

APPRAISAL OF
A PARKING DECK PROPERTY
LOCATED AT
150 EAST ROSEMARY STREET
CHAPEL HILL, NORTH CAROLINA

AS OF
FEBRUARY 12, 2020

FOR
DWIGHT BASSETT, ECONOMIC DEVELOPMENT OFFICER
TOWN OF CHAPEL HILL
405 MARTIN LUTHER KING JR. BLVD
CHAPEL HILL, NC 27514-5705

BY
DAVID A. SMITH, MAI, SRA
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PART ONE - INTRODUCTION



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February 14, 2020

Dwight Bassett, Economic Development Officer
Town of Chapel Hill
405 Martin Luther King Jr. Blvd
Chapel Hill, NC 27514-5705

As requested, I have inspected and appraised a parcel of real estate located at 150 East Rosemary Street in Chapel Hill, North Carolina. At time of inspection, the property was a 1.49 acre site improved with a parking garage and related on-site improvements.

The purpose of the appraisal is to develop an opinion of the market value, as defined, of the fee simple estate of the land only if placed for sale on the open market. The intended use of the appraisal is for internal purposes. The intended users of this report are officers and employees of the Town of Chapel Hill.

As requested, a standard appraisal report has been prepared.

The property was inspected on February 12, 2020 which is the effective date of this appraisal. The effective date of this report is February 14, 2020. I made all necessary investigations and analyses. Based on an inspection of the property, an analysis of data gathered and facts and conclusions as contained in the following report of 36 pages, and subject to the assumptions and limiting conditions as stated, it is my opinion that the market value of the fee simple estate of the land only as of February 12, 2020 is:

SIX MILLION THREE HUNDRED AND SIXTY THOUSAND DOLLARS
\$6,360,000.00

This value does not include any personal, non-real property or equipment. It also does not include the business value of any operations that may be associated with the property. No consideration was made for any demolition costs.

I certify that I have personally inspected the property. I further certify that I have no interest either present or contemplated in the property and that neither the employment to make the appraisal nor the compensation is contingent upon the amount of valuation reported.

Respectfully submitted,

David A. Smith, MAI, SRA
NC State-Certified General Real Estate Appraiser #A281



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CERTIFICATION

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

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have performed no services, as an appraiser or in other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

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

I have made a personal inspection of the property that is the subject of this report.

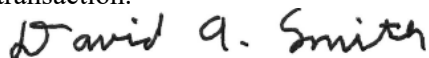
No one provided significant real property appraisal assistance to the person signing this certification.

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

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

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

This appraisal assignment was not made, nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation, or an amount, which would result in approval of a credit transaction.



David A. Smith, MAI, SRA

SUMMARY OF IMPORTANT CONCLUSIONS

Location:	150 East Rosemary Street Chapel Hill, North Carolina
Report type:	Standard appraisal report
Special and Extraordinary assumptions or hypothetical conditions:	That the property is vacant
Effective date of the appraisal:	February 12, 2020
Date of the report:	February 14, 2020
Type property:	Parking Garage
Property ownership:	Town of Chapel Hill
Purpose of the appraisal:	To develop an opinion of the market value, as defined, of the fee simple estate of the land only if placed for sale on the open market.
Land Area:	1.49 acres
Tax Parcel Reference Number:	9788-37-9717
Zoning:	TC-2 – Town Center 2
Highest and best use:	Mixed use

OPINIONS OF VALUE:

Land Value	\$6,360,000
Final Value	\$6,360,000

SCOPE OF WORK

Scope of work is the most critical decision in an appraisal assignment. Appraisal assignments are really about finding a solution to a particular problem. They answer a question usually involving an opinion of value. Scope of work is divided into three major steps: identify the problem, determine the right solution and apply the solution. Following is the disclosure of the scope of work.

Identifying the problem means determining the following:

- A. client
- B. intended users other than the client
- C. intended use
- D. objective or type of value in an appraisal
- E. effective date
- F. relevant property characteristics
- G. assignment conditions

For the subject the clients are the officers and employees of the Town of Chapel Hill. They are also the intended users. The intended use of the appraisal is for internal purposes. The type of value requested is the market value. The effective date of the appraisal is the date of inspection, February 12, 2020. The property is improved but is valued as though vacant. The interest appraised is the fee simple interest. There are no other atypical assignment conditions. This information was from the client.

To determine the solution and perform the scope of work necessary to develop credible assignment results, I gathered information about the property and the real estate market. Information about the property was provided by Dwight Bassett, Economic Development Officer Town of Chapel Hill. I inspected the property on February 12, 2020, alone.

Public records were researched for tax, deed, plat, zoning, topographical, floodplain information and an aerial view of the site. Area and neighborhood information was gathered from a variety of sources including the chamber of commerce, city and county websites and internet sites.

Information about the real estate market was gathered from local and national multiple listings services, surveys, public records and information from appraisers, brokers, property managers, buyers, seller and other associated with real estate. From the information gathered, a highest and best use is selected and appropriate valuation techniques selected. The highest and best use of the subject property as though vacant is for mixed use. An opinion of the fee simple value is developed using the sales comparison approach to value.

PART TWO – PREMISES OF THE APPRAISAL

STATEMENT OF COMPETENCE

I have completed all of the requirements to become a state certified-general appraiser for the State of North Carolina and all of the requirements for the MAI designation. In addition I have successfully completed USPAP courses and continuing education seminars for over thirty years. More detailed information about these courses and seminars are in the qualifications section of this report. I have appraised a variety of properties including those of a similar type to the subject and feel competent to appraise the subject property.

IDENTIFICATION OF TYPE OF APPRAISAL AND TYPE OF REPORT

The client requested a standard appraisal report. The most recent *Uniform Standards of Professional Appraisal Practice* (USPAP) is for 2020 - 2020. This allows for two types of written appraisal reports: appraisal report and restricted appraisal report.

Generally appraisal reports are used. A restricted appraisal report is prepared when the intended user does not need the level of information required in an appraisal report and when the client is the only intended user.

SPECIAL AND EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An extraordinary assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis. Either of these may affect value.

The value appraised is appraised as though vacant. Since the property is improved with a parking garage this is a hypothetical condition. No other special or extraordinary assumptions or hypothetical conditions are made.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described, and considered in the appraisal report.

9. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

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

11. It is assumed that there are no structural problems with the buildings and that all of the systems (HVAC, electric, plumbing, etc.) are in good working order unless otherwise stated.

12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on or in the property, were not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead paint, mold, and other potentially hazardous materials may affect the value of the property. The opinion of value is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. I have researched the property for zoning, zoning overlays and other restrictions from the state and local authorities. This appraisal assumes that all of these restrictions have been considered in the valuation of this report. If any additional restrictions are discovered, the value may need to be adjusted.

14. The subject property may also be subject to tree protection and tree coverage, stream buffers, reservoir buffers, steep slopes buffers, wetland protection, river basin regulations or inventory of natural areas and rare species. For purposes of this appraisal, none of these items affect the value of the property unless otherwise stated.

15. The land description is based on a personal inspection of the site, public records and information supplied by those associated with the property. I assume that all information gathered and supplied is correct.

This appraisal has been made with the following general limiting conditions:

1. Any allocation of the total opinion of value in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser by reason of this appraisal is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
5. In estimating the value of the subject property, a computer was used to calculate some of the value indications. For display purposes, these calculations are generally rounded off to the nearest dollar or the nearest 100th of a percent on the calculation pages. The computer, however, retains considerably more significant digits and the result is that some of the calculations appear to be off by small amounts. These amounts are, however, more accurate since they reflect more precise amounts internal to the computer. These amounts are not rounded off at each stage since doing so could result in a significant rounding error at the end of all the calculations.
6. Definitions used in this report have been taken from *The Dictionary of Real Estate Appraisal*, 5th ed., published by the Appraisal Institute, copyright 2010.

7. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value reported, unless such proration or division of interests has been set forth in the report.

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

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

10. Unless otherwise stated in this report, the value reported is not a fractional interest, physical segment or partial holding.

PURPOSE, INTENDED USE AND INTENDED USERS OF THE APPRAISAL

The purpose of the appraisal is to develop an opinion of the market value, as defined, of the fee simple estate of the property if placed for sale on the open market. The intended use of the appraisal is for internal purposes. The intended users of this report are officers and employees of the Town of Chapel Hill.

DEFINITION OF VALUE

The opinion of value in this appraisal is the market value. The definition of market value is that used by federally regulated financial institutions

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 United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DATE OF THE REPORT AND OPINIONS OF VALUE

The effective date of the opinion of value is February 12, 2020. The date of the report is February 14, 2020.

PROPERTY RIGHTS APPRAISED

The ownership interest appraised is that of the Town of Chapel Hill who owns the property according to public records. The property is a parking garage and spaces are rented. However, these are short term rentals and the value requested is an as though vacant value. For this reason the property rights appraised is the fee simple estate. The definition of fee simple estate as used in this report is:

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.

PART THREE – PRESENTATION OF DATA

IDENTIFICATION OF THE PROPERTY

The subject is identified as a 1.49 acre site improved with a parking garage and related on-site improvements located at 150 East Rosemary Street in Chapel Hill, North Carolina. According to public records, it is owned by the Town of Chapel Hill. The tax property identification number for the property is 9788-37-9717.

IDENTIFICATION OF ANY PERSONAL OR NON-REALTY PROPERTY

The value reported does not include any personal or non-realty property. It also does not include the business value of any operations that may be associated with the property.

HISTORY OF THE PROPERTY

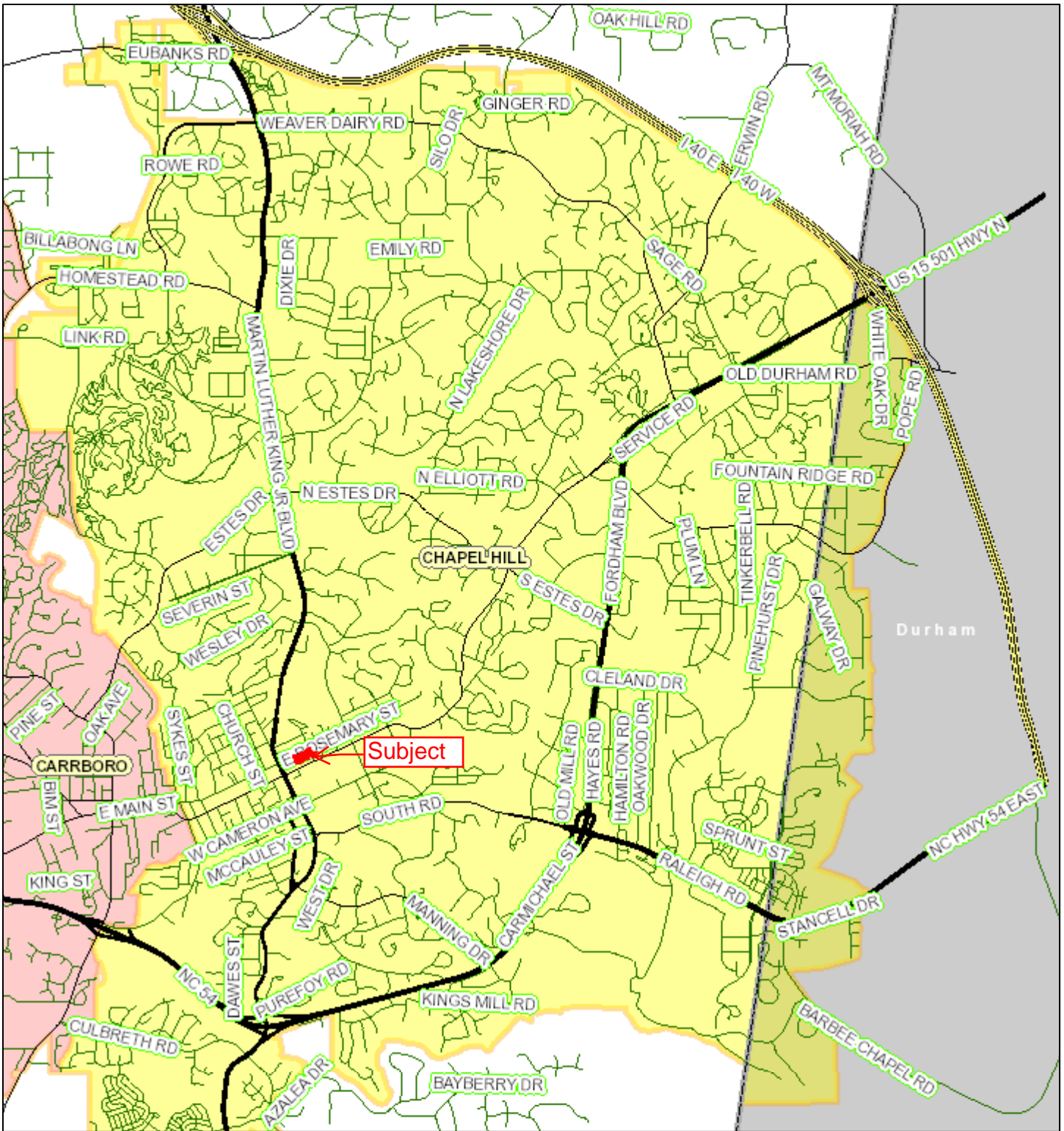
According to public records, the property is owned by the Town of Chapel Hill. They acquired the property along with three others from the Town of Chapel Hill Public Facilities Corporation, on July 20, 1994 according to a deed recorded in real estate book 1269, page 442. There were no revenue stamps on the deed and it does not appear to be a market transaction.

I am not aware of any more recent transfers of the property and it is not for sale on the open market.

AREA DESCRIPTION

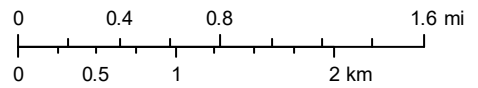
There are four basic forces that influence value: environmental, economic, governmental, and social. Since these forces are broader than the property or neighborhood itself, they must be considered on a regional and citywide basis.

Area Map



February 13, 2020

1:48,000



Environmental - The subject is located in the town of Chapel Hill, in Orange County, North Carolina. This county is located in the Piedmont area of the state approximately equal distance between the Appalachian Mountains and the Atlantic Ocean. The county is also in the northern area of the Piedmont with only one county between it and the Virginia state line. A location map for the subject is on the following page.

There are three municipalities in Orange County. Hillsborough, the county seat, is located roughly in the center of the county; Chapel Hill and Carrboro, which are contiguous, are located in the southeast portion of the county. The population of Orange County in 2018 was 146,027 and the population of Chapel Hill in 2020 is 60,988.

Orange County is part of the Durham-Chapel Hill Metropolitan Statistical Area (MSA) which also includes Durham, Chatham and Person Counties. The MSA was home to an estimated 608,784 people in 2017. Chapel Hill is also part of the Raleigh-Durham-Chapel Hill (CSA) which had a population of 2,238,315 in 2018. Durham is contiguous with Chapel Hill at many points and Raleigh about 21 miles to the southeast.

Major routes of access through Orange County are Interstates 85 and 40. I-85 crosses in an east/west direction through the center of the county just south of Hillsborough. It leads northward to Durham and continues on to Henderson and Petersburg, Virginia where it merges with I-95. Immediately west of Hillsborough, I-85 merges with I-40 and together they proceed westward to Burlington and Greensboro before they split about 36 miles away. At this point, I-85 continues southerly to Charlotte, Gastonia, and into South Carolina, Georgia, and points south.

I-40 enters the county from the southeast near Chapel Hill and continues northwest where it merges with I-85 near Hillsborough. At the point near Greensboro where they split, I-40 leads westward to Winston-Salem, Statesville, Asheville, and across the country to Barstow, California where it terminates. Eastward, it passes through Durham, the Research Triangle Park, and Raleigh before continuing to Wilmington, North Carolina where it terminates.

Also passing through the county is US 15/501 which crosses through the southeastern portion of the county. This road is the major access route to Durham. US 70 roughly parallels I 85 near Hillsborough. There are also four North Carolina highways in the county. NC 54 which crosses east to west through the southern portion of the county, NC 86 which leads north to south through the county, NC 57 which leads from Hillsborough to the northeast, and NC 157 which crosses the county in a north/south direction at the northeast corner of the county.

Economic - Chapel Hill is primarily a college town and is the location of the main campus in the University of North Carolina system as well as the headquarters of the system itself. The town was created when the state of North Carolina decided to build the nation's first state supported university in 1792.

The university remains the town's main employer and major economic influence with about 12,000 employees. In 2019 the university has an enrollment of 30,011 students of which 19,117 are undergraduates with 84 majors departments and 138 distinct undergraduate degrees. The university is also the leading employer in Orange County. The other major public employers in Orange County are: UNC Health Care System, Chapel Hill-Carrboro City Schools, Orange County Schools, Orange County, Town of Chapel Hill, Town of Carrboro and Town of Hillsborough. The top 25 private employers at last report were: Sports Endeavors/Eurosport, Harris Teeter, PHE, Inc., A Southern Season, Carol Woods, Food Lion, LLC, Wal-Mart Associates, Inc., General Electric Corporation, Whole Foods Market Group, AKG of American, Inc., Residential Services, Inc., Performance Chevrolet, Inc., Chapel Hill-Carrboro YMCA, Inc., Carolina Inn, US Postal Service, HR Prime LLC, Weaver Street Market, Inc., Aramark Food and Support Services and Chapel Hill Restaurant Management.

Of major importance to Chapel Hill and Orange County is the Research Triangle Park (RTP) which is located about 8 miles east in Durham and Wake Counties. "The Park" as it is also known is the largest research park in the United States. It covers 7,000 acres and has 22,500,000 square feet of built space. The park is home to more than 300 companies with 55,000 employees and an additional 10,000 contractors.

The park was originally limited to organizations engaged in research, development, and scientifically oriented production but is in the process of widening its focus. The Park is designed to encourage these industries, but also places strict requirements on development. Each site must be at least eight acres in size. Much of the site cannot be improved and must be left natural. The result has been highly successful and many corporations and government agencies have facilities in the Park. The major employers are IBM, Cisco Systems Inc., GlaxoSmithKline, RTI International, NetApp Inc., Credit Suisse, Biogen Idec, U.S. Environmental Protection Agency, BASF Corporate Agriculture, and National Institute of Environmental Health Sciences.

Also of importance to Orange County is the Raleigh Durham International Airport (RDU) located between Raleigh and Durham in Wake County. This airport is the second busiest in the state and it had reported 14,218,621 passengers in 2019. It has more than 400 flights daily to 66 destinations.

The estimated median annual family income in Chapel Hill was \$62,620 compared to the national average of \$53,482. Unemployment is 3.8% compared to the national average of 3.9%. The median home value is \$486,649.

The stability of the university, the hospital, and the Research Triangle Park contribute to a stable economy for the area in general and Chapel Hill/Carrboro specifically.

Governmental - Chapel Hill and Carrboro most directly influence real estate values by way of real estate taxes and zoning. Taxes are felt to be moderate and should not have an adverse effect on values. They have both been very protective of their downtowns and in the past has had very strict development policies. These policies have eased recently and there have been a number of mixed use developments in downtown as well as the outlying commercial areas.

Social - Due to the presence of the University of North Carolina, the area has a larger number of amenities such as plays and concerts than would be expected of a community the size of Chapel Hill and Carrboro. Also the larger percentage of highly educated people provides a basis of

support for cultural events. The area has long been popular due to its climate, relatively low cost of living, and high quality of life. In addition Nearby Durham and Raleigh have numerous arts and cultural facilities.

The University of North Carolina at Chapel Hill is active in college athletics and draws large crowds to its basketball and football games. Nearby, Duke University in Durham and North Carolina State University in Raleigh also have major college athletic programs. These three are members of the Atlantic Coast Conference and the rivalries between them are intense. Raleigh is also home to a major league hockey team, the Carolina Hurricanes, and there is an AAA minor league baseball team, The Durham Bulls, in nearby Durham. The Carolina Mud Cats, another minor league team are located about an hour away in Zebulon.

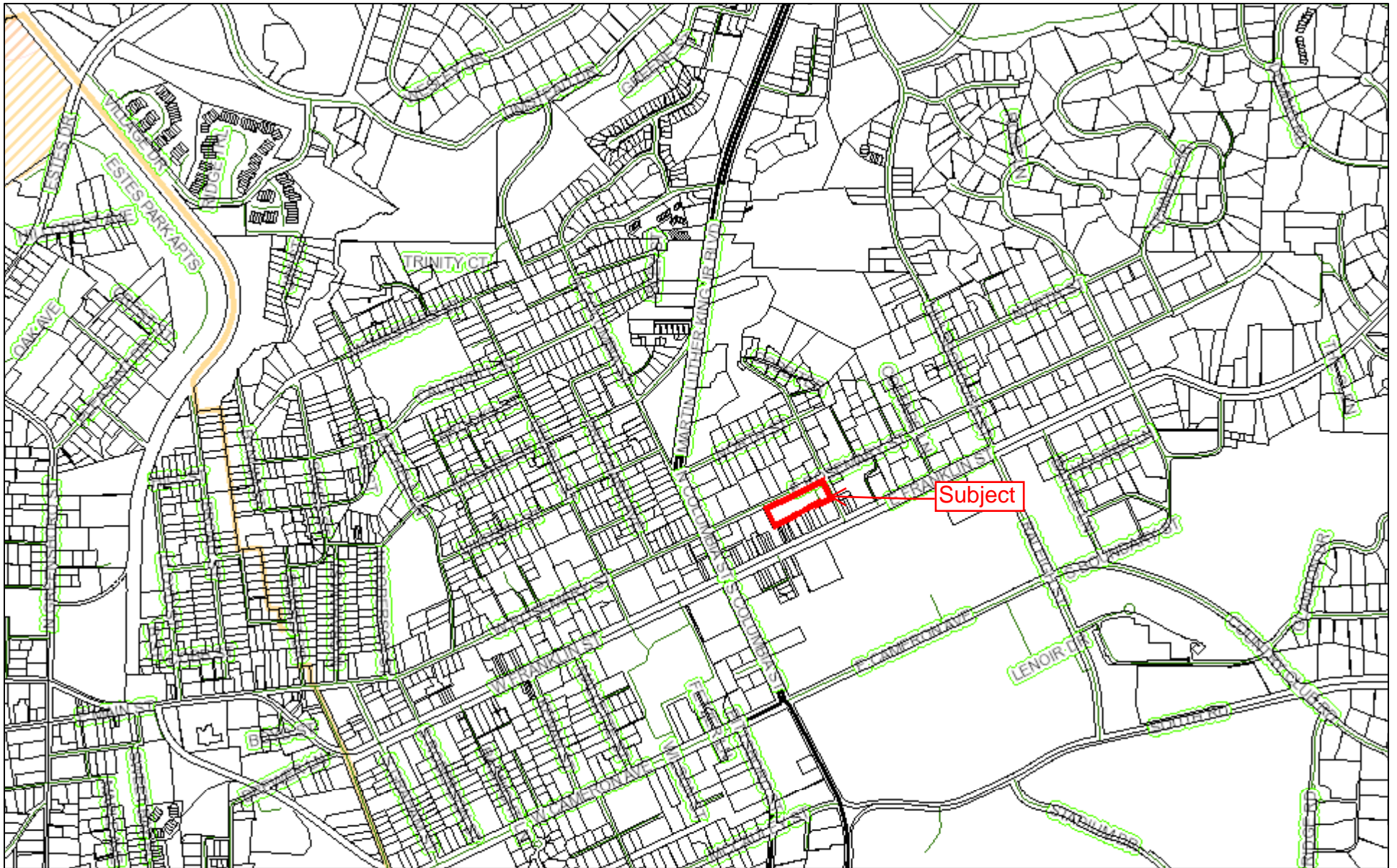
Summary - Chapel Hill is located in the central portion of the state with numerous interstates and highways providing excellent access. The town is also part of the Raleigh-Durham MSA which ranks as the 55th largest in the country. The economy is stable due to the presence of the University of North Carolina and other stable employers. Unemployment has historically been low and the standard of living is at or above the state and national averages.

NEIGHBORHOOD DESCRIPTION

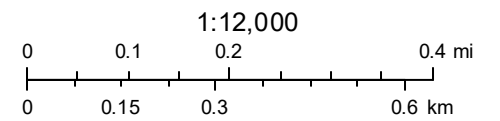
The subject property is located within the city limits of Chapel Hill in the downtown central business district. The neighborhood is generally defined as those commercial and office uses located along both sides of Franklin Street and Rosemary Street from Henderson Street to the Carrboro city limits (Merritt Mill Road).

The neighborhood is the main commercial center for Chapel Hill and is primarily commercial in nature. There are a variety of retail uses such as restaurants, bars and various shops which cater primarily to the students of the University of North Carolina.

Neighborhood Map



February 13, 2020



This area of Chapel Hill is almost 100% built up. Because of this, older buildings have been purchased and extensively renovated, while maintaining the original façade of the structure. Some of the older buildings have been removed to make way for newer developments. Most recently 123 West Franklin Street on the site of the former University Square shopping center and Granville Towers student housing. This is a mixed use development with about 275,000 square feet of office space, 150 apartment units, 40,000 square feet of retail and restaurant space, 90,000 square feet of flexible use space and 1,000 parking spaces. Also the Greenbridge development, a mixed use property located at 601 West Rosemary Street close to the subject. It has 97 condominium units as well as 36,000 square feet of ground floor retail and second floor office space with two floors of underground parking. A new hotel, AC Marriott, has been constructed at 214 West Rosemary Street.

To the west is the downtown central business district of Carrboro and to the south and east are residential areas. The residences are owner occupied and are some of the most desirable properties in the state due to their historical ages and the popularity of Chapel Hill in general. These owners typically have higher incomes, but some of the older houses have been converted to sororities, fraternities or boarding houses for the students. These students supply a steady source of inexpensive labor.

The primary influence in the area is the university which borders the neighborhood to the south. In addition to the students, the university also has a large work force which also shops, eats and lives in the area. The university also has a major medical institution, UNC Medical Center, with more than 7,100 employees and a total of 905 beds. The medical center is comprised of five hospitals: N.C. Cancer Hospital, N.C. Children's Hospital, N.C. Memorial Hospital, N.C. Neurosciences Hospital and N.C. Women's Hospital.

Chapel Hill also has an excellent reputation which makes it one of the most desirable places in the state and the country to live. It has kept its small town charm while providing all of the services expected in a much larger city.

The major route of access through the neighborhood is Franklin Street (US 15/501 Business) which is also the main street of Chapel Hill. Franklin Street leads eastward to Durham and westward to Carrboro. Martin Luther King and Columbia Street are other major roads through the neighborhood with Martin Luther King leading north and Columbia Street leading south. I-40 is located a short distance to the north and east and is easily accessible by either Franklin Street or Martin Luther King. I-40 leads westward to Greensboro and points west and eastward to Durham, the Research Triangle Park, Raleigh and Wilmington. NC 54 also crosses the town south of the neighborhood and provides additional east to west access.

The primary mode of access to the neighborhood is by means of individual automobile or pedestrian traffic from the university. Parking can be a problem at times. Public transportation through the area is good and frequently used especially by the students. All utilities and services are available to the neighborhood.

In conclusion, the neighborhood is popular due to its close location to UNC. Both pedestrian, public transportation and automobile traffic have access to the subject and all are used. Retail and office vacancy is about average. The proximity and stability of UNC should continue to benefit the neighborhood and there are no adverse influences in the area. The popularity of the town should continue and the long term outlook for the neighborhood should remain good.

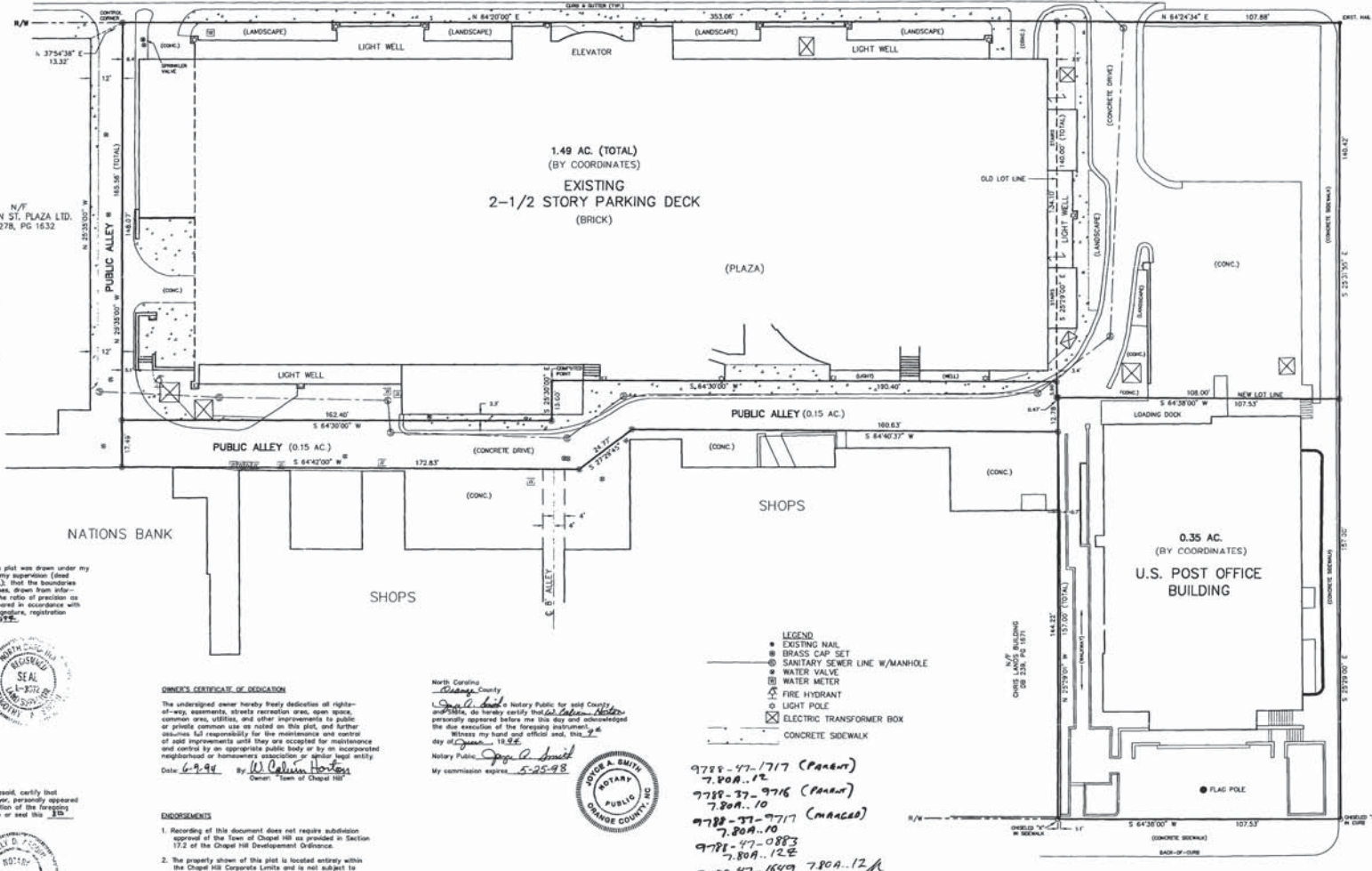
LAND DESCRIPTION

The land description is based on a personal inspection of the site, public records and on a survey referred to in the deed for the property. The survey is entitled "Recombination Plat, Rosemary Street Parking Facility" was prepared by Philip Post & Associates and is dated September 21, 1993. It is recorded in plat book 71, page 124, Orange County Registry. For purposes of this appraisal, this is assumed to be the correct description of the property. A copy of this survey is on the following page.



- REFERENCES:
1. TAX PARCELS 7.80A..10A12
 2. PLAT BOOK 45, PAGE 32
 3. OB 320, PG 130
 4. OB 320, PG 228
 5. PB 70, PG 23

- NOTES:
1. THIS SURVEY IS OF EXISTING PARCELS OF LAND.
 2. THIS SURVEY IS AN UPDATE/REVISION TO A SURVEY PREPARED BY THIS OFFICE ENTITLED "FINAL PROPERTY SURVEY - ROSEMARY STREET PARKING DECK", RECORDED IN PB 70, PG 23 ORANGE COUNTY REGISTRY. IT HAS BEEN REVISED TO A RECOMBINATION PLAT AND CHANGES THE LOT LINES BETWEEN THE U.S. POST OFFICE AND THE TOWN PARKING DECK AS SHOWN.
 3. THE WATER & SEWER SYSTEM IS OWNED AND MAINTAINED BY THE ORANGE WATER & SEWER AUTHORITY (OWASA). NO EASEMENTS OF RECORD WERE FOUND.
 4. THIS PROPERTY IS SUBJECT TO EASEMENTS FOR OTHER UTILITIES NOT SHOWN, INCLUDING BUT NOT LIMITED TO: TELEPHONE, ELECTRIC & GAS.



N/F
FRANKLIN ST. PLAZA LTD.
DB 278, PG 1832

NOTE: CAROLINA-ORANGE COUNTY
The property owner(s) at Kathy B. Wilson & Joyce A. Smith
Notary Public at the designated governmental unit
before recorded to be a Notary Public
Filed for registration on the 18 day of June, 1994
at Chapel Hill, N.C. in book 71 page 124
This is the 18 day of June, 1994
Notary Public, Joyce A. Smith
Notary Public, Kathy B. Wilson

Surveyor's Certificate
Joyce A. Smith certify that this plat was drawn under my supervision from an actual survey made under my supervision (land description recorded in Book 582, page 1062) that the boundaries not surveyed are clearly indicated as dashed lines, drawn from information found in Book 582, page 1062 and that the ratio of precision as calculated is 1:88,888 that this plat was prepared in accordance with C.S. 47-30 as amended. Witness my hand and official seal, registration number and seal this 18 day of June, 1994.

Surveyor Joyce A. Smith
Registration Number 6-5782



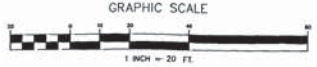
OWNER'S CERTIFICATE OF DEDICATION
The undersigned owner hereby freely dedicates all right-of-way, easements, streets, recreation areas, open space, common areas, utilities, and other improvements to public or private common use as noted on this plat, and further assumes full responsibility for the maintenance and control of said improvements until they are accepted for maintenance and control by an appropriate public body or by an incorporated neighborhood or homeowners' association or other legal entity.
Date: 6-9-94 By: W. Colleen Horton
Owner: Team of Chapel Hill

North Carolina
Orange County
I, Joyce A. Smith, a Notary Public for said County, do hereby certify that Kathy B. Wilson & Joyce A. Smith personally appeared before me this day and acknowledged the due execution of the foregoing instrument.
Witness my hand and official seal, this 18 day of June, 1994.
Notary Public, Joyce A. Smith
My commission expires 5-25-98



- ENDORSEMENTS
1. Recording of this document does not require subdivision approval of the Town of Chapel Hill as provided in Section 17.2 of the Chapel Hill Development Ordinance.
 2. The property shown on this plat is located entirely within the Chapel Hill Corporate Limits and is not subject to NCDDT Approval.
- Surveyor Joyce A. Smith Date 6/9/94

SURVEYED AND MAPPED FOR:
THE TOWN OF CHAPEL HILL
306 N. COLUMBIA STREET
CHAPEL HILL, N.C. 27514



- 788-47-1717 (PARANT) 7.80A..12
- 788-37-9716 (PARANT) 7.80A..10
- 788-37-9717 (MARGED) 7.80A..10
- 788-47-0883 7.80A..12
- 788-47-1849 7.80A..12A

ENGINEERS
PLANNERS
SURVEYORS
**PHILIP
POST
&
ASSOCIATES**

401 Providence Road
Chapel Hill, NC 27514
(919) 959-1175
822 Adams Lane
Greensboro, NC 27401
(919) 732-9771

RECOMBINATION PLAT
ROSEMARY STREET
PARKING FACILITY

SCALE: 1"=20'
DRAWN BY: JAS
CHECKED BY: JAS
DATE: 6/2/93
PROJECT NO.: 20383A
DRAWING NO.: 003330A
DATE OF SURVEY: 6/1/94
DATE OF PLAT: 6/9/94
DATE OF RECORDING: 6/15/94
NOTARY PUBLIC: JOYCE A. SMITH
COMMISSION EXPIRES: 5-25-98

REVISIONS

SHEET 1
OF 1

The property is located at the south side of Rosemary Street and the west side of Henderson Street. There are also public alleys along the western and most of the southern boundary. The southern alley is about 18 feet wide and the western one 12 feet. The frontage along Rosemary Street is 353.06 feet and along Henderson Street is 140.42 feet. The southern boundary follows five distances of 108.00 feet, 5.90 feet, 190.40 feet, 13.00 feet and 162.40 feet. The western boundary is 148.07 feet. The area of the site is reported to be 1.49 acres.

The topography of the site slopes downward from south to north, but it has been graded for the parking garage. None is low or in the floodplain. A copy of the topography map is in the addenda.

In front of the subject, Rosemary Street and Henderson Street are asphalt surface public street with two lanes in each direction and a central left turn lane. The public alleys are paved. All public utilities are available.

To my knowledge, there are no easements or encroachments on the site and any that may exist are assumed not to adversely affect value. There are no known adverse soil or sub-soil conditions, nuisances or hazards environmental or otherwise located on the site.

IMPROVEMENTS DESCRIPTION

The property is improved with a parking garage however, for purposes of this report the property is valued as though vacant and no further description is given.

TAXES AND ASSESSMENT DATA

The Property Identification Number for the property is 9788-37-9717 and the land size is shown as 1.49 acres which is the same as shown on the plat. Since the property is owned by a municipality it is not subject to real estate taxes and no tax value for the land or the improvements is given. A copy of the tax card is on the following page.

Tax Data



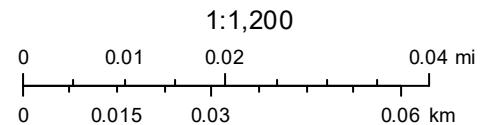
This map contains parcels prepared for the inventory of real property within Orange County, and is compiled from recorded deed, plats, and other public records and data. Users of this map are hereby notified that the aforementioned public primary information sources should be consulted for verification of the information contained on this map. The county and its mapping companies assume no legal responsibility for the information on this map.

February 14, 2020

PIN: 9788379717
OWNER 1: CHAPEL HILL TOWN OF
OWNER 2:
ADDRESS 1: 405 MARTIN LUTHER KING JR BLVD
ADDRESS 2:
CITY: CHAPEL HILL
STATE, ZIP: NC 27514
LEGAL DESC: S/S ROSEMARY ST P71/124

SIZE: 1.49 A
DEED REF: 1269/442
RATECODE: 32
DATE SOLD: 07/19/1994
BLDG SQFT:
YEAR BUILT:

BUILDING COUNT:
LAND VALUE:
BLDG_VALUE:
USE VALUE:
TOTAL VALUE:



I am not aware of any current or future assessments.

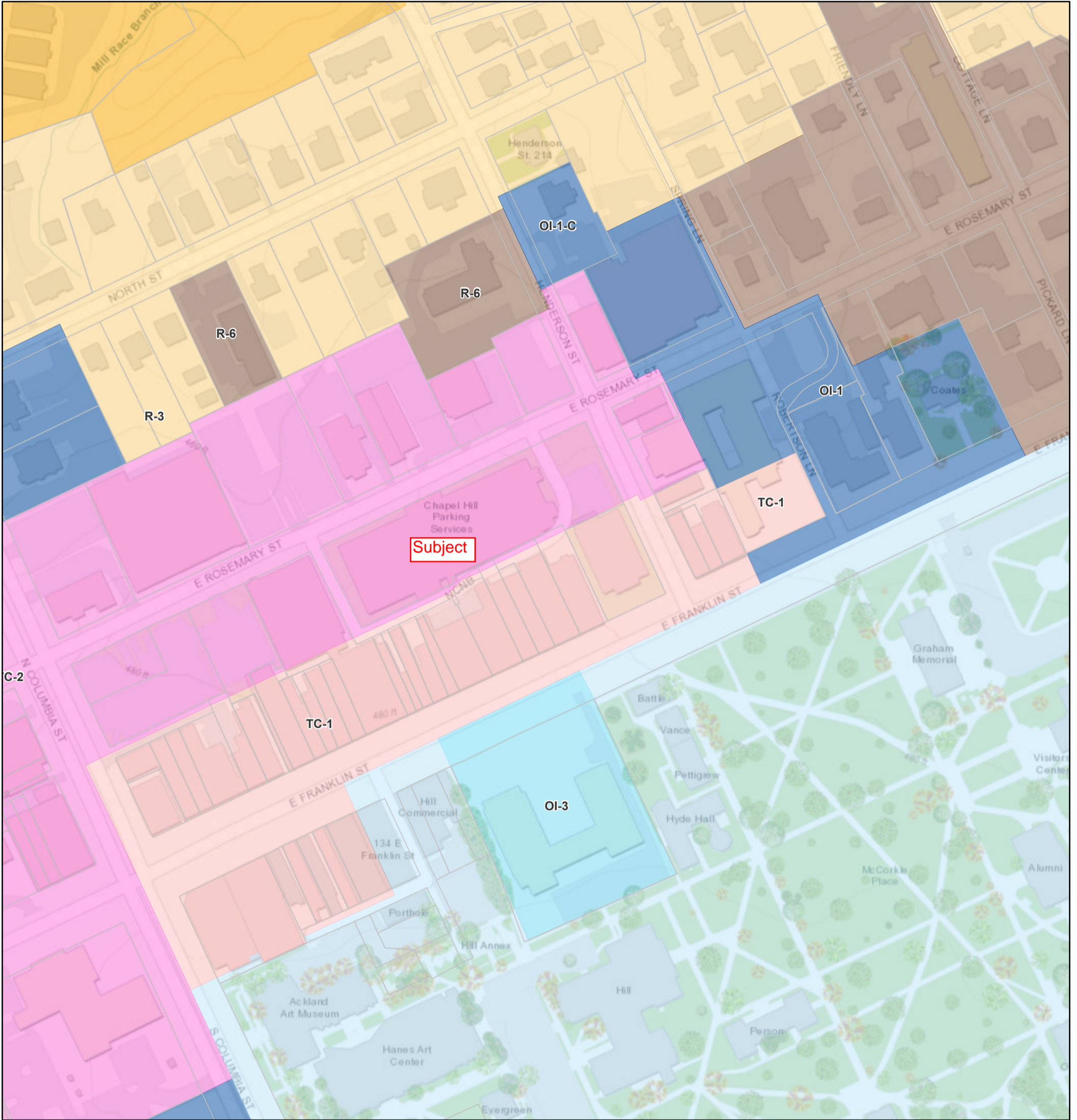
ZONING AND OTHER LEGAL RESTRICTIONS

The Chapel Hill GIS shows the property located in a TC-2 Town Commercial zoning district. A copy of this map is on the following page. The following description is a general one and is not meant to be an exhaustive discussion of all of the zoning regulations. According to the Land Use Management Ordinance:

The town center (TC) districts are intended to provide for the development of the commercial, service, and social center of Chapel Hill while maintaining its character, its pedestrian-oriented scale, and its nature as a concentration of business, administrative, financial, governmental, and support functions serving the community; and to encourage further residential development in the central area of Chapel Hill. The zoning regulations for the TC districts are designed to achieve the following objectives:

- Buildings are designed and located so that they provide visual interest and create enjoyable, human-scale spaces.
- Building design blends with the natural terrain by means such as terracing or other techniques that minimize grading.
- Designs are compatible, in form and proportion, with the neighboring area.
- Designers strive for creativity in form and space wherever contrast and variety are appropriate to the larger environment.
- Buildings and projects include visual variety and also maintain a strong sense of unity.
- Buildings and projects include a high level of architectural detailing to help maintain a sense of scale.
- Buildings are designed and located so that they provide visual interest and create enjoyable, human-scale spaces.

Zoning Map



2/7/2020, 11:47:25 AM

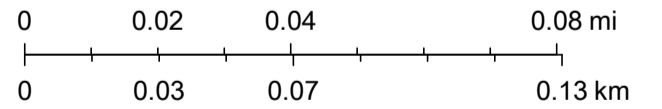
1:2,257

- Chapel Hill Jurisdictional Limits
- Chapel Hill Urban Service Area
- Chapel Hill Corporate Limits
- Orange County Parcel Data

Zoning Districts

- R-3 - Medium Density Residential, 7 units/acre
- R-4 - Medium Density Residential, 10 units/acre

- R-6 - High Density Residential, 15 units/acre
- OI-1 - Office and Institutional 1
- OI-1-C - Office and Institutional 1 Conditional
- OI-3 - Office and Institutional 3
- OI-4 - Office and Institutional 4
- TC-1 - Town Center 1
- TC-2 - Town Center 2



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, North

- Building design blends with the natural terrain by means such as terracing or other techniques that minimize grading.
- Designs are compatible, in form and proportion, with the neighboring area.
- Designers strive for creativity in form and space wherever contrast and variety are appropriate to the larger environment.
- Buildings and projects include visual variety and also maintain a strong sense of unity.
- Buildings and projects include a high level of architectural detailing to help maintain a sense of scale.

This zoning generally allows for all types of residential uses, offices and commercial type uses. Other uses such as schools, churches and daycare centers are allowed, but require additional approval. Heavier commercial, industrial and agricultural uses are not allowed.

Physical requirements are as follows:

Minimum lot size:	NA
Maximum density:	NA
Minimum frontage:	12 feet
Minimum lot width	15 feet
Maximum building heights	44 feet setback, 90 feet core
Minimum street setback	0 feet
Minimum interior setback	0 feet
Minimum solar setback	0 feet
Impervious Surface Ratio:	NA
Maximum floor area ratio	1.97
Maximum street setback	NA

Parking: On-site parking is not required

The site as improved appears to conform to the current zoning requirements. To my knowledge, the subject is not located in any overlay districts and there are no other known restrictions of any kind. It is not likely that the site could be rezoned.

PART FOUR – ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

Highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property - specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

To estimate the highest and best use of a property, normally two conditions are considered, as though vacant and as improved. However since the value requested in land only one highest and best use is necessary. As stated in the definition a property is analyzed on four criteria. A use must pass one criteria in order be considered for the next one. A discussion of each criterion and the uses that do and do not pass it follows.

Legal Permissibility - Legal restrictions to the site are those from the Chapel Hill Planning Department. As more thoroughly discussed in the zoning section, the property is located in an TC-2, town center zoning district. This zoning generally allows for all types of residential uses, offices and commercial type uses. Other uses such as schools, churches and daycare centers are allowed, but require additional approval. Heavier commercial, industrial and agricultural uses are not allowed.

Physical Possibility - As discussed in the Land Data section of this report, the property has access to a publicly maintained street and all city utilities. The topography is mostly level and should not restrict improvement. There is no evidence of any easements or encroachments that would significantly restrict improvement. The site is also of sufficient size for most uses. Therefore, all of the uses that are legally permissible are physically possible.

Financial Feasibility - The test of financial feasibility is whether a use would produce a positive return to the land. Of the legally permissible and physically possible uses, it is not financially feasible to improve the site with any of the special uses. While the site could be used for one of these uses, the pool of potential buyers for these uses is small and they can be built in virtually any zoning. For this reason, the only financially feasible use would be for some type of office commercial or residential use.

Maximum Profitability - The use that produces the highest return to the land is the use with the maximum profitability. In this area, commercial land sells for more per square foot than office or residential. However, commercial uses generally require street level. Office and residential uses do not. For this reason the most profitable use is for a mixed use development with commercial on the first floor and office or residential on upper floors. No one particular type of these uses is the most profitable as long as the site is used to its maximum potential.

OPINIONS OF VALUE

To develop an opinion of the value of the property I will use the sales comparison approach only. Land of this nature rarely produces income if vacant for use in the income capitalization approach and the cost approach cannot be used to value vacant land. The sales comparison approach defined as:

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

As stated, the highest and best use of the site as though vacant is for some type of mixed use. I researched the area for recent sales and listings of land with a similar highest and best use. Of those found, the most comparable are analyzed on an analysis and adjustment chart on the following page. Further information about the comparables is in the addenda.

Adjustments are considered for any significant differences, however, for appraisal purposes they are grouped into 10 categories. These categories are considered in a specific order. A discussion of the categories and the order in which they are adjusted follows the chart.

Real property rights conveyed – The comparables are either fee simple transfers or sold at fee simple rates. No adjustments are made for this factor.

Financing terms - All of the comparables are cash to seller and financing had no effect on the sales prices.

Conditions of sale – All of the comparables are arms-length transactions and no adjustments are needed.

ANALYSIS AND ADJUSTMENT CHART OF VACANT COMMERCIAL LAND SALES					
Comparable		1	2	3	4
Reference #		2020-1	2016-129	2016-130	2019-18
Location	150 E Rosemary	100 W Rosemary	212 W Rosemary	109 Church	610 W Franklin
Tax Ref		9788371539, et al	9788275353, et al	9788274180	9788066054
Zoning		TC-2 & O&I-1	TC-2	TC-1	TC-2
Date	2/12/2020	Under Contract	6/6/2016	3/31/2016	12/18/2019
Sales Price		\$4,500,000	\$3,250,000	\$2,000,000	\$1,795,500
Size (Acres)	1.49	1.05	0.72	0.58	0.52
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale		Arms Length	Arms Length	Arms Length	Arms Length
Expenditures		\$0	\$0	\$0	\$0
Including Expenditures		\$4,500,000	\$3,250,000	\$2,000,000	\$1,795,500
Market Condition Adjustment		-10.00%	18.00%	19.00%	1.00%
Adjusted for Market Condition		\$4,050,000	\$3,835,000	\$2,380,000	\$1,813,455
Adjusted for					
Location		5.00%	10.00%	10.00%	25.00%
Size		-2.00%	-4.00%	-5.00%	-5.00%
Access		0.00%	0.00%	0.00%	0.00%
Utilities		0.00%	0.00%	0.00%	0.00%
Topography		0.00%	0.00%	0.00%	0.00%
Net Adjustment		3.00%	6.00%	5.00%	20.00%
Adjusted Value		\$4,171,500	\$4,065,100	\$2,499,000	\$2,176,146
Economic Characteristics		Similar	Similar	Similar	Similar
Use		Similar	Similar	Similar	Similar
Non-Realty Items		None	None	None	None
INDICATED PER SQUARE FOOT VALUE OF SUBJECT					
		\$91.20	\$129.61	\$98.91	\$95.78

Expenditures made immediately after purchase – No expenditures were made on any of the comparables and no adjustments are necessary.

Market Conditions (Time) – Three of the comparables are adjusted upward since property values have been increasing. The fourth is a pending sale and the actual sales price was not disclosed. The asking price was known and this was adjusted downward since properties rarely sell for full asking price.

Location – The subject backs up to the most desirable section of Franklin Street in downtown. It currently provides parking for this area. Although three of the comparables are close to the subject, they are west of Columbia Street and are not as desirable. The other comparables is further away at the border with Carrboro. While all of the comparables have very good locations they are not as desirable as the subject and upward adjustments are made.

Physical Characteristics - For the subject, four physical characteristics are significant.

Size – All of the comparables are significantly smaller and a downward adjustments are made since smaller parcels will sell for more on a per square foot basis.

Access – The subject and comparables have access to paved public roads.

Utilities – The subject and comparables have access to all city utilities and no adjustments are made.

Topography – The subject and the comparables have topographies that would not significantly affect value and no adjustments are needed.

Economic characteristics – The subject and comparables have similar economic characteristics and no adjustments are needed for this factor.

Use – All of the comparables were purchased for similar uses and no adjustments are needed.

Non-realty components of value – No non-realty components transferred with any of the comparable properties or the subject and no adjustments are made.

The comparables give indicated values of \$91.20, \$129.61, \$98.91 and \$95.78 per square foot after adjusting. Based on this, the per square foot value of the subject is selected at \$98.050. My opinion of the land value of the subject is therefore:

64,904 square feet (1.49 Acres) @ \$98.00 per Sq Ft = \$6,360,592
Rounded \$6,360,000

RECONCILIATION AND FINAL OPINION OF VALUE

Since the only approach available is the sales comparison approach, the value from this approach is selected. It should be noted that no estimate of demolition cost was considered since the value requested was land only.

The comparables used were not straight land sales since there is virtually no vacant land in downtown Chapel Hill that has sold. The comparables were redevelopment sites that were redeveloped after purchase or are being held for future redevelopment.

Based on the indicated values of the comparables it is my opinion that the market value of the fee simple estate of the land only is:

SIX MILLION THREE HUNDRED AND SIXTY THOUSAND DOLLARS
(\$6,360,000)

EXPOSURE TIME AND MARKETING TIME

The definition of exposure time as used in this report is that as defined by the Appraisal Foundation and found in a publication entitled, *Uniform Standards of Professional Appraisal Practice*, 2020-2021 Ed. This definition is:

Exposure Time: estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Time: an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Exposure time occurs before the effective date of the appraisal, whereas marketing time occurs after the effective date. Exposure time answers the question, “If the property sold on the effective date of the appraisal, how long was it on the market?” Marketing time answers the question, “How long will it take the property to sell if placed for sale on the market as of the effective date of the appraisal?”

The average time on the market for properties in the Triangle area is about twelve months according to statistics from the commercial listing service and from discussions with local market participants. Based on this historical data, the exposure time of the subject is selected at twelve months. Marketing time is more difficult to estimate since it is a projection into the future. However, the general economy appears to be improving. Days on the market in the future should be the same or less than in the recent past and the marketing time, if the property is correctly priced and actively marketed is also selected at twelve months.



DAVID A. SMITH, MAI, SRA

DAVID A SMITH & ASSOCIATES, INC.
P.O. BOX 51597
DURHAM, NORTH CAROLINA 27717-1597
PHONE (919) 493-1534
smithappraiser@frontier.com



QUALIFICATIONS OF DAVID A. SMITH, MAI, SRA

The appraiser, David A. Smith, has been involved in the appraisal of real estate for over thirty years. He worked with his father, Charles W. Smith, from 1976 to 2003. After the retirement of Charles W. Smith in 2003 he formed Smith & Whitfield, Inc. and later David A. Smith & Associates. In 1988 he was awarded the RM designation. With the merger of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers in January of 1991, the RM designation was changed to the SRA designation. In 1991 he was awarded the MAI designation of the Appraisal Institute. He became a state-certified real estate appraiser in 1991 the year the state first began licensing real estate appraisers and his certification number is A281.

He has also trained and supervised several appraisers and has prepared all types of appraisal reports. His primary focus is Durham County and the adjoining counties of Orange, Person, Granville and Chatham.

EDUCATION: Graduate Episcopal High School, Alexandria, VA, 1976
A.B., Duke University, Durham, NC, 1981

APPRAISAL INSTITUTE COURSES:

Real Estate Appraisal Principles (Exam 1A-1/8-1), University of North Carolina, 1981
Residential Valuation (Exam 8-2), University of North Carolina, 1981
Basic Valuation Procedures (Exam 1A-2), University of North Carolina, 1983
Standards of Professional Practice (Exam SPP), University of North Carolina, 1983
Capitalization Theory & Techniques, A (Exam 1B-A), University of Colorado, 1984
Capitalization Theory & Techniques, B (Exam 1B-B), University of Colorado, 1984
Valuation Analysis and Report Writing (Exam 2-2), University of North Carolina, 1987
Case Studies in Real Estate Valuation (Exam 2-1), University of North Carolina, 1987
Advanced Sales Comparison & Cost Approaches, Atlanta, Georgia, 2002
General Appraiser Market Analysis and Highest and Best Use, Atlanta, Georgia, 2007
Online Business Practices and Ethics, Chicago, Illinois, 2007
Appraisal Curriculum Overview, 2009
Condemnation Appraising: Principles & Applications, Greensboro, NC, 2011

APPRAISAL INSTITUTE SEMINARS:

Highest and Best Use, 1988
Industrial Valuation, 1988
Rates, Ratios and Reasonableness, 1988
Valuation of Leased Fee Interests, 1989
Current Problems in Industrial Valuation, 1989
Methods of Subdivision Analysis, 1989
Expert Witness in Litigation, 1989
Discounted Cash Flow, 1990
RTC Appraisal Standards, 1990
Preparation and Use of the UCIAR Form, 1990
Standards of Professional Practice Update, 1990
Commercial Construction Overview, 1991
Appraising Troubled Properties, 1991
Appraisal Regulations of the Federal Banking Agency, 1992
Real Estate Law for Appraisals, 1992
Appraising Apartments, 1993
Discounted Cash Flow Analysis, 1994
Appraiser's Legal Liabilities, 1994
Understanding Limited Appraisals, 1994
Analysis Operating Expenses, 1995
Future of Appraisals, 1996
Highest and Best Use Applications, 1996
Standards of Professional Practice, Parts A & B, 1997
Litigation Skills for the Appraiser, 1997
Eminent Domain & Condemnation Appraising, 1998
Matched Pairs/Highest & Best Use/Revisiting Report Options, 1998
Valuation of Detrimental Conditions, 1998
Appraisal of Nonconforming Uses, 2000
How GIS Can Help Appraisers Keep Pace with Changes in R E Industry, 2001
Feasibility Analysis, Market Value and Investment Timing, 2002
Analyzing Commercial Lease Clauses, 2002
Standards of Professional Appraisal Practice, 2002
Effective Appraisal Writing, 2003
Supporting Capitalization Rates, 2004
National USPAP Update, 2004
Rates and Ratios: Making Sense of GIMs, OARs, and DCFs, 2005
The Road Less Traveled: Special Purpose Properties, 2005
National USPAP Update, 2006
Appraisal Consulting: A Solutions Approach for Professionals, 2006
What Clients Would Like Their Appraisers to Know, 2007
Valuation of Detrimental Conditions, 2007
Business Practice and Ethics, 2007
Office Building Valuation: A Contemporary Perspective, 2008
Subdivision Valuation, 2008
National USPAP Update, 2009

Effective Appraisal Writing, 2009
Appraisal Curriculum Overview, 2009
Discounted Cash Flow Model: Concepts, Issues and Apps, 2010
National USPAP Update, 2010
Rates and Ratios: Making sense of GIMs, OARs and DCFs, 2011
National USPAP Update, 2012
Business Practices and Ethics, 2012
Marketability Studies: Advanced Considerations & Applications, 2013
Real Estate Valuation Conference, 2013
2014 Real Estate Valuation Conference, 2014
7-Hour National USPAP Update Course, 2014
2014 Real Estate Valuation Conference, 2014
Analyzing the Effects of Environmental, 2015
7-Hour National USPAP Update Course, 2016
Online Business Practices and Ethics, 2017
Commercial Real Estate Finance, 2017
Spring 2017 Real Estate Valuation, 2017
7-Hour National USPAP Update Course, 2018
The End of Experts: Mission Battleground and the Intelligent Layperson, 2018
Ignorance Isn't Bliss: Understanding and Investigation by a State Appraiser
Regulatory Board or Agency, 2018
Advanced Land Valuation: Sound Solutions to Perplexing Problems, 2019
Uniform Appraisal Standards for Federal Land Acquisitions, 2019

OTHER SEMINARS AND COURSES:

Commercial Segregated Cost Seminar, Marshall & Swift, 1988
Appraisal Guide and Legal Principles, Department of Transportation, 1993
The Grammar Game, Career Track, 1994
Property Tax Listing and Assessing in NC, 2014

MEMBERSHIPS:

Appraisal Institute, MAI #09090
Appraisal Institute, SRA/RM #2248
Durham Board of Realtors
North Carolina Association of Realtors
National Association of Realtors

CERTIFICATION:

State Certified General Real Estate Appraiser for North Carolina, #A281

OTHER:

Durham Civilian Police Review Board, 2009 - Present, Past Chair
Durham County Board of Equalization and Review, 2013 – Present, Current Chair
Durham Public Schools Budget Advisory Committee, 2013 - 2018
NC Property Tax Commission, 2013 – 2017
City of Durham Audit Oversight Committee, 2002 – 2006
Durham Board of Adjustment, 1994 - 2002
Durham City/County Zoning Commission, 1990 – 1995
John Avery Boys and Girls Club, 1994-2002
Historical Preservation Society, 1992 - 1995
Vice President of the Candidates, 1989, NC Chapter 40
President of the Candidates, 1990, NC Chapter 40
Candidate of the Year, 1990, NC Chapter 40

RECENT CLIENTS:

LENDING INSTITUTIONS

American National Bank & Trust Company
AMEX Financial
BB&T
Citizens National Bank
CommunityOne Bank NA
Fidelity Bank
Live Oak Banking Company
Mechanics & Farmers Bank
Pacific International Bank
PNC Bank
RBC Bank
Self-Help
State Farm Bank
SunTrust Bank
Wells Fargo Bank

MUNICIPALITIES AND OTHER GOVERNMENT AGENCIES

City of Durham
Town of Chapel Hill
Town of Hillsborough
NC Department of Administration
Durham County
Orange County
Durham Public Schools
Durham Technical Community College
Housing Authority of the City of Durham
NCDOT

Orange Water and Sewer Authority
Person County

OTHER

Allenton Management
Builders of Hope
BCG Properties
Blanchard, Miller, Lewis & Styers Attorneys at Law
Blue Cross & Blue Shield of NC
Boulevard Properties
Carolina Land Acquisitions
CRC Health Corporation
Development Ventures Inc.
Duke Energy
Durham Academy
Durham Rescue Mission
Durham Technical Community College
Edward Jones Trust Company
Farrington Road Baptist Church
Forest History Society
GBS Properties of Durham, LLC
Hayden Stanziale
Georgia Towers, LLC
Hawthorne Retail Partners
Integral
Investors Title Insurance
IUKA Development
Joelepa Associates LP
LCFCU Financial Partners
McDonald's USA
Mt. Gilead Baptist Church
Northgate Realty, LLC
Property Advisory Services, Inc.
Research Triangle Foundation
Sehed Development Corporation
Simba Management
Stirling Bridge Group, LLC
Styers, Kemerait & Mitchell, PLLC
Talbert & Bright Attorneys at Law
Teer Associates
Thalle Construction
The Bogey Group
TKTK Accountants
Treyburn Corporate Park, LLC
Trinity Properties
UNC Hospitals
Voyager Academy
Wilhekan Associates

In addition, Mr. Smith has made appraisals for other lending institutions, municipalities, individuals, corporations, estates and attorneys. Appraisal assignments have been made throughout the Triangle, North Carolina, and South Carolina.

Properties appraised include all types of single family residential, multi-family residential, office, retail, commercial, industrial, churches, schools and other specialty type uses, vacant and improved, existing and proposed.

Appraisal assignments were for a variety of purposes including: mortgage loans, estate planning, condemnation, bankruptcy, equitable distribution and impact analyzes.

ADDENDA

PHOTOGRAPHS OF SUBJECT

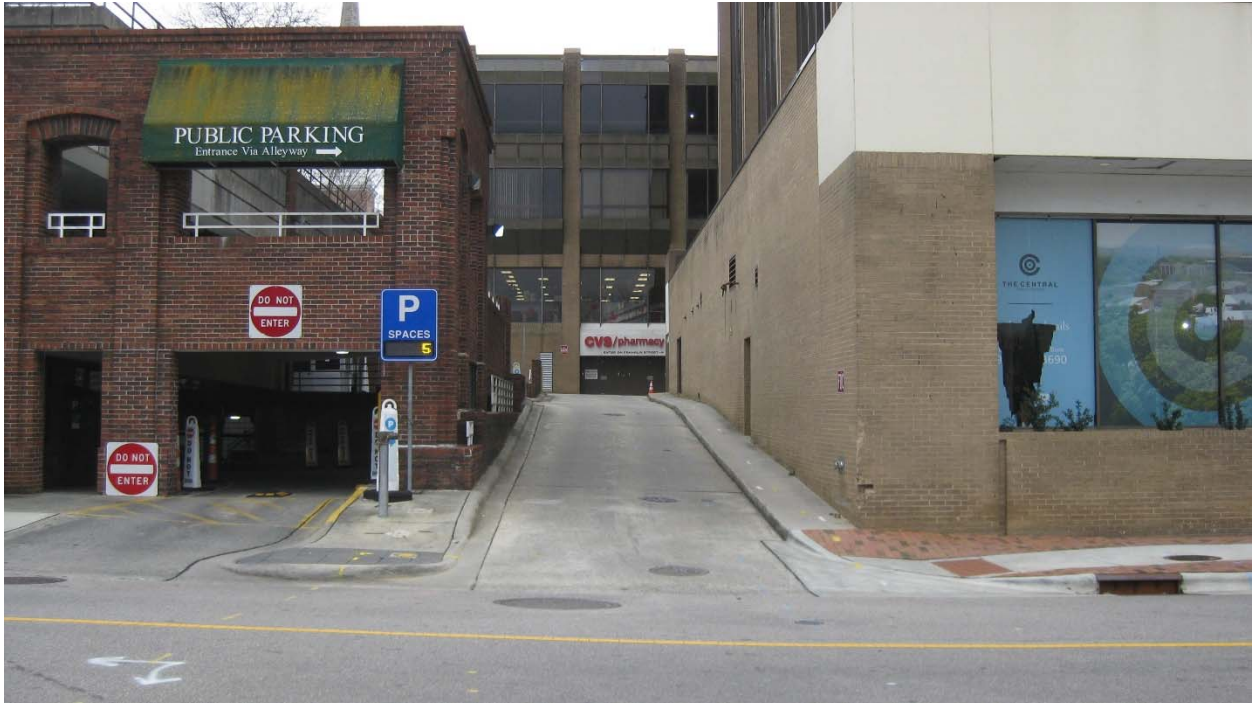


Street Scene along Rosemary Street Looking East



Street Scene along Rosemary Street Looking West

PHOTOGRAPHS OF SUBJECT



Alley from Rosemary Street



Street Scene along Henderson Street

PHOTOGRAPHS OF SUBJECT

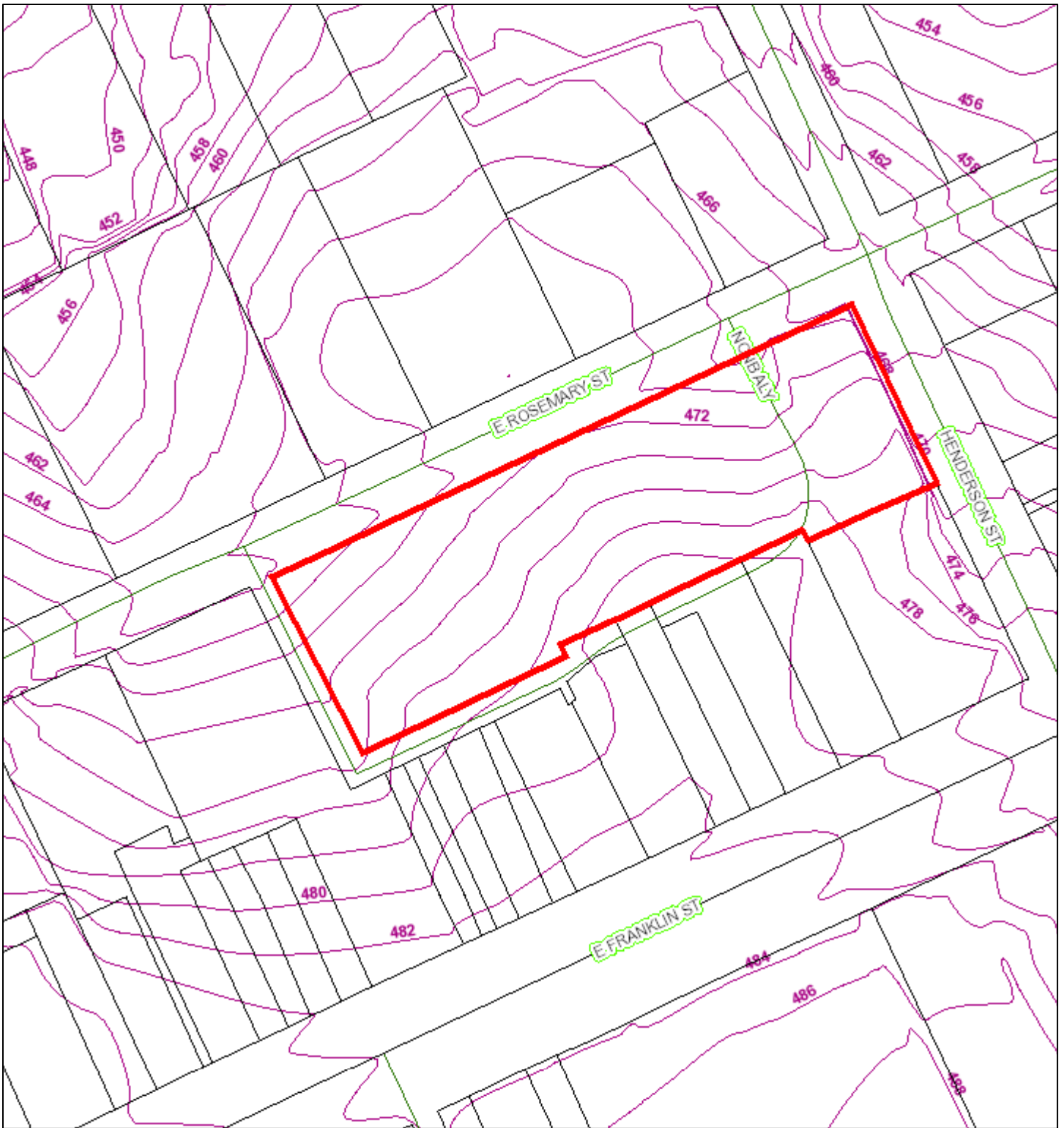


Surface Parking Area



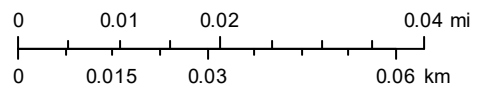
Parking Garage

Topography Map

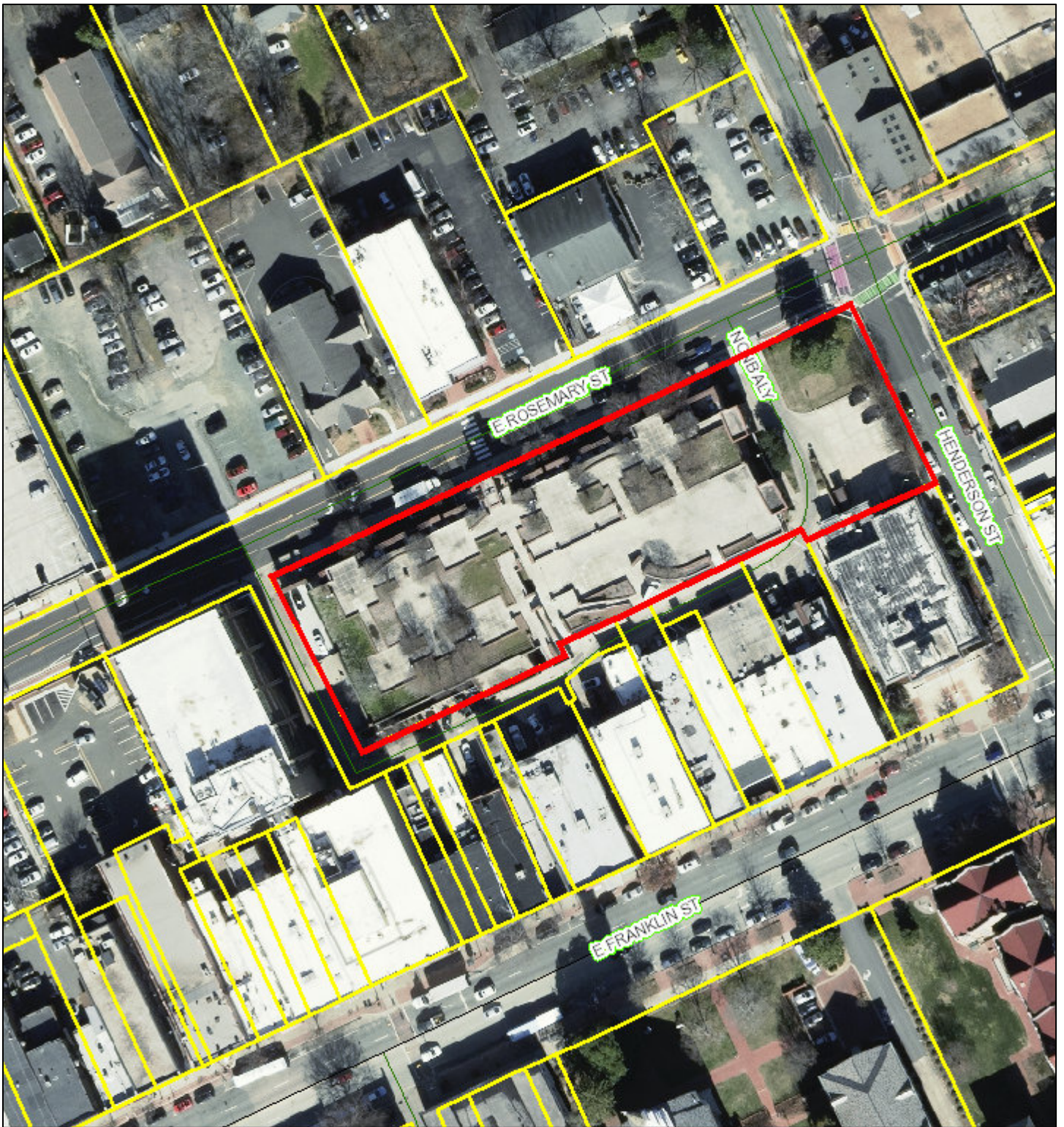


February 7, 2020

1:1,200

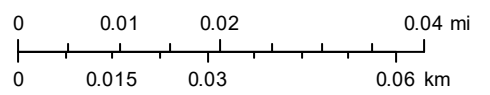


Aerial



February 7, 2020

1:1,200





19940720000152840 DEED

Bk: 1269 Pg: 442

BOOK 1269 PAGE 442

R/S Paid None

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<i>Parcel</i>	<i>Parcel Identification Numbers</i>	<i>Tax Map References</i>
Tract 1 (Parking Deck):	9788-37-9717	7.80A..10
Tract 2 (Quail Roost 1):	9788-37-4469	7.80A..2
Tract 3 (Quail Roost 2):	9788-37-5557	7.80A..3A
Easement (Sloan)	9788-37-3583	7.80A..1

PREPARED BY AND RETURN TO: DAVID R. FRANKSTONE, ATTORNEY-AT-LAW,
 HIGGINS, FRANKSTONE, GRAVES & MORRIS,
 P.A., 870 AIRPORT ROAD, CHAPEL HILL, NC
 27514

Address of Grantee: 306 N. Columbia Street, Chapel Hill, NC 27516

WARRANTY DEED

This deed is made this 20TH day of July, 1994, by and between the **TOWN OF CHAPEL HILL PUBLIC FACILITIES CORPORATION**, a North Carolina Non-Profit Corporation, hereinafter referred to as "Grantor"; and the **TOWN OF CHAPEL HILL**, a North Carolina Municipal Corporation, hereinafter referred to as "Grantee";

WITNESSETH:

THAT the Grantor, for a valuable consideration paid by the Grantee, the receipt of

which is hereby acknowledged, has and by these presents does bargain, sell and convey unto the Grantee in fee simple all that certain tract or parcel of land situate, lying and being in Chapel Hill Township, Orange County, North Carolina, and more particularly described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the aforesaid tract or parcel of land and all privileges and appurtenances thereunto belonging to the Grantee in fee simple forever. And the Grantor covenants with the Grantee that Grantor is seized of the premises in fee simple; has the right to convey the same in fee simple; that title is marketable and free from encumbrances; and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

Matters of Public Record.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, the Grantor has caused this Instrument to be signed in its Corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.



TOWN OF CHAPEL HILL PUBLIC FACILITIES CORPORATION

By: James Baker
James Baker, President

ATTEST:

Robert Godding
Robert Godding, Secretary/Treasurer

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public of the County and State aforesaid, certify that **Robert Godding** personally came before me this day and acknowledged that he is Secretary/Treasurer of **TOWN OF CHAPEL HILL PUBLIC FACILITIES CORPORATION**, a North Carolina Non-Profit Corporation, and that by authority duly given and as the act of the Corporation, the foregoing Instrument was signed in its name by **James Baker**, its President, sealed with its Corporate Seal and attested by him, **Robert Godding**, as its Secretary/Treasurer.

WITNESS my hand and official stamp or seal, this the 20~~th~~ day of July, 1994.

Topi C. Pendergraft
Notary Public



(NOTARIAL SEAL)

My commission expires: July 2, 1997

State of North Carolina-Orange County
The foregoing certificate(s) of _____
Topi C. Pendergraft
A Notary (Notaries) Public for the Designated Governmental
units is (are) certified to be correct. See Filing certificate herein.
This the 20~~th~~ day of July A.D. 19 94
Betty June Hayes Deborah B. Brown
Register of Deeds By Assistant Deputy
Register of Deeds

FILED
20 JUL 1994, at 11:05:43AM
Book 1269, Page 442 - 447
Betty June Hayes,
Register of Deeds,
Orange County, N. C.

Exhibit A
Deed from
Town of Chapel Hill Public Facilities Corporation
to
Town of Chapel Hill
Legal Descriptions

<i>Parcel</i>	<i>Parcel Identification Numbers</i>	<i>Tax Map References</i>
Tract 1 (Parking Deck):	9788-37-9717	7.80A..10
Tract 2 (Quail Roost 1):	9788-37-4469	7.80A..2
Tract 3 (Quail Roost 2):	9788-37-5557	7.80A..3A
Easement (Sloan):	9788-37-3583	7.80A..1

Tract 1 (Parking Deck):

That certain parcel of land and the improvements located thereon containing approximately 1.49 Acres according to the plat entitled Recombination Plat Rosemary Street Parking Facility and recorded at Plat Book 71, Page 124, Orange County Registry.

Tract 2 (Quail Roost 1):

I -- All of that certain lot, parcel or tract of land, with the improvements thereon, situated lying and being on the East side of Columbia Street, in the Town of Chapel Hill, NC and BEGINNING at a stake in the East property line of Columbia Street, S.J. Brockwell's Southwest corner, which point is established by measuring along the East property line of Columbia Street in a Southern direction 75 ft. to a stake in an alley; running thence along the North line of the said alley and parallel to Rosemary Street in an Eastern direction 133 feet to a stake; running thence in a Northern direction and parallel with Columbia Street 75 feet to a stake; S.J. Brockwell's Southeast corner; running thence with said Brockwell's Southern line in a Western direction parallel to Rosemary Street 133 feet to the beginning and being part of the same land conveyed to S.L. Herndon by deed of S.J. Brockwell and wife, dated March 12, 1906, and recorded in the Office of the Register of Deeds of Orange County in Book 59, at page 16.

2 – BEGINNING at an iron stake about a half inch in diameter at Sparrow's corner in W.B. Sorrell's line and running thence North 25° West with Sorrell's line 150 feet to an iron stake about 1/2 inch in diameter in Rosemary Street; thence Southwest with Rosemary Street to S.L. Herndon's corner; thence Southeast with Herndon's line to his corner in an alley; thence Northeast to the point of beginning and containing one-fifth (1/5) of an acre, more or less, as surveyed January 28, 1909, by J.W. Spears and J.M. Costner.

Tract 2, #1 & 2 are to remain as one.

Tract 3 (Quail Roost 2):

BEGINNING at a stake on the inside line of the sidewalk on East Rosemary Street and which stake, point and place of beginning is North 64° 32' East 212.17 feet from the back of the curb on the east side of Columbia Street and running thence along and with the inside line of the sidewalk on east Rosemary Street North 64° 32' East 104.4 feet to a stake; thence South 25° 28' East 145.62 feet to a stake; thence South 64° 32' West 19.07 feet to the east brick wall of the Sorrell Building; thence along with the east brick wall of said building North 25° 28' West 12 feet to the northeast corner of the Sorrell Building; thence along and with the north wall of said building South 64° 32' West 42.16 feet to the northwest corner of said building; thence along and with the West wall of said building South 25° 28' East 162 feet to a stake in the inside line of the sidewalk on the North side of East Franklin Street; thence along and with the inside line of said sidewalk South 64° 32' West 8.17 feet to the brick wall of a building; thence along and with the East wall of said building North 25° 28' West 100 feet; thence North 25° 28' West 30 feet to a stake; thence South 64° 32' West 35 feet to a stake; thence North 25° 28' West 165.62 feet to a stake on the inside line of the sidewalk on East Rosemary Street, the point and place of BEGINNING and being property of Mrs. ELOISE SORRELL ROBBINS as per plan and survey thereof made by Robert J. Ayers, R.L.S., May, 1967.

Tract 4 (Easement):

Being a 30 foot wide strip of land whose eastern border is the eastern boundary of the property described below and whose western border is a line 30 feet west of and parallel to that eastern border, said easement running in a Southerly direction for a distance of approximately 75 feet from the Southern margin of the right of way of Rosemary Street to the Northern line of Tract 2 -- 1 as described above. This easement shall not merge with the underlying fee simple title to the property described below unless the owner of both the easement and the fee expressly so declares in a writing, duly signed, acknowledged and recorded in the Office of the Register of Deeds of Orange County. The land across which the easement runs is described as follows:

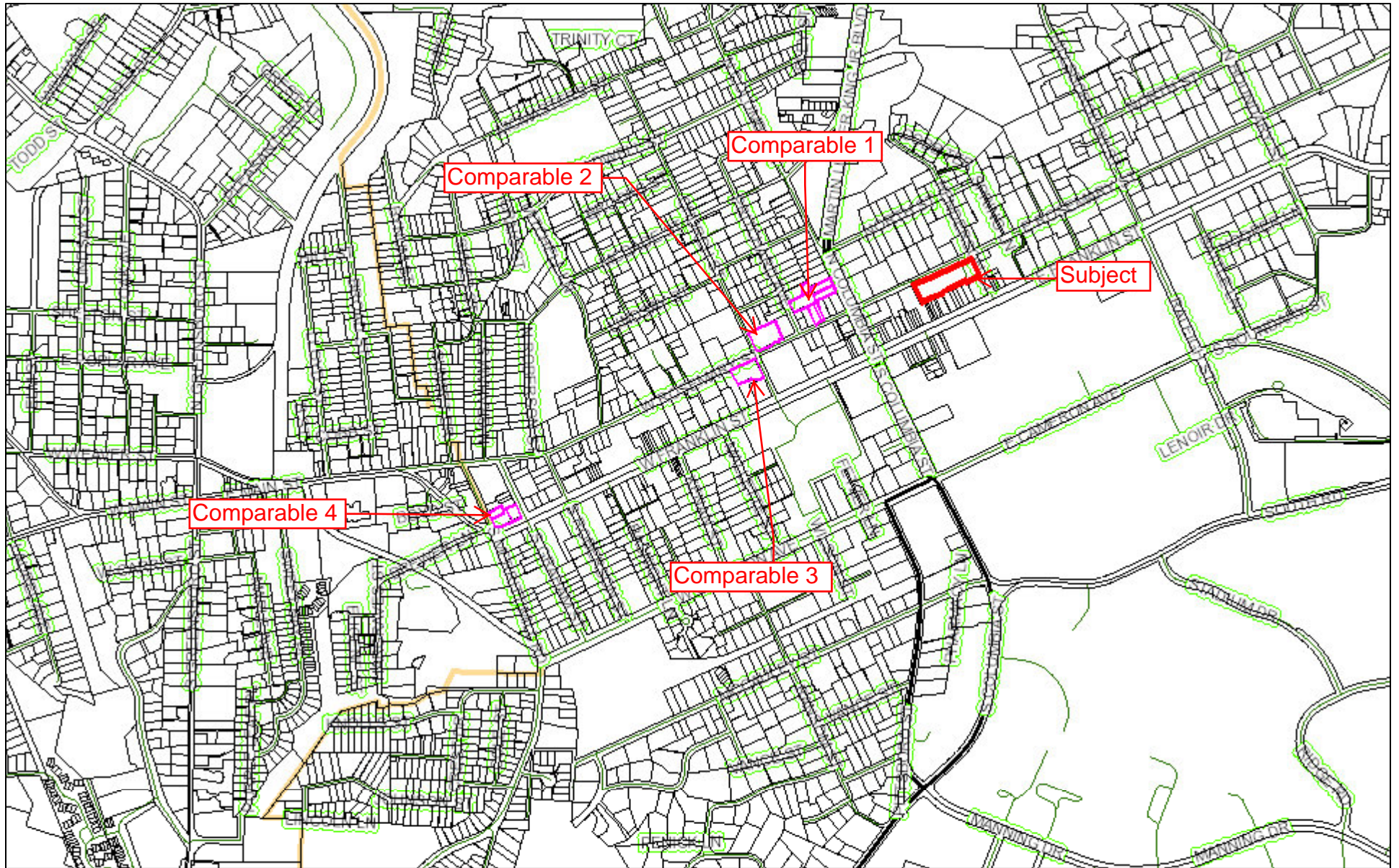
All that certain lot or parcel of land, together with all improvements thereon, situated, lying and being at the Southeastern intersection of Columbia and Rosemary Streets in the Town of Chapel Hill, North Carolina, and more particularly described as: Beginning at a stake in the said intersection and running thence in an eastern direction and along the South property line of Rosemary Street 133 feet to a stake, the

BOOK 1269 PAGE 447

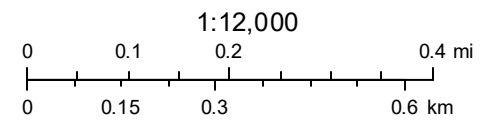
Northwest corner of the former Herndon lot; running thence Southward with the former Herndon line and parallel with Columbia Street 75 feet to a stake; running thence Westward and still with the former Herndon line and parallel with Rosemary Street 133 feet to a stake in the East property line of Columbia Street; running thence along the East property line of Columbia Street in a Northern direction 75 feet to the beginning being the same land conveyed to S.J. Brockwell by deed of S.L. Herndon and wife, dated August 26, 1911, and recorded in the office of the Register of Deeds of Orange County in Book 64 at Page 171, and being the same property conveyed to William L. Sloan and Ruth H. Sloan, by deed from Fannie S. Brockwell, dated September 21, 1954, and recorded in the office of the Register of Deeds of Orange County, in Book 152, Page 42.

C:\WORK\CHEXARDS July 13, 1994

Location Map of Comparables



February 13, 2020



COMPARABLE 2

REFERENCE NUMBER: 2016-129
TYPE PROPERTY: Vacant Commercial
COUNTY: Orange
LOCATION: 212, 214 & 220 W Rosemary, Chapel Hill
TAX REFERENCE: 9788-27-5353, 9788-27-6326 and 9788-27-6387
ZONING: TC-2
GRANTOR: Michael Slomiany and wife Kimberly F. Slomiany
GRANTEE: Chapel Hill Hotels, LLC
DATE OF SALE: 5/31/2016
DEED REFERENCE 6134/313
STAMPS: \$6,500.00
PRESENT USE: AC Hotel
BEST USE: Commercial
UTILITIES: All City
SALES PRICE: \$3,250,000
CONFIRMED BY: Burt Shuler & John Morris, Brokers
CONDITION OF SALE: Arms-Length
PROPERTY RIGHTS TRANSFERRED: Fee simple
FINANCING: Cash to seller
LAND SIZE: 0.72 Acre
ACCESS/FRONTAGE: Paved Public Road
TOPOGRAPHY: Mostly Level
COMMENTS: Assembled for Hotel



COMPARABLE 4

REFERENCE NUMBER: 2019-18
TYPE PROPERTY: Vacant Commercial
COUNTY: Orange
LOCATION: 600 & 610 W Franklin & 108 N Merritt Mill, Chapel Hill
TAX REFERENCE: 9788-06-6054, 9788-06-7190 and 9788-06-8185
ZONING: TC-2
GRANTOR: (1) Nancy McLaine Pierce and Carol Ann McLain and spouse Roger Massie
(2) James S. Stewart, Trustee of the James A. Stewart Revocable Trust
(3) Eugene F. Hamer, Jr.
GRANTEE: Barrier Island Properties, LLC
DATE OF SALE: (1) 12/10/2019, (2) 12/9/2019 & (3) 7/30/2019
DEED REFERENCE (1) 6639/581, (2) 6639/573 (3) 6621/450
STAMPS: \$3,591.00 (total)
PRESENT USE: Commercial
BEST USE: Redevelopment for Commercial
UTILITIES: All City
SALES PRICE: \$1,795,500,000
CONFIRMED BY: Paul Snow, Appraiser
CONDITION OF SALE: Arms-Length
PROPERTY RIGHTS TRANSFERRED: Fee simple
FINANCING: Cash to seller
LAND SIZE: 0.5216 Acre (7,767 SF, 10,176 SF and 4,779 SF)
ACCESS/FRONTAGE: Paved Public Road
TOPOGRAPHY: Mostly Level
COMMENTS:

