

IMPACT STUDY
PROPOSED WINGATE SUBSTATION
UNION POWER COOPERATIVE

1424 MILLS HARRIS ROAD
WINGATE, UNION COUNTY, NORTH CAROLINA 28174

CONSULTATION REPORT

AS OF FEBRUARY 20, 2025

PREPARED FOR

Matt Baucom

Plant Development Engineer
Union Power Cooperative
1525 N. Rocky River Road
Monroe, NC 28110

PREPARED BY

Sarah E. Lak
Mark T. Lambert, MAI, AI-GRS

FORTENBERRY LAMBERT, INC.

1213 WEST MOREHEAD STREET, 5TH FLOOR

CHARLOTTE, NORTH CAROLINA 28208

(704) 375-1032

February 20, 2025

Matt Baucom

Plant Development Engineer
Union Power Cooperative
1525 N. Rocky River Road
Monroe, NC 28110

**RE: Impact Study for the Proposed Wingate Substation Located at 1424 Mills Harris Road,
Wingate, Union County, North Carolina 28174**

Dear Mr. Baucom:

The subject of this consultation report is a portion of tax parcel 02202008 located at 1424 Mills Harris Road, Wingate, Union County, North Carolina 28174 (unincorporated portion). The entire property consists of 161.03 acres that is improved with a 26,600 SF Union County Sheriff's Department training facility that was constructed in 2017. The training facility is located on the northwestern portion of the site. Union Power Cooperative (UPC) is seeking to obtain a conditional rezoning and Special Use Permit (SUP) to lease 3.08 acres to construct a substation in the eastern portion of the site. We inspected the above-referenced subject property, and where possible, properties adjoining the site and the surrounding neighborhood. A sample of photographs taken during the inspection are included in the report.

As requested, we have prepared an Impact Study to determine whether UPC's proposed conditional rezoning and SUP (A) will or will not maintain or enhance the value of contiguous property; (B) whether or not the proposed use will violate the neighborhood character or adversely affect surrounding land uses; and (C) whether or not the proposed use will comply with the general plan for the physical development of the County as embodied in the Union County Unified Development Ordinance and/or in Union County's Future Land Use Plan.

Articles and books concerning substations and transmission lines concerning potential impact on surrounding properties were consulted and considered as part of this study.

One of the articles is "*Property Value Impacts from Transmission Lines, Subtransmission Lines, and Substations*" by Ted Tatos, Mark Glick, PhD, JD, and Troy A. Lunt, MAI, as published in The Appraisal Journal's Summer 2016 edition. Following is a portion of the peer reviewed article: The study focuses more on different types of transmission lines, but also includes substations in explaining the process of distributing power across long distances. It is explained that large towers, such as those that support 500 kV and 345kV lines are not omnipresent in population centers. Homes require voltages at much lower levels – 120 volts in the U.S. Therefore, interconnected transformers at transmission substations "step down" the power to subtransmission voltages of generally between 46 kV and 138 kV. These subtransmission lines, which are commonly located along highways or arterial roads, then carry bulk power from major substations to regional and local distribution substations, like that planned at the subject.

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The distribution stations are located close to consumers, which in turn step down the voltage again to between 2kV and 35kV. This is considered medium voltage. The findings from this study revealed mixed results on property values for transmission lines depending on its size. For substations, the results indicate marginal negative impact (-2.92%) at properties located within 50 meters (164 feet) and -0.38% for properties located 50 – 100 meters (164 ft. to 328 ft.). The study noted that other variables can and did affect results such as the health of the economy, demographics, and condition of the real estate market. Any negative impacts declined during the Great Recession and post-recession time frame. Other factors cited were regional employment, visibility, and supply and demand effects.

Another article published in the Appraisal Journal in Summer 2009 titled “*High-Voltage Transmission Lines: Proximity, Visibility, and Encumbrance Effects*” was considered. It was written by James A. Chalmers, PhD and Frank A. Voorvaart, PhD. This article did not cover substations, rather HVTL’s. The article states that there is a negligible effect, at best, usually in the range of 3% to 6%, and the effects decay rapidly as the distance to the lines increases, usually disappearing at about 200 feet to 300 feet. This article concludes that “the presence of transmission lines is apparently not given sufficient weight by buyers and sellers of real estate to have had any consistent, material effect on property values.” Since the proposed substation is smaller and less visible, it is reasonable to assume it also would have little impact.

Lastly, an article published in May 2019 for EMF Services, a professional EMF measurement and advisory service, covered the impact of Electromagnetic Fields (EMF). The article states that voltage from a power line or a substation produces an electric field that is exactly the same kind found in housing and home appliances. The strength of the magnetic field drops off with distance once one is 50 to 100 meters (164 to 328 feet) away. The article reports that after nearly 40 years of research, there is no clear indication that the magnetic fields, or some other factor to do with being near a power line has any effects on health. It is possible it could be other factors. It is states that magnetic fields at a substation boundary are generally little different for the levels found in many homes. It was clarified that if a power line crosses over the boundary that the magnetic fields will be larger there. It is the power lines, not the substation that generates the higher emission field.

A demographic study was prepared for the neighborhood surrounding the subject and compared to Union County and the MSA to assess the health of the neighborhood regarding population, households, median household income, and housing values over time, as these factors impact property values.

Historical home sales, acreage/farmland sales and prices for six Union Power substation properties that are similar as to what is proposed for the subject are provided in the report. Additionally, local real estate brokers active in the market were contacted to assist in understanding the real estate market in the area around the subject, and to gather their opinion as to any possible effect a substation could have in general and for the subject.

According to the proposed site plan, the proposed substation will be located at the site’s eastern border (approximately 2,500 feet north of Ansonville Road) and will maintain a large, wooded buffer along the perimeter. There is an existing 68-foot-wide Duke Energy right-of-way and transmission line that runs through the site.

The site immediately to the north of the proposed substation site is improved with a single-family residence and other structures. Using GIS Union County Mapping, it is estimated to be approximately 850 feet from the substation's northern boundary. Otherwise, the eastern portion of the subject where the substation will be located is surrounded primarily by wooded and agricultural land.

To obtain approval for a conditional rezoning and SUP, UPC must receive approval from the Union County Zoning Board of Adjustments based in part on five criteria. Based on our research, use of the site for the proposed substation will maintain or enhance the value of contiguous property, and will not violate the neighborhood character or adversely affect surrounding land uses; and will comply with the general plan for the physical development of the County as embodied in the Union County Development Ordinance and/or in the Future Land Use Plan.

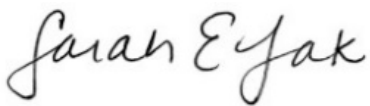
Our opinions are based on the following Hypothetical Conditions and Extraordinary Assumptions.

Hypothetical Condition	None
Extraordinary Assumption	A conceptual site plan was provided for the proposed substation. It is assumed that Union Power Cooperative will meet all performance standards and that all zoning and/or governmental regulations will be met.

The conclusions are supported by the data and reasoning set forth in the attached narrative. The reader is referred to the Assumptions and Limiting Conditions, which are included in the Addenda of the report. We certify that we have no present or contemplated future interest in any properties included in this study. This report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as approved by the Appraisal Standards Board of the Appraisal Foundation, and FIRREA Title XI, 12 CFR Part 34 (RTC).

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

Sincerely,



Sarah E Lak
North Carolina State Registered Trainee Appraiser #T5345

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



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



704-650-6271
mark@fortenberrylambert.com

EXECUTIVE SUMMARY

Property and Location	Proposed Wingate Substation 1424 Mills Harris Road Wingate, Union County, North Carolina 28174
Tax Parcel Identification	02202008
Property Ownership	Union County, North Carolina
Consultation Dates	
As Is Date	February 10, 2025
Report Date	February 20, 2025
Purpose of Consultation	Determine whether Union Power Cooperative's (UPC's) proposed conditional rezoning and SUP (A) will or will not maintain or enhance the value of contiguous property; (B) whether or not the proposed use will violate the neighborhood character or adversely affect surrounding land uses; and (C) whether or not the proposed use will comply with the general plan for the physical development of the County as embodied in the Union County Development Ordinance and/or in Union County's Future Land Use Plan.
Hypothetical Condition	None
Extraordinary Assumption	A conceptual site plan was provided for the proposed substation. It is assumed that Union Power Cooperative will meet all performance standards and that all zoning and/or governmental regulations will be met.
Land Area	The entire property is 161.03 acres, of which Union Power will lease 3.08 acres for a proposed substation.
Improvements	The site is improved with a 26,600 SF training facility that was constructed in 2017. The training facility was constructed for use by the Union County Sheriff's Department. The training facility is located on the northwestern portion of the site.
Zoning	RA-200CZ, Residential Agricultural Conditional Zoning, legally conforming As Is and Upon Completion of the substation, provided the owner is awarded a conditional zoning and SUP.
Flood Plain/Water Quality Buffers/Wetlands	FEMA Map Panel 3710547600J, dated October 16, 2008, located in Zones X and AE. A portion of the northern portion of the site is located in Zone AE. The proposed substation site is located in an area that is unencumbered by floodplain. A 30-foot stream buffer is located along both sides of Jack's Branch, which is located through the eastern portion of the site. Additionally, wetlands are located on the site. Based on the proposed site plan, the substation will not impact the existing buffer or wetlands.

EXECUTIVE SUMMARY CONTINUED

Property and Location

Proposed Wingate Substation
1424 Mills Harris Road
Wingate, Union County, North Carolina 28174

Highest & Best Use

As Vacant

As Improved

Hold for future low density residential or institutional development
Continued use of the existing improvements and to construct the proposed substation

Conclusion

Based on our research, use of the site for a proposed substation will maintain or enhance the value of contiguous property, and will not violate the neighborhood character or adversely affect surrounding land uses; and will comply with the general plan for the physical development of the County as embodied in the Union County Development Ordinance and/or in the Future Land Use Plan.

Consultants

Sarah E. Lak
#T5345

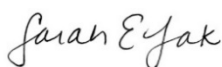
Mark T. Lambert, MAI, AI-GRS
NC #A3572



CERTIFICATION

I, Sarah E. Lak, certify that, to the best of my knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have not performed previous services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report, other than those identified in the report. I have relied on surveys, floor plans, etc., provided by other professional persons who have been identified in the report.



Sarah E. Lak

North Carolina State Registered Trainee Appraiser #T5345

February 20, 2025

Date

FORTENBERRY LAMBERT, INC.

1213 WEST MOREHEAD STREET, 5TH FLOOR

CHARLOTTE, NORTH CAROLINA 28208

PHONE: (704) 375-1032

CERTIFICATION

I, Mark T. Lambert, MAI, AI-GRS, certify that, to the best of my knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
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9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the person signing this report, other than those identified in the report. I have relied on surveys, floor plans, etc., provided by other professional persons who have been identified in the report.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Mark T Lambert, MAI, AI-GRS, has completed the continuing education program for Designated Members of the Appraisal Institute.



Mark T. Lambert, MAI, AI-GRS

North Carolina State Certified General Appraiser #A3572

February 20, 2025

Date

FORTENBERRY LAMBERT, INC.

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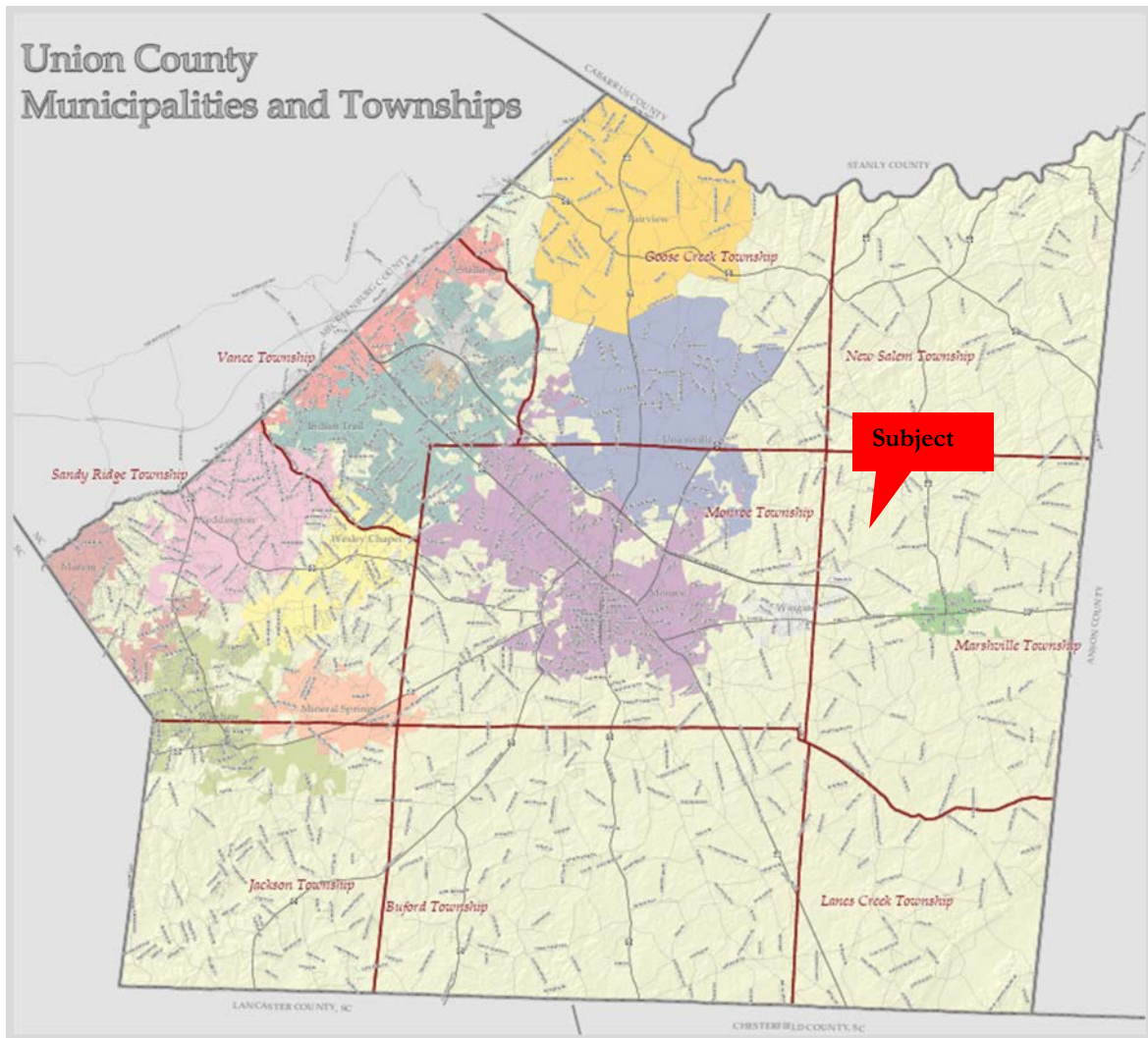
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TABLE OF CONTENTS

UNION COUNTY MAP.....	1
LOCATION MAPS	2
PROPERTY IDENTIFICATION/CONSULTING PREMISE.....	3
GENERAL INFORMATION	4
OWNERSHIP HISTORY	6
SITE ANALYSIS.....	12
ZONING/LAND USE CONTROL.....	17
DESCRIPTION OF THE PROPOSED SUBSTATION	21
CHARLOTTE AREA/UNION COUNTY REGIONAL ANALYSIS	25
NEIGHBORHOOD ANALYSIS	40
RESEARCH PUBLICATION SUMMARY	44
CONCLUSIONS – FINDINGS OF FACT	45
ADDENDA	58
Assumptions and Limiting Conditions	
Deed/Legal Description	
Tax Card	
Qualifications and Licenses	

UNION COUNTY MAP



LOCATION MAPS



PROPERTY IDENTIFICATION/CONSULTING PREMISE

The subject of this consultation report is a portion of tax parcel 02202008 located at 1424 Mills Harris Road, Wingate, Union County, North Carolina 28174 (unincorporated portion). The entire property consists of 161.03 acres that is improved with a 26,600 SF Union County Sheriff's Department training facility that was constructed in 2017. The training facility is located on the northwestern portion of the site. Union Power Cooperative (UPC) is seeking to obtain a conditional rezoning and Special Use Permit (SUP) to lease 3.08 acres to construct a substation in the eastern portion of the site. The site plan provided by the Client for the proposed substation is below:

PROPOSED WINGATE SUBSTATION SITE PLAN



GENERAL INFORMATION

Client	Union Power Cooperative
Intended User	Client
Intended Use	Determine whether Union Power Cooperative's (UPC's) proposed conditional rezoning and SUP (A) will or will not maintain or enhance the value of contiguous property; (B) whether or not the proposed use will violate the neighborhood character or adversely affect surrounding land uses; and (C) whether or not the proposed use will comply with the general plan for the physical development of the County as embodied in the Union County Development Ordinance and/or in Union County's Future Land Use Plan.
Report Format	Consultation Report
Prior Services	The appraisers have not performed prior consultant services on this property within the 5-year period immediately preceding acceptance of this assignment.
Competency	Mark T. Lambert, MAI, AI-GRS is a State Certified General Real Estate Appraiser in North and South Carolina. Mr. Lambert has approximately 35 years of experience, including numerous residential/institutional/agricultural properties. Sarah E. Lak is a State Registered Trainee Appraiser in North Carolina and has been appraising residential and commercial properties for approximately 12 years. The appraisers meet the USPAP Competency Rule requirements.

RELEVANT DATES

The following are the relevant dates of the impact study.

As Is Date	February 10, 2025
Date of Report	February 20, 2025

DEFINITIONS

Hypothetical Condition and Extraordinary Assumptions

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

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

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

USPAP defines an **Extraordinary Assumption** as:

“an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

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

Hypothetical Condition Used	None
Extraordinary Assumption Used	A conceptual site plan was provided for the proposed substation. It is assumed that Union Power Cooperative will meet all performance standards and that all zoning and/or governmental regulations will be met.

SCOPE OF WORK

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

- *Physical inspection of the subject site and neighborhood;*
- *Inspection of selected comparable local properties;*
- *Site analysis including physical and legal characteristics;*
- *Highest and best use analysis, as vacant and improved, if applicable;*
- *Study of local assessed value history of subject and surrounding properties;*
- *Study of historical aerial photos of the subject and surrounding properties to look for development trends;*
- *Study of historical property values surrounding the subject and in the area;*
- *Review of various articles and publications concerning impacts of substations on nearby development, and;*
- *Inspection of a sample of other Union Power Cooperative substations. Review of information provided by Union County Cooperative of other similar substations that are similar to that which is proposed.*

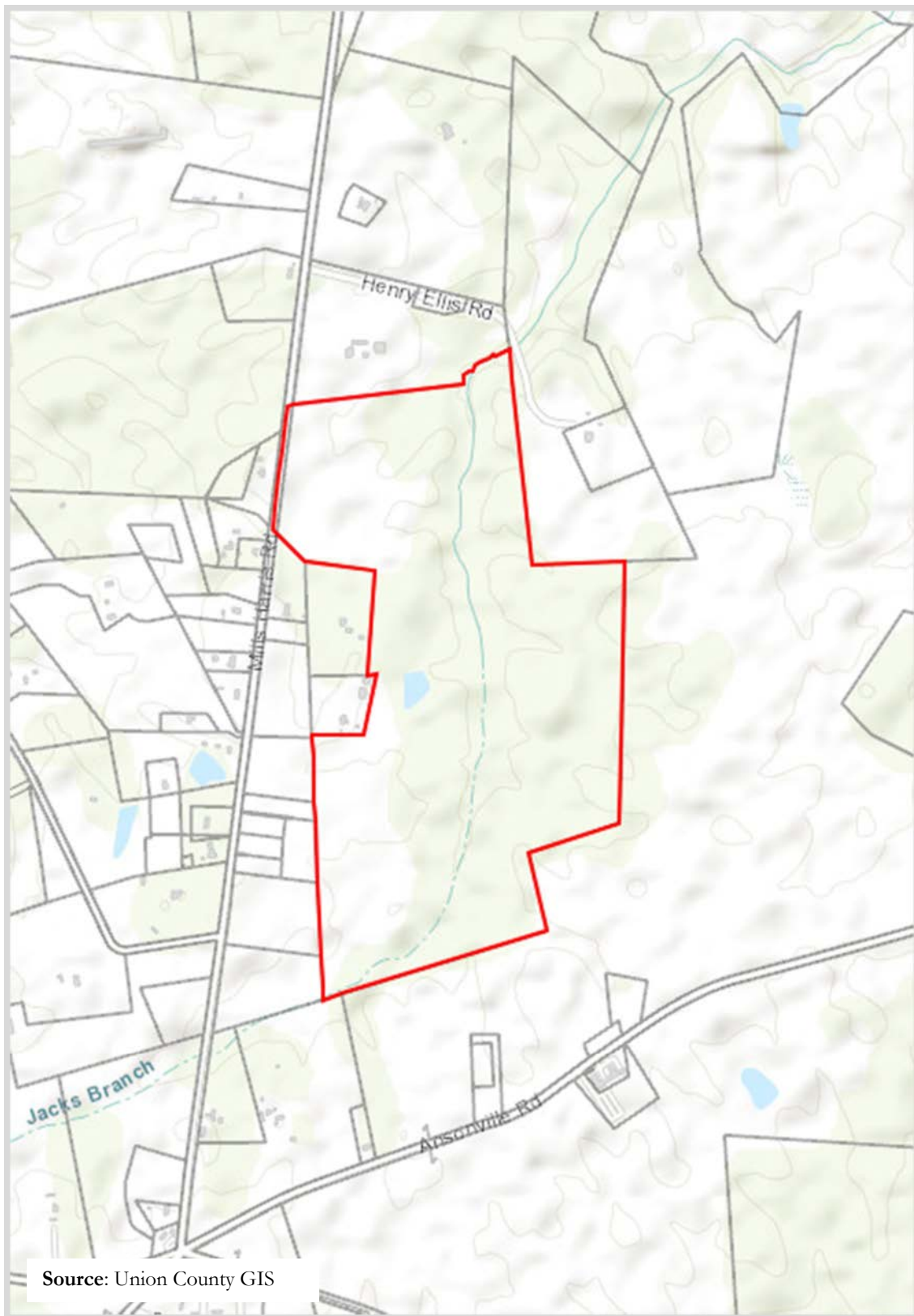
Additional primary research may have been conducted with the property, depending on the requirements of the assignment.

OWNERSHIP HISTORY

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

Current Owner of Record	Union County, North Carolina
Most Recent Transaction Date	January 14, 2011
Buyer	Union County, North Carolina
Seller	H & T, LLC, a North Carolina limited liability company
Deed Reference	Book 5476, Page 914
Price Indicated by Excise Stamps	\$1,161,000
Prior Transaction	None
Pending Transactions	None
Current Listing Agreements	None

TAX MAP



AERIAL TAX MAP

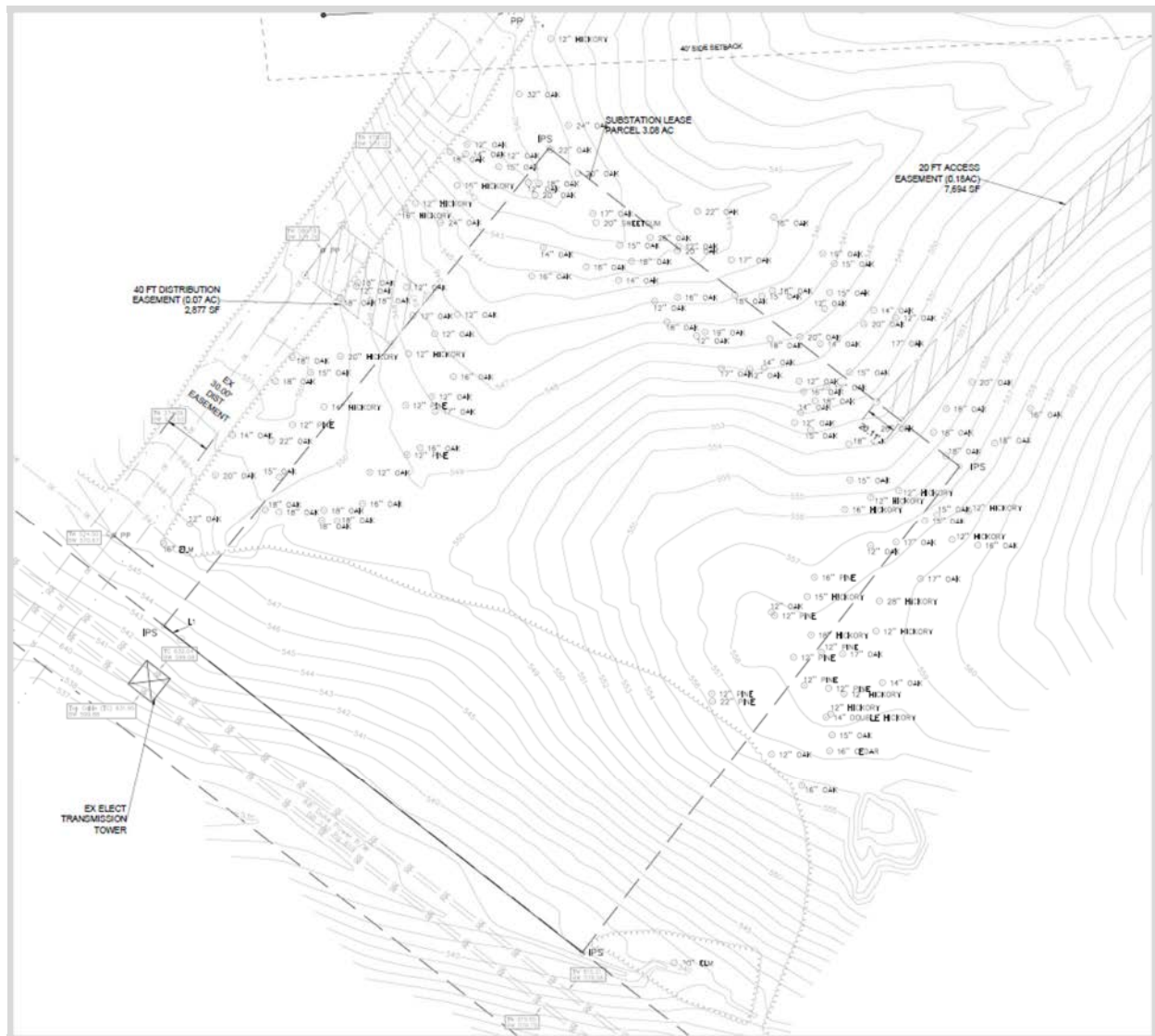


Source: Union County GIS

FEMA FLOOD HAZARD MAP



PROPOSED SITE PLAN – WINGATE SUBSTATION (TOPOGRAPHICAL)



PROPOSED SITE PLAN – WINGATE SUBSTATION (AERIAL)



SITE ANALYSIS

General	
Information for the subject is based on a review of tax maps, aerial maps, Union County GIS information, FEMA floodplain maps, proposed site plans provided by the Client, and a personal inspection.	
Location	1424 Mills Harris Road Wingate, Union County, North Carolina 28174 (Unincorporated portion)
Tax Parcel	02202008
Current Use	Institutional/Government
Improvements	The site is improved with a 26,600 SF training facility that was constructed in 2017. The training facility was constructed for use by the Union County Sheriff's Department. The training facility is located on the northwestern portion of the site.
Land Area	The entire property is 161.03 acres, of which Union Power will lease 3.08 acres for a proposed substation.
Zoning	RA-200CZ – Residential Agricultural Conditional Zoning by the Union County Unified Development Ordinance
Shape	Irregular and functional
Frontage/Access	Approximately 900 feet on Mills Harris Road
Topography	Gently Sloping
Floodplain/Water Quality Buffers/Wetlands	FEMA Map Panel 3710547600J, dated October 16, 2008, located in Zones X and AE. A portion of the northern portion of the site is located in Zone AE. The proposed substation site is located in an area that is unencumbered by floodplain. A 30-foot stream buffer is located along both sides of Jack's Branch, which is located through the eastern portion of the site. Additionally, wetlands are located on the site. Based on the proposed site plan, the substation will not impact the existing buffer or wetlands.
Soil & Environmental Concerns	No environmental reports were provided. The values reported are based on the assumption that the subject site meets all Environmental Protection Agency requirements and regulations.
Utilities	Private Well/Septic System
Easements & Encroachments	An existing 68-foot-wide Duke Power right-of-way extends from the site's southeastern boundary to the site's northwestern boundary along Mills Harris Road. Upon completion of the proposed substation, a 20-foot permanent access easement (PAE) totaling 7,694 SF will extend from the site's eastern boundary to the proposed substation site. Additionally, a 40-foot permanent distribution easement (PDE) totaling 2,877 SF will be located on the northwestern side of the proposed substation site adjacent to the existing 30-foot-wide PDE.

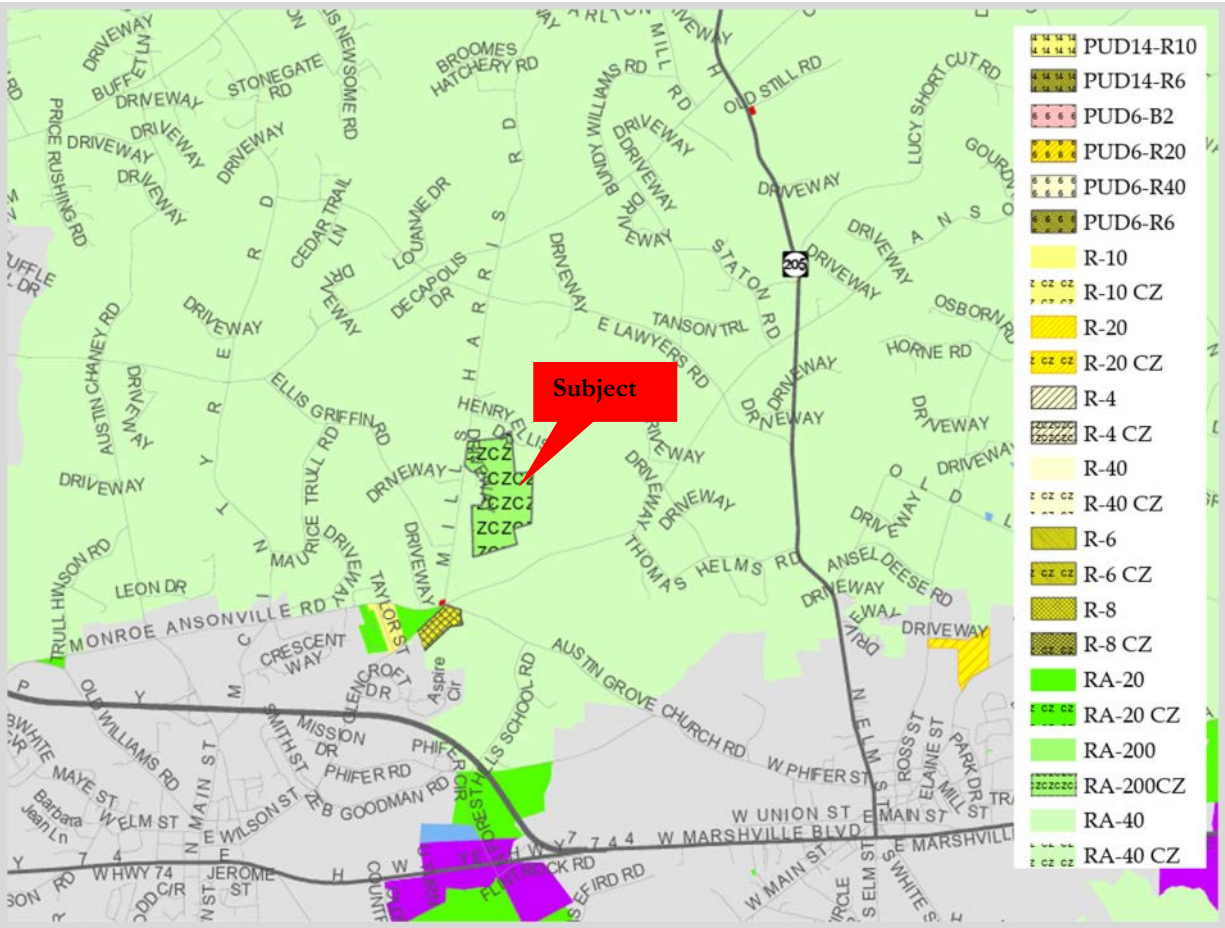
Site Analysis, Continued

Conclusion	The subject is located approximately 7 miles northeast of Monroe in the unincorporated portion of Union County. The site has good access and road frontage. Public water and sewer is not accessible at the site. The site is irregular shaped with gently sloping topography. A portion of the northern portion of the site is located in Zone AE. The proposed substation site is located in an area that is unencumbered by floodplain. A 30-foot stream buffer is located along both sides of Jack's Branch, which is located through the eastern portion of the site. Additionally, wetlands are located on the site. Based on the proposed site plan, the substation will not impact the existing buffer or wetlands. An existing 68-foot-wide Duke Power right-of-way extends from the site's southeastern boundary to the site's northwestern boundary along Mills Harris Road. This area is improved with several high tension towers and a transmission line. Upon completion of the proposed substation, a 20-foot permanent access easement (PAE) totaling 7,694 SF will extend from the site's eastern boundary to the proposed substation site. Additionally, a 40-foot permanent distribution easement (PDE) totaling 2,877 SF will be located on the northwestern side of the proposed substation site adjacent to the existing 30-foot-wide PDE.
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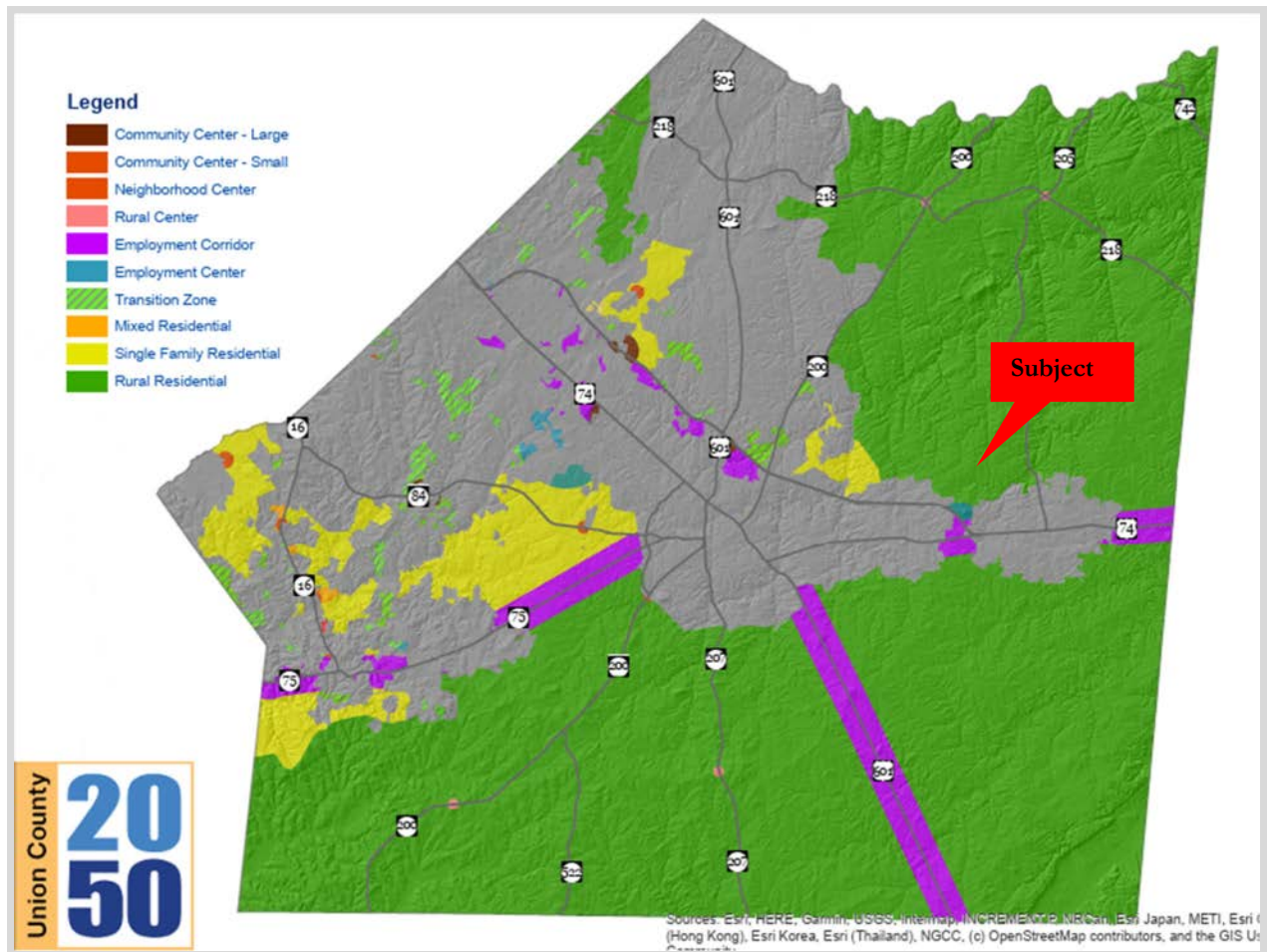
ZONING MAP



EXISTING ZONING MAP FOR SUBJECT AREA



ADOPTED UNION COUNTY 2050 LAND USE MAP



ZONING/LAND USE CONTROL

The subject is zoned RA-200CZ – Residential Agricultural Conditional Zoning by the Union County Unified Development Ordinance (UDO). The RA-200 district is primarily intended for residential, agricultural, and institutional users. According to the Union County UDO,

“The RA-200 district is primarily intended to accommodate agriculture and agriculture-related uses and very low-density residential development in rural areas of the county. The district is generally intended to apply in areas where central water and/or central sewer service is not widely available.”

Development Standards RA-200, Residential Agricultural District

<u>Standard</u>	<u>RA-200/Subject</u>
Minimum Lot Area SF	200,000
Minimum Lot Width	60 Feet
Minimum Front Yard	40 Feet
Minimum Side Yard	15 Feet
Minimum Rear Yard	40 Feet
Maximum Building Height	50 Feet

Source: *Union County UDO* & Provided Site Plan

The existing improvements represent a legal, conforming use.

Union Power Cooperative (UPC) is applying for a Special Use Permit (SUP) in order to construct the proposed substation (classified as a major utility or public service facility), which is considered a special use according to Article 25.010-B, page 25-2 in the UDO, as illustrated in the table below. Once the SUP is obtained, the proposed substation will be considered a legal, conforming use.

USE CATEGORY	RA 200	RA 40	RA 20	R 40	R 20	R 15	R 10	R 8	R 6	R 4	O	B 2	B 3	B 4	H C	L I	H I	Supplemental Regulations
Subcategory Specific use																		
Postal Service	–	–	–	–	–	–	–	–	–	–	P	P	P	P	P	P	P	
Religious Assembly	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	–	–	
Safety Service	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
School	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Utility or Public Service Facility																		
Minor	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Major	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	P	
Renewable Energy Facility	S	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	<i>(amended 1.16.18)</i>

Section 25.020-C: Public, Civic and Institutional Use Category

15. Utility or Public Service Facility

Any above-ground structures or facilities (other than buildings, unless such buildings are used as storage incidental to the operation of such structures or facilities) owned by a governmental entity, a nonprofit organization, corporation, or any entity defined as a public utility for any purpose by NCGS 62-3(23) and used in connection with the production, generation, transmission, delivery, collection, or storage of water, sewage, electricity, gas, oil, or electronic signals

a. Minor

Utility or public service facilities that need to be located in or close to the area where the service is provided. Minor utilities and public service facilities generally do not have regular employees at the site and typically have few if any impacts on surrounding areas. Typical uses include water and sewer pump stations; gas regulating stations; electric transformers; water conveyance systems; stormwater facilities and conveyance systems; telephone switching equipment and emergency communication warning/broadcast facilities.

b. Major

Utility and public service facilities that are not classified as "minor" or as a "renewable energy facility". Typical uses include but are not limited to water and wastewater treatment facilities, high-voltage electric substations, utility-scale power generation facilities (excluding renewable energy facilities), and utility-scale water storage facilities, such as water towers. (amended 1-6-2018)

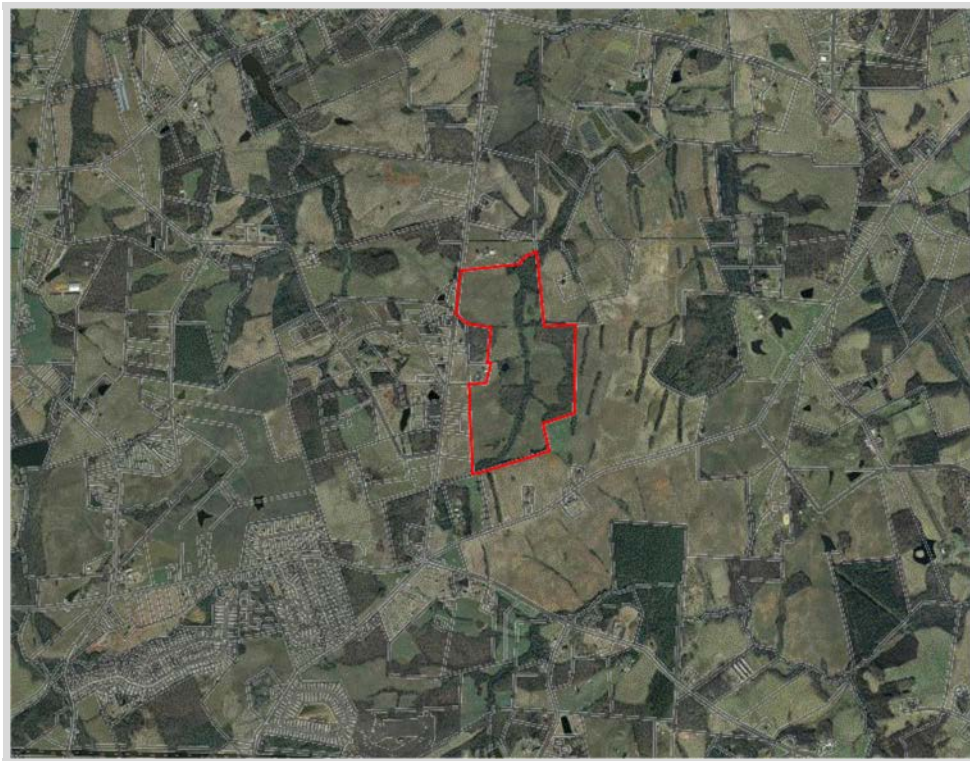
There are five "Considerations"/Findings of Fact that must be met to satisfy the Board of Adjustment in order to grant the property owner a SUP. Those are outlined later in the Conclusion section of the report.

The immediate area around the subject is currently rural in nature, and the 2050 Future Land Use Map designates this area as Rural Residential. The area surrounding the subject is primarily rural in nature, with some homes on larger lots and large tracts of agricultural land. There is a large amount of vacant land in the immediate area. The following pages show historical maps of the area from 2007 to 2021 that demonstrate the slow growth that has occurred over time. The maps are taken from Union County GIS.

2007 AERIAL MAP



2010 AERIAL MAP



2015 AERIAL MAP



2021 AERIAL MAP



DESCRIPTION OF THE PROPOSED SUBSTATION

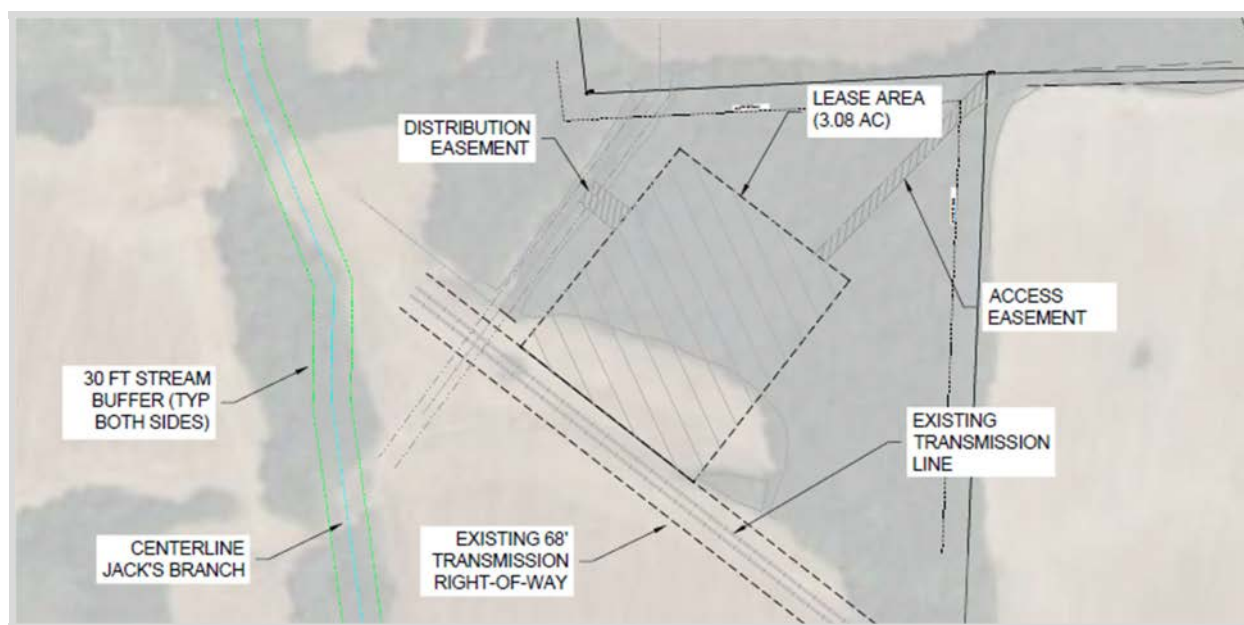
Based on information provided by the Client and Pike Engineering, the substation will meet all dimensional requirements, such as minimum setbacks, lot size and maximum building height of 50 feet. Many of the existing trees will be preserved.

Substation materials will consist primarily of galvanized metal, while the control enclosure will have an aggregate finish. No buildings or structures capable of human occupation or storage will be constructed on the site. A VFP Control Enclosure will be installed within the fenced substation. The control enclosure will house “remote switching” and monitoring controls for the substation equipment.

A farm gate will be installed to prevent local traffic from entering the property. Gates to the property will be locked at all times. Security fencing will surround the substation infrastructure. The fencing will consist of woven steel fabric (minimum height of 7 feet) with additional barbed wire extension arms (1 foot in length) on top. There will also be signage to the effect of “Danger! High Voltage.”

Electromagnetic field (EMF) and noise levels are not expected to exceed the ambient levels found outside the substation property. Following is a proposed site plan map.

PROPOSED WINGATE SUBSTATION SITE PLAN



Photos of the subject, as well as a sample of surrounding properties, are provided on the following pages to provide a visual example.

SUBJECT PHOTOS



VIEW OF PROPOSED SUBSTATION SITE



VIEW OF PROPOSED SUBSTATION SITE



VIEW OF PROPOSED SUBSTATION SITE



VIEW OF PROPOSED SUBSTATION SITE



VIEW OF PROPOSED SUBSTATION SITE



VIEW OF PROPOSED SUBSTATION SITE

PHOTOS OF ADJACENT PROPERTIES



VIEW OF ADJACENT FARMLAND TO SE &
EXISTING DUKE POWER ROW



VIEW OF ADJACENT FARMLAND TO SE &
EXISTING DUKE POWER ROW



VIEW OF ADJACENT FARMLAND TO NE



VIEW OF ADJACENT FARMLAND TO SE &
EXISTING DUKE POWER ROW

SAMPLE PHOTOS OF PROPERTIES IN NEIGHBORHOOD



VIEW OF UNION COUNTY SHERIFF'S
OFFICE TRAINING CENTER (PORTION OF
SUBJECT/ENTIRE SITE)



VIEW OF CHURCH LOCATED ACROSS
ANSONVILLE ROAD TO THE SOUTH



VIEW OF RESIDENCE IN NEIGHBORHOOD



VIEW OF RESIDENCES IN NEIGHBORHOOD



VIEW OF RESIDENCE/FARMLAND IN
NEIGHBORHOOD



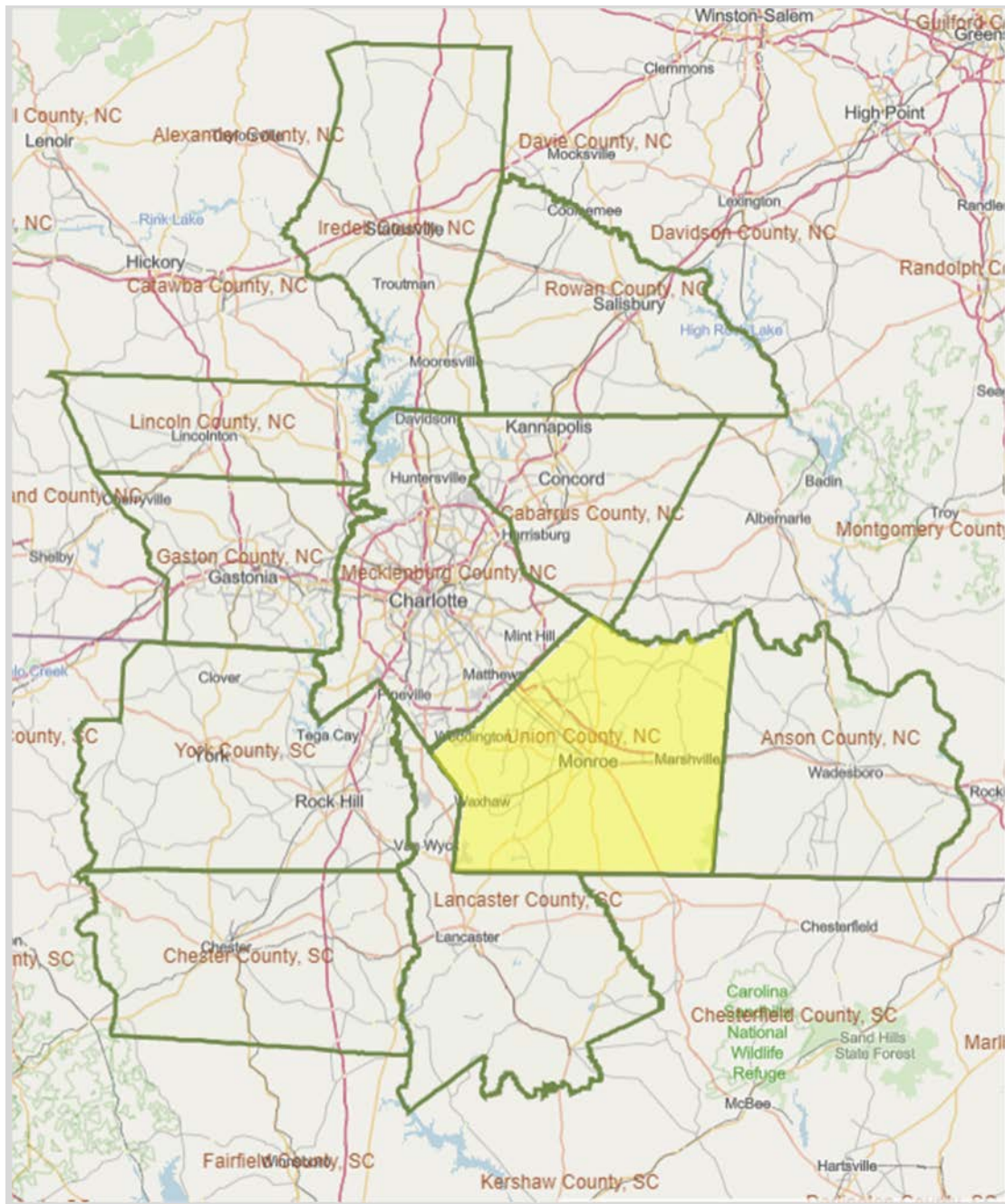
VIEW OF FARMLAND IN NEIGHBORHOOD

CHARLOTTE AREA/UNION COUNTY REGIONAL ANALYSIS

LOCATION AND ACCESS

The subject is located in Union County, North Carolina, within the Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA). The MSA is comprised of 11 counties centered on the City of Charlotte and located on the North Carolina-South Carolina border.

CHARLOTTE-CONCORD-GASTONIA MSA



A primary driver of the Charlotte economy is its connectivity. Interstate 85 provides access southwest to Greenville-Spartanburg and Atlanta, and northeast to Greensboro and Raleigh-Durham and I-95. Interstate 77 connects south to Columbia, SC and I-26, which runs southeast to Charleston, SC. To the north, I-77 connects to I-40 at Statesville, NC and to I-81 in Virginia. Interstate 40 also connects west to the Asheville area and western NC. Interstate 277 is a 4.5-mile loop that encircles Charlotte's central business district. Further out is I-485, which is 67 miles in length and connects to I-77, I-85 and several of Charlotte's ring suburbs. Primary US Highways bisect the region and include US Highways 21, 29, 74, 321, 521, and 601.

The Charlotte Area Transit System (CATS) operates bus service to surrounding suburban communities in both North and South Carolina. CATS also operates the LYNX light rail. Currently, the system consists of the Blue Line, connecting Pineville in the south to UNC Charlotte in the northeast, running through the CBD, totaling 19 miles. The newest part of the LYNX network is the Gold Line, which is a 10-mile streetcar line being completed in phases. Currently, the line is 4 miles with 17 stops, running from Sunnyside Avenue, south along Hawthorne Lane to 5th Street, at Novant Hospital, and then west to the Johnson C Smith University Campus and the historic West End.

CATS is currently in the planning and design stages for the Lynx Silver Line, a multibillion-dollar east-west light rail line that will run from Matthews through Uptown Charlotte and west to Charlotte Douglas International Airport and across the Catawba River to Belmont. The line, projected to open in 2030, will connect to the Blue Line at 11th Street and the future intermodal Charlotte Gateway Station.

Charlotte-Douglas International Airport, located in western Mecklenburg County, is the region's center for air travel and consistently ranked as one of the top 10 busiest airports in the world. Service is provided to 178 nonstop destinations, including international locations. Norfolk Southern Railway, which has an intermodal facility at the airport, and CSX Transportation link over 40,000 miles of rail between Charlotte and 23 eastern states.

DEMOGRAPHIC TRENDS

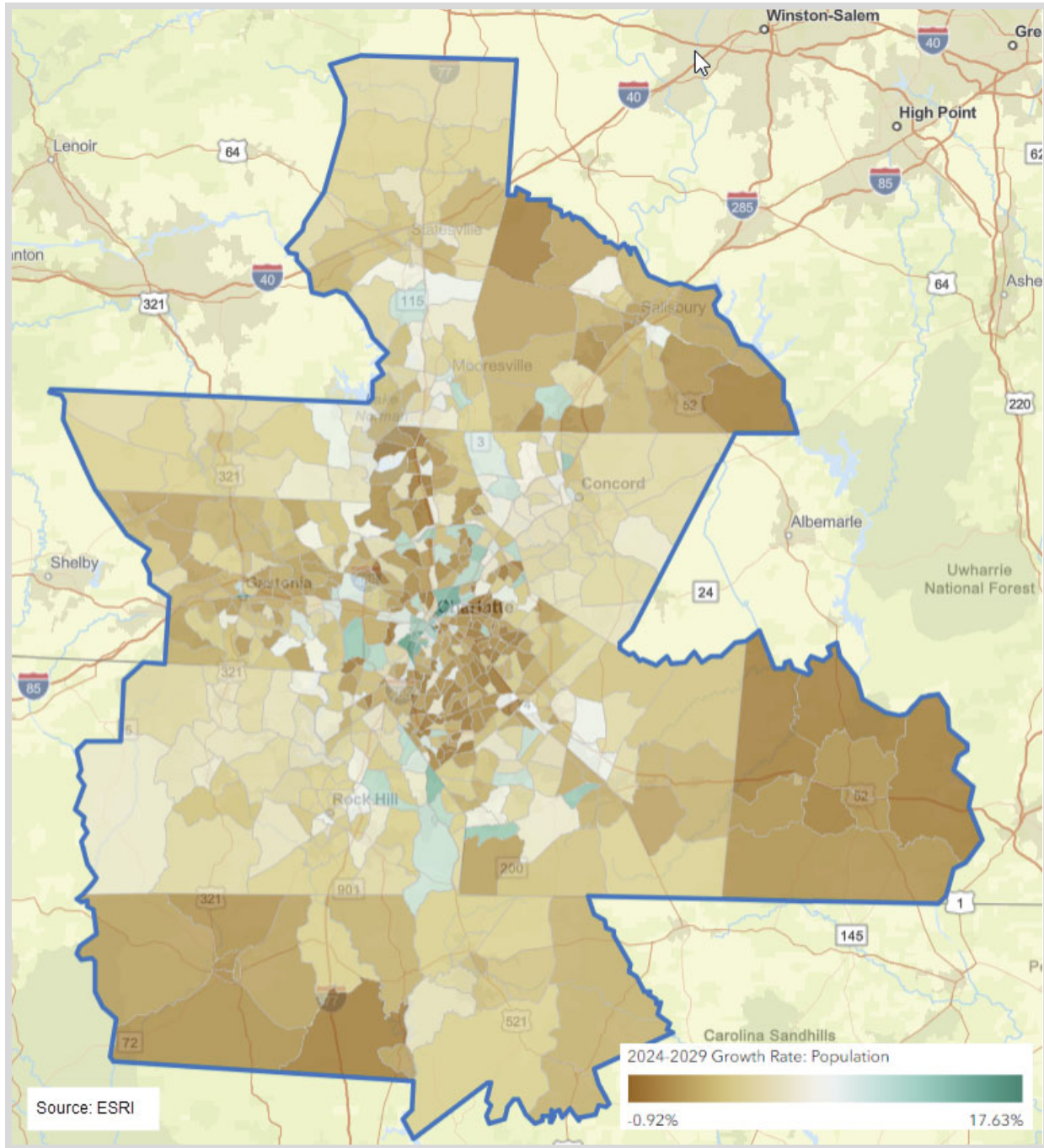
According to the 2020 US Census, the Charlotte MSA is the 23rd-largest in the US and the largest in the Carolinas. Charlotte is consistently among the fastest growing cities in the US. The following table outlines key demographic data for Charlotte, Mecklenburg County, and the MSA:

Demographic Summary

	City of Charlotte	Mecklenburg County	Charlotte- Concord- Gastonia MSA
<u>Population</u>			
2029 Projection	991,373	1,258,917	3,026,237
2024 Estimate	930,043	1,190,061	2,851,936
2020 Census	875,493	1,115,482	2,660,329
2010 Census	732,641	919,622	2,243,837
Annual % Change 2010-2024	1.7%	1.9%	1.7%
Projected Annual % Change 2020-2029	1.4%	1.4%	1.4%
<u>Households</u>			
2029 Projection	414,463	519,126	1,198,368
2024 Estimate	382,320	483,450	1,116,721
2020 Census	355,758	448,814	1,034,018
2010 Census	290,446	362,211	858,450
Annual % Change 2010-2024	2.0%	2.1%	1.9%
Projected Annual % Change 2020-2029	1.7%	1.6%	1.7%
2024 Average Household Size	2.4	2.5	2.6
<u>Median Household Income</u>			
2029 Projection	\$96,047	\$102,738	\$96,271
2024 Estimate	\$80,421	\$85,845	\$81,494
Projected Annual % Change 2024-2029	3.6%	3.7%	3.4%
<u>Median Owner-Occupied Housing Values</u>			
2029 Projection	\$489,589	\$387,284	\$447,193
2024 Estimate	\$422,005	\$352,399	\$373,787
Projected Annual % Change 2024-2029	3.0%	1.9%	3.7%
<u>Housing Summary</u>			
2024 Owner-Occupied	50.9%	51.0%	61.2%
2024 Renter-Occupied	42.6%	42.3%	32.2%
% Vacant	6.6%	6.7%	6.7%
Source: US Census Bureau, Census 2010 and 2020. <i>ESRI</i> estimates and forecasts for 2024 and 2029.			

The MSA, County and City are projected to have consistent population growth of 1.4% over the next 5 years. The following map shows projected population growth on the Census Tract level from 2024 to 2029. Although the entire area is growing, much of the population increases are centered on the urban core, following Charlotte's light rail to the north and south of the CBD, shown in the blue-green colors. Other pockets of high growth are SW Mecklenburg County and central Iredell County (Mooresville), as well as the I-85 corridor to the northeast. Generally, moving out from central Charlotte, growth tends to be slower in the outlying areas of the surrounding counties.

**PROJECTED ANNUAL POPULATION GROWTH 2024 – 2029
BY CENSUS TRACT**



ECONOMY

According to the North Carolina Department of Commerce, Division of Employment Security data, MSA employment grew at an average of 3.0% per year from 2019 to 2023, including a contraction of 4.8% in 2020 due to the COVID-19 Pandemic. Unemployment peaked in April 2020 at 13.6% but

recovered to less than 5.0% 12 months later. The following table outlines employment trends (annual averages) for the MSA:

Charlotte MSA Employment Trends

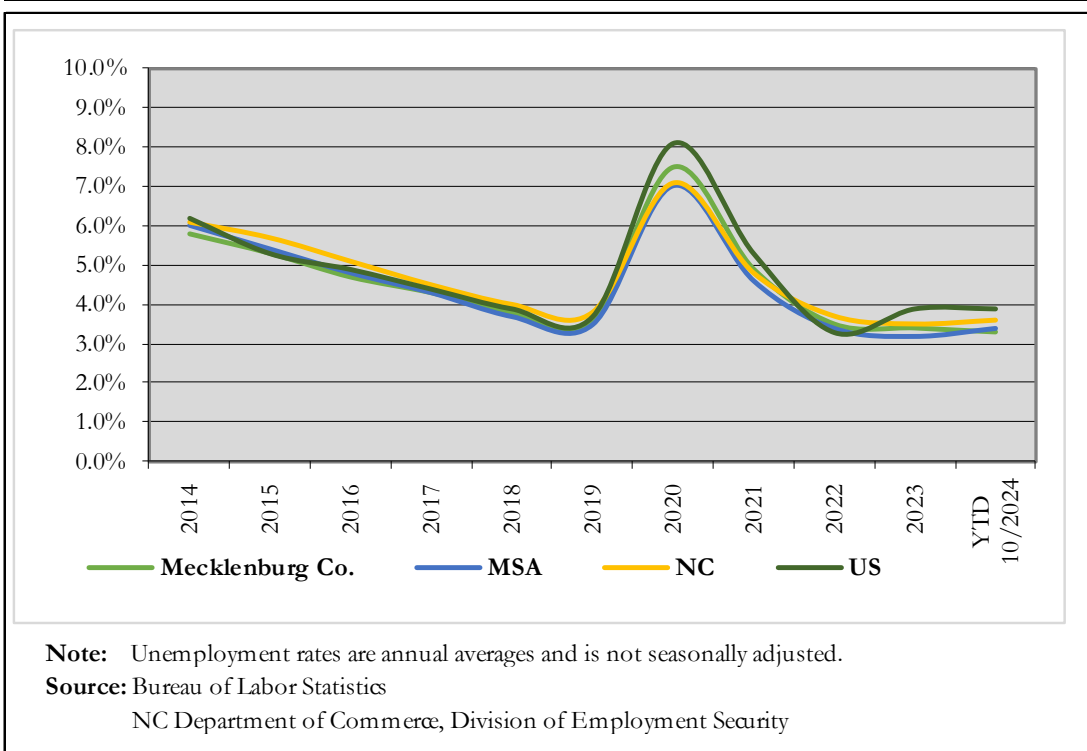
<u>Year</u>	<u>Employment</u>	<u>Growth (Jobs)</u>	<u>% Change</u>	<u>Unemployment Rate</u>
2019	1,299,595	86,479	2.8%	3.8%
2020	1,237,468	-62,127	-4.8%	3.5%
2021	1,296,980	59,512	4.8%	7.3%
2022	1,377,095	80,115	6.2%	4.6%
2023	1,458,158	81,063	5.9%	3.2%
5- Year Annual Average	1,333,859	49,008	3.0%	4.5%
YTD October 2024	1,481,702	23,544	1.6%	3.4%

Notes: Annual data is the 12-Month Average for each year, unadjusted.
 % Change for October 2024 is from 2023 average.

Source: NC Employment Security Commission

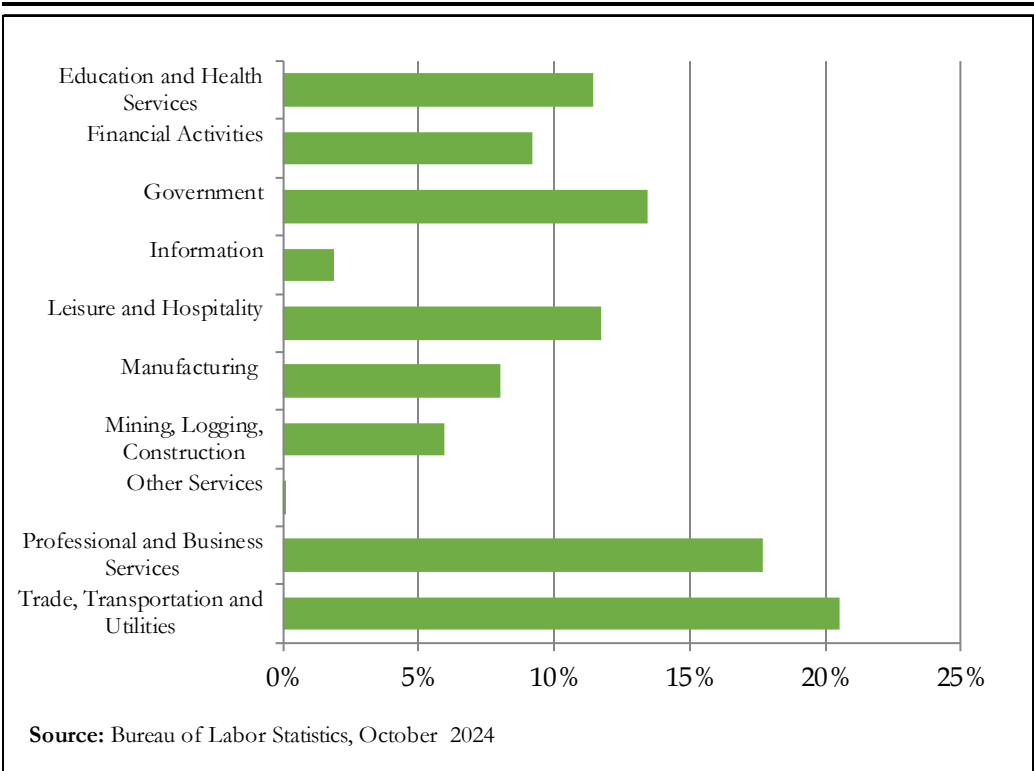
Unemployment for the MSA and Mecklenburg County have typically remained below national averages, which is currently the case. The most recent rates (October 2024) are 3.3% to 3.4% for Mecklenburg County and the MSA, respectively. Unemployment spiked in the US, State, County and MSA in 2020, with rates in the 7% to 8% range. Historical unemployment rates are compared in the following graph:

10-Year Unemployment Rate Comparison



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

**Employment by Industry, Proportionate Share
Charlotte MSA**



There are 18 Fortune 1000 headquarter locations in the Charlotte area, and over 300 Fortune 500 companies represented in the area. Following is a list of the Fortune 1000 companies headquartered in the region:

Charlotte-Area Fortune 1000 Headquarters

Rank	Company	Rank	Company	Rank	Company
18	Bank of America	296	Sonic Automotive	678	JELD-WEN
49	Lowe's	412	Albemarle	734	Brighthouse Financial
102	Nucor	503	CommScope	751	Dentsply Sirona
114	Honeywell	514	Ingersoll Rand	760	RXO
132	Truist	532	Coca Cola Consolidated	919	Curtiss-Wright
148	Duke Energy	603	Sealed Air		

Source: Charlotte Regional Business Alliance

Charlotte is a primary banking center for the US, with almost 120,000 employees in the financial activities sector. Charlotte is the home for a branch of the US Federal Reserve and headquarters for

Bank of America. Wells Fargo bank has its regional headquarters in Charlotte. Following is a list of Mecklenburg County’s largest non-governmental employers.

**Mecklenburg County
Top 10 Largest Non-Governmental Employers**

<u>Company</u>		<u>Company</u>	
1	Atrium Health	6	Charter Communications
2	Wells Fargo	7	Novant
3	Bank of America	8	Presbyterian Hospital
4	Amazon	9	Universal Protection Service
5	American Airlines	10	Harris-Teeter

Source: NC Department of Commerce, 2nd Q 2024 data.

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

REAL ESTATE

Residential

Historically, Charlotte’s growth in employment and population has created an ongoing demand for new housing, and residential building activity has kept pace with the growth. The most-recent building permit activity in Mecklenburg County (through September 2024) is shown on the accompanying graph:

5-Year New Building Permit Trends Mecklenburg County



Charlotte has historically had a very active residential transaction market. The following graphic outlines recent key statistics for the Charlotte region, provided by the Charlotte Regional Realtor Association's MLS service (Canopy):

Charlotte Region MLS Statistics

Key Metrics	October			Year to Date		
	2023	2024	Percent Change	Thru 10-2023	Thru 10-2024	Percent Change
New Listings	4,179	4,481	+ 7.2%	42,805	48,214	+ 12.6%
Pending Sales	3,012	3,722	+ 23.6%	36,637	36,842	+ 0.6%
Closed Sales	3,295	3,352	+ 1.7%	35,780	35,197	- 1.6%
Median Sales Price*	\$380,000	\$395,000	+ 3.9%	\$379,990	\$394,000	+ 3.7%
Average Sales Price*	\$465,609	\$492,068	+ 5.7%	\$463,196	\$496,300	+ 7.1%
Percent of Original List Price Received*	97.4%	95.9%	- 1.5%	97.3%	97.0%	- 0.3%
List to Close	81	88	+ 8.6%	87	85	- 2.3%
Days on Market Until Sale	32	41	+ 28.1%	36	38	+ 5.6%
Cumulative Days on Market Until Sale	34	44	+ 29.4%	39	41	+ 5.1%
Average List Price	\$486,313	\$510,373	+ 4.9%	\$491,205	\$518,288	+ 5.5%
Inventory of Homes for Sale	6,952	9,289	+ 33.6%	--	--	--
Months Supply of Inventory	2.0	2.7	+ 35.0%	--	--	--

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

Source: Canopy MLS

Listing volume is up 7.2% Year-to-Date 2024 versus a year ago. Median Sales Prices are up 3.9% over the same timeframe. The total number of homes for sale has been much better and is now up 33.6% from one year ago. There is 2.7 month's supply of inventory available in the market, slightly improved from a year ago.

Commercial

Charlotte's commercial real estate markets are active and generally performing well. However, the office and multi-family segments have seen a significant uptick in vacancies, which is consistent with other similar-sized markets. There is a substantial amount of apartments under construction, leading to an upward-trending vacancy projection. Absorption is generally positive and lease rates continue to increase in all segments except for multi-family. The Industrial segment has experienced significant rent growth over the last 24 months. Vacancy rates for Retail have fluctuated little, within a few hundred basis points over the last 5 years. Office and Multi-Family are trending upward.

The following table outlines key statistics for each segment of the commercial real estate market:

Charlotte Market

Commercial Real Estate Segments Key Data

Q3 2024	<u>Industrial</u>	<u>Office</u>	<u>Multifamily</u>	<u>Retail</u>
Inventory YTD	387,780,115 SF	138,403,637 SF	231,649 Units	153,669,240 SF
Vacancy Rate	8.7%	14.2%	12.8%	3.0%
Vacancy Rate One Year Ago	5.8%	12.7%	11.5%	2.7%
12 Month Net Absorption	1,818,037 SF	(1,017,234) SF	12,000 Units	(217,517) SF
Market Asking Rent	\$9.32 /SF	\$33.77 /SF	\$1,610 /Month	\$24.81 /SF
Market Rent One Year Ago	\$8.95 /SF	\$33.15 /SF	\$1,629 /Month	\$23.72 /SF
Indicated 12-Month Rent Growth	4.1%	1.9%	-1.2%	4.6%
Under Construction	10,960,790 SF	1,406,469 SF	25,055 Units	638,952 SF
Indicated Expansion	2.8%	1.0%	10.8%	0.4%

Source: CoStar

CONCLUSIONS AND RECENT NEWS

The Charlotte MSA region is home to of 2.85 million people in 11 counties, straddling the North Carolina-South Carolina state line. It is strategically located in the center of the East Coast, within a day's motor freight delivery to about 60% of the US population and over 60% of the nation's industrial base. Positive characteristics for the region include a relatively low cost of doing business, a diversified industrial structure, and a rapidly growing population base due to in-migration.

Recent regional new job announcements in the region are outlined in the following table. Most of the new employment is in advanced manufacturing.

**Charlotte Region
Economic Development Announcements**

<u>County</u>	<u>Company</u>	<u># New Jobs</u>	<u>Capital Investment (\$ Millions)</u>
Iredell	Corvid Technologies	54	\$30.0
Iredell	DEHN, Inc	195	\$38.6
Stanly	Flextol	11	\$0.3
Gaston	HEYCO-Werk USA, Inc	34	\$12.7
Gaston	Lynddhal Telecom America, Inc	54	\$5.6
Iredell	Macleam Curtis	14	\$16.3
Lancaster	LCI Lineberger	10	\$8.0
Mecklenburg	Octapharma Plasma, Inc	--	\$18.7
York	Private Advisor Group	6	--
Mecklenburg	Rhombus, Inc	7	--
Mecklenburg	Siemens Energy	475	\$149.0
Catawba	Steel Warehouse	58	\$27.0
Mecklenburg	Verinext	8	--

Source: Charlotte Regional Business Alliance

Charlotte Regional Business Reliance’s 3rd Quarter 2024 *Growth Report* has the following commentary regarding the economic performance for the region:

“The Charlotte Region is still seeing positive economic growth, the CLT Alliance Research Team found. In the third quarter of 2024, the region had \$23 million in capital investments and 86 announced jobs. The unemployment rate sat at 3.32%.

LCI-Lineberger, a heavy civil contractor, is one of the companies adding jobs. In early September, the Lancaster County Department of Economic Development announced the company was expanding. LCI-Lineberger will invest \$8 million to create at least 10 new jobs at its asphalt manufacturing facility in the KCH Industrial Park on Kershaw-Camden Highway. Part of the \$8 million will also be invested in new equipment. LCI-Lineberger is headquartered in Lancaster County and already employs more than 100 people, the Lancaster County Department of Economic Development said.

The company’s expansion is evidence of a healthy economic environment in the Charlotte Region. This year, 30 announced projects have resulted in 1,827 announced jobs and more than \$663 million in capital investments.

This quarter, South Carolina has announced nearly 1,300 jobs across the state. In North Carolina, that number tops 4,000.

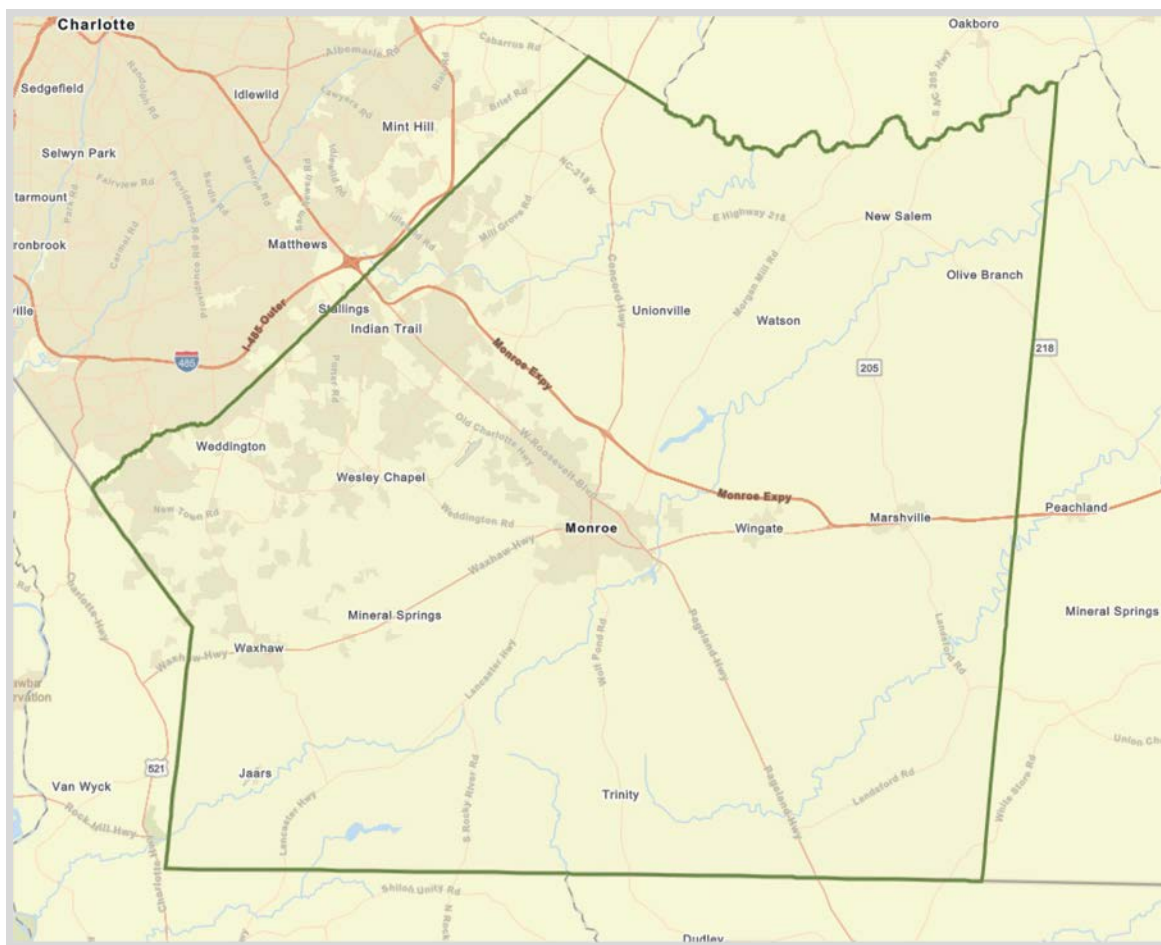
There are 66 active projects in the Charlotte Region that are projected to generate about 18,570 new job opportunities.

The region is attractive to investors. It has low corporate tax rates, a range of incentives for businesses, and a commitment to fostering a business-friendly environment. This makes the landscape appealing to both domestic and international companies interested in initiating or expanding their operations in the area, contributing to the ongoing economic vitality of the Charlotte Region.”

UNION COUNTY

Union County is a part of the Charlotte MSA, bordering Mecklenburg County to the northwest. Primary municipalities in Union County are Monroe, Indian Trail, Weddington, and Waxhaw. Indian Trail, Weddington, and Waxhaw benefit from proximity to Mecklenburg County. Monroe is about 25 miles southeast of the Charlotte CBD. The areas in the east and south of the county are rural.

UNION COUNTY



Regional accessibility for Union County is good. The county is bisected by US Highways 74 and 601, which intersect in Monroe. US Highway 74 runs southeast from Charlotte to Wilmington. This heavily traveled thoroughfare is the primary east-west route in this part of the state, linking Union County to the surrounding region. The Monroe Bypass/Expressway, a toll road bypass from Stallings to Wingate, was completed late in 2018 and is shown on the following map. This expressway is helping to alleviate chronic traffic congestion along US Highway 74.

MONROE BYPASS/EXPRESSWAY



DEMOGRAPHIC TRENDS

Union County has an estimated 2024 population of 257,691, with an average projected annual growth rate of 1.6% from 2020 through 2029. Union County's income levels and housing values are above that of the MSA. Median home values are projected to increase 3.7% annually in Union County for the next 5 years, which is similar to the MSA. Slightly less than 80% of the county's housing units are owner-occupied. The accompanying table outlines general demographic data for the Town of Wingate, City of Monroe, and Union County, in comparison to the MSA:

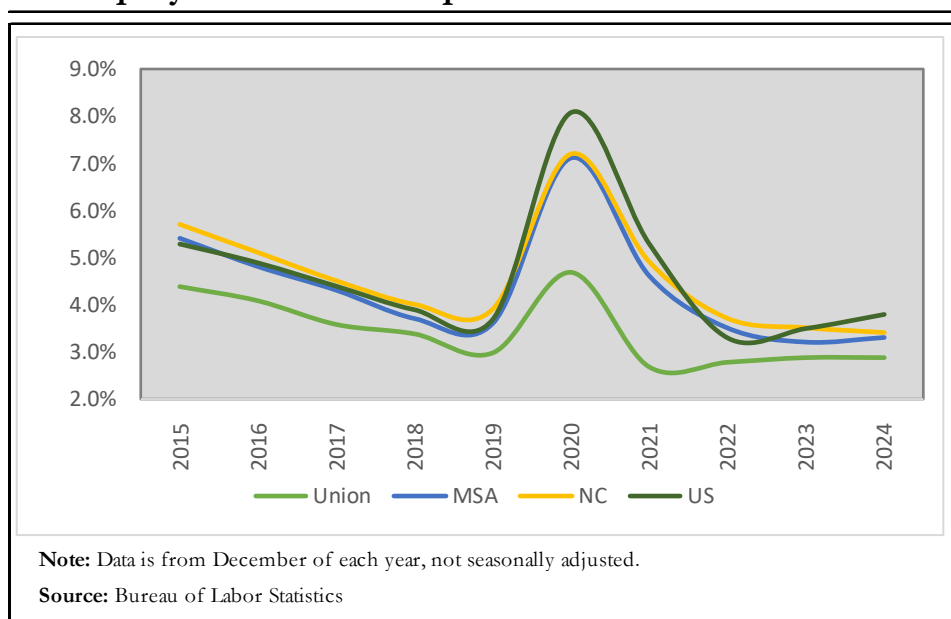
Demographic Summary

	Town of Wingate	City of Monroe	Union County	Charlotte MSA
<u>Population</u>				
2029 Projection	4,018	40,150	275,741	3,026,237
2024 Estimate	4,034	37,350	257,691	2,851,936
2020 Census	4,116	34,563	238,267	2,660,329
2010 Census	3,547	32,881	201,295	2,243,837
Annual % Change 2010-2024	0.9%	0.9%	1.8%	1.7%
Projected Annual % Change 2020-2029	-0.3%	1.7%	1.6%	1.4%
<u>Households</u>				
2029 Projection	930	14,240	93,502	1,198,368
2024 Estimate	931	13,224	56,998	1,116,721
2020 Census	939	12,162	80,167	1,034,018
2010 Census	961	11,153	67,866	858,450
Annual % Change 2010-2024	-0.2%	1.2%	-1.2%	1.9%
Projected Annual % Change 2020-2029	-0.1%	1.8%	1.7%	1.7%
2024 Average Household Size	4.3	2.8	4.5	2.6
<u>Median Household Income</u>				
2029 Projection	\$73,157	\$82,585	\$114,902	\$96,271
2024 Estimate	\$59,649	\$70,224	\$100,630	\$81,494
Projected Annual % Change 2024-2029	4.2%	3.3%	2.7%	3.4%
<u>Median Owner-Occupied Housing Values</u>				
2029 Projection	\$548,272	\$418,418	\$533,551	\$447,193
2024 Estimate	\$278,814	\$332,495	\$444,654	\$373,787
Projected Annual % Change 2024-2029	14.5%	4.7%	3.7%	3.7%
<u>Housing Summary</u>				
2024 Owner-Occupied	60.3%	59.2%	78.3%	61.2%
2024 Renter-Occupied	30.2%	34.7%	17.2%	32.2%
% Vacant	9.5%	6.1%	4.5%	6.6%
Source: US Census Bureau, Census 2010 and 2020. <i>ESRI</i> estimates and forecasts for 2024 and 2029.				

ECONOMY

Like most places, unemployment in Union County peaked in 2020 during the coronavirus pandemic and began to decline and level out in 2021-2022. The following graph is a comparison of unemployment rates for the last 10 years for the US, North Carolina, Charlotte MSA, and Union County:

Unemployment Rate Comparison



According to the North Carolina Department of Commerce, Division of Employment Security data, employment in Union County grew at an average of 1.7% per year from 2020 to 2024, with an average unemployment rate of 3.2%. The following table outlines employment trends for Union County:

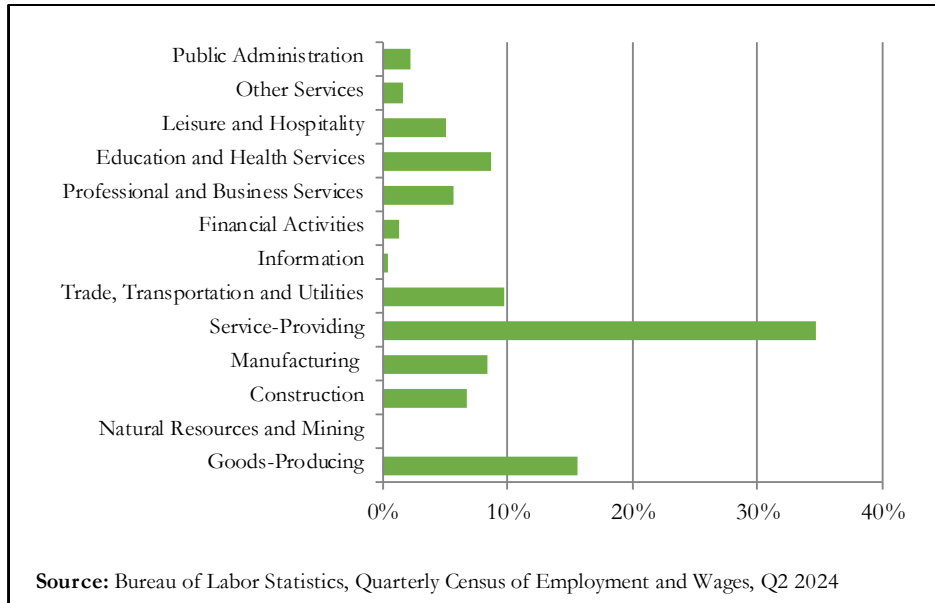
5-Year Employment Trends Union County

<u>Year</u>	<u>Employment</u>	<u>Growth (Jobs)</u>	<u>% Growth</u>	<u>Unemployment Rate</u>
2020	114,253	-5,346	-4.5%	4.7%
2021	123,744	9,491	8.3%	2.7%
2022	126,494	2,750	2.2%	2.8%
2023	128,230	1,736	1.4%	2.9%
2024	129,794	1,564	1.2%	2.9%
Average 2020-2024	124,503	2,039	1.7%	3.2%

Note: Annual data is from December of each year, unadjusted.
Source: NC Department of Commerce, Division of Employment Security

Employment within Union County is dominated by the Service-Providing sector, which comprises approximately 35% of all employed persons. Goods-Producing accounts for approximately 16%, with Trade, Transportation, and Utilities at approximately 10% and Education and Health Services at approximately 9%, as shown below:

Employment by Industry, Proportionate Share Union County



According to the NC Department of Commerce, Labor & Economic Analysis, the 10 largest employers in Union County are as follows, listed by number employed:

Union County Largest Employers

<u>Company</u>	<u>Industry</u>	<u># Employed</u>
Union Co Schools	Education	1,000+
Union County	Public Administration	1,000+
ATI Specialty Materials	Manufacturing	1,000+
Tyson Farms	Manufacturing	1,000+
Harris Teeter	Retail	1,000+
Utility Lines Construction	Construction	1,000+
Wal-Mart	Retail	500-999
City of Monroe	Public Administration	500-999
Charlotte-Mecklenburg Hospital Authority	Healthcare	500-999
Pilgrims Pride	Manufacturing	500-999

Source: NC Dept of Commerce, Q2 2024

CONCLUSION

Union County and the surrounding Charlotte metropolitan area have increasingly diversified economies. Both population and labor force are trending upward. With a commitment to infrastructure expansion, including the Monroe Bypass and the continuing outward growth from inner Charlotte, Union County is poised for growth.

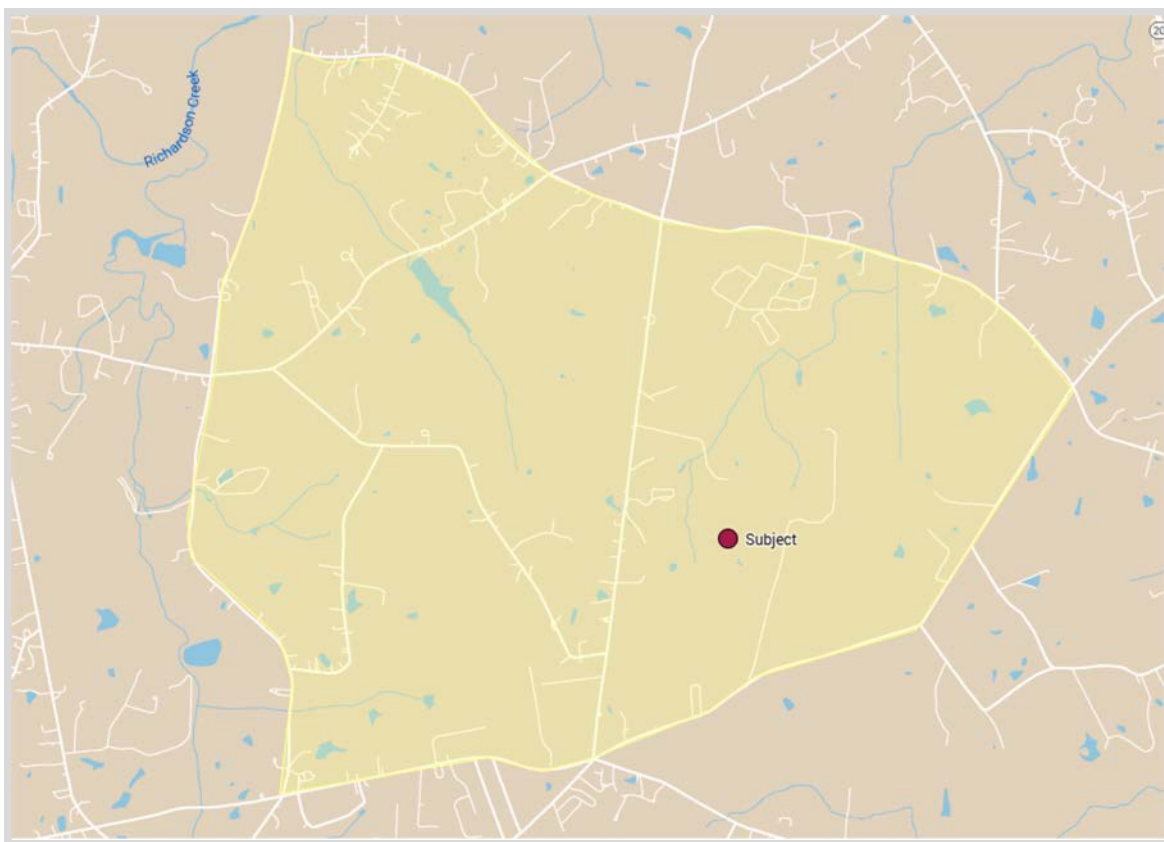
NEIGHBORHOOD ANALYSIS

The Dictionary of Real Estate Appraisal, 7th Edition, 2022, page 130, defines a neighborhood as "a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises."

LOCATION/BOUNDARIES

The subject is located approximately 7 miles northeast of Monroe in the unincorporated portion of Union County. The neighborhood is a rural area that is comprised primarily of residential and agricultural users. There is vacant land available for new development. The following map shows the neighborhood boundaries and location of the subject within the neighborhood:

NEIGHBORHOOD MAP



ACCESSIBILITY

Primary access to the neighborhood is provided by the US-74 Bypass, which is located immediately south of the neighborhood. Secondary access is provided by Monroe-Ansonville/Ansonville Road, Mills Harris Road, McIntyre Road, Olive Branch Road and East Lawyers Road. Access to the neighborhood is good.

UTILITIES

The majority of the subject neighborhood has private wells and septic system with access to electricity, natural gas, and telecommunications services provided by private companies.

LAND USE PATTERN/DEVELOPMENT ACTIVITY

The neighborhood is a rural area that is comprised primarily of residential and agricultural users. There is vacant land available for new development. There are no known zoning changes or applications for change that would have a negative impact in the neighborhood. The zoning districts and land use pattern are compatible.

NEIGHBORHOOD LAND USE



BUILT-UP/LIFE CYCLE

The surrounding neighborhood is approximately 20% built up with vacant land available for new development. The majority of vacant land in the neighborhood is used for agricultural purposes. Considering the life cycles that neighborhoods have, growth, stability, decline and revitalization--the subject neighborhood is in a stable/slight decline stage.

ENVIRONMENTAL CHARACTERISTICS

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

DEMOGRAPHICS

The accompanying table summarizes past, current and projected demographics for the neighborhood. Town of Wingate, City of Monroe, Union County, and MSA data is shown for comparison. The demographic profile for the neighborhood indicates incomes that are similar to the City of Monroe and below Union County and the MSA. Owner-occupied housing values are below the Town of Wingate and Union County but above the City of Monroe and MSA. The neighborhood has historically remained a slow growth/stable area with a slight amount of decline, primarily due to the rural nature of the area. Population growth is forecasted to decline slightly through 2029.

Demographic Summary

	Neighborhood	Town of Wingate	City of Monroe	Union County	Charlotte MSA
<u>Population</u>					
2029 Projection	509	4,018	40,150	275,741	3,026,237
2024 Estimate	510	4,034	37,350	257,691	2,851,936
2020 Census	540	4,116	34,563	238,267	2,660,329
2010 Census	531	3,547	32,881	201,295	2,243,837
Annual % Change 2010-2024	-0.3%	0.9%	0.9%	1.8%	1.7%
Projected Annual % Change 2020-2029	-0.7%	-0.3%	1.7%	1.6%	1.4%
<u>Households</u>					
2029 Projection	183	930	14,240	93,502	1,198,368
2024 Estimate	182	931	13,224	56,998	1,116,721
2020 Census	180	939	12,162	80,167	1,034,018
2010 Census	166	961	11,153	67,866	858,450
Annual % Change 2010-2024	0.7%	-0.2%	1.2%	-1.2%	1.9%
Projected Annual % Change 2020-2029	0.2%	-0.1%	1.8%	1.7%	1.7%
2024 Average Household Size	2.8	4.3	2.8	4.5	2.6
<u>Median Household Income</u>					
2029 Projection	\$84,344	\$73,157	\$82,585	\$114,902	\$96,271
2024 Estimate	\$70,822	\$59,649	\$70,224	\$100,630	\$81,494
Projected Annual % Change 2024-2029	3.6%	4.2%	3.3%	2.7%	3.4%
<u>Median Owner-Occupied Housing Values</u>					
2029 Projection	\$500,000	\$548,272	\$418,418	\$533,551	\$447,193
2024 Estimate	\$263,542	\$278,814	\$332,495	\$444,654	\$373,787
Projected Annual % Change 2024-2029	13.7%	14.5%	4.7%	3.7%	3.7%
<u>Housing Summary</u>					
2024 Owner-Occupied	64.7%	60.3%	59.2%	78.3%	61.2%
2024 Renter-Occupied	24.5%	30.2%	34.7%	17.2%	32.2%
% Vacant	10.8%	9.5%	6.1%	4.5%	6.6%

Source: US Census Bureau, Census 2010 and 2020. ESRI estimates and forecasts for 2024 and 2029.

CONCLUSION

The subject is located approximately 7 miles northeast of Monroe in the unincorporated portion of Union County. The neighborhood is a rural area that is comprised primarily of residential and agricultural users. There is vacant land available for new development. The neighborhood has historically remained a slow growth/stable area with a slight amount of decline, primarily due to the rural nature of the area. Population growth is forecasted to decline slightly through 2029. The subject neighborhood is in a stable/slight decline stage.

RESEARCH PUBLICATION SUMMARY

In the past, as well as currently for this assignment, we have researched various articles, essays, and publications regarding transmission lines and substations, and their potential impact on real estate values on nearby properties.

Typical variables considered control variables such as structural i.e., housing size, age of home, occupancy, lot size, and construction materials. The other set of variables include things such as the economy, neighborhood characteristics, environmental conditions, accessibility, and position in a neighborhood.

Results for the impact on real estate values derived from the studies varied from positive to negative. Regarding the negative impact, especially for substations, it was less than 3%, and that depended on proximity to the substation and/or transmission line. This is believed to be minimal. Considering the subject's rural location and its proposed siting on the eastern portion of the property with heavy buffering, and the surveys' results, property values will not be impacted by the proposed substation.

Regarding health concerns, one article reported that after nearly 40 years of research, there is no clear indication that the magnetic fields, or some other factor to do with being near a power line has any effects on health. The level of EMF's should not be any more than what would be found in a home.

FINDINGS OF FACT

There are five findings of fact and assumptions that are considered by the Union County Board of Adjustment. This report assumes UPC will meet all performance standards and that all zoning, and/or governmental regulations, will be met. For UPC to win approval, the following criteria will have to be met per the Zoning Ordinance.

1. The proposed use and development comply with all regulations and standards generally applicable within the zoning district and specifically applicable to the particular type of special use.

This report assumes that the proposed use will meet all regulations and conditions set forth by the county, state, and federal government. The proposed use will be in harmony with the area.

2. The proposed development will not materially endanger the public health or safety. Considerations:

- a. Traffic conditions in the vicinity, including the effect of additional traffic on streets and street intersections, sight lines at street intersections and curb cuts;*
- b. Provision of services and utilities, including sewer, water, electrical, garbage collections and fire protection;*
- c. Soil erosion and sedimentation; and*
- d. Protection of public, community, or private water supplies, including possible adverse effects on surface waters or groundwater.*

It is assumed that Union Power Cooperative (UPC) will adhere to the American National Standard (ANSI) *National Electrical Safety Code, ANSI/IEEE* as well as the Occupational Safety and Health Administration regulations. UPC has had a long history of operation in this area and has complied with all local and state laws. It is assumed UPC will continue to operate in the same professional manner.

As the substation will be unmanned, no public utilities will be required to operate and maintain the facility. Water, sewer and garbage collection will not be required. The proposed substation will not create additional traffic and will have a minimal impact, if any on vehicular traffic. Regarding “Item B” above, the new substation will increase electrical capacity for the area to meet increasing demand.

Regarding soil erosion/sedimentation, the UPC will abide by the guidelines detailed in the North Carolina Sediment and Erosion Control to minimize site disturbance, control water runoff, and stabilize graded slopes. UPC will also implement an SPCC oil spill prevention plan.

A 30-foot stream buffer is located along both sides of Jack’s Branch, which is located through the eastern portion of the site. Additionally, wetlands are located on the site. Based on the proposed site plan, the substation will not impact the existing buffer or wetlands.

As the appraisers are not experts in the field of public health or safety, they are unable to provide a professional opinion regarding this criterion. However, based on the above, it is assumed the proposed use will adhere to all regulations. It is assumed that Electromagnetic field (EMF) and noise levels will not exceed ambient levels found outside the property.

Lastly, UPC will install a farm gate to prevent local traffic from entering the property. Per Standard Operating Standards, security fencing, with barbed wire will be placed around the substation infrastructure. Gates to the property and the substation itself will be locked all the time.

3. The proposed development will not substantially injure the value of abutting property, or is a public necessity. welfare.

The proposed substation will be set back approximately 2,950 feet from Ansonville Road, which is the closest public roadway, and will have a large, wooded buffer. The substation will be in keeping with the rural nature of the neighborhood. An existing 68-foot-wide Duke Energy right-of-way and transmission line extend from the site's southeastern boundary to the site's northwestern boundary. The proposed substation will be located immediately north of the existing transmission line on the eastern portion of the site.

As previously discussed in the Neighborhood section of the report, ESRI projects home values to increase at a healthy average of 13.7% per year, which is slightly below that of the Town of Wingate, which is projected to grow at an average of 14.5% per year. The 2024 estimated median owner-occupied housing value in the neighborhood is \$263,542, which is projected to increase to \$500,000 in 2029. As shown in the following tables, within a 3-mile radius of the proposed Wingate substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type.

**5-Year Historical Home Sales & Median Sale Prices
Proposed Wingate Substation (3 Mile Radius)**

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	63	\$249,500
2021	71	\$295,360
2022	61	\$310,000
2023	39	\$330,000
2024	32	\$357,500
Average 2020-2024	53	\$308,472

Source: CMIS

**5-Year Historical Acreage/Farmland Sales & Median Sale Prices
Proposed Wingate Substation (3 Mile Radius)**

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	5	\$116,000
2021	11	\$198,358
2022	6	\$260,000
2023	2	\$120,000
2024	2	\$677,500
Average 2020-2024	5	\$274,372

Source: CMLS

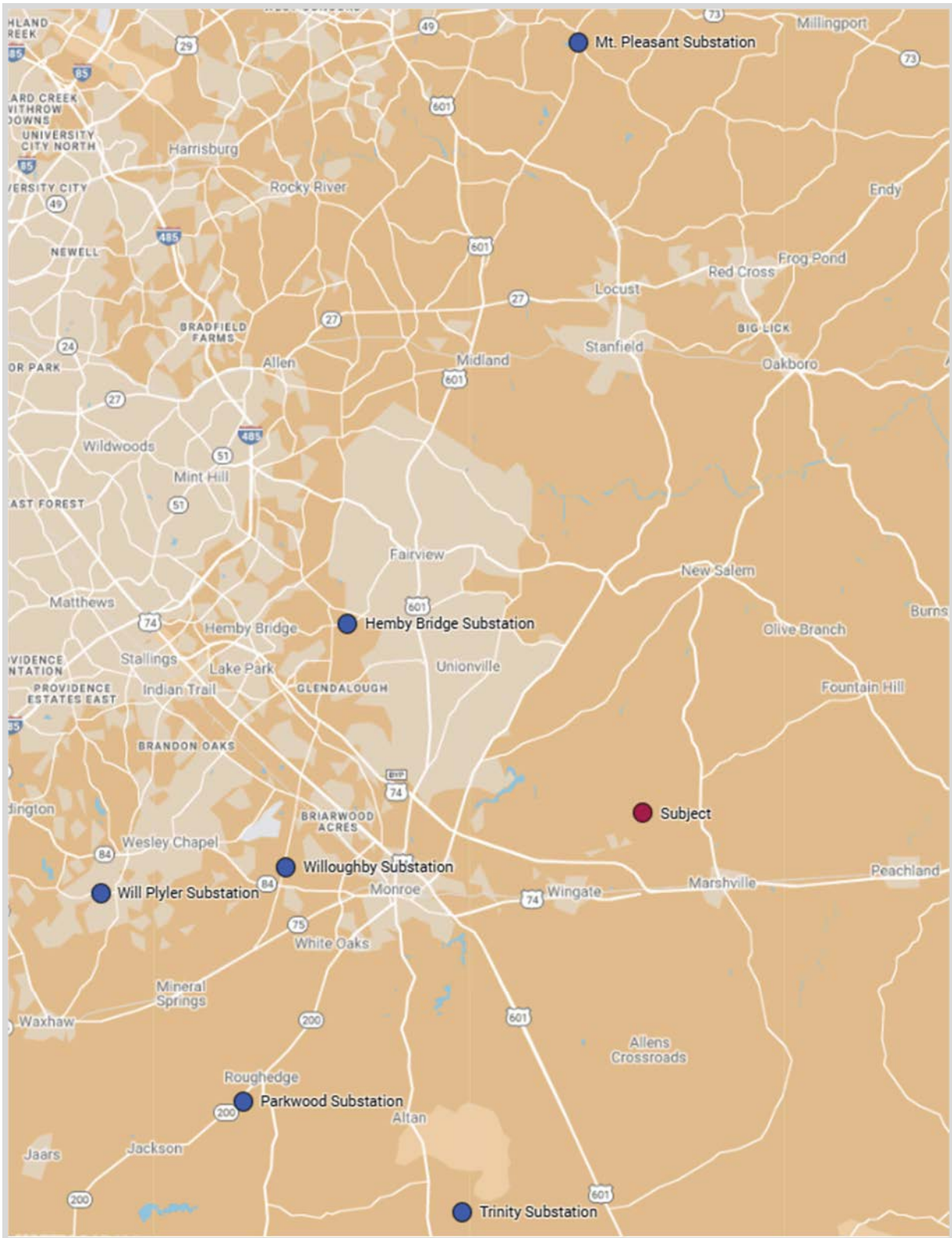
Realtors from National Land, Haymond Properties, the Moser Group and Dean Harrell who are active in land sale and development in Union County were contacted to discuss the potential impact of building a substation. After explaining the location and plans for the subject, especially buffering, most believed it would not have a negative impact on nearby property values. One felt a substation could have an undesirable impact. This broker specified that visibility to adjoining properties was an important factor. He stated that “if you can see it, it’s a problem.” He also cited the public’s perception of potential health problems due to EMF’s. When the broker spoke of EMF’s, he mainly referred to large transmission wires and not substations.

When asked if the brokers knew of a situation where development of a substation impacted property values, none did. All stated that there are a lot of variables that need to be considered, such as visibility, if transmission lines already exist, the way the substation is sited on the property, and if there is sufficient buffer. All felt buffering was critical. Also, most felt being in a largely residential/rural location was helpful.

COMPARABLE SUBSTATIONS

A sample of substations similar as to what is proposed on the subject were researched to see if there were any indications that the substation impacted property values nearby, assuming all other factors remain equal. Following is a synopsis for each comparable.

OVERALL LOCATION MAP OF COMPARABLE SUBSTATIONS



PARKWOOD SUBSTATION



Union Power Cooperative’s Parkwood substation was constructed in 2023/2024 and replaced an older facility. The area surrounding the Parkwood substation is rural and agricultural, similar to the area surrounding the proposed Wingate substation. As shown in the following tables, within a 3-mile radius of the Parkwood substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Parkwood Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	54	\$288,975
2021	64	\$345,000
2022	71	\$430,000
2023	44	\$487,500
2024	50	\$471,500
Average 2020-2024	57	\$404,595

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Parkwood Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	10	\$105,000
2021	13	\$132,500
2022	3	\$430,000
2023	2	\$289,950
2024	3	\$300,000
Average 2020-2024	6	\$251,490

Source: CMLS

TRINITY SUBSTATION



Union Power Cooperative's Trinity substation is a new substation that replaced an older facility in 2019. The area surrounding the Trinity substation is rural and agricultural, similar to the area surrounding the proposed Wingate substation. As shown in the following tables, within a 3-mile radius of the Trinity substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Trinity Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	12	\$210,000
2021	21	\$260,000
2022	13	\$350,000
2023	19	\$389,500
2024	9	\$339,000
Average 2020-2024	15	\$309,700

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Trinity Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	1	\$30,000
2021	2	\$451,788
2022	4	\$122,500
2023	2	\$728,300
2024	2	\$485,000
Average 2020-2024	2	\$363,518

Source: CMLS

HEMBY BRIDGE SUBSTATION



The Hemby Bridge substation was built in 2008, and based on historical maps, there was no substation at or near this location prior to its development. The Hemby Bridge substation is located in a more populated/suburban area, similar to the Will Plyler and Willoughby substations, as compared to the proposed Wingate substation. The substation is heavily buffered and difficult to see from the road, with the exception of the entrance drive. As shown in the following tables, within a 3-mile radius of the Hemby Bridge substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Hemby Bridge Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	259	\$312,900
2021	275	\$361,612
2022	189	\$464,456
2023	183	\$478,250
2024	143	\$482,000
Average 2020-2024	210	\$419,844

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Hemby Bridge Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	11	\$300,000
2021	18	\$201,750
2022	4	\$467,500
2023	7	\$183,904
2024	2	\$87,250
Average 2020-2024	8	\$248,081

Source: CMLS

WILL PLYLER SUBSTATION



The Will Plyler substation was built around 2008, and is a more populated/suburban area, similar to the Hemby Bridge and Willoughby substations, and more populated than the proposed Wingate substation. The substation is heavily buffered and difficult to see from the road, with the exception of the entrance drive. As shown in the following tables, within a 3-mile radius of the Will Plyler substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Will Plyler Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	612	\$483,500
2021	554	\$599,945
2022	441	\$701,000
2023	325	\$739,000
2024	335	\$795,000
Average 2020-2024	453	\$663,689

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Will Plyler Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	7	\$250,000
2021	15	\$330,000
2022	9	\$400,000
2023	2	\$940,000
2024	4	\$345,000
Average 2020-2024	7	\$453,000

Source: CMLS

MT. PLEASANT SUBSTATION



AERIAL VIEW



VIEW FROM MT PLEASANT RD SOUTH

The Mt. Pleasant substation was built around 2015. As shown in the following tables, within a 3-mile radius of the Mt. Pleasant substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Mt Pleasant Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	78	\$275,000
2021	79	\$295,000
2022	54	\$312,250
2023	48	\$319,950
2024	41	\$409,000
Average 2020-2024	60	\$322,240

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Mt Pleasant Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	3	\$65,000
2021	5	\$160,000
2022	7	\$225,000
2023	8	\$220,000
2024	3	\$72,000
Average 2020-2024	5	\$148,400

Source: CMLS

WILLOUGHBY SUBSTATION



The Willoughby substation was built in 2022/2023, and is a more populated/suburban area, similar to the Hemby Bridge and Will Plyler substations, and more populated than the proposed Wingate substation. As shown in the following tables, within a 3-mile radius of the Willoughby substation, median sale prices of single-family homes have generally increased over the past 5 years. Sale prices of acreage/farmland fluctuates annually; primarily due to the low number of sales for this property type. The information shown in the tables below indicates that the market in this area remained generally healthy and it is not likely that the substation or other factors negatively impacted property values.

5-Year Historical Home Sales & Median Sale Prices Willoughby Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	353	\$243,000
2021	433	\$320,000
2022	424	\$381,750
2023	249	\$375,000
2024	377	\$402,684
Average 2020-2024	367	\$344,487

Source: CMLS

5-Year Historical Acreage/Farmland Sales & Median Sale Prices Willoughby Substation (3 Mile Radius)

<u>Year</u>	<u>Number of Sales</u>	<u>Median Closed Price</u>
2020	1	\$425,000
2021	1	\$1,250,000
2022	3	\$89,000
2023	5	\$285,000
2024	2	\$991,500
Average 2020-2024	2	\$608,100

Source: CMLS

4. *The proposed development will be in harmony with the area in which it is located.*

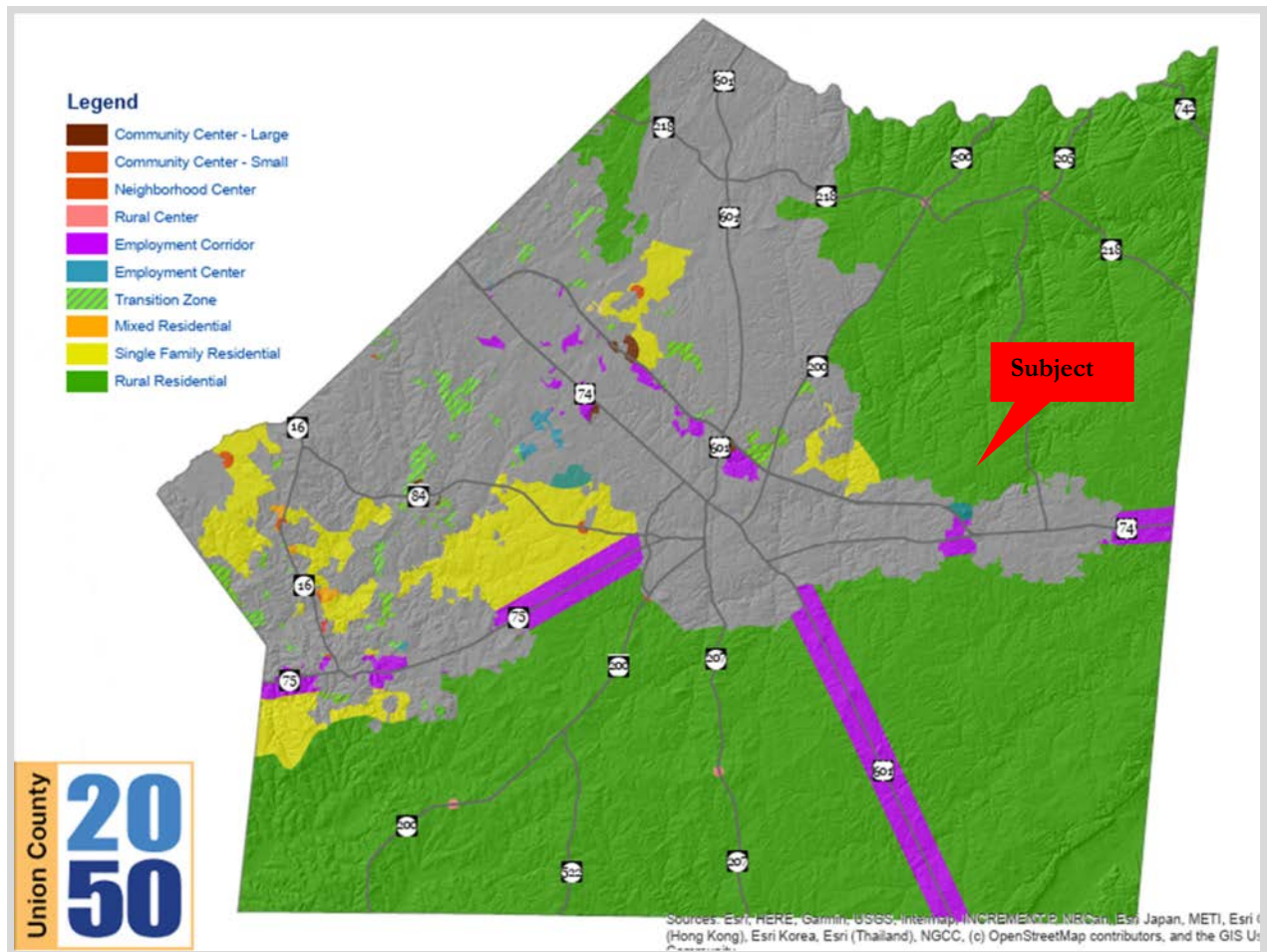
The property and a majority of the neighborhood are zoned RA-200, which is intended for low density residential, agricultural, and institutional users. Much of the neighborhood consists of agricultural land, with rural residential uses as well. The proposed substation is to be located in this area to avoid being close to higher densities, particularly single-family residential development.

There are existing distribution and transmission lines on the site as well as transmission towers. As one of the brokers interviewed stated, the existence of large transmission lines should have little effect on buyers. One of the studies commented that large easements for power lines are often used for park, bike paths, or open space and some believe that is desirable. The existing lines will be connected to the proposed substation. This is more efficient and has no impact on other property owners or environmentally sensitive areas.

5. *The proposed development will be in general conformity with the comprehensive plan.*

The Adopted Union County 2050 Land Use Map is included on the following page. The County intends to have rural residential and agricultural uses in the subject's neighborhood. Under the RA-200 zoning, a substation is listed as a Special Use and a permit is required. The proposed substation will be located approximately 2,500 feet north of Ansonville Road and will maintain a large, wooded buffer along the perimeter, which will preserve the agricultural nature of the area. The majority of the surrounding land users are agricultural or homes on larger tracts of land.

ADOPTED UNION COUNTY 2050 LAND USE MAP

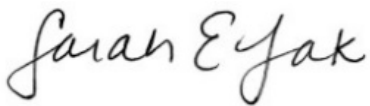


CONCLUSION

Based on our research, use of a portion of the site for development of a substation will maintain or enhance the value of contiguous property, and will not violate the neighborhood character or adversely affect surrounding land uses. Additionally, the proposed substation will comply with the general plan for the physical development of the County as embodied in the Union County Development Ordinance and/or in the Future Land Use Plan.

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

Sincerely,



Sarah E Lak

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ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

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

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

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The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. **Fortenberry Lambert, Inc.** or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because

of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges, regardless of issuing party.

EXHIBITS

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

LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL OR MECHANICAL NATURE, HIDDEN COMPONENTS, SOIL

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

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

The report is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.

If **Fortenberry Lambert, Inc.** has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above-mentioned items.

Fortenberry Lambert, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

LEGALITY OF USE

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

COMPONENT VALUES

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

AUXILIARY AND RELATED STUDIES

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

DOLLAR VALUES, PURCHASING POWER

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

INCLUSIONS

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate, unless otherwise stated. In some property types, business and real estate interests and values are combined.

PROPOSED IMPROVEMENTS, CONDITIONAL VALUE

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

VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE

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

In cases of reports involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and **Fortenberry Lambert, Inc.'s** interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; thus, they are subject to change as the market and value is naturally dynamic.

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

REPORT AND VALUE ESTIMATE

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

MANAGEMENT OF THE PROPERTY

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

HAZARDOUS MATERIALS

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did **Fortenberry Lambert, Inc.** become aware of such during their inspection. **Fortenberry Lambert, Inc.** had no knowledge of the existence of such materials on or in the property unless otherwise stated. **Fortenberry Lambert, Inc.**, however, is not qualified to test such substances

or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in the proximity that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

SOIL AND SUBSOIL CONDITIONS

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

AMERICANS WITH DISABILITIES ACT (ADA)

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

DEED/LEGAL DESCRIPTION

5476
0914

FILED
UNION COUNTY, NC
CRYSTAL CRUMP
REGISTER OF DEEDS

FILED Jan 14, 2011
AT 04:06 pm
BOOK 05476
START PAGE 0914
END PAGE 0916
INSTRUMENT # 01202
EXCISE TAX \$2,322.00
SB

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: **\$2,322.00**

Parcel Identifier No. **02-202-008** Verified by _____ County on the ____ day of _____, 20____

By: _____

Mail/Box to: **Hamilton Moon Stephens Steele & Martin, PLLC, 201 South College Street, Suite 2020, Charlotte, NC 28244**

This instrument was prepared by: **J. Bennett Glass, P.A., Attorney at Law**

Brief description for the Index: **161.03 acres on Mills Harris Road**

THIS DEED made this **30th** day of **December, 2010**, by and between

GRANTOR	GRANTEE
H & T, LLC, a North Carolina limited liability company	Union County, North Carolina 500 North Main Street Monroe, NC 28112

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of **N/A**, **Marshville Township**, **Union County**, North Carolina and more particularly described as follows:

**SEE ATTACHED EXHIBIT "A" FOR METES AND BOUNDS DESCRIPTION
INCORPORATED HEREIN BY THIS REFERENCE.**

5476
0915

The property hereinabove described was acquired by Grantor by instrument recorded in Book 4856, page 48.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, other than the following exceptions:

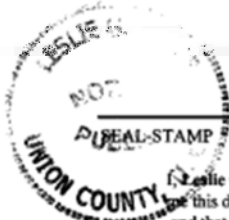
Right of way of Mills Harris Road and any easements and rights of way for public utilities which cross the property.

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

H & T, LLC, a North Carolina limited liability company

By: [Signature]
Toan Vu, Member/Manager

By: [Signature]
Hoan Van Nguyen, Member/Manager



SEAL-STAMP State of North Carolina - County of Union

I, Leslie G. Helms, a Notary Public of the County and State aforesaid, certify that Toan Vu personally came before me this day and acknowledged that he is Member/Manager of H & T, LLC, a North Carolina limited liability company, and that he as Member/Manager, being authorized to do so, executed the foregoing instrument on behalf of the company. Witness my hand and official stamp or seal, this 6th day of January, 2011.

My Commission Expires:
May 8, 2011

[Signature]
Notary Public

SEAL-STAMP State of Texas - County of TRAVIS

I, Brenda Honganh Le, a Notary Public of the County and State aforesaid, certify that Hoan Van Nguyen personally came before me this day and acknowledged that he is Member/Manager of H & T, LLC, a North Carolina limited liability company, and that he as Member/Manager, being authorized to do so, executed the foregoing instrument on behalf of the corporation. Witness my hand and official stamp or seal, this 5th day of January, 2011.

My Commission Expires: September 17, 2013

[Signature]
Notary Public

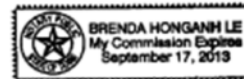


EXHIBIT "A" TO NORTH CAROLINA GENERAL WARRANTY DEED
FROM H & T, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY
TO UNION COUNTY, NORTH CAROLINA
DATED DECEMBER 30, 2010

BEGINNING at a PK nail found in the center of the right of way of SR 1645 (known as Mills-Harris Road), said PK nail being located at the southwest corner of the property, now or formerly, of Tony Dale Medlin and Dotty Lynn Medlin, Trustees (Book 4650, Page 473, Union County Registry) and running with the Medlin property North 83 degrees 45 minutes 43 seconds East (crossing an iron found at 30.80 feet and an iron found at 1,165.41 feet) a total distance of 1,205.31 feet to a point in the center of the channel of Jacks Branch; thence with the center of the channel of Jacks Branch as follows: (1) North 22 degrees 08 minutes 04 seconds West 10.22 feet; (2) North 09 degrees 28 minutes 44 seconds East 27.97 feet; (3) North 40 degrees 29 minutes 51 seconds East 32.22 feet; (4) North 61 degrees 32 minutes 12 seconds East 50.49 feet; (5) North 86 degrees 00 minutes 16 seconds East 11.48 feet; (6) North 69 degrees 24 minutes 46 seconds East 18.81 feet; (7) North 04 degrees 18 minutes 00 seconds East 21.38 feet; (8) North 23 degrees 02 minutes 59 seconds East 17.03 feet; (9) North 70 degrees 54 minutes 58 seconds East 12.20 feet; (10) North 55 degrees 41 minutes 41 seconds East 38.27 feet; (11) North 81 degrees 20 minutes 57 seconds East 42.90 feet; (12) North 44 degrees 05 minutes 13 seconds East 28.74 feet; (13) North 51 degrees 15 minutes 16 seconds East 24.73 feet; (14) South 72 degrees 50 minutes 01 second East 9.89 feet; (15) North 71 degrees 32 minutes 52 seconds East 36.80 feet; (16) North 66 degrees 13 minutes 01 second East 55.87 feet; (17) North 67 degrees 14 minutes 51 seconds East 24.34 feet to an axle found in the center of Jacks Branch and in the western boundary line of the property, now or formerly, of Nora K. Davis (Book 1646, Page 444, Union County Registry); thence with the Davis property as follows: (1) South 06 degrees 38 minutes 24 seconds East 1,485.99 feet to a found axle; (2) North 87 degrees 09 minutes 17 seconds East 45.66 feet to a found axle at the northwest corner of the property, now or formerly, of Holly Farms Foods, Inc. (Book 1769, Page 526, Union County Registry); thence with the property of Holly Farms Foods, Inc. as follows: (1) South 02 degrees 19 minutes 30 seconds West 1,820.83 feet to a found iron pipe; (2) South 73 degrees 19 minutes 38 seconds West 657.82 feet to a found axle; (3) South 12 degrees 16 minutes 32 seconds East 562.73 feet to a found axle; (4) South 73 degrees 34 minutes 28 seconds West 1,648.91 feet to a found iron, a corner of the property, now or formerly, of Charles R. Glass and wife, Denise P. Glass (Book 5289, Page 418, Union County Registry); thence with the eastern boundary line of the Glass property North 01 degree 19 minutes 40 seconds West 284.07 feet to a found iron, a corner of the property, now or formerly, of Glass Farms, LLC (Book 5409, Page 742, Union County Registry); thence with the eastern boundary line of the property, now or formerly, of Glass Farms, LLC North 01 degree 19 minutes 40 seconds West 515.93 feet to a found iron, a corner of the property, now or formerly, of Sandra C. Plowman and Melody C. Trout (Book 4918, Page 907, Union County Registry); thence with the eastern boundary line of the Plowman and Trout property North 01 degree 19 minutes 40 seconds West 557.80 feet to a found iron, a corner of the property, now or formerly, of Patricia M. Haigler and husband, Wade F. Haigler (Book 1040, Page 217, Union County Registry); thence with the eastern boundary line of the Haigler property North 01 degree 19 minutes 40 seconds West 449.35 feet to a found iron, a corner of the property, now or formerly, of Tony Dale Medlin and Dotty Lynn Medlin, Trustees (Book 4650, Page 465, Union County Registry); thence with the eastern boundary line of the Medlin property North 01 degrees 19 minutes 40 seconds West 27.53 feet to a found iron, a corner of the property, now or formerly, of Tony Dale Medlin and Dotty Lynn Medlin, Trustees (Book 4650, Page 457, Union County Registry); thence with the Medlin property as follows: (1) South 89 degrees 28 minutes 02 seconds East 343.65 feet to a found iron; (2) North 13 degrees 33 minutes 35 seconds East 424.03 feet to a found iron; (3) South 88 degrees 47 minutes 05 seconds West 52.81 feet to a found iron, a corner of the property, now or formerly, of Eric Mark Rummage and Pamela High (Book 415, Page 563, Union County Registry); thence with the Rummage and High property as follows: (1) North 04 degrees 52 minutes 24 seconds East 733.08 feet to a found iron; (2) North 81 degrees 00 minutes 03 seconds West 489.69 feet to an angle iron found at the corner of the property, now or formerly, of Linda M. Grubb (Book 470, Page 867, Union County Registry); thence with the Grubb property North 45 degrees 59 minutes 12 seconds West 302.48 feet to a PK nail found in the center of the right of way of SR 1645; thence with the center of the right of way of SR 1645 as follows: (1) North 07 degrees 54 minutes 24 seconds East 65.68 feet; (2) North 07 degrees 58 minutes 50 seconds East 91.56 feet; (3) North 07 degrees 52 minutes 03 seconds East 95.93 feet; (4) North 07 degrees 46 minutes 21 seconds East 152.01 feet; (5) North 08 degrees 06 minutes 32 seconds East 152.79 feet; (6) North 07 degrees 52 minutes 31 seconds East 102.62 feet; (7) North 08 degrees 04 minutes 24 seconds East 100.11 feet; (8) North 07 degrees 58 minutes 11 seconds East 81.81 feet to the BEGINNING PK nail and containing 161.03 acres, more or less, as shown on copy of unrecorded map of survey prepared by F. Donald Lawrence, NCPLS, of Lawrence Associates dated December 13, 2010.

TAX CARD

Parcel Number

02202008B

Owner

MEDLIN
TONY DALE TRUSTEE

MEDLIN DOTY LYNN
TRUSTEE

Mailing Address

1320 MILLS HARRIS RD
WINGATE
NC, 28174

**Account Information**

Land Value	\$146,000.00	Description	MEDLIN OPCM515
Building Value	\$79,200.00	Situs Address	1516 MILLS HARRIS RD
Total Value	\$225,200.00	Property Class	FARM
Acreage	23.4200		

Sales Information

Sale Date	Sale Amount	Book & Page	Grantor
08/09/2007	\$0.00	4650 473	MEDLIN TONY DALE
11/19/2001	\$100,000.00	1691 607	MEDLIN JOHNSIE H

Location Information

Municipal Administration	Union County	12 Mile Service Area	No
County Zoning Code	RA-40	School	School Assignment Information
Zoning Administration	Union County	Census Tract Number	208
ETJ		FEMA Panel	5476
Fire District	Wingate	FEMA Zone	,AE
Soils	CmB,GsC,BdB2		

Building Information [View Real Property Site](#)

Total Living Area	1730
Year Build	1900

District Voting Assignments (Jurisdictions)

Polling Place	CROSSROADS AME ZION CHURCH	School District	4	Congressional District	9
Precinct District	#36	State House	55	Senate District	29

QUALIFICATIONS AND LICENSES

QUALIFICATIONS

Sarah E. Lak

Fortenberry Lambert, Inc.

1213 West Morehead Street, 5th Floor, Charlotte, North Carolina 28208

Phone: (704)375-1032 sarah@fortenberrylambert.com

EDUCATIONAL BACKGROUND

Grand Canyon University

Phoenix, Arizona

Business Management – 2015 to Present

North Carolina State University

Raleigh, North Carolina

Animal Science – 1998 to 1999

Creative Education, LLC

Gastonia, North Carolina

Courses Completed

R-1 Basic Appraisal Principles

R-2 Basic Appraisal Procedures

R-3 Market Analysis/Highest & Best Use

R-4 USPAP National Course

REAL ESTATE ANALYSIS EXPERIENCE

Fortenberry Lambert, Inc.

Charlotte, North Carolina

Registered Trainee Appraiser

Commercial real estate consulting and appraisal. Provide commercial appraisal services, financial analyses, and highest and best use studies to commercial real estate owners, developers, financial institutions, and public agencies.

Bryant & Rutledge, LLC

Charlotte, North Carolina

Registered Trainee Appraiser

Commercial real estate consulting and appraisal. Provide commercial appraisal services, financial analyses, and highest and best use studies to commercial real estate owners, developers, financial institutions, and public agencies.

PROFESSIONAL AFFILIATIONS

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

Notary Public, North Carolina



QUALIFICATIONS

Mark Thomas Lambert, MAI, AI-GRS

Fortenberry Lambert, Inc.

1213 West Morehead Street, 5th Floor, Charlotte, North Carolina 28208

(704) 375-1032, Extension 706 Cell: (704) 650-6271 mark@fortenberrylambert.com

REAL ESTATE APPRAISAL AND ANALYSIS EXPERIENCE

Fortenberry Lambert, Inc.

Charlotte, North Carolina

Partner

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

Lambert Consulting

Charlotte, North Carolina

Owner

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

TB Harris, Jr., & Associates

Charlotte, North Carolina

Vice President

Provided appraisal services.

The Rouse Company

Columbia, Maryland

Research Analyst

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

The Hahn Company

San Diego, California

Market Analyst Intern

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

Charlotte-Mecklenburg Planning Commission

Charlotte, North Carolina

Intern

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

EDUCATION

Texas A&M University, College Station, Texas

Bachelor of Science, Renewable Natural Resources 1985

University of North Carolina at Charlotte, Charlotte, North Carolina

Post-Graduate, Department of Geography & Earth Sciences

Location Analysis - Real Estate

Mark Thomas Lambert, MAI, AI-GRS

Fortenberry Lambert, Inc.

1213 West Morehead Street, 5th Floor, Charlotte, North Carolina 28208

(704) 375-1032, Extension 706 Cell: (704) 650-6271 mark@fortenberrylambert.com

APPRAISAL EDUCATION

**The Appraisal Institute
Courses Completed**

1A-1 Real Estate Appraisal Principles

1A-2 Basic Valuation Procedures

1B-A Income Capitalization - Part A

1B-B Income Capitalization - Part B

550 Advanced Applications

II 540 Report Writing and Valuation Analysis

Standards of Professional Practice

Review Theory

Continuing Education Requirements - Current

AFFILIATIONS AND ACTIVITIES

The Appraisal Institute, MAI

The Appraisal Institute, AI-GRS

North Carolina State Certified General Real Estate Appraiser #A3572

South Carolina State Certified General Real Estate Appraiser #CG3415

Appraisal Institute Metrolina Chapter Advisory Board (Past)

Building Owners and Managers Association

Charlotte Region Realtor Association

ClareHaven Neighborhood – past President

Big Brothers Big Sisters of Greater Charlotte, past Big Brother

Dowd YMCA ABLE Reading Literacy Volunteer

Mecklenburg Aquatic Club (MAC) – past Board Member

Stingray Aquatics – past Board Member

USA Swimming/US Masters Swimming – Member

North Carolina Special Olympics - Certified Swim Coach

Cabarrus County Special Olympics –Swim Coach

Certified Red Cross Lifeguard



FORTENBERRY LAMBERT

1213 WEST MOREHEAD STREET, 5TH FLOOR, CHARLOTTE, NORTH CAROLINA 28208 704- 375-1032

sarah@fortenberrylambert.com mark@fortenberrylambert.com