

North Carolina Department of Transportation-Right of Way Branch

REVIEW CERTIFICATION

TIP/Parcel No.: R-2632AA/091 WBS Element: 38824.2.ST1 County: Mecklenburg
 Owner(s): Mecklenburg County FedAid Project: STM-0073(21)

I HEREBY CERTIFY THAT, to the best of my knowledge and belief the facts and data reported by me and used in the review process are true and correct.

I understand that this estimate of value is to be used in connection with a highway project and/or NCDOT Real Estate transaction.

The analyses, opinions, and conclusions in this **Review Report** are limited only by the critical assumptions and limiting conditions stated in this **Review Report** and are my personal, unbiased professional analyses, opinions, and conclusions.

I have no direct or indirect, present or prospective interest in the subject property or in any benefit from the acquisition of the subject property and I have no personal interests or bias with respect to the parties involved.

My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this **Review Report**.

My estimate of the value of all items which are Compensable under State law but not eligible for Federal Aid reimbursement is \$ 0

I personally inspected the subject parcel. I did did not personally inspect all sales/rentals considered to be comparable to the subject parcel.

My analyses, opinions, and conclusions were developed and this **Review Report** was prepared in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto. No one provided me with significant professional assistance with this **Review Report**.

My opinion of the difference, if any, in the "Market Value" of the entire tract **Before the Acquisition** and the "Market Value" of the remaining property immediately **After the Acquisition** is \$ 8,475, as allocated:
Allocation

Right Of Way	\$	<u>5,175</u>
Permanent Easements	\$	<u>3,300</u>
Temporary Easements	\$	<u>8,475</u>

Total Value of Land Acquired	\$	<u>8,475</u>
Value of Improvements Acquired	\$	<u> </u>
Damage to Remainder	\$	<u> </u>
Benefits to Remainder	\$	<u> </u>
DIFFERENCE	\$	<u>8,475</u>



1-31-13
DATE OF CERTIFICATION

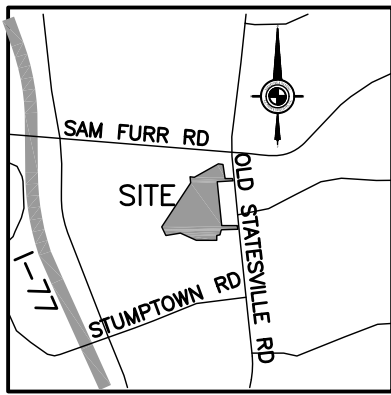
Mark C Loflin
 REVIEW APPRAISER
 Mark C. Loflin

"Un-Economic Remnant" is a factor Yes No
 Area

Administrative Approval

Mark C Loflin
 APPROVED BY:

1-31-13
DATE:



VICINITY MAP - NTS

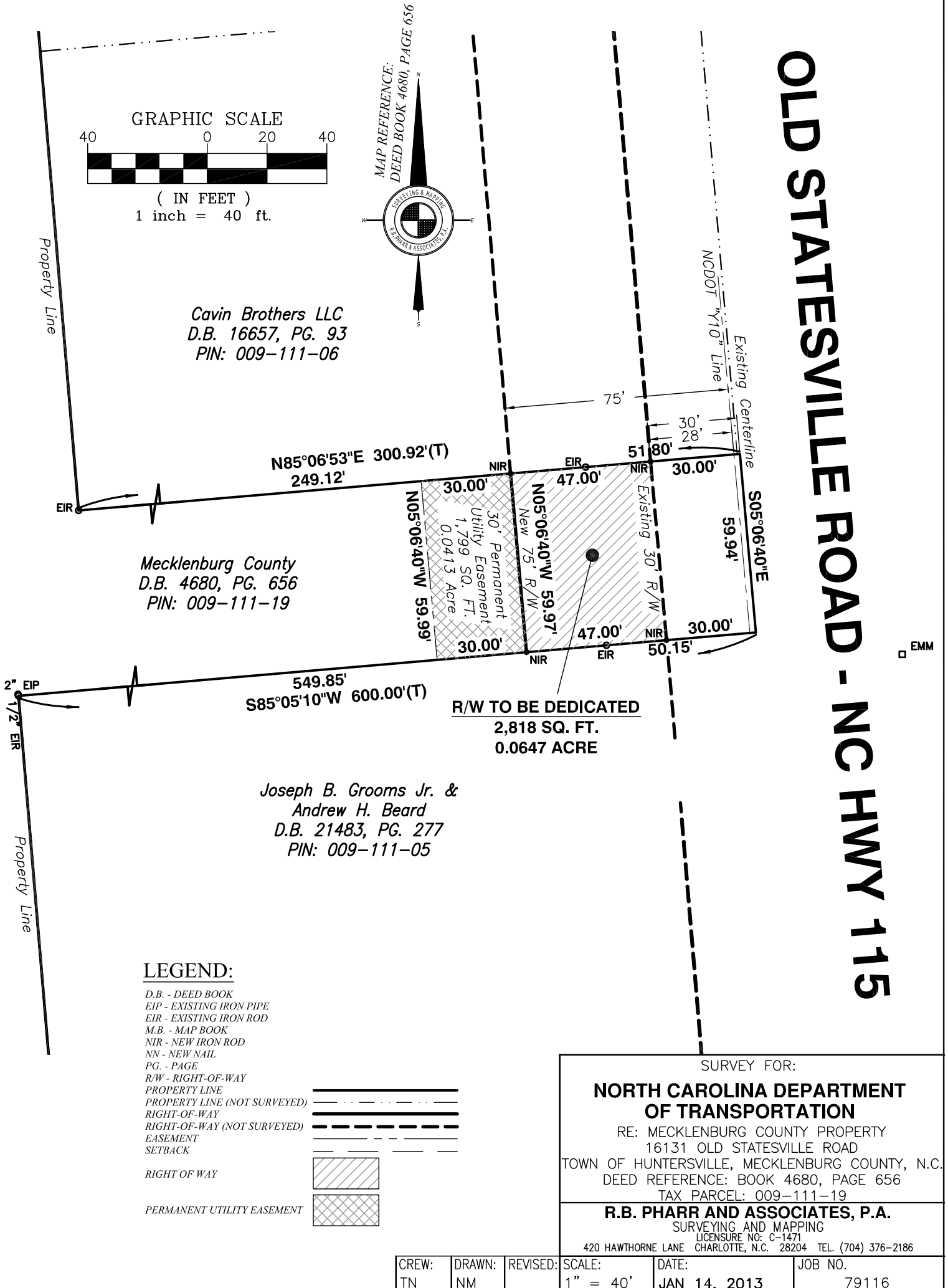
THIS IS TO CERTIFY THAT ON THE 14TH DAY OF JANUARY, 2013 AN ACTUAL SURVEY WAS MADE UNDER MY SUPERVISION OF THE PROPERTY SHOWN ON THIS PLAT, AND THAT THE BOUNDARY LINES AND THE IMPROVEMENTS, IF ANY, ARE AS SHOWN HEREON. THIS PLAT MEETS THE MINIMUM STANDARDS OF PRACTICE FOR LAND SURVEYING IN NORTH CAROLINA, BOARD RULE .1600 (21 NCAC 56) AND THE RATIO OF PRECISION DOES NOT EXCEED AN ERROR OF CLOSURE OF ONE (1) FOOT PER 10,000 FEET OF PERIMETER SURVEYED NOR 20 SECONDS TIMES THE SQUARE ROOT OF THE NUMBER OF ANGLES TURNED.

SIGNED

C. Clark Nelson

NOTES:

1. THIS PLAT IS NOT FOR RECORDATION AS PER G.S. 47-30 AS AMENDED.
3. NO RECOVERABLE NGS MONUMENT LOCATED WITHIN 2,000 FEET OF SUBJECT PROPERTY.
4. OLD STATESVILLE ROAD IS SHOWN AS A "MAJOR THOROUGHFARE" ON THE MECKLENBURG-UNION METROPOLITAN PLANNING ORGANIZATION THOROUGHFARE PLAN OF 2005 AND MAY BE SUBJECT TO A FUTURE RIGHT-OF-WAY OF 50' FROM CENTERLINE.
5. PHYSICAL IMPROVEMENTS MAY EXIST ON SUBJECT PROPERTY THAT ARE NOT SHOWN HEREON.



OLD STATESVILLE ROAD - NC HWY 115

SURVEY FOR:
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
 RE: MECKLENBURG COUNTY PROPERTY
 16131 OLD STATESVILLE ROAD
 TOWN OF HUNTERSVILLE, MECKLENBURG COUNTY, N.C.
 DEED REFERENCE: BOOK 4680, PAGE 656
 TAX PARCEL: 009-111-19

R.B. PHARR AND ASSOCIATES, P.A.
 SURVEYING AND MAPPING
 LICENSURE NO: C-1471
 420 HAWTHORNE LANE CHARLOTTE, N.C. 28204 TEL. (704) 376-2186

CREW: TN	DRAWN: NM	REVISED:	SCALE: 1" = 40'	DATE: JAN 14, 2013	JOB NO. 79116
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**North Carolina Department of Transportation
Right of Way Branch
Appraisal Summary Sheet**

1. TIP/Parcel No.: R-2632AA 091 WBS Element: 38824.2.ST1 County: MECKLENBURG

2. Owner(s): Mecklenburg County Fed Aid Project: STM-0073 (21)

3. Plan Sheet No.: 14 Survey Stations: SS 109+50 to SS 110+10, SL Y-10, Right

4. Land Areas:	AREA LT.OF R/W	AREA IN R/W	AREA RT. OF R/W	TOTAL
	84.435- AC	0.065 AC	-0- AC	84.50 AC
5. Less: Land Area in Existing R/W:	-0- AC	-0- AC	-0- AC	-0-
6. Appraise Net Areas	84.435- AC	0.065 AC	-0- AC	84.50 AC

7. Easements: TCE: 0.0AC DRAINAGE: Temp 0 Perm 0
PUE: 0.041 AC OTHER: 0.0

8. Improvements Lt. of R/W	Improvements to be Acquired	Improvements Rt. of R/W
None	Landscaping	None

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

10. Estimated "MARKET VALUE" of Property Immediately Before:

Land \$ 6,760,000
Improvements \$ 0
TOTAL \$ 6,760,000

11. Estimated "MARKET VALUE" of Property Immediately After:

Land \$ 6,751,525
Improvements \$ 0
TOTAL \$ 6,751,525

12. "DIFFERENCE" Between Before and After Value (If Benefited, Type "BENEFITS") \$ 8,475



Signed

November 20, 2012
Date of Appraisal

Name: Fitzhugh L. Stout, MAI, CRE, FRICS Phone: 704-376-0295
Address: 214 W. Tremont Avenue, Suite 200
Charlotte, North Carolina 28203
E-Mail Address: fstout@irr.com



North Carolina Department of Transportation-Right of Way Branch

Preamble

A. Objective of Appraisal and Purpose of Report

The objective of this appraisal is to estimate the market value of the subject property. The purpose of this report is to present data and analyses which support the opinion of market value.

B. Definition of Market Value

As defined in The Appraisal of Real Estate, 12th Edition, **“MARKET VALUE is the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a “Fair Sale”, with the Buyer and Seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue stimuli.”**

C. Scope of Appraisal

The scope of this appraisal involves an inspection of the subject property and general area, research into the market for sales and other comparable information, analysis of the findings, and a report of the findings in a narrative format.

D. Hazardous Material Statement

Unless otherwise stated in this report, the existence of hazardous material and/or contamination which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client/property owner is urged to retain an expert in this field, if desired. That is, the subject property is appraised **"as clean"**.

E. Americans with Disabilities Act

The appraiser has not made a specific compliance survey and analysis of the subject 91 to determine whether or not it is in conformity with the various detailed requirements of the **American with Disabilities Act ("ADA")**. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the **ADA** could reveal that the subject 91 is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible non-compliance with the requirements of **ADA** in estimating the value of the subject.

Integra Realty Resources
Charlotte

Appraisal Of Real Property

Vacant Land

16131 Old Statesville Road
Huntersville, Mecklenburg County, North Carolina 28078
Project Number: R2632AA/014

Prepared For:

NCDOT

Effective Date of the Appraisal:

November 20, 2012

IRR - Charlotte

File Number: 105-2012-1888





**Vacant Land
16131 Old Statesville Road
Huntersville, North Carolina**



November 28, 2012

Mr. Phil Ward
NCDOT
5601 Executive Center Drive, Suite 200
Charlotte, NC 28212

SUBJECT: Market Value Appraisal
Vacant Land
16131 Old Statesville Road
Huntersville, Mecklenburg County, North Carolina 28078
Integra Charlotte File No. 105-2012-1888

Dear Mr. Ward:

Integra Realty Resources – Charlotte is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the retrospective market value of the fee simple interest in the property before and after the taking. The client for the assignment is NCDOT, and the intended use is for eminent domain purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignments results, we use the summary report option of Standards Rule 2-2 of USPAP. Accordingly, this report contains summary discussions of the data, reasoning, and analyses that are used in the appraisal process whereas supporting documentation is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal.

Mr. Phil Ward
NCDOT
November 28, 2012
Page 2

The subject consists of a parcel of land containing a land area of 84.50 acres, or 3,680,820 square feet. The subject is zoned NR, Neighborhood Residential per the town of Huntersville. The subject is currently improved with North Mecklenburg Park, but is considered an underutilization of the site.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinions of value are as follows:

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	November 20, 2012	\$6,760,000
Market Value After the Taking	Fee Simple	November 20, 2012	\$6,751,525
Difference in Value Before and After the Taking	Fee Simple	November 20, 2012	\$8,475

There is not a consensus of market participants concerning the duration and ultimate severity of the current economic downturn. We have analyzed available data and have applied adjustments that we consider reasonable in light of current uncertainties; however, we caution the users of this appraisal that the value conclusion reported herein may have a lesser degree of reliability than it would in a more normal market.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - CHARLOTTE



John S. Luntsford
Certified General Real Estate Appraiser
North Carolina Certificate #A5229



Fitzhugh L. Stout, MAI, CRE, FRICS
Certified General Real Estate Appraiser
North Carolina Certificate #A1093



JSL/FLS;jdm

TABLE OF CONTENTS

GENERAL INFORMATION 1

- Identification of Subject..... 1
- Current Ownership and Sales History..... 1
- Purpose, Property Rights and Effective Date 1
- Definition of Market Value..... 1
- Definition of Property Rights Appraised 2
- Client, Intended User and Intended Use 2
- Applicable Requirements..... 2
- Prior Services 2
- Scope of Work 2

ECONOMIC ANALYSIS 4

- Surrounding Area Analysis..... 12

PROPERTY ANALYSIS 16

- Land Description and Analysis 16
- Real Estate Tax Analysis 24
- Highest and Best Use Analysis 25

VALUATION ANALYSIS 26

- Valuation Methodology 26
- Land Valuation..... 27
- Description of the Acquisition 37
- Description of Remainder and Effects of the Acquisition 40
- Valuation of the Property After The Taking..... 41
- Difference in Before and After Value..... 42
- Reconciliation and Conclusion of Value 43

CERTIFICATION 44

ASSUMPTIONS AND LIMITING CONDITIONS..... 46

ADDENDA

- A. Appraiser Qualifications
- B. Definitions
- C. Financials and Property Information
- D. Certification

GENERAL INFORMATION

IDENTIFICATION OF SUBJECT

The subject consists of a parcel of land containing a land area of 84.50 acres, or 3,680,820 square feet. The subject is zoned NR, Neighborhood Residential per the town of Huntersville. The subject is currently improved with North Mecklenburg Park, but is considered an underutilization of the site. A legal description of the property is in the addenda.

PROPERTY IDENTIFICATION	
Project/Parcel No.	R-2632AA 091
Address	16131 Old Statesville Road Huntersville, North Carolina 28078
Tax ID	009-111-19
WBS Element	38824.2.ST1
Fed Aid Project	STM-0073 (21)

CURRENT OWNERSHIP AND SALES HISTORY

The owner of record is Mecklenburg County. This party acquired the property from L.L. Scercy and wife, Minnie Belle Scercy on June 23, 1983. No revenue stamps were recorded on the deed. This transaction is recorded in Deed Book 4680, Page 656, of the Mecklenburg County Register of Deeds Office. To the best of our knowledge, no other sale or transfer of ownership has occurred within the past five years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

PURPOSE, PROPERTY RIGHTS AND EFFECTIVE DATE

The purpose of the appraisal is to develop an opinion of the market value of the fee simple interest in the property before and after the taking as of the effective date of the appraisal November 20, 2012. The date of the report is November 28, 2012. The appraisal is valid only as of the stated effective date or dates.

DEFINITION OF MARKET VALUE

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;

- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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: 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

CLIENT, INTENDED USER AND INTENDED USE

The client and intended user is NCDOT. The intended use is for eminent domain purposes. The appraisal is not intended for any other use or user.

APPLICABLE REQUIREMENTS

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP)
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994.

PRIOR SERVICES

USPAP requires appraisers to disclose to the client any services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for another client within the three-year period immediately preceding acceptance of this assignment.

SCOPE OF WORK

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

VALUATION METHODOLOGY

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

APPROACHES TO VALUE		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not applicable	Not Utilized

This report involves a complete appraisal of the subject and conforms with the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)*, the Appraisal Institute. Only one of the three traditional approaches to value has been considered in the appraisal of the property, the sales comparison approach, as only land is being acquired, and the current improvements are an underutilization of the site.

OTHER RESEARCH AND ANALYSIS

Additional steps taken to gather, confirm, and analyze relevant data, are detailed in individual sections of the report.

PROPERTY INSPECTION

John S. Luntsford conducted an on-site inspection of the property on November 20, 2012. We contacted Ms. Jacqueline McNeil, the property representative, prior to our inspection. Ms. McNeil did not have any issues with the project, and did not feel it was necessary to be present during our inspection. Fitzhugh L. Stout, MAI, CRE, FRICS conducted an inspection at an earlier date.

REPORT FORMAT

This report is prepared under the self-contained report option of Standards Rule 2-2 of USPAP. Accordingly, the report contains all information significant to the solution of the appraisal problem.

ECONOMIC ANALYSIS

MECKLENBURG COUNTY AREA ANALYSIS

Mecklenburg County is located in southern North Carolina. The county is approximately 526 square miles in size and has a population density of 1,815 persons per square mile. Mecklenburg County is part of the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area, hereinafter called the Charlotte MSA, as defined by the U.S. Office of Management and Budget.

POPULATION

Mecklenburg County has an estimated 2012 population of 955,170, which represents an average annual 2.7% increase over the 2000 census of 695,454. Mecklenburg County added an average of 21,643 residents per year over the 2000-2012 period, and its annual growth rate exceeded the State of North Carolina rate of 1.6%.

	POPULATION TRENDS				
	Population			Compound Ann. % Chng	
	2000 Census	2012 Est.	2017 Est.	2000 - 2012	2012 - 2017
Mecklenburg County, NC	695,454	955,170	1,052,657	2.7%	2.0%
North Carolina	8,049,313	9,783,974	10,469,175	1.6%	1.4%

Source: Claritas

Looking forward, Mecklenburg County's population is projected to increase at a 2.0% annual rate from 2012-2017, equivalent to the addition of an average of 19,497 residents per year. Mecklenburg County's growth rate is expected to exceed that of North Carolina, which is projected to be 1.4%.

EMPLOYMENT

Total employment in Mecklenburg County is currently estimated at 553,464 jobs. Between year end 2001 and the present, employment rose by 43,939 jobs, equivalent to an 8.6% increase over the entire period. There were gains in employment in seven out of the past ten years despite two national economic downturns during this time. Job growth in Mecklenburg County turned positive in 2010 and remained so in 2011.

Mecklenburg County's rate of employment growth over the last decade surpassed that of North Carolina, which experienced an increase in employment of 2.6% or 96,889 jobs over this period. Trends in employment are a key indicator of economic health and strongly correlate with real estate demand.

EMPLOYMENT TRENDS						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Mecklenburg County	% Change	North Carolina	% Change	Mecklenburg County	North Carolina
2001	509,525		3,766,715		4.4%	5.6%
2002	510,251	0.1%	3,764,582	-0.1%	5.8%	6.6%
2003	510,084	0.0%	3,760,183	-0.1%	5.8%	6.5%
2004	520,989	2.1%	3,849,400	2.4%	5.1%	5.5%
2005	534,915	2.7%	3,926,923	2.0%	5.0%	5.3%
2006	557,677	4.3%	4,054,039	3.2%	4.5%	4.8%
2007	578,920	3.8%	4,126,685	1.8%	4.6%	4.8%
2008	566,849	-2.1%	4,000,278	-3.1%	6.1%	6.3%
2009	536,706	-5.3%	3,804,059	-4.9%	10.8%	10.5%
2010	548,267	2.2%	3,835,921	0.8%	10.9%	11.0%
2011*	553,464	0.9%	3,863,604	0.7%	10.3%	10.5%
Overall Change 2001-2011	43,939	8.6%	96,889	2.6%		
Avg Unemp. Rate 2001-2011					6.7%	7.0%
Unemployment Rate - January 2012					10.2%	10.5%

*Total employment data is as of September 2011; unemployment rate data reflects the average of 12 months of 2011.
 Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW).
 Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

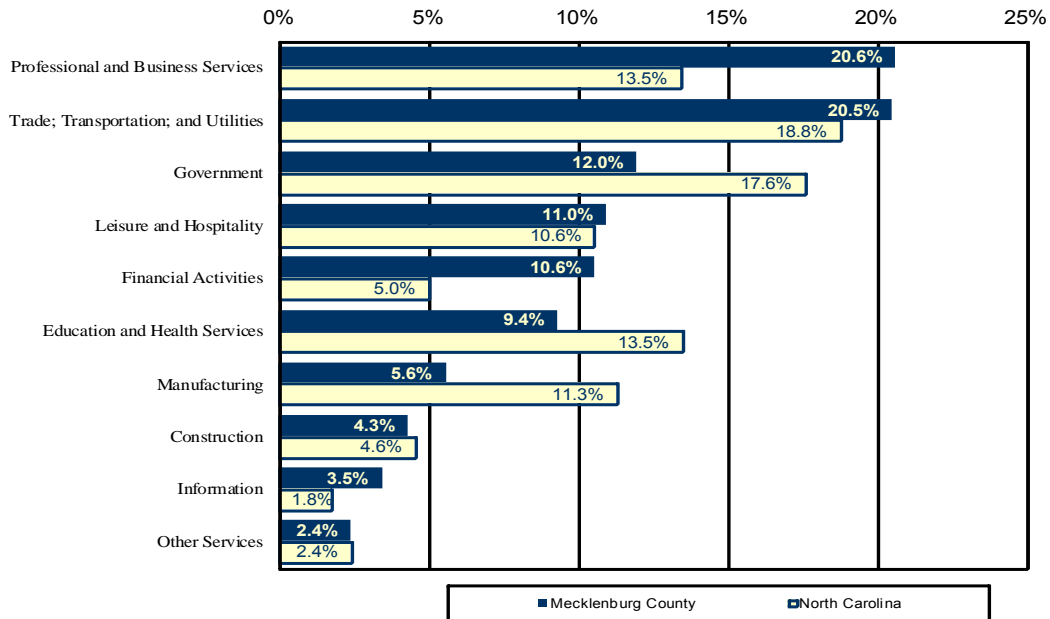
Unemployment rate trends are another way of gauging an area’s economic health. Over the past decade, the Mecklenburg County unemployment rate has been generally lower than that of North Carolina, with an average unemployment rate of 6.7% in comparison to a 7.0% rate for North Carolina. This is another indication of the strength of the Mecklenburg County economy over the longer term.

At the current time, the Mecklenburg County unemployment rate is 10.2% in comparison to a 10.5% rate for North Carolina, a positive sign that is consistent with the fact that Mecklenburg County has outperformed North Carolina in the rate of job growth in 2010 and 2011.

EMPLOYMENT SECTORS

The composition of the Mecklenburg County job market is depicted in the chart below, along with that of North Carolina. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Mecklenburg County jobs in each category.

EMPLOYMENT SECTORS - 2011



Source: Bureau of Labor Statistics and Economy.com

Mecklenburg County has greater concentrations than North Carolina in the following employment sectors:

Professional and Business Services, representing 20.6% of Mecklenburg County payroll employment compared to 13.5% for North Carolina as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

Trade; Transportation; and Utilities, representing 20.5% of Mecklenburg County payroll employment compared to 18.8% for North Carolina as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.

Leisure and Hospitality, representing 11.0% of Mecklenburg County payroll employment compared to 10.6% for North Carolina as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Financial Activities, representing 10.6% of Mecklenburg County payroll employment compared to 5.0% for North Carolina as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Mecklenburg County is underrepresented in the following sectors:

Government, representing 12.0% of Mecklenburg County payroll employment compared to 17.6% for North Carolina as a whole. This sector includes employment in local, state, and federal government agencies.

Education and Health Services, representing 9.4% of Mecklenburg County payroll employment compared to 13.5% for North Carolina as a whole. This sector includes

employment in public and private schools, colleges, hospitals, and social service agencies.

Manufacturing, representing 5.6% of Mecklenburg County payroll employment compared to 11.3% for North Carolina as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Construction, representing 4.3% of Mecklenburg County payroll employment compared to 4.6% for North Carolina as a whole. This sector includes construction of buildings, roads, and utility systems.

MAJOR EMPLOYERS

Major employers in Mecklenburg County are shown in the table below.

MAJOR EMPLOYERS	
Mecklenburg County, NC	
Name	Number of Employees
1 Charlotte Mecklenburg Hospital	1,000+
2 Wells Fargo Bank NA (A Corp)	1,000+
3 Bank of America NA	1,000+
4 Charlotte Mecklenburg Board of Education	1,000+
5 City of Charlotte	1,000+
6 US Air Inc.	1,000+
7 County of Mecklenburg	1,000+
8 Presbyterian Hospital	1,000+
9 Harris Teeter Inc.	1,000+
10 University of North Carolina	1,000+

Source: 2nd Qtr 2012 - NC Employment Security Commission

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Charlotte MSA is considered meaningful when compared to the nation overall, as Mecklenburg County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Charlotte MSA than the United States overall during the past eight years. The Charlotte MSA has grown at a 2.0% average annual rate while the United States has grown at a 1.5% rate. As the national economy recovers from the downturn of 2008-2009, the Charlotte MSA has recently performed similarly to the United States. The Charlotte MSA's GDP rose by 2.6% in 2010 while the United States GDP rose by 2.6%.

The Charlotte MSA has a per capita GDP of \$58,444, which is 38% greater than the United States GDP of \$42,346. This means that Charlotte MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

GROSS DOMESTIC PRODUCT				
Year	(\$ Mil)	%	(\$ Mil)	%
	Charlotte MSA	Change	US	Change
2003	90,146		11,807,823	
2004	92,914	3.1%	12,212,645	3.4%
2005	101,421	9.2%	12,554,538	2.8%
2006	105,204	3.7%	12,895,854	2.7%
2007	104,588	-0.6%	13,143,678	1.9%
2008	103,866	-0.7%	13,100,045	-0.3%
2009	100,791	-3.0%	12,773,853	-2.5%
2010	103,402	2.6%	13,099,722	2.6%
Compound % Chg (2003-2010)		2.0%		1.5%
GDP Per Capita 2010	\$58,444		\$42,346	

Source: Bureau of Economic Analysis and Economy.com; data released September 2011.

The figures in the table above represent inflation adjusted “real” GDP stated in 2005 dollars.

HOUSEHOLD INCOME

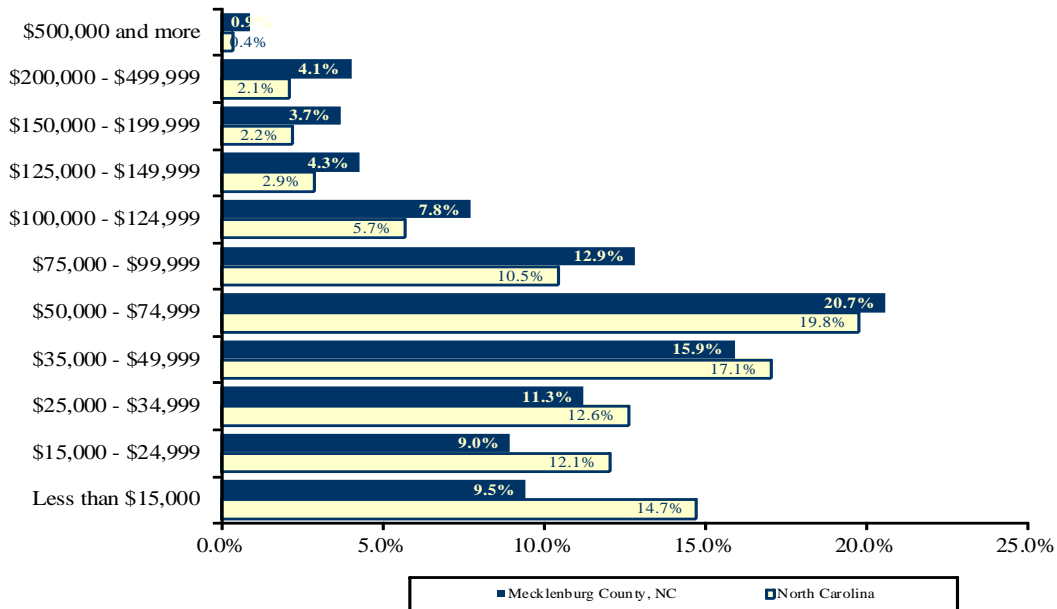
Mecklenburg County is more affluent than North Carolina. Median household income for Mecklenburg County is \$55,270, which is 24.8% greater than the corresponding figure for North Carolina.

MEDIAN HOUSEHOLD INCOME - 2012	
Mecklenburg County, NC	\$55,270
North Carolina	\$44,290
Comparison of Mecklenburg County, NC to North Carolina	+ 24.8%

Source: Claritas

The chart below shows the distribution of households across eleven income levels. Mecklenburg County has a greater concentration of households in the higher income levels than North Carolina. Specifically, 34% of Mecklenburg County households are at the \$75,000 or greater levels in household income as compared to 24% of North Carolina households. A lesser concentration of households is apparent in the lower income levels, as 30% of Mecklenburg County households are below the \$35,000 level in household income versus 39% of North Carolina households.

HOUSEHOLD INCOME DISTRIBUTION - 2012

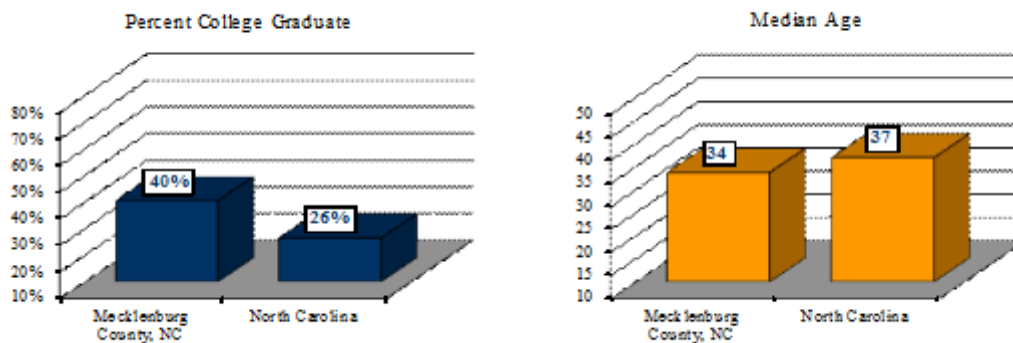


Source: Claritas

EDUCATION AND AGE

Residents of Mecklenburg County have a higher level of educational attainment than those of North Carolina. An estimated 40% of Mecklenburg County residents are college graduates with four year degrees, versus 26% of North Carolina residents. People in Mecklenburg County are younger than their North Carolina counterparts. The median age for Mecklenburg County is 34 years, while the median age for North Carolina is 37 years.

EDUCATION AND AGE - 2012



Source: Claritas

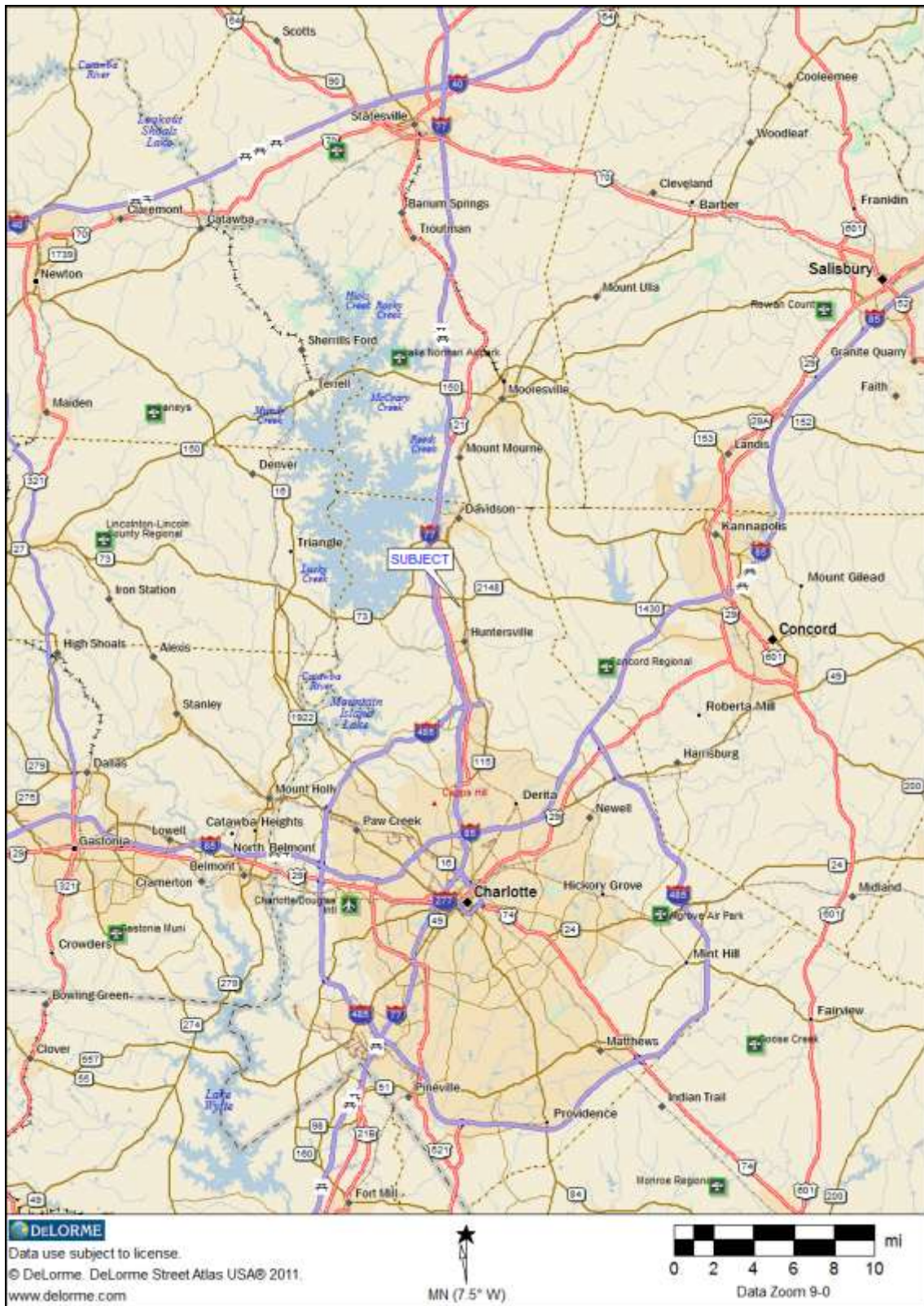
CONCLUSION

The national economic downturn of 2008-2009 had a greater impact on Mecklenburg County than on many areas of the country.

Over the long term, Mecklenburg County will benefit from a growing population base and higher income and education levels. Mecklenburg County experienced growth in the number

of jobs and has maintained a generally lower unemployment rate than North Carolina over the past decade. Moreover, Mecklenburg County benefits from being part of the Charlotte MSA, which exhibits both a higher rate of GDP growth and a higher level of GDP per capita than the nation overall. Based on these factors, we anticipate that the Mecklenburg County economy will recover and employment will grow, strengthening the demand for real estate.

AREA MAP



SURROUNDING AREA ANALYSIS

LOCATION

The subject is located in the northern area of Mecklenburg County, within the town limits of Huntersville. This area is generally delineated as follows:

North	Bailey Road
South	Stumptown Road
East	Old Statesville Road
West	Interstate 77

ACCESS AND LINKAGES

Primary access to the area is provided by Interstate 77 (I-77), a major arterial that crosses the Charlotte metro area in a north/south direction. Access to the subject from I-77 is provided by exit 25 Huntersville, and travel time from the major arterial to the subject is within minutes. Overall, vehicular access is good.

Public transportation in the area is provided by Charlotte Area Transportation. The local market perceives public transportation as average compared to other areas in the region. However, the primary mode of transportation in this area is the automobile.

The Charlotte/Douglas International Airport is the closest international airport and is located approximately 20 miles from the subject property. The Charlotte CBD, the economic and cultural center of the region, is approximately 17 miles from the property.

DEMAND GENERATORS

Major employers in northeast Mecklenburg County include: Wells Fargo, IBM, TIAA-CREF, UNC-Charlotte and Carolinas Medical Center. Other demand generators in the subject area are: Concord Mills Mall, Charlotte Motor Speedway, and University Research Park. In addition to its strong employment base, the area is easily accessible to the Charlotte CBD submarkets, all within 20 minutes driving time.

RETAIL AND PUBLIC SERVICES

The nearest large scale retail development is Northcross Shopping Center, which provides the nearest shopping facilities serving the area located at exit 25 off I-77, along Statesville Road and Sam Furr Road. Northcross Shopping is anchored by Lowe's Home Improvement, Harris Teeter grocery store; Old Navy, Kohl's, Marshall's and Petco. The shopping center offers a wide range of convenience goods and personal services as well as the closest restaurant and lodging facilities. In addition to Northcross Shopping Center, there are numerous retail and office properties surrounding the shopping center. Across I-77 to the west is Birkdale Village, an urban village mixed-use development and Birkdale Golf Course.

Local police and fire support services are located within a reasonable distance from the subject. The closest university is University of North Carolina at Charlotte, which is located within twenty-five minutes of the subject property depending on traffic conditions. Other

colleges in the area are: Davidson, Johnston and Wales Culinary Institute, Queens University, Charlotte School of Law, Rowan-Cabarrus Community College and Central Piedmont Community College. All of these schools are located within thirty minutes driving time depending on traffic conditions.

Proximity to parks, open space and other passive recreation is average.

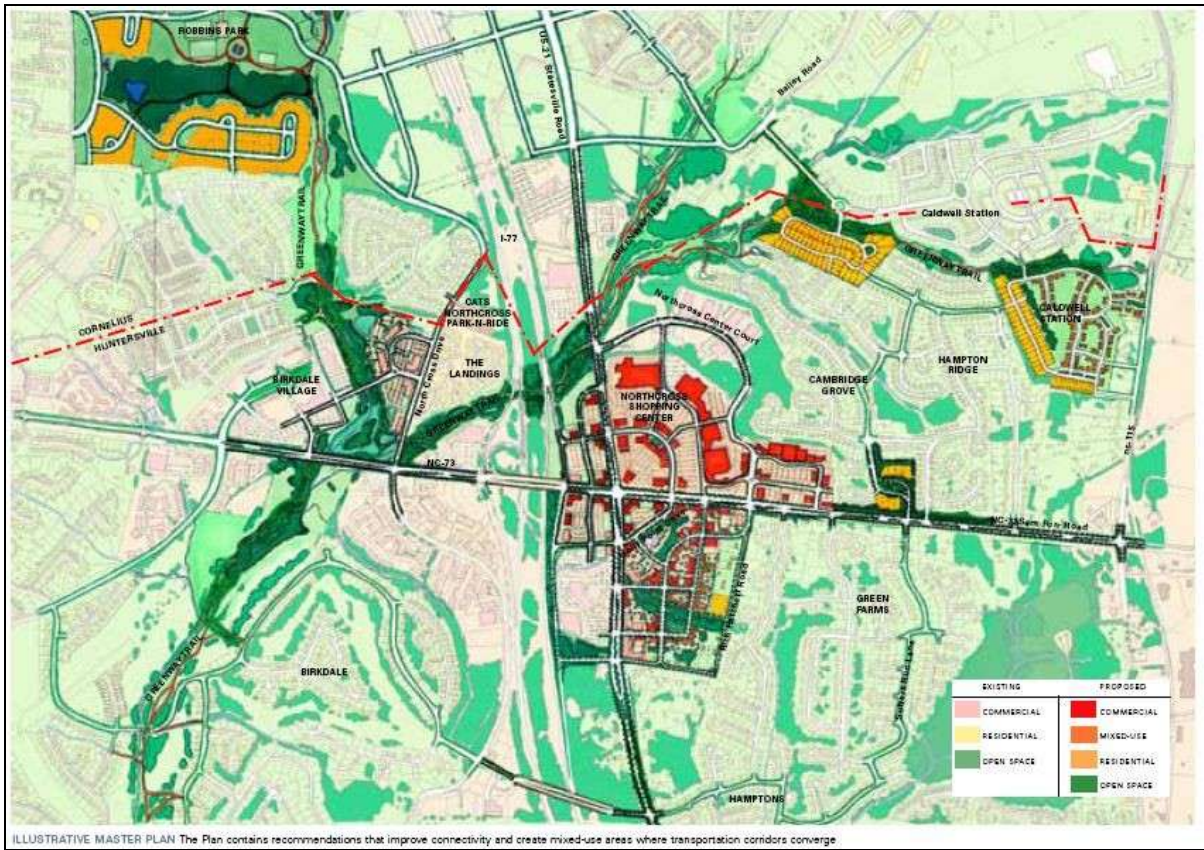
LAND USE

In the immediate vicinity of the subject, the predominant land uses are commercial, retail, and office. Some users in the immediate area are: IHOP restaurant; Burger King; McDonald's; Chili's; Longhorn Steakhouse; Mattress Firm; Holiday Inn Express and Suites; Quality Inn; First Citizens Bank; Wells Fargo Bank; SunTrust Bank; Charlotte Metro Credit Union; Home Depot; Shell gas station; NorthCross Business Park; North Bay Medical Plaza; Marshall's; Homegoods; Sears; Staples; PetCo; Northcross Family Physicians; CMC Northcross Medical Plaza; and Northcross Professional Park.

Residential subdivisions in the area include Greenfarm; Cambridge Grove; Hamptons; and Hampton Ridge.

On the southwest corner of Old Statesville Road and Sam Furr Road, there is a retail site that has been developed with a CVS. There are several other outparcels that have not been improved on this site. The southeast corner of Old Statesville and Sam Furr Road has recently been developed with a small retail building. The following map shows the majority of development that is located to the east and west near the intersection of Sam Furr Road and Interstate 77.

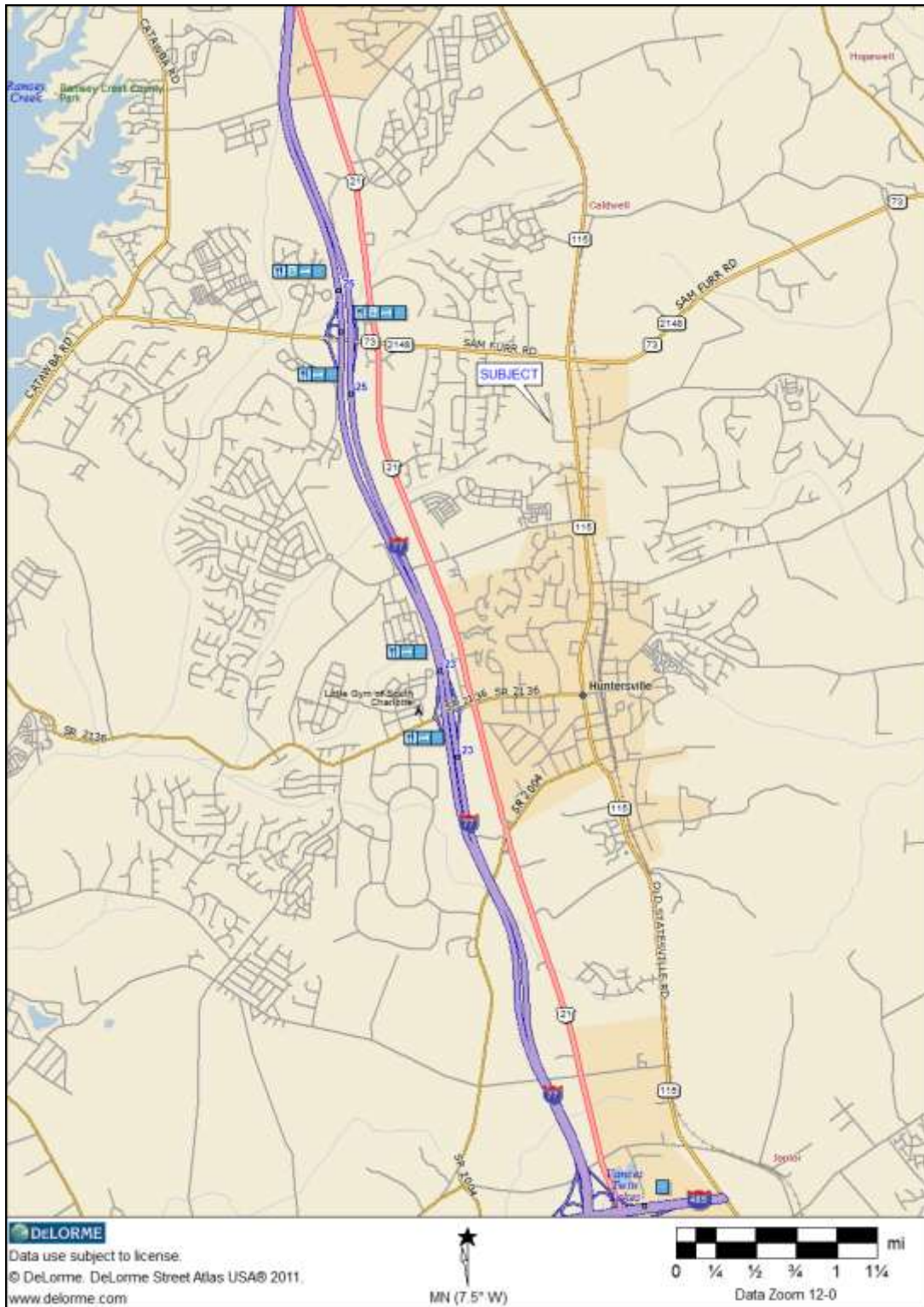
FUTURE LAND USE MAP



OUTLOOK AND CONCLUSIONS

The area has been in a growth stage, but based on the current economic downturn, it is now in the stable stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will remain stable or decline slightly in the near future.

SURROUNDING AREA MAP



PROPERTY ANALYSIS

LAND DESCRIPTION AND ANALYSIS

LOCATION

The property is located along the west side of Old Statesville Road, and is located across from McCord Road.

LAND AREA

The following table summarizes the subject’s land area.

LAND AREA SUMMARY			
Tax ID	Address	SF	Acres
009-111-19	16131 Old Statesville Road	3,680,820	84.500
Source: Provided by NCDOT			

SHAPE AND DIMENSIONS

The site is irregular in shape. Site utility based on shape and dimensions is below average based on two portions of the parcel having frontage along Old Statesville Road, while the majority of the site is located behind other parcels that front Old Statesville Road.

TOPOGRAPHY

The site is generally gently sloping, with some areas being level and at street grade. In addition, there are some water quality buffers that traverse the site, but the subject’s topography does not result in any particular development limitations.

DRAINAGE

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that surface water collection, both on-site and in public streets adjacent to the subject, is adequate.

FLOOD HAZARD STATUS

The following table provides flood hazard information.

FLOOD HAZARD STATUS	
Community Panel Number	3710464200J
Date	March 2, 2009
Zone	X
Description	Areas determined to be outside 500-year flood plain
Insurance Required?	No

ENVIRONMENTAL HAZARDS

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

GROUND STABILITY

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject’s soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

STREETS, ACCESS AND FRONTAGE

Details pertaining to street access and frontage are provided in the following table.

STREETS, ACCESS AND FRONTAGE	
Street	Old Statesville Road
Frontage Feet	211
Paving	Asphalt
Curbs	No
Sidewalks	No
Lanes	Two with turn lanes
Direction of Traffic	North/south
Condition	Good
Traffic Levels	High
Signals/Traffic Control	Closest - Corner of Sam Furr (Hwy 73) and Old Statesville
Access/Curb Cuts	Two with turn lanes
Visibility	Limited

UTILITIES

The availability of utilities to the subject is summarized in the following table.

UTILITIES	
Service	Provider
Water	City of Charlotte
Sewer	City of Charlotte
Electricity	Duke Energy
Natural Gas	Piedmont Natural Gas
Local Phone	Various Providers

ZONING

The subject is zoned NR, Neighborhood Residential. We spoke with the Huntersville Planning and Zoning office, and found that this parcel would allow a variety of different uses that include, but not limited to multifamily, commercial, retirement communities, government buildings, etc. Specific zoning requirements are summarized in the following table.

ZONING SUMMARY	
Zoning Jurisdiction	Town of Huntersville
Zoning Designation	NR, Neighborhood Residential
Description	The Neighborhood Residential District provides for residential infill development surrounding the traditional town center and its logical extensions. This district also provides for town-scaled residential development within walking distance (generally ½ mile) of satellite village centers, identified on the Land Development Plan . Streets in the Neighborhood Residential District must be interconnected, according to Article 5, Streets, and Urban Open Space provided according to Article 7. A range of housing types is encouraged. Low-intensity business activity is permitted in mixed-use and commercial buildings at residential scale, according to locational criteria. The intensity to which permitted uses may be built is regulated by the building type which corresponds to the use.
Legally Conforming?	N/A; vacant land
Zoning Change Likely?	No
Permitted Uses	Variety of residential and commercial uses
Category	Zoning Requirement
Minimum Lot Area	Varies per development
Minimum Lot Width (Feet)	Varies per development
Minimum Setbacks (Feet)	Varies per development
Maximum Building Height	Varies per development
Maximum Density	Varies per development
Maximum Floor Area Ratio	Varies per development
Parking Requirement	Varies per development
Other	N/A
Source:Town of Huntersville Zoning	

OTHER LAND USE REGULATIONS

We are not aware of any other land use regulations that would affect the property.

EASEMENTS, ENCROACHMENTS AND RESTRICTIONS

We were not provided a current title report to review. We are not aware of any easements, encumbrances, or restrictions that would adversely affect value. Our valuation assumes no adverse easements, encroachments or restrictions and that the subject has a clear and marketable title.

IMPROVEMENTS

The site is currently improved with lighted baseball fields, tennis courts and associated site improvements. These improvements are an underutilization of the site and offer no contributing value. Consequently, no effort has been made to describe the existing site improvements.

CONCLUSION OF SITE ANALYSIS

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. There are no other particular restrictions on development noted in the analysis.

SUBJECT PHOTOGRAPHS



**View of Subject from Old Statesville Road
(Photo Taken on November 20, 2012)**



**View of Land Area Within Taking and Easement Area
(Photo Taken on November 20, 2012)**



**View of ball fields on subject property
(Photo Taken on November 20, 2012)**



**View of ball fields on subject property
(Photo Taken on November 20, 2012)**



**Looking north along Old Statesville Road
(Photo Taken on November 20, 2012)**



**Looking south along Old Statesville Road
(Photo Taken on November 20, 2012)**

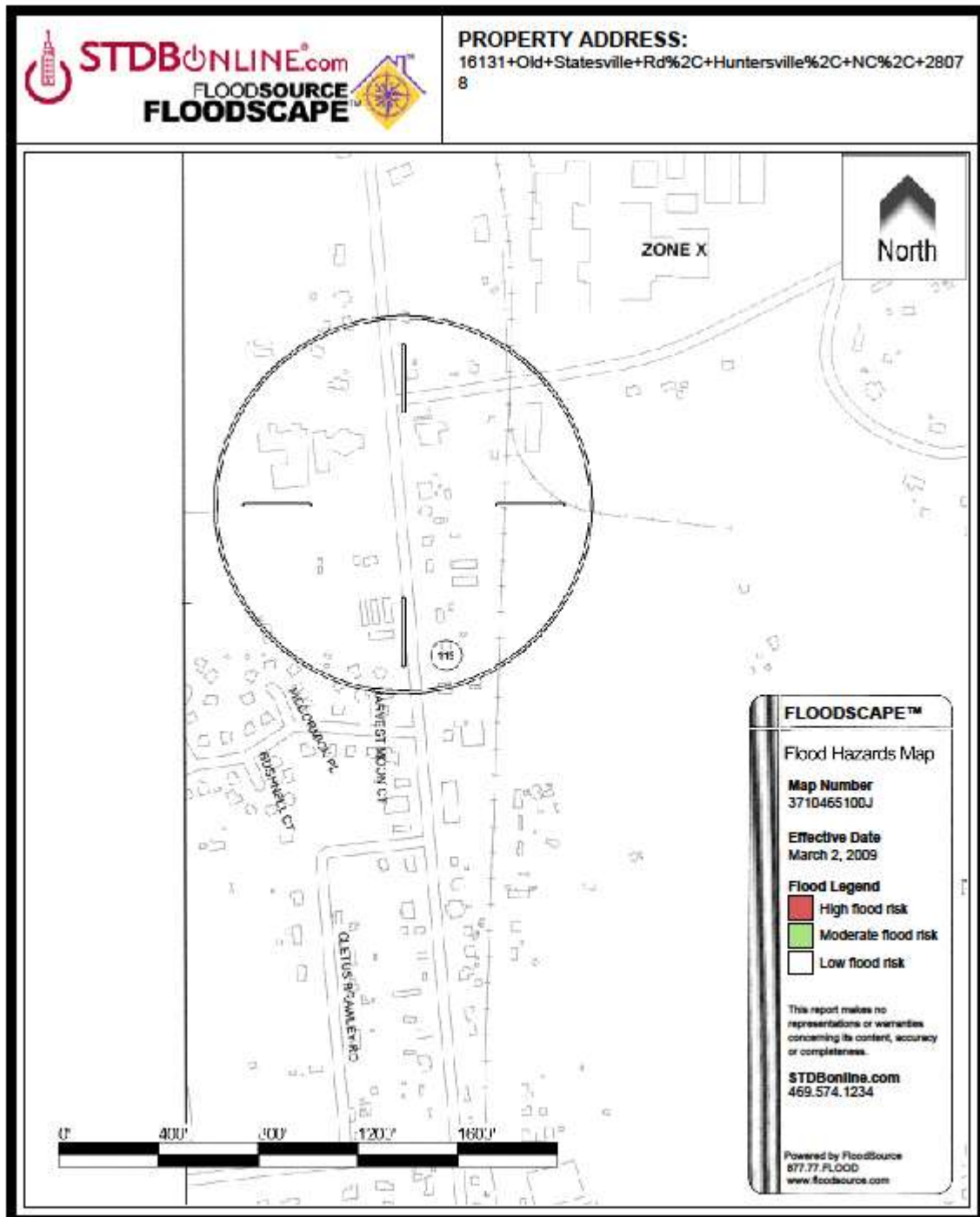
TAX AND ZONING MAP



AERIAL MAP



FLOOD MAP



REAL ESTATE TAX ANALYSIS

The subject is located in Huntersville and Mecklenburg County and is subject to both governmental tax rates. The subject’s tax burden is calculated by dividing the assessed value by \$100 and multiplying the result by the applicable tax rates.

The composite tax rate for the subject for the 2012 tax year is \$1.07470 per \$100 of assessed value.

Real estate taxes and assessments for the current tax year are shown in the following table.

TAXES AND ASSESSMENTS - 2012							
Tax ID	Assessed Value			Tax Rate/\$100	Taxes and Assessments		
	Land	Improvements	Total		Ad Valorem Taxes	Direct Assessments	Total
009-111-19	\$36,808,200	\$340,100	\$37,148,300	\$1.07470	\$399,233	\$0	\$399,233

Based on the concluded market value of the subject, the assessed value for the land is well above market. Based on the owner being exempt from taxes, a tax appeal is not necessary, but if the subject was owned by a non-tax exempt entity, a tax appeal would be highly recommended.

HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Legally Permissible

The site is zoned NR, Neighborhood Residential District. A variety of permitted uses are allowed within this zoning designation including a range of housing types and low-intensity business activity. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only mixed-use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Since there is limited road frontage, any future retail use would be limited. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently limited demand for additional mixed-use development in the subject's area. It appears that a newly developed mixed use on the site would not have a value commensurate with its cost; therefore, mixed-use is not considered to be financially feasible. Nevertheless, we expect an eventual recovery of the market accompanied by a rise in property values to a level that will justify the cost of new construction. Thus, it is anticipated that mixed-use development will become financially feasible in the future.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than holding the property for future development of a mixed-use. Accordingly, it is our opinion that holding the property for future mixed-use, based on the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Holding the property for future development of a mixed-use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

VALUATION ANALYSIS

VALUATION METHODOLOGY

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land, or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market, or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

Use of the approaches in this assignment is summarized as follows:

APPROACHES TO VALUE		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not applicable	Not Utilized

LAND VALUATION

To develop an opinion of the subject's land value, as vacant and available to be developed to its highest and best use, we utilize the sales comparison approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties. Our sales research focused on transactions within the following parameters:

- Location: Northern Mecklenburg County and Surrounding Communities
- Size: 20 to 220 acres
- Use: Mixed-use
- Transaction Date: January 2010 to December 2012

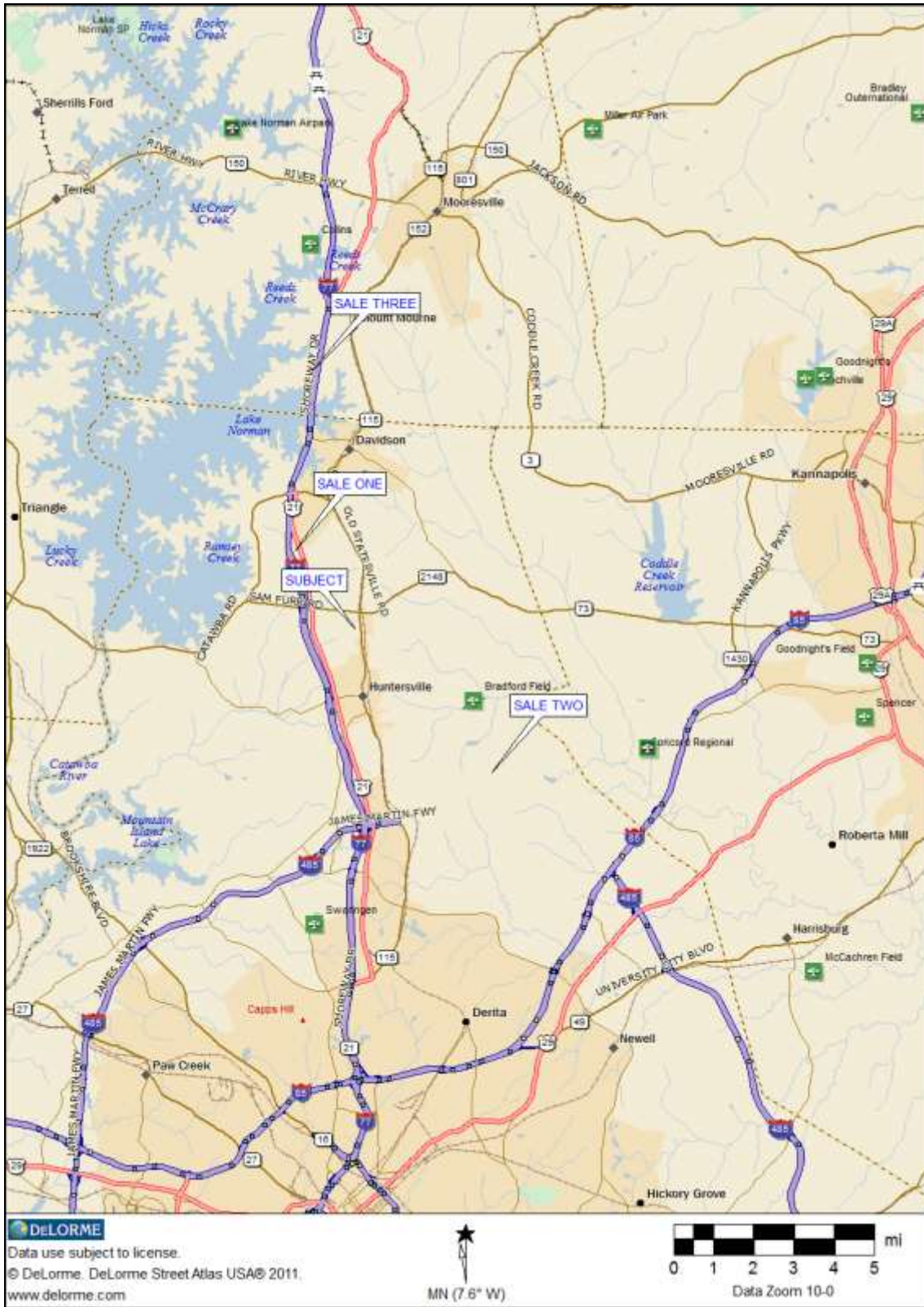
For this analysis, we use price per usable acre as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales most relevant to analyzing the subject's land value are summarized in the following table:

SUMMARY OF COMPARABLE LAND SALES

No.	Name/Address	Sale Date	Sale Price	Usable SF; Usable Acres	Zoning	\$/Gross Acre
1	Vacant land SEQ I-77 / Westmoreland Road Cornelius Mecklenburg County NC	Apr-12	\$7,350,000	4,217,941 96.83	HC-CD and VC-CD y Commercial & Village Center conditional use	\$75,906
	Comments:	<p>Listing price was \$9,900,000. It was assembeled in 2008 for an acquisition price of \$34,569,500 or \$327,855 per acre. The history of the property as follows: Assemblage of numerous parcels collectively totaling 105.4 acres, which are planned for development with the mixed-use lifestyle center "The Village at Lake Norman" to include 2.2 million SF of office, retail, hotel and multifamily components. This represents an acquisition prior to approval of the necessary entitlements for the planned development though the purchase was contingent upon the rezoning. Approval of entitlements occurred in April 2008 reportedly at a cost of approximately \$6.5 million. As part of site plan approval, the developer proposed to pay over \$40 million to assist in the widening of I-77 and US highway 21, plus to create a new exit (#27) off of I-77. The total off site improvements were reported to be close to \$90 million dollars. In total, there were ten contracts comprising the assemblage though the closing involved 12 different deeds. Most of the contracts date back to 2006. These are recorded in Deed Book 23750, Pages, 802, 809, 816, 823, 836, 849, 863, 870, 877, 883, 889 and 899. In August 2009, BUILD, a major lender in the project, foreclosed on the original developers at auction. The property was acquired from the bank in April of 2012 by a group of investors that were familiar with the property. They have purchased as an investment, not to develop.</p>				
2	Commercial Land Eastfield Rd and Prosperity Church Rd Huntersville Mecklenburg County NC	Oct-11	\$2,150,000	916,241 21.03	HC(CD) Highway Commercial	\$102,235
	Comments:	<p>Development is scheduled to begin in 2012. Owner is responsible for \$1.2 million in off site improvements including restructuring the intersection and road improvements that has been added to the effective sale price. The Prosperity Church Rd. extension should begin when development begins.</p>				
3	205 Acres of Mixed Use Off Transco Rd. Mooresville Iredell County NC	Feb-11	\$16,527,500	8,930,236 205.01	NMX Neighborhood Mixed Use	\$80,618
	Comments:	<p>Property contains approximately 3.5 miles of Lake Frontage on Lake Davidson. According to the buyer the property is entitled for 605 residential units, a hotel, 300,000 SF of retail and multi-family. Site work has begun and the developer is roughly 4.5 months from construction on Phase One of the development which will be a 300 unit apartment complex along with a reported 50,000 of retail and other mixed use development.</p> <p>There is approximately 56 acres on the southwest quadrant of Langtree road and I-77 where site work has begun for apartment development. This portion of the property was acquired in an assemblage in 2005 and 2006 and is not part of the 205 acre transaction. This quadrant has sewer and water and an estimated absorption for 3-5 years for mf, office and retail. The remaing property at the southeast quadrant of Langtree road has water but no public sewer. Sewer will be at the site in 2014 so development will not begin until sewer is available. This property originally sold in June of 2009 for \$7,900,000 or \$38,535 per acre.</p> <p>The property owner also owns the northeast quadrant of Langtree Road and I-77. Reportedly Costco has an interest as well as another user.</p> <p>This is a JV. There is no bank debt.</p>				



COMPARABLE SALES MAP



**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: ONE**

Date: 04/03/12 **Deed Book:** 27234 **Page:** 947 **Stamps:** 14,700 **County:** Mecklenburg
Grantor: Fifth Third Bank **Grantee:** Augusta Lee Capital Partners, LLC
 Location: SW corner of Statesville Road (Hwy 21) and Westmoreland Road
 Sales Price: \$ 7,350,000 Confirmed by (Name): Rob Pressley, Coldwell Banker Commercial
 Financing: Cash to Seller
 Condition of Sale and Reason Bought/Sold: Arm's Length
 Present Use: Land Zoning: HC-CD and VC-CD
 Highest and Best Use: Mixed-Use
 Size: 96.83 ACRES; Shape: Rectangular Topography: Gently Sloping
4,217,941 SF
 Existing R/W Area: N/A Area Cleared/Wooded: Partially cleared
 Soil Type: Clay Drainage: Adequate Available Utilities: All public
 Access: Average Frontage: 4,094 feet along Statesville Road and I-77
 Improvements: None that contributed value
 Lessor: N/A Lessee: N/A
 Rentable Area: N/A Rent: N/A V & C: N/A Expenses: N/A Term: N/A
 Unit Price: \$75,906/ usable acre; \$1.74/SF Tax ID: 005-421-03, et all



Taken by: John Luntsford

Date Inspected: 12/03/12

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: TWO**

Date: 10/31/11 **Deed Book:** 26851 **Page:** 677 **Stamps:** 1,900 **County:** Mecklenburg
Grantor: Crescent Resources **Grantee:** GLM Holdings, LLC
 Location: Eastfield Road and Rocky Ford Club Rd., Huntersville, NC 28269
Sales Price: \$2,150,000* **Confirmed by (Name):** George Maloomian Cambridge Properties - Buyer
Financing: Cash to Seller
Condition of Sale and Reason Bought/Sold: Arm's Length
Present Use: Land **Zoning:** HC-CD
Highest and Best Use: Mixed-Use
Size: 21.03 ACRES; **Shape:** Rectangular **Topography:** Level
916,241 SF
Existing R/W Area: N/A **Area Cleared/Wooded:** Partially cleared
Soil Type: Clay **Drainage:** Adequate **Available Utilities:** All public
Access: Good **Frontage:** 100' Eastfield Rd., 780' on Rocky Ford Club Rd.
Improvements: None
Lessor: N/A **Lessee:** N/A
Rentable Area: N/A **Rent:** N/A **V & C:** N/A **Expenses:** N/A **Term:** N/A
Unit Price: *\$102,235/ usable acre; *\$2.35/SF **Tax ID:** 021-191-04

Development was scheduled to begin in 2012. Owner is responsible for \$1,200,000 in off site improvements including restructuring the intersection and road improvements that has been added to the effective sales price. The Prosperity Church Rd. extension should begin when development begins. Proposed 185,000 square feet of retail development.

*Effective Price



Taken by: John Luntsford

Date Inspected: 12/4/12

**NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY BRANCH
COMPARABLE NO: THREE**

Date: 02/01/11 **Deed Book:** 2105 **Page:** 2052 **Stamps:** 33,055 **County:** Mecklenburg
Grantor: Van Wingerden Development, LLC **Grantee:** Langtree Development Company, LLC
 Location: Off Transco, Mooresville, NC 28117
 Sales Price: 16,527,500 Confirmed by (Name): Langtree Real Estate Group – Brad Howard – Buyer
 Financing: Cash to Seller
 Condition of Sale and Reason Bought/Sold: Arm’s Length
 Present Use: Land Zoning: NMX, Neighborhood Mixed Use
 Highest and Best Use: Mixed-Use
 Size: 205.01 ACRES; Shape: Rectangular Topography: Level
8,930,236 SF
 Existing R/W Area: N/A Area Cleared/Wooded: Partially cleared
 Soil Type: Clay Drainage: Adequate Available Utilities: All public
 Access: Good Frontage: 2,045’ on I-77 and Transco Rd.
 Improvements: None
 Lessor: N/A Lessee: N/A
 Rentable Area: N/A Rent: N/A V & C: N/A Expenses: N/A Term: N/A
 Unit Price: \$80,618 Acre; \$1.85/S.F. Tax ID: 4644699969 & 4645920293
 Property contains approximately 3.5 miles of Lake Frontage on Lake Davidson. The development is planned for a mixture of multifamily and retail development. There is no bank debt on the property.



Taken by: John Luntsford
Date Inspected: 12/4/12

ADJUSTMENT FACTORS

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

ADJUSTMENT FACTORS	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between 91 size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

In this analysis, no adjustments were made for property rights, financing terms or market conditions of sale adjustment was necessary.

ANALYSIS AND ADJUSTMENT OF SALES

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a 96.83 acre (usable), or 4,217,941 square foot (usable), parcel located at SEQ I-77 / Westmoreland Road, Cornelius, Mecklenburg County, NC. The property sold in April 2012 for \$7,350,000, or \$75,906 per usable acre. A downward adjustment was necessary for its superior frontage. Note that no other adjustments were warranted.

Land Sale 2 is a 21.03 acre (usable), or 916,241 square foot (usable), parcel located at Eastfield Rd and Prosperity Church Rd, Huntersville, Mecklenburg County, NC. The property sold in October 2011 for \$2,150,000, or \$102,235 per usable acre. A negative adjustment was applied for its smaller size. Based on economies of scale, smaller parcels will typically sell for a higher price per acre or square foot if all else is equal. Note that no other adjustments were warranted.

Land Sale 3 is a 205.01 acre (usable), or 8,930,236 square foot (usable), parcel located at Off Transco Rd., Mooresville, Iredell County, NC. The property sold in February 2011 for \$16,527,500, or \$80,618 per usable acre. A downward adjustment was necessary for its superior frontage. Note that no other adjustments were warranted.

The following table summarizes the adjustments we make to each sale.

LAND SALES ADJUSTMENT GRID				
	Subject	Comparable 1	Comparable 2	Comparable 3
Address	16131 Old Statesville Road	SEQ I-77 / Westmoreland Road	Eastfield Rd and Prosperity Church Rd	Off Transco Rd.
City	Huntersville	Cornelius	Huntersville	Mooreville
County	Mecklenburg	Mecklenburg	Mecklenburg	Iredell
Sale Date	N/A	Apr-12	Oct-11	Feb-11
Sale Price	N/A	\$7,350,000	\$2,150,000	\$16,527,500
Square Feet	3,680,820	4,592,888	916,241	8,930,236
Acres	84.500	105.440	21.030	205.010
Usable Acres	84.500	96.830	21.030	205.010
Shape	Rectangular	Irregular	Irregular	Irregular
Topography	Level	Rolling	Level	Rolling
Zoning Code	HC	HC-CD and VC-CD	HC(CD)	NMX
Water	Yes	Yes	Yes	Yes
Sewer	Yes	Yes	Yes	No
Access/Frontage	128	3950	1880	2045
Database ID		539290	515138	468451
Price Per Usable Acre		\$75,906	\$102,235	\$80,618
PROPERTY RIGHTS		Fee Simple	Fee Simple	Fee Simple
% ADJUSTMENT		0%	0%	0%
FINANCING TERMS		All cash	seller/Arms length	Cash To Seller
% ADJUSTMENT		0%	0%	0%
CONDITIONS OF SALE				
% ADJUSTMENT		0%	0%	0%
MARKET CONDITIONS	1/1/2008	Apr-12	Oct-11	Feb-11
ANNUAL % ADJUSTMENT	3.0%	0%	0%	0%
CUMULATIVE ADJUSTED PRICE		\$75,906	\$102,235	\$80,618
LOCATION		Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%
SIZE/SHAPE		Similar	Superior	Similar
% ADJUSTMENT		0%	-15%	0%
TOPOGRAPHY/ROW		Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%
ZONING		Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%
UTILITIES		Similar	Similar	Similar
% ADJUSTMENT		0%	0%	0%
ACCESS/FRONTAGE		Superior	Similar	Superior
% ADJUSTMENT		-5%	0%	-5%
Net \$ Adjustment		-\$3,795	-\$15,335	-\$4,031
Net % Adjustment		-5%	-15%	-5%
Final Adjusted Price		\$72,111	\$86,900	\$76,587
Overall Adjustment		-5%	-15%	-5%
Range of Adjusted Prices		\$72,111 to \$86,900		
Average		\$78,533		
Indicated Value		\$80,000		

LAND VALUE CONCLUSION

Prior to adjustments, the sales reflect a range of \$75,906 to \$102,235 per usable square foot. After adjustment, the range is narrowed to \$72,111 to \$86,900 per usable square foot, with an average of \$78,533 per usable square foot. To arrive at an indication of value, we place equal weight on all three sales and arrive at an indicated land value conclusion as follows:

LAND VALUE CONCLUSION	
Indicated Value per Usable Acre	\$80,000
Subject Square Feet	84.500
Indicated Value - Rounded	\$6,760,000
Rounded	\$6,760,000

It appears there may be one large tree that is going to be acquired. It is our opinion, this offers no value to the site; therefore, no compensation was estimated or applied.

TOTAL BEFORE VALUE	
Land Value	\$6,760,000
Improvement Value ¹	<u>\$0</u>
Total Value By Sales Comparison Approach Before the Taking	\$6,760,000

¹ The improvement value reflects the estimated value of the affected site improvements, rounded to nearest \$25.00.

DESCRIPTION OF THE ACQUISITION

After the taking, the property will have similar utility and shape as before the taking. The same valuation technique used in the before analysis, will be used in valuing the subject after the taking.

LAND

According to information provided to the appraiser, the following areas will be affected.

LAND AREAS TO BE ACQUIRED			
Description	Area (SF)	Area (Acres)	Location
Fee Simple Land Area to Be Acquired	2,831	0.065	Located along the road frontage of Old Statesville Road. The taking is 60 feet wide by 47 feet deep.
Permanent Sanitary Sewer Easement In Existing R/W	0	0.000	
Permanent Utility Easement	1,786	0.041	Located directly behind the area to be acquired in fee. It too is 60 feet wide has a depth of 29.77 feet.
Permanent SUE/SDE Easement	0	0.000	
Permanent Slope Easement	0	0.000	
Temporary Construction Easement	0	0.000	

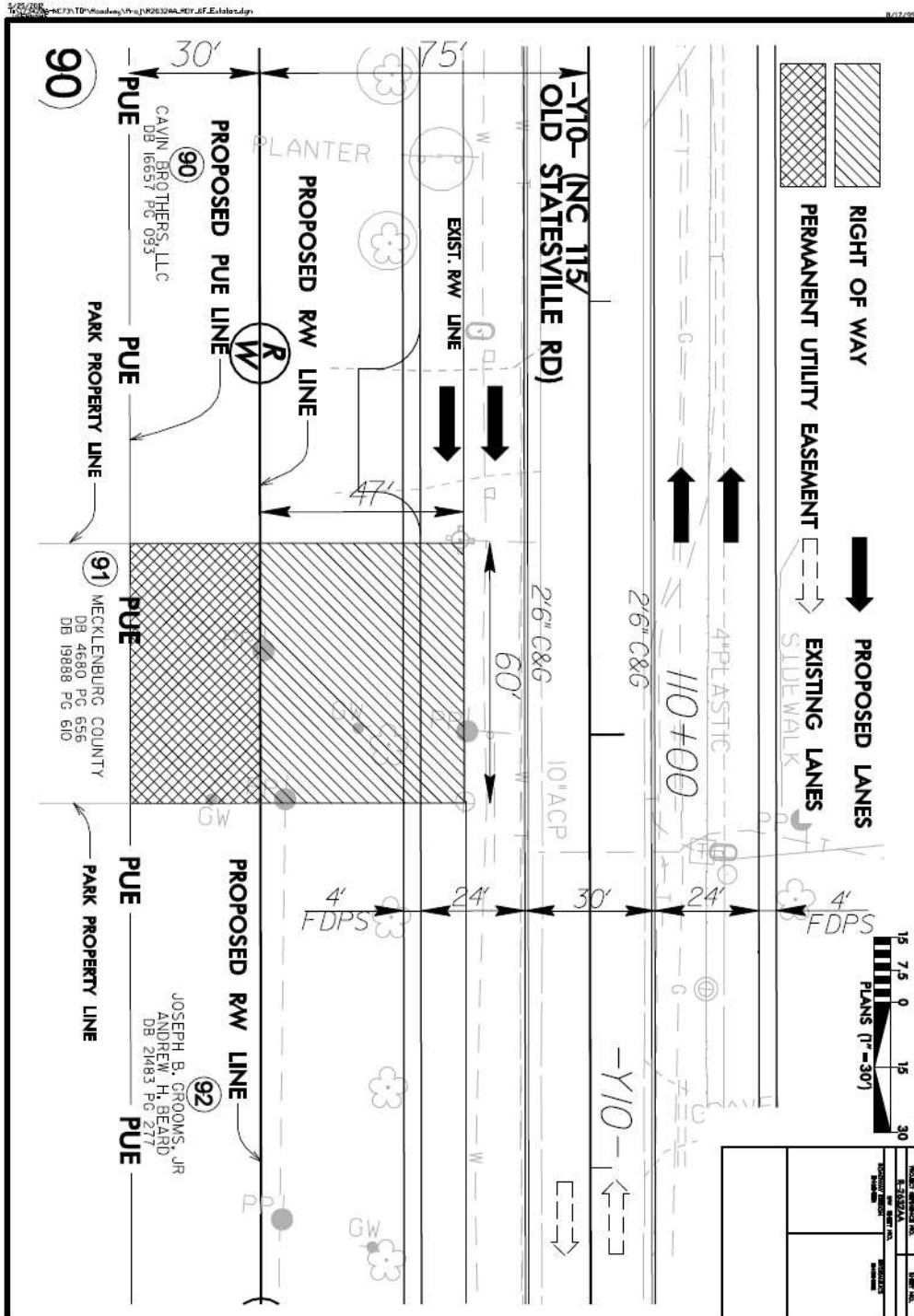
There will be 0.065 acre, or 2,831 square feet that will be acquired in fee. The taking is located along Old Statesville Road and is 60.0 feet in width and has a depth of approximately 47 feet.

There will be a permanent utility easement located adjacent and to the west of the area to be acquired in fee. It is also 60 feet wide and has an average depth of 29.77 feet.

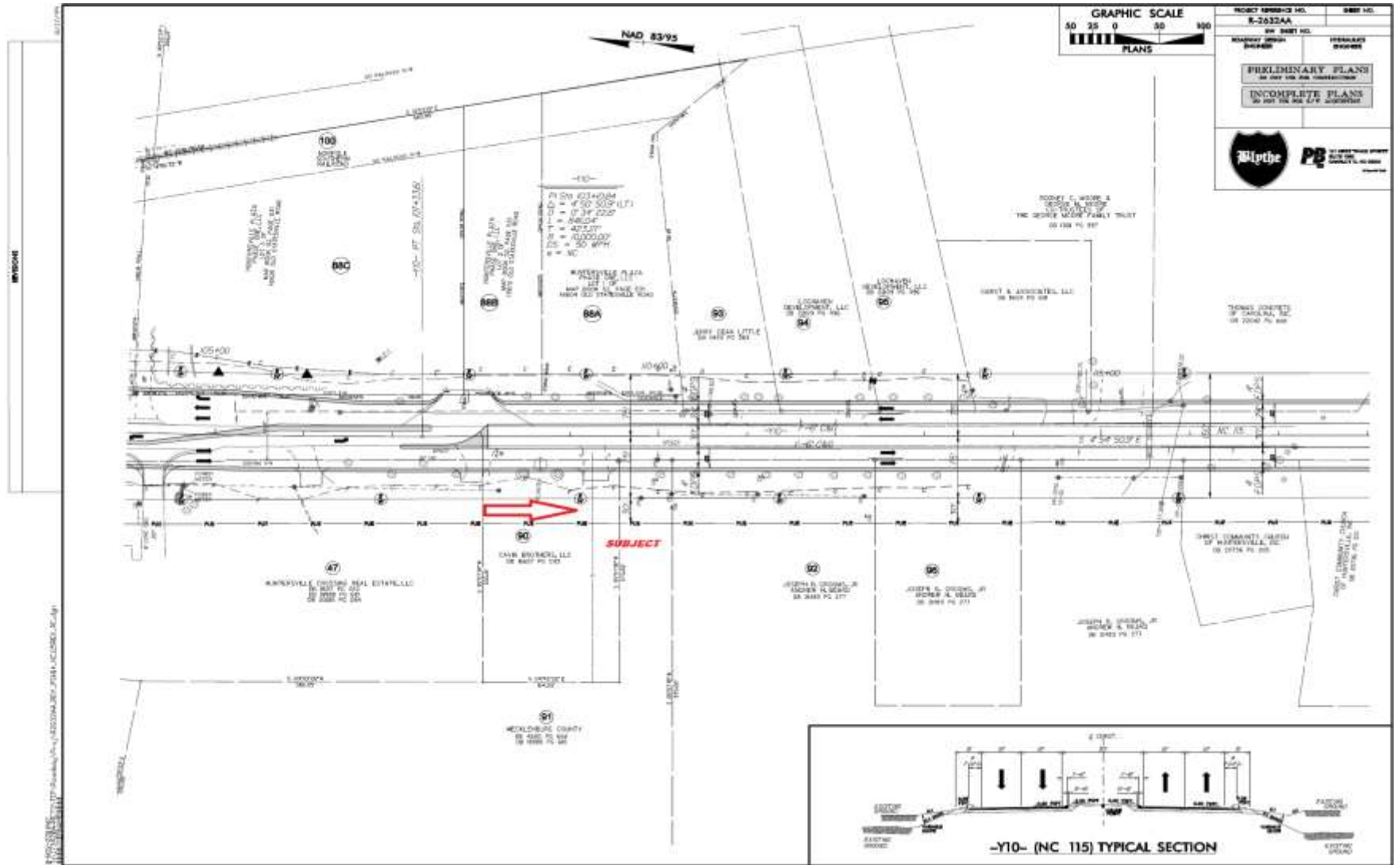
IMPROVEMENTS/LANDSCAPING

According to information provided to the appraiser, there does not appear to be any site improvements that will be affected by the project. There could be one tree that will be acquired, but it does not contribute any value to the site; therefore, no compensation was estimated for this site improvement.

PLAN SHEET



PLAN SHEET



DESCRIPTION OF REMAINDER AND EFFECTS OF THE ACQUISITION

LAND

After the taking, the land area will be reduced to 84.435 acre, or 3,677,989 square feet. There will be 2,831 square feet acquired in fee, and 1,786 square feet for a permanent utility easement.

LAND AND EASEMENT AREAS AFTER THE TAKING

Parcels	Remaining Acres	Remaining SF	PUE (SF)	Slope Easement	SDE/SUE (SF)	Sanitary Sewer Easement in R/W	TCE (SF)
Subject	84.435	3,677,989	1,786	0	0	0	0
Total	84.435	3,677,989	1,786	0	0	0	0

IMPROVEMENTS/TREES/LANDSCAPING

As discussed earlier, there are no site improvements that contribute value to the site that will be taken.

EFFECTS OF THE ACQUISITION

After the taking, the property will have similar utility and frontage along Old Statesville Road. It is our opinion that the land area acquired and land areas located within the easements will not have an adverse effect on the land value of the subject after the taking.

HIGHEST AND BEST USE OF THE REMAINDER

The highest and best use of the subject after the project is the same as before the project, future mixed-use.

VALUATION OF THE PROPERTY AFTER THE TAKING

The value was estimated in the before valuation analysis using the sales comparison approach method. In valuing the subject after the taking, we have also used the sales comparison approach with the same land value in both analyses. The primary difference in the two scenarios is the land area acquired in fee and the easement that will be placed on the site..

LAND VALUATION

The total land area of 84.50 acres will be reduced by 2,831 square feet; therefore, reducing the total land area to 84.435 acres, or 3,677,989. The land was previously valued at \$80,000 per acre and converted to \$1.83655 per square foot to account for the small land area that is being affected.

The after the taking per unit land value equals the same as before the taking, \$1.83655 per square foot and the value of the remainder is shown in the following chart.

LAND VALUATION (AFTER TAKING)		
Remaining Land Area (SF)	Unit Value	Value - Rounded
3,677,989	\$1.83655	\$6,754,800

PERMANENT EASEMENT ANALYSIS

The subject will have one permanent utility easement and one permanent slope easement located directly behind the area to be acquired in fee off Old Statesville Road. Based on the fact the NCDOT always has the right to this easement area, we applied a 100% discount to this area. Although it is not being acquired in feet, it is essentially not developable in the future.

PERMANENT EASEMENT VALUATIONS					
Easement	Area (SF)	Before Unit Value/SF	After Value %	After Per Unit Value	After Value
Permanent Utility Easement	1,786	\$1.83655	100.0%	\$0.000	-\$3,280

TOTAL VALUE OF THE REMAINDER

The total value of the remainder is as follows.

SUMMARY OF VALUE AFTER TAKING		
Land Value		
Remaining Land After Taking		\$6,754,800
Less Permanent Utility Easement		-\$3,280
Less Permanent Slope Easement		\$0
Less Temporary Construction Easement		<u>\$0</u>
Total Land Value		\$6,751,520
	Rounded	\$6,751,525
Improvement Value		
Plus Improvement Value		<u>\$0</u>
Total Value After Taking		\$6,751,525

DIFFERENCE IN BEFORE AND AFTER VALUE

The difference in the before and after value is as follows:

DIFFERENCE IN BEFORE AND AFTER VALUE		
Before Value		
Land Value	\$6,760,000	
Improvement Value	<u>\$0</u>	
Total Before Value		\$6,760,000
After Value		
Land Value	\$6,751,525	
Improvement Value	<u>\$0</u>	
Total After Value		<u>\$6,751,525</u>
Difference		\$8,475
ALLOCATION OF VALUE		
Value of Land Acquired (Including Easements)		\$8,475
Value of Site Improvements Acquired		\$0
Damage to the Remainder		\$0
Benefits to the Remainder		\$0
Total		\$8,475

RECONCILIATION AND CONCLUSION OF VALUE

Based on the preceding valuation analysis, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinions are as follows:

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple	November 20, 2012	\$6,760,000
Market Value After the Taking	Fee Simple	November 20, 2012	\$6,751,525
Difference in Value Before and After the Taking	Fee Simple	November 20, 2012	\$8,475

EXPOSURE AND MARKETING TIMES

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Marketing time is an estimate of the amount of time it might take to sell a property at the estimated market value immediately following the effective date of value.

Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the property is 12 months.

We foresee no significant changes in market conditions in the near term; therefore, it is our opinion that a reasonable marketing period is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 12 months.

CERTIFICATION

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We 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. We have previously appraised the property that is the subject of this report for the current client within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. John S. Luntsford made a personal inspection of the property that is the subject of this report. Fitzhugh L. Stout, MAI, CRE, FRICS has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Fitzhugh L. Stout, MAI, CRE, FRICS has completed the continuing education program of the Appraisal Institute.

15. As of the date of this report, John S. Luntsford has completed the Standards and Ethics Education Requirement of the Appraisal Institute for associate members.



John S. Luntsford
Certified General Real Estate Appraiser
North Carolina Certificate # A5229



Fitzhugh L. Stout, MAI, CRE, FRICS
Certified General Real Estate Appraiser
North Carolina Certificate # A1093

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

7. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
8. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
9. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
10. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
11. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
12. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
14. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
15. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
16. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
17. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
18. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
19. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
20. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
21. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
22. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
23. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual

- results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
24. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 25. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 26. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental good of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 27. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 28. Integra Realty Resources – Charlotte is not a building or environmental inspector. Integra Charlotte does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 29. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 30. It is expressly acknowledged that in any action which may be brought against Integra Realty Resources – Charlotte, Integra Realty Resources, Inc. or their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, or any estimates or information contained therein,

- the Integra Parties shall not be responsible or liable for an incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with gross negligence.
31. Integra Realty Resources – Charlotte, an independently owned and operated company, has prepared the appraisal for the specific purpose stated elsewhere in the report. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
 32. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Integra Realty Resources, Inc. and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
 33. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
 34. The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to materially differ from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

**ADDENDUM A
APPRAISER QUALIFICATIONS/
INTEGRA CORPORATE PROFILE**

John S. Luntsford

Experience

Senior Analyst with Integra Realty Resources - Charlotte. Began appraising in 1998, working for Integra - Fitzhugh L. Stout & Associates.

Has appraised a wide variety of property types including, but not limited to: vacant land, industrial, manufacturing and distribution facilities, single and multi-tenant retail properties, general and medical offices, subdivision analyses, conservation easements, multi-family apartment complexes, condemnation, and special purpose properties.

Licenses

North Carolina, State Certified General, A5259, Expires June 2013

South Carolina, State Certified General, CG5520, Expires June 2014

North Carolina, Real Estate Broker, 169214, Expires June 2013

Education

B.S. Degree, Real Estate and Urban Analysis, Appalachian State, Boone, NC (1998)

Real Estate courses completed are as follows:

R-1 Appraisal Principles

R-2, Valuation Principles and Procedures

R-3, Applied Residential Property Valuation

G-1, Introduction to Income Property Appraisal

G-2, Advanced Income Capitalization Procedures

G-3, Applied Income Property Valuation

N400G, General Appraiser Market Analysis & Highest and Best Use

530, Advanced Sales Comparison and Cost Approaches

N405G, General Appraiser Report Writing and Case Study

Valuation of Conservation Easements

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johnluntsford@irr.com - 704.206.8261



Fitzhugh L. Stout, MAI, CRE, FRICS

Experience

Managing Director of Integra Realty Resources - Charlotte. Actively engaged in real estate since 1975 in the fields of real estate valuation and consulting as well as development and ownership of investment real estate. Mr. Stout has a broad range of experience in valuation and analysis of all types of real estate including apartments; business parks; hotels/motels; offices; medical offices; adaptive reuse projects; manufacturing facilities; warehouses; bulk distribution facilities; mini-warehouses; shopping centers; residential subdivisions; planned unit developments; vacant land; golf courses; churches; restaurants; marinas and special purpose properties. Other services include consultation, market studies, feasibility studies, condemnation, tax appeals and expert court testimony. Areas of specialty include adaptive reuse and mixed-use, urban infill valuation and consulting.

Professional Activities & Affiliations

Member: Appraisal Institute, October 1982
President: NC Chapter of Appraisal Institute, January 1996
Member: The Counselors of Real Estate, April 1999
Chairman: N.C./S.C. CRE Chapter, January 2001
Member: Charlotte Region Commercial Board of Realtors
Affiliate: National Association of Realtors
Member: Lamda Alpha International, an Honorary Land Economics Society
Member: The Greater Charlotte Hospitality and Tourism Alliance
Royal Institute of Chartered Surveyors, Fellow (FRICS) , December 2007

Licenses

North Carolina, Appraiser, A1093, Expires June 2013
South Carolina, Appraiser, CG 1790, Expires June 2014
North Carolina, Real Estate Broker, 59200, Expires June 2013

Education

B.S. Degree, N.C. State University (1972).

Successfully completed numerous real estate related courses & seminars sponsored by the Appraisal Institute.

Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

Qualified Before Courts & Administrative Bodies

United States Federal Bankruptcy Court, Charlotte, North Carolina
Mecklenburg County District Court, Charlotte, North Carolina
North Carolina Superior Court
Mecklenburg County Board of Equalization and Review
Wilkes County Board of Equalization and Review
North Carolina State Property Tax Commission
Cabarrus County Board of Equalization and Review
Lincoln County Board of Equalization and Review

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EXECUTIVE DIRECTOR

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A1093Z	G	Y
APPRAISER NUMBER	TYPE	NATIONAL REGISTRY

Fitzhugh L. Stout
APPRAISER'S SIGNATURE

Donald M. Allen
EXECUTIVE DIRECTOR

Integra Realty Resources, Inc.

Corporate Profile

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 61 independently owned and operated offices in 33 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis. Integra's local offices have an average of 25 years of service in the local market, and each is headed by a Managing Director who is an MAI member of the Appraisal Institute.

A listing of IRR's local offices and their Managing Directors follows:

ATLANTA, GA - Sherry L. Watkins, MAI, MRICS
AUSTIN, TX - Randy A. Williams, MAI, SR/WA, FRICS
BALTIMORE, MD - G. Edward Kerr, MAI, MRICS
BOISE, ID - Bradford T. Knipe, MAI, ARA, CCIM, CRE, FRICS
BOSTON, MA - David L. Cary, MAI, MRICS
CHARLOTTE, NC - Fitzhugh L. Stout, MAI, CRE, FRICS
CHICAGO, IL - Gary K. DeClark, MAI, CRE, FRICS
CHICAGO, IL - Eric L. Enloe, MAI, MRICS
CINCINNATI, OH - Gary S. Wright, MAI, SRA, FRICS
CLEVELAND, OH - Douglas P. Sloan, MAI
COLUMBIA, SC - Michael B. Dodds, MAI, CCIM, MRICS
COLUMBUS, OH - Bruce A. Daubner, MAI, FRICS
DALLAS, TX - Mark R. Lamb, MAI, CPA, MRICS
DAYTON, OH - Gary S. Wright, MAI, SRA, FRICS
DENVER, CO - Brad A. Weiman, MAI, MRICS
DETROIT, MI - Anthony Sanna, MAI, CRE, FRICS
FORT WORTH, TX - Donald J. Sherwood, MAI, SR/WA, FRICS
GREENSBORO, NC - Nancy Tritt, MAI, SRA
GREENVILLE, SC - Michael B. Dodds, MAI, CCIM, MRICS
HARTFORD, CT - Mark F. Bates, MAI, CRE, FRICS
HOUSTON, TX - David R. Dominy, MAI, CRE, FRICS
INDIANAPOLIS, IN - Michael C. Lady, MAI, SRA, CCIM, MRICS
JACKSONVILLE, FL - Robert Crenshaw, MAI
KANSAS CITY, MO/KS - Kenneth Jagers, MAI, FRICS
LAS VEGAS, NV - Shelli L. Lowe, MAI, SRA, MRICS
LOS ANGELES, CA - John G. Ellis, MAI, CRE, FRICS
LOS ANGELES, CA - Matthew J. Swanson, MAI
LOUISVILLE, KY - George M. Chapman, MAI, SRA, CRE, FRICS
MEMPHIS, TN - J. Walter Allen, MAI, MRICS
MIAMI/PALM BEACH, FL - Scott M. Powell, MAI
MINNEAPOLIS, MN - Michael Amundson, MAI, CCIM, MRICS

NAPLES, FL - Carlton J. Lloyd, MAI
NASHVILLE, TN - R. Paul Perutelli, MAI, SRA, MRICS
NEW JERSEY COASTAL - Anthony M. Graziano, MAI, CRE, FRICS
NEW JERSEY NORTHERN - Barry J. Krauser, MAI, CRE, FRICS
NEW YORK, NY - Raymond T. Cirz, MAI, CRE, FRICS
ORANGE COUNTY, CA - Larry D. Webb, MAI, FRICS
ORLANDO, FL - Charles J. Lentz, MAI, MRICS
PHILADELPHIA, PA - Joseph Pasquarella, MAI, CRE, FRICS
PHOENIX, AZ - Walter Winius, Jr., MAI, CRE, FRICS
PITTSBURGH, PA - Paul D. Griffith, MAI, CRE, MRICS
PORTLAND, OR - Brian A. Glanville, MAI, CRE, FRICS
PROVIDENCE, RI - Gerard H. McDonough, MAI
RALEIGH, NC - Chris R. Morris, MAI, MRICS
RICHMOND, VA - Kenneth L. Brown, MAI, CCIM, MRICS
SACRAMENTO, CA - Scott Beebe, MAI, FRICS
ST. LOUIS, MO - P. Ryan McDonald, MAI
SALT LAKE CITY, UT - Darrin Liddell, MAI, CCIM, MRICS
SAN ANTONIO, TX - Martyn C. Glen, MAI, CRE, FRICS
SAN DIEGO, CA - Jeff Greenwald, MAI, SRA, FRICS
SAN FRANCISCO, CA - Jan Kleczewski, MAI, FRICS
SARASOTA, FL - Carlton J. Lloyd, MAI
SAVANNAH, GA - J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS
SEATTLE, WA - Allen N. Safer, MAI, MRICS
SYRACUSE, NY - William J. Kimball, MAI, FRICS
TAMPA, FL - Bradford L. Johnson, MAI, MRICS
TULSA, OK - Robert E. Gray, MAI, FRICS
WASHINGTON, DC - Patrick C. Kerr, MAI, SRA, FRICS
WILMINGTON, DE - Douglas L. Nickel, MAI, FRICS
IRR de MEXICO - Oscar J. Franck Terrazas, MRICS
IRR CARIBBEAN - James Andrews, MAI, FRICS

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**ADDENDUM B
DEFINITIONS**

DEFINITIONS

The source of the following definitions is *The Dictionary of Real Estate Appraisal, Fifth Edition*, Appraisal Institute, Chicago, Illinois, 2010, unless otherwise noted.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.

Entitlement

In the context of ownership, use, or development of real property, the right to receive governmental approvals for annexation, zoning, utility extensions, construction permits, and occupancy/use permits. The approval period is usually finite and may require the owner and/or developer to pay impact and/or user fees in addition to other costs to secure the entitlement. Entitlements may be transferable, subject to covenants or government protocols, may constitute vested rights, and may represent an enhancement to a property's value.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a

property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time 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; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. 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.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g])

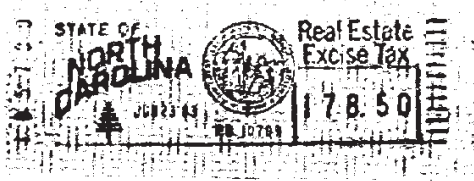
Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

ADDENDUM C
PROPERTY INFORMATION

DEED BOOK PAGE
4680 0656

PRESENTED
RECORDATION
JUN 23 11 45 AM '83
REGISTERED UNDER
RECORDATION BOOK NO. 4680
PAGE NO. 58



Excise Tax Recording Time, Book and Page

Tax Lot No. Parcel Identifier No. 009-111-05
Verified by County on the day of 19
by

Mail after recording to Marvin A. Bethune, Esq., RUFF, BOND, COBB, WADE & MCNAUL, 500 First St., Union Plaza, Charlotte, North Carolina 28282
This instrument was prepared by Marvin A. Bethune, Esq.
Brief description for the Index 84.891 acres - Highway 115
FEE 8.00
<> 100.00
CASH 100.00
01-30 08459 000
06-23-83

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 23rd day of June, 19 83, by and between

GRANTOR
L. L. SCERCY AND WIFE, MINNIE BELLE SCERCY
N.C. Highway 115
Huntersville, North Carolina

GRANTEE
MECKLENBURG COUNTY, a political
subdivision of the State of North Carolina

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.
The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.
WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Huntersville Township, Mecklenburg County, North Carolina and more particularly described as follows:
See Exhibit A which is attached hereto and incorporated herein by reference.



Print

Close

Parcel Information

Parcel ID 00911119	Account EXEMPT	Parent	Previous 00911119
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Owner(s)

Owner Name MECKLENBURG COUNTY	Mailing Address 600 E 4TH ST	City/State CHARLOTTE NC 28202
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Legal Information

Legal NA	Municipality HUNTERSVILLE	Annexed	Special District FIRE SERVICE D	Fire District HUNTERSVILLE	Acreage 84.50
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Total Parcel Assessment & Exemptions

Building 0	Land 36808200	Features 340100	Total 37148300	Exemption COUNTY	Year Approved	Review Date	Amount 37148300
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Sales Information

Sale Jun 23 1983	Price 0	Stamps	Qualify	V/I VAC	DeedBook 04680 - 656	Type DEED STAMPS	Legal Ref. 04680-656	Grantor
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Land Use

Use C700 R120	Units 37897.20 3642922.75	Type SF SF	Neighborhood RE07 RE07	Assessment 379000 36429200
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Building Information

Bldg	Description	Type	Year Built	Property Location 16131 OLD STATESVILLE RD HUNTERSVILLE					
Bldg	Story	Units	Total SqFt	Heated	Foundation	Ext. Wall	Grade	Value	
Bldg	Heat	Fuel	FirePlace	AC	Fixtures	Bedrooms	Full Baths	3/4 Baths	1/2 Baths

Sub Areas

Bldg	Description	Size
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Depreciation

Bldg	Physical	Functional	Economic	Special	Override
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Notes

Tax Year	Notes	Note Date
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Special Features & Yard Items

Bldg	Built	Type	Quantity	Units	Value
1	2001	RESTROOM	1	62X32	83300
1	1987	SHELTER	1	12X24	2800
1	2000	BALL COURT	4	1	54000
1	2000	MISC - NO DP	2	1	60000
1	2000	YARD LTS	30	1	2200
1	1987	ASPH PAVING	1	208X188	34200
1	2001	BRICK BLDG	1	86X34	67800
1	2010	TENNIS COURT	6	20X46	5200
1	2010	CH LNK FENCE	1	640	6100
1	2010	TENNIS COURT	6	25X52	7400
1	2010	CH LNK FENCE	2	750	14300
1	2010	YARD LTS	1	26	2800

Value Changes

Notice Date	Tax Year	Reason	Changed To	Deferred
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ADDENDUM D
CERTIFICATION

North Carolina Department of Transportation - Right of Way Branch Certificate of Appraiser

TIP/Parcel No.: R-2632AA 091 WBS Element: 38824.2.ST1 County: Mecklenburg

Description: Huntersville – Sam Furr Road Widening

Property Owner's Name: Mecklenburg County Fed Aid Project: STM-0073 (21)

I HEREBY CERTIFY THAT:

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales/rentals relied upon in making said appraisal. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the **State of North Carolina**, and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the **State of North Carolina**.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice**. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the **NCDOT Real Estate Appraisal Standards and Legal Principles** and the **Uniform Standards of Professional Appraisal Practice** and shall also comply with all applicable **Local, State, and Federal** laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto.

Neither my employment nor my compensation for making this appraisal is in any way contingent on the values reported herein.

I have no direct or indirect, present or prospective interest in neither the subject property nor any benefit from the acquisition of this property nor any bias with respect to the parties involved.

In addition to the undersigned, those persons duly noted in this report and under my direct supervision and responsibility, in so far as this particular appraisal is concerned, have contributed to the production of this appraisal. The analyses, conclusions or value estimates set forth in this appraisal are those of the undersigned.

I will not reveal the findings and results of such appraisal to anyone other than the proper officials of **the State of North Carolina** or officials of the **Federal Highway Administration** until authorized by State officials to do so, or until I am required to do so by **due process of law**, or until I am released from this obligation by having publicly testified as to such findings or to a duly authorized professional peer review committee.

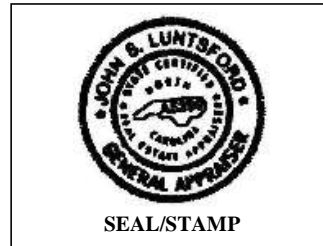
My independent opinion of the difference in Market Value as of the 20th day of November, 20 12, is \$ 8,475 based upon my independent appraisal and the exercise of my professional judgment.



Specified Appraiser

11/28/12

Date



North Carolina Department of Transportation - Right of Way Branch Certificate of Appraiser

TIP/Parcel No.: R-2632AA 091 **WBS Element:** 38824.2.ST1 **County:** Mecklenburg

Description: Huntersville – Sam Furr Road Widening

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Specified Appraiser

11/28/12
Date

