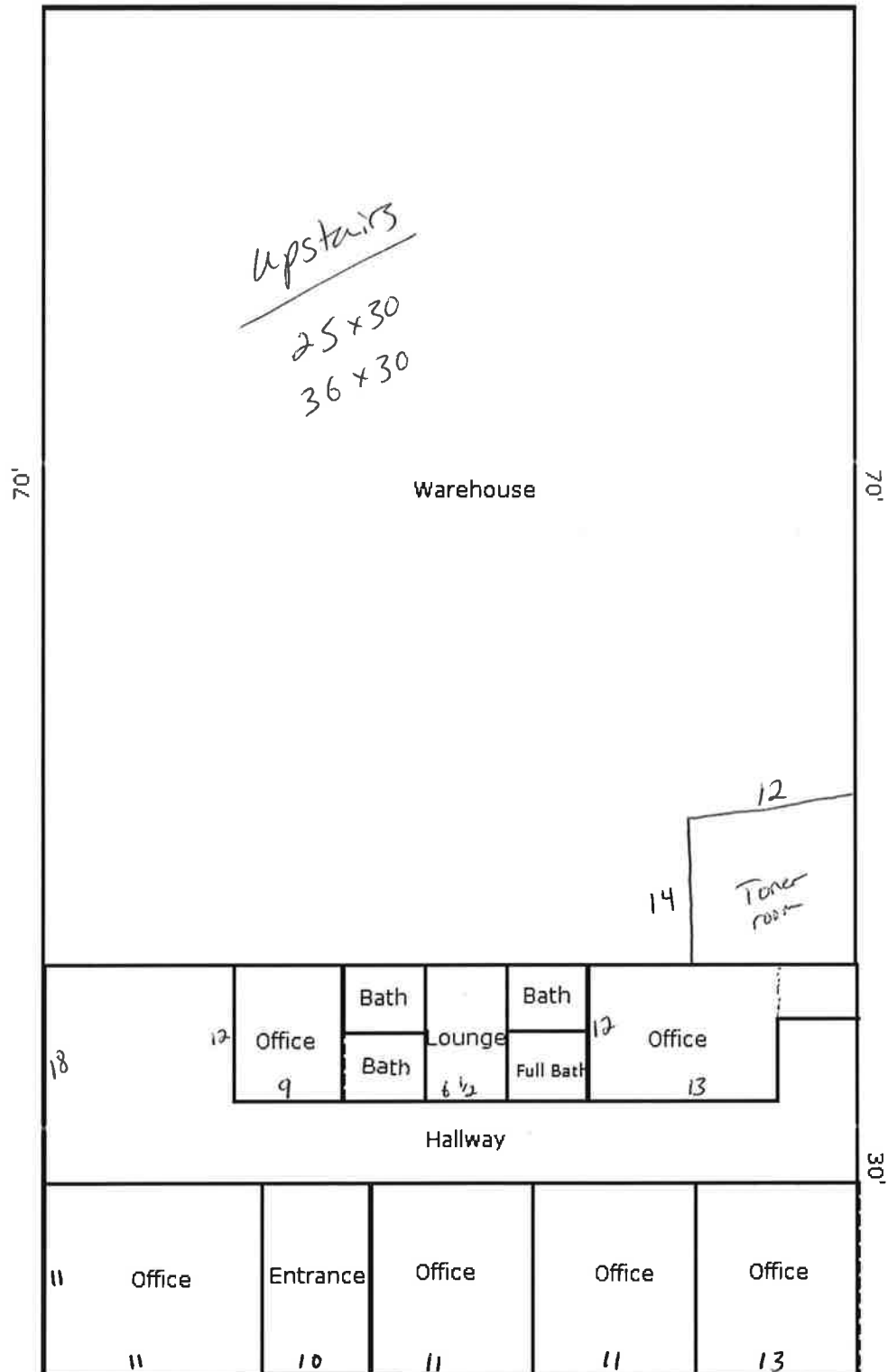


Building Layout Building 1

60'



SUMMARY OF SALIENT FACTS AND CONCLUSIONS

My investigations in connection with this appraisal assignment revealed the following facts and conclusions:

Client/Intended User:	[REDACTED] -Appraisal Department [REDACTED] [REDACTED] and-or affiliates
Property Identification:	Office and Warehouse/Storage Facility 2473 Highway 11 North Kinston, North Carolina 28501
Current Owner of Record:	Percy Incorporated
County/Tax Record Number:	Lenoir/8677
Legal Description:	Deed Book 1129, Page 111 and Map Book 6, Page 193
Land Area:	42.73 Acres (per survey)
Utilities:	Electric, Telephone, County water, Sewer
Improvements:	Two (2) 6,000 SF PES buildings with one consisting of 4,200 SF of warehouse area and 1,800 SF of office area. The other building consists of open warehouse area. The buildings were constructed in 1999 with related site improvements such as a gravel driveway and chain link fencing.
Zoning:	I-B (City of Kinston)
Present Use:	Office/Warehousing/Storage
Highest and Best Use:	Office and warehousing/storage as improved, with future expansion/development of excess land as demand warrants
Interest Appraised:	Fee Simple Estate
Effective Date of Valuation:	February 13, 2019
Date of Report:	February 28, 2019
Estimated Market Value:	\$750,000

CLIENT AND INTENDED USER

This appraisal report is prepared for the sole and exclusive use of First Citizens Bank and/or affiliates. The use of this report by others is not intended and I assume no responsibility for the unauthorized use of this report by unintended third-party users.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the current market value of the subject's fee simple estate as is. It is my understanding that the intended use of this appraisal is to assist the client and intended user with loan underwriting and/or credit decisions. This report is not intended to be used for any other purpose.

IDENTIFICATION OF THE PROPERTY

A Lenoir County GIS Aerial of the subject is offered below.



The subject of this appraisal report involves a 42.73-acre site which is currently improved with two 6,000 SF light industrial office and warehouse/storage buildings. The subject is identified by the Lenoir County Tax Office as Tax Record Number 8677 and Tax Pin 4536-54-7227 under the

SITE DATA

State of North Carolina
County of Johnston

11-30-93

Mike James, Jr.
Surveyor

7.15 ACRES ±

42.73 ACRES ±

TRaverse UP Jerico Run

Jerico Run

C/L Run & P.A.

NOTE: POINTS IN JERICO RUN ARE NOT AGREEMENTS

APPROVED

25



Easement/Encroachments:

30' Sanitary Sewer Easement that runs along the rear of the property. I am unaware of any other apparent adverse easements or encroachments.

Utilities:

Public water, sewer, electricity, telephone

Soils:

Johns sandy loam (Jo), Bibb (BB), Norfolk sandy loam 2 to 6 percent slopes (Nb)

Structural/Environmental:

I am unaware of any adverse structural or environmental conditions.

Comments: No environmental, geo-technical, or subsoils analyses have been performed or submitted for use with this report, and this is beyond the scope of the appraisal assignment. The soil map is as follows:



The land area consists of approximately 6 acres of open area between NC 11 and the improvements, 15 acres around the two buildings and approximately 21.73 acres of woods at the rear of the property extending back to Jerico Run of which approximately 8 acres are within the flood hazard area. Other than typical utility and drainage easements, road right-of-way access areas, etc., no apparent adverse easements or encroachments are noted, and it is assumed none are present. NC 11 is a divided four lane highway with two north-bound and two south bound lanes. There is a median crossover on NC 11 at Wallace Family Road at subjects' northwestern corner. For a more complete identification of the site, please refer to the exhibits and photographs included herein.

IMPROVEMENT DATA

Subject's primary improvements consist of two (2) one story, pre-engineered metal buildings. The improvement descriptions are based upon my personal inspection. The specifications are provided as follows:

Building 1:

Type/Current Use:	Office/Warehouse
Year Built:	1999
Quality/Condition:	Average/Good
Size:	6,000 SF of gross building area with 1,800 SF of Office area, 1,800 SF of mezzanine, and 4,200 SF of warehouse area
Shape/Perimeter:	60'x100'x20'
Foundation:	Reinforced concrete slab
Frame:	One story steel frame, clear span
Exterior:	Pre-engineered metal building, fixed insulated metal glass windows glass windows, aluminum glass storefront door, and metal gutters and downspouts. Two manual 20'x16' overhead doors on grade.
Roof:	A frame with metal roof cover
HVAC:	2 ground mounted HVAC systems
Plumbing:	Four (4) restrooms with ceramic fixtures, water heaters, floor drains, outside hose bibbs, water fountains
Floor Coverings:	12 inch vinyl composition tile, concrete
Walls:	Painted sheetrock in office and exposed beams/insulation in warehouse
Interior Doors:	Masonite doors in painted wood frames and insulated metal doors in hollow metal frames
Base:	Rubber
Ceilings:	Metal ceiling grids with acoustical panels in offices and exposed beams/insulation in warehouse area
Lighting:	Fluorescent and exit lighting

Building 2:

Type/Current Use:	Storage Warehouse
Year Built:	1999
Quality/Condition:	Average/Good
Size:	+/- 6,000 SF of gross building area
Shape/Perimeter:	60'x100'x18'
Foundation:	Reinforced concrete slab
Frame:	One story steel frame, clear span
Exterior:	Pre-engineered metal building, with metal insulated doors fixed insulated metal glass windows glass windows, aluminum glass storefront door, and metal gutters and downspouts. Two manual 20'x16' overhead doors on grade
Roof:	A frame with metal roof cover
Floor Coverings:	Concrete
Walls:	Exposed beams and insulation
Ceilings:	Exposed beams and insulation
Lighting:	LED and exit lighting

Comments: Building 1 is 6,000 SF consisting of 1,800 SF of office area and 4,800 SF of warehouse area. The office area is divided into 5 offices, a lounge with an electric range, refrigerator, and sink, 3 half baths and one full bath with a shower. The finishes are of a typical commercial grade office. The mezzanine area consists of 1,800 with 900 square feet finished and the remaining area unfinished. The outside of the building as concrete aprons at the overhead doors. Building 2 is 6,000 SF and consists of all open warehouse area. This building also has two concrete aprons.

Site Improvements: +/- 85,000 SF of gravel rock and drive area which includes 2,700 SF of concrete aprons and sidewalks. The rock drive extends approximately 830' eastward from NC 11 to the buildings. There are approximately 1,000' of chain link fencing with an automatic gate. Approximately 1,250' has 3 strands of barbed wire. Also located on the property is an 8'x12' wood framed building that houses the electrical panels.

The subject improvements were constructed in 1999 and are in average-good condition. The improvements appear functionally suited for their intended use and are typical of the surrounding market area. No functional or external inadequacies are noted. The buildings have been well maintained. Based upon my inspection of the improvements and analysis of the market sales, an effective age of about 20 years is reasonable with a remaining economic life expectancy of about 20 years.

The land area to building area ratio for the overall property is 155:1 which includes approximately 6 acres between NC 11 and the buildings, 15 acres around the two buildings and approximately 21.73 acres of woods at the rear of the property extending back to Jerico Run of which approximately 8 acres are within the flood hazard area. For further descriptions, please refer to the exhibits and photographs.

ZONING DATA/PUBLIC AND PRIVATE RESTRICTIONS



The subject property is located within the City of Kinston's Zoning Jurisdiction and is zoned I-B Industrial Business District. According to the City of Kinston Zoning Ordinance, *"The I-B District is intended to be a transitional land use district located adjacent to major thoroughfares where highway business and industrial development have high potential and where existing land uses indicate such a mixture. In addition, these regulations will allow mixing of certain normally noncompatible uses, with the provision that protect open spaces, sign control, sufficient lot sizes, increased setbacks, and good design are provided. This will help ensure that existing residences are protect against encroachment by industrial and business nuisances and similarly the ills of traditional strip commercial and industrial development will be discouraged. The purpose of the I-B district will be to provide for and encourage the proper grouping and development of roadside areas which will best accommodate the needs of the motoring public and of businesses and light industry demanding high volume traffic and major thoroughfare access but exhibiting a fairly low development density and traffic generation capacity with controlled highway access as a major feature."*

There are a number of permitted uses allowed in the I-B Zoning District including, but not limited to: child daycare centers, police/fire/EMS stations, barber/beauty shops, colleges/university/trade schools, government/professional offices, medical/dental offices, indoor athletic/recreation facilities, hotels/motels, restaurants, auto body/repair shops, agriculture warehousing, inside storage, and wholesale sales. The current use is legally permissible.