

**SUMMARY REPORT
REAL ESTATE APPRAISAL**

**Of
Stillwater**



**Line Road, Delmar
Sussex County, Delaware, 19940**

**As of
November 15, 2012**

Prepared For
The National Bank of Cambridge
306 High St
Cambridge, MD 21613

Prepared by
The Trice Group, LLC
1003 Mt. Hermon Road
Suite 201
Salisbury, Maryland 21801

Trice File No: 2012-11-69



December 14, 2012

Ms. Annette Harrison
The National Bank of Cambridge
306 High St
Cambridge, MD 21613

Re: Stillwater
Line Road, Delmar, Delaware, 19940
Trice File No: 2012-11-69

Dear Ms. Harrison:

At your request, we have prepared an appraisal for the above referenced property. The purpose of this appraisal is to estimate the market value of the subject property for financing decisions and/or asset management. This appraisal is intended for the use of the client, The National Bank of Cambridge, and any participant, assignee or other transferee.

The accompanying summary appraisal has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and applicable Federal regulations. The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal. As a Summary Report, some of the supporting data and analysis utilized in the estimate of value has been retained in the appraisers' files. It presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. However, all due diligence was conducted to arrive at the value conclusion.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. Your attention is directed to the Limiting Conditions and Assumptions. Acceptance of this report constitutes an agreement with these terms.

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December 14, 2012

Page Two

As a result of the valuation procedure and analysis, it is our opinion that the current "*as is*" market value of the unencumbered fee simple interest of the subject property, identified as *the 172 "approved/unimproved" residential building lots of the Stillwater subdivision*, as of November 15, 2012 is:

"AS IS"

ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS

(\$1,800,000)

This value conclusion is 20% lower than our August 2011 value conclusion for this property. The difference can be attributed to declining values over the intervening 15 months. The market statistics are outlined in the Market Analysis section of this report. Moreover, bulk land is being more deeply discounted as lenders are now selling failed projects at significant losses.

The supporting data, analysis, and conclusions upon which this valuation is bases are contained in the accompanying appraisal report and in the work file. **THIS LETTER MUST REMAIN ATTACHED TO THE REPORT IN ORDER FOR THE VALUE OPINION SET FORTH TO BE CONSIDERED VALID.**

Respectfully Submitted,
The Trice Group, LLC



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Summary of Important Facts and Conclusions

Subject Property: Stillwater
Line Road a/k/a Route 54
Delmar, Delaware 19940

Report Type: Summary Appraisal

Report Date: December 14, 2012

Trice File No.: 2012-11-69

Current Owner: National Bank of Cambridge

Property Overview: 172 “Approved/Unimproved” Residential Lots
Area of Lots: 88.78 Acres +/-

Interest Appraised: Fee Simple

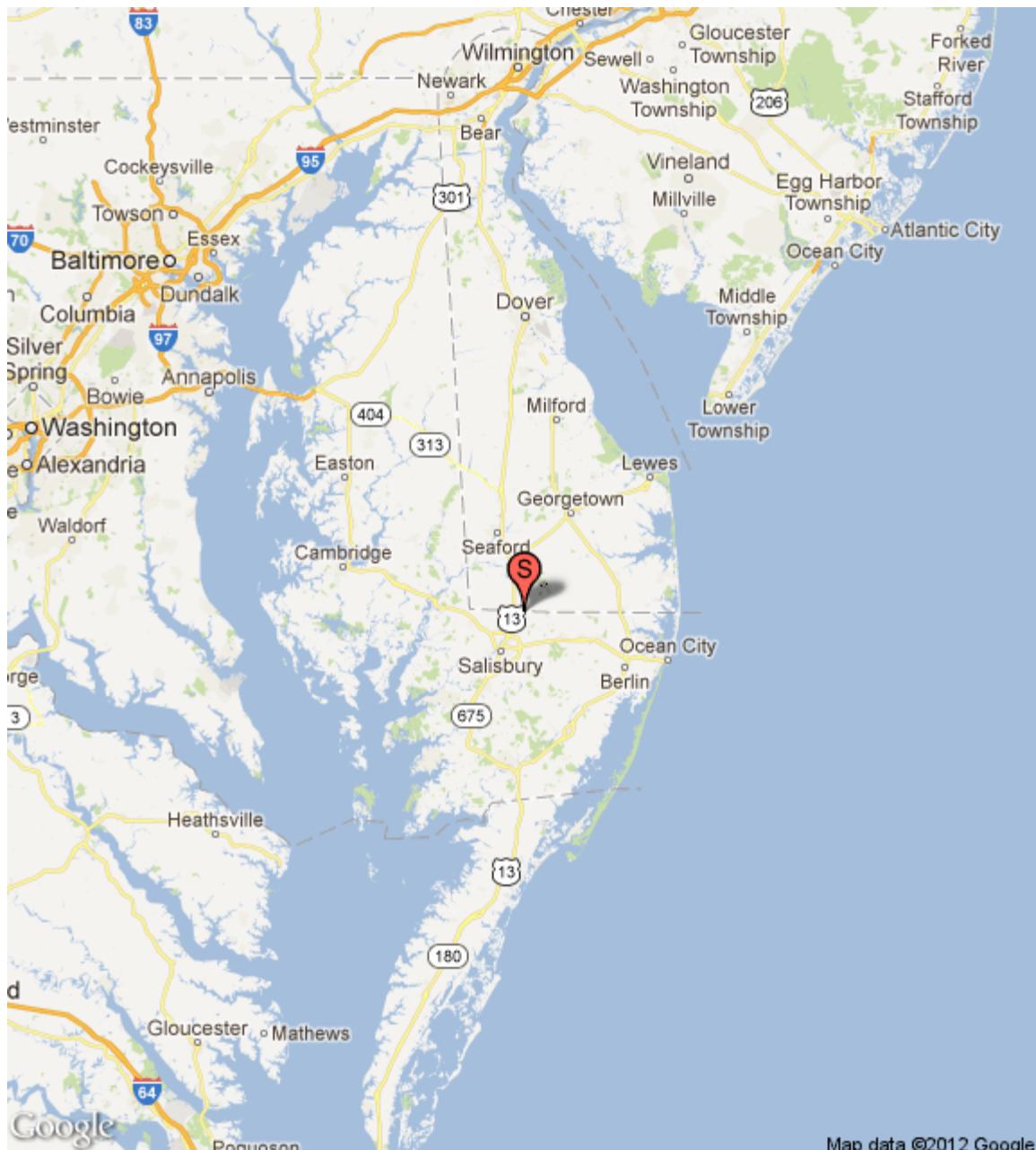
Highest and Best Use: Residential Development

Zoning: R-2, Residential District

“As Is/Discounted” Value: \$1,800,000 as of November 15, 2012

Appraisers: Bruce D. Di Cintio
Jill Nock Jeffery

Regional Map



Subject Photographs



Site View



Site View



Line Road Facing East – Subject to the Left



Line Road Facing West – Subject to the Right

Appraisal Specifics

The purpose of this appraisal is to estimate the current 'as is' market value of the subject property.

Intended Use

The intended use of this appraisal is for evaluating the property as collateral in a financing decision and for portfolio management. The appraisal was developed consistent with the scope specified by The National Bank of Cambridge and agreed upon the appraiser for real estate collateral valuation.

Intended User(s)

This appraisal is intended for the use of the client, The National Bank of Cambridge, and any participant, assignee or other transferee.

Market Value Definition

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

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

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

Date of Inspection and Effective Date of Appraisal

The effective date of the "as is" valuation is November 15, 2012, the date of the inspection of the subject property. This property was previously appraised by our office in 2005 and 2011.

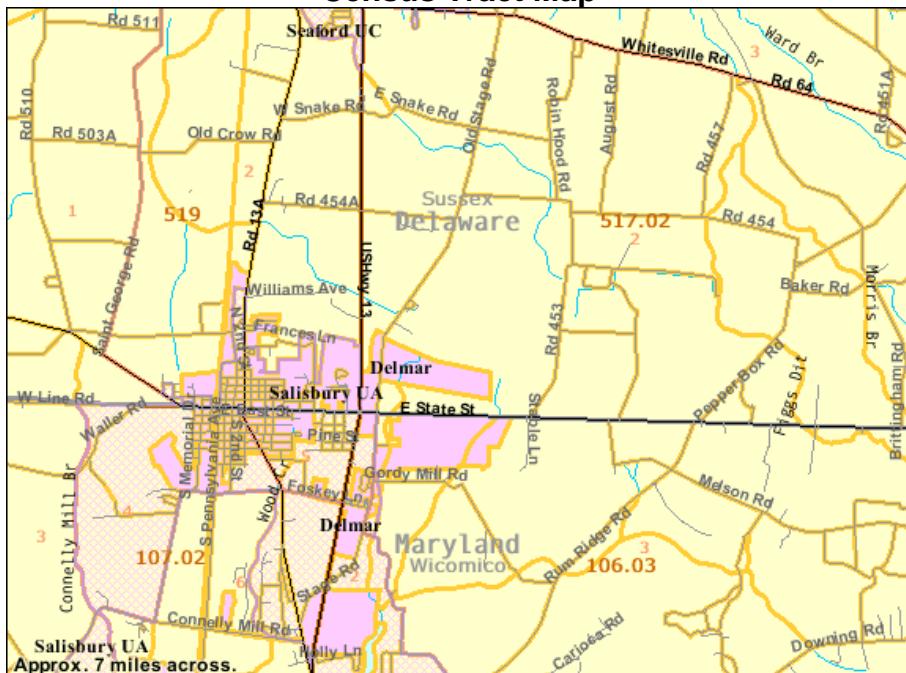
Property Rights Appraised

The property rights being appraised are the fee simple interest. Possession of a title in fee establishes the interest in a property known as the fee simple estate. This 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.", Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

Property Identification

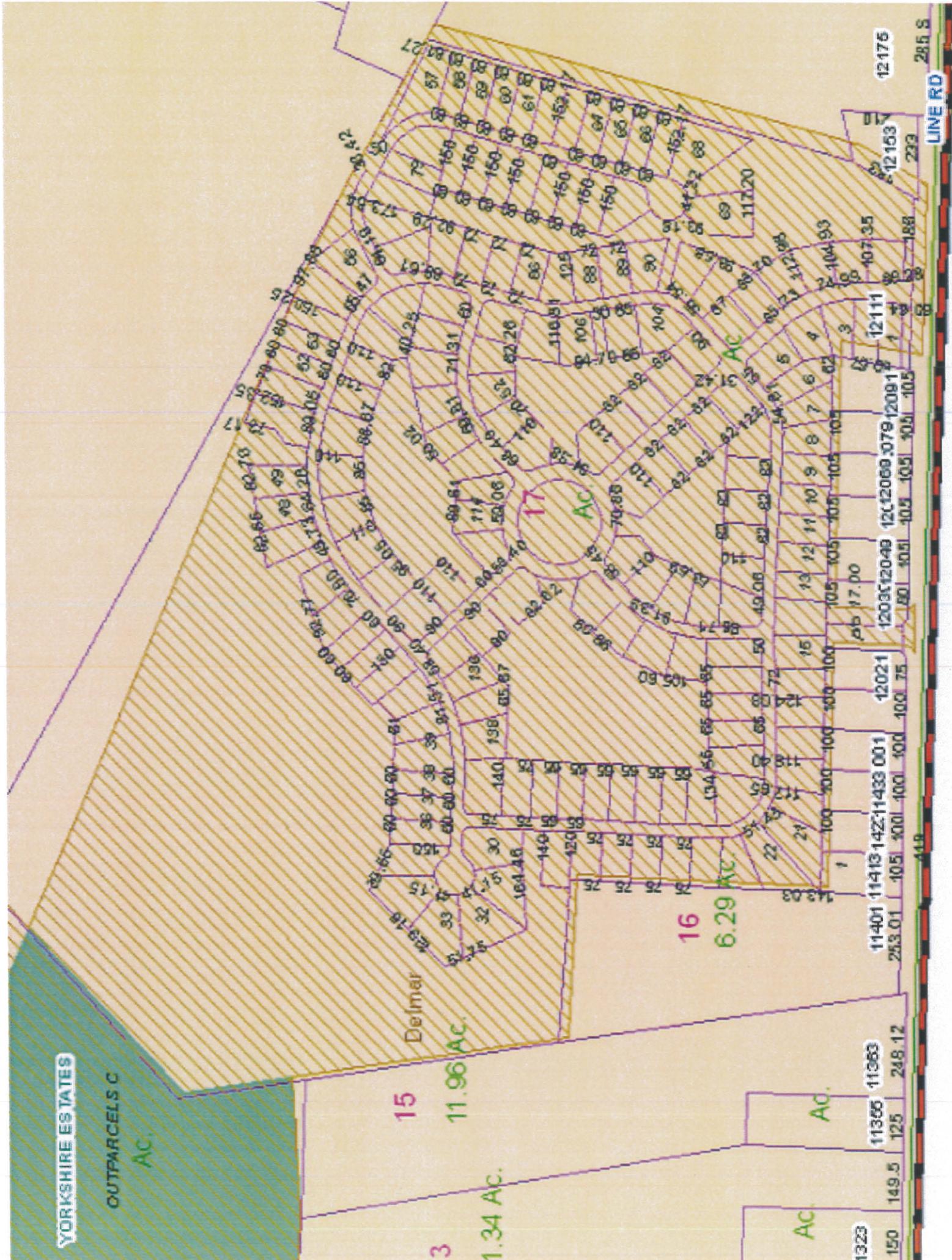
The property is identified as Stillwater located within the incorporated town limits of Delmar in Sussex County, Delaware. It is further identified in Sussex County Tax District 5-32, Map 21.00 as Parcels 17.00 and 18.00. A copy of the tax map is shown on the facing page. The subject plot is recorded in the land records in Book 151 at Page 26. There are 172 lots per the plot and the lots are numbered 54.00 through 225.00. When we appraised this property last year we found district, map and parcel numbers in the tax records for the individual lots but the assessment cards were never created. We spoke with the Town Manager for the Town of Delmar. She indicated that although the plot was recorded the town never recorded the necessary documents to create the lots. She indicated that the problem would be corrected. When we again researched the property this year we found that there are still no individual tax cards for Stillwater. The property is located in Census Tract 517.02 and is serviced by the Delmar Post Office, Zip Code 19940.

Census Tract Map

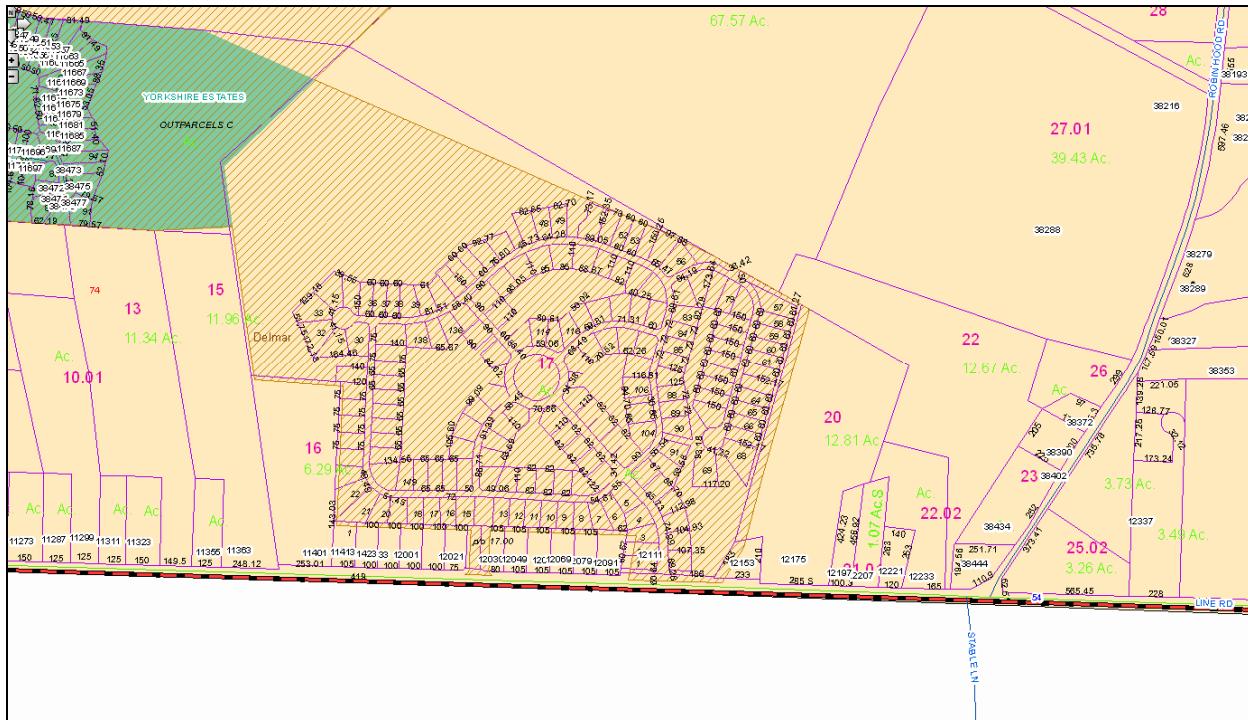


YORKSHIRE ESTATES

CUT PARCELS C
AC.



Assessor's Tax Map



Title Data and Sales History

The subject property is currently owned by National Bank of Cambridge who acquired the property in a non arms-length transfer on February 21, 2012 from Stillwater Group LLC for \$1.00 in consideration. The property was acquired via deed in lieu of foreclosure. A copy of the deed recorded at Liber 4033, Folio 257 has been placed in the Addendum section of this report.

The subject property is actively listed for sale for \$2,200,000 and has been on the market at this list price since October 21, 2011. There are no known pending agreements of sale for this property.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for The National Bank of Cambridge. The problem to be solved is to estimate the current 'as is' market value of the subject property. The intended use is for financing decisions and/or asset management. This appraisal is intended for the use of client.

SCOPE OF WORK	
Report Type:	This is a Summary Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(B). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete interior and exterior inspection of the subject property has been made, and photographs taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value

Valuation Analyses

Cost Approach:	A cost approach was not applied as the subject is vacant land.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was applied as the discounted sell-off analysis was employed.
Hypothetical Conditions:	<ul style="list-style-type: none">• There are no Hypothetical Conditions for this appraisal.
Extraordinary Assumptions:	<ul style="list-style-type: none">• There are no Extraordinary Assumptions for this appraisal.

Comments

The property was inspected on November 15, 2012. This property was previously appraised by our office in 2005 and 2011. Information on the subject was taken from tax assessment records as no site plan or survey were provided to the appraisers. We also reviewed the record plot as described in the property description section of this report. Neighborhood information was based on a physical inspection of the area as well as data from local property owners and state and municipal sources. In estimating the highest and best use of the subject, an analysis was made of all the data pertaining to the property, neighborhood and region.

The scope of this appraisal is limited to the valuation of the real estate only and focuses primarily on the “as is” land value due to the determination that the highest and best use is residential development when demand warrants. As of the date of this appraisal, the subject lots are “approved/unimproved” residential building lots.

The value of the subject lots will be determined via the Income Approach known as the Subdivision Analysis. This is considered an Income Approach to value. In this methodology, the value of the finished lots is determined then the development costs are deducted to derive a value for the land which reflects the financial rewards, risks and costs associated with the investment. Due to the highest and best use determination, the Sales Comparison Approach was also analyzed for the subject as bulk residential land.

The research in preparing this appraisal report has focused on the 500+ or so subdivision on the Delmarva Peninsula appraised by our office over the past eight years. In formulating the approaches to value, the market data obtained was collected from office files, multiple list publications, other appraisers, realtors, property owners and municipal offices in the subject area. Statistical data was gleaned from the Delaware Association of Realtors, the National Association of Realtors, the U.S. Census Bureau and the Hanley Woods Market Data. We also contacted

local jurisdictions to obtain the most recent planning and zoning information, including, Sussex County Planning and Zoning Office. After assembling and analyzing the data defined in the scope of this appraisal, a final opinion of market value was made.

National Economic Analysis

The National economic turmoil that began in 2007 has adversely impacted real property markets and values. What began as a “subprime mortgage meltdown” ultimately spread to all segments of banking and real estate. Subsequently, there was much economic volatility present in financial markets in general, and Wall Street in particular. Additionally, this financial turmoil caused by over leverage at personal, corporate, and institutional levels manifested itself throughout much of the industrialized global economy. Since the initial upheaval, the severe volatility and dearth of any credit has abated. However, true growth remains elusive. The following insights have been compiled from a review of various published articles addressing the current economy in recent months as well as regularly updated market trend sources.

Availability of Credit

Real estate is being affected by events that are occurring across the capital markets spectrum and by the broader liquidity crisis. Since much of the financial crisis stemmed from easy credit and lax underwriting standards, the credit market pendulum has swung and lending standards are significant more stringent. Accordingly, more limited credit and more stringent lending standards are constrictive to real estate transactions in the near to mid-term, which will impact supply, demand, and pricing. However, the government is taking some steps to address home financing and/or foreclosure issues through MBS purchases, capital for the GSEs, and loan modifications. In the near term, there will continue to be very limited new housing starts, which is necessary to reduce inventory and stabilize prices. Mortgage lending today has a renewed emphasis on both credit and collateral with far greater verification of borrower integrity, fewer exotic and flexible loan programs, and higher LTV requirements.

Consumer Behavior

Some analysts note that the overall market is being influenced by persistent consumer pessimism driven by high unemployment and general lack of economic confidence. Continued negative economic news regarding high unemployment, rising foreclosures, falling real estate values, etc., impact spending and investment decisions. While some economic indicators have shown the formation of a bottom or slight uptick, consumers remain cautious. Real estate is a trailing indicator. The result of current economic volatility is likely to be people waiting before making real estate decisions or limiting buying opportunities only to distressed sellers.

Summary of Macro Economics

The short-term impact of national economic instability has been a marked suppression of sales in many real estate segments. Marketing times have been extended as potential buyers take a cautious approach. Motivated sellers are reducing prices and REO properties have increased that add inventory at the lower end of the price spectrums. While this investor behavior is likely to be limited in duration, the impact to sale prices and property value is clear since the market correction began. Supply and Demand has demonstrated some move towards balance. Demand has increased slightly while supply has diminished. In particular, distressed inventory

levels must recede fully to regain “normal” market conditions. However, the “shadow inventory” of non-performing loans remains a threat to real estate behavior.

Area Analysis

The subject is located on Line Road a/k/a Route 54 in Delmar, Delaware in Sussex County. Sussex County represents the southernmost county within the state of Delaware, which is a part of the larger area of land known as the “Delmarva Peninsula”. Sussex County is bordered by Kent County to the north, Wicomico County, Maryland to the south, the Atlantic Ocean to the east and Dorchester County to the west. There are three major roadways in Sussex County; they are Delaware 1 on the eastern side, U.S. 113 in the central part of the county, and U.S. 13 along the western border. There are numerous secondary and tertiary roadways as well.

According to the U.S. Census Bureau, the total land area for Delaware is 1,949 square miles as of 2010. The Town of Lewes, was founded as a Dutch settlement and fishing town in 1631 making Sussex County the oldest county in the state. Sussex County is Delaware’s largest county spanning 936 square miles. The mean annual temperature for Sussex County is 55 degrees with daily temperatures ranging from 35 degrees F to 78 degrees F. The annual precipitation is 46 inches.

The population of Delaware was estimated at 897,934 in the 2010 Census. Between 2000 and 2010 the state’s population grew 14.6%. According to the Delaware Population Consortium, there is projected population growth for both the county and the state, in general, for the foreseeable future. This is demonstrated in the chart shown below.

2010 Delaware Population Consortium Projections									
Summary	2000	2005	2010	2015	2020	2025	2030	2035	2040
Delaware	786,408	839,924	895,173	940,449	981,922	1,019,497	1,054,631	1,088,245	1,120,523
Kent Co.	127,114	143,308	160,058	169,884	178,817	186,202	192,853	199,065	204,952
-City of Dover	32,197	33,965	37,341	38,138	38,952	39,783	40,635		
New Castle Co.	501,855	520,929	538,170	554,405	567,764	578,739	589,267	598,817	606,881
-City of Newark	29,367	30,334	30,486	30,604	30,715	30,830	30,947		
-City of Wilmington	72,728	72,265	73,022	72,777	72,549	72,300	72,058		
Sussex Co.	157,439	175,687	196,945	216,160	235,341	254,556	272,511	290,363	308,690

(Source: Delaware Population Consortium Annual Population Projections, 2010)

The income levels in the county reflect a moderately healthy income base. The county currently has a median household “effective buying income” of \$62,474 (2010). The percentage of average household incomes is shown in the chart below.

Consistent with national trends, unemployment has decreased in Sussex County. The chart on the following page was taken from the Bureau of Labor Statistics website, which shows that from September 2011 to September 2012 unemployment rates in Sussex County dropped 0.8%.

Unemployment Rates by County in Delaware, Not Seasonally Adjusted

Area	September 2011	September 2012(P)	Net Change
United States	8.8	7.6	-1.2
Delaware	7.3	6.6	-0.7
Kent County, DE	7.3	7.0	-0.3
New Castle County, DE	7.5	6.6	-0.9
Sussex County, DE	6.7	5.9	-0.8

Last Modified Date: November1, 2012

The easternmost section of Sussex County is primarily devoted to the tourism industry. Sussex County has a 25 mile stretch of ocean front land. Of this land, 17 miles are protected as public parklands, and are not available for development. Along the remaining beach, the towns of Rehoboth, Lewes, Dewey, Bethany and Fenwick Island have grown. The area attracts large crowds during the summer season, which pumps many tourist dollars into the county and creates numerous jobs associated with the industry.

Sussex County offers an array of recreational and leisure activities for its residents and tourists. The location, near the ocean and environment provide activities that include swimming, golfing, boating, and fishing. The oceanfront orientation of the County has increased the population in the past few decades.

It is home to five state parks, a number of protected wildlife areas and miles of public access beaches. There are eight school districts that serve the county, as well as 16 private schools and 4 colleges and universities. The subject property is located in the Cape Henlopen School District. There are also five hospitals and a number of extensive-care, rehabilitation and specialized services.

There are three major industries in Sussex County, Delaware. One is the agriculture industry, accounting for more than 40% of the land area. There are 346 Agricultural Preservation Districts in the county that encompass 56,868 acres as of January 18, 2012. There are 255 farms with a total of 35,709 acres that are protected with perpetual Agricultural Preservation Easements as of January 18, 2012. Corn, soybean and small grains are the largest crops grown in the county. Processed and fresh market vegetables are also major crops. Delaware's moderate climate, long growing season and well drained soils allow farmers to harvest as many as three crops per season. The mean annual temperature for Sussex County is 55 degrees with daily temperatures ranging from 35 degrees F to 78 degrees F. The annual precipitation is 46 inches.

Poultry Industry on Delmarva

Agricultural activities in Delmarva, including farming and the poultry industry, contribute significantly to the local economy. Per the Delmarva Poultry Industry, Inc there are approximately 1,667 poultry growers on Delmarva and 4,911 poultry houses. A University of Maryland study concluded that jobs both directly and indirectly dependent upon the poultry industry represent one out of every twelve jobs in the region and each job in the poultry processing industry creates 7.2 jobs elsewhere.

There are currently five poultry companies with growers and/or facilities on the Delmarva Peninsula, three of which are ranked in the top ten nationally based on their average weekly

ready-to-cook production, by weight, as published in WATT Poultry USA March 2012.

Poultry Companies and national rankings are as follows:

- | | |
|---|-----|
| • Allen Harim Foods, LLC (South Korea) | #23 |
| • Amick Farms, Inc (Headquartered in Batesburg, SC) | #14 |
| • Mountaire Farms, Inc (Headquartered in Millsboro, DE) | #6 |
| • Perdue Farms Inc (Headquartered in Salisbury, MD) | #4 |
| • Tyson Foods, Inc (Headquartered in Springdale, AR) | #1 |

Tyson Foods, Inc. retained its number one ranking from February 2011. Amick Farms notably moved from No. 18; Mountaire Farms, Inc. jumped one spot from No. 7; and Perdue Farms, Inc. slipped down from No. 3.

The Delmarva Peninsula, the heart of which is Sussex County, has long been noted as the birthplace of the commercial broiler industry. It is a top broiler producing county in the United States and the home of one of America's largest broiler chicken companies, Mountaire Farms, Inc. with operations in Selbyville and Millsboro. In addition, Perdue Farms, Inc., based across the state line in Salisbury, Maryland has substantial operations in Sussex County. In June 2010, Amick Farms, Inc., based in South Carolina, purchased facilities from Allen's Family Foods in Hurlock, MD and Delmar, DE and has growers in both states. Harim Holdings of Korea purchased the remaining Allen's Family Foods, Inc. facilities as the result of a bankruptcy settlement. They reopen operations as Allen Harim Foods LLC. Tyson Foods, Inc. also has about two dozen growers in the state, but they do not have any company facilities in Delaware.

The poultry industry nationwide has had a volatile year while five companies ceased operations, other companies are acquiring facilities and expanding operations. Per conversations with poultry company employees, lenders, and growers in the Delmarva area, it appears that most poultry companies have increased the lay out time between flocks. High grain prices, reduced demand for chicken and attempts to increase bird health have taken their toll on the poultry industry, locally and nationally. Prior to the downturn in the economy in 2008, growers typically averaged 5.5 flocks per year. Recently, that average has dropped to 5 flocks per year. Also, farms with older houses were required to upgrade to industry standards by year end 2010 or their contracts were discontinued.

On September 22, 2011 the Trade Adjustment Assistance program approved three trade agreements with South Korea, Columbia and Panama. The agreement will strengthen the U.S. economy and provide more opportunities for American businesses, particularly for Delmarva's Poultry Industry. The Trade Adjustment Assistance provides assistance to workers, firms and farmers affected by increased trade.

Tom Carper, U.S. Senator for Delaware press release stated, "One example of business that will benefit from these agreements is the poultry industry. One out of every five chickens is produced by local growers on the Delmarva Peninsula are exported overseas. Ultimately, selling more chickens in the countries around the world means more jobs and revenue for farmers in

Delaware, and not just for those who sell chickens, but for thousands more who are part of the larger supply chain".

In addition market participants were interviewed and a MidAtlantic Farm Credit representative indicated the exportation agreement will increase production in the poultry industry on the Delmarva Peninsula. Currently the poultry industry on Delmarva appears to be fairly stable and both integrators and the USDA are optimistic about 2012

The overall long term outlook for Sussex County and the surrounding area is positive with projected growth in both population and income. The expected economic growth should support a continued demand for real estate in the subject market area. Delaware had undergone a strong pattern of growth over the past decade which has included new commercial and residential development as well as increasing values for residential units in particular. However the market for residential subdivisions has undergone price corrections due to an oversupply of product from numerous completed projects and the national economic recession. This will be addressed in more detail in the Supply and Demand Analysis section of this report.

Sussex County Map



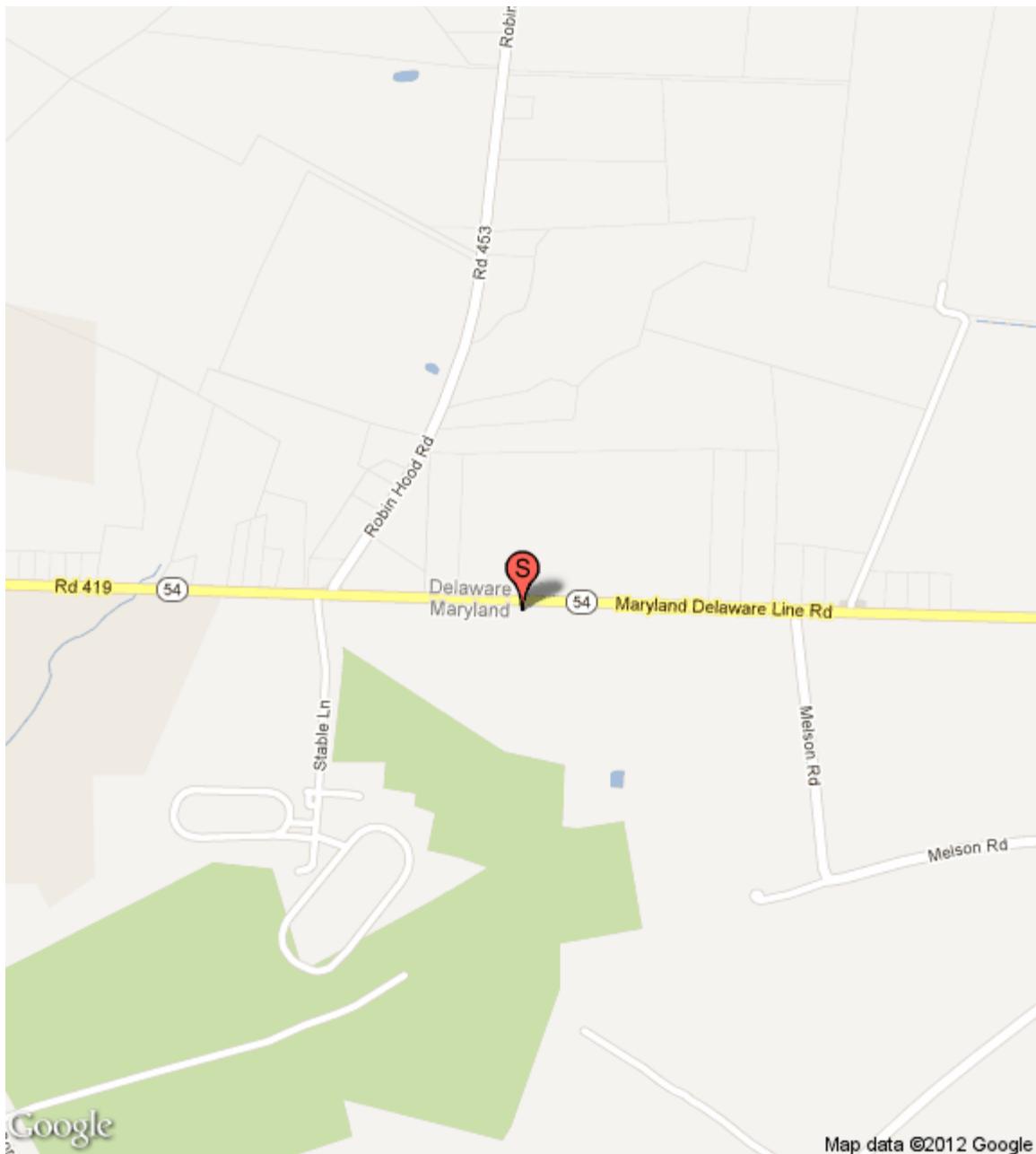
Neighborhood Analysis

The subject property is located on the north side of Line Road a/k/a Route 54 in an incorporated area of Delmar, Delaware. It is about two miles east of the town center. Route 13 a/k/a Sussex Highway is one the main north/south travel routes through Delaware and is located about two miles to the west of the subject. The property is also within a short commute to Laurel, Delaware and Salisbury, Maryland, two major employment centers in this area.

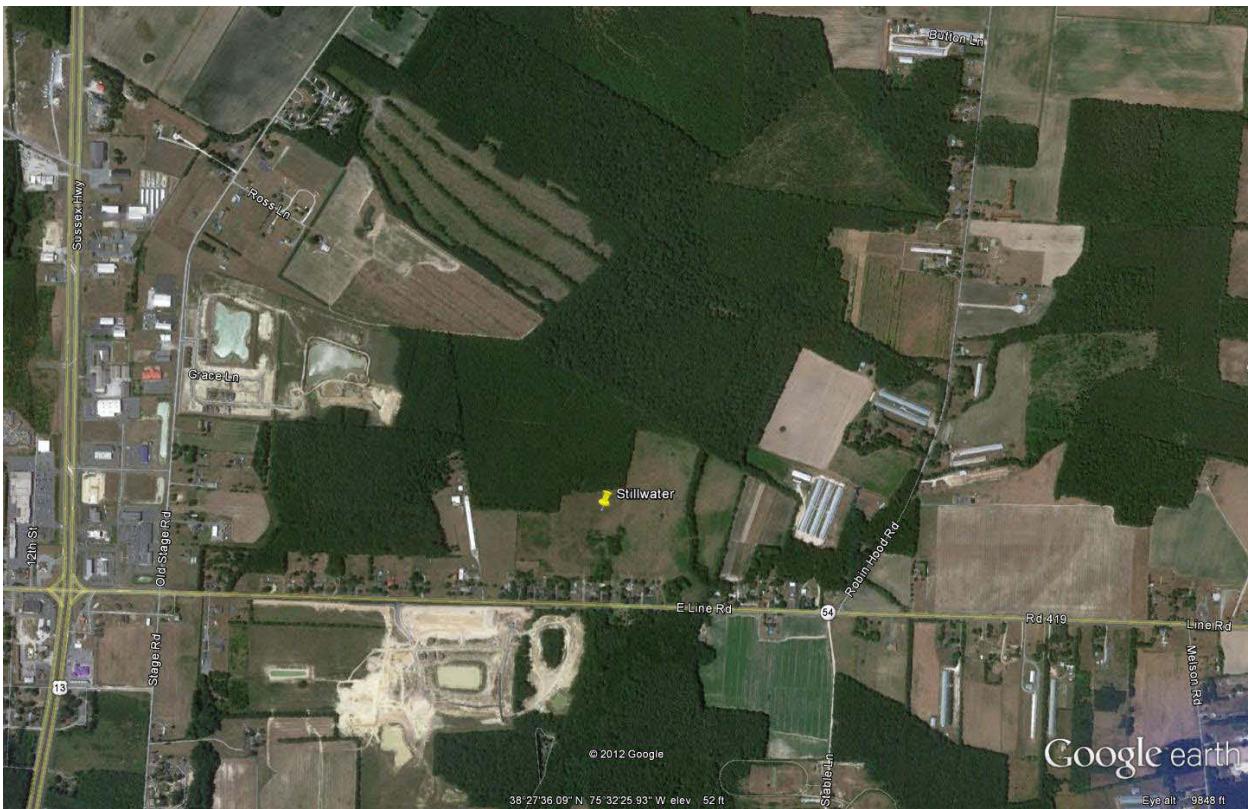
The immediate area was slowly giving way to development during the boom between 2000 and 2006. Agricultural land was being converted for residential uses. This process has now ended under the current economic conditions as developers currently have ample land inventory. Some proposed and on-going residential developments in the immediate environs include Barron's Place (22 Lots), Silverbell Estates (40 Lots), Country Grove (63 Lots), White River Estates (28 Lots) and Cypress Pointe (29 Lots). This will be discussed further in the Supply and Demand section of this report.

The residential listing inventory has increased substantially over the past two to three years, but now appears stable. Marketing times are generally between 6 to 12 months. The record growth in values that had taken place between the years 2000 and 2006 has ended, and residential values have entered a period of decline. This will be discussed further in the Supply and Demand section of the report. Despite the slowing real estate market, the overall long term economic outlook for Sussex County and the surrounding area remains favorable with increases in population and employment predicted for the foreseeable future.

Neighborhood Map



Aerial Map



Property Description

Information Sources: Inspection, Tax Records

Total Site Size: Site Size: 88.78 Acres +/-

Site Shape: Irregular – See Site Plan

Road Frontage/Access: Adequate/Typical

All of the lots have frontage on either the north or south side of Sharptown Road.

Site Topography: Level to Gently Sloping, Mostly Cleared

Utilities: Existing: None

Proposed: Public Water and Sewer Available

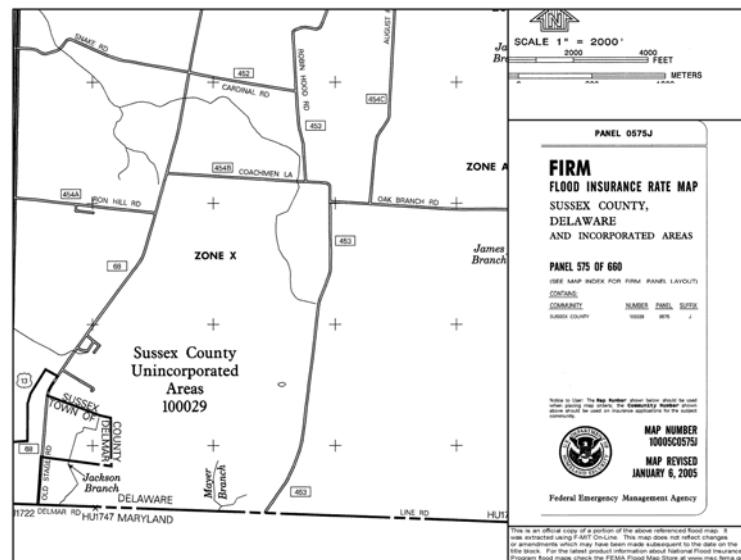
Current Improvements: None

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The property is NOT located in a flood hazard zone. A copy of the relevant portion of the flood map is attached.

FEMA Map Number: 10005C0575J

FEMA Map Date: 1/6/2005

FEMA Zone Classification: X



Easements/ No adverse easements or encroachments were observed.
Encroachments:

Zoning: R-2, Residential District

Environmental Conditions: A Phase 1 Environmental Report was not provided. During the inspection, no adverse environmental conditions were observed; however, the appraiser is not an expert at assessing or detecting environmental hazards.

Visibility: Average

Accessibility: Average

Seismic Zone: The subject does not appear to be located in a known special seismic hazard area.

Soils: A soil report has not been provided. Without a soil evaluation, it is not possible to determine the exact capabilities for supporting building foundations or structures. However, the soil bearing capacity is assumed to be adequate based on the existing and surrounding land uses.

Property Description

Stillwater is a 172 lot residential subdivision. On the date of the inspection, the land was “approved/unimproved” with no site improvements in place. The final plat is recorded in the Sussex County land records at Book 151, Page 26. A copy of the cover sheet is shown on the facing page.

The subject parcel is located on the northside of Line Road a/k/a Route 54. It is accessed via a 73' wide right-of-way on Line Road. The subdivision was created from Parcels 17.00 and 18.00. These parcels are now shown in the tax records as the stormwater management area and the roads. The particulars for the development are set forth below.

Areas	Size
Total Area	88.78 Acres +/-
Area of Lots	39.85 Acres +/-
Street	6.75 Acres +/-
Open Space	42.09 Acres +/-
Number of Lots	172
Average Lot Size	.23 Acres +/-

The lots will be serviced by public water and sewer from the Town of Delmar. The individual lot sizes are shown in the chart below. This information was gleaned from the plans. The total site size is 88.78 acres +/- and the area of the lots is 39.84 acres +/- . The lots range in size between .93 acres to 1.89 acres. The average lot size is .23 acres +/- . The subdivision as platted appears typical for the area. The individual lot sizes and lot numbers are identified as follows:

Lot #	Street Name	Size/SF	Lot #	Street Name	Size/SF	Lot #	Street Name	Size/ SF
1	Stillwater Pkwy	9436	58	Winterberry Dr	9152	115	Center Circle	9027
2	Stillwater Pkwy	9350	59	Winterberry Dr	9130	116	Barberry St	9010
3	Stillwater Pkwy	10098	60	Winterberry Dr	9130	117	Barberry St	9003
4	Stillwater Pkwy	10294	61	Winterberry Dr	9130	118	Barberry St	10427
5	Stillwater Pkwy	10705	62	Winterberry Dr	9130	119	Barberry St	10177
6	Silverbell Dr	11384	63	Winterberry Dr	9130	120	Barberry St	9702
7	Silverbell Dr	9712	64	Winterberry Dr	9130	121	Yellowwood Dr	9766
8	Silverbell Dr	9000	65	Winterberry Dr	9130	123	Yellowwood Dr	10523
9	Silverbell Dr	9109	66	Winterberry Dr	9130	124	Yellowwood Dr	9020
10	Silverbell Dr	9020	67	Winterberry Dr	9130	125	Yellowwood Dr	9309
11	Silverbell Dr	9018	68	Winterberry Dr	18531	126	Yellowwood Dr	11460
12	Silverbell Dr	9072	69	Winterberry Dr	16046	127	Yellowwood Dr	10993
13	Silverbell Dr	9004	70	Winterberry Dr	11669	128	Yellowwood Dr	10993
14	Silverbell Dr	11231	71	Winterberry Dr	9000	129	Yellowwood Dr	10960
15	Silverbell Dr	10594	72	Winterberry Dr	9000	130	Yellowwood Dr	10849
16	Silverbell Dr	9033	73	Winterberry Dr	9000	131	Yucca Dr	12014
17	Silverbell Dr	9000	74	Winterberry Dr	9000	132	Yucca Dr	9487
18	Silverbell Dr	9110	75	Winterberry Dr	9000	133	Yucca Dr	10766
19	Silverbell Dr	9186	76	Winterberry Dr	9000	134	Yucca Dr	9450
20	Silverbell Dr	9264	77	Winterberry Dr	9000	135	Yucca Dr	9202
21	Silverbell Dr	15096	78	Winterberry Dr	10865	136	Yellowwood Dr	9502
22	Silverbell Dr	15313	79	Winterberry Dr	9564	137	Yellowwood Dr	9488
23	Silverbell Dr	10080	80	Winterberry Dr	10811	138	Yellowwood Dr	11086
24	Silverbell Dr	9003	81	Winterberry Dr	11398	139	Yellowwood Dr	12972
25	Silverbell Dr	9000	82	Yellowwood Dr	10794	140	Silverbell Dr	10500
26	Silverbell Dr	9000	83	Yellowwood Dr	10188	141	Silverbell Dr	9100
27	Silverbell Dr	9000	84	Yellowwood Dr	9000	142	Silverbell Dr	9100
28	Silverbell Dr	9000	85	Yellowwood Dr	9000	143	Silverbell Dr	9100
29	Silverbell Dr	9795	86	Yellowwood Dr	9000	144	Silverbell Dr	9100
30	Silverbell Dr	13808	87	Yellowwood Dr	9103	145	Silverbell Dr	9100
31	Yellowwood Dr	12783	88	Yellowwood Dr	9000	146	Silverbell Dr	9100
32	Yellowwood Dr	15764	89	Yellowwood Dr	9000	147	Silverbell Dr	9481
33	Yellowwood Dr	15569	90	Yellowwood Dr	10748	148	Silverbell Dr	12663
34	Yellowwood Dr	14339	91	Yellowwood Dr	10711	149	Silverbell Dr	9913
35	Yellowwood Dr	11176	92	Yellowwood Dr	11187	150	Silverbell Dr	9100
36	Yellowwood Dr	9240	93	Stillwater Pkwy	9484	151	Silverbell Dr	9100
37	Yellowwood Dr	9000	94	Stillwater Pkwy	9615	152	Silverbell Dr	9100
38	Yellowwood Dr	9000	95	Stillwater Pkwy	9357	153	Silverbell Dr	9817
39	Yellowwood Dr	11758	96	Stillwater Pkwy	9363	154	Sandberry St	9627
40	Yellowwood Dr	9176	97	Stillwater Pkwy	9358	155	Sandberry St	10770
41	Yellowwood Dr	10324	98	Stillwater Pkwy	9028	156	Sandberry St	9114
42	Yellowwood Dr	9584	99	Stillwater Pkwy	10109	157	Sandberry St	11044
43	Yellowwood Dr	9000	100	Stillwater Pkwy	9020	158	Sandberry St	9071
44	Yellowwood Dr	9000	101	Stillwater Pkwy	9020	159	Sandberry St	9083
45	Yellowwood Dr	10799	102	Stillwater Pkwy	9020	160	Sandberry St	9083
46	Yellowwood Dr	9180	103	Stillwater Pkwy	9771	161	Sandberry St	9070
47	Yellowwood Dr	11121	104	Yellowwood Dr	12694	162	Sandberry St	9482
48	Yellowwood Dr	10244	105	Yellowwood Dr	10200	163	Silverbell Dr	9192
49	Yellowwood Dr	10433	106	Yellowwood Dr	10457	164	Silverbell Dr	9020
50	Yellowwood Dr	13263	107	Yellowwood Dr	11206	165	Silverbell Dr	9020
51	Yellowwood Dr	10010	108	Yellowwood Dr	10087	166	Silverbell Dr	9020
52	Yellowwood Dr	9000	109	Barberry St	9312	167	Silverbell Dr	9741
53	Yellowwood Dr	9000	110	Barberry St	9530	168	Stillwater Pkwy	9753
54	Yellowwood Dr	9469	111	Barberry St	9182	169	Stillwater Pkwy	9020
55	Yellowwood Dr	12369	112	Barberry St	9838	170	Stillwater Pkwy	9020
56	Yellowwood Dr	14328	113	Center Circle	9075	171	Stillwater Pkwy	9020
57	Winterberry Dr	14410	114	Center Circle	9026	172	Stillwater Pkwy	10646

The subdivision is considered typical of similar communities in the area. The subject subdivision design appears typical and acceptable for the marketplace. There are no planned amenities. The proposed project does not exhibit any functional or locational obsolescence.

Zoning

District: R-2, Residential District

The purpose of this district is to establish and maintain primary residential districts for the community and through the establishment of restrictions to insure the continuation of development of these districts to high standards and to keep them free of encroachment by incompatible uses.

A copy of the applicable zoning code is attached in the Addendum.

Conforming: Building and uses of recreational, cultural, fraternal, social and utility nature are permitted. Accordingly, the subject is a legal, conforming use.

Assessment & Taxes

All of the subject lots are assessed for \$1,500 through Sussex County. The Town of Delmar has the lots assessed for \$10,000 each. The tax liability is about \$60.00 per annum per lot for Sussex County and \$50.00 per lot for the Town of Delmar. The total tax amount, accordingly, is about \$110.00 per lot or a total of \$18,920 per annum. The current base taxes for the County are \$442.19 and have not been paid for 2012. The 2013 taxes will be due on or before September 30, 2013. According to the Town of Delmar, the 2012 tax payments are current.

The assessments are low as compared to the value conclusions shown in this report because the County assessment reflects 50% of the 1974 assessed value of the property and the taxes are calculated on this value. The total tax estimate includes county, municipal, school and library taxes.

Reasonable Exposure Period

The appraisers did not locate any relevant sales of subdivisions or bulk lots that were exposed on the open market. There have been some bank sales in the subject's market area, but most of these transfers were private sales. A reasonable exposure period of 12 to 18 months is considered to be appropriate for the typical vacant residential land tract. Available statistics provided by the Coastal Association of Realtors Multiple Listing Service indicates that the average similar property is on the market approximately 12 to 18 months with most properties being sold in less than 12 months. This estimate of 12 to 18 months assumes an offering price similar to that shown in this report as well as competent, aggressive marketing of the property. The absorption of the individual lots will be discussed in the Absorption section of this report.

Highest and Best Use

The definition of highest and best use from The Dictionary of Real Estate Appraisal, 3rd Edition, page 171, is "The reasonable probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. As defined in Appraisal of Real Estate, 12th Edition, highest and best use is, "the reasonably probable and legal use of vacant land or improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value" (page 305).

An analysis of the highest and best use of a property is the most important part of the appraisal process, for it is in terms of highest and best use that market value is estimated. This study and selection of highest and best use is based upon the above mentioned criteria.

The subject is located in a predominantly residential/agricultural area. It is zoned for residential development and is a recorded major subdivision.

Physically Possible

Generally, the parcel has few physical limitations. The site is of ample size for residential development and has good access. The immediate neighborhood consists primarily of agricultural tracts, residential subdivisions and vacant lands that are being converted to residential use. Overall, the physical attributes of the property are well suited to residential uses which would conform to and be consistent with the immediate neighborhood. *The approvals appear to optimize the physical aspects of the site as the underlying could probably not support a more intense use.*

Legally Permissible

The residential zoning approval permits residential subdivisions to be built. Said site development or construction would be governed by the applicable zoning regulations and building codes. *The subject is a recorded subdivision within the Town of Delmar.*

Financially Feasible

In determining which possible highest and best use of the subject property is financially feasible, the appraiser must consider which potential use is likely to produce an income equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization of the investment. *Recent trends in the housing market, both nationally and regionally, as well as those more importantly in the local marketplace, have reduced the financial feasibility of the subject and much of the immediate competition. This is evidenced in the higher volume of listings/inventory, stabilized and decreasing sales prices, longer absorption periods, etc. At the present time, it is unlikely that a subdivision would be undertaken because of a lack of demand. Thus, the financially feasible alternative would be for the land to remain vacant pending residential development when demand warrants. Moreover, this is shown by the subject's lack of financial feasibility as demonstrated in the Subdivision Analysis in this report.*

Maximally Productive

Until the downturn in the residential real estate market, the highest and best use of most developable sites with suitable zoning was a residential use. This was particularly true for in-town sites like the subject with access to water and sewer. The site is well suited for residential use based on surrounding residential uses and the nearby commercial support areas. Moreover, the subject property had been approved for a residential project. At the present time, however, based on declining values and extended absorption periods, the highest and best use of the subject today as vacant would be for the land to remain vacant. Under the R-2 zoning, there are no feasible, allowable commercial or agricultural uses. Thus, if the subject were vacant, the legally permitted residential uses do not appear to be financially feasible at this time.

Consequently, the highest and best use would be for the site to remain vacant pending residential development when demand warrants. Said use is physically possible, legally permitted, financially feasible, and would result in the highest value of the site.

Income Approach to Value – Subdivision Analysis

The income approach analyzes a property's ability to generate monetary benefits of income and reversion and converts these benefits into an indication of present value. Anticipation is the basic principle of the approach because value is created by the expectation of future benefits. The income approach analyzes investor motivation and assumptions. Essentially, investors who purchase income producing property are foregoing present monetary benefits for the expectation of receiving future monetary benefits. From an investor's point of view, earning power is the most significant element affecting property value.

The discounted sell-off method or subdivision analysis is employed when the highest and best use is for residential development. The primary considerations are that the land must be ready for development, and zoning must permit such a use. The discounted sell-off method is based on the principle of anticipation. This principle holds that values are created by the expectation of future benefits to be derived from periodic sales of units. The developmental method involves discounting net proceeds of the developed lots or units to estimate a present value.

To produce a discounted sell-off analysis, a retail unit or lot price must first be estimated and then applied to the concluded absorption schedule. This will provide an estimate of gross potential income or the gross retail sell-out of the project. An estimate of development and operating expenses are then deducted to result in a net cash flow. Finally, the cash flow is discounted at an appropriate risk rate to arrive at a present value.

Single Family Lots

In order to determine the appropriate market price for lots/units, an analysis of individual sales was conducted. We analyzed the sales presented to determine the market value of the lots/units based on the sales comparison approach. Generally, this application involves a comparative analysis of the important attributes of the sale properties to those of the subject property under the general divisions of location, physical characteristics, conditions of sale and the change in the market over time. A consideration of the dissimilarities in terms of their probable effect on the sales price of the subject gives an indication of market value. Adjustments for location, physical characteristics, condition/quality, unit count and the like were performed on these sales to determine a potential market price for each of the different types of units.

The sales comparison approach is a method of comparing 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 to buy a comparable substitute.

The chart below shows finished lot sales sold in individual transfers. The lots selected were the most similar lots in the greater Laurel area. There have only been 31 lot sales in Little Creek Hundred in the past year with prices ranging between \$27,000 and \$1,560,000. Thus, the sales shown were deemed the best comparables and most relevant to the analysis.

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Address	Line Road Delmar, DE	Sharptown Rd., Laurel, DE	Lot 2, Elliott's Lane, Delmar, DE	#13 Jami Avenue, Laurel, DE	Pepperbox Rd. Laurel, DE
Sale Date	11/15/2012	11/13/2012	6/29/2012	5/21/2012	4/5/2012
Sales Price	N/A	\$26,250	\$35,000	\$35,000	\$28,000
Grantor	N/A	Nat Bank Cambridge.	Yarema	Foldi	Toomey
Grantee	N/A	Givens	Henry	Ramia	Drummond
Cond. Of Sale	N/A	4 Lot Package +10%	N/A	N/A	N/A
Deed		3978/215	4018-13	4002-186	3987-156
Time Adj.	None	0%	0%	0%	0%
Adj. SP	N/A	\$28,875	\$35,000	\$35,000	\$28,000
Location	Stillwater	Little Creek	Little Creek	Little Creek	Little Creek
Lot Size	.23Ac.	.87 Ac. (-10%)	1.45 Ac. (-15%)	.34 Ac. (0%)	1.0 Ac. (-10%)
Other	Public W/S	Private (+10%)	Private (+10%)	Private (+10%)	Private (+10%)
Net Adj.		-- (0%) --	-- (-5%) --	-- (+10%) --	-- (0%) --
Adj Sales Price		\$28,875	\$33,250	\$38,500	\$28,000

The lots shown in the grid above are all single family building lots within the greater Delmar market area. They are all located within the subject's Little Creek Hundred. No market condition adjustments were made. Although values in the Little Creek Hundred are still in a period of decline, the statistics shown are for finished dwellings. The lot sales selected for the analysis are already deeply discounted; thus, no further adjustment was made. An upward adjustment was made to Sale 1 to account for the fact that this sale was for a four lot package. Downward site size adjustments were made to Sale 1, 2 and 4 as these lots are somewhat bigger than the subject. The remaining lots are within an acceptable range.

The lots were also adjusted to account for differences in the status of the water and sewer availability. The subject lot will have access to public water and sewer. As for the comparables, they are located in areas with private utilities and the buyers' would typically bear the cost of the well and septic. Accordingly, this is reflected in the offering prices and upward adjustments were made. After the adjustment process, the adjusted prices range between \$28,000 and \$38,500. This type of large variance is considered typical of vacant land, particularly under current market conditions.

Based on the lots shown above as well as the location, size and overall appeal of the subject's lots, we felt that a lot value of **\$35,000** appears appropriate. This takes into account the fact that

these lots would be in a homogenous subdivision as compared to the other sales but also considers current market conditions.

Gross Retail Sell-Out

Based on the foregoing analysis, the gross retail sell-out for the townhouse lots is calculated as follows:

Unit Price	Total
\$35,000 x 172 Single Family Lots	= \$6,020,000
TOTAL	= \$6,000,000

The gross retail sell-out figure is included for the lender's information and represents the sum total of the anticipated retail sale prices for the finished lots, exclusive of escalations for future trends. It is not, however, a value for the full project. Based on the foregoing analysis, the gross retail sell-out is \$6,000,000.

Value of Improvements

Under this section, the appraiser estimates the current cost to develop the on-site improvements with ones of similar design and utility. Allowances will then be made for physical wear and tear, functional (design) deficiencies and economic (locational) factors, if any. The sum of the depreciated replacement cost of the improvements and the land value is the property value as estimated by this approach. Because the subject lots and townhouse units have been valued as completed, the cost to complete the remaining improvements must be deducted to derive an "as is" value.

The current cost to replace the subject improvements will be estimated by use of the Marshall Valuation Service, a nationally recognized cost index. In addition, local building contractors were consulted to provide further support for indicated cost figures, as was data collected during the course of other appraisal assignments on similar properties. Depreciation estimates are generally based on observation, the Marshall Valuation Service. However, since the subject property would be new construction, physical depreciation should not be a factor.

Costs included within the Marshall Valuation Cost estimates include hard and soft costs of construction. These consist of:

- Average architect's and engineer's fees
- Normal interest on development funds during the period of construction plus the processing fee or service charges
- Sales tax on materials
- Normal site preparation
- Contractor's overhead and profit

As previously indicated, there are no site improvements for the subject presently. Moreover, the developer did not have any cost estimates to provide to the appraisers. Accordingly, market data was analyzed for the subdivision analysis.

Site Improvements

Site work costs have been stable to declining over the past two years due to decreased demand for services of this type. Typical site improvements include the roads, utilities, landscaping, storm drains and storm water management pond, etc. necessary to bring the land to the finished site improved stage. The following are site work costs gleaned from similar projects appraised by this office. We could not find any 2011 or 2012 estimates as there are so few projects underway at present.

Development	Dev. Costs Est.	# of Lots	Cost/Lot	Comments
Cypress Hall Milford, Delaware	\$3,150,000 (2010)	180	\$17,500	132 Apartments 48 Townhouses
Schumaker Landing Salisbury, MD	\$761,250 (2010)	42	\$18,125	42 Townhouses
Camden East Fruitland, MD	\$730,000 (2010)	37	\$19,730	13 SF 24 TH
Rantz Farm Delmar, DE	\$2,875,998 (2009)	149	\$19,302	Single Family
Sandy Cove Selbyville, MD	\$480,000 (2010)	24	\$20,000	Single Family
Longacre Village Camden, DE	\$6,346,731 (2009)	256	\$24,791	Mix of TH, SF, Villas
Cypress Pointe Bethel, DE	\$1,319,900 (2009)	50	\$26,398	Single Family
Woodbrooke Townhouses Salisbury, MD	\$374,828 (2008)	18	\$20,823	18 TH
Butlers Village Pocomoke, MD	\$1,896,000 (2008)	79	\$24,000	79 TH
Rowen's Mill Fruitland, MD	\$4,875,000 (2007)	185	\$25,000	25 SF 48 Duplex, 88 Towns 24 Flats

The projects shown in the above grid demonstrate a site cost range from about \$19,000 to \$25,000 per lot. We had site work estimates that were higher in our files; however, they were for less dense projects with no public or sewer water availability. Site work costs have actually declined somewhat over the past few years due to lack of demand. Based on the clustered nature of the subject project, we would expect the costs for Stillwater to be at the low to mid end of the range. The subject's units are relatively dense (4 units/acre) based on the area of the lots, which tend to reduce the site work costs on a price per unit basis. Because of the density of the project and higher number of units which allows for economies of scale, we felt that a site work estimate of about \$25,000 per lot is appropriate and this has been used in the subdivision analysis. Thus, the total site work costs are calculated as follows:

$$172 \text{ Lots} \times \$25,000 = \$4,300,000$$

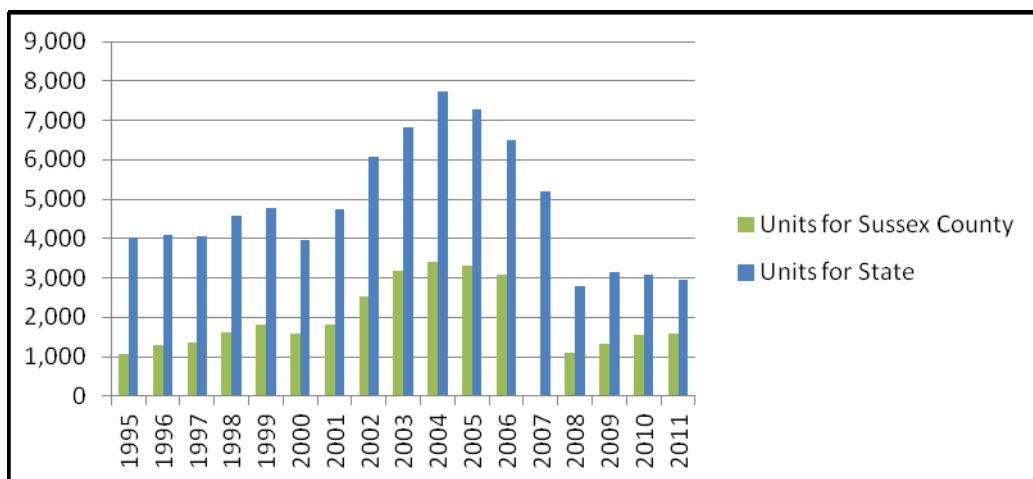
We have deducted \$4,300,000 in the discounted sell-off to reflect the costs associated with the completion of the remaining site work. The site work costs will be phased to mirror the timing of the subdivision as analyzed in the report.

Market Analysis

Supply

An analysis of the residential market will be discussed in this section. The supply analysis is utilized to quantify the current and potential supply of competing developments within the market area. First and foremost, an overall discussion of the general area will be provided followed by a more in depth discussion of subject's potential competition. Details regarding the market area were provided by market participants while general statistics have been provided by the Sussex County Planning Department, the various municipal offices, the State of Delaware Department of Planning, the Sussex County Association of Realtors Multiple Listing Services and data gleaned from other appraisal/consultation assignments. The pertinent statistics for residential development in the subject market area will follow. The subject's market area is considered to be eastern Sussex County.

The number of building permits and closings are a good representation of the strength of a particular market area. When the average home sales price is included in the comparison, one can see whether an area is improving or declining. Single family permits for the State of Delaware indicate that the level of new housing growth and values continued to increase at a positive rate until 2006. Since 1995 the number of single family permits had been between approximately 4,000 and 8,000 units per year. It is noted that the number of permits were relatively stable through 2001. Between 2001 and 2002 the growth of permits started increasing every year until 2005. However, since that time, the number of permits has been steadily decreasing. In fact, the number of permits issued in 2009-2011 is less than half the 2004-2006 levels.



Residential sales of single-family homes in Sussex County remained strong through 2006, and declined between 2007 and 2011. However, sales volume does appear to be improving as evidenced by the non-annualized sales for 2012 through November 15th. The following chart summarizes the number of units sold over the past few years and the average prices.

Sussex County Residential (SF, TH's and Condo's) Home Sales and Value

Year	2012 (11/15)	2011	2010	2009	2008	2007	2006	2005	2004	2003
# of Units	2,641	2,452	2,355	2,188	2,241	3,235	3,584	4,631	4,703	2,070
Average Price	\$307,593	\$327,286	\$337,624	\$338,379	\$373,898	\$399,403	\$399,637	\$400,549	\$340,544	\$319,708
Days on the Market	212	208	207	206	188	161	123	110	94	90

Source: Sussex County Association of Realtors

Over the 2000 to 2006 period, the number of units sold had increased significantly. This seems reasonable given that the number of homes constructed had increased over the same period. Values also increased substantially during this time. Average unit prices rose 17% +/- over the four year period from 2003 until 2007 mirroring both state and national real estate trends. Thereafter, prices decreased 15% +/- from 2007 to 2009. It appears that the average price is declining and the number of sales declined by 27% +/- from 2007 to 2009. The rate of decline does appear to be slowing, however, we note that values dropped a further 1.5% between 2009 and 2010 and 3% between 2010 and 2011. Sales price again declined in 2012 at a rate of 6%. These statistics are for Sussex County as a whole. It is also important to note that these figures may not include large projects developed by national firms that typically are not entered into the multiple listing system. It is noted that the number of days on the market had increased significantly between 2004 and 2009, but now appears relatively stable. We spoke with residential appraisers who work in the Sussex resort areas.

The table below displays the total number of sales, the average days on market and the average sales price for properties in the Broad Creek, Little Creek, Seaford, Nanticoke and Northwest Fork Hundreds, which includes Laurel, Bethel, Delmar, Seaford, etc. After peaking in 2004, the number of sales has steadily been decreasing until 2011.

Broad Creek, Little Creek, Seaford, Nanticoke, and Northwest Fork Hundreds

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sold	308	679	663	586	487	364	333	327	374	409
DOM	98	83	88	107	142	165	175	177	200	199
Avg. Sale Price	\$132,490	\$155,396	\$187,961	\$202,722	\$206,133	\$191,758	\$167,184	\$160,946	\$153,767	\$134,822

*Source: Sussex County Association of Realtors (12/10/2012)

Values had increased significantly between 2003 and 2007. Average unit prices rose steadily until 2007. However, it is noted that the current market remains soft. Between 2004 and 2011 number of houses sold has decreased 55% from the peak in 2004. The average days on market

has increased significantly as well, as evidenced by the above table. It is noted that the average sales prices have continued to decline in 2011 and 2012

In summary, the real estate market in the Laurel area is still in a period of decline with regard to sales prices. However, the number of units sold is increasing and the days on market is stable. Thus, this may be an indication that the market is at or near its bottom.

As previously stated, the housing market, both nationally and locally, had been very healthy from 2001 through 2005 as measured by all parameters including construction starts, home sales, absorption rates, escalating prices and values, etc. The Shore's location vis-`a-vis metropolitan centers, resort destinations and other leisure activities, as well as abundant affordable land, have all fueled the construction boom over this time period. With population increases forecast, the demand for developable land had risen dramatically.

There are numerous existing/proposed subdivisions located between Route 13 and Route 113, ranging in size from 10 to over 3,000 units. According to the Sussex County Association of Realtors, a total 18 residential units sold in the Broad Creek, Little Creek, Seaford, Nanticoke and Northwest Fork Hundred areas, this year thus far. This does not include sales by national homebuilders, like Ryan, who typically do not use the multiple listing system. The average selling price for all units in 2011 was \$153,767. These homes were on the market for an average of 200 days.

According to the PLUS Website and other sources, there are a number of proposed and on-going residential projects in the Delmar/Laurel/Seaford area, including Shipbuilders, Deerfield Meadows, Hidden Oaks, Village Brook, Bakers Creek, Forest Landing, Southpoint Crossing, among others.

Overall, the identified market area is soft and is expected to remain so over the near term. Values are slightly increasing at present and marketing times have extended. Demand appears to be decreasing as evidenced by national home builders not following through on previously agreed upon lot takedown schedules.

Population is one indicator of demand and the Sussex County population is expected to increase for at least the next twenty years with future growth in the county expected to outpace statewide growth. According to the Delaware Population Consortium, Sussex County had a total population of 198,365 in 2010. The population of Sussex County grew at a rate of 21% from 2000 to 2010. According to the Delaware Population Consortium, the following is the projected population growth for Sussex County:

2010	2015	2020	2025	2030	2035	2040
198,365	220,960	237,517	250,365	260,513	269,243	277,321

Source: Delaware Population Consortium Annual Population Projections (10/25/2012)

Based on these projections, the growth rate over the next ten years is 16.5%. A 24% population growth rate is anticipated over the next 20 years. In Sussex County, the population density is very low with only 167.1 persons per square mile.

Residential sales in the Laurel market had been strong for about five years. In the fall of 2006, the residential market stabilized significantly. A review of the statistics from the Sussex Coastal Association of Realtors indicates that the active inventory of available single family homes, multi-family unit, condominiums and townhouses is not stable to declining following a period of significant increases between 2003 and peaking in 2007. The following chart graphically demonstrates this trend.

Broad Creek, Little Creek, Seaford, Nanticoke, and Northwest Fork Hundreds

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
January	10	54	71	92	116	96	59	68	87	117
February	17	48	98	88	92	85	93	73	76	62
March	48	80	100	125	121	111	75	99	87	66
April	43	73	85	102	125	97	92	95	101	127
May	64	81	96	113	101	82	76	79	84	78
June	40	101	95	95	118	98	85	73	73	65
July	62	94	97	140	97	104	85	75	63	67
August	54	89	110	99	106	85	77	108	76	79
September	66	68	88	69	95	85	68	61	63	51
October	49	67	75	116	96	78	95	70	66	59
November	43	81	75	64	76	44	53	55	57	43
December	47	62	43	73	48	51	42	63	56	
Total	543	898	1033	1176	1191	1016	900	919	889	814

The table above indicates that the number of active units in the area had been increasing at a study pace until 2007. We note that this chart only includes active listings and not additional units which are “in the pipeline”. Over the same period, sales declined.

In summary, it appears that the real estate market in the Delmar/Laurel/Seaford is beginning to stabilize following a period of decline. Active listings, days on market and number of units sold have stabilized. However, values are still somewhat declining. There was record growth between 2001 and 2005 following by record declines. The immediate picture is that of a stable to declining market with extended marketing times and decreasing values.

Absorption

Projects like the subject had been well received in the previous years. However, the market has experienced a substantial downturn. The subject property is located on Line Road in Delmar, Delaware. Because of this pressure on the surrounding areas, there is a diminishing supply of vacant land available for development, and values for land with residential development potential had been rapidly escalating for the past few years until 2007.

A survey of ongoing and proposed subdivision projects was undertaken to determine the nature and extent of their impact on the marketplace. Sales in some developments in the greater Laurel area have included the following. This data was developed by Hanley Woods in a report dated March 6, 2012 for statistics through 2011 and updated by our office.

Project Name	Developer	Planned	Start Date	Total Sold In 2009	Average Absorption	Total Sold in 2010	Average Absorption	Total Sold in 2011	Average Absorption
Bridgeville									
Heritage Shores	Brookfield Homes	300	6/29/2006	6	0.5	1	0.17	2	0.17
Heritage Shores / Singles	Brookfield Homes	600	1/1/2005	7	0.58	6	0.5	9	0.75
Legacy at Heritage Shores	Ryan Homes	50	6/19/2009	15	1.25	14	1.17	14	1.17
Delmar									
Country Grove	MD Shores Homes	177	2/3/2006	5	0.42	2	0.17	0	0.00
Country Grove	Gemcraft Homes	177	5/15/2009	5	0.42	7	0.58	1	0.08
Seaford									
Governors Grant	Century Homes LLC	96	1/1/2006	1	0.08	2	0.17	4	0.33

All of the above subdivisions are located in the subject's marketing area. As can be seen the range is from 0.17 to 1.17 units per month in 2011. The average absorption rate for all of the projects for the entire marketing period through **2010 was 0.46 units per month and 0.42 per month in 2011.** It is noted that this data is for finished homes and the focus of this appraisal is "approved/site-improved" lots.

Based on an analysis of the existing and proposed competition, it is apparent that the subject could be expected to attract a small share of the market of potential buyers, particularly given its pricing, etc.... Based on current market conditions and current lack of infrastructure, we have assumed that the subdivision would not be undertaken for at least the next two years. After that, the subdivision would demonstrate an initial absorption pace of 12 units per annum, which is consistent with historical trends. The absorption pace accelerates thereafter resulting in a ten year sell-out. Our scenario takes into account the fact that there may be builder to builder sales.

Appreciation/Depreciation

According to available statistics, the current average sales price in Sussex County had been declining significantly over the past few years, but the rate of decline does appear to be slowing somewhat. For both Sussex County and the Little Creek Hundred, values have almost returned to their 2003 levels. Accordingly, no appreciation will be imputed for the first four years of the sell-out phase in the discounted sell-off. This is to account for the fact that we believe that the market is at or near its bottom and will remain stagnant moving in the near term. Thereafter, in Year 3 a 1.5% annual period appreciation rate has been applied, which is well below long term historic trends, over the sell-out period. The selection of this appreciation rate was based on current and historic trends

Discounted Sell-Off

As stated earlier, the Discounted Sell-Off Method analysis utilizes the Income Approach and Discounted Cash Flow Analysis to determine the present value of the future anticipated net operating income from the sale of the project's finished lots. The value conclusion presented by this analysis represents the present value of the gross retail sales less the "holding" expenses incurred over the absorption period. No impact or tap fees have been deducted in the discounted sell-off as we have assumed that these costs would be absorbed at the time the vertical improvements are constructed and this is not within the scope of this valuation.

The estimated average lot value of \$35,000 will be utilized in the subdivision analysis. Because this valuation is based upon the sale of the individual lots/units "as if completed and ready for sale" the remaining development costs must be deducted from the gross retail sales. Moreover, as this approach is a "cash on cash" comparison, no interest expense is imputed. The holding expenses may include the transfer tax, sales costs, professional fees, real estate property taxes, and developer's profit. These expenses are estimated as follows:

Property Taxes

Once fully assessed, the average tax liability for the lots will be about \$110.00 per annum. The total tax liability declines as the lots/units are off-conveyed.

Transfer Taxes and Administrative Fees

The transfer tax rate for Sussex County totals 3%. This amount can be paid by either party to the transaction or split. Typically, this amount would be split between the buyer and the seller. Thus, the developer's liability would be 1.5%. We have added an additional .5% to cover administrative costs.

Sales Commissions

Sales commissions vary widely depending on the type of property being sold. This category of expenses includes both broker sales commissions and other related expenses to bring each individual unit to settlement which are typically between 5% and 7%. We have used 5% in the analysis as this is typical.

Developer's Profit

Profit is difficult to establish in the market since developers typically strive for the highest level of profit and the realized amount can be wide ranging - from a loss, to an extraordinary profit level - depending on the development success. In the past, developer's profit was typically considered separate from the discount rate selection in the discounted sell-off analysis. However, under current market conditions, these risk and reward factors are often considered together, as the investor is typically a passive not an active investor/participant.

Developer's profit represents the monetary compensation for the time and effort of the developer in coordinating the subdivision and bringing it to successful completion. In the past, this was relevant because most investors were active participants in the development process. The developer invested in the property and profits were realized a various times in the development process as the lots were developed and sold. In the initial stages of the project, the profit may have been low or there may have been negative output because the development costs are

typically frontloaded. However, under a typical scenario there was an expectation of a positive return on the part of these active investors. Otherwise, the project would not have been financially feasible.

Under current market conditions, however, many buyers are passive investors who may or may not play a role in the development of the project and who may be purchasing a subdivision that is partially or fully completed. The investor is responsible for paying the sales and overhead expenses, but there would not be any additional costs associated with paying a developer. In this instance, it is appropriate to reflect the deduction for entrepreneurial profit in the discount rate.

Risk Analysis

The discount rate is the rate of return that equals the sum of the real return anticipated in the investment, plus any change in value, plus any risk premiums associated with the specific investment when compared to alternative investments. It is the average annual overall rate of return necessary to attract capital based upon the overall investment characteristics.

For *National Land Development Projects*, Real Estate Investment Survey (REIS) 2nd Quarter 2012 reports yield rates for approved/unimproved development land of 15.0% – 30.0%, with an average of 20.42%, including developer's profit (profit is not treated as a separate line item expense). Excluding the profit, the rate would be lower. The subject discount/yield rate should be less due to its existing status, as opposed to unimproved land, which connotes less risk.

More important is the *RealtyRates.com Developer Survey, 4th Quarter 2012 (based on 3rdQuarter data)*, published by Robert G. Watts, MAI, reports national and regional yield rates for single family subdivisions and PUDs, and from input provided by 312 appraisal and brokerage firms, developers, investor and lenders nationwide. The reported yield rates for single family subdivisions and PUDs with 100 units or less, including developer's profit, the data shows:

<u>National projects:</u>	15.98% – 50.85%, with average of 33.59%.
<u>Mid Atlantic projects:</u>	18.99% – 40.08%, with average of 28.95%.

For discounting the projected subject cash flows to present value, we considered the risk and rewards associated with attracting equity capital to acquire the subject "As Is", and inherently reflect these in the estimated prices, expenses, absorption, etc. While the current market conditions are still weak with slow sales paced, we anticipate that over the long term market conditions will ameliorate. Moreover, historically yield rates have been lower in this area. Our ongoing discussions with area developers, lenders, brokers, and appraisers, confirm this market condition, which overall justifies a lower yield rate for the subject.

Considering the foregoing yield data, the market trends in this area, and the subject's improvements and waterfront amenities and characteristics, we believe a range in total yield (or internal rate of return) rates is judged appropriate at 17%- 22%. These rates are considered reasonable for the risk associated with a project such as the subject.

Taking all factors into consideration, the proposed project is considered to be of reduced risk given the low number of lots and low retail lot values. The risk associated with the ultimate development potential of the lots is considered an offsetting factor. Current market conditions would warrant a higher discount rate. Consequently, a discount rate of **20.00% including developer's profit** is considered appropriate to reflect the inherent risk.

The discounted cash flow analysis shown on the facing page provides a total estimate for the slips "as is". Each cash flow period represents one year. The value by the discounted sell-off for the 172 lots is **\$280,000** as of the effective date of November 15, 2012. As this project is only marginally financially feasible, this is an indication that subdivision would not be undertaken at this time. Accordingly, we have analyzed bulk sales of subdivisions in order to render a market value for this property.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Comparables

We have researched and analyzed a number of unimproved land sales for this analysis. The comparables selected are located in the subject's expanded marketing area. The focus was on higher density residential development land. There were **very** limited recent sales available for comparison. There is a dearth of higher density residential land sales with public water and sewer. The sales selected were deemed the best available.

All of the comparables selected are detailed on the following pages, and include a location map, analysis grid, analysis narrative and value conclusion. The primary unit of comparison is the sale price per unit, which is considered most pertinent to this analysis.

We also noted a recent bulk sale in the Wood Creek community in Delmar, Maryland. This is a golf course community that was developed by PCS Homes. The community, as planned, was to have over 450 homes. The unit mix is primarily townhomes although there are some single family units. The remaining lots in the community were bank owned. In April 2012, approximately 192 lots sold for \$800,000 which equates to \$4,167 per lot. The infrastructure, including roads, stormwater management, etc... are in place for these lots. This project is very similar to the subject in terms of location, unit type and overall appeal. We did not use this as a comparable sale as we were unable to confirm the terms of sale as of the issue date of this report. Moreover, it would be difficult to quantify the sale in terms of a price per acre. However, this sale provides evidence of deeply discounted bulk sales in the subject's market area.

Land Comparable 1



Transaction			
ID	1182	Date	4/16/12
Address	Creekside Trail	Price	\$620,000
City	Fruitland	Price per Acre	--
State	MD	Financing	Conventional
Tax ID	Map 803, Pcl 4493	Property Rights	Fee Simple
Grantor	Creekside East LLC	Days on Market	160
Grantee	Beacon Creekside LLC	Verification Source	Deeds/Appraiser Files/Seller
Legal Description	Liber 3425 Folio 132		

Site			
Acres	9.60	Topography	Cleared/Level
Land SF		Zoning	Residential
Road Frontage	Ample	Flood Zone	No
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Public	Environmental Issues	None Noted

Comments			
Creekside Estates is a fully site improved subdivision with all infrastructure in place. This transfer included 20 duplex lots and 11 single family home sites. The developer sold the property. The total subdivision size is 9.6 acres and the aggregate site size for the lots is 8.04 acres. Water and sewer impact fees were not prepaid at the time of sale and are due when the vertical improvements are constructed. The fees will be in the range of \$9,000 per lot. This property has been previously appraised by our office. There have been no other transfers in the past three years.			

Land Comparable 2



Transaction			
ID	956	Date	12/2/11
Address	Heron Pond Drive	Price	\$1,140,000
City	Delmar	Price per Acre	\$10,364
State	MD	Financing	Conventional
Tax ID	--	Property Rights	Fee Simple
Grantor	KW Servicing Corp	Days on Market	Private Sale
Grantee	Heron Ponds Expansion, LLC	Verification Source	Deeds/Buyer/Appraiser Files
Legal Description	Map 12, Parcel 1		

Site			
Acres	110.00	Topography	Cleared/Level
Land SF	--	Zoning	R-2
Road Frontage	Adequate	Flood Zone	No
Shape	Adequate	Encumbrance or Easement	None Noted
Utilities	Public	Environmental Issues	None Noted

Comments			
This project is known as Heron Pond and is located on the Maryland/Delaware state line. The property was bank owned at the time of sale. The buyer reported that the sale included five dwellings (no certificate of occupancy) and 301 "approved" lots, 90 of which had infrastructure in place, on 110 acres of land. The infrastructure for the 90 lots included the impact fee payments. Because the project has been vacant for a number of years, the buyer reported that the infrastructure needs some remediation. Per the tax records, there have been no prior transfers of this property within the past three years.			

Land Comparable 3



Transaction			
ID	943	Date	6/30/11
Address	27351 Pemberton Drive	Price	\$480,000
City	Salisbury	Price per Acre	\$7,464
State	MD	Financing	Conventional
Tax ID	09-037470	Property Rights	Fee Simple
Grantor	Delmarva Construction Inc.	Days on Market	Private Sale
Grantee	John/Shelly Marshall	Verification Source	Appraiser Files/Deeds
Legal Description	Map 37, Parcel 293		

Site			
Acres	64.31	Topography	Partially Wooded
Land SF	--	Zoning	R-20
Road Frontage	--	Flood Zone	No
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Private	Environmental Issues	None Noted

Comments	
This property was approved for 83 single family residential dwellings. The developer defaulted and the property was purchased out of foreclosure. A portion of the lots have been approved for inclusion into the existing Nithsdale subdivision homeowner's association. The property was purchased by an adjacent landowner who operates a commercial nursery. There is an older dwelling on the tract that is not deemed to add any contributory value. The property has been appraised by our office.	

Land Comparable 4



Transaction			
ID	720	Date	8/16/11
Address	Sophers Row Road	Price	\$1,000,000
City	Magnolia	Price per Acre	\$6,590
State	DE	Financing	Conventional
Tax ID	SM-00-12102-03-1800-0001	Property Rights	Fee Simple
Grantor	Delaware Homes DR, LLC	Days on Market	Private Sale
Grantee	Estates at Double Creek Run	Verification Source	Appraiser's File
Legal Description	Book 5803 Page 181		

Site			
Acres	151.74	Topography	Level
Land SF	6,609,794	Zoning	AC
Road Frontage	Ample	Flood Zone	No
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Private	Environmental Issues	None Noted

Comments
This property is located in Magnolia, DE. Is a 151.74 +/- acre tract of land that is approved/unimproved for a 299 lot subdivision that will be identified as Estates at Double Creek Run. Per the tax records, the property previously transferred on February 10, 2009 for \$3,000,000 from Delaware Homes DR, LLC. There are approximately 125 +/- acres of tillable land. This was previously appraised by this office.

Land Comparable 5



Transaction			
ID	610	Date	4/29/11
Address	Canterbury Road	Price	\$650,000
City	Felton	Price per Acre	\$10,020
State	DE	Financing	Conventional
Tax ID	5-00-150.02-04-50.00 &	Property Rights	Fee Simple
Grantor	Harrington Three, LLC	Days on Market	3 Years
Grantee	Charles H. West, Inc.	Verification Source	Seller, Public Records,
Legal Description	Liber 5794 Folio 336		

Site			
Acres	64.87	Topography	Level
Land SF	2,825,737	Zoning	AC/Growth Zone
Road Frontage	Ample	Flood Zone	--
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Private	Environmental Issues	None Noted

Comments			
This property is located on Canterbury Road in Felton, Delaware. The property has received all approvals for development as a 127 lot subdivision known as Fork Landing West. This equates to \$5,118 per lot. The proposed subdivision was to be served by Tidewater Utilities. This project had been placed on hold and it is our understanding that the property was purchased for agricultural use pending redevelopment when demand warrants. The subdivision approvals will not expire, as the off-site infrastructure has started (sewer/water lines). Per the tax records, there have been no prior transfers of this property within the past three years.			

Land Comparable 6



Transaction			
ID	543	Date	12/21/10
Address	Willowtree Lane	Price	\$710,000
City	Fruitland	Price per Acre	\$68,533
State	MD	Financing	Conventional
Tax ID	16-050490	Property Rights	Fee Simple
Grantor	Kenneth Mill	Days on Market	Private Sale
Grantee	Camden East LLC	Verification Source	Deed/Appraiser Files
Legal Description	Tax Map 801, Parcel 1544		

Site			
Acres	10.36	Topography	Cleared/Level
Land SF	--	Zoning	R1-C and R-2
Road Frontage	Typical	Flood Zone	No
Shape	Irregular	Encumbrance or Easement	None Noted
Utilities	Public	Environmental Issues	None Noted

Comments			
This property is located in Fruitland and is being developed as Camden East. The project will include 13 single family and 24 multifamily units. The developers plan to sell-off the single family units following construction. The multi-family units will be held as "for rent" student housing by the developers. The cost of all development approvals was paid by the buyer. This property was appraised by our office. Per the tax records, there have been no prior transfers of this property within the past three years.			

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6	
Address	Line Road	Creekside Trail	Heron Pond Drive	27351 Pemberton	Sophers Row Road	Canterbury Road	Willowtree Lane						
City	Delmar	Fruitland	Delmar	Salisbury	Magnolia	Felton	Fruitland						
State	Delaware	MD	MD	MD	DE	DE	MD						
Date	11/15/2012	4/16/2012	12/2/2011	6/30/2011	8/16/2011	4/29/2011	12/21/2010						
Price	N/A	\$620,000	\$1,140,000	\$480,000	\$1,000,000	\$650,000	\$710,000						
Acres	88.78	9.60	110.00	64.31	151.74	64.87	10.36						
Acre Unit Price	\$0	\$64,583	\$10,364	\$7,464	\$6,590	\$10,020	\$68,533						
Transaction Adjustments													
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	N/A	Normal	0.0%	Seller	30.0%	Seller	30.0%	Seller	30.0%	Seller	30.0%	Normal	0.0%
Expenditures After Sale		\$0		\$0		\$0		\$0		\$0		\$0	
Adjusted Acre Unit Price		\$64,583		\$13,473		\$9,703		\$8,567		\$13,026		\$68,533	
Market Trends Through	11/15/12	-6.0%	-3.5%	-5.7%	-8.2%	-7.5%	-9.1%	-11.1%					
Adjusted Acre Unit Price				\$62,293		\$12,699		\$8,908		\$7,929		\$11,834	
Location	Delmar	Fruitland		Delmar	Salisbury	Magnolia	Felton	Fruitland					
% Adjustment		0%		0%	0%	0%	0%	0%					
\$ Adjustment		\$0		\$0	\$0	\$0	\$0	\$0					
Acres	88.78	9.60		110.00	64.31	151.74	64.87	10.36					
% Adjustment		-30%		0%	0%	15%	0%	-30%					
\$ Adjustment		-\$18,688		\$0	\$0	\$1,189	\$0	-\$18,275					
No. of Units	172	31		306	83	299	127	37					
% Adjustment		0%		0%	0%	0%	0%	0%					
\$ Adjustment		\$0		\$0	\$0	\$0	\$0	\$0					
Utilities	Public	Public		Public	Private	Private	Private	Public					
% Adjustment		0%		0%	10%	10%	10%	0%					
\$ Adjustment		\$0		\$0	\$891	\$793	\$1,183	\$0					
Zoning	AC	R-1		R-2	R-20	AC	AC/Growth	R1/R2					
% Adjustment		0%		0%	0%	0%	0%	0%					
\$ Adjustment		\$0		\$0	\$0	\$0	\$0	\$0					
Other	Final Approvals	Superior		Superior	Similar	Similar	Similar	Similar					
% Adjustment		-40%		-10%	0%	0%	0%	0%					
\$ Adjustment		-\$24,917		-\$1,270	\$0	\$0	\$0	\$0					
Adjusted Acre Unit Price		\$18,688		\$11,429		\$9,799		\$9,911		\$13,018		\$42,641	

Land Value Analysis

Conditions of Sale/Property Rights

The subject and all comparables had similar property rights. Sales 2, 3, 4 and 6 were bank owned at the time of sale/contract. Conditions of sale adjustments were made to these transfers as they are more reflective of a short sale and a disposition value than a market value.

Market Conditions

A .5% per month negative time adjustment was applied to the comparables. This is to account for the fact that bulk residential land values have been in a period of decline since 2007. Thus, the adjustment selected is consistent with market trends.

Location

The subject is located in a suburban area. All of the comparables were deemed to have relatively similar locations and no adjustments were made.

Site Size

Site size adjustments were made based on the law of diminishing returns given that a smaller site would sell for a higher price per acre than a larger site. Consequently, downward adjustments were made to Sales 1 and 6. An upward adjustment was made to Sale 4, and the remaining sales are deemed to be within an acceptable range.

Number of Units/Density

We considered adjustments based on the number of approved units; however, there is such limited demand for residential development sites that this was not warranted. As a test of reasonableness, we did calculate the price per unit for the comparables. They range unadjusted from \$3,344 per unit to \$20,000 per unit which is a relatively wide range. This is not unexpected though given the differences among the unit types, densities, etc....

Utilities

The subject is located in an area with public utilities as are Sales 1, 2 and 6. Upward adjustments were made to the remaining sales as they would not have access to public water and sewer.

Zoning

The subject is zoned R-2, which is a residential zoning that allows for residential use only. No adjustments were made to the comparables as all allow for similar residential use.

Approvals

The subject and all of the comparables 6 had development approvals at the time of sale. A downward adjustment was made to Sale 1 as it was site improved at the time of transfer. Sale 2 is located across the street from the subject. This project had some infrastructure in place at the time of sale; however, it is our understanding that they did not have all of the property permits on the infrastructure. Thus, the contributory value of the site improvements was diminished.

Conclusion

The varied sales prices are reflective of the fluctuations found in the marketplace. The unadjusted price per acre the comparable land sales resulted in a range in value from \$6,590 to \$68,533. After the comparables were adjusted to account for differences in size, utilities and approvals, the range of values is between from \$9,799 to \$42,641 per acre with the middle four sales between \$9,911 and \$18,688. In weighting the comparables selected, some weight was given to all six sales because of the various differences among the properties. Based on all available evidence, we have reconciled to a value conclusion of \$20,000 per acre which is just above the middle range. Although some weight was given to all of the sales, most weight was given to Sales 1, 2 and 6, which are located in areas with public water and sewer like the subject. The total value of the subject by the Sales Comparison Approach, therefore, is \$20,000 per acre x 88.78 acres, which equals **\$1,775,600, rounded to \$1,800,000.**

This value conclusion is 20% lower than our August 2011 value conclusion for this property. The difference can be attributed to declining values over the intervening 15 months. The market statistics are outlined in the Market Analysis section of this report. Moreover, bulk land is being more deeply discounted as lenders are now selling failed projects at a loss. This is evidenced by the comparables selected.

Final Reconciliation

The value estimates by the Approaches to value are as follows:

COST APPROACH	N/A
SALES COMPARISON APPROACH:	\$1,800,000
INCOME APPROACH:	N/A

Because appraising is not a science wherein property differences may be precisely measured, it would be unusual for the value estimated by all approaches to be exactly the same. Each approach implements tools to analyze the market data into an estimate of value and normally indicates a range of values to be reconciled into a final value estimate. The different methods of value estimation reveal both the strengths and weaknesses involved in the analyses and the imperfections in the market and the data used for each.

Reconciliation involves a review of the reliability of the data used in each approach to the type of property being appraised and the relative applicability of the approach in the light of the definition of value sought.

The subject of this appraisal is Stillwater an approved 172 unit residential project. The location is centralized with respect to the area it is to serve. Growth in the neighborhood is expected to remain stable, enhancing property values in general and with regard to the subject. The site is fairly typical for Sussex County.

Because the subject is vacant land, the Cost Approach to value was not deemed applicable. We did analyze the property via the Income Approach known as the Subdivision Analysis, but it was not financially feasible under this scenario. In the sales comparison approach, we analyzed six properties located in the subject's expanded marketing area. The basis for comparison was the price per unit/lot. Due to differences among the comparable sales, some adjustments were necessary. The adjustment process is considered to be a weakness in this approach. However, this approach does reflect the actions of buyers and sellers in the open market and did result in a fairly tight range of values.

After a review of the degree of adequacy and reliability of the available market data, the relative applicability of the approach to the property being appraised and the value in use being sought, the supporting data in the Sales Comparison Approach was judged to be pertinent for an indication of the value in use of the subject property. Thus, as a result of this valuation procedure and analysis, it is the opinion of the appraisers that the current "as is" value of the unencumbered fee simple interest of the subject property as of November 15, 2012.

"AS IS"

ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS

(\$1,800,000)

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of The Trice Group LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) The Trice Group LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. The Trice Group LLC has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

The subject property was previously appraised by our office in 2005 and 2011.

Although no adverse environmental conditions were observed, the appraiser is not an expert at assessing or detecting environmental hazards. This report assumes no environmental contamination exists. The value conclusion shown is based on the assumption that there are no potentially hazardous materials on the property that would adversely impact the value. The appraisers assume no responsibility for detecting environment hazards. It is further assumed that the property is in compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise noted herein.

The appraisers were not provided with any wetlands delineations for the subject site. Although the property does not appear to contain any critical areas, it is unknown if the property encompasses any wetlands that may impact the value conclusions shown.

Certification Statement

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, conclusions and recommendations.
- I have no present or contemplated future interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice* (USPAP).
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jill Jeffery made a complete inspection of the subject property.
- The Appraiser has established sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- My value conclusion and other opinions expressed herein are not based on a requested minimum value, a specific value or approval of a loan.
- No one provided substantial assistance in the preparation of this report.
- In compliance with the ethics rule of USPAP, I hereby certify that this appraiser has no current or prospective interest in the subject property or parties involved, and that the subject property was previously appraised by our office in 2005 and 2011.
- As of the date of this report, Bruce D. DiCintio and Jill Nock Jeffery have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.

Respectfully Submitted,
The Trice Group, LLC



Bruce D. DiCintio
DE Cert. Gen. Appr. X1-0000248
(410) 912-2067
bdicintio@tricegrp.com



Jill Nock Jeffery
DE Cert. Gen. Appr. X1-0000493
(410) 912-2049
jjeffery@tricegrp.com

PROFESSIONAL QUALIFICATIONS BRUCE D. Di CINTIO

Senior Vice President - Commercial Valuation



- ❖ Office Address: 1003 Mt. Hermon Road, Suite 201, Salisbury, Maryland, 21804
- ❖ Phone: 410.912.2067; Fax: 410.543.0664;
- ❖ Email: bdicintio@tricegrp.com
- ❖ Web: www.tricegrp.com
- ❖ Service Area: Commercial Valuations on the Eastern Shore

EDUCATION:

- ❖ The University of North Carolina at Chapel Hill, Bachelor of Arts

Appraisal Institute

- ❖ 1993: Basic Income Capitalization (310)
- ❖ 1993: Advanced Income Capitalization (510)
- ❖ 1994: Subdivision Analysis
- ❖ 1995: Standards of Appraisal Practice (410)
- ❖ 1995: Appraisal of Retail Properties
- ❖ 1996: The Appraiser's Legal Liabilities
- ❖ 1997: Highest & Best Use and Market Analysis (520)
- ❖ 1999: Standards of Appraisal Practice (430)
- ❖ 2001: Analyzing Operating Statements
- ❖ 2001: Eminent Domain and Condemnation
- ❖ 2001: Valuation of Detrimental Conditions
- ❖ 2003: Appraising Nursing Facilities
- ❖ 2003: Small Hotel/Motel Valuation
- ❖ 2005: National USPAP Update
- ❖ 2005: Professionals Guide to URAR
- ❖ 2005: Appraising From Blueprints and Specifications
- ❖ 2005: Feasibility, Market Value, Investment Timing: Option Value
- ❖ 2006: Market Analysis and the Site To Do Business
- ❖ 2006: Using Your HP-12C Calculator
- ❖ 2007: Uniform Appraisal Standards for Federal Land Acquisitions
- ❖ 2008: Business Practices and Ethics
- ❖ 2009: Appraising Convenience Stores
- ❖ 2009: Marshall & Swift Commercial Cost Training
- ❖ 2011: Forecasting Revenue
- ❖ 2011: Rates and Ratios
- ❖ 2011: Subdivision Analysis

- ❖ 2011: Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets

Other Providers

- ❖ 1992: Principles of Real Estate Appraising
- ❖ 1992: Practices of Real Estate Appraising
- ❖ 1992: Real Estate Appraisal Standards and Ethics
- ❖ 1992: Non Tidal Wetlands
- ❖ 1994: Introduction to Environmental Considerations for the Appraiser
- ❖ 1994: Multi-Family Property Appraisals
- ❖ 1994: USPAP In The Real World
- ❖ 1994: Forest Conservation Act
- ❖ 1996: Appraisal Standards Update and Review
- ❖ 1998: Fundamentals of Commercial Property Appraising
- ❖ 1999: Eminent Domain Training for Attorneys and Appraisers
- ❖ 2001: Uniform Standards of Appraisal Practice
- ❖ 2003: Uniform Standards of Appraisal Practice
- ❖ 2003: Appraising Rural Land, Environmental Law and Conservation Easements
- ❖ 2007: Uniform Standards of Professional Appraisal Practice
- ❖ 2007: Delaware Appraisal Laws and Regulations
- ❖ 2009: Uniform Standards of Professional Appraisal Practice
- ❖ 2009: Delaware Appraisal Laws and Regulations
- ❖ 2011: Uniform Standards of Professional Appraisal Practice
- ❖ 2011: Delaware Appraisal Laws and Regulations
- ❖ 2011: Current Appraisal Issues

PROFESSIONAL AFFILIATIONS:

- ❖ Appraisal Institute: Associate Member
- ❖ Maryland Certified General Appraiser: #04-3440 (2-15-2013)
- ❖ Delaware Certified General Appraiser: #X1-0000248 (10-31-2013)
- ❖ Virginia Certified General Appraiser: #4001 009280 (1-31-2013)

EXPERIENCE:

- ❖ 1978 – 1992: President/Director, John Hanson Eastern Shore Service Corporation and Vice President; John Hanson Savings Bank
- ❖ 1992 – 2004: President, Commercial Division; McCain & Associates Real Estate Valuation and Consultation
- ❖ 2004 – Senior Vice President; Commercial Valuation; The Trice Group

PROPERTY TYPES APPRAISED:

- ❖ Agricultural land
- ❖ Aquaculture
- ❖ Apartment complex
- ❖ Borrow pit
- ❖ Business park
- ❖ Carwash

- ❖ Condemnation/Eminent Domain
- ❖ Condominium project
- ❖ Development land
- ❖ Easement
- ❖ Farm and poultry operation
- ❖ House of worship
- ❖ Industrial, manufacturing, warehouse
- ❖ Marina
- ❖ Market analysis
- ❖ Medical facility/Hospital
- ❖ Ministorage
- ❖ Mixed Use
- ❖ Mobile home park/RV campground
- ❖ Motel and hotel
- ❖ Nursing home
- ❖ Office
- ❖ Recreational facility
- ❖ Restaurant
- ❖ Retail
- ❖ School, daycare and public building
- ❖ Shopping Center
- ❖ Subdivision
- ❖ Theatre

PARTIAL CLIENT LIST:

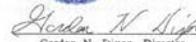
- ❖ Artisans Bank
- ❖ Bank of America
- ❖ Bank of Delmarva
- ❖ BB&T
- ❖ City of Salisbury
- ❖ CNB
- ❖ Farmers and Merchants Bank
- ❖ First Financial
- ❖ First Shore Federal
- ❖ Fulton Bank
- ❖ Hampton Roads Bankshares
- ❖ Hebron Savings Bank
- ❖ M & T
- ❖ Maryland Department of General Services
- ❖ Maryland State Highway Administration
- ❖ Maryland Transit Authority
- ❖ MidAtlantic Farm Credit
- ❖ PNC Bank
- ❖ Salisbury University
- ❖ State of Delaware Department of Transportation
- ❖ Town of Delmar
- ❖ University of Maryland – Eastern Shore
- ❖ Wicomico County Department of Public Works
- ❖ Wicomico County Board of Education
- ❖ Wells Fargo
- ❖ Expert Testimony: Federal Bankruptcy Court, etc.

Martin O'Malley
 Governor
 Anthony G. Brown
 Lt. Governor
 Alexander M. Sanchez
 Secretary

LICENSE, REGISTRATION, OR CERTIFICATION
State of Maryland
DEPARTMENT OF LABOR, LICENSING AND REGULATION
 COMMISSION OF RE APPRAISERS & HOME INSPECTORS
 CERTIFIES THAT
 BRUCE D DI CINTIO

IS AN AUTHORIZED CERTIFIED GENERAL
 LIC REG CERT NO. EXPIRATION DATE EFFECTIVE DATE CATEGORY
 3440 02-15-2013 12-27-2009 04 3931833

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

LICENSE NO.	X1-0000248	STATE OF DELAWARE DIVISION OF PROFESSIONAL REGULATION 861 Silver Lake Blvd. Cannon Building, Suite 203 Dover, DE 19904-2467	NOT TRANSFERABLE
PROFESSION:	Certified General Real Property Appraiser	EXPIRATION DATE:	10/31/2013
ISSUED TO:	Bruce D. Dicintio	 MAILING ADDRESS Bruce D. Dicintio 7318 Laurens Way Parsonsburg MD 21849	
		PROFESSIONAL LICENSE  278882 LICENSEE SIGNATURE	
THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.			
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION COMMONWEALTH OF VIRGINIA 9960 Mayland Dr., Suite 400, Richmond, VA 23233 Telephone: (804) 367-8500			
EXPIRES ON	01-31-2013	NUMBER	4001 009280
REAL ESTATE APPRAISER BOARD CERTIFIED GENERAL REAL ESTATE APPRAISER			
BRUCE DOMMINICK DICINTIO 7318 LAURENS WAY PARSONSBURG MD 21849		  Gordon N. Dixen, Director	
<small>ALTERATION OF THIS DOCUMENT, USE AFTER EXPIRATION, OR USE BY PERSONS OR FIRMS OTHER THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.</small> <small>(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)</small>			

PROFESSIONAL QUALIFICATIONS JILL NOCK JEFFERY



- ❖ Office Address: 1003 Mt. Hermon Road, Suite 201, Salisbury, Maryland, 21804
- ❖ Phone: 410.543.1030; Fax: 410.543.0664; Web: www.tricegrp.com
- ❖ Service Area: Maryland, DC, Delaware, and Virginia

EDUCATION:

- ❖ Salisbury State University, B.A.
- ❖ Salisbury University, M.A.
- ❖ Wor-Wic Community College: Real Estate Appraisal Licensure Courses I and II (2002)
- ❖ Wor-Wic Community College: USPAP (2002)
- ❖ McKissock, National USPAP Update, (2006)
- ❖ Appraisal Institute: Advanced Sales Comparison & Cost Approaches (2006)
- ❖ Appraisal Institute: Basic Income Capitalization (2007)
- ❖ Appraisal Institute: General Market Analysis and Highest and Best Use (2007)
- ❖ Appraisal Institute: General Appraiser Sales Comparison Approach (2007)
- ❖ McKissock: National USPAP and Delaware Updates (2007)
- ❖ Appraisal Institute: National USPAP Course, Baltimore, MD (2009)
- ❖ McKissock: Delaware Appraisal Laws & Regulations (2009)
- ❖ Appraisal Institute: Business Practices and Ethics (2009)
- ❖ Appraisal Institute: Subdivision Valuation (2009)
- ❖ Appraisal Institute: Small Hotel/Motel Valuation (2010)
- ❖ Appraisal Institute: Apartment Appraisal, Concepts & Applications (2010)
- ❖ Uniform Standards of Professional Appraisal Practice (2011)
- ❖ Delaware Appraisal Laws and Regulations (2011)
- ❖ Current Appraisal Issues (2011)

PROFESSIONAL AFFILIATIONS:

- ❖ Appraisal Institute: Associate Member and MAI Candidate
- ❖ Certified General Appraiser - State of Maryland: #11613
- ❖ Certified General Real Property Appraiser - State of Delaware: #X1-0000493

EXPERIENCE:

- ❖ 1987 – 1992 Mason, Fenwick & Lawrence, Washington, D.C.
- ❖ 1992 – 1997 Morgan, Lewis & Bockius, LLP, Washington, D.C.
- ❖ 2000 – 2003 Salisbury University, Nabb Research Center, Salisbury, MD
- ❖ 2003 - 2007 Trice Valuation Services, Salisbury, MD
- ❖ 2008 Valuescape, LLC (Successor to Trice Valuation), Salisbury, MD
- ❖ 2009 The Trice Group, Salisbury, MD

Martin O'Malley
Governor
Anthony G. Brown
Lt. Governor
Alexander M. Sanchez
Secretary

Jill M. Jeffery
SIGNATURE OF BEARER

LICENSE, REGISTRATION, OR CERTIFICATION
State of Maryland
DEPARTMENT OF LABOR, LICENSING AND REGULATION
COMMISSION OF RE APPRAISERS & HOME INSPECTORS
CERTIFIES THAT
JILL JEFFERY

IS AN AUTHORIZED

CERTIFIED GENERAL

LIC. REG. CERT. NO.

11613

EXPIRATION DATE

12-06-2013

EFFECTIVE DATE

12-02-2010

CATEGORY

04

4057141

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

LICENSE NO.

X1-0000493

STATE OF DELAWARE

DIVISION OF PROFESSIONAL REGULATION

NOT TRANSFERABLE

861 Silver Lake Blvd.
Cannon Building, Suite 203
Dover, DE 19904-2467

PROFESSION:

Certified General Real Property Appraiser

EXPIRATION DATE: 10/31/2013

ISSUED TO:

Jill M. Jeffery



MAILING ADDRESS

Jill M. Jeffery
27220 Patriot Drive
Salisbury MD 21801

PROFESSIONAL LICENSE

THIS CERTIFIES THAT THE PERSON NAMED IS HEREBY LICENSED TO
CONDUCT OR ENGAGE IN THE PROFESSION INDICATED ABOVE. THIS
DOCUMENT IS DULY ISSUED UNDER THE LAWS OF THE STATE OF DELAWARE.

Jill M. Jeffery
LICENSEE SIGNATURE

323731

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA

9960 Maryland Dr., Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

NUMBER
4001 016268

EXPIRES ON
08-31-2014

REAL ESTATE APPRAISER BOARD
CERTIFIED GENERAL REAL ESTATE APPRAISER



JILL M JEFFERY
27220 PATRIOT DR
SALISBURY MD 21801

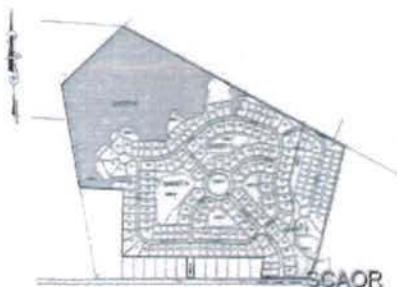
Gordon N. Dixon
Gordon N. Dixon, Director

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THAN THOSE NAMED MAY RESULT IN CRIMINAL PROSECUTION UNDER THE CODE OF VIRGINIA.

(SEE REVERSE SIDE FOR NAME AND/OR ADDRESS CHANGE)

Last Updated: 9/6/2012

532-21.00-17.00, DE, Sussex County



N/A	N/A	1,838,668	\$2,200,000	Active Listing
Beds	Bldg Sq Ft	Lot Sq Ft	MLS List Price	
N/A	N/A	MISC	10/21/2011	

Baths Yr Built Type MLS List Date

SCAOR

Owner Information

Owner Name:	Stillwater Ponds Of Delmar Llc	Tax Billing Zip:	21804
Tax Billing Address:	1800 Sweetbay Dr	Tax Billing Zip+4:	1452
Tax Billing City & State:	Salisbury, MD		

Location Information

School District:	Delmar	MLS Area:	Little Creek Hundred
Census Tract:	517.02	Community:	Little Creek Manor
Zoning:	TN		

Tax Information

Tax-Id:	532-21.00-17.00	Tax Area:	7
Legal Description:	STILLWATER OPEN SPACE AREA 1-8 UTIL EASE PARCEL 9		

Assessment & Tax

Assessment Year	2010	2009	
Assd Value - Land	\$22,100	\$22,100	
Assd Value - Total	\$22,100	\$22,100	
Total Tax	Tax Year	YOY Tax Change (\$)	YOY Tax Change (%)
\$426	2009		
\$423	2010	-\$2	-0.54%

Characteristics

Land Use:	Miscellaneous	Lot Acres:	42.21
Lot Area:	1,838,667.6		

Listing Information

MLS Listing Number:	591060	MLS Listing Price:	\$2,200,000
MLS Status:	Active	Listing Agent Name:	2485long0017753-Ashley Brosnan
Days on Market:	379	Listing Broker Name:	Long And Foster-Bethany-1
MLS Status Change Date:	10/24/2012	MLS Area:	LITTLE CREEK HUNDRED
MLS Listing Date:	10/21/2011		
MLS Listing #	514634		
MLS Listing Date	06/07/2004		
MLS Status	Withdrawn		

Market Sale & Sale History

Sale/Settlement Date	09/22/2005
Recording Date	09/23/2005
Nominal	Y
Buyer Name	Stillwater Ponds Of Delmar Ll
Seller Name	Stillwater Development Company

Courtesy of TERI BRITTINGHAM, Sussex County Association of Realtors

The data within this report is compiled by CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail

Document Number
Document Type

3206-34
Deed (Reg)

Mortgage History

Mortgage Date	11/02/2005	03/31/2005
Mortgage Amount	\$500,000	\$200,000
Mortgage Lender	Private Individual	Mercantile Peninsula BK
Mortgage Code		Conventional

Property Map



Courtesy of TERI BRITTINGHAM, Sussex County Association of Realtors

The data within this report is compiled by CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail

[Home](#) > [Online Services](#) > [Property Tax Information](#) > [Tax Search](#) > [General Information](#)

Font size: A A A

PROPERTY DETAILS

- [General Information](#)
- [Payment Status](#)
- [Appraisal & Assessment Info](#)
- [Sales Info](#)
- [Property Description](#)
- [Council District](#)
- [Tax Summary](#)
- [County Taxes](#)
- [School Taxes](#)
- [Change Billing Address](#)
- [Map of Property](#)

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[Home](#) > [Online Services](#) > [Property Tax Information](#) > [Tax Search](#) > [Payment Status](#)

Font size: A A A

Payment Summary For 5-32 21.00 17.00

PROPERTY DETAILS

- General Information
- Payment Status
- Appraisal & Assessment Info
- Sales Info
- Property Description
- Council District
- Tax Summary
- County Taxes
- School Taxes
- Change Billing Address
- Map of Property

SEARCH

[Quick Links](#)

Type of Bill	Original Bill Amount	Payment Status	
--------------	----------------------	----------------	--

2012 Supplemental Bill 1	\$442.19	Unpaid	Details
2012 Annual Bill	\$0.00	Unpaid	Details
2010 Annual Bill	\$423.39	Paid	Details
2009 Annual Bill	\$425.71	Paid	Details
2008 Annual Bill	\$424.65	Paid	Details
2007 Annual Bill	\$423.36	Paid	Details
2006 Annual Bill	\$427.84	Paid	Details
2005 Annual Bill	\$428.11	Paid	Details

The Payment Status and Dollar Amounts reflected on this page do not reflect any penalties or prior years taxes that may be due on the parcel. For further information, please contact the Treasury Department at (302) 855-7760.

1.5% penalty per month after September 30th on unpaid balance.

Sussex County accepts electronic credit card and eCheck payments through the "Official Payments" site.

[Click here to pay by Credit Card.](#)



[Click here to pay by eCheck.](#)



[Close Window](#) [Print Details](#)

Sussex County, Delaware

Treasury Division

P.O. Box 429, Georgetown, DE 19947-0429
(302) 855-7760

2012 Supplemental Bill 1

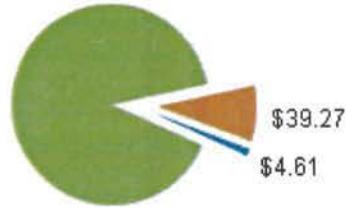
5-32 21.00 17.00

Original 2012 Supplemental Bill 1 Details

County Taxes	
County Tax	\$39.28
County Credit	(\$0.01)
County Cap	\$0.00
Library Tax	\$4.61
County Total	\$43.88

■ County Tax ■ School Tax ■ Library Tax

School Taxes	
School Tax	\$370.59
School Cap	\$0.00
Sussex Tech	\$27.72
School Total	\$398.31



Total Bill	\$442.19
-------------------	-----------------

The Tax Billing was based upon an assessment of \$13,150.00

* Please Note *

The billing information provided above is for reference purposes only and may not reflect the true amounts due. No penalties have been included in these numbers. Please see below for specific payment distribution.

Payment Information

No payments were found for this tax bill.

Balance Due for 2012 Supplemental Bill 1

Tax Balance: 442.19

Penalty Amount: 0.00

Total Due: **\$442.19**

2 The Circle (PO Box 589), Georgetown, DE 19947 | (302) 855-7700 | 7-1-1 (in-state TTY)



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Font size: A A A

PROPERTY DETAILS[• General Information](#)[• Payment Status](#)[• Appraisal & Assessment Info](#)[• Sales Info](#)[• Property Description](#)[• Council District](#)[• Tax Summary](#)[• County Taxes](#)[• School Taxes](#)[• Change Billing Address](#)[• Map of Property](#)**SEARCH**[Quick Links](#)[Privacy](#)

2 The Circle (PO Box 589), Georgetown, DE 19947 | (302) 855-7700

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SussexCounty, Delaware

Treasury Division

P.O. Box 429, Georgetown, DE 19947-0429
(302) 855-7760
Tax Summary

Detailed property Information for : 5-32 21.00 17.00

Owners Name(s):

STILLWATER
PONDS OF DELMAR LLC

District - Map - Parcel

5-32 21.00 17.00

Billing Address:

STILLWATER
PONDS OF DELMAR LLC

Additional Owners:

1800 SWEETBAY DR
SALISBURY , MD 21804

Property Description:

N/RT 54
2150'W/RT 453

Deed Book Information:

Deed Book : 3206
Deed Page: 034

School District:

Delmar School District

Property Appraised Value Information:

Land Appraised Value:	\$26,300.00
Improvement(s) Appraised Value:	\$0.00
Total Appraised Value:	\$26,300.00

Other Property Information:

Land Use: Farm

Acres: 88.78

Town: Delmar

Fire Districts: Delmar Fire District

Tax Information: 2012 Annual Billing Total \$0.00

Please note that the information provided here is based upon the annual tax billing for the selected property and does not include any quarterly or special billings.

The Assessed value of the property reflects 50% of the 1974 Appraised Value and this is what your taxes are calculated on. The Assessed value may not include recent improvements to the property due to the fact that the information here is based ONLY on the annual billing. The Assessed Value Displayed may include applicable State and/or County Exemptions.

Total Assessed Value: \$0.00**County Tax Information:**

County Tax:	\$0.00	County Cap Tax:	\$0.00
-------------	--------	-----------------	--------

Total County Taxes: \$0.00**School Tax Information:**

School District: Delmar School District

School Tax: \$0.00

School Cap Tax: \$0.00

School District: Sussex Tech

School Tax: \$0.00

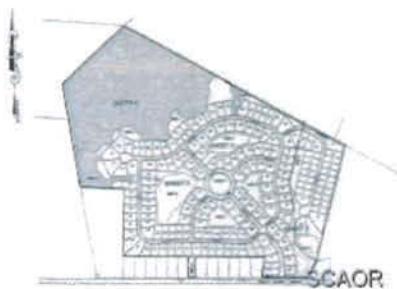
Total of School Taxes: \$0.00**Library Tax Information:**

Library Tax: \$0.00

Total of Library Taxes: \$0.00



12111 Line Rd, Delmar, DE 19940, Sussex County



N/A	N/A	292,723	\$2,200,000
Beds	Bldg Sq Ft	Lot Sq Ft	MLS List Price
N/A	N/A	MISC	10/21/2011

Active Listing 

Owner Information

Owner Name:	Stillwater Ponds Of Delmar Llc	Tax Billing Zip:	21804
Tax Billing Address:	1800 Sweetbay Dr	Tax Billing Zip+4:	1452
Tax Billing City & State:	Salisbury, MD	Owner Occupied:	No

Location Information

School District:	Delmar	Zoning:	AR1
Census Tract:	517.02	MLS Area:	Little Creek Hundred
Carrier Route:	R005		

Tax Information

Tax-Id:	532-21.00-18.00	Tax Area:	7
Legal Description:	STILLWATER STREETS		

Assessment & Tax

Assessment Year	2010	2009	
Assd Value - Land	\$13,200	\$13,200	
Assd Value - Total	\$4,000	\$4,000	
Assd Value - Improved	\$9,200	\$9,200	

Total Tax	Tax Year	YOY Tax Change (\$)	YOY Tax Change (%)
\$254	2009		
\$253	2010	-\$1	-0.55%

Characteristics

Land Use:	Miscellaneous	Lot Acres:	6.72
Lot Area:	292,723.2		

Listing Information

MLS Listing Number:	591061	MLS Listing Price:	\$2,200,000
MLS Status:	Active	Listing Agent Name:	2485long0017753-Ashley Brosnahan
Days on Market:	379	Listing Broker Name:	Long And Foster-Bethany-1
MLS Status Change Date:	10/24/2012	MLS Area:	LITTLE CREEK HUNDRED
MLS Listing Date:	10/21/2011		

Market Sale & Sale History

Recording Date:	09/10/2005	Document Number:	3198-324
Settle Date:	08/26/2005	Deed Type:	Deed (Reg)
Sale Price:	\$85,000		
Sale/Settlement Date	08/30/2005	08/26/2005	09/09/2005
Recording Date	09/19/2005	09/10/2005	
Sale Price		\$85,000	\$85,000
Nominal	Y		

Courtesy of TERI BRITTINGHAM, Sussex County Association of Realtors

The data within this report is compiled by CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail

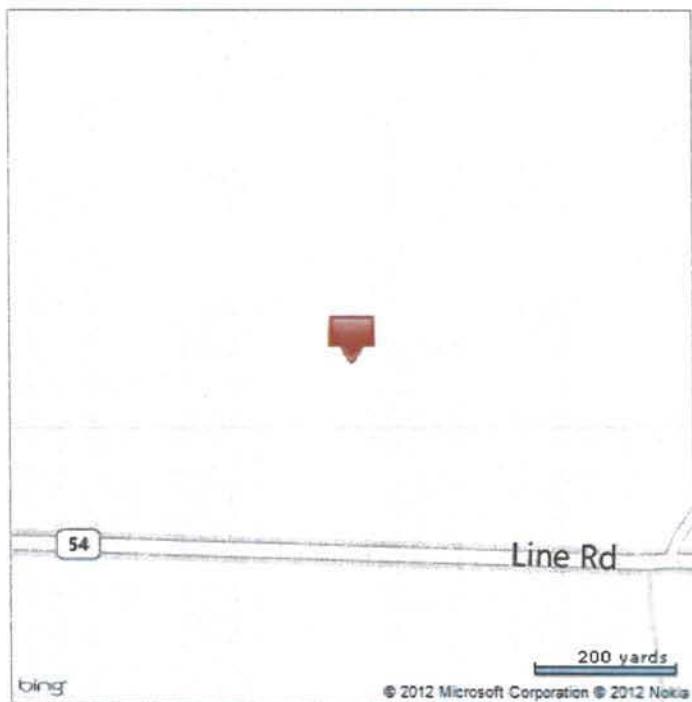
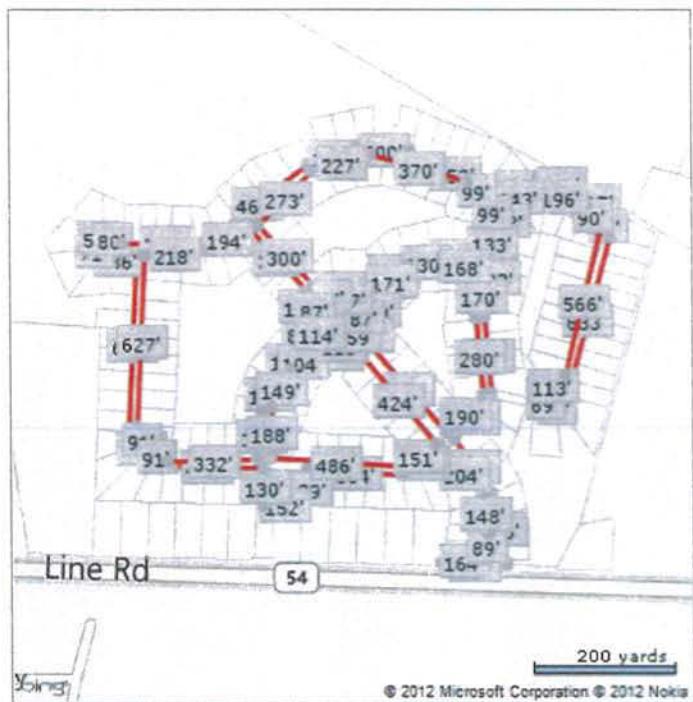
Buyer Name
Stillwater Ponds Of Delmar LI
Seller Name
Stillwater Development Company
Document Number
3203-107
Document Type
Deed (Reg)

Stillwater Ponds Of Delmar LI
Asher Miriam
3198-324
Deed (Reg)

Still Water Development Co Llc
3198-324
Deed (Reg)

Stillwater Ponds Of Delmar L
Owner Record
3203-107
Deed (Reg)

Property Map



Courtesy of TERI BRITTINGHAM, Sussex County Association of Realtors

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Property Detail

[Government](#)[Residents](#)[Visitors](#)[Business](#)[Online Services](#)[About SC](#)[Home](#) > [Online Services](#) > [Property Tax Information](#) > [Tax Search](#) > [Sales Info](#)

Font size: A A A

Sales Information for 5-32 21.00 18.00

Note: Electronic records only go back to 1998. Any sales data before 1998 will not be displayed.

PROPERTY DETAILS[• General Information](#)

Recorded Date: 9/9/05

[• Payment Status](#)

Amount of Sale: \$85,000.00

[• Appraisal & Assessment Info](#)

Number of Parcels Sold: 0

Land Appraisal: \$4,000.00

[• Sales Info](#)[• Property Description](#)[• Council District](#)[• Tax Summary](#)[• County Taxes](#)[• School Taxes](#)[• Change Billing Address](#)[• Map of Property](#)**SEARCH****Quick Links**[Privacy](#)[ADA](#)

2 The Circle (PO Box 589), Georgetown, DE 19947 | (302) 855-7700

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©

A row of small flags from different countries, indicating language support.

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[Home](#) > [Online Services](#) > [Property Tax Information](#) > [Tax Search](#) > [Payment Status](#)

Font size: A A A

Payment Summary For 5-32 21.00 18.00

PROPERTY DETAILS

- [General Information](#)
- [Payment Status](#)
- [Appraisal & Assessment Info](#)
- [Sales Info](#)
- [Property Description](#)
- [Council District](#)
- [Tax Summary](#)
- [County Taxes](#)
- [School Taxes](#)
- [Change Billing Address](#)
- [Map of Property](#)

SEARCH
[Quick Links](#)

Type of Bill	Original Bill Amount	Payment Status	
		Paid	Unpaid
2012 Annual Bill	\$0.00	Unpaid	Details
2010 Annual Bill	\$252.89	Paid	Details
2009 Annual Bill	\$254.27	Paid	Details
2008 Annual Bill	\$253.64	Paid	Details
2007 Annual Bill	\$252.87	Paid	Details
2006 Annual Bill	\$255.55	Paid	Details
2005 Supplemental Bill 2	\$127.86	Paid	Details

The Payment Status and Dollar Amounts reflected on this page do not reflect any penalties or prior years taxes that may be due on the parcel. For further information, please contact the Treasury Department at (302) 855-7760.

1.5% penalty per month after September 30th on unpaid balance.

Sussex County accepts electronic credit card and eCheck payments through the "Official Payments" site.

[Click here to pay by Credit Card.](#)



[Click here to pay by eCheck.](#)



[Home](#) > [Online Services](#) > [Property Tax Information](#) > [Tax Search](#) > [Appraisal and Assessment](#)

Font size: A A A

Appraisal and Assessment of 5-32 21.00 18.00

Property Appraised Value Information:

The Assessed value of the property reflects 50% of the 1974 Appraised Value and this is what your taxes are calculated on.

PROPERTY DETAILS**• General Information****• Payment Status****• Appraisal & Assessment Info****• Sales Info****• Property Description****• Council District****• Tax Summary****• County Taxes****• School Taxes****• Change Billing Address****• Map of Property****SEARCH****Quick Links**[Privacy](#)[ADA](#)

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Validated: XHTML | CSS

[Close Window](#)[Print Details](#)**SussexCounty, Delaware****Treasury Division**

P.O. Box 429, Georgetown, DE 19947-0429

(302) 855-7760

Tax Summary

Detailed property Information for : 5-32 21.00 18.00

Owners Name(s):STILLWATER
PONDS OF DELMAR LLC**District - Map - Parcel**

5-32 21.00 18.00

Billing Address:STILLWATER
PONDS OF DELMAR LLC**Additional Owners:**1800 SWEETBAY DR
SALISBURY , MD 21804**Property Description:**STILLWATER
STREETS**Deed Book Information:**Deed Book : 3203
Deed Page: 107**School District:**

Delmar School District

Property Appraised Value Information:

Land Appraised Value:	\$0.00
Improvement(s) Appraised Value:	\$0.00
Total Appraised Value:	\$0.00

Other Property Information:**Land Use:** Miscellaneous**Acres:** 6.72**Town:** Delmar**Fire Districts:** Delmar Fire District**Tax Information: 2012 Annual Billing Total \$0.00**

Please note that the information provided here is based upon the annual tax billing for the selected property and does not include any quarterly or special billings.

The Assessed value of the property reflects 50% of the 1974 Appraised Value and this is what your taxes are calculated on. The Assessed value may not include recent improvements to the property due to the fact that the information here is based ONLY on the annual billing. The Assessed Value Displayed may include applicable State and/or County Exemptions.

Total Assessed Value: \$0.00**County Tax Information:**

County Tax: \$0.00 County Cap Tax: \$0.00

Total County Taxes: \$0.00**School Tax Information:**

School District: Delmar School District

School Tax: \$0.00

School Cap Tax: \$0.00

School District: Sussex Tech

School Tax: \$0.00

Total of School Taxes: \$0.00**Library Tax Information:**

Library Tax: \$0.00

Total of Library Taxes: \$0.00





Legend
Map Line = 14.00
Map Rule = 1:125,000
Adjustment Map = 1:125,000

532-21.00

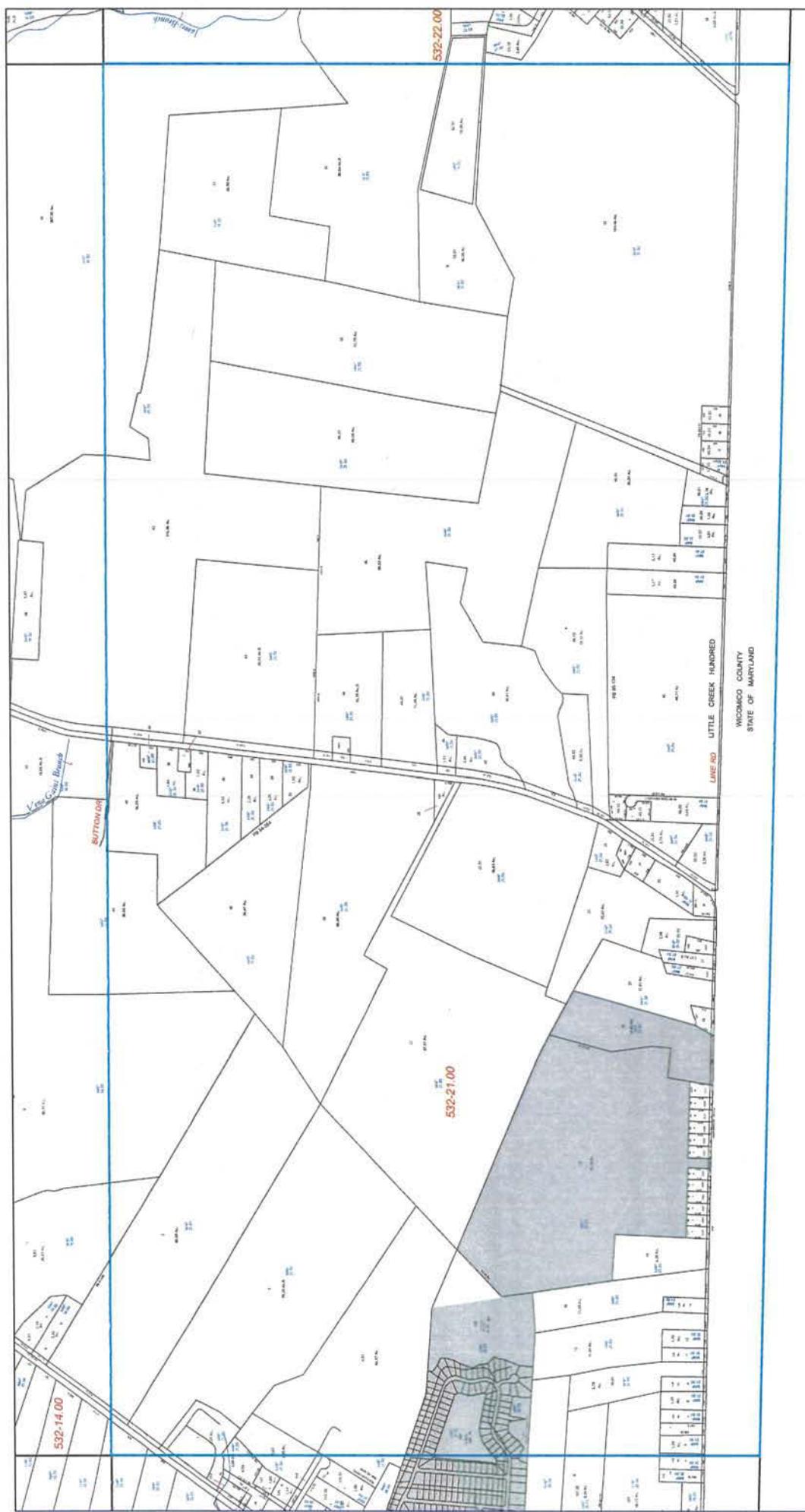


Sussex County Delaware

Date Printed: May 31, 2011

532-21.00

WICOMICO COUNTY
STATE OF MARYLAND

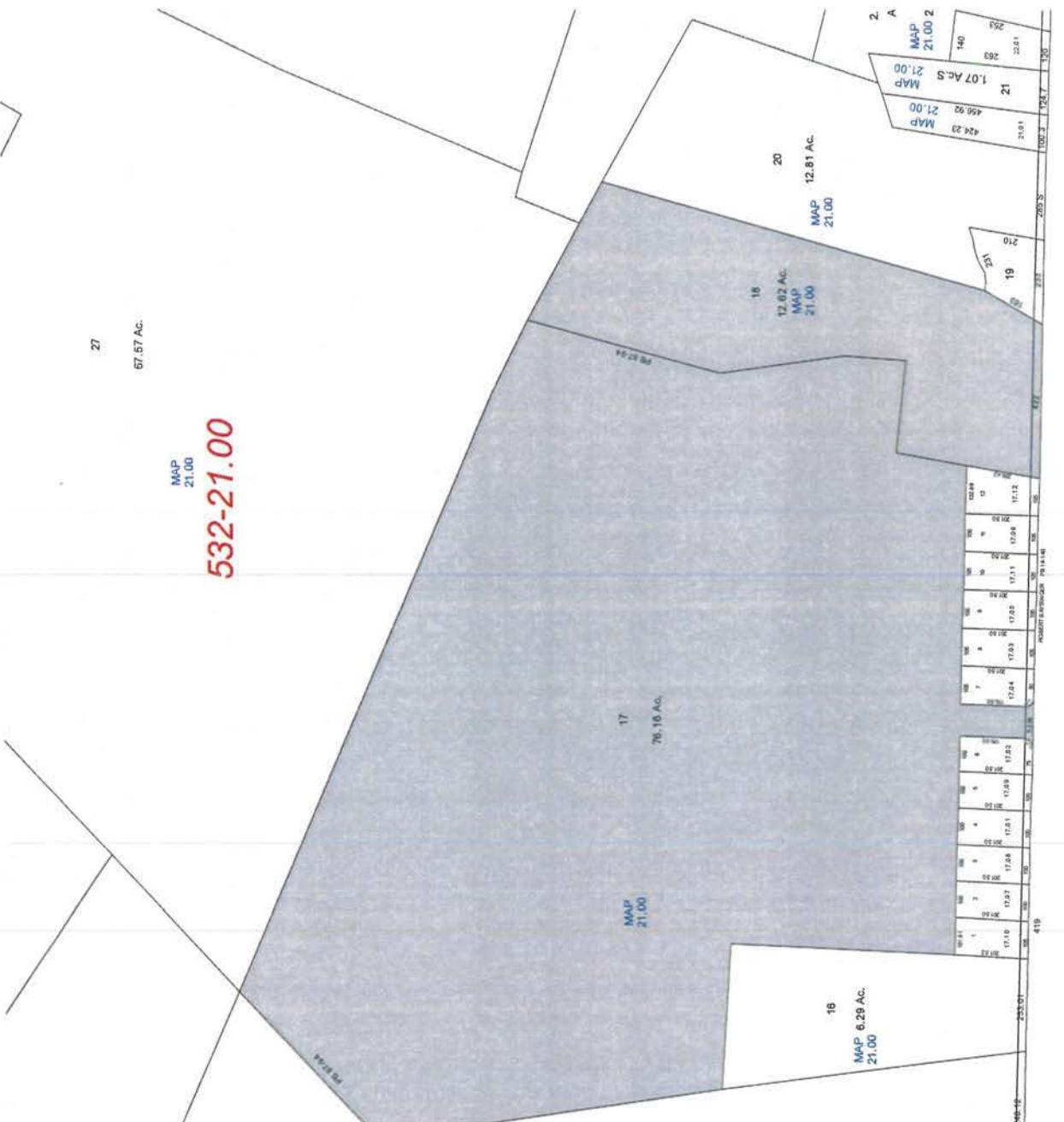
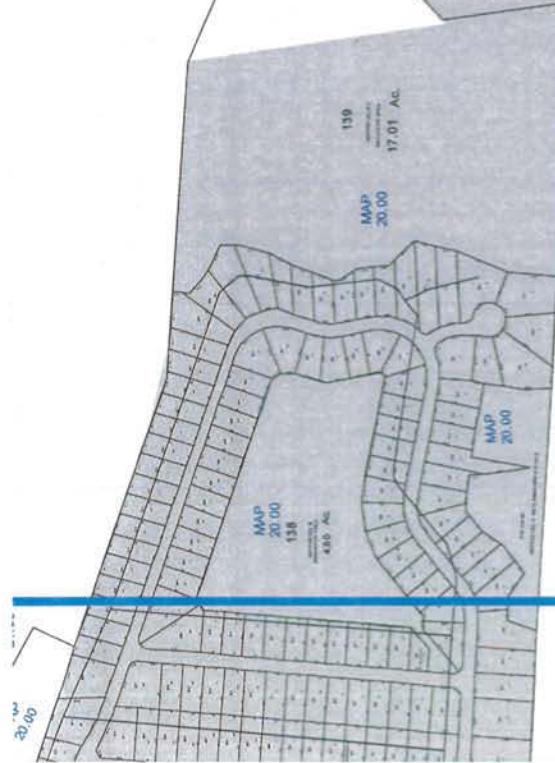


532-21.00

MAP
21.00

27

200





Font size: A A A

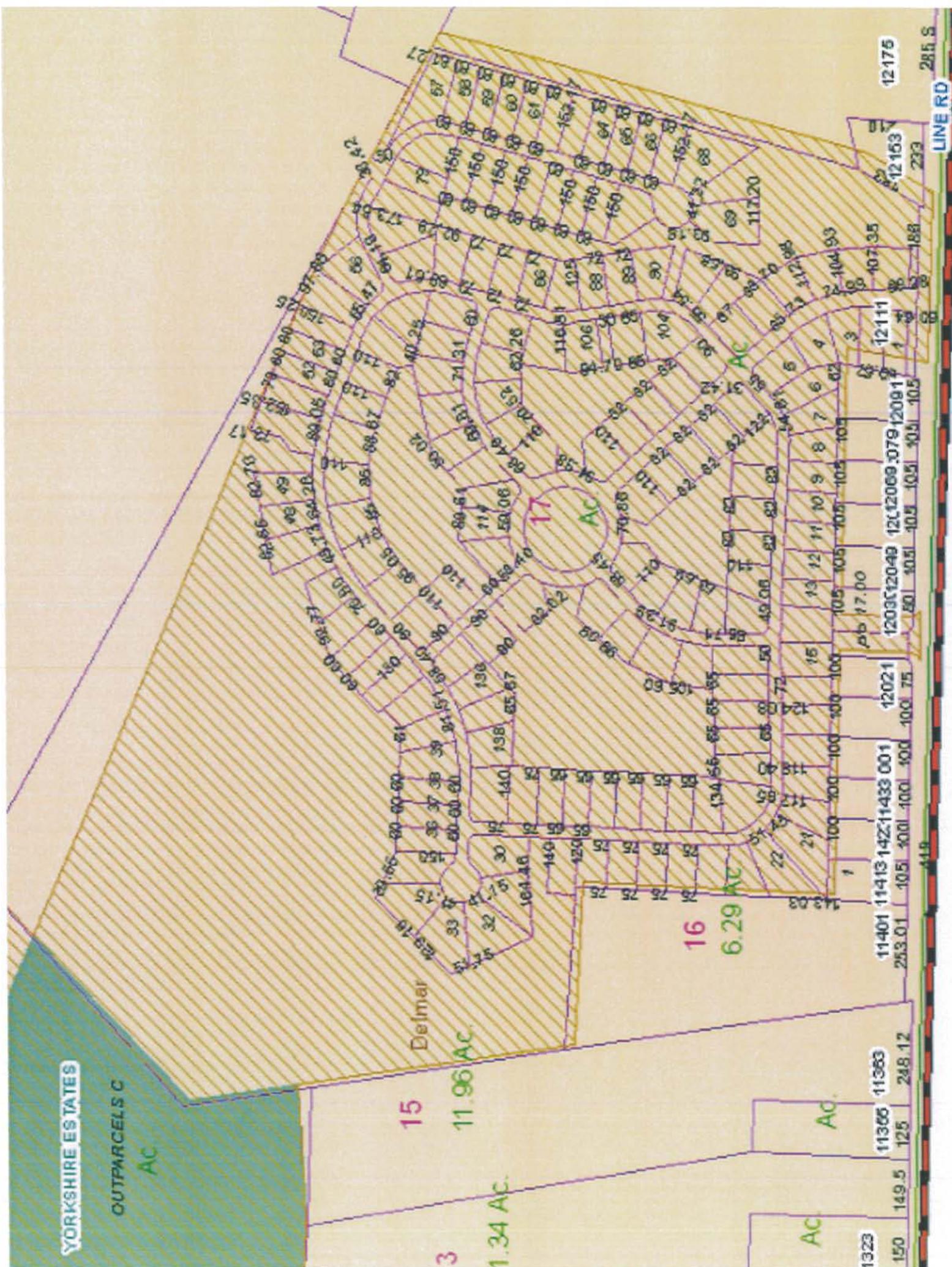
PROPERTY DETAILS

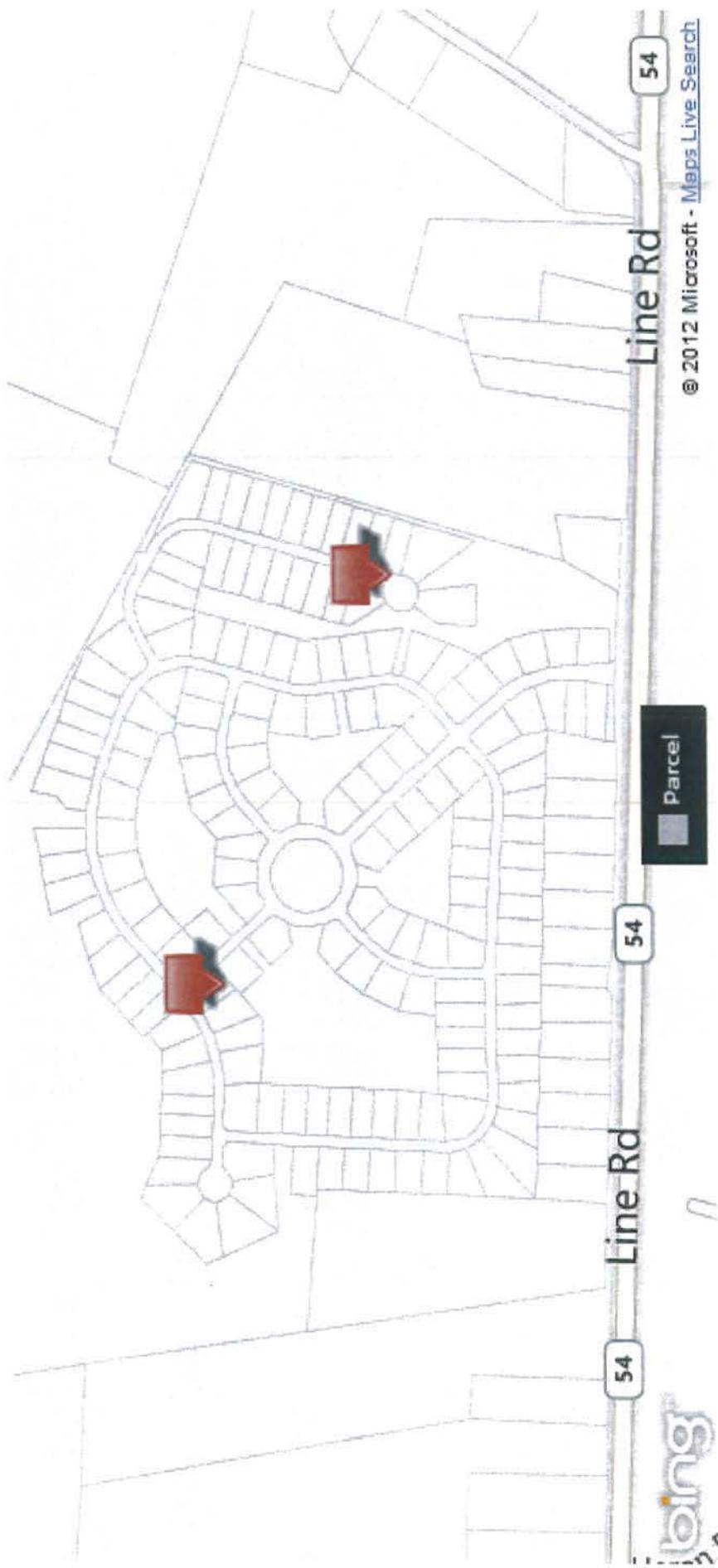
- General Information
- Payment Status
- Appraisal & Assessment Info
- Sales Info
- Property Description
- Council District
- Tax Summary
- County Taxes
- School Taxes
- Change Billing Address
- Map of Property

SEARCH**Quick Links**

YORKSHIRE ESTATES

OUTPARCELS





Courtesy Of TERI BRITTINGHAM, Sussex County Association of Realtors

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Map



Courtesy Of TERRI BRITTINGHAM, Sussex County Association of Realtors

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Map

SUSSEX COUNTY, DELAWARE
LITTLE CREEK HUNDRED

LEGEND

BOUNDARY LINE	
PROPOSED RIGHT OF WAY LINE	
PROPOSED LOT LINE	
TOWN OF DELMAR	UTILITY EASEMENT
EXISTING FENCE	DRAINAGE EASEMENT
ROAD DEDICATION	ROAD
EXISTING WETLANDS	
EXISTING ADJACENT LINE	
BUILDING SETBACK	
EXISTING FENCE	
MATCHLINE	CONCRETE MONUMENT
IRON PIPE FOUND	FIELD STONE FOUND
IRON ROD FOUND	IRON AXLE FOUND
IRON ROD AND CAP	IRON BE SET
IRON AXLE	UTILITY POLE
IRON PIPE	CONCRETE MONUMENT TO BE SET

STILLWATER

FINAL PLAT

DATE
11/22/2000FILING NO.
SUSSEX 2000-158ACR. AMOUNT.
2000-158SCALE
1" = 40'

2 or 5

PAGE
1 of 4

CURVE TABLE

Curve	Radius	Radius	Curve Length	Chord Length	Chord Defect
C1	20.00	3.42	26.39	26.39	0.48
C2	5.52	3.42	13.67	13.67	0.05
C3	5.52	1.67	10.93	10.93	0.00
C4	24.00	21.37	20.03	20.03	0.00
C5	20.00	3.42	15.95	15.95	0.05
C6	16.00	3.42	15.95	15.95	0.05
C7	16.00	3.42	15.95	15.95	0.05
C8	21.00	20.00	16.70	16.70	0.00
C9	22.00	3.42	14.42	14.42	0.00
C10	22.00	3.42	14.42	14.42	0.00
C11	11.25	1.67	8.50	8.50	0.00
C12	11.25	1.67	8.50	8.50	0.00
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C14	20.00	3.42	15.95	15.95	0.05
C15	20.00	3.42	15.95	15.95	0.05
C16	20.00	3.42	15.95	15.95	0.05
C17	20.00	3.42	15.95	15.95	0.05
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C19	20.00	3.42	15.95	15.95	0.05
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C21	20.00	3.42	15.95	15.95	0.05
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C23	20.00	3.42	15.95	15.95	0.05
C24	20.00	3.42	15.95	15.95	0.05
C25	20.00	3.42	15.95	15.95	0.05
C26	20.00	3.42	15.95	15.95	0.05
C27	20.00	3.42	15.95	15.95	0.05
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C29	20.00	3.42	15.95	15.95	0.05
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C31	20.00	3.42	15.95	15.95	0.05
C32	20.00	3.42	15.95	15.95	0.05
C33	20.00	3.42	15.95	15.95	0.05
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C35	20.00	3.42	15.95	15.95	0.05
C36	20.00	3.42	15.95	15.95	0.05
C37	20.00	3.42	15.95	15.95	0.05
C38	20.00	3.42	15.95	15.95	0.05
C39	20.00	3.42	15.95	15.95	0.05
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C43	20.00	3.42	15.95	15.95	0.05
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C118	20.00	3.42	15.95	15.95	0.05
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C163	20.00	3.42	15.95	15.95	0.05
C164	20.00	3.42	15.95	15.95	0.05
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C166	20.00	3.42	15.95	15.95	0.05
C167	20.00	3.42	15.95	15.95	0.05
C168	20.00	3.42	15.95		

STILLWATER

23
1951 Page

CURVE TABLE

LEGEND

This legend provides a key for interpreting the symbols used in the site plan:

- PROPERTY LINE:** Represented by a solid black line.
- PROPOSED LOT LINE:** Represented by a dashed black line.
- TOWN OF DELMAR:** Indicated by a dashed line with diagonal hatching.
- UTILITY EASEMENT:** Indicated by a dashed line with vertical hatching.
- DRAINAGE EASEMENT:** Indicated by a dashed line with horizontal hatching.
- ROAD:** Indicated by a solid black line with a double-headed arrow symbol.
- EXISTING WETLANDS:** Indicated by a dashed line with a wavy pattern.
- EXISTING ADJACENT:** Indicated by a dashed line with a diagonal hatching pattern.
- BUILDING SETBACK LINE:** Indicated by a dashed line with a short horizontal dash pattern.
- EXISTING FENCE:** Indicated by a dashed line with a cross-hatch pattern.

N/F
WAYNE F. & THOMAS R. MOUSLEY
06-2883 P. 82
5-32-71-2700

SEE SHEET 4

SEE SHEET

SEE SHEET 2

SEE SHEET 5

DRAWING BY:	117
PRINTED BY:	3
SCALE:	1-60"
JOB NUMBER:	2000-158

SCALE
1:400



Fulcher Hall
& ASSOCIATES, INC.

SUSSEX COUNTY, DELAWARE
LITTLE CREEK HUNDRED

STILLWATER

LEGEND

CURVE TABLE

FINAL PLAT

45

OK 8 1351 HGC 8 29

SEE SHEET 3

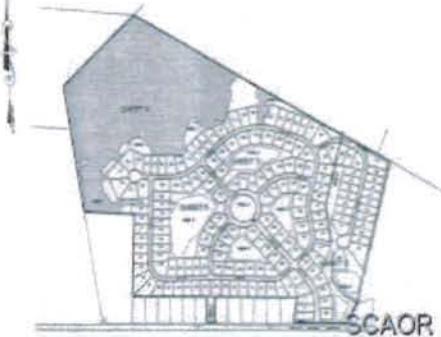
SEE SHEET 5

SHEET EIGHT

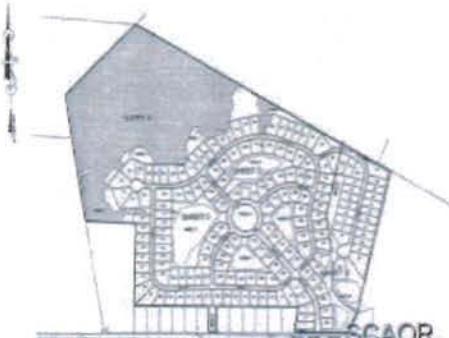
The figure is a detailed site plan for a residential property. It features a main building footprint outlined in thick black lines, situated on a rectangular lot. The lot is defined by dashed lines and has several dimensions labeled: 115' 0" on the west side, 117' 0" on the north side, 51' 7" on the east side, and 51' 7" on the south side. The building footprint is approximately 30' 0" wide by 50' 0" deep. To the west of the main building is a smaller, separate structure. A curved road or driveway is shown on the left, with a dimension of 102' 0". A compass rose indicates cardinal directions (N, S, E, W). A scale bar at the bottom right shows distances of 0, 50', 100', and 150'. A north arrow points upwards. The entire drawing is enclosed in a large rectangular border.



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Lots and Land 591060 Active		STILLWATER/RT 54 DELMAR, DE 19940		L\$2,200,000
 Previous Next		MLS Area: Little Creek Hundred County: Sussex Community: Little Creek Manor Lot Listing Type: Residential Waterfront: None Waterfront Frntg: Historic Dist: No Lot Dimensions: Setback Front: Road Frntg: Setback Side: Lot Size-Sqft: Lot Size-Acres: Showing Instructions	Section: Between Rt. 113 & 13 School Dist: Blocks to Ocean: Waterview: None Public Road: Dock Type: Setback Back: Fee Simple: Yes Cleared Acre(s): Wooded Acre(s): Marsh Acre(s):	
Remarks: Fully recorded and approved subdivision consisting of 172 lots. 88+ total acres, average lot size 10,000sf. Mostly wooded but level topography. Central location, close to area beaches. 532-21.00-17.00 and 532-21.00-18.00. Description: Subdividable, Trees/Wooded Waterfront Improvements: None Water-on-Site: Public Central Water Cntrl Sewer On-Site: Public Central Sewer Septic Permit: Not Applicable Road Access: State Highway Disclosures: Exempt from S.D./R.P.C. Financing: Comm. Amenities: Docs On File: Topographical Map				
City Tax: \$ Rental: No Existing Leases: Water Fee: \$ HOA Fee: Tot Min SF if 1 Story:	County Tax: \$ Crop Conveyance: City Limits: No Sewer Fee: \$ Zoning: Agricultural/Residential Tot Min SF if 2 Story:	Loc To Waterfront: Water Available: Public Water Hkup Avail Prvt Sewer On-Site: Public Central Avail. Site Evaluation: Not Applicable Road Maint: Exclusions: Could Be Sold As:	Flood Ins. Avail: Trash Fee: \$ Land Use: Min 1st Flr SF if 2 Story:	
List Agt: ASHLEY BROSNAHAN Office Ph: (302) 539-9040 ext: 291 Email: ashley@bethanybeach-homes.com	Agent#: 7753 Appt. Ph.: (302) 539-9040 Cell: (302) 841-4200	List Off: LONG AND FOSTER-BETHANY Firm/Office: LONG00/1 Office Ph/Fax: (302) 539-9040 / (302) 539-2185		
Alt. Agt: Tax Dist: 532 Pend. Parcel #: Seller Contr: \$ Showing Inst: Listing Date: 10/21/2011 Sub Agent: No Buyer Brk: Yes Short Sale: No Listing Type: Exclusive Right to Sell Sub Type: N/A	Tax Map: 21 Internal List #: Pend. Subdiv: Contract Info: Bank Addendum Sub Agt Amt: Buyer Brk Amt: Bank Notified: Yes Sub Agt %: Buyer Brk %: 2.5 Addndm Aquired : No Sub Agt Bonus: Buyer Brk Bonus: Seller Disclosure: Financing:	Tax Parcel: 17 Var. Rate Com: No Auction Date: Auction Time: Auction Price Determined By:		
Directions/Agent Remarks: Call LA for information. <p>All room dimensions and other measurements are approximate. All information is deemed reliable but not guaranteed. Prospective purchasers should verify the information to their own satisfaction. Information provided by the Sussex County Association of Realtors Multiple Listing Service. Printed on 11/02/2012 at 11:36 AM</p>				

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Lots and Land 591061 Active		STILLWATER, RT 54 DELMAR, DE 19940	
 Previous Next		MLS Area: Little Creek Hundred County: Sussex Community: Lot Listing Type: Residential Waterfront: None Waterfront Frntg: Historic Dist: No Lot Dimensions: Setback Front: Road Frntg: Setback Side: Lot Size-Sqft: Lot Size-Acres: Showing Instructions	Section: Between Rt. 113 & 13 School Dist: Delmar Blocks to Ocean: Waterview: None Public Road: Dock Type: None Setback Back: Fee Simple: Yes Cleared Acre(s): Wooded Acre(s): Marsh Acre(s):
Remarks: Fully recorded and approved subdivision consisting of 172 lots. 88+ total acres, average lot size 10,000sf. Mostly wooded but level topography. Central location, close to area beaches. 532-21.00-17.00 and 532-21.00-18.00. Description: Irregular Shape Waterfront Improvements: None Water-on-Site: Public Central Water Cntrl Sewer On-Site: None Septic Permit: Not Applicable Road Access: State Highway Disclosures: Exempt from S.D./R.P.C. Financing: Cash , Conventional Comm. Amenities: Docs On File: Topographical Map			
City Tax: \$ Rental: No Existing Leases: Water Fee: \$ HOA Fee: Tot Min SF if 1 Story:		County Tax: \$ Crop Conveyance: City Limits: No Sewer Fee: \$ Zoning: Agricultural/Residential Tot Min SF if 2 Story:	Loc To Waterfront: Water Available: Public Water Hkup Avail Prvt Sewer On-Site: Public Central Avail. Site Evaluation: Not Applicable Road Maint: Exclusions: Could Be Sold As:
List Agt: ASHLEY BROSNAHAN Office Ph: (302) 539-9040 ext: 291 Email: ashley@bethanybeach-homes.com		Agent#: 7753 Appt. Ph.: (302) 539-9040 Cell: (302) 841-4200	List Off: LONG AND FOSTER-BETHANY Firm/Office: LONG00/1 Office Ph/Fax: (302) 539-9040 / (302) 539-2185
Alt. Agt:		Alt. Agt Cell: () -	
Tax Dist: 532 Pend. Parcel #: Seller Contr: \$ Showing Inst: Listing Date: 10/21/2011 Sub Agent: No Buyer Brk: Yes Short Sale: No Listing Type: Exclusive Right to Sell		Tax Map: 21 Internal List #: Pend. Subdiv: Contract Info: Bank Addendum Sub Agt Amt: Buyer Brk Amt: Bank Notified: Yes Sub Agt %: Buyer Brk %: 2.5 Addndm Aquired : No Financing:	Tax Unit #: Var. Rate Com: No Owner: Sub Agt Bonus: Buyer Brk Bonus: Seller Disclosure:
Auction Date: Directions/Agent Remarks: Call LA for information.		Auction Time: Auction Price Determined By: All room dimensions and other measurements are approximate. All information is deemed reliable but not guaranteed. Prospective purchasers should verify the information to their own satisfaction. Information provided by the Sussex County Association of Realtors Multiple Listing Service. Printed on 11/02/2012 at 12:57 PM	

50323

RE 03206 PG 034

PARCEL ID NO.: 5-32 21.00 17.00
PREPARED BY & RETURN TO:
Smith O'Donnell Feinberg & Berl, LLP
P.O. Box 588
Georgetown, DE 19947
File No. 1-22681

THIS DEED, made this September 22nd, 2005;

- BETWEEN -

STILLWATER DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, of P.O. Box 2122, Salisbury, MD 21802, party of the first part.

- AND -

STILLWATER PONDS OF DELMAR, LLC, a Delaware limited liability company, of P.O. Box 2122, Salisbury, MD 21802, party of the second part.

WITNESSETH: That the said party of the first part, for and in consideration of the sum of ONE DOLLAR 00/100 (\$1.00), lawful money of the United States of America, the receipt whereof is hereby acknowledged, hereby grants and conveys unto the party of the second part, and its successors and assigns, in fee simple, the following described lands, situate, lying and being in Sussex County, State of Delaware:

LEGAL DESCRIPTION ATTACHED HERETO AND
MADE A PART HEREOF AS EXHIBIT A.

BEING the same land granted by David L. Rice and Richard D. Rice unto STILLWATER DEVELOPMENT COMPANY, LLC, by Deed, dated March 30, 2004 and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware, in Deed Book 2960 Page 233.

SUBJECT to any and all restrictions, reservations, conditions, easements and agreements of record in the Office of the Recorder of Deeds in and for Sussex County, Delaware.

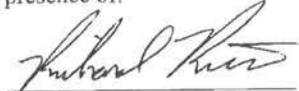
	Consideration:	\$0.00	Exempt Code: A
	County	State	Total
1	11.61 counter	11.61 Date: 09/23/2005	23.22

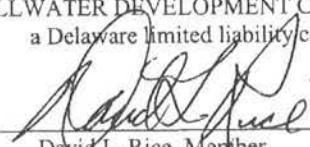
D [initials]

03206 035

IN WITNESS WHEREOF, the said STILLWATER DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, has caused its name by its authorized Member to be hereunto set, the day and year first above written.

Signed, sealed and delivered in the STILLWATER DEVELOPMENT COMPANY, LLC
presence of:

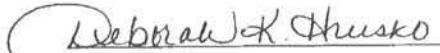

Witness

STILLWATER DEVELOPMENT COMPANY, LLC
a Delaware limited liability company
By: 
David L. Rice, Member (SEAL)

STATE OF Maryland, COUNTY OF Wicomico: to-wit

BE IT REMEMBERED, that on this 22nd day of September, A.D. 2005, personally appeared before me, the Subscriber, a Notary Public for the State and County aforesaid, David L. Rice, Member of STILLWATER DEVELOPMENT COMPANY, a Delaware limited liability company, party to this Indenture, known to me personally to be such, and acknowledged this Indenture to be his act and deed and the act and deed of said limited liability company.

Given under my Hand and Seal of office the day and year aforesaid.


Notary Public
Printed Name: Deborah K. Hrusko
My Commission Expires: 3/14/2006

Return to:
David L. Rice
PO Box 2122
Salisbury, MD 21802

EXHIBIT A

ALL that certain tract, piece or parcel of land, situate, lying and being in Little Creek Hundred, Sussex County, Delaware, on the North side of Line Road between the State of Delaware and the State of Maryland, leading from Delmar to Whitesville, being more particularly described as follows, to wit:

COMMENCING at a concrete monument found, a corner for Lot 1 of "Robert Baysinger" Subdivision, the southeasterly corner of lands now or formerly of Wayne L. Bradley, et ux., and the northerly right of way for Route 54 (Line Road) being 60 feet wide; THENCE North 02 degrees 37 minutes 32 seconds East, by and with a Tie-Line, a distance of 201.52 feet to an iron rod and cap to be set, the Point of Beginning; THENCE (1) North 02 degrees 38 minutes 32 seconds East, by and with lands N/F of Wayne L. Bradley, et ux., passing through a field stone found at a distance of 622.57 feet and continuing for a total distance of 627.21 feet to a point in a small ditch; THENCE (2) North 85 degrees 52 minutes 25 seconds West, by and with lands N/F of Wayne L. Bradley, et ux., a distance of 401.91 feet to a concrete monument found; THENCE (3) North 08 degrees 13 minutes 03 seconds West, by and with lands N/F of Earl D. Hudson, a distance of 644.76 feet to an iron axle found; THENCE (4) North 08 degrees 02 minutes 29 seconds West, by and with lands N/F of The Pepsi Cola Bottling Company of Salisbury, Maryland, a distance of 327.60 feet a large iron rod found; THENCE (5) North 48 degrees 08 minutes 04 seconds East, by and with lands N/F of The Pepsi Cola Bottling Company of Salisbury, Maryland and crossing platted lots on "Little Creek Manor" Subdivision Plat, Plot Book 12 Page 49, a distance of 777.75 feet to a field stone found; THENCE (6) South 60 degrees 07 minutes 04 seconds East, by and with lands N/F of Woon Chul Nam, et ux., a distance of 1,704.44 feet to a concrete monument in a ditch; THENCE (7) South 60 degrees 49 minutes 14 seconds East, by and with lands N/F of Woon Chul Nam, et ux., a distance of 200.73 feet to an intersection of a ditch and a corner for lands N/F of David L. Rice, et ux. and a corner for lands N/F of Edna C. Tappan; THENCE (8) South 15 degrees 21 minutes 05 seconds West, by and with the centerline of the ditch, a distance of 558.07 feet to a point in the ditch; THENCE (9) South 07 degrees 56 minutes 17 seconds East, by and with the centerline of the ditch, a distance of 357.42 feet to another point in the ditch; THENCE (10) South 04 degrees 05 minutes 30 seconds West, by and with the centerline of the ditch, a distance of 173.08 feet to an iron pipe with a cap to be set; THENCE (11) North 83 degrees 28 minutes 04 seconds West, a distance of 258.11 feet to an iron pipe with a cap to be set; THENCE (12) South 09 degrees 37 minutes 36 seconds West, a distance of 197.65 feet to an iron rod and cap to be set; THENCE (13) North 88 degrees 15 minutes 14 seconds West, continuing by and with "Robert Baysinger" Subdivision, a distance of 657.89 feet to an iron rod and cap to be set; THENCE (14) South 01 degrees 44 minutes 46 seconds West, by and with Lot 7 of "Robert Baysinger" Subdivision, a distance of 176.50 feet to a concrete monument found; THENCE (15) along a curve to the left, having a radius of 25.00 feet, a central angle of 90 degrees 00 minutes 00 seconds, an arc length of

03206 2037

EXHIBIT A

39.27 feet, and a chord which bears South 43 degrees 15 minutes 41 seconds East, by and with Lot 7 of "Robert Baysinger" Subdivision, a distance of 35.36 feet to a concrete monument found; THENCE (16) North 88 degrees 15 minutes 14 seconds West, by and with northerly right of way for Route 54, being 60 feet wide, a distance of 112.96 feet to a concrete monument found; THENCE (17) along a curve to the left, having a radius of 25.00 feet, a central angle of 90 degrees 00 minutes 00 seconds, an arc length of 39.27 feet, and a chord which bears North 46 degrees 44 minutes 46 seconds East, by and with Lot 6 of "Robert Baysinger" Subdivision, a distance of 35.36 feet to a concrete monument found; THENCE (18) North 01 degrees 44 minutes 46 seconds East, by and with Lot 6 of "Robert Baysinger" Subdivision, a distance of 176.50 feet to a concrete monument found; THENCE (19) North 88 degrees 15 minutes 14 seconds West, by and with "Robert Baysinger" Subdivision a distance of 601.91 feet to the POINT OF BEGINNING, Containing 76.159 acres of land a surveyed by Wiles Mensch Corporation – Atlantic Group February 17, 2004.

TOGETHER with the improvements thereon and all the rights and appurtenances thereto belonging or in any manner appertaining.

NOTE ITEM SECOND IS SUBJECT TO the covenant that no sewer plant and/or lagoon for the treatment of sewage of any kind shall be constructed, placed or located upon the land within the area located with 600 feet North of the Southerly line of the land, and said covenant shall be in perpetuity and run with and be binding upon the land herein conveyed, and more particularly set forth in a deed from Edna C. Tappann to Robert Russell Baysinger, et al, dated December 12, 1972, and recorded among the aforesaid Records in Book 693, Page 770.

RECORDER OF DEEDS
JOHN F. BRADY

05 SEP 23 AM 11:07

SUSSEX COUNTY
DOC. SURCHARGE PAID

Received

SEP 26 2005

ASSESSMENT DIVISION
OF SUSSEX CTY

PARCEL ID NO.: 5-32 21.00 18.00
PREPARED BY & RETURN TO:
Smith O'Donnell Feinberg & Berl, LLP
P.O. Box 588
Georgetown, DE 19947
File No. I-22238

THIS DEED, made this August 30, 2005;

- BETWEEN -

STILLWATER DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, of P.O. Box 2122, Salisbury, MD 21802, party of the first part.

- AND -

STILLWATER PONDS OF DELMAR, LLC, a Delaware limited liability company, of P.O. Box 2122, Salisbury, MD 21802, party of the second part.

WITNESSETH: That the said party of the first part, for and in consideration of the sum of ONE DOLLAR 00/100 (\$1.00), lawful money of the United States of America, the receipt whereof is hereby acknowledged, hereby grants and conveys unto the party of the second part, and its successors and assigns, in fee simple, the following described lands, situate, lying and being in Sussex County, State of Delaware:

LEGAL DESCRIPTION ATTACHED HERETO AND
MADE A PART HEREOF AS EXHIBIT A.

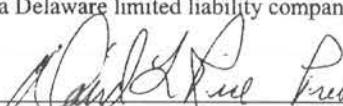
BEING the same land granted unto STILLWATER DEVELOPMENT COMPANY, LLC, by Deed, dated August 26, 2005 and recorded in the Office of the Recorder of Deeds, in and for Sussex County, Delaware, prior hereto.

Consideration:	\$0.00	Exempt Code: A
County	State	Total
6.93	6.93	13.86
counter	Date: 09/19/2005	

IN WITNESS WHEREOF, the said STILLWATER DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, has caused its name by its authorized Managing Member to be hereunto set, the day and year first above written.

Signed, sealed and delivered in the STILLWATER DEVELOPMENT COMPANY, LLC
presence of: a Delaware limited liability company

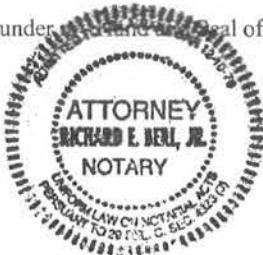
Witness

By:  David L. Rice, Managing Member (SEAL)

STATE OF DELAWARE, COUNTY OF Sussex: to-wit

BE IT REMEMBERED, that on this 30 day of August, A.D. 2005,
personally appeared before me, the Subscriber, a Notary Public for the State and County
aforesaid, David L. Rice, Managing Member of STILLWATER DEVELOPMENT
COMPANY, a Delaware limited liability company, party to this Indenture, known to me
personally to be such, and acknowledged this Indenture to be his act and deed and the act and
deed of said limited liability company.

Given under my hand and seal of office the day and year aforesaid.



Notary Public
Printed Name: _____

My Commission Expires: _____

Return to:
David L. Rice
PO Box 2122
Salisbury, MD 21802



EXHIBIT A

February 17, 2004

T.M.# 5-32-21-18
 Lands of: Edna C. Tappan
 Little Creek Hundred
 Sussex County
 Delaware

Commencing at a concrete monument found, a corner for Lot 1 of "Robert Baysinger" Subdivision, the southeasterly corner of lands now or formerly of Wayne L. Bradley, et ux., and the northerly right of way for Route 54 (Line Road) being 60 feet wide.

THENCE South 88 degrees 15 minutes 14 seconds East, by and with a Tie-Line along the northerly right of way for Route 54 (Line Road), a distance of 1,297.96 feet to a concrete monument found, the POINT OF BEGINNING;

THENCE (1) North 09 degrees 37 minutes 36 seconds East, by and with Lot 12 of "Robert Baysinger" Subdivision, a distance of 203.42 feet to an iron rod and cap set;

THENCE (2) North 09 degrees 37 minutes 36 seconds East, by and with lands now or formerly of David L. Rice, et ux., a distance of 197.65 feet to an iron rod and cap set;

THENCE (3) South 83 degrees 28 minutes 04 seconds East, by and with lands now or formerly of David L. Rice, et ux., a distance of 258.11 feet to an iron rod and cap set in the center of a ditch;

THENCE (4) North 04 degrees 05 minutes 30 seconds East, by and with the centerline of a ditch separating these lands and lands now or formerly of David L. Rice, et ux., a distance of 173.08 feet to a point for corner;

THENCE (5) North 07 degrees 56 minutes 17 seconds West, by and with the centerline of a ditch separating these lands and lands now or formerly of David L. Rice, et ux., a distance of 357.42 feet to a point for corner;

THENCE (6) North 15 degrees 21 minutes 05 seconds East, by and with the centerline of a ditch separating these lands and lands now or formerly of David L. Rice, et ux., a distance of 558.07 feet to a point for corner;

THENCE (7) South 60 degrees 49 minutes 14 seconds East, by and with lands now or formerly of Woon Chul Nam, et ux., a distance of 321.63 feet to a concrete monument found;

03203 110

Lands of:
Edna C. Tappan
February 17, 2004
Page 2 of 2

EXHIBIT A

THENCE (8) South 60 degrees 24 minutes 43 seconds East, by and with lands now or formerly of Samuel F. Slabaugh, a distance of 115.76 feet to an iron rod and cap to be set;

THENCE (9) South 15 degrees 40 minutes 14 seconds West, by and with a hedge row and lands now or formerly of James E. Klaverweiden, et ux., passing through a field stone found at a distance of 1,100.17 feet and continuing for a total distance of 1,110.00 feet to the center of a ditch;

THENCE (10) South 30 degrees 18 minutes 16 seconds West, by and with a ditch and lands now or formerly of Lester M. Walker, et ux., a distance of 186.48 feet to a point in a ditch;

THENCE (11) North 88 degrees 15 minutes 14 seconds West, by and with the northerly right of way for Route 54, being 60 feet wide, a distance of 422.00 feet to the POINT OF BEGINNING. Containing 12.619 acres of land as surveyed by the Wiles Mensch Corporation – Atlantic Group February 17, 2004.

RECORDER OF DEEDS
JOHN F. BRADY

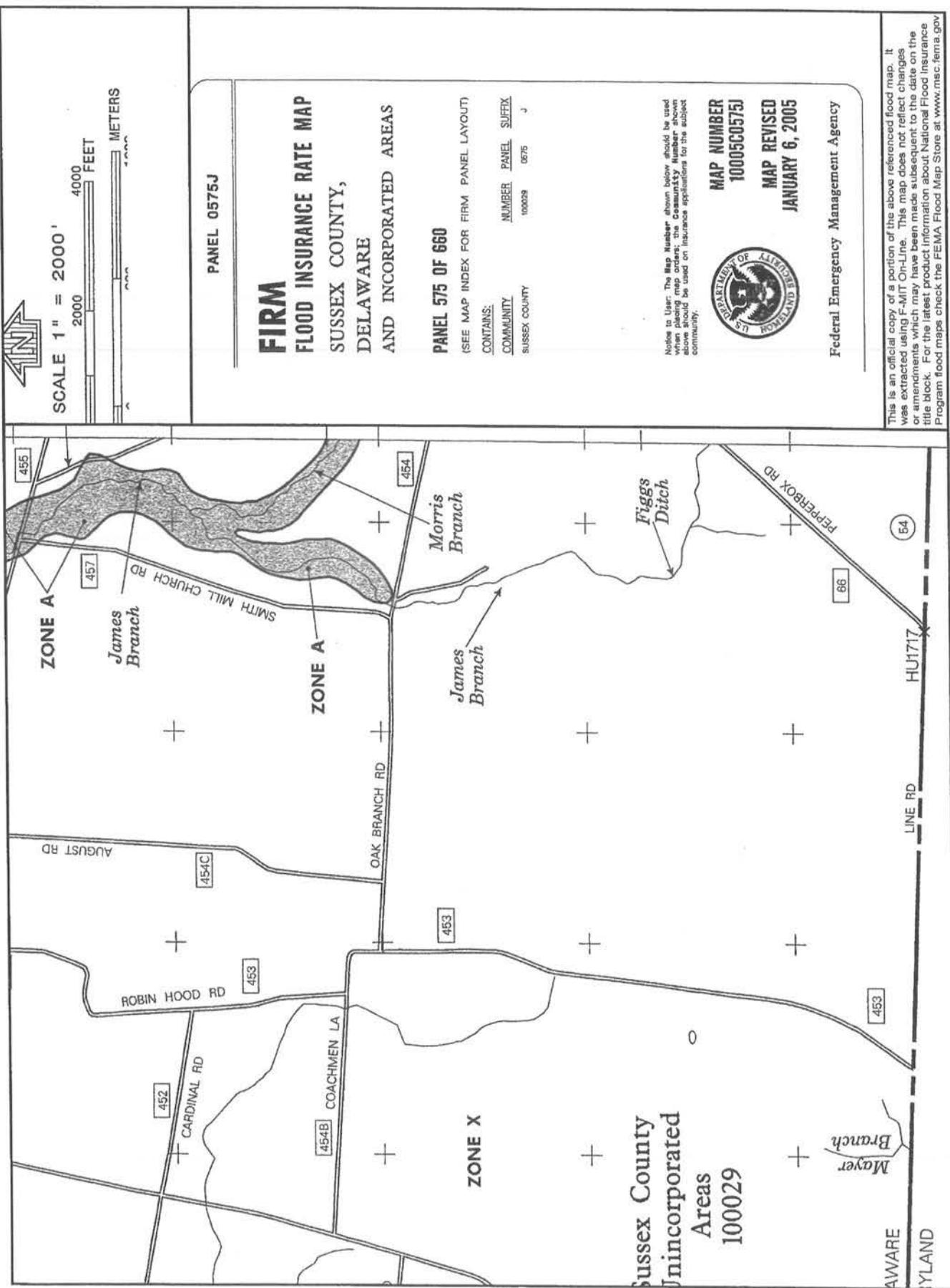
05 SEP 19 PM12:02

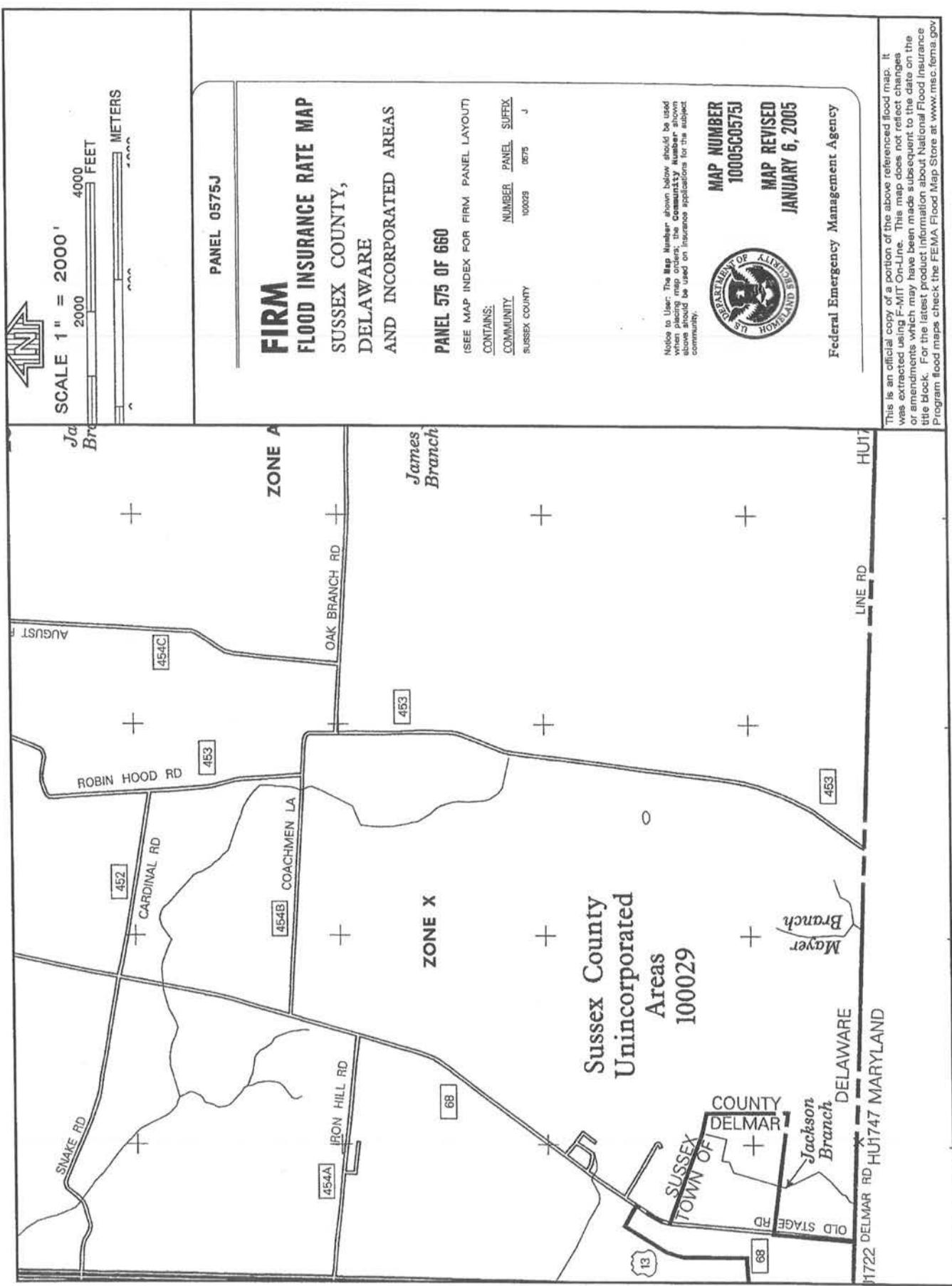
SUSSEX COUNTY
DOC. CHARGE PAID

Received

SEP 20 2005

ASSESSMENT DIVISION
OF SUSSEX CTY





Town of Delmar Planning & Zoning Regulations

Section 1 – Introduction

A. Authority

In accordance with Title 22, Chapter 3, of the Delaware Code, Article 66B of the Maryland Code and pursuant to the powers granted in the Charters of Delmar, Delaware and Delmar, Maryland this regulation shall become effective upon the date of its adoption.

B. Purposes

All such zoning regulations and maps shall be enacted for the purpose of:

1. To control congestion in the streets
2. To increase safety from fire, panic and other dangers
3. To promote health and the general welfare
4. To provide adequate light and air
5. To prevent the development of undesirable noises and other nuisances, as well as the overcrowding of land
6. To avoid undue concentration of population
7. To minimize and/or eliminate rainwater flooding on properties and streets
8. To facilitate the adequate provision of transportation, water, sewerage, gas, parks, schools and other public requirements

Section 2 – Definitions and Word Usage

Definitions and interpretation of language:

For the purpose of interpreting this ordinance, certain terms are herein defined as applicable within the corporate limits of the Town of Delmar, Delaware and Delmar, Maryland. Words used in the present tense include the future. The singular includes the plural and the plural includes the singular. The word "shall" means a mandatory requirement; and the word "may" indicates an action which is permitted, but not required. The term "occupied" or "used," as applied to any building, shall be construed as though followed by the words "or intended, arranged or designed to be occupied or used." Unless otherwise specified, all distance shall be measured horizontally and at right angles to the line in relation to which the distance is specified. The word "lot" includes the word "plot"; and the word "used" shall be deemed also to include "designed, intended, or arranged to be used"; the term "erected" shall be deemed also to include "constructed", "reconstructed", "altered", "placed", or "moved". The term "land use" and "use of building" shall be deemed also to include "building use" and "use of building". The word "adjacent" means "nearby" and not necessarily "contiguous". The word "Town" shall mean the "Town of Delmar". The terms "Joint Council" "Mayor and Council", "Mayor and Commissioners", "Planning Commission", "Board of Adjustments", "Board of Zoning Appeals", "Code Enforcement Officer" and "Town Manager" shall mean the respective Officers, Board, Commissioners and Councilmen of said Town within their jurisdiction. The term "Land Records" shall

Town of Delmar Planning & Zoning Regulations

Section 5 – Residential R-2 District

A. Uses Permitted Inherently

1. Single-Family Detached Dwelling
2. Public Park and Public Recreation grounds
3. Publicly owned and operated building or structure, with use of a recreational, cultural, educational or utility nature (e.g. library)
4. School of general instruction

B. Uses Permitted by Special Exception

1. Church or other place of worship excluding bus storage or cemetery as accessory uses.
2. Apartment building
3. Duplexes and Townhouses
4. Building and uses of recreational, cultural, fraternal, social and utility nature except as otherwise permitted inherently
5. Cemetery

C. Accessory Uses and Structures

1. Private garages and other accessory uses normally associated with a residential use such as, but not limited to, detached home workshop, swimming pool and greenhouse, all of which shall be incidental to the use of the property as a residence.
2. Home Office or Home Occupation
3. Child Care home or nursery school
4. Temporary Festival or Fair as long as conducted on lands owned by a Church or place of worship, Public Park, recreation grounds or a social or fraternal Group.
5. Temporary Carnival or Circus, if it is held on publicly owned lands such as public parks, or recreational areas and if they are operated by or for the benefit of a non-profit organization
6. Other accessory uses and structures clearly incidental to, customary to and associated with the permitted use.
7. Personal use gardens, limited to the growing of fruits, grains & vegetables.

D. Area Requirements

1. Minimum lot area: 9,000 square feet.
2. Minimum lot width: 60 feet.
3. Minimum setbacks of Principal Structure:
 - a. Front: 25 feet.
 - b. Rear: 30 feet.
 - c. Side (Interior lot side): 10 feet on each side.

Town of Delmar Planning & Zoning Regulations

- d. Side (Corner lot side): 15 feet on each side.
4. Minimum setbacks of Accessory Structures:

- a. Rear: 5 feet
- b. Side: 3 feet

5. Maximum building height:

- a. Principal Structure: 35 feet
- b. Accessory Structures: 20 feet.

6. Other requirements:

Where the majority of front setbacks have been established by existing development within a block, the average depth of said front setbacks shall apply. Where there is considerable irregularity in said setbacks, the Board may determine the appropriate setback which will be the most compatible to the established setback of existing development to either side of the parcel under consideration.

E. Building Coverage of Residential Lots

Accessory building, not over one story, may be built in a rear yard provided that not more than 59% of the area of a required rear yard is occupied by such garages and other accessory buildings. Swimming pools may be built in the rear yards but may not occupy more than 75% of the required rear yard.

F. Parking Requirements

1. Off-street parking shall meet that set forth in Section 22 - Parking.
2. The parking of vehicles, of any type, shall not be permitted within the front yard other than on driveways providing access from public streets.

G. Street Standards

Street standards shall meet those set forth in Section 23 - Streets.

H. Open Space

A minimum of 20% of the entire subdivision must be retained in open areas and deeded for the common use of residents of the development. The common and developed open space area shall be planned as an integral part of the development providing access to and benefits for all residents of the development.

I. Site Plan Review

Refer to Section 26 – Development Plan.

Town of Delmar Planning & Zoning Regulations

Section 10 – Community Business District

This district will provide for limited commercial and professional services that can be compatible in a neighborhood setting to provide goods and services to local residents. These districts therefore are located in areas with ready access, and because of the intensity of land use, are in areas where utilities are or may be available.

A. Uses Permitted Inherently

1. Offices for professional services and administrative activities such as professional office of physician, dentist, chiropractor, chiropodist, builder, contractor, architect, engineer, surveyor, or attorney at law.
2. Branch offices only of financial intuitions and banks
3. Barber and Beauty shops
4. Studio - workshop, including sales
5. Retail food stores, such as bakeries, candy, and convenience stores (without gas pumps) and grocery meat markets
6. Restaurants
7. Retail sales and specialty stores
8. Repair and services, indoor and off site, of any article for sale which is permitted in this district
9. Antique shop or bookstore
10. Automobile sales lot and related garage facilities
11. Community recreation center, as a nonprofit community service
12. Laundromats
13. Neighborhood and community shopping centers
14. Hotel, Motel, or Inns

B. Uses Permitted by Special Exception

1. Single Family Dwelling
2. Public parking lot
3. Convenience stores with gas pumps
4. Funeral home
5. Medical clinic or dispensary, hospital, convalescent home, extended or long-term care facility, or day care nursery
6. Multi-family dwellings
7. Bed and Breakfast
8. Self service storage facilities

Provided, however, that there shall be no machinery or equipment, other than machinery or equipment customarily found in professional offices and ordinary business offices, used or stored in the building or on the lot.

C. Area Requirements

1. Minimum lot area: 7,000 square feet. Each main building hereafter, together with its accessory buildings, shall be located on a lot having an

Town of Delmar Planning & Zoning Regulations

area of at least 7,000 square feet, except for existing lot(s) recorded by deed or plat on record at the time of the enacting of this ordinance.

2. Minimum lot width: 50 feet
3. Minimum setbacks:
 - a. Front: 40 feet.
 - b. Rear: 30 feet.
 - c. Side: 15 feet.
4. Maximum building height: 35 feet
5. Buffer zone: 15 feet.
6. Maximum building height: 35 feet

D. Parking Requirements

Off-street parking and loading and unloading space shall be provided for all uses, whether an inherent use or a special exception, in accordance with the requirements of Section 22 - Parking.

E. Sign Requirements

All signs shall be in accordance with Section 24 - Signs.

F. Site Plan Review

Refer to Section 26 – Development Plan.

Town of Delmar Planning & Zoning Regulations

Appendix A – Summary of Lot Area Requirements

The following charts summarize for convenience and comparison the area requirements set forth in the preceding sections. Refer to the preceding sections for the complete list of requirements.

Chart 1 – Lot Minimums

DISTRICT	LOT AREA (Sq. Ft.)	LOT WIDTH Interior	LOT WIDTH Corner Lot	FRONT YARD (Required Bldg. Setback)	REAR YARD (Setback)
Residential R-1	7,000	50'	50'	*20' from property line	30'
Residential R-2	9,000	60'	60'	*25' from property line	30'
Residential R-3 Mobile Homes	6,000	60'	60'	25' from property line	10'
Residential R-4	4,000	45'	45'	20' from paved street	30'
Central Business	5,000	50'	50'	20' from property line	30'
Office & Service	7,000	60'	60'	20' from property line	30'
Community Business	7,000'	50'	50'	40' from property line	10'
Highway / Regional Commercial	2 Acres	200'	200'	100 feet from property line	30' prop. Line, 50' residential
Light Industrial	25,000	100'	100'	50' from property line or 70' from the center line of street whichever is greater	30' prop. Line, 50' residential
Industrial	25,000	100'	100'	50' from property line or 70' from the center line of street whichever is greater	30' prop. Line, 50' residential

*Where the majority of front setbacks have been established by existing development within a block, the average depth of said front setbacks shall apply. Where there is considerable irregularity in said setbacks, the Commission may determine the appropriate setback which will be the most compatible to the established setback of existing development to either side of the parcel under consideration.

Town of Delmar Planning & Zoning Regulations

Chart 2 – Lot Minimums (Cont.)

DISTRICT	Side Yard (Interior Lot side)	Side Yard (Corner Lot side)	Buffer Zone	Minimum Setback Accessory Buildings	Maximum Building Height
Residential R-1	10'	10'		5' from rear lot line	**35'
				3' from side lot line	
Residential R-2	10'	15'		5' from rear lot line	**35'
				3' from side lot line	
Residential R-3 Mobile Homes	5'	25'		5' from rear lot line	**35'
				3' from side lot line	
Residential R-4	5'	10'		5' from rear lot line	**50'
				3' from side lot line	
Central Business	15'	15'			35'
Office & Service	10'	10'	5'		35'
Community Business	15'	15'	15'		35'
Highway / Regional Commercial	20'	30' prop. Line, 50' residential	50'		40'
Light Industrial	25'	Same as Front Setback	10' to rear lot line		40'
			15' to side lot line		
Industrial	25'	Same as Front Setback	10' to rear lot line		40'
			15' to side lot line		

**Building Height Accessory Buildings on Residential Lots – Accessory buildings, not exceeding one story or 20' in height, may be built in a rear yard only.

Trice Group, LLC
Attn: Bruce DiCintio
1003 Mt. Hermon Rd., Suite 201
Salisbury, MD 21801

RE: Stillwater Group

Dear Bruce:

This letter is to acknowledge and confirm your employment to appraise the real property known at 88 acres, Line Road, Route 54, Delmar, DE for The National Bank of Cambridge. Enclosed in this package is information pertinent to the assignment. Please return these items to the bank. To arrange for an inspection of the subject property, please contact _____ at _____. You are to appraise the entire subject property for its market value. Market value is defined as:

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

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

Your appraisal must analyze and report a reasonable marketing period for the subject property. Specifically define the rights appraised and detail any encumbrances such as prior liens, easements, title defects, deed restrictions, etc., which are cited in the title information and/or legal description provided. Your value estimate must reflect the impact, if any, of these encumbrances.

You are instructed to appraise the property in its *actual state of development*, in other words, the current "as is" market value of the property in its *actual physical condition* and *subject to the zoning in effect* as of the date of the appraisal. Please also provide an estimate of the Fair Value of the fully completed property, assuming that property existed as of the date of your inspection. Within this 100% completion Fair Value, please estimate the actual direct or hard construction costs associated with the completion of the development to achieve your opinion of its Fair Value. These costs must be clearly and separately identified within the text of your appraisal report.

For income producing properties, include each of the following as indicated:

- For proposed developments that involve the sale of individual houses, units, or lots, analyze and report appropriate deductions and discounts for holding costs, marketing costs and entrepreneurial profit. For developments containing 5 or more homes, units, or lots, the aggregate retail sales prices of individual units *may not* be used as the market value for the development.
- For properties where improvements are to be constructed or rehabilitated, the appraisal report should include a prospective market value based on "as built" or "as complete" value and "as stabilized" value.

- For proposed and rehabilitated rental (income producing) properties, make appropriate deductions and discounts for items such as leasing commission, rent losses, and tenant improvements based on stabilized occupancy.
- For income producing properties the appraisal report must include an income capitalization approach and/or discounted cash flow. All assumptions and projections should be reasonable and supported and conform to current market conditions. These assumptions include the capitalization rate, discount rate, net income/loss projections, cash flow, financing terms, and absorption rate. Document and explain how discount and capitalization rates used in calculating the present value estimates were derived.
- Estimate current market value (as previously defined) at stabilized net operating income. If leasing remains to be accomplished on the property, or the likelihood of near term optimal cash flow is subject to variation, please include a Discounted Cash Flow (DCF) analysis in your Income Approach to Value. Your discounted cash flow should calculate the indicated value for each year of the projection. Finish-out costs and retrofit expenses should be shown as separate line items. Your DCF analysis must also reflect a stabilized value (present value) for an appropriate holding period.
- Appraisals of multi-tenant income producing properties with existing leases must contain a tenant-by-tenant lease summary and, when appropriate, a DCF analysis should be included in the Income Approach to Value.
- Appraisal of

The Appraisal must also contain a detailed highest and best use analysis which essentially tests the feasibility and acceptability of the proposed and/or existing improvements or of an appropriate development for the site. You must value the property according to what you perceive the highest and best use of the subject to be. From this analysis the reader should be able to determine the relative status of supply and demand in the neighborhood as well as the likelihood of achieving the indicated rentals in the Income Approach to value. If any excess land exists which may support the creation of more improvements on the property, the Highest and Best Use section must include a supply/demand analysis for this excess land.

Your appraisal must be in narrative format and self-contained with full supporting documentation for your analysis, narrative format and summary, or summary form and must also conform with the bank's standards. Your report should include a copy of the flood map, photographs of all comparable rentals and sales, location maps for all improved comparable rentals and sales, comparable summary grids and a summary of salient facts. This letter of instruction should appear in the addendum of the report.

Your report is intended for the exclusive use of the bank. Neither the content of the appraisal, purpose of the report, or value estimate should be revealed to anyone other than the bank.

This engagement letter anticipates that all of the appraisers or associates who sign the appraisal report will have inspected the subject property, the neighborhood, and the comparable data used for analysis in the report.

Please provide an original report with photographs of the subject property and comparables. Please return the completed report to:

Annette Harrison, AVP
 annette.harrison@nbcambridgemd.com

You verbally agreed to complete the assignment by 4-6 weeks at a fee not to exceed \$1,200.00 Please include your Federal tax identification number or your Social Security number for timely payment for your services.

Thank you for attending to this matter. If you need additional information or further clarification, please call me at (410-228-5600 ext. 712).

Sincerely,

The National Bank of Cambridge

Annette Harrison
11/1/12