

APPRAISAL REPORT

Appraisal of:

**DAMAGES TO WAKE COUNTY PROPERTY
2200 SOUTH WILMINGTON STREET
RALEIGH, WAKE COUNTY, NORTH CAROLINA
DUE TO ACQUISITION OF NEW EASEMENT AREAS**

For:

**Ms. Paula Lambert
Real Estate Analyst
City Planning Department – Real Estate Division
One Exchange Plaza, Suite 1000
Raleigh, NC 27601**

Report Prepared by:

**CRAIG D. SMITH, MAI
Craig Smith Appraisal, Inc.
219 North Boylan Avenue, Suite 201
Raleigh, North Carolina 27603
Phone: 919-467-1981**

November 6, 2018

Ms. Paula Lambert
Real Estate Analyst
City Planning Department – Real Estate Division
One Exchange Plaza, Suite 1000
Raleigh, NC 27601

RE: Appraisal of: Damages to: Wake County Property, 2200 South Wilmington Street;
Raleigh, Wake County, North Carolina From Acquisition of New Easement Areas

Dear Ms. Lambert:

Per your request I have provided valuation services relative to a 15.80+/- acre land tract located adjacent to the west margin of South Wilmington Street just to the south of its underpass with I-40 (the Raleigh Beltline) in Raleigh, Wake County, North Carolina. The property is identified as Wake County ID#0011399 with a listed street address of 2200 South Wilmington Street. Wake County tax records indicate that the property is currently owned by Wake County and is operated as The Vernon Malone College and Career Academy.

The purpose of this analysis is to estimate any applicable damages to the subject property from the planned acquisition of various permanent and temporary easement areas across the tract. It is intended to provide assistance to the client (City of Raleigh) in the negotiation process with the property owner to secure the required easements. This appraisal may also be used by the client for eminent domain purposes. No other use or user is intended.

It is my opinion that estimated damages to the subject property as of October 17, 2018 are \$91,900. This estimate of damages is based on a “before” and “after” analysis of the property and recognizes no specific benefits to the subject property due to installation of a new sewer line/easement across the property. Additional damages attributable to the required temporary construction easement areas are estimated at \$7,700. The reader is referred to the attached report for a complete discussion of the valuation process that was applied in arriving at this estimate of damages.

Special Considerations/Assumptions

There is a multi-building institutional use located on portions of the subject property (The Vernon Malone College and Career Academy). Therefore, there are additional assumptions which are necessary in order to complete this analysis. These assumptions are outlined as follows:

- 1) For the subject tract the permanent ingress/egress easement areas overlap mainly asphalt paved parking/access road areas; if any driveway/parking area site improvements within any of the new easement areas are damaged in the course of project construction/installation activities, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 2) If any driveway/parking area site improvements are damaged in the course of performing future repair and maintenance activities within the new easement area, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 3) The City of Raleigh will be responsible for minor landscaping of all other impacted easement ground areas (if necessary) which generally includes seeding and/or mulching.

As already noted, the central and western portions of the subject tract are currently improved with The Vernon Malone College and Career Academy facility (approximately 104,000+/- square feet; originally constructed in 1957 thru 1998; full renovation completed 2016). These buildings are all in good repair and contribute considerable value to the premises. However, for purposes of this appraisal, the subject land tract has been analyzed “as if vacant” and available for development as of the effective appraisal date. **The “as if vacant” label applied to the subject property for valuation purposes might therefore be considered a “hypothetical condition”.**

This appraisal report and any valuation conclusions contained within are subject to any information and/or issues that might be disclosed by a full up to date survey/easement survey of the overall subject property.

The appraiser's limited inspection of the property indicated no obvious environmental hazards. However, the subject property is located within an area that has seen a variety of historical land uses including industrial. Therefore, there is the potential for environmental contamination issues which could impact the value and marketability of the property.

The appraiser is not qualified to render an opinion as to the status of the subject relative to environmentally hazardous substances. **An up to date environmental site assessment by a qualified engineer is recommended if further information is desired on this matter. The property has been valued excluding any consideration of hazardous substances.**

The appraiser makes no representations as to the condition of the property relative to poor soils, wetlands, flood zones and/or required stream buffer zones outside of those areas of the tract that may have been specifically noted in this regard. **Unuseable land areas due to these issues are estimated at no more than 5% to 10% of the overall property. For purposes of this analysis it is assumed that these unspecified portions of the subject tract have only minor difficult topography, poor soil and/or wetland areas to be addressed (similar to other land tracts in the area) which will not significantly impact the utilization potential of the property.** The client is referred to trained professionals with an expertise in this area if additional information on this matter is required.

The appraiser makes no representations as to the condition of the property relative to rock outcroppings. The appraiser has not been presented any specific subsurface studies relative to the property. **Therefore, for purposes of this analysis, it is assumed that development of this property will not require a significant budget for rock excavation or removal beyond a normal allowance.** The client is referred to engineering professionals if additional information on this matter is required.

The attached 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. The value conclusions presented herein are subject to the attached certifications, underlying assumptions and limiting and contingent conditions.

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 provided a previous service regarding the subject property within the three years prior to this assignment.



11/6/2018

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).*

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ADDENDA

- Exhibit A - Education and Qualifications of the Appraiser
- Exhibit B - Overall Project Site Plan Project
- Exhibit C - Copy of Deed
- Exhibit D - Photographs of Subject Property

SCOPE OF THE APPRAISAL ASSIGNMENT

The appraiser has been asked to complete a valuation of the subject property both “before” and “after” the acquisition of a new permanent ingress/egress easement and a permanent sewer easement area across the property. There are potential damages applicable to the property due to the acquisition of these new permanent easements across the tract. The information contained in this report is specific to the needs of the client (City of Raleigh) and for the intended use stated in this report. No other use or user is intended. The appraiser is not responsible for unauthorized use of this report.

The central and western portions of the subject tract are currently improved with an institutional use (vocational school) in two one-story “flex” style buildings (approximately 104,000+/- square feet; originally constructed in 1957 thru 1998; full renovation completed 2016). These buildings are all in good repair and contribute considerable value to the premises. The current use of a property can be totally different than the ultimate estimated Highest and Best Use of the property. The final estimated damages to the subject property due to the easement acquisition must be consistent with the concluded Highest and Best Use of the property.

There are no specific damages estimated relative to the existing building improvements as currently configured due to the placement of the new permanent easement areas. Therefore, any damages for the property are considered to be applicable to the underlying land, miscellaneous site improvements and/or potential land development capacity issues (“as if vacant”). The impact on value due to the acquisition of the new permanent ingress/egress and sewer easement areas (and any required temporary easement areas) will be addressed in a later section of this report.

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:

- The subject property was inspected and the surrounding neighborhood was reviewed.
- Public records were researched to compile and confirm information necessary to properly identify and describe the subject, it's ownership and history and it's tax status.
- Planning and zoning documents were consulted and regulations were researched to confirm legal uses of the subject property.
- The subject's neighborhood and competitive market were analyzed for usage trends/feasibility issues.
- Local real estate brokers were consulted and public records were analyzed to confirm market data and trends.
- Market data was researched and analyzed for comparable sales information.
- 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.

This data search yielded what the appraiser considered to be adequate information to complete an appraisal of the subject property. Following the collection of appropriate data, the neighborhood was defined, the subject property was described, the Highest and Best Use was determined and the development of relevant value indicators was concluded. The effective date of this appraisal is as of October 17, 2018 the date of the most recent inspection of the property.

IDENTIFICATION OF THE PROPERTY

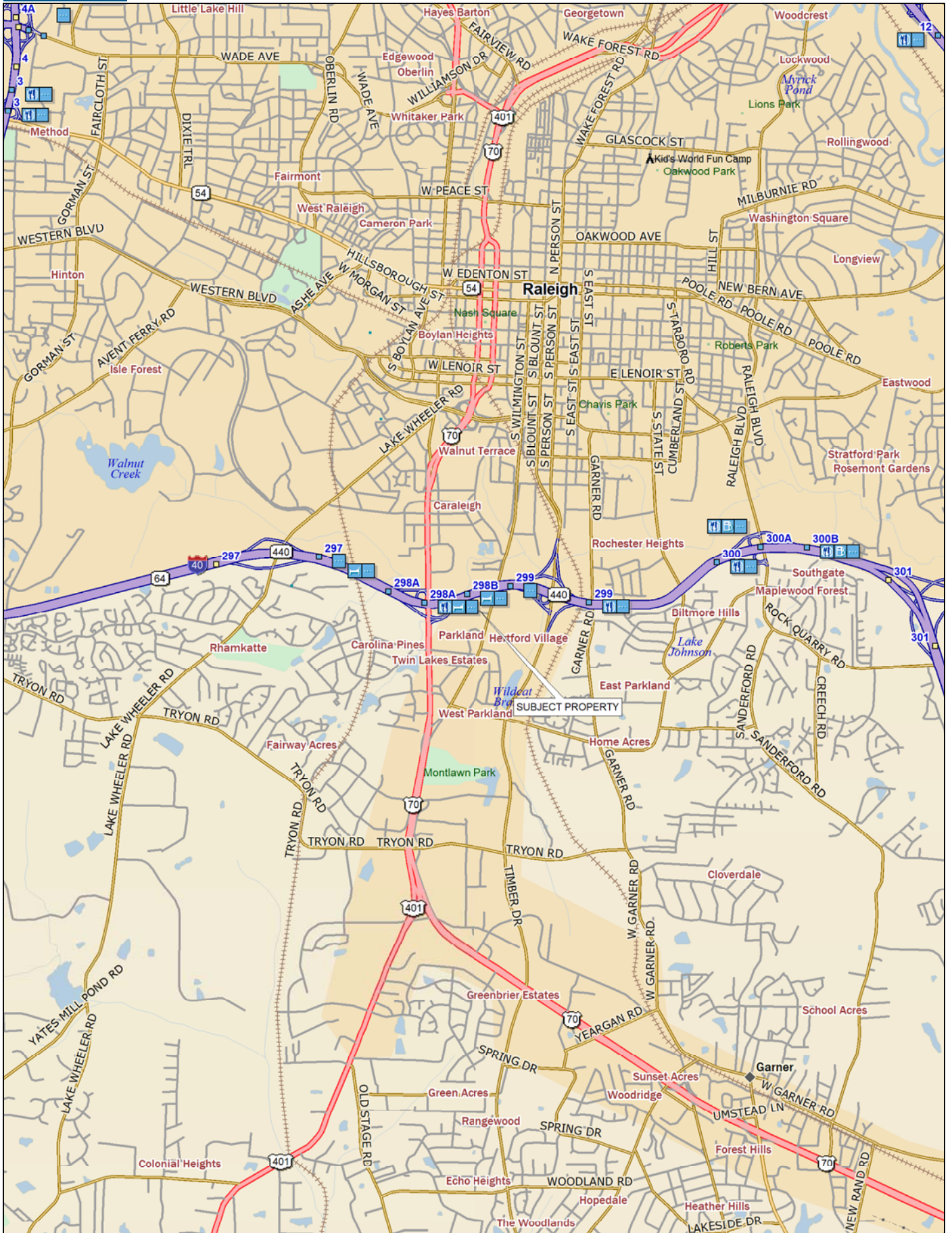
The subject of this appraisal consists of a 15.80+/- acre land tract located adjacent to the west margin of South Wilmington Street just to the south of its underpass with I-40 (the Raleigh Beltline) in Raleigh, Wake County, North Carolina. The property is identified as Wake County ID#0011399 with a listed street address of 2200 South Wilmington Street. Wake County tax records indicate that the property is currently owned by Wake County and is operated as The Vernon Malone College and Career Academy.

There is a recent recorded survey map for the overall subject property. This map is titled "Boundary Survey - Property to be Acquired by Wake County" by Bass, Nixon and Kennedy, Consulting Engineers, and dated January 18, 2013. The legal description in the most recent deed contains a metes and bounds description from this survey map, with a stated size estimate of 15.80+/- acres. This map is recorded in Book of Maps 2013 at Page 126 of the Wake County Public Registry.

Wake County property records indicate the subject property as containing approximately 15.46+/- acres. However, there is no reference on the property record card for the recently recorded survey map. Utilizing the measurement tool found on the Wake County IMAPS website, a tract size estimate of approximately 16+/- acres is indicated.

The acreage estimate noted on the more recent survey map legal description of 15.80+/- acres will be utilized in subsequent analysis of the subject property. **This appraisal is made subject to any matters that might be disclosed by an up to date complete survey of the subject property.** Any minor changes in the total size of the tract from an up to date survey will not have a bearing on the damage estimate concluded in this report.

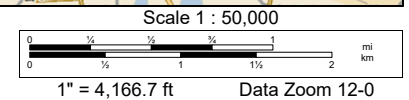
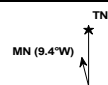
An area map indicating the location of the subject property can be found on the following page of this report. This map is accompanied by a copy of a Wake County tax map outlining the subject tax parcel. A copy of the map found in Book of Maps 2013-126 is also included. Additional maps identifying the subject property and the new easement areas can be found in a later section of this report. A copy of the above referenced deed can be found as Exhibit "C" in the Addenda of this report.

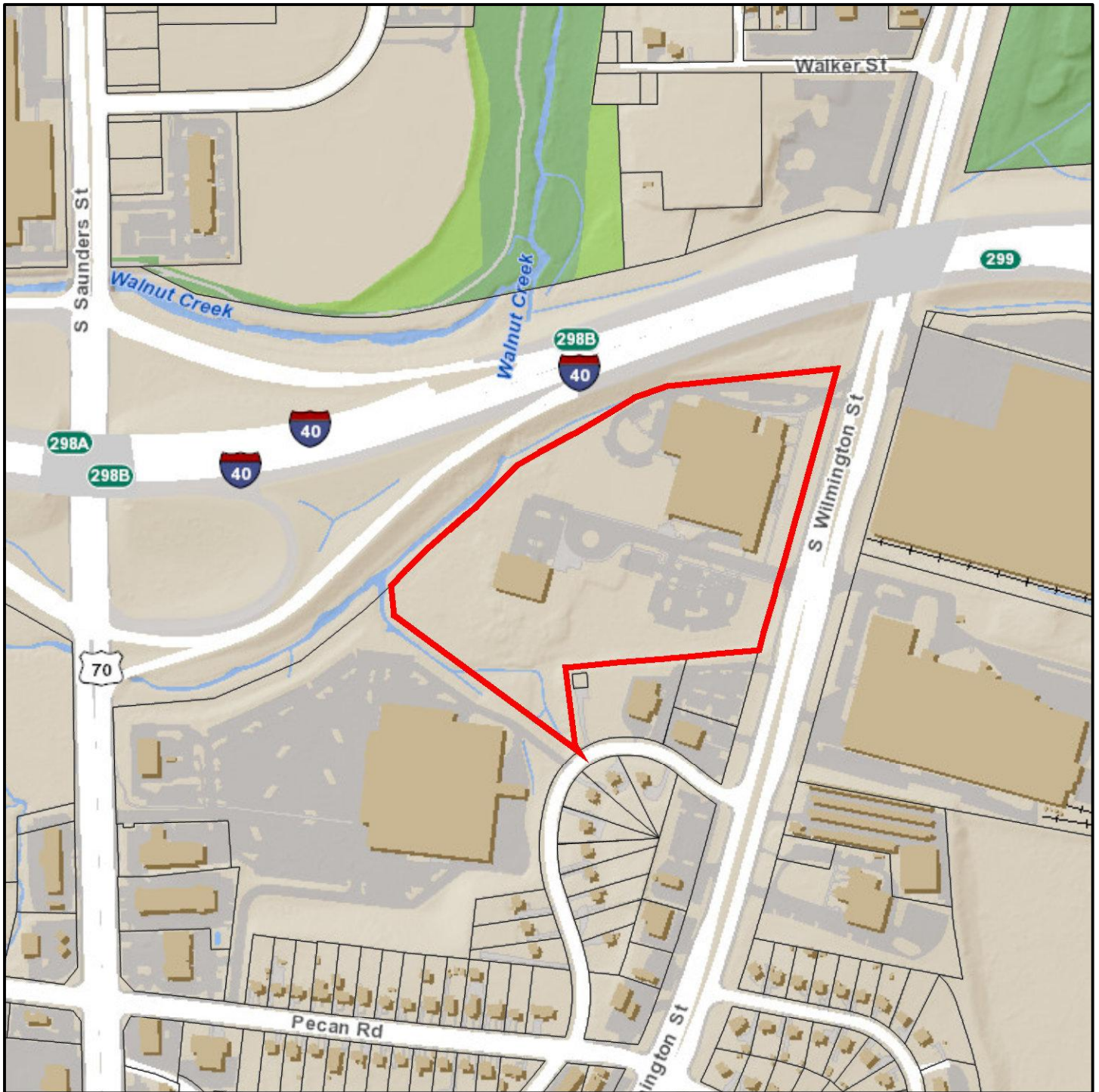


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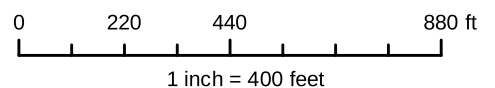
www.delorme.com





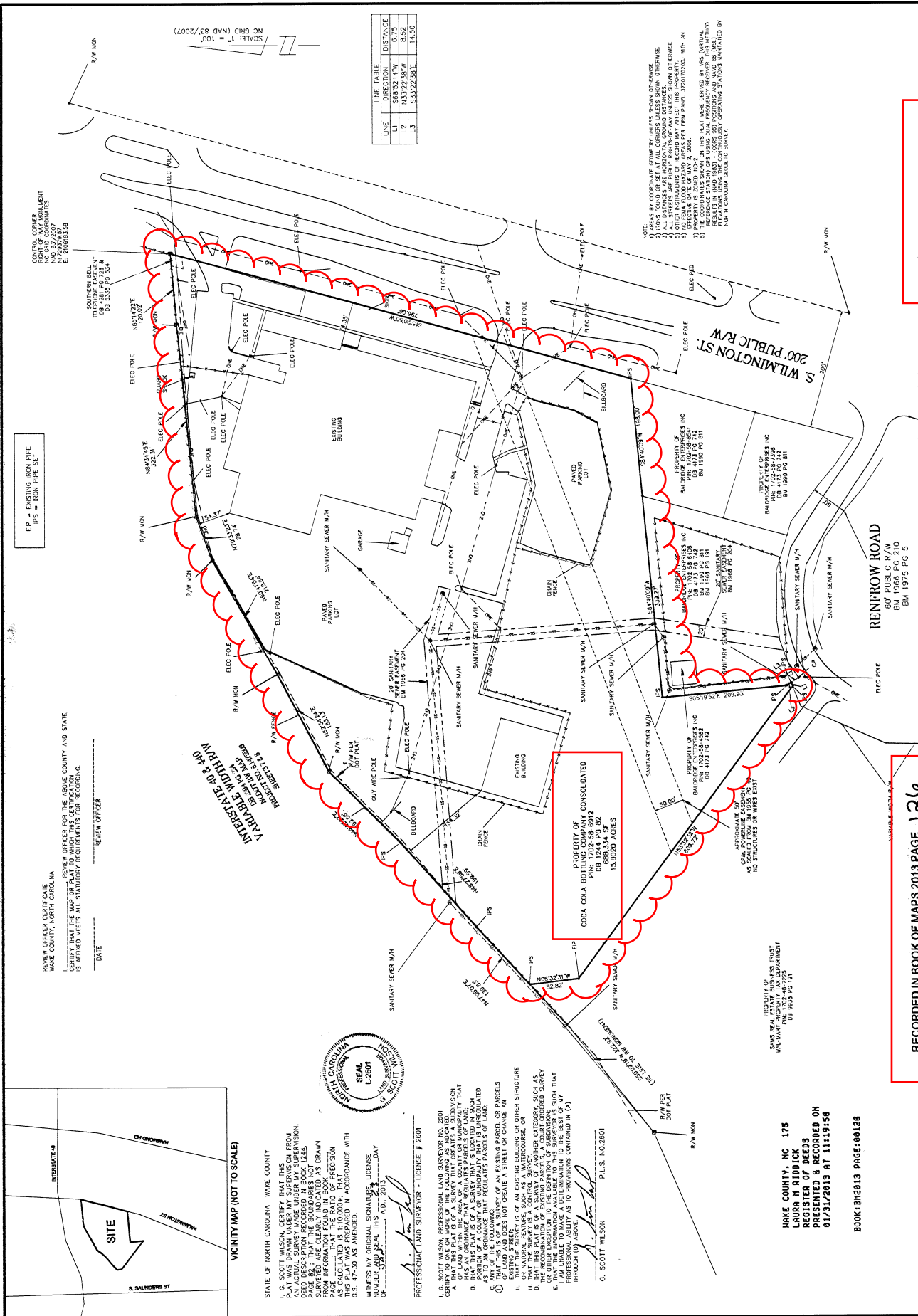
PIN: 1702586912
 PIN Ext: 000
 Real Estate ID: 0011399
 Map Name: 1702 07
 Owner: WAKE COUNTY
 Mail Address 1: PO BOX 550
 Mail Address 2: RALEIGH NC 27602-0550
 Mail Address 3:
 Deed Book: 015124
 Deed Page: 02686
 Deed Date: 01/31/2013
 Deed Acres: 15.46
 Building Value: \$10,855,057
 Land Value: \$1,068,342
 Total Value: \$11,923,399
 Billing Class: Exempt
 Description: METHODIST ORPHANAGE LD & IMP

Heat Area: 104305
 Site Address: 2200 S WILMINGTON ST
 City: RALEIGH
 Township: Swift Creek
 Year Built: 1957
 Sale Price: \$3,035,000
 Sale Date: 01/31/2013
 Use Type: SCHOOL
 Design Style: Conventional
 Land Class: EXEMPT
 Old Parcel Number: 605-00000-0712



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.



LINE	DIRECTION	DISTANCE
L1	S85°52'14"W	8.62
L2	S89°00'00"W	14.50
L3	S33°22'48"E	14.50

NOTE:
 1) AREAS BY COORDINATE GEOMETRY UNLESS SHOWN OTHERWISE.
 2) AREAS FOUND BY THIS SURVEY ARE UNLESS OTHERWISE NOTED.
 3) ALL STREETS ARE PUBLIC RIGHTS-OF-WAY UNLESS SHOWN OTHERWISE.
 4) ALL STREETS ARE PUBLIC RIGHTS-OF-WAY UNLESS SHOWN OTHERWISE.
 5) ALL STREETS ARE PUBLIC RIGHTS-OF-WAY UNLESS SHOWN OTHERWISE.
 6) ALL STREETS ARE PUBLIC RIGHTS-OF-WAY UNLESS SHOWN OTHERWISE.
 7) PROPERTY IS BOUND BY THE PUBLIC RIGHT-OF-WAY UNLESS SHOWN OTHERWISE.
 8) THE PUBLIC RIGHT-OF-WAY IS BOUND BY THE PUBLIC RIGHT-OF-WAY UNLESS SHOWN OTHERWISE.
 9) THE PUBLIC RIGHT-OF-WAY IS BOUND BY THE PUBLIC RIGHT-OF-WAY UNLESS SHOWN OTHERWISE.
 10) THE PUBLIC RIGHT-OF-WAY IS BOUND BY THE PUBLIC RIGHT-OF-WAY UNLESS SHOWN OTHERWISE.

EP = EXISTING IRON PIPE
 IP = IRON PIPE SET

REVIEW OFFICER CERTIFICATE
 WAKE COUNTY, NORTH CAROLINA
 I, _____, REVIEW OFFICER FOR THE WAKE COUNTY AND STATE,
 CERTIFY THAT THE MAP OR PLAN TO WHICH THIS CERTIFICATION
 IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.
 DATE _____ REVIEW OFFICER _____



PROFESSIONAL LAND SURVEYOR - LICENSE # 2601
 I, G. SCOTT WILSON, PROFESSIONAL LAND SURVEYOR AS INDICATED
 HEREBY CERTIFY THAT I AM THE AUTHOR OF THIS SURVEY AND
 THAT THIS SURVEY WAS MADE IN ACCORDANCE WITH THE
 STATUTES OF THE STATE OF NORTH CAROLINA AND THE
 RULES AND REGULATIONS OF THE BOARD OF SURVEYING
 AND MAPPING. I AM UNABLE TO MAKE A VERIFICATION TO THE BEST OF MY
 KNOWLEDGE AND BELIEF THAT THE INFORMATION CONTAINED IN THIS
 SURVEY IS TRUE AND CORRECT.
 G. SCOTT WILSON
 P.L.S. NO. 2601

PROPERTY OF
 BALDRIDGE CENTRAL SERVICES INC
 PIN 1028 58 7159
 BM 1956 PG 51

PROPERTY OF
 COCA COLA BOTTLING COMPANY CONSOLIDATED
 PIN 1702 58 6912
 BM 1956 PG 51
 15.8020 ACRES

WAKE COUNTY, NC 175
 LAURA H RIDDLICK
 REGISTER OF DEEDS
 PRESENTED & RECORDED ON
 9/13/2013 AT 11:15:16

BOOK: B12013 PAGE: 09128

RECORDED IN BOOK OF MAPS 2013 PAGE 126

BOUNDARY SURVEY
 PROPERTY TO BE ACQUIRED BY
 WAKE COUNTY

SWIFT CREEK TOWNSHIP, WAKE COUNTY, N.C.

BASS, NIXON & KENNEDY, INC.
 CONSULTING ENGINEERS
 630 CHAPEL HILL ROAD, SUITE 250
 WAKE FOREST, NORTH CAROLINA 27607
 3319 HERITAGE TRADE DRIVE
 WAKE FOREST, NORTH CAROLINA 27607
 TELEPHONE: (919) 851-4422 OR (800) 354-1879
 FAX: (919) 851-8868 (Res.) (919) 937-0382 (WF)

REV.	DATE	DESCRIPTION

1" = 100'
 SCALE IN FEET

DATE OF THE APPRAISAL

The effective date of this appraisal report is October 17, 2018, the date that the property was inspected. On the effective date the analyst viewed the central and western portions of the subject tract representing the intended location of the proposed new easement areas across the property. Photographs of the subject property found in the Addendum of this report were taken on this same date.

On this date (as well as on other dates) the analyst also visited the general neighborhood and toured the road system in the immediate vicinity of the property. An inspection of the building improvements was not required in order to complete the intended scope of this appraisal assignment as the building improvements are concluded to not be impacted by the new easement areas.

The analyst has also relied upon maps generated by the Wake County tax office and GIS department as well as maps generated by various project engineers and/or surveyors in order to further identify and describe the property.

PURPOSE AND USE OF THE APPRAISAL

The purpose of this analysis is to estimate any applicable damages to the subject property from the planned acquisition of the various permanent and temporary easement areas across the tract. It is intended to provide assistance to the client (City of Raleigh) in the negotiation process with the property owner to secure the required easements. This appraisal may also be used by the client for eminent domain purposes. 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.

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, Market Value and Fair Market Value are considered one and the same.

PROPERTY RIGHTS APPRAISED

The property rights to be valued in an appraisal assignment must be defined and understood in order to produce an appropriate solution. Property interest generally fall into four defined categories which represent either all or a portion of the “Bundle of Rights” held by the property or conveyed by the property owner to others in perpetuity or for a limited time. 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.” A Life Estate is defined as “the total rights of use, occupancy, and control, limited to the lifetime of a designated party.”

Divided interests resulting from a lease represent two distinct estates of property, i.e., a leased fee interest and a leasehold interest. A Leased Fee Estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease. A Leasehold Estate is the right to use and occupy real estate for a stated term under the conditions conveyed in the lease.

Any current leases of the subject property have not been specifically addressed in this valuation as they are concluded to have no bearing on the appraisal scope/results. Therefore, the property rights appraised are those of a **Fee Simple Estate** which is defined above.

ZONING

The subject property is located within the zoning jurisdiction for the City of Raleigh. February of 2013 the City of Raleigh approved a new Uniform Development Ordinance (UDO) applicable for zoning and development of property within the Raleigh jurisdiction. Beginning September 1, 2013 the new UDO was applicable to low to medium density residential districts. For the other primarily non-residential zoning categories, there were specific UDO chapters that were applicable beginning on September 1, 2013, with remainder being applicable once the UDO and zoning maps were fully updated and adopted. The new zoning maps were adopted on November 16, 2015 and became effective on February 14, 2016. The property is currently indicated on zoning maps adopted under the new UDO as being zoned IX-3-PL.

IX-3 Industrial Mixed-Use Zoning

Permitted uses in the IX-3 zones include group living, hospitality house, rest homes, college/university, parks and open space, parking lots, health clubs, office, medical office, outdoor recreation, overnight lodging, personal service facilities, nightclubs, retail sales and service, light industrial, light manufacturing, research and development, vehicle sales/repair/service, wholesale trade establishments and agricultural nurseries. Telecommunication towers in excess of 250 feet are a special use in the IX district.

Setbacks under the IX-3 District are established at 10 feet and side and rear setbacks are set at 6 feet. There are no maximums established for Floor Area or Building Coverage Ratio. With respect to the IX-3 zoning designation, the "3" establishes a maximum building height of 3 stories (50 feet, with provisions included to allow taller structures). A minimum lot area of 10,000 square feet is applicable, with a minimum lot width of 100 feet.

The "PL" at the end of the zoning designation stands for "Parking Limited". The PL Frontage designation is intended for areas where access to buildings by automobile is desired but where some level of walkability is maintained. Permits a maximum of 2 bays of on-site parking with a single drive aisle between the building and the street right-of-way.

Special Highway Overlay Districts (SHOD-1, SHOD-2, etc.) are applicable along either side of a major access corridor (aka: major highways such as US Highway 1, I-40, US Highway 64). A SHOD-1 protective yard usually translates to a 50 foot buffer while a SHOD-2 yard is typically set at 25 feet. These required protective yard areas are for developments in excess of 2 acres, and are also required to be planted and/or designated as tree save areas. The maximum building height in a SHOD-1 overlay is 75 feet, while the maximum height in a SHOD-2 zone is dictated by the underlying zoning. The subject property is indicated on the Raleigh zoning map as being in the SHOD-2 Overlay zone, thus, a 25 foot protective buffer is required along the property boundary line abutting I-40.

Area Land Use

The subject property is located in a portion of south Raleigh that does not have a specific “area plan”. The general area within 1 mile of the intersection of South Saunders Street and I-40 features widely varied Land Use Plan recommendations ranging from low to moderate density residential to Regional Mixed-Uses (and everything in between).

A review of the “Future Land Use Map” indicates that the subject property is located in a specific section of Raleigh east of South Saunders Street and west of South Wilmington Street (along south margin of I-40) that is currently zoned primarily for commercial, office and industrial uses. However, this same area is indicated on the Land Use Plan to have a wide range of potential land uses including areas that are designated for future “Office & Residential Mixed Uses” (subject designation); “Business and Commercial Services”; and “Office, Research & Development Uses”. The Land Use Plan language that applies to these areas is outlined as follows:

Office & Residential Mixed-Uses:

This category is applied primarily to frontage lots along major streets where low density residential uses are no longer appropriate, as well as office parks and developments suitable for a more mixed-use development pattern. This category encourages a mix of residential and office use. Retail not ancillary to employment and/or residential uses is discouraged so that retail can be more appropriately clustered and concentrated in retail and mixed-use centers at major intersections and planned transit stations. OX is the closest corresponding zoning district. Higher-impact uses such as hotels and hospitals are not contemplated or recommended in this land use category except as limited uses in appropriate locations. Heights would generally be limited to four stories when near neighborhoods, with additional height allowed for larger sites and locations along major corridors where adjacent uses would not be adversely impacted.

Business and Commercial Services Uses:

This category is for higher-impact or “heavy” commercial activities that would not be compatible with residential uses, or that have locational needs (such as frontage along freeways, expressways, or other major streets) that are not conducive to mixed use development. Examples would include auto dealerships, auto repair and service businesses, lumberyards, nurseries, contractor suppliers, warehousing, printers, truckstops, distribution centers, and other uses that are quasi-industrial or highway-oriented in character. These areas would generally be zoned IX. Housing would be limited, but live-work units or housing combined with an employment-generating ground floor could be permitted in certain locations.

Office/Research and Development Uses:

This category identifies major employment centers where housing is not considered an appropriate future land use. Principal uses are office parks, free-standing office buildings or corporate headquarters, banks, research and development uses, hotels, and ancillary service businesses and retail uses that support the office economy. This category can also apply in appropriate locations to office-industrial hybrids such as light fabrication and assembly ancillary to an R&D use, flex parks, and office-distribution combinations. OP is the most appropriate zoning district for this category, although OX could be used if conditioned to restrict housing development.

In reality all three of these Land Use Plan use categories are very similar in terms of future use potential/intensity. In essence, the Land Use Plan designation for the subject property validates a future discussion of re-zoning the subject property to a OX designation should the market indicate that this intensity and/or style of use was economically feasible in this location.

The prior usage for the subject property as office/flex/warehouse space (and now a technical school) likely led to a specific new designation of IX-3 designation under the new UDO. This same IX-3 zoning designation has also been applied along a great deal of the Hammond Road, South Wilmington Street and South Saunders Street corridors (both north and south of I-40) despite of the fact that a great deal of these same land areas are indicated for a different zoning based on their “over-lapping” Land Use Plan designation. (CX-3 zoning is applicable along portions of South Wilmington Street and South Saunders Street south of I-40, mainly where the Land Use Plan designates “Community Mixed-Uses”.)

FEMA Flood Zone Regulations/Stream Buffer Rules

According to Wake County GIS Maps/FEMA Flood Maps the 51+/- acre subject property is not located within any designated 100 year floodway/flood fringe/floodplain areas.

This section of the City of Raleigh lies within the Neuse River Basin and is subject to riparian buffer requirements. These buffers typically extend 50-feet from the top of a stream bank on each side of the stream. These buffers are required on both perennial and intermittent streams. The NC Division of Water Quality enforces the buffer rules. However, the City requires a “Buffer Permit” for development activities on all properties that may contain surface waters subject to the riparian buffer rules and monitors development activities to ensure that no prohibited activities occur in the buffer zones. Portions of the subject property are overlapped by streams that will require these regulatory buffers.

ASSESSMENT AND TAXES

The total assessment for the property is outlined as follows:

REID#	Listed Tax Size/ Building Size	Assessed Land Value/Per SF	Improvements Assessment	Total Assessment
0011399	15.46+/- acres/ 104,305 GSF	\$1,068,342/ \$1.59	\$10,855,057/ \$104.07	\$11,923,399/ \$114.31

The allocation of the tax value between land and improvements is considered consistent with market data. The assessed value for the improvements appears to fall within a reasonable range for the neighborhood, with the assessed land value per square foot falling below the level current market transactions.

It is difficult to analyze the current assessment level given that the Wake County ownership entity for the property is tax exempt (making further scrutiny of the tax assessment level unnecessary by the tax assessors office). The last revaluation in Wake County occurred on January 1, 2016 with the next revaluation scheduled for January 1, 2020.

The subject property is currently located inside the municipal limits for the City of Raleigh. The property is currently subject to Wake County and Raleigh taxes. The City of Raleigh tax rate for 2018 is \$.4382 per \$100 of assessed value with the Wake County tax rate established at \$.6544 per \$100 of assessed value. Therefore, a total tax rate of \$1.0926 per \$100 of assessed value is applicable for the 2018 tax year.

HISTORY OF THE SUBJECT PROPERTY

The subject property is listed as being owned by Wake County. The current listed ownership was created in January of 2013 when Coca-Cola Bottling Consolidated sold the property to Wake County (DB 15124/2686, WCR). Revenue stamps of \$6,070 were attached to this deed confirming a sale price of \$3,035,000. A copy of the deed for this transaction can be found as Exhibit "C" in the Addenda of this report. Since that point in time the property has been fully renovated and re-opened as the Vernon Malone College and Career Academy.

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.**

DESCRIPTION OF THE SUBJECT PROPERTY

Neighborhood Description

The subject neighborhood could be best described as the South Saunders Street corridor both north and south of its intersection with the Raleigh Beltline (I-40). The area is between approximate 1.5 and 2.5+/- miles south/southwest of the City of Raleigh CBD. South Saunders Street is the major north/south route through the western portion of the Raleigh CBD, eventually becoming Capital Boulevard north of the downtown area.

The general neighborhood falls within the City of Raleigh jurisdiction and is served by all municipal services. The predominant zoning in the area is IX (Industrial/Mixed-Use) which allows a wide variety of development options, especially along the major thoroughfares. Residential development can be found off of the major thoroughfares but is comprised mainly of smaller ranch and mill style homes and smaller multi-family developments.

The South Saunders Street corridor both north and south of its I-40 interchange features a wide variety of uses. To the southeast of the interchange is the Sam's Club discount retail facility, a 140,000+/- square foot "big box" on 18+/- acre tract. There are also numerous restaurants, convenience stores and service businesses in this immediate area. Businesses in this immediate area include the Wyndham Super 8 motel, Quality Inn, Han-Dee-Hugo's convenience store, Meineke Car Care Center, United Restaurant equipment, Domino's Pizza and Picasso Pawn. This immediate area has evolved into commercial and retail district which blends with similar style development as you move further south along this corridor.

To the north of the interchange the development mix is more industrial and showroom in nature. Tenants/developments in this area include I-40 Business Center, Flowserve Corporation, Storage King, Real Deal Flooring Outlet, Red Roof Hotel, Shell Quality Mart (gas/convenience), Earps Seafood, Caraleigh Furniture, World Trade Auto Sports and Ray Price Harley-Davidson. There are several office and industrial "flex" buildings located along Penmarc Drive (east of S. Saunders Street) and along Maywood Drive (west of S. Saunders Street).

Residential developments are also found within the immediate area. The Caraleigh Mills development is located on the south side of Maywood Drive several hundred yards west of South Saunders Street. This older mill building was renovated and converted into residential condominiums around 2005. Resales generally run from \$250,000 to \$400,000. Immediately to the west of this property is the developing 50 lot Caraleigh Commons cluster home subdivision. The project is approaching the half-way point of build-out with detached homes ranging from \$350,000 to \$500,000+.

The most significant recent development in the area is called Renaissance Park. This 1000+ home project was developed on a 200+ acre land tract located along the north margin of Tryon Road approximately ½ mile west of South Wilmington Street just beyond the south end of the described subject neighborhood. This development with a full amenity package (pool, clubhouse, walking trails, etc.) was initiated in 2006/07 and is nearing completion. Homes primarily run in the \$150,000 to \$250,000 price range for attached townhome product to between \$200,000 and \$400,000 for detached product.

Even with the positive locational attributes, this particular sub-section of south Raleigh has not seen a great deal of recent/new development/investment. There are a number of vacant sites available along Penmarc Drive just to the north of I-40, however, it appears that this well located property has never been properly marketed. Most of the existing properties in the area were constructed between 1960 and 1985 and have been adequately maintained. Occupancy levels are adequate and fluctuate with overall market conditions.

In summary, this is an established neighborhood for residential and mixed non-residential uses located in the southern portion of the City of Raleigh and proximate to a full service interchange of South Saunders Street with the Raleigh Beltline (I-40). The area is 2 miles south of the Raleigh CBD, and has seen steady infill and redevelopment activity in recent years relative to both residential and non-residential development, with a great deal of the higher profile land zoned for non-residential uses already developed. The overall subject neighborhood is concluded to be over 75% developed, with the general area being classified as being stable and in a stage of steady growth. With these attributes in mind, the subject neighborhood should remain generally stable with increasing property values over the long run.

Subject Property Description

The subject property is comprised of a 15.46+/- acre land tract located along the west margin of South Wilmington Street just to the south of its underpass with I-40 (southern leg of the Raleigh Beltline). Uses along South Wilmington Street south of the subject property range from auto service businesses to pawn shops as well as Evergreen Packaging, Haywood Funeral Home and the Life Storage Center facility. Property immediately to the east on the opposite side of South Wilmington Street is developed with distribution warehouse buildings. Immediately to the southwest is a 18+/- acre tract accessed from South Saunders Street and developed with a Sams Warehouse retail store.

The tract has approximately 1,100+/- feet of frontage on the west side of South Wilmington Street. There are currently two access driveways connecting to the four to 6 lane thoroughfare. The north and northwest boundaries of the tract are formed by I-40 (1,400+/- feet of inaccessible frontage). In order to access I-40 it is necessary to go south on South Wilmington Street to Pecan Road, go west to South Saunders Street, and then head north to a full service highway interchange (a distance of about 3/4ths of a mile).

The subject tract has a slightly irregular shape, but with adequate length/width characteristics to be effectively developed. The tract has an average width of approximately 1,100+/- feet (relative to its frontage on South Wilmington Street). The depth of the tract varies from about 500+/- feet at the north boundary to about 1,000+/- feet near the south boundary.

City of Raleigh water and sewer lines are already connected to the subject property. Water lines run along South Wilmington Street. Municipal sewer easement areas (20 feet wide) cross the western portions of the tract. Additional utilities including telephone, electricity and natural gas are all located within the general vicinity of the tract. There is an existing 50 foot wide electrical line easement across the southern portion of the tract proximate to the south property line.

The tract is categorized as having gently to moderately rolling topography. There is a general downward slope from east to west that is distinguishable, and generally ranges from 3% to 5%, which is entirely suitable for development. The elevation of the property ranges from approximately 250+/- feet above mean sea level at its east boundary (proximate to South Wilmington Street) to approximately 240+/- feet above mean sea level at its west boundary.

There is a small stream which runs across the western edge of the tract along the I-40 boundary. A 50 foot buffer requirement applies from the top of the bank on both sides of this stream, so there would be a minor stream buffer overlap zone in this location. There is also a small stream located along the southwest margin of the property that may also require a stream buffer. Overall only between 5% and 10% of the property would require stream buffers and/or be impacted by poor topography.

Additional Considerations

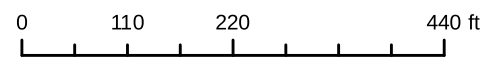
The appraiser's limited inspection of the property indicated no obvious environmental hazards. However, the subject property is located within an area that has seen a variety of historical land uses including industrial. Therefore, there is the potential for environmental contamination issues which could impact the value and marketability of the property.

The appraiser is not qualified to render an opinion as to the status of the subject relative to environmentally hazardous substances. **An up to date environmental site assessment by a qualified engineer is recommended if further information is desired on this matter. The property has been valued excluding any consideration of hazardous substances.**

The appraiser makes no representations as to the condition of the property relative to poor soils, wetlands, flood zones and/or required stream buffer zones outside of those areas of the tract that may have been specifically noted in this regard. **Unuseable land areas due to these issues are estimated at no more than 5% to 10% of the overall property. For purposes of this analysis it is assumed that these unspecified portions of the subject tract have only minor difficult topography, poor soil and/or wetland areas to be addressed (similar to other land tracts in the area) which will not significantly impact the utilization potential of the property.** The client is referred to trained professionals with an expertise in this area if additional information on this matter is required.

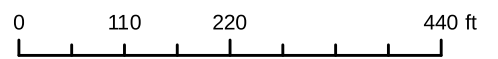
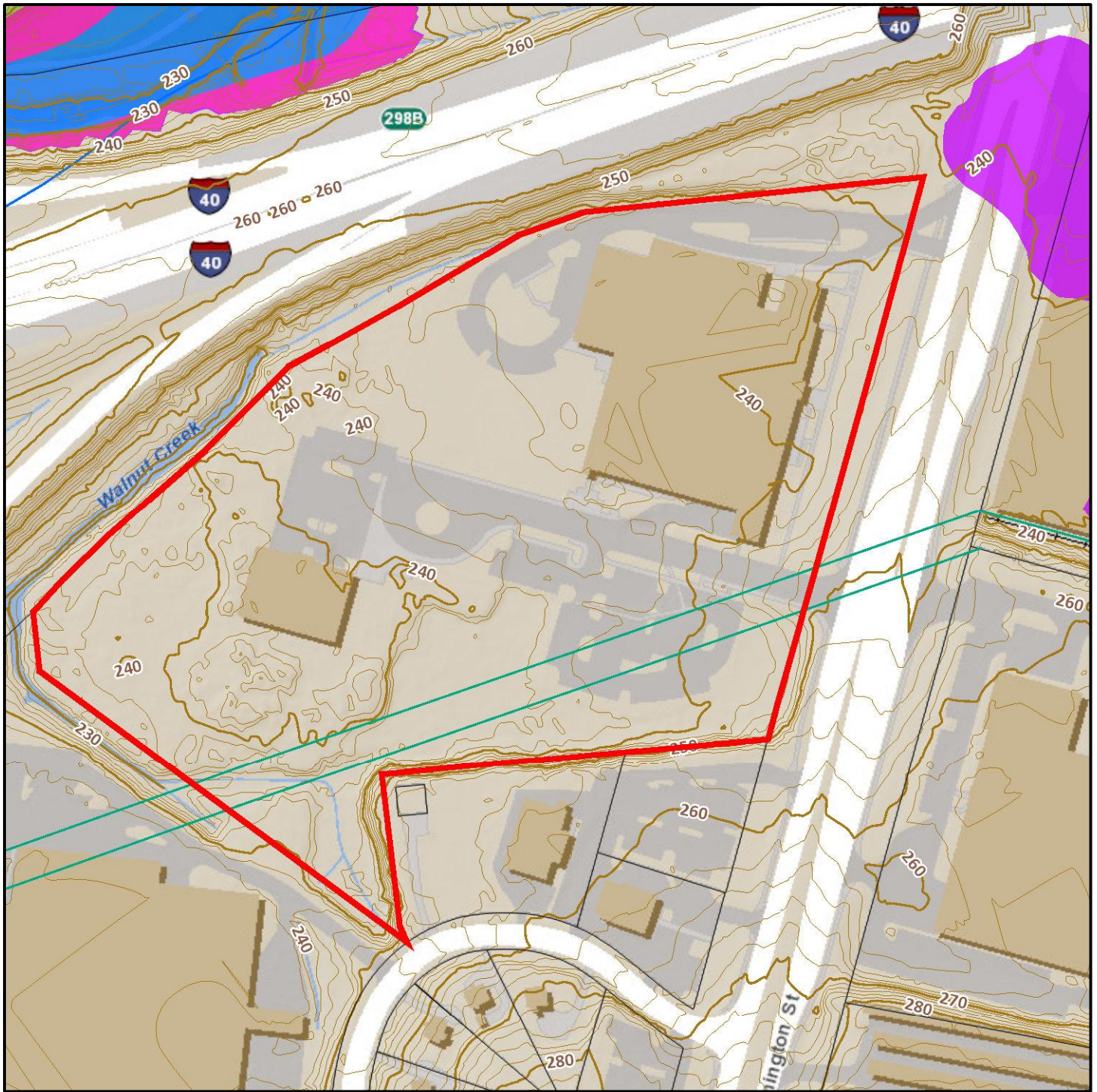
The appraiser makes no representations as to the condition of the property relative to rock outcroppings. The appraiser has not been presented any specific subsurface studies relative to the property. **Therefore, for purposes of this analysis, it is assumed that development of this property will not require a significant budget for rock excavation or removal beyond a normal allowance.** The client is referred to engineering professionals if additional information on this matter is required.

Copies of an aerial map as well as a topographical overlay map (as downloaded from the Wake County GIS website) can be found on the following pages of this report. Photographs of the subject property can be found as Exhibit "D" in the Addenda of this report.



1 inch = 200 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.



1 inch = 200 feet

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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.”

Highest and Best Use analyzes the effects of regional, city, neighborhood, economic, and market trends on the subject property. Analysis of those factors determine highest and best use which then becomes the foundation for valuing the subject property in the following Cost, Income, and Direct Sales Approaches. Estimating highest and best use also helps in the selection of comparable properties by determining the use categories typical of the neighborhood as compared to the subject's use.

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. In such a case, the land value in its Highest and Best Use may well exceed the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or community development goals, in addition to wealth maximization or individual property owners. The highest and best use of land or a site must be:

- 1. Legally Permissible:** What uses of the subject tract of land or site are permitted by zoning or deed restrictions? The use to be considered must be one which is lawful. Private restrictions, zoning, building codes, historic district controls, and environmental regulations may preclude many potential highest and best uses.
- 2. Physically Possible:** What uses of the subject tract of land or site are physically possible? The size, shape and terrain of the land affects the use to which it can be developed. Physical characteristics often can shape, or limit the potential uses for a site.
- 3. Financially Feasible:** Which possible and permissible uses will produce the highest return to the owners of the subject tract of land or site? Of the legal and physically possible uses, those that are expected to produce a positive income in relationship to the cost, i.e., land, labor and capital with the positive cash being the profit, are considered financially feasible. Also, the most profitable use of the subject property involves the consideration of supply and demand for a specific product in the competitive market.
- 4. Maximally Productive:** The use that produces the highest price or value consistent with the rate of return warranted by the market for that use is the highest and best use. Maximal profitability relates to the use that creates the highest return to the land among all possible uses.

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 then 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.

Keeping the foregoing in mind, the following analysis is presented as a summary to the reader and to provide insight as to the appraiser's reasoning in arriving at his opinion of “Highest and Best Use” as if vacant for the subject property as of October 17, 2018.

Physical Possibility:

The subject property is comprised of approximately 15.80+/- acres located in south Raleigh in an area of mixed uses situated along the South Wilmington Street corridor in an area that is mainly developed with commercial, office, service business and industrial properties. All municipal utilities are connected to the property. The overall topography for the property is classified as gently to moderately rolling. No more than 5% to 10% of the tract is detrimentally impacted by flood zones, stream buffers, poor soils and difficult topography. There are a variety of uses which are physically possible on the remaining fully developable sections of the property.

Legal Permissibility:

The subject property is currently zoned City of Raleigh IX-3 (Industrial Mixed). A wide variety of uses are permitted within the IX District including group living, hospitality house, rest homes, college/university, parks and open space, parking lots, health clubs, office, medical office, outdoor recreation, overnight lodging, personal service facilities, nightclubs, retail sales/service, light industrial, light manufacturing, research and development, vehicle sales/repair/service, wholesale trade establishments and agricultural nurseries. Therefore, from the standpoint of legally permissible uses there is a wide range of uses that could potentially be allowed on the subject land tract.

Financial Feasibility:

The subject property is located in an area that is developed with a variety of uses, with commercial, office, service business and industrial facilities predominating. It would be difficult to examine the financial feasibility of all of the various uses for which the subject land tract might be suitable. The success of neighboring and nearby mixed non-residential uses attests to the continued feasibility of this type of development in the immediate subject neighborhood.

The economic viability of owner/occupant facilities is driven by the ultimate motivations and needs of the tenant. Single tenant buildings of this nature are rarely built on speculation of securing a tenant but rather are constructed to meet the needs of a specific tenant. The demand for vacant single-tenant buildings by owner/occupants has been steady, especially those located in the better quality business parks.

It is concluded that if the 15.80+/- acre subject tract were vacant, development of a good quality office “flex”, industrial or service business project (or small business park) at the site's maximum allowable density would be financially feasible. Construction of a multi-tenant project would require significant pre-leasing in place in order to justify new construction whereas development of multiple single-tenant service buildings would generally be driven by the needs (and credit-worthiness) of the build-to-suit tenants.

Maximal Productivity:

In terms of land value, the current improvements to the property represent a reasonable use of the property. Larger vacant tracts with adequate access and visibility in this section of Raleigh typically sell at prices ranging from \$2.50 to \$4.00 per useable square foot (\$110,000 to \$170,000 per useable acre). A larger land tract/property like the subject located along an area thoroughfare and visible from I-40 would be expected to sell within this range. The current improvements add value well above and beyond the current land value “as if vacant”, therefore, demolition of the existing improvements to redevelop the tract is not practical or currently indicated.

Conclusion:

It is the appraiser's conclusion that the highest and best use of the subject property as if vacant is for future development of a good quality office “flex”, industrial or service business project (or small business park with multiple sites/lots) at its maximum development density and compatible with development noted on adjoining/nearby properties and within the immediate neighborhood. The property has adequate accessibility to support this type of usage in an area which has exhibited recent stability and success for development of this type. The larger size of the tract dictates multiple sites for various potential uses, likely as part of a larger business park subdivision.

It is the appraiser's opinion that if vacant, development of the subject property as outlined would be the current maximally productive use of the property, as there are no other known development options at this point in time that would support a higher land value for the total property. The best use of the property “as improved” is concluded to be the existing institutional building (vocational school facility converted from a previous light industrial facility) that adds tremendous value to the land. Therefore, the Highest and Best Use of the subject tract “as improved” is considered roughly consistent with its concluded best use “as if vacant”. These estimates of Highest and Best Use apply as of October 17, 2018 the effective date of this report.

VALUE OF SUBJECT PROPERTY “AS IF VACANT”

Land Value Analysis

In order to estimate damages due to the easement acquisition it is necessary to estimate the market value of the subject land tract as if vacant and available for development at its “Highest and Best Use”. The Direct Comparison or Sales Comparison technique is best suited to providing this value estimate.

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.

In order to estimate the fee simple “Market Value” of the subject land tract “as if vacant” by the Sales Comparison Approach the analyst is utilizing several recent sales of land tracts located in similar areas as subject with adjustments made based on dissimilarities between each sale and the subject property. After making these adjustments, the adjusted prices per square foot should indicate a fairly close range of values associated with subject property.

The following is a brief description of the land sales utilized in the appraisal of the subject tract followed by a discussion of the adjustments made to the sale properties in comparison with the subject property.

Land Sale #1

Grantor: Aviation Centre III Assoc. LLC (2.3 ac.), Frank Wiggins, et al (27.42 ac.)

Grantee: Ammons East Corporation

Location: Northeast terminus of Nova Drive approximately one-half mile east of its intersection with Aviation Parkway, Morrisville, NC

Tax ID #: 0414561, 435002

Zoning: Morrisville IM (Industrial Management)

Sale Date: January 21, 2016

Deed Reference: Book 16247/Page 2398 (AC III) and Book 16247/Page 2398 (Wiggins)

Revenue Stamps: \$150 + \$5,826 = \$5,976

Sales Price: \$2,988,000

Financing Terms: BB&T, Cash to seller

Confirmed By: Deed records and Barry Boling, CBRE

Land Area: 29.72 Acres

Sales Price Per Acre: \$100,538

Sales Price Per SF: \$2.31

Utilities: All municipal proximate

Road Frontage: Approx. 240' on Nova Drive

Topography: Gently to moderately rolling, 5% to 10% stream buffers

Comments: Tracts A & B, BM 2016-96, WCR. Property is located at the western end of Commonwealth Center Business Park west of the Aviation Parkway corridor in northern Morrisville. Tract was acquired for a multi-building sports complex (Wake Competition Center) including several outdoor ball fields. Property does have a slightly irregular configuration due to the required acquisition of a 2.3+/- acre parcel linking the larger tract back to Nova Drive (parcel was mostly stream buffer areas with just enough room for an access drive). Future extension of the McCrimmon Parkway will adjoin the west margin of the property at a future date.

Land Sale #2

Grantor: AIS Forestry & Farming, LLC

Grantee: 3808 South Wilmington, LLC

Location: West margin of US Highway 401 immediately west of its merger with US Highway 70, Raleigh, NC

Tax ID #: 0067199

Zoning: Raleigh IX-3

Sale Date: February 16, 2016

Deed Reference: Book 16293/Page 1663

Revenue Stamps: \$2000

Sales Price: \$1,000,000

Financing Terms: \$100,000 + PMDT financing due in 5 years; considered cash to seller

Confirmed By: Deed records

Land Area: 7.10 Acres

Sales Price Per Acre: \$140,845

Sales Price Per SF: \$3.23

Utilities: All municipal proximate

Road Frontage: Approx. 320' on southbound ramp of US Highway 401-S

Topography: Gently to moderately rolling, 5% to 10% stream buffers/areas of poor topography along the south boundary of the tract

Comments: Buyer of this tract also owns the adjacent 7+/- acre tract located immediately to the north. Both properties have been utilized in recent years for auto or mobile home sales centers. The overall access is less than ideal due to frontage on the southbound ramp of the interchange of US Highway 401 and US Highway 70. There are no known overlapping easements.

Land Sale #3

Grantor: Greenfield 40 Associates, LLC

Grantee: B2 Garner, LLC

Location: West margin of Waterfield Drive at the interior of the Greenfield South Business Park, Garner, NC

Tax ID #: 379089 and 377196

Zoning: Garner MXD-1

Sale Date: January 23, 2018

Deed Reference: Book 17027/Page 454

Revenue Stamps: \$4000

Sales Price: \$2,000,000

Financing Terms: Cash to seller

Confirmed By: Deed records

Land Area: 17.36 Acres

Sales Price Per Acre: \$115,207

Sales Price Per SF: \$2.65

Utilities: All municipal proximate

Road Frontage: Approx. 1,100+/- feet on Waterfield Drive

Topography: Gently to moderately rolling, 15% to 20% stream buffers and areas of less desirable topography

Comments: Lots 13 and 14, BM 2010-442, WCR. Property is located in a good quality business park in the eastern sections of the Town of Garner and just to the southeast of the interchange of US Highway 70 and I-40. The property has a slightly irregular configuration, with the west boundary of the tract formed by I-40 (moderate depth buffer yard required). The two lots which comprise this tract are separated by a 120 foot wide Duke energy transmission line easement.

Land Sale #4

Grantor: Resun Modspace, Inc. (20 ac.); Duke Energy Progress (5.6 ac.)

Grantee: JRE Raleigh, LLC

Location: East margin of Auburn Church Road approximately one-half mile south of its intersection with Jones Sausage Road, Raleigh, NC

Tax ID #: 300157, 454057

Zoning: Raleigh IH (Industrial)

Date: May 10, 2017, January 26, 2018

Deed Reference: Book 16777/Page 314 and Book 17029/Page 1541

Revenue Stamps: \$3,200 + \$1,200 = \$4,400

Sales Price: \$2,200,000

Financing Terms: Cash to seller

Confirmed By: Deed records

Land Area: 25.6+/- Acres

Sales Price Per Acre: \$85,938

Sales Price Per SF: \$1.97

Utilities: All municipal proximate

Road Frontage: Approx. 1,200 on Auburn Church Road

Topography: Gently to moderately rolling, 15% to 20% areas of stream buffers/areas of poor topography through the central portion of the tract

Comments: Lots 1 and 2, BM2018-48, WCR. This property is situated south of the Jones Sausage Road corridor just over 1 mile from its interchange with I-40 in an area is mainly developed with industrial uses. The recombined property has a somewhat irregular shape which in conjunction with a centrally located stream buffer zone will impact the efficient development of the overall tract.

Land Sale #5

Grantor: ACC Development Company, Inc.

Grantee: 6420 Mount Herman Holdings, LLC

Location: Southwest quadrant of the intersection of Mt. Herman Road and ACC Boulevard, Raleigh, NC

Tax ID #: 0070379

Zoning: Raleigh IX-3 (extra tree conservation buffer along ACC Blvd. frontage)

Sale Date: October 26, 2017

Deed Reference: Book 16949/Page 1966

Revenue Stamps: \$1200

Sales Price: \$600,000

Financing Terms: Cash to seller

Confirmed By: Deed records

Land Area: 4.22 Acres

Sales Price Per Acre: \$142,180

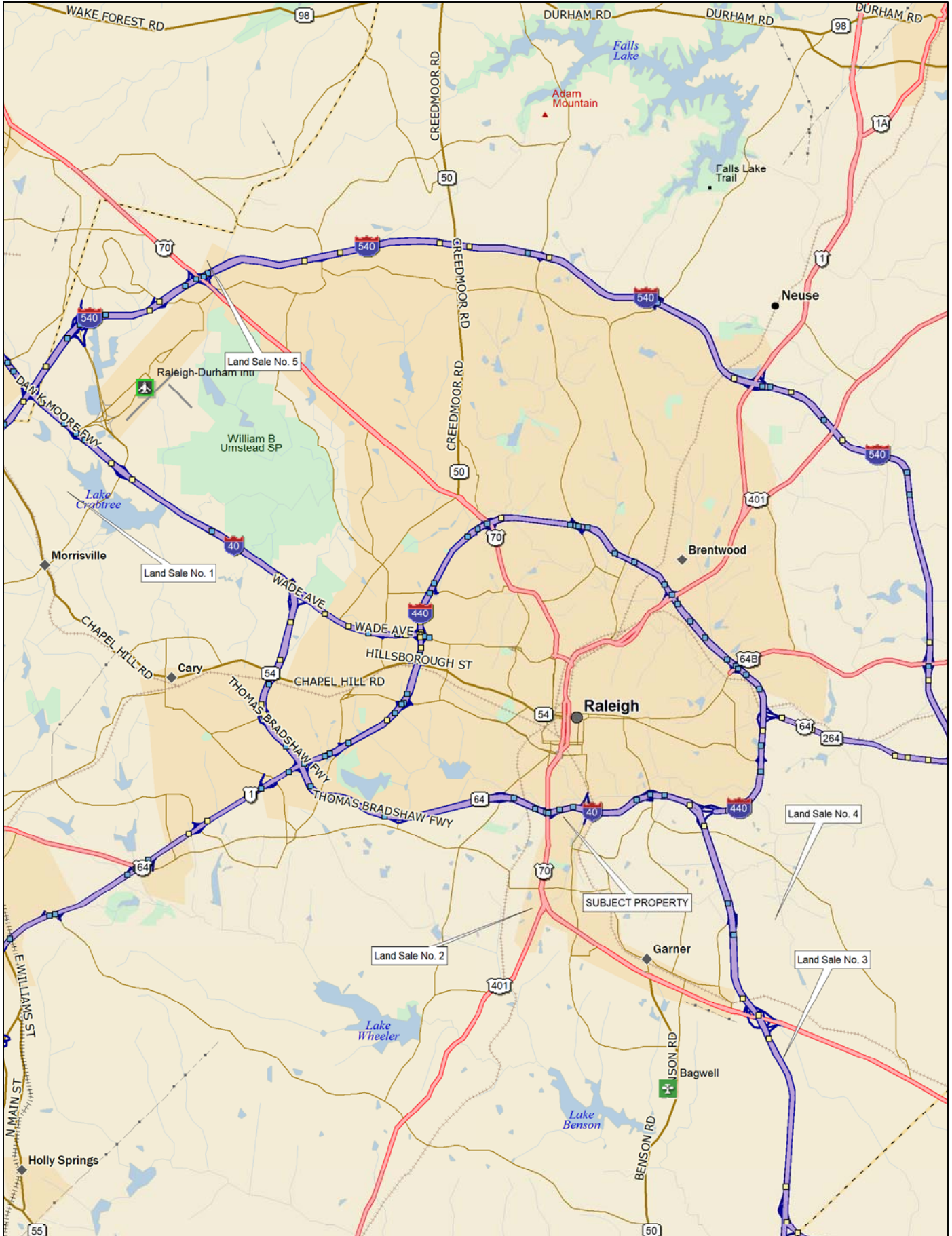
Sales Price Per SF: \$3.26

Utilities: All municipal proximate

Road Frontage: Approx. 240' on Mt. Herman Road, approx. 850' on ACC Blvd.

Topography: Gently to moderately rolling, minor stream buffers

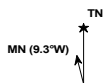
Comments: Lot 2, BM2011-569, WCR. This property is located just to the east of the Alexander Place development about 1 mile east of the ACC Boulevard intersection with the Brier Creek Parkway. Property was suitable for mixed office/industrial uses similar to those found in the nearby ACC Industrial Park. Slightly irregular, but no major issues. One-half of a 100 foot transmission line easement runs along the south margin of the parcel, with a designated additional buffer area required along the frontage on ACC Boulevard.



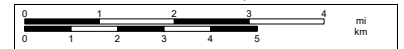
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Scale 1 : 162,500



1" = 2.56 mi Data Zoom 10-3

SUMMARY TABLE

Sale No.	Date	Location	Zoning	Size (Acres)	Frontage	Price Per Acre/ Per SF
1	1/16	Nova Drive west of Aviation Parkway, Morrisville	Morrisville IM	29.72	240'	\$100,538/ \$2.31
2	2/16	US Highway 401 at US Highway 70, Raleigh	Raleigh IX-3	7.10	320'	\$140,845/ \$3.23
3	1/18	Waterfield Drive, Garner	Garner MXD-1 (Buffers)	17.36	1,100'	\$115,207/ \$2.65
4	5/17, 1/18	Auburn Church Road south of Jones Sausage Road, Raleigh	Raleigh IH	25.6	1,200'	\$85,938/ \$1.97
5	10/17	ACC Blvd at Mt. Herman Road, Raleigh	Raleigh IX-3 (AOD + Buffers)	4.22	240', 850'	\$142,180/ \$3.26
Subj.	10/18	South Wilmington Street, Raleigh	Raleigh IX-3 (SHOD-2 Buffer)	15.80	800'	NA/ NA

Explanation of Adjustments

Adjustments are typically applied first for property rights conveyed followed by condition of sale and financing terms. All 5 sales were considered arms length transfers based upon the fee simple estate reflecting terms and conditions considered equivalent to cash to the seller. Therefore, no specific adjustments were considered necessary in comparison with subject. Additional adjustments (or explanations) were considered necessary for market conditions (time), location, size, topography, shape/functional utility, easements/miscellaneous, frontage/access, visibility/profile, utilities and zoning/best use.

Market Conditions (Time): Each of the five comparable sales is located in the same general market area as the subject property (Raleigh, Garner, Morrisville) and in sub-market areas which have been positively impacted by the tremendous growth of the region in recent years. The market for well located commercial, office and industrial land has improved significantly since the 2013-14 time frame, with a fair amount of recent activity being noted. The 5 outlined sales all closed early 2016, with 3 having closed since mid 2017. Therefore, an upward adjustment of 3% per year was applied to each.

Location: The subject land tract is located in south Raleigh adjacent to South Wilmington Street in south Raleigh. South Saunders Street is located about one-fourth mile to the west of the property. The property has adequate linkages back to I-40 (Raleigh Beltline, 3/4ths mile to an interchange) as well as other major local thoroughfares, and is approximately 2 miles south of the Raleigh CBD. The surrounding area has a wide variety of development in place including industrial and office facilities.

All 5 of the sale properties are located within established industrial, office or mixed-use areas in Wake County market area. Location differences are mainly due to proximity to existing major thoroughfares, employment centers and/or retail/service business establishments. Sale 1 is located in the Town of Morrisville about 1.5 miles from a full service I-40 interchange. The property is in an industrial/flex development area similar to the subject location, therefore, no adjustment was required. Sale 2 is situated adjacent to South Wilmington Street, but in a secondary location for this corridor. Thus, a downward adjustment of only 10% was applied.

Sale 3 is located in eastern Garner south of US Highway 70, and within the Greenfield South business park. The overall location of this property is considered similar to that of the subject tract, therefore, no adjustment was applied. Sale 4 is located just off of Jones Sausage Road and adjacent to Auburn Church Road in southeastern Raleigh. This location is considered slightly inferior based on limited recent development activity in the area, therefore, an upward adjustment of 10% was applied. Sale 5 is located in northwestern Raleigh and just to the east of the Brier Creek/Alexander Place area. The overall locational attributes for this property are considered similar to that of the subject tract, therefore, no adjustment was applied.

Size: The subject land tract is comprised of approximately 15.80+/- acres. In general, larger land tracts typically sell for a lower price per unit, all other aspects being equal. Sale 3 was considered similar to subject in terms of relative size, therefore, no adjustment was required. Sales 1 and 4 were both slightly larger and therefore were adjusted upward by between 5% and 10%. Sales 2 and 5 were both somewhat smaller in terms of size in comparison with the subject tract, therefore, downward adjustments of between 10% and 15% were applied.

Topography: The subject land tract is categorized as having gently to moderately rolling topography for a majority of the tract, with no more than 5% to 10% stream buffer and/or difficult areas. The topography for Sales 1, 2 and 5 was judged as gently to moderately rolling with only about 5% to 10% difficult areas, therefore, these two sales required no adjustments. Sales 3 and 4 have 15% to 20% stream buffer/poor topography areas, therefore, an upward adjustment of 10% was applied.

Shape/Functional Utility: The subject land tract has a slightly irregular configuration, but with sufficient length/width to be effectively developed. Sales 1, 2, 3 and 5 are considered roughly similar in this regard, therefore, no adjustments were required. Sale 4 has some inefficiency issues due to a central stream buffer crossing of the property, thus, an upward adjustment of 5% was applied.

Easements/Miscellaneous: The subject land tract has a number of City of Raleigh utility easements as well as a 50 foot electrical easement crossing. In addition, since the subject property abuts I-40, a 25 foot SHOD-2 buffer yard is required along the highway (north and northwest boundaries of the tract, not tremendously “thicker” than a normal perimeter buffer). Sales 1, 2 and 4 had no major easement areas (or other miscellaneous issues/buffer requirements), therefore, each of these comparables was adjusted downward by 5%. Sales 3 and 5 had minor issues similar to those in place on the subject tract, therefore, no adjustments were required.

Frontage-Access: The subject land tract is located adjacent to South Wilmington Street with approximately 1,100+/- feet of frontage on this major thoroughfare. The quantity and quality of frontage and access associated with Sales 2, 3, 4 and 5 is judged roughly similar to that of the subject property, therefore, no adjustments were applied. Sale 1 had a slightly inferior situation in this regard, therefore, this sale was adjusted upward by 5%.

Visibility-Profile: The subject property is located along I-40 and has adequate visibility from this heavily traveled highway, which would make it more valuable from the perspective of many potential users. Sale 3 abuts I-40, and therefore could have the same upgraded visibility, therefore, no adjustment was applied. Sales 1, 2, 4 and 5 all had what was considered to be inferior situations in this regard, therefore, upward adjustments of between 10% and 20% were applied.

Utilities: The subject property is proximate to both water and sewer service from the City of Raleigh. All 5 comparable sales were similar in this regard, therefore, no adjustments were required.

Zoning: The subject land tract is currently zoned Raleigh IX-3. A wide variety of service business, office and light industrial uses are allowed in this zoning district (up to a max. height of 3 stories). Sales 1, 2, 3 and 5 were all zoned to allow similar uses and development intensities, therefore, no adjustments were applied. Sale 4 has a base zoning for only industrial (and related) uses, therefore, this sale was adjusted upward by 10%.

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

Land Sale Adjustment Grid

	Subject	Land Sale 1	Land Sale 2	Land Sale 3	Land Sale 4	Land Sale 5
Adjusted \$/SF	N/A	\$2.31	\$3.23	\$2.65	\$1.97	\$3.26
Market Cond.(Time)	10/18	1/16	2/16	1/18	5/17&1/18	10/17
Adjustment %	N/A	8%	8%	2%	4%	3%
Adjusted \$/SF	N/A	\$2.50	\$3.49	\$2.70	\$2.05	\$3.36
Location	South Wilmington Street, Raleigh	Nova Drive, Morrisville	US Highway 401 at US Highway 70, Raleigh	Waterfield Drive, Garner	Auburn Church Road, Raleigh	ACC Blvd. at Mt. Herman Road, Raleigh
Adjustment %	N/A	0%	-10%	0%	10%	0%
Size (Acres)	15.80+/-	29.72	7.10	17.36	25.6	4.22
Adjustment %	N/A	10%	-10%	0%	5%	-15%
Topography (Stream Buffers, Flood Zones)	GR-MR/ 5% to 10% SB-Poor Topo	GR-MR/ 5%-10% SB-Poor Topo	GR-MR/ 5%-10% SB-Poor Topo	GR-MR/ 15%-20% SB-Poor Topo	GR-MR/ 15%-20% SB-Poor Topo	GR-MR/ Minor SB-Poor Topo
Adjustment %	N/A	0%	0%	10%	10%	0 %
Shape/Utility	Sl. Irregular/ Average	Sl. Irregular/ Average	Rectangular/ Average	Sl. Irregular/ Average	Irregular/ Sl. Below Avg.	Sl. Irregular/ Average
Adjustment %	N/A	0%	0%	0%	5%	0%
Easements/ Miscellaneous	Various municipal utility easements/ 50' Trans Line near S. boundary, SHOD-2 Buffer along I-40	None of significance/ None known	None of significance/ None known	120 foot wide transmission line crosses the tract+ Buffer on I-40	None of Significance/ None known	None of significance/ 50' Trans line along S. Bdry, extra buffer on ACC Blvd.
Adjustment %	N/A	-5%	-5%	0%	-5%	0%
Frontage-Access/	800' - Adequate	240' - Inferior	320' - Adequate	1,100' - Adequate	1,200' - Adequate	240', 850' - Adequate
Adjustment %	N/A	5%	0%	0%	0%	0%
Visibility-Profile	Superior along I-40	Lower profile	Average+	Superior along I-40	Average+	Average +
	N/A	20%	10%	0%	10%	10%
Utilities	All Municipal Proximate	All Municipal Proximate	All Municipal Proximate	All Municipal Proximate	All Municipal Proximate	All Municipal Proximate
Adjustment %	N/A	0%	0%	0%	0%	0%
Zoning/ Best Use	Raleigh IX-3/ Office, Industrial & Services	Morrisville IM/ Office, Industrial & Services	Raleigh IX-3/ Commercial, Industrial & Serv. Business	Garner MXD-1/ Industrial, manuf. & Serv. Business	Raleigh IH/ Industrial & Services	Raleigh IX-3/ Office, Industrial & Services
Adjustment %	N/A	0%	0%	0%	10%	0%
Total Adjsmnt %	N/A	30%	-15%	10%	45%	-5%
Final Adj. \$/SF	N/A	\$3.25	\$2.96	\$2.97	\$2.97	\$3.19

The comparable sales after adjustments indicate a value range for the subject land tract of approximately \$2.96 to \$3.25 per square foot. This is considered to be a reasonable range of value given the adjustments applied in comparing the sale properties to the subject property.

The general trend in land value in the area market/sub-market is definitely upward. And even though the subject property does not have immediate I-40 accessibility, it is situated within 2 miles of the Raleigh CBD.

With these factors in mind, it is concluded that the 15.80+/- acre subject land tract “as if vacant” has a Market Value at the upper end of the overall adjusted value range, or \$3.25 per square foot. A value of \$3.25 per square foot converts to approximately \$142,000+/- per acre. The total Market Value “as if vacant” for the 15.80+/- acre subject land tract as of October 17, 2018 is summarized as follows:

$$\begin{array}{rclcl} 15.80+/- \text{ Acres} & \times & 43,560 \text{ SF Per Acre} & = & 688,248 \text{ SF} \\ 688,248 \text{ SF} & \times & \$3.25 \text{ Per SF} & = & \$2,240,000 \text{ (Rounded)} \end{array}$$

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 VARIOUS EASEMENTS ON SUBJECT PROPERTY

The next step in the valuation process is to address the damages to the subject property due to the installation of a new sewer line across the property within the indicated easement areas. In addition, impacts due to a new ingress/egress easement as well as required temporary construction easement areas will also be addressed. It is the appraisers conclusion that the “before” and “after” value of the physical building improvements on the property is not impacted by the project (general physical characteristics remain the same). However, various damages considerations may apply for the actual sewer line permanent easement area required for completion of this project.

As presented earlier in this report, this appraisal is being completed for the City of Raleigh. It is the City of Raleigh that will install the new sewer line and acquire the required easements across the subject property. The City of Raleigh utilizes 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 Easement Acquisition

The two page map set titled “Easement Exhibit for Acquisition Purposes - South Saunders Sewer Replacement; Property of Wake County” for the City of Raleigh and prepared by Dewberry Engineers dated February, 2018 outlines the permanent ingress/egress easement, sewer utility easement and temporary construction easement areas across the subject property. The new easement areas are summarized in the following table:

REID#	Permanent Ingress/Egress Easement	New Permanent Sewer Utility Easement	Permanent Sewer Utility Easement to be Released	Temporary Construction Easement
0011399	23,144+/- SF	25,471+/- SF	2,083+/- SF	23,821+/- SF

The new permanent ingress/egress easement is required in order to provide for a vehicular access route from South Wilmington Street to the new 40 foot wide sewer easement corridor to be situated across the westernmost portions of the subject tract. It will also provide access to the temporary construction easement areas required to allow construction of the overall sewer line project.

The ingress/egress easement corridor is a width of 35 feet (decreasing to 20 feet in the vicinity of the new sewer easement), and has been routed within the general interior access road configuration serving the existing buildings found on the property (no parking space overlap areas). At this width (35 feet) there is room for both inbound and outbound traffic.

The new permanent sewer utility easement (PUE) across the subject property totals 25,471+/- square feet on the westernmost portions of the tract, and proximate to the I-40 right-of-way corridor. The full extent of this 40 foot wide sewer easement corridor will overlap about 500+/- linear feet, with another 100 to 150+ linear feet at a lesser width. This new permanent easement area is adjoined on its east side by a 20 foot wide temporary construction easement area (TCE), with an additional TCE area required between the sewer easement and the west property line. The TCE areas will allow access across portions the subject tract to complete the project installation and/or removal of a sewer line that is to be abandoned as part of the project (resulting in 2,083 SF of prior sewer easement area being abandoned).

Permanent Sanitary Sewer Easement

The City of Raleigh code says the following defining a “Sanitary Sewer Easement”: An easement to construct, install, improve, remove, replace, inspect, repair, maintain and use a system of pipelines or mains for public sanitary sewer purposes, together with all appurtenant facilities and equipment necessary or convenient thereto. Further Specific Terms and Conditions applicable to the Sanitary Sewer easement are as follows:

- a) The City is authorized to remove and keep removed from the easement all trees, vegetation, and other obstructions as necessary to maintain, repair or protect the sanitary sewer line or lines appurtenances. The Grantors will, however, be allowed to (1) construct, maintain, and use the easement area for paved drives and parking areas; and (2) plant and maintain shallow-rooted ground cover material within the easement area; provided all risk of damage to any such improvements caused by maintenance or repair of the sewer line and appurtenant facilities shall be with the Grantors.
- b) Nothing herein shall be construed to grant to the City any right of access through or over any property of the Grantors other than that lying within the easement herein described and conveyed.
- c) The Grantors shall retain fee simple ownership of the property through and over which this easement passes; provided however, no use may be made of the property which interferes with the full, reasonable use of the easement by the City for sanitary sewer purposes
- d) Following the installation of a sanitary sewer main and appurtenant facilities within the easement the City shall re-grade, mulch, and re-seed, or otherwise restore, all disturbed areas, in accordance with generally accepted landscaping and engineering practices.

Permanent Ingress/Egress Easement

An easement for “Ingress and Egress” purposes which easement is located and described as follows:

- a) This easement is only for the ingress and egress across the property of the Grantors within the area of the aforesaid easement. No vehicles, equipment, or materials shall be stored on this easement without the express permission of the Grantors, or their heirs, successors, or assigns.
- b) Nothing herein shall be construed to grant to the City of Raleigh any rights of access through or over any property of the Grantor except that lying within the easement interest herein described and conveyed.
- c) The City is authorized hereunder to remove and keep removed from the easement all trees, shrubs, underbrush, and parts thereof, or other obstructions as necessary to maintain, repair, or protect said access easement, as well as construct, install, improve, replace, inspect, repair, maintain a gravel or paved road within the easement herein described.
- d) The City agrees to protect and repair any damage to pavement of the Grantors within the easement due to the direct actions of the City or its agents.

Temporary Construction Easement

A temporary easement for purposes reasonably necessary and incidental to the construction of public infrastructure improvements (such as streets sidewalks, slopes, greenway trail, water, sewer and storm drainage facilities), such temporary construction purposes including the stockpiling of materials, the movement and storage of vehicles and equipment, construction staging, the repair, reconstruction and reconnection of a private driveway or driveways onto adjacent public street right-of-way, and similar purposes.

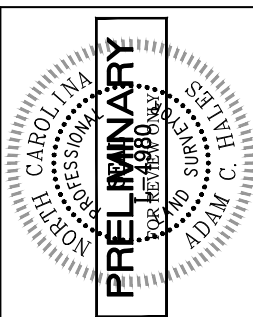
Further specific terms and conditions applicable to the Temporary Construction Easement are as follows:

- a) Following construction of the public infrastructure project, the City shall re-grade, mulch, and re-seed, or otherwise restore, the temporary easement area, in accordance with generally accepted landscaping and engineering practices.
- b) The City’s use of and activities within the above-described easement area [including grading, stabilization, and restoration under subparagraph (a)] shall substantially conform with official plans and specifications for the Wildcat Creek Outfall Sewer Basin Improvements Project, prepared by Dewberry, entitled, “Wildcat Creek Outfall Sewer Basin Improvements”, maintained in the offices of the City of Raleigh Public Utilities.
- c) This easement shall terminate upon final completion of the project referenced above. Thereafter, the Grantors may make and enjoy all lawful uses of their property.

There is a multi-building institutional use located on portions of the subject property (The Vernon Malone College and Career Academy). Therefore, there are additional assumptions which are necessary in order to complete this analysis. These assumptions are outlined as follows:

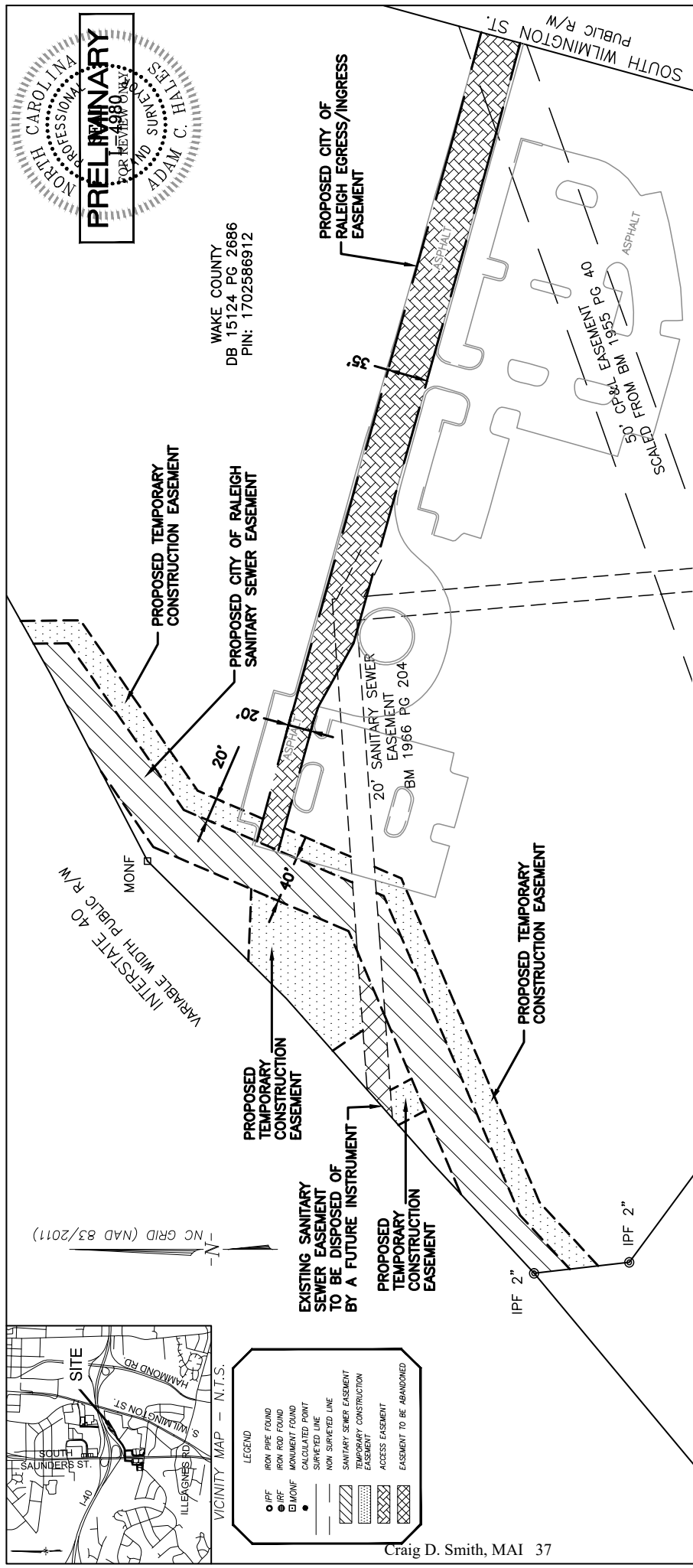
- 1) For the subject tract the permanent ingress/egress easement areas overlap mainly asphalt paved parking/access road areas; if any driveway/parking area site improvements within any of the new easement areas are damaged in the course of project construction/installation activities, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 2) If any driveway/parking area site improvements are damaged in the course of performing future repair and maintenance activities within the new easement area, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 3) The City of Raleigh will be responsible for minor landscaping of all other impacted easement ground areas (if necessary) which generally includes seeding and/or mulching..

A copy of the previously referenced easement survey plat map set (2 pages) outlining the specific subject land areas to be impacted by the permanent and temporary easement areas can be found on the following pages of this report. A copy of the Project/Site Plan maps that apply to the subject property for the sewer line installation project can be found in Exhibit "B" in the Addenda of the report. Photographs of the property in the "before" condition can be found in Exhibit "D".

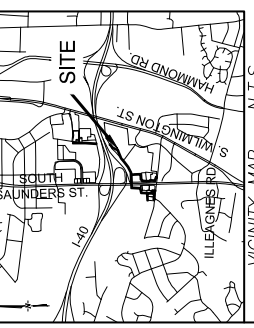


WAKE COUNTY
DB 15124 PG 2686
PIN: 1702586912

PROPOSED CITY OF
RALEIGH EGRESS/INGRESS
EASEMENT



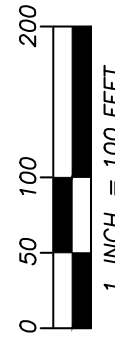
INTERSTATE 40
VARIABLE WIDTH PUBLIC R/W



LEGEND

○ IPF	IRON PIPE FOUND
◐ IRF	IRON ROD FOUND
◑ MONF	MONUMENT FOUND
●	CALCULATED POINT
—	SURVEYED LINE
—	NON SURVEYED LINE
▨	SANITARY SEWER EASEMENT
▩	PROPOSED TEMPORARY CONSTRUCTION EASEMENT
▧	ACCESS EASEMENT
▦	EASEMENT TO BE ABANDONED

SAMS REAL ESTATE BUSINESS TRUST
DB 15172 PG 1500
BM 1992 PG 226
PIN: 1702487225



EASEMENT EXHIBIT FOR ACQUISITION PURPOSES:
SOUTH SAUNDERS SEWER REPLACEMENT

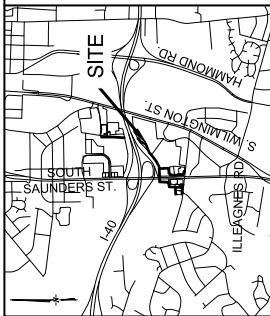
PROPERTY OF:
WAKE COUNTY

SWIFT CREEK TOWNSHIP - WAKE COUNTY - NORTH CAROLINA - FEBRUARY 2018

Dewberry Engineers, Inc.
2810 WYCLIFF ROAD
SUITE 410
SLATE HILL, NC 27607
PHONE: 919.881.8839
FAX: 919.881.8823
NCBELTS # F-0829

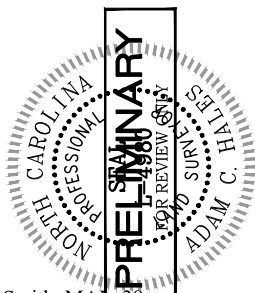
- NOTES:
1. HORIZONTAL CONTROL IS NORTH CAROLINA STATE PLANE COORDINATE SYSTEM NAD83, ESTABLISHED BY GPS OBSERVATIONS AND ADJUSTED TO THE NATIONAL GEODESIC SOCIETY VERTICAL REFERENCE STATION SERVICE (NRS).
 2. AREA COMPUTED BY COORDINATE METHOD.
 3. ALL DISTANCES SHOWN ON THIS EXHIBIT ARE GROUND DISTANCES UNLESS OTHERWISE NOTED.
 4. REFERENCES SHOWN HEREON.
 5. DASHED LINES ARE NOT SURVEYED.
 6. THE INFORMATION CONTAINED HEREON IS SUBJECT TO THE FINDINGS OF A COMPLETE AND ACCURATE OPINION OF TITLE, AND TO THOSE EXCEPTIONS AND EASEMENTS OF RECORD, IF ANY, NOTED THEREON.

PROJECT #: 50093676



VICINITY MAP - N.T.S.

LEGEND	
○ IPF	IRON PIPE FOUND
● IRF	IRON ROD FOUND
□ MONF	MONUMENT FOUND
●	CALCULATED POINT
—	SURVEYED LINE
—	NON SURVEYED LINE
▨	SANITARY SEWER EASEMENT
▩	TEMPORARY CONSTRUCTION EASEMENT
▧	ACCESS EASEMENT
▤	EASEMENT TO BE ABANDONED



Craig D. Smith, MA 38

PROPOSED EASEMENT AREA TABLE (TOTAL ALL SHEETS)

OWNER	SANITARY SEWER	TEMPORARY CONSTRUCTION	EGRESS/INGRESS	EX. SANITARY SEWER (TO BE DISPOSED OF)	TOTAL
WAKE COUNTY	25,471 ± SF	23,821 ± SF	23,144 ± SF	2,083 ± SF	70,353 ± SF

EASEMENT EXHIBIT FOR ACQUISITION PURPOSES:
SOUTH SAUNDERS SEWER REPLACEMENT
 PROPERTY OF:
WAKE COUNTY
 SWIFT CREEK TOWNSHIP - WAKE COUNTY - NORTH CAROLINA - FEBRUARY 2018

Dewberry Engineers, Inc.
 SUITE 410 - 116 27007
 2810 WYCLIFF ROAD
 RALEIGH, NC 27607
 PHONE: 919.881.8889
 FAX: 919.881.8823
 NCEBELS # F-0028

- NOTES:
1. HORIZONTAL CONTROL IS NORTH CAROLINA STATE PLANE COORDINATE SYSTEM AND IS ESTABLISHED BY GPS OBSERVATIONS AND VERTICAL CONTROL IS NORTH CAROLINA STATE PLANE COORDINATE SYSTEM VERTICAL REFERENCE STATION SERVICE (RIS).
 2. ALL DISTANCES SHOWN ON THIS EXHIBIT ARE GROUND DISTANCES UNLESS OTHERWISE NOTED.
 3. ALL DISTANCES SHOWN ON THIS EXHIBIT ARE GROUND DISTANCES UNLESS OTHERWISE NOTED.
 4. DASHED LINES ARE NOT SURVEYED.
 5. REFERENCES SHOWN HEREON.
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PROJECT #: 50093676

“BEFORE” VS. “AFTER” COMPARISON

The ultimate Highest & Best Use of the property (non-residential development; office, industrial, service business) is not concluded to be changed in the least by the designation of the new permanent sewer easement areas across the extreme northwest margins of the subject property. Uses of this type require a multitude of public and private easements for utility lines (water, sewer, electric), storm drainage, storm-water retention and greenways.

The placement of the new sewer line easement across the subject tract is not concluded to significantly alter the functionality or marketability of the property (vacant or as currently improved) relative to other similar properties in the region. Further, there are no specific property damages estimated relative to the existing building improvements. Therefore, any damages which might apply to the property are considered to be applicable to the underlying land, miscellaneous site improvements and potential land development capacity issues.

A comparison of various non-residential land sales in the market does not indicate a discernable value differential based upon the “lack of” or the “presence of” these relatively minor easement features along or near the boundaries of a property unless the location of the permanent easement somehow impacts the developable land area or creates issues with respect to efficient development (ie. configuration issues). All easement land areas can typically still be included in calculating the allowed maximum density of the property. Different issues/considerations may apply with respect to major utility easements (such as high voltage overhead electrical lines), and situations where the easements are not restricted to the property boundaries and/or have an impact on land development capacity.

Simply stated, permanent easements situated across non-residential land tracts are typical and necessary to serve the subject property and surrounding properties with services, storm drainage, etc. These types of land uses are not typically adversely impacted by normal placement of utility easements, drainage easements and other various easements. The only exception is when a new easement has an impact on the development capacity of the property, or somehow creates some issue that results in a hardship for the property owner (such as realignment of an access road, additional site work costs, etc.).

Permanent Sewer Easement Areas

The new permanent sewer utility easement (PUE) across the subject property totals 25,471+/- square feet on the northwestern-most portions of the tract, and proximate to the I-40 right-of-way corridor. The full extent of this 40 foot wide sewer easement corridor will overlap about 500+/- linear feet, with another 100 to 150+ linear feet at a lesser width. The removal of a sewer line that is to be abandoned as part of the project results in 2,083 square feet of prior sewer easement area being abandoned.

The existing building improvements are primarily situated on the northeastern portions of the property proximate to South Wilmington Street (a smaller warehouse structure is located on the central western portion). Placement of the new sewer line easement as proposed across the northwest margin of the tract (in the vicinity of the property boundary with I-40) will not have a major discernable detrimental impact on this property either “as if vacant” or “as improved”.

The basis for this conclusion is as follows:

** The new sewer easement will be placed/installed in a manner that will not impact or disrupt the improved property (existing buildings and associated parking lot areas).

** Zoning requires a 25 foot SHOD-2 landscaped yard requirement along a Major Access Corridor (such as I-40); the new 40 foot sewer easement is mainly placed either up against or within 50+/- feet of the northwest property boundary line formed by I-40; for a vacant tract, when a utility easement runs along a Major Access Corridor the owner would have to recognize/provide for the 25 foot SHOD-2 protective yard requirement on the property side of the new easement upon development (in the site plan documents; UDO 5.3.1-D-1); however, for an improved property, new easements of this type are allowed to traverse protective yards/landscape yards and not be viewed as having created a non-conformance issue (see UDO 8.7.2-C for guidance on utility lines in protective yard areas, also confirmed by Travis Crane with City of Raleigh Planning Department).

** Significant portions of the impacted new sewer easement land areas are already overlapped by 50 foot stream buffer and poor topography/soil areas, thus, no improvements are viable.

** The areas of the tract overlapped with the new sewer easement may still be used in calculating allowed density, certain buffers and lot coverage maximums, a characteristic which is unchanged by the placement of the new sewer easement corridor.

So, there would be no overwhelming/major issues created for the land tract or the existing improvements from the new sewer easement corridor being placed in this location. However, there has been a significant change in condition for the northwestern portions of the tract (mainly from an “as if vacant” perspective) that must be addressed.

The optimal analysis for this “change in condition” would involve a pairing of two recently sold non-residential land tracts in which the only significant difference between the two properties was the placement of a sewer line/easement across one of the tracts. A search of area sales data (land and improved sales) as well as conversations with several area brokers and appraisers did not yield any relevant paired sales data by which the impact of the new sewer easement could be confidently and specifically measured. Thus, application of an arbitrary damage percentage or lump sum adjustment to the total estimated “before” value of the property “as if vacant” is not readily indicated.

The required sewer easement area is considered to be a partial taking which in this case does not significantly alter the development capacity of the property (as previously discussed). However, there are several additional minor to moderate issues which could have some detrimental impacts on the “before” condition of the property, especially when viewed in the aggregate:

A portion of the new easement corridor does overlap into the tract another 50+/- feet beyond the typical easement overlap depth of 40+/- feet; this creates an approximate 10,000+/- square foot “island” of land area that lies between the new easement corridor and the property boundary.

The new easement areas overlapping the northwest margin of the subject tract could require some level of additional on-going maintenance by the property owner, although it is unlikely that this would be any more significant than normal landscaping or grass maintenance costs.

These areas can no longer be planted with trees, and other landscaping possibilities will be significantly limited or scaled down (no owner installed landscaping elements are found within the new sewer easement zones, existing trees will be mainly lost, but do not have to be replaced by the property owner as noted previously).

The City of Raleigh retains the right to access/enter the easement area at any time for repair of the sewer utility line to be installed within the easement areas.

It should be noted that portions of the new sewer easement zone could still be utilized for parking lots, interior access roads, outdoor storage yards and other things, and can also be utilized in various maximum density calculations. Therefore, these land areas are far from being a “full take” as a result of sewer easement acquisition. And to repeat an earlier stated point, significant portions of the impacted new sewer easement land areas are already overlapped by 50 foot stream buffer and poor topography/soil areas, thus rendering these areas unuseable.

Based upon the above discussion, a moderate damage factor of 50% is concluded for the new sewer easement areas that are proposed to overlap the subject property. Damages would apply for the 25,471 square feet of new sewer easement area, but net of 2,083 square feet of existing sewer easement to be abandoned. The 10,000+/- square feet of isolated land area between the new easement corridor and I-40 is concluded to have similar damages. Therefore, the final land area that will be damaged is estimated at 33,388 square feet (25,471 SF Less 2,083 SF Plus 10,000 SF). Estimating 50% damages on 33,388+/- square feet at \$3.25 per square foot indicates a value change of \$54,300.

Permanent Ingress/Egress Easement Areas

The new permanent ingress/easement across the subject property creates a different set of issues as compared to the sewer easement overlap area. As noted previously, this easement is required to create an access route from South Wilmington Street westward to the previously noted new sewer line easement. The ingress/egress easement corridor is a width of 35 feet (decreasing to 20 feet in the vicinity of the new sewer easement), and has been routed within the general interior access road configuration serving the existing buildings found on the property (no parking space overlap areas). At this width (35 feet) there is room for both inbound and outbound traffic.

There is no reason (or evidence) to conclude that the new ingress/egress easement will have any impact on the current “flex”office/institutional style development that exists on the property. Maintenance and/or contractor vehicles would simply follow the existing asphalt paved interior access roadways along the designated easement route to arrive at the westernmost edge of the rear paved area representing the eastern edge of the new sewer line easement. From this point they would cross onto the new 40 foot sewer line easement corridor to perform any required on-going or emergency maintenance activities, and then exit the property in a reverse route. No tenants would be unduly disturbed or inconvenienced by the event of the City utilizing the ingress/egress easement in a normal fashion.

As stated in the easement language, “The City agrees to protect and repair any damage to pavement of the owner within the easement due to the direct actions of the City or its agents”. Thus, there should be no real expense/cost issues associated with new easement. Therefore, the placement of the new ingress/easement across the existing developed property is concluded to have no major impacts on the improved subject property.

It is also necessary to examine any potential ingress/egress easement impacts for the property “as if vacant”. If the tract were vacant, the only way the new permanent ingress/egress easement areas would have a discernable impact on the property is if it somehow impacted the ability of a developer to place new building improvements across the property, or impacted maximum development capacity. Building improvements could not be placed in the new easement areas. Only improvements that would allow for the continued execution of the easement would be allowed (paving, gravel, etc.).

Some possible development options on the property could readily work with/work around this specific easement path under the presumption that it could be completely placed below intended access roads and or parking lot areas (as it is now proposed to be routed relative to the existing improvements). Under an “as if vacant” premise, the ingress/egress easement would likely get re-routed (perhaps to the perimeter of the tract). However, for purposes of this analysis, the outlined routing must be viewed as “permanent”, and therefore unable to be re-routed.

There are very few potential uses of the tract consistent with it’s best use that would or could span the entire north/south developable land area with a contiguous un-interrupted building structure (distance of about 800+/- feet). In fact, given its larger size, a majority of viable uses for the property (service business, office, flex and/or warehouse) would tend to be separated into multiple buildings to allow for a reaction to market conditions/space absorption trends, and also accommodate a wider range of potential tenant sizes and specific space needs.

Thus, configuration of a reasonable site plan under this premise and that accommodates the outlined ingress/egress easement route would not be inconsistent with the highest and best use of the property, would not be extremely difficult to accommodate and would only create minimal development inefficiencies.

The new ingress/egress easement is considered to be only a partial taking/acquisition. There are several minor issues/impacts which could have some detrimental impact on the “before” condition of the property “as if vacant”, especially when viewed in the aggregate. These are summarized as follows:

The overall ingress/egress easement corridor creates a zone where there can be no obstructions/buildings, and therefore must be recognized in the ultimate development/re-development of the property, and in the specific location of the easements; this can create overall site planning hardships and inefficiencies (not too dis-similar to having to accommodate municipal water and sewer line easement crossings when not located along property boundaries);

The new ingress/egress easement areas could be viewed by a developer as requiring some level of additional on-going maintenance by the property owner, although it is unlikely that this would be any more significant than normal parking lot/access road maintenance costs (the City indemnifies against damages due to their use of the ingress/egress easement corridor).

The City of Raleigh retains the right to utilize the easement areas at any time for maintenance and repair activities of the adjacent easement containing the City utility sewer line.

It is concluded that there is one main minor to moderate issue that applies relative to the new ingress/egress easement: site planning hardships and inefficiencies created by the placement of the ingress/easement across the overall property.

With respect to site planning hardships and inefficiencies created by the placement of the ingress/easement across the overall property, the most significant possible issue is the placement of the east/west segment of the easement corridor across the central portions of the property. This creates a separation of the nearly 16 acre subject tract into nearly equal northern and southern parcels. These land areas at 7 to 8+/- acres each are sufficient in size to allow for flexible planning.

As discussed previously a multi-building/multi-site development scenario is likely for the tract (not dissimilar to its current configuration/layout) which would require interior roads and/or driveways that could readily be designed and placed to accommodate the function of a permanent ingress/egress easement. It is extremely unlikely that the new easement location would completely negate any potential reasonable and typical best use of the tract.

It should be noted that portions of the new ingress/egress zone could still be utilized for interior access roads, and can also be utilized in various maximum density calculations. Therefore, these land areas are not considered a “full take” as a result of the easement acquisition.

The new ingress/egress easement area across the subject property of 23,144 square feet is concluded to be only minimally disruptive as it relates to viewing the property under an “as if vacant” premise. Although this new easement has the potential to be more difficult to accommodate for a couple of potential uses/users of the property, for the vast number of more likely potential uses/users it is not concluded to be an overwhelming issue (from an overall site planning perspective). It is therefore concluded that an average 50%+/- damage factor applied to the overall easement area would be reasonable. Using 23,144 square feet at \$3.25 per square foot at a factor of 50% equates to damages of \$37,600 for the new permanent ingress/egress easement.

Benefits from the Utilization of the Part Taken for Public Works Purposes

Any benefits to the property due to the sewer line/easement installation project must also be considered. It is possible that estimated benefits could exceed the estimated damages thereby resulting in a net damage estimate of \$0.

Under the concluded Highest and Best Use of the subject tract (office, industrial, “flex” development, business park) it is concluded that there is a benefit to the subject property to having municipal sewer service available. The tract already has proximate municipal water and sewer lines/services available, therefore, no specific benefits are concluded to be attributable to the project. The ingress/egress easement is also concluded to provide no benefit for the property. For these reasons no specific “benefits” will be applied in the analysis of the subject property.

Temporary Easement Damages

Temporary easement areas impact the property during the construction period (or for a stated purpose during a stated period of occupancy). 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 “permanent easement” damage total.

This new permanent sewer easement area is adjoined on its east side by a 20 foot wide temporary construction easement area (TCE), with an additional TCE area required between the sewer easement and the west property line. The TCE areas will allow access across portions the subject tract to complete the project installation and/or removal of a sewer line segment that is to be abandoned as part of the project.

The TCE is for this specific project, and will terminate upon final completion of the sewer line installation. A review of the project and required TCE areas indicates that there are no long term detrimental impacts created relative to the “after” remainder tract.

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 sewer improvement project (across the subject tract) is anticipated to fall in the range of 12+/- 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 23,821 square feet at a value of \$3.25 per square foot or \$77,400+/- . Application of a 10% rate of return on the affected land area over a 12+/- month project construction term indicates damages of approximately \$7,700+/- .

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 - 15.80+/- Acres @ \$3.25 Per SF	=	\$ 2,240,000
Less: Indicated Damages - Permanent Sewer Easement (Net)	=	(\$ 54,300)
Less: Indicated Damages - Permanent Ingress/Egress Easement	=	(\$ 37,600)
Plus: Benefits From Installation of Sewer Line/Easement	=	<u>\$ 0</u>
Indicated Net “After” Value - Land Only	=	\$ 2,148,100
Damages to Subject Property	=	\$ 91,900<
Temporary Easement Damages	=	\$ 7,700

In conclusion, the total estimated damages to the subject property as of October 17, 2018 are estimated at \$91,900. This estimate of damages is based on a “before” and “after” analysis of the property and recognizes no specific benefits to the subject property due to installation of a new sewer line/easement across the property. Additional damages attributable to the required temporary construction easement areas are estimated at \$7,700.

Special Considerations/Assumptions

There is a multi-building institutional use located on portions of the subject property (The Vernon Malone College and Career Academy). Therefore, there are additional assumptions which are necessary in order to complete this analysis. These assumptions are outlined as follows:

- 1) For the subject tract the permanent ingress/egress easement areas overlap mainly asphalt paved parking/access road areas; if any driveway/parking area site improvements within any of the new easement areas are damaged in the course of project construction/installation activities, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 2) If any driveway/parking area site improvements are damaged in the course of performing future repair and maintenance activities within the new easement area, the City of Raleigh will be responsible for repair/replacement of these improvements.
- 3) The City of Raleigh will be responsible for minor landscaping of all other impacted easement ground areas (if necessary) which generally includes seeding and/or mulching.

The appraiser's limited inspection of the property indicated no obvious environmental hazards. However, the subject property is located within an area that has seen a variety of historical land uses including industrial. Therefore, there is the potential for environmental contamination issues which could impact the value and marketability of the property.

As already noted, the central and western portions of the subject tract are currently improved with The Vernon Malone College and Career Academy facility (approximately 104,000+/- square feet; originally constructed in 1957 thru 1998; full renovation completed 2016). These buildings are all in good repair and contribute considerable value to the premises. However, for purposes of this appraisal, the subject land tract has been analyzed “as if vacant” and available for development as of the effective appraisal date. **The “as if vacant” label applied to the subject property for valuation purposes might therefore be considered a “hypothetical condition”.**

The appraiser is not qualified to render an opinion as to the status of the subject relative to environmentally hazardous substances. **An up to date environmental site assessment by a qualified engineer is recommended if further information is desired on this matter. The property has been valued excluding any consideration of hazardous substances.**

The appraiser makes no representations as to the condition of the property relative to poor soils, wetlands, flood zones and/or required stream buffer zones outside of those areas of the tract that may have been specifically noted in this regard. **Unuseable land areas due to these issues are estimated at no more than 5% to 10% of the overall property. For purposes of this analysis it is assumed that these unspecified portions of the subject tract have only minor difficult topography, poor soil and/or wetland areas to be addressed (similar to other land tracts in the area) which will not significantly impact the utilization potential of the property.** The client is referred to trained professionals with an expertise in this area if additional information on this matter is required.

The appraiser makes no representations as to the condition of the property relative to rock outcroppings. The appraiser has not been presented any specific subsurface studies relative to the property. **Therefore, for purposes of this analysis, it is assumed that development of this property will not require a significant budget for rock excavation or removal beyond a normal allowance.** The client is referred to engineering professionals if additional information on this matter is required.

This appraisal is considered to be made in conformity with the Uniform Standards of Professional Appraisal Practice. 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. The value conclusions presented herein are subject to the certifications, underlying assumptions and limiting and contingent conditions as outlined in the body of this report.

Respectfully,



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

EXHIBIT A

EDUCATION AND QUALIFICATIONS OF THE APPRAISER

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	2/18
Evaluating Residential and Commercial Construction	7	5/18
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

CERTIFICATIONS/LICENSES (All Current through at least July, 2019)

North Carolina State Certified General Real Estate Appraiser (No. A2658; 6/19)		12/91
Appraisal Institute - MAI Designation (Member No. 10488; 1/20)		8/94
North Carolina Real Estate Brokers License (No. 122990; 6/19)		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

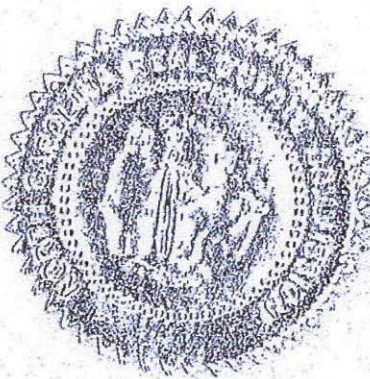
having satisfied the North Carolina Real Estate Appraisal Board regarding the qualifications to practice as a General Real Estate Appraiser in this State and having complied with the requirements prescribed by law, is hereby certified as a

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, 2019**

REGISTRATION / LICENSE / CERTIFICATE HOLDER

18	CRAIG D SMITH	19
A2658	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

APPRAISER'S SIGNATURE

EXECUTIVE DIRECTOR

EXHIBIT B
PROJECT SITE PLAN MAPS

Dewberry Engineers Inc.
 219 Exchange Plaza, Suite 620
 Raleigh, NC 27601
 Phone: 919.880.8899
 Fax: 919.880.8898
 Mobile: 919.880.8899

CITY OF RALEIGH
 SOUTHERN SAUNDERS ST.
 SEWER REPLACEMENT
 219 EXCHANGE PLAZA, SUITE 620
 RALEIGH, NC 27601
 2018.08.01



SEAL

SOUTH SAUNDERS PLAN & PROFILE

PROJECT NO. 50093676

C2.2



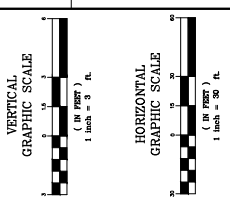
CONCURRENT REVIEW APPROVAL

CITY OF RALEIGH - PLANS AUTHORIZED FOR CONSTRUCTION
 IN ACCORDANCE WITH ALL CITY OF RALEIGH ANCHOR POINT STANDARDS AND SPECIFICATIONS

ALL CONSTRUCTION TO BE IN ACCORDANCE WITH ALL CITY OF RALEIGH ANCHOR POINT STANDARDS AND SPECIFICATIONS

TRANSFORMATION SERVICES
 PUBLIC UTILITIES
 PLANNING
 FIRE
 POLICE

- NOTES:**
- REFER TO SECTION 0446 FOR TRENCHLESS INSTALLATION AND GEOTECHNICAL INSTRUMENTATION REQUIREMENTS.
 - TRENCHLESS PITS AND DIMENSIONS ARE SHOWN IN CONFORMANCE WITH ALL CITY OF RALEIGH ANCHOR POINT STANDARDS AND SPECIFICATIONS. THE RESPONSIBILITY OF THE CONTRACTOR.

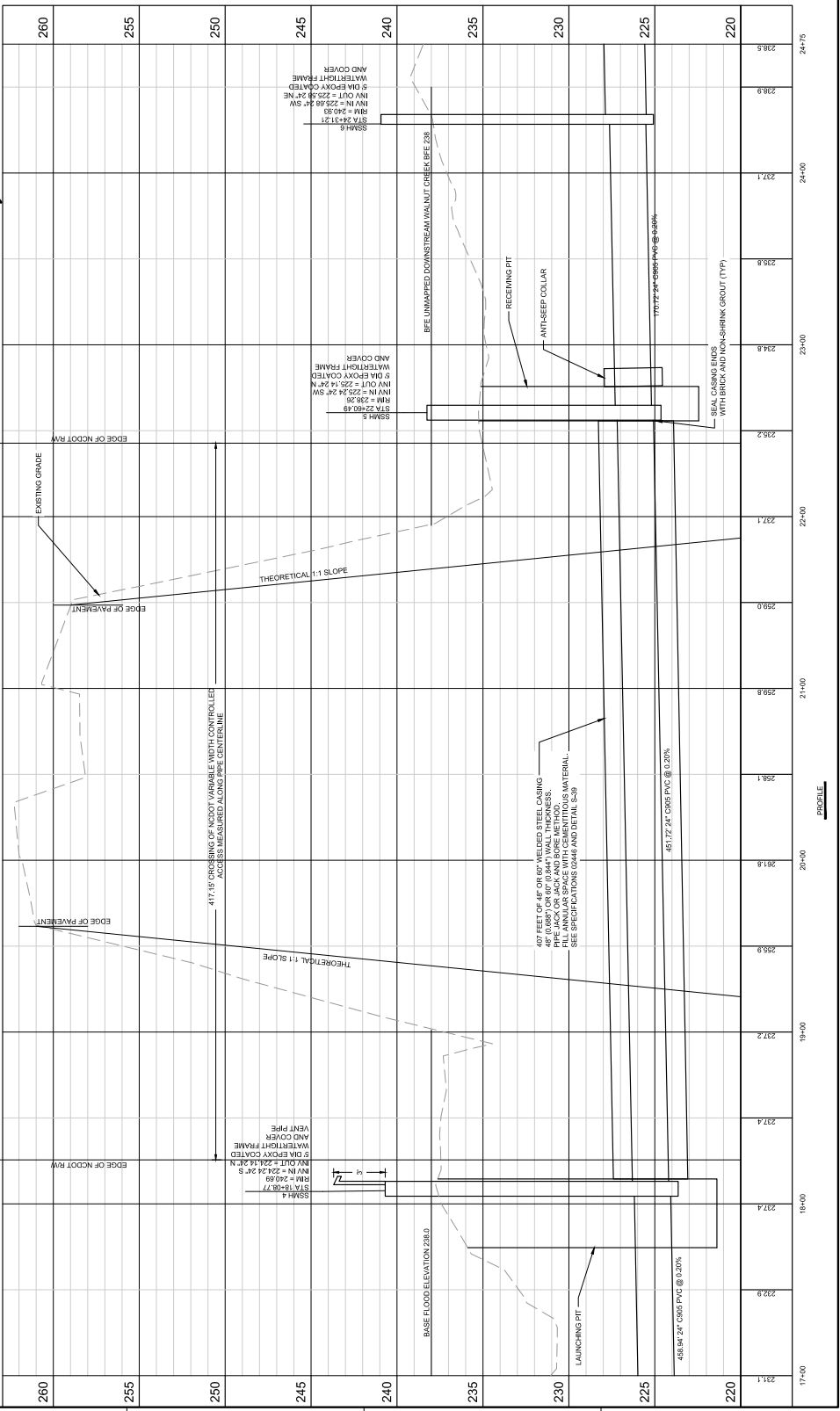
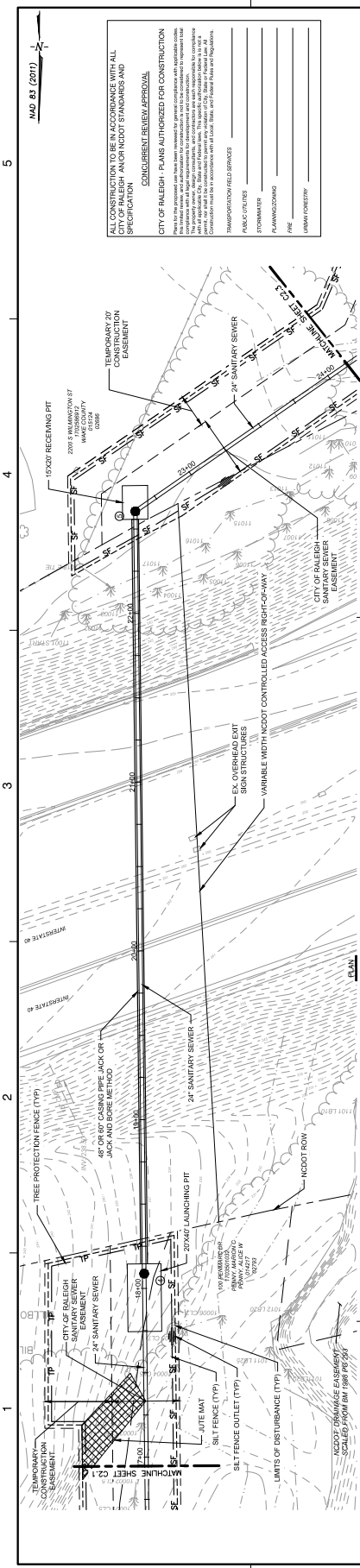


No.	DATE	BY	Description
A	8/29/17	SRH	30% SUBMITTAL
B	11/17/17	SRH	60% SUBMITTAL
C	03/23/17	SRH	90% SUBMITTAL

REVISIONS

APPROVED BY: SRH
 CHECKED BY: EBS
 DATE: AUGUST 2017

TITLE



PROFILE



SEAL
 REG. PLAN

NO.	DATE	BY	DESCRIPTION
A	8/25/17	SRH	30% SUBMITTAL
B	11/17/17	SRH	60% SUBMITTAL
C	03/23/17	SRH	90% SUBMITTAL

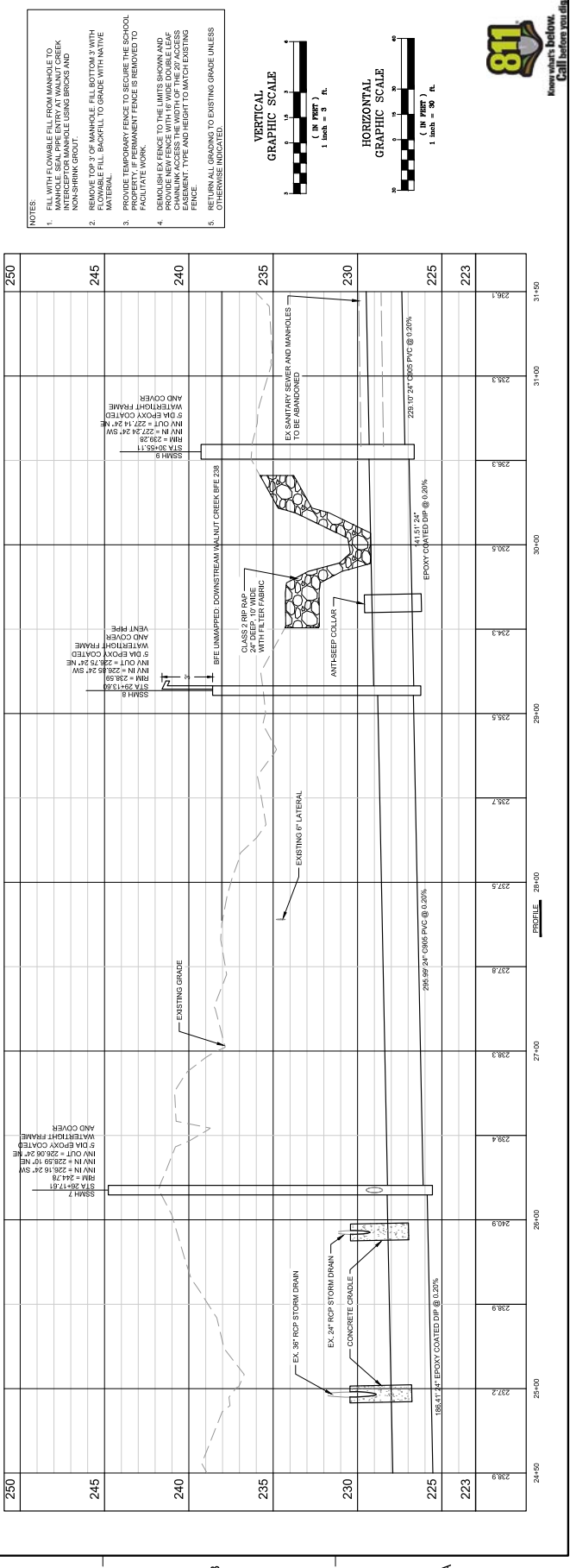
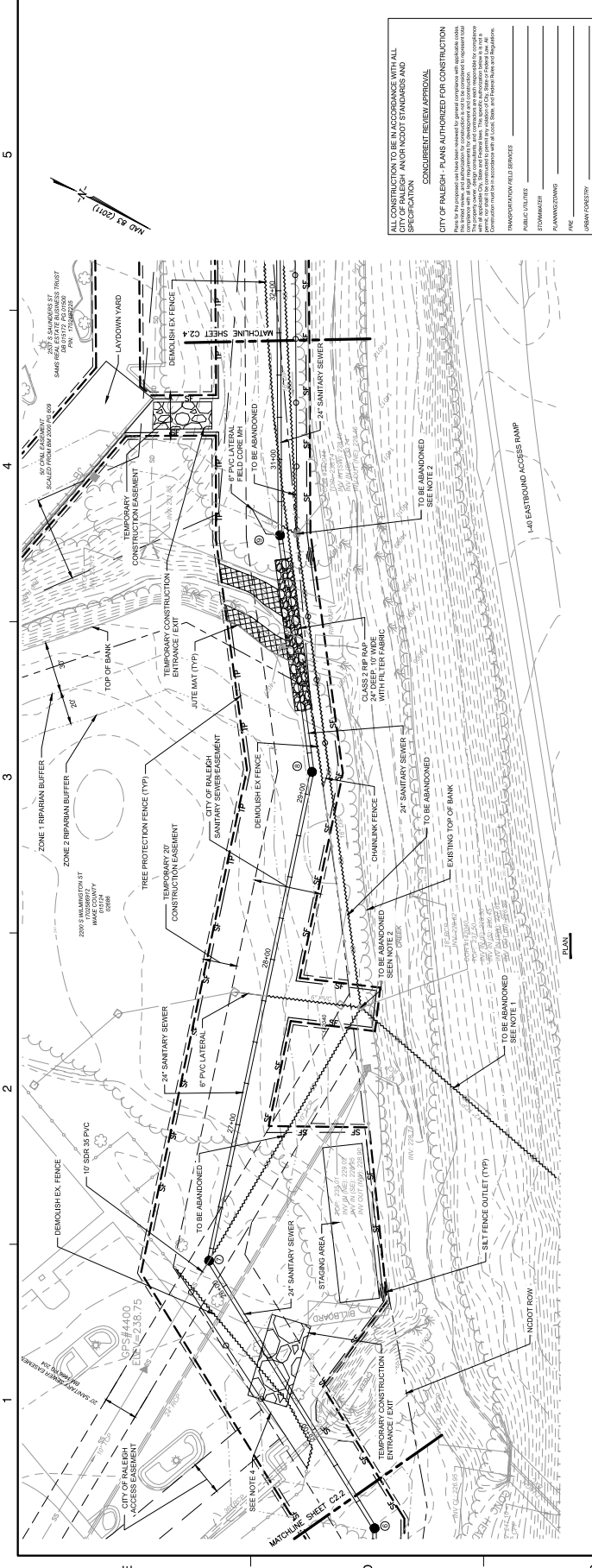
REVISIONS

DRAWN BY: ABH
 APPROVED BY: SRH
 CHECKED BY: EBS
 DATE: AUGUST 2017

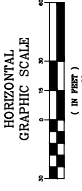
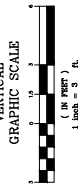
**SOUTH SAUNDERS
 PLAN & PROFILE**

PROJECT NO. 50093676

C2.3



- NOTES:**
- FILL WITH FLOWABLE FILL FROM MANHOLE TO EXISTING GROUND SURFACE. EXISTING GROUND SURFACE TO BE DETERMINED BY FIELD SURVEY. NON-SHRINK GROUT.
 - REMOVE TOP 3" OF MANHOLE. FILL BOTTOM 3" WITH FLOWABLE FILL. BACKFILL TO GRADE WITH NATIVE SOIL.
 - REMOVE TEMPORARY FENCE TO REPAIR THE SCHOOL PROPERTY. IF PERMANENT FENCE IS REMOVED TO FACILITATE WORK.
 - DEMOLISH EX FENCE TO THE LIMITS SHOWN AND REPAIR TO ORIGINAL CONDITION. REPAIR SHALL BE CHAINLINK ACCESS THE WIDTH OF EXISTING EASEMENT. TYPE AND HEIGHT TO MATCH EXISTING FENCE.
 - RETURN ALL GRADINGS TO EXISTING GRADE UNLESS OTHERWISE INDICATED.



CONCURRENT REVIEW APPROVAL
 CITY OF RALEIGH - PLANS AUTHORIZED FOR CONSTRUCTION

Notes for the proposed work have been reviewed for general conformance with applicable codes and standards. This review is limited to the information provided and does not constitute a warranty of any kind. The contractor shall be responsible for obtaining all necessary permits and for ensuring that the work complies with all applicable codes and standards. The contractor shall be responsible for obtaining all necessary permits and for ensuring that the work complies with all applicable codes and standards. The contractor shall be responsible for obtaining all necessary permits and for ensuring that the work complies with all applicable codes and standards.

TRANSPORTATION FIELD SERVICES
 PUBLIC UTILITIES
 STORMWATER
 PLANNING/DESIGN
 PREP

EXHIBIT C
COPY OF DEED

BK015124PG02686

WAKE COUNTY, NC 176
LAURA M RIDDICK
REGISTER OF DEEDS
PRESENTED & RECORDED ON
01/31/2013 AT 11:19:56
STATE OF NORTH CAROLINA
REAL ESTATE EXCISE TAX: \$6070
BOOK:015124 PAGE:02686 - 02690

Excise Tax: \$6,070.00 Tax I.D. No.: 0011399
Instrument Prepared By/Hold For: Parker Poe Adams & Bernstein LLP
After Recording, Please Return to: Grantee
Short Description For Index: 15.8020 acres - 2200 S. Wilmington Street, Raleigh, Wake County, NC
The property does not include the primary residence of the Grantor.

NORTH CAROLINA
WAKE COUNTY

NORTH CAROLINA
SPECIAL WARRANTY DEED

THIS DEED is made this 28th day of January, 2013, by and between **COCA-COLA BOTTLING CO. CONSOLIDATED**, a Delaware corporation, successor to The Capital Coca-Cola Bottling Company, Inc., 4100 Coca-Cola Plaza, Charlotte, NC 28211 ("**GRANTOR**"), and **WAKE COUNTY, NORTH CAROLINA**, a political subdivision of the State of North Carolina, c/o Wake County Attorney's Office, P.O. Box 550, Raleigh, NC 27602 ("**GRANTEE**"). *(As used in this instrument, the designation of Grantor and Grantee shall include the named parties, and their heirs, successors and assigns, and shall include the singular or plural number, and the masculine, feminine, or neuter gender, both as the context requires.)*

WITNESSETH:

THE GRANTOR, for a valuable consideration paid by the Grantee, the sufficiency and 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 real property (the "Real Property") lying in Wake County and described as follows: **See Exhibit A attached and incorporated into this instrument.**

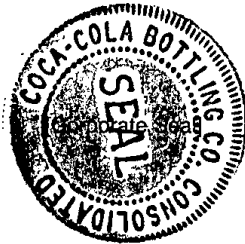
The Real Property was acquired by Grantor by that instrument recorded in Book 1244, Page 82, Wake County Registry.

TO HAVE AND TO HOLD the Real Property and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

Grantor covenants with the Grantee that Grantor has done nothing to impair such title as Grantor received, and that Grantor will warrant and defend the title to the Real Property against the lawful claims of all persons claiming by, under, or through Grantor, except for the following exceptions: **See Exhibit B attached and incorporated into this instrument.**

Except for the warranties of title made in this Deed and any warranties made by Grantor in that "Contract to Sell and Purchase Real Property" with an effective date of December 9, 2011 (as amended and assigned), previously executed by it, Grantor makes no other warranties, express or implied, with respect to the condition, title, or use of the Real Property.

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



COCA-COLA BOTTLING CO. CONSOLIDATED,
a Delaware corporation

By: Umesh Kasbekar
Umesh Kasbekar
Authorized Representative

STATE OF North Carolina

COUNTY OF Mecklenburg

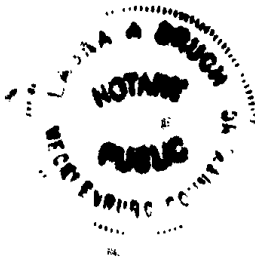
I, Laura A. Bruch, a Notary Public of Mecklenburg County and State of North Carolina do hereby certify that Umesh Kasbekar personally came before me this day and acknowledged that he is Authorized Representative of **Coca-Cola Bottling Co. Consolidated**, a Delaware corporation, and that he, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)

- (I have personal knowledge of the identity of the Signatory); or
- (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of:
(check one of the following)
 a driver's license or
 in the form of _____); or
 (a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Witness my hand and official stamp or seal this 28th day of January, 2013.



Laura A. Bruch
Notary Public
Print Name: Laura A. Bruch
[Note: Notary Public must sign exactly as on notary seal]
My Commission Expires: Sept. 2, 2013

[NOTARY SEAL] (MUST BE FULLY LEGIBLE)

7

**EXHIBIT A
LEGAL DESCRIPTION**

All that certain 15.8020 acre tract located in the Swift Creek Township, City of Raleigh, Wake County, North Carolina, designated as "Property of Coca Cola Bottling Company Consolidated" as shown on survey prepared by Bass, Nixon & Kennedy, Inc., dated January 18, 2013, recorded in Book of Maps 2013, Page 126, in the Wake County Public Registry and more particularly described as follows:

Beginning at an existing right-of-way monument located in the southern right-of-way of Interstate 40 & 440 (Variable ROW) and the western right-of-way of S. Wilmington Street (200' ROW), having NC Grid Coordinates (NAD 83 - NSRS2007): N 729379.57 & E 2106183.58, the **Point of Beginning**, thence along that latter right-of-way S 15° 20' 50" W 796.06 feet to a point in the common property line with lands now or formerly owned by Baldrige Enterprises, Inc. (PIN 1702-58-8541); thence along that common property line and continuing along the common property line of other lands now or formerly owned by Baldrige Enterprises, Inc. (PIN 1702-58-6406) the following courses and distances: (i) S 84° 40' 09" W 198.00 feet to a point; (ii) S 84° 40' 09" W 339.27 feet to a point; (iii) S 05° 19' 52" E 209.93 feet to a point; and (iv) S 33° 22' 38" E 8.52 feet to a point in the northern right-of-way of Renfrow Road (60' ROW); thence along that right-of-way S 68° 52' 14" W 6.75 feet to a point in the common property line with lands now or formerly owned by Sam's Real Estate Business Trust (PIN: 1702-48-7225); thence along that common property line the following courses and distances: (i) N 53° 32' 32" W 606.72 feet to an existing iron pipe; and (ii) N 06° 32' 31" W 82.82 feet to a point in the southern right-of-way of Interstate 40 & 440 (Variable ROW); thence along that right-of-way the following courses and distances: (i) N 47° 06' 07" E 130.83 feet to a point; (ii) N 48° 27' 58" E 189.59 feet to a point; (iii) N 44° 42' 27" E 169.56 feet to an existing right-of-way monument; (iv) N 62° 34' 24" E 183.13 feet to an existing right-of-way monument; (v) N 60° 41' 54" E 218.84 feet to an existing right-of-way monument; (vi) N 70° 33' 23" E 78.74 feet to an existing right-of-way monument; (vii) N 84° 34' 45" E 322.31 feet to an existing right-of-way monument; and (viii) N 85° 14' 22" E 120.02 feet to the **Point of Beginning**, containing approximately 15.8020 acres, more or less, as shown on that survey prepared by Bass, Nixon, and Kennedy entitled "Boundary Survey Property To Be Acquired By Wake County dated 01-18-2013, and recorded in Book of Maps 2013, Page 126, Wake County Registry.

Witness my hand and seal of office this 18th day of January, 2013.

BK015124PG02689

EXHIBIT B
TITLE EXCEPTIONS

- (i) Ad valorem taxes for the year of 2013;
- (ii) Matters affecting title to the Real Property which would be shown on a current and accurate ALTA survey of the Real Property (including any encroachments);
- (iii) Easements, covenants, restrictions and all other matters of record, and rights-of-way of public and private streets and roads;
- (iv) All easements, restrictions and rights-of-way as may be apparent from an inspection of the Real Property; and
- (v) All zoning, subdivision, land use and other laws, regulations or ordinances applicable to the Real Property.

EXHIBIT D

PHOTOGRAPHS OF SUBJECT PROPERTY

PHOTOGRAPHS OF SUBJECT PROPERTY



View of subject property looking north along South Wilmington Street



View of subject property looking south along South Wilmington Street



Interior view of improvements located on subject property



Interior view of subject property in vicinity of planned easement corridor



Interior view of subject property in vicinity of planned easement corridor



Interior view of subject property in vicinity of planned easement corridor