

REAL PROPERTY APPRAISAL

***Steele Creek Prebyterian
Church and Excess Land
7401 & 7407 Steele Creek Rd.
Charlotte, Mecklenburg
County, NC 28217***

Type Report: Appraisal

***Valuation Date
March 24, 2021***





April 15, 2021

Mr. Kevin Hennessey
Charlotte Douglas International Airport
5601 Wilkinson Blvd.
Charlotte, NC 28208

RE: Appraisal of the Steele Creek Presbyterian Church and adjacent excess land, 7401 & 7407 Steele Creek Road, Charlotte, Mecklenburg County, NC 28217.

Dear Mr. Hennessey:

T.B. Harris, Jr. & Associates has completed an appraisal of the above referenced property and is providing our analysis and opinion of value for the property. The subject property includes an assemblage of 10-parcels totaling 76.74-acres on the east side of Steele Creek Road in west Charlotte. One parcel including 11.21-acres is improved with the former Steele Creek Presbyterian Church which totals 53,370-square feet. While the church has been vacant for a period of time, the structure has been maintained providing some value over the underlying land value. The remaining 65.53-acres is vacant and considered excess land. Our valuation considers changing land use patterns in the area and determines the highest and best use of the property both as vacant and as improved.

Market Note: Recent events including the pandemic of Covid-19 have added speculation into the market. As of the effective date of this report, the market has recognized some impact to the short term real estate market with uncertain long term impacts. The uncertainty has led to a wide range in speculation of real estate markets which could impact values of real property in the near term and possibly long term, either positively or negatively. The United States is a consumer driven market and will likely rebound, but speculation about the timing of recovery is active and the short, mid and long term impacts are unknown.

Based on our inspection and analysis of the information obtained, it is our opinion that the Market Value of the Fee Simple interest in the property, as of March 24, 2021, is:

\$9,648,000
(Nine Million Six Hundred Forty-Eight Thousand Dollars)

Allocated As:
Church on 11.21-Acres \$ 3,750,000
Excess Land (65.53-Acres) \$ 5,898,000

KEVIN HENNESSEY

April 15, 2021

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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 the Appraisal guidelines of our client.

The opinion of value is supported by the data and reasoning set forth in the attached narrative. Your attention is invited to the Assumptions and Limiting Conditions section of this report. The appraisers certify that we have no present or contemplated future interest in the property appraised, and that our fee for this assignment is in no way contingent upon the value estimate concluded.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS: A survey and building plans were requested, although unavailable. Details concerning the site areas and improvements are gathered from the Mecklenburg County public records and the appraiser's property inspection. It is an extraordinary assumption that these details are accurate and reliable. The use of assumption and or hypothetical conditions may affect the assignment results.

The content and conclusions of this report are intended for our client and for the specified intended uses only. They are also subject to the assumptions and limiting conditions as well as the specific extraordinary assumptions and hypothetical conditions set forth in this report.

Thank you for the opportunity to be of service. If you have any questions or comments, please let us know.

Sincerely yours,

A handwritten signature in black ink that reads "T.B. Harris, Jr. & Associates". The signature is written in a cursive, flowing style.

T.B. HARRIS, JR. & ASSOCIATES

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property and Location:	Steele Creek Presbyterian Church and Excess Land 7401 & 7407 Steele Creek Rd. Charlotte, Mecklenburg County, NC 28217
Tax Map Reference:	14121101, 14121111, 14141102, 14121103, 14104123, 14121120, 14122104, 14122103, 14122101, 14122102
Property Owner:	City of Charlotte
Appraisal Valuation Date:	March 24, 2021
Purpose of Appraisal:	Report our opinion of Market Value
Property Rights Appraised:	Fee Simple
Zoning:	I-2, General Industrial
Land Area:	76.74 Acres or 3,342,794 SF
Improvements:	53,370 SF Church Facility
Present Use:	Church with Excess Land
Highest and Best Use:	Continued Church Use and development of the excess land in an industrial capacity.
Appraisal Procedures:	Cost Approach Sales Comparison Approach
Final Values:	
Church on 11.21 Acres –	\$ 3,750,000
65.53 Acres of Excess Land –	\$ 5,898,000
FINAL VALUE OPINION(S):	
“As Is”	\$ 9,648,000
Appraiser:	Allan E. Reich

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SCOPE OF THE ASSIGNMENT

This appraisal report addresses the appropriate and applicable methods of appraisal subject to the extraordinary assumptions and hypothetical conditions set forth in this report. The appraisal document has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).



- At the request of the client we have been asked to prepare an appraisal addressing the market value of the fee simple interest in the noted real estate.
- The subject of this assignment includes a 10-parcel assemblage totaling 76.74-acres on the east side of Steele Creek Road in west Charlotte. An 11.21-acre portion of the property is improved with the former Steele Creek Presbyterian Church with the remaining 65.53-acres being vacant and unimproved. This portion is considered excess land.
- Our valuation includes a determination of the highest and best use and concludes values for the existing church facility on 11.21-acres and for the remaining 65.53-acres of excess land.

PREMISES OF THE APPRAISAL

Identification of Subject

Steele Creek Presbyterian Church and adjacent Excess Land
7401 & 7407 Steele Creek Rd.
Charlotte,
Mecklenburg County,
NC 28217
Tax Parcel ID's: 14121101, 14121111, 14141102,
14121103, 14104123, 14121120, 14122104, 14122103,
14122101, 14122102

Client, Purpose, and Intended Use and Intended Users

Mr. Kevin Hennessey
Charlotte Douglas International Airport
5601 Wilkinson Blvd.

Charlotte, NC 28208
kmhennessey@cltairport.com

The client and intended user is Kevin Hennessey, the Charlotte Douglas International Airport, the City of Charlotte and/or the Federal Aviation Administration (FAA). The intended use is for consideration by the client in the potential sale of the assets. The appraisal is not intended for any other use or users.

Appraiser

Allan E. Reich

T.B. HARRIS, JR. & ASSOCIATES
1430 South Mint Street, Suite 102
Charlotte, North Carolina 28203

704-334-4686
www.tbharrisjr.com

Property Inspection

Allan Reich inspected the property on March 24, 2021. Photographs of the property were taken on that date. Additional photos were available from a previous inspection and also represent the condition of the property as of the noted effective date of value.

Value Appraised

Market Value: Definitions of market value vary slightly based on various exacting definitions required by certain courts and jurisdictions, the Uniform Standards of Professional Appraisal Practice (USPAP), and even international valuation standards.

The market value used in this report is set forth in the Uniform Appraisal Standards for Federal Land Acquisition 2016.

“Market value is the amount in cash, or on terms reasonable equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or

sell, giving due consideration to all available economic uses of the property.”:

Property Rights Appraised

Fee Simple Interest:

“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.” (*The Dictionary of Real Estate Appraisal, 6th ed., 2015*)

For definitions of all other technical terms in this report, the reader is referred to the most recent edition of *The Dictionary of Real Estate Appraisal* published by the Appraisal Institute.

Extraordinary Assumptions/Hypothetical Conditions of Appraisal

A survey and building plans were requested, although unavailable. Details concerning the site areas and improvements are gathered from the Mecklenburg County public records and the appraiser’s property inspection. It is an extraordinary assumption that these details are accurate and reliable. The use of assumption and or hypothetical conditions may affect the assignment results.

The use of extraordinary assumptions or hypothetical conditions may have affected the assignment results.

Effective Date of Value

March 24, 2021

Date of Report

April 15, 2021

Type Report

Appraisal Report

Prior Services

Appraisers are required to disclose other services they have provided regarding the subject property in the prior three years. These other services may include valuation, management, brokerage, or any other real estates related services. We have previously provided;

- Appraisal services for a portion of the property in July of 2015. This appraisal was for a different client and

intended use and included different land areas than noted for this assignment.

BACKGROUND DATA

Ownership and History of the Property

Owner of record:

City of Charlotte
600 E. 4th St.
Charlotte, NC 28202

It is important to note that the owner of record may not be the current owner. The actual owner may be different depending on recent transfers or lack of updated records at the county.

History

A review of deed records indicates the subject was acquired in multiple transactions beginning in 1975 and ending with the most recent acquisition from the Steele Creek Presbyterian Church in May of 2019. Between March of 2019 and May of 2019, four tracts totaling 38.895 were purchased for a combined \$7,629,000. These acquisitions are recorded in four separate deeds. The remaining acreage has remained under ownership of the City of Charlotte for more than three years, with no recent sales or transfers. To our knowledge the property is not currently listed for sale or under contract, however we are aware that offers have been made to the owner. We are unaware of any details relating to these offers. We also note that the noted purchase above included an allocation of \$5,150,000 for the church and related improvements on 11.21-acres, with the remaining \$2,479,000 allocated to an estimated 27.685-acres. Some of the areas included within these acquisitions are excluded from the subject property, as they have since be subdivided or partitioned to be assembled with other parcels which are not the subject of this appraisal.

Available Information

T.B. Harris, Jr. & Associates requests information with respect to title reports, surveys, building plans, income and expense information, budgets, construction costs, leases, and

engineering reports. The following information was requested, however not received from the property owner.

- Current Survey
- Building Plans

The inability to obtain this information may affect our value opinion.

Appraisal Assistance

This appraisal report has been completed by the Appraiser identified within this document.

Report Format

This report complies with Standard Rule 2-2(a) of the 2020-2021 USPAP Edition. Flexibility regarding the level of information in an Appraisal Report is dependent upon the intended use and intended users of the appraisal.

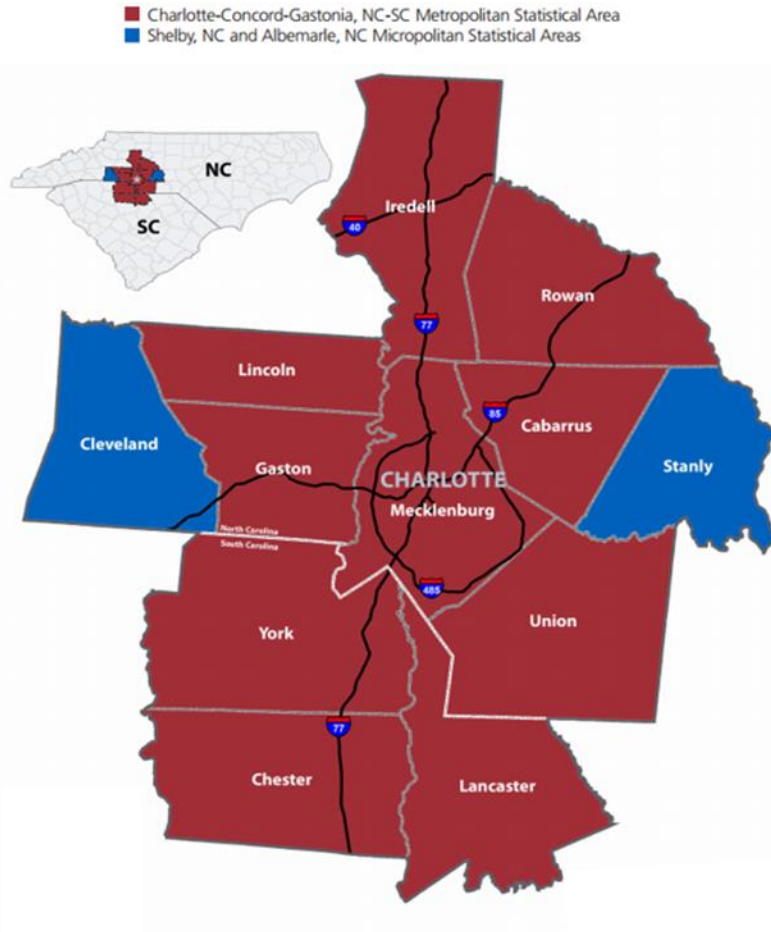
This report contains adequate information at a depth and detail commensurate with the defined appraisal issue and intended use of the appraisal.

COVID-19 IMPACT

Market Note: Recent events including the pandemic of Covid-19 and oil supply wars have added speculation into the market. As of the effective date of this report, the market has recognized some impact to the short-term real estate market with uncertain long term impacts. The uncertainty has led to a wide range in speculation of real estate markets which could impact values of real property in the near term and possibly long term, either positively or negatively. The United States is a consumer driven market and will likely rebound, but speculation about the timing of recovery is active and the short, mid and long-term impacts are unknown.

ECONOMIC MARKET ANALYSIS

Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area Profile



REGIONAL MAP

Introduction

The subject is located in Mecklenburg County, North Carolina, considered part of the Charlotte Metropolitan Statistical Area (MSA). Charlotte, the largest city in North Carolina, is the county seat of Mecklenburg County, which is located in the south-central portion of the state bordering South Carolina. The Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA) is a grouping of ten counties, including Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union in North Carolina, and Chester, Lancaster, and York County in South Carolina.

Demographic and Income Profile



Demographic and Income Profile

Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area (16740) Prepared by: T.B. Harris Jr. & Associates
Geography: CBSA

Summary	Census 2010		2020		2025	
Population	2,243,960		2,685,444		2,920,023	
Households	858,500		1,028,266		1,118,881	
Families	584,653		689,936		747,344	
Average Household Size	2.57		2.57		2.57	
Owner Occupied Housing Units	582,612		674,713		726,764	
Renter Occupied Housing Units	275,888		353,553		392,117	
Median Age	36.2		37.8		38.1	
Trends: 2020-2025 Annual Rate	Area	State	National			
Population	1.69%	1.13%	0.72%			
Households	1.70%	1.14%	0.72%			
Families	1.61%	1.04%	0.64%			
Owner HHs	1.50%	1.04%	0.72%			
Median Household Income	1.67%	1.42%	1.60%			
Households by Income			2020		2025	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	82,831	8.1%	79,797	7.1%		
\$15,000 - \$24,999	86,189	8.4%	84,325	7.5%		
\$25,000 - \$34,999	94,623	9.2%	95,342	8.5%		
\$35,000 - \$49,999	134,445	13.1%	139,640	12.5%		
\$50,000 - \$74,999	184,154	17.9%	196,031	17.5%		
\$75,000 - \$99,999	132,330	12.9%	146,814	13.1%		
\$100,000 - \$149,999	160,967	15.7%	188,738	16.9%		
\$150,000 - \$199,999	69,268	6.7%	84,313	7.5%		
\$200,000+	83,457	8.1%	103,879	9.3%		
Median Household Income	\$63,483		\$68,952			
Average Household Income	\$91,129		\$100,765			
Per Capita Income	\$34,978		\$38,688			
Population by Age	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	157,476	7.0%	167,313	6.2%	182,181	6.2%
5 - 9	162,314	7.2%	177,781	6.6%	187,529	6.4%
10 - 14	159,350	7.1%	181,760	6.8%	194,600	6.7%
15 - 19	153,380	6.8%	169,916	6.3%	185,786	6.4%
20 - 24	137,826	6.1%	165,828	6.2%	171,204	5.9%
25 - 34	310,676	13.8%	377,242	14.0%	411,048	14.1%
35 - 44	345,585	15.4%	364,780	13.6%	401,321	13.7%
45 - 54	326,406	14.5%	367,379	13.7%	369,464	12.7%
55 - 64	246,126	11.0%	332,830	12.4%	351,701	12.0%
65 - 74	140,954	6.3%	234,409	8.7%	273,650	9.4%
75 - 84	75,075	3.3%	107,229	4.0%	147,025	5.0%
85+	28,792	1.3%	38,977	1.5%	44,514	1.5%
Race and Ethnicity	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
White Alone	1,524,247	67.9%	1,718,590	64.0%	1,806,957	61.9%
Black Alone	497,549	22.2%	623,514	23.2%	694,066	23.8%
American Indian Alone	10,320	0.5%	12,314	0.5%	13,494	0.5%
Asian Alone	60,647	2.7%	109,745	4.1%	141,381	4.8%
Pacific Islander Alone	1,120	0.0%	1,542	0.1%	1,783	0.1%
Some Other Race Alone	102,888	4.6%	146,728	5.5%	172,702	5.9%
Two or More Races	47,189	2.1%	73,011	2.7%	89,640	3.1%
Hispanic Origin (Any Race)	203,355	9.1%	290,956	10.8%	347,398	11.9%

Data Note: Income is expressed in current dollars.

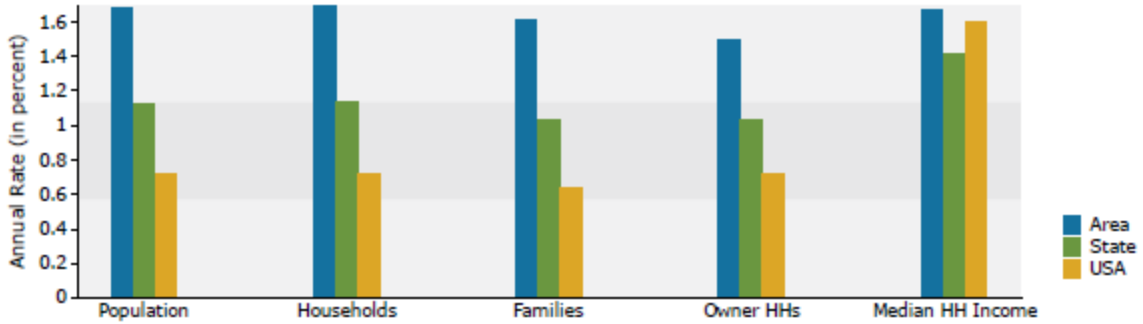
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.



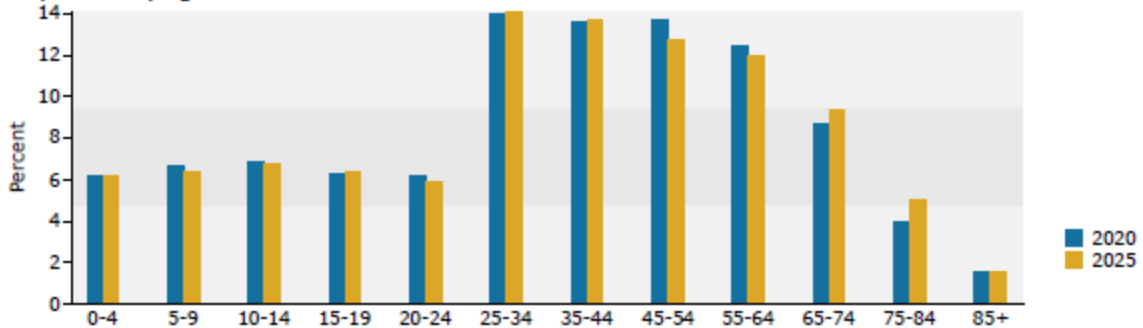
Demographic and Income Profile

Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area
 Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area (16740)
 Geography: CBSA
 Prepared by: T.B. Harris Jr. & Associates

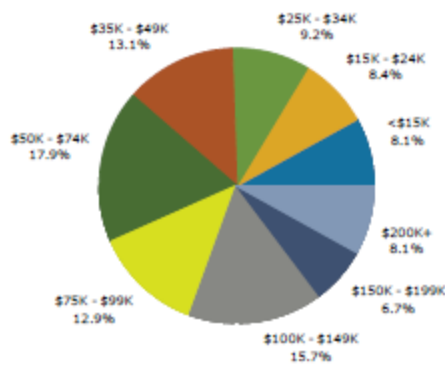
Trends 2020-2025



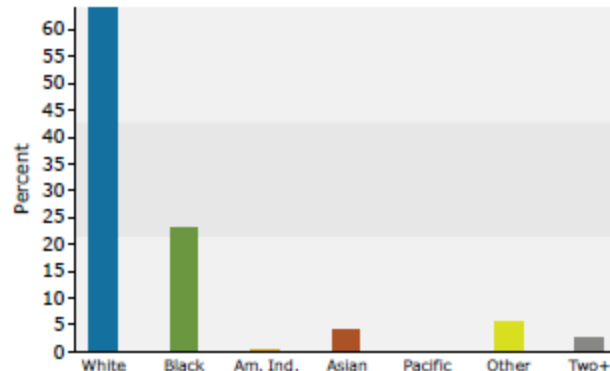
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 10.8%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

Population

Within the MSA, the population is 2,616,243. In 2010, the Census count in the area was 2,217,012. The rate of change since 2010 was 1.81% annually. The five-year projection for the population in the area is 2,852,069 representing a change of 1.81% annually from 2019 to 2024. Currently, the population is 48.8% male and 51.2% female. The median age in this area is 37.7, compared to U.S. median age of 38.5.

Housing

The household count in this area has changed from 848,745 in 2010 to 998,853 in 2019, a change of 1.78% annually. The five-year projection of households is 1,088,110, a change of 1.73% annually from 2019 total. Average household size is currently 2.58, compared to 2.57 in the year 2010. The number of families in 2019 was 670,977.

Currently, 60.0% of the 1,090,233 housing units in the MSA are owner occupied; 31.6%, renter occupied; and 8.4% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 29.1% are renter occupied; and 9.4% are vacant.

In 2010, there were 936,452 housing units in the area - 61.5% owner occupied, 29.1% renter occupied, and 9.4% vacant. The annual rate of change in housing units since 2010 is 6.99%.

Median home value in the area is \$216,143 compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 2.51% annually to \$244,701.

Income

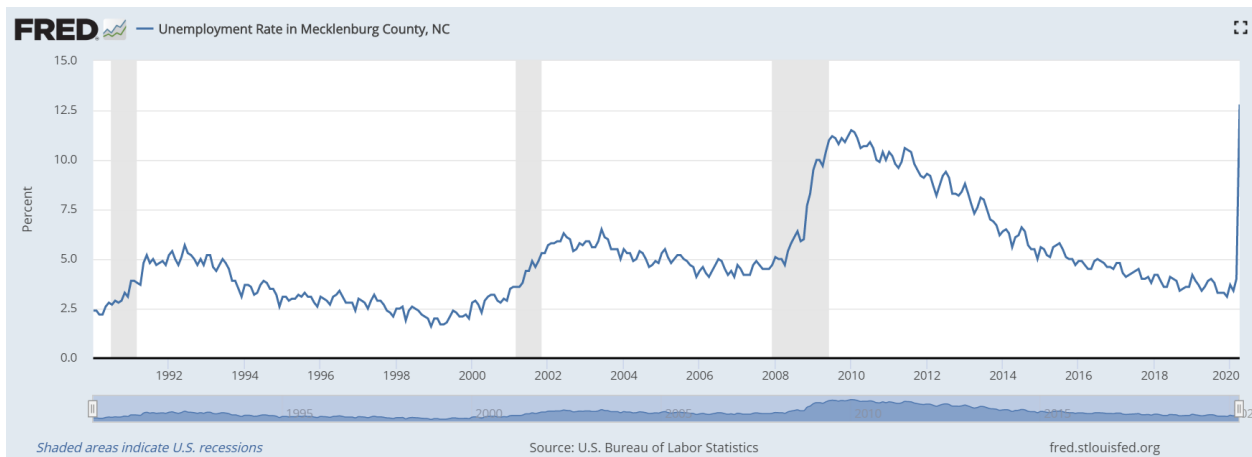
Current median household income is \$62,323 in the Charlotte MSA, compared to \$60,548 for all U.S. households. Median household income is projected to be \$72,289 in five years, compared to \$69,180 for all U.S. households.

Current average household income is \$88,460 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$101,013 in five years, compared to \$99,638 for all U.S. households.

Current per capita income is \$33,849 in the MSA, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$38,608 in five years, compared to \$36,530 for all U.S. households.

Employment

The United States unemployment rate had decreased from 9.9% over the period from early 2010 to early 2020 reaching a low of 3.5% in February 2020. Mecklenburg County has reported increased unemployment as a result of Covid-19 since March 2020 and tends to trend below national averages.



US. Bureau of Labor Statistics, *Civilian Unemployment Rate* [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/UNRATE>.

The Charlotte-Concord-Gastonia, NC-SC unemployment rate was 5.8% in January 2021, according to information provided by the Bureau of Labor Statistics. This was a considerable increase from the January 2020 rate of 3.7% as well as from the January 2019 level of 4.2%. This level is lower than the corresponding national figure of 6.3%, and lower than the state figure of 5.9% for January 2021, according to the Bureau of Labor Statistics.

Major Employers

Charlotte's largest employers represent the diversity of industries prevalent in the region. Sectors include financial services and insurance, health care, manufacturing, transportation and logistics and retail, among others. The Charlotte MSA region includes the following counties: Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union

counties in North Carolina as well as Chester, Chesterfield, Lancaster and York counties in South Carolina. The top 20 employers across all sectors are summarized in the table below.

Rank	Year	Period	Company Name	Industry	Total Local Employment
1	2020	3	Atrium Health	Health Care	38,320
2	2020	3	Wells Fargo & Co.	Financial Services	27,500
3	2020	3	Walmart Inc.	Discount Retailer	16,100
4	2020	3	Bank of America Corp.	Financial Services	15,000
5	2020	3	Novant Health, Inc.	Health Care	14,170
6	2020	3	American Airlines Group	Airline	12,000
7	2020	3	Lowe's Cos. Inc.	Home-Improvement Retailer	9,233
8	2020	3	Food Lion	Retail Supermarkets	8,465
9	2020	3	Harris Teeter Supermarkets Inc.	Retail Supermarkets	8,239
10	2020	3	Duke Energy Corp.	Utilities	7,700
11	2020	3	Compass Group USA Inc.	Food Service Management & Support Services	5,300
12	2020	3	CaroMont Health	Health Care	4,223
13	2020	3	AT&T Inc.	Telecommunications	3,290
14	2020	3	Charter Communications Inc./Spectrum	Telecommunications	3,200
15	2020	3	Schaeffler Group USA Inc.	Manufacturer of Automotive & Industrial Products	3,100
16	2020	3	Target Corp.	Discount Retailer	3,049
17	2020	3	TIAA	Investment Firm	3,000
18	2020	3	Lash Group	Patient Support Services	2,900
19	2020	3	Daimler Trucks North America	Truck & Bus Manufacturing	2,850
20	2020	3	McDonald's Corp.	Fast-Food Chain	2,600

New and Expanded Business

Recently completed mixed-use projects in Charlotte's Uptown and SouthEnd markets include Stonewall Station, Railyard, Broadstone Queen City, and Atherton Mill.

Other mixed-use projects expected to deliver in 2021 include 1100 South Tryon, Legacy Union, Ally Charlotte Center,

FNB Tower, Portman Office Tower, and the Design Center Tower which will house the Lowe's technology headquarters.

The Blue Line Extension completed its connection out to UNC Charlotte March of 2018. Over 500 apartments are under construction, planned or recently completed along the path of the Blue Line Extension.

Camp North End: Just north of uptown plans are underway to turn a former munitions depot, Ford factory, distribution center, and missile plant into a significant mixed-use development. This is a 75-acre site between Statesville Avenue and Graham Street.

In the Southpark Area, Childress Klein has broken ground and is well under way with the project they have coined "Apex Southpark". Slated to have 90,000 SF of retail and restaurants, a 175-room hotel with rooftop bar, 355 apartments, and a 35,000 SF church.

Charlotte has remained one of the busiest CBDs for development, with the amount of housing built enabling the population to double in the past decade. Since 2012, Charlotte Center City has added 1,800 hotel rooms as of August 2020. The high-quality development in SouthEnd has attracted national retailers and new office leases. In 2019, over 3,500 new jobs were announced for SouthEnd. Currently, 1.1 million square feet of office space is under constructed in the SouthEnd market and the Charlotte CBD has \$4 Billion of new development planned. Even with all the new development and increased demand, Charlotte has remained one of the most affordable CBDs for office and multi-family rent.

Centene Corporation announced in July 2020 that will create an East Coast regional headquarters and technology hub in Charlotte. This move will bring 3,237 new jobs to the Charlotte area and the CEO anticipates a total of 6,000 employees will work out of the East Coast regional headquarters within a few years of opening.

This news follows other company’s recent announcements of opening headquarters in Charlotte. In recent years Honeywell, Premier, Duke Energy, Lowe’s, and Bank of America have brought a significant amount of new jobs to the Charlotte region. The Charlotte MSA has become an attractive location for companies with CEOs noting that UNC Charlotte and continuous migration from the northeast and west coast provide a large pool for recruitment of local employees. Charlotte Regional Business Alliance noted that up until April 2020, Charlotte had 113 months of economic growth. The Covid-19 Pandemic has slowed this economic growth, although many economists predict Charlotte will be less affected than many other areas of the country. With finance being one of the main industries in the area, large employers such as Wells Fargo, Truist, and Bank of America, have not been impacted as severely as other sectors.

RECENT CENTER CITY RELOCATION & EXPANSION ANNOUNCEMENTS			
NAME	LOCATION	JOBS ANNOUNCED	INDUSTRY
Ally Bank	Stonewall Street Uptown	1,700	Banking
AvidXchange Expansion	AvidXchange Music Factory	1,200	Fintech
Better.com	WeWork RailYard	1,000	Mortgage
Dimensional Fund Advisors	Dimensional Place South End	316	Financial Services
Honeywell	Legacy Union Uptown	750	Technology Management
Krispy Kreme	Hawkins Street South End	120	Food Service Management
LendingTree	Spectrum South End	436	Mortgage
Lowe's	Design Center South End	2,000	Retail/Management/Tech
Mitsubishi	WeWork 615 S College Street	300	Financial Services
Truist	Hearst Tower	2,000	Banking

RECENT CENTER CITY RELOCATIONS & EXPANSIONS
Source: Charlotte Center City Partners 2020

The Charlotte region's number of Fortune 500 companies remained steady at six (6) in 2018 after a major discount

retailer merger bumped Matthews-based Family Dollar Stores Inc. off the list in 2016. Charlotte metro area ranks 20th nationally in metros with Fortune 500 headquarters. Current Fortune 500 companies include Bank of America, Lowe's, Duke Energy, Nucor, Sealed Air Corp, Sonic Automotive, and Domtar.

Specifically, as to Charlotte, the ULI *Emerging Trends 2020* forecast states:

“Charlotte is attracting technology and manufacturing firms, as it continues to diversify its economy beyond the banking sector that dominated over the past 20 years. Charlotte has focused on infrastructure, with its airport expansion and light-rail growth emblematic of its commitment in this crucial field. Like other prospering markets, however, Charlotte is coping with the residue of success: higher housing costs, lower yields on income producing assets, the inadequacy of its stormwater systems to accommodate growth, and the potential disruption of multifamily rent regulation. All things considered, Charlotte (with just 0.8 percent of the U.S. population) attracted 1.2 percent of the nation's real estate investment in the three-year period from 2016 through 2018 and stepped up to a 1.5 percent share during the first half of 2019.”

Challenges listed for Charlotte include: High construction costs, shortage of labor in all sectors (specifically as it relates to construction and the skilled trades), issues with entitlement process for new development, and a shortage of affordable housing units.

According to RealPage, Charlotte is expected to add 9,130 multi-family units in 2020, a 42% increase from 2019. Most new developments are luxury units as rising construction costs are making affordable developments unfeasible. According to local market participants, rent collection has remained relatively strong and market participants have yet to see a significant decrease in rental rate growth. The multi-family market continues to churn despite all of the

speculation of the apartment bubble, mainly due to the population growth, which continues to look very favorable for the entire region.

Summary

The Charlotte MSA has emerged over the past decade as a financial, distribution and transportation center for the entire urban region. Improving financial markets and global economic conditions will continue to positively impact the development climate in Charlotte and Mecklenburg County. The area remains strong due to low business costs, persistent population growth, a highly educated workforce and a diversified industrial structure. Current conditions in the MSA range widely and remain highly speculative. Most experts indicate the indicated job losses will stymie new growth and development, however the region still appears to be faring better than some surrounding markets.

Community Analysis

Boundaries

- I-85 to the north
- South Tryon (Hwy 49) to the south
- I-485 and the Catawba River to the west
- I-77 to the east

Transportation and Utility Linkages

- Wilkinson Boulevard (Hwy 74)
- I-85 & I-485
- Charlotte Douglas International Airport

Developments

- *Charlotte Douglas International Airport* – This airport is one of the country’s largest and fastest growing airports in the nation. It continues to grow year after year and recently completed in an intermodal transportation hub and plans for an additional runway are in discussions. The airport has

a large influence on growth and demand in this market.

- *River District* – This 1,300+ acre proposed development was recently announced and planned just west from the airport. Crescent Communities and Lincoln Harris have plans for a large scale, mixed-use development to include homes, offices, shops, hotels and parks. There is an estimated 10-year build out for the development, although additional speculation surrounding the development has already begun.
- *Charlotte Premium Outlets* – Recently completed retail outlet mall totaling over 400,000 square feet at the intersection of Steele Creek and I-485. Several other developments are also under construction with the mall as the catalyst for additional growth and development.
- *Berewick* – Large residential subdivision, south of the subject with existing and newly planned phases of development. Includes both single and multi-family portions.
- *Destination District* – A recently announced commercial development planned by the airport that would be at the airport's entrances on Wilkinson Boulevard and I-85. Planners envision a commercial development with office space, a conference center and hotels, parking facilities, gas stations, and restaurants.

Zoning and Area Planning

- The subject property has recently been rezoned from Residential use to I-2, General Industrial. This is common for this area that is experiencing transition based on growth patterns and increased demand for this product type within the airport submarket.

- The property is located in the Airport/West submarket. The airport plays a large role in demand for this market as well as its proximity to major interstates.
- Land uses in the vicinity of the subject property are primarily industrial and older residential uses that are slowly transitioning.
- As noted, the City recently announced plans for a redevelopment of land just north of the airport referred to as Destination Charlotte and/or Charlotte Gateway. This area is planned to include an entertainment district inclusive of office buildings, hotels and commercial uses south of I-85 and north of the Airport.

Demand Generators

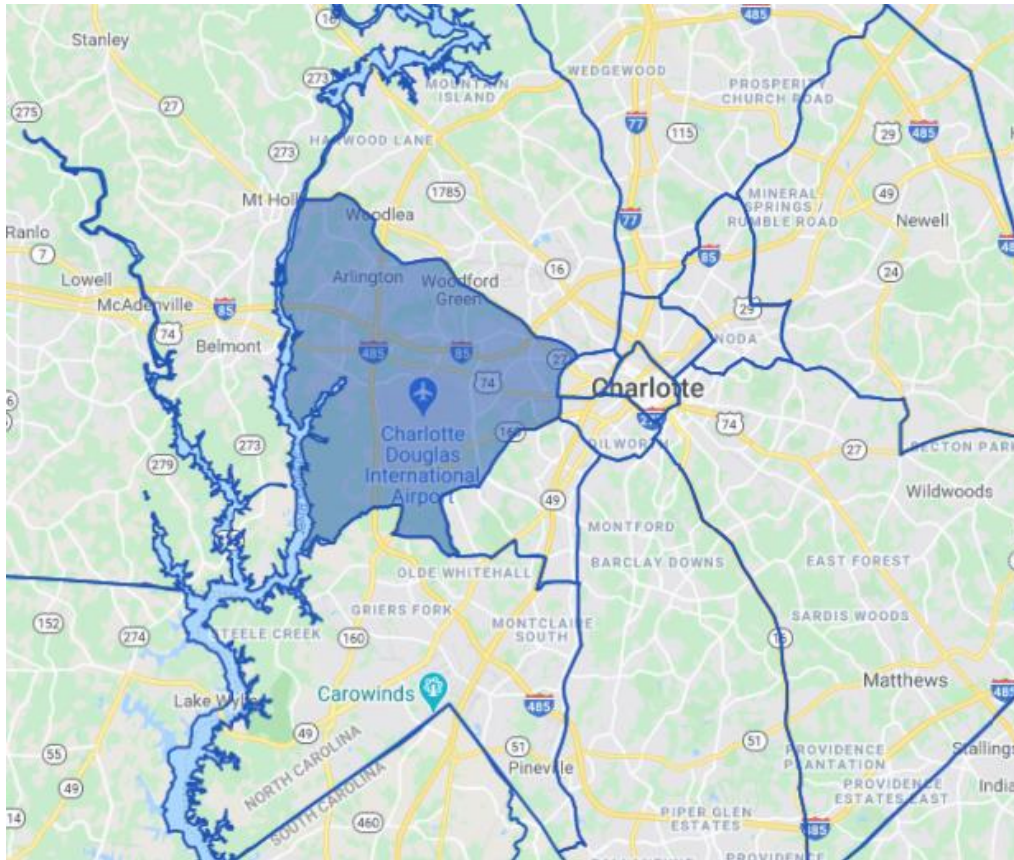
- Charlotte Douglas International Airport
- Proximity to Charlotte CBD

Land Uses

- The subject property falls within the Southwest District Plan, but also influenced by the adjacent Central District Adopted Land Use Plan. The plan includes proposed uses including Office and Industrial uses.

Outlook and Conclusions

Based on the four stages of a neighborhood life cycle, growth, stability, decline and revitalization, the area appears to be in a growth to revitalization stage. This is mostly stimulated by airport growth and growth along the I-485 corridor including Berewick and the Charlotte Premium Outlets. We anticipate property surrounding the subject to emulate the neighborhood growth patterns with an emphasis in industrial growth.



COMMUNITY MAP

PROPERTY ANALYSIS

Site Analysis

Without the benefit of a current survey, the appraiser cannot suggest the property is free of encroachments or easements, and recommends further investigation and a current survey. Details of the site are gathered from the Mecklenburg County GIS and the appraiser's site inspection.

Location



- 7401 & 7407 Steele Creek Rd.
Charlotte, Mecklenburg County, NC 28217
- Tax ID: 14121101, 14121111, 14141102, 14121103, 14104123, 14121120, 14122104, 14122103, 14122101, 14122102
- Airport/West Submarket

Area/Shape/Dimensions

- 76.74 Acres, irregular shape and dimensions, see tax map provided below.

Topography

- Gently rolling.
- Elevations estimated between 640 to 740-feet above sea level.
- Elevations are highest and most level nearest to Steele Creek Road and fall gently to more severe towards the northern and eastern boundaries.

Floodplain

- The subject is not in a FEMA flood zone.
- A review of GIS overlay maps indicates the presence of SWIM and Post Construction (PC) buffers along the northern property boundary.
- The location and size of these encumbrances are minimal and have little impact on the overall use of the larger property.

Access/Ingress/Egress



- Access is provided by frontage along Steele Creek Road (Hwy 160) and is considered average.
- With the exception of the church improvements and parking area there are no other improvements allowing for ingress and egress.
- The site benefits from good access to Highway 160, a two-lane thoroughfare providing for access to some of the larger arteries in the market.

Soil and Subsoil Analyses

- Assumes no hidden, unapparent, apparent, or toxic materials.

Utilities

- According to local utility officials, the site has access to utility service. Additional costs may be required for extension and or tap fees.

**Restrictions/Easements/
Encroachments/
Rights-of-Way**

- Without the benefit of a current survey, the appraiser cannot suggest the property is free of encroachments or easements, and recommends further investigation and a current survey.
- The Airport has provided information on deed restrictions they impose on property within the airport overlay district, in which the subject falls. These include Avigation Easements for the airspace above the noted parcels. Height restrictions on proposed development, Compatible Use, and Non-Interference and Wildlife Mitigation are other restrictions placed on any future buyer or user of the noted property. These restrictions are governed by the nearby airport and would have some limitations on future use, but do not appear to be detrimental.
- Our inspection revealed overhead electrical easements were present along the Highway 160 frontage. This easement appears minimal and typical of properties in the neighborhood.
- Other than the noted SWIM, PC and electrical easement, we are aware of no other apparent easements, restrictions, encumbrances or rights-of-way impacting the property.

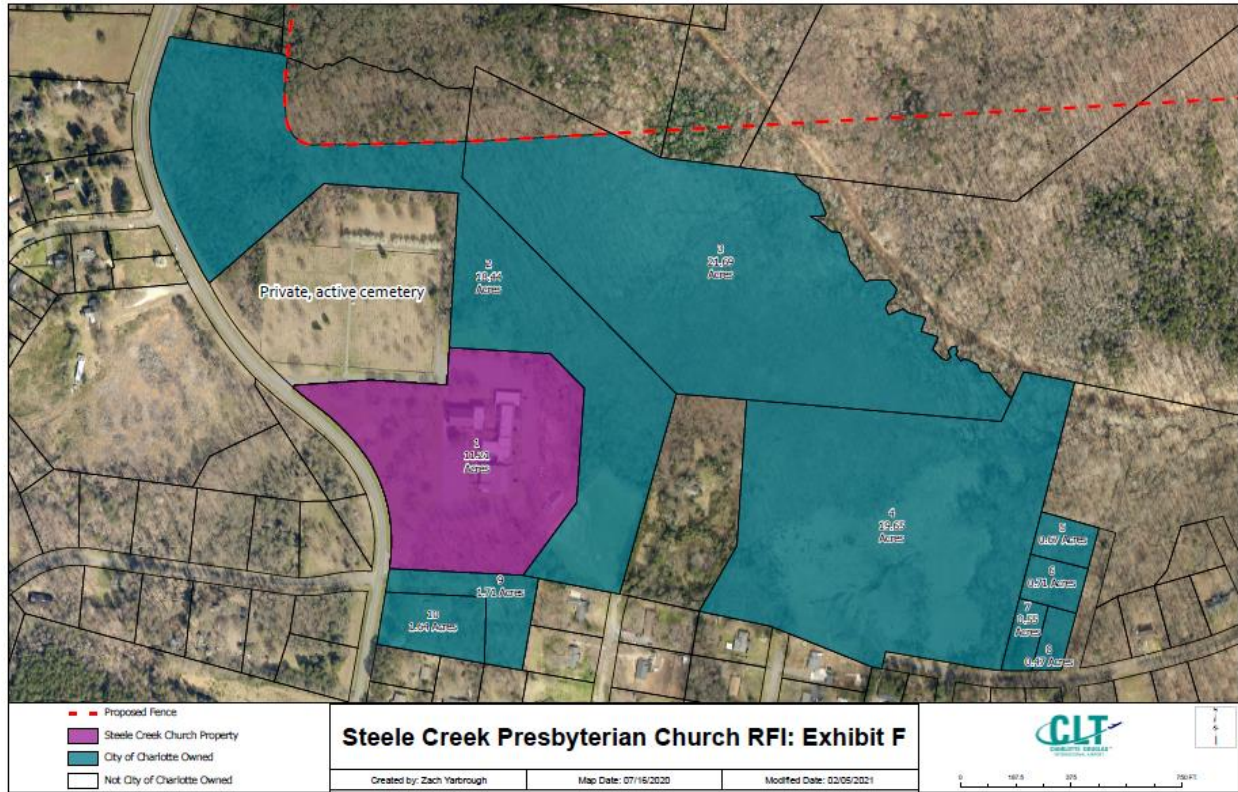
Environmental Hazards

- Unless otherwise stated in this report, none known.

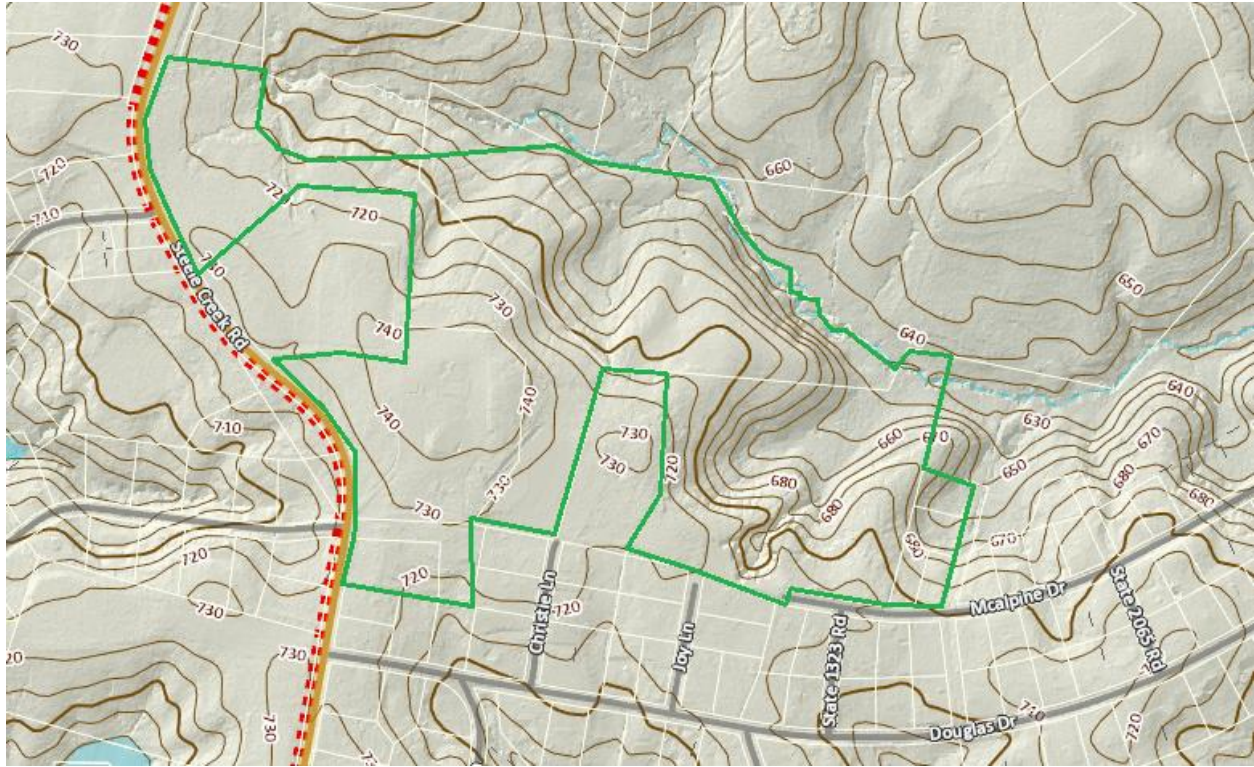
Summary

The subject totals 76.74-acres with 11.21-acres supporting the existing church facility and the remaining 65.53-acres considered excess land. The shape is somewhat irregular. It includes frontage on Steele Creek Road (Hwy 160) and has a rolling topography. Easements include SWIM and PC buffers as well as some minor electrical easements. These easements are mostly confined to areas along the property boundaries and have little negative impact. Additional deed restrictions are placed on the property by the current ownership and

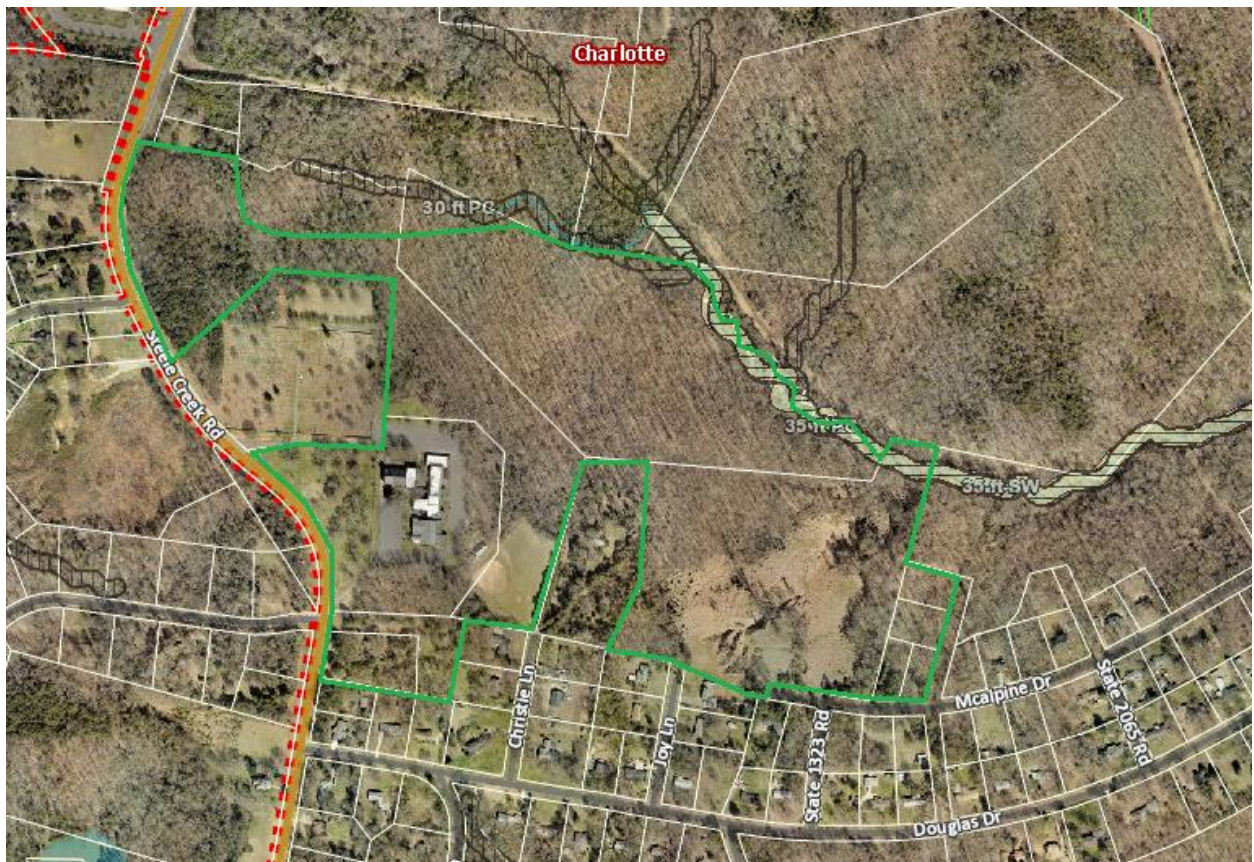
related to the property's location in relation to the airport. These include aviation, height and some other limitations, although do not appear to detrimental. The overall size would allow for multiple uses, restricted to some extent by the shape, topography and noted encumbrances.



TAX MAP



TOPOGRAPHY MAP



EASEMENT AREAS

Improvement Analysis

Existing

An 11.21-acre portion of the subject property is improved with the Steele Creek Presbyterian Church. The church includes a total of 53,370-heated square feet in multiple buildings constructed in phases. The improvements are a designated historic site, and noted as one of the first churches in the Mecklenburg County area. Tax records indicate the main sanctuary was built pre-1900 with additions in the 1930's, 1950's and a daycare/classroom area added in the early 2000's. Although older the church appears well maintained and adequate to serve its designed use.

Size

Church Facilities – 53,370 SF

Sanctuary

The original church sanctuary dates back to 1880 and is listed on the national register of historic places. It was one of the first churches in Mecklenburg County. It has been expanded, renovated and retrofitted through the years and now includes 10,564-heated square feet on two levels. The sanctuary includes ceiling heights of 25-35 feet and a rear balcony and pulpit stage in addition to pews which line the main floor. The rear of the sanctuary includes several offices and parlors and some second level offices and storage areas. The church retains much of its original character and includes a brick structure, decorative windows and doors, standing seam metal awnings, decorative brick entryway with spires and a slate roof. The building shows some signs of deferred maintenance primarily in the window casings and wood moldings, although it is apparent it is the recipient of an ongoing maintenance plan and has been well cared for. Interior finishes include painted plaster and drywall partitions, commercial carpeting, wooden doors and jambs and finished ceilings. The design and layout are typical of older church buildings.

Office/Daycare/Rec Center Building

This large building is more modern and constructed in various phases from 1930 through 2002. The building totals 42,806 square feet and includes several components. The office

portion includes two levels of brick construction. It includes VCT floor coverings brick and block walls, some drywall partitions and various office and parlor rooms. This portion was reportedly built between the 1930's and 50's and is in average condition. To the rear of the office portion is a large classroom building that includes several offices, the child care facility and a commercial kitchen. Finishes are consistent with the office building and include two-stories with brick and block walls, drywall partitions, acoustical ceilings, fluorescent lighting and classroom style finishes. The building was constructed between 1950 and 1964 and recent expanded in 2002. The remaining portion of this main building includes a small chapel and large recreation center. The chapel includes a small sanctuary, vaulted ceilings, drywall partitions and decorative lighting. It is attached to the rec center that includes a large gymnasium with vaulted ceilings, fluorescent lighting, gym flooring and a large open layout. The rec center includes offices and meeting rooms along the exterior of the gym. This portion was added in 1988 and is in good condition.



SANCTUARY



OFFICE/DAYCARE BUILDING



CHAPEL & REC CENTER



INTERIOR SANCTUARY



AERIAL VIEW OF CHURCH IMPROVEMENTS

**Analysis of the
Improvements – Existing**

Although recently vacated, the improvements remain in average overall condition with no significant signs of deferred maintenance. The main sanctuary is listed on the national register of historic places. The design and layout appear typical of other church facilities and includes some modern additions and renovations while still maintaining the original

character of the main sanctuary. Based on the analysis to follow, we conclude that the improvements still provide adequate return to the underlying land justifying that the use as a church or similar religious facility is feasible. We recognize that as land values continue to increase the improvements, may at some point, no longer provide value, however, based on current market conditions the highest value is achieved by using the improvements in their current condition.

Real Estate Taxes and Assessment

Assessments on the subject property vary based on the size and/or whether improvements are present. Currently the parcels are all under the ownership of the City of Charlotte and as such are tax exempt.

Zoning and Other Restrictions

I-2, General Industrial

The purpose of the I-2 (General Industrial) district is to create and protect wholesaling and industrial areas for manufacturing, processing and assembling of parts and products, distribution of products at wholesale, transportation terminals, and a broad variety of specialized industrial operations. Whenever possible, areas of this district should be separated from residential districts by natural or structural boundaries such as drainage channels, sharp breaks in topography, strips of vegetation, traffic arteries and similar features.

The subject area has historically included residential and light industrial uses, however based on surrounding land use patterns and changing demand, industrial uses are becoming more common as they are in high demand near the airport and nearby Interstates. The current I-2 zoning is desirable and not likely to change in the foreseeable future.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use, As Vacant

Physically Possible Uses

The subject includes an assemblage of 10-parcels totaling 76.74-acres. The shape is irregular and includes some rolling topography. Physically there are a number of uses, limited primarily by the irregular shape and sloping topography.

Legally Permissible Uses

Legally permissible uses are defined by both deed restrictions and zoning. Deed restrictions include avigation, height, compatible use and Non-Interference and Wildlife Mitigation requirements imposed by the nearby airport. Additionally there are some SWIM and PC buffers and an electrical easement along the property's boundaries. The easements have little impact on the use, however the deed restrictions are more restrictive. Additionally, the site is governed by the I-2 zoning. This is a liberal zoning allowing for a wide variety of uses including industrial, commercial, office and outside storage. Based on the physical and legal allowances there are a number of possibilities, limited to some extent by the deed restrictions and irregular shape.

Financially Feasible Uses

Financially feasible uses are uses that provide for a positive return to the underlying land value. These uses often consider surrounding uses and how the subject relates. The surrounding area is in transition and highly influenced by the nearby airport. New uses include commercial, industrial and residential. Residential uses are generally in secondary locations and further from primary arteries and the airport. Commercial and industrial uses are more common closer to the airport and in the primary locations with commercial uses dominating lighted intersections in well trafficked locations. While both uses provide feasible returns, we note the subject's secondary location, size and topography are better suited for industrial uses.

**Maximally
Productive Uses**

There does not appear to be any probable or reasonable use that would support a higher or better use than industrial.

**Highest and Best Use,
As Improved**

A portion of the subject property is improved with the former Steele Creek Presbyterian Church. The church and related improvements are supported by an 11.21-acre tax parcel. Based on the land valuation to follow, we conclude that the value of the existing church is greater than that noted for the land, as if vacant, supporting that currently, the highest and best use as improved, is for continued use of the property has a church or religious facility. The remaining 65.53-acres are considered excess land and not needed to support the improvements.

Most Likely Buyer

The most likely buyer of this property is religious user and/or investor for the church improvements and an industrial user for the remaining excess land.

VALUATION METHODOLOGY

Appraisers typically consider three approaches to estimate property value. These are the cost, sales comparison, and income capitalization approach.

The **cost approach** is a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 54.*)

The **sales comparison approach** is the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and

making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 207.*)

The **income capitalization approach** is a set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversions) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and a reversion can be discounted at a specified yield rate. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 115.*)

Value indications from the approaches are reconciled based on the quality and quantity of available data in the approaches with consideration given to the applicability of each approach and the subject property type.

VALUATION APPROACHES

Approach	Applicability	Use
Cost Approach	Applicable	Used
Sales Comparison Approach	Applicable	Used
Income Capitalization Approach	Not Applicable	Not Used

The analysis to follow begins with a sales comparison approach of land sales from the market to establish values for both the primary land supporting the church (11.21-acres) and excess land (65.53-acres). Additionally, a cost and sales comparison approach are included in valuing the church related improvements. An income approach is considered,

however not common or supported by the market data for similar property types in this market.

VALUATION ANALYSIS

Land Valuation – Sales Comparison Approach

Site Valuation – Primary and Excess Land

The preferred method of land valuation is by direct comparison of comparable sites which have sold recently. The sales price of each comparable is converted into an appropriate unit of comparison, and then compared on a direct basis with the subject.

Adjustments are made to the comparables for market recognized dissimilarities. Adjustments are used to account for differences between comparables and the subject. This value conclusion is arrived at by extraction, judgment, and a correlation process whereby greatest weight is given to the sales that are most comparable to the subject.

The unit of comparison selected for analysis as the most applicable is the price per acre. A detailed description of each comparable is included in the Addenda. Summaries of the sales and an explanation of adjustment follows.



COMPARABLE LAND SALES LOCATION MAP

Explanation of Adjustments

Adjustments are allocated to the sales for both market and physical variances.

Market Adjustments

Market adjustments are considered for factors including financing, conditions of sale, expenditures after the sale, ownership rights and/or market conditions. We have considered these items and support adjustments for the items noted below.

Market Conditions (Date) - The sales occurred between February 2020 and March 2021. The Charlotte market has gained strength during this period, and an upward adjustment for the passage of time is warranted. Research indicates a 3% adjustment for the passage of time is warranted, which is applied to the comparable sales.

Physical Adjustments

Physical adjustments are considered for factors including size, location, corner influences, topography, access and other physical features. We have considered these attributes and can support adjustments for the items noted below.

Location – The subject is located south of the airport on a well-travelled, but secondary thoroughfare. It is similar in location to Sales One, Three and Four. Sale Two is located near the airport, however benefits from visibility along I-85, one of the most travelled corridors in the market. The location is superior. Pairing this sale with the others supports a -35% variance. We allocate the variance as a -25% location adjustment and a -10% shape/utility adjustment, as further explained below.

Size – In this analysis, we adjust the comparable sales to reflect the size of the primary 11.21-acres. Sales One and Two are most similar in size, while Sales Three and Four are larger. Pairing these sales supports an approximate 20% variance, which we attribute to the size difference. Sales Three and Four are adjusted upwards to reflect their larger size.

Shape/Utility – The subject's primary acreage includes a mostly regular shaped parcel with no significant irregularities. It is similar to Sales Two, Three and Four. Sale One, however included is mostly rectangular site including a corner location. This provided for above average utility warranting a downward 10% adjustment. This adjustment becomes more prevalent when considering the excess land valuation to follow.

LAND SALES ADJUSTMENT SUMMARY

Steele Creek Prebyterian Church and Excess Land
7401 & 7407 Steele Creek Charlotte,

DESCRIPTION	SUBJECT	SALES			
		Sale 1	Sale 2	Sale 3	Sale 4
Property	SCPC Land	Land	Land	Land	Land
Address	7401 & 7407 Steele Creek	4435 Beam Rd	4250 Business Ctr Dr.	Garrison Rd	4226 Beam Rd
City, State	Charlotte, NC	Charlotte, NC	Charlotte, NC	Charlotte, NC	Charlotte, NC
Tax ID	141-211-01 & Others	141-301-07	055-351-01...	141-181-65	143-122-10
Zoning	I-2	I-1	I-1(CD)	I-1(CD)	I-1(CD)
Date of Sale*	24-Mar-21	28-Feb-20	17-Mar-21	26-Mar-21	25-Mar-20
Useable Size- Acres	11.21 & 65.53	24.2317	13.2240	99.6600	63.3800
Useable Size- SF		1,055,533	576,037	4,341,190	2,760,833
*for subject, date of value					
Note (5)	Primary and Excess Sites	Corner Location	Interstate Visibility	Similar	Similar
Value Indications					
Sales Price	N/A	\$3,635,000	\$2,250,000	\$10,245,000	\$6,296,500
Sales Price/SF	N/A	\$3.44	\$3.91	\$2.36	\$2.28
Sales Price/Acre	N/A	\$150,010	\$170,145	\$102,800	\$99,345
MARKET ADJUSTMENTS					
Market Conditions (Date)	N/A	3%	0%	0%	3%
Adjusted Price		\$3,744,050	\$2,250,000	\$10,245,000	\$6,485,395
Adjusted Price/SF	N/A	\$3.55	\$3.91	\$2.36	\$2.35
Adjusted Price/Acre	N/A	\$154,510	\$170,145	\$102,800	\$102,326
PHYSICAL ADJUSTMENTS					
Location	Good	0%	-25%	0%	0%
Size (Acres)	11.21	0%	0%	20%	20%
Shape/Utility	Irregular/Deed Rest.	-10%	0%	0%	0%
TOTAL					
Adjustments	N/A	-10%	-25%	20%	20%
Adjusted Price/SF	N/A	\$3.19	\$2.93	\$2.83	\$2.82
Adjusted Price/Acre	N/A	\$139,059	\$127,609	\$123,359	\$122,791

STATISTICAL SUMMARY				Land Size (Acres)	Primary	Excess
	Sales Price/Acre Before Adjustments	Sales Price/Acre After Adjustments	Difference			
Average:	\$130,575	\$128,205	-1.8%	11.21	\$130,000	\$90,000
Range Minimum:	\$99,345	\$122,791	23.6%	Indicated Value	\$1,457,300	\$5,897,700
Range Maximum:	\$170,145	\$139,059	-18.3%	Rounded	\$1,457,000	\$5,898,000
Range %:	71.3%	13.2%		Rounded Total		\$7,355,000
Avg. Phys. Adjustment	N/A	1.3%				

1. Annual time adjustment: as noted
2. Numbers may reflect rounding.
3. N/A: Not Applicable, N.A.: Not Available, UC Under Construction
4. Utilities Key: W-Public Water; S-Public Sewer
5. Other notes: none

SOURCE

T. B. Harris, Jr. & Associates research and parties to sale.

**Summary – Primary Land
(11.21-Acres)**

Before adjustments the sales range from \$99,345 to \$170,145 per acre with an average of \$130,575 per acre. Adjustments are allocated for both market and physical variances and the sales range is reduced. After adjustments the sales range from \$122,791 to \$139,059 per acre with an average of \$128,205 per acre. Considering the size and shape of the primary land, we conclude a rate just above the adjusted average, or

\$130,000 is best supported. We apply this to the primary 11.21-acres as follows:

Primary Land

11.21-Acres x \$130,000/Acre = \$1,457,300

\$1,457,000 (Rounded)

Excess Land Valuation

In addition to the primary land area, there is an adjacent 65.53-acre assemblage, not necessary to support the church buildings. To value this area the same land sales are considered appropriate, however differing adjustments are considered. These adjustments reflect the larger size, irregular shape and sloping topography.

Location – The same location adjustments apply to the excess land.

Size – The excess land totals 65.53-acres. The rule of economies of scale supports that generally, larger tracts of land will sell for a lower unit rate than a similar but smaller tract. A review of sales from the market and our data set support that economies of scale are in place. Sales Three and Four best represent the size of the subject. Sales One and Two are smaller and 20% adjustments are supported for the size variance.

Shape/Utility – The excess land includes an irregular shape with sloping topography. This shape would likely create some atypical site planning, which may be exacerbated by the sloping topography. Sales One is a mostly level and square site and sold for the highest unit rate after adjustments for location are allocated. This shape/utility warrant a negative adjustment. Sales Two, Three and Four are also superior in shape and utility, but to a lesser extent, as these sales do have more similarities in terms of shape/utility to the subject. Based on the variances, we allocate a -20% adjustment to Sale One and slightly smaller -10% adjustments to Sales Two, Three and Four.

LAND SALES ADJUSTMENT SUMMARY

Steele Creek Presbyterian Church and Excess Land
7401 & 7407 Steele Creek Charlotte,

DESCRIPTION	SUBJECT	SALES			
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Tax ID	141-211-01 & Others	141-301-07	055-351-01...	141-181-65	143-122-10
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Sales Price/SF	N/A	\$3.44	\$3.91	\$2.36	\$2.28
Sales Price/Acre	N/A	\$150,010	\$170,145	\$102,800	\$99,345
MARKET ADJUSTMENTS					
Market Conditions (Date)	N/A	3%	0%	0%	3%
Adjusted Price		\$3,744,050	\$2,250,000	\$10,245,000	\$6,485,395
Adjusted Price/SF	N/A	\$3.55	\$3.91	\$2.36	\$2.35
Adjusted Price/Acre	N/A	\$154,510	\$170,145	\$102,800	\$102,326
PHYSICAL ADJUSTMENTS					
Location	Good	0%	-25%	0%	0%
Size (Acres)	65.53	-20%	-20%	0%	0%
Shape/Utility	Irregular/Deed Rest.	-20%	-10%	-10%	-10%
TOTAL					
Adjustments	N/A	-40%	-55%	-10%	-10%
Adjusted Price/SF	N/A	\$2.13	\$1.76	\$2.12	\$2.11
Adjusted Price/Acre	N/A	\$92,706	\$76,565	\$92,520	\$92,093

STATISTICAL SUMMARY				Land Size (Acres)	Primary 11.21	Excess 65.53
	Sales Price/Acre Before Adjustments	Sales Price/Acre After Adjustments	Difference			
Average:	\$130,575	\$88,471	-32.2%		\$130,000	\$90,000
Range Minimum:	\$99,345	\$76,565	-22.9%	Indicated Value	\$1,457,300	\$5,897,700
Range Maximum:	\$170,145	\$92,706	-45.5%	Rounded	\$1,457,000	\$5,898,000
Range %:	71.3%	21.1%				
Avg. Phys. Adjustment	N/A	-28.8%		Rounded Total		\$7,355,000

1. Annual time adjustment: as noted
2. Numbers may reflect rounding.
3. N/A: Not Applicable, N.A.: Not Available, UC Under Construction
4. Utilities Key: W-Public Water; S-Public Sewer
5. Other notes: none

SOURCE

T. B. Harris, Jr. & Associates research and parties to sale.

**Summary – Excess Land
(65.53-Acres)**

Using a similar process as noted for the primary land, through the adjustment process we narrow the noted sales range to one that best reflects the characteristic of the 65.53-acres of excess land. Based on the adjusted range, we conclude the best supported rate is \$90,000 per acre. Applying this to the subject's 65.53-acres of excess land supports a market value of:

Excess Land

65.53-Acres x \$90,000/Acre = \$5,897,700
\$5,898,000 (Rounded)

Total Land Value

\$1,457,000 (Primary) + \$5,898,000 (Excess) =
\$7,355,000

Cost Approach – Church Improvements

The cost approach develops an opinion of value by first valuing the land as if vacant and available for its highest and best use as of the date of appraisal. (See Land Valuation.)

Next we estimate the replacement cost new of existing improvements with market conditions existing as of the date of value. Based on the construction and design of the subject, in addition to input from local contractors, we conclude that the replacement cost estimates from MVS represent a reasonable estimate of reproduction costs and are used in the analysis.

Depreciation is then estimated from all causes and is deducted from the cost new to indicate depreciated replacement cost of the improvements.

Finally, the land value is added to the depreciated replacement cost new of the improvements to indicate overall property value by the cost approach.

Replacement Cost

Replacement cost is the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 197.*)

Direct Cost

These costs are for labor, materials, equipment, contractor overhead and profit. Included in our direct cost is information from *Marshall Valuation Service (MVS)* as of the effective date, which includes architectural and engineering fees, as

well as interest charged for funds during building construction.

The subject is best categorized by two building types within the MVS guidebook, with only slight variances noted within the base cost. The Sanctuary is cost as an Average Quality, Class C Sanctuary as defined in Section 16. The base cost for this building is \$142/SF. Current cost and local multipliers are applied to this rate supporting an adjusted base rate of \$140.58/SF.

The remaining 42,806-square foot building is categorized as an Average Quality, Class C Church with Sunday School. This building includes a base cost of \$137/SF. Current cost and local multipliers reduce the rate to \$135.63/SF.

Parking – Additional costs for parking are included from Section 66 of the cost manual. There are 178 marked spaces. The cost for an average parking space, which includes areas for drive-lanes, entrances, curb and gutter, totals \$1,550 per space.

Indirect Cost

Marshall Valuation may not include all appropriate indirect costs in their replacement cost new estimate. In this assignment we have included indirect for insurance, contingencies allowances, real estate taxes for an estimated 1-year construction period and professional fees typical of development. These fees are specified in the cost grid below and include insurances costs at \$0.15/SF. A contingency factor of 2% is added for any cost oversights and appraisal and professional fees of \$10,000 are appropriate for this size development. We also note that because the property is tax exempt no tax burden is required.

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called developers profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or

improvement. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 76.*) This incentive can be calculated as either mark up or as margin. Most developers charge a margin. The calculation for margin, by way of example, takes the direct and indirect cost and divides this total by a factor representing the required margin. (i.e. 12% entrepreneurial incentive would use a factor of .88) The subject property is a church facility. Our investigation into the market for this type of development indicates that often development planning, risk and profit are mitigated, as many of the required services are donated and/or provided by members of the church congregation. Typically incentive factors for commercial development range from 10%-20%. Considering the subject's use, a factor below the market average, or 5% is included. Again, this represents a 5% margin calculated by dividing total direct and indirect costs by 95% (1.00-5%).

COST APPROACH SUMMARY

7401 & 7407 Steele Creek Rd.
 Charlotte,

DIRECT COSTS

Item	Units	Cost/Unit	Direct Cost
Sanctuary	10,564 SF	\$140.58	\$1,485,087
Classrooms/Offices/Church	42,806 SF	\$135.63	\$5,805,778
Parking	178 SF	\$1,550.00	\$275,900

Total Direct Costs **\$7,566,765**

INDIRECT COSTS

Insurance	\$0.15	\$8,006
Contingency	2%	\$151,335
Real Estate Taxes (1.0 Ac Land Only/ 1-Yr Const. Period)		\$0
Appraisal/ Professional Fees		\$10,000
Total Indirect Costs		\$169,341

TOTAL DIRECT & INDIRECT COSTS **\$7,736,106**

ENTREPRENEURIAL INCENTIVE 5% **\$407,163**

REPLACEMENT COST NEW **\$8,143,269**

Depreciation

Total depreciation is the difference between replacement cost new of the improvements and the improvements contribution to property value as of the date of valuation.

Depreciation can be estimated by several methods including;

- Market extraction
- Economic age/life
- The breakdown method.

Deferred Maintenance

No items of deferred maintenance were observed, therefore there are no deductions.

Age/Life Depreciation

Once the appraiser deducts for deferred maintenance if any, the age/life method can be used to determine the depreciation applicable to the remaining replacement costs. Age/life is applied on a straight line basis dividing the improvements effective age by its economic life. The site improvements are estimated separately based on their contributory value as they have shorter economic lives. A summary of replacement cost new less depreciation based on the age/life allocation follows.

An allocation of depreciation is allocated to the best of our ability, however in the case of the subject is somewhat speculative as the property was constructed in multiple phases and has been updated and renovated through the years. The original sanctuary was reportedly constructed in 1880 with other additions added through the 1930's, 1950's, 1980's and most recently in 2002. The varied construction dates are considered in our allocation of depreciation, however we also rely on information gathered from competitive churches in the market. Typical life expectancies for church related facilities is 60-years, however this can be extended through property upkeep, maintenance and renovations. Using both straight line depreciation and with considerable influence from comparable sales from the market, we include an estimated

effective age of 40-years, representing 67% depreciation on a 60-year life expectancy (40/60).

Summary

Based on the foregoing, the cost approach for the property “as is” can be summarized as follows:

COST APPROACH SUMMARY

7401 & 7407 Steele Creek Rd.
 Charlotte,

DIRECT COSTS

Item	Units	Cost/Unit	Direct Cost
Sanctuary	10,564 SF	\$140.58	\$1,485,087
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Total Indirect Costs **\$169,341**

TOTAL DIRECT & INDIRECT COSTS **\$7,736,106**

ENTREPRENEURIAL INCENTIVE 5% **\$407,163**

REPLACEMENT COST NEW **\$8,143,269**

DEPRECIATION

Physical Curable Depreciation

None \$0

Physical, Incurable Depreciation

Year Built	1880/2002
Effective Age	40
Remaining Economic Life	20
Estimated Life Expectancy	60
Accrued Deterioration	67%

Calculated:

Direct Cost (less deferred maint.)	\$7,566,765
Plus: % Indirect Cost	\$576,504
Total Proportionate Cost	\$8,143,269
Estimated Incurable Physical Deterioration (Proportionate Cost X Accrued Deterioration)	(\$5,455,990.33)

Functional Obsolescence, Curable \$0

Economic Obsolescence \$0

Total Depreciation **(\$5,455,990)**

Total Depreciated Value of Improvements **\$2,687,279**

ADD: Depreciated Site Improvements **\$0**

LAND VALUE

	Acres	Square Feet	Value Per Unit (SF)	Value
Land	11.210	488,308	\$130,000.00	\$1,457,300
Total	11.210	488,308		\$1,457,300

\$4,144,579

OPINION OF VALUE BY THE COST APPROACH **(Rounded) \$4,145,000**

NOTES

Numbers may reflect rounding.

SOURCE

Marshall Valuation Service

Local contractors

Sales Comparison Approach

In this approach the appraiser develops an opinion of value by analyzing closed sales, listings, or pending sales of properties similar to the subject. A major premise of this approach is that an opinion of the value can be supported by studying the market's reaction to comparable and competitive properties. The following procedure applies:

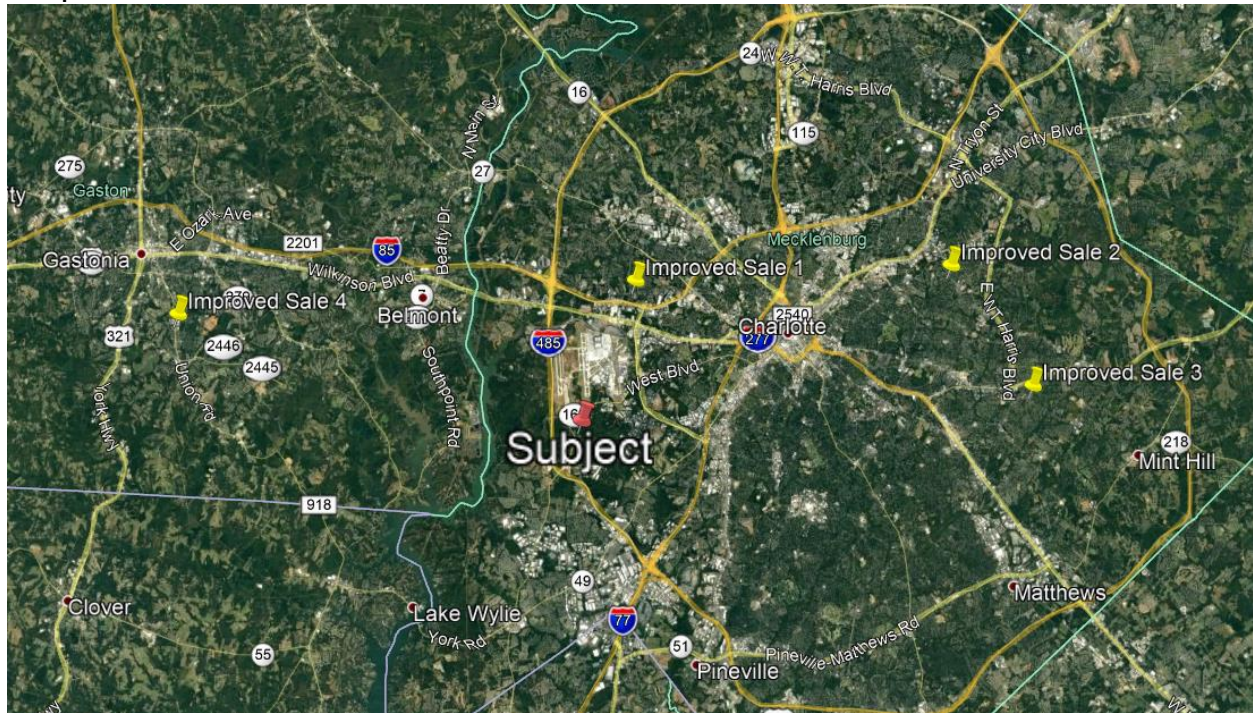
- Identify relevant comparable sales;
- Compile, research, and verify data for most appropriate sales;
- Consider material differences between the sales and the subject;
- Reconcile the sales into a value indication.

Research:

- Location: Charlotte MSA
- Property Type: Religious/Institutional
- Property Size: 15,000 – 75,000
- Age/Quality: Average to Good
- Sale Date: 2018 to present

In this analysis, we have used the price per square foot, due to market participants that typically compare pricing and values based on these units.

Summary of Comparable Improved Sales



COMPARABLE IMPROVED SALES LOCATION MAP

Adjustment Process

The sales are analyzed for similarities and differences when compared to the subject and adjustments are applied for known, quantifiable differences.

Market Adjustments

Market adjustments are considered for factors including financing, conditions of sale, expenditures after the sale, ownership rights and/or market conditions. We have considered these items and support adjustments for the items noted below.

Market Conditions (Date) – The sales range in date from September of 2019 through July of 2020. We note that the market for religious facilities has not increased as quickly as that noted for land. Therefore the allocation for the passage of time is slightly below that noted for land only. We apply an adjustment of 2%

Physical Adjustments

Physical Adjustments are considered for factors including size, age, location, corner influence, construction quality and

other physical factors affecting value. We consider these items an adjust as noted below.

Location – The subject is located in a transitioning area south of the airport. The location is similar to Sales One, Three and Four. Sale Two is located in east Charlotte in a slightly less desirable area. Pairing this sale with the other supports a +20% adjustment.

Quality/Condition – As noted the subject includes various ages of construction, however is well maintained and in good overall condition. Comparing the overall visible quality with the comparables indicates that Sales Three and Four are most similar in quality/condition. Sales Three is the most recently constructed and appears superior, warranting a downward adjustment. Sale Two includes an inferior age and condition warranting an upward adjustment. The adjustments are detailed in the grid below.

IMPROVED SALES ADJUSTMENT SUMMARY

Steele Creek Presbyterian Church and Excess Land
7401 & 7407 Steele Creek R Charlotte,

DESCRIPTION	SUBJECT	SALES			
		Sale 1	Sale 2	Sale 3	Sale 4
Property	SCPC	Religious Bldg	Religious Bldg.	Religious Bldg.	Religious Bldg.
Address	7401 & 7407 Steele Ck	6031 Tuckaseegee	5600 The Plaza	7541 Lawyers Rd.	2315 Union Rd.
City, State	Charlotte, NC	Charlotte, NC	Charlotte, NC	Charlotte, NC	Gastonia, NC
Tax ID	141-211-01...	061-251-14	099-102-79	109-201-22	210089
Date of Sale*	3/24/2021	2-Jul-20	24-Mar-20	4-Sep-19	27-Feb-20
Building Size (SF)	53,370	17,918	26,360	36,310	44,291
Year Built	1880-2002	1985	1964	1970	1970
Condition	Average	Superior	Similar	Similar	Similar
Land Area (Acres)	11.21	6.268	5.396	6.14	10.34
LTB Ratio	9.15	15.24	8.92	7.37	10.17
Value Indications					
Sales Price	N/A	\$1,640,000	\$1,330,000	\$2,200,000	\$2,635,000
Sales Price/SF	N/A	\$91.53	\$50.46	\$60.59	\$59.49
MARKET ADJUSTMENTS					
Market Conditions (Date)	N/A	2%	2%	4%	2%
Adjusted Price		<u>\$1,672,800</u>	<u>\$1,356,600</u>	<u>\$2,288,000</u>	<u>\$2,687,700</u>
Adjusted Price/SF	N/A	\$93.36	\$51.46	\$63.01	\$60.68
PHYSICAL ADJUSTMENTS					
Location	Good	0%	20%	0%	10%
Quality/Condition	Average	-20%	10%	0%	0%
TOTAL					
Adjustments	N/A	-20%	30%	0%	10%
Adjusted Price/SF	N/A	\$74.69	\$66.90	\$63.01	\$66.75

STATISTICAL SUMMARY	Sales Price/SF	Sales Price/SF	Difference	Building Size (SF)	Price/SF
	Before Adjustments	After Adjustments			
Average:	\$65.52	\$67.84	3.5%	53,370	\$70
Range Minimum:	\$50.46	\$63.01	24.9%		\$3,735,900
Range Maximum:	\$91.53	\$74.69	-18.4%		
Range %:	81.4%	18.5%			

Final Value Conclusion by Sales Comparison Approach Rounded \$3,736,000

NOTES

1. Annual time adjustment: as noted
2. Numbers may reflect rounding.
3. N/A: Not Applicable, N.A.: Not Available, UC Under Construction

SOURCE

T. B. Harris, Jr. & Associates research and parties to sale.

Summary

Four sales are included for direct comparison with the subject. Before adjustments the sales range from \$50.46 to \$91.53/SF with an average of \$65.52/SF. Adjustments reduce the overall range and increase the average to \$67.84/SF. Based on the location, size and quality of the subject we conclude a rate just above the average, or \$70/SF is best suited for the subject property.

Market Value by Sales Comparison Approach

53,370-SF x 70/SF = \$3,735,900

\$3,736,000

**RECONCILIATION AND
FINAL VALUE CONCLUSION – CHURCH ON 11.21 ACRES**

Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final opinion of value. The appraisers weigh the relative significance, applicability, and defensibility of the indication of value estimated by each approach.

Opinion of Value by Cost Approach **\$ 4,145,000**

Opinion of Value by Sales Comparison Approach **\$ 3,736,000**

Experience indicates that different investors are willing to pay varying amounts for the same property. This phenomenon is due to variations in expectations of income production potential, tax advantages or disadvantages, anticipated reversions, special financing, and various other factors.

Final Value Conclusion

The valuation of the church is developed using both the cost and sales comparison approach. The sales comparison approach provides the most meaningful and accurate approach in this analysis. While the cost approach provides additional support, speculation on the noted depreciation can lead to variances and is therefore less reliable. We determine the final value for the church on 11.21-acres at:

Final Value for Church on 11.21-Acres

\$3,750,000

Final Value for Excess Land (65.53 Acres)

\$5,898,000

Total Value

\$9,648,000

The opinions, estimates, and forecasts included in this appraisal document are by their nature prospective and therefore subject to uncertainty and risk. Actual events and property performance may vary based on economic conditions that are subject to fluctuation with regard to lenders, interest rates, supply and demand, capitalization rates, investor motivation, and the like. Also, in keeping with traditional appraisal practice our conclusions and forecasts are based in part upon third party sources, discussions, meetings, and may not be in all cases from reliable sources. Our opinion while supported throughout this document with research and reason is based on available information at the time of preparing our opinion. Therefore, we are not responsible for future happenings that are not reasonably expected to occur as of the date of our analysis.

EXPOSURE AND MARKETING TIME

Exposure Time

Had the property been exposed to the open market prior to our date of valuation we believe the property would have required an exposure time of six to twelve months.

Marketing Time

It is our opinion that an appropriate marketing time from the date of valuation going forward to consummate a sale at the appraised value would be six to twelve months.



Allan E. Reich
Appraiser

ADDENDA

Certifications

CERTIFICATION OF THE APPRAISER

I, Allan E. Reich, certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. As of the date of this report, I have completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. I have made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification other than those individuals having signed the attached report.



A handwritten signature in cursive script that reads "Allan E. Reich".

Allan E. Reich
(NC State Certified General Real Estate Appraiser #A6368)
(SC State Licensed Appraiser #L5772)

April 15, 2021
Date

(Rev: 01/1/13)

Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

Limit of Liability

The liability of T.B. HARRIS, JR. & ASSOCIATES and employees is limited to the client only and to the fee actually received by our firm. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, client will forever indemnify and hold T.B. HARRIS, JR. & ASSOCIATES, its officers, and employees harmless from any claims by third parties related in any way to the appraisal or study which is the subject of the report. Third parties shall include limited partners of client if client is a partnership and stockholders of client if client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees, and spouses of client. T.B. HARRIS, JR. & ASSOCIATES will not be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property, physically, financially, and/or legally.

Copies, Distribution, Use of Report

Possession of this report or any copy of this report does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report remains the property of T.B. HARRIS, JR. & ASSOCIATES for the use of the client, the fee being for the analytical services only.

The bylaws and regulations of the Appraisal Institute require each member and candidate to control the use and distribution of each report signed by such member or candidate; except, however, the client may distribute copies of this report in its entirety to such third parties as he may select; however, selected portions of this report shall not be given to third parties without the prior written consent of the signatories of this report. Neither all nor any part of this report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of T.B. HARRIS, JR. & ASSOCIATES.

Confidentiality

This report is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by T.B. HARRIS, JR. & ASSOCIATES whose signatures appear on the report. No change of any item in the report shall be made by anyone other than T.B. HARRIS, JR. & ASSOCIATES. T.B. HARRIS, JR. & ASSOCIATES shall have no responsibility if any such unauthorized change is made.

T.B. HARRIS, JR. & ASSOCIATES may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

Trade Secrets

This report was obtained from T.B. HARRIS, JR. & ASSOCIATES and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4) of the Uniform Commercial Code. T.B. HARRIS, JR. & ASSOCIATES shall be notified of any request to reproduce this report in whole or in part.

Information Used

No responsibility is assumed for accuracy of information furnished by or work of others, the client, his designee, or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for the subject property.

Financial Information

Our value opinion(s) have been based on unaudited financials, and other data provided to us by management and/or owners. If these reports are found to be inaccurate, we reserve the right to revise our value opinion(s). It is noted we are depending on these accounting statements as being accurate and our interpretation of these statements as being accurate as well. If these assumptions later prove to be false, we reserve the right to amend our opinions of value.

Testimony, Consultation, Completion of Contract for Report Services

The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. T.B. HARRIS, JR. & ASSOCIATES or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges, regardless of issuing party.

Exhibits

The illustrations and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs, if any, are included for the same purpose as of the date of the photographs. Site plans are not surveys unless so designated.

Legal, Engineering, Financial, Structural or Mechanical Nature, Hidden Components, Soil

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and marketable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by T.B. HARRIS, JR. & ASSOCIATES.

T.B. HARRIS, JR. & ASSOCIATES has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, or hidden structural, mechanical or other components, and T.B. HARRIS, JR. & ASSOCIATES shall not be responsible for defects in the property which may be related.

The report is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. We are not experts in this area, and it is recommended, if appropriate, the client obtain an inspection of this equipment by a qualified professional.

If T.B. HARRIS, JR. & ASSOCIATES has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

T.B. HARRIS, JR. & ASSOCIATES assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

Legality of Use

The report is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building and use regulations, and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or may be obtained or renewed for any use considered in the value estimate.

Component Values

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

Auxiliary and Related Studies

No environmental or impact studies, special market study or analysis, highest and best use analysis, study or feasibility study has been required or made unless otherwise specified in an agreement for services or in the report.

Dollar Values, Purchasing Power

The market value estimated and the costs used are as of the date of the estimate of value, unless otherwise indicated. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

Inclusions

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real

estate being considered in the value estimate, unless otherwise stated. In some property types, business and real estate interests and values are combined.

Proposed Improvements, Conditional Value

Improvements proposed, if any, onsite or offsite, as well as any repairs required, are considered for purposes of this report to be completed in a timely, good and workmanlike manner, according to information submitted and/or considered by T.B. HARRIS, JR. & ASSOCIATES. In cases of proposed construction, the report is subject to change upon inspection of property after construction is completed.

Value Change, Dynamic Market, Influences, Alteration of Estimate

The estimated value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of reports involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and T.B. HARRIS, JR. & ASSOCIATES' interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; thus, they are subject to change as the market and value is naturally dynamic.

The "estimate of market value" in the report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

Report and Value Estimate

Report and value estimate are subject to change if physical or legal entity or financing differ from that envisioned in this report.

Management of the Property

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management.

Hazardous Materials

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did T.B. HARRIS, JR. & ASSOCIATES become aware of such during their inspection. T.B. HARRIS, JR. & ASSOCIATES had no knowledge of the existence of such materials on or in the property unless otherwise stated. T.B. HARRIS, JR. & ASSOCIATES, however, is not qualified to test such substances or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in the proximity that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Soil and Subsoil Conditions

Unless otherwise stated in this report, T.B. HARRIS, JR. & ASSOCIATES does not warrant the soil or subsoil conditions for toxic or hazardous waste materials. Where any suspected materials might be present, we have indicated in the report; however, T.B. HARRIS, JR. & ASSOCIATES are not experts in this field and recommend appropriate engineering studies to monitor the presence or absence of these materials.

Americans with Disabilities Act (ADA)

“T.B. HARRIS, JR. & ASSOCIATES has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA), which became effective January 26, 1992. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since T.B. HARRIS, JR. & ASSOCIATES has no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.”

Land Sales

Land Sale No. 1



Property Identification

Record ID 19177
Property Type Industrial
Address Beam Road & Pine Oaks Drive, Charlotte
Tax ID 141 301 07

Sale Data

Grantor Waters Construction Compay Inc.
Grantee Beacon Beam Road LLC
Sale Date February 28, 2020
Deed Book/Page 34327 256
Recorded Plat Lot1 Map 66 Page 574
Financing Cash to Seller

Sale Price \$3,635,000
Cash Equivalent \$3,635,000

Land Data

Zoning I-1
Topography Wooded, rolling
Utilities All

Land Size Information

Gross Land Size 24.2317 Acres or 1,055,534 SF
Actual/Planned Building SF 220,000

Land Sale No. 1 (Cont.)

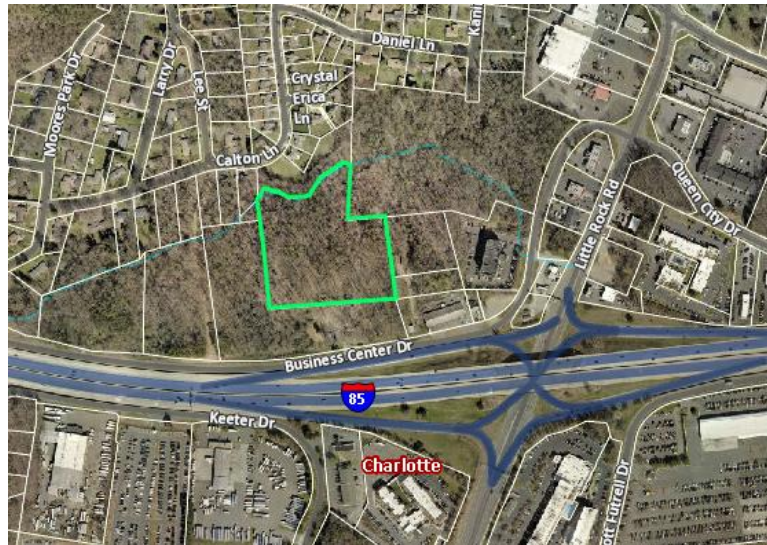
Indicators

Sale Price/Gross Acre	\$150,010
Sale Price/Gross SF	\$3.44
Sale Price/Planned Bldg. SF	\$16.52

Remarks

Build-to-suit for Carolina Premium Beverage which will purchase building upon completion.

Land Sale No. 2



Property Identification

Record ID 19490
Property Type Industrial
Address Business Center Drive, Charlotte
Tax ID 055 351 01, 31; 055 353 34

Sale Data

Grantor Park'N Go of Charlotte -2, LLC
Grantee CP Air 85, LLC (c/o Collett & Associates)
Sale Date March 17, 2021
Deed Book/Page 35814 595

Sale Price \$2,250,000
Cash Equivalent \$2,250,000

Land Data

Zoning I-1 CD

Land Size Information

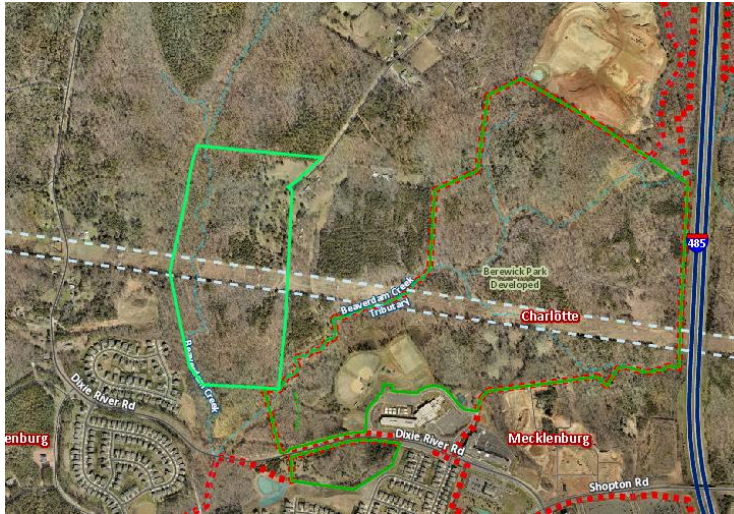
Gross Land Size 13.2240 Acres or 576,037 SF

Indicators

Sale Price/Gross Acre \$170,145
Sale Price/Gross SF \$3.91

Remarks Purchased for potential parking for airport overflow

Land Sale No. 3



Property Identification

Record ID	19517
Property Type	Land, Industrial
Property Name	Garrison Rd Assemblage
Address	Garrison Road, Charlotte, Mecklenburg County, North Carolina
Location	Airport Submarket
Tax ID	141-291-05 & others

Sale Data

Grantor	Garrison, Shaw, Burris entities
Grantee	Garrison Road Holdings, LLC
Sale Date	March 26, 2021
Deed Book/Page	35858/458
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller

Sale Price	\$10,245,000
Cash Equivalent	\$10,245,000

Land Data

Zoning	I-1
Topography	Rolling

Land Size Information

Gross Land Size	99.660 Acres or 4,341,190 SF
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Indicators

Sale Price/Gross Acre	\$102,800
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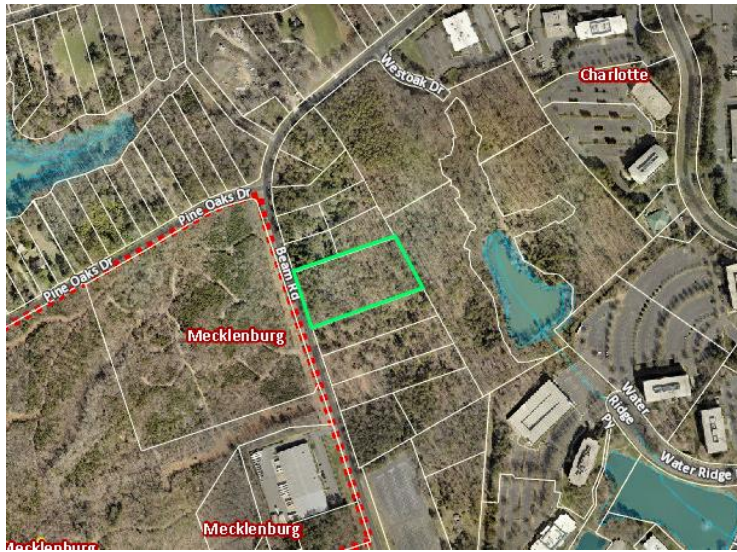
Land Sale No. 3 (Cont.)

Sale Price/Gross SF \$2.36

Remarks

Developing area west of airport, planned for future development. Purchased includes four separate transactions on both sides of Garrison between 3/24/21 and 3/26/21.

Land Sale No. 4



Property Identification

Record ID 19178
Property Type Industrial
Address Beam Road, Charlotte
Tax ID 143 122 01, 02, 04-08, 10-17, 20

Sale Data

Grantor South 36R LLC
Grantee LIT Industrial LP
Sale Date March 25, 2020
Deed Book/Page 34405 72
Financing Cash

Sale Price \$6,295,000
Cash Equivalent \$6,295,000

Land Data

Zoning I-1CD
Topography Wooded, slopes to pond at center on land of City of Charlotte
Utilities All

Land Size Information

Gross Land Size 63.38 Acres or 2,760,833 SF
Actual/Planned Building SF 590,000

Land Sale No. 4 (Cont.)

Indicators

Sale Price/Gross Acre	\$99,345
Sale Price/Gross SF	\$2.28
Sale Price/Planned Bldg. SF	\$10.67

Remarks

Purchased for future industrial development.

Appraiser License

NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
Expires June 30, 2021

REGISTRATION / LICENSE / CERTIFICATE HOLDER

20 ALLAN E REICH 21

A6368 G Y

APPRAISER NUMBER TYPE NATIONAL REGISTRY

[Signature]
APPRAISER'S SIGNATURE

[Signature]
EXECUTIVE DIRECTOR



Qualifications of the Appraiser

QUALIFICATIONS OF THE APPRAISER

Allan E. Reich

T.B. Harris, Jr. & Associates
1430 South Mint Street, Suite 102
Charlotte, North Carolina 28203
(704) 334-4686
FAX (704) 334-2759

EDUCATION AND CREDENTIALS

- **Appalachian State University**
Bachelor Degree in Business Administration, 2001

- **NC School of Real Estate Education, Inc. / Central Piedmont Community College**
 - Commercial Real Estate Appraisal Courses G-1, G-2 & G-3
Courses include: Introduction to Income Capitalization (2004)
Advanced Income Capitalization Procedures (2006)
Applied Income Property Valuation (2006)

- **American School of Real Estate Appraisal**
 - Introductory Real Estate Appraisal Courses R-1, R-2, R-3 & USPAP
Courses include: Introduction to Real Estate Appraisal (2003)
Valuation Principles and Procedures (2003)
Applied Residential Property Valuation (2003)
Uniform Standards of Professional Appraisal Practice (2003)

AFFILIATIONS AND ACTIVITIES

- **Association Memberships**
 - Appraisal Institute Member, Candidate
 - North Carolina Certified General Real Estate Appraiser, License No. A6368
 - South Carolina Licensed Appraiser, License No. L 5772
 - Urban Land Institute (ULI) Young Leader, February 2005

RECENT/RELEVANT COURSE WORK

Eminent Domain and Condemnation 2019	May
Fall 2018 Real Estate Valuation Conference	September 2018
Advanced Income Capitalization	August 2018
National USPAP Update	May 2018
NC Supervisor/Trainee Course	July 2017
Oddball Appraisals	May 2017
Advanced Concepts & Case Studies	January 2015
Report Writing	June, 2012
Appraisal Case Law III	May, 2011
7-Hour National USPAP	February, 2011
Analyzing Tenant Credit Risk	January, 2011
Introduction to Valuation for Financial Reporting	October, 2009

RELATED EXPERIENCE

- **T.B. Harris, Jr. & Associates** Charlotte, North Carolina
January 2003-Present – NC/SC General Certified Real Estate Appraiser participating in all aspects of the appraisal process, concentrating in multifamily, mixed-use, multi-tenant office and retail, industrial and golf related property types.
- **Auto Owners Insurance Company.** Charlotte, North Carolina
August 2001 – January 2003 – Certified Independent Firm Adjuster, with a concentration in Auto and Property claims. Handled both personal and commercial lines with the assistance of the Boeck estimating system.

APPRAISAL EXPERIENCE

Apartment Complexes
Childcare Facilities
Churches
Condemnation Cases
Condominiums (Office and Flex)
Convenience Stores
Drugstores
Fast-Food Restaurants
Golf Courses
Industrial Properties
Institutional Properties
LEED Specialization
Medical Office Properties
Mini-Storage Facilities
Mixed-Use Properties
Office Properties
Restaurants
Retail Buildings
Shopping Centers
Service Stations
Townhouse Complexes
Vacant Land
Veterinary Clinics

CLIENTELE

Attorneys, Investors, and Individuals
Bank of America
Bank of North Carolina
BB&T
Carolinas Healthcare Systems
Capmark Finance
Catawba Land Conservancy
Charlotte Douglas International Airport
Char/Meck Board of Education
City of Charlotte

Duke Energy Company
Fifth Third Bank
First Citizens
First National
GVA Lat Purser & Associates Incorporated
Lincoln Harris
North Carolina Bank & Trust
PNC
Regions Bank
SouthTrust Bank
Wells Fargo Corporation