



Summary Appraisal Report

Of

48 Vacant Lots

City of Durham

As of

May 10, 2013



May 27, 2013

Mr. Shepherd Smith
Community Development Specialist
City of Durham Housing & Community Development
City of Durham
101 City Hall Plaza
Durham, NC 27701

Re: Appraisal
48 Vacant Lots
Southside Community

Dear Mr. Smith,

Pursuant to your request, Martin & Company has completed the appraisal of the above referenced property ("subject property") for the purpose of estimating the current market value of the subject property's fee simple interest.

The subject property consists of 48 vacant lots in the Southside Community. These lots are identified by address in the report.

The Sales Comparison Approach is the only approach used to support the final estimate of value. The Cost & Income approaches are not applicable for this report.

The highest and best use of the subject property is development as a single family residential lots. This conclusion is based upon the physical characteristics of the subject to included size, zoning, and location.

This Appraisal Report is made in conformity with, and subject to, requirements of the Standards of Professional Practice and Code of Professional Ethics of the Appraisal Institute, which incorporates the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. This appraisal is in compliance with the requirements of FIRREA.

Attached is my appraisal report describing my investigation and analyses, together with Certification, Basic Assumptions and Limiting Conditions, upon which I have based my opinion of the Market Value of the Fee Simple Interest of the subject property.

Based on my investigations and analyses, I have formed the opinion that the "As Is" Market Value of the Fee Simple the subject property, as of May 10, 2013, free and clear of financing, is:

\$518,300

Five Hundred Eighteen Thousand and Three Hundred Dollars

It has been a pleasure to be of service to you. I have not appraised this property during the past 3 years. Please do not hesitate to call with any questions you may have regarding my assumptions, observations or conclusion.

Sincerely,

MARTIN & COMPANY



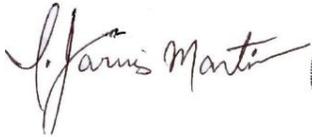
By: I Jarvis Martin, SRA
State-Certified General Appraiser, A1575

CERTIFICATE OF APPRAISAL

I. Jarvis Martin certifies that to the best of my knowledge and belief that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no personal interest with respect to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Jarvis Martin has made a personal inspection of the property that is the subject of this report.
9. No one provided significant professional assistance to the person signing this report.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
11. The Appraisal Institute conducts a program of continuing professional education for its designated members. As of the date of this report, I. Jarvis Martin has completed the requirement of the continuing education program of the Appraisal Institute.
12. Jarvis Martin has been duly certified to transact business as a Real Estate General Appraiser (North Carolina certification A1575. Jarvis Martin has not appraised this property within the past 3 years.

MARTIN & COMPANY



By: I Jarvis Martin, SRA
State-Certified General Appraiser, A1575

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and report have been prepared under the following general assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters which are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser.
2. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. All mortgages, liens and encumbrances have been disregarded unless so specified within this report.
3. The appraiser has made no legal survey nor have we commissioned one to be prepared. Therefore, reference to a sketch, plat, diagram or previous survey appearing in the report is only for the purpose of assisting the reader to visualize the property.
4. The subject property is analyzed as though under responsible ownership and competent management with adequate financial resources to operate the property within market parameters.
5. It is assumed in this analysis that there were no hidden or unapparent conditions of the property, subsoil, or structures, including hazardous waste conditions, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
6. Information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. Some information contained within this report may have been provided by the owner of the property, or by persons in the employ of the owner. Neither the appraiser nor Martin & Company shall be responsible for the accuracy or completeness of such information. Should there be any material error in the information provided to or obtained by the appraiser; the results of this report are subject to review and revision.
7. The appraiser assumes that no hazardous wastes exist on or in the subject property unless otherwise stated in this report. The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the subject property. The appraiser however, is not qualified to detect such substances or detrimental environmental conditions. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The value estimate rendered in this report is predicated upon the assumption that there is no such material on or affecting the property which would cause a diminution in value. No responsibility is assumed by the appraiser for any such conditions, or for any expertise or environmental engineering knowledge required to discover same. The client is urged to retain an expert in this field if so desired.
8. The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The physical condition of the improvements is based upon a visual inspection of the premises; Martin & Company assumes no responsibility for the soundness the property's structural or mechanical systems and components. We accept no responsibility for considerations requiring expertise in other professional fields. Such considerations include, but are not limited to, soils and seismic stability, civil, mechanical, electrical, structural and other engineering and environmental matters.
9. It is assumed that there is full compliance with all applicable federal, state, and local land use laws and environmental regulations and unless non-compliance is noted, described, and considered herein.
10. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and/or analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more elements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject property.

11. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.
12. Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or to be in attendance in court with reference to the property that is the subject of this report.
13. Unless otherwise noted, this appraisal has not given any specific consideration to the contributory or separate value of any mineral and/or timber rights associated with the subject real estate.
14. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the Appraisal Institute.
15. This appraisal has been made subject to current market terms of financing. The opinion of value is valid only as of the date of appraisal. Any changes that take place either within the property or the market subsequent to that date of value can have a significant impact on value.
16. Forecasted income and expenses that may be contained within this report may be based upon lease summaries and operating expense statements provided by the owner or third parties. Martin & Company assumes no responsibility for the authenticity or completeness of such data.
17. This report is intended to be used in its entirety; if not presented in its entirety, the conclusions presented herein may be misleading. No part of this report may be used in conjunction with any other appraisal.
18. This appraisal report has been prepared for the exclusive benefit of the addressee (the client), its successors and/or assigns. It may not be used or relied upon by any other party. Any other parties who use or rely upon any information in this report without our written consent do so at their own risk. Any person or entity not authorized by Martin & Company in writing to use or rely this report, agrees to indemnify and hold Martin & Company and its respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys fees, incurred in conjunction with defending any claim arising from or in any way connected to the use of, or reliance upon, the report by any such unauthorized person or entity.

Extraordinary Assumptions

An extraordinary assumption is defined as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

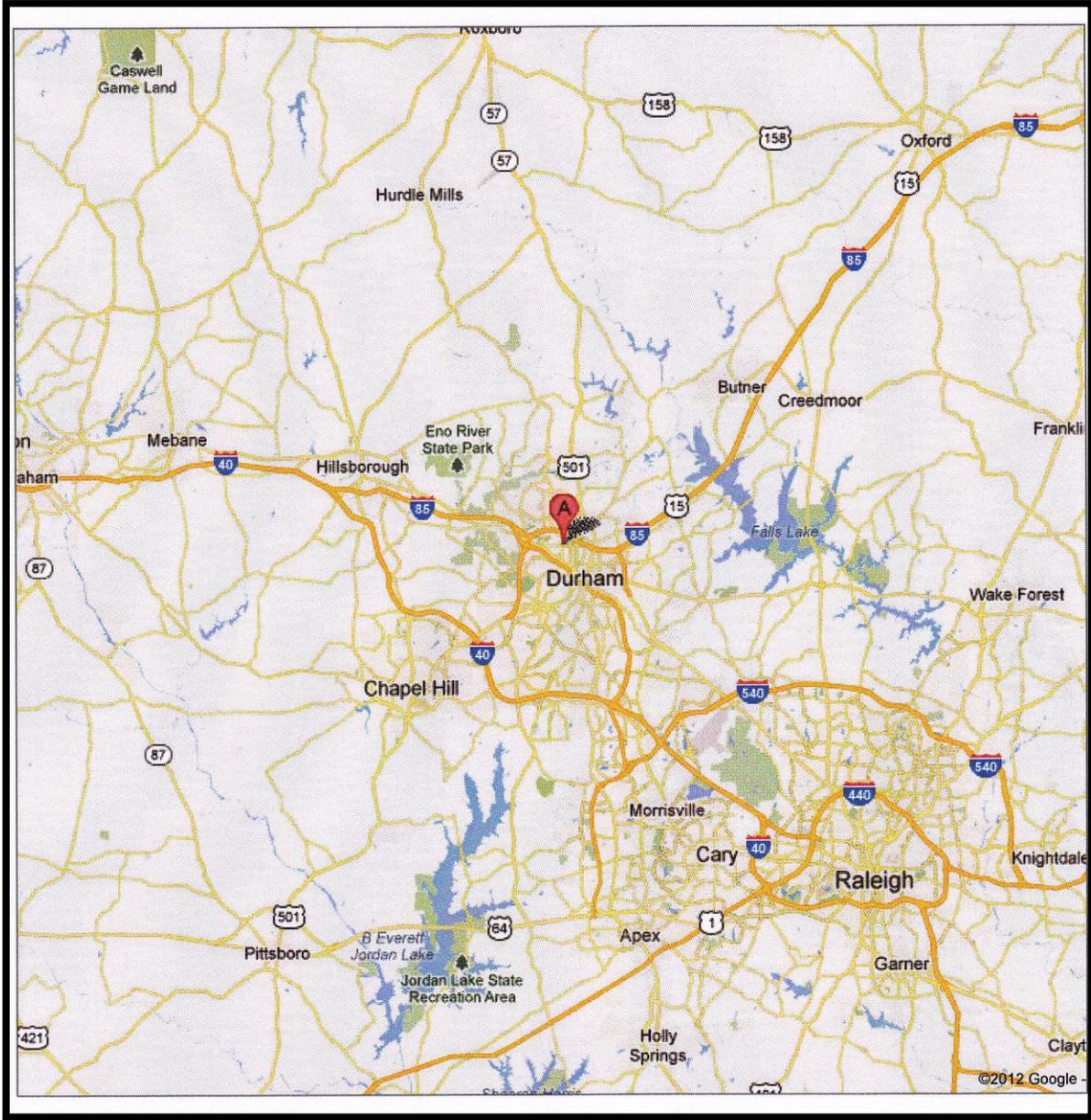
This appraisal employs no extraordinary assumptions.

Hypothetical Conditions

A hypothetical condition is defined as that which is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in an analysis.

This appraisal employs no hypothetical conditions.

REGIONAL LOCATION MAP



Source: Google Maps

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

<i>Property Address</i>	48 Vacant Lots – Southside Community Durham, North Carolina 27707
<i>Date of Value</i>	May 10, 2013
<i>Parcel Reference No.</i>	Various
<i>Site Size</i>	Various Sizes
<i>Census Tract</i>	
<i>Zoning Data</i>	The subject property is zoned within the Residential RU-5 (2) District
<i>Improvements</i>	None
<i>Purpose of Appraisal</i>	The purpose of the appraisal is to estimate the Market Value of the Fee Simple Interest of the subject property, for future sale.
<i>Highest and Best Use As Vacant</i>	Single Family Residential Development

VALUE CONCLUSION

Sales Comparison Approach	\$518,300
CONCLUDED VALUE	\$518,300
EXPOSURE TIME	3 MONTHS
MARKETING TIME	12-18 MONTHS

PREMISES OF THE APPRAISAL

Identification of the

Subject Property

The subject property consists of a 48 vacant lots in the Southside Community.

Purpose, Intended Use, Use and

Scope of the Appraisal

The purpose of the appraisal is to estimate the Market Value of the Fee Simple Interest in the subject property, free and clear of financing, as of May 10, 2013. This is a summary appraisal presented in a summary report. It is intended to comply with reporting requirements set forth under the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and also complies with FIRREA. The intended use of this report is to aid with future negotiation in regards to selling these lots

The Intended User of this report is City of Durham.. This is the only Intended User of this report.

The scope of the analysis and presentation herein is considered to be appropriate to the intended use of this report.

As part of this appraisal, we have conducted research and analyses. In our appraisal of the subject property, we have:

- Inspected the subject property and its environs;
- Reviewed demographic and economic trends pertaining to the neighborhood market in which the subject property is located;
- Conducted research and analysis with respect to the applicable zoning code requirements and flood zone status;
- Analyzed the data collected and processed it utilizing appropriate appraisal methodology and technique;
- Reconciled the indicated applicable approaches to value to a value conclusion; and
- Estimated a reasonable exposure and marketing period appropriate to the concluded value estimate.

Date of Value

The subject property is appraised as of May 10, 2013, the date the subject property was inspected by Martin & Company.

*Property Rights
Appraised*

The subject property is appraised on the basis of a Fee Simple basis, free and clear of financing. Fee Simple Interest is defined by the Appraisal Institute in *The Dictionary of Real Estate Appraisal, Fourth Edition*, Appraisal Institute, Chicago, IL, 2002, Page 113 as:

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

*Definition of
Market Value*

The definition of "Market Value", as defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows:

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

1. Buyer and seller are typically motivated;

2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Definition of
Exposure Time*

Exposure time is defined by the Standards of Professional Appraisal practice of the Appraisal Institute, Statement on Appraisal Standards No. 6, printed 1/95 as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure Period

According to the previously noted definition of value, the property must be allowed a reasonable time to be exposed in the open market to achieve the appraised value. Historically, buyers and sellers of income producing real estate have assumed a maximum 12-month period between offering the property for sale and closing. Consequently, appraisers have valued property assuming their sale within 12-18 months.

Review of transfer records suggests that there is adequate activity to confirm the presence of an active buyers market for vacant residential lots. Market activity suggests that there is a demand for properties such as the subject property and that conventional financing is available. Our appraisal of the subject property reveals no factors that would reasonably suggest that the subject property is not marketable.

Accordingly, we believe, that if exposed to the market for a reasonable period of time prior to the effective date of this appraisal, which we consider to be 3 months, the subject property would transfer at an appropriate price (that is to say, the appraised value). We acknowledge that in appraising the property to sell within 12-18 months, we must place most emphasis on the buyer's expectations and yield requirements.

Marketing Period

Marketing time is defined by the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fourth Edition, Appraisal Institute, Chicago, IL, 2003, as:

"The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal."

Our appraisal of the subject property reveals no factors that would reasonably suggest that the subject property is not marketable. Based upon the subject property's location and tenancy, the subject property would attract significant buyers interest if offered on the market. Based upon the current weakness of the local real estate markets, we have estimated a marketing period of 12-18 months.

*Sales History
of the Subject Property*

Area A – Lots 1-13 South Street

These lots are owned by the City of Durham and Self Help Ventures Fund. These lots were acquired from various property owners from 2008 thru October 2012

Area B – Lots 14-29 W. Piedmont Avenue & South Street

These lots are owned by the City of Durham and Self Help Ventures Fund. These lots were acquired from various property owners from 2008 thru October 2012.

Area C – Lots 30-36 Hillside Avenue & Chestnut Street

These lots are owned by the City of Durham and Self Help Ventures Fund. These lots were acquired from various property owners from 2008 thru October 2012.

Area D – Lots 37-48 Hillside Avenue
These lots are owned by the City of Durham and Self Help Ventures Fund. These lots were acquired from various property owners from 2008 thru October 2012.

NEIGHBORHOOD DATA

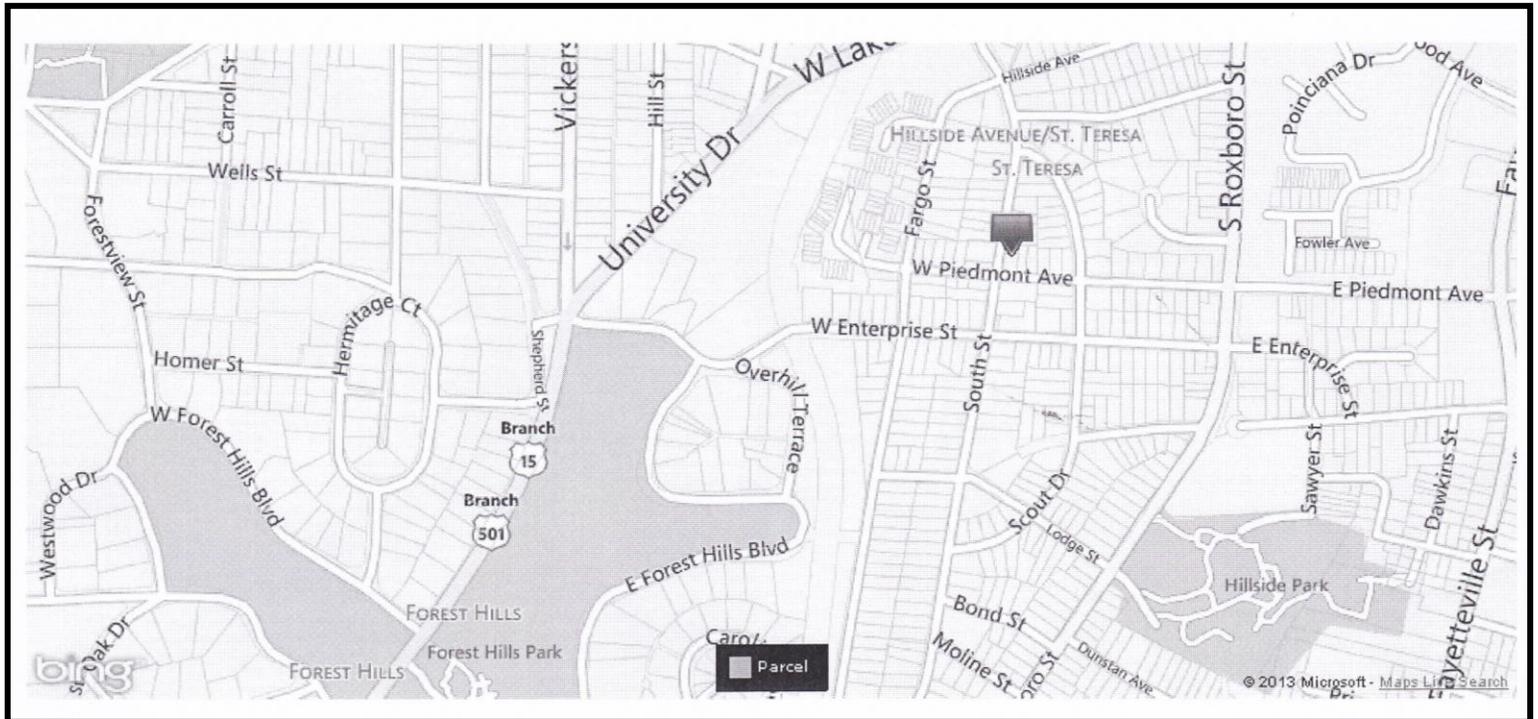
The Southside Community is considered the area in south central Durham that is bordered by University Drive on the west, W. Lakewood Avenue to the north and South, Roxboro Street to the east and south.

The area is convenient to Downtown Durham, America Tobacco Campus, North Carolina Central University and Highway 147. South Street is a major traffic artery thru this area for north/south travel,. Enterprise Street is the traffic artery for east/west travel.

Over the past several years Self Help Credit and the City of Durham have been land banking property in this area. The recent economic turndown had a major negative impact on this area in terms of abandon and foreclosed homes, board up properties and increase in vacancy rates. Market sales of properties and vacant lots have been very weak during the past several years. During the past 12 months, the median sales price of homes in this area was \$33,000 with 107 market days. The number of home owners have been decreasing along with the median income of the residents and number of residents in this area.

The current primary demand for property in the Southside community is from investors and tenants of low income rental units. The City of Durham and Self Help Credit Union have a redevelopment plan to increase homeownership assist in the renovation of the remaining owner occupied homes and assist investors to improve their properties. This program along with the redevelopment of Rolling Hills and Whitted School will aid in improving the appearance and market demand for this area.

NEIGHBORHOOD MAP



SITE DESCRIPTION

The subject consist of a total of 48 vacant lots in the Southside Revitalization Project area of Durham, NC These lots have been divided into four areas.

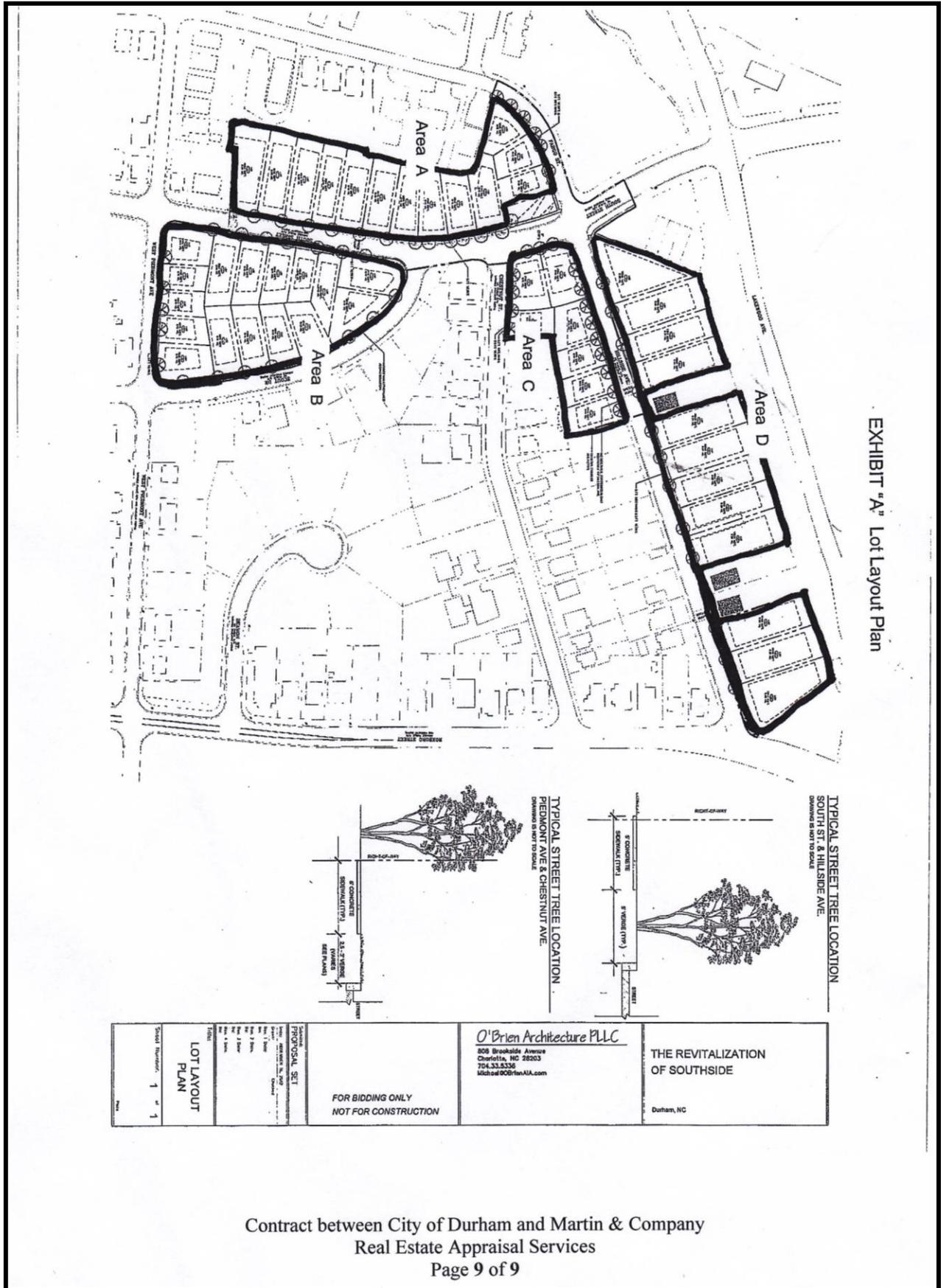
Area A – Consist of lot numbers 1-13 on South Street. These lots are above road grade and range in size form 4,738 sf or .11 acre to 10,059 sf or .23 acre. Most lots are rectangular in shape. (see map for more details)

Area B – Consist of lot numbers 14-29 on W. Piedmont Avenue and Scout Street. The lots are above road grade and range in size from 4,442 sf or .10 acre to 7,119 sf or .16 acre.

Area C – Consist of lot numbers 30-36 on Hillside Avenue and Chestnut streets. These lots are above road grade and range in size from 4,320 sf or .10 ac to 6,637 sf or .15 ac.

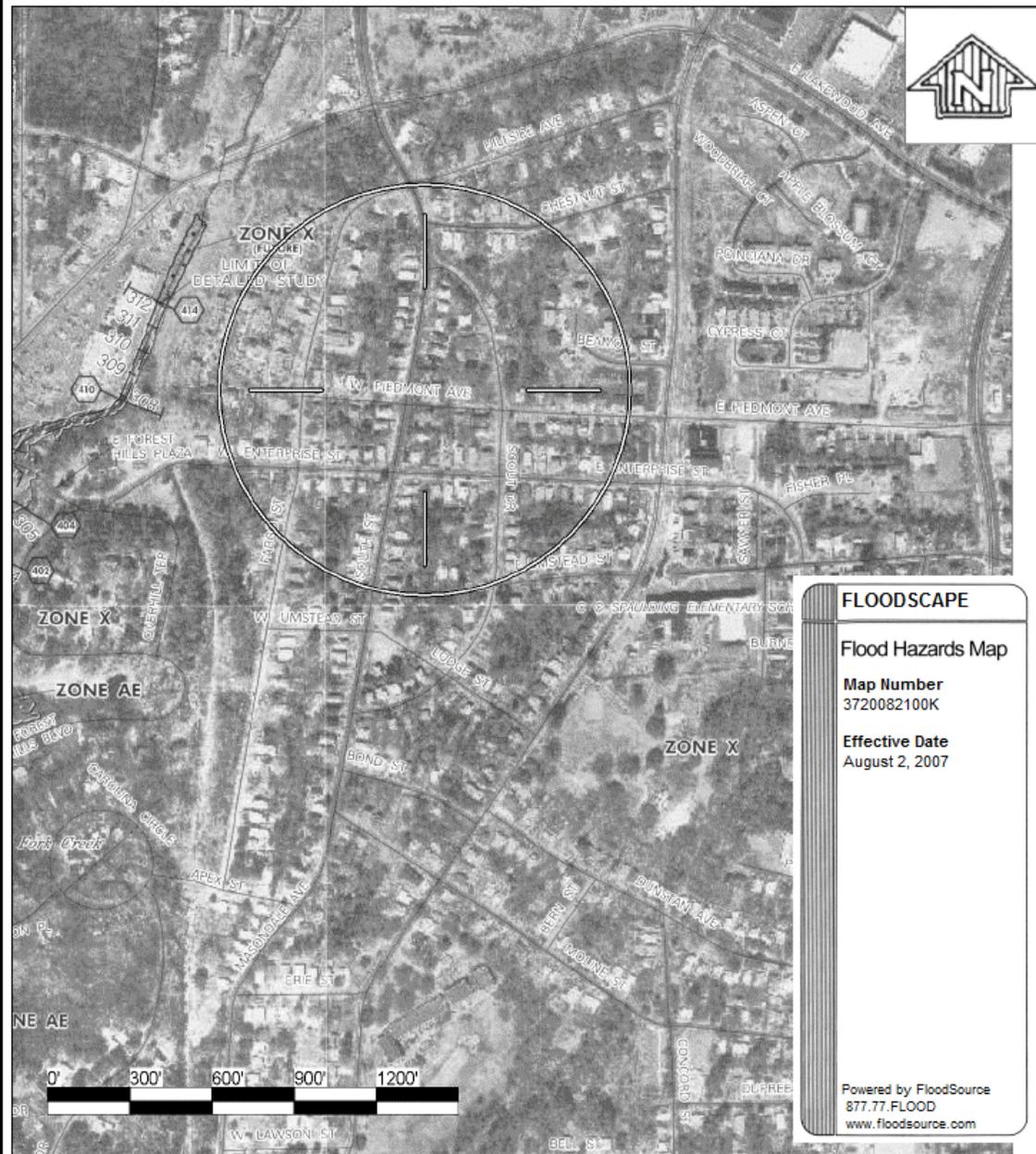
Area D – Consist of lot number 37-48 on Hillside Avenue. These lots are below road grade and range in size from 9,223 sf or .21 ac to 11,722 sf 04 .27 ac.

All lots will have some grading work done to improve topography for construction and drainage. The current inground utility service lines in some areas will be replaced due to age and condition, the existing streets will be resurfaced. These lots will have easy access to all public utilities, such as water, sewer, gas, electrical, phone, cable, internet and on paved public maintained streets. These lots are not in the 100 year flood plain.





Prepared for:
Martin & Company
112 W Piedmont Ave
Durham, NC 27707

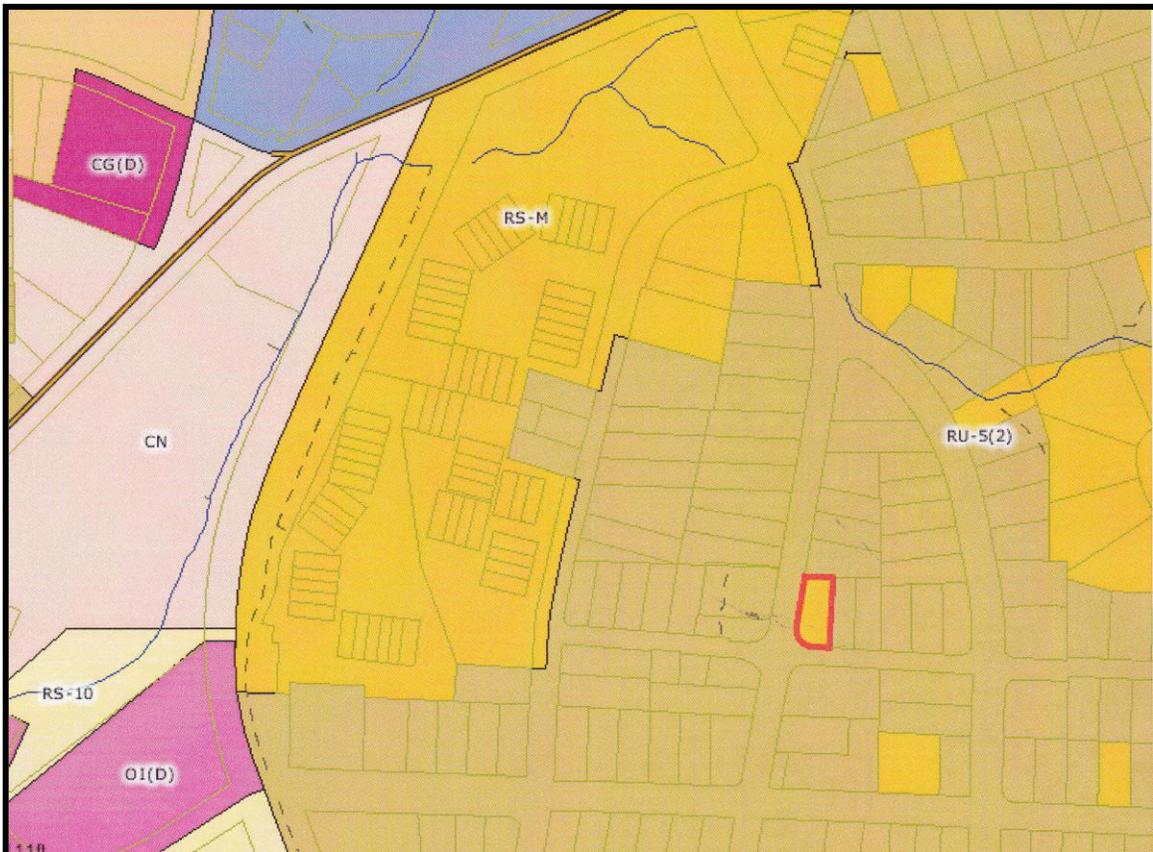


ZONING

The current zoning for this area is RU-5(2) residential. The zoning will permit the development of one to two units of residential homes depending on the size and front of the lot.

Current zoning permits construction of a minimum lot 4,250 square feet in size with a minimum of 45 feet of frontage. There must be a minimum of 20 feet of front yard, 25 feet of rear yard, minimum of 6 feet of side yard with a total minimum side yard of 15 feet.

ZONING MAP



TAXES

All 48 lots are currently owned by the City of Durham or Self Help Credit Union. The city pays no taxes on property it owns and Self Help Credit is a non-profit corporation and pays no property taxes.

A check of these properties indicated tax values with a wide range. Several properties were improved on 1/1/13 and are tax as improved properties with value over \$150,000. The typical vacant lot has a tax value that range from \$10,000 to \$15,000.

HIGHEST AND BEST USE

Highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

An estimation of highest and best use takes into account the prior discussion on current zoning, local market demand for vacant land, involvement of local government policy to assist in the redevelopment of the area and any potential change in use. The criteria for highest and best use are addressed as follows:

Legally Permissible: The current zoning is residential RU-5 (2), single family and duplex units. This use is consistent with existing and future use maps per planning department and consistent with proposed redevelopment plans for the area.

Physically Possible: The physical features of the land are adequate and suited for residential development, which is legally permitted use.

Appropriately Supported – The property has street frontage, public access, and available to all public utilities, to support residential development.

Financial Feasibility of the permitted uses, residential development is most feasible.

Summary: Based upon the above facts and condition, single family residential development is the Highest and Best Use.

THE APPRAISAL PROCESS

Introduction

There are three traditional approaches that can be employed in establishing the market value of the subject property. These approaches and their applicability to the scope of this assignment are summarized below.

The Sales Comparison Approach

Using the Sales Comparison Approach, the property value is estimated by comparing the subject property to similar, nearby properties, which have recently sold. Inherent in this approach is the principle of substitution which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. Essentially the

procedure is to gather bona fide, recent arm's length transactions of comparable properties and to compare the most important characteristics of the sales to the subject property. Adjustments are then made from the comparable properties to the subject property for differences such as location, date of sale, terms of financing, and physical characteristics. Obtaining data with a high degree of comparability is most important when this technique is utilized. The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and extent of adjustment necessary for differences, and the absence of non-typical conditions affecting the individual sales price. A Sales Comparison Approach has been included in this report.

The Income Capitalization Approach

The theory of the Income Capitalization Approach is based on the premise that a value indication for a property may be derived through conversion of anticipated benefits into a present value. Anticipated benefits include the present value of the net income and present value of the net proceeds resulting from the re-sale of the property. There are 2 methods that may be utilized in order to accomplish this: (1) direct capitalization of the first year's income by an overall capitalization rate, and (2) the discounted cash flow in which the annual cash flows and reversionary value are discounted to a present value for the remainder of its productive life or over a reasonable holding (ownership) period.

The subject is vacant lots and the income approach is not applicable.

The Cost Approach

In the Cost Approach, the costs associated with replacing the proposed improvements are examined. This approach is based on the premise that buyers tend to judge the value of an existing structure by comparing it to the value of a newly constructed building with optimal functional utility. This approach is most meaningful in the valuation of the Fee Simple Interest of new or special use properties where little, if any, depreciation has accrued and there is no division of interest. The subject building is vacant land therefore, the Cost Approach is not considered a good indicator of value. As such, a Cost Approach has not been conducted.

Reconciliation

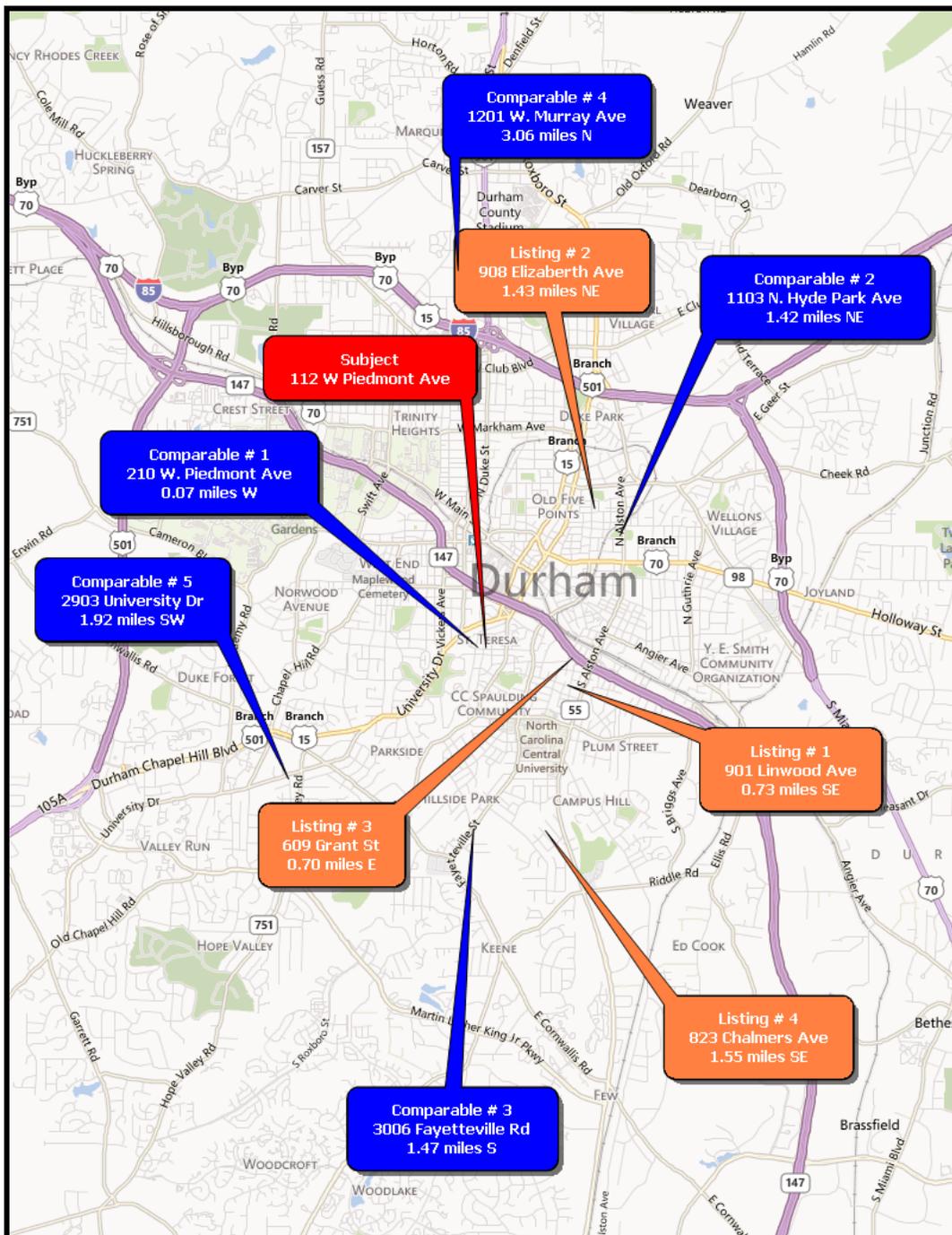
The final step in the appraisal process is to reconcile the various value indications into a single final estimate. Each approach is reviewed in order to determine its appropriateness relative to the subject. The accuracy of the data available and the quantity of evidence are weighed in each approach. The resulting estimate represents the subject property's Market Value.

Sales Analysis

Comparable market sales and competitive listing will be used to provide an estimate of market value for the subject.

These closed sales and active listings are located in neighborhood similar and superior to the subject. These comparables are similar in terms of size, zoning, neighborhood price, age, & size homes, and overall utility.

LOCATION MAP



CLOSED SALES – Comparable Land Sales

COMPARISON	SALE#1	SALE #2	SALE #3	SALE #4	SALE #5
Location	210 W. Piedmont Ave	1103 N. Hyde Park	3906 Fayetteville St	1201 W. Murray Ave	2903 University Dr
Sales Price	\$6,000	\$8,000	\$14,000	\$10,000	\$32,700
App./Sales Date	12/24/12	04/10/13	05/16/13	05/23/02	06/31/12
Size-Sq. Ft.	4,530	4,792	7,405	6,979	19,602
Frontage Feet	42	46	50	50	100
Topography	Sloping	Level	Level	Level	Level
Utilities	All	All	All	All	All
Zoning	RU-5	RU-5	RU-5	RU-5	R-10
Shape	Rect	Rect	Rect	Rect	Rect

ADJUSTMENT	SALE #1	SALE #2	SALE# 3	SALE#4	Sales # 5
Sales Price/SF	\$1.33	1.67	1.89	1.43	1.67
Property Rights Conveyed	-	-	-	-	-
Adjusted Sale Price/SF	\$1.33	1.67	1.89	1.43	1.67
Financing	-	-	-	-	-
Adjusted Sale Price/SF	\$1.33	1.67	1.89	1.43	1.67
Condition of Sale	-	-	-	-	-
Adjusted Sale Price/SF	\$1.33	1.67	1.89	1.43	1.67
Market Conditions/Time	-	-	-	-	-
Adjusted Sale Price/SF	\$1.33	1.67	1.89	1.43	1.67
Location	-	-	-.15	-.15	-.15
Size	-	-	-	-	-
Frontage/Access	-	-	-	-	-
Topography	-	-	-	-	-
Zoning	-	-	-	-	-
Utilities	-	-	-	-	-
Net Adjustment	-	-	-	-.15	-.15
Adjusted Sale Price per Square Feet	\$1.33	\$1.67	\$1.60	\$1.22	\$1.42

- Sale 1 This comparable is from the subject's immediate area and is similar in size, topography, zoning, and no market adjustment is warranted.
- Sale 2 This comparable is from a nearby neighborhood and is similar in size, topography, zoning, and no market adjustment is warranted.
- Sale 3 This comparable was a REO sale. It is on Fayetteville Street near Cornwallis Road and the Lowe's Shopping center. Comparable sale in terms of size, zoning, and topography, but warrants a downward adjustment for better location.
- Sale 4 This comparable is north of I-85 near the Museum of Life and Science. This comparable has a better residential location and warrants a downward adjustment similar size, zoning and topography.
- Sale 5 This comparable is southwest of the subject near South Square area & Hope Valley Road. This is a better residential location and warrants a downward adjustment. This sale is similar in terms of size, zoning, and topography.

The purpose of this appraisal report is to provide an estimate of value for the future sale of these lots. Since these lots must compete with current active listings a sales analysis is completed using comparable active listings. (See following chart)

ACTIVE LISTINGS – Comparable Land Sales

COMPARISON	LISTING#1	LISTING #2	LISTING #3	LISTING #4
Location	901 Linwood Ave	908 Elizabeth St	609 Grant St	823 Chalmers Ave
Sales Price	\$9,990	\$12,500	\$15,900	\$12,000
Days on Market	342	264	243	114
Size-Sq. Ft.	4,966	5,277	5,401	9,148
Frontage Feet	50	42	44	50
Topography	Sloping	Level	Level	Level
Utilities	All	All	All	All
Zoning	Ru-5	Ru-5	Ru-5	Ru-5
Shape	Rect	Rect	Rect	Rect

ADJUSTMENT	LISTING #1	LISTING #2	LISTING# 3	LISTING#4
Sales Price/SF	\$2.01	\$2.39	\$2.96	\$1.31
Property Rights Conveyed	-	-	-	-
Adjusted Sale Price/SF	\$2.01	\$2.39	\$2.96	\$1.31
Financing	-	-	-	-
Adjusted Sale Price/SF	\$2.01	\$2.39	\$2.96	\$1.31
Condition of Sale	-	-	-	-
Adjusted Sale Price/SF	\$2.01	\$2.39	\$2.96	\$1.31
Market Conditions/Time	-.20	-.20	-.35	-
Adjusted Sale Price/SF	\$1.61	\$1.91	\$1.92	\$1.31
Location	-	-	-	-.15
Size	-	-	-	-
Frontage/Access	-	-	-	-
Topography	-	-	-	-
Zoning	-	-	-	-
Utilities	-	-	-	-
Net Adjustment	-.20	-.20	-.35	-.15
Adjusted Sale Price per Square Feet	\$1.61	\$1.91	\$1.92	\$1.12

- Listing 1 - Comparable lot from the subject's immediate market area. Market days over 342, a downward adjustment warranted for time. This price is not acceptable to the general market.
- Listing 2 - Comparable lot from a nearby neighborhood with similar market conditions. A downward market time adjustment is warranted due to days on market.
- Listing 3 - Comparable lot from the subject's market area. Downward market condition adjustment or time.
- Listing 4 - Comparable lot from a nearby area with better market appeal due to existing housing stock. A downward location adjustment is warranted.

SUMMARY OF SALES

Comparison Approach and Final Estimate of Value

The five closed sales have an unadjusted sales price per sq. ft. that range from \$1.33 to \$1.94. The adjusted price per sq. ft. range from 1.22 to \$1.67 per square feet.

The four active listings have an unadjusted list price that range from \$1.31 to \$2.96. The adjusted list price range from \$1.12 to \$1.92 per square feet. Three of these four active listings have been on the market for over 240 days. The market for residential vacant lot has been slow over the past 2-3 years due to the weak demand and the lack of bank financing. This market is beginning to improve over the past 6-12 months due to increase demand for new home construction and the ability to access bank financing. This increased demand has come from areas with higher price existing homes and greater overall market demand. Market active within the Southside Community is still very weak.

Based on these five closed sales and four active listings, the subject lots in my opinion have a market value on a per square feet in the range from \$1.25 for lots with topography below road grade to \$1.65 for lots at or above grade.

FINAL ESTIMATE OF VALUE

Area A Lots 1-13 South Street- These lots are at or above grade with good street front. A per square foot value of \$1.65 is selected:

<i>Lot Number</i>	<i>Size</i>	<i>Price Per SF</i>	<i>Amount</i>	<i>Rounded</i>
1	10,059	\$1.65	\$16,597	\$16,600
2	8,375	\$1.65	\$13,818	\$13,800
3	8,260	\$1.65	\$13,629	\$13,600
4	6,835	\$1.65	\$11,277	\$11,300
5	7,697	\$1.65	\$12,700	\$12,700
6	7,408	\$1.65	\$12,223	\$12,200
7	6,373	\$1.65	\$10,515	\$10,500
8	6,266	\$1.65	\$10,339	\$10,300
9	6,446	\$1.65	\$10,635	\$10,600
10	6,763	\$1.65	\$11,158	\$11,200
11	4,994	\$1.65	\$8,240	\$8,200
12	4,735	\$1.65	\$7,817	\$7,800
13	8,673	\$1.65	\$14,310	\$14,300
Total Value	13 Lots	Area A		\$153,100

Area B Lots 14-29 – These lots are above grade with a gentle slope. There are several existing older homes or duplexes across the street; a value of \$1.50 per square feet is selected.

<i>Lot Number</i>	<i>Size</i>	<i>Price Per SF</i>	<i>Amount</i>	<i>Rounded</i>
14	6,518	\$1.50	\$9,777	\$9,800
15	4,442	\$1.50	\$6,663	\$6,700
16	4,366	\$1.50	\$6,549	\$6,500
17	5,213	\$1.50	\$7,820	\$7,800
18	7,520	\$1.50	\$11,280	\$11,300
19	7,057	\$1.50	\$10,585	\$10,600
20	6,817	\$1.50	\$10,225	\$10,200
21	6,546	\$1.50	\$9,819	\$9,800
22	6,388	\$1.50	\$9,582	\$9,600
23	5,948	\$1.50	\$8,922	\$8,900
24	6,010	\$1.50	\$9,015	\$9,000
24	4,539	\$1.50	\$6,808	\$6,800
26	5,778	\$1.50	\$8,667	\$8,700
27	5,679	\$1.50	\$8,518	\$8,500
28	7,119	\$1.50	\$10,678	\$10,700
29	6,930	\$1.50	\$10,395	\$10,400
Total Value	14-29 Lots	Area B		\$145,300

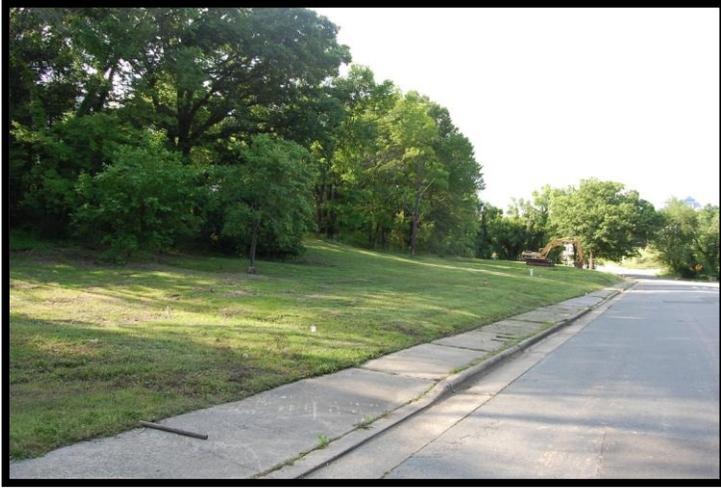
Area C – Lots 30-36. These are above grade lots along Hillside Street where several older existing homes will remain; a value of \$1.50 per square feet is selected.

<i>Lot Number</i>	<i>Size</i>	<i>Price Per SF</i>	<i>Amount</i>	<i>Rounded</i>
30	6,701	\$1.50	\$10,051	\$10,000
31	4,320	\$1.50	\$6,480	\$6,500
32	6,637	\$1.50	\$9,955	\$10,000
33	6,104	\$1.50	\$9,156	\$9,200
34	4,921	\$1.50	\$7,382	\$7,400
35	5,413	\$1.50	\$8,119	\$8,200
36	5,449	\$1.50	\$8,174	\$8,200
<i>Total Value</i>	<i>30-36 Lots</i>	<i>Area C</i>		<i>\$59,500</i>

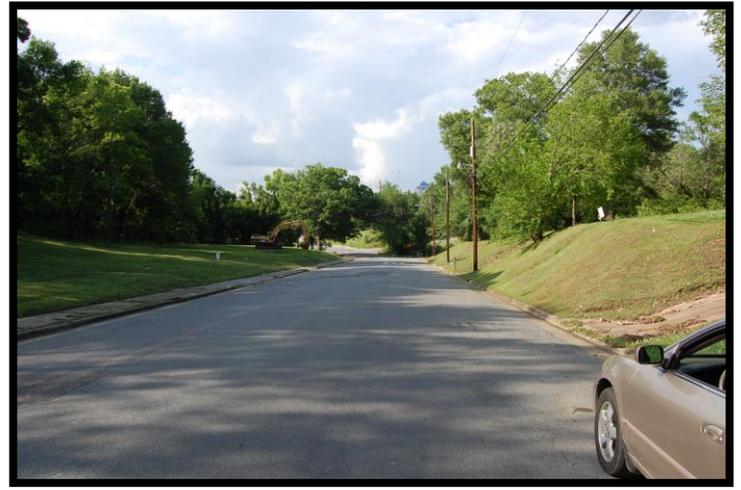
Area D – Hillside Avenue – Lots 37-48 These lots are typically sloping below grade and are on a street with several older existing homes. A value of \$1.25 per square feet is selected.

<i>Lot Number</i>	<i>Size</i>	<i>Price Per SF</i>	<i>Amount</i>	<i>Rounded</i>
37	11,722	\$1.25	\$14,652	\$14,600
38	10,747	\$1.25	\$13,434	\$13,400
39	9,223	\$1.25	\$11,529	\$11,500
40	10,442	\$1.25	\$13,052	\$13,000
41	10,447	\$1.25	\$13,087	\$13,000
42	10,153	\$1.25	\$12,691	\$12,700
43	9,477	\$1.25	\$11,846	\$11,800
44	9,489	\$1.25	\$11,861	\$11,900
45	11,852	\$1.25	\$14,815	\$14,800
46	10,980	\$1.25	\$13,725	\$13,700
47	11,010	\$1.25	\$13,762	\$13,800
48	12,925	\$1.25	\$16,152	\$16,200
<i>Total Value</i>	<i>37-48 Lots</i>	<i>Area D</i>		<i>\$160,400</i>

ADDENDUM



Area A – South St. –Lots



View South Street



Area B- W. Piedmont & Scout Dr.-Lots



Houses Along South Street



Street View Scout Drive



W. Piedmont Street View



Hillside Street View



Above Grade Lots Hillside St



Lots Below Road Grade – Hillside Street



Lots Below Road Grade – Hillside Street



Lots Below Road Grade- Hillside Street



Housing on Hillside Street