

APPRAISAL OF REAL PROPERTY

LOCATED AT

127 Broad St
Fuquay Varina, NC 27526
Lots 20 & 21 JC Utley & AT Seymour Property

FOR

Wake County Board of Education

OPINION OF VALUE

\$112,000

AS OF

August 7, 2017

BY

B. Carter Kennemur
Certified General Real Estate Appraiser A4776
805 N Wakefield St
Zebulon, NC 27597-2342
(919) 269-6400
kennemur@nc.rr.com

Letter of Transmittal

August 8, 2017

Wake County Board of Education
1429 Rock Quarry Road, Suite 116
Raleigh NC 27610

Re: Property: 127 Broad St
Fuquay Varina, NC 27526
Borrower: Wake County Board of Education
File No.: WCPSS2017-2

Opinion of Value: \$ 112,000
Effective Date: August 7, 2017

In accordance with your request, I have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

B. Carter Kennemur



B. Carter Kennemur
License or Certification #: A4776
State: NC Expires: 06/30/2018

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. WCPSS2017-2

Property Description

| | | | | | | | | | | | |
|---|--|---|--|--|--|--|---|--|---|--|--|
| Property Address | | 127 Broad St | | City Fuquay Varina | | State NC | | Zip Code 27526 | | | |
| Legal Description | | Lots 20 & 21 JC Utley & AT Seymour Property | | County Wake | | | | | | | |
| Assessor's Parcel No. | | 0657927640 | | Tax Year 2017 | | R.E. Taxes \$ 1,186.47 | | Special Assessments \$ N/A | | | |
| SUBJECT | Borrower | | Wake County Board of Education | | Current Owner | | Wake County Board of Education | | Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant | | |
| | Property rights appraised | | <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold | | Project Type | | <input type="checkbox"/> PUD <input type="checkbox"/> Condominium (HUD/VA only) | | HOA \$ N/A /Mo. | | |
| | Neighborhood or Project Name | | Fuquay Varina | | Map Reference | | 39580 | | Census Tract 0531.05 | | |
| Sale Price \$ | | 120,000 | | Date of Sale | | Pending | | Description and \$ amount of loan charges/concessions to be paid by seller N/A | | | |
| Lender/Client | | Wake County Board of Education | | Address | | 1429 Rock Quarry Road, Suite 116, Raleigh NC 27610 | | | | | |
| Appraiser | | B. Carter Kennemur | | Address | | 805 N. Wakefield Street, Zebulon NC 27597 | | | | | |
| NEIGHBORHOOD | Location | | <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural | | Predominant occupancy | | Single family housing | | Present land use % | | |
| | Built up | | <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% | | <input checked="" type="checkbox"/> Owner | | PRICE \$(000) 50 Low New | | One family 60 | | |
| | Growth rate | | <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow | | <input type="checkbox"/> Tenant | | 200 High 90 | | 2-4 family 0 | | |
| | Property values | | <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining | | <input type="checkbox"/> Vacant (0-5%) | | Predominant | | Multi-family 5 | | |
| | Demand/supply | | <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In balance <input type="checkbox"/> Over supply | | <input checked="" type="checkbox"/> Vacant (0-5%) | | Commercial 30 | | To: _____ | | |
| | Marketing time | | <input type="checkbox"/> Under 3 mos. <input type="checkbox"/> 3-6 mos. <input checked="" type="checkbox"/> Over 6 mos. | | <input type="checkbox"/> Vac.(over 5%) | | 150 40 | | Vacant 5 | | |
| | Note: Race and the racial composition of the neighborhood are not appraisal factors. Neighborhood boundaries and characteristics: <u>The subject property's neighborhood is defined as property in and around the Town of Fuquay Varina, in Wake County, NC.</u> | | | | | | | | | | |
| | Factors that affect the marketability of the properties in the neighborhood (proximity to employment and amenities, employment stability, appeal to market, etc.): | | | | | | | | | | |
| | Subject property is in an average location, with typical access to local amenities. Employment in the area is stable. Appeal to market is average. The subject property shares a border with a Wake County public elementary school. | | | | | | | | | | |
| | The subject property is currently zoned "R-20" Residential, which is considered an interim use, as the 2035 Fuquay Varina Land Use plan calls for this property to be designated as part of an Urban Center "Downtown" zoning district. | | | | | | | | | | |
| Market conditions in the subject neighborhood (including support for the above conclusions related to the trend of property values, demand/supply, and marketing time -- such as data on competitive properties for sale in the neighborhood, description of the prevalence of sales and financing concessions, etc.): | | | | | | | | | | | |
| Good sources of financing are available. Marketing time is estimated at 3-6 months. Property values are stable. Financing concessions of up to 3% of purchase price are considered typical. | | | | | | | | | | | |
| PUD | Project Information for PUDs (If applicable) - Is the developer/builder in control of the Home Owners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A | | | | | | | | | | |
| | Approximate total number of units in the subject project <u>N/A</u> | | | | | Approximate total number of units for sale in the subject project <u>N/A</u> | | | | | |
| Describe common elements and recreational facilities: <u>N/A</u> | | | | | | | | | | | |
| SITE | Dimensions | | 120x187x148x278 | | Topography | | Level | | | | |
| | Site area | | 0.60 acres | | Corner Lot <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Size | | Average | | |
| | Specific zoning classification and description | | R-20 Residential (Future "Downtown" zoning) | | Shape | | Mostly rectangular | | | | |
| | Zoning compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning | | Highest & best use as improved: <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other use (explain) | | Drainage | | Appears Adequate | | | | |
| | Utilities Public Other | | Off-site Improvements Type Public Private | | View | | Average | | | | |
| | Electricity <input checked="" type="checkbox"/> | | Street Asphalt <input checked="" type="checkbox"/> | | Landscaping | | Average | | | | |
| | Gas <input type="checkbox"/> LP Gas | | Curb/gutter Concrete <input checked="" type="checkbox"/> | | Driveway Surface | | Gravel | | | | |
| | Water <input checked="" type="checkbox"/> | | Sidewalk Concrete <input checked="" type="checkbox"/> | | Apparent easements | | None noted | | | | |
| | Sanitary sewer <input checked="" type="checkbox"/> | | Street lights Electric <input checked="" type="checkbox"/> | | FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | FEMA Zone X | | Map Date 05/02/2006 | | |
| | Storm sewer <input checked="" type="checkbox"/> | | Alley None <input type="checkbox"/> | | FEMA Map No. 37183C0657J | | | | | | |
| Comments (apparent adverse easements, encroachments, special assessments, slide areas, illegal or legal nonconforming zoning use, etc.): | | | | | | | | | | | |
| adverse easements or encroachments noted. No special assessments known. | | | | | | | | | | | |
| DESCRIPTION OF IMPROVEMENTS | GENERAL DESCRIPTION | | EXTERIOR DESCRIPTION | | FOUNDATION | | BASEMENT | | INSULATION | | |
| | No. of Units 1 | | Foundation Block/Brick | | Slab N/A | | Area Sq. Ft. N/A | | Roof <input type="checkbox"/> | | |
| | No. of Stories 1 | | Exterior Walls Siding/Average | | Crawl Space Yes | | % Finished N/A | | Ceiling <input type="checkbox"/> | | |
| | Type (Det./Att.) Detached | | Roof Surface Shingle | | Basement N/A | | Ceiling N/A | | Walls <input type="checkbox"/> | | |
| | Design (Style) Ranch | | Gutters & Dwnspnts. None | | Sump Pump Unknown | | Walls N/A | | Floor <input type="checkbox"/> | | |
| | Existing/Proposed Existing | | Window Type DH Wooden | | Dampness Unknown | | Floor N/A | | None <input type="checkbox"/> | | |
| | Age (Yrs.) 67 | | Storm/Screen Screens/SD | | Settlement Typical | | Outside Entry N/A | | Unknown <input checked="" type="checkbox"/> | | |
| | Effective Age (Yrs.) 40 | | Manufactured House No | | Infestation Unknown | | | | | | |
| | ROOMS | | Foyer Living Dining Kitchen Den Family Rm. Rec. Rm. Bedrooms | | # Baths Laundry Other Area Sq. Ft. | | | | | | |
| | Basement | | | | | | | | | | |
| Level 1 | | 1 | | 1 | | 3 | | 1 | | | |
| Level 2 | | | | | | | | | | | |
| Finished area above grade contains: 7 Rooms; 3 Bedroom(s); 1 Bath(s); 1,361 Square Feet of Gross Living Area | | | | | | | | | | | |
| INTERIOR | | Materials/Condition | | HEATING | | KITCHEN EQUIP. | | ATTIC | | AMENITIES | |
| Floors Carpet/Vinyl/Average | | Type FWA | | Refrigerator <input type="checkbox"/> | | None <input type="checkbox"/> | | Fireplace(s) # 1 <input checked="" type="checkbox"/> | | None <input checked="" type="checkbox"/> | |
| Walls Panel/Average | | LP Gas | | Range/Oven <input checked="" type="checkbox"/> | | Stairs <input type="checkbox"/> | | Patio N/A <input type="checkbox"/> | | Garage <input type="checkbox"/> | |
| Trim/Finish Wooden/Average | | Condition Average | | Disposal <input type="checkbox"/> | | Drop Stair <input checked="" type="checkbox"/> | | Deck Rear <input checked="" type="checkbox"/> | | Attached <input type="checkbox"/> | |
| Bath Floor Vinyl/Average | | COOLING | | Dishwasher <input type="checkbox"/> | | Scuttle <input type="checkbox"/> | | Porch Front/Side <input checked="" type="checkbox"/> | | Detached <input type="checkbox"/> | |
| Bath Wainscot Vinyl/Average | | Central Yes | | Fan/Hood <input type="checkbox"/> | | Floor <input type="checkbox"/> | | Fence N/A <input type="checkbox"/> | | Built-In <input type="checkbox"/> | |
| Doors Wooden/Average | | Other N/A | | Microwave <input type="checkbox"/> | | Heated <input type="checkbox"/> | | Pool N/A <input type="checkbox"/> | | Carport <input type="checkbox"/> | |
| | | Condition Average | | Washer/Dryer <input type="checkbox"/> | | Finished <input type="checkbox"/> | | Outbuildings <input checked="" type="checkbox"/> | | Driveway 2 car | |
| Additional features (special energy efficient items, etc.): <u>None noted.</u> | | | | | | | | | | | |
| Condition of the improvements, depreciation (physical, functional, and external), repairs needed, quality of construction, remodeling/additions, etc.: <u>Typical</u> | | | | | | | | | | | |
| physical depreciation due to aging and water intrusion, including rotten wood and ceiling damage. No functional or external depreciation noted. * Both tax records and the current MLS listing reflect a living area of 1,752 square feet, while the appraiser measured the living area to be 1,361 square feet. Crawl space door was nailed closed, and therefore inaccessible. Attic space was not accessed by the appraiser. | | | | | | | | | | | |
| Adverse environmental conditions (such as, but not limited to, hazardous wastes, toxic substances, etc.) present in the improvements, on the site, or in the immediate vicinity of the subject property.: <u>None noted.</u> | | | | | | | | | | | |

| | | | |
|---|--|---|---|
| COST APPROACH | ESTIMATED SITE VALUE ----- = \$ | | Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): Due to the age of the subject structure, the Cost Approach to Value is not supportable, and was therefore not developed. |
| | ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS: | | |
| | Dwelling | 1,361 Sq. Ft. @ \$ ----- = \$ | |
| | | Sq. Ft. @ \$ ----- = \$ | |
| | | Sq. Ft. @ \$ ----- = \$ | |
| | Garage/Carport | Sq. Ft. @ \$ ----- = \$ | |
| | Total Estimated Cost New ----- = \$ | | |
| | Less | Physical Functional External ----- = \$ | |
| | Depreciation | ----- = \$ | |
| | Depreciated Value of Improvements | ----- = \$ | |
| "As-is" Value of Site Improvements | ----- = \$ | | |
| INDICATED VALUE BY COST APPROACH ----- = \$ | | N/A | |

| ITEM | SUBJECT | COMPARABLE NO. 1 | | COMPARABLE NO. 2 | | COMPARABLE NO. 3 | |
|--|---|---|----------------|--|----------------|--|----------------|
| Address | 127 Broad St Fuquay Varina, NC 27526 | 113 N Woodrow St Fuquay Varina, NC 27526 | | 314 Wade St Fuquay Varina, NC 27526 | | 302 Stephenson St Fuquay Varina, NC 27526 | |
| Proximity to Subject | | 0.90 miles S | | 1.25 miles SE | | 0.82 miles SE | |
| Sales Price | \$ 120,000 | \$ 95,000 | \$ 97,500 | \$ 98,500 | | | |
| Price/Gross Living Area | \$ 88.17 □ | \$ 64.80 □ | \$ 88.64 □ | \$ 95.54 □ | | | |
| Data and/or Verification Source | Inspection/ Public Records | TMLS/Public Records | | TMLS/Public Records | | TMLS/Public Records | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +/- \$ Adjust. | DESCRIPTION | +/- \$ Adjust. | DESCRIPTION | +/- \$ Adjust. |
| Sales or Financing Concessions | | N/A | | N/A | | N/A | |
| Date of Sale/Time | | June 2016 | | October 2016 | | June 2017 | |
| Location | Average | Average | | Average | | Average | |
| Leasehold/Fee Simple | Fee Simple | Fee Simple | | Fee Simple | | Fee Simple | |
| Site | 0.60 acres | 0.18 acres | +10,000 | 0.25 acres | +10,000 | 0.26 acres | +10,000 |
| View | Average | Average | | Average | | Average | |
| Design and Appeal | Ranch/Average | Ranch/Average | | Ranch/Average | | Ranch/Average | |
| Quality of Construction | Siding/Average | Siding/Average | | Siding/Average | | Siding/Average | |
| Age | 67 years | 76 years | | 70 years | | 82 years | |
| Condition | Average | Average | | Average | | Average | |
| Above Grade | Total Bdrms Baths | Total Bdrms Baths | | Total Bdrms Baths | | Total Bdrms Baths | |
| Room Count | 7 3 1 | 7 3 1 | | 6 3 1 | | 5 2 1.5 | -500 |
| Gross Living Area | 1,361 Sq. Ft. | 1,466 Sq. Ft. | -3,150 | 1,100 Sq. Ft. | +7,830 | 1,031 Sq. Ft. | +9,900 |
| Basement & Finished | N/A | N/A | | N/A | | N/A | |
| Rooms Below Grade | N/A | N/A | | N/A | | N/A | |
| Functional Utility | Average | Average | | Average | | Average | |
| Heating/Cooling | FWA/CAC | FWA/CAC | | FWA/CAC | | FWA/CAC | |
| Energy Efficient Items | Average | Average | | Average | | Average | |
| Garage/Carport | None | None | | None | | None | |
| Porch, Patio, Deck, Fireplace(s), etc. | Porches/Deck 1 Fireplace | Porch 1 Fireplace | +1,000 | Porches 1 Fireplace | | Porch/Deck None | |
| Fence, Pool, etc. | Sheds | Shed | | Storage | | Gazebo | |
| Driveway | Gravel | Gravel | | Asphalt | -500 | Gravel | |
| Net Adj. (total) | | ⊗ + □ - \$ | 7,850 | ⊗ + □ - \$ | 17,330 | ⊗ + □ - \$ | 19,400 |
| Adjusted Sales Price of Comparable | | \$ 102,850 | | \$ 114,830 | | \$ 117,900 | |

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.):

Sales comparisons were considered to be the best available, and all were located in the subject property's neighborhood. Positive site adjustments were made to all comparable sales, when compared to the subject's 0.60 acre lot. Half bathrooms were adjusted at \$500 each. Heated living area was adjusted at \$30.00 per square foot. Additional adjustments were made for differences in porches and type of driveway.

| ITEM | SUBJECT | COMPARABLE NO. 1 | | COMPARABLE NO. 2 | | COMPARABLE NO. 3 | |
|---|---|---|--|--|--|---|--|
| Date, Price and Data Source, for prior sales within year of appraisal | No Prior Transfer Past Three Years Public Records | May 24, 2015 Estate Transfer - No Excise Tax Public Records | | December 28, 2015 \$56,500 Purchase Price Public Records | | No Prior Transfer Past Three Years Public Records | |

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal:

The subject property is currently under contract for \$120,000. The property has been for sale for a number of years, with an initial asking price of \$600,000, with the most recent asking price being \$150,000.

INDICATED VALUE BY SALES COMPARISON APPROACH ----- = \$ 112,000

INDICATED VALUE BY INCOME APPROACH (If Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$ N/A

This appraisal is made ☒ "as is" ☐ subject to the repairs, alterations, inspections or conditions listed below ☐ subject to completion per plans & specifications.
Conditions of Appraisal: None.

Final Reconciliation: Equal weight was given to each comparable sale. Cost and Income Approaches to Value are not applicable.

RECONCILIATION

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised

(WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF

(WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE

6/93).

August 7, 2017

\$ 112,000

APPRAISER:

Signature

Name B. Carter Kennemur

Date Report Signed August 8, 2017

State Certification # A4776

Or State License #

SUPERVISORY APPRAISER (ONLY IF REQUIRED):

Signature

Name

Date Report Signed

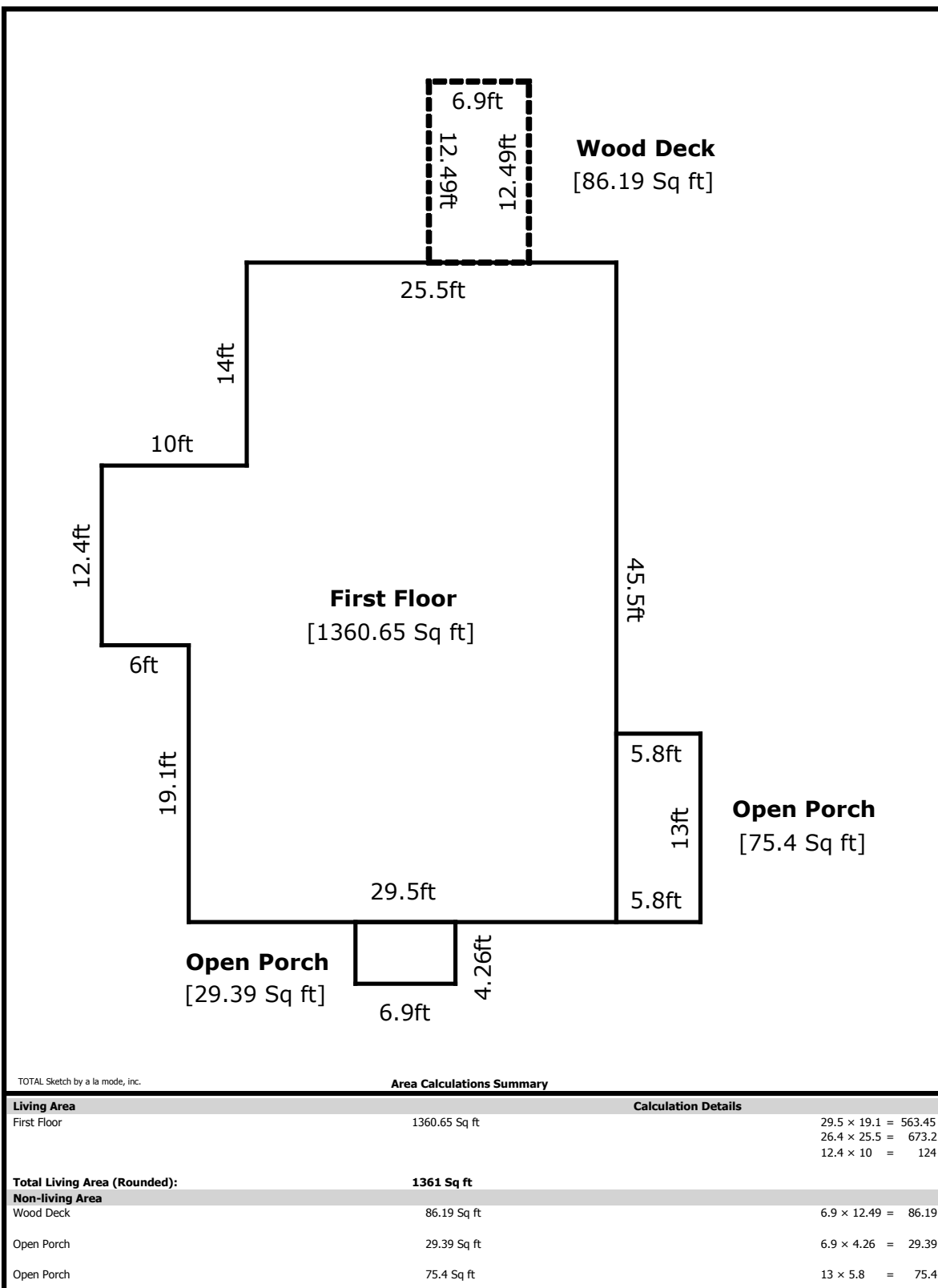
State Certification #

Or State License #

☐ Did ☐ Did Not
Inspect Property

Building Sketch

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



Subject Photo Page

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



Subject Front

| | |
|-------------------|----------------|
| 127 Broad St | |
| Sales Price | 120,000 |
| Gross Living Area | 1,361 |
| Total Rooms | 7 |
| Total Bedrooms | 3 |
| Total Bathrooms | 1 |
| Location | Average |
| View | Average |
| Site | 0.60 acres |
| Quality | Siding/Average |
| Age | 67 years |



Subject Rear



Subject Street

Photograph Addendum

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



Subject Outbuildings

Comparable Photo Page

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



Comparable 1

| | |
|-------------------|----------------|
| 113 N Woodrow St | |
| Prox. to Subject | 0.90 miles S |
| Sale Price | 95,000 |
| Gross Living Area | 1,466 |
| Total Rooms | 7 |
| Total Bedrooms | 3 |
| Total Bathrooms | 1 |
| Location | Average |
| View | Average |
| Site | 0.18 acres |
| Quality | Siding/Average |
| Age | 76 years |



Comparable 2

| | |
|-------------------|----------------|
| 314 Wade St | |
| Prox. to Subject | 1.25 miles SE |
| Sale Price | 97,500 |
| Gross Living Area | 1,100 |
| Total Rooms | 6 |
| Total Bedrooms | 3 |
| Total Bathrooms | 1 |
| Location | Average |
| View | Average |
| Site | 0.25 acres |
| Quality | Siding/Average |
| Age | 70 years |



Comparable 3

| | |
|-------------------|----------------|
| 302 Stephenson St | |
| Prox. to Subject | 0.82 miles SE |
| Sale Price | 98,500 |
| Gross Living Area | 1,031 |
| Total Rooms | 5 |
| Total Bedrooms | 2 |
| Total Bathrooms | 1.5 |
| Location | Average |
| View | Average |
| Site | 0.26 acres |
| Quality | Siding/Average |
| Age | 82 years |

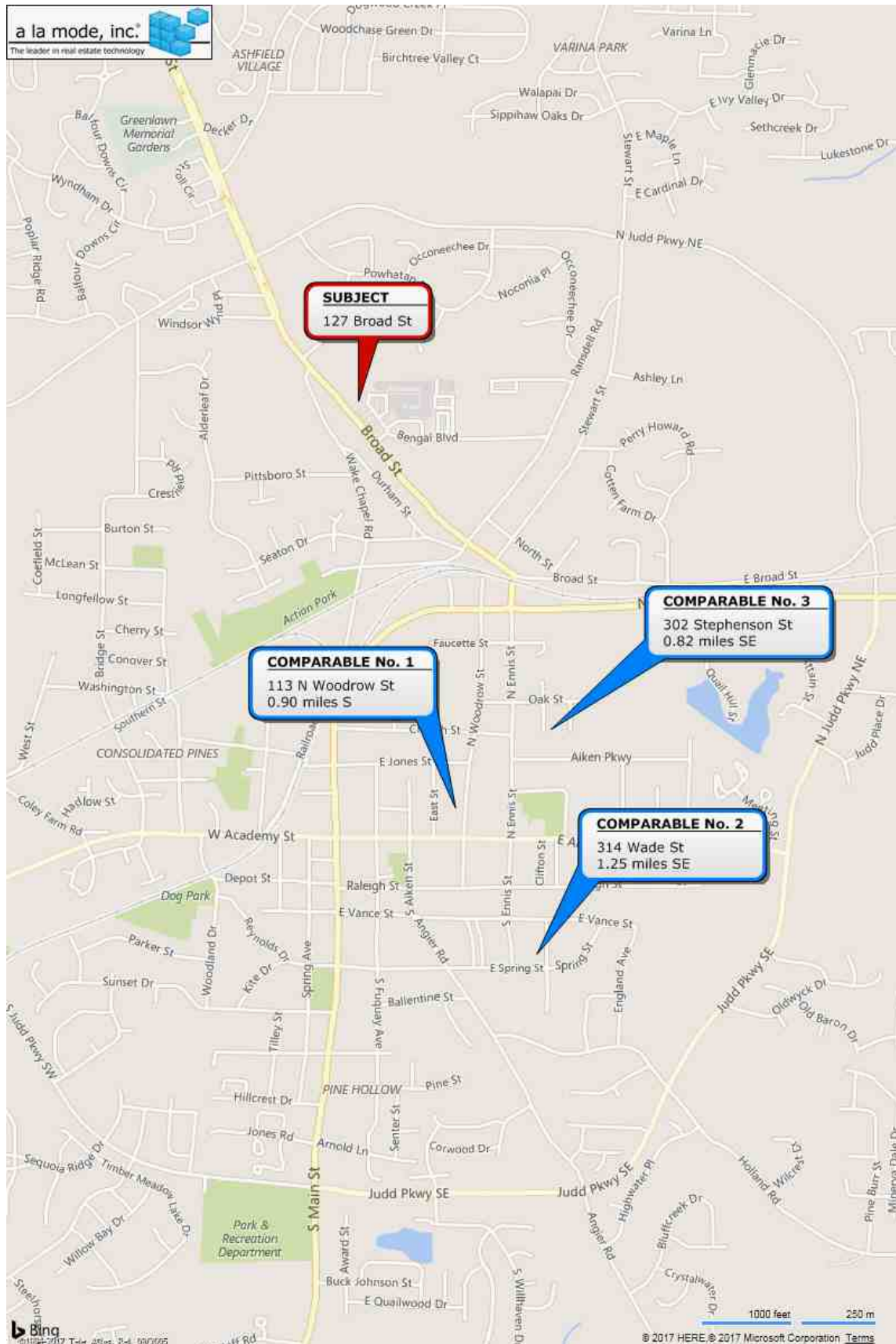
Aerial Map

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



Comparable Sales Location Map

| | | | | | | |
|------------------|--------------------------------|--------|------|-------|----|----------------|
| Borrower | Wake County Board of Education | | | | | |
| Property Address | 127 Broad St | | | | | |
| City | Fuquay Varina | County | Wake | State | NC | Zip Code 27526 |
| Lender/Client | Wake County Board of Education | | | | | |



| | | |
|------------------|--------------------------------|-------------------------------------|
| Borrower | Wake County Board of Education | File No. WCPSS2017-2 |
| Property Address | 127 Broad St | |
| City | Fuquay Varina | County Wake State NC Zip Code 27526 |
| Lender/Client | Wake County Board of Education | |

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- ☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- ☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 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 was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is:

3-6 months

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

This appraisal was prepared for the use of the Wake County Board of Education, in order to estimate the subject property's value to assist in a decision making process.

APPRAISER:

Signature:

Name: B. Carter Kennemur

Certified General Real Estate Appraiser

State Certification #: A4776

or State License #:

State: NC Expiration Date of Certification or License: 06/30/2018

Date of Signature and Report: August 8, 2017

Effective Date of Appraisal: August 7, 2017

Inspection of Subject: ☐ None ☒ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable): August 7, 2017



SUPERVISORY or CO-APPRAISER (if applicable):

Signature:

Name:

State Certification #:

or State License #:

State: Expiration Date of Certification or License:

Date of Signature:

Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only

Date of Inspection (if applicable):

DEFINITION OF MARKET VALUE: 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, 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: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what they consider their own best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) 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. (Source: FDIC Interagency Appraisal and Evaluation Guidelines, 2010.)

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. Any sketch provided in the appraisal report may show approximate dimensions of the improvements and is included only to assist the reader of the report in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. Any distribution of valuation between land and improvements in the report applies only under the existing program of utilization. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
5. The appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
8. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
9. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
10. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of a predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum, specific valuation, or the approval of a loan.

CERTIFICATION: The appraiser certifies and agrees that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
9. Unless otherwise indicated, I have made a personal inspection of the interior and exterior areas of the property that is the subject of this report, and the exteriors of all properties listed as comparables.
10. Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

ADDRESS OF PROPERTY ANALYZED:

127 Broad St, Fuquay Varina, NC 27526

APPRAISER:

Signature: B. Carter Kennemur
 Name: B. Carter Kennemur
 Title: Certified General Real Estate Appraiser
 State Certification #: A4776
 or State License #:
 State: NC Expiration Date of Certification or License: 06/30/2018
 Date Signed: August 8, 2017

**SUPERVISORY or CO-APPRAISER (if applicable):**

Signature: _____
 Name: _____
 State Certification #: _____
 or State License #: _____
 State: _____ Expiration Date of Certification or License: _____
 Date Signed: _____
☐ Did ☐ Did Not Inspect Property