

*A Neighborhood Compatibility Study
concerning the proposed*

Fearrington Place Re-Zoning Affect upon Neighboring Values

located at:

The Northwest Corner
of
NC Hwy 15/501 & Morris Road
Pittsboro, North Carolina 27312

Prepared for:

Mr. Jesse Fearrington
Property Owner

Nicolas P. Robinson
Bradshaw & Robinson, LLP
128 Hillsboro Street
Pittsboro, NC 27312

To be presented to:

The Chatham County Board of Commissioners
The Chatham County Planning Department
representing the
People of Chatham County, North Carolina

Prepared by:

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as of the effective date being:

May 7, 2006

As written this:

May 10, 2006

May 10, 2006

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Chatham County Board of Commissioners
Chatham County Planning Department
representing the
People of Chatham County

Subject: **Ferrington Place Re-Zoning**
Neighborhood Compatibility Study - Impact Upon Neighboring Property Values

Dear Sirs and Madames:

Per Mr. Nicolas P. Robinson's request, I have memorialized my opinions concerning the likely impact of the Ferrington Place re-zoning and subsequent retail facility development on neighboring residential property values within the enclosed report.

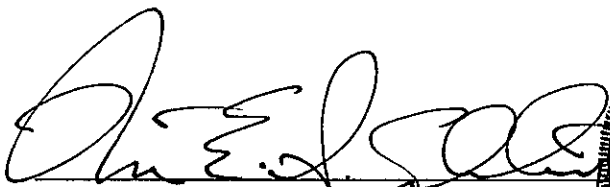
Please note that my research and analyzes have focused upon matters identified under "Finding #3" of the Chatham County Zoning Ordinance. Specifically, the question is posed as to whether the proposed development would negatively impact the market values of neighboring and nearby residential properties.

Based upon the subject property being developed in accordance with the site plans and development specifications presented within the owner's re-zoning submission package, (utilizing alternate vehicular entry between out-lots 3 and 4), there is no evidence to conclude that neighboring and nearby residential property values will be adversely affected by the proposed development.

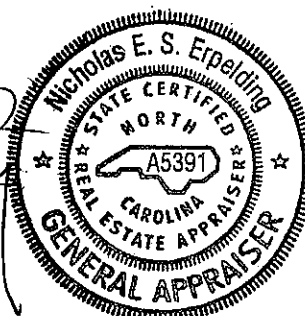
Such a conclusion is supported by; 1). numerous detailed appraisal studies of similar situations that are published in reputable appraisal journals; 2). contemporary urban planning and residential development design practices, and; 3). a Chatham County specific analysis of residential property values that are similarly located within proximity to a large-scale retail development.

The enclosed report presents an overview of the general information considered, as well as my location specific analyzes performed in developing my opinion.

Sincerely,



Nicholas E. S. Erpelding
NC Certified General Appraiser, License No.: A-5391



Summary of Important Facts and Conclusions

Ferrington Place Re-Zoning / Affect Upon Neighboring Values

Based upon the subject property being developed in accordance with the site plans and development specifications presented within the owner’s re-zoning submission package, (utilizing alternate vehicular entry between out-lots 3 and 4), there is no evidence to conclude that neighboring and nearby residential property values will be adversely affected by the proposed development.

Such a conclusion is supported by; 1). numerous detailed appraisal studies of similar situations that are published in reputable appraisal journals; 2). contemporary urban planning and residential development design practices, and; 3). a Chatham County specific analysis of residential property values that are similarly located within proximity to a large-scale retail development.

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Report Introduction**Identification of Problem:**

General Problem: Finding #3 of the Chatham County Zoning Ordinance requires that “The requested permit will not impair the integrity or character of the surrounding or adjoining districts, and will not be detrimental to the health, safety, or welfare of the community.”

General Question: Would/will the development of the contemplated retail center impair the integrity or character of surrounding and/or adjoining districts?

Would/will the development of the contemplated retail center be detrimental to the health, safety, welfare of the community.

Specific Problem: The analyzes performed are limited to include the economic impact of the proposed development upon neighboring residential properties. [Given the retail character of the proposed development, it is assumed that the subject will not pose a health or safety risk to nearby properties.]

Identification of Solution Sought:

Unlike an appraisal analysis, the solution sought is not a specific opinion of market value. As such, the analyzes performed, and this report in total, is not to be considered as an appraisal of the subject property or neighboring properties.

Concerning the problem at hand, the investigation and analyzes are limited to ascertaining the affect of the new retail center contemplated for development on the east portion of the ±29.6 acre site relative to surrounding residential property values.

Purpose of this Analysis:

The purpose of the analyzes performed is to arrive at an opinion concerning the likely impact of the retail development upon neighboring property values.

Intended User:

Immediate: The client is identified as Mr. Jesse Farrington, owner of the subject property, and his attorney Mr. Nicolas P. Robinson. Mr. Robinson is attorney and partner of the Bradshaw & Robinson, LLP law firm located in Pittsboro, NC.

Extended: The extended intended user of this report includes the Chatham County Board of Commissioners, as well as the people of Chatham County.

Intended Use:

This report has been prepared to assist the Chatham County Board of Commissioners in considering the economic impact of the contemplated development upon neighboring properties within the subject’s immediate vicinity. [Specific problem identified above.]

Effective Date of Analyzes:

Property and neighborhood have been observed on countless occasions over previous years. A drive through the neighborhoods was initially performed for this analysis by appraiser on Thursday, April 20, 2006.

The most recent observations were made during the afternoon of Sunday, May 7, 2006. Given that May 7, 2006 represents the most recent date of observation, May 7, 2006 is the effective date of this report.

Appraiser's Competence/ Independence: Nicholas Erpelding is certified as a certified general real estate appraiser in the State of North Carolina, License A-5391. An overview of experience and qualifications is presented near the end of this report.

The author of the analyzes and opinions presented herein are from a real estate appraiser serving in his capacity as an independent third party. He has not previously or presently served as a consultant. Payment for services rendered has not / will not be based upon arriving at a predetermined opinion or conclusion.

Definition of Market Value:

Values considered in the analysis specifically concerns market value. Market value is defined as:

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

- 1). {Both} buyer and seller are typically motivated;
- 2). Both parties are well informed or well advised, and acting in what they consider their best interests;
- 3). A reasonable time is allowed for exposure in the open market;
- 4). Payment is made in terms of cash in United States 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."¹

The above definition has been agreed upon by agencies that regulate federal financial institutions in the United States including the Resolution Trust Corporation. The above definition is utilized within all analyzes and conclusions presented herein.

Definition of Exposure Period:

Condition number three stipulates that a reasonable "exposure period" is implicit within the definition of market value. The Appraisal Institute defines exposure period as:

"The estimated length of time the property interest would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."²

¹ Definition is per Title XII, Code of Federal Regulations, (part of) 564.2.F. as published in the *Federal Register*, Vol. #55, No. 163, Thursday, August 23, 1990, pages 34,228 and 34,229; also noted in the Standards of Professional Appraisal Practice of the Appraisal Institute; also included within *The Appraisal of Real Estate*, Eleventh Edition, (Chicago, Appraisal Institute), p. 21.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Third Edition, (Chicago, Appraisal Institute, 1993), p. 126.

Assumed Property Interests:

The real property interests considered for all properties is the fee simple estate interest. It is defined as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."³

Fee simple estate is recognized as the highest state of ownership, an absolute fee; a fee unencumbered with restrictions; a fee without limitations of use or dispositions to any particular class of heirs; subject only to the aforementioned limitations.

Scope of the Analyzes:

The scope of the analyzes represents an organized collection and examination of data from a physical, economic, and legal perspective as they might affect market value. Specific actions performed are presented within the following Solutions Methodology sub-section. The following provides an overview of the properties studied from a highest and best use perspective:

- Physical Analysis: Residential properties located within three distinct neighborhoods are considered. These include; Forest Creek, (located north of the proposed development), Kentview, (located south of the subject property, and; Ferrington Village, (located east of the subject property).
- Legal Analysis: Contemplated re-zoning proposes change from Chatham County "RA-40" to Chatham County "B-1," (with specific uses delineated in attorney's proposal). Surrounding residential properties are zoned RA-40, (north and south of subject property), and CUP-RA-40, (Ferrington Village).
- Feasibility Analyzes: The appraiser's analysis has not included any test of feasibility for the subject property. It is assumed that the proposed retail facility will represent an economically viable property. After an appropriate absorption period, it is assumed that he subject will maintain vacancy rates consistent with similar retail developments in the area.

Solution Methodology:

- General / Subject The initial focus of the analysis has included a thorough review of the proposed development. Specific to this analysis, it is assumed that Alternate Plan #2, (with vehicular ingress-egress located between outlots 3 and 4), represents the proposed development. Source of plans and data reviewed were obtained from applicant's submission package, (downloaded from Chatham Co. Dept. of Planning).
- General / Neighborhood Concurrently, the appraiser has familiarized himself with neighboring properties surrounding the proposed development. The investigation has included; 1). a physical observation of residences as can best be viewed from the street, as well as; 2). a market analysis of sales prices for these homes as can best be developed based upon sales available from the triangle MLS.
- Specific Analysis Presented in following section.

³ Ibid., p. 120.

Identification of Subject Property

Subject, "As-Is"	Subject property represents a ±29.6 acre portion of a larger ±59.58 acre tract located at the northwest corner of NC Hwy 15/501 and Morris Road. The property is located in Baldwin Township in the northeast quadrant of Chatham County, North Carolina.								
Subject, "As-Proposed"	Request for re-zoning to accommodate contemplated development of a ±81,200 ft ² retail facility and four out-lots. Development to be anchored by a grocery enterprise.								
Character of Development:	Proposed development is characterized as a contemporary retail development. Vehicular traffic plan utilizes internal traffic controls, (i.e., accessed from central parking area). Lighting plan specifies compliance with as-yet to be adopted lighting ordinance for Chatham County. Overall design of retail facility (and out-buildings), calls for an above average appearance that ought be consistent with development's competition.								
Development Timing:	<table border="0"> <tr> <td style="padding-right: 20px;">2006</td> <td>Preliminary Planning and Conditional Use Approvals</td> </tr> <tr> <td>2007</td> <td>Commence construction.</td> </tr> <tr> <td>2008</td> <td>Complete construction of retail facility / Commence out-parcel development.</td> </tr> <tr> <td>2009</td> <td>Complete construction of out-lot parcels.</td> </tr> </table>	2006	Preliminary Planning and Conditional Use Approvals	2007	Commence construction.	2008	Complete construction of retail facility / Commence out-parcel development.	2009	Complete construction of out-lot parcels.
2006	Preliminary Planning and Conditional Use Approvals								
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Development Context / Identification of Adjoining Neighborhoods

Overview	From an urban design perspective, the subject property is located at a development "node," (intersection). This node is located along what is anticipated to develop as the Hwy 15/501 commercial-use corridor.
Non-Residential Uses:	Uses developed at the subject's intersection include; a noteworthy retail facility, (Ferrington Village); a special-use property, (fire department facility); cell-phone tower; and three distinct and identifiable residential neighborhoods. The subject is anticipated to benefit from linkage with competing and alternate commercial and retail uses that are developing along the Hwy 15/501 corridor.
Residential Uses:	Three distinct residential neighborhoods are located near to the subject property. These include the following;
Ferrington Village	Located across Hwy 15/501 from the subject, nearby homes include those developed along Benchmark Drive. Home sales price ranges from ±\$170,000 to \$195,000 over 2005 and 2006.
Forest Creek:	Located across to north of subject property, these homes include those developed along Prestonwood Drive. Home sales price ranges from ±\$48,000 to \$140,000 from 2004 to present.
Kentview:	Located to south of subject, (some homes adjacent to development, others are located across Morris Road), these homes are located along Kentview and Donald Road. Home sales price ranges from ±\$257,000 to \$355,000 from 2004 to present.
Market Value Survey:	A survey of residential home sales for each neighborhood - which includes all home sales occurring from 2000 to present - is presented on the following page.

Survey of Home Sales - Ferrington Village, Forest Creek, and Kentview

Table with columns: D-o-M, Sales Date, RES, MLS No., SI, Address, Subdivision, Liv SqFt, YB, BR, FB, HB, Typ, Design, List Price, Disc, Sales Price, \$ / S.F., \$ / Bedroom. Includes summary rows for Ferrington Village, Forest Creek, and Kentview.

Table with columns: D-o-M, Sales Date, RES, MLS No., SI, Address, Subdivision, Liv SqFt, YB, BR, FB, HB, Typ, Design, List Price, Disc, Sales Price, \$ / S.F., \$ / Bedroom. Includes summary rows for Ferrington Village, Forest Creek, and Kentview.

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Noteworthy Publications

Several noteworthy research projects and articles that addressed the matter of proximate detrimental influence of different property types have been published in the Appraisal Institute's "Appraisal Journal." The following provides an overview of the various articles considered germane to the subject property. Photocopies are retained within the appraiser's work-file. Such photocopies can be furnished upon request.

- | | |
|-----------------------------|--|
| Henniker, NH Analysis | Considered most germane to the matter at hand, Mr. John Crafts, MAI, SRA performed an in-depth study at request of the Town of Henniker's Planning Board to assess how a retail and commercial project might influence the values of neighboring residential properties. The analyzes resulted in the development of two empirical models that can be employed to ascertain the affect of retail development on residential property values. The result of the analysis was demonstrable evidence that - in Henniker, NH - the development of an average quality commercial development did not have a measurable impact on abutting residential properties. [Appraisal Journal, January , 1998, Page 6. |
| Impact of Cell-Phone Towers | This recent study, (Appraisal Journal, Summer, 2005), examined whether proximity to cell-phone towers has an impact on residential property values. Study included; 1). a survey of the perceived affect of cell phone towers, as well as a multiple regression analysis in a hedonic pricing framework to measure the impact of proximity to cell phone base towers. Both the survey and the market sales analysis found that cell phone base towers have a negative impact on residential sales prices in the study area. (Study area is Christchurch City, NZ). |
| Proximity Stigma Study | Twelve-year study published in Summer, 2004 - performed by Albert R. Wilson, CRE, of Woodland Park, CO - that tested affect / presence of proximity stigma and potential detrimental conditions that might be present on residential property values. Contrary to Mr. Wilson's initial hypotheses, no adverse impact was identified. <i>Anecdotal interviews with market participants suggest that as long as the use and enjoyment of the homes were not impaired by the conditions, the number of market participants who would require or accept a discount were insufficient to determine the market.</i> |

No recent studies or analyzes were located that discussed diminution of residential property value caused by proximity to a retail and/or commercial development.

It is generally accepted that upper end retail and commercial office developments tend to elevate both residential and commercial values. Such owes to the positive economic affect of creating new economic nodes where there once was none. Such is corroborated by numerous studies performed by the appraisal profession's finest mind's, and is corroborated by rank and file appraiser's in their respective appraisal practice.

Evidence in support of such is on file within the Chatham County Planning Department's records for the Williams Corner re-zoning. Specifically, Mr. Paul Snow, State Certified General Appraiser, (NC -A4499), states:

"Generally speaking, high-end office and retail developments increase residential and commercial property values in the immediate area as they help provide places for employment and retail services, which drive residential growth. This impact should remain positive as Northern Chatham County continues to develop with residential uses."

Mixed Use Development Planning Trend

Lastly, there is evidence that the planning community now recognizes the benefit of having mixed use developments in lieu of solely single family residential subdivision developments. An excellent example of such is located literally across the street from the subject property at Farrington Village. Albeit not planned as such, the subject property and neighboring residential neighborhoods could be viewed as a defacto mixed-use development.

Case Study - Home Sales at Governor's Park Development

The preceding discussion serves well in providing a context for the generally accepted premise that upper-end retail and commercial development is not generally considered a detrimental condition to neighboring residential property values.

The next logical step is to test the generally accepted premise in the subject properties market. In an ideal world, the test would include several established single family neighborhoods that are located around an undeveloped pocket of land that was subsequently built for retail use. In such a case, one could study home sales prior to the retail development against homes sales after the development.

Regrettably, no such ideally similar situation was located within the subject's trade area. However, a reasonably similar situation is known to have existed at the Governor's Park single family residential development, located at the intersection of Mount Carmel Road and Governors Road in the northeast portion of the County. This property's development history is as follows:

- Governor's Park and Food Lion Grocery developed in 1998 and 1999.
- Single family residences built in 1998 through early 2000's. Residences developed with rear yards facing Mount Carmel Road are developed with 50' setbacks and significant burming.
- Two multi-tenant commercial use buildings developed in 2004, (finished in 2005).

The above design particulars are considered reasonably similar to the proposed development of the subject property. The next step includes an analysis of all available homes sales. The focus here is to locate any evidence that there is a diminution in value, (or even a less robust appreciation rate), for those properties located adjacent to, (or directly across the street from), the Food Lion grocery store.

Presented on the following two pages are all residential sales from Governor's Park that are available from the Triangle MLS. Noted in bold are properties that have sold two (and in one instance three) times since being built. These 13 pairs of sales are the basis for ascertaining appreciation rates for various locations around the subdivision.

Sets 1 through 4 - Located near the northeast corner of development, in nearest proximity to the retail development. The average appreciation rate for these sales is 4.5% per year. Noteworthy is that set 2 - which is located directly across from the Food Lion grocery's parking area - increased in value at an average annual rate of 5.27% per year.

Sets 5 through 13 - Located at other locations within the development that are not presumed to be affected by the retail center. Collectively, these properties appreciated at an average annual rate of 4.2% per year.

Case-Study - Conclusion

The fact that the average of the four properties located at the northeast corner of the development appreciated at a higher rate than the collective whole is not to be construed as evidence that proximity to retail enhances market value. Instead, the appreciation rates are considered to be so similar - and within the statistical range of the overall development - that there is no quantifiable difference between those properties adjacent to the retail and those that are removed.

Overall Analysis - Conclusion

While it is recognized that the Governor's park analysis does not reflect an identical development scenario relative to the subject, it is considered important in that it represents a study from the subject property's local area. The study is considered market-specific evidence of the well founded and accepted premise that upper-end retail and commercial do not adversely affect property values of adjacent or nearby residential properties.

Survey of Home Sales - Governor's Park, (1998 - 2004)

Table with columns: D-c-M, Sales Date, RES, MLS No., St, Address, Liv SqFt, YB, BR, FB, HB, Typ, Design, List Price, Disc, Sales Price, \$ / S.F., \$ / Bedroom. Rows include sales data from 1998 to 2004, categorized by year.

Survey of Home Sales - Governor's Park, (2005 - 2006), and Biannual Statistical Overview

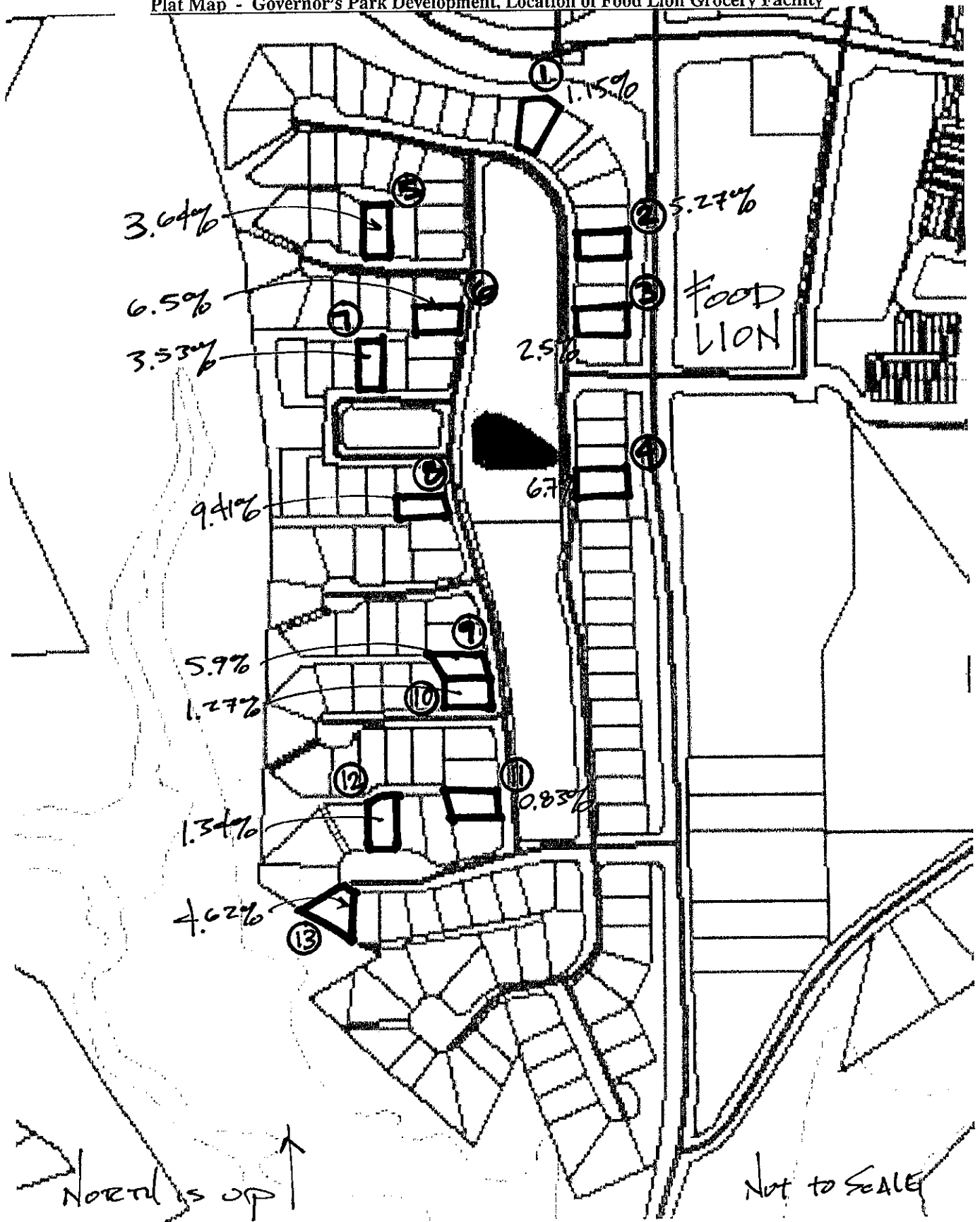
Governor's Park Home Sales - 2005 & 2006, ytd

D.o-M	Sales Date	RES	MLS No.	St	Address	Liv Sqr Ft	YB	BR	FB	HB	Typ.	Design	List Price	Disc.	Sales Price	\$ / S.F.	\$ / Bedroom
1	2005																
1	92	January 4, 2005	59	A	749105 A	3,200	2004	4	3	0	Det.	2.0 Story	\$337,610	0.00%	\$337,610	\$105.50	\$84,403
2	35	February 22, 2005	60	A	749161 A	3,100	2001	3	2	1	Det.	2.0 Story	\$405,000	0.00%	\$405,000	\$130.65	\$135,000
3	6	May 4, 2005	61	A	754588 A	2,707	2001	4	2	1	Det.	2.0 Story	\$342,500	1.90%	\$349,000	\$128.93	\$87,250
4	4	June 24, 2005	62	A	741983 A	3,119	2004	4	3	0	Det.	2.0 Story	\$385,900	0.00%	\$385,900	\$123.73	\$96,475
5	12	June 27, 2005	63	A	803268 A	3,217	2001	4	3	0	Det.	2.0 Story	\$400,000	2.50%	\$390,000	\$121.23	\$97,500
6	11	June 27, 2005	64	A	796371 A	3,225	1998	4	3	0	Det.	2.0 Story	\$394,900	1.24%	\$390,000	\$120.93	\$97,500
7	5	October 24, 2005	65	A	802093 A	3,105	2002	3	2	1	Det.	2.0 Story	\$402,000	0.75%	\$405,000	\$130.43	\$135,000
8	2006	November 15, 2005	66	A	817066 A	3,306	2000	5	3	2	Det.	1.5 Story	\$399,900	2.48%	\$390,000	\$117.97	\$78,000
1	2	January 6, 2006	67	A	830672 A	2,663	2001	4	4	0	Det.	2.0 Story	\$395,000	0.00%	\$395,000	\$148.22	\$98,750
2	44	February 10, 2006	68	A	836679 A	2,600	1999	5	3	0	Det.	2.0 Story	\$379,900	1.29%	\$375,000	\$144.23	\$75,000
3	101	March 16, 2006	69	A	834028 A	3,220	2003	5	2	1	Det.	2.0 Story	\$424,900	0.00%	\$424,900	\$131.96	\$84,980
4	11	March 28, 2006	70	A	846915 A	3,400	2003	4	2	1	Det.	2.0 Story	\$439,900	0.66%	\$437,000	\$128.53	\$109,250
5	43	April 7, 2006	71	A	847033 A	3,580	2001	5	3	1	Det.	2.0 Story	\$449,900	0.42%	\$448,000	\$125.14	\$89,600
6	4	April 13, 2006	72	A	851989 A	2,231	1999	3	2	1	Det.	2.0 Story	\$315,000	1.59%	\$310,000	\$138.95	\$103,333
7	3	April 18, 2006	73	A	853332 A	3,150	1999	5	3	0	Det.	2.0 Story	\$419,900	4.74%	\$400,000	\$126.98	\$80,000
488					Max	3,770	2004	5	4	2			\$449,900		\$448,000	\$184.02	\$135,000
180					Avg + 1/2 STD	3,079	2089	4	3	1			\$361,900		\$358,679	\$126.68	\$98,912
123					Average	2,822	1973	4	3	0			\$333,445		\$330,641	\$116.74	\$89,612
66					Avg - 1/2 STD	2,565	1858	3	2	0			\$304,990		\$302,603	\$106.79	\$80,313
0					Min	0	0	0	0	0			\$0		\$0	\$0.00	\$0
114					Standard Deviation	515	231	1	1	1			\$56,909		\$56,076	\$19.89	\$18,599
397					Max	3,257	2000	4	4	1			\$349,900		\$349,900	\$184.02	\$116,633
201					Avg + 1/2 STD	2,785	1999	4	3	1			\$318,335		\$316,365	\$128.16	\$95,011
150					Average	2,587	1999	4	3	0			\$303,231		\$301,851	\$118.83	\$87,882
99					Avg - 1/2 STD	2,389	1999	3	2	0			\$288,127		\$287,337	\$109.50	\$80,753
25					Min	1,613	1998	3	2	0			\$259,900		\$258,000	\$99.85	\$64,500
102					Standard Deviation	395	1	1	1	0			\$30,207		\$29,028	\$18.66	\$14,258
488					Max	3,762	2002	4	4	1			\$369,900		\$365,000	\$131.95	\$105,538
272					Avg + 1/2 STD	3,056	2001	4	3	1			\$332,890		\$328,453	\$114.85	\$92,340
203					Average	2,893	2000	4	3	1			\$322,203		\$317,699	\$110.55	\$87,022
134					Avg - 1/2 STD	2,731	2000	3	2	0			\$311,516		\$306,944	\$106.24	\$81,704
0					Min	2,576	1998	3	2	0			\$295,175		\$283,000	\$95.09	\$74,975
139					Standard Deviation	325	1	0	1	1			\$21,374		\$21,510	\$8.61	\$10,636
228					Max	3,770	2004	5	4	1			\$389,900		\$380,000	\$152.17	\$126,667
117					Avg + 1/2 STD	3,117	2002	4	3	0			\$354,862		\$351,740	\$124.85	\$101,367
90					Average	2,928	2001	4	3	0			\$344,020		\$341,888	\$118.26	\$92,848
62					Avg - 1/2 STD	2,739	2000	3	3	0			\$333,178		\$332,035	\$111.67	\$84,330
5					Min	2,300	1998	3	2	0			\$299,940		\$307,000	\$96.04	\$61,400
56					Standard Deviation	377	2	1	1	0			\$21,684		\$19,705	\$13.19	\$17,037
101					Max	3,580	2004	5	4	2			\$449,900		\$448,000	\$148.22	\$135,000
50					Avg + 1/2 STD	3,225	2002	4	3	1			\$410,817		\$407,020	\$133.31	\$105,624
32					Average	3,055	2001	4	3	1			\$392,821		\$389,494	\$128.22	\$96,803
14					Avg - 1/2 STD	2,885	2000	4	2	0			\$374,825		\$371,968	\$123.14	\$87,982
2					Min	2,231	1998	3	2	0			\$315,000		\$310,000	\$105.50	\$75,000
36					Standard Deviation	340	2	1	1	1			\$35,992		\$35,052	\$10.17	\$17,642

Paired Data-Set Analyzes - Governor's Park Sales and Resales

D-o-M	Sales Date	RES	MLS No.	St	Address	Liv Sq Ft	YB	BR	FB	HB	Typ	Design	List Price	Disc.	Sales Price	Sales	Years between	Avg. Annl % Change / Yr.	
Set #1	157 160	August 18, 2004 August 15, 2000	56 B A 727517 A 40 B A 533164 A	Clo. Clo.	30052 Village Park Dr. 30052 Village Park Dr.	3,345 3,257	2000 1999	4 3	4 4	0 0	Det. Det.	2.0 Story 2.0 Story	\$365,000 \$339,900		\$365,000 \$341,900	4.0		Proximate to Gov. Club Entry 1.2%	
Set #2	153 228	October 25, 2002 July 23, 1999	25 B A 635178 A 6 B A 496991 A	Clo. Clo.	30042 Village Park Dr. 30042 Village Park Dr.	2,584 2,584	1998 1998	4 4	3 3	0 1	Det. Det.	2.0 Story 2.0 Story	\$317,900 \$281,900		\$305,000 \$258,000	3.3		Across from Food Lion 5.3%	
Set #3	77 0	March 16, 2004 April 26, 2001	57 B A 721290 A 29 A A 586289 A	Clo. Clo.	30036 Village Park Dr. 30036 Village Park Dr.	2,778 2,576	1999 1998	5 4	4 3	0 0	Det. Det.	2.0 Story 2.0 Story	\$367,000 \$339,900		\$365,000 \$339,900	2.9		Across from Food Lion 2.5%	
Set #4	11 184 159	June 27, 2005 June 23, 2004 April 29, 1999	62 B A 796371 A 55 B A 720388 A 7 B A 496994 A	Clo. Clo. Clo.	30026 Village Park Dr. 30026 Village Park Dr. 30026 Village Park Dr.	3,225 3,225 2,238	1998 1998 1998	4 4 3	3 3 2	0 0 0	Det. Det. Det.	2.0 Story 2.0 Story 1.5 Story	\$394,900 \$364,900 \$261,300		\$390,000 \$365,000 \$261,300	4.7		Same street, SW of Food Lion 1.0 6.8% 6.7%	
Set #5	129 40	March 31, 2004 July 29, 1999	43 B A 712389 A 3 B A 515278 A	Clo. Clo.	30082 Britt Dr. 30082 Britt Dr.	2,755 2,481	1999 1999	4 3	2 2	1 1	Det. Det.	2.0 Story 2.0 Story	\$345,000 \$274,900		\$336,000 \$284,300	4.7		3.6%	
Set #6	231	November 15, 2005 April 30, 2002	64 B A 817066 A 29 B A 604829 A	Clo. Clo.	30090 Village Park Dr. 30090 Village Park Dr.	3,306 3,034	2000 2000	5 4	3 3	2 1	Det. Det.	1.5 Story 1.5 Story	\$399,900 \$319,900		\$390,000 \$312,000	3.5		6.5%	
Set #7	76 139	March 22, 2002 May 11, 2000	30 B A 620712 A 10 B A 533857 A	Clo. Clo.	30098 Baxter 30098 Baxter	3,180 2,623	1998 1999	4 4	2 2	1 1	Det. Det.	2.5 Story 2.0 Story	\$327,500 \$294,900		\$320,000 \$300,000	1.9		3.5%	
Set #8	44 84	February 10, 2006 November 20, 2003	59 B A 836579 A 24 B A 694033 A	Clo. Clo.	30106 Village Park Dr. 30106 Village Park Dr.	2,600 2,600	1999 1999	5 5	3 3	0 0	Det. Det.	2.0 Story 2.0 Story	\$379,900 \$316,900		\$375,000 \$307,000	2.2		9.4%	
Set #9	2 323	January 6, 2006 April 2, 2001	63 B A 830672 A 12 B A 499455 A	Clo. Clo.	30122 Village Park Dr. 30122 Village Park Dr.	2,665 2,665	2001 2000	4 4	4 4	0 0	Det. Det.	2.0 Story 2.0 Story	\$395,000 \$298,900		\$395,000 \$300,600	4.8		5.9%	
Set #10	53 140	November 24, 2004 September 25, 2000	49 B A 757671 A 41 B A 548891 A	Clo. Clo.	30124 Porter Dr. 30124 Porter Dr.	3,024 2,932	2000 2000	4 4	3 2	1 0	Det. Det.	1.5 Story 1.5 Story	\$355,000 \$341,560		\$355,000 \$334,900	4.2		1.3%	
Set #11	96 177	July 15, 2002 October 12, 2000	52 B A 631415 A 47 B A 548872 A	Clo. Clo.	30138 Village Park Dr. 30138 Village Park Dr.	3,180 3,257	2000 2000	4 3	4 4	0 0	Det. Det.	2.0 Story 2.0 Story	\$359,900 \$349,900		\$355,000 \$349,900	1.8		0.8%	
Set #12	83 40	June 2, 2003 March 11, 2002	32 B A 675047 A 26 B A 624068 A	Clo. Clo.	30146 Walser Dr. 30146 Walser Dr.	3,200 3,200	2002 2002	3 3	2 2	1 1	Det. Det.	2.0 Story 2.0 Story	\$331,900 \$318,515		\$321,900 \$316,675	1.2		1.3%	
Set #13	6 267	May 4, 2005 December 28, 2001	42 B A 795458 A 11 B A 583224 A	Clo. Clo.	30153 Walser Dr. 30153 Walser Dr.	2,707 2,616	2001 2001	4 4	2 3	1 0	Det. Det.	2.0 Story 2.0 Story	\$342,500 \$295,175		\$349,000 \$300,000	3.3		4.6%	
Note: - Sets 1 - 4 are located at northeast quadrant of development. Sets 2 and 3 are located across from Grocery Store																			
																			Max Avg+ 1/2 STD Average Avg-1/2 STD Min Standard Deviativ
																			6.8% 5.6% 4.5% 3.3% 1.2% 2.5%
																			9.4% 5.5% 4.2% 3.0% 0.8% 2.5%

Plat Map - Governor's Park Development, Location of Food Lion Grocery Facility



Plat Map of Governor's Park Single Family Residential Subdivision.
Food Lion parcel located at northeast corner of page.

Functional Resume - Experience Overview
Nicholas E. S. Erpelding
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Real Estate Appraisal Experience - Overview

[includes "as-is," "as-proposed," and "as-stabilized" valuations of fee simple estate, leased fee and fractional property interests]

- Land & Subdivisions: . . . Proposed & remainders of res., office, retail, industrial and mixed-use land developments.
- Golf Course Facilities: . Prop. & exist'g resort, private, semi-private, & daily-fee golf courses throughout Midwest, U.S.
- Recreation Properties: . Existing 1/4 mile, 12,000 seat capacity automobile racing facility. Marinas and equine properties.
- Lodging: Existing and proposed hotel, motel and resort valuations, lodging and campground facilities.
- Special Use Includes churches, retired public schools, (Indianapolis, Lebanon), funeral homes, softball parks.
- Corporate Real Estate: . Full service and fast-food restaurants, mini-marts, gas-stations, grocery stores, cell-phone sites.
- Office Use: Existing and proposed multi-tenant and owner-occupied general-use and medical offices.
- Retail Use: Includes stand-alone retail, small to medium sized strip centers and "big-box" properties.
- Industrial: Flex-space, cold-storage, laboratory, distribution warehouse and manufacturing facilities.
- Damages Includes damages owing to environmental problems, as well as professional negligence, (liability).
- Eminent Domain: Court-ordered "large-land" valuation, (±230 acre quasi-urban tract); multi-tract urban takings for new courthouse, (Logansport); multi-tract rural takings for Prophetstown Park, (IN. State Parks Dept.), and; land taking involving developer's compensation of acquired "Section 42" tax credit.
- Residential: Appraisal of above average sized single family residences. Multi-family properties range from 2-4 family units to 640 unit apt. complex. Intended uses include first mortgage, refinance, relocation, divorce, estate, ad valorem, REO and insurance claim. FHA lender select roster.

Commercial Real Estate & Property Development Consulting

- Site Selection: . Real estate research. Assist clients in site selection. Criteria based upon analyzing site specific attributes, external factors, and market influences, (demographic and economic).
- Design & Planning: Develop preliminary, conceptual and schematic designs, as well as development of cost-to-build and projected development time-line analyzes, (critical-path scheduling).
- Client Representation: Includes petitioner representation at local zoning board hearings, as well as coordination with attorneys, local government officials and municipal utility representatives.
- Dev. Financing: Research pertaining to - and development of - feasibility analyzes. Includes discounted cash flow analyzes, as well as assisting in preparation of property development pro-forma.
- Project Management: Assist clients in team building and development. Includes consultant selection, negotiating fees, contract review, orchestrating work-efforts of design, construction, and financing professionals.

Architecture & Construction Management

- Architecture & Construction Management: Peer honored land planning, architectural and interior design skills. Land planning has included schematic golf-course routing and club-house facility planning, and conceptual design of ±700 unit PUD development. Architectural work included various types of commercial and residential use properties, (1986-1998). Time management abilities proven by success in serving in multiple roles for multiple client types, (architecture, project management, appraisal, consulting, brokerage).

Independent Insurance Claim Adjusting

- Claims: Investigative, analytical and negotiating skills employed in remediation of large-loss residential, (HO), and commercial property / golf course / business loss, (CGL). "Cat" sites worked include East Nebraska hail sites (2001), Southern Indiana and Central and Southern Illinois (2002). Certified Farmer's Insurance claim representative and negotiator. Certified FEMA property inspector.

Technical Expertise - Miscellany

- Software: Adept at various software programs including; WordPerfect, MS Word; Lotus; data-base development; CAD drafting; and critical path scheduling, (MS Project, Corel Time-Line). Additional experience developing spreadsheets for site development, DCF's, flow-of-funds, and building costs.
- Miscellany: Recognitions gained for exceptional quality appraisal reports, (Farmer's Home Administration), quality in architectural design, (two honorable mention awards from IN Chapter of AIA), and written presentation, (Outstanding Written Senior Thesis, Univ. of Cincinnati, 1986).

Chronological Resume

Nicholas E. S. Erpelding

Certified General Real Estate Appraiser

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Experience Overview:

- Proven success in the disciplines of commercial and residential real estate valuation, property development consulting, land planning and architectural design, construction project management, and catastrophic / large-loss insurance claim adjusting. Creative, resourceful, dedicated real estate problem solver.

Employment History:

- 1996 - Present Erpelding & Associates Indianapolis, IN (1996-2004) / Pittsboro, NC (2004-Pres.) Real estate appraisal, brokerage, and consulting. Combine programming, design, and project management skills with economic, demographic, financial analysis and costing skills to meet needs of diverse client-base. [Services summarized on opposite page.] Specialty developed in the valuation of; subdivision developments, (residential, commercial, industrial and mixed-use); golf course facilities; lodging and other recreation-use, and special-use properties. Additional services include golf-course and architectural photography.
1992 - 2004 Nick A. Tillema & Associates / Forrester Group Indianapolis, IN. Independent fee commercial real estate appraiser. Focus on large-scale commercial-use property and eminent domain valuation assignments. Assignments included environmentally damaged property valuations, and real estate dispute resolution.
1988 - 1992 Mark Swanson Associates, Inc., Architecture & Construction Carmel, IN. Design Captain - Project Manager. Responsibilities included firm's conceptual, schematic, and final design-work. Encompassed land planning, architectural and interior design. Oversaw firm's cad-based construction document production, consultant coordination, and design-build project management. Two built-works recognized with various design honors.
1986 - 1988 MacDougall & Pierce Construction, Inc. (Design-Build Firm) Carmel, IN. Architectural and site design / CAD drafting (and implementation of) / cost estimating.
1980 - 1986 Co-Operative Experience Indpls., IN; San Francisco, CA, and Newport Beach, CA. ±2½ years cumulative architectural design and construction management "co-op" experience.

Real Estate & Formal Education:

- Appraisal Institute, Urban Land Institute, IUPUI, Education Resource, and others 1991-present Indiana 180 hr. certified general "core appraisal curriculum." Various appraisal and consulting continuing education courses. Various property and commercial liability insurance claim ce.
University of Cincinnati, Bachelors of Architecture, (BArch) 1986 College of Design, Architecture, Art, and Planning - School of Architecture.

Professional / Volunteer Organizations

- Raleigh Regional Assoc. of Realtors / Sanford Area Assoc. of Realtors / NCAR / NAR Member
Dept. of Housing & Urban Development, Federal Housing Authority, (FHA) Roster Appr.
NC Professional Appraiser's Coalition Member
Chatham County United Chamber of Commerce Member
Urban Land Institute Member
Pittsboro Kiwanis Club, (Club Secretary) / Chatham County Beekeepers Association Member
Alltech, Inc. - Parsons Brinckerhoff Certified FEMA Field Inspector
State of Florida "All-lines" Independent Property Adjuster, (Non-Resident) (2000 - 2005)
Appraisal Institute (1992 - 2005)