

REAL PROPERTY RESTRICTED APPRAISAL REPORT



Prepared For:

Mr. Charlie Grady
North Carolina Department of
Transportation
1 South Wilmington Street
Raleigh, NC 27601

Asset Number: 116712

Prepared By:

EFIRD APPRAISALS
5950 Fairview Road, Suite 200
Charlotte, NC 28210

Jessica H. Williams
Certified General Real Estate
Appraiser North Carolina # A8433

Efird File #230298

0.73 ACRE VACANT COMMERCIAL LOT

Vacant Commercial Lot
7850 S. Main Street
King, Forsyth County, North Carolina 27021

Report Date:
May 10, 2023

Inspection Date:
April 27, 2023

“As Is” Value Date:
April 27, 2023

efird

May 10, 2023

Mr. Charlie Grady
North Carolina Department of Transportation
1 South Wilmington Street
Raleigh, NC 27601



Subject: Real Property Restricted Appraisal Report

Asset Number: 116712

0.73 Acre Vacant Commercial Lot
7850 S. Main Street
King, Forsyth County, North Carolina 27021

Mr. Grady:

At the client's request, we have prepared a Restricted Appraisal Report of the above-referenced property, which sets forth the opinion of value as identified in the Letter of Engagement. The objective of this assignment is to appraise the Market Value of the subject's Fee Simple estate of the real property on an 'As Is' basis as of April 27, 2023.

The subject property is briefly described as follows: The subject site contains 0.7300 acres or 31,799 square feet as obtained from Legal Description. The site is the subject has level topography at grade. and the site is roughly square. The site is within the city limits of King. The subject property is located on the north side of S. Main Street just where it turns into Doral Road, just south of Pilot Mountain Parkway and Newsome Road in King, North Carolina. The site is comprised of (1) Forsyth County tax parcel having a parcel identifier of 5991-75-0882.000. The subject property was owner-occupied at inspection.

This report was completed in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice promulgated by The Appraisal Foundation (2020-2021 edition, valid through December 31, 2023), as adopted by the Appraisal Institute, FIRREA (12 space CFR space 34.44), FDIC (12 CFR, Chapter III, Subchapter B, part 323), the Interagency Appraisal and Evaluation Guidelines (December 2, 2010), and in compliance with the client's Letter of Engagement. All appropriate analyses have been completed within the requirements of the Uniform Standards of Professional Appraisal Practice, 2020-2021 edition (valid through December 31, 2023). As such, under Standards Rule 2-2(b), it represents summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser(s)' opinion of value(s).

Further, in accordance with the terms of the Letter of Engagement between North Carolina Department of Transportation and The Efirm Corporation, doing business as Efirm Appraisals (Firm) as the valuation service provider, the Firm is advising the Client that this restricted real property appraisal has been prepared in conformance with the terms and conditions of our engagement and for use in a federally related transaction by our Client identified as North Carolina Department of Transportation, the intended user(s), and no others, the intended user of this report.

In performing an appraisal assignment, Extraordinary Assumptions may be needed to complete the assignment, and therefore, they become a part of the report. The General Assumptions and Limiting Conditions are in the addenda of the report. The appraisers have included in the valuation of the improvements all building service equipment and mechanical systems necessary for the operation of the

property typically found in other similar property types. No consideration was given to personal property such as Furniture, Fixtures, and Equipment (FF&E), Trade Fixtures, whether attached or detached that serve the business interests of the property owner or tenant, if not specifically identified as real property. Please note that this report or any part thereof may not be disseminated to others not named as intended users of this report without the written consent of George H. Efird Jr, MAI as this report is the work product of The Efird Corporation.

Extraordinary Assumptions:

- We are assuming the property was acquired from the NCDOT in December of 2006 for the consideration of \$242,000.
- It is assumed the subject site has access to municipal sewer services. Multiple attempts and phone calls were made to the City of King to try to verify utility services without any return call. Conversations with a representative in the billing department indicate that sewer is close by. This is assumed to be correct. Should this be deemed inaccurate, it may affect the assignment results.

The use of Extraordinary Assumptions might have affected the assignment results.

Hypothetical Conditions:

- None

Market Value “As Is” of the Fee Simple Estate

After analysis of all relevant market data and the reconciliation of the values produced by the applied valuation approaches, the appraisers have formed an opinion that the Market Value of the Fee Simple estate of the real property on an “As Is” basis being subject to any Extraordinary Assumptions, Limiting Conditions, and General Assumptions contained within this report as of the effective date of valuation of April 27, 2023 is estimated to be:

**Three Hundred Twenty Thousand Dollars
\$320,000**

The market exposure time preceding April 27, 2023 would have been 12 - 18 Months and the estimated marketing as of April 27, 2023 is 12 - 18 Months.

Respectfully submitted,

Jessica H. Williams



Jessica H. Williams
Certified General Real Estate Appraiser NC
#A8433
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Certification Statements

Certification Statement - Jessica H. Williams

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (2020-2021 Edition)*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this report.

Jessica H. Williams



Jessica H. Williams
Certified General Real Estate Appraiser North Carolina #A8433
jwilliams@efird-corp.com

Appraisal Overview and Summary Findings

General Data	
<u>Client</u>	North Carolina Department of Transportation
<u>Asset Number</u>	116712
<u>Subject Name</u>	0.73 Acre Vacant Commercial Lot
<u>Address</u>	7850 S. Main Street
<u>City, County, State, Zip</u>	King, Forsyth County, North Carolina 27021
<u>Tax Parcel Identifier</u>	5991-75-0882.000
<u>Current Use</u>	Vacant Commercial Lot
<u>Property Owner</u>	North Carolina Department of Transportation
Report Description	
<u>Report Option</u>	Restricted Appraisal Report (USPAP Standards Rule 2-2(b))
<u>Intended Users</u>	North Carolina Department of Transportation, the intended user(s), and no others
<u>Specific Assignments Requests by Client:</u>	None
<u>Intended Use:</u>	The intended use of this appraisal is for internal use as an aid in proper underwriting, and-or disposition of the asset.
<u>Purpose of the Appraisal</u>	To estimate the Market Value of the fee simple estate of the real property on an "as is" basis as of the effective date of valuation.
<u>Type of Value Estimate</u>	Market Value "As Is"
<u>Estate(s):</u>	Fee Simple
Appraisal Dates	
<u>Report Date:</u>	May 10, 2023
<u>Inspection Date:</u>	April 27, 2023
<u>"As Is" Value Date:</u>	April 27, 2023
Sales History	
<u>Discussion of Sales History:</u>	The most recently recorded deed was not available via public records. However, according to the Forsyth County tax administration site the property was acquired by the NCDOT on December 20, 2006 for the consideration of \$242,000. The deed as referenced online is in Book 2715, page 666. This is assumed to be correct since the deed could not be located.

Improvements

The site is improved with a striped and asphalt paved parking lot. There is approximately 16,500 square feet of asphalt on site. The asphalt appeared to be in good to average condition at the time of inspection. It is the appraiser's understanding that the subject site it utilized as a "Park and Ride" lot within the City of King. The asphalt has been included in the value herein.

Site Characteristics

<u>Site Area</u>	0.7300 Acres or 31,799 Square Feet (Gross)
<u>Usable Land Area</u>	0.7300 Acres or 31,799 Square Feet (Usable)
<u>Shape</u>	The site is roughly square.
<u>Utilities</u>	All municipal utilities
<u>Flood Zone Classification:</u>	FEMA Map Panel 3710599100K (Zone X)
<u>Areas of Encumbrance:</u>	None
<u>Land Use Regulations:</u>	City of King
<u>Zoning District:</u>	B-2 (Commercial (retail) development)
<u>Legally Conforming:</u>	Yes
<u>Adverse Deed Restrictions:</u>	No

Ad Valorem Taxes and Assessments

<u>Tax Authority:</u>	Forsyth County & City of King
<u>Revaluation Year:</u>	2023
<u>Assessment:</u>	\$231,700
<u>Total Taxes Payable:</u>	\$2,834.85
<u>Delinquent Taxes:</u>	None

Highest and Best Use

<u>As Vacant:</u>	Commercial (retail) development
<u>Existing Property Use:</u>	Vacant Commercial Lot
<u>Most Probable Purchaser:</u>	Local or Regional Investor

Exposure and Marketing Time linked to the Value Indication: 12 - 18 Months

Notable Facts Pertaining to the Subject Property:

- The site is improved with a striped and asphalt paved parking lot. There is approximately 16,500 square feet of asphalt on site. The asphalt appeared to be in average condition at the time of inspection. It is the appraiser's understanding that the subject site it utilized as a "Park and Ride" lot within the City of King. The asphalt has been included in the value herein.
- The subject property has access of Newsome Road.

General Descriptions and Conditions

This is a Restricted Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(b). This format provides for only basic property identification, appraisal statements and value conclusion(s). The appraisal may only be used by the client for the intended use. The rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile. All appropriate analyses have been completed within the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)* and conform to the *Interagency Appraisal and Evaluation Guidelines* dated December 2, 2010.

The Addenda of this report contains the General Assumptions & Limiting Conditions, Definitions of Terms, and salient data/exhibits applicable to the understanding of the report. The appraiser(s) are not qualified as professional inspectors that have competency in identifying the actual condition, specific remaining physical/economic lives, or the functionality of individual building components such as the roof cover, mechanical, electrical, and plumbing systems. The appraisers made a visual, noninvasive inspection of the improvements and reliance was placed on professionally prepared property condition reports if we had the benefit thereof.

Further, unless the appraiser(s) were made aware by professional studies or property condition reports, including verbal communication with a knowledgeable party, we are not qualified to render an opinion as to building contamination such as asbestos-containing materials, water intrusion or mold unless clearly evident as of the inspection date, as well as condition of the site surface or subsurface soil conditions/groundwater in regards to the presence of contamination. It should be noted that no buildings or personal property was inspected for the purposes of this report.

Supporting documentation concerning the data, reasoning, and analyses are retained in the appraisers' workfile. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraisers are not responsible for unauthorized use of this report which is considered to be the work product of The Efirm Corporation.

Extraordinary Assumptions and Hypothetical Conditions

Extraordinary Assumptions:

- We are assuming the property was acquired from the NCDOT in December of 2006 for the consideration of \$242,000.
- It is assumed the subject site has access to municipal sewer services. Multiple attempts and phone calls were made to the City of King to try to verify utility services without any return call. Conversations with a representative in the billing department indicate that sewer is close by. This is assumed to be correct. Should this be deemed inaccurate, it may affect the assignment results.

The use of Extraordinary Assumptions might have affected the assignment results.

Hypothetical Conditions:

- None

Definition of Market Value

Market Value: As defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation and in compliance with the Interagency Appraisal and Evaluation Guidelines (December 2, 2010), is as follows.

Market value means 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 are 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 interest;
- 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: (The Dictionary of Real Estate Appraisal, Seventh Edition – Appraisal Institute (2022))

Appraisal Dates

“As Is”:	April 27, 2023
Date of Inspection:	April 27, 2023
Report Date:	May 10, 2023

Scope of Work

According to the *Uniform Standards of Professional Appraisal Practice (2020-2021 Edition, valid through December 31, 2023)*, it is the appraiser(s)' responsibility to develop and report a Scope of Work that produces credible results that are appropriate to solve the appraisal problem and deliver reliable results to the client and intended user(s) of the report so that our findings and conclusions may be properly understood. This report was developed to satisfy client expectations and conform to a typical work product which would be produced by the appraiser(s)' peers for similar assignments. The appraisal problem to be solved is to estimate the Market Value of the identified estate of the property being appraised in concert with client assignment conditions and the expectations of the intended users of the report as of a specified date(s) as described herein. From the Scope of Work Rule (USPAP), “Credible assignment results require support by relevant evidence and logic. The credibility of the assignment results is always measured in the context of the intended use.”

Appraisal Problem to be Solved

The objective of this assignment is to appraise the Market Value of the subject's Fee Simple Estate in the real property on an 'As Is' basis as of April 27, 2023. As of said date, the property is capturing its appropriate share of the market demand for properties similar to the subject. Pertinent information and identification follow for the understanding of the subject property about solving the appraisal problem and the process and the methodologies employed to render credible assignment results.

Report Contents and Sources of Data

This report conforms with all accepted reporting requirements such as the identification of the client, the intended use and users of the report, the type and definition of value, the effective date of valuation, specific client assignment conditions and expectations, and conforms to a typical work product developed by the appraisers' peers for similar assignments.

Inspection of the Property

Mr. Williams conducted a physical exterior inspection of the site and improvements. Visual observations were made of all aspects of the property readily visible during inspection.

Appraisal Valuation Process

The valuation process involves the classification and analysis of data gathered from all data sources. The data is organized by type and presented in a format designed to produce a logical value conclusion. In the estimation of Market Value, there are three accepted valuation approaches. These three approaches provide data from the market from three different sources when all are available. These approaches are the Income Capitalization Approach, the Sales Comparison Approach, and the Cost Approach. Our investigation from all described sources produces sufficient data for the appraisal of the property using the Sales Comparison Approach. The Cost Approach has been omitted in this analysis as it is not applicable to the valuation of vacant land. The omission of the Cost Approach does not affect the credibility of this assignment. Land leases are not prevalent in the subject's market for properties having a similar highest and best use as the subject property. Thus, the Income Approach does not provide a reliable indicator of value in this instance and was not developed in this appraisal report. A "point estimate" or single value conclusion is then adopted as the appraisers' final estimate of value and reconciled as to the appraisers' reasoning which concludes the appraisal process. This reconciliation of value recognizes the interrelationships and interdependence that exist between the approaches to value.

Scope of Work Summary

This report was prepared under the report option as identified as a Restricted Appraisal Report as defined in USPAP Standards Rule 2- 2 (b) and conforms to the Scope of Work Rule as outlined in the *Uniform Standards of Professional Appraisal Practice*. The appraiser(s) that developed this report were competent in the valuation of the subject property type and employed accepted appraisal approaches and methodology to arrive at a credible value conclusion that meets the expectations of the client and conforms to the appraisers' peer group actions in performing the same or similar assignments as well as satisfying the Intended Use of this report. All relevant data to solve the appraisal problem was gathered, analyzed, and confirmed which was employed in the applicable appraisal approaches to value. The Scope of Work as outlined in this report was not limited in scope by the data sources cited in this section as a comprehensive investigation of data material relevant to the solving of the appraisal problem was made. In our opinion, credible assignment results were obtained. Further, the appraisers submit that the appraisal format, the quality of data employed, and the application of the approaches to value formed a logical basis such that the client will be led to the same conclusion as the appraisers. No analysis or approaches to value relevant to solving the appraisal problem were omitted from this report unless so specified in this report.

Property Description: Identification, Legal and Encumbrances, Taxes

Identification of the Property and the Street Address

The subject property is located on the north side of S. Main Street just where it turns into Doral Road, just south of Pilot Mountain Parkway and Newsome Road in King, North Carolina. The Forsyth County tax parcel identifier is: 5991-75-0882.000.

Property History and Legal Description

Property Sale History

Owner of Record:	North Carolina Department of Transportation
Date of Deed:	December 20, 2006
Deed Reference:	2715/666
Sales Price at Conveyance:	\$242,000
Sale Price per SF of Land SF:	\$7.61

Comments and Analysis: The most recently recorded deed was not available via public records. However, according to the Forsyth County tax administration site the property was acquired by the NCDOT on December 20, 2006 for the consideration of \$242,000. The deed as referenced online is in Book 2715, page 666. This is assumed to be correct since the deed could not be located.

Analysis of Purchase Agreement

The appraisers are not aware of any additional listings, contracts, or sales of the subject property in the three-year period preceding the date of this report.

Adverse Title and Deed Restrictions

None, typical title exceptions noted. A title search is recommended for certainty.

Ad Valorem Assessment, Real Estate Taxes, and Other Assessments

Taxing Authority :	City of King & Forsyth County
Revaluation Year :	2023

Real Estate Assessment and Taxes

Tax ID	Land	Improvements	Total Assessment	City Rate	County Rate	Tax Rate	Taxes
5991-75-0882.000	\$231,700	\$0	\$231,700	0.4700	0.7535	1.2235	\$2,834.85
Totals	\$231,700	\$0	\$231,700				\$2,834.85

Property Tax Comments:

Based on the analysis contained within this report, the subject property is assessed similar to current market expectations.

It should be noted that the subject property is not subject to taxes as it is owned by a governmental entity. The table above is for display purposes only.

Subject Photographs



View of the subject



View of the subject



View from the subject property facing S. Main Street/Doral Road to the north



View from the subject property facing S. Main Street/Doral Road to the south

Highest and Best Use

Highest and Best Use Conclusion

Based on our analysis and consideration of all factors, including supply and demand conditions, availability of financing, construction cost, and market trends, the appraisers have concluded that the Highest and Best Use of the property is as follows:

Highest and Best Use “As Vacant”

The subject property is located in the City of King, North Carolina and is subject to its zoning ordinance. As previously discussed, the site is zoned a B-2 (Commercial (retail) development). The B-2 district allows for a variety of commercial uses by right. According to the Forsyth County Assessors' Records, the subject site contains 0.73 acres or 31,799 square feet.

The subject property is located along a major thoroughfare in the city of King, North Carolina and has access of Newsome Road. The site is relatively regular in shape and has relatively level topography. Zoning allows for a wide variety of commercial uses. Based on this information the highest and best use of the site is for commercial (retail) development.

The most probable purchaser is a(n) Local or Regional Investor or a local investor.

Valuation Process

Appraisal Approaches, Techniques, and Methodology Employed

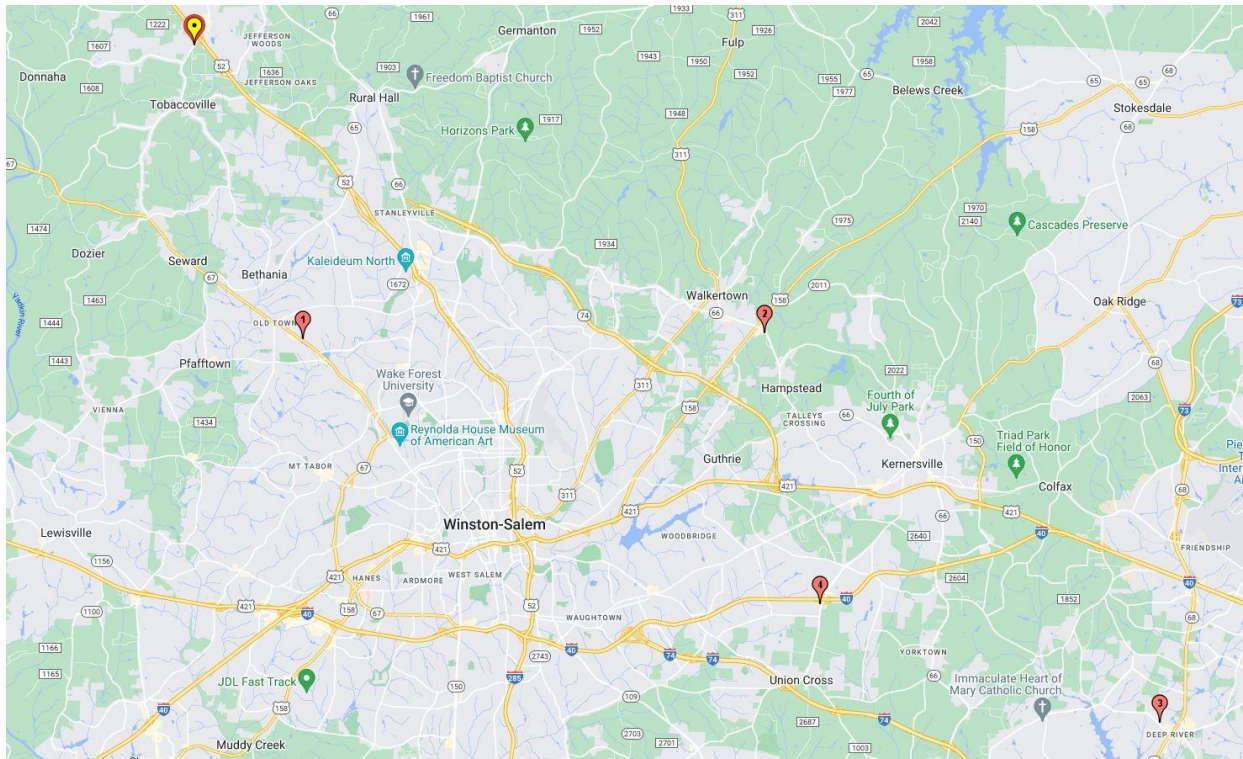
The appraisers utilized the Sales Comparison Approach to develop a credible value conclusion of the subject property.

The Sales Comparison Approach

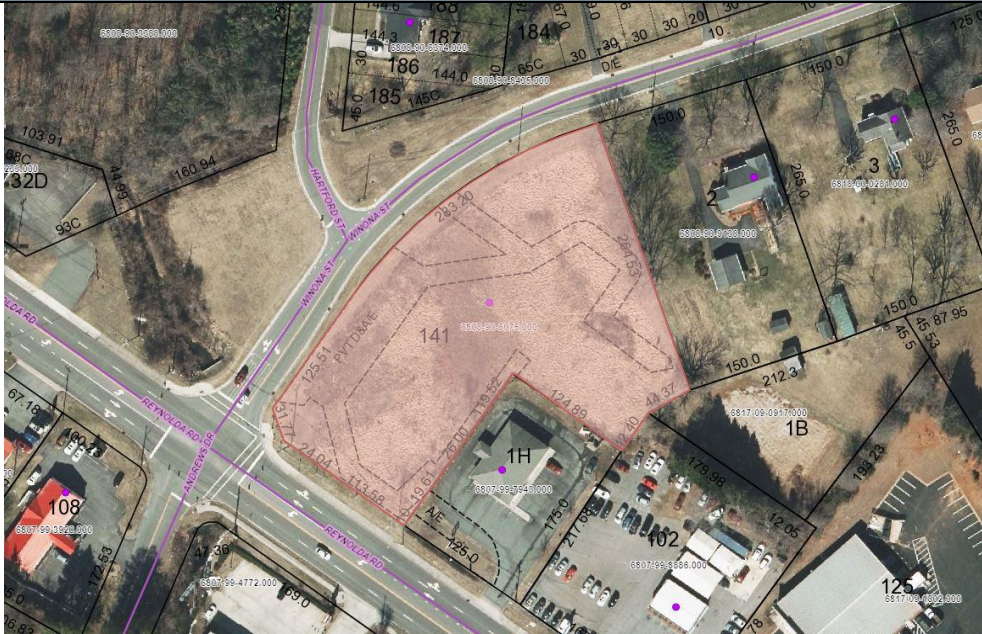
The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principle of anticipation and change that are influenced by the economic forces of supply and demand, as well as the principle of substitution. This approach involves the comparison of similar sold properties to the subject property with adjustments made to the sales for divergences with the subject property. Crucial to the analysis of the sales data is the presence of trending data where recognizable patterns can be sure determined.

The Approach is considered reliable when there is a sufficient amount of similar data, such as property sales and current listings, available for comparison to the subject property, with all sale properties having the same Highest and Best Use as the subject property. The Sales Comparison Approach reflects the price action in the market, which is the premise of the approach that the Market Value of a property is directly related to the prices of comparable competing properties which are located in the same market as the subject property.

Comparable Sales Location Map



Land Comparable 1



Transaction

ID	16919	Date	11/22/2022
Address	3735 Reynolda Road	Price	\$550,000
City	Winston-Salem	Price Per Land SF	\$7.26
State	NC	Financing	Cash to seller
Tax ID	6808-90-6075	Property Rights	Fee Simple
Grantor	Virginia S. Patella	Days on Market	1589
Grantee	3735 Reynolda Road, LLC	Verification	Broker/Co-Star
Deed Book / Page #	3729/2570		

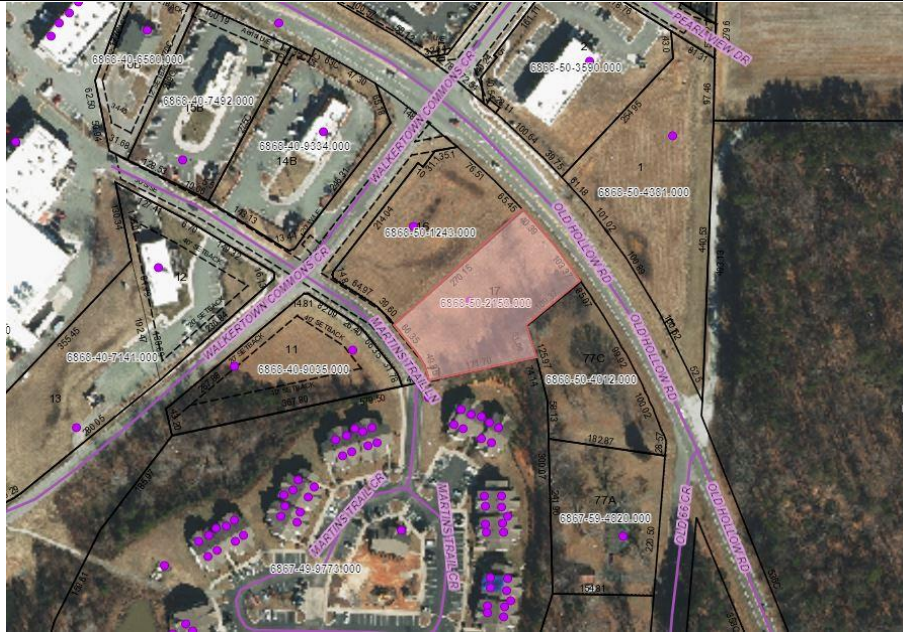
Site

Acres	1.74	Topography	Relatively level
Land SF	75,794	Zoning	HB
Road Frontage	593	Flood Zone	X
Shape	Irregular	Encumbrances	None noted
Utilities	All municipal	Environmental Issues	None noted

Comments

This sale involves a 1.74 acres tract of commercial land located on the corner of Reynolda Road and Winona Street in Winston Salem. This property sold for commercial development and traded at \$7.26/SF.

Land Comparable 2



Transaction

ID	16920	Date	6/10/2022
Address	3551 Martins Trail Lane	Price	\$361,000
City	Walkertown	Price Per Land SF	\$9.01
State	NC	Financing	Cash to seller
Tax ID	6868-50-2153	Property Rights	Fee Simple
Grantor	Glenwood Walkertown	Days on Market	5533
Grantee	Hutton Walkertown NC ST, LLC	Verification	Broker/Co-Star
Deed Book / Page #	3700/3062		

Site

Acres	0.92	Topography	Relatively level
Land SF	40,075	Zoning	HB-S
Road Frontage	103	Flood Zone	X
Shape	Regular	Encumbrances	None noted
Utilities	All municipal	Environmental Issues	None noted

Comments

This sale involves a 0.92 acres tract of commercial land located on the south side of a Lowe's Food anchored shopping center. This property sold for commercial development and traded at \$9.00/SF.

Land Comparable 3



Transaction

ID	16921	Date	3/31/2022
Address	1569 Skeet Club Road	Price	\$325,000
City	High Point	Price Per Land SF	\$7.69
State	NC	Financing	Cash to seller
Tax ID	7813-22-4798	Property Rights	Fee Simple
Grantor	Fountain Grove Properties, LLC	Days on Market	Not known
Grantee	Ajay S. Kadakia and wife Kalpana A. Kadakia	Verification	Broker/Co-Star
Deed Book / Page #	8598/679		





Site

Acres	0.97	Topography	Relatively level
Land SF	42,253	Zoning	CU-GO-M
Road Frontage	347	Flood Zone	X
Shape	Regular	Encumbrances	Typical utility easements
Utilities	All municipal	Environmental Issues	None noted

Comments

This involves the sale of 0.92 acres of commercial land located on the corner of Skeet Club Road and Fountain Grove Drive in High Point, NC. The property is zoned for office development.

Sales Comparison Approach Grid Analysis

Subject		Comp 1	Comp 2	Comp 3	Comp 4
					
Address	7850 S. Main Street	3735 Reynolda Road	3551 Martins Trail	1569 Skeet Club Road	1331 Glenn Center
City	King	Winston-Salem	Walkertown	High Point	Kernersville
State	North Carolina	NC	NC	NC	NC
Date		11/22/2022	6/10/2022	3/31/2022	1/25/2022
Price		\$550,000	\$361,000	\$325,000	\$747,500
Land SF	31,799	75,794	40,075	42,253	66,647
Land SF Unit Price		\$7.26	\$9.01	\$7.69	\$11.22
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%	Fee Simple 0.0%
Financing		Cash to seller 0.0%	Cash to seller 0.0%	Cash to seller 0.0%	Cash to seller 0.0%
Conditions of Sale		Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%	Arm's Length 0.0%
Adjusted Land SF Unit Price		\$7.26	\$9.01	\$7.69	\$11.22
Market Trends Through	4/27/2023 5.0%	2.1%	4.4%	5.4%	6.3%
Adjusted Land SF Unit Price		\$7.41	\$9.40	\$8.11	\$11.92
Location		Superior	Superior	Superior	Similar
% Adjustment		-10%	-5%	-5%	0%
Land SF	31,799	75,794	40,075	42,253	66,647
% Adjustment		5%	0%	0%	5%
Topography	The subject has level topography at grade.	Relatively level	Relatively level	Relatively level	Relatively level
% Adjustment		0%	0%	0%	0%
Shape	The site is roughly square.	Irregular	Regular	Regular	Rectangular
% Adjustment		10%	0%	0%	0%
Utilities	All municipal utilities	All municipal	All municipal	All municipal	All municipal
% Adjustment		0%	0%	0%	0%
Zoning	B-2	HB	HB-S	CU-GO-M	HB-S
% Adjustment		0%	0%	20%	0%
Flood Zone	X	X	X	X	X
% Adjustment		0%	0%	0%	0%
Access	Off Newsome Road	Full	Full	Full	Full
% Adjustment		0%	0%	0%	0%
Adjusted Land SF Unit Price		\$7.78	\$8.93	\$9.32	\$12.52
Net Adjustments		5.0%	-5.0%	15.0%	5.0%
Adjustments		25.0%	5.0%	25.0%	5.0%

For Sale Listings

<u>Address</u>	<u>Size (Acres)</u>	<u>Days on Market</u>	<u>Asking \$</u>	<u>Asking \$/SF</u>
4682 N. Patterson Avenue, Winston-Salem	1.000	201	\$ 600,000	\$13.77
Angela Drive, King	0.61	797	\$ 320,000	\$12.04

Reconciliation and Estimate of Value "As Is"

The adjusted values of the comparable properties range from \$7.78 to \$12.52; the average is \$9.64 and the median is \$9.13. my final reconciled is \$9.00 per SF. (31,799 SF X \$9.00 = \$286,189)

The asphalt paving on site has been added to the land value based on its depreciated value. According to Marshall & Swift Valuation Services, a reliable cost manual, asphalt paving can cost anywhere between \$2.10/SF and \$6.00/SF. Given the location of the subject, we estimate that the 16,500 square feet of paving would cost roughly \$3.50/SF (16,500 X \$3.50 = \$57,750) brand new. However, the subject is not brand new and has an economic life of roughly 60% remaining (25 years is the total economic life for pavement. The remaining life is roughly 15 years). Thus, giving the asphalt a contributory value of \$34,650 (\$57,750 * 60% = \$34,650).

The value of the land and improvements is \$320,839.

Reconciliation of the Value Indications and Final Opinion of Value

The appraisers have considered all elements of this Appraisal Report in reconciling the value indications of each approach to arrive at a credible final opinion of value. All data, techniques, methodology, and logic employed was consistent in the development of the report. The individual value indications were reconciled based upon the quality and quantity of data available to the appraisers that reflected the price action in the market for similar property types. The appraisers sought to reflect the demands of typical investors for anticipated future benefits at a market return. Further, additional weight was placed on the observed interactions of market participants seeking to sell or purchase properties of the subject's property type. The appraisers have followed typical appraisal procedures consistent with those of our peers for this type of assignment, and the valuation was developed in concert with the intended use of this report. The strengths and weaknesses of each valuation approach are now discussed.

The Sales Comparison Approach

The focus of this approach is to gather sales that have recently been sold, pending sales, and listings of properties that have similar physical and economic characteristics as the subject property. The data was analyzed and verified; then, each property was compared to the subject property with adjustments applied for divergences. The results are the indications of value for the subject property of each comparison property analyzed in a grid format. The Sales Comparison Approach is most effective when there is a number of sales of properties that are similar to the subject. In this report, the appraisers located sales of the same property type having the same Highest and Best Use. Therefore, we have concluded that the value indication chosen from the sales' grid analysis was reflective of the actions of current market participants for properties such as the subject.

- Strengths of the Approach: The Sales Comparison Approach reflects the actions of sellers and buyers in the market.
- Weaknesses of the Approach: None

Final Opinion of Value

Based upon the value conclusions of each approach and the strengths of same, the appraisers have placed the most weight and reliance on the Sales Comparison Approach.

Market Value “As Is” of the Fee Simple Estate

After analysis of all relevant market data and the reconciliation of the values produced by the applied valuation approaches, the appraisers have formed an opinion that the Market Value of the Fee Simple estate of the real property on an “As Is” basis being subject to any Extraordinary Assumptions, Limiting Conditions, and General Assumptions contained within this report as of the effective date of valuation of April 27, 2023 is estimated to be:

**Three Hundred Twenty Thousand Dollars
\$320,000**

The market exposure time preceding April 27, 2023 would have been 12 - 18 Months and the estimated marketing as of April 27, 2023 is 12 - 18 Months.

Addenda

General Assumptions and Limiting Conditions

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

General Assumptions

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

Limiting Conditions

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. Separate values allocated to the land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
5. We do not have the required expertise for determining the presence of / or absence of hazardous substances; defined as all hazardous or toxic materials, wastes, pollutants, or contaminants (including, but limited to, asbestos, PCB, UFFI, radon, lead based paints, or other raw materials, chemicals, or gases) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses, which would be required to determine the presence or absence of such substances. We do not assume responsibility for loss as a result of the presence of such substances.
6. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of ADA could reveal that the property does not comply with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property. This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part. Possession of this report, or a copy thereof, does not carry with it the right of publication.
7. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value unless such proration or division of interests has been set forth in the report.

Definitions

All definitions were taken from *The Dictionary of Real Estate Appraisal 7th Edition*, published by the Appraisal Institute.

Client

1. The individual, group, or entity who engages a value were to perform a service, (SVP).
2. The party or parties who engage, by employment or contract, and Appraiser in a specific assignment. Comment: The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent.
3. Generally, the party or parties ordering the appraisal report. It does not matter who pays for the work.

Intended Use

1. The valuer's intent as to how the report will be used.
2. The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

1. The party or parties the valuer intends will use the report.
2. The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment.

Property Rights/Estate/Property Interests

Fee Simple: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee: 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.

Exposure Time

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. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Real Property

An interest or interest in real estate. The interest, benefits, and rights inherent in the ownership of real estate.

Personal Property

The interest, benefits, and rights inherent in the ownership of tangible objects that are considered by the public as being personal; also called tangible personal property. *Note: in this real property appraisal report, tangible personal property is referred to as Furniture, Fixtures, and Equipment (FF&E).*

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraisers' opinions or conclusions. Comments: Extraordinary Assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in the analysis.

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false.
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of the data used in the analysis.

Gross Building Area (GBA)

The 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.

Rentable Area (RA)

For office or retail buildings, the tenants pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor alternately, the amount of space on which the rent is based; calculated according to local practice. The **Gross Leasable Area (GLA)** is the total floor area designed for the occupancy and exclusive use of tenants, including basements and Mezzanines; measured from the center of the joint partitioning to the outside wall surfaces. As taken from BOMA Office Standard, the Rentable Area of an office area, store area or Building Common Area shall mean the Usable area of that office, store area or Building Common Area and its share of the Floor Common Areas on that floor. Appraisers note: for purposes of this report, the rentable area is considered to be the Usable Area of the Tenant's Space plus its pro rata share of the common area on that floor, including building common areas necessary for the operation of the building.

Usable Area

1. For office buildings, the actual occupy amble area of a floor or an office space; computed by measuring from the finished surface of the office side of the corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called *net building area or net floor area*.
2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

For this report, the appraisers are adopting the following:

- Gross Building Area equals the area computed by measuring the exterior walls of the structure that is above grade. If there is a Mezzanine or Basement area, then these areas will be measured and reported as Gross Building Area if the utility and degree of finish would be recognized by the market as part of the Building area.
- Rentable Area is that area contained within the tenant's individual occupied area as measured from the interior of the exterior walls and the finished corridor or common walls within the tenant's space exclusive of any vertical penetrations (Usable Area) plus the tenant's pro rata share of building area located on the tenant's floor, including other common areas within the building that the tenant has right of use, such as lobbies and other building common area space.
- Usable Area equals Rentable area and any common areas. It is the space that the tenant occupies less vertical penetration area.

Inspection

Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.

Inspection Date

The date on which an inspection is performed; distinct from, but often the same as, the date of the value opinion.

Business enterprise value (BEV)

The value contribution of the total intangible assets of a continuing business enterprise such as marketing and management scale, and assembled workforce, working capital, tradenames, franchises, patents, trademarks, contracts, leases, customer base, and operating agreements.

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

Intangible Property

Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.

Expense Recovery (Reimbursable Expenses paid by Lessee to the Lessor)

The dollar amount. A landlord receives from tenant as reimbursements for operating expenses such as maintenance and repair, Utilities, SECURITY, insurance, and taxes; also known as *pass-throughs*, *reimbursables*, or *billables*.

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.

Certificate of Occupancy

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy.

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a 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.

Remnant

A remainder that has negligible economic utility or value due to its size, shape, or other detrimental characteristics.

Absorption Period

The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.

Absorption Rate

1. Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time.
2. In subdivision analysis, the rate of sales of lots or units in a subdivision.

APPRAISER QUALIFICATIONS

Qualifications of Jessica H. Williams

Mrs. Williams has been in the commercial appraisal field since 2014. She has appraised a wide variety of commercial properties including: retail, multi-family, eminent domain, industrial, land (all kinds), office, etc. She has worked with a wide array of clientele including: attorneys, financial institutions, private organizations and/or individuals, accountants, The North Carolina Department of Transportation, etc. She has experience with locally and nationally owned appraisal organizations which has given her a stronger range of competency. Mrs. Williams joined the Efid Corporation in 2022 as a staff commercial appraiser. The Efid Corporation services national and community financial institutions, tax and estate law firms, and corporate land developers.

Educational Background and Training

North Carolina State University – Bachelor of Arts in Communication

General Certified Appraising qualifying courses were all taken through the Appraisal Institute

Professional Affiliations

National Association of Realtors – Realtor/Broker

Certified General Appraiser License

NC Certificate #A8433

SC Certificate #8190

Real Estate Brokerage License

NC Real Estate Brokers License #336739



NORTH CAROLINA APPRAISAL BOARD

APPRAISER QUALIFICATION CARD

REGISTRATION / LICENSE / CERTIFICATE HOLDER

22

JESSICA H WILLIAMS

23

A8433
APPRAISER NUMBER

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TYPE

Y
NATIONAL REGISTRY

Jessica H. Williams

Appraiser's Signature

[Signature]

Executive Director

EXPIRES JUNE 30, 2023

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

JESSICA HONEYCUTT WILLIAMS
Is hereby entitled in practice as a:
Certified General Appraiser

License Number: **8190**

Expiration Date: 06/30/2024
POCKET CARD

Laura B. Smith
Administrator

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

JESSICA HONEYCUTT WILLIAMS
Is hereby entitled in practice as a:
Certified General Appraiser

License Number: **8190**

Expiration Date: 06/30/2024
OFFICE COPY

Laura B. Smith
Administrator

ENGAGEMENT LETTER

April 4, 2023

Charlie Grady
NCDOT
1 S Wilmington St | Raleigh, NC 27601
cegrady@ncdot.gov | (919) 649-3918

Dear Mr. Grady,

The following agreement is proposed to appraise the commercial properties located at the following address (subjects):

- (1) NCDOT Asset # 246668 - PIN # 9776-01-45-5139 - 0 US 15 501 N, Chapel Hill, NC 27516
- (2) NCDOT Asset # 208809 - PIN # 6825-84-6756.00 - 149 Park Circle SW, Winston-Salem, NC 27101
- (3) NCDOT Asset # 208615 - PIN # 6825-84-6864.00 - 153 Park Circle SW, Winston-Salem, NC 27101- \$800
- (4) NCDOT Asset # 208613 - PIN # 6825-84-6849.00 - 157 Park Circle SW, Winston-Salem, NC 27101 - \$800
- (5) NCDOT Asset # 253776 - PIN # 6857-27-2613.00 - 0 New Walkertown Rd, Winston-Salem, NC 27101 - \$800
- (6) NCDOT Asset # 253777 - PIN # 6857-17-6572.00 - 4320 New Walkertown Rd, Winston-Salem, NC 27105 - \$800
- (7) NCDOT Asset # 228468 - PIN # 6857-27-5349.00 - 4331 New Walkertown Rd, Winston-Salem, NC 27105 - \$800
- (8) NCDOT Asset # 208611 - PIN # 6857-27-8427.00 - 4365 New Walkertown Rd, Winston-Salem, NC 27105 - \$800
- (9) NCDOT Asset # 171695 - PIN # 6866-64-7053.00 - 5533 Long Walk Dr, Kernersville, NC 27284 - \$800
- (10) NCDOT Asset # 116712 - PIN # 5991-75-0882.00 - 7850 S Main St, King, NC 27021 - \$800
- (11) NCDOT Asset # 1167121 - PIN # 5991-75-1987.00 - 7870 S Main St, King, NC 27021 - \$800

Scope of Work: We will complete (11) Real Estate Appraisals in a Restricted Appraisal Report Format for a total fee of **\$8,800**. This report will be completed **28 days from engagement**.

Intended Users: The intended user of these appraisal reports is the client stated above. The appraiser identifies no additional intended users. Use by any additional users is strictly prohibited.

Purpose: Provide the intended user with an accurate and credible opinion of the (subject) properties' **market value "as-is"**. The legal rights of the properties appraised will be identified as lease fee interest.

Intended Use: Evaluate the (subject) properties **market value "as-is"** fee simple interest, subject to the stated Scope of Work, purpose, reporting requirements, and definition of market value stated in the appraisal report. The opinions and conclusions outlined in the report may not be fully understood properly without additional information in the appraisal work file.

The appraiser will not give testimony or appear in court because they made an appraisal of the property in question.

We do not make any warranties or guarantees of any kind regarding the condition of the property, the sufficiency of title, areas of boundaries, the mechanical and structural condition of the improvements, and with the agreement that the appraisal represents the appraiser's opinion of value only, without any warranty that the property will sell for the appraised value. All revision requests must be made within fifteen days of report deliverance.

We will proceed with developing this appraisal upon receipt of a signed copy of this letter. Therefore, please indicate your agreement to the scope of work to be completed and acceptance of the above terms by signing below and returning to me via email at lnelson@efirdappraisals.com.

Please note that payment is due at the time of engagement.

Agreed to on March , 2023
april 5 2023

Linda Nelson
Director of Operations

Charles E. Grady #410

Charles Grady