

APPRAISAL OF
A MUNICIPAL BUILDING

LOCATED AT

828 MARTIN LUTHER KING JR BOULEVARD
CHAPEL HILL, NORTH CAROLINA

AS OF

JANUARY 22, 2018

FOR

TOWN OF CHAPEL HILL
ECONOMIC DEVELOPMENT OFFICE
405 MARTIN LUTHER KING JR BOULEVARD
CHAPEL HILL, NORTH CAROLINA 28514

BY

DAVID A. SMITH, MAI, SRA
POST OFFICE BOX 51597
DURHAM, NORTH CAROLINA 27717-1597

PART ONE - INTRODUCTION



DAVID A. SMITH, MAI, SRA

P.O. BOX 51597
DURHAM, NORTH CAROLINA 27717-1597
PHONE (919) 493-1534
smithappraiser@frontier.com



January 23, 2018

Town of Chapel Hill
Economic Development Office
405 Martin Luther King Jr Boulevard
Chapel Hill, NC 28514

As requested, I have inspected and appraised a parcel of real estate located at 858 Martin Luther King Jr Boulevard in Chapel Hill, North Carolina. At time of inspection, the property was a 10.9 acre site improved with a 21,154 square foot municipal building 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 property if placed for sale on the open market both with and without the existing contamination. The intended use of the appraisal is to assist in the possible sale of the property. 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 January 22, 2018 which is the effective date of this appraisal. The effective date of this report is January 23, 2018. 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 34 pages, and subject to the assumptions and limiting conditions as stated, it is my opinion that the market values of the fee simple estate of the property as of January 22, 2018 are:

WITHOUT THE EXISTING CONTAMINATION	\$4,000,000
WITH THE EXISTING CONTAMINATION	\$ 0

These values do not include any personal, non-real property or equipment. They also do not include the business value of any operations that may be associated with the property.

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

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

David A. Smith, MAI, SRA

SUMMARY OF IMPORTANT CONCLUSIONS

Location: 828 Martin Luther King, Jr Boulevard
Chapel Hill, North Carolina

Report type: Standard appraisal report

Special and Extraordinary assumptions or hypothetical conditions: One value assumes the contamination is not present

Effective date of the appraisal: January 22, 2018

Date of the report: January 23, 2018

Type property: Municipal

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 property if placed for sale on the open market both with and without existing contamination.

Land Area: 10.9 acres

Building Area: 21,154 Square Feet±

Tax Parcel Reference Number: 9789413949

Zoning: R-2 – Low Density Residential

Highest and best use as though vacant assuming no contamination: Office or multi-family residential

Highest and best use as improved assuming no contamination: Removal of existing improvements and improvement with office or multi-family residential

Highest and best use with contamination: Removal of existing improvements and contamination and improvement with multi-family or office if financially feasible.

OPINIONS OF VALUE:

Value of the Property Assuming no Contamination \$4,000,000
Value of the Property with Contamination \$ 0

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 client is the officers and employees of the Town of Chapel Hill and they are also the intended users. The intended use of the appraisal is for possible sale purposes. The type of value requested is the market value. The effective date of the appraisal is the date of inspection, January 22, 2018. The property is improved and the interest is the fee simple interest. One of the values assumes there is no contamination on the site. 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 of the Town of Chapel Hill. I last inspected the property on January 22, 2018 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 assuming no contamination is for removal of the existing improvements and use of the site for office or multi-family residential. An opinion of the fee simple value with this assumption is developed using the sales comparison approach. The highest and best use of the site with the contamination is for removal of the improvements and contamination and improvement with office or multifamily if financially feasible.

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-five 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 2016 - 2017. 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. One of the values in this appraisal assumes there is no contamination of the site.

No special or other 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, Neuse or Cape Fear 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 and improvements descriptions are 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 both with and without the existing contamination. The intended use of the appraisal is for possible sale 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 January 22, 2018. The date of the report is January 23, 2018.

PROPERTY RIGHTS APPRAISED

The ownership interest appraised is that of the Town of Chapel Hill who own the property according to public records. To my knowledge the property is not leased and not property rights have been transferred. 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 10.9 acre site improved with a 21,154 square foot municipal building and related on-site improvements located at 858 Martin Luther King Jr Boulevard 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 9789413949.

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 received the property from Richard W. Sparrow and Louise Oakley on October 13, 1980 according to a final judgement and order recorded in deed book 350, page 325. This appears to be a condemnation and the price paid is stated at \$131,250. This previous transfer does not affect the current value.

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.

Environmental – The subject is located in the city limits 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.

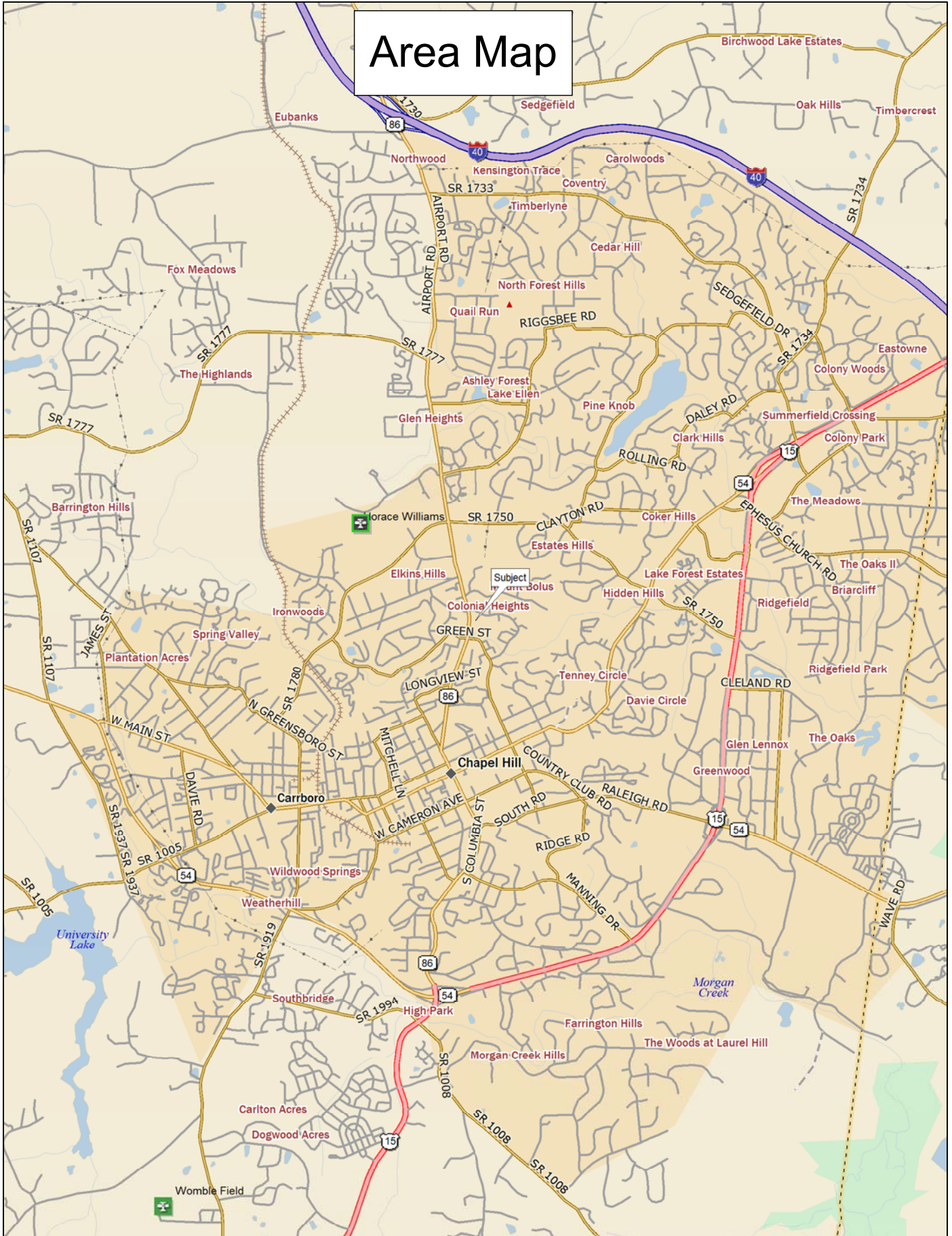
There are three municipalities in Orange County. Hillsborough, the county seat, is located roughly in the center of the county; Chapel Hill and Carrboro, which are contiguous, are located in the southeast portion of the county. The population of the county in 2017 was 134,239 of which 61,036 lived in Chapel Hill.

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 533,978 people in 2014. Raleigh is about 21 miles southeast of Chapel Hill/Carrboro and Durham is about 7 miles northeast.

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.

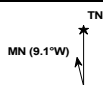
Area Map



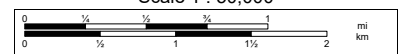
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Scale 1 : 50,000



1" = 4,166.7 ft

Data Zoom 12-0

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 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. The university has an enrollment of 29,127 students of which 18,350 are undergraduates with over 60 majors departments and doctoral degrees in some 55 fields. The university is also the leading employer in Orange County. The other major employers in Orange County: UNC Health Care, Chapel Hill-Carrboro Schools, Orange County Schools, Orange County Government, Eurosports, Town of Chapel Hill, UNC Physician Network, Aramark Food and Supply Services and Wal-Mart.

Of major importance to Chapel Hill is the Research Triangle Park (RTP) which is located about 8 miles east on a 7,000 acre tract in Durham and Wake Counties. "The Park" as it is also known is limited to organizations engaged in research, development, and scientifically oriented production. 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.

The Park was created over 35 years ago and is the largest planned research park of its type in the country. The facilities in the park employ about 50,000 people. Approximately 6,000 highly educated individuals work in The Park causing it to have the highest percentage of PhD's in the nation.

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 about 9.1 million passengers arrived and departed in 2005. It has about 352 flights daily to 38 cities.

The estimated median family income in Chapel Hill was \$60,804 compared to \$46,334 for the state. The median value of owner occupied housing was \$367,800.

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. Unemployment has consistently been and is currently at 3.9% for Orange County.

Governmental - Chapel Hill most directly influences 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. Both Chapel Hill and Carrboro are interested in keeping the "small town" appearance of their towns and have strict development policies. Commercial development is delegated to the downtown areas and a few outlying areas along major transportation routes. As a result, the downtowns have not suffered from as much of an exodus of business as have most areas of the country. Also the close proximity of downtown to the university helps to sustain the downtown shops.

This policy has also caused many major retailers to pass over the area and locate in nearby Durham. In fact, many Orange County residents shop in Durham. However, the overall impact has been positive and both towns have retained their small town charm at the expense of overall economic growth. Also the few areas that are commercial are in great demand and their values are higher than would otherwise be expected.

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.

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. Additionally, 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.

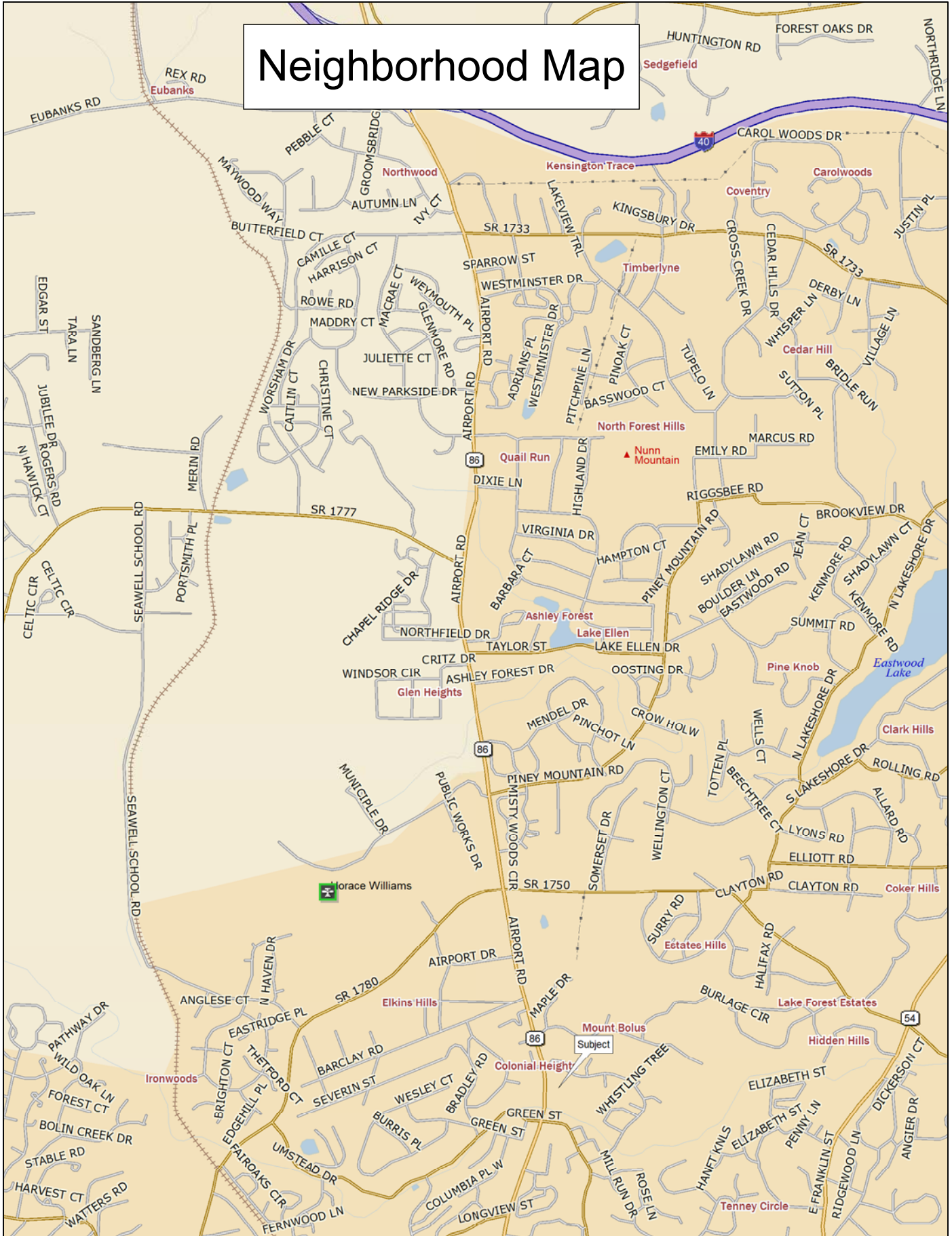
Summary - Chapel Hill along with nearby Carrboro is located in the central portion of the state with numerous interstates and highways providing excellent access. The town is also part of the Raleigh-Durham MSA which ranks as the 55th largest in the country. The economy is stable due to the presence 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 is located within the city limits of Chapel Hill, North Carolina about one mile north of the downtown business district. The neighborhood is generally that area located along both sides of Martin Luther King Boulevard between the downtown area (Franklin and Rosemary Streets) to the commercial area near Weaver Dairy Road and I-40. A location map is on the following page.

The neighborhood is a mixture of uses but is primarily office and multi-family residential in nature. There are also municipal uses in the area and a general aviation airport, Horace

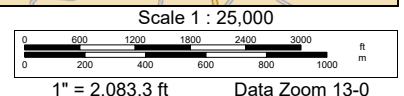
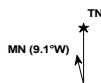
Neighborhood Map



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Williams. The municipal uses include the Chapel Hill town hall, police station and fire station. There are also several churches and a YMCA.

The primary influence in the neighborhood is Martin Luther King Jr. Boulevard which is the major transportation route between downtown and the residential areas north of the town. It also connects with I-40 to the north.

The neighborhood is served by the local bus system and there is a lot of pedestrian traffic, but the primary mode of transportation is automobile for which there is ample parking. Since the neighborhood is in the city limits, all city utilities are available.

The area is about 90% built up and has a good reputation.

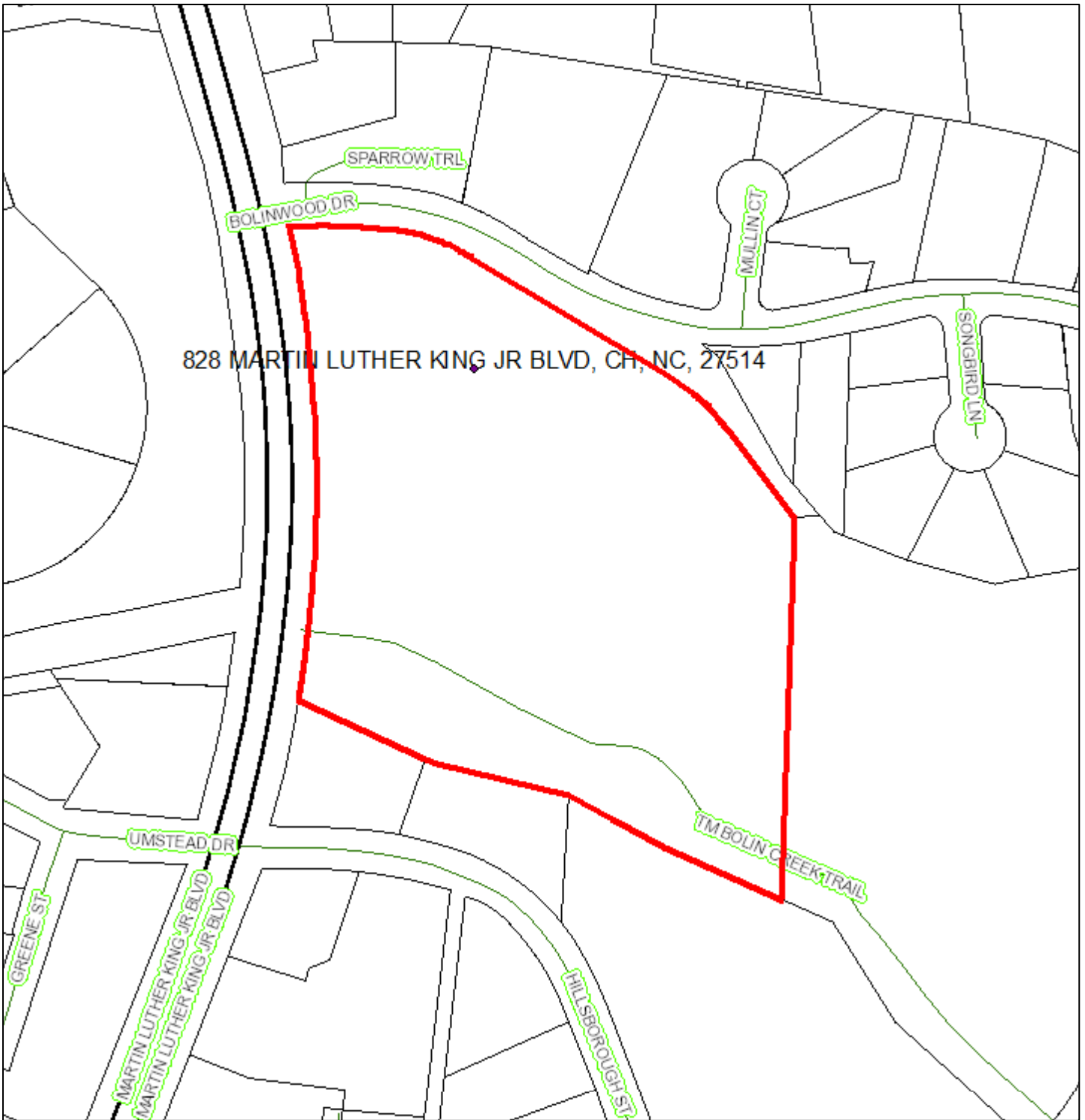
In conclusion, the neighborhood is situated between two popular commercial areas and has good access to downtown Chapel Hill and I-40. It contains many of the municipal facilities for the town, is mostly built up and has a good reputation. For these reasons, the neighborhood should remain stable and property values should increase.

LAND DESCRIPTION

The land description is based on the metes and bounds description found with the deed. A copy of this deed is in the addenda and for purposes of this report is assumed to be the correct legal description of the property. A copy of a GIS map showing the subject is on the following page.

The site is irregular in shape and the western boundary borders the east side of Airport Road (now Martin Luther King Jr Boulevard) two distances of 250 feet and 447 feet. The northern boundary borders the south side of Bolinwood Drive four distances of 250 feet, 100 feet, 240 feet and 300 feet. The eastern boundary is 525 feet and the southern boundary follows Bolin Creek four distances of 200 feet, 200 feet, 175 feet and 160 feet. The area of the site is reported to be 10.9 acres.

Site Sketch



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.

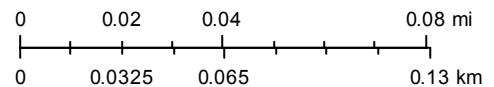
January 23, 2018

PIN: 9789413949
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: MILL-CREEK-BOOKER E/S 86

SIZE: 10.9 A
DEED REF: 350/325
RATECODE: 22
DATE SOLD: 10/16/1980
BLDG SQFT:
YEAR BUILT:

BUILDING COUNT:
LAND VALUE: \$218,000
BLDG_VALUE: \$
USE VALUE: \$
TOTAL VALUE: \$218,000

1:2,400



Martin Luther King Jr. Boulevard at this point is a five lane (two lanes in each direction plus a turn lane) asphalt surface city street and Bolinwood Drive is a two lane asphalt surface city street. All city utilities are available to the subject.

The topography of the site slopes downward from north to south and the southern portion of the site is in the floodplain of Bolin Creek. A copy of the GIS map with a floodplain overlay is in the addenda. It appears that about 2.4 acres is in the floodplain and is unbuildable.

According to the Town of Chapel Hill much of the property is contaminated with coal ash. Based on information supplied much of the site is affected. I am not qualified to assess the extent of this ash but the reported cost of remediation is \$10 million dollars.

In the area of the creek is part of a pedestrian and bicycle trail. This trail is completely in the floodplain and has no additional effect on the utility of the site. There is no evidence of any easements or encroachments on the site or in the legal documents. There are no other known adverse soil or sub-soil conditions, nuisances or hazards environmental or otherwise located on the site.

In summary, from a physical standpoint, the site is functional and buildable and suffers from no significant physical attributes that would restrict improvement other than the contamination. The site has access to a public street and all city utilities are available.

IMPROVEMENTS DESCRIPTION

The site is improved with a 21,154 square foot municipal building and related on-site improvements used as a police station. According to the Town of Chapel Hill there are issues with the structure that make it more feasible to remove the improvements than to repair them. Also, the building is currently a police station that would require conversion to another use. For these reasons the improvements are considered to have no value and no further description is given.

TAXES AND ASSESSMENT DATA

The Parcel Identification Number, Land Value, Improvement Value, Total Tax Value, Tax Rate, Tax Burden and Land Size for the subject from tax records are on a chart as follows. A copy of the property tax card is on the following page. The last tax valuation was in 2017 and the next has not been planned.

PIN	Land Value	Improvement Value	Total	Tax Rate	Tax Burden
9789413949	\$218,000	\$0	\$218,000	.015475	\$3,373.55

Since the property is owned by a governmental agency it is not subject to real estate taxes. Because of this it appears the county did not value the improvements. The land value is low assuming no contamination and high with the contamination.

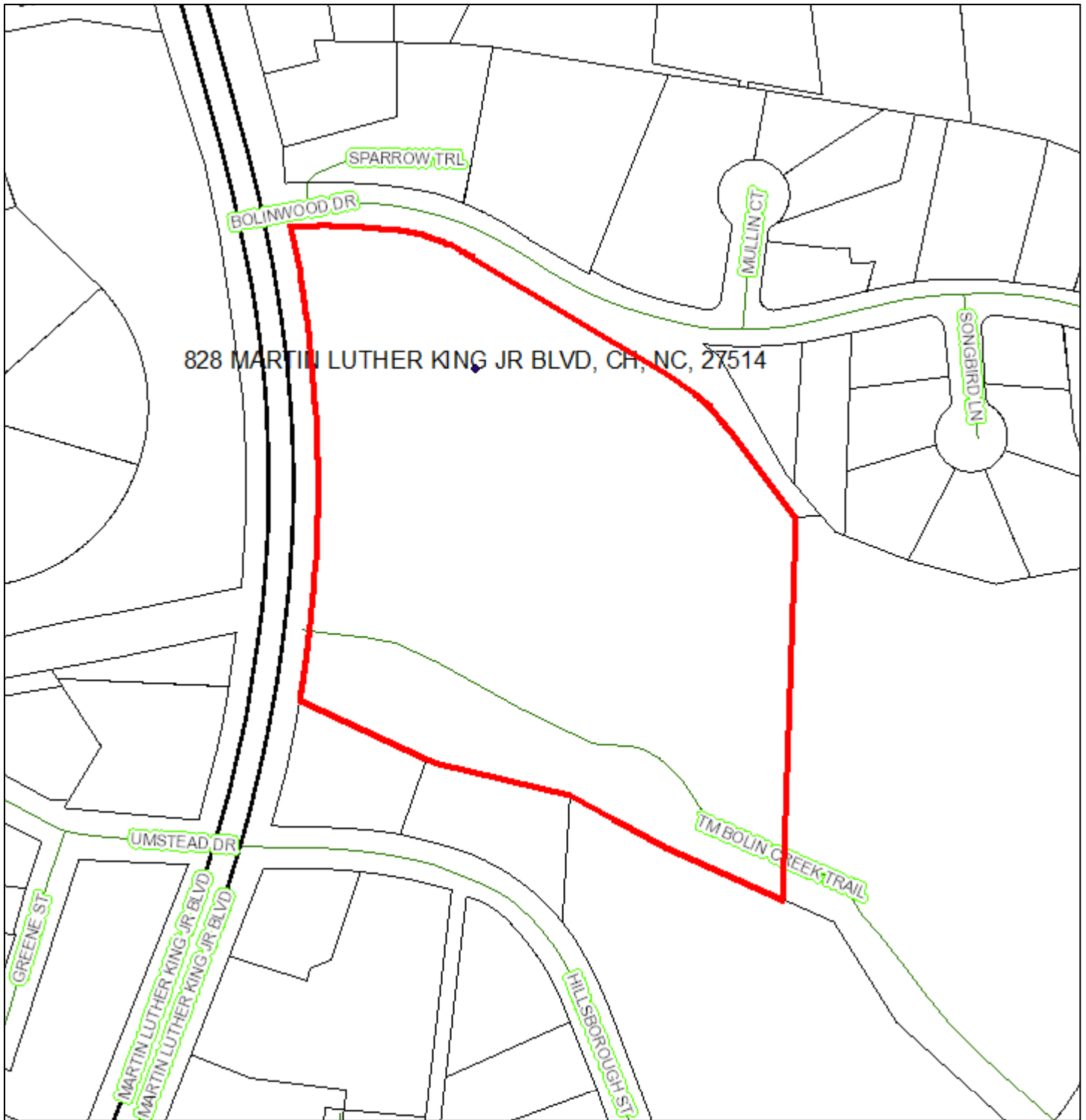
I am not aware of any current or future assessments.

ZONING AND OTHER LEGAL RESTRICTIONS

According to the Chapel Hill GIS, the property is located in an R-2 residential zone. This is a single family residential zone with a maximum density of four units per acre. A map showing the current zoning is on the following page. Adjoining the property to the south is a NC district (Neighborhood Commercial) and an R-4 district (Medium Density Residential). A short distance to the south is an OI-1 district and a short distance north is a large OI-2 and OI-3 district (Office Institutional). Downtown Chapel Hill is also a short distance to the south.

According to officials at the Town of Chapel Hill it is likely that the site could be rezoned to allow for office or multi-family residential use and this is assumed to be likely.

Tax Card



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.

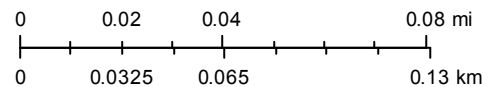
January 23, 2018

PIN: 9789413949
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: MILL-CREEK-BOOKER E/S 86

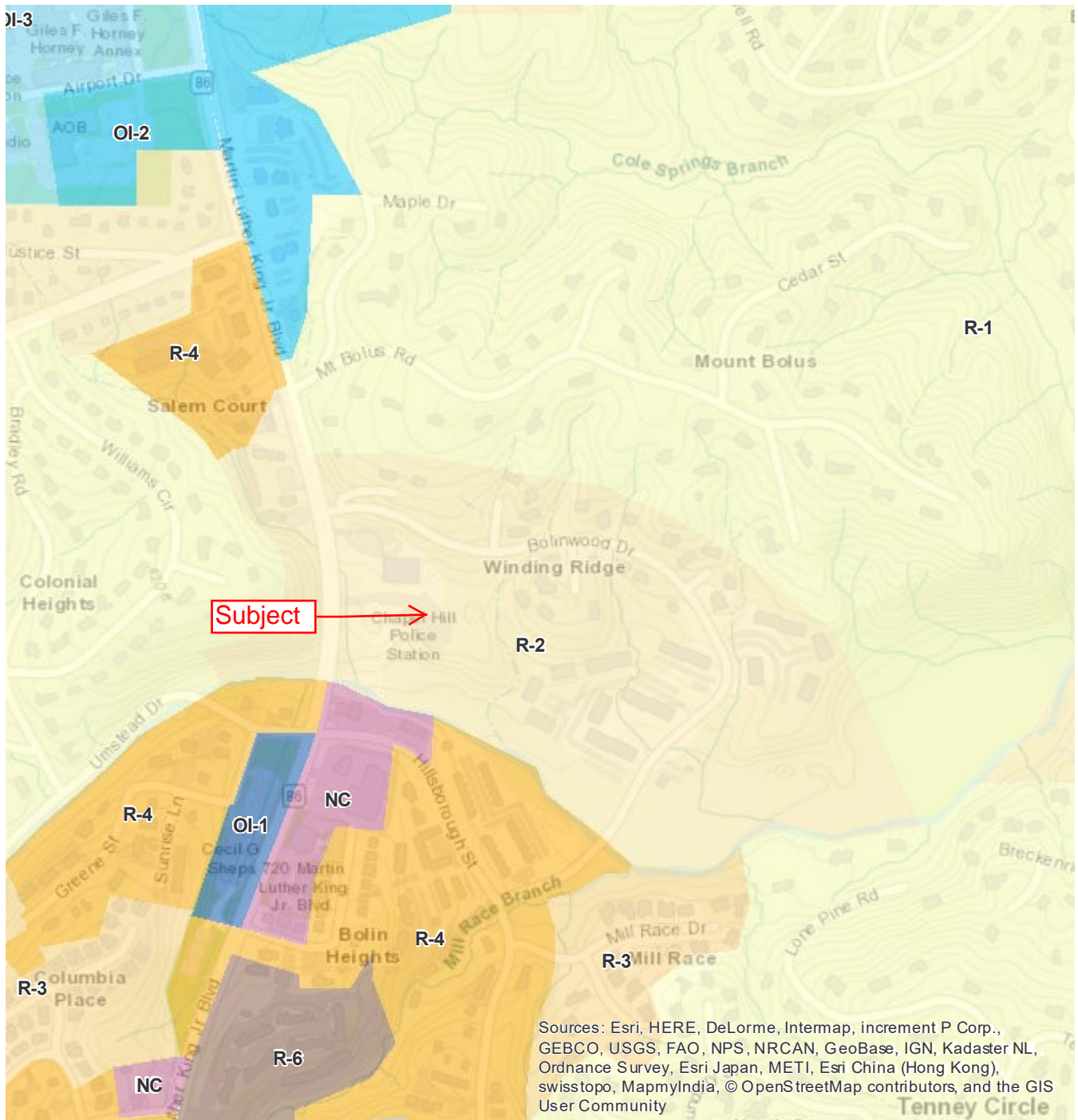
SIZE: 10.9 A
DEED REF: 350/325
RATECODE: 22
DATE SOLD: 10/16/1980
BLDG SQFT:
YEAR BUILT:

BUILDING COUNT:
LAND VALUE: \$218,000
BLDG_VALUE: \$
USE VALUE: \$
TOTAL VALUE: \$218,000

1:2,400



Zoning Map



PART FOUR – ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE – ASSUMING NOT CONTAMINATION

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 improvements have no contributing value only one highest and best use is developed. 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 Town of Chapel Hill. As more thoroughly discussed in the zoning section, the property is located in an R-2 district but it is very likely that the zoning can be changed to allow for office or multi-family. Commercial and industrial uses are not likely to be allowed. Single family residential is allowed by the current zoning and special uses such as schools, churches and daycare centers are allowed in virtually all districts.

Physical Possibility - As discussed in the Land Data section, the property has access to a publicly maintained street and all city utilities. The site is of sufficient size for most uses and all of the legally permissible uses are physically possible.

Financial Feasibility - The test of financial feasibility is whether a use would produce a positive return to the land. It is not feasible to improve the property with the special uses. While they can be

built on the site, the demand for these type uses is small and they can be built in virtually any zone. Office and residential uses are feasible.

Maximum Profitability - The use that produces the highest return to the land is the use with the maximum profitability. In this area, office and multi-family residential uses sell for more than single family residential uses and these would be the most profitable.

HIGHEST AND BEST USE – ASSUMING NO CONTAMINATION

With the contamination the highest and best use would be for removal of the contamination and then construction of some type of office or multi-family residential use if financially feasible.

OPINION OF VALUE – ASSUMING NO CONTAMINATION

To develop an opinion of the value of the property I will use the sales comparison approach only. Land of this type does not produce income 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 office or multi-family residential 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 - All of the comparables are fee simple transfers and 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 LAND SALES				
Comparable		1	2	3
Reference #		2017-01	2015-57	2015-56
Location	MLK	MLK	MLK & Weaver Dairy	Weaver Dairy
Tax Ref		9880247453	9880259598	9880350595
Zoning		MU-V	MU O&I	MU O&I
Date		Under Contract	8/14/2015	12/21/2015
Sales Price		\$2,400,000	\$1,000,000	\$900,000
Size (Acres)	7.69	4.250	1.780	1.804
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple
Financing Terms		Cash to Seller	Cash to Seller	Cash to Seller
Conditions of Sale		Arm's Length	Arm's Length	Arm's Length
Expenditures		None	None	None
Market Condition Adjustment		0.00%	7.00%	6.00%
Adjusted for Market Condition		\$2,400,000	\$1,070,000	\$954,000
Adjusted for				
Location		0.00%	0.00%	10.00%
Size		-7.00%	-12.00%	-12.00%
Access		0.00%	0.00%	0.00%
Utilities		0.00%	0.00%	0.00%
Topography		0.00%	0.00%	0.00%
Net Adjustment		-7.00%	-12.00%	-2.00%
Adjusted Sales Price		\$2,232,000	\$941,600	\$934,920
Economic Characteristics		Similar	Similar	Similar
Use		Office	Office	Office
Non-Realty Components		None	None	None
Adjusted Sales Price		\$2,232,000	\$941,600	\$934,920
Indicated Per Square Foot Value of Subject				
		\$12.06	\$12.14	\$11.90

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

Market Conditions (Time) – Upward adjustments are made on all of the comparables since market conditions are better now than when they sold.

Location – One of the comparables had a less desirable location since it was not on Martin Luther King Boulevard. The others have similar locations and no adjustments are made.

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

Size – All of the comparables are significantly smaller and 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 and no adjustments are made.

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

Topography – The subject has about 2.4 acres in the floodplain but this area has been deducted from the 10.90 acre total site area. The comparables have regular topographies and no further 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 \$12.06, \$12.14 and \$11.90 per square foot after adjusting. Based on this, the per square foot value of the subject is selected at \$12.00. My opinion of the land value of the subject land assuming no contamination is therefore:

334,976 square feet (7.69 Acres) @ \$12.00 per Sq Ft = \$4,019,712
Rounded \$4,000,000

OPINION OF VALUE WITH CONTAMINATION

A likely purchaser of the site would require the owner to remove the contamination or discount the purchase price by the cost to remove it. The estimated cost to remove the contamination is \$10,000,000 which exceeds the value of the property without contamination. Under these circumstances the property has no value since an owner would likely abandon the property rather than spend more on remediation than the property would be worth. It may be that the owner would be required to pay the remediation cost in which case the property would have a negative value.

If funds are available from the federal or state government or any other source it is possible that the site would have value if the cost of remediation to the owner was less than the \$4,000,000 property value. In addition to the cost, some sort of guarantee would likely be expected such that if any contamination is found later the purchaser could look to the previous owner to pay the costs of remediation.

SUMMARY OF THE APPRAISAL

Value of the Property Assuming no Contamination	\$4,000,000
Value of the Property with Contamination	\$ 0

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*, 2016-2017 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
National USPAP Update, 2014

OTHER SEMINARS:

Commercial Segregated Cost Seminar, Marshall & Swift, 1988
Appraisal Guide and Legal Principles, Department of Transportation, 1993
The Grammar Game, Career Track, 1994

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:

NC Property Tax Commission, 2013 – Present
Durham Civilian Police Review Board, 2009 - Present, Past Chair
Durham County Board of Equalization and Review, 2013 – Present
Durham Public Schools Budget Advisory Committee, 2013 - Present
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 (within the past five years):

LENDING INSTITUTIONS

American National Bank & Trust Company
AMEX Financial
BB&T
Citizens National Bank
CommunityOne Bank NA
Fidelity Bank
First South Bank
Harrington Bank
KeySource Commercial 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

Chapel Hill Transit
City of Durham
NC Department of Administration
Durham County
Durham Public Schools
Durham Technical Community College
Housing Authority of the City of Durham
NCDOT
Orange County
Orange Water and Sewer Authority
Person County
Town of Chapel Hill

OTHER

Allenton Management
AND Associates
Barcosnic
Builders of Hope
BCG Properties
Blanchard, Miller, Lewis & Styers Attorneys at Law
Blue Cross & Blue Shield of NC
Boulevard Proeprties
Bugg & Wolf Attorneys at Law
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
John and Mary Hebrank
LCFCU Financial Partners
Manor Associates
McDonald's USA
Mt. Gilead Baptist Church
Northgate Realty, LLC
Property Advisory Services, Inc.
Rand Enterprises
Research Triangle Foundation
Sehed Development Corporation
Simba Management
Southwest Durham Partners, LLC
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 and equitable distribution.

ADDENDA

PHOTOGRAPHS



Front View of Building



Rear View of Building

PHOTOGRAPHS



Street Scene along Martin Luther King Jr Boulevard



Street Scene along Martin Luther King Jr Boulevard

PHOTOGRAPHS



Walking Trail on Site



Bolin Creek on Site

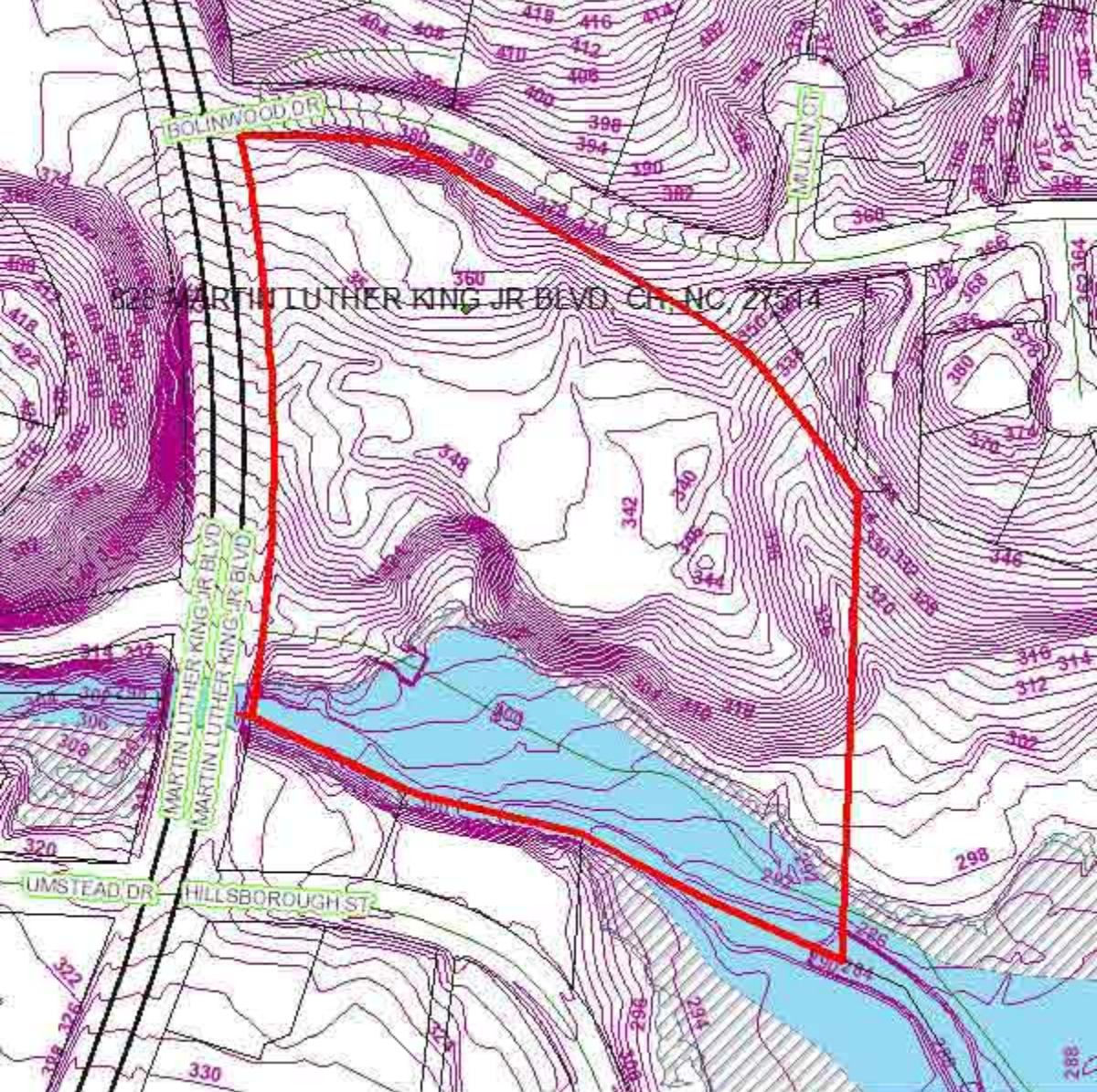
PHOTOGRAPHS



Street Scene along Martin Luther King Jr Boulevard



Bolinwood Drive



BOLINWOOD DR

MULLINCH

028 MARTIN LUTHER KING JR BLVD, CH, NC, 27514

MARTIN LUTHER KING JR BLVD
MARTIN LUTHER KING JR BLVD

UMSTEAD DR

HILLSBOROUGH ST

Orange County



November 8, 2017

*1-20-80
10:30
mc*

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
79 Cvs 154

THE TOWN OF CHAPEL HILL, a)
Municipal Corporation,)
Plaintiff)

v.

RICHARD W. SPARROW and)
LOUISE OAKLEY, Defendants)

FINAL JUDGMENT and ORDER

THIS CAUSE coming on to be heard and being heard before the undersigned Judge Presiding at the October 13, 1980 Term of Superior Court, Orange County, upon Motion by the Plaintiff for Final Judgment and Order of Disbursement pursuant to GS §136-107, made applicable to the Town of Chapel Hill by Special Act of the General Assembly of North Carolina, and

IT APPEARING TO THE COURT from an examination of the record in this action that this action was duly instituted on the 2nd day of March, 1979 by the issuance of Summons and of the Complaint, Declaration of Taking, and Notice of Deposit accompanied by the deposit in the initial amount of \$131,250.00 estimated by the Plaintiff to be just compensation for the taking or appropriation as setforth in said Complaint and Declaration of Taking, that said Summons together with copy of Complaint and Declaration of Taking was duly served upon the defendants by acceptance of service on the 13th day of March, 1979, and

IT FURTHER APPEARING TO THE COURT, and the Court concluding as a matter of law that the failure to answer within said twelve (12) months constitutes an admission that said amount of deposit is just compensation; and that said failure to answer is a

waiver of any further proceedings herein to determine just compensation as provided by GS §136-107.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

1. That the Town of Chapel Hill, Plaintiff herein, was entitled to acquire and did acquire on the 2d day of March, 1979 by filing a complaint and Declaration of Taking and Notice of Deposit accompanied by a total deposit in this cause of \$131,250.00, that estimated just compensation for that certain interest or estate in area herein more particular described for all the purposes for which the Town of Chapel Hill, successors or assigns are authorized by law to use the same, said land being described as follows:

All that certain tract or parcel of land situated, lying and being on the east side of the Chapel Hill Airport Road, now known as North Carolina Highway No. 86, and a short distance North of Town of Chapel Hill, N.C., and more particularly described as BEGINNING at a point in the East property line of the said highway and in the center of Bolin Creek; running thence along the East property line of the said road North 9° East 250 feet to a stake and North 447 feet to the Southeastern intersection of the said highway and a 30 foot road; running thence along the South property line of the said 30 foot road the following courses and distances: South 73° East 250 feet, South 65° East 100 feet, South 55° East 240 feet, and South 32° East 300 feet to a hickory; running thence South 5° West 525 feet to the center of Bolin Creek, witnessed by rocks and pointers; running thence up the said creek the following courses and distances: North 65° West 200 feet, North 57° West 200 feet; North 73° West 175 feet and North 60° West 160 feet to the BEGINNING, containing 10.90 acres, more or less, as surveyed and platted by J. Ralph Weaver, Registered Surveyor, on July 4, 1955.

Interest or estate acquired in and to the above described property of the defendant is fee simple.

2. That the failure of defendant to file answer within the 12-months after said acceptance of service of process, it is an admission that the said sum deposited is just compensation, and is a waiver of any further proceedings hereto to determine just compensation, and that the sum of \$131,250.00, which is the amount deposited by Plaintiff herein as aforesaid by the Plaintiff herein as aforesaid by the Plaintiff Town of Chapel Hill is just

Page 3

compensation for the taking of said property described below.

3. That the aforesaid sum of \$131,250.00 deposited herein by Plaintiff be disbursed by the Clerk of Court unless heretofore disbursed to the Defendant for the use and benefit of the Defendant as just and full compensation for the interest in area hereinabove described and taken by the Town of Chapel Hill, and for any and all damages to the defendant's remaining property caused by the appropriation of said property above described.

4. That a copy of this Judgment be certified by the Register of Deeds of aforesaid County, and be by him recorded among the land records of said County.

5. That the Plaintiff Town of Chapel pay the costs of this action.

This the 17 day of October, 1980.



JUDGE PRESIDING

FILED
BOOK/PAGE 350 PAGE 327

OCT 29 11 52 AM '80

BETTY JUNE HAYES
REGISTER OF DEEDS
ORANGE COUNTY, N.C.

Return to: Clerk Of Superior Court

COMPARABLE #1

REFERENCE NUMBER: 2017-01
TYPE PROPERTY: Unimproved Office
COUNTY: Orange
LOCATION: Martin Luther King Blvd. & Charterwood
TAX REFERENCE: 9880-24-7453
ZONING: MU-V
GRANTOR: WCA Partners LLC
GRANTEE: Ashok Patel
DATE OF SALE: Pending
DEED REFERENCE: NA
STAMPS: \$ NA
USE AT PURCHASE: Unimproved Office
BEST USE: Office
PENDING SALE PRICE: \$2,400,000
CONFIRMED BY: John Morris
CONDITION OF SALE: Arm's Length Transaction
PROPERTY RIGHTS TRANSFERRED: Fee Simple
FINANCING: Cash to Seller
LAND AREA: 4.25 acres
SOURCE: LN
COMMENTS: This parcel was purchased by the owner of the Quality Inn next door and is held for future redevelopment.



COMPARABLE #2

REFERENCE NUMBER: 2015-57
TYPE PROPERTY: Unimproved Office
COUNTY: Orange
LOCATION: 1171 Weaver Dairy Road
TAX REFERENCE: 9880-25-9598
ZONING: MU-O&I
GRANTOR: Walgreen Co.
GRANTEE: Weaver Crossing II, LLC
DATE OF SALE: 08/14/2015
DEED REFERENCE: 6001/449
STAMPS: \$2,000.00
USE AT PURCHASE: Unimproved Office
BEST USE: Office
SALE PRICE: \$1,000,000
CONFIRMED BY:
CONDITION OF SALE: Arm's Length Transaction
PROPERTY RIGHTS TRANSFERRED: Fee Simple
FINANCING: Cash to Seller
LAND AREA: 1.78 acres
SOURCE: LN
COMMENTS: On August 14, 2015 Walgreens relinquished its property located at 1171 Weaver Dairy Road in Chapel Hill, NC to Weaver Crossing LLC for \$1,000,000.



COMPARABLE #3

REFERENCE NUMBER: 2015-56
TYPE PROPERTY: Unimproved Office
COUNTY: Orange
LOCATION: 1165 Weaver Dairy Road
TAX REFERENCE: 9880-35-0595
ZONING: MU-O&I
GRANTOR: Beemer Mallett, LLC
GRANTEE: Comprop, LLC
DATE OF SALE: 12/21/2015
DEED REFERENCE: 6055/580
STAMPS: \$1,800.00
USE AT PURCHASE: Unimproved Office
BEST USE: Office
SALE PRICE: \$900,000
CONFIRMED BY: Michael Clayton
CONDITION OF SALE: Arm's Length Transaction
PROPERTY RIGHTS TRANSFERRED: Fee Simple
FINANCING: Cash to Seller
LAND AREA: 1.804 acres
SOURCE: LN
COMMENTS: On December 21, 2015, the 1.82 acres of land at 1165 Weaver Dairy Road sold for \$900,000. This land is zoned as MU-O&I and all utilities run to site.

