

Appraisal of Real Property

Crossroads Ford Service Center

Retail Property
1660 Piney Plains Rd.
Cary, Wake County, North Carolina 27518

Prepared For:

Wake County Board of Education

Effective Date of the Appraisal:

November 14, 2019

Report Format:

Appraisal Report – Comprehensive Format

IRR - Raleigh

File Number: 167-2019-0966





Crossroads Ford Service Center
1660 Piney Plains Rd.
Cary, North Carolina



November 27, 2019

Ms. Margaret Sutter
Director, Real Estate Services
Facilities Building, Wake County Public School System
Wake County Board of Education
1429 Rock Quarry Rd., Suite 116
Raleigh, NC 27610

SUBJECT: Market Value Appraisal
 Crossroads Ford Service Center
 1660 Piney Plains Rd.
 Cary, Wake County, North Carolina 27518
 IRR - Raleigh File No. 167-2019-0966

Dear Ms. Sutter:

Integra Realty Resources – Raleigh is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property. The client for the assignment is Wake County Board of Education, and the intended use is for property acquisition purposes.

The subject is an existing retail property containing approximately 80,227 square feet of gross leasable area. The improvements were constructed in 2001 and are 100% owner occupied as of the effective appraisal date. The site area is 28.9316 acres or 1,260,260 square feet.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This format contains the greatest depth and detail of IRR's available report types.

Ms. Margaret Sutter
Wake County Board of Education
November 27, 2019
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Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	November 14, 2019	\$15,240,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

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

1. None

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Raleigh

Chris R Morris



Chris R. Morris, MAI, FRICS
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Summary of Salient Facts and Conclusions

Property Name	Crossroads Ford Service Center	
Address	1660 Piney Plains Rd. Cary, Wake County, North Carolina 27518	
Property Type	Retail - Auto Dealership	
Owner of Record	Crossroads Holdings LLC	
Tax ID	0773-18-40-1397	
Legal Description	Lot 2R, BM 2017, Page 1525	
Land Area	28.9316 acres; 1,260,260 SF	
Gross Building Area	80,227 SF	
Gross Leasable Area	80,227 SF	
Percent Leased	NA	
Year Built	2001	
Zoning Designation	GC & GC-CU, General Commercial & General Commercial-Conditional Use	
Highest and Best Use - As if Vacant	Retail use	
Highest and Best Use - As Improved	Continued retail use	
Exposure Time; Marketing Period	6 to 12 months; 6 to 12 months	
Effective Date of the Appraisal	November 14, 2019	
Date of the Report	November 27, 2019	
Property Interest Appraised	Fee Simple	
Market Value Indications		
Cost Approach	\$15,550,000	(\$193.83/SF)
Sales Comparison Approach	\$15,240,000	(\$189.96/SF)
Income Capitalization Approach	Not Used	
Market Value Conclusion	\$15,240,000	(\$189.96/SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Wake County Board of Education may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

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

1. None

Part Two

Land Value	\$10,080,000	(\$8.00/SF)
Cost Approach		
Replacement Cost New (Including Dev. Profit)	\$8,800,166	(\$109.69/SF)
Depreciated Cost	\$5,470,000	(\$68.18/SF)
Market Value as % of Cost New Including Land	81%	
Indicated Value ("As Is")	\$15,550,000	(\$193.83/SF)
Sales Comparison Approach		
Number of Sales	6	
Range of Sale Dates	Jan-18 to Dec-18	
Range of Unit Prices	\$216.51 - \$287.27	
Indicated Value ("As Is")	\$15,240,000	(\$189.96/SF)
Market Value Conclusion ("As Is")	\$15,240,000	(\$189.96/SF)

General Information

Identification of Subject

The subject is an existing retail property containing approximately 80,227 square feet of gross leasable area. The improvements were constructed in 2001 and are 100% owner occupied as of the effective appraisal date. The site area is 28.9316 acres or 1,260,260 square feet. A legal description of the property follows the land description.

Property Identification

Property Name	Crossroads Ford Service Center
Address	1660 Piney Plains Rd. Cary, North Carolina 27518
Tax ID	0773-18-40-1397
Owner of Record	Crossroads Holdings LLC
Legal Description	Lot 2R, BM 2017, Page 1525
Census Tract Number	053505 Wake Co.

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	May 17, 2002
Seller	CLP Associates
Buyer	Crossroads Holdings LLC
Sale Price	\$2,538,000
Recording Instrument Number	Deed Book 9419, Page 37 of the Wake County Register of Deeds
Expenditures Since Purchase	Unknown

This purchase above represented a portion of the subject property. On January 8, 1999, the remainder of the property was acquired from Piney Plains Partners for \$4,050,000. Both of these acquisitions related to vacant land. As the primary improvement and site improvements were constructed after the acquisitions, the property value has increased significantly in the interim. To the best of our knowledge, no sale or transfer, other than an out-conveyance of the Caliber Collision component has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

The property is under contract of sale as of the effective appraisal date. Information about the contract is summarized as follows:

Contract Date	October 22, 2019
Seller	Crossroads Holdings LLC
Buyer	Wake County Board of Education
Sale Price	\$13,000,000
Comments	Buyer plans to use as a bus storage and maintenance facility

We contacted the seller's agent, McQueen Campbell, and he confirmed that the property was originally listed for \$16,000,000. The seller has relocated their operations to N. Salem Street and US-64 in Apex. The property was listed for sale, but pulled off the market when neighborhood opposition threatened development plans in Apex after Crossroads Holdings, LLC had assembled the land. Mr. Campbell indicated that a multi-family developer offered \$30,000 per potential unit for the northern portion of the property, but that use would have required a zoning change. The property was relisted and the Wake County Board of Education offer was accepted.

Our value conclusion of \$15,240,000 is above the contract price, but below the original listing price. Because of the size of the property and presence of other concentrations of dealership properties on the US-64 corridor in Cary and Apex, the seller likely determined that the number of potential users was limited and accepted the offer. The contract price is considered very favorable to the buyer.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property as of the effective date of the appraisal, November 14, 2019. The date of the report is November 27, 2019. The appraisal is valid only as of the stated effective date or dates.

Definition of 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 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 own 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."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015); also *Interagency Appraisal and Evaluation Guidelines*, *Federal Register*, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for property acquisition purposes. The client and intended user is Wake County Board of Education. The appraisal is not intended for any other use or user. No party other than Wake County Board of Education may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

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

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This format contains the greatest depth and detail of IRR’s available report types.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser

or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

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

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

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

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

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

The **cost approach** is an applicable valuation method because:

- There is sufficient data to develop reliable estimates of land value, replacement cost of the improvements, and accrued depreciation.

The **income capitalization approach** is not applicable to the assignment considering the following:

- There is not an active rental market for similar properties that would permit us to develop a reliable estimate of the property's income generating potential.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Chris R. Morris, MAI, FRICS, conducted an interior and exterior inspection of the property on November 14, 2019.

Economic Analysis

Wake County Area Analysis

Wake County is located in North Carolina and is approximately 835 square miles in size. The county has a population density of 1,314 persons per square mile. Wake County is part of the Raleigh, NC Metropolitan Statistical Area, hereinafter called the Raleigh MSA, as defined by the U.S. Office of Management and Budget.

Population

Wake County has an estimated 2019 population of 1,097,397, which represents an average annual 2.2% increase over the 2010 census of 900,993. Wake County added an average of 21,823 residents per year over the 2010-2019 period, and its annual growth rate exceeded the State of North Carolina rate of 1.0%.

Looking forward, Wake County's population is projected to increase at a 1.6% annual rate from 2019-2024, equivalent to the addition of an average of 17,949 residents per year. Wake County's growth rate is expected to exceed that of North Carolina, which is projected to be 1.0%.

Population Trends					
	Population			Compound Ann. % Chng	
	2010 Census	2019 Estimate	2024 Projection	2010 - 2019	2019 - 2024
Wake County, NC	900,993	1,097,397	1,187,143	2.2%	1.6%
North Carolina	9,535,483	10,435,525	10,976,440	1.0%	1.0%
United States	308,745,538	329,236,175	340,950,101	0.7%	0.7%

Source: Environics Analytics

Employment

Total employment in Wake County is currently estimated at 555,198 jobs. Between year-end 2008 and the present, employment rose by 106,820 jobs, equivalent to a 23.8% increase over the entire period. There were gains in employment in eight out of the past ten years despite the national economic downturn and slow recovery. Wake County's rate of employment growth over the last decade surpassed that of North Carolina, which experienced an increase in employment of 9.9% or 397,720 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Wake County unemployment rate has been consistently lower than that of North Carolina, with an average unemployment rate of 5.8% in comparison to a 7.3% rate for North Carolina. A lower unemployment rate is a positive indicator.

Recent data shows that the Wake County unemployment rate is 3.2% in comparison to a 3.7% rate for North Carolina, a positive sign that is consistent with the fact that Wake County has outperformed North Carolina in the rate of job growth over the past two years.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Wake County	% Change	North Carolina	% Change	Wake County	North Carolina
2008	448,378		4,000,278		4.6%	6.1%
2009	431,419	-3.8%	3,804,059	-4.9%	8.3%	10.6%
2010	438,436	1.6%	3,835,921	0.8%	8.3%	10.9%
2011	448,376	2.3%	3,889,178	1.4%	7.9%	10.3%
2012	464,601	3.6%	3,969,167	2.1%	7.1%	9.3%
2013	485,050	4.4%	4,044,954	1.9%	6.0%	8.0%
2014	502,624	3.6%	4,142,253	2.4%	4.9%	6.3%
2015	525,560	4.6%	4,249,766	2.6%	4.7%	5.7%
2016	541,597	3.1%	4,324,044	1.7%	4.3%	5.1%
2017	554,960	2.5%	4,389,335	1.5%	3.9%	4.5%
2018*	555,198	0.0%	4,397,998	0.2%	3.3%	3.9%
Overall Change 2008-2018	106,820	23.8%	397,720	9.9%		
Avg Unemp. Rate 2008-2018					5.8%	7.3%
Unemployment Rate - December 2018					3.2%	3.7%

*Total employment data is as of September 2018; unemployment rate data reflects the average of 12 months of 2018.

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Wake County are shown in the following table.

Major Employers - Wake County, NC

	Name	Number of Employees
1	WCPSS	1,000+
2	NC State University at Raleigh	1,000+
3	Wake Med	1,000+
4	Rex Hospital, Inc.	1,000+
5	Sas Institute, Inc.	1,000+
6	City of Raleigh	1,000+
7	Wal-Mart Associates, Inc.	1,000+
8	Cisco Systems	1,000+
9	Dept of Public Safety	1,000+
10	County of Wake	1,000+
20	Wake Technical Community College	

Source: <https://d4.nccommerce.com/QCEWLargestEmployers.aspx>

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Raleigh MSA is considered meaningful when compared to the nation overall, as Wake County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been considerably higher in the Raleigh MSA than the United States overall during the past eight years. The Raleigh MSA has grown at a 3.5% average annual rate while the United States has grown at a 2.1% rate. As the national economy improves, the Raleigh MSA continues to perform better than the United States. GDP for the Raleigh MSA rose by 2.7% in 2017 while the United States GDP rose by 2.2%.

The Raleigh MSA has a per capita GDP of \$54,398, which is 2% less than the United States GDP of \$55,418. This means that Raleigh MSA industries and employers are adding relatively less value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
Year	(\$ Mil) Raleigh MSA	% Change	(\$ Mil) United States	% Change
2010	57,181		15,598,753	
2011	58,462	2.2%	15,840,664	1.6%
2012	59,932	2.5%	16,197,007	2.2%
2013	60,609	1.1%	16,495,369	1.8%
2014	63,565	4.9%	16,899,831	2.5%
2015	68,143	7.2%	17,386,700	2.9%
2016	70,688	3.7%	17,659,187	1.6%
2017	72,626	2.7%	18,050,693	2.2%
Compound % Chg (2010-2017)		3.5%		2.1%
GDP Per Capita 2017	\$54,398		\$55,418	

Source: Bureau of Economic Analysis and Economy.com; data released September 2016. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

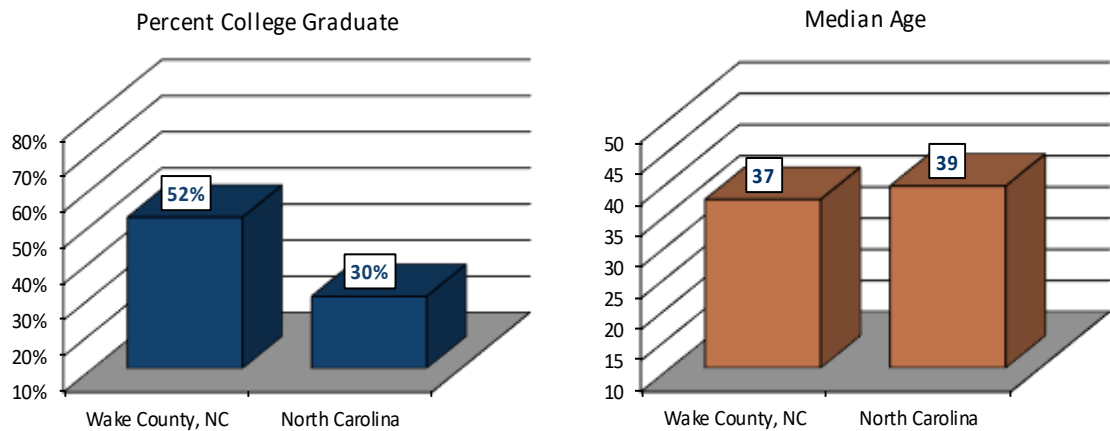
Income, Education and Age

Wake County is more affluent than North Carolina. Median household income for Wake County is \$82,272, which is 51.6% greater than the corresponding figure for North Carolina.

Median Household Income - 2019	
	Median
Wake County, NC	\$82,272
North Carolina	\$54,275
Comparison of Wake County, NC to North Carolina	+ 51.6%
Source: Environics Analytics	

Residents of Wake County have a higher level of educational attainment than those of North Carolina. An estimated 52% of Wake County residents are college graduates with four-year degrees, versus 30% of North Carolina residents. People in Wake County are younger than their North Carolina counterparts. The median age for Wake County is 37 years, while the median age for North Carolina is 39 years.

Education & Age - 2019



Source: Environics Analytics

Conclusion

The Wake County economy will benefit from a growing population base and higher income and education levels. Wake County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than North Carolina over the past decade. Moreover, Wake County benefits from being part of the Raleigh MSA, which has exhibited a higher rate of GDP growth than the nation overall. We anticipate that the Wake County economy will improve and employment will grow, strengthening the demand for real estate.

Surrounding Area Analysis

Boundaries

The subject is located in the eastern portion of Cary, also known as the Crossroads area. This area is generally delineated as follows:

North	I-40/440
South	Tryon Rd./US-64
East	Jones Franklin Rd.
West	Kildaire Farm Rd.

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by US-1/64 and I-40/440. US-1/64 serves as a connector from Raleigh to Cary and Apex, while I-40/440 serves as the primary connector to the Raleigh CBD and Research Triangle Park. Overall, vehicular access is good.

Public transportation is provided by GoCary, which provides bus service in Cary. The nearest train station is located in the Cary downtown area. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The RDU International Airport is located about 10 miles from the property; travel time is about 15 to 20 minutes, depending on traffic conditions. The Raleigh CBD, the economic and cultural center of the region, is approximately 6 miles from the property.

Demand Generators

Retail demand generators include a significant employment base, a densely populated trade area with above average household income levels, and proximity of other regional retail uses.

Employment Base

Major employment centers that generate demand for the residential communities surrounding the subject include Crossroads Corporate Center, Regency Park and the Crescent Office Park, along with Western Wake Med.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2019 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Wake County, NC	North Carolina
Population 2010	6,235	61,770	156,255	900,993	9,535,483
Population 2019	7,015	70,121	177,791	1,097,397	10,435,525
Population 2024	7,507	74,876	189,683	1,187,143	10,976,440
Compound % Change 2010-2019	1.3%	1.4%	1.4%	2.2%	1.0%
Compound % Change 2019-2024	1.4%	1.3%	1.3%	1.6%	1.0%
Households 2010	2,842	26,709	60,701	345,645	3,745,155
Households 2019	3,236	30,685	70,185	419,863	4,111,516
Households 2024	3,478	32,878	75,296	453,828	4,331,223
Compound % Change 2010-2019	1.5%	1.6%	1.6%	2.2%	1.0%
Compound % Change 2019-2024	1.5%	1.4%	1.4%	1.6%	1.0%
Median Household Income 2019	\$77,598	\$72,181	\$76,732	\$82,272	\$54,275
Average Household Size	2.2	2.3	2.4	2.6	2.5
College Graduate %	60%	57%	58%	52%	30%
Median Age	38	37	34	37	39
Owner Occupied %	42%	49%	53%	65%	67%
Renter Occupied %	58%	51%	47%	35%	33%
Median Owner Occupied Housing Value	\$298,174	\$291,377	\$315,472	\$298,302	\$181,841
Median Year Structure Built	1997	1990	1992	1997	1989
Avg. Travel Time to Work in Min.	23	23	24	27	27
Source: Environics Analytics					

As shown above, the current population within a 3-mile radius of the subject is 70,121, and the average household size is 2.3. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Wake County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$72,181, which is lower than the household income for Wake County. Residents within a 3-mile radius have a higher level of educational attainment than those of Wake County, while median owner-occupied home values are lower.

Drawing Power of Nearby Retail Uses

The area contains numerous retail properties that further enhance demand for the subject. These include: Crossroads Plaza, Centrum at Crossroads, Lowe's Home Improvement Center, Devonshire Place, South Hills Mall and Plaza and Tryon Village. The massing of these retail properties creates a significant gravitational pull that benefits the subject and other retail properties in the area.

Land Use

In the immediate vicinity of the subject, predominant land uses are retail and lodging uses to the north with residential uses to the south. Other land use characteristics are summarized in the following table.

Surrounding Area Land Uses	
Character of Area	Suburban
Predominant Age of Improvements	5 to 30 years
Predominant Quality and Condition	Above Average
Approximate Percent Developed	90%
Infrastructure/Planning	Average
Predominant Location of Undeveloped Land	South
Prevailing Direction of Growth	South
Subject's Immediate Surroundings	
North	Quick Lane Tire & Auto Center and Red Roof Inn
South	Caliber Collision and Prestwick subdivision
East	Life Storage and Centrum at Crossroads shopping center
West	US-1/64

Development Activity and Trends

During the last five years, development has been predominantly of retail and lodging uses, and has included Springhill Suites and specialty retail uses on Walnut Street west of US-1/64. The pace of development has generally been intermittent over this time.

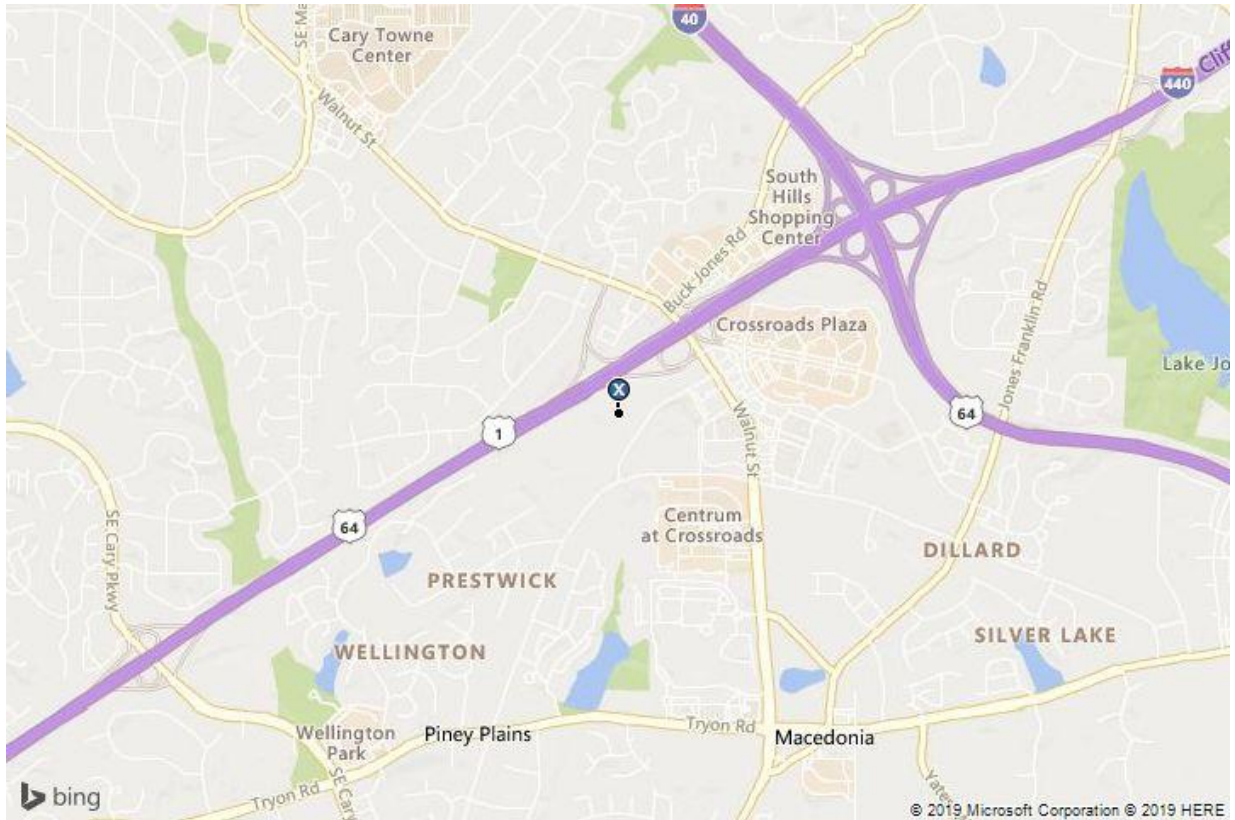
Outlook and Conclusions

The area is in the stability stage of its life cycle. Given the history of the area and the growth trends, we expect that property values will increase in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Attribute Ratings	
Highway Access	Above Average
Demand Generators	Above Average
Convenience to Supporting Land Uses	Above Average
Employment Stability	Above Average
Demographic Trends	Above Average
Property Compatibility	Above Average
General Appearance of Properties	Above Average
Appeal to Market	Above Average
Price/Value Trend	Average

Surrounding Area Map



Automotive Dealership Market Analysis

The purpose of this analysis is to describe and discuss demographic characteristics, retail trends in the automobile industry, dealership incomes and profits, automobile sales trends, and the subject's competitive position as it relates to the above topics and other local dealerships. This market analysis provides an overview of the national automotive dealership market, and some specific information relating demographics and competing dealerships in the subject area.

Automotive Dealership Retail Trends

Automotive dealerships have changed greatly since their inception. The first dealerships were primarily small businesses in central locations. As automobiles became more affordable, dealerships transformed from small buildings to large sites that could accommodate more product lines and keep a larger inventory of vehicles. Dealerships began to relocate into suburban areas where land was cheaper and more plentiful.

Some important changes took place in the 1960's and 1970's. The first change was an increase in the number of import vehicles being sold in the U.S. The import manufacturers desired to locate their dealerships near existing domestic dealerships to benefit from the exposure and foot traffic. This led to the development of the "auto row." An "auto row" is an area where multiple dealerships are located close to each other, generally along a major traffic artery. These were typically unplanned developments consisting of a number of automobile dealerships intermingled with a variety of retail and commercial uses. The next major change involved the way domestic vehicles were marketed. Major domestic car manufacturers eliminated the requirement that dealers market only their make of vehicle. This change opened the door for dealers to sell multiple vehicle makes from one dealership, or from multiple dealerships along an "auto row."

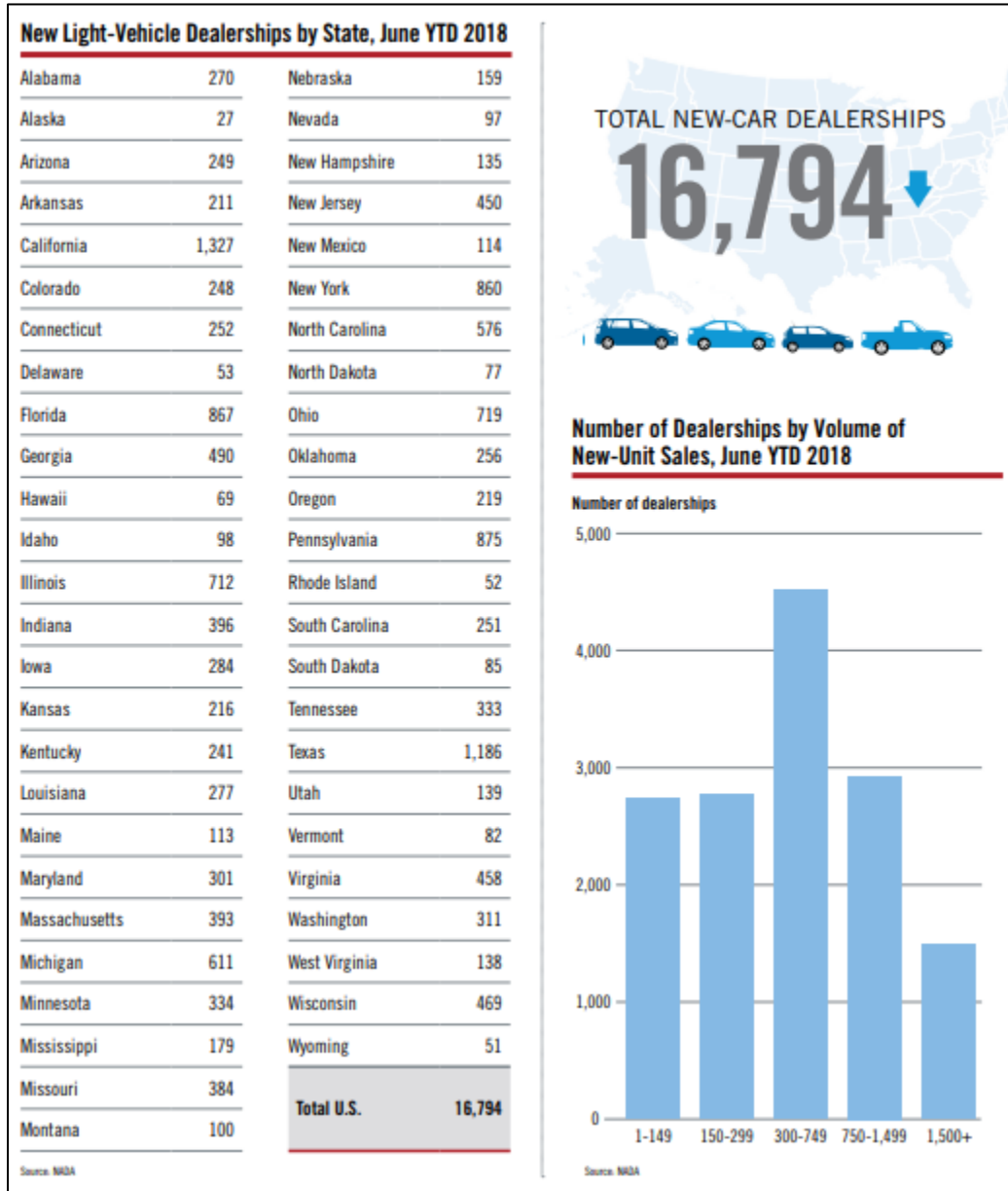
During the 1980's and 1990's the trend shifted from "auto rows" to the "auto mall." The "auto mall" was created as a planned automotive dealership development. The trend was slow to take off though, and through the mid 1980's only a handful of "auto malls" existed in the United States, with the majority in western states. In the mid to late 1980's a number of new automotive names were introduced (e.g. Infinity, Saturn, Hyundai, Lexus and Acura). The majority of these new models were marketed separately from the other vehicles made by the same company. This individual marketing led to higher demand for new dealership development, which in turn, helped to fuel the expansion of the "auto mall" nationwide.

The success of the "auto row" and "auto mall" is due to the synergy created by placing multiple dealerships in the same area. Unlike many other markets, the multiple buying opportunities presented by numerous dealerships are a benefit that typically outweighs the negatives associated with competition. This is especially true for multiple dealerships owned by the same company. Most potential buyers prefer not to travel long distances to multiple dealerships to look at various car choices. The stand-alone dealer located away from the rest is often at a disadvantage in terms of customer traffic volume attracted to the dealership. In the same way that shopping malls benefit from multiple anchors, each dealership in an "auto row" or "auto mall" benefits from the draw of the others. In addition to the draw of multiple dealerships, the separate merchants in an "auto row" or "auto mall" can pool their resources for advertising and promotion, giving them all more purchasing power.

In addition, a new change in the marketing and sales of new and used cars has emerged. In the same way that retail has shifted toward big box and discount retailers many new dealerships are developing around the “superstore” concept. One of the leaders in this trend is CarMax, which first opened in Richmond Virginia in 1993. It is difficult to know if companies like CarMax are the future of automotive retailing or just a short-lived idea. However, it seems fairly safe to assume that the industry as a whole is moving away from the stand-alone dealership towards a more customer-friendly, one-stop-shopping type of sales program.

Dealership Trends

According to National Automobile Dealers Association (NADA) Industry Analysis Division, the number of new-car dealerships as of mid-year 2018 was 16,794, representing a loss of 18 retail outlets, commonly referred to as rooftops, since the end of 2017.



Total Sales by State, June YTD 2018

State	All dealerships (\$ millions)	Average per dealership (\$ thousands)
Alabama	\$6,276	\$23,245
Alaska	\$872	\$32,286
Arizona	\$12,315	\$49,459
Arkansas	\$3,533	\$16,743
California	\$59,119	\$44,551
Colorado	\$8,378	\$33,781
Connecticut	\$4,882	\$19,374
Delaware	\$1,511	\$28,501
Florida	\$37,866	\$43,674
Georgia	\$15,360	\$31,348
Hawaii	\$2,745	\$39,777
Idaho	\$1,880	\$19,187
Illinois	\$18,688	\$26,247
Indiana	\$7,255	\$18,322
Iowa	\$3,863	\$13,603
Kansas	\$2,913	\$13,487
Kentucky	\$4,426	\$18,365
Louisiana	\$6,235	\$22,508
Maine	\$2,115	\$18,716
Maryland	\$9,748	\$32,386
Massachusetts	\$10,595	\$26,959
Michigan	\$18,993	\$31,085
Minnesota	\$7,397	\$22,148
Mississippi	\$3,370	\$18,825
Missouri	\$9,646	\$25,119
Montana	\$1,787	\$17,868

Source: NADA

State	All dealerships (\$ millions)	Average per dealership (\$ thousands)
Nebraska	\$2,517	\$15,833
Nevada	\$4,505	\$46,443
New Hampshire	\$2,887	\$21,382
New Jersey	\$17,364	\$38,587
New Mexico	\$2,642	\$23,175
New York	\$30,355	\$35,297
North Carolina	\$13,201	\$22,918
North Dakota	\$1,132	\$14,696
Ohio	\$18,243	\$25,372
Oklahoma	\$25,453	\$99,425
Oregon	\$5,420	\$24,750
Pennsylvania	\$19,502	\$22,288
Rhode Island	\$1,441	\$27,703
South Carolina	\$6,426	\$25,601
South Dakota	\$1,101	\$12,955
Tennessee	\$8,575	\$25,752
Texas	\$45,544	\$38,402
Utah	\$4,481	\$32,240
Vermont	\$1,271	\$15,502
Virginia	\$11,189	\$24,430
Washington	\$8,730	\$28,070
West Virginia	\$2,238	\$16,221
Wisconsin	\$7,144	\$15,233
Wyoming	\$730	\$14,307
Total U.S.	\$503,859	\$30,002

Dealership Profits

Automotive dealerships have three main centers of profit: new car sales; used car sales; and vehicle service and parts retailing. The following tables and charts are a summary of new vehicle sales, used vehicle sales, and service and parts sales as a percent of total sales, and average dealership net profits, as reported by the NADA in its latest available State of the Industry Report for 2018 mid-year data.

Average Light-Vehicle Dealership Profile, June YTD

	2016	2017	2018
Total sales	\$29,459,808	\$29,429,124	\$30,002,343
Total gross ¹	\$3,427,940	\$3,458,788	\$3,480,325
As % of total sales	11.6%	11.8%	11.6%
Total expense	\$3,217,857	\$3,341,441	\$3,419,792
As % of total sales	10.9%	11.4%	11.4%
As % of total gross	93.9%	96.6%	98.3%
Total operating profit	\$211,131	\$117,349	\$60,532
As % of total sales	0.7%	0.4%	0.2%
As % of total gross	6.2%	3.4%	1.7%
Net profit before tax	\$767,767	\$736,508	\$704,137
As % of total sales	2.6%	2.5%	2.3%
As % of total gross	22.4%	21.3%	20.2%
New-vehicle department²			
New-vehicle department total sales	\$16,791,680	\$16,620,639	\$16,633,600
New-vehicle department sales as % of total sales	57.0%	56.5%	55.4%
New-vehicle department gross as % of total gross	26.8%	26.3%	25.0%
New-vehicle selling price (retail) ³	\$34,221	\$34,335	\$35,249
Gross as % of selling price	6.1%	5.9%	5.6%
Retail gross profit per new vehicle retailed	\$2,075	\$2,014	\$1,980
Retail net profit per new vehicle retailed	(\$227)	(\$396)	(\$560)
Average number of new vehicles retailed	447	449	435
F&I income as % of new-vehicle department sales	2.7%	2.9%	2.9%
F&I penetration (new)	89.7%	89.0%	89.0%

¹ Gross profit includes cost of goods sold, but not SG&A or advertising.

² Includes F&I sales unless otherwise noted.

³ Excludes F&I sales.

Average Light-Vehicle Dealership Profile, June YTD *(continued)*

	2016	2017	2018
Used-vehicle department²			
Used-vehicle department sales	\$9,279,057	\$9,172,703	\$9,691,842
Used-vehicle department sales as % of total sales	31.5%	31.2%	32.3%
Used-vehicle department gross as % of total gross	26.4%	25.2%	25.9%
Used-vehicle selling price (retail) ³	\$19,879	\$19,973	\$20,390
Gross as % of selling price	12.5%	12.0%	11.6%
Retail gross profit per used vehicle retailed	\$2,478	\$2,396	\$2,374
Retail net profit per used vehicle retailed	\$228	\$116	\$114
Average number of used vehicles retailed	362	358	373
F&I income as % of used-vehicle sales	3.8%	3.8%	3.8%
F&I penetration (used)	73.6%	72.9%	73.0%
Used- to new-unit vehicle ratio (retail only)	81.0%	79.6%	85.9%
Service, parts and body shop department			
Service, parts and body shop sales	\$3,490,214	\$3,575,298	\$3,672,762
Service, parts and body shop sales as % of total sales	11.8%	12.1%	12.2%
Service, parts and body shop sales gross as % of total gross	46.8%	48.5%	49.1%
Warranty as % total service, parts and body shop sales	17.8%	18.8%	18.1%
Advertising expense⁴	\$281,034	\$289,637	\$278,902
As % of total gross	8.2%	8.4%	8.0%
Per new vehicle retailed	\$628	\$645	\$642
Rent and equivalent	\$362,930	\$372,310	\$389,635
As % of total gross	10.6%	10.8%	11.2%
Per new vehicle retailed	\$811	\$829	\$896

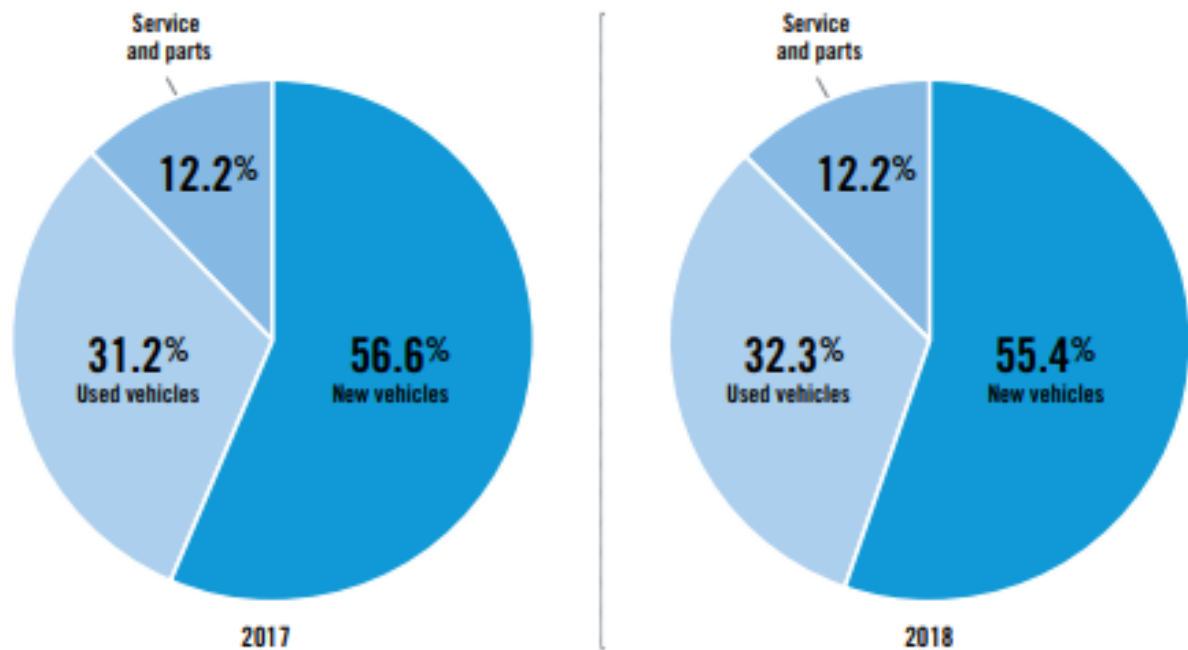
² Includes F&I sales unless otherwise noted.³ Excludes F&I sales.⁴ Advertising expense includes advertising and sales promotion less advertising rebates. Some advertising data is reported in one account, which includes sales promotion and is already less advertising rebates.

Average Light-Vehicle Dealership Profile, June YTD *(continued)*

	2016	2017	2018
Floor plan interest	(\$53,442)	(\$9,340)	\$27,396
As % of total sales	-1.6%	-0.3%	0.8%
Per new vehicle retailed	(\$119)	(\$21)	\$63
Selling, general and administrative expense	\$2,949,793	\$3,026,288	\$3,053,390
As % of total sales	10.0%	10.3%	10.2%
As % of total gross	86.1%	87.5%	87.7%

Source: NADA

For mid-year 2018, the new-car department has the largest share of total dealership sales dollars (55.4%), followed by the used-vehicle department (32.3%) and service and parts (12.2%).

Share of Total Dealership Sales Dollars, 2017 vs. 2018, June YTD

Source: NADA

For mid-year 2018, the average selling price of a new vehicle, including accessories and options, rose by 2.66%

Number of New Vehicles Sold and Selling Price by Year, June YTD

Year	Average new vehicles sold	Average retail selling price
2012	450	\$30,581
2013	482	\$31,849
2014	495	\$32,362
2015	513	\$33,103
2016	515	\$34,221
2017	500	\$34,335
2018	511	\$35,249

Source: NADA

As of mid-year 2018, new-car sales were down 11.55% from the previous year and comprised 32.0% of total new-vehicle sales. Sales of new light trucks increased 10.03% and comprised 68.0% of total vehicle sales.

Overall, sales of new cars and light trucks were up 2.05% from the previous year.

New Light-Duty Vehicle Sales by Year, June YTD

Year	New cars	Light-duty trucks	Total light-duty vehicles	Light-duty trucks as % of total
2008	3,866,628	3,517,552	7,384,180	47.6%
2009	2,452,687	2,342,900	4,795,587	48.9%
2010	2,824,863	2,776,074	5,600,937	49.6%
2011	3,155,613	3,154,798	6,310,411	50.0%
2012	3,742,368	3,506,525	7,248,893	48.4%
2013	3,899,781	3,898,802	7,798,583	50.0%
2014	3,896,078	4,227,311	8,123,389	52.0%
2015	3,840,833	4,645,480	8,486,313	54.7%
2016	3,531,924	5,061,876	8,593,600	58.9%
2017	3,105,855	5,295,860	8,401,715	63.0%
2018	2,747,165	5,827,103	8,574,268	68.0%

Source: WardAuto

Among the various automakers, GM and Ford held the largest market share through mid-year 2018. Combined, they accounted for 31.7% of the vehicles sold through mid-year 2018. A summary of vehicle sales by manufacturer is presented below.

New-Vehicle Sales and Market Share by Manufacturer, June YTD 2018

FCA	Ford	GM	Toyota	Honda	Nissan	Volkswagen	Other	Total
1,107,864	1,239,302	1,473,237	1,189,312	787,824	780,695	310,261	1,685,773	8,574,268
12.9%	14.5%	17.2%	13.9%	9.2%	9.1%	3.6%	19.7%	

Source: WardAuto

Automotive Trend and Sales Projections

According to the most recent NADA forecasts, U.S. light-vehicle sales were up 0.5% through September 2018. When compared to September 2017, sales were down 4.0%. New-vehicle sales in September 2017 were boosted by vehicle-replacement demand following Hurricane Harvey, which pushed sales up higher than usual. September 2018 sales also were affected by hurricanes, but this time sales were lower than normal. So far, it appears there won't be as much replacement demand following Hurricane Florence, but we may see a slight bump in October sales as storm recovery efforts progress. Car segments continued to fall in September and represented only 31.3% of new-vehicle sales this year. The cross-utility segment continues to be the most popular segment and added 4.2 percentage points of market share compared to this time last year. According to J.D. Power, average incentive spending per unit fell \$152 to \$3,910 compared to September 2017. Average spending per unit on cars fell \$371, while spending on trucks and SUVs fell by \$52. NADA expects new-vehicle sales to close out 2018 around 17 million units.

North Carolina Market Data

As of mid-year 2018, there were 576 new car dealerships in North Carolina, which has remained stable since January 1, 2013 (579 dealerships). Total sales in North Carolina as of mid-year 2018 have totaled approximately \$13.2 billion, with an average dealership sales figure of \$22.9 million.

Competitive Dealerships

Competing Dealerships				
Name	Location	Year Built/Renovated	Land Area (Acres)	Building Area (SF)
Crossroads Ford	2333 Walnut St., Cary	2006	15.33	139,918
Hendrick Alfa Romeo/Fiat	91 MacKenan Dr., Cary	1995	N/A	18,997
Hendrick Dodge/Ram	81 MacKenan Dr., Cary	1995	N/A	23,030
Hendrick Chevrolet	100 Auto Mall Dr., Cary	1995	N/A	42,839
Hendrick Pre-Owned	70 MacKenan Dr., Cary	2003	5.59	12,088
Hendrick Kia	90 MacKenan Dr., Cary	1993	2.54	14,766
Johnson Hyundai/Subaru/Maserati	5000-5020 Old Raleigh Rd., Cary	2006-07	8.64	49,496
Leith Chrysler/Jeep	400-500 Auto Park Blvd., Cary	1989	N/A	35,943
Leith Audi	100 Auto Park Blvd., Cary	1989/2011	N/A	18,077
Leith Porsche	700-750 Auto Park Blvd., Cary	1996/2014	N/A	27,000
Leith Acura*(new bldg. u/c)	900 Auto Park Blvd., Cary	1998/2002/2017	N/A	22,127
Leith Jaguar/Land Rover	1000 Auto Park Blvd., Cary	1998/2002	N/A	14,202
Leith Pre-Owned	2000 Auto Park Blvd., Cary	2001	N/A	13,303
Leith Nissan	2100 Auto Park Blvd., Cary	2002	N/A	32,250
Leith Mercedes/Smart Car	2400-2500 Auto Park Blvd., Cary	2002/2011	N/A	47,526
Leith VW	2300 Auto Park Blvd., Cary	2003	N/A	30,285
Leith Honda	106 MacKenan Dr., Cary	2014	20.18	41,731
Hendrick Cadillac	101 Team Hendrick Way, Cary	2004	N/A	25,784
Hendrick Buick/GMC	115 Team Hendrick Way, Cary	2004	N/A	7,980
Crossroads Infiniti	1900 Laura Duncan Rd., Apex	2012	7.05	19,337
Hendrick Toyota	1210 Laura Village Dr., Apex	2010	28.27	58,053

In addition, Crossroads Ford is developing a 167,054 square foot auto dealership and service center at US-64 and N. Salem Street in Apex.

Retail Market Analysis

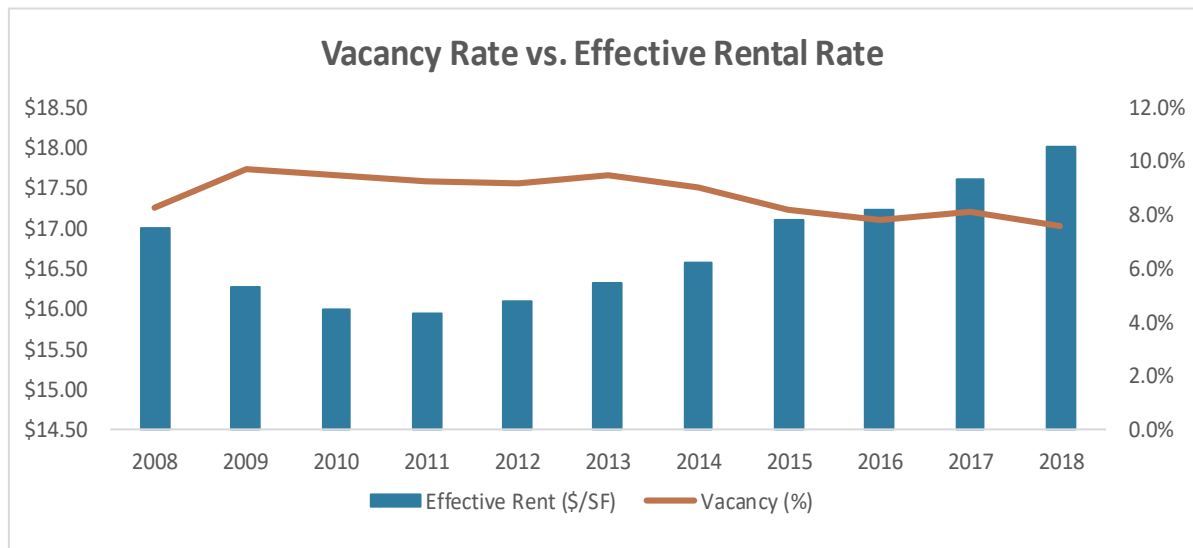
Metro Area Overview

The subject is located in the Raleigh-Durham metro area as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for community retail space types are presented in the ensuing table.

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rate (%) Change	Gross Revenue (\$/SF)
2008	12,346,000	11,319,000	1,027,000	8.3%	275,000	229,000	\$17.00	-0.9%	\$18.02
2009	12,677,000	11,446,000	1,231,000	9.7%	331,000	127,000	\$16.28	-4.2%	\$17.31
2010	12,677,000	11,476,000	1,201,000	9.5%	0	30,000	\$15.99	-1.8%	\$17.25
2011	13,052,000	11,844,000	1,208,000	9.3%	375,000	368,000	\$15.94	-0.3%	\$17.21
2012	13,180,000	11,974,000	1,206,000	9.2%	128,000	130,000	\$16.09	0.9%	\$17.38
2013	13,180,000	11,925,000	1,255,000	9.5%	0	-49,000	\$16.33	1.5%	\$17.61
2014	13,564,000	12,339,000	1,225,000	9.0%	384,000	414,000	\$16.58	1.5%	\$17.96
2015	13,967,000	12,821,000	1,146,000	8.2%	403,000	482,000	\$17.12	3.3%	\$18.66
2016	13,967,000	12,879,000	1,088,000	7.8%	0	58,000	\$17.23	0.6%	\$18.82
2017	13,967,000	12,839,000	1,128,000	8.1%	0	-40,000	\$17.61	2.2%	\$19.16
2018	13,967,000	12,912,000	1,055,000	7.6%	0	73,000	\$18.03	2.4%	\$19.71
Q3 2019	13,967,000	12,965,000	1,002,000	7.2%	0	5,000	\$18.31	0.2%	\$20.08
2008 - 2018 Average	13,322,182	12,161,273	1,160,909	8.7%	172,364	165,636	\$16.75	0.5%	\$18.10

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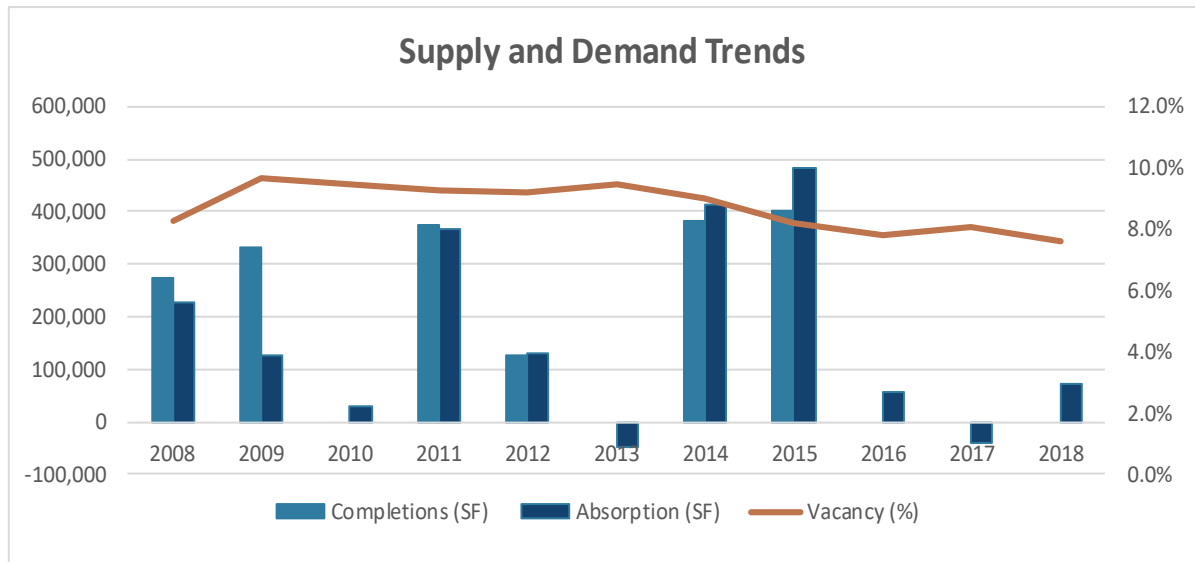
Raleigh-Durham Metro Trends and Insights



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- The current vacancy rate in the metro area is 7.2%; the vacancy rate has decreased by 230 bps from 2013.

- From 2013, gross revenue in the metro area has averaged \$18.65/SF and has increased by 11.8%.
- Effective rent averages \$18.31/SF in the metro area; effective rents have increased by 12.1% from 2013.



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- The inventory in the metro area has increased by 6.0% from 2013, while the occupied stock has increased by 8.7%.
- Between 2013 and 2018, completions averaged 131,167 SF annually and reached a peak of 403,000 SF in 2015.
- Between 2013 and 2018, absorption figures reached a peak of 482,000 SF in 2015 and a low of -49,000 SF in 2013.

Submarket Overview

The subject is located in the Cary/Southwest Raleigh submarket. In order to evaluate the market appeal of the subject's submarket in comparison to others in the Raleigh-Durham metro area, we compare key supply and demand indicators for all retail space types in the following table.

Raleigh-Durham Retail Submarket Comparison

Submarket	Anchor/ Non-anchor Flag	Inventory (Buildings)	Inventory (SF)	Asking Rent (\$/SF)	Vacancy (%)	Free Rent (mos)	Tenant Improvements (\$)
North Raleigh	A	71	5,454,000	\$12.87	5.6%	2.94	\$19.01
North Raleigh	N	84	4,450,000	\$21.73	11.7%	2.62	\$20.08
Southeast Raleigh	A	53	3,828,000	\$11.49	4.3%	4.37	\$17.34
Southeast Raleigh	N	59	2,762,000	\$20.59	6.9%	4.28	\$17.87
Cary/SW Raleigh	A	48	3,492,000	\$13.54	6.1%	3.28	\$17.82
Cary/SW Raleigh	N	55	3,235,000	\$19.80	9.4%	3.08	\$19.33
Durham	A	44	2,838,000	\$11.58	5.8%	2.01	\$20.29
Durham	N	57	2,331,000	\$17.68	8.4%	2.01	\$19.13
Orange County	A	17	853,000	\$12.68	6.0%	2.10	\$31.62
Orange County	N	18	1,055,000	\$20.20	11.8%	2.17	\$32.61
Anchor Averages/Totals		233	16,465,000	\$12.43	5.5%	2.94	\$21.22
Nonanchor Averages/Totals		273	13,833,000	\$20.00	9.7%	2.83	\$21.80

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Cary/Southwest Raleigh Submarket Comparison

In comparison to other submarkets in the region, the Cary/Southwest Raleigh submarket is rated as follows:

Submarket Attribute Ratings

Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Stable
Threat of New Supply	Average
Rental Trends	Increasing

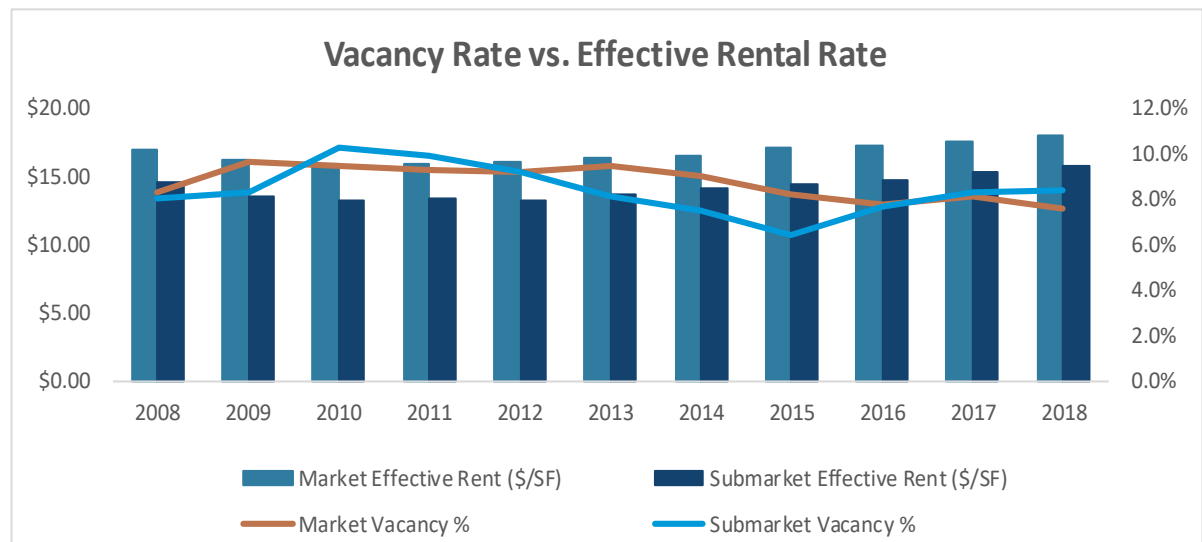
Cary/Southwest Raleigh Submarket Trends and Insights

Supply and demand indicators for community retail space types in the Cary/Southwest Raleigh submarket are displayed in the ensuing table.

Cary/Southwest Raleigh Community Retail Submarket Trends

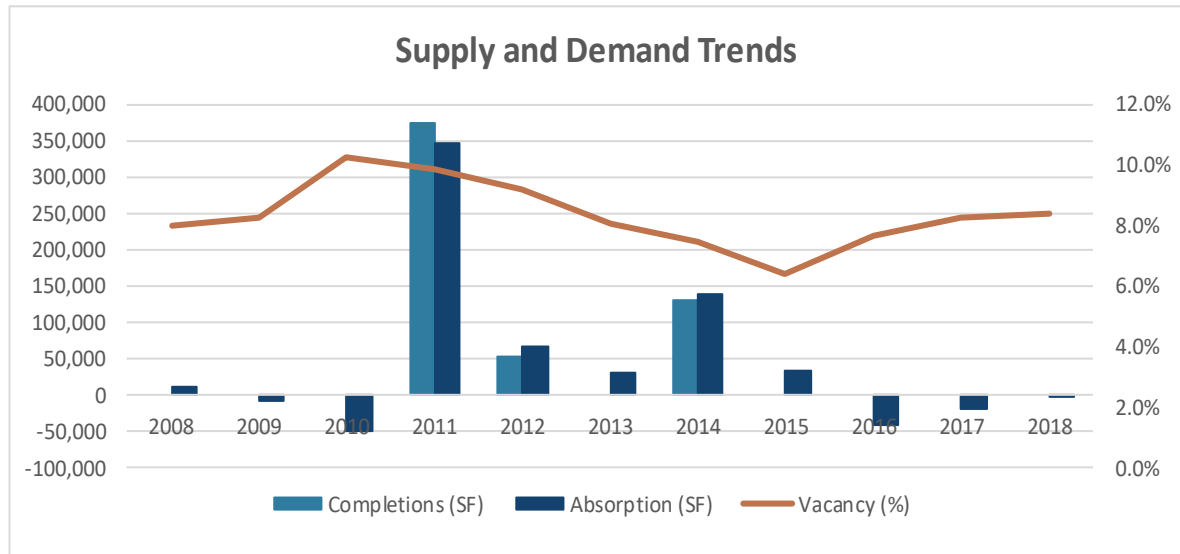
Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rate (% Change)	Gross Revenue (\$/SF)
2008	2,463,000	2,266,000	197,000	8.0%	0	12,000	\$14.54	-1.2%	\$15.24
2009	2,463,000	2,259,000	204,000	8.3%	0	-7,000	\$13.58	-6.6%	\$14.67
2010	2,463,000	2,209,000	254,000	10.3%	0	-50,000	\$13.31	-2.0%	\$14.20
2011	2,838,000	2,557,000	281,000	9.9%	375,000	348,000	\$13.35	0.3%	\$14.26
2012	2,890,000	2,624,000	266,000	9.2%	52,000	67,000	\$13.33	-0.2%	\$14.33
2013	2,890,000	2,656,000	234,000	8.1%	0	32,000	\$13.71	2.9%	\$14.93
2014	3,021,000	2,794,000	227,000	7.5%	131,000	138,000	\$14.23	3.8%	\$15.62
2015	3,021,000	2,828,000	193,000	6.4%	0	34,000	\$14.48	1.8%	\$16.05
2016	3,021,000	2,788,000	233,000	7.7%	0	-40,000	\$14.81	2.3%	\$16.17
2017	3,021,000	2,770,000	251,000	8.3%	0	-18,000	\$15.36	3.7%	\$16.64
2018	3,021,000	2,767,000	254,000	8.4%	0	-3,000	\$15.80	2.8%	\$17.10
Q3 2019	3,021,000	2,773,000	248,000	8.2%	0	0	\$16.11	0.2%	\$17.46
2008 - 2018 Average	2,828,364	2,592,545	235,818	8.4%	50,727	46,636	\$14.23	0.7%	\$15.38

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- The current vacancy rate in the submarket is 8.2%; the vacancy rate has increased by 10 bps from 2013.
- From 2013, gross revenue in the submarket area has averaged \$16.09/SF and has increased by 16.9%.
- Effective rent averages \$16.11/SF in the submarket; effective rents have increased by 17.5% from 2013.

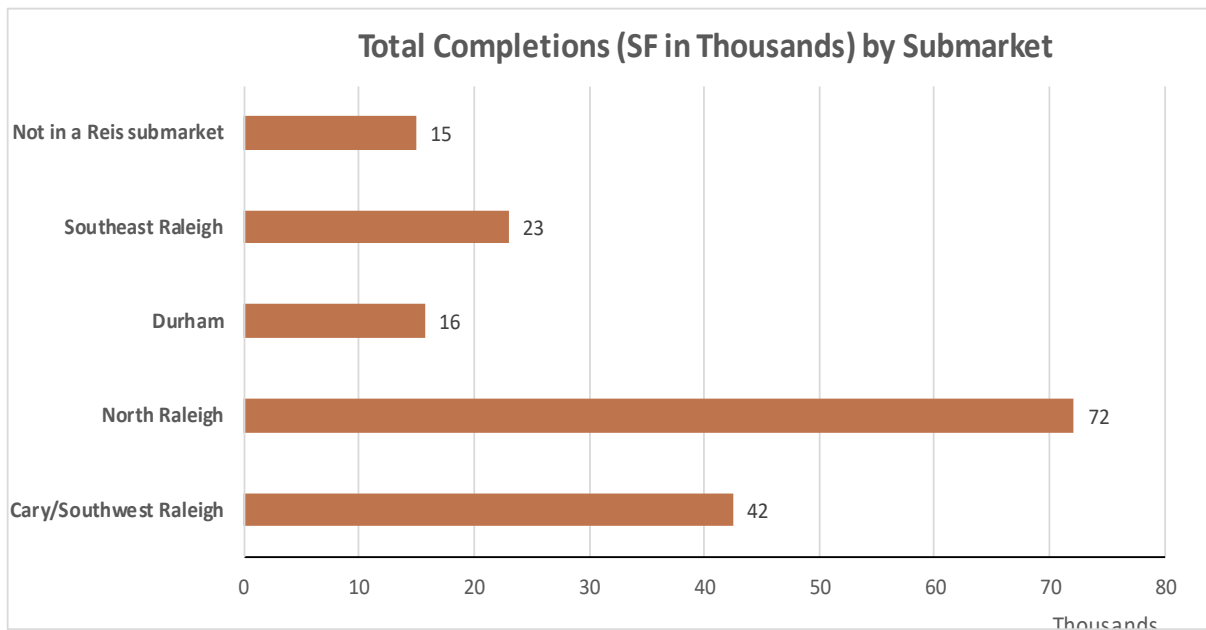


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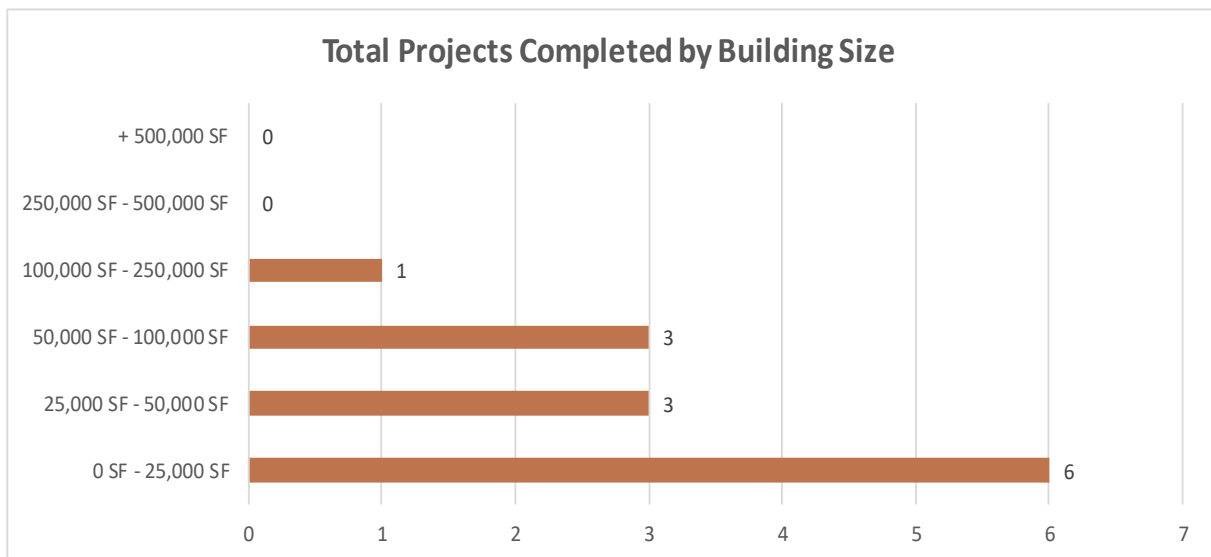
- The inventory has increased by 4.5% from 2013, while the occupied stock has increased by 4.4%.
- Between 2013 and 2018, completions averaged 21,833 SF annually and reached a peak of 131,000 SF in 2014.
- Between 2013 and 2018, absorption figures reached a peak of 138,000 SF in 2014 and a low of -40,000 SF in 2016.

New and Proposed Construction

The following charts summarize the properties that have been completed in the Raleigh-Durham metro area.



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The following table summarizes properties that are under construction, planned, and/or proposed in the Raleigh-Durham metro area.

Raleigh-Durham Retail Construction by Phase and Subtype						
Retail Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Sq. Ft.	Properties	Sq. Ft.	Properties	Sq. Ft.
Neighborhood	1	10,400	9	616,457	6	265,581
Mixed Use	3	370,940	14	2,802,123	4	610,114
Power Center	0	0	2	850,000	1	1,600,000
Community	0	0	4	885,000	4	435,000
Free Standing	0	0	0	0	0	0
Regional	0	0	0	0	0	0
Totals	4	381,340	29	5,153,580	15	2,910,695

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Raleigh-Durham Retail Construction Insights

- There are 4 properties under construction, 29 properties in the planned construction phase, and 15 properties in the proposed construction phase in the metro area.
- Mixed Use properties under construction have an average size of 123,647 SF and range in size between 50,940 SF and 200,000 SF.
- Mixed Use properties within the planned construction phase have an average size of 200,152 SF and range in size between 15,000 SF and 500,000 SF.
- Of the 381,340 SF under construction, 2.73% are Neighborhood properties, 97.27% are Mixed Use properties, and 0.0% are Community properties.
- Of the 5,153,580 SF planned for construction, 11.96% are Neighborhood properties, 54.37% are Mixed Use properties, and 17.17% are Community properties.
- Of the 2,910,695 SF proposed for construction, 9.12% are Neighborhood properties, 20.96% are Mixed Use properties, and 14.94% are Community properties.

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's submarket.

Cary/Southwest Raleigh Submarket Construction by Phase and Subtype						
Retail Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Sq. Ft.	Properties	Sq. Ft.	Properties	Sq. Ft.
Neighborhood	0	0	4	206,457	2	103,885
Mixed Use	0	0	3	587,123	0	0
Power Center	0	0	1	400,000	0	0
Community	0	0	2	610,000	1	15,000
Free Standing	0	0	0	0	0	0
Regional	0	0	0	0	0	0
Totals	0	0	10	1,803,580	3	118,885

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Retail Market Outlook and Conclusions

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Raleigh-Durham metro area to have a positive impact on the subject property's performance in the near-term.

Property Analysis

Land Description and Analysis

Location

The property is located on the west side of Piney Plains Road, approximately 1,000 feet southwest of Walnut Street.

Land Area

The following table summarizes the subject's land area.

Land Area Summary		
Tax ID	SF	Acres
0773-18-40-1397	1,260,260	28.9316
Source: Public Records		

Shape and Dimensions

The site is irregular in shape, with dimensions of approximately 1,400 feet in width and 950 feet in depth. Site utility based on shape and dimensions is average.

Topography

The site is gently sloping. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	37183C0773J
Date	May 2, 2006
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

Streets, Access and Frontage

Details pertaining to street access and frontage are provided in the following table.

Streets, Access and Frontage		
Street	Piney Plains Rd.	US-1/64
Frontage Feet	1,323	1,686
Paving	Asphalt	Concrete
Curbs	Yes	No
Sidewalks	Yes	No
Lanes	2 way, 1 lane each way	2 way, 4 lanes each way
Direction of Traffic	Northeast/Southwest	Northeast/Southwest
Condition	Good	Average
Traffic Levels	Low	High, 127,000 ADT (2017)
Signals/Traffic Control	None	None
Access/Curb Cuts	Yes, 2	None, controlled access
Visibility	Good	Below average

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities		
Service	Provider	Adequacy
Water	Town of Cary	Presumed adequate
Sewer	Town of Cary	Presumed adequate
Electricity	Duke Energy	Presumed adequate
Natural Gas	Dominion Energy	Presumed adequate
Local Phone	Various providers	Presumed adequate

Zoning

The subject is zoned GC & GC-CU, General Commercial & General Commercial-Conditional Use, by Town of Cary. The GC & GC-CU zones promote intensive commercial utilization, but do not permit high-density residential use. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

Zoning Summary	
Zoning Jurisdiction	Town of Cary
Zoning Designation	GC & GC-CU
Description	General Commercial & General Commercial-Conditional Use
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Wide range of commercial and office uses
Category	Zoning Requirement
Minimum Lot Area	None
Minimum Street Frontage (Feet)	None
Minimum Lot Width (Feet)	None
Minimum Lot Depth (Feet)	None
Minimum Setbacks (Feet)	30' street, no side or rear
Maximum Building Height	35' within 100' of residential district; 50' if more than 100' from residential district.
Maximum Site Coverage	Site plan specific
Maximum Floor Area Ratio	Site plan specific
Parking Requirement	1 per 250 SF for shopping center and 1 per 300 SF for vehicle sales + 1 per 5,000 SF for outdoor display
Other	CU district applies to southern component and limits use to vehicular parking/storage; no access permitted to storage lot from Piney Plains Rd.; 100' undisturbed buffer required along US-1/64 frontage on both components.

According to the local planning department, there are no pending or prospective zoning changes.

While the property is located within the Destination Center on the Town of Cary Community Plan 2040, which could allow for more intensive density, this represents a conceptual plan, rather than an actual rezoning. Valuation of the property based on its potential development options under this conceptual plan is considered speculative and is not undertaken.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

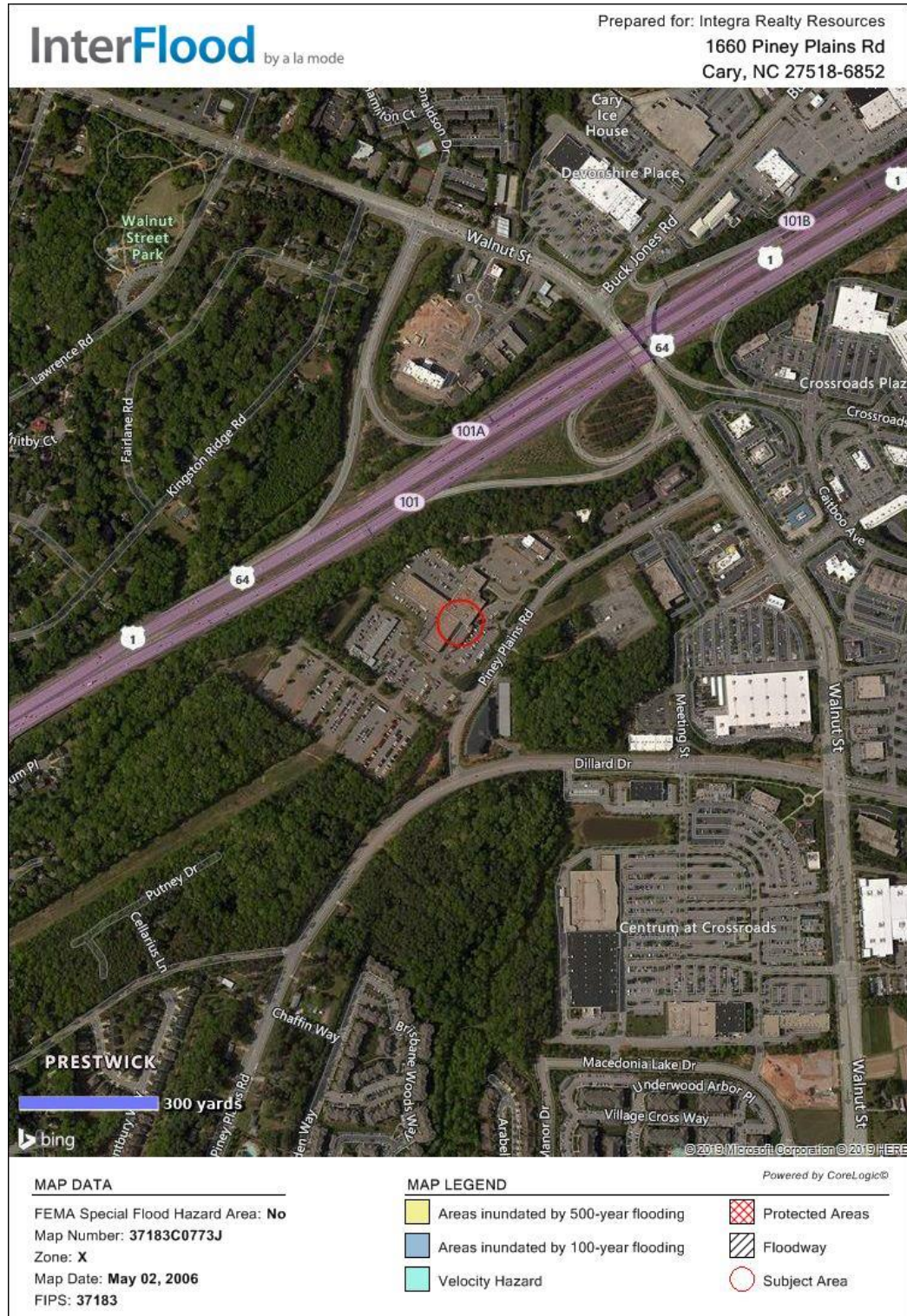
Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title. **We are aware of the retention pond and cross access easements pertaining to the subject property and the Caliber Collision property, which are included in the Addenda. These easements are commonly beneficial to each of the properties.**

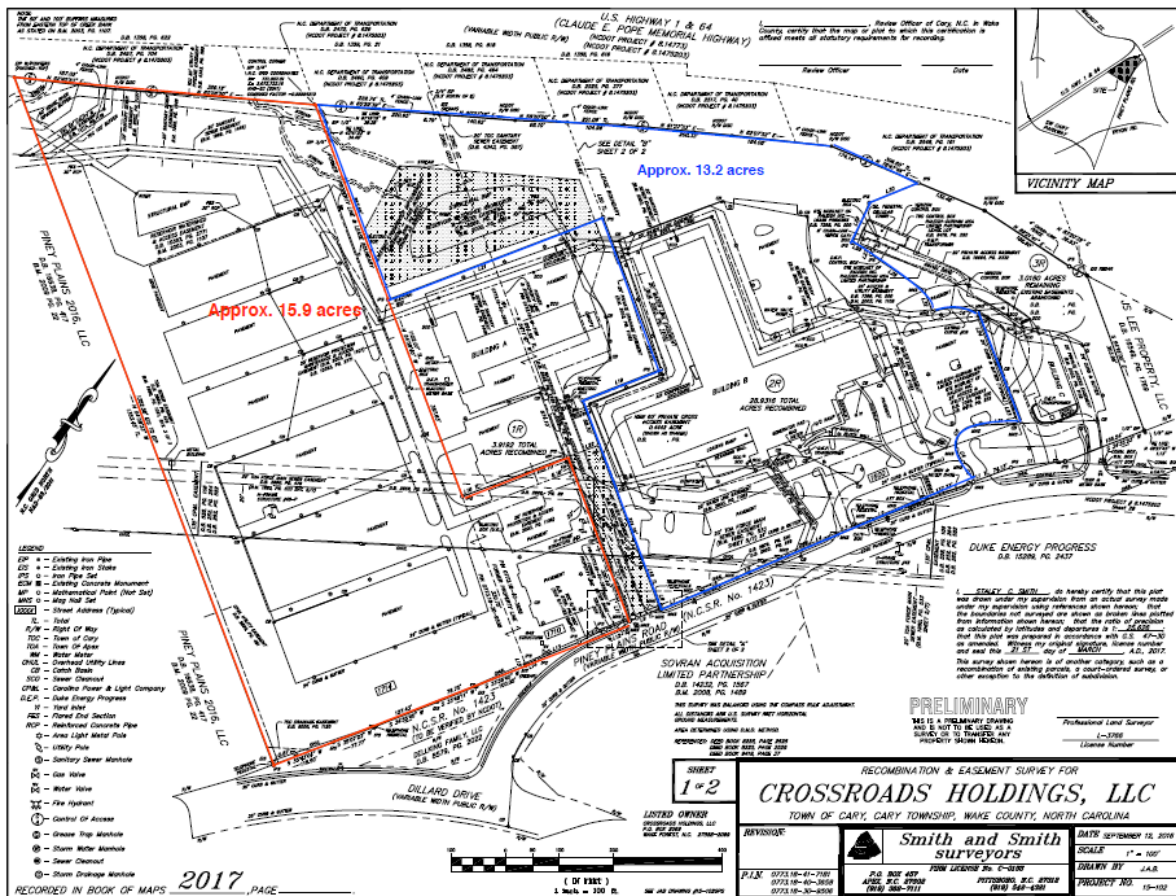
Conclusion of Site Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include wide range of commercial and office uses. We are not aware of any other particular restrictions on development.

Flood Map



Site Plan



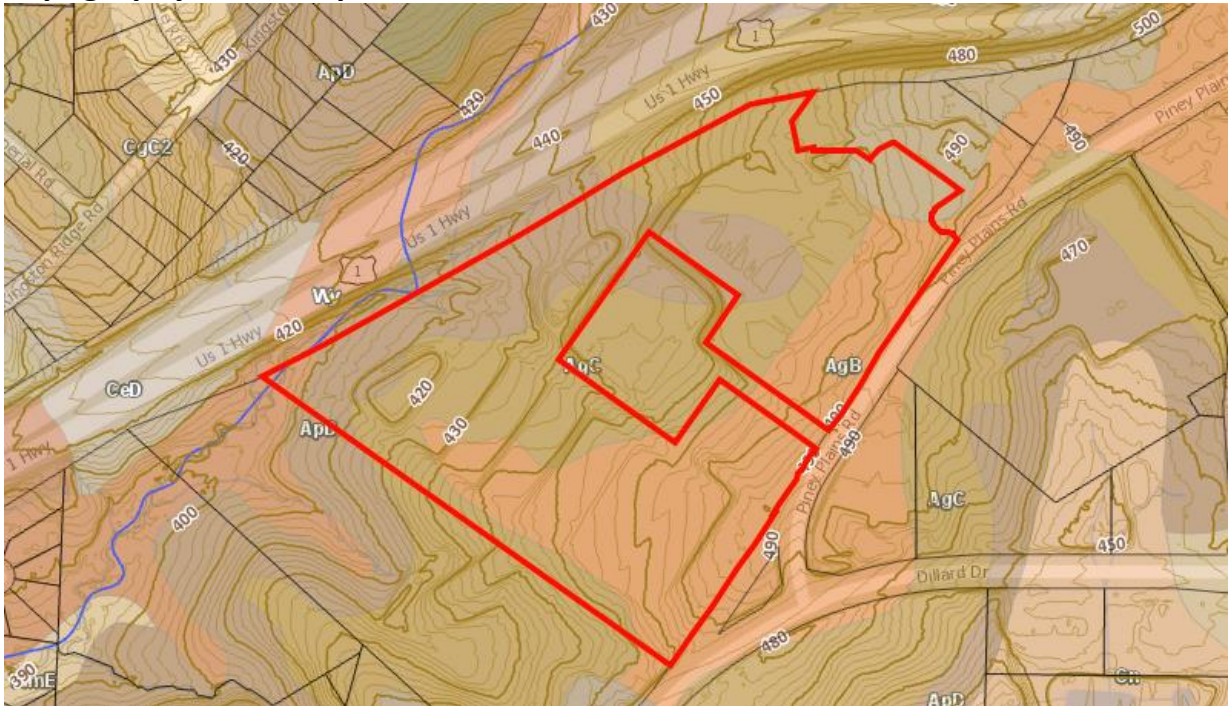
Tax Map



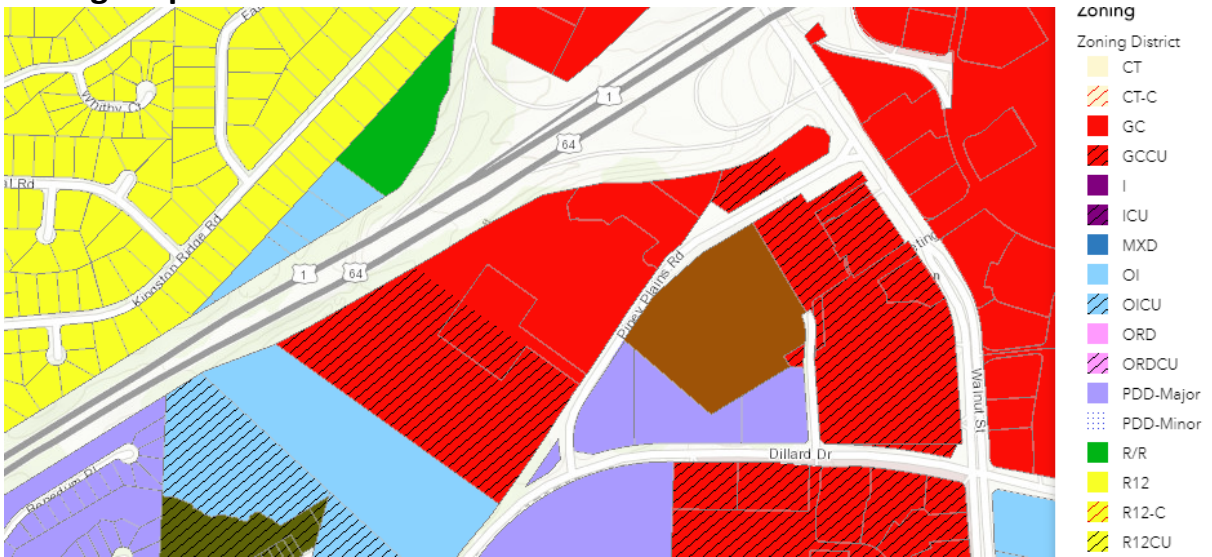
Aerial Map



Topography/Soils Map



Zoning Map



Improvements Description and Analysis

Overview

The subject is an existing retail property containing approximately 80,227 square feet of gross leasable area. The improvements were constructed in 2001 and are 100% owner occupied as of the effective appraisal date. The site area is 28.9316 acres or 1,260,260 square feet. The following description is based on our inspection of the property, discussions with ownership, and a review of building plans.

Improvements Description			
	Overall Property	Showroom/Office	Service Garage/Parts
Name of Property	Crossroads Ford Service Center	Showroom/Office	Service Garage/Parts
General Property Type	Retail	Retail	Retail
Property Sub Type	Auto Dealership	Showroom	Service Garage
Competitive Property Class	B	B	B
Occupancy Type	Owner Occupied	Owner Occupied	Owner Occupied
Number of Buildings	1	1	—
Stories	1	1	1
Construction Class	C	C	C
Construction Type	Masonry	Masonry	Masonry
Construction Quality	Average	Average	Average
Condition	Good	Good	Good
Gross Building Area (SF)	80,227	10,721	69,506
Gross Leasable Area (SF)	80,227	10,721	69,506
Land Area (SF)	1,260,260	—	—
Floor Area Ratio (GLA/Land SF)	0.06	—	—
Floor Area Ratio (GBA/Land SF)	0.06	—	—
Building Area Source	Building plans	—	—
Year Built	2001	2001	2001
Year Renovated	—	—	—
Actual Age (Yrs.)	18	18	18
Estimated Effective Age (Yrs.)	15	15	15
Estimated Economic Life (Yrs.)	40	40	40
Remaining Economic Life (Yrs.)	25	25	25
Number of Parking Spaces	1,384	—	—
Source of Parking Count	Aerial photo	—	—
Parking Type	Surface asphalt	—	—
Parking Spaces/1,000 SF GLA	17.25	—	—
Special Features	14,778 SF wood floor mezzanine in parts with 7 ft. clearance not included in GBA; Single bay automatic carwash	—	—

Construction Details		
	Showroom/Office	Service Garage/Parts
Foundation	Concrete Slab	Concrete Slab
Structural Frame	Steel	Steel
Exterior Walls	Block	Block
Windows	Insulated glass	Insulated glass
Roof	Ballasted membrane	Ballasted membrane
Ceiling Height in Feet	21	17-19
Clear Height in Feet	19	15-17
Dock Height Loading Doors	0	2
Drive-in Doors	0	37
Floors	Carpet and vinyl tile	Polished concrete
Walls	Painted gypsum board	Painted block
Ceilings	Exposed and acoustical tile	Exposed ceiling
Lighting	LED and fluorescent	LED and fluorescent
Electrical	Assumed adequate	Assumed adequate
Plumbing	Assumed adequate	Assumed adequate
Heating	Central	Central and space heaters
Air Conditioning	Central	None
Hot Water	Gas water heater	Gas water heater
Elevators	No	No
Rest Rooms	1 men's, 1 women's and 1 unisex	3 men's total
Sprinklers	Wet	Wet

Occupancy Status

The property is 100% owner-occupied.

Improvements Analysis

Quality and Condition

The improvements are of average quality construction and are in good condition. The quality of the subject is considered to be consistent with that of competing properties, and maintenance appears to have been consistent with that of competing properties. Overall, the market appeal of the subject is consistent with that of competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use. Based on our inspection and consideration of the foregoing, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from our inspection, and none is identified based on discussions with ownership.

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Average
Design and Appearance	Average
Age/Condition	Average
Adaptability of Space to other Retail Users	Average
% Sprinklered	Average
Parking Ratios	Average
Distance of Parking to Store Access	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are average for their age and location.



Front view
(Photo Taken on November 14, 2019)



Front view
(Photo Taken on November 14, 2019)



Rear view
(Photo Taken on November 14, 2019)



Rear view
(Photo Taken on November 14, 2019)



Rear view
(Photo Taken on November 14, 2019)



Rear view
(Photo Taken on November 14, 2019)



Service reception area***
(Photo Taken on November 14, 2019)



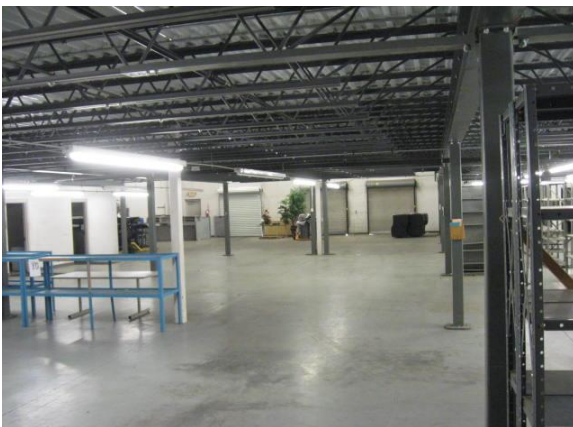
Office area
(Photo Taken on November 14, 2019)



Showroom area
(Photo Taken on November 14, 2019)



Showroom restroom
(Photo Taken on November 14, 2019)



Parts area
(Photo Taken on November 14, 2019)



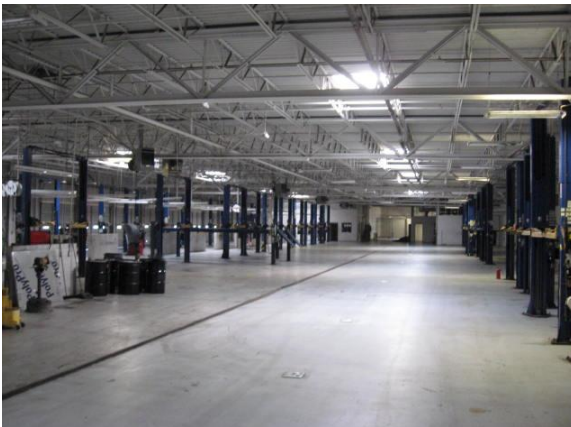
Parts mezzanine area
(Photo Taken on November 14, 2019)



Service garage
(Photo Taken on November 14, 2019)



Service garage
(Photo Taken on November 14, 2019)



Service garage
(Photo Taken on November 14, 2019)



Roof
(Photo Taken on November 14, 2019)



Roof
(Photo Taken on November 14, 2019)



Roof
(Photo Taken on November 14, 2019)



Storage parking area
(Photo Taken on November 14, 2019)



Storage parking area
(Photo Taken on November 14, 2019)



Storage parking area
(Photo Taken on November 14, 2019)



Retention pond
(Photo Taken on November 14, 2019)

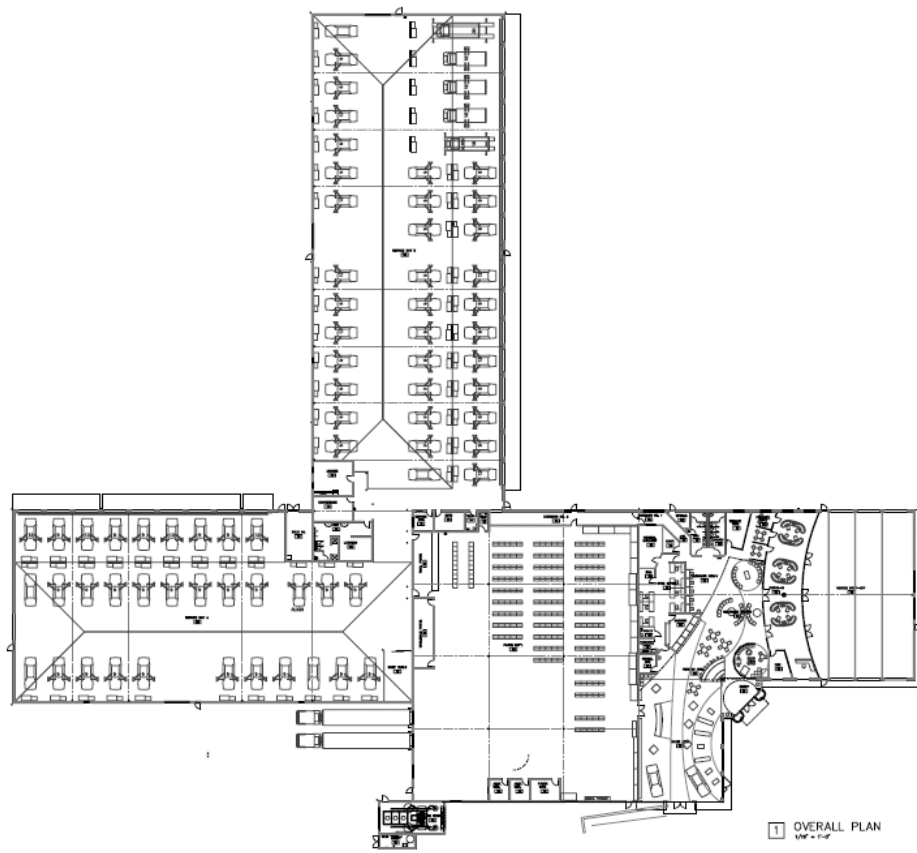


Retention Pond
(Photo Taken on November 14, 2019)



Frontage on Piney Plains Rd.
(Photo Taken on November 14, 2019)

Floor Plan



UPC
DUCK ASSOCIATES, P.A.
Professional Engineers
Professional Architects

714 N. 2ND STREET
SUITE 200
DALLAS, TEXAS 75201
TEL: 214.760.1234
FAX: 214.760.1235

PROJECT NO. 1000000000
SHEET NO. 01
DATE: 01/10/2010

CROSSROADS FORD SERVICE CENTER
DALLAS, NORTH CAROLINA

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Real Estate Taxes

The subject property is located in Raleigh and is obligated for City of Raleigh and Wake County taxes. Property in Wake County was last revalued in 2016 and the next revaluation is scheduled for 2020. For 2019, the combined tax rate for the subject property is \$1.0707 per \$100 of assessed value.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2019							
Tax ID	Assessed Value			Taxes and Assessments			
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Direct Assessments	Total
0773-18-40-1397	\$10,372,315	\$6,720,058	\$17,092,373	1.070700%	\$183,008	\$0	\$183,008

Based on the concluded market value of the subject, the assessed value appears high.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned GC & GC-CU, General Commercial & General Commercial-Conditional Use. Permitted uses include a wide range of commercial and office uses. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only retail use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for retail use in the subject's area. It appears that a newly developed retail use on the site would have a value commensurate with its cost. Therefore, retail use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than retail use. Accordingly, it is our opinion that retail use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for retail use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject site is developed with an 80,227 automobile showroom/service center, which is generally consistent with the highest and best use of the site as if it were vacant.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued retail use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its owner occupancy, the likely buyer is an owner-user.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

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

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

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

Land Valuation

To develop an opinion of the subject's land value, as if vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

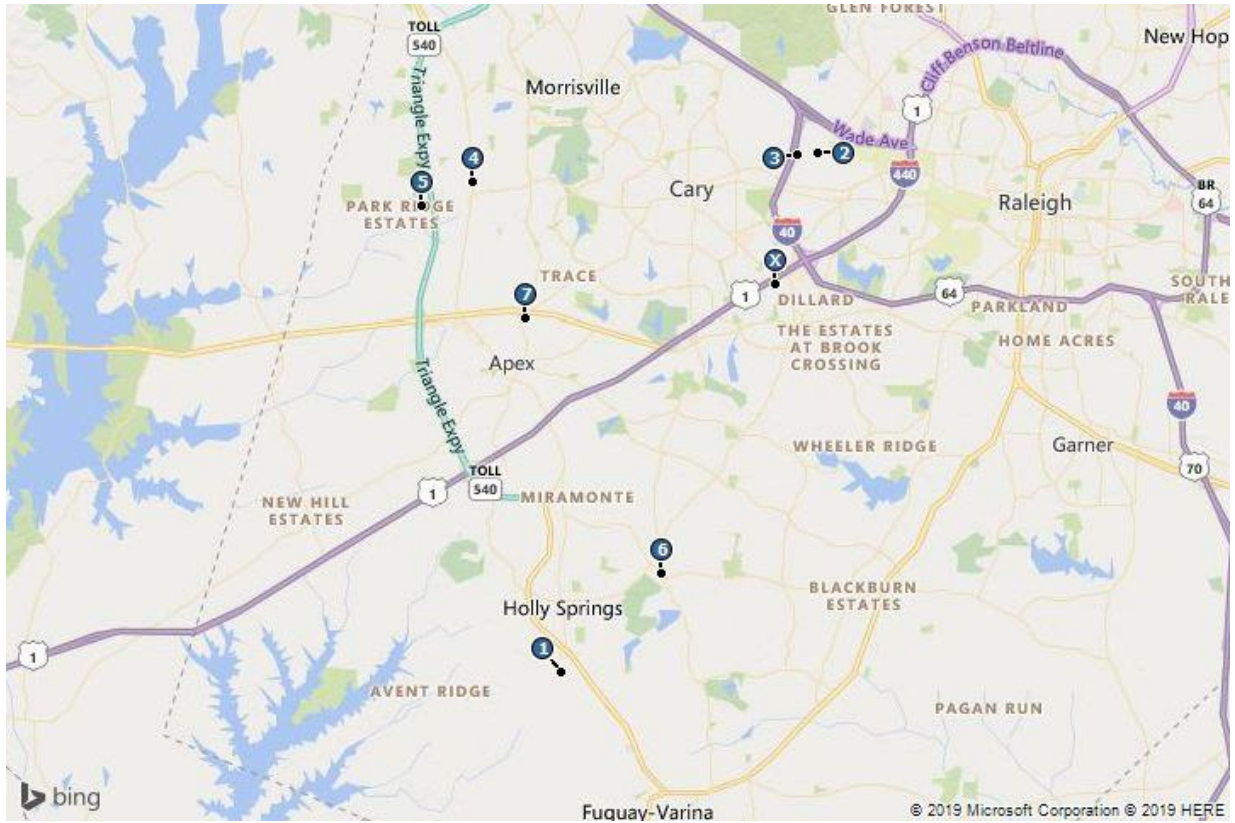
- Location: Wake County
- Size: 5 to 40 acres
- Use: Retail or office use
- Transaction Date: 2016-2019

For this analysis, we use price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table:

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Effective Sale Price	SF; Acres	Zoning	\$/SF Land	\$/Acre
1	Long Term Care Site 1936 Ralph Stephens Rd. Holly Springs Wake County NC <i>Comments: The site will be developed with a 66,000 SF long term health care facility.</i>	Mar-19 Closed	\$4,108,000	435,600 10.00	Commercial	\$9.43	\$410,800
2	Office Land-5.6192 acres 5401 Trinity Rd. Raleigh Wake County NC <i>Comments: Proposed to be developed with Palisades III office building containing 172,236 SF of office space and a 154,095 SF parking deck containing 493 spaces.</i>	Nov-18 Closed	\$2,500,000	244,772 5.62	Commercial Mixed use- Multi- Family/Hotel Use	\$10.21	\$444,903
3	Proposed Drive Shack - 18.08 Acres 6901 Play Golf Way Raleigh Wake County NC	Dec-17 Closed	\$4,939,000	787,565 18.08	Office Park	\$6.27	\$273,175
4	Land 4429 NC Hwy. 55 Cary Wake County NC <i>Comments: Site is being purchased for development of a 35,000 square foot Lidl grocery store on 4.23 acres of the site and a 234 unit apartment complex on the remaining 16.50 acres. Lidl is paying \$2,534,039 for the retail site upon closing which implies a multifamily site sale of \$4,745,961, or \$20,282 per proposed unit. The \$200,000 addition to the effective price is a contract extension fee that was not applied to price at closing.</i>	Aug-17 Closed	\$7,400,000	902,999 20.73	Mixed use development per the overlay	\$8.19	\$356,971
5	Duke Health-38.33 Acres of Commercial Land 3208 & 3224 Green Level West Rd. Cary Wake County NC <i>Comments: Grantee paid assignment fee to Craig Davis Properties of \$2,000,000. Craig Davis Properties had planned alternate development, but project stalled and Duke Health paid fee to acquire the purchase option. Property is located in the Green Level Destination Center on the Cary 2040 Community Plan, which will allow high intensity mixed-use development to include retail, office and high-density multi-family options.</i>	Feb-17 Closed	\$12,285,000	1,669,655 38.33	Office/Commer cial/Multi- Family	\$7.36	\$320,506
6	Proposed Shopping Center 300 Matthews Dr. Holly Springs Wake County NC <i>Comments: The buyer will develop a 52,185 square foot shopping center anchored by The Fresh Market (21,405 SF) & Pet Supermarket (7,560 SF).</i>	Jan-17 Closed	\$2,064,800	277,913 6.38	Local Business	\$7.43	\$323,636
7	22.35 acres - N. Salem St. 1402 N. Salem St. Apex Wake County NC <i>Comments: Purchased in 5 transactions by affiliates of Crossroads Holdings, an automotive dealership group; Crossroads had already acquired southwest quadrant of interchange previously. Deed 16547/1429 from Booth to Northside for 1.5915 acres at \$869,000; Deed 16547/1433 from Booth to Other Side of the Tracts, LLC for 0.4783 at \$191,900; Deed 16547/1437 from Booth to Bovestments, LLC for 18.3863 acres for \$6,689,500; Deed 16547/1441 from Thomas Colhoun, et ux, to Middle Ground Acquisition, LLC for 1.3938 acres at \$750,000; Deed 16547/1445 from Vonnice Smith to Southside Acquisition, LLC for 0.589 acres at \$250,000.</i>	Sep-16 Closed	\$8,750,400	973,566 22.35	Light Industrial	\$8.99	\$391,517
Subject				1,260,260	General		
Crossroads Ford Service Center				28.93	Commercial &		
Cary, NC					General		

Comparable Land Sales Map





Sale 1
Long Term Care Site



Sale 2
Office Land-5.6192 acres



Sale 3
Proposed Drive Shack - 18.08 Acres



Sale 4
Land



Sale 5
Duke Health-38.33 Acres of Commercial Land



Sale 6
Proposed Shopping Center



Sale 7
22.35 acres - N. Salem St.

Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

When considering market conditions, we note that the sales took place from September 2016 to March 2019, and that market conditions generally have been strengthening over this period through the effective date of value. Accordingly, we apply upward adjustments of 3.0% per year to account for this trend.

Analysis and Adjustment of Sales

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 10.00 acre, or 435,600 square foot, parcel located at 1936 Ralph Stephens Rd., Holly Springs, Wake County, NC. The property sold in March 2019 for \$4,108,000, or \$9.43 per square foot.

An upward adjustment is made for inferior location, with downward adjustments made for superior exposure, smaller size and superior shape.

Land Sale 2 is a 5.62 acre, or 244,772 square foot, parcel located at 5401 Trinity Rd., Raleigh, Wake County, NC. The property sold in November 2018 for \$2,500,000, or \$10.21 per square foot. An upward adjustment is made for inferior shape, with a downward adjustment made for smaller size.

Land Sale 3 is an 18.08 acre, or 787,565 square foot, parcel located at 6901 Play Golf Way, Raleigh, Wake County, NC. The property sold in December 2017 for \$4,939,000, or \$6.27 per square foot. Upward adjustments are made for inferior location and topography, with a downward adjustment made for smaller size.

Land Sale 4 is a 20.73 acre, or 902,999 square foot, parcel located at 4429 NC Hwy. 55, Cary, Wake County, NC. The property sold in August 2017 for \$7,200,000. Adjusting for the contract extension fee, the effective sale price is \$7,400,000, or \$8.19 per square foot. Downward adjustments are made for superior exposure, smaller size and superior shape.

Land Sale 5 is a 38.33 acre, or 1,669,655 square foot, parcel located at 3208 & 3224 Green Level West Rd., Cary, Wake County, NC. The property sold in February 2017 for \$10,285,000. Adjusting for the assignment fee, the effective sale price is \$12,285,000, or \$7.36 per square foot. A downward adjustment is made for superior exposure, with an upward adjustment made for larger size.

Land Sale 6 is a 6.38 acre, or 277,913 square foot, parcel located at 300 Matthews Dr., Holly Springs, Wake County, NC. The property sold in January 2017 for \$2,064,800, or \$7.43 per square foot. A downward adjustment is made for smaller size.

Land Sale 7 is a 22.35 acre, or 973,566 square foot, parcel located at 1402 N. Salem St., Apex, Wake County, NC. The property sold in September 2016 for \$8,750,400, or \$8.99 per square foot. Downward adjustments are made for superior exposure and smaller size.

The following table summarizes the adjustments we make to the comparable sales.

Land Sales Adjustment Grid								
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Name	Crossroads Ford Service Center	Long Term Care Site	Office Land- 5.6192 acres	Proposed Drive Shack - 18.08 Acres	Land	Duke Health-38.33 Acres of Commercial Land	Proposed Shopping Center	22.35 acres - N. Salem St.
Address	1660 Piney Plains Rd.	1936 Ralph Stephens Rd.	5401 Trinity Rd.	6901 Play Golf Way	4429 NC Hwy. 55	3208 & 3224 Green Level West Rd.	300 Matthews Dr.	1402 N. Salem St.
City	Cary	Holly Springs	Raleigh	Raleigh	Cary	Cary	Holly Springs	Apex
County	Wake	Wake	Wake	Wake	Wake	Wake	Wake	Wake
State	North Carolina	NC	NC	NC	NC	NC	NC	NC
Sale Date		Mar-19	Nov-18	Dec-17	Aug-17	Feb-17	Jan-17	Sep-16
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$4,108,000	\$2,500,000	\$4,939,000	\$7,200,000	\$10,285,000	\$2,064,800	\$8,750,400
Other Adjustment		\$0	\$0	\$0	\$200,000	\$2,000,000	\$0	\$0
Description of Adjustment					Contract ext. fee	Assignment Fee		
Effective Sale Price		\$4,108,000	\$2,500,000	\$4,939,000	\$7,400,000	\$12,285,000	\$2,064,800	\$8,750,400
Square Feet	1,260,260	435,600	244,772	787,565	902,999	1,669,655	277,913	973,566
Acres	28.9316	10.0000	5.6192	18.0800	20.7300	38.3300	6.3800	22.3500
Usable Square Feet	1,260,260	435,600	244,772	787,565	902,999	1,669,655	277,913	973,566
Usable Acres	28.9316	10.0000	5.6192	18.0800	20.7300	38.3300	6.3800	22.3500
Zoning Code	GC & GC-CU	CB	CX-5, PL-CU	OP-4-PK (Raleigh)/SHOD-2 Overlay	R-40 with Alston Regional Mixed-Use Center	R-40/Cary (Green Level Dest. Ctr.)	LB/Holly Springs	LI (Apex)
Price per Square Foot		\$9.43	\$10.21	\$6.27	\$8.19	\$7.36	\$7.43	\$8.99
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-	-	-
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		-	-	-	-	-	-	-
Market Conditions	11/14/2019	Mar-19	Nov-18	Dec-17	Aug-17	Feb-17	Jan-17	Sep-16
Annual % Adjustment	3%	2%	3%	6%	7%	8%	8%	9%
Cumulative Adjusted Price		\$9.62	\$10.52	\$6.65	\$8.77	\$7.95	\$8.02	\$9.80
Location		10%	-	10%	-	-	-	-
Access/Exposure		-5%	-	-	-5%	-5%	-	-5%
Size		-15%	-25%	-10%	-10%	10%	-20%	-5%
Shape and Topography		-5%	10%	15%	-5%	-	-	-
Zoning		-	-	-	-	-	-	-
Entitlements		-	-	-	-	-	-	-
Net \$ Adjustment		-\$1.44	-\$1.58	\$1.00	-\$1.75	\$0.40	-\$1.60	-\$0.98
Net % Adjustment		-15%	-15%	15%	-20%	5%	-20%	-10%
Final Adjusted Price		\$8.18	\$8.94	\$7.64	\$7.01	\$8.34	\$6.42	\$8.82
Overall Adjustment		-13%	-12%	22%	-14%	13%	-14%	-2%
Range of Adjusted Prices		\$6.42 - \$8.94						
Average		\$7.91						
Indicated Value		\$8.00						

Land Value Conclusion

Prior to adjustments, the sales reflect a range of \$6.27 - \$10.21 per square foot. After adjustment, the range is narrowed to \$6.42 - \$8.94 per square foot, with an average of \$7.91 per square foot. To arrive at an indication of value, we place relatively equal emphasis on the seven sales.

Based on the preceding analysis, we reach a land value conclusion as follows:

Land Value Conclusion	
Indicated Value per Square Foot	\$8.00
Subject Square Feet	<u>1,260,260</u>
Indicated Value	\$10,082,084
Rounded	<u>\$10,080,000</u>

Cost Approach

The steps taken to apply the cost approach are:

- Develop an opinion of the value of the land as though vacant and available to be developed to its highest and best use, as of the effective date of the appraisal;
- Estimate the replacement cost new of the existing improvements under current market conditions;
- Estimate depreciation from all causes and deduct this estimate from replacement cost new to arrive at depreciated replacement cost of the improvements; and
- Add land value to the depreciated replacement cost of the improvements to arrive at a market value indication for the property overall.

Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

Direct Costs

Direct costs are expenditures for labor, materials, equipment and contractor's overhead and profit. We use Marshall Valuation Service (MVS) as the basis of our direct cost estimate. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction.

Indirect Costs

MVS does not include all of the indirect costs that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within MVS: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization. We estimate that a 5% allowance for additional indirect costs is appropriate.

Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project. It is our estimate that an allowance of 10% of total direct and indirect costs is appropriate.

Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.

Replacement Cost Estimate**Building Improvements**

<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Showroom/Office	Showroom	C	Average	10,721	SF	\$121.45	\$1,302,065
Service Garage/Parts	Service Garages	C	Average	69,506	SF	\$60.35	\$4,194,687
Storage Mezzanine	Low cost mezzanine storage	C	Low cost	14,778	SF	\$16.04	\$237,039
Subtotal - Replacement Cost New							\$5,733,792
Plus: Indirect Cost						5%	\$286,690
Subtotal							\$6,020,481
Plus: Entrepreneurial Profit						10%	\$602,048
Total Replacement Cost New							\$6,622,529

Site Improvements

<i>Item</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
Asphalt/Curbing	Good	500,000	SF	\$3.15	\$1,575,000
Lighting	Good	62	Pole	\$4,200.00	\$260,400
Landscaping	Good	1	Lump Sum	\$50,000.00	\$50,000
Subtotal - Replacement Cost New					\$1,885,400
Plus: Indirect Cost				5%	\$94,270
Subtotal					\$1,979,670
Plus: Entrepreneurial Profit				10%	\$197,967
Total Replacement Cost New					\$2,177,637

Overall Property

Building Improvements	\$5,733,792
Site Improvements	\$1,885,400
Subtotal - Replacement Cost New	\$7,619,192
Plus: Indirect Cost	5% \$380,960
Subtotal	\$8,000,151
Plus: Entrepreneurial Profit	10% \$800,015
Total Replacement Cost New	\$8,800,166

Source: Marshall Valuation Service except for Indirect Costs and Entrepreneurial Profit, which are appraiser's estimates.

Building Improvements - Unit Costs					
Building 1 Name:		Showroom/Office			
MVS Building Type:	Showroom	Unit	SF	Current Multiplier	1.050
Const Class:	C	Unit Cost	\$102.00	Local Multiplier	0.940
Quality:	Average	Sprinklers:	\$2.27	Story Ht Multiplier	1.157
Quality Rating:	Good	HVAC Adjust		Perimeter Multiplier	1.020
Section/Page	14/31	Other:			
Economic Life	40	Subtotal:	\$104.27	Final Unit Cost	\$121.45
Building 2 Name:		Service Garage/Parts			
MVS Building Type:	Service Garages	Unit	SF	Current Multiplier	1.050
Const Class:	C	Unit Cost	\$57.50	Local Multiplier	0.940
Quality:	Average	Sprinklers:	\$2.27	Story Ht Multiplier	1.086
Quality Rating:	Good	HVAC Adjust		Perimeter Multiplier	0.942
Section/Page	14/32	Other:			
Economic Life	40	Subtotal:	\$59.77	Final Unit Cost	\$60.35
Building 3 Name:		Storage Mezzanine			
MVS Building Type:	Low cost mezzanine storage	Unit	SF	Current Multiplier	1.050
Const Class:	C	Unit Cost	\$16.25	Local Multiplier	0.940
Quality:	Low cost	Sprinklers:		Story Ht Multiplier	1.000
Quality Rating:	Low	HVAC Adjust		Perimeter Multiplier	1.000
Section/Page	14/27	Other:			
Economic Life	40	Subtotal:	\$16.25	Final Unit Cost	\$16.04
Source: Marshall Valuation Service					

Site Improvements - Unit Costs					
Site Improvement 1 Name:		Asphalt/Curbing			
Quality:	Good	Unit Cost	\$3.00	Current Multiplier	1.050
Section:	66	Other:		Local Multiplier	1.000
Page:	2	Other:			
Unit:	SF	Subtotal:	\$3.00	Final Unit Cost	\$3.15
Site Improvement 2 Name:		Lighting			
Quality:	Good	Unit Cost	\$4,000.00	Current Multiplier	1.050
Section:	66	Other:		Local Multiplier	1.000
Page:	5	Other:			
Unit:	Pole	Subtotal:	\$4,000.00	Final Unit Cost	\$4,200.00
Site Improvement 3 Name:		Landscaping			
Quality:	Good	Unit Cost	\$50,000.00	Current Multiplier	1.000
Section:		Other:		Local Multiplier	1.000
Page:		Other:			
Unit:	Lump Sum	Subtotal:	\$50,000.00	Final Unit Cost	\$50,000.00
Source: Marshall Valuation Service					

For comparison purposes, the following table shows replacement cost plus land value in relation to the concluded market value.

Replacement Cost vs. Market Value		
	Including Entrepreneurial Profit	Excluding Entrepreneurial Profit
Replacement Cost New	\$8,800,166	\$8,000,151
Land Value	\$10,080,000	\$10,080,000
Replacement Cost New Including Land Value	\$18,880,166	\$18,080,151
Rounded	\$18,880,000	\$18,080,000
Market Value Conclusion	\$15,240,000	\$15,240,000
Market Value as % of RCN Including Land Value	81%	84%

Depreciation

Depreciation is the difference between the replacement cost new of the improvements and their contribution to overall property value on the effective date of the appraisal.

Deferred Maintenance

No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.

Age-Life Depreciation

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject's effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

Functional Obsolescence

Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

External Obsolescence

External obsolescence is a loss in value due to external causes, such as imbalances in supply and demand or negative location influences. A deduction for external obsolescence is not considered necessary for the subject.

Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost are shown in the following tables.

Estimate of Depreciation**Building Improvements**

Replacement Cost New		\$6,622,529
Less: Deferred Maintenance		\$0
Remaining Cost		\$6,622,529
Age-Life Depreciation	37.5%	-\$2,483,449
Additional Functional Obsolescence	0%	\$0
External Obsolescence	0%	\$0
Total Depreciation		-\$2,483,449
Depreciated Replacement Cost		\$4,139,081

Site Improvements

Replacement Cost New		\$2,177,637
Less: Deferred Maintenance		\$0
Remaining Cost		\$2,177,637
Age-Life Depreciation	38.9%	-\$847,955
Additional Functional Obsolescence	0%	\$0
External Obsolescence	0%	\$0
Total Depreciation		-\$847,955
Depreciated Replacement Cost		\$1,329,682

Overall Property

Replacement Cost New		\$8,800,166
Deferred Maintenance		\$0
Remaining Cost		\$8,800,166
Age-Life Depreciation		-\$3,331,403
Additional Functional Obsolescence		\$0
External Obsolescence		\$0
Total Depreciation		-\$3,331,403

Depreciated Replacement Cost \$5,468,763

Rounded: \$5,470,000

Depreciation Worksheet - Building Improvements

Bldg #	Bldg Name	Effective Age (Yrs)	Economic Life (Yrs)	S/L Deprec. %	Other Deprec. %	Replacement Cost New	% of Overall RCN	Wtd. Avg. S/L Deprec.	Wtd. Avg. Other Deprec.
1	Showroom/Office	15	40	37.5%		\$1,503,886	22.7%	8.5%	0.0%
2	Service Garage/Part	15	40	37.5%		\$4,844,864	73.2%	27.4%	0.0%
3	Storage Mezzanine	15	40	37.5%		\$273,780	4.1%	1.6%	0.0%
Total						\$6,622,529	100.0%	37.5%	0.0%

Depreciation Worksheet - Site Improvements									
Site		Effect	Life	S/L	Depr.		% of	Wtd. Avg.	Wtd. Avg.
Imp		Age	Expect	Deprec	Override	Replacement	Overall	S/L	Depr.
#	Item	(Yrs)	(Yrs)	%	%	Cost New	RCN	Deprec.	Override
1	Asphalt/Curbing	6	15	40.0%		\$1,819,125	83.5%	33.4%	0.0%
2	Lighting	6	15	40.0%		\$300,762	13.8%	5.5%	0.0%
3	Landscaping	0	20	0.0%		\$57,750	2.7%	0.0%	0.0%
Total						\$2,177,637	100.0%	38.9%	0.0%

Value Indication

By combining our land value conclusion with the depreciated replacement cost of the improvements, we arrive at a value indication by the cost approach as shown in the following table.

Value Indication by Cost Approach	
Depreciated Replacement Cost	\$5,470,000
Land Value	\$10,080,000
Indicated Property Value	\$15,550,000
Rounded	\$15,550,000

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply the sales comparison approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

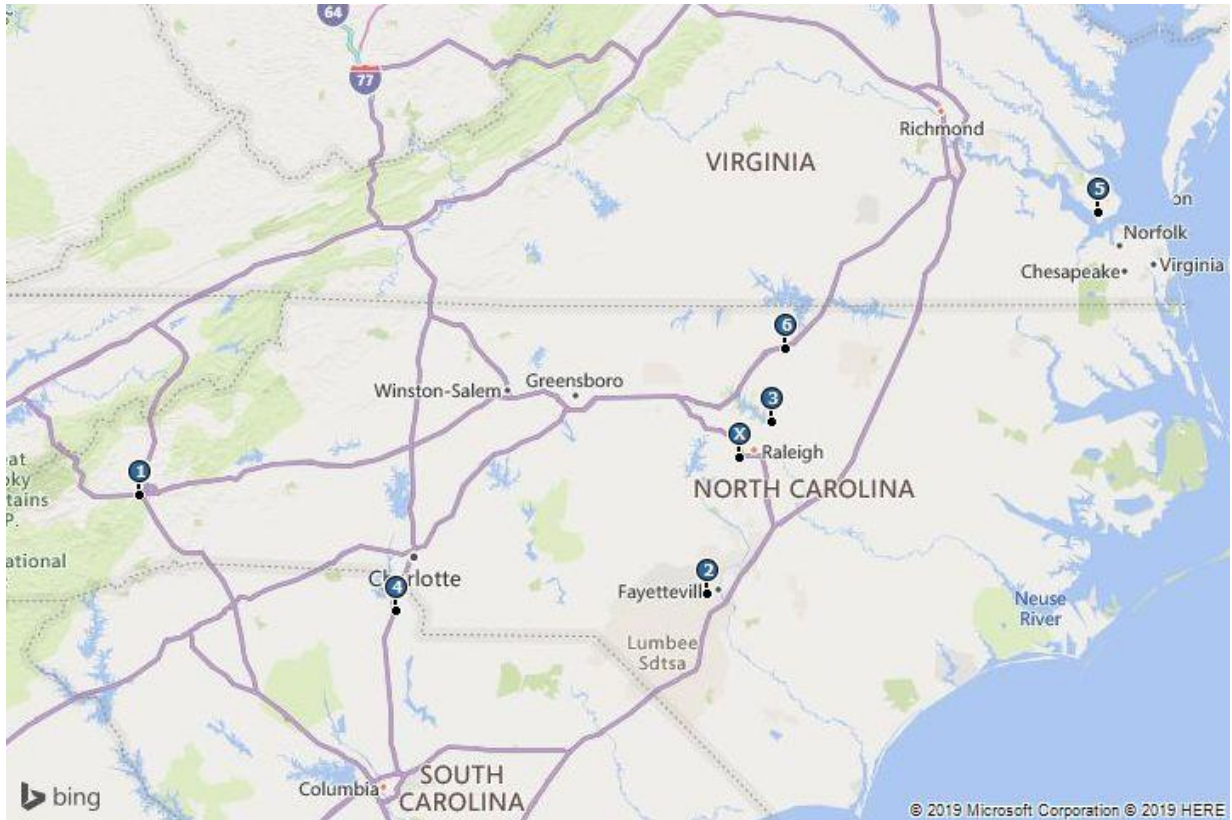
- Property Type: Automobile dealership/service center
- Location: North Carolina, South Carolina and Virginia
- Size: 20,000-90,000 SF
- Age/Quality: 1970-2015/Good-Excellent
- Transaction Date: 2016-2019

For this analysis, we use price per square foot of gross leasable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales considered most relevant are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Subtype; Anchor 1; Anchor 2	Effective Sale Price	Leasable SF	\$/Leasable SF
1	Skyland Automotive 255 Smokey Park Hwy. Asheville Buncombe County NC <i>Comments: The sale price was reflective of the real estate value only. The seller was retiring and sold to an automotive group out of Chicago, who own some other dealerships in the Asheville area.</i>	Dec-18 Closed	1970 1 —	10.08 0.07 —	Dealership — —	\$9,240,000	32,165	\$287.27
2	Nissan of Fayetteville 4559 Raeford Rd. Fayetteville Cumberland County NC <i>Comments: Arm's length sale. The sale included a 0.93 acre or 40,514 SF outparcel ground leased Wells Fargo. The value of the ground lease was estimated to be \$970,000 and has been deducted from the sale price in order to have a value for the automotive dealership only.</i>	Aug-18 Closed	2015 2 —	15.95 0.07 13.79/1,000	Dealership — —	\$11,040,000	42,191	\$261.67
3	Chris Leith Kia & Chris Leith Dodge 10936 & 10956 Star Rd. Wake Forest Wake County NC <i>Comments: Sale included real property and business. Buyer priced real property at \$20,000,000, but for various reasons, buyer and seller agreed to reallocate \$2,000,000 of real property price toward previously agreed upon business price. Revenue stamps reflect last real property/business value allocation, but seller and prior appraisal support the original \$20,000,000 allocation, which is utilized.</i>	May-18 Closed	2001 & 1 —	30.45 0.06 12.17/1,000	Dealership — —	\$20,000,000	80,747	\$247.69
4	Harrelson Nissan 550 Galleria Blvd. Rock Hill York County SC <i>Comments: Hudson Automotive purchased the dealership from Harrelson Automotive. The sale price of \$7,000,000 is exclusively for the real property. Buyer is an owner user with many dealerships throughout the Southeast.</i>	Mar-18 Closed	2012 1 100%	6.96 0.11 13.11/1,000	Dealership — —	\$7,000,000	32,331	\$216.51
5	Priority Honda 4115 W. Mercury Blvd Hampton — VA <i>Comments: Priority Auto Group acquired a 31,217 SF on February 28th, 2018 for \$8.7M or \$278.69 per square foot. The purchaser owns several other dealerships on in Hampton Roads. The improvements include an eight-car showroom, a full-service department with 24 service bays and a separate used car lot. The property was not reported to be on the market and the seller sold the property because he was retiring.</i>	Feb-18 Closed	2007 1 —	11.56 0.06 9.61/1,000	Dealership — —	\$8,700,000	31,217	\$278.69
6	Toyota of Henderson 205 Toyota Ln. Henderson Vance County NC	Jan-18 Closed	2009 1 —	7.63 0.09 15.69/1,000	Dealership — —	\$6,533,000	28,040	\$232.99
Subject			2001	28.93	Auto Dealership		80,227	
Crossroads Ford Service Center			1	0.06				
Cary, NC			NA	17.25/1,000				

Comparable Improved Sales Map





Sale 1
Skyland Automotive



Sale 2
Nissan of Fayetteville



Sale 3
Chris Leith Kia & Chris Leith Dodge



Sale 4
Harrelson Nissan



Sale 5
Priority Honda



Sale 6
Toyota of Henderson

Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between building size and unit value.
Parking	Ratio of parking spaces to building area.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality

Issues requiring elaboration are addressed in the following paragraphs.

Market Conditions

The sales took place from January 2018 to December 2018. Market conditions generally have been strengthening over this period through the effective date of value. As a result, we apply upward adjustments of 3.0% per year to account for this trend.

Analysis and Adjustment of Sales

The analysis and adjustment of the comparable sales is discussed in the following paragraphs.

Sale 1 is Skyland Automotive, located at 255 Smokey Park Hwy., Asheville, Buncombe County, NC, a 32,165 square foot retail property. The property sold in December 2018 for \$9,240,000, or \$287.27 per square foot. Upward adjustments are indicated for market conditions (3%) and age/condition (5%). Downward adjustments are indicated for size (15%) and building quality (20%). Overall, a substantial downward adjustment is indicated.

Sale 2 is Nissan of Fayetteville, located at 4559 Raeford Rd., Fayetteville, Cumberland County, NC, a 42,191 square foot retail property. The property sold in August 2018 for \$12,010,000. Adjusting for the ground lease value, the effective sale price is \$11,040,000, or \$261.67 per square foot. Upward adjustments are indicated for market conditions (4%) and location (10%). Downward adjustments are indicated for size (10%), building quality (20%), and age/condition (15%). Overall, a substantial downward adjustment is indicated.

Sale 3 is Chris Leith Kia & Chris Leith Dodge, located at 10936 & 10956 Star Rd., Wake Forest, Wake County, NC, a 80,747 square foot retail property. The property sold in May 2018 for \$18,000,000. Adjusting for the true price allocation, the effective sale price is \$20,000,000, or \$247.69 per square foot. An upward adjustment of 5% is indicated for market conditions. Downward adjustments are indicated for location (5%) and building quality (15%). Overall, a downward adjustment is indicated.

Sale 4 is Harrelson Nissan, located at 550 Galleria Blvd., Rock Hill, York County, SC, a 32,331 square foot retail property. The property sold in March 2018 for \$7,000,000, or \$216.51 per square foot. Upward adjustments are indicated for market conditions (5%), location (10%), and building to land ratio (FAR) (5%). Downward adjustments are indicated for size (15%), building quality (20%), and age/condition (10%). Overall, a substantial downward adjustment is indicated.

Sale 5 is Priority Honda, located at 4115 W. Mercury Blvd, Hampton, O County, VA, a 31,217 square foot retail property. The property sold in February 2018 for \$8,700,000, or \$278.69 per square foot. Upward adjustments are indicated for market conditions (5%) and location (10%). Downward adjustments are indicated for size (15%), building quality (20%), and age/condition (5%). Overall, a substantial downward adjustment is indicated.

Sale 6 is Toyota of Henderson, located at 205 Toyota Ln., Henderson, Vance County, NC, a 28,040 square foot retail property. The property sold in January 2018 for \$6,533,000, or \$232.99 per square foot. Upward adjustments are indicated for market conditions (5%), location (15%), and building to land ratio (FAR) (5%). Downward adjustments are indicated for size (15%), building quality (20%), and age/condition (10%). Overall, a substantial downward adjustment is indicated.

The following table summarizes the adjustments we make to each sale.

Improved Sales Adjustment Grid							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Crossroads Ford Service Center	Skyland Automotive	Nissan of Fayetteville	Chris Leith Kia & Chris Leith Dodge	Harrelson Nissan	Priority Honda	Toyota of Henderson
Address	1660 Piney Plains Rd.	255 Smokey Park Hwy.	4559 Raeford Rd.	10936 & 10956 Star Rd.	550 Galleria Blvd.	4115 W. Mercury Blvd	205 Toyota Ln.
City	Cary	Asheville	Fayetteville	Wake Forest	Rock Hill	Hampton	Henderson
County	Wake	Buncombe	Cumberland	Wake	York	0	Vance
State	North Carolina	NC	NC	NC	SC	VA	NC
Sale Date		Dec-18	Aug-18	May-18	Mar-18	Feb-18	Jan-18
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$9,240,000	\$12,010,000	\$18,000,000	\$7,000,000	\$8,700,000	\$6,533,000
Other Adjustment		—	-\$970,000	\$2,000,000	—	—	—
Price Adjustment		—	—	—	—	—	—
Description of Adjustment			Wells Fargo Ground Lease	Allocation Adjustment			
Effective Sale Price		\$9,240,000	\$11,040,000	\$20,000,000	\$7,000,000	\$8,700,000	\$6,533,000
Gross Building Area	80,227	32,165	46,185	80,747	32,331	31,217	31,555
Gross Leasable Area	80,227	32,165	42,191	80,747	32,331	31,217	28,040
% Finished	13%	42%	59%	33%	51%	62%	54%
Year Built	2001	1970	2015	2001 & 2002	2012	2007	2009
FAR	0.06	0.07	0.07	0.06	0.11	0.06	0.09
Price per SF of Gross Leasable Area		\$287.27	\$261.67	\$247.69	\$216.51	\$278.69	\$232.99
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—	—
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
% Adjustment		—	—	—	—	—	—
Market Conditions	11/14/2019	Dec-18	Aug-18	May-18	Mar-18	Feb-18	Jan-18
Annual % Adjustment	3%	3%	4%	5%	5%	5%	5%
Cumulative Adjusted Price		\$295.89	\$272.13	\$260.07	\$227.34	\$292.63	\$244.64
Location		—	10%	-5%	10%	10%	15%
Access/Exposure		—	—	—	—	—	—
Size		-15%	-10%	—	-15%	-15%	-15%
Parking		—	—	—	—	—	—
Building to Land Ratio (FAR)		—	—	—	5%	—	5%
Building Quality		-20%	-20%	-15%	-20%	-20%	-20%
Age/Condition		5%	-15%	—	-10%	-5%	-10%
Economic Characteristics		—	—	—	—	—	—
Net \$ Adjustment		-\$88.77	-\$95.25	-\$52.01	-\$68.20	-\$87.79	-\$61.16
Net % Adjustment		-30%	-35%	-20%	-30%	-30%	-25%
Final Adjusted Price		\$207.12	\$176.89	\$208.06	\$159.14	\$204.84	\$183.48
Overall Adjustment		-28%	-32%	-16%	-27%	-27%	-21%
Range of Adjusted Prices		\$159.14 - \$208.06					
Average		\$189.92					
Indicated Value		\$190.00					

Value Indication

Prior to adjustment, the sales reflect a range of \$216.51 - \$287.27 per square foot. After adjustment, the range is narrowed to \$159.14 - \$208.06 per square foot, with an average of \$189.92 per square foot. To arrive at an indication of value, we place relatively equal emphasis on the six sales.

Based on the preceding analysis, we arrive at a value indication by the sales comparison approach as follows:

Value Indication by Sales Comparison	
Indicated Value per SF	\$190.00
Subject Square Feet	80,227
Indicated Value	\$15,243,130
Rounded	\$15,240,000

Reconciliation and Conclusion of Value

Reconciliation involves the weighting of alternative value indications, based on the judged reliability and applicability of each approach to value, to arrive at a final value conclusion. Reconciliation is required because different value indications result from the use of multiple approaches and within the application of a single approach. The values indicated by our analyses are as follows:

Summary of Value Indications	
Cost Approach	\$15,550,000
Sales Comparison Approach	\$15,240,000
Income Capitalization Approach	Not Used
Reconciled	\$15,240,000

Cost Approach

The cost approach is most reliable for newer or special use properties that have limited accrued depreciation. The subject represents newer construction, and there is a relatively active market for land. As a result, the cost approach is applicable to the subject and is applied in our analysis. Nonetheless, it does not directly reflect market behavior, and is given secondary weight.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

Income Capitalization Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent a relevant analysis undertaken by the typical owner-user. Accordingly, this approach is not developed for this assignment.

Final Opinion of Value

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	November 14, 2019	\$15,240,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

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

1. None
-

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local retail market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 6 to 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 to 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Chris R. Morris, MAI, FRICS, made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Chris R. Morris, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

Chris R Morris

Chris R. Morris, MAI, FRICS
State Certified General Real Estate Appraiser
NC Certificate # A266

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Raleigh, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Raleigh is not a building or environmental inspector. Integra Raleigh does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Raleigh, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

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

1. None

Addendum A

Appraiser Qualifications



Chris R. Morris, MAI, FRICS

Experience

Senior Managing Director of Integra Realty Resources-Raleigh. Mr. Morris has been actively engaged in real estate since 1986. He joined Integra after 11 years as a Principal with Shaw Boykin & Morris. Prior to becoming Principal, he was a Staff Appraiser for 6 years with Shaw/Boykin & Associates. Before joining Shaw/Boykin & Associates, Mr. Morris worked as a Staff Appraiser and Utilities Agent for the N.C. Department of Transportation. Mr. Morris has a broad range of experience in valuation and analysis of many types of real estate.

Professional Activities & Affiliations

Member: International Right of Way Association, October 2010
Board of Director: NC Chapter Appraisal Institute, January 2008 - December 2010
Member: Appraisal Institute, June 1992
Royal Institute of Chartered Surveyors, Fellow (FRICS) , June 2012

Licenses

North Carolina, State Certified General Real Estate Appraiser, A266, Expires June 2020
North Carolina, State Licensed Real Estate Broker, 084603, Expires June 2020
South Carolina, State Certified General Real Estate Appraiser, CG 6958, Expires June 2020
Virginia, State Certified General Real Estate Appraiser, 4001 015036, Expires August 2020

Education

Phillips Academy, Andover, MA (1979)

B.A. Degrees, Economics and Organizational Behavior & Management, Brown University, Providence, RI (1984)

Real Estate courses completed are as follows:

Report Writing and Valuation Analysis
Standards of Professional Practice
Case Studies in Real Estate Valuation
Capitalization Theory & Techniques, Part B
Capitalization Theory & Techniques, Part A
Residential Valuation
Basic Valuation Procedures
Real Estate Appraisal Principles
Principles of Real Estate Management
Commercial Real Estate Finance
Commercial/Industrial Real Estate
Cost Estimating
Construction Methods and Materials
Real Estate Brokerage Operations
Real Estate Finance
Real Estate Law
Fundamentals of Real Estate

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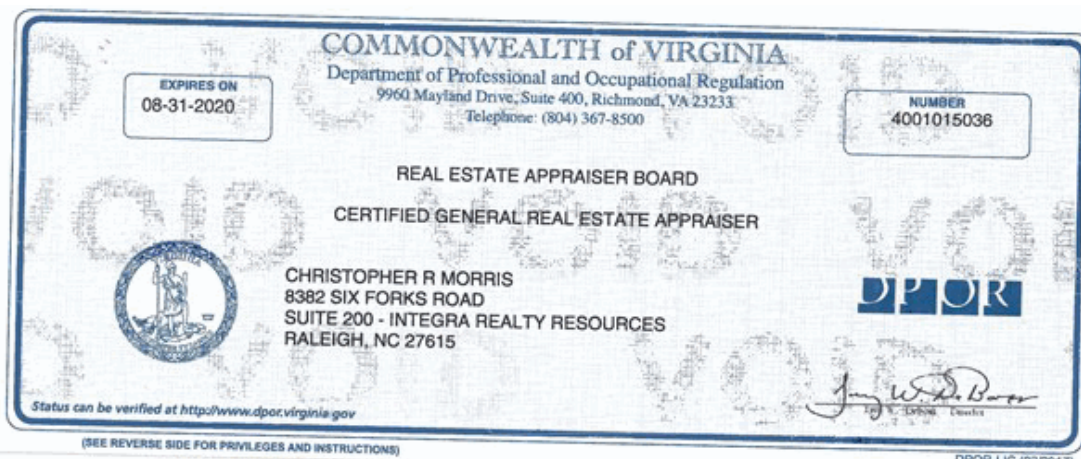


BCD1272569

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board
CHRISTOPHER R MORRIS
Is hereby entitled in practice as a:
Certified General Appraiser
License Number: **6958**

Expiration Date: 06/30/2020
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Laura L. Smith
Administrator



About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

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Addendum B

Definitions



Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

As Is Market Value

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

Class of Retail Property

For the purposes of comparison, retail properties are grouped into three classes: Class A, B and C. These classes represent a subjective quality rating of properties, which indicates the competitive ability of each property to attract similar types of tenants. The differences between these classifications vary by market, and Class B and C properties are generally classified relative to Class A properties.

Class A properties represent the highest quality properties in a market. They have the best locations for retail use and the best access. Construction tends to be new and of good quality, and maintenance standards are high. Building and site designs are functional. As a result, Class A properties attract the highest quality tenants and also command the highest rents.

Class B properties are a step down in quality from Class A properties. Class B buildings tend to be somewhat older, less functional, and less well maintained. Sometimes they are in less desirable locations. Class B properties command rents in the average range for the area.

Class C properties fall into the lowest classification. These properties are older and often in need of renovation. Locations may be inferior, and building and site designs exhibit functional obsolescence and lower standards of maintenance. Class C properties command rents that are below average for the area.

(Source: Integra Realty Resources)

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 follow of customer traffic.

Common Area Charges

Income collected from owners or tenants for the operation and maintenance of common areas; typically specified in commercial and retail leases.

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.
 - a. 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.
 - b. CAM can refer to all operating expenses.
 - c. 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 the parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical areas to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, and upkeep.

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. [Chicago: Appraisal Institute, 2010])

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.

Depreciation

A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.

2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

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

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Surplus Land: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

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.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

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. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

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 outside wall surfaces.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

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 reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Lease Type

Full Service Lease or Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses.

Full Service + Tenant Electric Lease or Gross + Tenant Electric Lease: A lease in which the tenant pays electric charges for its space but in other respects is a full service or gross lease as defined above. Tenant electric is often abbreviated as "TE". (Source: *Integra Realty Resources*)

Modified Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.

Net Lease: A general term for a lease in which the tenant pays all or most of the operating and fixed expenses of a property. Whenever the term net lease is used, an analyst should identify the specific expense responsibilities of the tenant and owner. (Source: *Integra Realty Resources*)

Triple Net Lease: A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, net net net, or fully net lease.

Absolute Net Lease: A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.

5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

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 an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in 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.

(Source: Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.

Percentage Rent

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for the building or other improvements, using modern materials and current standards, design and layout.

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Shopping Center Classifications

Convenience / Strip Center: Among the smallest of centers, convenience or strip centers include tenants that provide a narrow mix of goods and personal services to a very limited trade area. It may be anchorless or anchored by a small convenience store such as a mini-mart. This type of center may be configured in a straight line or have an L shape and has on-site parking usually located in the front of the stores. The size is usually 30,000 square feet or less in the United States or 40,000 square feet in Canada. The trade area usually comprises about one mile.

Neighborhood Shopping Center: A local shopping center typically anchored by a supermarket, pharmacy, or both. A neighborhood shopping center offers consumable goods and personal services, and it usually serves a trade area within three miles of its location. Neighborhood centers typically contain 30,000 to 150,000 square feet of gross leasable area, including anchors.

Community Shopping Center: Typically a shopping center that offers a wider range of apparel and other soft goods than neighborhood centers. Among the more common anchors are supermarkets, super drug stores, and discount department stores. Community center tenants sometimes contain value-oriented big-box category dominant retailers selling such items as apparel, home improvement goods and furnishings, toys, electronics, or sporting goods. The center is usually configured in a straight line as a strip, or in an L or U shape. Of the nine most common center types, community centers encompass the widest range of formats. For example, certain centers that are anchored by a large discount department store often have a discount focus. Others with a high percentage of square footage allocated to off-price retailers can be called off-price centers. Community centers typically encompass 100,000 to 350,000 square feet of gross leasable area, including anchors. The trade area is typically three to six miles.

Power Center: A large community shopping center with more than 250,000 square feet of space anchored by three or more tenants (category killer, home improvement, discount department store, warehouse club and/or off-price retailers) that occupy 60% to 90% of the space; the number of specialty stores is kept to a minimum. The trade area is typically five to ten miles.

Regional Shopping Center: A shopping center that offers a variety of general merchandise, apparel, furniture, home furnishings, services, and recreational facilities, and is built around one or more full department stores. This type of shopping center is usually enclosed, with an inward orientation of the stores connected by a common walkway, and parking surrounds the outside perimeter. Regional centers typically contain 400,000 to 800,000 square feet of gross leasable area and include two or more anchors (full-line department store, junior department store, mass merchant, discount department store and / or fashion apparel) with a 50% to 70% anchor ratio and a primary trade area of five to fifteen miles.

Super-Regional Shopping Center: A shopping center that offers an extensive variety of general merchandise, apparel, furniture, home furnishings, services, and recreational facilities built around at least three major department stores. They are similar in concept to regional centers, but have more variety and assortment. Super-regional centers encompass 800,000+ square feet of gross leasable. It will typically include three or more anchors (full-line department store, junior department store, mass merchant, discount department store and / or fashion apparel) and a primary trade area of five to twenty-five miles.

(Source: The Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. [Chicago: Appraisal Institute, 2015] and Appraisal Institute, Commercial Data Standards and Glossary of Terms [Chicago: Appraisal Institute, 2004])

Stabilized Income

1. An estimate of income, either current or forecasted, that presumes the property is at stabilized occupancy.
2. The forecast of the subject property's yearly average income (or average-equivalent income) expected for the economic life of the subject property.
3. Projected income that is subject to change but has been adjusted to reflect an equivalent, stable annual income.

Stabilized Occupancy

1. The occupancy of a property that would be expected at a particular point in time, considering its relative competitive strength and supply and demand conditions at the time, and presuming it is priced at market rent and has had reasonable market exposure. A property is at stabilized occupancy when it is capturing its appropriate share of market demand.
2. 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.

Addendum C

Financials and Property Information



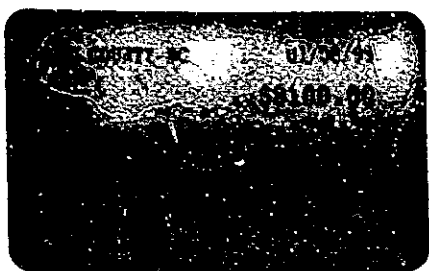
BK8225PG2528

PRESENTED
FOR
REGISTRATION

99 JAN -8 PM 4:25

LAURA M. DEDMON
REGISTER OF DEEDS
WAKE COUNTY

000622



Excise Tax \$8,100.00

Recording Time, Book and Page

Tax Lot No. Parcel Identifier No.
Verified by County on the day of, 19....
by

Mail after recording to William D. Bernard, BROWN & BUNCH
101 N. Columbia Street, Chapel Hill, NC 27514

This instrument was prepared by William D. Bernard

Brief description for the Index Piney Plains Road

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 8 day of January, 19 99, by and between

GRANTOR

PINEY PLAINS PARTNERS,
a North Carolina general partnership

2515 Fairview Road
Raleigh, NC 27608

GRANTEE

CROSSROADS HOLDINGS, LLC,
a North Carolina limited liability company

P. O. Box 1092
Henderson, NC 27536

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

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

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

SEE ATTACHED EXHIBIT A WHICH IS INCORPORATED HEREIN BY THIS REFERENCE.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 4208, Pages 319, 833, 837, 843 and 847

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

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

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

Easements, restrictions and other matters of record, if any.
Ad valorem taxes and assessments, if any, for 1999 and subsequent years.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

H & M DIVERSIFIED INVESTMENTS, INC., Managing Partner of Piney Plains Partners, a North Carolina general (Corporate Name) partnership

JLG CORPORATION, Managing Partner of Piney Plains Partners, a North Carolina general (SEAL) partnership

By: [Signature]
President

By: Alan Futrell
President

Attest: Joy C. Futrell
Secretary

Secretary (Corporate Seal)

NORTH CAROLINA, WAKE County.

I, a Notary Public of the County and State aforesaid, certify that LYNDA P. MCDONNELL personally came before me this day and acknowledged that she is Secretary of H & M DIVERSIFIED INVESTMENTS, INC. a North Carolina corporation, and that by authority duly

given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 8 day of JANUARY, 1999.

Managing Partner of Piney Plains Partners, a North Carolina general partnership
My commission expires: 9/30/2007 William W. Merriman III Notary Public

NORTH CAROLINA, WAKE County.

I, a Notary Public of the County and State aforesaid, certify that Joy C. Futrell personally came before me this day and acknowledged that she is Secretary of JLG CORPORATION a North Carolina corporation, and that by authority duly

given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 8 day of JANUARY, 1999.

*Managing Partner of Piney Plains Partners, a North Carolina general partnership
My commission expires: 9/30/2007 William W. Merriman III Notary Public

This instrument is a true and correct copy of the original as the same appears from the records of the Office of the Notary Public for the County of WAKE State of NORTH CAROLINA.

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By LAURA M. RIDDICK REGISTER OF DEEDS FOR WAKE COUNTY
Sandra L. Moore Deputy/Assistant- Register of Deeds

EXHIBIT A

BEGINNING at an iron pin located in the northwest right-of-way line of Piney Plains Road (S.R. 1423), said beginning point also being the northeast corner of the property of H & M Diversified Investments, Inc., as described in Deed recorded in Book 5925, Page 831, Wake County Registry, and running thence the following courses and distances:

- (a) North 54°13'01" West along the property line of H & M Diversified Investments, Inc., a distance of 1,000.47 feet to a rebar found in the southern right-of-way of U.S. Highway 1 and 64; thence
- (b) North 60°28'50" East along the right-of-way for U.S. Highway 1 and 64, a distance of 140.87 feet to a right-of-way monument; thence
- (c) (North 58°18'57" East along the right-of-way for U.S. Highway 1 and 64, a distance of 201.07 feet to a right-of-way monument; thence
- (d) North 61°36'58" East along the right-of-way for U.S. Highway 1 and 64, a distance of 200.33 feet to a right-of-way monument; thence
- (e) North 62°07'59" East along the right-of-way for U.S. Highway 1 and 64, a distance of 184.10 feet to a right-of-way monument; thence
- (f) North 78°47'26" East along the right-of-way for U.S. Highway 1 and 64, a distance of 306.56 feet to a right-of-way monument; thence
- (g) North 89°21'15" East along the right-of-way for U.S. Highway 1 and 64, a distance of 186.90 feet to a right-of-way monument; thence
- (h) North 83°24'06" East a distance of 36.91 feet to an iron pin, the southwest corner of the property now or formerly owned by Baker Brown Building Incorporated (Book 4302, page 181); thence
- (i) South 54°17'01" East a distance of 303.98 feet to an iron pin in the right-of-way of Piney Plains Road, which is also the northeast corner of the property described herein; thence
- (j) South 34°35'13" West along the right-of-way for Piney Plains Road, a distance of 156.51 feet to an iron pin; thence
- (k) South 34°35'13" West along the right-of-way for Piney Plains Road, a distance of 13.48 feet to an iron pin; thence
- (l) Along a curve to the left in the right-of-way of Piney Plains Road, said curve having a radius of 1004.93 feet with a chord bearing of South 49°34'13" West, an arc distance of 100.48 feet to an iron pin; thence

BK8225PG2531

- (m) South 35°14'10" West along the right-of-way of Piney Plains Road, a distance of 211.46 feet to an iron pin; thence
- (n) South 34°33'34" West along the right-of-way of Piney Plains Road, a distance of 84.86 feet to an iron pin; thence
- (o) South 33°36'51" West along the right-of-way of Piney Plains Road, a distance of 47.56 feet to an iron pin; thence
- (p) South 33°11'29" West along the right-of-way of Piney Plains Road, a distance of 100.04 feet to an iron pin; thence
- (q) South 32°44'34" West along the right-of-way of Piney Plains Road, a distance of 100.43 feet to an iron pin; thence
- (r) South 33°01'55" West along the right-of-way of Piney Plains Road, a distance of 99.39 feet to an iron pin; thence
- (s) South 33°18'23" West along the right-of-way of Piney Plains Road, a distance of 99.70 feet to an iron pin; thence
- (t) South 33°36'11" West along the right-of-way of Piney Plains Road, a distance of 22.44 feet to the point and place of BEGINNING,

containing 16.842 acres, more or less, as shown on that certain plat of survey entitled "Boundary Survey for Crossroads Holdings, LLC," by Kenneth Close, Inc., dated January 5, 1999, and being a recombination of all those certain lots or parcels of land conveyed to Piney Plains Partners by deeds recorded in Book 4208, Pages 319, 833, 837, 843 and 847, Wake County Registry.

PIN: 773.19-51-1378
773.18-41-8356
773.18-41-6188
773.18-41-5024
773.18-40-3952

11514\06\M\001TRACT.1

Wake County, NC 249
Laura M Riddick, Register Of Deeds
Presented & Recorded 05/17/2002 11:37:47
State Of NC Real Estate Excise Tax : \$5076
Book : 009419 Page : 00037 - 00041

Excise Tax \$5,076.00

Recording Time, Book and Page

Tax Lot No. 574-35 Parcel Identifier No. 0773 1830 9506
Verified by County on the day of , 19
by

Mail after recording to William D. Bernard, BROWN & BUNCH, PLLC
101 N. Columbia Street, Chapel Hill, NC 27514
This instrument was prepared by William D. Bernard, BROWN & BUNCH, PLLC
Brief description for the Index 14.107 Acres, Piney Plains Road

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 16th day of May, 2002, ~~xxx~~, by and between

GRANTOR

CLP ASSOCIATES, a North Carolina joint venture
composed of Cary Land Partners Limited
Partnership and Brookwood Associates, a North
Carolina general partnership

GRANTEE

CROSSROADS HOLDINGS, LLC,
a North Carolina limited liability company
1101 Buck Jones Road
Raleigh, NC 27606

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

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

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Cary Township,

Wake County, North Carolina and more particularly described as follows:

BEGINNING in the western right of way (60') of State Road 1423 (Piney Plains Road), at an iron pipe (N.C. Grid Coordinates N=729,880.943 and E=2,074,269.680), said pipe being the Northeastern corner of Lot 113 according to a map recorded in Book of Maps 1954, page 23, Wake County Registry, and runs thence along the line of said Lot 113 and Lot 123 according to said map N 54°38'54" W 1353.45' to an iron pipe; thence along the right of way of U.S. Highway 1 & 64 N 62°38'54" E 187.07'; thence N 60°30'48" E 369.16' to an iron pipe; thence along the line of Lot 129 according to said map S 54°39'11" E 1104.29 feet to an iron pipe in the western right of way of State Road 1423 (Piney Plains Road); thence along said right of way S 33°42'55" W 100.05 feet to a power pole in the right of way of State Road 1423; thence along the western right of way of State Road 1423 S 33°42'55" W 76.77' to an iron pipe; thence S 34°35'10" W 127.39' to an iron pipe; thence S 35°06'53" W 77.75' to an iron pipe; thence S 35°40'07" W 118.60' to the point and place of BEGINNING and containing 14.107 acres according to a survey by Kenneth Close, Inc. entitled "Property of CLP Associates" dated February 15, 1988, and revised November 14, 1988, and being all of Lots Nos. 93 through 112 and a portion of Lots 124 through 128 as shown in Book of Maps 1954, Page 23, Wake County Registry.

Attachment to CLP Associates/Crossroads Holdings, LLC General Warranty Deed

CLP ASSOCIATES, a North Carolina
joint venture

By: Brookwood Associates, a North Carolina
general partnership, joint venturer

By: JLG Corporation, managing general
partner

By: Glenn Futrell (SEAL)
Glenn Futrell, President

STATE OF NORTH CAROLINA

COUNTY OF Alamance

I, a Notary Public of the County and State aforesaid, certify that Glenn Futrell, President of JLG Corporation, a North Carolina corporation and managing general partner of Brookwood Associates, a North Carolina general partnership and a joint venturer in CLP Associates, a North Carolina joint venture, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of the corporation as managing general partner of Brookwood Associates, a joint venturer.

Witness my hand and official stamp or seal this 16th day of May, 2002.

My commission expires: 1/3/07

Cynthia B. Lunt
Notary Public

(SEAL-STAMP)



EXHIBIT A

1. Easement(s) to the Town of Apex for sewage transmission lines recorded in Book 2890, Page 476; and Book 2859, Page 912, Wake County Registry.
2. Easement(s) to Carolina Power and Light Company recorded in Book 956, Page 193; and Book 2890, Page 481, Wake County Registry.
3. Carolina Power and Light Company easement crossing the insured land as shown on survey by Kenneth D. Close, Registered Land Surveyor, dated August 15, 1987.
4. Easement affecting the southwest lot line as shown on survey by Kenneth D. Close, Registered Land Surveyor, dated August 15, 1987.
5. Utility and Pipeline Easement to the Town of Cary recorded in Book 4343, Page 585, Wake County Registry.
6. Building restriction lines, easements, and other matters shown on map recorded in Book of Maps 1954, Page 23, Wake County Registry.
7. Restrictive Covenants recorded in Book 252, Page 264; Book 262, Page 582; Book 528, Page 106; and Book 1359, Page 23, Wake County Registry.
8. Deed of Easement to the Town of Apex for sewage transmission lines recorded in Book 2859, Page 912, Wake County Registry.
9. Easements to Yadkin River Power Company recorded in Book 252, Page 264; and Book 262, Page 582, Wake County Registry.
10. Easements to CP&L recorded in Book 528, Page 106; Book 956, Page 193; Book 1171, Page 526; Book 2890, Page 481; and Book 8522, Page 2346, Wake County Registry.
11. Right(s) of Way Agreement to State Highway Commission recorded in Book 1359, Page 23, Wake County Registry.
12. Easements to Town of Cary recorded in Book 8550, Pages 1117 and 1120, Wake County Registry.

Laura M Riddick
Register of Deeds
Wake County, NC



Book : 009419 Page : 00037 - 00041

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

North Carolina - Wake County

The foregoing certificate 5 of Beverly J. DRIGGERS
Cynthia B Faust

Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By Michael D Blake
Assistant/Deputy Register of Deeds

This Customer Group
of Time Stamps Needed

This Document
5 New Time Stamp
of Pages

[Home](#)

Wake County Real Estate Data Account Summary

[iMaps](#)
[Tax Bills](#)
Real Estate ID **0103260**PIN # **0773401397**
[Account
Search](#)

 Location Address
1660 PINEY PLAINS RD

 Property Description
LO2R CROSSROADS HOLDINGS LLC BM2017-01525
[Pin/Parcel History](#) [New Search](#)


NORTH CAROLINA

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

Property Owner CROSSROADS HOLDINGS LLC (Use the Deeds link to view any additional owners)		Owner's Mailing Address PO BOX 2069 WAKE FOREST NC 27588-2069	Property Location Address 1660 PINEY PLAINS RD CARY NC 27518-6852
Administrative Data Old Map # 574-- Map/Scale 0773 18 VCS CACA001 City CARY Fire District Township CARY Land Class COMMERCL ETJ CA Spec Dist(s) Zoning GCCU History ID 1 History ID 2 Acreage 28.93 Permit Date 11/4/2013 Permit # 0000141261		Transfer Information Deed Date 5/17/2002 Book & Page 09419 0037 Revenue Stamps Pkg Sale Date Pkg Sale Price Land Sale Date Land Sale Price Improvement Summary Total Units 31 Recycle Units 0 Apt/SC Sqft Heated Area 80,631	Assessed Value Land Value Assessed \$10,372,315 Bldg. Value Assessed \$6,720,058 Tax Relief Land Use Value Use Value Deferment Historic Deferment Total Deferred Value Use/Hist/Tax Relief Assessed Total Value Assessed* \$17,092,373

*Wake County assessed building and land values reflect the market value as of January 1, 2016, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date does not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment.

The January 1, 2016 values will remain in effect until the next county-wide revaluation. Until that time, any real estate accounts created or new construction built is assessed according to the 2016 Schedule of Values.

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

Real Estate ID **0103260**PIN # **0773401397**Account
Search

Location Address

1660 PINEY PLAINS RD

Property Description

LO2R CROSSROADS HOLDINGS LLC BM2017-01525[Pin/Parcel History](#) [New Search](#)[Account](#) | [Buildings](#) | [Land](#) | [Deeds](#) | [Notes](#) | [Sales](#) | [Photos](#) | [Tax Bill](#) | [Map](#)

Building Location Address 1660 PINEY PLAINS RD		Building Description CROSSROADS FORD-SERVICE CENTER		Card 01 Of 01	
Bldg Type	2 Service Garage	Year Blt	2001	Eff Year	2001
Units	31	Addns		Remod	
Heated Area	80,631	Int. Adjust.			
Story Height	1 Story	Other Features	Sprinkler Syste		
Style	Conventional				
Basement	Crawl Space				
Exterior	Enameled Steel				
Const Type	Exposed Steel				
Heating	Central				
Air Cond	Central				
Plumbing	Adequate				
		Base Bldg Value	\$6,532,101		
		Grade	29.61	110%	
		Cond %	B	83%	
		Market Adj.			
		Market Adj.			
		Accrued %		83%	
		Incomplete Code			
		Card 01 Value	\$6,720,058		
		All Other Cards			
		Land Value Assessed	\$10,372,315		
		Total Value Assessed	\$17,092,373		

Main and Addition Summary						Other Improvements						
	Story	Type	Code	Area	Inc	Units	Des Item	Code	Year	%ADJ	Inc	Value
M	1	ES/CS		80631		1	UN CELLTWR	REF	1998	100		0
A		CN O	0310	352		500000	SF PAVASPH	0028	2001	55		756250
B						1	UN FENCE6	REF	1998	50		0
C						1	UN RTEQBLDG	REF	1998	100		0
D												
E												
F												
G												
H												

Building Sketch		Photograph 12/10/2014	
		0103260	


[Home](#)

Wake County Real Estate Data Land Valuation

[iMaps](#)
[Tax Bills](#)
Real Estate ID **0103260**PIN # **0773401397**
[Account Search](#)
**WAKE
COUNTY**
Location Address
1660 PINEY PLAINS RDProperty Description
LO2R CROSSROADS HOLDINGS LLC BM2017-01525
[Pin/Parcel History](#) [New Search](#)


NORTH CAROLINA

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

Land Class	COMMERCL	Deeded Acres	28.93	Farm Use Year
Soil Class	3	Calculated Acres		Farm Use Flag

Land Value Detail - Market										
Sch	ETJ	Zoning	Description	Units	Rate	Cnd%	Reason	Inf%	Reason	Value
3	CA	GCCU	BSITE1	18.25	\$392,040			39		\$9,945,082
3	CA	GCCU	WASTE	5.00	\$392,040	10	OTHER	39		\$272,470
3	CA	GCCU		5.68	\$392,040	5		39		\$154,763
Total Land Value Assessed										\$10,372,315

*Wake County assessed building and land values reflect the market value as of January 1, 2016, which is the date of the last county-wide revaluation. Any inflation, deflation or other economic changes occurring after this date does not affect the assessed value of the property and cannot be lawfully considered when reviewing the value for adjustment.

The January 1, 2016 values will remain in effect until the next county-wide revaluation. Until that time, any real estate accounts created or new construction built is assessed according to the 2016 Schedule of Values.

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


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Wake County Real Estate Data Ownership History

[iMaps](#)
[Tax Bills](#)
Real Estate ID **0103260**PIN # **0773401397**
[Account Search](#)
Location Address
1660 PINEY PLAINS RDProperty Description
LO2R CROSSROADS HOLDINGS LLC BM2017-01525
[Pin/Parcel History](#)
[New Search](#)


NORTH CAROLINA

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

	Owner Name	Type	% Own	Stamps	Book	Page	Date
Current	CROSSROADS HOLDINGS LLC		ALL	.00	09419	0037	05-17-2002
1 Back	PINEY PLAINS PARTNERS		ALL	914.00	04208	0319	02-26-1988
2 Back	SOUTH HILLS BAP CHURCH INC		ALL		01920	0215	

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Real Estate ID 0103260

PIN # 0773401397

[Account Search](#)

 Location Address
 1660 PINEY PLAINS RD

 Property Description
 LO2R CROSSROADS HOLDINGS LLC BM2017-01525

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


NORTH CAROLINA

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

Card 01 Of 01

[Code Descriptions](#)

Date	Line	Notes
08-21-2017	1	1-25-02/GHT/SERVICE GARAGE COMP F2002
08-21-2017	2	8-1-01/GHT/REMOVE OLD BLDG & ADD NEW BLDG F2002
08-21-2017	3	BLDG PERMIT #014481 ISSUE DATE 05-30-01 CONST TYPE B \$?
08-21-2017	4	BLDG PERMIT #004480 ISSUE DATE 11-05-00 CONST TYPE B \$?
08-21-2017	5	12-30-98/ABS/REF CELL TOWER F99
08-21-2017	6	RESTORATION ASSEMBLY CH
08-21-2017	7	EXEMPT TO TAXABLE FOR 1-1-88
08-21-2017	8	IH-B/CV/GHT/02-03-00/COMPARABLE VALUE TO NEIGH. PROPERTIES
08-21-2017	1	MOVED ADDRESS 1660 PINEY PLAINS RD TO REID 0103260
08-21-2017	2	UPDATED ADDRESS FROM 1600 TO 1660 PINEY PLAINS RD PER TOC
08-21-2017	3	RESULT LETTER PRINTED
08-21-2017	4	cell equip upgrade(personal prop) comp per permit#11-5121 cost
08-21-2017	5	\$15,000/ nciv
08-21-2017	6	ADD TO BLDG ON CD#2 COMP F'14
08-21-2017	7	RESULT LETTER PRINTED
08-21-2017	8	DWELLING RAZED & ADD PAVING
08-21-2017	9	RESULT LETTER PRINTED
08-21-2017	10	ac corr to 4.93ac per db8225-2525 & .01ac split out into piney
08-21-2017	11	plains rd r/w per bm1999-1106
08-21-2017	12	RESULT LETTER PRINTED
08-21-2017	13	APPEAL CLOSED
08-21-2017	14	RESULT LETTER PRINTED
08-21-2017	15	IH-C/TC/GHT/02-04-08/TYPE AND USE INCORRECTLY ASSIGNED
08-21-2017	16	RESULT LETTER PRINTED
08-21-2017	17	IH-C/LF/GHT/02-04-08/LAND INFL./COND. FACTOR ERROR
08-21-2017	18	RESULT LETTER PRINTED
08-21-2017	19	RESULT LETTER PRINTED
08-21-2017	20	APPEAL CLOSED
08-21-2017	21	8-1-01/GHT/REMOVE OLD BLDG & ADD NEW BLDG(CD#1)&BLDG(CD#2)F2002
08-21-2017	22	APPEAL CLOSED
08-21-2017	23	IH-B/ND/GHT/02-07-08/NO DOCUMENTATION SUBMITTED FOR CONSID.
08-21-2017	24	PROPERTY VALUE APPEALED
08-21-2017	25	1-25-02/GHT/NEW BLDGS (CARD #1 & 2) COMP F2002
08-21-2017	26	2-9-99/PW(3.92AC)COMBINED ID0170598/W HSE (4.36AC), ID0005439 (
08-21-2017	27	1AC), ID0170594 (3.47AC), ID0170597 (3.92AC) HERE & ACRE CORR P
08-21-2017	28	ER DB8225-2528 F2000/ZZZ

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Duplicate Billing Statement



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new search



return

Please mail payments and correspondence to:

Wake County Tax Administration
PO Box 580084
Charlotte NC 28258-0084

CROSSROADS HOLDINGS LLC

Acct #: **0000103260-2019-2019-000000** Acct Status:
Bill Date: **07/19/2019**
Due Date: **09/01/2019**
Interest Begins: **01/07/2020**

Description: **LO2R CROSSROADS HOLDINGS LLC BM2017-0152**
Location: **1660 PINEY PLAINS RD CARY 27518-6852**

Municipality: **Cary**
Fire District:
Special Dist:
Recycle Units:

REID: **0103260** Acres: **28.93** Class: **1** PIN: **0773401397**

Assessed Value	Orig	Adj	Rate	Taxing Units	Amt Billed	Adj Billed	Payment Allocation
Real	17,092,373		.3500	Cary	59,823.31		Cary
Deferred				Special District			Special District
Use	17,092,373			Late List Penalty			Late List Penalty
Personal				Vehicle Fee			Vehicle Fee
Exclusion							City Interest
Total Value	17,092,373			Total Cary	59,823.31		Wake County
			.7207	Wake County	123,184.73		Fire District
				Fire District			Special District
				Special District			Late List Penalty
				Late List Penalty			Recycle Fee
				Recycle Fee			County Interest
				Total Wake County	123,184.73		Costs
				Total Billed	183,008.04		Total Paid
							0.00
							Principal Due
							183,008.04
							Interest Due
							0.00
							Costs
							0.00
							Total Due
							183,008.04

If Paid By 01/06/2020 Pay \$183,008.04

The property records and tax bill data provided herein represent information as it currently exists in the Wake County collection system. This data is subject to change daily. Wake County makes no warranties, express or implied, concerning the accuracy, completeness, reliability, or suitability of this data. Furthermore, this office assumes no liability whatsoever associated with the use or misuse of such data.

Questions? E-mail taxhelp@wakegov.com or call the Wake County Department of Tax Administration at 919-856-5400.

WAKE COUNTY, NC 11
CHARLES P. GILLIAM
REGISTER OF DEEDS
PRESENTED & RECORDED ON
08/02/2017 09:18:15

BOOK:016865 PAGE:01413 - 01438

Prepared by and return to:
William W. Bunch, III
BROWN & BUNCH, PLLC
4700 Homewood Court, Suite 265
Raleigh, North Carolina 27609

STATE OF NORTH CAROLINA
COUNTY OF WAKE

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS ("Declaration") is made this 27th day of July 2017, by **CROSSROADS HOLDINGS, LLC**, a North Carolina limited liability company having a mailing address of 1730 Graham Avenue, Henderson, North Carolina 27536 ("**Declarant**").

WITNESSETH THAT:

WHEREAS, Declarant is the record owner of 35.8688 acres, more or less, in multiple tracts located on the north side of Piney Plains Road (N.C.S.R. 1423) in the Town of Cary, Wake County, North Carolina; and

WHEREAS, Declarant intends to recombine and/or subdivide such real property for redevelopment of portions thereof for commercial and residential uses; and

WHEREAS, Declarant desires to create and establish certain covenants, conditions, restrictions, easements, rights and obligations to facilitate the redevelopment and improvement of such real property;

NOW, THEREFORE, Declarant, for itself and its successors and assigns, including each subsequent Owner (defined below), declares that the Property (defined below), including

each Lot (defined below) and, shall be owned, held, sold, transferred, conveyed, occupied, used, leased, mortgaged and/or otherwise encumbered subject to the covenants, conditions, restrictions, easements, rights and obligations set forth in this Declaration, each of which shall burden and benefit the Property, including each Lot, and be binding upon each Person (defined below) having or acquiring any right, title or interest in or to the Property or any Lot.

ARTICLE I **DEFINITIONS**

1.1 Definitions. When and as used in this Declaration, each of the following terms shall have the meaning ascribed to it as follows:

(a) **“2000 RWP Easement”** means the Reservoir Watershed Protection and Access Easement and Agreement between Declarant and the Town of Cary recorded in Book 8589, Page 2725, Wake County Registry and the Operations and Maintenance Manual (as defined therein) setting forth the maintenance responsibilities relative thereto, all pertaining to the Upper Detention Basis and access thereto.

(b) **“2003 RWP Easement”** means the Reservoir Watershed Protection and Access Easement and Agreement between Declarant and the Town of Cary recorded in Book 10383, Page 2771, Wake County Registry and the Operations and Maintenance Manual (as defined therein) setting forth the maintenance responsibilities relative thereto, all pertaining to Drainage Reservoir Area #2 and access thereto.

(c) **“Cross Access Easement”** means the area within the “New 60’ Private Cross Access Easement” on Lot 1R containing 0.4442 acres as shown on the Recombination Plat.

(d) **“Cross Access Easement Improvement”** means each driveway, sidewalk and other improvement now or hereafter constructed within the Cross Access Easement.

(e) **“Declarant”** means Crossroads Holdings, LLC, a North Carolina limited liability company, and its successors and assigns.

(f) **“Declaration”** means this Declaration of Covenants, Conditions, Restrictions and Easements as the same may be amended and/or modified from time to time.

(g) **“Descendant Lot”** means each Lot created from the recombination or subdivision of any Parent Lot.

(h) **“Environmental Law”** means any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or at any time hereafter in effect regulating, relating to or imposing liability or standards of conduct concerning air or water quality or any hazardous, toxic, dangerous, restricted or otherwise regulated waste, substance or material.

(i) **“Hazardous Substance”** means (i) any substance that contains gasoline, diesel fuel or other petroleum hydrocarbons, (ii) any substance that is flammable, radioactive, corrosive

or carcinogenic, (iii) any substance the presence of which on the Property causes or threatens to cause a nuisance or health hazard affecting human health, the environment, the Property or premises adjacent thereto, or (iv) any substance the presence of which on the Property requires investigation or remediation under any Environmental Law, as the same may hereafter be amended.

(j) **“Impervious Surface”** means any material that significantly reduces and prevents natural infiltration of water into the soil. Impervious Surfaces include, but are not limited to, roofs, patios, balconies, decks, streets, parking areas, driveways, sidewalks and any concrete, stone, crush and run, gravel, masonry, marl, wood, brick, asphalt or compacted gravel surface.

(k) **“Impervious Surface Area”** means the number of square feet of “Impervious Surface” within a given Lot.

(l) **“Impervious Surface Percentage”** means (i) as to the Upper Watershed, the percentage computation set forth in **Section 2.2 (b)** and (ii) as to the Lower Watershed, the percentage computation set forth in **Section 2.3 (b)**.

(m) **“Invitee”** means any Person expressly or impliedly authorized by an Owner to enter upon or occupy such Owner’s Lot.

(n) **“Laws”** means all applicable municipal, state and federal ordinances, regulations, codes, statutes and common law.

(o) **“Lot”** means each of Parent Lot 1R, 2R and 3R and each Descendant Lot created by recombination or subdivision of Lot 1R, Lot 2R and/or Lot 3R. **“Lots”** means, collectively, Lot 1R, Lot 2R, Lot 3R and each Descendant Lot created by recombination or subdivision of Lot 1R, Lot 2R and/or Lot 3R.

(p) **“Lot 1R”** means all of Lot 1R containing 3.9192 acres as shown on the Recombination Plat.

(q) **“Lot 2R”** means all of Lot 2R containing 28.9316 acres as shown on the Recombination Plat.

(r) **“Lot 3R”** means all of Lot 3R containing 3.0180 acres as shown on the Recombination Plat.

(s) **“Lower Detention Basin”** means that certain 1.187 acres identified as Reservoir Protection Maintenance & Access Easement on that certain reservoir protection maintenance and access easement plat recorded in Book of Maps 2003, Page 1107, Wake County Registry plus all stormwater collection and drainage structure serving the Lower Detention Basin now or hereafter constructed in the Lower Watershed.

(t) **“Lower Watershed”** means that portion of the Property draining surface water and runoff to the Lower Detention Basin as illustrated on **Exhibit A**.

(u) **“Owner”** means the record owner of fee simple title to any Lot. **“Owner”** shall include Declarant for so long as Declarant is the record owner of fee simple title to any Lot.

(v) **“Parent Lot”** means, any one or more Lots from which one or more Descendant Lot has (have) been created by recombination or subdivision. As of the date of this Declaration, each of Lot 1R, 2R and 3R is a Parent Lot.

(w) **“Permits”** means all applicable, local, state and federal land use, occupancy, building, life-safety, BMP and zoning permits.

(x) **“Person”** means any individual, partnership, limited liability company, firm, association, corporation, trust or other form of business or governmental entity.

(y) **“Property”** means those certain tracts or parcels of land located in the Town of Cary, Wake County, North Carolina, containing a total of 35.8688 acres as shown on the Recombination Plat, including Parent Lots 1R, 2R and 3R and all Descendant Lots.

(z) **“Recombination Plat”** means that certain recombination and easement plat recorded in Book of Maps 2017, Pages 1525 and 1526, Wake County Registry.

(aa) **“Upper Detention Basin”** means that certain 1.42643 acres identified as Stormwater Impoundment Easement on that certain easement and access plat to the Town of Cary for water quality basin recorded in Book of Maps 2000, Page 850, Wake County Registry plus all stormwater collection and drainage structure serving the Upper Detention Basin now or hereafter constructed in the Upper Watershed.

(bb) **“Upper Watershed”** means that portion of the Property draining surface water and runoff to the Upper Detention Basin as illustrated on **Exhibit A**.

(cc) **“Wake County Registry”** means the Office of the Register of Deeds of Wake County, North Carolina.

1.2 Other Definitions.

“Utility Easement” is defined in **Section 2.4(a)**.

“Utility” is defined in **Section 2.4(a)**.

“Cell Tower Easement” is defined in **Section 3.3(c)**.

“Cellular Restricted Area” is defined in **Section 3.3(c)**.

1.3 Construction.

(a) Unless otherwise expressly provided to the contrary, all references to “Lot” shall include, as applicable, each Parent Lot and each Descendant Lot. Any reference to Lots 1R, 2R or 3R shall include each Descendant Lot in respect of Lot 1R, 2R or 3R. In addition, “Lot” also includes portions of a Lot as well as all improvements constructed or to be constructed thereon.

(b) All references to the singular of a defined term (including, but not limited to “Lot”, “Parent Lot,” “Descendent Lot,” “Cross Access Easement Improvement,” “Utility” and “Utility Easement”) shall also include the plural (viz, “Lots,” “Parent Lots,” “Descendant Lots,” “Cross Access Easement Improvements,” “Utilities” and “Utility Easements”).

(c) All other words and terms shall be construed in accordance with their ordinary and accepted meanings or trade usages, if appropriate, unless the context otherwise requires. When the context in which a word is used in this Declaration indicates that such is the intent, a word in the singular number shall include the plural and vice-versa, a word in the masculine gender shall include the feminine and neuter and vice-versa, and words joined by a conjunctive shall include the disjunctive and vice-versa.

ARTICLE II **EASEMENTS**

2.1 Cross Access Easement.

(a) Subject to the covenants, conditions and restrictions set forth in this **Section 2.1** and elsewhere in this **Article II**, Declarant establishes, creates and reserves the Cross Access Easement as a perpetual non-exclusive and irrevocable right and easement over, across and through the Cross Access Easement for the benefit of Lot 2R. The purpose of the Cross Access Easement is to provide general ingress, egress and regress to, from and among Lot 1R, Lot 2R and Piney Plains Road (N.C.S.R. 1423) over all Cross Access Easement Improvements. The Cross Access Easement is (i) appurtenant to and runs with Lot 2R, (ii) inures to the benefit of Lot 2R, the Owner of Lot 2R, and Invitees of the Owner of Lot 2R, (iii) burdens Lot 1R and (iv) be binding upon the Owners of Lot 1R and Lot 2R and their respective Invitees.

(b) The Owner of Lot 2R and its Invitees shall have the right to access and cross the Cross Access Easement at such curb cuts and access points as currently exist. In addition, in conjunction with the redevelopment of Lot 2R, the Owner of Lot 2R and its Invitees shall have the right to access and cross the Cross Access Easement at such additional or replacement curb cuts and access points as may be approved by the Town of Cary in conjunction with such redevelopment and constructed by the Owner.

(c) The Cross Access Easement Improvements shall be designed and constructed in compliance with the provisions of this Declaration and all applicable Laws.

(d) For so long as Declarant owns Lot 2R or 1R, or any Descendant Lot of either, Declarant shall be responsible for managing maintenance, repair and replacement of the Cross Access Easement and all Cross Access Easement Improvements, when and as necessary so as to

maintain same to a standard similar to other cross access easement improvements in the Town of Cary. The cost and expense of maintaining, repairing and replacing any part of the Cross Access Easement and any Cross Access Easement Improvements shall be allocated among the Owners thereof, including Declarant, based on the percentage of the total acreage owned as follows:

	<u>Acreage</u>	<u>Percentage of Total Acreage</u>
Lot 1R	3.9192	11.93%
Lot 2R	<u>28.9316</u>	<u>88.07%</u>
Total:	32.8508	100.00%

The percentage of maintenance, repair and replacement costs allocated to Lot 1R and 2R may be re-allocated by Declarant among any Descendant Lots subdivided therefrom.

If Declarant no longer owns any of Lot 2R or 1R, responsibility for managing maintenance, repair and replacement of the Cross Access Easement and all Cross Access Easement Improvements as provided above shall pass to Declarant's assignee of the Declarant's rights and responsibilities. The cost and expense of maintaining, repairing and replacing any part of the Cross Access Easement and Cross Access Easement Improvements, shall continue to be allocated among the Owners thereof based on the percentage of the total acreage owned as provided above.

(e) Each Owner responsible for an allocated share of the foregoing cost and expense shall pay and reimburse its allocated share within thirty (30) days after receipt of an itemized invoice for such allocated share. Remedies for the failure of an Owner to pay its allocated share of cost and expense, including a lien therefor, are set forth in **Section 5.5**.

(f) Notwithstanding any provision contained in this **Section 2.1** or elsewhere in this Declaration to the contrary, each Owner shall be solely responsible for any and all costs and expenses to repair or replace any Cross Access Easement Improvement damaged by any act of such Owner or its Invitees.

2.2 Easement for Stormwater Drainage and Detention in Upper Detention Basin.

(a) (i) Declarant declares and establishes for the benefit of each Lot located within the Upper Watershed a perpetual, non-exclusive easement upon the Upper Detention Basin for the collection, deposit, containment, storage and controlled release of stormwater runoff and sediment from the Upper Watershed, provided the design capacity of the Upper Detention Basin remains adequate for its intended purpose.

(ii) Declarant furthermore declares and establishes for the benefit of each Lot located within the Upper Watershed a perpetual, non-exclusive easement upon each other Lot in the Upper Watershed for the efficient transmission, conveyance and drainage of stormwater runoff and sediment from the Upper Watershed to the Upper Detention Basin, provided the design capacity of the Upper Detention Basin remains adequate for its intended purpose.

(b) For so long as Declarant shall own a Lot located within the Upper Watershed, Declarant shall be responsible for managing the maintenance, repair and replacement of the Upper Detention Basin, when and as necessary, in accordance and compliance with the requirements of the 2000 RWP Easement. The cost and expense of maintaining, repairing and replacing any part of the Upper Detention Basin shall be allocated based on the amount of Impervious Surface in each Lot of the Upper Watershed divided by the total of all Impervious Surface in the Upper Watershed:

	<u>Impervious Surface Area</u>	<u>Impervious Surface Percentage</u>
Lot 1R	103,301 sq. ft.	21.73%
Lot 3R	48,593 sq. ft.	10.22%
Portion of Lot 2R	<u>323,563 sq. ft.</u>	<u>68.05%</u>
Total:	475,457 sq. ft.	100%

The Impervious Surface Area and Impervious Surface Percentage allocated to each Lot within the Upper Watershed may be re-allocated by Declarant among any Descendant Lot.

In the event Declarant ceases to own a Lot within the Upper Watershed, responsibility for managing the maintenance, repair and replacement of the Upper Detention Basin as provided above shall pass to an assignee of the Declarant's rights and responsibilities. The cost and expense of maintaining, repairing and replacing any part of the Upper Detention Basin shall continue to be allocated to and shared by each Owner of a Lot in the Upper Watershed in accordance with such Lot's Impervious Surface Percentage.

(c) Each Owner responsible for an allocated share of the foregoing cost and expense shall pay and reimburse its allocated share within thirty (30) days after receipt of an itemized invoice for same. Remedies for the failure of an Owner to pay its allocated share of cost and expense, including a lien therefor, are set forth in **Section 5.5**.

(d) In the event further development or redevelopment of any portion of the Upper Detention Basin results in a change to the Impervious Surface Area within any Lot, the Declarant shall record an amendment to this Declaration stating a revised Impervious Surface Area and Percentage for each Lot. The Impervious Surface Percentage for each Lot within the Upper Watershed shall be deemed reallocated as set forth in such amendment effective with its recordation in the Wake County Registry. No reallocation of Impervious Surface Percentage shall affect any amount due in respect of Lot prior to the date the amendment is recorded.

(e) Notwithstanding any provision contained in this **Section 2.2** or elsewhere in this Declaration to the contrary, each Owner shall be solely responsible for any and all costs and expenses to repair or replace any part of the Upper Detention Basin is damaged as a consequence of any act of such Owner or its Invitees.

2.3 Easement for Stormwater Drainage and Detention in Lower Detention Basin.

(a) (i) Declarant declares and establishes for the benefit of each Lot located within the Lower Watershed a perpetual, non-exclusive easement upon the Lower Detention Basin for the collection, deposit, containment, storage and controlled release of stormwater runoff and sediment from the Lower Watershed, provided the design capacity of the Lower Detention Basin remains adequate for its intended purpose.

(ii) Declarant furthermore declares and establishes for the benefit of each Lot located within the Lower Watershed a perpetual, non-exclusive easement upon each other Lot in the Lower Watershed for the efficient transmission, conveyance and drainage of stormwater runoff and sediment from the Lower Watershed to the Lower Detention Basin, provided the design capacity of the Lower Detention Basin remains adequate for its intended purposes.

(b) For so long as Declarant shall own any portion of a Lot located within the Lower Detention Basin, Declarant shall be responsible for managing the maintenance, repair and replacement of the Lower Detention Basin, when and as necessary in accordance and compliance with the requirements of the 2003 RWP Easement. The cost and expense of maintaining, repairing and replacing any part of the Lower Detention Basin shall be allocated based on the amount of Impervious Surface in each Lot in the Lower Watershed divided by the total of all Impervious Surface in the Lower Watershed as follows:

	<u>Impervious Surface Area</u>	<u>Impervious Surface Percentage</u>
Portion of Lot		
2R	<u>256,596 sq. ft.</u>	<u>100%</u>
Total:	256,596 sq. ft.	100%

The Impervious Surface Area and Impervious Surface Percentage allocated to each Lot within the Lower Watershed may be re-allocated by Declarant among any Descendant Lots located in whole or in part in the Lower Watershed.

In the event Declarant ceases to own a Lot within the Lower Watershed, responsibility for managing the maintenance, repair and replacement of the Lower Detention Basin as provided above shall pass to an assignee of the Declarant's rights and responsibilities. The cost and expense of maintaining, repairing and replacing any part of the Lower Detention Basin shall continue to be allocated to and shared by each Owner of a Lot in the Lower Watershed in accordance with such Lot's Impervious Surface Percentage.

(c) Each Owner responsible for an allocated share of the foregoing cost and expense shall pay and reimburse its allocated share within thirty (30) days after receipt of an itemized invoice for same. Remedies for the failure of an Owner to pay its allocated share of cost and expense, including a lien therefor, are set forth in **Section 5.5**.

(d) In the event further development or redevelopment of any portion of the Lower Watershed results in a change to the Impervious Surface Area, the Declarant shall execute and record an amendment to this Declaration in the Wake County Registry stating a revised Impervious Surface Area and Percentage. The Impervious Surface Percentage for each Lot within the Lower Watershed shall be deemed reallocated as set forth in such amendment effective with its recordation in the Wake County Registry. No reallocation of the Impervious Surface for each Lot Percentage shall affect any amount due in respect of any Lot prior to the date the amendment is recorded.

(e) Notwithstanding any provision contained in this **Section 2.3** or elsewhere in this Declaration to the contrary, each Owner shall be solely responsible for any and all costs and expenses to repair or replace the Lower Detention Basin that is damaged as a consequence of any act of such Owner or its Invitees.

2.4 Utility Easements.

(a) Subject to the terms and conditions set forth in this **Section 2.4** and elsewhere in this **Article II**, Declarant hereby establishes, creates and reserves perpetual non-exclusive and irrevocable rights and easements of variable width over, under, across and through the Property for the purposes of (i) installing, operating, using, maintaining, repairing, replacing, relocating and removing lines, cables, conduits, equipment and facilities for the delivery of utility services to each Lot (each a “**Utility Easement**”) including, but not limited to, sanitary sewer, water (fire and domestic), gas, electricity, cable television, telephone, internet, communications, data and other similar lines and facilities (each a “**Utility**”), and (ii) connecting and tying into a common Utility that may be installed from time to time upon any portion of the Property for the common use of all Lots and using such common Utility for the delivery of utility services to each Lot.

(b) The location of each Utility Easement shall be subject to the prior written consent of the Owner of each Lot burdened thereby, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, an Owner may withhold consent with respect to any Utility Easement proposed to be located on such Owner’s Lot within an existing or prospective footprint of a vertical improvement such as a building. Unless otherwise required by applicable Laws or unless specifically approved in writing by the Declarant, the Utility Easement for each Utility shall not be of a dimension larger than reasonably necessary to satisfy the provider of a public Utility or five (5) feet on each side of the centerline or point of Utility as actually installed with respect to a private Utility.

(c) Subject to the provisions of **Sections 2.4(a)** and **(b)**, each Owner shall have the right, at any time, at its sole cost and expense, to install and/or connect to an existing Utility located on another Lot or, if applicable and available, a Utility outside of the Property for the purpose of providing service to such Owner’s Lot; provided, however, no such installation and connection shall be performed unless the Owner performing such installation and connection shall have delivered thirty (30) days prior written notice of the commencement of such installation and connection to the Owner of each Lot affected by such installation and connection. Any such installation and connection (i) shall be performed in a good and workmanlike manner, including clean-up and surface and/or subsurface restoration, (ii) shall be

performed in a prompt and timely manner so as to minimize any interruption of or interference with the conduct or operation of any business or other lawful activity on any Lot subject to such installation and/or connection, (iii) shall comply with the provisions of this Declaration and all applicable Laws and Permits, (iv) shall not interrupt, diminish or otherwise interfere with Utility service to any Lot (except during such period(s) as may be approved, in writing, by the Owner of each Lot affected by such installation and connection), (v) shall not reduce or impair the usefulness or function of any existing Utility without the prior written consent of the Owner of each Lot served by such existing Utility, and (vi) shall not increase the cost of Utility service to any Lot served by any existing Utility without the prior written consent of the Owner of each such Lot. The Owner performing or causing to be performed any such installation and connection shall cause each Lot upon which such installation and connection shall be performed, including, without limitation, any disturbed landscaping, to be cleaned and restored to a condition equal to or better than the condition that existed prior to the commencement of such installation and connection. An easement plat showing the Utility Easement for any installed Utility shall be prepared and recorded in the Wake County Registry by the Owner performing such installation, at its sole cost and expense, not later than thirty (30) days after the date of substantial completion of such installation.

(d) Subject to the provisions of **Sections 2.4(a) and (b)**, each Owner shall have the right, at any time, at its sole cost and expense, to relocate elsewhere upon its Lot any Utility serving another Lot. Any such relocation (i) shall be performed in a good and workmanlike manner, including clean-up and surface and/or subsurface restoration, (ii) shall be performed in a prompt and timely manner so as to minimize any interruption of or interference with the conduct or operation of any business or other lawful activity on any Lot affected by such relocation, (iii) shall comply with the provisions of this Declaration and all applicable Laws and Permits, (iv) shall not interrupt, diminish or otherwise interfere with utility service to any Lot (except during such period(s) as may be approved, in writing, by the Owner of each Lot affected by such relocation), (v) shall not reduce or impair the usefulness or function of the relocated Utility without the prior written consent of the Owner of each Lot served by such Utility, and (vi) shall not increase the cost of Utility service to any Lot served by the relocated Utility without the prior written consent of the Owner of each such Lot. A plat showing the Utility Easement for any relocated Utility shall be prepared and recorded in the Wake County Registry by the relocating Owner, at its sole cost and expense, not later than thirty (30) days after the date of substantial completion of such relocation.

(e) Each Owner shall be responsible for all connection charges, meter fees and charges, user fees, tap-on fees, impact fees, acreage fees, and similar fees and charges imposed as a result of the connection of any Utility to any building or other improvement on such Owner's Lot.

2.5 Reservation of Existing Easements. Declarant hereby reserves for the benefit of Lot 2R and Lot 3R (to the extent applicable to Lot 3R) those certain existing easements burdening Lot 1R shown on the Recombination Plat, including, but not limited to, (i) the 20' Water Line Easement in Book of Maps 2003, Page 1108, Wake County Registry, (ii) the 20' Sanitary Sewer Easement in Book of Maps 2003, Page 1108, Wake County Registry, (iii) the 20' Water Easement in Book of Maps 2000, Page 850, Wake County Registry, (iv) the 30'

Watershed Protection Public Access Easement in Book 8589, Page 2725, Wake County Registry and in Book of Maps 2000, Page 850, Wake County Registry, (v) the 20' Reservoir Protection & Access Easement in Book of Maps 2003, Page 1108, Wake County Registry, (vi) the 20' Sanitary Sewer Easement in Book of Maps 1999, Page 1449, Wake County Registry, (vii) the 20' Town of Apex Force Main Sewer Easement in Book 2890, Page 476, Wake County Registry and in Book of Maps 1980, Page 533 (Sheet 5/7), Wake County Registry, and (viii) the 25' and 35' Cross Access Easements originally reserved in Book 10067, Page 2397, Wake County Registry. Such easements are reserved for use in accordance and consistent with their originally intended uses.

2.6 Maintenance, Repair and Replacement of Improvements. Subject to the indemnification provisions of **Section 2.11**, and unless otherwise expressly provided in this **Section 2.6** or elsewhere in this **Article II** to the contrary, each Owner shall be responsible for, at its sole cost and expense, the repair, maintenance and replacement, when and as necessary, of each Utility facility, including each corresponding Utility Easement, located upon and serving such Owner's Lot. Notwithstanding the foregoing and any other provision contained in this **Article II** to the contrary, each Owner shall be responsible for the prompt repair and replacement of, at its sole cost and expense, any Cross Access Easement Improvement (and corresponding Cross Access Easement) and Utility (and corresponding Utility Easement) wherever located on the Property damaged as a consequence of any act of such Owner or its Invitees, including the exercise of any rights and easements set forth in **Section 2.4**.

2.7 Private Use; Dedication. Except to the extent otherwise expressly provided in this **Section 2.7** or elsewhere in this **Article II**, all of the rights and easements established, created and reserved pursuant to this **Article II**, together with any and all improvements thereon or thereunder, shall be and remain private, with the exception of those existing public easements referenced and reserved in **Section 2.5**. No easement established, created or reserved pursuant to this **Article II** (including any improvement thereon or thereunder) shall be hereafter dedicated for public use without the written consent of the Owner of each Lot burdened by such easement. The Owners of all Lots burdened by an easement established, created or reserved pursuant to this **Article II** shall have the right to dedicate and convey to an appropriate governmental entity or public utility company any easement established, created or reserved pursuant to this **Article II** (including any improvement thereon or thereunder) provided that any such dedication or conveyance shall not adversely affect the use and enjoyment of such easement and the improvements by the Owner of such Lot.

2.8 Reserved Rights. Each Owner may use such portion of any easement area located on and serving such Owner's Lot for any purpose and to any extent not inconsistent with the rights and easements established, created and reserved pursuant to this **Article II** or any other provision of this Declaration.

2.9 Obstructions. Subject to the provisions of **Section 2.4**, no Owner shall erect or construct, or cause to be erected or constructed, any building or other improvement on such Owner's Lot that will in any manner interfere with or restrict the use and enjoyment of the rights and easements established, created and reserved pursuant to this **Article II** for their intended purposes.

2.10 Hazardous Substances. No Owner shall cause or permit any Hazardous Substance to enter any other Owner's Lot, the Upper Basin or the Lower Basin through surface water runoff or otherwise, except incidental runoff of Hazardous Substances in amounts and under circumstances that do not violate any Environmental Law. Each Owner shall indemnify, defend and hold harmless any other Owner each from any and all expenses, liability and/or damages, from costs of mediation, fines or other enforcement imposed by any governmental entity, or otherwise, resulting from the indemnifying Owner's breach of the covenant set forth in the preceding sentence. Any future liability under any Environmental Law arising from the accumulation of Hazardous Substances in the Upper Detention Basin or Lower Detention Basin or over time shall be borne by the Owners in proportion to their Impervious Surface Percentages applicable to each such Detention Basin.

2.11 Indemnity. Each Owner shall indemnify and hold harmless each other Owner from and against any and all claims, damages, losses, liabilities or other expenses, from injury or death to persons or damage to property, including but not limited to reasonable attorneys' fees and other professional consultants' fees, caused by the indemnifying Owner's construction, installation, use, operation, maintenance, repair and/or replacement of any easements established, created and reserved pursuant to this **Article II**, including any improvements thereon or thereto, by the indemnifying Owner. This indemnity shall extend to, and shall include without limitation, legal and other expenses incurred by an indemnified Owner in investigating, responding to or attempting to obtain a remedy for the indemnifying Owner's failure to comply with any of the provisions of this **Article II**.

2.12 Benefit. The rights and easements established, created and reserved in this **Article II** are intended to create a property interest or right only in the Owner of each Lot benefited by such rights and easements as expressly provided in this **Article II**, and each such Owner's Invitees. In no event shall any right and/or easement established, created and/or reserved in this **Article II** be assignable to any Person who is not an Owner as defined in **Section 1.1 (q)** above.

2.13 Burden. To the extent any burden or obligation is imposed upon any Lot and/or the Owner of such Lot pursuant to this **Article II**, such burden or obligation shall be binding upon each Person at any time having or acquiring fee simple title to such Lot or any part thereof.

ARTICLE III **COVENANTS AND RESTRICTIONS**

3.1 Signage.

(a) Any signage installed on a Lot (including signage installed on or visible from the exterior of any building or other improvement located on any Lot) shall comply with all applicable municipal, state and federal permits, approvals, ordinances, codes, regulations, statutes and laws.

(b) Each Owner shall be responsible for obtaining all necessary governmental permits and approvals for any signage installed on such Owner's Lot (including signage installed on or visible from the exterior of any building or other improvement located on such Lot) at such Owner's sole cost and expense. Any signage installed on any Lot (including signage installed on or visible from the exterior of any building or other improvement located on such Lot) shall be fabricated, installed, operated and maintained in good working order and repair by the Owner of such Lot.

3.2 Maintenance and Repair. Each Owner shall keep and maintain its Lot and any building, landscaping and other improvement thereon in a clean, sightly, good and functional condition and state of repair, and in compliance with all applicable Permits and Laws.

3.3 Use Restrictions.

(a) **General.** No Lot shall be used for any purpose or in any manner that does not comply with the provisions of this Declaration or all applicable Permits and Law.

(b) **Prohibited Uses.** Except to the limited extent otherwise expressly provided below or elsewhere in this Declaration, the following uses shall be prohibited on each of the Lots:

- (i) an off-track betting establishment;
- (ii) a pool or billiard hall (unless operated as part of a large scale family recreation or entertainment facility), bowling alley, skating rink, night club, discotheque, bingo parlor, video game parlor or amusement arcade;
- (iii) any business selling alcoholic beverages for on-premises consumption exclusive of any restaurant having sit down table service as its primary operation and deriving not more than fifty percent (50%) of its annual gross sales from the sale of alcoholic beverages;
- (iv) an adult book store, any business selling or exhibiting pornographic materials or providing exotic dancing or any other form of adult entertainment or any massage parlor, except that this provision shall not prohibit massages provided by (A) a first class therapeutic massage facility (such as Massage Envy, Massage Evolution or any similar operation), (B) a beauty salon/spa, (C) a health club or (D) an athletic facility;
- (v) any business that emits or produces noxious fumes or gases or loud noises; provided, however, that the operation of a collision and vehicle body repair business, a vehicle sales, service and repair business including, without limitation, the sale, service, repair and installation of tires, vehicle parts and accessories, oil and its derivatives, and automobile supplies and furnishings, shall not be prohibited;
- (vi) an assembly or manufacturing operation;

(vii) a mobile home park, trailer court, labor camp or mobile home sales lot, except that this provision shall not prohibit the temporary use of construction trailers during any period of construction, reconstruction or maintenance on any Lot;

(viii) a "Good Will" or "Salvation Army" type store;

(ix) an abortion clinic;

(x) any distilling, refining, smelting, industrial, agricultural, drilling or mining operation;

(xi) a junk yard, a stock yard or an animal raising operation;

(xii) a dump or garbage disposal facility or any operation involving the incineration or reduction of garbage or refuse;

(xiii) any business that stocks, displays, sells, rents or offers for sale or rent any merchandise or material commonly used or intended for the use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, waterpipe, bong, pipe screens, rolling papers, rolling paper devices, coke spoons or roach clips provided, however, this description does not apply to bona fide pharmacies like CVS and Walgreens;

(xiv) a flea market;

(xv) a pawn shop;

(xvi) any temporary or periodic (i.e. not permanent) outdoor display, sale or storage of merchandise (art work, novelties, clothing, etc.); provided, however, that if and for so long as a tire sales business or vehicle service and repair business is operated on Lots 2R and 3R, including, without limitation, the sale, service, repair and installation of tires, vehicle parts and accessories, oil and its derivatives, vehicle supplies and furnishings, the Owners of Lots 2R and 3R, or their Invitees, as applicable, may display up to two (2) advertising tire racks outside of its building while it is open for business; and

(xvii) a plasma and/or blood bank or donation facility.

(c) **Restrictions on the Property by Cell Tower Easement.** Declarant has entered into that certain Grant of Easement and Assignment of Lease recorded in Book 16664, Page 2332, Wake County Registry ("the **Cell Tower Easement**"). The Tower Easement Area (as defined in the Cell Tower Easement) is located on and confined to the area of Lot 3R; provided, however, the Cell Tower Easement contains certain provisions and restrictions that pertain to and restrict the use of the portion of the Property shown on the attached **Exhibit B** (the "**Cellular Restricted Area**") as follows: (i) there shall not be permitted any construction, installation or operation of any communications facilities on the Cellular Restricted Area that emit radio frequencies within a three hundred foot (300') radius of the Tower Easement Area (as defined in

the Cell Tower Easement) other than communications facilities constructed, installed and/or operated on the Tower Easement Area pursuant to and in accordance with the Cell Tower Easement, (ii) no condition shall be permitted on the Cellular Restricted Area which interferes with the Permitted Use (as defined in the Cell Tower Easement) under and pursuant to the Cell Tower Easement, (iii) nothing shall be done or permitted on the Cellular Restricted Area that will interfere with or negate any special use permit or approval pertaining to the Tower Easement Area or cause any communications facilities on the Tower Easement Area to be in non-conformance with applicable local, state or federal laws, (iv) the Cellular Restricted Area and any portion thereof shall not be subdivided so as to adversely affect the Tower Easement Area's compliance (including any improvements located thereon) with applicable laws, rules, ordinances and/or zoning, or otherwise adversely affects the ability to utilize the Tower Easement Area for the Permitted Use, and (v) there shall be no change in the zoning of the Cellular Restricted Area which would prevent or limit the use of the Tower Easement Area for the Permitted Use. The foregoing restrictions on the Cellular Restricted Area shall remain in effect and shall restrict the use of the Cellular Restricted Area in accordance with and pursuant to such restrictions for so long as the Cell Tower Easement remains in effect.

(d) **Limitations.** Notwithstanding any provision contained in this **Section 3.3** or elsewhere in this Declaration to the contrary, no provision contained in this Declaration is intended, nor shall any such provision be construed, to prohibit, limit or otherwise restrict (i) the conduct or operation of a collision and vehicle body repair business on Lot 1R and 2R; (ii) the conduct or operation of a vehicle sales, service and/or repair business on Lot 2R and Lot 3R, including a vehicle service and repair business engaged in (A) sales, service or installation of vehicle parts, such as tires, auto accessories, batteries, brakes mufflers, air conditioning; and/or (B) vehicle services, such as tune-ups, lube and oil changes, cooling systems flushing, filling and repair, electrical work, wheel alignments and suspension repair and replacement and, (iii) the redevelopment of Lot 2R for residential purposes.

3.4 Fire and Other Casualty Damage. In the event any building or other improvement located on a Lot is damaged by fire or other casualty (whether insured or not), the Owner of the Lot upon which building or other improvement is located shall promptly (and in any event within sixty (60) days after the date of the casualty) remove the debris resulting from such event.

3.5 Insurance.

(a) Subject to the right to self-insure in **Section 3.5(c)** below, each Owner shall maintain or cause to be maintained in full force and effect commercial general liability insurance with a financially responsible insurance company or companies licensed to do business in the State of North Carolina insuring against claims on account of loss of life, bodily injury, or property damage that may arise from, or be occasioned by, the condition, use or occupancy of such Owner's Lot or the improvements located thereon; and such insurance shall provide single limit coverage of not less than \$1,000,000.00 per occurrence with umbrella or excess coverage insurance for an additional \$2,000,000.00 of general liability coverage for personal injury or death and property damage. Such insurance shall extend to the contractual obligation of the insured party arising out of the indemnification obligations set forth in this Declaration.

(b) Subject to the right to self-insure in **Section 3.5(c)** below, prior to commencing any construction activities on its Lot or any other Lot, the Owner performing or causing to be performed such construction activities shall maintain, or cause its general contractor to maintain, so long as such construction activity is occurring, at least the minimum insurance coverages set forth below:

- (i) Workers' Compensation in compliance with statutory requirements.
- (ii) Employer's Liability in the amount of \$500,000.00.
- (iii) Commercial General Liability on an occurrence basis with personal injury coverage and broad form property damage (said policy shall be endorsed to remove the XCU exclusion relating to explosion, collapse, and underground property damage) as follows:
 - (A) Bodily Injury in the amounts of \$1,000,000 per person and \$1,000,000 per occurrence, with \$2,000,000 umbrella or excess coverage.
 - (B) Property Damage in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate.

(c) The insurance described in this **Section 3.5** may be carried under (i) an individual policy covering only the Owner's Lot, (ii) a blanket or umbrella policy or policies which cover(s) other liabilities, properties and locations of an Owner, so long as no occurrence with respect to other property covered by such blanket policy will impair the coverage required hereunder, (iii) a plan of self-insurance, provided the Owner so self-insuring or its ultimate parent entity has and maintains \$200,000,000.00 or more of net worth (based upon generally accepted accounting principles consistently applied by such Owner and as determined by an independent certified public accountant), or (iv) a combination of any of the foregoing insurance programs. All such insurance shall include a waiver of subrogation by the insurer against the other Owners so long as the same is obtainable without significant extra cost. Notwithstanding any of the provisions hereof to the contrary, each Owner hereby waives any rights of recovery against any other Owner, its directors, officers, members, employees, agents, tenants and Permittee(s) for any damage or consequential loss which is covered by or would be covered by the policies required to be carried by such Owner hereunder, to the extent of the proceeds payable under such policies. The foregoing waivers shall apply equally to any Owner which elects to be self-insured, in whole or in part, as hereinabove provided, as if such Owner were independently insured to the extent required hereunder.

3.6 Liens. In the event any mechanic's lien, materialmen's lien, or other lien is filed against the Lot of one Owner as a result of services performed or materials furnished by a third party to another Owner, the Owner permitting or causing such lien to be so filed shall cause such lien to be released and discharged of record within thirty (30) days after notification from the Owner whose Lot is subject to such claim of lien, either by paying the indebtedness which gave rise to such lien or by posting a bond or other security as required by law to obtain such release

and discharge, and the Owner permitting or causing such lien to be so filed shall indemnify, defend, and hold harmless the other Owner and its Lot against liability, loss, damage, costs and expenses (including reasonable attorneys' fees and costs of suit) on account of such claim of lien.

3.7 No Further Recombination or Subdivision. For so long as Declarant is the Owner of Lot 2R, Lot 1R and Lot 3R shall not be further recombined or subdivided without the prior written consent of Declarant, which consent may be granted, denied or conditioned in the sole, absolute and unreviewable discretion of Declarant.

ARTICLE IV **TERM**

This Declaration shall be effective as of the date it is recorded in the Wake County Registry and shall continue in full force and effect for the lesser of ninety-nine (99) years or the maximum period permitted under the laws of the State of North Carolina, after which this Declaration shall be automatically renewed and extended for successive periods of ten (10) years, unless the then current Owners of the Property terminate this Declaration by recording a termination in the Wake County Registry within one hundred eighty (180) days before the date of such automatic renewal. Upon any termination of this Declaration, all rights and privileges derived from and all duties and obligations created and imposed by the provisions of this Declaration shall terminate and have no further force or effect; provided, however, that any easement created and described herein as being perpetual or as continuing beyond the term of this Declaration shall survive any termination of this Declaration. The termination of this Declaration shall not limit or affect any remedy at law or in equity of any party against any other party with respect to any liability or obligation arising or to be performed under this Declaration prior to the date of termination. In no event shall any breach or default under the provisions of this Declaration result in the termination of this Declaration.

ARTICLE V **MISCELLANEOUS**

5.1 Notice. All notices, demands, statements, and requests required or permitted to be given under this Declaration shall be in writing and given, delivered, or served, either by recognized overnight courier service or by certified or registered U.S. mail, return receipt requested to the address of the Owner at the address set forth for such Owner provided to the North Carolina Secretary of State's office as the Owner's principal office. In the event Owner has not provided the North Carolina Secretary of State's Office with a principal office address, notice to such Owner's registered agent shall suffice as an official address for notice to such Owner. Notices shall be effective upon receipt; provided, however, that any inability to make delivery due to a change of address for which no notice was given or a refusal to accept delivery shall constitute receipt for purposes hereof.

5.2 Assignment of Declarant's Rights. All rights, powers, privileges and reservations of Declarant pursuant to this Declaration may be assigned by Declarant, in whole or in part, to any Owner provided that such Owner assumes, in writing, all such rights, powers, privileges and reservations, as well as any and all duties, responsibilities and obligations of

Declarant associated therewith. No sale, lease or other conveyance of any Lot by Declarant shall constitute an assignment to the purchaser(s), lessee(s) or transferees of such Lot any of the rights, powers, privileges and reservations of Declarant pursuant to this Declaration unless such rights, powers, privileges and reservations shall be appurtenant to such Lot as expressly provided in this Declaration or unless expressly provided in the instrument of sale, conveyance or lease of such Lot or any interest therein. Any assignment made pursuant to this **Section 5.2** shall be in recordable form and shall be recorded in the Wake County Registry. In the event Declarant shall assign any of its rights, powers, privileges and reservations pursuant to this Declaration to an Owner in compliance with the provisions of this **Section 5.2**, such Owner shall thereafter be deemed to be the Declarant under this Declaration to the extent of the Declarant's rights assigned, and all other Owners shall thereafter look solely to such Owner with respect to the performance of any and all duties, responsibilities and obligations of Declarant associated with the rights, powers, privileges and reservations assigned to and assumed by such Owner.

5.3 Consent. Whenever the consent or approval of Declarant or any other Owner is required pursuant to this Declaration, such consent or approval shall be in writing and, unless otherwise expressly provided in this Declaration, the decision as to whether to grant such consent or approval shall be made based on a standard of commercial reasonableness, unless expressly stated to the contrary relative to a specific provision in this Declaration.

5.4 Amendment. Except as granted to the Declarant under **Section 2.2(d)** and **2.3(d)** with respect to revisions of allocations, this Declaration may be amended by, and only by, a written agreement which shall be effective only when executed by all of the Owners and recorded in the Wake County Registry.

5.5 Default and Remedy.

(a) The failure of any Owner (including Declarant) to perform a covenant or other obligation set forth in this Declaration shall constitute an event of default. Upon the occurrence of an event of default, any non-defaulting Owner may serve a defaulting Owner with a written notice of the event of default setting forth in reasonable detail the nature of the default. The defaulting Owner receiving a notice of the event of default shall thereafter have thirty (30) calendar days to cure the event of default. In the event such defaulting Owner fails to cure the event of default within the thirty (30) calendar day cure period, the defaulting Owner shall be deemed to be in actual default.

(b) Upon the occurrence of actual default, any non-defaulting Owner may avail itself of any one or more remedies at law or in equity, including, but not limited to,

- (i) An action for direct, incidental and consequential monetary damages caused by the default.
- (ii) In the event the defaulting Owner has failed to timely reimburse such defaulting Owner's allocated share of the cost and expense of maintenance, repair and replacement of Cross Access Easement and Cross Access Easement Improvements (**Section 2.1(c)**), the Upper Detention Basin (**Section 2.2(c)**) or the Lower Detention

Basin (**Section 2.3(c)**), such failure shall constitute a failure to pay for labor and materials as is contemplated in N.C.G.S. § 44A-8 et. seq. and the Owner entitled to reimbursement shall be entitled to file a lien against the Lot of the breaching Owner as provided in N.C.G.S. § 44A-12 et. seq. and to proceed to enforce such lien as provided in N.C.G.S. § 44A-13 et. seq.

- (iii) Prejudgment and post-judgment interest at the legal rate of eight percent (8%) per annum on the outstanding principal balance from the date of actual default until paid.
- (iv) Reasonable attorneys fees and costs to the prevailing party pursuant to N.C.G.S. §6-21.6. (By purchasing a Lot and becoming subject to the Declaration, all Owners stipulate this Declaration is a business contract within the meaning of N.C.G.S. §6-21.6).

(c) Each Owner acknowledges that any breach or violation of this Declaration will cause irreparable harm to each other Owner for which there is no adequate remedy at law. Accordingly, in addition to any other remedies available at law or equity, any Owner, if aggrieved by a breach or threatened breach of any of the provisions of this Declaration by any other Owner, shall be entitled to seek from any court of competent jurisdiction an order for specific performance and/or for temporary and/or permanent injunctive relief to enforce the provisions of this Declaration without the necessity of proving actual damages or posting bond or other security. The notice and cure period specified in (a) does not apply to any actions under (c) of this Section.

5.6 Subordination of the Lien to Deeds of Trust. The sale or transfer of any Lot shall not affect the lien provided for in **Section 5.5 (b) (ii)** except as expressly provided in this **Section 5.6**. Such lien shall be subordinate to the lien of any first lien deed of trust that is recorded before or after such lien is docketed. The sale or transfer of any Lot pursuant to foreclosure under a first lien deed of trust or any proceeding or sale in lieu thereof shall extinguish any such lien as to amounts which were due prior to such sale or transfer, however, no such sale or transfer shall relieve any Lot from liability thereafter becoming due or from the lien thereof, nor shall any sale or transfer relieve the prior obligation of an Owner of any Lot for amounts that were due and owing prior to such sale or transfer.

5.7 Relationship. This Declaration shall not constitute an agreement of partnership or joint venture, and shall not create a relationship of principal and agent between any two or more Owners. No Owner shall have the authority to act as agent of any other Owner for any purpose, except as may be expressly provided in this Declaration. Each Owner is, and shall remain, an independent contractor responsible for its respective duties, obligations and liabilities.

5.8 Third-Party Beneficiaries. Except to the limited extent otherwise expressly provided in this Declaration, this Declaration shall not confer any rights or remedies upon any Person other than the Declarant and the Owners and their respective successors and assigns.

5.9 Severability. Invalidation of any of the provisions contained in this Declaration or of the application thereof to any Person by judgment or court order shall in no way affect any of the other provisions contained in this Declaration or the application thereof to any other Person, and the same shall remain in full force and effect.

5.10 Captions. The captions preceding the text of each article and section in this Declaration are included for convenience of reference only. Captions shall be disregarded in the construction and interpretation of this Declaration.

5.11 Exhibits. Each exhibit attached to this Declaration is incorporated into and made a part of this Declaration.

5.12 Continuation of Declaration Notwithstanding Breach. No breach of this Declaration shall entitle any Owner to terminate this Declaration. However, such limitation shall not affect in any manner any other rights or remedies which an Owner may have pursuant to this Declaration, at law or in equity by reason of any such breach.

5.13 Time of the Essence. Time is of the essence with respect to the performance of any obligation required to be performed by any Owner or such Owner's Permittee(s) pursuant to this Declaration.

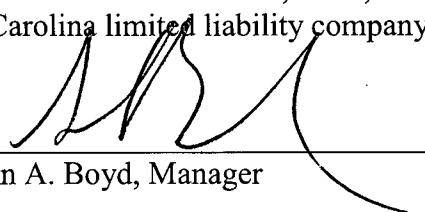
5.14 No Waiver. The failure of any Owner to insist upon strict performance of any term, covenant or condition contained in this Declaration shall not be deemed a waiver of any right or remedy which that Owner may have hereunder or at law or equity and shall not be deemed a waiver of any subsequent breach or default in any such term, covenant or condition.

5.15 Estoppel Certificates. Each Owner shall within fifteen (15) days after the written request of any other Owner or any other interested party and after confirming any necessary facts, furnish a certificate regarding whether to such certifying Owner's knowledge, any violation of the terms, covenants, agreements, restrictions, conditions and easements contained herein, or any other event which, with the passage of time and the giving of any notice required hereunder, would constitute a violation of the terms, covenants, agreements, restrictions, conditions and easements contained herein, exists with respect to the Property or any Owner under this Declaration. Any person, without actual notice to the contrary, shall be entitled to rely on said certificate with respect to all matters set forth therein.

5.16 Governing Law. This Declaration shall be interpreted and enforced in accordance with the laws of the State of North Carolina.

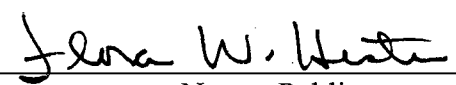
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed under seal by its duly authorized Manager effective as of the day and year first above written.

CROSSROADS HOLDINGS, LLC,
a North Carolina limited liability company

By:  (Seal)
Glenn A. Boyd, Manager

STATE OF NORTH CAROLINA
COUNTY OF VANCE

I, FLORA W. HESTER Notary Public of the County and State aforesaid, do hereby certify that Glenn A. Boyd, the Manager of **CROSSROADS HOLDINGS, LLC**, a North Carolina limited liability company, personally appeared before me this day and acknowledged the due and voluntary execution of the foregoing instrument for and as the act of the limited liability company. Witness my hand and official seal this the 27th day of July, 2017.


Notary Public

FLORA W. HESTER
Typed or Printed Name of Notary Public

My commission expires: 2-24-18

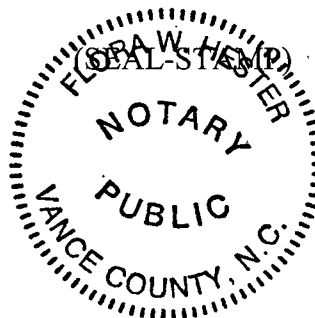
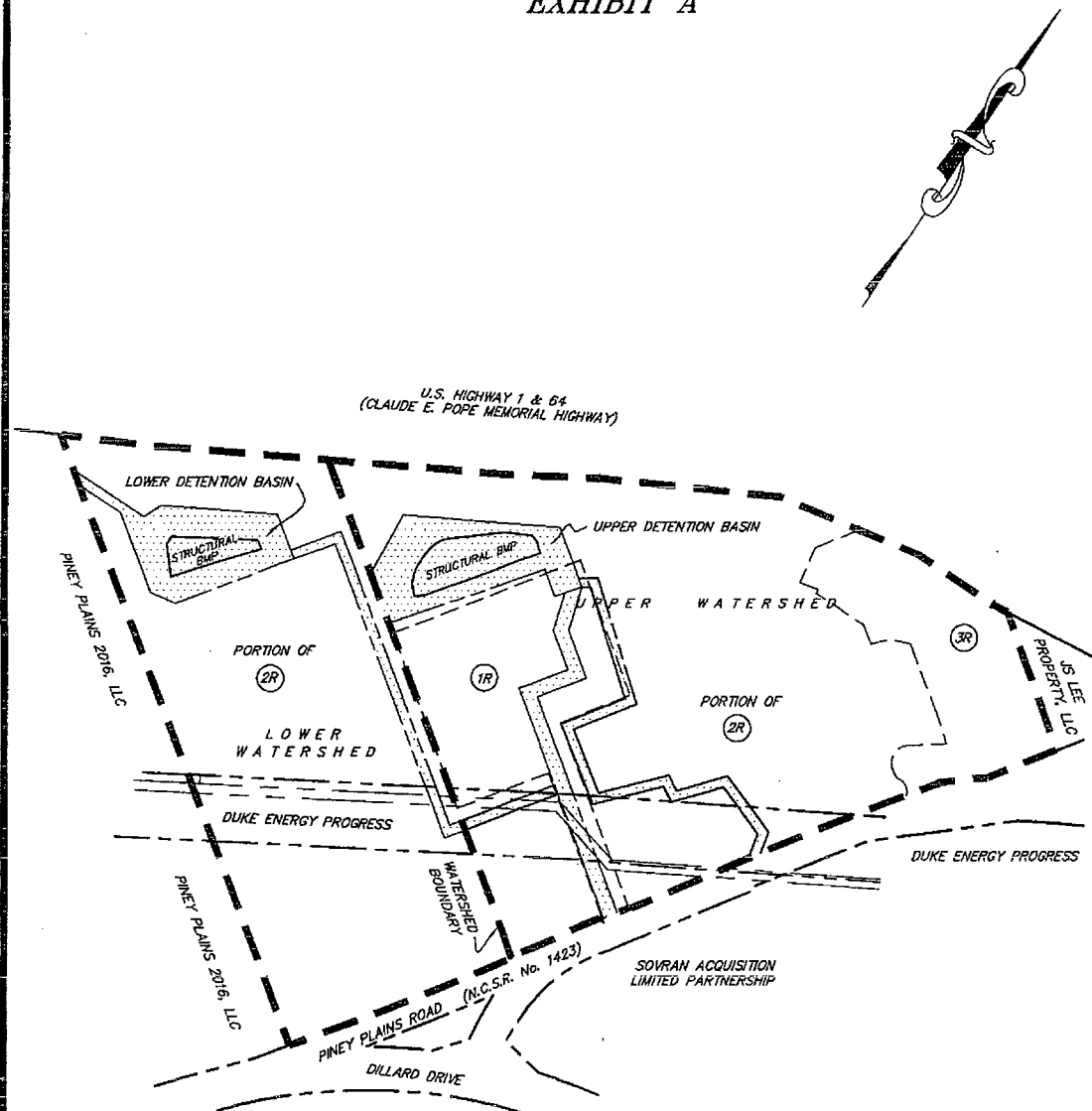


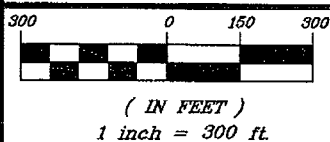
EXHIBIT A



PRELIMINARY

THIS IS A PRELIMINARY DRAWING
AND IS NOT TO BE USED AS A
SURVEY OR TO TRANSFER ANY
PROPERTY SHOWN HEREON.

THIS MAP IS NOT A CERTIFIED SURVEY
AND HAS NOT BEEN REVIEWED BY A
LOCAL GOVERNMENT AGENCY FOR
COMPLIANCE WITH ANY APPLICABLE
LAND DEVELOPMENT REGULATIONS.



DRAWN BY J.A.B.

SEE JAB DRAWING # 15-102

EXHIBIT MAP FOR

CROSSROADS HOLDINGS, LLC

TOWN OF CARY, CARY TOWNSHIP, WAKE COUNTY, N.C.



Smith and Smith
surveyors

PIRM LICENSE No. C-0155

P.O. BOX 457
APEX, N.C. 27502
(919) 352-7111

PITTSBORO, N.C. 27312
(919) 548-4321

DATE MARCH 31, 2017

SCALE 1" = 300'

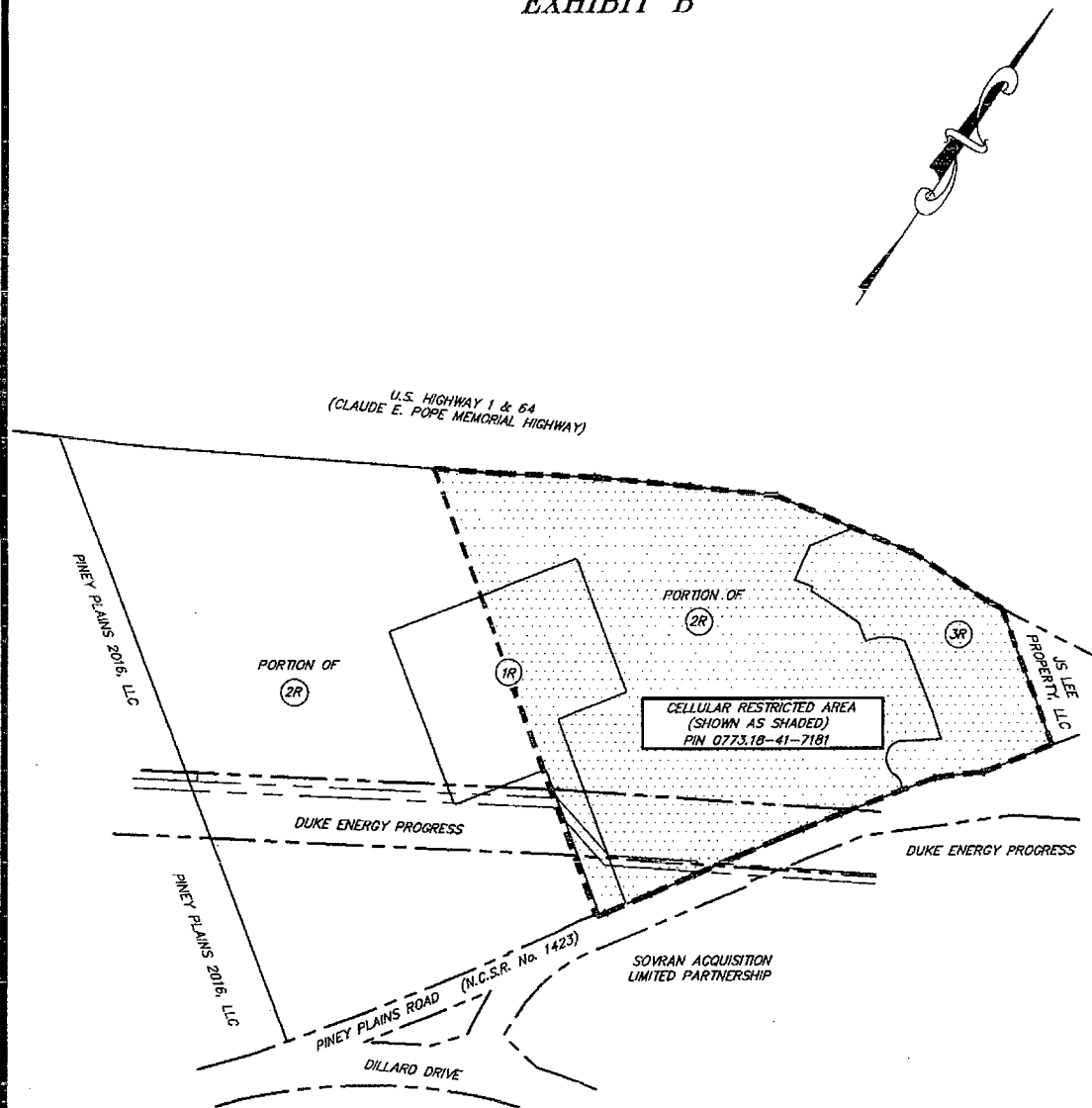
PDN 0773.18-41-7181

0773.18-40-3658

0773.18-30-9506

PROJECT No. 15-102

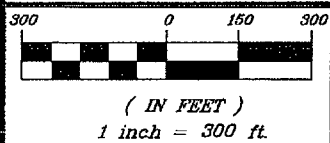
EXHIBIT B



PRELIMINARY

THIS IS A PRELIMINARY DRAWING
AND IS NOT TO BE USED AS A
SURVEY OR TO TRANSFER ANY
PROPERTY SHOWN HEREON.

THIS MAP IS NOT A CERTIFIED SURVEY
AND HAS NOT BEEN REVIEWED BY A
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COMPLIANCE WITH ANY APPLICABLE
LAND DEVELOPMENT REGULATIONS.



DRAWN BY J.A.B.

SEE JAB DRAWING # 15-102

EXHIBIT MAP FOR

CROSSROADS HOLDINGS, LLC

TOWN OF CARY, CARY TOWNSHIP, WAKE COUNTY, N.C.



Smith and Smith
surveyors

FIRM LICENSE No. C-0166

P.O. BOX 457
APEX, N.C. 27502
(919) 892-7111

PITTSBORO, N.C. 27718
(919) 642-4381

DATE MARCH 21, 2017

SCALE 1" = 300'

PIN 0773.18-41-7181

PROJECT No. 15-102

LENDER'S CONSENT AND SUBORDINATION

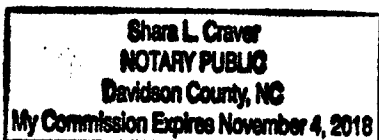
Wells Fargo Bank, N.A., a national banking association ("**Lender**"), as holder and beneficiary of that certain Deed of Trust and Assignment of Rents recorded in Book 14396, Page 2739, Wake County Registry ("the **Deed of Trust**"), which Deed of Trust encumbers the Property subject to that certain the Declaration of Covenants, Conditions, Restrictions and Easements to which this Lender's Consent and Subordination is attached (the "Declaration"), does hereby consent to the recordation of the Declaration and to the terms and provisions thereof; and Lender does hereby subordinate the lien of the Deed of Trust to the provisions of the Declaration. Lender acknowledges that pursuant to N.C.G.S. § 45-45.3 (b) (3), the Trustee under the Deed of Trust is not a necessary party to this Lender's Consent and Subordination and in accordance therewith, this Lender's Consent and Subordination shall be binding on Lender and effective and enforceable relative to the subordination of the lien of the Deed of Trust without the joinder of the Trustee. Lender is not party to the Declaration, nor do it assert any rights or accept any responsibilities under the Declaration. Lender's execution herein below is made only to expressly consent to and subordinate its interest(s) in the Property (defined in the Declaration) encumbered by the Deed of Trust to the Declaration. By execution of this Lender's Consent and Subordination, Lender incurs no liability to perform any obligations or duties of any party to the Declaration or otherwise. Executed this 27 day of July, 2017.

Wells Fargo Bank, N.A.,
a national banking association

By: Manuel H Comas (SEAL)
Name: Manuel H Comas
Title: Senior Vice President

STATE OF North Carolina
COUNTY OF Davidson

I, Shara L Craver, Notary Public, certify that Manuel H Comas,
_____ of Wells Fargo Bank, N.A., a national banking association, personally came
before me this day and acknowledged the due and voluntary execution of the foregoing
instrument for and as the act of the national association for the purposes therein stated. Witness
my hand and official seal or stamp, this the 27th day of July, 2017.



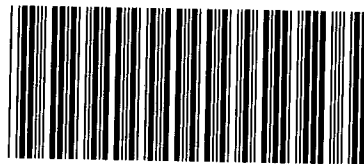
Shara L Craver
Notary Public Signature

Shara L Craver
Printed Signature of Notary Public

My commission expires: 11/4/2018

(SEAL)

Carydeclaration.3



BOOK:016865 PAGE:01413 - 01438



Please retain yellow trailer page

It is part of the recorded document and must be submitted with the original for re-recording.

Charles P. Gilliam
Register of Deeds
Wake County Justice Center
300 South Salisbury Street, Suite 1700
Raleigh, NC 27601

☐ New Time Stamp

☐ \$25 Non-Standard Fee

☐ Additional Document Fee

☐ Additional Reference Fee

This Customer Group

_____ # of Excessive Entities

_____ # of Time Stamps Needed

This Document

_____ 26 # of Pages P

GENERAL NOTES

1. NO CHANGES TO ANY ASPECT OF THIS SITE PLAN, INCLUDING BUT NOT LIMITED TO, LANDSCAPING, GRADING, OR LIGHTING WILL BE MADE WITHOUT THE APPROVAL OF THE DEVELOPMENT REVIEW GROUP OF THE DEPARTMENT OF DEVELOPMENT SERVICES.
2. THE SITE SHALL BE STABILIZED AND SEEDED PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.
3. WHERE THE EXISTING VEGETATION FAILS TO FUNCTION ADEQUATELY AS THE REQUIRED BUFFER TYPE, (IN TYPE A, B, C, AND 100' THOROUGHFARE CORRIDOR BUFFER) THE CARY SITE INSPECTOR RESERVES THE RIGHT TO REQUIRE SUPPLEMENTAL PLANTINGS IN ADDITION TO THOSE SHOWN ON THE PLANTING PLAN BASED ON ACTUAL FIELD CONDITIONS.
4. ALL EXTERIOR SITE LIGHTING WILL BE DESIGNED TO PREVENT OFF-SITE GLARE.
5. THE SIZE OF THE PLANTING AREA AND SIZE OF PLANT MATERIAL AT MATURITY SHALL ALLOW FOR A 2.5' BUMPER OVERHANG FROM THE BACK OF THE CURB.
6. ALL MEASUREMENTS ARE TO THE BACK OF CURB UNLESS OTHERWISE NOTED.
7. ALL CURB RADII ARE 5'-0" UNLESS OTHERWISE NOTED.
8. ALL SPOT ELEVATIONS ARE AT THE BOTTOM OF CURB UNLESS OTHERWISE NOTED.
9. FOR STORM SEWER PROFILES, SEE SHEET C-2.
10. FOR CORRECT STORM PIPE ROUTING, INVERT INFORMATION, TOPS OF STRUCTURES AND STORM DRAINAGE CALCULATIONS SEE SHEET C-1.
11. SEE SHEET L-103 FOR NEW S.S. SEWER TOP OF MANHOLE.
12. ALL TREE PROTECTION FENCING SHALL BE MAINTAINED UNTIL ALL SITE WORK IS COMPLETED. THE FENCING SHALL BE REMOVED PRIOR TO THE FINAL SITE INSPECTION FOR THE CERTIFICATE OF OCCUPANCY (CO).
13. ALL VEHICULAR USE AREAS (DRIVES AND PARKING AREAS) SHALL BE SCREENED FROM OFF-SITE VIEWS.
14. NO TREE PLANTING SHALL BE ALLOWED WITHIN UTILITY EASEMENTS WITH THE EXCEPTION OF SMALL TREES UNDER THE CP&L POWER EASEMENT.
15. NO TREE PLANTING SHALL BE ALLOWED WITHIN 10' TYPE "C" BUFFER UNLESS OTHERWISE NOTED.
16. PROJECT MAY NEED A PRE-CONFERENCE BEFORE THE GRADING PERMIT IS ISSUED.

SITE DATA

- | | |
|-------------------------------|---|
| 1. TOWN OF CARY PROJECT # | 02-SP-027 |
| 2. TRACT SIZE: (SF) | 13,96AC (608,047SF) |
| 3. OWNER: | CROSSROADS FORD
1101 BUCK JONES ROAD
CARY, NC |
| 4. ZONING: | 081-1 |
| 5. WAKE COUNTY PIN: | 773.18-30-9506 |
| 6. BUILDING USE AND MATERIAL: | VEHICLE STORAGE LOT |
| 7. PARKING REQUIRED: | |
| METHOD OF DETERMINATION: | 0 |
| PARKING PROVIDED: | 1022 |
| HANDICAP SPACES REQUIRED: | 0 |
| HANDICAP SPACES PROVIDED: | 0 |
| 8. IMPERVIOUS SURFACE: | 260,861SF - 5.99AC - 43% |
| 9. DENUDE AREA: | 405,108SF - 9.3AC - 67% |
| 10. REQUIRED YARDS | |
| FRONT: | 100 FEET |
| SIDE: | 70 FEET (WEST ONLY) |
| REAR: | 100 FEET |

SITE KEY

- 18" CMP
- STORM RCP
- DROP-OFF AREA FOR VEHICLE DELIVERIES
- LIGHT ASPHALT PAVING

CONDITIONS OF REZONING: (01-REZ-20/01-LPA-16)

1. PERMITTED USES: VEHICULAR PARKING/STORAGE
2. THERE WILL BE NO ACCESS FROM PINEY PLAINS ROAD
3. THERE WILL BE A 100' UNDISTURBED BUFFER TO THE WEST OF THE SITE.
4. A 100' UNDISTURBED BUFFER TO THE EAST OF THE SITE. A 70' UNDISTURBED BUFFER TO THE SOUTH OF THE SITE AND A 10' TYPE "C" BUFFER TO THE NORTH OF THE SITE.
5. A GREENWAY EASEMENT WILL PROVIDED UPON REQUEST.
6. A GREENWAY EASEMENT CAN BE LOCATED WITHIN UNDISTURBED BUFFERS.



JERRY TURNER & ASSOCIATES, INC.

Landscape Architecture
Land Planning
Environmental Design

905 Jones Franklin Road
Raleigh, North Carolina 27606
(919) 851-7150 fax: (919) 851-7547

277 S.E. 5th Avenue
Delray Beach, Florida 33483
(561) 276-0453 fax: (561) 272-7593

PROJECT

CROSSROADS FORD VEHICLE STORAGE LOT

OWNER:
CROSSROADS
FORD
1101 Buck Jones Road
Cary, North Carolina

REVISIONS
1st SUBMIT REDLINES 4-4-02

02-SP-027
APPROVED
TOWN OF CARY

Approved by: DBC Date: 5/1/02
Planning: BS Date: 5/7/02
Engineering: TS Date: 5/2/02

DRAWN: JDC
CHECKED: JT

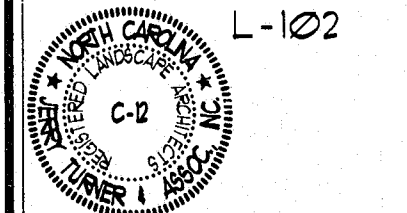
SCALE: DATE: 3/4/02

TITLE: LAYOUT PLAN

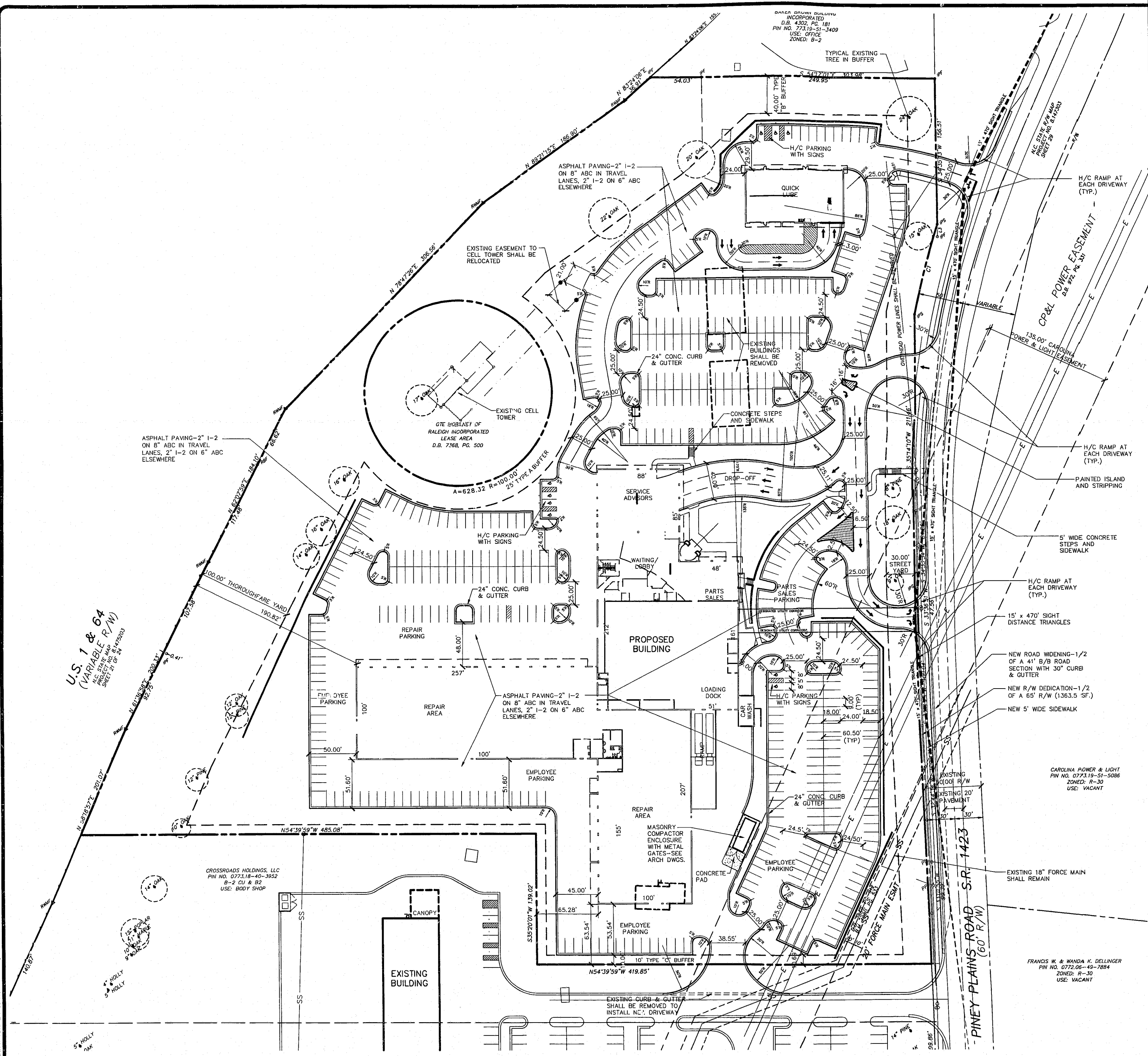
2nd SUBMIT 4-15-02

FILE NO.: JOB NO.: 2351.03

SEAL: SHEET NO.: L-102



H:\Projects\Crossroads Ford Service\Sitebase.dwg Mon Oct 30 14:43:25 2000 C:\Page
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SITE DATA

- | | |
|--------------------------------|---|
| 1. TOWN OF CARY PROJECT NUMBER | 99-SP-259-A |
| 2. PARCEL SIZE: | 12.97 AC. |
| 3. OWNER: | CROSSROADS HOLDINGS, LLC
1101 BUCK JONES ROAD
RALEIGH, NC 27606 |
| 4. ZONING: | B2 |
| 5. WAKE COUNTY PIN: | PORTIONS OF 0773.18-40-3952 AND
0773.18-41-7161 |
| 6. BUILDING SIZE AND USE: | 85,473 sq. ft. AUTO SERVICE |
| 7. PARKING: | METHOD OF CALCULATION: 4 SPACES/SERVICE BAY 85 BAYS+2
REQUIRED: 342 SPACES
PROVIDED: 486 SPACES
HC SPACES REQUIRED: 9 SPACES
HC SPACES PROVIDED: 9 SPACES |
| 8. IMPERVIOUS SURFACE: | 7.75 AC. |
| 9. DENUDED AREA: | 11.4 AC. |
| 10. WATERSHED: | SWIFT CREEK |
| 11. PROJECT ADDRESS: | 1660 PINEY PLAINES RD. |
| 12. PROPOSED ROAD WIDENING: | 922 LF. |
| 13. PROPOSED WATER LINES: | 2125 LF. 8"-PUBLIC, 31 LF. 6"-PUBLIC |
| 14. PROPOSED SEWER LINES: | 948 LF. -PUBLIC |
| 15. PROPOSED FIRE LINES: | 2075 LF. |

GENERAL NOTES

- NO CHANGES TO ANY ASPECT OF THIS SITE PLAN, INCLUDING BUT NOT LIMITED TO, LANDSCAPING, GRADING, BUILDING ELEVATIONS (ESPECIALLY COLORS), LIGHTING OR UTILITIES WILL BE MADE WITHOUT THE APPROVAL OF THE DEVELOPMENT REVIEW GROUP OF THE DEPARTMENT OF DEVELOPMENT SERVICES.
- THE SITE SHALL BE STABILIZED AND SEEDED PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.
- ALL HVAC SYSTEMS WILL BE SCREENED FROM OFF-SITE VIEWS.
- ALL DUMPSTER AND CARDBOARD RECYCLING LOCATIONS WILL BE SCREENED FROM OFF-SITE VIEWS.
- WHERE THE EXISTING VEGETATION FAILS TO FUNCTION ADEQUATELY AS THE REQUIRED BUFFER TYPE, (i.e. TYPE A, B, C, AND 100' THOROUGHFARE CORRIDOR BUFFER) THE CARY SITE INSPECTOR RESERVES THE RIGHT TO REQUIRE SUPPLEMENTAL PLANTINGS IN ADDITION TO THOSE SHOWN ON THE PLANTING PLAN BASED ON ACTUAL FIELD CONDITIONS.
- ALL EXTERIOR SITE LIGHTING WILL BE DESIGNED TO PREVENT OFF-SITE GLARE.
- THE SIZE OF THE PLANTING AREA AND SIZE OF PLANT MATERIAL AT MATURITY SHALL ALLOW FOR A 2.5' BUMPER OVERHANG FROM THE BACK OF THE CURB.
- NO WETLANDS EXIST ON THIS SITE.
- RESERVOR WATERSHED PROTECTION ORDINANCE IS BEING MET THRU THE USE OF A WET DETENTION FACILITY EXISTING ON THE ADJACENT CROSSROADS FORD BODY SHOP SITE.
- THERE IS NO FLOOD PLAIN ON THIS SITE.
- ALL CONSTRUCTION MUST BE PERFORMED IN ACCORDANCE WITH CURRENT TOWN OF CARY STANDARD SPECIFICATIONS AND DETAILS.
- THE DEVELOPER WILL BE RESPONSIBLE FOR ALL INSTALLATION COSTS ASSOCIATED WITH STREET LIGHTING ALONG ALL PROPOSED STREETS, ADJACENT STREETS AND THOROUGHFARES AS REQUIRED PER TOWN OF CARY POLICY STATEMENT NO. 13. THE DEVELOPER SHALL CONTACT CAROLINA POWER AND LIGHT COMPANY AFTER PLAN APPROVAL AND PRIOR TO CONSTRUCTION IN ORDER TO DEVELOP A STREET LIGHTING PLAN FOR THE SITE/SUBDIVISION PLANS.
- ALL TREE PROTECTION FENCE SHALL BE MAINTAINED UNTIL ALL SITE WORK IS COMPLETED. THE FENCE SHALL BE REMOVED PRIOR TO THE FINAL SITE INSPECTION FOR THE CERTIFICATE OF OCCUPANCY.
- UTILITY EQUIPMENT AND FACILITIES ASSOCIATED WITH ON-SITE ELECTRIC, CABLE, TELEPHONE, GAS OR OTHER SIMILAR UTILITY SHALL BE SCREENED, TO THE EXTENT POSSIBLE, WITH EVERGREEN PLANTS. PLANTS SHALL ALLOW FOR A 5' CLEARANCE AROUND THE STRUCTURE TO ALLOW FOR ACCESS. ON ANY SIDE OF A STRUCTURE HAVING A DOOR OR LOCK THE PLANTS SHALL ALLOW FOR A 10' CLEARANCE. THE AMOUNT OF CLEARANCE SHALL ACCOUNT FOR THE SIZE OF THE PLANT AT MATURITY.
- THE REQUEST FOR DEVELOPER AGREEMENT FOR ROADWAY IMPROVEMENTS IN EXCESS OF COLLECTOR STREET STANDARDS WILL BE SUBMITTED PRIOR TO BIDDING THE PROJECT OR THE DEVELOPER FORFEITS THEIR REQUEST FOR A DEVELOPER AGREEMENT.
- ALL VEHICULAR USE AREAS SHALL BE SCREENED FROM OFF SITE VIEWS.

JT INC
JERRY TURNER & ASSOCIATES, INC.
Landscape Architecture
Land Planning
Environmental Design

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Raleigh, North Carolina 27606
(919) 851-7150 fax: (919) 851-7547

277 S.E. 5th Avenue
Delray Beach, Florida 33483
(561) 276-0453 fax: (561) 272-7593

CROSSROADS FORD SERVICE CENTER

1660 PINEY PLAINES ROAD
CARY, NORTH CAROLINA

REVISIONS
10/30/00 ADDED PROJ#

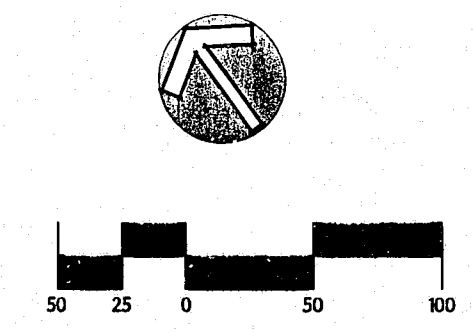
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CP	IT
SCALE	DATE
1"=50'	10/2/00
TITLE	

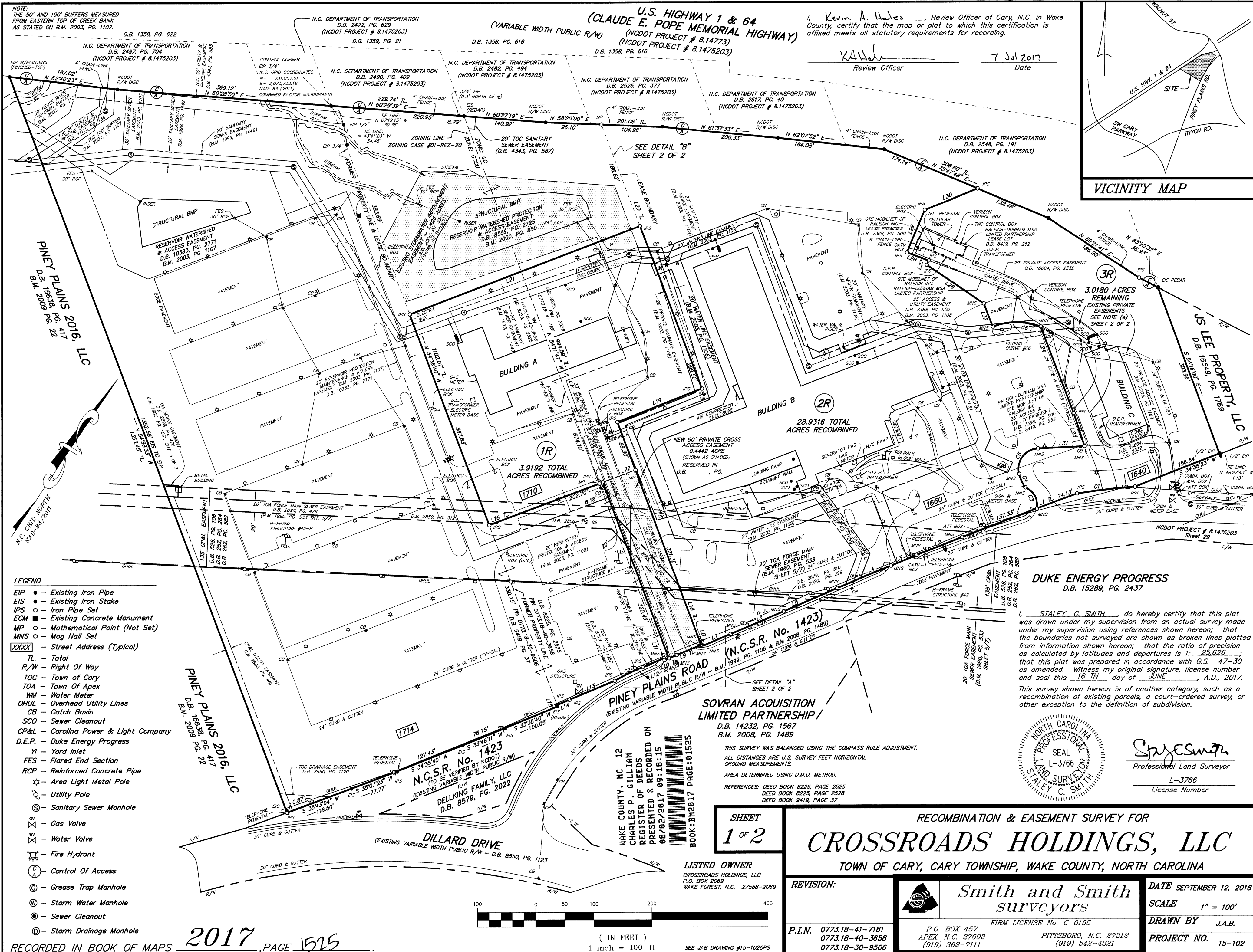
SITE PLAN

FILE NO.	JOB NO.
FILE#	235102
SEAL	SHEET NO.

NORTH CAROLINA
JERRY TURNER & ASSOCIATES, INC.
C-12
SITE-1

99-SP-259-A
APPROVED
11/8/00
11/10/00





NORTH CAROLINA

WAKE COUNTY

OFFER TO PURCHASE AND CONTRACT

This Offer to Purchase and Contract ("Contract") is made as of the Effective Date (defined herein) by and between The Wake County Board of Education, a North Carolina body corporate ("Buyer") and Crossroads Holdings, LLC, a North Carolina limited liability company ("Seller").

WITNESSETH:

WHEREAS, Buyer hereby offers to purchase and Seller consents to convey the tract of land located at 1660 Piney Plains Road, Cary, Wake County, North Carolina, together with all improvements, structures, equipment and fixtures located thereon, and with all right, title and interest which Seller may have in all creeks, streams, rights-of-way, roads, streets and ways bounding said property (the "Property"). The Property is further identified by a legal description shown on Exhibit A-1 and A-2, and upon Maps shown on Exhibits B and C. Exhibits A-1, A-2, B, C and D are attached hereto and made a part of this Offer to Purchase, with the exact location and acreage of the subject property to be determined by a formal survey to be obtained by Buyer. The Property is more particularly described as that parcel having Wake County PIN 0773-40-1397 and Wake County REID 0103260. Buyer and Seller acknowledge that the Property includes 28.9316 acres of land, more or less, per survey provided by Seller and recorded in Book of Maps 2017 at Pages 1525 and 1526, Wake County Registry.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained and the earnest money deposit set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged and confessed, the parties hereto agree to the following terms and conditions:

1. PURCHASE PRICE: The Purchase Price for the property shall be the fair market value of the Property as determined by an appraisal performed by Todd Haglund of Cushman Wakefield (the "Appraiser"), who has been chosen by Seller. The Appraisal shall be commissioned by Seller and the cost thereof shall be borne by Seller. The Appraisal shall be completed within 60 days after this Contract is signed by the Wake County Board of Education. The Purchase Price shall be paid as follows:

A. Partial Payment. In partial payment of the Purchase Price, Buyer shall pay Seller Thirteen Million and no/100 (\$13,000,000) Dollars which shall be paid by Buyer to Seller as follows:

- (1) Twenty Five Thousand and No/100 Dollars (\$25,000.00) in earnest money shall be paid by check to Howard, Stallings, From, Atkins, Angell & Davis, P.A. ("Escrow Agent"), with the delivery of this Contract, to be held in trust until the sale is closed, at which time it will be credited to Buyer, applied to payment of the Purchase Price and disbursed to Seller at closing, or until this Contract is otherwise terminated and it is disbursed in accordance with the terms of this Contract.

(2) The balance of the Partial Payment shall be paid at closing.

B. Balance of Purchase Price. The balance of the Purchase Price (being the difference between the Purchase Price determined by the Appraisal described above and the Partial Payment paid pursuant to sub-paragraphs 1(A)1-2 shall be credited to Buyer in the form of a charitable contribution from Seller to Buyer. In no event shall cash paid by Buyer exceed the sum of Thirteen Million and no/100 (\$13,000,000) Dollars.

2. BUYER'S CONDITIONS: The obligation of Buyer to purchase the Property is subject to the satisfaction at or prior to closing of the following conditions:

A. The Buyer must approve all terms and conditions of this Contract.

B. The Wake County Board of Commissioners must, prior to closing:

(1) approve Buyer's purchase of the Property under N.C.G.S. Section 115C-426; and

(2) disburse to Buyer sufficient funds to pay the full balance of the Purchase Price for the Property.

C. Buyer must be able to retain or procure a zoning designation to its satisfaction to operate educational and educational support facilities including but not limited to district operation and administration of transportation maintenance, repair and parking facilities for school buses and fleet vehicles, and related career and technical education instruction.

D. Buyer must be able to confirm or obtain approval from Seller, the Town of Cary, Wake County and/or the North Carolina Department of Transportation to maintain the existing suitable means of ingress and egress from the Property to Piney Plains Road from all improved areas of the Property.

E. Within one hundred twenty (120) days from the date the Buyer signs this contract, Buyer must be able to obtain, at its expense, the following:

(1) A survey of the Property acceptable to Buyer prepared by a registered land surveyor and a legal description that conforms to the survey. The survey will be prepared at the sole expense of Buyer. Prior to closing the Seller will also provide to Buyer a standard title insurance form Survey Affidavit and Agreement confirming that that since its recombination and easement survey was completed and recorded in Map Book 2017, no changes, additions or alterations have been made to the Property or structures shown thereon subsequent thereto as would be disclosed by a current accurate survey and inspection of premises, and that the Survey accurately represents the structures shown thereon as of the date of closing.

(2) A determination that there will be no adverse effect to the intended use of the Property due to the existence of rock or other unsuitable soil conditions;

(3) An environmental assessment of the Property to determine the existence of conditions that may be governed by Federal, State, or Local Environmental Laws. Buyer shall promptly deliver to Seller a copy of such environmental assessment when the same becomes available, at no expense to Seller. The results of the Buyer's tests and investigations shall not be made available or disclosed to any third party until a copy has been provided to Seller.

(4) An appraisal by a MAI appraiser, acceptable to Buyer, that reflects the value of the Property as equal to or exceeding the Purchase Price. If the appraised value of the Property does not equal or exceed the Purchase Price but sufficiently supports the Purchase Price so as to be acceptable to the Buyer and The Wake County Board of Commissioners for approval of the Contract and funding, this condition will be deemed satisfied.

F. There shall be no restrictions, easements or governmental regulations, other than zoning regulations that would prevent the reasonable use of the Property for public school support and administrative purposes as described in Paragraph 2C hereinabove.

G. As of the date of Closing, there shall be no Deeds of Trust, liens, leases or other monetary charges against the Property other than liens or charges resulting from the action of Buyer or its agents, contractors, employees or representatives.

H. Title must be delivered at closing by Special Warranty Deed and must be fee simple marketable title, free of all encumbrances and assessments except *ad valorem* taxes for the current year (prorated as described in Paragraph 6-A), utility easements and unviolated restrictive covenants, none of which materially affect the value of the Property and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right-of-way from all improvements located thereon. Exhibit A-2 enumerates all title exceptions currently known to Seller.

3. **FAILURE OF BUYER'S CONDITIONS PRECEDENT:** If any of the conditions contained in Section 2 are not met by March 15, 2020, Buyer has the option to waive the satisfaction of any unsatisfied conditions and proceed to closing or to terminate this Agreement by delivery of written notice to Seller on or before April 1, 2020, in which event the earnest money shall be returned to Buyer and the parties shall have no further rights or obligations herein except the Buyer's obligations pursuant to Section 15. In the event Buyer has not delivered written notice of its election to terminate on or before April 1, 2020, Buyer shall be deemed to have elected to waive the satisfaction of any unsatisfied conditions.

4. **SELLER REPRESENTATIONS AND WARRANTIES:** Seller makes the following representations and warranties to and for the benefit of Buyer which are true as of the date of this Contract and will continue to be true unless written notice of a change is delivered to Buyer prior to Closing. The disclosure of a change in a representation or warranty contained in this Section is a not a breach of this Contract if the disclosed information regarding the change was not known to Seller at the Effective Date provided Seller was not a cause in making the representation or warranty true or inaccurate. Should Buyer receive notice of a material change in the following representations and warranties it may terminate this Contract by delivery of written notice to Seller, in which event the earnest money shall be returned to Buyer and the parties shall have no further rights or obligations

except as expressly set forth in this Contract as intended to survive termination. In the event Seller caused the representation or warranty to become untrue or inaccurate, such action may be an event of default by Seller and Buyer shall have the same remedies as if a default occurred under the terms of this Contract pursuant to Section 13:

A. Seller has received no notice that there are any encumbrances or special assessments, either pending or confirmed, for sidewalk, paving, sewer, water, or other improvements on or adjoining the Property. Any encumbrances and assessments resulting from the actions of Buyer or Buyer's agents, employees or other representatives are the responsibility of Buyer and are excluded herefrom.

B. Seller has not entered into any leases or rental agreements with reference to the Property that cannot be terminated before closing. To the best of Seller's knowledge, neither Seller nor the Property are the subject of any claim, demand, suit, unfiled lien, proceeding or litigation of any kind, pending or outstanding, or to the knowledge of Seller threatened or likely to be made or instituted which would be binding upon the Property or affect or limit Buyer's full use and enjoyment of the Property or which would limit or restrict in any way Seller's right or ability to enter into this Contract and consummate the sale and purchase contemplated herein.

C. To the best of Seller's knowledge Seller has complied with any applicable laws, ordinances, regulations, statutes, rules and regulations affecting the Property and to the best of Seller's knowledge no portion of the Property has been used for the production, storage or disposal of toxic or Hazardous Materials (as defined herein) except for substances and compounds typically used in the operation of an automotive service center. To the best of Seller's knowledge, all such substances and compounds have been stored, used and disposed of in accordance with applicable law and otherwise conforms to the representations made in Section 4 E, F and G below.

D. Seller is not a "foreign person" as defined in the Foreign Investor Reporting and Property Tax Act and shall provide an affidavit at least ten (10) days prior to closing in a form satisfactory to Buyer to such effect.

E. To the best of Seller's knowledge, the Property is not the subject of any active or pending action by the North Carolina Department of Environmental Quality (DEQ) or its predecessor successor agencies, or any federal, state or local agencies under any federal, state or local environment laws or regulations;

F. To the best of Seller's knowledge, but without investigation, there is no Hazardous Material (except as otherwise stated in Section 4C above) on the Property, whether such Hazardous Material was placed by spill, release, discharge, disposal or storage. Hazardous Material as used in this Contract means any hazardous or toxic substance, material, waste or similar term which is regulated by local authorities, the State of North Carolina and/or the Federal Government including, but not limited to, any material substance, waste or similar term which is:

(1) defined as Hazardous Material under the laws of the State of North Carolina, as amended from time to time;

(2) defined as a hazardous substance under Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), as amended from time to time;

(3) defined as a hazardous waste under Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. Section 6901, *et seq.*), as amended from time to time;

(4) defined as a hazardous waste substance under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, *et seq.*), as amended from time to time;

(5) defined as hazardous waste or toxic substance, waste, material or similar term in any rules and regulations, as amended from time to time, which are adopted by any administrative agency including, but not limited to, the Environmental Protection Agency, the Occupational Safety and Health Administration, and any such similar State or Local agency having jurisdiction over the Property whether or not such rules and regulations have the force of law; or

(6) defined as hazardous or toxic waste, substance, material or similar term in any statute, regulation, rule or law enacted or adopted at any time after the date of this Agreement by local authorities, the State of North Carolina, and/or the Federal Government.

G. Seller has no knowledge that the Property fails to comply with any environmental laws or ordinances or rules and regulations of any authorities having jurisdiction over the Property relative to any Hazardous Material.

H. Buyer is relieved of any liabilities, claims, penalties, fines, costs, or charges that may occur as a result of any action against the Property under Federal, State, or Local Environmental Laws as a result of any environmental conditions arising from circumstances occurring during the period of Seller's ownership and caused by acts or omissions of Seller, its agents or assigns (for these purposes, "Seller's agents or assigns" excludes Buyer, its agents, employees or other representatives).

I. Seller has disclosed that North Carolina Department of Transportation (NCDOT) has published preliminary plans for I-440/US-1 South widening and/or interchange realignment at Walnut Street, and if developed it appears that there is potential for the southern portion of the Property to be impacted. Seller represents that it has not been approached by NCDOT regarding its immediate need for acquisition of easements, right-of-way or any portion of the Property in any form or fashion, and has not entered into any negotiations or agreements with NCDOT for the conveyance of any part of the Property.

5. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and adjusted between the parties or paid at closing:

A. At closing, *ad valorem* taxes on the Property shall be pro-rated between Buyer and Seller to the date of closing for the year in which closing occurs. All "roll back" taxes, if any, shall be the responsibility of Seller. All *ad valorem* and "roll back" taxes (if any), shall be calculated and paid at closing from the proceeds due at closing. Buyer and Seller understand that the prorated amounts may be based upon tax rates that may change after closing but before the end of the year in which closing occurs. Should the actual tax bill be different than the amount estimated at closing, Buyer and Seller will promptly reconcile and

settle the difference between them. As part of the consideration of this sale, this term and condition shall survive closing and shall not merge upon delivery of the deed.

B. All late listing penalties, if any, shall be paid by Seller.

C. Rents, if any, for the Property shall be retained by Seller, calculated to the date of closing.

D. Seller shall be responsible for any brokerage commissions due as a result of this sale. Buyer by its execution hereof confirms that licensed real estate brokers Jake Jones of Avison Young and McQueen Campbell of Campbell Property Group, Inc. have presented and shown the property to Buyer for its consideration, Buyer agrees to indemnify and hold Seller harmless against any real estate commission claimed by any other parties allegedly representing Buyer in this transaction.

6. LABOR AND MATERIAL: Seller shall furnish at closing an affidavit and indemnification agreement in a form satisfactory to Buyer at least ten (10) days prior to closing showing that all charges for labor or materials, if any, furnished to the Property by Seller or on behalf of Seller within one hundred twenty (120) days before the date of closing have been paid and agreeing to indemnify Buyer against all loss from any claim arising therefrom. Seller shall not be responsible for any labor or materials furnished to the Property on behalf of Buyer.

7. CLOSING EXPENSES: Seller shall pay for the preparation of a deed which shall be prepared by Seller's attorney and for the excise tax on transfer required by law. Buyer shall pay for recording the deed and all other closing costs. Buyer and Seller shall each pay their respective attorneys' fees.

8. EVIDENCE OF TITLE: Seller shall deliver to Buyer within thirty (30) days after the Effective Date copies that are reasonably available without cost of all title information available to Seller, including, but not limited to, title insurance policies, attorneys' opinions on title, surveys, and covenants relating to the Property.

9. ASSIGNMENT: Except in conjunction with a like kind exchange pursuant to Section 26, this Contract may not be assigned by Buyer or Seller without the written consent of the other party, which consent may be withheld by either party in its sole discretion. Notwithstanding the foregoing, Buyer shall have the right to assign this Contract to The County of Wake without the written consent of Seller.

10. BINDING EFFECT: This Contract shall be binding and shall inure to the benefit of the parties and their heirs, successors and assigns.

11. SURVIVAL: Any provision of this Contract which by its nature and effect is required to be observed, kept or performed after the closing shall survive the closing and remain binding upon and for the benefit of the parties until fully observed, kept or performed. The representations and warranties of Seller contained in Section 4 shall survive Closing for a period of one year.

12. DEFAULT; REMEDIES: In the event of a breach by Seller of this Contract and if such breach is not cured within ten (10) days after receipt of notice thereof by Buyer, Buyer shall

have as its sole and exclusive remedies the right to either: (1) terminate this Contract and receive a refund of the earnest money together with any out-of-pocket expenses incurred by Buyer in its due diligence investigation and preparation for closing, provided that the amount to be recovered shall not exceed Seventy Five Thousand and No/100 Dollars (\$75,000.00), or (2) seek specific performance against Seller, provided that any action for specific performance must be commenced within ninety (90) days after the date of breach by Seller. Notwithstanding anything stated to the contrary, Buyer's right to use its power of eminent domain is not limited by any remedy for a default stated herein.

In the event of a breach of this Contract by Buyer, and if such breach is not cured within ten (10) days after written notice from Seller of such breach, Seller shall have as its sole and exclusive remedy the right to receive the earnest money and Escrow Agent shall immediately pay such earnest money to Seller.

In the event of a breach by either party subsequent to closing, and if such breach is not cured within ten (10) days after receipt of notice of breach, or in the event such breach cannot be cured within ten (10) days, within such reasonable time thereafter, provided that the defaulting party has commenced a cure within ten (10) days, then the non-defaulting party shall have as its sole and exclusive remedy the right to recover from the defaulting party any actual damages incurred by the non-defaulting party, but in no event shall such damages include any special, punitive, incidental, consequential damages or double or treble damages.

13. **SELLER'S AUTHORITY:** Seller warrants and represents that it has full and complete power and authority to enter into this Contract in accordance with all the provisions contained herein and that there is no person or entity that has any interest in the Property other than the parties to this Contract.

14. **RIGHTS OF BUYER PRIOR TO CLOSING; SURVIVING OBLIGATIONS:** Buyer, its agents, employees or other representatives shall have the right during the term of this Contract to go upon the Property for the purpose of making such surveys, engineering, topographical, geological, environmental and other tests and measurements including, but not limited to, soil tests, percolation tests and subsoil tests as Buyer deems necessary or advisable. Buyer agrees to return the Property to as near its original condition as is possible after completion of tests the Buyer or its agents conduct on the Property. Buyer indemnifies and holds Seller harmless from loss, cost, damage or expense (including attorney's fees) resulting from Buyer's entry or activities on site or caused by Buyer's agents, employees or representatives

15. **ADDITIONAL COVENANTS:** These covenants shall survive closing:

A. Seller agrees to remove on or before closing all deeds of trust, liens, leases and other monetary charges against the Property which can be satisfied by the payment of money, provided that any liens or charges resulting from the actions of Buyer or Buyer's agents, employees, contractors, or representatives shall be the responsibility of Buyer.

B. Seller shall provide to Buyer copies of any studies and/or reports in their entirety which Seller may have received and or commissioned and which is still in Seller's custody or control, regarding the property within ten (10) days of the Effective Date. The studies and/or reports shall include, but are not limited to, streams and wetlands delineations, geotechnical reports, surveys (including but not limited to boundary and topographic surveys),

transportation studies, Phase 1 Environmental Site Assessment, and other environmental reports. Seller shall execute such appropriate releases as Buyer may request to authorize and direct the appropriate consultant to release and transfer consultants' work product to the Buyer for its use and benefit.

C. Seller agrees to cooperate with Buyer and Buyer's testing and investigation of the Property for an environmental assessment. Upon request from Buyer, Seller will deliver to Buyer any information in its possession relating to the environmental assessment.

D. Except as reserved for retention on Exhibit D, all furniture, trade fixtures, and equipment ("Former Operating Assets") located upon the Property as of the Effective Date shall be donated to Buyer. This donation is separate from the consideration to be paid for the Property of the real estate.

E. The Property and the Former Operating Assets shall convey "AS-IS, WHERE IS" and "WITH ALL FAULTS." Seller makes no warranties, express or implied, as to the Property or Former Operating Assets except as to the warranty of title. Seller makes no WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR HABITABILITY.

16. RISK OF LOSS: The risk of loss prior to closing, which shall include personal property, shall be upon the Seller.

17. POSSESSION: Exclusive possession of the Property free and clear of occupancy by all persons, firms or corporations, whether or not under claim of right or color of title, shall be delivered to Buyer at closing in conformity with the requirements of this Contract; provided, however, Seller shall have the option to lease back two of the seven vehicle storage lots located on the southwest side of the Property. The two lots are the ones most distant from Piney Plains Road. The duration of the lease shall be six months from the date of closing. The rent shall be \$3,000 per month per lot. The lease may be terminated as to either lot at any time after thirty days notice. Seller shall make Buyer an additional insured on its comprehensive general liability policy with automobile liability endorsement with such limits as the parties shall mutually agree before closing.

18. CLOSING: The parties agree to execute any and all documents and papers necessary in connection with the closing and transfer of title within thirty (30) days after all conditions have been met or waived, but not later than April 15, 2020, at a time, date and place designated by Buyer. The deed is to be made to Wake County Board of Education, Facilities Building, 1551 Rock Quarry Road, Raleigh, North Carolina 27610, Attention: Betty L. Parker, Real Estate Services Senior Director.

19. TIME IS OF THE ESSENCE: Time is of the essence with regard to the terms and conditions contained in this Contract.

20. EXTENSION: Buyer shall have the right to extend the closing date by up to thirty (30) days by the provision of written notice to Seller prior to the date of closing set forth in Section 19 to Seller of its desire to extend if such additional time is necessary for the completion of due diligence studies, to obtain approvals from the Board of Education, Board of Commissioners, or such other agencies necessary to satisfaction of the conditions hereinabove described.

21. COUNTERPARTS: This offer shall become a binding contract when signed by both Buyer and Seller in two (2) counterparts with an executed counterpart being retained by each party.

22. MEMORANDUM OF CONTRACT: Each party agrees that a Memorandum of Contract or Contract Documents shall not be recorded in this transaction.

23. NOTICES: All notices, requests and other communications hereunder shall be deemed to have been fully given, by either party to the other, when made in writing and either a) deposited in the United States mail (sent certified, return receipt requested); b) personally delivered; c) transmitted by overnight courier for next Business Day delivery, d) by facsimile or e) by electronic mail but, in the case of electronic mail, only if followed by transmittal by overnight courier or hand for delivery on the next Business Day, to the addresses of Buyer and Seller set forth below or to such other addresses as the Parties may, from time to time, designate by written notice.

To Seller: Crossroads Holdings LLC
Attn: Glenn A. Boyd, Manager
c/o William L. Stark & Company
P. O. Box 911
Henderson, NC 27536
E-mail: ryan@wlstarkco.com

w/copy to: Crossroads Ford, Inc.
Attn: G. Allen Boyd, Jr., Vice President
Crossroads Automotive Group, Inc.
P. O. Box 2069
11124 Capital Blvd.
Wake Forest, NC 27588
Email: allen.boyd@crossroadscars.com

w/copy to: Gordon Brown, Esq.
Brown and Bunch, PLLC
101 North Columbia Street
Chapel Hill, NC 27514
E-mail: gbrown@brownandbunch.com

To Buyer: Wake County Board of Education
Attn: Superintendent
5625 Dillard Drive
Cary, NC 27518
Fax No.: 919-431-7563

w/copy to: Wake County Public School System
Real Estate Services Director
1551 Rock Quarry Road
Raleigh, NC 27610
Email: bparker@wcpss.net

w/copy to: Kenneth C. Haywood, Esq.
 Howard, Stallings, From, Atkins, Angell & Davis, P.A.
 5410 Trinity Road, Suite 210
 Raleigh, NC 27607
 Post Office Box 12347
 Raleigh, NC 27605
 Email: khaywood@hsfh.com

24. **SELLER'S KNOWLEDGE:** The term "Seller's knowledge" as used in this Contract shall refer to any knowledge of Seller's Director of Maintenance, Randy Moody.

25. **INVOLUNTARY CONVERSION:** The parties agree the transaction set forth above is an involuntary conversion of Seller's Property under Section 1033 of the Internal Revenue Code, including the Former Operating Assets. In furtherance and support thereof, the Parties acknowledge the following representations:

- A. Buyer is a public agency with the power of eminent domain.
- B. Buyer believes the Property identified below is particularly well-suited to adaptation for use as a public educational and educational support facility including, but not limited to, district operation and administration of transportation maintenance, repair and parking facilities for school buses and parking facilities for school buses and fleet vehicles, and related career and technical education instruction.
- C. Buyer has approached Seller to propose acquisition.
- D. Seller has a number of interested parties submitting offers for purchase at prices greater than Buyer's opinion of what it considers just compensation for the Property.
- E. While negotiating in good faith with Seller for purchase the Buyer has mentioned (in a professional manner) its power of eminent domain as a means of acquiring the Property in the event negotiations impasse.
- F. Seller believes the possibility Buyer may opt to invoke its condemnation powers is substantial, real and imminent because of the Buyer's present need for such a property.
- G. Seller believes it is in Seller's best interest to negotiate the best terms it can in conjunction with what is, in essence, an involuntary sale.

26. **TAX-DEFERRED EXCHANGE:** In the event Seller elects to proceed under Section 1031 of the Internal Revenue Code to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such change, providing, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and providing further that the non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

27. **ENTIRE UNDERSTANDING:** This Contract constitutes the entire understanding between the parties. It may not be modified orally or in any manner except by agreement in writing by the parties hereto.

28. **EFFECTIVE DATE:** The Effective Date of this Contract shall be the date of last execution by Buyer and Seller.

29. **IN WITNESS THEREOF,** the parties have hereunto set their hands and seal the day and year indicated below.



[Corporate Seal]

BUYER:

**THE WAKE COUNTY BOARD OF
EDUCATION**

By: _____

James D Martin, Chair

Attest: _____

Cathy Q. Moore, Secretary/Superintendent

Date of Execution: _____

Oct 22, 2014

SELLER:

CROSSROADS HOLDINGS LLC,
a North Carolina limited liability company

By: _____

Glenn A. Boyd, Manager

Date of Execution: _____

10/12/14

Exhibit A-1**Legal Description**

The Property is located on the western side of Piney Plains Road in Cary, Wake County, North Carolina, and is a tract that consists of 28.93 acres more or less, and is that parcel having Wake County PIN 0773-40-1397 and Wake County REID 0103260, and a street address of 1660 Piney Plains Road, and is more particularly described as follows:

BEING all of Lot 2R containing 28.9316 total acres recombined as shown on that certain plat of survey entitled "Recombination of Easement & Survey For Crossroads Holdings, LLC, recorded in Book of Maps 2017, Pages 1525 and 1526, Wake County Registry ("the Plat"), reference being hereby made to the Plat for a more accurate description of the metes, bounds, courses and distances of such Lot 2R.

Together with the right of ingress and egress from the Property to Piney Plains Road over a 35 foot cross access easement as described in Book 10067, Page 2397 and as depicted in Book of Maps 2017, Page 1526, Wake County Registry.

The exact dimensions and description of the Property will be determined in accordance with the survey and plat reference in this Contract, but Seller and Buyer agree that the description of the Property set forth above shall be deemed sufficient to describe the Property to be conveyed, and Seller and Buyer each hereby waives any defense to enforcement of this Contract based on vagueness of the description of the Property. The legal description of the Property to be conveyed by deed to Buyer shall be drawn from the survey and plat.

Exhibit A-2

Exceptions

These exceptions are believed to be accurate but are not warranted.

All registry references are to the Wake County Registry.

As to all Parcels:

1. Taxes for the year 2019, and subsequent years, not yet due and payable.
2. Subject to matters shown on that certain plat of survey entitled "Recombination & Easement Survey for Crossroads Holdings, LLC" by Smith and Smith Surveyors dated September 12, 2016 and recorded in Book of Maps 2017, Pages 1525 and 1526.
3. Declaration of Covenants, Conditions, Restrictions and Easements recorded in Book 16865, Page 1413, Wake County Registry, including that certain "New 60' Private Cross Access Easement" as shown on the Plat, defined as the Cross Access Easement in the Declaration and reserved for the benefit of Lot 2R (as shown on the Plat) in accordance with and pursuant to the terms and provisions relative thereto expressly set forth in Section 2.1 of the Declaration.
4. General Warranty Deed to VRD at Crossroads, LLC recorded at Book 16915 at Page 1454.
5. Those matters disclosed on that certain plat of survey entitled "ALTA/ASCM Land Title Survey VRD at Crossroads, a North Carolina limited liability company" prepared by Smith and Smith Surveyors, dated June 6, 2017, last revised August 24, 2017 (unrecorded).

As to former 1714 Piney Plains (14.107 acres) and 1710 Piney Plains (4.934 acres):

6. Reservoir Watershed Protection and Access Easement and Agreement (Town of Cary), recorded in Book 10383 at Page 2771.
7. Utility and Pipeline Easements (Town of Cary), recorded in
Book 11111 at Page 136,
Book 4343 at Page 585.
8. Utilities easements to Carolina Power and Light Company recorded in
Book 528 at Page 106,
Book 956 at Page 193,
Book 1167 at Page 19,
Book 1167 at Page 27,
Book 1171 at Page 493,
Book 1171 at Page 526,
Book 1418 at Page 504,

Book 2103 at Page 542,
 Book 2571 at Page 450,
 Book 2890 at Page 481,
 Book 8522 at Page 2346.

9. Subject to matters shown on plat recorded in Book of Maps 1954 at Page 23.
10. Drainage easement(s) to Town of Cary recorded in Book 8550 at Page 1120.
11. Utilities easement(s) to Yadkin Valley Power Company recorded in
 Book 252 at Page 264,
 Book 262 at Page 582.
12. Easement(s) to Town of Apex recorded in
 Book 2890 at Page 476,
 Book 2859 at Page 912.
13. Right-of-Way Agreements with State Highway Commission recorded in
 Book 1359 at Page 23,
 Book 1358 at Page 622.
14. Easement to BellSouth Telecommunications, Inc. recorded in Book 8752, Page 575.
15. Subject to matters shown on Reservoir Protection, Maintenance and Access
 Equipment Plat recorded in Book of Maps 2003 at Page 1107.

As to 1660/1710 Piney Plains (21.761 acre recombination of 1660 (16.842 acre parcel) and
 1710 (4.934 acre parcel)).

16. Utility easements to Carolina Power and Light Company recorded in
 Book 956 at Page 193,
 Book 972 at Page 331,
 Book 1167 at Page 19,
 Book 1167 at Page 27,
 Book 1171 at Page 493,
 Book 1418 at Page 504,
 Book 2103 at Page 542,
 Book 2571 at Page 450,
 Book 8522 at Page 2344.
17. Rights of way to the State Highway Commission recorded in
 Book 1358 at Pages 616, 618 and 624,
 Book 1359 at Page 21,
 Book 1370 at Page 505.
18. Easements to Board/Department of Transportation recorded in
 Book 2517 at Page 43,
 Book 2548 at Pages 191 and 193.

19. Water, sewer and maintenance easements to the Town of Apex recorded in
Book 2865 at Page 52,
Book 2866 at Page 89,
Book 2920 at Page 299.
20. Memorandum of Action to Town of Apex for sewer line recorded in Book 2879 at
Page 510.
21. Utility and pipeline easement to the Town of Cary recorded in Book 4343 at Page 587.
22. Title to that portion of the Land within the right-of-way of Piney Plains Road and U.S.
Highways 1 and 64.
23. Ordinance Annexing Lands (Town of Cary) recorded in
Book 4477, Page 399,
Book 7203, Page 912.
24. Subject to matters shown on Recombination and right of way dedication map recorded
in Book of Maps 1999, Page 1106.
25. Subject to matters shown on sanitary sewer easement map recorded in Book of Maps
1999 at Page 1449.
26. Deed for Street Right of Way to Town of Cary recorded in Book 8729 at Page 1957.
27. Easement to BellSouth Telecommunications, Inc. recorded in Book 8752 at Page 575.
28. Reservoir Watershed Protection and Access Easement and Agreement recorded in
Book 8589 at Page 2725.
29. Subject to matters shown on recombination plat recorded in Book of Maps 2003 at
Page 1108.
30. Subject to matters shown on Easement & Access Plat (Town of Cary) recorded in
Book of Maps 2000 at Page 850.
31. Subject to matters shown on Reservoir Protection Maintenance and Access Easement
Plat recorded in Book of Maps 2003 at Page 1107.
32. Twenty-five (25) foot force main easement, recorded in
Book 2859 at Page 912,
Book of Maps 1980 at Page 533.
33. Memorandum of Lease and easement recorded in Book 7368 at Page 500.
34. Grant of Easement and Assignment of Lease with Global Signal Acquisitions IV LLC
recorded in Book 16664, Page 2332 together with all exceptions consolidated in

Exhibit D thereto including unrecorded site agreements, options and lease agreements and recorded memoranda of lease, all references to which are incorporated herein by this reference.

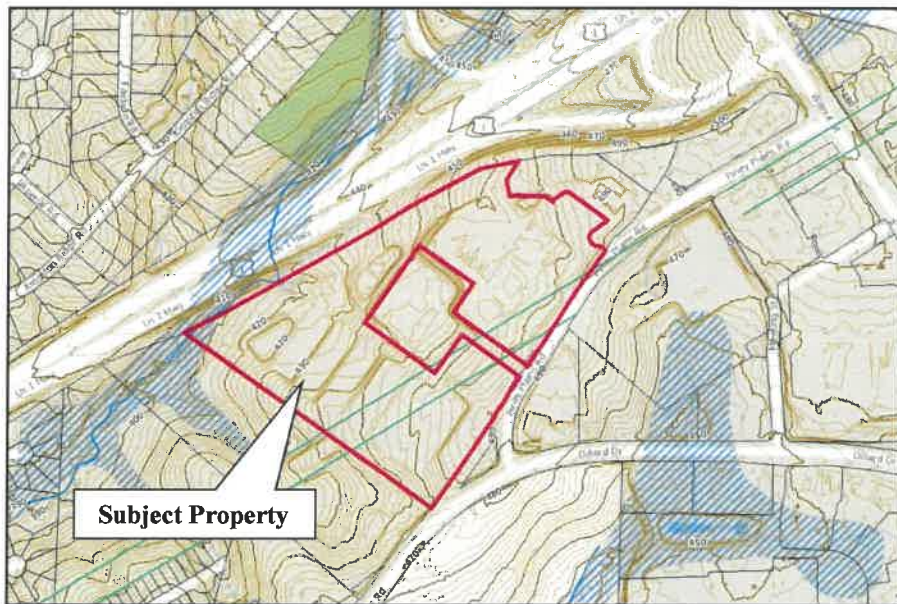
Exhibit B

Wake County GIS Aerial Photo of Subject Property: PIN 0773-40-1397
 Subject Property contains 28.9316 acres, subject to survey



0 215 430 860 ft
 1 inch = 400 feet

Disclaimer
 Maps makes every effort to produce and publish the most current and accurate information possible. However, the maps are produced for informational purposes and are NOT surveys. No warranties, expressed or implied, are provided for the data therein, its use, or its interpretation.



0 215 430 860 ft
 1 inch = 400 feet

Disclaimer
 Maps makes every effort to produce and publish the most current and accurate information possible. However, the maps are produced for informational purposes and are NOT surveys. No warranties, expressed or implied, are provided for the data therein, its use, or its interpretation.

Exhibit C**Recorded Map of Subject Property And Existing Access Easement:**

Book of Maps 2017, Pages 1525 - 1526, Wake County Registry

Exhibit D
Furniture, Fixtures, and Equipment
Retention List

Section 15D to the contrary notwithstanding, the following items are to be retained by Seller and are therefore excluded from the personal property passing thereunder:

Items previously removed:

- 1 - 9K lift
- 4 - 12K lifts
- 1 - front end aligner (no lift)
- 1 - front end aligner with lift
- 1 - aqueous parts washer
- 1 - state inspection machine
- 1 - Forklift
- 1 - Garbage hopper for forklift
- 1 - Magnum Floor cleaning machine
- 1 - transmission jack
- 1 - headlight aimer for inspection
- Miscellaneous small tools in shop foreman's office
- Miscellaneous special tools in tool room and shop.
- 3 - pallet jacks parts
- 1 - banding machine parts
- 15 - large and small plastic totes parts
- 8 - stocking carts parts
- 1 - Dock plate parts
- 1 - floor fan in Parts
- Miscellaneous car related parts
- Miscellaneous Crossroads marketing items

Servers and other electronics:

- 1 - Vertiv UPS and 1 extra battery
- 1 - Prosafe SSL VPN Connector
- 1 - Avocent Switch View
- 1 - Cisco Catalyst 2960S switch
- 2 - 1 upstairs, downstairs - Cisco Catalyst 2950 24port
- 3 - 1 upstairs, 2 downstairs - Cisco Catalyst 3560G switch
- 2 - Sonic Wall
- 1 - Ubiquity Switch
- 1 - TMARC 340
- 2 - Watchguard XTM5
- 1 - Thinkserver RD240
- 1 - Thinkserver RD450
- 1 - Snap on Server
- 1 - 9145 Network Interface
- 1 - Earthlink Adtran

1 - Liebert Micropo
1 - Kiosk
1 - Etherlite EL-16

P3367 X2
P3304 X3
P3364 X1

Addendum D

Comparable Data



Land Sales



Location & Property Identification

Property Name: Long Term Care Site
 Sub-Property Type: Commercial
 Address: 1936 Ralph Stephens Rd.
 City/State/Zip: Holly Springs, NC 27540
 County: Wake
 Submarket: Southwest Raleigh
 Market Orientation: Suburban
 IRR Event ID: 2246008



Sale Information

Sale Price: \$4,108,000
 Effective Sale Price: \$4,108,000
 Sale Date: 03/29/2019
 Sale Status: Closed
 \$/Acre(Gross): \$410,800
 \$/Land SF(Gross): \$9.43
 \$/Acre(Usable): \$410,800
 \$/Land SF(Usable): \$9.43
 Grantor/Seller: Southern Crossroads, Inc.
 Grantee/Buyer: Britthaven, Inc
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Document Type: Deed
 Recording No.: 17398/917
 Verified By: Ian J. Searle
 Verification Date: 06/27/2019
 Confirmation Source: Brantley Powell, 919-656-7500
 Verification Type: Confirmed-Seller

Sale Analysis

Current Use at T.O.S.: Vacant land
 Proposed Use Change: Yes
 Proposed Use Desc.: Medical facility

Improvement and Site Data

Legal/Tax/Parcel ID: 0648856278
 Acres(Usable/Gross): 10.00/10.00
 Land-SF(Usable/Gross): 435,600/435,600
 Usable/Gross Ratio: 1.00
 Shape: Irregular
 Topography: Level
 Corner Lot: Yes
 Frontage Feet: 1415
 Frontage Desc.: 875' Ralph Stephens Rd. 540' Piney Grove Wilborn R
 Zoning Code: CB
 Zoning Desc.: Commercial
 Flood Plain: No
 Utilities: Electricity, Water Public, Sewer
 Utilities Desc.: Available
 Source of Land Info.: Public Records

Comments

The site will be developed with a 66,000 SF long term health care facility.

Location & Property Identification

Property Name:	Office Land-5.6192 acres
Sub-Property Type:	Commercial, Office
Address:	5401 Trinity Rd.
City/State/Zip:	Raleigh, NC 27607
County:	Wake
Submarket:	Central Raleigh
Market Orientation:	Suburban
IRR Event ID:	2184654



Sale Information

Sale Price:	\$2,500,000
Effective Sale Price:	\$2,500,000
Sale Date:	11/28/2018
Sale Status:	Closed
\$/Acre(Gross):	\$444,903
\$/Land SF(Gross):	\$10.21
\$/Acre(Usable):	\$444,903
\$/Land SF(Usable):	\$10.21
\$/Building SF:	\$11.90
Grantor/Seller:	Oxford Fund Select - Raleigh, LLC
Grantee/Buyer:	Keystone-Trinity Road, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arm's Length
Document Type:	Deed
Recording No.:	17303/612
Verified By:	W. Christopher Morris
Verification Date:	07/29/2019
Confirmation Source:	Michael Blount, Keystone Corp.
Verification Type:	Confirmed-Buyer

MSA:	Raleigh-Cary, NC Metropolitan Statistical Area
Legal/Tax/Parcel ID:	0774-96-3627
Acres(Usable/Gross):	5.62/5.62
Land-SF(Usable/Gross):	244,772/244,772
Usable/Gross Ratio:	1.00
Potential Building SF:	210,000
Shape:	Irregular
Topography:	Gently Sloping
Corner Lot:	Yes
Frontage Feet:	1480
Frontage Desc.:	490' Trinity Road, 990' Newell Road
Zoning Code:	CX-5, PL-CU
Zoning Desc.:	Commercial Mixed use-Multi-Family/Hotel Use
Easements:	Yes
Easements Desc.:	CUD allows only for the
Environmental Issues:	No
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Utilities Desc.:	All available and public.
Source of Land Info.:	Other

Comments

Proposed to be developed with Palisades III office building containing 172,236 SF of office space and a 154,095 SF parking deck containing 493 spaces.

Location & Property Identification

Property Name:	Proposed Drive Shack - 18.08 Acres
Sub-Property Type:	Commercial
Address:	6901 Play Golf Way
City/State/Zip:	Raleigh, NC 27607
County:	Wake
Submarket:	Central Raleigh
Market Orientation:	Suburban
IRR Event ID:	1884539



Sale Information

Sale Price:	\$4,939,000
Effective Sale Price:	\$4,939,000
Sale Date:	12/15/2017
Sale Status:	Closed
\$/Acre(Gross):	\$273,175
\$/Land SF(Gross):	\$6.27
\$/Acre(Usable):	\$273,175
\$/Land SF(Usable):	\$6.27
\$/Building SF:	\$82.32
Grantor/Seller:	AIS Forestry & Farming, LLC
Grantee/Buyer:	Drive Shack Raleigh LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arm's Length
Document Type:	Deed
Recording No.:	16998/213
Verified By:	Chris R. Morris, MAI, FRICS
Verification Date:	03/28/2018
Confirmation Source:	Hunter Stewart, NAI, 919-548-3172
Verification Type:	Confirmed-Seller Broker

Legal/Tax/Parcel ID:	0774-76-3931
Acres(Usable/Gross):	18.08/18.08
Land-SF(Usable/Gross):	787,565/787,565
Usable/Gross Ratio:	1.00
Potential Building SF:	60,000
Shape:	Irregular
Topography:	Rolling
Corner Lot:	No
Frontage Feet:	1880
Frontage Desc.:	1640' I-40, 240' Play Golf Way.
Zoning Code:	OP-4-PK (Raleigh)/SHOD-2 Overlay
Zoning Desc.:	Office Park
Flood Plain:	Yes
Flood Area(SF):	26,650
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

Plans include building a 60,000 SF complex with restaurant, bar and corporate event space. The arena will have 95 driving range bays, with the range itself running north-south along I-40.

Improvement and Site Data

MSA:	Raleigh, NC
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Location & Property Identification

Property Name: Land
 Sub-Property Type: Commercial
 Address: 4429 NC Hwy. 55
 City/State/Zip: Cary, NC 27513
 County: Wake
 Submarket: Cary
 Market Orientation: Suburban
 IRR Event ID: 1367568



Sale Information

Sale Price: \$7,200,000
 Effective Sale Price: \$7,400,000
 Sale Date: 08/31/2017
 Sale Status: Closed
 \$/Acre(Gross): \$356,971
 \$/Land SF(Gross): \$8.19
 \$/Acre(Usable): \$356,971
 \$/Land SF(Usable): \$8.19
 Grantor/Seller: Doris N. Sears
 Grantee/Buyer: LG Cary ATC Land, LLC
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Terms of Sale: Arm's Length
 Document Type: Deed
 Recording No.: 16896/1417
 Verified By: Samuel Bryan, MAI
 Verification Date: 09/25/2017
 Confirmation Source: Dan Gualtieri, Leon Capital Group, 980-533-4698
 Verification Type: Confirmed-Buyer

Sale Analysis

Other Adj.: \$200,000
 Adjust. Comments: Contract ext. fee

Improvement and Site Data

MSA: Raleigh, NC
 Legal/Tax/Parcel ID: 0735-47-8579
 Acres(Usable/Gross): 20.73/20.73
 Land-SF(Usable/Gross): 902,999/902,999
 Usable/Gross Ratio: 1.00
 Shape: Irregular
 Topography: Gently Sloping
 Corner Lot: No
 Frontage Feet: 575
 Frontage Desc.: NC Hwy. 55
 Zoning Code: R-40 with Alston Regional Mixed-Use Center overlay
 Zoning Desc.: Mixed use development per the overlay
 Flood Plain: No
 Flood Zone Designation: X
 Comm. Panel No.: 37183C0735J
 Date: 05/02/2006
 Utilities: Electricity, Water Public, Sewer
 Source of Land Info.: Public Records

Comments

Site is being purchased for development of a 35,000 square foot Lidl grocery store on 4.23 acres of the site and a 234 unit apartment complex on the remaining 16.50 acres. Lidl is paying \$2,534,039 for the retail site upon

Comments (Cont'd)

closing which implies a multifamily site sale of \$4,745,961, or \$20,282 per proposed unit. The \$200,000 addition to the effective price is a contract extension fee that was not applied to price at closing.

Location & Property Identification

Property Name:	Duke Health-38.33 Acres of Commercial Land
Sub-Property Type:	Commercial
Address:	3208 & 3224 Green Level West Rd.
City/State/Zip:	Cary, NC 27519
County:	Wake
Submarket:	Cary
Market Orientation:	Suburban
IRR Event ID:	1520971



Sale Information

Sale Price:	\$10,285,000
Effective Sale Price:	\$12,285,000
Sale Date:	02/24/2017
Sale Status:	Closed
\$/Acre(Gross):	\$320,506
\$/Land SF(Gross):	\$7.36
\$/Acre(Usable):	\$320,506
\$/Land SF(Usable):	\$7.36
Grantor/Seller:	David B. Travis Charitable Remainder Trust et al
Grantee/Buyer:	Duke University Health System, Inc.
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arms Length
Document Type:	Deed
Recording No.:	16703/1191 & 1200
Verified By:	Chris R. Morris, MAI, FRICS
Verification Date:	07/26/2017
Confirmation Source:	Scott Selig, Duke Health, 919-682-3330, Ext. 1
Verification Type:	Confirmed-Buyer

Sale Analysis

Other Adj.:	\$2,000,000
Adjust. Comments:	Assignment Fee
Proposed Use Change:	Yes
Proposed Use Desc.:	Hospital and medical campus

Improvement and Site Data

MSA:	Raleigh, NC
Legal/Tax/Parcel ID:	0734202324, 0733290634
Acres(Usable/Gross):	38.33/38.33
Land-SF(Usable/Gross):	1,669,655/1,669,655
Usable/Gross Ratio:	1.00
Shape:	Rectangular
Topography:	Gently Sloping
Corner Lot:	Yes
Frontage Feet:	1646
Frontage Desc.:	813' Green Level, 833' Unnamed Service Road
Frontage Type:	2 way, 1 lane each way
Traffic Flow:	Moderate
AccessibilityRating:	Above average
Visibility Rating:	Above average
Zoning Code:	R-40/Cary (Green Level Dest. Ctr.)

Improvement and Site Data (Cont'd)

Zoning Desc.:	Office/Commercial/Multi-Family
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Telephone
Utilities Desc.:	All in proximity
Source of Land Info.:	Public Records

Comments

Grantee paid assignment fee to Craig Davis Properties of \$2,000,000. Craig Davis Properties had planned alternate development, but project stalled and Duke Health paid fee to acquire the purchase option. Property is located in the Green Level Destination Center on the Cary 2040 Community Plan, which will allow high intensity mixed-use development to include retail, office and high-density multi-family options.



Location & Property Identification

Property Name:	Proposed Shopping Center
Sub-Property Type:	Commercial, Retail
Address:	300 Matthews Dr.
City/State/Zip:	Holly Springs, NC 27540
County:	Wake
Submarket:	Southwest Raleigh
Market Orientation:	Suburban
IRR Event ID:	1449439



Sale Information

Sale Price:	\$2,064,800
Effective Sale Price:	\$2,064,800
Sale Date:	01/19/2017
Listing Date:	10/04/2015
Sale Status:	Closed
\$/Acre(Gross):	\$323,636
\$/Land SF(Gross):	\$7.43
\$/Acre(Usable):	\$323,636
\$/Land SF(Usable):	\$7.43
Grantor/Seller:	Chatham Street Investments, LLC
Grantee/Buyer:	Holly Lakes, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Cash to seller
Document Type:	Deed
Recording No.:	16672/189
Verified By:	Samuel Bryan, MAI
Verification Date:	01/17/2017
Confirmation Source:	Daniel Brown, D&N Development, 919-845-5155
Verification Type:	Confirmed-Buyer

Acres(Usable/Gross):	6.38/6.38
Land-SF(Usable/Gross):	277,912/277,912
Usable/Gross Ratio:	1.00
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	389
Frontage Desc.:	Sunset Lake Rd.
Zoning Code:	LB/Holly Springs
Zoning Desc.:	Local Business
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	37183C0669J
Date:	05/02/2006
Utilities:	Electricity, Water Public, Sewer, Gas
Utilities Desc.:	All public available
Source of Land Info.:	Engineering Report

Comments

The buyer will develop a 52,185 square foot shopping center anchored by The Fresh Market (21,405 SF) & Pet Supermarket (7,560 SF).

Improvement and Site Data

MSA:	Raleigh, NC
Legal/Tax/Parcel ID:	0669-16-0768

Proposed Shopping Center



Location & Property Identification

Property Name: 22.35 acres - N. Salem St.
 Sub-Property Type: Commercial
 Address: 1402 N. Salem St.
 City/State/Zip: Apex, NC 27502
 County: Wake
 Submarket: Cary
 Market Orientation: Suburban
 IRR Event ID: 1408385



Sale Information

Sale Price: \$8,750,400
 Effective Sale Price: \$8,750,400
 Sale Date: 09/28/2016
 Sale Status: Closed
 \$/Acre(Gross): \$391,517
 \$/Land SF(Gross): \$8.99
 \$/Acre(Usable): \$391,517
 \$/Land SF(Usable): \$8.99
 Grantor/Seller: William J. Booth, Jr., etal
 Grantee/Buyer: Northside Acquisition, LLC, etal
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Terms of Sale: Arm's Length
 Document Type: Deed
 Recording No.: 16547/1429,1433,1437,1441 & 1445
 Verified By: Chris R. Morris, MAI, FRICS
 Verification Date: 11/09/2016
 Confirmation Source: Ryan Rowland, Crossroads Holdings, 252-213-5991
 Verification Type: Confirmed-Buyer

Legal/Tax/Parcel ID: 0192230, 0007121, 0007140, 0438609, 0072376
 Acres(Usable/Gross): 22.35/22.35
 Land-SF(Usable/Gross): 973,566/973,566
 Usable/Gross Ratio: 1.00
 Shape: Irregular
 Topography: Gently Sloping
 Corner Lot: No
 Frontage Feet: 716
 Frontage Desc.: Salem St
 Zoning Code: LI (Apex)
 Zoning Desc.: Light Industrial
 Flood Plain: No
 Utilities: Electricity, Water Public, Sewer
 Source of Land Info.: Other

Comments

Purchased in 5 transactions by affiliates of Crossroads Holdings, an automotive dealership group; Crossroads had already acquired southwest quadrant of interchange previously. Deed 16547/1429 from Booth to Northside for 1.5915 acres at \$869,000; Deed 16547/1433 from Booth to Other Side of the Tracts, LLC for 0.4783 at \$191,900; Deed 16547/1437 from Booth to Bovestments, LLC for 18.3863 acres for \$6,689,500; Deed 16547/1441 from Thomas Colhoun, et ux, to Middle Ground Acquisition, LLC for 1.3938 acres at \$750,000; Deed 16547/1445 from Vonnice Smith to Southside Acquisition, LLC for 0.589 acres at \$250,000.

Improvement and Site Data

MSA: Raleigh, NC

Improved Sales



Location & Property Identification

Property Name: Skyland Automotive
 Sub-Property Type: Auto Related, Dealership
 Address: 255 Smokey Park Hwy.
 City/State/Zip: Asheville, NC 28806
 County: Buncombe

 Market Orientation: Suburban

 IRR Event ID: 2182217



Sale Information

Sale Price: \$9,240,000
 Effective Sale Price: \$9,240,000
 Sale Date: 12/05/2018
 Sale Status: Closed
 \$/SF GBA: \$287.27
 \$/SF NRA: \$287.27
 Grantor/Seller: Skypark Associates, LP et al.
 Grantee/Buyer: Fields Skyland, LLC
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Terms of Sale: Arm's length transaction
 Verified By: Kenneth R. Hollister
 Verification Date: 01/04/2019
 Confirmation Source: John Parker - Seller
 Verification Type: Confirmed-Seller

Gas Station/C-Store/Auto/Car Wash

Auto Repair: Yes
 No. of Bays: 30
 Price/Bay: \$308,000
 Showroom Area (SF/% GBA): 13,581 / 42.22%
 Service Area (SF/% GBA): 14,300 / 44.46%
 Parts Area (SF/% GBA): 4,284 / 13.32%

Improvement and Site Data

MSA: Asheville, NC
 Legal/Tax/Parcel ID: 9627-09-0892, 9617-99-9673, 9618-90-9254, 9617-99-9840

 GBA-SF: 32,165
 GLA-SF: 32,165
 Acres(Usable/Gross): 10.08/10.08
 Land-SF(Usable/Gross): 439,084/439,084
 Usable/Gross Ratio: 1.00
 Year Built: 1970
 Property Class: B
 M&S Class: S
 Construction Quality: Average
 Improvements Cond.: Average
 Exterior Walls: Metal
 No. of Buildings/Stories: 1/1
 Shape: Irregular
 Topography: Gently Sloping
 Corner Lot: No
 Frontage Feet: 1030
 Frontage Desc.: 960 Smokey Park Highway, 70' Old Haywood Road

 Bldg. to Land Ratio FAR: 0.07
 Zoning Code: HB
 Zoning Desc.: Highway Business
 Flood Plain: No
 Flood Zone Designation: X
 Utilities: Electricity, Water Public, Sewer, Gas
 Utilities Desc.: All public and available
 Source of Land Info.: Public Records

Comments

The sale price was reflective of the real estate value only. The seller was retiring and sold to an automotive group out of Chicago, who own some other dealerships in the Asheville area.

Operates as a Mitsubishi, Mazda, Mercedes-Benz, Chrysler, Dodge, Jeep, Ram Dealership

Location & Property Identification

Property Name:	Nissan of Fayetteville
Sub-Property Type:	Auto Related, Dealership
Address:	4559 Raeford Rd.
City/State/Zip:	Fayetteville, NC 28304
County:	Cumberland
Market Orientation:	Suburban
Property Location:	S/S Raeford Rd and W/S Scotland Drive
IRR Event ID:	1920168



Sale Information

Sale Price:	\$12,010,000
Effective Sale Price:	\$11,040,000
Sale Date:	08/14/2018
Sale Status:	Closed
\$/SF GBA:	\$239.04
\$/SF NRA:	\$261.67
Grantor/Seller:	Anderson Raeford Real Property LLC, et al
Grantee/Buyer:	Flow Companies, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arm's length
Document Type:	Deed
Recording No.:	10361/0095
Verified By:	Samuel Bryan, MAI
Verification Date:	03/12/2018
Confirmation Source:	Timothy Jeffries, Flow Automotive
Verification Type:	Confirmed-Buyer

Sale Analysis

Other Adj.:	-\$970,000
Adjust. Comments:	Wells Fargo Ground Lease

Occupancy

Occupancy Type Before Sale:	Owner Occupied
Occupancy Type After Sale:	Owner Occupied

Gas Station/C-Store/Auto/Car Wash

No. of Bays:	13
Price/Bay:	\$849,231
Showroom Area (SF/% GBA):	27,314 / 59.14%
Service Area (SF/% GBA):	12,077 / 26.15%
Parts Area (SF/% GBA):	2,800 / 6.06%

Improvement and Site Data

MSA:	Fayetteville, NC Metropolitan Statistical Area
Legal/Tax/Parcel ID:	0416-29-9999, 0417-30-2320, and 0417-30-2049
GBA-SF:	46,185
GLA-SF:	42,191
Acres(Usable/Gross):	15.87/15.95
Land-SF(Usable/Gross):	691,384/694,782
Usable/Gross Ratio:	1.00
Year Built:	2015
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	New

Improvement and Site Data (Cont'd)

Construction Desc.:	steel and masonry frame with aluminium panels, EIFS covering, glass storefront, ribbed steel siding and concrete block exteriors.
No. of Buildings/Stories:	1/2
Ceiling Height Maximum:	24.00
Total Parking Spaces:	582
Park. Ratio 1000 SF GLA:	13.79
Park. Ratio 1000 SF GBA:	12.60
Roof Comm.:	Flat roof with rubber membrane and metal deck. HVAC 100%
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	1642
Frontage Desc.:	1,359' Scotland Dr. and 283' Raeford Rd.
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	Traffic light
Traffic Flow:	High
AccessibilityRating:	Above average
Visibility Rating:	Good
Bldg. to Land Ratio FAR:	0.07
Zoning Code:	CC
Zoning Desc.:	Community Commercial District
Easements Desc.:	20' drainage and sewer
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Utilities Desc.:	All available.
Source of Land Info.:	Other

Detached, 1,820 square foot car wash that is not included the GBA. Wells Fargo ground lease on Raeford Rd. - parcel 0417-30-0541 with .93 acres and in ingress/egress easement. 3,280 SF GLA - masonry construction and owner occupied. LAND SALE IDs 792824 and 1044702.

Comments

Arm's length sale. The sale included a 0.93 acre or 40,514 SF outparcel ground leased Wells Fargo. The value of the ground lease was estimated to be \$970,000 and has been deducted from the sale price in order to have a value for the automotive dealership only.

Building information is only for the dealership. 3,692 SF of office space and 1,073 SF of fixed mezzanine space.

Location & Property Identification

Property Name:	Chris Leith Kia & Chris Leith Dodge
Sub-Property Type:	Auto Related, Dealership
Address:	10936 & 10956 Star Rd.
City/State/Zip:	Wake Forest, NC 27587
County:	Wake
Submarket:	N Central Raleigh
Market Orientation:	Suburban
IRR Event ID:	1961924



Sale Information

Sale Price:	\$18,000,000
Effective Sale Price:	\$20,000,000
Sale Date:	05/09/2018
Sale Status:	Closed
\$/SF GBA:	\$247.69
\$/SF NRA:	\$247.69
Grantor/Seller:	MLC Automotive LLC
Grantee/Buyer:	6421 Westgate Realty LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale:	Arm's Length
Document Type:	Deed
Recording No.:	17121/2038
Verified By:	Chris R. Morris, MAI, FRICS
Verification Date:	05/31/2018
Confirmation Source:	Linda Leith, MLC
Verification Type:	Confirmed-Seller

Sale Analysis

Other Adj.:	\$2,000,000
Adjust. Comments:	Allocation Adjustment

Gas Station/C-Store/Auto/Car Wash

Auto Repair:	No
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Showroom Area (SF/% GBA):	26,522 / 32.85%
Service Area (SF/% GBA):	41,439 / 51.32%
Parts Area (SF/% GBA):	12,786 / 15.83%
Vehicle-Related Comments:	2 distinct dealerships with showroom/office, parts and service garages for each.

Improvement and Site Data

MSA:	Raleigh, NC
Legal/Tax/Parcel ID:	0149006, 0457732, 0457731, 0457733
GBA-SF:	80,747
GLA-SF:	80,747
Acres(Usable/Gross):	30.45/30.45
Land-SF(Usable/Gross):	1,326,402/1,326,402
Usable/Gross Ratio:	1.00
Year Built:	2001 & 2002
Property Class:	A-
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Block
Construction Desc.:	2 masonry dealerships and 1 metal service garage
No. of Buildings/Stories:	3/1
Ceiling Height Minimum:	12.00
Ceiling Height Maximum:	20.00
Total Parking Spaces:	983

Improvement and Site Data (Cont'd)

Park. Ratio 1000 SF GLA:	12.17
No. Surface Spaces:	983
Park. Ratio 1000 SF GBA:	12.17
Parking Conformity:	Yes
No. Of Elevators:	None
Fire Sprinkler Type:	None
Air-Conditioning Type:	Central
Shape:	Rectangular
Topography:	Rolling
Corner Lot:	Yes
Frontage Feet:	860
Frontage Desc.:	630' Star Rd; 230' S. Main St.
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Excellent
Bldg. to Land Ratio FAR:	0.06
Excess/Surplus Land:	Yes
Excess Land Area Acres:	14.00
Excess Land Area SF:	609,840
Excess Land Description:	Approximately 6 acres is rough graded and graveled, allowing for additional car storage; other 8 acres is wooded tract.
Zoning Code:	HB (Wake Forest)
Zoning Desc.:	Highway Business
Environmental Issues:	No
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Telephone
Source of Land Info.:	Public Records

Wake Forest; property includes 14 acres of excess land at rear, with 6 acres rough graded and graveled. This area could be used for overflow vehicle storage, but has not been in the past. Remaining 8 acres of excess land is wooded, none of excess land has visibility from fronting road; potential for use for car dealership expansion if demand exists, but no general retail potential.

Comments

Sale included real property and business. Buyer priced real property at \$20,000,000, but for various reasons, buyer and seller agreed to reallocate \$2,000,000 of real property price toward previously agreed upon business price. Revenue stamps reflect last real property/business value allocation, but seller and prior appraisal support the original \$20,000,000 allocation, which is utilized.

2 dealership sale at southeast corner of US-1 and US-1A in

Location & Property Identification

Property Name:	Harrelson Nissan
Sub-Property Type:	Auto Related, Dealership
Address:	550 Galleria Blvd.
City/State/Zip:	Rock Hill, SC 29730
County:	York
Submarket:	Rock Hill/Fort Mill
Market Orientation:	Suburban
Property Location:	NEQ of I-77 and Dave Lyle Blvd
IRR Event ID:	2108497



Sale Information

Sale Price:	\$7,000,000
Effective Sale Price:	\$7,000,000
Sale Date:	03/06/2018
Sale Status:	Closed
\$/SF GBA:	\$216.51
\$/SF NRA:	\$216.51
Eff. Price/Unit:	\$7,000,000 /Unit
Grantor/Seller:	Harrelson Holdings of SC, LLC

Grantee/Buyer:	Ransome rock Hill Real Property, LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arm's length transaction
Document Type:	Deed
Recording No.:	16859/56
Verified By:	Kenneth R. Hollister
Verification Date:	05/22/2018
Confirmation Source:	David Hudson - Buyer
Verification Type:	Confirmed-Buyer

Occupancy

Occupancy Type Before Sale:	Owner Occupied
Occupancy Type After Sale:	Owner Occupied
Occupancy at Time of Sale:	100.00%

Improvement and Site Data

MSA:	Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area
Legal/Tax/Parcel ID:	667-01-01-137
GBA-SF:	32,331
GLA-SF:	32,331
Acres(Usable/Gross):	6.96/6.96
Land-SF(Usable/Gross):	303,291/303,291
Usable/Gross Ratio:	1.00
Year Built:	2012
Property Class:	A-
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Stucco
No. of Buildings/Stories:	1/1
Ceiling Height Maximum:	24.00
Total Parking Spaces:	424
Park. Ratio 1000 SF GLA:	13.11
Park. Ratio 1000 SF GBA:	13.11
Park Ratio(Space/Unit):	424.00
No. Of Elevators:	Yes/1
Fire Sprinkler Type:	Wet
Air-Conditioning Type:	Central
Roof Comm.:	Flat, unballasted membrane covering

Improvement and Site Data (Cont'd)

Shape:	Rectangular
Topography:	Level
Corner Lot:	No
Frontage Feet:	315
Frontage Desc.:	Galleria
Density-Unit/Gross Acre:	0.14
Density-Unit/Usable Acre:	0.14
Bldg. to Land Ratio FAR:	0.11
Zoning Code:	MP-C
Zoning Desc.:	Master Planned Commercial District
Encumbrance/Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	45091C0328F
Date:	05/16/2017
Utilities:	Electricity, Water Public, Sewer
Utilities Desc.:	All Available
Source of Land Info.:	Public Records

Comments

Hudson Automotive purchased the dealership from Harrelson Automotive. The sale price of \$7,000,000 is exclusively for the real property. Buyer is an owner user with many dealerships throughout the Southeast.

Location & Property Identification

Property Name: Priority Honda
 Sub-Property Type: Auto Related, Dealership
 Address: 4115 W. Mercury Blvd
 City/State/Zip: Hampton, VA 23666-3729

Market Orientation: Suburban

IRR Event ID: 2265531



Sale Information

Sale Price: \$8,700,000
 Effective Sale Price: \$8,700,000
 Sale Date: 02/28/2018
 Recording Date: 03/01/2018
 Sale Status: Closed
 \$/SF GBA: \$278.69
 \$/SF NRA: \$278.69
 Grantor/Seller: Charles D. Woodard
 Grantee/Buyer: Ellmer Properties Hampton II, LLC.
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 Financing: Cash to seller
 Document Type: Deed
 Recording No.: 180 02479
 Verified By: Amanda M. Triplett
 Verification Date: 11/01/2019
 Verification Type: Confirmed-Buyer
 Secondary Verific. Source: CoStar

Operating Data and Key Indicators

Operating Expenses: \$84,352

Occupancy

Occupancy Type Before Sale: Owner Occupied
 Occupancy Type After Sale: Owner Occupied

Gas Station/C-Store/Auto/Car Wash

Auto Repair: Yes
 No. of Bays: 28
 Price/Bay: \$310,714
 Showroom Area (SF/% GBA): 19,217 / 61.56%
 Service Area (SF/% GBA): 11,000 / 35.24%
 Parts Area (SF/% GBA): 1,000 / 3.20%

Improvement and Site Data

MSA: Hampton Roads
 Legal/Tax/Parcel ID: 13003606
 GBA-SF: 31,217
 GLA-SF: 31,217
 Acres(Gross): 11.56
 Land-SF(Gross): 503,579
 Year Built: 2007
 M&S Class: D
 Construction Quality: Average
 Improvements Cond.: Good
 Exterior Walls: Stucco
 Construction Desc.: WF
 No. of Buildings/Stories: 2/1
 Total Parking Spaces: 300
 Park. Ratio 1000 SF GLA: 9.61
 Park. Ratio 1000 SF GBA: 9.61
 Air-Conditioning Type: Central
 Shape: Flag
 Topography: Level

Improvement and Site Data (Cont'd)

Corner Lot:	No
Frontage Desc.:	587 feet on W Mercury Blvd
Frontage Type:	2 way, 3 lanes each way
Traffic Control at Entry:	Turn lane
Traffic Flow:	High
Traffic Count:	48000
AccessibilityRating:	Average
Visibility Rating:	Good
Bldg. to Land Ratio FAR:	0.06
Zoning Code:	C-2
Source of Land Info.:	Other

Comments

Priority Auto Group acquired a 31,217 SF on February 28th, 2018 for \$8.7M or \$278.69 per square foot. The purchaser owns several other dealerships on in Hampton Roads. The improvements include an eight-car showroom, a full-service department with 24 service bays and a separate used car lot. The property was not reported to be on the market and the seller sold the property because he was retiring.



Location & Property Identification

Property Name:	Toyota of Henderson
Sub-Property Type:	Auto Related, Dealership
Address:	205 Toyota Ln.
City/State/Zip:	Henderson, NC 27537
County:	Vance
Market Orientation:	Suburban
IRR Event ID:	1902167



Sale Information

Sale Price:	\$6,533,000
Effective Sale Price:	\$6,533,000
Sale Date:	01/22/2018
Sale Status:	Closed
\$/SF GBA:	\$207.04
\$/SF NRA:	\$232.99
Grantor/Seller:	Genreco, LLC
Grantee/Buyer:	Ransome Henderson Real Property, LLC
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Terms of Sale:	Arm's Length
Document Type:	Deed
Recording No.:	1338/589
Verified By:	Chris R. Morris, MAI, FRICS
Verification Date:	02/08/2018
Confirmation Source:	Ryan Rowland, Crossroads
Verification Type:	Confirmed-Other

Gas Station/C-Store/Auto/Car Wash

Auto Repair:	Yes
Showroom Area (SF/% GBA):	16,896 / 53.54%
Service Area (SF/% GBA):	11,696 / 37.07%

Improvement and Site Data

MSA:	Henderson, NC Micro MSA
Legal/Tax/Parcel ID:	0411 04005
GBA-SF:	31,555
GLA-SF:	28,040
Acres(Usable/Gross):	7.63/7.63
Land-SF(Usable/Gross):	332,363/332,363
Usable/Gross Ratio:	1.00
Year Built:	2009
Most Recent Renovation:	N/A
Property Class:	B
M&S Class:	B
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Concrete Precast
Construction Desc.:	Sales / Office; Aluminum composite with some glass accents in aluminum frame. Service; Smooth face, split face concrete block.
No. of Buildings/Stories:	1/1
Ceiling Height Minimum:	9.00
Ceiling Height Maximum:	18.00
Overhead/Grade/Bay:	11
Truck Door Comments:	(7) - 12' x 12' Metal; (4) - 10' x 10' Metal and Glass; Automatic
Mezzanine:	Yes

Improvement and Site Data (Cont'd)

Add. Constr. Features:	3 wash bays
Total Parking Spaces:	440
Park. Ratio 1000 SF GLA:	15.69
Park. Ratio 1000 SF GBA:	13.94
Fire Sprinkler Type:	Yes
Air-Conditioning Type:	Central
Roof Comm.:	Flat, adhered TPO system over rigid insulation and metal decking
Shape:	Irregular
Topography:	Gently Sloping
Corner Lot:	Yes
Frontage Feet:	1392
Frontage Desc.:	Toyota Lane
Bldg. to Land Ratio FAR:	0.09
Zoning Code:	B-2
Zoning Desc.:	Retail Business District
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	37181C1962J
Date:	04/16/2007
Utilities:	Electricity, Water Public, Sewer, Telephone
Improve. Info. Source:	Public Records
Source of Land Info.:	Public Records

Comments

Resealed and striped parking in the last year. 552 SF of mezzanine space included in service area SF.

Addendum E

Engagement Letter





WAKE COUNTY PUBLIC SCHOOL SYSTEM
1551 ROCK QUARRY ROAD
RALEIGH, NC 27610-4145

PURCHASE ORDER

225116

Page 1 of 1

INVOICE
TO

WAKE COUNTY PUBLIC SCHOOL SYSTEM
ACCOUNTING DEPARTMENT
110 CORNING ROAD
CARY, NC 27518

PAYMENT TERMS
Net 30

PO REVISION
0

CORRECT PURCHASE ORDER AND
STOCK NUMBERS MUST APPEAR
ON ALL PACKAGES, INVOICES,
SHIPPING PAPERS AND
CORRESPONDENCE. PACKING
SLIPS MUST ACCOMPANY ALL
SHIPMENTS. CONDITIONS AND
BILLING INSTRUCTIONS ON
REVERSE.

TO

INTEGRA REALTY RESOURCES - CHARLOTTE, LLC
214 W. TREMONT AVE., SUITE 200
CHARLOTTE, NC 28203

SHIP
TO

Real Estate Services - 840
1551 Rock Quarry Road
Raleigh, NC 27610

DATE	FOB	FREIGHT TERMS	FOR QUESTIONS REGARDING THIS ORDER CONTACT
22-OCT-19	Destination	Prepaid	Adams, Kris, kwadams@wcpss.net 919-588-3457 EXT. 83457

WCPSS Deliver To Only: Parker, Ms. Betty L

Real Estate Services - 840 (MARGARET SUTTER)

LINE	WCPSS ITEM NO	WCPSS ACCOUNT CODE ITEM DESCRIPTION	QTY	UOM	UNIT PRICE	AMOUNT
1		04.6570.861.529.0746.0840.000 ENCUMBERING FUNDS FOR APPRAISAL SERVICES ON A PARCEL & BUILDINGS LOCATED AT 1660 PINEY PLAINS RD, CARY, NC & BEING ALL OR A PORTION OF WAKE COUNTY PIN #0773-40-1397 & OWNED BY CROSSROADS HOLDINGS LLC BOE: 10/15/19	4700	Dollar	1.00	4,700.00
Net Total:						4,700.00

PRE-AUDIT CERTIFICATE

THIS INSTRUMENT HAS BEEN PRE-AUDITED IN THE MANNER
REQUIRED BY THE SCHOOL BUDGET AND FISCAL CONTROL ACT.

Mark B. Wooten
FINANCE OFFICER

* WAKE COUNTY PUBLIC SCHOOL SYSTEM *
* IS NOT TAX EXEMPT. PLEASE ASSESS 7.25% NC *
* SALES TAX WHEN INVOICING. *

Debra L. Wallace
SENIOR DIRECTOR OF PURCHASING

VENDOR COPY

PURCHASE ORDER TERMS AND CONDITIONS

1. **ACCEPTANCE** – Acceptance of this order includes acceptance of all terms, conditions, prices, delivery instructions and specifications as shown on this order or attached to and made a part of this order. By accepting this purchase order, the vendor grants to the purchaser the right to audit vendor's books and records and to make any copies and extracts of any books or records related to the performance of this contract.
2. **PRICES** – Invoices cannot exceed the net total of this order with the exception of sales tax. Sales tax must be invoiced by the vendor. Sales tax is applicable on all orders and the vendor is required to collect and remit to the N.C. Department of Revenue.
3. **PRICE INCREASES** – All requests for price increases or additional shipping charges must be approved by the Purchasing Department prior to shipment. Send request to Purchasing Department, Wake County Public School System, 1551 Rock Quarry Road, Raleigh, N.C. 27610-4145, or Phone (919) 588-3444, or Fax (919) 856-8107.
4. **DELIVERY** – Each shipment must be plainly labeled with the Purchase Order Number and delivered to the address and marked to the attention of the individual or department indicated on the face of this order. A complete packing list must accompany each shipment with any cancellation/back orders indicated.
5. **REJECTED MATERIALS** – Substitute items which are rejected will be returned to the vendor at the vendor's risk and expense.
6. **INVOICES** – Mail, deliver or email all invoices to Accounting Department, Wake County Public School System, 110 Corning Rd, Cary, N.C. 27518. Phone (919) 694-0312. Email: acctspay@wcpss.net. Invoices must show our Purchase Order Number. Invoices will not be paid prior to receipt of items ordered. Adequate and reasonable descriptions and/or written documentation are required for all invoices. All invoices must be in U.S. Dollars.
7. **CANCELLATION** - Wake County Public School System reserves the right to cancel this order in whole or in part at any time by written or telephone notice effective upon receipt by vendor. Any item on this order not received within 61 days from the date of the order, will automatically be cancelled.
8. **ASSIGNMENT** - This Purchase Order may not be assigned by the vendor in whole or in part without prior approval from Wake County Public School System's Purchasing Department.
9. **FREIGHT** - Freight charges and cash discounts are indicated on the face of this Purchase Order.
10. **LEGAL** - It is agreed that the goods, materials, equipment or services rendered shall comply with all Federal, State or Local laws relative thereto. Also, the vendor shall defend actions or claims brought and save harmless Wake County Public School System or its officials or employees from loss, cost, or damage by reason of actual or alleged violation.
11. **COMPLIANCE WITH E-VERIFY** - Provider shall comply with all applicable laws and regulations in providing services under this contract. In particular, Provider shall not employ any individuals to provide services to the School System who are not authorized by 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 who employ twenty-five (25) or more employees and that 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.
12. **COMPLIANCE WITH AFFORDABLE CARE ACT** - 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.
13. **IRAN DIVESTMENT ACT** - Provider certifies that as of the date of this Contract, Provider is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.58. Provider understands that it is not entitled to any payments whatsoever under this Contract if this certification is false. The individual signing this Contract certifies that he or she is authorized by Provider to make the foregoing statement.

Vendor is specifically reminded that state law and board policy prohibit vendors from giving gifts or favors to school system employees in any way involved in the contracting process.