

REAL PROPERTY APPRAISAL

***Beaty St. Tract
825 Shearer St.
Davidson, NC 28036***

Type Report: Appraisal

***Valuation Date
May 3, 2016***





May 19, 2016

Dawn A. Blobaum, AIA
Town of Davidson
P.O. Box 579
216 S. Main Street
Davidson, NC 28036

**RE: Appraisal of 19.09 Acres at 825 Shearer St., Davidson, NC Comprised of Six Tax
Parcels: 00328406; 00326398; 00326302; 00328403; 00328402; 00326303**

Dear Ms. Blobaum, AIA:

T.B. Harris, Jr. & Associates has completed an appraisal of the above referenced property and is providing our analysis and opinion of value for the property. The 19.09-acre tract includes two houses, neither of which continue to contribute value to the site beyond interim rent that may offset eventual demolition costs. Thus, the value of the property is in the land only.

Based on our inspection and analysis of the information obtained, it is our opinion that the Market Value of the Fee Simple interest in the property, as of May 3, 2016, is:

\$1,620,000
(One Million Six Hundred Twenty Thousand Dollars)

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, and the Appraisal guidelines of our client.

The opinion of value is supported by the data and reasoning set forth in the attached narrative. Your attention is invited to the Assumptions and Limiting Conditions section of this report. The appraisers certify that we have no present or contemplated future interest in the property appraised, and that our fee for this assignment is in no way contingent upon the value estimate concluded.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS: None

Thomas B. Harris, Jr., MAI, CRE[®], FRICS reviewed the contents of this report and concurs with the value conclusions. Mr. Harris has not provided the primary analyses; however, he reviewed the appraisal technique and methodology and concurs with the information in the report. Mr. Harris has not made a physical inspection of the property.

DAWN A. BLOBAUM, AIA

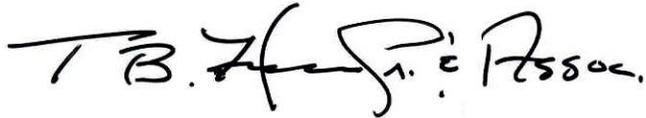
May 19, 2016

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The content and conclusions of this report are intended for our client and for the specified intended uses only. They are also subject to the assumptions and limiting conditions as well as the specific extraordinary assumptions and hypothetical conditions set forth in this report.

Thank you for the opportunity to be of service. If you have any questions or comments, please let us know.

Sincerely yours,

A handwritten signature in black ink that reads "T.B. Harris, Jr. & Assoc." The signature is written in a cursive, flowing style.

T.B. HARRIS, JR. & ASSOCIATES, INC.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property and Location:	825 Shearer St. Davidson, NC 28036
Tax Map Reference:	00328406; 00326398; 00326302; 00328403; 00328402; 00326303
Property Owner:	Town of Davidson
Appraisal Valuation Date:	May 3, 2016
Purpose of Appraisal:	Report our opinion of Market Value
Property Rights Appraised:	Fee Simple
Zoning:	VIP
Land Area:	19.0900 Acres or 831,560 SF
Improvements:	Two older houses; no value
Present Use:	Vacant
Highest and Best Use:	Residential or Mixed-Use Development
Appraisal Procedures:	Sales Comparison Approach
Final Values:	
Cost Approach –	N/A
Sales Comparison Approach –	\$1,620,000
Income Capitalization Approach –	N/A
FINAL VALUE OPINION(S):	
“As Is”	\$1,620,000
Appraiser:	Philip S. Porter, MAI Thomas B. Harris, Jr., MAI, CRE®, FRICS

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SCOPE OF THE ASSIGNMENT

This appraisal report addresses the appropriate and applicable methods of appraisal subject to the extraordinary assumptions and hypothetical conditions set forth in this report. The appraisal document has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property is held by the Town of Davidson and includes two older structures. One house is in a state of extensive decay and is physically unusable. The second house is a small older home that is vacant but appears physically habitable. Because of the age, quality, location and condition of the buildings, they no longer contribute to the value of the land and the property value is entirely within the site.

PREMISES OF THE APPRAISAL

Identification of Subject

825 Shearer St.
Davidson, NC 28036
Tax Parcel ID: 00328406; 00326398; 00326302; 00328403;
00328402; 00326303

Client, Purpose, and Intended Use and Intended Users

Dawn A. Blobaum, AIA
Town of Davidson
P.O. Box 579
216 S. Main Street
Davidson, NC 28036
dblobaum@townofdavidson.org

The client and intended user is Town of Davidson. The intended use is for internal decisions regarding disposition of the property. The appraisal is not intended for any other use or users.

Appraiser

Philip S. Porter, MAI

Thomas B. Harris, Jr., MAI, CRE®, FRICS

T.B. HARRIS, JR. & ASSOCIATES, INC.
1430 South Mint Street, Suite 102
Charlotte, North Carolina 28203

704-334-4686
www.tbharrisjr.com

Property Inspection

Philip Porter inspected the interior and exterior of the property on May 3, 2016. T.B. Harris, Jr., MAI, CRE, FRICS conducted no inspection. Photographs of the property were taken on that date.

Value Appraised

Market Value: Definitions of market value vary slightly based on various exacting definitions required by certain courts and jurisdictions, the Uniform Standards of Professional Appraisal Practice (USPAP), and even international valuation standards.

The market value used in this report is set forth in the Dictionary of Real Estate Appraisal, Sixth Edition, by the Appraisal Institute. This definition is used by agencies that regulate federally insured financial institutions in the United States.

“The most probable price that 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 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.” (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) (*The Dictionary of Real Estate Appraisal*, 6th ed., 2015)

Property Rights Appraised Fee Simple:

“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.” (*The Dictionary of Real Estate Appraisal*, 6th ed., 2015)

For definitions of all other technical terms in this report, the reader is referred to the most recent edition of *The Dictionary of Real Estate Appraisal* published by the Appraisal Institute.

Extraordinary Assumptions/Hypothetical Conditions of Appraisal

None

Effective Date of Value

May 3, 2016

Date of Report

May 19, 2016

Type Report

Appraisal Report

Prior Services

Appraisers are required to disclose other services they have provided regarding the subject property in the prior three years. These other services may include valuation, management, brokerage, or any other real estates related services. We have previously provided no services in this time period.

BACKGROUND DATA

Ownership and History of the Property

Owner of record:

**Town of Davidson
Town Hall
Davidson, NC 28036**

It is important to note that the owner of record may not be the current owner. The actual owner may be different depending on recent transfers or lack of updated records at the county.

History

The subject tract was assembled by the Town of Davidson over an extended period from 1985 through 2009. We are not aware of any current listings of the property. The habitable house is currently vacant.

Appraisal Assistance

This appraisal report has been completed by the Appraiser(s) identified within this document.

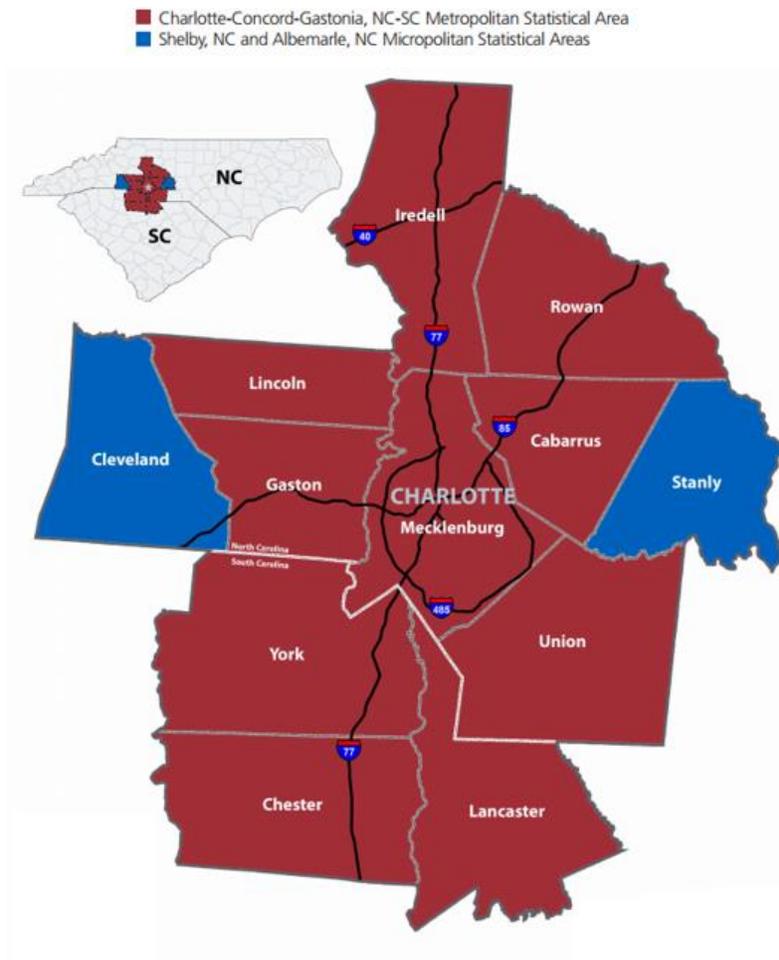
Report Format

This report complies with Standard Rule 2-2(a) of the 2014-2015 USPAP Edition. Flexibility regarding the level of information in an Appraisal Report is dependent upon the intended use and intended users of the appraisal.

This report contains adequate information at a depth and detail commensurate with the defined appraisal issue and intended use of the appraisal.

ECONOMIC MARKET ANALYSIS

Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area Profile



REGIONAL MAP

Introduction

The subject is located in Davidson, Mecklenburg County, North Carolina, considered part of the Charlotte Metropolitan Statistical Area (MSA). Charlotte, the largest city in North Carolina, is the county seat of Mecklenburg County, which is located in the south central portion of the state bordering South Carolina. The Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA) is a grouping of six counties, including Anson, Cabarrus, Gaston, Mecklenburg, and Union in North Carolina, and York County in South Carolina.

Demographic and Income Profile

The following charts summarize population, income, and employment information for the Charlotte MSA beginning in 2015 and projecting the figures into the year 2020.

Summary	Census 2010	2015	2020			
Population	2,217,012	2,366,607	2,558,420			
Households	848,745	906,080	980,104			
Families	578,025	611,546	657,520			
Average Household Size	2.57	2.57	2.57			
Owner Occupied Housing Units	575,908	591,875	637,710			
Renter Occupied Housing Units	272,837	314,205	342,394			
Median Age	36.1	37.1	37.6			
Trends: 2015 - 2020 Annual Rate	Area	State	National			
Population	1.57%	0.00%	0.75%			
Households	1.58%	0.00%	0.77%			
Families	1.46%	0.00%	0.69%			
Owner HHs	1.50%	0.00%	0.70%			
Median Household Income	2.29%	0.00%	2.66%			
		2015	2020			
Households by Income		Number	Percent	Number	Percent	
<\$15,000		101,812	11.2%	100,409	10.2%	
\$15,000 - \$24,999		94,227	10.4%	72,896	7.4%	
\$25,000 - \$34,999		91,584	10.1%	79,103	8.1%	
\$35,000 - \$49,999		135,371	14.9%	140,191	14.3%	
\$50,000 - \$74,999		169,470	18.7%	202,809	20.7%	
\$75,000 - \$99,999		109,406	12.1%	134,742	13.7%	
\$100,000 - \$149,999		112,465	12.4%	129,344	13.2%	
\$150,000 - \$199,999		44,892	5.0%	61,832	6.3%	
\$200,000+		46,845	5.2%	58,770	6.0%	
Median Household Income		\$53,106		\$59,483		
Average Household Income		\$74,832		\$84,697		
Per Capita Income		\$28,726		\$32,518		
		Census 2010	2015	2020		
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	155,909	7.0%	156,369	6.6%	164,880	6.4%
5 - 9	160,695	7.2%	164,345	6.9%	170,603	6.7%
10 - 14	157,718	7.1%	165,495	7.0%	178,922	7.0%
15 - 19	151,572	6.8%	153,465	6.5%	167,586	6.6%
20 - 24	136,112	6.1%	155,859	6.6%	152,910	6.0%
25 - 34	307,124	13.9%	318,100	13.4%	351,607	13.7%
35 - 44	341,856	15.4%	339,662	14.4%	353,081	13.8%
45 - 54	322,412	14.5%	337,044	14.2%	344,133	13.5%
55 - 64	242,659	10.9%	279,391	11.8%	313,078	12.2%
65 - 74	138,832	6.3%	183,630	7.8%	221,943	8.7%
75 - 84	73,865	3.3%	81,133	3.4%	103,586	4.0%
85+	28,258	1.3%	32,114	1.4%	36,091	1.4%
		Census 2010	2015	2020		
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	1,511,540	68.2%	1,569,154	66.3%	1,641,106	64.1%
Black Alone	484,459	21.9%	530,663	22.4%	591,408	23.1%
American Indian Alone	10,155	0.5%	10,992	0.5%	12,004	0.5%
Asian Alone	60,359	2.7%	77,884	3.3%	101,123	4.0%
Pacific Islander Alone	1,116	0.1%	1,326	0.1%	1,630	0.1%
Some Other Race Alone	102,531	4.6%	119,050	5.0%	138,948	5.4%
Two or More Races	46,852	2.1%	57,538	2.4%	72,201	2.8%
Hispanic Origin (Any Race)	202,543	9.1%	236,101	10.0%	280,353	11.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

Logistics & Distribution

The Charlotte MSA's transportation infrastructure has fed the growth of the area's manufacturing and distribution industries. The interstate system is a magnet to firms looking to ship goods quickly and easily. Interstate 77 passes through Charlotte, connecting Miami to Cleveland, and Interstate 85 heads south to Atlanta and north to Washington, D.C. Just minutes beyond Mecklenburg's north border, Interstate 40 links the eastern United States to the West.

Charlotte is a powerhouse in trucking transportation. More than 500 trucks and transportation arrangement firms operate in the city. Most of the nation's largest trucking companies have facilities here including Daimler, one to the top employers in the region.

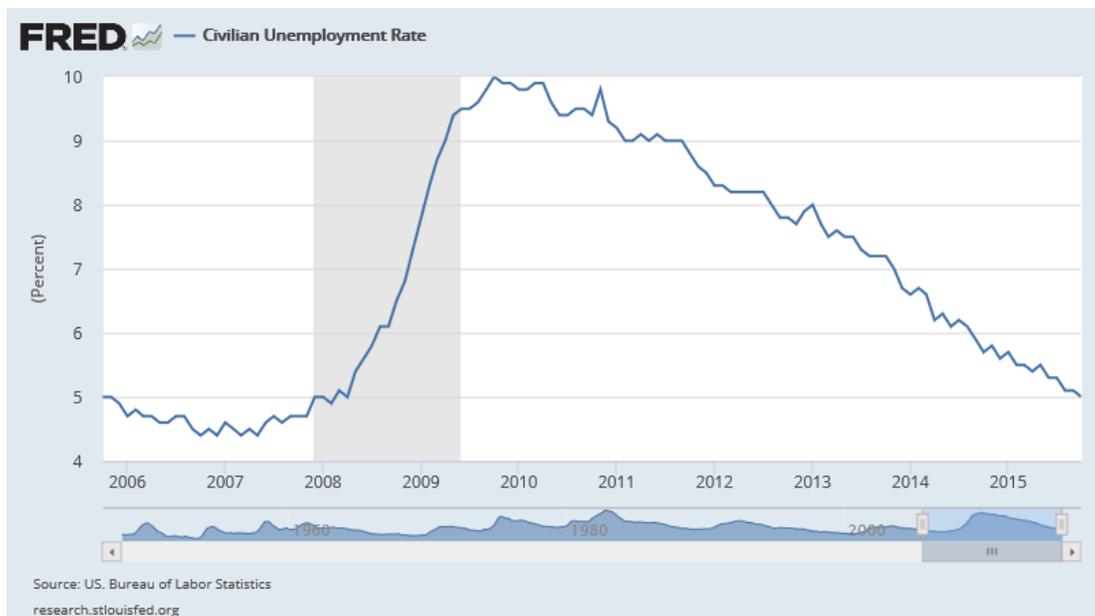
The Charlotte region is the center of the country's largest consolidated rail system. Norfolk Southern Railway and CSX Transportation link 43,200 miles of rail between Charlotte and 23 Eastern states. Some 300 trains pass through Charlotte weekly. Norfolk Southern recently finalized a new intermodal facility on airport property, which will double its current lift capacity and reduce the number of trucks on secondary roads.

Charlotte is a port of entry with fully staffed U.S. Customs and Border Protection offices, the Charlotte foreign trade zone and an inland port facility. The Charlotte foreign trade zone, which allows goods to be brought in from overseas duty-free and manufactured into a product, is one of the largest in the state.

Source: Charlotte Chamber of Commerce 2015

Employment

The United States unemployment rate peaked during the latest recession at 10% in October 2009. Since, the civilian unemployment rate has decreased reaching a low of 5% in October 2015. The Charlotte MSA civilian unemployment rate peaked in January 2010 at 12.9% and followed the national trend of steady decline to its lowest point in December 2014 at 5% and settling at 5.2% in September 2015.



U.S. CIVILIAN UNEMPLOYMENT RATE



CHARLOTTE MSA CIVILIAN UNEMPLOYMENT RATE

US. Bureau of Labor Statistics, *Civilian Unemployment Rate* [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis <https://research.stlouisfed.org/fred2/series/UNRATE>.

According to the Charlotte Chamber of Commerce, As one of the fastest growing cities in the country, Charlotte has added jobs in every major industry sector in 2015. Mecklenburg County’s unemployment rates showed cause for concern this past summer, rising above national levels in July and August. But recently released numbers from September 2015 showed a decrease in unemployment to 5.2% percent. More telling than unemployment rates, the raw

number of Mecklenburg County residents employed increased from about 510,000 in September 2014 to more than 530,000 in September 2015.

Other economic indicators are also in positive territory. Home sales are up 11.6 percent compared to this time last year and commercial development has increased; total building permits issued are up 8.73 percent in November 2015 compared to the same time in 2014.

The Charlotte metro area is host to eight Fortune 500 companies; Charlotte metro area ranks 20th nationally in metros with Fortune 500 headquarters. Current Fortune 500 companies include Bank of America, Lowe's, Duke Energy, Nucor, Family Dollar Stores, Sonic Automotive and Domtar. Total revenue in for these headquarters was over \$223 billion in 2014.

Charlotte-Mecklenburg Economic Development

Businesses are investing in Charlotte and Mecklenburg County. During the first nine months of 2015, 722 firms have poured \$712 million into buildings, machines and equipment. That's the largest year-to-date investment total since 2012. The third quarter also produced evidence of improved consumer confidence. Mecklenburg County consumers spent \$1.6 billion on retail in July.

After a slow first half of the year, employment growth also picked up the pace in the third quarter 2015. More than 3,011 new jobs were added between July and September, for a total of 6,406 new jobs added as of November 2015. The Finance and Insurance sector led the way, adding 1,993 new jobs. Among those new finance jobs will be 316 at the newly relocated Dimensional Fund Advisors headquarters, announced in July 2015, which will also include a \$105 million investment in buildings. MetLife continued its expansion, adding 245 new jobs at its recently relocated offices in Ballantyne.

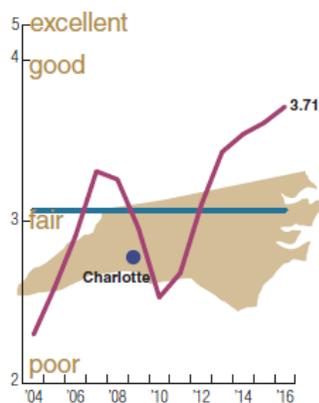
The Manufacturing sector also strengthened its position in the Charlotte area, investing \$142.5 million in the Charlotte area in 2015 to date. The Nutec Group, a Mexican manufacturer

of insulation materials, announced plans to hire 61 employees for a 62,500-square-foot plant in Huntersville.

Top Employers Charlotte-Mecklenburg

20,000 – 35,000 EMPLOYEES	
<p>Carolinas HealthCare System* Mr. Michael C. Tarwater, CEO 1000 Blythe Blvd., Charlotte, NC 28203</p>	 Carolinas HealthCare System
<p>Wells Fargo Company* Mr. Kendall Alley, Regional President 301 S. Tryon St., Charlotte, NC 28282</p>	
10,000 – 19,999 EMPLOYEES	
<p>American Airlines Ms. Tracy Montross, Regional Director of Government Affairs 5501 Josh Birmingham Pkwy., Charlotte, NC 28209</p>	
<p>Bank of America* Mr. Brian T. Moynihan, CEO 100 N. Tryon St., Charlotte, NC 28202</p>	
<p>Charlotte-Mecklenburg Schools* Dr. Ann Clark, Superintendent 600 E. 4th St., Fifth Floor, Charlotte, NC 28202</p>	
<p>Lowe's* Mr. Robert Niblock, Chairman & CEO 1000 Lowes Blvd., Mooresville, NC 28117</p>	
<p>Novant Health Mr. Harry L. Smith, Jr., Charlotte Region President 200 Hawthorne Ln., Charlotte, NC 28204</p>	
<p>Walmart & Sam's Club Stores Mr. Dave Byrum, General Manager 34 Locations in Charlotte-Metro Region</p>	
5,000 – 9,999 EMPLOYEES	
<p>City of Charlotte* Mr. Ron Carlee, City Manager 600 E. 4th St., Charlotte, NC 28202</p>	 CHARLOTTE.
<p>Daimler Trucks North America LLC Mr. Mike McCurry, Plant Manager 11550 Statesville Blvd., Cleveland, NC 27013</p>	
<p>Duke Energy Corp.* Ms. Lynne Good, CEO 550 S. Tryon St., Charlotte, NC 28201</p>	
<p>Food Lion LLC* Ms. Beth Newlands Campbell, President 2110 Executive Dr., Salisbury, NC 28147</p>	
<p>Harris Teeter* Mr. Thomas W. Dickson, CEO 701 Crestdale Rd., Matthews, NC 28105</p>	
<p>North Carolina State Government Mr. Pat McCrory, Governor 600 E. 4th St., 2nd Floor, Charlotte, NC 28202</p>	
<p>U.S. Government 1800 F St. NW, Washington, DC 20405</p>	

PWC Emerging Trends 2016 The PWC *Emerging Trends in Real Estate*® 2016, undertaken jointly by PwC and the Urban Land Institute, provides an outlook on real estate investment and



development trends, real estate finance and capital markets, property sectors, metropolitan areas, and other real estate issues throughout the United States and Canada. *Emerging Trends in Real Estate® 2016* reflects the views of individuals who completed surveys or were interviewed as a part of the research process for this report.

The *Emerging Trends in Real Estate® 2016* ranks Charlotte, NC as the third ‘market to watch’ just behind Dallas/Fort Worth and Austin, Texas. Regarding Charlotte, the publication had this to say

“The largest city in North Carolina continues to embody many of the components of an 18-hour city that the *Emerging Trends in Real Estate 2015* report introduced. Good job and population growth along with the development of urban centers continues to make the market attractive to residents. Interviewees generally feel good about the Charlotte market, although some did express concern that the concentration of the financial services industry may not offer the same level of growth as other more technology oriented markets.

Housing is the sector that has the strongest 2016 outlook in the Charlotte market. This is similar to many of the faster growing affordable markets in the survey. Industrial, to serve the growing local economy, and hotels, to handle growing numbers of business and leisure travelers, are the two highest-rated commercial sectors. The local view of the Charlotte market is very strong, with the only sector not scoring in the good-to-excellent range being development opportunities.”

Commercial Property

Specifically as to Charlotte, the ULI *Emerging Trends* forecast states:

“Charlotte becomes the highest non-Texas market from the South region in this year’s survey. The Charlotte economy has

rebounded from consolidation in the banking industry and is benefiting from a surge in new startup companies that have been created to service the financial services industry. Charlotte is also an attractive destination for the millennial generation and offers an appealing cost of doing business.”

Summary

The year of 2015 was filled with optimism. Nationally, the US is expected to grow in 2016 at the fastest pace in a decade. Expansion from July through September 2014 was at a 5 percent annual rate, the fastest growth for any quarter since 2003.

Improving financial markets and global economic conditions will continue to positively impact the development climate in the MSA. The area remains strong due to low business costs, persistent population growth, a highly educated workforce and a diversified industrial structure.

Community Analysis

Davidson is a small college town located approximately 20 miles north of downtown Charlotte, 6 miles south of Mooresville, 6 miles North of Huntersville, with close proximity to Davidson Lake and Lake Norman. Davidson is home to Davidson College, one of the country's most prestigious liberal arts colleges.

Boundaries

- The subject is located in the Town of Davidson very near the Mecklenburg/Iredell County line.
- The boundaries include I-77 and Lake Norman to the west, Iredell County to the north and the Town of Davidson city limits to the south and east.

Transportation and Utility Linkages

- North Main Street (Hwy 115)
- Griffith Street
- Davidson Concord Road

- Jetton Avenue
- Potts Street
- I-77 is accessible to the west
- All utilities are available

Developments

- Davidson College and the Historic Downtown
- Newer town-center type development is occurring
- *Circles@ 30 District and Gateway Commons*- a two story, mixed use commercial development encompassing the 'Circles' at the gateway entrance to the town of Davidson off Interstate 77. Includes office, retail and hotel space. Future multifamily developments planned for this location.
- *Historic Downtown Davidson & Main Street*- historic district with old town main street shopping, restaurants and office space, wide sidewalks and a community library. There is a town green used for festivals, outdoor concerts and community sporting events.
- *South Main District*- retail, restaurants and office condos with walkable multifamily communities
- *Davidson Commons*- a two story, mixed-use commercial development anchored by Harris Teeter and Aquesta Bank.
- *Davidson College*- over 665-acre main campus; 110-acre lake campus located in the center of the Town of Davidson; 1,850 on campus students.

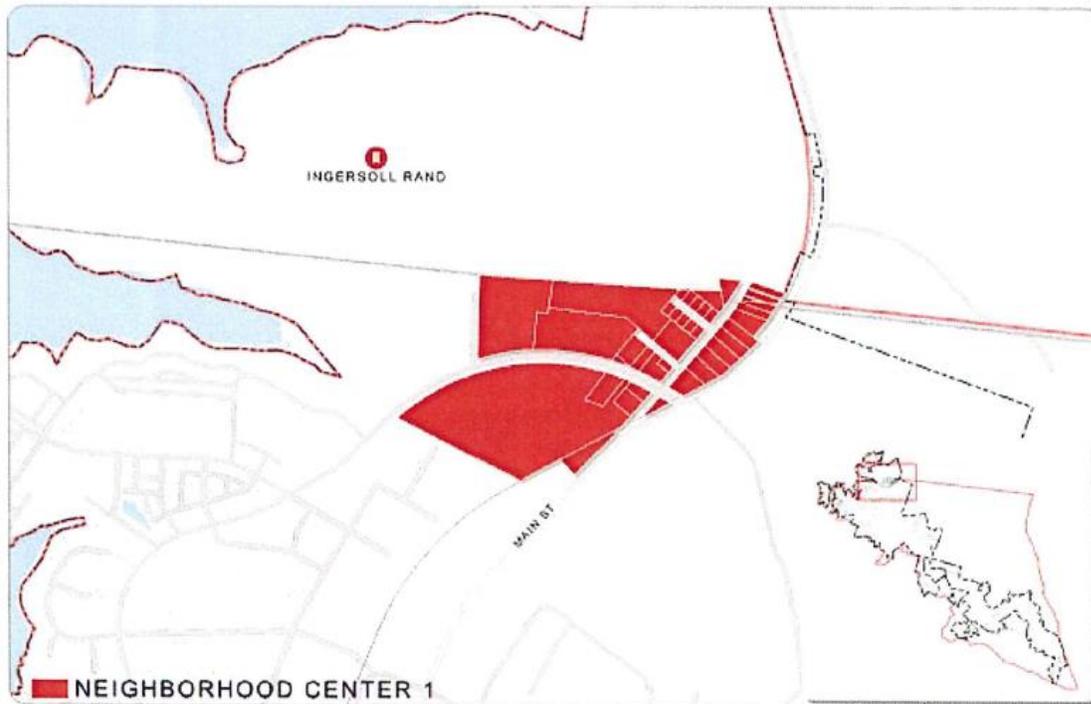
Demand Generators

- Davidson College- 1850 on campus students, 750 employees

- Ingersoll Rand National Headquarters- 1,200+ employees, international manufacturing company
- Lowe's World Headquarters- 3,000+ employees, offices located in Mooresville.
- The proximity of educational, retail and employment centers provides support for residential demand in the neighborhood.

Zoning and Area Planning

- Davidson subscribes to the smart growth theories of planning which include principles such as preservation, sustainability and walkability. Thus, zoning and planning ordinances are strict and vigorously adhered to so that the small town feel is preserved.
- The subject is predominantly within the Neighborhood Center planning area with several acres in the Village Infill planning area.



2.2.6 NEIGHBORHOOD CENTER I PLANNING AREA

A. DESCRIPTION

The Neighborhood Center I Planning Area is established to provide employment opportunities and commercial and retail services to our citizens and regional travelers along and near major thoroughfares. Development is encouraged to be compact and provide off-road pedestrian and bicycle facilities. These commercial nodes will accommodate the high volume of regional traffic along the corridors. The design of a required frontage parkway through developments along the NC 115 corridor will provide safe access between neighborhoods and destinations.

B. PERMITTED USES

The following table establishes the permitted uses for the Neighborhood Center I Planning Area. Uses not listed in the table below are presumed to be prohibited (See Section 2.1.3). Additional requirements are set out in Section 3, Uses & Structures with Additional Requirements.

TABLE 2-17: NEIGHBORHOOD CENTER I USE TABLE	
Residential Uses	
Residential	P
Residential Care Facility	AR
Commercial/Office/Retail Uses	
Commercial Services	P
Commercial, Primary	P
Conference Center	P
Home Occupation	AR
Hotel/Inn	P
Micro-Brewery or Micro-Distillery	AR
Professional Services	P
Research Laboratory	AR
Retail, Primary	P
Retail, Secondary	P
Civic/Educational/Institutional Uses	
Cultural/Community Center	AR
Daycare Center	AR
Fire & Police Station	P
Recreation Facility, Indoor	AR
Recreation Facility, Outdoor	AR
Religious Institution	AR
Transit Shelter	AR
Agricultural Uses	
Community Garden	P
Infrastructure Uses	
Essential Services I	AR
Accessory Uses	
Use customarily accessory to the principal use	P*
Accessory Dwelling	AR
Automatic Teller Machine (ATM)	AR
Containment Devices for trash & recyclables	AR
Gasoline Service S	AR

P = Permitted, AR = Permitted with Additional Requirements

*Use must be approved by the Planning Director.

C. PERMITTED BUILDING TYPES

The following table establishes the permitted building types for the Neighborhood Center I Planning Area. Building types not listed in the Building Type Table are presumed to be prohibited (See Section 2.1.4). Additional requirements and exceptions are set out in Section 4, Site & Building Design Standards.

Within the Neighborhood Center I planning area a maximum of 25 percent of the land area may be townhouse, livework, or multi-family building types and a maximum of 85 percent of the land area may be institutional, work places, or storefront building types.

TABLE 2-18: NEIGHBORHOOD CENTER I BUILDING TYPE TABLE

Building Types	Allowance	Design Review	Height	
			Minimum	Maximum
Townhouse	P	R	2 stories	3 stories
Multi-family	P	R	2 stories	3 stories
Live/Work ¹	P	R	2 stories	4 stories
Institutional	P	R	2 stories	4 stories
Workplace	P	R	2 stories	4 stories
Storefront	P	R	2 stories	4 stories
Accessory Structure	P	See Section 4.5.8	1 story	2 stories

R = Required, P = Permitted

¹At least 50 percent of the heated floor area in a live/work building type must contain the residential dwellings unit(s).

D. SITE DESIGN STANDARDS

- 1. Setback Requirements:** The following table establishes the required setbacks for the Neighborhood Center I Planning Area.

TABLE 2-19: NEIGHBORHOOD CENTER I SETBACK TABLE

Building Types	Front Setback		Side Setback		Rear Setback	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Townhouse	5	10	5 ³	10	5	NA
Multi-family	0	10	0	NA	NA	NA
Live/Work	0	0	0	10	NA	NA
Institutional ¹	0	20	0	NA	NA	NA
Workplace ¹	0	0	0	NA	NA	NA
Storefront ¹	0	0	0	NA	NA	NA
Accessory Structure	†	†	†	†	†	†

Setbacks are measured in feet.

Any encroachment into the public right of way is not permitted without an encroachment agreement.

¹Front and side setbacks exclude pedestrian uses such as plazas, stoops, walks, sidewalk cafes, etc.

²On corner lots, the minimum and maximum side setback requirements shall be the same as the front setback requirements.

³Side setbacks apply only to a townhome side wall that is not shared with another townhome wall.

†See Section 3.4.1 for permitted location and setbacks of accessory structures.

- 2. Open Space Requirements:** The following table establishes the required open space for the Neighborhood Center I Planning Area.

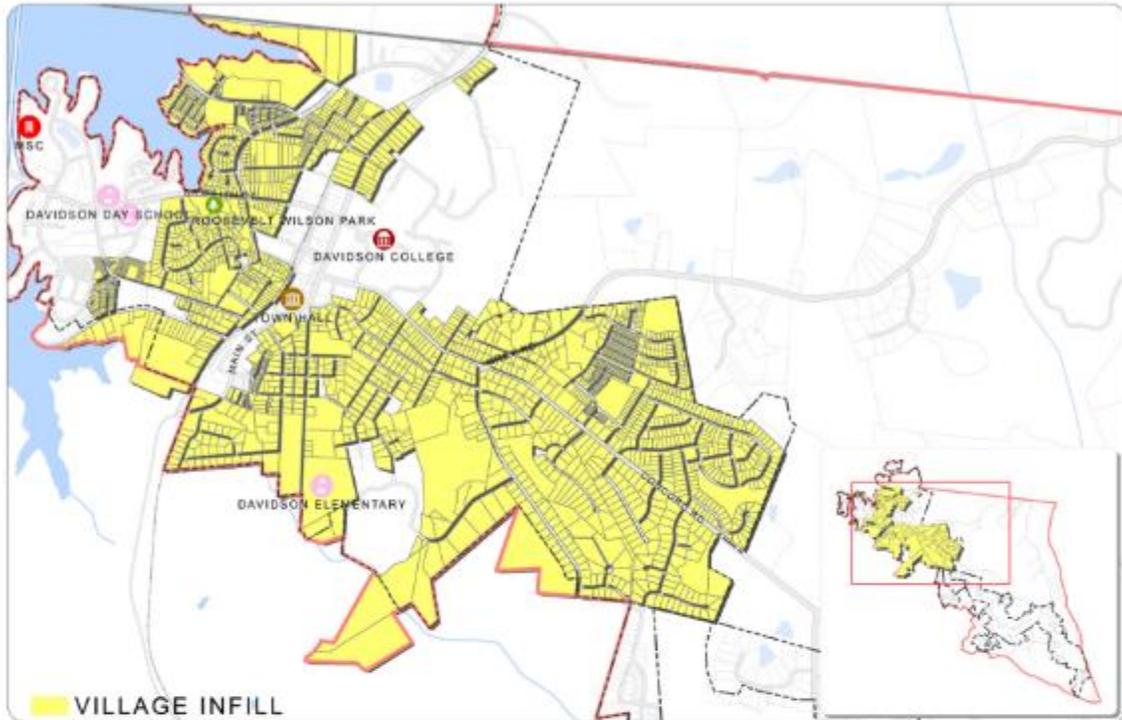
TABLE 2-20: NEIGHBORHOOD CENTER I OPEN SPACE TABLE

Open Space	Required % of Development	
	Minimum	Maximum
	10%	NA

E. DEVELOPMENT STANDARDS

For development standards applicable in the Neighborhood Center I Planning Area, see the following sections:

- Section 4, Site & Building Design Standards
- Section 5, Affordable Housing
- Section 6, Subdivision & Infrastructure
- Section 7, Parks & Open Space
- Section 8, Parking & Driveways
- Section 9, Tree Preservation, Landscaping & Screening
- Section 10, Lighting
- Section 11, Signs
- Section 17, Watershed Protection Regulations
- Section 18, Floodplain Regulations
- Section 21, Stream Buffer Regulations



2.2.4 VILLAGE INFILL PLANNING AREA

A. DESCRIPTION

The Village Infill Planning Area comprises Davidson's traditional, residential neighborhoods and provides for infill development surrounding the historic town center. Streets, sidewalks and greenways in the Village Infill Planning Area must be interconnected. A range of housing types is encouraged. Small retail establishments are permitted on corner lots, with restrictions. This encourages the provision of small-scale retail and service uses for surrounding residential areas. Buildings are restricted in size to promote a local orientation, to be pedestrian-oriented, to be compatible with the scale of surrounding residences, and to limit any adverse impacts on residential development.

B. PERMITTED USES

The following table establishes the permitted uses for the Village Infill Planning Area. Uses not listed in the table below are presumed to be prohibited. (See Section 2.1.3) Additional requirements are set out in Chapter 3, Uses with Additional Requirements.

TABLE 2-10: VILLAGE INFILL USE TABLE	
Residential Uses	
Bed & Breakfast	AR
Day Care Home	AR
Family Care Home	P
Residential	P
Commercial/Office/Retail Uses	
Home Occupation	AR
Professional Services	AR
Retail Secondary	AR
Civic/Educational/Institutional Uses	
Fire & Police Station	P
Government Services	P
Recreation Facility, Outdoor	AR
Transit Shelter	AR
Agricultural Uses	
Community Garden	P
Infrastructure Uses	
Essential Services I	AR
Accessory Uses	
Use customarily accessory to the principal use	P*
Accessory Dwelling	AR
Containment Devices for trash & recyclables	AR

P = Permitted, AR = Permitted with Additional Requirements

*Use must be approved by the Planning Director.

C. PERMITTED BUILDING TYPES.

The following table establishes the permitted building types for the Village Infill Planning Area. Building types not listed in the Building Type Table are presumed to be prohibited (See Section 2.1.4). Additional requirements and exceptions are set out in Section 4, Site & Building Design Standards.

Building Types	Allowance	Design Review	Height	
			Minimum	Maximum
Detached House	P	-	1 stories	37 feet ³
Townhouse	P	R	2 stories	37 feet ³
Attached House	P	R	2 stories	37 feet ³
Multi-family	P	R	2 stories	37 feet ³
Live/Work ¹	P	R	2 stories	37 feet ³
Institutional	P	R	2 stories	37 feet ³
Storefront ²	P	R	2 stories	2 stories
Accessory Structure	P	See Section 4.5.8	1 story	2 stories

R = Required, P = Permitted

¹At least 50 percent of the heated floor area in a live/work building type must contain the residential dwellings unit(s).

²Storefront buildings shall be permitted on vacant corner lots only and shall not exceed 2,500 square feet per story. A corner lot must be vacant for 12 months before a storefront building would be permitted.

³The height is measured from the finished floor elevation of the façade facing the street to the ridgeline or the highest point of the roof, where there is no ridgeline, excluding chimneys and basements.

D. SITE DESIGN STANDARDS

- 1. Setback Requirements:** The following table establishes the required setbacks for the Village Infill Planning Area.
- 2. Open Space Requirements:** There are no open space requirements in the Village Infill Planning Area.
- 3. Density Requirements:** There are no density requirements in the Village Infill Planning Area.

Building Types	Front Setback		Side Setback		Rear Setback	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Detached House	†	†	††	††	20	NA
Townhouse	5	10	10 ³	NA	5	NA
Attached House	†	†	††	††	20	NA
Multi-family	5	10	10	NA	5	NA
Live/Work	5	10	10	NA	5	NA
Institutional	0	NA	10	NA	5	NA
Storefront ¹	0	20 ⁴	10	NA	NA	NA
Accessory Structure	†††	†††	†††	†††	†††	†††

Setbacks are measured in feet.

†In the Village Infill Planning Area, front setbacks for detached and attached houses shall be within the minimum and maximum front setbacks for buildings within 500 feet along both sides of the same street in either direction AND within ten feet of the front setback for the closest house on the same side of the street. Balconies, stoops, stairs, open porches, bay windows, and awnings are permitted to encroach up to five feet into the front setback area when this procedure is used to determine the setback.

††The total of both side setbacks shall be equal to or greater than 30 percent of the lot width at the front building line; however no side setback shall be less than five feet.

†††See Section 4.5.8 for permitted location and setbacks of accessory structures.

¹Pedestrian features such as plazas, stoops, walks, and sidewalk cafes, etc., are included as part of the front and side setback areas.

²On corner lots, the front setback applies to all street facing facades.

³Side setbacks apply only to a townhome side wall that is not shared with another townhome wall.

⁴Setback shall be no more than adjacent house.

E. DEVELOPMENT STANDARDS

For development standards applicable in the Village Infill Planning Area, see the following sections:

- Section 4, Site & Building Design Standards
- Section 5, Affordable Housing
- Section 6, Subdivision & Infrastructure
- Section 7, Parks & Open Space
- Section 8, Parking & Driveways
- Section 9, Tree Preservation, Landscaping & Screening
- Section 10, Lighting
- Section 11, Signs
- Section 17, Watershed Protection Regulations
- Section 18, Floodplain Regulations
- Section 21, Stream Buffer Regulations

The following are additional development standard(s) in the Village Infill Planning Area.

- In each master plan development creating 15 lots or more, 20 percent of the lots for detached, townhome, and live/work building types must be no greater than 32 feet nor less than 18 feet in width. These lots may not be combined to form a larger lot.
- A detached house may be demolished only if it is replaced with a residential dwelling unit.
- The setbacks and building heights in certain overlay districts sometimes exceed what is permitted in the Village Infill Planning Area. The stricter regulation shall take precedence.
- New development along the lake shall retain 100 percent of the lake shoreline for public use. The existing vegetation within this area shall be preserved. This area may be dedicated to the Town for general public use. Refer to Section 17 - Watershed Overlay District for restrictions on pervious surface in the shoreline buffer area.

F. Applicable Overlay Districts

- Village Infill Overlay (See Section 2.3.4)

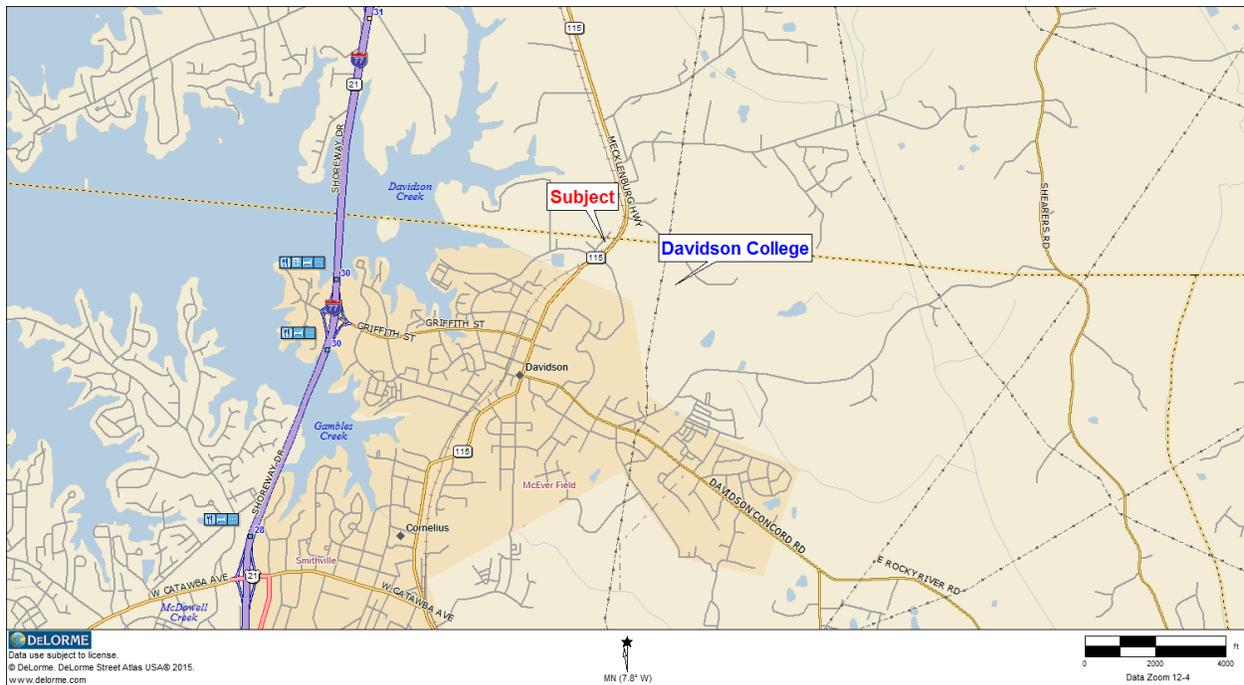
Outlook and Conclusions

The Town of Davidson is broadly in high demand and has seen healthy recovery from the recent recession and strong land values. An affluent population and ‘shop local’ attitude of residents supports a diverse retail landscape. Davidson College is a major impact to the local economy as is company headquarters Ingersoll Rand and Lowes.

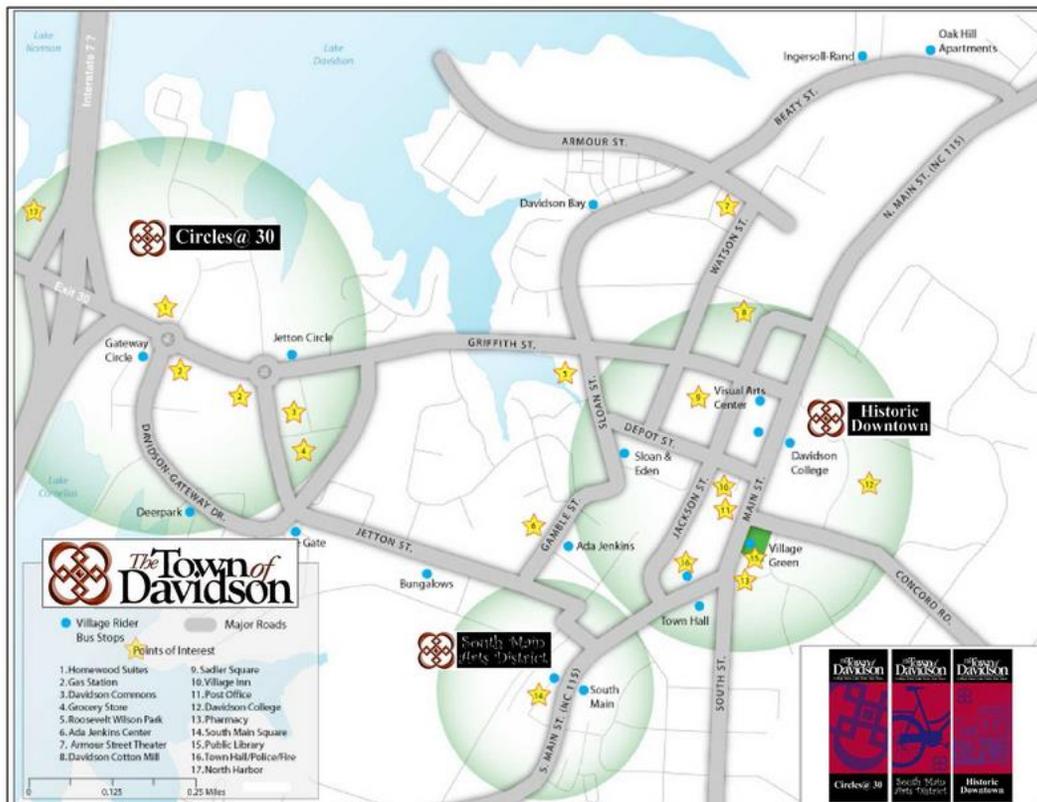
Development is increasing in this small community, with over 25 development projects listed on the Town website, within the city limits. Notable projects include:

- The Carnegie Mews on Delburg Street single family subdivision to include 15 lots.
- Davidson Bay Phase II which consists of 231 residential units 8,000 square feet of mixed-use/retail and 36,000 square feet of mixed-use commercial spaces.
- Davidson Depot site is located adjacent to the subject property, across Depot Road, and is approved to include mixed-use development with approximately 180 apartment units, 4-story building with residential leasing and amenity space fronting the rail road.
- Davidson Retirement Residence- -story retirement residence of approximately 115 independent living suites for seniors.
- Ingersoll Rand- additional building to their North America headquarters corporate center campus located in Davidson
- Jetton Street Apartments- proposed mixed-use development includes approximately 164 apartment units and approximately 5,000 square feet of retail space.
- Two Harbour Place- a 50,000+- square-foot, three-story office/retail building.
- Woodies Auto Services- in Davidson Commons consisting of a 2,000 square foot building with ten service bays on a 1.2 acre parcel

Property values in the Town of Davidson are strong and appreciating. The community life cycle is in a state of expansion, thoughtfully controlled by the communities planning department which is committed to smart growth and development.



COMMUNITY MAP



<http://www.ci.davidson.nc.us/index.aspx?NID=444>

TOWN OF DAVIDSON MAP

PROPERTY ANALYSIS

Site Analysis

Without the benefit of a current survey, the appraiser cannot suggest the property is free of encroachments or easements, and recommends further investigation and a current survey.

Location



- 825 Shearer St.
Davidson, NC 28036
Tax ID: 00328406; 00326398; 00326302; 00328403;
00328402; 00326303

Area/Shape/Dimensions

- 19.0900 Acres (From county records and deeds)
- The subject is irregularly shaped with areas of limited utility due to the shape (best observed in the aerial/tax map to follow).

Topography

- Rolling – predominantly wooded with a 2-acre pond; the right to remove the pond and dam has been confirmed if DENR processes are followed.

Floodplain

- The subject is not in a FEMA flood zone. There is a combined area of approximately five acres encumbered with water quality buffers and the pond, encompassing approximately 26% of the site. Post-construction buffers must be observed as well as all Critical Area Watershed requirements.

Access/Ingress/Egress

- Access to the site is primarily from Beaty St., along which the subject has approximately 2,600 feet of frontage.
- Secondary access is available from Shearer St. and Hobbs St.

Soil and Subsoil Analyses

- Assumes no hidden, unapparent, apparent, or toxic materials.



Improvement Analysis

The subject is improved with two residences. There is a small single-family residence (SFR) and a former fraternity house, both now vacant. The following are representative photos taken of the structures.



Fraternity house



Fraternity house





Fraternity House – 832 Beaty St.

This 1,680 SF dilapidated structure was constructed in 1972 and is in significant disrepair with a collapsed roof and fully deteriorated interior. It is clearly physically uninhabitable and no longer contributes value to the site.

SFR – 825 Shearer St.

The single-family residence has two bedrooms, one bath, was constructed in 1926 and measures 869 SF of gross living area. It is a single-story wood-framed structure over crawlspace with a pitched, composition shingle covered roof. It has vinyl siding and wood, double-hung windows throughout except for two replacement vinyl windows. It is cooled by window A/C units and heated with electric baseboard units. It includes a covered wooden front porch and wooden rear deck. The quality of construction is low-cost and the condition is average overall. The small home is located on the northeast corner of the subject property at the intersection of Shearer and Beaty St. and is currently vacant.

This home appears habitable; however, it is small and out of keeping with the likely development of the larger subject parcel. It's location on the corner suggests that it would impeded a key commercial development area if it remains. It is likely that the home could be rented for interim income until development is appropriate, with the interim rent reserved for future demolition costs for both the house and the fraternity house.

Real Estate Taxes and Assessment

The 2011 tax valuation assesses the land at \$542,700 and the buildings at \$64,000 for a total of \$606,700. Owned by the Town of Davidson, the property is exempt from property taxes. Based on the findings of this appraisal, the land is undervalued and the structures are overvalued.

Zoning and Other Restrictions

VIP Village Infill Planning

The subject is under the jurisdiction of the Town of Davidson planning ordinance and is zoned Village Infill Planning. The Village Infill Planning Area comprises Davidson's traditional, residential neighborhoods and provides for infill development surrounding the historic town center. Streets, sidewalks and greenways in the Village Infill Planning Area must be interconnected. A range of housing types is encouraged. Small retail establishments are permitted on corner lots, with restrictions. This encourages the provision of small-scale retail and service uses for surrounding residential areas. Buildings are restricted in size to promote a local orientation, to be pedestrian-oriented, to be compatible with the scale of surrounding residences, and to limit any adverse impacts on residential development. Permitted uses are as follows:

TABLE 2-10: VILLAGE INFILL USE TABLE	
Residential Uses	
Bed & Breakfast	AR
Day Care Home	AR
Family Care Home	P
Residential	P
Commercial/Office/Retail Uses	
Home Occupation	AR
Professional Services	AR
Retail Secondary	AR
Civic/Educational/Institutional Uses	
Fire & Police Station	P
Government Services	P
Recreation Facility, Outdoor	AR
Transit Shelter	AR
Agricultural Uses	
Community Garden	P
Infrastructure Uses	
Essential Services I	AR
Accessory Uses	
Use customarily accessory to the principal use	P*
Accessory Dwelling	AR
Containment Devices for trash & recyclables	AR

P = Permitted, AR = Permitted with Additional Requirements

*Use must be approved by the Planning Director.

The Village Infill Planning area is the most predominant district in Davidson with a wide range of allowable uses. We note the subject is further restricted based on the Neighborhood Planning Center discussed previously. Considering the recent change by the Planning Department, the chance of the zoning changing in the future is unlikely.

Lake Norman Watershed

The subject is located in the Critical Area of the Lake Norman Watershed.

Mecklenburg County Drinking Water Supply Watershed Protection Requirements

Lake Norman Watershed

Zone	Zoning Jurisdiction	Built Upon Area	Lake/Stream Buffer
Critical Area (CA)	Davidson	≤ 24% - Low Density	50 Feet
		≤ 50% - High Density	100 Feet

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use, As Vacant

Physically Possible Uses

The subject offers 19.09 acres of land with the shape and pond provided physical barriers to development. There is significant areas remaining that would be supportive of a variety of development options.

Legally Permissible Uses

The permitted uses under the existing zoning that are consistent with community land uses are a variety of attached housing and commercial uses.

Financially Feasible Uses

Based on our analysis of the market we have considered demand in the area and it appears that a residential or mixed-use (with emphasis on residential) use is likely a financially feasible option.

Maximally Productive Uses

There does not appear to be any probable or reasonable use that would support a higher or better use than residential or mixed-use development with the house rented in the interim and the income held against future demolition costs.

Highest and Best Use, As Improved

The existing improvements do not contribute value to the site. The physical condition of the fraternity house precludes occupancy. The location, age, size and design of the single-family residence suggest that, while habitable and likely rentable, the house ultimately will be removed for development of the entire tract.

Most Likely Buyer

The most likely buyer of this property is a local or regional developer.

VALUATION METHODOLOGY

Appraisers typically consider three approaches to estimate property value. These are the cost, sales comparison, and income capitalization approach.

The **cost approach** is a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 54.*)

The **sales comparison approach** is the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sales prices (or unit prices as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 207.*)

The **income capitalization approach** is a set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversions) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and a reversion can be discounted at a specified yield rate. (*The Dictionary of Real Estate Appraisal, 6th ed., 2015, Page 115.*)

Value indications from the approaches are reconciled based on the quality and quantity of available data in the approaches with consideration given to the applicability of each approach and the subject property type.

VALUATION APPROACHES

Approach	Applicability	Use
Cost Approach	Not Applicable	Not Used
Sales Comparison Approach	Most Applicable	Used
Income Capitalization Approach	Not Applicable	Not Used

Because the value of the property is in the land, the cost and income approaches are not developed. The sales comparison approach provides the necessary analysis to value the site.

VALUATION ANALYSIS

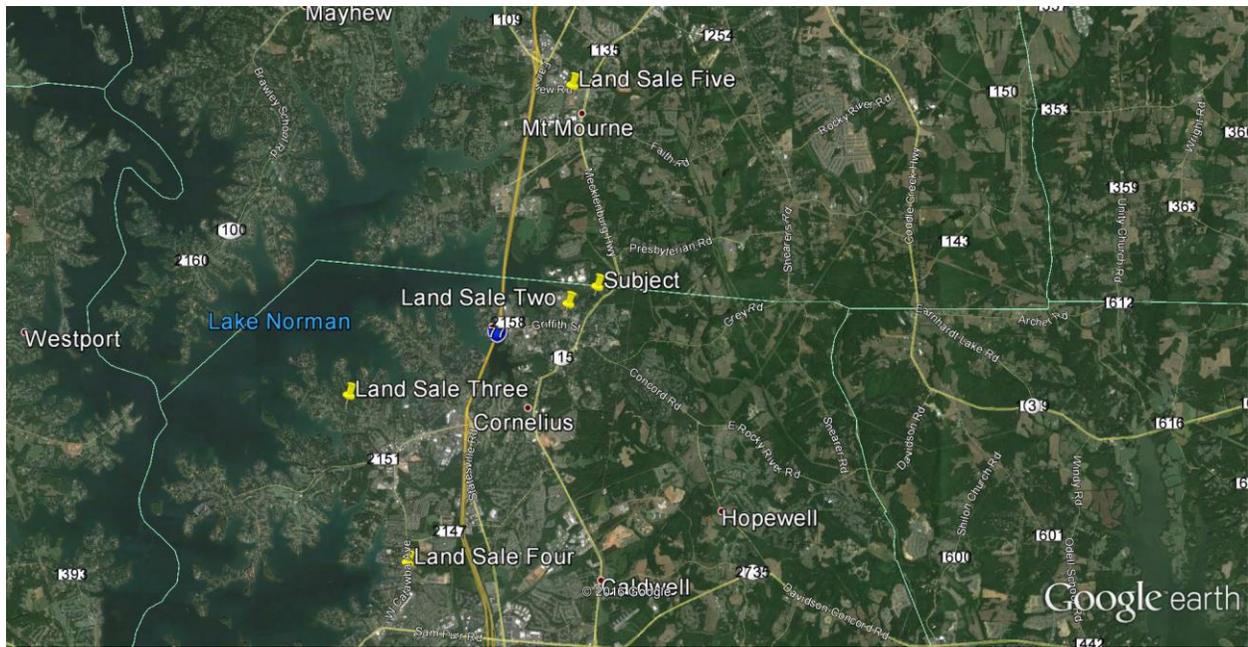
Land Valuation – Sales Comparison Approach

Site Valuation

The preferred method of land valuation is by direct comparison of comparable sites which have sold recently. The sales price of each comparable is converted into an appropriate unit of comparison, and then compared on a direct basis with the subject.

Adjustments are made to the comparables for market recognized dissimilarities. Adjustments are used to account for differences between comparables and the subject. This value conclusion is arrived at by extraction, judgment, and a correlation process whereby greatest weight is given to the sales that are most comparable to the subject.

The unit of comparison selected for analysis as the most applicable is the price per acre. Summaries of the sales and an explanation of adjustment follows.



COMPARABLE LAND SALES LOCATION MAP

LAND SALES ADJUSTMENT SUMMARY

825 Shearer St.
Davidson, NC 28036

DESCRIPTION	SUBJECT	SALES				
		Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	825 Shearer St. Davidson, NC 28036	12998 McCoy Rd. Huntersville, NC	N Side Delburg Street Davidson, NC	Bethel Church Road Cornelius, NC	7510-7528 Bluffview Dr Cornelius, NC	151 Fairview Road Mooresville, NC
Zoning	VIP	NR	VIP	GR	GR	VC
Date of Sale*	03-May-16	29-May-15	26-Feb-13	27-May-14	17-May-13	09-Jun-15
Useable Size- Acres	19.0900	17.5900	2.8100	4.1070	3.3630	14.7950
Useable Size- SF	831,560	766,220	122,404	178,901	146,492	644,470
*for subject, date of value						
Note (5)		N/A	N/A	N/A	N/A	N/A
Value Indications						
Sales Price	N/A	\$1,550,000	\$250,000	\$575,000	\$685,000	\$3,330,000
Sales Price/SF	N/A	\$2.02	\$2.04	\$3.21	\$4.68	\$5.17
Sales Price/Acre	N/A	\$88,118	\$88,968	\$140,005	\$203,687	\$225,076
MARKET ADJUSTMENTS						
Market Conditions (Date)	N/A	1.75%	6.25%	3.75%	6.00%	1.75%
Adjusted Price		\$1,577,125	\$265,625	\$596,563	\$726,100	\$3,388,275
Adjusted Price/SF	N/A	\$2.06	\$2.17	\$3.33	\$4.96	\$5.26
Adjusted Price/Acre	N/A	\$89,660	\$94,528	\$145,255	\$215,908	\$229,015
PHYSICAL ADJUSTMENTS						
Location	Shearer St.	10%	0%	-10%	-10%	0%
Land Use	Residential/Mixed	0%	0%	0%	-25%	-25%
Shape/Post Construction limits	Significant	-15%	-15%	-15%	-15%	-15%
Size	19.09	0%	-10%	-10%	-10%	0%
TOTAL						
Adjustments	N/A	-5%	-25%	-35%	-60%	-40%
Adjusted Price/SF	N/A	\$1.96	\$1.63	\$2.17	\$1.98	\$3.15
Adjusted Price/Acre	N/A	\$85,177	\$70,896	\$94,416	\$86,363	\$137,409
STATISTICAL SUMMARY						
	Sales Price/Acre Before Adjustments	Sales Price/Acre After Adjustments	Difference	Land size (Ac.) Value Per Ac.		19.09 \$85,000
Average:	\$149,171	\$94,852	-36.4%			
Range Minimum:	\$88,118	\$70,896	-19.5%	Land Value Conclusion by		
Range Maximum:	\$225,076	\$137,409	-39.0%	Sales Comparison Approach		\$1,622,650
Range %:	155.4%	93.8%				
Avg. Phys. Adjustment	N/A	-33.0%		Rounded		\$1,620,000

1. Annual time adjustment: as noted
2. Numbers may reflect rounding.
3. N/A: Not Applicable, N.A.: Not Available, UC Under Construction
4. Utilities Key: W-Public Water; S-Public Sewer
5. Other notes: none

SOURCE

T. B. Harris, Jr. & Associates research and parties to sale.

Explanation of Adjustments**Market Adjustments**

In this analysis, both market adjustments and physical adjustments are considered for the sales. Each sale is analyzed for dissimilar characteristics when compared to the subject and adjustments are made for known quantifiable differences.

We are unaware of any conditions for which adjustments are necessary for financing of variances of ownership rights or interest. As the fee simple interest in the property is appraised, no adjustment is considered necessary for property rights conveyed. The comparable sales range in sales dates from February of 2013 through June of 2015. The market has been

strengthening during that period, and an upward adjustment for market conditions is made at a rate of 2% per year.

Physical Adjustments

Physical adjustments are considered for factors such as size, location, access, topography, shape, frontage, access to municipal utilities, buildable size, corner influence, zoning, and various other applicable features. Based on the physical characteristics of the comparable sales, we have applied adjustments for location, land use, shape/water quality constraints and size.

Location – The subject is located in north Davidson, near the lake and college. Sale 1 is inferior in location and an upward adjustment of 10% is warranted. Sales 3 and 4 are located in superior development areas near the lake and downward adjustments are made.

Land Use – The highest and best use of the subject is for attached housing and/or mixed-use at a moderate density. Sale 4 was already developed with horizontal infrastructure in place and only the finished lots bundled together for the sale, a superior land use to the subject's raw land. Sale 5 was purchased for apartment development at a much higher density. Both sales warrant downward adjustments for land use.

Shape/Post Construction limits – The subject is encumbered with post-construction buffers which combined with the shape to limit development areas. While approximately 26% of the site is encumbered, these areas offer some value as park and water amenities. Thus, we make a downward adjustment of only 15% to the sales.

Size – The economies of scale are often observed in the subject market, with smaller sites selling for more than larger sites and vice versa. Sales 1 and 5 are similar to the subject and no adjustment is made. Sales 2, 3 and 4 are significantly smaller than the subject, and downward adjustments are warranted.

Summary

The sales range from \$88,118 to \$225,076 per acre before adjustments with an average indication of \$149,171 per acre. After adjustments, the range is reduced to \$70,896 to \$137,409 with an average of \$94,852. Giving somewhat more weight to the indications of Sales 1 through 4 as more similar to the highest and best use of the subject, we estimate the land value to be \$85,000 per acre, extended to the subject's 19.09 acres for a value indication of \$1,622,650, rounded to \$1,620,000.

RECONCILIATION AND FINAL VALUE CONCLUSION

Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final opinion of value. The appraisers weigh the relative significance, applicability, and defensibility of the indication of value estimated by each approach.

Opinion of Value by Cost Approach	\$	N/A
Opinion of Value by Sales Comparison Approach	\$	1,620,000
Opinion of Value by Income Capitalization Approach	\$	N/A

Experience indicates that different investors are willing to pay varying amounts for the same property. This phenomenon is due to variations in expectations of income production potential, tax advantages or disadvantages, anticipated reversions, special financing, and various other factors.

Final Value Conclusion

Valuation Date	Value Conclusion	Appraisal Premise	Interest Appraised
5/3/2016	\$1,620,000	Market Value	Fee Simple

The opinions, estimates, and forecasts included in this appraisal document are by their nature prospective and

therefore subject to uncertainty and risk. Actual events and property performance may vary based on economic conditions that are subject to fluctuation with regard to lenders, interest rates, supply and demand, capitalization rates, investor motivation, and the like. Also, in keeping with traditional appraisal practice our conclusions and forecasts are based in part upon third party sources, discussions, meetings, and may not be in all cases from reliable sources. Our opinion while supported throughout this document with research and reason is based on available information at the time of preparing our opinion. Therefore, we are not responsible for future happenings that are not reasonably expected to occur as of the date of our analysis.

As real estate markets begin to recover from a dramatic recession it is difficult to project the velocity of this recovery. We have therefore analyzed information and available data and have applied adjustments we believe are reasonable based on circumstances that existed as of the date of valuation.

EXPOSURE AND MARKETING TIME

Exposure Time

Had the property been exposed to the open market prior to our date of valuation we believe the property would have required an exposure time of 6 to 12 months.



Philip S. Porter, MAI
Appraiser



Thomas B. Harris, Jr., MAI, CRE®, FRICS

ADDENDA

Certifications

CERTIFICATION OF THE APPRAISER

I, Philip S. Porter, MAI, certify that, to the best of my knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. I have made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification other than those individuals having signed the attached report.



Philip S. Porter, MAI

(NC State Certified General Real Estate Appraiser # A7392)

(SC State Certified General Real Estate Appraiser #6832)

May 19, 2016

Date

(Rev: 05/28/14)

CERTIFICATION OF THE APPRAISER

I, Thomas B. Harris, Jr., MAI, CRE®, FRICS, certify that, to the best of my knowledge and belief,

14. The statements of fact contained in this report are true and correct.
15. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
16. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
17. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
18. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
19. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
20. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
21. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
22. As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
23. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
24. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
25. I have not made a personal inspection of the property that is the subject of this report.
26. No one provided significant real property appraisal assistance to the person(s) signing this certification other than those individuals having signed the attached report.



Thomas B. Harris, Jr., MAI, CRE®, FRICS
 (NC State Certified General Real Estate Appraiser #A240)
 (SC State Certified General Real Estate Appraiser #CG38)
 (GA State Certified General Real Estate Appraiser #CG001730)

May 19, 2016

Date

(Rev:1/13)

Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

Limit of Liability

The liability of T.B. HARRIS, JR. & ASSOCIATES and employees is limited to the client only and to the fee actually received by our firm. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, client will forever indemnify and hold T.B. HARRIS, JR. & ASSOCIATES, its officers, and employees harmless from any claims by third parties related in any way to the appraisal or study which is the subject of the report. Third parties shall include limited partners of client if client is a partnership and stockholders of client if client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees, and spouses of client. T.B. HARRIS, JR. & ASSOCIATES will not be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property, physically, financially, and/or legally.

Copies, Distribution, Use of Report

Possession of this report or any copy of this report does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report remains the property of T.B. HARRIS, JR. & ASSOCIATES for the use of the client, the fee being for the analytical services only.

The bylaws and regulations of the Appraisal Institute require each member and candidate to control the use and distribution of each report signed by such member or candidate; except, however, the client may distribute copies of this report in its entirety to such third parties as he may select; however, selected portions of this report shall not be given to third parties without the prior written consent of the signatories of this report. Neither all nor any part of this report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of T.B. HARRIS, JR. & ASSOCIATES.

Confidentiality

This report is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by T.B. HARRIS, JR. & ASSOCIATES whose signatures appear on the report. No change of any item in the report shall be made by anyone other than T.B. HARRIS, JR. & ASSOCIATES. T.B. HARRIS, JR. & ASSOCIATES shall have no responsibility if any such unauthorized change is made.

T.B. HARRIS, JR. & ASSOCIATES may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

Trade Secrets

This report was obtained from T.B. HARRIS, JR. & ASSOCIATES and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4) of the Uniform Commercial Code. T.B. HARRIS, JR. & ASSOCIATES shall be notified of any request to reproduce this report in whole or in part.

Information Used

No responsibility is assumed for accuracy of information furnished by or work of others, the client, his designee, or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds for the subject property.

Financial Information

Our value opinion(s) have been based on unaudited financials, and other data provided to us by management and/or owners. If these reports are found to be inaccurate, we reserve the right to revise our value opinion(s). It is noted we are depending on these accounting statements as being accurate and our interpretation of these statements as being accurate as well. If these assumptions later prove to be false, we reserve the right to amend our opinions of value.

Testimony, Consultation, Completion of Contract for Report Services

The contract for report, consultation, or analytical service is fulfilled and the total fee payable upon completion of the report, unless otherwise specified. T.B. HARRIS, JR. & ASSOCIATES or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the report, in full or in part, nor engage in post report consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges, regardless of issuing party.

Exhibits

The illustrations and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs, if any, are included for the same purpose as of the date of the photographs. Site plans are not surveys unless so designated.

Legal, Engineering, Financial, Structural or Mechanical Nature, Hidden Components, Soil

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and marketable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by T.B. HARRIS, JR. & ASSOCIATES.

T.B. HARRIS, JR. & ASSOCIATES has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, or hidden structural, mechanical or other components, and T.B. HARRIS, JR. & ASSOCIATES shall not be responsible for defects in the property which may be related.

The report is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil or structures or toxic materials which would render it more or less valuable. No

responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilation, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. We are not experts in this area, and it is recommended, if appropriate, the client obtain an inspection of this equipment by a qualified professional.

If T.B. HARRIS, JR. & ASSOCIATES has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

T.B. HARRIS, JR. & ASSOCIATES assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

Legality of Use

The report is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building and use regulations, and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or may be obtained or renewed for any use considered in the value estimate.

Component Values

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other report and are invalid if so used.

Auxiliary and Related Studies

No environmental or impact studies, special market study or analysis, highest and best use analysis, study or feasibility study has been required or made unless otherwise specified in an agreement for services or in the report.

Dollar Values, Purchasing Power

The market value estimated and the costs used are as of the date of the estimate of value, unless otherwise indicated. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

Inclusions

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate, unless otherwise stated. In some property types, business and real estate interests and values are combined.

Proposed Improvements, Conditional Value

Improvements proposed, if any, onsite or offsite, as well as any repairs required, are considered for purposes of this report to be completed in a timely, good and workmanlike manner, according to information submitted and/or considered by T.B. HARRIS, JR. & ASSOCIATES. In cases of proposed construction, the report is subject to change upon inspection of property after construction is completed.

Value Change, Dynamic Market, Influences, Alteration of Estimate

The estimated value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of reports involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and T.B. HARRIS, JR. & ASSOCIATES' interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; thus, they are subject to change as the market and value is naturally dynamic.

The "estimate of market value" in the report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

Report and Value Estimate

Report and value estimate are subject to change if physical or legal entity or financing differ from that envisioned in this report.

Management of the Property

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management.

Hazardous Materials

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did T.B. HARRIS, JR. & ASSOCIATES become aware of such during their inspection. T.B. HARRIS, JR. & ASSOCIATES had no knowledge of the existence of such materials on or in the property unless otherwise stated. T.B. HARRIS, JR. & ASSOCIATES, however, is not qualified to test such substances or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on or in the property or in the proximity that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

Soil and Subsoil Conditions

Unless otherwise stated in this report, T.B. HARRIS, JR. & ASSOCIATES does not warrant the soil or subsoil conditions for toxic or hazardous waste materials. Where any suspected materials

might be present, we have indicated in the report; however, T.B. HARRIS, JR. & ASSOCIATES are not experts in this field and recommend appropriate engineering studies to monitor the presence or absence of these materials.

Americans with Disabilities Act (ADA)

“T.B. HARRIS, JR. & ASSOCIATES has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA), which became effective January 26, 1992. 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 property 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 T.B. HARRIS, JR. & ASSOCIATES has no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.”

Letter of Engagement



April 21, 2016

Via EMAIL Only
Dblobaum@townofdavidson.org

Ms. Dawn A. Blobaum, AIA
Assistant Town Manager
Town of Davidson
P.O. Box 579
Davidson, NC 28036

RE: Letter of Engagement – 19+- acres on Beaty St. in the Town of Davidson consisting of six tax parcels: 00328406; 00326398; 00326302; 00328403; 00328402; 00326303

Dear Ms. Blobaum:

Thank you for your inquiry regarding an appraisal proposal for the above referenced property.

T.B. Harris, Jr. & Associates is prepared to provide real property appraisal services addressing the market value of the property and to deliver our report to you within 21 days from receipt of your written authorization to proceed and information requested on the attached checklist. In return for these services, our fee is \$2,185 with any outstanding balance due upon completion and delivery of the report. The scope of our services has been discussed and agreed upon. It is our mutual understanding that the following with respect to the purpose and intended use of the appraisal report is as follows:

Purpose: Appraise the market value of fee simple interest in the subject property

Intended Use: Inform decisions by the Town of Davidson regarding the disposition of the property

The appraisers shall not be required to give testimony or attend any public or private hearing in court with reference to the property, furthermore we will not provide any additional services beyond the appraisal services detailed above, unless both parties consent to a supplemental written employment agreement.

If you as employer desire to cancel the contract, written notice is required and it is agreed that the appraiser shall receive compensation from you as employer for all services rendered at our hourly rates for the time spent prior to receiving written notice to stop work in addition to costs advanced by the appraiser in connection with said appraisal prior to receiving such notice.

If additional copies are needed, photocopies can be provided at \$50 per copy. Originals will be billed at \$125 per copy, both payable upon receipt. Charges for extra copies and building plan reductions will be billed in addition to the flat fee. Please provide building plans on ledger size copy or smaller.

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Real Property Appraisers and Consultants
1430 South Mint Street, Suite 102, Charlotte, North Carolina 28203
Telephone: 704-334-4686 Fax: 704-334-2759 800-453-4439
Web: www.tbharrisjr.com

Ms. Dawn A. Blobaum
April 21, 2016
Page 2

Request for assigning appraisals to others may require written authorization from the original client and a fee commensurate with the new engagement. Additional copies over the original amount provided will be billed in accordance with the additional copies identified in the preceding paragraph.

Our fees include electronic delivery of a PDF version of the entire appraisal document with signatures and seals. If you need hard copies of the report, please let us know, as there may be additional charges. Delivery of hard copies is by US Postal Service or comparable ground delivery. If other special deliveries are requested by the client, this shall be an additional expense and shall be billed on the invoice or to the client's special delivery account.

Attached to this Letter of Engagement is the previously mentioned checklist identifying those items that will be necessary to complete the appraisal assignment. If information requested on the attached checklist can be obtained from other sources, please let us know.

The report will be completed based on general Assumptions and Limiting Conditions, a copy of which is attached for your reference. The report will be prepared in compliance with the Uniform Standards and Code of Professional Conduct of the Appraisal Foundation and the Appraisal Institute.

In the event the outstanding balance remains unpaid after 30 days from receipt of our statement, a finance charge of 1½% per month will be charged until paid. Further, in the event collection proceedings are necessary, you agree to pay court costs and our attorney fees. In addition, you agree that the appropriate court or place of jurisdiction shall be Mecklenburg County, North Carolina for any issues related to this engagement and agreement.

If you are in agreement with these terms and conditions, please execute this Letter of Engagement, retain a copy for your records, and return a signed original with the information on the attached checklist and the retainer.

Thank you again for the opportunity to be of service. Please let us know if you have any questions concerning this proposal or the information requested on the attached checklist.

Sincerely yours,

T. B. HARRIS, JR. & ASSOCIATES, INC.



:cmj

Enclosure

(M:\proj\admin\eng-ltr-blob042116)

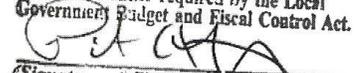
Ms. Dawn A. Blobaum
April 21, 2016
Page 3



AGREED AND ACCEPTED

4.22.16

DATE

This instrument has been preaudited
in the manner required by the Local
Government Budget and Fiscal Control Act.


(Signature of Finance Officer)

(M:\proj\admin\eng-ltr-blob042116)

Deed

DEED BOOK PAGE
~~5452~~ 0543

DEED BOOK PAGE
 5466 0189

PRESENTED FOR REGISTRATION
 APR 1 1 53 PM '87
 CHARLES E. CROWDER
 REGISTER OF DEEDS
 MECKLENBURG CO. N.C.

PRESENTED FOR REGISTRATION **123**
 MAR 20 11 47 AM '87
 CHARLES E. CROWDER
 REGISTER OF DEEDS
 MECKLENBURG CO. N.C. **299**

Exhibit Tax -0- Recording Time, Book and Page 7.00

Tax Lot No. 003-284-04, 06 Parcel Identifier No. <> 7.00
 003-263-02 County on the day of 17:24 #6551 000 CASH 7.00
 by 04/01/87

Mail after recording to Richard J. Kline
 P.O. Box 37146, Charlotte, NC 28237

This instrument was prepared by Richard J. Kline

Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 11th day of MARCH, 19 87, by and between

GRANTOR	GRANTEE
RALPH C. CLONTZ, JR., individually and as Executor of the Estate of Venie W. Clontz and CHRISTINE H. CLONTZ, his Wife 225 South McDowell Street Charlotte, N.C. 28204-2294	THE TOWN OF DAVIDSON, a North Carolina municipal corporation Town Hall Davidson, NC 28036

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 Deweese Township, Mecklenburg County, North Carolina and more particularly described as follows:

SEE EXHIBIT A HERETO ANNEXED

This is a **Correction Deed** to amend the property description to include a 1.68 acre tract, more or less, that was inadvertently omitted from the Deed from Venie W. Clontz to the Town of Davidson recorded on **February 8, 1985** in Deed Book 4969 at page 444 of the Mecklenburg County Public Registry.

This Deed is being re-recorded to correct a minor error in the legal description on attached Exhibit A.

Richard J. Kline
 Richard J. Kline FEE 8.00
 April 1, 1987 <> 8.00
 CASH 8.00

15:27 #2920 000
 03/20/87

N.C. Bar Assoc. Form No. 3 5/1976, Revised 1981.

5452 0544

DEED BOOK PAGE

5466 0190

The property hereinabove described was acquired by Grantor by instrument recorded in Book 2126, Page 63 of the Mecklenburg County Public Registry; also see deed references in attached Exhibit A.

A map showing the above described property is recorded in Plat Book page

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

(Corporate Name)

By: President

ATTEST:

Secretary (Corporate Seal)

USE BLACK INK ONLY

Ralph C. Clontz (SEAL)
Ralph C. Clontz Individually and as
Executor of the Estate of Venie W.
Clontz (SEAL)

Christine H. Clontz (SEAL)
CHRISTINE H. CLONTZ



NORTH CAROLINA, County.

I, a Notary Public of the County and State aforesaid, certify that Ralph C. Clontz, individually and as Executor of the Estate of Venie W. Clontz and Christine H. Clontz personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 11th day of March, 1987.

My commission expires: March 10, 1990 Lenora B. McGee Notary Public

SEAL-STAMP

NORTH CAROLINA, County.

I, a Notary Public of the County and State aforesaid, certify that personally came before me this day and acknowledged that he is Secretary of a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, seated with its corporate seal and attested by as its Secretary. Witness my hand and official stamp or seal, this day of 19.

My commission expires: Notary Public

The foregoing Certificate of Lenora B. McGee, a Notary Public for said County and State

is hereby certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Charles H. Crowder

REGISTER OF DEEDS FOR Mecklenburg COUNTY

May H. Percy

Deputy Assistant Register of Deeds

This 20th day of March, 1987 See Page 545

5466 0191

DEED BOOK PAGE

EXHIBIT A

5452 0545

First Tract

BEGINNING at a stake, the northeastern corner of Lot #3 in Block E in Armour Heights in The Town of Davidson; thence N. 29° E. 299.06 feet, more or less, to a stake in Arthur Armour's (now or formerly) line; thence with said line about S. 63° E. 396.00 feet, more or less, to a stake in the center line of the A.T. & O. Railroad; thence S. 64° W. 387.75 feet, more or less, to a stake in the northeastern corner of Lot #1, Block E of Armour Heights; thence with the northern line of Lot Nos. 1 & 2 in Block E N. 61° W. 185 feet to the BEGINNING, containing 2 acres, more or less. For back reference, see "First Tract" in Deed from Ivory Moore Hamrick (Widow) to Ralph C. Clontz, Sr. and wife, Venie W., recorded in Book 2126, Page 63, Mecklenburg County Public Registry.

EXCEPTING THEREFROM a certain tract of land conveyed to Mrs. E.L. Foster by M.W. Cranford and wife, by deed dated August 19, 1926 and recorded in Book 710, Page 152, and more particularly described as follows:

BEGINNING at an iron stake on A.B. Williams' (now or formerly) line (N. 62° W. 39 feet from the center of the A.T. & O. railroad track); thence N. 62° W. 150 feet to a stake on A.B. Williams (now or formerly) line; thence S. 30½° W. 50 feet to an iron stake; thence S. 66½° E. 137 feet to an iron stake; thence N. 43½° W. 50 feet to the BEGINNING, containing 7200 square feet.

Second Tract

Being all of Lots 1 & 2 in Block E of Armour Heights, as shown in Map Book 230, Page 52, Mecklenburg County Public Registry. For back reference, see "Second Tract" in Deed from Ivory Moore Hamrick (widow) to Ralph C. Clontz, Sr. and wife, Venie W., recorded in Book 2126, Page 63, Mecklenburg County Public Registry.

Third Tract

BEGINNING at a point in the center line of Beaty Street (formerly General Time Road), said point being in the southerly line of Tract 7, Map Book 15, Page 625, Mecklenburg County Public Registry, and being located S. 63°08' E. 15.0 feet from the common southern corner of Tracts 7 and 8; and running thence with the center line of Beaty Street (formerly General Time Road) the following courses and distances: (1) N. 50°03' E. 100.00 feet to a point; (2) N. 54°40' E. 100.00 feet to a point; (3) N. 57°18' E. 100.00 feet to a point; (4) N. 61°11' E. 100.00 feet to a point; (5) N. 66°02' E. 100.00 feet to a point; (6) N. 70°14' E. 100.00 feet to a point; (7) N. 73°36' E. 100.00 feet to a point; (8) N. 77°28' E. 100.00 feet to a point; (9) N. 81°18' E. 100.00 feet to a point; (10) N. 85°20' E. 100.00 feet to a point; (11) S. 89°21' E. 100.00 feet to a point; (12) S. 86°32' E. 100.00 feet to a point; (13) S. 82°13' E. 100.00 feet to a point; (14) S. 79°38' E. 100.00 feet to a point; (15) S. 74°34' E. 62.8 feet to a point; thence leaving the center line of Beaty Street and running N. 40°28' E. 91.1 feet to an old iron pipe; thence S. 49°32' E. 180.00 feet to a point in the right of way of Beaty Street; thence S. 40°28' W. 30.00 feet to a point in the center line of Beaty Street; thence S. 40°28' W. 44.1 feet to a point in the southerly margin of Beaty Street; thence S. 40°28' W., with the westerly boundary of lots 1, 2 and 3, Block A of the A.E. Armour Northside Addition as shown on a map thereof recorded in Map Book 230, Page 53, Mecklenburg County Public Registry, 167.80 feet, more or less, to an iron pipe, the western most corner of Lot 1, Block A of said subdivision; thence with the southwestern line of said Lot 1 S. 49°32' E. 175.00 feet to an iron pipe in the northeastern margin of S.R. #2408 and on or near the northern boundary of the Southern Railroad right of way; thence parallel with the center line of the Southern Railroad right of way S. 64°29' W. 81.9 feet, more or less, to a point; thence N. 29°23' W. 120.06 feet to an iron pipe; thence N. 63°08' E. 87.45 feet to the BEGINNING, containing 16,799 acres, more or less. Being a portion of the property conveyed to Ralph C. Clontz (R.C.) and wife, Venie W., in Deed recorded in Book 1724, Page 17, Mecklenburg County Public Registry, and in Deed recorded in Book 1153, Page 169, Mecklenburg County Public Registry.

RJK

EXCEPTING THEREFROM certain tract of land conveyed to Edmund A. Liles by Venie W. Clontz (widow) in Correction Deed dated June 24, 1974, recorded in Book 3729, Page 474, Mecklenburg County Public Registry, and more particularly described as follows:

BEGINNING at an iron in the southerly right of way margin of General Time Road (said road having an 80 foot wide right of way at said point), said beginning point being 41.52 feet along the said southerly right of way margin of General Time Road in a westerly direction from the intersection of the said southerly right of way margin of said road with the westerly line of the property of Lucy Katherine Thompson as described in Book 1430 at page 345 in the Mecklenburg County Public Registry; and running thence from said beginning point S. 39°00'00" W. 220.0 feet to an iron; thence N. 70°04'55" W. 124.91 feet to an iron; thence N. 39°00'00" E. 220.0 feet to an iron in the southerly right of way margin of General Time Road; thence with the southerly right of way margin of General Time Road (having an 80 foot wide right of way) and with the arc of a circular curve to the right having a radius of 970.80 feet, 125.0 feet to the point or place of beginning, and containing 0.60 acres, more or less, all according to survey made by R.B. Pharr & Associates, dated June 13, 1972, and referred to as File No. S-83-A.

Qualifications of the Appraisers

Philip S. Porter, MAI
T.B. Harris, Jr. & Associates, Inc.
1430 South Mint Street, Suite 102
Charlotte, North Carolina 28203
(704) 334-4686
FAX (704) 334-2759

EDUCATION AND CREDENTIALS

- **Appalachian State University** Boone, NC
 BS Mathematics 1995

- **Southeastern Baptist Theological Seminary** Wake Forest, NC
 Masters of Divinity 2000

- **Appraisal Education**
 - Appraisal of Self-Storage Facilities 2015
 - Appraisal of Land Subject to Ground Leases 2015
 - Appraisal of Fast Food Facilities 2015
 - Subdivision Valuation 2013
 - Forecasting Revenue 2013
 - Complex Litigation Appraisal Case Studies 2013
 - North Carolina Supervisor/Trainee 2012
 - USPAP Update 2011
 - Advanced Applications 2011
 - Advanced Sales Comparison and Cost Approaches 2010
 - Report Writing and Valuation Analysis 2010
 - Business Practices and Ethics 2009
 - General Appraiser Sales Comparison Approach 2009
 - Real Estate Finance Statistics and Valuation Modeling 2009
 - General Appraiser Market Analysis and Highest and Best Use 2008
 - General Appraiser Site Valuation and Cost Approach 2008
 - Advanced Income Capitalization 2007
 - Basic Income Capitalization 2007
 - USPAP 2007
 - Basic Appraisal Procedures 2007
 - Small Residential Income Property Appraisal 2007
 - Basic Appraisal Principles 2006

AFFILIATIONS AND ACTIVITIES

- **Licensing & Certifications**
 - North Carolina Certified General Real Estate Appraiser, Dec 2010 to present, License No. A7392

 - South Carolina Certified General Real Estate Appraiser, June 2011 to present, License No. 6832

 - NCDOT Certified General Appraiser Roster, March 2013 to present

- **Professional Affiliations**
 - Appraisal Institute, Member Account #508232

RELATED EXPERIENCE

- **T.B. Harris, Jr. & Associates, Inc.** Charlotte, North Carolina
December 2010 to Present – Staff Appraiser
- **First Appraisal Group, Inc.** Bloomington, Indiana
September 2006 to November 2010 – Staff Appraiser

APPRAISAL EXPERIENCE

A partial list of research and appraisal experience by property type or use includes:

Apartments
Single-tenant retail
Strip-centers
Neighborhood Regional and Power shopping centers
Single/Multi-tenant office
Retail fuel properties
Residential subdivisions
Industrial tracts and subdivision
Single/Multi-tenant industrial improved properties
Access and traffic flow study
Self-storage facility
Gas pipeline easements
Agricultural tracts
Single-family residential
Parking garage
Mini-lube stations
RR corridors
Sewer line easements
Places of worship
Eminent domain – acquiring agencies
Eminent domain – property owners
Mortgage lending
Litigation
Ad valorem tax appeal

CLIENTELE

A partial list of clients includes:

First National Bank
Paragon Commercial Bank
South Carolina Bank and Trust
Fifth Third Bank
City National Bank
RBC Bank
Yadkin Valley Bank & Trust
Synovus Financial Corp.
Mountain 1st Bank and Trust

City of Charlotte, NC
City of Wilmington, NC
Town of Davidson, NC
Duke Energy
CSX
Attorneys, Investors, and Individuals
Indiana Department of Transportation
North Carolina Department of Transportation
Engineering Firms
Monroe Bank
United Commerce Bank
Indiana University Credit Union
Regions Bank
Old National Bank
German American Bancorp
Indiana University
Board of Public Works for the City of Indianapolis, Indiana
City of Bloomington, Indiana
City of Terre Haute, Indiana
City of Madison (Indiana) Redevelopment Commission
Office of the Indiana Attorney General

QUALIFICATIONS OF THE APPRAISER

Thomas B. Harris, Jr., MAI, CRE®, FRICS

T.B. Harris, Jr. & Associates, Inc.
 1430 South Mint Street, Suite 102
 Charlotte, North Carolina 28203
 (704) 334-4686
 FAX (704) 334-2759
 tbh@tbharrisjr.com

EDUCATION AND CREDENTIALS

- **Duke University** Durham, North Carolina
Bachelor of Arts
- **Appraisal Institute**
MAI Designation #6464
- **Counselors of Real Estate®**
CRE® Designation #2426
- **Fellow – Royal Institution of Chartered Surveyors**
FRICS Designation #1282297
- **State Certified General Real Estate Appraiser**
North Carolina Certificate #A240
South Carolina Certificate #CG38
Georgia Certificate #001730
- **Coursework Completed: American Institute of Real Estate Appraisers**

Seminars

National USPAP Update 2016/2017	
CRE Annual Convention 2015	Charlotte, NC
CRE Annual Convention 2014	Boston, MA 2014
CRE Annual Convention 2013	San Francisco, CA, 2013
CRE Annual Convention 2012	Miami, FL, 2012
CRE Midyear Meetings 2012	Chicago, IL, 2012
CRE Annual Convention 2011	Washington, D.C., 2011
Nuts & Bolts Series #5	2010
Disruptive Demographics	2010
The Appraiser & the Site To Do Business: Location, Timing, & Demographics	Online, 2010
Introducing Valuation for Financial Reporting	Online, 2009
Dealing with Borrower Defense Strategies	Webinar, 2009
Introduction to Environmental Issues for Real Estate Appraisers	Charleston, SC, 2002
1999 Symposium – Valuation and the Evolution of the Real Estate Cap Markets	Naples, FL, 1999
Environmental Risk and the Real Estate Appraisal Process	Philadelphia, PA, 1994
Appraisers Legal Liabilities	Southern Pines, NC, 1994
Power Lines and Electro Magnetic Fields	Southern Pines, NC, 1994

Courses

Drone Technology & Its Impact on the Appraisal	Atlanta, GA, 2015
Supervisory Appraiser/Trainee Appraiser	Raleigh, NC, 2015
Introduction to Vineyard and Winery Valuation	Cary, NC, 2013
Conservation Easements and Your Taxes	Columbia, SC, 2013
Applying Assignment Conditions to Value Situation	2012
Appraising From Blueprints and Specifications	Online, 2011
Analyzing Operating Expenses	Online, 2011
Appraisal Case Law	2010
Business Practices and Ethics	Online, 2008
AQB Awareness Training for Appraisal Institute Instructors	Online, 2007
Office Building Valuation: A Contemporary Perspective	Miami, FL, 2007
Eminent Domain and Condemnation	Online, 2006
Business Practices and Ethics	Chicago, IL, 2006
Supervisors/Trainees	Charlotte, NC, 2006
Internet Search Strategies for R.E. Appraisers	Online, 2006
What Commercial Clients Would Like Appraisers to Know	Chicago, IL, 2006
Scope of Work	Online, 2006
Effective Appraisal Writing	Charlotte, NC, 2003
Analyzing Operating Expenses	Online, 2003
Introduction to Environmental Issues for R.E. Appraisers	2002
Regression Applications and Foundations	Charlotte, NC, 1998
Standards of Professional Practice A	Washington, DC, 1996
Standards of Professional Practice B	Greensboro, NC, 1996
Valuation and Report Writing	University of Colorado, 1988
Introduction to Investment Analysis	University of North Carolina, 1981
Course 2	University of Georgia, 1977
Course 1B	University of Georgia, 1976
Course 1A	University of North Carolina, 1975

- **Coursework Completed: Mingle Institute**

Courses

National USPAP Update	Charlotte, NC, 2010
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- **Real Estate Broker License**

North Carolina #31805

South Carolina #8290

AFFILIATIONS AND ACTIVITIES

- **T.B. Harris, Jr. & Associates, Inc., Real Estate Appraisers and Consultants**

Owner

- **Counselors of Real Estate (CRE)®**

Members maintain the highest standards of professional direction in the field of real estate consultation.

- **Fellow – Royal Institution of Chartered Surveyors (FRICS)**

RICS is the pre-eminent organization in the world for professionals in property, land, construction and environmental assets.

- **Appraisal Institute**

Ethics Committee, 1996-1998

Assistant Regional Member, Review and Counseling, 1992 - 1996 - Assigns and monitors committee for standards issues in the peer review process.

- **Appraisal Institute - Teaching Assignments**

Report Writing and Valuation Analysis

Tampa, FL, October 2007

Report Writing and Valuation Analysis

Boston, MA, May 2007

Appraisal Review

Charlotte, NC, January 2006

Report Writing and Valuation Analysis

San Juan, Puerto Rico, August 2005

Report Writing and Valuation Analysis

Greensboro, NC, April 2005

Report Writing and Valuation Analysis

Cleveland, OH, March 2003

Report Writing and Valuation Analysis

Greensboro, NC, June 2002

Report Writing and Valuation Analysis

Greensboro, NC, April 2000

Report Writing and Valuation Analysis

West Palm Beach, FL, August 1999

Report Writing and Valuation Analysis

Plano, TX, February 1997

Report Writing and Valuation Analysis

Georgetown University

Washington, DC, August 1996

Report Writing and Valuation Analysis

Arizona State University

Tempe, AZ, February 1994

Report Writing and Valuation Analysis

San Jose, CA, November 1994

Report Writing and Valuation Analysis

St. Louis, MO, May 1993

Case Studies in Real Estate Valuation

Atlanta Area Chapter

Atlanta, GA, August 1992

Report Writing and Valuation Analysis

University of Georgia

Athens, GA, March 1992

Report Writing and Valuation Analysis

University of Colorado

Boulder, CO, June 1990

Report Writing and Valuation Analysis

University of Georgia

Athens, GA, March 1990

- **Other Teaching Assignments**

Report Writing and Valuation

Pardue, Heid, Church, Smith & Waller, Inc.

Orlando, FL, September 1993

Instructor, Residential & General State Courses,

Market Analysis, 1989 – 1992

Mingle Institute, Charlotte, NC

- **Charlotte Appraisers Market Data Associates (CAMDA)**

President, 1989-1990

- **Urban Land Institute (ULI) Charlotte District**

Council Chairman, 2006-2008

- **Society of Real Estate Appraisers – Metrolina Chapter 121**
 President, 1984-1985; Vice President, 1983-1984; Appraiser of the Year, 1984-1985
 Young Advisory Council - 1984, 1985 and 1987
 Discussion Leader – 1985
 Delegate to National Convention - 1984
- **Memberships**
 Appraisal Institute
 Charlotte Area Metro Data Association (CAMDA)
 Charlotte Dowd YMCA Past Board of Directors
 Lake Norman YMCA – Past Chairman of the Board, Cornelius, North Carolina
 Good Fellows
 Urban Land Institute
 Counselors of Real Estate®
 Royal Institution of Chartered Surveyors

APPRAISAL AND CONSULTING PRACTICE

Practice consists of appraisal and consulting for a variety of local and national clients. Consulting assignments have ranged from market and rental studies for major commercial developments, to specific assignments involving recommendations for major banks and developers. Appraisal clients are concentrated on non-residential properties of investment grade quality. Experience also includes expert testimony for numerous clients before various courts and commissions including Eastern and Western District Bankruptcy Court, District Court, Federal Tax Court, and Superior Court.

PARTIAL LIST OF CLIENTS

Atlantic American Properties, Inc.	Kannapolis, North Carolina
Bank One	Phoenix, Arizona
Bank of America	Charlotte, North Carolina
Bank of North Carolina	Charlotte, North Carolina
Belk Store Services	Charlotte, North Carolina
Bissell Companies	Charlotte, North Carolina
Blueharbor Bank	Mooresville, North Carolina
Branch Banking & Trust	Charlotte, North Carolina
Cabarrus County	Cabarrus County, North Carolina
Carolinas HealthCare System	Charlotte, North Carolina
Catawba Lands Conservancy	Charlotte, North Carolina
Cato Corporation	Charlotte, North Carolina
Charlotte/Mecklenburg Board of Education	Charlotte, North Carolina
Chase Manhattan Bank	New York, New York
Childress-Klein Properties	Charlotte, North Carolina
Citicorp Real Estate, Inc.	Atlanta, Georgia
City of Charlotte	Charlotte, North Carolina
Coca Cola Bottling Company Consolidated	Charlotte, North Carolina
Comerica Bank	Dallas, Texas
Duke Energy Company	Charlotte, North Carolina
Entergy Power Group	The Woodlands, Texas
Federal Deposit Insurance Corporation	Atlanta, Georgia
Fifth Third Bank	Tampa, Florida
Fidelity Bank	Mooresville, North Carolina
Gould & Ratner, LLP	Chicago, Illinois
Grier Furr & Crisp, PA	Charlotte, North Carolina
Internal Revenue Service	Atlanta, Georgia

International Business Machines
Mecklenburg County
Mecklenburg County ABC Board
Metropolitan Life Company
NewDominion Bank
North Carolina Bank & Trust
North Carolina Department of Transportation
Pacific Holding Company
Pappas Properties
Paragon Commercial Bank
J. C. Penney Company
Parker, Poe, Adams & Bernstein
Phillips Petroleum Company
Lat Purser & Associates
Robinson, Bradshaw & Hinson
South Carolina Bank & Trust
South Carolina National Bank
South State Bank
Southern National Bank
Town of Fort Mill
Trammel-Crow Company
Wells Fargo
Yadkin Valley Bank & Trust
York County

Stamford, Connecticut
Charlotte, North Carolina
Charlotte, North Carolina
Charlotte, North Carolina
Charlotte, North Carolina
Columbia, South Carolina
Charlotte, North Carolina
Los Angeles, California
Charlotte, North Carolina
Charlotte, North Carolina
Dallas, Texas
Charlotte, North Carolina
Atlanta, Georgia
Charlotte, North Carolina
Charlotte, North Carolina
Columbia, South Carolina
Columbia, South Carolina
Charlotte, North Carolina
Charlotte, North Carolina
Fort Mill, South Carolina
Charlotte, North Carolina
Charlotte, North Carolina
Monroe, North Carolina
York, South Carolina