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December 5, 2016

Mr. Greg Ferguson  
Town Manager  
Town of Huntersville  
P.O. Box 644  
Huntersville, NC 28078

Re: Appropriate Lease Rate for Approximately 1600 sqft.  
Former CarQuest Building  
102 Gilead Road  
Huntersville, NC 28078

Greetings Greg,

Per your request, I have reviewed the subject property for the purpose of confirming a fair market lease rate or value for approximately 1600 square feet of retail space in its current "as is" condition as of December 1, 2016..

As you may know there are numerous factors taken into consideration for determining a property's current fair market lease rate or value. While we may know less today about what exactly "current market value" is when considering an "as is" current condition for part of a building, there are several very positive points associated with your this specific Town of Huntersville property.

Some of those factors having a positive effect on the site itself are the following:

Just as the Town is growing and the desirability of space in Town Space will continue to grow as well. There are few modest retail tenant ready smaller sites such as this available. For 1600 sqft of space the amount of parking is very good. Visibility is good and the Town's willingness to offer shared restrooms and a shorter lease term with renewals are all positive Tenant considerations.

The conceptual subdividing of space within the building is reasonable. Obviously there should be some form of a demising wall creating two spaces, separating the Tenant / Retail space from the Town's Parks and Rec storage area. There might need to be a hall created to provide direct and separate access to the two restrooms. I do think there is the possibility of there being current leaks in the front outer wall ceiling of the building. This would be a concern for any tenant with any type of retail inventory.

Often retail tenants hope for flat rate leases without annual rent increases and yet three to four percent annual rent escalation is the norm in most properties. At this time I believe the current fair market rent or value for the front 1600 sqft in its current condition to be in a range of \$1000 to 1200 per month, or being approximately \$7.50 to \$9.00 per square foot.

While this may not be as encouraging a real estate assessment as one might have hoped I believe this to be fair and reflective consideration of the Tenant investment and improvements to open a business in this space. However should you like more information or would like to discuss any of these points further please do not hesitate to contact me.

Thank you for the opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Knox", written in a cursive style.

Gary T. Knox  
Broker