	**$53,594**	**$52,487**
Net Adjustments		-20.0%	-2.5%	-19.5%	-14.5%	5.0%
Gross Adjustments		20.0%	17.5%	19.5%	19.5%	5.0%

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Comparable Land Sale Adjustments

Price Adjustment (for Utility Access)

One of the most significant attributes of land include the availability of water and sewer. The subject currently does not have access to water or sewer. However, comparables #1, #3 and #4 had access to these utilities upon the purchase of the sites. However, comparables #2 and #5 needed access to water and sewer. Therefore, a price adjustments were applied to comparables #2 and #5 in order to account for the lack of access. These costs can vary from site to site depending on the distance to existing public infrastructure, topography and the permitted uses for the site. The infrastructure costs were estimated based on discussion with parties familiar to the transactions. At that point, all comparables would be able to evaluated and adjusted from a level basis that assumes all comparables have access to utilities. At that point, we determined the most meaningful unit of value for the subject property, Per Unit Acre Price.

Property Rights

Each of the five comparables transfer the fee simple rights, which is similar to the rights we are appraising for the subject property, thus no adjustments were necessary.

Financing

Each of the five comparables transferred using conventional financing methods, which is similar to the method we anticipate for the transfer of the subject property; thus no adjustments are necessary.

Conditions of Sale

Each of the five comparable transactions are arm's length transactions, which is similar to the method we anticipate for the transfer of the subject property; thus no adjustments are necessary.

Economic Trends

The comparable transactions started in April 30, 2015 through current day (Comparable #5 is under contract). Over that time period, property values have increased due to economic trends that benefit the sellers of real estate. Therefore, we are adjusting the comparables using appreciation of 1.0% annually to bringing older sales to current market values.

Location

The site is located in a rural area, however, it is in the path of growth becoming a bedroom community to Raleigh. Comparables #1, #3. #4, and #5 are all within the same general area. Comparable #2 is sited further south within the Holly Springs jurisdiction, slightly further away from the path of growth therefore we made an upward adjustment for location.

Acres

Generally, it is understood that all things being equal, a significantly larger site will sell for a lower per unit value than a smaller site. Therefore, we made adjustments to the comparable based on their size relative the subject. Comparable #1 is not significantly different in size from the subject, therefore no adjustment was necessary. Comparables #2, #4 and #5 are significantly larger than the subject, therefore, upward adjustments were made to these comparables. Comparable #3 was significantly small than the subject, therefore a downward adjustment was made to this comparable.

Topography

All comparables had a similar topography to the subject, rolling, therefore no adjustments were necessary.

Usable Acres

The subject has approximately 5.85 acres that lie within a flood plain or one of two large ponds on the site. In addition, there is another approximate 2.27 acres that is encumbered with a natural gas easement that adversely impacts the

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development potential. These areas are considerable unusable, therefore the site has approximately 88.56% of the site ready and usable. We made adjustments to those comparables with significantly more or less usable acreage. Comparables #1, #2, #3 and #4 have significantly larger usability ratios than the subject, therefore, downward adjustments were made to these comparables. Comparable #5 has a similar usability to the subject, therefore no adjustments were made.

Zoning

The subject has a R-80 zoning designation which calls for 80,000 sf minimum size lots for single family residents. This is one of the more conservative zoning designations limiting the amount of development potential to the site. Comparables #1, #2, #3 and #4 have zoning designations that allow for denser development than the subject. Denser developments tend to sale for higher per unit values then less dense development sites, therefore, downward adjustments were made to these comparables.

Land Sales Comparison Approach– Preliminary Per Acre Land Valuation

All of the value indications have been considered, and in the final analysis, comparable #5 has been given the most weight in arriving at my preliminary reconciled value of *$52,500 per acre*.

However, this analysis assumes the site has access to water and sewer. However, in order to determine the As-Is value of the site, we had to estimate the costs it would take to provide access to water and sewer for the site. The subject has significant issues in providing access to public water and sewer including running lines approximately 4 miles to the nearest available lines with capacity. Due to the topography and geography, two pump stations would be needed for access to sewer. Based on discussions with other land developers, engineers, and the Town of Holly Springs planning department, we estimated the costs for utility access would be about $1.1 million or $15,493 per acre. We applied this adjustment to the preliminary reconciled value, to come to our final reconciled value of $37,007 per acre. The calculation is presented below.

Sales Comparison Approach Conclusion – Land Valuation

Land Value Ranges & Reconciled Value				
Number of Comparables:	**5**	**Unadjusted**	**Adjusted**	**% Δ**
	Low:	$49,988	$52,007	4%
	High:	$68,972	$55,717	-19%
	Average:	$60,071	$53,720	-11%
	Median:	$60,752	$53,594	-12%
	Preliminary Value/ Unit Value:		$52,500	
	Discount for Utility Access:		-$15,493	
	Reconciled Value/Unit Value:		$37,007	
	Subject Size:		71.00	
	Indicated Value:		$2,627,500	
	Reconciled Final Value:		**$2,627,500**	
Two Million Six Hundred Twenty Seven Thousand Five Hundred Dollars				

Land Sales Comparison Approach Conclusion

Based on the analysis detailed on the following page, as of June 21, 2018 I have reconciled to a value of:

$2,627,500

Two Million Six Hundred Twenty Seven Thousand Five Hundred Dollars

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Land Value: $2,627,500

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion, as of June 21, 2018, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value:
Premise: As Is
Interest: Fee Simple
Value Conclusion: $2,627,500
Two Million Six Hundred Twenty Seven Thousand Five Hundred Dollars

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Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Kirk McCoy II has made an inspection of the subject property.

Kirk McCoy II, MAI
NC-A7687

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Addenda

1. Professional Qualifications
2. Glossary

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KIRK D. MCCOY II, MAI, CCIM

PRINCIPAL

STEWART, MARTIN & MCCOY LLC

Professional Qualifications

In May 2015, Kirk joined by Jarvis Martin, SRA and Jim Stewart, CCIM started a North Carolina based real estate firm, Stewart, Martin & McCoy. The three real estate veterans bring together over 80 years of experience in appraisal, brokerage, consulting, management and acquisitions. The firm will serve is clients with integrity and excellence along these same business lines.

Prior to starting Stewart, Martin & McCoy, Kirk was a Senior Director with Cushman & Wakefield's Valuation & Advisory group since June 2005. As a Senior Director with Cushman & Wakefield's Valuation & Advisory group, Kirk led valuation professionals responsible for appraisal, tax appeal, and consulting assignments across the southeastern United States. He is qualified as an expert witness in tax appeal hearings, and litigation cases. He appraised and consulted on over $4 billion in commercial real estate assets across the southeastern United States. Previous to Cushman & Wakefield, he was an associate in the multifamily acquisitions group at Enterprise Social Investment Corporation in Columbia, Maryland.

EXPERIENCE

Experience includes providing appraisal and consulting services on a variety of commercial and investment properties including, but is not limited to, the following types of property:

- Apartment Projects
- Commercial, Industrial, Residential Land
- Industrial Facilities
- Office Buildings and Office Parks
- Retail Properties
- Shopping Centers

EDUCATION

- University of North Carolina at Chapel Hill
  - Degree: Master of Business Administration
- Florida A&M University
  - Degree: Bachelor of Science – Mechanical Engineering

APPRAISAL EDUCATION

Mr. McCoy completed courses and experience requirements to obtain the CCIM and MAI designations. He completed the continuing education requirements of the Appraisal Institute and CCIM Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- CCIM Designated Member, CCIM Institute
- MAI Designated Member, Appraisal Institute
- Certified General Real Estate Appraiser in the following states:
  - Georgia – CG300386
  - North Carolina – A7687
  - South Carolina – CG6995
- Real Estate Broker in the following states:
  - North Carolina – 282641

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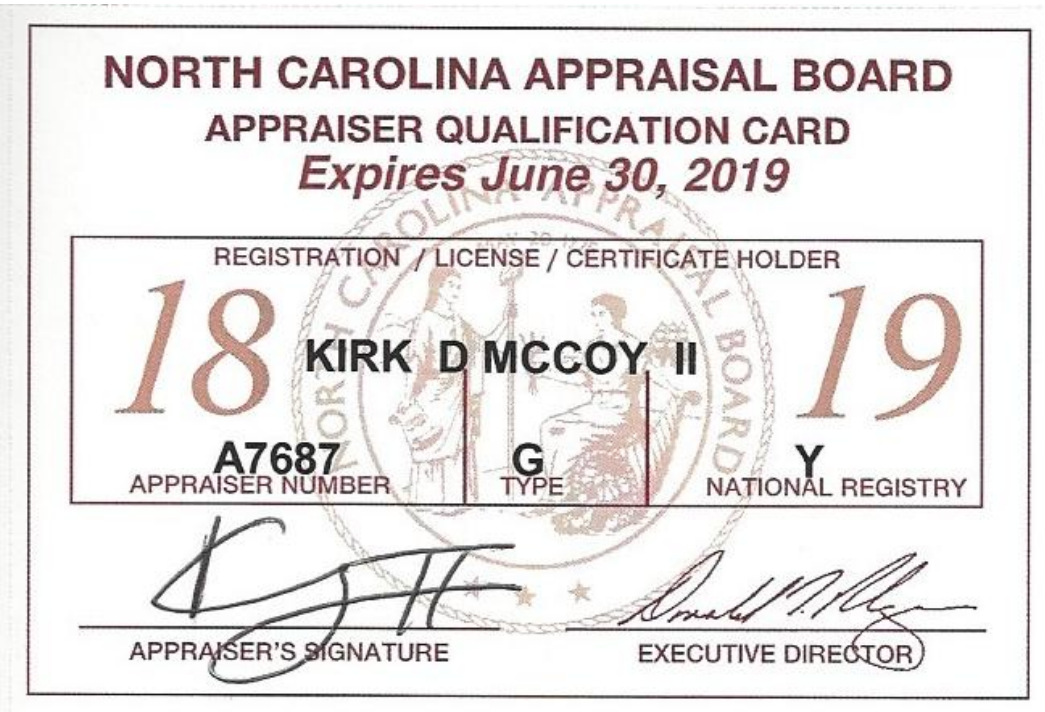
NORTH CAROLINA – APPRAISER LICENSE



NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
Expires June 30, 2019

REGISTRATION / LICENSE / CERTIFICATE HOLDER

18 KIRK D MCCOY II 19

A7687	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

APPRAISER'S SIGNATURE
EXECUTIVE DIRECTOR

SOUTH CAROLINA – APPRAISER LICENSE

BCD 1158555

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

KIRK D MCCOY II

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: 6995

Expiration Date: 06/30/2018
POCKET CARD

Laura L. Smith
Administrator

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GEORGIA – APPRAISER LICENSE

KIRK D MCCOY, II

**300386**

Status **ACTIVE**

CERTIFIED GENERAL REAL PROPERTY APPRAISER

ORIGINALLY LICENSED
02/03/2006

END OF RENEWAL
05/31/2019

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605

LYNN DEMPSEY
Real Estate Commissioner

27632777

NORTH CAROLINA – BROKER LICENSE

NORTH CAROLINA
REAL ESTATE COMMISSION

REAL ESTATE LICENSE RENEWAL/REINSTATEMENT

LICENSEE

MCCOY II, KIRK DOUGLAS

282641	06/30/19	B
LICENSE NUMBER	EXPIRATION DATE	TYPE

Miriam J. Baer
EXECUTIVE DIRECTOR

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Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate.* 14th ed. Chicago: Appraisal Institute, 2013. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal.* 6th ed. 2015. Print.

Band of Investment
A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).
(Dictionary, 6th Edition)

Common Area
1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 6th Edition)

Common Area Maintenance (CAM)
1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
   - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
   - CAM can refer to all operating expenses.
   - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.
2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 6th Edition)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Discount Rate
A rate on return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 6th Edition)

Effective Age
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 6th Edition)

Effective Date
1. The date on which the appraisal or review opinion applies. (SVP)
2. In a lease document, the date upon which the lease goes into effect.

Exposure Time
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

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market prior to the hypothetical consummation of a 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. (Dictionary, 6th Edition)

External Obsolescence
A type of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent (Dictionary, 6th Edition).

Extraordinary Assumption
An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinion or conclusion. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Fee Simple Estate
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. (Dictionary, 6th Edition)

Functional Obsolescence
The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 6th Edition)

Functional Utility
The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 6th Edition)

Gross Building Area (GBA)
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. (Dictionary, 6th Edition)

Gross Leasable Area (GLA)
Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 6th Edition)

Highest & Best Use
The reasonably probable use of property that results in the highest value. The four criteria that the highest and best legal use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (Dictionary, 6th Edition)

Hypothetical Condition
A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but it is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the revisionary right when the lease expires. (Dictionary, 6th Edition)

Market Area
The geographic region from which a majority of demand comes in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 6th Edition)

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and reevaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

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Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgably, and for self-interest, and assuming that neither is under undue duress.
2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

   USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
   - Identification of the specific property rights to be appraised.
   - Statement of the effective date of the value opinion.
   - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
   - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:
   - Buyer and seller are typically motivated;
   - Both parties are well informed or well advised, and acting in what they consider their best interests;
   - A reasonable time is allowed for exposure in the open market;
   - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
   - The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

   (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)
4. The International Valuation Standards Council defines *market value* for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion. (IVS)
5. The Uniform Standards for Federal Land Acquisitions defines *market value* as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date for the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the

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property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 6th Edition)

Marketing Time
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. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 6th Edition)

Net Operating Income (NOI)
The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest taxes, depreciation, and amortization) (Dictionary, 6th Edition)

Replacement Cost
The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 6th Edition)

Scope of Work
The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2016-2017 ed.)

Stabilized Occupancy
An expression of the average or typical occupancy that would be expected for a property over a specified projection period or over its economic life. (Dictionary, 6th Edition)

Obsolescence
One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 6th Edition)

Parking Ratio
A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 6th Edition)

Rentable Area
For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 6th Edition)

Tenant Improvements (TIs)
1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 6th Edition)

Vacancy and Collection Loss
A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. (Dictionary, 6th Edition)