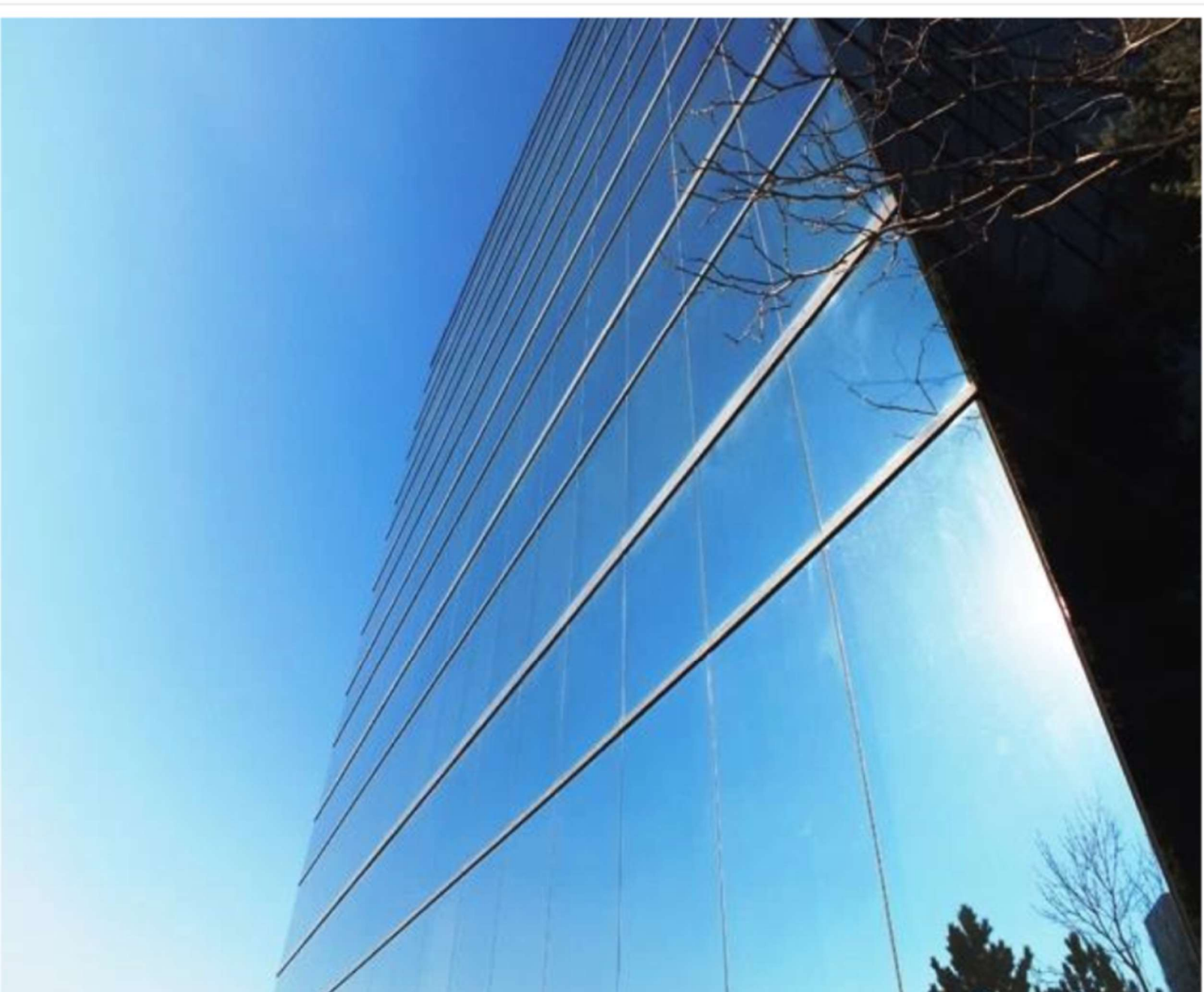


APPRAISAL REPORT

**Wake County School Board Land - Rolesville
901 East Young Street
Rolesville, NC 27571**

For:

**Wake County Public School System
Ms. Betty Parker
Senior Director, Real Estate Services
111 Corning Road
Suite 100
Cary, NC 27518**





1143 Executive Circle, Unit F
Cary, NC 27511
Phone: (919) 803-5638

June 10, 2024

Wake County Public School System
Ms. Betty Parker
Senior Director, Real Estate Services
111 Corning Road
Suite 100
Cary, NC 27518

Re: Appraisal of the Wake County School Board Land - Rolesville, a Tract of Vacant Land Located at 901 East Young Street, Rolesville, Wake County, North Carolina 27571.

Ms. Parker:

In accordance with your engagement letter, we have conducted an appraisal of the above-referenced property. We have examined the subject property within its neighborhood and have analyzed the market for similar properties in the primary market and the surrounding region.

The subject is a 21.030-acre gross (916,067 SF) and 14.000-acre net (609,840 SF) site located at the southeast corner of East Young Street and Quarry Road in Rolesville, North Carolina.

We have been asked to provide a Market Value estimate of the fee simple interest in the subject property "As Is." Subject to the assumptions, hypothetical and limiting conditions as specifically detailed herein, we estimate the Market Value as shown below.

| MARKET VALUE CONCLUSION | | | |
|--------------------------------|--------------------|---------------|------------------|
| Appraisal Premise | Interest Appraised | Date of Value | Value Conclusion |
| As Is | Fee Simple | June 4, 2024 | \$ 3,640,000 |

The above value estimates do not include furniture, fixtures, or equipment. The following report presents the data, analyses and other materials that give support to our value conclusions. It is our understanding that the function of the appraisal is to evaluate the property to estimate its Market Value for decision-making. Within the report we provide a definition of Market Value, highest and best use, leased fee, fee simple and other appraisal terms used. Please note that our opinion is not based on a requested minimum value, a specific valuation, or the approval of a loan amount.

The appraisal analysis, opinions and conclusions were developed, and this appraisal report has been prepared, in conformance with (and the use of this report is subject to) all regulations issued under Title

XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation in Washington DC.

This letter of transmittal precedes the full narrative appraisal report further describing the property and containing the reasoning and most pertinent data leading to the final value estimate. Your attention is directed to the "Certificate of Appraisal," "Special Assumptions," "General Assumptions," and "General Limiting Conditions," which are considered usual for this type of assignment and have been included within the text of this report.

It was a pleasure preparing this appraisal for you. Please contact us if you have unanswered questions regarding our appraisal or if we can be of further assistance in the interpretation of our findings and opinions.

Respectfully submitted,



E. Cody Jetton, MAI, CRE
CEO, Mearstone Group
State-Certified General Appraiser, NC # A4466

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CERTIFICATE OF APPRAISAL

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 interest in the property that is the subject of this report and 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with 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 properties that are the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have performed no service, appraisal or otherwise, regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, E. Cody Jetton, MAI, CRE has completed the continuing education program of the Appraisal Institute.



E. Cody Jetton, MAI, CRE
CEO, Mearstone Group
NC A4466

SUMMARY OF SALIENT FACTS

| | | | |
|--------------------------|---|--|--|
| Mearstone Group File No. | M24075 | | |
| Property Name | Wake County School Board Land - Rolesvi | | |
| Address | 901 East Young Street | | |
| City | Rolesville | | |
| State | North Carolina | | |
| Zip Code | 27571 | | |
| County | Wake | | |
| Property Type | Land | | |
| Tax ID | 1768464343 | | |

| | | |
|------------|--------|---------|
| Land Area | Acres | SF |
| Gross Area | 21.030 | 916,067 |
| Net Area | 14.000 | 609,840 |

Valuation

| | |
|--------------------------------|--------------|
| Interest Appraised | Fee Simple |
| Cost Approach | N/A |
| Sales Comparison Approach | \$ 3,640,000 |
| Income Capitalization Approach | N/A |
| "As Is" Value Conclusion | \$ 3,640,000 |
| "As Is" Effective Date | June 4, 2024 |

SUBJECT PHOTOGRAPHS





Typical Interior View



Typical Interior View



View Looking Westerly Along Quarry Road. Subject on the Left.



View Looking Southerly Along East Young Street

INTRODUCTION

Purpose of the Appraisal

The purpose of this report is to provide to the client the requisite information on the neighborhood, real property and real estate market considered necessary in the formulation of an informed professional estimate of the Market Value of the subject property.

Form of the Report

This is an Appraisal Report in compliance with the provisions of the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation in Washington D.C.

Client and Intended User

This report is addressed to Ms. Betty Parker of Wake County Public School System. Use of this report by others is not the intent of the appraisers.

Intended Use of the Appraisal

It is our understanding that the intended use of this appraisal is for internal asset management. This report is not intended for any other use.

Identification of the Subject Property

According to Wake County tax records, the subject property is identified as PIN 1768464343. A legal description for the subject is provided in the deed located in the addenda of this report.

Real Property Interest Appraised

At the request of the client, the interest appraised in the subject property is the fee simple estate "As Is."

Real Property Value Appraised

We have been asked to appraise the subject's Market Value. Market Value is defined as: "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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from the seller to the 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 terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
- 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."¹

¹ Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago Illinois; Code of Federal Regulations, Title 12, Chapter 1, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472.

Effective Date of the Appraisal

The effective date of our "As Is" valuation is as of June 4, 2024, the date of our most recent site inspection.

Date of the Report

The date of this report is June 10, 2024.

Scope of the Appraisal

The scope of an appraisal assignment can be defined as the extent of the process of collecting, verifying, analyzing and reporting the general and specific data that the appraiser has used to form an opinion of value. On June 4, 2024, we personally inspected the subject property and drove the surrounding neighborhood. In collecting data for the subject and its market, the appraiser has personally checked county tax records and other sources of data concerning the subject's immediate market area. In addition, we searched LoopNet, and interviewed local brokers, and other appraisers active in the subject's market for recent sales information of similar properties. We have located, verified, and analyzed recently transpired transactions and relevant Market Value-indicative data. During our final analysis, we have concluded to an estimated Market Value for the subject, and written a narrative report of our analysis.

Approaches Utilized

The subject is a vacant tract of land and therefore we have utilized the Sales Comparison Approach in our analysis.

History of the Subject Property

The subject is currently owned by Wake County Board of Education. Based on a search of public records, there have been no transactions involving the subject property within the past three years.

The last transaction involving the subject was the October 1, 2010 (DB 14097/PG 2016) transaction from St. Lawrence Homes, Inc. to Wake County Board of Education. This appears to have been arm's length. To the best of our knowledge, the property has not been listed for sale within the past three years. It is our understanding that the subject is being negotiated for sale. We were not provided any information regarding the negotiated purchase price.

The preceding information is provided in order to satisfy USPAP reporting requirements and should not be construed as a legal title search. We recommend that our client conduct a title search if there appears to be a significant title issues with the subject.

Highest and Best Use Conclusion

In our analysis of the subject's Highest and Best Use "As Is", we considered the characteristics of the subject property and its neighborhood, and concluded that the highest and best use for the site "As Is" would be to develop with commercial use.

Statement on COVID-19 Virus

The COVID-19 virus has now officially been classified as a pandemic which may or may not begin to have an effect on specific real estate markets. It is prudent to note that the COVID-19 virus (aka Coronavirus) is a serious illness that is currently developing throughout the world and more specifically the United States. The effects thus far include volatility on the stock and capital markets. The impact on demand and ultimately values for real estate is also developing. Real estate is an investment type that historically

takes a longer period of time to be impacted in relation to alternative investment types. We have consulted with market participants in preparation of this assignment to understand and monitor how the subject property may be impacted.

The subject is not immediately affected by the COVID-19 pandemic.

Extraordinary Assumptions

There are no extraordinary assumptions affecting the valuation of the subject property.

Hypothetical Conditions

There are no hypothetical conditions affecting the valuation of the subject property.

Competency of Appraisers

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

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

The appraisers have previously provided consultation and value estimates for properties of this type throughout the region.

Marketing Period

Under USPAP, *Marketing Period* is the estimated length of time following the date of the appraisal that the property interest being appraised would have to be offered on the market prior to the hypothetical consummation of a future sale at the indicated Market Value.

Given current market conditions, we project that if the subject property were to be put on the market at a price at or near the Market Value estimated above, the marketing period required to sell the property would not exceed 12 months after the date of valuation.

Exposure Time

Under USPAP, *Exposure Time* is a retrospective estimate of the length of time the property would have been listed for sale prior to the appraisal date, based upon an analysis of past events, assuming a competitive and open market.

Based upon the characteristics of both the subject property and the comparables, we estimate that if the subject were to be sold on the effective date of our appraisal at a price at or near the Market Value estimated above, the exposure time required to sell the property would have been 12 months. This is a reasonable time frame based upon the competitive and open market found in the subject's area.

DEFINITIONS

Market Value

Market Value is defined as: “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, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from the seller to the 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 terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
- 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.”²

The reader is referred to the latter part of this report for an analysis of exposure time for the subject property.

Fee Simple Estate

The Dictionary of Real Estate Appraisal 6th Edition defines Fee Simple Estate 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.”

Leased Fee Interest

The Dictionary of Real Estate Appraisal 6th Edition defines Leased Fee Interest as: “An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.”

Leasehold Interest

The Dictionary of Real Estate Appraisal 6th Edition defines Leasehold Interest as: “The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.”

Highest and Best Use

The Dictionary of Real Estate Appraisal 6th Edition defines Highest and Best Use as: “The reasonably probable use of property 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.”

² Source: The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois; Code of Federal Regulations, Title 12, Chapter 1, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

SITE ANALYSIS

The subject is a 21.030-acre (916,067 SF) site located at the southeast corner of East Young Street and Quarry Road in Rolesville, North Carolina. We have estimated that approximately 601,267.68 square feet or approximately 13.803 acres is usable net of severe sloping topography. According to the prospective purchaser, a land use study indicates a usable area of approximately 14.000 acres net of steep topography. We have chosen to use the developer's estimate of usable area in our analysis. The following chart summarizes the salient characteristics of the subject site.

| SITE ANALYSIS SUMMARY | | |
|--|-------------------------------------|------------|
| Physical Analysis | | |
| Gross Area | 21.030 AC | 916,067 SF |
| Net Area | 14.000 AC | 609,840 SF |
| Shape | Irregular | |
| Topography | Rolling | |
| Drainage | Appears Adequate | |
| Environmental Hazards | None Observed | |
| Utilities | All Available | |
| Ingress | Good | |
| Egress | Good | |
| Visibility | Good | |
| Functional Utility | Average | |
| Legal Analysis | | |
| Assessor Number | | |
| Primary Parcel | 1768464343 | |
| Flood Plain | | |
| Flood Zone | Zone X; Outside 500 year floodplain | |
| FEMA Map No. | 1768K | |
| Date | 7/19/2022 | |
| Zoning District | GC-CZ | |
| Description | General Commercial | |
| Legally Conforming? | Yes | |
| Zoning Change Likely? | No | |
| Seismic Hazard Zone | Not In A Hazard Zone | |
| Detrimental Easements | None Noted | |
| Encroachments | None Noted | |
| Deed Restrictions | None Noted | |
| Overall Site Conclusion | Adequate For Development | |
| <hr/> Source: Various sources compiled by Mearstone Group <hr/> | | |

Soil and Subsoil Conditions

The appraiser did not take soil surveys at the subject site. By observation of the surrounding development, we note that the site's soil and subsoil appears to be adequate to support improvements, but no responsibility is taken for inspecting or making definitive statements about soil conditions. A visual inspection of the surface of the site indicated no unusual subsoil conditions that would result in reduced load-bearing capacity, atypical drainage conditions, or other conditions that would result in excessive site preparation costs. However, we caution that no responsibility is taken for inspecting or making definitive statements about subsoil conditions.

Zoning

The subject is zoned GC, General Commercial District by the town of Rolesville. The General Commercial (GC) zoning district is established as a district in which the principal use of land is for commercial uses. The GC district allows for a wide range of intensities of commercial uses. Regulations of this district are intended to minimize potential effects of commercial activity on residential districts. The GC district implements the commercial future land use classification. Offices, shopping centers, and a broad range of commercial and residential uses are permitted including most retail and business uses. The development requirements are as follows:

| Zoning District | Description | Min Lot Area (SF) | Min Lot Width (Ft) | Front Yard Setback (Ft) | Side Yard Setback (Ft) | Rear Yard Setback (Ft) | Max Bldg Height (Ft) | Max Lot Coverage |
|-----------------|---------------|-------------------|--------------------|-------------------------|------------------------|------------------------|----------------------|------------------|
| GC | Residential I | 20,000 | 100 | 30 | 12 | 25 | 35* | - |

Site Conclusion

The subject site is comprised of one parcel located at the southeast corner of East Young Street and Quarry Road in Rolesville, North Carolina. Our appraisal inspection indicated that the subject site is functionally adequate for most forms of development, including primarily commercial uses. Based on surrounding uses, commercial uses are the most likely uses of the subject, as if vacant.

GIS AERIAL



APPRAISER'S ESTIMATED USABLE AREA



FLOOD MAP

RiskMeter

CoreLogic

The closest match to 901 east young street, rolesville nc is 901 E YOUNG ST ROLESVILLE, NC 27587-9460

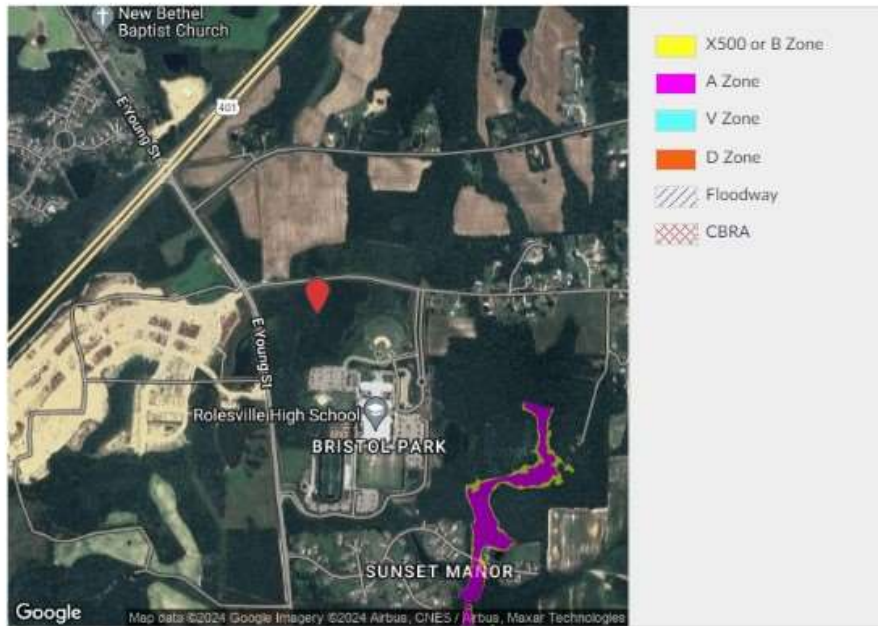
901 E YOUNG ST ROLESVILLE, NC 27587-9460

LOCATION ACCURACY: 📍 Excellent

Flood Zone Determination Report

Flood Zone Determination: **OUT**

| | | | |
|------------|---------------|------------|-----------|
| COMMUNITY | 370468 | PANEL | 1768K |
| PANEL DATE | July 19, 2022 | MAP NUMBER | null1768K |



TAXES AND ASSESSMENT

The subject property is under the jurisdiction of the Wake County Tax Assessor’s Office. Properties in the state of North Carolina are taxed at 100 percent of their assessed valuation. A sale of the property does not trigger a revaluation and therefore the assessed value is not expected to vary with a subsequent sale price (either higher or lower) or with the outcome of our appraisal.

The subject consists of one tax parcel. A summary of the 2024 tax liability is presented below:

| ASSESSMENT | | | | | TAXES | | |
|--------------|--------------|----------|-------|--------------|---------|---------------|-------|
| PIN | Land | Building | Other | Total | Millage | Tax Liability | \$/SF |
| 1768464343 | \$ 5,358,991 | \$ - | \$ - | \$ 5,358,991 | 0.0000 | Exempt | \$ - |
| Total | \$ 5,358,991 | \$ - | \$ - | \$ 5,358,991 | | \$ - | \$ - |

The subject’s 2024 taxes have been paid.

HIGHEST AND BEST USE

INTRODUCTION

Highest and best use may be defined as the most probable, possible and permissible use for which a property may be used and is capable of being used. The Dictionary of Real Estate Appraisal 6th Edition defines Highest and Best Use as: "The reasonably probable use of property 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."

This definition applies specifically to the highest and best use of land or sites as though vacant. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until land value in its highest and best use exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements.

Implied in these definitions is that the determination of the highest and best use results from the appraiser's judgment and analytical skill, which means that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The procedure used to estimate the highest and best use of a property as though vacant and as improved is to test these two situations on the basis of the categories discussed in the definition.

In any land use analysis, the following tests must be met in estimating highest and best use: the use must be legal; the use must be probable, not speculative or conjectural; there must be a profitable demand for such use; and it must return to the land the highest net return for the longest period of time. The synthesis of these four factors was considered to determine a most probable and profitable use for the subject parcel of real estate.

Highest and Best Use – As If Vacant

In estimating highest and best use, there are essentially four criteria:

1. Physically possible uses: uses are possible based upon the site's size, shape, area, terrain, soil conditions, topography, and access to utilities;
2. Legally permissible uses: uses permitted by zoning and deed restrictions on the site in question;
3. Feasible uses: possible and permissible uses that will produce a net return to the owner of the site;
4. Maximally productive: among the feasible uses, the uses that will produce the highest net return or the highest present worth.

These four tests have been applied to the subject site "As If Vacant." In arriving at the estimate of highest and best use, the subject site was analyzed as if it was vacant and available for development. We have then analyzed the subject property "As Is."

Physically Possible

The first step in our analysis involves determining what uses are physically possible. The following physical aspects of the site itself dictate the possible uses:

- The subject is located at the southeast corner of East Young Street and Quarry Road in Rolesville, North Carolina. The site is 21.030 acres in size and is irregular in shape. The shape does not appear to limit potential development.
- The subject has relatively rolling topography and does not significantly limit development uses.
- Its location in a stable area of the state, within easy access of a major interstate, makes most commercial and residential uses possible.
- The site is serviced by public water and sewers.

The physical aspects of the site impose few constraints on the site's development and do not significantly limit its highest and best use.

Legally Permissible

Legal restrictions, as they apply to the subject, are private restrictions and the public restrictions of zoning.

The subject property is zoned GC-CZ (General Commercial). The subject appears to comply with this zoning.

Financially Feasible

Based upon the physically possible and legally permissible uses of the subject's parent site, financially feasible uses include any improvements or use that would provide a return to the land. The subject's site is located adjacent to commercial and institutional development. The most likely scenario is to develop with commercial uses as if vacant.

Maximally Productive

The last step in our analysis involves determining what physically possible, legally permissible, and financially feasible uses would maximize value. In the final analysis, a determination must be made as to which feasible use is the highest and best use. The physical characteristics of the subject property makes it suitable for a variety of uses, but its location and zoning make commercial development most practical. It is our opinion that the maximally productive use for the subject's site would be to develop with commercial uses. The probable purchaser of the subject site is an developer.

Highest and Best Use Conclusion, *As If Vacant*

Considering the previous four steps in our highest and best use analysis, along with the characteristics of the subject property and its neighborhood, it is our opinion that the highest and best use for the site "as vacant" would be to develop with commercial uses.

VALUATION METHODOLOGY

The valuation process is defined as “a systematic procedure an appraiser follows to provide answers to a client’s questions about real property value.”³ The procedures include a classification and analysis of data as previously described in the scope of work section of this report. Typically this involves the consideration and application of various appraisal methods within three generally accepted approaches to valuation. These three techniques include the Cost Approach, Sales Comparison Approach, and the Income Approach. Depending upon the scope of the assignment, one or more of these approaches can be utilized in the report. If more than one approach is used, those approaches are reconciled in concluding to a final value estimate. In the following paragraphs, we discuss the methodology of each approach and conclude as to the applicability of each with respect to the subject appraisal assignment.

Cost Approach

The Cost Approach is based on the principle of substitution which states that “when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and the widest distribution.”⁴ An informed purchaser would therefore pay no more for a property than the cost to acquire the land and construct a substitute with equivalent utility. The Cost Approach is an appropriate and effective means of valuation when ample land sales are available and the subject improvements are relatively new and accrued depreciation is minimal.

Sale Comparison Approach

The Sales Comparison Approach is also based on the principle of substitution and involves “deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.”⁵ Units of comparison are typically normalized based on physical metrics like price per acre, square foot, room, or by other relevant units, including income multipliers. These adjusted units are then reconciled and applied to the appropriate unit measure for the subject, to form a conclusion of value.

Income Approach

The Income Approach is based on the principle of anticipation which states that “value is based on the market participants’ perceptions of the future benefits of acquisition.”⁶ The income potential, including the magnitude and relative risk of the projected income streams over an anticipated holding period of a property is analyzed and converted to a value estimate based on appropriate market capitalization rates.

Summary

The subject is a vacant tract of land and therefore we have utilized the Sales Comparison Approach in our analysis.

³ *The Appraisal of Real Estate*, 14th Edition, The Appraisal Institute, Chicago, Illinois

⁴ *Ibid. The Appraisal of Real Estate.*

⁵ *Ibid. The Appraisal of Real Estate.*

⁶ *Ibid. The Appraisal of Real Estate.*

LAND VALUATION

The Sales Comparison Approach involves direct comparison of the property being appraised to sales of similar properties in the subject's market area. This approach is based on the Principle of Substitution, which implies a prudent person would pay no more to buy a property than it would cost to buy a comparable substitute property. Property sales and current listings of properties similar to the subject are researched through available data sources and by primary research from inquiries to participants in the local and regional building market. To extract a unit of comparison for application to the subject, comparable properties are valued on a price per acre basis.

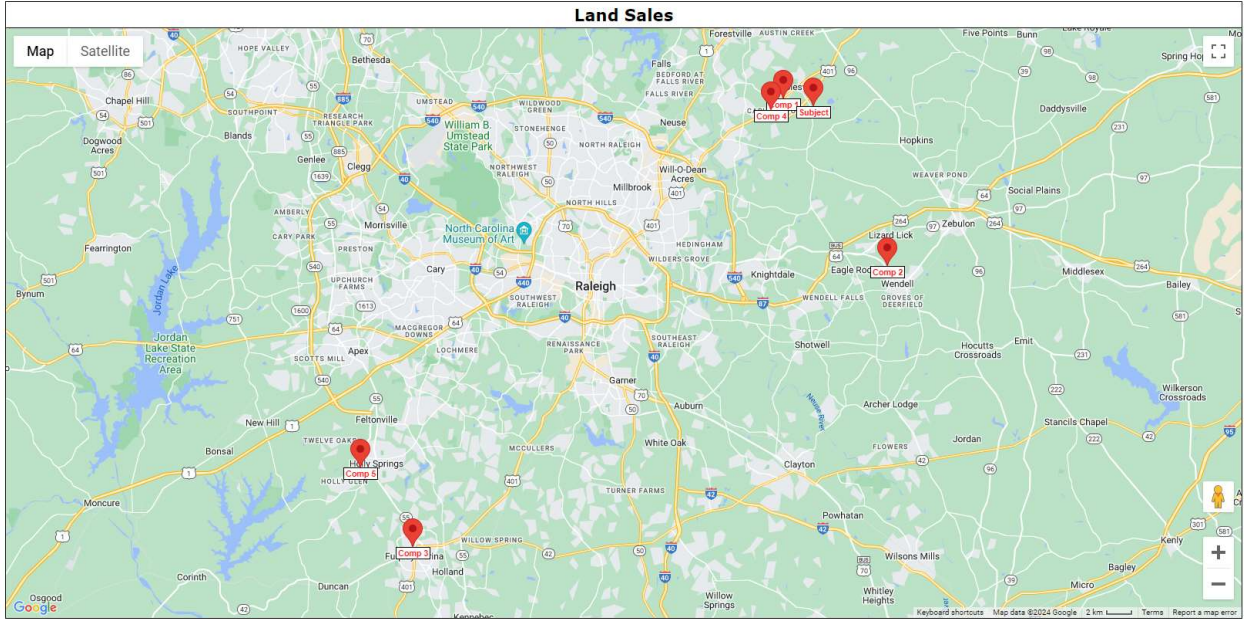
An extensive search for comparable land sales within the subject's market area was conducted.

Adjustments to the sales we selected were made to reflect differences between the comparables and the subject property. In our final analysis, the comparable properties are compared to the subject on a price per acre basis.

The results are summarized below:

| Comparable Land Sales | | | | | | |
|------------------------------|------------------------------|---------------------|--------------|---------------|-----------------|--|
| Property | Location | Date of Sale | Price | AC | Price/AC | |
| Subject | 901 East Young Street | N/A | N/A | 14.000 | N/A | |
| Comp 1 | 655 South Main Street | Feb-24 | \$7,000,000 | 24.270 | \$288,422 | |
| Comp 2 | 514 Rosaline Way | Feb-24 | \$3,400,000 | 16.950 | \$200,590 | |
| Comp 3 | 313 Railroad Street | Dec-23 | \$1,590,000 | 6.760 | \$235,207 | |
| Comp 4 | 1100 South Main Street | Apr-22 | \$1,250,000 | 3.380 | \$369,822 | |
| Comp 5 | 100 Treatment Plant Road | Dec-21 | \$5,210,000 | 17.710 | \$294,184 | |

LAND SALES MAP



Land Sale No. 1



Property Identification

| | |
|----------------------|---|
| Record ID | 3898 |
| Property Type | Land, Commercial |
| Address | 655 South Main Street, Rolesville, Wake County, North Carolina 27571 |
| Tax ID | 1758569725 |

Land Sale No. 1 (Cont.)

| | |
|-------------------------------------|---|
| MSA | Raleigh-Durham-Chapel Hill, NC (CSA) |
| <u>Sale Data</u> | |
| Grantor | Wallbrook Landco II, LLC |
| Grantee | CRP/C4 Wallbrook Village Owner, LLC |
| Sale Date | February 07, 2024 |
| Deed Book/Page | 19533/2500 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | At Market |
| Verification | Other sources: Wake County Public Records, Confirmed by Cody Jetton |
| Sale Price | \$7,000,000 |
| Cash Equivalent | \$7,000,000 |
| <u>Land Data</u> | |
| Zoning | GC-CZ, General Commercial |
| Topography | Level |
| Utilities | All Available |
| Shape | Irregular |
| Flood Info | Not in a Flood Zone |
| <u>Land Size Information</u> | |
| Gross Land Size | 24.270 Acres or 1,057,201 SF |
| <u>Indicators</u> | |
| Sale Price/Gross Acre | \$288,422 |
| Sale Price/Gross SF | \$6.62 |

Remarks

This is the sale of a commercially zoned tract of land located in Rolesville. The address was estimated for mapping purposes.

Land Sale No. 2



Property Identification

| | |
|----------------------|---|
| Record ID | 3897 |
| Property Type | Land, Commercial |
| Address | 514 Rosaline Way, Wendell, Wake County, North Carolina 27591 |
| Tax ID | 1784455220 |
| MSA | Raleigh-Durham-Chapel Hill, NC (CSA) |

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

| | |
|---------------------------|---|
| Grantor | G-3 Properties, LLC |
| Grantee | Edinburgh Development, LLC, et al |
| Sale Date | February 01, 2024 |
| Deed Book/Page | 19530/2149 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | At Market |
| Verification | Other sources: Wake County Public Records, Confirmed by Cody Jetton |

| | |
|------------------------|-------------|
| Sale Price | \$3,400,000 |
| Cash Equivalent | \$3,400,000 |

Land Data

| | |
|-------------------|----------------------------|
| Zoning | CMX, Commercial, Mixed Use |
| Topography | Level |
| Utilities | All Available |
| Shape | Irregular |
| Flood Info | Not in a Flood Zone |

Land Size Information

| | |
|------------------------|----------------------------|
| Gross Land Size | 16.950 Acres or 738,342 SF |
|------------------------|----------------------------|

Indicators

| | |
|------------------------------|-----------|
| Sale Price/Gross Acre | \$200,590 |
| Sale Price/Gross SF | \$4.60 |

Remarks

This is the sale of a commercially zoned tract of land located within the commercial area of Wendell. The address was estimated for mapping purposes.

Land Sale No. 3

**Property Identification**

| | |
|----------------------|---|
| Record ID | 3896 |
| Property Type | Land, Commercial |
| Address | 313 Railroad Street, Fuquay-Varina, Wake County, North Carolina 27526 |
| Tax ID | 0656991641 |
| MSA | Raleigh-Durham-Chapel Hill, NC (CSA) |

Sale Data

| | |
|---------------------------|----------------------------------|
| Grantor | Crosswind Development, Inc. |
| Grantee | Caruso Builder Midtown Rows, LLC |
| Sale Date | December 21, 2023 |
| Deed Book/Page | 19505/1970 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | At Market |

Land Sale No. 3 (Cont.)

Verification Other sources: Wake County Public Records, Confirmed by Cody Jetton

Sale Price \$1,590,000

Cash Equivalent \$1,590,000

Land Data

Zoning DC-2-CZD, Downtown Center

Topography Level

Utilities All Available

Shape Irregular

Flood Info Not in a Flood Zone

Land Size Information

Gross Land Size 6.760 Acres or 294,466 SF

Indicators

Sale Price/Gross Acre \$235,207

Sale Price/Gross SF \$5.40

Remarks

This is the sale of a commercially zoned tract of land located within the downtown commercial corridor of Fuquay-Varina.

Land Sale No. 4**Property Identification**

| | |
|----------------------|---|
| Record ID | 3899 |
| Property Type | Land, Commercial |
| Address | 1100 South Main Street, Rolesville, Wake County, North Carolina 27571 |
| Tax ID | 1758352248 |
| MSA | Raleigh-Durham-Chapel Hill, NC (CSA) |

Sale Data

| | |
|---------------------------|---|
| Grantor | Richard E. Linder, II and Linda Linder |
| Grantee | 1100 S Main Street, LLC |
| Sale Date | April 20, 2022 |
| Deed Book/Page | 18998/1491 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | At Market |
| Verification | Other sources: Wake County Public Records, Confirmed by Cody Jetton |
| Sale Price | \$1,250,000 |

Land Sale No. 4 (Cont.)

Cash Equivalent \$1,250,000

Land Data

Zoning GC-CZ, General Commercial
Topography Level
Utilities All Available
Shape Irregular
Flood Info Not in a Flood Zone

Land Size Information

Gross Land Size 3.380 Acres or 147,233 SF

Indicators

Sale Price/Gross Acre \$369,822
Sale Price/Gross SF \$8.49

Remarks

This is the sale of a commercially zoned tract of land located in Rolesville.

Land Sale No. 5

**Property Identification**

| | |
|----------------------|--|
| Record ID | 3876 |
| Property Type | Land, Commercial |
| Address | 100 Treatment Plant Road, Holly Springs, Wake County, North Carolina 27540 |
| Tax ID | 0649418561 |
| MSA | Raleigh-Durham-Chapel Hill, NC (CSA) |

Sale Data

| | |
|---------------------------|---|
| Grantor | Carter-Garner Springs, LLC |
| Grantee | Green Oaks 55, LLC |
| Sale Date | December 22, 2021 |
| Deed Book/Page | 18855/1198 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | At Market |
| Verification | Other sources: Wake Co Public Records, Confirmed by Cody Jetton |

| | |
|------------------------|-------------|
| Sale Price | \$5,210,000 |
| Cash Equivalent | \$5,210,000 |

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

| | |
|-------------------|------------------------|
| Zoning | CB, Community Business |
| Topography | Rolling |
| Utilities | All Available |
| Shape | Irregular |
| Flood Info | Not in Floodplain |

Land Size Information

| | |
|------------------------|----------------------------|
| Gross Land Size | 17.710 Acres or 771,448 SF |
|------------------------|----------------------------|

Indicators

| | |
|------------------------------|------------------|
| Sale Price/Gross Acre | \$294,184 Actual |
| Sale Price/Gross SF | \$6.75 Actual |

Remarks

This is the sale information for a tract of commercially-zoned land located at the southwest corner of GB Alford Highway (NC 55 Highway Bypass) and Green Oaks Parkway, with Treatment Plant Road bisecting the tract. The address is approximated for mapping purposes. Wake County lists the address as "0 Treatment Plant Road". No information was available on any proposed development.

LAND SALES ADJUSTMENT GRID

Wake County School Board Land - Rolesville - 901 East Young Street, Rolesville, NC 27571

| Data | Subject | Comp 1 | Comp 2 | Comp 3 | Comp 4 | Comp 5 |
|-----------------------------------|--|-----------------------|--------------------|---------------------|------------------------|--------------------------|
| Property | Wake County School Board Land - Rolesville | | | | | |
| Location | 901 East Young Street | 655 South Main Street | 514 Rosaline Way | 313 Railroad Street | 1100 South Main Street | 100 Treatment Plant Road |
| City and State | Rolesville, NC | Rolesville, NC | Wendell, NC | Fuquay-Varina, NC | Rolesville, NC | Holly Springs, NC |
| Acreage | 14.000 | 24.270 | 16.950 | 6.760 | 3.380 | 17.710 |
| Square Feet | 609,840 | 1,057,201 | 738,342 | 294,466 | 147,233 | 771,448 |
| Date of Sale | N/A | Feb-24 | Feb-24 | Dec-23 | Apr-22 | Dec-21 |
| Sales Price | N/A | \$7,000,000 | \$3,400,000 | \$1,590,000 | \$1,250,000 | \$5,210,000 |
| Adjustments to Sales Price | | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted Sales Price | | \$7,000,000 | \$3,400,000 | \$1,590,000 | \$1,250,000 | \$5,210,000 |
| Adjusted Price Per AC | | \$288,422 | \$200,590 | \$235,207 | \$369,822 | \$294,184 |

| Primary Characteristics | Comp 1 Adjmt | Comp 2 Adjmt | Comp 3 Adjmt | Comp 4 Adjmt | Comp 5 Adjmt | |
|----------------------------------|--------------|------------------|------------------|------------------|------------------|------------------|
| Property Rights Conveyed | N/A 0% | Fee Simple 0% | Fee Simple 0% | Fee Simple 0% | Fee Simple 0% | |
| Financing | N/A 0% | At Market 0% | At Market 0% | At Market 0% | At Market 0% | |
| Conditions of Sale | N/A 0% | Arm's Length 0% | Arm's Length 0% | Arm's Length 0% | Arm's Length 0% | |
| Market Conditions (Time) | N/A 0% | February-24 0% | February-24 0% | December-23 0% | April-22 0% | |
| Total Primary Adjustments | 0% | 0% | 0% | 0% | 0% | |
| Adjusted Price Per AC | | \$288,422 | \$200,590 | \$235,207 | \$369,822 | \$294,184 |

| Physical Characteristics | Adjmt | Adjmt | Adjmt | Adjmt | Adjmt | |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Location/Access/Exposure | Ggod -10% | Superior 0% | Similar 0% | Similar -10% | Superior 0% | |
| Utilities | All Available 0% | All Available 0% | All Available 0% | All Available 0% | All Available 0% | |
| Zoning | GC-CZ 0% | GC-CZ 0% | CMX 0% | DC-2-CZD 0% | GC-CZ 0% | |
| Size (Acres) | 14.000 0% | 24.27 0% | 16.95 -5% | 6.76 -10% | 3.38 0% | |
| Topography | Rolling 0% | Level 0% | Level 0% | Level 0% | Level 0% | |
| Total Physical Adjustments | -10% | 0% | -5% | -20% | 0% | |
| Total Adjustments | -10% | 0% | -5% | -20% | 0% | |
| Adjusted Price Per AC | | \$259,580 | \$200,590 | \$223,447 | \$295,858 | \$294,184 |

| Before Adjustment: | Low Value on Range | High Value on Range | Mean | Standard Deviation | After Adjustment: | Low Value on Range | High Value on Range | Mean | Standard Deviation |
|--------------------|--------------------|---------------------|-----------|--------------------|-------------------|--------------------|---------------------|-----------|--------------------|
| | \$200,590 | \$369,822 | \$277,645 | \$64,469 | | \$200,590 | \$295,858 | \$254,732 | \$42,372 |

| | |
|-----------------------|------------------|
| Selected Value | \$260,000 |
|-----------------------|------------------|

| | | | | | | |
|------------------------|--------|------|-----------|-----|-------------|--------------------|
| Concluded Value | 14.000 | AC @ | \$260,000 | /AC | \$3,640,000 | \$3,640,000 |
|------------------------|--------|------|-----------|-----|-------------|--------------------|

DISCUSSION OF COMPARABLE LAND SALES ADJUSTMENTS

Since no two properties are identical, adjustments often need to be made to recognize differences between the comparables and the subject. Adjustments used in our analysis were based on the considerations discussed below.

Adjustments are typically applied in a specific sequence in order to property reflect differences in value. The first three items in the adjustment grid are, 1) Property rights conveyed, 2) Financing terms and 3) Conditions of sale. This set of adjustments serves to adjust the comparable transaction to the market at the time of sale.

The next adjustment is for market conditions, or time of sale, and is applied to the adjusted value reflecting the previous set of adjustments. This next adjustment serves to adjust the comparable sale price to the current market at the time of the appraisal. The comparable has now been adjusted to the market at the time it was sold and for changes in market conditions occurring between the sale date and the appraisal date.

Finally, this adjusted comparable sale price is adjusted for differences with the subject property. Typical adjustments are applied for differences in location, physical characteristics, economic characteristics, use, and non-realty components included in the transaction.

After adjustments have been made, the transactions are matched to the subject applying units of comparison. We have analyzed the comparable evidence in this case on a price per acre basis.

A discussion of each adjustment category as it applies to this analysis follows.

Property Rights Appraised: No adjustments were necessary.

Financing Terms: All comparable sales appear to have been transacted using either cash or typical institutional market financing, resulting in all cash purchases to the seller. No adjustments were necessary.

Conditions of Sale: This adjustment considers non-typical motivation on the part of the buyer or seller. All comparable sales appear to have transacted with either cash or typical institutional market financing resulting in all cash purchases to the seller; therefore, no adjustments were necessary.

Market Conditions/Time: Commercial land values in the subject's market have risen slightly in the past three to five years. Because all of our sales have occurred within the last three years, we have given no adjustments to the comparables due to market conditions.

Location/Access/Exposure: Adjustments are made primarily for the relative proximity to high-density neighborhood development, as well as access (ingress/egress) to the sites. The subject is located at the southeast corner of East Young Street and Quarry Road in Rolesville, North Carolina.

It is well located with respect to nearby development and conditions in the neighborhood are positive. Comparable Nos. 1, 4, and 5 are located in a more densely developed area, relative to the subject and are therefore thought to be superior to that of the subject. Downward location adjustments were indicated. Our adjustments are shown below.

| Location | | |
|----------------|-------------|-------------------|
| | | <i>Adjustment</i> |
| Subject | Ggod | |
| Comp 1 | Superior | -10% |
| Comp 2 | Similar | 0% |
| Comp 3 | Similar | 0% |
| Comp 4 | Superior | -10% |
| Comp 5 | Superior | 0% |

Utilities: The subject has access to all public utilities, including water, sanitary sewer, and storm sewer service. The comparables also had access to all public utilities and therefore no adjustments were indicated.

Zoning: The subject is zoned GC-CZ (General Commercial). All of the sales had effectively similar zoning and we therefore gave no adjustments based on zoning.

Size: Through our experience, we have found that larger tracts of land generally sell for lower prices per unit than smaller properties, all other factors being equal. This relationship holds primarily because a larger number of buyers are able to compete for smaller (less expensive) properties, and because of allowances for holding costs and extended development and/or marketing periods associated with larger properties. Adjustments are made based on a comparison of the optimum size and overall utility of the comparable properties in comparison to the subject.

| Size | | |
|----------------|--------------|-------------------|
| | | <i>Adjustment</i> |
| Subject | 14.00 | |
| Comp 1 | 24.27 | 0% |
| Comp 2 | 16.95 | 0% |
| Comp 3 | 6.76 | -5% |
| Comp 4 | 3.38 | -10% |
| Comp 5 | 17.71 | 0% |

Topography: The subject and the comparables all had similar topographical features, considering the subject’s usable area was analyzed, and therefore no adjustments were made for this characteristic.

Land Valuation Conclusion

In arriving at an opinion of value for the subject on a price per acre basis, adjustments were made where appropriate for differences previously discussed. Before adjustment, the comparables indicated a range of values from \$200,590 to \$369,822 per acre. After analysis and adjustment, the comparables indicated a range of values from \$200,590 to \$295,858 per acre, with a mean adjusted value of \$254,732 per acre.

We have considered all of the comparable sales data and have put slightly more reliance on Comparable No. 1 due to it being a recent sale in Rolesville arriving at an appropriate unit value for the subject property of \$260,000 per acre. The calculation of the estimated Market Value is shown below.

| LAND VALUE CONCLUSION | |
|------------------------------|------------------|
| Subject Land Area (AC) | 14.000 |
| Indicated Value Per AC | <u>\$260,000</u> |
| Indicated Value: | \$ 3,640,000 |
| Rounded | \$ 3,640,000 |

MARKETING PERIOD

Under USPAP, *Marketing Period* is the estimated length of time following the date of the appraisal that the property interest being appraised would have to be offered on the market prior to the hypothetical consummation of a future sale at the indicated Market Value.

Given current market conditions, we project that if the subject property were to be put on the market at a price at or near the Market Value estimated above, the marketing period required to sell the property would not exceed 12 months after the date of valuation.

EXPOSURE TIME

Under USPAP, *Exposure Time* is a retrospective estimate of the length of time the property would have been listed for sale prior to the appraisal date, based upon an analysis of past events, assuming a competitive and open market.

Based upon the characteristics of both the subject property and the comparables, we estimate that if the subject were to be sold on the effective date of our appraisal at a price at or near the Market Value estimated above, the exposure time required to sell the property would have been 12 months. This is a reasonable time frame based upon the competitive and open market found in the subject's area.

GENERAL ASSUMPTIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in this report.
10. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
11. Unless otherwise stated in this report, no hazardous materials were observed by the appraiser during the property inspection. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
12. The appraiser is not an environmental inspector and the appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas inaccessible to the appraiser. Therefore, a professional environmental inspection is recommended.

GENERAL LIMITING CONDITIONS

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to provide further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. No significant change is assumed in the supply and demand patterns indicated in the report. The study assumes market conditions as observed as of the current date of our market research stated in the letter of transmittal. These market conditions are believed to be correct; however, the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
6. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We will not be responsible for conducting a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we have not considered possible non-compliance with the requirements of ADA in estimating the value of the property.

ADDENDA

ENGAGEMENT LETTER

**WAKE COUNTY BOARD OF EDUCATION
CONTRACT FOR APPRAISAL SERVICE
(Rolesville HS Surplus parcel: 901 E. Young Street, Rolesville, NC)**

This contract for Appraisal Services (the "Contract") is made and entered into this 12th day of March, 2024, between **The Wake County Board of Education** (the "Owner"), 111 Coming Road, Suite 100, Cary, NC 27518, and **Mearstone Group, LLC**, (the "Provider"), 1143 Executive Circle, Unit F, Cary, NC 27511.

For and in consideration of the mutual promises set forth in the Contract the parties do mutually agree as follows:

1. Obligations of Provider. The Provider hereby agrees to provide services to Owner as follows:
 - 1.1 Services per attached Exhibit 1.
 - 1.2 Provider will provide a complete Appraisal report on the following property:
PIN 1768-46-4343, Wake County REID 0408361, Seller: The Wake County Board of Education.
 - 1.3 Draft report of value to be delivered to Owner prior to completion of a full and final written appraisal report.
 - 1.4 One electronic (pdf) copy of full written appraisal report to be delivered to Owner should such a full and final report be requested by Owner.
2. Obligations of Owner.
 1. The Owner hereby agrees to compensate Provider in an amount not to exceed \$1,500.00 for services rendered as described in Paragraph 1.1 above. If a full and final written report is requested by Owner, then the total compensation due the Provider shall not exceed \$1,500.00 for services rendered.
 2. In the event of inclement weather, fire, power failure, or other similar occurrence, which may necessitate the cancellation of the delivery of the service(s), and an alternate date cannot be agreed upon, Owner will be under no obligation to compensate the Provider for services not rendered.
 3. The parties acknowledge that the Owner has authorized the Superintendent or designee to enter into service contracts involving expenditures of up to \$100,000. The parties further acknowledge that the Owner may perform all or part of its obligations pursuant to this Contract through the Superintendent or designee.
3. Term. The services described in the Contract will be provided within twenty-one (21) calendar days of the issuance by Owner of Notice to Proceed to Provider. Time is of the essence.

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4. Termination for Convenience. The Owner may terminate this Contract at any time at its complete discretion upon twenty (20) calendar days' notice in writing from the Owner to the Provider prior to the date of termination. In addition, all finished or unfinished documents and other materials produced by the Provider pursuant to this Contract shall, at the request of the Owner be turned over to it and become its property. If the Contract is terminated by the Owner in accordance with this section, the Owner will pay the Provider at the hourly rate for all services performed as of the date of termination.

5. Termination for Default. At any time, the Owner may terminate this Contract immediately and without prior notice if provider is unable to meet goals and timetables or if the Owner is dissatisfied with the quality of services provided.

6. Terms and Methods of Payment. Provider shall submit to the Owner monthly invoices itemized by service provided, the number of hours worked and by whom, the date(s) that services were provided, and the amount owed. Such invoices shall be submitted within thirty (30) days of the rendering of services. The Owner shall process payments to Provider within forty-five (45) days of submission of such invoices. **Invoices should be sent to WCPSS Real Estate Services, Attn: Margaret Sutter, Director, 111 Corning Road, Suite 100, Cary, N.C., 27518 for review and approval. (msutter@wcpss.net)**

7. Contract Funding. It is understood and agreed between the Provider and the Owner that the Owner's payment obligation under this Contract is contingent upon the availability of appropriated funds from which payment for Contract purposes can be made.

8. Insurance. The Provider agrees to maintain \$1,000,000 in general liability, \$1,000,000 in automobile liability, and other appropriate insurance, as well as Workers Compensation in the required statutory amount, for all employees participating in the provision of services under this Contract. The Owner, The Wake County Board of Education, shall be named by endorsement as additional insured on the General Liability policy. A certificate of insurance documenting evidence of such insurance shall be furnished to the Owner. The Provider shall also provide a policy endorsement requiring the Owner to receive thirty (30) days prior written notice of cancellation for any statutorily permitted reason other than non-payment of premium. In addition, the Provider shall provide at least five (5) business days written prior notice to the Owner's Representative at the address noted above and via email ("fdc-insure@wcpss.net") of the cancellation, non-renewal (without replacement), or the material reduction of coverage or limits of any of the policies. Upon notice of such cancellation, nonrenewal or reduction, the Provider shall procure substitute insurance so as to assure the Owner that the minimum limits of coverage are maintained continuously throughout the period of this Contract. Failure to furnish insurance certificates or maintain such insurance shall be a default under this Contract and shall be grounds for immediate termination of this Contract.

9. Taxes. The Provider shall pay all federal, state and FICA taxes for all employees participating in the provision of services under this Contract.

10. Monitoring and Auditing. The Provider shall cooperate with the Owner, or with any other person or agency as directed by the Owner, in monitoring, auditing, or investigating activities related to this Contract. The Provider shall permit the Owner to evaluate all activities conducted under this Contract as dictated by the Owner. The Provider shall provide auditors

retained by the Owner with access to any records and files related to the provision of services under this Contract. The Owner agrees that its auditors will maintain the confidentiality of any trade secrets of Provider accessed during an audit conducted under this Contract.

11. **Records and Confidentiality of Student Information.** The Provider agrees that all student records obtained in the course of providing services to the Owner under this Contract shall be subject to the confidentiality and disclosure provisions of applicable federal and state statutes and regulations, and the Owner's policies. All student records shall be kept in a secure location preventing access by unauthorized individuals. Provider will maintain an access log delineating date, time, agency, and identity of individual accessing student records who is not in the direct employ of the Provider. Provider shall not forward to any person other than parent or the Owner any student record, including, but not limited to, the student's identity, without the written consent of the parent and the Owner. Upon termination of this Contract, Provider shall turn over to the Owner all student records of The Owner's eligible students to whom Provider has provided services under this Contract.

12. **Lunsford Act/Criminal Background Checks.** The Provider also acknowledges that G.S. § 14-208.18 prohibits anyone required to register as a sex offender under Article 27A of Chapter 14 of the General Statutes from knowingly being on the premises of any school. The Provider shall conduct or arrange to have conducted, at its own expense, sexual offender registry checks on each of its employees, agents, ownership personnel, or contractors ("contractual personnel") who will engage in any service on or delivery of goods to school system property or at a school-system sponsored event, except checks shall not be required for individuals who are solely delivering or picking up equipment, materials, or supplies at: (1) the administrative office or loading dock of a school; (2) non-school sites; (3) schools closed for renovation; or (4) school construction sites. The checks shall include at a minimum, checks of the State Sex Offender and Public Protection Registration Program, the State Sexually Violent Predator Registration Program, and the National Sex Offender Registry ("the Registries"). For the Provider's convenience only, all of the required registry checks may be completed at no cost by accessing the United States Department of Justice Sex Offender Public Website at <http://www.nsopw.gov/>. The Provider shall provide certification on the Sexual Offender Registry Check Certification Form that the registry checks were conducted on each of its contractual personnel providing services or delivering goods under this Contract prior to the commencement of such services or the delivery of such goods. The Provider shall conduct a current initial check of the registries (a check done more than 30 days prior to the date of this Contract shall not satisfy this contractual obligation). In addition, the Contractor agrees to conduct the registry checks and provide a supplemental certification form before any additional contractual personnel are used to deliver goods or provide services pursuant to this Contract. The Provider further agrees to conduct annual registry checks of all contractual personnel and provide annual certifications at each anniversary date of this Contract. The Provider shall not assign any individual to deliver goods or provide services pursuant to this Contract if said individual appears on any of the listed registries. The Provider agrees that it will maintain all records and documents necessary to demonstrate that it has conducted a thorough check of the registries as to each contractual personnel and agrees to provide such records and documents to the Owner upon request. The Provider specifically acknowledges that the Owner retains the right to audit these records to ensure compliance with this section at any time in the Owner's sole discretion. Failure to comply with the terms of this provision shall be deemed a material breach of the Contract. In addition, the Owner may conduct additional criminal records checks at the Owner's expense. If the Owner exercises this right to conduct additional criminal records checks, the Provider agrees

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to provide within seven (7) days of request the full name, date of birth, state of residency for the past ten years, and any additional information requested by the Owner for all contractual personnel who may deliver goods or perform services under this Contract. The Provider further agrees that it has an ongoing obligation to provide the Owner with the name of any new contractual personnel who may deliver goods or provide services under the Contract. The Owner reserves the right to prohibit any contractual personnel of the Provider from delivering goods or providing services under this Contract if the Owner determines, in its sole discretion, that such contractual personnel may pose a threat to the safety or well-being of students, school personnel or others.

13. Anti-Nepotism. Unless disclosed to the School System in writing prior to the Board's approval and execution of the Contract, Provider warrants that, to the best of its knowledge and in the exercise of due diligence, none of its corporate officers, directors, or trustees and none of its employees who will directly provide services under this Contract are immediate family members of any member of the Wake County Board of Education or of any principal or central office staff administrator employed by the Board. For purposes of this provision, "immediate family" means spouse, parent, child, brother, sister, grandparent, or grandchild, and includes step, half, and in-law relationships. Should Provider become aware of any family relationship covered by this provision or should such a family relationship arise at any time during the term of this Contract, Provider shall immediately disclose the family relationship in writing to the Superintendent. Unless disclosed prior to the execution of the Contract or formally waived by the Wake County Board of Education at a Board meeting, the existence of a family relationship covered by this Contract is grounds for immediate termination by Owner without further financial liability to Provider.

14. Provider's Representations. Provider represents that as of the date of this Contract, Provider is not included on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.58. Provider also represents that as of the date of this Contract, Provider is not included on the list of restricted companies determined to be engaged in a boycott of Israel created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.81. Provider is duly qualified to do business in North Carolina. If Provider is a business entity that is not registered in North Carolina, prior to beginning the services described by this Contract, Provider shall either (i) obtain a certificate of authority from the Secretary of State for North Carolina, pursuant to N. C. Gen. Stat. § 55-15-03, or (ii) provide a letter from an attorney indicating that the attorney has reviewed N. C. Gen. Stat. § 55-15-01 and determined that Provider is not required to obtain a certificate of authority pursuant to N. C. Gen. Stat. § 55-15-01(b).

15. Sales and Use Tax. Provider shall be responsible for complying with any applicable sales and use tax obligations imposed by Chapter 105, Article 5 of the North Carolina General Statutes.

16. Indemnification. Provider shall indemnify, defend and hold harmless the Owner, its agents, and employees, from and against all claims, actions, demands, costs, damages, losses and/or expenses of any kind whatsoever resulting solely from the omission or commission of any act, lawful or unlawful, by Provider, its agents and/or employees, including but not limited to court costs and attorney's fees incurred by Provider in connection with the defense of said matters. The parties agree that this indemnification clause is an "evidence of indebtedness" for the purpose of N.C. Gen. Stat. § 6-21.2. The parties also specifically acknowledge that the Owner is a public body and it is the intent of the parties that the Owner not incur any expenses when the Contractor is solely responsible for the claims.

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17. Relationship of Parties. The Provider shall be an Independent Provider of the Owner and nothing herein shall be construed as creating a partnership or joint venture; nor shall any employee of the Provider be construed as an employee, agent or principal of the Owner.
18. Compliance with Applicable Laws. Provider shall comply with all applicable laws and regulations in providing services under this Contract. In particular, the Provider shall not employ any individuals who are not authorized under federal law to work in the United States. Provider represents and warrants that it is aware of and in compliance with the Immigration Reform and Control Act and North Carolina law (Article 2 of Chapter 64 of the North Carolina General Statutes) requiring use of the E-Verify system for employers that employ twenty-five (25) or more employees. Provider specifically represents and warrants that it is and will remain in compliance with these laws at all times while providing services pursuant to this Contract. Provider shall also ensure that any of its subcontractors (of any tier) will remain in compliance with these laws at all times while providing subcontracted services in connection with this Contract. Provider is responsible for providing affordable health care coverage to all of its full-time employees providing services to the school system. The definitions of "affordable coverage" and "full-time employee" are governed by the Affordable Care Act and accompanying IRS and Treasury Department regulations.
19. Applicable Wake County Board of Education Policies. Provider acknowledges that the Wake County Board of Education has adopted policies governing its relationship with vendors and conduct on School System property and agrees to abide by any and all relevant WCPSS policies during the term of the Contract and while on School System property. WCPSS's Provider related policies can be viewed at <https://www.wcpss.net/Page/45862> and are incorporated into this Contract by reference.
20. Assignment. The Provider shall not assign, subcontract, or otherwise transfer any interest in this Contract without the prior written approval of the Owner.
21. Contract Modifications. This Contract may be amended only by written amendments duly executed by and between the Owner and the Provider.
22. North Carolina Law. North Carolina law will govern the interpretation and construction of the Contract.
23. Counterparts and Execution. This Contract may be executed in any number of counterparts, each of which shall be deemed an original but all of which together will constitute one and the same agreement. The Parties agree that for scanned, faxed, and/or electronically transmitted copies of this Contract will have the same validity and force as an original, and that scanned, faxed, or electronic signatures shall be deemed original signatures for purposes of this Contract and given the same legal effect as original signatures., each of which shall be deemed an original, and the counterparts shall constitute one and the same instrument, which shall be sufficient evidence by any one thereof.
24. Entire Contract. This Contract constitutes and expresses the entire agreement and understanding between the parties concerning the subject matter of this Contract. This document, the purchase order, if any, used in connection herewith and, any other document attached to or incorporated in this Contract by reference; supersede all prior and contemporaneous discussions,

FD&C Service Contract 12-7-2021 R2

promises, representations, agreements, and understandings relative to the subject matter of this Contract. Included and made part of this Contract are the Wake County Board of Education Policies, Sexual Offender Registry Check Certification Form (Exhibit 2), Certificate of Insurance (with required endorsements), and Exhibit 1 (fee proposal dated 11/28/2023).

25. Severability. If any provision of this Contract shall be declared invalid or unenforceable, the remainder of the Contract shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first indicated above.

The Wake County Board of Education

_____(Seal)
By: Margaret Sutter, Director, Real Estate Services
WAKE COUNTY PUBLIC SCHOOL SYSTEM

This instrument has been pre-audited in the manner required by the School Budget and Fiscal Control Act, G.S. 115C-441(a).

Finance Officer

Date

Mearstone Group, LLC

By:  (Seal)
Cody Jetton, Managing Member

FD&C Service Contract 12-7-2021 R2

Sexual Offender Registry Check Certification Form

PLEASE SUBMIT THIS FORM TO YOUR OWNER'S REPRESENTATIVE

Project Name: Rolesville HS Surplus: 901 E. Young Street Contract: Appraisal Rolesville HS Surplus

Check the appropriate box to indicate the type of check: Initial Supplemental Annual

I, CODY JETTON (Name), CEO (Title)

of MEARSTONE GROUP (Company Name) hereby certify that I have performed all of the required sexual offender registry checks required under this Agreement for all contractual personnel (employees, agents, ownership personnel, or contractors) who may be used to deliver goods or provide services under this Agreement, including the North Carolina Sex Offender and Public Protection Registration Program, the North Carolina Sexually Violent Predator Registration Program, and the National Sex Offender Registry (Note: all of the required registry checks may be completed at no cost by accessing the United States Department of Justice Sex Offender Public Website at <http://www.nsopw.gov>). I further certify that none of the individuals listed below appears on any of the above-named registries and that I will not assign any individual to deliver goods or perform services under this Agreement if said individual appears on any of the sex offender registries. I agree to maintain all records and documents associated with these registry checks, and that I will provide such records and documents to the school system upon request. I specifically acknowledge that the school system retains the right to audit these records to ensure compliance with this section at any time in the school system's sole discretion. I acknowledge that I am required to perform these checks and provide this certification form before any work is performed under the Agreement (initial check), any time additional contractual personnel may perform work under the Agreement (supplemental check), and at each anniversary date of the Agreement (annual check).

| Contractual Personnel Names | Job Title |
|-----------------------------|------------|
| 1. <u>CODY JETTON</u> | <u>CEO</u> |
| 2. _____ | _____ |
| 3. _____ | _____ |

I attest that the forgoing information is true and accurate to the best of my knowledge.

Signature [Handwritten Signature] Print Name CODY JETTON

Date 05-20-24 Email cjetton@mearstonegroup.com

Initial _____

11/20/2018

Page 7

Exhibit 1**RE: WCPSS - Appraisal of a Parcel in Rolesville**

Cody Jetton <CJetton@mearstonegroup.com>

Mon 5/20/2024 11:12 AM

To: Betty Parker _ Staff - RealEstateServices <bparker@wcpss.net>

Cc: Margaret Sutter _ Staff - RealEstateServices <msutter@wcpss.net>; Pattie Lopez <plopez@mearstonegroup.com>

CAUTION: This email originated from outside of the organization! Proceed with caution!

Betty,

Thank you for reaching out to me on this assignment. I have a relatively open schedule this week and would be available for Tuesday and Thursday all day for a phone call or Teams call, if you need. However, I have reviewed your aerial photo and gathered the tax information on this parcel, so I have a good understanding of the property. I would bid \$1,500 on this appraisal with a two-week delivery. If that fee and timing estimate is acceptable, I can send you a written proposal today or tomorrow or you could send me a proposal; either is fine with me.

Thank you for considering me for this assignment.

Cody



E. Cody Jetton, MAI, CRE
CEO
1143 Executive Circle, Unit F
Cary, NC 27511
(O) 919.803.5638
cjetton@mearstonegroup.com
www.mearstonegroup.com
Follow us on Facebook!

From: Betty Parker _ Staff - RealEstateServices <bparker@wcpss.net>
Sent: Friday, May 17, 2024 3:56 PM
To: Cody Jetton <CJetton@mearstonegroup.com>
Cc: Margaret Sutter _ Staff - RealEstateServices <msutter@wcpss.net>
Subject: WCPSS - Appraisal of a Parcel in Rolesville

Mr. Jetton - Good afternoon - I hope you are well! The Board of Education owns a surplus property parcel in Rolesville adjacent to our Rolesville HS site. We are in preliminary negotiations with a potential buyer and would like to engage your services for preparation of an appraisal of the parcel to help establish its fair market value. The parcel is described as follows: PIN 1768-46-4343, REID #0408361, 901 E. Young Street, Rolesville, NC. A copy of a Wake County GIS Aerial View depicting the parcel with attributes is attached as well.

When we acquired the parcel in 2010, per recommendation of the Wake County Commissioners we annexed and zoned the tract under Rolesville's General Commercial - Conditional Use classification as

the highest and best use option for the site that took into account the parcel's development potential. It was our intention at the time to selling it as surplus property in the future to help offset the school site acquisition costs. With completion of the Rolesville Bypass and ongoing development in the area, interest in sale of this tract has increased as has its value.

Please advise as to when you might be available to have a brief virtual meeting or telephone call with us next week to chat about your schedule/availability and your comfort level with appraising the parcel in question given its area and zoning.

Thank you for your time and consideration! If you have any questions, or if I can be of service please do not hesitate to contact me. Enjoy your day!

Regards,
Betty L. Parker
Senior Director, Real Estate Services
Wake County Public Schools System
111 Corning Road, Suite 100
Cary, NC 27518
Office Tel. 919-856-8290
Office Direct. 919-588-3584

DEED

BK014097PG02016

WAKE COUNTY, NC 303
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
10/01/2010 AT 12:26:25
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$7641
BOOK:014097 PAGE:02016 - 02018

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Stamps: \$7,641.00

Real Estate ID #: 0060540

After recording, HOLD FOR BBGH, Box #27

Prepared by: Moore & Alphin, PLLC (AP)

This property does NOT include the primary residence of Grantors. (NC GS § 105-317.2)

Brief description for the Index: 143.263 acres; Book of Maps 2006 at Page 2403; Quarry Road

THIS DEED is made this 30th day of September, 2010, by and between

| GRANTOR | GRANTEE |
|---|---|
| <p>ST. LAWRENCE HOMES, INC., a North Carolina corporation 7200 Falls of Neuse Road, Suite 300, Raleigh, NC 27615</p> | <p>WAKE COUNTY BOARD OF EDUCATION Grantee's Address: 1551 Rock Quarry Road, Facilities Building Raleigh, NC 27610 Attn: Betty L. Parker, Real Estate Services Director</p> |

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

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

All of Tract 1, containing 143.263 acres, as shown on a map entitled "Recombination Plat For Robertson Family Partnership Property" recorded in Book of Maps 2006, Page 2403, Wake County Registry.

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

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

- The lien of real property taxes for 2010 and thereafter.
- Easements and restrictive covenants of record affecting the property.

BK014097PG02017

IN WITNESS WHEREOF, Grantor has caused this deed to be signed in its name by its duly authorized officer, as of the day and year first above written.

GRANTOR:

ST. LAWRENCE HOMES, INC.
a North Carolina corporation

By: [Signature] PRM.
Fenton R. Ohmann, President



STATE OF NORTH CAROLINA -- WAKE COUNTY:

I, the undersigned, a Notary Public for the County and State aforesaid, certify that Fenton R. Ohmann, personally appeared before me this day and acknowledged that he is President of St. Lawrence Homes, Inc., a North Carolina corporation and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official stamp or seal, this the 29 day of September, 2010



Laura B. Glasgow
Notary Public
My commission expires: 4-18-15

Laura B. Glasgow
Printed Name

BK014097PG02018



BOOK:014097 PAGE:02016 - 02018

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
of Pages 3
BR
22.004-1/2006

APPRAISER'S QUALIFICATIONS

**E. Cody Jetton, MAI, CRE**

Chief Executive Officer

Work: (919) 803-5638

Fax: (919) 803-5639

Cjetton@mearstonegroup.com

Cody is Chief Executive Officer for Mearstone Group, LLC. Since 1983, he has appraised and consulted on a wide variety of commercial real estate throughout the United States. His experience includes valuation, market studies, and highest and best use analyses of vacant land; agricultural properties; residential and commercial subdivisions, including master planned communities; industrial properties including distribution centers and manufacturing plants; single and multi-tenant office properties; shopping centers and other retail properties; and special use facilities including, health care facilities, bio-tech wet labs, sports and entertainment facilities, and colleges and universities. He has lectured on real estate finance and investment at Duke University's Fuqua School of Business and has taught Finance courses at Northern Arizona University. Consulting assignments include risk management analyses and development of appraisal review systems for community banks. Mr. Jetton is also a contract reviewer for national banks, is a HUD MAP certified appraiser, and is currently a staff experience screener for the Appraisal Institute.

PROFESSIONAL AFFILIATIONSGeneral Certified Appraiser:

North Carolina, South Carolina, Virginia and Georgia.

MAI designation (No. 8000), 1988.

EDUCATION

MBA, Texas A&M University, Specialization in Real Estate Finance.

BS, Texas A&M University, College of Agriculture.

PROFESSIONAL ORGANIZATIONS

2014 – President, North Carolina Chapter of the Appraisal Institute

2013 – President Elect, North Carolina Chapter of the Appraisal Institute

2012 – Vice President, North Carolina Chapter of the Appraisal Institute

2011 – Treasurer, North Carolina Chapter of the Appraisal Institute

2009 - 2011 – Appraisal Institute Region V National Education Liaison

2003 and 2004 – Appraisal Institute Leadership Development & Advisory Council (LDAC)

The Counselors of Real Estate (CRE) – Member

The National Association of Realtors – Member

Cary Area EMS Board of Directors 2004 – 2011

Member of Friends of The State Parks of North Carolina (FSP)

