

THE EXCELSIOR

921 BEATTIES FORD ROAD
CHARLOTTE, MECKLENBURG COUNTY, NORTH CAROLINA 28216

APPRAISAL REPORT
PO# PD-AFM-AFM001109

DATE OF VALUE
AS IS, AS OF JULY 9, 2018

PREPARED FOR
Peter Wasmer, Jr. AIA
AFM Project Manager
Mecklenburg County
3205 Freedom Drive, Suite 101
Charlotte, NC 28208

PREPARED BY
Sarah E. Lak
Mark T. Lambert, MAI

FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 4102

CHARLOTTE, NORTH CAROLINA 28209

PHONE: (704) 375-1032

July 27, 2018

Peter Wasmer, Jr. AIA
AFM Project Manager
Mecklenburg County
3205 Freedom Drive, Suite 101
Charlotte, NC 28208

RE: Valuation of The Excelsior Located at 921 Beatties Ford Road, Charlotte, Mecklenburg County, North Carolina 28216
PO# PD-AFM-AFM001109

Dear Mr. Wasmer:

As requested, we have inspected the above-referenced property and have prepared an Appraisal Report addressing the market value of the Fee Simple interest, As Is as of April 27, 2017 and July 9, 2018. The appraised property consists of a 0.165-acre parcel that is improved with a nightclub containing 5,071 gross building SF that was constructed in 1932. The nightclub has been vacant for several years. Only the shell of the building contributes value, in addition to minimal site improvements.

Based on our inspection and analysis, the Market Value of the property is as follows:

Estimated Market Value As Is, as of July 9, 2018
5,071 SF Nightclub on a 0.165-Acre Site, Fee Simple
\$110,000

No Hypothetical Conditions are used in this appraisal. The value estimate is subject to the following Extraordinary Assumption:

- *Mark T. Lambert, MAI and Kevin L. Hall, AICP previously appraised the subject and additional property for the client effective April 27, 2017. It is assumed the condition of the nightclub is the same as the prior inspection, which is in poor condition.*

The value estimate is supported by the data and reasoning detailed in the attached report. The reader is referred to the Assumptions and Limiting Conditions, which are included in the Addenda of the report. I certify that I have no present or contemplated future interest in the property. This appraisal report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as approved by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 34 (RTC). The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Thank you for the opportunity to be of service, and if any information or clarification is needed, please do not hesitate to contact us.

Sincerely,



Sarah E Lak
North Carolina State Registered Trainee Appraiser #T5345

704-375-1032 x 705
sarah@fortenberrylambert.com



Mark T Lambert, MAI
North Carolina State Certified General Appraiser #A3572

704-375-1032 x 706
mark@fortenberrylambert.com



FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 4102

CHARLOTTE, NORTH CAROLINA 28209

PHONE: (704) 375-1032

EXECUTIVE SUMMARY

Property and Location	The Excelsior 921 Beatties Ford Road Charlotte, Mecklenburg County, North Carolina 28216
Tax Parcel	Mecklenburg County: 069-066-21
Current Property Owner	Carla Cunningham
Prospective Property Owner	Mecklenburg County
Appraisal Dates	
Date of Report	July 27, 2018
Date of Inspection	April 27, 2017 and July 9, 2018
Date of Value, As Is	July 9, 2018
Report Format	Appraisal Report
Intended Use	To aid in possible acquisition of the subject.
Intended User	Mecklenburg County
Purpose of Appraisal	Estimate Market Value As Is
Property Rights Appraised	As Is: Fee Simple
Hypothetical Conditions	None
Extraordinary Assumptions	Mark T. Lambert, MAI and Kevin L. Hall, AICP previously appraised the subject and additional property for the client effective April 27, 2017. It is assumed the condition of the nightclub is the same as the prior inspection, which is in poor condition.
Zoning	B-1 – Neighborhood Business District, Charlotte-Mecklenburg Planning Department, Legally Nonconforming
Description	
Site	0.165 Acre or 7,187 SF
Improvements	A two-story, 5,071 SF nightclub that was constructed in 1932. The building has substantial deferred maintenance. The interior is in poor condition. Only the shell of the building contributes value. Site improvements are minimal and surface parking is provided.
Highest and Best Use	
As Vacant	To assemble for retail development
As Improved	Cure the deferred maintenance for a retail user
Appraisal Procedures	Cost Approach
Estimated Exposure Time	12 months or less
Estimated Marketing Time	12 months or less

EXECUTIVE SUMMARY
CONTINUED

Property and Location

The Excelsior
921 Beatties Ford Road
Charlotte, Mecklenburg County, North Carolina 28216

Estimated Values – As Is

Cost Approach \$110,000

Sales Comparison Approach NA

Income Approach NA

Appraisers

Mark T. Lambert, MAI
NC #A3237

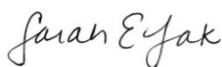
Sarah E. Lak
#T5345



CERTIFICATION

I, Sarah E. Lak, 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 not performed previous services as a consultant, 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. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report, other than those identified in the report. I have relied on surveys, floor plans, etc., provided by other professional persons who have been identified in the report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Sarah E. Lak

North Carolina State Registered Trainee Appraiser #T5345

July 27, 2018

Date

FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 4102

CHARLOTTE, NORTH CAROLINA 28209

PHONE: (704) 375-1032

CERTIFICATION

I, Mark T. Lambert, MAI, 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 previous services as a consultant, 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. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report, other than those identified in the report. I have relied on surveys, floor plans, etc., provided by other professional persons who have been identified in the report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Mark T. Lambert, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Mark T. Lambert, MAI

North Carolina State Certified General Appraiser #A3572

July 27, 2018

Date

FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 4102

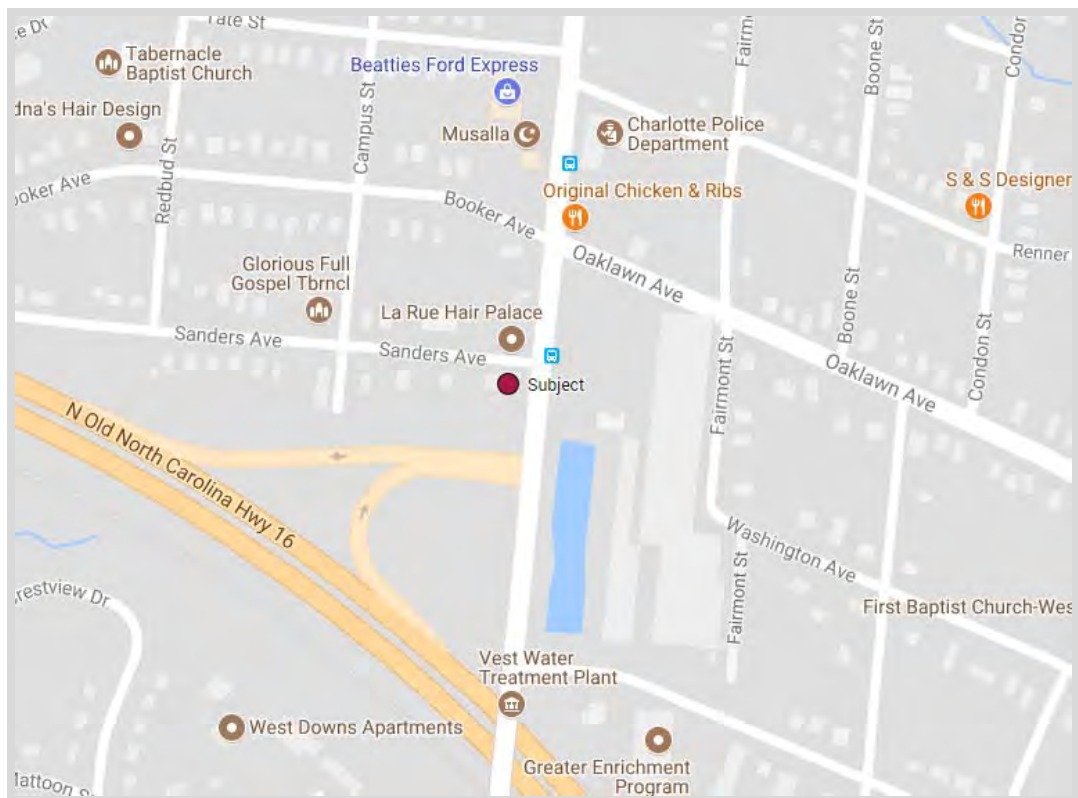
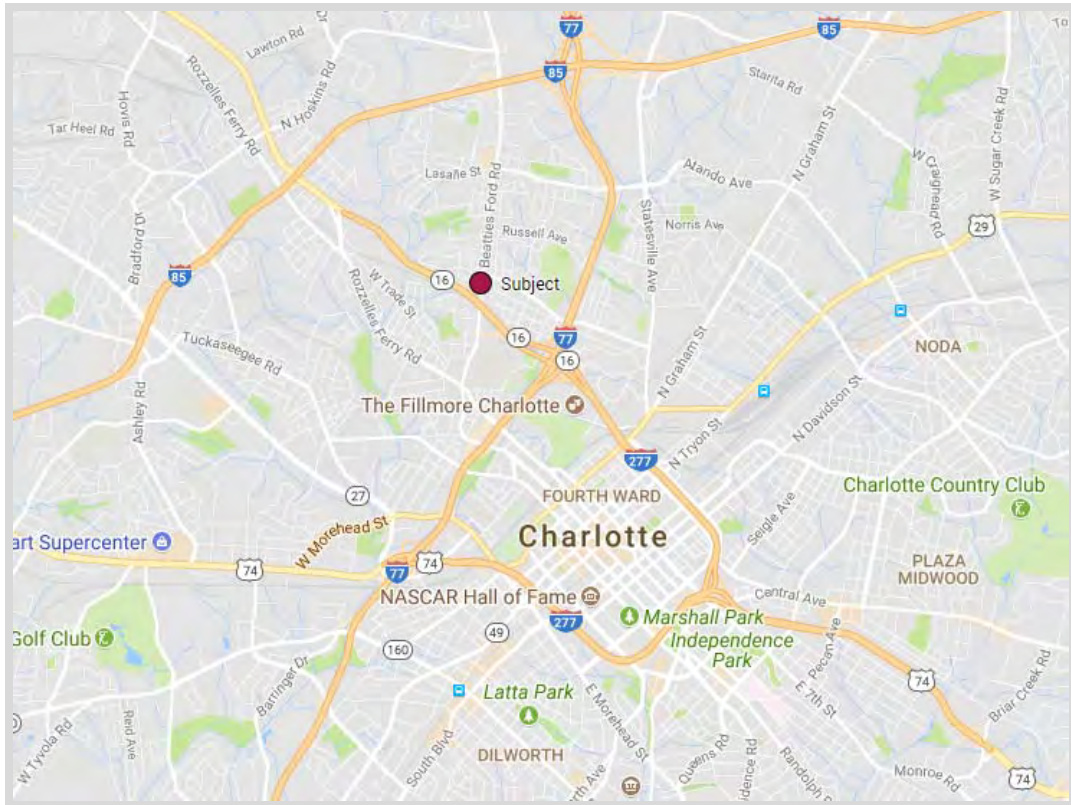
CHARLOTTE, NORTH CAROLINA 28209

PHONE: (704) 375-1032

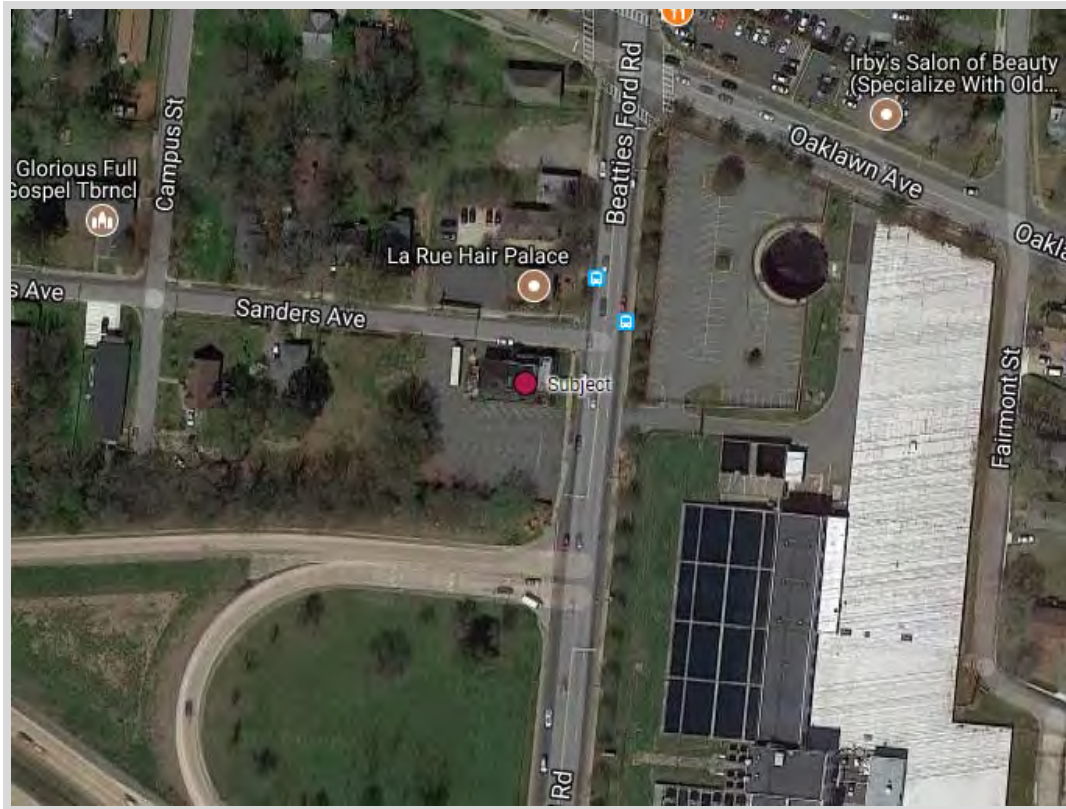
TABLE OF CONTENTS

PROPERTY IDENTIFICATION	3
GENERAL INFORMATION	3
OWNERSHIP HISTORY	6
REAL ESTATE TAXES AND ASSESSMENTS.....	7
SITE ANALYSIS.....	12
ZONING.....	14
DESCRIPTION AND ANALYSIS OF THE IMPROVEMENTS	15
REGIONAL ANALYSIS.....	19
NEIGHBORHOOD ANALYSIS	29
HIGHEST AND BEST USE ANALYSIS	33
VALUATION METHODOLOGY	36
COST APPROACH.....	36
EXPOSURE AND MARKETING TIMES.....	50
ADDENDA	51
Assumptions and Limiting Conditions	
Deed/Legal Description	
Tax Card(s)	
Engagement	
Appraiser Qualifications and Licenses	

LOCATION MAPS



AERIAL PHOTOGRAPHS



PROPERTY IDENTIFICATION

The subject of this appraisal is a 0.165-acre parcel of land that is improved with a two-story, vacant nightclub containing 5,071 SF that was constructed in 1932. Only the shell of the building and minimal site improvements contribute value.

Property	The Excelsior
Address	921 Beatties Ford Road Charlotte, North Carolina 28216
Tax Parcel	069-066-21 Mecklenburg County
Current Owner	Carla Cunningham

GENERAL INFORMATION

General information regarding the appraisal assignment follows:

Client	Mecklenburg County
Intended User	Mecklenburg County
Intended Use	To aid in possible acquisition of the subject.
Purpose	To estimate the market value of the property as is.
Report Format	Appraisal Report
Prior Appraisal Services	Mark T. Lambert, MAI previously appraised the subject for the client effective April 27, 2017. Sarah E. Lak has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.
Appraiser Competency	Mark T. Lambert, MAI is a State Certified General Real Estate Appraiser in North Carolina and has been appraising commercial properties for over 25 years, including numerous investment-quality retail properties. Sarah E. Lak is a State Registered Trainee Appraiser in North Carolina and has been appraising commercial properties for over 7 years, including numerous retail properties. The appraisers meet USPAP Competency Provision requirements.

RELEVANT DATES

Sarah E. Lak inspected the exterior of the subject on July 9, 2018. Mark T. Lambert, MAI inspected the interior of the subject on April 27, 2017. Photos included in this report were taken on these dates. The following are the relevant dates of the appraisal:

Date of Inspection	April 27, 2017 and July 9, 2018
Date of Value, As Is	July 9, 2018
Date of Report	July 27, 2018

DEFINITIONS

Market Value

Market Value is defined by the Office of the Comptroller of the Currency as follows:

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

- 1. buyer and seller are typically motivated;*
- 2. both parties are well informed or well advised, and acting in what they consider their own best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and*
- 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

As Is Market Value

As Is Market Value is defined as follows:

*"The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date."*¹

Property Rights Appraised

Fee Simple

The value of the Fee Simple interest in the property is provided; defined as follows:

*"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."*²

The absolute fee is full interest and total ownership in real property. Examples of limited ownership in real estate include leasehold rights, leased fees, life estates and other such uses. These types of ownership are limited in their rights, as compared to total fee ownership.

¹The Dictionary of Real Estate Appraisal, 6th Edition. Appraisal Institute, 2015, Page 13.

²The Dictionary of Real Estate Appraisal, 6th Edition. Appraisal Institute, 2015, Page 90.

Hypothetical Condition and Extraordinary Assumptions

The *Uniform Standards of Appraisal Practice (USPAP)* defines a **Hypothetical Condition** as:

“that which is contrary to what exists but is supposed for the purpose of analysis.”

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject or about conditions external to the property, or about the integrity of data used in an analysis.

USPAP defines an **Extraordinary Assumption** as:

“an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property.

Hypothetical Condition Used	None
Extraordinary Assumptions Used	Mark T. Lambert, MAI and Kevin L. Hall, AICP previously appraised the subject and additional property for the client effective April 27, 2017. It is assumed the condition of the nightclub is the same as the prior inspection, which is in poor condition.

SCOPE OF WORK

The scope, or the extent of the analysis, includes the following:

- *Physical inspection of the subject site, improvements, and neighborhood;*
- *Inspection of comparable properties;*
- *Site analysis including physical and legal characteristics;*
- *Improvement analysis including construction details and functional utility;*
- *Highest and best use analysis, as vacant and as improved,*
- *Use of traditional, reliable appraisal methods to arrive at an estimate of market value under each approach;*
- *Reconciliation of the values into a final opinion of market value, and;*
- *Estimates of reasonable marketing and exposure times associated with the estimated market value.*

Due to the age/condition of the improvements, the majority of the subject’s value is in the underlying land. Only the shell value of the improvements contribute value. Therefore, the Cost Approach is used to estimate the value of the fee simple interest of the subject. The Sales Comparison and Income Approaches are not used as there is limited reliable sales and rental data of properties of similar age/condition.

OWNERSHIP HISTORY

According to the Mecklenburg County Public Registry and Tax Assessor data, the most-recent transaction involving the subject property is as follows:

Current Owner of Record	Carla Cunningham
Transaction Date	May 10, 2017
Seller	H.K.L., Inc.
Deed Reference	Deed Book 31790, Page 312
Price Indicated by Excise Stamps	\$650,000 – Carla Cunningham acquired the subject and tax parcels 069-066-19 & -20 at auction out of foreclosure.
Note	Mark T. Lambert, MAI and Kevin L. Hall, AICP, previously appraised the property that was acquired in the most recent transaction for \$228,000 effective April 27, 2017. Based on this prior appraisal, the most recent transaction of \$650,000 is significantly higher than market value.
Prior Transaction	H.K.L., Inc. acquired the subject and additional property from James R. McKee and wife, Minnie J. McKee for \$600,000 on November 9, 1984 (Deed Book 4929, Page 452).
Pending Transaction	None
Listing	None

REAL ESTATE TAXES AND ASSESSMENTS

The subject is located within the city limits of Charlotte in Mecklenburg County. According to GS 105-286, all counties in North Carolina are required to conduct a reappraisal every 8 years, although some counties have elected for a shorter cycle. For Mecklenburg County, the last Revaluation was effective 2011 and the next one is scheduled for 2019. County and City tax rates are set by the respective municipalities every summer. Tax rates for 2018 will not be set until the summer of 2018 and are set by the City of Charlotte and Mecklenburg County. The following table shows historic tax rates for the City of Charlotte and Mecklenburg County:

City of Charlotte & Mecklenburg County

Historical Tax Rates

Year	City of Charlotte		Mecklenburg County		Combined	
	Rate	Annual Change	Rate	Annual Change	Rate	Annual Change
2011 Revaluation	0.4370	N/A	0.8166	N/A	1.2536	N/A
2012	0.4370	0.0%	0.7922	-3.0%	1.2292	-1.9%
2013	0.4687	7.3%	0.8157	3.0%	1.2844	4.5%
2014	0.4687	0.0%	0.8157	0.0%	1.2844	0.0%
2015	0.4787	2.1%	0.8157	0.0%	1.2944	0.8%
2016	0.4787	0.0%	0.8157	0.0%	1.2944	0.0%
2017	0.4787	0.0%	0.8157	0.0%	1.2944	0.0%
Average % Change		1.6%		0.0%		0.6%
Projected 2018	0.4814	0.6%	0.8202	0.6%	1.3016	0.6%
Since 2011 Revaluation, Non-Revaluation Years Only						
Source: Mecklenburg County Property Assessment & Land Records Management						
Notes: Revaluation year is 2011.						

The tax liability for the subject is shown on the accompanying table and includes a projected combined 2018 tax liability increase of 0.6%:

Estimated Tax Liability

Current Owner: Carla Cunningham
Tax Parcel: 069-066-21

<u>Component</u>	<u>Size</u>	<u>Assessment/Unit</u>	<u>Assessed Value</u>
Land	7,187 SF	\$1.82 /SF	\$13,100
Features/Yard Items	N/A	N/A	\$0
Improvements	5,071 SF	\$40.78 /Bldg SF	\$206,800
Subtotal for Parcel		\$43.36 /Bldg SF	\$219,900
Assessment		100%	\$219,900
Deferred			\$109,950
Total Assessed Value			\$109,950

Projected 2018 Tax Rates (per \$100)

Mecklenburg County	0.8202
City of Charlotte	0.4814
Other	0.0000
Combined	1.3016

Tax Liability (Assessment/\$100 x Tax Rate)

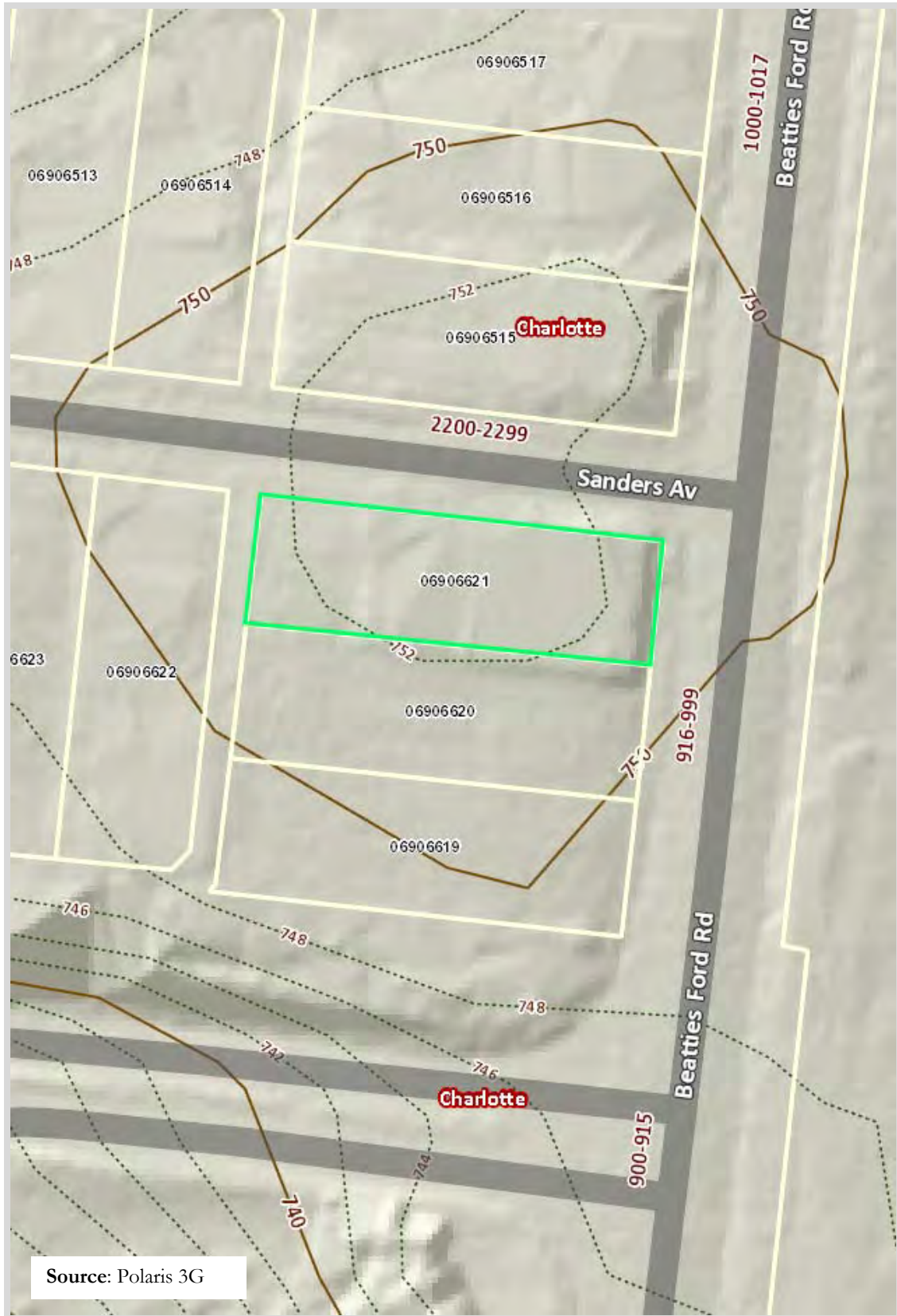
2017 Tax Bill and Status	\$1,423.19	Paid
Projected 2018 Tax Bill	\$1,431.11	Unpaid

Source: Mecklenburg County Property Assessment & Land Records Management

Notes: Sizes shown are actual and may differ from tax records. Subject's projected 2018 tax liability is based on a 0.6% tax rate increase.

The property owner is exempt from paying a portion of the real estate taxes due to a historical tax exemption. The assessed value of the subject is significantly higher than the value estimated in this appraisal. However the estimated market value of the subject is well supported by market data. A tax appeal is warranted.

TAX MAP



TAX MAP AERIAL



FEMA FLOODPLAIN MAP
PANEL 3710454500K, SEPTEMBER 2, 2015



SITE ANALYSIS

General	
Information for the subject is based on a review of tax maps, aerial maps, Mecklenburg County GIS information, FEMA floodplain map, a legal description, and a personal inspection.	
Location	921 Beatties Ford Road Charlotte, Mecklenburg County, North Carolina 28216
Tax Parcel	069-066-21 (Mecklenburg County)
Current Use	Vacant Nightclub
Land Area	0.165 Acre, or 7,187 SF
Building Coverage Ratio	71% - There is no excess or surplus land.
Zoning	B-1 - Neighborhood Business District Charlotte-Mecklenburg Planning Department
Shape	Rectangular and functional
Frontage	55 feet on Beatties Ford Road and 150 feet on Sanders Avenue
Access	One access point from Sanders Avenue
Topography	Generally Level
Floodplain/Water Quality Buffers	FEMA Map Panel 3710454500K, dated September 2, 2015 Located in Zone X; no portion of site lies within a flood hazard area.
Watershed	Irwin Watershed
Wetlands	No wetland studies were provided and the report assumes there are no wetlands.
Soil & Environmental Concerns	No environmental or soil reports were provided. The values reported are based on the assumption that the subject site meets all Environmental Protection Agency requirements and regulations.
Utilities	The site has access to all municipal and private utilities.
Easements & Encroachments	There are typical utility and road right-of-way easements that are common and not detrimental for development.
Improvement(s)	A two-story, vacant nightclub containing 5,071 SF, with associated site improvements and surface parking. The building is in poor condition.
Conclusion	All characteristics of the site are functionally adequate for development to its highest and best use.

ZONING MAP



ZONING

According to the Charlotte-Mecklenburg Planning Department, the subject is zoned B-1, Neighborhood Business District. The B-1 district is designed primarily for retail and office uses, with some residential uses. Industrial uses are not permitted. According to the Zoning Ordinance,

“The purpose of the B-1 (Neighborhood Business) district is to create and protect business centers for the retailing of merchandise such as groceries, drugs and household items and the provision of professional services for the convenience of dwellers of nearby residential areas.”

Development Standards, B-1 District

<u>Standard</u>	<u>B-1</u>
Minimum Lot Area SF (Nonresidential)	8,000
Minimum Lot Width (Nonresidential)	50 Feet
Minimum Front Setback	20 Feet
Minimum Side Yard (Nonresidential)	None
Minimum Rear Yard (Nonresidential)	None
Maximum Building Height	40 Feet
Parking	1 Space/250 SF

Source: *City of Charlotte Zoning Ordinance*

The improvements are located within the front setback of the site and the site does not meet the minimum lot area requirement of 8,000 SF. Additionally, the site is improved with a 5,071 SF nightclub and is required to have a minimum of 20 parking spaces. The site has 3 parking spaces and does not meet the minimum parking requirements as required by the zoning ordinance. The subject is a legal, nonconforming use and is considered grandfathered.

DESCRIPTION AND ANALYSIS OF THE IMPROVEMENTS

It is assumed the interior of the improvements are in similar condition as of the date of the prior appraisal, or April 27, 2017. The description of the improvements is based on the prior appraisal.

Building Area	A two-story nightclub containing 5,071 SF
Occupant	None
Occupancy	Vacant
Foundation	Basement with concrete slab.
Floor System	Poured concrete footings with wood structure.
Structural Frame	Steel
Exterior Walls	Concrete block with stucco finish.
Roof Structure	Rubber membrane with some metal accents. Roof is deteriorating in numerous locations.
Doors/Windows	Glass with wood-framed windows upstairs along sides of building; glass block windows in front of building on 1 st and 2 nd floors. Wood door on side of building, and two metal doors at rear. Front door was glass with aluminum framing, but at time of inspection was closed off with wallboard. Interior doors are solid core wood and hollow aluminum.
Loading Doors	None
Drive-Through	None
Interior Partitions	Painted drywall, some with glass covering.
Floor Covering	Ceramic tile and vinyl in kitchen and bathrooms; hardwoods and thin, flat carpeting in lounge areas.
Ceiling Type/Height	Suspended acoustical tile, exposed steel frames with 9-foot ceilings. Ceiling was collapsed and deteriorating in several locations with leaks from roof.
Lighting	Some light fixtures with ceiling fans, some track lighting, some boxed fluorescent fixtures, some recessed can lighting, and some hanging incandescent lighting. Power was off during inspection.
HVAC	Three HVAC units (two downstairs, one upstairs); two window units upstairs.
Plumbing/Fire System/Safety	Men's and women's bathrooms upstairs and downstairs; all in poor condition with deteriorated flooring and ceilings. According to the property owner, the majority of the plumbing system needs to be replaced. The building is wired for a security system, but it is not monitored.
Year Built and Condition	1932; The layout of the space is functional for a retail/restaurant user. The building is in poor condition.
Site Improvements	Asphalt parking lot and minimal landscaping

DEFERRED MAINTENANCE

This is curable, physical deterioration that needs immediate correction, but does not suggest inadequate maintenance in the past. The nightclub has significant deferred maintenance that will require immediate correction in order to ready the building for occupancy, including renovating the entire interior, replacing doors, replacing electrical wiring, plumbing, and the roof.

FUNCTIONAL UTILITY

According to the *Dictionary of Real Estate Appraisal*, 6th Edition, 2015, page 97, functional utility is "*the ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms.*" The design, size, and layout of the subject are consistent with similar nightclubs in the market.

ACTUAL AND EFFECTIVE AGE

The building was originally constructed in 1932. The building has an actual age of 86 years. The shell of the building, which includes concrete block walls and a wood masonry frame, has an estimated effective age of 36 years.

ECONOMIC LIFE & REMAINING ECONOMIC LIFE

Economic life refers to the period of time over which improvements to real property contribute to value. Subsequently, remaining economic life is the estimated time the improvements will continue to contribute to property value. In order to estimate an economic life for the subject property, the *Marshall Valuation Service* cost manual was reviewed and local developers were contacted.

The interior of the building is in poor condition with little or no economic life remaining. The interior will likely be completely gutted and retrofitted, including the replacement of the plumbing and electrical systems. The estimated economic life of the shell building is 40 years, with an effective age of 36 years and a remaining economic life of 4 years.

SUMMARY

The nightclub is functional, but will require repairs and remodeling prior to occupancy.

SUBJECT PHOTOS – TAKEN JULY 9, 2018



BEATTIES FORD ROAD FACING NORTH



FRONT VIEW



FRONT AND SIDE VIEW



SIDE VIEW

SUBJECT PHOTOS – TAKEN APRIL 27, 2017



DANCE FLOOR AND STAGE AREA



FRONT BAR AREA



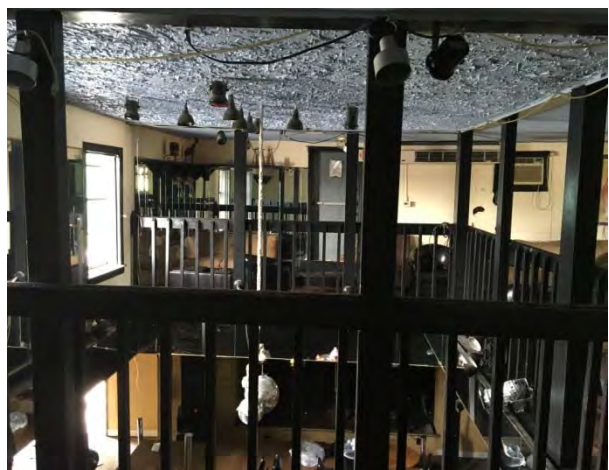
FRONT MEN'S BATHROOM



UPSTAIRS LOUNGE AREA

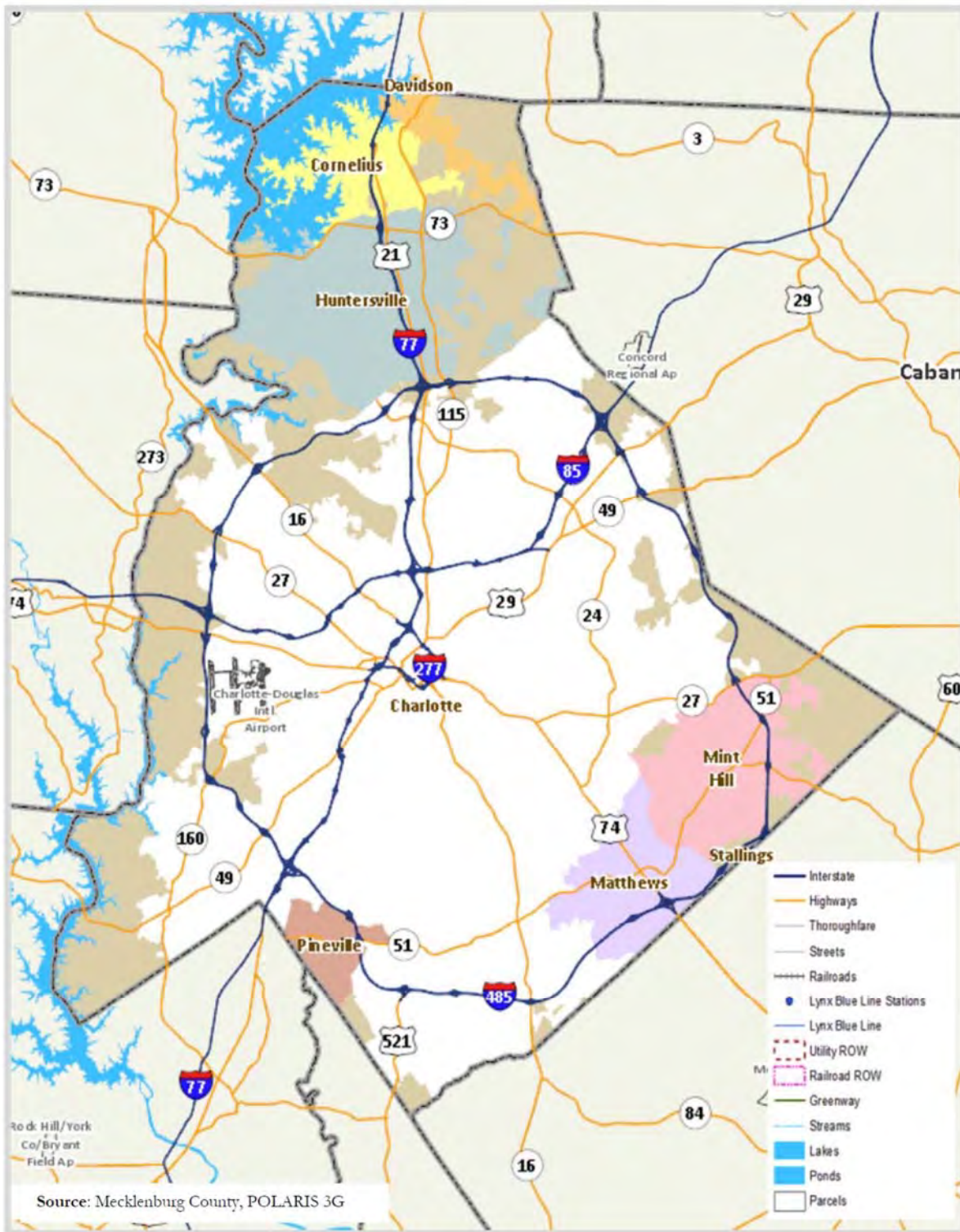


KITCHEN



UPSTAIRS LOFT OVERLOOKING STAGE

MECKLENBURG COUNTY



The Charlotte region's accessibility is one of the drivers for the local economy, with good connectivity to the Carolina region and beyond. Interstate 85 connects the region southwest to Greenville-Spartanburg and Atlanta, and northeast to Greensboro, Raleigh, and Richmond, Virginia and I-95. Interstate 77 runs south to Columbia, SC, where it connects to I-26. Interstate 26 runs southeast to Charleston, SC, which is 210 miles and the closest port city to Charlotte. To the north, I-77 connects to I-40 at Statesville, and to I-81 in Virginia. Interstate 40 also connects west to the Asheville area and western NC. Charlotte's outer loop, I-485, was completed in 2016, enhancing the region's accessibility. Primary US Highways traverse the region and include US Highways 21, 29, 74, 321, 521, and 601. The following map illustrates the area's Interstate network and regional accessibility:

CHARLOTTE REGIONAL ACCESSIBILITY



The Charlotte Area Transit System (CATS) operates bus service to surrounding suburban communities in both North and South Carolina. CATS also operates a light rail line that runs south to Pineville from the CBD and northeast from the CBD to the UNC Charlotte area. The extension from the CBD to the UNC Charlotte area was recently completed.

Charlotte's distribution is an important economic driver for the region, with reliance on a good Interstate network and the Charlotte-Douglas International Airport, which is the region's center for air travel. On a nationwide basis, the airport is currently ranked 5th in Operations, 9th in the number of Passengers, and 32nd in Cargo Tons. With about 720 daily flights, service is provided to 155 nonstop destinations, including 6 international locations. Norfolk-Southern's intermodal transportation facility, located at the airport, has enhanced Charlotte's distribution capabilities. A well-established network of ground transportation and support facilities complements Charlotte's air service. Norfolk Southern Railway and CSX Transportation link over 40,000 miles of rail between Charlotte and 23 eastern states.

DEMOGRAPHIC TRENDS

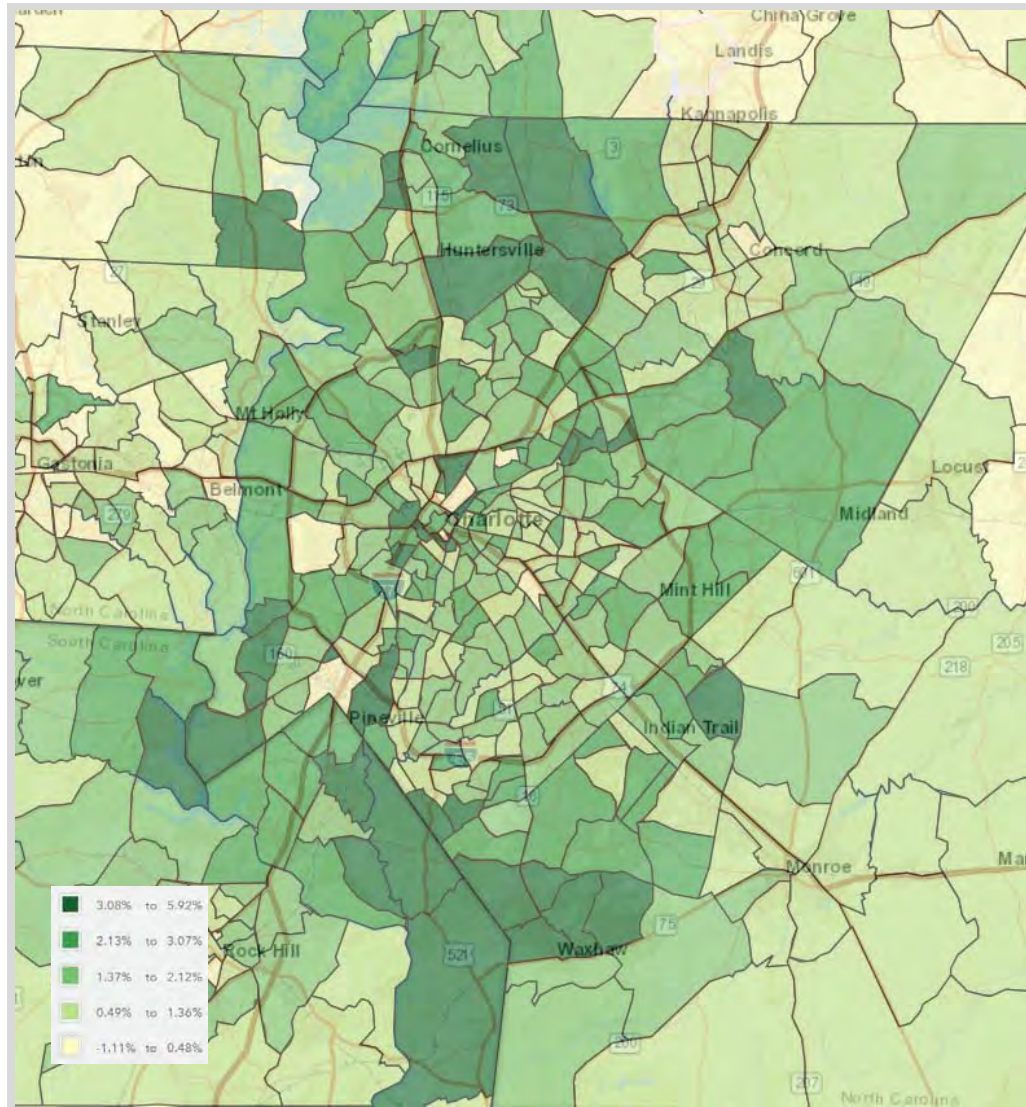
According to ESRI demographic information, Charlotte is the 17th-largest city in the US and the largest city in the Carolinas. The following table outlines key demographic data for Charlotte, Mecklenburg County, and the MSA:

Demographic Summary

	City of Charlotte	Mecklenburg County	Charlotte MSA
<u>Population</u>			
2023 Projection	949,819	1,206,295	2,804,119
2018 Estimate	860,679	1,092,533	2,565,531
2010 Census	735,298	919,628	2,217,012
Annual % Change 2010-2018	2.0%	2.2%	1.8%
Projected Annual % Change 2018-2023	2.0%	2.0%	1.8%
<u>Households</u>			
2023 Projection	371,435	468,211	1,061,951
2018 Estimate	337,200	425,174	973,828
2010 Census	291,379	362,213	848,745
Annual % Change 2010-2018	1.8%	2.0%	1.7%
Projected Annual % Change 2018-2023	2.0%	1.9%	1.7%
2018 Average Household Size	2.6	2.6	2.6
<u>Median Household Income</u>			
2023 Projection	\$64,307	\$68,379	\$65,587
2018 Estimate	\$58,474	\$62,072	\$58,861
Projected Annual % Change 2018-2023	1.9%	2.0%	2.2%
<u>Median Owner-Occupied Housing Values</u>			
2023 Projection	\$220,770	\$240,098	\$231,361
2018 Estimate	\$194,450	\$210,512	\$195,009
Projected Annual % Change 2018-2023	2.6%	2.7%	3.5%
<u>Housing Summary</u>			
2018 Owner-Occupied	47.6%	51.4%	59.5%
2018 Renter-Occupied	43.9%	40.6%	31.9%
% Vacant	8.5%	7.9%	8.6%
Source: US Census Bureau, Census 2010. ESRI estimates and forecasts for 2018 and 2023.			

Mecklenburg County and the City of Charlotte are projected to have an annual population growth of 2.0% and 1.9%, respectively, over the next 5 years. The map below shows projected population growth on the Census Tract level from 2017 to 2022. Although the entire area is growing, most of the population increases are centered on the urban core of the region. Population growth in the central portion of Charlotte is primarily driven by multifamily development. Slower-growth areas include western Gaston and Lincoln counties, which are mostly rural areas.

PROJECTED ANNUAL POPULATION GROWTH 2017 – 2022



ECONOMY

According to the North Carolina Department of Commerce, Division of Employment Security data, MSA employment grew at a healthy average of 4.8% per year from 2013 to 2017. The following table outlines employment trends for the MSA:

5-Year Employment Trends Charlotte MSA

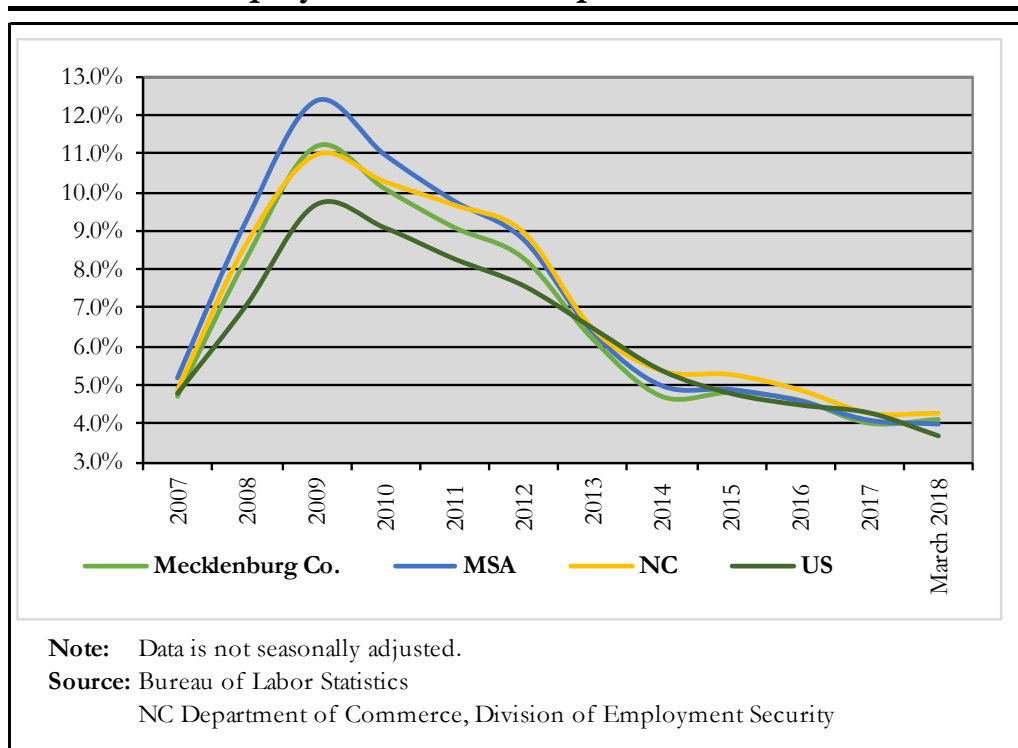
Year	Employment	Growth (Jobs)	% Growth	Unemployment Rate
2013	1,102,543	25,205	2.3%	6.4%
2014	1,146,156	43,613	4.0%	5.3%
2015	1,191,950	45,794	4.0%	4.9%
2016	1,225,922	79,766	7.0%	4.6%
2017	1,271,766	79,816	6.7%	4.1%
Mar-18	1,288,383	-	-	4.0%
Average 2013-2017	1,187,667	54,839	4.8%	5.1%

Note: Annual data is from December of each year, unadjusted.

Source: NC Employment Security Commission

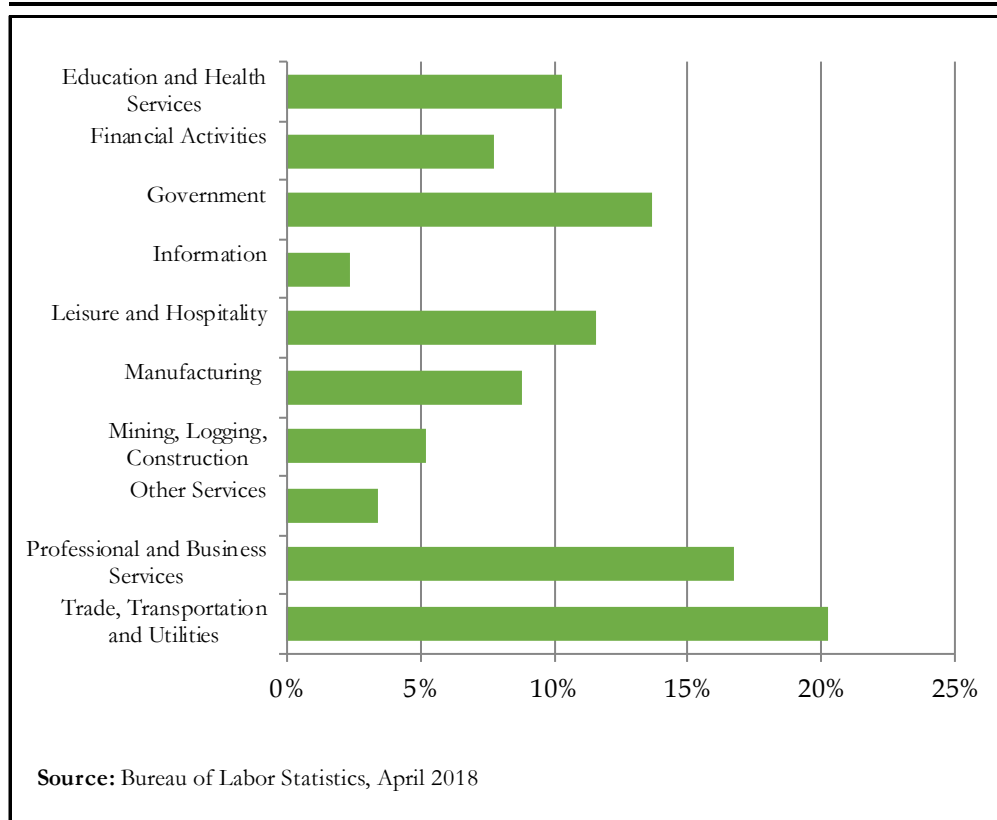
Unemployment for the MSA and Mecklenburg County have typically remained below national and statewide averages, which changed in late 2008, with the financial crisis and substantial local job losses. The most recent rates are 4.1% for Mecklenburg County and 4.0% for the MSA. North Carolina is slightly higher, at 4.3%. Nationally, unemployment is 3.7%. Historical unemployment rates are compared in the following graph:

10-Year Unemployment Rate Comparison



Charlotte's regional economy is diversified among the financial, manufacturing, trade, services and government sectors. As shown in the accompanying graph, the Trade, Transportation and Utilities sector of the economy has the largest proportionate share of employed workers.

Employment by Industry, Proportionate Share Charlotte MSA



There are about 300 Fortune 500 companies represented in the Charlotte region. Six have headquarters in the area:

Charlotte-Area Fortune 500 Headquarters

# Rank	Company	Location	Industry
26	Bank of America	Charlotte	Commercial Banking
40	Lowe's	Mooresville (Iredell Co.)	Retail
121	Duke Energy	Charlotte	Electric Utility
169	Nucor	Charlotte	Steel Manufacturing
287	Sonic Automotive	Charlotte	Car Dealerships
397	Sealed Air	Charlotte	Packaging

Source: Charlotte Chamber

The MSA's Top 10 non-governmental employers:

**Charlotte Area
Top 10 Largest Employers**

<u>Company</u>	<u># Employed</u>	<u>Company</u>	<u># Employed</u>
1 Carolinas Health System	35,000	6 Food Lion (Delhaize America)	10,859
2 Wells Fargo	24,100	7 Novant	9,679
3 Walmart Stores, Inc.	16,100	8 Lowe's, Inc.	8,500
4 Bank of America	15,000	9 Duke Energy Corp	8,487
5 American Airlines Group	11,500	10 Harris-Teeter/Kroger	8,239

Source: *Charlotte Business Journal* July 2017

Charlotte is a primary banking center for the US. The area has over 85,000 employees in the financial activities sector and is home to a branch of the US Federal Reserve. Charlotte is the headquarters for Bank of America and Wells Fargo bank has a regional headquarters in Charlotte.

The region has an extensive network of ground transportation, including the country's largest consolidated rail system, cargo airlines and freight forwarders facilitates distribution. Distribution opportunities were recently enhanced when Norfolk Southern completed its intermodal transportation facility at the airport. Following are the area's largest distribution centers, ranked by size (SF):

**Charlotte Area
Largest Distribution Centers**

<u>Company</u>	<u>Million SF</u>	<u>Company</u>	<u>Million SF</u>
1 Target	1.50	6 Ross Stores, Rock Hill	1.20
2 Lowe's, Inc.	1.47	7 Family Dollar	1.14
3 Black & Decker	1.37	8 Energizer	1.00
4 Ross Stores, Ft Mill	1.30	9 RSI Home Products	1.00
5 Walmart Stores, Inc	1.25	10 Stanley Tools	0.93

Source: *Charlotte Business Journal* November 2016

Manufacturing has historically been a key element of Charlotte's economy. The region's manufacturers are in many different fields, including non-electrical and electrical machinery, metal working and chemicals. Major manufacturers in the MSA represent every major NAICS category. The Charlotte Chamber and Regional Partnership are placing emphasis on high-tech, bio-tech and other knowledge-based industries. An example is the continuing expansion of the 350-acre North Carolina Research Campus (NCRC), located in Kannapolis, which focuses on biotechnology related to food and nutrition. The NCRC includes several university-run research facilities and will have over 1 million SF of lab space when completed. The NCRC has a recent endowment of \$15 million per year in perpetuity by founder David Murdock.

REAL ESTATE

Historically, Charlotte's growth in employment and population has created an ongoing demand for new housing, and residential building activity has kept pace with the growth. Construction activity dipped in 2009-2012 as a result of the financial crisis. Recent activity, however, has increased somewhat, as shown on the accompanying graph:

**5-Year New Building Permit Trends
Mecklenburg County**



Charlotte is experiencing a very active residential transaction market. The following graphic outlines key statistics for the Charlotte region, provided by the Charlotte Regional Realtor Association's MLS service:

Key Metrics	April			Year to Date		
	2017	2018	Percent Change	Thru 4-2017	Thru 4-2018	Percent Change
New Listings	5,734	5,773	+ 0.7%	20,961	20,370	- 2.8%
Pending Sales	4,739	5,245	+ 10.7%	16,908	17,423	+ 3.0%
Closed Sales	3,963	4,028	+ 1.6%	13,832	13,684	- 1.1%
Median Sales Price*	\$223,498	\$240,000	+ 7.4%	\$211,000	\$230,000	+ 9.0%
Average Sales Price*	\$270,241	\$292,158	+ 8.1%	\$260,746	\$277,395	+ 6.4%
Percent of Original List Price Received*	97.2%	97.4%	+ 0.2%	96.6%	96.9%	+ 0.3%
List to Close	99	94	- 5.1%	106	101	- 4.7%
Days on Market Until Sale	49	44	- 10.2%	55	50	- 9.1%
Cumulative Days on Market Until Sale	59	53	- 10.2%	64	60	- 6.3%
Inventory of Homes for Sale	11,008	8,515	- 22.6%	--	--	--
Months Supply of Inventory	2.8	2.1	- 25.0%	--	--	--

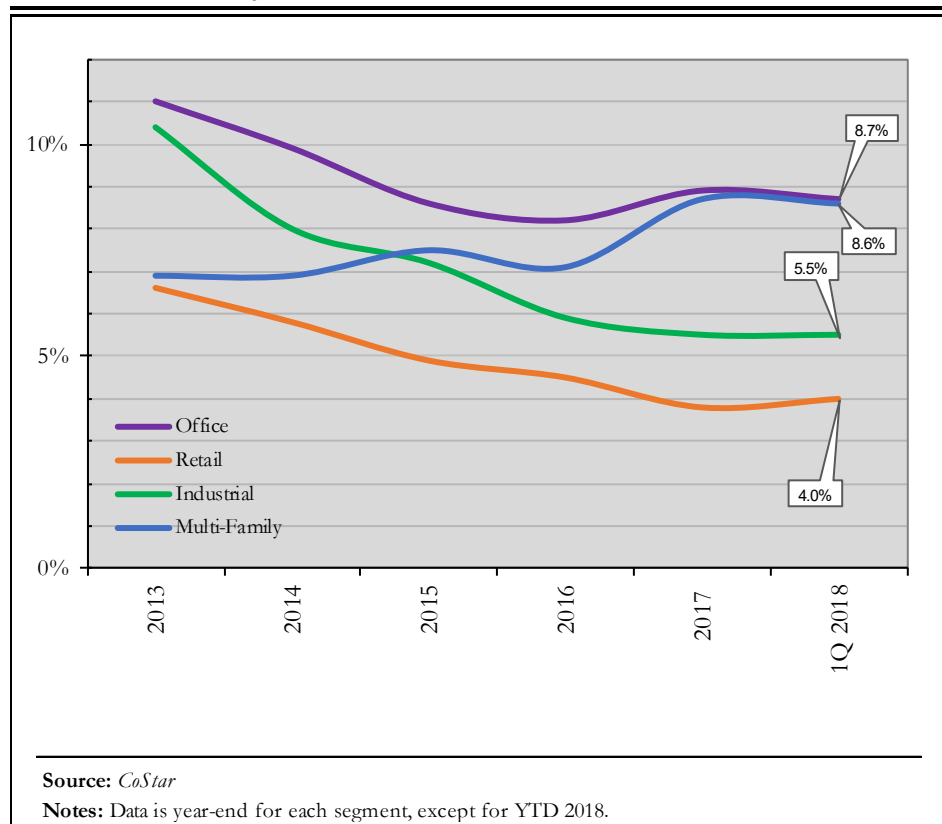
* Does not account for sale concessions and/or downpayment assistance. | Percent changes are calculated using rounded figures and can sometimes look extreme due to small sample size.

Virtually all of the key data for the residential market is positive, with the exception of New Listings, which are down 2.8% from one year ago. The total number of homes for sale is down 22.6% from one year ago. This points to a developing problem in the market, where demand is outpacing supply.

Metrostudy's 1Q18 survey of the Charlotte new homes market shows that 2,908 homes were started, a 6.9% year over year increase. While overall market production increased, new home starts on product priced under \$200,000 decreased 39% from a year ago. The segment comprises 14% of Charlotte's starts, down from 18.2% a year ago.

Vacancy rates for all segments of commercial real estate have generally trended downward since 2010, although Office and Multifamily saw some upticks in 2016. Overall, vacancy rates have been below 10% for an extended period. The following graph shows 5-year vacancy trends:

5-Year Vacancy Comparison



CONCLUSIONS

The Charlotte MSA region consists of almost 2.5 million people in 10 counties, straddling the North Carolina-South Carolina state line. It is strategically located in the center of the East Coast, within a day's motor freight delivery to 60% of the US population and over 60% of the nation's industrial base. Charlotte is home to the headquarters of six Fortune 500 companies. Positive characteristics include a relatively low cost of doing business, a diversified industrial structure, and a rapidly-growing population base due to in-migration. Recent announcements include an ambitious plan to expand Charlotte's light rail network, and several new business expansion opportunities. Negatives for the area include the potential for a cyclical job market, with reliance on the financial sector of employment.

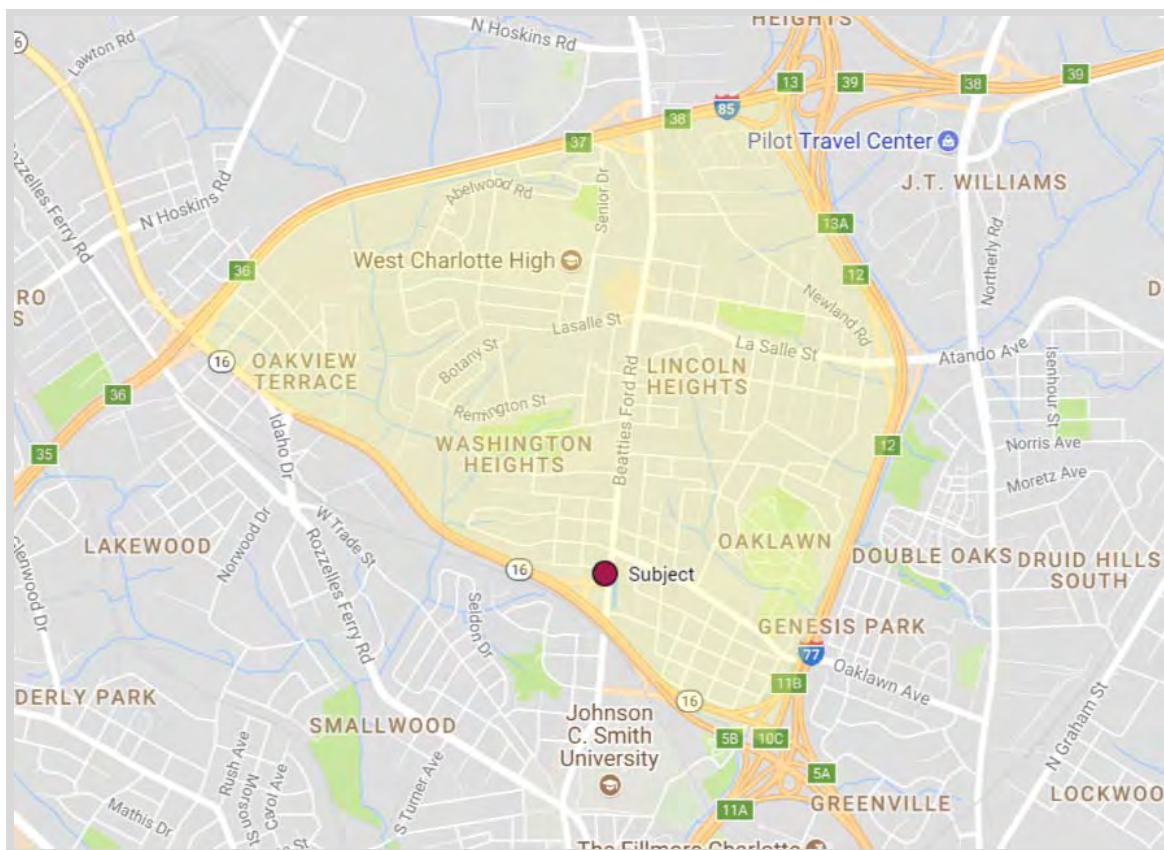
NEIGHBORHOOD ANALYSIS

The Dictionary of Real Estate Appraisal, 6th Edition, 2015, page 156, defines a neighborhood as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

LOCATION/BOUNDARIES

The neighborhood is located immediately adjacent to Charlotte's central business district, which consists of several smaller neighborhoods comprised primarily of residential uses. Commercial uses are concentrated along Beatties Ford Road and Brookshire Boulevard (NC Highway 16). The following map shows the neighborhood boundaries and location of the subject within the neighborhood:

NEIGHBORHOOD MAP



ACCESSIBILITY

Primary access to the neighborhood is provided by I-85, I-77, Brookshire Boulevard (NC Highway 16) and Beatties Ford Road. I-85 connects the neighborhood to other areas of Charlotte to the northeast and southwest. I-77 connects the neighborhood to I-485 and other areas of Charlotte to the north and Charlotte's CBD to the south. Brookshire Boulevard (NC Highway 16) connects the neighborhood to Lincoln County to the northwest and I-277 to the southeast. Beatties Ford Road connects the neighborhood to Huntersville to the north. Access to the neighborhood is very good.

UTILITIES

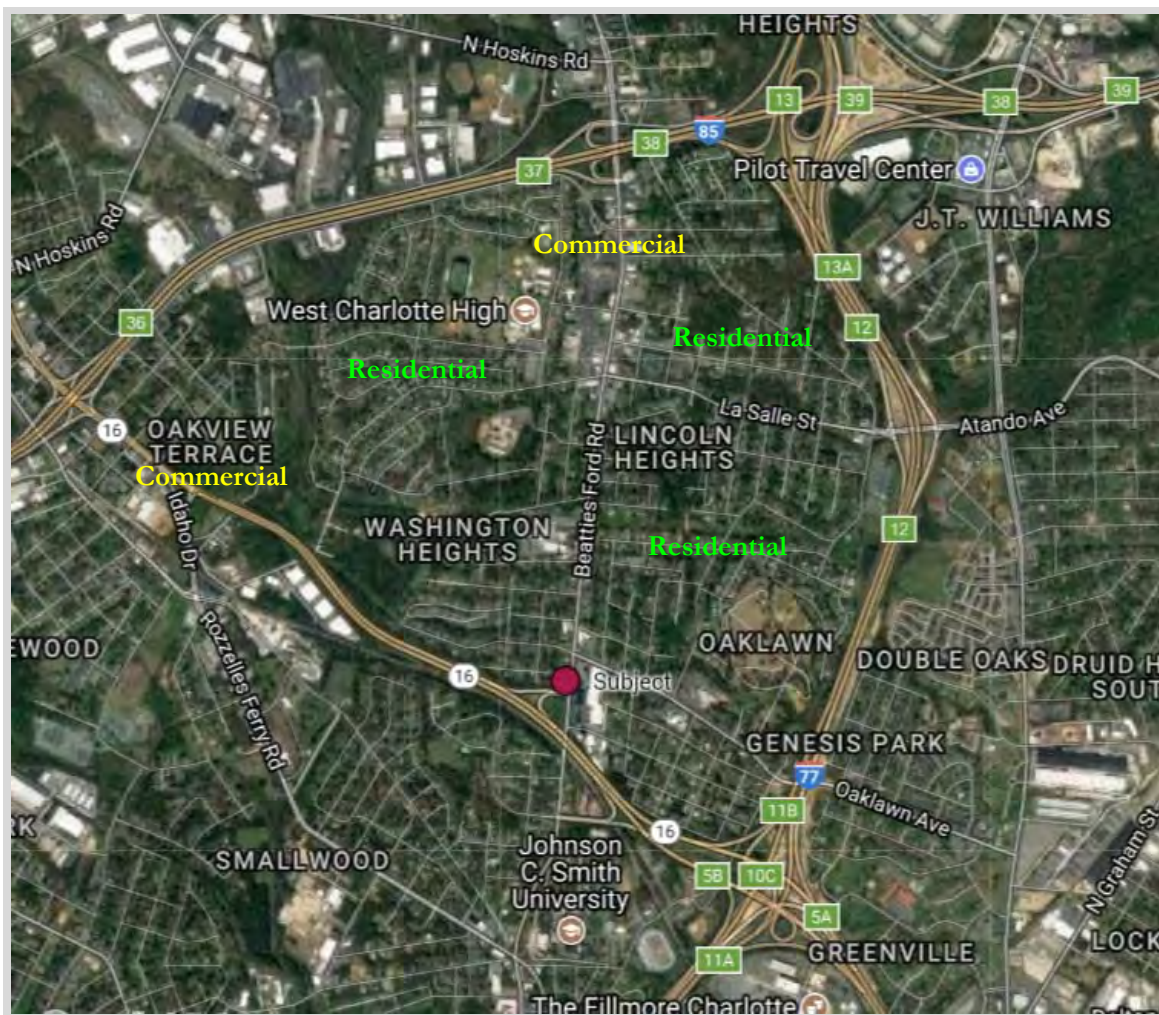
The subject neighborhood has access to all utilities, including water and sewer, electricity, natural gas, and telecommunications services provided by private companies.

LAND USE PATTERN/DEVELOPMENT ACTIVITY

The neighborhood is primarily comprised of residential uses, specifically older single-family dwellings on smaller lots. Commercial uses are concentrated along Beatties Ford Road and Brookshire Boulevard (NC Highway 16), and include Liberty Tax Service, Boost Mobile, Family Dollar, and Bank of America. There has been some revitalization in the neighborhood with various renovations of older commercial properties in the neighborhood.

There are no known zoning changes or applications for change that would have a negative impact in the neighborhood. The zoning districts and land use pattern are compatible.

NEIGHBORHOOD LAND USE



BUILT-UP/LIFE CYCLE

The surrounding neighborhood is approximately 95% built up with minimal vacant land available for new development. Considering the life cycles that neighborhoods have, growth, stability, decline and revitalization--the subject is believed to be in a revitalization stage.

ENVIRONMENTAL CHARACTERISTICS

The primary environmental characteristics to be considered are any nuisances or hazards as a result of land uses within the subject neighborhood. The appraisers are unqualified to determine the existence of hazardous materials; however, based on an inspection of the area, this report assumes there are no adverse nuisances or hazards that would impact property values in a negative way.

DEMOGRAPHICS

The accompanying table summarizes past, current and projected demographics for the neighborhood. City of Charlotte, Mecklenburg County, and MSA data is shown for comparison. The demographic profile for the neighborhood indicates incomes and housing values that are significantly below the larger geographies. Projected growth rates for the neighborhood are below the larger geographies, indicating there is minimal vacant land available for new development.

Demographic Summary

	Neighborhood	City of Charlotte	Mecklenburg County	Charlotte MSA
<u>Population</u>				
2023 Projection	8,033	949,819	1,206,295	2,804,119
2018 Estimate	7,767	860,679	1,092,533	2,565,531
2010 Census	7,476	735,298	919,628	2,217,012
Annual % Change 2010-2018	0.5%	2.0%	2.2%	1.8%
Projected Annual % Change 2018-2023	0.7%	2.0%	2.0%	1.8%
<u>Households</u>				
2023 Projection	3,036	371,435	468,211	1,061,951
2018 Estimate	2,962	337,200	425,174	973,828
2010 Census	2,902	291,379	362,213	848,745
Annual % Change 2010-2018	0.3%	1.8%	2.0%	1.7%
Projected Annual % Change 2018-2023	0.5%	2.0%	1.9%	1.7%
2018 Average Household Size	2.6	2.6	2.6	2.6
<u>Median Household Income</u>				
2023 Projection	\$30,687	\$64,307	\$68,379	\$65,587
2018 Estimate	\$27,943	\$58,474	\$62,072	\$58,861
Projected Annual % Change 2018-2023	1.9%	1.9%	2.0%	2.2%
<u>Median Owner-Occupied Housing Values</u>				
2023 Projection	\$86,052	\$220,770	\$240,098	\$231,361
2018 Estimate	\$82,289	\$194,450	\$210,512	\$195,009
Projected Annual % Change 2018-2023	0.9%	2.6%	2.7%	3.5%
<u>Housing Summary</u>				
2018 Owner-Occupied	31.5%	47.6%	51.4%	59.5%
2018 Renter-Occupied	53.1%	43.9%	40.6%	31.9%
% Vacant	15.4%	8.5%	7.9%	8.6%
Source: US Census Bureau, Census 2010. <i>ESRI</i> estimates and forecasts for 2018 and 2023.				

CONCLUSION

The neighborhood is located immediately adjacent to Charlotte's central business district, which consists of several smaller neighborhoods comprised primarily of residential uses. Demographics for the neighborhood are significantly below the larger geographies. The neighborhood is in the revitalization stage which should continue in the future as older properties continue to be renovated and redeveloped.

HIGHEST AND BEST USE ANALYSIS

The Dictionary of Real Estate Appraisal, 6th Edition, 2015, page 156, defines a neighborhood as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

HIGHEST AND BEST USE, AS VACANT

Physically Possible

The site contains 0.165 acre, or 7,187 SF, of gently sloping topography. The site has good access and road frontage and is not encumbered by floodplain, water quality buffers, or easements. There are no physical limitations, other than the size of the site, which would limit its development to the highest and best use. The site should be assembled to improve its utility.

Legally Permissible

The property is zoned B-1, Neighborhood Business District, which permits a variety of commercial (retail, office) and some residential uses. Drive-through establishments are not permitted. The appraisers are not aware of any restrictions or private covenants that would limit the potential use of the subject. Given the subject's zoning, location, access/frontage, and surrounding land use, the most likely legally permissible use is retail. However, the subject should be assembled to improve its utility.

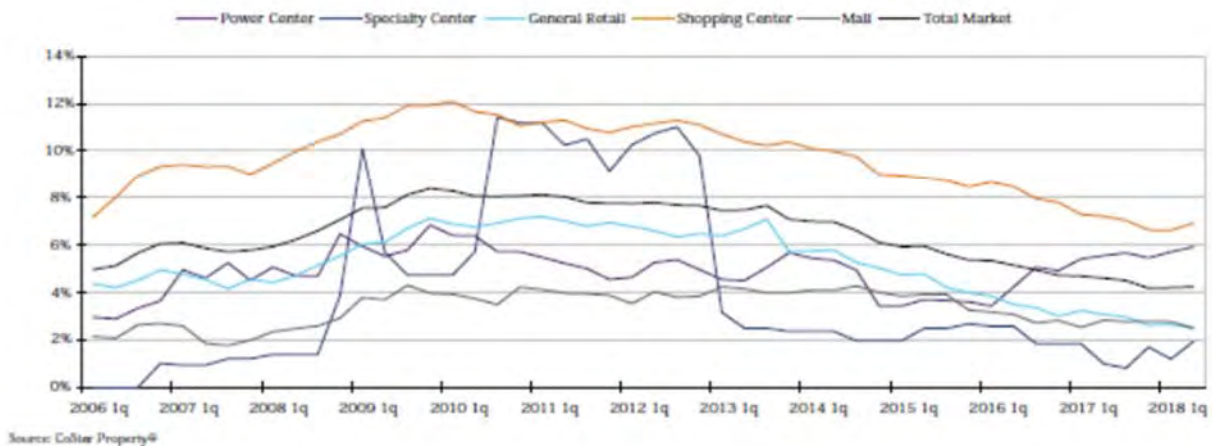
Financially Feasible

The third guideline for determining highest and best use for the site, as if vacant, is what use would bring a positive cash flow to the investor? In other words, which uses are financially feasible? The subject is located along an established inner-city business corridor approximately 0.25 mile northwest of Charlotte's CBD. Given what is physically possible and legally permissible at the subject, as well as surrounding land uses, the retail market is analyzed.

Retail

The overall Charlotte retail vacancy rate has remained stable over the past year at 4.2%. Overall, vacancy rates are stabilizing, with the exception of Specialty Centers and Power Centers, as shown on the following graph, which includes all of the Charlotte market area:

Charlotte Region Vacancy Rates by Building Type



Net absorption was positive 814,417 SF for 2018 YTD. Quoted rental rates have increased over the past year, ending at \$14.22/SF. A total of 17 retail buildings with 514,412 SF were delivered to the market in the quarter, with 1,383,268 SF still under construction at the end of the quarter. From the graph, it is evident that Specialty Centers and Power Centers are struggling in terms of vacancy, with continued competitive pressure from internet shopping. Overall, the Charlotte retail market appears healthy and performing well, with stabilizing vacancy, increasing rents, and substantial new product in the pipeline.

The subject is located in the Northwest Charlotte Retail Submarket, which is experiencing increasing vacancy rates in addition to rising rental rates (slightly), primarily due to new product coming online. Although the submarket is experiencing increasing vacancy rates and negative net absorption YTD, the submarket is healthy. Current conditions for the Submarket compared to the overall market are shown below:

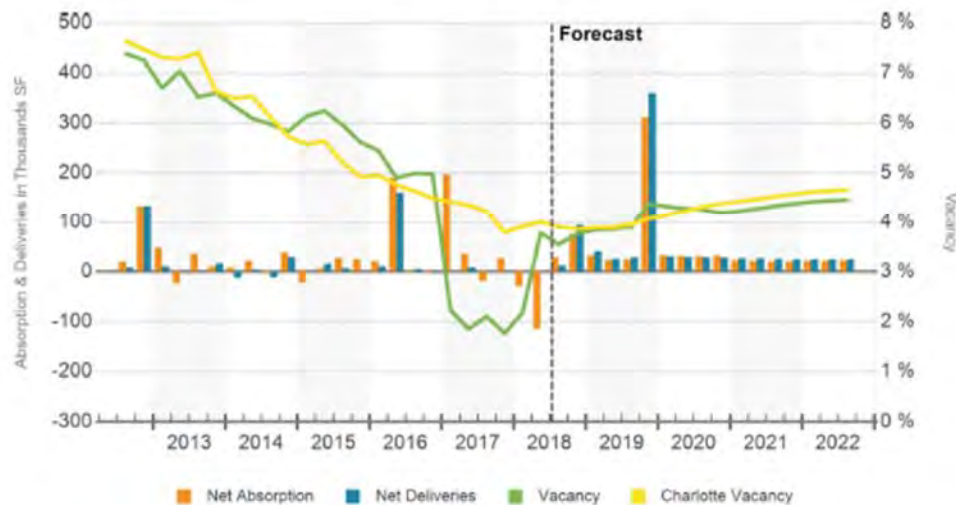
Current Retail Conditions

Mid-Year 2018	Charlotte Region	Northwest Charlotte
Inventory SF	81,349,224	7,190,024
Vacancy Rate This Quarter	4.2%	3.7%
Vacancy Rate One Year Ago	4.2%	1.8%
Net Absorption YTD 2018	814,417	(141,654)
Average Lease Rate This Quarter	\$14.22	\$16.66
Average Lease Rate One Year Ago	\$13.93	\$16.57
Under Construction SF	1,383,268	453,925

Source: CoStar

The forecast for the Northwest Charlotte Retail Submarket indicates an increase in deliveries in 2019 while stabilizing through 2022.

Northwest Charlotte Retail Submarket Historical Deliveries, Absorption & Vacancy



Based on the location and physical attributes of the subject and surrounding land uses, a retail use is a financially feasible use of the site. It is likely that there is enough demand for some speculative product. More likely would be a heavily-pre-leased or owner-occupied property.

Maximally Productive

The fourth criterion for determining highest and best use is what alternative use will produce the highest return to the land? Based on our analysis, the maximally productive use is for assemblage and a retail use, to be compatible with the surrounding area, and to take advantage of the site's good location and improving market conditions. However, substantial new speculative development is not recommended.

Conclusion, As Vacant

The highest and best use of the subject, as vacant, is for assemblage and retail development.

HIGHEST AND BEST USE, AS IMPROVED

The subject is improved with a 5,071 SF two-story nightclub. The building is in poor condition. Only the shell of the building and associated site improvements contribute value. The highest and best use, as improved, is to cure the deferred maintenance for a retail user.

VALUATION METHODOLOGY

The appraisal process typically involves three approaches in estimating value, which consist of the cost, income, and sales comparison approaches. A brief description of each technique is as follows:

The Cost Approach procedure uses depreciated replacement or reproduction cost of improvements, plus land value as a basis for estimating value. The underlying assumption is that an informed purchaser will pay no more than the cost of producing a substitute property with the same utility as the subject.

The Sales Comparison Approach uses sales prices of properties similar to the subject as a basis for estimating value. The underlying assumption is that an informed purchaser will pay no more for a property than would have to be paid for a similar property of comparable utility.

The Income Approach uses capitalization of expected future income as a basis for estimating value. The underlying assumption is that an informed purchaser will pay no more for the subject than would have to be paid for another property with an income of comparable amount, duration and quality.

Due to the age/condition of the improvements, the majority of the subject's value is in the underlying land. Only the shell value of the improvements contribute value. Therefore, the Cost Approach is used to estimate the value of the fee simple interest of the subject. The Sales Comparison and Income Approaches are not used as there is limited reliable sales and rental data of properties of similar age/condition.

COST APPROACH

The cost approach is based on the premise that a prudent purchaser is not likely to pay more for a property than it would cost to acquire a similar site and have constructed an equally desirable improvement upon it. In this approach, land and buildings are valued separately, and the estimated value of the land (as if it were vacant) is added to the cost of the improvements.

SITE VALUATION

The first step in the cost approach is the estimate of land value as if it were vacant and available for its highest and best use. The comparable sales are analyzed based on a common unit of comparison. The unit of comparison used in this analysis is the price per SF. The following data sheets outline the sales used in the Sales Comparison Approach followed by a summary table of the adjustments made to the sales.

LAND LISTING 1

Physical Data

Location	2843 Rozzelles Ferry Road Charlotte, Mecklenburg County, NC
Tax Parcel(s)	071-143-08
Land Area	0.458 Acre or 19,947 SF
Utilities	All Public
Zoning	B-2, General Business District
Frontage & Access	99.86 Feet on Rozzelles Ferry Road and 199.84 Feet on Bungalow Road
Shape	Rectangular
Visibility	Good
Topography	Generally Level

Listing Data

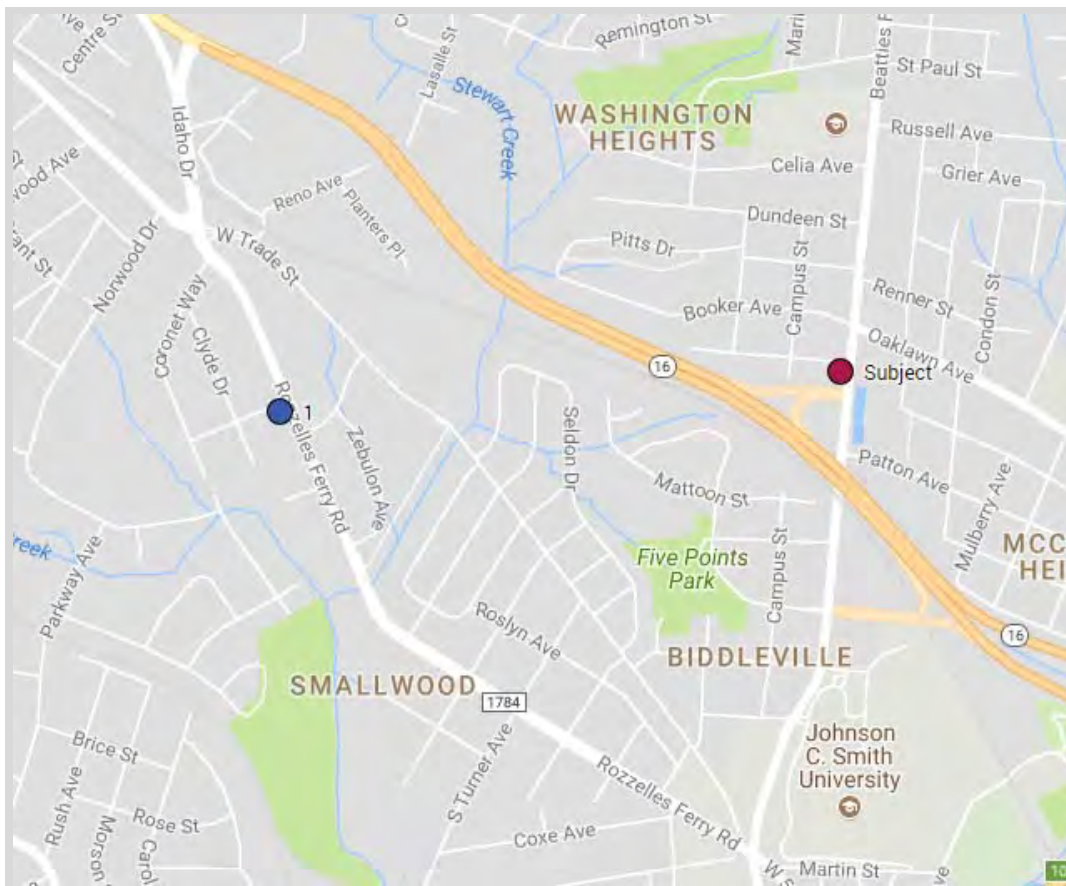
Grantor	Five Dollar Don, LLC
Grantee	N/A
Date of Sale	N/A
Deed Book/Page	N/A
List Price	\$150,000
Unit Price	\$7.52/SF
Financing Terms	Cash to Seller
Property Rights Conveyed	Fee Simple
Conditions of Sale	Arm's Length

Verified Parker Melvin, Listing Broker

Comments

Parker Melvin stated the list price is non-negotiable.

LAND LISTING 1



LAND SALE 2

Physical Data

Location	The Goddard School, Kings Crossing 2545 Galloway Road Charlotte, Mecklenburg County, NC
Tax Parcel(s)	029-011-81
Land Area	1.493 Acres or 65,039 SF
Utilities	All Public
Zoning	O-1(CD), Office Conditional District Charlotte-Mecklenburg Planning Department
Frontage	215 Ft on Mallard Creek Rd & 264 Ft on Galloway Rd
Shape/Utility	Rectangular/Typical
Topography	Level
Proposed/Current Use	Office

Sales Data

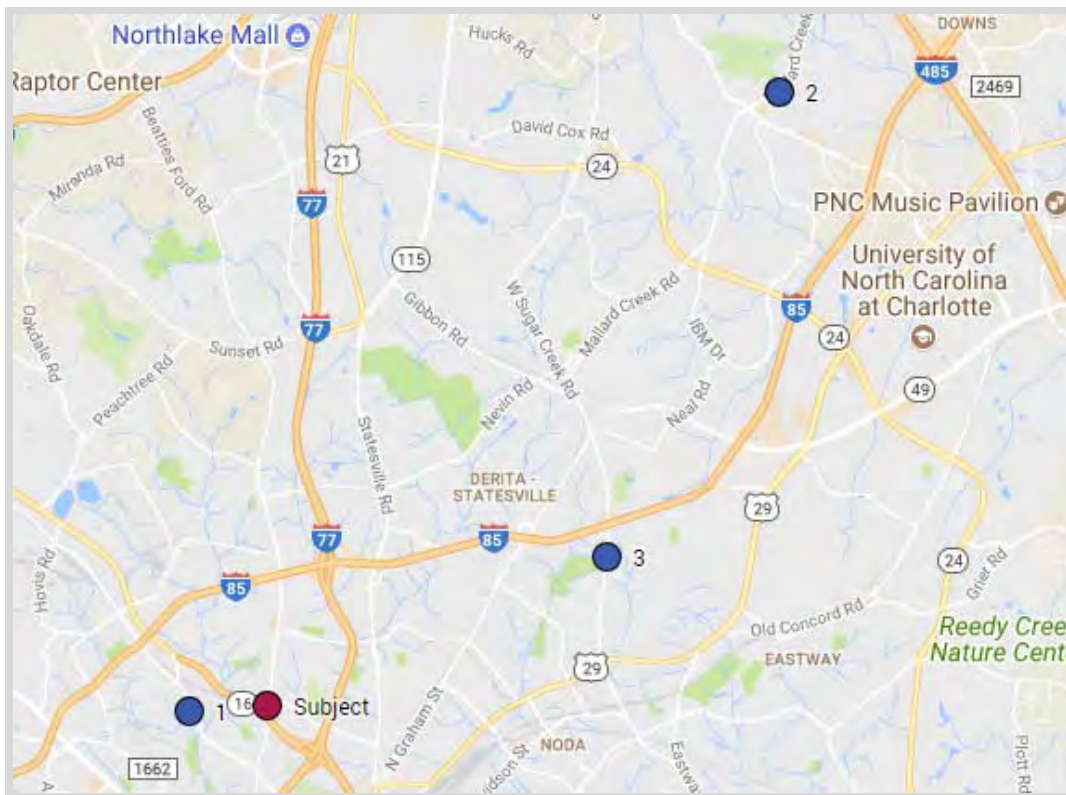
Grantor	University Real Estate Investors, LLC
Grantee	Goddard Mallard Creek, LLC
Date of Sale	March 03, 2017
Deed Book/Page	31612/918
Sales Price	\$600,000
Unit Price	\$9.23/SF
Financing Terms	Cash to Seller
Property Rights Conveyed	Fee Simple
Conditions of Sale	Arm's-length

Verified Trent Gustafson, Broker

Comments

The remaining sites in Kings Crossing sold from the bank to the Grantor at a discounted price in 2016. This site was originally approved to be a bank site. The sale is market oriented and the buyer obtained a site plan amendment via the City of Charlotte with minimal effort.

LAND SALE 2



LAND SALE 3

Physical Data

Location	Dollar General 1025 West Sugar Creek Road Charlotte, Mecklenburg County, NC
Tax Parcel(s)d	087-071-24
Land Area	1.370 Acres or 59,677 SF
Utilities	All Public
Zoning	NS, Neighborhood Services
Frontage & Access	145.34 Feet on West Sugar Creek Road and 309.75 Feet on Merlane Drive
Shape	Rectangular
Visibility	Good
Topography	Generally Level

Sales Data

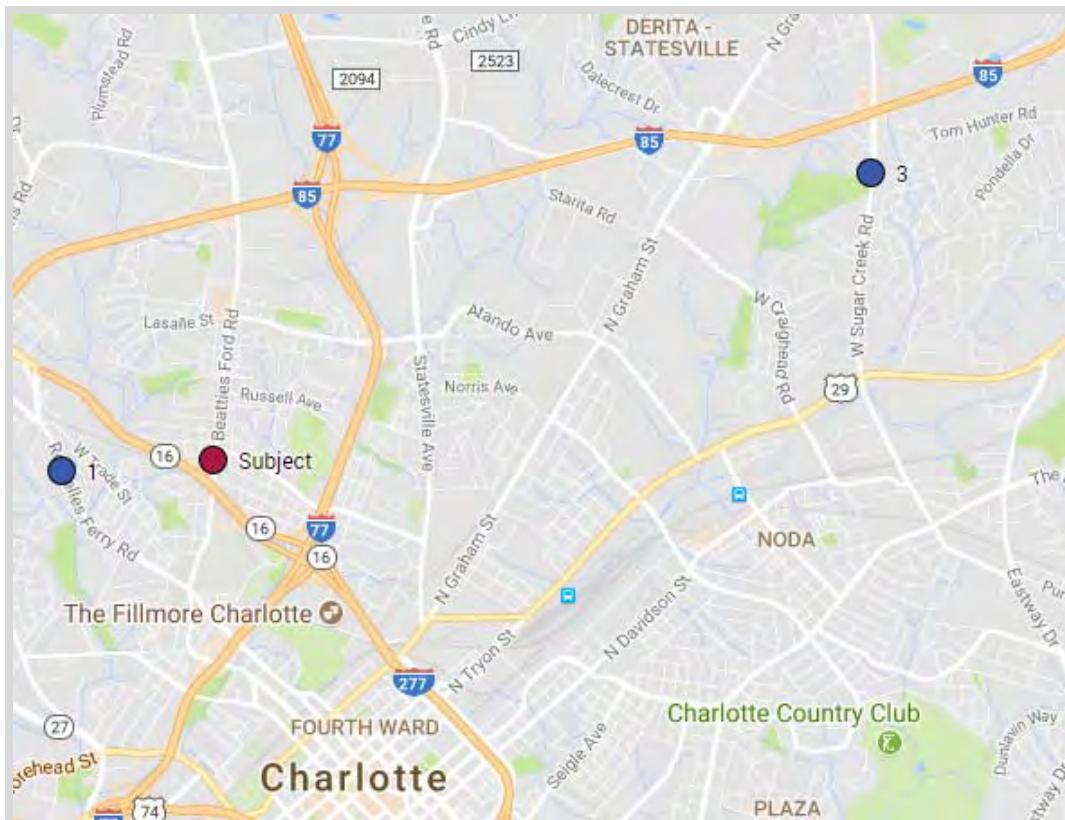
Grantor	Rainier Builders, LLC
Grantee	Charlotte-Merlane FDS 713525, LLC
Date of Sale	October 4, 2016
Deed Book/Page	31228/605
Sales Price	\$450,000
Unit Price	\$7.54/SF
Financing Terms	Cash to Seller
Property Rights Conveyed	Fee Simple
Conditions of Sale	Arm's Length

Verified Kyle Short, Representative of Seller

Comments

The buyer constructed an 8,600 SF Family Dollar on the site. After construction was complete, Charlotte-Merlane FDS 713525, LLC sold the property to Chelini 1031 FDS NC, LLC for \$2,425,000 (\$281.98/SF) on September 5, 2017 (DB 32097, PG 77).

LAND SALE 3



LAND SALE 4

Physical Data

Location	517 Briar Creek Road Charlotte, Mecklenburg, NC
Tax Parcel	159-015-08
Land Area	0.258 Acre or 11,250 SF
Utilities	All Public
Zoning	O-2, Office District Charlotte-Mecklenburg Planning Department
Frontage	75 Ft on Briar Creek Road
Shape/Utility	Rectangular/Typical
Topography	Generally Level
Proposed/Current Use	Commercial

Sales Data

Grantor	517 Briar Creek, LLC
Grantee	Rankash Enterprises, LLC
Date of Sale	March 11, 2016
Deed Book/Page	30653/649
Sales Price	\$75,000
Unit Price	\$6.67/SF
Financing Terms	Cash to Seller
Property Rights Conveyed	Fee Simple
Conditions of Sale	Arm's-length

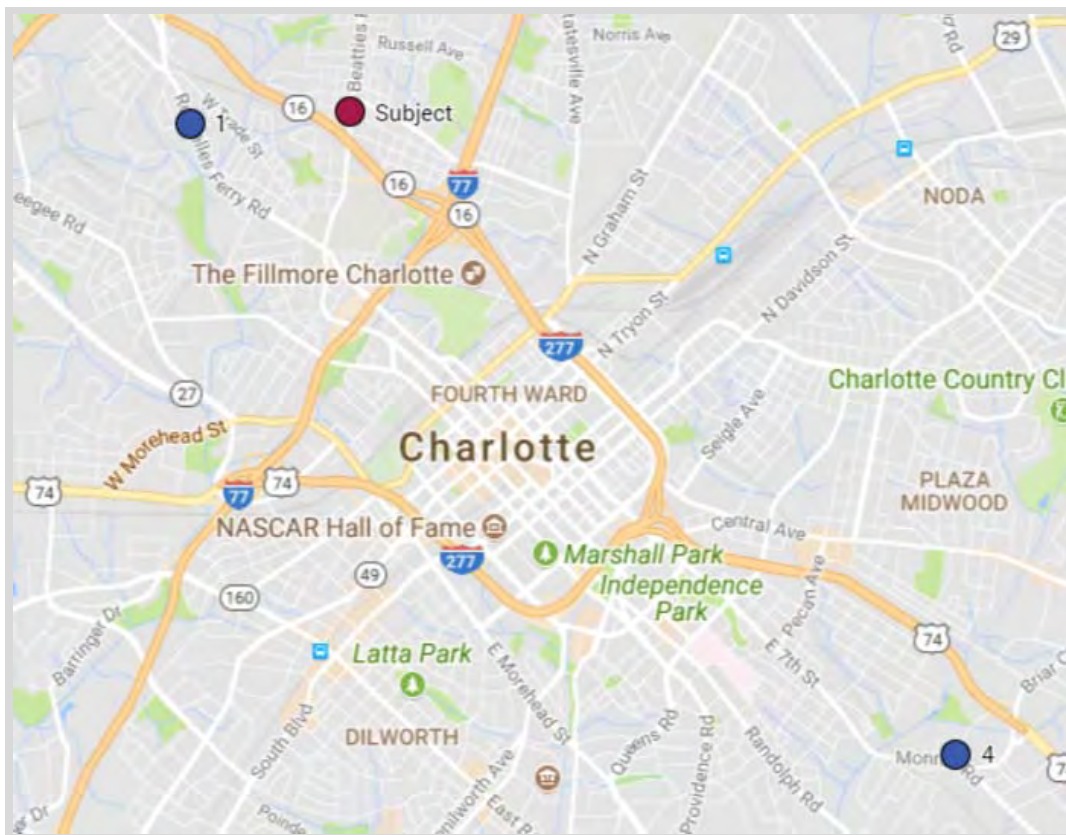
Verified

C. Daniel Watts, Seller

Comments

Mr. Watts, seller, stated he felt the property sold at market value. Mr. Watts was unsure of the buyer's plans for development.

LAND SALE 4



Land Sales Adjustment Summary

	Subject	Listing 1	Sale 2	Sale 3	Sale 4
Location	921 Beatties Ford Rd Charlotte, NC	2843 Rozzelles Ferry Rd Charlotte, NC	2545 Galloway Rd Charlotte, NC	1025 W. Sugar Creek Rd Charlotte, NC	517 Briar Creek Rd Charlotte, NC
Tax Parcel(s)	069-066-21	071-143-08	029-011-81	087-071-24	159-015-08
Date of Sale	N/A	Listing	Mar-17	Oct-16	Mar-16
Size- Acres	0.165	0.458	1.493	1.370	0.258
Size- SF	7,187	19,947	65,039	59,677	11,250
Existing/Proposed Use	Commercial	Future Retail	Daycare	Retail	Future Commercial
Shape	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular
Topography	Generally Level	Generally Level	Level	Generally Level	Generally Level
Floodplain/Buffers	None	None	None	None	None
Zoning	B-1	B-2	O-1(CD)	NS	O-2
Impairments	None	None	None	None	None
Utilities	All public	All Public	All Public	All Public	All Public
Access, Frontage & Visibility	Beatties Ford Rd & Sanders Ave	Rozzelles Ferry Rd & Bungalow Rd	Signalized - Mallard Creek Rd & Galloway Rd	W Sugar Creek Rd & Merlane Dr	Briar Creek Rd
VALUE INDICATIONS					
Sales Price	N/A	\$150,000	\$600,000	\$450,000	\$75,000
Sales Price/SF	N/A	\$7.52	\$9.23	\$7.54	\$6.67
MARKET ADJUSTMENTS					
Property Rights	Fee Simple	0%	0%	0%	0%
Financing Terms	Cash	0%	0%	0%	0%
Conditions of Sale	Arm's Length	0%	0%	0%	0%
Expenditures After Sale	N/A	\$0	\$0	\$0	\$0
Market Conditions	In Balance	0.0%	2.5%	5.0%	7.5%
Adjusted Price		\$150,000	\$615,000	\$472,500	\$80,625
Adjusted Price/SF		\$7.52	\$9.46	\$7.92	\$7.17
PROPERTY ADJUSTMENTS					
Location	Charlotte, NC	0%	-10%	0%	0%
Size (SF)	7,187	0%	5%	5%	0%
Shape/Utility	Rectangular	0%	0%	0%	0%
Topography/Floodplain	Generally Level/None	0%	0%	0%	0%
Zoning	B-1	0%	0%	0%	0%
Easements and ROW	None	0%	0%	0%	0%
Utilities	All public	0%	0%	0%	0%
Access/Frontage/Visibility	2 Roads	5%	-10%	0%	10%
Adjustments		5%	-15%	5%	10%
Adjusted Price		\$157,500	\$522,750	\$496,125	\$88,688
Adjusted Price/SF		\$7.90	\$8.04	\$8.31	\$7.88
Analysis	Before Adjustment	After Adjustment			
Range Low (\$/SF)	\$6.67	\$7.88			
Range High (\$/SF)	\$9.23	\$8.31			
Range %	38.4%	5.5%			
Mean (\$/SF)	\$7.74	\$8.03			
Median (\$/SF)	\$7.53	\$7.97			
Coefficient of Variation	0.14	0.02			
Sources: Market research and parties to sale.					

EXPLANATION OF ADJUSTMENTS

A comparative analysis of properties and transactions focuses on similarities and differences that affect value, called elements of comparison, which may include variations in transactional and physical characteristics. The characteristics of each comparable sale are compared to the subject and the data set. Where there are differences for superior or inferior characteristics, adjustments are made to the comparables. Two types of adjustments are made:

- **Transactional Adjustments**, which are cumulative adjustments, are made in the following order: Property Rights, Financing, Conditions of Sale, Expenditures Immediately After Purchase, and Market Conditions.
- **Property Adjustments** are additive adjustments made for various characteristics, including, but not limited to Location, Size (SF), Shape/Utility, Topography/Floodplain/Buffers, Zoning, Easements/ROW, Utilities, and Access/Frontage/Visibility.

Transactional Adjustments

Property Rights

This adjustment accounts for differences in the real property rights transferred. The subject is the Fee Simple estate. The sales are all fee simple assets. No adjustments for property rights are required.

Financing

This adjustment accounts for financing terms not considered to be cash equivalent. All the sales were either all cash transactions or conventional financing at prevailing market rates and terms. No adjustments for financing are required.

Conditions of Sale

Atypical motivations by either buyer or seller are considered to impact the final sales price of a property. Although Sale 1 is a listing, the broker stated the price is non-negotiable and no adjustment is made. Sales 2, 3, and 4 are arm's-length transactions and no adjustments are required.

Expenditures Immediately After Purchase

Knowledgeable buyers consider expenditures made upon purchase of a property, which affects the price the buyer agrees to pay. These types of expenditures can vary and include costs such as: curing deferred maintenance, demolition, immediate additions or improvements to the property, zoning change petitions, and remediation of environmental contamination. None of the sales required expenditures immediately after purchase.

Market Conditions

This adjustment is based on the premise that external economic factors affect the sales price of real estate. The Sales occurred from between March 2016 and July 2018. An analysis of the data set

indicates some appreciation over this time for vacant land, estimated at 2.5% for Sale 2, 5% for Sale 3, and 7.5% for Sale 4.

Property Adjustments

Location

The subject is located approximately 0.25 mile northwest of Charlotte's CBD. Sale 2 is located in an area of Charlotte that has been experiencing stronger growth, which is superior and a downward adjustment is made. The remaining sales are similar and no adjustments are made.

Size

Economies of scale are considered in this adjustment when the market supports the premise that the larger site, the lower the price per SF, and vice versa. The subject is 7,187 SF of land. Sales 2 and 3 are larger and upward adjustments are made. The remaining sales are similar and no adjustments are made. These adjustments are tempered since the highest and best use of the subject is for assemblage.

Access/Frontage/Visibility

The subject has good access/frontage/and visibility from two roads. There is no traffic signal at the subject's intersection. Sale 2 is superior due to its location at a signalized intersection and a downward adjustment is made. Sales 1 and 4 are inferior due to their locations along lesser traveled thoroughfares and upward adjustments are made. A larger upward adjustment is made to Sale 4 due to its frontage along only one road. Sale 3 is similar and no adjustment is made.

Reconciliation

Before adjustment, the sales prices range from \$6.67/SF to \$9.23/SF with an average of \$7.74/SF. The range is 38.4% with a Coefficient of Variation (COV) of 0.14. After adjustments, the range of the sales is \$7.88/SF to \$8.31/SF with an average of \$8.03/SF, and a Median of \$7.97/SF. The COV is significantly lower at 0.02, indicating a smaller amount of variance and a closer range of 5.5%. Equal emphasis is placed on the adjusted prices of all the sales. The estimated value of the subject's land is \$8.00/SF, applied to 7,187 SF is \$57,496, rounded to \$55,000.

IMPROVEMENT VALUATION

According to the *Dictionary of Real Estate Appraisal*, 6th Edition, 2015, page 197, replacement cost is defined as follows:

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

The improvements consists of 5,071 SF of gross building area. The building is of block construction with a rubber membrane roof. The interior upfit is in poor condition. A prospective buyer will very likely use the shell of the building, curing any exterior deferred maintenance and completely retrofitting the interior. The shell cost includes only rough in electrical and plumbing, open areas, exposed concrete flooring and no heating or cooling costs. The building is categorized as an Average

Class C cocktail lounge. The following table outlines the unit cost of the shell building, based on *Marshall Valuation Service (MVS)* cost data:

Building Replacement Cost

MVS Building Type	Shell Building	Economic Life	40 Years
Type	Average	Effective Age	36 Years
Construction Class	Class C	Remaining Life	4 Years
MVS Section, Pages	13/13	Condition	Poor
Base Unit Cost \$/SF	\$115.00		
Sprinklers	\$0.00		
Subtotal	\$115.00		
Current Multiplier	1.030		
Local Multiplier	0.910		
Story/Height Multiplier	1.000		
Perimeter Multiplier	0.969		
Adjusted Unit Cost	\$104.45		
Square Feet	5,071		
Total Replacement Cost	\$529,656		

Source: Marshall Valuation Service

The nightclub was constructed in 1932 and has an actual age of 86 years. The building shell is depreciated at 90% based on an effective age of 36 years and economic life of 40 years. Site improvements include an asphalt parking lot. The following table summarizes the estimated depreciated value of the shell building and associated site improvements.

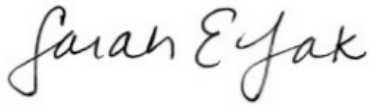
Contributing Value of Improvements

Type	Length, Area, or Height (Ft., SF, or LF)	Contributing Value Per Unit	Depreciation %	Total Compensation
Average Cost Class C Masonry -	5,071	\$104.45	90%	\$52,967
Asphalt Paving	1,500	\$3.00	90%	\$450
Estimated Contributing Value				\$53,417

Source: Marshall Valuation Service

The contributing value of the shell building and associated site improvements is estimated at \$53,417. This is added to the land value of \$55,000 for a total value of \$108,417, rounded to \$110,000.

Estimated Market Value As Is, as of July 9, 2018
5,071 SF Nightclub on a 0.165-Acre Site, Fee Simple
\$110,000



Sarah E Lak

North Carolina State Registered Trainee Appraiser #T5345

704-375-1032 x 705

sarah@fortenberrylambert.com



Mark T Lambert, MAI

North Carolina State Certified General Appraiser #A3572

704-375-1032 x 706

mark@fortenberrylambert.com



EXPOSURE TIME

Exposure time is defined in USPAP as *"the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."*

The exposure time estimate assumes the period required to sale the property prior to the effective date of value. It is our opinion that the Exposure Time necessary for the subject would be equal to the Marketing time for the subject, which is discussed below.

MARKETING TIME

The 6th Edition of *The Dictionary of Real Estate Appraisal*, 2015, page 140 defines marketing time as *"An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)"*

The subject is located approximately 0.25 mile northwest of Charlotte's CBD, in an area experiencing some revitalization. Demand for vacant land tracts have improved during the past few years. Based on conversations with brokers active in the market, it is estimated that the marketing time would be 12 months or less. The most likely buyer of this type of property is a local or regional investor.

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

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

LIMIT OF LIABILITY

The liability of **Fortenberry Lambert, Inc.** is limited only to the client. 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 **Fortenberry Lambert, Inc.**, its officers, and employees harmless from any claims by third parties related in any way to the appraisal. 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. **Fortenberry Lambert, Inc.** 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 **Fortenberry Lambert, Inc.** 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 **Fortenberry Lambert, Inc.**

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 **Fortenberry Lambert, Inc.** whose signatures appear on the report. No change of any item in the report shall be made by anyone other than **Fortenberry Lambert, Inc.** **Fortenberry Lambert, Inc.** shall have no responsibility if any such unauthorized change is made.

Fortenberry Lambert, Inc. 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 **Fortenberry Lambert, Inc.** and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 USC. 552 (b) (4) of the Uniform Commercial Code **Fortenberry Lambert, Inc.** shall be notified of any request to reproduce this report in whole or in part.

INFORMATION USED

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

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. **Fortenberry Lambert, Inc.** 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, or 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 **Fortenberry Lambert, Inc.**

Fortenberry Lambert, Inc. 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 **Fortenberry Lambert, Inc.** 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.

If **Fortenberry Lambert, Inc.** 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.

Fortenberry Lambert, Inc. 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 **Fortenberry Lambert, Inc.** 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 **Fortenberry Lambert, Inc.'s** 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 estimates 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 that 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 **Fortenberry Lambert, Inc.** become aware of such during their inspection. **Fortenberry Lambert, Inc.** had no knowledge of the existence of such materials on or in the property unless otherwise stated. **Fortenberry Lambert, Inc.**, 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, or for any expertise or engineering knowledge required to discover them.

SOIL AND SUBSOIL CONDITIONS

Unless otherwise stated in this report, **Fortenberry Lambert, Inc.** 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, **Fortenberry Lambert, Inc.** 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)

Fortenberry Lambert, Inc. 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 **Fortenberry Lambert, Inc.** 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."

DEED

B31790 - P312

FOR REGISTRATION
Fredrick Smith
REGISTER OF DEEDS
Mecklenburg County, NC
2017 MAY 16 02:47:12 PM
BK:31790 PG:312-313
FEE: \$26.00
EXCISE TAX: \$1,300.00
INSTRUMENT #: 2017061594
BAKERFR



2017061594

SUBSTITUTE TRUSTEE'S DEED

Drawn by and Mail to: G. Robert Turner, III
Horack, Talley, Pharr & Lowndes, P.A.
301 South College Street, Suite 2600
Charlotte, NC 28202 -6038

REVENUE STAMPS \$1,300.00
TAX PARCEL # 069-066-19, 069-066-20, and 069-066-21

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

THIS DEED dated this 8th day of May, 2017 between Morrison Trustee Services, LLC, Substitute Trustee, whose mailing address is 301 South College Street, Suite 2600, Charlotte, NC 28202 ("Grantor"), and Carla Cunningham, whose address is 1400 Sansbury Road, Charlotte, NC 28262 ("Grantee");

Delinquent taxes, if any, are to be paid by the closing attorney to the County Tax Collector upon disbursement of closing proceeds.

WITNESSETH:

WHEREAS H.K.L., Inc. executed and delivered unto H. Parks Helms, as Trustee, a Deed of Trust which is recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina, in Book 20000, at Page 54; and

WHEREAS, default occurred under the Deed of Trust, Grantor was substituted as Trustee in Book 31337 at Page 873 said registry, and instructed by the owner and holder of the indebtedness secured by said Deed of Trust to foreclose the Deed of Trust and sell the property described therein; and

WHEREAS, by virtue of the power of sale vested in it, the undersigned instituted a special proceeding entitled "17-SP-587" before the Clerk of Superior Court of Mecklenburg County (the "Clerk"), and after advertisement as in said Deed of Trust provided and by law required, required notice having been given to the parties entitled thereto, and a hearing having been conducted on the 3rd day of April, 2017, whereupon the Clerk authorized Grantor to proceed under said Deed of Trust and sell the property described therein, Grantor, at 12:00 noon on the 25th day of April, 2017, sold the land described in said Deed of Trust, subject to prior liens, restrictions, easements, conveyances and releases, at public auction at the Mecklenburg County Courthouse in Charlotte, North Carolina, at which sale Cara Cunningham became the high bidder at a price of \$650,000.00; and

WHEREAS, Grantor reported the sale to the Clerk, said sale remained open ten days and no upset bid was placed within the time allowed by law; and

WHEREAS, said purchase price has now been paid;

The property herein conveyed is not the primary residence of the Grantor.

B31790 - P313

The property herein conveyed is not the primary residence of the Grantor.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, Grantor does hereby sell, grant and convey to Grantee, its successors and assigns, that parcel of land lying in Mecklenburg County, North Carolina, being described as follows:

Being all of Lots 4, 5 and 6 in Block 2 as shown on the map of the property of Freehold Realty Company known as Washington Heights, which map is recorded in Book 320, Page 228 and 229 in the Office of the Register of Deeds for Mecklenburg County, North Carolina, to which reference is hereby made, said lots fronting 155 feet on Beatties Ford Road and extending back with that width 150 feet to an alley.

PROPERTY ADDRESS: 917 and 921 Beatties Ford Road, Charlotte, NC 28216.
TAX PARCEL NO: 069-066-19, 069-066-20, and 069-066-21

TO HAVE AND TO HOLD said land, together with all privileges and appurtenances thereunto belonging unto Grantee, its successors and assigns, forever, in as full and ample manner, as Grantor is authorized and empowered to convey the same.

IN WITNESS WHEREOF, Grantor has duly executed the foregoing as of the day and year first above written.

Morrison Trustee Services, LLC
Substitute Trustee

BY:


Diane L. Cochran, Manager

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Margarita S. Rumsey, a Notary Public of Mecklenburg County, North Carolina certify that Diane L. Cochran personally came before me this day, and I have personal knowledge of the identity of the principal and acknowledged that she is the Manager of Morrison Trustee Services, LLC, a North Carolina Limited Liability Corporation and that by authority duly given and as an act of the association has voluntarily signed the foregoing instrument in its name and on its behalf as its act and deed as Substitute Trustee.

WITNESS my hand and notarial seal, this 9th day of May, 2017.




Margarita S. Rumsey, Notary Public
My Commission Expires: Sept 22, 2018

TAX CARD



Real Estate Lookup

[Print](#)[Close](#)

Parcel Information

Parcel ID	Account	Parent	Previous
06906621	NC CORP		

Owner(s)

Owner Name	Mailing Address	City/State
CUNNINGHAM CARLA	1400 SANSBURY RD	CHARLOTTE NC 28262

Legal Information

Legal	Municipality	Date Annexed	Special District	Fire District	Acreage
L6B2M230-228 921 BEATTIES FORD	CHARLOTTE			CITY OF CHARLOTTE	0

Total Parcel Assessment

Building	Land	Features	Total	Exemption	Year Approved	Review Date	Amount
206800	13100	0	219900	HIST PCT			109950

Sales Information

Sale	Price	Stamps	Quality	VI	Type	Legal Ref.	Grantor
May 10 2017		1300	FORCED	IMP	MULT LISTING	31790-312	HKL INC
Nov 9 1984	0			IMP		04929-452	

Land Use

Use	Units	Type	Neighborhood	Assessment
C700	1	LT	RE06	13100

Building Information

Bldg	Description	Type	Year	Property Location
1	Commercial	NIGHTCLUB	1932	921 BEATTIES FORD RD CHARLOTTE

Bldg	Story	Units	Total SqFt	Heated SqFt	Foundation	Ext. Wall	Grade	Value
1	2.0 STORY	1	5221	4882	CRAWL SPACE	FACE BRICK -	AVERAGE 03	206800

Bldg	Heat	Fuel	Fire Place	AC	Fixtures	Bedrooms	Full Baths	3/4 Baths	1/2 Baths
1	AIR-DUCTED	GAS	0 -	AC-CENTRAL	9	0	0	0	0

Sub Area

Bldg	Description	Size
1	CANOPY	150
1	UTILITY - UNFINISHED	189
1	UPPER STORY - FINISHED	1624
1	BASE (FIRST FLOOR)	3258

Depreciation

Bldg	Physical	Functional	Economic	Special	Override
1	AV - 47.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%

Special Features & Yard Items

Bldg	Built	Type	Quantity	Units	Value
------	-------	------	----------	-------	-------

Notes

Tax Year	Notes	Note Date
----------	-------	-----------

Value Changes

Notice Date	Tax Year	Reason	Changed To	Deferred
Jun 6 2011	2011	Historic	221400	110700
Mar 21 2011	2011	Countywide Revaluation	221400	110700
Jun 20 2003	2003	Historic	126800	63400
Mar 20 1998	1998	Countywide Revaluation	54710	
Feb 22 1991	1991	Countywide Revaluation	74380	

ENGAGEMENT DOCUMENTATION

AGREEMENT FOR VALUATION SERVICES

Fortenberry Lambert, Inc.
1515 Mockingbird Lane, Suite 400, Charlotte, North Carolina 28209
(704) 375-1032 mark@fortenberrylambert.com or carol@fortenberrylambert.com

Date of Proposal	June 15, 2018
Property Identification	Emclucor Club (Update Appraisal) 921 Beatties Ford Road, Charlotte, NC 28216 Tax Parcel: 06906621 Owner: Coda Cunningham
Client	Peter Wasner, Jr. AIA AFM Project Manager Mecklenburg County 3205 Freedom Drive, Suite 101 Charlotte, NC 28208 704-564-5563
Interest Valued	Fee Simple
Intended User	Client
Intended Use	To aid in the possible acquisition of the property
Date of Value	Date of inspection
Hypothetical Conditions	None
Extraordinary Assumptions	None
Applicable Requirements other than the Uniform Standards of Professional Practice (USPAP)	None
Anticipated Scope of Work	Site visit Detailed Highest and Best Use Valuation Approaches: Sales Comparison Approach/Modified Cost Approach Type of Appraisal: Appraisal Report (Narrative)
Delivery Date	July 27, 2018
Payment to Appraiser	\$2,000 Due upon delivery of the PDF report to Client by email

FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 400 CHARLOTTE, NORTH CAROLINA 28209 (704) 375-1032

Proposed Improvements

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

Properties Under Contract for Sale

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

Confidentiality

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

Changes to Agreement

Changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended user, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

Cancellation

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

No Third Party Beneficiaries

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

Use of Employees or Independent Contractors

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

Testimony at Court or Other Proceedings

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

Appraiser Independence

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

Expiration of Agreement

This Agreement is valid only if signed by both Appraiser and Client within 7 days of the Date of Agreement specified.

Governing Law and Jurisdiction

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.



Accepted: _____ (Appraiser)
Mark T Lambert, MAI

Date: 6/15/2018

Accepted: _____ (Client)
Client Signature

Date: _____

Accepted: _____ (Client)
Client Printed Name

FORTENBERRY LAMBERT, INC.

1125 MOUNTAINVIEW LANE, SUITE 400 CHARLOTTE, NORTH CAROLINA 28209 (704) 375-4000

QUALIFICATIONS AND LICENSES

QUALIFICATIONS

Sarah E. Lak
Fortenberry Lambert, Inc.
1515 Mockingbird Lane, Suite 4102, Charlotte, North Carolina 28209
Phone: (704)375-1032 Email: sarah@fortenberrylambert.com

EDUCATIONAL BACKGROUND

Grand Canyon University Phoenix, Arizona
Business Management – 2015 to Present

North Carolina State University Raleigh, North Carolina
Animal Science – 1998 to 1999

Creative Education, LLC Gastonia, North Carolina
Courses Completed
R-1 Basic Appraisal Principles
R-2 Basic Appraisal Procedures
R-3 Market Analysis/Highest & Best Use
R-4 USPAP National Course

REAL ESTATE ANALYSIS EXPERIENCE

Fortenberry Lambert, Inc. Charlotte, North Carolina
Registered Trainee Appraiser
Commercial real estate consulting and appraisal. Provide commercial appraisal services, financial analyses, and highest and best use studies to commercial real estate owners, developers, financial institutions, and public agencies.

Bryant & Rutledge, LLC Charlotte, North Carolina
Registered Trainee Appraiser
Commercial real estate consulting and appraisal. Provide commercial appraisal services, financial analyses, and highest and best use studies to commercial real estate owners, developers, financial institutions, and public agencies.

PROFESSIONAL AFFILIATIONS

North Carolina State Registered Trainee Real Estate Appraiser, License No. T5345
Notary Public, North Carolina



Mark Thomas Lambert, MAI
1515 Mockingbird Lane, Suite 4102, Charlotte, North Carolina 28209
Phone: (704)375-1032 mark@fortenberrylambert.com

REAL ESTATE APPRAISAL AND ANALYSIS EXPERIENCE

Fortenberry Lambert, Inc.
Partner

Charlotte, North Carolina

Commercial real estate consulting and appraisal. Opened firm in January 2001. Provide real estate services to developers, property owners, and financial clients. Services include valuation, market/feasibility analysis. Specialist in multi-tenant lease-by-lease, and discounted cash flow analysis using *Argus* software.

Lambert Consulting
Owner

Charlotte, North Carolina

Commercial real estate consulting and appraisal. Provided real estate services to developer, property owner, and financial clients. Opened firm in 1996.

TB Harris, Jr., & Associates
Vice President

Charlotte, North Carolina

Provided appraisal services.

The Rouse Company
Research Analyst

Columbia, Maryland

Worked as an in-house consultant for three divisions: Retail Development/Acquisitions, Office and Community Development, and Operating Properties. Responsibilities included locating and analyzing potential sites for retail and/or office developments and involvement in the management, operations, marketing and leasing for 15 regional malls and mixed-use developments within the Rouse portfolio.

The Hahn Company
Market Analyst Intern

San Diego, California

Market feasibility and site analysis for an 800,000-square-foot shopping center proposed to be developed at the University Place mixed-use complex in northeast Mecklenburg County, North Carolina.

Charlotte-Mecklenburg Planning Commission
Intern

Charlotte, North Carolina

Worked part-time while in graduate school researching demographic data and working on various district plans, small area plans, and special projects.

EDUCATION

Texas A&M University, College Station, Texas
Bachelor of Science

University of North Carolina at Charlotte, Charlotte, North Carolina
Post-Graduate, Department of Geography & Earth Sciences
Location Analysis - Real Estate

Course Highlights

Real Estate Development

Real Estate and Land Economics

Real Estate Law and Policy Analysis

Private Facility Location

Land Use Planning

Public Facility Planning

Quantitative Analysis

Research Methods and Analysis

Environmental Planning

Transportation Planning

Mark Thomas Lambert, MAI
1515 Mockingbird Lane, Suite 4102, Charlotte, North Carolina 28209
Phone: (704)375-1032 mark@fortenberrylambert.com

APPRAISAL EDUCATION

The Appraisal Institute Courses Completed

1A-1 Real Estate Appraisal Principles
1A-2 Basic Valuation Procedures
1B-A Income Capitalization - Part A
1B-B Income Capitalization - Part B
550 Advanced Applications
II 540 Report Writing and Valuation Analysis
Standards of Professional Practice
Continuing Education Requirements - Current

AFFILIATIONS AND ACTIVITIES

Member, The Appraisal Institute MAI #84110
North Carolina State Certified General Real Estate Appraiser #A3572
South Carolina State Certified General Real Estate Appraiser #CG3415
North Carolina Real Estate Brokers License #148289 (Inactive)
Appraisal Institute Metrolina Chapter Advisory Board (Past)
Building Owners and Managers Association
Charlotte Region Realtor Association
ClareHaven Neighborhood – Past President
Big Brothers Big Sisters of Greater Charlotte, past Big Brother
Dowd YMCA ABLE Reading Literacy Volunteer
Mecklenburg Aquatic Club (MAC) – past Board Member
Stingray Aquatics – past Board Member, current Team Member
US Masters Swimming – Member
North Carolina Special Olympics - Certified Swim Coach
Cabarrus County Special Olympics – Volunteer Swim Coach



FORTENBERRY LAMBERT, INC.

1515 MOCKINGBIRD LANE, SUITE 4102 CHARLOTTE, NORTH CAROLINA 28209
(704) 375-1032

EMAIL:

sarah@fortenberrylambert.com

mark@fortenberrylambert.com
