

**APPRAISAL OF
THE PROPERTY OF
ANNAPOLIS REALTY PARTNERS, LLC
KNOWN AS
1701 FOREST DRIVE (4 PARCELS)
ANNAPOLIS, MARYLAND 21401**

Prepared for

Mr. Brian D. Snyder, CPPO
Procurement Officer
City of Annapolis - Central Purchasing
161 Duke of Gloucester Street
Annapolis, MD 21401

Effective Date
June 3, 2018

Appraiser
George L. Peabody, MAI



George L. Peabody, MAI
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July 26, 2018

Mr. Brian D. Snyder, CPPO
Procurement Officer
City of Annapolis - Central Purchasing
161 Duke of Gloucester Street
Annapolis, MD 21401

Re: Appraisal of a 1701 Forest Drive (4
parcels), Annapolis, Maryland 21401
known as the assemblage of 1769,
1813, and 2355/C and also Parcel
2355/B

Dear Mr. Snyder:

In accordance with your request, I have made a complete appraisal of the above-captioned property. The purpose of this appraisal is to estimate the fee simple fair market value of the subject properties, as of the effective date. This appraisal is summary in format and conditioned with regard to the following assumption:

As the purpose of this appraisal is to transfer a "clean" property, no potential environmental contamination or hazardous contamination conditions are assumed. The appraiser was not supplied with, nor made aware of, any environmental studies performed on the property which would indicate or suggest the presence of potentially toxic or otherwise environmentally hazardous contamination on the subject property. The appraiser, who is not trained/skilled for environmental assessment, observed evidence which might provide environmental engineers/investigators with concern that potentially toxic or otherwise environmentally hazardous contamination may have occurred on the subject site. That evidence includes possible dumping on the site. Environmental contamination or the presence of hazardous conditions may significantly affect the value estimated; therefore, this appraisal is contingent on the assumption that the subject property is free from any environmental hazards. If subsequent information is obtained indicating that this assumption is incorrect, then this appraisal and any estimates of value contained herein must be reconsidered.

July 26, 2018

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Mr. Snyder

The effective date of this appraisal is June 3, 2018. The property rights appraised consist of the fee simple estate.

As a result of this appraisal, and subject to the Underlying Assumptions and Contingent Conditions contained herein, it is my opinion that the fee simple fair market value of the Parcels 1769, 1813, and 2355/C assemblage, as of June 3, 2018, was **ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000)**.

As a result of this appraisal, and subject to the Underlying Assumptions and Contingent Conditions contained herein, it is my opinion that the fee simple fair market value of the Parcel 2355/B subject property, as of June 3, 2018, was **TWO HUNDRED THOUSAND DOLLARS (\$200,000)**.

Thank you for this opportunity to have been of service.

Very truly yours,

PEABODY & ASSOCIATES, LLC



George L. Peabody, MAI
Maryland General Certified
Appraiser # 04-2188

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SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

LOCATION: 1701 Forest Drive, Annapolis, Maryland 21401

OWNER OF RECORD: Annapolis Realty Partners, LLC

LAND AREA: assemblage
Parcel 2355/B 2.86 acres (124,582 square feet).
0.73 acres (31,834 square feet)

IMPROVEMENTS: assemblage
Parcel 2355/B Cleared.
Natural vegetation

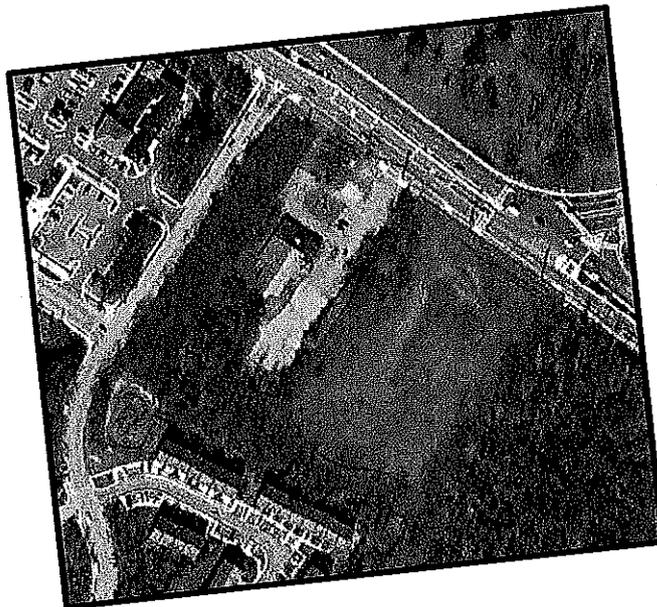
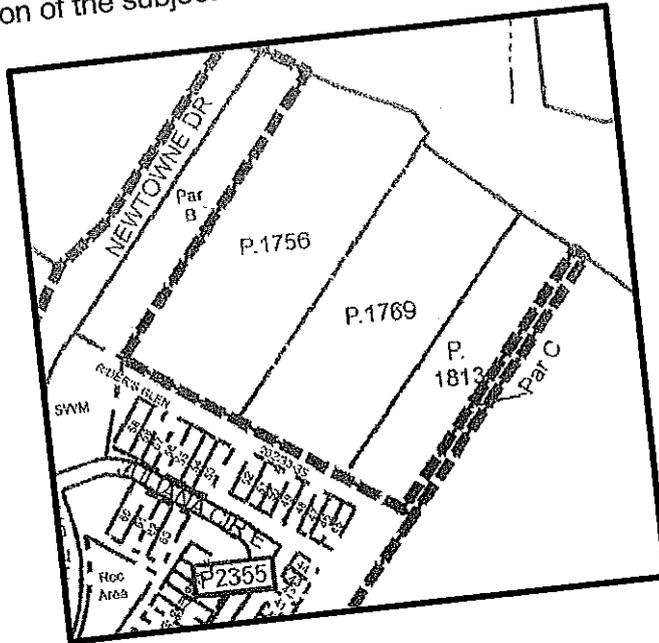
ZONING: Split zoned with Parcels 1813 and 2355 (Lots B and C) zoned R3, General Residence District and Parcel 1769 zoned R2, Single Family Residence District (City of Annapolis)

HIGHEST & BEST USE: assemblage
Parcel 2355/B Eventual rezoning to a commercial use zoning classification for eventual commercial-destination use development as permitted by zoning classification.
Assemblage with the adjoining American Legion property so as to provide the American Legion property both a corner location and an improved access to Forest Drive by way of Skippers Lane to the South Cherry Grove Avenue/Forest Drive intersection.

PROPERTY RIGHTS APPRAISED:	Fee Simple Estate	
ESTIMATED FAIR MARKET VALUE BY THE:	assemblage	2355/B
COST APPROACH:	n/a	n/a
SALES COMPARISON APPROACH:	\$1,700,000	\$200,000
INCOME APPROACH:	n/a	n/a
FINAL FAIR MARKET VALUE:	\$1,700,000	\$200,000
EFFECTIVE DATE:	June 3, 2018	
EXPOSURE TIME:	12 months	
APPRAISER:	George L. Peabody, MAI	

PROPERTY IDENTIFICATION

The subject's street address is 1701 Forest Drive, Annapolis, Maryland 21401. The subject is further identified on Anne Arundel County Tax Map 51E, Grid 1, as Parcels 1769, 1813, and 2355 (as Parcels B and C of the Rider's Glen subdivision). A copy of the relevant portion of the Anne Arundel County tax map and an aerial photograph from the Arundel County Department of Public Works Utilities and Monuments web site showing the approximate location of the subject follows:



PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the fee simple fair market value of the subject property, as of the effective date.

FUNCTION AND INTENDED USE OF THE APPRAISAL

It is understood that the appraisal will be used by the client, City of Annapolis, in the course of its negotiations to acquire the property, possibly as a land swap.

SCOPE OF APPRAISAL (EXTENT OF DATA COLLECTION PROCESS)

The scope of this appraisal included an inspection of the site. The inspection, deed, assessment data, and available planning data were reviewed. Factual data including the zoning of the property, assessment information and the availability of public utilities was obtained from the appropriate government sources and various City of Annapolis officials. Interviewed officials with the City of Annapolis include Mr. Tom Smith Chief of Current Planning, Department of Planning & Zoning, Betsey McKeown, Public Works, and Brian Snyder, Procurement Officer, Central Purchasing.

Various publications, both governmental (i.e. zoning ordinances) and private (i.e. MRIS and CoStar Group) were consulted and considered in the course of completing this appraisal. Sources knowledgeable in the local real estate market were interviewed to project probable trends regarding residential, institutional, and commercial properties. In addition, private publications (investment and real estate trade journals) were consulted as supplemental sources in providing information on general market perspectives and trends.

The fair market value of the subject property shall be estimated by the sales comparison approach. The income approach and cost approach are not applicable.

Finally, an exposure time is estimated for the subject property.

DEFINITION OF FAIR MARKET VALUE FOR CONDEMNATION ACTIONS
(Annotated Code of Maryland, Real Property Section, Article 12-105)

"The fair market value of property in a condemnation proceeding is the price as of the valuation date for which the highest and best use of the property which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay, excluding any increment in value proximately caused by the public project for which the property condemned is needed. In addition, fair market value includes any amount by which the price reflects a diminution in value occurring between the effective date of legislative authority for the acquisition of the property and the date of actual taking if the trier of facts finds that the diminution in value was proximately caused by the public project for which the property condemned is needed, or by announcements or acts of the plaintiff or its officials concerning the public project, and was beyond the reasonable control of the property owner."

PROPERTY RIGHTS APPRAISED

The property rights appraised consist of the fee simple estate.

Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat". (The Dictionary of Real Estate Appraisal, Fifth edition, 2010, page 78)

DATE OF INSPECTION AND EFFECTIVE DATE OF APPRAISAL

Mr. Tom Baum, potential contract purchaser, reported that a representative of the property owner, Mr. Tim Hogan, authorized the appraiser to inspect the property unaccompanied. The subject property was inspected and photographed on June 3, 2018, and this shall be the effective date of the appraisal.

NEIGHBORHOOD DESCRIPTION

The subject property is located in the Forest Drive corridor area within the City of Annapolis.

City History

Annapolis was incorporated as a city in 1694 and was a major colonial port serving central Maryland for importing and exporting goods. During this time, Annapolis became the capital of the province which furthered its importance to the colonies. The Treaty of Paris, ending the Revolutionary War, was ratified in Annapolis. For a short period, the City served as the capital of the United States. Annapolis has continued its importance in government by being the state capital and the seat of government for Anne Arundel County.

During the nineteenth century, newer travel routes and the development of freight railroads made Baltimore, located 24 miles to the north, the major commercial center in the region. As a result, Annapolis remained a small city. Being the state capital and the seat of Anne Arundel County, government was the mainstay of its economic base.

The city is home to St. John's College and The United States Naval Academy. St. John's College is a private liberal arts college known for its distinctive curriculum centered on reading and discussing the Great Books of Western Civilization. It was opened in the year 1789 as the successor of King William's School, which was established by an act of the Maryland assembly in the year 1696 and was started in 1701. The U.S. Naval Academy was established in 1845 in Annapolis and its mission of training future U.S. naval officers ever since has made Annapolis a well-known city throughout the United States. While well-known because of the Naval Academy, Annapolis is much more than simply its home. Today Annapolis is known as the "Sailing Capital of the World" due to the strong recreational boating industry in and around Annapolis. Annapolis is both a historical city as well as a living city of today.

Transportation

A good quality regional roadway network serves Annapolis. This network includes U.S. Route 50/301 (which passes just to the northwest of the City and has been upgraded to interstate status), I-97, and Maryland Route 2. U.S. Route 50/301 leads west to Washington, D.C. (24 miles from Annapolis) and east to the Chesapeake Bay Bridge and the eastern shore. Maryland Route 2 leads north to Baltimore and south to southern Maryland. I-97 leads to the BWI Airport and the BWI/Odenton Amtrak Station and the Baltimore Beltway.

Major arterial roadways serving the city itself include Rowe Boulevard (a four-lane roadway which leads from U.S. Route 50/301 to the central/historic district of the city); Aris T. Allen Boulevard/Forest Drive (which roughly parallels the city's southwesterly boundary and is the primary access to the easterly parts of the Annapolis Neck peninsula), and West Street (which runs westerly from the central/historic district to the Parole area).

U.S. Route 50/301 has interchanges in Parole and at Rowe Boulevard which 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 traffic "bottle necks" in the Parole area and serves the residential areas of southeastern Annapolis Neck peninsula.

Mass transit service is available within the City and its outskirts by bus service provided and partially financed by the local City government. There is a State of Maryland commuter bus service/shuttle managed by the Maryland Transportation Authority (MTA), connecting Annapolis with the Baltimore, New Carrollton and Washington Metro train stations. This provides a much needed publicly funded commuter link between the cities of Baltimore, Annapolis and Washington. There is no rail service to the Annapolis area.

Demographics

Population growth within the City of Annapolis in the 1990's had been very moderate. However, with annexations, new development, and in-fill development, population has increased through much of the 2000's. This City trend is matched on the Anne Arundel County land areas surrounding the City of Annapolis where there has also been significant new residential and neighborhood commercial development.

The most recent population estimates published by the Government of the City of Annapolis places the 2010 population at 38,394, a 7.1% increase over the 2000 census, and a 14.2% increase over the 1990 census population. The 2014 population is estimated to be 38,856, the 2015 population at 39,474, and the 2016 population at 39,418. Annapolis is approximately 7% of Anne Arundel County's population. The greater Annapolis Neck area has approximately 70,000 people. The total number of households in the City was 14,061 in 1990, 15,303 in 2000, 16,133 in 2010, and 17,592 in 2016.

Income

The median household income for the City of Annapolis was \$45,374 in 1990, \$67,080 in 2000, \$70,229 in 2010, \$70,689 in 2012, \$72,214 in 2015, and \$74,187 in 2016.

City Physical Features

Annapolis is situated in the east/central portion of Anne Arundel County; near the confluence of the Severn River and Chesapeake Bay. The city is irregularly shaped by water frontage on the Severn River and several tributary creeks. The city is roughly bound on the north by Weems Creek and U.S. Route 50/301, to the east by the Severn River and the Chesapeake Bay, to the south by Forest Drive (some recently annexed portions of the City are on the southerly side Forest Drive) and the residential areas of Annapolis Neck (a peninsula created by the Severn and South Rivers) and, finally, to the west by the commercial district of Parole and Maryland Route 2. Including the recent annexations, the City totals 7.2 (±) square miles, including approximately 370 acres for the U.S. Naval Academy.

The City's topography extends from sea level in the east to just over 100 feet in the southwest. The City is typically characterized by level or near level land (with elevations between 25 to 40 feet above sea level). A dominant natural feature is its waterways which provide a total shoreline length of over 17 miles, more than two miles of shoreline for each square mile of area.

City Employment and Industry

While the greater Annapolis area is considered somewhat of a "bedroom" community for the Washington and Baltimore metropolitan areas, the City of Annapolis continues to be the primary employment center. In 1990, the jobs in the City of Annapolis totaled 32,121, were 33,121 in 2000 and according to the City of Annapolis Government website, the 2009 projection of jobs in the city is 34,060, and bestplaces.net estimates the 2016 population to be 39,474. According to the most recent City of Annapolis data, the 2010 unemployment rate was 6.4%, up from 5.9% in 2009 and 3.7% in 2008. bestplaces.net estimates the 2016 City of Annapolis unemployment at 4.0%, down from 4.5% in 2014 and down from 6.3% in 2011.

In terms of real estate and square footage, the city's website breaks down total square footage in the City of Annapolis as 513,496 square feet in the industrial sector, 1,407,328 square feet in the flex space sector, and 4,443,365 square feet in the office sector.

Recently Completed Projects In and Adjacent to the City of Annapolis

Over the last decade the following new development re-development has occurred in and around Annapolis.

Construction was completed on Phase 1 of Park Place; a major redevelopment of an 11 (±) acre site at Westgate Circle which includes an upscale 225 room Westin hotel, 250,000 square feet of offices, 60,000 square feet of retail, 208 luxury condominiums, and 1,056 space parking garage. Phase 2 is a performing arts center. In 2009, 100,000 square feet of office space was purchased (as well as the adjoining vacant land tract as a land holding for future development) by a plumber's union for a corporate headquarters.

In 2013, in the central block of West Street, the Uptown at Murray Hill residential development featuring a total of 30 dwellings (mostly townhouses with several and single-family-detached dwellings) was completed. These dwelling experienced a very rapid sellout. Prices range from \$450,000 to \$550,000 for townhouse units and \$700,000 to over \$875,000 for single-family-detached dwellings.

The Knighton Garage is a five level, 270 space parking garage in the inner West Street area.

1901 West Street is a 300 unit apartment project on outer West Street opened for initial occupancies in 2007 and is currently at 90-95% occupancy.

Acton's Landing (a 79 unit condominium, townhouse, and single-family-detached subdivision with a parking garage) is on the old Annapolis Hospital site in the Historic District.

Annapolis Towne Center at Parole is a mixed use development, located on 35 acres at the intersection of Maryland Route 2, Forest Drive and Riva Road planned to include 675,000 square feet of retail/dining/entertainment space, 115,000 square feet of office space, 900 condos and apartments, and a 200+ room hotel. The project is anchored by a 170,000-square-foot Target and a 70,000 sq. ft. Whole Foods Market that will serve as an east coast flagship for the organic grocer and is said to be the second-largest Whole Foods in the country. Restaurant tenants include Brio Tuscan Grille, The Chop House, Gordon Biersch, PF Chang's, Cooper's Hawk, and Paladar. Other significant retail tenants include Bed Bath & Beyond, Smyth, Talbot's, 24 Hour Fitness, and Brooks Brothers. In 2013, construction was completed on a 225 unit apartment building. In 2014 construction was completed on a strip retail expansion. In 2018, construction is expected to be completed on a 26,400 square foot retail/office mixed-use building.

The ongoing development and expansion of Anne Arundel Medical Center; which is located on the Medical Park campus just off Jennifer Road, east of the Annapolis Mall, easily accessed from U.S. Route 50/301, Bestgate Road, Jennifer Road and Maryland Route 2. AAMC is the third largest private sector employer in Anne Arundel County, with a workforce of more than 3,500 full and part time employees (of which nearly 900 members are medical staff). The Medical Park campus includes a 330,000 square foot, six-story, 316-bed, Acute Care Pavilion which opened in 2001. The ACP joins the Clatanoff Pavilion, which is home to the AAMC Women's and Children's Center and Wound Center; the Edwards Outpatient Surgery Pavilion; the Donner Pavilion, site of the AAMC DeCesaris Cancer Institute; and the Wayson Pavilion, a medical office building. The six-story 150,000 square foot Sajak Pavilion supports the AAMC Breast Center, Anne Arundel Diagnostics and private physicians' offices. The most recently completed building in 2011 was the Community Health Center. The campus is supported by 4 parking garages. A 20 bed psychiatric ward was proposed in 2015.

A joint venture was formed between BGE and Anne Arundel Medical Center to develop a 28 (±) acre portion of the hospital's land on the south side of Jennifer Road. The site is to be developed as Annapolis Exchange that will eventually include a 250-room hotel and office buildings when all phases are complete. The first phase, a five story 120,000 square foot office building, has been completed and is fully leased. Development has stalled on the second phase.

MIE completed the 28 acre Annapolis Technology Park on Riva Road in Parole. The development is a mixture of flex office space, restaurants, retail, townhomes, free standing drug store, bank branch, and a hotel. The 154,000 commercial sq.ft. business park includes two multi-tenant retail buildings; four flex buildings, a CVS drug store; and a 124 room Hilton Garden Inn hotel.

In 2014, MIE began constructing a 227,000 square foot business park on the western side of Riva Road, south of Harry S. Truman Parkway.

The James mid-rise apartment project of 237 units is located in the northern corner of the Admiral Cochrane Drive and Solomons Island Road intersection. This property had long been proposed for a large office building development. Completion occurred in early 2017.

The Tapestry Annapolis high-rise apartment project of 293 units is located in the southwestern quadrant of the Solomons Island Road and U.S. Route 50/301 interchange. This property had long been proposed for a large office building development. Completion is anticipated in 2017.

The Admirals Square development of 56 townhouse and 40 back-to-back units is located mid-block Admiral Cochrane Drive in the Annapolis Science Center business park. This property had long been proposed for a large office building development. Completion is anticipated in 2017.

K.Hovanian Homes is constructing the 36 lot Enclave on Spa townhouse subdivision, on Spa Road between Hilltop Lane to the south and West Street to the north. Initial unit sales will begin in 2017.

At Old Solomons Island Road, in Parole, development has begun in 2017 for the Annapolis Townes at Neal Farm project consisting of 54 townhouse lots.

Planned Major Projects

The Village at Crystal Spring planned community planned for the southern side of the Forest Drive and Spa Road intersection had become stuck in a lengthy and politicized approval process. The lead developer, National Lutheran Communities & Services, now intends to pursue only the continuing care retirement community component of the mixed-use standard residential, retail and commercial project that had been originally proposed. The community will be called The Village at Providence Point and is projected to have 382 age-restricted units and 48 health care units.

The Parkeside Preserve in Annapolis project of 152 townhouse and single-family-detached dwellings is located between Forest Drive and Quiet Waters Park. This project is anticipated to break ground in late 2017. Recently, the City of Annapolis announced it will acquire 22 of the lots to preserve a portion of the site.

Water Orientation

It is also important to describe the waterways (Back Creek and Spa Creek which are tributaries of the Severn River in the vicinity of Annapolis Harbor and at its confluence with the Chesapeake Bay) which define the subject neighborhood. According to the Anne Arundel County Boating and Marina Study, published in August of 1980 by the Anne County Office of Planning and Zoning, the Severn River has a watershed area of 69.62 square miles and includes 11 main creeks. The river is used extensively for recreation and shellfish harvesting. There are approximately 76 commercial and community marinas (the majority of which are not commercial in nature) with an estimated 2,000 slips on the Severn River and its tidal tributaries (exclusive of College, Spa, and Back Creeks). Within the Annapolis Harbour there are an estimated 30 marinas within what is known as the Annapolis Harbor area and which would include Spa and Back Creeks. Of these marinas, approximately 7 are private yacht clubs (no accurate slip counts are available). The remaining estimated 23 marinas are all of a commercial nature and support over 1,700 "wet" slips.

Over recent years, Anne Arundel County and the City of Annapolis have demonstrated growing concerns regarding marina siting requirements relative to environmental concerns; such as shellfish beds and headwater areas. Design factors of new marinas are evaluated as to their anticipated effects upon the environment of the site and adjacent area in order to maintain water quality standards and minimize impacts from marina construction. This was reflected in the County's 1979 and 1988 county marina zoning repeals and changes as well as the City's 1987 marina related zoning repeals and changes. Additionally, the enactment of various segments of the Chesapeake Bay Critical Areas Law in 1984, 1986, and 1988 affecting properties within 1,000 feet of the shoreline of the Chesapeake Bay or its tidal tributaries, has placed further restrictions on land use and development potential of affected properties such as the subject. It is apparent that the construction of new marinas will be scrutinized carefully by the appropriate regulatory offices for both Anne Arundel County and Annapolis City. During the intervening years since enacting of these regulatory initiatives, development approvals of a number of marine use facilities has been denied and many expansion plans have been denied and/or significantly reduced in scope. Consequently, with increasing demand for slips by the boating public and a stable supply of available slips, the value of existing maritime facilities in the marketplace has been enhanced. However, the dramatic waterfront residential housing price increases has placed a premium on potential waterfront residential lots relative to commercial maritime land.

Maritime properties located on the creeks and inlets of the Annapolis area benefit from their excellent location. For recreational boaters, the Annapolis area is a protected location with direct access to Annapolis Harbor and the Chesapeake Bay, one of the most intensely used recreational boating areas in North America. In terms of land access, the Annapolis area is within an estimated 30 minute driving time of an estimated 600,000 (±) people. Additionally, the City of Annapolis, the Annapolis City Dock (home of the U.S. Sailboat and Power Boat Shows), provides the Annapolis area maritime uses excellent exposure. Additionally, Annapolis Harbour is a very popular destination location for day and overnight boating travelers; thus, Annapolis Harbor marinas have an excellent volume of traffic to which marine related services can be offered.

City Conclusion

Although small in total area, Annapolis is a city with major importance to the region. It has experienced dramatic increases in employment during the past decade and is now a well-established hub of government and institutions. Tourism and the boating industry have also generated considerable growth in retail sales businesses. Until ten years ago, total employment within the City exceeded actual population.

Annapolis, having extensive waterfront exposure and an appealing lifestyle, continues to attract increasingly affluent residents; many of whom commute to high-income jobs in the Washington, D.C. and Baltimore metropolitan areas.

With limited undeveloped land area, population gains (outside of annexations) have been very modest; however, 3 major re-development projects, Acton Landing (condominiums, townhouses and single-family-detached units), 1901 West Street (300 apartments and a small commercial component), and Park Place (condominium) have provide some population growth. During the past several years, a number of properties on the south side of Forest Drive have been annexed into Annapolis and added residents and assessable base to the municipality. Additionally, a number of infill small subdivision properties are now being initiated and developed; several of which feature live-work structures.

For many of the same reasons, coupled with the availability of undeveloped land, the population and economy of Anne Arundel County around Annapolis has continued to grow more rapidly than the City. Over the last several years, many City of Annapolis properties have begun to be re-developed to more intensive uses. The residential and employment growth which Annapolis has experienced is expected to continue into the foreseeable future; thus, causing a further need for residential units and ancillary commercial uses.

Considering Annapolis' favorable location in terms of intensity of boating use and easy access to the Washington D.C. and Baltimore metro areas, as well as the changes in marina zoning and the impact of the Chesapeake Bay Critical Areas legislation, the long term outlook for the maritime uses also appears good in terms of future value enhancement.

Retail has consistently performed well. The office market has experienced significant expansion and rental rates have been relatively stable. Residential growth has been steady. An improving regional and local economy will benefit secondary markets and assets. The Annapolis area commercial markets have benefited from regional job growth with stable occupancies and price increases for owner-occupant commercial uses. Because of these factors, the long term outlook for the Annapolis area is strong. The timing of appreciation will be paced by the overall economy and enhanced by the pace of neighborhood development.

PROPERTY DESCRIPTION

Description of the Subject Lots/Site

Location: The subject's street address is 1701 Forest Drive, Annapolis, Maryland 21401. The subject is further identified on Anne Arundel County Tax Map 51E, Grid 1, as Parcels 1769, 1813, and 2355 (as Parcels B and C of the Rider's Glen subdivision). A copy of the Rider's Glen subdivision plat is appended.

Parcel 2355 Lot B is located in the southern corner of the Forest Drive and Newtowne Drive intersection.

The Parcel 1769, Parcel 1813, and Parcel 2355 (Parcel C) assemblage is located on the southwestern side of the Forest Drive and Hilltop Lane "T" intersection.

Size/Shape: Per the assessment records; Parcel 2355 (Parcel B) is 0.73 acres, Parcel 1813 is 0.94 acres, Parcel 1769 is 1.77 acres, and Parcel 2355 (Parcel C) is 0.15 acres.

According to the Rider's Glen subdivision plat; Parcel 2355 (Parcel B) is 0.73 acres (31,834 square feet) and Parcel 2355 (Parcel C) is 0.15 acres (6,576 square feet).

The Parcel 1769, Parcel 1813, and Parcel 2355 (Parcel C) assemblage totals 2.86 acres. (Note that the listing states 2.73 acres.)

This appraisal will use 2.86 acres (124,582 square feet) for the assemblage of Parcels 1769, 1813, and 2355/C

This appraisal will use 0.73 acres (31,799 square feet) for Parcel 2355/B.

Frontage: The assemblage fronts 280 (±) feet on Forest Drive. Parcel 2355/B fronts 67 (±) feet on Forest Drive and 478 (±) feet on Newtown Drive.

In the vicinity of the subject, Forest Drive is a 7-lane (including two turning lanes), 84-foot-wide, closed-section, median-divided, sidewalked, macadam-surfaced, State-maintained roadway in a variable-width right-of-way.

In the vicinity of the subject, Newtown Drive is a 2-lane, 36-foot-wide, closed-section, half-sidewalked, macadam-surfaced, City-maintained roadway in a 50-foot right-of-way.

CoStar Group reports an MPSI estimate for the 2016 average daily vehicle count on Forest Drive in the vicinity of the subject at 36,241 vehicles.

The subject's mid-block location on median-divided Forest Drive limits access to only right-turn-in and right-turn-out. Furthermore, given the types and locations of cross overs on Forest Drive, U-turns providing access to the subject are inconvenient and circuitous, thus negatively impacting the subject's location. Consequently, convenient use of the subject is favorable only for continuing eastern bound traffic. Destination use of either western or eastern bound traffic will require one inconvenient U-turn. Continuing western bound traffic will require two inconvenient U-turns.

The Forest Drive and Newtown Drive intersection is right-turn-in and right-turn-out from Newtown Drive onto Forest Drive.

Access: The assemblage has right-turn-in and right-turn-out on to Forest Drive and currently has two curb cuts. Parcel 2355/B would likely be denied a curb cut on to Forest Drive and could only derive access to/from Newtown Drive.

100 Year Flood Hazard Area: Per the Flood Insurance Rate Map for Anne Arundel County numbered 24003C0234F with an effective date of February 18, 2015, the subject is not in the 100 year flood hazard area as determined by the Federal Emergency Management Agency (FEMA).

Topography: The assemblage property is generally level and slightly below Forest Drive grade with a storm water management swale adjacent to fee simple. The Parcel 2355/B property is at road grade.

Vegetation: The assemblage is cleared with some perimeter natural vegetation. Parcel 2355/B has natural vegetation.

Immediate Neighborhood: The immediate neighborhood of the assemblage subject is residential, institutional, and commercial in character. Located to the southeast, is undeveloped R3 zoned land proposed for a large assisted living residentially dominant mixed-use project that is currently seeking development approval. Located to the southwest is the Rider's Glen townhouse subdivision. Located to the northwest is an American Legion Hall. Located to the northeast, across Forest Drive/Hilltop Lane "T" intersection, is the Heritage Baptist church property.

The immediate neighborhood of the Parcel 2355/B subject is residential, institutional, and commercial in character. Located to the southeast, is an American Legion Hall. Located to the southwest is the Rider's Glen townhouse subdivision. Located to the northwest, across Newtown Drive, is the commercial component of the Village Greens of Annapolis mixed-use complex. Located to the northeast, across Forest Drive, is the Heritage Baptist church property.

Environmental Conditions: As the purpose of this appraisal is to transfer a "clean" property, no potential environmental contamination or hazardous contamination conditions are assumed. The appraiser was not supplied with, nor made aware of, any environmental studies performed on the property which would indicate or suggest the presence of potentially toxic or otherwise environmentally hazardous contamination on the subject property. The appraiser, who is not trained/skilled for environmental assessment, observed evidence which might provide environmental engineers/investigators with concern that potentially toxic or otherwise environmentally hazardous contamination may have occurred on the subject site. That evidence includes possible dumping on the site. Environmental contamination or the presence of hazardous conditions may significantly affect the value estimated; therefore, this appraisal is contingent on the assumption that the subject property is free from any environmental hazards. If subsequent information is obtained indicating that this assumption is incorrect, then this appraisal and any estimates of value contained herein must be reconsidered.

Description of the Improvements

Building: None.

Site Improvements: None.

FF&E

The purpose of this analysis is to estimate the market value of the real estate. Therefore, no consideration or analysis is made of the FF&E.

TITLE DATA

Title

Per the assessment records, title to the subject Parcel 2355 (Parcel B and Parcel C) was last conveyed from Newtowne Twenty, Inc. to Annapolis Realty Partners, LLC by deed dated 2/24/2017 and recorded among the Land Records of Anne Arundel County in Liber 30694 folio 466. The sales price is indicated to be \$20,000.

The assessment records indicate no other transactions within the past 3 years.

Per the assessment records, title to the subject Parcel 1769 and Parcel 1813 was last conveyed from Hogan Realty Capital, LLC to Annapolis Realty Partners, LLC by deed dated 4/21/2016 and recorded among the Land Records of Anne Arundel County in Liber 29592 folio 001. The sales price is indicated to be \$0.00.

The assessment records indicate no other transactions within the past 3 years.

Easements and Restrictions

Parcel 235 (Parcel C) is encumbered by a 15 foot utility easement benefiting the New Towne development located to the southwest of the Parcel C.

The appraiser knows of no other unusual easements or restrictions. The property is likely encumbered by typical easements for installation of public utilities. These easements are typical of residential properties and are not considered to adversely affect the value or utility of the subject site.

Listing for Sale Agreements/Contracts of Sale

The property has been listed by The Hogan Companies for approximately 11 months at a price of \$2,500,000.

The appraiser is unaware of any contract for sale which might encumber the subject property. Though Bozzuto Homes, Inc. is reportedly in negotiations to acquire the property.

Listing for Lease/Lease Agreements

The appraiser is unaware of any listing for lease or lease which might encumber the subject property.

ASSESSMENTS AND TAXES

All tax assessments are levied by the state Department of Assessments and Taxation; and tax rates are set by the individual jurisdictions. Assessments are based on full cash value and all properties are reassessed once every three years. The current real property tax rate for the **City of Annapolis** beginning July 1, 2017 and ending June 30, 2018, is 0.6449 per \$100.00 of assessed valuation (City), is \$0.544 per \$100.00 of assessed valuation (county), and \$0.112 per \$100.00 of assessed valuation (State), for a total tax rate of \$1.3009 per \$100.00 of assessed value.

The State Department of Assessments and Taxation has estimated the subject's full cash value for the 2017-18 fiscal year as follows:

Account Number: 6-702-90099221
Parcel 2355 (Parcel B)

Land:	\$	7,300
Improvements:	\$	0
Total:	\$	7,300
2017-18 Phase-in:	\$	95
2017-18 Base Tax:	\$	

Account Number: 6-702-90099221
Parcel 2355 (Parcel C)

Land:	\$	1,500
Improvements:	\$	0
Total:	\$	1,500
2017-18 Phase-in:	\$	20
2017-18 Base Tax:	\$	

Account Number: 6-000-90102218
Parcel 1769

Land:	\$	237,700
Improvements:	\$	0
Total:	\$	237,700
2017-18 Phase-in:	\$	87,700
2017-18 Base Tax:	\$	1,140

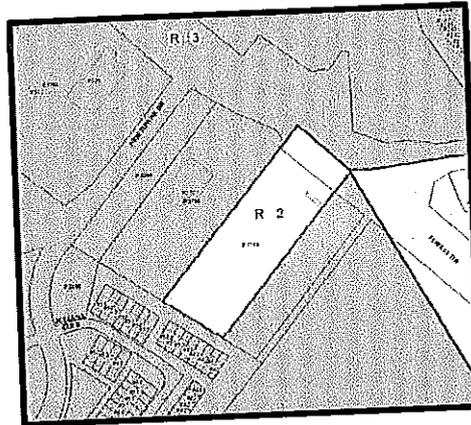
Account Number: 6-000-06316800
Parcel 1813

Land:	\$	229,400
Improvements:	\$	0
Total:	\$	229,400
2017-18 Phase-in:	\$	79,400
2017-18 Base Tax:	\$	1,033

ZONING

According to the City of Annapolis, the subject is split zoned, with Parcels 1813 and 2355 (Lots B and C only) zoned R3, General Residence District and Parcel 1769 is zoned R2, Single Family Residence District.

Note that Parcel 1769 is surrounded by the R3 zoning classification.



R3, General Residence District

The R3 General Residence district provides for single-family and two-family detached dwellings at up to eight dwelling units per acre and other uses compatible with these neighborhoods of the City including single-family attached and multi-family dwelling units.

Permitted uses include: single-family detached and two-family dwellings; public schools and colleges; museums and art galleries, including historic buildings and shrines for patriotic, cultural and educational purposes; religious institutions, including churches, chapels, mosques, temples, and synagogues.

Permitted use subject to standards include: planned developments, residential and special mixed and temporary uses.

Special Exception uses include: private colleges; day care centers, including day care centers accessory to a principal religious institution; driveways, walkways, parking or access for uses located in an adjacent nonresidential district; single-family attached dwellings; government and government-related structures, facilities, and uses; hospitals and sanitariums; institutions for the care or treatment of alcoholics, drug addicts and the mentally ill; noncommercial recreational and social clubs; rest homes and nursing homes; and private elementary, middle, high, and vocational schools.

Special Exception uses subject to standards include: inns; institutions for the care of the aged; philanthropic and charitable institutions, civic nonprofit organizations, and social and fraternal organizations.

Accessory uses include accessory buildings and uses, including signs; garages and carports; private (noncommercial) greenhouses and conservatories; tool houses, sheds, and other similar buildings for the storage of domestic supplies and equipment. Accessory uses subject to standards include antennas and amateur radio stations; family daycares; group day care centers, in conjunction with public school facilities; home occupations; private mooring slips or docks; and telecommunications facilities.

Yard requirements for single-family attached residential usages in an R3 district are: 20 foot front yard (plus one foot for each three feet by which the building width exceeds 40 feet); 15 foot corner side yard (buildings 50 feet or more in width as projected upon the front lot line, shall have corner side yards not less than 25% of the building width or 30% of the building height, whichever is greater), 30 foot rear yard; 3,600 sq. ft. minimum lot size; minimum lot width of 16 feet, and 3.5 stories not to exceed 35 feet. Floor-Area Ratio may not exceed 1.2.

R2, Single Family Residence District

The R2 Single-Family Residence district provides for single-family detached dwellings at up to eight dwelling units per acre and other uses compatible with these single-family neighborhoods of the City.

Permitted uses include: cemeteries; single-family detached dwellings; public schools and colleges; museums and art galleries, including historic buildings and shrines for patriotic, cultural and educational purposes; religious institutions, including churches, chapels, mosques, temples, and synagogues.

Permitted use subject to standards include: planned developments, residential and special mixed and temporary uses.

Special Exception uses include: private colleges; day care centers, including day care centers accessory to a principal religious institution; driveways, walkways, parking or access for uses located in an adjacent nonresidential district; government and government-related structures, facilities, and uses; hospitals and sanitariums; institutions for the care or treatment of alcoholics, drug addicts and the mentally ill; noncommercial recreational and social clubs; rest homes and nursing homes; and private elementary, middle, high, and vocational schools.

Special Exception uses subject to standards include: inns; institutions for the care of the aged; philanthropic and charitable institutions, civic nonprofit organizations, and social and fraternal organizations.

Accessory uses include accessory buildings and uses, including signs; garages and carports; private (noncommercial) greenhouses and conservatories; tool houses, sheds, and other similar buildings for the storage of domestic supplies and equipment.

Accessory uses subject to standards include antennas and amateur radio stations; family daycares; group day care centers, in conjunction with public school facilities; home occupations; private mooring slips or docks; and telecommunications facilities.

Yard requirements for residential usages in an R2 district are: 25 foot front yard; 6 foot interior side yard, 15 foot corner side yard, 30 foot rear yard; 5,400 sq. ft. minimum lot size; minimum lot width of 50 feet, and 2.5 stories not to exceed 35 feet. Floor-Area Ratio may not exceed 0.4.

New construction including new buildings, enlargements to building size or bulk, or structural alterations to existing structures which have an impact upon the street facade are subject to review by the Department of Planning and Zoning.

MPDU - Moderately Priced Dwelling Units

To ensure that housing choices continue to be available to its residents and employees with moderate incomes, the City Council passed the Moderately Priced Dwelling Unit (MPDU) Law in 2004. This law requires developments of 10 units or more to provide 12% of for-sale housing and 6% of rentals to be set aside as moderately priced. This means that the sale price or rent is below the market rate for other units in the same development

For Sale MPDUs: To ensure that the MPDUs serve eligible households and are affordable to future owners, restrictions are placed on for-sale MPDUs. The MPDU must be owner occupied. The resale price of the MPDU is controlled for 10 years. The unit may be sold during the occupancy period; however, its resale price is restricted and the unit must be sold to another MPDU-eligible household.

Rental MPDUs: A rental MPDU must be occupied by the MPDU certificate holder. The MPDU's rent is controlled by the City for 20 years. If an MPDU renter desires to terminate their lease during this period, they unit must be rented to another MPDU-eligible person. The renter must remain income eligible during the occupancy period. MPDU renters will be monitored annually to determine if they meet the income guidelines for the program.

Projects with an MPDU component receive a **Density Bonus**. The density bonus for for-sale housing is fifteen percent above the maximum amount permitted in a zone. The density bonus for rental housing is ten percent above the maximum amount permitted in a zone.

To be an eligible to acquire/rent an MPDU for the program, an individual or household must have an income that is 100% or less than the family median income for the Baltimore Metropolitan Statistical Area (MSA), with adjustments for household size, as reported by the United States Department of Housing and Urban Development (HUD) and hold a valid "Certificate of Eligibility" that entitles the person or household to buy or rent an MPDU.

To be eligible for the MPDU Program, you must complete an MPDU Program application for a Certificate of Eligibility. City staff will review your application and supporting documentation to determine if you meet all the qualifications. Qualifications include:

Not currently own a home.

Be a City resident within the corporate limits (please refer to City limits map); or

A City of Annapolis employee beyond their probationary period; or

Employed within the City limits for at least the past twelve months; or

Be a full time teacher in an elementary, middle or high school within the City limits;

or a teacher or staff member in a school that is included in the Annapolis Senior High School district as defined by the Anne Arundel County Public Schools.

Residential Planned Development

A Planned Development must be a permitted use under the base zoning classification.

Permitted uses in the Residential Planned Development are those allowed as permitted uses, uses subject to standards or special exception uses in any residential district except those uses specifically prohibited. Also up to ten percent of the ground area or gross floor area of a residential planned development may consist of uses that are allowed as permitted uses or as uses subject to standards in the B1 District. No more than thirty percent of the ground area or of the gross floor area of the development may be devoted to planned development uses.

The area of Residential Planned Development parcels must be of sufficient area to establish ten dwelling units in the R1 and R1A zoning districts or five dwelling units in other zoning districts.

In a residential planned development, the maximum number of dwelling units may not exceed the number of units determined by dividing the gross development area by the minimum lot area per dwelling unit (or per dwelling unit type if a mix of units is proposed) required by the district or districts in which the development is located. Gross development area shall be the area of the zoning lot as a whole. The area of land set aside for common open space or recreational use may be included in determining the number of dwelling units permitted.

Planned developments shall provide for common open space that may include parks, playgrounds, parkways, medians, landscaped green space, schools, community centers or other similar areas in public ownership or covered by an open space easement or controlled by a homeowners association. The area of common open space provided shall be equivalent to twenty percent of the total ground area in residential planned developments

The final planned development approval shall expire within one year of the date of final approval if a building permit is not obtained prior to that expiration date. If substantial site development has not commenced within a period of three years of the date of approval, or in the case of larger developments, for each phase of the project indicated on the planned development plan, the planned development approval shall expire. If an extension is requested prior to the expiration of a preliminary or final planned development approval, the Planning and Zoning Director may extend a preliminary or final planned development approval for a period not to exceed three years from the date of initial approval by the Board of Appeals.

Sustainable Growth and Agricultural Preservation Act of 2012

The subject property is in Tier 1.

In 2012, the Maryland General Assembly passed the Sustainable Growth and Agricultural Preservation Act of 2012 to address major developments served by on-site sewage disposal systems and their impact on the Chesapeake Bay and its tributaries. The legislation requires all local jurisdictions in Maryland to develop and adopt a system of Growth Tiers for future residential development. The City of Annapolis Department of Planning and Zoning adopted the Growth Tier Map administratively in 2012.

Four tiers were established to identify where major and minor residential subdivisions may be located in a jurisdiction and what type of sewerage system can serve them.

Tier 1 areas are served by public sewer systems and are areas locally designated for growth. Development Requirements allow major and minor subdivisions and all new subdivisions must connect to public sewer systems.

Tier 2 areas are those planned to be served by public sewer systems (per Anne Arundel County's adopted Water and Sewer Master Plan) and are areas locally designated for growth. Development Requirements allow major subdivisions that must be connect to public sewer systems; minor subdivisions that may connect to public sewer systems or utilize on-site septic systems on an interim basis and must connect to public sewer when available.

Tier 3 areas are not planned for public sewer service and are areas planned and zoned for large lot or rural development. Development Requirements allow major and minor subdivisions that must utilize on-site septic systems or private community systems when public sewer systems are not available.

Tier 4 areas are not planned for public sewer service, are Rural Legacy and Priority Agricultural Preservation areas, are areas subject to conservation easements or covenants, are areas planned and zoned for land, agricultural, or resource protection or preservation. Development Requirements prohibit major subdivisions. Minor subdivisions are permitted and must utilize on-site septic systems.

Chesapeake Bay Critical Areas

The subject is not within the state defined Chesapeake Bay Critical Area.

Conclusion

The subject is not put to productive use. This non-use is permitted.

It appears to the appraiser that the lot density for Parcel 2355 (Parcels B and Parcels C) has been utilized/extracted in creating the Rider's Glen density of 75 lots (8.33 units per acre).

UTILITIES

Electricity, telephone, natural gas, public water, and public sewer services are available to the subject property.

PRESENT USE

The subject is not put to productive use. This non-use is permitted. It appears to the appraiser that the lot density for Parcel 2355 (Parcels B and Parcels C) has been utilized/extracted in creating the Rider's Glen density of 75 lots (8.33 units per acre).

HIGHEST AND BEST USE

The definition of "highest and best use", as defined in the Fifth Edition of The Dictionary of Real Estate Appraisal published by The Appraisal Institute in 2010, is:

"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. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value."

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 fair market value is estimated. This study and selection of highest and best use is based upon available data relative to those uses that are legal, possible, appropriate and feasible for the subject.

Assemblage - Parcels 1769, 1813, and 2355/C

Physically Possible

The subject property assemblage is a 2.86 (±) acre (124,582 square feet) site that fronts, mid-block, a median-divided portion of Forest Drive. The subject is a mid-corridor location on Forest Drive. The property has level topography slightly below Forest Drive grade. Forest Drive has a very high traffic count. The subject's mid-block location on median-divided Forest Drive limits access to only right-turn-in and right-turn-out. Furthermore, given the types and locations of cross overs on Forest Drive, U-turns providing access to the subject are inconvenient and circuitous, thus negatively impacting the subject's location. Consequently, convenient use of the subject is favorable only for continuing eastern bound traffic. Destination use of either western or eastern bound traffic will require one inconvenient U-turn. Continuing western bound traffic will require two inconvenient U-turns. The property has access to all public utilities. The site could support intense development.

Legally Permissible

The subject property is split zoned R2 (primarily a single-family-detached dwelling zoning classification with townhouses also as a permissible use) and R3 (a primarily townhouse use zoning classification). These zoning classifications also permit some institutional uses. The R2 zoning classification is surrounded by R3 zoning classifications and could likely be up-zoned to R3. . It appears to the appraiser that the lot density for Parcel 2355/C has been utilized/extracted in creating the Rider's Glen density of 75 lots (8.33 units per acre).

The subject's maximum permitted townhouse density with an R3 zoning classification (excluding the Parcel C) is 21 units. Institutional development is permitted.

The subject, with the heavy traffic exposure and an active American Legion and other commercial uses to the northwest in the Village Greens of Annapolis mixed-use complex would be considered a good candidate for a change in zoning to a neighborhood commercial use zoning classification such as B2, Community Shopping District, a zoning classification already present in mid-corridor Forest Drive. The City of Annapolis has had very few piecemeal property rezonings. The mechanics of obtaining a rezoning would likely require a year.

Financially Feasible

While new townhouse development is in demand in the City of Annapolis, and the subject's maximum permitted townhouse density is 21 units, the subject's heavy traffic exposure is detrimental to residential development. Permitted institutional development would be a more feasible use at the subject's location. However, commercial uses, if the property were commercially rezoned, would generate more demand at the subject's location. However, for all uses, the subject's accessibility becomes a significant negative factor, thus, making the subject more of high exposure destination use (as opposed to convenience uses prevalent in the Forest Drive corridor).

Highest and Best Use

It is my opinion that the highest and best use of the subject is eventual rezoning to a commercial zoning classification for high exposure destination commercial use. Such use is legally permitted, physically possible, economically feasible, and provides the greatest return to the land.

The most likely purchaser would be a developer.

As Improved

Not applicable.

Parcel 2355/B

Physically Possible

The subject property is a 0.73 acres (31,799 square feet) site that has an intersection location at Forest Drive and Newtown Drive. The property has a narrow rectangular shape only 67 (±) feet in width. The property has level topography at Forest Drive grade. Forest Drive has a very high traffic count. The property has access to all public utilities. The narrow parcel shape creates a very restrictive independent development potential.

Legally Permissible

The subject property is zoned R3, a primarily townhouse use zoning classification that also permits some institutional uses. It appears to the appraiser that the lot density has been utilized/extracted in creating the Rider's Glen density of 75 lots (8.33 units per acre).

The subject, with the heavy traffic exposure and an active American Legion to the east and other commercial uses to the northwest in the Village Greens of Annapolis mixed-use complex would be considered a good candidate for a change in zoning to a neighborhood commercial use zoning classification such as B2, Community Shopping District, a zoning classification already present in mid-corridor Forest Drive. The City of Annapolis has had very few piecemeal property rezonings. The mechanics of obtaining a rezoning would likely require a year.

Financially Feasible

The subject appears to have little independent development potential. However, the easterly adjoining 91,912 square foot American Legion property has poor accessibility and were the American Legion property to acquire the Parcel 2355/B, the American Legion property would be a corner property with signalized intersection access to Forest Drive by way of Skippers Lane and South Cherry Grove Avenue. The assembled property would total 123,711 square feet (31,799 square feet plus 91,912 square feet).

While new townhouse development is in demand in the City of Annapolis, and the subject's maximum permitted townhouse density is 22 units, the subject's heavy traffic exposure is detrimental to residential development. Permitted institutional development would be a more feasible use at the subject's location. However, commercial uses, if the property were commercially rezoned, would generate more demand at the subject's location.

Highest and Best Use

It is my opinion that the highest and best use of the subject is eventual assemblage into the 2.11 acre American Legion property creating a site suitable for high exposure corner property commercial use. The American Legion property owner would anticipate earning an entrepreneurial incentive in acquisition of the Parcel 2355/B subject property and thus not pay "dollar for dollar" for any advantage Parcel 2355/B would add to the American Legion property. The entrepreneurial incentive is significantly minimized as the Crystal Spring development and/or the City of Annapolis (which is potentially pursuing the purchase of the 1701 Forest Drive property) may be required to build the Skippers Lane extension. Such use is legally permitted, physically possible, economically feasible, and provides the greatest return to the land.

The most likely purchaser would be either the American Legion and/or a developer assembling the American Legion and subject Parcel 2355/B properties.

As Improved

Not applicable.

APPROACH TO VALUE

There are three approaches to value commonly used in the appraisal of real estate; the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach.

Under the Cost Approach, the land is valued as if vacant and available for development to its highest and best use. The replacement cost new of the improvements is then estimated and depreciated for physical wear and tear, functional (design) deficiencies, and external (location) problems, if any. The sum of the depreciated replacement cost of the improvements and land value is the estimated property value by the Cost Approach.

Under the Sales Comparison Approach several recent sales of similar properties are compared to the subject and are adjusted for differences. Collectively, the adjusted comparable sales reflect the current market for the subject property. This approach is also used to estimate the raw land value under the Cost Approach.

The Income Approach involves an analysis of the income producing capabilities of the property. After deduction of expenses, the projected annual net income is converted into a present day value by means of a capitalization process.

The fair market value of the subject will be estimated by the income approach as supported by the sales comparison approach. The cost approach is not applicable.

SALES COMPARISON APPROACH

The sales comparison approach is a method of comparing recent sales of similar properties to the subject for an indication of value. Often called the "market data approach", this method represents an interpretation of the reactions of typical purchasers in the market. Basic to this approach is the principle of substitution, implying that a prudent person will pay no more to buy a property than it will cost for a comparable substitute property.

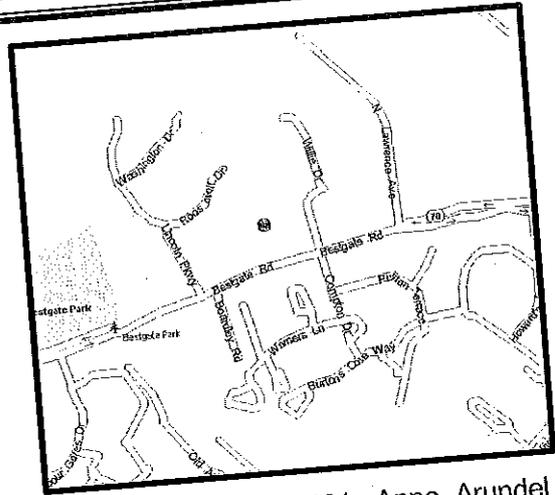
Application involves a comparative analysis of the important attributes of the sale properties to those of the subject under location, physical characteristics, conditions of sale and the change in the market over time. Consideration of the dissimilarities in terms of their probable effect upon the sales price of the subject gives an indication of market value.

Note that the fair market value of Parcel 2355/B is estimated as the contributory fair market value of Parcel 2355/B to a Parcel 2355/B and American Legion property assemblage. Therefore, the fair market land value of the Parcel 2355/B/American Legion assemblage will be estimated and the fair market value of the American Legion land only will be estimated. The difference between these two fair market value estimates will then be further adjusted to reflect the entrepreneurial incentive necessary to entice the American Legion to pursue the assemblage.

Numerous sales of similar properties have been investigated and the following 9 sales were selected as the most comparable to the subject. The data for each sale is presented below. In this analysis the unit of comparison which shall be used is the sale price per square foot.

Land Sale 1

Grantor: Holy Temple Cathedral Church of God International, Inc.
Grantee: Premier A-2 Annapolis MD, LLC
Recorded: 31204/138 Deed – Record Dates: 7/31/2017 – 8/1/2017

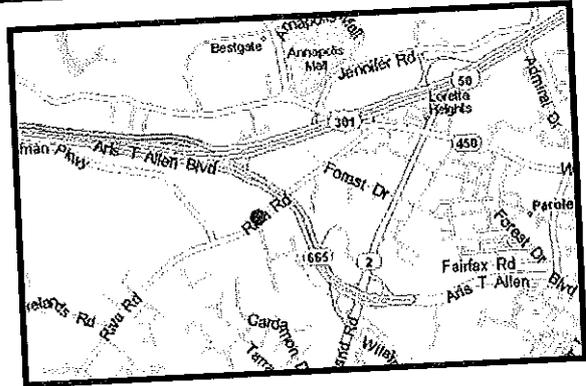
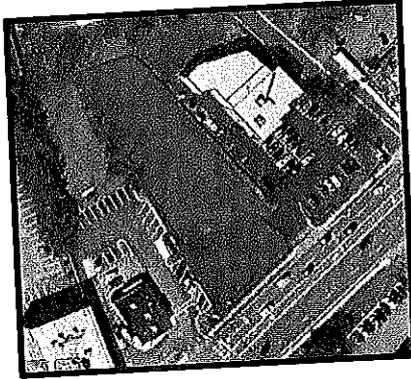


- Location:** 708 Bestgate Road, Annapolis, Maryland 21401; Anne Arundel County
TM 45, Grid 15, Parcel 721.
Located mid-block on the northern side of eastern Bestgate Road.
- Land Area:** 299,330 square feet, rectangular/irregular shape, 1.41 (±) acres of steep slope and stream areas; otherwise level to sloping.
153,331 square feet is usable, per the proposed site plan.
- Improvements:** Circa-1988, 8,000 sq.ft. church with parking areas as well as wooded areas.
-
- Sale Price:** \$3,900,000
- Unit Rate:** \$13.03 per square foot
\$25.44 per usable square foot
- Zoning:** 3.35 acres C2, Commercial Office District and 3.52 acres R2, Residential District (Anne Arundel County)
- Utilities:** All public
- Financing:** cash to seller
- Sales History:** No other arm's length transactions within the three years prior to this sale.
- Marketing time:** 13 months
- Comments:** Buyer intends to build a mini-storage facility.
- Sale Verified:** Assessment records, deed, CoStar Group, MRIS, published reports, Special Exception documentation

100 05/4 S18-1063

Land Sale 2

Grantor: Village, LLC
Grantee: Riva, LLC
Recorded: 30859/312 Deed – Record Dates: 4/17/2017 – 4/19/2017



Location: 2566 Riva Road, Annapolis, Maryland 21401; Anne Arundel County Tax Map 51A, Grid 14, Parcel 17, Annapolis, Maryland 21401
Located mid-block in an employment corridor.

Land Area: 31,859 (±) square feet, narrow, rectangular shape

Improvements: Cleared site. Concept plan for an 11,200 square foot 1-story retail building (multi-story concept plan with no square footage listed).

Sale Price: \$1,025,000

Unit Rate: \$32.17 per square foot of land
\$91.52 per square foot of planned building

Zoning: C2, Commercial and Parole Town Center Growth Management Area – Periphery (Anne Arundel County)

Utilities: All public

Financing: \$2,249,116 from Revere Bank (assumed to be at market terms)

Sales History: No other arms length transactions within the three years prior to this sale.

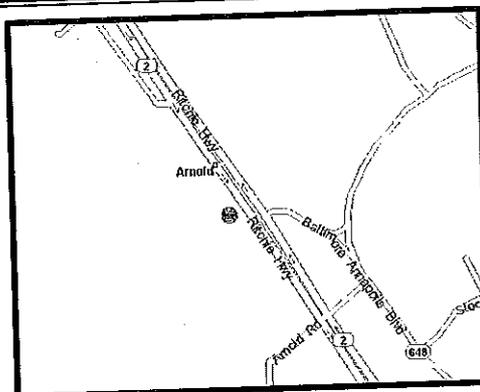
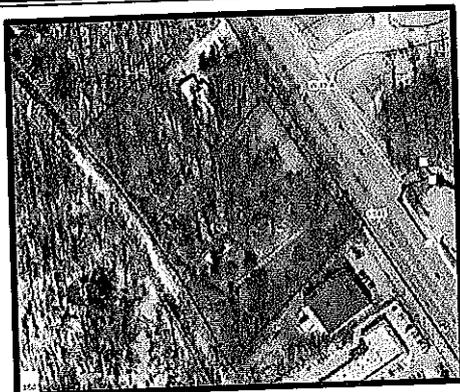
Marketing Time: 32 months

Sale Verified: CoStar Group, assessment record, deed, selling/listing broker

100 9/1 S17-959

Grantor: The Jordan Family Revocable Trust dated May 19, 2003
Margaret B. Jordan and Mary Kathryn Jordan, Co-Trustees
Grantee: Arnold Land LLLP
Recorded: 29728/217 Deed – Record Dates: 6/21/16 – 6/22/16

Land Sale 3



Location: 1436 Ritchie Highway, Arnold, Maryland 21012; Anne Arundel County Tax Map 39, Grid 17, Parcels 163, 167, 168, 169, 170, and 266.

Land Area: 5.4328 acres (236,531 square feet), irregular parcel shape, moderately sloping topography

Improvements: Several single-family-detached dwellings and wooded.

Sale Price: \$2,000,000

Unit Rate: \$8.46 per square foot

Zoning: C2, Commercial Office District (Anne Arundel County)

Utilities: water

Financing: cash to seller

Sales History: No other transactions within the 3 years preceding this sale.

Marketing time: 57 months

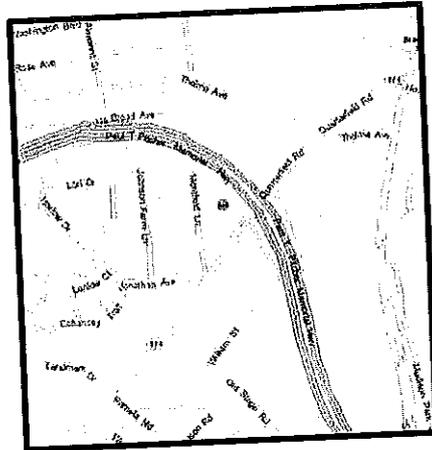
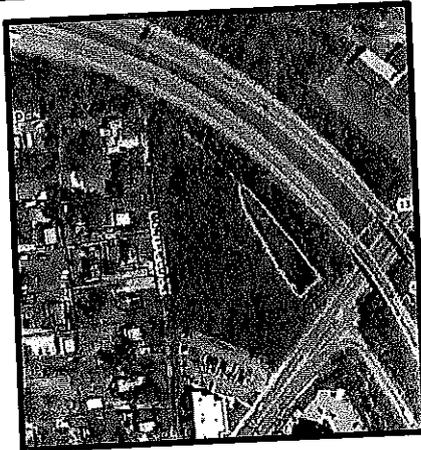
Comments: Buyer intends to develop a mini-storage facility

Verified: assessment records, deed, CoStar Group, Anne Arundel County Public Works

100-05/4 S17-901

Land Sale 4

Grantor: 7674 Quarterfield, LLC
Grantee: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
Recorded: 29071/204 Deed -- Record Dates: 12/4/15 -- 12/7/15



Location: 7674 Quarterfield Road, Glen Burnie, Maryland 21061; Anne Arundel County TM 9, Grid 23, Parcel 567 as Lot 2. Located on the west side of Quarterfield Road at its half interchange with Maryland Route 100. Rear of property also front Montfield Lane, a residential street.

Land Area: 101,946 square feet (2.340 acres), irregular shape, nominal undevelopable areas. Level. Wooded.

Improvements: none.

Sale Price: \$1,200,000

Unit Rate: \$11.77 per square foot

Zoning: C2, Commercial Office District (Anne Arundel County, Maryland)

Utilities: All public

Financing: Cash to seller

Sales History: No other arms length transactions within the three years prior to this sale.

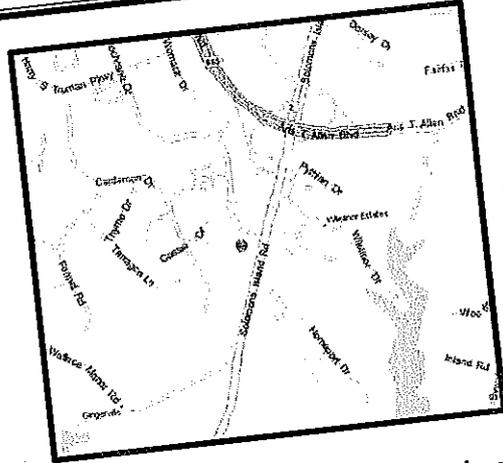
Marketing time: 5 years

Sale Verified: assessment records, deed, CoStar Group, subdivision plat, listing broker

100 03/18 S16-710

Land Sale 5

Grantor: The Columbus Club of Annapolis, Maryland, Inc.
Grantee: D.R. Horton, Inc.
Recorded: 31120/154 Deed – Record Dates: 4/21/2017 – 6/30/2017



Location: 2590 Solomons Island Road, Edgewater, Maryland 21037 Anne Arundel County Tax Map 51D, in Grid 16, Parcel 165; now The Cove on Spa subdivision, as Lots 1-50.(recorded as Broad Reach Village). Located on the southeastern corner of the Admiral Cochrane Drive and Solomons Island Road intersection.

Land Area: 6.202 acres, level site that slopes steeply downward to intersection grade.

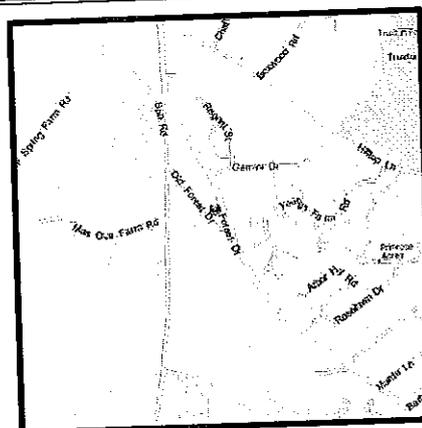
Improvements: 6,200 sq.ft. Knights of Columbus building and parking lot. Buyer obtained the record plat of subdivision for 50 townhouse lots; interiors are 22 feet wide and end units are 27 feet wide.

Sale Price: \$3,750,000
Unit Rate: \$604,643 per acre
\$75,000 per lot
Zoning: R2, Residential District, R10, Residential District, and W1, Industrial Park District (Anne Arundel County)
Utilities: Public water and sewer.
Financing: cash to seller
Sales History: No other transactions within the 3 years preceding this sale.
Marketing time: property was under contingent contract for a number of years while developer pursued subdivision plat
Verified assessment records, deed, plat, Arundel County Department of Public Works Utilities and Monuments web site, third party, buyer, published reports

100 5/11 S18-1064

Grantor: Richard E. Lomax
Grantee: 1401 Forest Drive, LLC
Recorded: 27636/497 Deed – Record Dates: 8/27/14 – 9/18/14

Land Sale 6



Location: 1401 Forest Drive, Annapolis, Maryland 21403; Anne Arundel County Tax Map 51I, Grid 8, Parcel 8
Located on the west side of Forest Drive and bounded to the west by Old Forest Drive (a service road).

Land Area: 0.6563 acres (28,588 square feet), level, triangular

Improvements: 4 lane self-service drive through carwash and a circa-1962 796 square foot garage building. Property had some environmental issues.

Sale Price: \$730,000

Unit Rate: \$25.54 per square foot

Zoning: B2, Community Shopping District (City of Annapolis)

Utilities: all public

Financing: cash to seller

Sales History: No other transactions within the 3 years preceding this sale.

Marketing time: unknown

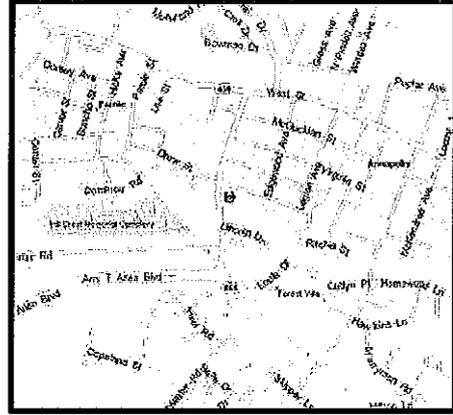
Comments: Buyer is intending to re-develop property as a car wash.

Verified: assessment records, deed, CoStar Group, inspection

100 12/14 S15-664

Grantor: Robert J. Adams, Jr. and Ashley V. Adams
2) John J. Jeppi (25%), Joseph V. Jeppi (25%) John J. Jeppi and Joseph V. Jeppi (50%)
Grantee: Chinquapin Round Road Self Storage LLC
Recorded: 29451/303. 29451/312 Deed - Record Dates: 4/6/16 -- 4/12/16

Land Sale 7



Location: 1829 and 1833 George Avenue, Annapolis, Maryland 21401; City of Annapolis, TM 51B, Grid 22, Parcel 2240 and 2241, Lots 36, 37, 38, 39 and 40, McGuckian Subdivision 551.
Located in the McGuckian industrial park area in the southeastern corner of the Chinquapin Round Road and George Avenue intersection.

Land Area: 1.0485 acres (45,671 square feet), irregular/rectangular shape, level

Improvements: None.

Sale Price: \$1,495,000 (\$950,000 and \$545,000)

Unit Rate: \$59.52 per square foot of building potential on 0.55 FAR
\$32.73 per square foot of land

Zoning: BCE, Business Corridor Enhancement District (City of Annapolis)

Utilities: all public

Comments: Buyer intends to build a self-storage facility. Plans have not yet been formalized.

Financing: cash to seller

Marketing Time: 60 months

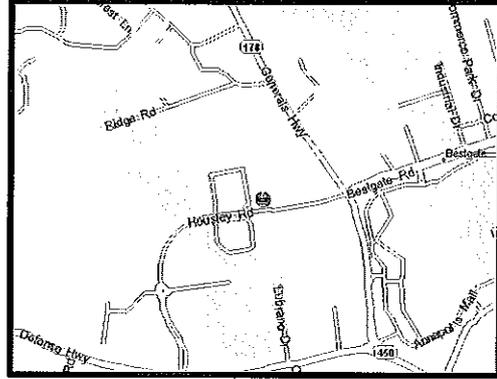
Sales History: No arm's length transactions within the three years prior to this sale.

Sale Verified: Published reports, CoStar Group, listing broker

100 10/06 S16-788

Land Sale 8

Grantor: Dennis Ivan Garris and Gail Denise Webb
Grantee: Generals Highway Property, LLC
Recorded: 31485/067 Deed – Record Dates: 9/18/2017 – 10/20/2107



Location: 2554 Housley Road, Annapolis, Maryland 21401; Anne Arundel County Tax Map 45, Grid 19, Parcel 342
Located mid-block on the north side of Housley Road between General's Highway to the east and Defense Highway to the west.

Land Area: 43,778 (±) square feet, rectangular shape, level.

Improvements: 1,040 square foot circa 1961 single-family-detached dwelling and a parking area.

Sale Price: \$1,000,000

Unit Rate: \$22.84 per square foot of land

Zoning: C2, Commercial Office District /Periphery-PTCGMA (Anne Arundel County)

Utilities: All public

Financing: cash to seller

Sales History: No other arm's length transactions within the three years prior to this sale.

Marketing Time: unknown

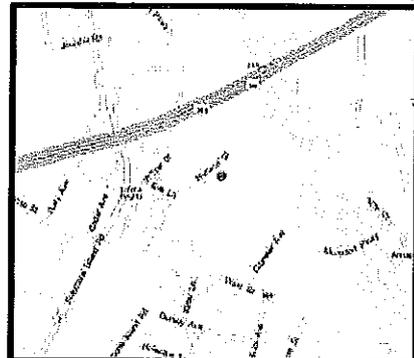
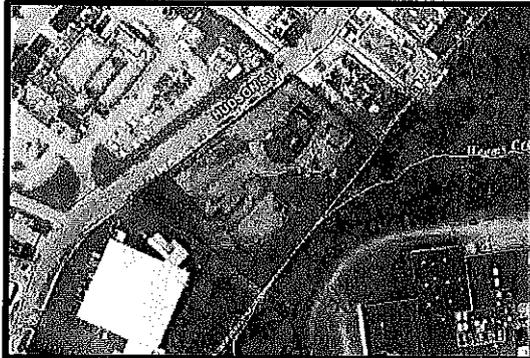
Comments: Buyer owns commercially zoned property accessed from General's Highway located to the rear of this sale site. Buyer operates a dump truck use business. This acquisition serves as both a buffer and as an assemblage for future more intensive development.

Sale Verified: Assessment record, deed, buyer

100 2/2 S18-1022

Land Sale 9

Grantor: RF Properties, LLC
Grantee: 21 Hudson Street, LLC
Recorded: 30623/393 Deed – Record Dates: 2/3/2017 – 2/8/2017



Location: 21 Hudson Street, Annapolis, Maryland 21401; Anne Arundel County TM 51B, Grid 2, as Parcel 1.
Located mid-block on the southeastern side of Hudson Street.

Land Area: 87,858 square feet, rectangular shape, at road grade with some retaining wall supported elevation changes and steep slopes in the southern portion of the property.

Improvements: Property was a former concrete plant and it sold as is with at least one small building, other site improvements associated with the former concrete plant, fencing, and gravel and dirt surfacing at several elevations as supported by retaining walls. Buyer reports costs to clean site approximated \$300,000.

Sale Price: \$2,353,000

Unit Rate: \$26.78 per square foot

Zoning: C4, Highway Commercial District/Center and Periphery-PTCGMA and (Anne Arundel County)

Utilities: All public

Financing: \$2,053,000 from seller and buyer reports sales price was higher to reflect slight financing incentive (primarily “no banking hassles”).

Sales History: In 2014, property sold for \$1,200,000 between concrete manufacturers as part of a larger agreement. No other arm’s length transactions within the three years prior to this sale.

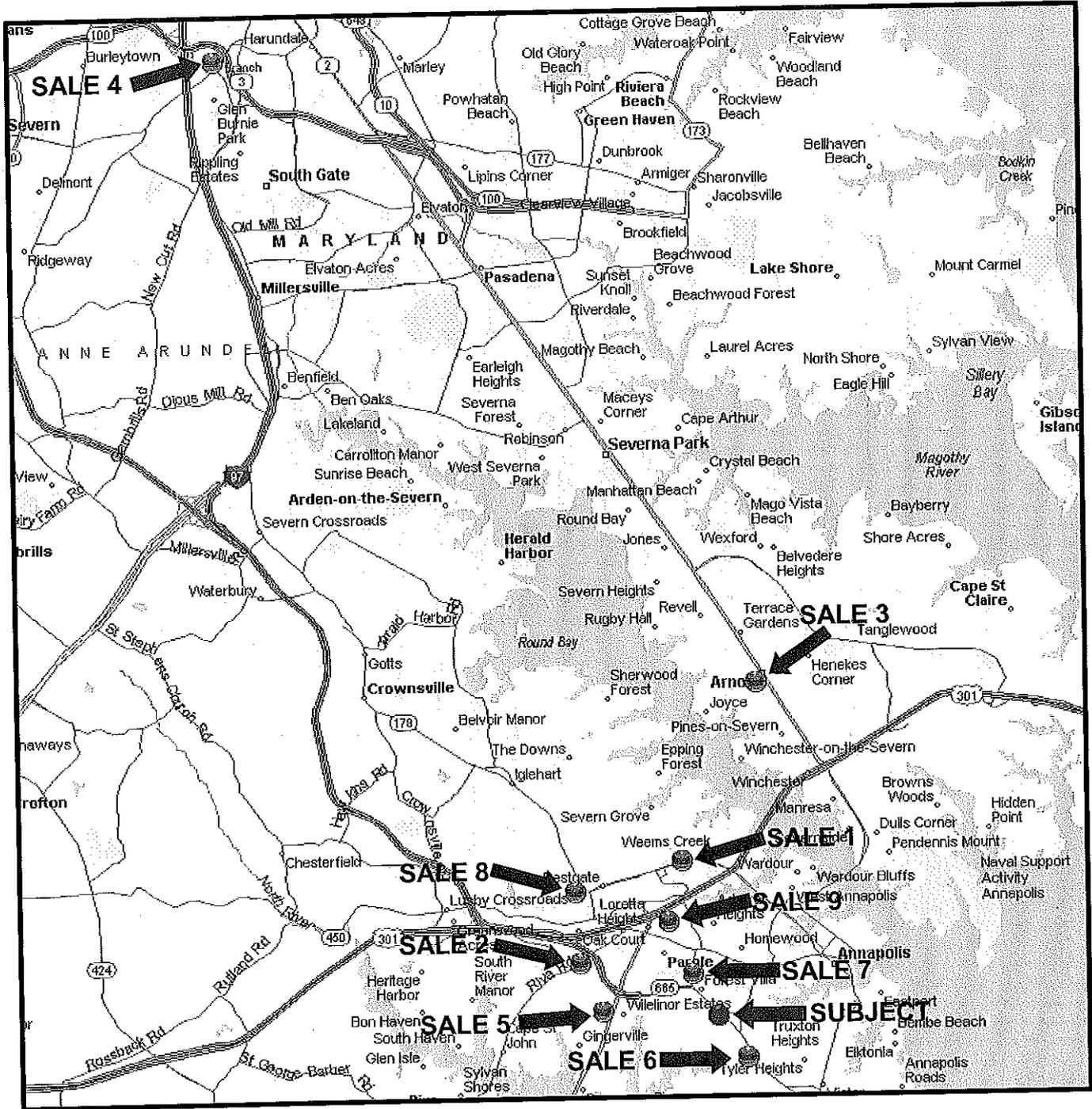
Marketing time: several months

Comments: Buyer purchased for eventual occupancy and is currently leasing site on an interim basis for new car automobile storage. Current land lease listing agent reports that property is technically not listed for sale (though CoStar Group land lease listing coding incorrectly states property is available); consequently, the property has received unsolicited offers to purchase property at prices higher than buyer’s cost.

Sale Verified: Assessment records, deed, third parties, current for-land-lease listing agent, buyer

100 05/4 S18-1062

Sales Comparison Map



Assemblage Parcels 1769, 1813, and 2355/C

SALES COMPARISON ANALYSIS									
assemblage of Parcels 1769, 1813, and 2355/C									
SALE IDENTIFICATION DATE OF APPRAISAL/SALE	Sale 1 7/17	Sale 2 4/17	Sale 3 6/16	Sale 4 12/15	Sale 5 4/17	Sale 6 8/14	Sale 7 4/16	Sale 8 9/17	Sale 9 2/17
LOCATION	708 Bestgate Road, Amapolis	2566 Riva Road, Amapolis	1436 Ritchie Highway, Arnold	7674 Quarterfield Road, Glen Burnie	2590 Solomons Island Road, Edgewater	1401 Forest Drive, Amapolis	1829 and 1833 George Avenue, Amapolis	2554 Housley Road	21 Hudson Street
IMPROVEMENTS	mid-block, center turning lane	mid-block, difficult center turning lane	mid-block, median	mid-block, median, second road frontage	signalized intersection, median in Rte 2	intersection, center turning lane	intersection	mid-block	mid-block
SITE SIZE (GROSS) SQ.FT.	8,000 sq.ft. church and wooded	none	several dwellings	wooded	6,200 sq.ft. lodge	old gas station with some environmental issues	cleared	small SFD	old building, surfaced
ZONING	C2/R2	C2/periphery	C2	C2	R2/R10/W1	B2	BCE	C2/periphery	C4/center & periphery
TOPOGRAPHY	at road grade	sloping	sloping	level	level, above road grade	level	level	level	level with retaining wall elevation changes and steep slopes at rear
PARCEL SHAPE	rectangular	rect/rtr	rect/rtr	irregular	rect/rtr	triangular	rectangular	rectangular	rectangular
UTILITIES	all public	all public	all public	all public	all public	all public	all public	all public	all public
SALE PRICE	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,353,000
FINANCING ADJUSTMENTS	\$13.03	\$32.17	\$8.46	\$11.77	\$13.88	\$25.54	\$32.73	\$22.84	\$26.78
CONDITIONS OF SALE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$53,000
SUB-TOTAL	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,300,000
TIME ADJUSTMENT (2% per annum)	2%	2%	4%	5%	2%	8%	4%	1%	3%
ADJUSTED SALE PRICE	\$3,978,000	\$1,045,500	\$2,080,000	\$1,260,000	\$3,825,000	\$788,400	\$1,554,800	\$1,010,000	\$2,369,000
ADJUSTED PRICE PER SQ.FT.	\$13.29	\$32.82	\$8.79	\$12.36	\$14.16	\$27.58	\$34.04	\$23.07	\$26.96
ADDITIONAL ADJUSTMENTS									
LOCATION	0%	-20%	30%	20%	0%	0%	0%	10%	0%
ACCESSIBILITY	-20%	-10%	0%	-10%	-20%	-20%	-20%	-20%	-20%
IMPROVEMENTS	5%	0%	5%	5%	5%	10%	0%	5%	5%
SITE SIZE	10%	-10%	10%	0%	10%	-10%	-5%	-5%	0%
ZONING	-15%	-25%	-25%	-25%	0%	-25%	-25%	-25%	-30%
TOPOGRAPHY	5%	0%	10%	0%	0%	0%	0%	0%	5%
PARCEL SHAPE	5%	0%	0%	5%	0%	5%	0%	0%	0%
UTILITIES	0%	0%	0%	0%	0%	0%	0%	0%	0%
OTHER									
TOTAL ADJUSTMENTS	-10%	-60%	35%	-5%	-5%	-40%	-50%	-35%	-40%
ADJUSTED PRICE PER SQ.FT.	\$11.96	\$13.13	\$11.87	\$11.74	\$13.45	\$16.55	\$17.02	\$15.00	\$16.18

Unadjusted, the sales reflect a wide range in price; between \$8.46 to \$32.73 per square foot. Adjusted, the sales reflect a narrower range in value; between \$11.74 to \$17.02 per square foot. The market value of the subject is estimated to be \$14.00 per square foot; which is:

124,582 square feet @ \$14.00 per square foot = \$1,744,148

Rounded to: \$1,700,000

Therefore, based upon the sales comparison approach, subject to the Underlying Assumptions and Contingent Conditions contained herein, the fee simple fair market value of the assemblage Parcels 1769, 1813, and 2355/C subject property, as of June 3, 2018 was **\$1,700,000**.

Assemblage Parcel 2355/B/American Legion – land only

SALES COMPARISON ANALYSIS										
assemblage of Parcel 2355/B/American Legion										
SALE IDENTIFICATION DATE OF APPRAISAL/SALE	Subject	Sale 1 7/17	Sale 2 4/17	Sale 3 6/16	Sale 4 12/15	Sale 5 4/17	Sale 6 8/14	Sale 7 4/16	Sale 8 9/17	Sale 9 2/17
LOCATION	1707 Forest Drive, Annapolis	708 Bestgate Road, Annapolis	2666 Riva Road	1436 Ritchie Highway, Arnold	7674 Quarterfield Road, Glen Burnie	2590 Solomons Island Road, Edgewater	1401 Forest Drive, Annapolis	1829 and 1833 George Avenue, Annapolis	2554 Housley Road	21 Hudson Street
IMPROVEMENTS	mid-block, center turning median lane	mid-block, center turning lane	none	mid-block, median	mid-block, second road frontage	signalized intersection, median in Rte 2	intersection, center-turning lane old gas station	intersection	mid-block	mid-block
SITE SIZE (GROSS) SQ.FT.	123,711	299,830	31,859	236,531	101,946	270,159	28,588	45,671	43,779	87,858
ZONING	R3	C2/R2	C2/periphery	C2	C2	R2R10W1	B2	BCE	C2/periphery	C4/center & periphery
TOPOGRAPHY	at road grade	sloping	sight slope	sloping	level	level, above road grade	level	level	level	level with retaining wall elevation changes and steep slopes at rear
PARCEL SHAPE	rectangular all public	rectangular all public	rect/irr all public	rect/irr all public	irregular all public	rect/irr all public	triangular all public	rectangular all public	rectangular all public	rectangular all public
UTILITIES	\$3,900,000	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,353,000
SALE PRICE PER SQ.FT.	\$13.03	\$13.03	\$32.17	\$8.46	\$11.77	\$13.88	\$25.54	\$32.73	\$22.84	\$26.78
FINANCING ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$53,000
CONDITIONS OF SALE	\$3,900,000	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,300,000
TIME ADJUSTMENT (2% per annum)	2%	2%	2%	4%	5%	2%	8%	4%	1%	3%
ADJUSTED SALE PRICE	\$3,978,000	\$1,045,500	\$2,080,000	\$2,080,000	\$1,260,000	\$3,825,000	\$788,400	\$1,554,800	\$1,010,000	\$2,369,000
ADJUSTED PRICE PER SQ.FT.	\$13.29	\$32.82	\$65.79	\$8.79	\$12.36	\$14.16	\$27.58	\$34.04	\$23.07	\$26.96
ADDITIONAL ADJUSTMENTS										
LOCATION	10%	-10%	10%	40%	30%	10%	10%	10%	20%	10%
ACCESSIBILITY	0%	10%	10%	20%	10%	0%	0%	0%	0%	0%
IMPROVEMENTS	5%	0%	5%	5%	5%	5%	10%	0%	5%	5%
SITE SIZE	10%	-10%	-10%	10%	0%	10%	-10%	-5%	-5%	0%
ZONING	-15%	-25%	-25%	-25%	-25%	0%	-25%	-25%	-25%	-30%
TOPOGRAPHY	5%	0%	0%	10%	5%	0%	0%	0%	0%	5%
PARCEL SHAPE	5%	0%	0%	5%	5%	0%	0%	0%	0%	0%
UTILITIES	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%
OTHER	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL ADJUSTMENTS	20%	-30%	65%	25%	25%	25%	-10%	-20%	-5%	-10%
ADJUSTED PRICE PER SQ.FT.	\$15.95	\$22.97	\$14.51	\$15.45	\$17.70	\$24.82	\$21.92	\$27.23	\$21.92	\$24.27

Unadjusted, the sales reflect a wide range in price; between \$8.46 to \$32.73 per square foot. Adjusted, the sales reflect a narrower range in value; between \$14.51 to \$27.23 per square foot. The market value of the subject is estimated to be \$20.00 per square foot; which is:

123,711 square feet @ \$20.00 per square foot = \$2,474,220

American Legion – land only

SALES COMPARISON ANALYSIS										
American Legion land only										
SALE IDENTIFICATION DATE OF APPRAISAL/SALE	Subject	Sale 1 7/17	Sale 2 4/17	Sale 3 6/16	Sale 4 12/15	Sale 5 4/17	Sale 6 8/14	Sale 7 4/16	Sale 8 9/17	Sale 9 2/17
LOCATION	1707 Forest Drive, Annapolis	708 Bestgate Road, Annapolis	2666 Riva Road	1436 Ritchie Highway, Arnold	7674 Quarterfield Road, Glen Burnie	2590 Solomons Island Road, Edgewater	1401 Forest Drive, Annapolis	1829 and 1833 George Avenue, Annapolis	2554 Housley Road	21 Hudson Street
IMPROVEMENTS	mid-block, center turning lane	mid-block, difficult center turning lane	none	mid-block, median	mid-block, median, second road frontage	signalized, intersection, median in Rte 2	intersection, center turning lane old gas station with some environmental issues	intersection	mid-block	mid-block
SITE SIZE (GROSS) SQ.FT.	8,000 sq.ft. church and wooded	8,000 sq.ft. church and wooded	31,859	several dwellings	wooded	6,200 sq.ft. lodge	28,588	cleared	small SFD	old building, surfaced
ZONING	R3	C2/R2	C2/periphery	C2	C2	R2/R10W1	B2	BCE	C2/periphery	C4/center & periphery
TOPOGRAPHY	at road grade	sloping	slight slope	sloping	level	level, above road grade	level	level	level	level with retaining wall elevation changes and steep slopes at rear
PARCEL SHAPE UTILITIES	rectangular all public	rectangular all public	rectif. all public	rectif. all public	irregular all public	rectif. all public	triangular all public	rectangular all public	rectangular all public	rectangular all public
SALE PRICE PER SQ.FT.	\$3,900,000	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,353,000
FINANCING ADJUSTMENTS	\$13.03	\$0	\$32.17	\$8.46	\$11.77	\$13.88	\$25.54	\$32.73	\$22.84	\$26.78
CONDITIONS OF SALE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUB-TOTAL	\$3,900,000	\$3,900,000	\$1,025,000	\$2,000,000	\$1,200,000	\$3,750,000	\$730,000	\$1,495,000	\$1,000,000	\$2,300,000
TIME ADJUSTMENT (2% per annum)	2%	2%	2%	4%	5%	2%	8%	4%	1%	3%
ADJUSTED SALE PRICE	\$3,978,000	\$1,045,500	\$2,080,000	\$1,260,000	\$1,260,000	\$3,825,000	\$788,400	\$1,554,800	\$1,010,000	\$2,369,000
ADJUSTED PRICE PER SQ.FT.	\$13.29	\$32.82	\$8.79	\$8.79	\$12.36	\$14.16	\$27.58	\$34.04	\$23.07	\$26.96
ADDITIONAL ADJUSTMENTS	0%	-20%	0%	30%	20%	0%	0%	0%	10%	0%
LOCATION	-20%	-10%	0%	0%	-10%	-20%	-20%	-20%	-20%	-20%
ACCESSIBILITY	5%	0%	5%	5%	5%	5%	10%	-5%	5%	5%
IMPROVEMENTS	10%	-10%	10%	10%	0%	0%	-10%	-5%	-5%	0%
SITE SIZE	-15%	-25%	-25%	-25%	-25%	0%	-25%	-25%	-25%	-30%
ZONING	5%	0%	10%	10%	0%	0%	0%	0%	0%	0%
TOPOGRAPHY	5%	5%	0%	0%	5%	0%	5%	0%	0%	0%
PARCEL SHAPE	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%
UTILITIES	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
OTHER	-10%	-60%	35%	-5%	-5%	-5%	-40%	-50%	-35%	-40%
TOTAL ADJUSTMENTS	\$11.96	\$13.13	\$11.87	\$11.74	\$13.45	\$16.55	\$17.02	\$15.00	\$16.18	\$16.18
ADJUSTED PRICE PER SQ.FT.										

Unadjusted, the sales reflect a wide range in price; between \$8.46 to \$32.73 per square foot. Adjusted, the sales reflect a narrower range in value; between \$11.74 to \$17.02 per square foot. The market value of the subject is estimated to be \$14.00 per square foot; which is:

91,912 square feet @ \$14.00 per square foot = \$1,286,768

A typical entrepreneurial incentive necessary to entice an acquisition to a sole source might approximate 50% of the difference in created value. In the subject's case, the entrepreneurial incentive is significantly minimized as the Crystal Spring development and/or the City of Annapolis (which is potentially pursuing the purchase of the 1701 Forest Drive property) may be required to build the Skippers Lane extension. Thus, providing much of the signaled Forest Drive intersection access contributory value to the American Legion site. Note that this obviously would also require an acquisition from the rear of the American Legion site. This analysis projects an entrepreneurial incentive necessary to entice the American Legion at 80% of the market value difference.

Parcel 2355/B Analysis

Assemblage Parcel 2355/B/American Legion 123,711 square feet @ \$20.00 per square foot =	\$2,474,220
Less American Legion – land only 91,912 square feet @ \$14.00 per square foot =	<u>\$1,286,768</u>
Contributory fair market value of Parcel 2355/B:	\$1,187,452
Less entrepreneurial incentive at 80%:	<u>\$949,962</u>
Fair market value of Parcel 2355/B:	\$237,491
Rounded to:	\$200,000

Therefore, based upon the sales comparison approach, subject to the Underlying Assumptions and Contingent Conditions contained herein, the fee simple fair market value of the Parcel 2355/B property, as of June 3, 2018 was **\$200,000**.

RECONCILIATION AND FINAL VALUE ESTIMATE

The value estimates and projections by each approach are as follows:

The value estimates and projections by each approach are as follows:

ESTIMATED VALUE BY THE:	Assemblage	Parcel 2355/B
COST APPROACH:	N/A	N/A
SALES COMPARISON APPROACH:	\$1,700,000	\$200,000
INCOME APPROACH:	N/A	N/A

As only one approach was applicable, no reconciliation is necessary.

Therefore, with sole reliance given to the sales comparison approach, it is my opinion that the fee simple fair market value of the assemblage Parcels 1769, 1813, and 2355/C subject property, subject to the underlying assumptions and contingent conditions as contained within this appraisal report, as of June 3, 2018, was **ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000)**.

Therefore, with sole reliance given to the sales comparison approach, it is my opinion that the fee simple fair market value of the Parcel 2355/B subject property, subject to the underlying assumptions and contingent conditions as contained within this appraisal report, as of June 3, 2018, was **TWO HUNDRED THOUSAND DOLLARS (\$200,000)**.

REASONABLE EXPOSURE TIME

Reasonable exposure time is defined by The Appraisal Standards Board of The Appraisal Foundation as follows:

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

Reasonable exposure time is presumed to occur prior to the effective date of the evaluation. In addition, different types of properties can have varying exposure periods with longer periods associated with special purpose properties or at higher price ranges. The estimate of a reasonable exposure period can be based on an analysis based on: (1) statistical information about days on market; (2) history of comparable sales; or (3) interviews with market participants.

The estimated value of the property is related to the exposure period for sale of the improved site. For the subject properties, an exposure period of no longer than twelve months is estimated to have occurred prior to the effective date of this appraisal.

QUALIFICATIONS OF GEORGE L. PEABODY, MAI

EDUCATION

B. S. Degree, Finance, University of Maryland, 1985

A.I.R.E.A. Courses:

Real Estate Appraisal Principles Course I-A, 1986
Basic Valuation Procedures Course I-B, 1986
Standards of Professional Practice (A, B, and C), 1986 (A and B), 1998 (C)
Capitalization Theory and Techniques Parts A and B, 1987
Case Studies in Real Estate Valuation, 1988
Writing and Valuation Analysis, 1989

Continuing education through Appraisal Institute sponsored seminars and courses including these courses of note:

Real Estate Capital Sources, Best Alternatives
Valuation of Detrimental Conditions
Maryland Senior Housing Seminar
Real Estate Appraisals for Federal and Gift Tax Purposes
Real Estate Fraud: Responsibilities and Liabilities
Appraisal of Local Retail Properties
Analysis of Operating Expenses
Valuation of Divided and Undivided Partial Interests
Multi-Disciplined Asset Valuation
Advanced Spreadsheet Modeling for Valuation Applications

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Member #11749, Renewal Date: December 31, 2021
State of Maryland, Certified General Real Estate Appraiser, Registration # 2188

EXPERIENCE

Thirty-two years of experience in the appraisal and analysis of real estate.
1986 to 2001, Real Estate Appraiser and Consultant, Powell & Westholm, Inc.
2002 to 2010, Real Estate Appraiser and Consultant, Powell Peabody & Associates LLC
2010 to present, Peabody & Associates, LLC

QUALIFIED EXPERT WITNESS

Circuit Court, Anne Arundel County
Anne Arundel County Council
Property Assessment Tax Appeals Board, Anne Arundel County
Internal Revenue Service Appeals Hearing

EXTRA

19 years President and 18 years Clinic Commissioner of Annapolis Soccer Club; annually 1,200 total members (560 clinic participants) totaling some 2,700 seasonal player events.
7 years soccer coach at Annapolis High School

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

In conducting this appraisal, your appraiser has assumed that:

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 estimate contained in this report is 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 value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.
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, are 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 estimates provided in the report apply 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. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed that the property is capable of passing such tests so as to be developable to its highest and best use, as discussed in this report.
18. 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 of the value opinions based upon any subsequent environmental impact studies, research or investigation.
19. 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.

20. 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.

21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. Recently renovated buildings such as the subject are generally in compliance. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.

22. As the purpose of this appraisal is to transfer a "clean" property, no potential environmental contamination or hazardous contamination conditions are assumed. The appraiser was not supplied with, nor made aware of, any environmental studies performed on the property which would indicate or suggest the presence of potentially toxic or otherwise environmentally hazardous contamination on the subject property. The appraiser, who is not trained/skilled for environmental assessment, observed evidence which might provide environmental engineers/investigators with concern that potentially toxic or otherwise environmentally hazardous contamination may have occurred on the subject site. That evidence includes possible dumping on the site. Environmental contamination or the presence of hazardous conditions may significantly affect the value estimated; therefore, this appraisal is contingent on the assumption that the subject property is free from any environmental hazards. If subsequent information is obtained indicating that this assumption is incorrect, then this appraisal and any estimates of value contained herein must be reconsidered.

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, 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 the parties involved with this assignment.
- My engagement in this 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 that 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.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- As of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.



George L. Peabody, 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.

One (or more) of the signatories of this appraisal report is a Member (or Associate 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 signatories 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 signatories of this appraisal report.

ADDENDA



**CITY OF ANNAPOLIS
CENTRAL PURCHASING**
145 Gorman Street, Floor 2R
Annapolis, Maryland 21401
(410)263-7944 FAX: (410)263-8120

Purchase Order

Fiscal Year 2018 Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES,
PACKAGES AND SHIPPING PAPERS.
Purchase Order # **20181250-01**

**B
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AP
ACCOUNTS PAYABLE
CITY OF ANNAPOLIS
160 DUKE OF GLOUCESTER STREET
ANNAPOLIS MD 21401

Delivery must be made within
doors of specified destination.

**V
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PEABODY AND ASSOCIATES, LLC
2525 RIVA RD STE 110
ANNAPOLIS MD 21401

**S
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FINANCE ADMINISTRATION
CITY OF ANNAPOLIS
160 DUKE OF GLOUCESTER ST
ANNAPOLIS MD 21401

Vendor Phone Number		Vendor Fax Number		Requisition Number		Delivery Reference	
410.266.3100		410.266.0821					
Date Ordered	Vendor Number	Date Required	Freight Method/Terms		Department/Location		
03/22/2018	50892				FINANCE ADMINISTRATION		
Item#	Description/Part No.	Qty	UOM	Unit Price	Extended Price		
	APPRAISAL The Above Purchase Order Number Must Appear On All Correspondence - Packing Sheets And Bills Of Lading						
1	PROVIDE PROPERTY APPRAISAL FOR SPA RD ANNAPOLIS, MD 21401.	1.0	EACH	\$3,500.000	\$3,500.000		
2	PROVIDE PROPERTY APPRAISAL FOR FOREST DRIVE, ANNAPOLIS, MD 21401. BOTH APPRAISALS RELATIVE TO THE POTENTIAL RELOCATION OF THE DPW SERVICES FACILITY. CONTACT: BRIAN SNYDER 410.263.7944	1.0	EACH	\$3,500.000	\$3,500.000		
3	ADDITIONAL APPRAISAL FOR FOREST DR (AMERICAN LEGION SITE)	1.0	EACH	\$2,500.000	\$2,500.000		

By Brian Snyder CPO
Procurement Officer

VENDOR COPY

PO Total \$9,500.00

BOOK 202 PAGE 33 PLAT 10960

AREA TABULATIONS
 TOTAL AREA, 755,340 S.F. (1.72 AC)
 TOTAL AREA, 755,340 S.F. OR 0.25 AC
 AREA TO BE DEDICATED TO CITY OF ANNAPOLIS
 8,825.0 S.F. OR 0.20 AC
 11,961.1 S.F. OR 0.27 AC
 54,058.3 S.F. OR 1.24 AC

OPEN SPACE (MINIMUM 20%)
 150,810 S.F. OR 3.42 AC

STORMWATER MANAGEMENT AREA
 150,810 S.F. OR 3.42 AC

COMMON AREA, INCLUDING CONSERVATION
 150,810 S.F. OR 3.42 AC

LANDSCAPE BUFFERS
 150,810 S.F. OR 3.42 AC

LOT TABULATION

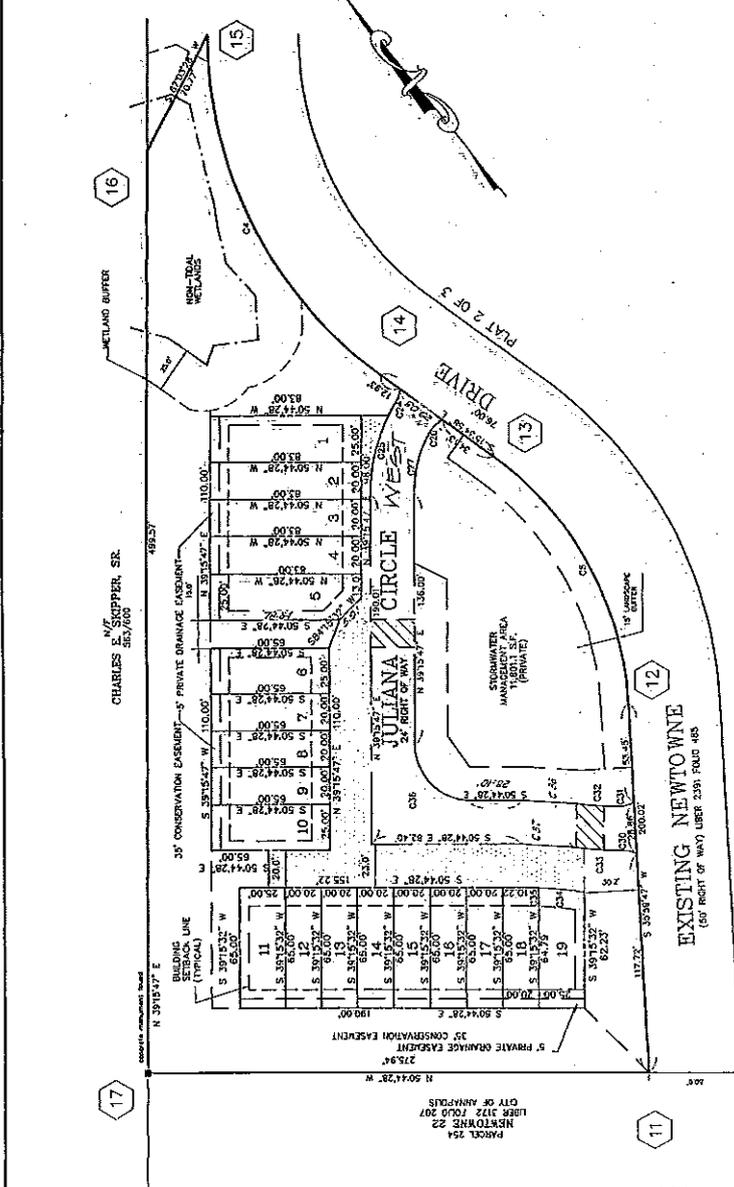
LOT NO.	AREA (S.F.)
1	2,075.5
2	2,075.5
3	2,075.5
4	2,075.5
5	2,075.5
6	2,075.5
7	2,075.5
8	2,075.5
9	2,075.5
10	2,075.5
11	2,075.5
12	2,075.5
13	2,075.5
14	2,075.5
15	2,075.5
16	2,075.5
17	2,075.5

SECTIONAL EASEMENT TO BE GRANTED TO THE CITY OF ANNAPOLIS FOR PRIVATE SIGNAGE SYSTEM

SECTIONAL EASEMENT TO BE GRANTED TO THE CITY OF ANNAPOLIS FOR PRIVATE SIGNAGE SYSTEM

COORDINATE TABLE

POINT	NORTH	EAST
11	17801.12	17823.70
12	17801.12	17823.70
13	17801.12	17823.70
14	17801.12	17823.70
15	17801.12	17823.70
16	17801.12	17823.70
17	17801.12	17823.70



CURVE DATA

CURVE	BASIS	LENGTH	TANGENT	CHORD	BEARING	DELTA
C1	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C2	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C3	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C4	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C5	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C6	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C7	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C8	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C9	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C10	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C11	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C12	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C13	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C14	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C15	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C16	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C17	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C18	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C19	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C20	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C21	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C22	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C23	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C24	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C25	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C26	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C27	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C28	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C29	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C30	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C31	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C32	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C33	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C34	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C35	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C36	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C37	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C38	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C39	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C40	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C41	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C42	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C43	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C44	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C45	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C46	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C47	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C48	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C49	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"
C50	50.00	100.00	50.00	100.00	S 180° 00' 00" W	180° 00' 00"



APPROVED:
 PLANNING COMMISSION
 CITY OF ANNAPOLIS

APPROVED:
 DEPARTMENT OF PUBLIC WORKS
 CITY OF ANNAPOLIS

APPROVED:
 DEPARTMENT OF PLANNING AND ZONING
 CITY OF ANNAPOLIS

APPROVED:
 HEALTH DEPARTMENT OF ANNE ARUNDEL
 COUNTY, MARYLAND

DATE: 10/17/19

DATE: 10/17/19

DATE: 10/17/19

DATE: 10/17/19

DRUM, SNELL & ASSOCIATES, LC
 CIVIL ENGINEERS
 ONE STATE CENTER
 ANNAPOLIS, MARYLAND 21401
 410-385-3122

**RIDER'S GLEN
 RECORD PLAT**

MAP 10-6 0800 14 PARCEL 255 DISTRICT 674
 SEPTEMBER 1999
 CITY OF ANNAPOLIS

PLAT NO. 10960
 PLAT BOOK 202
 PAGE 33
 PLAT 3 OF 3

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 30694, p. 0466, MSA_CE59_31136. Date available 03/08/2017. Printed 06/06/2018
Val #: 0002-180893 \$140.00
Deed - Recordation Tax
Instrument Type: Deed

AFTER RECORDING, RETURN TO:

Eagle Title, LLC
181 Harry S. Truman Parkway
Suite 200
Annapolis, MD 21401

Tax ID No.: 06-702-90099221
06-702-90099222

LR - Deed (w Taxes)
Recording only ST20.00
Name: annapolis realty
Ref:
LR - Deed (with Taxes)
Surcharge 40.00
LR - Deed State
Transfer Tax 100.00
LR - NR Tax - 1kd 0.00
=====
SubTotal: 160.00
=====
Total: 160.00
03/03/2017 09:00
CC02-GC
#7E06949 CC0501 - Anne
Arundel

DEED

THIS DEED, made this 24th day of Feb, 2017, by and between **NEWTOWNE TWENTY, INC., a Maryland corporation**, party of the first part, **GRANTOR**, and **ANNAPOLIS REALTY PARTNERS, LLC, a Maryland limited liability company**, party of the second part, **GRANTEE**.

WITNESSETH, that for and in consideration of the sum of Twenty Thousand and 00/100 Dollars (\$20,000.00), which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said Grantor does grant and convey to the said **ANNAPOLIS REALTY PARTNERS, LLC, a Maryland limited liability company**, as sole owner, in fee simple, all that lot of ground situate in the County of Anne Arundel County, State of Maryland and described as follows, that is to say:

PARCEL B

Being known and designated as Parcel B, containing 31,834 square feet, more or less, or 0.73 acres more or less, on the Plat entitled "Rider's Glen Record Plat, Plat 1 of 3", which plat is recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 202, page 33.

PARCEL C

Being known and designated as Parcel C, containing 6,576.3 square feet, more or less, or 0.15 acres, more or less, on the Plat entitled "Rider's Glen Record Plat, Plat 1 of 3", which plat is recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 202, page 33.

BEING part of the fee simple property which, by Deed dated March 27, 1969, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 2254, folio 91, was granted and conveyed by Meyer Gilden, Sadie Gilden, Joseph Carton, Selma Carton, Oscar Brilliant and Geraldine Brilliant unto Newtowne Twenty, Inc.

SUBJECT to all easements, covenants and restrictions of record.

6702-9009-9222
ACCT. 6702-9009-9221
ALL LIENS ARE PAID AS
OF 3/2/17, A.A. COUNTY
BY: hyl

CITY OF ANNAPOLIS
WATER DEPARTMENT
WATER BILLS PAID TO

2/24/17 EM

Val #: 0002-180892
County Transfer Tax
#200.00

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 30694, p. 0467, MSA_CE59_31136. Date available 03/08/2017. Printed 06/06/2018.

TOGETHER with the buildings and improvements thereon erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining.

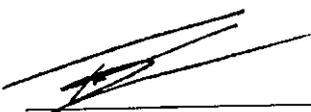
TO HAVE AND TO HOLD the said tract of ground and premises above described and mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said **ANNAPOLIS REALTY PARTNERS, LLC, a Maryland limited liability company**, as sole owner, in fee simple.

AND the Grantor hereby covenants that it has not done or suffered to be done any act, matter or thing whatsoever, to encumber the property hereby conveyed; that it will warrant specially the property hereby granted; and that it will execute such further assurances of the same as may be requisite.

WITNESS the hand and seal of said Grantor, the day and year first above written.

Witness:

NEWTOWNE TWENTY, INC., a Maryland corporation



By: Scott Wade (SEAL)
Scott Wade, Vice President

STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

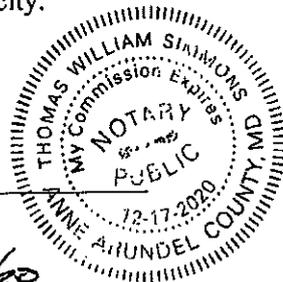
I HEREBY CERTIFY that on this 24th day of February, 2017, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared **SCOTT WADE**, and acknowledged himself to be the **VICE PRESIDENT** of **NEWTOWNE TWENTY, INC., a Maryland corporation**, and acknowledged that he, being authorized so to do, executed the foregoing Deed for the purposes therein contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



NOTARY PUBLIC

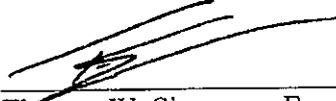
My Commission Expires: 12/17/20



[CERTIFICATE OF PREPARATION BEGINS ON THE NEXT PAGE]

CLERK'S NOTATION
Document submitted for record in a condition
not permitting satisfactory photographic
reproduction.

THIS IS TO CERTIFY that the within Deed was prepared by, or under the supervision of the undersigned, an Attorney duly admitted to practice before the Court of Appeals of Maryland.



Thomas W. Simmons, Esquire

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 30694, p. 0489, MSA_CE59_31136, Date available 03/08/2017, Printed 06/06/2018.

State of Maryland Land Instrument Intake Sheet
Baltimore City County: Anne Arundel
Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.

1 Type(s) of Instruments
2 Conveyance Type Check Box
3 Tax Exemptions (if applicable)

4 Consideration and Tax Calculations
Table with columns for Consideration Amount and Finance Office Use Only (Transfer and Recordation Tax Consideration).

5 Fees
Table with columns for Amount of Fees (Doc. 1, Doc. 2) and Agent/Tax Bill/C.B. Credit/Ag. Tax/Other.

6 Description of Property
SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(l).

7 Transferred From
Doc. 1 - Grantor(s) Name(s)
Doc. 2 - Grantor(s) Name(s)

8 Transferred To
Doc. 1 - Grantee(s) Name(s)
Doc. 2 - Grantee(s) Name(s)

9 Other Names to Be Indexed
Doc. 1 - Additional Names to be Indexed (Optional)
Doc. 2 - Additional Names to be Indexed (Optional)

10 Contact/Mail Information
Instrument Submitted By or Contact Person
Name: Monica L. Wotell
Firm: Eagle Title, LLC
Address: 181 Harry S. Truman Parkway, Suite 200
Annapolis, MD 21401 Phone: (410) 266-3600

11 Assessment Information
IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER
Will the property being conveyed be the grantee's principal residence?
Does transfer include personal property? If yes, identify:
Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).

Assessment Use Only - Do Not Write Below This Line
Table with columns for Terminal Verification, Agricultural Verification, Whole Part, Tran. Process Verification, Transfer Number, Date Received, Deed Reference, Assigned Property No., Year, Land, Buildings, Total, Geo. Zoning, Map Grid, Use Parcel, Town Cd., Sub, Plat, Section, Ex. Cd., Block, Lot, Occ. Cd.

REMARKS:

Space Reserved for Circuit Court Clerk Recording Validation

Space Reserved for County Validation

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 29592, p. 0001, MSA_CE59_30034. Date available 06/07/2016. Digitized 06/06/2018. R 0003
Val # : 0003-169232 \$0.00

Deed - Recordation Tax - Exempt
Instrument Type: Deed

AFTER RECORDING, RETURN TO:

Liff & Walsh, LLP
1906 Towne Centre Boulevard
Suite 270
Annapolis, MD 21401

Tax ID No.: 06-000-06316800
06-000-90102218

NO TITLE SEARCH PERFORMED
No Consideration - Related Business Entities
Exempt from Recordation and Transfer Taxes
pursuant to MD Tax-Prop §§ 12-108(p) and 13-207(a)(9)

LR - Deed (No-Taxes)
Recording Fee 20.00
Grantor/Grantee Name:
annapolis realty
Reference/Control #:
LR - Deed (No-Taxes)
Surcharge 40.00
=====
SubTotal: 60.00
=====
Total: 60.00
05/19/2016 10:15
CC02-GC
#6173424 CC0501 - Anne
Arundel
County/CC05.01.09 -
Register 09

DEED

THIS DEED, made this 21st day of April, 2016, by and between **HOGAN REALTY CAPITAL, LLC**, a Maryland limited liability company, party of the first part, **GRANTOR**, and **ANNAPOLIS REALTY PARTNERS, LLC**, a Maryland limited liability company, party of the second part, **GRANTEE**.

WHEREAS, Grantor purchased the real property described herein by virtue of a Deed dated November 12, 2014, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 27811, folio 082;

WHEREAS, Grantor caused Grantee to be formed by filing Articles of Organization with the corporate charter division of the Maryland State Department of Assessments and Taxation on March 15, 2016;

WHEREAS, Grantee is and remains a wholly owned subsidiary of Grantor; and

WHEREAS, Grantor now wishes to convey to Grantee the real property described herein, for consideration that comprises only of the issuance of the ownership interest in Grantee.

WITNESSETH, that for and in consideration of the sum of Zero And 00/100 Dollars (\$0.00), which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said Grantor does grant and convey to the said **ANNAPOLIS REALTY PARTNERS, LLC**, as sole owner, in fee simple; all that lot of ground situate in the County of Anne Arundel, State of Maryland and described as follows, that is to say:

PARCEL 1

BEING KNOWN AND DESIGNATED as 1.742 acres of land, more or less, and more particularly described as follows:

BEGINNING FOR THE SAME at an iron point of intersection of the division line between the lands now or formerly of America Legion Department of

RECEIVED FOR RECORD
CIRCUIT COURT A.A. COUNTY
2016 MAY 19 A 10 25

BY: [Signature]
CLIFFIENS ARE PAID AS
RE: Stille A.A. COUNTY
CT. 1000 0031 0800
1000 9010 2018

[Signature]
CITY OF ANNAPOLIS
WATER DEPARTMENT
WATER BILLS PAID TO
APR 21 2016

Maryland # 141 (see 2435/818) and the herein described lands of Light of the World Family Ministries, Inc. (see 10409/54), with the southwesternmost right-of-way line of Maryland Route 665 (Forest Drive);

Thence, leaving said beginning point so fixed and binding on the aforesaid Maryland Route 665 (Plat #50225), the following three (3) courses and distances: (1) South 43°47'43" East 65.84 feet to an iron rod set, (2) South 47°08'14" East 99.66 feet to a point, and (3) South 54°45'58" East 5.45 feet to an iron rod set;

Thence, leaving said iron rod so fixed and said Maryland Route 665 and binding on the division line between Parcel 2 of the Light of the World Family Ministries, Inc. (see 17382/476) and the herein described lands, South 39°26'28" West 431.54 feet to a 4" steel post found;

Thence, leaving said steel post so fixed and binding on the division line between the lands of "Rider's Glen Subdivision" (see Plat Book 202, Pages 33-35) and the herein described lands, North 56° 36' 35" West 171.26 feet to a 4" steel post found at the end of the first mentioned division line;

Thence, leaving said steel post so fixed and binding on the aforesaid division line between the lands of the America Legion Department of Maryland #141 and the herein described lands, North 39° 26' 28" East 462.89 feet to the place of beginning. Containing in all 1.742 acres of land more or less as surveyed by ATCS, P.L.C. in August of 2006.

PARCEL 2

BEING COMMONLY KNOWN as the Former Elmer Homber Property, or 0.833 acres of land, more or less, as shown on State Highway Plat Number 50459 and more particularly described as follows:

BEGINNING FOR THE SAME at an iron rod set at the point of intersection of the division line between the lands of Light of the World Family Ministries, Inc. (see 10409/54) and the herein described lands of Light of the World Family Ministries, Inc. (see 17382/476) with the southwesternmost right-of-way line of Maryland Route 665 (Forest Drive);

Thence, leaving said beginning point so fixed and binding on the aforesaid Maryland Route 665 (see Plat #50225), the following two (2) courses and distances: (1) South 54° 45' 58" East 22.83 feet to a point of curve and (2) with the arc of a curve to the left, 61.46 feet to an iron rod set. Said curve having a radius length of 8,242.67 feet

Thence, leaving said iron rod so fixed and said Maryland Route 665 and binding on the division line between the lands now or formerly of Katherine Properties, Inc. (see 7707/244) and the herein described lands, South 39° 15' 46" West 421.87 feet to a point;

Thence, leaving said point so fixed and binding on the division line between the lands of "Rider's Glen Subdivision" (see Plat Book 202, Pages (33-35) and the herein

described lands, North 56° 36' 35" West 86.00 feet to a 4" steel post found at the end of the first mentioned division line;

Thence, leaving said steel post so fixed and binding on the aforesaid division line between the lands of the Light of the World Family Ministries, Inc. and the herein described lands, North 39° 26' 28" East 431.54 feet to the place of beginning. Containing in all 0.833 acres of land more or less as surveyed by ATCS, P.L.C. in August of 2006.

The improvements thereon being known as 1701 Forest Drive.

BEING the same property which, by Deed dated November 12, 2014, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 27811, folio 082, was granted and conveyed by Matthew W. Oakey, David G. Sommer, and Robert R. Kern, Jr., Substitute Trustees unto Hogan Realty Capital, LLC.

SUBJECT to all easements, covenants and restrictions of record.

TOGETHER with the buildings and improvements thereon erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining.

TO HAVE AND TO HOLD the said tract of ground and premises above described and mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said **ANNAPOLIS REALTY PARTNERS, LLC**, as sole owner, in fee simple.

AND the Grantor hereby covenants that it has not done or suffered to be done any act, matter or thing whatsoever, to encumber the property hereby conveyed; that it will warrant specially the property hereby granted; and that it will execute such further assurances of the same as may be requisite.

[SIGNATURE AND ACKNOWLEDGMENT BEGIN ON NEXT PAGE]

WITNESS the hand and seal of said Grantor, the day and year first above written.

Witness:

GRANTOR:

HOGAN REALTY CAPITAL, LLC,
A Maryland Limited Liability Company

By: Hogan Development, LLC, Member
A Maryland Limited Liability Company

[Signature]

By: [Signature] (SEAL)
Timothy S. Hogan, Managing
Member

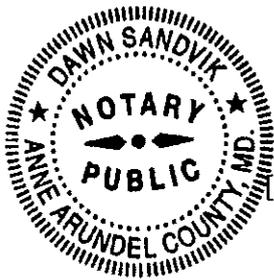
[Signature]

By: [Signature] (SEAL)
S. Hamilton Chaney, Member

STATE OF MARYLAND, COUNTY OF Anne ARUNDEL, to wit:

I HEREBY CERTIFY that on this 18 day of APRIL, 2016,
before me, the subscriber, a Notary Public of the aforesaid State, personally appeared
TIMOTHY S. HOGAN, and acknowledged himself to be the **MANAGING MEMBER** of
HOGAN DEVELOPMENT, LLC, a Maryland limited liability company, a **MEMBER** of
HOGAN REALTY CAPITAL, LLC, a Maryland limited liability company, and acknowledged
that he, being authorized so to do, executed the foregoing document for the purposes therein
contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
NOTARY PUBLIC
My Commission Expires: 12-21-19

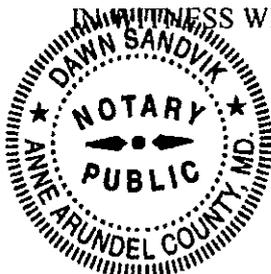
[ACKNOWLEDGMENTS CONTINUE ON NEXT PAGE]

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 29592, p. 0005, MSA_CE59_30034. Date available 06/02/2016. Printed 06/06/2018.

STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

I HEREBY CERTIFY that on this 21 day of April, 2016, before me, the subscriber, a Notary Public of the aforesaid State, personally appeared **S. HAMILTON CHANEY**, and acknowledged himself to be a **MEMBER** of **HOGAN REALTY CAPITAL, LLC**, a Maryland limited liability company, and acknowledged that he, being authorized so to do, executed the foregoing document for the purposes therein contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Dawn Sandvik
NOTARY PUBLIC
My Commission Expires: 12-21-19

THIS IS TO CERTIFY that the within Deed was prepared by, or under the supervision of the undersigned, an Attorney duly admitted to practice before the Court of Appeals of Maryland.

[Signature]
Thomas W. Simmons, Esquire

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 29592, p. 0006, MSA_CE59_30034, Date available 06/02/2016, Printed 06/08/2018.

State of Maryland Land Instrument Intake Sheet
Baltimore City County: Anne Arundel
Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office Only.

29592 PG 006

Form sections: 1 Type(s) of Instruments, 2 Conveyance Type Check Box, 3 Tax Exemptions, 4 Consideration and Tax Calculations, 5 Fees, 6 Description of Property, 7 Transferred From, 8 Transferred To, 9 Other Names to Be Indexed, 10 Contact/Mail Information, 11 Assessment Information. Includes tables for fees, property details, and assessment verification.

Space Reserved for County Validation



Southeasterly view of the assemblage Parcels 1769, 1813, and 2355/C Forest Drive frontage.



A northwesterly view of the assemblage Parcels 1769, 1813, and 2355/C Forest Drive frontage.



Southerly view of the assemblage Parcels 1769, 1813, and 2355/C, as seen from Forest Drive.



Southerly view of the assemblage Parcels 1769, 1813, and 2355/C, as seen from Forest Drive.



Westerly view of the assemblage Parcels 1769, 1813, and 2355/C, as seen from Forest Drive.



Northeasterly view of Parcel 2355/B's Newtown Drive frontage, as seen from the vicinity of the Skippers Lane and Newtown Drive intersection.



Easterly view of Parcel 2355/B as seen from the vicinity of the Skippers Lane and Newtown Drive intersection.



Typical view of Parcel 2355/B, as seen from Newtown Drive.



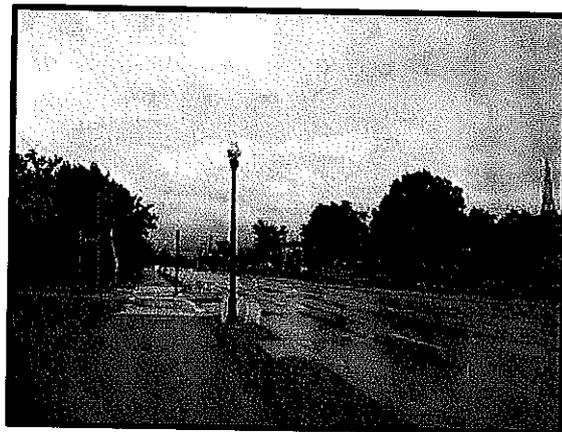
Southeasterly view of Parcel 2355/B's Forest Drive frontage, as seen from the vicinity of the Forest Drive and Newtown Drive intersection.



Southwesterly view of Parcel 2355/B's Newtown Drive frontage, as seen from the vicinity of the Forest Drive and Newtown Drive intersection.



Southerly view of Parcel 2355/B, as seen from the vicinity of the Forest Drive and Newtown Drive intersection.



Northwesterly view of Parcel 2355/B's Forest Drive frontage.