
**APPRAISAL OF THE PROPERTY OF
THE CITY OF ANNAPOLIS
UNIMPROVED CASTLEGATE DRIVE
SIXTH ASSESSMENT DISTRICT
ANNE ARUNDEL COUNTY
ANNAPOLIS, MARYLAND 21403**

Prepared for

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*As of July 23, 2015
Prepared on September 4, 2015*

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TABLE OF CONTENTS

Section A: Introduction

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS	2
SUMMARY OF IMPORTANT CONCLUSIONS	5

Section B: Factual Description

PROPERTY IDENTIFICATION	6
PURPOSE OF APPRAISAL	6
FUNCTION AND INTENDED USE OF APPRAISAL	6
SCOPE OF THE APPRAISAL	6
DEFINITIONS OF VALUE	8
PROPERTY RIGHTS APPRAISED	8
DATE OF INSPECTION AND EFFECTIVE DATE OF APPRAISAL	8
NEIGHBORHOOD DESCRIPTION	9
PROPERTY DESCRIPTION	19
TITLE DATA	21
ASSESSMENTS AND TAXES	21
ZONING	22

Section C: Appraisal Analysis and Value Conclusions

HIGHEST AND BEST USE	24
APPROACH TO VALUE	25
ESTIMATED VALUE BY THE SALES COMPARISON APPROACH	26

Section D: Valuation of the Subject Property to the Owner of Lot 54 (1415 Damsel Lane)

VALUATION OF THE SUBJECT PROPERTY TO THE OWNER OF LOT 54	28
DESCRIPTION OF THE ACQUISITION OF THE SUBJECT PROPERTY	35
DESCRIPTION OF LOT 54 AFTER THE ACQUISITION	36
EFFECT OF THE ACQUISITION	36
HIGHEST AND BEST USE OF LOT 54, AS IMPROVED, AFTER THE ACQUISITION ...	36
APPROACH TO VALUE AFTER THE ACQUISITION	36
ESTIMATE OF COMPENSATION DUE FOR THE ACQUISITION OF THE SUBJECT PROPERTY	37

Section E: Valuation of the Subject Property to the Owner of Parcel 9 (1606 Forest Drive)

VALUATION OF THE SUBJECT PROPERTY TO THE OWNER OF PARCEL 9	39
DESCRIPTION OF THE ACQUISITION OF THE SUBJECT PROPERTY	46
DESCRIPTION OF THE RESULTING PROPERTY	46
EFFECT OF THE ACQUISITION	46
HIGHEST AND BEST USE OF PARCEL 9, AS IMPROVED, AFTER THE ACQUISITION	46
APPROACH TO VALUE AFTER THE ACQUISITION	47
ESTIMATE OF COMPENSATION FOR THE ACQUISITION OF THE SUBJECT PROPERTY	48
QUALIFICATIONS OF APPRAISER	49
CERTIFICATION OF APPRAISER	50
RESTRICTION UPON DISCLOSURE AND USE	51

Section F: Appendix

Section A:
Introduction

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

This appraisal report has been prepared with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions, or for obtaining the engineering studies, that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report. The property is not subject to flood plain or utility restrictions or moratoriums, except as reported to your appraiser and contained in this report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and 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 estimates contained in this report are based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. 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 values of the property. The value estimates are 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 intended user is urged to retain an expert in this field, if desired. Should any subsequent studies, research, or investigation reveal the presence of any potentially hazardous substance, then any estimate of value may need to be qualified or amended.

12. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid, if so used.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
14. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
16. Any value estimate provided in the report applies to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
17. No in-depth inspection was made of the plumbing (including well and septic), electrical, or heating systems. The appraiser cannot warrant the adequacy/inadequacy of these systems.
18. The appraisal was prepared by the appraiser for the exclusive use of the client. The information and opinions contained in this appraisal set forth the appraiser's best judgement in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility, and at the sole risk, of the third party. The appraiser accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.
19. To my knowledge, a Phase I environmental site assessment (ESA) had not been conducted on the subject property as of the date of value. The presence of environmental contamination may significantly impact the value estimates for the subject site. Because of the lack of a Phase I ESA, the property is appraised contingent on there being no existing environmental hazards. If subsequent information indicates that this assumption is incorrect, then this appraisal and any estimate of value contained herein may need to be qualified or amended.
20. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any value opinion based upon any subsequent environmental impact studies, research or investigation.

21. It is an assumption of this report that the soils are capable of supporting development on the subject property. If subsequent information is obtained indicating that this assumption is incorrect, then this appraisal and any estimate of value may need to be qualified or amended.
22. The unopened portion of Castlegate Drive contains a gross area of 4,513.65 square feet based on information provided by the Department of Public Works for the City of Annapolis and is assumed correct. If subsequent information is obtained indicating that the actual size of the property differs substantially from the area included in this report, then this appraisal and any estimate of value may need to be amended or qualified.
23. For purposes of this appraisal, the adjoining property to the south is identified as Lot 54 while the property to the north is identified as Parcel 9. The designations are for identification purposes only.
24. Interior inspections were not conducted of the dwelling on Lot 54 or of the office building on Parcel 9. Therefore, the values of the improvements are based on the full cash value for the improvement included in the assessment record for each of these properties. As the existing dwelling and office building are not affected by the proposed conveyance to the adjoining owners, a value is assigned to the improvements based on the assessed value and will remain unchanged in the before and after situations. The assignment of value to the improvements is not to be considered a valuation of either Lot 54 or of Parcel 9, as presently improved.
25. According to the scope of work for the valuation, the property is appraised with no guarantee regarding changes to zoning or future subdivision. In addition, the deed of conveyance for the subject will include a restriction prohibiting the use of the property as a free standing residential building site.

SUMMARY OF IMPORTANT CONCLUSIONS

LOCATION	Castlegate Drive; Anne Arundel County Tax Map 511, Block 1 as part of Parcel 1924 in the Sixth Assessment District; Annapolis, Maryland 21403
OWNER OF RECORD	City of Annapolis
LAND AREA	4,513.65 square feet or 0.1036 acres
IMPROVEMENTS	The property is presently unimproved.
ZONING	R3, General Residence District (Annapolis, Maryland)
HIGHEST & BEST USE	Absorption by the adjoining owners; property is appraised assuming no subdivision potential as a residential building lot according to the scope of work for this assignment
PROPERTY RIGHTS APPRAISED	Fee simple estate
EFFECTIVE DATE	July 23, 2015
EXPOSURE TIME	Not longer than one year at the appraised values for the subject property, as presently existing

Section B:
Factual Description

PROPERTY IDENTIFICATION

The subject property is identified on Anne Arundel County Tax Map 51I, Block 1 as part of Parcel 1924 in the Sixth Assessment District. A copy of the tax map showing the approximate location of the subject property is included on the following page. The property is within census tract 7064.01 and falls within the 21403, Annapolis zip code area.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property, as presently existing, and as of the effective date.

FUNCTION AND INTENDED USE OF APPRAISAL

This appraisal is intended to be used by the client as estimates of the market value of the subject property, as presently existing, for a proposed conveyance to the adjoining owners.

SCOPE OF THE APPRAISAL

The scope of this appraisal included a physical inspection of the subject site, the exterior of the existing improvements on the adjoining properties and supporting land, as well as the surrounding neighborhood. Demographic statistics were obtained from the *Site to Do Business Online (STDBOnline)*. The most recent deed to the subject was reviewed to determine the parties to the transaction, date and purchase price. The descriptions of the existing improvements on the adjoining properties are based on the visual inspection, as architectural drawings are not available, with the sizes based on the areas included in the assessment records and are considered correct. The size and configuration of the subject site is based on information provided by the Department of Public Works for the City of Annapolis. Factual data including the zoning of the property, assessment information, census tract designation and the availability of public utilities was obtained from the appropriate government sources.

The purpose of this appraisal is to estimate the market value of the subject property for a possible sale of all or a portion of the site to the adjoining owners. Therefore, the subject is valued based on a before and after analysis that measures the incremental value to each of the adjoining owners. Lot 54 (1415 Damsel Lane) to the south is an improved residentially zoned site; Parcel 9 to the north is a commercially zoned site improved with a professional office building. In estimating the value of the subject property to the adjoining owners, the underlying land is valued based on an analysis of comparable sales. With respect to Lot 54, a total of six residentially zoned sites are compared to Lot 54, as presently existing. As the existing dwelling is not affected by the potential acquisition of the subject property, the assessed value of the improvement is added for a total value of the property before the acquisition. In the after situation, the area of the subject property is added to the land area of Lot 54. The same sales are considered in valuing the larger site with the dwelling added based on the assessment record for the building. The difference between the before and after values reflects the value to the owner of Lot 54 of the subject property. A final adjustment is made to reflect the limited utility and marketability of the subject property.



560

The same methodology is considered in valuing the property to the owner of Parcel 9. However, this property is zoned for professional office use and six additional sites are considered in the valuation of the land supporting the adjoining office building. The improvement value based on the assessment record is then added to the estimated value of the site for a before value for the property. In the after situation, the size of the site is increased to reflect the size of the subject property included as part of the supporting land. However, the subject property is residentially zoned and will have limited utility to the remainder of Parcel 9. The difference between the before and after values reflects the value of the subject property to the owner of Parcel 9. A final adjustment is made to reflect the limited utility of the site to market participants.

The property is valued in this manner because of the lack of sales of comparably sized sites without subdivision potential or independent development and eliminating a direct application of the sale comparison approach. In addition, the exact division of the unopened right of way is not known at this time. The subject is not valued by the cost approach, as the site is unimproved. The approach is most applicable to improved properties where the existing improvements represent the highest and best use of the land. The subject property is not valued by the income capitalization approach as similar properties are typically purchased for owner occupancy and not from income generated from leasing the land.

In the course of completing this appraisal, sources knowledgeable in the local and regional real estate markets were interviewed to project probable trends regarding residential, retail, office, institutional and industrial properties. Private publications (investment and real estate trade journals) were consulted as supplemental sources in providing information on general market perspectives and trends.

In addition to typical source material concerning local and regional economic and real estate conditions, several publications providing information specific to commercial, industrial and/or residential markets were also consulted. Private publications (investment and real estate trade journals) were consulted as supplemental sources in providing information on general market perspectives and trends. Sources knowledgeable in the local real estate market were interviewed to project probable trends regarding the sale of improved and unimproved commercial and industrial properties. Several national real estate investment reports, *The Real Estate Report*, published by RERC, and the *PwC Real Estate Investor Survey*, a survey published by PriceWaterhouseCoopers, were also reviewed to obtain information regarding marketing periods and return requirements. Vacancy rates were obtained from publications prepared by Transwestern, DTZ, MacKenzie and CB Richard Ellis, all commercial brokerage firms, CoStar, a national database of commercial properties, in addition to a visual inspection of area properties.

Finally, an exposure time are estimated for the subject property based on the time periods experienced by similar properties and on information obtained from national surveys. The estimated marketing and exposure periods are based on an analysis of anticipated market trends, conditions in the local and regional real estate markets, and the expectations of market participants regarding the future state of local and national economic conditions.

DEFINITIONS OF VALUE

Market Value is defined as:

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

- (1) 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 sale concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42 (g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Market value, as is, is defined in the regulatory guidelines as:

An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, qualifications as of the date the appraisal is prepared.

PROPERTY RIGHTS APPRAISED

The property rights appraised consist of the fee simple estate, defined in *The Dictionary of Real Estate Appraisal* (Fifth Edition, page 78, 2010) as:

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

DATE OF INSPECTION AND EFFECTIVE DATE OF APPRAISAL

The subject property was most recently inspected and photographed on July 23, 2015; this date is considered the effective date of this appraisal for the property, as presently existing.

NEIGHBORHOOD DESCRIPTION

The subject property is located along the Forest Drive corridor within the City of Annapolis. The expanded Annapolis neighborhood extends east along Route 50 from Aris T. Allen Boulevard to the Chesapeake Bay and includes the City of Annapolis as well as the Parole area of Annapolis. The general neighborhood is approximately 20 miles southwest of Baltimore City and approximately 24 miles northeast of Washington, D.C.

Physical Features

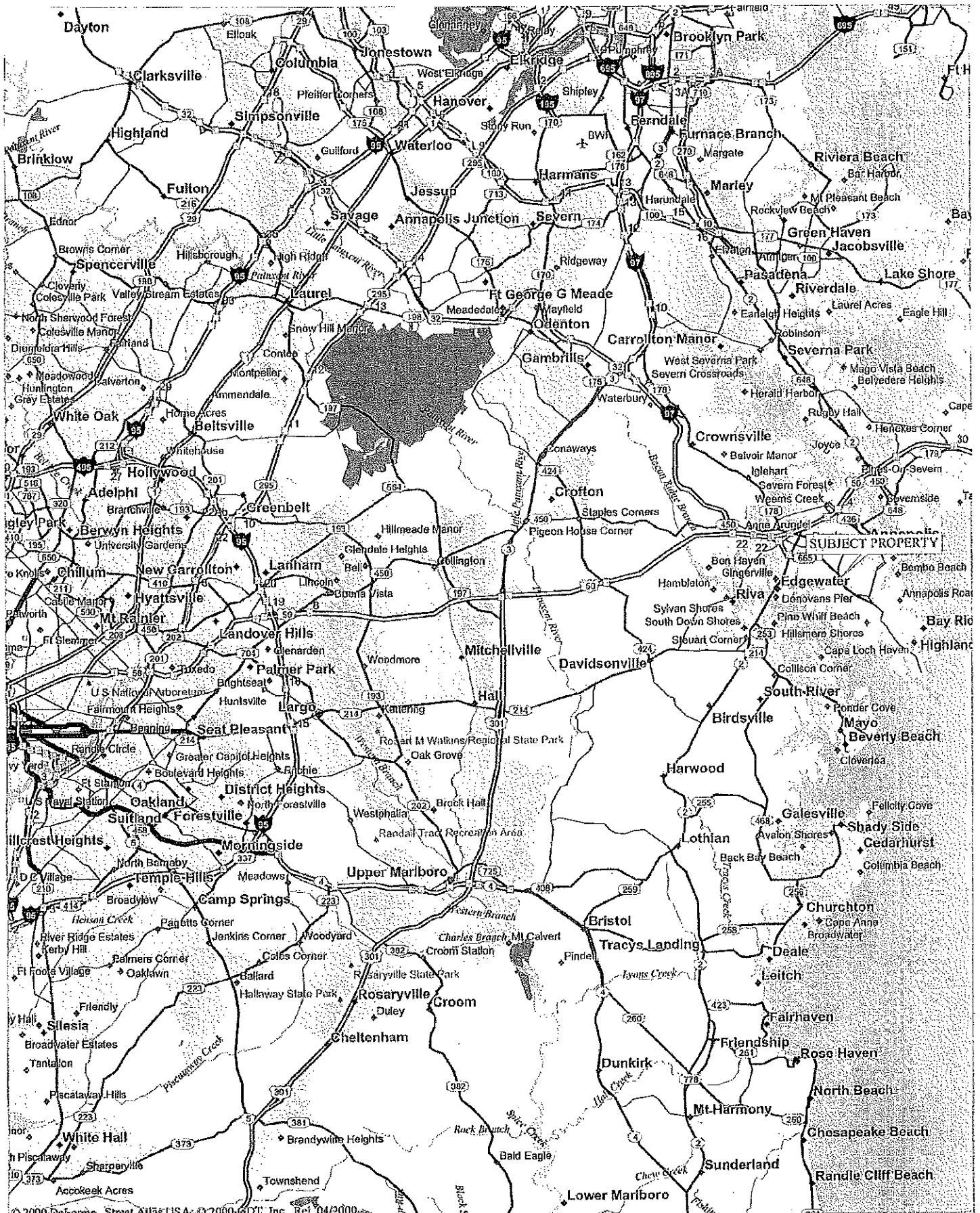
The City of Annapolis is irregularly shaped by water frontage on the Severn River and several tributary creeks and is roughly bound on the north by Weems Creek and U.S. Route 50/301, on the east by the Severn River and the Chesapeake Bay, on the south by Forest Drive (some annexed portions of the City are on the southerly side of Forest Drive) and the residential areas of Annapolis Neck (a peninsula created by the Severn and South Rivers) and on the west by the commercial district of Parole and Maryland Route 2. The land area of Annapolis totals 7.2± square miles or 4,608 acres including approximately 370 acres for the U.S. Naval Academy.

The topography of Annapolis extends from sea level in the east to just over 90 feet in the southwest and is typically characterized by level or near level land. A dominant natural feature is its waterways which provide a total shoreline length of approximately 17 miles, over two miles of shoreline for each square mile of area.

Transportation

The area is served by an excellent network of primary roads. Major roadways serving the expanded Annapolis neighborhood include Route 50/301, Maryland Route 2 and I-97. U.S. Route 50/301 has interchanges in Parole and at Rowe Boulevard that provide direct access to several major arterial roadways that penetrate the City. These arterials include Rowe Boulevard, Forest Drive and West Street. Also, Aris T. Allen Boulevard bypasses the current traffic "bottle necks" in the Parole area just outside the City and serves the residential areas of the southeastern Annapolis Neck peninsula. Mass transit service is available within Annapolis and its immediate outskirts by bus service provided and partially financed by the local municipal government. There is no rail service to the Annapolis area.

U.S. Route 50/301 is a prime east-west arterial that was upgraded to interstate standards through the Annapolis area and east across the Chesapeake Bay Bridge a number of years ago. As part of roadway safety improvements, several interchanges were constructed that replaced at grade intersections, but made access to many properties along the roadway circuitous and confusing. Route 50 is the primary commuter route that connects the metropolitan areas of Washington, D.C. to the west and the Eastern Shore and points along the Atlantic Ocean to the east. The Chesapeake Bay Bridge, located at the easternmost end of the larger neighborhood, is the bay crossover for Route 50/301. According to statistics obtained from the State Highway Administration for 2014 traffic counts ranged from 68,101 vehicles per day just east of Cape St. Claire Road and increased to 154,892 vehicles each day at the I-97 interchange. Traffic counts on Route 50 west of Ritchie Highway ranged from 121,042 vehicles at the Severn River Bridge and decreased to 106,482 vehicles each day at Generals Highway. Ritchie Highway (Maryland Route 2) is a major north-south roadway through Anne Arundel County that connects Baltimore on the north and Annapolis and Route 50 on the south.



Traffic counts on Ritchie Highway ranged from 48,330 vehicles per day north of its intersection with Route 50 and increased to 58,860 vehicles per day in Arnold. I-97 is a north-south interstate that connects Annapolis and Route 50 on the south and the Baltimore Beltway (I-695) to the north. Counts on I-97 within the general area ranged from 95,012 vehicles at Route 50 and increased to 106,612 vehicles per day near Route 3/Crain Highway; counts on I-97 increase to the north. West Street (Maryland Route 450) is an east-west connector between Parole and downtown Annapolis. Traffic counts on West Street ranged from 34,402 vehicles per day near Hudson Street to 39,052 vehicles each day west of Route 50. Counts on West Street in downtown Annapolis averaged 14,942 vehicles per day according to SHA statistics. Counts along Solomons Island Road (also known as Maryland Route 2) ranged from 59,520 vehicles per day south of Aris T. Allen Boulevard and decreased to 29,513 vehicles each day at Route 50. Counts along Aris T. Allen Boulevard (Maryland Route 665) averaged 57,781 vehicles per day just east of Route 50 for 2014 and decreased to the east where the roadway becomes Forest Drive. No counts are provided along Forest Drive or Riva Road. Mass transit is available throughout the neighborhood.

Anne Arundel County and Annapolis have the advantage of being served by three major airports: Baltimore/Washington International Thurgood Marshall (BWI), Reagan National and Dulles International airports. National and Dulles are located in Virginia approximately 45 minutes and 75 minutes driving time, respectively, from downtown Annapolis by U.S. Route 50/301. The most convenient of the three airports for metropolitan Baltimore and Annapolis area residents is BWI that offers both domestic and international flights. The airport is owned by the State of Maryland and covers an area of nearly 3,600 acres. The terminal contains an approximate area of 1.976 million square feet (45.4 acres) divided into five concourses, although concourses A and B were effectively merged into one with a recent renovation, 68 jet gates and five commuter aircraft gates.

In addition to the excellent road network, the area is also serviced by a light rail line that currently terminates in Glen Burnie near the intersection of Dorsey Road and Baltimore Annapolis Boulevard and also provides service to Baltimore/Washington International Thurgood Marshall Airport. The most convenient of the three airports for metropolitan Baltimore and Annapolis area residents is BWI. The airport is owned by the State of Maryland and covers an area of nearly 3,600 acres. The terminal contains an approximate area of 1.976 million square feet (45.4 acres) divided into five concourses, although concourses A and B were effectively merged into one with a recent renovation, 68 jet gates and five commuter aircraft gates.

Passenger counts for 2010 totaled 21,936,461 indicating an increase of 4.7% over 2009 levels. Southwest Airlines continued to be the leading carrier at BWI serving more than 11.7 million passengers in 2010, a 7.4% increase over 2009 levels. According to statistics obtained from the Maryland Aviation Administration (MAA), passenger counts for 2011 totaled 22,391,785 indicating an increase of 2.1% over 2010 counts. Domestic passengers accounted for the bulk of all traffic with Southwest Airlines continuing to be the dominant carrier. Passenger counts for 2012 totaled 22,679,887 representing an increase of 1.3% over 2011 totals. According to the MAA, passenger counts for 2013 totaled 22,498,353; the volume is slightly lower, but largely consistent with 2012 levels. BWI passenger counts for 2014 totaled 22,491,346 indicating a decrease of 0.15% over prior year levels. Passenger counts totaled 4,833,717 during the first quarter of 2015. An annualized volume of 19,334,868 passengers is projected based on the partial year results and would represent a decline from prior year levels. However, the total is likely understated because of the weather that characterized early 2015 and the exclusion of the prime summer travel season in the counts. The 2010 merger of Southwest and Air Tran will further enhance the position of Southwest as the dominant carrier at BWI.

Based on a July 2011 report entitled, "The Regional and Local Economic Impacts of the Baltimore/Washington International Thurgood Marshall Airport," BWI accounted for 93,791 direct and indirect jobs and contributed \$5.6 billion in revenue to Maryland's economy. The Maryland Aviation Administration completed a five year \$1.8 billion capital improvement plan that included the addition of garage and surface parking lots, a consolidated rental car facility, a new concourse, the renovation and expansion of two existing concourses, as well as improved access to BWI in the fall of 2008. The MAA announced a \$100 million expansion and upgrade of airport facilities in early 2012 that included a new terminal containing an approximate area of 27,000 square feet connecting Concourses B and C. The terminal includes moving walkways and approximately 8,500 square feet of restaurant and retail space. The B/C Connector opened in the summer of 2013. In July 2013, MAA announced a \$125 million three year plan for additional improvements that will include a new connector between Concourses C and D, a new security checkpoint designed to serve both domestic and international passengers and reconfiguring gates to allow increased international flights. Work on this project is planned to be complete by the fall of 2016.

Demographics

Population growth within the City of Annapolis in the last decade has been moderate with the greatest increases in the downtown area and along the Forest Drive corridor. The slow growth is attributable to an aging population having an increasing proportion of "empty nesters" and an influx of older working couples that have resulted in a net loss of population in the northern and western part of town. The increase in population in the Forest Drive corridor is the result of apartment and condominium construction over the past few years, as well as infill construction of detached homes on remaining lots in the Eastport area. This City trend is matched on the southern or "county" side of Forest Drive where there has also been significant new residential and neighborhood commercial development over the past five years.

Based on statistics obtained from the *Site to Do Business Online (STDBOnline)*, the population of the City of Annapolis (inclusive of the Naval Academy) for 2015 totaled 44,402 and is projected to increase 3.3% to 45,855 by 2020. The statistics indicate a total of 16,726 households in 2015 that is forecast to increase to 17,330 or by 3.6% by 2020. The average household size is 2.35 and is projected to remain unchanged in 2020. By comparison, the 2015 population of the larger Annapolis area (inclusive of the City of Annapolis and Parole and based on zip code areas 21401, 21402 and 21403) totaled 75,128 and is projected to increase 3.7% to 77,892 by 2020. The statistics indicate a total of 30,503 households in the larger area for 2015 that is forecast to increase to 31,752 or by 4.1% by 2020. County growth reflects the expansion of the Washington metropolitan area coupled with the availability of land to accommodate it. Improvements to major and secondary highways that connect Annapolis and Anne Arundel County to the Washington and Baltimore regional employment markets, should sustain increased growth. However, total population, household counts and growth rates for the City of Annapolis and the larger Annapolis area are constrained as much of the land area is already improved, devoted to historical, institutional or other governmental uses, within the limits of the Chesapeake Bay Critical Area, or subject to other environmental constraints including steep slopes or wetlands.

Income

Based on *STDBOnline* statistics, Annapolis City residents have a 2015 median household income of \$77,048 annually that is projected to increase by 11% to \$85,555 per year in 2020. Average annual household income for City residents is significantly higher at \$103,964 for 2015 and is

projected to increase to \$118,367, or by 13.9%, in five years. Median disposable income for City residents averaged \$57,576 for 2015; average disposable income is projected at \$76,564 annually based on the statistics. Income levels increase for the expanded Annapolis area with a projected median household income of \$85,874 for 2015 and an average annual household income of \$121,112. The median household income is forecast to increase to \$95,751 annually in 2020 with an average household income of \$136,363 at that time for the larger area. Median disposable income or effective buying income is estimated at \$65,524 annually for expanded Annapolis area residents; the average annual disposable income is projected at \$86,921 annually in 2015.

In addition, the employment market is reflected in the area's lower than average median effective buying income (EBI) that lags county levels as reflected in the chart below.

EFFECTIVE BUYING INCOME
(2015 - Number and Percent of Households)

Distribution	Number of Households	Percentage of Households
Under \$25,000	5,255	17.2
\$25,000-\$49,999	5,507	18.1
\$50,000-\$74,999	6,334	20.8
\$75,000-\$99,999	3,638	11.9
\$100,000 or more	9,769	32.0
Median Disposable Income	\$65,524	
Average Disposable Income	\$86,921	

Source: Site to Do Business Online 2015

By comparison, the median disposable income for Anne Arundel County residents for 2015 totaled \$66,996 annually; average disposable income is reported as \$83,891 annually. The median disposable income for Annapolis area residents is 2.2% lower than for county residents; however, average household disposable income for area residents is 3.5% greater than county levels.

Although considered somewhat of a "bedroom" community for the Washington and Baltimore metropolitan areas, Annapolis continues to be a primary employment center in Anne Arundel County. Approximately 94.6% of area residents are projected to be employed in the City of Annapolis in 2015 with the largest concentrations of workers in white collar jobs (64.3%) and smaller concentrations in service jobs (22.9%) or in blue collar occupations (12.8%). A total of 4.6% were unemployed in 2015 in the expanded Annapolis area based on *STDBOnline* statistics. The largest concentrations of workers in the expanded neighborhood are employed in white collar jobs (70.7%), followed by service jobs (18.5%) and blue collar jobs (10.8%). Major employers include the state of Maryland, the City of Annapolis, the U.S. Naval Academy, Anne Arundel County government and the Board of Education, ARINC (company recently sold, but new owner intends to maintain location), Home Depot, Westfield Shoppingtown Annapolis and ITT among others. While Annapolis and the surrounding Parole area generally enjoy relatively low unemployment rates because of the concentration of government offices and the intense commercial development, the area is subject to fluctuations in the defense, telecommunication and technology sectors. The unemployment rate for Anne Arundel County for June 2015 is projected at 5% as

compared to a rate of 5.4% one year earlier according to the Maryland Department of Labor, Licensing and Regulation.

According to statistics obtained from the *Site to Do Business Online*, 2015 retail expenditures for Annapolis City residents are projected at a total of \$571,606,856 with annual spending on retail goods averaging \$34,175 per household and represents a Spending Potential Index (SPI) of 134; the SPI represents the amount spent by area residents relative to the national average of 100. Annapolis residents are more likely to spend money on investments (SPI = 158), education (SPI = 152) and travel (SPI = 143). Spending on vehicle maintenance and repairs totaled \$25.6+ million with an average annual household expenditure of \$1,533 and SPI of 137. Shelter expenses totaled nearly \$402.7 million and Annapolis residents are more likely to make mortgage payments (SPI = 135) and spend money on maintenance and remodeling services (SPI = 134) and materials (SPI = 119).

By comparison, 2015 retail expenditures for the expanded Annapolis neighborhood are projected at a total of slightly more than \$1.2 billion with annual spending on retail goods averaging \$39,852 per household and represents a Spending Potential Index (SPI) of 156 according to the *STDBOnline*. Annapolis area residents are more likely to spend money on investments (SPI = 203), education (SPI = 175) and travel (SPI = 172). Spending on vehicle maintenance and repairs totaled \$54.6 million with an average annual household expenditure of \$1,791 and SPI of 160. Shelter expenses totaled \$844.5 million and Annapolis area residents are more likely to make mortgage payments (SPI = 163) and spend money on maintenance and remodeling services (SPI = 168) and materials (SPI = 144).

The Baltimore metropolitan area benefitted from new jobs created as part of the Base Realignment and Closure Program (BRAC), as the area was chosen for the increased defense related employment because of the educated work force and proximity to Washington, D. C. Maryland state officials projected a total of 8,200 direct jobs to be created at the Aberdeen Proving Ground in Harford County and 5,700 jobs at Fort George G. Meade in Anne Arundel County. New employees relocated to the proving ground beginning in 2009 with a big spike of workers arriving in 2010 and 2011. Fort Meade received the bulk of its jobs in 2011. As of early 2012, BRAC relocations of 5,695 jobs at Fort Meade are complete. Additional employment will include 2,320 positions as part of the U.S. Cyber Command by 2015-2016; NSA growth of 6,680 positions projected to be complete by 2015; approximately 10,000 EUL contractor positions on Fort Meade to be complete in 2015; and 2,000 new positions by 2015 as part of general growth of the Department of Defense. Prior to BRAC, 35,000 people worked at Fort Meade with 56,000 currently working on base according to Robert Leib who oversees the impact of BRAC for Anne Arundel County government. The Department of Business & Economic Development for the state of Maryland, projects current employment at Fort Meade at 56,780 as of 2013.

Housing

As of 2015, the City of Annapolis includes a total of 18,762 housing units with 89.1% occupied; the number of units is projected to increase to 19,542 units in 2020 or by 4.2%, with 89.2% occupied at that time. *STDBOnline* projects a median owner occupied house value for 2015 of \$419,157 and an average value of \$511,012; the median value is projected to increase to \$487,525 as of 2020 with an average value of \$582,974. According to the U.S. Census Bureau, the City of Annapolis includes a total of 18,371 housing units with 89.7% occupied as of 2013 (the latest available). The housing market consists primarily of single family detached units that account for 38.2% of all units followed by single family attached units that comprise 21.4% of the housing stock. The remainder of the housing stock consists of five to nine unit buildings (11.8%), ten to 19 unit structures (12.1%) or

buildings containing more than 20 units (10.2%). According to the census data, approximately 35.3% of leased units rent for \$1,000 to \$1,499 per month with 39.1% of units leased at more than \$1,500 per month. Units renting between \$750 and \$999 per month account for 10% of units based on the census information.

The expanded Annapolis area includes a total of 34,105 housing units in 2015 with 89.4% occupied; the number of housing units is projected to increase to 35,529 in 2020 with 89.4% projected to be occupied at that time. *STDBOnline* projects a median house value for 2015 of \$483,529 and an average value of \$573,242; the median value is projected to increase to \$590,475 as of 2020 with an average value of \$658,302 at that time. Approximately 53.2% of the housing units are owner occupied within the greater Annapolis area as of 2015 with 36.2% of housing units renter occupied.

In 2012, the Sustainable Growth and Agricultural Preservation Act of 2012 was passed by the Maryland General Assembly. The act was designed to address future residential development within Maryland by establishing growth tiers. Specifically, these tiers delineate areas for future major and minor residential subdivisions and the type of sewage system that can serve them. The majority of Annapolis is designated as Tier 1 and Tier 2 that includes areas presently or proposed to be served by public sewer systems. Tiers 1 and 2 also include areas that are designated for local growth. In Tier 1, major and minor subdivisions are permitted and must be served by public sewer. Major and minor subdivisions are also allowed in Tier 2; major subdivisions must utilize public sewer while minor subdivisions may use on-site septic systems as an interim solution until public sewer becomes available.

Residential Market

An analysis of settled homes sold through the Metropolitan Regional Information System (MRIS) within the expanded Annapolis area (based on the 21401, 21402 and 21403 zip codes) was made for 2011 through August 2015. Based on an analysis of MRIS statistics, a total of 749 dwelling units settled in the larger Annapolis area between January and August 2015. An annualized volume of 1,124 units is projected based on the partial year results and would be an increase from 2014 levels. Settled prices ranged from \$62,000 for a two bedroom, one bath condominium sold as a bank owned asset to \$4,725,000 for a four bedroom, four+ bath waterfront in Murray Hill. The bulk of 2015 volume is concentrated in the \$300,000 to less than \$400,000 range with this price bracket accounting for 22.4% of volume followed closely by units settling at prices of \$200,000 to \$299,999 that represents 21.2% of 2015 sales. Dwelling units selling at prices of \$400,000 to less than \$500,000 account for 16.2% of volume thus far for 2015. Based on MRIS statistics, 10.4% of settlements consisted of short sales (23) and transfers of bank owned assets (55) thus far for the year.

MRIS statistics indicate that 933 dwelling units sold in the Annapolis area during 2014 and the volume is 13.9% less than 2013 levels. Prices ranged between \$85,000 for a three bedroom, one bath rancher with mold in the basement to \$4,207,500 for a six bedroom, 5½ bath custom waterfront dwelling. Most of the sales activity is concentrated in the \$200,000-\$299,999 range that accounted for 22.9% of sales for 2014. Sales occurring at prices between \$300,000 and \$399,999 represented 22.4% of all sales for the year. Approximately 10.4% of sales consisted of short sales, foreclosures or transfers of bank owned assets during 2014.

According to MRIS, a total of 1,084 homes sold in Annapolis during 2013. Settlements ranged from \$75,000 for a three bedroom, one bath home that needed a total renovation to \$5,900,000 for an eight bedroom, 7½ bath custom waterfront dwelling. For the year, the bulk of homes sold at prices of

\$200,000 to less than \$300,000 with this price bracket accounting for 22.5% of 2013 transactions followed by units selling at prices of \$300,000 to \$399,999 that accounted for 17.7% of sales. In 2013, a total of 130 or 17% of transactions represented short sales, foreclosures or transfers of bank owned assets.

During 2012, a total of 1,032 properties sold through MRIS in the Annapolis area. Prices ranged from \$38,000 for a three bedroom, one bath detached home sold at foreclosure to \$5,100,000 for an improved waterfront site in Wimbledon Farms, a premier waterfront subdivision. The bulk of properties sold at prices of \$200,000 to less than \$400,000 during the year with 22% of transactions occurring at prices of \$200,000 to less than \$300,000 and 23.2% settling in a range of \$300,000 to \$399,999 during the year. Approximately 15.3% of all transactions for 2012 represented short sales, foreclosures or transfers of bank owned assets. A total of 809 dwelling units sold through MRIS during 2011 at prices ranging from \$49,999 for a two bedroom, one bath home to \$5,650,000 for a six bedroom, eight+ bath waterfront home in Wardour, the premier Annapolis subdivision. The bulk of the sales activity is concentrated in the \$200,000 to less than \$300,000 range with bracket accounting for 23.5% of sales followed by homes selling at prices of \$300,000 to less than \$400,000 that represented 20% of 2011 transactions. A total of 183 units sold at foreclosure, as short sales or as bank owned assets during 2011.

Sales volume escalated during in 2011 through 2013 period, but prices remain somewhat constrained. The general consensus; however, is that the area will fare much better with regard to price changes than many areas of the country or within Maryland because of the proportion of government related and high tech jobs. Potential purchasers and business owners appear more confident with respect to current economic conditions. The subject neighborhood has adequate service amenities available, including schools, fire stations, religious facilities, hospitals and libraries.

Commercial Development

Commercial development consists of regional and local serving retail establishments located along the major roadways in the larger Annapolis area. Development along the Route 50 corridor consists of a number of automobile dealerships, self-storage facilities, hotels, convenience stores featuring gasoline sales, a few office buildings and restaurants. Much of the existing development is located at interchanges with Route 50 with little development at off-ramp locations. Much of the intense commercial and retail development is located in the Parole area of Annapolis. Two notable projects include the Annapolis Towne Centre and Westfield Shoppingtown Annapolis (formerly known as the Annapolis Mall).

The Parole area of Annapolis is primarily commercial in nature. Westfield Shoppingtown has had the most influence on the development of the expanded neighborhood over the past 10+ years, spurring additional retail development and making the area one of regional importance. A two level, 110,000 ± square foot Lord & Taylor Department store was completed in late 1998 as an expansion to the 1,060,000 ± square foot mall. Along with the Lord & Taylor expansion, an additional 12,000 square feet of specialty stores were added at that time. A 45,000 square foot free standing movie theater with a one level, structured above grade parking garage for 260 cars was completed in 2000. In November 2007, the owners of the mall completed a 240,000 square feet "lifestyle" expansion of the center, in addition to adding approximately 1,000 parking spaces in three garages. The expansion increased the size of the mall by approximately 20% to approximately 1.5 million square feet making the center the largest shopping mall in Anne Arundel County. Mall sales

reportedly averaged \$386 million annually as of 2004-2005 and were projected to increase to \$570 million with completion of the expansion. Rental rates for the expansion space are rumored to be in the \$70.00-\$80.00 per square foot range with significant pass through expenses. Given the substantial and diverse forms of development in the area, Parole not only serves as a regional shopping area, but has also become a major employment center over the past ten years.

The Annapolis Towne Centre at Parole is a large mixed use project in Parole within the general vicinity of the subject property. Ground was broken in December 2005 on the \$400 million project that is planned to include more than 1,700,000 square feet of building improvements, including 625,500 square feet of retail, 91,700 square feet of offices, a 200 room hotel, 630 residential units and 5,510 parking spaces when fully complete. Whole Foods, Target, P.F. Chang, Bed, Bath & Beyond, and Anthropologie are some of the existing tenants in the Main Street style project. As part of the project, residential condominiums and apartments were also constructed in two towers. The sales pace for the condominiums was slow with more demand for the apartments resulting in an auction of remaining for sale units about three years ago. Additionally, the Crosswinds at Annapolis Towne Center is a new apartment project that consists of 215 units. The site contains an area of 1.8155 acres or 79,084.7 square feet that sold at a price of \$7,500,000 indicating a rate of \$34,884 per potential unit. Building construction is complete with leasing continuing.

In addition, a significant redevelopment project was completed within the past several years along the Inner West Street corridor within the City of Annapolis. The Severn Bank Building is a five story office and bank building that contains a gross improvement area of approximately 82,250 square feet. A bank branch with additional retail units leased at a rate of \$35.00 per square foot, triple net, occupy the first floor. The second and third floors are used as corporate offices of the bank with the fifth floor occupied by a law office. Offices were leased at rates of at least \$31.00 per square foot on a full service basis according to the leasing agent.

In addition to the Severn Bank project, Park Place is a mixed use development along West Street and Taylor Avenue. The project will be developed in two phases with the initial phase consisting of an office building, a 225 room hotel, a parking garage consisting of 1,056 spaces and 166 residential condominiums. Construction of the first phase was completed in 2007. In mid-2008, the shell office building was sold in its entirety to the plumbers' union for partial owner occupancy. The luxury condominiums were offered for sale at prices of approximately \$450,000 or more and sales slowed with the housing slump. More recent settlements are in a range of approximately \$300,000 to \$650,000. Phase 2 of the project is to include 42 additional condominiums and a second office building. In addition, a land trade between the developer of Park Place and an adjoining owner will allow construction of a 1,200 seat theater as part of the project.

Commercial Vacancy Rates

The Economic Development Corporation (EDC) for Anne Arundel County tracks office, industrial and flex vacancy rates in the county; segregated rates for Annapolis are not available. According to the EDC, the county office vacancy rate averaged 11.2% as of the end of the first quarter of 2015 (the latest available) and is higher than the 10.8% rate that characterized the market one year earlier. The flex vacancy rate decreased slightly to 8.9% from a rate of 9% at the end of the first quarter of 2014. Finally, the industrial vacancy rate decreased to 7.7% as of March 2015 as compared to a rate of 8.5% as of March 2014 according to the EDC.

Office Market

According to CoStar, a regional database, the larger Annapolis office market (based on the 21401, 21402 and 21403 zip codes) consists of a total of 413 buildings that contain a combined area of 6,628,435 square feet. Vacancy for these buildings as of July 2015 totaled 879,171 square feet indicating a vacancy rate of approximately 13.3%. The vacancy rate increases to 15.6%, if sublet and other available space is included in the vacancy calculation. The market posted positive net absorption of 9,984 square feet of space on leasing activity of 115,705 square feet through partial July 2015. Rental rates range from \$15.00 to \$36.00 per square foot with an average rate of \$25.90 per square foot on a full service basis. Full service expenses typically range from \$7.00-\$9.00 per square foot in the local market.

DTZ (formerly Cassidy Turley) is an international commercial brokerage firm that tracks office vacancy rates throughout the Baltimore metropolitan area. The subject is part of the Greater Annapolis Area submarket that consists of a total of 98 buildings based on the geographic delineation of the brokerage. The submarket consists of a total of 4,024,218 square feet with 667,505 square feet or 16.59% vacant as of the second quarter of 2015; the vacancy rate increases slightly to 16.65% when sublet and other space is included in the vacancy calculation. The market experienced negative net absorption of 4,380 square feet during the second quarter and gave back a total of 51,135 square feet thus far for the year. As of June 2015, a total of 85,000 square feet of new space is currently under construction. The vacancy rate for the subject market, historically one of the lowest in the Baltimore metropolitan area, is now in the middle of vacancy rates and has also declined to the low end of the range for asking rental rates. Asking rentals for Class A space average \$27.77 per square foot and \$25.81 per square foot on a full service basis over all building classes in the submarket.

According to Transwestern, another commercial brokerage firm, the Anne Arundel South office submarket (includes Annapolis) consists of a total of 7,156,279 square feet with a direct vacancy level of 13% as of the end of August 2015. The vacancy rate for all office buildings increases to 13.2% if sublet space is included in the vacancy calculation. Approximately 45,000 square feet of space is currently under renovation or construction in the submarket according to Transwestern. The submarket posted positive net absorption of 37,000 square feet during the second quarter and 9,000 square feet during the first six months of the year.

Rental rates for the better quality office buildings in the Annapolis submarket typically range from \$20.00 to \$30.00+ per square foot on a full service basis for new buildings with a pre-determined expense stop typically in the range of \$7.00 to \$9.00 per square foot. Older buildings or those with limited parking, lease at rates of \$12.00 to \$22.00 per square foot on a full service basis. It is also common practice to add a core factor to the net usable area of the leased space to reflect each tenant's proportionate share of common areas. The core factor typically ranges from 10% to 12% of the net rentable area in this market. Historically, the market was unwilling to compensate property owners for core areas of greater than 12%; however, as building designs become more distinctive and feature amenities like fitness rooms, tenants were more willing to contribute to higher core factors. In addition, area landlords are attempting to shift utility costs to the tenants as a way of controlling escalating energy expenses. However, with higher vacancy rates tenants are negotiating for free rent, reduced rates and other incentives.

Industrial Market

According to CoStar, the Annapolis warehouse market consists of a total of 39 buildings that contain a combined area of 764,037 square feet. Vacancy for these buildings as of July 2015 totaled 18,934 square feet indicating a direct vacancy rate of approximately 2.5%. The vacancy rate increases significantly to 17.8% if sublet and other space are included in the calculation. The market posted no net absorption or leasing activity thus far for 2015. Rental rates range from \$8.00 to \$20.00 per square foot with an average rate of \$14.13 per square foot on a triple net basis.

The Annapolis flex market contains an area of 1,627,357 square feet contained in 62 buildings based on an analysis of CoStar statistics. A total of 144,804 square feet, or 8.9%, is vacant as of July 2015; the vacancy rate increases to 15.4% when sublet space is included in the calculation. The market experience negative net absorption of 7,191 square feet thus far for 2015 that followed negative net absorption of 33,191 square feet during 2014. Flex rental rates range from \$10.00 to \$18.00 per square foot with an average rate of \$13.93 per square foot on a modified gross expense basis according to an analysis of CoStar statistics.

Transwestern also reports on vacancy rates for industrial/flex space in the Baltimore metropolitan area. The Anne Arundel South submarket contains a combined area of 4,476,252 square feet with a direct vacancy rate for the submarket of approximately 5.5% as of August 2015 that remains unchanged with the inclusion of sublet space. The current vacancy rate is about 1% higher than the rate that characterized the market at the end of 2014. The submarket gave back 13,000 square feet during the first half of 2015, but posted minimal net absorption of 4,000 square feet during the second quarter of the year according to Transwestern. According to the brokerage, no new space is currently under construction or renovation within the Annapolis submarket at this time.

CB Richard Ellis reports on industrial vacancy rates throughout the Baltimore metropolitan area in its publication *Market View Baltimore Industrial*. According to the brokerage, the Baltimore flex market consists of a total of nearly 32.3 million square feet with an overall vacancy rate of 9.2% as of the end of June 2015. The industrial market is comprised of warehouse and flex space. The market posted positive net absorption of 121,704 square feet thus far for 2015 with 135,330 square feet absorbed during the second quarter of 2015. Asking rental rates average \$9.70 per square foot on a triple net expense basis as of the end of the second quarter of 2015. According to CBRE, the Baltimore metropolitan warehouse market contains a total combined area of 127.2 million square feet with an overall vacancy rate of 9% as of the end of the June 2015. The entire warehouse market posted positive net absorption of 935,529 square feet during 2015 with positive absorption of 434,420 square feet during the second quarter. Asking rental rates for warehouse space average \$5.17 per square foot on a triple net basis in the Baltimore metropolitan area.

The warehouse market in Annapolis is relatively small consisting of a total of 476,191 square feet that is operating at an occupancy level of 91% occupancy according to CBRE. The submarket experienced negative net absorption of 8,151 square feet for the first six months of 2015. Warehouse rental rates average \$8.71 per square foot on a triple net basis in the submarket and no space is currently under construction. The Annapolis flex submarket consists of a total of 1,263,598 square feet with a direct vacancy rate of 8.5% as of the end of the second quarter of 2015. The market gave back 11,991 square feet of flex space through the second quarter of this year. CBRE reports that asking flex rental rates in the Annapolis submarket averaged \$10.85 per square foot on a triple net basis as of June 2015.

Retail Market

Based on an analysis of CoStar statistics, the Annapolis retail market consists of a total of 404 buildings that together contain a combined area of 7,229,629 square feet. Vacancy for these buildings as of July 2015 totaled 235,654 square feet indicating a rate of 3.3%; the rate increases to 3.9% if sublet and other available space are included in the vacancy calculation. The market gave back a total of 3,717 square feet through mid-July 2015. Rental rates range from \$10.00 to \$65.00 per square foot with an average rate of \$35.03 per square foot on a triple net basis based on the CoStar statistics.

According to MacKenzie, a regional brokerage firm that tracks retail, office and industrial rental rates and vacancy levels throughout the Baltimore metropolitan area, the entire Baltimore metropolitan area consists of a total of 2,415 retail buildings with a combined area of approximately 106.7 million square feet as of the second quarter of 2015. The Baltimore market is operating at a direct vacancy rate of 4.66% as of the end of June 2015 according to MacKenzie and the rate is slightly higher than the rate that characterized the market at the end of December 2014. The metropolitan market gave back a total of 20,818 square feet through the first six months of 2015. The brokerage reports an average asking rental rate of \$18.59 per square foot on a triple net basis in the market. The Annapolis market is operating at a vacancy rate of 3.55% as of the end of June 2015 and is in the low end of the range of vacancy rates throughout the surveyed submarkets.

Conclusion

In conclusion, the Annapolis area will continue to be the center of local and state government, although services and tourism will also grow in importance. Increases in population counts and the number of households will continue to be modest because of the lack of available development land and the large number of institutional and government facilities located within the neighborhood. Redevelopment of existing improved parcels will become more prevalent as much of the land area is already improved. The area is a desirable location because of the quality of life and access to water-related activities. Residential parcels will continue to be developed with multi-family or townhome uses because of the relative scarcity of building sites. In conclusion, as the growth of the area continues, the already limited supply of land available for residential and commercial development will diminish further, enhancing property values in the neighborhood.

PROPERTY DESCRIPTION

The subject property consists of an unimproved portion of Castlegate Drive. Following is an outline description of the subject property.

<i>Location</i>	The subject property is identified on Anne Arundel County Tax Map 51I, Block 1 as part of Parcel 1924 in the Sixth Assessment District.
<i>Plat</i>	The site is further identified as a portion of the unopened right of way of Castlegate Drive as shown on the plats of the Knightsbridge subdivision as recorded among the land records of Anne Arundel County in Plat Book 69, pages 29 through 32, inclusive.
<i>Land Area</i>	4,513.65 square feet or 0.1036 acres

The size of the property is based on information obtained from the Department of Public Works for the City of Annapolis and is assumed correct.

<i>Shape</i>	Rectangular
<i>Frontage</i>	40.07± feet along the east side of Forest Drive based on the recorded plat of the Knightsbridge subdivision; no existing curb cut from Forest Drive
<i>Topography</i>	Level
<i>Soil Classifications</i>	According to the <i>Web Soil Survey</i> published by the United States Department of Agriculture, Natural Resources Conservation Service, the dominant soils comprising the subject property consist of the Annapolis and Donlonton varieties. Annapolis-Urban Land Complex (AuB with 0 to 5 percent slopes) presents slight limitations for development with dwellings with basements, moderate limitations for development with dwellings without basements, small commercial buildings, or roads and streets and severe limitations for on-site septic facilities. Urban land is not rated. Donlonton-Urban Land (DuB with 0 to 5 percent slopes) presents moderate to severe development limitations. However, it is an assumption that the subject site is capable of supporting improvements given the surrounding, long standing development on surrounding properties on similar soils.
<i>Environmental Assessment</i>	To my knowledge, a Phase I environmental site assessment had not been conducted on the subject property as of the effective date. Because of the lack of an environmental assessment, this appraisal is contingent on there being no hazardous environmental conditions on the property. If subsequent information indicates that this contingency is incorrect, then this appraisal and any estimate of value contained herein may need to be qualified or amended.
<i>Flood Hazard Area</i>	The subject property lies entirely within a Zone X flood hazard area as determined by the Federal Emergency Management Agency (FEMA) as shown on flood map panel 24003C 0234F with an effective date of February 18, 2015. Zone X denotes areas outside the 100 year flood.
<i>Critical Area</i>	The subject property lies outside the limits of the Chesapeake Bay Critical Area.
<i>Airport Noise Zone</i>	The subject property lies outside the limits of the Airport Noise Zone (ANZ) that surrounds BWI.
<i>Utilities</i>	Public water, sewer, telephone and electricity are available to the property. Underground utilities are in place closer to Parcel 9.
<i>Immediate Area</i>	The immediate neighborhood of the subject property is developed with a mixture of commercial and residential uses. The site is platted as part of

Knightsbridge, a residential subdivision consisting of 61 sites containing areas of approximately 5,000 to less than 10,000 square feet with the majority in a range of 5,500 to 7,000 square feet. Lots are improved with split foyer or small two story dwellings that date to the early 1980s. The subject adjoins a dental office building to the north. The Forest Drive corridor is developed with retail and office buildings in addition to institutional uses.

Improvements The site is unimproved.

TITLE DATA

Deed Reference

The subject property was acquired by the current owner, The Mayor and Alderman of the City of Annapolis, by deed dated February 5, 1960, as recorded among the land records of Anne Arundel County in Liber 1370, page 30. No consideration is stated in the deed. The conveyance is for easements and rights of way for the construction of sewer and water lines. The easement is 25 feet wide and encumbers the subject property. The remainder of the property is believed to have been dedicated to the City of Annapolis as part of the subdivision of Knightsbridge.

To my knowledge, there have been no recorded transfers of the subject property within the preceding three years. A copy of the recorded deed to the property is included in the appendix to this report.

Listings and Contracts

The property is not currently listed for sale or subject to a purchase contract as of the effective date to my knowledge. However, the purpose of this appraisal is to estimate the market value of the property for a potential sale to the adjoining owners.

Easements and Restrictions

The property is subject to typical utility easements for the installation of public water, sewer, telephone and electricity. These easements are typical of residentially or commercially zoned properties.

Encumbering Leases

The subject site is vacant and not leased as of the effective date.

ASSESSMENTS AND TAXES

All tax assessments are established by the State Department of Assessments and Taxation (SDAT) with tax rates set by the individual jurisdictions. Assessments for the 2015-16 tax year are based on 100% of full cash value and all properties within Annapolis are reassessed once every three years. The current real property tax rate for the City of Annapolis for the tax year beginning July 1, 2015 and ending June 30, 2016, is \$0.649 per \$100.00 of assessed valuation (city), \$0.552 per \$100.00 of assessed valuation (county) and \$0.112 per \$100.00 of assessed valuation (state) for a total tax

rate of \$1.313 per \$100.00 of assessed value. No assessment information could be found for the subject property.

ZONING

According to the Department of Planning and Zoning for the City of Annapolis, the subject property is zoned R3, General Residence District. The property is zoned R3, General Residence District. The purpose of the zoning district is to provide for single family and two family detached dwellings at a maximum density of eight units per acre and other uses compatible with these neighborhoods of the City including single family attached and multi-family dwelling units. Following is a description of the zoning classification.

Uses

Single family detached dwellings; two family dwellings; cemeteries; religious institutions; public schools and colleges, are some of the uses permitted in an R3 district. Private colleges; day care centers; multifamily dwellings; hospitals and sanitariums; institutions for the care and treatment of alcoholics, drug addicts and the mentally ill; and rest and nursing homes are some of the uses permitted by special exception. Special exception approval is also required for driveways, walkways, parking or access for uses located in an adjacent nonresidential district. Residential and special mixed planned unit developments are also permitted subject to additional standards.

Bulk Regulations

Bulk regulations require a minimum lot size of 5,400 square feet and lot width of at least 50 feet for development with single family dwellings and day care centers. The minimum lot size increases to 7,200 square feet with a width of at least 50 feet for two family dwellings or 20,000 square feet with a minimum lot width of 100 feet for recreational and social buildings, and religious institutions. A lot size of at least 40,000 square feet and width of 120 feet is required for development of health and medical institutions. Inns require a minimum lot area of two acres with height limited to no more than 35 feet or 2.5 stories. Yard requirements for single family development include a front yard of at least 25 feet, interior side yard of at least 5 feet or at least 15 feet for a corner lot, and a rear yard of 30 feet. For planned developments, the bulk regulations will be determined through the planned development process.

Special Exception Approval

A special exception may be granted for a use specifically authorized in the zoning district as being allowed by special exception. Special exception uses may be compatible with the purposes of the zoning district in which they are located, but may have the potential to result in adverse impacts to the immediate neighborhood. The process for review of special exception applications is designed to address such adverse impacts and minimize them where possible. A special exception requires a careful review of its location, design, configuration and special impact to determine, against specific standards, the desirability of permitting its establishment on a particular site.

Procedures for special exceptions include the following: (1) filing an application with the Planning and Zoning Director; (2) analyzing of the request that would include staff review, preparation of a staff report and a public hearing by the Board of Appeals; (3) decision by the Board of Appeals; and

(4) giving notice of the decision by the Planning and Zoning Director. The decision by the Board of Appeals must be based on written findings with respect to the following: (1) the establishment, maintenance or operation of the special exception must not be detrimental to or endanger the public health, safety and welfare; (2) the special exception will not be injurious to the use and enjoyment of property in the immediate vicinity for the purposes already permitted, or substantially diminish and impair property values in the neighborhood; (3) the establishment of the special exception will not impede the normal and orderly development and improvement of surrounding property for uses permitted in the district; (4) adequate public facilities are or will be available; (5) adequate measures have been or will be taken to provide ingress and egress designed to minimize traffic congestion on public streets; and (6) the special exception shall, in all other respects, conform to applicable regulations of the district in which it is located.

Conclusion

The existing use of the property as an unimproved site is permitted within the R3 zoning district. Annapolis is updating its zoning maps and the subject parcel is shown as split zoned R3 and P. However, at the direction of the City the property is appraised based on the current R3 zoning.

Section C:
Appraisal Analysis and
Value Conclusions

HIGHEST AND BEST USE

Highest and best use is defined in *The Dictionary of Real Estate Appraisal*, (Fifth Edition, page 93, 2010) as:

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

An analysis of the highest and best use of a property is the most important part of the appraisal process, for it is in terms of highest and best use that market value is estimated. The highest and best use of the subject property, as unimproved or as improved, is selected from among those uses that are physically possible, legally permissible, financially feasible and provide the greatest return to the land.

HIGHEST AND BEST USE, AS UNIMPROVED

Physically Possible

The subject property consists of a rectangular parcel of land that is part of the unimproved Castlegate Drive right of way. The site contains an area of 4,513.65 square feet or 0.1036 acres of land that is level, cleared and at road grade. The property is platted as part of the Knightsbridge subdivision along the Forest Drive corridor within the corporate limits of Annapolis. Public utilities are available. The existing soils are assumed capable of supporting buildings as evidenced by the surrounding development on similar soils. The property lies outside the limits of the Chesapeake Bay Critical Area and is not within a flood hazard area. Given the physical characteristics of the subject, the site could accommodate a variety of uses.

Legally Permissible

The subject property is zoned R3, a residential classification that permits residential development as well as some institutional or special purpose uses by special exception. The subject property cannot be subdivided for a single residential lot according to the scope of work for this assignment. Performance standards require a minimum land area of 5,400 square feet and lot width of at least 50 feet. The subject does not contain sufficient land area or width for independent development. Few uses would be physically possible and legally permissible on the subject property.

Financial Feasibility

The number of feasible uses is limited for the subject property given the physical characteristics and current zoning of the site. Feasible uses for the subject would include continuation of the existing use or absorption by the adjoining owners because of the lack of subdivision potential of the site. Continuation of the current use is feasible but does not represent the highest and best use of the property. Absorption by the adjoining owners is also feasible and represents the highest and best use of the property. The owner to the south (Lot 54 or 1415 Damsel Lane) would benefit from acquisition of all or a portion of the subject as the acquisition would increase the size and width of the existing lot that may allow for expansion of the existing dwelling or the construction of a porch.

Absorption into the P zoned site to the north would provide some benefit to the use and could provide for additional parking with special exception approval.

Highest and Best Use, As Vacant

Therefore, the highest and best use of the subject property, as unimproved, is for absorption into the adjoining sites. The opinion of highest and best use is physically possible, legally permissible, financially feasible and provides the greatest return to the land.

APPROACH TO VALUE

The cost, sales comparison and income capitalization approaches are typically considered in the appraisal of real estate. The cost approach is based on the understanding that market participants relate value to cost. In the cost approach, the value of the land is added to the current replacement or reproduction cost of the improvements after deducting depreciation from all causes attributable to the building. Entrepreneurial incentive may be included as part of the value estimate. The cost approach is particularly useful in estimating the value of new or well maintained properties or for property types that transfer infrequently such as churches, funeral homes or other special purpose uses.

The sales comparison approach is based on the principle that value is directly related to the prices paid for competitive or comparable properties. Value is estimated using the sales comparison approach by analyzing the market for similar properties and comparing these properties to the subject property. Comparative analysis focuses on market reactions to the similarities and differences that influence value. Elements of comparison may include the property rights conveyed, motivations of buyers and sellers, physical attributes, location and income characteristics.

The income capitalization approach measures the present value of future benefits. There are two methods of income capitalization. Direct capitalization is a method that converts income for a single year into a value indication. Yield capitalization is a method that discounts future periodic income streams at an appropriate rate for an indication of the value of the property under consideration. Market participants may use some combination of both direct and yield capitalization in analyzing investment alternatives.

The subject property is not valued by the cost approach as the site is unimproved. The approach is most applicable to improved sites where the improvements represent the highest and best use of the property. The subject is not valued by the income capitalization approach as similar sites are not purchased for the generation of income from leasing the site. However, similar sites are typically acquired for absorption into an adjoining site.

The subject property is valued based on a before and after analysis and measures the incremental value to the adjoining owners. The property on the south, Lot 54 or 1415 Damsel Lane, is a residentially zoned site that contains an area of 6,616 square feet according to the subdivision plat. The site is improved with a split foyer style dwelling that contains an enclosed above grade area of 806 square feet over a lower level based on the assessment record for the property. In the analysis, the value of the supporting site as presently existing is estimated based on a comparison of recent lot sales in the Annapolis area. As the existing improvement is not affected by the proposed

conveyance, a value of \$93,500 is assigned for the existing dwelling and will remain constant in the before and after situations.

In the after situation, the site is valued based on a supporting land area of 11,130 square feet (as rounded) that includes the platted lot of 6,616 square feet plus the subject site. The assessed value of the dwelling is then added for a value of the property after the inclusion of the subject. The difference between the before and after values reflects the incremental increase from the subject property. However, an additional adjustment is made to reflect the limited utility and buyer pool for a strip of land on the open market.

The same methodology is considered in the valuation of the subject to the adjoining owner on the north, Parcel 9 or 1606 Forest Drive. This property consists of a supporting site of 35,800 square feet or 0.8219 acres that is improved with a dental office building that contains an area of 5,092 square feet including a partial second floor loft. The supporting site is zoned P, Professional Office. In the before situation, the value of the supporting commercially zoned site is estimated based on an analysis of comparable sales. The assessed value of the existing improvement is then added for a total value of the improved site. In the after situation, the supporting land area is increased by 4,513.65 square feet that represents the area of the subject property. The supporting site is primarily zoned for professional office use in the after situation but will also include the subject that is residentially zoned and will have limited utility to the current professional office use. A thorough search was conducted for split zoned sites, but none could be found with the same division of P and R3 zoned land. Therefore, commercially zoned sites are considered in the after value analysis with an adjustment made to reflect the small proportion of residentially zoned area.

Following is the before and after analysis for each of the adjoining owners. The sales comparison approach is considered in projecting the value of the supporting land before and after the proposed acquisition of the subject property.

ESTIMATED VALUE BY THE SALES COMPARISON APPROACH

The sales comparison approach is an appraisal procedure that compares recent sales of similar properties to the subject for an indication of value for the property under consideration. The principle of substitution holds that the value of a property tends to be set by the prices paid for properties of similar utility and desirability. The sales comparison approach is applicable to the valuation of all types of real estate, provided that an adequate number of sales occurs within the market. The sales comparison approach is more reliable for properties where there are an adequate number of transfers to indicate pricing levels and trends in the market.

The procedure for employing the sales comparison approach includes: (1) researching the market for sales, listings and contracts to find comparable sales in terms of property type, sale date, size, condition, location and zoning; (2) verifying the data as factual and that the transaction reflects an arm's-length transaction; (3) selecting a relevant unit of comparison; (4) comparing the selected comparable properties to the subject property or eliminating the comparable; and (5) reconciling the value indications to a point estimate or range of value. The unit of comparison used in valuing the subject property is the price per square foot of gross land. Other units of comparison can be used, i.e., price per cubic foot; however, this basis of comparison is not used in the subject market.

According to *The Appraisal of Real Estate* (14th Edition, page 390) "Elements of comparison are the characteristics of properties and transactions that help explain the variance in the prices paid for real property." The ten elements of comparison typically considered in the sales comparison approach include: (1) real property rights conveyed; (2) financing terms; (3) conditions of sale; (4) expenditures made immediately after purchase; (5) market conditions; (6) location; (7) physical characteristics; (8) economic characteristics; (9) use or zoning; and (10) non-realty components of value.

ESTIMATED LAND VALUE

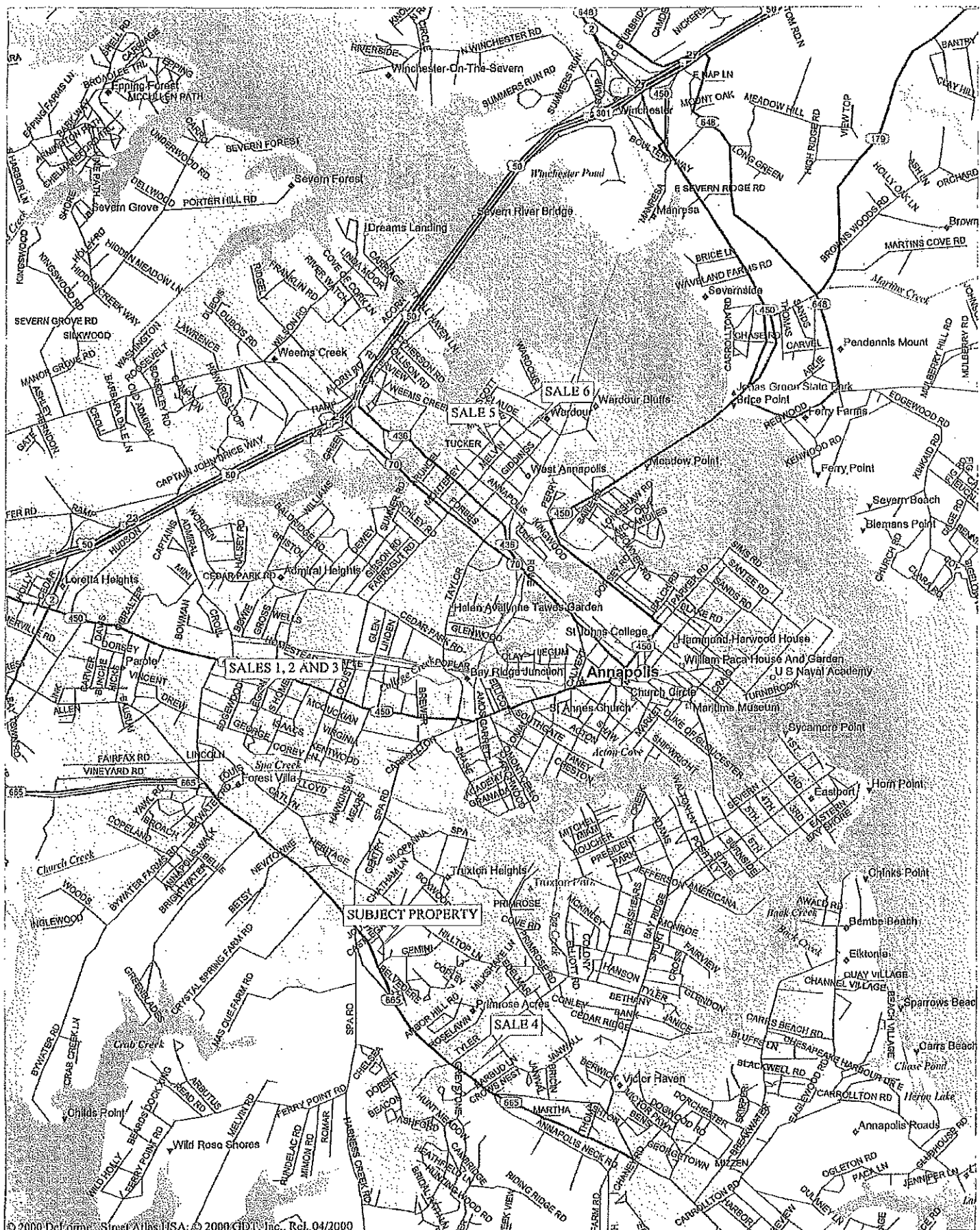
Land value is affected by the appraisal principles of anticipation, change, supply and demand, substitution and balance. The expectation of future benefits and enhancement of value reflects the principle of anticipation. The supply and demand of sites tend toward equilibrium, but prices tend to be set by imbalances of supply and demand at particular times. In short, if sites are scarce, the price increases. Conversely, if sites are abundant and demand limited or non-existent, prices fall. Additionally, the principle of substitution suggests that a purchaser will pay no more for one site than for another of equal utility.

Land is valued as vacant and available for development to its highest and best use. Vacant sites can be valued using the sales comparison approach, allocation or extraction methods, or by income capitalization techniques. The sales comparison approach is the most common technique for valuing land and involves researching, analyzing and comparing recent sales to the subject parcel. The approach most accurately reflects the way in which unimproved sites are traded in the local market.

Numerous sales of unimproved land were investigated; however, the following 11 transactions are compared to the properties to estimate the value of the subject to the adjoining owners. The unit of comparison is the price per square foot of land area that is considered most pertinent to this analysis.

VALUATION OF THE SUBJECT PROPERTY
TO THE OWNER OF LOT 54 (1415 DAMSEL LANE)

Numerous sales of residential sites were investigated for comparison to the supporting land for 1415 Damsel Lane. Sales 1 through 6 are considering in valuing the lot. Collectively, the adjusted comparable sales represent the current fee simple market value of Lot 54, as an unimproved site. Following are the comparable sales considered in the land valuation of Lot 54.



Land Sale 1

<i>Location</i>	1608 Virginia Street; Anne Arundel County TM 51B, Block 23 as part of Parcel 2387 in the Sixth Assessment District; also identified as Lot B as shown on a plat entitled, "Minor Subdivision Plat, 1608 Virginia Street, City Tax Map 6-2, Block 18, Parcel 87, City of Annapolis, 6 th Assessment District, A.A. Co. Md. 21401" as recorded in Plat Book 227, page 26; Annapolis, Maryland 21401
<i>Grantors</i>	Carol W. Jones, Norman L. Kirby, III and Albert Winchester, III
<i>Grantee</i>	Michael Bailey
<i>Recorded</i>	25982/354
<i>Sale Dates</i>	4/8/13; 4/10/13
<i>Land Area</i>	5,400 square feet or 0.124 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$150,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$150,000 per single family residential lot \$27.78 per square foot or \$1,210,097 per acre
<i>Comments</i>	The property was purchased for development with a two story dwelling that was sold in March 2014 for \$549,000 indicating a lot to package ratio of 27.3%. The lot is rectangular in shape, level and at road grade. The site has frontage along the north side of Virginia Street of 54 feet with an even depth of 100 feet.
<i>Marketing Period</i>	Property listed for 55 days prior to contract ratification; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection



View of Sale 1



View of Sale 2

Land Sale 2

<i>Location</i>	1606 Virginia Street; Anne Arundel County TM 51B, Block 23 as part of Parcel 2387 in the Sixth Assessment District; also identified as Lot C as shown on a plat entitled, "Minor Subdivision Plat, 1608 Virginia Street, City Tax Map 6-2, Block 18, Parcel 87, City of Annapolis, 6 th Assessment District, A.A. Co. Md. 21401" as recorded in Plat Book 227, page 26; Annapolis, Maryland 21401
<i>Grantors</i>	Carol W. Jones, Norman L. Kirby, III and Albert Winchester, III
<i>Grantees</i>	Jamie Davis and Leisa Swartz
<i>Recorded</i>	27158/235
<i>Sale Dates</i>	3/13/14; 4/2/14
<i>Land Area</i>	5,400 square feet or 0.124 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$175,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$175,000 per single family residential lot \$32.40 per square foot or \$1,411,344 per acre
<i>Comments</i>	The property was purchased for development with a two story dwelling of the purchasers. The lot is rectangular in shape, level and at road grade. The site has frontage along the north side of Virginia Street of 54 feet with an even depth of 100 feet.
<i>Marketing Period</i>	Property listed for 195 days prior to contract ratification; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection

Land Sale 3

<i>Location</i>	1612 Virginia Street; Anne Arundel County TM 51B, Block 23 as part of Parcel 2387 in the Sixth Assessment District; also identified as Lot A as shown on a plat entitled, "Minor Subdivision Plat, 1608 Virginia Street, City Tax Map 6-2, Block 18, Parcel 87, City of Annapolis, 6 th Assessment District, A.A. Co. Md, 21401" as recorded in Plat Book 227, page 26; Annapolis, Maryland 21401
<i>Grantors</i>	Carol W. Jones, Norman L. Kirby, III and Albert Winchester, III
<i>Grantee</i>	Michael Bailey
<i>Recorded</i>	27145/18
<i>Sale Dates</i>	3/21/14; 3/27/14
<i>Land Area</i>	6,700 square feet or 0.154 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$150,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$150,000 per single family residential lot \$22.39 per square foot or \$975,308 per acre
<i>Comments</i>	The property was purchased for development with a two story dwelling that was sold in October 2014 for \$550,000 indicating a lot to package ratio of 27.3%. The lot is rectangular in shape, level and at road grade. The site has frontage along the north side of Virginia Street of 67 feet with an even depth of 100 feet and is encumbered by a 12 foot wide landscape easement along the Legion Avenue frontage.
<i>Marketing Period</i>	Property listed for 195 days prior to contract ratification; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection



View of Sale 3



View of Sale 4

Land Sale 4

<i>Location</i>	Marda Lane; Anne Arundel County TM 51I, Block 16 as part of Parcel 333 in the Sixth Assessment District; also identified as Lot 4 as shown on a plat entitled, "Subdivision of the Norman Sears Property" as recorded among the land records of Anne Arundel County in Liber 3226, page 373; Annapolis, Maryland 21403
<i>Grantor</i>	WFC Flagship, LLC
<i>Grantee</i>	Alberto Soto-Cruz
<i>Recorded</i>	23239/280
<i>Sale Dates</i>	3/25/15; 4/9/15
<i>Land Area</i>	11,194 square feet or 0.257 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$128,750
<i>Financing</i>	\$95,000 purchase money deed of trust with seller due 4/1/18 at an undisclosed rate (assumed to be at market)
<i>Unit Rates</i>	\$128,750 per single family residential lot \$11.50 per square foot or \$501,940 per acre
<i>Comments</i>	The property was purchased by an adjoining owner. Lot remains unimproved at this time. The lot is rectangular in shape, level and at road grade. The site has frontage along the north side of Marda Lane of 50 feet with an even depth of 223.88 feet.
<i>Marketing Period</i>	Property listed at \$125,000 for 285 days prior to contract ratification. Property acquired by seller by deed dated April 30, 2014 and recorded among the land records of Anne Arundel County in Liber 27260, page 246. The conveyance included Lots 2, 3 and 4 purchased at 431,000 as part of an estate. No additional arm's length recorded transfers of the property within the three years preceding the sale.
<i>Verified</i>	Broker/MRIS, land records and inspection

Land Sale 5

<i>Location</i>	401 Melvin Avenue; Anne Arundel County TM 451, Block 10 as part of Parcel 256 in the Sixth Assessment District; also identified as Lot 6 of Block 21 of Aldridges Revised and Corrected Plat of West Annapolis as recorded among the land records of Anne Arundel County in Plat Book 4, page 297; Annapolis, Maryland 21401
<i>Grantors</i>	Charles A. Earnest, IV and Nancy S. Earnest
<i>Grantee</i>	Granstan Properties, LLC
<i>Recorded</i>	28395/268
<i>Sale Dates</i>	5/14/15; 5/20/15
<i>Land Area</i>	7,500 square feet or 0.172 acres
<i>Zoning</i>	R1, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$205,000
<i>Financing</i>	\$150,000 and \$250,000 deeds of trust with private investor due 5/14/15 (date believed to be in error) at undisclosed rates (assumed to be at market)
<i>Unit Rates</i>	\$205,000 per single family residential lot \$27.33 per square foot or \$1,190,495 per acre
<i>Comments</i>	The property was purchased for the construction of a two story dwelling that is currently underway on the lot. The site is rectangular in shape, level and at road grade. The site has frontage along the northwest side of Melvin Avenue of 50 feet with additional frontage of 100 feet along Tolson Street. Lot is entirely within the limits of the Chesapeake Bay Critical Area.
<i>Marketing Period</i>	Property originally listed at \$325,000 in April 2014 and reduced to \$225,000 when placed under contract 282 days later. No additional arm's length recorded transfers of the property within the three years preceding the sale.
<i>Verified</i>	Broker/MRIS, land records and inspection



View of Sale 5



View of Sale 6

Land Sale 6

<i>Location</i>	Giddings Avenue; Anne Arundel County TM 45I, Block 11 as part of Parcel 379 in the Sixth Assessment District; also identified as Lot 5 as shown on a plat entitled, "Lots in Block 13 of Aldridge's Revised and Corrected Plat of West Annapolis made March 24, 1934, by Clarence E. Shelley and Co." as recorded among the land records of Anne Arundel County in Liber 281, page 370; Annapolis, Maryland 21401
<i>Grantor</i>	Sarah Wood Tator
<i>Grantee</i>	WSTR Building Company LLC
<i>Recorded</i>	28143/381
<i>Sale Dates</i>	2/23/15; 3/13/15
<i>Land Area</i>	8,000 square feet or 0.184 acres
<i>Zoning</i>	R1, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$225,000
<i>Financing</i>	\$600,000 indemnity construction deed of trust with Revere Bank at undisclosed terms (assumed to be market)
<i>Unit Rates</i>	\$225,000 per single family residential lot \$28.13 per square foot or \$1,225,343 per acre
<i>Comments</i>	The property was purchased for development with a two story dwelling to be constructed by the buyer. The lot is rectangular in shape, level and slightly above road grade. The site has frontage along the east side of Giddings Avenue of 80 feet with an even depth of 100 feet.
<i>Marketing Period</i>	Property listed for 179 days prior to contract ratification; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection

Adjustments

Sales are normally adjusted to reflect the property rights conveyed, conditions surrounding the sale, financing, changes in market conditions and physical characteristics, including location, zoning and size. Following is a comparison of the sale properties to Lot 54.

Sales 1, 2 and 3 are adjacent residentially zoned sites in the McGuckian subdivision. Each of these sales is adjusted downward to reflect the superior location because of the higher home prices even though located within an industrial area. In addition, Sales 1 and 2 are adjusted downward for size, as smaller sites tend to sell at higher rates than larger ones. Sale 4 is a short distance east of the subject property along the Forest Drive corridor. An upward adjustment is made to Sale 4 to reflect the inferior location because of the lower prices with an upward adjustment made to reflect the larger land area. Sale 5 is a recent sale in West Annapolis that is adjusted downward to reflect the better location and upward for size. Sale 6 is also in West Annapolis but near Wardour that is considered superior to the subject and a downward adjustment is made for location; upward adjustments are made to reflect the lack of clearing on the sale site and larger size.

Conclusion

On the following page is a table showing the adjustments considered in comparing the sale properties to the supporting land for Lot 54. Before adjustment, the sales range in price from \$11.50 to \$32.41 per square foot of land or \$150,000 to \$225,000 per residential site. After adjustment, the sales indicate a range of \$15.53 to \$29.17 per square foot of land. Each of the sales represents a purchase of a residential lot within the general area of the subject property. The sales range in size from 5,400 to 11,194 square feet and are residentially zoned. Sales 1, 2 and 3 are most comparable for location and slightly more consideration is placed on the rates indicated by these sales. Some consideration is also given to the remaining sales because of the 2015 settlement dates.

Based on an analysis of the comparable sales, a rate of \$24.00 per square foot is projected for adjoining Lot 54, as presently existing. Therefore, the value of the supporting land is projected at \$158,784 (6,616 square feet @ \$24.00 per square foot = \$158,784).

The site is improved with a split foyer dwelling and the value of the improvement is added based on the current assessed value as the improvement is not affected by the proposed acquisition of the subject property.

Therefore, the market value of adjoining Lot 54, as presently existing, before the acquisition of the subject property is projected as follows:

Estimated site value	\$158,784
Value of subject dwelling (assigned)	<u>\$ 93,500</u>
Estimated value of Lot 54	\$252,284

DESCRIPTION OF THE ACQUISITION OF THE SUBJECT PROPERTY

The City of Annapolis proposes to convey all or a portion of the subject property to the adjoining owner of Lot 54. The proposed acquisition area is unimproved and partially encumbered by a utility

LOT SALES ADJUSTMENTS - 1415 DAMSEL LANE BEFORE THE ACQUISITION

	LAND SALE 1	LAND SALE 2	LAND SALE 3	LAND SALE 4	LAND SALE 5	LAND SALE 6
DATE OF SALE	4/75	3/74	3/74	3/75	5/75	2/75
LOCATION	McGuirk	McGuirk	McGuirk	Forest Drive Corridor	West Annapolis	West Annapolis
AVERAGE LOT SIZE, SF	5,400	5,400	6,700	11,194	7,500	8,000
ZONING	R2, Residential	R2, Residential	R2, Residential	R2, Residential	R1, Residential	R1, Residential
UTILITIES	All public	All public	All public	All public	All public	All public
SHAPE	Regular	Regular	Regular	Regular	Regular	Regular
ACCESS/FRONTAGE	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
FINISHED/PERMITTED	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
TOPOGRAPHY	Level	Level	Level	Level	Level	Level
AMENITIES	None	None	None	None	None	None
SALE PRICE	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
NUMBER OF LOTS	1	1	1	1	1	1
PRICE/LOT	Included	Included	Included	Included	Included	Included
FINISH COST						
FINISHED PRICE/LOT	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
PRICE/SF OF LAND AREA	\$27.78	\$32.41	\$22.39	\$11.50	\$27.33	\$28.13
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CONDITION OF SALE	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
FINANCING	Market Financing	Market Financing	Market Financing	Market Financing	Market Financing	Market Financing
MARKET CONDITIONS	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving
ADJUSTMENTS						
ADJUSTED PRICE/SF	\$27.78	\$32.41	\$22.39	\$11.50	\$27.33	\$28.13
AVERAGE LOT SIZE, SF	5,400	5,400	6,700	11,194	7,500	8,000
LOCATION	-5%	-5%	0%	10%	5%	5%
ZONING	0%	0%	0%	0%	0%	0%
UTILITIES	0%	0%	0%	0%	0%	0%
SHAPE	0%	0%	0%	0%	0%	0%
ACCESS/FRONTAGE	0%	0%	0%	0%	0%	0%
FINISHED/PERMITTED	0%	0%	0%	0%	0%	0%
TOPOGRAPHY	0%	0%	0%	0%	0%	0%
NET ADJUSTMENT	-10%	-10%	-5%	35%	-15%	-15%
INDICATED RATE/SF OF LAND	\$25.00	\$29.17	\$21.27	\$15.55	\$23.23	\$23.91

right of way. No plat of the subject property was provided; therefore, the proposed conveyance is shown on a reduced scale copy of the recorded plat of the Knightsbridge subdivision.

DESCRIPTION OF LOT 54 AFTER THE ACQUISITION

After the proposed conveyance of the subject property, adjoining Lot 54 will contain a combined area of 11,130 square feet that will be regularly shaped, level with frontage along Forest Drive and Castlegate Drive. The site is zoned R3 and serviced by public water and sewer. The property is improved by a frame split foyer dwelling and related site improvements.

EFFECT OF THE ACQUISITION

The acquisition increases the overall size of adjoining Lot 54; however, the topography, shape and access are largely unchanged. The property will retain its current residential use after the acquisition.

HIGHEST AND BEST USE OF LOT 54, AS IMPROVED, AFTER THE ACQUISITION

The highest and best use of Lot 54 after the acquisition is for continuation of the current residential use on the site. This use is physically possible, legally permissible, financially feasible and provides the greatest return to the land.

APPROACH TO VALUE, AFTER THE ACQUISITION

The sales comparison approach is also considered in valuing the 11,130 square foot site for Lot 54 improved with a dwelling after the acquisition. The same sales are considered in projecting a value of the supporting site after the acquisition of the subject property as were considered in valuing Lot 54 as presently configured.

Adjustments

Sales are normally adjusted to reflect the property rights conveyed, conditions surrounding the sale, financing, changes in market conditions and physical characteristics, including location, zoning and size. Following is a comparison of the sale properties to Lot 54, inclusive of the subject property.

Sales 1, 2 and 3 are adjacent residentially zoned sites in the McGuckian subdivision. Each of these sales is adjusted downward to reflect the superior location with downward adjustments made to reflect the smaller lot sizes as smaller sites tend to sell at higher rates than larger ones. Sale 4 is a short distance east of the subject property along the Forest Drive corridor. An upward adjustment is made to Sale 4 to reflect the inferior location; no other adjustments are made. Sale 5 is a recent sale in West Annapolis that is adjusted downward to reflect the better location and smaller size. Sale 6 is also in West Annapolis, but near Wardour that is considered superior to the subject and a

downward adjustment is made for location. The sale is also adjusted downward for size and upward to reflect the lack of clearing on the sale site.

Conclusion

On the following page is a table showing the adjustments considered in comparing the sale properties to the expanded supporting land for Lot 54. Before adjustment, the sales range in price from \$11.50 to \$32.41 per square foot of land. After adjustment, the sales indicate a range of \$14.38 to \$25.93 per square foot. Each of the sales represents a purchase of a residentially zoned lot within the general area of the subject property. The sales range in size from 5,400 to 11,194 square feet. Sales 1, 2 and 3 are most comparable for location and slightly more consideration is placed on the values indicated by these sales. Some consideration is also given to the remaining sales because of the 2015 settlement dates.

Based on an analysis of the comparable sales, a rate of \$19.00 per square foot of land is projected for adjoining Lot 54, including the subject property. Therefore, the value of the supporting site is estimated as \$211,470 (11,130 square feet @ \$19.00 per square foot).

The site is improved with a split foyer dwelling and the value of the improvement is added based on the current assessed value as the improvement is not affected by the proposed acquisition of the subject property.

Therefore, the market value of adjoining Lot 54, as expanded, after the acquisition of the subject property is projected as follows:

Estimated site value	\$211,470
Value of subject dwelling (assigned)	<u>\$ 93,500</u>
Estimated value of Lot 54	\$304,970

ESTIMATE OF COMPENSATION DUE FOR THE ACQUISITION OF THE SUBJECT PROPERTY

Estimated value - before the acquisition

Estimated site value	\$158,784
Value of subject dwelling (assigned)	<u>\$ 93,500</u>
Estimated before value of Lot 54	\$252,284

Estimated value - after the acquisition

Estimated site value	\$211,470
Value of subject dwelling (assigned)	<u>\$ 93,500</u>
Estimated after value of Lot 54	\$304,970

The difference between the before and after values totals \$52,686 for the acquisition of the subject property by the adjoining owner of Lot 54 of Knightsbridge. However, the subject property has utility only to the adjoining owners and would have little appeal to the larger market. Therefore, an

LOT SALES ADJUSTMENTS - 1415 DAMSEL LANE AFTER THE ACQUISITION

	LAND SALE 1	LAND SALE 2	LAND SALE 3	LAND SALE 4	LAND SALE 5	LAND SALE 6
DATE OF SALE	4/13	3/14	3/14	3/15	3/15	2/15
LOCATION	McGuckian	McGuckian	McGuckian	Forest Drive Corridor	West Annapolis	West Annapolis
AVERAGE LOT SIZE, SF	5,400	5,400	6,700	11,194	7,500	8,000
ZONING	R2, Residential	R2, Residential	R2, Residential	P2, Residential	R1, Residential	R1, Residential
UTILITIES	All public	All public	All public	All public	All public	All public
SHAPE	Regular	Regular	Regular	Regular	Regular	Regular
ACCESS/FRONTAGE	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
FINISHED/PERMITTED	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
TOPOGRAPHY	Level	Level	Level	Level	Level	Level
AMENITIES	None	None	None	None	None	None
SALE PRICE	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
NUMBER OF LOTS	1	1	1	1	1	1
PRICE/LOT	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
FINISH COST	Included	Included	Included	Included	Included	Included
FINISHED PRICE/LOT	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
PRICE/SF OF LAND AREA	\$27.78	\$32.41	\$22.39	\$11.50	\$27.33	\$28.13
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CONDITIONS OF SALE	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
FINANCING ADJUSTMENT	Market Financing	Market Financing	Market Financing	Market Financing	Market Financing	Market Financing
MARKET CONDITIONS	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving
PRICE/LOT	\$150,000	\$175,000	\$150,000	\$128,750	\$205,000	\$225,000
PRICE/SF OF LAND AREA	\$27.78	\$32.41	\$22.39	\$11.50	\$27.33	\$28.13
PROPERTY RIGHTS	0%	0%	0%	0%	0%	0%
CONDITION OF SALE	0%	0%	0%	0%	0%	0%
FINANCING	0%	0%	0%	0%	0%	0%
MARKET CONDITIONS	0%	0%	0%	0%	0%	0%
ADJUSTMENTS	0%	0%	0%	0%	0%	0%
ADJUSTED PRICE/SF	\$27.78	\$32.41	\$22.39	\$11.50	\$27.33	\$28.13
AVERAGE LOT SIZE, SF	5,400	5,400	6,700	11,194	7,500	8,000
LOCATION	-15%	-15%	-10%	0%	-10%	-10%
ZONING	-5%	-5%	-5%	25%	-20%	-30%
UTILITIES	0%	0%	0%	0%	0%	0%
SHAPE	0%	0%	0%	0%	0%	0%
ACCESS/FRONTAGE	0%	0%	0%	0%	0%	0%
FINISHED/PERMITTED	0%	0%	0%	0%	0%	0%
TOPOGRAPHY	0%	0%	0%	0%	0%	10%
NET ADJUSTMENT	-20%	-20%	-15%	25%	-30%	-30%
INDICATED RATE/SF OF LAND	\$22.22	\$25.93	\$19.05	\$14.38	\$19.13	\$19.69

additional adjustment of 50% is made to the difference between the before and after values to reflect the limited utility to the larger market.

Difference between the before and after values	\$52,686
Less: Additional discount for limited utility, 50%	<u>\$26,343</u>
Estimated compensation to be paid to the City of Annapolis	\$26,343
Rounded to	\$26,350

The estimate equates to \$5.84 per square foot of the total area of the subject property. An exposure period of not longer than one year is projected.

Ashley Hand

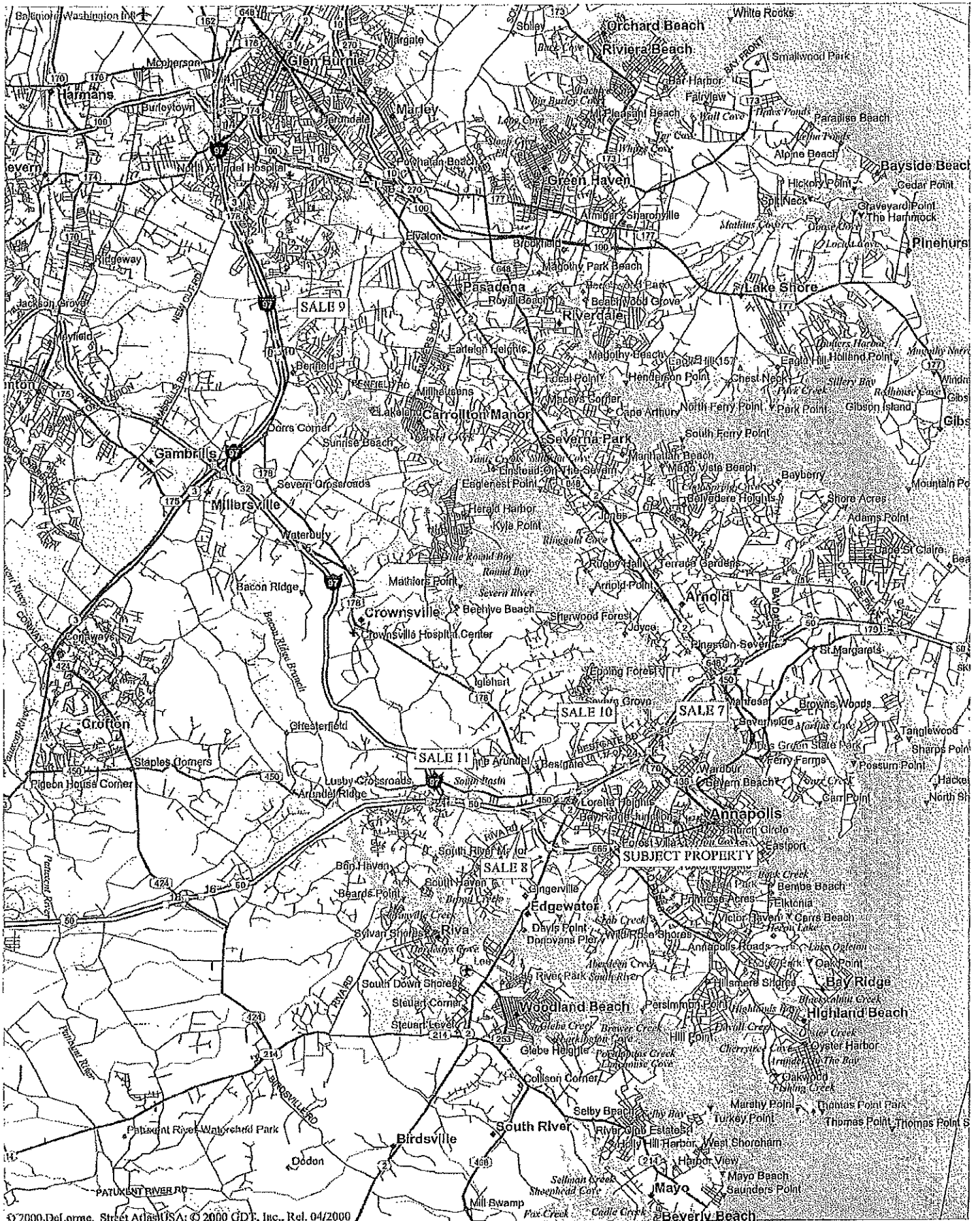
5.69 Average

5.54 - 5.66

Section E:
Valuation of the Subject Property
to the Owner of Parcel 9

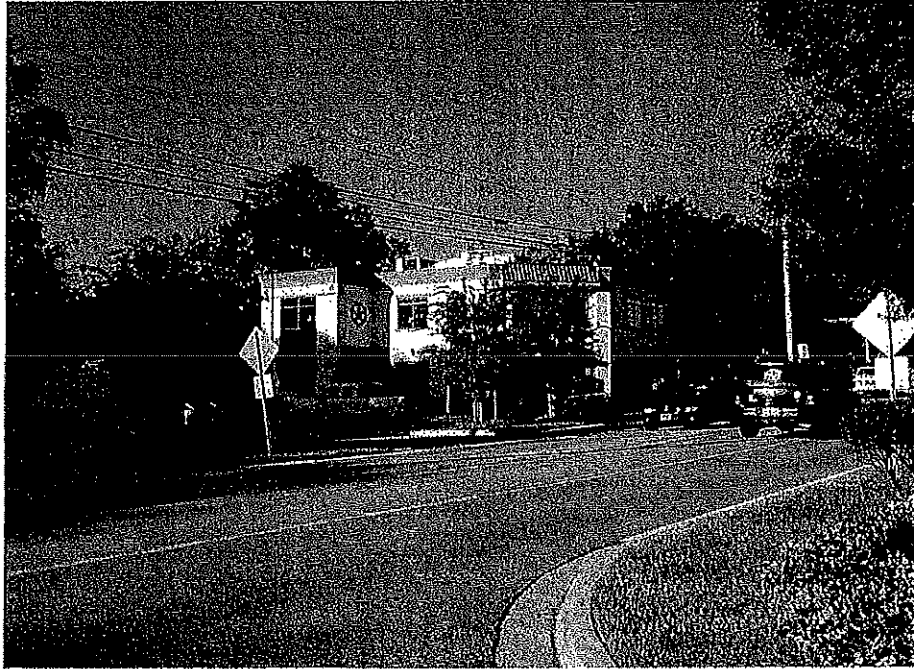
VALUATION OF SUBJECT PROPERTY
TO THE OWNER OF PARCEL 9 (1606 FOREST DRIVE)

The adjoining property to the north is identified on Anne Arundel County Tax Map 51I, Block 1 as all of Parcels 9 and 860 and as Lot 35 in Parcel 1924 in the Sixth Assessment District. For descriptive purposes, the property is identified as Parcel 9. Numerous sales of commercially zoned sites were investigated for comparison to the supporting land for Parcel 9 or 1606 Forest Drive. Sales 7 through 11 are considering in valuing the supporting land. Collectively, the adjusted comparable sales represent the current fee simple market value of the supporting land, as presently existing. Following are the comparable sales considered in the valuation of the 0.8219 acre site for the adjoining property.

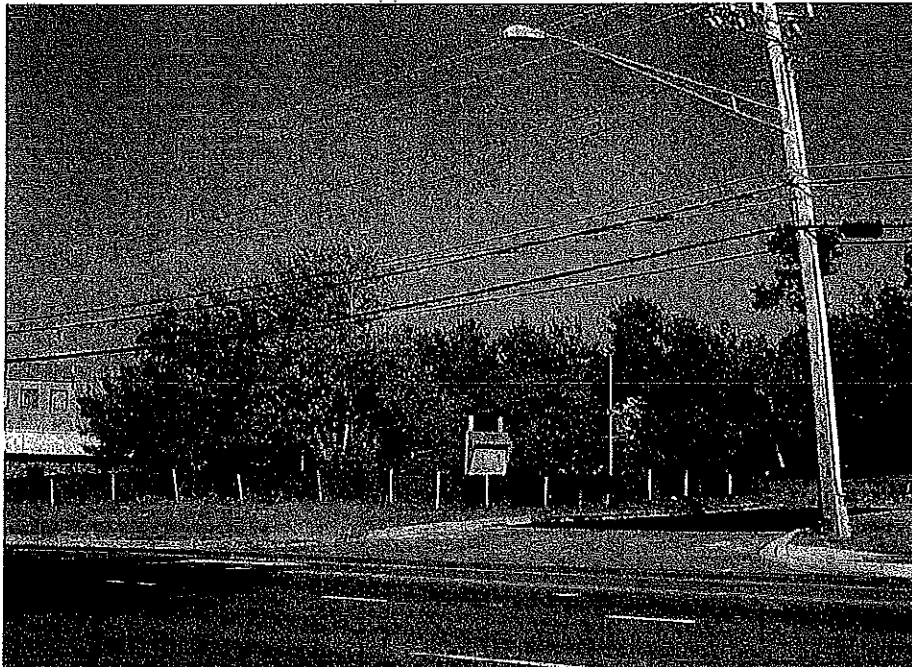


Land Sale 7

<i>Location</i>	635 Bestgate Road; Anne Arundel County TM 45, Block 16 as Parcel 228 in the Second Assessment District; Annapolis, Maryland 21401
<i>Grantors</i>	Dimitri Sfakiyanudis and Efronsini Sfakiyanudis
<i>Grantee</i>	Conlyn Holdings, LLC
<i>Recorded</i>	23353/303
<i>Sale Dates</i>	3/31/11; 4/1/11
<i>Land Area</i>	0.4326 acres or 18,846 square feet
<i>Zoning</i>	C2, Commercial Office District (Anne Arundel County, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None of value to purchaser
<i>Sale Price</i>	\$430,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$22.82 per square foot or \$994,039 per acre \$102.38 per FAR foot
<i>Comments</i>	The property was purchased for development with a two story office building containing a gross improvement area of 4,200 square feet. The site is located at the signalized intersection of Bestgate Road and Ridgely Avenue and is almost triangular in shape. The property is to be developed to a FAR of 0.22 based on the ratio of the gross building area to the land size.
<i>Marketing Period</i>	Projected at one year
<i>Verified</i>	Seller, land records and inspection



View of Sale 7



View of Sale 8

Land Sale 8

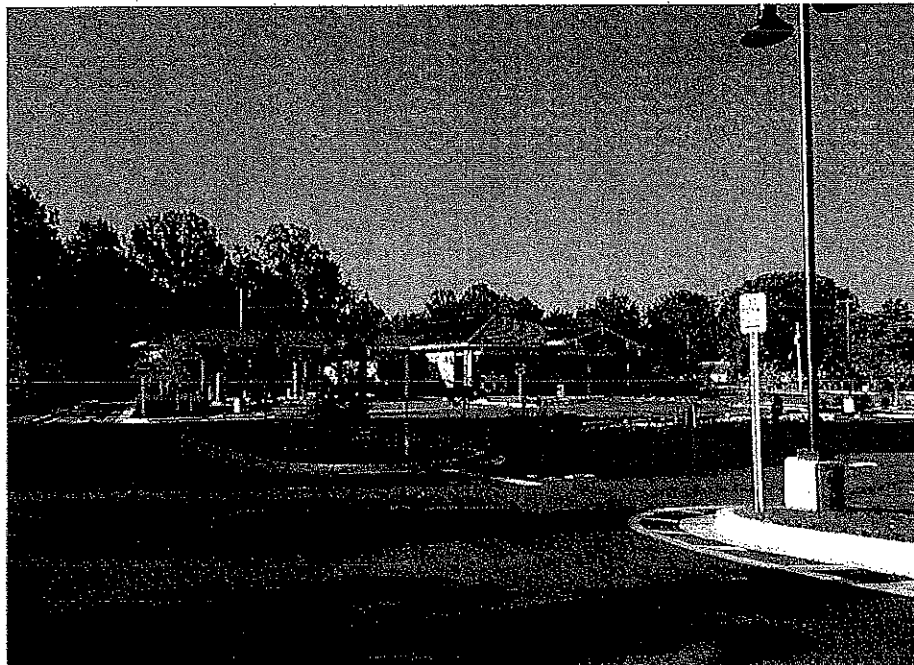
<i>Location</i>	2566 Riva Road; Anne Arundel County TM 51A, Block 14 as Parcel 17 in the Second Assessment District; also identified as Parcel A as shown on a plat entitled, "Division of the Howard B. Smith and the William Choate Property on Riva Road" as recorded in Liber 3142, page 219; Annapolis, Maryland 21401
<i>Grantor</i>	G & L Properties, LLC
<i>Grantee</i>	Village, LLC
<i>Recorded</i>	23281/131
<i>Sale Dates</i>	2/28/11; 3/8/11
<i>Land Area</i>	0.7314 acres or 31,859 square feet
<i>Zoning</i>	C2, Commercial Office District (Anne Arundel County, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	Frame dwelling containing an area of 1,565 square feet formerly used as offices but vacant for some time; existing improvements of no contributing value to purchaser
<i>Sale Price</i>	\$1,175,000
<i>Financing</i>	\$4,200,000 partial purchase money deed of trust and security agreement with First Mariner Bank at undisclosed terms (assumed to be at market)
<i>Unit Rates</i>	\$36.88 per square foot or \$1,606,492 per acre \$83.93 per FAR foot
<i>Comments</i>	The property was purchased for the construction of a 14,000 square foot medical office building that will be at least partially owner occupied by a pediatric practice. The buyer currently leases space in a nearby office building. The seller purchased the site almost five years ago for the construction of a mixed use building containing a gross area of 16,500 square feet and net leasable area of 14,665 square feet.
<i>Marketing Period</i>	Property marketed for about three years at a price of \$1,400,000. The site was purchased by the seller in June 2006 for \$1,100,000 indicating a rate of \$34.53 per square foot of land including the existing improvement. No additional recorded transfers of the sale property within the preceding three years.
<i>Verified</i>	Broker, land records and inspection

Land Sale 9

Location	8539 Veterans Highway; Anne Arundel County TM 22, Block 18 as part of Parcel 306 in the Third Assessment District; also identified as Land Unit E as shown on a plat entitled, "Severna Park Gateway Village" as recorded among the land records of Anne Arundel County in Plat Book 118, page 1; Millersville, Maryland 21108
Grantor	SP Gateway, LLC (pursuant to bankruptcy order)
Grantee	DEV, LLC
Recorded	26795/21
Sale Dates	10/31/13; 11/1/13
Zoning	MXD-R, Mixed Use - Residential District (Anne Arundel County, Maryland)
Utilities	All public
Land Area	0.317 acres or 13,820 square feet
Sale Price	\$900,000
Unit Rates	\$65.12 per square foot or \$2,836,627 per acre of land \$67.09 per FAR foot \$20.13 per square foot based on an effective size of 44,713 square feet
Financing	\$3,353,500 purchase money construction deed of trust with Wells Fargo Bank, National Association (SBA loan) at undisclosed terms (assumed to be at market)
Comments	The sale site is mostly regular in shape with access from Veterans Highway over a private access and parking easement that serves other sites in the development. The lot is part of the Severna Park Gateway Village mixed use project that includes residential condominiums, a three story mixed use building, recently completed restaurant and a one story retail center. Parking, entrances and drive aisles are shared among the landownership units that comprise the project. The seller was in bankruptcy when the site transferred and the financial difficulties of the seller impacted the sale price and resulted in a longer period to close the transaction. The site is developed with a one story Goddard School that contains a gross building area of approximately 13,414 square feet based on the size included in the assessment record for the site.
Marketing Period	The sale property was marketed for about two years at various prices and listed for \$900,000 when sold; the marketing period was impacted by the bankruptcy and other issues with the seller. The broker also indicated that interest was good in the property, but many of the potential purchasers did not like the landownership ownership of the site. No additional sales of the property within the preceding three years.
Verified	Broker, land records and inspection



View of Sale 9



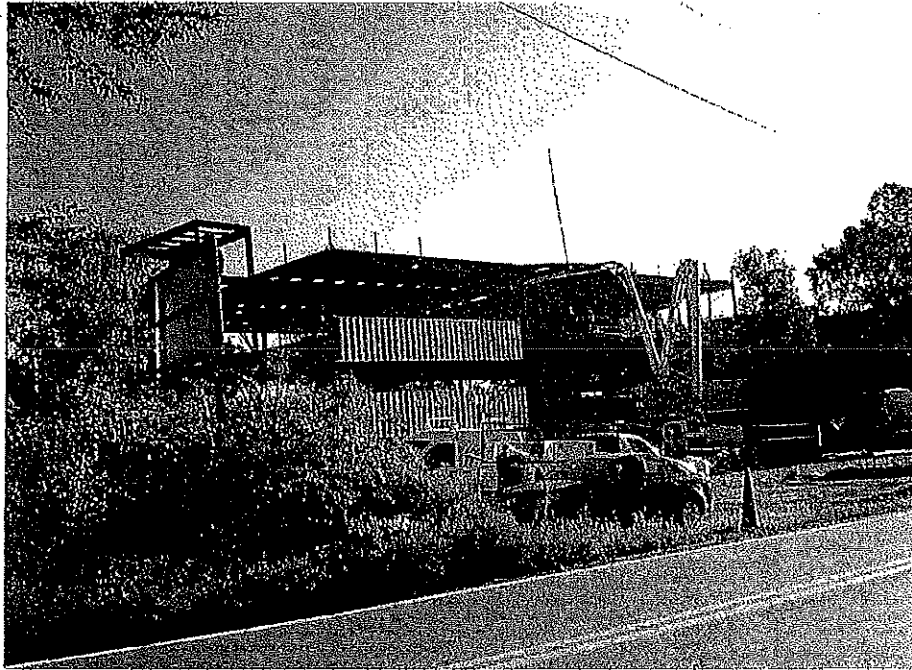
View of Sale 10

Land Sale 10

<i>Location</i>	823-825 Bestgate Road; Anne Arundel County TM 45, Block 20 as Parcels 331 and 479 in the Second Assessment District; Annapolis, Maryland 21401
<i>Grantor</i>	CVP Ribera, LLC
<i>Grantee</i>	Navy Federal Credit Union
<i>Recorded</i>	24940/149
<i>Sale Dates</i>	8/1/12; 8/1/12
<i>Zoning</i>	C2, Commercial Office District (Anne Arundel County, Maryland)
<i>Utilities</i>	All public
<i>Land Area</i>	Parcel 331: 1.896 acres or 82,590 square feet Parcel 479: 1.873 acres or 81,588 square feet Total: 3.769 acres or 164,178 square feet
<i>Sale Price</i>	\$3,675,000
<i>Unit Rates</i>	\$22.38 per square foot or \$974,873 per acre of land
<i>Financing</i>	Cash to the seller
<i>Comments</i>	The sale property consists of two rectangularly shaped parcels with combined frontage of 274.09 feet along the south side of Bestgate Road. The site was originally improved with two detached dwellings that were demolished in 2010; the combined site was vacant and raw when sold. The property had preliminary engineering and approval for a medical office building when sold, but was of no value to the buyer. The combined site has direct access from Bestgate Road. The site is now improved with a credit union of the purchaser that contains an approximate area of 10,500 square feet with multiple drive through lanes.
<i>Marketing Period</i>	Buyer approached seller about acquiring the site; minimal marketing period; no additional sales of the site within the three years preceding the sale
<i>Verified</i>	Seller, Broker, land records and inspection

Land Sale 11

<i>Location</i>	166 Defense Highway; Anne Arundel County TM 44, Block 24 as Parcel 104 in the Second Assessment District; Annapolis, Maryland 21401
<i>Grantor</i>	Ralph C. Simmons
<i>Grantee</i>	Conte 166, L.L.C.
<i>Recorded</i>	27294/413
<i>Sale Dates</i>	5/20/14; 5/21/14
<i>Zoning</i>	C2, Commercial Office District (Anne Arundel County, Maryland)
<i>Utilities</i>	All public available; water at the site with sewer requiring extension
<i>Land Area</i>	2.54 acres or 110,642 square feet
<i>Sale Price</i>	\$1,800,000
<i>Unit Rates</i>	\$16.27 per square foot or \$708,721 per acre of land
<i>Financing</i>	\$9,000,000 partial purchase money deed of trust and security agreement with Old Line Bank at undisclosed terms (assumed to be at market)
<i>Comments</i>	The sale site is regularly shaped with frontage of 252.64 feet along the north side of Defense Highway. The site has direct access from the roadway and needed approval from SHA for access with a deceleration lane to be constructed along the road frontage. The site was improved with a two story dwelling containing an enclosed area of 2,058 square feet built in 1937 when sold according to assessment records. The broker reports that a small church or prayer building dating to the 1700-1800s also improved the site. The improvements existing at the date of sale were demolished and removed. The property is now cleared, but was heavily wooded when sold. The topography is level to rolling. The site is proposed to be improved with a medical office building containing a gross area of 40,424 square feet.
<i>Marketing Period</i>	Property listed for \$2.5 million for about two years with two to three offers submitted during the exposure period; the marketing period is longer than normal as the seller attempted to sell the property without benefit of real estate brokerage services; no additional sales of the site within the three years preceding the sale
<i>Verified</i>	Brokers, land records and inspection



View of Sale 11

Conclusion

On the following page is a table that shows the adjustments considered in estimating a rate for the land supporting the dental office on the adjoining property, as presently existing. Sale 7 sold in March 2011 and is the purchase of a site purchased for development with an office building. Sale 7 is adjusted downward to reflect the size, as smaller sites sell at higher rates than larger ones and corner location and upward to reflect the irregular shape of the supporting site. Sale 8 also sold in 2011 and the purchase of similarly sized site for development with an office building. A downward adjustment is made to Sale 8 to reflect the more visible road frontage with an upward adjustment made to reflect razing costs. Sale 9 is the purchase of a finished site for development with a school. Sale 9 is adjusted upward to reflect the bankruptcy order and downward for frontage. The comparison is based on an effective area as the site benefits from cross easements for parking and access. Sale 10 is a larger site purchased for a bank that is adjusted upward for size and site status and downward to reflect the superior frontage. Sale 11 is the most recent transaction and is a site purchased for development with an office building. Upward adjustments are made to Sale 11 to reflect the razing costs paid by the purchaser, size, frontage and lack of finished site status.

Before adjustment, the sales indicate a range of \$16.27 to \$36.88 per square foot of land area. After adjustment, the sales indicate a range of \$19.60 to \$31.88 per square foot. The sales included for comparison to the subject property settled between early 2011 and May 2014 and are considered the best comparables available. A thorough search was conducted throughout the Annapolis and Anne Arundel County markets to find sales of similarly sized sites; however, few could be found necessitating the use of sales with other zoning classifications in the comparison. However, the sale properties were purchased for development with an office building similar to the subject. In projecting a rate for the subject property, most consideration is placed on the rates indicated by Sales 7, 9, 10 and 11 because of the Annapolis locations and similar land areas with respect to Sale 9 and more recent sales dates with respect to Sales 10 and 11.

Based on an analysis of the comparable sales, a rate of \$20.00 per square foot of gross land area is projected for the subject property in the before situation.

35,800 square feet @ \$20.00 per square foot	\$716,000
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The site is improved with a dental office building and the value of the improvement is added based on the current assessed value as the building is not affected by the proposed acquisition of the subject property.

Therefore, the market value of adjoining Parcel 9, as presently existing, before the acquisition of the subject property is projected as follows:

Estimated site value	\$ 716,000
Value of subject building (assigned)	<u>\$ 451,467</u>
Estimated value of Parcel 9	\$1,167,467

SALES ADJUSTMENT GRID - 1606 FOREST DRIVE BEFORE THE ACQUISITION

	SUBJECT	LAND SALE 7	LAND SALE 8	LAND SALE 9	LAND SALE 10	LAND SALE 11
DATE OF SALE	7/15	3/11	2/11	10/13	8/12	5/14
SIZE/ACRES	0.8219	0.4326	0.7314	1.0265	3.7690	2.5400
SIZE/SF	35,800	18,846	31,859	44,713	164,178	110,642
FRONTAGE/ACCESS	Interior	Corner	Interior	Interior	Interior	Interior
SHAPE	Mostly Regular	Irregular	Regular	Slightly Irregular	Regular	Mostly Regular
ZONING	P	C2	C2	MXD-R	C2	C2
TOPOGRAPHY	Generally Level	Level	Level	Level	Mostly Level	Mostly Level
LOCATION	Forest Drive	Bestgate Road	Riva Road	Millersville	Bestgate Road	Defense Highway
UTILITIES	All public	All public	All public	All public	All public	All public
FINISHED SITE	Finished	Finished	Razing	Finished	Mostly Finished	Razing
SALES PRICE	n/a	\$430,000	\$1,175,000	\$900,000	\$3,675,000	\$1,800,000
RATE/SF	n/a	\$22.82	\$36.88	\$20.13	\$22.38	\$16.27
CONDITION OF SALE	None	None	Razing	Bankruptcy	Razing	Razing
ADJUSTMENT	None	\$0	\$0	\$0	\$0	\$0
ADJUSTED SALES PRICE	n/a	\$430,000	\$1,175,000	\$900,000	\$3,675,000	\$1,800,000
ADJUSTED RATE/SF	n/a	\$22.82	\$36.88	\$20.13	\$22.38	\$16.27
PROPERTY RIGHTS		0%	0%	0%	0%	0%
CONDITION OF SALE		0%	2%	10%	0%	1%
FINANCING		0%	0%	0%	0%	0%
MARKET CONDITIONS		0%	0%	0%	0%	0%
TIME ADJUSTED RATE		\$22.82	\$37.51	\$22.14	\$22.45	\$16.45
SIZE/SF		-3%	0%	0%	10%	3%
FRONTAGE/ACCESS		-10%	-15%	-10%	-15%	5%
SHAPE		5%	0%	0%	0%	0%
ZONING		0%	0%	0%	0%	0%
TOPOGRAPHY		0%	0%	0%	0%	0%
LOCATION		0%	0%	0%	0%	0%
SITE STATUS		0%	0%	0%	5%	9%
UTILITIES		0%	0%	0%	0%	0%
NET ADJUSTMENT		-10%	-15%	-10%	0%	19%
INDICATED RATE/SF		\$20.53	\$31.88	\$19.93	\$22.45	\$19.60

**DESCRIPTION OF THE ACQUISITION
OF THE SUBJECT PROPERTY**

The city of Annapolis proposes to convey all or a portion of the subject property to the adjoining owner of Parcel 9. The proposed acquisition area is unimproved and is partially encumbered by a utility right of way. No plat of the subject property was provided; therefore, the proposed conveyance is shown on a reduced scale copy of the recorded plat of the Knightsbridge subdivision.

DESCRIPTION OF THE RESULTING PROPERTY

After the proposed conveyance of the subject property, adjoining Parcel 9 will contain a combined area of 40,314 square feet that will be regularly shaped, level with frontage along Forest Drive and Castlegate Drive. The property will be primarily zoned P for professional office use with 10.7% of the supporting site zoned R3. The site is serviced by public water and sewer. The property is improved by a partial two story dental office that contains an enclosed area of 5,092 square feet and related site improvements.

EFFECT OF THE ACQUISITION

The acquisition increases the overall size of adjoining Parcel 9; however, the topography, shape and access are largely unchanged. After the acquisition, the property will be split zoned. Based on the zoning regulations, R3 zoned properties can be used to provide parking and access for adjoining non-residential properties with special exception approval. It is uncertain whether special exception approval would be granted to allow for an expansion of the parking area that presently improves Parcel 9.

**HIGHEST AND BEST USE OF PARCEL 9, AS IMPROVED,
AFTER THE ACQUISITION**

The highest and best use of Parcel 9 after the acquisition is for continuation of the current professional office use. This use is physically possible, legally permissible, financially feasible and provides the greatest return to the land.

**APPROACH TO VALUE,
AFTER THE ACQUISITION**

The sales comparison approach is also considered in valuing the 40,314 square foot site for Parcel 9 and supporting the dental office building after the acquisition. The same sales are considered in projecting a value of the supporting site after the acquisition of the subject property as were considered in valuing the supporting land as presently configured.

Adjustments

Sales are normally adjusted to reflect the property rights conveyed, conditions surrounding the sale, financing, changes in market conditions and physical characteristics, including location, zoning and size. Following is a comparison of the sale properties to Parcel 9, inclusive of the subject property.

Sale 7 is adjusted downward for size, frontage and full commercial zoning and upward for shape. Sale 8 is adjusted upward for razing cost and downward for frontage and full commercial zoning. An upward adjustment is made to Sale 9 to reflect the bankruptcy order; downward adjustments are made to reflect the better frontage and lack of residential zoning. Sale 10 is adjusted upward for size and site status and downward for frontage and zoning. Sale 11 is adjusted upward for razing costs, size, frontage and site status and downward for zoning.

Conclusion

On the following page is a table showing the adjustments considered in comparing the sale properties to the expanded supporting site for Parcel 9. Before adjustment, the sales range in price from \$16.27 to \$36.88 per square foot of land. After adjustment, the sales indicate a range of \$18.78 to \$30.01 per square foot of land. The sales range in size from 18,846 to 164,178 square feet and are commercially zoned. A thorough search was conducted to find recent sales of split zoned sites similar to the subject, but none could be found. Most consideration is placed on the rates indicated by Sales 7, 9, 10 and 11 because of the sizes and more recent settlement dates with respect to Sales 9 through 11.

Based on an analysis of the comparable sales, a rate of \$19.00 per square foot of expanded land area is projected for adjoining Parcel 9 including the subject property.

40,314 square feet @ \$19.00 per square foot	\$765,966
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The site is improved with a dental office building and the value of the improvement is added based on the current assessed value as the building is not affected by the proposed acquisition of the subject property.

Therefore, the market value of adjoining Parcel 9 after the acquisition of the subject property is projected as follows:

Estimated site value	\$ 765,966
Value of subject building (assigned)	<u>\$ 451,467</u>
Estimated value of Parcel 9	\$1,217,433

SALES ADJUSTMENT GRID - 1606 FOREST DRIVE AFTER THE ACQUISITION

	SUBJECT	LAND SALE 7	LAND SALE 8	LAND SALE 9	LAND SALE 10	LAND SALE 11
DATE OF SALE	7/15	3/11	2/11	10/13	8/12	5/14
SIZE/ACRES	0.9255	0.4326	0.7314	1.0265	3.7690	2.5400
SIZE/SF	40,314	18,846	31,859	44,713	164,178	110,642
FRONTAGE/ACCESS	Interior	Corner	Interior	Interior	Interior	Interior
SHAPE	Mostly Regular	Irregular	Regular	Slightly Irregular	Regular	Mostly Regular
ZONING	P/R3	C2	C2	MXD-R	C2	C2
TOPOGRAPHY	Generally Level	Level	Level	Level	Mostly Level	Mostly Level
LOCATION	Forest Drive	Bestgate Road	Riva Road	Millersville	Bestgate Road	Defense Highway
UTILITIES	All public	All public	All public	All public	All public	All public
FINISHED SITE	Finished	Finished	Razing	Finished	Mostly Finished	Razing
SALES PRICE	n/a	\$430,000	\$1,175,000	\$900,000	\$3,675,000	\$1,800,000
RATE/SF	n/a	\$22.82	\$36.88	\$20.13	\$22.38	\$16.27
CONDITION OF SALE	None	None	Razing	Bankruptcy	Razing	Razing
ADJUSTMENT	None	\$0	\$0	\$0	\$0	\$0
ADJUSTED SALES PRICE	n/a	\$430,000	\$1,175,000	\$900,000	\$3,675,000	\$1,800,000
ADJUSTED RATE/SF	n/a	\$22.82	\$36.88	\$20.13	\$22.38	\$16.27
PROPERTY RIGHTS		0%	0%	0%	0%	0%
CONDITION OF SALE		0%	2%	10%	0%	1%
FINANCING		0%	0%	0%	0%	0%
MARKET CONDITIONS		0%	0%	0%	0%	0%
TIME ADJUSTED RATE		\$22.82	\$37.51	\$22.14	\$22.45	\$16.45
SIZE/SF		-5%	0%	0%	10%	5%
FRONTAGE/ACCESS		-10%	-15%	-10%	-15%	5%
SHAPE		5%	0%	0%	0%	0%
ZONING		-5%	-5%	-5%	-5%	-5%
TOPOGRAPHY		0%	0%	0%	0%	0%
LOCATION		0%	0%	0%	0%	0%
SITE STATUS		0%	0%	0%	5%	9%
UTILITIES		0%	0%	0%	0%	0%
NET ADJUSTMENT		-15%	-20%	-15%	-5%	14%
INDICATED RATE/SF		\$19.39	\$30.01	\$18.82	\$21.32	\$18.78

ESTIMATE OF COMPENSATION
FOR THE ACQUISITION OF THE SUBJECT PROPERTY

Estimated value - before the acquisition

Estimated site value	\$ 716,000
Value of subject building (assigned)	<u>\$ 451,467</u>
Estimated before value of Parcel 9	\$1,167,467

Estimated value - after the acquisition

Estimated site value	\$ 765,966
Value of subject building (assigned)	<u>\$ 451,467</u>
Estimated after value of Parcel 9	\$1,217,433

The difference between the before and after values totals \$49,966 for the acquisition of the subject property by the adjoining owner of Parcel 9. However, the subject property has utility only to the adjoining owners and would have little appeal to the larger market. Therefore, an additional adjustment of 50% is made to the difference between the before and after values to reflect the limited marketability and the limited utility of the residentially zoned land to the commercial site for Parcel 9.

Difference between the before and after values	\$49,966
Less: Additional discount for limited utility, 50%	<u>\$24,983</u>
Estimated compensation to be paid to the City of Annapolis	\$24,983
Rounded to	\$25,000

The estimate equates to \$5.54 per square foot of the total area of the subject property. An exposure period of less than one year at the appraised value is projected for the subject property.

Dr. Lee

QUALIFICATIONS OF ANTOINETTE WINEHOLT, MAI

EDUCATION

M. B. A., University of Baltimore, 1985

B. S. Degree in Business Administration, University of Baltimore, 1981

APPRAISAL COURSES

Real Estate Appraisal Principles, 1986

Introduction to Appraising Real Property, 1986

Basic Valuation Procedures, 1986

Maryland Chapter 26, Subdivision Analysis Seminar, 1986

Capitalization Theory and Techniques, Part A, 1987

Capitalization Theory and Techniques, Part B, 1987

Maryland Chapter 26, Highest and Best Use Seminar, 1987

Case Studies in Real Estate Valuation, 1988

Valuation Analysis and Report Writing, 1988

Maryland Chapter 26, Risk Analysis Seminar, 1988

Appraisal Institute, General Certification Review Seminar, 1991

Maryland Chapter of the Appraisal Institute, Subdivision Analysis, 1994

Maryland Chapter of the Appraisal Institute, Standards of Professional Practice, Part A, 1996

Maryland Chapter of the Appraisal Institute, Standards of Professional Practice, Part B, 1996

National Uniform Standards of Professional Appraisal Practice Update Course, 2003, 2006, 2009 and 2012

Commercial Development Update Seminars, 1997, 1998, 1999, 2000, 2002, 2004, 2007 and 2008

Advanced Income Capitalization, 2003

Uniform Appraisal Standards for Federal Land Acquisitions, 2006

Appraisal Curriculum Overview, 2011

Continuing education seminars and courses sponsored by The Appraisal Institute

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Member 11746

Secretary, Maryland Chapter of the Appraisal Institute, 2007

Vice President, Maryland Chapter of the Appraisal Institute, 2006

Treasurer, Maryland Chapter of the Appraisal Institute, 2005

Regional Representative, Maryland Chapter of the Appraisal Institute, 2003-2004

State of Maryland, Certified General Real Estate Appraiser, License Number 04-220

Associate Member, Institute of Real Estate Management, 2003-Present

Member, Anne Arundel County Board of Realtors, Inc., 1988-Present

Maryland Licensed Real Estate Salesperson, 1988-Present

EXPERIENCE

1997 - Present, Real Estate Appraiser and Consultant, The Wineholt Group, Inc.

1993 - 1997, Real Estate Appraiser and Consultant, Powell and Westholm, Inc.

1985 - 1993, Real Estate Appraiser and Consultant, JDC Appraisal Services, Inc.

2015 - Qualified expert witness Maryland Tax Court

PROPERTY TYPES APPRAISED

Full narrative appraisal reports of office buildings, industrial facilities, retail centers, special purpose properties and residential development land.

CERTIFICATION OF APPRAISER

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 or bias with respect to the parties involved.

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.

I have provided services, as an appraiser, regarding Parcel 9 that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.

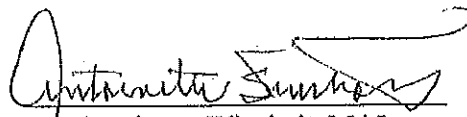
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

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.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.


Antoinette Wineholt, MAI

RESTRICTION UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of The Appraisal Institute.

The signatory of this appraisal report is a Member of the Appraisal Institute. The By-Laws and Regulations of the Institute require each Member and Associate Member to control the use and distribution of each appraisal report signed by such Member or Associate Member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or other media for public communication without prior written consent of the signatory of this appraisal report.

Section F:
Appendix

SCOPE OF WORK
APPRAISAL OF EXISTING RIGHT OF WAY
UNOPENED SECTION OF CASTLEGATE LANE

Background

The City of Annapolis has been approached regarding the sale of the unopened section of Castlegate Lane between Damsel Lane and Forest Drive to the adjacent property owners. This right of way is located in Knightsbridge and is shown on Plat No. 3655.

In order to set a fair market price, the City of Annapolis will require that an appraisal be obtained by an appraiser licensed within the State of Maryland to establish the fair market value.

This property is encumbered by City water and sewer utilities and in any sale, utility easements, no less than 15 feet in width (but will not encroach on Lot 54), will be reserved by the City prior to the sale. There is currently in place a 25 foot easement described in Book 1370 at Page 30.

There may also be other utilities (BGE, Verizon, Comcast, etc.) and arrangements will be made to have all utilities marked prior to the site visit by the selected appraiser.

The conveyance of this property will be fee simple and "as is" with no guarantee regarding changes to zoning or future subdivision (subdivision includes the combining of properties as well as dividing property). Additionally, the deed of conveyance will include a restriction that the land conveyed may not be used as a "stand alone" building lot although it may be combined with existing legal lots or parcels through the subdivision process to increase the area and change other lot characteristics such as, but not limited to, the location of the building restriction lines.

Copies of both the existing easement document (1370/30) and the Plat No 3655 are attached.

Requirements

This appraisal shall be done by a Certified Residential Real Estate Appraiser or Certified General Real Estate Appraiser licensed by the State of Maryland.

The appraisal type will be a "Summary Appraisal" will be submitted in letter format, on both paper and by electronic copy. The appraisal will include the comparables and will be signed by the appraiser. There will be no restrictions on the disclosure of the appraisal.

In that the exact division of the unopened road right of way is not known at this time, the appraisal will include a "per square foot" unit price.

The appraisal will be submitted within 45 days of the issuance of the Purchase Order by the Purchasing Agent.

++ DEED ++

BOOK 1370 PAGE 30

THIS DEED OF EASEMENT, made this 5th day of *February*, in the year ^{SIXTY} Nineteen Hundred and ~~Fifty-Nine~~, by and between NATHAN M. LUBAR and BERNARD LYON FRISHMAN, Joint Tenants, and JOHN T. PURDY and ELIZABETH PURDY, his wife, and ~~HARRISON A. POLLOCK and VIRGINIA M. POLLOCK, his wife~~, hereinafter called Grantors, and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, INC., a body corporate, hereinafter called Mortgagee; and THE MAYOR AND ALDERMEN OF THE CITY OF ANNAPOLIS, a municipal corporation of the State of Maryland, hereinafter called Grantee,

WHEREAS, the said Mortgagee is holder of a certain mortgage from one of the said Grantors affecting portions of the hereinafter mentioned property; and WHEREAS, the Mortgagee has agreed to release the hereinafter described portion of the said property from the legal operation and effect of the said Mortgage for the purposes hereinafter set forth, retaining nevertheless its lien on all the rest and remainder of the property of its said Grantors under and by virtue of the said Mortgage;

NO STAMPS
REQUIRED.

NOW THEREFORE, THIS DEED OF EASEMENT WITNESSETH, that for and in consideration of the sum of One Dollar (\$1.00), and other good and valuable considerations, the receipt whereof is hereby acknowledged, the said Grantors do hereby grant and convey, and the said Mortgagee does hereby grant, convey and release, unto the said Grantee, its successors and assigns, Easements and Rights-of-Way for the purpose of constructing and maintaining sewer and water lines and other public utilities beneath the surface of the land, in, along and through all that strip or parcel of land designated by notes and bounds on City of Annapolis Utility Right-of-Way Plats No. 155 through No. 163, attached hereto and made a part hereof.

TOGETHER with permission to the said Grantee, its successors and assigns, and to their agents and servants, to go upon and to operate such excavating machinery and other equipment as may be necessary at the time of constructing and installing said sewer and water lines and other public utilities, over the adjoining land of the Grantors for a distance not to exceed twenty (20) feet beyond the side or sides, as the case may be, of the herein described land.

MALCOLM S. SMITH
ATTORNEY AT LAW
ANNAPOLIS, MD.

BOOK 1370, PAGE 31

AND THE SAID GRANTORS AND MORTGAGEE, for themselves, their heirs, executors, administrators, and assigns, do hereby covenant and agree that all sewer and water lines and other public utilities so constructed will remain the sole property of the Grantee, its successors and assigns, with the right at all times on the part of the Grantee, its successors and assigns, and their agents and servants, to enter upon the herein-described land for such maintenance and repairs and further construction as may be necessary.

AND THE SAID GRANTEE, for itself, its successors and assigns, does hereby covenant and agree to keep in good repair the sewer and water lines and other public utilities which may be constructed in the herein described property; to restore said property to as good a condition as existed previously, after any construction, maintenance or repair thereon; and to indemnify and save harmless the said Grantors, their heirs, executors, administrators and assigns, from any and all suits, actions or liabilities which may occur by reason of any injury to persons or property arising out of said construction, maintenance and repair.

AS WITNESS the hands and seals of the said Grantors and Mortgagee, and the hand of the Mayor of the said City, with its corporate seal affixed hereto and duly attested by its City Clerk, for the said Grantee.

WITNESSES

Edna Reed
Edna Reed

Edna Reed
Edna Reed

Malcolm B. Smith
Malcolm B. Smith

Nathan M. Lubar (SEAL)
Nathan M. Lubar

Bernard Lyon Frishman (SEAL)
Bernard Lyon Frishman

John T. Purdy (SEAL)
John T. Purdy

Elizabeth Purdy (SEAL)
Elizabeth Purdy

Harrison A. Follock (SEAL)
Harrison A. Follock

Virginia H. Follock (SEAL)
Virginia H. Follock

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, INC.

BY: *George E. Billman*
George E. Billman
President

Iola P. Anderson
Iola P. Anderson
Secretary

MALCOLM B. SMITH
ATTORNEY AT LAW
ANNAPOLIS, MD.



MAYOR AND ALDERMEN OF THE CITY OF ANNAPOLIS

BY:

Arthur G. Ellington, Mayor

DISTRICT OF COLUMBIA,
CITY OF WASHINGTON,
TO WIT:

I HEREBY CERTIFY that on this 2nd day of Sept., 1959,
before me, the Subscriber, a Notary Public of the District of Columbia, in and
for the City of Washington, aforesaid, personally appeared NATHAN M. LUBAR and
BERNARD LYON FRISBIE, two of the above named Grantors, and each acknowledged
the foregoing Deed to be his act.

AS WITNESS my hand and Notarial Seal:

Notary Public

STATE OF MARYLAND,
ANNE ARUNDEL COUNTY,
TO WIT:

I HEREBY CERTIFY that on this 14th day of October, 1959,
before me, the Subscriber, a Notary Public of the State of Maryland, in and for
the County aforesaid, personally appeared JOHN T. PURDY and ELIZABETH PURDY, his
wife, and HARRISON A. POLLOCK and VIRGINIA H. POLLOCK, his wife, and each
acknowledged the foregoing Deed to be their act.

AS WITNESS my hand and Notarial Seal:



Malcolm B. Smith
Notary Public

STATE OF MARYLAND,
ANNE ARUNDEL COUNTY,
TO WIT:

I HEREBY CERTIFY that on this 5th day of February, 1960,
before me, the Subscriber, a Notary Public of the State of Maryland, in and
for the County aforesaid, personally appeared George C. Ballman,
President of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, INC., and acknowledged
that he has the authority to execute the foregoing Deed on behalf of the
Corporation, and also acknowledged it as the act of the said Corporation.

AS WITNESS my hand and Notarial Seal:



Malcolm B. Smith
Notary Public

MALCOLM B. SMITH
ATTORNEY AT LAW
ANNE ARUNDEL, MD.

BOOK 1370 PAGE 33

STATE OF MARYLAND,
ANNE ARUNDEL COUNTY,
TO WIT:

I HEREBY CERTIFY that on this 19th day of October, 1959,
before me, the Subscriber, a Notary Public of the State of Maryland, in and for
the County aforesaid, personally appeared ARTHUR G. ELLINGTON, Mayor of the City
of Annapolis, and he acknowledged the foregoing Deed on behalf of the said City.

AS WITNESS my hand and Notarial Seal:



Malcolm B. Smith
Malcolm B. Smith
Notary Public

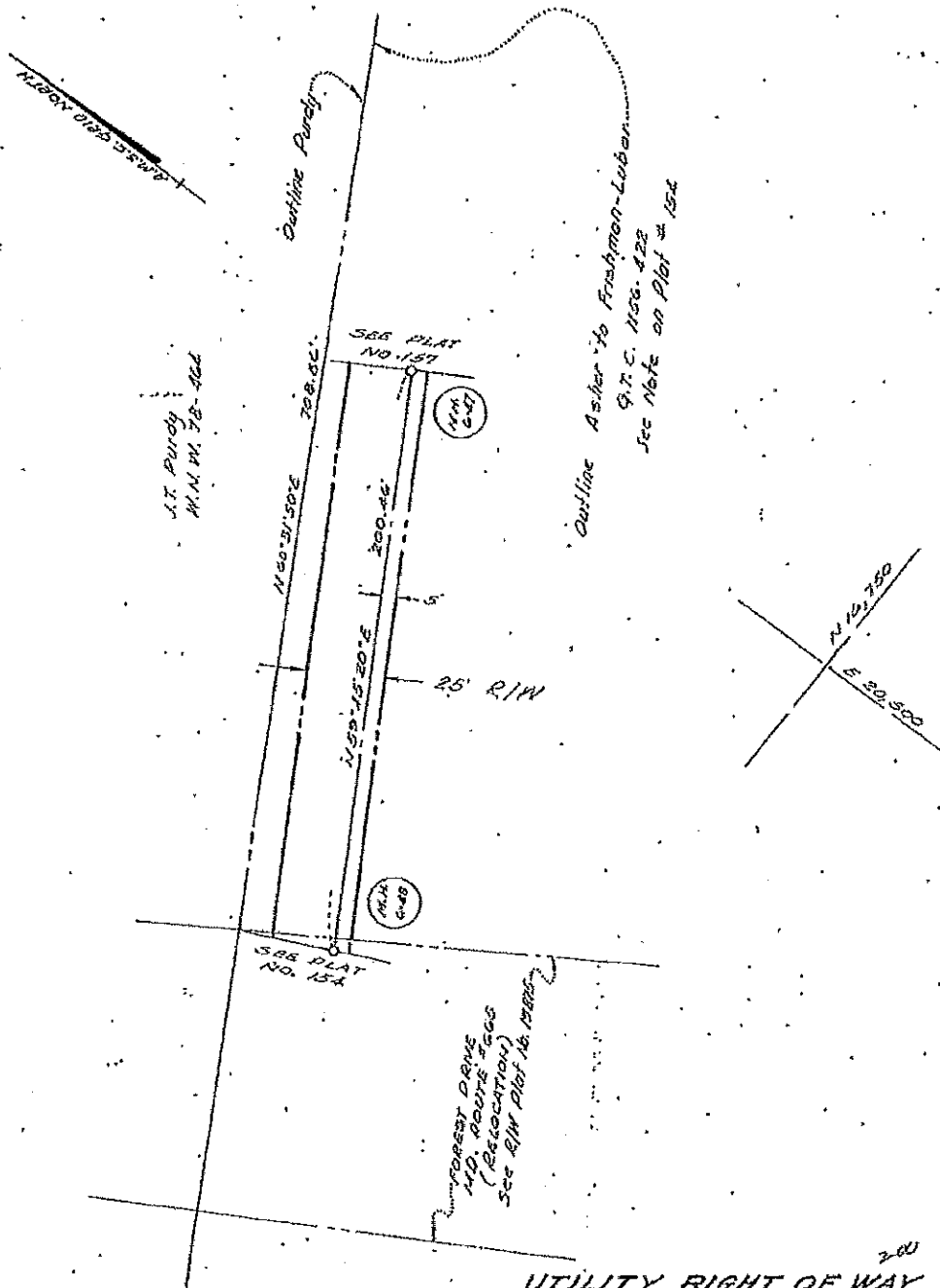
1400

Rec'd for record Feb. 11, 1960, at 113244.

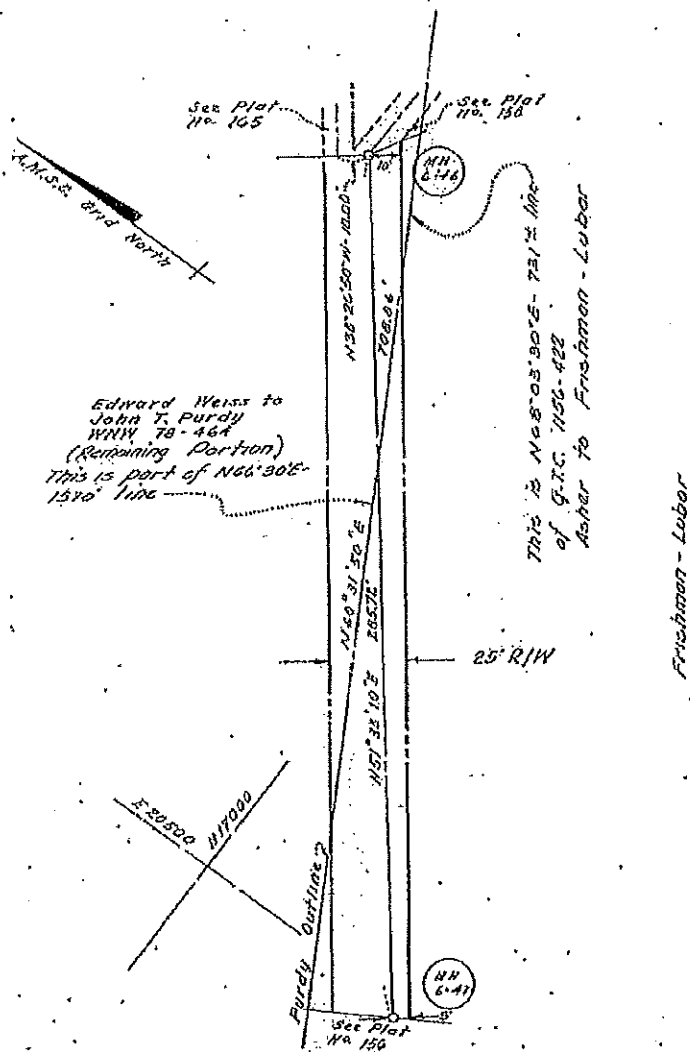
Mailed to Malcolm B. Smith
see Plats on following pages

MALCOLM B. SMITH
ATTORNEY AT LAW
ANNAPOLIS, MD.

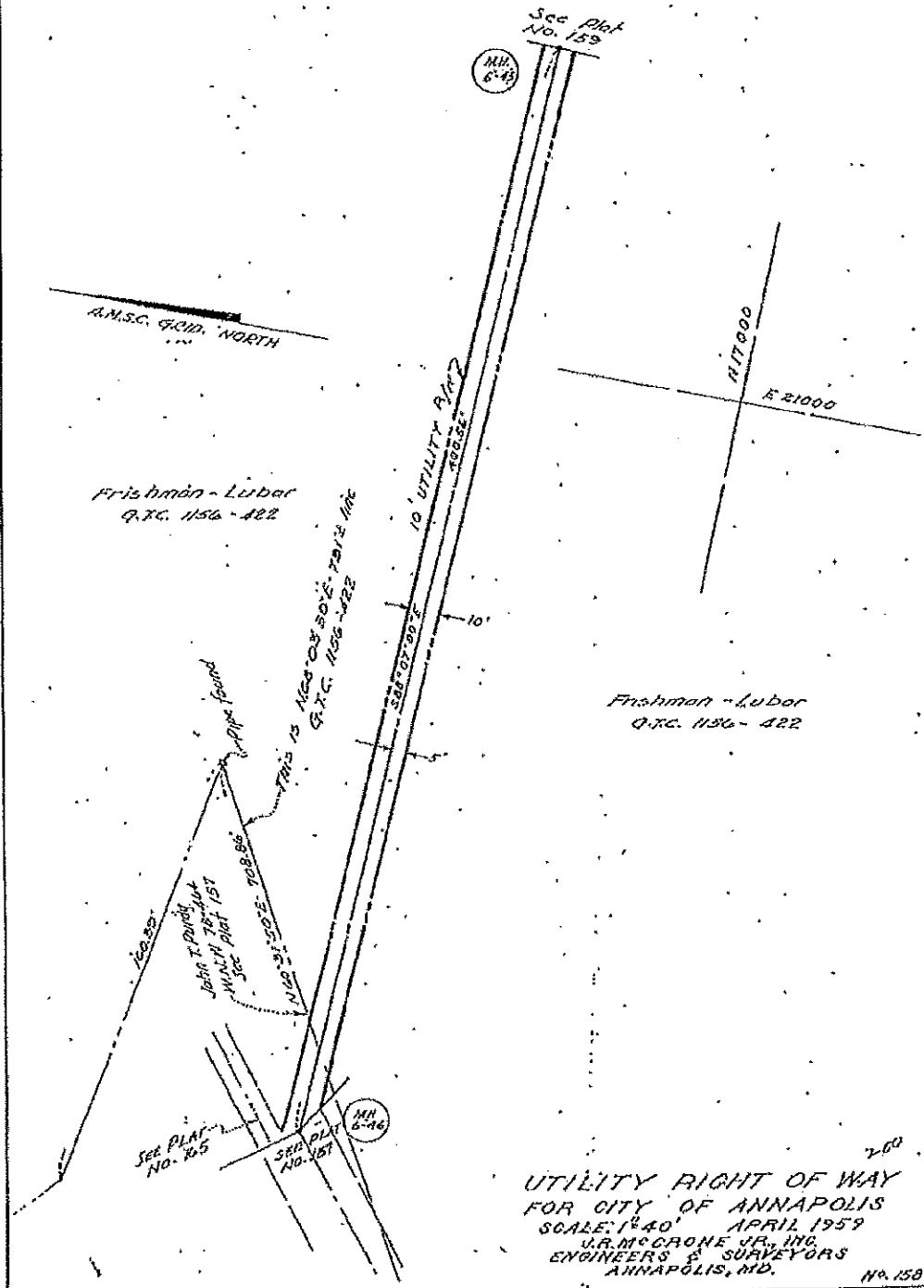
ANNE ARUNDEL COUNTY CLERK'S OFFICE, 1000 E. BAYVIEW, ANNAPOLIS, MD. 21403

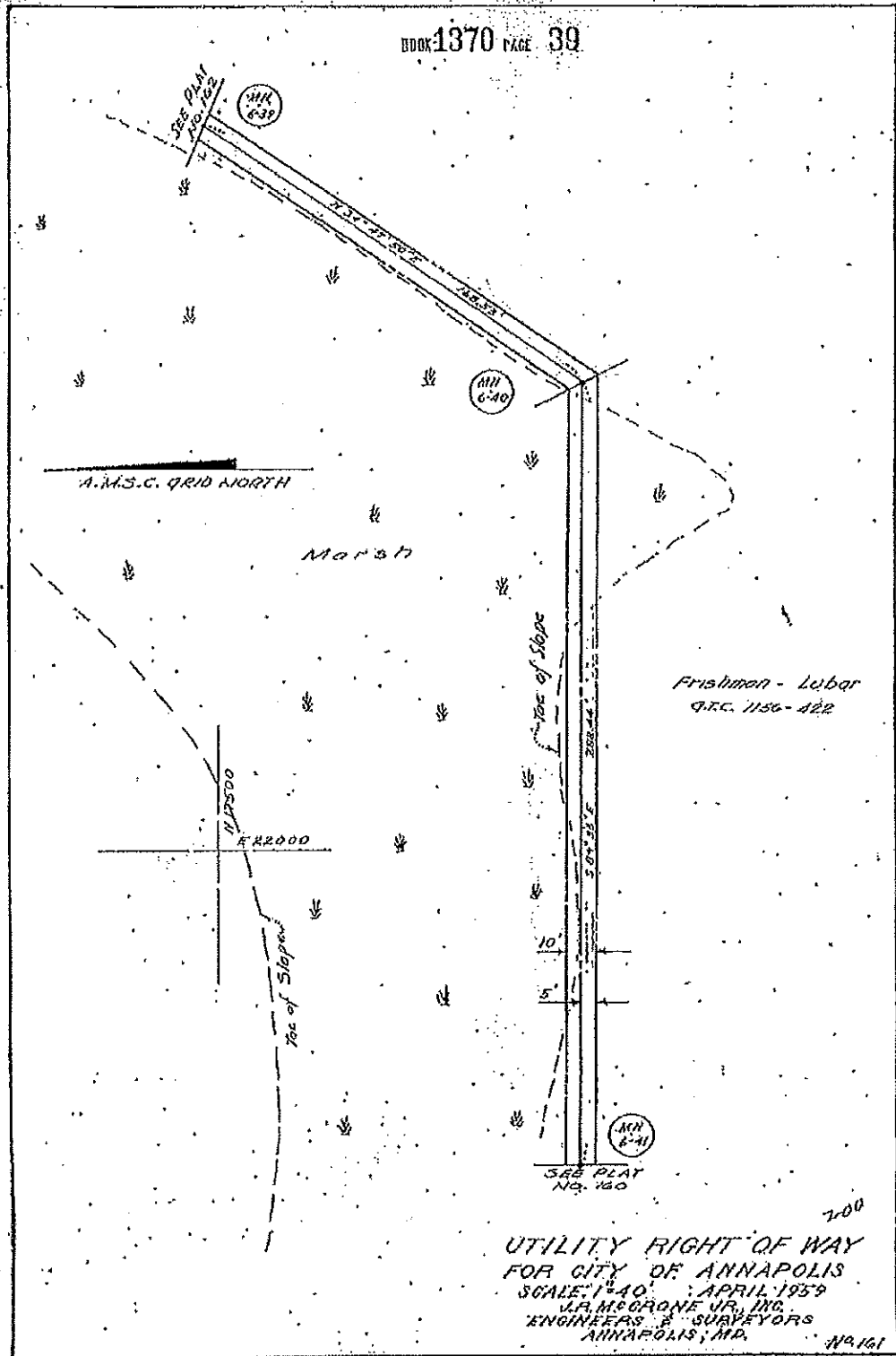


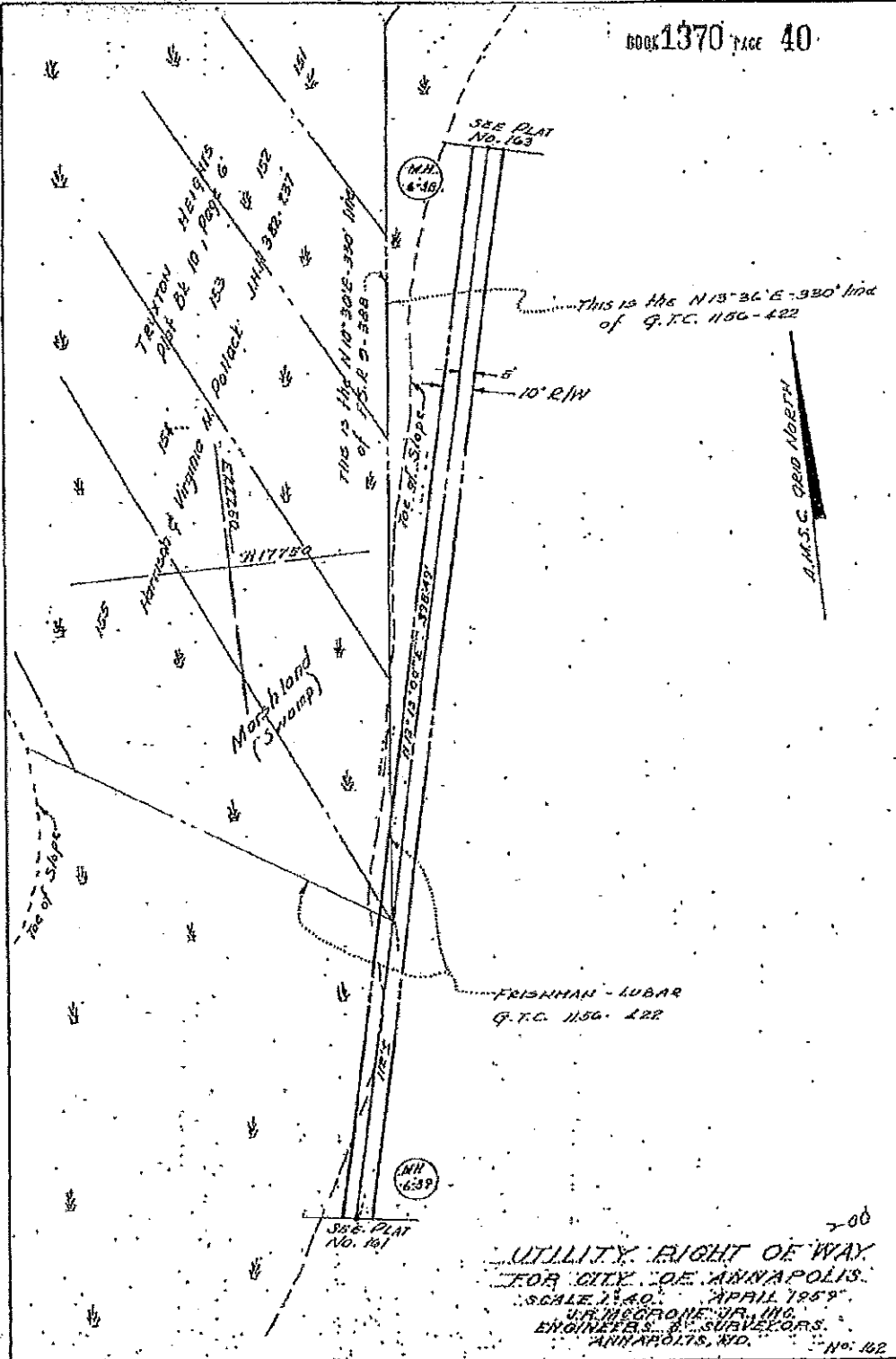
UTILITY RIGHT OF WAY
FOR CITY OF ANNAPOLIS
SCALE: 1"=40' MAY 1959
J.R. McCORMACK, JR., INC.
ENGINEERS & SURVEYORS
ANNAPOLIS, MD. No. 154



200
UTILITY RIGHT OF WAY
FOR CITY OF ANNAPOLIS
SCALE: 1" = 40' MAY 1959
J.A. MCCRONE, JR., INC.
ENGINEERS & SURVEYORS
ANNAPOLIS, MD. No. 159







SCALE: 1st - 2000th

AREA TABULATION

OPEN SPACE	7,877.25	±	2,100.00	Ac.
ROADS	10,000.00	±	2,572.00	Ac.
LOTS	375,000.00	±	9,676.00	Ac.
TOTAL AREA	492,877.25	±	12,748.00	Ac.
TOTAL NO. LOTS			17	

1 LOT NUMBERS
REQUEST NUMBERS
BOL, & BUILDING INSTRUCTION LINE

PLATE 1

KNIGHTSBRIDGE

CITY OF ANNAPOLIS
15TH TAX DISTRICT, ANNE ARUNDEL COUNTY, MARYLAND
SCALE: 1" = 40' DATE: AUGUST 1972

DEBERRY, NEALON & DAVIS

ENGINEERS - ARCHITECTS - PLANNERS - SURVEYORS
450 COWORTH ATTORNEYS HIGHWAY
SUNNINGDALE PARK - HUNTSVILLE 22144

PLAT 3654-69 Page 29

[illegible][illegible]

THE PROPERTY SHOWN HEREON IS THAT LAND CONVEYED BY DEEDS, BEING AN ASSOCIATED TRACT, 1974-75, TO DONALD L. GOSWAMI, 1974-75, AND RECORDED AMONG THE LAND RECORDS OF ANNE ARUNDEL COUNTY, MARYLAND IN DEED BOOK 3314 AT FOLIO 571, 572 & 573.

THE REQUIREMENTS OF SECTIONS 39 TO 42 OF ARTICLE 17 OF THE ANNOTATED CODES OF MARYLAND, 1957 EDITION (TITLE CLERKS IN COURT) AS FAR AS THEY RELATE TO THE MAKING OF THIS PLAN AND THE SETTING OF HARBORS, HAVE BEEN MET.

THIS PLAN HAS BEEN APPROVED BY THE MAYOR AND ALDERMEN OF THE CITY OF ANNAPOLIS, MARYLAND, FOR ACCEPTANCE INTO THE STREET LOTION OF THE CITY SUBJECT TO THE INSTALLATION OF IMPROVEMENTS REQUIRED BY THE CITY AND A DEED OF DEDICATION ISSUED TO THE CITY BY THE DEVELOPER. *Enclosed herewith*

JOHN J. WILSON & THEODORE C. SARAGUS
KINGSTON PARK INTERIOR
OWNERS OF THE LAND FROM NORTON
Richard W. Walker
8/27/78
DATE

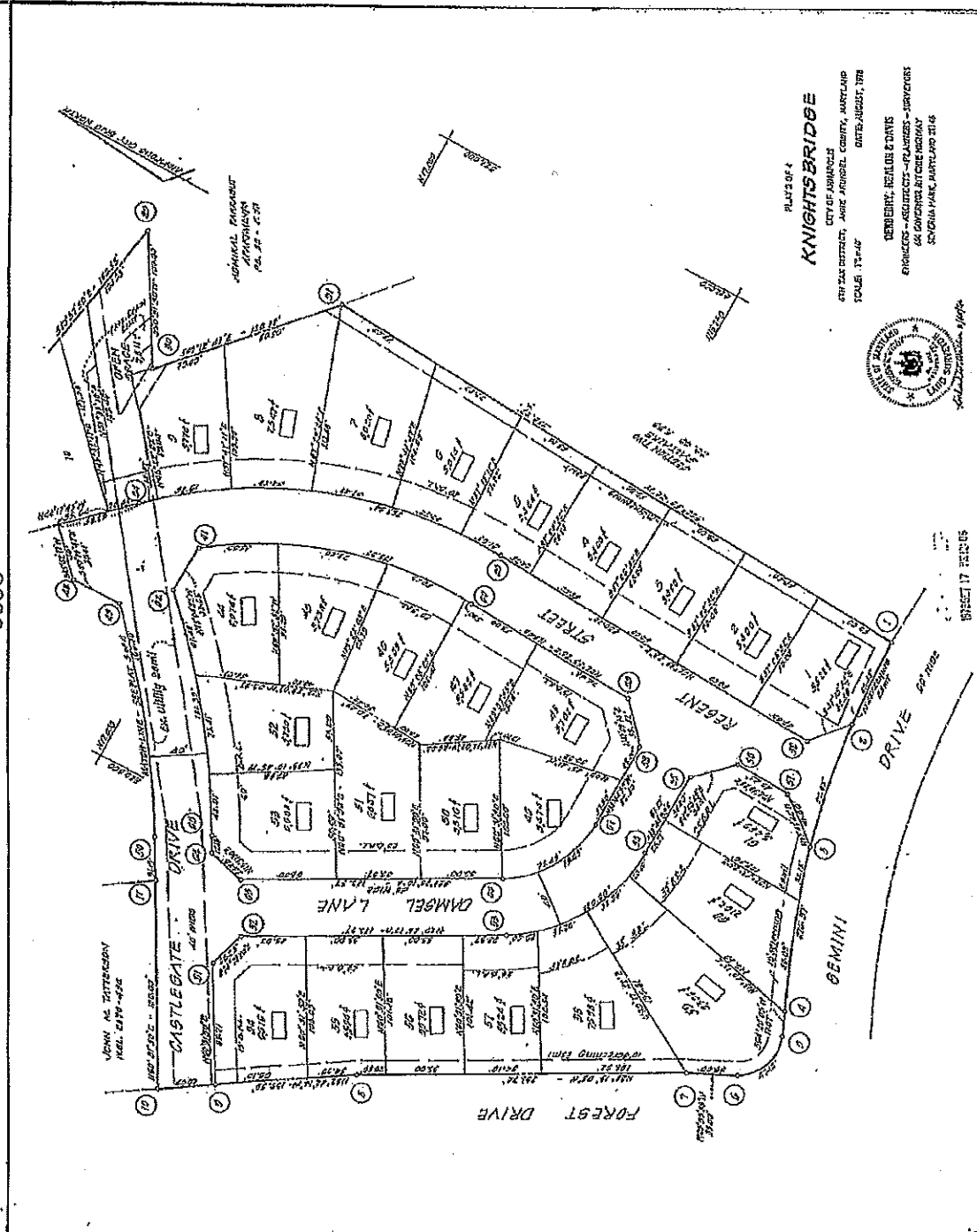
MORGAN, L. B. 11-1-73
 CITY CLERK DATE
 PAID 10/10/73
 PAUL WILSON (FOR TROOP L. GREENE)
 PLANNING AND ZONING DIRECTOR DATE
 BOON, J. H. DATE
 PUBLIC WORKS DIRECTOR

RECEIVED
COUNTY HEALTH DEPARTMENT
JAN 10 1968

County Health Officer

15:20:17 10:22:05

3655



KNIGHTSBRIDGE

PLAN OF

CITY OF ANNAPOLIS
ANNAPOLIS, MARYLAND
DATE: AUGUST, 1964
SCALE: 1"=40'



REBERT, REAUX & DAVIS
ENGINEERS - ARCHITECTS - PLANNERS - SURVEYORS
400 CONGRESS AVENUE, SUITE 100
ANNAPOLIS, MARYLAND 21404

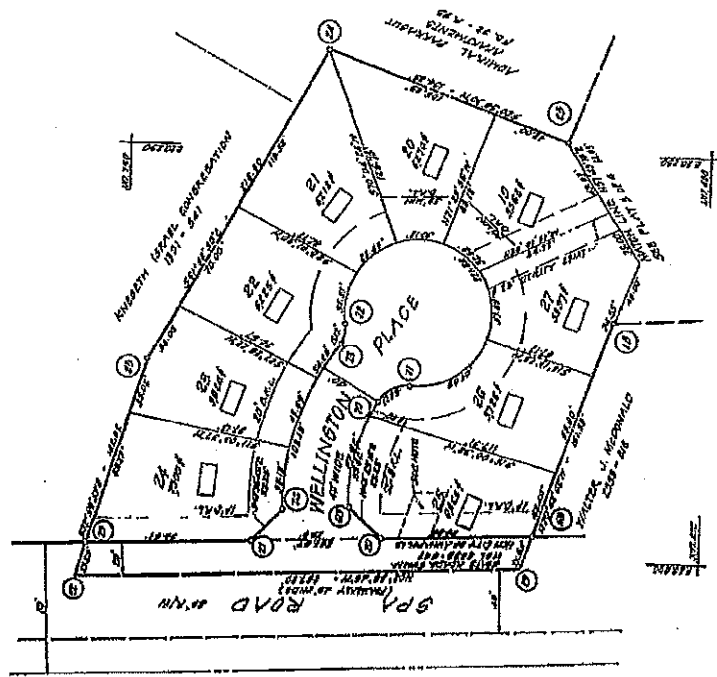
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KNIGHTS BRIDGE

CITY OF INDIANAPOLIS
CITY TAX DISTRICT, ANNE ARUNDEL COUNTY, MARYLAND
DATE: AUGUST, 1976
SCALE: 3" = 40'

**DEBERRY, NEALON & DAVIS
ENGINEERS - ARCHITECTS - PLANNERS - SURVEYORS
450 CONVENTOR RITCHE HERRAY
SEVERNA PARK, MARYLAND 21746**

REC-3656-69 AUG 31 1969



NOTE: PRACTICAL EXAMINANT FOR
CUTTER SUPPLY IS OF
REMARKABLE

PLAT 4 OF 4

KNIGHTSBRIDGE

**SUBJECTS AND
STUDY DESIGN**

6TH TAX DISTRICT, JAMES ARNOLD COUNTY, MARYLAND
SCALE: 1" = 40' DATE: AUGUST, 1971

55215-74-5

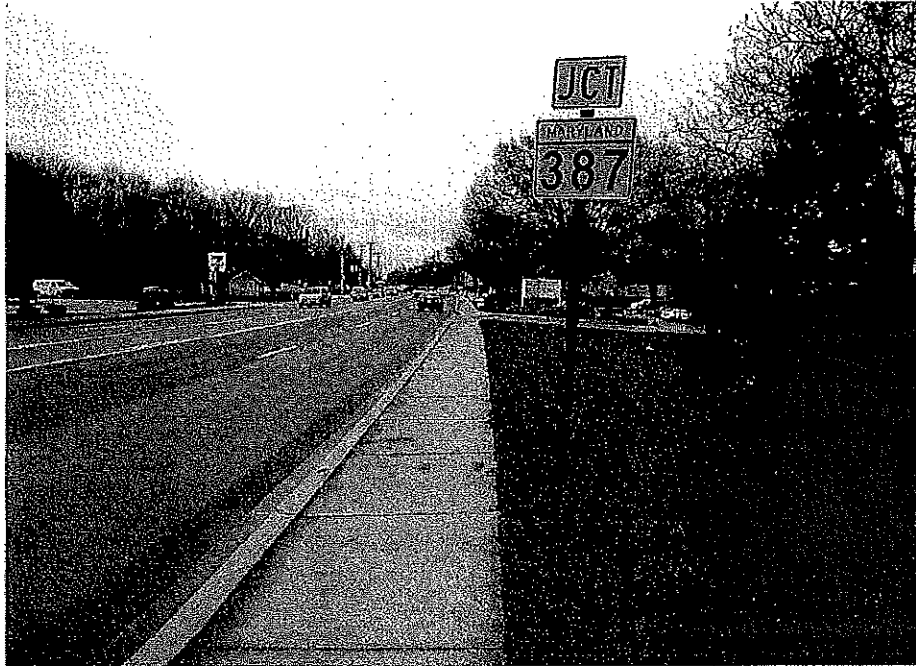
DR. PERRY. REALTOR & CARE

ENGINEERS - ARCHITECTS - PLUMBERS - SURVEYORS
450 GUYENNE RIFTON ROAD
STEVENS PARK, MARYLAND 21146



Wilson, C. A. / October 3, 1973

1572:11 28 05:05



View of Forest Drive at intersection with subject property



View of subject frontage on Castlegate Drive



View of subject property with Lot 54 to the left and Parcel 9 to the right



Additional markings on the subject property



View of subject property looking east