

APPRAISAL REPORT

of the Prospective and Current Market Values for an Estimated
334 Acres of Land (Net of Railroad Right-of-Way) and Existing Improvements

Known as Dorothea Dix Hospital Campus

Located

On the South Side of Western Boulevard,

The West Side of Lake Wheeler Road and

The East Side of Centennial Boulevard

In Raleigh, North Carolina

OWNED BY

The State of North Carolina

PREPARED BY

Martin L. Wachtel, III, MAI
Ronald Thomas, Appraiser

DATE OF APPRAISAL

May 20, 2011



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May 25, 2011

Mr. Jay W. Smith, RLA, ASLA
Principal
Director of Landscape Architecture/Planning
O'Brien/Atkins Associates, PA
Post Office Box 12037
Research Triangle Park, North Carolina 27709

Dear Mr. Smith:

As you requested, we have made an appraisal of an estimated 334 acres of land and existing improvements known as Dorothea Dix Hospital Campus. The property is located on the south side of Western Boulevard, the west side of Lake Wheeler Road and the east side of Centennial Boulevard, in Raleigh, Wake County, North Carolina. The subject property is currently owned by The State of North Carolina. The date of this appraisal is May 20, 2011.

We arrived at our estimate of value after having inspected the property from public road rights-of-way and having reviewed numerous documents provided to us relating to the size of the site, the size/ages of the numerous buildings located on it, historical significance of the buildings, zoning, hydrology, demolition costs, tax records and existing ground leases, among others. Additionally, we have documented numerous sales of property that provide a basis on which we have arrived at our opinion of value. Based on the information obtained from these actions and the assumptions and limiting conditions stated in this report, along with the application of our best judgment and the use of sound appraisal techniques, it is our opinion that the market values of the subject property as of May 20, 2011, subject to our limiting conditions are:

Prospective Market Value (259 acres) - Includes 8 acres and improvements for Warehouse #4, excludes soccer field, Healing Place, Food Runners and Cemetery; all Dix hospital/office buildings razed: **\$84,000,000**, including \$2,225,000 for Warehouse #4.

This value is based on the extraordinary assumption of a fully rebounded market and a return to previous “peak” market values within the next two (2) years to three (3) years, indicating an extended marketing period.

Current Market Value (259 acres) – Same scenario as above except a marketing period of about twelve (12) months: **\$58,000,000**

Mr. Jay W. Smith, RLA, ASLA
O'Brien/Atkins Associates, PA
May 25, 2011

Prospective Market Value (319 acres) – Same scenario and extraordinary assumption as above but including 60-acre soccer field, under the assumption that it will qualify as required “open space” in approved master plan for future new development. Market time assumed to be two (2) to three (3) years: **\$86,000,000**

Current Market Value (319 acres) – Same scenario as above but a marketing time of about twelve (12) months: **\$60,000,000**

These values are predicated on the additional assumption that there are no hazardous materials present on the site that would require a major clean-up.

We, the undersigned, do hereby certify that to the best of our knowledge and belief, the statements contained in this appraisal and the statements upon which the opinions expressed herein are based, are correct, subject to the limiting conditions set forth. Employment in and compensation for making this report are in no way contingent upon the value reported, and we certify that we have no financial interest present or contemplated in the subject property. This letter of transmittal is a part of the attached report which consists of 30 pages of description, analyses, and conclusions as well as Exhibits A through J. In this report are found facts and opinions that have influenced us to arrive at the above mentioned estimates of value.

This report is prepared in conformity with and subject to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and is also prepared in conformity with and subject to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

We hope you find our appraisal report acceptable. If you have any reason to desire supplementary information, please let us know, and we will be happy to supplement our report for additional consideration on a per diem basis.

Sincerely yours,


Martin L. Wachtel, III, MAI



Ronald Thomas


SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Date of Appraisal: May 20, 2011

Owned By: State of North Carolina

Location: On the south side of Western Boulevard and the west side of Lake Wheeler Road, Raleigh, North Carolina

Land Area: 334 Acres, estimated net of railroad right-of-way but including existing street rights-of-way

Description of the Improvements: Fee-simple - some 1,205,000 square feet of hospital, office, dormitory, warehouse, engineering and residential buildings occupied by Dorothea Dix staff and patients for the care of mentally ill citizens

Leased Fee - 40,700 square foot alcohol/drug rehabilitation facility on ground lease to Healing Place; 18,061 square foot office facility on ground lease to Food Runners

Utilities: All municipal utilities

Zoning: Office & Institutional - 1 (326 acres +/-) and Thoroughfare District (8 acres +/-)

Values of Subject Property:

259 Acres-Prospective Market Value: **\$84,000,000** including \$2,225,000 for Warehouse #4

259 Acres-Current Market Value: **\$58,000,000** including \$2,225,000 for Warehouse #4

319 Acres-Prospective Market Value: **\$86,000,000** including \$2,225,000 for Warehouse #4

319 Acres-Current Market Value: **\$60,000,000** including \$2,225,000 for Warehouse #4

***Note:** Prospective Market Value and Current Market Value based on marketing times of two to three years (Prospective) and about one year (Market) for 259 acres.*

For the 319 acres, these two values are based on the assumption that the 60-acre soccer field can be used to meet the open space requirements for future development.

PURPOSE OF THE APPRAISAL AND INTENDED USE

According to the Uniform Standards of Professional Appraisal Practice (USPAP), this appraisal is defined as a summary appraisal report. The purpose of this appraisal is to estimate the prospective and current market values, first, of approximately 259 acres of land that excludes 60-acres leased to the City of Raleigh (soccer field), 4.377 acres leased to Healing Place, 7.748 acres leased to Food Runners and 3 acres of cemetery but includes some 8 acres and 25,104 square foot distribution warehouse occupied by the N.C. Farmers Market based on its prospective value assuming a full market recovery within two to three years and current market value with a marketing period of one year or less.

Second, estimates of the same values and marketing periods based on the assumption that the 60-acre soccer field can be applied to open space requirements of a future development plan. These values are calculated on a value per acre for 259 acres plus 60 acres, a total of 319 acres. The subject of this report, which will hereinafter sometimes be referred to as the "subject property," is owned by The State of North Carolina. The intended use of the report is for land planning purposes and asset management by our client, O'Brien/Atkins Associates, PA..

SCOPE OF THE APPRAISAL

Estimating the market value of a parcel of real property involves a process of defining the valuation problem; collecting information on the subject, the area, and like properties; researching, confirming and analyzing recent sales transactions involving properties that are comparable to the property under appraisal; and reconciling the indicated values from the analysis into a final conclusion of market value. Our descriptions of the site and existing structures are based on our on-site inspection of the land and "drive-by" inspections of the buildings from public rights-of-way during the month of May, 2011 and the following:

This property was the subject of an appraisal prepared by Worthy & Wachtel, Inc. in the summer of 2007. That appraisal included an in-depth analysis of the potential value of the property "as improved," considering the rehabilitation/renovation and conversion costs of the hospital facility to state-occupied offices as a "value-in-use." Other scenarios were considered but the conclusion of the analysis was that all existing buildings should be razed to allow a highest and best use "as vacant" for the land. This May, 2011 appraisal concludes the same highest and best use but is based on prospective and current market trends, price/value levels, etc.

- Site Data - gross acreage (341 acres), topography, hydrology, shape, etc. are based on data provided to us by our client, O'Brien/Atkins, as well as data we gathered from the Wake County Tax Office and Wake County Geographic Information Services (GIS). Estimates of areas under long term ground leases are those as provided by the client. Estimates of the area within the railroad right-of-way as well as the areas of land located east and west of the railroad are our estimates obtained from Wake County GIS data.

- Improvement Data - gross square footage, age, etc. for the 1,180,000 square feet of buildings owned in fee-simple are based on data provided by our client, including an analysis of various scenarios by the State Property Office and an historic inventory prepared by Edwards-Pitman Environmental, Inc. For the buildings occupied by Healing Place, Food Runners and Warehouse #4, the total square footage, age and quality are based on Wake County Tax Office records and our "drive-by" inspections.
- Market Data - our estimates of land value and current trends are based on conversations with local developers, leasing agents, documented sales transactions, recent surveys and public records. Each of these items is discussed in greater detail in the following sections of this report. The estimate of demolition cost for existing improvements is based on data provided to us by our client as prepared for them by D. H. Griffin Wrecking Co., Inc.

PROPERTY RIGHTS APPRAISED

This is an appraisal of the market value of an estimated 334 acres under the assumption that 60 acres of soccer field, 4.377 acres of Healing Place and 7.748 acres of Food Runner are under long term ground leases and the all grave sites occupying a 3-acre cemetery have not been relocated. In addition, opinions of value for the contributing value of the 60-acre soccer field and leasehold value of the 4.377 acres (Healing Place), 7.748 acres (Food Runners) are provided along with the value of the estimated 8 acres and 25,104 square foot warehouse. The definitions of some of the terms used in this appraisal regarding property rights are given below.

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

Leasehold estate: The right to use and occupy real estate for a stated term under the conditions conveyed in the lease.

Leased fee estate: An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease

DEFINITION OF MARKET VALUE

The value estimated in this report is the market value as defined by Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Market value has been defined as the most probable price which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

OWNERSHIP HISTORY AND LEGAL DESCRIPTION

The Dorothea Dix property has been owned by the State of North Carolina since the 1850's. Recently, three parcels were conveyed by long-term ground leases summarized as follows:

- * 60 acres (soccer field) - leased to the City of Raleigh for a term of 70 years, beginning April 18, 1997 as part of an exchange of properties between the City and the State of North Carolina; no rent paid. Remaining term - 55 years, 11 months.
- * 4.377 acres - leased to the Healing Place of Wake County for a term of 25 years with an option to renew for an additional 10 years beginning December 20, 1999 at a rent of \$1.00. Remaining term - 11 years, 7 months plus 10 years.
- * 7.748 acres - leased to Food Runners Collaborative, Inc. for a term of 25 years with an option to renew for 10 years beginning September 11, 2002 at a rent of \$1.00. Remaining term - 16 years, 7 months plus 10 years.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property will sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market values, as defined herein, are our opinion of the probable price that is obtainable in a market free of abnormal influences.
2. This appraisal is being made based on the subject property having a land area of 334 acres net of railroad right-of-way but including the right-of-way of existing streets and being

improved with numerous buildings having a gross area of some 1,260,000 square feet. We did not measure the building areas and assume the area measurements provided to us by our client and the State of North Carolina are correct. We also assume no responsibility for legality of title, which is assumed to be good and marketable. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear under responsible ownership and competent management.

3. We assume there are no hazardous materials present on the site that would require a major clean-up. We note that we are not experts in such fields and make no claim of technical knowledge with regard to such hazardous substances. If any additional hazards are in fact present on the subject, the value of the subject would be reduced by at least the expense necessary to eliminate any potential hazard, and the income lost, if any, during this elimination.
4. We assume that there are no hidden conditions of the subject property, such as subsoil conditions or structural defects, which affect the value of the subject property.
5. Exhibits in this report are included to assist the reader in visualizing the subject property. We assume responsibility for these exhibits only to the extent that they are based upon information which has been supplied to us.
6. Possession of this report does not carry with it the right of publication, nor may it be used for any purpose other than that designated by our client without our previous written consent, and then only with proper qualifications.
7. It is our specific understanding that we are not required to give testimony or to appear in court by reason of this appraisal with reference to the subject property, unless further arrangements acceptable to us are made, regarding compensation for our time.
8. Prospective and Current market values for the 259 acres, net of the soccer field, Food Runners, Healing Place, and cemetery acreages, but including the 8 acres and Warehouse #4. Prospective market value is based on extraordinary assumptions regarding a full rebound of the market and return to previous price levels within two to three years; one year or less for Current market value.

The same values for the 319 acres that include the 60-acre soccer field are based on assumptions of similar estimates of marketing periods and the assumption that this 60 acres can be applied to the open space of the future development of the 319 acres.

We, the undersigned, do hereby certify that the information and statements contained in this appraisal, and upon which the appraisal is based, are correct, subject to the limiting conditions hereinbefore set forth.

REGIONAL DATA

The subject property is located in a large regional market known as the Research Triangle Park, six counties including Durham and Wake. The economy of the Triangle is based in great measure on five components, which have combined create one of the country's fastest growing metropolitan areas:

- Raleigh is the capital of North Carolina, and as such is the location for many state and federal agencies.
- The Triangle has emerged as a center for high tech research, development and manufacturing. The role of the 7,000 acre Research Triangle Park has been crucial in this evolution. Currently about 38,000 people work in the Park, down from 42,000 in 2000. Numerous spin-off companies also exist in the Triangle, especially in the I-40 corridor and in Cary. The high tech fields of computer software, telecommunications, pharmaceuticals, biomedicine and transportation equipment are especially important in the Triangle.
- The Triangle is an important medical research and training center. The presence of nationally prominent hospitals at Duke University in Durham and the University of North Carolina at Chapel Hill, combined with research ongoing at many private businesses and laboratories, helps to attract professionals to the Triangle.
- Over 60,000 students attend colleges and universities full-time in the Triangle. This reserve of students and faculty help create an environment conducive to innovation and research, and attracts to the Triangle some of the nation's most active research and development-oriented corporations. Few metropolitan areas of similar size can boast of having three major universities.
- As the largest metropolitan area in eastern North Carolina, the Triangle is a center for shopping, services, government, culture and recreation for much of that section of the state.

The healthy economy draws people to the Triangle and provides employment for local residents. Accordingly, population in the six county metropolitan statistical area has grown considerably since 1970:

Population Trends

<u>Year</u>	<u>Population</u>	<u>%Change</u>
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1970	537,365	N/A
1980	664,788	24%
1990	858,485	29%
<u>2000</u>	<u>1,187,941</u>	<u>38%</u>

Source: U.S. Census Bureau

Employment levels also grew over the past decade. Even during the recession of 1991-1992 employment growth continued, although at a reduced level. Currently, the rate of growth is once again slowing and is near the national and state levels. The seasonally adjusted unemployment rate for the Raleigh-Cary MSA was about 7.7% in March 2011 compared to the state's overall rate of about 9.7% while the national average is 9.8%. A history of the employment trends for the Raleigh-Cary area is summarized on the following table:

Employment Trends				
Year	Labor Force	Growth	%	Unemployment
2003	476,921	5,005	1.1	5.4%
2004	485,860	8,939	1.9	4.4%
2005	503,336	17,476	3.6	4.2%
2006	528,233	24,897	4.9	3.7%
2007	539,127	10,894	2.1	3.6%
2008	558,034	18,907	3.5	4.9%
2009	556,345	- 1,689	-0.3	8.7%
2010	553,279	- 3,066	-0.6	8.1%

The current local economy, lagging behind national trends somewhat, began to stall in late 2007 and then decline through 2011. On a national basis, a rise in the number of residential mortgage defaults created by sub-prime mortgage lending policies began to ripple through the economy. As these problems plagued Wall Street and the national economy, the local economy has suffered as well with the rise of unemployment, financial stress for private businesses as well as state and municipal governments, and the freezing of loan funding in the credit markets. As a result of these negative economic developments, real estate values, both for improved properties and vacant land available for development, have stagnated in this environment. Some recent improvements in the economy have emerged, but it is felt that real estate values will remain stable to slightly declining for the short term.

Office Market

As seen on the following schedule, office vacancy in the Triangle market was 18.80% in the first quarter 2011. Net absorption over the previous 12 months was 577,777 square feet. A more detailed analysis of the Raleigh Office Market is provided by the following schedule.

It can be summarized as:

- Vacancy rates for the seven (7) submarkets within the city was 22.14%; net absorption over the past twelve (12) months was 653,073 square feet (3% of total space) and average rents was \$16.89 per square foot of leasable area. In the Summer of 2007, the market had a vacancy rate of 10.04%, net absorption of 1,145,948 square feet and an average rent of \$17.01 per square foot.

- The Downtown submarket out-performed all other submarkets with a vacancy rate of 7.27% in 2011 (6.08% in 2007), absorption of 35,023 square feet (52,805 in 2007) and average rental rate of \$18.42 per square foot (\$17.51 in 2007).
- There is some uncertainty in the near-term and long-term for the Downtown office market due to occupancy of the two “flagship” buildings of the RBC Plaza and Progress Energy; the first of whom is contemplating a sale to a rival competitor and the second who is merging with Duke Power whose corporate offices are located in Charlotte, North Carolina. In addition, the former Progress Energy corporate office building is rumored to be “on the market;” specifics unknown.

CITY OF RALEIGH OFFICE MARKET-FIRST QUARTER 2011						
SUB-MARKET: WEST RALEIGH						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	3,387,846	465,731	13.75%	102,224	\$22.00	
Office B	1,058,937	57,917	5.47%	32,179	\$18.50	
Office C	383,447	31,168	8.13%	-14,788	\$15.50	
Totals	4,830,230	554,816	9.11%	119,615	\$18.67	
SUB-MARKET: US 70/GLENWOOD AVENUE						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	1,982,824	391,972	19.77%	252,293	\$22.00	
Office B	932,036	138,031	14.81%	46,892	\$17.50	
Office C	105,878	31,563	29.81%	-7,452	\$13.50	
Totals	3,020,738	561,566	18.59%	291,733	\$17.67	
SUB-MARKET: SIX FORKS ROAD						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	2,476,776	309,510	12.50%	193,135	\$21.00	
Office B	773,166	134,200	17.36%	-5,510	\$16.50	
Office C	64,625	79,838	123.54%	-12,086	\$15.00	
Totals	3,314,567	523,548	15.80%	175,539	\$17.50	
SUB-MARKET: FALLS OF NEUSE ROAD						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	1,562,943	325,763	20.84%	-81,120	\$19.00	
Office B	1,140,398	198,695	17.42%	29,426	\$16.50	
Office C	364,388	81,457	22.35%	-12,767	\$15.00	
Totals	3,067,729	605,915	19.75%	-64,461	\$16.83	
SUB-MARKET: US 1/CAPITAL BOULEVARD						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	1,155,274	308,549	26.71%	92,748	\$19.00	
Office B	584,118	71,881	12.31%	-8,611	\$16.50	
Office C	276,408	65,985	23.87%	-7,905	\$13.50	
Totals	2,015,800	446,415	22.15%	76,232	\$16.33	
SUB-MARKET: DOWNTOWN RALEIGH						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	2,737,355	155,120	5.67%	-9,470	\$22.50	
Office B	617,026	79,151	12.83%	39,038	\$17.00	
Office C	457,435	42,698	9.33%	5,455	\$15.75	
Totals	3,811,816	276,969	7.27%	35,023	\$18.42	
SUB-MARKET: CAMERON VILLAGE						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	232,649	78,664	33.81%	5,000	\$21.50	
Office B	252,473	44,934	17.80%	14,442	\$17.00	
Office C	194,584	32,842	16.88%	-50	\$16.00	
Totals	679,706	156,440	23.02%	19,392	\$18.17	
CITY TOTALS						
Class	Total S.F.	Available S.F.	Vacancy Rate	Net Absorption(12 mos.)	Average Rent/S.F.	
Office A	13,535,667	2,035,309	19.01%	554,810	\$21.00	
Office B	5,358,154	724,809	14.00%	147,856	\$17.07	
Office C	1,846,765	365,551	33.42%	-49,593	\$12.61	
Totals	20,740,586	3,125,669	22.14%	653,073	\$16.89	

Warehouse Market

The Triangle warehouse market has shown no signs of improvement and vacancy remained high at 20.78% in the first quarter 2011 compared to 20.32% in the fourth quarter 2010. Net absorption was -80,155 square feet over the past 12 months.

Flex Market

This market has slightly improved to some degree with vacancy declining from 19.31% in the fourth quarter 2010 to 18.24% in the first quarter 2011. Net absorption over the past 12 months was -211,874 square feet.

Retail Market

The Triangle retail market remained strong in the first quarter 2011 with vacancy increasing slightly from 8.37% in the fourth quarter 2010 to 8.4% in the first quarter 2011. Net absorption was 376,896 square feet over the past 12 months.

DOWNTOWN RALEIGH CONDOMINIUM MARKET

This market clearly peaked in 2008 and has since declined. The data summarized on the following schedule with comparison to the potential market in 2007 indicate the following:

- In 2007 there were 397 condo's completed with 306 sold. Available inventory was 91 units. There were 645 units proposed and/or in early stages of planning or development.
- In the Spring of 2011 there were 828 condo's completed and 658 units sold. Available inventory was 170 units.
- Of the proposed condo communities, 53 units were redesigned for retail use, 54 units were deleted (not proposed), 384 units were postponed and 387 completed units were converted to rental apartment communities and sold to out-of-state investors.
- For two selected communities, West and Plaza, sales declined from 37 units in 2008 to 16 in 2010 with price per square foot down from \$315.74 to \$279.41 per square foot (West) and 58 units in 2008 to 15 units in 2010 with prices of \$372.01 to \$328.52 per square foot over that period (Plaza).
- This decline has resulted in market/developer preference for rental apartment communities; 797 new units now proposed.

SUMMARY OF DOWNTOWN RALEIGH CONDOMINIUM PROJECTS									
Effective August 2007-March 2011									
Completed Projects:									
Name / Location	Year Built	Total Units	No. Sold	Av. Sales Price	Av. Size (s.f.)	Price/s.f.			
Park Devereux 200 S. Dawson	2000	46	46	\$292,600	1,230	\$237.89			
510 Glenwood 510 Glenwood	2000	36	36	\$351,500	1,440	\$244.10			
The Hudson 319 Fayette. St. Mall	2005	64	47	\$310,400	1,415	\$219.36			
The Dawson 317 W. Morgan	2005	66	59	\$145,750	657	\$221.84			
The Paramount 618 N. Boylan	2006	81	81	\$374,028	1,277	\$292.90			
Palladium Plaza 444 S. Blount	2006	66	58	\$283,560	1,271	\$223.10			
Quorum Center 323 W. Jones	2007	<u>38</u>	<u>27</u>	\$720,650	1,855	\$388.49			
222 Glenwood	2007	117	94	\$319,028	1134	\$281.33			
Bloomsbury Estates S. Boylan at W. Hargett	2009	56	10	\$318,000	1,136	\$279.93			
West	2008	122	82	\$351,619	1,237	\$284.31			
Plaza	2008	<u>136</u>	<u>118</u>	\$361,892	1,104	\$327.95			
Totals		828	658						
Projects Converted, Postponed									
111 Seaboard		NA, condo's shelved; new development now total retail							
Hue	2008	208	NA, converted to rental apts. and sold in June 2010 for \$36.9 million						
712 Tucker	2008	179	NA, converted to rental apts. and sold in August 2010 for \$30 million						
Blount St. Ph. I	NA	92	NA, development postponed						
Blount St. Phs. II-IV	NA	<u>292</u>	NA, development postponed						
Totals		771							
Selected Absorption Rate Analysis									
Community		West: 400 W. North Street				Plaza: 301 Fayetteville Street			
Year	2008	2009	2010	2011	2008	2009	2010	2011	
Units Sold	37	23	16	6	58	37	15	8	
Av. Unit Size (s.f.)	1,042	1,240	1,237	1,428	1,052	1,164	1,153	1,045	
Av. Sales Price	\$329,000	\$378,100	\$345,625	\$353,750	\$391,350	\$374,250	\$378,800	\$303,170	
Price/s.f.	\$315.74	\$304.92	\$279.41	\$247.72	\$372.01	\$321.52	\$328.53	\$290.11	

DESCRIPTION OF THE NEIGHBORHOOD

Neighborhood use is defined by the *Dictionary of Real Estate Appraisal*, second edition, as "a group of complementary land uses." It is typically bounded by either natural or man-made barriers, although they may also be defined by changes in land uses.

Located about one mile southwest of the Central Business District of the City of Raleigh and one-half mile east of the main campus of N. C. State University, the Dix Campus is bounded by Western Boulevard on the north side, Lake Wheeler Road on the east side, the State of N.C. Farmers Market on the south side and the N.C. State University Centennial Campus on the west side.

Centennial Campus consists of 1,334 acres of which 1,120 acres are a research/education campus and 214 acres are a biomedical campus. With the land transferred to N.C. State in 1984 and the first building opening in 1989, the present use is 3 million square feet of facility space, 62 private research partners, 75 academic units and 7,000 people. Projected "built-out" development is 9 million square feet of facility space and 30,000 people. Existing amenities include the Lonnie Poole Golf Course/Clubhouse, James b. Hunt Library (under construction), conference/hotel center, Town Center, student housing, food services, additional recreation (all in planning stages) plus College of Engineering (ongoing) and Lab/Office space (pre-leasing).

Along the north side of Western Boulevard across from the Dix Campus are the Central Prison facility, N.C. School for the Blind and Pullen Park, a City of Raleigh public park.

Slightly further north and east is Boylan Heights, a historic single-family residential neighborhood with homes dating back to the late 1880's. Wake County Tax Assessor records indicate recent selling prices of homes in the neighborhood ranging from a low of \$166,000 to a high of \$319,000.

East of the campus, across Lake Wheeler Road, is the single-family subdivision of Fuller Heights and adjacent at its northwest corner is Bilyeu, also a single-family residential area. Both are improved with small, modest dwellings that exhibit recent selling prices within a range of \$65,000 to \$175,000 (Fuller Heights) and \$128,000 to \$248,000 (Bilyeu).

SITE DATA

Based on a total gross area of 341 acres as provided by the client and our estimate of 7 acres within railroad right-of-way, we have estimated a net area of 334 acres that included the right-of-way of numerous existing interior streets. The right-of-way for the railroad (Norfolk-Southern) effectively bisects the campus and we have estimated that about 165 acres are located east of the railroad and 169 acres are located west of it, suggesting that the total campus area could be considered as two smaller tracts.

The shape of each of the smaller tracts is slightly irregular but not considered to be restrictive. Topography is predominately gentle to moderate slopes with the exception of areas located within the 165 acres east of the railroad. About 40 acres located south of and adjacent to Rocky Branch, a tributary of Walnut Creek that parallels the right-of-way of Western Boulevard, and north of Umstead Drive/Richardson Street, has some very steep slopes that could require terracing if developed for future uses.

Drainage for both tracts appear to be excellent for the most part. There are some minor areas of 100-year and 500-year floodplain on the 165 acre tract along with potential areas of riparian buffers and minor areas of riparian buffers on the western 169 acre tract.

Regional access to the campus is provided by Western Boulevard that has an interchange with I-440, located about 2.5 mile to the west and by the I-440/Lake Wheeler Road interchange that is about ½ mile south. Local access is provided by Centennial Boulevard and by a full access and signalized intersection at Western Boulevard with Hunt Drive, right-in/right-out access at Western Boulevard and Boylan Avenue; full access at Lake Wheeler/Umstead Drive, Lake Wheeler/Goode Drive and Centennial Boulevard at Blair Drive. Interior access is numerous and includes Umstead Drive, Goode Drive, Blair and Barbour Streets, Richardson Drive, etc. Linkage between the two tracts that are located on each side of the railroad are provided by an above grade crossing along Umstead Drive and a small grade crossing at Biggs/Barbour. Other features of note include:

- The area now known as the soccer field and under a long-term ground lease to the City of Raleigh includes an old landfill of undetermined size and precise location.
- Some 30 - 40 acres known as The Grove is considered to be a contributing site in the National Registry of Historic Places.
- A public greenway is located along Rocky Branch adjacent to Western Boulevard on its south side.
- Approximately 5 acres bounded by Lake Wheeler Road (S/S), the railroad (W/S), Biggs (N/S) and Goode (E/S) has very narrow depths and is encumbered by a powerline easement, resulting in limited buildable area.
- A 3 acre cemetery with potentially as many as 1,000 grave sites is located on the west side of the railroad.

A summary of the major site characteristics is set forth on the following schedule. A boundary map is included as Exhibit B and a hydrology/topographic map is included as Exhibit C.

Occupying portions of the 165 acres east of the railroad are some 75 buildings with an estimated total area of about 1,026,000 square feet. They include the hospital, patient dormitories, offices, daycare center, cafeteria, warehouses and staff residences. We have estimated a total of 27 small dwellings are used as staff residences. Other residential buildings include the Superintendent's House, Doctor's residence, Gate Keeper's house, House of Many Porches, Benner House and gazebo, all considered to be contributing structures when listed on the National Registry of Historic Places in 1990. Other contributing structures located on this portion of the campus include the canteen, kitchen, cafeteria, laundry, old boiler room and carpenter shop. Former dormitories now converted to office use and considered contributing structures are Brown, Clark, Broughton and Hoey.

The age of the buildings vary widely, a few dating back as early as 1850's and some as recently as 1975.

Located on the 169 acres west of the railroad are 7 structures owned in fee-simple and having a total area of 154,281 square feet. In addition to these buildings is Warehouse #4 and maintenance shop with about 25,000 square feet and Food Runner's building of about 18,000 square feet occupying a site under long-term ground lease. The major buildings on this portion of the campus are Ashby, Scott, Adams, Williams and Kirby, five buildings used as hospital/offices, offices or school. They were constructed over the period 1939 - 1955 and are located beyond the boundaries of the historical district.

As noted earlier, we did not conduct on-site inspections of any of the buildings located on the campus except for visual exterior observations from street rights-of-ways. Their sizes, ages, quality and condition are based on data provided to us by the client, including second-party data obtained by them. As determined in the 2007 appraisal and reconfirmed in this appraisal, there is no contributing value based on market value. As a result it, is likely that under the highest and best use of the property, these improvements would be razed to allow for a more efficient new development.

UTILITIES

The Dix property has all municipal utilities available, including electricity which is provided by Carolina Power & Light, telephone service provided by AT&T, and natural gas provided by PSNC Energy. The City of Raleigh provides water and sanitary sewer service. Fire and police protection are also provided by the City of Raleigh.

ZONING

Located within the Southwestern District of the City of Raleigh's Comprehensive Plan, the Dix Campus is considered to be part of a regional center under the plan's recommended urban form. It is also within the Centennial Campus/Dorothea Dix Small Area Plan which states: "The future of the Dorothea Dix Campus will be determined by the North Carolina State Legislature." It may be

significant to note that the campus is not located in the City's Downtown Overlay District, an area in which very high-density developments with a mix of retail, office and residential uses are encouraged. See Exhibit D for the boundaries of the Overlay District.

As to the specific zoning, about 326 acres of the subject property is zoned **Office and Institutional - 1 (O & I - 1)** by the City of Raleigh, a classification in which medium intensity offices are commonly found. The key features applying to this district are detailed below. This information is taken from the City of Raleigh Zoning Code, Section 10-2035 and related sections.

Permitted Uses

The following list is of the major land uses permitted in the district. A complete list is given in the Zoning Code.

- * **General Uses** allowed under the basic requirements of the O & I - 1 district: banks, day care, hospitals, orphanages, rest homes, funeral homes, charitable institutions, civic clubs, and public libraries.
- * **Conditional Uses** allowed under additional restrictions: offices, office centers (more than one building on a lot), private recreational clubs, and multi-family residences up to 10 units per acre.
- * **Special Uses** requiring approval by the *Board of Adjustment*: restaurants without drive-thru, boarding houses, guest houses, group care facilities
- * **Special Uses** requiring approval by the *City Council*: multi-family residences between 10 and 25 units per acre.

Site Plan Approval by the City Council is required for nearly all major uses.

Dimensional Standards

Multi-family Minimum Area per Unit: 4,356 square feet (10 units per acre) without Special Use Permit; 1,742 square feet (25 units per acre) with Special Use Permit

Single-family Minimum Lot Area per Unit: 5,000 square feet

Minimum Size of Office Centers: 2.5 acres of land or 30,000 gross square feet of building.

Minimum Yard Setbacks (in feet):

Front - 30

Side - 5

Rear - 20

Aggregate Sides - 10

Aggregate Front and Rear - 50

Corner Lot Side - 5

(For corner lots, the front yard adjoins the major street)

Maximum Building Height: 40 feet (may be exceeded if one foot is added to yard setbacks for each additional foot of height; if building within 50 feet of the lot line of a residential use or a residential zoning district, two additional feet of setback are required for each additional foot of height)

Maximum Office Building Floor Area Ratio: 75% of lot area, without Special Use Permit
Maximum Office Building Lot Coverage: 25% of lot area

Off-Street Parking Standards

Minimum number of spaces for selected land uses in this district:

Banks: 1 space per 300 square feet and 3 storage spaces for each drive-thru window or drive-up automated teller machine

General offices: 1 space per 300 square feet of *gross* floor area

Medical offices: 6 spaces per doctor or dentist

Landscaping Standards

Banks are "medium impact uses" requiring landscaped transitional protective yards when next to or across from residential, park, or "low impact uses." The low impact group includes offices, day care, and others listed above that require protective yards only next to residential uses. The width of the protective yard in combination with the degree of vegetation must exceed some minimum standard, established by a scale displayed in Section 10-2082.9 of the Code.

Some 8 acres of the subject property are zoned **Thoroughfare District (TD)** by the City of Raleigh, a classification allowing all major types of residential and non-residential uses, with special landscaping standards adjacent to major roads. The key features applying to this district are detailed below. This information is taken from the City of Raleigh Zoning Code, Section 10-2045 and related sections.

Permitted Uses

The following list is of the major land uses permitted in the district. A complete list is given in the Zoning Code.

- * **General Uses** allowed under the basic requirements of the TD district: retail sales, banks, restaurants, food stores, automotive sales, service, and repair, hotels or motels, warehouses and distribution centers, manufacturing (except certain types creating noxious by-products), mini-warehouses, machine shops, wholesaling, outdoor storage (except junkyards), offices, indoor and outdoor recreational uses, movie theaters, and bars, nightclubs, and the like
- * **Conditional Uses** allowed under additional restrictions: shopping centers not within 400 feet of a major thoroughfare or major access corridor, office centers (more than one building on a lot), mixed use developments, single-family dwellings, and multi-family developments up to 20 units per acre
- * **Special Uses** requiring approval by the *City Council*: shopping centers within 400 feet of major thoroughfare or major access corridor, and multi-family developments between 20 and 40 units per acre

The major routes for which special provisions apply are I - 40, Wade Avenue between I - 40 and I – 440.

Site Plan Approval by the City Council is required for most commercial uses (does not include office buildings on their own lots).

Dimensional Standards

Multi-family Minimum Area per Unit: 2,178 square feet (20 units per acre) without Special Use Permit; 1,089 square feet (40 units per acre) with Special Use Permit

Single-family Minimum Lot Area per Unit: 5,000 square feet

Minimum Size of Office Centers: 2.5 acres of land or 30,000 gross square feet of building.

Minimum Size of Shopping Centers: 2.5 acres of land and 25,000 square feet of building

Minimum Yard Setbacks: (in feet)

Yards adjoining rights-of-way - 90 if fronting thoroughfare or arterial (50 if treescape doubled); 50 or 30 for minor roads

Interior Rear and Sides - 0 if adjoining a lot in the same development or subdivision, 20 if on the periphery of a development

Maximum Building Height: 70 feet if subject to 90-foot setback, otherwise 50 feet (may be exceeded if two feet are added to yard setbacks for each additional foot of height); if buildings within 50 feet of a residential dwelling or residential zoning district, 30 feet is the base maximum height

Off-Street Parking Standards

Minimum number of spaces for selected land uses in this district:

Shopping Centers (up to 600,000 square feet): 1 space per 250 square feet

Shopping Centers (600,000 - 1,200,000 square feet): 1 space per 200 square feet

Banks: 1 space per 300 square feet and 3 storage spaces for each drive-thru window or drive-up automated teller machine

Restaurants: 1 space per 50 square feet or 1 space per 4 seats, whichever is greater. If drive-thru is present, 1 space per 35 square feet if this requires more spaces

Automobile Service and Repair: 3 spaces per service bay or mechanic where bays are not used

Service Stations: 1 space per 1,000 square feet of land

Miscellaneous Retail: 1 space per 200 square feet

General offices: 1 space per 300 square feet of *gross* floor area

Manufacturing, Warehouses, and Wholesaling: 1 space per 2 employees during shift of maximum employment, plus 1 space for every truck to be parked simultaneously

Landscaping Standards

Aside from the basic landscaping requirements in this district, additional landscaping may be required for some yards according to a set of impact-based standards. Shopping areas, manufacturing facilities, warehouses, transportation terminals, and mini-warehouses are "high impact uses" requiring landscaped transitional protective yards next to adjoining properties, with a

greater degree of landscaping next to residential uses. Restaurants, food stores, banks with drive-thru's, hotels/motels, and other retail uses are "medium impact uses" requiring protective yards next to residential, park, and "low impact uses." The low impact group includes offices, day care, and others listed above that require protective yards only next to residential uses. The width of the protective yard in combination with the degree of vegetation must exceed some minimum standard, established by a scale displayed in Section 10-2082.9 of the Code.

AD VALOREM TAXES

The Dix property is part of a larger 536.35 acre tract identified as PIN 1703.09-05-1169 by the Wake County Tax Assessor's Office with tax assessed values as follows:

<u>PIN Number</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>
1703.09-05-1169	\$82,657,921	\$100,935,295	\$183,593,226

The assessed value for the entire 536.35 acres is \$183,593,226 and the 2011 tax rate is \$0.9075 per \$100 of tax assessed value, including the Wake County rate of \$0.534 per \$100, and the City of Raleigh rate of \$0.3735 per \$100.

Total Tax Assessed Value	\$183,593,226
Tax Rate	\$0.9075 per \$100 of assessed value
Estimated 2011 Ad Valorem Taxes	\$1,666,108

The State of North Carolina requires that all of the real estate in every county be revalued for tax purposes at least every eight years. Wake County has historically revalued its real estate every eight years and last established new tax assessed values in January 2008, indicating a revaluation in January 2016. Furthermore, state owned, the property is exempt from Wake County Ad Valorem taxes and assessed values of state owned properties rarely have any relationship to market value.

APPRAISERS' OPINION OF THE HIGHEST AND BEST USE

Highest and best use, as defined, is that use which, at the time of appraisal, is the most profitable and likely use to which a proper can be put. It may also be defined as that available use and program of future utilization which produces the highest present land value.

According to *The Appraisal of Real Estate*, 9th Edition, the highest and best use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive.

Physically Possible: The size, shape, area and terrain of a parcel of land affects the uses to which it may be developed. The highest and best use of a property must be a use to which the property is capable of being developed. It must consider factors including capacity and availability of utilities, topography, and sub-soil conditions and any other physical characteristics of a property which will alter the property's development potential.

Legally Permissible: The highest and best use must be a use which is legally allowable. Private restrictions, zoning, building codes, historic district controls, and environmental regulations must allow for the development of a site's highest and best use.

Financially Feasible: In the highest and best use analysis, all uses that generate a positive return on the property should be considered. If a use does not generate a positive return, it is not considered financially feasible and would not be considered as a potential highest and best use of a property.

Maximally Productive: Of the financially feasible uses, that use which produces the highest price, or value, (given a constant rate of return), is the highest and best use.

For improved properties, a distinction must be made between highest and best use as though vacant and as though improved. The former identifies the use of the site as though vacant that would produce the highest present land value. The latter takes into account the presence of the existing improvements. The determination must be made whether the existing improvements should be maintained as is, expanded, renovated, or partially or totally demolished in favor of a different use altogether.

Highest and Best Use as though Vacant

The scope of this appraisal is four-fold:

1. Estimate the prospective value assuming a full recovery of the market and return to previous price levels in the next two to three years of the 259 acres net of 60-acre soccer field, 3-acre cemetery, 7.748 acres Food Runners and 4.377 acres Healing Place.
2. Estimate the current market value of the 259 acres net of acres cited above but assuming a marketing period of about twelve months.
3. Estimate the prospective value using the same assumption as stated in #1 above of 319 acres that includes the 60-acre soccer field.
4. Estimate the current value of 319 acres using a marketing period of about twelve months.

Based on market data included in this report, we have concluded the highest and best use of both the 259 acres and 319 acres is for mixed-use purposes. These land use will include retail, office/institutional, motel/hotel, multi-family residential (condominiums, townhomes, work/live units, etc. that are owner-occupied), multi-family apartment rental communities and single-family detached small subdivisions. The allocation of percentages for each use in terms of acreage, units, square footage and density are well beyond the scope of this appraisal but reflective of the dynamics of the changing and evolving adaption of a of a pre-conceived master plan for similar mixed-use projects as consumer demand, lender requirements and general economic factors change.

For this property, the highest and best use and ultimate value estimates are based in ascending amounts on its size, location, existing infrastructure (streets, utilities, building pads), open space requirements and market trends. Its values, both prospective and current, need to account for its superior infrastructure as compared to market data of comparable sales, available open space, its relatively large size and its location.

The analysis previously presented does not address the contributing values of Food Runners, Healing Place and Warehouse #4/maintenance facility as improved. For the Food Runner and Warehouse #4 facility, we have estimated values based on market data. The Healing Place is a special-purpose facility and no reliable market data pertinent to it is available. The following pages of this report set forth our estimates of depreciated costs, market value estimates and market data from which the value estimates were determined. They indicate the following:

- Food Runners - market value of \$3,560,000
- Healing Place - depreciated cost of \$4,500,000
- Warehouse #4 - market value of \$2,225,000

Based on existing ground leases, Food Runners occupies 7.748 acres and the Healing Place occupies 4.377 acres. We have estimated that Warehouse #4 along with the maintenance building and fuel depot occupies about 8 acres. Wake County Tax Office records, aerial photographs and our inspections of the buildings provide a description of each as follows:

- Food Runners – 18,061 square foot building constructed in 2004 with central HVAC and sprinkler system; 75,000 square feet of paved parking, 1,300 linear feet of security fencing; 546 square feet in storage, canopy, docks, etc. Assessed value \$2,228,933.
- Healing Place – 40,700 square foot building constructed in 2000 with central HVAC; 20,400 square feet of paving parking; 3,557 square feet canopy, stoops, etc. Assessed value \$3,890,562.
- Warehouse #4 – 22,500 square foot distribution warehouse and 2,604 square foot service garage built in 1990-96; central a/c in warehouse, space heat in garage; 33,950 square feet paved parking; 472 square feet ramps, canopy, etc. Assessed Value \$778,554.

For all these buildings we have estimated a depreciated replacement cost and market value as set forth below:

ESTIMATES OF REPRODUCTION COSTS NEW AND ACCRUED DEPRECIATION FOR LEASEHOLD IMPROVEMENTS LOCATED ON DOROTHEA DIX CAMPUS				
Building		FOOD RUNNERS	HEALING PLACE	WAREHOUSE#4
Gross Bldg. Area(s.f.) GBA		18,061	40,700	25,104
Year Built		2004	2000	1990
Actual Age(years)		7	11	17
Effective Age(years)		7	11	14
Economic Life(years)		55	45	50
% Depreciation		3%	11%	10%
Site Size(acres)		7.744	4.377	8
Unadjusted Cost New/s.f.		\$111.35	\$101.26	\$61.40
Current Factor		1.07	1.03	1.04
Local Factor		0.92	0.92	0.92
Adjusted Cost New/s.f.		\$109.61	\$95.95	\$58.75
Cost New of Building		\$1,979,719	\$3,905,327	\$1,474,798
Less: Depreciation		\$59,392	\$429,586	\$147,480
Depreciated Cost		\$1,920,328	\$3,475,741	\$1,327,318
Add: Site Improvements		\$100,000	\$75,000	\$125,000
Total Depreciated Cost		\$2,020,328	\$3,550,741	\$1,452,318
Add: Land Value				
FAR (.20 for FR& Whse.)		\$451,525	\$953,311	\$376,560
Total by Cost Approach-B4 Excess Land		\$2,471,853	\$4,504,051	\$1,828,878
Add: Excess Land		\$1,234,926	\$0	\$667,775
Total Value		\$3,706,779	\$4,504,051	\$2,496,653
ESTIMATED MARKET VALUE OF SITE AND IMPROVEMENTS				
Sales Price Per S.F. GBA		\$128.60		\$62.00
Sales Price		\$2,322,645		\$1,556,448
Excess Land (acres) at 20% FAR		5.67		5.11
Value of Excess Land Per Acre		\$217,800		\$130,680
Value of Excess Land		\$1,234,926		\$667,775
Total Property Value		\$3,557,571		\$2,224,223
Rounded...		\$3,560,000	\$4,500,000	\$2,225,000

SUMMARY OF MARKET DATA FOR "FOOD RUNNERS" AND "WHSE.#4/MAINT.BLDG./FUEL DEPOT" TWO LEASEHOLD IMPROVEMENTS LOCATED ON DOROTHEA DIX CAMPUS								
A: FOOD RUNNERS (TYPICAL OFFICE SALES DATA)								
<u>PIN #</u>	<u>GBA</u>	<u>Yr. Built</u>	<u>Land (acres)</u>	<u>Zoning</u>	<u>Sale Date</u>	<u>Price</u>	<u>\$/GBA</u>	<u>DB/Page</u>
1704445823	42,284	1961	3.66	O&I-1	9/23/2010	\$6,375,000	\$150.77	14083/542
1707538727	11,257	1985	0.94	O&I-3	4/19/2011	\$1,300,000	\$115.48	14327/1738
1715831573	30,111	1995	1.94	Ind-1	6/1/2010	\$3,600,000	\$119.56	14132/2437
Totals	83,652		6.54			\$11,275,000	\$385.81	
Averages	27,884		2.18			\$3,758,333	\$128.60	
B: WAREHOUSE# 4/MAINT.BLDG./FUEL DEPOT (TYPICAL DISTRIBUTION WAREHOUSE)								
<u>PIN #</u>	<u>GBA</u>	<u>Yr. Built</u>	<u>Land (acres)</u>	<u>Zoning</u>	<u>Sale Date</u>	<u>Price</u>	<u>\$/GBA</u>	<u>DB/Page</u>
778614460	87,934	1973	13.07	Ind-1	5/26/2010	\$3,750,000	\$42.65	13952/813
1733053769	20,037	2000	2.6	Ind-1	5/24/2010	\$1,250,000	\$62.38	13949/1187
1733068326	56,712	1993	6.69	Ind-1	12/18/2009	\$3,125,000	\$55.10	13799/1821
Totals	164,683		22.36			\$8,125,000	\$160.13	
Averages	54,894		7.45			\$2,708,333	\$53.38	

LAND VALUE BY COMPARISON

Land Value by Comparison is an appraisal technique in which the market estimate is predicated upon prices paid in actual market transactions and current listings of similar tracts of land; the former fixing a lower limit of value in a static or advancing market, and fixing a higher limit of value in a declining market; the latter fixing a higher limit of value in any market. It is the process of correlation and analysis of similar recently sold properties.

In determining our opinion of land value for the Dix Campus in 2007, we reviewed a total of 28 recent sales of properties purchased for various uses. Seven sales are located in Downtown Raleigh, six sales are mixed-use commercial/residential tracts located throughout Wake County, four are suburban single-family residential tracts, six are high-density urban residential sites and five are office/institutional sites.

For reference purposes, the description of these sales is included in this report as Exhibit E and a summary analysis is included as Exhibits H and I. It is significant to note that the proposed downtown development of the property purchased by LNR Blount Street, LLC in 2007 has been postponed. They did sell a small retail site of 25,590 square feet in February 2008 for \$1,761,500 or \$68.83 per square foot and a small office site of 39,650 square feet in October 2008 for \$800,000 or \$20.18 per square foot.

In identifying the market trend and price/market values over the period 2007 - 2011, we have identified four recent downtown sales and two larger, suburban land sales. They are described in Exhibit E (2011) New Land Sales. We have also included more recent suburban commercial land sales, described in this report in Exhibit F. As seen on the following schedule, downtown land sales prices ranged from \$30.54 per square foot for a 5.375 acre mixed-use development to \$91.15 per square foot for a 0.34 acre parcel as part of an assembly for a proposed Hampton Inn motel.

For suburban land sales, average prices were: retail - \$7.03 per square foot; office - \$8.45 per square foot; and hotel/motel - \$8.83 per square foot.

SUMMARY ANALYSIS OF MARKET DATA FOR DIX CAMPUS OF SUBURBAN/URBAN COMMERCIAL/RESIDENTIAL/MIXED-USE LAND SALES						
I. Retail Land Sales						
Sale No.	1	2	3	4	Totals	
Total Land Area (acres)	22.91	17.216	26.64	6.65	73.416	
Total Land Area (s.f.)	997,960	749,929	1,160,438	289,674	3,198,001	
Sales Price	\$5,472,000	\$5,000,000	\$10,000,000	\$2,000,000	\$22,472,000	
Price/s.f.	\$5.48	\$6.67	\$8.62	\$6.90	\$7.03	
Retail Area (s.f.)	95,403	62,249	Unknown	30000		
Retail Land (acres)	15.7	12.17	Unknown	5.59		
Retail Land (s.f.)	683892	530125.2	NA	243500.4		
FAR	13.95%	11.74%	NA	12.32%		
Out-Parcel Area (acres)	7.21	5.04	NA	1.06		
% Out-Parcels	31.47%	29.28%	NA	15.94%		
Factor	1.30	1.30	NA	1.30		
Out-Parcel Ajustment	9.37	6.55	NA	1.38		
Out-Parcel Value Allocation	\$2,238,719	\$1,902,881	NA	\$414,436		
Net to Retail	\$3,233,281	\$3,097,119	NA	\$1,585,564		
II. Office Land Sales						
Sale No.	1	2	3	4	Totals	
Total Land Area (acres)	2.572	2.34	20.02	1.8188	26.7508	
Total Land Area (s.f.)	112,036	101,930	872,071	79,227	1,165,265	
Sales Price	\$600,000	\$611,000	\$7,917,500	\$715,000	\$9,843,500	
Price/s.f. Land	\$5.36	\$5.99	\$9.08	\$9.02	\$8.45	
Building Area (s.f.)	16,000	15,328	208,490	22,600	262,418	
FAR	14.28%	15.04%	23.91%	28.53%	22.52%	
Price/s.f. Bldg.	\$37.50	\$39.86	\$37.98	\$31.64	\$37.51	
III. Hotel/Motel Land Sales						
Sale No.	1	2	3	4	5	Totals
Total Land Area (acres)	2.56	5.621	4.06	3.513	5.161	21.111
Total Land Area (s.f.)	111,514	244,851	176,854	153,026	224,813	911,057
Sales Price	\$1,200,000	\$2,724,500	\$1,535,500	\$1,031,000	\$1,550,000	\$8,041,000
Price/s.f. Land	\$10.76	\$11.13	\$8.68	\$6.74	\$6.89	\$8.83
IV. Single-Family Residential Land Sale (Lennar Carolinas)						
Sale No.	1					
Total Land Area (acres)	40.94					
Total Land Area (s.f.)	1,783,346					
Sales Price	\$5,300,000					
Price/acre	\$129,458					
Price/s.f.	\$2.97					
V. Mixed -Use Land Sale (Post Wade Tract)						
Sale No.	1					
Total Land Area (acres)	124.41					
Total Land Area (s.f.)	5,419,300					
Sales Price	\$30,040,680					
Price/acre	\$241,465					
Price/s.f.	\$5.54					
SUMMARY OF URBAN COMMERCIAL/RETAIL/MIXED-USE LAND SALES						
Sale No.	1	2	3	4		
Land Area	5.375	0.83	0.34	3.158		
Land Area	234,135	36,234	14,810	137,562		
Sales Price	\$7,150,000	\$1,700,000	\$1,350,000	\$6,000,000		
Price/acre	\$1,330,233	\$2,048,193	\$3,970,588	\$1,899,937		
Price/s.f.	\$30.54	\$46.92	\$91.15	\$43.62		
Use	Mixed	Multi-family	Motel	Student housing		

Of all the data provided by the sales included in this report, we believe that the mixed-use land purchases of 95.867 acres by Morrisville Partners in 2006 and subsequent re-sale of portions of it and the mixed-use land purchase of 124.41 acres by Post Wade Tract M-2, LLC in August 2007 provide the best evidence of the prospective value and current value of the Dix Campus. The Morrisville Partners purchase is described as Land Sale No. 1 on Exhibit E. The Post Wade Tract M-2 is described as Land Sale No. 3 on Exhibit E (2011). Our review of the data provided by these two sales indicate the following:

1. **Morrisville Partners** – They purchased this former Bristol-Myers pharmaceutical plant in December 2006 for \$22,500,000 and razed the plant at a cost of \$3,300,000. Total cost for the property was \$25,800,000; \$269,124 per acre or \$6.18 per square foot. Except for the plant building pad and paved parking, the tract was heavily wooded with little infrastructure in terms of streets, water, sewer, etc. They subdivided it as “Park West Village” and in August 2010 sold 42.63 acres for \$5,800,000 or \$136,054 per acre and 10.226 acres for \$4,000,000 or \$391,160 per acre. The combined sales prices was \$9,800,000 or \$185,409 per acre for the 52.856 acres. This sales price per acre is about 70% of the original purchase price paid by Morrisville.
2. **Post Wade Tract M-2** – This is part of a 168.13 acre tract purchased in June 2006 for \$29,000,000 or \$172,486 per acre. The buyer, Wexford Development, proposed a master plan for future mixed-use development that was eventually approved but required the plan reserve 52.77 acres of open space, 31% of total area. Wexford sold 20.02 acres for new office development in May 2007 for \$7,917,500 or \$9.08 per square foot. In August 2007, they sold the 124.41 acres to Post Wade Tract M-2 for \$30,040,680 or \$241,465 per acre or \$5.54 per square foot. This tract contained 35.98 acres of open space or 28.9% of total area. It was heavily wooded with almost no infrastructure in terms of streets, water, sewer, etc. Post Wade later sold the rear 40.93 acres in November 2010 to Lennar Carolinas for single-family residential development. Lennar paid \$5,300,000 or \$129,489 per acre or \$2.97 per square foot.

The following schedules show our analysis and adjustments to these two sales, reflecting the significant differences between them and the Dix property. Prospective Values and Current Values per acre are determined for both the 259 acres net of the 60-acre soccer field and the 319 acres that includes the soccer field.

LAND SALES ADJUSTMENT CHART FOR 259 ACRES OF DOROTHEA DIX HOSPITAL CAMPUS- EXCLUDES 60-ACRE SOCCER FIELD			
PROSPECTIVE MARKET VALUE			
Sale No.	Subject	1	2
Grantee	NA	Morrisville Partners	Post Wade Tract M-2, LLC
Date of Purchase (Appraisal)	5/20/2011	12/29/2006	8/27/2007
Purchase Price	NA	\$25,800,000	\$30,040,680
Size (acres)	259	95.8667	124.41
Size (s.f.)	11,282,040	4,175,953	5,419,300
Purchase Price/acre	NA	\$269,124	\$241,465
Purchase Price/s.f.	NA	\$6.18	\$5.54
Infrastructure	Intensive	Very Limited	Very Limited
% Open Space	5%	10%	29%
Adjustments:			
Size/Shape		0.9	0.9
Location		1.05	1.1
Infrastructure		1.25	1.25
Open Space		1.25	1.05
Market Trends		1.00	1.00
Composite Adjustment		1.48	1.30
Adjusted Price /Acre		\$397,377.95	\$313,753.79
Weighted %		0.4	0.6
Weighted Value /Acre		\$158,951	\$188,252
Combined Weighted Value		\$347,203	
	Rounded..	\$347,000	
CURRENT MARKET VALUE			
Sale No.	Subject	1	2
Grantee	NA	Morrisville Partners	Post Wade Tract M-2, LLC
Date of Purchase (Appraisal)	5/20/2011	12/29/2006	8/27/2007
Purchase Price	NA	\$25,800,000	\$30,040,680
Size (acres)	259	95.8667	124.41
Size (s.f.)	11,282,040	4,175,953	5,419,300
Purchase Price/acre	NA	\$269,124	\$241,465
Purchase Price/s.f.	NA	\$6.18	\$5.54
Infrastructure	Intensive	Very Limited	Very Limited
% Open Space	5%	10%	29%
Adjustments:			
Size/Shape		0.9	0.9
Location		1.05	1.1
Infrastructure		1.25	1.25
Open Space		1.25	1.05
Market Trends		0.70	0.70
Composite Adjustment		1.03	0.91
Adjusted Price /Acre		\$278,164.56	\$219,627.65
Weighted %		0.4	0.6
Weighted Value /Acre		\$111,266	\$131,777
Combined Weighted Value		\$243,042	
	Rounded..	\$243,000	

LAND SALES ADJUSTMENT CHART FOR 319 ACRES OF DOROTHEA DIX HOSPITAL CAMPUS- INCLUDES 60-ACRE SOCCER FIELD			
PROSPECTIVE MARKET VALUE			
Sale No.	Subject	1	2
Grantee	NA	Morrisville Partners	Post Wade Tract M-2, LLC
Date of Purchase (Appraisal)	5/20/2011	12/29/2006	8/27/2007
Purchase Price	NA	\$25,800,000	\$30,040,680
Size (acres)	259	95.8667	124.41
Size (s.f.)	11,282,040	4,175,953	5,419,300
Purchase Price/acre	NA	\$269,124	\$241,465
Purchase Price/s.f.	NA	\$6.18	\$5.54
Infrastructure	Intensive	Very Limited	Very Limited
% Open Space	25%	10%	29%
Adjustments:			
Size/Shape		0.9	0.9
Location		1.05	1.10
Infrastructure		1.25	1.25
Open Space		0.85	1.00
Market Trends		<u>1.00</u>	<u>1.00</u>
Composite Adjustment		1.00	1.24
Adjusted Price /Acre		\$270,217.00	\$298,813.13
Weighted %		0.4	0.6
Weighted Value /Acre		\$108,087	\$179,288
Combined Weighted Value		\$287,375	
	Rounded..	\$287,000	
CURRENT MARKET VALUE			
Sale No.	Subject	1	2
Grantee	NA	Morrisville Partners	Post Wade Tract M-2, LLC
Date of Purchase (Appraisal)	5/20/2011	12/29/2006	8/27/2007
Purchase Price	NA	\$25,800,000	\$30,040,680
Size (acres)	259	95.8667	124.41
Size (s.f.)	11,282,040	4,175,953	5,419,300
Purchase Price/acre	NA	\$269,124	\$241,465
Purchase Price/s.f.	NA	\$6.18	\$5.54
Infrastructure	Intensive	Very Limited	Very Limited
% Open Space	25%	10%	29%
Adjustments:			
Size/Shape		0.9	0.9
Location		1.05	1.10
Infrastructure		1.25	1.25
Open Space		0.85	1.00
Market Trends		<u>0.70</u>	<u>0.70</u>
Composite Adjustment		0.70	0.87
Adjusted Price /Acre		\$189,151.90	\$209,169.19
Weighted %		0.4	0.6
Weighted Value /Acre		\$75,661	\$125,502
Combined Weighted Value		\$201,162	
	Rounded..	\$201,000	

DEMOLITION COST

Our estimate to raze the existing buildings located on the Dix Campus was provided by our client who relayed to us a copy of a proposal they have from D. H. Griffin Wrecking Co., Inc.

PROPERTY VALUE ESTIMATE

The following four schedules calculate the four values derived from our analysis and conclusions determined in previous sections of this report.

PROSPECTIVE MARKET VALUE			
341 ACRES LESS 7 ACRE IN RAILROAD R/W IS 334 ACRES NET			
ASSUMPTIONS:			
a.	RAZE ALL HOSPITAL/OFFICE BLDGS. ON PROPERTY		
b.	RECOGNIZE MARKET VALUES OF HEALING PLACE (4.377 ACRES) FOOD RUNNERS (7.748 ac.) , EXCLUDE 60 ac. "SOCCER FIELD"		
c.	RETAIN CEMETARY (3 ac.)		
POTENTIAL PROPERTY VALUE			
1. AREA EAST OF RAILROAD			
	TOTAL AREA (ACRES)	165	
	LESS:	<u>4.377</u> (HEALING PLACE)	
	NET AREA (ACRES)	160.623	
	\$/ACRE	\$347,000	
	POTENTIAL SITE VALUE		\$55,736,181
	LESS:DEMOLITION COST		
	AREA (S.F.)	1,025,746	
	\$/S.F.	\$4.40	
	DEMO. COST		<u>\$4,513,282</u>
	NET LAND VALUE		\$51,222,899
	ADD:		
	HEALING PLACE		<u>\$4,500,000</u>
	TOTAL SITE VALUE		\$55,722,899
2. AREA WEST OF RAILROAD			
	TOTAL AREA (ACRES)	169	
	LESS:	7.748 (FOOD RUNNERS)	
		8 (WHSE. #4)	
		3 (Cemetery)	
		<u>60</u> (Soccer Field)	
	NET AREA (ACRES)	90.252	
	\$/ACRE	\$347,000	
	POTENTIAL SITE VALUE		\$31,317,444
	LESS: DEMOLITION COST		
	AREA(S.F.)	154,281	
	\$/S.F.	\$4.40	
	DEMO. COST		<u>\$678,836</u>
	NET LAND VALUE		\$30,638,608
	ADD: FOOD RUNNERS		\$3,560,000
	WHSE. #4		<u>\$2,225,000</u>
	TOTAL SITE VALUE		\$36,423,608
	TOTAL PROPERTY VALUE		\$92,146,506
	LESS:		
	HEALING PLACE		\$4,500,000
	FOOD RUNNERS		<u>\$3,560,000</u>
	SUBTOTAL		\$8,060,000
	NET PROPERTY VALUE IN FEE-SIMPLE		\$84,086,506
		ROUNDED...	\$84,000,000

CURRENT MARKET VALUE

341 ACRES LESS 7 ACRE IN RAILROAD R/W IS 334 ACRES NET

ASSUMPTIONS:

- a. RAZE ALL HOSPITAL/OFFICE BLDGS. ON PROPERTY
- b. RECOGNIZE MARKET VALUES OF HEALING PLACE (4.377 ACRES)
FOOD RUNNERS (7.748 ac.) , EXCLUDE 60 ac. "SOCCER FIELD"
- c. RETAIN CEMETARY (3 ac.)

POTENTIAL PROPERTY VALUE

1. AREA EAST OF RAILROAD

TOTAL AREA (ACRES)	165	
LESS:	<u>4.377</u> (HEALING PLACE)	
NET AREA (ACRES)	160.623	
\$/ACRE	\$243,000	
POTENTIAL SITE VALUE		\$39,031,389
LESS:DEMOLITION COST		
AREA (S.F.)	1,025,746	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$4,513,282</u>
NET LAND VALUE		\$34,518,107
ADD:		
HEALING PLACE		<u>\$4,500,000</u>
TOTAL SITE VALUE		\$39,018,107

2. AREA WEST OF RAILROAD

TOTAL AREA (ACRES)	169	
LESS:	7.748 (FOOD RUNNERS)	
	8 (WHSE. #4)	
	3 (Cemetery)	
	<u>60</u> (Soccer Field)	
NET AREA (ACRES)	90.252	
\$/ACRE	\$243,000	
POTENTIAL SITE VALUE		\$21,931,236
LESS: DEMOLITION COST		
AREA(S.F.)	154,281	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$678,836</u>
NET LAND VALUE		\$21,252,400
ADD: FOOD RUNNERS		\$3,560,000
WHSE. #4		<u>\$2,225,000</u>
TOTAL SITE VALUE		\$27,037,400

TOTAL PROPERTY VALUE **\$66,055,506**

LESS:

HEALING PLACE	\$4,500,000
FOOD RUNNERS	<u>\$3,560,000</u>
SUBTOTAL	\$8,060,000

NET PROPERTY VALUE IN FEE-SIMPLE \$57,995,506

ROUNDED... **\$58,000,000**

PROSPECTIVE MARKET VALUE

341 ACRES LESS 7 ACRE IN RAILROAD R/W IS 334 ACRES NET

ASSUMPTIONS:

- a. RAZE ALL HOSPITAL/OFFICE BLDGS. ON PROPERTY
- b. RECOGNIZE MARKET VALUES OF HEALING PLACE (4.377 ACRES)
FOOD RUNNERS (7.748 ac.) , INCLUDE 60 ac. "SOCCER FIELD"
- c. RETAIN CEMETARY (3 ac.)

POTENTIAL PROPERTY VALUE

1. AREA EAST OF RAILROAD

TOTAL AREA (ACRES)	165	
LESS:	<u>4.377</u> (HEALING PLACE)	
NET AREA (ACRES)	160.623	
\$/ACRE	\$287,000	
POTENTIAL SITE VALUE		\$46,098,801
LESS: DEMOLITION COST		
AREA (S.F.)	1,025,746	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$4,513,282</u>
NET LAND VALUE		\$41,585,519
ADD:		
HEALING PLACE		<u>\$4,500,000</u>
TOTAL SITE VALUE		\$46,085,519

2. AREA WEST OF RAILROAD

TOTAL AREA (ACRES)	169	
LESS:	7.748 (FOOD RUNNERS)	
	8 (WHSE. #4)	
	3 (Cemetery)	
NET AREA (ACRES)	150.252	
\$/ACRE	\$287,000	
POTENTIAL SITE VALUE		\$43,122,324
LESS: DEMOLITION COST		
AREA(S.F.)	154,281	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$678,836</u>
NET LAND VALUE		\$42,443,488
ADD: FOOD RUNNERS		\$3,560,000
WHSE. #4		<u>\$2,225,000</u>
TOTAL SITE VALUE		\$48,228,488

TOTAL PROPERTY VALUE **\$94,314,006**

LESS:		
HEALING PLACE		\$4,500,000
FOOD RUNNERS		<u>\$3,560,000</u>
SUBTOTAL		\$8,060,000

NET PROPERTY VALUE IN FEE-SIMPLE \$86,254,006

ROUNDED... **\$86,000,000**

CURRENT MARKET VALUE

341 ACRES LESS 7 ACRE IN RAILROAD R/W IS 334 ACRES NET

ASSUMPTIONS:

- a. RAZE ALL HOSPITAL/OFFICE BLDGS. ON PROPERTY
- b. RECOGNIZE MARKET VALUES OF HEALING PLACE (4.377 ACRES)
FOOD RUNNERS (7.748 ac.) , INCLUDE 60 ac. "SOCCER FIELD"
- c. RETAIN CEMETARY (3 ac.)

POTENTIAL PROPERTY VALUE

1. AREA EAST OF RAILROAD

TOTAL AREA (ACRES)	165	
LESS:	<u>4.377</u> (HEALING PLACE)	
NET AREA (ACRES)	160.623	
\$/ACRE	\$201,000	
POTENTIAL SITE VALUE		\$32,285,223
LESS: DEMOLITION COST		
AREA (S.F.)	1,025,746	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$4,513,282</u>
NET LAND VALUE		\$27,771,941
ADD:		
HEALING PLACE		<u>\$4,500,000</u>
TOTAL SITE VALUE		\$32,271,941

2. AREA WEST OF RAILROAD

TOTAL AREA (ACRES)	169	
LESS:	7.748 (FOOD RUNNERS) 8 (WHSE. #4) 3 (Cemetery)	
NET AREA (ACRES)	150.252	
\$/ACRE	\$201,000	
POTENTIAL SITE VALUE		\$30,200,652
LESS: DEMOLITION COST		
AREA(S.F.)	154,281	
\$/S.F.	\$4.40	
DEMO. COST		<u>\$678,836</u>
NET LAND VALUE		\$29,521,816
ADD: FOOD RUNNERS		\$3,560,000
WHSE. #4		<u>\$2,225,000</u>
TOTAL SITE VALUE		\$35,306,816

TOTAL PROPERTY VALUE **\$67,578,756**

LESS:		
HEALING PLACE		\$4,500,000
FOOD RUNNERS		<u>\$3,560,000</u>
SUBTOTAL		\$8,060,000

NET PROPERTY VALUE IN FEE-SIMPLE \$59,518,756

ROUNDED... **\$60,000,000**

May 25, 2011

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with Uniform Standards of Professional Appraisal Practice.
6. We have made a personal inspection of the property that is the subject of this report.
7. No one provided significant professional assistance to the persons signing this report.

Neither all nor any part of the contents of this appraisal shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communications without the prior written consent and approval of the undersigned.

Based upon the information obtained regarding the property, and in the application of our best judgment, along with the use of sound appraisal techniques, it is our opinion that as of May 20, 2011, the values of the Dix Campus property, including Warehouse #4, would be:

Prospective Market Values:	259 acres -	\$84,000,000
	319 acres -	\$86,000,000
Current Market Values:	259 acres -	\$58,000,000
	319 acres -	\$60,000,000

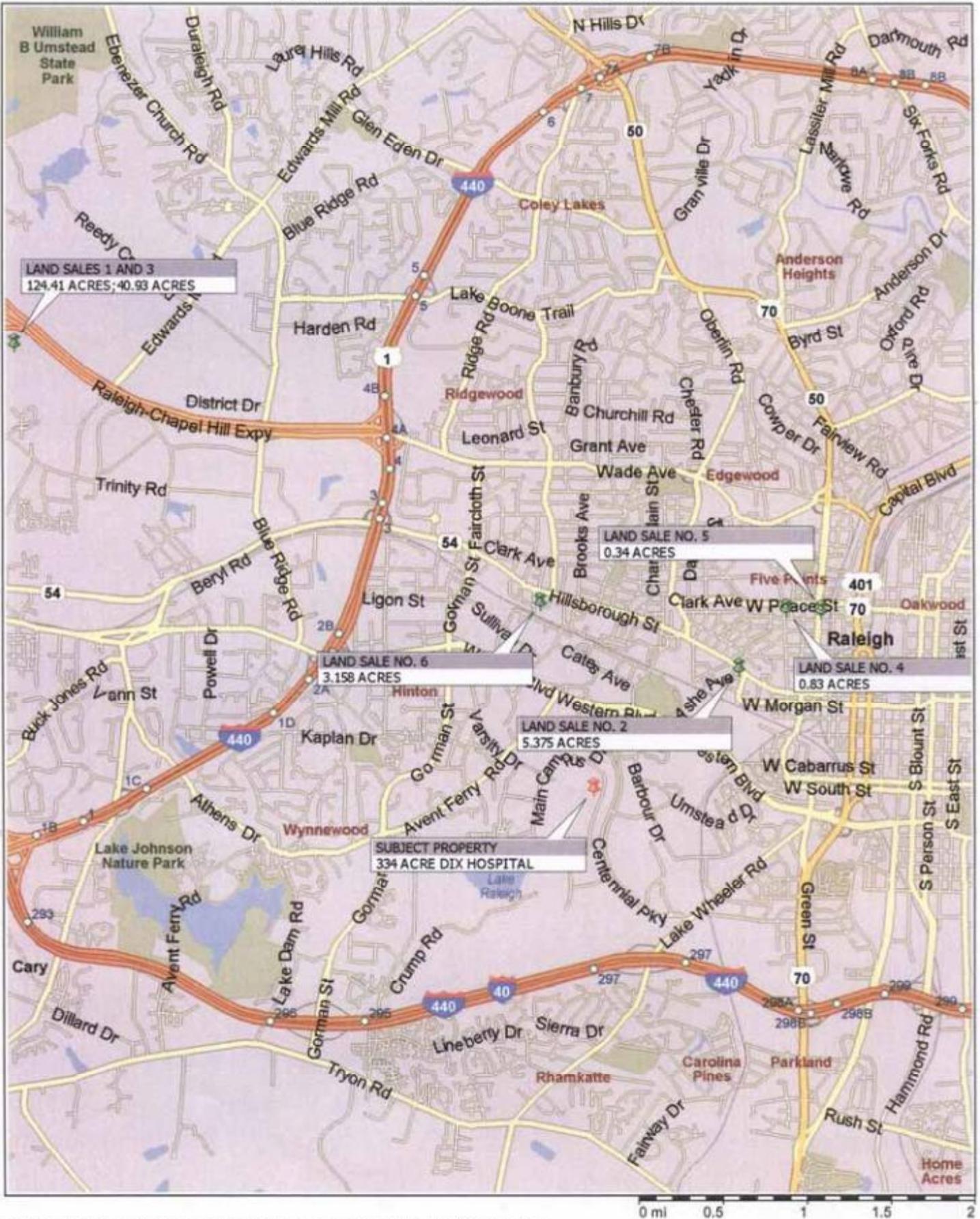

 Martin L. Wachtel, III, MA

 GENERAL APPRAISER


 Ronald Thomas

 GENERAL APPRAISER

AREA AND SALES LOCATION MAP

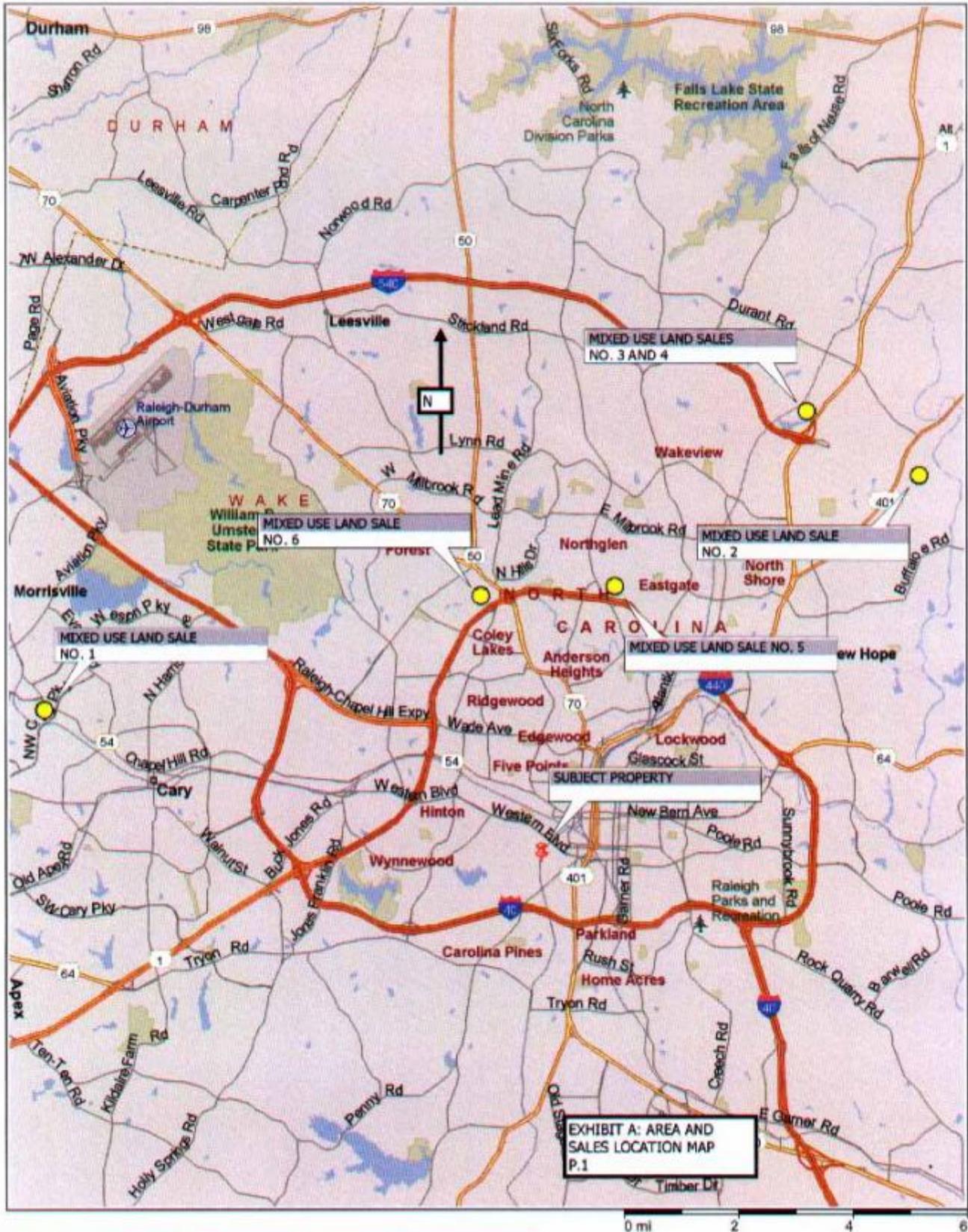


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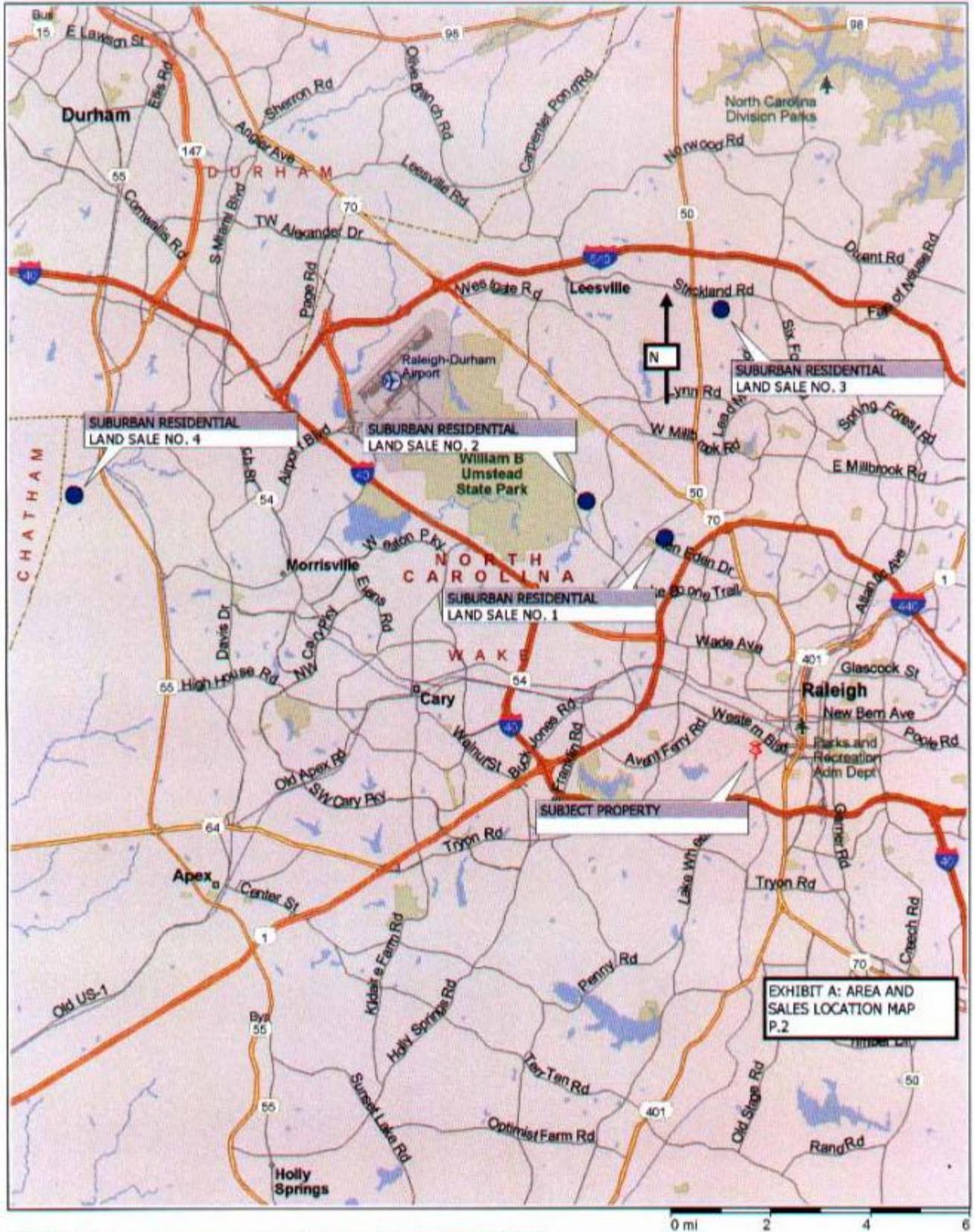
Exhibit A (2011): Area Map Showing New Land Sales

AREA AND SALES LOCATION MAP



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AREA AND SALES LOCATION MAP



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Exhibit A: Area and Sales Location Maps
Page 2

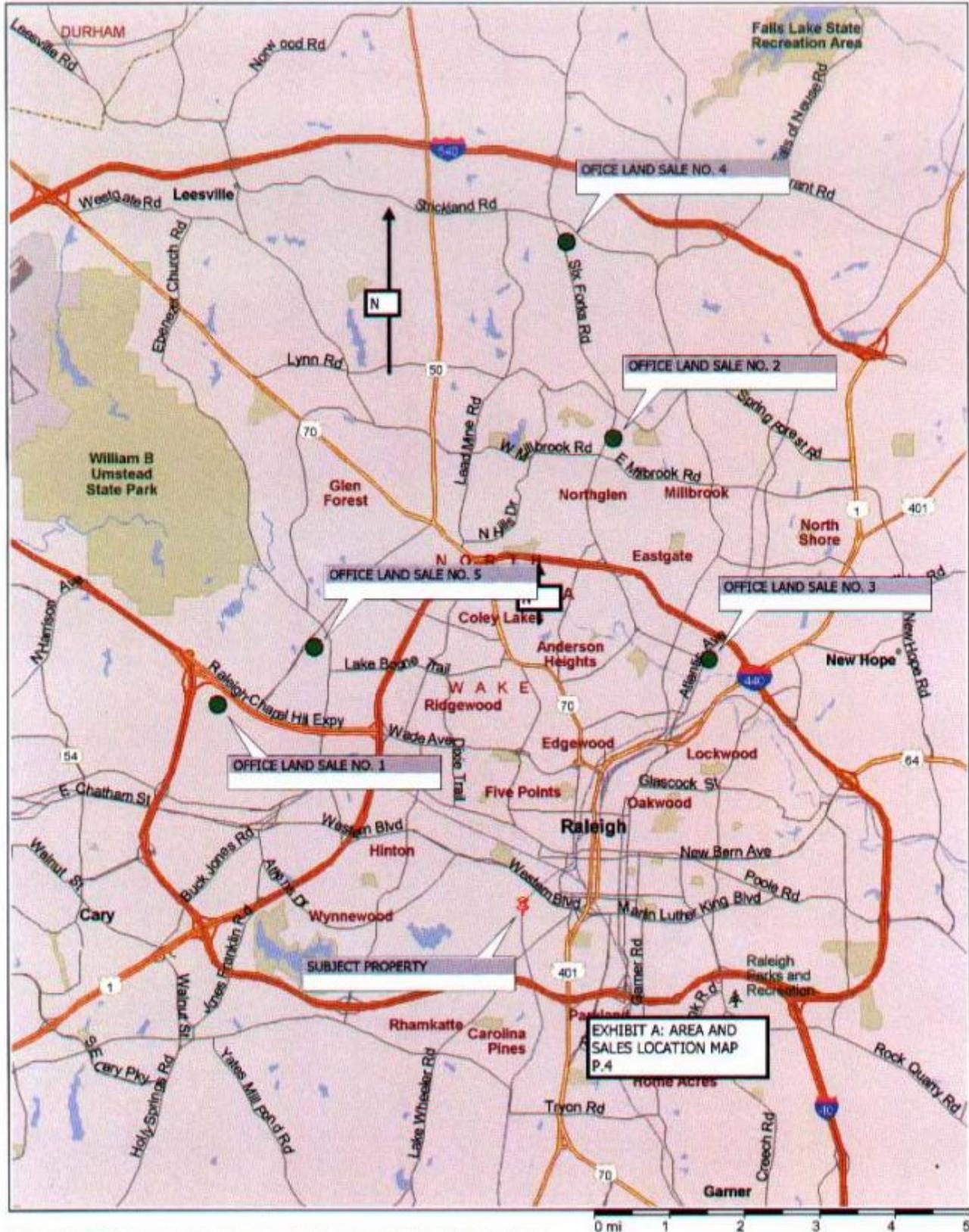
AREA AND SALES LOCATION MAP



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Exhibit A: Area and Sales Location Maps
Page 3

AREA AND SALES LOCATION MAP



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North Carolina State Government Master Plan



Dorothea Dix Campus
Campus Allocations and
Neighborhood Context

DRAFT

Legend

- Dix Property Boundary (341ac)
- Dix Property Boundary 2 (283ac)
- Historic Districts
- Cemetery
- Farmers Market
- Food Runners
- MCSU Spring Hill Precinct
- Soccer Fields
- The Healing Place
- Focus Area
- DHS Building Footprints

*All acres noted are approximate

July 05, 2007



O'BrienAtkins

EXHIBIT B: BOUNDARY MAP OF DIX CAMPUS

Exhibit B: Boundary Map of Dix Campus



Legend

- Streams
- Lakes
- 50ft Buffers
- 100 Year Flood
- 500 Year Flood
- Floodway
- Dix Campus Boundary

August 15, 2007

EXHIBIT C: TOPOGRAPHIC/HYDROLOGY MAP OF DIX CAMPUS

Land Sale No. 1

WW Land Sale #: 11447
Date of Sale: August 27, 2007
Grantor: Wexford Development, LLC
Grantee: Post Wade Tract M-2, LLC, Georgia LP
Location: Lot 20, Wade Subdivision, southeast corner of Edwards Mill Road and Wade Avenue, Raleigh, Wake County, NC
Land Area: 124.41 acres; 5,419,300 square feet; includes 44.25 acres of open space
Frontage: 3,900 feet +/- on exit ramp, 800 feet +/- on Wade Avenue
Shape: Irregular; multiple tracts
Drainage: Most adequate but 36 acres +/- floodprone
Topography: Varied, rolling in parts
Utilities: All available
Zoning: CUD O&I-2 by City of Raleigh
Improvements: None
Present Use: Future Mixed-Use
Highest and Best Use: Mixed-Use
Revenue Stamps: N/A
Confirmed Sales Price: \$30,040,680 or \$5.54 per square foot or \$241,465 per acre
Financing: Cash to Seller
Confirmed By: Tommy Drake, Seller's Agent
Condition of Sale: Arm's length transaction
Deed Reference: Book 12732, Page 2644, Wake County Registry
Tax Reference: Out of 00055469 and 0321116 (redefined)
Remarks: Book of Maps 2007, Page 1182-86. Post Properties purchased 124.41 acres out of a total 168.13 acre development called Forty Wade. 28.9% of the total development or approximately 35.98 acres has been designated as open space. Property is located at Wade Avenue and I-40 near the RBC Center.



Land Sale No. 2

WW Land Sale #: 11415
Date of Sale: May 30, 2007
Grantor: Michael G. Bolton, Bolton Properties, Inc.; Harrison Avenue Partnership, LLC, et al
Grantee: FMW at Hillsborough & Morgan, LLC
Location: Along W. Morgan Street, Ashe Avenue, Park Avenue, Whiteley Street and Wakefield Avenue, Raleigh, Wake County, NC
Land Area: 5.375 acres; 234,135 square feet
Frontage: Abundant frontage on six public streets
Shape: Irregular; consisting of four "pods"
Drainage: Good
Topography: Moderate slopes
Utilities: All municipal
Zoning: NB (1.56 ac.), R-20 (1.19 ac.), O&I-2 (0.24 ac), I-2 (2.39 ac.) at sale; 4.16 acres now I-2, CUD/PBOD
Improvements: Office, warehouse, industrial and residential; all of limited contributing value
Present Use: Office and Industrial
Highest and Best Use: Mixed-Use Commercial
Revenue Stamps: N/A
Confirmed Sales Price: \$7,150,000 or \$30.54 per square foot
Financing: Cash to Sellers; \$5.4 million acquisition loan by First Charter Bank
Confirmed By: Michael Bolton for Sellers; Jim Zanoni for Buyers
Condition of Sale: Market
Deed Reference: Book 12572, Page 2349, 2354 & 2361 Wake County Registry
Tax Reference: REID Nos. 0058966, 0057007, 0066631, 0061334, 0066634, 0066633, 0066632, 0006901, 0006896, 0093574, 0006897, 0022656, 0074577, 0006902, 0006900, 0006903 and 0006885
Remarks: 249 apartment units planned on portion of 4.16 acres, See SP-15-2011



Land Sale No. 3

Date of Sale: November 22, 2010
Grantor: Post Wade Tract R-1, LLC
Grantee: Lennar Carolinas, LLC
Location: Southeast corner of Wade Avenue with I-40 at end of Wade Park Boulevard, Raleigh, Wake County, NC
Land Area: 40.93 acres (net of 75-foot SHOD)
Frontage: 2,274 feet +/- on Wade Park Boulevard; 3,100 feet +/- on I-40 exit ramp
Shape: Irregular; two tracts
Drainage: Most very good; very small area floodprone soils
Topography: Moderate slopes, wooded
Utilities: All municipal
Zoning: CUD O&I-2 by City of Raleigh
Improvements: None
Present Use: Vacant
Highest and Best Use: Residential
Revenue Stamps: \$10,600.00
Confirmed Sales Price: \$5,300,000 or \$2.97 per square foot or \$129,489 per acre
Financing: Cash to Seller
Confirmed By: Deed, Tax Office Records
Condition of Sale: Market
Deed Reference: Book 14167, Page 1488, Wake County Registry
Tax Reference: PIN's 0774-89-2683 and 0774-88-0642
Remarks: Lots 4 and 5 on Book of Maps 2007, Page 2870; a 75-foot SHOD/landscape buffer located along I-40 and Wade Avenue.



Land Sale No. 4

Date of Sale: August 22, 2008
Grantor: Carothers Holding Company, Inc., Successor to Mitchell Funeral Home, Inc.
Grantee: Alamance Four, LLC
Location: 600 St. Mary's Street, 603-607 Gaston Street, Raleigh, Wake County, NC
Land Area: 0.83 acres or 36,234 square feet
Frontage: 150 feet +/- on Gaston Street; 200 feet +/- on W. Johnson Street; 200 feet +/- on St. Mary's
Shape: Nearly rectangular
Drainage: Good
Topography: Nearly level
Utilities: All municipal
Zoning: NB by City of Raleigh
Improvements: 14,000 square foot former funeral home
Present Use: Speculative investment
Highest and Best Use: High-density residential
Revenue Stamps: \$3,400.00
Confirmed Sales Price: \$1,700,000 or \$46.92 per square foot
Financing: \$1,436,500 acquisition loan by Bank of America
Confirmed By: Carter Worthy for Grantee
Condition of Sale: Market
Deed Reference: Book 13221, Page 450, Wake County Registry
Tax Reference: PIN's 1704-31-7806, 7718 and 6808
Remarks: Deed restricts (prohibits) property being used for funeral home, crematory, etc. Reportedly under contract to Crosland Development Company for \$2.3 million as 196 unit rental apartment community.



Land Sale No. 5

Date of Sale: January 26, 2010
Grantor: Paul Stam and Benjamin R. Kuhn, Co-Commissioners
Grantee: Glenwood Hospitality Associates, LLC
Location: 600 Glenwood Avenue on east side; north side of W. Johnson Street, Raleigh, Wake County, NC
Land Area: 0.34 acres or 14,810 square feet
Frontage: 54 feet on Glenwood Avenue; 209 feet on W. Johnson Street
Shape: "L"
Drainage: Good
Topography: Nearly level
Utilities: All municipal
Zoning: Ind-2/PBOD by City of Raleigh
Improvements: Older 12,000 s.f. office to be razed
Present Use: Office
Highest and Best Use: High-density Commercial
Revenue Stamps: \$2,700.00
Confirmed Sales Price: \$1,350,000 or \$91.15 per square foot
Financing: Cash to Seller
Confirmed By: Commissioners Deed
Condition of Sale: Market
Deed Reference: Book 13834, Page 1622, Wake County Registry
Tax Reference: REID's 0071379 and 0071381
Remarks: Assembled with adjacent 0.16 acre lot for future 126-room Hampton Inn, See SP-56-2010



Land Sale No. 6

Date of Sale: January 8, 2010
Grantor: Stanhope Apartments, LLC
Grantee: CDC-Raleigh Stanhope, LLC
Location: Immediately east of Stanhope Avenue, south of Concord Street, Raleigh, Wake County, NC
Land Area: 3.158 acres or 137,562 square feet
Frontage: 348.11 feet on Stanhope Avenue; 82.31 feet on Concord Street; 50.98 feet on Friendly Avenue
Shape: Irregular (See Book of Maps 2006, Page 2337; Book of Maps 2009, Page 1273)
Drainage: Good
Topography: Gentle slopes
Utilities: All municipal
Zoning: CUD O&I-2 by City of Raleigh
Improvements: Gravel parking lot
Present Use: Surface, gravel private parking lot
Highest and Best Use: High-density private student housing
Revenue Stamps: \$8,640; \$3,360
Confirmed Sales Price: \$6,000,000 or \$43.61 per square foot
Financing: Cash to Seller; \$6,000,000 acquisition loan by Brassfield & Gorrie, LLC
Confirmed By: Val Valentine of Grantor
Condition of Sale: Market
Deed Reference: Book 13819, Page 1130 and 1135, Wake County Registry
Tax Reference: REID's 0022254-55, 0012437, 0004388, 0039944, 0041656, 0004804 and 0041631
Remarks: This Brownfields property is located just west of the campus of N.C. State University, adjacent to an NCSU parking deck and to University Towers, a large student residence hall. Buyer will develop this site with some 900 student housing units, cafeteria, etc. and adjacent parking deck.



Mixed Use Land Sale No. 1

WW Land Sale #: 11382
Date of Sale: December 29, 2006

Grantor: Andrx Pharmaceuticals (NC), Inc.
Grantee: Morrisville Partners, LLC

Location: Southeast corner of Chapel Hill Road (N.C.54) and northwest Cary Parkway, Morrisville, Wake County, NC

Land Area: 95.86671 acres or 4,175,954 square feet
Frontage: 1,290 feet +/- on Chapel Hill Road, 1,330 feet +/- on Northwest Cary Parkway, 2,825 feet +/- on Railroad

Shape: Slightly irregular but not restrictive
Drainage: Good
Topography: Moderate to steep slopes, about 2/3 wooded and 1/3 bldg./parking site

Utilities: All municipal
Zoning: IM by Town of Morrisville

Improvements: 475,500 SF older pharmaceutical mfg. plant
Present Use: Vacant
Highest and Best Use: Mixed-use commercial/residential

Revenue Stamps: \$45,000.00
Confirmed Sales Price : \$22,500,000 or \$234,700 per acre or \$5.39 per square foot

Financing: Cash to Sellers
Confirmed by: Anastasia Stefanou of Grantee (941-552-4332)
Condition of Sale: Market

Deed Reference: Book 12336, Page 2196, Wake County Registry

Tax Reference: PIN 0754-48-0486

Remarks: Old pharmaceutical mfg. building to be razed to allow for new mixed-use development proposed for 680,000 s.f. retail, 50,000 s.f. offices, 80,000 s.f. cinema, 140-room motel, 100 condo/th's above retail and 220 apartment units. Estimated demolition cost is \$3.3 million or \$0.79 per square foot of land.

Mixed Use Land Sale No. 2

WW Land Sale #: 11330
Date of Sale: February 02, 2007

Grantor: Doris B. Bradsher, et al
Grantee: 5401 North, LLC

Location: Northeast quadrant of I-540 and U.S. 401, Raleigh, Wake County, NC

Land Area: 259.25 acres (255.94 acres plus 3.31 acres) or 11,292,930 square feet
Frontage: 700 feet +/- on U.S. 401; 3,300 feet +/- on I-540 (wb) and exit ramp (no access)

Shape: Slightly irregular but not restrictive
Drainage: Most good; two small ponds; 10 ac. +/- in floodplain of Neuse River
Topography: Moderate slopes, open field and woodland

Utilities: All municipal
Zoning: TD CU, R-6 CU, R-4, CM (all in 5401 North PDD) by City of Raleigh

Improvements: None of value
Present Use: Agricultural, residential
Highest and Best Use: Mixed-use - retail, commercial, residential

Revenue Stamps: \$61,100.00 (\$60,000 + \$1,100)
Confirmed Sales Price: \$30,550,000 or \$117,840 per acre or \$2.71 per square foot

Financing: Cash to Sellers
Confirmed by: Laura Santee, PA to Steve Stroud, Broker
Condition of Sale: Market

Deed Reference: Book 12386, Page 2378 and 2394, Wake County Registry

Tax Reference: PINs 1736-59-9905, 68-5998, 99-7618 and 49-6568

Remarks: 15.49 acres in Neuse River Greenway, See Book of Maps 2001, Page 756. Deducting 10 acre floodplain and 15.49 acres in greenway, net useable area is 233.76 and price per useable acre is \$130,690 per acre or \$3.00 per square foot.

Mixed Use Land Sale No. 3

WW Land Sale #: 11315
Date of Sale: June 30, 2006

Grantor: Cheviot Hills Golf Course, Inc.
Grantee: MLC Automotive, LLC

Location: North side Capital Boulevard (US-1) about 1,800 feet south of Perry Creek Road, Raleigh, Wake County, NC

Land Area: 75.853 acres or 3,304,157 square feet
Frontage: 2,088.94 feet

Shape: Irregular
Drainage: Most adequate, some ponds and riparian buffers
Topography: Moderate slopes, some wooded areas but most open

Utilities: All municipal
Zoning: Industrial-1 by City of Raleigh

Improvements: None of value
Present Use: Former public golf course
Highest and Best Use: Highway Commercial

Revenue Stamps: \$25,000.00
Confirmed Sales Price: \$12,500,000 or \$164,792 per acre or \$3.78 per square foot

Financing: Cash to Sellers
Confirmed by: Herman Shaw, Appraiser for Buyers
Condition of Sale: Market

Deed Reference: Book 12039, Page 114, Wake County Registry

Tax Reference: PIN 1727-88-0653

Remarks: One-half of 151.7 acre public golf course purchased for new car dealership; equal tract of 75.853 acres purchased by Crossroads Holding, also for new car dealership.

Mixed Use Land Sale No. 4

WW Land Sale #: 11314
Date of Sale: June 30, 2006

Grantor: Cheviot Hills Golf Course, Inc.
Grantee: Crossroads Holdings, LLC

Location: Northwest side Capital Boulevard (US-1) about 3,800 feet south of Perry Creek Road, Raleigh, Wake County, NC

Land Area: 75.853 acres or 3,304,157 square feet
Frontage: 1204.91

Shape: Irregular
Drainage: Most adequate, some ponds and riparian buffers
Topography: Moderate slopes, some wooded areas but most open

Utilities: All municipal
Zoning: Industrial-1 by City of Raleigh

Improvements: None of value
Present Use: Former public golf course
Highest and Best Use: Highway Commercial

Revenue Stamps: \$25,000.00
Confirmed Sales Price: \$12,500,000 or \$164,792 per acre or \$3.78 per square foot

Financing: Cash to Sellers
Confirmed by: Herman Shaw, Appraiser for Buyers
Condition of Sale: Market

Deed Reference: Book 12039, Page 109, Wake County Registry

Tax Reference: PIN 1727-78-0087

Remarks: One-half of 151.7 acre public golf course purchased for new car dealership; equal tract of 75.853 acres purchased by MLC Automotive, LLC, also for new car dealership.

Mixed Use Land Sale No. 5

WW Land Sale #: 11384
Date of Sale: January 2005 thru March 2007

Grantor: Numerous (a total of 12)
Grantee: NHSF 1, LLC

Location: Northeast corner of Six Forks Road at I-440 along Dartmouth Road and St. Albans Drive, Raleigh, Wake County, NC

Land Area: 45.234 acres or 1,970,393 square feet
Frontage: Abundant on Six Forks, Dartmouth, St. Albans

Shape: Irregular but not restrictive
Drainage: Good
Topography: Gentle to moderate slopes

Utilities: All municipal
Zoning: SC, O&I-1, O&I-3, R-10 and R-4

Improvements: Numerous but all have been razed
Present Use: Future mixed-use commercial/retail/residential
Highest and Best Use: Mixed-use

Revenue Stamps: \$57,572.00 (Total)
Confirmed Sales Price: \$28,786,000 or \$636,380 per acre or \$14.61 per square foot

Financing: Cash
Confirmed by: Deeds
Condition of Sale: Market

Deed Reference: Book 12476, Page 1422 et al, Wake County Registry

Tax Reference: REID #s 0018923, 0007908, 0045389, 0005571, 0014786, 0048836, 0089717 and 0010433

Remarks: Improvements razed included 5 dwellings, 3 office buildings, 1 church, 1 motel and 200 apt. units having total area of about 310,000 SF. Cost of demolition was \$2,151,050 or \$1.09 per square foot of land.

Mixed Use Land Sale Number 6

WW Land Sale #: 11381
Date of Sale: July 6, 2007

Grantor: Fredrick Investment Corp., Englert, LLC, GFM II, LLC
Grantee: Crabtree Land Manager, LLC

Location: Northwest side of Blue Ridge Road, east side Homewood Banks Dr. and southwest side of Crabtree Valley Avenue, Raleigh, Wake County, NC

Land Area: 23.719 acres or 1,033,199 square feet
Frontage: 1,180 feet +/- on Crabtree Valley Ave., 1,600 feet +/- on Homewood Banks Dr.

Shape: Irregular
Drainage: Most good to adequate; 4 to 4.5 acres in 100-year floodplain
Topography: Moderate to very steep slopes

Utilities: All municipal
Zoning: Shopping Center CU by City of Raleigh

Improvements: Former restaurant (Crossroads) burned several years ago
Present Use: Mostly vacant
Highest and Best Use: Mixed-use retail, residential

Revenue Stamps: \$10,374.00
Confirmed Sales Price: \$10,187,000 or \$9.86 per square foot or \$429,487 per acre

Financing: Cash to Sellers, \$9.5 million acquisition loan by Wachovia Bank
Confirmed by: John Englert of Grantee
Condition of Sale: Market

Deed Reference: Book 12642, Page 1581, Wake County Registry

Tax Reference: PINs 0795-59-4347; 58-0999, 3726-59-8141, 48-8454, 58-0406, 59-1864

Remarks: Proposed for 550 apartments/condos/townhomes and 120,000 SF retail/restaurants. Seller was required to escrow \$3.0 million from sales proceeds to pay for underground water storage system requested by City as part of plan approval process. Net sales proceeds was \$7,187,000 or \$6.97 per s.f.

Suburban Residential Land Sale No. 1

Date of Sale: June 30, 2005, June 15, 2007

Grantor: Highwoods Services, Inc.
Grantee: Glenlake Group, LLC

Location: East of Edwards Mill Road and south of Glen Eden Drive along Parklane Ave., Raleigh, Wake Co., N.C.

Size: 29.39 acres and 17.40 acres, total 46.79 acres; 2,038,172 square feet
Frontage: Adequate

Shape: Slightly irregular, not restrictive
Drainage: Adequate
Topography: Moderate to steep slopes

Utilities: All municipal
Zoning: CU R-4
Improvements: None

Present Use: New residential development
Highest and Best Use: Single-family residential

Revenue Stamps: \$6,639.00 and \$6,347.00, total \$12,986.00
Confirmed Sales Price: \$6,493,000 or \$138,769 per acre or \$3.19 per square foot
Confirmed By: Recorded Deed, Deeds of Trust

Financing: Cash to Sellers, \$9,300,000 acquisition/development loan by SunTrust
Condition of Sale: Market

Deed Reference: Deed Book 11444 P. 220, Deed Book 12604 P.325, Wake County Registry

Tax Reference: Out of PIN 0795-28-1083, 0795-17-4305, 6123

Remarks: First purchase of 29.39 acres was at price of \$112,947 per acre; second purchase of 17.40 acres was at price of \$182,385 per acre.

Suburban Residential Land Sale No. 2

Date of Sale: April 11, 2006

Grantor: E. D. Baker, LLC
Grantee: The Hamptons Development Company, LLC

Location: East side of Ebenezer Church Road just south of Masota Road,
Raleigh, Wake Co., N.C.

Size: 176.656 acres or 7,695,135 square feet
Frontage: Extensive along Ebenezer Church Road

Shape: Very irregular
Drainage: Most good but significant floodplain
Topography: Moderate to steep slopes

Utilities: All municipal
Zoning: Most R-4, minor areas R-2
Improvements: None

Present Use: New single-family residential subdivision
Highest and Best Use: Single-family residential

Revenue Stamps: \$37,000.00
Confirmed Sales Price: \$18,500,000 or \$104,777 per acre or \$2.40 per square foot
Confirmed By: Michael Sandman of Grantee

Financing: Cash to Sellers
Condition of Sale: Market

Deed Reference: Deed Book 11903, Page 91, Wake County Registry

Tax Reference: REIDS 3410 and 145630

Remarks: New suburban single-family residential subdivision under
development

Suburban Residential Land Sale No. 3

Date of Sale: April 25, 2007

Grantor: RIP Limited Partnership
Grantee: The Cypress of Raleigh, LLC

Location: South side of Strickland Road about 300 feet east of Leadmine Road, Raleigh, Wake Co., N.C.

Size: 47.426 acres or 2,065,877 square feet
Frontage: 450 feet +/- on Strickland Road, 1,000 feet +/- on proposed Harvest Oaks Drive

Shape: Rectangular
Drainage: Good
Topography: Moderate slopes

Utilities: All municipal
Zoning: R-6 CU
Improvements: None at purchase

Present Use: Congregate care facility under construction
Highest and Best Use: Multi-family/office-institutional

Revenue Stamps: \$18,600.00
Confirmed Sales Price: \$9,300,000 or \$196,095 per acre or \$4.50 per square foot
Confirmed By: Michael Sandman of Grantee

Financing: Cash to Sellers
Condition of Sale: Market

Deed Reference: Deed Book 12514, Page 1588, Wake County Registry

Tax Reference: PIN 1708-02-5721

Remarks: To be developed with 320 residential units, 42,000 S.F. clubhouse and 30,000 square foot health club

Suburban Residential Land Sale No. 4

WW Land Sale #: 11383
Date of Sale: March 1, 2006

Grantor: Waterford Stonewater, LLC
Grantee: GMAC Model Home Finance, Inc. (Lennar Homes)

Location: Northwest quadrant of OKelly Chapel Road and Green Level to Durham Road, White Oak Township, Wake County, NC

Land Area: 170.186 acres or 7,413,302 square feet
Frontage: Abundant on existing state roads and new subdivision streets

Shape: Slightly Irregular but not restrictive
Drainage: Most is good; small riparian buffers on west side
Topography: Moderate slopes, wooded

Utilities: All municipal extended by Sellers
Zoning: R-12P (126.231 acs), RMFP (43.955 acs) by Town of Cary

Improvements: Collector streets constructed by Sellers
Present Use: Future mixed residential with single-family and multi-family
Highest and Best Use: Residential

Revenue Stamps: \$60,500.00
Confirmed Sales Price: \$30,250,000 or \$177,747 per acre or \$4.08 per square foot

Financing: Cash to Sellers
Confirmed by: Frank Whitten of Grantee
Condition of Sale: Market

Deed Reference: Book 11839, Page 1926, Wake County Registry

Tax Reference: Out of former R.E.I.D #s 0331509, 0331505, 0331508 and 0331510

Remarks: See BM 2005 pp. 495-498 of Wake Co. Registry and BM 2005 pp. 88-91 of Chatham Co. Registry. There are 49.249 acres located in Chatham Co. and 120.937 acs. located in Wake Co. Cary has approved 185 S.F. lots and 308 multi-family/townhouse units. Some 115 lots proposed in Chatham Co.

Urban Residential Land Sale No. 1

WW Land Sale #: 11103
Date of Sale: April 24, 2002 - November 28, 2005

Grantor: Various
Grantee: J. Gregory Poole, Jr.

Location: 2615-17-21-23 Oberlin Road, Raleigh, Wake County, NC

Land Area: 2.733 acres or 119,049 square feet
Frontage: 551.24 feet on Oberlin Road, 200 feet on Ashland

Shape: Slightly irregular, not restrictive
Drainage: Adequate
Topography: Gentle to moderate slopes

Utilities: All municipal
Zoning: R-10 CU after purchase

Improvements: Stone and frame dwellings to be razed
Present Use: Five single-family detached residences
Highest and Best Use: Townhouse

Revenue Stamps: \$5,620.00
Confirmed Sales Price: \$2,810,000 or \$23.60 per square foot; \$156,111 per du

Financing: Cash to Sellers
Confirmed by: Kenan Poole for Grantee
Condition of Sale: Market

Deed Reference: Book 9388, Page 21; p. 9626, p. 2707, p. 10707, p. 565; 10795 p. 1045, 11709 p. 135, Wake County Registry

Tax Reference: PINs 1705-10-6278, 7166, 5474, 6328 etal

Remarks: An assembly of adjacent lots to be developed with 18 new townhomes of 2,600 to 3,000 square feet and marketed at prices beginning at \$750,000 after existing residences are razed. Estimated demolition cost is \$75,000 or \$0.63 per s.f. of land area.

Urban Residential Land Sale No. 2

WW Land Sale #:
Date of Sale: August 30, 2006

Grantor: Hehl Properties, LLC
Grantee: The Gantis Group, LLC

Location: West side of Oberlin Road and south side of Wayland Drive, just north of Ashland Street, Raleigh, Wake County, NC

Size: 1.799 acres or 78,364 square feet
Frontage: 479 feet on Oberlin Road, 165 feet on Wayland Drive

Shape: Rectangular
Drainage: Adequate
Topography: Moderate slopes

Utilities: All municipal
Zoning: R-10 by City of Raleigh

Improvements: 16 rental apartments to be razed
Present Use: Rental apartments
Highest and Best Use: Residential infill redevelopment

Revenue Stamps: \$4,000.00
Confirmed Sales Price: \$2,000,000 or \$25.52 per square foot, \$117,647 per du
Confirmed By: Purchase contract by other sources

Financing: Cash to Sellers
Condition of Sale: Market

Deed Reference: Deed Book 12142 page 1629, Wake County Registry

Tax Reference: PIN 1705-10-3877

Remarks: Grantee proposes to raze existing buildings and develop site with 17 upscale townhouses priced from \$750,000. Cost of demolition is \$160,000 or about \$2.04 per s.f. of land area.

Urban Residential Land Sale No. 3

WW Land Sale #:
Date of Sale: June 9, 2005

Grantor: Oberlin Capital Acquisition II, LLC
Grantee: Northwestern Mutual Life Insurance Co.

Location: East side of Oberlin Road about 310 feet south of Wade Avenue, Raleigh, Wake Co., NC

Size: 2.66 acres +/- or 115,860 square feet
Frontage: 195.22 feet on Oberlin Road

Shape: Irregular but not restrictive
Drainage: Adequate
Topography: Level to gentle slopes

Utilities: All municipal
Zoning: Planned Development District (PDD) by City of Raleigh

Improvements: None
Present Use: Vacant
Highest and Best Use: Commercial, Mixed-use (30,418 s.f. first floor retail, 105 residential units on Floors 2 thru 4)

Revenue Stamps: \$5,510.00
Confirmed Sales Price: \$2,755,000 or \$23.78 per square foot
Confirmed By: Neil Coker of Grantor

Financing: Cash
Condition of Sale: Market

Deed Reference: Deed Book 11408 page 2626, Wake County Registry

Tax Reference: PIN 1704-05-9564

Remarks: This purchase price was originally based on an option to purchase agreement between Grantor and Crosland Oberlin, LLC dated 6/2003. Crosland transferred the option to Northwestern at no consideration who bought the property at the option price. Development requires 260-space parking deck, 58 surface parking spaces.

Urban Residential Land Sale No. 4

WW Land Sale #:
Date of Sale: August 31, 2006

Grantor: Country Club Homes, Inc.
Grantee: Oberlin Fairview Investors, LLC

Location: Northeast corner of Oberlin Road at Fairview Road, Raleigh, NC

Size: 20.438 acres or 890,279 square feet
Frontage: 1,250 feet +/- on Oberlin Road; 295 feet +/- on Fairview Road

Shape: Irregular, not restrictive
Drainage: Good
Topography: Moderate

Utilities: All Municipal
Zoning: R-10 (20.188 acres); NB (0.25 acres)

Improvements: 199 apartment units to be razed
Present Use: Rental Apartments
Highest and Best Use: In-fill residential redevelopment

Revenue Stamps: \$48,000.00
Confirmed Sales Price: \$24,000,000 or \$26.97 per s.f. of land area
Confirmed By: Gordon Grubb of Grantor

Financing: Cash to Sellers; \$18,348,000 acquisition loan by Wachovia Bank
Condition of Sale: Market

Deed Reference: Deed Book 12146, Page 1827, Wake County Registry

Tax Reference: PIN 1705-20-3340

Remarks: Existing 1950's vintage apartments to be razed. New development is state of flux but may be single-family detached residential, condominiums or retirement care facility; estimated demolition cost is \$1,000,000 or \$1.12 per s.f.

Urban Residential Land Sale No. 5

WW Land Sale #: 11104
Date of Sale: June 20, 2005

Grantor: Lucas Investments, Ltd.
Grantee: Whitaker Park, LLC

Location: Northwest side of Noble Road and northeast side of Pine Drive,
Raleigh, Wake County, NC

Land Area: 17.769 acres or 774,017 square feet
Frontage: 460 feet +/- on Pine Drive; 1160 feet +/- on Noble Road

Shape: Rectangular
Drainage: Good
Topography: Gentle slopes

Utilities: All municipal
Zoning: R-15 and R-20 CU

Improvements: 197 rental units to be razed
Present Use: Rental apartments
Highest and Best Use: Future redevelopment

Revenue Stamps: \$22,000.00
Confirmed Sales Price: \$11,000,000 or \$14.21 per square foot of land area

Financing: Cash
Confirmed by: Gordon Grubb of Grantee
Condition of Sale: Market

Deed Reference: Book 11421, Page 1173, Wake County Registry

Tax Reference: PINs 1705-80-3845 and 2128

Remarks: Interior streets may be closed in the future, increasing
redevelopment land area to 20 acres +/-.

Urban Residential Land Sale No. 6

WW Land Sale #: 11120
Date of Sale: July 7, 2005

Grantor: Tara East Apartments L.P.
Grantee: Ramblewood 2005 LLC

Location: Southwest quadrant Six Forks Road at I-440, Raleigh, Wake County, NC.

Size: 20.549 acres or 895,114 square feet
Frontage: 1,150 feet +/- on Tara Drive, 183.19 feet on Six Forks Road, 112.24 feet on Ramblewood Drive.

Shape: Irregular
Drainage: Adequate
Topography: Moderate

Utilities: All municipal
Zoning: R-15

Improvements: 197 rental apartments to be razed
Present Use: Rental apartment community
Highest and Best Use: Residential townhomes/condominiums

Revenue Stamps: \$13,500,000
Confirmed Sales Price: \$6,750,000 or \$7.54 per square foot of land
Confirmed By: John Kane of Grantee

Financing: Cash to Sellers
Condition of Sale: Market

Deed Reference: Deed Book 11457 Page 155, Wake County Registry

Tax Reference: PIN 1705-67-4860

Remarks: Buyers propose to raze existing apartments and redevelop with 175 condominium or townhouse units.

Office Land Sale No. 1

WW Land Sale #: 11385
Date of Sale: May 9, 2007

Grantor: Wexford Development LLC
Grantee: Lichtin/Wade, LLC

Location: Southwest corner of Wade Avenue (I-40) and Edwards Mill Road, Raleigh, Wake County, NC

Land Area: 20.02 +/- acres or 872,195 square feet
Frontage: 200 feet +/- on Wade Park Boulevard

Shape: Rectangular
Drainage: Good
Topography: Moderate slopes, 50% cleared and 50% wooded

Utilities: All municipal
Zoning:

Improvements: None, vacant
Present Use: Future office park
Highest and Best Use: Office/Institutional

Revenue Stamps: \$15,835.00
Confirmed Sales Price: \$7,917,500 or \$9.08 per square foot or \$395,480 per acre

Financing: Cash to Sellers
Confirmed by: Tommy Drake for Grantor
Condition of Sale: Market

Deed Reference: Book 12540, Page 2436, Wake County Registry

Tax Reference: PIN 0784-09-4240

Remarks: This parcel is part of a larger 158 acre mixed-use development located near the RBC Center.

Office Land Sale No. 3

WW Land Sale #: 11290
Date of Sale: April 18, 2006

Grantor: Beaver Dam LLC
Grantee: Alina LLC

Location: 2600 Atlantic Avenue, in northeast corner of intersection with E. Six Forks Road, Raleigh, Wake County, NC.

Land Area: 2.122 acres +/- or 92,469 square feet
Frontage: 182.95 feet on Atlantic Avenue, 289.4 feet on E. Six Forks Road, 250 feet +/- on Mellow Field Drive.

Shape: Rectangular
Drainage: Most good but small area at corner is in 100-year floodplain.
Topography: Gentle slopes, clear

Utilities: All municipal
Zoning: Industrial-1 CU

Improvements: None at sale
Present Use: Medical office
Highest and Best Use: Commercial

Revenue Stamps: \$2,200.00
Confirmed Sales Price: \$1,100,000 or \$11.90 per square foot

Financing: Cash
Confirmed by: Terry Reeves of Grantor
Condition of Sale: Market

Deed Reference: Book 11910, Page 1972, Wake County Registry

Tax Reference: PIN 1715-42-0500

Remarks: Site now improved with 21,786 SF medical office building occupied by Triangle Gastroenterology

Office Land Sale No. 4

WW Land Sale #: 11308
Date of Sale: November 7, 2006

Grantor: Colonnade Development LLC
Grantee: Cornerstone Colonnade LLC

Location: 8510 Colonnade Center Drive along east side Six Forks Road, north side of Anson Way and south side of Colonnade Center Drive, Raleigh, Wake County, NC

Land Area: 6.804 acres or 296,382 square feet
Frontage: 710 feet +/- on Six Forks Road, 525 feet +/- on Anson Way, 300 feet +/- on Colonnade Center Drive

Shape: Irregular but not restrictive
Drainage: Good
Topography: Level to gentle slopes

Utilities: All municipal
Zoning: O&I-1 by City of Raleigh

Improvements: None
Present Use: Vacant
Highest and Best Use: Office/Institutional

Revenue Stamps: \$7,000.00
Confirmed Sales Price: \$3,500,000 or \$11.81 per square foot

Financing: Cash to Sellers
Confirmed by: Public Records
Condition of Sale: Market

Deed Reference: Book 12255, Page 242, Wake County Registry

Tax Reference: PIN 1708-31-9502

Remarks: Lot 2, The Colonnade, on BM 2006 P.1825

Office Land Sale No. 5

WW Land Sale #: 11307
Date of Sale: February 1, 2005

Grantor: Chaucer Investments, LLC
Grantee: Macon Pond Investors, LLC

Location: 4111 Macon Pond Road, on south side between Edwards Mill Road and Blue Ridge Road, Raleigh, Wake County, NC

Land Area: 1.003 acres 43,691 square feet
Frontage: 114.24 feet

Shape: Rectangular
Drainage: Adequate
Topography: Moderate slopes, partially wooded

Utilities: All municipal
Zoning: O&I-1 by City of Raleigh

Improvements: None of value
Present Use: Vacant
Highest and Best Use: Office/Institutional

Revenue Stamps: \$1,048.00
Confirmed Sales Price: \$524,000 or \$11.99 per square foot

Financing: Cash to Sellers
Confirmed by: Cross Williams of Grantor
Condition of Sale: Market

Deed Reference: Book 11207, Page 2249, Wake County Registry

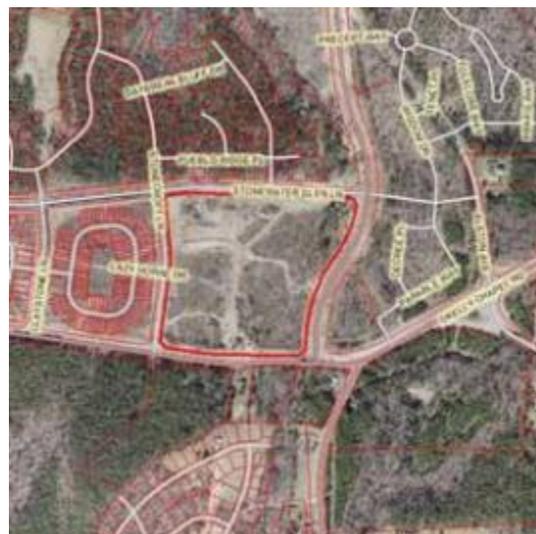
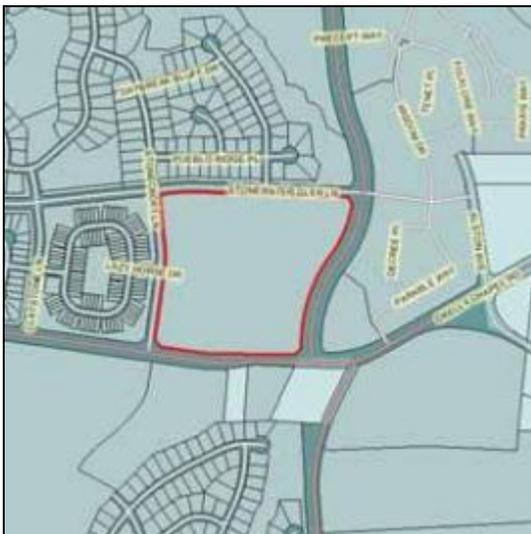
Tax Reference: PIN 0785-63-3259

Remarks: Purchased by investors in adjacent 35,000 S.F. medical office building (Cancer Center of NC)

Retail Land Sale No. 1

WW Land Sale #: 11518
Date of Sale: February 20, 2009
Grantor: Stonewater Retail Investors, LLC
Grantee: Food Lion, LLC
Location: North side of O'Kelly Chapel Road, east side of Stonecroft Lane, south side of Stonewater Glen Lane and west side of Green Level to Durham Road, Cary, Wake County, NC

Land Area: 22.91 acres or 997,975 square feet
Frontage: Abundant on all four roads
Shape: Rectangular
Drainage: Most very good but low area in northeast corner
Topography: Moderate slopes
Utilities: All municipal
Zoning: GCP by Town of Cary
Improvements: Vacant at sale
Present Use: Food Lion grocery anchored shopping center
Highest and Best Use: Commercial Retail
Revenue Stamps: \$10,944.00
Confirmed Sales Price: \$5,472,000, or \$5.48 per square foot
Financing: Cash
Confirmed by: Recorded deed
Condition of Sale: Market
Deed Reference: Book 13397, Page 2477, Wake County Registry
Tax Reference: PIN 0726-92-3000
Remarks: Retail component of large 225 acre mixed-use community of "Stonewater". Proposed 126 acres of single-family, 47 acres of multi-family, 30 acres of city parks plus this 22.9 acres of retail. Retail will have 95,403 sf on 15.7 acres plus 6 out-parcels totaling 7.21 acres.



Retail Land Sale No. 2

WW Land Sale #: 11519
Date of Sale: October 30, 2008
Grantor: LBJ/Cary Associates, LLC
Grantee: Fairview Center, LLC
Location: Southeast corner of Ten Ten Road and Holly Springs Road, Cary, Wake County, NC
Land Area: 17.216 acres or 749,929 square feet
Frontage: 1,000 feet +/- on Holly Springs Road, 300 feet +/- on Ten Ten Road
Shape: Rectangular
Drainage: Good
Topography: Moderate slopes
Utilities: All municipal
Zoning: GC by Town of Cary
Improvements: Vacant at sale
Present Use: "Bloom" grocery-anchored 62,249 sf neighborhood shop
Highest and Best Use: Commercial Retail
Revenue Stamps: \$10,000.00
Confirmed Sales Price: \$5,000,000, or \$6.67 per square foot
Financing: Cash
Confirmed by: Recorded deed
Condition of Sale: Market
Deed Reference: Book 13288, Page 2511, Wake County Registry
Tax Reference: PIN 0760-77-2198
Remarks: 38,030 sf grocery, 24,219 sf of retail shops on 12.17 acres plus 3 out-parcels totaling 5.04 acres.



Retail Land Sale No. 3

WW Land Sale #: 11520
Date of Sale: January 11, 2008
Grantor: Faison-Triangle, LLC
Grantee: Wal-Mart Real Estate Business Trust
Location: In southeast quadrant of I-540 and Triangle Town Boulevard on south side of Town Drive and west side of Segal Drive, Raleigh, Wake County, NC

Land Area: 26.64 acres or 1,160,438 square feet
Frontage: Abundant on Town Drive and Segal Drive
Shape: Rectangular
Drainage: Good
Topography: Moderate slopes
Utilities: All municipal
Zoning: Shopping Center CUD by City of Raleigh
Improvements: None at sale
Present Use: Future "big box" retail
Highest and Best Use: Commercial Retail
Revenue Stamps: \$20,000.00
Confirmed Sales Price: \$10,000,000, or \$8.72 per square foot
Financing: Cash
Confirmed by: Ashley Story, Attorney
Condition of Sale: Market
Deed Reference: Book 12909, Page 546, Wake County Registry
Tax Reference: PIN 1727-81-6793
Remarks: "Big Box" tract in Triangle Place Promenade, a community shopping center across from Triangle Town Center, a regional mall.



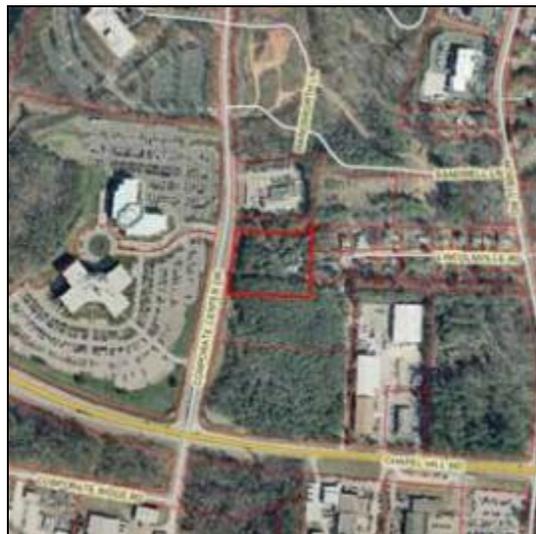
Office Land Sale No. 1

Date of Sale: June 8, 2009
Grantor: Chaucer Investments, LLC
Grantee: CQA B Real Estate, LLC
Location: 11001 Raven Ridge Road, on west side opposite Shadowlawn Drive, Raleigh, Wake County, NC
Size: 2.572 acres or 112,036 sf
Frontage: 385 feet on Raven Ridge Road, private drive on south property line
Shape: Rectangular
Drainage: Good
Topography: Moderate slopes
Utilities: All municipal
Zoning: Shopping Center by City of Raleigh
Improvements: Vacant at sale
Present Use: 16,000 sf office building, partially occupied by dental office
Highest and Best Use: Office/Institutional
Revenue Stamps: \$1,200.00
Confirmed Sales Price: \$600,000 or \$5.36 per sf land; \$39.86 per sf building
Confirmed By: Cross Williams for Grantor
Financing: Cash to Sellers
Condition of Sale: Market
Deed Reference: Deed Book 13571, Page 2125, Wake County Registry
Tax Reference: PIN 1728-05-9979
Remarks: Purchased by dentist who occupies portion of building. Powerline easement in northwest corner used for parking



Office Land Sale No. 2

Date of Sale: June 29, 2007
Grantor: Stephens Enterprises, LLC
Grantee: PSP Properties, LLC
Location: On the east side of Corporate Center Drive some 600 feet north of N.C. Hwy. 54, Raleigh, Wake County, NC
Size: 2.34 acres or 101,930 sf
Frontage: Some 286 feet on Raleigh Corporate Center Drive
Shape: Rectangular
Drainage: Good
Topography: Moderate slopes, wooded
Utilities: All municipal
Zoning: Thoroughfare by City of Raleigh
Improvements: None at sale
Present Use: 15,328 sf office building
Highest and Best Use: Mixed Use of Office/Institutional
Revenue Stamps: \$1,222.00
Confirmed Sales Price: \$611,000 or \$5.99 per sf land; \$39.86 per sf building
Confirmed By: Algie Stephens, Grantor
Financing: Cash to Sellers
Condition of Sale: Market
Deed Reference: Deed Book 12631, Page 1965, Wake County Registry
Tax Reference: PIN 0774-73-4477
Remarks: Lot 1 on Book of Maps 2007, Page 1304 in Raleigh Corporate Center



Office Land Sale No. 3

Date of Sale: May 9, 2007
Grantor: Wexford Development, LLC
Grantee: Lichtin/Wade, LLC
Location: Southwest corner of Wade Avenue (i-40) and Edwards Mill Road, Raleigh, Wake County, NC
Size: 20.02 acres or 872,195 sf
Frontage: 200 feet +/- on Wade Park Boulevard
Shape: Rectangular
Drainage: Good
Topography: Moderate slopes, 50% cleared and 50% wooded
Utilities: All municipal
Zoning: O & I – 2 CU by City of Raleigh
Improvements: None at sale
Present Use: Future Office Park
Highest and Best Use: Office/Institutional
Revenue Stamps: \$15,835.00
Confirmed Sales Price: \$7,917,500 or \$9.08 per sf land; \$37.98 per sf building
Confirmed By: Tommy Drake for Grantor
Financing: Cash to Sellers
Condition of Sale: Market
Deed Reference: Deed Book 12540, Page 2436, Wake County Registry
Tax Reference: PIN 0784-09-4240
Remarks: This parcel is part of a larger 158 acre mixed-use development located near the RBC Center. The price was based on the subject being able to be entirely developed because required open areas and stormwater retention areas are located elsewhere on the 158 acres. The broker indicated that when you consider the other areas the sales price is actually around \$7.50 per square foot.



Office Land Sale No. 4

Date of Sale: January 15, 2009
 Grantor: The Lundy Group, Inc.
 Grantee: (a) LBT Partner, LLC
 (b) North Carolina Board of Nursing
 Location: On the north side of Lake Boone Trail some 200 feet west of Lake Drive, Raleigh, Wake County, NC
 Size: (a) 1.8188 acres or 79,227.16 sf
 (b) 2.428 acres or 105,776.51 sf
 Total 4.247 acres or 185,003.67 sf
 Frontage: Some 390 feet on Lake Boone Trail
 Shape: Irregular but entirely usable
 Drainage: Good
 Topography: Gently rolling to level
 Utilities: All municipal
 Zoning: Office & Institutional – 1 CUD by City of Raleigh
 Improvements: Office buildings; 22,600 sf on (a), unknown on (b)
 Present Use: Offices
 Highest and Best Use: Office/Institutional
 Revenue Stamps: (a) \$1,430.00 and (b) \$2,602.00
 Confirmed Sales Price: (a) \$ 715,000 or \$ 9.02 per sf land; \$31.64 per sf building
 (b) \$1,301,000 or \$12.30 per sf
 Total \$2,016,000 or \$10.90 per sf
 Confirmed By: Jim Baker for Grantor
 Financing: Cash to Sellers
 Condition of Sale: Market
 Deed Reference: (a) Deed Book 13352, Page 836, Wake County Registry
 (b) Deed Book 13352, Page 840, Wake County Registry
 Tax Reference: (a) PIN 0785-62-5118 (Vacant) and (b) PIN 0785-62-6317
 Remarks: Grantor acquired the property and then paid to extend public sewer (at a cost over \$200,000) and made some street improvements. This sale is the resale of these properties after these improvements were made.



Hotel/Motel Land Sale No. 1

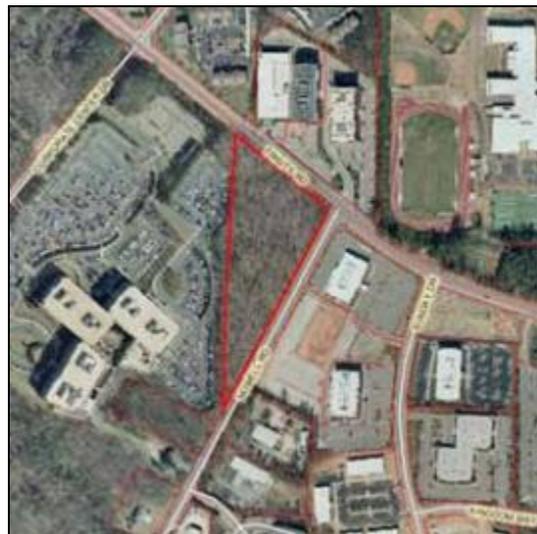
WW Land Sale #: 11509
Date of Sale: December 10, 2008
Grantor: Triangle Town Center, LLC
Grantee: SALASAR Investments, LLC
Location: 3401 Sumner Boulevard, north side just east of Capital Boulevard in Triangle Town Center, Raleigh, Wake County, NC

Land Area: 2.56 acres or 111,583 square feet
Frontage: Ingress/Egress drive on Sumner Boulevard
Shape: Irregular
Drainage: Adequate
Topography: Moderate slopes
Utilities: All municipal
Zoning: Thoroughfare District (TD) by City of Raleigh
Improvements: None
Present Use: Future Marriott hotel
Highest and Best Use: Hotel/Motel
Revenue Stamps: \$2,400.00
Confirmed Sales Price: \$1,200,000, or \$10.75 per square foot
Financing: Cash to Sellers
Confirmed by: Cathy Rudisill for closing attorney
Condition of Sale: Market
Deed Reference: Book 13319, Page 2694, Wake County Registry
Tax Reference: PIN 1727-40-3783
Remarks: See Book of Maps 2008, Page 2141, Lot 10



Hotel/Motel Land Sale No. 2

WW Land Sale #: 11485
Date of Sale: September 19, 2008
Grantor: Colette D. Finger and Donald E. Finger
Grantee: Oxford Fund Select-Raleigh, LLC
Location: On the southwest corner of Trinity Road and Nowell Road
Meredith Township, Wake County, NC
Land Area: 5.621 acres or 244,874 square feet
Frontage: 557.61 feet on Trinity Road and 1,052.34 feet on Nowell Road
Shape: Triangular
Drainage: Good
Topography: Gently rolling (almost level)
Utilities: All
Zoning: Thoroughfare (TD) by Raleigh
Improvements: None at sale
Present Use: Vacant - proposed motel
Highest and Best Use: Office or motel
Revenue Stamps: \$5,449.00
Confirmed Sales Price: \$2,724,500, or \$11.13 per square foot
Financing: Cash to seller
Confirmed by: Whit Kenney, broker
Condition of Sale: Market
Deed Reference: Book 13248, Page 634, Wake County Registry
Tax Reference: 0774 12 96 3627
Remarks: None.



Hotel/Motel Land Sale No. 3

WW Land Sale #: 11482
Date of Sale: December 27, 2007
Grantor: Stephens Enterprises, LLC
Grantee: HJH Associates of Alabama, a NC general partnership
Location: On the east side of Corporate Center Drive some 400 feet north of N.C. Highway 54, Raleigh, Wake County, NC
Land Area: 4.06 acres or 176,854 square feet
Frontage: Some 217 feet on Raleigh Corporate Drive and 41 feet on Nowell Road
Shape: Irregular - 3.5 acres usable
Drainage: Good
Topography: Moderate slopes, wooded
Utilities: All municipal
Zoning: Thoroughfare by Raleigh
Improvements: Vacant
Present Use: Vacant - proposed hotel
Highest and Best Use: Office or hotel
Revenue Stamps: \$3,071.00
Confirmed Sales Price: \$1,535,500, or \$8.68 per square foot
Financing: Cash to Sellers
Confirmed by: Algie Stephens, Grantor
Condition of Sale: Market
Deed Reference: Book 12891, Page 1106, Wake County Registry
Tax Reference: PIN 0774 73 6286
Remarks: Lot 2 on Book of Maps 2007, Page 2916 in Raleigh Corporate Center



**SUMMARY ANALYSIS OF ABSORPTION RATE FOR PROPERTY
LOCATED IN RALEIGH'S DOWNTOWN OVERLAY DISTRICT**

<u>Sale No.</u>	<u>Name</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Area (ac.)</u>	<u>\$/acre</u>	<u>Area (s.f.)</u>	<u>\$/s.f.</u>
1	Park Deveraux	Jan-98	\$1,000,000	1.03	\$970,874	44,867	\$22.29
2	The Dawson	Sep-00	\$1,600,000	1.11	\$1,441,441	48,352	\$33.09
3	St. Mary's	Nov-00	\$535,000	0.642	\$833,333	27,966	\$19.13
4	Progress Center	Nov-02	\$5,557,785	4.506	\$1,233,419	196,281	\$28.32
5	Bloomsbury	Apr-03	\$1,733,226	2.07	\$837,307	90,169	\$19.22
		to 1/11/2005					
6	Paramount	Sep-03	\$1,933,000	1.042	\$1,855,086	45,390	\$42.59
		to 12/18/2003					
7	West	Mar-05	\$2,500,000	1.9282	\$1,296,546	83,992	\$29.76
8	Boylan Flats	Feb-06	\$420,000	0.23	\$1,826,087	10,019	\$41.92
9	222 Glenwood	Mar-06	\$3,235,000	1.51	\$2,142,384	65,776	\$49.18
10	712 Tucker	Jun-06	\$4,000,000	2.26	\$1,769,912	98,446	\$40.63
11	111 Seaboard	Oct-06	\$2,150,000	0.8966	\$2,397,948	39,056	\$55.05
12	Hue	Jul-07	\$4,190,000	1.7349	\$2,415,125	75,572	\$55.44
13	City#1	Pending	\$5,275,000	1.75	\$3,014,286	76,230	\$69.20
14	City#4	Pending	\$1,445,000	0.51	\$2,833,333	22,216	\$65.04
15	Blount St.	8/8/2007	<u>\$3,350,000</u>	<u>4.55</u>	<u>\$736,264</u>	<u>198,198</u>	<u>\$16.90</u>
TOTALS			\$38,924,011	25.77	\$1,510,457	1,122,528	\$34.68
AVERAGES			\$2,594,934	1.72	\$1,510,457	74,835	\$34.68
ANNUALS			\$3,892,401	2.58			
<u>Sale No.</u>	<u>Name</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Area (ac.)</u>	<u>\$/acre</u>	<u>Area (s.f.)</u>	<u>\$/s.f.</u>
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4	Progress Center	Nov-02	\$5,557,785	4.506	\$1,233,419	196,281	\$28.32
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		to 1/11/2005					
6	Paramount	Sep-03	\$1,933,000	1.042	\$1,855,086	45,390	\$42.59
		to 12/18/2003					
7	West	Mar-05	\$2,500,000	1.9282	\$1,296,546	83,992	\$29.76
8	Boylan Flats	Feb-06	\$420,000	0.23	\$1,826,087	10,019	\$41.92
9	222 Glenwood	Mar-06	\$3,235,000	1.51	\$2,142,384	65,776	\$49.18
10	712 Tucker	Jun-06	\$4,000,000	2.26	\$1,769,912	98,446	\$40.63
11	111 Seaboard	Oct-06	\$2,150,000	0.8966	\$2,397,948	39,056	\$55.05
12	Hue	Jul-07	\$4,190,000	1.7349	\$2,415,125	75,572	\$55.44
15	Blount	Aug-07	<u>\$3,350,000</u>	<u>4.55</u>	<u>\$736,264</u>	<u>198,198</u>	<u>\$16.90</u>
TOTALS			\$32,204,011	23.5097	\$1,369,818	1,024,083	\$31.45
AVERAGES			\$2,683,668	1.96	\$1,369,818	85,340	\$31.45
ANNUALS			\$3,389,896	2.47			

SUMMARY OF DOWNTOWN RALEIGH LAND SALES

<u>Sale #</u>	<u>Name/Location</u>	<u>Grantor/Grantee</u> Deed Book/Page	<u>Date Sold</u>	<u>Acres/Sq.Ft.</u>	<u>Sales Price</u>	<u>\$/Acre?Sq.Ft.</u>	<u>Zoning</u>	<u>Comments</u>
1	City Site # 1 Fayetteville St. at Lenoir	City of Raleigh TMC Dev. Pending	Pending	1.75 76,230	\$5,275,000	\$3,014,286 \$69.20	Bus.	Part of former convention center site; Approvals for two towers of mixed-use retail, office, residential
2	City Site # 4 Fayetteville St. at Salis.	City of Raleigh Empire Properties Pending	Pending	0.51 22,216	\$1,445,000	\$2,833,333 \$65.04	Bus.	Three small adjacent parcels for mixed-use residential and boutique hotel
3	712 Tucker Street Tucker at N. Boylan	712 Tucker LLC 712 Tucker Invest. LLC 12059/1861	7/6/2007	2.26 98,446	\$4,000,000	\$1,769,912 \$40.63	Bus	Assembly of four parcels for 5-story 179-unit apts. old bldgs. Razed
4	Boylan Flats 615 N. Boylan	Frank Thomas, et al Centerline Ptrs. 11803/1458	2/6/2007	0.23 10,019	\$420,000	\$1,826,087 \$41.92	NB	Proposed street-level retail and 14 condominium units
5	222 Glenwood Glenwood at W. Lane	Robert s. Warren 222 Glenwood Invest.	3/6/2007	1.51 65,776	\$3,235,000	\$2,142,384 \$49.18	Ind.-2	Assembly of four parcels for mixed-use 22,000 s.f. retail and 117 condo units in 7-story bldg. by Trammel Crow
6	Hue 300 W. Hargett at S. Dawson	Bradshaw Parking LLC Cityview Hargett St. 2007 LLC 12683/1355	7/7/2007	1.7349 75,572	\$4,190,000	\$2,415,125 \$55.44	Bus.	208 condo units, 7,300 s.f retail and 6-story parking deck with 300 spaces by Trammel Crow
7	111 Seaboard Seaboard at N. Salisbury	Lawrence Realty Co. St. Mary's Assoc.	10/1/2006	0.8966 39,056	\$2,150,000	\$2,397,948 \$55.05	Ind.-2	53 condo units(inc.14 2-story th's) and 11,000 s.f retail in 2-story bldg. of 70,000 s.f. Old bldg. To be razed
8	Blount Street	State of N.C. LNR Blount Street, LLC	8/1/2007	4.55 198,198	\$4,000,000	\$879,121 \$20.18	DOD	92 condo/th units, 9,400 s.f. retail 3 exist homes value of \$650,000 net price \$3,350,000 or \$16.90/s.f.
Summary/Averages				1.68 73,189	\$3,089,375	\$1,838,708 \$42.21		

SUMMARY OF RALEIGH/WAKE COUNTY LAND SALES

A: MIXES USE/COMMERCIAL LAND SALES

Sale #	Name/Location	Grantor/Grantee Deed Book/Page	Date Sold	Acres/Sq.Ft.	Sales Price	\$/Acre?Sq.Ft.	Zoning
1	Andrx Pharmaceutical N.C. 54 at Cary Pkwy.	Andrx Pharmaceutical Morrisville Partners 12336/2196	12/29/2006	95.86671 4,175,954	\$22,500,000	\$234,701 \$5.39	IM
2	5401 North U.S. 401 at I-540	Doris Bradsher 5401 North, LLC 12386/2378 and 2394	2/2/2007	233.76 10,182,586	\$30,550,000	\$130,690 \$3.00	TD CU
3	Cheviot Hills U.S. 1 north of I-540	Cheviot Hills Golf Course Inc. MLC Automotive, LLC 12039/1861	06/30/06	75.853 3,304,157	\$12,500,000	\$164,792 \$3.78	Ind. 1
4	Cheviot Hills U.S. 1 north of I-540	Cheviot Hills Golf Course Inc. Crossroads Holding, LLC 12039/109	06/30/06	75.853 3,304,157	\$12,500,000	\$164,792 \$3.78	NB
5	North Hills East Six Forks Rd. at I-440	Numerous NHSF 1, LLC	01/01/05 03/01/07	45.234 1,970,393	\$28,786,000	\$636,380 \$14.61	SC, O&I-1,3 R-10,R-4
6	Crabtree Crabtree Valley Blvd.	Fredrick Investment Corp. et al Crabtree Land Manager, LLC 12642/1581	7/6/2007	23.719 <u>1,033,199</u>	<u>\$7,187,000</u>	\$303,006 <u>\$6.96</u>	SC CU
Summary				550.29 23,970,446	\$106,836,000		
Averages				92 3,995,074	\$17,806,000	\$194,146 \$4.46	

B: SUBURBAN RESIDENTIAL

1	Glenlake Edwards Mill Rd.	Highwoods Services Inc. Glenlake Group, LLC	6/1/2005 6/1/2007	46.79 2,038,172	\$6,493,000	\$138,769 \$3.19	R-4 CU
2	The Hamptons Ebenezer Church Rd.	E. D. Baker, LLC The Hamptons Dev. Co.	4/11/2006	176.66 7,695,135	\$18,500,000	\$104,723 \$2.40	R-4, R-2
3	The Cypress Strickland Rd.	RIP Limited Partnership The Cypress of Raleigh, LLC	4/25/2007	47.43 2,065,877	\$9,300,000	\$196,095 \$4.50	R-6 CU
4	Stonewater Okelly Chapel Rd. at Green Level to Durham Rd.	Waterford Stonewater, LLC GMAC Model Home Finance	3/1/2006	170.19 <u>7,413,302</u>	<u>\$30,250,000</u>	\$177,747 <u>\$4.08</u>	R-12P, RMFP
Summary				441.06 19,212,486	\$64,543,000		
Averages				110.26 4,803,122	\$16,135,750	\$146,336.76 \$3.36	

SUMMARY OF RALEIGH/WAKE COUNTY LAND SALES

PAGE 2

C:

URBAN RESIDENTIAL

1	Oberlin Road Townes Oberlin Road	Various J. Gregory Poole, Jr.	4/1/2002 11/1/2005	2.733 119049	\$2,810,000	\$1,028,174 \$24	R-10-CU
2	Gantis Group Oberlin Rd. at Wayland	Hehl Properties, LLC The Gantis Group, LLC	8/30/2006	1.799 78,364	\$2,000,000	\$1,111,729 \$26	R-10
3	Oberlin Crossland Oberlin Rd. near Wade Av.	Oberlin Capital Acquisition II Northwestern Mutual Life Ins.	6/9/2005	2.66 115860	\$2,755,000	\$1,035,714 \$24	PDD
4	Country Club Homes Oberlin at Fairview	Country Club Homes, Inc. Oberlin Fairview Investors	8/31/2006	20.438 890279	\$24,000,000	\$1,174,283 \$27	R-10, NB
5	Whitaker Park Noble Rd. at Pine Dr.	Lucas Investments, Ltd. Whitaker Park, LLC	6/20/2005	17.769 774017	\$11,000,000	\$619,056 \$14	R-15, R-20
6	Tara East Six Forks at I-440	Tara East Apartments L.P. Ramblewood 2005, LLC	7/7/2005	20.549 <u>895114</u>	<u>\$6,750,000</u>	\$328,483 \$7.54	R-15
	Summary			65.948 2,872,683	\$49,315,000		
	Averages			10.99 478,780.50	\$8,219,167	\$747,786 \$17.17	

D:

OFFICE

1	Wade Park Edwards Mill Rd. at I-40	Wexford Development LLC Lichtin Wade, LLC 12540/2436	5/9/2007	20.02 872195	\$7,917,500	\$395,479.52 \$9.08	TD
2	Raleigh Neurological Six Forks at Dublin	Six Forks Road & Dublin Road, LLC Raleigh Neurological, LLC 12167/128	9/14/2006	1.328 57,848	\$725,000	\$545,933.73 \$12.53	O&I-1
3	Triangle Gastroenterology Atlantic Av. At Six Forks	Beaver Dam LLC Alina LLC 11910/1972	4/18/2006	2.122 92,469	\$1,100,000	\$518,378.89 \$11.90	Ind.-1 CU
4	Colonnade Six Forks at Colonnade	Colonnade Development LLC Cornerstone Development LLC 12255/242	11/7/2006	6.804 296382	\$3,500,000	\$514,403.29 \$11.81	O&I-1
5	Cancer Center of N C Macon Pond Road	Chaucer Investments, LLC Macon Pond Investors, LLC 11207/2249	2/1/2005	1.003 <u>43691</u>	<u>\$525,000</u>	\$523,429.71 <u>\$12.02</u>	O&I-1
	Summary			31.277 1,362,585	\$13,767,500		
	Averages			6.2554 272517	\$2,753,500	\$440,179.68 \$10.10	

**QUALIFICATIONS
OF
MARTIN L. WACHTEL, III, MAI**

GENERAL INFORMATION:

Home Address: 1703 Saint Mary's Street, Raleigh, North Carolina 27608

Born: April 23, 1941

Graduated in 1959 from Spring Hope High School, Spring Hope, North Carolina

Attended North Carolina State University on Football Scholarship

 Lettered in Football - 1961, 1962, and 1963

 Governor's Award - Most Outstanding Player - 1962

Graduated from North Carolina State University in 1964 with a B. S. in Applied Mathematics and a minor in Economics

Married to Marianne Diab Wachtel. Two children: Martin Cameron and Victoria Lassiter

Member - Carolina Country Club in Raleigh, North Carolina

Former Member - Board of Directors of Boys and Girls Club of Wake County, Inc.
 Past President in 1985

Member - Advisory Board of Boys and Girls Club of Wake County, Inc.

Member - Board of Directors of YMCA of Raleigh, Inc.

Former Member of North Carolina State University Foundation - 1986 and 1987

EMPLOYMENT EXPERIENCE:

1964 to 1968: Employed as an Appraiser with North Carolina Department of Transportation. Wrote narrative before and after value appraisals of many different property types in connection with the acquisition of right-of-way for the construction of roads.

1968 to 1972: Employed with Worthy & Company

1972 to 1975: Partner in Worthy & Wachtel, a North Carolina General Partnership consisting of F. S. Worthy, Jr., and Martin L. Wachtel, III

1975 to 1988: Partner in Worthy & Wachtel & Associates, a N. C. General Partnership consisting of F. S. Worthy, Jr., Martin L. Wachtel, III, W. Martin Winfree, Jr., Jerry L. McGuirt, Neil C. Gustafson and J. Thomas Hester.

1988 to Present: President of Worthy and Wachtel, Inc.

Since 1968, Wachtel has appraised shopping centers, shopping malls, office buildings, office-laboratory facilities, apartment complexes, residential subdivisions, mixed use subdivisions, hotels, industrial properties, churches and other special use properties, farms, and all types of unimproved land.

As a real estate broker since 1973, he has sold residential, commercial, and industrial land, apartments, office buildings, shopping centers, improved industrial properties, farms, and timberland.

As a real estate investor since 1968, he has bought and sold many properties including farms, timberland tracts, shopping centers, apartments, unimproved commercial and industrial land, and single family residences. He continues to own and manage a variety of properties.

PROFESSIONAL:

MAI Designation - Appraisal Institute (Formerly - American Institute of Real Estate Appraisers).
Currently Certified under Continuing Educational Program

State Certified General Real Estate Appraiser (North Carolina)

Licensed Real Estate Broker - State of North Carolina
Realtor - Member of Triangle Commercial Association of Realtors
Member of North Carolina Association of Realtors and the National Association of Realtors
Member - Commercial Listing Service of Raleigh, Inc.

Past President (1989) - N. C. Chapter 40 of American Institute of Real Estate Appraisers

Past President (1981) - Commercial Listing Service of Raleigh, Inc.

Former Board Member - Raleigh Board of Realtors

APPRAISAL CLIENTS (Partial List):

United Carolina Bank
Branch Banking and Trust Company
Southern National Bank
Maryland National Bank
Allstate Insurance Company
City of Raleigh
North Carolina Department of Transportation
North Carolina Department of Administration

NCNB National Bank
First Union National Bank
Wachovia Bank and Trust Company
Raleigh Federal Savings and Loan
Research Triangle Foundation
North Hills, Inc.
York Family Properties
Northgate Associates

**QUALIFICATIONS
OF
RONALD THOMAS**

SUMMARY OF QUALIFICATIONS

Successful real estate analyst, broker, and manager for closely held commercial development company. Specialized in the management and development of apartment properties, shopping centers, and office parks. B.S. Degree in Economics and Statistics.

EXPERIENCE

- | | |
|-----------|--|
| Present | Worthy & Wachtel, Inc., Raleigh, North Carolina. <ul style="list-style-type: none">• Fee Appraiser. |
| 1987-1997 | SELF-EMPLOYED. <ul style="list-style-type: none">• Fee consultant for the analysis and marketing of commercial properties of individuals, corporate clients, and banks.• Expert witness testimony for governmental agencies and individuals. |
| 1979-1987 | York Properties, Inc., Raleigh, North Carolina. <ul style="list-style-type: none">• Supervision of management and leasing for three apartment communities, 1 million s.f. of shopping center space, 500,000 s.f. office/warehouse space.• Structure and placement of tax-deferred sale-lease back of income properties for corporate clients.• Land-planning, land-use, and marketing strategy of excess land and facilities for manufacturing corporations.• Pro-forma analysis of office, shopping center, and apartment development for permanent loan placement. |
| 1970-1979 | Fee Appraiser. <ul style="list-style-type: none">• Market value estimates and brokerage of income properties.• Expert witness testimony for governmental agencies and individuals. |

**QUALIFICATIONS
OF
RONALD THOMAS**

EDUCATION

- 1966-1970 **North Carolina State University**, Raleigh, North Carolina.
B.S. Degree in Economics and Statistics; Minor in Chemistry.
One year research with MNR spectroscopy.
- 1972 **University of Connecticut.** Real Estate Valuation.
- 1980 **University of Colorado.** Case Studies in Income Property Analysis.
- 1982 **University of Florida.** Advanced Financial Analysis.

Successful completion of all required courses for MAI designation including demonstrative appraisal reports and comprehensive exam.

LICENSES

- 1976 **Broker's License (#38797).**
- 1991 **State Certified General Real Estate Appraiser's License
(#A1094).**

CLIENTS

City of Raleigh	United Carolina Bank
State of North Carolina	Southern National Bank
First Citizens Bank	Investors Savings Bank
Triangle Bank	Guaranty Savings Bank
Raleigh Federal	Wachovia Bank
NationsBank	Resolution Trust Company
Centura Bank	Individual Developers
Wake County	