APPRAISAL REPORT

Air Rights to the rear of 112 East Market Street
Greensboro, NC

Prepared for
Tom Carruthers
City of Greensboro

Effective Date of Appraisal
August 13, 2018

Prepared by
Dick Foster, MAI
Foster Appraisal Services, Inc.
351 S. Swing Road Greensboro, NC 27409

August 15, 2018 File: F#180816

Dick Foster, MAI
Foster Appraisal Services, Inc.
351 South Swing Road,
Greensboro, NC 27409

Tom Carruthers
Director, Legal
City of Greensboro
One Governmental Plaza
Greensboro, NC 27402-3136

Re: 120 Square Feet of Air Rights to the rear of 112 East Market Street, Greensboro, NC

Dear Mr. Carruthers,

As per your request, I have visited, analyzed and appraised the above referenced real property. The attached report contains the data and analysis utilized in arriving at the market value estimate of the fee simple interest of the area located inside the site referred to as Elm Street Hotel & Parking Deck Site (Plat 197 Page 61). The effective date of this appraisal is August 13, 2018. As a result of my investigation, I have estimated market value of the fee simple interest of the area inside the easement, subject to the assumptions and limitations as specifically provided within this report, to be:

$720

This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice and Title XI of FIRREA for an Appraisal Report. As such, it presents summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within. The appraisers are not responsible for unauthorized use of this report. It was a pleasure preparing this appraisal for you and your institution.

120 Square foot Air Rights, to the rear of 112 East Market Street

Respectfully Submitted

Dick Foster, MAI
NC State Certificate #A-1070

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CONTINGENT AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such specific and limiting conditions as are set forth by the Appraisers in the report.

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.

3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefore.

4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

6. Information, estimates, and opinions furnished to the Appraiser, and contained in this report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser are affiliated.

8. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the Appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers or firm with which the appraiser is connected, or any reference to the professional organizations with which the appraiser is affiliated or to the designation of the appraisers. Further, the appraiser or firm assume no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client indicated in this report, the client shall make such party aware of all assumptions and limiting conditions of this assignment.

9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements as advised and in a professional workmanlike manner.

10. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. It is urged that the client retain an expert in this field if desired.

11. A legal description was not provided to the appraiser by the client. The legal description in the report is assumed to be correct. The appraiser assumes no responsibility for matters legal in character nor do we render any opinion as to title, which is assumed to be good and marketable.

12. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, and that all zoning, building, and use regulations and restrictions of all types have been complied with unless non-compliance is stated, defined and considered in the appraisal report. It is further assumed that all licenses, consents, permits, or legislative or administrative authority required by any local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use by anyone other than the Client without the prior written consent of the Appraiser or the Client, and then only with the proper identification and qualification and only in its entirety. No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such change is made.

14. Any after-tax investment analysis and resulting measures of return on investment are intended to reflect only possible and general market considerations, whether used to estimate value or return on investment given a purchase price. Please note that the Appraiser does not claim expertise in tax matters and advises Client to seek competent tax advice.

15. The liability of Appraisers and the firm is limited to the Client only and to the fee actually received by Appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in property, Client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, Client will hold Appraiser completely harmless in any such action.

16. Any projections, forecasts, etc. regarding future patterns of income and/or expenses, prices/values, etc. represent the analyst's best estimates of investor anticipation with respect to these items, based on information available at the date of appraisal or analysis. Such information includes forecasts/projections published by recognized sources such as economists, financial publications, investor surveys, etc. Economic trends can affect future behavior of income, expenses, values, etc. Changes in these items caused by future occurrences could result in values different from those established in this report. The appraiser cannot accept responsibility for economic variables in the future which could not have been known or anticipated at the date of analysis (inflation rates, economic upswings or downturns, fiscal policy changes, etc.).

17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could 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 effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non- compliance with the requirements of ADA in estimating the value of the property.

18. The value estimated contained within this report assumes no impact on value because of "Section 404 Wetlands" as defined by the U.S. Army Corps of Engineers. The property is not encumbered by Flood Plain area yet may in fact contain wetlands. In reviewing the site plan, it appears that this area will remain undisturbed. The appraiser is not experts in this field. It is recommended that the client seek the advice of an expert to determine any potential impact of wetlands on the property.

19. The appraiser is submitting an appraisal report on the fee simple interest of the area located inside of the existing air easement that encumbering City Land to the rear of 112 East Market Street, Greensboro, Guilford County, North Carolina. This area is legally described in the proposed deed included later in this report. The proposed grantee of this air rights is also the proposed grantee of an access easement to the property located at 117 and 119 South Elm Street (aka “N Club”)

This appraisal report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Practice and Title XI of FIRREA. As such, it presents summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraisers’ opinion of value. Supporting documents are retained in the appraisers’ files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraisers are not responsible for unauthorized use of this report.

20. No evidence of ground contamination was noted by the appraiser, however the appraiser is not an expert in this field. The appraiser recommends an environmental survey be done to

determine if ground contamination is present. This appraisal report assumes no ground contamination is present.

21. Acceptance of, and/or use of, this appraisal report by the Client or any third party constitutes acceptance of the above conditions. APPRAISERS LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS, AND IS LIMITED TO THE FEE RECEIVED.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDTIONS

An extraordinary assumption is defined as "as 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." USPAP 2016-2017, page 307

Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

This appraisal report is based on the extraordinary assumption that there are no environmental issues with the subject site that would hinder the site development.

A certified and signed deed or plat of the proposed air rights easement or access easement were not provided and the assumption is made that the proposed drawings and unsigned deed draft will be the final result of this proposed air rights. Any change in the preliminary documents may result in a required change in this appraisal assignment.

A hypothetical condition is defined as "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 analysis". USPAP 2016-2017, page 308

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

In order to estimate the value of the land that is located inside the air rights easement, the subject's total site will be compared to similar land sales with the hypothetical condition that the air rights easement does not exist. The value of the land per square foot will be applied to the area inside the area of the air rights in order to estimate its value as if unencumbered by this proposed air rights easement.

The properties served by this air rights easement have not been analyzed.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY LOCATION: Proposed air rights that serves
Property to the rear of 112 East Market Street
Greensboro, North Carolina

EFFECTIVE DATE
OF APPRAISAL: August 13, 2018

PROPERTY RIGHTS: Fee Simple

LAND DESCRIPTION:

Property Encumbered by Air Rights (Land to the rear of 112 E. Market St.)
The site consists of the area above 15 feet of a 120 square feet site zoned CB, Central Business District. These 120 square feet measures 20 feet by 6 feet. The first 15 feet is not to be built upon. It is served by all city utilities and has a slight slope in topography for drainage. There is one access point on East Market Street via a former alley know owned in fee simple by the City of Greensboro except for access to certain properties. The site has no landscaping. It is functional for the present use and offers parking space for the surrounding improvements.

HIGHEST AND BEST USE: Retail

VALUE INDICATIONS:

FINAL CONCLUSION
OF VALUE: $720

SCOPE

The scope of the appraisal is the estimation of market value for real property that involves a systematic process of identifying the problem to be solved, determining and performing the scope of work necessary to develop credible assignment results, and disclosing the scope of work in the report. The client, The City of Greensboro, has requested a value of the fee simple interest in the 120 square feet of air rights located to the rear of 112 East Market Street. These air rights begin 15 feet above ground level.

I do believe the proposed air rights easement will have a negative effect on the presently unencumber site as there will be no construction allowed above 15 Feet by the land owner. Therefore, there is value loss attributable to loss of this easement.

In order to properly identify the problem to be solved an appraiser must identify the significant parameters of an appraisal assignment such as;

- the intended use and users of an appraiser's opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.
- the type of opinion and the effective date(s) of the appraisal
- relevant characteristics about the subject (the defined real estate interest of the assignment)
- any assignment conditions, extraordinary assumptions, hypothetical conditions, supplemental standards or jurisdictional exceptions that may affect an appraisal

The scope of work includes:

the extent to which the property is identified
the extent to which tangible property is observed
the type and extent of data researched
the type and extent of analyses applied to arrive at opinions or conclusions.

These parameters are identified and discussed throughout the body of this report:

The subject is the fee simple interest in the 120 square feet located to the rear of 112 East Market Street. The building that will utilize the proposed air rights easement is a live stage theater located at 117 and 119 South Elm Street. The appraiser is to estimate the market value of the fee simple interest of the area located inside the proposed air rights easement and not an access easement.

This process involves inspecting the property and comparing it to other similar properties. The comparison typically uses three approaches; the Cost Approach, the Sales Comparison Approach, and the Income Approach. However, the subject is vacant land, therefore only the sales comparison approach will be utilized to value the land located in the existing access easement.

The sales comparison approach is predicated on comparison of the subject to similar properties recently purchased. It is the method of estimating value much used and most understood by the market. The primary difficulty of this approach is obtaining a sufficient number of bona fide arm's length sales of reasonably similar properties that have sold within a recent time frame. The appraisers have searched the area for information available for sales of similar properties that have occurred as recently as possible. The appraiser believes that the sales comparables should be found in the downtown area, in the immediate area of the subject. The subject's immediate area is comprised of similar properties which are not commonly found in other Greensboro locations. The sales used were considered reasonable current and reflective of the market.

As part of this assignment, the appraiser has made independent investigations and analyses. In addition, data retained in the appraisers' office is continually updated for use in all assignments. Finally, listed below are the major data sources used in this appraisal report:

Tax maps and Guilford County GIS were utilized for additional site information.
Internal files located in the appraisers' office
Previous appraisals
Current data extracted from the market

The report that follows is a summary analysis of the data collected. In preparing this appraisal report, the appraiser examined the subject site and market area. The appraiser confirmed and analyzed the data and applied the sales comparison approach as it is the only applicable approach.

This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice and Title XI of FIRREA for an Appraisal Report. As such, it presents summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file.

TYPE OF VALUE AND INTENDED USE OF APPRAISAL

The purpose of the appraisal is to present the data and reasoning that the appraisers have used to form the opinion of current market value of the fee simple interest in the subject property as of the appraisal dates. The current definition of Market Value, as defined in the Uniform Standards of Professional Practice of the Appraisal Foundation, is as follows:

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 definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider to be their best interest;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal price for the property sold unaffected by creative or special financing or sales concession granted to anyone associated with the sale.*

The property rights being appraised in this report consist of the fee simple interest. Fee simple and leased fee are defined by The Dictionary of Real Estate Appraisal as being:

- fee simple: absolute ownership unencumbered by any interest or estate subject only to the four powers of government.[1]

- leased fee estate: the ownership interest of the owner or landlord. The lease fee interest of a property is held in fee with the right of the use and occupancy conveyed by lease to others. A property consisting of the right to receive rentals over a period of time, plus the right of ultimate repossession at the time of termination of the lease.

The fee simple interest includes all the rights of ownership known as the "bundle of rights." They consist of the use, sell, lease, exclusion from trespass, right to give the property away, and the right to refuse to exercise these rights. Through lease agreement, portions of these rights can be transferred such as in right of possession or trespass by easement. The local and federal governments also have rights in the property through the powers of taxation, eminent domain, police power, and escheat. The fee simple interest of the area located inside the existing access easement is the subject of this report but the land is appraised assuming no easement exists.

Source: The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, 2002.

This report is intended to be used by The City of Greensboro as an aid in estimating the market value of the fee simple interest in the proposed air rights easement area located inside the site presently owned by the City of Greensboro.

Definition of Air Rights

"The right to undisturbed use and control of designated air space above a specific land area within stated elevations. Such rights may be acquired to construct a building above land or building of another or to protect the right and air of an existing or proposed structure on an adjoining lot." This definition may be found on page 89 of the 12th addition of the Appraisal of Real Estate published by the Appraisal Institute.

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[1] *The Dictionary of Real Estate Appraisal*. 2nd ed. Chicago: The American Institute of Real Estate Appraisers. Page 120.

DATES OF VALUE ESTIMATES

The date of the appraisal is August 15, 2018. The effective date of this report is August 13, 2018.

IDENTIFICATION OF THE PROPERTY

The property that to be served by the proposed air rights easement at the rear of 112 East Market Street in Greensboro, NC 15 feet above the ground level of the legal description shown as follows

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple, subject to the express reservation of an easement in favor of the City of Greensboro, its successors and assigns, for the purpose of going on and maintaining a pedestrian ingress and egress pathway over and through the parcel so that the path of travel is unobstructed and no building shall be permitted in the first fifteen (15) feet of height over the parcel, and subject to the Declaration of Easements recorded at Deed Book ____ Page ____ of the Guilford County Registry, the Parking Easement recorded at Deed Book ____ Page _____ and all other easements and rights-of-way of record.

Beginning at an existing PK Nail in an eastern corner of Grantor (now or formerly City of Greensboro as shown on a map entitled “Elm Street Hotel & Parking Deck Site” and recorded in Plat Book 197 Page 61, in the Office of the Register of Deeds of Guilford County, N.C.) said nail also being the southeastern corner of N Club LLC as described and recorded in Deed Book 6562 Page 2286 in said Guilford County Registry; thence along the northern line of herein described tract, South 85°55’35” East 6.00 feet to a mag nail set, said nail being the northeastern corner of said herein described tract; thence along the eastern line of said herein described tract South 03°55’46” West 20.00 feet to a mag nail set, said nail being the southeastern corner of said herein described tract; thence along the southern line of said herein described tract, North 85°55’35” West 6.00 feet to a mag nail set, said nail being the southwestern corner of said herein described tract; thence along the western line of said herein described tract, North 03°55’46” East 20.00 feet to the principle point of beginning, containing and area of 120 square feet±.

Said premises being subject to the reservations set out hereinabove.

filename: Air Rights Tract_0000004 Initials: DRM Date: 8/10/2018

HISTORY OF THE PROPERTY

This larger parcel is presently owned by the City of Greensboro as shown on the Warranty Deed recorded in deed book 8016 and pages 2523-2525 in the Guilford County Register of Deeds Office. The City paid $38, 860 for 1,472 square feet as per the deed. The grantor to the City was Millennium Resource Alternatives, LLC. A copy of this deed in the addendum of this report.

Millennium Resource Alternatives, LLC acquired this property from 121 S. Elm, LLC October 15, 2015.

ZONING

The subject parcel that is encumbered by the access easement is zoned CB, Central Business District and is also located in the Downtown Design Overlay. The City of Greensboro defines these districts as follows:

30-6-5.5 CB, Central Business District

The CB, Central Business district is solely intended for application in the central core of the city. The district is established to encourage high-intensity, compact urban development. The district is intended to accommodate a wide range of uses including office, retail, service, institutional, and high-density residential developments in a pedestrian-oriented mixed-use setting (often, multiple uses may be located in the same building).

30-6-9.4 –DDO, Downtown Design Overlay

The –DDO, Downtown Design Overlay is established to provide for compatibility throughout downtown and between higher intensity development in the central business district and lower intensity development surrounding the downtown. It is the intent of the -DDO to encourage intense development and pedestrian activity in the downtown area that enhances, respects and builds upon historic contexts and promotes visual harmony, and provides for appropriate transitions to surrounding neighborhoods through clear, flexible guidance.

The subject is a legal and conforming land use of this designation. Below is a copy of the zoning map that shows the location and zoning of the subject.

TAX ANALYSIS

The subject property is a portion of a larger tract shown on the Guilford County Tax Records with parcel identification number 0227270. The current assessed value for the property has been established at $45,700, however, the subject is tax exempt given that it is owned by the City of Greensboro. This property is inside the city limits of Greensboro and in the Greensboro Downtown Improvement District. The 2017 tax rate has been established at $1.443 per $100 of assessed value. The property taxes are estimated as follows if the subject were not tax exempt:

Total Estimated Assessed Value	2017 Tax Rate/$100	Estimated Taxes
$45,700	$1.443	$659.45

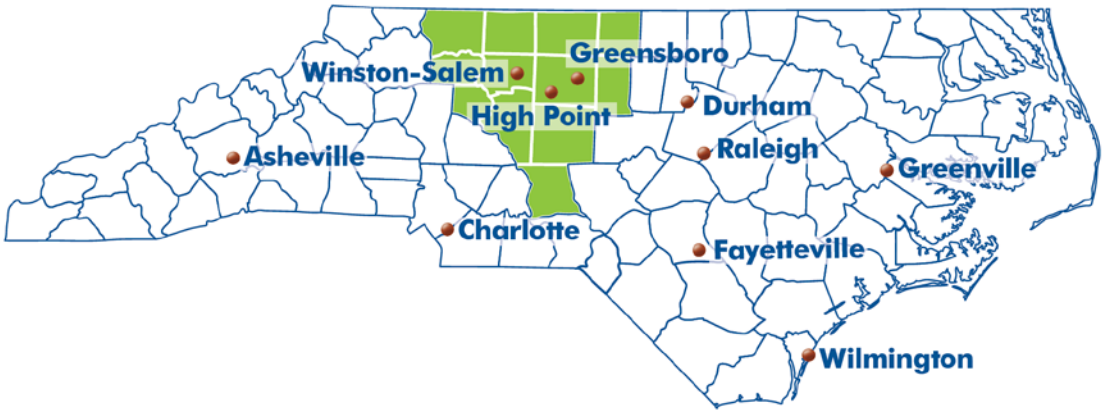
According to the market value estimate determined within this report, the present assessed value of the subject as a whole is favorable to the owner. As the site is owned by the City, it is not subject to real estate tax.

REGIONAL, SOCIAL, ECONOMIC, and GOVERNMENTAL DATA

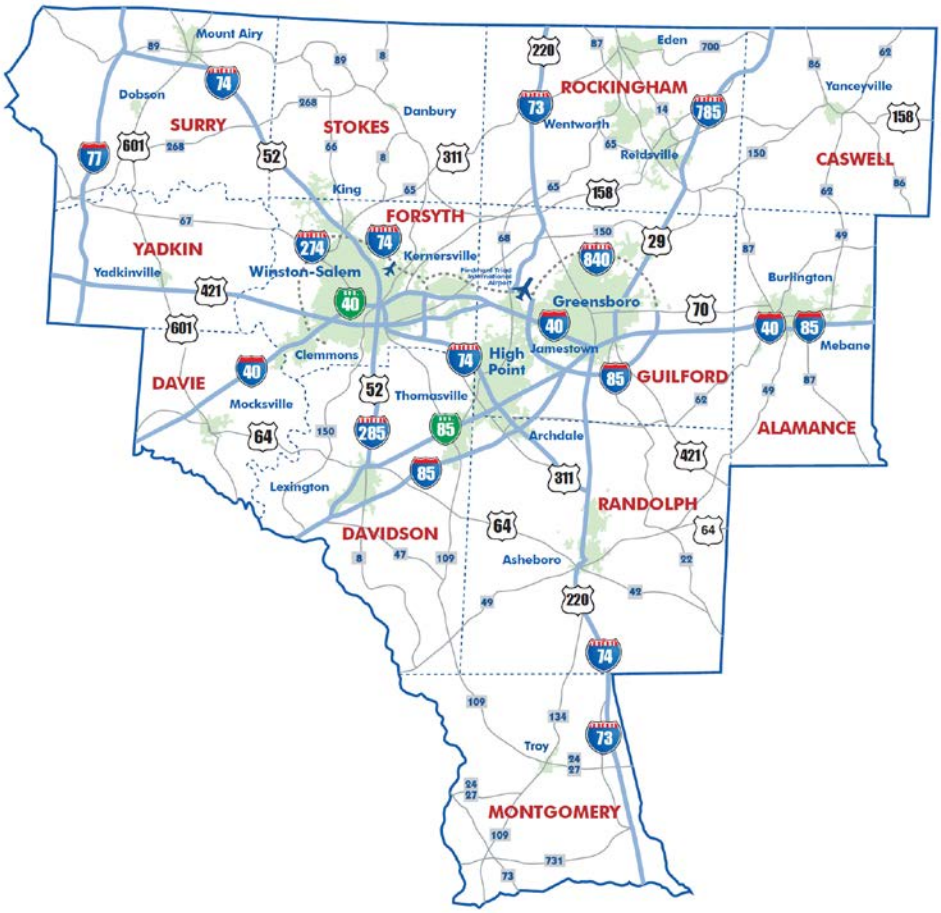
The Appraisal of Real Estate, 13th Edition identifies four forces, which influence value. They are:

1. Social Forces
2. Economic circumstances
3. Governmental controls and regulations
4. Environmental conditions[2]

The dynamics and interplay of these forces affect real estate values. They are the overall determinants of supply and demand. Thus, these four forces will serve as the foundation for the Area Analysis section. A review of each of these forces and their respective importance to the Piedmont Triad market is therefore indicated.



2 *The Appraisal of Real Estate Page 44*, 13th Edition, Chicago: The American Institute of Real Estate Appraisers.



The above map shows the Piedmont Triad area made up of twelve counties and the three major cities of Greensboro, High Point and Winston-Salem. This area is located in the north central part of North Carolina and offers excellent (5) interstate highway systems. This location is within 650 miles of more than half the US population and major markets. It is also located on the I-40/85 between Raleigh and Charlotte.

The total population of the Piedmont Triad was estimated at 1,637,224 in 2012 and is the 37th largest metro region in the U.S. This population is projected to grow to over two million by 2030. Greensboro is the largest city with 272,190 people in 2011 with Winston-Salem having 232,143 people and High Point having 105,493. Burlington and Alamance County have been the fastest growing areas.

The work force is estimated at more than 800,000. The State is “a right to work” state and has the lowest union enrollment in the nation. Some of the major employers are listed as follows not including local governments:

Company Name	Triad Employees	Industry
Wake Forest Baptist Medical Center	14,000	Health Care
Wal-Mart Supercenters	11,800	Retail
Novant Health	9,378	Health Care
Target Corp.	8,820	Retail
Lowes Food Stores Inc. (HQ)	8,521	Retail
Cone Health	3,400	Health Care
Wachovia, A Wells Fargo Co.	3,350	Banking
Lowes Home Improvement	3,320	Retail
Laboratory Corp. of America (HQ)	3,200	Laboratory Testing
Reynolds American Inc. (HQ)	3,100	Cigarette Manufacturing
Hanesbrands (HQ)	2,700	Branded Apparel
BB&T Corporation (HQ)	2,692	Banking
UNC-Greensboro	2,542	Higher Education
Wake Forest University	2,476	Higher Education
Delhaize America Inc./Food Lion LLC	2,400	Retail
High Point Regional Health System	2,266	Health Care
Alamance Regional Medical Center	2,163	Health Care
Bank of America	2,000	Banking
Unifi Inc. (HQ)	1,996	Textiles
N.C. A&T State University	1,931	Higher Education
Volvo Group (HQ)	1,900	Truck Manufacturing
TIMCO Aviation Services Inc. (HQ)	1,800	Aviation
VF Corp. (HQ)	1,800	Branded Apparel
Lorillard Inc. (HQ)	1,700	Cigarette Manufacturing
AT&T	1,600	Telecommunications
Klaussner Furniture Industries Inc. (HQ)	1,498	Furniture Manufacturing
Cornerstone Health	1,494	Health Care
RF Micro Devices Inc. (HQ)	1,493	Semiconductor Manufacturing
Elon University	1,311	Higher Education
Lincoln Financial Group	1,296	Insurance
Thomas Built Buses Inc. (HQ)	1,260	School Bus Manufacturing
Old Dominion Freight Line Inc. (HQ)	1,200	Trucking
Atrium Windows & Doors	1,173	Window/Door Manufacturing
Time Warner Cable	1,100	Telecommunications
Winston-Salem State University	1,100	Higher Education
Aetna	1,015	Insurance
High Point University	1,003	Higher Education
PPG Industires Inc.	1,000	Fiber Glass Manufacturing
Citi	900	Credit Card Services
Lexington Memorial Hospital	855	Health Care
Koury Corp. (HQ)	800	Real Estate

One of the major advantages of this area is the Piedmont Triad International Airport which has three runways of 10,001 feet, 9,000 feet and 6,380 feet. Air service is supplied by US Airways, Delta, United, Continental, American and Allegiant Air. It is the Atlantic hub for FedEx and headquarters and manufacturing for Honda Jet. Terminal has 30 passenger gates serving Delta, United and US Airways.

Trucking is offered by more than 150 firms with over 100 maintaining local terminals. Two deep water ports are in North Carolina and rail freight service is offered by Norfolk Southern and CSX Railway with terminal in the Triad. Amtrak also serves the major cities in the Triad.

Nineteen colleges and universities are located in the Triad including Elon University, Wake Forest University, NC A&T, UNC Greensboro and Guilford College.

Additional details are supplied by the following Region Profile:

ACCESSNC
North Carolina Economic Data and Site Information

NORTH CAROLINA
DEPARTMENT OF COMMERCE

County Profile | **Guilford County (NC)** | **July 2018**

Demographics

Population & Growth	Population	% Annual Growth
2016 Est Population	511,815	1.0%
2010 Census Total Population	488,406	1.6%
July 2016 NC Certified Population Estimate	520,230	

Urban/Rural Representation		Urban/Rural Percent
2010 Census Total Population: Urban	426,406	87.3%
2010 Census Total Population: Rural	62,000	12.7%

Estimated Population by Age		% Pop by Age
2016 Est Median Age	37	
2016 Est Total Pop 0-19	133,751	26.1%
2016 Est Total Pop 20-24	38,776	7.6%
2016 Est Total Pop 25-34	69,476	13.6%
2016 Est Total Pop 35-44	66,328	13.0%
2016 Est Total Pop 45-54	70,619	13.8%
2016 Est Total Pop 55-64	62,535	12.2%
2016 Est Total Pop 65+	70,330	13.7%

Commuters, Workers Age 16 and Over, 2016 Est

Percent of Workers, By Travel Time	
Avg Travel Time, Minutes	21.3
Workers Not Working at Home	223,709
Travel Time to Work: < 10 minutes	11.2%
Travel Time to Work: 10-14 minutes	18.4%
Travel Time to Work: 15-19 minutes	21.3%
Travel Time to Work: 20-24 minutes	18.1%
Travel Time to Work: 25-29 minutes	8.0%
Travel Time to Work: 30-34 minutes	11.6%
Travel Time to Work: 35-44 minutes	4.5%
Travel Time to Work: 45-59 minutes	3.2%
Travel Time to Work: 60+ minutes	3.8%

Workers, By Transportation	
Worker Transp, Base	236,026
Work at Home	5.2%
Drove Car/Truck/Van Alone	82.3%
Carpooled Car/Truck/Van	8.9%
Public Transportation	1.2%
Walked	1.4%
Bicycle	0.2%
Taxi, Motorcycle, Other	0.8%

Place of Work	Commuters	Residents
Worked in State/County of Residence	198,026	83.9%
Worked in State/Outside County of Residence	35,168	14.9%
Worked Outside State of Residence	2,832	1.2%

Education

		Pop Age 25+
2016-17 Kindergarten-12th Enrollment	77,582	
2017 Average SAT score (1600 new scale)	1,056	
2017 Percent of Graduates taking SAT	57.2%	
2015-16 Higher Education Completions (provisional)	22,020	
2015-16 Higher Education Total Enrollment (provisional)	126,122	
2016 Est Education Attainment - At Least High School Graduate	299,912	88.4%
2016 Est Education Attainment - At Least Bachelor's Degree	116,917	34.5%

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DEPARTMENT OF COMMERCE

Housing

		% Ann Growth or % Total
2016 Est Total Housing Units	223,530	0.7%
2010 Census Total Housing	196,628	
2010 Census Total Households	218,017	
2010 Census Occupied Housing	175,239	89.1%
2010 Census Vacant Housing	21,389	10.9%
2016 Est Median Value of Owner Occupied Housing	$157,300	
2016 Est Median Gross Rent	$789	
2016 Est Owner Occupied Housing	117,757	58.8%
2016 Est Renter Occupied Housing	82,541	41.2%
2016 Est Owner Occupied Housing Vacancy	1.9%	
2016 Est Renter Occupied Housing Vacancy	9.2%	

Income

		% Ann Growth or % Pov
2016 Est Median Family Income	$59,701	
2016 Median Household Income (SAIPE)	$47,754	(1.1%)
2015 Est Median Worker Earnings	$29,108	
2016 Per Capita Income (BEA)	$43,556	
2016 Est Pop, Income Below Poverty Level (SAIPE)	92,205	18.3%

Employment / Unemployment

	Currently	2017 Annual
May 2018 Prelim., 2017 Employment	253,152	247,698
May 2018 Prelim., 2017 Unemployment	10,376	12,546
May 2018 Prelim., 2017 Unemployment Rate	3.9%	4.8%
2018Q1 YTD, 2017 Announced Job Creation	50	1,469
2018Q1 YTD, 2017 Total Announced Investments ($mil)	$9.2	$71.2

Employment / Wages by Industry	2017Q4 Employment	2017 Annual Employment	2017Q4 Avg Weekly Wage	2017 Avg Weekly Wage
Total All Industries	282,580	279,711	$946	$913
Total Government	31,737	31,215	$949	$905
Total Private Industry	250,843	248,496	$946	$914
Agriculture Forestry Fishing & Hunting	278	.	$625	.
Mining	75	.	$1,327	.
Utilities	380	384	$1,583	$1,625
Construction	11,564	11,353	$1,147	$1,038
Manufacturing	34,341	34,530	$1,265	$1,253
Wholesale Trade	16,177	15,946	$1,196	$1,132
Retail Trade	30,697	29,941	$588	$576
Transportation and Warehousing	19,125	18,193	$989	$948
Information	4,417	4,372	$1,268	$1,290
Finance and Insurance	11,473	11,489	$1,459	$1,561
Real Estate and Rental and Leasing	4,056	4,065	$924	$927
Professional and Technical Services	11,868	11,890	$1,423	$1,324
Mgt of Companies, Enterprises	6,010	6,066	$2,101	$2,062
Administrative and Waste Services	26,189	25,831	$591	$568
Educational Services	23,559	22,586	$843	$832
Health Care and Social Assistance	36,302	36,213	$1,045	$943
Arts, Entertainment and Recreation	3,232	3,591	$391	$345
Accommodation and Food Services	25,864	25,705	$335	$326
Other Services Ex. Public Admin	6,807	6,863	$682	$661
Public Administration	10,168	10,345	$980	$914
Unclassified	0	0	$0	$0

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DEPARTMENT OF COMMERCE

Commercial/Retail/Industrial

Local Business

2018Q1 Available Industrial Buildings	230
2017Q4 Establishments: Total Private Industry	13,989
2017Q4 Establishments: Manufacturing	695
2016 Est Self Employed	12,244

Local Retail Business

2017 Total Retail Sales (With Food/Drink) ($mil)	$8,727.7
2017 Total Retail Businesses (With Food/Drink)	4,115
2017 Avg Sales/Business Total (with Food/Drink)	$2,120,943
2018Q1 Available Commercial Buildings (if reported)	293

Quality of Life

Taxes

FY2017-18 Property Tax Rate per $100 Value	$0.7305
FY2016-17 Annual Taxable Retail Sales ($mil)	$7,352.4
2018 Tier designation	2

Childcare

2018Q1 Licensed Child Care Facilities	410
2018Q1 Licensed Child Care Enrollment	16,532

Weather

Annual Rainfall, inches	44
Annual Snowfall, inches	5
Average Annual Temperature, F	60
Average Annual High Temperature, F	70
Average Annual Low Temperature, F	49

Healthcare Providers

2017 Number of Physicians	1,287
2017 Physicians per 10,000 population	24.6
2017 RNs per 10,000 population	118.8
2017 Dentists per 10,000 population	5.7
2016 Pharmacists per 10,000 population	11.1

Sources:
Census (2010 & ACS 2012-16) for demographics, commuters, place of work, educational attainment, housing, and income data at https://factfinder.census.gov. ESRI for retail data at www.ESRI.com. Applied Geographic Solutions for weather data at www.AppliedGeographic.com. NC Dept. of Education for SAT data by NC county system at http://www.ncpublicschools.org. US Dept. of Education, National Center for Education Statistics for higher education data at https://nces.ed.gov/ipeds/datacenter. NC Commerce, Labor and Economic Analysis Division, for NC tiers, occupational data, employment and unemployment, and wages and establishments by industry at http://accessnc.nccommerce.com/. EDPNC for announced new jobs and investment and available buildings at https://edpnc.com. NC Dept. of Health & Human Services for childcare data at http://www.ncdhhs.gov/. UNC Sheps Center for healthcare professions at https://NCHealthWorkforce.SIRS.UNC.edu. Full datasets and topic dashboards are available at http://AccessNC.NCCommerce.com.

Notes:
Data are the latest available at the date the profile was prepared. SAT scores use the new 1600 scoring system started in 2016 and represent county systems. Unemployment data is now the lastest month which is preliminary and is subject to change. American Community Survey (ACS) data are estimates, noted "Est" and are from the 2012-16, 5-year survey; data is as of 2016 with dollars inflated to 2016. Additional data, reports, and dashboards are available at: http://accessnc.nccommerce.com/index.html.

The counties within the Piedmont Triad are Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Montgomery, Randolph, Rockingham, Stokes, Surry, and Yadkin.

The analysis of social considerations focuses primarily on population characteristics as they generally define social forces. The analysis of the composition of an area's population and demographics provides the opportunity to evaluate future trends for products and services. These factors are keys to anticipating the supply and demand for particular types of real property. Typically, the greater the number of potential consumers within a specific market area, the higher the demand will be for virtually every type of available good and service available.

North Carolina has consistently been one of the most desirable places to move to east of the Mississippi River for the past 25 years as indicated by the following graph and data:

2010 Population Growth and Population Statistics	Greensboro, NC	North Carolina	United States
Total Population	260,109	9,450,965	308,455,134
Square Miles	212.46	48,710.88	N / A
Population Density	1,224.30	194.00	87.20
Population Change Since 1990	40.87%	42.61%	24.02%
Population Change Since 2000	16.18%	17.41%	9.61%
Forecasted Population Change by 2014	7.27%	7.44%	4.52%

2010 Population Growth and Population Statistics	High Point, NC	North Carolina	United States
Total Population	94,392	9,450,965	308,455,134
Square Miles	93.27	48,710.88	N/A
Population Density	1,012.10	194.00	87.20
Population Change Since 1990	27.01%	42.61%	24.02%
Population Change Since 2000	9.96%	17.41%	9.61%
Forecasted Population Change by 2014	6.16%	7.44%	4.52%

Statistic	Winston-Salem	North Carolina	National
Population (2012)	229,617	9,535,483	311,173,000
Population (2000)	185,480	8,049,313	281,421,906
Population growth	23.8%	18.5%	10.6%

Winston-Salem
Winston-Salem is located in Forsyth County and is part of the 28th largest Combined Metropolitan Area in the United States, Greensboro/Winston-Salem/High Point, which itself is surrounded by two of the nation's fastest growing metropolitan areas, Charlotte and Raleigh/Durham. On an even larger scale, Forsyth County is part of several connected metropolitan areas stretching along Interstate 85 from Raleigh to Alabama that includes Greensboro, Charlotte, Greenville, and Atlanta.

Manufacturing has long been a key component of Forsyth County's economy however, as the manufacturing industry declined both locally and nationally, Forsyth County's economy has become more service-oriented. The city is most known for its association with the tobacco industry and is the home of Camel cigarettes. Finance is also represented in Winston-Salem with Wells Fargo and BB&T having corporate and regional headquarters here. Recently, Winston-Salem has moved from manufacturing to more of an information and technology based economy especially in the areas of medicine, research and finance.

The City of Winston-Salem operates under a council/manager form of government. The city manager oversees the administration of city services with the help of four assistant city managers, who coordinate the day-to-day operations of specific areas within city government.

About 57.2% of the homes are owner occupied with an average household size of 2.43 people. There are 90,752 households with and median household income of $40,689.

Several higher education institutions are located in Winston-Salem and include Forsyth Technical Community College, UNC School of Arts, Winston-Salem State University and Wake Forest University, including Bowman Gray School of Medicine.

Interstate 40 passes through Winston-Salem, providing a natural distribution center to the Eastern United States. U.S. Highways serving the area include: US 421, US 158, and US 311. State Highways serving the area include: NC 150, NC 8, and NC 109. Services available to business and industry are adequate. The city provides city water and sewer within Winston-Salem. Bell South Telecommunications provides telephone service with many long distance services available through various companies. Several companies provide cellular telephone service. Piedmont Natural Gas Company provides natural gas and Duke Power Company supplies the electric power to the area. Most areas of the city have city water and sewer. Due to the pleasant climate, a stable economy, convenient location to recreational facilities, major highways, good quality of educational facilities, growing diversified industries, and the progressive government, the demand for residency in the area is felt to increase with future growth. These factors also effectively lure new industry locating to the southeast to the Winston-Salem area. Winston-Salem has experienced progressive economic development and business recruitment as growth and stability continues.

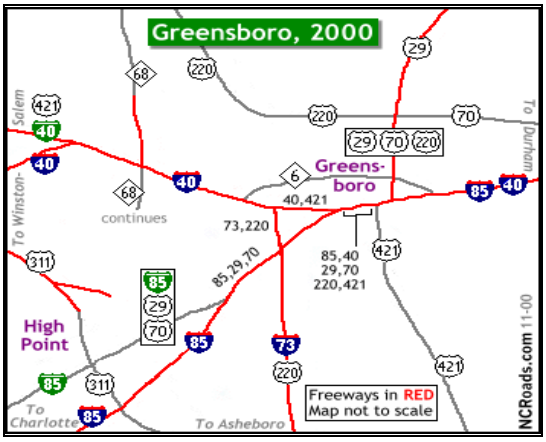
Greensboro

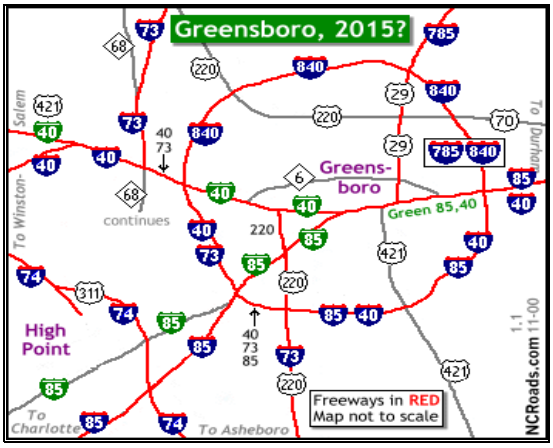
Greensboro, the county seat of Guilford County, is located in the Piedmont Triad Region of North Carolina. It is the largest city in the Greensboro/Winston-Salem/High Point Metropolitan Statistical Area. Winston-Salem is 27 miles west and High Point is adjacent to the southwest of Greensboro. High Point and Greensboro are both located within Guilford County.

The city of Greensboro offers a variety of housing styles in a wide range of prices. According to the 2012 Census, there were 127,376 total households in Greensboro with 45.9% being owner occupied and 43.8% being renter occupied. The average household size is 2.41 persons.

Interstate 40 and Interstate 85 intersect in Greensboro, providing a natural distribution center of the Eastern United States. U.S. Highways serving the area include: US 421, US 29, US 70, US 311, and US 220. State Highways serving Greensboro include: NC 150, NC 68, NC 61, NC 22, NC 66, and NC 62. The Greensboro thoroughfare system is well planned and moves traffic efficiently. Existing and proposed road projects ensure mobility through all quadrants of the city and Guilford County. An urban loop, Painter Boulevard, is under construction and the Interstate 85 by-pass opened in early 2004. In the near future, US 220 and US 29 are to become interstates as well as a section of NC 68. Interstate 40 has been widened through Greensboro. There are six lanes (three in each direction) from Holden Road west to past Guilford College Road. There are ten lanes (five in each direction) from west of Guilford College Road to N.C. Highway 68.

To further illustrate the transportation changes that are on-going in the Greensboro area, the following exhibits illustrate the current Greensboro highway configuration and the proposed highway configuration by the year 2015:





In the area of economic forces, there is a broad industrial base with more than 320 industrial establishments in the city and 650 in the county. Services available to business and industry are adequate. The City of Greensboro provides city water and sewer within Greensboro. In areas where city water and sewer are not available, individual well and septic tank systems are regulated under the control of the Guilford County Health Department. AT&T provides telephone service with many long distance services available through various companies.

Several companies provide cellular telephone service. Piedmont Natural Gas Company provides natural gas and Duke Power Company supplies the electric power to the area.
Due to the pleasant climate, a stable economy, convenient location to recreational facilities, major highways, good quality of educational facilities, growth of diversified industries, and the progressive government, the demand for residency in the area is felt to increase with future growth. These factors also effectively lure new industry locating to the southeast to the Greensboro area. Greensboro has experienced progressive economic development and business recruitment as growth and stability continues.

High Point
High Point is also located in the Piedmont Triad region of North Carolina and is part of the Metropolitan Statistical Area (MSA) of Greensboro, Winston Salem, and High Point. The Greensboro/Winston Salem/ High Point MSA includes the counties of Alamance Davidson, Davie, Forsyth, Guilford, Randolph, Stokes, and Yadkin. High Point is in the southwest section of Guilford County with its boundaries also in Davidson, Forsyth, and Randolph Counties. Greensboro is the county seat of Guilford County.

The main East/West, North/South Highways that intersect within the High Point area include: Interstates 40, 77, and 85; U.S. 311, 29, 52, 421, 220, and 70. The State Primary Highways serving the area are: NC 68, 66, 62, and 109. Existing and proposed road projects ensure mobility through all quadrants of the city and Guilford County. Road construction is underway on the U.S. 311 Bypass, the widening of Interstate 40, and the widening of Interstate 85. The High Point thoroughfare system is well planned and moves traffic efficiently.

Social Forces
The city of Greensboro offers a variety of housing styles in a wide range of prices. According to the 2012 Census, there were 125,852 total households in Greensboro with 53.1% being owner occupied and 46.9% being renter occupied. The average household size is 2.45 persons. Numerous apartment complexes are available throughout the city. Greensboro City Schools along with Guilford County Schools have consolidated into one school system. The public school system of Guilford County is comprised of 68 elementary, 23 middle, and 28 high schools (not including ten alternative schools). In addition to its public school system, Guilford County has 35 private schools. Total enrollment for the 2013/14 year was 72,388 students. The University of North Carolina Greensboro has an enrollment of approximately 18,400. Greensboro benefits from its central Triad location with convenient access to several major colleges, universities, and technical institutes within a 30-minute drive.

Greensboro is served by Cone Health. There are numerous religious facilities in the area with several denominations represented in Greensboro. Greensboro receives three daily newspapers, 10 metropolitan television stations, and 30 metropolitan radio stations. One attractive aspect of the Greensboro area is the variety of cultural centers, parks and recreational facilities available. Festivals and events that take place throughout the year include: the North Carolina Shakespeare Festival, the North Carolina Medieval Faire, Oak Hollow Championship Boat Races, The Wyndham Open, Pops in the Park, Jazz Spirit, and Day in the Park. Greensboro has numerous shopping centers providing various retail businesses.

Economic Forces
The Greensboro economy and the surrounding Piedmont Triad area, traditionally has been centered around textiles, tobacco, and furniture. Greensboro's central proximity in the state has made it a popular place for families and businesses, as well as becoming more of a logistical hub with FedEx having regional operations based in the city.

Notable companies headquartered in Greensboro include the Honda Aircraft Company, Lorillard Tobacco Company, Kayser-Roth, VF, Mack Trucks, Volvo Trucks of North America, Qorvo, the International Textile Group, NewBridge Bank, The Fresh Market, Cook Out, Ham's, Biscuitville, Tripps, and Columbia Forest Products. Greensboro is a "center of operations" for the insurance company Lincoln Financial Group.[56] Greensboro is also headquarters to the Atlantic Coast Conference. Although traditionally associated with the textile and tobacco industries, city leaders are working to attract new businesses in the nanotech, high-tech, aviation and transportation/logistics sectors. The University of North Carolina at Greensboro and North Carolina A&T State University opened a joint research park, Gateway University Research Park.

Major employers in Greensboro include: Guilford County Schools (10,394), Cone Health (7,218), City of Greensboro (3,108), United States Postal Service (2,800), Guilford County (2,700), University of North Carolina Greensboro (2,499), High Point Regional Health System (2,320), Bank of America (2,000), American Express (2,000), and TE Connectivity (2,000).

Greensboro has enjoyed a stable economic environment in the past with a base of textiles and small industrial businesses. Due to the recent economic downturn, many manufacturing jobs were lost. In the appraiser’s opinion, economic recovery is imminent as evidenced by the slowly recovering national economy. Greensboro and Guilford County have many assets to offer such as highways and infrastructure and will undoubtedly follow suit. The future appears good as new development and infrastructure will help the area to continue to diversify.

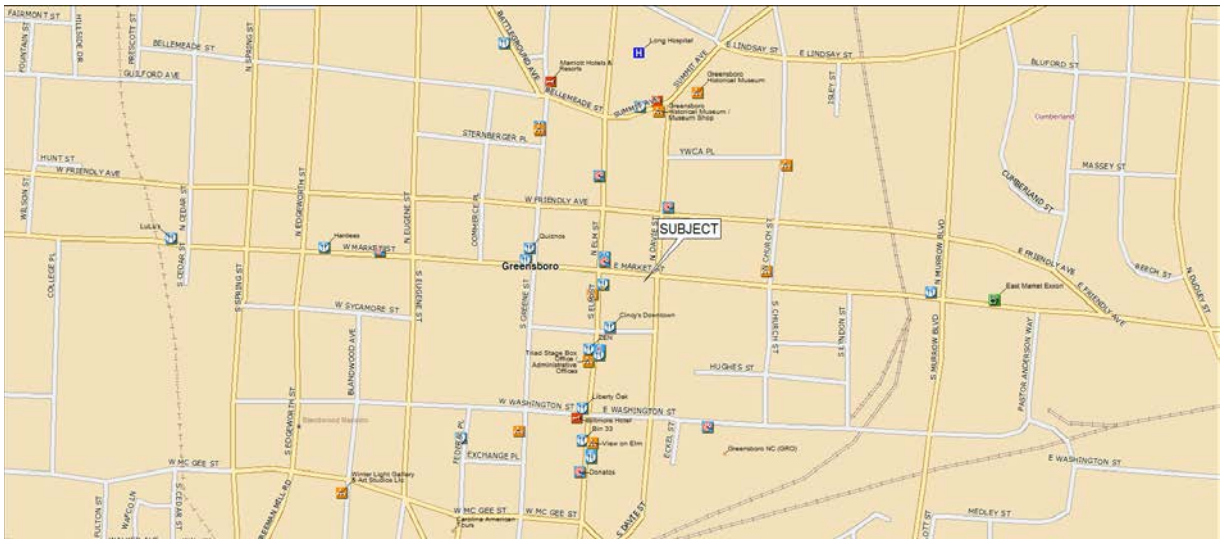
Governmental Forces
An elected city council and county commissioners make up the management of both the Greensboro and Guilford County government system. The government systems of both the county and city work well together and have the reputation as being one of the more progressive in the state. Greensboro is served by the city police and fire departments and by the Guilford County Sheriff's Department. There are also volunteer fire departments.

Services available to business and industry in the Greensboro area are more than adequate. Southern Bell and North State Telephone Company provide telephone service with many long distance services available through various companies. Natural gas is provided by Piedmont Natural Gas Company and Duke Power Company supplies the electric power to the area. Most areas of the city have city water and sewer. In areas where this service is not available, individual well and septic tank systems are regulated under the control of the Guilford County Health Department.

Environmental Forces

Greensboro appears to have an adequate water supply and sewage treatment plant. Environmentally conscience decisions have been made by limiting development neighboring water shed areas. Greensboro enjoys a pleasant climate with moderate rain and snow fall annually.

NEIGHBORHOOD ANALYSIS



The subject property is located on the east side of South Elm Street in the Central Business District of Greensboro, NC. The subject neighborhood is bordered by Gate City Boulevard to the south, Edgeworth Street to the west, Murrow Blvd to the east, and East Smith Street to the north. The downtown area has museums and cultural centers. The Blandwood Mansion offers tours. A central public library was constructed a few years ago. Across the street from the library is the Children's Museum. There are plans of extending the Children's Museum. Others include Greensboro Cultural Center, International Civil Rights Museum in the Old Woolworth Building, Greensboro Historical Museum, Triad Stage, Carolina Theatre, and Broach Theatre. New construction has been ongoing over the past several years with a newly constructed South Trust Plaza on North Greene Street, a new YMCA was constructed on North Spring Street, and a new federal building was constructed on a site in which a 15,944 square foot building was razed. It consists of a four-story, 127,000 square foot building for the US Middle Bankruptcy Court, the US Attorney's office, and other government agencies. A building at the corner of Friendly Avenue and Church Street was razed for new construction of Governor's Court Condominiums. A row of buildings on northeast corner of North Elm Street and Friendly Avenue was razed for construction of a downtown park. Center City Park is a $12 million project which celebrated its grand opening in April, 2007. A new downtown baseball stadium opened in April, 2005. The former Blumenthal's as well as other downtown buildings were razed and or gutted and totally renovated for construction of Smother's Place Condominiums.

There is a 6-story, $60,000,000 project will be completed at the end of 2017 that will have 288 apartment units and a 110 room Hyatt Place Hotel located to the west of the subject on North Eugene Street. In addition, the land across North Eugene Street from the Hyatt Place project will be developed with a parking deck. It is unknow at this time how many parking spaces will be supplied. There will be a $30,000,000 parking deck with six-stories that will contain 850 parking spaces that will be located behind the subject on the adjacent parcel along with a new hotel just to the south. The News & Record is located across Davie Street from the subject to the east and is comprised of an estimated 6.65 acres with a 1580,000 square foot building that is offered for sale for $10,897,000.

The government sector plays an important role in the neighborhood as well. The Guilford County Courthouse is located on the northeast corner of Eugene Street and Washington Street. The Melvin Municipal Building, city hall, and the Greensboro Police Department are located on the north side of Washington Street adjacent to the county buildings. The Guilford County Sheriff's Department is located on the west side of Eugene Street. The L. Richardson Preyer Federal Building is located on the northeast corner of West Market Street and Eugene Street. The IRS building is located on the east side of Federal Place. The Greensboro News & Record building is located on the east side of South Davie Street. A row of houses will be move / or razed for construction of a new jail on Blandwood Avenue.

Several financial centers are represented in Downtown Greensboro. Lincoln Financial, the former Jefferson Pilot is located on Elm Street. A sampling of the banks includes: Bank of America, BB&T, Bank of North Carolina, and First Citizens.

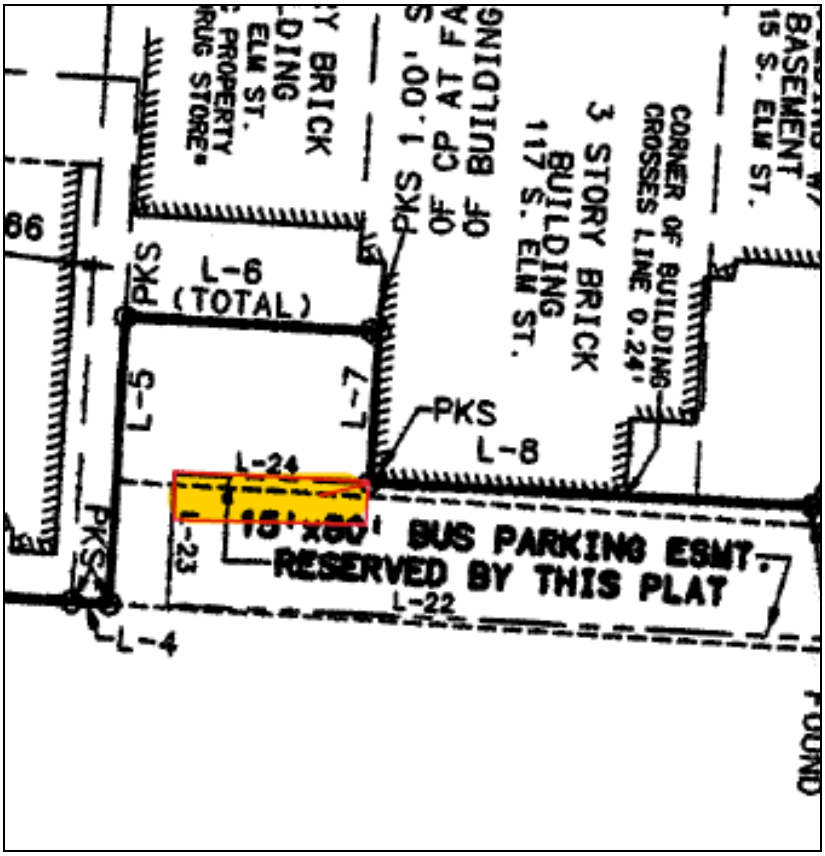
To give an area summary the subject area is made up of a high density area which accommodates retail, service, and office buildings with some residential neighborhoods in the surrounding area. The streets in the neighborhood are asphalt with curb, gutter, and street lights present. The City of Greensboro provides public water and sewer and police and fire protection. Duke Power provides electrical service with AT&T providing telephone service. Piedmont Natural Gas provides gas service. Free wi-fi internet access is available along Elm Street. The utilities appear to be adequate for the neighborhood

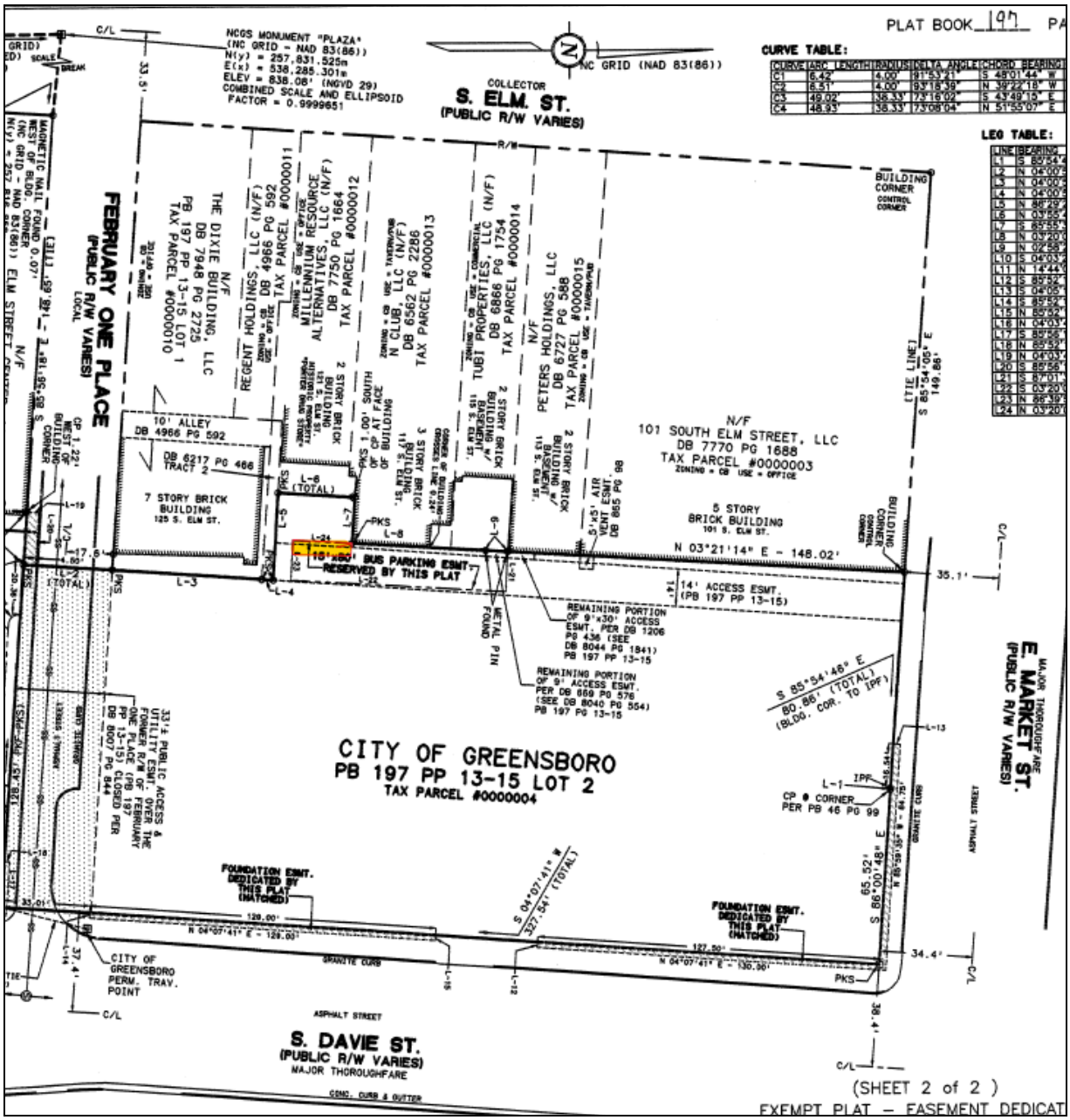
A demographic study of a one, three and five-mile radius has been included in the addendum of this report. This study shows a population of 13,226 people within a one-mile radius, 85,338 people within a three-mile radius, and 192,901 people within five-mile radius. The median household income within a one-mile radius is $26,460 and $35,986 within a five-mile radius. The current unemployment rate for Greensboro is 4.2% as of July 2017.

The area is 95% built up with growth around the subject. This area is currently in the revitalization stage in its life cycle. The city of Greensboro and developers are buying old properties and renovating or demolishing them to provide space for new multi-unit residential dwellings, commercial, and retail shopping. This process is changing this area from what was

once low income residential housing to attract middle to high income wage earners and raise the standard of living in the surroundings area. Due to the density, this area will be pedestrian friendly and will create need for retail shopping, restaurants and new businesses all in walking distances. There are major traffic arteries that allow access to the subject area such as Gate City Boulevard, Martin Luther King Jr. Drive Hwy 85, Hwy 220 and Hwy 29. Access from the north to south direction is via Elm Street and Eugene Street. Other major traffic arteries serving this area are Battleground Avenue, Freeman Mill Road, Summit Avenue, and Gate City Boulevard. The secondary streets in the neighborhood intersect with the major access routes providing convenient ingress and egress. The subject property is well situated within the neighborhood with average access and visibility. The future of the area appears good with a steady trend of revitalization. The subject property is a contributing property to this redevelopment.

SITE ANALYSIS





The 120 square feet of air easement is a portion of a larger 46,560 square foot lot shown above as Lot 2. The yellow block is the approximate location of the air easement. This plat is recorded in Plat Book 197 pages 13-15 in the Guilford Register of Deeds. This site that is encumbered with the access easement is located on the south side of East Market Street, the west side of South Davie Street, and the north side of East February One Place. The subject site is to be improved with a parking deck. The site has one entrance on South Davie Street, however, there is frontage on East Market Street and East February One Place. The access easement is from East Market Street. The site that is encumbered by the access easement is shown above outlined in red. The air rights appear to be within this access easement. It is

assumed the 15 feet of height would allow the access easement to be utilized for normal business needs.

This total site is considered functional and adequate for the proposed improvements. The site is not typical of other properties in this neighborhood which are improved with retail, office, and restaurants. There are no known hazards on the site. However, the appraiser would suggest an environmental study that would indicate possible hazards which the appraiser is not trained to recognize.

Total Site Size: 1.069 acres or 46,560 Square Feet. (Larger Tract)

Proposed Air Rights Easement: 120 square feet above 15 feet from ground elevation.

Shape: The shape of the total site does not limit the utility of the land area. The shape is described as irregular but functional.

Frontage/Access: There is an estimated 146 +/- lineal feet frontage on East Market Street 327 +/- linear feet of frontage on South Davie Street, and 128 +/- linear feet of frontage on East February One Place.

Topography/Drainage: This site is fairly level and slopes slightly towards the southeast. This site is not located in a flood zone as stipulated on Flood Insurance Rate Map 3710786500J dated 6-18-2007. A reduced copy of this flood map is shown below.

Soil Conditions: An Environmental Survey was not provided to the appraisers. We recommend one be performed by a licensed professional. This appraisal report is based on the extraordinary assumption that there are no environmental issues with the subject site.

Utilities: This site is located within the city limits of Greensboro and is served by city water and sewer. Natural gas, electricity, and telephone are also readily available to this land.

Zoning: CB, Central Business

Easements/Encroachments: Typical easement for utilities are assumed to be located on the site, however, they do not hinder the subject's development. The proposed air rights area does not appear to hinder the proposed use of the larger site with the exception of preventing construction by the land owner of any improvements fifteen feet above ground level of the 120 square feet.

Surrounding Land Use: The subject is surrounded by restaurant, office, retail, commercial, some industrial, public institutional, and residential improvements.

Street Improvements: East Market Street is a two-lane one-way east bound street. South Davie Street is a three-lane two-way street that runs north and south. East February One Place is a one-lane one-way east bound street. All three streets offer on-street parking, are asphalt paved, have concrete curb and gutter, and sidewalks on both sides. There is a stop light at the two intersections with South Davie Street.

MARKET ANALISYS

The NC Today overview as of August 2018 indicated the State Unemployment rate increased to 4.2% from 3.7% from July 2018 to August 2018. There are 926 fewer people working in July than June 2018. However, there are 4,391 more jobs than this time period one year ago.

LABOR MARKET OVERVIEW

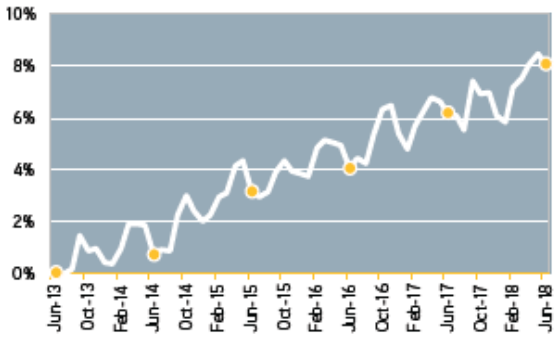
GREENSBORO • HIGH POINT • GUILFORD COUNTY
WORKFORCE DEVELOPMENT BOARD

Greensboro/High Point/Guilford Workforce Development Board — **August 2018**

Regional Labor Market Snapshot

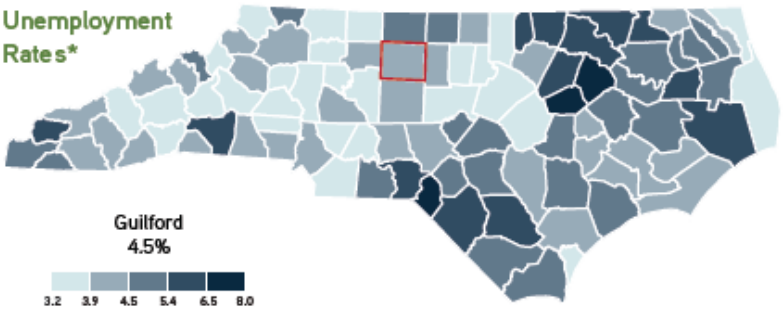
5-Year Percent Change in Number Employed*

Guilford Region



Source: LAUS, Labor & Economic Analysis, NC Dept. of Commerce

June 2018 Unemployment Rates*



Who's Hiring
past 90 days from July 24, 2018

Cone Health System	826
XPO Logistics, Inc	296
UNC Health Care	268
University of North Carolina System	229
Volvo	205
North Carolina State University	194
Robert Half International	188
Guilford County Schools	186

Source: The Conference Board Help Wanted Online

What Jobs
past 90 days from July 24, 2018

Heavy & Tractor-Trailer Truck Drivers	989
Registered Nurses	816
Retail Salespersons	330
First-Line Supervisors, Retail Sales	278
Maintenance & Repair Workers	263
Industrial Engineers	261
Customer Service Representatives	238
First-Line Supervisors, Office & Admin.	217

Source: The Conference Board Help Wanted Online

Trending

UNEMPLOYMENT*
June 2018
Guilford Total = 11,976

	Current	Previous
Region	4.5%	3.9%
NC	4.2%	3.7%
US	4.2%	3.6%

REGIONAL EMPLOYMENT*
Guilford Total = 251,904

926 Fewer People Working
in June than previous month

4,391 More People Working
than same period one year ago

METRO JOB GROWTH*
Greensboro-High Point
Total = 364,100

800 Fewer Jobs
in June than previous month

5,200 More Jobs
than same period one year ago

TAXABLE RETAIL SALES
Guilford Total = $628,742,493

2.5% Higher
than same period one year ago

Source: NC Dept. of Revenue
Note: June 2018 data most current available at time of release.

ONLINE JOB ADS
14,167 Online Advertised Vacancies
over past 90 days

1,005 Fewer Vacancies
than same period one year ago

Source: The Conference Board Help Wanted Online

*June 2018 data are preliminary, previous month's data are revised while all other data have undergone annual revision. All data produced in this publication are generated by LEAD unless otherwise stated.

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. For more information, please visit http://www.nccommerce.com/lead/lmi.

NC Department of Commerce | Labor & Economic Analysis Division | 919.707.1500 | lead@nccommerce.com

The CoStar Retail Report for the Mid-year of 2018 shows that there are 3,490 retail buildings in Guilford County with a total building area of 41,258,636 square feet with 1,922,369 square feet or 4.7% vacant. There have been 9 buildings delivered in 2018 for a total of 234,460 square feet with 20 buildings totaling 686,404 square feet still under construction. Average rental rates for retail space in Guilford County are shown to be $12.29. Net absorption for the Greensboro/Winston-Salem area slightly changed with the vacancy rate being reduced to 4.7%.

This same survey shows 259 retail buildings in the Central Business District of Greensboro with 1,823,929 square feet of space. There is 18,467 square feet or 1.0% that is vacant. Average rental rates for this area is shown to be $13.34 per square foot on a net basis. There is no retail space under construction.

The total population within a 3-mile radius of the subject is forecast to increase at an annual rate of approximately 0.67% over the next five years to approximately 88,349 and the number of households is forecast to increase at a similar rate to approximately 34,628 from 33,342. Currently, 34.1% of the 38,291 housing units in the market area are owner occupied and 53% are rented. Approximately 12.9% of the housing units are currently vacant according to the Executive Summary by Esri. The median household income is forecast to increase slightly to $35,572 by year 2023 from $31,643 in 2018. Unemployment in the Greensboro area is 4.2% in August 2018.

I am of the opinion the subject larger tract of 46,560 square feet has average marketing potential based on the apparent scarcity of available retail sites, the quality and location of the subject and current trends in the market for retail properties. These are observations that fuel our opinion that the reasonable exposure time for the subject property is six months to two years with a most probable exposure time of one year. In talking with local brokers and realtors, the marketing time for a potential retail property would be six months to a year with the most probable marketing time being one year.

HIGHEST AND BEST USE

The highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

In considering the uses available for the land, the use which will return the highest net figure in terms of money is considered to be the highest and best use. In estimating the highest and best use, several steps of analysis are used.

1. *Possible use*. What uses are physically possible?
2. *Permissible use*. What uses are permitted by zoning and deed restrictions?
3. *Feasible use*. Which possible and permissible use will produce the highest net return to land owner?

4. *Maximally productive*. Of the financially feasible uses, the use that produces the highest price consistent with the rate of return warranted by the market for that use is the highest and best use.

Physically Possible Use

The physical aspects of the site are the first constraints on its possible use. The larger the site, the greater the potential to achieve economics of scale and flexibility in development. The subject air easement is part of a larger tract which contains 46,560 square feet of land. The physical constraints of the site are not felt restrictive due to its limited size; however, the site is affected by the access easement which would not allow it to be developed to its highest and best use. Given that we are appraising the subject with the hypothetical condition that the access easement does not exist, this will not have an effect on the subject's value.

Legally Permissible Use

Legal restrictions affecting the subject property include the requirements of the zoning ordinance and any easements. The subject's zoning is rather liberal, and will allow multiply uses except for industrial land uses. In analyzing the site, the land and the improvements appear to be in compliance with the zoning ordinances. There are no known moratoriums or private restrictions affecting the area at this time. The proposed plat shows access from Davie Street and the proposed access easement off of E. Market Street. However, I am appraising the subject with the hypothetical condition that the access easement does not exist, this will not have an effect on the subject's value.

Feasible Use

In researching the market, the use of the subject for retail space appears feasible and would conform to surrounding property. The appraiser has inspected the neighborhood and noticed success from retail properties and restaurants. The appraiser believes retail use would return the highest rate of return to the property, if it were vacant and not encumbered by the access easement.

Highest and Best Use as Vacant

As vacant, the appraisers are of the opinion that the highest and best use of the site is for retail related improvements such as a store or restaurant. Retail use is in conformance with the area and would return the highest rate of return to the subject if it were vacant and not encumbered by the access easement. The area located inside the easement is consistent with the highest and best use of the overall site.

REASONABLE EXPOSURE TIME AND MARKETING TIME

According to The Appraisal Foundation, 1992, exposure time is defined as: *"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."* Implied within this definition is that not only reasonable time is afforded, but also reasonable effort.

According to The Dictionary of Real Estate Appraisal, Third Edition, 1993, *"reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal"*.

To determine the reasonable exposure time prior to the effective date of the appraisal and the estimated marketing time immediately following the effective date of the appraisal, evidence from the market is reviewed and local brokers are consulted. In the appraiser's opinion, the two estimates of time are similar in that the market evidence available to determine the estimated times is the same.

The length of time the comparable sales in the site valuation section of this report were on the market is unknown. Typically, properties are listed for sale prior to listing with a broker and brokers do not report on the length of time a property is on the market. In talking with local commercial brokers, it is estimated to take approximately six months to two years to sell a property such as the subject. The appraisers are of the opinion that the reasonable exposure time for the subject property is six months to two years with a most probable exposure time of one year. Similar to the exposure time, the estimated marketing time is six months to two years with a most probable marketing time of one year.

THE APPRAISAL PROCESS

The estimation of a real property's market value involves a systematic process in which the problem is defined; the work necessary to solve the problem is planned; and the data required is acquired, classified, analyzed and interpreted into an estimate of value. In this process, three basic approaches are used by the appraisers: the Cost Approach, the Sales Comparison Approach, and the Income Approach.

The larger tract of 46,650 square feet will be analyzed and appraised with this same square foot value applied to the 120 square feet to obtain an estimated value of the 120 square feet as if unencumbered by the air rights easement. The air rights easement will be a percentage of this value.

The sales comparison approach is predicated on comparison of the subject to similar properties recently purchased. It is the method of estimating value much used and most understood by the market. The primary difficulty of this approach is obtaining a sufficient number of bona fide arm's length sales of reasonably similar properties that have sold within a recent time frame. The appraisers have searched the area for information available for sales of similar properties that have occurred as recently as possible. The appraiser believes that the sales comparables should be found in the downtown area, in the immediate area of the subject. The subject’s immediate area is comprised of similar properties which are not commonly found in other Greensboro locations. The comparables used support several use types, but are located in the subject’s immediate neighborhood.

THE VALUATION OF LAND BY THE SALES COMPARISON APPROACH

The value of the subject site will be estimated using the *Sales Comparison Approach to Value* by comparing the subject site to similar vacant properties and making the necessary adjustments to the comparable sales considering factors such as:

1) Property Rights Conveyed,
2) Financing,
3) Conditions of Sale,
4) Market Conditions (time),
5) Location/Access, and
6) Physical Characteristics

The appraiser has made a careful survey of the area and has found several land sales within the subject area, which are comparable to the subject site and consistent in highest and best use. All comparable sales are located in areas with similar utilities and zoning. The appraiser believes that the quantity and quality of the following sales data, after proper adjustments, produce a sound estimate of value for the subject tract. The vacant land sales considered comparable to the subject follow on the immediate pages.

This valuation of the land is subject to the theory of *consistent use*. *The Dictionary of Real Estate Appraisal* has defined consistent use as follows:

> ***consistent use:*** The concept that land cannot be valued on the basis of one use while the improvements are valued on the basis of another.[3]

Limited lands sales consistent in highest and best use with the subject were available. Land sales in the Central Business District of Downtown Greensboro are rare. However, the following land sales are considered comparable to the subject's site.

[3] *The Dictionary of Real Estate Appraisers, 2nd ed*. Chicago: The American Institute of Real Estate Appraisers. Page 65.

120 Square foot Air Rights, to the rear of 112 East Market Street

COMPARABLE LAND SALES SUMMARY

Location	Sale Date	Price	Size in SF	Price/ SF
338 N Elm Street	3/14	$2,179,650	57,848	$50.04
135 Summit Avenue	8/13	$1,134,510	26,659	$42.56
304 & 306 N Davie Street	8/12	$1,940,000	80,298	$24.16
422 West Friendly Avenue	7/16	$500,000	21,780	$22.97
415 Bellemeade Street	1/16	$1,500,000	63,380	$23.67

120 Square foot Air Rights, to the rear of 112 East Market Street

Land Sale No. 1

Property Identification	
Property Type	Commercial Land
Address	338 N Elm Street, Greensboro, North Carolina
Tax ID	0000849
Sale Data	
Grantor	Johnston Properties, LLC
Grantee	City of Greensboro
Sale Date	3/5/14
Deed Book/Page	7578/1225
Verification	Rocky Jones, City of Greensboro Engineering & Inspections
Sale Price	$2,659,575
Additional Costs	$235,000 (Marshall & Swift, Sec 66 P. 11, Dated December 2013)
Adjusted Sales Price	$2,894,575
Land Data	
Zoning	CB - Central Business District
Topography	Mostly level
Utilities	All public
Shape	Irregular but functional
Land Size Information	
Gross Land Size	1.328 Acres or 57,848 SF
Indicators	
Sale Price/Gross Acre	$2,002,692
Adjusted Price/Acre	$2,179,650
Sale Price/Gross SF	$45.98
Adjusted Price	$50.04

Remarks

This site is one of 6 purchased for the new Performing Arts Center. The site is improved with a 32,500 SF office building. The cost to demo the building has been taken from the Marshall and Swift Cost Manuel.

Land Sale No. 2

Property Identification	
Property Type	Office Land
Address	135 Summit Avenue, Greensboro, North Carolina
Tax ID	0000844 & 851
Sale Data	
Grantor	Kahn and Khan, Inc.
Grantee	City of Greensboro
Sale Date	8/30/13
Deed Book/Page	7526/2232
Verification	Rocky Jones, City of Greensboro Engineering & Inspections
Sale Price	$1,100,000
Adjusted Sales Price	$1,134,510
Land Data	
Zoning	CB
Topography	Level
Utilities	All public
Shape	Rectangular
Land Size Information	
Gross Land Size	0.612 Acres or 26,659 SF
Indicators	
Sale Price/Gross Acre	$1,797,386
Adjusted Price	$1,853,775
Sale Price/Gross SF	$41.26
Adjusted Price	$42.56

Remarks: This is one of six sites purchased for the Greensboro Performing arts Center. It is located to the southeast of the subject.

120 Square foot Air Rights, to the rear of 112 East Market Street

Land Sale No. 3

Property Identification	
Property Type	Commercial CBD Land
Address	304 and 306 N Davie Street., Greensboro, NC
Sale Data	
Grantor	Young Women's Christian Association of Greensboro
Grantee	City of Greensboro
Sale Date	August 15, 2012
Deed Book/Page	7381/210
Verification	Public Records, Broker David Hagan
Sale Price	$1,840,000
Adjusted Sales Price	$1,940,000
Land Data	
Zoning	CB - Central Business District
Topography	Mostly level
Utilities	All public
Shape	Irregular but functional
Land Size Information	
Gross Land Size	1.843 Acres or 80,298 SF
Front Footage	Approximately 95 linear feet on N Davie Street
Indicators	
Sale Price/Gross Acre	$1,052,632
Sale Price/Gross SF	$24.16

Remarks

This property was improved with the Greensboro YWCA Center. The purchase price was $1,840,000, with the demolition cost reported to be $100,000. This building is now owned by the City of Greensboro who will develop the site with a cultural arts center.

Land Sale No. 4

Property Identification	
Property Type	Commercial CBD Land
Address	422 West Friendly Avenue, Greensboro, NC
Sale Data	
Grantor	Russell Terry Investments, LLC
Grantee	Helen K. Fuqua, Trustee of the 2012 Fuqua Family Irrevocable Trust
Sale Date	July 1, 2016
Deed Book/Page	7717/1306
Verification	Rich Mossman, Listing Broker
Sale Price	$500,000
Land Data	
Zoning	CB, Central Business
Topography	Mostly level and gravel
Utilities	All public
Shape	Rectangular but functional
Land Size Information	
Gross Land Size	0.5 Acres or 21,780 SF
Indicators	
Sale Price/Gross Acre	$1,000,000
Sale Price/Gross SF	$22.97

Remarks

This is a gravel parking lot that is self-paying. The grantee will continue the use as a parking lot. The gross revenue from parking was reported to be $1,850 per month.

120 Square foot Air Rights, to the rear of 112 East Market Street

Land Sale No. 5

Property Identification	
Property Type	Commercial CBD Land
Address	415 Bellemeade Street, Greensboro, NC
Sale Data	
Grantor	Guilford County
Grantee	Park Lot, LLC
Sale Date	January 21, 2016
Deed Book/Page	7778/327
Verification	Rick Mosher, Guilford County, Seller
Sale Price	$1,500,000
Land Data	
Zoning	CB - Central Business District
Topography	Mostly level and paved
Utilities	All public
Shape	Rectangular, and functional
Land Size Information	
Gross Land Size	1.455 Acres or 63,380 SF
Front Footage	Bellemeade Street and North Eugene Street
Indicators	
Sale Price/Gross Acre	$1,030,929
Sale Price/Gross SF	$23.67

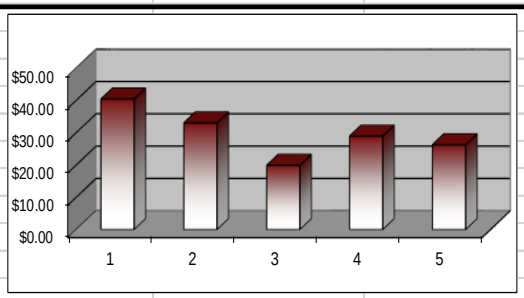
Remarks

This parcel was purchased to be utilized as a parking lot for the mixed-use development that is under construction across North Eugene Street.

These five land sales are compared to the subject on the following grid

		LAND SALES			
	Subject:	Air Rights Easement to the rear of 112 East Market			
		Greensboro, NC			
	Size:	1.069	Acres		
		46,560	SF per tax records		
Sale Number	**1**	**2**	**3**	**4**	**5**
Address:	338 N Elm Street	135 Summit Avenue	304 and 306 N Davie Street	422 W Friendly Avenue	415 Bellemeade Street
Zoning:	CB	CB	CB	CB	CB
Utilities:	All Public	All Public	All Public	All Public	All Public
Date of Sale:	3/5/2014	8/30/2013	8/15/2012	7/1/2016	1/21/2016
Sales Price:	$2,894,575	$1,134,510	$1,940,000	$500,000	$1,500,000
Land Area:	57,848	26,659	80,298	21,780	63,380
Price Per SF:	$50.04	$42.56	$24.16	$22.96	$23.67
Adjustments:					
Conditions of Sale:	-20.00%	-20.00%	-20.00%	0.00%	0.00%
Expenditures After the Sale:	0.00%	0.00%	0.00%	0.00%	0.00%
Time/Market:	0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Price Per SF:	$40.03	$34.05	$19.33	$22.96	$23.67
Location:	0.00%	0.00%	0.00%	10.00%	10.00%
Size:	1.00%	-3.00%	3.00%	-4.00%	1.00%
Topography:	0.00%	0.00%	0.00%	0.00%	0.00%
Zoning	0.00%	0.00%	0.00%	0.00%	0.00%
Site Utility:	0.00%	0.00%	0.00%	20.00%	0.00%
Utilities:	0.00%	0.00%	0.00%	0.00%	0.00%
Net Adjustment:	1.00%	-3.00%	3.00%	26.00%	11.00%
Indicated					
Price Per SF:	$40.43	$33.02	$19.91	$28.93	$26.27

Statistical Analysis	
Low	$19.91
Mean	$29.71
Median	$28.93
High	$40.43



EXPLANATION OF ADJUSTMENTS

Market Conditions (Time)

This adjustment considers the date of sale of the comparable properties, or an appreciation/depreciation factor. The ideal method to show the increase in land prices is to list market transactions of the sales and re-sales of the same or similar properties. Sales one, two, and three have been adjusted downwards by 20% for being purchased by the City of Greensboro, for the Tanger Performing Arts Center.

Location

This factor involves many aspects of the subject and each comparable utilized. Location adjustments were made on the basis of visibility, distance from the central downtown area, and exposure. Those properties with major street frontage or exposure are considered superior to

those without this influence, all other factors being equal. Sales four and five are on the outer edge of the Downtown Greensboro area and do not benefit from foot traffic and are inferior in comparison to the subject, therefore, they have both been adjusted upwards by 10%.

Size
The general rule indicated in the market place is that the larger tract will sell for less per unit than a similar, but smaller tract. This is generally true because a smaller tract of land can be developed or utilized with less holding cost involved. A size adjustment was required of most sales and is figured at a 1% adjustment for each 25% difference in size.

Topography
The topography of a property may affect market value in several ways. If a site requires extensive grading or fill work to be useable or if the topography makes the site less accessible, a negative affect on value may occur. All comparable sales and the subject site have topography that does not limit the utility of the site, therefore no adjustment was necessary.

Utilities
It is common in the real estate market for a site with all public utilities to demand a higher price than a comparable site without all public utilities. The subject property is served by all public utilities. All five sales have public utilities therefore no adjustment is necessary.

Site Utility
Sale four is a narrow and long lot which hinders the development potential through site utility. We are of the opinion that this is inferior in comparison to the subject and required an upwards adjustment.

Zoning
The zoning of the five comparables sales is the same as the zoning for the subject, therefore no adjustments are necessary.

LAND SALES ANALYSIS CONCLUSION
The indicated land sales were adjusted in comparison to the subject. This analysis indicates an adjusted value range of $19.91 to $40.43 per square foot. Adjustments for location, size, and site utility were the only adjustments. After adjustments, these sales indicate a close range of indicated values. The mean and median of the range are close with a mean of $29.71 per square foot and a median of $28.93 per square foot. The subject consists of one parcel of land with a concluded value indication of $30.00 per square foot taken from the mean of the range.

In the sales comparison grid shown above, we compared the entire site to the comparable sales and adjusted for location, size, and site utility.

Larger Tract Land Value
$30.00 X 46,560 SF = $1,396,800

Descriptions of the Easement Tracts
PERMANENT UTILITY EASEMENT

With a permanent utility easement, the current property owner remains the owner of record; however, the owner is restricted in the use and development of the land in the easement. While some buyers may react negatively toward a particular easement, others may view the same property with total disregard toward the easement. Other factors such as location or the presence of some amenity may overshadow the presence of the easement resulting in little discount, if any. The Easement Valuation Matrix is used as a general guide in looking at the effect an easement may have on the total bundle of rights. This chart shown below should not be considered an exclusive list as to the type of easements and their effect on the total bundle of rights but can be used as a guide to general effects on the total fee ownership.

EASEMENT VALUATION MATRIX

Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	Severe impact on surface use Conveyance of future uses	Overhead electric Flowage easements Railroad ROW Irrigation canals Access roads
75% - 89%	Major impact on surface use Conveyance of future uses	Pipelines Drainage easements Flowage easements
51% - 74%	Some impact on surface use Conveyance of ingress/egress rights	Pipelines Scenic easements
50%	Balanced use by both owner and easement holder	Water or sewer lines Cable line Telecommunications
26% - 49%	Location along a property line, location across non-usable land area	Water or sewer line Cable lines
11% - 25%	Subsurface or air rights that have minimal effect on use and utility Location with a setback	Air rights Water or sewer line
0% to 10%	Nominal effect on use and utility	Small subsurface easement

The City of Greensboro is negotiating to sell the air rights that services the rear of 117 119 South Elm Street to the rear of 112 E Market Street. The proposed draft of the deed which is included in the addendum of this report describes the air rights under appraisement as the area above 15 feet from the ground over 120 square feet. The air rights measure 6’ X 20’.

I do believe the proposed air rights easement will have a negative effect on potential improvements located on this 120-square feet as it will not allow the land owner to construct any improvements above 15 feet of elevation. Therefore, there is value loss attributable to loss of these air rights.

The above matrix shows air rights as easement that would potentially cause a loss of value of 11% to 25% of the site as if all property rights are intact.

It is assumed that the access easement will not be hindered in its use as the 15 feet elevation of the air rights would not limit truck or car access. A 20% of the estimated value appears to be appropriate for this air rights market value. This provides the following estimated market value of the air rights.

120 SF X $30.00/S X 20% = $720.00

CERTIFICATION

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

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

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

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

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

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

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

7. No one provided significant professional assistance to the person signing this report.

8. To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct. Data and information secured from others is believed reliable but its accuracy is not warranted.

9. This appraisal report sets forth all the limiting conditions (imposed by the term of my assignment or by the appraiser) affecting the analysis, opinions, and conclusions contained in this report

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

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

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

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

Dick Foster has performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

As of the date of this report, Dick Foster has completed the requirements of the continuing education program of the Appraisal Institute.

Sincerely,

Dick Foster, MAI
NC State Certificate #A-1070

QUALIFICATIONS OF THE APPRAISER

Charles D. “Dick” Foster, MAI

Business Address:
Foster Appraisal Services Inc.
351 South Swing Road
Greensboro, North Carolina 27409
(336) 279-1172 ext 300
FAX (336) 834-0303
Email: dickfostermai@bellsouth.net

EDUCATION

High School - Enka High School, Enka, NC
College - BS degree in Business Administration in the major field of General Management from Western Carolina University.

APPRAISAL EDUCATION

American Institute of Real Estate Appraisers Course IA, Basic Appraisal Principles. Methods & Techniques at the University of North Carolina.

American Institute of Real Estate Appraisers Course 1B, Capitalization Theory and Techniques at the University of Georgia.

American Institute of Real Estate Appraisers Course Case Studies in Real Estate Valuation at the University of Colorado.

American Institute of Real Estate Appraisers Course Valuation Analysis and Report Writing at the University of Colorado.

American Institute of Real Estate Appraisers Course Standards of Professional Practice in Little Rock, Arkansas.

American Institute of Real Estate Appraisers Course Real Estate Investment Analysis at the University of Texas, Arlington, Texas.

Appraisal Institute Review Theory – General Instructor: Nick Tillema, MAI

SEMINARS - Partial List)

Appraisal Practice for Litigation - Instructor: James H. Pritchett, MAI;
Understanding Limited Appraisals and Reporting Options - Instructor: Frank E. Harrison, MAI;
Highest and Best Use Applications - Instructor: Charles W. Rex, MAI;
Sales Comparison Approach Using the Market Data Grid. Instructor: Frank E. Harrison, MAI; Uniform Appraisal Standards for Federal Land Acquisition
The Valuation of Real Estate - The Viewpoint of the CPM. Instructor: B. A. 'Bill" Pittman, CPM;
Discounted Cash Flow Analysis - Instructor: Clifford B. Fisher, Jr., MAI;
Rates, Ratios, & Reasonableness - Instructor: Clifford B. Fisher, MAI;
Appraising Apartments - Instructor: Phil Rociz, MAI;
Special Purpose Properties - Instructor: Mark L Ratterman, MAI;
Subdivision Analysis - Instructor: Robert S. Martin, MAI
Litigation Skills for the Appraiser-Instructor: David Craig, MAI
Eminent Domain and Condemnation-Instructor: James H. Pritchett, MAI
Golf Courses and Country Clubs-Instructor: Andy Hinds, MAI & Harvey P. Jeffers, MAI
Office Building Valuation: Vincent M. Dowling, MAI

Appraising Distressed Commercial Properties: William Anglyn, MAI
Appraisal of Local Retail Properties: Thomas Dorsey
An Introduction to Valuing Green Buildings: Tom Dorsey, MAI
Introduction to Vineyard and Winery Valuation: JoAnn Wall ARA
Appraising the appraisal: Appraisal Review-General: Leslie Sellers MAI
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets: Leslie Sellers, MAI
Introduction to Conservation Easement Valuation: Nick Tillema, MAI

EXPERIENCE

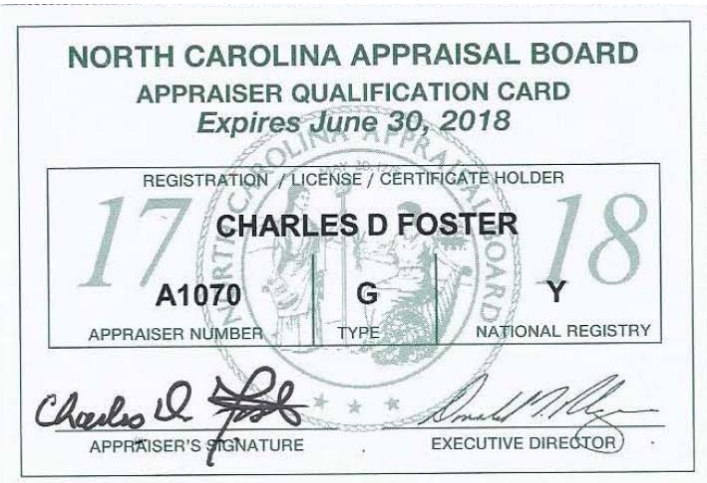
Four years as a staff appraiser for Mr. Robert L. Harrison, MAI of Springfield, Missouri, consisting of residential, commercial, industrial, agricultural and condemnation assignments
Three years as chief appraiser for Stone County, Missouri the mass appraisal of the entire county.
Thirteen years associated with Appraisal Services, Inc.
Five years with Foster Rich and Company as principal
Presently with Foster Appraisal Services Inc.

ORGANIZATIONS

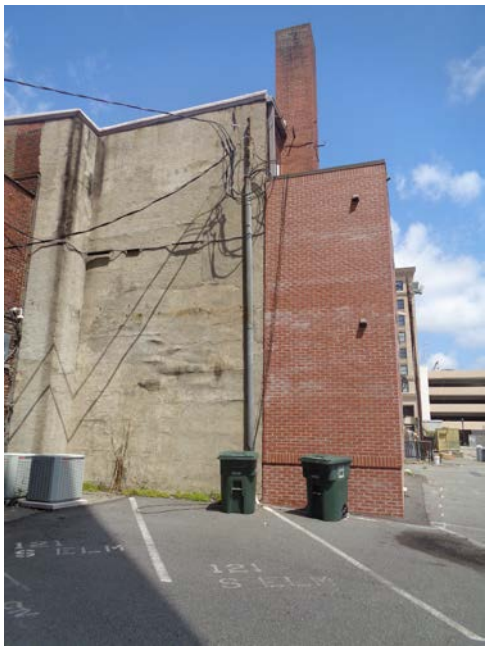
Appraiser holds the "MAI" designation from the Appraisal Institute.
Licensed Real Estate Broker in the State of North Carolina.
Certified General Appraiser for the State of North Carolina # A1070.

PARTIAL CLIENT LIST

Wells Fargo
Fidelity Bank
Truliant Credit Union
Financial First Federal
Capital Advisors
American National
Capitol Bank
BB&T
City of Greensboro
HIG Capital
Carolina Bank
NC Department of Transportation
First State Bank
Carter Bank
High Point Bank
TD America
SunTrust
First Citizens Bank
Grand South Bank
NewBridge Bank
First Community Bank
Bank of Oak Ridge
Bank of North Carolina
First National Bank
First Bank


NORTH CAROLINA APPRAISAL BOARD
APPRAISER QUALIFICATION CARD
Expires June 30, 2018
REGISTRATION / LICENSE / CERTIFICATE HOLDER
17 CHARLES D FOSTER 18
A1070 G Y
APPRAISER NUMBER TYPE NATIONAL REGISTRY
APPRAISER'S SIGNATURE EXECUTIVE DIRECTOR

ADDENDA



Location of 120 sf with proposed air rights under appraisement

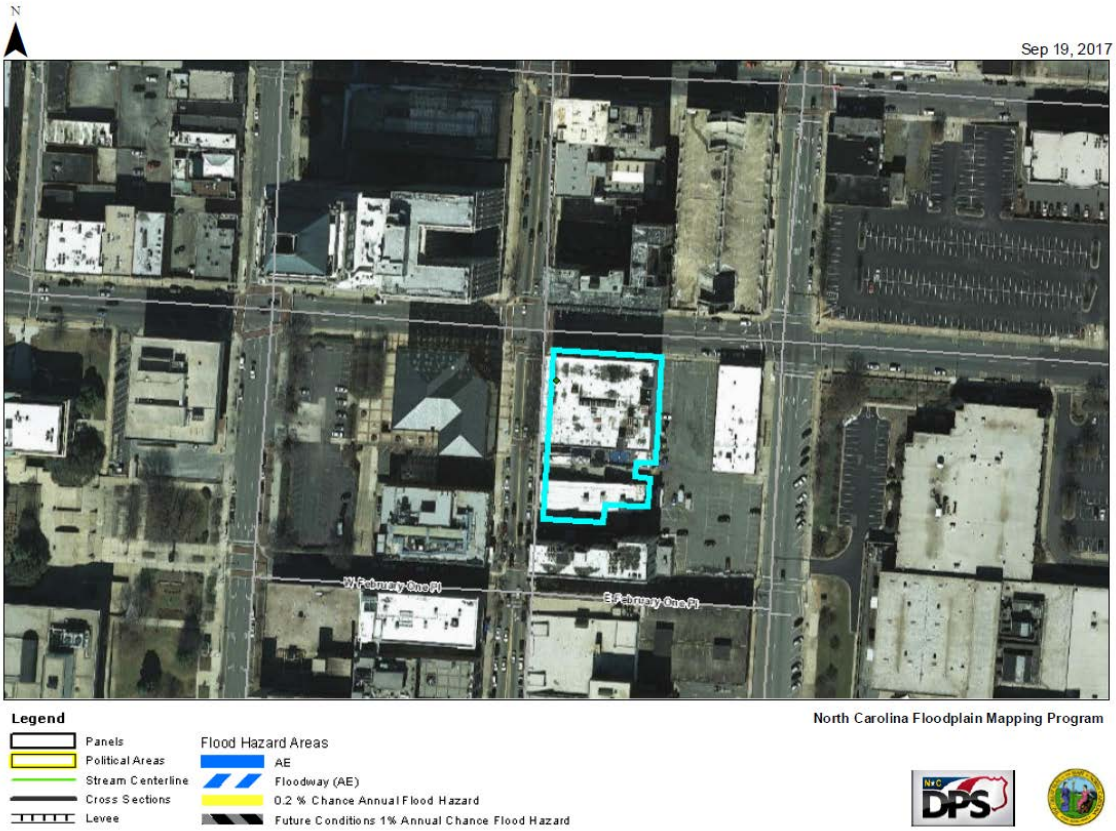
Location of 120 sf with proposed air rights under appraisement

120 Square foot Air Rights, to the rear of 112 East Market Street

Looking north across the proposed access alley with the subject to the left.

Looking south from the approximate end of the access easement

120 Square foot Air Rights, to the rear of 112 East Market Street



NORTH CAROLINA NON-WARRANTY DEED

Excise Tax: $

Parcel Identifier No._____ Verified by _____ County on the ____ day of_____, 20___
By:_____

Mail/Box to:

This instrument was prepared by: W. Andrew Kelly, Office of the City Attorney
City of Greensboro, P.O. Box 3136, Greensboro, North Carolina 27402

Brief description for the Index:

THIS DEED made this _____ day of _____, 2018, by and between

GRANTOR	GRANTEE
CITY OF GREENSBORO a North Carolina municipal corporation	**N CLUB, LLC** a North Carolina limited liability company
P.O. Box 3136 Greensboro, NC 27402	3017 High Point Road Greensboro, NC 27403

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

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.

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 grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot, parcel of land or condominium unit situated in the City of Greensboro, Gilmer Township, Guilford County, North Carolina and more particularly described as follows:

SEE EXHIBIT A

The property hereinabove described was acquired by Grantor by instrument recorded in Book 7948 page 2720 of the Guilford County Registry. For further reference, see Plat Book 197 Page 60 of the Guilford County Registry.

Page 1 of 3

DRAFT

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple, subject to the express reservation of an easement in favor of the City of Greensboro, its successors and assigns, for the purpose of going on and maintaining a pedestrian ingress and egress pathway over and through the parcel so that the path of travel is unobstructed and no building shall be permitted in the first fifteen (15) feet of height over the parcel, and subject to the Declaration of Easements recorded at Deed Book ____ Page ____ of the Guilford County Registry, the Parking Easement recorded at Deed Book ____ Page _____ and all other easements and rights-of-way of record.

AND Grantee further expressly acknowledges and consents to the assignment of the rights and easements contained in the aforesaid Declaration of Easements to additional parties at the discretion of the City of Greensboro and that the same may be modified to the extent provided by that Settlement and Release of All Claims dated April 24, 2018 between Grantor and Grantee.

The Grantor makes no warranty, express or implied, as to title to the property hereinabove described.

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

CITY OF GREENSBORO

By:_____
Nancy B. Vaughan, Mayor

ATTEST: (Municipal Seal)

_____
_____City Clerk

Approved as to form:

_____
_____ City Attorney

****

NORTH CAROLINA – GUILFORD COUNTY

I, the undersigned Notary Public of the aforesaid County and State, hereby certify that _____ personally came before me this date and acknowledged that he/she is the _____ City Clerk of the City of Greensboro, North Carolina, and that, by authority duly given and the act of the Corporation, the foregoing document was signed in its name by its Mayor, sealed with its corporate seal, and attested by him/herself as its _____City Clerk.

WITNESS my hand and official seal this _____day of _____, 2018.

_____
Notary Public

_____
Typed or printed name of Notary Public

My commission expires:_____

Page 2 of 3

DRAFT

EXHIBIT A

Beginning at an existing PK Nail in an eastern corner of Grantor (now or formerly City of Greensboro as shown on a map entitled "Elm Street Hotel & Parking Deck Site" and recorded in Plat Book 197 Page 61, in the Office of the Register of Deeds of Guilford County, N.C.) said nail also being the southeastern corner of N Club LLC as described and recorded in Deed Book 6562 Page 2286 in said Guilford County Registry; thence along the northern line of herein described tract, South 85°55'35" East 6.00 feet to a mag nail set, said nail being the northeastern corner of said herein described tract; thence along the eastern line of said herein described tract South 03°55'46" West 20.00 feet to a mag nail set, said nail being the southeastern corner of said herein described tract; thence along the southern line of said herein described tract, North 85°55'35" West 6.00 feet to a mag nail set, said nail being the southwestern corner of said herein described tract; thence along the western line of said herein described tract, North 03°55'46" East 20.00 feet to the principle point of beginning, containing and area of 120 square feet±.

Said premises being subject to the reservations set out hereinabove.

filename: Air Rights Tract_0000004 Initials: DRM Date: 8/10/2018

DRAFT

NORTH CAROLINA

COUNTY OF GUILFORD

PARKING
EASEMENT AGREEMENT

Prepared by:
W. Andrew Kelly
Asst. City Attorney
PO Box 3136
Greensboro, NC 27402-3136

THIS PARKING EASEMENT AGREEMENT (the "Agreement") is made and entered into this _____ day of June, 2018, by and between the City of Greensboro, a North Carolina municipal corporation (hereinafter referred to as "Grantor") and N Club, LLC, a North Carolina limited liability company (hereinafter referred to as "Grantee").

W I T N E S E T H:

WHEREAS, Grantor is the fee simple owner of that certain parcel of land located in Guilford County, North Carolina, being all of "Lot 2" as per Plat Book 197 Page 13 of the Guilford County Registry (said parcel being hereinafter referred to as the "Property"), said plat attached hereto as Exhibit A; and

WHEREAS, Grantee is the fee simple owner of certain property more particularly described in Exhibit B attached hereto (the "Grantee Property"); and

WHEREAS, Grantee desires to use a portion of the Property for bus parking in a designated area on the Property; and

WHEREAS, the Grantor has agreed to allow Grantee to park on a portion of Grantor's Property subject to the terms and conditions hereof.

NOW THEREFORE, in consideration of the amount of Ten Dollars ($10) paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Grantor does hereby establish, give, grant, and convey to Grantee an easement allowing Grantee the exclusive right to park vehicles (including tour buses) during certain times

as more particularly provided in paragraph 2(d) below, in connection with shows or events scheduled at 117-119 S. Elm St. in the area designated on the Property as more particularly described on Exhibit A (the "Parking Easement") upon the terms and conditions set forth herein.

2. The Parking Easement shall be subject to the following conditions, provided at all times the width and length of the Parking Easement shall not be affected except as provided herein below:

(a) During construction of Grantor's development and construction of a multi-level parking deck and related improvements on the Property known as "February One Downtown Development Project" (the "Project"), the Parking Easement may be inaccessible and unavailable for use due to modifications to the Parking Easement area necessary or appropriate in connection with the construction of the Project and to prepare the Parking Easement area for use in accordance with this Agreement, which modifications shall include relocation of utilities and repositioning of a stairwell; provided that, during such periods of inaccessibility, Grantor shall designate alternative bus parking locations shown in blue on Exhibit C for use by Grantee (the "Alternative Spaces") in accordance with the Settlement and Release of All Claims dated April 24, 2018 between Grantor and Grantee (the "Settlement Agreement") the terms of which are incorporated herein by reference. Grantee's use of the Alternative Spaces shall be upon the same terms and conditions as Grantee's use of the Parking Easement. The Grantor shall insure that such construction activity is undertaken in a manner so as to minimize, to the extent reasonably possible, the effect on the Parking Easement. All such work shall be done promptly and in a good workmanlike manner.

(b) Grantor's right to go in and upon the portion of the Parking Easement described in this subparagraph (b) to construct, install, improve, repair, inspect, and replace, without limitation, slopes, landscaping, utility structures, lines of underground pipe and other improvements required, in Grantor's sole discretion, in connection with the Project, provided that such activities shall be limited to no more than one (1) foot along the eastern boundary of the Parking Easement as described on Exhibit A. The right to enter the Parking Easement for the purposes described in this subparagraph (b) shall continue during the period of construction only for said herein referenced Project. Grantor shall also retain the right to go in and upon the Parking Easement to make any necessary grade adjustments to any and all of Grantor's Property and to maintain any structure remaining within the Parking Easement or elsewhere on the Property once the Project is completed provided the width and length of the Parking Easement shall be maintained at all times.

(c) Grantor's right to place and maintain within the Parking Easement and to use the Parking Easement for: i) any necessary utility lines now or hereafter existing; and ii) a collection vehicle route for the collection of refuse and recycling, such that during the operation of said routes, the Parking Easement shall be clear of all obstructions, save and except placement of refuse and recycling bins.

(d) Grantee will have the exclusive parking right to park in the Parking Easement for periods of twenty two hours at a time, beginning at 6:00 a.m. E.S.T. on the day of a show or event on the Grantee Property and ending at 4:00 a.m. E.S.T. on the following day, provided that as a condition to Grantee's exercise of the easement rights granted herein Grantee or its agents and assigns must give the then existing City Manager written notice via e-mail of each show or event on the Grantee Property for which it intends to exercise this right within a reasonable

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time after booking or scheduling of any show or event, and in no circumstance less than three (3) business days prior to the show or event. Grantee or its agents and assigns must also provide, in writing via e-mail, to the then existing City Manager, not less than twenty-four (24) hours prior to each use of the Parking Easement, the contact information for a point of contact for each show or event for which Grantee intends to use the Parking Easement, which point of contact shall have immediate access to the operator(s) of any vehicles to be parked within the Parking Easement in the event there is an emergency need for the Parking Easement to be cleared of vehicles. Failure to provide notice for a show or event in accordance with these requirements may result in Grantor denying Grantee or its assigns the parking right for a particular show or event. Following the issuance of the final certificate of occupancy for the February One Parking Deck, the Grantor shall consent to Grantee towing a vehicle in the Parking Easement if, during a show, such vehicle blocks or prohibits access to the rear of Grantee Property and shall grant such other rights as more specifically provided in Section 8 of the Settlement Agreement.

(e) The location of the Parking Easement shares its location with the Shared Access Easement as more particularly set out in Exhibit A (the "Shared Access Easement"). At all times the right to park is exercised, no doorway or stairwell may be unreasonably obstructed and pedestrian access, including pedestrian exit discharge paths, in the Shared Access Easement must be maintained.

3. Except as provided in paragraph 2, no party hereto shall interfere with or restrict the full and complete use and enjoyment by any party of the easement herein granted. The Parking Easement is superior to the Shared Access Easement.

4. Grantee hereby agrees to indemnify, defend and hold harmless the owner of the Property against any claims, judgments, damages or costs arising from the exercise of the foregoing easement rights by Grantee and its tenants, employees, agents, contractors, customers, occupants, invitees and licensees.

5. The Parking Easement premises shall be maintained in good order and repair by the Grantor; notwithstanding however, each party shall be solely responsible, at its sole expense, for any maintenance primarily necessitated by the negligence or wrongful intentional acts of such party, its agents, contractors or employees.

6. The obligations, conditions, and agreements provided for herein shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, and tenants of each party hereto and the customers, employees, and invitees of such parties.

7. This instrument does not dedicate the said easements contained herein to the general public, nor does this instrument restrict the use and development of Grantor's Property except as stated herein. It is the intent of the parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

8. In case of conflict between the terms of this Agreement and the Settlement Agreement, the terms of the Settlement Agreement shall control and govern the rights and obligations of the parties hereto.

9. This Agreement may be amended only by a written agreement executed by the Grantor and Grantee.

10. This Agreement has been entered into, and shall be construed in accordance with, the laws of the State of North Carolina. This Agreement sets forth the entire agreement of the parties with respect to the matters set forth herein, and supersedes any prior written or oral understandings between the parties with respect to those matters.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the date first above written.

CITY OF GREENSBORO

By:_____
Nancy B. Vaughan, Mayor

ATTEST: (Municipal Seal)

_____
_____City Clerk

Approved as to form:

_____
_____ City Attorney

[Notary acknowledgement to follow]

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NORTH CAROLINA – GUILFORD COUNTY

I, the undersigned Notary Public of the aforesaid County and State, hereby certify that _____ personally came before me this date and acknowledged that he/she is the _____ City Clerk of the City of Greensboro, North Carolina, and that, by authority duly given and the act of the Corporation, the foregoing document was signed in its name by its Mayor, sealed with its corporate seal, and attested by him/herself as its _____City Clerk. WITNESS my hand and official seal this _____ day of _____, 2018.

_____
[Notary's signature as name appears on seal]

_____
[Notary's printed name as name appears on seal]

My commission expires: _____, 20___

[Affix Notary Seal in Space Above]

Exhibit A

Being an easement 80 feet long and 15 feet wide beginning at the southern edge of the Peter's Holdings Property and continuing in a southerly direction 80 feet as per plat of Elm Street Hotel and Parking Deck site recorded in Plat Book 197, Page 61 Guilford County Registry.

NORTH CAROLINA

COUNTY OF GUILFORD

DECLARATION OF EASEMENTS

Prepared by:
W. Andrew Kelly
Asst. City Attorney
PO Box 3136
Greensboro, NC 27402-3136

THIS DECLARATION OF EASEMENTS, entered into this _____ day of _____, 2018, by and between the City of Greensboro, a North Carolina municipal corporation (hereinafter referred to as "Grantor") and N Club, LLC, a North Carolina limited liability company (hereinafter referred to as "Grantee").

W I T N E S S E T H:

WHEREAS, Grantor is the fee simple owner of that certain parcel of land located in Guilford County, North Carolina, being all of "Lot 2" as per Plat Book 197, Page 13 of the Guilford County Registry (said parcel being hereinafter referred to as "Grantor's Property"), said plat attached hereto as Exhibit A; and

WHEREAS, Grantee is the owner of that certain parcel of real property located in Guilford County, North Carolina, as more particularly identified in Exhibit B attached hereto and incorporated herein by reference (said parcel being hereinafter referred to as the "Benefitted Property"); and

WHEREAS, the Benefitted Property previously held an easement right which affected Grantor's Property, the same being more particularly described in Deed Book 669 Page 576 of the Guilford County Registry; and

WHEREAS, Grantor intends to develop Grantor's Property by constructing thereon an off-street parking facility; and

NPGBO1:2795708.8

WHEREAS, Grantee has released, remised and abandoned all rights, title, and interest in the aforementioned easement by that Quit Claim Deed and Release recorded in the Guilford County Registry at Deed Book _____ Page _____; and

WHEREAS, the Grantor desires to grant certain new shared access rights to Grantee, those rights being more specifically described below.

NOW THEREFORE, in consideration of the amount of Ten Dollars ($10) paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Grantor does hereby establish, give, grant, and convey to Grantee, its successors and assigns, a non-exclusive easement appurtenant to the Benefitted Property for ingress and egress by Grantee, its tenants, customers, employees, and invitees, for the purpose of walking upon, driving and parking vehicles for loading and unloading upon and across that area described and shown as the 14' Access Easement (the "Shared Access Easement") on that certain plat recorded in Plat Book 197 Page 13 of the Guilford County Registry, attached as Exhibit A.

2. The Shared Access Easement shall be subject to the following:

(a) During construction of the Project (as defined below), the Shared Access Easement or portions thereof may be inaccessible and unavailable for use due to modifications to the Shared Access Easement area necessary or appropriate in connection with the construction of the Project and to prepare the Shared Access Easement area for use in accordance with this Declaration, which modifications and accommodations are set out herein below within this section 2(a) and may also include changes in grade, landscaping, installation of utilities and other improvements required by design for Grantor's construction of a multi-level parking deck and related improvements on the Property known as "February One Downtown Development Project" (the "Project") and shall be subject to the City's grant of rights to Grantee to park in the portion of the Shared Access Easement beginning off of E. Market Street and continuing a length of seventy (70) feet, provided that no doorway or stairwell is blocked and pedestrian access is maintained. Grantor shall also retain the right to go in and upon the Shared Access Easement to make any necessary grade adjustments to any and all of Grantor's Property and to maintain any structure remaining within the Shared Access Easement or elsewhere on the Property once the Project is completed;

i. During the initial phase of construction of the Project, Grantor will pay for and cause Duke Power to relocate utilities, including an existing switchgear box, and transformer ("Electrical Utilities"). Grantor will also pay for and reposition the metal stairwell located behind 101 S. Elm Street ("Metal Stairwell"). Prior to and during relocation of the Electrical Utilities and the Metal Stairwell, Grantor shall provide continued access of Grantee (and its tenants) that is at least seventeen (17) feet in width, via Davie St. or East Market St running continuously to the N Club back door (the "Temporary Tour Bus Parking Area"). One of the two locations identified in blue on the Westin Greensboro Site Plan attached hereto as Exhibit C and incorporated herein by reference, shall be available for the Temporary Tour Bus Parking Area depending on construction activities.

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ii. After relocation of the Electrical Utilities, and during construction of the February One Parking Deck, Grantee or its tenants will have use of the Shared Access Easement and the City shall provide to Grantee and its tenants a parking area running from E. Market Street to the stairs off of 101 S. Elm St. (approximately 14' x 70' long) for parking from 6am to 4am. Permissible uses of the Shared Access Easement shall be coordinated as described in paragraph 2(c) below. In addition, if necessary for a show and with at least three (3) business days' prior notice provided to the City Manager by email, Grantee, may use the area on Elm Street in front of the N Club or on East Market Street between Elm Street and Davie Street for bus/trailer parking.

iii. Upon selection of a construction contractor for the February One Parking Deck, a point person will be established with whom Grantee (or its tenant(s)) can coordinate its activities. The point person shall be required to communicate regularly with the representative of Grantee or its designee and shall promptly respond to inquiries or requests from such representative or designee.

(b) Grantor's right to place and maintain within the Shared Access Easement and to use the Shared Access Easement for: i) any necessary utility lines now or hereafter existing; and ii) a collection vehicle route for the collection of refuse and recycling, such that during the operation of said routes, the Shared Access Easement shall be clear of all obstructions, save and except placement of refuse and recycling bins provided that during a show or event during which Grantee has rights to park pursuant to the Parking Easement referred to below, collection vehicles shall operate their route through the Shared Access Easement only during the hours between 4 am and 6 am EST;

(c) An exclusive parking easement in favor of Grantee more specifically set out in Deed Book _____, Page _____ at the Register of Deeds of Guilford County, North Carolina (the "Parking Easement"), and any additional parking easement hereafter granted to Grantee (or its successor in title), over and upon the Shared Access Easement pursuant to the Settlement and Release of All Claims dated April 24, 2018 the terms of which are incorporated herein, (the "Settlement Agreement") between Grantor and Grantee. Grantor and Grantee acknowledge and agree that the Parking Easement is superior to the Shared Access Easement and that obstruction of the Shared Access Easement by parties exercising their easement rights pursuant to the Parking Easement shall not be deemed a violation or breach of this Declaration of Easements or an interference with any easement rights granted hereunder. Grantee will have the right to park in the Shared Access Easement for periods of twenty two (22) hours at a time, beginning at 6:00 a.m. E.S.T. on the day of a show or event on the Grantee Property and ending at 4:00 a.m. E.S.T. on the following day, provided that as a condition to Grantee's exercise of the easement rights granted herein Grantee or its agents and assigns must give the then existing City Manager written notice via e-mail of each show or event on the Grantee Property for which it intends to exercise this right within a reasonable time after booking or scheduling of any show or event, and in no circumstance less than three (3) business days prior to the show or event. Grantee or its agents and assigns must also provide, in writing via e-mail, to the then existing City Manager, not less than twenty-four (24) hours prior to each use of the Shared Access Easement, the contact information for a point of contact for each show or event for which Grantee intends to use the Shared Access Easement, which point of contact shall have immediate access to the operator(s) of

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any vehicles to be parked within the Shared Access Easement in the event there is an emergency need for the Shared Access Easement to be cleared of vehicles. Failure to materially comply with any emergency need more than three times in any calendar year may result in revocation of the Shared Access Easement and other rights granted by this Agreement.

3. In connection with this Declaration of Easements, and in order to make such easements effective for the purposes contained, Grantor and Grantee do further agree as follows:

(a) No party hereto shall, at any time prior to the termination of the easements herein granted, interfere with or restrict the full and complete use and enjoyment by any party of the easements herein granted except as provided in paragraph 2 hereof.

(b) In connection with the installation, maintenance, or repair of utilities as provided for in paragraph 2 hereof, the Grantor shall insure that such installations, maintenance, or repair is undertaken in a manner so as to minimize, to the extent reasonably possible, the effect on the Shared Access Easement. All such work shall be done promptly and in a good workmanlike manner.

4. The Shared Access Easement premises shall be maintained in good order and repair by the Grantor; notwithstanding however, each party shall be solely responsible, at its sole expense, for any maintenance primarily necessitated by the negligence or wrongful intentional acts of such party, its agents, contractors or employees.

5. Grantee hereby agrees to indemnify, defend and hold harmless the owner of the Property against any claims, judgments, damages or costs arising from the exercise of the foregoing easement rights by Grantee and its respective tenants, employees, agents, contractors, customers, occupants, invitees and licensees.

6. The obligations, easements, and conditions contained herein shall be effective upon the execution and recordation of this Declaration of Easements. The easements provided for herein shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, and tenants of each party hereto and the customers, employees, and invitees of such parties.

7. This instrument does not dedicate the said easements contained herein to the general public, nor does this instrument restrict the use and development of Grantor's Property except as stated herein. It is the intent of the parties that this Declaration of Easements shall be strictly limited to and for the purposes herein expressed.

8. This Shared Access Easement will terminate automatically upon the Grantor's conveyance of a new shared access easement to Grantee, which Grantor shall record following the issuance of the final certificate of occupancy for the February One Parking Deck. The new Shared Access Easement will be widened so that it is no less than nineteen (19) feet in width at the intersection of the Shared Access Easement with E. Market Street, and shall extend approximately two hundred and twenty (220) feet long from the Shared Access Easement entrance on East Market Street to the easement terminus behind 117 South Elm Street (the "New Shared Access Easement"). This new Shared Access Easement will be better defined at the end of construction of the February One Deck, after "as built" surveys are available, and shall increase in width to extend from the western edge of the City property adjacent to parcels 101-119 to the edge of the

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February One Parking Deck on the east side of the easement. The City will take all steps necessary to promptly record and grant Grantee (and its successors and assigns) rights in the New Shared Access Easement. Upon issuance to the City of the final certificate of occupancy for the February One Parking Deck, the City will take all necessary steps to promptly record and grant to Grantee (or its assigns) the right to park within the New Shared Access Easement all in conformity with the terms and provisions of the Settlement Agreement referenced above.

9. In case of conflict between the terms of this Agreement and the Settlement Agreement, the terms of the Settlement Agreement shall control and govern the rights and obligations of the parties hereto.

10. This Declaration of Easements has been entered into, and shall be construed in accordance with, the laws of the State of North Carolina. This Agreement sets forth the entire agreement of the parties with respect to the matters set forth herein, and supersedes any prior written or oral understandings between the parties with respect to those matters.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the date first above written.

CITY OF GREENSBORO

By: _____
Nancy B. Vaughan, Mayor

ATTEST: (Municipal Seal)

_____
_____City Clerk

Approved as to form:

_____
_____ City Attorney

NORTH CAROLINA – GUILFORD COUNTY

I, the undersigned Notary Public of the aforesaid County and State, hereby certify that _____ personally came before me this date and acknowledged that he/she is the _____ City Clerk of the City of Greensboro, North Carolina, and that, by authority duly given and the act of the Corporation, the foregoing document was signed in its name by its Mayor, sealed with its corporate seal, and attested by him/herself as its _____City Clerk. WITNESS my hand and official seal this _____day of _____, 2018.

_____
Notary Public

_____
Typed or printed name of Notary Public

My commission expires:_____