

**A NARRATIVE REAL PROPERTY APPRAISAL REPORT  
OF THE FOLLOWING INDIVIDUAL TRACTS:**

Tract #1: Lot 2, Section 3 and Proposed Parcel #2 Lot Addition Located at 163 Santeetlah Trail  
Tract #2: Lot 1, Section 3 and Proposed Parcel #3 Lot Addition Located at 144 Thunderbird Trail  
Tract #3: Lot 4, Section 1B and Proposed Parcel #4 Lot Addition Located at 123 Santeetlah Trail  
Tract #4: Lot 2, Section 1B and Proposed Parcel #5 Lot Addition Located at 140 Thunderbird Trail  
Tract #5: Lot 3, Section 3 and Proposed Parcel #1 Lot Addition Located at 164 Santeetlah Trail

All Located on or Between Santeetlah and Thunderbird Trails  
Yellow Creek Township  
Lake Santeetlah, Graham County, North Carolina 28771

**ORGANIZATION OR INDIVIDUAL REQUESTING APPRAISAL**

Mayor, Vice Mayor and Town Council  
Town of Lake Santeetlah, NC  
16 Marina Drive  
Lake Santeetlah, NC 28771  
Office Phone: (828) 479-8190

**EFFECTIVE DATE OF ORIGINAL APPRAISAL VALUATION:**

November 9, 2017

**PREPARED BY:**

Bryan G. Farley, MAI, R/W - AC, M.B.A.  
Certified General Real Estate Appraiser  
Certification No. A-4697

Of: General Appraising and Consulting Services, Inc.  
P.O. Box 1728  
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**LETTER OF TRANSMITTAL**

Date: January 3, 2018

To: Mayor, Vice Mayor and Town Council  
Town of Lake Santeetlah, NC  
16 Marina Drive  
Lake Santeetlah, NC 28771  
Office Phone: (828) 479-8190

RE: Appraisal of the:

Tract #1: Lot 2, Section 3 and Proposed Parcel #2 Lot Addition Located at 163 Santeetlah Trail  
Tract #2: Lot 1, Section 3 and Proposed Parcel #3 Lot Addition Located at 144 Thunderbird Trail  
Tract #3: Lot 4, Section 1B and Proposed Parcel #4 Lot Addition Located at 123 Santeetlah Trail  
Tract #4: Lot 2, Section 1B and Proposed Parcel #5 Lot Addition Located at 140 Thunderbird Trail  
Tract #5: Lot 3, Section 3 and Proposed Parcel #1 Lot Addition Located at 164 Santeetlah Trail  
All Located on or Between Thunderbird and Santeetlah Trails  
Yellow Creek Township  
Lake Santeetlah, Graham County, North Carolina 28771

Sirs,

As per your request this office has made an appraisal of the above referenced parcels of real property in fee simple employing the appropriate methodology which is fully described in this report. The purpose of this appraisal is to provide the client with an opinion of value of the hypothetically vacant individual subject properties in their 'as-is before' state where they do not technically or legally enjoy the benefits of lake frontage attributes and then in an 'as-combined after' state where they have been endued with small parcel lot additions of excess town owned property that allows them to legally enjoy all the typical benefits of being lake front properties. This same 'before and after' analysis will be made for an additional tract that is already lake front but will be endued with a small parcel lot addition of excess town land that only incrementally increases its overall site size by the same and adds no additional site features or benefits other than an enlarged site. These opinions of value are to be analyzed for use by the client in the procedures concerning the possible future sale of portions of excess land owned by the client to these adjoining landowners.

The subject property was personally observed on November 9, 2017 and several previous dates and the necessary investigation and analysis to support the conclusions regarding the value estimate(s) derived have been made. This letter is accompanied by a narrative appraisal report which thoroughly explains the appraisal process.

Based upon the investigations and analysis of the real estate market in the area, and after considering all of the pertinent facts as set forth in the body of this report, the opinion of estimated market values of the fee simple estates as of November 9, 2017, subject to the herein described assumptions, limiting conditions, and certification, are:

## ANALYSIS #1:

### SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACTS DO NOT TECHNICALLY OR LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:

Tract #1 (Lot 2, Section 3):	<u>\$ 25,500 DOLLARS</u>
Tract #2 (Lot 1, Section 3):	<u>\$ 27,000 DOLLARS</u>
Tract #3 (Lot 4, Section 1B):	<u>\$ 11,500 DOLLARS</u>
Tract #4 (Lot 2, Section 1B):	<u>\$ 18,000 DOLLARS</u>

### SECTION #2: VALUE ANALYSIS OF AN 'AS-COMBINED AFTER' HYPOTHETICALLY VACANT STATE WHERE INDIVIDUAL TRACTS HAVE BEEN ENDUED WITH SMALL PARCEL LOT ADDITIONS OF EXCESS TOWN OWNED PROPERTY THAT ALLOWS THEM TO LEGALLY ENJOY ALL THE TYPICAL BENEFITS OF BEING LAKE FRONT PROPERTIES:

Tract #1 (Lot 2, Section 3):	<u>\$ 132,000 DOLLARS</u>
Tract #2 (Lot 1, Section 3):	<u>\$ 192,500 DOLLARS</u>
Tract #3 (Lot 4, Section 1B):	<u>\$ 88,500 DOLLARS</u>
Tract #4 (Lot 2, Section 1B):	<u>\$ 120,000 DOLLARS</u>

### SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER LAND ADDITION MARKET VALUES:

Tract #1 (Lot 2, Section 3):	<u>\$ 106,500 DOLLARS</u>
Tract #2 (Lot 1, Section 3):	<u>\$ 165,500 DOLLARS</u>
Tract #3 (Lot 4, Section 1B):	<u>\$ 77,000 DOLLARS</u>
Tract #4 (Lot 2, Section 1B):	<u>\$ 102,000 DOLLARS</u>

## ANALYSIS #2:

### SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACT DOES ALREADY LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:

Tract #5 (Lot 3, Section 3):	<u>\$ 172,000 DOLLARS</u>
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**SECTION #2: VALUE ANALYSIS OF AN 'AS-COMBINED AFTER' HYPOTHETICALLY VACANT STATE WHERE INDIVIDUAL TRACTS HAVE BEEN ENDUED WITH A SMALL PARCEL LOT ADDITION OF EXCESS TOWN OWNED PROPERTY THAT ONLY ALLOWS THE TRACT TO ENJOY AN OVERALL LARGER UNDERLYING SITE SIZE:**

Tract #5 (Lot 3, Section 3): \$ 207,000 DOLLARS

**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER LAND ADDITION MARKET VALUES:**

Tract #1 (Lot 3, Section 3): \$ 35,000 DOLLARS

It is extraordinarily assumed that the acreage determinations as utilized throughout this report are accurate. An actual survey of the town owned excess parcels dated October 19, 2017 has been provided by the client and information from older surveys and deeds have been collected for the individually owned lots from public records. With recent survey plats not being available for all of these properties the acreage determinations were made as per the original documents previously cited. To more precisely determine the actual acreage surveys would have to be provided and should the acreages vary significantly the value estimates may be unreliable.

The 'After' analyses of this report are completed under the hypothetical condition that the subject properties have been combined with excess town land that allows them to legally enjoy all the typical benefits of being lake front properties. Furthermore, the 'Before and After' analyses of this report are completed under the additional hypothetical condition that the subject properties are vacant and have no existing improvements.

The client should be aware that if any extraordinary assumption(s) utilized prove not to be correct the final opinions of value included herein may not be reliable or when any hypothetical condition(s) is (or are) invoked in the completion of any portion of this appraisal those sections impacted by such may have final opinions of value rendered herein that could have been different should it or they have not been invoked.

Thank you for permitting this firm to perform this appraisal for you and if any procedure employed in estimating values or values derived needs clarification, please contact this office.

Sincerely,



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Bryan G. Farley, MAI, R/W - AC, M.B.A.  
Certified General Real Estate Appraiser  
Certification No. A-4697



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**PART I**  
**INTRODUCTION MATERIAL**

## **EXECUTIVE SUMMARY**

**PROPERTY OWNERS OF RECORD:** Town of Santeetlah; Marsha Mathews; Zachary B. Anderson and Breanne Nichole Anderson; John Cochran; Greg McCoy; and, Kevin McNally.

**LOCATION OF PROPERTIES:** Along Santeetlah and Thunderbird Trails; 163 Santeetlah Trail; 144 Thunderbird Trail; 123 Santeetlah Trail; 140 Thunderbird Trail; and, 164 Santeetlah Trail.

**COMMUNITY:** Town of Lake Santeetlah (Yellow Creek Township).

**COUNTY AND STATE:** Graham County – North Carolina.

**PROPERTY IDENTIFICATION:** As described in the following Graham County Register of Deeds Books:

Tract #1 (0.143+/- Acre): Book 177 and Page 543

Tract #2 (0.15+/- Acre): Book 327 and Page 132

Tract #3 (0.064+/- Acre): Book 341 and Page 225

Tract #4 (0.099+/- Acre): Book 356 and Page 272

Tract #5 (0.247+/- Acre): Book 309 and Page 171

Tract #6 (A 0.3587+/- Acre Portion): Book 145 and Page 583

**SIZE AND AREA:** Irregular shapes consisting of varying acreage amounts as described above.

**CATEGORY OF PROPERTY:** Residential Property – R-1 Zoning.

**IMPROVEMENTS:** There are various improvements located on Tracts #1 through #5, but the appraisal is made invoking the hypothetical condition that they were vacant as of the effective date of the appraisal.

**DATE OF APPRAISAL:** November 9, 2017.

**DATE WRITTEN AND COMMUNICATED:** January 3, 2018.

**OPINIONS OF VALUE OF SUBJECT PROPERTIES:**

**ANALYSIS #1:**

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACTS DO NOT TECHNICALLY OR LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:**

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**ANALYSIS #2:**

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACT DOES ALREADY LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:**

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**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER LAND ADDITION MARKET VALUES:**

Tract #1 (Lot 3, Section 3): \$ 35,000 DOLLARS

**OWNERSHIP INTEREST APPRAISED:** Fee Simple.

**PURPOSE OF APPRAISAL:** The purpose of this appraisal is to provide the client with an opinion of value of the hypothetically vacant individual subject properties in their 'as-is before' state where they do not technically or legally enjoy the benefits of lake frontage attributes and then in an 'as-combined after' state where they have been endued with small parcel lot additions of excess town owned property that allows them to legally enjoy all the typical benefits of being lake front properties. This same 'before and after' analysis will be made for an additional tract that is already lake front but will be endued with a small parcel lot addition of excess town land that only incrementally increases its overall site size by the same and adds no additional site features or benefits other than an enlarged site. These opinions of value are to be analyzed for use by the client in the procedures concerning the possible future sale of portions of excess land owned by the client to these adjoining landowners.

**APPRAISER:** Bryan G. Farley, MAI, R/W - AC, M.B.A.  
Certified General Real Estate Appraiser  
Certification No. A-4697

**PUBLIC UTILITIES:** As per the client and/or property owner there is a public water system provided by the Town of Lake Santeetlah. However, there is no municipal sewer system available in this particular area. Therefore, this must be privately provided and maintained which is typical and sewer disposal needs are served by individual septic systems. However, electricity and telephone are both currently publicly available in this particular area.

**PUBLIC LAND USE CONTROLS:** Subject property is located within a R-1 zoning jurisdiction of the Town of Lake Santeetlah and is zoned for residential purposes and must also comply under the more general North Carolina Health Laws with the property use as well not violating state and federal environmental protection laws.

**TOPOGRAPHICAL FEATURES:** Some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. These particular tracts have good to very good lake and wooded residential views.



## **REFERENCES**

"The County Profiles of North Carolina - Graham County," Economic Development Information System – North Carolina Department of Commerce, Raleigh, N.C. – 2017.

"The Appraisal of Real Estate - 14<sup>th</sup> Edition," Appraisal Institute, 200 W. Madison - Suite 1500, Chicago, IL. — 2013.

"Census Tract/Block Numbering Area Outline Map," U.S. Department of Commerce - Bureau of the Census, Washington, D.C. – 2010.

"Flood Insurance Rate Map – Graham County, North Carolina, Community Panel Number: 3700565200-J, Dated February 18, 2009," Federal Emergency Management Agency, Washington, D.C.

"Title & Deed to Subject Property & Deeds and Recorded Stamps of Comparable Sales," Graham and Various Other County Register of Deeds Office.

"Current Tax Rates and Information Pertaining to the Subject Property," Graham County Tax Office.

"Valuation Service," Marshall and Swift, Los Angeles, CA — 2017.

"Topographical Map of Subject Area," U.S. Forest Service.

"The Dictionary of Real Estate Appraisal - 6<sup>th</sup> Edition," Appraisal Institute, 200 W. Madison - Suite 1500, Chicago, IL. — 2015.

"Land Valuation - Adjustment Procedures and Assignments," James H. Boykin, MAI, Appraisal Institute, 875 North Michigan Avenue, Chicago, IL 60611-1980 — 2001.

## **STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS**

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

**1.** The appraiser will not be responsible for matters of a legal nature that affect the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

**2.** The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements, if any, and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.

**3.** The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he makes no guarantees, express or implied, regarding this determination.

**4.** The appraiser will not give testimony or appear in court because he made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

**5.** The appraiser has estimated the value of the land in the cost approach, if applicable, at its highest and best use and the improvements, if any, at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.

**6.** The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property. Unless otherwise stated in this report the existence of hazardous materials used, or may have been used, in the construction or maintenance of any improvements located on the subject property was not observed by the appraiser. However, since the appraiser is not qualified in the field of environmental hazards the client is urged to retain an expert in the field if desired. The appraisal is based on the assumption that no environmental hazards are present upon the subject property.

**7.** No environmental impact studies were either requested or made in conjunction with this analysis, and the consultant hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research and investigation.

**8.** No advice regarding soils and potential for settlement, drainage, or otherwise was requested or made in conjunction with this analysis. The appraiser has inspected as far as possible, by observation, the site. It was not possible to personally observe conditions beneath the soil. The value estimates and conclusions assumes that there are no soil or subsoil conditions that would cause a loss of value. Except as noted in the appraisal the land or soil in the area being appraised appeared stable. The appraiser does not warrant against this condition or the occurrence of problems arising from soil conditions. No engineering survey was made by the appraiser and any estimate of fill or other site work was based on visual observations and the accuracy of any

required fills are not guaranteed. No test borings or pilings and/or analysis of subsoil conditions were made by the appraiser. The appraisal is based upon the assumption that there are no hidden, unapparent or apparent conditions of the soil or subsoil, except as noted, that would render it more or less valuable.

**9.** The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

**10.** The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

**11.** It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

**12.** It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

**13.** No responsibility is assumed for matters of an architectural, structural, mechanical, or engineering nature unless specifically disclosed within the report. Unless otherwise noted no advice was requested by the client regarding mechanical equipment or structural integrity or adequacy. Further, the client may wish to require mechanical or structural inspections by qualified and licensed contractors, civil or structural engineers, architects, and other related experts in the field.

**14.** Furnishings, equipment, and/or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, are not considered for valuation purposes with only the real estate being considered, unless otherwise noted. In some property types, business and real estate interests and values are combined.

**15.** It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government 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.

**16.** It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

**17.** If applicable the appraiser has based his appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner. Any proposed improvements are assumed to have been completed unless otherwise stipulated; any construction is assumed to conform with the building plans referenced in the report.

**18.** The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.

**19.** The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

**20.** The Americans with Disabilities Act of 1990 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise and, therefore, has not been attempted by the appraisers. For purposes of this appraisal, we are assuming the building is in compliance; however, we recommend an architectural inspection of the building to determine compliance or requirements of compliance. We assume no responsibility for the cost of such determination and our appraisal is subject to revision if the building is not in compliance.

**21.** The appraiser must provide his prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media. Therefore, possession of the report, or copy thereof, does not carry with the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the consultant, and in any event only with proper written qualifications and only in its entirety.

**22.** No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall have no responsibility if any such unauthorized change is made.

**23.** Neither our name nor report may be used in conjunction with any financing plans which would be classified as a public offering under state or federal securities laws.

**24.** The liability of this firm and the employees thereof are limited to the client only and to the fee actually received by the appraiser. There is no accountability, obligation, or liability to any third party. If this report is made available to any third parties by the client, the client shall make such party aware of all assumptions and limiting conditions of the assignment. The appraiser is in no way responsible for any costs incurred to discover or correct any type of deficiencies present in the subject property either physically, financially, and/or legally.

**25.** The appraiser reserves the right to analyze the results of this appraisal report concerning the subject property if, and/or when, a title opinion or any other information becomes available that was not available at the time of the initial inspection that pertained to the property as of the effective date of this appraisal that may have an affect on the final estimates, opinions, and conclusions of this report.

**26.** Acceptance of and/or use of this report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

#### **EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:**

*Extraordinary Assumption:* 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 about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- 1) It is required to properly develop credible opinions and conclusions;
- 2) The appraiser has a reasonable basis for the extraordinary assumption;
- 3) Use of the extraordinary assumption results in a credible analysis; and
- 4) The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP, 2016 ed.)

*Hypothetical Condition:* 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 about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- 1) Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- 2) Use of the hypothetical condition results in a credible analysis; and
- 3) The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2016 ed.)

Applicable Extraordinary Assumption(s) if any:

1. It is extraordinarily assumed that the acreage determinations as utilized throughout this report are accurate. An actual survey of the town owned excess parcels dated October 19, 2017 has been provided by the client and information from older surveys and deeds have been collected for the individually owned lots from public records. With recent survey plats not being available for all of these properties the acreage determinations were made as per the original documents previously cited. To more precisely determine the actual acreage surveys would have to be provided and should the acreages vary significantly the value estimates may be unreliable.

Applicable Hypothetical Condition(s) if any:

1. The 'After' analyses of this report are completed under the hypothetical condition that the subject properties have been combined with excess town land that allows them to legally enjoy all the typical benefits of being lake front properties.

2. The 'Before and After' analyses of this report are completed under the additional hypothetical condition that the subject properties are vacant and have no existing improvements.

The client should be aware that if any extraordinary assumption(s) utilized prove not to be correct the final opinions of value included herein may not be reliable or when any hypothetical condition(s) is (or are) invoked in the completion of any portion of this appraisal those sections impacted by such may have final opinions of value rendered herein that could have been different should it or they have not been invoked.

## **OVERVIEW OF THE APPRAISAL ASSIGNMENT**

### **METHODOLOGY: THE APPRAISAL PROCESS**

The appraisal process is a systematic procedure by which the problem is defined; the work necessary to solve the problem is planned; and the data is collected, classified, and analyzed to estimate a defined value. In defining the problem, this process must:

- 1) Identify the property to be appraised;
- 2) Identify the property rights to be appraised;
- 3) Determine the date of the value estimate;
- 4) Ascertain the use of the appraisal;

- 5) Define the value to be estimated; and,
- 6) State all other contingent and limiting conditions.

Having defined the appraisal problem, a preliminary analysis of the character and scope of the assignment is made in order to develop an orderly plan for the completion of the appraisal assignment. General and specific data is gathered and analyzed. The *Highest and Best Use* is estimated and forms the basis for the final value estimate.

Having collected available information, the data is analyzed within three approaches to value where applicable. These three approaches are the Sales Comparison Approach, the Cost Approach, and the Income Capitalization Approach. Resolving the differences among the approaches to value is called the reconciliation.

In comparing the value indications of the approaches to value, each approach is considered in regard to the appropriateness of the approach to the appraisal assignment, quality and quantity of evidence or data available for each approach, and the reliability of the approach. The varying conclusions from the appropriate approaches to valuation which were applied to the subject property are then reconciled into a final value judgement by implementing the Cost Approach, Sales Comparison, and Income Approach.

### **PURPOSE AND USE OF THE APPRAISAL**

The purpose of this appraisal is to provide the client with an opinion of value of the hypothetically vacant individual subject properties in their 'as-is before' state where they do not technically or legally enjoy the benefits of lake frontage attributes and then in an 'as-combined after' state where they have been endued with small parcel lot additions of excess town owned property that allows them to legally enjoy all the typical benefits of being lake front properties with this same 'before and after' analysis being made for an additional tract that is already lake front but will be endued with a small parcel lot addition of excess town land that only incrementally increases its overall site size by the same and adds no additional site features or benefits other than an enlarged site in fee simple ownership whereby, in the event of a sale of the subject property, the owner (Grantor) would provide the purchaser (Grantee) a general warranty deed - the highest quality of evidence of real property ownership available in the State of North Carolina.

The intended users of this report are the Mayor, Vice Mayor and Town Council of the Town of Lake Santeetlah. This appraisal and its opinions of value estimates are to be used by the client in the procedures concerning the possible future sale of portions of excess land owned by the client to adjoining landowners.

### **IDENTIFICATION OF THE TYPE OF APPRAISAL AND REPORT FORMAT**

This is a narrative real property appraisal report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP 2016 Edition) promulgated by the Appraisal Standards Board of the Appraisal Foundation in Washington, D.C.

## **FUNCTION OF THE APPRAISAL**

The function of this report is to provide to the client and/or lender the requisite data, description, and analysis of the area, real property, and real estate market data considered necessary in the formulation of an informed professional opinion of market value of the subject property for the purposes as specified above.

## **SCOPE OF THE APPRAISAL**

The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Guide Notes to the Standards of Professional Appraisal Practice adopted by the Appraisal Institute. The standards contain binding requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, analysis, or opinion. The uniform standards set the requirements to communicate the appraisers' analyses, opinions, and conclusions in a manner that will be meaningful and not misleading in the marketplace. The scope of the assignment further requires compliance with the American Bank requirements in the letter of July 5, 1994. The only other requirements, limitations or supplements are those set forth in the Uniform Appraisal Standards for Federal Land Acquisitions.

The scope of an appraisal assignment can be defined as the extent of the process of collecting, verifying, analyzing, and reporting the general and specific data that the appraiser has used to form an opinion of value. In collecting data necessary to form an opinion of value regarding the subject property, the appraiser has personally checked the tax records and other sources of data concerning the subject's immediate market area. In addition local brokers, developers, and other appraisers were contacted for recent sales information of similar properties.

A narrative appraisal report on the subject property has been prepared. The subject property data such as site, location, quality, and zoning are considered and presented in this report. Market data (search period Prior to 01/2015 - 11/2017), including land sales, (building costs, rental sales, operating expenses if applicable), comparable sales, and supply and demand are among the items researched, analyzed, and presented. The data is used to consider the highest and best use of the subject property and to estimate the market value.

The documentation necessary to arrive at the value is considered in this appraisal report. The market data has been collected, confirmed (where possible), and analyzed. When available comparable sales were chosen for their similar highest and best uses as outlined within the report. All sales utilized were analyzed and compared to the subject property based on their similarities and dissimilarities. The replacement costs of similar structures and income generated by equal properties have been compared when applicable. All applicable approaches were considered and judged in reaching a final estimate of value.

## **PROPERTY RIGHTS OR ESTATE TO BE APPRAISED**

The subject property is being appraised in "fee simple estate." Whereby the seller or Grantor would provide the buyer or Grantee a general warranty deed that offers absolute ownership unencumbered by any



other interest or estate and subject only to the limitations imposed by the various powers of the government except as otherwise noted. A general definition of fee simple estate is as follows: "An unconditional, unlimited estate of inheritance; the greatest estate and most extensive interest in land that can be enjoyed. It is also of perpetual duration."

### **DEFINITION OF VALUE BEING ESTIMATED AND DATE OF VALUE ESTIMATE**

The Dictionary of Real Estate Appraisal - 6<sup>th</sup> Edition, provides the following definition of Market Value:

*"The most probable price 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 interests;*
- (3) A reasonable time is allowed for exposure in the open market;*
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,*
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

The dates of estimated values are: November 9, 2017.

### **COMPETENCY OF THE APPRAISER(S)**

The appraiser(s) specific qualifications are included within the Addenda to the report. These qualifications serve as evidence of our competence for the completion of the appraisal assignment in compliance with the competency provision contained within the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraisers' knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment, based on the following:

- 1) Professional experience;
- 2) Educational background and training; and,
- 3) Business, professional, academic affiliations, and activities.

The appraiser(s) has previously provided consultation and value estimates for several properties of this type in this area and has been involved with prior assignments which were the subject of potential litigation proceedings.



**PARTS II & III**  
**FACTUAL DATA & ANALYSIS OF DATA AND CONCLUSIONS**

## **ANALYSIS #1:**

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACTS DO NOT TECHNICALLY OR LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES;**

**SECTION #2: A SECOND ANALYSIS OF AN 'AS-COMBINED AFTER' HYPOTHETICALLY VACANT STATE OF THE SAME TRACTS WHERE THEY HAVE BEEN ENDUED WITH SMALL PARCEL LOT ADDITIONS OF EXCESS TOWN OWNED PROPERTY THAT ALLOWS THEM TO LEGALLY ENJOY ALL THE TYPICAL BENEFITS OF BEING LAKE FRONT PROPERTIES; AND,**

**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER LAND ADDITION MARKET VALUES**

### **AREA DATA**

Graham County comprises one of the seventeen Western most counties of North Carolina. It is bounded on the West by the State of Tennessee, on the North by Swain County, on the East by Swain and Macon Counties, and on the South by Cherokee County. Robbinsville is the county seat and Robbinsville and Santeetlah are the only towns within the area. Primary access into Graham County is provided by U.S. Highway 129 and North Carolina Routes 28 and 143. Other transportation routes include secondary state maintained roads.

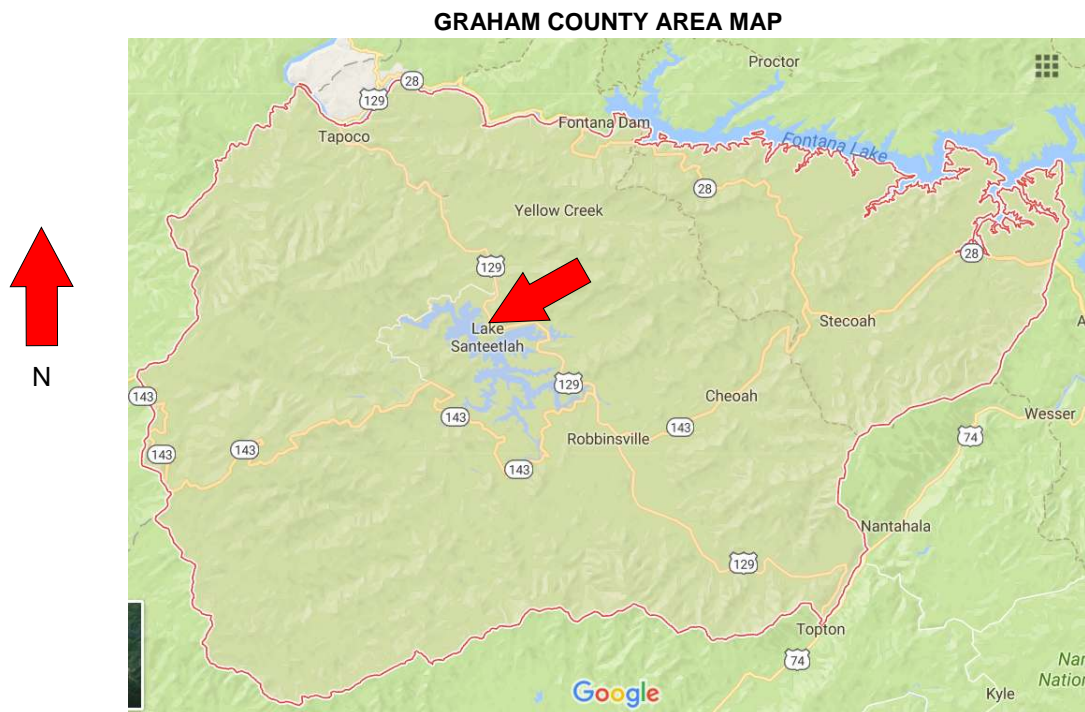
The projected 2015 census data indicated a population of 8,700 for the entire county with the towns of Robbinsville and Santeetlah having a population of 600 and 44 respectively. Generally the population growth of the county is slow. This is evidenced by the fact that younger people have a tendency to leave the area in search of higher education and employment opportunities. Employment is concentrated in construction (349 employees), service providers (1,106 employees), and government positions (520 employees). There are no remaining major manufacturing employers in Graham County. While additional manufacturing jobs would help this economy given the current situation this is not likely to occur. It is reported in the "County Profile" pamphlet prepared by the North Carolina Economic Data and Site Information estimated median family income for Graham County was \$ 46,140 for 2015, the most current year reported.

Due to retirement and second home real estate activity, as well as a growing health care industry to provide for the needs of an aging population, the service industry is expected to continue to grow rapidly. The economy of this small rural mountain community has been, and is currently, in transition from that of being logging and manufacturing driven to being driven by tourism.

Public services within the area include the Duke Energy for electricity, Verizon South for telephone services, water systems within Robbinsville, Lake Santeetlah and Fontana Village, and a sewerage disposal system in both Robbinsville and Fontana Village. The county has average police and fire protection considering its rural setting. The towns are managed by a city council and mayoral form of government and the county by a county manager and county commissioner form of government, both forms being typical for this area.

Land usage data indicate that the 301.5 square miles which forms Graham County is divided as follows: Land area 291.6 square miles and water area 9.9 square miles. Most of the land in Graham County is forest land (96.26%) with the remainder used for agriculture and urban purposes. Approximately 75% of the available land area within the county is either owned or under the auspices of federal, state, or local authorities with the remaining 25% privately controlled. The property owned or controlled by government agencies is effectively out of the county tax base and does not contribute to the local economy, with the exception of minor timber production and scenery which helps support the tourist industry.

Environmental influences on the local real estate market are significant in that Graham County embodies several medium sized valleys all surrounded by mountainous terrain. Accordingly, much of the early development in this area has occurred along the valley sections with the mountainous regions being left unimproved. However, this trend has been and continues to change as the bulk of the development now occurs in the mountainous areas. This new development trend is a direct result of the tourism industry. These development patterns are expected to continue at an accelerated rate as the tourism industry continues to grow and roads become better. Contributing to this development phenomena is the fact that there is only 25% of the county available for private ownership thus making property in this area scarce.



### **NEIGHBORHOOD DATA**

The subject properties are located on, along or off of Santeetlah and Thunderbird Trails within the city limits of the Town of Lake Santeetlah. They are located within the Thunderbird community in the northwestern section of Graham County in the Yellow Creek Township. This is a rural mountain valley community comprised primarily of single family residences. The trend in land utilization in Graham County has been from

primarily agricultural and vacant to that of single family residences both for permanent homes and, increasingly, to that of retirement and/or second homes occupied predominately by out of state owners outside the city limits to commercial expansion along the primary roads serving the county at large. Robbinsville is the county seat and the hub of most commercial activity therein. The downtown area of Robbinsville is comprised of a mix of detached and row type commercial buildings that are typical of most small rural communities which served as the primary business district in the past with most new development concentrated along the by-pass areas. The trend in land utilization has been primarily that of residential development in the subject area with only extremely small pockets of light commercial applications common for rural areas on the main highways and secondary roads. Agricultural development along this area is barely noticeable and being on a very limited scale consisting primarily of small hobby farms. There is a prominent existence of detached single family residential development catering to the out of state owners in this area focusing on the tourist related activities offered such as the lakes, national parks, etc. The subject properties would be directly accessed from either Santeetlah or Thunderbird Trails.

The land in the subject neighborhood consists of a valley having gently rolling to level land at the lower elevations, surrounded by moderate to very steep mountain land on two sides. The property is primarily wooded at all levels from the cove floors to the ridge tops. Most sales of property in this area are for residential development of some type. The valley area contains a mixture of residential and, on a very limited scale, light rural commercial and hobby farm agricultural development. Retail shopping facilities and professional services are available to the residents of the community primarily within and on the outskirts of the town of Robbinsville. Basic medical facilities are available in Robbinsville.

The subject neighborhood is located a short driving distance from many outdoor recreational activities. Santeetlah Lake surrounds the subject neighborhood with Fontana and Cheoah Lakes only a short distance away and all offer fishing, boating, skiing, and/or swimming. The area is partially bounded by forest lands under the auspices of the U.S. Forest Service which affords the residences easy access to hiking trails, hunting, and nature study in all seasons of the year. White water rafting, mountain bike trails, and the Appalachian Trail are only a short drive away. Water, electricity and telephone utilities are publicly available to the subject properties. Sewer utilities are privately provided and maintained which is common in this area. Other than privately placed restrictions in subdivisions there are no zoning ordinances which may restrict the utilization of individually owned property in most of the county. However, this neighborhood is zoned primarily as R-1 with some conditional uses permitted on a case by case basis.



## **ZONING AND LAND USE**

Zoning is a land-use regulation intended to promote compatible land uses, ensure proper design and construction standards, and promote the overall public good. The Town of Lake Santeetlah has a limited number of base zoning districts, which includes one residential and one commercial service district that vary according to the uses permitted in each.

On the effective date of the appraisal, the subject was zoned R-1 (Single Family Residential District) by the Town of Lake Santeetlah. The intent of the R-1 District is to establish the principal use of the land for residential development. As per the Town of Lake Santeetlah zoning ordinances the R-1 District is established in order to:

"The Single Family Residential District is primarily intended to provide locations for single family residential and supporting uses in areas where public water services are available or will likely be provided in the near future. This district is further intended to protect existing single family residential residences from encroachment of incompatible land uses. This district will be applied within those areas designated on the Land Use Plan as Single Family Residential and platted as a single family residential subdivision. A Planned Unit Development (PUD) is permissible only through approval of the Zoning Administrator and/or subsequent appeals."

The types of development permitted in R-1 districts include: Single Family Residential; Multi-Family Residential; Accessory Buildings (as defined in Section 401.01); Public Recreational Facilities (parks, playgrounds, etc.); Public Utility Stations and Substations, Pumping Stations; and, Water and Sewer Plants, Water Storage Tanks. No other uses are allowable except by 'Conditional Use Permits'.

### **Zoning Analysis and Conclusions**

The Town of Lake Santeetlah's land use office was contacted for some of the information outlined in this section. In addition to supplying zoning information, it was surmised that there are no pending or prospective zoning changes for the subject sites. The current use of the sites are a legal conforming use based on present requirements and conforms with the future planning movement in the area per city officials. After analyzing the subject properties as improved and as-if vacant for zoning compliance they appear to be either legal or a pre-existing legal conforming use. As per the city zoning official in the event of a casualty loss of the existing improvements they could be rebuilt at their current density if desired. In fact they could be rebuilt smaller or larger as long as they meet the permitted uses outlined previously. Based on the facts that came to my attention during the course of this assignment I know of no other restrictions which may or may not adversely affect the subject property. I have concluded that based on the present success of the subject and surrounding development the land use restrictions in place at the subject sites do not negatively impact the subject properties.

## **GENERAL SUBJECT PROPERTY DESCRIPTIONS**

The subject properties are all small lots utilized for residential purposes that are being appraised invoking the hypothetical condition they are vacant as of the effective date that this appraisal was developed. The properties are primarily wooded with lake attributes such as views and access. They are suitable for most typical residential development applications.

## **DESCRIPTION OF THE SUBJECT SITES AND RELEVANT DATA**

### **PHYSICAL CHARACTERISTICS**

The smaller hypothetically vacant subject properties appraised are assumed to consist of acreage amounts ranging from approximately 0.064+/- acre to 0.15+/- acre before being endowed with additional acreage currently owned by the Town of Lake Santeetlah with all four tracts being primarily wooded and accommodating one single family residence. The lots themselves are typically of irregular shapes dictated in large part by terrain and access considerations of the area. Drainage appears adequate. The topography ranges from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. These particular tracts have good to very good lake and wooded residential views. The soil of the subject properties appears to be consistent with that of similar properties in this area. Primarily they are assumed to be a black topsoil (before excavation) with a clay base capable of sustaining typical applications as assumed from the residential use of nearby properties. As per the Flood Insurance Rate Maps (3700565200J – Dated February 18, 2009) the subject properties do not have any portions that are within the flood plain as the properties lines typically run well above the high water mark of the lake. However, for a more accurate determination as to what portions, if any, that may or may not be in a potential flood plane it is recommended that a surveyor be employed since the appraiser is not an expert in this field.

### **UTILITIES**

The client described the properties as having access to public water from the Town of Lake Santeetlah with sewer disposal being privately provided. Sewer disposal systems will have to be privately installed and maintained by the private property owners of record and would most probably be individual septic systems. It is typical in this rural area for these utilities to be provided and maintained by private parties, except within the areas of incorporated municipalities or their immediate surroundings. Electricity is assumed to be provided by Duke Energy and telephone service being provided by Frontier.

### **SITE AND STREET IMPROVEMENTS**

Since the subject properties are being appraised invoking the hypothetical condition they have not been improved there are no site improvement descriptions necessary. The subjects are currently accessed from either Santeetlah or Thunderbird Trails. Both Santeetlah and Thunderbird Trails are paved publicly maintained single lane roads with turnouts that are in average conditions. The subject properties have adequate and/or typical frontage along these public access roads. There is very little curbing and street lighting provided by public entities at the subject properties and no sidewalks.

### **EASEMENTS, ENCUMBRANCES, RESTRICTIVE COVENANTS, OR NUISANCES AND HAZARDS**

During the normal research process for this appraisal no unusual easements were readily apparent concerning the subject properties with the exception of the typical road and utility easements assumed to exist. These types of easements are customary and occur regularly in this area when dealing with subdivided tracts of land and normally do not constitute a negative impact on value upon a particular tract of land and often, depending upon the highest and best use of a particular site, are considered desirable. However, the home located on Lot 4 Section 1B at 123 Santeetlah Trail encroaches onto the clients land that is being considered within this appraisal elsewhere. If this lot is ultimately endowed with a portion of the clients excess land this encroachment will be rectified.

No other outstanding rights or possessory interests were discovered pertaining to the subject



properties. As well, there are no known restrictions, covenants, or reservations that would affect the normal use of these properties. There were no nuisances or hazards readily apparent at the site at the time of inspection of the properties.

## **SITE CONCLUSIONS**

The subject sites are considered adequate to support residential development as currently exists on adjoining and nearby properties, or any other legally permissible uses, when considering their overall shape, size and topographical features. The sites are hypothetically appraised 'as-if' vacant and considered to be easily developed to a density level that is considered to be typical for market expectations. The subjects are located well outside the local central business district in this rural area.

Overall the sites are considered well suited for their current hypothetical vacant status's with no foreseeable future expectations of changes in use. The sites are considered compatible with and complementary to surrounding properties and have a well positioned presence to capture potential users who are seeking properties in the Thunderbird community.

## **DESCRIPTION OF THE EXISTING IMPROVEMENTS**

Since the underlying subject property lots are being appraised invoking the hypothetical condition they are currently vacant residential lots there is no need to provide descriptions of the subject properties as they are improved.

## **DEFINITION OF HIGHEST AND BEST USE**

Highest and best use may be defined as: ***“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”***

In the analysis of pertinent data, four criteria are applied in the following order to develop adequate support for the appraiser's highest and best use determination:

- 1) Legally permissible
- 2) Physically possible
- 3) Financially feasible
- 4) Maximally productive

These criteria are generally considered sequentially; however, the tests of physical possibility and legal permissibility can be applied in either order, but they both must be applied before the tests of financial

feasibility and maximum productivity.

The process for determining the highest and best use of a property has four main steps. The first two are applied in the analysis of highest and best use of the land or site as though vacant; the third and fourth steps are applied in the analysis of the highest and best use of the property as improved. The four steps are:

- 1) Determine the highest and best use as of the site as though vacant.
- 2) Determine the ideal improvement for development of the site.
- 3) Compare the ideal improvement and the existing improvement.
- 4) Conclude whether the improvements should be maintained as is or be renovated, converted, or demolished.

Real estate is valued in terms of its highest and best use. The highest and best use of the land or site, if vacant and available for use, may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate maximally productive use and yet makes a contribution to total property value in excess of the value of the site.

### **HIGHEST AND BEST USE OF THE SITE AS THOUGH VACANT**

The highest and best use of a site as though vacant may be defined as that reasonable and probable use which will support the highest present value as of the date of appraisal. It is the most profitable and likely use to which a site can be or would be put.

The first step in the highest and best use analysis is to determine what the highest and best use of the subject property would be if the site was vacant land. The highest and best use of the land as though vacant must be considered in relation to its existing use and all potential uses.

Highest and best use analysis builds on the conclusions of the marketability study. The analysis of the land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The highest and best use of land or site as though vacant is concluded after the four criteria have been applied and the various alternative uses have been analyzed and those not producing maximum productivity are eliminated. The remaining use that fulfills all four criteria is the highest and best use of the land as though vacant. A proper highest and best use conclusion indicates the use, the market participants for the use, and the timing of the use.

In addition, the ideal improvement (see definition below) must be determined as a part of highest and best use as though vacant.

Ideal improvement may be defined as: “***The improvement that takes maximum advantage of***



***asite's potential given market demand, conforms to current market standards and the character of the market area, and contains the most suitably priced components; the improvement that represents the highest and best use of the land as though vacant."***

The ideal improvement should meet the following criteria:

- 1) Takes maximum advantage of the site's potential market demand
- 2) Conforms to current market standards and the character of the market area
- 3) Contains suitably priced components

If an ideal improvement is considered the highest and best use of the land as though vacant, it presumably has no physical deterioration or functional obsolescence. Thus, any difference in value between the existing improvement and the ideal improvement is attributable to physical deterioration or functional obsolescence. The appraiser must still consider whether external obsolescence is present, which may affect both the existing improvement and the ideal improvement.

## **Highest and Best Use Criteria Evaluation**

### **1) Legally Permissible:**

Those uses which are legally permissible are considered with respect to current zoning regulations, building codes, deed restrictions, environmental regulations, private restrictions and covenants, and in certain cases, the existing terms of leases. Current and anticipated public and political opinion form the basis for this analysis. These public and private restrictions are analyzed because they eliminate a number of potential uses and allows for a focused study of the uses which are applicable to a specific purpose.

As discussed previously in the Zoning Section as of the effective date of the appraisal, the subject's were zoned R-1 "Single Family Residential District". The types of development allowed by the R-1 designation are specifically detailed in the Zoning Section. Any other uses beyond those specifically mentioned are assumed would create non-conforming uses to the applicable zoning regulations and would not be legally permissible on the subject sites. Given the town's current zoning emphasis for the subject area it is currently highly unlikely that the zoning board would approve any significant re-zoning of the subject sites for other types of uses.

The subject sites are also subject to typical utility easements such as water, electricity and telephone. These easements are considered ordinary with most if not all adjoining or nearby properties being subject to the same. These are considered to have no negative impact on value. I have concluded there are no other known or reported legal restrictions, covenants, easements, reservations or governmental plans that would otherwise adversely affect or prohibit the normal uses as mentioned previously for this property.

### **2) Physically Possible:**

Those uses which are physically possible must be considered with respect to individual features of the land such as frontage, depth, size, access, topography, drainage, and soil and sub-soil conditions. The availability and capability of public utilities or the feasibility of creating or using private utilities must be considered as well. Existing and/or proposed improvements must be evaluated based on their condition, utility, and adaptability. Those uses which are physically possible are examined in light of their legal permissibility. The site must be of sufficient size to accommodate improvements for the legally permitted uses and yet not be so large that it becomes economically infeasible due to excess land area.

As described previously in the Site Section of this report, the subject sites vary in size and are irregular in shape which is common for lake attribute properties in this area. The sites topographically range from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. These particular tracts have good to very good lake and wooded residential views. The subject sites have road frontage along one or more public streets with access to and from the sites considered to be typical for rural lake front properties. Analyzing typical building requirements the subject sites are considered capable of supporting any type of legally permissible residential development after considering the size, shape, and topographical features of the sites. When analyzing the subjects for neighborhood fit for those uses legally permitted they are considered to blend well with the surrounding properties. It is concluded residential development is not only physically possible but desirable on these parcels.

### **3) Financially Feasible:**

Those uses which are financially feasible must be analyzed from among those which are legally permissible and physically possible. The typical procedure is to determine which of those uses are likely to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. This procedure is usually expanded to include a minimum acceptable rate of return on equity capital. Implied in this analysis is the consideration of surrounding land uses, public and political opinion, supply and demand characteristics, occupancy, and income and expense levels in the neighborhood and in other competing real estate markets.

Testing financial feasibility requires that a land residual analysis be completed. Current costs of construction for the proposed alternative uses are estimated and deducted from the market value of those completed projects including land value. The residual value is the value of the land under that use. If this value equals or exceeds the market value of similar land in the subject area, then the use is considered to be financially feasible. The primary viable option for use at the subject location is for residential purposes. It is unlikely that any type of commercial development would be acceptable at the subject location. As a result these other uses are eliminated from consideration.

A combination of physical inspection and conversations with real estate practitioners, lenders, and investors in this area have revealed a relatively stable occupancy of neighboring residential properties. A combination of stable occupancy and values indicates the financially feasible use of the subject properties for various types of owner occupied development if vacant. It appears that the residential growth in this direction has increased during the past few years. There is strong information indicating a rising market for land sales within the immediate market area as well as for the existing homes of a residential nature. Therefore, the income produced by these factors of income production is of a sufficient amount to consider the property as desirable for residential development. It is therefore concluded that the purchase for owner occupied residential purposes of the properties is feasible. Based on the market data available I have concluded that residential development of some type is economically feasible at the subject sites.

### **4. Maximally Productive:**

The maximally productive use, or highest and best use, is that use from among those financially feasible uses, which produce the highest price of value commensurate with an acceptable market rate of return. Once the financially feasible uses for a land site have been determined that one use which produces the highest residual land value is considered maximally productive. In other words the maximally productive use produces the highest residual land value based on the market's acceptance of rates of return and overall risks associated with a particular use.

When determining a sites maximally productive use it is prudent to analyze not only the historical or

inferred trends of the various types of development deemed feasible, but also to consider the anticipated need and strengths for each type of competing use. Considering the expectations for the future population and lack of available lake front or view property near the Lake Santeetlah and Robbinsville areas as well as the residential needs to handle growth into the foreseeable future, residential uses are anticipated to continue to increase going forward. Taking into consideration all of the foregoing analyses of the first three tests of highest and best use of legal permissibility, physical possibility and financial feasibility, I have concluded that the maximally productive use of the subject sites is for some type of residential development.

### **Highest and Best Use Conclusion 'As Vacant'**

Based on the analysis of the four criteria of highest and best use --- legal permissibility, physical possibility, financial feasibility, and maximum productivity --- it is concluded that the highest and best use of the subject site 'as-if vacant' is for lake attribute residential development to the maximum market acceptable density level.

### **The Ideal Improvement Conclusions**

The last step of the highest and best use as vacant analysis is to determine the ideal building improvements, the users of that use, and the timing for their construction on the subject site. As concluded previously the highest and best use as vacant for the subject site is lake attribute residential development. A detailed feasibility study consistent with a Level C or D Fundamental Market Analysis has not been performed to determine which uses or size of particular use would be maximally productive on the site, as if vacant. Being such a small market area precludes a fundamental market analysis from being a useful analysis for a single home or lot. However, there is a growing demand from out of state landowners seeking lake attribute property in this area. The Town of Lake Santeetlah only has a population of approximately 44 with the county having an overall population of approximately 8,700 with population trends tending to be rather stable in nature. Owing to the desirable attributes of the subject property and the lack of similar lake attribute properties available creates a situation where a significant barrier to competition for such properties is evident in the subject area.

Therefore, it is concluded that the ideal improvement for the subject property would be the development of the property for lake attribute residential purposes keying on the desirable characteristics of the tract. This development could be started now as the demand currently exists for some lake attribute lots as witnessed by the high rates of occupation of the surrounding smaller lots. This use would be complementary and/or similar to surrounding uses and is a type of use which is fostered by the market forces impacting the subject properties.

### **HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED**

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of existing improvements and the ideal improvement described at the conclusion of the analysis of highest and best use as though vacant. The highest and best use of a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaption or conversion to another use, partial or total demolition, or some combination of these alternatives. The highest and best use of an improved property is further defined as follows: "The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of

demolishing the existing building and constructing a new one."

Any determination of highest and best use as improved includes identifying the motivations of probable purchasers. The benefits of an investment property, like the subject property, relates to net income potential and to eventual resale or refinancing. Thus, the highest and best use as improved will be that use which maximizes the net operating income on a long-term basis. This use must be examined thoroughly by the four criteria discussed previously: 1) Legally permissible, 2) Physically possible, 3) Financially feasible, 4) Maximally productive.

Since the underlying subject property lots are being appraised under the hypothetical condition they are currently vacant residential lots there is no need to analyze the highest and best use of the subject property as improved.

### **MARKETING / EXPOSURE TIME**

This appraiser has estimated the marketing time of the subject property after discussions with real estate brokers active in the brokerage of residential properties, local economic development participants, actual purchasers of similar properties in this area, and the knowledge gained as a result of being an active appraiser in this area. Based on these discussions and accumulated knowledge the estimated marketing period to sell residential properties such as the individual lake attributes subject tracts would typically range between 6 and 18 months. The actual marketing time along this range would of course be dependant upon the economic influences at the time of inspection and date of the report, the utility of the property, location, and available demand.

After these discussions it was clear that many potential clients would find the location, which has some desirable traits such as lake views and easy access, desirable for residential applications. Consideration was also given to the marketing times of the vacant and improved property sales utilized, where applicable, in this report.

After considering all information, it is the appraisers' opinion that a marketing time of 12 months would be required to sell the subject properties individually. Often in a market that is near equilibrium, exposure time and marketing time will be approximately the same length. Based on a typical exposure time of 12 months the appraisers' opinions of market value are as reported within the body of this report.

### **APPRAISAL METHODS OR APPROACHES DEFINED**

In an ideal valuation environment the appraiser would utilize all three commonly recognized and accepted traditional approaches to value: 1) the sales comparison approach, 2) the cost approach, and 3) the income capitalization approach. The advantage of using all three approaches is that, assuming good information is available and the analysis is performed correctly, each individual procedure looks at a various aspect of value separately, or market perspective, but allows the appraiser to consider each ones relevance to the overall picture. Seldom are the three approaches completely independent. An appraisal comprises a number of integrated, interrelated, and inseparable procedures that have the common objective of arriving at a convincing and reliable estimate of value. The underlying premise inherent in all three approaches is the

*Economic Principal of Substitution* which implies that a prudent, informed purchaser/investor would pay no more for a property than the cost of acquiring an equally similar property of like utility without undue delay. These three approaches are briefly discussed in the following paragraphs.

1) In the Cost Approach, an estimated reproduction or replacement cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the cost approach. In essence this approach is based on the premise that an investor/purchaser would pay no more for an existing property than the cost of acquiring a similar site and creating an adequate substitute property with like utility without undue delay.

2 ) In the Sales Comparison Approach, the subject property is compared to similar properties that have been sold recently or for which listing prices or offering figures are known. Data for generally comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property would sell if offered on the market. Adjustments for differences are made from the known sales price for financing terms, conditions of sale, market conditions, time, location, physical characteristics, legal and economic conditions, and other items of dissimilarity. This approach is based on the theory of substitution whereby a typical purchaser would pay no more for a given property than the cost of acquiring an equally desirable substitute property.

3) In the Income Capitalization Approach, typically the current potential market rental income is shown with deductions for vacancy and collection loss and operating expenses. A conclusion about the prospective net operating income of the property is developed. In support of this net operating income estimate operating statements for previous years may be reviewed together with available operating-cost estimates, as well as market derived data. The value of an income-producing investment property is equal to the present worth of all anticipated future benefits in the form of dollar income or amenities. This approach converts future benefits into present value by either capitalizing a single or stabilized year's net income or by discounting a series of net cash flows including reversion, if necessary, over a given holding period. The forecast of net income and reversion are converted to present value at a rate which reflects current risk and return requirements of typical market participants and conditions. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value by the income capitalization approach. This approach is based on the premise that a prudent investor would pay no more for a property than he would for another investment with similar risk and return characteristics.

### **JUSTIFICATION OF APPRAISAL APPROACHES EMPLOYED**

For the purpose of the appraisals in this section only the sales comparison approach will be employed. While the sales comparison approach is utilized, it is utilized on a somewhat limited basis since there are only a few similar properties that have sold recently in this area. This being a rural area and having a small number of similar tracts contributes to the difficulty locating large numbers of sales of similar sized lake attribute tracts with similar overall amenities. However, enough were available to analyze to provide credible and well supported opinions of value.

The cost approach was not utilized since the properties were appraised invoking the hypothetical condition that they are vacant and for the same reason the income approach was not appropriate. As a result neither of these approaches to value were developed for this appraisal. Please refer to the following pages for an analysis worksheet of the subject property based on the applicable method(s) of valuation.

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY  
VACANT STATE WHERE THE TRACTS DO NOT TECHNICALLY OR LEGALLY  
ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:**

**COST APPROACH ANALYSIS**

The *Cost Approach* estimates a reproduction cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. In this particular situation reproduction cost is the cost of a functionally similar or equivalent improvement as that which currently exists on the subject property. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the cost approach. In essence this approach is based on the premise that an investor/purchaser would pay no more for an existing property than the cost of acquiring a similar site and creating an adequate substitute property with like utility without undue delay. This procedure is outlined in the following steps:

**COST APPROACH ANALYSIS**

The following steps, including land valuation, were followed in order to derive a value indication via the Cost Approach:

- 1) Estimated the value of the site as if vacant and available to be utilized at its highest and best use. The sales comparison approach was utilized to estimate the market value of the site.
- 2) Estimated the reproduction cost as defined herein of the structure on the effective appraisal date.
- 3) Estimated the amount of accrued depreciation attributable to the improvements.
- 4) Deducted the estimated depreciation from the reproduction cost of the structure to derive an estimate of the structure's contribution to total value.
- 5) Added the depreciation cost of all improvements to the estimated value of the site to arrive at an indication of value for the subject property.

The Cost Approach was not considered applicable since this appraisal was made invoking the hypothetical condition that all of the individual tracts were vacant even if improved. Thus, it will not be developed for the purposes of completing this assignment.

### **INCOME CAPITALIZATION APPROACH**

Since the subject properties are appraised invoking the hypothetical condition that they are all vacant, the income capitalization approach was deemed to be irrelevant for the purposes of completing this appraisal based on the particular circumstances surrounding the assignment. Therefore, the lack of reliable data available from the rental of similar vacant woodland lots precludes this approach to value from rendering any reliable indicator of value. All of these factors combine to lend reasonable credence to the opinion that the income capitalization approach is not applicable for the completion of this particular appraisal. Therefore, the income capitalization approach was not considered relevant for the purposes of completing this section of the appraisal and was ultimately not developed.



## **SALES COMPARISON APPROACH ANALYSIS**

In this approach value is estimated by comparing the subject properties to similar properties in the market which have sold within the past one to two years. A limited number of sales have been examined in the process of making this appraisal since there have only been a few similar lake attribute tracts sold in the immediate area recently which were within the local market. This is often the case in small rural communities where most lake attribute tracts are already developed with those remaining representing only a very small portion of all the individual similar parcels available. An attempt was made to verify information about the analyzed sales by contacting any real estate brokers, attorneys, and/or buyers and sellers that may have been involved and researching the sales at the local court house.

Each analyzed property was compared to the subject properties and consideration was made according to significant differences in the elements of comparison which resulted in an opinion of price of each analyzed sale giving an indication of the value of the subjects. The basic subject lots information is below and the analyzed sales information is on the following pages.

### **SUBJECT SITES DATA:**

<b>COUNTY:</b>	Graham
<b>LOCATION:</b>	Along, on or between Santeetlah and Thunderbird Trails, Lake Santeetlah, N.C.
<b>TAX DATA:</b>	Tract #1: 5642-04-03-0002; Tract #2: 5642-04-03-0001; Tract #3: 5642-04-1B-0004; and, Tract #4: 5642-04-1B-0002.
<b>LAST TRANSACTION DATE:</b>	Tract #1: 4/25/1997; Tract #2: 4/1/2013; Tract #3: 9/24/2014; and, Tract #4: 2/1/2017.
<b>BOOK / PAGE:</b>	Tract #1: DB 177, Pg 543; Tract #2: DB 327, Pg 132; Tract #3: DB 341, Pg 225; and, Tract #4: DB 356, Pg 272.
<b>GRANTOR:</b>	Various
<b>GRANTEE:</b>	Various
<b>SALE PRICE:</b>	Varies
<b>VERIFIED:</b>	N/A
<b>FINANCING:</b>	N/A
<b>CASH EQUIV. SALE PRICE:</b>	N/A
<b>SALE CONDITIONS:</b>	N/A
<b>ZONING:</b>	None
<b>MOST PROBABLE USE:</b>	Residential Use
<b>CURRENT USE:</b>	Residential
<b>SIZE (AREA):</b>	Tract #1: 0.143+/- Acre; Tract #2: 0.15+/- Acre; Tract #3: 0.064+/- Acre; and, Tract #4: 0.099+/- Acre.
<b>UTILITIES:</b>	Water, Electric and Telephone available to all tracts. Sewer is by individual septic systems.
<b>TOPOGRAPHY:</b>	These smaller lots topographically range from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas.
<b>SHAPE:</b>	All are Irregular
<b>FRONTAGE:</b>	Accessed by public town streets with most having typical and/or adequate frontage.
<b>IMPROVEMENTS:</b>	All are residentially improved but for the purposes of this appraisal are appraised 'as-if' hypothetically vacant.
<b>COMMENTS:</b>	These particular tracts would be expected to have typical residential views ranging from good to very good lake, mountain and valley scenery.
<b>PRICE PER ACRE:</b>	N/A



## MOST RECENT VACANT LAKE VIEW LOT SALES

### VACANT LOT SALE ONE

**COUNTY:** Macon  
**LOCATION:** Lot 2 of Reflection Subdivision, Reflection Drive, Tipton, N.C.  
**TAX DATA:** 6504-89-9713  
**SALE DATE:** October 13, 2017  
**BOOK / PAGE:** F-38 / 1382  
**GRANTOR:** Seixas G. Milner, Jr. Successor Trustee of the Nell Hodgson Watt Trust  
**GRANTEE:** Mirta Alvarez Rice and husband, Gregory A. Rice  
**SALE PRICE:** \$ 96,500  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.91+/- acre or 39,639.60+/- square feet  
**UTILITIES:** Electric, Telephone, Community Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Roads  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with average amenities.  
**PRICE PER SF ROUNDED:** \$ 2.43  
**DAYS ON MARKET & MLS #:** 427 Days — MLS #124757

### VACANT LOT SALE TWO

**COUNTY:** Macon  
**LOCATION:** Lot 3 of Nantahala Harbor Subdivision, Little Choga Drive, Tipton, N.C.  
**TAX DATA:** 6505-36-1470  
**SALE DATE:** October 6, 2017  
**BOOK / PAGE:** F-38 / 375  
**GRANTOR:** Phyllis S. Holt and husband, Stephen Douglas Holt  
**GRANTEE:** Christopher G. De Pree and wife, Sheryl L. De Pree  
**SALE PRICE:** \$ 42,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.51+/- acre or 22,215.60+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 1.89  
**DAYS ON MARKET & MLS #:** 1,541 Days — MLS #117871

## VACANT LOT SALE THREE

**COUNTY:** Swain  
**LOCATION:** Lot 100(9)-2 of Fontana Lake Estates, Appalachian Way, Bryson City, N.C.  
**TAX DATA:** 6652-01-08-0796  
**SALE DATE:** September 7, 2017  
**BOOK / PAGE:** 451 / 919  
**GRANTOR:** Fontana High, LLC  
**GRANTEE:** Richard R. Schmidt, Trustee and Rachel D. Schmidt, Trustee of The Schmidt Family Revocable Living Trust  
**SALE PRICE:** \$ 170,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 6.466+/- acres or 281,658.96+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 0.60  
**DAYS ON MARKET & MLS #:** 582 Days — MLS #26000839

## VACANT LOT SALE FOUR

**COUNTY:** Swain  
**LOCATION:** Lot 55 Sector 1 of Fontana Lake Estates, Fontana Lake Drive, Bryson City, N.C.  
**TAX DATA:** 6642-02-75-7960  
**SALE DATE:** August 31, 2017  
**BOOK / PAGE:** 451 / 748  
**GRANTOR:** Gary Neese and Kathy Reyner Neese, husband and wife  
**GRANTEE:** Rachel Kamenetzky  
**SALE PRICE:** \$ 86,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.62+/- acres or 70,567.20+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 1.22  
**DAYS ON MARKET & MLS #:** 62 Days — MLS #26005566

## VACANT LOT SALE FIVE

**COUNTY:** Swain  
**LOCATION:** Combined Lots 100(11)-2 and 100(12)-2 of Fontana Lake Estates, Ridge View Road, Bryson City, N.C.  
**TAX DATA:** 6642-02-97-5288  
**SALE DATE:** August 7, 2017  
**BOOK / PAGE:** 451 / 326  
**GRANTOR:** Fontana High, LLC  
**GRANTEE:** Impact, FSG  
**SALE PRICE:** \$ 320,000 (Lot 100(11)-2 = \$178,000 and Lot 100(12)-2 = \$142,000)  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 12.609+/- acres or 549,248.04+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 0.58  
**DAYS ON MARKET & MLS #:** 559 Days — MLS #26000840 & MLS #26000841

## VACANT LOT SALE SIX

**COUNTY:** Swain  
**LOCATION:** Lot 39 of Fontana Trace Development, Fontana Trace Road, Almond, N.C.  
**TAX DATA:** 6632-00-15-0312  
**SALE DATE:** March 10, 2017  
**BOOK / PAGE:** 446 / 991  
**GRANTOR:** Fontana Trace Associates, LLC  
**GRANTEE:** Three Mountain Properties, LLC  
**SALE PRICE:** \$ 95,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 2.892+/- acres or 125,975.52+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with average amenities.  
**PRICE PER SF ROUNDED:** \$ 0.75  
**DAYS ON MARKET & MLS #:** 994 Days — MLS #25950040

## VACANT LOT SALE SEVEN

**COUNTY:** Swain  
**LOCATION:** Lot 82 Sector 3 of Fontana Lake Estates, Hemlock Walk, Bryson City, N.C.  
**TAX DATA:** 6652-01-09-7509  
**SALE DATE:** January 27, 2017  
**BOOK / PAGE:** 446 / 25  
**GRANTOR:** Floyd T. Isaacs and wife, Kathryne Isaacs  
**GRANTEE:** Dalex Real Estate Holdings, LLC  
**SALE PRICE:** \$ 80,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.58+/- acre or 25,264.80+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 3.17  
**DAYS ON MARKET & MLS #:** 295 Days — MLS #26001533

## VACANT LOT SALE EIGHT

**COUNTY:** Cherokee  
**LOCATION:** Lot 53 of Lake Appalachia Acres, Slickrock Road, Murphy, N.C.  
**TAX DATA:** 4535-00-38-6883-000  
**SALE DATE:** November 8, 2016  
**BOOK / PAGE:** 1548 / 1059  
**GRANTOR:** Kathryn S. Dyndul  
**GRANTEE:** Paul Truman and wife, Xin Zeng  
**SALE PRICE:** \$ 43,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.79+/- acre or 34,412.40+/- square feet  
**UTILITIES:** Electric, Telephone and Shared Well  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 1.25  
**DAYS ON MARKET & MLS #:** 416 Days — MLS #122662

## VACANT LOT SALE NINE

**COUNTY:** Macon  
**LOCATION:** Lot 66 Section 4 of Little Choga's Place, Vista Loop, Tipton, N.C.  
**TAX DATA:** 6505-25-4394  
**SALE DATE:** October 3, 2016  
**BOOK / PAGE:** O-37 / 1819  
**GRANTOR:** Richard Acton and wife, Nancy Acton  
**GRANTEE:** Jeffrey A. Ogilvie and wife, Dawn M. Ogilvie and Robert J. Ogilvie  
**SALE PRICE:** \$ 55,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.35+/- acres or 58,806.00+/- square feet  
**UTILITIES:** Electric, Telephone and Community Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 0.94  
**DAYS ON MARKET & MLS #:** 555 Days — MLS #121438

## VACANT LOT SALE TEN

**COUNTY:** Macon  
**LOCATION:** Lots 12 and 14 of Nantahala Ridge Subdivision, Off Little Choga Road, Tipton, N.C.  
**TAX DATA:** 6505-46-0300 and 6505-36-8127  
**SALE DATE:** September 22, 2016  
**BOOK / PAGE:** O-37 / 252  
**GRANTOR:** Nantahala Ridge, LLC  
**GRANTEE:** Felix M. Diaz and wife, Ana T. Delaguila-Diaz  
**SALE PRICE:** \$ 115,000 (Lot 12 = \$60,000 and Lot 14 = \$55,000)  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.16+/- acres or 50,529.60+/- square feet (Lot 12 = 0.55+/- acre and Lot 14 = 0.61+/- acre)  
**UTILITIES:** Electric, Telephone and Community Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular and Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 2.28  
**DAYS ON MARKET & MLS #:** 242 Days — MLS #124017 & MLS #124021

## VACANT LOT SALE ELEVEN

**COUNTY:** Macon  
**LOCATION:** Lot 11 of Nantahala Ridge Subdivision, Off Little Choga Road, Tipton, N.C.  
**TAX DATA:** 6505-46-1319  
**SALE DATE:** September 8, 2016  
**BOOK / PAGE:** N-37 / 781  
**GRANTOR:** Nantahala Ridge, LLC  
**GRANTEE:** Patrick J. O'Donnell  
**SALE PRICE:** \$ 55,000.00  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.72+/- acre or 31,363.20+/- square feet  
**UTILITIES:** Electric, Telephone and Community Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 1.75  
**DAYS ON MARKET & MLS #:** 228 Days — MLS #124019

## VACANT LOT SALE TWELVE

**COUNTY:** Macon  
**LOCATION:** Lot 13 of Nantahala Ridge Subdivision, Off Little Choga Road, Tipton, N.C.  
**TAX DATA:** 6505-36-9157  
**SALE DATE:** September 8, 2016  
**BOOK / PAGE:** N-37 / 789  
**GRANTOR:** Nantahala Ridge, LLC  
**GRANTEE:** Jeffrey A. Timinsky and wife, Sara B. Timinsky and Warren D. Black and wife, Carol J. Black  
**SALE PRICE:** \$ 39,000.00  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.59+/- acre or 25,700.40+/- square feet  
**UTILITIES:** Electric, Telephone and Community Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 1.52  
**DAYS ON MARKET & MLS #:** 228 Days — MLS #124020

## VACANT LOT SALE THIRTEEN

**COUNTY:** Graham  
**LOCATION:** Lot 74 Section 93 of Thunderbird Mountain Resort Subdivision, Indian Trail and Cherokee Trail, Santeetlah, N.C.  
**TAX DATA:** 5642.04-93-0074  
**SALE DATE:** December 29, 2015  
**BOOK / PAGE:** 347 / 325  
**GRANTOR:** Jonathan W. Keith and wife, Pamela A. Keith  
**GRANTEE:** Mary S. Humphlett  
**SALE PRICE:** \$ 150,000.00  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.07+/- acres or 46,609.20+/- square feet  
**UTILITIES:** Electric, Telephone, Water  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Roads  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with average amenities. Lot has been entitled with two septic tank permits to allow two separate building sites to be available.  
**PRICE PER SF ROUNDED:** \$ 3.22  
**DAYS ON MARKET & MLS #:** 174 Days — MLS #122127

## VACANT LOT SALE FOURTEEN

**COUNTY:** Macon  
**LOCATION:** Lot 53 Section 3 of Little Choga's Place, Indian Lake Road, Topton, N.C.  
**TAX DATA:** 6505-14-8906  
**SALE DATE:** April 21, 2015  
**BOOK / PAGE:** T-36 / 69  
**GRANTOR:** Nantahala Holdings, LLC  
**GRANTEE:** Jeffrey J. Plenske and wife, Ellen L. Polenske  
**SALE PRICE:** \$ 57,000.00  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.92+/- acre or 40,075.20+/- square feet  
**UTILITIES:** Electric, Telephone and Shared Well  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 1.42  
**DAYS ON MARKET & MLS #:** 34 Days — MLS #121369



# SUMMARY OF VACANT LAKE VIEW LOT SALES

## VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#1	#2	#3
Location	Santeetlah & Thunderbird Trails Lake Santeetlah, NC	Lot 2 on Reflection Drive Topton, NC	Lot 5 on Little Choga Drive Topton, NC	Lot 100(9)-2 Appalachian Way Bryson City, NC
Submarket	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	Seixas Milner, et al	Phyllis Holt, et ux	Fontana High, LLC
Grantee	N/A	Mirta Rice, et ux	Christopher De Pree, et ux	Richard Schmidt, et al
Sales Price	N/A	\$96,500	\$42,000	\$170,000
Site Size (Total Acreage Size Net)	Varies	0.910	0.510	6.466
Date of Sale	N/A	10/13/2017	10/6/2017	9/7/2017
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length	Arms Length
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	0.910	0.510	6.466
(Total Square Feet Size)	Varies	39,640	22,216	281,659
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake View	Lake View	Lake View	Lake View
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	Comm. W, E, & T	E & T	E & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$96,500	\$42,000	\$170,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$96,500	\$42,000	\$170,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$96,500	\$42,000	\$170,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$96,500	\$42,000	\$170,000
Market Conditions	3.0000%	0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre	Annualized	\$96,500	\$42,000	\$170,000
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$2.43	\$1.89	\$0.60
Adjusted Sales Price Per Acre	N/A	\$106,044	\$82,353	\$26,291
<b>Physical Characteristics:</b>				
Location	Average	Inferior	Inferior	Equal
Access/Frontage/Use Density	Average	100.00%	100.00%	0.00%
Site Size	Varies	Equal	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	0.00%	0.00%	0.00%
Easements/Encroachments	Typical	0.00%	0.00%	0.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake View	0.00%	0.00%	0.00%
Functional Utility	Average	Equal	Equal	Equal
Flood Zone	None	0.00%	0.00%	0.00%
Utilities	W, E, & T	Equal	Inferior	Inferior
		0.00%	5.00%	5.00%
Overall Comparison With Subject Net Adjustments		Inferior 157.00%	Inferior 133.00%	Inferior 463.00%
<b>Net Adjusted Per SF Price</b>		<b>\$6.26</b>	<b>\$4.41</b>	<b>\$3.40</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	\$4.22			
<b>Median Sales Price Per SF:</b>	\$4.12			



# **VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART**

Sale No.	Subject	#4	#5	#6
Location	Santeetlah & Thunderbird Trails	Lot 55 Sec 1 on Fontana Lake Dr	Lots 100(11) & (12)-2 Ridge View	Lot 39 on Fontana Trace Rd
Submarket	Lake Santeetlah, NC	Bryson City, NC	Bryson City, NC	Almond, NC
Grantor	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantee	N/A	Gary Neese, et ux	Fontana High, LLC	Fontana Trace Associates, LLC
Sales Price	N/A	Rachel Kamenetzky	Impact, FSG	Three Mtn. Properties, LLC
Site Size (Total Acreage Size Net)	N/A	\$86,000	\$320,000	\$95,000
Date of Sale	Varies	1.620	12.609	2.892
Property Rights	N/A	8/31/2017	8/7/2017	3/10/2017
Financing	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition of Sale	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Location/Access	N/A	Arms Length	Arms Length	Arms Length
Site Size	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
(Total Acreage Size)	Varies	1.620	12.609	2.892
(Total Square Feet Size)	Varies	70,567	549,248	125,976
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake View	Lake View	Lake View	Lake View
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	E & T	E & T	E & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$86,000	\$320,000	\$95,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$86,000	\$320,000	\$95,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$86,000	\$320,000	\$95,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$86,000	\$320,000	\$95,000
Market Conditions	3.0000%	0.00%	0.00%	0.49%
Adjusted Sales Price Per Acre	Annualized	\$86,000	\$320,000	\$95,469
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$1.22	\$0.58	\$0.76
Adjusted Sales Price Per Acre	N/A	\$53,086	\$25,379	\$33,011
<b>Physical Characteristics:</b>				
Location	Average	Equal	Equal	Equal
Access/Frontage/Use Density	Average	0.00%	0.00%	0.00%
Site Size	Varies	Equal	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	108.00%	900.00%	200.00%
Easements/Encroachments	Typical	Equal	Equal	Equal
Zoning - Density	R-1 - Typical	0.00%	0.00%	0.00%
Amenities (Views, Waterfront, etc.)	Lake View	Equal	Equal	Equal
Functional Utility	Average	0.00%	0.00%	0.00%
Flood Zone	None	Equal	Equal	Equal
Utilities	W, E, & T	0.00%	0.00%	0.00%
		Inferior	Inferior	Inferior
Overall Comparison With Subject		5.00%	5.00%	5.00%
Net Adjustments		Inferior	Inferior	Inferior
		113.00%	905.00%	205.00%
<b>Net Adjusted Per SF Price</b>		<b>\$2.60</b>	<b>\$5.86</b>	<b>\$2.31</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	\$4.22			
<b>Median Sales Per SF:</b>	\$4.12			

# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#7	#8	#9
Location	Santeetlah & Thunderbird Trails Lake Santeetlah, NC	Lot 82 Sec. 3 on Hemlock Walk Bryson City, NC	Lot 53 Slickrock Road Murphy, NC	Lot 66 Sec. 4 Vista Loop Topton, NC
Submarket	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	Floyd T. Issacs, et ux	Kathryn S./ Dyndul	Richard Acton, et ux
Grantee	N/A	Dalex Real Estate Holdings	Paul Truman, et ux	Jeffrey Ogilvie, et al
Sales Price	N/A	\$80,000	\$43,000	\$55,000
Site Size (Total Acreage Size Net)	Varies	0.580	0.790	1.350
Date of Sale	N/A	1/27/2017	11/8/2016	10/3/2016
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length	Arms Length
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	0.580	0.790	1.350
(Total Square Feet Size)	Varies	25,265	34,412	58,806
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake View	Lake View	Lake View	Lake View
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	E & T	Shared Well, E & T	Comm. Water, E, & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$80,000	\$43,000	\$55,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$80,000	\$43,000	\$55,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$80,000	\$43,000	\$55,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$80,000	\$43,000	\$55,000
Market Conditions	3.0000%	0.99%	1.49%	1.74%
Adjusted Sales Price Per Acre	Annualized	\$80,792	\$43,640	\$55,957
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$3.20	\$1.27	\$0.95
Adjusted Sales Price Per Acre	N/A	\$139,297	\$55,241	\$41,449
<b>Physical Characteristics:</b>				
Location	Average	Equal	Inferior	Inferior
Access/Frontage/Use Density	Average	0.00%	100.00%	100.00%
Site Size	Varies	0.00%	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	Superior	Superior	Significantly Superior
Easements/Encroachments	Typical	33.00%	48.00%	89.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake View	0.00%	0.00%	0.00%
Functional Utility	Average	0.00%	0.00%	0.00%
Flood Zone	None	0.00%	0.00%	0.00%
Utilities	W, E, & T	0.00%	0.00%	0.00%
Overall Comparison With Subject Net Adjustments		Inferior 38.00%	Inferior 148.00%	Inferior 189.00%
<b>Net Adjusted Per SF Price</b>		<b>\$4.41</b>	<b>\$3.15</b>	<b>\$2.75</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	\$4.22			
<b>Median Sales Per SF:</b>	\$4.12			



# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#10	#11	#12
Location	Santeetlah & Thunderbird Trails	Lots 12 & 14 Off Little Choga Rd.	Lot 11 Off of Little Choga Road	Lot 13 off of Little Choga Road
Submarket	Lake Santeetlah, NC	Topton, NC	Topton, NC	Topton, NC
Grantor	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantee	N/A	Nantahala Ridge, LLC	Nantahala Ridge, LLC	Nantahala Ridge, LLC
Sales Price	N/A	Felix M. Diaz, et al	Patrick J. O'Donnell	Jeffrey A. Timinsky, et al
Site Size (Total Acreage Size Net)	N/A	\$115,000	\$55,000	\$39,000
Date of Sale	Varies	1.160	0.720	0.590
Property Rights	N/A	9/22/2016	9/8/2016	9/8/2016
Financing	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition of Sale	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	1.160	0.720	0.590
(Total Square Feet Size)	Varies	50,530	31,363	25,700
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake View	Lake View	Lake View	Lake View
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	Comm. Water, E, & T	Comm. Water, E, & T	Comm. Water, E, & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$115,000	\$55,000	\$39,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$115,000	\$55,000	\$39,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$115,000	\$55,000	\$39,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$115,000	\$55,000	\$39,000
Market Conditions	3.0000%	1.99%	1.99%	1.99%
Adjusted Sales Price Per Acre	Annualized	\$117,289	\$56,095	\$39,776
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$2.32	\$1.79	\$1.55
Adjusted Sales Price Per Acre	N/A	\$101,111	\$77,909	\$67,417
<b>Physical Characteristics:</b>				
Location	Average	Inferior	Inferior	Inferior
Access/Frontage/Use Density	Average	100.00%	100.00%	100.00%
Site Size	Varies	Equal	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	Significantly Superior	Superior	Superior
Easements/Encroachments	Typical	75.00%	43.00%	34.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake View	0.00%	0.00%	0.00%
Functional Utility	Average	Equal	Equal	Equal
Flood Zone	None	0.00%	0.00%	0.00%
Utilities	W, E, & T	Equal	Equal	Equal
Overall Comparison With Subject		0.00%	0.00%	0.00%
Net Adjustments		Inferior	Inferior	Inferior
		175.00%	143.00%	134.00%
Net Adjusted Per SF Price		\$6.38	\$4.35	\$3.62
<b>Adjusted Sales Analysis:</b>				
Mean Sales Price Per SF:	\$4.22			
Median Sales Price Per SF:	\$4.12			

# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#13	#14
Location	Santeetlah & Thunderbird Trails	Lot 74 Sec. 93 on Indian Trail	Lot 53 Sec. 3 Indian Lake Rd.
Submarket	Lake Santeetlah, NC	Lake Santeetlah, NC	Topton, NC
Grantor	City Limits	City Limits	Outside City Limits
Grantee	N/A	Jonathan Keith, et ux	Nantahala Holdings, LLC
Sales Price	N/A	Mary S. Humphlett	Jeffrey Plenske, et ux
Site Size (Total Acreage Size Net)	N/A	\$150,000	\$57,000
Date of Sale	Varies	1.070	0.920
Property Rights	N/A	12/29/2015	4/21/2015
Financing	Fee Simple	Fee Simple	Fee Simple
Condition of Sale	N/A	Cash to Seller	Cash to Seller
Location/Access	N/A	Arms Length	Arms Length
Site Size	Average/City Street	Average/City Street	Average/Subdivision Rd.
(Total Acreage Size)	Varies	1.070	0.920
(Total Square Feet Size)	Varies	46,609	40,075
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical
Zoning	R-1	None	None
Amenities (Views, Waterfront, etc.)	Lake View	Lake View	Lake View
Functional Utility	Average	Average	Average
Flood Zone	None	No	No
Utilities	W, E, & T	W, E, & T	Shared Well, E, & T
<b>Transactional Adjustments:</b>			
Property Rights		0	0
Adjusted Sales Price		\$150,000	\$57,000
Financing Terms		\$0	\$0
Adjusted Sales Price		\$150,000	\$57,000
Condition of Sale		0.00%	0.00%
Adjusted Sales Price		\$150,000	\$57,000
Expenditures After Sale		\$0	\$0
Adjusted Sales Price		\$150,000	\$57,000
Market Conditions	3.0000%	4.28%	6.35%
Adjusted Sales Price	Annualized	\$156,415	\$60,620
<b>Transactional Adjusted Prices:</b>			
Sales Price Per SF	N/A	\$3.36	\$1.51
Sales Price Per Acre	N/A	\$146,182	\$65,892
<b>Physical Characteristics:</b>			
Location	Average	Equal	Inferior
Access/Frontage/Use Density	Average	0.00%	100.00%
Site Size	Varies	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%
Shape	Irregular	Equal	Equal
Easements/Encroachments	Typical	0.00%	0.00%
Zoning/Density	R-1 - Typical	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake View	0.00%	0.00%
Functional Utility	Average	Equal	Equal
Flood Zone	None	0.00%	0.00%
Utilities	W, E, & T	Equal	Equal
Overall Comparison With Subject		Equal	Inferior
Net Adjustments		69.00%	158.00%
<b>Net Adjusted Per SF Price</b>		<b>\$5.67</b>	<b>\$3.90</b>
<b>Adjusted Sales Analysis:</b>			
<b>Mean Sales Price Per SF:</b>		<b>\$4.22</b>	
<b>Median Sales Per SF:</b>		<b>\$4.12</b>	

## EXPLANATION OF ADJUSTMENTS OR QUALITATIVE CONSIDERATIONS

**PROPERTY RIGHTS ADJUSTMENT:** The property rights conveyed is the first adjustment because the appraisal of the subject property rights can only be compared to similar property rights. All of the analyzed sales are considered to be fee simple transactions, which is the same property rights assumed would be conveyed in the subject parcels, and no adjustments were deemed necessary for this element of comparison.

**FINANCING TERMS ADJUSTMENT:** A financing adjustment is actually a specific motivation adjustment and often is not capable of being accurately derived from the mathematical discounting process. The most reliable financing adjustment is from paired sales that are generally not available through sales information. Therefore, an adjustment will be made to each of the analyzed sales based on the cash equivalency mathematical discounting process. Cash equivalency is the adjustment of a sales price to an equivalent price if sold for cash, absent the contract terms of the loan. The adjustment may be negative to reflect favorable terms or positive to reflect unfavorable terms. All of the analyzed sales were cash or cash equivalent transactions with no favorable or unfavorable terms of note, therefore, no financing adjustments were necessary.

**CONDITION OF SALE ADJUSTMENT:** No unusual circumstances were readily apparent concerning the analyzed sales as all appeared to be open market arms length transactions and no adjustments are deemed necessary for this element of comparison.

**EXPENDITURES AFTER SALE ADJUSTMENT:** Expenditures after the sale are costs incurred to bring a property up to typical market expectations that were known by both the seller and the buyer prior to closing. It would be expected that a prudent buyer would discount or build into their offering price these expenses. As a result these must be adjusted for in the sales grid when they occur. During the research of these sales it was not revealed that any atypical expenses were necessary after the purchase and as a result no adjustments are deemed necessary for this element of comparison.

**MARKET CONDITION (TIME OF SALE) ADJUSTMENT:** This adjustment is made to reflect market condition changes which may be caused by inflation, deflation, fluctuations in supply or demand or other factors. Although this is often referred to as a time adjustment time is not the cause of the adjustment. Due to the low number of similar residential lake view lot sales that have occurred in this area during the most recent past it is sometimes necessary to use comparables that are significantly old. Generally in a volatile market, sales utilized that are over six to twelve months old are adjusted for market conditions. When this is the case an adjustment is usually made to the comparable for an appropriate market extracted percentage for each year beyond the normal six to twelve month consideration period. However, in this sub-market it is typically acceptable to adjust based on a longer time frame for these types of properties as opposed to the more active sub-markets. This is a very rural, seasonally impacted market. As a result of this reasoning it is my opinion that no adjustments for time, either negative or positive, are warranted for analyzed sales which are within the last six months or so. Therefore, it is maintained that the market for value within this particular sub-market is stable, at least for the moment, at approximately the six month time frame. Ultimately, the relatively small value and/or erratic fluctuations indicated during the past few months or so are not significant enough to warrant any adjustments until such point enough data is available to justify them with a reasonable level of confidence. However, since the market for vacant lake view lot sales have appreciated over the past few years, for any sales that are six months or significantly older an appropriate positive adjustment has been made. Analyzed sales #6 through #14 all occurred over six months ago and all required an appropriate positive adjustment.



**LOCATION ADJUSTMENT:** The subject sites are located on, along or just off of Santeetlah and Thunderbird Trails within the Town of Lake Santeetlah which is a rural residential subdivision. The area located along these streets are developed almost exclusively for residential purposes with the neighborhood currently enjoying a stable use thereof. Analyzed sales #1, #2, #8, #9, #10, #11, #12 and #14 are considered to be less desirably located as compared to the subject due to the remote Lake Nantahala area. Generally this was bore out by the prices commanded on a per square foot basis when compared to other areas. All eight sales required an appropriate positive adjustment for this element of comparison.

**ACCESS, ROAD FRONTAGE & USE DENSITY ADJUSTMENT:** Use density is best described as the amount of traffic which passes by a certain location on any given day and is a major driving force in what makes a commercially conducive site desirable. However, for residential purposes use density has only minimal impact unless it is a heavily traveled commercial road which would most often be seen as a negative factor. Since the subject sites are located on, along or just off of Santeetlah and Thunderbird Trails they do enjoy typical traffic flow for a lake front community. The subjects are directly accessed from either Santeetlah Trail, Thunderbird Trail, or both. They have typical frontage along one or both of these access streets. They do enjoy average access and road frontage attributes for a residential lake view lots in this community. When analyzed sales differed significantly from the subject property in regards to this element of comparison adjustments are made in the land sales analysis.

**LOT SIZE ADJUSTMENT:** Premise is that the smaller a parcel is the more one would expect to pay per square foot (or acre) all other variables being equal. The subject properties have sizes ranging from 0.064+/- acre to 0.15+/- acre with an average site size of 0.12+/- acre rounded for the data set. They are considered to be typical for lake view residential lots in this particular subdivision for the local market. Vacant land sales 3 and 7 will be examined as a paired sale to determine what, if any, adjustments may be warranted for site size differences since both are located in the same subdivision and have fairly common attributes with the exception of site size. They varied in size by 5.89 acres. Both had similar overall site attributes. They are considered a good paired sale for analysis for site size differences. The variance table is shown below.

Sale No.	Sales Price Per Unit	Site Size in Acres	
Small Size Lot			
7	\$137,931		0.58
Large Size Lot			
3	\$26,291		6.466
Variance	\$111,640		-5.89
Variance Per Unit	-\$18,967		
		Total Change	Per Unit Change
Percent Change (Upward)		424.63%	-72.14%
Percent Change (Downward)		80.94%	-13.75%

Based on the preceding table and the resulting relatively large difference of approximately 72.14% per acre for size differences it is clearly evident that size has some significant impact on ultimate prices paid. After analyzing the sales data the tract size range examined does appear to have a large enough spread for recognizable adjustments to be warranted. As a result appropriate adjustments were considered necessary for this element of comparison and all 14 received an adjustment based on the results shown above.

**TOPOGRAPHY AND SHAPE ADJUSTMENT:** The subject properties have some small areas of gentle rolling

and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**EASEMENTS AND ENCROACHMENTS ADJUSTMENT:** There were no known hindering easements and/or encroachments affecting the subject properties to the degree that typical development would be adversely impacted in the hypothetical before scenario. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**ZONING ADJUSTMENT:** The subject properties are within the formal zoning designation of R-1. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

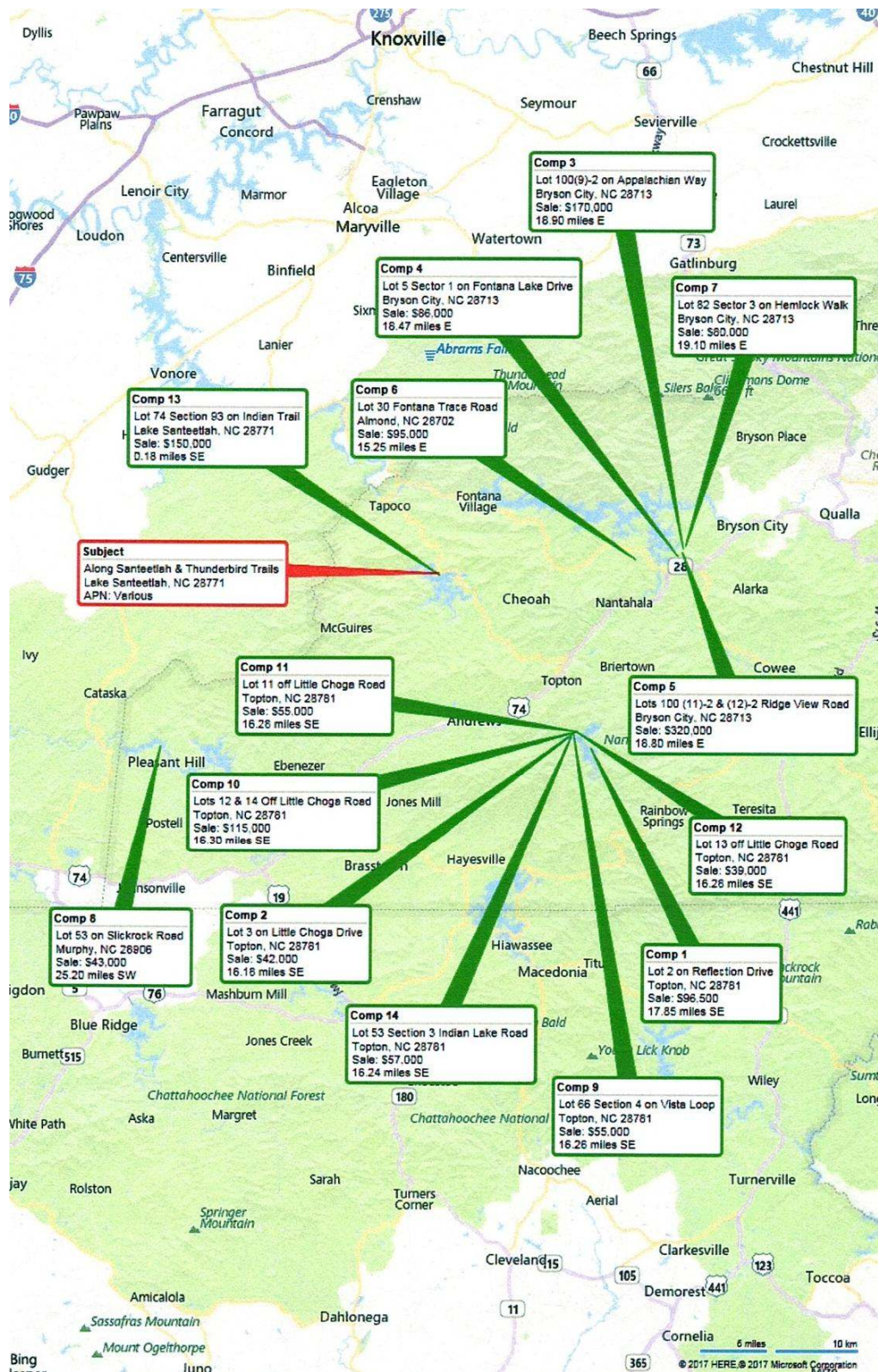
**AMENITIES ADJUSTMENT:** These are features above and beyond those basic elements which are typically associated with a certain type of property such as views, improvements, etc. In this particular situation the subject sites enjoy typical subdivision amenities. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**FUNCTIONAL UTILITY ADJUSTMENT:** The functional utility of the subject sites are considered to be adequate for their current use as residentially developed properties and being suitable for most potential similar residential applications. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**FLOOD ZONE ADJUSTMENT:** The subject properties did not appear to have any areas that were located within a federally designated flood zone. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**UTILITIES ADJUSTMENT:** The subject has access to public water, electric and telephone utilities. When analyzed sales differed significantly from the subject properties in regards to this element of comparison consideration is given for this fact in the final reconciliation in the land sales analysis. Analyzed sales #2, #3, #4, #5, #6 and #7 do not have access to a public, community or shared well water system such as the subject sites and all six required an appropriate positive adjustment.

## LOCATION MAP OF SUBJECT SITES AREA AND ANALYZED VACANT LAKE VIEW SITE SALES





## ***Analysis of Tract #1 (Lot 2, Section 3):***

### **IDENTIFICATION AND LEGAL DESCRIPTION OF THE SUBJECT PROPERTY**

The subject property, referred to as "Lot 2, Section 3 of the Thunderbird Subdivision" and consisting of approximately 0.143+/- acres is located at 163 Santeetlah Trail, Town of Lake Santeetlah, in the Yellow Creek Township, Graham County, North Carolina, with the legal description being found in Deed Book 177 Page 543 in the Office of the Register of Deeds of Graham County. Please refer to the appropriate exhibit of the Part IV "Addenda Section" for the legal description and old survey of the subject property.

### **REAL ESTATE TAXES**

The subject property is located inside the city limits of the Town Lake Santeetlah and within Graham County, North Carolina. The Graham County Tax Office appraises all real property and business personal property within Graham County. The county appraises property according to the North Carolina Property Tax Code and the Uniform Standards of Professional Appraisal Practice (USPAP). Each county is responsible for assessing the value of properties within the county at least every eight years or less. Properties are appraised during the calendar year reevaluation and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in July or August, and the county tax assessor-collector sends tax bills to property owners on August or September 1.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage. The subject property is under the jurisdiction of two taxing entities, that being Graham County and the Town of Lake Santeetlah. It has a current total tax rate of approximately \$ 0.81 per \$100 of valuation with \$ 0.585 due to Graham County and \$ 0.225 being due to the Town of Lake Santeetlah. The total assessed subject site value for the current year, as well as the historical tax assessments, and tax liabilities for the subject property from the past six years of data available from the state of North Carolina are shown in the following table.

<b>Tax Liability for the Subject</b>				
<b>Years Ago</b>	<b>Assessed Value of Subject Site</b>	<b>Tax Rate Per \$100 of Valuation</b>	<b>Ad Valorem Taxes</b>	<b>Cost Per SF of Site Area</b>
5	\$40,000	\$0.5025	\$201.00	\$0.03
4	\$40,000	\$0.5025	\$201.00	\$0.03
3	\$40,000	\$0.5450	\$218.00	\$0.03
2	\$45,000	\$0.5750	\$258.75	\$0.04
1	\$45,000	\$0.7700	\$346.50	\$0.06
Current	\$45,000	\$0.8100	\$364.50	\$0.06
			<b>Average</b>	<b>\$0.04</b>
	Square Feet	Acre		
Site Size	6,229	0.143		

When the subject's tax rate of \$ 0.81 per \$100 is applied to its current underlying site assessed value of \$ 45,000, the result is an annual tax liability of \$ 364.50.

North Carolina is a disclosure state, but property owners typically provide little, if any, information to county tax assessors regarding income data concerning property specific operations. The sales price is gleaned from the sales revenue stamps that are based on sales price and required for recordation purposes at the local Register of Deeds office. As a result most property assessments are primarily based on the deed recording stamps and the cost approach analysis, with the income analysis used only when such relevant data are available. Assessed values are often considerably different from actual market values due to the lack of income and sale data available to the tax assessor. Therefore, the subject's historical assessed values and tax comparables from the subject's market provide the best information for estimating future tax assessments for the subject property.

### Special Assessments

Per local authorities no special assessments are currently applicable nor applied to the subject property.

### Tax Comparables

To check the reasonableness of the subject's assessment and related tax expense, the assessments of several competitive properties were studied and are summarized as follows. The tax comparable land portions of nearby properties may slightly differ in their ultimate composition of topographical features or site characteristics, but are not significant enough to prevent their use for comparison purposes. The tax comparables are analyzed in the following table on the basis of assessed value and real estate tax obligation of their underlying sites.

Tax Comparables							
No.	Property	Use	Assessed Value	Site Size	Assessed Value Per Square Foot of Site Size	Tax Rate Per \$100 of Valuation	Total Taxes Due Per SF of Site Size
1	101 Santeetlah Trail	Residential	\$45,000	7,318	\$6.15	\$0.810	\$0.05
2	76 Thunderbird Trail	Residential	\$45,000	6,273	\$7.17	\$0.810	\$0.06
3	40 Santeetlah Trail	Residential	\$45,000	4,748	\$9.48	\$0.810	\$0.08
4	53 Nantahala Terrace	Residential	\$45,000	6,882	\$6.54	\$0.810	\$0.05
5	74 Nantahala Terrace	Residential	\$45,000	3,964	\$11.35	\$0.810	\$0.09
6	19 Nantahala Terrace	Residential	\$45,000	7,623	\$5.90	\$0.810	\$0.05
				<b>Average</b>	<b>\$7.77</b>		<b>\$0.06</b>
Subject	163 Santeetlah Trail	Residential	\$45,000	6,229	\$7.22	\$0.810	\$0.06

### Tax Analysis and Conclusions

The tax assessments and obligations for the subject over the past few years have increased as assessed values and tax rates have inched upward. The last re-evaluation occurred in 2015 and for the past most recent two years the corresponding tax rates have remained fairly constant from year to year with only slight fluctuations of the city rate. The tax comparables indicate a range for tax expenses or obligations of \$ 0.05 to \$ 0.09 per square foot. At its current assessed value and applicable millage rate the subject expense rate is \$ 0.06 per square foot. After analyzing the data I conclude that the subject's assessed value will at least remain at current levels for the next couple of years. Obligation rates are expected to continue

being stable in the near future making the projection of the overall tax expense fairly easy. At the current rate of \$ 0.06 per square foot for the subject property the tax obligation is considered to be typical considering its overall topographical composition and site characteristics. Therefore, I have concluded that the projected stabilized tax obligation is estimated to be \$ 364.50 based on a rate of \$ 0.81 per \$100 of assessed valuation for the foreseeable near term.



**PHOTOGRAPHS OF SUBJECT PROPERTY**

**PHOTO #1 - TYPICAL VIEW OF RESIDENCE ON THE SUBJECT PROPERTY  
AND THE ORIGINAL LOT 2 OF SECTION 3**



**PHOTO #2 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE SOUTHWESTERN  
CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #3 - TYPICAL VIEW OF NEWLY SET RE-BAR IN THE NORTHWESTERN  
LINE OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #4 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE NORTHEASTERN  
CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #5 - TYPICAL STREET SCENE ALONG THE SUBJECT PROPERTY LOOKING  
AT SANTEETLAH TRAIL AND THE BEGINNING OF THE SUBJECT DRIVEWAY**





## **HISTORY OF THE PROPERTY**

The appraised site, an approximately 0.143+/- acre tract (Lot 2, Section 3 of the Thunderbird Subdivision) was obtained by Marsha Mathews on April 25, 1997 from Nanette D. Anderson for no reported monetary consideration as per the deed revenue stamps. This transaction did not appear to be a true arms length transaction. Currently the subject property is residentially improved, but being appraised as hypothetically vacant.

To the knowledge of this appraiser during the recent ownership of Marsha Mathews the property has not been officially offered for sale by any real estate company or privately. (Official record is Graham County Deed Book 177 Page 543 – General Warranty Deed.)

## **SUMMARY AND RECONCILIATION OF LAND VALUE**

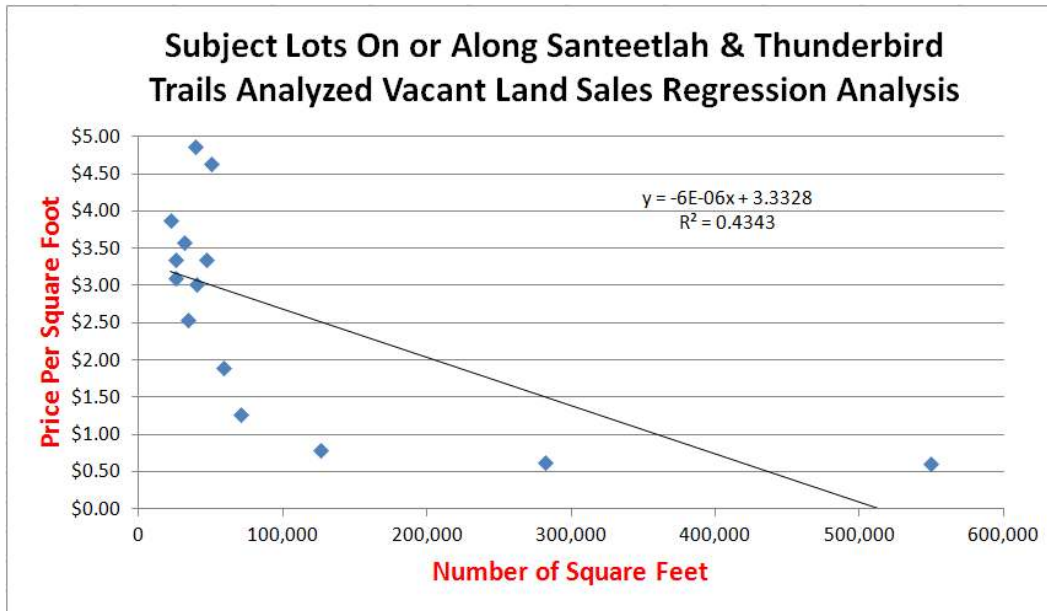
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 2.31 to a high of \$ 6.38 per square foot with a mean value of \$ 4.22 and a median value of \$ 4.12 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake view properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 4.12 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -6E-06x + 3.3328$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 6,229.08+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -6E-06x + 3.3328$$

$$y = (-0.000006x * 6,229.08) + \$ 3.3328$$

$$y = -0.037374 + \$ 3.3328$$

$$y = \$ 3.295426 \text{ or } \$ 3.30 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 3.30 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an  $R^2$  value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 4.12 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site



of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$6,229.08\text{+/- Square Feet} \times \$ 4.12 \text{ per Square Foot} = \$ 25,663.81$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 25,500**  
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## ***Analysis of Tract #2 (Lot 1, Section 3):***

### **IDENTIFICATION AND LEGAL DESCRIPTION OF THE SUBJECT PROPERTY**

The subject property, referred to as "Lot 1, Section 3 of the Thunderbird Subdivision" and consisting of approximately 0.15+/- acres is located at 144 Thunderbird Trail, Town of Lake Santeetlah, in the Yellow Creek Township, Graham County, North Carolina, with the legal description being found in Deed Book 327 Page 132 in the Office of the Register of Deeds of Graham County. Please refer to the appropriate exhibit of the Part IV "Addenda Section" for the legal description and old survey of the subject property.

### **REAL ESTATE TAXES**

The subject property is located inside the city limits of the Town Lake Santeetlah and within Graham County, North Carolina. The Graham County Tax Office appraises all real property and business personal property within Graham County. The county appraises property according to the North Carolina Property Tax Code and the Uniform Standards of Professional Appraisal Practice (USPAP). Each county is responsible for assessing the value of properties within the county at least every eight years or less. Properties are appraised during the calendar year reevaluation and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in July or August, and the county tax assessor-collector sends tax bills to property owners on August or September 1.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage. The subject property is under the jurisdiction of two taxing entities, that being Graham County and the Town of Lake Santeetlah. It has a current total tax rate of approximately \$ 0.81 per \$100 of valuation with \$ 0.585 due to Graham County and \$ 0.225 being due to the Town of Lake Santeetlah. The total assessed subject site value for the current year, as well as the historical tax assessments, and tax liabilities for the subject property from the past six years of data available from the state of North Carolina are shown in the following table.

<b>Tax Liability for the Subject</b>				
<b>Years Ago</b>	<b>Assessed Value of Subject Site</b>	<b>Tax Rate Per \$100 of Valuation</b>	<b>Ad Valorem Taxes</b>	<b>Cost Per SF of Site Area</b>
5	\$40,000	\$0.5025	\$201.00	\$0.03
4	\$40,000	\$0.5025	\$201.00	\$0.03
3	\$40,000	\$0.5450	\$218.00	\$0.03
2	\$45,000	\$0.5750	\$258.75	\$0.04
1	\$45,000	\$0.7700	\$346.50	\$0.05
Current	\$45,000	\$0.8100	\$364.50	\$0.06
			<b>Average</b>	<b>\$0.04</b>
	Square Feet	Acre		
Site Size	6,534	0.15		

When the subject's tax rate of \$ 0.81 per \$100 is applied to its current underlying site assessed value of \$ 45,000, the result is an annual tax liability of \$ 364.50.

North Carolina is a disclosure state, but property owners typically provide little, if any, information to county tax assessors regarding income data concerning property specific operations. The sales price is gleaned from the sales revenue stamps that are based on sales price and required for recordation purposes at the local Register of Deeds office. As a result most property assessments are primarily based on the deed recording stamps and the cost approach analysis, with the income analysis used only when such relevant data are available. Assessed values are often considerably different from actual market values due to the lack of income and sale data available to the tax assessor. Therefore, the subject's historical assessed values and tax comparables from the subject's market provide the best information for estimating future tax assessments for the subject property.

### Special Assessments

Per local authorities no special assessments are currently applicable nor applied to the subject property.

### Tax Comparables

To check the reasonableness of the subject's assessment and related tax expense, the assessments of several competitive properties were studied and are summarized as follows. The tax comparable land portions of nearby properties may slightly differ in their ultimate composition of topographical features or site characteristics, but are not significant enough to prevent their use for comparison purposes. The tax comparables are analyzed in the following table on the basis of assessed value and real estate tax obligation of their underlying sites.

Tax Comparables							
No.	Property	Use	Assessed Value	Site Size	Assessed Value Per Square Foot of Site Size	Tax Rate Per \$100 of Valuation	Total Taxes Due Per SF of Site Size
1	101 Santeetlah Trail	Residential	\$45,000	7,318	\$6.15	\$0.810	\$0.05
2	76 Thunderbird Trail	Residential	\$45,000	6,273	\$7.17	\$0.810	\$0.06
3	40 Santeetlah Trail	Residential	\$45,000	4,748	\$9.48	\$0.810	\$0.08
4	53 Nantahala Terrace	Residential	\$45,000	6,882	\$6.54	\$0.810	\$0.05
5	74 Nantahala Terrace	Residential	\$45,000	3,964	\$11.35	\$0.810	\$0.09
6	19 Nantahala Terrace	Residential	\$45,000	7,623	\$5.90	\$0.810	\$0.05
				<b>Average</b>	<b>\$7.77</b>		<b>\$0.06</b>
Subject	144 Thunderbird Trail	Residential	\$45,000	6,534	\$6.89	\$0.810	\$0.06

### Tax Analysis and Conclusions

The tax assessments and obligations for the subject over the past few years have increased as assessed values and tax rates have inched upward. The last re-evaluation occurred in 2015 and for the past most recent two years the corresponding tax rates have remained fairly constant from year to year with only slight fluctuations of the city rate. The tax comparables indicate a range for tax expenses or obligations of \$ 0.05 to \$ 0.09 per square foot. At its current assessed value and applicable millage rate the subject expense rate is \$ 0.06 per square foot. After analyzing the data I conclude that the subject's assessed value will at least remain at current levels for the next couple of years. Obligation rates are expected to continue

being stable in the near future making the projection of the overall tax expense fairly easy. At the current rate of \$ 0.06 per square foot for the subject property the tax obligation is considered to be typical considering its overall topographical composition and site characteristics. Therefore, I have concluded that the projected stabilized tax obligation is estimated to be \$ 364.50 based on a rate of \$ 0.81 per \$100 of assessed valuation for the foreseeable near term.

**PHOTOGRAPHS OF SUBJECT PROPERTY**

**PHOTO #1 - TYPICAL VIEW OF RESIDENCE ON THE SUBJECT PROPERTY  
AND THE ORIGINAL LOT 1 OF SECTION 3**



**PHOTO #2 - TYPICAL VIEW OF THE NORTHEASTERN AREAS OF THE PROPOSED  
TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #3 - TYPICAL VIEW OF NEWLY SET NAIL IN THE NORTHWESTERN  
LINE OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #4 - TYPICAL STREET SCENE ALONG THE SUBJECT PROPERTY LOOKING  
AT SANTEETLAH TRAIL**



## **HISTORY OF THE PROPERTY**

The appraised site, an approximately 0.15+/- acre tract (Lot 1, Section 3 of the Thunderbird Subdivision) was obtained by Breanne N. Nichole Anderson and Zachary Brian Anderson on April 1, 2013 from Lois Anderson for no reported monetary consideration as per the deed revenue stamps. This transaction did not appear to be a true arms length transaction, but rather a transaction between family members. Currently the subject property is residentially improved, but being appraised as hypothetically vacant.

To the knowledge of this appraiser during the recent ownership of Breanne N. Nichole Anderson and Zachary Brian Anderson the property has not been officially offered for sale by any real estate company or privately. (Official record is Graham County Deed Book 327 Page 132 – General Warranty Deed.)

## **SUMMARY AND RECONCILIATION OF LAND VALUE**

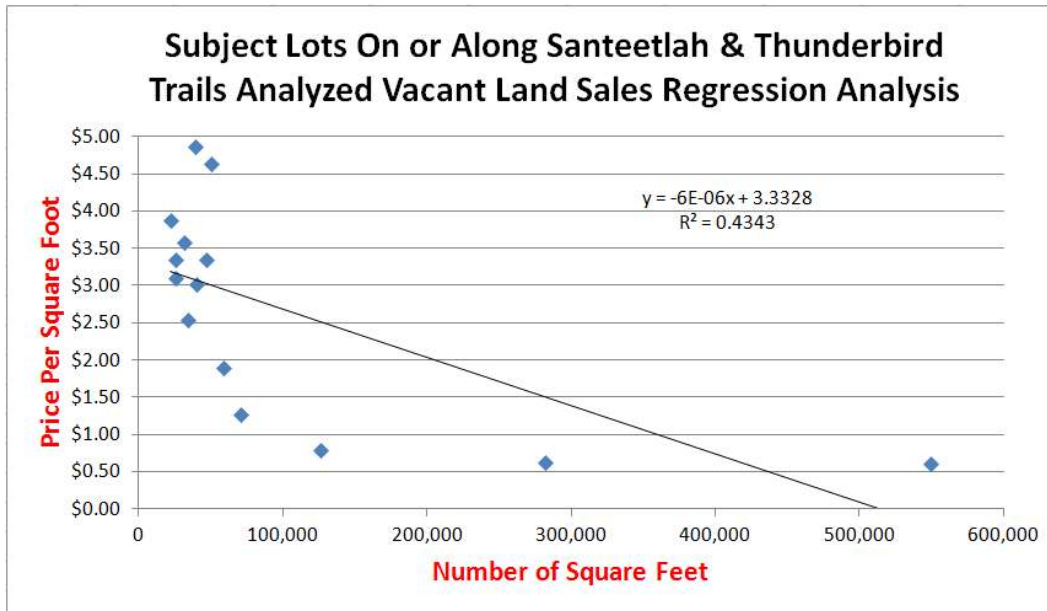
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 2.31 to a high of \$ 6.38 per square foot with a mean value of \$ 4.22 and a median value of \$ 4.12 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake view properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 4.12 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -6E-06x + 3.3328$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 6,534.00+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -6E-06x + 3.3328$$

$$y = (-0.000006x * 6,534.00) + \$ 3.3328$$

$$y = -0.039204 + \$ 3.3328$$

$$y = \$ 3.293596 \text{ or } \$ 3.30 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 3.30 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an  $R^2$  value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 4.12 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site



of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$6,534.00\text{+/- Square Feet} \times \$ 4.12 \text{ per Square Foot} = \$ 26,920.08$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 27,000**  
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## ***Analysis of Tract #3 (Lot 4, Section 1B):***

### **IDENTIFICATION AND LEGAL DESCRIPTION OF THE SUBJECT PROPERTY**

The subject property, referred to as "Lot 4, Section 1B of the Thunderbird Subdivision" and consisting of approximately 0.064+/- acres is located at 123 Santeetlah Trail, Town of Lake Santeetlah, in the Yellow Creek Township, Graham County, North Carolina, with the legal description being found in Deed Book 341 Page 225 in the Office of the Register of Deeds of Graham County. Please refer to the appropriate exhibit of the Part IV "Addenda Section" for the legal description and old survey of the subject property.

### **REAL ESTATE TAXES**

The subject property is located inside the city limits of the Town Lake Santeetlah and within Graham County, North Carolina. The Graham County Tax Office appraises all real property and business personal property within Graham County. The county appraises property according to the North Carolina Property Tax Code and the Uniform Standards of Professional Appraisal Practice (USPAP). Each county is responsible for assessing the value of properties within the county at least every eight years or less. Properties are appraised during the calendar year reevaluation and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in July or August, and the county tax assessor-collector sends tax bills to property owners on August or September 1.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage. The subject property is under the jurisdiction of two taxing entities, that being Graham County and the Town of Lake Santeetlah. It has a current total tax rate of approximately \$ 0.81 per \$100 of valuation with \$ 0.585 due to Graham County and \$ 0.225 being due to the Town of Lake Santeetlah. The total assessed subject site value for the current year, as well as the historical tax assessments, and tax liabilities for the subject property from the past six years of data available from the state of North Carolina are shown in the following table.

<b>Tax Liability for the Subject</b>				
<b>Years Ago</b>	<b>Assessed Value of Subject Site</b>	<b>Tax Rate Per \$100 of Valuation</b>	<b>Ad Valorem Taxes</b>	<b>Cost Per SF of Site Area</b>
5	\$40,000	\$0.5025	\$201.00	\$0.07
4	\$40,000	\$0.5025	\$201.00	\$0.07
3	\$40,000	\$0.5450	\$218.00	\$0.08
2	\$45,000	\$0.5750	\$258.75	\$0.09
1	\$45,000	\$0.7700	\$346.50	\$0.12
Current	\$45,000	\$0.8100	\$364.50	\$0.13
			<b>Average</b>	<b>\$0.10</b>
	Square Feet	Acre		
Site Size	2,788	0.064		

When the subject's tax rate of \$ 0.81 per \$100 is applied to its current underlying site assessed value of \$ 45,000, the result is an annual tax liability of \$ 364.50.

North Carolina is a disclosure state, but property owners typically provide little, if any, information to county tax assessors regarding income data concerning property specific operations. The sales price is gleaned from the sales revenue stamps that are based on sales price and required for recordation purposes at the local Register of Deeds office. As a result most property assessments are primarily based on the deed recording stamps and the cost approach analysis, with the income analysis used only when such relevant data are available. Assessed values are often considerably different from actual market values due to the lack of income and sale data available to the tax assessor. Therefore, the subject's historical assessed values and tax comparables from the subject's market provide the best information for estimating future tax assessments for the subject property.

### Special Assessments

Per local authorities no special assessments are currently applicable nor applied to the subject property.

### Tax Comparables

To check the reasonableness of the subject's assessment and related tax expense, the assessments of several competitive properties were studied and are summarized as follows. The tax comparable land portions of nearby properties may slightly differ in their ultimate composition of topographical features or site characteristics, but are not significant enough to prevent their use for comparison purposes. The tax comparables are analyzed in the following table on the basis of assessed value and real estate tax obligation of their underlying sites.

Tax Comparables							
No.	Property	Use	Assessed Value	Site Size	Assessed Value Per Square Foot of Site Size	Tax Rate Per \$100 of Valuation	Total Taxes Due Per SF of Site Size
1	101 Santeetlah Trail	Residential	\$45,000	7,318	\$6.15	\$0.810	\$0.05
2	76 Thunderbird Trail	Residential	\$45,000	6,273	\$7.17	\$0.810	\$0.06
3	40 Santeetlah Trail	Residential	\$45,000	4,748	\$9.48	\$0.810	\$0.08
4	53 Nantahala Terrace	Residential	\$45,000	6,882	\$6.54	\$0.810	\$0.05
5	74 Nantahala Terrace	Residential	\$45,000	3,964	\$11.35	\$0.810	\$0.09
6	19 Nantahala Terrace	Residential	\$45,000	7,623	\$5.90	\$0.810	\$0.05
				<b>Average</b>	<b>\$7.77</b>		<b>\$0.06</b>
Subject	123 Santeetlah Trail	Residential	\$45,000	2,788	\$16.14	\$0.810	\$0.13

### Tax Analysis and Conclusions

The tax assessments and obligations for the subject over the past few years have increased as assessed values and tax rates have inched upward. The last re-evaluation occurred in 2015 and for the past most recent two years the corresponding tax rates have remained fairly constant from year to year with only slight fluctuations of the city rate. The tax comparables indicate a range for tax expenses or obligations of \$ 0.05 to \$ 0.09 per square foot. At its current assessed value and applicable millage rate the subject expense rate is \$ 0.13 per square foot. After analyzing the data I conclude that the subject's assessed value will at least remain at current levels for the next couple of years. Obligation rates are expected to continue

being stable in the near future making the projection of the overall tax expense fairly easy. At the current rate of \$ 0.13 per square foot for the subject property the tax obligation is considered to be at the upper end of the range due primarily to its small overall size. Therefore, I have concluded that the projected stabilized tax obligation is estimated to be \$ 364.50 based on a rate of \$ 0.81 per \$100 of assessed valuation for the foreseeable near term.



**PHOTOGRAPHS OF SUBJECT PROPERTY**

**PHOTO #1 - TYPICAL VIEW OF RESIDENCE ON THE SUBJECT PROPERTY  
AND THE ORIGINAL LOT 4 OF SECTION 1B**



**PHOTO #2 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE SOUTHWESTERN  
CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #3 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE SOUTHEASTERN CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #4 - TYPICAL VIEW OF NEWLY SET RE-BAR IN THE NORTHWESTERN LINE OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #5 - TYPICAL VIEW OF THE NORTHWESTERN AREAS OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #6 - TYPICAL STREET SCENE ALONG THE SUBJECT PROPERTY LOOKING AT SANTEETLAH TRAIL**



## **HISTORY OF THE PROPERTY**

The appraised site, an approximately 0.064+/- acre tract (Lot 4, Section 1B of the Thunderbird Subdivision) was obtained by John Cochran on September 24, 2014 from Robert Neal Kingsbury and wife, Lorraine Claire Kingsbury for no reported monetary consideration as per the deed revenue stamps. This transaction did not appear to be a true arms length transaction. Currently the subject property is residentially improved, but being appraised as hypothetically vacant.

To the knowledge of this appraiser during the recent ownership of John Cochran the property has not been officially offered for sale by any real estate company or privately. (Official record is Graham County Deed Book 341 Page 225 – General Warranty Deed.)

## **SUMMARY AND RECONCILIATION OF LAND VALUE**

The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 2.31 to a high of \$ 6.38 per square foot with a mean value of \$ 4.22 and a median value of \$ 4.12 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake view properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

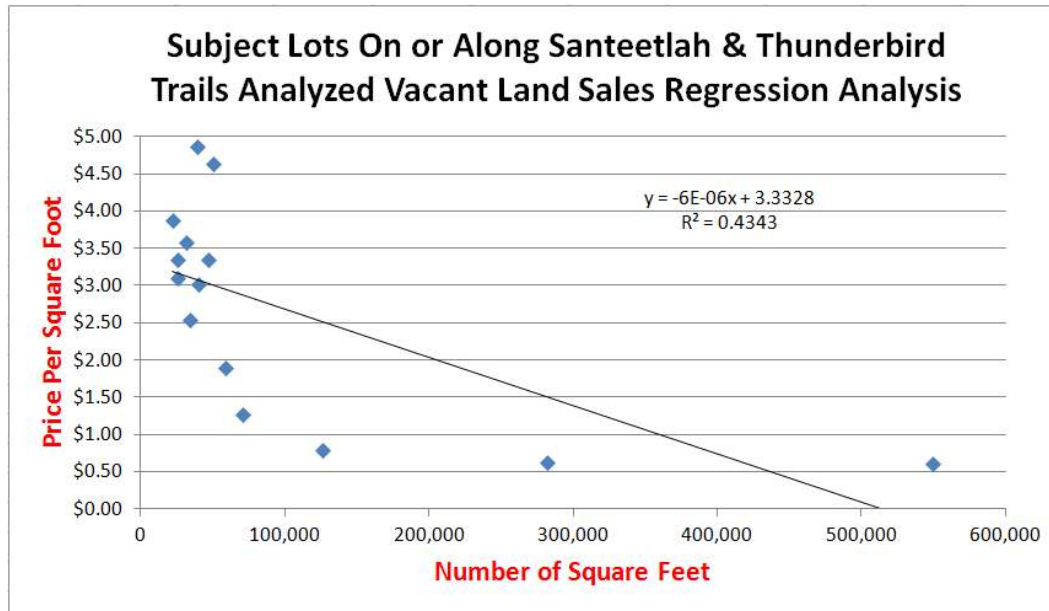
Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 4.12 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -6E-06x + 3.3328$





Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 2,787.84+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -6E-06x + 3.3328$$

$$y = (-0.000006x * 2,787.84) + \$ 3.3328$$

$$y = -0.016727 + \$ 3.3328$$

$$y = \$ 3.316073 \text{ or } \$ 3.32 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 3.32 for the subject property represents the economic value of the subject land based on the underling site size under current circumstances from a regression standpoint. However, this equation does not have an  $R^2$  value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 4.12 per square foot to be applied to the subject property in estimating its real estate site value component

considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$2,787.84\text{+/- Square Feet} \times \$ 4.12 \text{ per Square Foot} = \$ 11,485.90$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 11,500**  
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## ***Analysis of Tract #4 (Lot 2, Section 1B):***

### **IDENTIFICATION AND LEGAL DESCRIPTION OF THE SUBJECT PROPERTY**

The subject property, referred to as "Lot 2, Section 1B of the Thunderbird Subdivision" and consisting of approximately 0.099+/- acres is located at 140 Thunderbird Trail, Town of Lake Santeetlah, in the Yellow Creek Township, Graham County, North Carolina, with the legal description being found in Deed Book 356 Page 272 in the Office of the Register of Deeds of Graham County. Please refer to the appropriate exhibit of the Part IV "Addenda Section" for the legal description and old survey of the subject property.

### **REAL ESTATE TAXES**

The subject property is located inside the city limits of the Town Lake Santeetlah and within Graham County, North Carolina. The Graham County Tax Office appraises all real property and business personal property within Graham County. The county appraises property according to the North Carolina Property Tax Code and the Uniform Standards of Professional Appraisal Practice (USPAP). Each county is responsible for assessing the value of properties within the county at least every eight years or less. Properties are appraised during the calendar year reevaluation and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in July or August, and the county tax assessor-collector sends tax bills to property owners on August or September 1.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage. The subject property is under the jurisdiction of two taxing entities, that being Graham County and the Town of Lake Santeetlah. It has a current total tax rate of approximately \$ 0.81 per \$100 of valuation with \$ 0.585 due to Graham County and \$ 0.225 being due to the Town of Lake Santeetlah. The total assessed subject site value for the current year, as well as the historical tax assessments, and tax liabilities for the subject property from the past six years of data available from the state of North Carolina are shown in the following table.

<b>Tax Liability for the Subject</b>				
<b>Years Ago</b>	<b>Assessed Value of Subject Site</b>	<b>Tax Rate Per \$100 of Valuation</b>	<b>Ad Valorem Taxes</b>	<b>Cost Per SF of Site Area</b>
5	\$40,000	\$0.5025	\$201.00	\$0.05
4	\$40,000	\$0.5025	\$201.00	\$0.05
3	\$40,000	\$0.5450	\$218.00	\$0.05
2	\$45,000	\$0.5750	\$258.75	\$0.06
1	\$45,000	\$0.7700	\$346.50	\$0.08
Current	\$45,000	\$0.8100	\$364.50	\$0.08
			<b>Average</b>	<b>\$0.06</b>
Site Size	Square Feet	Acre		
	4,312	0.099		

When the subject's tax rate of \$ 0.81 per \$100 is applied to its current underlying site assessed value of \$ 45,000, the result is an annual tax liability of \$ 364.50.

North Carolina is a disclosure state, but property owners typically provide little, if any, information to county tax assessors regarding income data concerning property specific operations. The sales price is gleaned from the sales revenue stamps that are based on sales price and required for recordation purposes at the local Register of Deeds office. As a result most property assessments are primarily based on the deed recording stamps and the cost approach analysis, with the income analysis used only when such relevant data are available. Assessed values are often considerably different from actual market values due to the lack of income and sale data available to the tax assessor. Therefore, the subject's historical assessed values and tax comparables from the subject's market provide the best information for estimating future tax assessments for the subject property.

### Special Assessments

Per local authorities no special assessments are currently applicable nor applied to the subject property.

### Tax Comparables

To check the reasonableness of the subject's assessment and related tax expense, the assessments of several competitive properties were studied and are summarized as follows. The tax comparable land portions of nearby properties may slightly differ in their ultimate composition of topographical features or site characteristics, but are not significant enough to prevent their use for comparison purposes. The tax comparables are analyzed in the following table on the basis of assessed value and real estate tax obligation of their underlying sites.

Tax Comparables							
No.	Property	Use	Assessed Value	Site Size	Assessed Value Per Square Foot of Site Size	Tax Rate Per \$100 of Valuation	Total Taxes Due Per SF of Site Size
1	101 Santeetlah Trail	Residential	\$45,000	7,318	\$6.15	\$0.810	\$0.05
2	76 Thunderbird Trail	Residential	\$45,000	6,273	\$7.17	\$0.810	\$0.06
3	40 Santeetlah Trail	Residential	\$45,000	4,748	\$9.48	\$0.810	\$0.08
4	53 Nantahala Terrace	Residential	\$45,000	6,882	\$6.54	\$0.810	\$0.05
5	74 Nantahala Terrace	Residential	\$45,000	3,964	\$11.35	\$0.810	\$0.09
6	19 Nantahala Terrace	Residential	\$45,000	7,623	\$5.90	\$0.810	\$0.05
				<b>Average</b>	<b>\$7.77</b>		<b>\$0.06</b>
Subject	140 Thunderbird Trail	Residential	\$45,000	4,312	\$10.43	\$0.810	\$0.08

### Tax Analysis and Conclusions

The tax assessments and obligations for the subject over the past few years have increased as assessed values and tax rates have inched upward. The last re-evaluation occurred in 2015 and for the past most recent two years the corresponding tax rates have remained fairly constant from year to year with only slight fluctuations of the city rate. The tax comparables indicate a range for tax expenses or obligations of \$ 0.05 to \$ 0.09 per square foot. At its current assessed value and applicable millage rate the subject expense rate is \$ 0.08 per square foot. After analyzing the data I conclude that the subject's assessed value will at least remain at current levels for the next couple of years. Obligation rates are expected to continue

being stable in the near future making the projection of the overall tax expense fairly easy. At the current rate of \$ 0.08 per square foot for the subject property the tax obligation is considered to be typical considering its overall topographical composition and site characteristics. Therefore, I have concluded that the projected stabilized tax obligation is estimated to be \$ 364.50 based on a rate of \$ 0.81 per \$100 of assessed valuation for the foreseeable near term.



**PHOTOGRAPHS OF SUBJECT PROPERTY**

**PHOTO #1 - TYPICAL VIEW OF RESIDENCE ON THE SUBJECT PROPERTY  
AND THE ORIGINAL LOT 2 OF SECTION 1B**



**PHOTO #2 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE SOUTHWESTERN  
CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #3 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE SOUTHEASTERN CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #4 - TYPICAL VIEW OF THE NORTHWESTERN AREAS OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #5 - TYPICAL VIEW OF A PIN IN THE NORTHEASTERN LINE OF THE  
PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #6 - TYPICAL STREET SCENE ALONG THE SUBJECT PROPERTY LOOKING  
AT SANTEETLAH TRAIL**



## **HISTORY OF THE PROPERTY**

The appraised site, an approximately 0.099+/- acre tract (Lot 2, Section 1B of the Thunderbird Subdivision) was obtained by Greg McCoy on February 1, 2017 from Aura Griffith for \$ 86,000 reported monetary consideration as per the deed revenue stamps. This transaction did appear to be a true arms length transaction. Currently the subject property is residentially improved, but being appraised as hypothetically vacant.

To the knowledge of this appraiser during the recent ownership of Greg McCoy the property has not been officially offered for sale by any real estate company or privately. (Official record is Graham County Deed Book 356 Page 272 – General Warranty Deed.)

## **SUMMARY AND RECONCILIATION OF LAND VALUE**

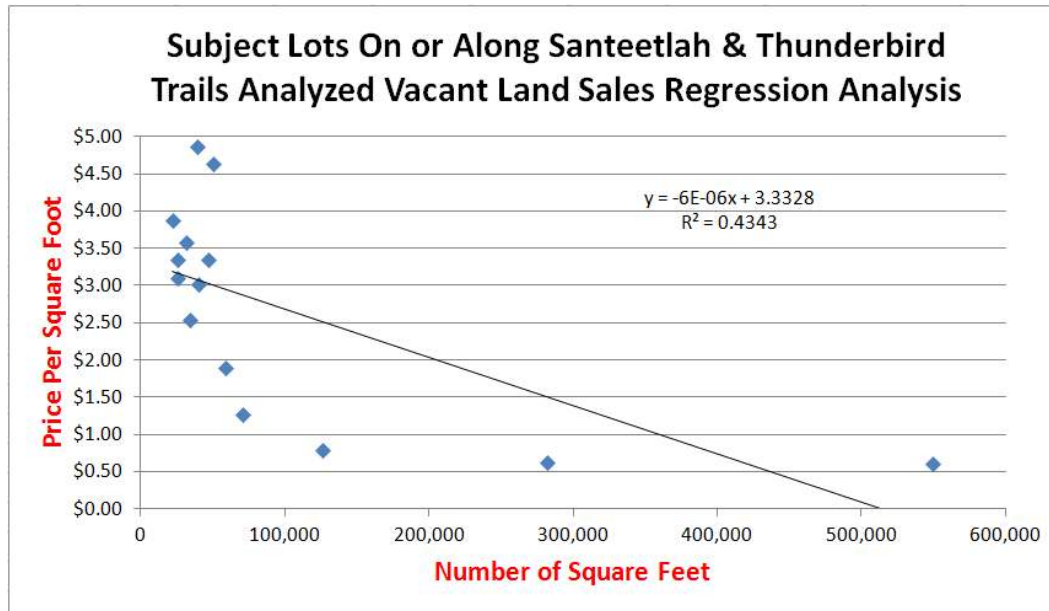
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 2.31 to a high of \$ 6.38 per square foot with a mean value of \$ 4.22 and a median value of \$ 4.12 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake view properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 4.12 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -6E-06x + 3.3328$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 4,312.44+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -6E-06x + 3.3328$$

$$y = (-0.000006x * 4,312.44) + \$ 3.3328$$

$$y = -0.025875 + \$ 3.3328$$

$$y = \$ 3.306925 \text{ or } \$ 3.31 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 3.31 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an  $R^2$  value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 4.12 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site



of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$4,312.44\pm \text{ Square Feet } \times \$ 4.12 \text{ per Square Foot } = \$ 17,767.25$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 18,000**

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**SECTION #2: VALUE ANALYSIS OF AN 'AS-COMBINED AFTER'  
HYPOTHETICALLY VACANT STATE WHERE INDIVIDUAL TRACTS HAVE BEEN  
ENDUED WITH SMALL PARCEL LOT ADDITIONS OF EXCESS TOWN OWNED  
PROPERTY THAT ALLOWS THEM TO LEGALLY ENJOY ALL THE TYPICAL  
BENEFITS OF BEING LAKE FRONT PROPERTIES:**

**COST APPROACH ANALYSIS**

The *Cost Approach* estimates a reproduction cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. In this particular situation reproduction cost is the cost of a functionally similar or equivalent improvement as that which currently exists on the subject property. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the cost approach. In essence this approach is based on the premise that an investor/purchaser would pay no more for an existing property than the cost of acquiring a similar site and creating an adequate substitute property with like utility without undue delay. This procedure is outlined in the following steps:

**COST APPROACH ANALYSIS**

The following steps, including land valuation, were followed in order to derive a value indication via the Cost Approach:

- 1) Estimated the value of the site as if vacant and available to be utilized at its highest and best use. The sales comparison approach was utilized to estimate the market value of the site.
- 2) Estimated the reproduction cost as defined herein of the structure on the effective appraisal date.
- 3) Estimated the amount of accrued depreciation attributable to the improvements.
- 4) Deducted the estimated depreciation from the reproduction cost of the structure to derive an estimate of the structure's contribution to total value.
- 5) Added the depreciation cost of all improvements to the estimated value of the site to arrive at an indication of value for the subject property.

The Cost Approach was not considered applicable since this appraisal was made invoking the hypothetical condition that all of the individual tracts were vacant even if improved. Thus, it will not be developed for the purposes of completing this assignment.

### **INCOME CAPITALIZATION APPROACH**

Since the subject properties are appraised invoking the hypothetical condition that they are all vacant, the income capitalization approach was deemed to be irrelevant for the purposes of completing this appraisal based on the particular circumstances surrounding the assignment. Therefore, the lack of reliable data available from the rental of similar vacant woodland lots precludes this approach to value from rendering any reliable indicator of value. All of these factors combine to lend reasonable credence to the opinion that the income capitalization approach is not applicable for the completion of this particular appraisal. Therefore, the income capitalization approach was not considered relevant for the purposes of completing this section of the appraisal and was ultimately not developed.

## **SALES COMPARISON APPROACH ANALYSIS**

In this approach value is estimated by comparing the subject properties to similar properties in the market which have sold within the past one to two years. A limited number of sales have been examined in the process of making this appraisal since there have only been a few medium to large sized similar tracts sold in the immediate area recently which were within the local county. This is often the case in small rural communities where most acreage tracts are family owned, were such tracts are rarely sold, and of those remaining they represent only a very small portion of all the individual parcels available. An attempt was made to verify information about the analyzed sales by contacting any real estate brokers, attorneys, and/or buyers and sellers that may have been involved and researching the sales at the local court house.

Each analyzed property was compared to the subject properties and consideration was made according to significant differences in the elements of comparison which resulted in an opinion of price of each analyzed sale giving an indication of the value of the subjects. The basic subject information is below and the analyzed sales information is on the following pages.

### **SUBJECT SITE DATA:**

<b>COUNTY:</b>	Graham
<b>LOCATION:</b>	Along, on or between Santeetlah and Thunderbird Trails, Lake Santeetlah, N.C.
<b>TAX DATA:</b>	Tract #1: 5642-04-03-0002; Tract #2: 5642-04-03-0001; Tract #3: 5642-04-1B-0004; and, Tract #4: 5642-04-1B-0002; and, small portions of Tract #6 owned by the Town of Lake Santeetlah not issued an official PIN number.
<b>LAST TRANSACTION DATE:</b>	Tract #1: 10/9/1990; Tract #2: 4/1/2013; Tract #3: 9/24/2014; Tract #4: 2/1/2017; and, Tract #6: 7/18/1991.
<b>BOOK / PAGE:</b>	Tract #1: DB 177, Pg 543; Tract #2: DB 327, Pg 132; Tract #3: DB 341, Pg 225; Tract #4: DB 356, Pg 272; and, Tract #6: DB 145, Pg 583.
<b>GRANTOR:</b>	Various
<b>GRANTEE:</b>	Various
<b>SALE PRICE:</b>	Varies
<b>VERIFIED:</b>	N/A
<b>FINANCING:</b>	N/A
<b>CASH EQUIV. SALE PRICE:</b>	N/A
<b>SALE CONDITIONS:</b>	N/A
<b>ZONING:</b>	None
<b>MOST PROBABLE USE:</b>	Residential Use
<b>CURRENT USE:</b>	Residential
<b>SIZE (AREA - INCLUDING SMALL ADDITION AREAS FROM THE TOWN):</b>	Tract #1: 0.1895+/- Acre; Tract #2: 0.2765+/- Acre; Tract #3: 0.127+/- Acre; and, Tract #4: 0.172+/- Acre.
<b>UTILITIES:</b>	Water, Electric and Telephone available to all tracts. Sewer is by individual septic systems.
<b>TOPOGRAPHY:</b>	These smaller lots topographically range from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas.
<b>SHAPE:</b>	All are Irregular
<b>FRONTAGE:</b>	Accessed by public town streets with most having typical and/or adequate frontage.
<b>IMPROVEMENTS:</b>	All are residentially improved but for the purposes of this appraisal are appraised 'as-if' hypothetically vacant.
<b>COMMENTS:</b>	These particular tracts would be expected to have typical residential views ranging from good to very good lake, mountain and valley scenery. The four primary parcels are being appraised "as-if" hypothetically combined with small parcels of excess land owned by the Town of Lake Santeetlah that gives them typical lake frontage rights.
<b>PRICE PER ACRE:</b>	N/A

## MOST RECENT VACANT LAKE FRONT LOT SALES

### VACANT LOT SALE ONE

**COUNTY:** Swain  
**LOCATION:** Lot 39 Sector 3 of Fontana Lake Estates, Fontana Lake Drive, Bryson City, N.C.  
**TAX DATA:** 6642.01-08-2684  
**SALE DATE:** October 23, 2017  
**BOOK / PAGE:** 453 / 102  
**GRANTOR:** John Poidevant and wife, Joanne Renfro-Poidevant  
**GRANTEE:** Michael Palermo  
**SALE PRICE:** \$ 190,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 2.11+/- acres or 91,911.60+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 2.07  
**DAYS ON MARKET & MLS #:** 1,025 Days — MLS #25950808

### VACANT LOT SALE TWO

**COUNTY:** Macon  
**LOCATION:** Lot #27 Section 2 of Little Choga's Place Subdivision, Tom Hay Drive, Topton, N.C.  
**TAX DATA:** 6505-24-8854  
**SALE DATE:** August 24, 2017  
**BOOK / PAGE:** D-38 / 274  
**GRANTOR:** Rozinski Holdings, LLC  
**GRANTEE:** Douglas Paul Matern Amended and Restated Trust  
**SALE PRICE:** \$ 180,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.81+/- acre or 35,283.60+/- square feet  
**UTILITIES:** Shared Well, Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 5.10  
**DAYS ON MARKET & MLS #:** 802 Days — MLS #121913



## VACANT LOT SALE THREE

**COUNTY:** Graham  
**LOCATION:** Lots 26, 27 and 28 of Forest Lakes Subdivision, Forest Lakes Road, Robbinsville, N.C.  
**TAX DATA:** 5662-00-03-0026  
**SALE DATE:** August 23, 2017  
**BOOK / PAGE:** 360 / 646  
**GRANTOR:** Sherman F. Calkins and wife, Janet B. Calkins  
**GRANTEE:** Gary Pelczar and wife, Deborah Pelczar  
**SALE PRICE:** \$ 140,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.39+/- acre or 16,988.40+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 8.24  
**DAYS ON MARKET & MLS #:** 64 Days — MLS #26005465

## VACANT LOT SALE FOUR

**COUNTY:** Graham  
**LOCATION:** Tract 2 of Santeetlah Shores Subdivision, East Buffalo Circle, Robbinsville, N.C.  
**TAX DATA:** 5652-00-02-0092-T 2  
**SALE DATE:** August 15, 2017  
**BOOK / PAGE:** 360 / 452  
**GRANTOR:** Gary Uhazie and wife, Barbara H. Uhazie  
**GRANTEE:** Avis A. Phillips  
**SALE PRICE:** \$ 345,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.894+/- acre or 38,942.64+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Public Secondary Road and Private Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 8.86  
**DAYS ON MARKET & MLS #:** 23 Days — MLS #126821

## VACANT LOT SALE FIVE

**COUNTY:** Swain  
**LOCATION:** Lot 96 Sector 3 of Fontana Lake Estates, Forest Way, Bryson City, N.C.  
**TAX DATA:** 6643-00-31-2069  
**SALE DATE:** April 19, 2017  
**BOOK / PAGE:** 448 / 59  
**GRANTOR:** D. Paul Haagsma and wife, Barbara J. Haagsma  
**GRANTEE:** Catherine A. Lewis, Trustee of the Catherine A Lewis Family Trust  
**SALE PRICE:** \$ 330,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.60+/- acre or 26,136.00+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Moderate To Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 12.63  
**DAYS ON MARKET & MLS #:** 230 Days — MLS #26004796

## VACANT LOT SALE SIX

**COUNTY:** Graham  
**LOCATION:** Lots 5, 6 and 7 of Lakeside Terrace Subdivision, Unnamed Road, Robbinsville, N.C.  
**TAX DATA:** 5661-00-03-0005 and 5661-00-03-0006  
**SALE DATE:** March 23, 2017  
**BOOK / PAGE:** 357 / 227  
**GRANTOR:** Janet Williamson, Sole Surviving Trustee of the James L. Stroupe Living Trust  
**GRANTEE:** Martha Jenkins  
**SALE PRICE:** \$ 170,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.581+/- acres or 68,868.36+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Moderate to Steep Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Poorly developed and maintained subdivision with no amenities.  
**PRICE PER SF ROUNDED:** \$ 2.47  
**DAYS ON MARKET & MLS #:** 222 Days — MLS #124741

## VACANT LOT SALE SEVEN

**COUNTY:** Macon  
**LOCATION:** Lot 49 of Nantahala Highlands Estates, Lakeshore Drive, Tipton, N.C.  
**TAX DATA:** 6505-83-4699  
**SALE DATE:** March 13, 2017  
**BOOK / PAGE:** V-37 / 2461  
**GRANTOR:** James T. Hatcher, Jr. and wife, Carol Hatcher  
**GRANTEE:** Clinton Curtis and wife, Lori Curtis  
**SALE PRICE:** \$ 125,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.53+/- acre or 23,086.80+/- square feet  
**UTILITIES:** Community Water, Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road.  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 5.41  
**DAYS ON MARKET & MLS #:** 945 Days — MLS #120247

## VACANT LOT SALE EIGHT

**COUNTY:** Macon  
**LOCATION:** Lot 5 of Nantahala Ridge Subdivision, Little Choga Road, Tipton, N.C.  
**TAX DATA:** 6505-35-9931  
**SALE DATE:** October 21, 2016  
**BOOK / PAGE:** P-37 / 1290  
**GRANTOR:** Nantahala Ridge, LLC  
**GRANTEE:** Kieran J. Strauss and wife, Katrina P. Strauss  
**SALE PRICE:** \$ 143,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.48+/- acre or 20,908.80+/- square feet  
**UTILITIES:** Community Water, Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road.  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 6.84  
**DAYS ON MARKET & MLS #:** 270 Days — MLS #124013

## VACANT LOT SALE NINE

**COUNTY:** Swain  
**LOCATION:** Lot 131 Sector 3 of Fontana Lake Estates, Alarka Point, Bryson City, N.C.  
**TAX DATA:** 6642.01-38-2958  
**SALE DATE:** December 31, 2015  
**BOOK / PAGE:** 435 / 993  
**GRANTOR:** Marilyn J. Halleen and Robert L. Halleen, Trustees of the Marilyn J. Halleen Family Trust  
**GRANTEE:** William Brent Awbrey and wife, Sherry Lee Awbrey  
**SALE PRICE:** \$ 227,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.72+/- acre or 31,363.20+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 7.24  
**DAYS ON MARKET & MLS #:** 361 Days — MLS #25950814

## VACANT LOT SALE TEN

**COUNTY:** Macon  
**LOCATION:** Lots 4B & 4BA of Arrowhead Crossing Subdivision, Arrowhead Crossing Road, Tipton, N.C.  
**TAX DATA:** 6514-19-4355  
**SALE DATE:** August 19, 2015  
**BOOK / PAGE:** X-36 / 1474  
**GRANTOR:** S & P Kelly, LP, a Texas Limited Partnership  
**GRANTEE:** Eugene B. Ansley, Jr. and wife, Lillian Kirbo Ansley  
**SALE PRICE:** \$ 300,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 1.57+/- acres or 68,389.20+/- square feet  
**UTILITIES:** Electric and Telephone  
**TOPOGRAPHY:** Rolling with Significant Moderate Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 4.39  
**DAYS ON MARKET & MLS #:** 859 Days — MLS #117112

## VACANT LOT SALE ELEVEN

**COUNTY:** Graham  
**LOCATION:** Lot 7 Section 3 of Cross Creek Subdivision, Hemlock Way, Robbinsville, N.C.  
**TAX DATA:** 5651.02-01-3007  
**SALE DATE:** July 20, 2015  
**BOOK / PAGE:** 344 / 230  
**GRANTOR:** Joseph C. Bova and wife, Sharon H. Bova  
**GRANTEE:** DTR Holdings, LLC  
**SALE PRICE:** \$ 155,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.77+/- acres or 33,541.20+/- square feet  
**UTILITIES:** Electric and Telephone with Community Water System  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 4.62  
**DAYS ON MARKET & MLS #:** 705 Days — MLS #117963

## VACANT LOT SALE TWELVE

**COUNTY:** Graham  
**LOCATION:** Parcel A of a Re-Division of Lots 69, 70, 71 & 72 Section 2 of Santeetlah Shores Subdivision, Pine Ridge Road, Robbinsville, N.C.  
**TAX DATA:** 5652.00-02-0069-P T  
**SALE DATE:** July 7, 2015  
**BOOK / PAGE:** 344 / 16  
**GRANTOR:** Mala Rock, LLC  
**GRANTEE:** Arthur R. Schmitt, Trustee of the Arthur R. Schmitt Trust  
**SALE PRICE:** \$ 160,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.18+/- acre or 7,840.80+/- square feet  
**UTILITIES:** Electric and Telephone with Community Water System  
**TOPOGRAPHY:** Rolling with Some Moderate Terrain  
**SHAPE:** Rectangular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 20.41  
**DAYS ON MARKET & MLS #:** 335 Days — MLS #120175



## VACANT LOT SALE THIRTEEN

**COUNTY:** Cherokee  
**LOCATION:** Lot 1 Block 2 Section 3 of Bear Paw Subdivision, Beach Road, Murphy, N.C.  
**TAX DATA:** 4554.08-99-4088-000  
**SALE DATE:** February 10, 2015  
**BOOK / PAGE:** 1506 / 972  
**GRANTOR:** Charles Calhoun and wife, Cary Calhoun  
**GRANTEE:** Gary Holmes and wife, Angela Holmes  
**SALE PRICE:** \$ 182,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.28+/- acre or 12,196.80+/- square feet  
**UTILITIES:** Electric and Telephone with Community Water System  
**TOPOGRAPHY:** Rolling with Some Moderate Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road  
**IMPROVEMENTS:** None  
**COMMENTS:** Well developed subdivision with good amenities.  
**PRICE PER SF ROUNDED:** \$ 14.92  
**DAYS ON MARKET & MLS #:** 2,175 Days — MLS #105843

## VACANT LOT SALE FOURTEEN

**COUNTY:** Graham  
**LOCATION:** Lot 12 of The Landings Subdivision, The Landings Road, Robbinsville, N.C.  
**TAX DATA:** 5651.00-00-0012-1 2  
**SALE DATE:** July 31, 2014  
**BOOK / PAGE:** 337 / 333  
**GRANTOR:** Lake Santeetlah, Inc.  
**GRANTEE:** The Landings Lake Property, LLC  
**SALE PRICE:** \$ 155,000  
**SALE CONDITIONS:** Appears Arms Length  
**ZONING:** None  
**MOST PROBABLE USE:** Residential Use  
**CURRENT USE:** Vacant  
**SIZE (AREA):** 0.464+/- acre or 20,211.84+/- square feet  
**UTILITIES:** Electric and Telephone with Shared Well  
**TOPOGRAPHY:** Rolling with Significant Moderate to Steep Mountain Terrain  
**SHAPE:** Irregular  
**FRONTAGE:** Road Frontage Along Private Subdivision Access Road.  
**IMPROVEMENTS:** None  
**COMMENTS:** Developed subdivision with few amenities.  
**PRICE PER SF ROUNDED:** \$ 7.67  
**DAYS ON MARKET & MLS #:** 1,858 Days — MLS #109370

# SUMMARY OF VACANT LAKE FRONT LOT SALES

## VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#1	#2	#3
Location	Santeetlah & Thunderbird Trails Lake Santeetlah, NC	Lot 39 Sec 3 Fontana Lake Dr. Bryson City, NC	Lot 27 Sec. 2 Tom Hay Drive Topton, NC	Lots 26, 27 & 28 Forest Lakes Rd Robbinsville, NC
Submarket	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	John Poidevant, et ux	Rozinski Holdings, LLC	Sherman Calkins, et ux
Grantee	N/A	Michael Palermo	Douglas Matern Amended Trust	Gary Pelczar, et ux
Sales Price	N/A	\$190,000	\$180,000	\$140,000
Site Size (Total Acreage Size Net)	Varies	2.110	0.810	0.390
Date of Sale	N/A	10/23/2017	8/24/2017	8/23/2017
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length	Arms Length
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	2.110	0.810	0.390
(Total Square Feet Size)	Varies	91,912	35,284	16,988
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake Front	Lake Front	Lake Front	Lake Front
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	E & T	Shared Well, E, & T	E & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$190,000	\$180,000	\$140,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$190,000	\$180,000	\$140,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$190,000	\$180,000	\$140,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$190,000	\$180,000	\$140,000
Market Conditions	3.0000%	0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre	Annualized	\$190,000	\$180,000	\$140,000
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$2.07	\$5.10	\$8.24
Adjusted Sales Price Per Acre	N/A	\$90,047	\$222,222	\$358,974
<b>Physical Characteristics:</b>				
Location	Average	Equal	Inferior	Equal
Access/Frontage/Use Density	Average	0.00%	100.00%	0.00%
Site Size	Varies	Significant Superior	Superior	Superior
Topography	Rolling with Moderate & Steep	Equal	Equal	Equal
Shape	Irregular	Equal	Equal	Equal
Easements/Encroachments	Typical	Equal	Equal	Equal
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake Front	Equal	Equal	Equal
Functional Utility	Average	Equal	Equal	Equal
Flood Zone	None	Equal	Equal	Equal
Utilities	W, E, & T	Inferior	Equal	Inferior
		5.00%	0.00%	5.00%
Overall Comparison With Subject Net Adjustments		Inferior 382.00%	Inferior 220.00%	Inferior 43.00%
<b>Net Adjusted Per SF Price</b>		<b>\$9.96</b>	<b>\$16.32</b>	<b>\$11.78</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	<b>\$16.19</b>			
<b>Median Sales Per SF:</b>	<b>\$16.01</b>			

# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#4	#5	#6
Location	Santeetlah & Thunderbird Trails Lake Santeetlah, NC	Tract 2 East Buffalo Circle Robbinsville, NC	Lot 96 Sec 3 Forest Way Bryson City, NC	Lots 5, 6, & 7 Unnamed Road Robbinsville, NC
Submarket	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	Gary Uhazie, et ux	D. Paul Haagsma, et ux	Janet Williamson, Sole Trustee
Grantee	N/A	Avis A. Phillips	Catherine Lewis, Trustee	Martha Jenkins
Sales Price	N/A	\$345,000	\$330,000	\$170,000
Site Size (Total Acreage Size Net)	Varies	0.894	0.600	1.581
Date of Sale	N/A	8/15/2017	4/19/2017	3/23/2017
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length	Arms Length
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	0.894	0.600	1.581
(Total Square Feet Size)	Varies	38,943	26,136	68,868
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake Front	Lake Front	Lake Front	Lake Front
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	E & T	E & T	E & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$345,000	\$330,000	\$170,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$345,000	\$330,000	\$170,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$345,000	\$330,000	\$170,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$345,000	\$330,000	\$170,000
Market Conditions	3.0000%	0.00%	0.25%	0.49%
Adjusted Sales Price Per Acre	Annualized	\$345,000	\$330,814	\$170,840
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$8.86	\$12.66	\$2.48
Adjusted Sales Price Per Acre	N/A	\$385,906	\$551,356	\$108,058
<b>Physical Characteristics:</b>				
Location	Average	Equal	Equal	Inferior
Access/Frontage/Use Density	Average	0.00%	0.00%	100.00%
Site Size	Varies	Equal	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	Equal	Equal	Equal
Easements/Encroachments	Typical	0.00%	0.00%	0.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake Front	0.00%	0.00%	0.00%
Functional Utility	Average	Equal	Equal	Equal
Flood Zone	None	0.00%	0.00%	0.00%
Utilities	W, E, & T	Equal	Equal	Equal
Overall Comparison With Subject Net Adjustments		Inferior 142.00%	Inferior 84.00%	Inferior 378.00%
<b>Net Adjusted Per SF Price</b>		<b>\$21.44</b>	<b>\$23.29</b>	<b>\$11.86</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>		<b>\$16.19</b>		
<b>Median Sales Per SF:</b>		<b>\$16.01</b>		



# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#7	#8	#9
Location	Santeetlah & Thunderbird Trails	Lot 49 Lakeshore Drive	Lot 5 Little Choga Road	Lot 131 Sec 3 Alarka Point
	Lake Santeetlah, NC	Topton, NC	Topton, NC	Bryson City, NC
Submarket	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	James T. Hatcher, et ux	Nantahala Ridge, LLC	Marilyn J. Halleen, et al
Grantee	N/A	Clinton Curtis, et ux	Kieran J. Strauss, et ux	William Awbrey, et ux
Sales Price	N/A	\$125,000	\$143,000	\$227,000
Site Size (Total Acreage Size Net)	Varies	0.530	0.480	0.720
Date of Sale	N/A	3/13/2017	10/21/2016	12/31/2015
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length	Arms Length
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	0.530	0.480	0.720
(Total Square Feet Size)	Varies	23,087	20,909	31,363
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake Front	Lake Front	Lake Front	Lake Front
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	Comm. Water, E, & T	Comm. Water, E & T	E & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$125,000	\$143,000	\$227,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$125,000	\$143,000	\$227,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$125,000	\$143,000	\$227,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$125,000	\$143,000	\$227,000
Market Conditions	3.0000%	0.49%	1.74%	4.28%
Adjusted Sales Price Per Acre	Annualized	\$125,617	\$145,487	\$236,707
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$5.44	\$6.96	\$7.55
Adjusted Sales Price Per Acre	N/A	\$237,014	\$303,098	\$328,760
<b>Physical Characteristics:</b>				
Location	Average	Inferior	Inferior	Equal
		100.00%	100.00%	0.00%
Access/Frontage/Use Density	Average	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Site Size	Varies	Superior	Superior	Superior
		65.00%	55.00%	103.00%
Topography	Rolling with Moderate & Steep	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Shape	Irregular	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Easements/Encroachments	Typical	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Amenities (Views, Waterfront, etc.)	Lake Front	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Functional Utility	Average	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Flood Zone	None	Equal	Equal	Equal
		0.00%	0.00%	0.00%
Utilities	W, E, & T	Equal	Equal	Inferior
		0.00%	0.00%	5.00%
Overall Comparison With Subject		Inferior	Inferior	Inferior
Net Adjustments		165.00%	155.00%	108.00%
<b>Net Adjusted Per SF Price</b>		<b>\$14.42</b>	<b>\$17.74</b>	<b>\$15.70</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	<b>\$16.19</b>			
<b>Median Sales Per SF:</b>	<b>\$16.01</b>			

# VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART

Sale No.	Subject	#10	#11	#12
Location	Santeetlah & Thunderbird Trails	Lots 4A & 4B Arrowhead Crossing	Lot 7 Sec 3 Hemlock Way	Parcel A off Pine Ridge Road
Submarket	Lake Santeetlah, NC	Topton, NC	Robbinsville, NC	Robbinsville, NC
Grantor	City Limits	Outside City Limits	Outside City Limits	Outside City Limits
Grantee	N/A	S & P Kelly, LP	Joseph C. Bova, et ux	Mala Rock, LLC
Sales Price	N/A	Eugene Ansley, et ux	DTR Holdings, LLC	Arthur Schmitt, et ux
Site Size (Total Acreage Size Net)	Varies	\$300,000	\$155,000	\$160,000
Date of Sale	N/A	1.570	0.770	0.180
Property Rights	N/A	8/19/2015	7/20/2015	7/7/2015
Financing	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Condition of Sale	N/A	Cash to Seller	Cash to Seller	Cash to Seller
Location/Access	Average/City Street	Average/Subdivision Rd.	Average/Subdivision Rd.	Average/Subdivision Rd.
Site Size				
(Total Acreage Size)	Varies	1.570	0.770	0.180
(Total Square Feet Size)	Varies	68,389	33,541	7,841
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical	Typical
Zoning	R-1	None	None	None
Amenities (Views, Waterfront, etc.)	Lake Front	Lake Front	Lake Front	Lake Front
Functional Utility	Average	Average	Average	Average
Flood Zone	None	No	No	No
Utilities	W, E, & T	E & T	Comm. Water, E, & T	Comm. Water, E, & T
<b>Transactional Adjustments:</b>				
Property Rights		0	0	0
Adjusted Sales Price Per Acre		\$300,000	\$155,000	\$160,000
Financing Terms		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$300,000	\$155,000	\$160,000
Condition of Sale		0.00%	0.00%	0.00%
Adjusted Sales Price Per Acre		\$300,000	\$155,000	\$160,000
Expenditures After Sale		\$0	\$0	\$0
Adjusted Sales Price Per Acre		\$300,000	\$155,000	\$160,000
Market Conditions	3.0000%	5.31%	5.57%	5.57%
Adjusted Sales Price Per Acre	Annualized	\$315,927	\$163,631	\$168,910
<b>Transactional Adjusted Prices:</b>				
Adjusted Sales Price Per SF	N/A	\$4.62	\$4.88	\$21.54
Adjusted Sales Price Per Acre	N/A	\$201,227	\$212,508	\$938,388
<b>Physical Characteristics:</b>				
Location	Average	Inferior	Equal	Equal
Access/Frontage/Use Density	Average	100.00%	0.00%	0.00%
Site Size	Varies	Equal	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%	0.00%
Shape	Irregular	Significantly Superior	Superior	Roughly Equal
Easements/Encroachments	Typical	270.00%	112.00%	-4.00%
Zoning - Density	R-1 - Typical	Equal	Equal	Equal
Amenities (Views, Waterfront, etc.)	Lake Front	0.00%	0.00%	0.00%
Functional Utility	Average	Equal	Equal	Equal
Flood Zone	None	0.00%	0.00%	0.00%
Utilities	W, E, & T	Equal	Equal	Equal
Overall Comparison With Subject		Inferior	Equal	Equal
Net Adjustments		375.00%	112.00%	-4.00%
<b>Net Adjusted Per SF Price</b>		<b>\$21.94</b>	<b>\$10.34</b>	<b>\$20.68</b>
<b>Adjusted Sales Analysis:</b>				
<b>Mean Sales Price Per SF:</b>	<b>\$16.19</b>			
<b>Median Sales Per SF:</b>	<b>\$16.01</b>			



# **VACANT SITE SALES SUMMARY AND ADJUSTMENT CHART**

Sale No.	Subject	#13	#14
Location	Santeetlah & Thunderbird Trails Lake Santeetlah, NC	Lot 1 Block 2 Sec 3 Beach Road Murphy, NC	Lot 12 The Landings Road Robbinsville, NC
Submarket	City Limits	Outside City Limits	Outside City Limits
Grantor	N/A	Charles Calhoun, et ux	Lake Santeetlah, Inc.
Grantee	N/A	Gary Holmes, et ux	The Landings Lake Property, LLC
Sales Price	N/A	\$182,000	\$155,000
Site Size (Total Acreage Size Net)	Varies	0.280	0.464
Date of Sale	N/A	2/10/2015	7/31/2014
Property Rights	Fee Simple	Fee Simple	Fee Simple
Financing	N/A	Cash to Seller	Cash to Seller
Condition of Sale	N/A	Arms Length	Arms Length
Location/Access	Average/City Street	Average/City Street	Average/Subdivision Rd.
Site Size			
(Total Acreage Size)	Varies	0.280	0.464
(Total Square Feet Size)	Varies	12,197	20,212
Topography	Rolling with Moderate & Steep	Rolling w/ Mod. to Steep	Rolling w/ Mod. to Steep
Shape	Irregular	Irregular	Irregular
Easements/Encroachments	Typical	Typical	Typical
Zoning	R-1	None	None
Amenities (Views, Waterfront, etc.)	Lake Front	Lake Front	Lake Front
Functional Utility	Average	Average	Average
Flood Zone	None	No	No
Utilities	W, E, & T	W, E, & T	Shared Well, E, & T
<b>Transactional Adjustments:</b>			
Property Rights		0	0
Adjusted Sales Price		\$182,000	\$155,000
Financing Terms		\$0	\$0
Adjusted Sales Price		\$182,000	\$155,000
Condition of Sale		0.00%	0.00%
Adjusted Sales Price		\$182,000	\$155,000
Expenditures After Sale		\$0	\$0
Adjusted Sales Price		\$182,000	\$155,000
Market Conditions	3.0000%	6.88%	8.74%
Adjusted Sales Price	Annualized	\$194,516	\$168,540
<b>Transactional Adjusted Prices:</b>			
Sales Price Per SF	N/A	\$15.95	\$8.34
Sales Price Per Acre	N/A	\$694,700	\$363,233
<b>Physical Characteristics:</b>			
Location	Average	Equal	Equal
Access/Frontage/Use Density	Average	0.00%	0.00%
Site Size	Varies	Equal	Equal
Topography	Rolling with Moderate & Steep	0.00%	0.00%
Shape	Irregular	0.00%	0.00%
Easements/Encroachments	Typical	0.00%	0.00%
Zoning/Density	R-1 - Typical	0.00%	0.00%
Amenities (Views, Waterfront, etc.)	Lake Front	0.00%	0.00%
Functional Utility	Average	0.00%	0.00%
Flood Zone	None	0.00%	0.00%
Utilities	W, E, & T	0.00%	0.00%
Overall Comparison With Subject		Equal	Equal
Net Adjustments		16.00%	52.00%
<b>Net Adjusted Per SF Price</b>		<b>\$18.50</b>	<b>\$12.67</b>
<b>Adjusted Sales Analysis:</b>			
<b>Mean Sales Price Per SF:</b>		<b>\$16.19</b>	
<b>Median Sales Per SF:</b>		<b>\$16.01</b>	

## EXPLANATION OF ADJUSTMENTS OR QUALITATIVE CONSIDERATIONS

**PROPERTY RIGHTS ADJUSTMENT:** The property rights conveyed is the first adjustment because the appraisal of the subject property rights can only be compared to similar property rights. All of the analyzed sales are considered to be fee simple transactions, which is the same property rights assumed would be conveyed in the subject parcels, and no adjustments were deemed necessary for this element of comparison.

**FINANCING TERMS ADJUSTMENT:** A financing adjustment is actually a specific motivation adjustment and often is not capable of being accurately derived from the mathematical discounting process. The most reliable financing adjustment is from paired sales that are generally not available through sales information. Therefore, an adjustment will be made to each of the analyzed sales based on the cash equivalency mathematical discounting process. Cash equivalency is the adjustment of a sales price to an equivalent price if sold for cash, absent the contract terms of the loan. The adjustment may be negative to reflect favorable terms or positive to reflect unfavorable terms. All of the analyzed sales were cash or cash equivalent transactions with no favorable or unfavorable terms of note, therefore, no financing adjustments were necessary.

**CONDITION OF SALE ADJUSTMENT:** No unusual circumstances were readily apparent concerning the analyzed sales as all appeared to be open market arms length transactions and no adjustments are deemed necessary for this element of comparison.

**EXPENDITURES AFTER SALE ADJUSTMENT:** Expenditures after the sale are costs incurred to bring a property up to typical market expectations that were known by both the seller and the buyer prior to closing. It would be expected that a prudent buyer would discount or build into their offering price these expenses. As a result these must be adjusted for in the sales grid when they occur. During the research of these sales it was not revealed that any atypical expenses were necessary after the purchase and as a result no adjustments are deemed necessary for this element of comparison.

**MARKET CONDITION (TIME OF SALE) ADJUSTMENT:** This adjustment is made to reflect market condition changes which may be caused by inflation, deflation, fluctuations in supply or demand or other factors. Although this is often referred to as a time adjustment time is not the cause of the adjustment. Due to the low number of similar residential lake view lot sales that have occurred in this area during the most recent past it is sometimes necessary to use comparables that are significantly old. Generally in a volatile market, sales utilized that are over six to twelve months old are adjusted for market conditions. When this is the case an adjustment is usually made to the comparable for an appropriate market extracted percentage for each year beyond the normal six to twelve month consideration period. However, in this sub-market it is typically acceptable to adjust based on a longer time frame for these types of properties as opposed to the more active sub-markets. This is a very rural, seasonally impacted market. As a result of this reasoning it is my opinion that no adjustments for time, either negative or positive, are warranted for analyzed sales which are within the last six months or so. Therefore, it is maintained that the market for value within this particular sub-market is stable, at least for the moment, at approximately the six month time frame. Ultimately, the relatively small value and/or erratic fluctuations indicated during the past few months or so are not significant enough to warrant any adjustments until such point enough data is available to justify them with a reasonable level of confidence. However, since the market for vacant lake view lot sales have appreciated over the past few years, for any sales that are six months or significantly older an appropriate positive adjustment has been made. Analyzed sales #5 through #14 all occurred over six months ago and all required an appropriate positive adjustment.

**LOCATION ADJUSTMENT:** The subject sites are located on, along or just off of Santeetlah and Thunderbird Trails within the Town of Lake Santeetlah which is a rural residential subdivision. The area located along these streets are developed almost exclusively for residential purposes with the neighborhood currently enjoying a stable use thereof. Analyzed sales #2, #6, #7, #8 and #10 are considered to be less desirably located as compared to the subject due to the remote Lake Nantahala area. Generally this was bore out by the prices commanded on a per square foot basis when compared to other areas. All five sales required an appropriate positive adjustment for this element of comparison.

**ACCESS, ROAD FRONTAGE & USE DENSITY ADJUSTMENT:** Use density is best described as the amount of traffic which passes by a certain location on any given day and is a major driving force in what makes a commercially conducive site desirable. However, for residential purposes use density has only minimal impact unless it is a heavily traveled commercial road which would most often be seen as a negative factor. Since the subject sites are located on, along or just off of Santeetlah and Thunderbird Trails they do enjoy typical traffic flow for a lake front community. The subjects are directly accessed from either Santeetlah Trail, Thunderbird Trail, or both. They have typical frontage along one or both of these access streets. They do enjoy average access and road frontage attributes for a residential lake view lots in this community. When analyzed sales differed significantly from the subject property in regards to this element of comparison adjustments are made in the land sales analysis.

**LOT SIZE ADJUSTMENT:** Premise is that the smaller a parcel is the more one would expect to pay per square foot (or acre) all other variables being equal. The subject properties have sizes ranging from 0.127+/- acre to 0.2765+/- acre with an average site size of 0.20+/- acre rounded for the data set. They are considered to be typical for lake front residential lots in this particular subdivision for the local market. Vacant land sales 8 and 10 will be examined as a paired sale to determine what, if any, adjustments may be warranted for site size differences since both are located in the same subdivision and have fairly common attributes with the exception of site size. They varied in size by 0.71 acres. Both had similar overall site attributes. They are considered a good paired sale for analysis for site size differences. The variance table is shown below.

Sale No.	Sales Price Per Unit (Adjusted For Time)	Site Size in Acres	
Small Size Lot			
8	\$929,187		0.18
Large Size Lot			
10	\$385,906		0.894
Variance	\$543,281		-0.71
Variance Per Unit	-\$760,898		
		Total Change	Per Unit Change
Percent Change (Upward)		140.78%	-197.17%
Percent Change (Downward)		58.47%	-81.89%

Based on the preceding table and the resulting relatively large difference of approximately 197.17% per acre for size differences it is clearly evident that size has some significant impact on ultimate prices paid. After analyzing the sales data the tract size range examined does appear to have a large enough spread for recognizable adjustments to be warranted. As a result appropriate adjustments were considered necessary for this element of comparison and all 14 received an adjustment based on the results shown above.

**TOPOGRAPHY AND SHAPE ADJUSTMENT:** The subject properties have some small areas of gentle rolling

and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**EASEMENTS AND ENCROACHMENTS ADJUSTMENT:** There were no known hindering easements and/or encroachments affecting the subject properties to the degree that typical development would be adversely impacted in the hypothetical before scenario. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**ZONING ADJUSTMENT:** The subject properties are within the formal zoning designation of R-1. When analyzed sales differed significantly from the subject property in regards to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**AMENITIES ADJUSTMENT:** These are features above and beyond those basic elements which are typically associated with a certain type of property such as views, improvements, etc. In this particular situation the subject sites enjoy typical subdivision amenities. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

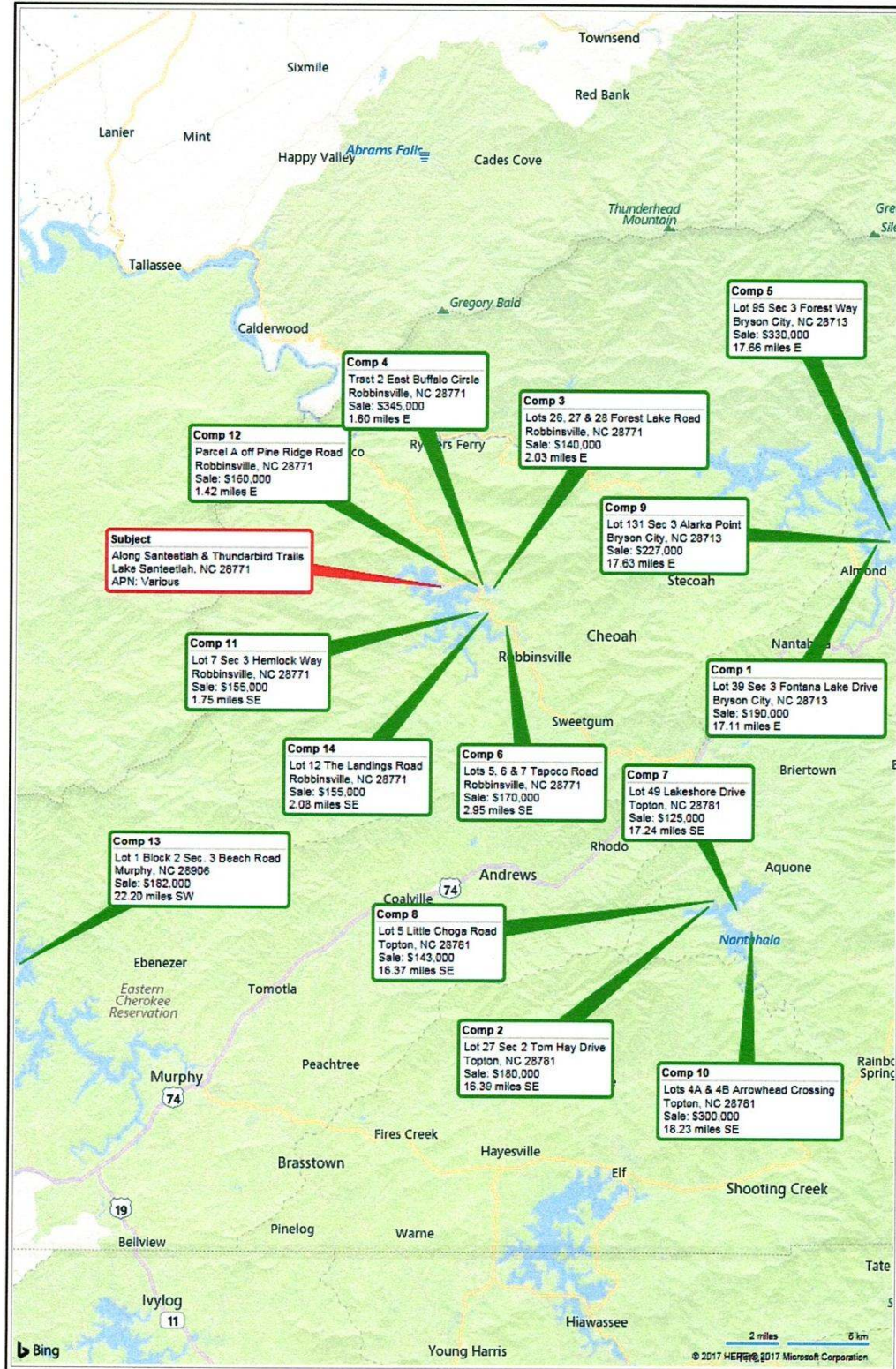
**FUNCTIONAL UTILITY ADJUSTMENT:** The functional utility of the subject sites are considered to be adequate for their current use as residentially developed properties and being suitable for most potential similar residential applications. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**FLOOD ZONE ADJUSTMENT:** The subject properties did not appear to have any areas that were located within a federally designated flood zone. When analyzed sales differed significantly from the subject properties in regard to this element of comparison qualitative consideration is given for this fact in the final reconciliation in the land sales analysis.

**UTILITIES ADJUSTMENT:** The subject has access to public water, electric and telephone utilities. When analyzed sales differed significantly from the subject properties in regards to this element of comparison consideration is given for this fact in the final reconciliation in the land sales analysis. Analyzed sales #1, #3, #4, #5, #6, #9 and #10 do not have access to a public, community or shared well water system such as the subject sites and all seven required an appropriate positive adjustment.



## LOCATION MAP OF SUBJECT SITES AREA AND ANALYZED VACANT LAKE FRONT SITE SALES





## **Analysis of Tract #1 (Lot 2, Section 3):**

### **SUMMARY AND RECONCILIATION OF LAND VALUE**

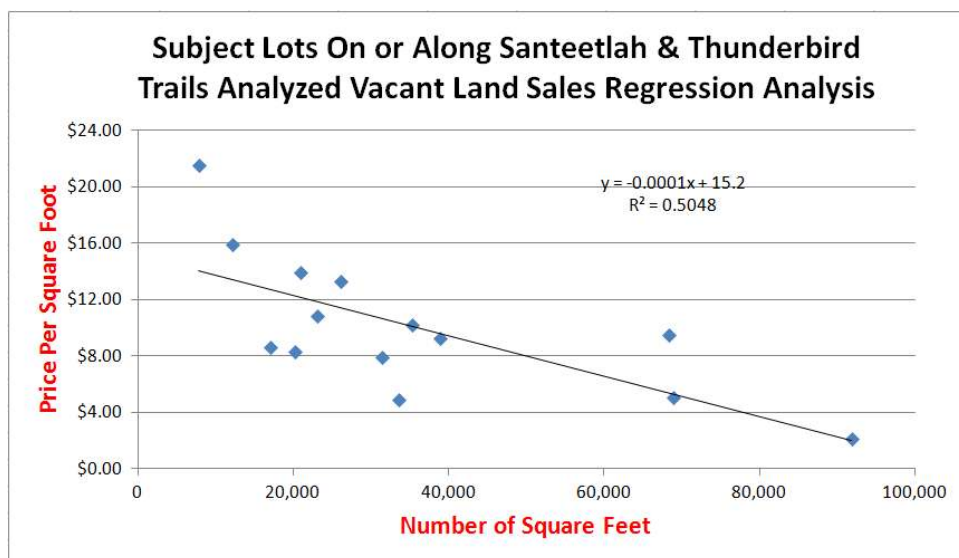
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 8,254.62+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 8,254.62) + \$ 15.20$$

$$y = -0.825462 + \$ 15.20$$

$$y = \$ 14.374538 \text{ or } \$ 14.37 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 14.37 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an R<sup>2</sup> value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$8,254.62\text{+/- Square Feet} \times \$ 16.00 \text{ per Square Foot} = \$ 132,073.92$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 132,000**

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## **Analysis of Tract #2 (Lot 1, Section 3):**

### **SUMMARY AND RECONCILIATION OF LAND VALUE**

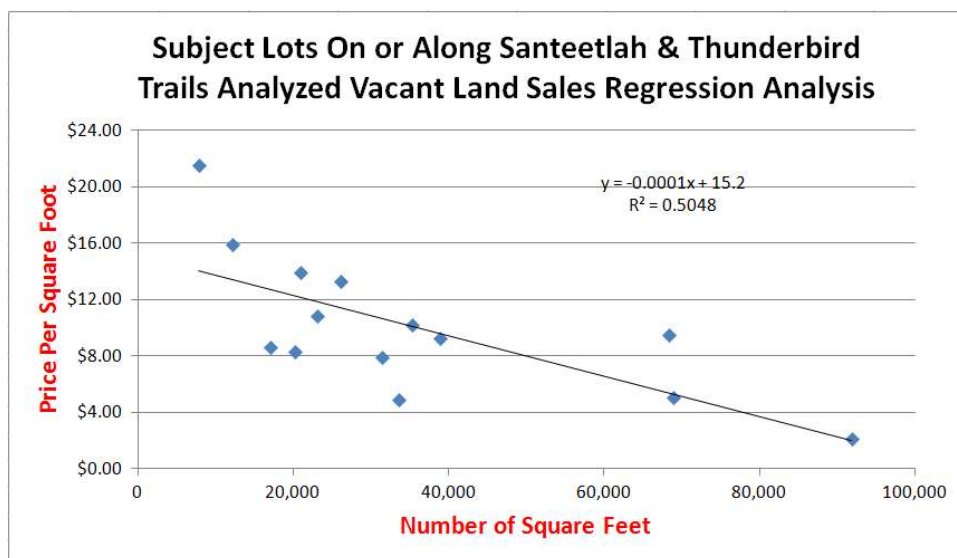
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 12,044.34+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 12,044.34) + \$ 15.20$$

$$y = -1.204434 + \$ 15.20$$

$$y = \$ 13.995566 \text{ or } \$ 14.00 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 14.00 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an R<sup>2</sup> value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$12,044.34\text{+/- Square Feet} \times \$ 16.00 \text{ per Square Foot} = \$ 192,709.44$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 192,500**

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## ***Analysis of Tract #3 (Lot 4, Section 1B):***

### **SUMMARY AND RECONCILIATION OF LAND VALUE**

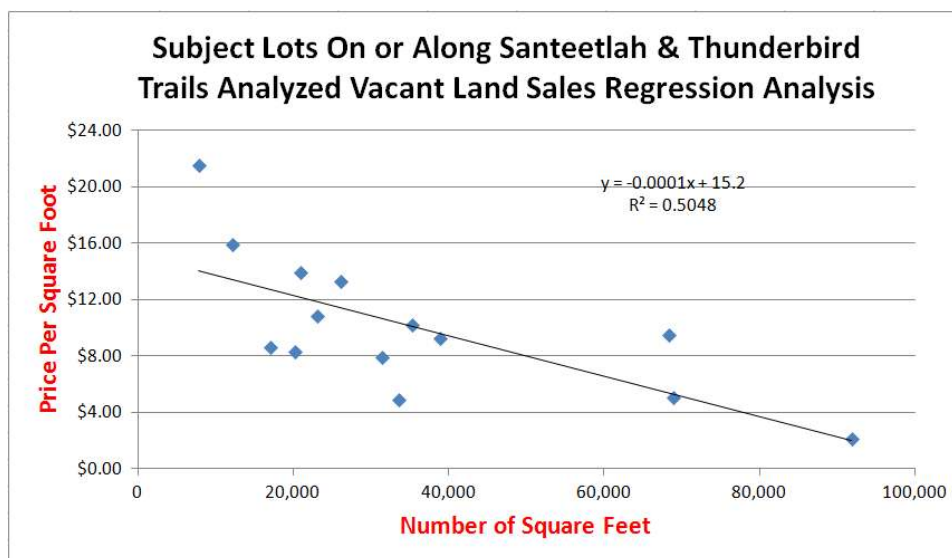
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$





Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 5,532.12+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 5,532.12) + \$ 15.20$$

$$y = -0.553212 + \$ 15.20$$

$$y = \$ 14.646788 \text{ or } \$ 14.65 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 14.65 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an R<sup>2</sup> value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$5,532.12\text{+/- Square Feet} \times \$ 16.00 \text{ per Square Foot} = \$ 88,513.92$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 88,500**

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## **Analysis of Tract #4 (Lot 2, Section 1B):**

### **SUMMARY AND RECONCILIATION OF LAND VALUE**

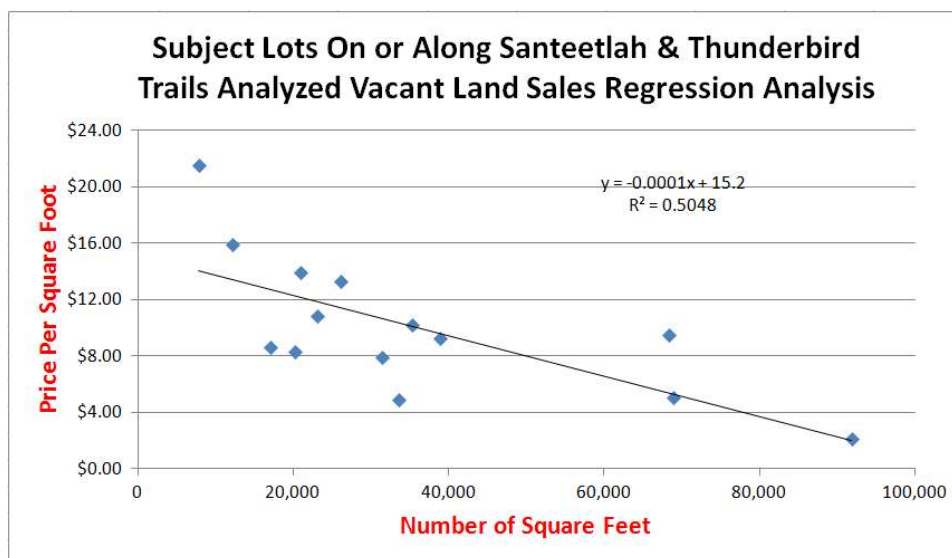
The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$



Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 7,492.32+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 7,492.32) + \$ 15.20$$

$$y = -0.749232 + \$ 15.20$$

$$y = \$ 14.450768 \text{ or } \$ 14.45 \text{ rounded}$$

Based on this set of data and analysis a price per square foot of \$ 14.45 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an R<sup>2</sup> value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$7,492.32\text{+/- Square Feet} \times \$ 16.00 \text{ per Square Foot} = \$ 119,877.12$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 120,000**

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**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER  
LAND ADDITION MARKET VALUES**

Based on the sales data as analyzed for these appraisals the opinions of 'before value' of the lots have been deducted from the opinions of the 'after values' considering the land additions granted to the subject tracts to determine the impact of now having legal rights to occupy and typically utilize lake frontage. This is shown in the following table.

	Opinion of Value After Land Addition		Opinion of Value Before Land Addition		Difference in Values
<b>Tract #1</b>	\$132,000	<i>Less</i>	\$25,500	=	<b>\$106,500</b>
<b>Tract #2</b>	\$192,500	<i>Less</i>	\$27,000	=	<b>\$165,500</b>
<b>Tract #3</b>	\$88,500	<i>Less</i>	\$11,500	=	<b>\$77,000</b>
<b>Tract #4</b>	\$120,000	<i>Less</i>	\$18,000	=	<b>\$102,000</b>

## **ANALYSIS #2:**

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY VACANT STATE WHERE THE TRACT DOES ALREADY LEGALLY ENJOY THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES;**

**SECTION #2: VALUE ANALYSIS OF AN 'AS-COMBINED AFTER' HYPOTHETICALLY VACANT STATE WHERE INDIVIDUAL TRACTS HAVE BEEN ENDUED WITH A SMALL PARCEL LOT ADDITION OF EXCESS TOWN OWNED PROPERTY THAT ONLY ALLOWS THE TRACT TO ENJOY AN OVERALL LARGER UNDERLYING SITE SIZE; AND,**

**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER LAND ADDITION MARKET VALUES**

### **AREA DATA**

Graham County comprises one of the seventeen Western most counties of North Carolina. It is bounded on the West by the State of Tennessee, on the North by Swain County, on the East by Swain and Macon Counties, and on the South by Cherokee County. Robbinsville is the county seat and Robbinsville and Santeetlah are the only towns within the area. Primary access into Graham County is provided by U.S. Highway 129 and North Carolina Routes 28 and 143. Other transportation routes include secondary state maintained roads.

The projected 2015 census data indicated a population of 8,700 for the entire county with the towns of Robbinsville and Santeetlah having a population of 600 and 44 respectively. Generally the population growth of the county is slow. This is evidenced by the fact that younger people have a tendency to leave the area in search of higher education and employment opportunities. Employment is concentrated in construction (349 employees), service providers (1,106 employees), and government positions (520 employees). There are no remaining major manufacturing employers in Graham County. While additional manufacturing jobs would help this economy given the current situation this is not likely to occur. It is reported in the "County Profile" pamphlet prepared by the North Carolina Economic Data and Site Information estimated median family income for Graham County was \$ 46,140 for 2015, the most current year reported.

Due to retirement and second home real estate activity, as well as a growing health care industry to provide for the needs of an aging population, the service industry is expected to continue to grow rapidly. The economy of this small rural mountain community has been, and is currently, in transition from that of being logging and manufacturing driven to being driven by tourism.

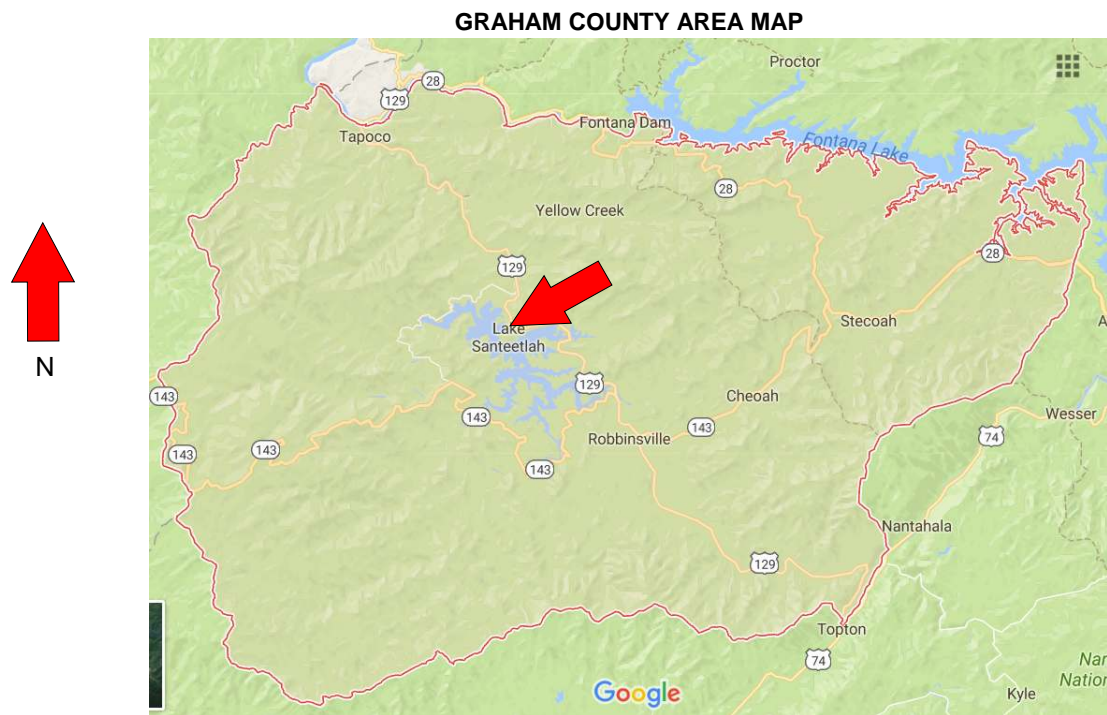
Public services within the area include the Duke Energy for electricity, Verizon South for telephone services, water systems within Robbinsville, Lake Santeetlah and Fontana Village, and a sewerage disposal system in both Robbinsville and Fontana Village. The county has average police and fire protection considering its rural setting. The towns are managed by a city council and mayoral form of government and the county by a county manager and county commissioner form of government, both forms being typical for this area.

Land usage data indicate that the 301.5 square miles which forms Graham County is divided as



follows: Land area 291.6 square miles and water area 9.9 square miles. Most of the land in Graham County is forest land (96.26%) with the remainder used for agriculture and urban purposes. Approximately 75% of the available land area within the county is either owned or under the auspices of federal, state, or local authorities with the remaining 25% privately controlled. The property owned or controlled by government agencies is effectively out of the county tax base and does not contribute to the local economy, with the exception of minor timber production and scenery which helps support the tourist industry.

Environmental influences on the local real estate market are significant in that Graham County embodies several medium sized valleys all surrounded by mountainous terrain. Accordingly, much of the early development in this area has occurred along the valley sections with the mountainous regions being left unimproved. However, this trend has been and continues to change as the bulk of the development now occurs in the mountainous areas. This new development trend is a direct result of the tourism industry. These development patterns are expected to continue at an accelerated rate as the tourism industry continues to grow and roads become better. Contributing to this development phenomena is the fact that there is only 25% of the county available for private ownership thus making property in this area scarce.



### **NEIGHBORHOOD DATA**

The subject property is located along Santeetlah Trail within the city limits of the Town of Lake Santeetlah. It is located within the Thunderbird community in the northwestern section of Graham County in the Yellow Creek Township. This is a rural mountain valley community comprised primarily of single family residences. The trend in land utilization in Graham County has been from primarily agricultural and vacant to that of single family residences both for permanent homes and, increasingly, to that of retirement and/or

second homes occupied predominately by out of state owners outside the city limits to commercial expansion along the primary roads serving the county at large. Robbinsville is the county seat and the hub of most commercial activity therein. The downtown area of Robbinsville is comprised of a mix of detached and row type commercial buildings that are typical of most small rural communities which served as the primary business district in the past with most new development concentrated along the by-pass areas. The trend in land utilization has been primarily that of residential development in the subject area with only extremely small pockets of light commercial applications common for rural areas on the main highways and secondary roads. Agricultural development along this area is barely noticeable and being on a very limited scale consisting primarily of small hobby farms. There is a prominent existence of detached single family residential development catering to the out of state owners in this area focusing on the tourist related activities offered such as the lakes, national parks, etc. The subject property would be directly accessed from Santeetlah Trail.

The land in the subject neighborhood consists of a valley having gently rolling to level land at the lower elevations, surrounded by moderate to very steep mountain land on two sides. The property is primarily wooded at all levels from the cove floors to the ridge tops. Most sales of property in this area are for residential development of some type. The valley area contains a mixture of residential and, on a very limited scale, light rural commercial and hobby farm agricultural development. Retail shopping facilities and professional services are available to the residents of the community primarily within and on the outskirts of the town of Robbinsville. Basic medical facilities are available in Robbinsville.

The subject neighborhood is located a short driving distance from many outdoor recreational activities. Santeetlah Lake surrounds the subject neighborhood with Fontana and Cheoah Lakes only a short distance away and all offer fishing, boating, skiing, and/or swimming. The area is partially bounded by forest lands under the auspices of the U.S. Forest Service which affords the residences easy access to hiking trails, hunting, and nature study in all seasons of the year. White water rafting, mountain bike trails, and the Appalachian Trail are only a short drive away. Water, electricity and telephone utilities are publicly available to the subject property. Sewer utilities are privately provided and maintained which is common in this area. Other than privately placed restrictions in subdivisions there are no zoning ordinances which may restrict the utilization of individually owned property in most of the county. However, this neighborhood is zoned primarily as R-1 with some conditional uses permitted on a case by case basis.



## **ZONING AND LAND USE**

Zoning is a land-use regulation intended to promote compatible land uses, ensure proper design and construction standards, and promote the overall public good. The Town of Lake Santeetlah has a limited number of base zoning districts, which includes one residential and one commercial service district that vary according to the uses permitted in each.

On the effective date of the appraisal, the subject was zoned R-1 (Single Family Residential District) by the Town of Lake Santeetlah. The intent of the R-1 District is to establish the principal use of the land for residential development. As per the Town of Lake Santeetlah zoning ordinances the R-1 District is established in order to:

"The Single Family Residential District is primarily intended to provide locations for single family residential and supporting uses in areas where public water services are available or will likely be provided in the near future. This district is further intended to protect existing single family residential residences from encroachment of incompatible land uses. This district will be applied within those areas designated on the Land Use Plan as Single Family Residential and platted as a single family residential subdivision. A Planned Unit Development (PUD) is permissible only through approval of the Zoning Administrator and/or subsequent appeals."

The types of development permitted in R-1 districts include: Single Family Residential; Multi-Family Residential; Accessory Buildings (as defined in Section 401.01); Public Recreational Facilities (parks, playgrounds, etc.); Public Utility Stations and Substations, Pumping Stations; and, Water and Sewer Plants, Water Storage Tanks. No other uses are allowable except by 'Conditional Use Permits'.

### **Zoning Analysis and Conclusions**

The Town of Lake Santeetlah's land use office was contacted for some of the information outlined in this section. In addition to supplying zoning information, it was surmised that there are no pending or prospective zoning changes for the subject sites. The current use of the sites are a legal conforming use based on present requirements and conforms with the future planning movement in the area per city officials. After analyzing the subject properties as improved and as-if vacant for zoning compliance they appear to be either legal or a pre-existing legal conforming use. As per the city zoning official in the event of a casualty loss of the existing improvements they could be rebuilt at their current density if desired. In fact they could be rebuilt smaller or larger as long as they meet the permitted uses outlined previously. Based on the facts that came to my attention during the course of this assignment I know of no other restrictions which may or may not adversely affect the subject property. I have concluded that based on the present success of the subject and surrounding development the land use restrictions in place at the subject site do not negatively impact the subject property.

## **GENERAL SUBJECT PROPERTY DESCRIPTION**

The subject property is a small lot utilized for residential purposes that is being appraised invoking the hypothetical condition it is vacant as of the effective date that this appraisal was developed. The property is primarily wooded with lake attributes such as lake frontage and access. It is suitable for most typical residential development applications.

## **DESCRIPTION OF THE SUBJECT SITES AND RELEVANT DATA**

### **PHYSICAL CHARACTERISTICS**

The smaller hypothetically vacant subject property appraised is assumed to consist of an acreage amount of 0.247+/- acre before being endued with additional acreage currently owned by the Town of Lake Santeetlah with the tract being primarily wooded and accommodating one single family residence. The land itself is of an irregular shape dictated in large part by terrain and access considerations of the area. Drainage appears adequate. The topography ranges from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. This particular tract has good to very good lake and wooded residential views. The soil of the subject property appears to be consistent with that of similar properties in this area. Primarily it is assumed to be a black topsoil (before excavation) with a clay base capable of sustaining typical applications as assumed from the residential use of nearby properties. As per the Flood Insurance Rate Maps (3700565200J – Dated February 18, 2009) the subject property does not have any portions that are within the flood plain as the property lines typically run with the high water mark of the lake. However, for a more accurate determination as to what portions, if any, that may or may not be in a potential flood plane it is recommended that a surveyor be employed since the appraiser is not an expert in this field.

### **UTILITIES**

The client described the property as having access to public water from the Town of Lake Santeetlah with sewer disposal being privately provided. Sewer disposal systems will have to be privately installed and maintained by the private property owners of record and would most probably be individual septic systems. It is typical in this rural area for these utilities to be provided and maintained by private parties, except within the areas of incorporated municipalities or their immediate surroundings. Electricity is assumed to be provided by Duke Energy and telephone service being provided by Frontier.

### **SITE AND STREET IMPROVEMENTS**

Since the subject property is being appraised invoking the hypothetical condition it has not been improved there are no site improvement descriptions necessary. The subject is currently accessed from Santeetlah Trail. Santeetlah Trail is a paved publicly maintained single lane road with turnouts and is in average condition. The subject property has adequate and/or typical frontage along this public access road. There is very little curbing and street lighting provided by public entities at the subject property and no sidewalks.

### **EASEMENTS, ENCUMBRANCES, RESTRICTIVE COVENANTS, OR NUISANCES AND HAZARDS**

During the normal research process for this appraisal no unusual easements were readily apparent concerning the subject property with the exception of the typical road and utility easements assumed to exist. These types of easements are customary and occur regularly in this area when dealing with subdivided tracts of land and normally do not constitute a negative impact on value upon a particular tract of land and often, depending upon the highest and best use of a particular site, are considered desirable.

No other outstanding rights or possessory interests were discovered pertaining to the subject property. As well, there are no known restrictions, covenants, or reservations that would affect the normal use of this property. There were no nuisances or hazards readily apparent at the site at the time of inspection of the property.

## SITE CONCLUSIONS

The subject site is considered adequate to support residential development as currently exists on adjoining and nearby properties, or any other legally permissible uses, when considering its overall shape, size and topographical features. The site is hypothetically appraised 'as-if' vacant and considered to be easily developed to a density level that is considered to be typical for market expectations. The subject is located well outside the local central business district in this rural area.

Overall the site is considered well suited for its current hypothetical vacant status with no foreseeable future expectations of changes in use. The site is considered compatible with and complementary to surrounding properties and has a well positioned presence to capture potential users who are seeking properties in the Thunderbird community.

## DESCRIPTION OF THE EXISTING IMPROVEMENTS

Since the underlying subject property lot is being appraised invoking the hypothetical condition it is currently a vacant residential lot there is no need to provide a description of the subject property as it is improved.

## DEFINITION OF HIGHEST AND BEST USE

Highest and best use may be defined as: ***“The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”***

In the analysis of pertinent data, four criteria are applied in the following order to develop adequate support for the appraiser's highest and best use determination:

- 1) Legally permissible
- 2) Physically possible
- 3) Financially feasible
- 4) Maximally productive

These criteria are generally considered sequentially; however, the tests of physical possibility and legal permissibility can be applied in either order, but they both must be applied before the tests of financial feasibility and maximum productivity.

The process for determining the highest and best use of a property has four main steps. The first two are applied in the analysis of highest and best use of the land or site as though vacant; the third and fourth steps are applied in the analysis of the highest and best use of the property as improved. The four steps are:



- 1) Determine the highest and best use as of the site as though vacant.
- 2) Determine the ideal improvement for development of the site.
- 3) Compare the ideal improvement and the existing improvement.
- 4) Conclude whether the improvements should be maintained as is or be renovated, converted, or demolished.

Real estate is valued in terms of its highest and best use. The highest and best use of the land or site, if vacant and available for use, may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate maximally productive use and yet makes a contribution to total property value in excess of the value of the site.

#### **HIGHEST AND BEST USE OF THE SITE AS THOUGH VACANT**

The highest and best use of a site as though vacant may be defined as that reasonable and probable use which will support the highest present value as of the date of appraisal. It is the most profitable and likely use to which a site can be or would be put.

The first step in the highest and best use analysis is to determine what the highest and best use of the subject property would be if the site was vacant land. The highest and best use of the land as though vacant must be considered in relation to its existing use and all potential uses.

Highest and best use analysis builds on the conclusions of the marketability study. The analysis of the land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The highest and best use of land or site as though vacant is concluded after the four criteria have been applied and the various alternative uses have been analyzed and those not producing maximum productivity are eliminated. The remaining use that fulfills all four criteria is the highest and best use of the land as though vacant. A proper highest and best use conclusion indicates the use, the market participants for the use, and the timing of the use.

In addition, the ideal improvement (see definition below) must be determined as a part of highest and best use as though vacant.

Ideal improvement may be defined as: ***“The improvement that takes maximum advantage of a site’s potential given market demand, conforms to current market standards and the character of the market area, and contains the most suitably priced components; the improvement that represents the highest and best use of the land as though vacant.”***

The ideal improvement should meet the following criteria:

- 1) Takes maximum advantage of the site’s potential market demand

- 2) Conforms to current market standards and the character of the market area
- 3) Contains suitably priced components

If an ideal improvement is considered the highest and best use of the land as though vacant, it presumably has no physical deterioration or functional obsolescence. Thus, any difference in value between the existing improvement and the ideal improvement is attributable to physical deterioration or functional obsolescence. The appraiser must still consider whether external obsolescence is present, which may affect both the existing improvement and the ideal improvement.

## **Highest and Best Use Criteria Evaluation**

### **1) Legally Permissible:**

Those uses which are legally permissible are considered with respect to current zoning regulations, building codes, deed restrictions, environmental regulations, private restrictions and covenants, and in certain cases, the existing terms of leases. Current and anticipated public and political opinion form the basis for this analysis. These public and private restrictions are analyzed because they eliminate a number of potential uses and allows for a focused study of the uses which are applicable to a specific purpose.

As discussed previously in the Zoning Section as of the effective date of the appraisal, the subject was zoned R-1 "Single Family Residential District". The types of development allowed by the R-1 designation are specifically detailed in the Zoning Section. Any other uses beyond those specifically mentioned are assumed would create non-conforming uses to the applicable zoning regulations and would not be legally permissible on the subject site. Given the town's current zoning emphasis for the subject area it is currently highly unlikely that the zoning board would approve any significant re-zoning of the subject site for other types of uses.

The subject site is also subject to typical utility easements such as water, electricity and telephone. These easements are considered ordinary with most if not all adjoining or nearby properties being subject to the same. These are considered to have no negative impact on value. I have concluded there are no other known or reported legal restrictions, covenants, easements, reservations or governmental plans that would otherwise adversely affect or prohibit the normal uses as mentioned previously for this property.

### **2) Physically Possible:**

Those uses which are physically possible must be considered with respect to individual features of the land such as frontage, depth, size, access, topography, drainage, and soil and sub-soil conditions. The availability and capability of public utilities or the feasibility of creating or using private utilities must be considered as well. Existing and/or proposed improvements must be evaluated based on their condition, utility, and adaptability. Those uses which are physically possible are examined in light of their legal permissibility. The site must be of sufficient size to accommodate improvements for the legally permitted uses and yet not be so large that it becomes economically infeasible due to excess land area.

As described previously in the Site Section of this report, the subject site is 0.247+/- acre in size and is irregular in shape which is common for lake attribute properties in this area. The site topographically ranges from some small areas of gentle rolling and moderate topography with significant moderate to steep mountain terrain as one moves away from the streets down to the lake frontage areas. This particular tract has good to very good lake and wooded residential views. The subject site has road frontage along one or more public streets with access to and from the site considered to be typical for rural lake front properties. Analyzing typical building requirements the subject site is considered capable of supporting any type of legally

permissible residential development after considering the size, shape, and topographical features of the site. When analyzing the subject for neighborhood fit for those uses legally permitted it is considered to blend well with the surrounding properties. It is concluded residential development is not only physically possible but desirable on this parcel.

### **3) Financially Feasible:**

Those uses which are financially feasible must be analyzed from among those which are legally permissible and physically possible. The typical procedure is to determine which of those uses are likely to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible. This procedure is usually expanded to include a minimum acceptable rate of return on equity capital. Implied in this analysis is the consideration of surrounding land uses, public and political opinion, supply and demand characteristics, occupancy, and income and expense levels in the neighborhood and in other competing real estate markets.

Testing financial feasibility requires that a land residual analysis be completed. Current costs of construction for the proposed alternative uses are estimated and deducted from the market value of those completed projects including land value. The residual value is the value of the land under that use. If this value equals or exceeds the market value of similar land in the subject area, then the use is considered to be financially feasible. The primary viable option for use at the subject location is for residential purposes. It is unlikely that any type of commercial development would be acceptable at the subject location. As a result these other uses are eliminated from consideration.

A combination of physical inspection and conversations with real estate practitioners, lenders, and investors in this area have revealed a relatively stable occupancy of neighboring residential properties. A combination of stable occupancy and values indicates the financially feasible use of the subject property for various types of owner occupied development if vacant. It appears that the residential growth in this direction has increased during the past few years. There is strong information indicating a rising market for land sales within the immediate market area as well as for the existing homes of a residential nature. Therefore, the income produced by these factors of income production is of a sufficient amount to consider the property as desirable for residential development. It is therefore concluded that the purchase for owner occupied residential purposes of the property is feasible. Based on the market data available I have concluded that residential development of some type is economically feasible at the subject site.

### **4. Maximally Productive:**

The maximally productive use, or highest and best use, is that use from among those financially feasible uses, which produce the highest price of value commensurate with an acceptable market rate of return. Once the financially feasible uses for a land site have been determined that one use which produces the highest residual land value is considered maximally productive. In other words the maximally productive use produces the highest residual land value based on the market's acceptance of rates of return and overall risks associated with a particular use.

When determining a sites maximally productive use it is prudent to analyze not only the historical or inferred trends of the various types of development deemed feasible, but also to consider the anticipated need and strengths for each type of competing use. Considering the expectations for the future population and lack of available lake front or view property near the Lake Santeetlah and Robbinsville areas as well as the residential needs to handle growth into the foreseeable future, residential uses are anticipated to continue to increase going forward. Taking into consideration all of the foregoing analyses of the first three tests of highest and best use of legal permissibility, physical possibility and financial feasibility, I have concluded that the maximally productive use of the subject site is for some type of residential development.

### **Highest and Best Use Conclusion 'As Vacant'**

Based on the analysis of the four criteria of highest and best use --- legal permissibility, physical possibility, financial feasibility, and maximum productivity --- it is concluded that the highest and best use of the subject site 'as-if vacant' is for lake attribute residential development to the maximum market acceptable density level.

### **The Ideal Improvement Conclusions**

The last step of the highest and best use as vacant analysis is to determine the ideal building improvements, the users of that use, and the timing for their construction on the subject site. As concluded previously the highest and best use as vacant for the subject site is lake attribute residential development. A detailed feasibility study consistent with a Level C or D Fundamental Market Analysis has not been performed to determine which uses or size of particular use would be maximally productive on the site, as if vacant. Being such a small market area precludes a fundamental market analysis from being a useful analysis for a single home or lot. However, there is a growing demand from out of state landowners seeking lake attribute property in this area. The Town of Lake Santeetlah only has a population of approximately 44 with the county having an overall population of approximately 8,700 with population trends tending to be rather stable in nature. Owing to the desirable attributes of the subject property and the lack of similar lake attribute properties available creates a situation where a significant barrier to competition for such properties is evident in the subject area.

Therefore, it is concluded that the ideal improvement for the subject property would be the development of the property for lake attribute residential purposes keying on the desirable characteristics of the tract. This development could be started now as the demand currently exists for some lake attribute lots as witnessed by the high rates of occupation of the surrounding smaller lots. This use would be complementary and/or similar to surrounding uses and is a type of use which is fostered by the market forces impacting the subject property.

### **HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED**

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of existing improvements and the ideal improvement described at the conclusion of the analysis of highest and best use as though vacant. The highest and best use of a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaption or conversion to another use, partial or total demolition, or some combination of these alternatives. The highest and best use of an improved property is further defined as follows: "The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."

Any determination of highest and best use as improved includes identifying the motivations of probable purchasers. The benefits of an investment property, like the subject property, relates to net income potential and to eventual resale or refinancing. Thus, the highest and best use as improved will be that use which maximizes the net operating income on a long-term basis. This use must be examined thoroughly by the four criteria discussed previously: 1) Legally permissible, 2) Physically possible, 3) Financially feasible, 4) Maximally productive.

Since the underlying subject property lot is being appraised under the hypothetical condition it is a currently vacant residential lot there is no need to analyze the highest and best use of the subject property as improved.

### **MARKETING / EXPOSURE TIME**

This appraiser has estimated the marketing time of the subject property after discussions with real estate brokers active in the brokerage of residential properties, local economic development participants, actual purchasers of similar properties in this area, and the knowledge gained as a result of being an active appraiser in this area. Based on these discussions and accumulated knowledge the estimated marketing period to sell residential properties such as the individual lake attributes subject tracts would typically range between 6 and 18 months. The actual marketing time along this range would of course be dependant upon the economic influences at the time of inspection and date of the report, the utility of the property, location, and available demand.

After these discussions it was clear that many potential clients would find the location, which has some desirable traits such as lake frontage and easy access, desirable for residential applications. Consideration was also given to the marketing times of the vacant and improved property sales utilized, where applicable, in this report.

After considering all information, it is the appraisers' opinion that a marketing time of 12 months would be required to sell the subject property. Often in a market that is near equilibrium, exposure time and marketing time will be approximately the same length. Based on a typical exposure time of 12 months the appraisers' opinions of market value are as reported within the body of this report.

### **APPRAISAL METHODS OR APPROACHES DEFINED**

In an ideal valuation environment the appraiser would utilize all three commonly recognized and accepted traditional approaches to value: 1) the sales comparison approach, 2) the cost approach, and 3) the income capitalization approach. The advantage of using all three approaches is that, assuming good information is available and the analysis is performed correctly, each individual procedure looks at a various aspect of value separately, or market perspective, but allows the appraiser to consider each ones relevance to the overall picture. Seldom are the three approaches completely independent. An appraisal comprises a number of integrated, interrelated, and inseparable procedures that have the common objective of arriving at a convincing and reliable estimate of value. The underlying premise inherent in all three approaches is the *Economic Principal of Substitution* which implies that a prudent, informed purchaser/investor would pay no more for a property than the cost of acquiring an equally similar property of like utility without undue delay. These three approaches are briefly discussed in the following paragraphs.

1) In the Cost Approach, an estimated reproduction or replacement cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by



the cost approach. In essence this approach is based on the premise that an investor/purchaser would pay no more for an existing property than the cost of acquiring a similar site and creating an adequate substitute property with like utility without undue delay.

2 ) In the *Sales Comparison Approach*, the subject property is compared to similar properties that have been sold recently or for which listing prices or offering figures are known. Data for generally comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property would sell if offered on the market. Adjustments for differences are made from the known sales price for financing terms, conditions of sale, market conditions, time, location, physical characteristics, legal and economic conditions, and other items of dissimilarity. This approach is based on the theory of substitution whereby a typical purchaser would pay no more for a given property than the cost of acquiring an equally desirable substitute property.

3) In the *Income Capitalization Approach*, typically the current potential market rental income is shown with deductions for vacancy and collection loss and operating expenses. A conclusion about the prospective net operating income of the property is developed. In support of this net operating income estimate operating statements for previous years may be reviewed together with available operating-cost estimates, as well as market derived data. The value of an income-producing investment property is equal to the present worth of all anticipated future benefits in the form of dollar income or amenities. This approach converts future benefits into present value by either capitalizing a single or stabilized year's net income or by discounting a series of net cash flows including reversion, if necessary, over a given holding period. The forecast of net income and reversion are converted to present value at a rate which reflects current risk and return requirements of typical market participants and conditions. An applicable capitalization method and appropriate capitalization rates are developed for use in computations that lead to an indication of value by the income capitalization approach. This approach is based on the premise that a prudent investor would pay no more for a property than he would for another investment with similar risk and return characteristics.

### **JUSTIFICATION OF APPRAISAL APPROACHES EMPLOYED**

For the purpose of the appraisals in this section only the sales comparison approach will be employed. While the sales comparison approach is utilized, it is utilized on a somewhat limited basis since there are only a few similar properties that have sold recently in this area. This being a rural area and having a small number of similar tracts contributes to the difficulty locating large numbers of sales of similar sized lake attribute tracts with similar overall amenities. However, enough were available to analyze to provide credible and well supported opinions of value.

The cost approach was not utilized since the properties were appraised invoking the hypothetical condition that they are vacant and for the same reason the income approach was not appropriate. As a result neither of these approaches to value were developed for this appraisal. Please refer to the following pages for an analysis worksheet of the subject property based on the applicable method(s) of valuation.

**SECTION #1: VALUE ANALYSIS OF AN 'AS-IS BEFORE' HYPOTHETICALLY  
VACANT STATE WHERE THE TRACT DOES ALREADY LEGALLY ENJOY  
THE BENEFITS OF LAKE FRONTAGE ATTRIBUTES:**

**COST APPROACH ANALYSIS**

The *Cost Approach* estimates a reproduction cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. In this particular situation reproduction cost is the cost of a functionally similar or equivalent improvement as that which currently exists on the subject property. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the cost approach. In essence this approach is based on the premise that an investor/purchaser would pay no more for an existing property than the cost of acquiring a similar site and creating an adequate substitute property with like utility without undue delay. This procedure is outlined in the following steps:

**COST APPROACH ANALYSIS**

The following steps, including land valuation, were followed in order to derive a value indication via the Cost Approach:

- 1) Estimated the value of the site as if vacant and available to be utilized at its highest and best use. The sales comparison approach was utilized to estimate the market value of the site.
- 2) Estimated the reproduction cost as defined herein of the structure on the effective appraisal date.
- 3) Estimated the amount of accrued depreciation attributable to the improvements.
- 4) Deducted the estimated depreciation from the reproduction cost of the structure to derive an estimate of the structure's contribution to total value.
- 5) Added the depreciation cost of all improvements to the estimated value of the site to arrive at an indication of value for the subject property.

The Cost Approach was not considered applicable since this appraisal was made invoking the hypothetical condition that the individual subject tract was vacant even if improved. Thus, it will not be developed for the purposes of completing this assignment.

### **INCOME CAPITALIZATION APPROACH**

Since the subject property is appraised invoking the hypothetical condition that it is vacant, the income capitalization approach was deemed to be irrelevant for the purposes of completing this appraisal based on the particular circumstances surrounding the assignment. Therefore, the lack of reliable data available from the rental of similar vacant woodland lake front lots precludes this approach to value from rendering any reliable indicator of value. All of these factors combine to lend reasonable credence to the opinion that the income capitalization approach is not applicable for the completion of this particular appraisal. Therefore, the income capitalization approach was not considered relevant for the purposes of completing this section of the appraisal and was ultimately not developed.

## **SALES COMPARISON APPROACH ANALYSIS**

In this approach value is estimated by comparing the subject property to similar properties in the market which have sold within the past one to two years. A limited number of sales have been examined in the process of making this appraisal since there have only been a few similar lake attribute tracts sold in the immediate area recently which were within the local market. This is often the case in small rural communities where most lake attribute tracts are already developed with those remaining representing only a very small portion of all the individual similar parcels available. An attempt was made to verify information about the analyzed sales by contacting any real estate brokers, attorneys, and/or buyers and sellers that may have been involved and researching the sales at the local court house.

Each analyzed property was compared to the subject property and consideration was made according to significant differences in the elements of comparison which resulted in an opinion of price of each analyzed sale giving an indication of the value of the subject. The basic subject information is below and the analyzed sales information is on the following pages.

### **SUBJECT SITES DATA:**

<b>COUNTY:</b>	Graham
<b>LOCATION:</b>	Along, on or between Santeetlah and Thunderbird Trails, Lake Santeetlah, N.C.
<b>TAX DATA:</b>	5642-04-03-0003
<b>LAST TRANSACTION DATE:</b>	7/30/2010
<b>BOOK / PAGE:</b>	DB 309, Pg 171
<b>GRANTOR:</b>	Mark Culver and wife, Tami Culver
<b>GRANTEE:</b>	Kevin L. McNally and wife, Angela B. McNally
<b>SALE PRICE:</b>	\$ 312,000
<b>VERIFIED:</b>	N/A
<b>FINANCING:</b>	N/A
<b>CASH EQUIV. SALE PRICE:</b>	N/A
<b>SALE CONDITIONS:</b>	N/A
<b>ZONING:</b>	None
<b>MOST PROBABLE USE:</b>	Residential Use
<b>CURRENT USE:</b>	Residential
<b>SIZE (AREA):</b>	0.247+/- Acre
<b>UTILITIES:</b>	Water, Electric and Telephone available to all tracts. Sewer is by individual septic systems.
<b>TOPOGRAPHY:</b>	This smaller lot topographically ranges from rolling to steep with these being typical attributes for these types of properties.
<b>SHAPE:</b>	Irregular
<b>FRONTAGE:</b>	Accessed by public town street and having typical and/or adequate frontage.
<b>IMPROVEMENTS:</b>	Residentially improved but for the purposes of this appraisal is appraised 'as-if' hypothetically vacant.
<b>COMMENTS:</b>	This particular tract would be expected to have typical residential views ranging from average to very good lake, mountain and valley scenery.
<b>PRICE PER ACRE:</b>	N/A

## ***Analysis of Tract #5 (Lot 3, Section 3):***

### **IDENTIFICATION AND LEGAL DESCRIPTION OF THE SUBJECT PROPERTY**

The subject property, referred to as "Lot 3, Section 3 of the Thunderbird Subdivision" and consisting of approximately 0.247+/- acres is located at 164 Santeetlah Trail, Town of Lake Santeetlah, in the Yellow Creek Township, Graham County, North Carolina, with the legal description being found in Deed Book 309 Page 171 in the Office of the Register of Deeds of Graham County. Please refer to the appropriate exhibit of the Part IV "Addenda Section" for the legal description and old survey of the subject property.

### **REAL ESTATE TAXES**

The subject property is located inside the city limits of the Town Lake Santeetlah and within Graham County, North Carolina. The Graham County Tax Office appraises all real property and business personal property within Graham County. The county appraises property according to the North Carolina Property Tax Code and the Uniform Standards of Professional Appraisal Practice (USPAP). Each county is responsible for assessing the value of properties within the county at least every eight years or less. Properties are appraised during the calendar year reevaluation and are assessed at market value with an effective date of January 1 of that year. Local taxing units adopt tax rates in July or August, and the county tax assessor-collector sends tax bills to property owners on August or September 1.

Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage. The subject property is under the jurisdiction of two taxing entities, that being Graham County and the Town of Lake Santeetlah. It has a current total tax rate of approximately \$ 0.81 per \$100 of valuation with \$ 0.585 due to Graham County and \$ 0.225 being due to the Town of Lake Santeetlah. The total assessed subject site value for the current year, as well as the historical tax assessments, and tax liabilities for the subject property from the past six years of data available from the state of North Carolina are shown in the following table.

<b>Tax Liability for the Subject</b>				
<b>Years Ago</b>	<b>Assessed Value of Subject Site</b>	<b>Tax Rate Per \$100 of Valuation</b>	<b>Ad Valorem Taxes</b>	<b>Cost Per SF of Site Area</b>
5	\$325,000	\$0.5025	\$1,633.13	\$0.15
4	\$325,000	\$0.5025	\$1,633.13	\$0.15
3	\$325,000	\$0.5450	\$1,771.25	\$0.16
2	\$255,750	\$0.5750	\$1,470.56	\$0.14
1	\$255,750	\$0.7700	\$1,969.28	\$0.18
Current	\$255,750	\$0.8100	\$2,071.58	\$0.19
			<b>Average</b>	<b>\$0.16</b>
	Square Feet	Acre		
Site Size	10,759	0.247		



When the subject's tax rate of \$ 0.81 per \$100 is applied to its current underlying site assessed value of \$ 255,750, the result is an annual tax liability of \$ 2,071.58.

North Carolina is a disclosure state, but property owners typically provide little, if any, information to county tax assessors regarding income data concerning property specific operations. The sales price is gleaned from the sales revenue stamps that are based on sales price and required for recordation purposes at the local Register of Deeds office. As a result most property assessments are primarily based on the deed recording stamps and the cost approach analysis, with the income analysis used only when such relevant data are available. Assessed values are often considerably different from actual market values due to the lack of income and sale data available to the tax assessor. Therefore, the subject's historical assessed values and tax comparables from the subject's market provide the best information for estimating future tax assessments for the subject property.

### Special Assessments

Per local authorities no special assessments are currently applicable nor applied to the subject property.

### Tax Comparables

To check the reasonableness of the subject's assessment and related tax expense, the assessments of several competitive properties were studied and are summarized as follows. The tax comparable land portions of nearby properties may slightly differ in their ultimate composition of topographical features or site characteristics, but are not significant enough to prevent their use for comparison purposes. The tax comparables are analyzed in the following table on the basis of assessed value and real estate tax obligation of their underlying sites.

Tax Comparables							
No.	Property	Use	Assessed Value	Site Size	Assessed Value Per Square Foot of Site Size	Tax Rate Per \$100 of Valuation	Total Taxes Due Per SF of Site Size
1	124 Santeetlah Trail	Residential	\$213,130	4,312	\$49.42	\$0.810	\$0.40
2	98 Santeetlah Trail	Residential	\$112,750	5,227	\$21.57	\$0.810	\$0.17
3	106 Santeetlah Trail	Residential	\$97,630	3,049	\$32.02	\$0.810	\$0.26
4	84 Santeetlah Trail	Residential	\$253,000	8,712	\$29.04	\$0.810	\$0.24
5	11 Nantahala Terrace	Residential	\$292,600	18,295	\$15.99	\$0.810	\$0.13
6	23 Nantahala Terrace	Residential	\$90,200	3,973	\$22.70	\$0.810	\$0.18
				<b>Average</b>	<b>\$28.46</b>		<b>\$0.23</b>
Subject	164 Santeetlah Trail	Residential	\$255,750	10,759	\$23.77	\$0.810	\$0.19

### Tax Analysis and Conclusions

The tax assessments and obligations for the subject over the past few years have increased as assessed values dropped and tax rates inched upward. The last re-evaluation occurred in 2015 and for the past most recent two years the corresponding tax rates have remained fairly constant from year to year with only slight fluctuations of the city rate. The tax comparables indicate a range for tax expenses or obligations of \$ 0.13 to \$ 0.40 per square foot. At its current assessed value and applicable millage rate the subject expense rate is \$ 0.19 per square foot. After analyzing the data I conclude that the subject's assessed value will at least remain at current levels for the next couple of years. Obligation rates are expected to continue

being stable in the near future making the projection of the overall tax expense fairly easy. At the current rate of \$ 0.19 per square foot for the subject property the tax obligation is considered to be typical considering its overall topographical composition and site characteristics. Therefore, I have concluded that the projected stabilized tax obligation is estimated to be \$ 2,071.58 based on a rate of \$ 0.81 per \$100 of assessed valuation for the foreseeable near term.

**PHOTOGRAPHS OF SUBJECT PROPERTY**

**PHOTO #1 - TYPICAL VIEW OF RESIDENCE ON THE SUBJECT PROPERTY  
AND THE ORIGINAL LOT 3 OF SECTION 3**



**PHOTO #2 - TYPICAL VIEW OF NEWLY SET RE-BAR AT THE NORTHWESTERN  
CORNER OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**





**PHOTO #3 - TYPICAL VIEW OF THE NORTHEASTERN AREAS OF THE PROPOSED TOWN CONVEYANCE TO THE SUBJECT PROPERTY**



**PHOTO #4 - TYPICAL STREET SCENE ALONG THE SUBJECT PROPERTY LOOKING AT SANTEETLAH TRAIL AND THE BEGINNING OF THE SUBJECT DRIVEWAY**



## **HISTORY OF THE PROPERTY**

The appraised site, an approximately 0.247+/- acre tract (Lot 3, Section 3 of the Thunderbird Subdivision) was obtained by Kevin L. McNally and wife, Angela B. McNally on July 30, 2010 from Mark Culver (Both personally and as Executor of the Estate of Dorothy C. Fuller) and wife, Tami Cochran Culver for a reported \$ 312,000 monetary consideration as per the deed revenue stamps. This transaction did appear to be a true arms length transaction. Currently the subject property is residentially improved, but being appraised as hypothetically vacant.

To the knowledge of this appraiser during the recent ownership of Kevin L. McNally and wife, Angela B. McNally the property has not been officially offered for sale by any real estate company or privately. (Official record is Graham County Deed Book 309 Page 171 – General Warranty Deed.)

## **SUMMARY AND RECONCILIATION OF LAND VALUE**

The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$

Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 10,759.32+/- square feet one can solve



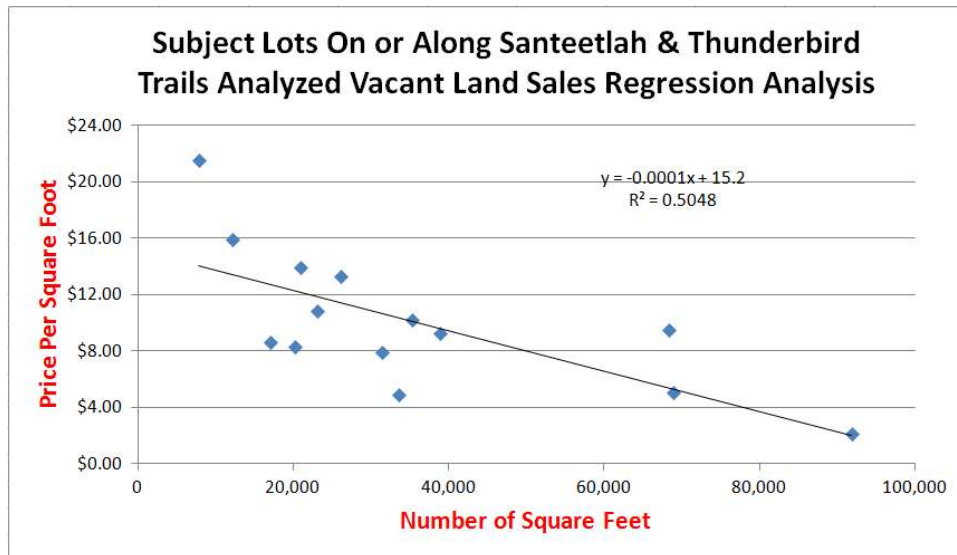
the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 10,759.32) + \$ 15.20$$

$$y = -1.075932 + \$ 15.20$$

$$y = \$ 14.124068 \text{ or } \$ 14.12 \text{ rounded}$$



Based on this set of data and analysis a price per square foot of \$ 14.12 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an  $R^2$  value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$10,759.32 \pm \text{ Square Feet } \times \$ 16.00 \text{ per Square Foot } = \$ 172,149.12$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 172,000**

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**SECTION #2: VALUE ANALYSIS OF AN 'AS-COMBINED AFTER'  
HYPOTHETICALLY VACANT STATE WHERE THE INDIVIDUAL TRACT HAS  
BEEN ENDUED WITH SMALL PARCEL LOT ADDITION OF EXCESS TOWN  
OWNED PROPERTY THAT ONLY ALLOWS THE TRACT TO ENJOY AN OVERALL  
LARGER UNDERLYING SITE SIZE:**

***Analysis of Tract #5 (Lot 3, Section 3):***

**SUMMARY AND RECONCILIATION OF LAND VALUE**

The 14 sales described and analyzed previously developed an adjusted per square foot value of the subject property ranging from a low of \$ 9.96 to a high of \$ 23.29 per square foot with a mean value of \$ 16.19 and a median value of \$ 16.01 per square foot rounded. These sales prices are adjusted for time were warranted. These sales represent the best of a limited number of residentially conducive vacant lake front properties within the subject area that are anticipated to be used for those purposes. It is of the opinion of this appraiser that while some of these sales are not within the same neighborhood as the subject they are the most relevant currently available.

Properties that are purchased in lake influenced areas with premium offering amenities tend to realize the highest unit prices in this market for these types of transactions. There did appear to be some correlation of size to the ultimate price paid per acre of land area with locational attributes also being influential in the prices commanded in this market for these types of parcels.

Based on the aforementioned data and analysis, times of sale of analyzed sales, the estimated marketing time required to sell the subject, the size of the subject property, its overall functionality, and considering the locational attributes of the subject property versus the comparables' I believe that \$ 16.00 per square foot rounded of site area for the subject property represents the economic value of the subject property under current circumstances based on the sales comparison grid and adjustment criteria. This is consistent with the median and considered supportable given the information available and the subject site specific characteristics.

Additional analysis is obtained by utilizing a linear regression analysis of the sales analyzed with the Y axis being price per square foot and the X axis being the site size in square feet. The following equation was derived from the linear regression presented on the next page. The data imputed into the regression analysis has been adjusted for all other elements of comparison with the exception of site size.

The data set produced the equation:  $y = -0.0001x + 15.2$

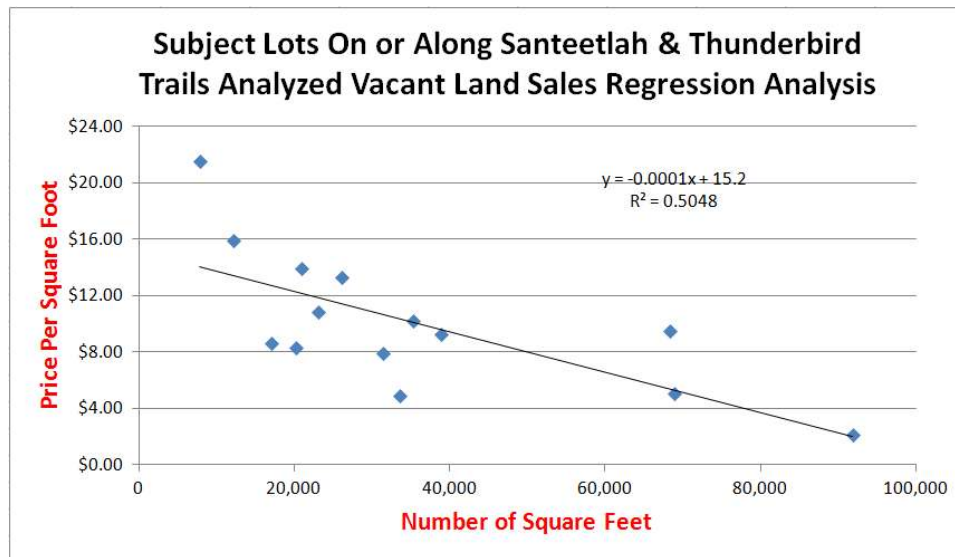
Utilizing the equation created from the data set a cost per unit of site area can be developed and is shown below. The analysis was based on the adjusted sales price per square foot with no consideration to any other variable. With the known quantity of the subject property of 12,922.07+/- square feet one can solve the equation for y (or the estimated cost of the subject site per square foot) as follows:

$$y = -0.0001x + 15.20$$

$$y = (-0.0001x * 12,922.07) + \$ 15.20$$

$$y = -1.292207 + \$ 15.20$$

$$y = \$ 13.907793 \text{ or } \$ 13.90 \text{ rounded}$$



Based on this set of data and analysis a price per square foot of \$ 13.90 for the subject property represents the economic value of the subject land based on the underlying site size under current circumstances from a regression standpoint. However, this equation does not have an R<sup>2</sup> value that is indicative as being highly significant for the explanation of total variation remaining within the adjusted sales prices. It ignores other variables such as frontage, locations, improvements, topography, and amenities which may not have been totally accounted for in the adjusted prices.

After considering the relevance of both methods utilized in the sales comparison analysis, ultimately the majority of the weight will be placed on the traditional grid analysis. When there are significant differences between sites other than size the single size adjustment factor rendered by the single variable linear regression analysis will typically vary significantly with its counterpart grid analysis because the other value impacting elements are considered separately. Based on this reasoning I have ultimately chosen a value of \$ 16.00 per square foot to be applied to the subject property in estimating its real estate site value component considering the relevance of both approaches to value. Therefore, the opinion of value of the underlying site of the subject property under current circumstances as of the effective date of this appraisal is derived as follows:

$$12,922.07 \pm \text{ Square Feet } \times \$ 16.00 \text{ per Square Foot } = \$ 206,753.12$$

**FINAL ESTIMATED VALUE INDICATED BY SALES COMPARISON APPROACH ROUNDED:**

**\$ 207,000**

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**SECTION #3: ANALYZED DIFFERENCE, IF ANY, IN THE BEFORE AND AFTER  
LAND ADDITION MARKET VALUES**

Based on the sales data as analyzed for these appraisals the opinion of 'before value' of the lot has been deducted from the opinion of the 'after value' considering the land addition granted to the subject tract to determine the impact of now having a larger lake frontage parcel. This is shown in the following table.

	Opinion of Value After Land Addition		Opinion of Value Before Land Addition		Difference in Values
Tract #5	\$207,000	Less	\$172,000	=	\$35,000

### **APPRAISER'S CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- ▶ The statements of fact contained in this report are true and correct.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▶ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ▶ 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.
- ▶ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ▶ I have made a personal inspection of the property that is the subject of this report.
- ▶ No one provided significant real property appraisal assistance to the person signing this certification.
- ▶ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ▶ The use of this report is subject to the requirements of the Appraisal Institute relating to



review by its duly authorized representatives.

- As of the date of this report, I Bryan G. Farley have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

**APPRAISER:**



Signature: \_\_\_\_\_  
Name: Bryan G. Farley, MAI, R/W - AC, MBA  
Date Signed: January 3, 2018  
State Certification #: A-4697  
State: North Carolina  
Expiration Date of Registration: June 30, 2018

**PART IV**  
**ADDENDA SECTION**

**EXHIBIT A - ADDENDUM INFORMATION FOR TRACT #1: LOT 2 SECTION 3**

**COMPLETE LEGAL DESCRIPTION OF TRACT #1 SUBJECT PROPERTY**

Page 1 of 3

543

T.S.O.

**TRUSTEE'S DEED**

5642 04 03 0002

**1. IDENTIFICATION OF GRANTOR.** Grantor's name and address is:

NANETTE D. ANDERSON,  
as Successor Trustee of the Doris M. Anderson Declaration of  
Trust dated the 9th day of October, 1990, with full power and  
authority to protect, conserve, sell, lease, encumber, or  
otherwise manage and dispose of the real property described  
herein

The word "I", or "me" as hereafter used means the Grantor.

**2. IDENTIFICATION OF GRANTEE.** Grantee's name and address is:

MARSHA MATHEWS  
Clinch Valley College, #6082  
Wise, VA 24293

The word "you" as hereafter used means each Grantee.

**3. MEANINGS OF TERMS.** The terms "I," "me," or "you" shall mean  
and include the masculine, feminine, singular or plural, as  
the context permits or requires, and include heirs, personal  
representatives, successors or assigns.

**4. DESCRIPTION OF REAL PROPERTY CONVEYED.** Property hereby  
conveyed is described as follows:

In Cheoah Township, Graham County, North  
Carolina, on the waters of Cheoah River, now  
Santeetlah Lake, being more particularly  
bounded and described as follows, to-wit:

LOT 2, SECTION 3: According to a survey map  
prepared by James T. Herron, Registered  
Surveyor, dated October 3, 1962, and filed  
under Plat Book 2, Page No. 7, recorded in the  
Official Plat Book of Graham County, North

Prepared By: Louis H. Adcock, Jr.  
Fisher & Smith, P.A.  
100 - Second Avenue South #701  
St. Petersburg, Florida 33701

Book: 177 Page: 543 Seq: 1

Carolina, in the Office of the Register of Deeds of said County.

This conveyance by reference incorporates and is subject to the Restrictive Covenants contained in the record of Restrictive Covenants by Smokey Mountain Resorts, Inc., dated June 21, 1966, recorded in the Office of the Register of Deeds of Graham County, North Carolina in Deed Book 64, Page 434.

TOGETHER WITH a free and permanent right and easement for access street or road to and from said property over any lands or possessions of Smoky Mountain Resorts, Inc., so as to connect with and have access to the road shown on the surveyor's map of said property and designated as Thunderbird Trail, and over same in common with others to U.S. Highway 129.

FOR SOURCE OF TITLE see Deed Book 69, at Page 406, Graham County registry.

together with all tenements, hereditaments, easements and appurtenances belonging to or benefiting such property.

5. **CONSIDERATION.** That the Grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, hereby acknowledges receipt.
6. **CONVEYANCE OF REAL PROPERTY.** For the consideration described in Paragraph 5 which I have received, I have granted, bargained and sold to you the Real Property to have and to hold in fee simple forever.

Parcel Identification No.:  
Grantor's Social Security No.: 263-04-0095

7. **REPRESENTATION OF TRUSTEE.** I represent to you that:
  - (a) I am duly appointed and qualified to act as Trustee under the Trust identified in Paragraph 1;
  - (b) in all things preliminary to and in and about this conveyance of the Real Property, the terms and conditions of such Trust have been met; and

Prepared By: Louis E. Adcock, Jr.  
Fisher & Smith, P.A.  
100 - Second Avenue South #701  
St. Petersburg, Florida 33701

2

Book: 177 Page: 543 Seq: 2

(c) I have the power and authority to execute this Deed.

8. EXECUTION. I have executed this instrument April 25, 1997.

Nanette D. Anderson  
Nanette D. Anderson, as Successor  
Trustee of the Doris M. Anderson  
Declaration of Trust dated the 9th  
day of October, 1990

Shirley L. Beach  
Signature of Witness  
Shirley L. Beach  
Printed Name of Witness  
Shirley L. Beach  
Signature of Witness  
Shirley L. Beach  
Printed Name of Witness

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 25 day of April, 1997, by Nanette D. Anderson, as Successor Trustee of the Doris M. Anderson Declaration of Trust dated the 9th day of October, 1990, who is personally known to me or who produced her Florida drivers license as identification.



Shirley L. Beach  
Notary Public Signature  
SHIRLEY L. BEACH  
Printed Name of Notary Public

(SEAL)

NORTH CAROLINA  
GRAHAM COUNTY  
The foregoing certificate of Shirley L. Beach  
Notary Public/Notaries Public is/are hereby certified  
to be correct. This instrument was filed for registration  
on the 5th day of May, 1997  
at 2:07 PM and recorded in Book 177 at Page  
543  
Wanda Brooks  
Register of Deeds

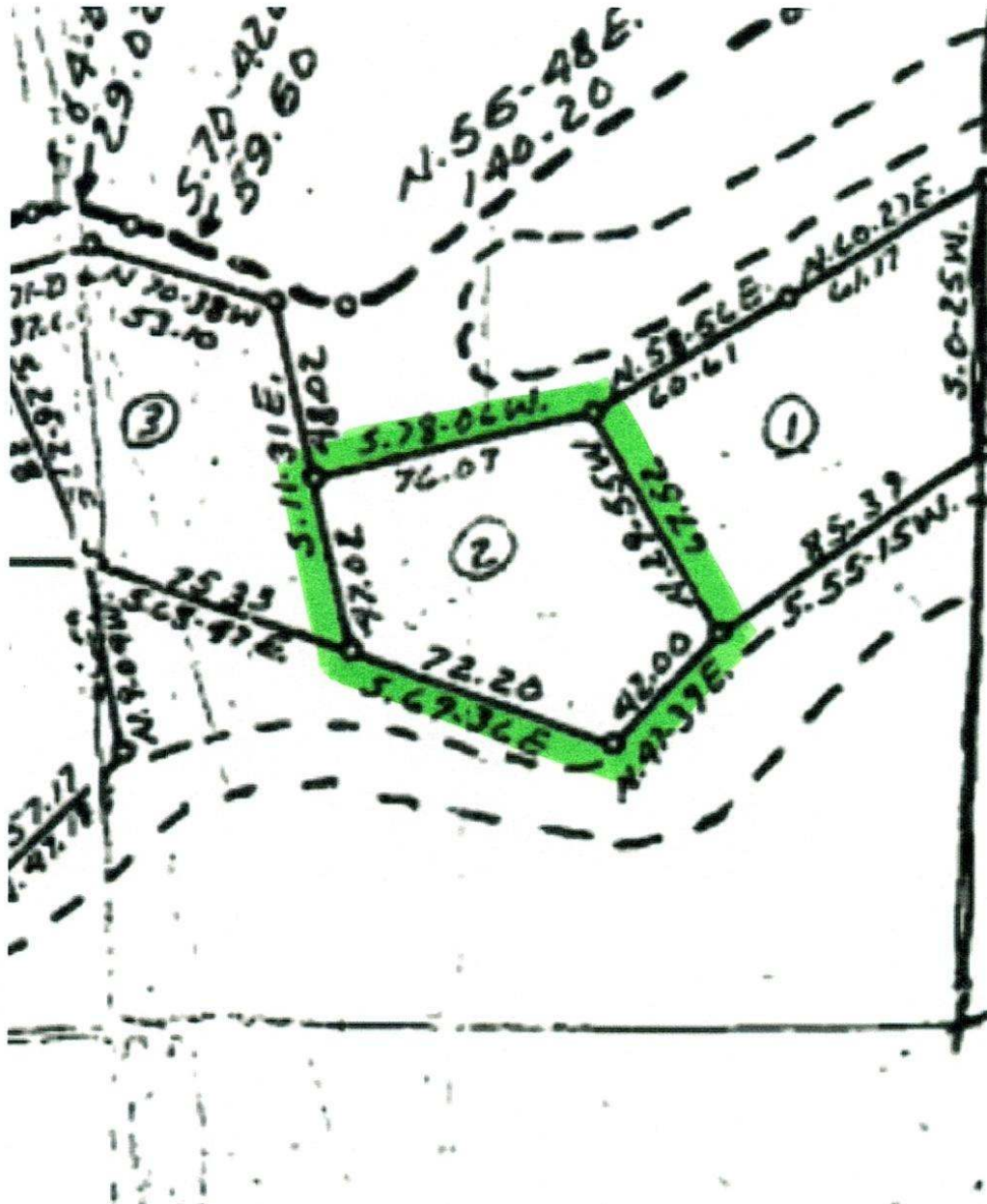
107723.1

3

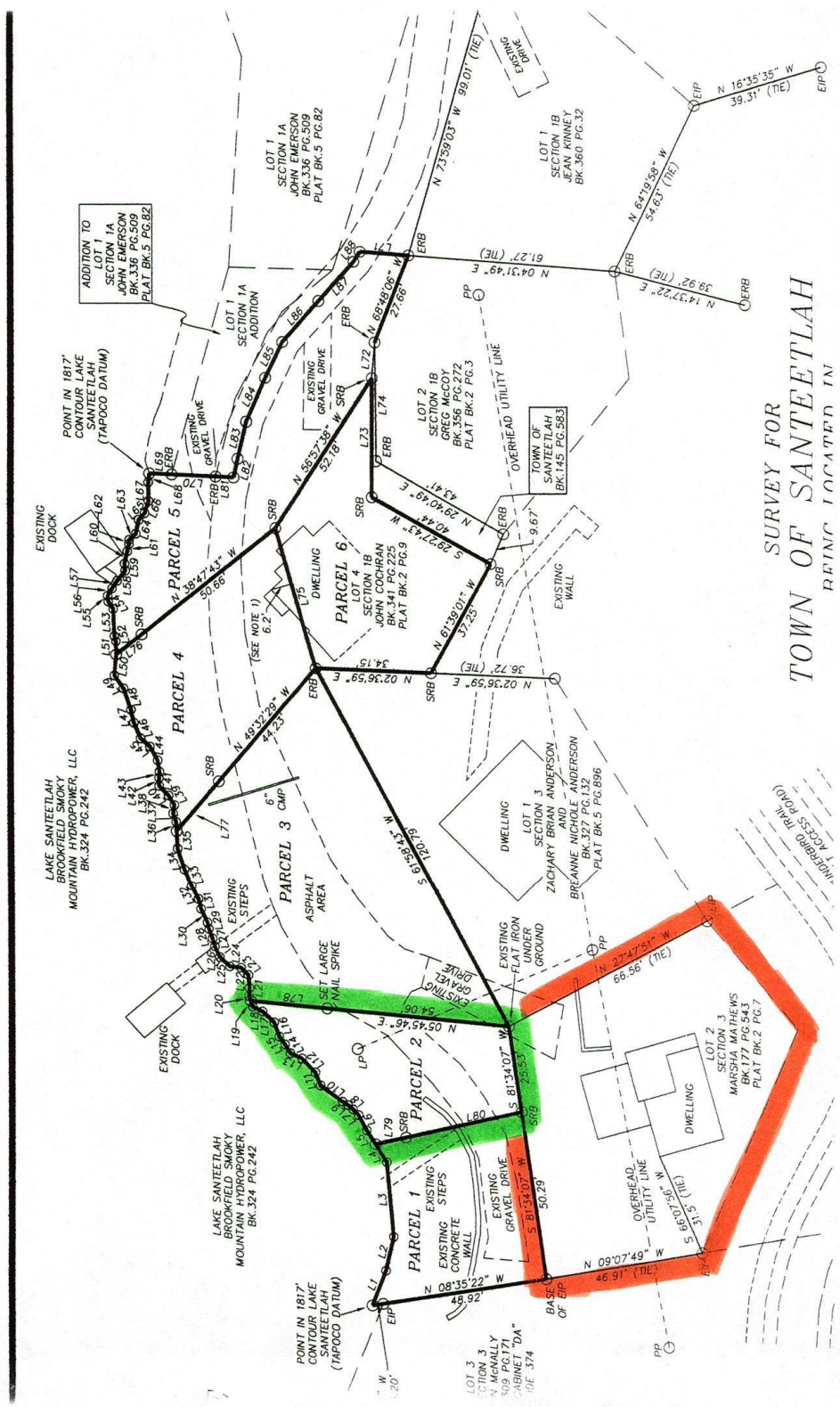
Book: 177 Page: 543 Seq: 3



SURVEY OF THE TRACT #1 SUBJECT PROPERTY



SURVEY OF THE TRACT #1 SUBJECT PROPERTY AND LAKEFRONT ADDITION THERETO



*General Appraising & Consulting Services, Inc.*



OVERHEAD TAX MAP VIEW OF THE TRACT #1 SUBJECT PROPERTY AREA



## EXHIBIT B - ADDENDUM INFORMATION FOR TRACT #2: LOT 1 SECTION 3

### COMPLETE LEGAL DESCRIPTION OF TRACT #2 SUBJECT PROPERTY

Page 1 of 3

RECEIVED AS OF THIS  
DATE 04-1-13  
*Karen Blount*  
Graham County Tax Collector

Doc ID: 000577690003 Type: CRP  
Kind: DEED  
Recorded: 04/01/2013 at 02:07:59 PM  
Fee Amt: \$28.00 Page 1 of 3  
Revenue Tax: \$2.00  
Graham County, North Carolina  
Carolyn Stewart Register of Deeds  
BK **327** PG **132-134**

#### NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax \$2.00 Recording Time, Book and Page

Tax Lot No. \_\_\_\_\_ Parcel Identifier No. 564204030001

Verified by \_\_\_\_\_ County on the \_\_\_\_\_ day of \_\_\_\_\_, 2013  
by \_\_\_\_\_

Mail after recording to PO Box 1549, Robbinsville, NC 28771

This instrument was prepared by Mack D. Tallant, Attorney at Law

Brief description for the Index 0.15 acres +/-

THIS DEED made this 1<sup>st</sup> day of April, 2013, by and between

GRANTOR	GRANTEE
Lois Anderson (unmarried) 513 Eagleton Road Maryville, TN 37804	Breanne N. Nicole Anderson AND Zachary Brian Anderson (each a 1/2 undivided interest) 513 Eagleton Road Maryville, TN 37804

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 n/a, Yellow Creek Township, Graham County, North Carolina and more particularly described as follows:

SEE ATTACHED SCHEDULE A FOR A MORE COMPLETE AND ACCURATE DESCRIPTION OF SAID PROPERTY, WHICH IS INCORPORATED HEREIN AS IF FULLY SET FORTH.

Based upon information furnished by the Grantor(s) or their agents, the accuracy of which is not guaranteed by the preparing attorney, the mailing address of the Grantor(s) is stated herein, and the property described in this deed [ ] includes [ X ] does not include, the primary residence of a Grantor.

TITLE TO WITHIN DESCRIBED LANDS NOT CERTIFIED BY THIS OFFICE  
UNLESS WRITTEN TITLE OPINION RENDERED.

McKinney & Tallant, P.A., Mack D. Tallant, Attorney at Law  
40 Court Street, PO Box 1549, Robbinsville, NC 28771

Book: 327 Page: 132 Seq: 1



The property hereinabove described was acquired by Grantor by instrument recorded in Deed Book 176, Page 741  
Graham County Registry

A map showing the above described property is recorded in Plat Cabinet \_\_\_\_\_ 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:  
**See attached Schedule "A".**

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal, the day and year first above written.

(Entity Name)

\_\_\_\_\_  
 Lois Anderson (SEAL)

\_\_\_\_\_  
 (SEAL) (SEAL)

\_\_\_\_\_  
 (SEAL) (SEAL)

\_\_\_\_\_  
 (SEAL) (SEAL)

STATE OF North Carolina

COUNTY OF Graham

I certify that the following person(s) appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Lois Anderson



Date: 4-1-13

Stacy R. Hedrick  
 (Official Signature of Notary)

Stacy R. Hedrick, Notary Public  
 (Notary's printed or typed name)

My Commission Expires: 7-23-2016

STATE OF North Carolina

COUNTY OF Graham

I certify that the following person(s) appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: \_\_\_\_\_

(Official Seal)

Date: \_\_\_\_\_

\_\_\_\_\_  
 (Official Signature of Notary)

\_\_\_\_\_, Notary Public  
 (Notary's printed or typed name)

My Commission Expires: \_\_\_\_\_

The foregoing Certificate(s) \_\_\_\_\_

is/are 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.

By Carlynn C. Stewart REGISTER OF DEEDS FOR Graham COUNTY  
Kimberly D. McGuire Deputy/Assistant - Register of Deeds

Book: 327 Page: 132 Seq: 2

### **SCHEDULE "A"**

According to a Plat of Survey entitled "Property of Odema Odom and wife, Sue, being Lot 1, Section 3, Thunderbird Resort, and being located in the Town of Santeetlah, Yellow Creek Township, Graham County, North Carolina", by Alan C. Carver, 2969, dated June 1993, and recorded in Plat Book 5, at Page 896 in the Office of the Register of Deeds for Graham County, North Carolina, said plat of survey being incorporated herein by reference, and being more particularly described by metes and bounds as follows:

BEGINNING at a set re-bar, a corner common to Lot 4 of Thunderbird, the set re-bar being the point and place of beginning, and runs thence, S 01-18-19 W 70.87 feet to an existing iron, the existing iron lying S 63-63 E 20.7 feet from the eastern corner of a dwelling, a tie; runs thence from the existing iron S 56-53-55 W 85.13 feet to an existing iron pipe, a corner common to Lot 2 of Thunderbird; runs thence N 29-02-33 W 66.66 feet to an existing iron located in the driveway; runs thence from the existing iron, N 59-49-18 E 60.61 feet to a point; thence N 61-35-51 E 60.13 feet to the BEGINNING, containing .15 acres.

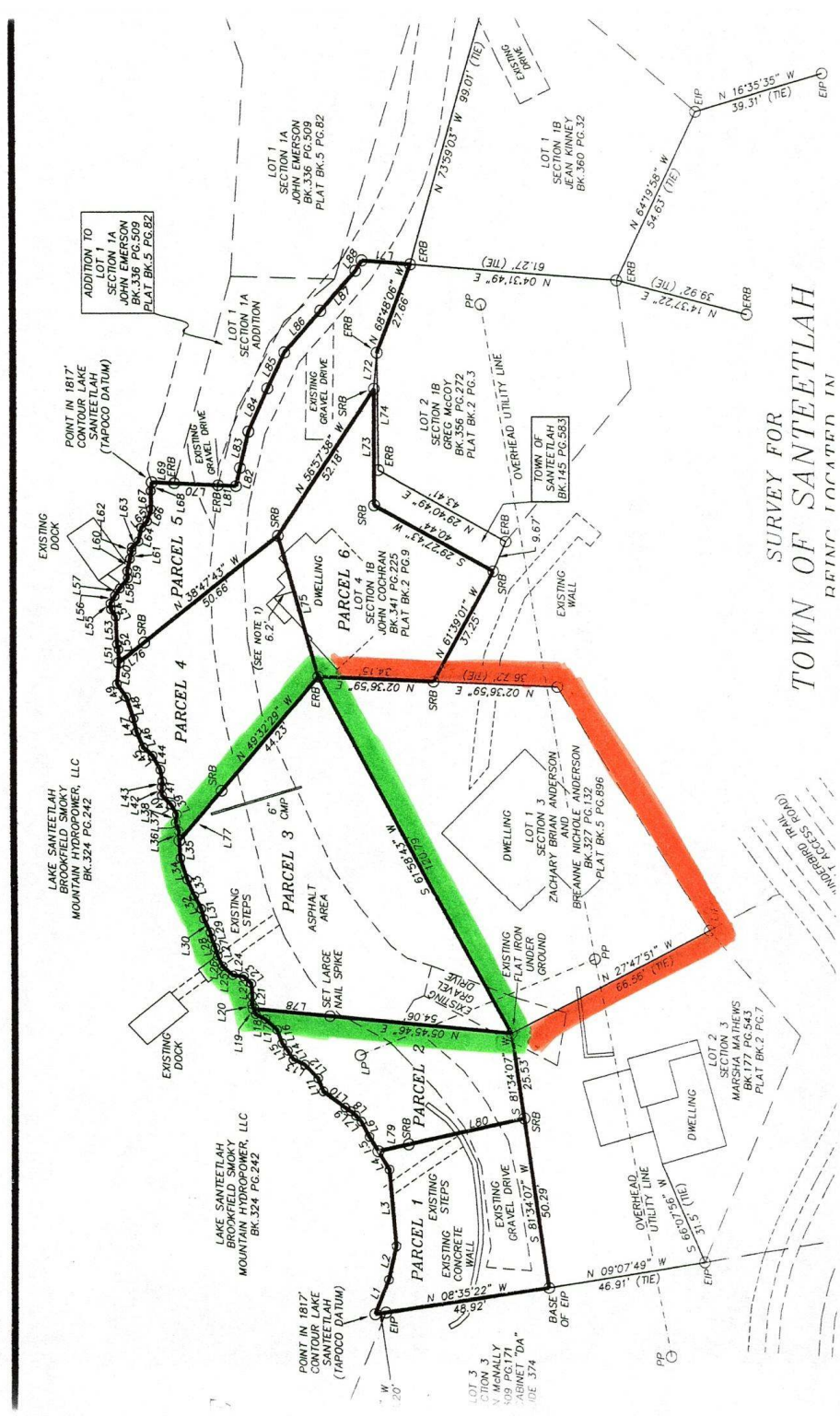
FOR SOURCE of title see the Deed recorded at Deed Book 176, Page 741, Graham County Registry, being the same real property described and conveyed therein.

SUBJECT TO and TOGETHER WITH any appurtenant easements and restrictions of record.

Book: 327 Page: 132 Seq: 3

[illegible]

## Page -147-

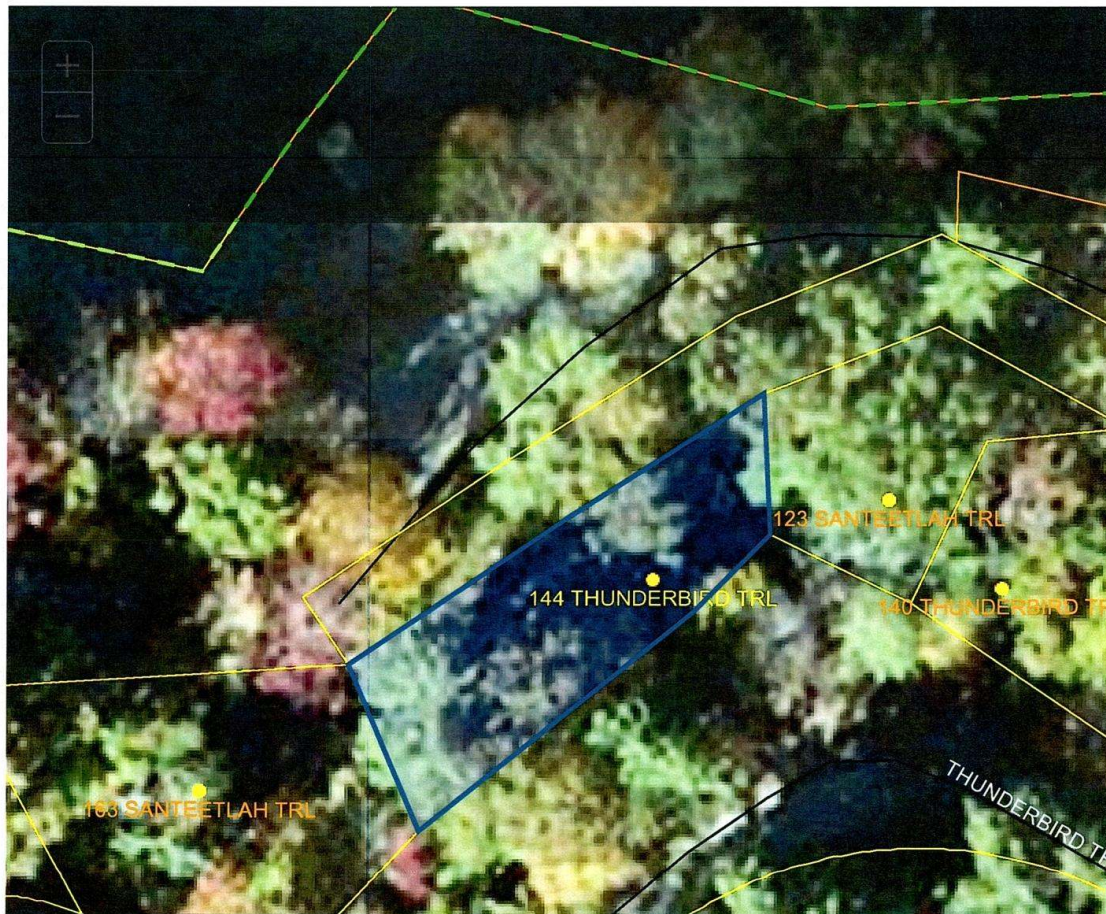




*General Appraising & Consulting Services, Inc.*



OVERHEAD TAX MAP VIEW OF THE TRACT #2 SUBJECT PROPERTY AREA



## EXHIBIT C - ADDENDUM INFORMATION FOR TRACT #3: LOT 4 SECTION 1B

### COMPLETE LEGAL DESCRIPTION OF TRACT #3 SUBJECT PROPERTY

Page 1 of 3

NO DELINQUENCIES AS OF THIS  
DATE 02-12-15  
Tajwana Ledwell ew  
Graham County Tax Collector

Doc ID: 000606020003 Type: CRP  
Kind: DEED  
Recorded: 02/12/2015 at 01:43:38 PM  
Fee Amt: \$26.00 Page 1 of 3  
Graham County, North Carolina  
Carolyn Stewart Register of Deeds  
BK **341** PG **225-227**

### NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax \$ n/a Recording Time, Book and Page  
Parcel Identification No.: 5642041B0004

Mail after recording to: Tallant Law Office, PA  
PO Box 1549  
Robbinsville, NC 28771

This Instrument was prepared by Mack D. Tallant, Attorney at Law.

Based upon information furnished by the Grantor(s) or their agents, the accuracy of which is not guaranteed by the preparing attorney, the mailing address of the Grantor(s) is as stated herein, and the property described in this deed ☐ includes ☒ does not include, the primary residence of a Grantor.

Brief description for the index:  
**Lot 4, Section 1B, Thunderbird Mountain Resort**

THIS DEED made this 9<sup>th</sup> day of September 2014, by and between:

GRANTOR	GRANTEE
Robert Neal Kingsbury and wife Lorraine Claire Kingsbury 3247 Willow Ave. Brunswick GA 31520	John Cochran 3349 Heatherwood Lane Marietta GA 30008

The designation Grantor or 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 the certain lot or parcel of land situated in the Town of Lake Santeetlah, Yellow Creek Township, Graham County, North Carolina, and more particularly described as follows:

SEE ATTACHED SCHEDULE "A" FOR A MORE COMPLETE AND ACCURATE DESCRIPTION OF SAID PROPERTY, WHICH IS INCORPORATED HEREIN AS IF FULLY SET FORTH.

Book: 341 Page: 225 Seq: 1

**TITLE TO WITHIN DESCRIBED LANDS NOT CERTIFIED BY THIS  
OFFICE UNLESS WRITTEN TITLE OPINION RENDERED**  
Tallant Law Office, PA, Mack D. Tallant, Attorney at Law  
PO Box 1549, 40 Court Street, Robbinsville, NC 28771

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.

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 excluding the exceptions hereinafter stated.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal, the day and year first above written.

<u>Robert Neal Kingsbury</u> (SEAL) Robert Neal Kingsbury	<u>Lorraine Claire Kingsbury</u> (SEAL) Lorraine Claire Kingsbury
--	--

STATE OF GEORGIA  
COUNTY OF Glynn

I certify that the following person(s) appeared before me this day, each acknowledging to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:  
Robert Neal Kingsbury and Lorraine Claire Kingsbury.



Date: 9/24/14

Herminia Fortinayer  
(Official Signature of Notary)

Herminia Fortinayer Notary Public  
(Notary's printed or typed name)

My Commission Expires: July 14th, 2018

Carolyn C. Stewart Register of Deeds of Glynn County  
By: [Signature] Deputy/Assistant-Register of Deeds

Book: 341 Page: 225 Seq: 2

**SCHEDULE "A" / EXHIBIT "A"**  
**Property Description**

The lands lying and being in the County of Graham, Yellow Creek and Cheoah Township, State of North Carolina, and being more particularly described as follows: LOT FOUR (4), COTTAGE NUMBER 207, in SECTION 1B of THUNDERBIRD MOUNTAIN RESORT as indicated on the map of James T. Herron RS dated July, 1962, entitled SMOKY MOUNTAINS RESORTS, INC., Lake Santeetlah, Graham County, North Carolina, filed and recorded in Plat Book 2, at Page 9, in the Office of the Register of Deeds from Graham County, North Carolina, said plat of survey being hereby referred to and incorporated herein for greater certainty and accuracy of description.

FOR SOURCE of title see the deed recorded at Deed Book 128, Page 580, Graham County Registry, being the same lands described and conveyed therein.

Book: 341 Page: 225 Seq: 3



[illegible]



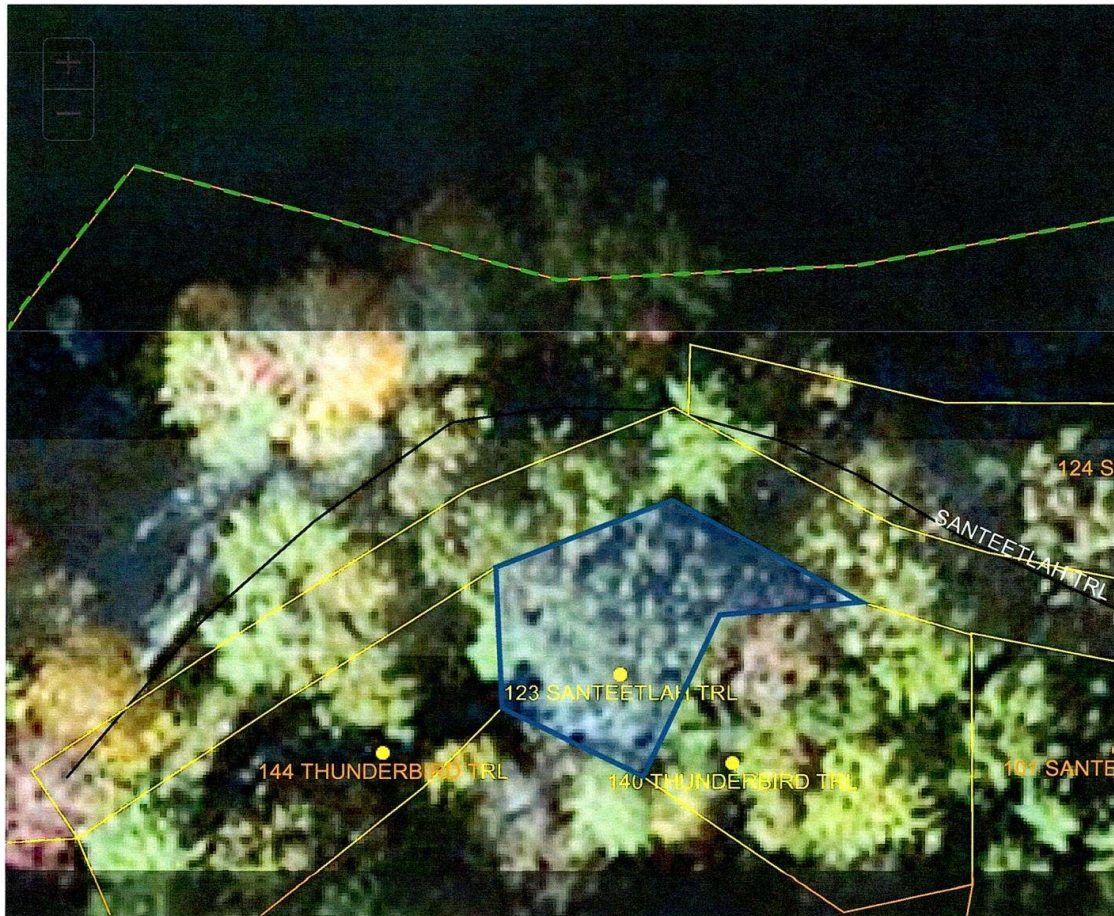


# TAX ASSESSMENT CARD FOR THE TRACT #3 SUBJECT PROPERTY

GRAHAM COUNTY										11/21/2017 11:07:12 AM									
<b>COCHRAN JOHN</b> 123 SANTEEHLA TRAIL 155893793										Return/Appeal Notes: Parcel: 5642-04-1B-0004 PLAT: / UNIQ ID 3209 ID NO: 5642041B0004									
COUNTY WIDE (100), SANTEEHLA (100) Reval Year: 2015 Tax Year: 2017 L4 S1B C207 SANTEEHLA TR Appraised by 01 on 01/01/2010 00333 THUNDERBIRD										CARD NO. 1 of 1 1.000 LT TW-33 CI- FR- EX- AT- LAST ACTION 20150721									
<b>CONSTRUCTION DETAIL</b>										<b>MARKET VALUE</b>									
Foundation - 2 Piers 2.00 Sub Floor System - 4 Plywood 9.00 Exterior Walls - 06 Brd & Bat - Plywd 22.00 Roofing Structure - 03 Gable 8.00 Roofing Cover - 12 Mod Metal/Metal 9.00 Interior Wall Construction - 4 Plywood Panel 15.00 Interior Floor Cover - 08 Sheet Vinyl 6.00 Interior Floor Cover - 14 Carpet 0.00 Heating Fuel - 04 Electric 2.00 Heating Type - 08 Radiant Floor 2.00 Air Conditioning Type - 01 None 0.00 Bedrooms/Bathrooms/Half-Bathrooms 2/1/0 7.000 Bedrooms BAS - 2 FUS - 0 LL - 0 Bathrooms BAS - 1 FUS - 0 LL - 0 Half-Bathrooms BAS - 0 FUS - 0 LL - 0 Office BAS - 0 FUS - 0 LL - 0 0										TYPE: SINGLE FAMILY HIGH VALUE STYLE: 1 - 1.0 Story Single Family Residential									
<b>DEPRECIATION</b>										<b>CORRELATION OF VALUE</b>									
Standard 0.59000										CREDENCE TO MARKET									
% GOOD 41.0										<b>DEPR. BUILDING VALUE - CARD</b> 27,810									
										<b>DEPR. OB/XF VALUE - CARD</b> 0									
										<b>MARKET LAND VALUE - CARD</b> 45,000									
										<b>TOTAL MARKET VALUE - CARD</b> 72,810									
										<b>TOTAL APPRAISED VALUE - CARD</b> 72,810									
										<b>TOTAL APPRAISED VALUE - PARCEL</b> 72,810									
										<b>TOTAL PRESENT USE VALUE - PARCEL</b> 0									
										<b>TOTAL VALUE DEFERRED - PARCEL</b> 0									
										<b>TOTAL TAXABLE VALUE - PARCEL \$</b> 72,810									
										<b>PRIOR</b>									
										BUILDING VALUE 19,720									
										OBXF VALUE 0									
										LAND VALUE 40,000									
										PRESENT USE VALUE 0									
										DEFERRED VALUE 0									
										<b>TOTAL VALUE</b> 59,720									
										<b>PERMIT</b>									
										CODE DATE NOTE NUMBER AMOUNT									
										ROUT: WTRSHD:									
										<b>SALES DATA</b>									
										OFF. RECORD DATE DEED TYPE Q/UV/I INDICATE SALES PRICE									
										BOOK PAGE MOYR TYPE Q/UV/I PRICE									
										00341 0225 2 2015 WD E I 0									
										00128 0580 1 1987 U I 30000									
										HEATED AREA 560									
										<b>NOTES</b>									
<b>SUBAREA</b>										<b>UNIT</b>									
TYPE GS AREA % RPL CS										PRICE COND BLDG#									
BAS 560 100 64714										SIZE FACT AYBEYB ANN DEP RATE OVR COND OB/XF DEPR. VALUE									
UOP 108 020 2542										0									
WDD 240 020 578										0									
FIREPLACE 1 - None 0										0									
SUBAREA 692 67,834										0									
<b>TOTALS</b>										<b>TOTAL OB/XF VALUE</b>									
BAS=V8WDD=N3E8S3W8\$W20S20E28UOP=E8N10W4N7W4S17\$N20\$.										0									
<b>LAND INFORMATION</b>										<b>OTHER ADJUSTMENTS AND NOTES</b>									
HIGHEST AND BEST USE										RF AC LC TO									
USE CODE LOCAL ZONING FRON TAGE DEPTH DEPTH / SIZE LND MOD COND FACT										ROAD TYPE LAND UNIT PRICE TOTAL LAND UNITS									
SFR MT VW 0121 0 0 1.0000 0 1.0000										LT 1.000 45,000.00 1.000									
<b>TOTAL MARKET LAND DATA</b>										<b>TOTAL ADJUST</b>									
45,000										45,000.00 45000									
<b>TOTAL PRESENT USE DATA</b>										<b>LAND NOTES</b>									
45,000										0									



OVERHEAD TAX MAP VIEW OF THE TRACT #3 SUBJECT PROPERTY AREA



## EXHIBIT D - ADDENDUM INFORMATION FOR TRACT #4: LOT 2 SECTION 1B

### COMPLETE LEGAL DESCRIPTION OF TRACT #4 SUBJECT PROPERTY

Page 1 of 3

NO DELINQUENCIES AS OF THIS  
DATE 2-1-17  
Joanna Lasswell  
Graham County Tax Collector

  
Doc ID: 000636890003 Type: CRP  
Kind: DEED  
Recorded: 02/01/2017 at 09:31:01 AM  
Fee Amt: \$198.00 Page 1 of 3  
Revenue Tax: \$172.00  
Graham County, North Carolina  
Carolyn Stewart Register of Deeds  
BK **356** PG **272-274**

### NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax \$172.00

Recording Time, Book and Page

Parcel Identification No.: 5642041B0002

Mail after recording to: Tallant Law Office, PA  
PO Box 1549  
Robbinsville, NC 28771

This Instrument was prepared by Mack D. Tallant, Attorney at Law.

Based upon information furnished by the Grantor(s) or their agents, the accuracy of which is not guaranteed by the preparing attorney, the mailing address of the Grantor(s) is as stated herein, and the property described in this deed ☐ includes ☒ does not include, the primary residence of a Grantor.

Brief description for the index:

**Lot 2, Section 1B**  
**Thunderbird**

THIS DEED made this 1<sup>st</sup> day of February 2017,

by and between:

GRANTOR	GRANTEE
Aura Griffith (unremarried widow) 8 Marina Drive Robbinsville NC 28771	Greg McCoy PO Box 1144 Robbinsville NC 28771

The designation Grantor or 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 the certain lot or parcel of land situated in the Town of Lake Santeetlah, Yellow Creek Township, Graham County, North Carolina, and more particularly described as follows:

SEE ATTACHED SCHEDULE "A" FOR A MORE COMPLETE AND ACCURATE DESCRIPTION OF SAID PROPERTY, WHICH IS INCORPORATED HEREIN AS IF FULLY SET FORTH.


Book: 356 Page: 272 Seq: 1

**TITLE TO WITHIN DESCRIBED LANDS NOT CERTIFIED BY THIS  
OFFICE UNLESS WRITTEN TITLE OPINION RENDERED**  
Tallant Law Office, PA, Mack D. Tallant, Attorney at Law  
PO Box 1549, 40 Court Street, Robbinsville, NC 28771

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.

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 excluding the exceptions hereinafter stated.

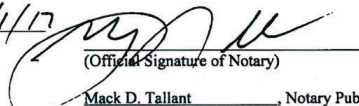
IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal, the day and year first above written.

 (SEAL)	(SEAL)
Aura Griffith	

STATE OF NORTH CAROLINA  
COUNTY OF GRAHAM

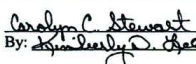
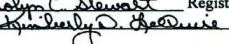
I certify that the following person(s) appeared before me this day, each acknowledging to me that he/she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:  
Aura Griffith

Date: 2/1/17

  
(Official Signature of Notary)

Mack D. Tallant, Notary Public  
(Notary's printed or typed name)

My Commission Expires: 1/23/2021

 Register of Deeds of Graham County  
By:  Deputy/Assistant-Register of Deeds

Book: 356 Page: 272 Seq: 2



**SCHEDULE "A" / EXHIBIT "A"**  
**Property Description**

Located in the Town of Lake Santeetlah, in Yellow Creek Township, Graham County, North Carolina, being more particularly described as:

**LOT NO. 2, SECTION 1-B, THUNDERBIRD MOUNTAIN RESORT**, according to survey map or plat prepared by James T. Herron, Registered Surveyor, dated July 1962, entitled "Smoky Mountain Resorts, Inc.", and filed in Plat Book 2, Page 3, Graham County Registry, said plat of survey being hereby referred to for incorporation herein and for a more accurate and particular description of said real property.

A more recent plat of survey performed by Kenneth O. Pankow, PLS L-2257, dated September 1, 1990, and entitled "Thunderbird Resort Lot 2, Section 1-B", depicts the above referenced real property as follows:

BEGINNING at an existing iron pin on the northern margin of Thunderbird Trail, said existing iron pin being located South 02-16 East 32.13 feet from the westernmost corner of the dwelling located upon the tract of land herein conveyed and described, a tie, thence from said existing iron pin traveling North 52-55 West 58.89 feet to a set iron pin, corner common with Lot 4 of Section 1-B, thence traveling with the line common with Lot 4, Section 1-B: North 27-40 East 43.41 feet to a set iron pin; North 87-15 East 34.78 feet to a set iron pin on the southern margin of Santeetlah Trail, thence with the southern margin of Santeetlah Trail, South 70-31 East 27.93 feet to a set iron pin; thence leaving the southern margin of Santeetlah Trail and traveling thence with a line common with Lot 1, Section 1-B, South 02-33 West 61.02 feet, to a set iron pin, thence with the north margin of Thunderbird Trail, South 80-22 West 31.98 feet back to the place and point of BEGINNING.

SUBJECT TO the Restrictive Covenants recorded at Deed Book 64, at Page 434, Graham County Registry.

SUBJECT TO the easements for the existing utilities located on the above described real property.

TOGETHER WITH access to and from the public roadways of the Town of Lake Santeetlah.

BEING THE same lot described and conveyed in the deed from Richard C. Bradstreet and wife, Sara Bradstreet to Arthur J. Griffith and Aura M. Vasquez (n/k/a Aura Griffith), recorded November 12, 1993, at Deed Book 156, Page 220, Graham County Registry.

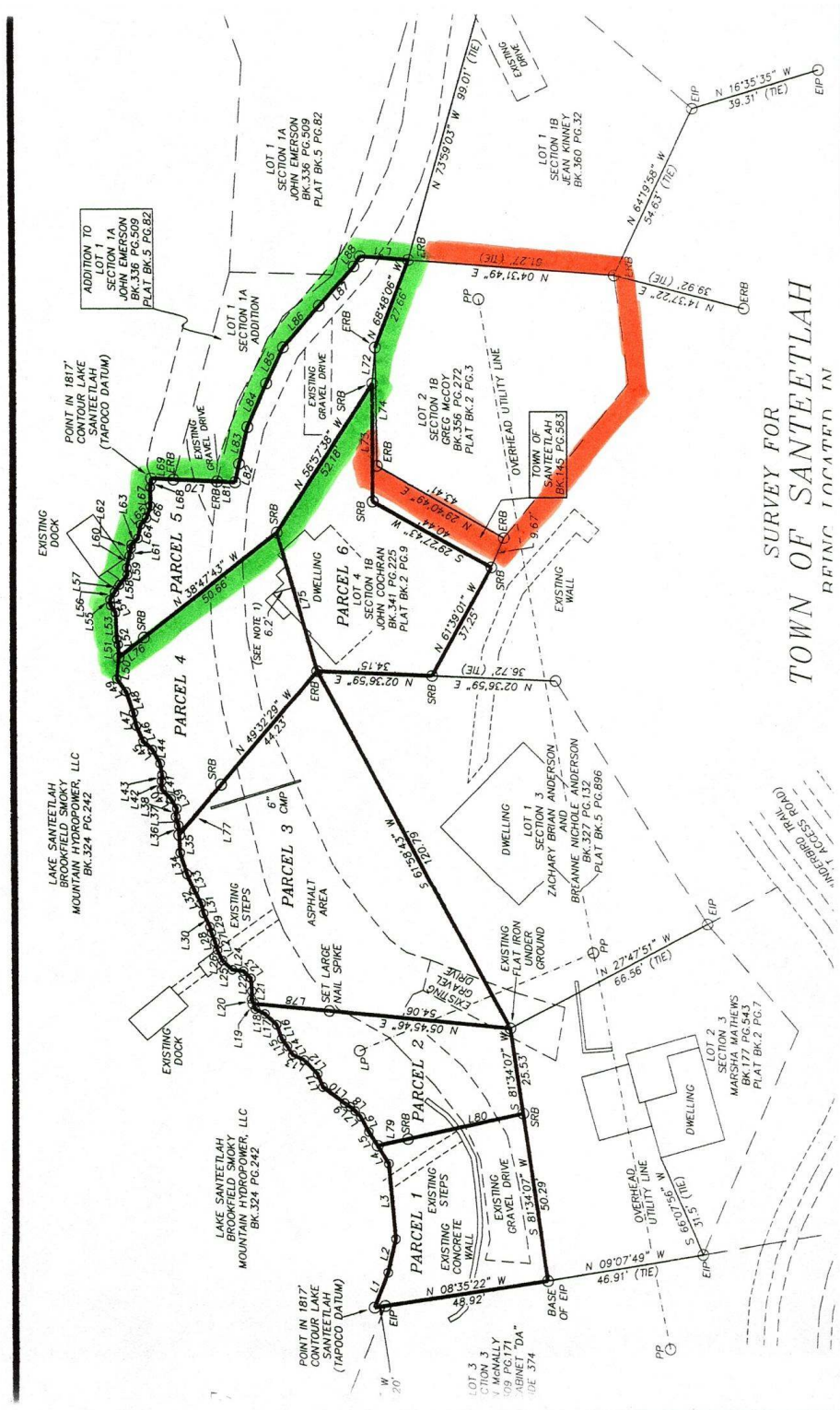
FOR ADDITIONAL title reference see the estate file of Arthur Griffith (Graham County file # 14-E-28), and the deed recorded at Deed Book 340, Page 188, Graham County Registry.

Book: 356 Page: 272 Seq: 3

SURVEY OF THE TRACT #4 SUBJECT PROPERTY



SURVEY OF THE TRACT #4 SUBJECT PROPERTY AND LAKEFRONT ADDITION THERETO





*General Appraising & Consulting Services, Inc.*

OVERHEAD TAX MAP VIEW OF THE TRACT #4 SUBJECT PROPERTY AREA





## EXHIBIT E - ADDENDUM INFORMATION FOR TRACT #5: LOT 3 SECTION 3

### COMPLETE LEGAL DESCRIPTION OF TRACT #5 SUBJECT PROPERTY

Page 1 of 4

NO DELINQUENCIES AS OF THIS  
DATE 1-30-10

*Christy Bolton Deputy*  
Graham County Tax Collector

Doc ID: 000515280004 Type: CRP  
Kind: DEED  
Recorded: 07/30/2010 at 03:19:12 PM  
Fee Amt: \$652.00 Page 1 of 4  
Revenue Tax: \$624.00  
Graham County, North Carolina  
Carolyn Stewart Register of Deeds  
BK 309 Pg 171-174

#### NORTH CAROLINA GENERAL WARRANTY DEED

Excess Tax: \$624.00		Recording Time, Book and Page	
Tax Lot No.	Parcel Identifier No.	564204030003	
Verified by	County on the	day of	2010
by			
Mail after recording to PO Box 1549, Robbinsville, NC 28771			
This instrument was prepared by Mack D. Tallent, Attorney at Law			
Brief description for the Index			
218 Santeedah Trail			
THIS DEED made this <u>30<sup>2</sup></u> day of <u>July</u> , 2010, by and between			
GRANTOR		GRANTEE	
Mark Culver (both personally and as Executor of the Estate of Dorothy C. Fuller) and wife, Tammi Cochran Culver		Kevin L. McNally and wife, Angela B. McNally 6520 Wedgewood Chase Suwanee, GA 30024	

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 N/A, Yellow Creek Township, Graham County, North Carolina and more particularly described as follows:

SEE ATTACHED SCHEDULE A FOR A MORE COMPLETE AND ACCURATE DESCRIPTION OF SAID PROPERTY, WHICH IS INCORPORATED HEREIN AS IF FULLY SET FORTH.

TITLE TO WITHIN DESCRIBED LANDS NOT CERTIFIED BY THIS OFFICE  
UNLESS WRITTEN TITLE OPINION RENDERED.  
McGinney & Tallent, P.A., Mack D. Tallent, Attorney at Law  
40 Court Street, PO Box 1549, Robbinsville, NC 28771

Book: 309 Page: 171 Seq: 1

The property hereinabove described was acquired by Grantor by instrument recorded in Deed Book 182, Page 753 and Deed Book 221, Page 736, Graham County Registry

A map showing the above described property is recorded in Plat Cabinet \_\_\_\_\_ 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:  
N/A

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal, this 26th day of July, 2010.

(Entity Name)

\_\_\_\_\_  
(SEAL) Merk Culver, personally and as Executor (SEAL)  
\_\_\_\_\_  
(SEAL) Tami Cochran Culver (SEAL)  
\_\_\_\_\_  
(SEAL) \_\_\_\_\_ (SEAL)  
\_\_\_\_\_  
(SEAL) \_\_\_\_\_ (SEAL)

STATE OF Alabama  
COUNTY OF Houston

I certify that the following person(s) appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Merk Culver, personally and as Executor of the Estate of Dorothy C. Fuller

Date: 7-26-2010  
Teresa W. Jernegan  
(Official Signature of Notary)  
Teresa W. Jernegan, Notary Public  
(Notary's printed or typed name)  
My Commission Expires: 5-29-2011



STATE OF Alabama  
COUNTY OF Houston

I certify that the following person(s) appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Tami Cochran Culver

Date: 7-26-2010  
Teresa W. Jernegan  
(Official Signature of Notary)  
Teresa W. Jernegan, Notary Public  
(Notary's printed or typed name)  
My Commission Expires: 5-29-2011



The foregoing Certificate(s)

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

By Graham S. Hubert REGISTER OF DEEDS FOR Graham COUNTY  
Deputy/Assistant - Register of Deeds

**SCHEDULE "A" / EXHIBIT "A"**

BEING ADJOINING tracts of real property located in the Town of Lake Santeetlah, Yellow Creek Township, Graham County, North Carolina, being more particularly described as follows:

**TRACT 1:**

In Yellow Creek Township, Town of Santeetlah, according to a Plat of Survey by James T. Herron, RLS L-907 dated June 27, 1996, drawing No. 441-103-A, recorded in Plat Cabinet DA, Slide 374, Graham County Registry, said Plat of Survey being incorporated herein by reference, and from said Plat of Survey being more particularly described as follows:

BEGINNING on an existing iron pin in the western boundary line of Lot No. 3, Section 3 of said subdivision, being the northeast corner of Lot No. 9, Section 3; thence runs N 57-40-04 W 32.58 feet to an existing iron pin; thence N 04-18-07 W 56.57 feet to an iron pin set in the contour line for Lake Santeetlah, being the northeast corner of Lot No. 8, Section 3; thence runs with the contour line of Lake Santeetlah the following two (2) courses and distances: N 74-39-57 E 36.49 feet; S 69-03-54 E 53.10 feet to an iron pin set, being the northeast corner of Lot No. 3, Section 3; thence runs S 09-56-54 E 48.02 feet to an existing iron pin, being the northwest corner of Lot No. 2, Section 3; thence S 09-56-54 E 47.02 feet to an iron pin set; thence S 09-56-54 E 36.26 feet to a point located in the center line of Thunderbird Trail; thence runs with the center line of Thunderbird Trail the following courses and distances: N 67-03-57 W 3.50 feet; thence with the arc of a circle a radius of 74.42 feet and an arc length of 65.97 feet being a chord bearing and distance of S 87-32-28 W 63.83 feet to a point; thence leaving Thunderbird Trail runs N 07-29-54 W 16.86 feet to an existing iron pin; thence N 07-29-54 W 49.91 feet to the point of BEGINNING, containing 0.237 acres.

FOR SOURCE of title see the deed from G. Patrick Tolleson and wife, Anne E. Tolleson to Dorothy C. Fuller, dated February 6, 1998, recorded at Deed Book 182, Page 753, Graham County Registry, the above described real property being the same real property described and conveyed therein.

LESS AND EXCEPTING from said tract of real property that certain 0.003 acre tract of real property as conveyed from Dorothy C. Fuller to John R. Rinehart and Robert H. Moseley, by the deed recorded at Deed Book 221, Page 739, Graham County Registry, said 0.003 acre tract of real property hereby excepted being more specifically described as follows:

AS PER PLAT OF SURVEY entitled "Proposed Conveyance to Robert Moseley", Thunderbird Community, Cheoah Township, Graham County, North Carolina, dated July 29, 2002, by James T. Herron, RLS L-907, said Plat of Survey being referred to for greater certainty and accuracy of description and incorporation herein and being more particularly described by metes and bounds as follows:

BEGINNING at an iron pin set, said iron pin set being on the line common with lands owned now or formerly by John Rinehart and Robert Moseley and Dorothy Fuller, thence from said iron pin set traveling along the original boundary line between the Rinehart/Moseley property and the Fuller property the following courses and distances: N

Schedule "A" / Exhibit "A" - Page 1 of 2

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57-40-04 W 2.45 feet to a point; N 04-18-07 W 56.57 feet to an existing iron pin, said existing iron pin being the original northeast corner of the Rinehart/Moseley property and being on the line common with Lake Santeetlah, thence leaving the original boundary line of the Rinehart/Moseley property and thence traveling along the line common with Lake Santeetlah, N 74-39-57 E 3.00 feet to an iron pin set; thence leaving the line common with Lake Santeetlah and thence traveling along a new division line of the Dorothy Fuller property the following course and distance: S 04-18-07 E 58.41 feet back to the place and point of BEGINNING, containing 0.003 acres, more or less.

LEAVING A balance of 0.234 acres, +/-, as the subject of this Tract 1.

TRACT 2:

AS PER PLAT OF SURVEY entitled "Proposed Conveyance to Robert Moseley", Thunderbird Community, Cheoah Township, Graham County, North Carolina, dated July 29, 2002, by James T. Herron, PLS L-907, said Plat of Survey being referred to for greater certainty and accuracy of description and incorporation herein and being more particularly described by metes and bounds as follows:

BEGINNING at an iron pin set, said iron pin set being on the line common with Rinehart/Moseley property and the Dorothy Fuller property, and thence traveling along the original boundary line between the two said tracts the following courses and distances: S 57-40-04 E 30.13 feet to an existing iron pin; S 07-29-54 E 49.91 feet to an existing iron pin; thence leaving the original boundary line of the Rinehart/Moseley property and the Dorothy Fuller property and thence traveling a new division line of the Rinehart/Moseley property the following course and distance: N 25-59-09 W 72.98 feet back to the place and point of BEGINNING, containing 0.013 acres, more or less.

FOR SOURCE of title see the deed from John R. Rinehart and wife, Dorothy Rinehart, and Robert H. Moseley and wife, Joan M. Moseley to Dorothy C. Fuller, recorded at Deed Book 221, Page 736, Graham County Registry, the above described real property being the same real property described and conveyed therein.

BOTH THE herein conveyed tracts of real property being conveyed:

TOGETHER WITH a perpetual, appurtenant and nonexclusive road right of way easement over and across the existing access road for ingress and egress to and from the public roadway.

SUBJECT TO Restrictive Covenants for Thunderbird Mountain Resort as recorded at Deed Book 62, Page 226, Graham County Registry.

SUBJECT TO the easements for existing utilities.

SUBJECT TO the road right of way easement for Thunderbird Trail as shown on the plat of survey recorded at Plat Cabinet DA, Slide 374, Graham County Registry.

Schedule "A" / Exhibit "A" -- Page 2 of 2

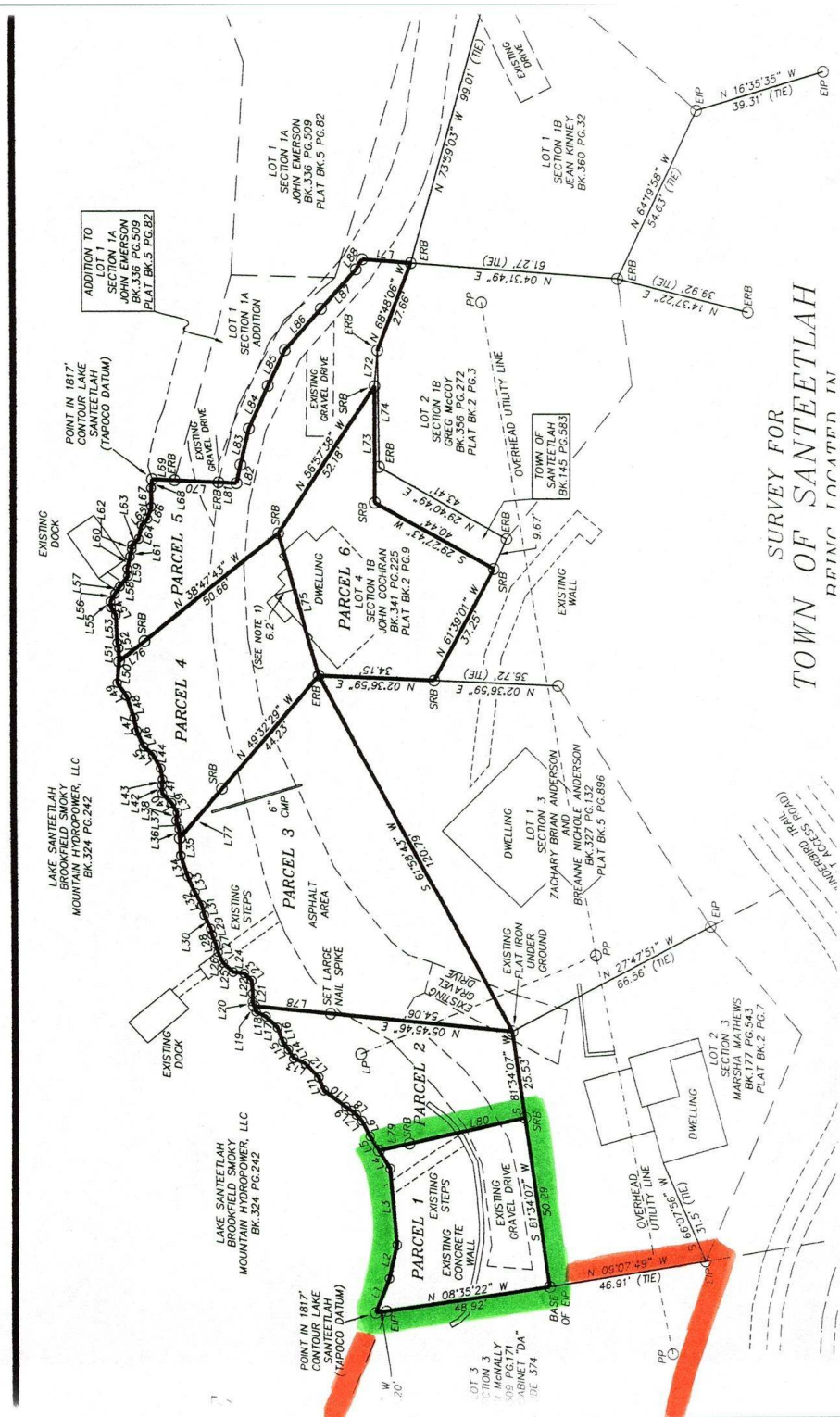
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## Book: DA Page: 374 S



SURVEY OF THE TRACT #5 SUBJECT PROPERTY AND LAKEFRONT ADDITION THERETO

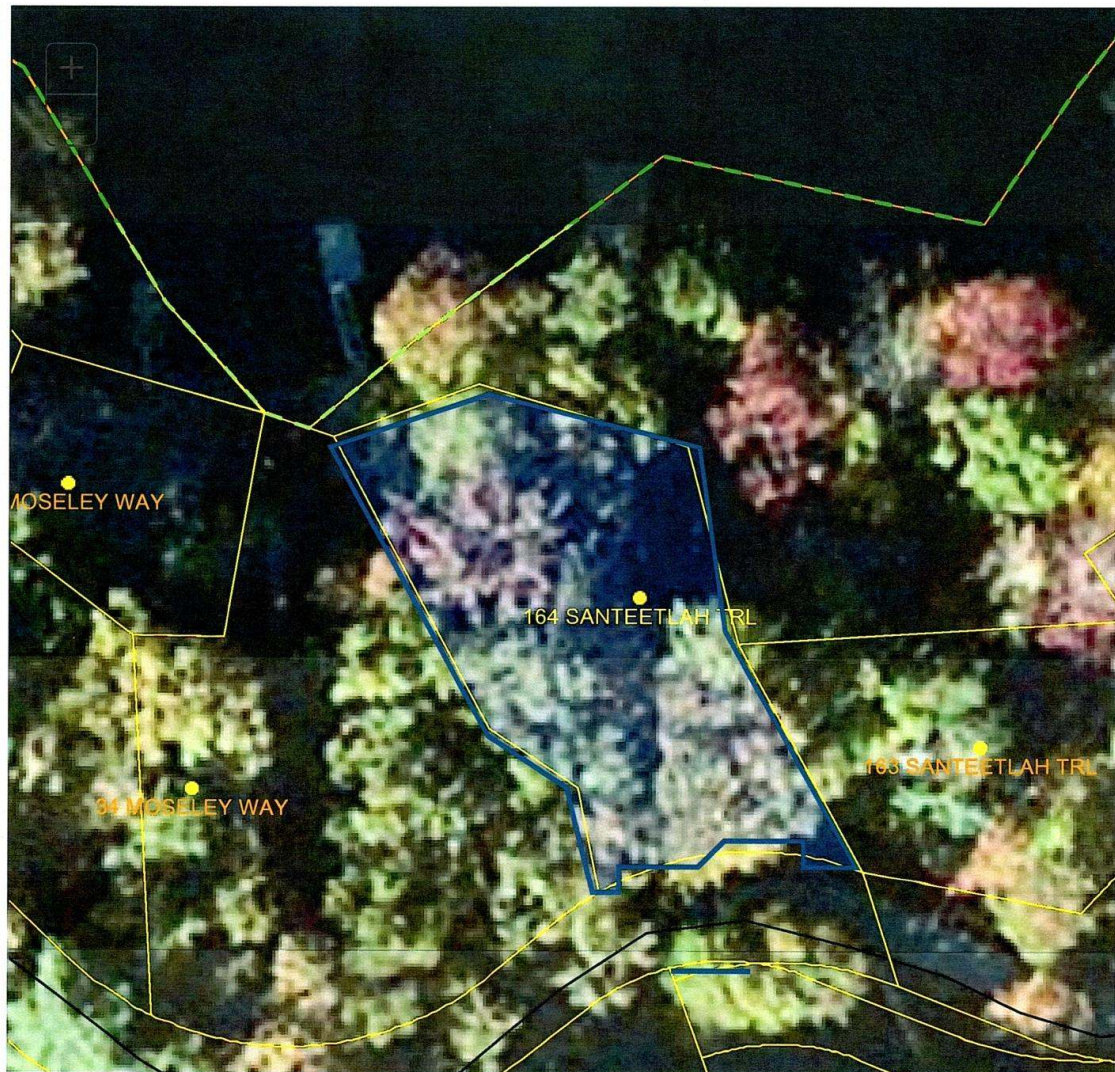


# TAX ASSESSMENT CARD FOR THE TRACT #5 SUBJECT PROPERTY

GRAHAM COUNTY										11/21/2017 11:05:55 AM									
<b>MCNALLY KEVIN L</b> <b>MCNALLY ANGELA B</b> 164 SANTEEHLAH TRAIL 155890922										Return/Appeal Notes: <b>Parcel: 5642-04-03-0003</b> PLAT: /    UNIQ ID 3018 ID NO: 564204030003									
COUNTY WIDE (100), SANTEEHLAH (100) L3 S3 SANTEEHLAH TRAIL THUNDERBIRD										CARD NO. 1 of 1 1.000 LT TW-33    SRC= Inspection    LAST ACTION 20150721									
<b>CONSTRUCTION DETAIL</b>										<b>MARKET VALUE</b>									
Foundation - 2 Piers 2.00 Sub Floor System - 4 Plywood 9.00 Exterior Walls - 04 Siding No Shtg 15.00 Roofing Structure - 03 Gable 8.00 Roofing Cover - 03 Asp/Comp Shng 4.00 Interior Wall Construction - 4 Plywood Panel 17.00 Interior Wall Construction - 5 Drywall 0.00 Interior Floor Cover - 08 Sheet Vinyl 6.00 Interior Floor Cover - 14 Carpet 0.00 Heating Fuel - 04 Electric 2.00 Heating Type - 08 Radiant Floor 2.00 Air Conditioning Type - 01 None 0.00 Bedrooms/Bathrooms/Half-Bathrooms 2/1/0 7.000 Bedrooms BAS - 2 FUS - 0 LL - 0 Bathrooms BAS - 1 FUS - 0 LL - 0 Half-Bathrooms BAS - 0 FUS - 0 LL - 0 Office BAS - 0 FUS - 0 LL - 0 <b>TOTAL POINT VALUE</b> 72.000										TYPE: SINGLE FAMILY HIGH VALUE STYLE: 1 - 1.0 Story Single Family Residential									
<b>BUILDING ADJUSTMENTS</b> Quality 3 Average 1.0000 Shape/Design 2 Rectangle 1.0000 Size Size 1.0800 <b>TOTAL ADJUSTMENT FACTOR</b> 1.080 <b>TOTAL QUALITY INDEX</b> 78										<b>DEPRECIATION</b> Standard 0.59000 % GOOD 41.0									
<b>CORRELATION OF VALUE</b> CREDENCE TO MARKET <b>DEPR. BUILDING VALUE - CARD</b> 40,760 <b>DEPR. OB/XF VALUE - CARD</b> 255,750 <b>TOTAL MARKET VALUE - CARD</b> 296,510 <b>TOTAL APPRAISED VALUE - CARD</b> 296,510 <b>TOTAL APPRAISED VALUE - PARCEL</b> 296,510 <b>TOTAL PRESENT USE VALUE - PARCEL</b> 0 <b>TOTAL VALUE DEFERRED - PARCEL</b> 0 <b>TOTAL TAXABLE VALUE - PARCEL \$</b> 296,510										<b>PRIOR</b> BUILDING VALUE 33,250 OBXF VALUE 0 LAND VALUE 40,000 PRESENT USE VALUE 0 DEFERRED VALUE 0 <b>TOTAL VALUE</b> 73,250									
<b>PERMIT</b> CODE DATE NOTE NUMBER AMOUNT										<b>SALES DATA</b> OFF. RECORD DATE DEED TYPE Q/U/V/I INDICATE SALES PRICE BOOK PAGE MOYR 00309 0171 7 2010 WD Q I 312000 00182 0753 2 1998 WD Q I 135000 00173 0381 7 1996 WD Q I 100000 00221 0739 10 2002 QC X I 0 00130 0447 1 1988 U I 0									
<b>ROUT: WTRSHD:</b>										<b>NOTES</b>									
<b>SUBAREA</b> TYPE GS AREA % RPL CS BAS 1,032 100 86936 FOP 40035 1179 STP 12020 168 WDD 662020 11120 <b>FIREPLACE</b> 1 - None 0 <b>SUBAREA TOTALS</b> 1,746 99,403										<b>CODE DESCRIPTION COUNT LTH WTH UNITS UNIT PRICE ORIG % COND BLDG# AYB EYB ANN DEP RATE OVR % COND OB/XF DEPR. VALUE</b> 68 DOCKS 0 0 1 1,500.00 100 1985 1985 S5 0 0 <b>TOTAL OB/XF VALUE</b> 0									
<b>BUILDING DIMENSIONS</b> BAS=E16S8E5E27N14W15N16W17W12S10W4S4S8Area:1032;STP=N3E4S3W4Area:12;FOP=W4S10E4N10Area:40;WDD=W4S26E2S512E16N12W8N6W13N44N8W16N8Area:662;TotalArea:1746										<b>LAND INFORMATION</b> HIGHEST AND BEST USE SFR WATER 0122 LOCAL ZONING 0 FRON TAGE 0 DEPTH 0.0000 LND MOD 0 COND FACT 1.0000 OTHER ADJUSTMENTS AND NOTES RF AC LC TO ROAD TYPE LAND UNIT PRICE 2,750.00 TOTAL LAND UNITS 93.000 UN TYP FF TOTAL ADJST 1.000 ADJUSTED UNIT PRICE 2,750.00 LAND VALUE 255750 OVERRIDE 0 LAND NOTES <b>TOTAL MARKET LAND DATA</b> 255,750 <b>TOTAL PRESENT USE DATA</b>									



OVERHEAD TAX MAP VIEW OF THE TRACT #5 SUBJECT PROPERTY AREA





**EXHIBIT F - ADDENDUM INFORMATION FOR TRACT #6: EXCESS LAKE OF SANTEETLAH  
OWNED PROPERTY**

**COMPLETE LEGAL DESCRIPTION OF TRACT #6 SUBJECT PROPERTY**

Page 1 of 3

583

**T.S.O.**

PREPARED BY: ZEYLAND G. MCKINNEY, JR.

**QUITCLAIM DEED**

STATE OF NORTH CAROLINA  
COUNTY OF GRAHAM

THIS DEED, Made and entered into this 18<sup>th</sup> day of July, 1991,  
by and between COMMONWEALTH FINANCIAL CORPORATION, an Illinois  
Corporation, P. O. Box 5147, Springfield, Illinois, hereinafter  
called Grantor, and The Town of Santeetlah, a body politic  
created by the North Carolina General Assembly, hereinafter  
called Grantee, whose permanent mailing address is P. O. Box  
1278, Robbinsville, North Carolina 28771;

**WITNESSETH:**

That said Grantor, for and in consideration of the sum of Ten  
Dollars and other good and valuable consideration (\$10.00) to it  
in hand paid, the receipt of which is hereby acknowledged, has  
remised and released and by these presents does remise, release,  
convey, and forever quitclaim unto the Grantee, its heirs and/or  
successors and assigns, all right, title, claim and interest of  
the Grantor in and to the following lands located in Graham  
County, North Carolina, being more particularly described as  
follows:

**PARCEL NO. ONE:**

According to a Plat of Survey by Alan C. Carver, RLS L-2969,  
dated February, 1990, entitled "TOWN OF SANTEETLAH" LOT 20,  
SECTION 20, and recorded in Plat Book No. 5, at Page 658, Graham  
County Registry, to which said Plat of Survey reference is hereby  
given for a more complete and particular description.

BEGINNING at a set rebar lying N 74-48-58 E 125.61 feet from an  
existing rebar, a tie, and runs thence N 74-16-51 E 165.61 feet  
to an existing rebar, corner of said parcel, thence S 11-02-01 E  
172.29 feet to a set rebar, a corner common to Lot No. 21,  
Section 20, and runs thence N 83-24-00 W 106.26 feet to a point,  
thence S 63-56-00 W 58.78 feet to a set rebar, a corner common to  
Lot 18A, Section 20; thence N 13-52-00 W 141.99 feet to the  
BEGINNING, containing 0.54 acres, and being the Lot on which the  
Town of Santeetlah Water Tank and Chlorination Building is  
located.

**PARCEL NO. TWO:**

According to a Plat of Survey by Alan C. Carver, RLS L-2969,  
dated February, 1991, entitled "A PORTION OF THE PROPERTY OF TOWN  
OF SANTEETLAH", and recorded in Plat Book No. 5, at Page 660,  
Graham County Registry, and being more particularly described as  
follows:

BEGINNING at a set rebar lying S 74-24-09 E 90.75 feet from an  
existing rebar on the South side of Thunderbird Trail, a tie,  
runs thence from the set rebar S 74-24-09 E 50.97 feet to a point  
30 feet from the 4-24-09 E 50.97 feet to a point  
30 feet from the centerline of the right of way for North  
point; thence S 58-08-04 E 7.28 feet to a set rebar on the West  
side of Thunderbird Trail, being a corner common to Lot 34,  
Section 19 of Thunderbird Resorts; thence S 72-03-28 W 32.19 feet  
to a set rebar; thence S 58-08-28 W 191.35 feet to a set rebar, a  
corner common to Lot 33, Section 19, said set rebar lying N 12-  
45-54 E 32.86 feet from an existing rebar, a tie, thence N 12-45-  
54 E 31.31 feet to a set rebar, a corner common to Lot 35,  
Section 19 of Thunderbird Resorts; thence N 56-47-28 E 164 feet  
to an existing iron, thence N 43-31-32 W 32.90 feet to the  
BEGINNING, containing 0.12 acres, and being the parcel of land on  
which the Guard House for the Town of Santeetlah is located.

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PARCEL NO. THREE:

According to a Plat of Survey by Alan C. Carver, RLS L-2969, dated February, 1991, entitled "A PORTION OF THE PROPERTY OF TOWN OF SANTEETLAH, BEING WELL SITE #2, Yellow Creek Township, Graham County, North Carolina", and being recorded in Plat Book No. 5, at Page 657, Graham County Registry, and being more particularly described as follows:

BEGINNING at a set rebar lying N 54-40 W 26.1 feet from the Northwest corner of the Well House, a tie, thence runs from the set rebar N 45-21-24 E 91.80 feet to a set rebar on the West side of Nantahala Trail, thence S 01-34-49 E 42 feet to a point on the West side of Nantahala Trail, thence S 05-19-49 E 110 feet to a point on the West side of Nantahala Trail, thence S 38-27-01 W 20.75 feet to a point, thence N 59-24-49 W 70 feet to a point North of Santeetlah Trail, thence N 68-14-49 W 41.50 feet to an existing pipe, being a corner common to Lot No. 15, Section 1A, thence N 06-16-53 E 46.93 feet to an existing pipe, a corner common to Lot No. 15, Section 1A; thence N 51-14-43 W 70.22 feet to an existing spike on the North side of an asphalt drive, thence N 72-09-46 E 33.73 feet to a point on the North side of an existing asphalt drive; thence N 53-02-23 E 33 feet to a set spike in an existing asphalt drive; thence S 07-33-24 W 36.01 feet to an existing iron being a corner common to Lot No. 4, Section 1A; thence S 43-16-36 E 45.08 feet to the BEGINNING, containing 0.29 acres.

PARCEL NO. FOUR:

According to a Plat of Survey by Alan C. Carver, RLS L-2969, dated February, 1991, entitled "A PORTION OF THE PROPERTY OF TOWN OF SANTEETLAH, BEING WELL SITE #1, Yellow Creek Township, Graham County, North Carolina", and recorded in Plat Book No. 5, at Page 656, Graham County Registry, and being more particularly described as follows:

BEGINNING at an existing rebar, corner common to Lot 24A, Section 2, said rebar lying N 02-40-49 W 59.21 feet from an existing rebar, a tie, runs thence from the existing rebar corner N 02-40-49 W 14.77 feet to a point on the South margin of Thunderbird Trail, thence with the South margin of Thunderbird Trail the following five (5) courses and distances: S 66-50-47 E 9.05 feet, S 80-40-00 E 25.69 feet, N 76-34-11 E 26.32 feet, N 58-28-53 E 24.57 feet, N 52-55-11 E 28.26 feet to a point on the South margin of Thunderbird Trail, thence S 32-55-11 E 17.22 feet to an existing rebar; thence S 32-55-11 E 39.65 feet to a set rebar a corner common to Lot 24A, Section 2; thence S 71-25-00 W 85 feet to a set rebar a corner common to Lot 24A, Section 2, thence N 58-45-00 W 61.30 feet to the BEGINNING, containing 0.11 acres.

PARCEL NO. FIVE:

All existing waterline easements for the subdivision water system located at Thunderbird Mountain Resort in Graham County, North Carolina, including all pipelines and other improvements associated with said water system.

PARCEL NO. SIX: All existing subdivision roadways now owned by the Grantor in the Thunderbird Mountain Resort Development in Graham County, North Carolina, and all property lying between the existing access roadways and the lot boundaries as located and described in the Plats recorded in the Office of the Register of Deeds in Graham County, North Carolina, in Plat Book No. 4, Page 33, Plat Book 2, Pages 729, 45, 9, 7, 142, 25, 16A, 73, 34A, 89 and 96, Plat Book 3, Page 13, Plat Book 5, Page 69, and Plat Book 1, Pages 61, 62, and 63.

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**PARCEL NO. SEVEN:** All property reserved for subdivision roadway easements by the Developers in the Thunderbird Mountain Resort located and described in the Plats recorded in the Office of the Register of Deeds for Graham County, North Carolina in Plat Book 4, at Page 33, Plat Book 2, Pages 729, 45, 9, 7, 142, 25, 16A, 73, 34A, 89 and 96, Plat Book 3, Page 13, Plat Book 5, Page 69, Plat Book 1, Pages 61, 62 and 63, where no roadways have actually been constructed.

**PARCEL NO. EIGHT:** Any and all property designated for lake access easements for the Thunderbird Mountain Resort as located and described in the Plats recorded in the Office of the Register of Deeds for Graham County in Plat Book 4, at Page 33, Plat Book 2, Page 729, 45, 9, 7, 142, 25, 16A, 73, 34A, 89 and 96, Plat Book 3, Page 13, Plat Book 5, Page 69, Plat Book 1, Pages 62, 62 and 63, which were intended by the developers to provide lake access to the lots in Thunderbird Mountain Resort Development.

IT IS THE INTENTION of the Grantors, by this quitclaim deed, to convey to the Grantee all subdivision roads, water easements, and lake access easements owned by the Grantor within the corporate boundaries of the Town of Santeetlah, North Carolina.

To have and to hold the aforesaid lot or parcel of land and all privileges thereunto belonging to it, the Grantee, its heirs and/or successors and assigns, free and discharged from all right, title, claim or interest of the Grantor or anyone claiming by, through or under it.

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.

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.

COMMONWEALTH FINANCIAL CORPORATION

By Joe Metzger (SEAL)  
JOE METZGER, SENIOR VICE PRESIDENT


(Corporate Seal)

Attest: Luther C. Miller (SEAL)  
LUTHER C. MILLER, SECRETARY

STATE OF ILLINOIS, COUNTY OF SANGAMON

I, CATHY CALUFETTI a Notary Public of the County and State aforesaid, certify that LUTHER C. MILLER personally came before me this day and acknowledged that he is the Secretary of COMMONWEALTH FINANCIAL CORPORATION, an Illinois Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Senior Vice President, sealed with its corporate seal and attested by himself as its Secretary.

WITNESS my hand and official stamp or seal, this 18th day of JULY, 1991.

My Commission Expires 4-24-94  Cathy Calufetti  
Notary Public

The foregoing Certificate(s) Cathy Calufetti

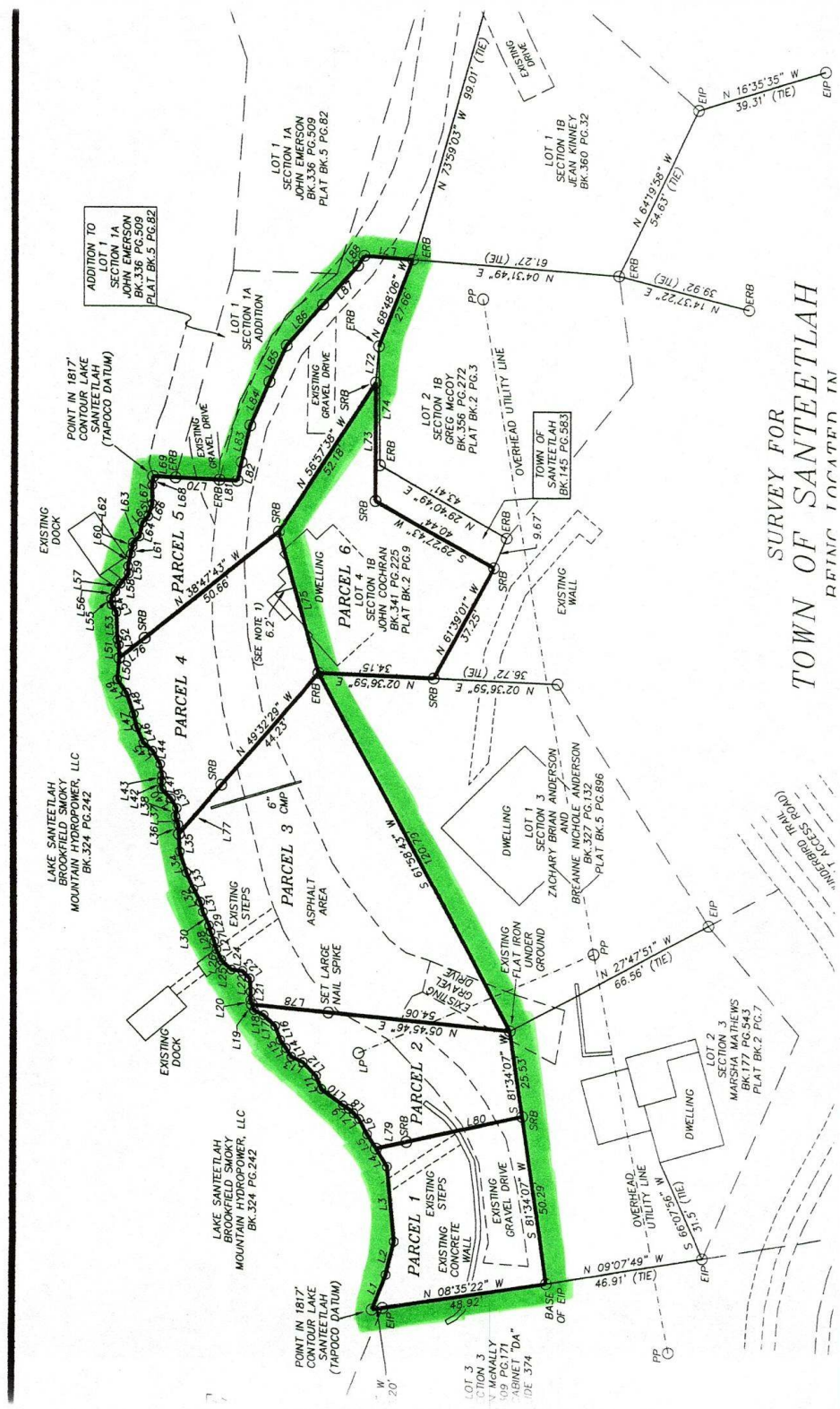
is/are certified to be correct. This instrument and this certificate are duly registered this 26th day of July, 1991, at 3:45 A.M. Book 145 Page 585.

Wanda Brooks  
Register of Deeds

Book: 145 Page: 583 Seq: 3



SURVEY FOR  
TOWN OF SANTEE TLAH  
BEING LOCATED IN

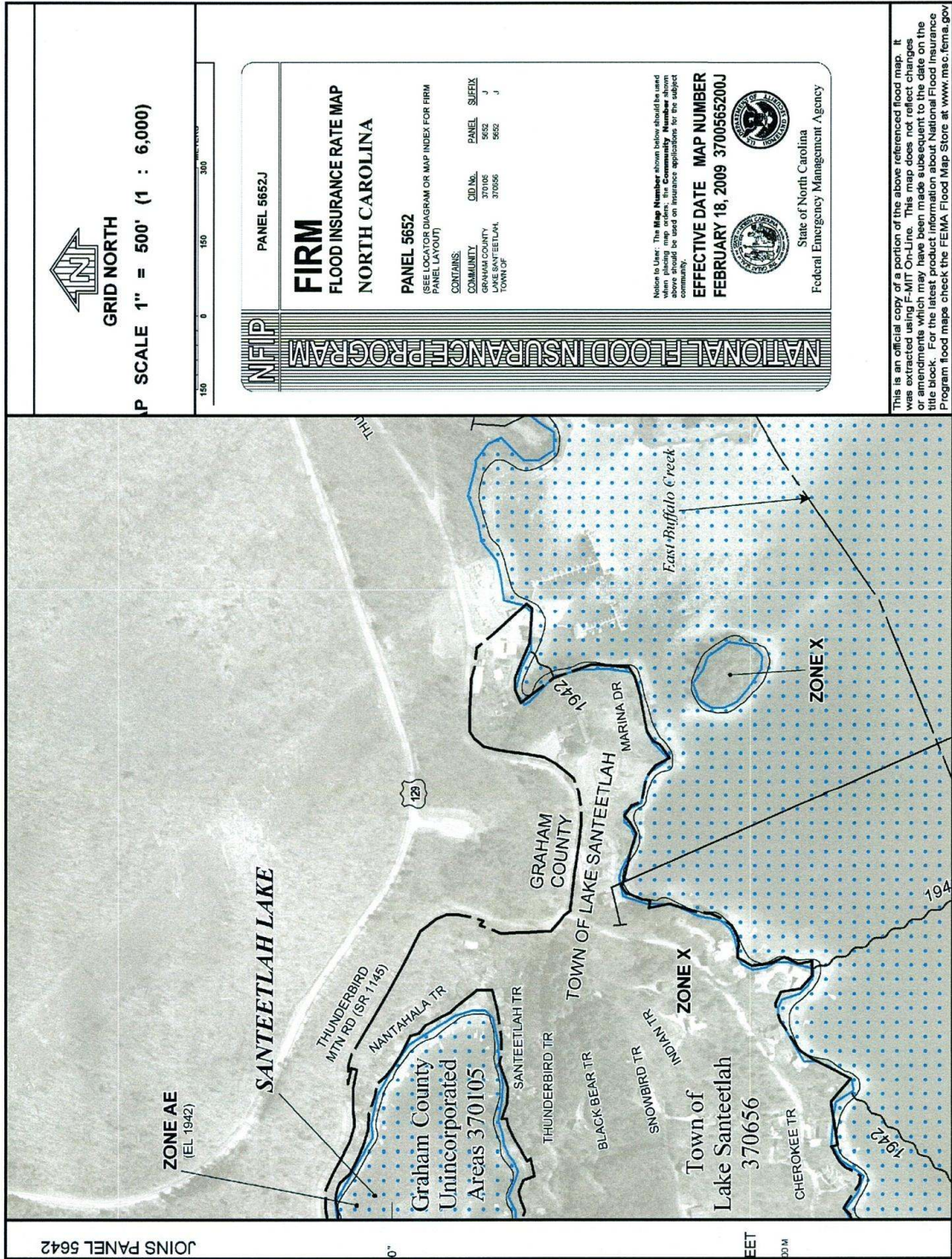




OVERHEAD TAX MAP VIEW OF THE TRACT #6 SUBJECT PROPERTY AREA



**EXHIBIT G - FLOOD PLAIN MAP OF THE SUBJECT AREA**





## **EXHIBIT H - ENVIRONMENTAL ADDENDUM**

This addendum reports the results of the appraiser's routine inspection of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. THE APPRAISER IS NOT AN EXPERT ENVIRONMENTAL INSPECTOR and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

### **SOIL CONTAMINANTS**

There are no apparent signs of products that have been or are currently being used at the subject property that could be soil contaminants should they not have been contained properly. It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

Comments: The value estimated in this appraisal is based on the assumption that the subject property is free of soil contaminants.

### **UNDERGROUND STORAGE TANKS (USTs)**

There are no apparent signs of USTs existing now or in the past on the subject property with the exception of possibly septic systems or heating oil storage tanks. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.

The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled, and sealed.

### **ENVIRONMENTAL DISCLAIMER**

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

Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.

-- When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.

**EXHIBIT I - APPRAISER'S QUALIFICATIONS**

**BRYAN G. FARLEY, MAI, R/W AC**

**P.O. Box 1728**

**Robbinsville, North Carolina 28771**

**Phone: (828) 479-3210**

**CURRENT TITLE:** Owner and managing appraiser of a small independent fee appraisal shop responsible for all facets of real property appraisal specializing in commercial, litigation and general level assignments. Also actively engaged in residential properties as well.

**EDUCATION:** Western Carolina University, Cullowhee, North Carolina  
Degree: Master of Business Administration  
May 1993

Western Carolina University, Cullowhee, North Carolina  
Degree: Bachelor of Science in Business Administration  
May 1990 Double Major: Corporate Finance/Accounting

**EXPERIENCE:** Owner/Appraiser - General Appraising and Consulting Services, Inc.  
August 2004 to Present  
Responsibilities include: Perform residential, land and commercial appraisals covering all aspects of the appraisal process from the invoking of the job to its completion as required under the auspices and rules as established by the Appraisal Standards Board including the gathering, compiling, and analyzing of the data necessary to complete full appraisals for banks, individuals, and other institutions for the purposes of loans, estate disbursements, and the sale of commercial ventures. Actively engaged in litigation support including eminent domain assignments with the North Carolina Department of Transportation. I have provided expert testimony in State Superior Court and at the Federal level.

Magistrate of the District Court - Appointed in the 30A Judicial District of N.C.  
April 2009 to Present  
Independent judicial officer of the District Court who handles certain criminal and civil matters. In criminal cases my duties include issuing warrants, setting bail, and establishing other pre-trial release orders. In civil cases I will preside over small claims courts deciding evictions (summary ejectment) and cases involving up to \$5,000.00 monetary damages. Other magisterial duties include issuing various types of processes such as summonses, search warrants, subpoenas, and civil warrants.

Staff Appraiser - Appraisal Services Company  
March 1998 to August 2004  
Responsibilities include: Perform residential, land and commercial appraisals covering all aspects of the appraisal process from the invoking of the job to its completion as required under the auspices and rules as established by the Appraisal Standards Board including the gathering, compiling, and analyzing of the data necessary to complete full appraisals for banks, individuals, and other institutions for the purposes of loans, estate disbursements, and the sale of commercial ventures.



Real Estate Broker - Tar Heel Realty

March 1994 to March 1998

Responsibilities include: Supervision of sales associates and staff within the office, handling earnest monies entrusted to this office and ensuring prompt delivery to the appropriate parties concerned, and the normal activities associated with the sale of real estate.

Research and Teaching Assistant

Western Carolina University - Department of Economics and Finance

August 1991 to May 1993

Responsibilities included: Conducting research on behalf of tenured University faculty and utilizing econometric methods to analyze that data for subsequent use in faculty publications; Conducting labs and tutorial sessions for upper-class Junior and Senior level students within the Department of Economics and Finance; and, Substituting on an as needed basis for Faculty in the Department of Economics and Finance.

Small Business Consultant; Small Business Institute,

Western Carolina University

June 1992 through August 1992

Responsible for a project that required the completion of a comprehensive business plan which included an environmental and competitive analysis, Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis, financial assessment, marketing analysis and concluded with recommendations for improving strategic position for long-term survival.

**PUBLICATIONS:**

"Assessing the Significance of Long Term Memory Effects Using LO's Modified R/S Analysis." Papers and Proceedings, Volume 18, Hattiesburg, Mississippi: Midsouth Academy of Economics and Finance, Summer 1994. Co-authors Patrick A. Hays and David Upton.

"Preferred Stock: Debt or Equity?" Papers And Proceedings, Volume 17, Hattiesburg, Mississippi: Midsouth Academy of Economics And Finance, Summer 1993.

**PROFESSIONAL  
LICENSES:**

Certified General Real Estate Appraiser - State of North Carolina; issued by the North Carolina Appraisal Board. Effective November 2000.

Real Estate Broker - State of North Carolina; issued by the North Carolina Real Estate Commission. Effective July 1991.

**PROFESSIONAL  
AFFILIATIONS:**

Member Appraisal Institute - Member since 2002 (Designated Member of The Appraisal Institute - (MAI) October 2016).

International Right of Way Association - Member since 2000 (Designated Right of Way - Appraisal Certified (R/W - AC) October 2005).

**ACTIVITIES:**

- Member of Several Local Community Organizations.
- Past President of the Kappa Gamma Chapter of Sigma Chi Housing Corporation located at Western Carolina University 1990 - 2003.

**REFERENCES AVAILABLE ON REQUEST**