

RESOLUTION

WHEREAS, the City of Morehead, by and through the Morehead Utility Plant Board is in the process of the construction of the expansion of its existing water treatment plant;

WHEREAS, as expansion of the water treatment plant will require the acquisition of additional real property to locate, construct, and operate the expanded water treatment plant facility;

WHEREAS, Somerset Hardwood Lumber, Inc., of P.O. Box 991, Burnside, KY 42519, is the owner of a certain tract of land in Rowan County, Kentucky, specifically located at 675 Airport Road, Morehead, Kentucky and generally known as the old Rowan County Airport property;

WHEREAS, it is necessary for the City of Morehead to acquire six acres of the land of Somerset Hardwood Lumber, Inc. for purposes of the water treatment plant expansion;

WHEREAS, the City of Morehead through the Morehead Utility Plant Board have been unable to negotiate the purchase of the required 6 acres from Somerset Hardwood Lumber, Inc. which is necessary for the construction of the aforementioned water treatment plant expansion;

WHEREAS, Morehead Utility Plant Board has recommended to the City of Morehead, and requested the City of Morehead, Kentucky, to initiate condemnation action against Somerset Hardwood Lumber, Inc. for the purpose of acquiring fee title to the 6 acre tract for the construction of the expanded water treatment plant;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morehead, Kentucky, as follows:

That the City of Morehead, Kentucky, finds that it is necessary to acquire and obtain fee title to a 6 acre portion of the property of Somerset Hardwood Lumber, Inc. and the City of Morehead, Kentucky, proceed with the condemnation of the property of Somerset Hardwood Lumber, Inc. located at 675 Airport Road, Morehead, Kentucky, to acquire said fee title to the necessary property for construction and expansion of the Morehead water treatment plant facilities. Further, Hon. Earl Rogers III shall be

the attorney of record on behalf of the City of Morehead for this matter and the Morehead Utility Plant Board shall be responsible for all costs and fees including Hon. Earl Rogers III's fees associated with this matter.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MOREHEAD,

KENTUCKY, THIS the ____ day of _____, 2018.

HON. JIM TOM TRENT, MAYOR

ATTEST:

CITY CLERK

C Roger Lewis Agency
LAND APPRAISAL REPORT

File No.

SUBJECT
 Borrower Morehead Utility Plant Board Census Tract 9503.00 Map Reference _____
 Property Address Airport Rd
 City Morehead County Rowan State Ky Zip Code 40351
 Legal Description 6 acres, part of Deed bk. 191, pg. 38 - Current owner, Somerset Hardwoods
 Sale Price \$ n/a Date of Sale n/a Loan Term n/a yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ n/a (yr) Loan charges to be paid by seller \$ _____ Other sales concessions _____
 Lender/Client Morehead Utility Plant Board Address Morehead, KY
 Occupant vacant land Appraiser Mark A Lewis Instructions to Appraiser Estimate market value

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Good	Avg.	Fair	Poor
Built Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	<input checked="" type="checkbox"/> Slow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	<u>30</u> % One-Unit	<u>0</u> % 2-4 Unit	<u>0</u> % Apts.	<u>10</u> % Commercial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Land Use	<u>0</u> % Industrial	<u>5</u> % Vacant	<u>55</u> % Agricultural & woodland		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One-Unit Price Range	\$ <u>70,000</u> to \$ <u>250,000</u>		Predominant Value \$ <u>125,000</u>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One-Unit Age Range	<u>5</u> yrs. to <u>80</u> yrs.		Predominant Age <u>50</u> yrs.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) The subject is in a typical rural area with no external obsolescence observed. Schools, shopping and employment are within five miles.

SITE

Dimensions Metes and Bounds = 6 acres Corner Lot
 Zoning Classification No zoning in the county Present Improvements Do Do Not Conform to Zoning Regulations
 Highest and Best Use Present Use Other (specify) development
 Public Other (Describe) _____
 Elec. Gas Water San. Sewer Underground Elect. & Tel.
 OFF SITE IMPROVEMENTS
 Street Access Public Private
 Surface Asphalt
 Maintenance Public Private
 Storm Sewer Curb/Gutter
 Sidewalk Street Lights
 Topo Level
 Size above average
 Shape Rectangular
 View Pastoral/Typical
 Drainage Adequate
 Is the property located in a FEMA Special Flood Hazard Area? Yes No
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) No adverse site conditions were observed.

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3			
Address	<u>Airport Rd Morehead, KY 40351</u>	<u>Moores Flat Rd. Morehead, KY 40351</u>	<u>Mynhier Rd Morehead, KY 40351</u>	<u>KY 519 Clearfield, KY 40313</u>			
Proximity to Subject		<u>2 miles north</u>	<u>4 miles east</u>	<u>5 miles east</u>			
Sales Price	\$ <u>n/a</u>	\$ <u>50,000</u>	\$ <u>75,000</u>	\$ <u>137,000</u>			
Price \$/Sq. Ft.	\$ _____	\$ <u>10,000</u>	\$ <u>15,000</u>	\$ <u>9,785</u>			
Data Source(s)		<u>Deed bk. 266, pg. 176</u>	<u>Deed bk. 262, pg. 285</u>	<u>Deed bk. 265, pg. 401</u>			
ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Date of Sale/Time Adj.	<u>n/a</u>	<u>11/22/2017</u>		<u>12/19/2016</u>		<u>08/08/2017</u>	
Location	<u>Rural</u>	<u>Rural</u>		<u>Rural</u>		<u>Suburban</u>	
Site/View	<u>6 acres</u>	<u>5 acres</u>	<u>+5,000</u>	<u>5 acres</u>	<u>-5,000</u>	<u>14 acres</u>	<u>-60,000</u>
Sales or Financing Concessions							
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>5,000</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-5,000</u>	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ <u>-60,000</u>			
Indicated Value of Subject		\$ <u>55,000</u>	\$ <u>70,000</u>	\$ <u>77,000</u>			

Comments on Market Data Comparable one is very similar in terrain to the subject and has development potential. Comparable two is located closer to Morehead and also has development potential with city sewer service available. Comparable three is within one mile of the Morehead city limits and the front portion could be developed for commercial use, but approx. 8 acres is in the 100 year flood plain.

Comments and Conditions of Appraisal All three sales were given equal consideration in the final estimate of value.

Final Reconciliation The sales comparison approach to value was the only applicable method of valuation.

RECONCILIATION
 I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 07/11/2018 TO BE \$ 70,000
 Appraiser Mark A Lewis Supervisory Appraiser (if applicable) _____
 Date of Signature and Report 07/11/2018 Date of Signature _____
 Title Certified Residential Appraiser Title _____
 State Certification # 000082 ST KY State Certification # _____ ST _____
 Or State License # _____ ST _____ Or State License # _____ ST _____
 Expiration Date of State Certification or License 06/30/2019 Expiration Date of State Certification or License _____
 Date of Inspection (if applicable) 06/29/2018 Did Did Not Inspect Property Date of Inspection _____

APPRAISAL OF REAL PROPERTY



LOCATED AT

Airport Rd
Morehead, Ky 40351
6 acres, part of Deed bk. 191, pg. 38 - Current owner, Somerset Hardwoods

FOR

Morehead Utility Plant Board
Morehead, KY

OPINION OF VALUE

70,000

AS OF

07/11/2018

BY

Mark A Lewis

Subject Photo Page

Borrower	Morehead Utility Plant Board				
Property Address	Airport Rd				
City	Morehead	County	Rowan	State	Ky Zip Code 40351
Lender/Client	Morehead Utility Plant Board				



Subject Front

Airport Rd
Sales Price n/a
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Rural
View 6 acres
Site
Quality
Age



Subject Rear

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:

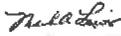
1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it 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: Airport Rd, Morehead, Ky 40351

APPRAISER:

Signature: 
 Name: Mark A Lewis
 Title: Certified Residential Appraiser
 State Certification #: 000082
 or State License #:
 State: KY Expiration Date of Certification or License: 06/30/2019
 Date Signed: 07/11/2018

SUPERVISORY or CO-APPRAISER (if applicable):

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

SHEET NUMBER
C-1

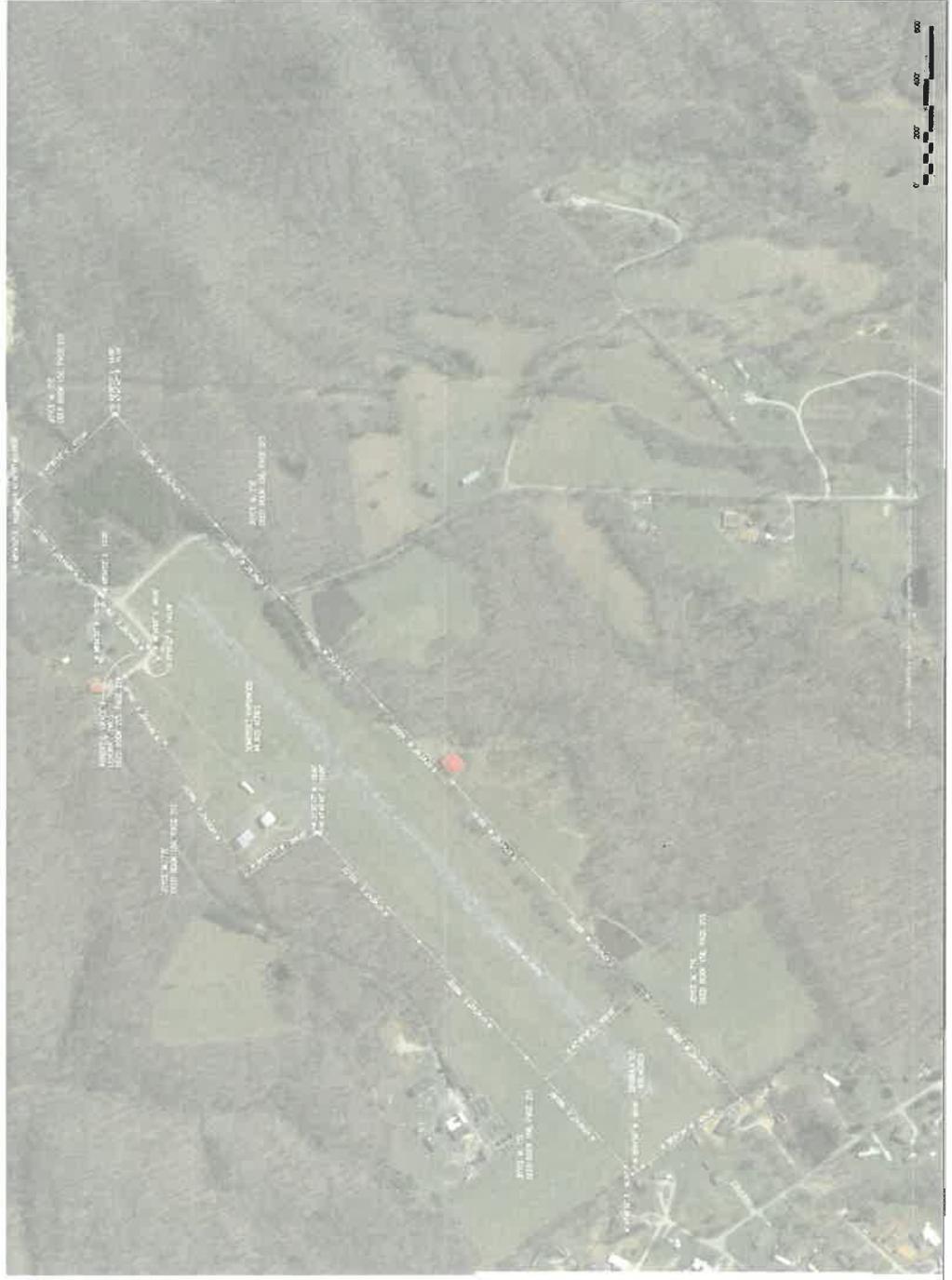
BOUNDARY
CAVE RUN LAKE INTAKE & RAW WATERLINE

MOREHEAD UTILITY
PLANT BOARD

DATE: JUNE 2019
PROJECT NO: 1019
DRAWN BY: ASB
CHECKED BY: ASB
SCALE: 1" = 200'

REVISION BY: DATE

ECLIPSE ENGINEERS, PLLC
12 WEST AVE, VERMION STREET
MOREHEAD, KENTUCKY 40351
PHONE: 606-451-0552



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