

# RESTRICTED APPRAISAL REPORT

CURIO BY HILTON CHARLOTTE UPTOWN SITE  
120 EAST 7TH STREET  
CHARLOTTE, NORTH CAROLINA 28202  
CBRE GROUP, INC. FILE NO. 20-414NH-0398-2

EPELBOIM

**CBRE**

Date of Report: October 21, 2020

Mr. Noel Epelboim  
CEO-President  
EPELBOIM  
20801 Biscayne Bay Boulevard, Suite 330  
Miami, Florida 33180

RE: Appraisal of: Curio by Hilton Charlotte Uptown Site  
120 East 7th Street  
Charlotte, Mecklenburg County, North Carolina 28202  
CBRE, Inc. File No. 20-414NH-0398-2  
Client Reference No.

Dear Mr. Epelboim:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Restricted Appraisal Report. The reader is hereby advised that the report may not contain all the supporting rationale for the opinions and conclusions set forth in the report.

The subject of this land appraisal is the fee simple interest in a 26,500-square foot tract of commercial land located at 120 East 7th Street in Charlotte, North Carolina. The subject site is currently utilized as a surface parking lot that is utilized by the adjacent office and entertainment building. It is our understanding that the existing structures will be razed in the near term because the property will be redeveloped into a large, master-planned, mixed-use project that will contain a variety of uses, including an office building, multi-family, a hotel component and supporting retail/restaurant uses. The subject is more fully described, legally and physically, within the enclosed report.

At the request of the client we have estimated the prospective market value of the subject site "As Entitled" in addition to the subject's "As Is" land value. The "As Entitled" estimate assumes that the subject site has been fully entitled for the development of the proposed hotel. Based on our discussions with the developer, the entitlement process will take approximately two years. Therefore, the "As Entitled" value is estimated to occur on or around September 30, 2022, which is two years after the "As Is" value.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	September 30, 2020	\$7,000,000
As Entitled	Fee Simple Estate	September 30, 2022	\$10,900,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

This is a Restricted Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The reader is hereby advised that the report may not contain all the supporting rationale for the opinions and conclusions set forth in the report.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Mr. Noel Epelboim  
October 21, 2020  
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Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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North Carolina Certified General A5991

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**CBRE**



## Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of North Carolina.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. As of the date of this report, Alan McNulty, MAI and Tim Dick, MAI, CRE have completed the continuing education program for Designated Members of the Appraisal Institute.
10. Alan McNulty, MAI and Tim Dick, MAI, CRE have made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the persons signing this report.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Alan McNulty, MAI and Tim Dick, MAI, CRE have not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.



Alan McNulty, MAI  
North Carolina Certified General A5991



Tim Dick, MAI, CRE  
North Carolina Temporary Permit 10164

## Subject Photographs



Aerial View





Typical View of the Subject Site



Typical View of the Subject Site



Typical View of the Subject Site



College Avenue



Typical View of the Subject Site



East 7th Street

## Executive Summary

<b>Property Name</b>	Curio by Hilton Charlotte Uptown Site	
<b>Location</b>	120 East 7th Street Charlotte, Mecklenburg County, NC 28202	
<b>Parcel Number(s)</b>	080-023-12	
<b>Client</b>	EPELBOIM	
<b>Highest and Best Use</b>		
As If Vacant	Future Hotel Development	
As Improved	Land	
<b>Property Rights Appraised</b>	Fee Simple Estate	
<b>Date of Inspection</b>	September 30, 2020	
<b>Estimated Exposure Time</b>	6 - 12 Months	
<b>Estimated Marketing Time</b>	6 - 12 Months	
<b>Primary Land Area</b>	0.61 AC	26,500 SF
<b>Zoning</b>	UMUD, Uptown Mixed-Use District	
<b>Buyer Profile</b>	Developer	
<b>VALUATION</b>	<b>Total</b>	<b>Per SF</b>
Land Value	\$7,000,000	\$264.15

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	September 30, 2020	\$7,000,000
As Entitled	Fee Simple Estate	September 30, 2022	\$10,900,000
Compiled by CBRE			

### COVID-19 WARNING STATEMENT - MARKET UNCERTAINTY CLAUSE

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon.



Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

### **EXTRAORDINARY ASSUMPTIONS**

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” <sup>1</sup>

- The ‘As Entitled’ value assumes that EPELBOIM is the primary developer of the subject hotel throughout the project and that all of the pre-development costs (i.e. architect, engineer & design costs, project management costs, legal costs, etc.) are presented and utilized at their value in the ‘As Entitled’ scenario.

### **HYPOTHETICAL CONDITIONS**

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” <sup>2</sup>

- None noted

### **OWNERSHIP AND PROPERTY HISTORY**

Title to the subject property is currently vested in the name of Mecklenburg County, who acquired the property on December 17, 2007 in a related party transaction that is recorded in Book 23174, Page 588 of the Mecklenburg County register of deeds office. The grantor was the City of Charlotte.

According to the developer, the property is currently under a “Letter of Intent” for \$7,000,000 or \$264.15 per square foot. The developer indicated that the land will be placed under a formal “Purchase and Sale Agreement” in the near term, once their due diligence is complete. To the best of our knowledge, there has been no other ownership transfer of the property during the previous three years. Further, the subject’s pending contract price appears to be reasonable and market oriented.

### **EXPOSURE/MARKETING TIME**

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure

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<sup>1</sup> The Appraisal Foundation, *USPAP*, 2020-2021

<sup>2</sup> The Appraisal Foundation, *USPAP*, 2020-2021

time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the CBRE, Inc. National Investor Survey and the PwC Real Estate Investor Survey; and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA			
Investment Type	Exposure/Mktg. (Months)		
	Range		Average
Comparable Sales Data	1.0	- 10.0	9.0
National Data	2.0	- 12.0	6.7
Local Market Professionals	6.0	- 12.0	9.0
CBRE Exposure Time Estimate	6 - 12 Months		
CBRE Marketing Period Estimate	6 - 12 Months		
Source: Comparable Sales Data & Local Market Professionals			

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ADDENDA

A Land Sale Data Sheets

B Client Contract Information

C Qualifications



## Scope of Work

This is a Restricted Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The reader is hereby advised that the report may not contain all the supporting rationale for the opinions and conclusions set forth in the report.

### INTENDED USE OF REPORT

The intended use of this appraisal report is for financial reporting purposes.

### CLIENT

The client is EPELBOIM.

### INTENDED USER OF REPORT

This appraisal is to be used by EPELBOIM, and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

### PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

### DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and

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<sup>3</sup> Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

## INTEREST APPRAISED

The value estimated represents the Fee Simple Estate, which is defined 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.<sup>5</sup>

## Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- aerial maps provided by the developer

## Extent to Which the Property is Inspected

The subject site is currently utilized as a surface parking lot. As such, only an exterior inspection was applicable. CBRE Inc. inspected the exterior of the subject, as well as its surrounding environs on the effective date of appraisal. This inspection sample was considered an adequate representation of the subject property and is the basis for our findings.

## Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

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<sup>4</sup> Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

<sup>5</sup> Appraisal Institute, The Dictionary of Real Estate Appraisal, 6<sup>th</sup> ed. (Chicago: Appraisal Institute, 2015), 90.

## Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

## Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	Source(s):
<b>Site Data</b>	
Size	Site Size was provided by the Developer
Compiled by CBRE	

## APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates



can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

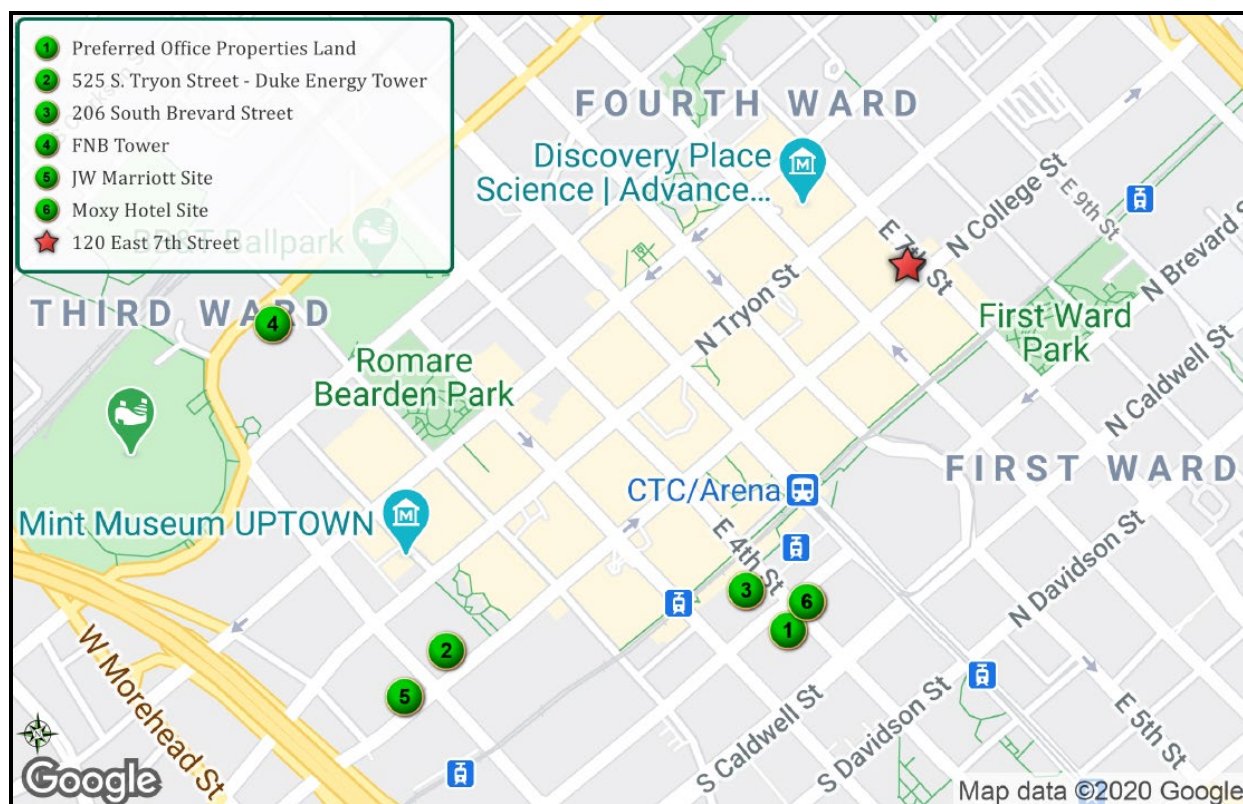
The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable and the extraction method does not reflect market considerations.

For the purposes of this analysis, we have utilized the sales comparison approach. This methodology is typically used for industrial sites in the market. The other methodologies are used primarily when comparable land sales data is non-existent. Therefore, these approaches have not been used.

We have utilized the sales comparison approach to provide the range of value estimate for the improved portion of the property.

## Land Value

The following map summarizes the comparable data used in the valuation of the subject site. Note that a summary of the comparables used may be found in the Addenda.



SUMMARY OF COMPARABLE LAND SALES								
No.	Property Location	Transaction Type	Transaction Date	Proposed Use	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (SF)	Price Per SF
1	S. Corner of S. Brevard Street and E. 4th Street Charlotte, NC 28202	Sale	Mar-20	Office	\$13,250,000	\$13,250,000	88,078	\$150.43
2	525 S. Tryon Street Charlotte, NC 28202	Sale	Dec-19	Office - Duke Energy Tower	\$27,500,000	\$27,500,000	91,128	\$301.77
3	206 South Brevard Street Charlotte, NC 28202	Sale	Apr-19	TBD	\$10,894,500	\$10,894,500	51,327	\$212.26
4	401 South Graham Street Charlotte, NC 28202	Sale	Dec-18	Office & Multifamily	\$5,250,000	\$5,250,000	30,772	\$170.61
5	600 South College Street Charlotte, NC 28202	Sale	Dec-18	381-Room JW Marriott	\$6,300,000	\$6,300,000	28,906	\$217.94
6	115-125 South Brevard Street Charlotte, NC 28202	Sale	Jun-18	185-Key Moxy Hotel	\$2,500,000	\$2,500,000	15,660	\$159.64
Subject	120 East 7th Street, Charlotte, North Carolina	---	---	Future Hotel Development	---	---	26,500	---

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject and were selected from the greater Wilmington area.

## DISCUSSION/ANALYSIS OF LAND SALES

### Land Sale One

This comparable is an approximately 2-acre tract of land in uptown Charlotte at the south corner of S. Brevard Street and E. 4th Street. The site slopes up towards the southwestern end of the site. The site is currently used as a parking lot. The site is located in an area which is poised to see substantial growth over the next few years as a developer is in negotiations with the Charlotte Area Transit System to redevelop the bus terminal diagonal to Preferred Office's site. There is also a new hotel proposed just to the north of the site. The property sold for \$13,250,000 which equates to a price of \$150.43 per square foot of land. No development details were available but it is assumed Preferred Office Properties will develop an office property as they are an office REIT with a development arm.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. Upwards adjustments were applied to reflect this sale's larger size and inferior location. No other adjustments were necessary. Overall, this sale was considered inferior to the subject.

### Land Sale Two

This comparable represents a 2.092-acre site located across from the Duke Energy Headquarters in uptown Charlotte, NC. The rectangular site features frontage along S Tryon Street, S College



Street, and W Stonewall Street and is zoned UMUD (Uptown Mixed Use District). The site was purchased in December 2019 for \$27,500,000 or \$301.77 per square foot. The buyer, Childress Klein, will be developing the site with Baston-Cook Construction Company out of Atlanta to construct Duke Energy's new office tower with an anticipated completion date of 2022. A spokesman for Duke Energy reported the building all in all will cost in the range of \$675 million and will have about 1 million square feet of office / retail space (roughly 25,000 retail) and an 1,100 space parking garage.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. An upward adjustment was applied to reflect its larger size. No other adjustments were necessary. Overall, this sale was considered inferior to the subject.

### Land Sale Three

This comparable represents a 1.1783-acre site located across from the Charlotte Transportation Center in uptown Charlotte, NC. The rectangular site features frontage along Brevard Street and 4th Street and is zoned UMUD (Uptown Mixed Use District). The site was purchased in April 2019 for \$10,894,500 or \$212 per square foot. The buyer, White Point Partners, has not released their plans for the property but is a local developer specializing in breweries, retail, restaurant and office redevelopment.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. Upwards adjustments were applied to reflect this sale's larger size and inferior location. No other adjustments were necessary. Overall, this sale was considered inferior to the subject.

### Land Sale Four

This comparable represents a 0.7064-acre site located at the corner of Martin Luther King, Jr. Boulevard and Brevard Street in uptown Charlotte, NC. The rectangular site is level and zoned UMUD (Uptown Mixed Use District). Dominion Realty Partners purchased the site in December 2018 for \$5,250,000 or \$171 per square foot. At the time of sale the site was improved with surface parking and the developer plans on developing a 29-floor tower featuring office, multifamily and retail.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. An upward adjustment was applied to reflect this sale's inferior location. No other adjustments were necessary. Overall, this sale was considered inferior to the subject.

### Land Sale Five

This is the sale of the Hotel Master Unit within the mixed-use development known as the Ally Charlotte Center. The hotel master unit is a 0.554-acre site located at the corner of East Stonewall Street and South College Street. This sale also includes the hotel's pro rata share of

common elements, or 0.1096-acres, for a total site area of 0.6636 acres. The site was purchased for the construction of a 381-room JW Marriott hotel and it will be subject to a commercial condominium regime for the overall development. Ally Charlotte Center will include 700,000-square feet of Class A office, ground floor retail uses, a 1,400-space parking garage and an open air plaza connecting the hotel and the office tower. Ally Financial is the anchor tenant of the office tower. The parking deck will abut the hotel site and provide 200 reserved spaces for the hotel's valet operation. This is a good location within walking distance to over 14 million square feet of Class A office space, as well as several retail and dining options. It is also within walking distance to most of the Uptown Charlotte amenities, like the Charlotte Convention Center, Bank of America Stadium and BB&T park. This sale closed in December 2018 for a recorded sale price of \$6,300,000, or \$217.94 per square foot. The price per key was \$16,535.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. This sale was considered similar to the subject in terms of size, location, zoning/density, utilities and highest and best use. As such, no adjustments were necessary. Overall, this sale was considered similar to the subject.

#### Land Sale Six

This comparable represents a 0.3595-acre site located at the corner of Brevard Street and 4th Street in uptown Charlotte, NC. The property was purchased by BPR Properties in June 2018 for \$2,500,000 or \$159.64 per square foot. The property was purchased for the development of a 185-unit hotel which will be known as the Moxy Hotel. The purchase price equates to \$13,514 on a per unit basis. The project is expected to be complete in 2022.

This sale is considered an arm's-length transaction and required no adjustments for property rights conveyed, financing terms, conditions of sale or market conditions. An upward adjustment was applied to reflect this sale's inferior location. No other adjustments were necessary. Overall, this sale was considered inferior to the subject.

#### SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID							Subject
Comparable Number	1	2	3	4	5	6	
Transaction Type	Sale	Sale	Sale	Sale	Sale	Sale	---
Transaction Date	Mar-20	Dec-19	Apr-19	Dec-18	Dec-18	Jun-18	---
Proposed Use	Office	Office - Duke Energy Tower	TBD	Office & Multifamily	381-Room JW Marriott	185-Key Moxy Hotel	Future Hotel Development
Actual Sale Price	\$13,250,000	\$27,500,000	\$10,894,500	\$5,250,000	\$6,300,000	\$2,500,000	---
Adjusted Sale Price <sup>1</sup>	\$13,250,000	\$27,500,000	\$10,894,500	\$5,250,000	\$6,300,000	\$2,500,000	---
Size (Acres)	2.02	2.09	1.18	0.71	0.66	0.36	0.61
Size (SF)	88,078	91,128	51,327	30,772	28,906	15,660	26,500
Price Per SF	\$150.43	\$301.77	\$212.26	\$170.61	\$217.94	\$159.64	---
Price (\$ PSF)	\$150.43	\$301.77	\$212.26	\$170.61	\$217.94	\$159.64	
Property Rights Conveyed	0%	0%	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	0%	0%	0%	0%	
Subtotal	\$150.43	\$301.77	\$212.26	\$170.61	\$217.94	\$159.64	
Size	20%	20%	5%	0%	0%	0%	
Location	20%	0%	20%	30%	0%	20%	
Zoning/Density	0%	0%	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	0%	0%	
Total Other Adjustments	40%	20%	25%	30%	0%	20%	
<b>Value Indication for Subject</b>	<b>\$210.60</b>	<b>\$362.12</b>	<b>\$265.33</b>	<b>\$221.79</b>	<b>\$217.94</b>	<b>\$191.57</b>	

<sup>1</sup> Adjusted sale price for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

## CONCLUSION

As indicated in the previous analysis, all of the comparables are located in the immediate neighborhood and they were all acquired for commercial development. After adjustment, the comparables range from \$191.57 per square foot to \$362.12 per square foot, with a mean value of \$244.89 per square foot and a median value of \$219.87 per square foot. Most weight was placed on Land Sales 1, 3 and 6 since they are closest to the subject. In conclusion, a price per square foot indication near the middle of the adjusted range was most appropriate for the subject. This value is well supported by the purchase agreement and the comparable data. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF		Total
\$225.00	x	26,500	=	\$5,962,500
\$275.00	x	26,500	=	\$7,287,500
<b>Indicated Value:</b>				<b>\$7,000,000</b>
(Rounded \$ PSF)				<b>\$264.15</b>
Compiled by CBRE				



## Land Residual Analysis

### INTRODUCTION

Estimating the market value of real property involves a systematic process in which the problem is defined, the work necessary to solve the problem is planned, and the essential data is acquired, analyzed, and interpreted. The appraisal of real estate can include the Cost, Income Capitalization and Sales Comparison Approaches to value, with the conclusion of value based on the reconciliation of these approaches.

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being value and the quality of information available. Based on the information in the Fourteenth Edition of the Appraisal of Real Estate, depending on the specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and,
- Extraction.

The land residual technique is ideal for the valuation of sites with unique physical or location characteristics: ideally, these characteristics are reflected in the estimated operating performance of the property upon completion and, by extension, in the residual land value. The land residual value approach incorporates projected revenues, as well as costs associated with the development and operation of the facilities. The annual cash flows are then discounted at a certain rate to derive the present value of the land, assuming the presented development. Our market analysis and valuation of the subject were supported by reliable data pertaining to the performance of the property's competitors and other similar lodging facilities.

The general procedure for determining the land residual value is outlined below:

- Estimate development costs for the improvements, including all direct and indirect costs associated with the building;
- Add the estimated cost of personal property (furniture, fixtures, and equipment) and capital assets that may be included in the total property value, including working capital, and pre-opening marketing expenses;
- Estimate the fee simple value of the property by summing the improvement costs, personal property, and capital assets;
- Adjust the indicated fee simple value to reflect the property rights being appraised (if appropriate), and,
- Subtract total development costs from the investment value as provided by the discounted cash flow analysis to yield the as is residual land value.

The following analysis presents a valuation of the subject site assuming the development of the proposed 220-room Curio hotel.

### DEVELOPER'S CONSTRUCTION BUDGET

We were provided with an estimated development budget from the developer. The following table presents a summary of the estimated development costs for the proposed 220-room Curio Hotel.

<b>Curio Charlotte</b>		
<b><u>Land</u></b>		<b>\$7,280,000</b>
<b><u>DIRECT COSTS</u></b>		
Hard Cost		\$43,821,000
FF&E		\$8,590,000
<b>TOTAL DIRECT COSTS:</b>		<b>\$52,411,000</b>
<b><u>INDIRECT COSTS</u></b>		
Soft Costs		\$11,764,200
Development Phase Fees		\$2,567,008
Financing Cost		\$3,623,858
<b>TOTAL INDIRECT COSTS</b>		<b>\$17,955,066</b>
<b>TOTAL PROJECT COSTS</b>		<b>\$77,646,066</b>

It is important to note that this estimate *does not include* any entrepreneurial profit or the current market value of the land upon which the subject hotel will developed. As a test of reasonableness, we have evaluated these opinions in conjunction with our in-house data and national cost estimates. Based upon our previous analysis of the development costs provided by the Marshall & Swift Marshall Valuation Service, we find the developer's anticipated costs to be adequately supported by market data.

### FUTURE CASH FLOW PROJECTIONS

The table below presents the future cash flow projections for the proposed hotel. These cash flow projections were part of "Phase 1" of this assignment and the assumptions utilized to arrive at these projections were outlined in the said report. The reader should reference the Phase 1 report for a full and detailed understanding of the cash flow projections.

**DISCOUNTED CASH FLOW ANALYSIS  
PROPOSED 220-ROOM CURIO CHARLOTTE  
CHARLOTTE, NC**

**A) Present Value of Annual Cash Flows:**

Year	Cash Flow Available For Debt Service and Income Taxes	Present Value Factor @ 10.50%	Present Value
2025	\$4,973,000	0.905	\$4,501,000
2026	6,394,000	0.819	5,237,000
2027	7,871,000	0.7412	5,834,000
2028	8,108,000	0.6707	5,438,000
2029	8,351,000	0.607	5,069,000
2030	8,601,000	0.5493	4,725,000
2031	8,858,000	0.4971	4,403,000
2032	9,121,000	0.4499	4,104,000
2033	9,390,000	0.4071	3,823,000
2034	9,678,000	0.3684	3,565,000

**LAND RESIDUAL CALCULATION**

As presented, we have projected a stream of future cash flows for the proposed 220-room subject hotel. We have assumed a construction period of approximately 24 months. Given the entitlements in place and the shovel-ready nature of the proposed project, we have assumed that the total development costs of approximately \$70.367 million (excluding land of \$7.28 million) will be spent at a 30%/70% ratio during the two-year construction period. That is, 30% of the costs will be spent in Year 1, with the balance of the budget being spent in Year 2.

As shown in the following table we have concluded that the residual land value of the proposed 220-room Curio is approximately \$10,900,000. Note that we have utilized a discount rate of 11.0 percent to reflect the risk of the proposed development. Our determination of the risk rating for the residual land analysis has assumed a 50-basis point premium to the discount rate utilized (and previously presented herein) to value the property given the risk associated with the construction period and ramp up risk.

Additionally, it is noted that the 'As Entitled' land value is approximately 14% of the overall project cost of approximately \$77,646,066.

<b>Proposed Curio Hotel</b>				
<b>RESIDUAL LAND VALUE - DISCOUNTED CASH FLOW</b>				
Period	Number of Months	Projected NOI	11.00% PV Factor	Unrounded Present Value
2022	12	(\$21,110,000)	0.900901	(\$19,018,018)
2023	24	(\$49,256,000)	0.811622	(\$39,977,275)
2025	36	4,973,000	0.731191	\$3,636,215
2026	48	6,394,000	0.658731	\$4,211,926
2027	60	7,871,000	0.593451	\$4,671,055
2028	72	8,108,000	0.534641	\$4,334,868
2029	84	8,351,000	0.481658	\$4,022,329
2030	96	8,601,000	0.433926	\$3,732,202
2031	108	8,858,000	0.390925	\$3,462,812
2032	120	9,121,000	0.352184	\$3,212,275
2033	132	9,390,000	0.317283	\$2,979,290
2034	144	9,678,000	0.285841	\$2,766,367
Reversion		\$114,959,882	0.285841	\$32,860,227
			<b>ROUNDED</b>	<b>\$10,900,000</b>
<b>Value of the Reversion</b>				
2035		NOI Before Property Taxes	\$	9,971,000
Terminal Capitalization Rate				8.500000%
Effective Levy Rate				0.000000%
Combined Cap Rate				8.500000%
Indicated Value at Reversion (Fee Simple Interest)			\$	117,305,882
Less Selling Costs				(2,346,000)
<b>Net Reversionary Value</b>				<b>114,959,882</b>

## Reconciliation of Value

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered reasonably comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on other properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication.

Based on the foregoing, the market value of the subject has been concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is	Fee Simple Estate	September 30, 2020	\$7,000,000
As Entitled	Fee Simple Estate	September 30, 2022	\$10,900,000
Compiled by CBRE			



## Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
  - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

**ADDENDA**

Addendum A

# LAND SALE DATA SHEETS



Property Name Preferred Office Properties Land  
 Address S. Corner of S. Brevard Street and E. 4th Street  
 Charlotte, NC 28202  
 United States

Government Tax Agency Mecklenburg  
 Govt./Tax ID Multiple

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	2.022	88,078
Land Area Gross	2.022	88,078

Site Development Status	Finished
Shape	Irregular
Topography	Moderate Slope
Utilities	All available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	230 ft E 4th St
Frontage Distance/Street	210 ft S Brevard St

General Plan N/A  
 Specific Plan N/A  
 Zoning UMUD  
 Entitlement Status N/A

**Sale Summary**

Recorded Buyer	POP Brevard Street LP	Marketing Time	N/A
True Buyer	Preferred Office Properties	Buyer Type	REIT
Recorded Seller	Brevard Street Associates LLC	Seller Type	End User
True Seller	FCW Proeptries, Inc.	Primary Verification	Deed
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	3/16/2020
Proposed Use	Office	Sale Price	\$13,250,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$13,250,000
Doc #	34376-440	Capital Adjustment	\$0
		Adjusted Price	\$13,250,000

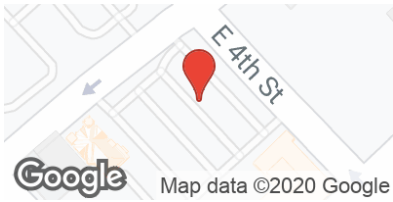
**Transaction Summary plus Five-Year CBRE View History**

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
03/2020	Sale	POP Brevard Street LP	Brevard Street Associates LLC	\$13,250,000	\$6,552,918 / \$150.43

**Sale****Land - Office****No. 1****Units of Comparison**

\$150.43 / sf  
\$6,552,917.90 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial****No information recorded****Map & Comments**

This comparable is an approximately 2-acre tract of land in uptown Charlotte at the south corner of S. Brevard Street and E. 4th Street. The site slopes up towards the southwestern end of the site. The site is currently used as a parking lot. The site is located in an area which is poised to see substantial growth over the next few years as a developer is in negotiations with the Charlotte Area Transit System to redevelop the bus terminal diagonal to Preferred Office's site. There is also a new hotel proposed just to the north of the site. The property sold for \$13,250,000 which equates to a price of \$150.43 per square foot of land. No development details were available but it is assumed Preferred Office Properties will develop an office property as they are an office REIT with a development arm.

# Sale

# Land - Office

# No. 2

Property Name 525 S. Tryon Street - Duke Energy Tower  
Address 525 S. Tryon Street  
Charlotte, NC 28202  
United States

Government Tax Agency Mecklenburg  
Govt./Tax ID 12505302

## Site/Government Regulations

	Acres	Square feet
Land Area Net	2.092	91,128
Land Area Gross	2.092	91,128

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	N/A

Maximum FAR N/A  
Min Land to Bldg Ratio N/A  
Maximum Density N/A

Frontage Distance/Street	N/A S Tryon Street
Frontage Distance/Street	N/A S College Street
Frontage Distance/Street	N/A W Stonewall Street

General Plan N/A  
Specific Plan N/A  
Zoning UMUD, Uptown Mixed Use District  
Entitlement Status N/A



## Sale Summary

CGA 525 South Tryon TIC 1, LLC; CGA 525 South Tryon TIC 2, LLC; CK 525 South Tryon TIC 2, LLC			
Recorded Buyer	Childress Klein	Marketing Time	N/A
True Buyer	Duke Energy Carolinas LLC	Buyer Type	Developer
Recorded Seller	Duke Energy Corporation	Seller Type	Corporation
True Seller		Primary Verification	Business Journal ; County Records
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Parking Lot	Date	12/23/2019
Proposed Use	Office - Duke Energy Tower	Sale Price	\$27,500,000
Listing Broker	Eastdil Secured, LLC	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	\$27,500,000
Doc #	34156 / 0831	Capital Adjustment	\$0
		Adjusted Price	\$27,500,000

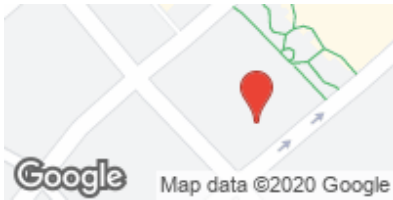
## Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2019	Sale	CGA 525 South Tryon TIC 1, LLC; CGA 525 South Tryon TIC 2, LLC; CK 525 South Tryon TIC 2, LLC	Duke Energy Carolinas LLC	\$27,500,000	\$13,145,315 / \$301.77

**Sale****Land - Office****No. 2****Units of Comparison**

\$301.77 / sf  
\$13,145,315.49 / ac

N/A / Unit  
N/A / Allowable Bldg. Units  
N/A / Building Area

**Financial****No information recorded****Map & Comments**

This comparable represents a 2.092-acre site located across from the Duke Energy Headquarters in uptown Charlotte, NC. The rectangular site features frontage along S Tryon Street, S College Street, and W Stonewall Street and is zoned UMUD (Uptown Mixed Use District). The site was purchased in December 2019 for \$27,500,000 or \$301.77 per square foot. The buyer, Childress Klein, will be developing the site with Baston-Cook Construction Company out of Atlanta to construct Duke Energy's new office tower with an anticipated completion date of 2022. A spokesman for Duke Energy reported the building all in all will cost in the range of \$675 million and will have about 1 million square feet of office / retail space (roughly 25,000 retail) and an 1,100 space parking garage.

Property Name 206 South Brevard Street  
 Address 206 South Brevard Street  
 Charlotte, NC 28202  
 United States

Government Tax Agency Meckleburg  
 Govt./Tax ID 12501406

#### Site/Government Regulations

	Acres	Square feet
Land Area Net	1.178	51,327
Land Area Gross	1.178	51,327

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	N/A Brevard Street
Frontage Distance/Street	N/A 4th Street

General Plan N/A  
 Specific Plan N/A  
 Zoning UMUD, Uptown Mixed Use District  
 Entitlement Status N/A

#### Sale Summary

Recorded Buyer	WPTP Brevard, LLC	Marketing Time	N/A
True Buyer	White Point Partners	Buyer Type	Developer
Recorded Seller	Norfolk Southern	Seller Type	Other
True Seller	Norfolk Southern	Primary Verification	Business Journal

Interest Transferred	Fee Simple/Freehold
Current Use	Parking Lot
Proposed Use	TBD
Listing Broker	N/A
Selling Broker	N/A
Doc #	33462/6

Type	Sale
Date	4/29/2019
Sale Price	\$10,894,500
Financing	Cash to Seller
Cash Equivalent	\$10,894,500
Capital Adjustment	\$0
Adjusted Price	\$10,894,500



#### Transaction Summary plus Five-Year CBRE View History

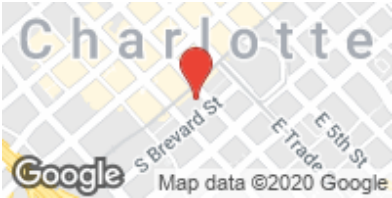
Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
04/2019	Sale	WPTP Brevard, LLC	Norfolk Southern	\$10,894,500	\$9,245,948 / \$212.26



Sale	Land - Mixed-Use	No. 3
------	------------------	-------

Units of Comparison		
\$212.26 / sf		N/A / Unit
\$9,245,947.55 / ac		N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments
<div>  <p>This comparable represents a 1.1783-acre site located across from the Charlotte Transportation Center in uptown Charlotte, NC. The rectangular site features frontage along Brevard Street and 4th Street and is zoned UMUD (Uptown Mixed Use District). The site was purchased in April 2019 for \$10,894,500 or \$212 per square foot. The buyer, White Point Partners, has not released their plans for the property but is a local developer specializing in breweries, retail, restaurant and office redevelopment.</p> </div>

Property Name FNB Tower  
 Address 401 South Graham Street  
 Charlotte, NC 28202  
 United States

Government Tax Agency Meckleburg  
 Govt./Tax ID 07312404

#### Site/Government Regulations

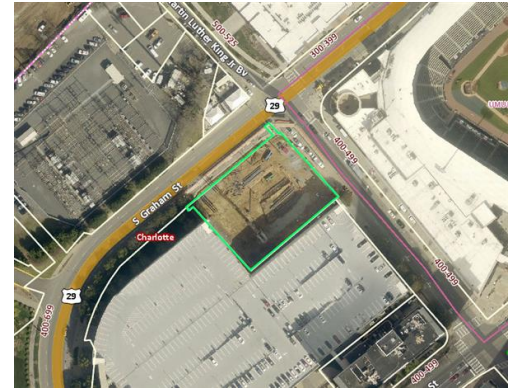
	Acres	Square feet
Land Area Net	0.706	30,772
Land Area Gross	0.706	30,772

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density N/A

Frontage Distance/Street	N/A Graham Street
Frontage Distance/Street	N/A Martin Luther King Jr. Boulevard

General Plan N/A  
 Specific Plan N/A  
 Zoning UMUD, Uptown Mixed Use District  
 Entitlement Status N/A



#### Sale Summary

Recorded Buyer	401 South Graham Owner, LLC	Marketing Time	N/A
True Buyer	Dominion Realty Properties	Buyer Type	Developer
Recorded Seller	401 South Graham Street, LLC	Seller Type	Private Investor
True Seller	N/A	Primary Verification	CoStar, Business Journal

Interest Transferred Fee Simple/Freehold  
 Current Use Surface Parking  
 Proposed Use Office & Multifamily  
 Listing Broker N/A  
 Selling Broker N/A  
 Doc # 33190/806

Type	Sale
Date	12/21/2018
Sale Price	\$5,250,000
Financing	Cash to Seller
Cash Equivalent	\$5,250,000
Capital Adjustment	\$0
Adjusted Price	\$5,250,000


#### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2018	Sale	401 South Graham Owner, LLC	401 South Graham Street, LLC	\$5,250,000	\$7,432,050 / \$170.61

Sale	Land - Mixed-Use	No. 4
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Units of Comparison		
\$170.61 / sf		N/A / Unit
\$7,432,049.83 / ac		N/A / Allowable Bldg. Units
		N/A / Building Area

Financial
No information recorded

Map & Comments
<div>  <div> <p>This comparable represents a 0.7064-acre site located at the corner of Martin Luther King, Jr. Boulevard and Brevard Street in uptown Charlotte, NC. The rectangular site is level and zoned UMUD (Uptown Mixed Use District). Dominion Realty Partners purchased the site in December 2018 for \$5,250,000 or \$171 per square foot. At the time of sale the site was improved with surface parking and the developer plans on developing a 29-floor tower featuring office, multifamily and retail.</p> </div> </div>

Property Name JW Marriott Site  
 Address 600 South College Street  
 Charlotte, NC 28202  
 United States

Government Tax Agency Mecklenburg  
 Govt./Tax ID 125-121-07

#### Site/Government Regulations

	Acres	Square feet
Land Area Net	0.664	28,906
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Irregular
Topography	Generally Level
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density 574.14 per ac

Frontage Distance/Street	234 ft East Stonewall Street
Frontage Distance/Street	115 ft South College Street

General Plan N/A  
 Specific Plan N/A  
 Zoning UMUD-O, Uptown Mixed Use  
 Entitlement Status N/A

#### Sale Summary

Recorded Buyer Malotte Hotel, LLC  
 True Buyer N/A  
 Recorded Seller 601 South Tryon, LLC  
 True Seller N/A

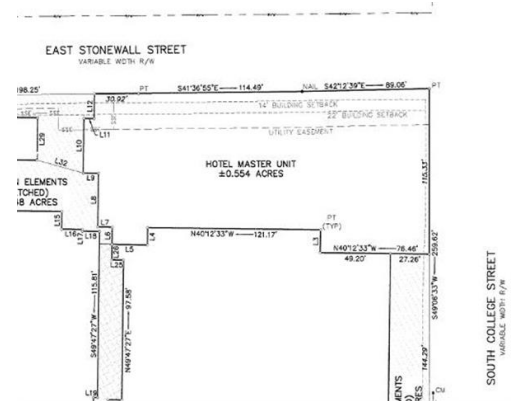
Interest Transferred Fee Simple/Freehold  
 Current Use N/A  
 Proposed Use 381-Room JW Marriott  
 Listing Broker N/A  
 Selling Broker N/A  
 Doc # 33172-356

Marketing Time N/A  
 Buyer Type Developer  
 Seller Type Developer  
 Primary Verification Buyer

Type	Sale
Date	12/14/2018
Sale Price	\$6,300,000
Financing	Cash to Seller
Cash Equivalent	\$6,300,000
Capital Adjustment	\$0
Adjusted Price	\$6,300,000

#### Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
12/2018	Sale	Malotte Hotel, LLC	601 South Tryon, LLC	\$6,300,000	\$9,493,671 / \$217.94



Sale	Land - Hotel / Motel	No. 5
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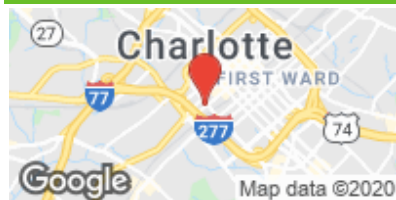
Units of Comparison
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\$217.94 / sf	\$16,535 / Unit
\$9,493,670.89 / ac	\$16,535 / Allowable Bldg. Units
	N/A / Building Area

Financial
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No information recorded

Map & Comments
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This is the sale of the Hotel Master Unit within the mixed-use development known as the Ally Charlotte Center. The hotel master unit is a 0.554-acre site located at the corner of East Stonewall Street and South College Street. This sale also includes the hotel's pro rata share of common elements, or 0.1096-acres, for a total site area of 0.6636 acres. The site was purchased for the construction of a 381-room JW Marriott hotel and it will be subject to a commercial condominium regime for the overall development. Ally Charlotte Center will include 700,000-square feet of Class A office, ground floor retail uses, a 1,400-space parking garage and an open air plaza connecting the hotel and the office tower. Ally Financial is the anchor tenant of the office tower. The parking deck will abut the hotel site and provide 200 reserved spaces for the hotel's valet operation. This is a good location within walking distance to over 14 million square feet of Class A office space, as well as several retail and dining options. It is also within walking distance to most of the Uptown Charlotte amenities, like the Charlotte Convention Center, Bank of America Stadium and BB&T park. This sale closed in December 2018 for a recorded sale price of \$6,300,000, or \$217.94 per square foot. The price per key was \$16,535.



Property Name Moxy Hotel Site  
 Address 115-125 South Brevard Street  
 Charlotte, NC 28202  
 United States

Government Tax Agency Mecklenburg  
 Govt./Tax ID 12502305

**Site/Government Regulations**

	Acres	Square feet
Land Area Net	0.360	15,660
Land Area Gross	0.360	15,660

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All Available

Maximum FAR N/A  
 Min Land to Bldg Ratio N/A  
 Maximum Density 514.60 per ac

Frontage Distance/Street	190 ft Brevard Street
Frontage Distance/Street	81 ft 4th Street

General Plan N/A  
 Specific Plan N/A  
 Zoning UMUD, Uptown Mixed Use  
 Entitlement Status N/A

**Sale Summary**

Recorded Buyer BPR Brevard, LLC  
 True Buyer N/A  
 Recorded Seller Roy T Number Thirteen, LLC  
 True Seller N/A

Marketing Time N/A  
 Buyer Type Developer  
 Seller Type Other  
 Primary Verification N/A

Interest Transferred Fee Simple/Freehold  
 Current Use Parking  
 Proposed Use 185-Key Moxy Hotel  
 Listing Broker N/A  
 Selling Broker N/A  
 Doc # 32788/451 & 603

Type	Sale
Date	6/25/2018
Sale Price	\$2,500,000
Financing	Cash to Seller
Cash Equivalent	\$2,500,000
Capital Adjustment	\$0
Adjusted Price	\$2,500,000

**Transaction Summary plus Five-Year CBRE View History**

Transaction Date	Transaction Type	Buyer	Seller	Price	Price/ac and /sf
06/2018	Sale	BPR Brevard, LLC	Roy T Number Thirteen, LLC	\$2,500,000	\$6,954,103 / \$159.64

Sale	Land - Hotel / Motel	No. 6
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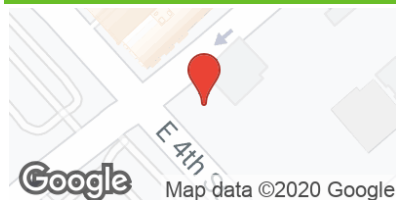
Units of Comparison
---------------------

\$159.64 / sf	\$13,514 / Unit
\$6,954,102.92 / ac	\$13,514 / Allowable Bldg. Units
	N/A / Building Area

Financial
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No information recorded

Map & Comments
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This comparable represents a 0.3595-acre site located at the corner of Brevard Street and 4th Street in uptown Charlotte, NC. The property was purchased by BPR Properties in June 2018 for \$2,500,000 or \$159.64 per square foot. The property was purchased for the development of a 185-unit hotel which will be known as the Moxy Hotel. The purchase price equates to \$13,514 on a per unit basis. The project is expected to be complete in 2022.

Addendum B

# CLIENT CONTRACT INFORMATION

# Proposal and Contract for Services

CBRE, Inc.  
3350 Lenox Rd NE, Suite 2300  
Atlanta, GA 30326  
[www.cbre.com](http://www.cbre.com)

September 24, 2020

**Tim Dick, PhD, MAI, CRE**  
Senior Director

Bill Grice  
Co-Head Hospitality  
**CBRE HOSPITALITY CAPITAL MARKETS**  
3550 Lenox Road, Suite 2300  
Atlanta, GA 30326  
Phone: 678.431.1909  
Email: [bill.grice@cbre.com](mailto:bill.grice@cbre.com)

RE: Assignment Agreement  
Proposed Hotel  
Curio by Hilton Charlotte Uptown, 120 East 7<sup>th</sup> Street  
Charlotte, NC 28202

Dear Mr. Grice:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

## PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate And the land value
Premise:	As Is, As Complete, and As Stabilized
Rights Appraised:	Fee Simple and Leased Fee
Intended Use:	Financial Reporting purposes
Intended User:	The intended user is CBRE HOSPITALITY CAPITAL MARKETS ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct

dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Inspection:	CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.
Valuation Approaches:	All three traditional approaches to value will be considered and utilized.
Report Type:	Comprehensive Appraisal Report
Appraisal Standards:	USPAP
Appraisal Fee:	Please refer to chart below
Expenses:	Associated expenses will be billed separately
Retainer:	A retainer is not required for this assignment
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The fee is considered earned upon delivery of the draft report.
Delivery Instructions:	<p>We will invoice you for the assignment in its entirety at the completion of the assignment.</p> <p>CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.</p> <p>An Adobe PDF file via email will be delivered to bill.grice@cbre.com. The client has requested No (0) bound final copy (ies).</p>
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	On or before October 2, 2020
Final Report:	On or before October 16, 2020
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within 2 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the Agreement for appraisal services by and between CBRE and Client.

Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**




Tim Dick, PhD, MAI, CRE  
Senior Director  
As Agent for CBRE, Inc.  
T 404.395.8393  
tim.dick@cbre.com

PROPERTY LIST			
Property Name	Service Type	Report Type	Appraisal Fee
Curio by Hilton Charlotte Uptown	Phase I	Hotel Market Analysis	\$20,000
	Phase I	Land Valuation	\$7,500
	Phase II	Operator Selection	\$125,000
Assignment Total:			\$152,500



## AGREED AND ACCEPTED

FOR CBRE HOSPITALITY CAPITAL MARKETS ("CLIENT"):

 _____ Signature	9/24/2020 _____ Date
WILLIAM GRICE _____ Name	CO-HEAD HOTELS DSF _____ Title
678-431-1909 _____ Phone Number	BILL.GRICE@CBRE.COM _____ E-Mail Address

### ADDITIONAL OPTIONAL SERVICES

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence services (seismic risk analysis, zoning compliance services, construction risk management, annual inspections, etc.). CBRE provides our clients the full complement of due diligence services with over 260 employees in the U.S. that are local subject matter experts.

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at [WhitePlainsProposals@cbre.com](mailto:WhitePlainsProposals@cbre.com). We will route your request to the appropriate manager. For more information, please visit [www.cbre.com/assessment](http://www.cbre.com/assessment).

\_\_\_\_\_ Initial Here

## TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 30 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during

such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate

or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.

15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.
16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably

withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.



# Proposal and Contract for Services

## SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report or title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for proposed or entitled development
6. Building plans and specifications, including square footage
7. Current county property tax assessment or tax bill
8. Details on any sale, contract, or listing of the property within the past three years
9. Pro forma income and expense projections
10. Details regarding construction timeline
11. Details regarding the development costs, including land costs
12. Engineering studies, soil tests or environmental assessments
13. Ground lease, if applicable
14. Complete pending lease agreement
15. Tenant's most recent Annual Report and 10K Report
16. Details regarding any tenant improvements allowance and free rent
17. Any previous market/demand studies or appraisals
18. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
19. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Tim Dick, PhD, MAI, CRE  
Senior Director  
tim.dick@cbre.com  
CBRE, Inc.  
Hotel Advisory Services  
3350 Lenox Rd NE Suite 2300  
Atlanta, GA 30326





Addendum C

# QUALIFICATIONS

## QUALIFICATIONS OF

### **JAMES ALAN MCNULTY, MAI Vice President**

CBRE, Inc. – Valuation & Advisory Services  
201 South College Street, Suite 1700  
Charlotte, North Carolina  
**(704) 331-1280**  
Alan.McNulty@cbre.com

### **EDUCATIONAL**

B.S. Accounting 1998 - Florida State University

Appraisal Institute

Courses 310, 320, 410, 420, 510, 520, 530, 540, 550

### **LICENSE(S)/CERTIFICATION(S)**

North Carolina Certified General Real Estate Appraiser – A5991  
South Carolina Certified General Real Estate Appraiser – CG6071  
Georgia Certified General Real Estate Appraiser – 343043  
Florida Certified General Real Estate Appraiser – RZ2744  
Commonwealth of Virginia Certified General 4001-017816  
Alabama Certified General Real Estate Appraiser – G01417

### **PROFESSIONAL**

Appraisal Institute

Designated Member, (MAI), Certification No. 432825

### **EMPLOYMENT EXPERIENCE**

08/2000 – 07/2001	Integra Tampa Bay, Associate Analyst	Tampa, Florida
07/2001 – 05/2002	Realty Services International, Associate Appraiser	Tampa, Florida
06/2002 – 04/2006	Herr Valuation Advisors, Senior Real Estate Appraiser	Tampa, Florida
04/2006 – Present	CBRE, Inc. – Valuation & Advisory Services	Charlotte, North Carolina

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

REGISTRATION / LICENSE / CERTIFICATE HOLDER

20

**ALAN MCNULTY**

21

A5991

APPRAISER NUMBER

G

TYPE

Y

NATIONAL REGISTRY



APPRAISER'S SIGNATURE



EXECUTIVE DIRECTOR

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



CERTIFIES THAT:  
**JAMES A MCNULTY**  
IS AUTHORIZED TO PRACTICE  
**Certified General Appraiser**

LICENSE NO.  
**AB .6071 CG**

EXPIRATION DATE: 06/30/2022

To verify current license status, go to <http://verify.llronline.com/LicLookup/LookupMain.aspx>



## Representative Clients

- RLJ
- FelCor Lodging Trust
- Brookfield
- Kerzner
- BRE Hotels and Resorts
- Summit Hotel Properties
- Thayer Lodging
- Starwood Hotels
- Blackstone
- Colony Capital
- Wells Fargo
- Lehman Brothers
- Prudential
- The Carlyle Group
- New York Life
- Synovus
- CALPERS
- Colorado PERS
- Ohio STRS



## TIMOTHY J. DICK, PHD, MAI, CRE SENIOR DIRECTOR, NATIONAL PRACTICE ASSET MANAGEMENT AND INVESTMENT SERVICES

3550 Lenox Road, Suites 2300  
Atlanta, GA 30326  
Office 404-504-2367  
Mobile 404-395-8393  
[tim.dick@cbre.com](mailto:tim.dick@cbre.com)

Tim is a subject matter expert in hospitality real estate with deep experience in the areas of asset management, valuation, and general hospitality advisory services (market analysis, operational audits, strategic consulting). He is responsible for co-leading the Hospitality Asset Management & Investment Services team and oversight of all functions and services related to the Atlanta Office for Hotel Advisory at CBRE.

Career experience highlights include:

- » Managed hotel portfolios which range from 12 to 170 properties in size with market valuations ranging from of \$200MM to \$3.5B respectively.
- » Worked on hospitality engagements throughout the U.S., Canada, Caribbean and Europe
- » Brand experience includes Marriott, Hilton, Ritz Carlton, Le Meridien, Capella, Carlson, IHG, Hilton, Wyndham, Hard Rock, and recognized independent/boutique properties

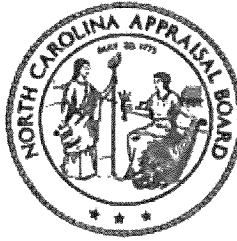
Prior to joining CBRE, Mr. Dick was a Senior Vice President with HotelAVE and was responsible for assets in New York City, NY, Cartagena, Colombia and Buenos Aires, Argentina. These urban and resort properties were uniquely challenging as they were both branded and non-branded hotels in international markets and gateway cities. Mr. Dick was also Principal and Managing Member of Rockcastle Real Estate Advisors, LLC, an independent third party advisory and consulting firm specializing in hotels. Mr. Dick was responsible for operational reviews, asset management, underwriting and acquisition for hospitality investments. The portfolio included three non-branded full-service hotel assets and four branded assets with a market valuation of \$400mm. Prior to forming Rockcastle, Mr. Dick served as Head of the Hotel Asset Management Team at TriMont Real Estate Advisors, LLC, where he was responsible for providing strategic asset services to major financial institutions and oversaw a portfolio totaling 170 hotels.

## PROFESSIONAL AFFILIATION/ACCREDITATIONS

Tim is President of the Hotel Asset Management Association (HAMA), and holds membership in the Appraisal Institute, the Counselors of Real Estate, the International Society of Hospitality Consultants, Cornell University Council (Administrative Board) and the Atlanta Hospitality Alliance (Board Member).

## EDUCATION

Mr. Dick holds a PhD in Hospitality Management from Iowa State University and a Master of Professional Studies in Hotel Administration from Cornell University's School of Hotel Administration.



**NORTH CAROLINA APPRAISAL BOARD**

5830 SIX FORKS ROAD

RALEIGH, N.C. 27609

Telephone: 919/870-4854

Facsimile: 919/870-4859

Website: [www.ncappraisalboard.org](http://www.ncappraisalboard.org)

**Permit No: 10164**

**TEMPORARY PRACTICE PERMIT**

Having satisfied the North Carolina Appraisal Board as to his (or her) qualifications for an Appraisal Temporary Practice Permit under the provisions of North Carolina Appraisal Board Rule 57A.0210, temporary appraiser licensing or certification privileges are hereby granted to the person named below for the exclusive and limited purpose of performing that appraisal assignment summarily described below. This Temporary Practice Permit shall become effective on the date of its issuance or the beginning date of the appraisal assignment, whichever shall come later; and unless extended by the Appraisal Board, shall expire upon the completion of the appraisal assignment or upon the expiration date set forth below, whichever shall come first.

**Permittee Name:** TIMOTHY JAY DICK

**State in which Resident Appraiser License/Certificate Held:** GA

**No:** CG1878

**Type and Number of License Certificate Held in Resident State:** CERTIFIED GENERAL

**Appraisal Assignment:** 120 East 7th Street, Charlotte, NC 28202. Purpose of appraisal is to estimate the market value for internal planning purposes.

**Appraisal Beginning Date:** 10/06/2020

**Ending Date:** 04/06/2021

**Permit Issuance Date:** 10/06/2020

**Expiration Date:** 04/06/2021

**Donald T. Rodgers**  
**Executive Director**  
**North Carolina Appraisal Board**

***In issuing this permit, the North Carolina Appraisal Board has made no independent inquiry regarding the competency of the permittee or his (or her) qualifications to perform the appraisal assignment herein described.***