

# **COMPLETE SUMMARY APPRAISAL REPORT**

Of

That 62.41 Acres of Land

Located

On the East side of Bowling Road  
At its Intersection with South Main Street (U. S. Highway 401)  
In Middle Creek Township, Wake County, North Carolina

OWNED BY

Adcock Trust Agreement

INTEREST VALUED

Fee Simple Interest

PREPARED BY

Neil C. Gustafson, MAI

EFFECTIVE DATE OF VALUATION

October 18, 2017



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## **SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

Effective Date of Appraisal: October 18, 2017

Owner: Adcock Trust Agreement

Location: On the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401) in Middle Creek Township, Wake County, North Carolina. Reference is made to Exhibit A, entitled "Area Map."

Land Area: 62.41 acres (reference is made to Exhibit B for a tax map of the subject property).

General Characteristics: The property is a partially wooded tract of land with a good topography. It has access and frontage on Bowling Road. Reference is made to Exhibit C for a topographic map of the subject.

Utilities: All Fuquay-Varina utilities are immediately available.

Zoning: RA by the town of Fuquay-Varina. Reference is made to Exhibit D page 1 for a map showing the zoning on the subject property and to Exhibit D page 2 for a map showing the Fuquay-Varina long term plan for this property.

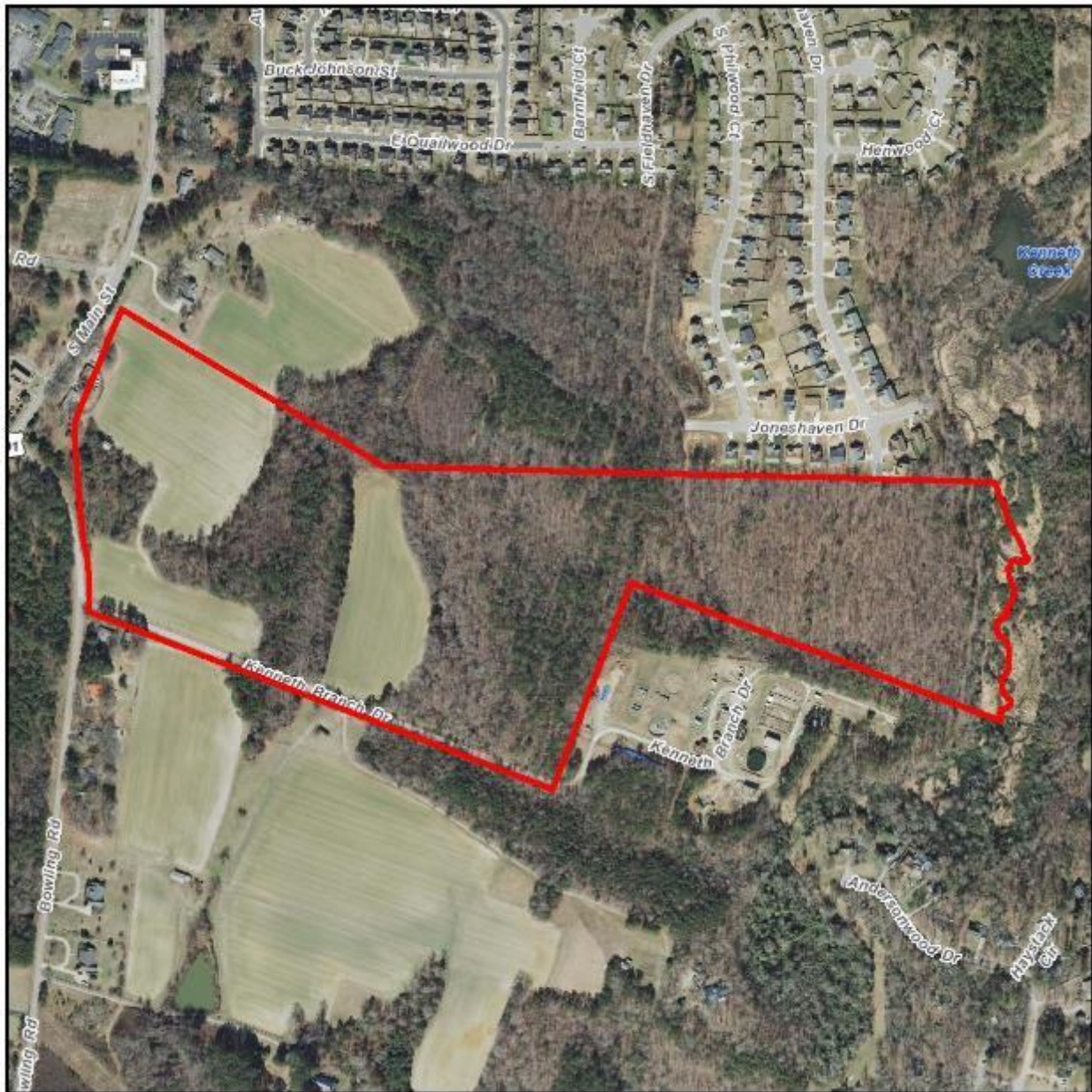
Tax Reference: PIN 0666 11 2040 (REID 0000619)

Highest and Best Use: Single family development

Estimate of Market Value: **\$2,800,000 or around \$45,000 per acre**



**2013 AERIAL PHOTOGRAPH**  
(from a distance)



**2013 AERIAL PHOTOGRAPH**  
(close up of the property)



## SCOPE OF WORK

**Client:** Ms. Betty L. Parker  
Wake County Public School System  
Real Estate Services  
1429 Rock Quarry Road, Ste. 116  
Raleigh, North Carolina 27610

**Appraiser:** Neil C. Gustafson, MAI  
Worthy & Wachtel, Inc.  
Post Office Box 17843  
Raleigh, North Carolina 27619  
(919)781-6300

**Subject:** 62.41 acres of land located on the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401) in Middle Creek Township, Wake County, North Carolina.

**Ownership:** Adcock Trust Agreement

### Definition of Market Value:

*Market value* estimated in this report is the market value as defined by Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Market value has been defined as the most probable price which a property should bring in 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 consummation of a sale as of a specified date and 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 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.

**Purpose and Intended Use of Report:** The purpose of this appraisal is to provide an estimate of the fee simple market value of the subject property owned by Adcock Trust Agreement as of October 18, 2017. This appraisal is intended for the usage by my client (and no other intended users) for potential acquisition proposes.

**Interest Valued:** In this appraisal, I will estimate the 100% fee simple market value of that certain 62.41 acre tract of land held by Adcock Trust Agreement. Fee simple is an absolute fee: a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation.

**Date of Appraisal:** The effective date of the valuation is October 18, 2017, the date I inspected the subject property.

**Extent Of Research And Type Of Analyses Used:** In preparing this appraisal, the appraiser:

- inspected the subject property hereinbefore described;
- gathered information on comparable property sales;
- confirmed and analyzed the data; and
- applied the appropriate approach to value, which I concluded was the land value by comparison approach. The land value by comparison approach is where the subject property is compared to other vacant properties which have sold in order to determine the value of the subject.

The subject consists of 62.41 acre tract of vacant land.

## **DESCRIPTION OF REAL ESTATE APPRAISED:**

### **Ownership History and Legal Description**

According to Wake County tax records, as of the date of this appraisal, the subject property is owned by Adcock Trust Agreement. Adcock Trust Agreement obtained ownership of this property upon the death of Louise S. Adcock per a trust agreement. John T. Adcock and Louise S. Adcock acquired this property from George L. Ellen and wife Pauline Adcock Ellen by a deed recorded on January 29, 1963 in Deed Book 1536 Page 700 in the Wake County Registry. Reference is made to Exhibit B, entitled "Tax Map," for a tax map which shows the general size and shape of the subject. This will serve as my legal description for this appraisal. The tax department shows the acreage of the subject as 62.41 acres, which I will use as the land area of the subject for this report. I would recommend a new survey of the subject to determine the exact acreage of the subject. My value estimate should be adjusted based on the actual acreage.

## Location Description

The subject property is located in a large regional market known as the Research Triangle area, or Triangle. The economy of the Triangle is based in great measure on several components, which have combined create one of the country's fastest growing metropolitan areas:

- Raleigh is the capital of North Carolina, and as such, is the location for many state and federal agencies. According to the 2010 census, the city's population was 403,892, roughly a 46.3% increase from its 2000 census numbers. Wake County shows a population of over 900,993. Raleigh's median household income is \$69,212 compared to the national average of \$50,054. The Wake County public school system currently has an enrollment of over 134,000 students.
- The Triangle has emerged as a center for high tech research, development and manufacturing. The role of the 7,000-acre Research Triangle Park has been crucial in this evolution. Currently about 38,000 people work in the Park, down from 42,000 in 2000. Numerous spin-off companies also exist in the Triangle, especially in the I-40 corridor and in Cary. The high tech fields of computer software, telecommunications, pharmaceuticals, biomedicine and transportation equipment are especially important in the Triangle.
- The Triangle is an important medical research and training center. The presence of nationally prominent hospitals at Duke University in Durham and the University of North Carolina at Chapel Hill, combined with research ongoing at many private businesses and laboratories, helps to attract professionals to the Triangle.
- Over 60,000 students attend colleges and universities full-time in the Triangle. This reserve of students and faculty help create an environment conducive to innovation and research, and attracts to the Triangle some of the nation's most active research and development-oriented corporations. Few metropolitan areas of similar size can boast of having three major universities.
- As the largest metropolitan area in eastern North Carolina, the Triangle is a center for shopping, services, government, culture and recreation for much of that section of the state.

The healthy economy draws people to the Triangle and provides employment for local residents. Accordingly, population in the six county metropolitan statistical area has grown considerably since 1970:

<u>Population Trends</u>		
<u>Year Population %Change</u>		
1970	537,365	N/A
1980	664,788	24%
1990	858,485	29%
2000	1,187,941	38%
2010	1,595,383	34%

Source: U.S. Census Bureau

Employment levels also grew over the past decade. Even during the recession of 1991-1992 employment growth continued, although at a reduced level. Currently, the rate of growth is once again improving and is slightly better than the national and state levels. The seasonally adjusted unemployment rate for the Raleigh-Cary MSA was about 4.3% in February 2017 compared to the state's overall rate of about 5.1% while the national average is 4.7%. A history of the employment trends for the Raleigh-Cary area is summarized on the following table:

<i>Employment Trends</i>				
<u>Year</u>	<u>Labor Force</u>	<u>Growth</u>	<u>%</u>	<u>Unemployment</u>
2006	528,233	24,897	4.9	3.7%
2007	539,127	10,894	2.1	3.6%
2008	558,034	18,907	3.5	4.9%
2009	560,468	2,434	0.4	8.7%
2010	573,901	13,433	2.4	8.1%
2011	585,660	11,759	2.0	8.0%
2012	595,376	9,716	1.7	7.5%
2013	595,800	424	0.0	5.2%
2014	629,700	33,900	5.4	4.1%
2015	641,935	12,235	1.9	4.4%
2016	688,000	46,065	7.1	4.1%

The current Triangle economy is fully recovered from the recession that started in 2008. While activity in Wake County slowed dramatically with the recession that began in 2008, the impact on outlying land in Wake County was even more severe. Single family residential development, which was going quite strong, abruptly stopped which resulted in a number of foreclosures on partially completed residential subdivisions. With little to no demand and the forced introduction of foreclosed properties on the market, land prices dropped dramatically and development activity stopped. However, in recent years activity has increased as demand for housing from the red hot submarkets in Wake County market has again spilled over into outlying areas.

Overall, the Triangle economy is going strong and shows no signs of slowing. In recent years, the strength of the strong submarkets in Wake County market is again spilling over into outlying areas. Activity in these outlying areas should remain strong as long as overall activity in Wake County remains strong. While another slowdown is inevitable, it does not appear likely in the foreseeable future.

### **Neighborhood Description**

Neighborhood use is defined by the *Dictionary of Real Estate Appraisal*, second edition, as "a group of complementary land uses." It is typically bounded by either natural or man-made barriers, although they may also be defined by changes in land uses. The neighborhood of the subject property is defined as the area east of the railroad tracks, south of the South Judd Parkway SW, west of Angier Road and north of the Wake/Harnett County line. For the most part the land south of the subject is undeveloped vacant land and the land to the west, north and east is developed with single family residential subdivisions. As you travel north on South Main Street activity becomes increasingly more non-residential in nature.

Fuquay-Varina is seen an explosion in growth since Wake County has come out of the 2008 recession. As land prices in Cary, and then Apex and finally Holly Springs have increased, the demand for more moderately priced land has reached Fuquay-Varina. Generally development in Fuquay is stronger the further north you are in town. Development has been strong around the subject and there is activity south of the subject. I expect this activity to increase in the coming years as the supplies of land north of the subject are gobbled up.

There are a number of existing subdivisions around the subject, primarily served with public water and sewer. These subdivisions include Southern Oaks, Carriage Heights and Parker Pointe to the west and The Villages of Charleston and Calvin Place to the north. Pear Meadow is an older large lot (no public utilities) residential subdivision to the south.

Uses in the immediate vicinity of the subject are primarily vacant land. The Phillips Pointe subdivision is located along the northern property line at the eastern end of the property. There is an abandoned town utility facility located adjacent to the south side of the subject along the eastern end. Just south of the subject is Ryan Place, an approved, but undeveloped, 63 lot single family residential subdivision.

Fuquay-Varina has seen an explosion in growth in the past decade. I would expect this strong activity to continue for the foreseeable future.

## **SITE DATA**

### **Site Characteristics**

The subject property an irregularly shaped, wooded tract of land located on the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401), in Middle Creek Township, Wake County, North Carolina. The site contains 62.41 acres of land and has some 265 feet of frontage Bowling Road, a paved two lone road without curb and gutter and 50 feet on the end of South Willhaven Drive. Kenneth Branch Drive is an unpaved private access easement which runs on the subject along the southern property line to property located southeast of the subject. There are several small (non-conforming) lots with old dwellings between the subject and the South Main Street frontage. There is a public water line along both South Main Street and Bowling Road and two public sewer lines runs across the eastern end of the subject. Reference is made to Exhibit A, for a map showing the general location of the subject, to Exhibit B for a tax map, which shows the size and shape of the subject, to Exhibit E for a map showing the location of utilities in the area, to Exhibit F for photographs of the property and to the aerial photographs located on pages iv and v.

The subject has a gently rolling topography, as shown on Exhibit C, entitled "Topographic Map." There are two streams with are likely encumbered by stream buffers. The easternmost end of the subject is also likely encumbered with wetlands or flood regulations. Land-use restrictions on land subject to stream buffer restrictions can be quite severe (basically prohibiting development within 50 feet of many ponds, streams, intermittent streams etc.). For this report, I am assuming that there are areas encumbered by stream buffer regulations or other areas designated floodplain or subject to wetland regulations but these the impacts of the areas can be minimized with proper planning.

### **Zoning**

The subject property is zoned **Residential Agriculture (RA)** by Fuquay-Varina. These are basically a holding classification until such time as a property is ready to be developed. Reference is made to Exhibit D page 1 for a map showing the zoning on the subject property. Reference is also made to Article F of the Fuquay-Varina Unified Development Ordinance for further information concerning this zoning district.

According to the Fuquay-Varina UDO, “The Residential Agricultural (RA) Zoning District is intended to permit proposed and existing large zoning lot single-family detached dwellings in established neighborhoods and to provide for lower density, rural residential zoning lot (stick-built or modular unit) development and agricultural farming operations, forestry management, farmsteads, public or private parks and greenways. This district may accommodate residential use on a zoning lot with a minimum size of 20,000 square feet, at a density not to exceed two (2) single-family detached dwelling units per gross acre with one (1) public utility, or a community water system approved by the Wake County Health Department. If a septic tank and well for each zoning lot is proposed the minimum lot size shall be 30,000 square feet, approved by the Wake County Health Department or as amended in the future. Optional development in this district may also include open space developments, permitted in accordance with Article F Use Regulations, §9-1255, l. (4) and household living, Article F, §9-1255, m., both of which require public utilities and the Page 57 thoroughfare improvements in accordance with the Community Transportation Plan. The Town may extend public utilities the transportation system and/or other infrastructure networks into or through this district. As the Town’s infrastructure network is expanded or extended, a relative change may be reflected in development density, typically reflected through a change in zoning district classification.”

According to the 2035 Town of Fuquay-Varina long-term plan, the subject is in an area designated “Small Lot Residential.” Reference is made to Exhibit D page 2 for a copy of the long term map of the area around the subject. The Fuquay-Varina long term plan states “Small Lot Residential:” According to the 2035 Community Vision Land Use Plan “Small-Lot Residential – Land typically formed as a neighborhood for single-family detached homes with uniform housing densities. Buildings are oriented interior to the site and typically buffered from surrounding development by transitional uses, topography, preserved open space, or landscape areas. Typical densities in a small-lot residential neighborhood range between 2.0 and 6.0 dwelling units per acre. Locations with higher densities (greater than 3.0 dwelling units per acre) incorporate a comprehensive network of open space throughout to accommodate small parks, gathering places and community gardens; preserve tree stands; and help reduce stormwater runoff.” I believe that rezoning the subject to a low density residential subdivision (RLD, RMD or RHD) would be consistent with the Fuquay long term plan.

The current zoning is a holding classification until such time as utilities become available and demand exists for higher density residential development. Two properties located south of the subject on Bowling Road have already been rezoning for single family residential development (RLD and RMD). I think a rezoning of the subject to another residential classification (RLD or RMD) is likely and would increase the value of the subject.

### Ad Valorem Taxes

The subject is identified as being Wake County Parcel Identification Number (PIN) 0666 11 2040 (or REID 0000619). The total current tax assessed values for the subject are shown below. The 2017 ad valorem tax rate for the subject property is \$0.00711 of tax assessed value, which includes the Wake County rate of \$0.006150 and the fire district tax rate of \$0.00096.

Based on the current tax assessed values and 2017 tax rates, the 2017 taxes are estimated below.

<b>PIN</b>	<b>0666 11 2040</b>
Buildings	\$ 0
Land	<u>\$2,332,502</u>
Total Tax Assessed Value	<b>\$2,332,502</b>
Deferred Value	\$2,311,788
Land Use Value	\$ 20,714
2017 Tax Rate	\$0.00711
Estimated 2017 Ad Valorem Taxes	<b>\$147</b>

The State of North Carolina requires that all of the real estate in every county be revalued for tax purposes at least every eight years. Wake County revalues its real estate every four years and the last revaluation was as of January 1, 2016. I note that this tax assessed value is lower than my estimated market value. This is due to the rapidly changing market conditions in this area of Wake County.

## **HIGHEST AND BEST USE:**

Highest and best use, as defined, is that use which, at the time of appraisal, is the most profitable and likely use to which a property can be put. It may also be defined as that available use and program of future utilization which produces the highest present land value.

According to *The Appraisal of Real Estate*, 9th Edition, the highest and best use must be 1) physically possible, 2) legally permissible, 3) financially feasible, and 4) maximally productive.

***Physically Possible:*** The size, shape, area and terrain of a parcel of land affects the uses to which it may be developed. The highest and best use of a property must be a use to which the property is capable of being developed. It must consider factors including capacity and availability of utilities, topography, and sub-soil conditions and any other physical characteristics of a property which will alter the property's development potential.

***Legally Permissible:*** The highest and best use must be a use which is legally allowable. Private restrictions, zoning, building codes, and environmental regulations must allow for the development of a site's highest and best use.

***Financially Feasible:*** In the highest and best use analysis, all uses that generate a positive return on the property should be considered. If a use does not generate a positive return, it is not considered financially feasible and would not be considered as a potential highest and best use of a property.

***Maximally Productive:*** Of the financially feasible uses, that use which produces the highest price, or value, (given a constant rate of return), is the highest and best use.

The subject property is an irregularly shaped parcel of land containing 62.41 acres located on the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401) in Middle Creek Township, Wake County, North Carolina. Fuquay-Varina has seen substantial growth in the past few years and I would expect this growth to continue for the foreseeable future. The subject has adequate frontage and access on Banks Road, a two lane paved road without curb and gutter. There are several small parcels on South Main Street at the subject that could be acquired to provide additional frontage but these are not necessary to develop the subject property. There is a private access easement on the subject but this easement can likely be extinguished if access is provided elsewhere. The subject has a usable topography, public utilities at the site and is partially wooded. Development of the subject is limited by its size and shape.

The subject property is zoned **Rural Residential (RA)** by Fuquay-Varina. This is a residential holding classifications until such time that the property is ready to be developed. Based on the Fuquay long term plan, the subject is expected to be developed for residential purposes. Property just south of the subject has been rezoned within the past year to low density (up to three units per acre) and medium density (up to four units per acre). I believe that it is very likely that the subject could be rezoned to a classification (single family residential) which would increase its land value.

Overall, the Triangle real estate market is strong. Like the rest of the Triangle, Fuquay-Varina has seen dramatic change in the past decade, particularly with single family development. Certainly single family residential development would be feasible of the subject. While this would require a rezoning, I believe that this would be a reasonable request. Given the topography and shape of the subject, severing the easternmost 18 acres for separate residential development would also be reasonable.

Given the physical characteristics of the subject, the public restrictions and the current conditions of the area's real estate market, the highest and best use is for single family residential development. Of all of the physically possible, legally permitted and financially feasible uses, these property uses maximizes the land value.

#### **SUMMARY OF ANALYSIS AND VALUATION:**

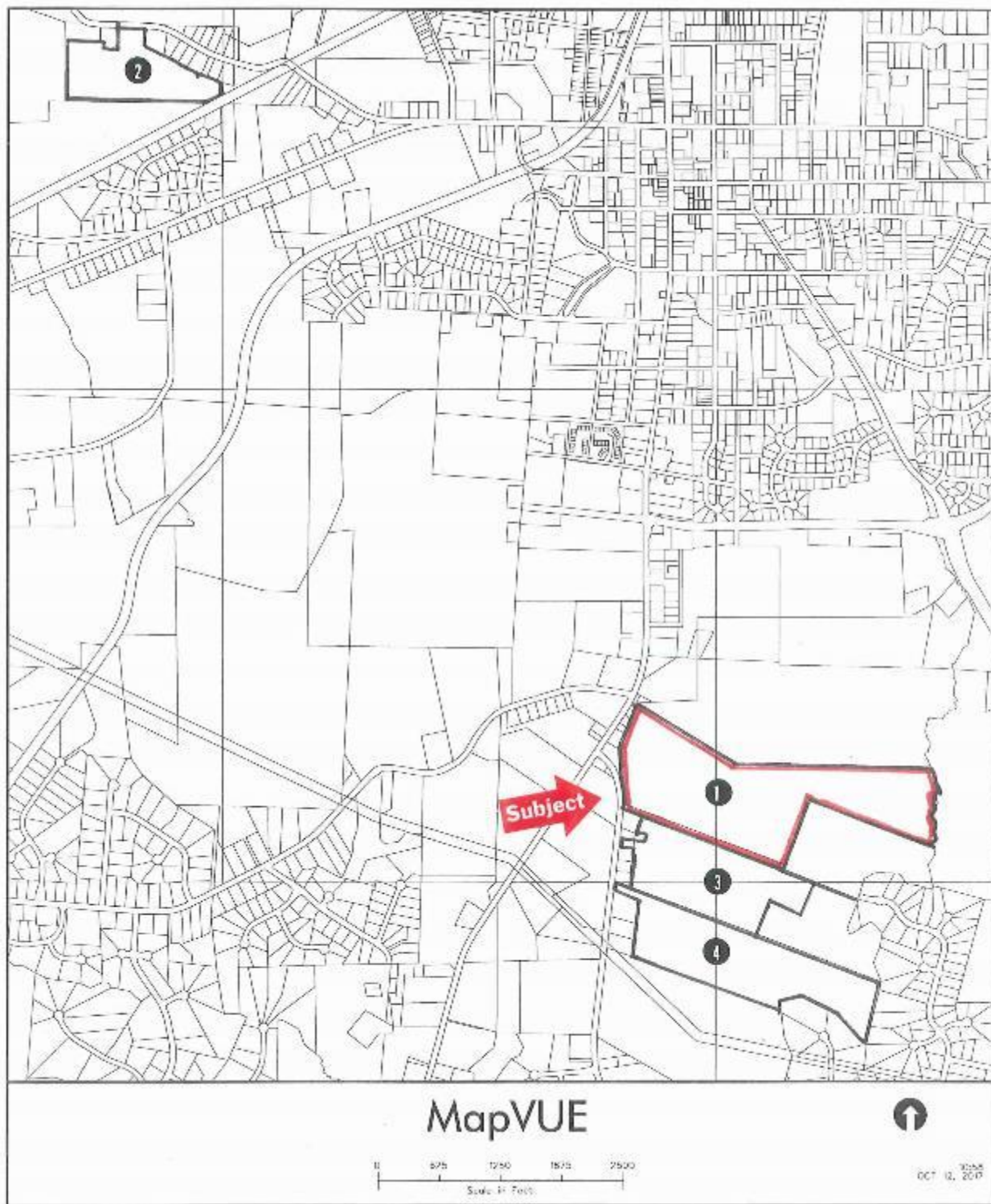
As stated in the **Interest Valued** section of this report, I am seeking to estimate the fee simple interest of the subject property. Since the site is vacant, I have employed the sales comparison approach to value to determine the fee simple interest of the property.

#### **SALES COMPARISON APPROACH TO VALUE:**

The Sales Comparison Approach to Value, or Land Value by Comparison, is an appraisal technique in which the market estimate is predicated upon prices paid in actual market transactions and current listings of similar tracts of land. In estimating the land value of the subject property, I have included the following land sales for comparison purposes with the subject tract. A summary of pertinent information regarding these land transactions is included on the following pages along with a map showing their location shown on the following page. I compared these transactions to the subject tract making adjustments to the sales prices for differences in such items as time, location, size, and utilities. A chart summarizing the adjustments and showing the value each sale indicates to the subject tract is included following the sales information. The adjustments are positive where the sale property is considered inferior to the subject property and negative where it is considered superior. These adjustments are based primarily on my decades of experience as appraisers and brokers in the Triangle real estate market and my close monitoring of sales activity in this market over the same time.

Because two of the sales are current contracts and the other two sales closed in 2017, I did not make any adjustment to the sales for the time between the date of this appraisal and the date of these sales. However, I will discuss the increasing land values later in this report.

Historically, land prices in western Wake County are higher the closer the land is to the Research Triangle Park. Starting in the 1970s Cary developed first. As land prices increased in Cary, Apex saw an increase in activity. Within the past decade, as land in Cary and Apex has been developed and fewer tracts are available for development, land prices in those two markets have exploded. This has led to increased activity in Holly Springs and Fuquay-Varina. Land prices above \$60,000 per acre are not uncommon in northern Fuquay-Varina. As land in Holly Springs and northern Fuquay-Varina becomes more scarce, sales prices in south Fuquay-Varina will continue to increase.



**LAND SALE LOCATION MAP**

### Land Sale Number 1 (subject property)

Date of Sale: Current contract  
Grantor: Adcock Trust Agreement  
Grantee: Wake County Board of Education  
Location: On the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401) in Middle Creek Township, Wake County, N. C.  
Land Area: 62.41 acres  
Frontage: Some 265 feet on Bowling Road  
Shape: Irregular  
Drainage: Good. Some low land  
Topography: Gently rolling  
Utilities: All immediately available.  
Zoning: RA by Fuquay-Varina  
Improvements: None  
Present Use: Vacant – proposed schools  
Highest and Best Use: Single family residential subdivision  
Revenue Stamps: Not applicable  
Confirmed Asking Price: \$2,933,270, or \$47,000 per acre  
Confirmed by: Contract  
Financing: Cash to seller  
Condition of Sale: Market  
Deed Reference: Not applicable  
Tax Reference: PIN 0666 11 2040 (also being REID 0000619)  
Remarks: None



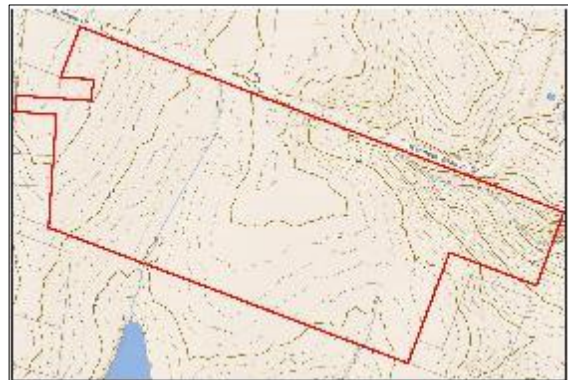
## Land Sale Number 2

Date of Sale: Current contract  
Grantor: Colon W. Hobby and others  
Grantee: KB Homes (or assignee)  
Location: On the south side of Coley Farm Road some 100 feet west of Summer Meadow Drive in Middle Creek Township, Wake County, North Carolina.  
Land Area: 18.69 acres  
Frontage: Some 298 feet on Coley Farm Road  
Shape: Irregular  
Drainage: Good. Minimal (no) low land  
Topography: Gently sloping  
Utilities: All nearby.  
Zoning: RMD-CZD by Fuquay-Varina  
Improvements: None  
Present Use: Proposed 66 lot Union Station single family residential subdivision.  
Highest and Best Use: Single family residential subdivision  
Revenue Stamps: Not applicable  
Confirmed Asking Price: \$1,139,000, or \$60,942 per acre  
Confirmed by: Jason Vickers, with grantee  
Financing: Cash to seller  
Condition of Sale: Market  
Deed Reference: Not applicable  
Tax Reference: PIN 0656 48 0178 (also being REID 0021198)  
Remarks: None



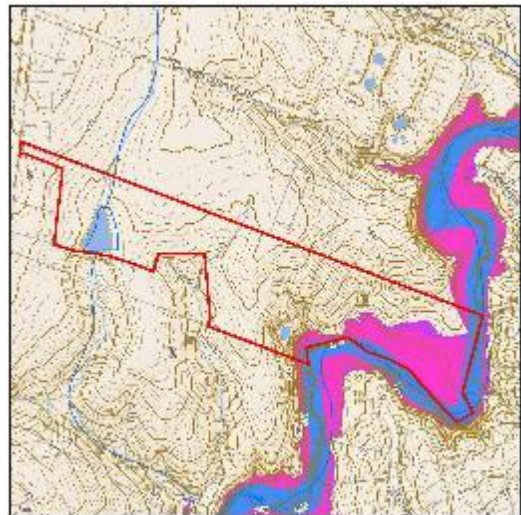
### Land Sale Number 3

Date of Sale: June 30, 2017  
Grantor: Linda H. Theys and others  
Grantee: JS Development Company, LLC  
Location: On the southeast corner of Bowling Road and Kenneth Branch Drive in Middle Creek Township, Wake County, North Carolina.  
Land Area: 26.403 acres  
Frontage: Some 60.06 feet on Bowling Road  
Shape: Irregular  
Drainage: Good. Minimal low land  
Topography: Gently sloping  
Utilities: Sewer is at the site and water is within reach  
Zoning: RMD – CZD by Fuquay-Varina  
Improvements: None  
Present Use: 73 lot Theys Mills single family residential subdivision.  
Highest and Best Use: Single family residential subdivision  
Revenue Stamps: \$1,771.00  
Confirmed Asking Price: \$920,500, or \$34,863 per acre  
Confirmed by: Mick Michaels, with grantee  
Financing: Cash to seller  
Condition of Sale: Market  
Deed Reference: Deed Book 16834 Page 1058, Wake County Registry  
Tax Reference: PIN 0656 90 9054 (also being REID 0447777)  
Remarks: None



## Land Sale Number 4

Date of Sale: April 21, 2017  
Grantor: Robert D. Powell, II and Lindsay T. Powell  
Grantee: Bowling Road, LLC  
Location: On the east side of Bowling Road some 1,670 feet south of U. S. Highway 401 in Middle Creek Township, Wake County, North Carolina.  
Land Area: 29.508 acres  
Frontage: Some 96 feet on Bowling Road  
Shape: Irregular  
Drainage: Good. Significant low land  
Topography: Gently sloping  
Utilities: Sewer is at the site and water is within reach  
Zoning: RLD by Fuquay-Varina  
Improvements: None  
Present Use: Approved 63 lot Ryan Place single family subdivision  
Highest and Best Use: Single family residential subdivision  
Revenue Stamps: \$1,628.00  
Confirmed Asking Price: \$814,000, or \$27,586 per acre  
Confirmed by: Freddie Stancil, with grantee  
Financing: Cash to seller  
Condition of Sale: Market  
Deed Reference: Deed Book 16758 Page 2474, Wake County Registry  
Tax Reference: PIN 0665 094148 (also being REID 0063242)  
Remarks: None



## LAND SALE ADJUSTMENT CHART

Item	Subject	Land Sale Number 1	Land Sale Number 2	Land Sale Number 3	Land Sale Number 4
Date of Sale (Appraisal)	18-Oct-17	Current Contract	Current contract	30-Jun-17	21-Apr-17
Location	E side of Bowling Rd at S. Main Stereet, Middle Creek Twmsp, Wake County, NC	E side of Bowling Rd at S. Main Stereet, Middle Creek Twmsp, Wake County, NC	S side of Coley Farm Rd S of Summer Meadow Dr, Middle Crk Twmsp, Wake County, NC	E side of Bowling Rd S of U. S. Hwy 401, Fuquay Varina, Wake County, NC	E side of Bowling Rd S of U. S. Hwy 401, Fuquay Varina, Wake County, NC
Grantor	Not applicable	Not applicable	Colon W. Hobby and others	Linda Theys and others	Robert D. Powell, II and Lindsay T. Powell
Grantee (Owner)	Adcock Trust Agreement	Adcock Trust Agreement	KB Homes	JS Development Company, LLC	Bowling Road, LLC
Land Area	62.41 acres	62.41 acres	18.69 acres	26.403 acres	29.508 acres
Zoning	RA by Fuquay Varina	RA by Fuquay Varina	RMD-CZD by Fuquay Varina	RMD-CZD by Fuquay Varina	RLD-CZD by Fuquay Varina
Utilities	All	All	All	All	All
Access	Adequate	Adequate	Adequate	Adequate	Adequate
Topography	Gently sloping Some low land	Gently sloping Some low land	Gently rolling No low land	Gently rolling	Gently rolling Significant low land
Other Characteristics	Irregular shape	Irregular shape	None	Irregular shape	Irregular shape
Indicated Land Sales Price		\$2,933,270	\$1,139,000	\$920,500	\$814,000
Sales Price Per Acre		<b>\$47,000</b>	<b>\$60,942</b>	<b>\$34,863</b>	<b>\$27,586</b>
<b>ADJUSTMENTS</b>					
Location		\$0	\$0	\$1,743	\$2,759
Size		\$0	-\$15,235	-\$3,486	-\$2,759
Topography		\$0	\$0	\$0	\$0
Miscellaneous		\$0	\$0	\$6,973	\$5,517
Total Adjustments		\$0	-\$15,235	\$5,230	\$5,517
Indicated Value Per Acre		<b>\$47,000</b>	<b>\$45,706</b>	<b>\$40,093</b>	<b>\$33,103</b>

Land Sale Number 1 is the current contract to purchase the subject property. Obviously, no adjustments are necessary to this sale so it indicates a value of \$47,000 per acre to the subject property.

Land Sale Number 2 is the current contract to purchase 18.69 acres northwest of the subject. The only adjustment necessary to this sale is a downward adjustment for the smaller size of this sale. Smaller tracts typically sell for less, on a per acre basis, than do larger tracts. After this adjustment has been made to Land Sale Number 3, it indicates a value of \$45,706 per acre to the subject property.

Land Sale Number 3 is the June 2017 sale of a 26.403 acre tract of land located adjacent to the subject's southern property line. A downward adjustment is necessary to this sale for size. A small upward adjustment is necessary to this sale for location. The subject is closer to South Main Street. Finally, an upward adjustment is necessary to this sale for its limited access. After these adjustments have been made to Land Sale Number 4, it indicates a value of \$40,093 per acre to the subject.

Finally, Land Sale Number 4 is the April 2017 sale of a 29.508 acre tract of land located just south of Land Sale Number 3. Like Land Sale Number 3 a downward adjustment is necessary for size and upward adjustments are necessary for location and access. After these adjustments have been made to Land Sale Number 1, it indicates a value of \$33,103 per acre to the subject property.

Before adjustment these sales prices of these sales range from \$27,586 per acre to \$60,942 per acre. After adjustment indicated values of these sales range from \$33,103 per acre to \$47,000 per acre.

The Triangle single family residential market is red hot with rapidly rising prices and there are no signs of this market slowing any time soon. This certainly includes Fuquay-Varina, which is evidenced by the four recent land sales (or contracts) which I have included in this report. Even the two recently closed sales do not truly reflect current market conditions. These two sales were under contract for a number of months prior to their closing. So even these relatively recent closing dates of these sales do not reflect current market conditions as well as the two current contracts (which are at markedly higher prices).

Land Sale Number 1 is the sale of the subject and Land Sale Numbers 3 and 4 are very near the subject property. However, Bowling Road currently is a long cul-de-sac (that is, it does not go anywhere). The further down Bowling Road, the less desirable the location.

After reviewing all of these sales and comparing them to the subject, I have concluded that the market value of the subject property, as of October 18, 2017, is about the range of the sales prices of my comparable sales (before adjustment), at \$45,000 per acre with the overall value estimated as follows:

62.41 acres times \$45,000 per acre = \$2,808,450

Rounded **\$2,800,000**

## ASSUMPTIONS AND LIMITING CONDITIONS:

This appraisal is subject to the following assumptions and limiting conditions:

1. The basic limitation of this and any appraisal is that the appraisal is an opinion of value, and is, therefore, not a guarantee that the property will sell at exactly the appraised value. The market price may differ from the market value, depending upon the motivation and knowledge of the buyer and/or seller, and may, therefore, be higher or lower than the market value. The market value, as defined herein, is my opinion of the probable price that is obtainable in a market free of abnormal influences.
2. This appraisal is being made based on the subject having a land area of 62.41 acres excluding public road rights-of-way. I have made no survey of the subject and assume no responsibility for legality of title, which is assumed to be good and marketable. My value estimate is based on the estimated size of 62.41 acres and, would change based on a different land area. I would recommend a new survey of the property in order to determine the exact acreage. All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear under responsible ownership and competent management.
3. Exhibits in this report are included to assist the reader in visualizing the subject property. I assume responsibility for these exhibits only to the extent that they are based upon information which has been supplied to me. I believe this information to be reliable; however, further on-site physical inspections and tests may reveal different information that could cause me to change my opinion of value.
4. I am not aware of any hazardous substances such as polychlorinated biphenyl, petroleum leakage, or agricultural chemicals on the subject property. The value estimated in this report assumes that there are no such substances present on the subject property. I note that I am not experts in such fields and make no claim of technical knowledge with regard to such hazardous substances. If any of these hazards are in fact present on the subject, the value of the subject would be reduced by at least the expense necessary to eliminate any potential hazard. If the client wishes to assess such matters, I urge the client to retain an expert in the field of environmental hazards.
5. I assume that there are no hidden conditions of the subject property such as subsoil conditions which affect the value of the subject property.
6. Based on my inspection of the property as well as pertinent publicly available maps, there are no areas on the subject which are likely subject to floodplain, wetland or stream buffer regulations, which is an assumption for this report. I recommend an engineering study to determine the accuracy of this conclusion.
7. Possession of this report does not carry with it the right of publication, nor may it be used for any purpose other than that designated by my client without my previous written consent, and then only with proper qualifications.
8. It is my specific understanding that I am not required to give testimony or to appear in court by reason of this appraisal with reference to the subject property, unless further arrangements acceptable to me are made, regarding compensation for my time.

I, the undersigned, do hereby certify that the information and statements contained in this appraisal, and upon which the appraisal is based, are correct, subject to the limiting conditions hereinbefore set forth.

**CERTIFICATION:**

**October 19, 2017**

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, 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 personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a pre-determined value or direction in 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.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with Uniform Standards of Professional Appraisal Practice.
6. I have made a personal inspection of the property that is the subject of this report.
7. No one provided significant professional assistance to the persons signing this report.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review of its duly authorized representatives.
9. I have not appraised the property in the past three years.
10. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Neither all nor any part of the contents of this appraisal report shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communications without the prior written consent and approval of the undersigned.

Based upon the information obtained regarding the property, and in the application of my best judgment, along with the use of sound appraisal techniques, it is my opinion that, as of October 18, 2017, the market value of that 62.41 acre tract of land located on the east side of Bowling Road at its intersection with South Main Street (U. S. Highway 401) in Middle Creek Township, Wake County, North Carolina and owned by Adcock Trust Agreement is **\$2,800,000**.



Neil C. Gustafson, MAI

Fuquay-Varina, North Carolina, United States

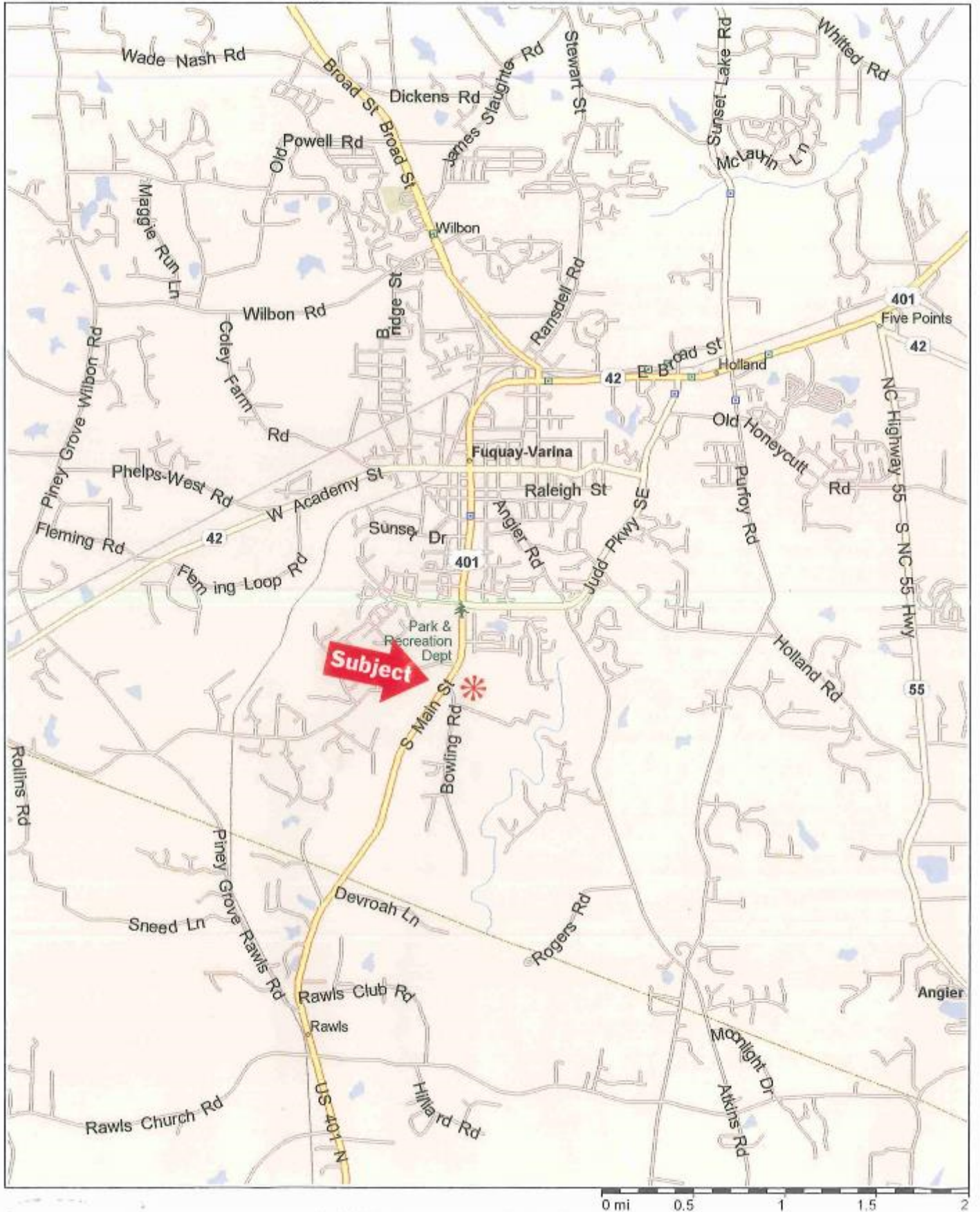


Exhibit A: Area Map



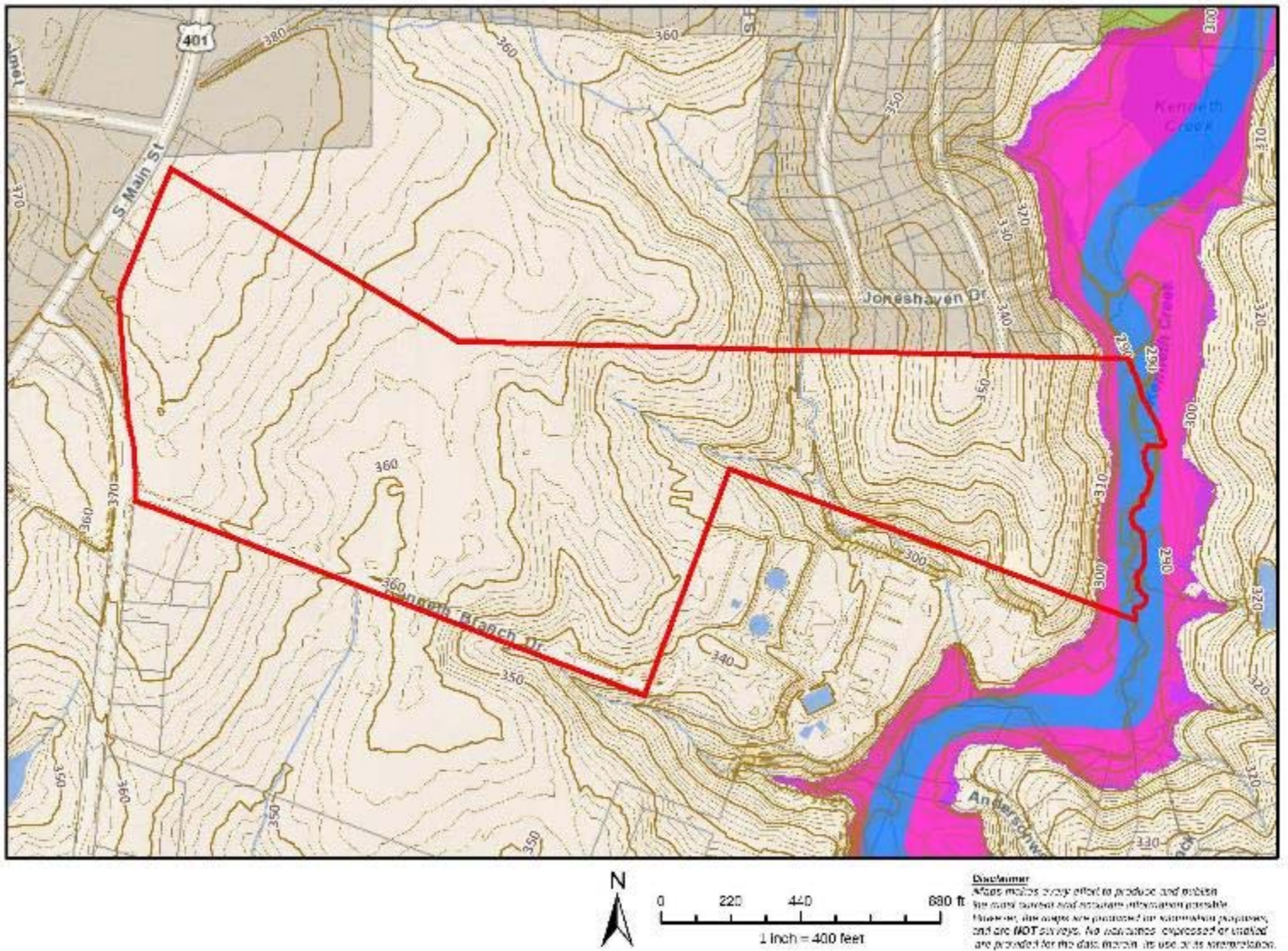


Exhibit C: Wake County GIS Topographic Map

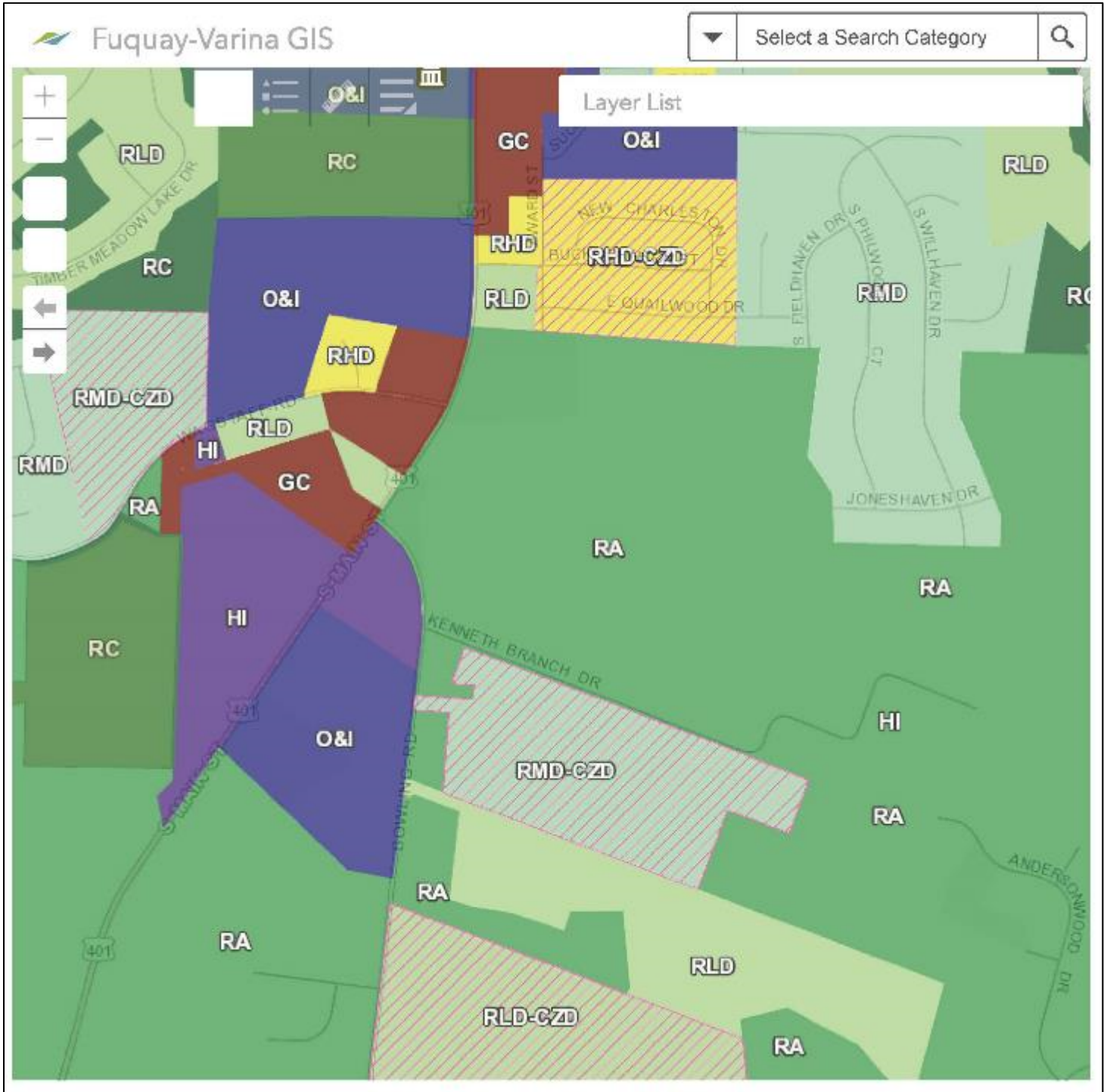
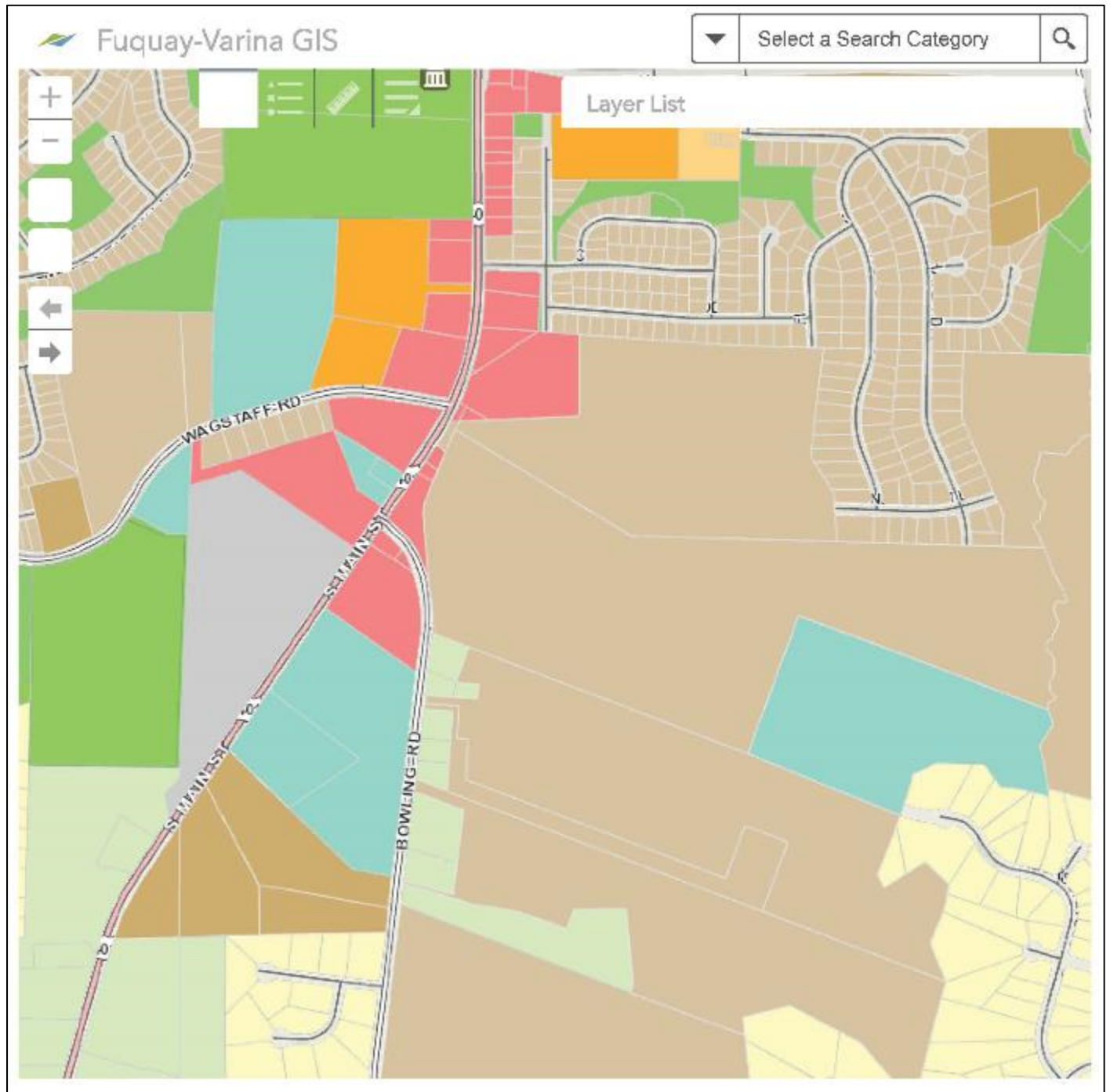


Exhibit D: Fuquay-Varina GIS Zoning and Long-Term Use Plan Map  
Page 1



2035 Fuquay-Varina Long-Term Use Plan

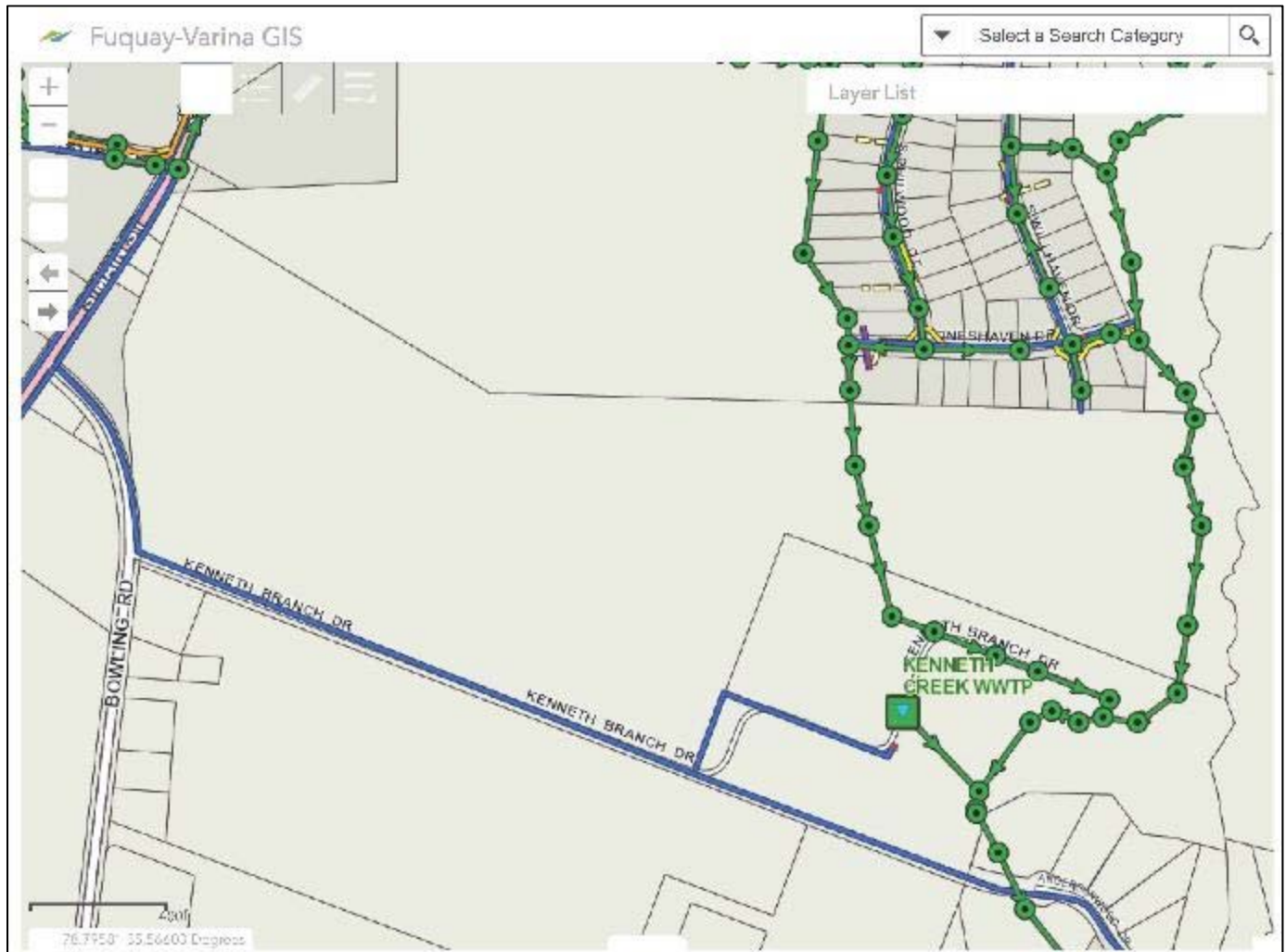


Exhibit E: Fuquay-Varina GIS Utilities Map



Bowling Road frontage



View of Bowling Road



View Along Kenneth Branch Drive



View Along Kenneth Branch Drive



View Along Kenneth Branch Drive



Typical View of The Property



Typical View of the Property



Typical View of the Property



View of Low Land on the Eastern end of the Property



View of Dwelling on South Main Frontage



View of Dwelling on South Main Frontage



View of Dwelling on South Main Frontage

**QUALIFICATIONS  
OF  
NEIL C. GUSTAFSON, MAI**

**Professional Affiliations**

- MAI Designation since 1992, Appraisal Institute (Formerly American Institute of Real Estate Appraisers). Currently Certified under Continuing Educational Program
- State Certified General Real Estate Appraiser (North Carolina) since 1991 (#A391)
- Licensed Real Estate Broker in the State of North Carolina since 1979 (#57817)

**Formal Education**

- 1973 Graduate of Needham B. Broughton High School, Raleigh, N.C.
- 1977 Graduate of North Carolina State University, Raleigh, N.C.  
B. S. Civil Engineering
- 1985 Graduate of Fuqua School of Business, Duke University, Durham, N.C.  
Master in Business Administration

**Experience**

- Principal, Worthy & Wachtel, Inc., 3803-B Computer Drive, Suite 100-A, Raleigh, N.C. 27609, 1985 to present
- Staff Appraiser, Worthy & Wachtel & Associates, 1978 to 1985

**QUALIFICATIONS  
OF  
NEIL C. GUSTAFSON  
PAGE 2**

**Partial List Of Clients Assisted In Appraisals For:**

Smith Leatherwood, LLP	Kilpatrick & Stockton
Branch Bank & Trust	Bobby Murray Chevrolet
City of Raleigh	State of North Carolina
Poyner & Spruill	United States Postal Service
Smith Anderson Blount & Dorsett	Town of Cary
Research Triangle Foundation	Hatch Little & Bunn

- Types of properties appraised includes office buildings, apartment complexes, shopping centers, tracts of land, commercial and industrial sites, industrial facilities, and commercial buildings.

**Civic**

- Boy Scout Troop 357 - Highland Methodist Church  
Treasurer - Troop Committee 2000-2002  
Chairman - Troop Committee 2002 to 2008
- Needham B. Broughton Parent Teacher Student Association  
Treasurer Elect 2004-05  
Treasurer 2005-06
- LeRoy Martin Middle School Parents Teacher Association  
Treasurer, 2001-02, 2002-03
- E. C. Brooks Elementary School Parents Teacher Association  
President, 1997-98  
Executive Board 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000
- Bible Study Fellowship           1998-until  
Children's Leader 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08,  
2008-09, 2009-10, 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-  
16, 2016-17, 2017-18

**Personal**

- Born May 15, 1955 in Raleigh, North Carolina
- Married Sharon Ayers Wilson on August 24, 1985, three children