

APPRAISAL REPORT

Appraisal of Damages Due to New Easements:

**.33+/- ACRE PARCEL
MARGARET WYATT PROPERTY
305 WRENN STREET
APEX, WAKE COUNTY, NC**

For:

**Mr. Adam Stephenson
Senior Engineer
Town of Apex
PO Box 250
Apex, NC 27502**

Report Prepared by:

**CRAIG D. SMITH, MAI
219 North Boylan Avenue, Suite 201
Raleigh, NC 27603
Phone: 919-467-1981**

June 14, 2018

Mr. Adam Stephenson
Senior Engineer, Town of Apex
PO Box 250
Apex, NC 27502

RE: Appraisal of Damages: .33+/- Acre Parcel, Margaret Wyatt Property,
305 Wrenn Street, Apex, Wake County, North Carolina

Dear Mr. Stephenson:

At your request I have performed valuation services pertaining to a .33+/- acre land parcel located adjacent to Wrenn Street north of its intersection with James Street in the Town of Apex, Wake County, North Carolina. The property is designated on Wake County tax records as REID# 79998 with an address of 305 Wrenn Street. Wake County deed records indicate that this parcel is currently owned by Margaret Wyatt.

The purpose of this analysis is to estimate the “before” and “after” value of the subject property recognizing the impact of various easements and right-of-way areas to be acquired for the installation of a new sidewalk adjacent to the subject property. This appraisal is intended to be used to provide assistance to the client (Town of Apex) in estimating any applicable damages due to the required new easement/right-of-way areas across the subject property, and in negotiating with the property owner for their acquisition. No other use or user is intended.

The total estimated damages to the subject property as of June 8, 2018 are estimated at \$8,700. This estimate of damages was based upon a “before” and “after” analysis of the subject property. This valuation is based upon a near term marketing time frame (6 to 12 months), and an exposure time also estimated at 6 to 12 months.

Special Considerations/Assumptions

A recent full survey for the subject property was not made available to the appraiser. **Therefore, this appraisal is made subject to any matters that might be disclosed by an up to date complete survey of the overall property.** For purposes of this analysis a size estimate of .33+/- acres has been utilized for the subject parcel consistent with available maps and/or property deeds.

This appraisal is considered to be made in conformity with the Uniform Standards of Professional Appraisal Practice as outlined by The Appraisal Standards Board of the Appraisal Foundation. The attached report sets forth the methods used in estimating the value of subject together with an analysis of the data and reasoning employed in this investigation.

Respectfully,



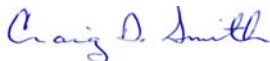
Craig D. Smith, MAI
NC State Certified General Appraiser
License No. A-2658



CERTIFICATE OF APPRAISAL

The undersigned does hereby certify that, to the best of my/our knowledge and belief except as otherwise noted in this appraisal report:

1. The statements of fact contained in this appraisal report upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct. That all contingent and limiting conditions are stated herein.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, 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 I have no personnel interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
5. My compensation is not contingent upon the reporting of a predetermined value or direction in the value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The assignment was not based on a requested minimum valuation, a specific valuation, or an amount which would result in the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the appraisal organizations with which the appraiser is affiliated.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to the review of its duly authorized representatives.
8. No one provided significant professional assistance to the person signing this report.
9. The appraiser certifies that the appraisal conforms to the Uniform Standards of Professional Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.
10. I have made a personal inspection of the property that is the subject of this report.
11. I have complied with the Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP).
12. As of the effective date of this report I have completed the requirements of the continuing education program of the Appraisal Institute.
13. I have not provided a previous service regarding the subject property within the three years prior to this assignment.



6/14/2018

Craig D. Smith, MAI

Date

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based upon the following assumptions and underlying limiting and contingent conditions unless otherwise stated within the body of this report:

- 1. The information and data supplied to the appraiser by others, and which have been considered in the valuation, are from sources believed to be reliable.*
- 2. The appraiser renders no opinion of legal nature, such as ownership of the property or condition of title. The appraiser assumes the title to the property to be marketable; that the property is unencumbered fee; and that the property does not exist in violation of any applicable codes, ordinances, statues or any other governmental regulations, unless otherwise stated within this report. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear and under responsible ownership and competent management.*
- 3. I have made no land survey of the property. If a survey was available or provided, the appraiser assumes no responsibility for the correctness of such a survey.*
- 4. Disclosure of the contents of this appraisal report is governed by the Uniform Standards of Professional Appraisal Practice (USPAP) as outlined by the Appraisal Foundation.*
- 5. Neither all nor any part of the contents of this report, or a copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser an/or the client; nor shall it be conveyed by any including the client to the public through advertising, public relations, news, sales or media, without the written consent and approval of the author, particularly as a firm with which he is connected, or any reference to any professional society or institute or any initialed designations conferred upon the appraiser as stated in his qualification attached hereto.*
- 6. Testimony or attendance in court by reason of this appraisal, with reference to the property in question, shall not be required unless arrangements and compensation structure have previously agreed to.*
- 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such facts.*
- 8. Sub-surface rights (mineral, oil, water, timber, etc.) were not considered in this report, unless otherwise noted.*
- 9. If the subject property or any of the comparable sales contain wetlands, environmentally sensitive areas, endangered species, etc, the appraiser has taken them into consideration if they were readily recognizable and interpretable by the appraiser. The definitions of these areas are subject to verifying definitions and interpretation from time to time and the appraiser is not qualified or even able to keep current as to the various definitions and interpretations used by the multitude of agencies regulating these areas.*
- 10. The appraiser certifies that the compensation for this appraisal is not contingent upon the reporting of predetermined value or direction value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result of the occurrence of a subsequent event.*
- 11. The appraiser certifies that the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.*
- 12. Subject to all other stated specific qualifications and assumptions contained within the body of this appraisal report (namely pertaining to soil, rock and environmental conditions).*

TABLE OF CONTENTS

Transmittal Letter
Certificate of Appraisal
General Assumptions and Limiting Conditions
Table of Contents

IDENTIFICATION OF THE PROPERTY..... 1
SCOPE OF THE APPRAISAL ASSIGNMENT 5
DATE OF THE APPRAISAL 7
PURPOSE AND USE OF THE REPORT 7
DEFINITION OF MARKET VALUE 8
PROPERTY RIGHTS APPRAISED 8
ZONING 9
ASSESSMENT AND TAXES 10
HISTORY OF THE PROPERTY.....10
SUBJECT PROPERTY DESCRIPTION 11
HIGHEST AND BEST USE ANALYSIS 16
VALUATION OF SUBJECT PROPERTY 16
IMPACT OF RIGHT-OF-WAY/EASEMENT ACQUISITION ON SUBJECT PROPERTY 23
SUMMARY - "BEFORE" AND "AFTER" VALUE OF THE PROPERTY 30

ADDENDA

Exhibit A - Education/Qualifications
Exhibit B - Photographs of the Subject Property

IDENTIFICATION OF THE PROPERTY

The subject of this appraisal is comprised of a .33+/- acre land parcel located adjacent to Wrenn Street north of its intersection with James Street in the Town of Apex, Wake County, North Carolina. The property is designated on Wake County tax records as REID# 79998 with an address of 305 Wrenn Street. Wake County deed records indicate that this parcel is currently owned by Margaret Wyatt.

A recent full survey for the subject property was not made available to the appraiser. The right-of-way/easement plat-survey presented in a later section of this report does not provide a full property representation, but does indicate Wrenn Street as a 30 foot public street.

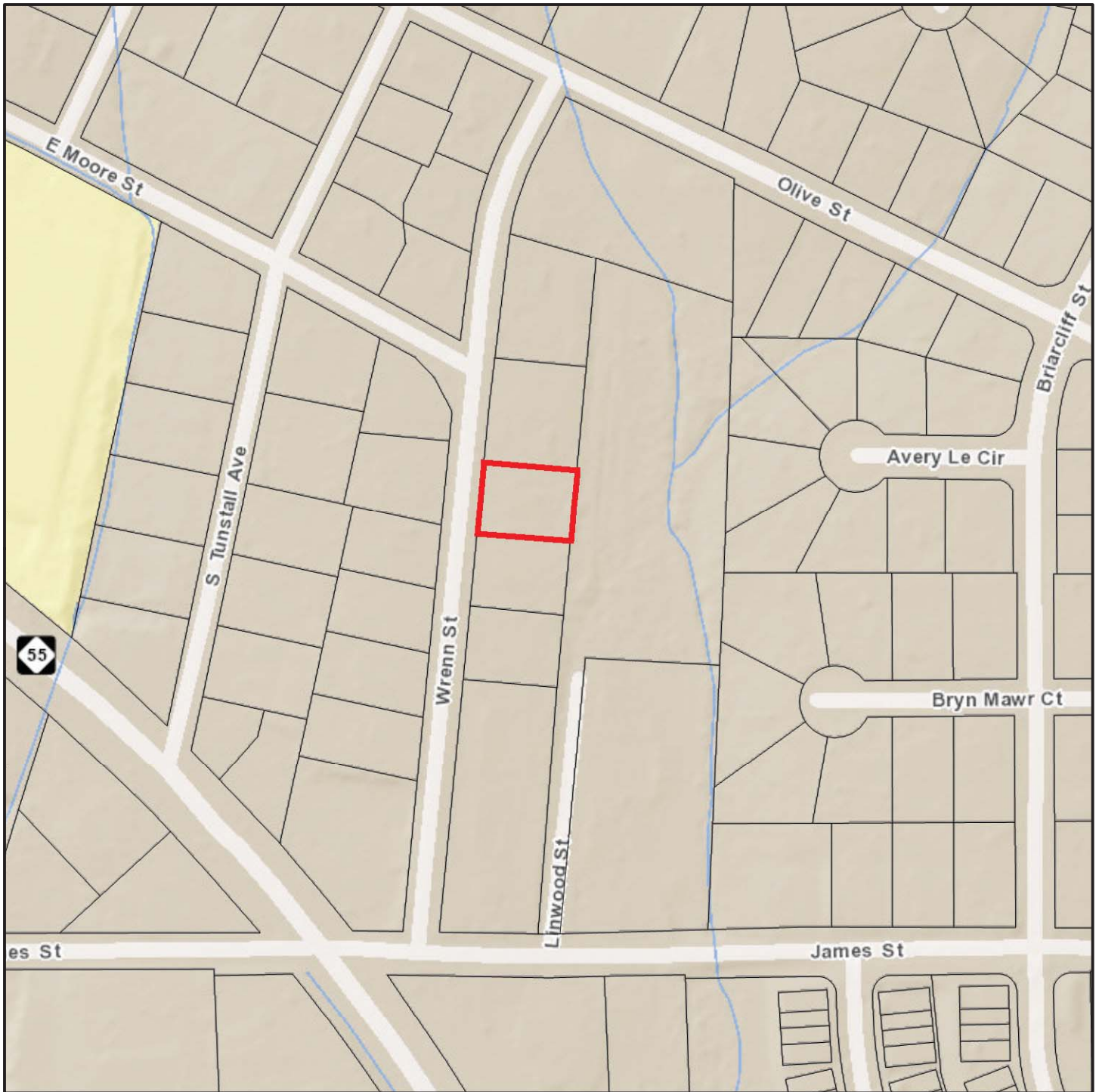
A 1962 recorded plat map that includes the subject property (Lots 1, 2, 3 and 4, Wrenn Subdivision No. 2; BM 1962-182, WCR) indicates overall property dimensions of 100+/- feet wide and 144+/- feet deep (14,400+/- SF or .33+/- acres) net of the 30 foot Wrenn Street right-of-way.

Wake County tax maps represent Wrenn Street as being 50+/- feet in width as compared to the available survey maps/plats that indicate a 30+/- foot right-of-way. This has resulted in general overall property dimensions on tax maps of 100+/- feet wide and 128+/- feet deep. The tax size of the parcel is reported at .29+/- acres which is consistent with the tax map dimensions shown. Therefore, tax records/maps reflect an undocumented increase in the Wrenn Street right-of-way that has reduced the size of the reported subject lot by about .04+/- acres (16 feet deep X 100 feet wide).

A brief review of Wake County property/deed records provided no clarification as to which depiction of the Wrenn Street right-of-way width is currently correct. **Therefore, this appraisal is made subject to any matters that might be disclosed by an up to date complete survey of the overall property.**

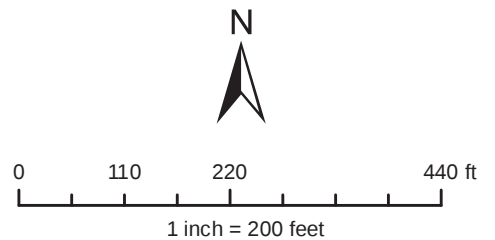
For purposes of this analysis a size estimate of .33+/- acres will be utilized for the subject parcel consistent with that indicated on the 1962 recorded map as well as on the right-of-way/easement plat-survey map (approximate property dimensions of 100 feet X 144 feet). The subject property will be further identified and described in a later section of this report.

A copy of an area map indicating the general location of the subject property can be found on the following page of this report. This map is followed by copy of a tax map download for the subject parcel as taken from the Wake County GIS website.

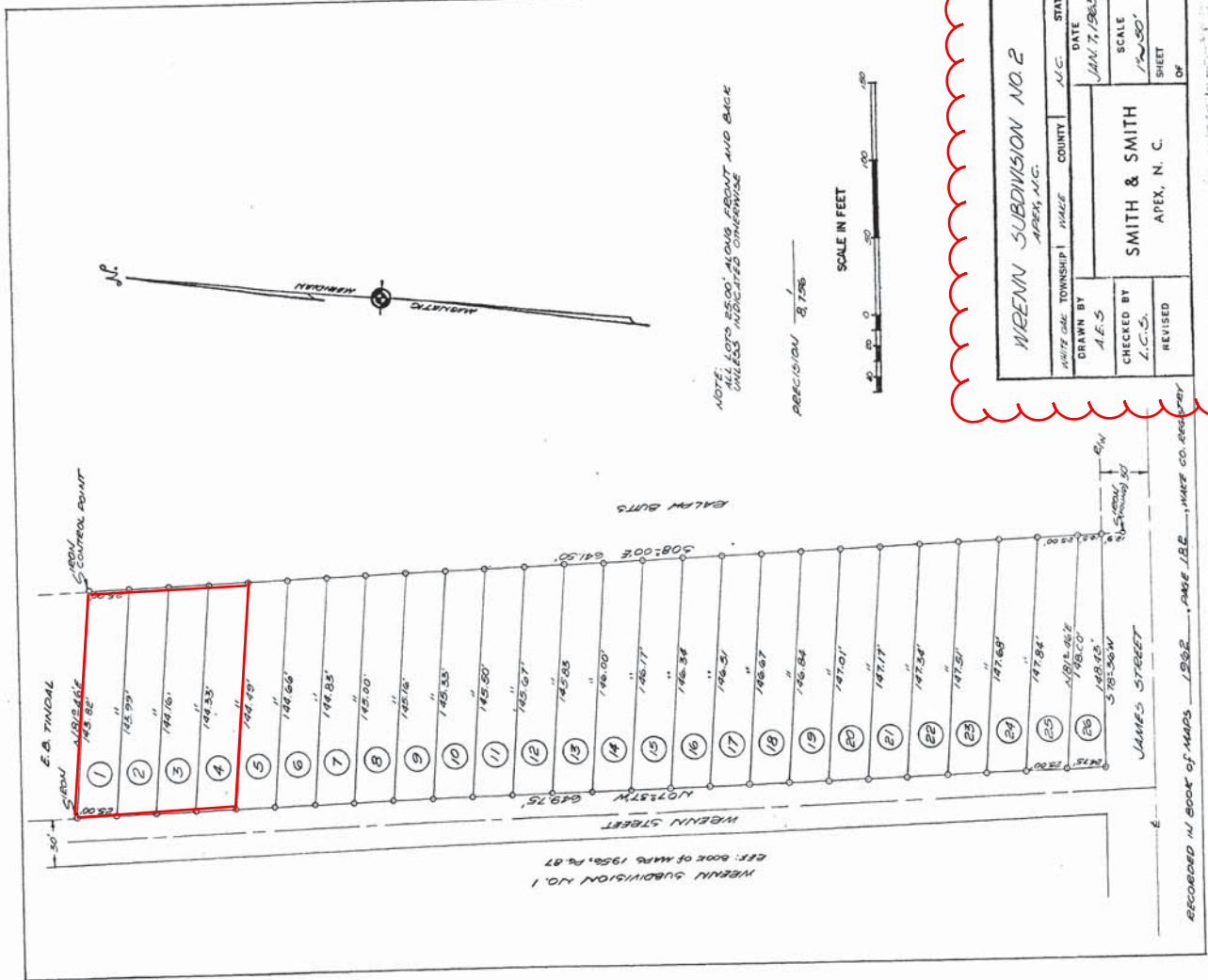


PIN: 0741681765
 PIN Ext: 000
 Real Estate ID: 0079998
 Map Name: 0741 07
 Owner: WYATT, MARGARET
 Mail Address 1: PO BOX 525
 Mail Address 2: APEX NC 27502-0525
 Mail Address 3:
 Deed Book:
 Deed Page:
 Deed Date: 08/16/1997
 Deed Acres: 0.29
 Building Value: \$116,665
 Land Value: \$80,000
 Total Value: \$196,665
 Billing Class: Individual
 Description: LO1-4 WRENN NO. 2 BM1962 - 00182

Heat Area: 1554
 Site Address: 305 WRENN ST
 City: APEX
 Township: White Oak
 Year Built: 1963
 Sale Price: \$0
 Sale Date:
 Use Type: SINGLFAM
 Design Style: Conventional
 Land Class: Residential Less Than 10 Acres
 Old Parcel Number: 008-00000-0313



Disclaimer
iMaps makes every effort to produce and publish the most current and accurate information possible. However, the maps are produced for information purposes, and are NOT surveys. No warranties, expressed or implied, are provided for the data therein, its use, or its interpretation.



WRENN SUBDIVISION NO. 2			
TOWNSHIP	WALDE	COUNTY	APEX, N. C.
DATE	JAN 7, 1965		
SCALE	1" = 50'		
SHEET	OF		
SMITH & SMITH			
APEX, N. C.			

SCOPE OF THE APPRAISAL ASSIGNMENT

The appraiser has been asked by the client (Town of Apex) to complete a valuation of the subject property both “before” and “after” the acquisition of new right-of-way and easement areas across the parcel for a planned sidewalk project.

All potential damages to the property (land and site only) must be considered and/or addressed. The analysis of potential damages to the subject property will be completed in a step by step manner. The first step in the valuation process will be to estimate the Highest and Best Use of the subject land parcel “as if vacant”, and then value the property based on this conclusion. Then, dependant upon the Highest and Best Use conclusion, the damages to the property will be analyzed as appropriate. The impact on property value due to the acquisition of the new right-of-way and easement areas will be addressed in a later section of this report.

The parcel is currently improved with a 1,554+/- square foot residence (built in 1963). This improvement has been adequately maintained and is concluded to contribute value to the property under its concluded Highest and Best Use (single-family residence).

Based on a review of available maps and inspection of the premises there are no significant impacts indicated on the existing improvements due to the planned sidewalk. A review of the marketplace does not indicate an obvious positive or negative value impact on a residential improvement that includes a sidewalk along the adjacent street frontage. Further, the existing residence improvement is currently located more than 55+/- feet from the 30 foot wide Wrenn Street right-of-way at its closest point. MD zoning requires a minimum setback of 25 feet, therefore, acquisition of the new 5 to 6+/- feet of right-of-way does not come close to violating this standard. And any potential home expansion areas are not impacted in the least by the new right-of-way acquisition area at the front margin of the parcel.

Based on this discussion, any potential damages applicable to the property are considered to be associated only with the underlying land (“as if vacant”) and/or potential land development capacity issues as well as any miscellaneous site improvements (if/where applicable). Thus, there was no need to expand the scope of this assignment to address the “before” and “after” value of the residential improvement located on the property as to do so would offer no assistance in arriving at an appropriate estimate of property damages. Therefore, damages applicable to the property will be based on an examination of land value.

This appraisal assignment involves the development of an opinion of Market Value which was concluded only after inspecting the subject property, collecting and analyzing pertinent data, considering market trends, developing an opinion of the subject's Market Value and reporting the findings in this report. The following is a summary of the activities involved:

- An inspection was performed on the subject property and the surrounding neighborhood was reviewed.
- Maps generated by the Wake County tax office and GIS department as well as maps generated by various engineers and surveyors were reviewed in order to identify and describe the property.
- Public records were researched to compile and confirm information necessary to properly identify and describe the subject, its ownership and history and its tax status.
- Planning and zoning officials were and regulations were researched to confirm legal uses of the subject.
- The subject's neighborhood and competitive market were analyzed for usage trends and feasibility issues.
- Market data was researched and analyzed for comparable sales and to confirm market trends.
- Contact was made with area professionals knowledgeable in the local real estate market in order to gain insight as to the desires and motivations of market participants.
- The subject property was analyzed based upon the appropriate valuation techniques.

The specific valuation process for the subject property will be further discussed in a later section of this report.

DATE OF THE APPRAISAL

The appraiser coordinated with the Town of Apex to alert the property owners by mail alerting them that an analysis of the property was being undertaken in conjunction with the sidewalk installation project, and providing them the opportunity to meet with the appraiser at the property. Tony Wyatt, son of the property owner contacted the appraiser and an appointment was set to meet at the property.

The effective date of this appraisal is as of June 8, 2018 which coincides with the date of inspection, with Tony Wyatt and Margaret Wyatt being present during this inspection. A limited property inspection of the front portions of the parcel was completed at this time. On this date (and on several other dates) the analyst also visited the general neighborhood for the subject property and toured the road system in the immediate vicinity of the property. During the inspection the analyst also took several photographs of the property in the vicinity of the required right-of-way and easements. The analyst has also relied upon maps generated by the Wake County tax office and GIS department in order to further identify and describe the property.

PURPOSE AND USE OF THE APPRAISAL

The purpose of this analysis is to estimate the “before” and “after” value of the subject property recognizing the impact of various easements and right-of-way areas to be acquired for the installation of a new sidewalk adjacent to the subject property. This appraisal is intended to be used to provide assistance to the client (Town of Apex) in estimating any applicable damages due to the required new easement/right-of-way areas across the subject property, and to assist in negotiating the compensation due the property owner for their acquisition. No other use or user is intended. The education and qualifications of the appraiser are outlined as Exhibit “A” in the Addenda of this report.

This assignment was originally proposed to be completed in what is sometimes referred to as a “Waiver Valuation” format to assist in completing an administrative settlement with the property owner. However, this format does not conform with current USPAP regulations, thus, the format was expanded to reflect that of an Appraisal Report (but in a summary style presentation format).

An explanation of a “Waiver Valuation” as outlined by the Federal Highway Administration and consistent with the Code of Federal Regulations is as follows:

ADMINISTRATIVE SETTLEMENTS ON PARCELS VALUED AT LESS THAN \$10,000 (49 CFR 24.102(c)(2)(ii) AND (49 CFR 24.102(I)).

Section 24.102(c)(2)(ii) provides for the acquisition of parcels without an appraisal when the estimated just compensation for the parcel is \$10,000 or less. Section 24.102(I) provides for administrative settlements when negotiations at the initial offer have failed. An administrative settlement can be made for an amount greater than \$10,000, with proper justification and documentation. When the estimated just compensation for the parcel is \$10,000 or less, the regulations do not require that an appraisal be prepared for a reasonable administrative settlement figure in excess of \$10,000 or the State's established waiver valuation amount. If the acquiring agency and the owner cannot reach agreement on an amount that the agency deems reasonable, an appraisal and a review would then seem advisable. Placing a monetary limit on such settlements that would automatically trigger the requirement for an appraisal is an agency option, not an FHWA requirement. Title III of the Uniform Act and 49 CFR Part 24 clearly allow some administrative discretion when the amount in question is relatively minor. An administrative settlement may be the most prudent course of action available.

This appraisal report is concluded to more than meet the intent of the above referenced guidelines.

DEFINITION OF MARKET VALUE

Market Value, as defined in Chapter 12, Code of Federal Regulation, Part 34.43(f) dated August 24, 1990 in the Federal Register, Volume 55, No. 165, is .."the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers to be his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

For purposes of this analysis, "Fair Value" and "Market Value" are considered one and the same.

This appraisal is being completed for the Town of Apex. It is the Town of Apex that will be acquiring the necessary easements for the new sidewalk across the rear of the subject property. The Town of Apex Charter indicates that in condemnation of property for various "Public Works Purposes", the Town will utilize the procedure and authority prescribed in Article 9 of Chapter 136 of the General Statutes of North Carolina. With respect to this statute, the following shall be the measure of damages (NCGSA 136-112):

- (1) Where only a part of a tract is taken, the measure of damages for said taking shall be the difference between the fair market value of the entire tract immediately prior to said taking and the fair market value of the remainder immediately after said taking, with consideration being given to any special or general benefits resulting from the utilization of the part taken for public works purposes.
- (2) Where the entire tract is taken, the measure of damages for said taking shall be the fair market value of the property at the time of taking.

PROPERTY RIGHTS APPRAISED

Vacant or improved land parcels are not typically valued in leased fee title unless encumbered by a ground lease. Therefore, a **Fee Simple analysis** is considered applicable to the analysis of the property. A Fee Simple Estate is defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

ZONING

The subject property is located within the zoning jurisdiction for the Town of Apex and is currently zoned Apex Medium Density residential. The purpose and intent of the MD Medium Density Residential District is to provide lands for medium density single-family and duplex residential uses at densities up to 6 units an acre.

There are additional use intensity and dimensional standards that apply in the MD District. In addition to a maximum gross density standard of 6 units per acre, the minimum lot width for single-family development is set at 50 feet (15 to 18 feet for townhomes and duplexes). The minimum front setback is 25 feet (or the setback in place prior to April, 2008 for existing developments). A minimum side setback is established at 6 feet, and a minimum of 16 feet total for both side yards combined. The rear yard must be a minimum of 20 feet. The maximum building height is 36 feet, with a maximum built upon lot area of 60%.

The subject parcel is located in a portion of Apex that has been designated in the "Apex Land Use Plan" for continued MD residential usage, with a majority of surrounding properties also zoned MD. A review of the land use plan indicates that it is reasonable to conclude future detached residential uses on the subject property given the variety of residential uses currently found on surrounding properties.

The Town of Apex also has a Resource Conservation requirement for developments within their planning jurisdiction. This regulation requires the designation of between 20% and 25% of a newly developed property as a Resource Conservation Area (RCA) which can not be developed/disturbed (generally 20% in this section of the Apex ETJ). Projects with an overall residential density of less than 2 units per acre are exempt from this requirement.

Construction is not typically allowed within FEMA designated flood zones except in certain circumstances. Certain creeks and streams in the area of the property could be subject to 50 to 100 foot buffers on each side due to Apex stream buffer requirements as well as State of North Carolina water quality buffers. These buffers may be crossed with access roads/drives (with approval) and may also contain certain utility easements. There are no flood zones or stream buffer zones indicated across the subject property.

ASSESSMENT AND TAXES

The subject property is designated on Wake County tax records as tax parcel ID#79998. The land is currently assessed as one lot at \$80,000 (\$5.56 per SF). The older residence is assessed at \$116,665 based on a listed home size of 1,554 square feet. The assessed land value obviously does not consider recent lot sale transactions in the area, and also does not reflect the superior width of the lot which one day might allow for subdivision. The last tax revaluation in Wake County was on January 1, 2016, with the next scheduled revaluation on January 1, 2020.

The subject property is currently located within the municipal limits for the Town of Apex. The property is currently subject to Wake County and Town of Apex taxes. The Town of Apex tax rate for 2017 was established at \$.38 per \$100 of assessed value with the Wake County tax rate established at \$.615 per \$100 of assessed value. Therefore, a total tax rate of \$.995 per \$100 of assessed value was indicated for tax year 2017. A review of on-line tax records indicate that 2016 and 2017 taxes on the subject property have been paid in full.

HISTORY OF THE SUBJECT PROPERTY

Wake County tax records indicate that the subject property is currently owned by Margaret Wyatt. The improved property was acquired by the current owner, with husband Robert Wyatt, in July of 1966 (Deed Book 1720-377, WCR). Margaret Wyatt took full title to the property in August of 1997.

It is the appraisers understanding that the specific subject property has not been sold or otherwise transferred in the last 3 years. However, the appraiser has not reviewed a complete title search or conducted a detailed review of Wake County deed records relative to the recent history of the property. **An opinion of title from a legal professional is suggested in order to verify the current ownership and potential encumbrances associated with the property.**

SUBJECT PROPERTY DESCRIPTION

Town of Apex Description

The Town of Apex is a small town (population of over 40,000) located in southwestern Wake County in a rapidly expanding sector of the Research Triangle area. The Town of Apex was recently ranked as the No. 1 Small Town in the United States by Money magazine (communities with 10,000 - 50,000 in population). This publication based their rankings on towns with best combination of job opportunities, schools, low crime, quality health care and activities/things to do. In recognizing the Town of Apex the magazine specifically cited high-paying jobs, affordable homes, and quality schools.

The Apex area has convenient linkages with major local highways, namely US Highway 64, US Highway 1 and NC Highway 55. In fact, the Raleigh Beltline (I-440) and I-40 are located approximately 5 to 7 miles to the northeast via either US Highway 64 or US Highway 1. The Town of Cary is located immediately north/northeast of the Town of Apex with employment centers in the Research Triangle Park located within a 15 to 20 minute drive. The City of Raleigh is situated 10 miles to the northeast and can be readily accessed by area residents via US Highway 1-64.

The Town of Apex is well known as a popular bedroom community of the larger Triangle region. Positive characteristics include steady population growth, family income (Apex: \$90,000+ median family income), high proportion of adults with bachelor's degrees or higher, high proportion of persons in executive and professional jobs, the proximity of multi-national companies, and the price (\$250,000+ median home value), size, and age of homes.

North/South access to and from the Town of Apex was greatly improved in 2007 by the widening of NC Highway 55 northward into the Research Triangle Park. This NCDOT project increased the width of this thoroughfare from 2 lanes to between 4 and 6 lanes including additional turn lanes at major intersections. This road improvement project has greatly enhanced the ingress and egress of the general Apex region.

A significant road project which is having a positive impact on the Town of Apex is the extension of the Triangle Expressway (I-540/NC-540) westward from I-40 to NC Highway 55 and then southward to Apex and Holly Springs. The segment of the expressway through the western and southwestern portions of Wake County was constructed as a toll road in cooperation with the NC Turnpike Authority. This toll road also includes a 2 mile extension of the Durham Expressway (NC 147) southward from I-40 to the new highway. The overall project extending all the way from I-40 in Research Triangle Park to Holly Springs was finally completed in late 2012. Major interchanges in Apex occur at NC Highway 64 and at Old US Highway 1 (South Salem Street).

In the vicinity of the intersection of Williams Street (NC Highway 55) and Salem Street are a variety of office, institutional and retail uses associated with the downtown section of Apex. Salem Street is the "Main Street" for this community extending north from Williams Street to Hunter Street. Businesses fronting on Salem Street include retail shops, restaurants, offices, churches, funeral homes and various office for the Town of Apex. The main Apex Municipal Building is located on a 10 acre tract on the south side of Hunter Street west of its intersection with Laura Duncan Road.

NC Highway 55 in western Apex (Williams Street) is steadily evolving as a mixed-use corridor bordered by medium to high density residential uses. The interchange of US Highway 64 and NC Highway 55 has recently emerged as the main regional focal point for southwest Wake County. Significant commercial and retail development has already been developed in the vicinity of this intersection. This emerging commercial and office use area is the closest location for most major retail, commercial and employment facilities serving the Apex and southwestern Wake County region and is within 3 to 5 miles of the subject neighborhood.

The new Beaver Creek Commons development is located in the southwest quadrant of this highway interchange. This is a regional shopping facility anchored by a Lowe's home center and a Target department store. The project includes over 100,000 square feet of additional retail space (Office Max, PetsMart and Linens&Things are sub-anchors) as well as 10 outparcels fronting on the adjacent highways. Outparcel tenants include Wells Fargo, SunTrust, Chic Filet, BB&T, Just Tires and IHOP.

Immediately to the west of Beaver Creek Commons is the new Beaver Creek Crossings development. This project is comprised of approximately 130+/- acres on both the north and south sides of US Highway 64 (a bridge connecting the two sides has been constructed). This 650,000 square foot development is already anchored by Consolidated Theaters (12 screens), Kohls Department Store, Dick's Sporting Goods, Borders Books, Old Navy, Kirklands and TJ Maxx. There is another pending retail section of this development located on the north side of US Highway 64. A portion of this project has also been designated for office and townhome development.

The NC Highway 55 corridor in the immediate vicinity of Beaver Creek Commons features a variety of uses. The Apex Professional Center includes a convenience store, retail stores and a office development. The Apex Medical Park includes 50,000 square feet of office and medical office space fronting on the highway. Town Center Commons includes 25,000 square feet of office space while Walgreens, Rite Aid and the Apex Funeral Home all have new facilities along this corridor.

The secondary focal point along this mixed-use corridor is at the intersection of the Apex Peakway and NC Highway 55. The Haddon Hall Commons shopping center (anchored by Harris Teeter, 80,000 SF) is located in the east quadrant of this intersection while the Peakway Market Square development (55,000 SF office and retail space) is located in the north quadrant. Olive Chapel Village shopping center (80,000 SF) is located in the south quadrant and is anchored by Lowe's grocery with Bank of America and Coastal Federal Credit Union occupying the outparcels.

A 21 acre tract located in the west quadrant of this intersection was acquired in 2004 by Wake Med for a new Healthplex and Day Surgery Center. This is a satellite facility for the 100+ bed Western Wake Hospital in south Cary and includes emergency services, outpatient services and offices. Phase 1 has been completed (75,000+/- SF building), with a second similar size building at some point in the future.

There is a major proposed mixed use development in the southwest quadrant of the intersection of South Williams Street (NC Highway 55) and US Highway 1 in southern Apex. This project has been submitted under the name of Trinity Apex Investment and involves approximately 1,000 total acres immediately east of the subject neighborhood. The new NC-540 highway corridor extends through the southern portion of this development with nearby interchanges at NC Highway 55 and US Highway 1.

The preliminary Master Plan for this development indicates 2,200,000 square feet of commercial/retail space, 500,000 square feet of office space and 4,000 attached and detached residential units. The retail and office uses are focused closer to the intersection. The quantity of proposed retail space might allow for the development of a regional mall serving southwestern Wake County. Availability of utility services in this section of Apex will likely postpone any development in this project for several years.

Neighborhood Description

The immediate subject neighborhood can best be described as east central Apex in the vicinity of Old Raleigh Road, Center Street, Hughes Street, James Street, East Williams Street and Schiefflin Road. The general neighborhood is primarily located within the zoning/ETJ jurisdiction for the Town of Apex. Municipal services are available to most properties in this section of Apex with the extension of additional utility lines driven by the needs of area property owners.

Immediately to the west of the general neighborhood in the downtown Apex area (along Salem Street north of Williams Street/NC Hwy 55). The main Apex Municipal Building is located on a 10 acre tract on the south side of Hunter Street west of its intersection with Laura Duncan Road at the northwest corner of the described neighborhood. The main Town Hall office building is a 3-story facility with approximately 40,000 square feet of space (built 2000), with a 20,000+/- square foot one story community center facility also located on this site.

A great deal of the established residential development within the immediate area is found in residential subdivisions situated along Old Raleigh Road. Established developments in this area include Brookfield, Indian Trail, Knollwood Estates, Shepards Vineyard, Vintage Grove, Surrey Meadows, Salem Oaks, Brittany Trace, Haddon Place and Lakefield. The predominant price for homes in these subdivisions ranges from \$150,000 to \$400,000+.

Additional mostly older residential properties are located west of Schiefflin Road and south of Center Street along North Tunstall Avenue, Olive Street, East Chatham Street, Culvert Street, Moore Street and North Hughes Street. Many of these homes date back to the early 1900's and extending through the early 2000's and include a wide range of design styles, sizes and condition of repair. Prices range from \$100,000 to as much as \$500,000.

Multi-family developments are scattered throughout the neighborhood and are comprised mainly of small to mid-size townhome communities. The predominant price for traditional townhomes these developments ranges from \$175,000 to \$250,000. New and/or recent townhome developments in the area include James at Midtown and Old Mill Village (prices from \$200,000 to \$300,000).

There are several retail/neighborhood centers located throughout the general subject neighborhood. The Vineyard Station shopping center is located in the northeast quadrant of the intersection of Old Raleigh Road and Laura Duncan Road and is anchored by a Food Lion grocery. Several additional grocery store anchored centers are found along US Highway 64 including Lake Pine Plaza and Laura Village.

The East Williams Street corridor features a wide variety of retail and commercial uses. The Broadstone Station shopping center at the interchange of East Williams Street and US Highway 1 includes a Walmart as well as the Village at Broadstone apartment development. Hotels include Candlewood Suites and a Holiday Inn Express. The Lawrence Crossing mixed-use project at the Apex Peakway interchange includes Dunkin Donuts, Carolina Express Car Wash, Auto Zone and Domino's Pizza as occupants. Other businesses located on this corridor include Enterprise Rent-A Car, BB&T Bank and Sam's Express Car Wash as well as various convenience stores and restaurants.

In summary, the general subject market area has convenient linkages and is within a reasonable driving time of most major employment centers in the metropolitan area, especially the Research Triangle Park (10 miles to the north). Significant new residential development is underway in the Apex area which is creating the demand for additional services including professional offices, shopping centers, schools, churches, etc. The region within and surrounding the Town of Apex represents a continuing high growth area for southwestern Wake County.

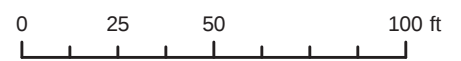
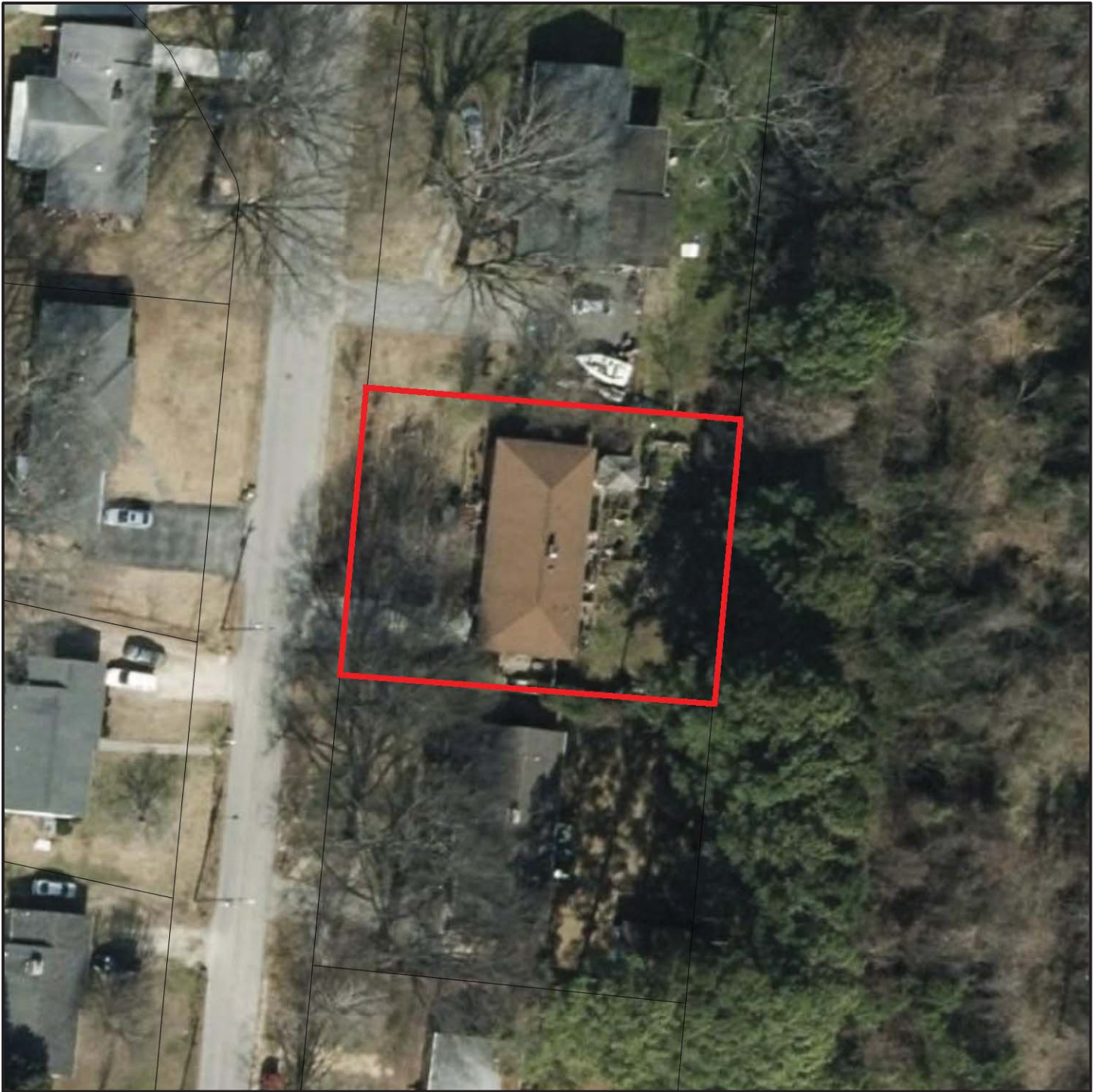
Land Parcel Description:

Lot Characteristic	Comments
Address	305 Wrenn Street
Estimated Lot Size	.33+/- Acres
Road Frontage	100+/- Feet
Average Lot Depth	144+/- Feet
Shape/Configuration	Rectangular
Available Utilities	Water, sewer, gas, cable
Topography	Gently Rolling
Easements	None of significance
Current Use	Single Family Residence Built 1963
Surrounding Uses	Small apartment project to the southeast, vacant land to the east; single-family elsewhere
Zoning/Land Use Plan	MD Residential/MD Residential

Special Considerations: The appraiser makes no specific representations as to the condition of the property relative to poor soils. The client is referred to trained professionals with an expertise in this area if additional information on this matter is required. **For purposes of this analysis it is assumed that the subject parcel has only minor poor soil or wetland areas to be addressed (similar to other building sites in the area) which will not significantly impact its development potential.**

The appraisers limited inspection of the property indicated no obvious environmental hazards. The appraiser is not qualified to render an opinion as to the status of the property relative to environmentally hazardous substances. **An environmental site assessment by a qualified engineer is recommended if further information is desired on this matter or on any additional environmental concerns. The property has been valued excluding the consideration of hazardous substances.**

An aerial map of the subject land parcel generated from the Wake County GIS website can be found on the following page of this report. Photographs of the property can be found as Exhibit “B” in the Addenda of this report.



1 inch = 50 feet

Disclaimer
*iMaps makes every effort to produce and publish the most current and accurate information possible. However, the maps are produced for information purposes, and are **NOT** surveys. No warranties, expressed or implied, are provided for the data therein, its use, or its interpretation.*

HIGHEST AND BEST USE ANALYSIS

Highest and Best use analysis is used to help estimate the subject market value. The principle behind this analysis is to recognize the market trends in the subject's neighborhood and to determine what practical, reasonably market supported uses would provide the highest return per dollar invested in the subject's real estate. The Appraisal of Real Estate defines Highest and Best Use as:

“the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

The above four standards are considered in order. To test the “Highest and Best Use” as vacant and/or improved, all logical feasible alternatives are analyzed. Each alternative use must first meet the tests of legally permissible and physically possible. The uses that meet the first two tests then are analyzed to establish how many financially feasible alternatives must be considered. One use may be physically possible, but then not legally permissible. Only when there is a reasonable possibility that one of the prior, unacceptable conditions can be changed is it appropriate to proceed with the analysis.

Conclusion: It is the appraiser's conclusion that the Highest and Best Use of the subject property “as vacant” is for future residential development consistent with the MD zoning currently in place. There would be potential for recombination with other adjacent or nearby parcels (on Wrenn Street north of James Street) to create a small subdivision development with lot widths much narrower than the 85 to 100 foot width currently noted along that street. The width of the subject lot at 100 feet might also allow division into two lots by itself at some point in the future. Detached development would likely be at an average density of 4 to 5 units per acre.

It is the appraiser's opinion that future development of the subject property in this fashion would be the current maximally productive use of the property (as if vacant”), as there are no other known development options at this point in time that would support a higher land value for the parcel. This estimate of Highest and Best Use applies as of June 8, 2018, the effective date of this report.

VALUATION OF SUBJECT PROPERTY

Direct Sales Comparison Approach

The sales comparison approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently. Preferably, all properties are in the same area or basically the same competing market. One premise of the sales comparison approach is that the market will determine the price for the property being appraised in the same manner that it determines the prices of comparable competitive properties. Essentially, the sales comparison approach is a systematic procedure for carrying out competitive shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that causes real estate prices to vary.

Land Value - Subject Parcel

The following table summarizes the land sales data utilized in the appraisal of the subject property followed by an explanation of the adjustments made in comparing the sales information to the subject property:

SUMMARY TABLE - RESIDENTIAL LOT SALES

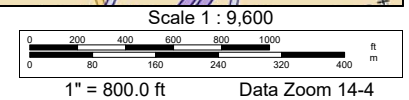
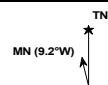
Sale No.	Date	Location	Sales Price Per Lot	Size Per Lot/ Zoning	Lot Width @ Bldg. Pad/ Depth	Average Price Per SF/ Price Per Lot Width	Tax REID#'s/ Deed Reference/ Comments
1	5/17	Schiefflin Drive at Olive Street, Apex	\$48,000 X 5 lots (\$240K)	.13 Ac. (Typical)/ Apex MD	53'/ 105' (Typical)	\$8.48/ \$905	419224, 419225, 412248, 444366, 444367/ DB 16772-580; DB 16846-1699/ Property contains 29,000+/- SF already subdivided as 5 lots; buyer paid \$300K but then got back \$60K from Town of Apex in return for 6,000+/- SF RW for future Apex Peakway
2	1/17	James Street, Apex	\$83,333 X 3 lots?	.25 Ac./ Apex MD	57'/ 200'+	\$7.65/ \$1,462	17273/ DB 16683-791/ 1+/- Acre lot fronting 220+/- feet on James Street with 60 yr old house, potential for 3 lots along James Street (MD min. width of 50') due to 50' stream buffer zone along east boundary line
3	1/17	South Hughes Street, Apex	\$121,500	.33 Ac./ Apex MD	75'/ 180'	\$8.45/ \$1,620	174030/ DB 16661-797/ Single lot, rectangular shape with good topography south of West Williams Street
4	4/15	Jones Street, Apex	\$100,000	.27 Ac./ Apex Mixed Use	85'/ 140'	\$8.50/ \$1,176	5870/ DB 15992-391/ Single lot, rectangular shape with good topography west of downtown Apex, good quality residence constructed
S	6/18	Wrenn Street, Apex	NA	.33+/- Ac./ Apex MD	100'/ 144'	NA/ NA	Rectangular shaped lot located in southeast central Apex just to the north of East Williams Street



Data use subject to license.

© DeLorme. DeLorme Street Atlas USA® 2015.

www.delorme.com



Explanation of Adjustments

Adjustments are typically applied first for property rights conveyed followed by condition of sale and financing terms. Each of the comparables was an arms length transfer based upon the fee simple estate reflecting terms and conditions considered equivalent to cash to the seller. Therefore, no adjustments were considered necessary in comparison with subject.

The sale properties were also considered similar to the subject parcel relative to available utilities and zoning, therefore, no adjustment was considered necessary for these items. However, adjustments (or explanations) were considered necessary for market conditions (time), location, frontage/access, size/number of lots, topography/stream buffers, shape/utility, width/front feet per acre and easements.

Market Conditions (Time): Each of the four comparable sales is located in the same general market area as the subject property (central Apex). There has been a steady increase in property values in the region in recent years as the Triangle area has emerged from recessionary 2009-10 time frame. The area residential market appears to have stabilized during 2011, and has improved steadily since that point in time. A review of the presented sales indicates that all of the sales have closed since April of 2015. It is concluded that a positive adjustment of at least 3% per year is warranted for all four lot/land sales in order to reflect the demand for buildable lots in the central sections of Apex as well as continuing improvement in the area residential market.

Location: The subject property is located along Wrenn Street in the vicinity of its intersection with East Moore Street in the east central portion of the Town of Apex. A majority of the property in the immediate area is developed residentially (non-residential uses can be found beginning about 200 yards to the south at East Williams Street). The area features a wide range of home stature and/or values, but primarily of a mid to mid-upper tier variety. All four sales are located within the general central Apex area in specific locations that are considered roughly similar to that of the subject property. Therefore, no adjustments were applied.

Frontage/Access: The subject property is located adjacent to Wrenn Street, a moderately traveled local thoroughfare. Lots on less heavily traveled streets are generally valued at a higher level than those on busy thoroughfares due to potential road noise and immediate property ingress/egress issues. Sales 2, 3 and 4 are all situated on similar stature area roads, therefore, no adjustment was required. Sale 1 (5 building lots) will be accessed at the rear from a 16 foot access easement/common driveway that will link back to Olive Street at the south end of the main frontage on Schiefflin Road (future Apex Peakway). For this reason this sale was adjusted upward by 10%.

Size/No. of Lots: The subject lot is comprised of approximately .33+/- acres. In general, larger residential building lots typically sell for a slightly less price per square foot, all other aspects being equal. Sale 3 is similar to the size of the subject lot, therefore, this sale required no adjustment. Sales 1, 2 and 4 are all smaller than the subject parcel and therefore were adjusted downward between 5% and 15%.

Sales 3 and 4 involved 1 building lot, therefore, no adjustment was required. Sales 1 and 2 involved the sale of multiple building lots (Sale 2 has potential for 3 building lots on primary road frontage). Therefore, these 2 sales were both adjusted upward by 10% based on the extra quantity of property purchased.

Topography: The topography of the subject site is classified as gently rolling with no significant issues. The topography associated with all 4 four sales is considered similar, therefore, no adjustments were required.

Shape/Utility: The shape of the subject site is categorized as roughly rectangular with no major shape/configuration issues. All 4 sales are considered roughly similar to subject in this regard in that the rectangular shape of the lots/parcels does not create any major issues. Therefore, no adjustment was applied.

Width/FF per Acre: The width of a parcel is important since it impacts the general width of the building footprint and/or the size of the building/home that can be constructed on the property (assuming a typical parcel depth), or the number of sites that might be subdivided. The best way to judge the relative quantity of property frontage is to look at the ratio of front footage per acre.

The subject parcel at 303+/- front feet per acre is superior in this regard (width/frontage = potentially greater development intensity). Sale 4 falls within a range that is similar to the subject property, therefore, no adjustment was necessary. Sale 1 has a somewhat superior proportion of frontage and therefore was adjusted downward by 10%. Sales 2 and 3 have an inferior proportion of frontage relative to their overall size, therefore, these 2 sales were adjusted upward by 10% for this characteristic.

Easements: There are no know major easements impacting the subject lot. All four sales were considered similar in this regard (other than the rear access easement situation already considered for Sale 1). Therefore, a specific adjustment was not applied to any of the four comparables for this characteristic.

The following is the appraiser's land sale adjustment grid indicating the adjustments made for dissimilarities between each comparable and the subject property:

LAND SALE ADJUSTMENT GRID

	Subject	Lot Sale 1	Lot Sale 2	Lot Sale 3	Lot Sale 4
Sales Price Per SF	N/A	\$8.48	\$7.65	\$8.45	\$8.50
Market Cond. (Time)	6/18	5/17	1/17	1/17	4/15
Adjustment %	N/A	3%	4%	4%	9%
Adjusted \$ Per SF	N/A	\$8.73	\$7.96	\$8.79	\$9.27
Location	Wrenn Street, Apex	Schiefflin Road at Olive Street, Apex	James Street, Apex	South Hughes Street, Apex	Jones Street, Apex
Adjustment %	N/A	0%	0%	0%	0%
Frontage/ Access	Secondary/ Direct	Secondary/ Indirect (Rear Access Easement)	Secondary/ Direct	Secondary/ Direct	Secondary/ Direct
Adjustment %	N/A	10%	0%	0%	0%
Size (Acres) per Lot/# Lots	.33+/- Ac./ 1 Lot	.15 Ac./ 5 Lots	.25 Ac./ 3 Lots?	.33 Ac./ 1 Lot	.27 Ac./ 1 Lot
Adjustment %	N/A	-15%/10%	-5%/10%	0%/0%	-5%/0%
Topography	GR	GR	GR	GR	GR
Adjustment %	N/A	0%	0%	0%	0%
Shape/ Utility of Lots	Rectangular/ Average	Rectangular/ Average	Rectangular/ Average	Rectangular/ Average	Rectangular/ Average
Adjustment %	N/A	0%	0%	0%	0%
Width of Lot/ FF per Acre	100 feet/ 303	53 feet/ 353	57 feet @ 3 lots/ 228	75 feet/ 227	85 feet/ 315
Adjustment %	N/A	-10%	10%	10%	0%
Easements	None of Significance	None of Significance	None of Significance	None of Significance	None of Significance
Adjustment %	N/A	0%	0%	0%	0%
Total Adj. %	N/A	-5%	15%	10%	-5%
Final Adj. \$ Per SF	N/A	\$8.29	\$9.15	\$9.67	\$8.80

Land Value Summary

The comparable sales after adjustments indicate a value range for a typical subject lot of between approximately \$8.29 and \$9.67 per square foot. This is considered a very reasonable range of adjusted values given the adjustments that were applied to the sale properties. All four sales are considered valid indicators of value for a vacant residential site in the general central Apex area.

The immediate area surrounding the subject property has some issues with respect to the quality and/or repair level of some existing residences. Therefore, a value near the lower end of the adjusted range, or \$8.50 per square foot is concluded for the subject site. In summary, the market value of the subject site by the sales comparison approach as of June 8, 2018 is:

$$\begin{array}{rclclcl} .33\text{+/- Acres} & \times & 43,560 \text{ SF/Acre} & = & 14,375 \text{ SF} \\ 14,375 \text{ SF} & \times & \$8.50 \text{ Per SF} & = & \$122,000 \text{ (Rounded)} \end{array}$$

This valuation is based upon on a near term marketing time frame (6 to 12 months), and an exposure time also estimated at 6 to 12 months.

IMPACT OF RIGHT-OF-WAY/EASEMENT ACQUISITION ON SUBJECT PROPERTY

It is the Town of Apex that will ultimately be acquiring the additional right-of-way along the front margin of the subject property for the new sidewalk project. The Town of Apex Charter indicates that in condemnation of property for various “Public Works Purposes”, the Town will utilize the procedure and authority prescribed in Article 9 of Chapter 136 of the General Statutes of North Carolina. With respect to this statute, the following shall be the measure of damages (NCGSA 136-112):

- (1) Where only a part of a tract is taken, the measure of damages for said taking shall be the difference between the fair market value of the entire tract immediately prior to said taking and the fair market value of the remainder immediately after said taking, with consideration being given to any special or general benefits resulting from the utilization of the part taken for public works purposes.
- (2) Where the entire tract is taken, the measure of damages for said taking shall be the fair market value of the property at the time of taking.

Description of Right-of-Way/Easement Acquisition

A review of a survey plat titled “Town of Apex - 305 Wrenn Street - U5530AC” by the Town of Apex Engineering Department with a latest revision date of April 2, 2018 indicates that there is right-of-way as well as a permanent slope easement required along the Wrenn Street road frontage for the subject parcel to construct a new sidewalk. The following table summarizes the right-of-way and easement areas that are planned/proposed across the subject parcel:

Category of RW/Easement	Total Land Area
Wrenn Street Additional Right-of-Way	597 +/- SF
Permanent Slope Easement	565 +/- SF
Temporary Construction Easement	771 +/- SF

The recorded documents for the right-of-way and easement acquisition will contain the language that governs usage of the acquired areas by the Town of Apex as well as the property owner. The following summarizes the anticipated language (or language very similar to) that will be utilized in these documents.

Fee Simple Right-of-Way (RW): Grantor does grant, bargain, sell, and convey unto Grantee and its successors and assigns, in fee simple, all that certain tract or parcel of land lying in the Town of Apex, Wake County, North Carolina (as described) and all privileges and appurtenances thereto belonging to Grantee, its successors and assigns in fee simple forever.

Permanent Slope Easement (SLE): A slope easement, which gives Grantee the right to construct and maintain cut and/or fill slopes in the described area until such time as the property owner alters the lands and/or adjacent lands in such a manner that the lateral support of the cut and/or fill slope is no longer needed, in that certain limited portion of Grantor’s Lands (as described); this slope easement shall be perpetual and binding upon the heirs, successors, and assigns of the Grantor.

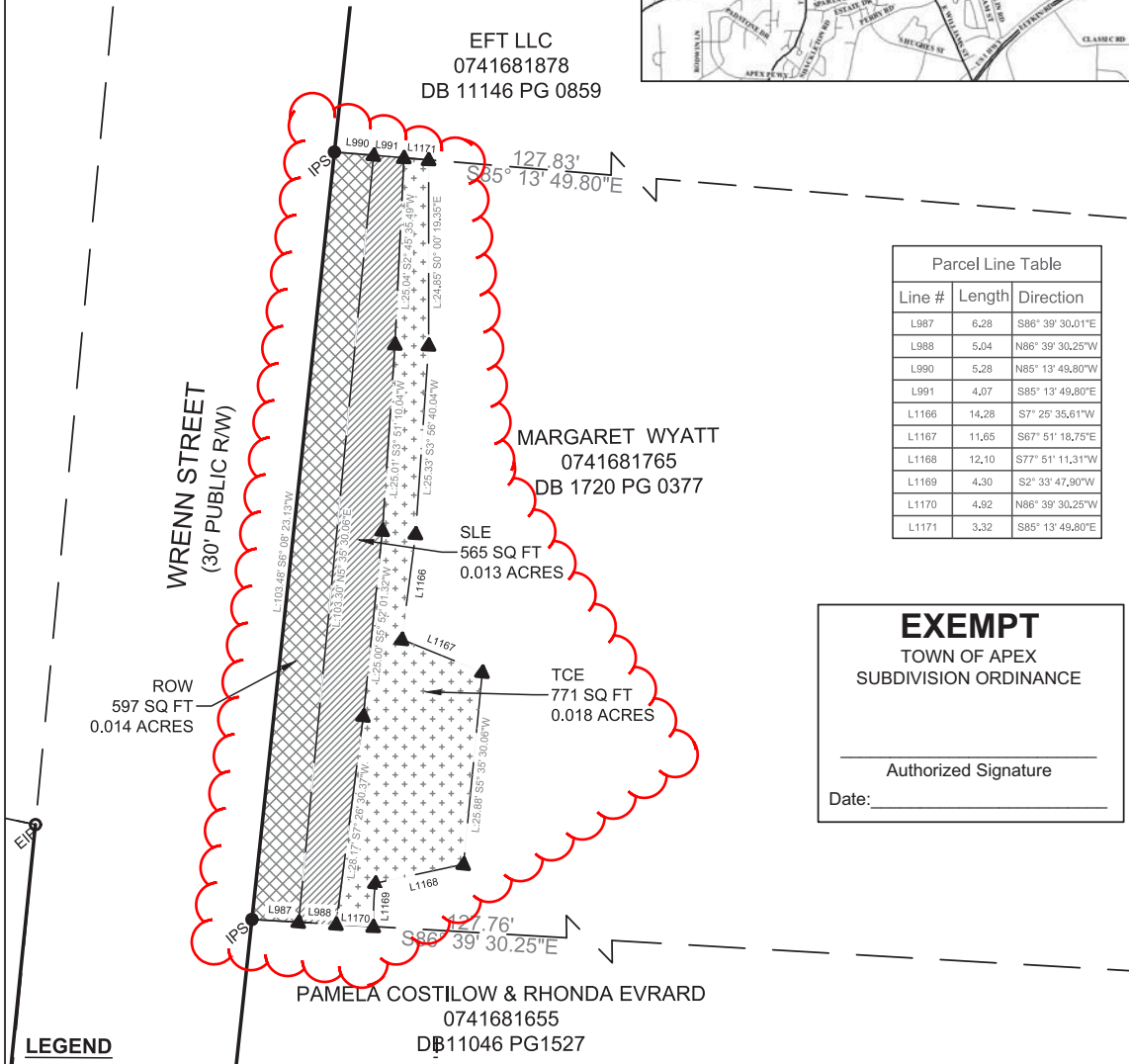
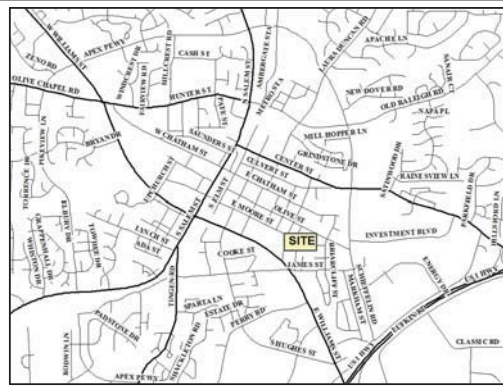
Temporary Construction Easement (TCE): A temporary construction easement to construct and install street, drainage, and utility improvements, facilities and appurtenances (as described); aforesaid temporary construction easement rights until the construction is completed at which time the temporary construction easements shall terminate. Following initial installation of Grantee’s lines, facilities, structures, or related items, **temporary construction easements** conveyed herein shall terminate and Grantee will restore areas that it has disturbed in accordance with reasonable engineering and landscaping practices.

The easements conveyed have the following additional terms: Grantee has the right to remove and control vegetation and obstructions in the easements conveyed herein; all facilities and related items installed in the easements are the property of Grantee; Grantee may remove or replace any facilities or related items; Grantor shall not construct any structure within the easements conveyed herein unless Grantor obtains Grantee’s prior written approval in writing; following the installation of Grantee’s facilities and related items, temporary construction easements conveyed herein shall terminate and **Grantee will restore areas that it has disturbed in accordance with reasonable engineering and landscaping practices.**

The previously referenced survey map as well as an additional exhibit outlining the approximate location of the new right-of-way and easement areas can be found on the following pages of this report. Photographs of the property and the impacted land areas can be found as Addenda Exhibit “B”.

GENERAL NOTES

1. BEARINGS FOR THIS SURVEY ARE BASED ON NCGS NAD 83(2011).
2. AREA BY COORDINATE GEOMETRY.
3. ALL DISTANCES ARE HORIZONTAL GROUND MEASUREMENTS.
4. PROPERTY SUBJECT TO ANY EASEMENTS OF RECORD.
5. PROPERTY SUBJECT TO ANY FACTS UNCOVERED BY AN ACTUAL AND CORRECT TITLE SEARCH.
6. TITLE SEARCH NOT PERFORMED BY THIS OFFICE.
7. SURVEY REFLECTS OBJECTS SEEN ABOVE GROUND ONLY. UNDERGROUND OBJECTS, IF ANY, NOT LOCATED BY THIS OFFICE.



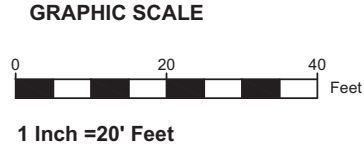
Line #	Length	Direction
L987	6.28	S86° 39' 30.01"E
L988	5.04	N86° 39' 30.25"W
L990	5.28	N85° 13' 49.80"W
L991	4.07	S85° 13' 49.80"E
L1166	14.28	S7° 25' 35.61"W
L1167	11.65	S67° 51' 18.75"E
L1168	12.10	S77° 51' 11.31"W
L1169	4.30	S2° 33' 47.90"W
L1170	4.92	N86° 39' 30.25"W
L1171	3.32	S85° 13' 49.80"E

EXEMPT
TOWN OF APEX
SUBDIVISION ORDINANCE

Authorized Signature

Date: _____

- LEGEND**
- ▲ COMPUTED POINT
 - EXISTING IRON PIPE
 - IRON PIPE SET
 - ▨ RIGHT OF WAY (ROW)
 - ▩ SLOPE EASEMENT(SLE)
 - ⊕ TEMPORARY CONSTRUCTION EASEMENT (TCE)
 - NOT SURVEYED
 - SURVEYED



THIS MAP WAS PREPARED FOR THE PURPOSE OF RIGHT-OF-WAY EASEMENT ACQUISITION ONLY AND IS NOT INTENDED TO BE A COMPLETE BOUNDARY SURVEY OF THE PROPERTY SHOWN.

I, JOSE MARTINEZ, CERTIFY THAT UNDER MY DIRECTION AND SUPERVISION THIS MAP WAS DRAWN FROM AN ACTUAL SURVEY AND THAT THE PROPERTY LINES INTERSECTED BY THIS ROUTE WERE ACTUALLY SURVEYED.

SIGNATURE

	TOWN OF APEX ENGINEERING DIVISION 73 HUNTER STREET APEX, NC 27502 PHONE: 919-249-3417 FAX: 919-249-3416	EXHIBIT A	FILE: U5530AC James to Downtown.dwg
		305 WRENN ST APEX, WAKE COUNTY NC	DATE: 4/2/2018

U-5530 AC - PLAN VIEW AERIAL MAP



Right-of-Way

The project involves the placement of a 5 foot wide concrete sidewalk mainly within the new to be acquired right-of-way for Wrenn Street (portions could overlap the existing right-of-way). In addition, the segments of Wrenn Street and East Moore Street impacted by the project will be improved with a 30 inch concrete curb and gutter section (stormwater previously flowed into a graded swale along the property frontage). Water meters and mailboxes will be adjusted as needed (driveways will be re-built/adjusted within a TCE overlap where required).

The new right-of-way area runs along the entire frontage of the property on Wrenn Street (100+/- linear feet), and at an average depth of 5 to 6+/- feet. Even after the right-of-way is acquired the existing residence will still be nearly 50 feet from the new lot boundary (MD zoning requires a setback of only 25 feet). As discussed in the Scope of the Appraisal Assignment section of this report, there are no impacts on the remainder property to be addressed.

A right-of-way acquisition of this nature is considered a full taking with respect to the fee simple interest, therefore, damages/ compensation are calculated at 100%. Based on a right-of-way acquisition of 597 square feet at a value of \$8.50 per square foot, a damage estimate of \$5,100 results (rounded).

Permanent Slope Easement

There is a required slope easement indicated along the new Wrenn Street frontage/boundary line adjacent to the edge of the new sidewalk and overlapping onto the subject property. This area has general average dimensions of 100 feet along Wrenn Street and overlapping into the property between 4 and 6+/- feet, with a maximum elevation change of approximately 1 foot per 5 feet of width. The existing roadway is already supported by a minor shoulder, but the requirement is more significant after the new sidewalk behind the new curb and gutter section is added, thus requiring a formal slope easement designation.

Slope easement areas such as this one are fairly typical along the shoulder of roadways to either accommodate fill material and/or a cut slope. The anticipated easement language is “the right to construct and maintain cut and/or fill slopes in the described area until such time as the property owner alters the lands and/or adjacent lands in such a manner that the lateral support of the cut and/or fill slope is no longer needed”. This wording recognizes the fact that in many cases future re-development activity of the property may ultimately alter the proximate topography such that a cut and/or fill slope designation is no longer necessary. Thus, the new slope easement zone does not create any significant issues for the property.

Based upon the above discussion as well as the relatively minor quantity of the actual easement overlap area across the property, a minor damage factor of 10% is concluded for the new slope easement area. The new slope easement overlaps approximately 565+/- square feet. Estimating 10% damages on 565+/- square feet at \$8.50 per square foot indicates damages of \$500 (rounded).

Temporary Construction Easements

In addition, there is a required temporary construction easement (TCE; total of 771 SF) that runs along the outside margin of the new permanent slope easement zone (average of 5 foot overlap except at driveway where overlap is between 15 and 17+/- feet).

Temporary construction easement areas impact the property during the construction period. Damages associated with this type of easement would not be typically be recognizable/identifiable in the “before” vs. “after” analysis, but are applicable in that something is being temporarily taken from the property owner that has not yet been recognized in the damage total.

A review of available maps does not indicate any impacts to the overall property due to the acquisition of the required TCE areas. The required TCE zones are very minor in magnitude and do not at all interfere with the improved property. Therefore, the TCE area is concluded to create no damages to the remainder property. A portion of the new TCE extends into the property at the existing driveway to allow for it to be re-built/adjusted due to the project.

Temporary construction easement damages are typically viewed as being equivalent to “land rent” for the occupied land area during the course of the project. Long term land leases are typically negotiated at initial rates of return of between 6% and 10% on the value of the land, with these rates adjusted every 5 to 10 years based upon an agreed formula.

The construction period for the project is anticipated to fall in the range of 6+/- months. Therefore, the occupancy of the easement area is fairly short term in nature. Adding a premium for this factor, a rate of return at the upper end of the range or 10% is considered reasonable. The temporary easement areas will overlap approximately 771 square feet at a value of \$8.50 per square foot or \$6,600+/- . Application of a 10% rate of return on the affected land area over a 6+/- month construction term indicates damages of approximately \$300+/- .

Landscaping/Tree Damages

The new Wrenn Street right-of-way and easement areas do impact several trees located on the parcel and which add to the visual aesthetics of the existing residence. The new right-of-way, permanent and temporary easement areas will overlap onto the property a total of between 15 and 25+/- feet (beyond the edge of the existing Wrenn Street right-of-way). Thus, any trees and landscaping located in these areas is subject to loss/damage.

Inspection of the property indicates that within these areas are 10 mid size crepe myrtle trees at an average height of 10+/- feet that run along the front margin of the property (9 are north of the driveway, 1 is to the south). These 10 crepe myrtles fall within 3 to 6 feet of the edge of the new sidewalk, and in areas that are either new slope or TCE areas. These crepe myrtles are expected to be lost to the project due to their proximity to the edge of the new sidewalk installation.

It is concluded that the owner is entitled to replacement trees in the “after” condition to recreate the landscape/buffer zone along the road corridor. It is concluded that providing a tree replacement budget equivalent to 10 mid-size commercial grade crepe myrtle trees to be replanted at the owners discretion would be reasonable (\$250 per tree, commercial grade/maturity of 10+/- feet, installed and existing mulch bed reinstalled; or \$2,500). There is also a planter bed with several bushes where the mailbox sits next to the driveway, with an estimated replacement cost of \$300. Therefore, landscape damages total \$2,800.

Benefits

Any benefits to the property due to the sidewalk installation project must also be considered. The value of the subject parcel could actually be enhanced or benefitted due to the completion of the project adjacent to the subject parcel. It is possible that estimated benefits could exceed the estimated damages thereby resulting in a net damage estimate of \$0.

A future benefit might could be argued if significant development costs were saved due to the sidewalk being put in place, however, it is possible that these improvements (sidewalk, curb&gutter section) might have to be redone/relocated upon any re-development of the property in the future and would therefore be of no long term value. Further, market data does not indicate an obvious value benefit from having a sidewalk across the front margin of a residential property. Therefore, the new sidewalk to be installed adjacent to the front margin of the property is not concluded to be of any long term monetary benefit to the subject property.

Summary - Right-of-Way/Easement Acquisition Damages

Category of Easement	Damages
Right of Way (Fee Simple Acquisition)	\$5,100
Permanent Slope Easement	\$500
Temporary Construction Easement Areas	\$300
Landscaping Damages	\$2,800
TOTAL	\$8,700

SUMMARY - "BEFORE" AND "AFTER" VALUE OF THE PROPERTY

A comparison of the "before" and "after" value of the property is summarized as follows:

"Before" Land Value

Land Value	=	\$122,000
Total "Before"	=	\$122,000 <

"After" Land Value

Land Value	=	\$122,000
Less: Indicated Damages	=	<u>(\$ 8,700)</u>
Total "After"	=	\$ 113,300 <

Damages to Subject Property = \$ 8,700

In conclusion, the total estimated damages to the subject property as of June 8, 2018 are estimated at \$8,700. This estimate of damages was based upon a "before" and "after" analysis of the subject property.

Special Considerations/Assumptions

A recent full survey for the subject property was not made available to the appraiser. **Therefore, this appraisal is made subject to any matters that might be disclosed by an up to date complete survey of the overall property.** For purposes of this analysis a size estimate of .33+/- acres has been utilized for the subject parcel consistent with available maps and/or property deeds.

This Appraisal Report is considered to be made in conformity with the Uniform Standards of Professional Appraisal Practice as outlined by The Appraisal Standards Board of the Appraisal Foundation. The preceding report sets forth the methods used in estimating the various values for subject together with an analysis of the data and reasoning employed in this investigation.

Respectfully,



Craig D. Smith, MAI
NC State Certified General Appraiser
License No. A-2658



EXHIBIT A
EDUCATION/QUALIFICATIONS

APPRAISER QUALIFICATIONS

CRAIG D. SMITH, MAI
NC State Certified General Real Estate Appraiser
License No. A2658
Craig Smith Appraisal, Inc.
219 North Boylan Avenue, Suite 201
Raleigh, NC 27603
Phone: 919-467-1981
E-Mail: Wolfsmit@aol.com

COLLEGE/UNIVERSITY EDUCATION

HOURS

DATE

Bachelor of Science, North Carolina State University		5/83
Masters of Business Administration, University of South Carolina		5/86
Graduate course work in Real Estate Finance, Real Estate Appraisal and Capital Budgeting		

RECENT PROFESSIONAL EDUCATION

The Appraisal Institute

Standards of Professional Appraisal Practice

- Business Practices and Ethics

7

9/14

- National USPAP Update Course

7

5/16

Appraisal of Land Subject to Ground Leases

7

5/17

Online Cool Tools: New Technology for Real Estate Appraisers

7

5/17

Standard Appraising the Appraisal: Appraisal Review

7

5/13

Rates and Ratios: Making sense of GIMs, OARs, and DCFs

7

10/11

Using Spreadsheet Programs in Real Estate Appraisals

7

2/10

Appraisal Curriculum Overview

15

2/10

CERTIFICATIONS/LICENSES (All Current through at least July, 2018)

North Carolina State Certified General Real Estate Appraiser (No. A2658; 6/18)	12/91
Appraisal Institute - MAI Designation (Member No. 10488; 1/20)	8/94
North Carolina Real Estate Brokers License (No. 122990; 6/18)	10/89

PROFESSIONAL EXPERIENCE

Federal Home Loan Bank of Atlanta - Savings & Loan Examiner	6/86 - 7/87
Morgan & Company, Inc. - Commercial Property Appraiser	7/87 - 10/89
Shaw/Boykin & Associates, Inc. - Commercial Property Appraiser	10/89 - 4/96
Morgan & Company, Inc. - Commercial Department Manager	4/96 - 1/97
Birch Appraisal Group - Commercial Department Manager	1/97 - 12/97
Craig Smith Appraisal, Inc. - Owner/Consultant-Appraiser	1/98 - Present

State of North Carolina



North Carolina Real Estate Commission

CRAIG D. SMITH

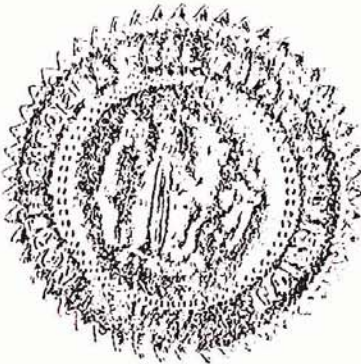
having satisfied the North Carolina Real Estate Appraisal Board regarding the qualifications to practice as a General Real Estate Appraiser in this State and having complied with the requirements prescribed by law, is hereby certified as a

State-Certified General Real Estate Appraiser

Given under and by virtue of the provisions of Article 5 Chapter 93A of the General Statutes of North Carolina, I hereunto set my hand and seal of the North Carolina Real Estate Commission at Raleigh on the date below shown:

This certificate shall expire on the 30th day of June following the date shown below unless renewed prior to expiration.

December 6, 1991



NORTH CAROLINA APPRAISAL BOARD		
APPRAISER QUALIFICATION CARD		
Expires June 30, 2018		
REGISTRATION / LICENSE / CERTIFICATE HOLDER		
17	CRAIG D SMITH	18
A2658	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY
APPRaiser's SIGNATURE		EXECUTIVE DIRECTOR

EXHIBIT B

PHOTOGRAPHS OF THE SUBJECT PROPERTY

PHOTOGRAPHS OF SUBJECT PROPERTY



View of residence located on subject land parcel



View looking north along Wrenn Street with subject property on right



View looking north along Wrenn Street with subject property on right



View looking south along Wrenn Street with subject property on left