



COMMONWEALTH OF VIRGINIA  
STANDARD CONTRACT

Contract No. UCPJMU6792

This contract entered into this 12<sup>th</sup> day of December 2023, by CBRE, Inc., hereinafter called the "Contractor" and Commonwealth of Virginia, James Madison University called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From January 18, 2024 through January 17, 2025 with 3 one-year renewal options.

The contract documents shall consist of:

- (1) This signed form;
- (2) The following portions of the Request for Proposal MPM-1192 dated September 18, 2023:
  - (a) The Statement of Needs,
  - (b) The General Terms and Conditions,
  - (c) The Special Terms and Conditions together with any negotiated modifications of those Special Conditions;
- (3) The Contractor's Proposal dated September 20, 2023 and the following negotiated modification to the Proposal, all of which documents are incorporated herein.
  - (a) Negotiations Summary, dated December 4, 2023.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:  
By: [Signature]  
(Signature)  
Harwood Newkirk  
(Printed Name)

Title: Exec. Vice President

PURCHASING AGENCY:  
By: [Signature]  
(Signature)  
Michael Morrison  
(Printed Name)

Title: Buyer Senior

## RFP# MPM-1192 REAL PROPERTY APPRAISAL SERVICES

12/4/2023

The Primary Point of Contact for this Contract is:

Haywood Newkirk

1-910-520-1483

haywood.newkirk@cbre.com

## PRICING SCHEDULE:

The following Labor, Other Fees, and Discounts sections represent the negotiated pricing for all represented items and should be reflected in all quotes and proposals for the University. No other fees or charges shall be acceptable.

Category of Appraisal Assignment	Examples of Specific Assignments	Complexity of Appraisal Assignment	
		Non-Complex	Complex
Vacant Land	Rural Land; Farm Land; Ranch Land	+/- \$2,400	+/- \$4,000
	Residential Lot (1 to 4 family)		
Residential	Single Family (1 to 4 family)	+/- \$2,800	+/- \$4,000
Small Commercial	Retail Center (Unanchored)	+/- \$4,000	+/- \$6,000
	Office Building; Medical Office Building		
	Single-Tenant Warehouse		
	Convenience Store; Service Station		
	Office Building; Medical Office Building		
Large Commercial	Retail Center (Anchored)	+/- \$4,800	+/- \$8,000
	Multi-Family Apartments		
	Self-Storage		
	RV/MH Parks		
	Multi-Tenant Warehouse		
Special Purpose	Churches	+/- \$4,000	+/- \$8,000
	Educational Facilities		
	Other Special Purposes		

## NEGOTIATION SUMMARY

**CBRE, INC.**

Update Appraisal Fee:

75% of Initial Fee

Condemnation Support, Litigation, and Expert Witness Testimony Fee:

Quoted hourly based on the following:

Testifying Expert	\$300.00
Appraiser Associate	\$200.00
Research	\$125.00
Administrative	\$75.00

Market Study Fee: \$3,500 to 10,000+

**Notes:**

Fees are approximate and are typically quoted on a project specific basis. Fees can vary due a variety of factors such as location, scope of work required, complexity, turnaround time, volume of appraisals, size of project, etc.

Fees are inclusive of all expenses including materials, travel, lodging, printing, and delivery of hard copy reports.

Other Fees		
<b>Charge Card Processing Fees:</b>	0	%
All travel will meet GSA standards.		

1. Any change in the scope described herein shall be mutually agreed upon by the Purchasing Agency and Contractor with all changes first being authorized through either a contract modification and/or a change order issued by the Purchasing Agency.
2. Parties agree that this Negotiation Summary modifies RFP# MPM-1192 and the Contractor's initial response to RFP# MPM-1192, and in the event of conflict this negotiation summary shall take precedence.
3. Contractor agrees that all exceptions taken within their initial response to RFP# MPM-1192 that are not specifically addressed within this negotiation summary are null and void.

# ***REQUEST FOR PROPOSAL***

## ***RFP# MPM-1192***

**Issue Date:** September 18, 2023  
**Title:** Real Property Appraisal Services  
**Issuing Agency:** Commonwealth of Virginia  
James Madison University  
Procurement Services MSC 5720  
752 Ott Street, Wine Price Building  
First Floor, Suite 1023  
Harrisonburg, VA 22807

**Period of Contract:** From Date of Award Through One Year (Renewable)

**Sealed Proposals Will Be Received Until 2:00 PM on October 18, 2023 for Furnishing The Services Described Herein.**

**MANDATORY/ OPTIONAL PRE-PROPOSAL:** None

*SEALED PROPOSALS MAY BE MAILED, EXPRESS MAILED, OR HAND DELIVERED DIRECTLY TO THE ISSUING AGENCY SHOWN ABOVE.*

All Inquiries For Information And Clarification Should Be Directed To: Michael Morrison, Buyer Senior, Procurement Services, [morrismp@jmu.edu](mailto:morrismp@jmu.edu); 540-568-6181; (Fax) 540-568-7935 not later than five business days before the proposal closing date.

**NOTE: THE SIGNED PROPOSAL AND ALL ATTACHMENTS SHALL BE RETURNED.**

In compliance with this Request for Proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

1802 Bayberry Court

Suite 201

Richmond, Virginia 23226

By:

  
(Signature in Ink)

Name: Haywood Newkirk, MAI

(Please Print)

Date: 9/20/2023

Title: Executive Vice President

Web Address: www.cbre.com

Phone: (910) 520-1483

Email: haywood.newkirk@cbre.com

Fax #: N/A

ACKNOWLEDGE RECEIPT OF ADDENDUM: #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_ #4 \_\_\_\_\_ #5 \_\_\_\_\_ (please initial)

SMALL, WOMAN OR MINORITY OWNED BUSINESS:

☐ YES; ☒ NO; *IF YES* ⇒⇒ ☐ SMALL; ☐ WOMAN; ☐ MINORITY ***IF MINORITY:*** ☐ AA; ☐ HA; ☐ AsA; ☐ NW; ☐ Micro

**Note:** This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.



# REQUEST FOR PROPOSAL (RFP)

For Real Property Appraisal Services No. MPM-1192

October 18, 2023

## Prepared For:

Michael Morris, Buyer Senior  
James Madison University  
Procurement Services MSC 5720  
752 Ott Street  
Wine Price Building, First Floor, Suite 1023  
Harrisonburg, Virginia 22807  
T: (540) 568-6181  
E: morrismp@jmu.edu

## Prepared By:

Haywood Newkirk, MAI, Executive Vice President  
CBRE, Inc.  
1802 Bayberry Court, Suite 201  
Richmond, Virginia 23226  
T: (910) 520-1483  
E: haywood.newkirk@cbre.com



**Haywood Newkirk, MAI**  
Executive Vice President

1802 Bayberry Court  
Suite 201  
Richmond, Virginia 23226

**CBRE, Inc.**  
Valuation & Advisory Services

haywood.newkirk@cbre.com  
www.cbre.com

Michael Morris  
James Madison University, Procurement Services MSC 5720  
752 Ott Street  
Wine Price Building, First Floor, Suite 1023  
Harrisonburg, Virginia 22807  
(540) 568-6181  
morrismp@jmu.edu

Mr. Morrison,

We are pleased to present to James Madison University – Procurement Services the following response to the Request for Proposal (RFP) for Real Property Appraisal Services – RFP Number MPM-1192, released September 18, 2023 with a submission deadline of Wednesday, October 18, 2023. CBRE, Inc. has not received any Addendum's from the client. We are well-equipped to provide real property appraisal services in support of James Madison University's Procurement Services Department for the contract term of one year with a renewable option.

CBRE professionals have provided appraisal services for various public and private entities in numerous areas of the Southeastern United States. We have provided valuation services for academic institutions such as Salem College, Winston Salem State University, UNC-Wilmington and Nash Community College. These valuations included market analysis and appraisals for road & highway projects, campus expansion, and other projects which involve the acquisition or disposition of real property. In connection with these projects, CBRE professionals have also served as expert witnesses in county, state, and federal courts.

CBRE's efforts will be centered on a profound respect for Property Rights. This includes both the private property owner's right to full use and enjoyment of their property and the condemnor's right to acquire all necessary property rights for public use. This perspective will guide CBRE's efforts to value real estate and to minimize the cost of litigation.

CBRE Executive Vice President, Haywood Newkirk, MAI is authorized by CBRE to contractually obligate our organization and negotiate the contract on behalf of CBRE, Inc. Mr. Newkirk can be reached at the contact information referenced in our letterhead and via telephone at (910) 520-1483.

Attached you will find our response to this opportunity. We certify that all of the information submitted within this response is accurate. Should you have any questions please contact us at the number listed below and we appreciate this opportunity to be of service.

Best regards,

CBRE  
VALUATION & ADVISORY SERVICES

Haywood Newkirk, MAI  
Executive Vice President  
T: (910) 520-1483  
haywood.newkirk@cbre.com

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## A. APPRAISER QUALIFICATIONS

1. Appraisers, including review appraisers, shall be currently (at the time of appraisal) licensed by the Commonwealth of Virginia as Certified General Real Property Appraisers. Describe your firm's ability to meet this requirement.

CBRE's deep and talented team, local market knowledge, project management and appraisal experience, and delivery efficiency, provided via CBRE's industry-leading platform of people, processes, data, and technology create an unparalleled solution to the City of Santa Rosa for all projects. Our RISE values of respect, integrity, service and excellence provide the foundation and guideposts for everything we do.

Our dynamic Appraisal Team operates as a single, full-service right-of-way valuation group. The CBRE Team will be led by Mr. Haywood Newkirk, MAI, the senior individual as well as principal in charge of our CBRE staff that will be responsible for the delivery of services in accordance with the established Scope of Services, as provided.

The CBRE Appraisal Team has decades of experience working on complex right-of-way projects in a team approach environment. We have a technical, experienced support staff capable of handling projects of any size. We believe our team is unmatched in terms of appraisal, right-of-way expertise and firm capacity for James Madison University.

All of CBRE's appraisers to be assigned to this contract are licensed with the Commonwealth of Virginia and have all qualifications and experience necessary to provide Certified General Real Property Appraisal Services as outlined in the RFP. In addition, the General Certified Appraisers on this team have collectively over 65 years of experience.

### **Appraiser of Record/Project Manager**

Haywood Newkirk, MAI, has over 30 years of real estate appraisal, appraisal review and consulting experience. Over the last 30 years, Mr. Newkirk's career has focused on litigation support and the completion of large eminent domain valuation projects in North Carolina, South Carolina, Maryland and Florida. He recently secured his Virginia Appraisal License and received approval to be on the Virginia Department of Transportation Approved Appraiser List. Mr. Newkirk has testified approximately 30 times at the State Court and Federal Court levels.

Mr. Newkirk has completed approximately 6,500 valuations and reviews for a variety of Projects across the southeast. These range from local bypass/road expansion projects to large scale interstate expansions such as the valuation of 600 parcels affected as a result of the I-95 interchange redesign. Mr. Newkirk has also provided valuations for the US Attorney's Office and the North Carolina Attorney General's Office for properties located in North Carolina and South Carolina. He is a member of the IRWA and a licensed Real Estate Broker.

Mr. Newkirk has worked extensively with large scale infrastructure projects and government entities which include the valuation of fee simple and easement estates for proposed and existing roadway expansions and public utility lines.

Mr. Newkirk's is licensed in Virginia and you can refer to Section D, Question Number 3 for proof of his license.

### **Appraiser of Record/Project Manager**

Don Poore, MAI, is the Managing Director of CBRE's Valuation and Advisory Services Team for North Carolina and South Carolina. He is an accomplished professional with more than 35 years of national appraisal and valuation experience. His current responsibilities include directing the valuation and advisory division for the North and South Carolina markets. Before entering the real estate business, Mr. Poore worked as a staff appraiser at a regional appraisal company in North Carolina and as Director of Real Estate Appraisal for a large national accounting firm.

Mr. Poore is licensed in Virginia and you can refer to Section D, Question Number 3 for proof of his license.

**Appraiser of Record/Project Manager**

Chris Walker, MAI is the Vice President of our Charlotte office for Valuation & Advisory Services Group. Chris is originally from Cary, North Carolina. Chris came aboard with CBRE in June of 2022 and specializes in Eminent Domain appraisal and has also provided expert witness testimony and support for the North Carolina Attorney General's office.

Mr. Walker is licensed in Virginia and you can refer to Section D, Question Number 3 for proof of his license.

2. Appraisers, including review appraisers, shall have extensive experience in appraising (or reviewing, as the case may be) properties similar to that being appraised. Describe how your firm will ensure that this requirement is met.

The firm is experienced in the appraisal of investment-grade properties, including office buildings, shopping centers, industrial developments, hotels and motels, apartment and condominium complexes, mobile home parks, and industrial and residential subdivision acreage. We are experienced in specialty property types including airport-related properties, auto dealerships, restaurants, bowling alleys, gas stations, churches, motion picture and performing arts theaters, cold storage and food processing facilities, parking structures, agricultural property, waterfront property, shipping terminals, and residential estates. We often value single-family residences as part of public works acquisitions. All of this experience is important in valuing full and partial acquisitions as part of right of way projects.

In addition to real estate valuation, we also complete specialized studies, including market demand, feasibility, highest and best use, reuse analysis, potential value diminution (from both internal and external influences), the valuation of partial interests, and the study of damages and benefits that may arise in condemnation matters.

We have handled a significant number of assignments which are relevant to the appraisal needs of James Madison University. We have provided valuation services for academic institutions such as Salem College, Winston Salem State University, UNC-Wilmington and Nash Community College. These valuations included market analysis and appraisals for road & highway projects, campus expansion, and other projects which involve the acquisition or disposition of real property.

These include the appraisals and appraisal updates for partial and/or full acquisitions involving developed and undeveloped residential, commercial, industrial, agricultural and railroad properties. We have significant experience valuing railroad properties, flood control channels and other types of corridor properties. Our partial acquisition appraisals routinely involve the valuation of partial fee acquisitions, permanent easements, temporary construction easements and access or license agreements. We are commonly called upon to value surplus/excess properties and are familiar with the Surplus Land Act. We are often called upon to value ground lease properties or to aid in setting new ground rent rates. Completing appraisals for eminent domain use and providing litigation support and expert testimony are also services we regularly provide.

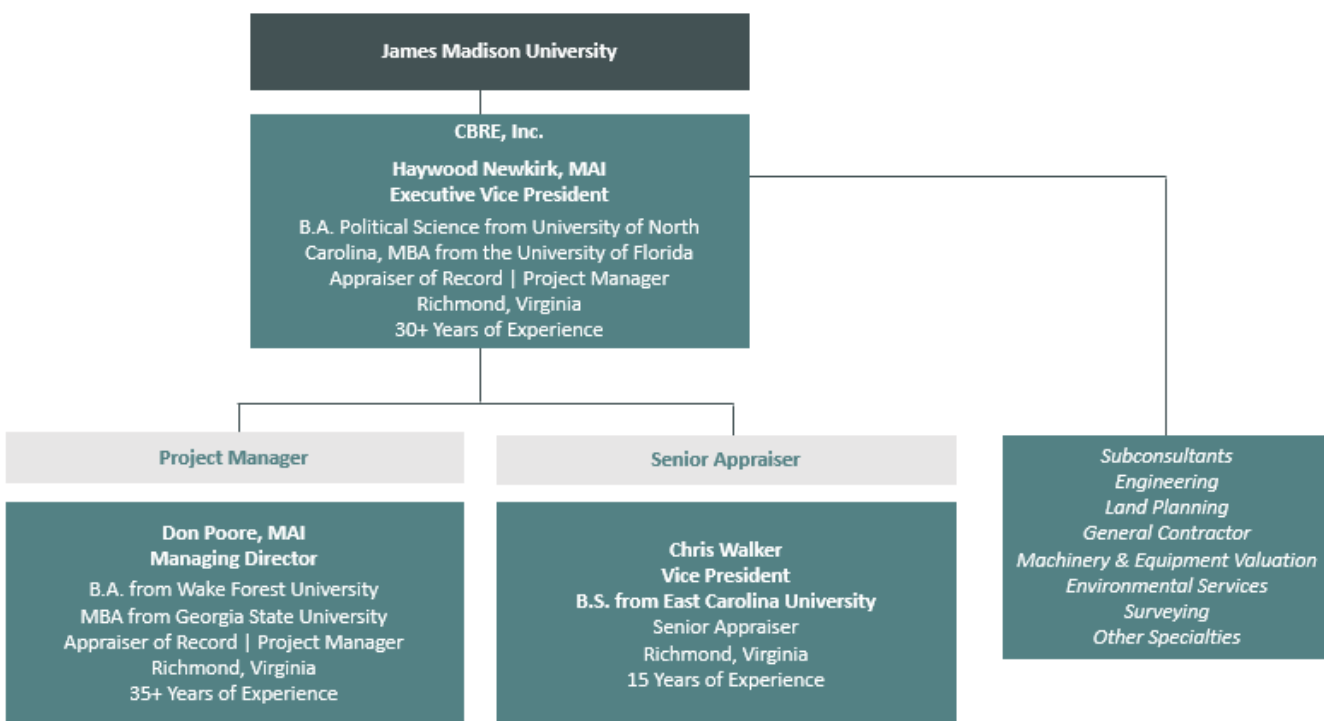
We are also experienced in providing appraisals in involving land for acquisition by conservation authorities, including the valuation of land, both developable and land with a highest and best use of open space or conservation. We are often called upon to value land for mitigation, conservation easements, and land that is identified as wetlands. This rural land has consisted of habitat conservation, open space, mitigation, low density residential, agricultural and ranch land.

Our review services can be either field or desktop reviews of appraisal reports (or other studies) prepared internally or by outside appraisers or consultants. If appropriate or necessary, our review services can be supplemented with an independent investigation of market conditions or comparable data which may not have been included in the original appraisal. Our experience in the property types described above enables us to complete review assignments in a capable manner.

3. Appraisers shall meet the competency provisions of the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Federation. Confirm your firm's ability to meet this requirement.

Over the course of providing appraisals for client on a national basis, our firm has developed training programs, supervisory roles and reporting methods for our valuation clients. We provide our staff with a significant level of educational and personal valuation training. New valuation associates work directly under a Certified General Appraiser in the formulation of valuations. Certified General Appraisers are qualified to generally perform their own valuations, but an MAI Review is required for every appraisal that CBRE produces. Our training methods, supervisory roles and team approach to valuation allows us to perform valuations in a manner that conforms to USPAP, State and Federal Standards.

4. Provide and organizational chart of your firm stating job titles, certifications, and designations held, education, responsibilities, location, and number of years' experience.



5. Specify the person that will be responsible for managing JMU's account with your firm.

Appraiser of Record/Project Manager Haywood Newkirk, MAI will principally work on assignments and be responsible for James Madison University's account.

6. Describe your firm's knowledge and experience in the valuation of interests in real estate.

The applicant is CBRE, Inc. Valuation & Advisory Services (VAS) Group. CBRE, Inc. is the largest commercial real estate services and investment firm in the world tracing its roots to San Francisco in 1906. CBRE is based in Dallas, Texas and operates more than 450 offices worldwide and has clients in more than 100 countries. Likewise, the proponent's VAS group represents the largest appraisal firm in the world with more than 1,900 valuation professionals, completing in excess of 470,000 real estate valuation and advisory assignments each year.

Additionally, CBRE is publicly traded, operates as a corporation, and has been a Fortune 500 company since 2008 (ranked #122 in 2021). CBRE announced that it has been named one of America's Most JUST Companies for 2020, according to Forbes and JUST Capital. CBRE was the #1 real estate company on the list, which recognizes U.S. corporations that outperform their peers on issues related to employee relations, ethical practices, community support and shareholder performance. Also, CBRE has also been ranked as the top real estate brand by The Lipsey Company for 19 consecutive years.

Our large staff allows for extreme flexibility in scheduling, as well as quick response and delivery times. Our highly qualified staff are well versed in the appraisal of all property types including land (commercial, residential, farms, ranches, etc.), retail, industrial, office, and multifamily. We are also experienced in the valuations of subdivisions, self-storage facilities, and special purpose assets such as schools or churches.

CBRE valuation team members have access to all of the latest technology and software. Our analysts/appraisers have and/or utilize CBRE proprietary report software, Argus Valuation DCF and/or AE, Argus Asset Management, Flood Insights, NDC Data, Real Facts, Costar, ESRI, Real Capital Analytics, Hoovers, Hanley Wood Market Intelligence, LoopNet, Real Quest, Real Data Apartment Insights, all major Multiple Listing Services and Marshall Valuation Service. Our appraisers also have access to robust in-house research and GIS departments which provides our team members with the most current real estate information available. CBRE also uses the most current file sharing software. This allows us to receive and transmit large electronic files such as title work, CAD drawings, plats, images, as well as provide seamless and efficient electronic delivery of our appraisal reports to clients.

Our project approach is simple – “get it right the first time”. We accomplish this by following an efficient framework and step-by-step protocol from project kickoff to completion. The protocol includes a detailed process from the initial file set up, property inspection, research, analysis, valuation, and report delivery.

Quality assurance and quality control are critical to the completion of an accurate, supportable, and defensible appraisal. Our quality assurance/quality control protocol includes a right-of-way testifying expert review, a management review completed by an appraiser who holds the MAI designation, and a right-of-way scrub review.

CBRE has a proven track record providing right-of-way appraisal and appraisal review services for various right-of-way projects across the country. We are well qualified and have the expertise necessary to complete valuation and advisory services for James Madison University.

The stability of our firm is demonstrated by the fact that we have been in business since 1906 (117 years) and CBRE, Inc. is the largest commercial real estate services and investment firm in the world.

## Project Approach & Methodology

CBRE's has a successful record of completing valuations and advisory services on a variety of projects involving acquisitions of real property including residential and commercial property for roadways, oil & natural gas pipelines, electric transmission lines, drainage improvements, waterlines, sewer lines, utilities, voluntary buyouts, and other infrastructure projects.

Our qualifications demonstrate our experience and ability to comply with all federal, state, county, and local requirements. Our diversified client base speaks to our past performance relative to the quality of our services as well as the timely delivery of our valuation and advisory services.

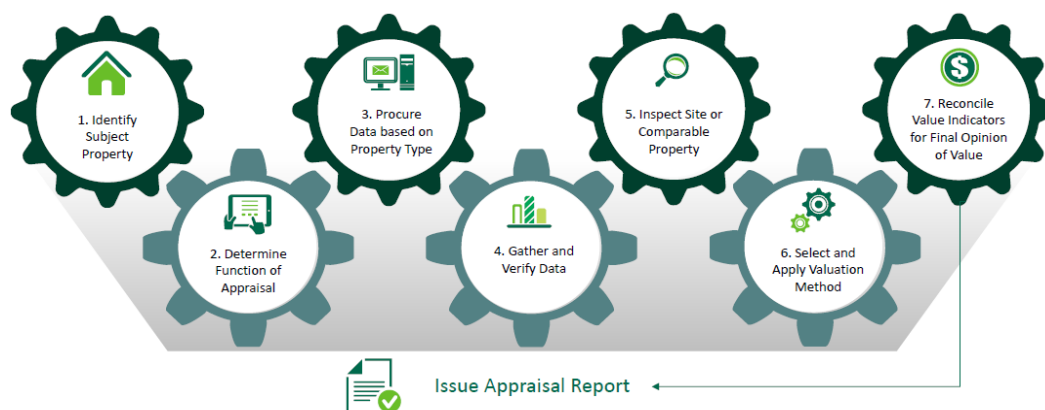
## Demonstrated Understanding Of The Scope Of The Project

Our firm has the background and the “horsepower” to perform real property appraisals in an efficient, timely and professionally competent manner. We have completed more than 6,500 appraisals for large right of way projects at the state level including Interstate Projects such as I-95, I-85 and I-77. We have also completed appraisals for military airfield expansion for the US Attorney's Office. We have provided a multitude of appraisal consulting services over the last 20 years. These include feasibility studies for airport expansions; right of way studies related to market proximity, parking, assemblage and easement impacts. We have represented property owners in the tax appeal process and neighborhood associations impacted by encroaching development.

## Appraisal Process

A general overview of the typical appraisal process is provided on the following page. Please note that this process will be modified as needed based on the specific scope of work, appraisal requirements, intended use, and intended users.





A summary of the typical valuation process is provided below. Please note that this process will be modified as needed based on the specific scope of work, appraisal requirements, intended use, and intended users.

### THE VALUATION PROCESS





## Project Approach

### Eminent Domain Related Appraisals

CBRE VAS considers all applicable approaches to value in each appraisal and uses accepted methodologies that are appropriate for the type of property being appraised. Scope of work and appraisal formats are discussed with the client in advance in order to meet with the client's objectives.

### Eminent Domain/Condemnation Related Appraisals

Our efforts will at all times be centered on our profound respect for property rights. This includes both the property owner's right to full use and enjoyment of their property and the client's right to acquire all necessary property rights for public or private use. This perspective will guide our efforts toward just compensation and to allow the client to acquire rights-of-way and to minimize the amount of litigation.

Our process, once authorized, typically will follow this general framework. Please note that once engaged, we will consult with the client to customize an appraisal process to meet the needs of the contract.

Property Owner Notification (as needed): At commencement of engagement, CBRE will identify the properties to be appraised with information such as address, tax parcel identification number, owner of record, type of property, site size, and building size. Upon collection of the parcel specific information, CBRE will prepare letters to the owners of record for each parcel. These letters will outline the scope of the project and the purpose and use of the proposed acquisition in fee and/or easement. Letters will be delivered via certified mail to the owners of record within approximately one business week from commencement of engagement. CBRE will be responsible for the cost of delivery of the certified letters.

Front-End File Development: In conjunction with development of the market study if requested, our administrative staff, in conjunction with one of our ROW valuation experts, will develop individual files for each parcel in the project. Each file will contain all correspondence with property owner of record, assessor records, floodplain maps, zoning maps, surveys of the whole property and proposed acquisition, legal descriptions of the whole property and proposed acquisition, title commitments, ROW maps, easement documents, aerials, etc. Development of files is anticipated to be completed within approximately two weeks after commencement of engagement.

Inspection and Property Owner Interaction: Within one to two weeks after our administrative staff have mailed certified letters to the owners of record, we would anticipate return responses from the property owners. During this correspondence period, CBRE would attempt to set up inspections of the identified parcels. As needed, CBRE staff will send out an additional letter, via certified mail, which outlines the information which CBRE will be requesting in order to complete the appraisal assignment.

An appraiser/ROW expert will attend each property inspection and insist on providing each property owner the opportunity to articulate the project's effect on their property. This will improve the chances of delivering the most just compensation and decrease the chances of litigation. The inspections of the parcels would include an inspection of the interior and exterior of all improvements located on the parcel as well as an inspection of the proposed acquisition. However, please note that our detail of inspection will be contingent on the cooperation of the landowner of the Parcel affected by the Project.

Valuation: Applying the market data and feedback from the property inspection and meeting with the owners, the CBRE team will analyze the property and determine the just compensation due to the property owner.

The appraisal reports will be written according to the applicable requirements and guidelines with market value definition being based on current Federal and State standards. The development of the appraisal will consider all relevant facts and aspects of the property being appraised and the proposed acquisitions in fee and/or easement.

If there are damages, CBRE will estimate the cost to cure and effective age of the improvements within the proposed acquisition and any effect(s) to the remainder after the acquisition. Our analysis may utilize sources such as the Marshall & Swift Valuation Guide and/or construction cost estimates developed by outside consulting firms. Further, depending on the complexity of the appraisal assignment, CBRE, Inc. may consult

with a certified land planner to determine appropriate land use plans and designs in the cost to cure and remainder after scenario.

Report Delivery: CBRE's Virginia ROW Valuation Team consists of 8+ dedicated appraisers that specialize in various property types and are experienced in right-of-way projects. Additional support is provided by 4+ appraisers who are located in our Southern Region who have valuation experience involving multiple property types, including aviation related assets. Ultimately, we will staff the project to meet the scope of the project within the required delivery time.

We would anticipate receiving review comments (if any) from the designated representative within a reasonable time frame upon delivery of the Appraisal Report. Upon receipt of any suggested revisions, we would deliver a revised Appraisal Report within three business days, or sooner if needed.

### Appraisal Reports/Formats

Appraisals formats will be based on the complexity, scope of work, and intended use of the appraisals. Appraisals will be completed in accordance with an conform to applicable standards. This could include the Uniform Standards of Professional Practice, Uniform Appraisal Standards for Federal Land Acquisitions (aka “Yellow Book”), 49 CFR Part 24/Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, and others if applicable.

### Quality Assurance/Quality Control

The review process is an essential part of the appraisal process. It is at this point of the assignment that critical thinking and analytical skills are utilized by an objective party to confirm or critique all aspects of the appraisal report, including the non-textual parts such as photos, maps, exhibits, addenda, etc.

CBRE Right-of-way (ROW) appraisal projects will undergo three levels of internal review:

1. Right-of-Way Testifying Expert Review
2. CBRE Management Review
3. Right-of-Way Scrub Review

### Right-Of-Way Testifying Expert Review

At least one ROW Testifying Expert will be assigned to each parcel. This expert will direct appraisal assignments within the project. Professionals and Testifying Experts should discuss the assignments up front and periodically throughout to ensure all client expectations are being met. ROW Testifying Experts are selected based on their experience and credentials and should be knowledgeable in current approved methodologies and applicable case law.

The ROW Testifying Expert will ensure:

- Only client approved appraisers are assigned, inspect subject properties and complete assignments (sign the certification and report). In most cases, it is acceptable for other licensed appraisal staff to significantly contribute, if this is approved by the client and adheres to USPAP.
- Consistency is maintained within the project regarding methodology, data used, value component conclusions and value conclusions. This will be accomplished through project review and audit.
- Proper right-of-way valuation methodology is utilized. The Testifying Expert will work with assigned appraisers to resolve questions regarding right-of-way specific valuation issues, as well as current case law application.
- Compliance with State guideline.
- Proper report format utilized in the preparation of reports.

## CBRE Management Review

CBRE VAS requires all appraisal reports to be reviewed by MAI-designated Management. Managers include all employees with titles of Managing Director (MD), Senior Managing Director (SMD), Executive Managing Directors (EMD) and sometimes Director.

For every assignment, the Reviewer is required to complete a thorough review of the items in the report as outlined in the VAS Practice Area Guidelines (PAG) and as endorsed by the Appraisal Institute. This review and approval is mandatory.

Key areas of review are:

- Engagement letter and required scope of work
- Unique client requirements were followed
- Applicable ownership history is presented
- All Extraordinary and/or Hypothetical Assumptions are clearly stated
- A detailed review of the entire report encompassing all sections, methodologies including damage/enhancement calculations (if any), etc.

## Right-Of-Way Scrub Review

The Right-of-Way Scrub Team will consist of administrative staff that has been trained to identify ROW specific format and clerical issues within an appraisal report. Before a draft or final appraisal can be delivered to the client or an external reviewer, the report must be clerically reviewed by the ROW Scrub Team. This team will perform a final clerical review and will incorporate the project specific review sheet created by the ROW Project Manager(s). The ROW Scrub Team may not alter language or content within the report. If it is necessary to make such alterations, the report will be returned to the appraiser for revision prior to finalizing.

7. Describe your firm's knowledge and experience in providing testimony to opinion of value to the state and federal courts or other adjudication bodies on valuation issues.

A substantial number of our clients retain us because of our ability to understand complex real estate valuation issues, to frame assignments in a manner which our clients (and the courts) can understand, and to be in a position of supporting our analysis and conclusions through the litigation process (including expert testimony at bench and jury trials).

- We have been selected to provide litigation support services and expert testimony in real estate valuation matters in situations where:
- We have been asked to develop an independent opinion of a property's market value and to testify in support of our conclusions;
- We have been asked to provide rebuttal testimony concerning the methodology, analyses, and conclusions developed by another appraiser; and,
- We have been asked to address the standard of care requirements related to the performance of professional services by other appraisers.

In the area of litigation support, we have completed a variety of appraisal and counseling assignments covering many issues and property types. Appraisers at the firm are qualified in Superior and Federal courts throughout Virginia and surrounding states on real estate valuation issues.

## B. APPRAISAL SERVICES

### 1. Describe your firm's approach to customer service.

#### **Our Values are Timeless**

Our Standards of Business Conduct is an essential part of our Ethics & Compliance Program. Our Standards of Business Conduct is based on our RISE values. These values are the foundation on which our company is built, and they summarize how you must conduct your daily business activities.

Below is an explanation of our RISE values, which help us stand out and drive advantage for our clients and each other – so we can be better every day.



Our Standards of Business Conduct applies to all CBRE personnel, our board members and anyone acting on the company's behalf, anywhere across the globe. You are responsible for understanding these standards and putting them into practice. They should guide your actions and interactions with everyone you work with—clients, competitors, investors, business partners, vendors, governments and your fellow employees. In some countries where we operate, there may be local laws or regulations that are more specific or restrictive than the Standards of Business Conduct. If there is a conflict between a local law or regulation and our Standards of Business Conduct, the local policy, procedure, law or regulation takes precedence. The Standards of Business Conduct cannot address every potential situation, so we urge you to use good judgment, ask questions and speak up whenever you are in doubt about what to do.

#### **Special Role of Managers If you supervise people, you are responsible for:**

- Serving as a role model of our RISE values
- Ensuring your team reviews, understands and follows our Standards of Business Conduct, company policies and the law

#### **If you engage third parties on CBRE's behalf, you are responsible for:**

- Ensuring their actions follow our Standards of Business Conduct<sup>3</sup>
- Providing them training as necessary
- Monitoring their work to ensure they act in a manner consistent with our standards, policies and the law

### 2. Describe any appraisal services that would be subcontracted under this contract.

Due to the specialized nature of appraisal services as well as the professional liability involved in the performance of appraisal services, it is CBRE's policy to provide these services without the use of

subcontractors; however, if it is determined that subcontracting opportunities become available relative to this contract, CBRE will engage a subcontractor as needed for specialized services. CBRE will want to have dialogue with James Madison University about the specific circumstances that may involve the need for a subcontractor and appropriate contracting structure. At this time, no subcontractors are anticipated.

3. The landowner or landowner's agent shall be afforded the opportunity to accompany the appraiser during the appraiser's inspection of the property. Describe your firm's ability to comply in this regard.

Our inspection procedure begins by contacting each property owner via email or phone. If they are non-responsive, we typically follow up with a certified letter to their address. Once contact is made we will set up an appointment at their convenience to accompany us on the interior and exterior inspection of the property. In the event that the property owner is uncomfortable with an inspection, we will inspect from the right of way or the exterior, based on the property owners directive.

4. Describe the turnaround time for providing appraisal services under this contract.

CBRE and Mr. Newkirk, MAI take pride in completing assignments on or before due dates, which are typically set during the bidding process. As an ongoing business entity, CBRE has developed a reputation for being responsive to the needs of our clients, whether it is through additional consulting on complex appraisal issues or just timely replies to phone calls and emails. We actively engage with the client to appropriately assess their needs providing innovative, cost effective solutions to valuation issues. Our professional presence in the field during the inspection process often assists in garnering cooperation from property owners; this in turn helps us gather additional information, supporting an accurate evaluation. Our appraisal reports offer a vast amount of information in an organized manner, with detailed analyses, photos, and maps in a narrative format. In addition, we will tailor our report formats to the requirements set forth by James Madison University for both appraisal reports, appraisal review services, and expert witness.

Utilizing an organizational schedule administered by the principals and administrative team, together with regular meetings, a smooth and responsive work flow is maintained by the appraisers and staff.

5. All information regarding JMU's property appraisals under this contract shall be confidential. Describe how your firm will ensure that all appraisal services and JMU provided information under this contract shall remain strictly confidential.

### **Maintaining Confidentiality**

As the global market leaders in corporate real estate, CBRE works with many of the largest and companies and brands across all industries on a daily basis, including a majority of the Fortune 500 companies. We thus fully appreciate and have significant experience of the need to maintain strict confidentiality for an organization like CLIENT.

We understand that confidentiality and security are of critical importance to CLIENT and we want to continue the successful partnership that we have developed with you both in this area and across the services that we provide for you. We will maintain the existing controls that we have deployed on the current framework to ensure that confidentiality is maintained.

All information supplied to CBRE by CLIENT will be protected by the company wide Non-Disclosure Agreement and Master Services Agreement (with associated data protection and information security protocols) that we already hold with you. In addition to these documents and conditions, we will deploy a number of measures to ensure that information about your portfolio and real estate activities is kept strictly confidential:

- Information Security: All of the data supplied by CLIENT will be held on CBRE's secure network, which is subject to incident prevention and detection systems, and will only be accessible by authorized members of the account team. Physical security will also protect documents that we may receive or produce for you will also only be seen by the account team and treated as confidential with other CBRE staff based in other teams.

- Information Sharing: Information provided to CBRE by CLIENT will be treated as privileged information and will only be shared on a 'need to know' basis within the company. This will ensure that only staff who are directly part of the account team or required to assist on particular a project will have access to any information or be aware of the client we are acting for.
- Third Parties: On the rare occasions where engaging with third parties is necessary (e.g. sourcing local market information), standard CBRE practice is never to reveal the name of the client. If third parties are required to undertake a project on our behalf, they will be subject to the same processes and requirements as CBRE. Interactions with these organizations will be protected by Non-Disclosure Agreements and flowed-down terms from the Master Services Agreement. CBRE will also always seek the permission of CLIENT before engaging with or appointing any third party. We run regular checks and audits of the third parties that we work with and are prepared to end the relationship if breaches to any client agreements or standard CBRE policy is found.

In summary, CBRE remain absolutely committed to maintaining the confidentiality that we have provided for CLIENT in our partnership to date. We will provide the same protection measures and mitigation strategies that we have deployed to date and regularly assess their suitability as our relationship evolves.



## C. APPRAISAL REPORTS

1. All appraisals prepared for James Madison University shall conform to the guidelines provided in the Uniform Standards of Professional Appraisal Practice (USPAP), latest edition, promulgated by the Appraisal Standards Board of the Appraisal Foundation.

CBRE, Inc. and Haywood Newkirk, MAI acknowledge the requirement to conform to the guidelines provided in the USPAP, latest edition, promulgated by the Appraisal Standards Board of the Appraisal Foundation.

2. Describe your firm's ability and experience in performing complete, review, and restricted appraisals.

### **Appraisal Review Services:**

- Mr. Newkirk has performed more than the minimum number of reviews over the last 5 years. These reviews have been for the United States Attorney's Office, the North Carolina Department of Transportation, the North Carolina Attorney General's Office, the Florida Turnpike Enterprise and a multitude of private clients.
- Mr. Newkirk has appraised 13 properties for the United States Attorney's Office that had to comply with UASFLA. And he testified on behalf of the Department of Justice in two trials to date in his career.
- Over the last 15 years Mr. Newkirk has completed more than 6,500 appraisals for government infrastructure projects at the state and federal levels. He has testified approximately 30 times in State and Federal Court. These assignments include major interstates such as I-95, I-85 and I-77; military airfield expansion in North Carolina and South Carolina; and multitudes of state and local road projects.

### **Restricted Appraisal Services:**

Many state agencies have utilized abbreviated reporting formats in the event that properties receive very minimal impacts from government infrastructure projects. While the appraisal process is thorough and follows USPAP requirements, the reports provided under these circumstances are abbreviated and allow for cost savings to the client.

3. Describe your firm's ability and experience in providing self-contained and summary appraisal reports.

### **Self-Contained Appraisal Reports:**

Under normal circumstances when a property has substantial impacts or damages from a government infrastructure project, "Narrative Reports" are normally required. The most thorough reporting method allows appraisers to provide in depth discussion and analysis for properties that encounter damage or a significant take impacts.

### **Summary Appraisal Reports:**

See self-contained explanation above.

4. In all cases, the highest and best use determined by the appraiser shall be an economic use. Public uses, as well as any value adjustments attributable to the public nature of the purchaser, will not be accepted. Confirm your firm's understanding and agreement to comply with this requirement.

CBRE, Inc. and Haywood Newkirk, MAI confirm, understand, and agree to comply that the highest and best use determined by the appraisal shall be an economic use. Public uses, as well as any value adjustments attributed to the public nature of the purchaser, will not be accepted.

## D. SUBMISSION REQUIREMENTS

1. Provide three (3) examples of previous appraisal reports performed.

Please refer to the Addenda of our response for (3) examples of previous appraisal reports.

2. Provide an example of an invoice that would be sent to JMU for appraisal services. Demonstrate how line items will clearly show where charges were applied, specifying for which service.

Please refer to the Addenda of our response for an example invoice that would be sent to James Madison University for appraisal services. You will be able to locate the second page of our invoice, which shows line items with charges and property description/parcel number, or expert witness testimony hours.

3. Provide proof of license and professional designations for each person that will provide appraisal services under this contract.

### Appraiser of Record/Project Manager


Haywood Newkirk, MAI | Executive Vice President

License Details

Continuing Education



<b>Name</b>	NEWKIRK, HAYWOOD FRANCIS
<b>License Number</b>	4001018523
<b>License Description</b>	Real Estate Appraiser License
<b>Status</b>	Active
<b>Rank</b>	Certified General RE Appraiser
<b>Address</b>	WRIGHTSVILLE BEACH, NC 28480
<b>Initial Certification Date</b>	2023-06-01
<b>Rank Effective Date</b>	2023-06-01
<b>Expiration Date</b>	2025-06-30

 Appraisal Institute<sup>®</sup>

Welcome [ login ]

### Find an Appraiser


This Directory lists valuation professionals who are Designated Members, Candidates for Designation, or Practicing Affiliates of the Appraisal Institute.

#### The Designated Difference

Designated members who hold the MAI, SRPA, SRA, AI-GRS and AI-RRS designations have met the rigorous requirements relating to education, experience and demonstration of knowledge, understanding and ability.

Search

Additional Filters

Name	City
 Haywood F. Newkirk, MAI Designated Member	Wrightsville Beach, NC


Additional information relative to Mr. Newkirk's qualifications can be found on the following pages.



## Appraiser of Record/Project Manager

Don Poore, MAI | Managing Director



 Appraisal Institute<sup>®</sup>

Welcome [ [login](#) ]


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### Find an Appraiser

This Directory lists valuation professionals who are Designated Members, Candidates for Designation, or Practicing Affiliates of the Appraisal Institute.

#### The Designated Difference

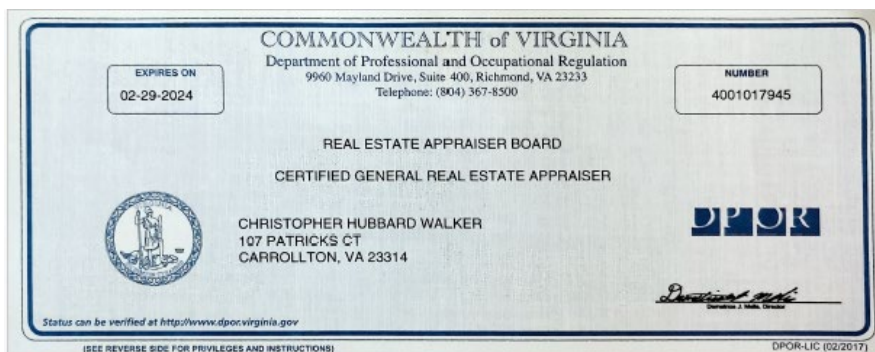
Designated members who hold the MAI, SRPA, SRA, AI-GRS and AI-RRS designations have met the rigorous requirements relating to education, experience and demonstration of knowledge, understanding and ability.

Name	City
 <b>Max D. Poore, Jr., MAI</b> Designated Member	Charlotte, NC

Additional information relative to Mr. Poore's qualifications can be found on the following pages.

## Senior Appraiser

Chris Walker | Vice President



Additional information relative to Mr. Walker's qualifications can be found on the following pages.

# Haywood Newkirk, MAI

*Executive Vice President, North Carolina Right-of-Way Practice Leader*



T + 1 910.520.1483  
[haywood.newkirk@cbre.com](mailto:haywood.newkirk@cbre.com)

1120 South Tryon Street, Suite  
200  
Charlotte, NC 28203

## Private/Public Clients

- Prologis
- EEA Companies
- RHH Land Investors
- NC Eminent Domain Law firm
- Richardson Law Firm
- NC Coastal Federation
- NCDOT
- SCDOT
- MDSHA
- FDOT
- Florida's Turnpike
- US Department of Justice
- North Carolina Attorney General's Office
- American Acquisitions
- Right of Way Consultants
- Professional Property Services
- Atkins
- Carolina Land Acquisition Co
- Duke Energy

## Experience

Haywood Newkirk, MAI, has over 30 years of real estate appraisal, appraisal review and consulting experience. Over the last 25 years, Mr. Newkirk's career has focused on litigation support and the completion of large eminent domain valuation projects in North Carolina, South Carolina, Maryland and Florida. Mr. Newkirk has testified approximately 30 times at the State Court and Federal Court levels.

Mr. Newkirk has completed valuations and reviews for a variety of projects at the state level. These range from local bypass/road expansion projects to large scale interstate expansions such as the valuation of 600 parcels affected as a result of the I-95 interchange redesign. He has represented private property owners in a multitude of easement and right of way acquisitions over the last 13 years as well. Mr. Newkirk has also provided valuation for the US Attorney's Office for properties located in North Carolina and South Carolina. Mr. Newkirk is also a member of the IRWA.

Mr. Newkirk has worked extensively with large scale right-of-way infrastructure projects which include the valuation of fee simple and easement estates for proposed and existing roadway expansions and public utility lines. Recent, notable right-of-way projects include:

- I-95 Interchange Redesign, Harnett/Cumberland County's, NC
- I-540 Bypass Project, Raleigh, NC
- I-85 Expansion/Widening, Cabarrus County, NC
- I-77 Toll Road Project, Huntersville/Cornelius, NC
- Purple Line Metro Project, Silver Spring, MD
- Redline Metro Project, Baltimore, MD
- Charlotte Light Rail Project, Concord, NC
- Marine Corps Air Station Base Expansion – Cherry Point, NC
- Marine Corps Air Station Base Expansion – Beaufort, SC

## Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- International Right of Way Association, Designated Member
- Certified General Real Estate Appraiser – North Carolina (A3832), Florida (RZ3857), Maryland (34993), South Carolina (5547), and Virginia (4001018523)
- New Hanover High School Alumni Board
- Brand Ambassador – Infinity Paddleboards

## Education

- University of North Carolina, B.A. Political Science
- University of Florida, MBA



VALUATION & ADVISORY SERVICES

## Don Poore, MAI

Managing Director, Charlotte, NC

**T** +1 704 331 1214

**M** [REDACTED]

**E** don.poore@cbre.com

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### Clients Represented

- First Bank
- Pinnacle Bank
- Trustmark Bank
- Fifth Third Bank
- TD Bank
- Bank of the West
- CapitalOne

### Pro Affiliations / Accreditations

- Appraisal Institute - Designated Member (MAI) Certification No. 7969
- Certified General Real Estate Appraiser
  - State of Alabama - G00693
  - State of Georgia - CG001683
  - State of North Carolina - A1084
  - State of South Carolina - CG4993
  - State of Tennessee - 1348

### Education

Wake Forest University, BA  
Georgia State University, MBA

### Professional Experience

Don Poore is the Managing Director of CBRE's Valuation and Advisory Services Team for North and South Carolina. He is an accomplished professional with more than 35 years of national appraisal and valuation experience. His current responsibilities include directing the valuation and advisory division for the North and South Carolina markets. Before entering the real estate business, Mr. Poore worked as a staff appraiser at a regional appraisal company in North Carolina and as Director of Real Estate Appraisal for a large national accounting firm.



VALUATIONS & ADVISORY SERVICES / CHARLOTTE

## Christopher H. Walker

VAS Vice President, Charlotte

M [REDACTED]

E [chris.walker3@cbre.com](mailto:chris.walker3@cbre.com)

NC Certified General Appraiser #A-7583

VA Certified General Appraiser # 4001017945

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### Education

- Bachelor of Science degree from East Carolina University in Greenville, North Carolina

### Professional Experience

Chris is originally from Cary, North Carolina. After receiving an undergraduate degree from East Carolina University in 2002, Chris married his beautiful bride, Tiffany, and moved to the Wilmington area. He began a career as a Regional Sales Consultant where he gained experience in commercial HVAC systems. Chris began a residential appraisal career in 2007 with Sasser Appraisal Service. In 2008, Chris moved to The Cape Fear Review Company and started doing commercial appraisal work. Chris stayed with the company for a year and a half gaining knowledge in the commercial appraisal industry. Chris joined The Clontz Newkirk Real Estate Group at the end of 2009. During his time with the company, he has earned his Certified General Appraiser license (2012) and he is currently a Candidate for Designation with the Appraisal Institute. Chris came aboard with CBRE in June of 2022 and specializes in Eminent Domain appraisal and has also provided expert witness testimony and support for the North Carolina Attorney General's office. Chris enjoys spending time with his wife, 4 boys and 1 girl. He loves outdoor activities such as fishing and soccer.

### Professional Affiliations and Awards

- Candidate for Designation - Appraisal Institute
- IRWA Member # 7965416

# PRICING SCHEDULE

**Proposed Fee Schedule for Professional Real Estate Appraisal Services  
James Madison University**

Category of Appraisal Assignment	Examples of Specific Assignments	Complexity of Appraisal Assignment	
		Non-Complex	Complex
Vacant Land	Rural Land; Farm Land; Ranch Land	+/- \$3,000	+/- \$5,000
	Residential Lot (1 to 4 family)		
Residential	Single Family (1 to 4 family)	+/- \$3,500	+/- \$5,000
Small Commercial	Retail Center (Unanchored)	+/- \$5,000	+/- \$7,500
	Office Building; Medical Office Building		
	Single-Tenant Warehouse		
	Convenience Store; Service Station		
	Office Building; Medical Office Building		
Large Commercial	Retail Center (Anchored)	+/- \$6,000	+/- \$10,000
	Multi-Family Apartments		
	Self-Storage		
	RV/MH Parks		
	Multi-Tenant Warehouse		
Special Purpose	Churches	+/- \$5,000	+/- \$10,000
	Educational Facilities		
	Other Special Purposes		

Update Appraisal Fee:

75% of Initial Fee

Condemnation Support, Litigation, and Expert Witness Testimony Fee:

Quoted hourly based on the following:

Testifying Expert \$300

Appraiser Associate \$200

Research \$125

Administrative \$75

Market Study Fee:

\$3,500 to 10,000+

**Notes:**

**Fees are approximate and are typically quoted on a project specific basis. Fees can vary due a variety of factors such as location, scope of work required, complexity, turnaround time, volume of appraisals, size of project, etc.**

**Fees are inclusive of all expenses including materials, travel, lodging, printing, and delivery of hard copy reports.**

# VASCUPP SALES

Identify the amount of sales your company had during the last twelve months with each VASCUPP Member Institution.

CBRE, Inc. has had \$0.00 in sales to any of the listed VASCUPP Members over the last twelve months.

**Virginia Association of State College & University Purchasing Professionals:**

Christopher Newport University	University of Mary Washington
George Mason University	University of Virginia
James Madison University	Virginia Commonwealth University
Longwood University	Virginia Military Institute
Norfolk University	Virginia Tech
Old Dominion University	William & Mary
Radford University	

## CONCLUSION

CBRE has a proven track record of providing valuation and advisory services for state, regional, and local governmental entities including counties, cities and other municipalities. CBRE has the knowledge and expertise to provide appraisal services and expert witness testimony.

Linking our knowledge from thousands of projects with highly coordinated research, appraisal, reporting and project management, we deliver quality, cost-effective right of way appraisals in a timely and consistent fashion.

Any questions or clarifications regarding our response can be directed to the following team member:

Haywood Newkirk, MAI  
Executive Vice President  
CBRE Valuation & Advisory Services  
(910) 520-1483  
haywood.newkirk@cbre.com

CBRE appreciates the opportunity to provide a response to this Request for Proposal (RFP).





# ADDENDA



Attachment A: Offerer Data Sheet

## ATTACHMENT A

### OFFEROR DATA SHEET

#### TO BE COMPLETED BY OFFEROR

1. **QUALIFICATIONS OF OFFEROR:** Offerors must have the capability and capacity in all respects to fully satisfy the contractual requirements.
2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing these types of goods and services.

Years 117 Months \_\_\_\_\_

3. **REFERENCES:** Indicate below a listing of at least five (5) organizations, either commercial or governmental/educational, that your agency is servicing. Include the name and address of the person the purchasing agency has your permission to contact.

CLIENT	LENGTH OF SERVICE	ADDRESS	CONTACT PERSON/PHONE #
Nancy Protheroe	5+ Years	362 Union St., Concord, NC, 28025	(704) 765-5134 #130
Judy Joines	5+ Years	3000 Bethesda Pl., Suite 504, Winston-salem, NC 27103	(336) 293-6142
Wade Brown	5+ Years	4509 Credmore Rd., Suite 201, Raleigh, NC 27612	(813) 230-6449
Jim McGowan	5+ Years	1 S. Wilmington St., Raleigh, NC 27601	(704) 641-6865
Howard Babb	5+ Years	1546 Mail Service Center, Raleigh, NC 27699	(704) 548-2585

4. List full names and addresses of Offeror and any branch offices which may be responsible for administering the contract.

Haywood Newkirk, MAI | 1802 Bayberry Court, Suite 201, Richmond, Virginia 23226

5. **RELATIONSHIP WITH THE COMMONWEALTH OF VIRGINIA:** Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the [CODE OF VIRGINIA](#), SECTION 2.2-3100 – 3131?

[ ] YES [X] NO

IF YES, EXPLAIN: \_\_\_\_\_

Attachment B: SWaM Utilization Plan

## ATTACHMENT B

### Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

**Offeror Name:** CBRE, Inc. **Preparer Name:** Haywood Newkirk, MAI

**Date:** 9/20/2023

Is your firm a **Small Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Woman-owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Minority-Owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Micro Business** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes ☐ No ☒

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

**Instructions:** *Populate the table below to show your firm's plans for utilization of small, women-owned and minority-owned business enterprises in the performance of the contract. Describe plans to utilize SWaMs businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.*

**Small Business:** "Small business " means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

**Woman-Owned Business Enterprise:** A business concern which is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more women, and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWAM Program, all certified women-owned businesses are also a small business enterprise.**

**Minority-Owned Business Enterprise:** A business concern which is at least 51 percent owned by one or more minorities or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more minorities and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWAM Program, all certified minority-owned businesses are also a small business enterprise.**

**Micro Business** is a certified Small Business under the SWaM Program and has no more than twenty-five (25) employees **AND** no more than \$3 million in average annual revenue over the three-year period prior to their certification.

**All small, women, and minority owned businesses must be certified by the Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) to be counted in the SWAM program. Certification applications are available through SBSD at 800-223-0671 in Virginia, 804-786-6585 outside Virginia, or online at <http://www.sbsd.virginia.gov/> (Customer Service).**

***RETURN OF THIS PAGE IS REQUIRED***

**ATTACHMENT B (CNT'D)**  
Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Procurement Name and Number: James Madison University RFP No. MPM-1192

Date Form Completed: 9/20/2023

Listing of Sub-Contractors, to include, Small, Woman Owned and Minority Owned Businesses  
for this Proposal and Subsequent Contract

Offeror / Proposer:

CBRE, Inc.  
Firm

1802 Bayberry Court, Suite 201, Richmond, VA 23226  
Address

Haywood Newkirk | (910) 520-1483  
Contact Person/No.

Sub-Contractor's Name and Address	Contact Person & Phone Number	SBSD Certification Number	Services or Materials Provided	Total Subcontractor Contract Amount (to include change orders)	Total Dollars Paid Subcontractor to date (to be submitted with request for payment from JMU)
N/A					

*(Form shall be submitted with proposal and if awarded, again with submission of each request for payment)*

***RETURN OF THIS PAGE IS REQUIRED***

CBRE Sample Invoice

05/17/2023

Christina Dormady  
Purchasing  
City of Denton-Real Estate Division  
901-B Texas Street  
Denton, TX 76209  
United States

**INVOICE**

Invoice No.: 0XXXXXX-X-XX  
Invoice for: Appraisal Report, Water & Sewer  
Subject Name: SOQ RFQ No. 8257  
REF No.: PO #XXXXXX | Project #  
Description: Please see Property List attached.

**Invoice Amounts (USD):**

Professional Fee	\$7,000.00
Plus Expenses	\$0.00
Total Invoice	\$7,000.00
Less Payments Received	\$0.00
Total Balance Now Due	\$7,000.00

**Please reference Invoice 0XXXXXX-X-XX on your payment.**

Please make your check payable to :

**CBRE, Inc. - Valuation and Advisory Services**  
**Attn: Bank of America Lockbox Services**  
**P.O. Box 281620**  
**Atlanta, GA 30384-1620**  
**United States**

and return with one copy of this invoice to the above address.

**For questions contact:**

CBRE VAS Accounts Receivable

901-620-3232

Federal Tax ID: [REDACTED]

**Wire/ACH Instructions**

Bank Name: [REDACTED]  
Address: [REDACTED]  
  
ABA Number: [REDACTED]  
Bank Contact: [REDACTED]  
Telephone: [REDACTED]  
Name on A/c: [REDACTED]  
General A/c: [REDACTED]  
Reference: [REDACTED]

**Terms of Payment:** Due 30 days upon receipt.  
We may apply interest for accounts over 60 days due.

Notify Email: **CBREVASAR@CBRE.COM**

*Thank you for trusting us with your business.*

**Property List - 0XXXXXX-X-XX**

Property Name	Address	City	Subregion	State / Prov.	Postal Code	Property Gross Fee
Parcel Name or Number	XXXXXX	Denton	Denton	TX	76210-5502	\$3,500.00
Parcel Name or Number	XXXXXX	Denton	Denton	TX	76205-5574	\$3,500.00



(3) Sample Appraisal Reports

**Right of Way Unit**

**Appraisal Summary Sheet**

1. TIP/Parcel No.: \_\_\_\_\_ WBS Element: \_\_\_\_\_ County: Robeson

2. Owners(s): \_\_\_\_\_ Fed Aid Project: N/A

3. Plan Sheet No.: \_\_\_\_\_ Survey Stations: \_\_\_\_\_

**4. Land Areas:**

AREA LT.OF R/W	AREA IN R/W	AREA RT. OF R/W	TOTAL
0.368 AC	0.018 AC	0.000 AC	0.386 AC
0.000 AC	0.000 AC	0.000 AC	0.000 AC
0.368 AC	0.018 AC	0.000 AC	0.386 AC

5. **Less:** Land Area in  
Existing R/W:

**6. Appraise Net Areas**

7. Easements:

TCE:	<u>0.015</u> ac	AUE:	<u>0.000</u> ac	PDE:	<u>0.000</u> ac
TDE:	<u>0.006</u> ac	PUE:	<u>0.033</u> ac	PCE:	<u>0.000</u> ac
TUE:	<u>0.000</u> ac	DUE:	<u>0.000</u> ac	Other:	<u>0.000</u> ac

8. Improvements Lt. of R/W	Improvements to be Acquired	Improvements Rt. of R/W
SFR, Landscaping, Carport, Concrete Drive	Grass/Sod/Landscaping/Trees, Concrete Sidewalk, Concrete Driveway, Sidewalk Light	None

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**  
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

10. Estimated "MARKET VALUE" of Property Immediately Before:

Land \_\_\_\_\_  
Improvements \_\_\_\_\_  
TOTAL \_\_\_\_\_

11. Estimated "MARKET VALUE" of Property Immediately After:

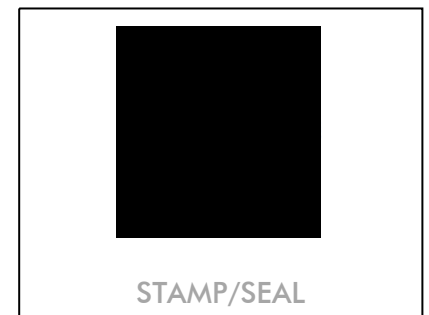
Land \_\_\_\_\_  
Improvements \_\_\_\_\_  
TOTAL \_\_\_\_\_

12. "DIFFERENCE" Between Before and After Value (If Benefited, Type "BENEFITS") \_\_\_\_\_

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date of Appraisal

Name: Haywood F. Newkirk, MAI Phone: 704-331-1282  
Address: 1120 South Tryon Street, Suite 200  
Charlotte, NC 28203  
E-Mail Address: haywood.newkirk@cbre.com



VALUATION & ADVISORY SERVICES



1120 South Tryon Street, Suite 200  
Charlotte, NC 28203

T 704-331-1282  
F 704-331-1259

[www.cbre.com](http://www.cbre.com)

March 9, 2023

[REDACTED]

RE: Appraisal of: [REDACTED]

CBRE, Inc. File No. [REDACTED]  
Client Reference No. [REDACTED]

Dear [REDACTED]

At your request and authorization, the following report is an estimate of the market value of the fee simple estate of the subject property. The subject is a single-family residence and related site improvements located on a 0.386-acre parcel at [REDACTED]. The value estimate for this project is given "as is" on the date of inspection, [REDACTED].

I have inspected the site, the improvements, the comparable market data, reviewed the project plans and submit the following report. This appraisal contains the introductory and descriptive material, market data collection methods, highest and best use analysis and the value of the fee simple estate.

The "as is" before value of the subject property as of [REDACTED], was:

[REDACTED]

\$ [REDACTED]

The "as is" after value of the subject property as of [REDACTED], was:

[REDACTED]

[REDACTED]

The difference between the before and after value of the subject property as of [REDACTED], was:

[REDACTED]

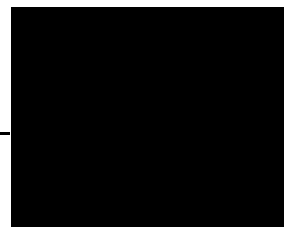
[REDACTED]

Sincerely,

[REDACTED]

Haywood F. Newkirk, MAI

NC State-Certified General Real Estate Appraiser # A3832



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### ADDENDA

- A Plan Sheet
- B CADD
- C Deed Records
- D Tax Records
- E Flood Map
- F Zoning map
- G Qualifications

## CERTIFICATION

I certify to the best of our knowledge and belief:

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

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

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

I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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

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

Haywood F. Newkirk, MAI and Christopher Bell completed an inspection of the subject property on January 11, 2023. Mr. Newkirk inspected the comparable land and improved sales from the right of way.


Neither Haywood F. Newkirk, MAI nor Christopher Bell have performed any services related to the subject property in the last 3 years.

No one provided significant real property appraisal assistance in the preparation of this appraisal.

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

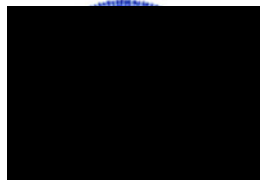
As of the date of this report, Haywood F. Newkirk, MAI has completed the continuing education program of the Appraisal Institute. As of the date of this report, Christopher Bell has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

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



---

Haywood F. Newkirk, MAI  
March 9, 2023



## LIMITING CONDITIONS

Unless specifically stated otherwise in this report, this appraisal is contingent upon the following premises and conditions:

I assume no responsibility for legal matters nor do I render any opinion as to the title, which is assumed to be good. Any existing liens or encumbrances, now securing the payment of money, have been disregarded.

This appraisal is to be used solely by the agents and assigns of [REDACTED], [REDACTED] for right of way purposes. It is not to be used by any other financial institution, company or individual for loan or market valuation purposes.

The opinions, estimates, data, and statistics furnished by others are assumed to be correct. I assume no responsibility for errors or omissions, nor for undisclosed information which might otherwise affect the valuation estimate.

Values are reported in dollars based on currency prevailing on the effective date of the appraisal.

Inflation has been a fact of life in our economy for decades. Its erosive effect on purchasing power has been more apparent in the past decade. The appraiser is faced with a choice between constant or changing dollars, in conducting the various analyses. Constant dollars implies a constant purchasing power regardless of the time frame. Changing dollars are those expected to be paid or recovered. Rates of return on realty investments are typically quoted in changing dollars, particularly mortgage interest rates and land yield rates. It is neither customary nor convenient to convert future income estimates to constant dollar equivalents with the passage of time. Thus, the analyses and value estimates are conducted in the context of changing dollars.

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

The appraiser has not made a specific compliance survey and analysis of the subject parcel to determine whether or not it is in conformity with the various detailed requirements of the American with Disabilities Act ("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 subject parcel 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 the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the subject.

Engineering analyses of the subject property were neither provided for use nor made a part of this appraisal contract or assignment. No test borings or analysis of subsoils were made or caused to be made by the Appraiser. The Appraiser assumes no responsibility for the presence of any adverse conditions, or for any engineering which might be required to discover such conditions. Subsurface mineral rights were not considered in making this appraisal. No soils report was furnished to the Appraiser and the Appraiser assumes soil and subsoil conditions are satisfactory for real estate development. If this assumption is invalid, the Appraiser reserves the right to revise the appraisal report accordingly.

The World Health Organization (WHO) declared COVID-19, the disease caused by the novel coronavirus, a pandemic on March 11, 2020. Any economic impact on the overall economy, as well as the market in which the subject property is located, is not yet known. The opinions and conclusions within this appraisal report apply only as of the "Effective Date of Value" reported herein. The appraiser makes no representations as to the effect of the COVID-19 pandemic, or any other event, on the subject property subsequent to the effective date of the appraisal.

The [REDACTED] has specific guidelines with respect to the reporting process. As a result, this report is subject to the Jurisdictional Exception Rule of USPAP with respect to Standard Rules 1 and 2. Please note the client of this report is [REDACTED], the [REDACTED] and the [REDACTED] and the intended users of the appraisal are the [REDACTED] and the [REDACTED]. The intended use of the appraisal is to assist in the acquisition of private property for public use under the [REDACTED] eminent domain laws.

The parcel size has been taken from information provided by the [REDACTED] of Transportation. According to this information, the parcel totals 0.386 acres. We were not provided- a wetlands delineation. Therefore, this appraisal assumes the entire tract consists of upland developable area.

SAMPLE REPORT

## EXECUTIVE SUMMARY

Property Identification	The property includes a single-family residence and all related site improvements on a 0.386-acre site. The property can be further identified as Robeson County assessor parcel number [REDACTED]
Location	The subject is located on the northwest corner of [REDACTED]. The property has a street address of [REDACTED].
Interest Appraised:	Fee Simple Estate
Effective Date of Value "As Is":	January 11, 2023
Date of Report:	March 9, 2023
Ownership:	[REDACTED]
Total Area – Before:	0.386 acres
Total Area – After:	0.368 acres
Zoning	R-3
Highest and Best Use - Before	
As Vacant:	Residential
As Improved:	Continued Use as Single-Family Residence
Highest and Best Use -After	
As Vacant:	Residential
As Improved:	Continued Use as Single-Family Residence

## VALUE INDICATORS

"As Is" – Before:	[REDACTED]
"As Is" – After:	\$ [REDACTED]
Difference:	[REDACTED]



## CURRENT ECONOMIC CONDITIONS

A combination of global inflationary pressures leading to higher interest rates, the recent geopolitical events, and the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Borrowing costs have increased and the Federal Funds rate is expected to peak in 2023. Inflationary pressures and the cost of borrowing can impact the demand for real estate in the future, with impacts varying by property type.

CBRE expects that inflation will moderate in the next six months as higher interest rates cool demand, supply chain disruptions ease and the strong dollar makes foreign goods cheaper. The Fed raised its inflation outlook to 5.4% (Personal Consumption Expenditures) and lowered its GDP growth forecast to 0.2% for 2022. CBRE projects that inflation will end the year at around 8.00%. Tighter financial and weaker macroeconomic conditions will weigh on real estate fundamentals, leading to lower real estate investment volume in Q4 2022 and the first half of 2023. This creates a higher degree of uncertainty in general, though the impacts may vary by market and asset class/type.

Please note that all appraisal conclusions are based upon data currently available and are valid as at the valuation date only. Where appropriate, we recommend that the valuation is updated to future market conditions, as we continue to track how market participants respond to unfolding events.

## Introduction

### IDENTIFICATION OF THE SUBJECT

The subject is a single-family residence and related site improvements located on a 0.386-acre parcel at [REDACTED].

### Property Inspection

On January 5, 2023, Christopher Bell contacted the owner via phone to arrange an inspection of the subject property. Accompanied by the owner, Haywood Newkirk and Christopher Bell inspected the interior and exterior of the subject on January 11, 2023, which is also the date of valuation of this report.

### Identification of the Client

The client is [REDACTED].

### Intended Users of Report

This appraisal is to be used solely by the agents and assigns of [REDACTED] of [REDACTED], [REDACTED]s), [REDACTED], and [REDACTED]) for right of way purposes. It is not to be used by any other financial institution, company or individual for loan or market valuation purposes.

The intended use and user of our report are specifically identified in our report as agreed upon in my contract for services and/or reliance language retained in the appraiser's work file. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

### Intended Use of Report

To assist in the acquisition of private property for public use under the North Carolina eminent domain laws.

### EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."<sup>1</sup>

---

<sup>1</sup> The Appraisal Foundation, USPAP

- The opinions, estimates, data and statistics furnished by others are assumed to be correct.
- We assume for the purposes of analysis, that the proposed road improvements will be completed according to the plans provided.

## HYPOTHETICAL CONDITIONS

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 purposes of analysis.”<sup>2</sup> The use of extraordinary assumptions and hypothetical conditions may affect assignment results.

- The appraisal involves estimating the value of a property before and after the proposed project and additional Right-of-Way is established with additional consideration for damages, benefits, or both. The property is appraised “as is”, before consideration of the proposed taking and impact of the project. Next, the property is appraised under the hypothetical condition that the proposed project is complete as of the appraisal date. Consideration is given to the impact on value for the use of the acquisition(s) and any benefits or damages resulting from the project.
- The appraisal of the subject before the acquisition is performed under the condition that influence of the project on property values has been disregarded. “The appraiser shall disregard any decrease or increase in the market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.”<sup>3</sup>
- Any non-compensable damages have been excluded from analysis, as prescribed by legal instruction, even though the value of the remainder may be impacted by the project.

The use of these hypothetical conditions and extraordinary assumptions could impact the value opinions and conclusions of this report.

## Purpose and Function of the Report

This report has three purposes.

1. The first purpose of this report is to estimate the “as is” before value of the parcel, as of the last date of inspection, January 11, 2023.
2. The second purpose of this report is to estimate the “as is” after value of the parcel, as of the last date of inspection, January 11, 2023.
3. The third purpose of this report is to estimate the difference in the before and after value of the parcel, as of the last date of inspection, January 11, 2023.

## Definition of Value

As defined in The Appraisal of Real Estate, 14th Edition, “MARKET VALUE is the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in other precisely revealed

<sup>2</sup> The Appraisal Foundation, USPAP

<sup>3</sup> Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs, 49 C.F.R. § 24.103 (2005)

terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a "Fair Sale", with the Buyer and Seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue stimuli."

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

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

The function of the appraisal report is for market valuation purposes.

### Scope of the Appraisal

As part of this appraisal, a number of independent investigations and analyses were conducted. In addition to data compiled on a regular basis, the investigations undertaken, and major data sources used are listed below:

*Area and Neighborhood Analysis* - Examined information provided by Robeson County and the City of Lumberton concerning demographics, land use policies and trends, growth forecasts and employment data. Information concerning the subject neighborhood was taken from a physical inspection and observation of the area.

*Site Description and Analysis* - The parcel size has been taken from information provided by the North Carolina Department of Transportation.

*Improvement Description and Analysis* - The improvement description is taken from the tax records and our inspection of the improvements.

*Cost Approach to Value* - The estimated value of the land was based on land transfers obtained by researching comparable land sales within Robeson County and the surrounding areas. The cost for the improvements was taken from construction cost estimates provided by local contractors and Marshall and Swift Valuation Service. The estimated land value was then added to the estimated construction cost for a total indication of value by this approach.

*Sales Comparison Approach to Value* - The sales comparison approach to value was utilized in this report to yield a credible result. The sales of residential buildings similar to the subject were located within the region and compared to the subject.

*Income Approach to Value* - Because of the lack of available data from nearby similar income producing properties, the income approach was omitted from this report and is not necessary for credible results.

*Reporting Process* – Haywood F. Newkirk, MAI was the primary appraiser of this report. Haywood F. Newkirk, MAI completed an interior and exterior inspection of the subject, as well as the comparable sales from their respective right of ways. Christopher Bell assisted in the data collection, analysis and/or preparation of the report.

### Property Rights Appraised

The value of the subject considers all those rights that are held in the fee simple estate. The fee simple estate is defined as; “an absolute ownership interest unencumbered by any other interest or estate.” The valuation estimate assumes that the property is free and clear of all encumbrances, except those noted in the deed and available for its highest and best use.

### Owner of Record

According to the Robeson County Tax Office the owner of record information is as follows:

OWNER OF RECORD	
Owner(s)	[REDACTED]
Mailing Address	[REDACTED],
Source: Tax Department	

### History of the Property

The current owner acquired the property via a General Warranty Deed on October 02, 1998, as recorded in [REDACTED], [REDACTED] of the Robeson County Registry. Tax stamps indicate no taxable consideration. The home is the primary residence for the owner.

To the best of our knowledge, there have been no other known transactions of the subject over the last five years, nor is it currently listed for sale.

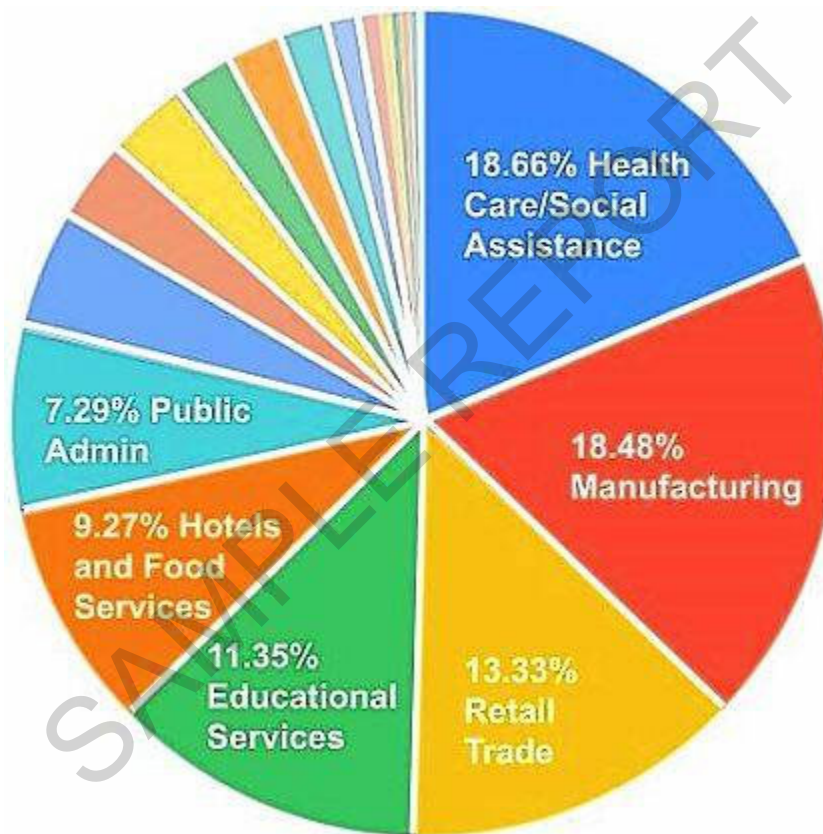
### Legal Description

A copy of the legal description is located in the addenda.

## Regional Analysis

Situated in southeastern North Carolina, Robeson County is North Carolina's 26th most populous county and the City of Lumberton remains the state's 53rd most populated municipality. Lumberton is the county seat of Robeson County. The county is also home to the University of North Carolina at Pembroke.

Although traditionally associated with tobacco and textiles, Robeson County employment today leans toward health care and manufacturing. Below is a diagram showing the six main areas of employment for the county:



*Job sectors making up less than 5% of the market include Administration, Support, Waste Management and Remediation Service, 5.04%; Construction, 3.18%; Wholesale Trade, 3.16%; Finance and Insurance, 2.39%; Transportation and Warehousing, 2.15%; Professional, Scientific and Technical services, 1.73%; Other Services (except Public Administration), 1.26%; Agriculture, Forestry, Fishing and Hunting, 0.91%; Utilities, 0.44%; Management of Companies and Enterprises, 0.40%; Real Estate and Rental and Leasing, 0.37%; Information, 0.33%; Arts, Entertainment, and Recreation, 0.28%. Source: NC Department of Commerce*

Source: NC Department of Commerce

Companies located in Robeson County include Elkay Southern Corporation, Watts Water Technologies, Flo-Tite, Quickie Manufacturing Company, Titan Flow Control, Adams Beverages, Pepsi Bottling Company, Spartan Nash, Gunmar Machine Corporation, National Rebar Fabrication, Hasty Plyood Company, Contempora Fabrics, M J Soffe Company, and Kayser-Roth Corporation.

SAMPLE REPORT

## County Analysis

An analysis of the area in which the subject is located considers the four forces which affect property value. These forces are economic, social, governmental, and environmental. The four forces are interactive, and each affects the economic climate of the area, particularly the behavior patterns of typical buyers and sellers in the subject's market.

### Economic Forces

Economic forces typically include factors which influence property development trends and consequently property values. Factors considered are the characteristics of the area's workforce, trends in employment opportunities, and the influence each has on property.

The following chart compares economic factors of Robeson County to those of the state:

Economic Forces	Robeson County	North Carolina
Per Capita Income (2016-2020)	\$19,388	\$31,993
Median Household Income (2016-2020)	\$35,362	\$56,642
Unemployment Rate (October 2022)	6.3%	3.8%
Persons below the Poverty Level	26.6%	13.4%
Retail Sales per Capita (2017)	\$10,666	\$13,735

Source: U.S. Census Bureau, Bureau of Labor Statistics

As indicated, Robeson County reports a per capita income level that is well below the state average and a median household income that is approximately 38% below the state level. The unemployment rate for Robeson County is 2.5% above the overall state average. The percentage of residents with income levels reported below the poverty line is almost double in Robeson County than on average in the state.



## Social Forces

Social forces such as population growth or decline patterns, education levels, and overall living standards directly affect the need for real estate by influencing requirements for housing and businesses which provide goods and services.

The following chart summarizes the most relevant social factors in Robeson County and compares the county figures to the state averages.

Social Forces	Robeson County	North Carolina
Population Change April 2010 to July 2020	-13.1%	9.5%
Bachelor's degree or Higher (age 25+)	14.0%	32.0%
High School Graduation Rate	77.6%	88.5%
Homeownership Rate (2016-2020)	66.3%	65.7%

Source: U.S. Census Bureau

Over the past ten years, Robeson County's population has decreased approximately 13.1%. This is in contrast compared to the overall state average of 9.5% during the same time period.

The education levels in the county are below of those reported by the state. In addition, the county also has a lower high school graduation rate compared to the state average. However, the homeownership rate in the county of 66.3% is slightly higher than the state average, which is reported at 65.7%.

## Governmental Forces

Governmental forces include zoning, public services and taxation. Each affects real estate values in that they reflect the land use plans and patterns for the area. In general, an area could be characterized as being pro-development where there is evidence of governmental occurrences such as recent restructuring of the zoning ordinance, favorable taxation system, and continued willingness in the community to expand public services.

Robeson County has county-wide zoning, although there are areas such as within the city limits of Lumberton and in some parts of the county that have their own zoning restrictions and overlays. The Planning Department serving the City of Lumberton, has to follow both the North Carolina mandated building codes and the Flood Insurance Rate Program regulations.

Real property tax rates are levied based on the Robeson County assessment. According to the Robeson County tax office the most recent county-wide revaluation was completed for the 2018 tax year. Robeson County is due for another reassessment in 2026. The county has to follow North Carolina General Statutes which require each county to conduct a reappraisal at least every eight years. Robeson County requires reassessments every four years.

Area law enforcement is provided by the Robeson County Sheriff's Department and police departments for local municipalities. Fire protection services are provided by the county and local municipalities, as well as through localized fire districts and volunteer fire departments.

The Robeson County school system consists of 21 elementary, 9 middle, and 7 high schools.

### Environmental Forces

Environmental factors that contribute to property value include factors such as location, transportation, utility availability, climate, terrain, surrounding property uses, and even noise levels.

Access to Robeson County is considered good from surrounding regions. I-95 bisects the county in a north/south manner connecting with I-40 to the north and I-74 to the south. I-74 runs in an east/west manner bisecting the county and provides direct access to the City of Wilmington to the east and the City of Charlotte to the west. Other various state-maintained roadways and secondary roadways traverse the county for ease of access.

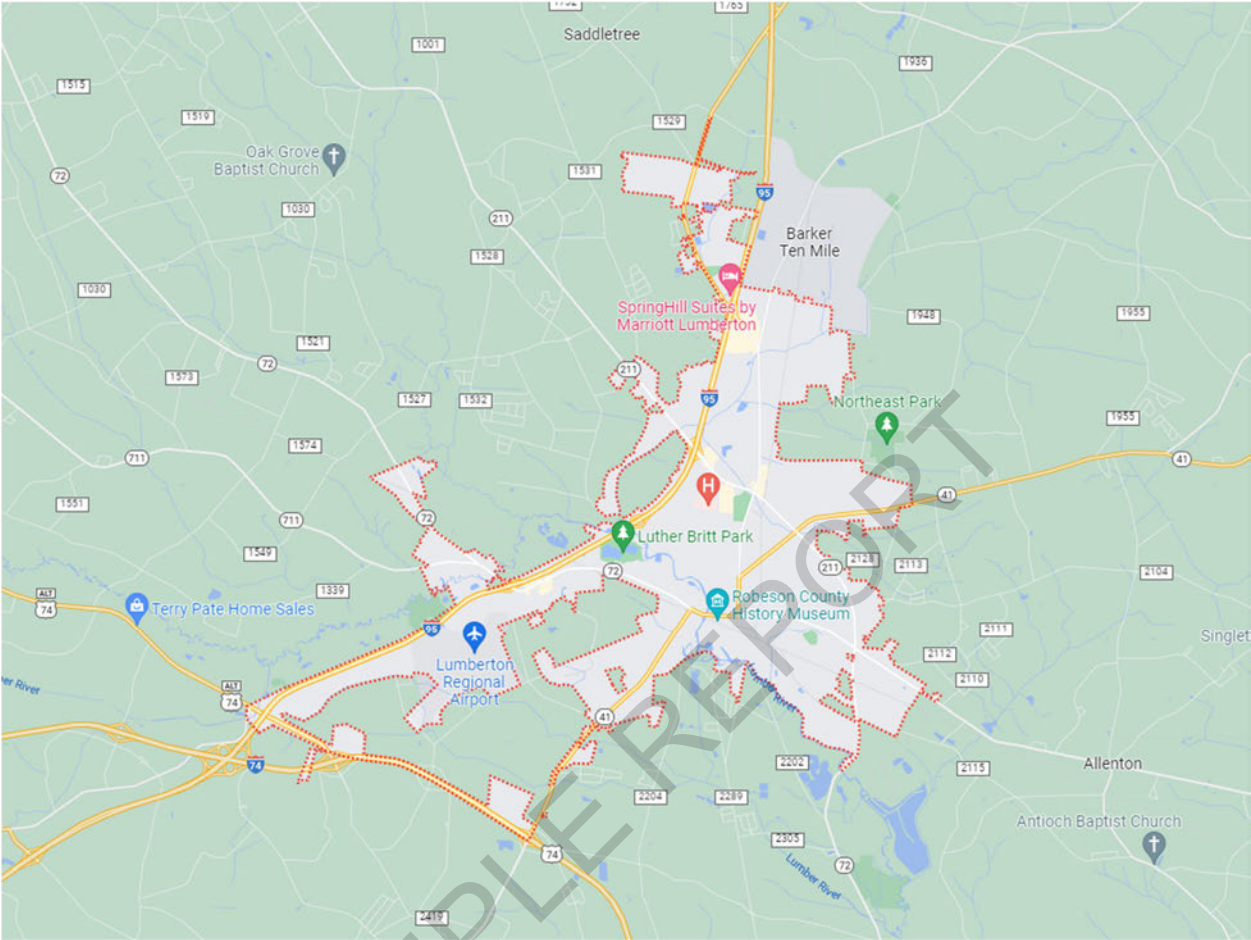
Robeson County is considered to be predominantly a rural area, with low-density development throughout most of the county. Electricity and telephone service is widely available, but public water and sewerage services are generally limited to the immediate vicinity of the municipalities. It is typical throughout most of the county for developments (residential and commercial) to operate on private water or county water and septic systems.

Robeson County includes a moderate climate with average summer temperatures in the 80s and 90s and moderately cold winters typically in the 30s and 40s with an average rain fall of 47 inches per year. Located in the coastal plain region of North Carolina, the county is known for its relatively flat topography and wetland areas.

### Summary

Approximately 16% of the county's population lives within the City of Lumberton, with more rural areas around the city. The county lags behind other parts of the state in indicators of economic stability, including median household income, poverty level, and education. The county does, however, exceed other parts of the state in home ownership rates.

Neighborhood Area Map  
(City of Lumberton outlined in red)



## Neighborhood Description

A neighborhood is defined in the Dictionary of Real Estate Appraisal, 15th Edition, as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises”.

Neighborhood analysis is defined as “the objective analysis of observable and/or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors.

The subject neighborhood is located in the Lumberton city limits. According to the U.S. Census Bureau (2021), the population of the City Lumberton was 21,542 in 2010 and decreased to an estimated 18,694 in 2021. Both per capita income and median household income of \$20,666 and \$36,846, respectively, are about 80 percent of the Lumberton metro area figures. A reported 31.3% of the persons in Lumberton live below the poverty line.

**Boundaries:** The neighborhood is bounded by the City of Pembroke to the west and the Big Swamp to the east. The neighborhood extends from the intersection of Martin King Junior Drive and I-74 to the south to Fayetteville Road and I-95 to the north.

**Land Use Characteristics:** The subject neighborhood is stable, with a slight uptick in development activity over the past few years. The Lumberton area is approximately 60% developed. Single family residential dominates the area. Commercial development is limited to designated areas, which provide neighborhood services and retail to the immediate population. Improvements in the subject neighborhood typically reflect average quality construction, and most appear to be well maintained. New construction of higher quality developments is concentrated in the northeastern portion of the neighborhood.

**Land Use Change:** The subject neighborhood has seen light growth in recent years as existing agricultural uses give way to new residential subdivisions.

**Immediate Land Use:** Land use in the immediate vicinity of the subject is primarily residential with pockets of commercial development at the intersection of neighborhood arterials.

**Access:** Access to the subject neighborhood is considered good. I-95 traverses the western edge of the neighborhood and links to downtown Lumberton to the north and south, as well as intersecting with Interstate 74 to the south of the city connecting to the east and west of the city.

**Road Improvements:** Neighborhood roadways are primarily asphalt-paved state-maintained roadways in good condition.

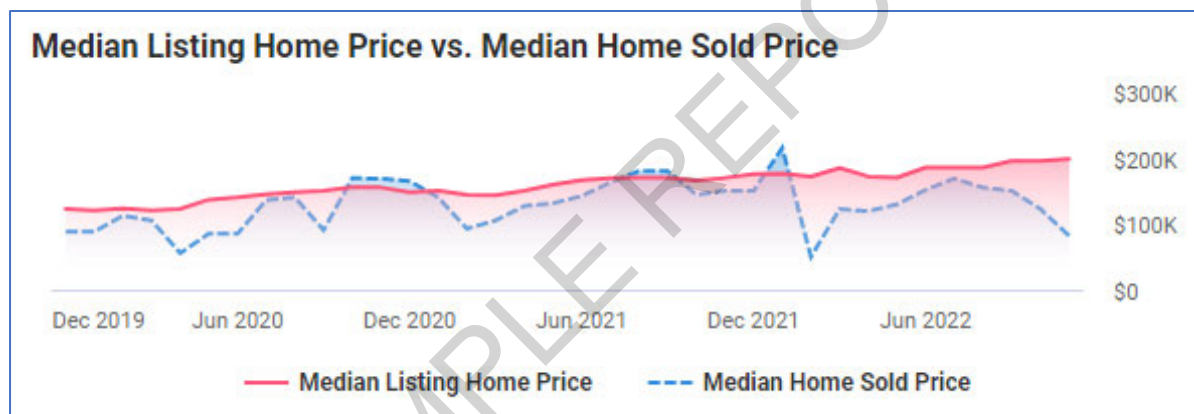
**Utilities Available:**

<b>Electricity:</b>	Yes, City of Lumberton (Public Power)
<b>Telephone:</b>	Yes, various providers
<b>Water/Sewer:</b>	Select locations, City of Lumberton
<b>Natural Gas:</b>	Select locations, Piedmont Natural Gas

**Neighborhood Life Cycle:** Most recently there has been minimal growth with a forecast of moderate, sustainable growth. While vacant land is available, supply appears to be higher than demand in the current market. Conversations with county officials indicate that limited development is anticipated in the foreseeable future.

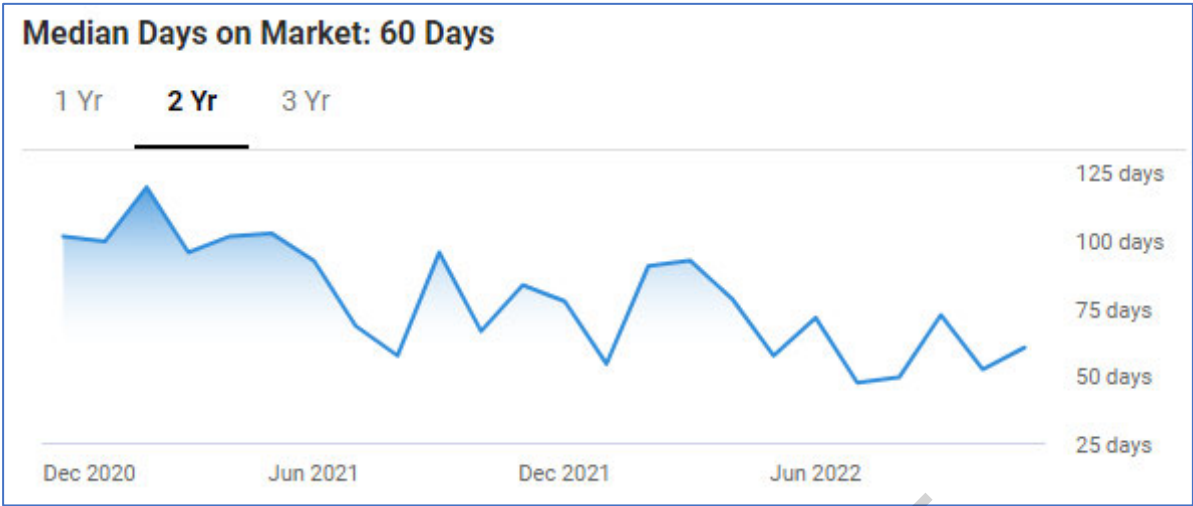
### Real Estate Trends:

According to the local MLS, the mean closed sales prices in 2021 for residential properties in Robeson County was \$163,244. Within the past year the average closed sales price of residential properties was \$188,009 in Robeson County. This is an annual price increase of 15.2% per year for the last two years. According to Realtor.com lists prices in October of 2022 were approximately 17% higher than in October 2021 and have been averaging 14% per year for the past two years.



Within the City of Lumberton, the median listing price was slightly higher at \$174,856 in 2021. Within the past year the average home price has increased to \$200,667. Thus, indicating a 14.8% increase over the past two years within the city.

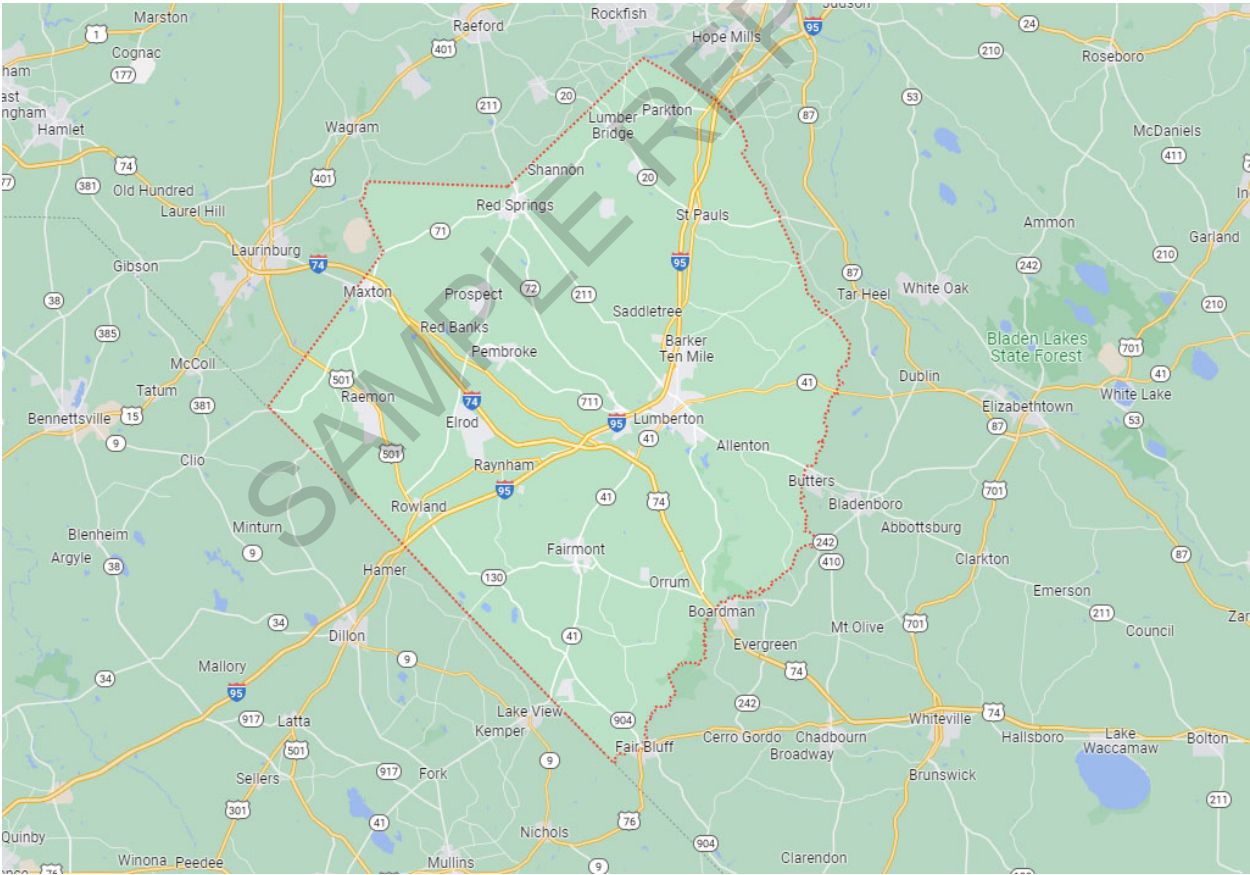




Source: Realtor.com

On average, homes in Robeson County sell after 60 days on the market.

**Robeson County Map**



## The Land - Before

### Location

The subject is located at [REDACTED], as depicted below. The site can be further identified as Parcel [REDACTED]

### Site Summary

#### Size, Frontage, Access

The site totals 0.386 acres (per [REDACTED]). The site is rectangular in shape and has total frontage of approximately 130 feet along Fayetteville Road and 145 feet along Highland Avenue.

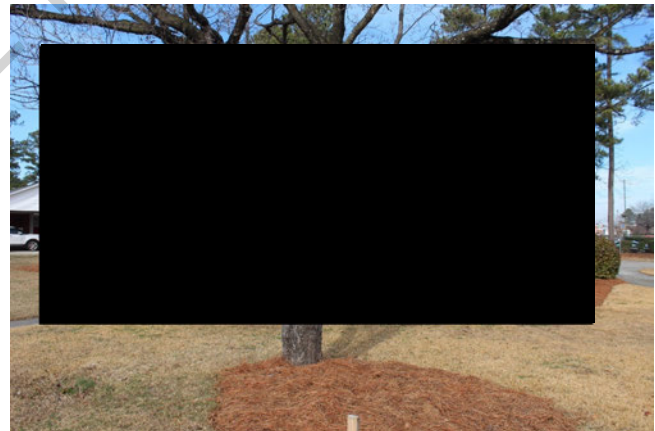
A copy of the most recent aerial map courtesy of the Robeson County GIS is shown to the right.



*Aerial map of subject.*

#### Topography

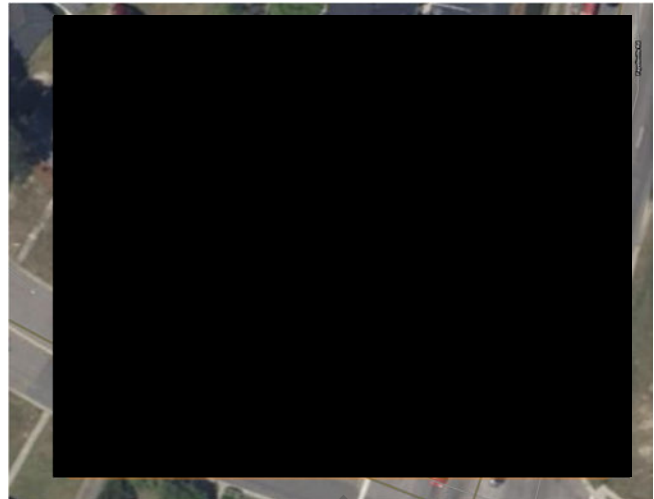
The site can be characterized as generally level with the adjacent roadway. According to FEMA Flood Zone Map Number [REDACTED] and dated 12/06/2019, the subject lies within Zone X (Unshaded), area of minimal flood hazard.



*Picture taken by Christopher Bell on 01/11/2023*

### Soils

According to the United States Department of Agriculture's Web Soil Survey, the predominate soil at the subject is classified as Norfolk loamy sand, 2 to 6 percent slopes (NoB).



### Utilities and Services

Electricity is provided by Duke Energy/Piedmont Energy. Water and sewer services are provided by the City of Lumberton. Police protection, fire protection, and rescue services are also provided by the City of Lumberton. Finally, trash collection is available through the City of Lumberton.

### Access

The site is accessible via Fayetteville Road.

### Easements and Restrictions

To the appraiser's knowledge, the property is not subject to any easements or restrictions other than those normal for utilities, drainage and roads.

### Environmental Issues - Site

Unless otherwise stated in this report, the existence of hazardous material and/or contamination which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client/property owner is urged to retain an expert in this field, if desired. That is, the subject property is appraised "as clean". No hazardous substances which would affect value were noted by the appraiser (see Assumptions and Limiting Conditions).



## The Improvements - Before

The subject property is improved with a 1,616 square-foot, single-family residence constructed in 1965. Based on our inspection, the subject appears to be in average condition for its age. The information below is taken from public records and our interior and exterior inspection of the property.

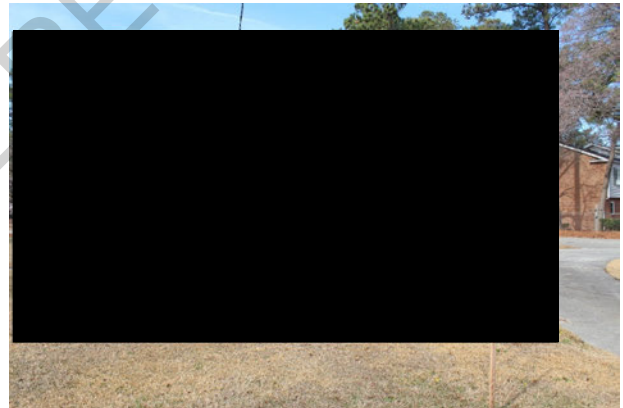
The single-story home has 3 bedroom and 2 bathrooms, with a total of approximately 1,616 SF of living space.

The home includes an attached carport.

The interior of the subject is considered to be in average to good condition. The quality and functional utility of the home is considered to be typical.



Front Elevation



Side Elevation

*Photo taken by Christopher Bell on January 11, 2023*

## INTERIOR

### Living Room



Photo taken by Christopher Bell on January 11, 2023

### Bedroom

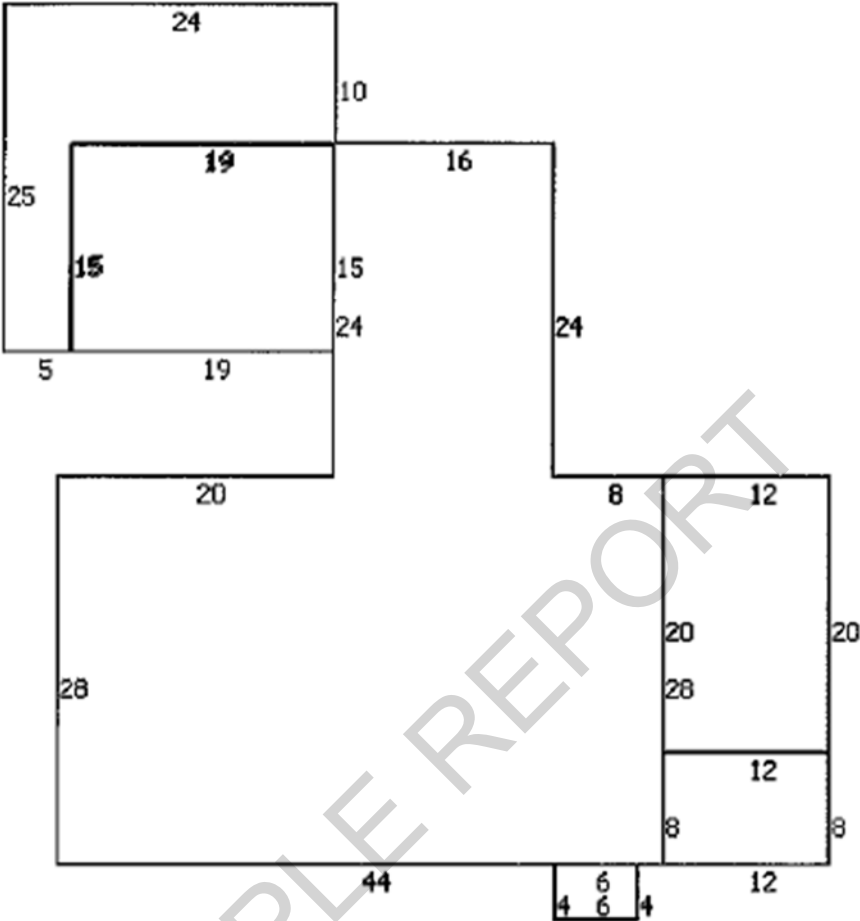


Photo taken by Christopher Bell on January 11, 2023

## Site Improvements

SITE IMPROVEMENTS		
Improvement	Quantity	Unit
Concrete Driveway	2,158	SF
Concrete Walkway	217	SF
Sidewalk Light	1	EA
Landscaping/Trees	1	EA
Source: Appraiser Inspection		

Floorplan





ZONING SUMMARY	
Current Zoning	R-3
Category	Zoning Requirement
Minimum Lot Size	6,000 Sq. Ft.
Minimum Lot Width	50 Feet
Maximum Height	35 Feet
Minimum Setbacks	
Right of Way Line	20 Feet
Lot Boundary Line	8 Feet
Source: Planning & Zoning Dept.	

### COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use.

### OTHER GOVERNMENT REGULATIONS

There are reviews of proposed improvements by local, state and federal agencies for conformity with building, fire and sanitation ordinances, subdivision regulation, flood plain management regulations and other requirements. Also, the planning board reviews and approves major developments to insure conformity with land use programs.

## Ad Valorem Tax Valuation

### Assessed Tax Value

North Carolina mandates that properties must be revalued at least once every eight years. Robeson County performs reappraisals every six years, with the most recent revaluation in 2018. Properties are assessed at 100% of appraised value.

### Tax Rates

The property is subject to taxes for the jurisdictions of Robeson County and The City of Lumberton. The current tax rate for the county is \$0.7700 per \$100 of value and Lumberton is \$0.6500 per \$100 of value. This equates to a total tax rate of \$1.42 per \$100 of value.

### Assessed Value

The 2021 assessed value of the land is [REDACTED] assessed value of the improvements is [REDACTED] for a total assessed value of [REDACTED]. Application of the ad valorem tax rate of 1.4200 per \$100 of value to the assessed value indicates the following 2022 tax levy for the subject:

[REDACTED]

The tax value for this property is less than our estimate of value. The mass valuation technique used in the tax assessment valuation does not take into account the specifics of this property. Therefore, the value determined within this report is considered more reflective of market value.

## Marketability

In order to determine the marketing period for the subject, recent transactions and current offerings were analyzed. Also, information was gathered through conversations with brokers and developers of residential properties.

Reasonable marketing time is an estimate of the amount of time it may take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal.

Potential buyers would include end users and local investors that would typically be interested in purchasing the subject for residential use.

Discussions with various lenders indicate a desire to provide financing for individual purchasers. Loans for land are routinely made at 70% - 80% LTV with typical nominal interest rates around 5.00% - 5.80% with 10 to 25-year amortization schedules. Loans to investors are typically made at 80% LTV with typical nominal interest rates around 5.5% with a maximum 20-year amortization schedule. Loans to buyers looking to purchase a single family home as a primary residence are routinely made with as little as 5% down at fixed interest rates from 3.0% to 3.5% with a 30-year amortization. Conversations with brokers active in the area indicate a commission structure of 5% to 6%.

Based on interviews with market participants and recent MLS statistics, a 1 to 3-month marketing period is considered an adequate time to sell the property. A 1 to 3-month period is also considered adequate exposure time.

## Highest and Best Use - Before

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

1. Physically Possible. What uses of the site are physically possible?
2. Legally Permissible. What uses are permitted by zoning and deed restrictions on the site?
3. Financially Feasible. Among the feasible uses, which use will produce the highest net return to the owner of the site?
4. Maximally Productive. Among the feasible uses, which use will produce the highest net return or the highest present value?

The highest and best use analysis of the subject is discussed below.

### AS VACANT

#### Physical Possibility

The site totals 0.386 acres. The site is rectangular in shape, but conducive for development and is located on the northwest corner of Highland Avenue and Fayetteville Road, with a total frontage of 145 feet along Highland Avenue and 130 feet along Fayetteville Road. The site is generally level and sits at grade of the roadway. The site has access to municipal water and sewer. The property is in an established, small-town setting that includes a mixture of single-family homes, neighborhood retail, and agricultural uses.

#### Legal Permissibility

The site is currently zoned R-3, by the City of Lumberton/Robeson County Planning and Development. The R-3 zone is designed primarily to accommodate higher density multifamily developments. Permitted uses under the R-3 classification include, but are not limited to, multi-family uses, family care homes, nursing care, rooming houses, boarding houses, recreational facility, religious institution, and police or fire station.

#### Financial Feasibility

The subject neighborhood is well established and appears to be stable. A limited amount of new development was noted during our inspection of the subject neighborhood, and sale prices for residential and commercial properties have been trending upward, particularly within the past two to three years. This indicates that demand for properties is increasing in the area.

#### Maximum Productivity

Given the physical characteristics of the site and the surrounding land uses, the maximally productive use of this site would be for single family residential development.



## Conclusion

The highest and best use of the subject site, as if vacant, is for single family residential development.

## AS IMPROVED

### Physical Possibility

As indicated, the site is improved with a single-family home that was originally constructed in 1965 and is in average condition.

### Legal Permissibility

The site has been improved with a single-family residence. It is zoned R-3. The subject appears to be a legal, non-conforming use. Research indicates that rezoning to a different use is not reasonably probable.

### Financial Feasibility

The subject neighborhood is well established and appears to be stable. A limited amount of new development was noted during our inspection of the subject neighborhood, and sale prices for residential and commercial properties have been trending upward, particularly within the past two to three years. This indicates that demand for properties is increasing in the area.

### Maximum Productivity

The continued use of the subject as a single-family residence is the only use that satisfies the first four tests of highest and best use. Therefore, the highest and best use of the subject site is for the continued use of the subject as a single-family residence.

## Conclusion

The highest and best use of the subject site, as improved, is for the continued use of the subject as single family residential.

## Valuation Methodology

Traditionally, three approaches to value are considered and include the Cost, Sales Comparison, and Income Capitalization approaches.

### Cost Approach

The Cost Approach begins with the estimation of market value of the land, as if it were vacant. In estimating the value of the land, the subject site is compared to various sales and offerings of sites that are available for development of a similar highest and best use. Adjustments are then made for any dissimilarity between the transactions analyzed and the subject. To facilitate the comparison process, the sale prices are typically analyzed on an appropriate unit value. The second step of the Cost Approach is to estimate the reproduction cost of any improvements, less any accrued depreciation. The resulting depreciated improvement value is then added to the land value for a market value estimate by the Cost Approach.

### Sales Comparison Approach

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. The Sales Comparison Approach is a readily recognized valuation technique based on the principle of substitution which states that a knowledgeable purchaser will not pay more for a given property than for an equally desirable substitute property. This approach involves a direct comparison between the subject and recently sold similar properties.

### Income Capitalization Approach

The Income Capitalization Approach is based on the principle of anticipation and derives value through the analysis of income and expenses attributable to the property.

### Methodology Applicable to the Subject

The subject property is improved with a single-family residence. The sales comparison approach for land is utilized to develop an opinion of land value because market participants rely on this method. The estimated value of the land was based on land transfers obtained by researching comparable land sales within the area and similar neighborhoods in the surrounding areas. The estimated land value will then be added to the estimated contributory value of the improvements for a total indication of value by this approach. In this analysis, comparable land and improved sales were compiled from the County and the surrounding areas. These have been inspected and the sale prices confirmed with the buyer, seller or broker. The Income Approach has been omitted due to the lack of readily available rental information for similar properties and capitalization rates in the local area. This approach is not necessary for credible results in the appraisal of the subject.

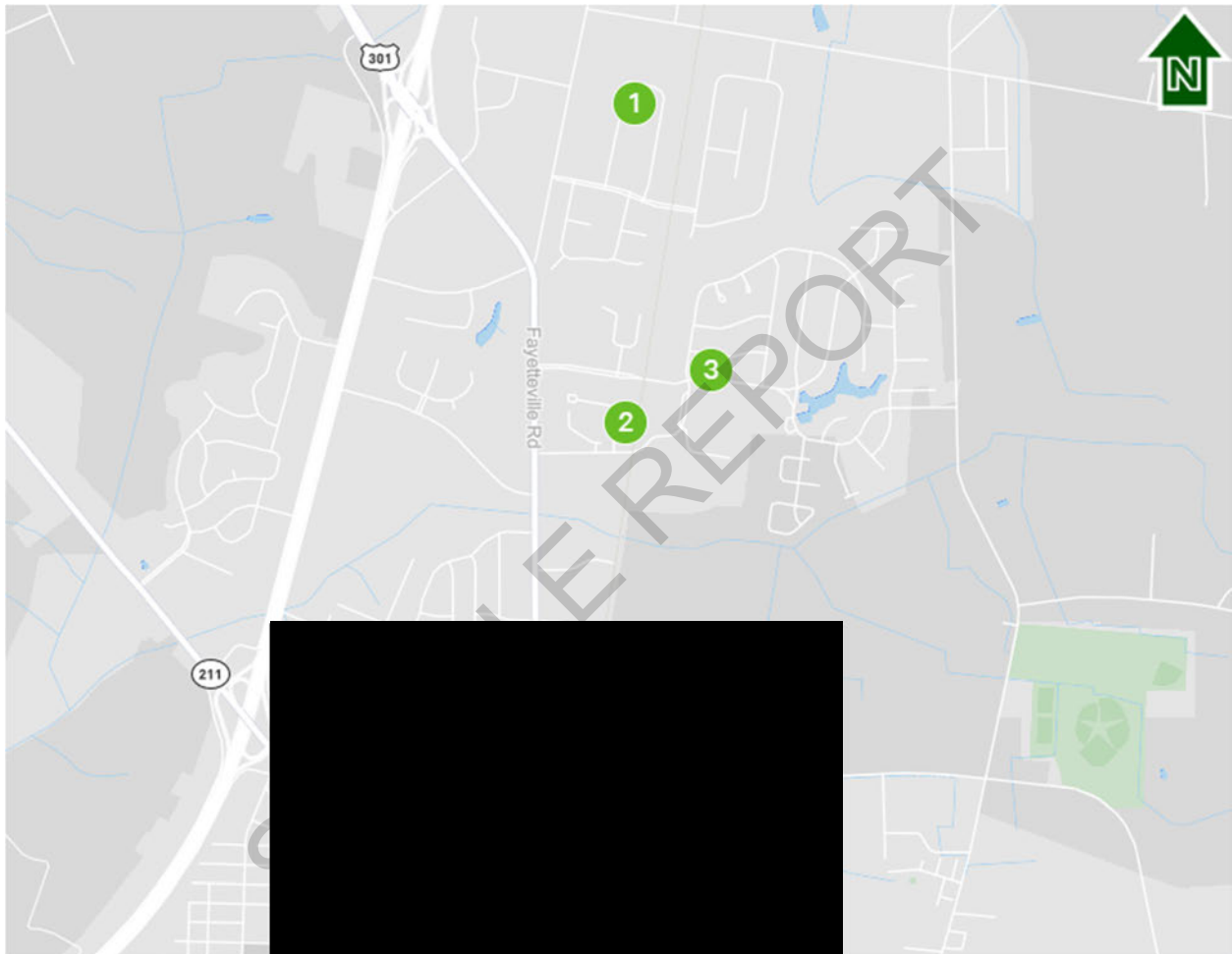
## Cost Approach to Value – Before

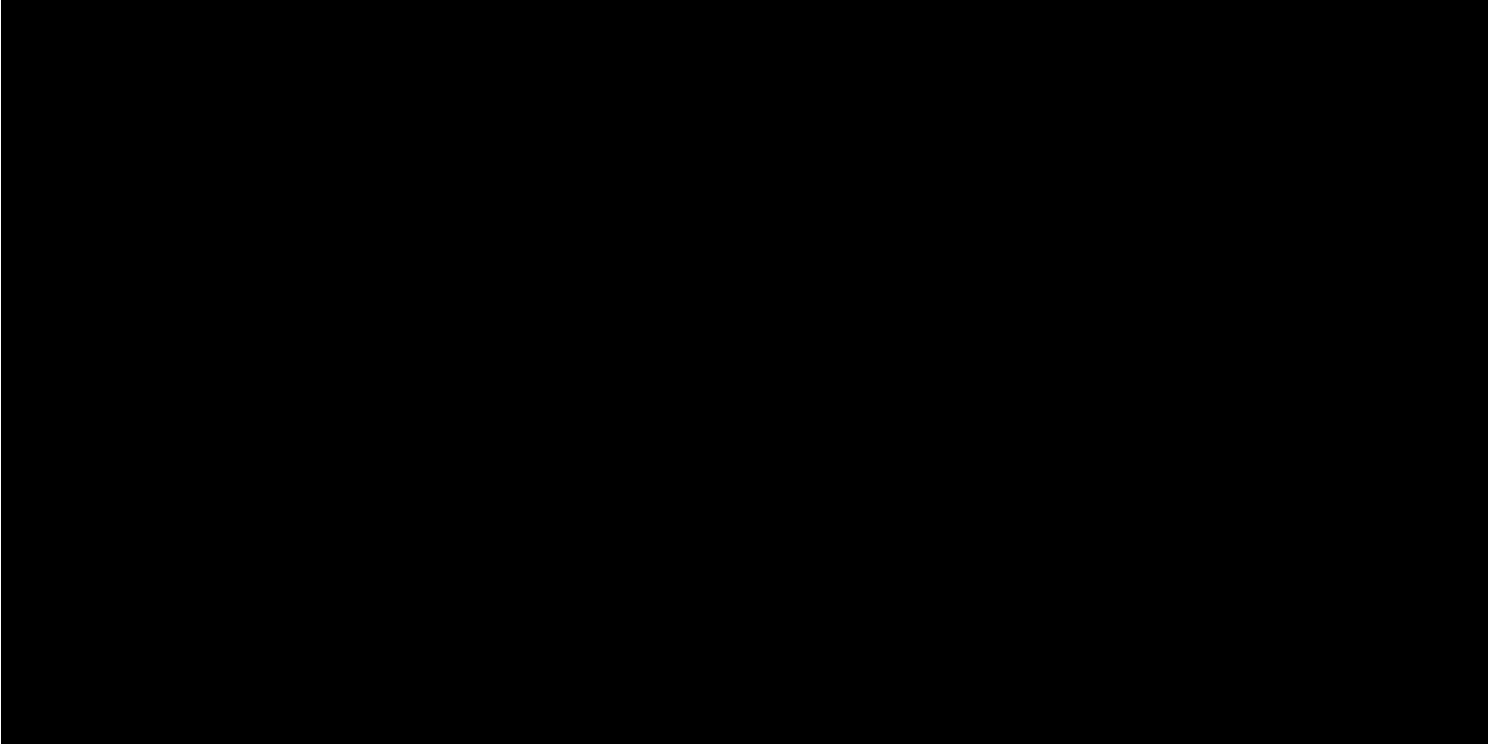
### LAND - BEFORE

#### Comparable Land Transactions

The value of the subject site has been estimated by direct comparison with the following transactions.

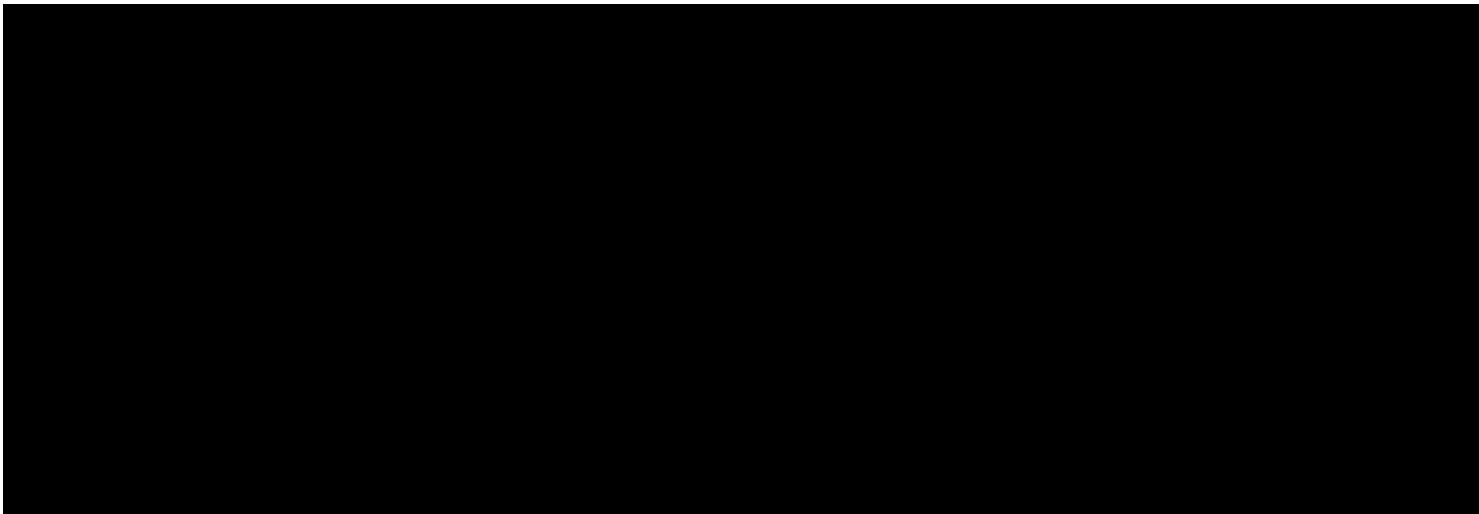
#### Land Sales Map





Aerial Oriented North Up  
Arrow shows direction of picture

Picture Taken by: CBRE, Inc.  
Date of Picture: 11/18/2022



The broker stated that there were 2 lots sold to the grantee on the same day which was confirmed by the deed. He also stated that both lots were listed separately and both sold cash to seller. He stated that there was no bulk deal made because both lots had sold at the same time and that he felt like they got fair market value for each. The deed stamps indicated a sales price of \$70,000 but this was for both lots. Therefore, the sales price for this lot is \$35,000 which was confirmed by the MLS listing and the broker.



Aerial Oriented North Up  
Arrow shows direction of picture

Picture Taken by: CBRE, Inc.  
Date of Picture: 11/18/2022



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Land Comparable No: 3



Aerial Oriented North Up  
Arrow shows direction of picture

Picture Taken by:	CBRE, Inc.
Date of Picture:	11/18/2022

## Adjustment Criteria for the Comparable Land Sales Data

### OVERVIEW

Inherent in the comparable sales data are variances from the subject site relative to real property rights appraised, financing terms, condition of sale, date of sale, location and physical characteristics.

In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. In this process the comparable transactions are brought into sync with the subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

### TRANSACTIONAL ADJUSTMENTS

#### Real Property Rights Conveyed

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed of the subject and the comparable transactions.

#### Financing Terms

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically, a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

#### Conditions of Sale

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

#### Expenditures Made Immediately after Purchase

Knowledgeable buyers consider expenditures made upon purchase of a property, which affects the price the buyer agrees to pay. These types of expenditures can vary and include costs such as: curing deferred maintenance, demolition, immediate additions or improvements to the property, zoning change petitions, and remediation of environmental contamination.

#### Market Conditions

A time adjustment is needed in order to compensate for changing market conditions. Such an adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of recognized measure of inflation, such as the Consumer Price Index. In a normal land sale market, this index has proved to be a realistic measure of variance.

According to the local MLS, the mean closed sales prices in 2021 for residential properties in Robeson County was \$163,244. Within the past year the average sales price of residential properties was \$188,009 in Robeson County. This is an annual price increase of 15.2% per year for the last two years. According to Realtor.com lists prices in October of 2022 were approximately 17% higher than in October 2021 and have been averaging 14% per year for the past two years.

Within the City of Lumberton, the median listing price was slightly higher at \$174,856 in 2021. Within the past year the average home price has increased to \$200,667. Thus, indicating a 14.8% increase over the past two years within the city.

It is our opinion that the average annual sales price is the best indicator for an overall market conditions adjustment. The subject neighborhood is primarily older housing with limited sales activity. Thus, this report assumes an 15.0% annual increase in single family home prices.

#### **PHYSICAL CHARACTERISTICS**

The adjustments of location, size, frontage/visibility, access, shape, easements, topography, utilities, and zoning may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Through objective analysis of paired sales comparing a parcel subdivided from a larger tract may indicate a size adjustment is necessary.

Other subjective facets of analysis are the measurement of variances by the dollar cost to cure such as extension of utilities, street improvements and tract grading activities. In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

#### **SALE 1**

An upward adjustment of 10% is applied to this sale for its larger size as compared to the subject.

#### **SALE 2**

A downward adjustment of 10% is applied to this sale for its less restrictive zoning designation when compared to the subject.

#### **SALE 3**

A downward adjustment of 10% is applied to this sale for its less restrictive zoning designation when compared to the subject.



These adjustments are reflected in the following chart:

COMPARABLE LAND SALES			
Appraisal Date	Jan-23		
Market Conds Adjustment	15.0%		
Size of Subject (Acres)	0.386		
Comparable Number	1	2	3
Sale Price			
Date of Sale	5/20/2022	9/20/2021	7/9/2020
Gross Acres	0.860	0.540	0.400
Price per Acre			
Interest Sold	0%	0%	0%
Financing	0%	0%	0%
Conditions of Sale	0%	0%	0%
Market Conditions (Time)	10.0%	20.0%	38.0%
Adjusted Price Per Acre			
Adjustments For:			
Location	0%	0%	0%
Size	10%	0%	0%
Shape	0%	0%	0%
Accessory Improvements	0%	0%	0%
Frontage	0%	0%	0%
Topography	0%	0%	0%
Zoning/Use	0%	-10%	-10%
Utilities	0%	0%	0%
Composite Factor			
Indicated Value Per Acre			
Minimum			
Maximum			
Mean			
Standard Deviation			
68% Prob of Value/Lot Between			
<b>Estimated Unit Value</b>			

## CONCLUSION OF LAND VALUE BEFORE

The adjusted sale prices range from \$ to \$ per acre, with a mean of \$ per acre. The sales required minimal adjustments and provided a good indication of value for the subject. Based on the comparable sales and considering the specific characteristics of the subject property, the value of the subject is estimated as:

CONCLUDED LAND VALUE BEFORE				
		per Acre x		=
Indicating		per acre based on the subject site size		acres.

SAMPLE REPORT

## IMPROVEMENTS - BEFORE

Construction cost estimates for similar improvements were provided by contractors discussed below. Cost estimates were also taken from the Marshall & Swift Cost Guide. The concluded land value will then be added to the estimated construction cost to determine the value by this approach.

Total cost is composed of direct costs, indirect costs, improvement costs and developer's profit. The land value will then be added to the total cost in order to determine the total value by the cost approach.

## Indirect Costs

Indirect costs include survey, engineering, architectural, permit, impact, legal and appraisal fees and any sales or leasing commissions associated with the property. Discussions with local architects/engineers and commercial brokers indicate that the developer's estimate for indirect costs for a project of this magnitude should be approximately 10% - 12% of the direct costs. Therefore, indirect costs are estimated at 10%.

## Developer's Profit

Most developers, in preparing a pro forma, calculate the developer's profit based on a percentage of total project costs. In this market, most of the developer's try to secure from 10% to 20% of all estimated direct costs and indirect costs as a base. Therefore, developer's profit is estimated at 15%. The indirect costs and developers profit are included in the cost per unit in the chart.

## Cost New

According to Daniel Wright of Vulcan Builders, LLC out of Fayetteville, the cost to reproduce a basic single-family home is estimated at \$150-\$160 per square foot, including profit. Using Marshall & Swift Valuation Service, the reproduction cost for the single family home is approximately \$132 per square foot. This is slightly lower than the range given by the contractor but is deemed reasonable and will be utilized in this report. The cost estimates via the cost guides are calculated as follows:

MARSHALL & SWIFT COST GUIDE, LONG-LIVED COMPONENTS: SINGLE-FAMILY RESIDENCE						
Improvement	Single-Family Residence	Carport	Wood Deck	Front Stoop	Back Porch	Utility Room
Type	SFR	Carport	Porches	Porches	Porches	Mezzanine
Section/Page	12/25	12/35	12/40	12/40	12/40	12/9
Class/Quality	C/Avg	Avg	Avg	Avg	Avg	Avg
Units	SF	SF	SF	SF	SF	SF
Base Cost	\$132.00	\$12.90	\$24.50	\$30.50	\$30.75	\$37.75
Current Cost Multiplier	1.10	1.10	1.10	1.10	1.10	1.10
Local Multiplier	0.92	0.92	0.92	0.92	0.92	0.92
Indirect Costs	1.10	1.10	1.10	1.10	1.10	1.10
Developer's Incentive	1.15	1.15	1.15	1.15	1.15	1.15
<b>Adjusted Unit Cost (rounded)</b>	<b>\$169.00</b>	<b>\$16.50</b>	<b>\$31.25</b>	<b>\$39.00</b>	<b>\$39.25</b>	<b>\$48.25</b>
Source: Marshall Valuation Service						

According to local contractors and the Marshall and Swift Valuation Service, the segregated cost for the short-lived Items is:

<b>SHORT-LIVED COMPONENTS: SINGLE-FAMILY RESIDENCE</b>				
Component	Quantity		Cost New per	Cost New
Roof Covering*	1,778 SF	@	\$5.00 /SF	\$8,888
Floor Covering	1,616 SF	@	\$6.00 /SF	\$9,696
HVAC	1,616 SF	@	\$8.00 /SF	\$12,928
Water Heater	1 EA	@	\$1,250.00 /EA	\$1,250
Paint	1,616 SF	@	\$2.50 /SF	\$4,040
<b>Total (Short-Lived Components)</b>				<b>\$36,802</b>
*Roof covering estimated at 110% of the building footprint to account for eaves and pitch.				

### Site Improvements

According to the local contractors, the site improvement costs are:

<b>SITE IMPROVEMENTS</b>		
Improvement	Unit Cost	Unit Measure
Concrete Driveway	\$4.50	SF
Concrete Walkway	\$6.00	SF
Sidewalk Light	\$2,000	EA
Landscaping/Trees	\$6,180	EA
Source: Local Contractors		

### Depreciation

Based on our inspection, it appears the subject is average condition for a Single-Family Residence built in 1965. Effective age and life are estimated as follows:

<b>ECONOMIC AGE AND LIFE</b>	
Year Built	1965
Actual Age	58 Years
MVS Expected Life	60 Years
Effective Age	30 Years
Remaining Economic Life	30 Years
Estimated Depreciation	
Long-Lived Items	50.0%
Short-Lived Items	40.0% - 50.0%
Site Improvements	40.0%
Compiled by CBRE	

### Physical Curable Depreciation

No physical curable depreciation was observed.

## Functional Obsolescence

The appraiser did not observe any functional obsolescence that significantly affected the value of the improvements.

## External Obsolescence

The appraiser did not observe any external obsolescence that significantly affected the value of the improvements.

## Value Estimate

After adjusting for various costs less depreciation, the estimated reproduction cost new less depreciation as determined by Marshall & Swift and local contractors is as follows:

SINGLE-FAMILY RESIDENCE DEPRECIATION - BEFORE						
Single-Family Residence	1,616 SF	@				
Carport	240 SF	@	\$			
Wood Deck	315 SF	@	\$			
Front Stoop	24 SF	@	\$			
Back Porch	285 SF	@	\$			
Utility Room	96 SF	@				
TOTAL COST NEW:						
<b>Depreciation</b>						
A. Physical Depreciation:						
1. Physical Curable:						
a. Physical Curable (Deferred Maintenance)						\$0
b. Physical Incurable, Short-Lived Components:						
<u>Item</u>	<u>Cost New</u>	<u>Effective Age</u>	<u>Life</u>	<u>% Dep.</u>	<u>Depreciation</u>	
Roof Covering	\$8,888	10	20	50%	\$4,444	
Floor Covering	\$9,696	5	10	50%	\$4,848	
HVAC	\$12,928	10	20	50%	\$6,464	
Water Heater	\$1,250	5	10	50%	\$625	
Paint	\$4,040	2	5	40%	\$1,616	
	<u>\$36,802</u>				<u>\$17,997</u>	
2. Long-Lived Components						
	<u>Effective Age</u>	<u>Life</u>	<u>% Dep.</u>	<u>Depreciation</u>		
Physical depreciation of the bone structure and foundation or long-life items is:						
Total Physical Depreciation						
B. Functional Obsolescence						
1. Functional Curable:						\$ -
2. Functional Incurable:						\$ -
Total Functional Obsolescence						\$ -
C. Economic Obsolescence						
Physically-Depreciated Cost	\$152,235	@	0%	=		\$0
Total Depreciation from All Sources:						
CONCLUDED DEPRECIATED VALUE OF SINGLE-FAMILY RESIDENCE						
Compiled by: CBRE						

## Site Improvements

SITE IMPROVEMENTS BEFORE							
Improvement	Units	Unit Cost	RCN	Economic Life	Effective Age	Depreciation	Depreciated Contributory Value
Concrete Driveway	2,158 SF						
Concrete Walkway	217 SF						
Sidewalk Light	1 EA						
Landscaping/Trees	1 EA	\$					
Total Estimated Contributory Value (rounded):							\$

## SUMMARY OF COST APPROACH – BEFORE

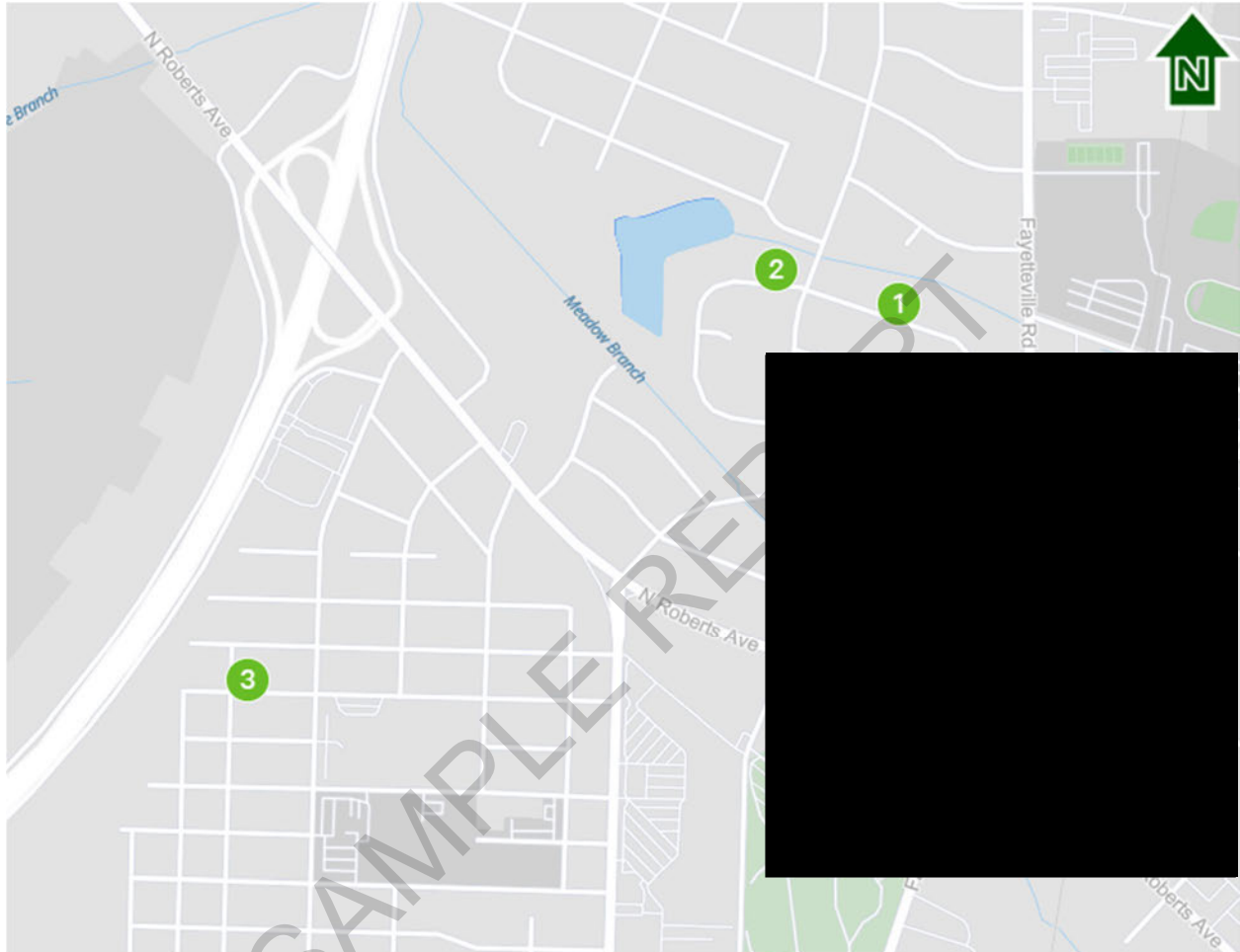
Combining the estimated depreciated value of the improvements with the site value as previously estimated, provides a total value indication for the subject property via the cost approach.

COST APPROACH SUMMARY - BEFORE			
Depreciation Reproduction Costs			
Structural Improvements	\$		
Site Improvements (Contributory Value)	\$		
Value Estimate of Improvements (rounded)		\$	
Plus: Estimated Land Value		\$	
Reconciled Market Value of Subject Property ("Before")			\$
*Rounded			

## Sales Comparison Approach - Before

The value of the subject site has been estimated by direct comparison with the following transactions.

### Improved Sale Map



Right of Way Unit

Improved Comparable No: 1



Year Built:	1970	Condition:	Average	Cap Rate:	N/A
Construction Quality:	Average	Exterior Walls:	Aggregate		



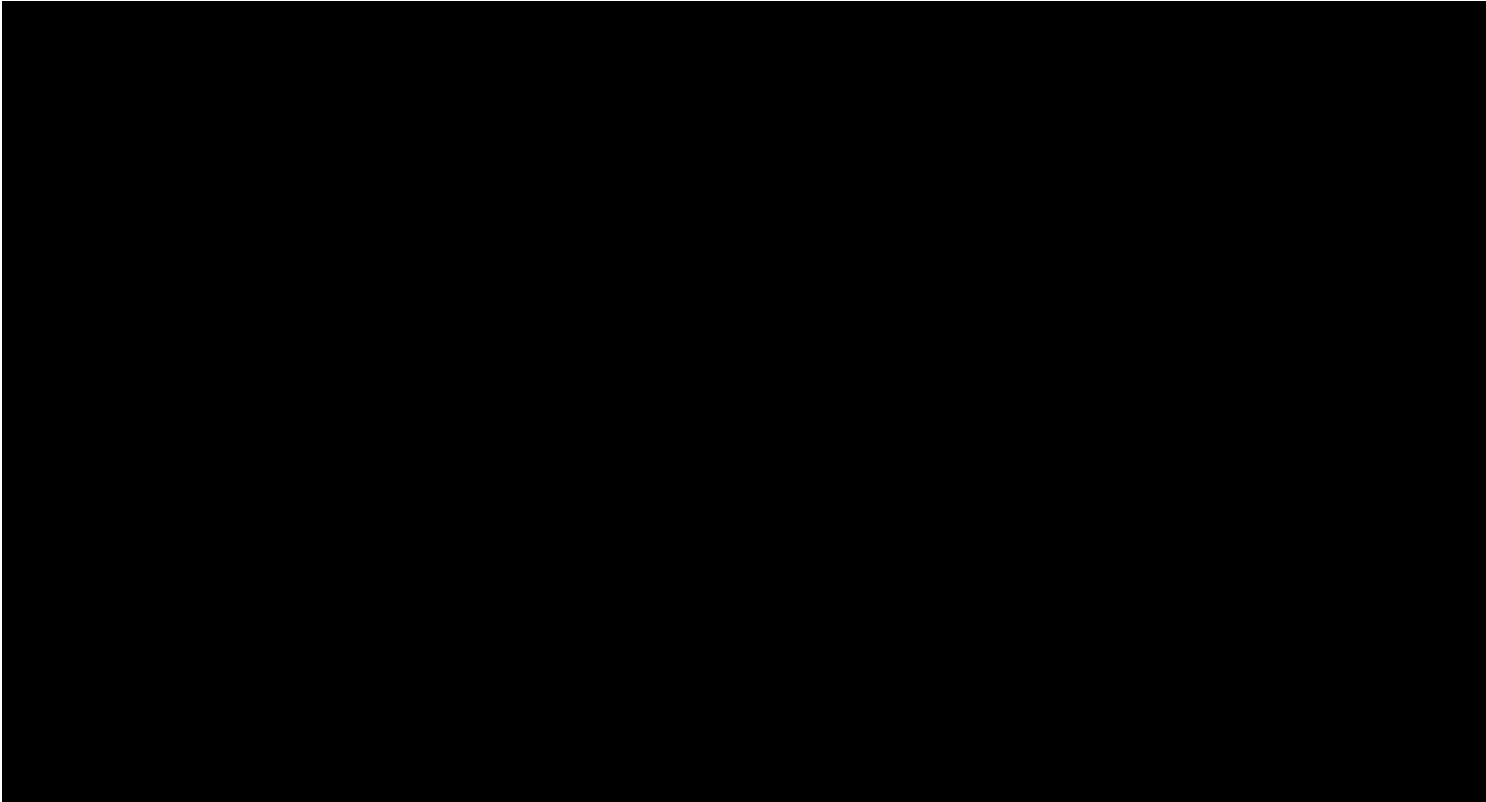
Aerial Oriented North Up  
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Picture Taken by: Haywood F. Newkirk  
Date of Picture: 1/29/2023



Right of Way Unit

Improved Comparable No: 2



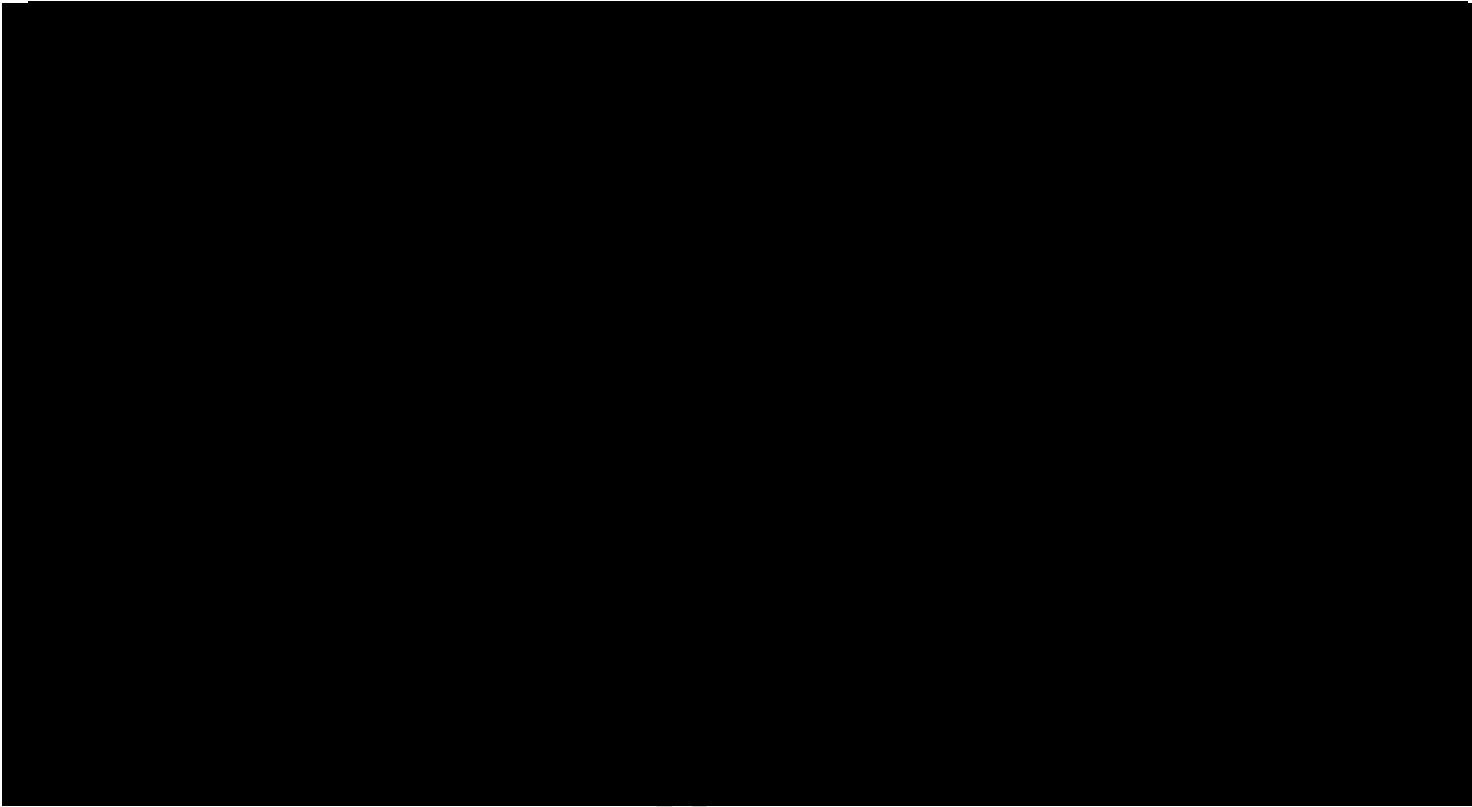
Year Built:	1976	Condition:	Average	Cap Rate:	N/A
Construction Quality:	Average	Exterior Walls:	Masonry		



Aerial Oriented North Up	Picture Taken by:	Haywood F. Newkirk
Arrow shows direction of picture	Date of Picture:	1/29/2023

Right of Way Unit

Improved Comparable No: 3



Year Built:	1955	Condition:	Average	Cap Rate:	N/A
Construction Quality:	Average	Exterior Walls:	Masonry		



Aerial Oriented North Up  
Arrow shows direction of picture



Picture Taken by: Haywood F. Newkirk  
Date of Picture: 2/10/2023

## Adjustment Criteria for the Comparable Sales Data

Inherent in the comparable sales data are variances from the subject relative to real property rights appraised, financing terms, condition of sale, market conditions, location and physical characteristics.

In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. Through this process, in so far as possible, the comparable transactions are brought into sync with the subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

### TRANSACTIONAL ADJUSTMENTS

#### Real Property Rights Conveyed

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed at the subject and the comparable transactions.

#### Financing Terms

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically, a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

#### Conditions of Sale

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

#### Market Conditions

A market conditions adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of recognized measure of inflation, such as the Consumer Price Index. In a normal market, this index has proved to be a realistic measure of variance. However, as previously discussed in this report, increases in single family home prices have exceeded traditional inflation measures over the past two to three years. Thus, this report assumes an 15.0% annual increase in single family home prices.

#### Physical Characteristics

The adjustments of location, size, frontage/visibility, access, shape, easements, topography, utilities, zoning, and other characteristics may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Other subjective facets of analysis are the measurement of variances by the dollar cost to cure such as extension of utilities, street

improvements and tract grading activities. In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

#### Recent Sale of Subject

##### Sale 1

A downward adjustment of 5% was applied for the comparable's superior condition relative to the subject.

##### Sale 2

An upward adjustment of 5% was applied for this sale's larger living area. A downward adjustment of 5% was applied to this sale for its newer age of construction. An upward adjustment of 5% was applied for this sales inferior parking storage when compared to the subject. An upward adjustment of 5% was applied for this sale's inferior porch improvements.

##### Sale 3

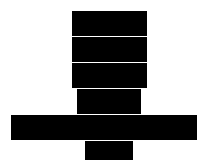
An upward adjustment of 5% was applied for this sales inferior age/condition when compared to the subject. An upward adjustment of 5% was applied for this sale's inferior porch improvements.

SAMPLE REPORT

## SALES COMPARISON APPROACH - SINGLE-FAMILY RESIDENCE

Appraisal Date		Jan-23	
Market Conds Adjustment		15.0%	
Size of Subject (SF)		1,616	
Comparable Number	Subject	1	2
Location		401 Sandlin Drive	3860 Kale Drive
City, State		Lumberton, NC	Lumberton, NC
Actual Sale Price		\$180,000	\$225,000
Date of Sale		5/5/2021	8/13/2021
Year Built/Renovated	1965	1970	1976
GLA (SF)	1,616	1,938	2,168
Gross Acres	0.386	0.460	0.370
Interest Sold		0%	0%
Financing		0%	0%
Conditions of Sale		0%	0%
Market Conditions (Time)		25.0%	21.0%
Adjusted \$/GBA		\$116.10	\$125.57
Location	Average	Average	0%
Lot Size - acres	0.386 AC	0.460 AC	0%
View	N/A	Neighborhood	0%
Design/Appeal	Average	Average	0%
Quality of Construction	Average	Average	0%
Gross Living Area	1,616 SF	1,938 SF	0%
Condition	Average	Average	-5%
Year Built	1965	1970	0%
Beds/Baths	3/2	3/2	0%
Basement Area/Finish	N/A	N/A	0%
Functional Utility	Average	Average	0%
Heating/Cooling	Assumed adequate	FWA/AC	0%
Car Storage	Carport	Carport	0%
Porch, Patios, Frplc., etc.	Porch	Porch	0%
Additional Amenities	None noted	N/A	0%
Composite Factor		-5%	10%
Indicated Unit Value		\$110.30	\$138.13

Minimum  
Maximum  
Mean  
Standard Deviation  
68% Prob of Value/Lot Between  
**Estimated Unit Value**  
Compiled by CBRE



## Sales Comparison Approach Conclusion

The range of adjusted prices are from [REDACTED] per square foot to [REDACTED] per square foot, with an average of \$[REDACTED] per square foot. Sales 1 and 3 were given equal primary consideration in reconciliation due to their similarities to the subject. Sale 2 was given secondary consideration. Based on the comparable sales and considering the specific characteristics of the subject site, the market value of the subject property is estimated via the sales comparison approach at [REDACTED].

## Reconciliation and Final “Before” Value Estimate

Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final estimate of value from the approaches utilized. The appraiser weighs the relative significance, applicability, and defensibility of the indication of value estimated by each approach and places most credence on the one that, in his/her professional judgment, best approximates the value being sought in the appraisal assignment. The value indications from the utilized approaches are summarized below:

Cost Approach	██████████
Sales Comparison Approach	██████████
Income Capitalization Approach	██████████

Considering the scope of work and intended use of the report, the value indication via the cost approach is given primary consideration since it more accurately allows for an allocation between the site value and improvement value. Additionally, although the sale data utilized is considered the best data available as of the date of valuation, sales comparable properties were somewhat limited.

The value indication via the sales comparison approach is considered supportive of the cost approach. The final value estimate for the subject property in the “before” is therefore estimated and allocated as follows:

VALUE ESTIMATE - BEFORE	
Land Value	██████████
Improvement Value	██████████
	██████████

## Description of the Acquisition

### Land

The [REDACTED] proposes to acquire 0.018 acres of land, known as the "take area". The right-of-way is located along the Fayetteville Road frontage and is triangular in shape.

### Easements Outside the Right of Way

The [REDACTED] proposes to acquire a permanent utility easement of 0.033 acres. The PUE is located along the Fayetteville Road frontage and is irregular in shape.

Per [REDACTED]:

"Said Permanent Utility easement in perpetuity is for the installation and maintenance of utilities, and for all purposes for which the DEPARTMENT is authorized by law to subject same. The Department and its agents or assigns shall have the right to construct and maintain in a proper manner in, upon and through said premises a utility line or lines with all necessary pipes, poles and appurtenances, together with the right at all times to enter said premises for the purpose of inspecting said utility lines and making all necessary repairs and alterations thereon; together with the right to cut away and keep clear of said utility lines, all trees and other obstructions that may in any way endanger or interfere with the proper maintenance and operation of the same with the right at all times of ingress, egress and regress. It is understood and agreed that the Department shall have the right to construct and maintain the cut and/or fill slopes in the above-described Permanent Utility Easement area(s). It is further understood and agreed that Permanent Utility Easement shall be used by the Department for additional working area during the above described project. The underlying fee owner shall have the right to continue to use the Permanent Utility Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors."

### Temporary Easements

The [REDACTED] proposes to acquire a temporary construction easement of 0.015 acres. The TCE is located along the Highland Avenue frontage and is irregular in shape.

Per [REDACTED]:

"The above-described Temporary Construction/Drainage/Utility Easement(s) will terminate upon completion and acceptance of the project. The underlying fee owner shall have the right to continue to use the Temporary Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors."

The [REDACTED] proposes to acquire a temporary drainage easement of 0.006 acres. The TDE is located along the Highland Avenue frontage and is irregular in shape.

Per [REDACTED]:

"The above-described Temporary Construction/Drainage/Utility Easement(s) will terminate upon completion and acceptance of the project. The underlying fee owner shall have the right to continue to use the Temporary Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors."



## Improvements

- Portion of Concrete Driveway (approximately 20%)
- Sidewalk Light (approximately 100%)
- Portion of Landscaping/Trees (approximately 40%)

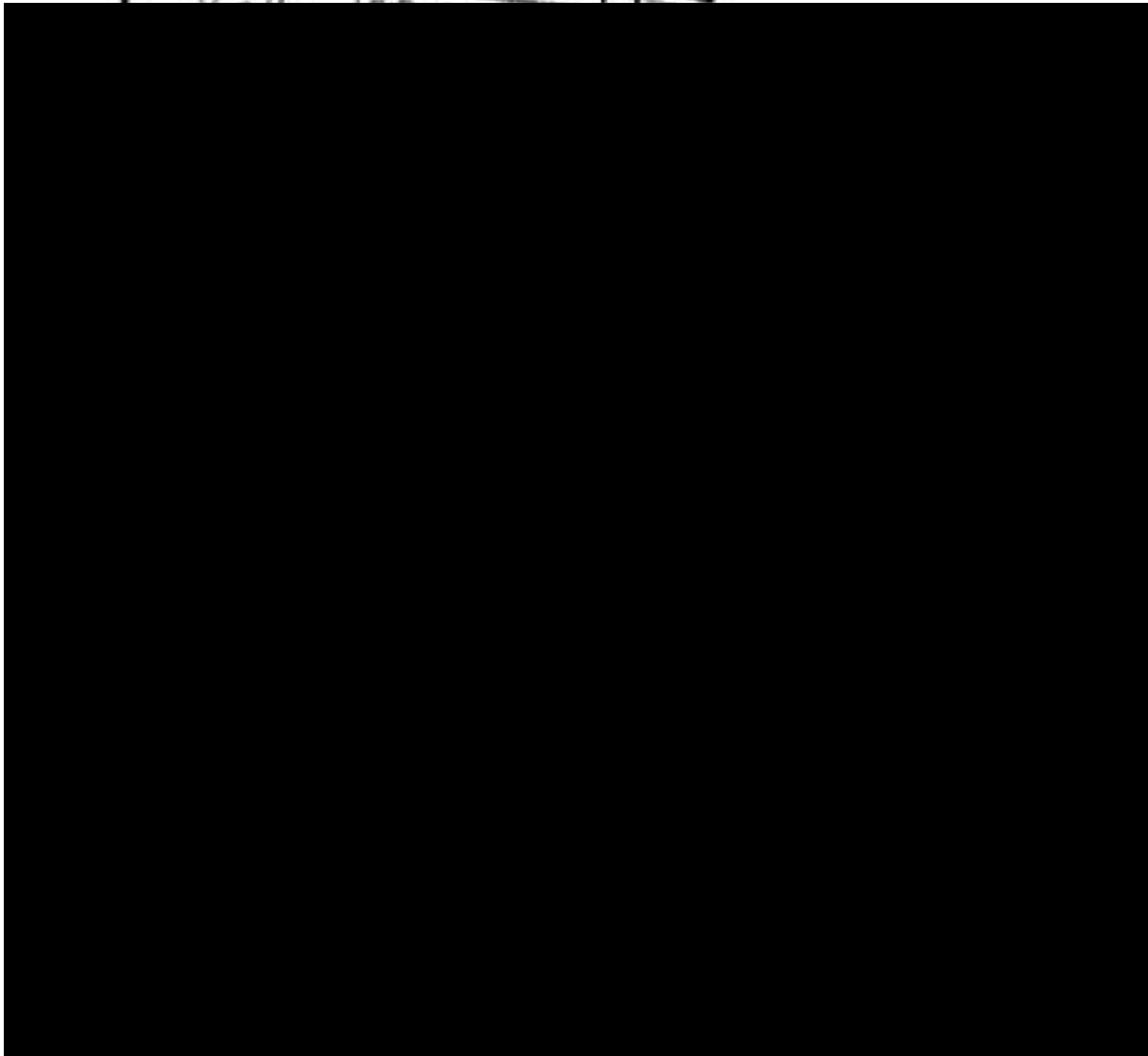
SAMPLE REPORT

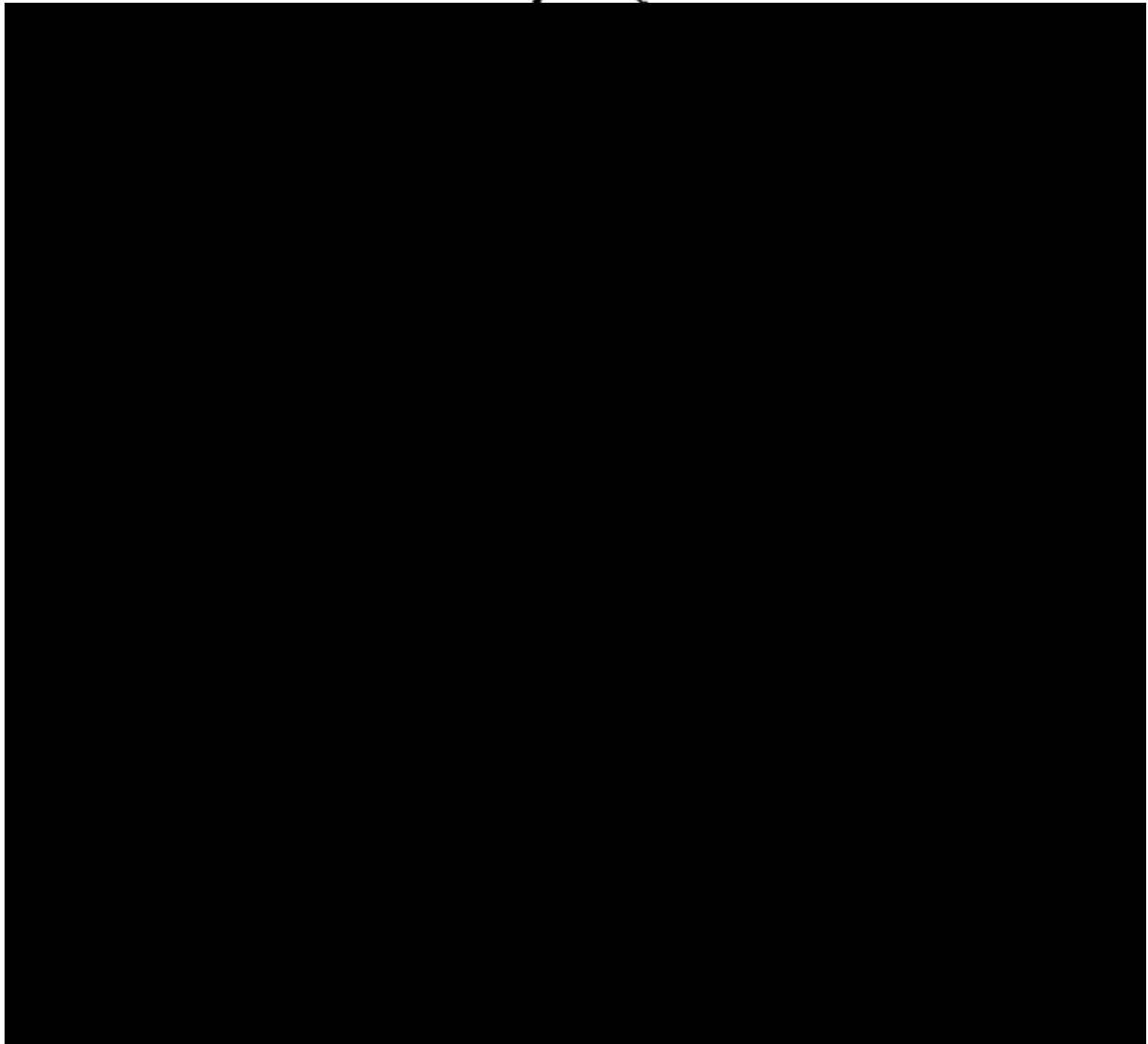


## The Land - After

### DESCRIPTION OF THE REMAINDER AND EFFECT OF THE ACQUISITION:

The subject remainder site will be slightly smaller at 0.368 acres. The site will continue to have access to Fayetteville Road; however, CBRE notes that the driveway entrance closest to the intersection of Fayetteville Road and Highland Avenue will be eliminated. In the before the subject was approximately 50 feet from the corner of Fayetteville Road and Highland Avenue; in the after, however, the subject will be approximately 25 feet from the aforementioned corner.





Above is an excerpt from [REDACTED] Plan Sheets 6 & 7 showing the impact of the proposed road improvements. The subject property is outlined in green, the take area is shaded red, PUE is shaded orange, and TCE is shaded yellow.

### EXTERNAL OBSOLESCENCE RESIDENTIAL PROXIMITY DAMAGES

Proximity damage can occur when a roadway is widened and results in a partial acquisition of land, with the residence remaining on the property. This can lead to a decreased yard setback, which can negatively impact the value of the property due to diminished privacy in relation to the right-of-way.

The subject right-of-way Project reduces the yard setback to improved residential properties. An analyses will be conducted to estimate the potential impact on these remainder parcels. By doing so, this will properly compensate the property owner for proximity damages.

There are three different methods of determining proximity damages to residential properties as a result of right-of-way acquisitions.

- 1) Paired Comparable Sales Method
- 2) Market Participant Estimation Method
- 3) Appraiser Estimation Method

The **Paired Comparable Sales Method** relies on finding similar comparables for the subject property. The strength of this method is it lacks subjectivity, but the inherent difficulty is finding appropriate paired sales to analyze in the immediate area. For this Project, a search for data on residential building setbacks in the county was made and limited data was located. As a result, the research was expanded to other parts of the state where more data was available to assist the appraiser in determining the impact, if any.

The **Market Participant Estimation Method** relies on obtaining estimates from market participants such as real estate agents, brokers, and developers. However, they can be subjective as these individuals may have a vested interest in the outcome of the proximity damage estimate. Moreover, their estimates may not be reliable because they may not have access to all relevant information or the knowledge to properly evaluate the impact of proximity damage on a property. Therefore, this method should be used with caution and in conjunction with other methods to provide a more accurate and reliable estimate of proximity damage.

The **Appraiser Estimation Method** estimates the roadway proximity damage by assessing the severity of the acquisition area and the roadway proximity in the after condition. This method relies solely on the appraiser's estimation. The main consideration is the reduced yard area, as this impacts the livability and value of the property. However, utilizing the appraiser's estimation alone does not rely on subjective data. The appraiser must include subjective means to establish these potential damages.

Objectivity is crucial when determining real estate market damages to a parcel. We will rely on the Paired Comparable Sales Method and the Appraiser Estimation Method. The Appraiser Estimation Method will utilize a process called the Safe Line Theory. This theory was introduced by Mr. Richard E. Welch, SRPA, SRA, R/W-AC in IRWA's 'Right of Way' magazine (March/April 2009). The safe line theory is an objective method used to determine the point (i.e. setback from the right-of-way) at which a resident's home is not adversely impacted by noise and reduced privacy relative to its proximity to a roadway. The safe line is typically determined by the yard setback of existing and new homes on either the subject roadway or a comparable roadway. This theory is often used in new construction, as developers aim to construct homes that are not negatively impacted by proximity to a roadway. As the yard is decreased past the safe boundary, the likelihood of proximity damage increases.

The following provides Paired Comparable Sales to determine a percentage change of value of a residence due to the reduced proximity to a right-of-way. A loss in value per foot due to proximity

will be established for each comparison. We will then provide in detail the Safe Line Theory for the subject Project. The goal is to establish a setback line (i.e. Safe Line) that determines if there are negative effects of the newly aligned right-of-way in the remainder. If there is a setback reduction below the Safe Line, a commensurate damage from the Paired Comparable Sales Method will be used.

SAMPLE REPORT

## #1 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – MEASURING OBSOLESCENCE

Two single-family residence sales were used to determine adjustments for external obsolescence caused by proximity to a public right of way. The properties are located in the same neighborhood within 1,250 feet from each other, sold as arm's-length transactions within a half year of each other, and had similar physical characteristics. Although the building age of 2002 Spring Garden Street was older, it was well-maintained and considered similar to 804 Scott Avenue. The remaining adjustments of comparability were relatively similar, though adjustments for bedrooms and exterior amenities were applied. After adjustments, the price difference of the first comparable sale can be attributed to the obsolescence caused by the proximity of the property to its respective right-of-way. Sale 1 residence (2002 Spring Garden Street) was only 10± from the ROW boundary to the south, while Sale 2 residence (804 Scott Avenue) was approximately 51± from the ROW boundary to the east.



#1 Matched Pair Residential Proximity Analysis		
Location	2002 Spring Garden St., Greensboro, Guilford County, NC	804 Scott Ave., Greensboro, Guilford County, NC
Sale No.	Sale No. 1	Sale No. 2
Distance between two sales	1,250 feet	
Neighborhood	Lindley Park	Lindley Park
Real Property PIN#	15914	16858
Deed Book - Page	7985-2663	8026-2681
Grantor	Timothy D. Wrinkle and spouse, Dana L. Wrinkle	Elaine R. Apple, unmarried
Grantee	Erin E. Strickland and spouse, Benjamin A. Strickland	Helen M. Peel, unmarried
Sale Date	10/17/2017	3/7/2018
Days between two sales	141 Days	
Sale Price	\$142,000	\$210,000
Less, Estimated Lot Value	\$30,000	\$30,000
Improved Net Value (excludes land value)	\$112,000	\$180,000
Lot Size (± AC)	0.14	0.21
Building Size (± SF)	1,964	1,400
Unit Price Per SF	\$57.03	\$128.57
Market Conditions	0.0%	0.0%
Unit Price Per SF (after Market Conditions)	\$57.03	\$128.57
Stories	1.5	1.5
Proximity to ROW Boundary	10± feet	51± feet
Residential Proximity Obsolescence	Yes	No
Adjustments to Comparability		
Location	0%	0%
Building Size (± SF)	1,964 SF	1,400 SF
	0%	0%
Year Built	1910	1944
	0%	0%
Bedrooms/Bathrooms	2/2	3/2
	4%	0%
Basement Area/Finish	N/A	N/A
	0%	0%
Porch/Deck	Front covered porch	Rear raised deck
	0%	0%
Car Storage	N/A	N/A
	0%	0%
Outbuildings, Miscellaneous	N/A	N/A
	4%	0%
Net Adjustment (Total)	8%	0%
Adjusted Sale Price Per SF	\$61.59	\$128.57
% Change to Reduced Proximity Property	52.1%	
Proximity to ROW Difference between 2 Sales	41± ft	
Loss in Value per Foot due to Proximity	1.27%	

**#1 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – CONCLUDED  
EXTERNAL OBSOLESCENCE**

Based on the information researched, Sale #1 sold for 52.1% less than Sale #2 due to its proximity to the roadway. The loss in value is approximately 1.27% for each foot closer that Sale 1 is closer to the ROW than Sale 2.

SAMPLE REPORT



## #2 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – MEASURING OBSOLESCENCE

Two single-family residence sales were used to determine adjustments for external obsolescence caused by proximity to a public right of way. The properties are located 4,100 feet from each other, sold as arm's-length transactions within a year of each other, and had similar physical characteristics. The adjustments of comparability were fairly similar requiring only minor adjustments. After adjustments, the price difference of the first comparable sale can be attributed to the obsolescence caused by the proximity of the property to its respective right-of-way. The Sale 6 residence was only  $22\pm$  from the ROW boundary to the north, while the Sale 7 residence located was approximately  $50\pm$  from the ROW boundary to the south.

738 US Highway 221, Rutherfordton, Rutherford County, NC (ROW Proximity Obsolescence)	1157 US Highway 221, Rutherfordton, Rutherford County, NC 28139
	
	



#2 Matched Pair Residential Proximity Analysis		
Location	738 US Highway 221, Rutherfordton, Rutherford County, NC 28139	1157 US Highway 221, Rutherfordton, Rutherford County, NC 28139
Sale No.	Sale No. 6	Sale No. 7
Distance between two sales	4,100 feet	
Neighborhood	Rural	Rural
Real Property PIN#	1528-07-2133	1528-45-2965
Deed Book - Page	2023-3847	2035-4924
Grantor	The Estate of Penny P. Davis	John H. Ballinger Jr. et ux
Grantee	Sandra Marie Kelly	Jeanne K. Unangst
Sale Date	7/2/2019	8/19/2020
Days between two sales	414 Days	
Sale Price	\$132,500	\$135,000
Less, Estimated Lot Value	<u>\$40,000</u>	<u>\$15,000</u>
Improved Net Value (excludes land value)	\$92,500	\$120,000
Lot Size (± AC)	3.00	0.34
Building Size (± SF)	1,542	1,269
Unit Price Per SF	\$59.99	\$94.56
Market Conditions	0.0%	0.0%
Unit Price Per SF (after Market Conditions)	\$59.99	\$94.56
Stories	1	1
Proximity to ROW Boundary	22± feet	50± feet
Residential Proximity Obsolescence	Yes	No
Adjustments to Comparability		
Location	0%	0%
Building Size (± SF)	1,542 SF	1,269 SF
	0%	0%
Year Built	1948	1964
	0%	-5%
Bedrooms/Bathrooms	3/1	3/1.5
	2%	0%
Basement Area/Finish	N/A	N/A
	0%	0%
Porch/Deck	N/A	N/A
	0%	0%
Car Storage	None	1-Bay Carport
	0%	-5%
Outbuildings, Miscellaneous	N/A	N/A
	0%	0%
Net Adjustment (Total)	2%	-10%
Adjusted Sale Price Per SF	\$61.19	\$85.10
% Change to Reduced Proximity Property	28.1%	
Proximity to ROW Difference between 2 Sales	28± ft	
Loss in Value per Foot due to Proximity	1.00%	

**#2 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – CONCLUDED  
EXTERNAL OBSOLESCENCE**

Based on the information researched, Sale #6 sold for 28.1% less than Sale #7 due to its proximity to the roadway. The loss in value is approximately 1.0% for each foot closer that Sale 6 is closer to the ROW than Sale 7.

SAMPLE REPORT

### #3 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – MEASURING OBSOLESCENCE

We were able to locate two paired sales analyses' in Jacksonville, NC. They were located along Piney Green Road, which was recently widened from a two-lane road to four lane road. This project impacted multitudes of properties along Piney Green Road. The first paired sales analysis is outlined below:

These two homes are located adjacent to each other on Shoreham Road, which is a side street off Piney Green Road. 109 Shoreham Drive is located on the corner of Piney Green Road and Shoreham Road. It fronts Piney Green Road, but its access is from Shoreham Drive. The home was located approximately 83' from Piney Green Road in the before. The 83' location provides a pretty good buffer from a busy road such as Piney Green Road. The aerial below shows the new boundaries of the property with the take area (shaded green) and easement (shaded red) in place.



After the acquisition, the side yard was reduced from 83' to 42'. Therefore, this property was impacted by a reduced right of way setback.

Address	Parcel ID	Sales Date	Size (SF)	Sales Price	Price/SF	Land Value	Imp Value	Imp/SF
109 Shoreham Dr.	001321	9/19/2012	2,313	\$152,500	\$66	\$50,000	\$102,500	\$44
107 Shoreham Dr.	002413	6/30/2010	2,497	\$270,000	\$108	\$50,000	\$220,000	\$88
Difference								50.0%

107 Shoreham Drive only fronts along Shoreham drive (only has frontage on a side street). As can be seen in the chart above, 107 Shoreham Drive sold for \$84/SF (minus land value), while 109 Shoreham Drive sold for \$44/SF (minus land value and minor adjustments). This clearly shows a price difference due to the new proximity to Piney Green Road. It must be noted, however, that 107 Shoreham Drive was built in 2006 and 109 Shoreham Drive was built in 1964. While 109 Shoreham Drive is much older, it had just undergone a complete renovation of \$50,000+ prior to the sale. The renovations included new windows, HVAC, roof, flooring, bathroom renovations, etc. The grantors stated that it was near new condition at the time of sale. Therefore, we feel this had similar age/condition at the time of sale.

In addition, while much of the country was suffering from a major downturn in real estate, the Jacksonville Market was stable and even had some areas of growth due to the fact that a major troop redeployment had just taken place at Camp Lejeune and thousands of new families were moving into Jacksonville and driving growth in this market.

During this time period, our firm completed appraisals for 78 residential appraisals in the immediate neighborhood. These sales were confirmed and inspected. These sales were extremely similar in terms of age/condition, design/appeal, location, etc. These sales also occurred in a stable market which required little, if any market conditions adjustments. Therefore, it is our opinion that this study is an accurate, verified indication for the proximity impacts of a right of way on a single-family home.

Distance Before	Distance After	Feet Closer	% Damage

### #3 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – CONCLUDED EXTERNAL OBSOLESCENCE

Based on the information researched, 109 Shoreham sold for 50.0% less than 107 Shoreham due to its proximity to the roadway. The loss in value is approximately 1.22% for each foot closer to the ROW.

#### #4 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – MEASURING OBSOLESCENCE

The fourth paired sales analysis we found was also along Piney Green Road. The details of these sales are outlined below:

The home at 2499 Piney Green Road was affected by the [REDACTED] project in that the front yard was reduced. The front yard was reduced from approximately 63' to 19' from Piney Green Road.

	Right of Way Distance
Before	63'
After	19'
Avg Width	44'

The sale occurred after the acquisition and the buyer was fully aware of the new right of way. The seller was paid by the [REDACTED] for the acquisition.

Address	Parcel ID	Sales Date	Size (SF)	Sales Price	Price/SF	Land Value	Imp Value	Imp/SF
2499 Piney Green Rd	17881	2/24/2012	1,720	\$120,000	\$70	\$31,500	\$88,500	\$51
1275 Piney Green Rd	33512	2/17/2011	1,000	\$114,500	\$122	\$27,000	\$87,500	\$87
Difference								41.4%

We spoke with the broker for this sale and she felt that the new proximity affected the sales price, but was not sure how much it affected it. The right of way is approximately 75' from the home at 1275 Piney Green Road. Therefore, based on the pairing above (after adjustments) it shows that the home at 2499 Piney Green Road sold for approximately 41.4% (minus land value and after adjustments) less than the home on 1275 Piney Green Road due to its new proximity to Piney Green Road.

Distance Before	Distance After	Feet Closer	% Damage
63'	19'	44	41.4%

#### #4 MATCHED PAIR RESIDENTIAL ANALYSIS: PROXIMITY TO RIGHT OF WAY – CONCLUDED EXTERNAL OBSOLESCENCE

Based on the information researched, 2499 Piney Green sold for 41.4% less than 1275 Piney Green due to its proximity to the roadway. The loss in value is approximately 0.93% for each foot closer to the ROW.

## EXTERNAL OBSOLESCENCE RESIDENTIAL PROXIMITY DAMAGES - SUMMARY

Summary of Matched Pair Residential Proximity Analysis		
Comparison No.	% Change to Reduced Proximity Property	% Loss in Value per Foot due to Proximity
1	52.1%	1.27%
2	28.1%	1.00%
3	50.0%	1.22%
4	41.4%	0.93%

The above comparisons indicate a range from 28.1% to 52.1% of overall damage percentage due to location of the right-of-way line. However; the overall percentage damage may not reflect another residential example. An overall loss in value per foot due to proximity is a more accurate percentage and can account for most any proximity loss, small or large. The range of loss in value per foot due to proximity ranged from 0.93% per foot to 1.27%. The amount of damages is applicable to improvements only, since each improved sale had its land value deducted. Other adjustments were considered for dissimilarities. The actual percentage used will be on a parcel by parcel basis and the remaining landscape buffer and possibly other considerations will be made.

### Safe Line Theory

"The safe line theory defines the point where a resident is not adversely impacted by noise and reduced privacy relative to their home's proximity to the roadway. The safe line is essentially the typical front yard setback of existing and new homes on either the subject's roadway or a comparable roadway. It is believed that new homes in particular adhere to this theory, as a developer would not intentionally construct a residence with objectionable qualities." Due to the loss of the yard setback the market considers the residence inferior as it falls below the safe line distance. With a decreased yard setback, the resident is faced with an increase in noise, dirt, traffic, vibration, dust, as well as diminished privacy. Therefore, the residence is considered less desirable, and the property is damaged.

To estimate the subject's safe line, the front setback of single-family residences along various sections of the Project was determined. The table below contains the setback of various single-family homes. The homes have addresses of [REDACTED] Avenue.

Setbacks:

Address	Year Built	Setback
[REDACTED] Ave	1950	35
[REDACTED] Ave	1963	52
[REDACTED] Ave	1962	38
[REDACTED] Ave	1963	52
[REDACTED] Ave	1967	55

CBRE notes that [REDACTED] is located at the corner of Highland Avenue and Fayetteville Road; the setback figure for this property was measured from Fayetteville Road. CBRE notes that the setbacks off of Fayetteville Road appear to be shorter than the setbacks off of Highland Avenue.

The Safe Line for has a wide range of setbacks. Researching these setbacks, CBRE has opined that the Safe Line distance is 40 feet. A setback less than 40 feet would be considered less desirable.

As described, in the before the subject was approximately 50 feet from the corner of Fayetteville Road and Highland Avenue; in the after, however, the subject will be approximately 25 feet from the aforementioned corner, indicating a decrease of approximately 50%. In the before the subject was approximately 40 feet from the existing right of way on Fayetteville Road; in the after, however, the subject will be approximately 22 feet from the right of way on Fayetteville Road, indicating a decrease of approximately 45%.

Based on the data presented and considering the specific characteristics of the subject, a damage of [REDACTED] % per foot in proximity to the Safe Line. Therefore, a [REDACTED] diminution in value will be applied to the subject improvements in the after.

#### HIGHEST AND BEST USE OF THE REMAINDER

The highest and best use of the subject is unchanged. Therefore, the highest and best use of the subject is for continued single-family residential use.

### COST APPROACH TO VALUE - AFTER

The cost approach is again used to estimate the market value of the subject remainder and is considered the only applicable approach to value.

### LAND VALUATION - AFTER

In the before, the site value was estimated at [REDACTED] per lot or [REDACTED] per acre. The change in size of the site was not sufficient to change the unit price of the remainder. Therefore, unit value as previously estimated is carried forward.

As indicated, the site will be encumbered by a permanent utility easement (PUE). The ownership of this area will be retained by the property owner, but usage of the area is severely limited since it cannot be utilized for development. This right of permanent use is compensated at a rate of [REDACTED]% of the estimated "after" site value.

As indicated, the site will be encumbered by Temporary Construction Easement (TCE) and Temporary Drainage Easement (TDE). It is assumed that at the conclusion of the project, the temporary easement areas will be returned to the original state, and the owner will resume full fee simple rights. This right of temporary use is compensated at a rate of 30% of the estimated "after" site value.

Thus, the market value of the remainder site is calculated as follows:

CONCLUDED LAND VALUE AFTER						
	Value /AC		Acres		Total	Reconciled
Remainder	[REDACTED]	x	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
PUE	[REDACTED]	x	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TCE	[REDACTED]	x	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
TDE	[REDACTED]	x	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Indicated Value (rounded):</b>						[REDACTED]
Compiled by CBRE						

### VALUATION OF THE IMPROVEMENTS AFTER

The [REDACTED] plans to acquire the below improvements:

IMPROVEMENTS ACQUIRED	
	Acquired
Concrete Driveway	20%
Sidewalk Light	100%
Landscaping/Trees	40%

In addition, as previously discussed, the diminution in value due to the increased proximity of the right of way is estimated at [REDACTED]%. The value of the improvements in the after will therefore be damaged at [REDACTED]%, reflecting the impact of this economic obsolescence resulting from the proposed road improvement project. The estimate of value of the remaining improvements is summarized in the following charts:



**SINGLE-FAMILY RESIDENCE DEPRECIATION - AFTER**

Single-Family Residence	1,616 SF	@					
Carport	240 SF	@	\$				
Wood Deck	315 SF	@	\$				
Front Stoop	24 SF	@	\$				
Back Porch	285 SF	@					
Utility Room	96 SF	@					
TOTAL COST NEW:							

**Depreciation**
**A. Physical Depreciation:**
**1. Physical Curable:**
**a. Physical Curable (Deferred Maintenance)**

\$0

**b. Physical Incurable, Short-Lived Components:**

Item	Cost New	Effective Age	Life	% Dep.	Depreciation
Roof Covering		10	20		
Floor Covering		5	10		
HVAC		10	20		
Water Heater		5	10		
Paint	\$	2	5		

**2. Long-Lived Components**

	Effective Age	Life	% Dep.	Depreciation
	30	60		

Physical depreciation of the bone structure and foundation or long-life items is:

Total Physical Depreciation

**B. Functional Obsolescence**
**1. Functional Curable:**

\$

**2. Functional Incurable:**

\$

Total Functional Obsolescence

\$

-

**C. Economic Obsolescence**

Physically-Depreciated Cost

Total Depreciation from All Sources:

CONCLUDED DEPRECIATED VALUE OF SINGLE-FAMILY RESIDENCE

Compiled by: CBRE

**SITE IMPROVEMENTS AFTER**

Improvement	Units	Unit Cost	RCN	Economic Life	Effective Age	Depreciation	Depreciated Contributory Value
Concrete Driveway	1,726 SF						
Concrete Walkway	217 SF						
Sidewalk Light	0 EA						
Landscaping/Trees	0.60 EA						

Total Estimated Contributory Value (rounded):

23% Obsolescence (rounded):

Total After:

Compiled by: CBRE

## SUMMARY OF COST APPROACH

Combining the estimated depreciated value of the improvements with the site value as previously estimated, provides a total value indication for the subject property via the cost approach.

<b>COST APPROACH SUMMARY - AFTER</b>			
Depreciation Reproduction Costs			
Structural Improvements			
Site Improvements (Contributory Value)			
Less Cost to Cure			
Value Estimate of Improvements (rounded)			
Plus: Estimated Land Value			
Reconciled Market Value of Subject Property ("After")			
*Rounded			

## DIFFERENCE IN THE BEFORE AND AFTER VALUES

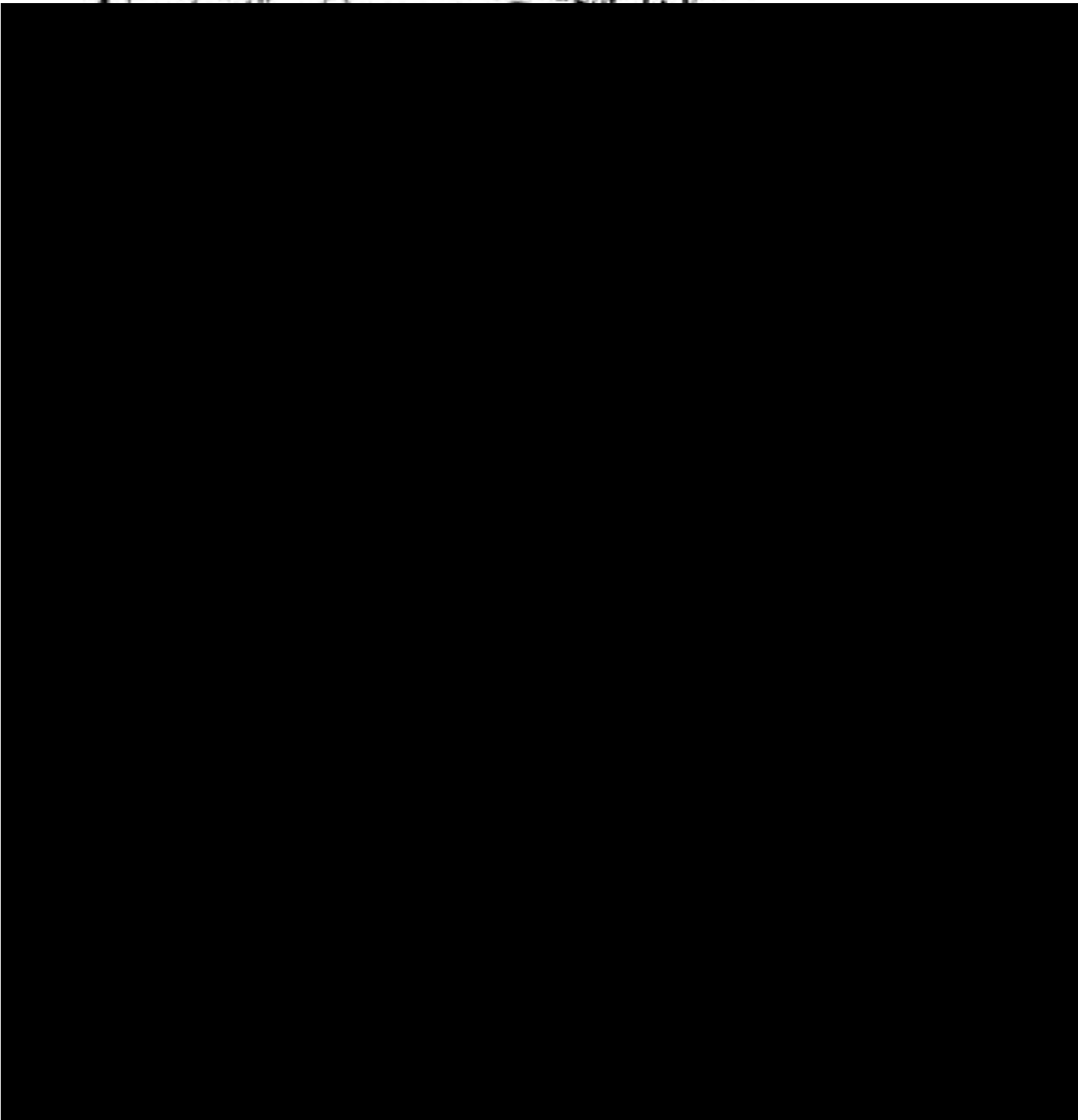
This results in the following difference in the before and after situation for the subject as a result of the taking:

<b>COMPARISON OF BEFORE AND AFTER VALUE INDICATIONS</b>			
<b>Before</b>			
Land			
Improvements	\$		
Total			
<b>After</b>			
Land			
Improvements	\$		
Total			
<b>Difference</b>			
CBRE			

## Allocation of the Difference

BREAKDOWN OF ALLOCATION									
<b>Value of Land Acquired</b>									
Right of Way									
Permanent Easements									
PUE									
Temporary Easements									
TCE									
TDE									
Total Value of Land Acquired:									
<b>Value of Improvements Acquired</b>									
Portion of Concrete Driveway									
Sidewalk Light									
Portion of Landscaping/Trees									
Total Value of Improvements Acquired									
<b>Damages</b>									
Improvements									
Building Improvements									
Site Improvements									
<b>Benefits to Remainder</b>									
<b>Total Allocation</b>									
Compiled by CBRE									

MAP OF PHOTOGRAPHS



PHOTOGRAPHS OF SUBJECT

[REDACTED]



Taken by Christopher Bell on January 11, 2023

1. VIEW NORTHWEST OF THE SUBJECT'S IMPROVEMENTS



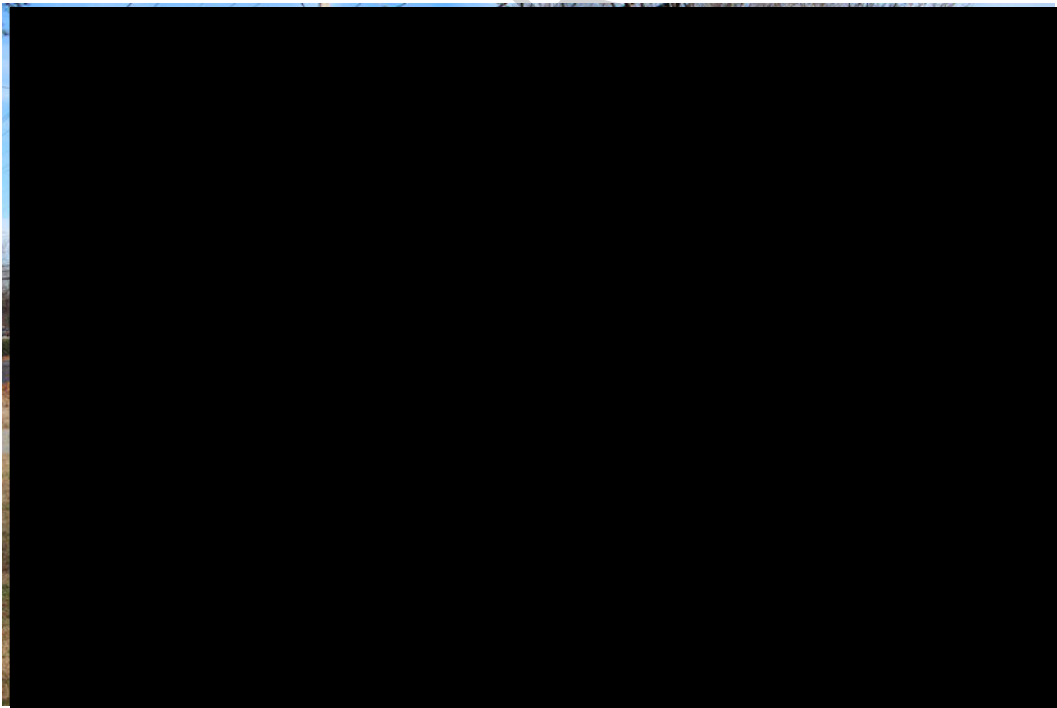
Taken by Christopher Bell on January 11, 2023

2. VIEW SOUTH OF THE SUBJECT'S IMPROVEMENTS



Taken by Christopher Bell on January 11, 2023

**3. VIEW WEST OF THE SUBJECT'S IMPROVEMENTS**



Taken by Christopher Bell on January 11, 2023

**4. VIEW NORTHEAST OF THE TAKE AREA**



Taken by Christopher Bell on January 11, 2023

5. VIEW NORTH OF THE TAKE AREA



Taken by Christopher Bell on January 11, 2023

6. VIEW WITHIN THE SUBJECT'S IMPROVEMENTS





Taken by Christopher Bell on January 11, 2023

7. VIEW WITHIN THE SUBJECT'S IMPROVEMENTS



Taken by Christopher Bell on January 11, 2023

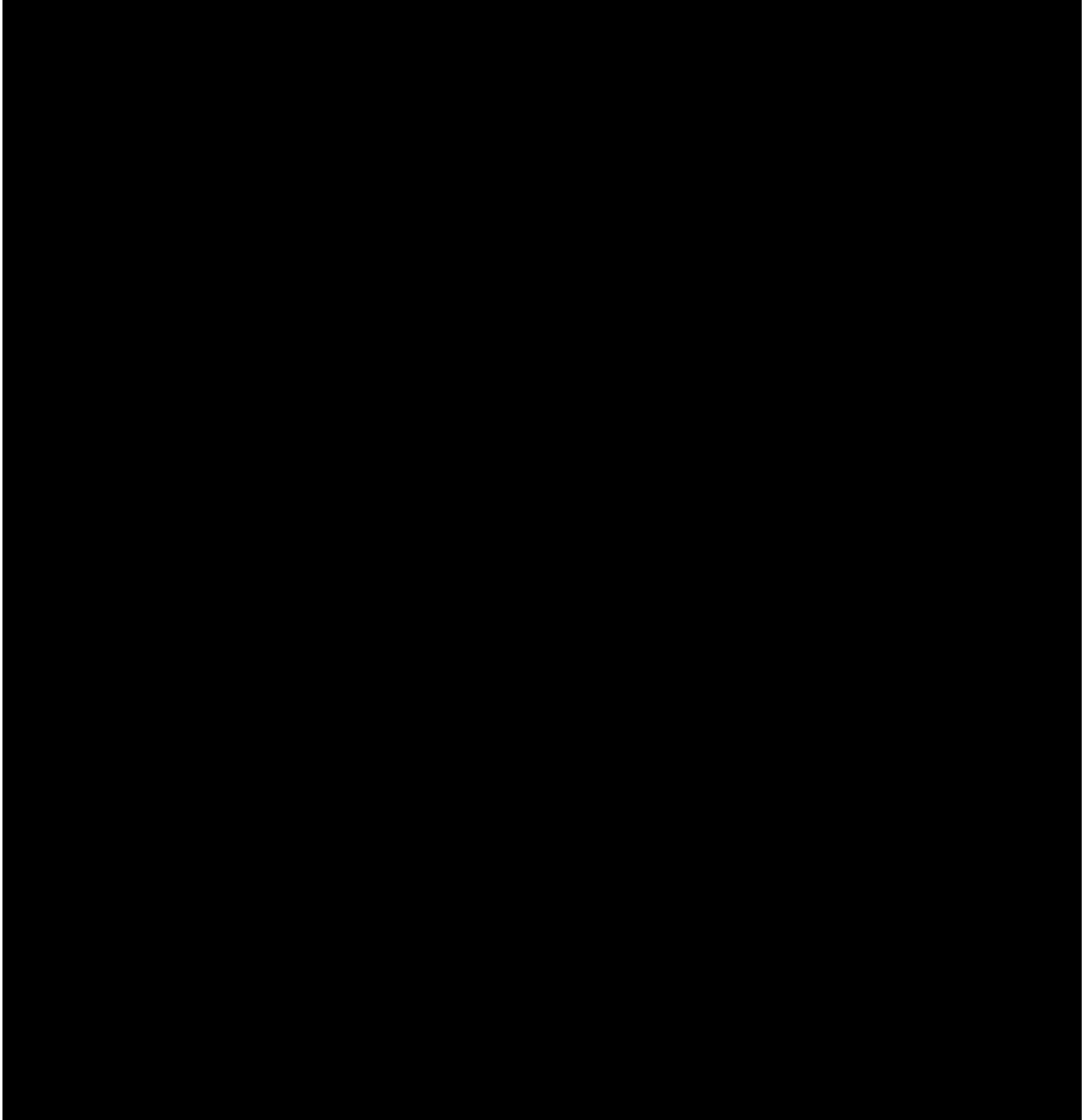
8. VIEW WITHIN THE SUBJECT'S IMPROVEMENTS

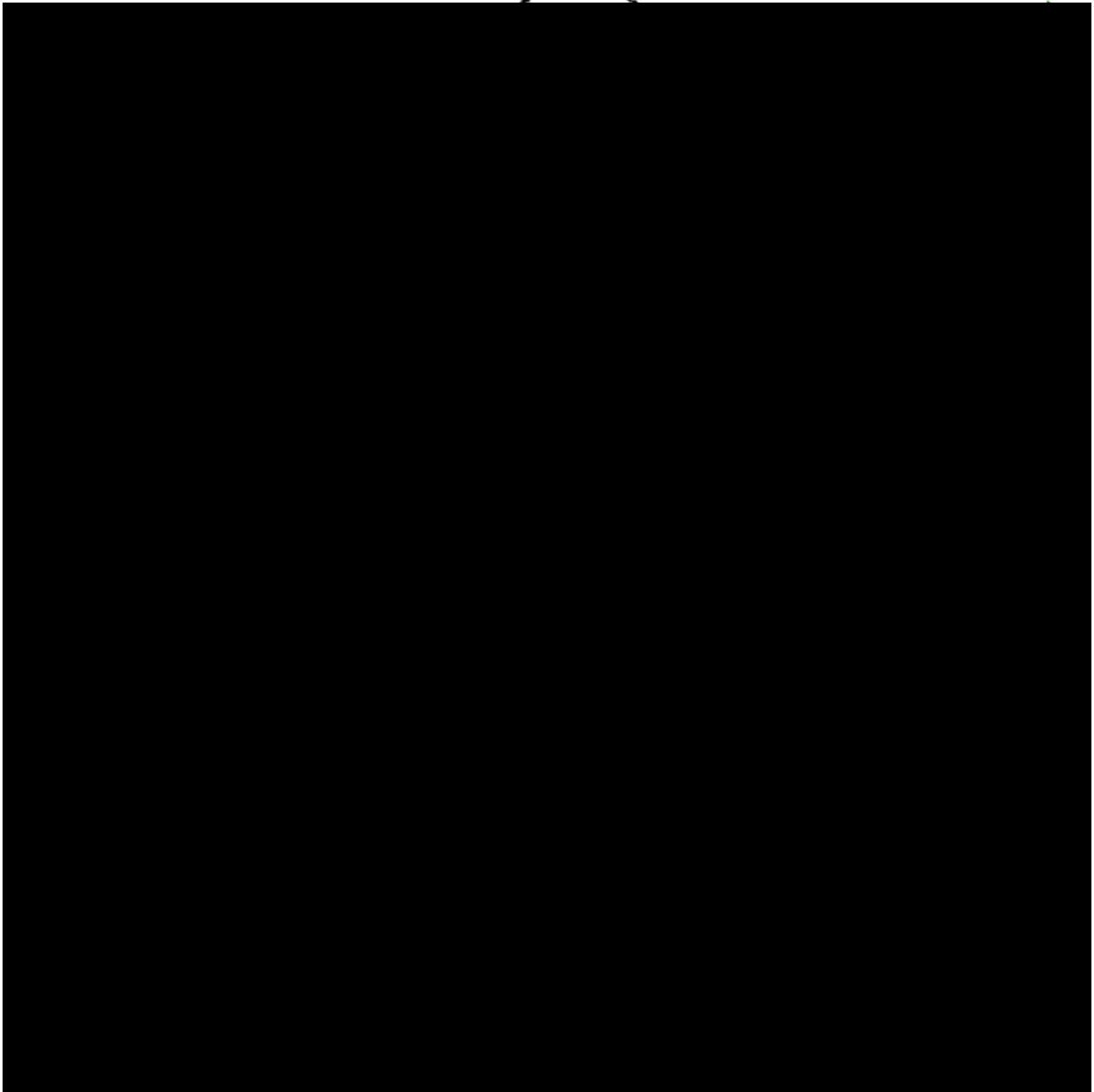
SAMPLE REPORT

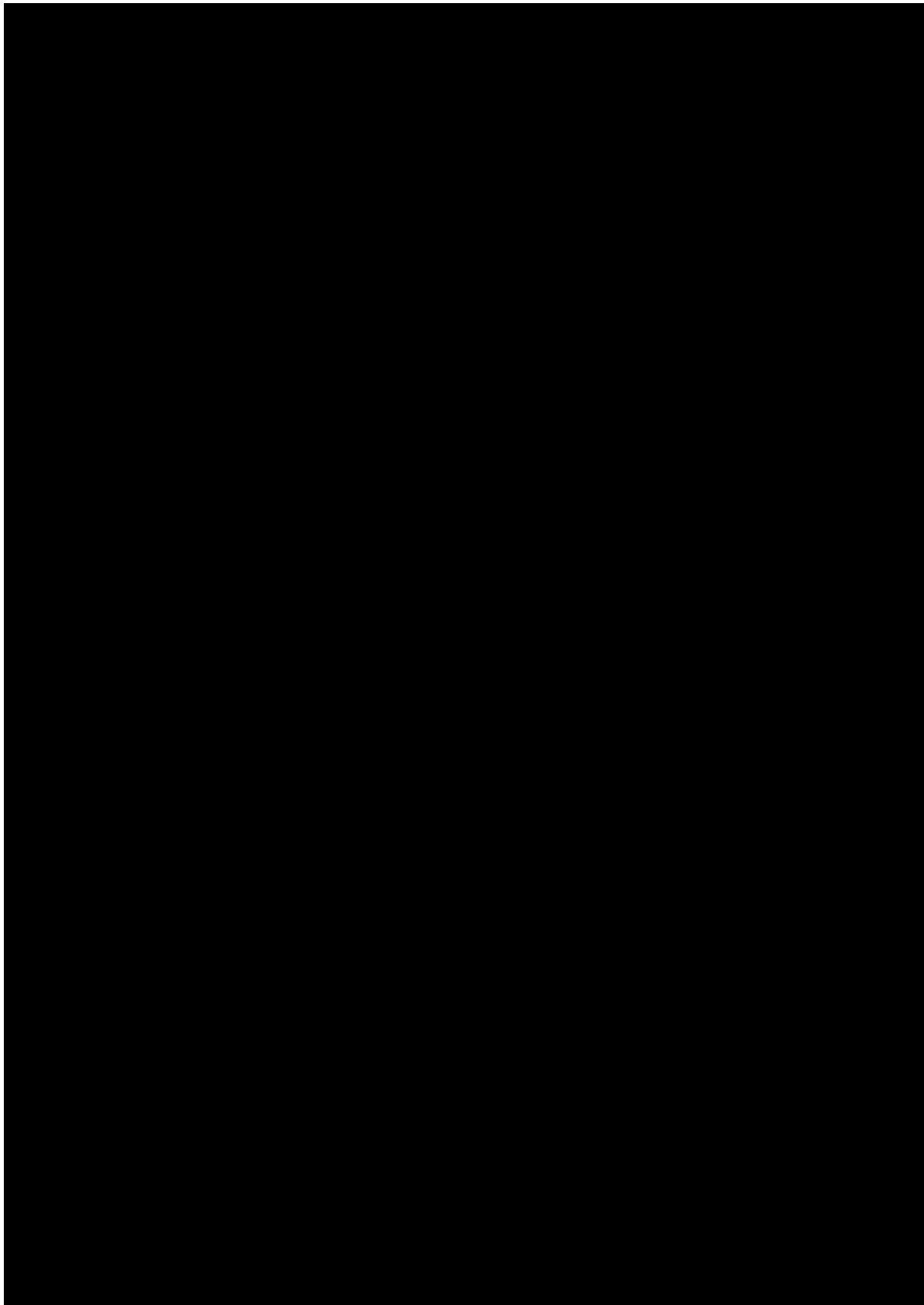
PLAN SHEET

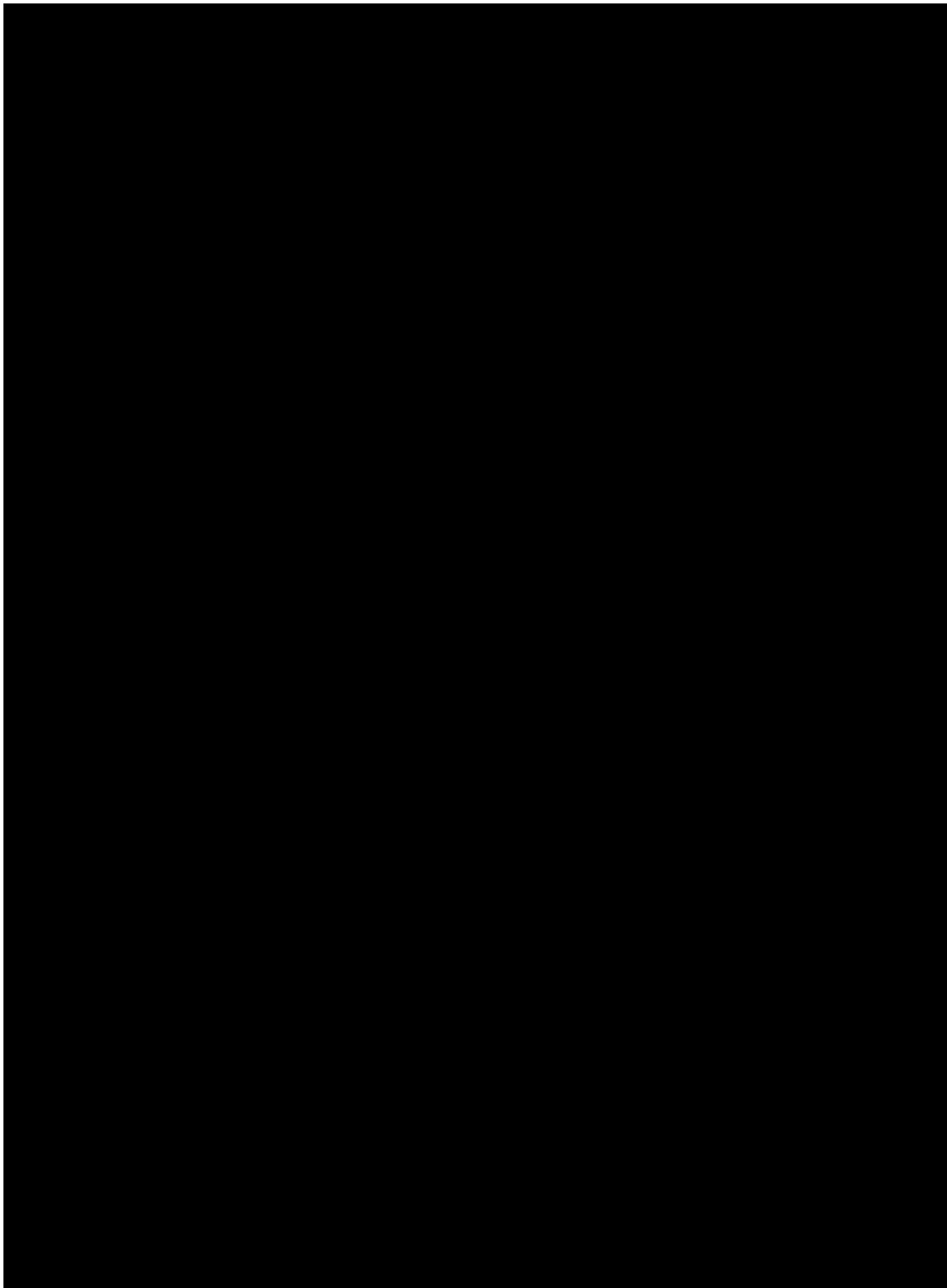
## PLAN SHEET

Below is an excerpt from Plan Sheet 6 & 7 showing the impact of the proposed road improvements on the subject property. The take area is shaded green, PUE is shaded red, and the TCE/TDE are shaded yellow.





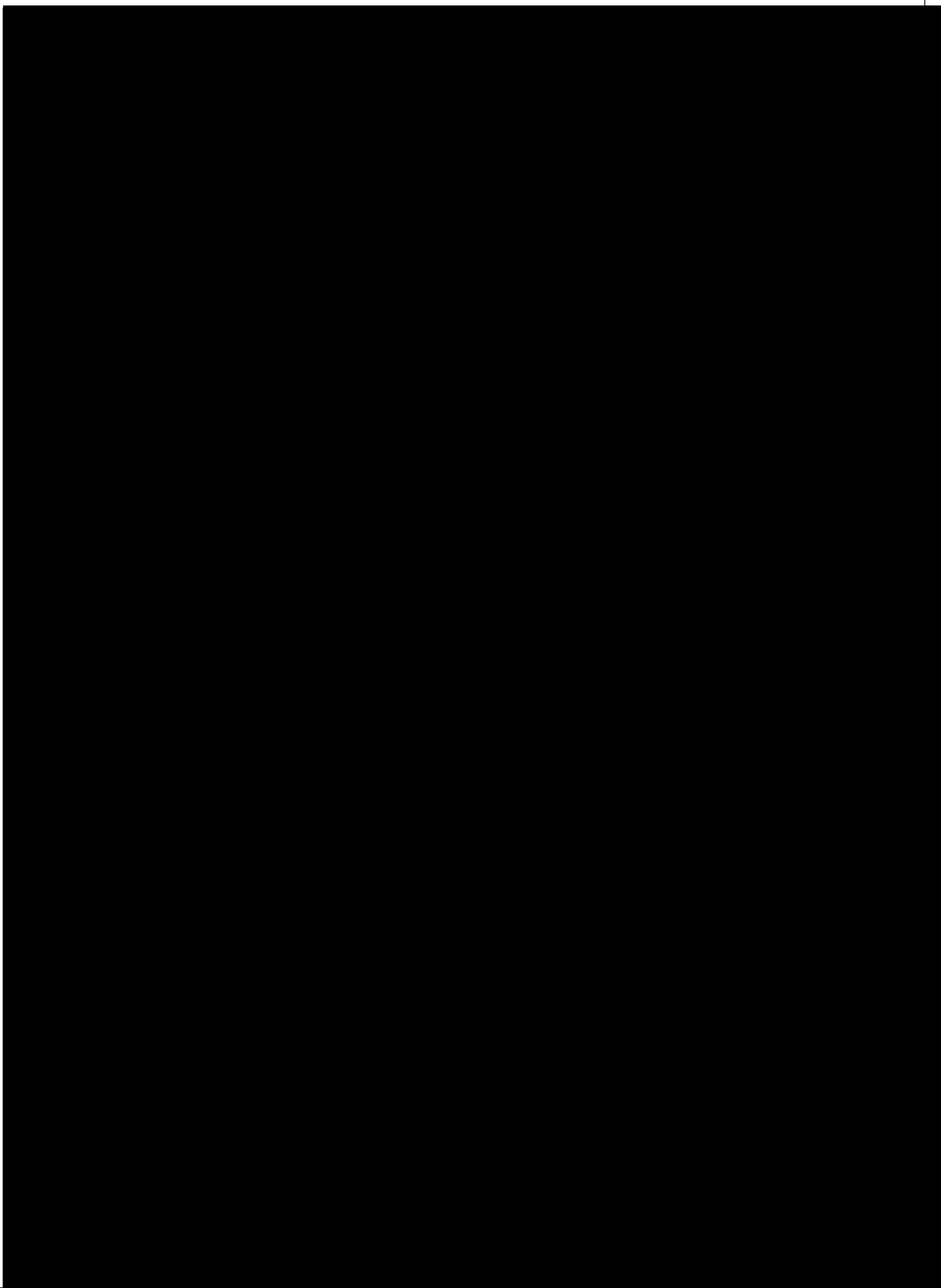




SAMPLE REPORT

CADD





SAMPLE REPORT

**DEED RECORDS**

SAMPLE REPORT

TAX RECORDS

SAMPLE REPORT

FLOOD MAP

SAMPLE REPORT

ZONING MAP

SAMPLE REPORT

## QUALIFICATIONS

**Right of Way Branch  
Appraisal Summary Sheet**

1. TIP/Parcel No. \_\_\_\_\_ WBS Element: \_\_\_\_\_ County: \_\_\_\_\_  
2. Owner(s): \_\_\_\_\_ Fed Aid Project: \_\_\_\_\_  
3. Plan Sheet No.: \_\_\_\_\_ Survey Stations: \_\_\_\_\_

4. Land Areas:	AREA LT.OF R/W	AREA IN R/W	AREA RT.OF R/W	TOTAL
	1.477 ac	0.082 ac	0.000 ac	1.559 ac
5. Less: Land Area in Existing R/W:	0.000 ac	0.000 ac	0.000 ac	0.000 ac
6. Appraise Net Areas	1.477 ac	0.082 ac	0.000 ac	1.559 ac

7. Easements: TCE: 0.055 ac AUE: \_\_\_\_\_ PDE: \_\_\_\_\_  
TDE: \_\_\_\_\_ PUE: \_\_\_\_\_ PCE: \_\_\_\_\_  
TUE: \_\_\_\_\_ DUE: \_\_\_\_\_ Other: Slope 0.033 ac

8. Improvements Lt. of R/W	Improvements to be Acquired	Improvements Rt. of R/W
Car wash facility, asphalt paving, misc. site improvements	Asphalt Paving, Commercial Sign, Landscaping	None

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**  
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

10. Estimated "MARKET VALUE" of Property Immediately Before:

Land \$	1,262,800
Improvements \$	1,850,100
<b>TOTAL \$</b>	<b>3,112,900</b>

11. Estimated "MARKET VALUE" of Property Immediately After:

Land \$	1,158,950
Improvements \$	1,805,250
<b>TOTAL \$</b>	<b>2,964,200</b>

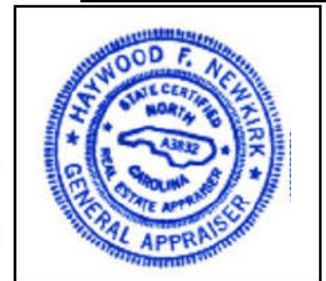
12. "DIFFERENCE" Between Before and After Value (If Benefited, Type BENEFITS\*)

**\$ 148,700**

Signed \_\_\_\_\_

August 12, 2019 (date of taking)  
Date of Appraisal

Name: Haywood F. Newkirk, MAI Phone: (910) 520-1483  
Address: 201 S College St., Suite 1700  
Charlotte, NC 282240  
E-Mail Address: Haywood.Newkirk@cbre.com





October 20, 2022



R.E. Parcel No.: [REDACTED]

[REDACTED]:

At your request and authorization, the following appraisal report is an estimate of the market value of the fee simple estate of the property located at [REDACTED]. The retrospective value estimate for this project is given "as is" as of the date of taking, or August 12, 2019.

I have inspected the site, the comparable market data, reviewed the project plans and submit the following report. This appraisal contains the introductory and descriptive material, market data collection methods, highest and best use analysis and the value of the fee simple estate.

This appraisal report has been made in conformity with, and is subject to, the Code of Ethics and Standards of Professional Practice of the Appraisal Institute and Uniform Standards of Professional Appraisal Practice (USPAP). All estimates and conclusions are subject to the limiting conditions set out in the report.

The "as is" before value of the subject property as of the date of taking, or August 12, 2019, was:  
(\$3,112,900)

The "as is" after value of the subject property as of the date of taking, or August 12, 2019, was:  
(\$2,964,200)

The difference between the before and after value of the subject property as of August 12, 2019, was:  
(\$148,700)

Sincerely,

[REDACTED]

Haywood F. Newkirk, MAI  
NC State-Certified General Real Estate Appraiser #A-3832

[REDACTED]

Ella M. Vrolyk, MAI  
NC State-Certified General Real Estate Appraiser #A-7339



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## Certification

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

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

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

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

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

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

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

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

Haywood F. Newkirk, MAI inspected the subject on July 28, 2022. Ella Vrolyk, MAI inspected the subject on August 5 2022.

Haywood F. Newkirk, MAI and Ella Vrolyk, MAI inspected the comparable sales used in this report from their respective rights-of way.

Haywood F. Newkirk, MAI and Ella M. Vrolyk, MAI have not provided appraisal services or any other services related to the subject property in the last three years. Haywood Newkirk and Ella Vrolyk did appraise the subject in October 2018.

No one provided significant real property appraisal assistance in the preparation of this appraisal.

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

As of the date of this report, Ella Vrolyk, MAI and Haywood F. Newkirk, MAI have completed the continuing education program of the Appraisal Institute.

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



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Haywood F. Newkirk, MAI

October 20, 2022



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Ella M. Vrolyk, MAI

October 20, 2022

## Limiting Conditions

---

Unless specifically stated otherwise in this report, this appraisal is contingent upon the following premises and conditions:

I assume no responsibility for legal matters nor do I render any opinion as to the title, which is assumed to be good. Any existing liens or encumbrances, now securing the payment of money, have been disregarded.

This appraisal is to be used solely by the agents and assigns of [REDACTED], [REDACTED], and Trial Court(s) (judge and jury) for right of way purposes. It is not to be used by any other financial institution, company or individual for loan or market valuation purposes.

The opinions, estimates, data and statistics furnished by others are assumed to be correct. I assume no responsibility for errors or omissions, nor for undisclosed information which might otherwise affect the valuation estimate.

The distribution of the total valuation between land and improvements applies only under the hypothesis of highest and best use. The separate valuations for land and improvements must not be used in conjunction with any other valuation estimate. They are invalid if so used.

Values are reported in dollars based on currency prevailing on the effective date of the appraisal.

Inflation has been a fact of life in our economy for decades. Its erosive effect on purchasing power has been more apparent in the past decade. The appraiser is faced with a choice between constant or changing dollars, in conducting the various analyses. Constant dollars implies a constant purchasing power regardless of the time frame. Changing dollars are those expected to be paid or recovered. Rates of return on realty investments are typically quoted in changing dollars, particularly mortgage interest rates and land yield rates. It is neither customary nor convenient to convert future income estimates to constant dollar equivalents with the passage of time. Thus, the analyses and value estimates are conducted in the context of changing dollars.

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



The appraiser has not made a specific compliance survey and analysis of the subject parcel to determine whether or not it is in conformity with the various detailed requirements of the American with Disabilities Act ("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 subject parcel 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 the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the subject.

The [REDACTED] has specific guidelines with respect to the reporting process. As a result, this report is subject to the Jurisdictional Exception Rule of USPAP with respect to Standard Rules 1 and 2. Please note that the client of this report is [REDACTED] and the intended users of the appraisal is the agents and assigns of [REDACTED], [REDACTED], [REDACTED], Attorney(s), [REDACTED], and Trial Court(s) (judge and jury). The intended use of the appraisal is to assist in the acquisition of private property for public use under the North Carolina eminent domain laws.

The parcel size has been taken from information provided by the [REDACTED]. We were not provided a wetlands delineation. Therefore, this appraisal assumes the entire tract consists of upland developable area.

---

### Hypothetical Conditions and Extraordinary Assumptions

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In compliance with *Uniform Standards of Professional Appraisal Practice* this section identifies hypothetical conditions that are required for the completion of the appraisal assignment.

A **hypothetical condition** is defined as that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
  - Use of the hypothetical condition results in a credible analysis; and
  - The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.
- (USPAP, 2020 – 2022 ed., page – 16).

The following hypothetical conditions are used in the analysis of the subject property:

- The appraisal involves estimating the value of a property before and after the proposed project and additional Right-of-Way is established with additional consideration for damages, benefits, or both. The property is appraised "as is", before consideration of the proposed taking and impact of the project. Next, the property is appraised under the

*hypothetical condition*<sup>1</sup> that the proposed project is complete as of the appraisal date. Consideration is given to the impact on value for the use of the easement area (if applicable) and any benefits or damages resulting from the project.

The hypothetical conditions are used in this instance to properly develop credible opinions and conclusions for purposes of reasonable analysis, and the use of the hypothetical condition results in a credible analysis consistent with the intended use of the appraisal report. The hypothetical conditions are prominently displayed and explained in accordance with the requirements set forth in USPAP for hypothetical conditions.

### **Extraordinary Assumptions**

An ***extraordinary assumption*** is defined as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusion.

The following extraordinary assumption is used in the analysis of the subject property:

- It should be noted that the site's commercial sign is located within the proposed slope easement. According to the property owner's representative, the sign is the maximum height allowable by current development/sign restrictions. It is assumed for the purposes of this analysis, that a sign of similar height and size can be placed within the slope easement after the project construction. If the sign should have to be relocated further north into the site, the topography of the site, which slopes downward from River Highway, would preclude the visibility of the sign from the roadway. If this assumption proves false, the value estimate(s) herein could change.

The use of hypothetical conditions and/or extraordinary assumptions may affect the assignment results.

---

<sup>1</sup> Per the Uniform Standards of Appraisal Practice, 2020 - 2022 Ed., Standards Rule 2-1(c), all hypothetical conditions are identified and explained.

## Executive Summary

Property Identification:	The subject includes a car wash facility on a 1.559-acre site located along the north side of [REDACTED], [REDACTED]. This parcel can be further identified as [REDACTED] Parcel Number [REDACTED] - [REDACTED]
Address:	[REDACTED]
Interest Appraised:	Fee Simple Estate
Effective Date of Value "As Is":	August 12, 2019 (retrospective to date of taking)
Current Ownership:	[REDACTED]
Total Area – "Before":	1.559 acres
Total Area – "After":	1.477 acres
Zoning:	HB, Highway Business District ( Mooresville)
Highest and Best Use – Before	
As if Vacant:	Commercial Development
As Improved:	Continued Use of Existing Improvements
Highest and Best Use – After	
As if Vacant:	Commercial Development
As Improved:	Continued Use of Existing Improvements
Value Indicators	
"As Is" – Before:	\$3,112,900
"As Is" – After:	\$2,964,200
Difference:	\$ 148,700

## Introduction

---

### Identification of the Property

The subject site is located along the north side of [REDACTED]. This parcel can be further identified as [REDACTED] Parcel Number [REDACTED].

### Property Inspections

Haywood Newkirk, MAI, and Ella Vrolyk, MAI, originally inspected the subject property on November 3, 2018, with the permission of, but unaccompanied by the owner, as part of a prior appraisal assignment.

Subsequent to the original inspection, the property was condemned on August 12, 2019, by the [REDACTED], in conjunction with the pending road improvement project. The subject property owner's representative ([REDACTED]) was contacted on July 26, 2022. [REDACTED] accompanied Ella Vrolyk on an inspection of the subject property on August 5, 2022. Haywood Newkirk inspected the subject, unaccompanied, on July 28, 2022.

### The Client

[REDACTED]

### Intended Users

The agents and assigns of [REDACTED], [REDACTED] [REDACTED] (s), [REDACTED], and Trial Court(s) (judge and jury).

### Intended Use

To assist in the acquisition of private property for public use under the [REDACTED] eminent domain laws.

### Purpose and Function of the Report

This report has three purposes.

1. The first purpose of this report is to estimate the "as is" before value of the parcel, retrospectively as of the date of taking, or August 12, 2019.
2. The second purpose of this report is to estimate the "as is" after value of the parcel, retrospectively as of the date of taking, or August 12, 2019.
3. The third purpose of this report is to estimate the difference in the before and after value of the parcel, retrospectively as of the date of taking, or August 12, 2019.

### Definition of Market Value

As defined in The Appraisal of Real Estate, 15th Edition (p.48), "MARKET VALUE is the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in other precisely



revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue duress."

"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, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

The function of the appraisal report is for market valuation purposes.

### **Scope of the Appraisal**

The scope of this appraisal involves an inspection of the subject property and general area, research into the market for sales and other comparable information, analysis of the findings, and a report of the findings in a narrative format.

As part of this appraisal, a number of independent investigations and analyses were conducted. In addition to data compiled on a regular basis, the investigations undertaken and major data sources used are listed below:

*Area and Neighborhood Analysis* - Examined information provided by [REDACTED], the Town of Mooresville, and the U.S. Census Bureau concerning demographics, land use policies and trends, growth forecasts and employment data. Information concerning the subject neighborhood was taken from a physical inspection and observation of the area.

*Site Description and Analysis* - The parcel size has been taken from information provided by the [REDACTED].

*Reporting Process* – Haywood F. Newkirk, MAI, is the primary appraiser of this report. Ella M. Vrolyk provided significant professional assistance. Haywood F. Newkirk, MAI and Ella M. Vrolyk, MAI, inspected the subject and the comparable sales from the right of way.

### **Property Rights Appraised**

The value of the subject considers all those rights that are held in the fee simple estate. The fee simple estate is defined as; "an absolute ownership interest unencumbered by any other interest or estate." The valuation estimate assumes that the property is free and clear of all encumbrances,

except those noted in the deed and available for its highest and best use.

#### **Owner of Record**

According to the [REDACTED], the owner of record is [REDACTED], whose mailing address is [REDACTED].

#### **History of the Property**

The owner of record, [REDACTED], acquired the property on June 6, 2017, as recorded in the [REDACTED] public registry in deed book 2493, beginning on page 1363. The deed indicates that there was no transfer price, and the transaction appears to be in name only between related parties.

There have been no known transactions of the subject over the last five years. Based on a search of the local MLS and to the best of my knowledge, the subject site is not currently offered for sale and there are no transactions pending on the subject property.

#### **Legal Description**

A copy of the legal description is located in the addenda.

## REGIONAL AREA ANALYSIS

An analysis of the area in which the subject is located considers the four forces which affect property value. These forces are economic, social, governmental, and environmental. The four forces are interactive, and each affects the economic climate of the area, particularly the behavior patterns of typical buyers and sellers in the subject's market.

Iredell County is located in the central portion of North Carolina. The largest town in the county is Mooresville and the county seat is Statesville. The county encompasses approximately 597 square miles and includes a population of approximately 181,000 residents.

### **Economic Forces**

Economic forces typically include factors which influence property development trends and consequently property values. Factors considered are the characteristics of the area's workforce, trends in employment opportunities, and the influence each has on property.

The following chart compares economic factors of Iredell County to those of the state.

Economic Forces	Iredell County	North Carolina
Per Capita Income (2019)	\$33,194	\$30,783
Median Household Income (2019)	\$60,955	\$54,602
Unemployment Rate (Sept. 2017)	4.4%	5.2%
Persons in Poverty	8.2%	13.6%
Retail Sales per Capita (2012)	\$13,828	\$12,376
Source: U.S. Census Bureau, Bureau of Labor Statistics		

As indicated, Iredell County reports more favorable economic factors than the state average in all reported categories. The county reports a per capita income level that is almost 8% higher than the state average and a median household income that is nearly 12% above the state level. The unemployment rate for the county is just slightly below the state average, and the poverty level for the county is also below the state average. Retail sales per capita in Iredell County are also notably above the state average.

### **Social Forces**

Social forces such as population growth or decline patterns, education levels, and overall living standards directly affect the need for real estate by influencing requirements for housing and businesses which provide goods and services.

Iredell County has experienced an increase in population in recent years. Over the past nine years, Iredell County has reported an average population growth rate of 1.5%. In comparison, the reported average growth rate for the state has been approximately 1.1% annually during the same time period.

The overall education levels in Iredell County are slightly below the state average, with 28.4% of Iredell County residents having a bachelor's degree or higher education level, as compared to the state average of 31.3%. The homeownership rate in the county of 72.3% is above the state average, which is reported at just under 65.2%.

The following chart summarizes the most relevant social factors in Iredell County and compares



the county figures to the state averages.

Social Forces	Iredell County	North Carolina
Population Change April 1, 2010 to July 1, 2019	14.0%	10.0%
High School graduate or higher (age 25+)	89.3%	87.8%
Bachelor's degree or higher (age 25+)	28.4%	31.3%
Homeownership Rate (2015-2019)	72.3%	65.2%
Source: U.S. Census Bureau, Bureau of Labor Statistics		

### **Governmental Forces**

Governmental forces include zoning, public services and taxation. Each affects real estate values in that they reflect the land use plans and patterns for the area. In general, an area could be characterized as being pro-development where there is evidence of governmental occurrences such as recent restructuring of the zoning ordinance, favorable taxation system, and continued willingness in the community to expand public services.

Iredell County includes a department of planning development, which provides public services related to land development activities. This department performs the function of current and long-range planning, subdivision of property, sedimentation and erosion control, and the Geographic Information System (GIS) analysis.

Real property tax rates are levied based on the Iredell County assessment. The last complete assessment was made for the 2019 tax year. In North Carolina, real property must be revalued at a minimum of every eight years, but Iredell County is on a 4-year revaluation cycle, with the next revaluation scheduled for 2023. Taxes are levied based on 100% of the assessed value. The 2020 tax rate for Iredell County was \$0.5375 per \$100 of assessed value. Local fire, school, police and other taxing jurisdictions may impose additional taxes.

Area law enforcement is provided by the Iredell County Sheriff's Department as well as local police departments in the townships. Fire protections services are provided by the county as well as through localized fire districts and volunteer fire departments.

### **Environmental Forces**

Environmental factors that contribute to property value include factors such as location, transportation, utility availability, climate, terrain, surrounding property uses and even noise levels.

Access to Iredell County is considered good from surrounding regions. Interstate 40 traverses the central portion of the county in an east/west manner, while Interstate 77 runs in a north/south manner through the central portion of the county. Additionally, various state-maintained roadways traverse the county for ease of access.

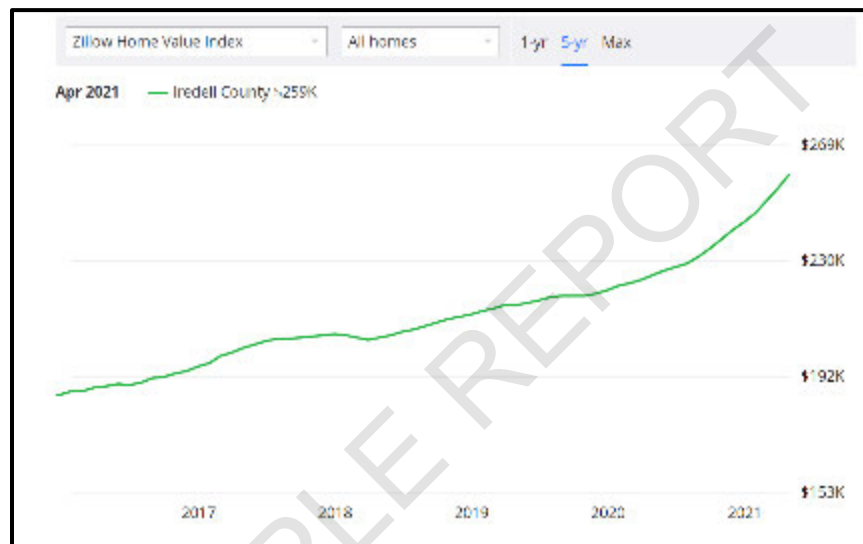
Iredell County is considered to be predominantly developed, with medium to high-density development throughout most of the county. Public utilities are widely available throughout the area.

Iredell County includes a moderate climate with average summer temperatures in the 80s and 90s and moderately cold winters typically in the 30s and 40s. The area includes a moderate terrain, with mostly level land area throughout the county.

## Summary

Iredell County is located north of Charlotte and includes the city of Mooresville in the southern portion of the county. The county is experiencing rapid population growth flowing up from the healthy Charlotte metro economy and due to the unique Lake Norman terrain. Population growth far exceeds the national average. The forecast for Iredell County is for continued accelerated population growth in the upcoming years.

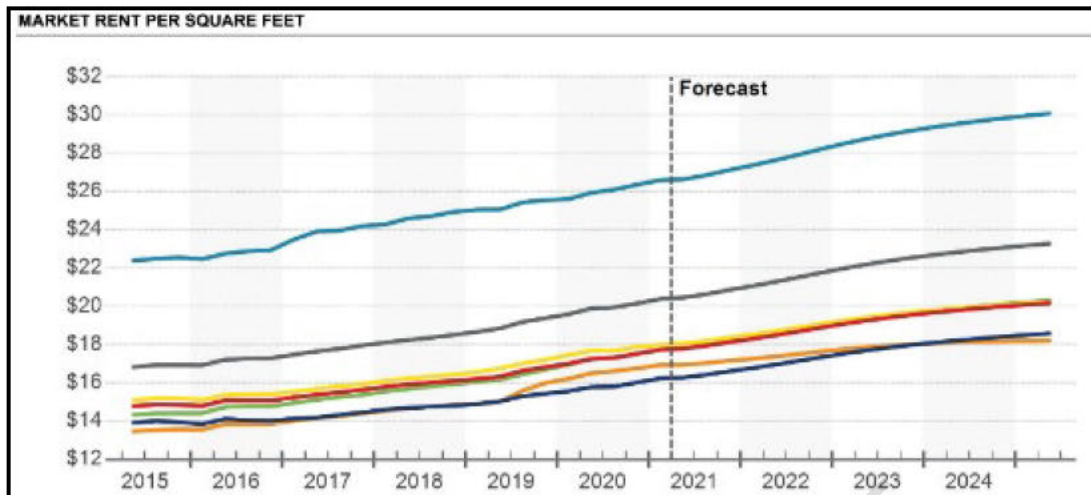
Further evidence of a healthy economy can be seen in recent real estate trends. According to data pulled from Zillow.com appreciation in the last 2 years has averaged approximately 10.23% compared to the national average of approximately 8.88%. The following charts show upward trends in real estate for Iredell County in the last 5 years.



Source: Zillow.com

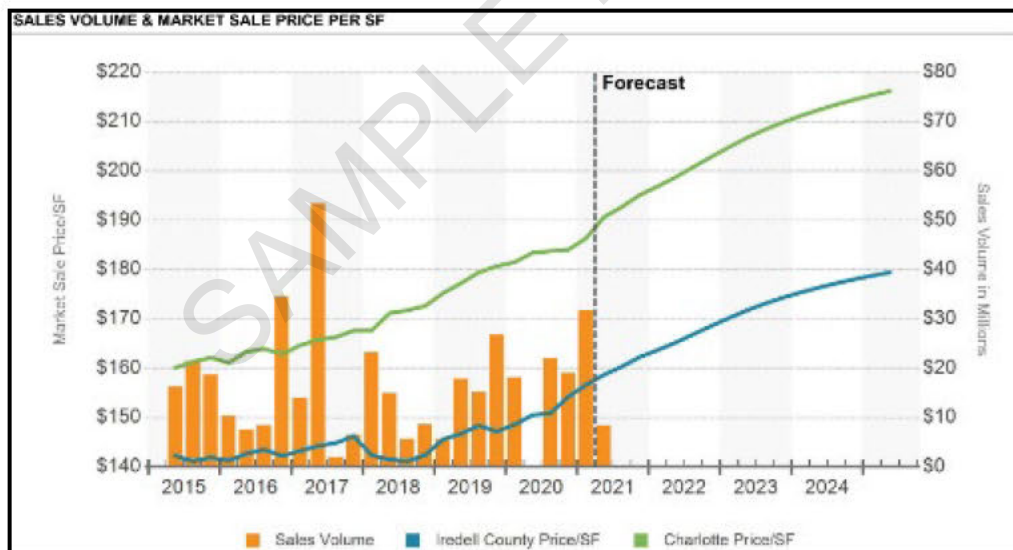
Like most of the country, the area economy was weakened during the recession and real estate values declined as the supply of available properties increased. This was particularly noted in the residential sector, resulting in downward pressure on sale prices and prolonged marketing periods. However, the overall economy has shown signs of significant recovery in more recent years. The unemployment rate in Iredell County is 4.5%, with job growth of 3.1%. Future job growth over the next ten years is predicted at 45.2%.

The commercial retail market within Iredell County is stable with vacancy rates slightly higher at 5.7% and rents up 3.1% over the previous year.



Current Quarter	RRA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	1,016,870	27.2%	\$16.93	30.8%	0	0	0
Power Center	1,036,681	8.4%	\$26.59	8.4%	20,975	0	0
Neighborhood Center	3,921,050	3.9%	\$17.73	4.9%	(35,730)	0	0
Strip Center	430,075	12.0%	\$17.98	13.5%	1,709	0	0
General Retail	5,628,965	2.1%	\$16.23	2.5%	7,482	0	0
Other	0	-	-	-	0	0	0
<b>Submarket</b>	<b>12,033,641</b>	<b>5.7%</b>	<b>\$17.73</b>	<b>6.6%</b>	<b>(3,564)</b>	<b>0</b>	<b>0</b>

Above information provided by Costar



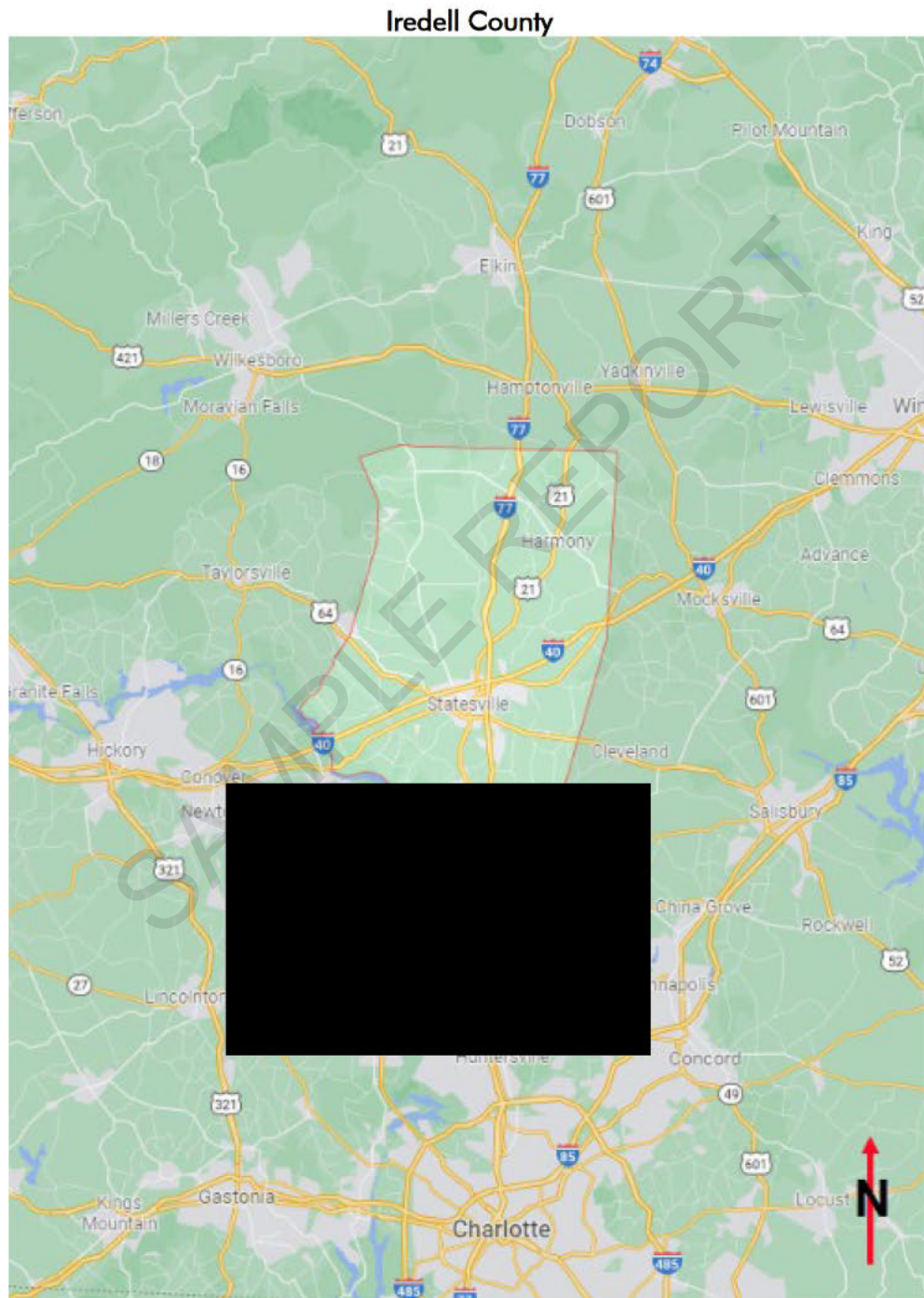
Above information provided by Costar

According to the above information supplied to us by Costar in the first quarter of 2019 the price per square foot was \$146 and by the first quarter of 2020 was at \$149 per square foot. This indicating an annual increase of 2.1%. By the first quarter of 2021 the price per square foot had risen to \$157 per square foot indicating an annual appreciation rate of 5.36% from the first quarter of 2020. This is an average appreciation rate of 3.7% Since the first quarter of 2018 retail properties have averaged 3.5% per year. Thus, indicating a healthy appreciation rate in this area of the market.



With its primary industries of manufacturing, health care, social assistance, and retail trade seeing strong gains in recent years, the overall economic health of the region is expected to continue at a pace similar to the last several years, with ongoing stability and notable gains.

An area map follows.



Iredell County is outlined in red.

## NEIGHBORHOOD DESCRIPTION

The pending road improvement project is located along NC 150 from State Road 1840 (Greenwood Rd.) in Catawba County to US 21 in Iredell County.

**Boundaries:** The subject property is located within the town limits of Mooresville. The subject neighborhood is roughly defined as the area encompassed by the township boundaries of Mooresville. This area encompasses a wide range of commercial, retail and residential development located along the subject roadways and the surrounding areas.

**Land Use Characteristics:** The subject neighborhood consists primarily of retail development along Hwy 150 (River Hwy.), Williamson Rd., and West Plaza Dr. Residential development is typically concentrated along the secondary roadways and on the waterfront throughout the neighborhood. Vacant land tracts are scattered throughout the area.

Commercial development in the subject neighborhood typically reflect average quality retail construction. The neighborhood includes a mix of retail strip centers, restaurants, medical offices, and special-use buildings primarily concentrated on River Highway and West Plaza Dr.

**Land Use Change:** In recent years, the neighborhood has experienced a substantial amount of new residential and commercial development. This is especially seen along the riverfront properties as more people are attracted to the luxury of lakeside living. This is due to the growing metro economy providing more accessibility to high end living.

According to the Town of Mooresville Planning Department, there is a master plan including residential, urban, and industrial development. These approved projects are planned to accommodate the growing population and booming economy. The town will continue to make utility improvements in order to attract more private development. There is a large focus on urban development with hopes of improving transportation access through smarter and more connected accessibility. The Town of Mooresville has begun to utilize public-private partnerships known as the P3 sector to boost development and provide sustainable support for the growing economy.

**Access:** Access to the subject neighborhood is considered good. Interstate 77 runs in a north/south direction through the east-central portion of Mooresville. Highway 150 (River Highway) traverses the neighborhood, as well as several other primary neighborhood roadways.

**Road Improvements:** In the heart of the commercial area, River Hwy is a 5-lane, 2-way road with a center turn lane and becomes 2 lanes as the road



extends westward. West Plaza Dr. and Williamson Rd. are also 5-lane, 2-way roads with a center turn lane. Most neighborhood roadways are asphalt-paved state-maintained roadways of good or average condition.

**Nuisances &**

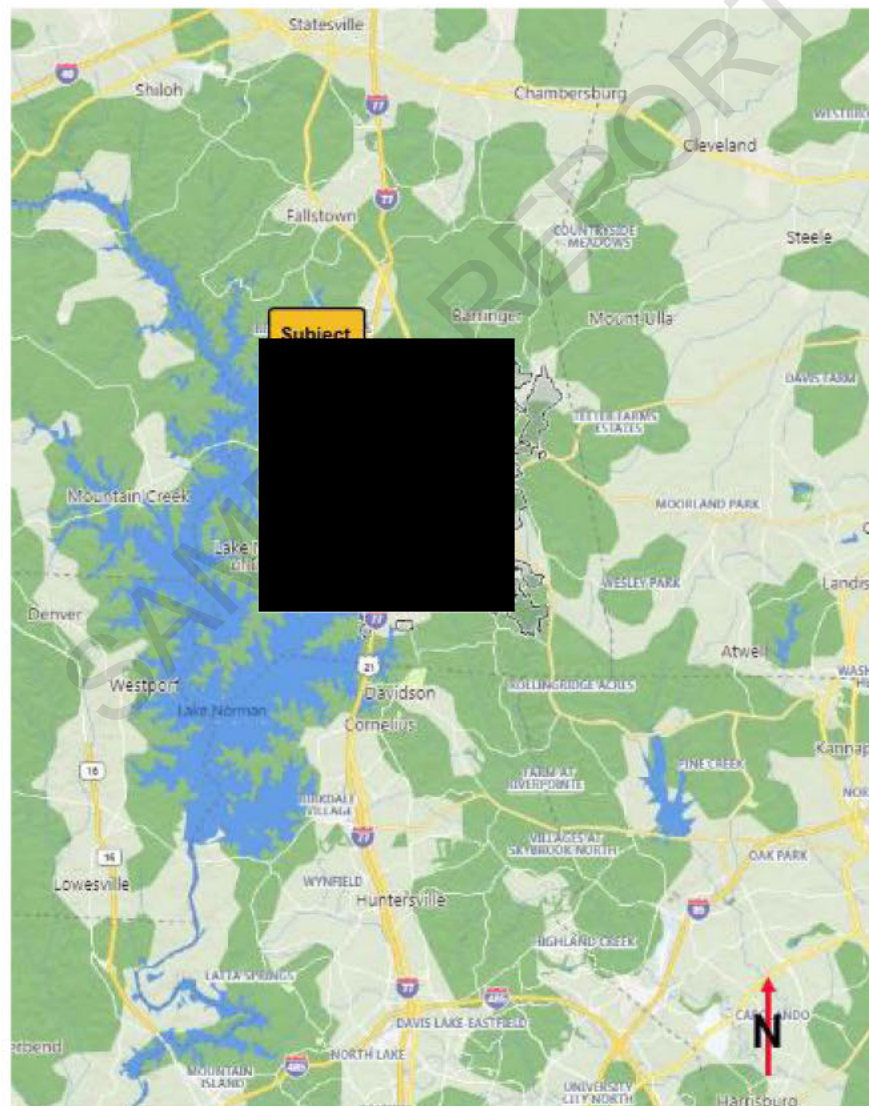
**External Obsolescence:**

Neighborhood properties have adequate levels of maintenance. No additional adverse or unfavorable factors were observed.

**Neighborhood Life Cycle:**

The neighborhood appears to be stable and growing. The neighborhood has had increased new construction in recent years and continues to grow with both large development projects as well as in-fill projects in the more developed areas of the neighborhood.

**NEIGHBORHOOD MAP**



## The Land - Before

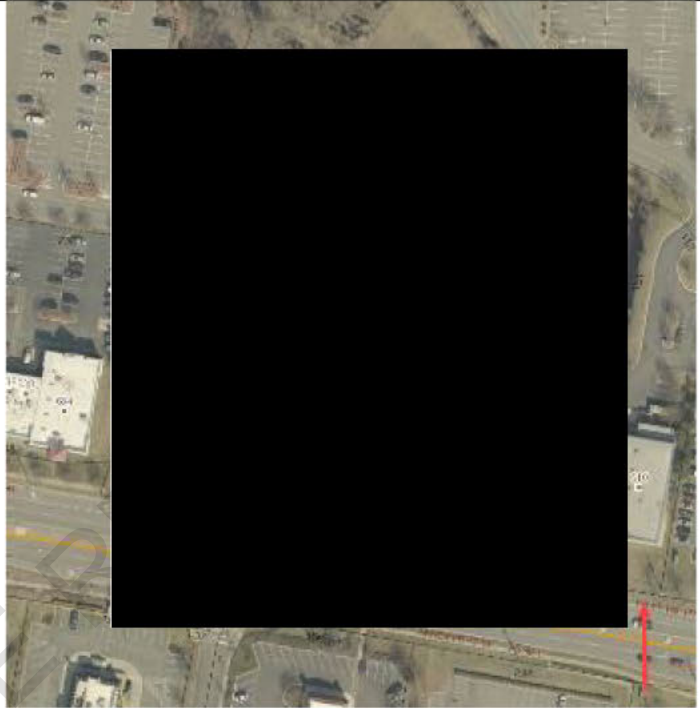
### Location

The 1.559-acre site is located along the north side of River Highway, Mooresville, North Carolina. This parcel can be further identified as [REDACTED] Parcel Number [REDACTED]

### Size/Shape/Dimensions

The site is irregular in shape and totals approximately 1.559 acres of land (per the court map). The site size was provided by NCDOT via a map prepared for court per NC general statute NC GS 136-106, entitled "State of North Carolina Department of Transportation vs. SXCW Properties, LLC, et al, Iredell County, 2019-CVS-2296".

The site is accessible from and has approximately  $\pm 143'$  of frontage along River Highway. The site also has frontage and access from the access easement running along the western boundary of the site. The reader's attention is focused to a copy of the aerial tax map located to the right, with the subject outlined in blue.



*Tax map of subject.*


### Topography

The site can be characterized as cleared and improved, level to sloping, and cleared. According to FEMA Flood Zone Map Number [REDACTED] dated 3/18/2008 the subject does not lie within a flood zone.



*Photo taken 8/5/2022*



<p><b>Soils</b></p> <p>According to the Web Soil Survey, the majority of the soils at the subject are classified as Urban land (Ur), with only the northeast corner of the subject containing soils classified as Pacolet sandy clay loam, 15 to 25 percent slopes, moderated eroded (PcE2).</p>	 <p>Per USDA Web Soil Survey</p>
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### Utilities and Services

Duke Energy Progress provides electricity and multiple companies provide telephone service. Municipal water and sewer service is available through the Town of Mooresville. The Town of Mooresville also provides police, fire and trash collection. The Mooresville Fire Department provides rescue services.

### Access

The site is accessible to and has approximately  $\pm 143$  linear feet of frontage along River Highway. Additionally, the site has frontage and access from the access easement running along the western boundary of the site. The site also has cross-access from properties to the west, extending from Ervin Road.

### Easements and Restrictions

No adverse easements were noted at the subject. The site includes typical easements for utilities and roadways.

## The Improvements - Before

The subject site is improved with a single-bay automated car wash facility and all related site improvements. According to the Iredell County tax records, and confirmed by the owner's representative, the facility was constructed in 2017. The exterior is primarily masonry construction, with a flat composite roof constructed on a concrete slab foundation.

The interior of the building includes the automated car wash bay, a lobby/reception area, public restrooms, and employee office area. Interior finishes in the customer areas of the building include sealed concrete floors, painted sheetrock walls with partial decorative metal plate coverings, and an exposed industrial-style ceiling. The interior finishes are considered to be very good quality as compared to similar car wash facilities.

Based on a physical inspection, it appears that the subject has had an ongoing maintenance program, with no deferred maintenance items noted during the inspection.



Overview of Subject Property

Interior of Subject Car Wash Building

Additional Photos are located in the addenda.

Site improvements at the site include:

Site Improvements		
Improvement	Quantity	Units
Concrete Paving	23,400	SF
Concrete curbing	560	LF
Light Post	6	Ea
Comm Sign	1	Ea
Metal Canopy	3,300	SF
Dumpster Enclosure	1	Ea
Retaining Wall	3,375	SF
Wrought-Iron Fencing	340	LF
Landscaping	Typical	Ea

## Zoning and Application Ordinances

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The subject property is zoned HB - Highway Business, by the town of Mooresville.

The Highway Business District is described as follows:

"The Highway Business District is established and intended to provide lands for business uses that provide goods and services to residents of the region and entire community, including shopping centers and large retail establishments located along highways and adjacent to highway interchanges. The district provides for the location of auto-oriented and auto-dependent uses in addition to service-oriented uses that provide support to the surrounding region. The district should typically be located along growth corridors as identified in the Comprehensive Land Use Plan. Allowable retail, office, and light industrial uses should provide appropriate appearance, parking, traffic movement, and landscaping elements, and protect abutting residential areas from adverse impacts. Retail uses exceeding 100,000 square feet are permitted through the approval of a Conditional Use Permit. Live/work dwellings with a maximum density of 10 units per acre may be permitted with a Conditional Use Permit, but all other residential uses are prohibited. Attached Residential, Shopfront Building, Workplace Building, Commercial/Retail, Flex/Industrial, and Large Retail Building Forms are appropriate for use in the district."

Some of the permitted uses for the HB zoning classification include, but are not limited to, multi-family dwellings, community service facilities, government facilities, medical offices, cemeteries, parks, utility facilities, adult entertainment facilities, animal shelters, veterinary clinics, professional offices, most types of recreational facilities, restaurants, breweries, retail stores, some types of light industrial uses, self-storage facilities, and wholesale sales facilities.

Development guidelines for the HB zoning classification include the following:

- Maximum residential units: 10 per acre
- Maximum building height: 4 stories
- Minimum lot width: None
- Minimum setback: Front/corner side – 30'
- Minimum setback: Side (non-corner)/rear – 10' / 20' if adjacent to residential use

### Restrictive Covenants

We are not aware of any additional building restrictions or deed restrictions for the subject, other than those described.

### Other Government Regulations

There are reviews of proposed improvements by local, state and federal agencies for conformity with building, fire and sanitation ordinances, subdivision regulation, flood plain management regulations and other requirements. Also, the planning and zoning departments review and approve major developments to ensure conformity with land use programs.

### Appraised Tax Value

Properties in Iredell County are appraised every four years, exceeding the mandated minimum eight-year cycle per the North Carolina state statutes. The most recent revaluation occurred in 2019, so the next revaluation will take place for the 2023 tax year. Properties are assessed at 100% of appraised value.

### Tax Rates

The subject property is subject to taxes for the jurisdictions of the town of Mooresville, Iredell County, Solid Waste and Mooresville Solid Waste. The 2020 tax rate for Iredell County was \$0.5375 per \$100 of value, the tax rate for the town of Mooresville was \$0.5800 per \$100 of value. There is an annual fee of \$120 for the Mooresville Solid Waste district and \$56 for the Solid Waste district for improved properties. This equates to a total tax rate of \$1.1175 per \$100 of value, plus a flat fee of \$176 for improved properties.

### Assessed Value

As of the date of valuation, the subject was assessed at \$[REDACTED] for the land and \$[REDACTED] for the improvements, indicating a total assessment of \$[REDACTED]. Application of the tax rate of \$[REDACTED] per \$100 of value indicates the following tax levy for the subject:

[REDACTED]

*The tax assessed value for this property is significantly lower than our appraised value. The mass valuation technique utilized in tax assessments does not fully consider the specific characteristics of the subject property. Therefore, the market value estimated herein is considered more reflective of the market value of the subject property.*

## Marketability

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In order to determine the marketing period for the subject property, recent transactions and current offerings were analyzed. Also, information was gathered through conversations with brokers and developers of residential and commercial properties.

Marketing period is defined as the time it takes an interest in real property to sell on the open market subsequent to the date of an appraisal.

Reasonable marketing time is an estimate of the amount of time it may take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence and the consummation of a sale at a price supportable by con-current market conditions.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal.

Potential buyers would include end users and local investors that would typically be interested in purchasing the subject for investment purposes. Loans for land are routinely made at 70% - 80% LTV with typical nominal interest rates around 5.00% - 5.80% with 10 - 25 year amortization schedules. Loans to investors are typically made at 80% LTV with typical nominal interest rates around 5.50% with a maximum 20 year amortization schedule. Conversations with brokers active in the area indicate a commission structure of 5% to 6%.

Based on interviews with market participants and recent MLS statistics, a 9 to 12-month marketing period is considered an adequate time to sell the property. A 9 to 12-month period is also considered adequate exposure time.



## Highest and Best Use - Before

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The Appraisal Institute defines Highest and Best Use as follows:

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

In estimating Highest and Best Use, there are essentially four stages of analysis:

1. Physically Possible. What uses of the site are physically possible?
2. Legally Permissible. What uses are permitted by zoning and deed restrictions on the site?
3. Financially Feasible. Among the feasible uses, which use will produce the highest net return to the owner of the site?
4. Maximally Productive. Among the feasible uses, which use will produce the highest net return or the highest present value?

### Highest and Best Use as Vacant

#### *Physically Possible*

The site is irregular in shape and encompasses approximately 1.559 acres of land (per the court map provided). The site has frontage along and is accessible from River Highway. The site has a generally level topography and access to municipal water and sewer. The property is in an established, yet growing commercial corridor, within close proximity to developing and established residential neighborhoods and a mixture of office, retail and restaurant uses.

#### *Legally Permissible*

The site is zoned Highway Business District (HB) by the Town of Mooresville. Legally it could be developed into a number of commercial uses. This zoning designation does not indicate a minimum site size requirement. Some of the permitted uses within this district include, but are not limited to, multi-family dwellings, community service facilities, government facilities, medical offices, cemeteries, parks, utility facilities, adult entertainment facilities, animal shelters, veterinary clinics, professional offices, most types of recreational facilities, restaurants, breweries, retail stores, some types of light industrial uses, self-storage facilities, and wholesale sales facilities.

#### *Financially Feasible*

Conversations with brokers active in the area, as well as a physical inspection of the neighborhood reveal that there is strong demand for mixed use tracts in this area. Other large tracts in the immediate area have been developed over the last few years, indicating that there is demand for this property type. In addition, market data indicates that asking rents and prices for commercial and residential properties have also been on the increase within the past year.

### *Maximally Productive*

The development of the site into a commercial use is the only use that satisfies the first three tests of highest and best use. This use satisfies the first three tests of highest and best use. Therefore, the highest and best use of the subject, as if vacant, is for commercial development.

### *Conclusion*

The highest and best use of the subject site, as vacant, is for commercial development.

### **Highest and Best Use as Improved**

#### *Physically Possible*

The site is improved with a single-bay automated car wash facility and all related site improvements. The improvements are in good condition and do not exhibit any functional or external obsolescence.

#### *Legally Permissible*

The improvements appear to meet the minimum requirements of the HB zoning district.

#### *Financially Feasible*

Limited new commercial development was noted during the most recent inspection of the subject.

### *Maximally Productive*

The current use of the subject as a car wash facility satisfies the first three tests of highest and best use, as improved.

### *Conclusion*

The current improvements represent a legally conforming use, are in good condition, and contribute value to the site. Therefore, the highest and best use of the property, as improved, is for the continued use of the existing improvements in their current condition.

## Valuation Methodology

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Traditionally, three approaches to value are considered and include the Cost, Sales Comparison, and Income Capitalization approaches.

The Cost Approach begins with the estimation of market value of the land, as if it were vacant. In estimating the value of the land, the subject site is compared to various sales and offerings of sites that are available for development of a similar highest and best use. Adjustments are then made for any dissimilarity between the transactions analyzed and the subject. To facilitate the comparison process, the sale prices are typically analyzed on an appropriate unit value. The second step of the Cost Approach is to estimate the reproduction cost of any improvements, less any accrued depreciation. The resulting depreciated improvement value is then added to the land value for a market value estimate by the Cost Approach.

The Sales Comparison Approach is a readily recognized valuation technique based on the principle of substitution which states that a knowledgeable purchaser will not pay more for a given property than for an equally desirable substitute property. This approach involves a direct comparison between the subject and recently sold similar properties. This approach has its greatest credence when the properties used for comparison have recently sold and are very similar to the subject. In those cases where dissimilarities arise, an attempt will be made to make market-oriented adjustments. An estimated FF&E value will be extracted from each sale so that the actual real estate components of each sale can be analyzed on a unit price for the real estate only.

The Income Capitalization Approach is based on the principle of anticipation and derives value through the analysis of income and expenses attributable to the property and is generally the best measure of value for an income producing, investment property since it more accurately simulates the perception and desires of investors in the market. A value estimate may be derived by discounting the present value of a net income stream and reversions (estimated resale price) over a typical ownership period. Another method for value estimation via this approach is direct capitalization which capitalizes a stabilized year net operating income by an overall capitalization rate derived from market sales of similar properties. Note that a lack of operating data from the subject or from similar properties in the area precludes a credible estimate of income and expense projections for the subject property. Therefore, in this instance, the Income Capitalization Approach was not utilized.

## Estimation of Land Value

### Comparable Land Transactions

The value of the subject site has been estimated by direct comparison with the following transactions.

### Adjustment Criteria for the Comparable Land Sales Data

#### Overview

Inherent in the comparable sales data are variances from the subject lots relative to real property rights appraised, financing terms, condition of sale, date of sale, location and physical characteristics.

In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. In this process the comparable transactions are brought into sync with the subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

#### *Real Property Rights Conveyed*

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed of the subject and the comparable transactions.

#### *Financing Terms*

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically, a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

#### *Conditions of Sale*

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

#### *Market Conditions*

A time adjustment is needed in order to compensate for changing market conditions. Such an adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of recognized measure of inflation, such as the

Consumer Price Index. In a normal land sale market, this index has proved to be a realistic measure of variance.

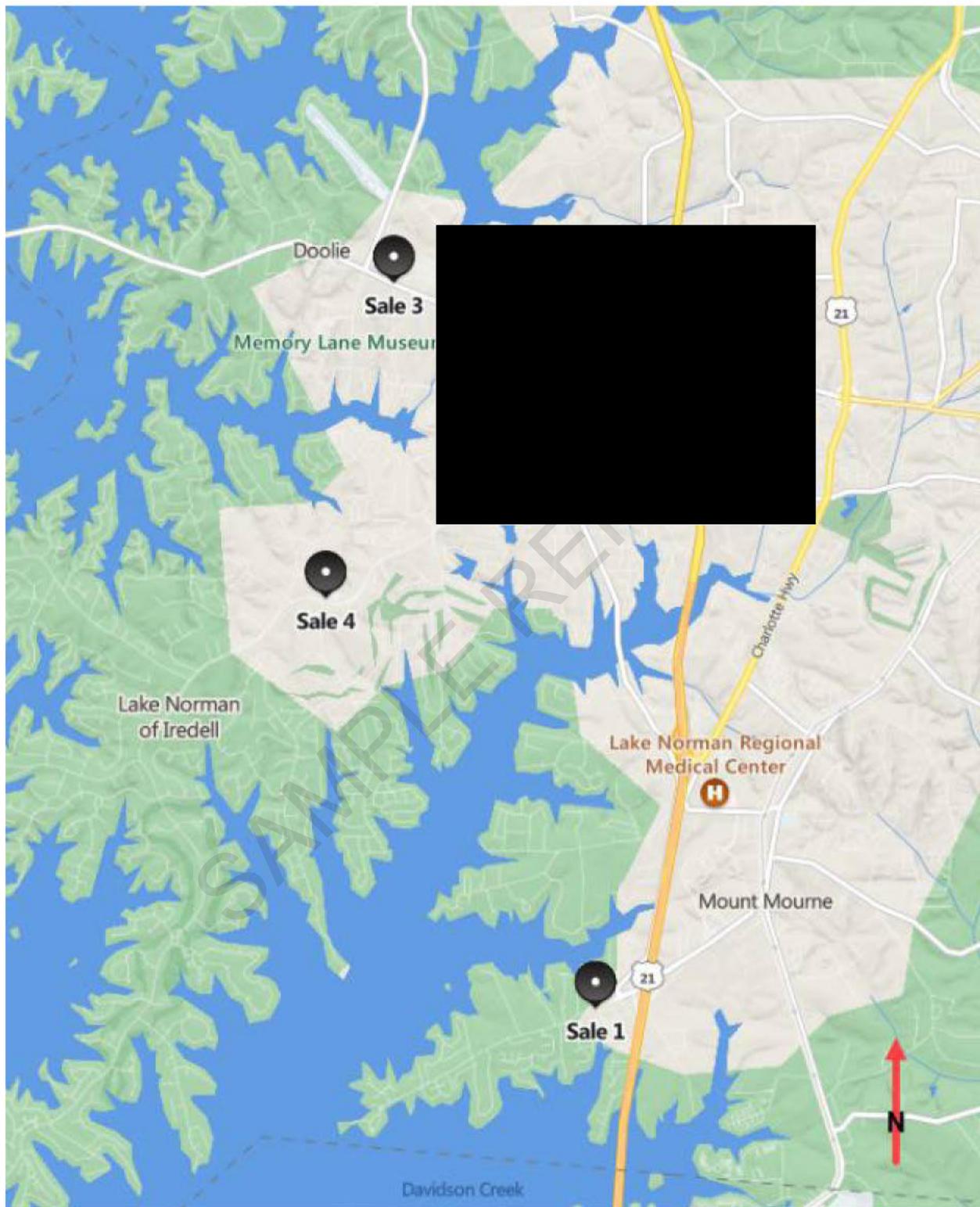
#### *Physical Characteristics*

The adjustments of location, size, frontage/visibility, access, shape, easements, topography, utilities, and zoning may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Through objective analysis of paired sales comparing a parcel subdivided from a larger tract may indicate a size adjustment is necessary.

Other subjective facets of analysis are the measurement of variances by the dollar cost to cure such as extension of utilities, street improvements and tract grading activities. In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

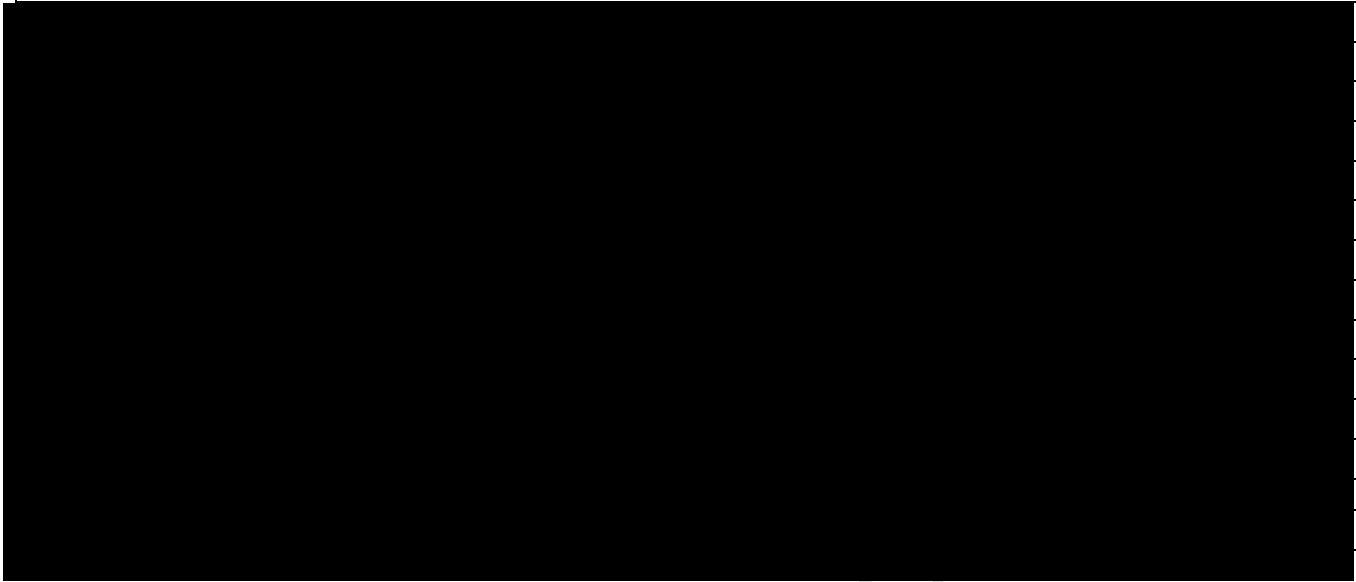
SAMPLE REPORT

## Land Sale Map





[REDACTED] -Right of Way Branch  
 Comparable No: Land Sale 1



Lessor:	N/A		Lessee:	N/A	
Rentable Area:	N/A	Rent:	N/A	V/C:	N/A
Term:	N/A	Unit Price:	\$624,048/acre; \$14.33/sf		Tax ID: Multiple at sale

**Other Pertinent Information:** This site included multiple tax parcels at sale that have since been combined and assembled with adjacent parcels. The larger site is being developed with residential (townhomes) development in the rear of the site, and commercial development along the road frontage. As of 2022, the tax parcel was identified as [REDACTED].

Per NCDOT, average daily traffic of 5,800 vehicles.



Arrow Shows direction of picture  
North is up



Picture Taken By: EV

Date of Picture: 6/21/2022



-Right of Way Branch

Comparable No: Land Sale 2



Lessor:	N/A			Lessee:	N/A		
Rentable Area:	N/A	Rent:	N/A	V/C:	N/A	Expenses:	N/A
Term:	N/A	Unit Price:	\$794,643/acre; \$18.24/sf		Tax ID:	4647-33-0274	

**Other Pertinent Information:** This site is an outparcel of the Mooresville Town Square Shopping Center, which is anchored by Lowes Foods. The site was developed with a 7,200 square foot office/retail property which was completed in 2020. As of June 2021, a portion of the property was occupied by a dental office.

2019 traffic count at the site – 18,500.



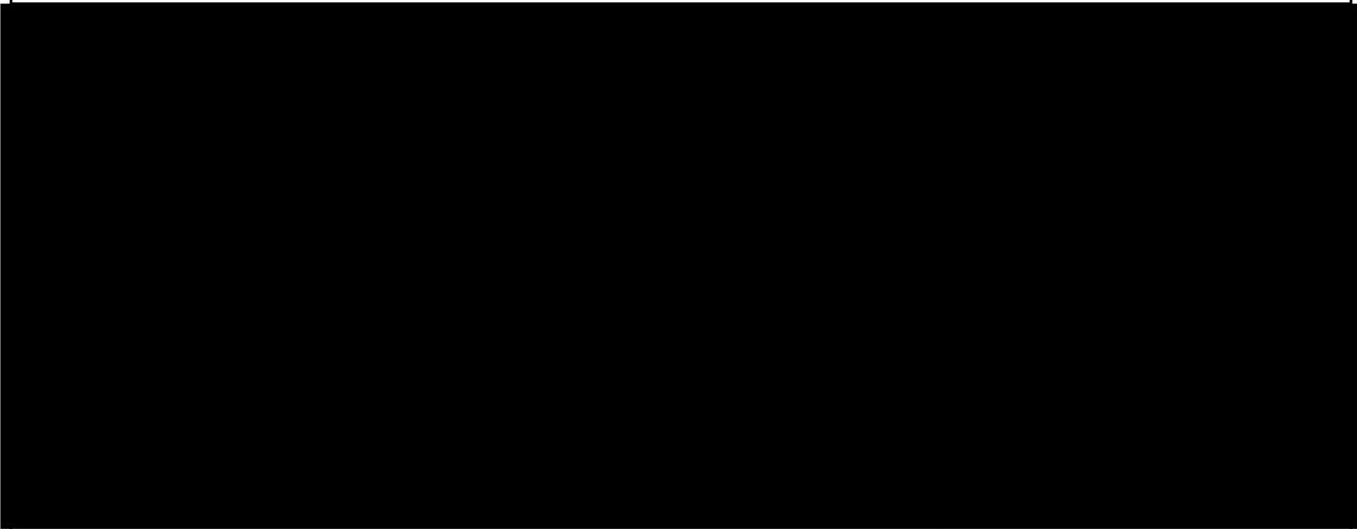
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North is up



Picture Taken By: EV

Date of Picture: 6/21/2022

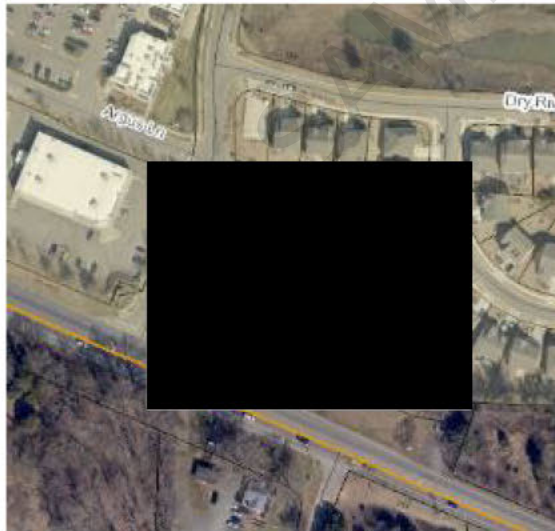
**-Right of Way Branch**  
**Comparable No: Land Sale 3**



Gross Building Area:		N/A					
Other Improvements:		N/A					
Lessor:		N/A		Lessee:		N/A	
Rentable Area:	N/A	Rent:	N/A	V/C:	N/A	Expenses:	N/A
Term:	N/A	Unit Price:	\$705,882/acre; \$16.20/sf		Tax ID:	[REDACTED]	

**Other Pertinent Information:** This site was developed with a "Dairi-O" fast food restaurant subsequent to this transaction. The site is an outparcel to a Harris Teeter grocery store and located at a non-lighted intersection. Other development in the immediate vicinity includes a Rite Aid pharmacy, and several small retail strip centers including a mix of local and regional tenants.

2020 traffic count at the site – 25,500.

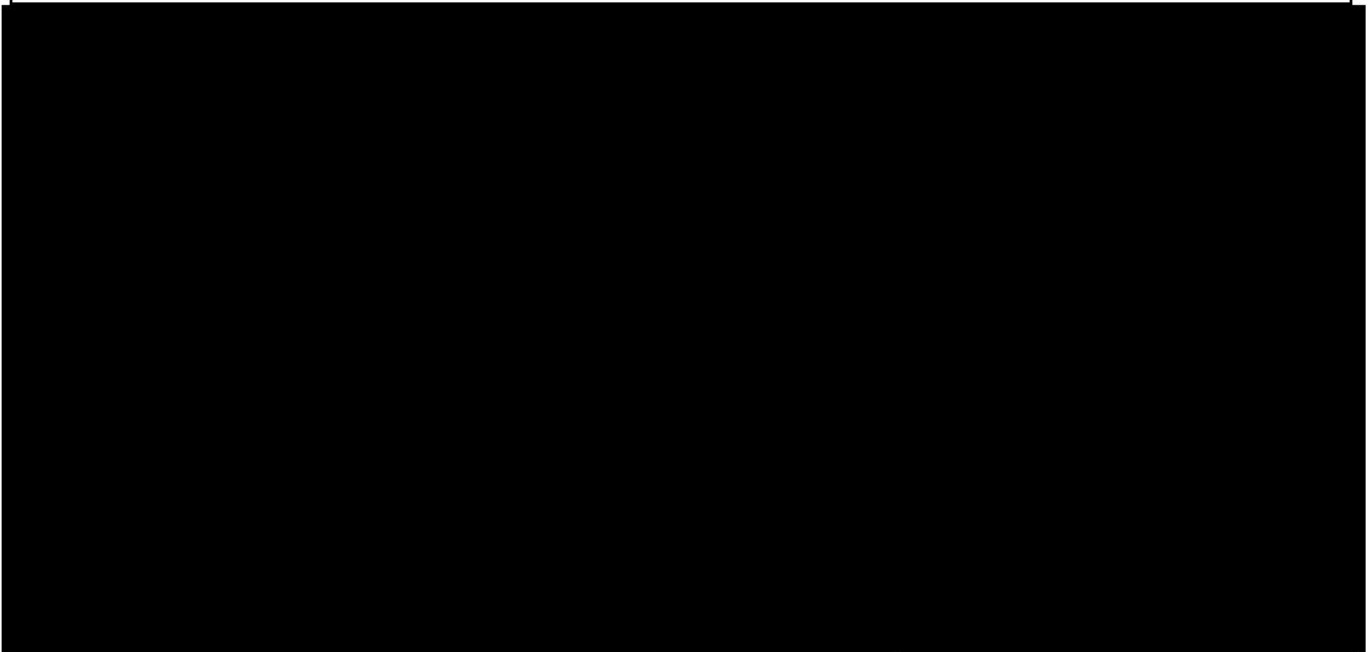


Arrow Shows direction of picture  
 North is up



Picture Taken By: EV  
 Date of Picture: 6/21/2022

-Right of Way Branch  
Comparable No: Land Sale 4



Rentable Area:	N/A	Rent:	N/A	V/C:	N/A	Expenses:	N/A
Term:	N/A	Unit Price:	\$637,500/acre; \$14.63/sf		Tax ID:	[REDACTED]	

**Other Pertinent Information:** As of March 2018, this tract was under development with a Ruschco c-store and gas station. This site is at a lighted corner of two primary roadways. Immediate development in the area includes a McDonald's (adjacent to the east), Food Lion grocery to the immediate north, a Walgreens to the immediate west (across Stutts Rd.), and a Citgo c-store and gas station to the southwest.

2020 traffic count at the site – 25,500.



Arrow Shows direction of picture  
North is up



Picture Taken By: [REDACTED]

Date of Picture: 6/21/2022

## **Adjustment Criteria and Procedures - Before**

The subject neighborhood is experiencing rapid growth. Local real estate data has indicated an upward trend in sale prices for residential properties, commercial properties, and vacant land tracts. The average rate of increase among these property types has ranged from 5.0% to 7.0% over the last four years. Sale 2 is very similar to Sales 3 and 4, with the exception of the date of sale. They are located within the same market, have similar characteristics and are similar in terms of highest and best use. A pairing of Sale 2, with Sales 3 and 4 also indicates an increase of 5%-7% per year. Based on the trend data available and discussions with real estate professionals in the local market, a market conditions adjustment of 6.0% is considered appropriate and has been applied to the comparable data as necessary. It also appears that prices for development tracts in this area showed notable increases from 2016 to 2019.

### **Sale 1**

Sale 1 is located along a roadway with a significantly lower traffic volume as compared to the subject (average of 5,800 vehicles daily as compared to 25,500 at the subject site, per the NCDOT). A general pairing of Sale 1 with Sales 2, 3 and 4 indicates an upward adjustment of 25% for its inferior location as compared to the subject.

### **Sale 2**

Sale 2 is considered very similar to the subject and did not require adjustments.

### **Sale 3**

Sale 3 is considered very similar to the subject and did not require adjustments.

### **Sale 4**

Sale 4 is considered very similar to the subject and did not require adjustments.

These adjustments are reflected in the following chart:

Comparable Land Sales				
Appraisal Date	Aug-19			
Market Conds Adjustment	6.0%			
Size of Subject Property (Acs)	1.559			
Comparable Number	1	2	3	4
Price	\$1,310,500	\$890,000	\$1,200,000	\$956,250
Date of Sale	May-19	May-19	Dec-16	Mar-16
Total Acres	2.100	1.120	1.700	1.500
Price Per Acre	\$624,048	\$794,643	\$705,882	\$637,500
Interest Sold	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest Adjustment	0%	0%	0%	0%
Interest Adjusted Price	\$624,048	\$794,643	\$705,882	\$637,500
Financing	Market	Market	Market	Market
Financing Adjustment	0%	0%	0%	0%
Cash Equivalent Price	\$624,048	\$794,643	\$705,882	\$637,500
Condition Adjustment	0%	0%	0%	0%
Condition Adjusted Price	\$624,048	\$794,643	\$705,882	\$637,500
Market Conditions Adjust	2%	1%	16%	20%
Market Conds Adjusted Price	\$634,101	\$805,224	\$816,928	\$767,026
Adjustments For:				
Location	25%	0%	0%	0%
Size	0%	0%	0%	0%
Frontage/Visibility	0%	0%	0%	0%
Access	0%	0%	0%	0%
Shape	0%	0%	0%	0%
Easements	0%	0%	0%	0%
Topography	0%	0%	0%	0%
Utilities	0%	0%	0%	0%
Zoning	0%	0%	0%	0%
Composite Factor	25%	0%	0%	0%
Indicated Value Per Acre	\$792,626	\$805,224	\$816,928	\$767,026
Minimum Value Per Acre	\$767,026			
Maximum Value Per Acre	\$816,928			
Mean Value Per Acre	\$795,451			
Median Value Per Acre	\$798,925			
Standard Deviation	\$21,391			
68% Prob of Value/Acre Between	\$774,060	and	\$816,842	



## Estimate of Market Value – “Before”

The adjusted unit prices indicate a range from [REDACTED] per acre to \$ [REDACTED] per acre, with an average adjusted price of \$ [REDACTED] per acre and a median adjusted price of \$ [REDACTED] per acre.

Sales 2 and 3 are given primary consideration in reconciliation due to their more recent transaction dates and greater overall similarity to the subject. Sales 1 and 4 are given equal secondary consideration. Considering the data presented and the specific characteristics of the subject site, the market value for the subject site in the “before” is estimated at [REDACTED] per acre, with a total site value estimated as follows:

[REDACTED] (rounded)

## Valuation of the Improvements

Construction cost estimates for similar improvements were provided by M [REDACTED] and [REDACTED].

Additionally, the Marshall Valuation Service cost guide was utilized. The concluded land value will then be added to the estimated construction cost to determine the value by this approach.

Total cost is composed of direct costs, indirect costs, improvement costs and developer’s profit. The land value will then be added to the total cost in order to determine the total value by the cost approach.

### Indirect Costs

Indirect costs include survey, engineering, architectural, permit, impact, legal and appraisal fees and any sales or leasing commissions associated with the property. Discussions with local architects/engineers and commercial brokers indicate that the developer’s estimate for indirect costs for a project of this magnitude should be approximately 10% - 12% of the direct costs. Therefore, indirect costs are estimated at 10%.

### Developer's Profit

Most developers, in preparing a pro forma, calculate the developers profit based on a percentage of total project costs. In this market, most of the developer’s try to secure from 10% to 20% of all estimated direct costs and indirect costs as a base. Therefore, developer’s profit is estimated at 15%. The indirect costs and developers profit are included in the cost per unit in the chart.

### Contractor Quote

The project costs associated with development, which will be implemented, are the cost of the building, site improvements, etc. According to [REDACTED] with [REDACTED], the reproduction cost new for similar tunnel car wash facilities would likely range from \$275 to \$350 per square foot. [REDACTED] of [REDACTED] Car Wash Construction indicated a similar cost range.

### Cost Guide

The Marshall Valuation Service cost guide was also utilized. The cost guide indicates a reproduction cost of \$277.00 per square foot for an excellent-quality automatic car wash. This category is

considered most reflective of the construction of the property. Adjustments were made to the base cost estimate for factors such as shape, story height, time, and local market conditions. Additionally, the base cost is adjusted to account for indirect costs and developer's profit. The subject building also includes a covered canopy area at the tunnel entrance, as well as an open masonry-walled exit area. The costs for these areas have been estimated separately, utilizing costs from the cost guide categories that best reflect their construction.

The cost estimates via the cost guide are calculated as follows:

Cost Guide Data <i>Marshall &amp; Swift Cost Guide</i>			
	Car Wash	Cvrd Entrance	Open Exit
Category	Automatic Car Wash	Canopy	Masonry Walls
Section/Page	64/4	64/4	66/4
Class/Quality	C/Excellent	Good	Common brick
Base Cost PSF	\$277.00	\$63.00	\$29.00
Current Multiplier	1.070	1.070	1.070
Local Multiplier	0.930	0.930	0.930
Perimeter Multiplier	1.000	1.000	1.000
Story Height Multiplier	1.000	1.000	1.000
Indirect Costs	1.100	1.100	1.100
Developer's Profit	1.150	1.150	1.150
Adjusted Unit Cost PSF (rounded)	\$348.50	\$79.50	\$36.50

In reconciliation of the direct cost estimates, primary reliance was placed on the estimates indicated by the *Marshall & Swift* cost guide method. These cost estimates are reflective of costs that would be incurred by typical market participants based on national data for similar properties, and customized to reflect the local market. Although weighted less in reconciliation, the cost estimates indicated by the contractors are considered supportive of the estimates obtained through the cost guide method.

According to contractors and the Marshall and Swift valuation service, the segregated cost for the short-lived items is:

Car Wash Building						
Component	Unit Cost		Units			RCN
Roof Covering	\$2.25	x	4,597	SF	=	\$10,343
Floor Covering*	\$2.75	x	1,746	SF	=	\$4,802
HVAC*	\$4.00	x	1,746	SF	=	\$6,984
Paint*	\$2.00	x	1,746	SF	=	\$3,492
* Customer/Employee areas, excludes wash tunnel.						

## Depreciation

The subject property was constructed in 2017 / 2018. As of the date of valuation, the property



was less than 2 years old, and in very good condition. The building has a total economic life new of 30 years and an actual age of 2 years, and an effective age of 1 year. This indicates a remaining economic life for the building of 29 years and a percentage of depreciation for the long-lived items of 3.33%. The percentage of depreciation for the short-lived items is estimated at 7% to 14%. There were no items of deferred maintenance noted.

#### **Physical Curable Depreciation**

No physical curable depreciation was observed.

#### **Functional Obsolescence**

The appraiser did not observe any functional obsolescence that significantly affected the value of the improvements.

#### **External Obsolescence**

The appraiser did not observe any external obsolescence that significantly affected the value of the improvements.

#### **Value Estimate**

After adjusting for various costs less depreciation, the estimated reproduction cost new less depreciation as determined by Marshall & Swift and local contractors for the subject building is as follows:

Car Wash					
Car Wash	3,972	SF@	\$348.50	=	\$1,384,242
Covered Entry	625	SF@	\$79.50	=	\$49,688
Masonry Exit	880	SF@	\$36.50	=	\$32,120
TOTAL ESTIMATED RCN:					\$1,466,050
Depreciation:					
A. Physical Depreciation:					
1. Physical Curable					
Depreciation:					
a. Accrued Physical					
Curable Depreciation:					
b. Deferred Physical					
Curable Depreciation:					
			<u>Effective</u>	<u>Economic</u>	
<u>ITEM</u>	<u>RCN</u>	<u>Age</u>	<u>Life</u>	<u>% Dep.</u>	<u>Depreciation</u>
Roof Covering	\$10,343	1	15	7%	\$690
Floor Covering	\$4,802	1	15	7%	\$320
HVAC	\$6,984	1	15	7%	\$466
Paint	\$3,492	1	7	14%	\$499
TOTALS:	\$25,621				\$1,974
2. Physical Incurable					
Depreciation:					
The RCN of the bone structure					
and foundation or long-life					
items is estimated at:					
	\$1,440,429	Deprec. @	3.33%		\$48,014
Total Physical Depreciation:					\$49,988
B. Functional Obsolescence:					
1. Functional Curable					
Obsolescence:					
2. Functional Incurable					
Obsolescence:					\$0
					\$0
C. Economic Obsolescence:					
					\$0
Total Depreciation for All Factors:					\$49,988
ESTIMATED DEPRECIATED VALUE OF IMPROVEMENT:					

## Site Improvements

Value estimates for the site improvements are included based on their estimated depreciated contributory values.

Building contractors and developers including Fast Signs, APAC Carolina, Arden Fence and Construction, Carolina Outdoor Care, Stonegate Developers, and Marshall and Swift service provided reproduction cost estimates for similar site improvements.

In estimating the reproduction cost new of the site improvements, primary reliance was placed on the estimates provided by the contractors/developers, with support from the cost guide. For site improvements, the cost guide often indicates a wide range of estimates. The quotes from local developers all fall within the range of costs indicated by the guide.

The site improvements were in very good condition at the time of valuation. The depreciation for the site improvements generally ranges from 4% to 5% based on the age of the improvements. No depreciation is applied to the landscaping.

Reproduction cost new estimates, depreciation, and the resulting contributory values of the site improvements are estimated as shown in the chart below:

Site Improvements								
Improvement	Quantity	Units	Unit Price	RCN	Economic Life	Effective Age	Ratio	Depreciated Contributing Value
Concrete Paving	23,400	SF	\$5.50	\$128,700	20	1	5%	\$122,265
Concrete curbing	560	LF	\$15.00	\$8,400	20	1	5%	\$7,980
Light Post	6	Ea	\$3,500	\$21,000	20	1	5%	\$19,950
Comm Sign	1	Ea	\$35,000	\$35,000	25	1	4%	\$33,600
Metal Canopy	3,300	SF	\$35.25	\$116,325	25	1	4%	\$111,672
Dumpster Enclosure	1	Ea	\$21,000	\$21,000	25	1	4%	\$20,160
Retaining Wall	3,375	SF	\$30.00	\$101,250	25	1	4%	\$97,200
Wrought-Iron Fencing	340	LF	\$19.00	\$6,460	25	1	4%	\$6,202
Landscaping	Typical	Ea	\$15,000	\$15,000	N/A	N/A	N/A	\$15,000
Total								<b>\$434,029</b>

## Cost Approach Summary

The following chart combines the depreciated value of the subject's structural improvements, the contributory value of the site improvements, and the estimated land value into a total estimate of the market value of the subject property in the "before", via the cost approach.

COST APPROACH SUMMARY - BEFORE		
Depreciated Reproduction Costs		
Car Wash Building	██████████	
Site Improvements (Contributory Value)	██████████	
Value Estimate of Improvements (rounded)		██████████
Plus: Estimated Land Value		██████████
Value Estimate of Land and Improvements		██████████
<b>Estimate of Market Value of Subject Property ("Before")</b>		██████████

It should be noted that this analysis is an estimation of value of the real estate components only, and the car wash equipment is excluded. Excluded equipment includes (but is not limited to) items such as vacuum stations, air stations, pay stations, vending machines, car conveyor, automatic wash equipment, and water reclamation/recycling system.

## Sales Comparison Approach - Before

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In the Sales Comparison Approach, value estimates for similar properties are typically compared on a sale price per square foot method of analysis, in which the overall sale price is divided by the area of the building.

The subject consists of a 106'-tunnel automatic car wash facility and all related site improvements. To estimate value for the subject via the sales comparison approach, sales of comparable properties throughout the area were researched.

The data utilized is believed to represent the best and most applicable data available as of the date of valuation.

### Sales Comparison Approach - Before

#### Comparable Transactions

The value of the subject has been estimated by direct comparison with the transactions presented below.

#### Adjustment Criteria for the Comparable Data

##### Overview

Inherent in the comparable sales data are variances from the subject relative to real property rights appraised, financing terms, condition of sale, date of sale, location, and physical characteristics. In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. In this process the comparable transactions are brought into sync with the subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

##### *Real Property Rights Conveyed*

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed of the subject and the comparable transactions. It should be noted that all of the sales represent the transfer of operating car wash facilities properties. Therefore, all of the transactions inherently reflect a going-concern business value, which likely includes certain intangible items such as franchise affiliation, skill of management/workforce, quality of equipment, etc.

##### *Financing Terms*

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

### *Conditions of Sale*

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

### *Market Conditions*

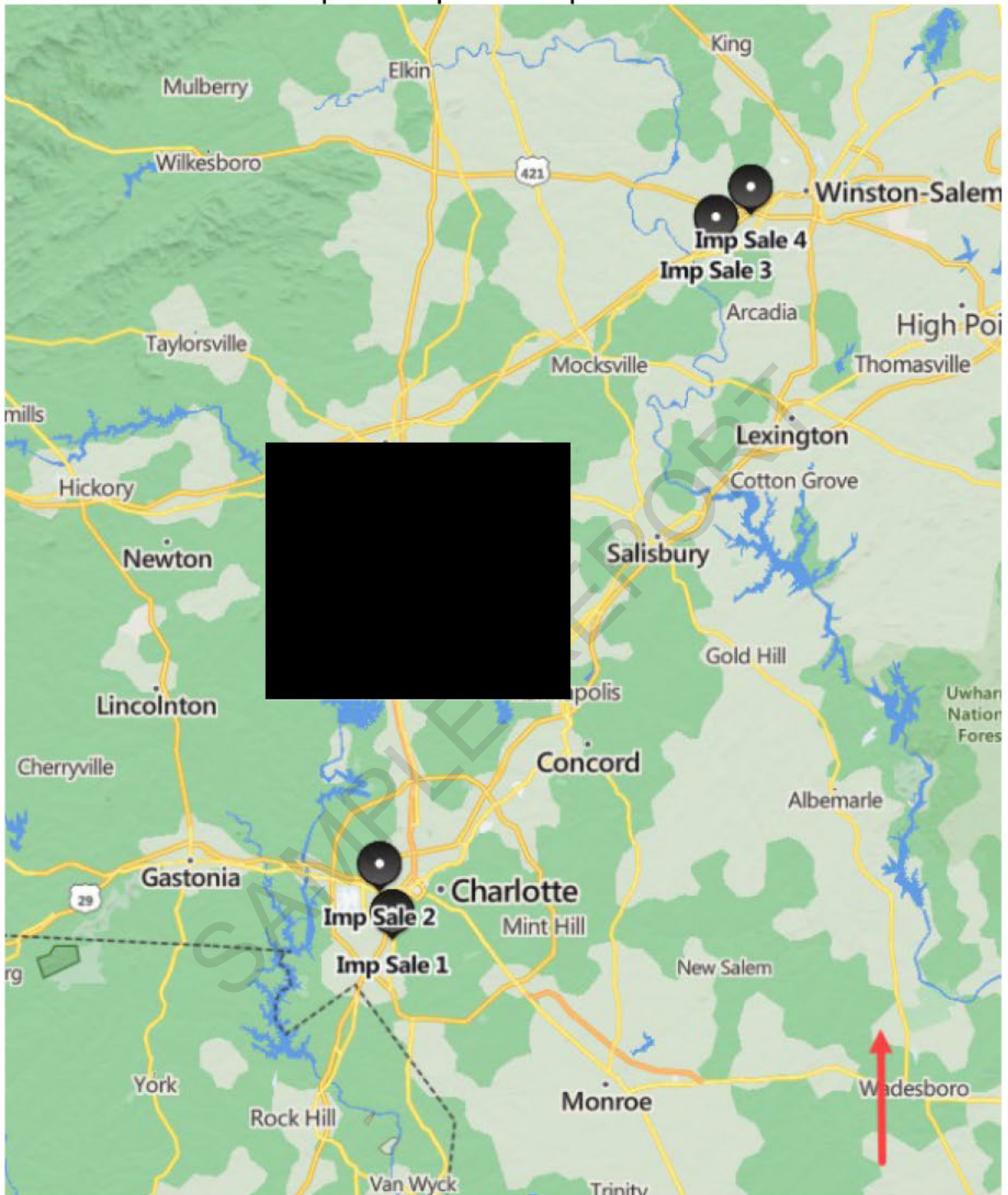
A time adjustment is needed in order to compensate for changing market conditions. Such an adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of a recognized measure of inflation, such as the Consumer Price Index. In a normal land sale market, this index has proven to be a realistic measure of variance.

### *Physical Characteristics*

The adjustments of location, size, age/condition, construction quality, and building amenities may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Through objective analysis of paired sales comparing a parcel subdivided from a larger tract may indicate a size adjustment is necessary.

In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

Map of Comparable Improved Sales





-Right of Way Branch

Comparable No: Improved Sale 1



Rentable Area:	N/A	Rent:	N/A	V/C:	N/A	Expenses:	N/A
Term:	N/A	Unit Price:	\$1,565 per sf	Tax ID:			

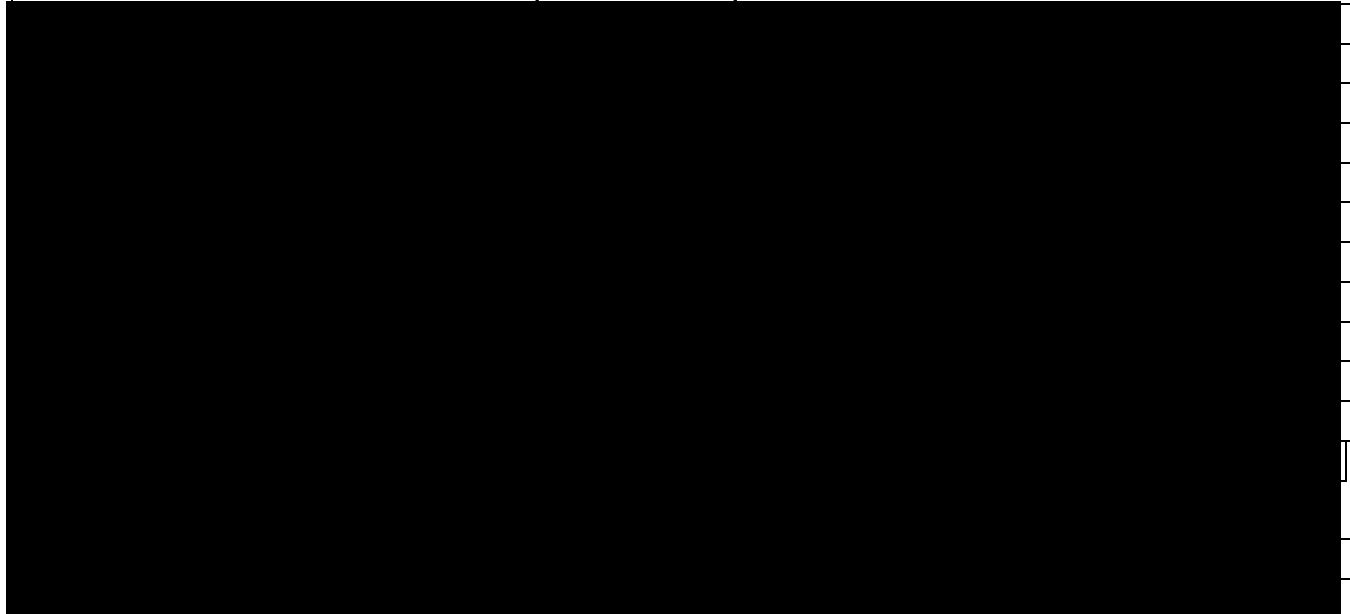
**Other Pertinent Information:** This car wash facility was constructed in 2012 and includes a 104’ wash tunnel, an 18-bay vacuum canopy and a 3-bay pay station. The property is occupied by Zips Car Wash and was sold as one of three properties in a portfolio. The sale price includes all equipment and business value.



Photo taken by Ella Vrolyk

Date of Picture: 8/5/2022

-Right of Way Branch  
Comparable No: Improved Sale 2



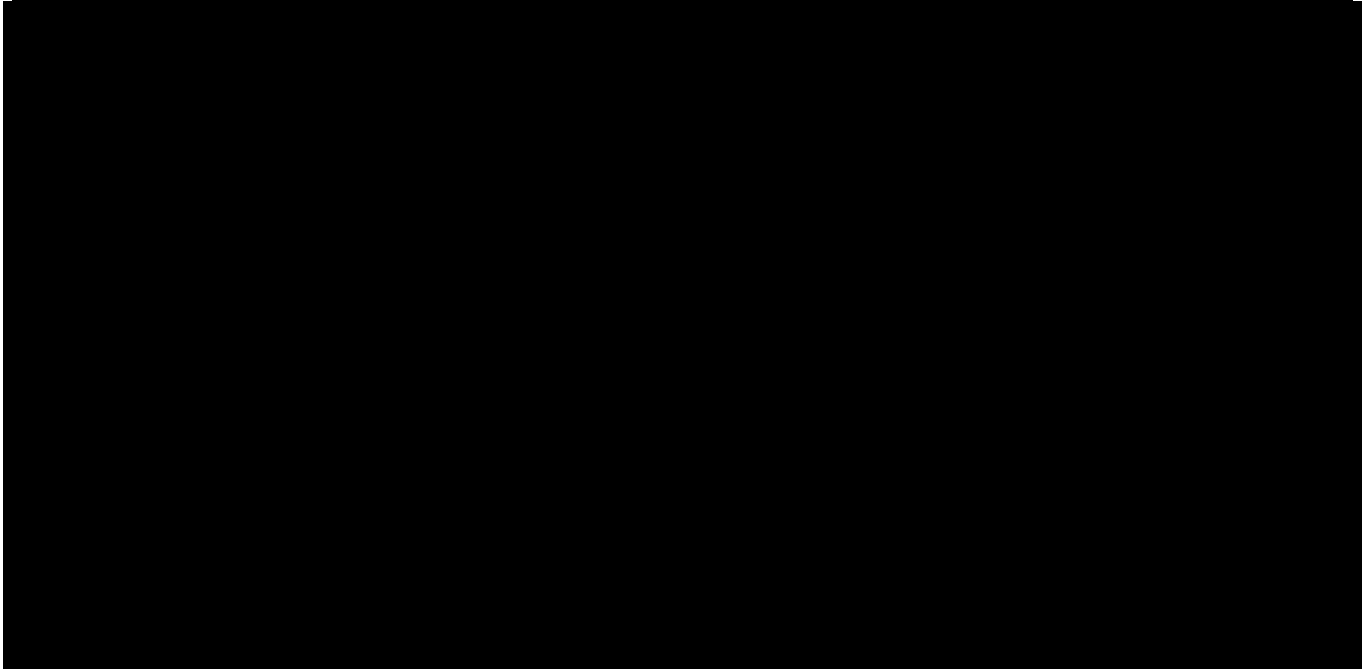
Lessor:	N/A		Lessee:	N/A	
Rentable Area:	N/A	Rent:	N/A	V/C:	N/A
Term:	N/A	Unit Price:	\$1,176 per sf		Expenses:
				Tax ID:	N/A

**Other Pertinent Information:** This car wash facility was constructed in 2014 and includes a 100' wash tunnel, a 16-bay vacuum canopy and a 2-bay pay station. The property is occupied by Zips Car Wash and was sold as one of three properties in a portfolio. The sale price includes all equipment and business value.



Picture Taken By: Ella Vrolyk  
Date of Picture: 8/5/2022

[REDACTED] -Right of Way Branch  
 Comparable No: Improved Sale 3



Lessor:	N/A		Lessee:	N/A	
Rentable Area:	N/A	Rent:	N/A	V/C:	N/A
Term:	N/A	Unit Price:	\$870 per sf	Tax ID:	<span style="background-color: black; color: black;">[REDACTED]</span>
		Expenses:	N/A		

**Other Pertinent Information:** This car wash facility was constructed in 2018 and was new at sale. The property includes a 105' wash tunnel, 18 vacuum bays and a 2-bay pay station. The sale price includes all equipment and business value.



Picture Taken By: Ella Vrolyk  
 Date of Picture: 07/27/2022

-Right of Way Branch  
Comparable No: Improved Sale 4

**Other Pertinent Information:** This car wash facility was constructed in 2016 and was in very good condition at sale. The property includes a 105' wash tunnel, 16 vacuum bays and a 2-bay pay station. The sale price includes all equipment and business value.



Picture Taken By: Ella Vrolyk  
Date of Picture: 07/27/2022

### **Adjustment Criteria and Procedures - Before**

As previously discussed, market data indicates that prices for improved retail properties have been increasing over the past three years, at an average rate of approximately 3.5% annually. An annual market conditions adjustment of 3.5% appears reasonable and is applied to each sale.

Note that all of the sales have been adjusted for the inclusion of Furniture, Fixtures and Equipment (FF&E). As previously indicated, all of the comparables represent the sale of operating car wash facilities. These sales typically include all of the FF&E, which is considered business value and therefore has been deducted from the sale price to reflect the sale of real estate only. Brokers, developer surveys, and contractors familiar with similar facilities indicate that FF&E typically encompasses 30% to 40% of the overall market value of similar properties. An estimate toward the middle of the range, or 35% is considered appropriate and has been applied to all of the sales.

#### **Sale 1**

Sale 1, which is located at the corner of two primary roadways, was adjusted downward 10% for its superior location as compared to the subject. As discussed, this sale was adjusted downward 35% for the inclusion of FF&E in the sale.

#### **Sale 2**

This sale was adjusted downward for the inclusion of FF&E in the sale. No additional adjustments were required.

#### **Sale 3**

This sale was adjusted downward for the inclusion of FF&E in the sale. No additional adjustments were required.

#### **Sale 4**

This sale was adjusted downward for the inclusion of FF&E in the sale. No additional adjustments were required.

These adjustments are summarized in the following chart:



Comparable Improved Sales				
Appraisal Date	Aug-19			
Annual Time Adjustment	3.5%			
Size (SF)	3,972			
Comparable Number	1	2	3	4
Price	\$6,040,270	\$4,026,850	\$3,320,000	\$4,850,000
Date of Sale	May-19	May-19	Jun-18	Feb-18
Building SF	3,860	3,425	3,816	3,600
Price Per Room	\$1,565	\$1,176	\$870	\$1,347
Interest Sold	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest Adjustment	0%	0%	0%	0%
Interest Adjusted Price	\$1,565	\$1,176	\$870	\$1,347
Financing	Market	Market	Market	Market
Financing Adjustment	0%	0%	0%	0%
Cash Equivalent Price	\$1,565	\$1,176	\$870	\$1,347
Condition Adjustment	0%	0%	0%	0%
Condition Adjusted Price	\$1,565	\$1,176	\$870	\$1,347
Market Conds Adjustment	1.0%	1.0%	4.0%	5.2%
Market Conds Adjust Price	\$1,580	\$1,187	\$904	\$1,418
Adjustments For:				
Location	-10%	0%	0%	0%
Access/Visibility	0%	0%	0%	0%
Size	0%	0%	0%	0%
Age/Condition	0%	0%	0%	0%
Construction Quality	0%	0%	0%	0%
FF&E	<u>-35%</u>	<u>-35%</u>	<u>-35%</u>	<u>-35%</u>
Composite Factor	-45%	-35%	-35%	-35%
Indicated Value Per Room	\$869	\$772	\$588	\$921
Minimum Value Per SF		\$588		
Maximum Value Per SF		\$921		
Mean Value Per SF		\$788		
Median Per SF		\$820		
Standard Deviation		\$127		
68% Prob of Value/SF, Falling Between		\$660	and	\$915

### Estimate of Market Value – “Before”

The adjusted sale prices indicate a range from [REDACTED] per square foot to \$ [REDACTED] per square foot, with a mean and median adjusted sale price of \$ [REDACTED] and [REDACTED] per square foot, respectively. The sales required minimal adjustments. Sales 2 and 3 are given primary consideration in reconciliation due to their more recent transaction dates and greater overall similarity to the subject. Sales 1 and 4 were given equal secondary consideration. Based on the data presented and considering the specific characteristics of the subject, an appropriate value estimate for the subject is considered to be \$ [REDACTED] per square foot, with an overall value indication for the subject, via the sales comparison approach, as follows:

SALES COMPARISON APPROACH SUMMARY - BEFORE	
Value Estimate per SF of Building Area	[REDACTED]
Subject Building Area	[REDACTED]
Estimate of Market Value of Subject Property ("Before")	[REDACTED]

### Reconciliation of the “Before” Value

Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final estimate of value from the approaches utilized. The appraiser weighs the relative significance, applicability, and defensibility of the indication of value estimated by each approach and places most credence on the one that, in his/her professional judgment, best approximates the value being sought in the appraisal assignment. In this instance, the cost approach and sales comparison approach were utilized, with value indications summarized below:

Cost Approach: \$ [REDACTED]  
Sales Comparison Approach: \$ [REDACTED]

The sales comparison approach is given secondary consideration in reconciliation since it inherently reflects a going-concern value as opposed to a fee simple value of the real estate only. Although an estimated value of the FF&E has been extracted from the comparable sales, other intangible items cannot be quantifiably extracted.

Additionally, given the scope of the assignment, the value indication via the cost approach is given primary consideration as it allows for an allocation of value between the land and improvements. The value indication via the sales comparison approach is considered supportive of the cost approach. The final value estimate for the subject in the before, is therefore estimated and allocated as follows:

Value Estimate BEFORE	
Land - Value Estimate	[REDACTED]
Improvements - Value Estimate	[REDACTED]
Total Value Indication	[REDACTED]



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## Description of the Acquisition

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### Land

The NCDOT intends to acquire 0.082 acres of land, known as the “take area”. The take area is a strip of land, approximately 25 feet in depth, which extends along the site’s frontage along River Highway.

### **Easements Outside the Right of Way**

The NCDOT intends to acquire 0.033 acres of Slope Easement. This area is located adjacent to the take area, with an irregular depth, and extending along the width of the site.

Additionally, a temporary construction easement (TCE) of 0.055 acres is proposed. The TCE is located adjacent to the Slope Easement, with an irregular depth, and extending along the width of the site.

Per NCDOT:

*“It is understood and agreed that the Department shall have the right to construct and maintain the cut and/or fill slopes in the above described temporary easement area(s) until such time that the property owners alter the adjacent lands in such a manner that the cut and/or fill slopes are no longer needed for the lateral support of the roadway. Any additional construction areas lying beyond the cut and/or fill slopes and extending beyond the right of way limits and beyond any permanent easement areas will terminate upon completion and acceptance of the project. The underlying fee owner shall have the right to continue to use the Temporary Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors.”*

### **Improvements**

The NCDOT intends to acquire the following site improvements:

- The commercial sign
- A portion of the landscaping

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## Description of the Remainder and Effect of the Acquisition

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The remainder site will encompass 1.477 acres and will be similar in shape as compared to the site in the “before”.

In the “before”, River Highway is a two-lane two-way roadway. In the “after”, this roadway will be a divided road, with three lanes on each side. In the “before”, there is a dedicated turn lane along River Highway for the access easement that extends along the western boundary of the site. In the “after”, this dedicated turn lane will be eliminated, but as described, the roadway itself will be expanded to include an additional west-bound lane. As confirmed with Mr. Larry Carpenter, the NCDOT Construction Engineer, the site will continue to have access via the access easement that extends from River Highway and runs along the western boundary of the site. Additionally, the site will continue to have cross-access from adjoining sites to the west, extending from Ervin Road.

Overall, the access to the subject site in the after is considered similar to the access to the site in the before.

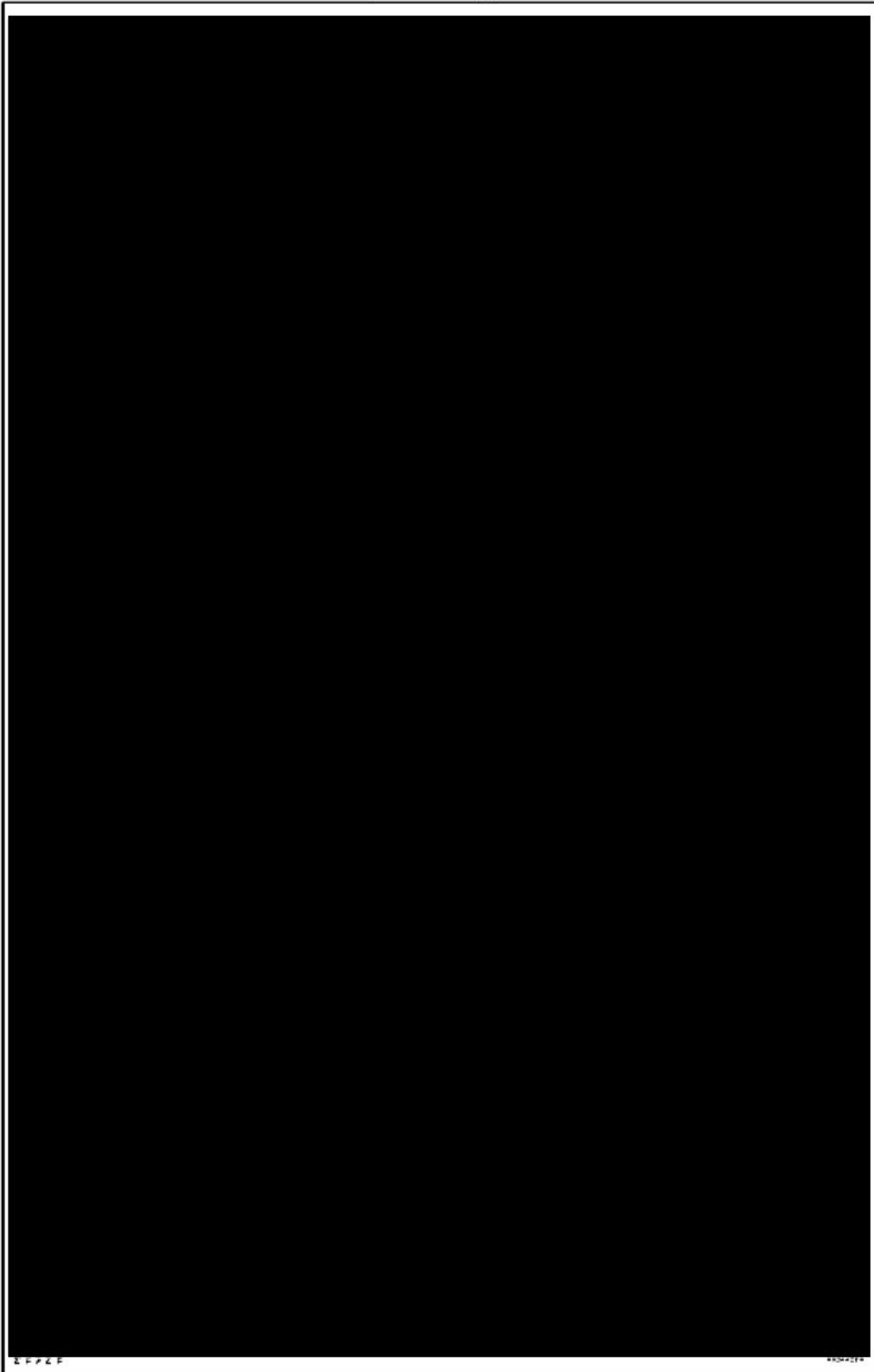
Most of the recent commercial development in the area is being designed with direct individual parcel access being eliminated and changed to one or two access points for larger developments like the one in which the subject is located. This more efficient design and the elimination of individual access points does not appear to have discouraged the development of individual parcels. There are a significant number of sites recently developed in the area that have access that would be considered similar to the subject in the after.

The subject building and the majority of the site improvements are located outside of the acquisition and easement areas and are not considered to be damaged by the pending road project. Only those site improvements located within the affected areas will be acquired by the NCDOT.

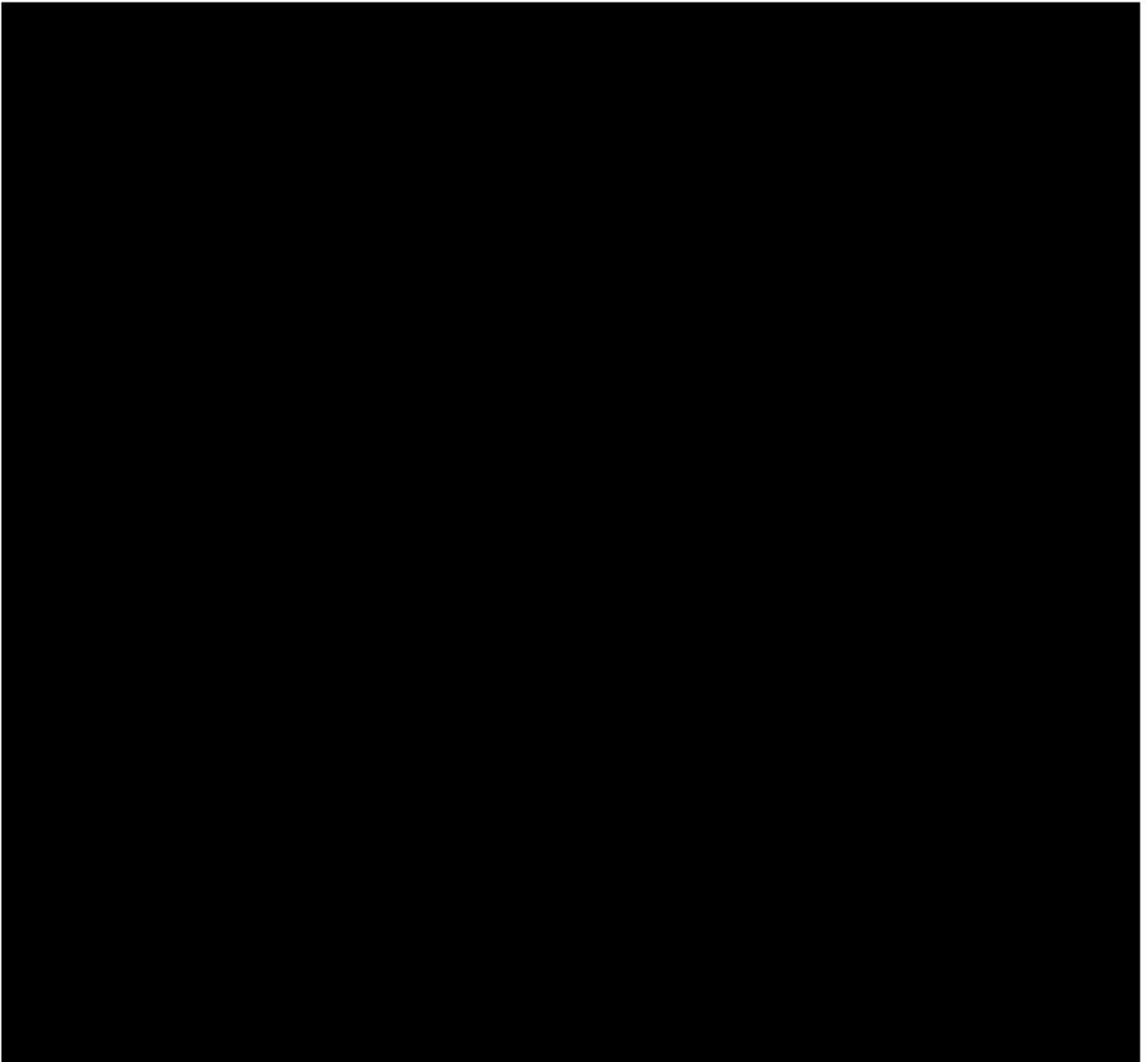
It should be noted that the site's commercial sign is located within the proposed slope easement. According to the property owner's representative, the sign is the maximum height allowable by current development/sign restrictions. It is assumed for the purposes of this analysis, that a sign of similar height and size can be placed within the slope easement after the project construction. If the sign should have to be relocated further north into the site, the topography of the site, which slopes downward from River Highway, would preclude the visibility of the sign from the roadway. (See *Extraordinary Assumptions*.)

The court map on the following page provides a visual depiction of the acquisition and easement areas.

## Court Map



Below is an excerpt from the court map, with the acquisition and easement areas shaded.



The acquisition area is shaded red.

The slope easement is shaded blue.

The temporary construction easement area is shaded yellow.



---

### Highest and Best Use – After

---

The highest and best use of the remainder is unchanged. Therefore, the highest and best use of the subject, as if vacant, is for commercial development. The highest and best use of the property as improved is for continued use of the existing improvements.

---

### Cost Approach – After

---

#### Site Valuation - After

The remainder site is valued using the same sales as in the “before” value estimate. The change in site size was not sufficient to change the unit price. Therefore, the unit value, as previously estimated, is carried forward to the “after”.

As previously indicated, the remainder site is encumbered by a permanent slope easement. The ownership of this area will be retained by the property owner, but usage of the area is severely limited since it cannot be utilized for development. This right of permanent use is compensated at a rate of 90% of the estimated “after” site value.

The remainder site will also be encumbered by a temporary construction easement, which will be used for the duration of the project. It is assumed that at the conclusion of the project, the area included in the TCE will be returned to its original state (as in the before condition) and the owner will resume full fee simple rights. This right of temporary use is compensated at a rate of 30% of the estimated “after” site value.

The compensation of the easement areas is expressed as a reduction in the market value of the total site. The market value of the remainder site is therefore calculated as follows:

Remainder Site Value	
Estimate of Value of Remainder Site (Rounded): =	

#### Improvement Valuation – After

As discussed, the highest and best use of the subject property, as improved, in the after, is for its continued use of the existing improvements, with no damages to the improvements considered applicable due to the proposed project. Therefore, the improvement value for the subject building, as previously estimated, is carried forward to the after.

As discussed, those site improvements located within the acquisition and easement areas will be acquired by NCDOT. The contributory value of the remaining improvements is summarized below.

Site Improvements								Depreciated Contributing Value
Improvement	Quantity	Units	Unit Price	RCN	Economic Life	Effective Age	Ratio	
Concrete Paving	23,400	SF	\$5.50	\$128,700	20	1	5%	\$122,265
Concrete curbing	560	LF	\$15.00	\$8,400	20	1	5%	\$7,980
Light Post	6	Ea	\$3,500	\$21,000	20	1	5%	\$19,950
Comm Sign	Acquired							\$0
Metal Canopy	3,300	SF	\$35.25	\$116,325	25	1	4%	\$111,672
Dumpster Enclosure	1	Ea	\$21,000	\$21,000	25	1	4%	\$20,160
Retaining Wall	3,375	SF	\$30.00	\$101,250	25	1	4%	\$97,200
Wrought-Iron Fencing	340	LF	\$19.00	\$6,460	25	1	4%	\$6,202
Landscaping	Typical	Ea	\$3,750	\$3,750	N/A	N/A	N/A	\$3,750
<b>Total</b>								<b>\$389,179</b>

The indication of value via the cost approach in the after is summarized below.

COST APPROACH SUMMARY - AFTER	
Depreciated Reproduction Costs	
Car Wash	
Site Improvements (Contributory Value)	
Value Estimate of Improvements (rounded)	\$
Plus: Estimated Land Value	
Value Estimate of Land and Improvements	\$
Estimate of Market Value of Subject Property ("After")	\$

## RECONCILIATION AND FINAL "AFTER" VALUE ESTIMATE

As in the "before", the cost approach was the only applicable method of valuation for the remainder site. The indication of value via the cost approach is therefore the final estimate of value for the subject property in the "after".

The market value of the subject property in the "after", is summarized and allocated as follows:

Land Value:	\$
Improvement Value:	\$
Total:	

## DIFFERENCE IN THE BEFORE AND AFTER VALUES

This results in the following difference in the before and after situation for the subject as a result of the taking:

Difference - Before vs. After			
<b>Before:</b>	Land		
	Improvements		
	Total:		
<b>After:</b>	Land	\$	
	Improvements		
	Total:		
<b>Difference:</b>			\$

## ALLOCATION OF DIFFERENCE

Allocation of Difference									
Value of Land Acquired									
Right-of-Way	0.082 AC	@		per AC	@	100%			
<u>Permanent Easements</u>									
Slope	0.033 AC	@	\$		per AC	@	90%		
<u>Temporary Easements</u>									
TCE	0.055 AC	@	\$8		per AC	@	30%		
Value of Improvements Acquired									
Commercial Sign									
Landscaping									
Damages to Remainder									\$0
Benefits to Remainder									\$0
								<b>Total Allocation*</b>	

\*Allocated values rounded where necessary for consistency in reporting.



## ADDENDA

---

Subject Photographs/Map  
Subject Building Sketch  
Subject Deed  
Subject Tax Card  
Subject Flood Map  
NCDOT Plan Sheet  
NCDOT Cross Sections  
NCDOT Certificate of Appraiser

SAMPLE REPORT

**SUBJECT PHOTOS**

The following photos were taken by Ella Vrolyk on 8/5/2022, unless otherwise indicated.  
TIP/Parcel: [REDACTED], Owner: [REDACTED] WBS: [REDACTED]



1.) LOOKING NORTHEAST AT SUBJECT



2.) LOOKING SOUTHEAST AT SUBJECT

### SUBJECT PHOTOS

TIP/Parcel: [REDACTED] Owner: [REDACTED], et al

WBS: [REDACTED]



3.) LOOKING EAST ALONG SUBJECT'S FRONTAGE ALONG RIVER HIGHWAY

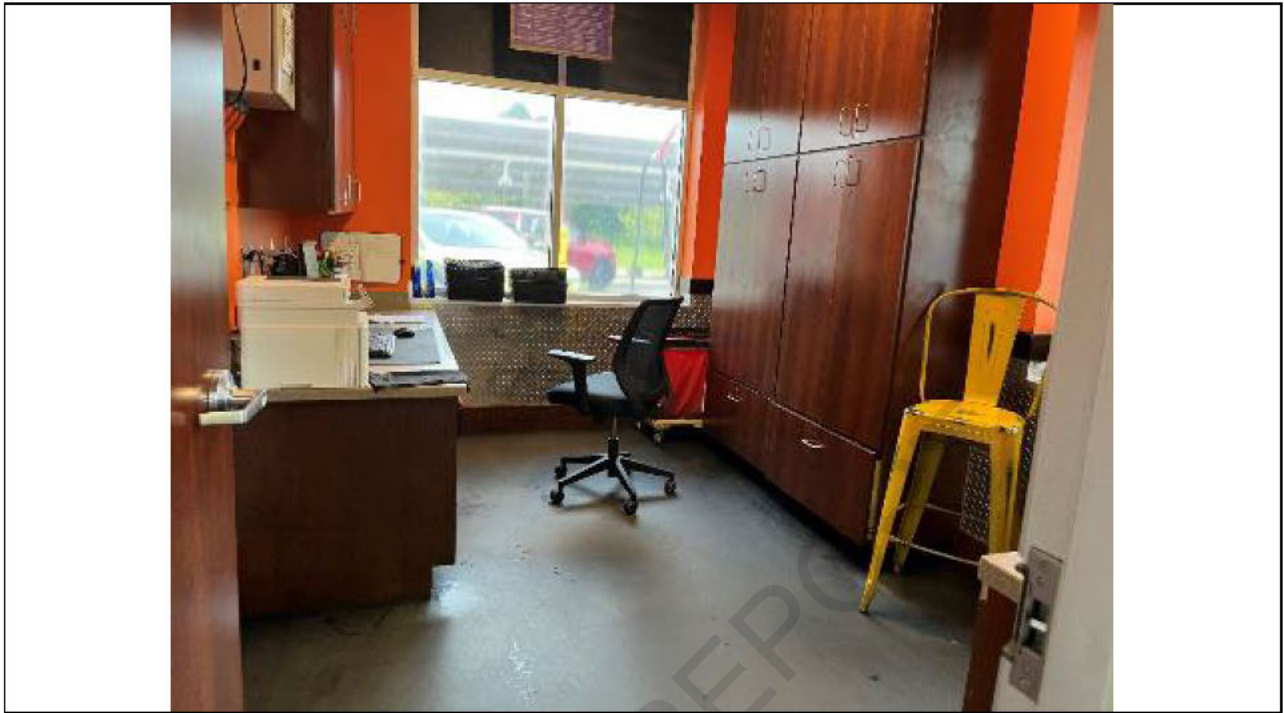


4.) SUBJECT INTERIOR (CUSTOMER WAITING AREA)

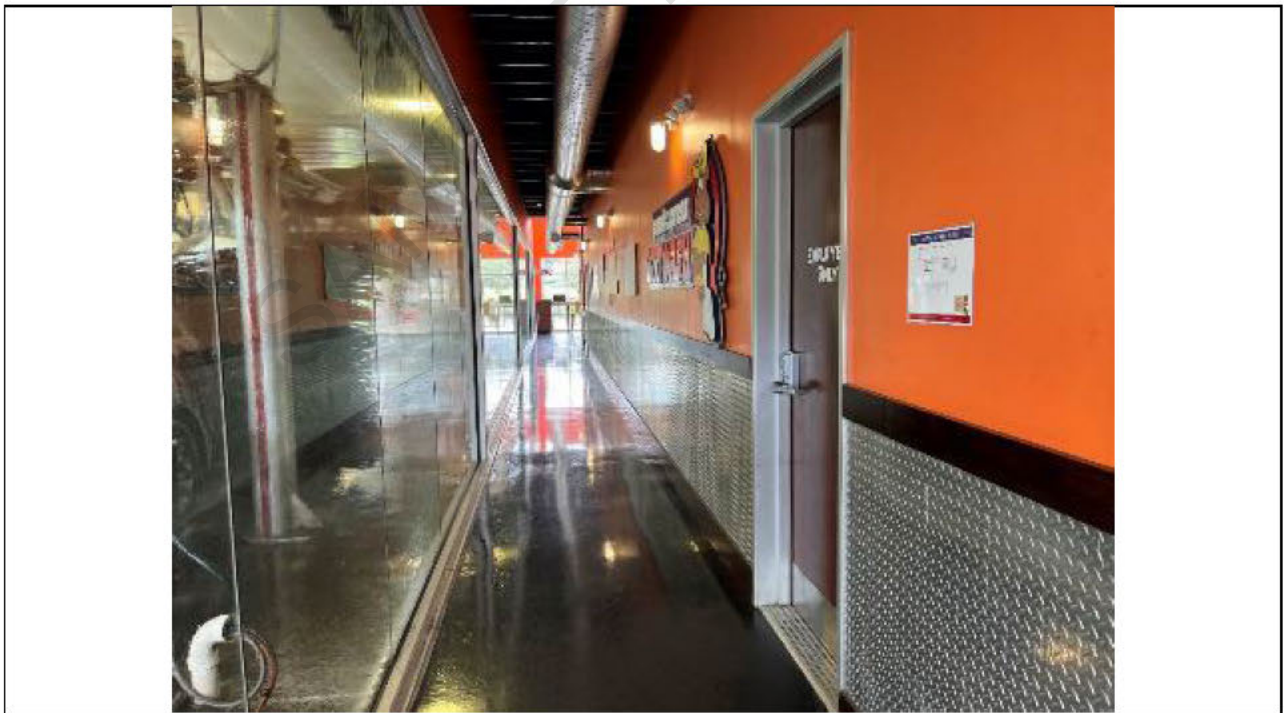


SUBJECT PHOTOS

TIP/Parcel: [REDACTED], Owner: [REDACTED] al WBS: [REDACTED]



5.) SUBJECT INTERIOR (EMPLOYEE OFFICE)



6.) SUBJECT INTERIOR (HALLWAY AND WASH TUNNEL)

**SUBJECT PHOTOS**

TIP/Parcel: [REDACTED] Owner: [REDACTED] et al

WBS: [REDACTED]

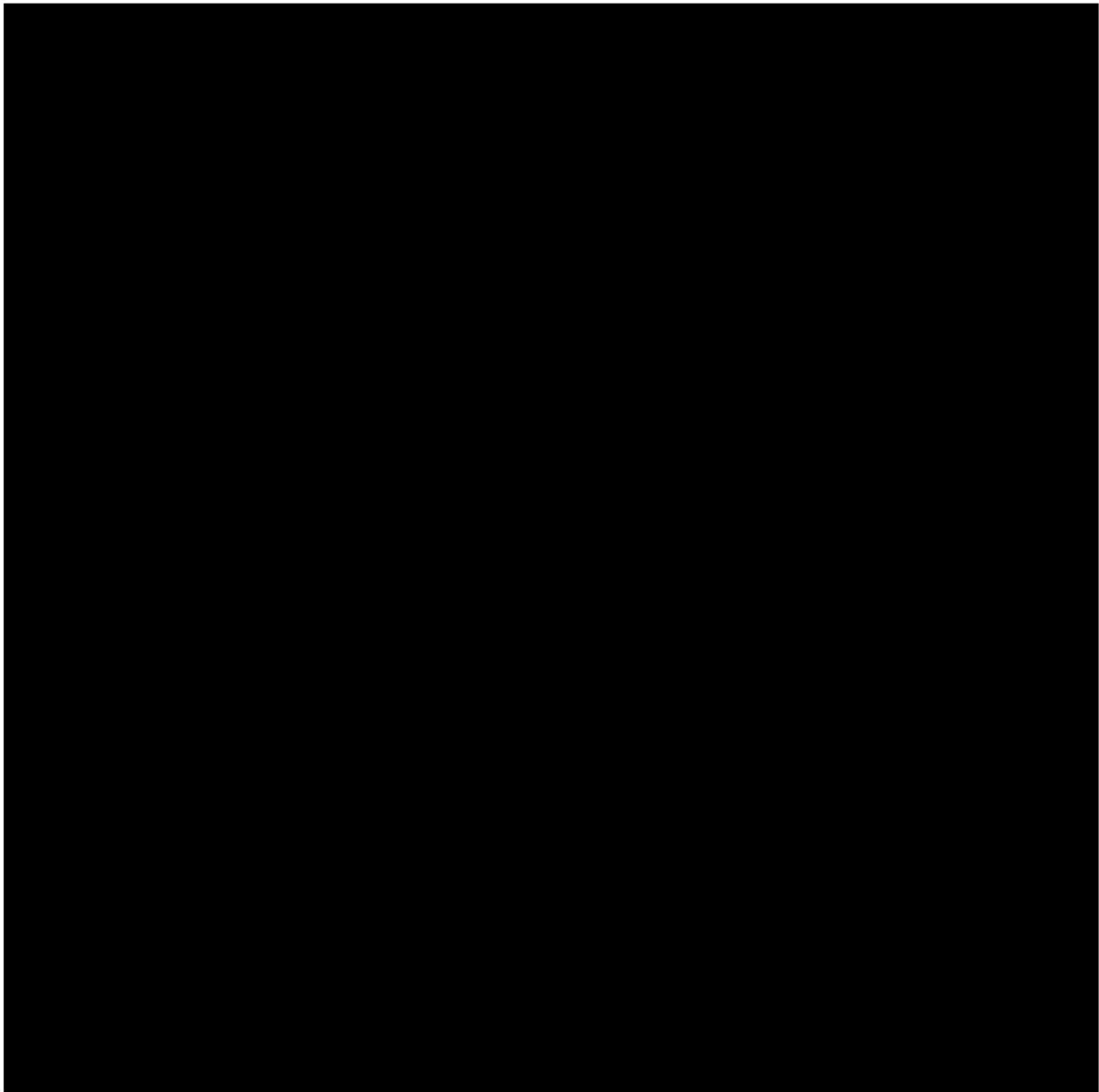


7.) LOOKING WEST TOWARD ACQUISITION AND EASEMENT AREAS

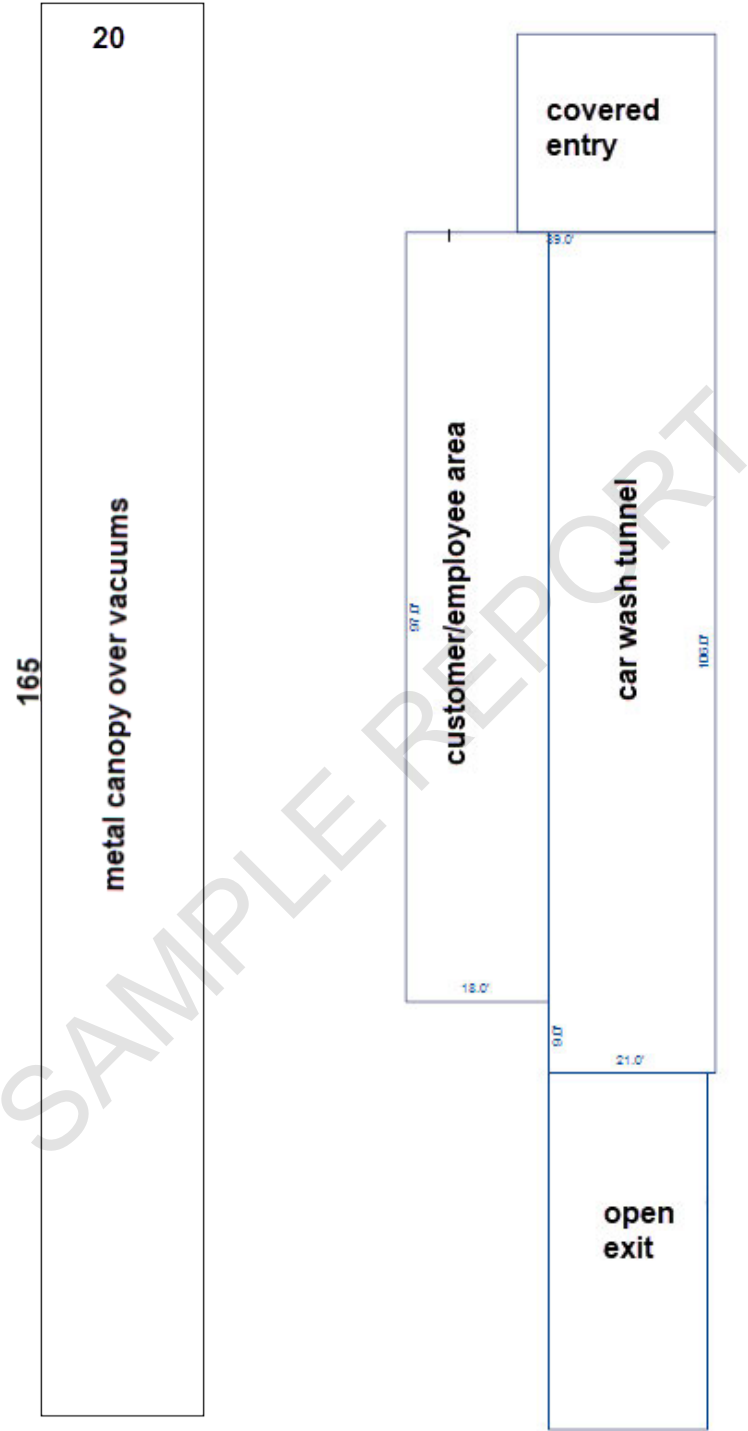


8.) LOOKING EAST TOWARD ACQUISITION AND EASEMENT AREAS

Photo Map (excerpt of court map with photo location arrows)



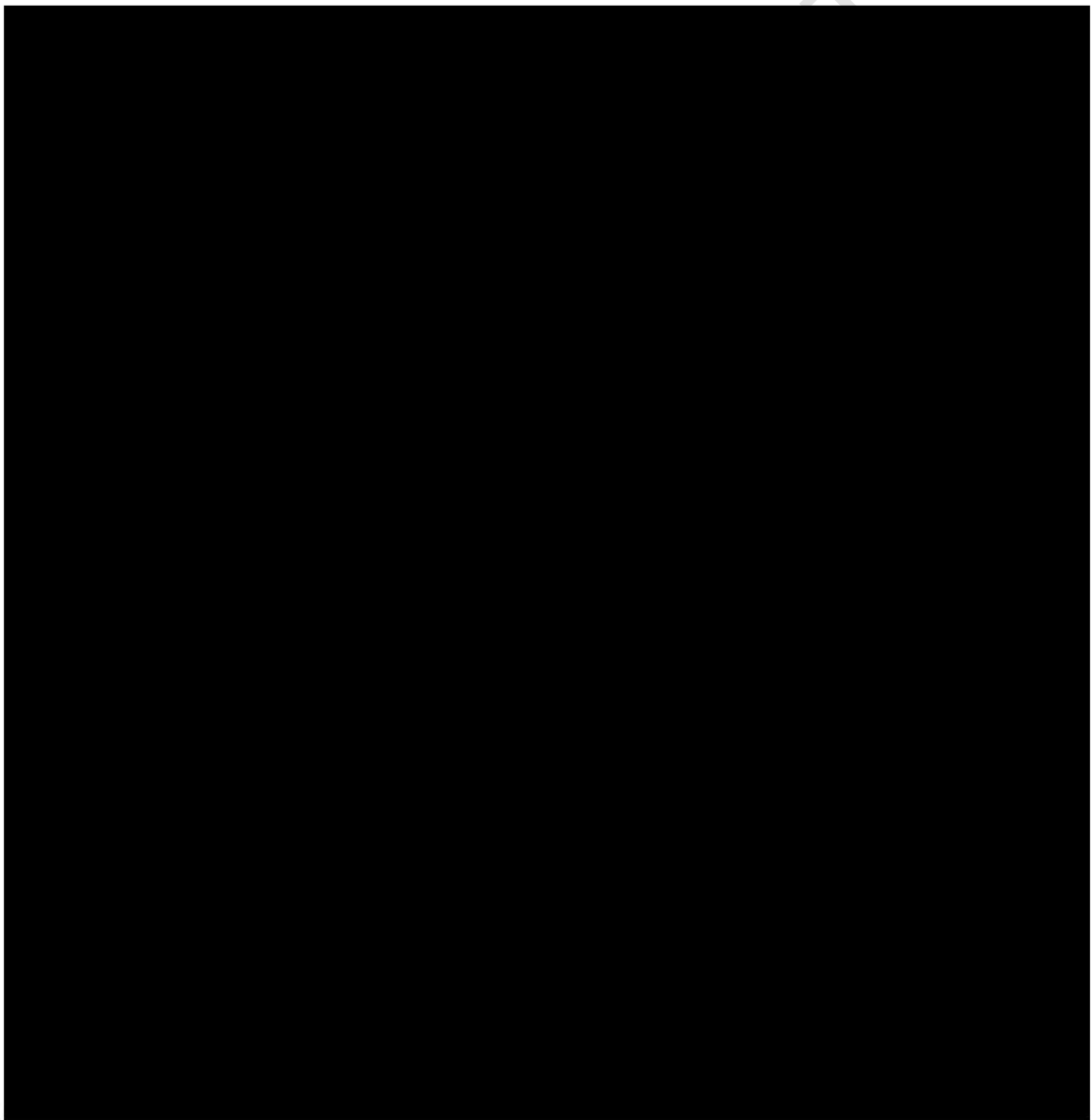
Subject Building Sketch\*

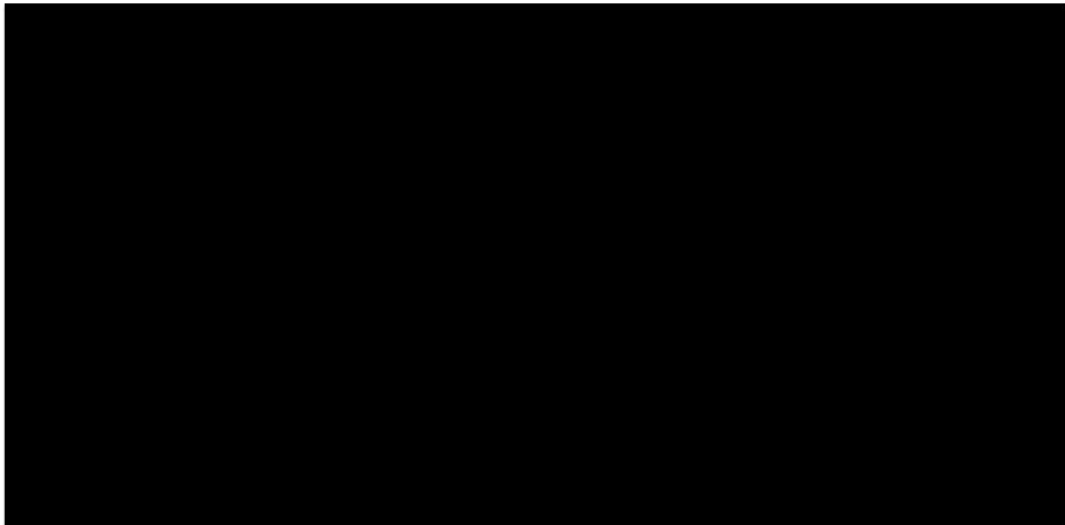


\*not to scale



SUBJECT DEED





[SIGNATURES BEGIN ON NEXT PAGE]

BTM:657980v1

**SEPARATE SIGNATURE PAGE TO  
NORTH CAROLINA SPECIAL WARRANTY DEED**

IN WITNESS WHEREOF, the Grantor has caused this instrument to be signed and delivered as of the day and year first above written.

**GRANTOR:**

[Redacted Signature]

State of North Carolina – County of Mecklenburg

I, [Redacted], Notary Public in and for the County and the State aforesaid, certify that [Redacted] is the manager of [Redacted] a North Carolina limited liability company, personally appeared before me this day and acknowledged to me that he signed the foregoing document.

Witness my hand and Notarial stamp or seal, this 16<sup>th</sup> day of June, 2017.

My Commission Expires: 8/5/2018  
(Affix Seal)

[Redacted Seal]

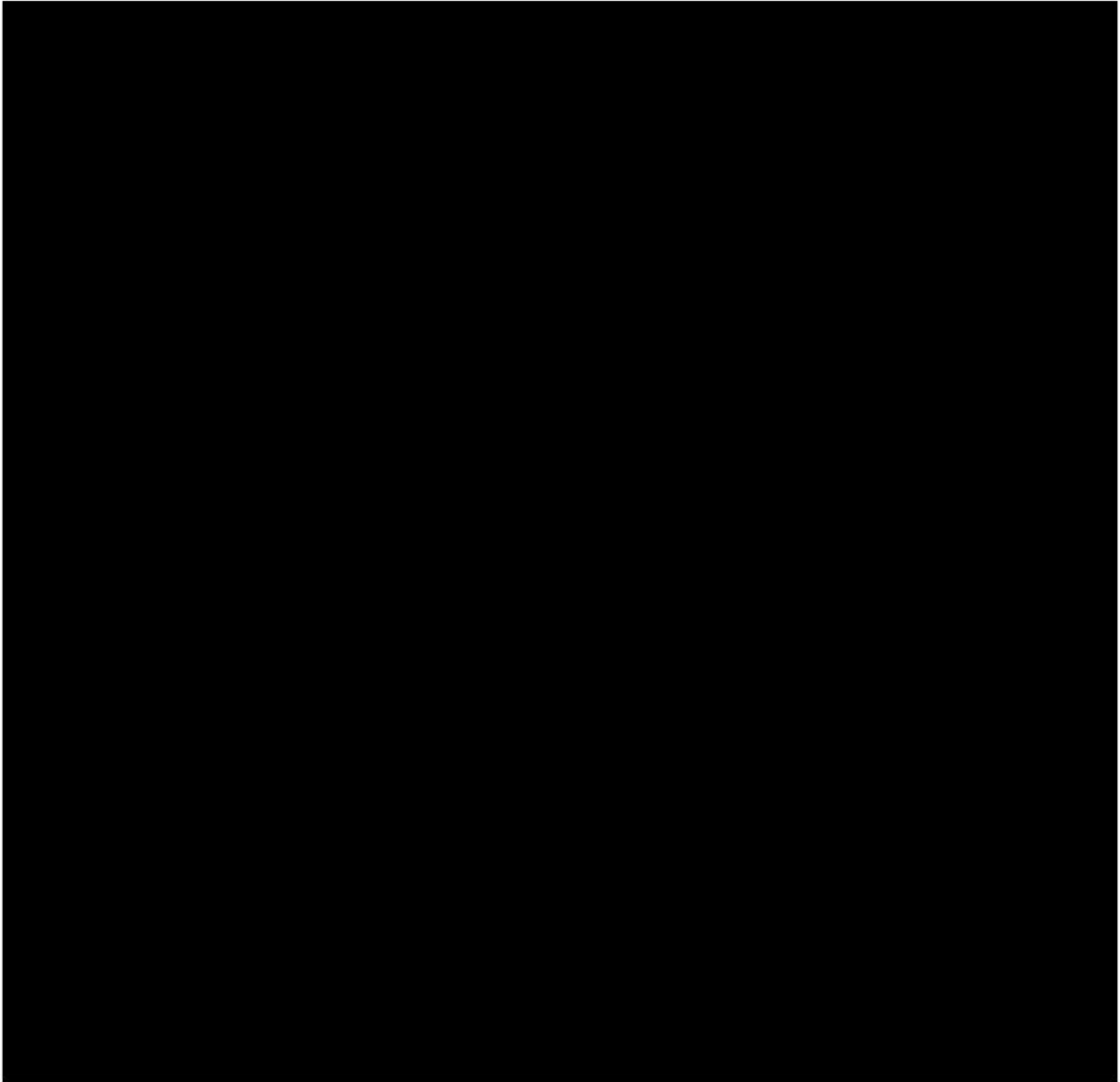
[Redacted Name] Notary Public  
Notary's Printed or Typed Name

BT\637980v1

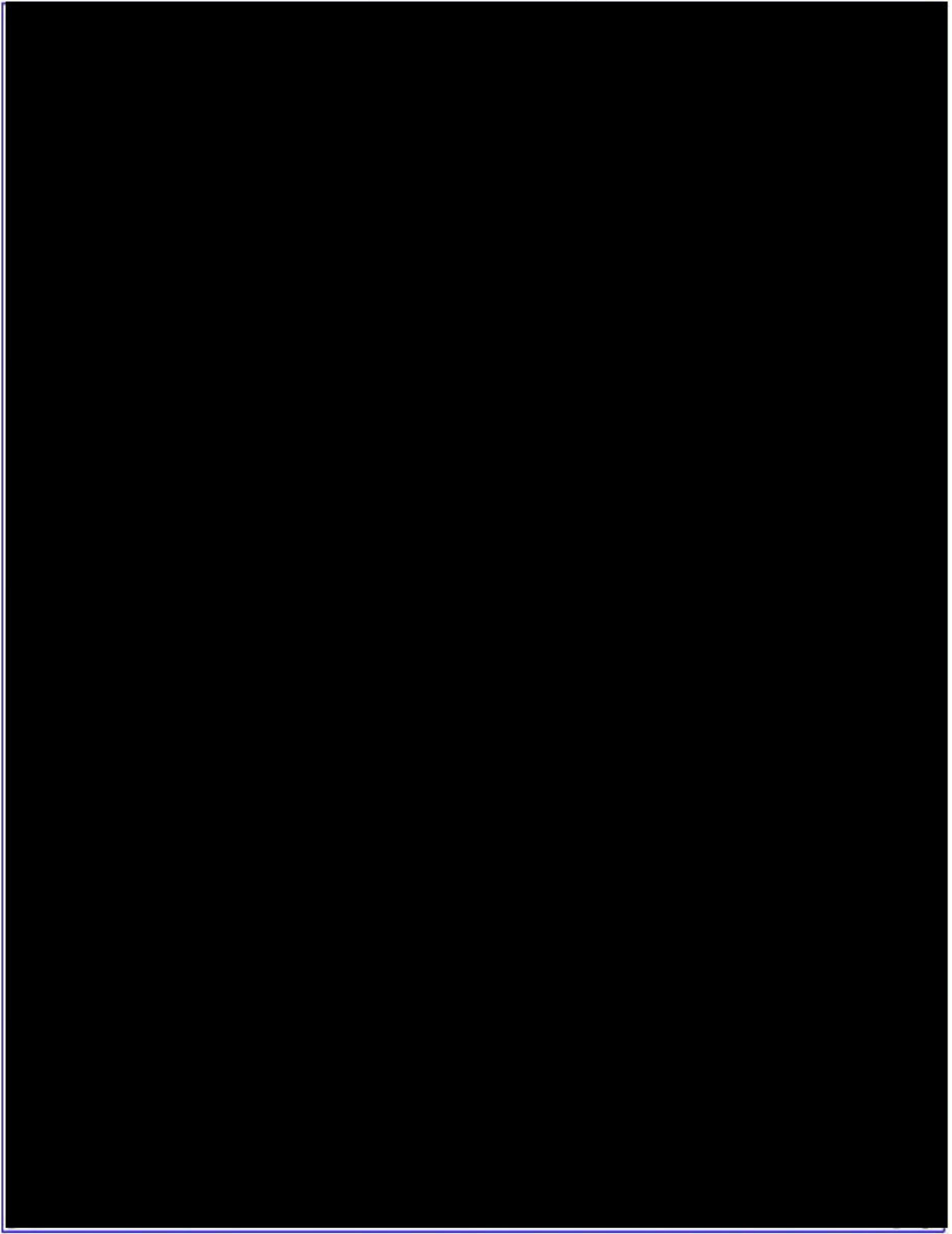
## SUBJECT TAX CARD

11/13/2018

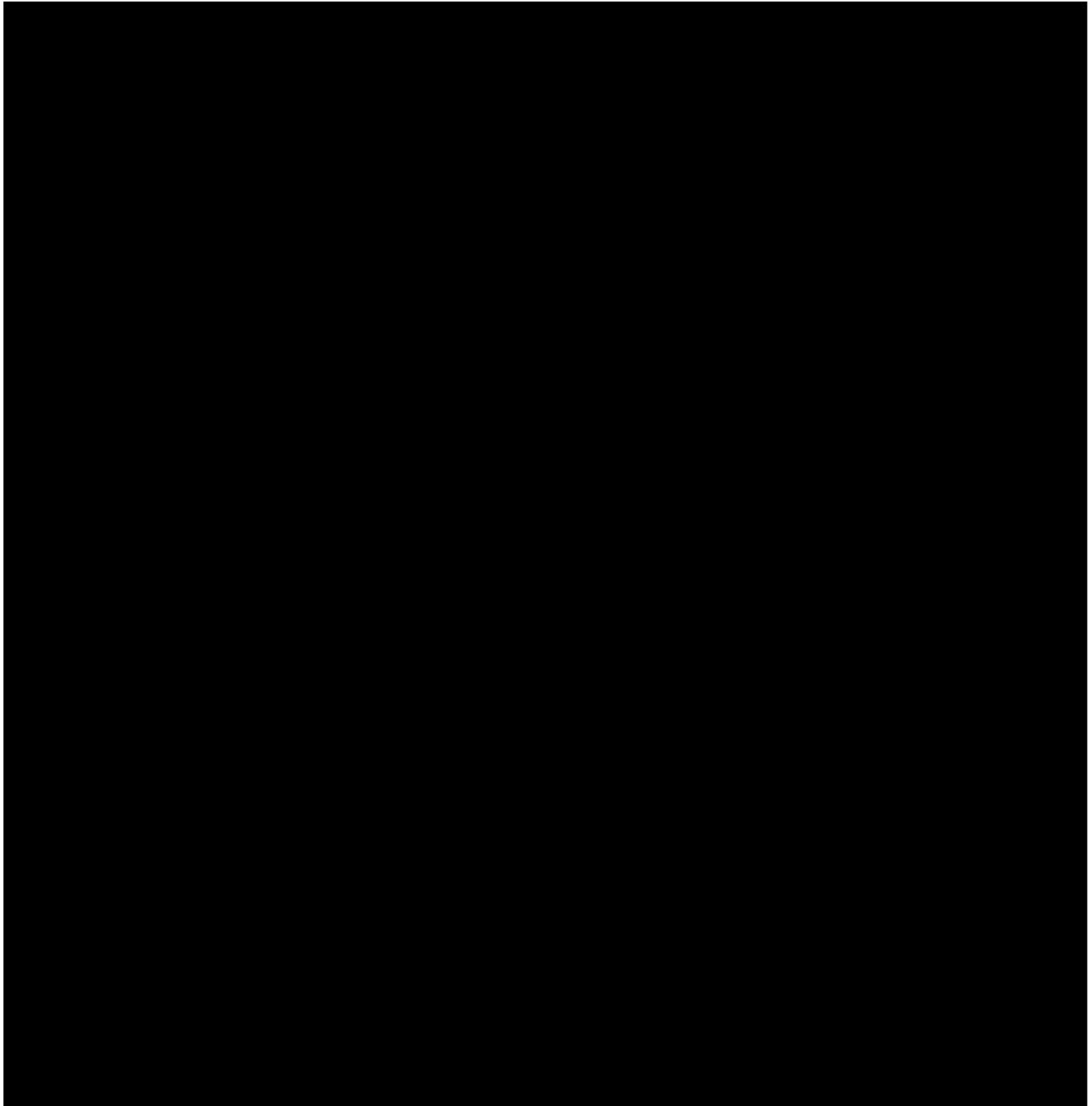
Appraisal Card



SUBJECT FLOOD MAP



**Plan Sheet (Partial sheet 23)**

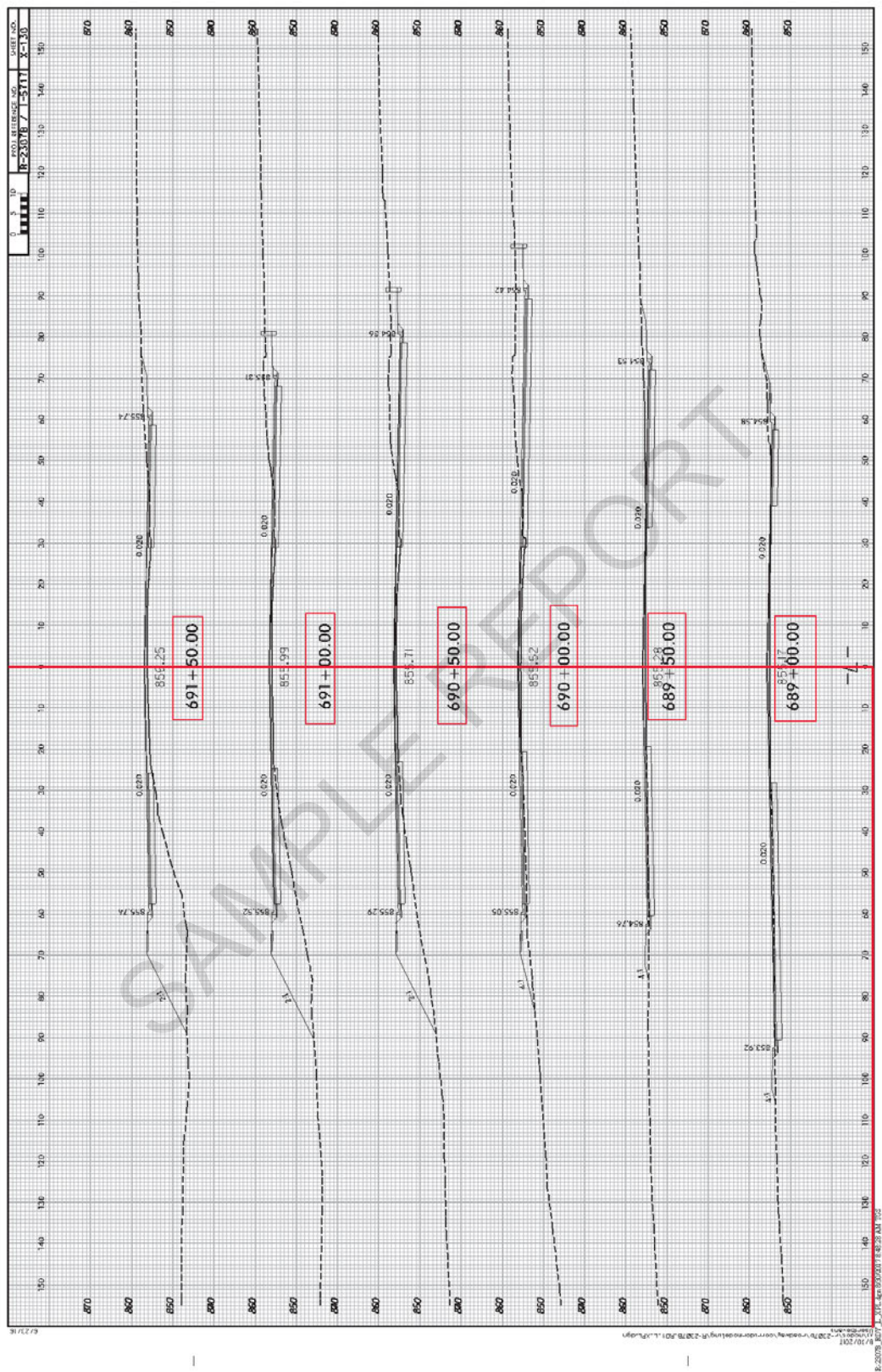


BEGIN 2'-0" C&G & +60 +15 319' END 2'-0" C&G &

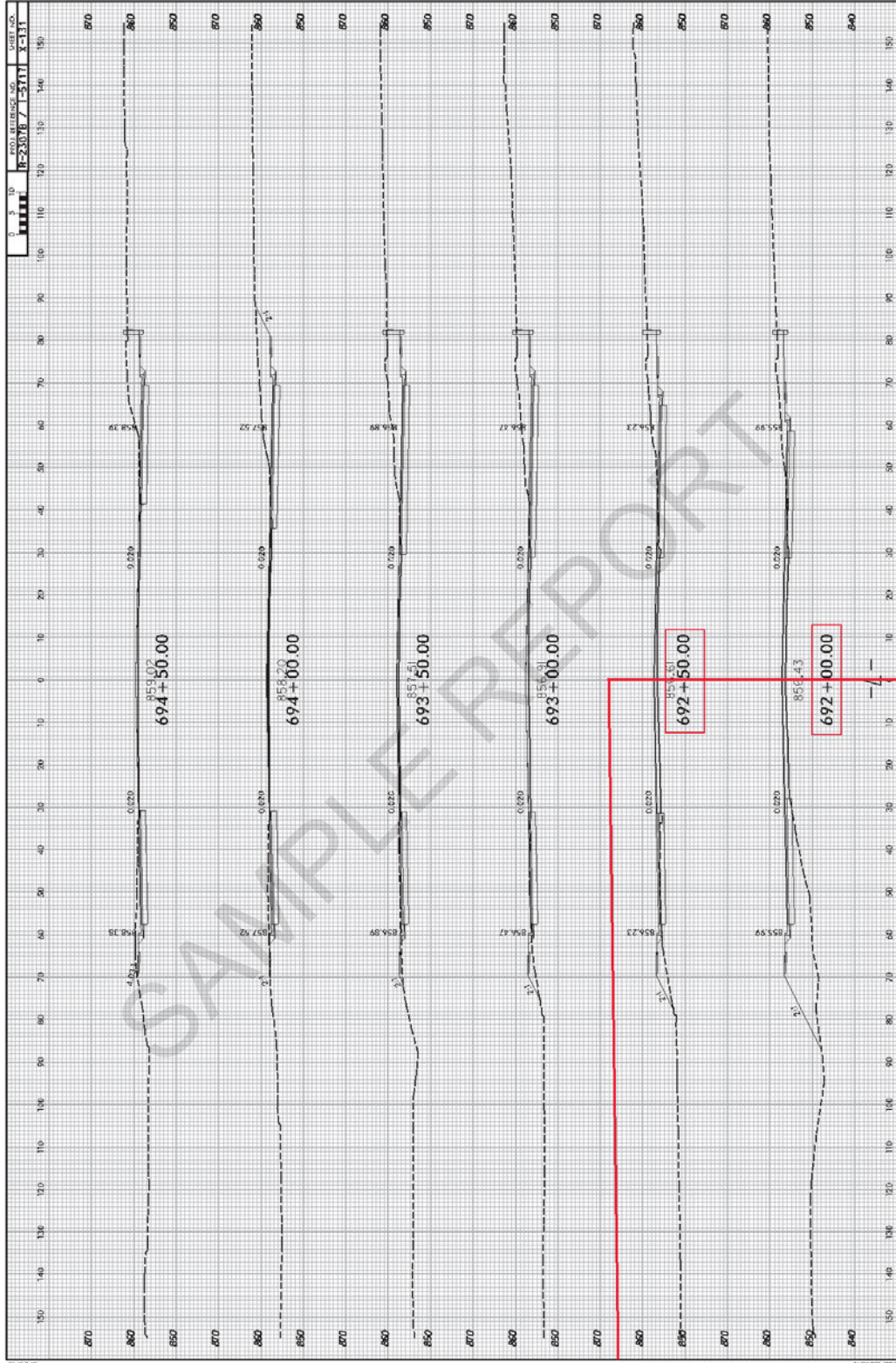
Note that the plan sheet does not reflect any changes effective on the court map, which supersedes the plan sheet. The plan sheet is offered as a visual demonstration of the new roadway only. Right of way acquisition area shaded green. TCE shaded yellow. (Slope easement not shown.)

[illegible]











- Right of Way Unit

Certificate of Appraiser

TIP/Parcel No.: [REDACTED] WBS Element: [REDACTED] County: [REDACTED]

Description: [REDACTED]

Property Owner's Name: [REDACTED] Fed Aid Project: [REDACTED]

I HEREBY CERTIFY THAT:

I have ☐, have not ☒, performed X appraisal and X other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment. If "Have" box is marked, please see Scope of Appraisal Section for details.

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales/rentals relied upon in making said appraisal. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the State of North Carolina, and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the State of North Carolina.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with [REDACTED] Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the [REDACTED] Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice and shall also comply with all applicable Local, State, and Federal laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto.

Neither my employment nor my compensation for making this appraisal is in any way contingent on the values reported herein.

I have no direct or indirect, present or prospective interest in neither the subject property nor any benefit from the acquisition of this property nor any bias with respect to the parties involved.

In addition to the undersigned, those persons duly noted in this report and under my direct supervision and responsibility, in so far as this particular appraisal is concerned, have contributed to the production of this appraisal. The analyses, conclusions or value estimates set forth in this appraisal are those of the undersigned.

I will not reveal the findings and results of such appraisal to anyone other than the proper officials of the State of North Carolina or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings or to a duly authorized professional peer review committee.

My independent opinion of the difference in Market Value as of the [REDACTED] day of [REDACTED], 20[REDACTED], is \$ [REDACTED] based upon my independent appraisal and the exercise of my professional judgment.

[REDACTED]  
Specified Appraiser

10/20/2022  
Date



**Right of Way Branch  
Appraisal Summary Sheet**

1. TIP/Parcel No. [REDACTED] WBS Element: [REDACTED] County: Harnett

2. Owner(s): [REDACTED] Fed Aid Project: [REDACTED]

3. Plan Sheet No.: [REDACTED] Survey Stations: [REDACTED]

4. Land Areas:	AREA LT.OF R/W	AREA IN R/W	AREA RT.OF R/W	TOTAL
	3.450 ac	0.547 ac	0.000 ac	3.997 ac
5. Less: Land Area in Existing R/W:	0.000 ac	0.000 ac	0.000 ac	0.000 ac
6. Appraise Net Areas	3.450 ac	0.547 ac	0.000 ac	3.997 ac

7. Easements: TCE: 0.186 ac AUE: \_\_\_\_\_ PDE: \_\_\_\_\_  
TDE: \_\_\_\_\_ PUE: 0.424 ac PCE: \_\_\_\_\_  
TUE: \_\_\_\_\_ DUE: \_\_\_\_\_ Other: Slope 0.520 ac

8. Improvements Lt. of R/W	Improvements to be Acquired	Improvements Rt. of R/W
3-story hotel, asphalt drive/parking, landscaping, pool, fence, concrete paving, lighting, curbing, misc. site improvements	Asphalt paving, curbing, landscaping, fencing, lighting	none

9. Rights and Interests to be Appraised: **Unencumbered Fee Simple Interest**  
(Subject to Existing Easements and Restrictions as Affected by Highway Acquisition.)

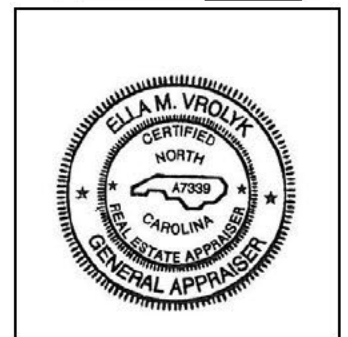
10. Estimated "MARKET VALUE" of Property Immediately Before:  
Land \$ [REDACTED]  
Improvements \$ [REDACTED]  
TOTAL \$ [REDACTED]

11. Estimated "MARKET VALUE" of Property Immediately After:  
Land \$ [REDACTED]  
Improvements \$ [REDACTED]  
TOTAL \$ [REDACTED]

12. "DIFFERENCE" Between Before and After Value (If Benefited, Type "BENEFITS") \$ 5 [REDACTED]

[REDACTED]  
Signed \_\_\_\_\_ February 18, 2021 (date of taking)  
Date of Appraisal

Name: Ella M. Vrolyk, MAI Phone: (828) 301 0051  
Address: 1120 South Tryon St., Suite 200  
Charlotte, NC 28203  
E-Mail Address: Ella.vrolyk@cbre.com





March 4, 2023

[REDACTED]

R.E. Parcel No.: [REDACTED]

[REDACTED]:

At your request and authorization, the following report is an estimate of the market value of the fee simple estate of the hotel property located at [REDACTED], North Carolina. The retrospective value estimate for this project is given "as is" as of the date of taking, or, or February [REDACTED].

I have inspected the site, the improvements, the comparable market data, reviewed the project plans and submit the following report. This appraisal contains the introductory and descriptive material, market data collection methods, highest and best use analysis and the value of the fee simple estate.

This report is subject to the Code of Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP). All estimates and conclusions are subject to the limiting conditions set out in the report.

The "as is" before value of the subject property as of the date of taking, or February [REDACTED] was;

[REDACTED]  
(\$ [REDACTED])

The "as is" after value of subject property as of the date of taking, or February [REDACTED], was;

[REDACTED]  
[REDACTED]

The difference between the before and after value of the subject property as of the date of taking, or February [REDACTED], was;

[REDACTED]  
[REDACTED]

Sincerely,

[REDACTED]

Ella M. Vrolyk, MAI  
NC State-Certified General Real Estate Appraiser #A-7339



[REDACTED]

Haywood F. Newkirk, MAI  
NC State-Certified General Real Estate Appraiser #A-3832



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## CERTIFICATION

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

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

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

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

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

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

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

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

As part of a prior appraisal assignment, Ella M. Vrolyk, MAI, inspected the subject property on March 11, 2020, accompanied by the property owner and his attorney. Ella Vrolyk inspected the subject from the right of way on February 18, 2023. As part of a prior appraisal assignment, Haywood F. Newkirk, MAI, inspected the property on March 16, 2020. He inspected the subject from the right of way on February 22, 2023.

Ella Vrolyk and Haywood Newkirk inspected the comparable land and improved sales from their respective rights of way.

Ella M. Vrolyk and Haywood F. Newkirk have appraised the subject property one time within the last three years.

No one provided significant appraisal assistance in the completion of this report.

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

As of the date of this report, Ella M. Vrolyk, MAI and Haywood F. Newkirk, MAI have completed the continuing education program of the Appraisal Institute.

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



Ella M. Vrolyk, MAI



March 4, 2023



Haywood F. Newkirk, MAI



March 4, 2023



## Hypothetical Conditions and Extraordinary Assumptions

---

In compliance with *Uniform Standards of Professional Appraisal Practice* this section identifies hypothetical conditions that are required for the completion of the appraisal assignment.

A **hypothetical condition** is defined as that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions 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. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.  
(USPAP, 2020 – 2022 ed., page – 16).

The following hypothetical conditions are used in the analysis of the subject property:

- The appraisal involves estimating the value of a property before and after the proposed project and additional Right-of-Way is established with additional consideration for damages, benefits, or both. The property is appraised “as is”, before consideration of the proposed taking and impact of the project. Next, the property is appraised under the *hypothetical condition*<sup>1</sup> that the proposed project is complete as of the appraisal date. Consideration is given to the impact on value for the use of the easement area (if applicable) and any benefits or damages resulting from the project.

The hypothetical conditions are used in this instance to properly develop credible opinions and conclusions for purposes of reasonable analysis, and the use of the hypothetical condition results in a credible analysis consistent with the intended use of the appraisal report. The hypothetical conditions are prominently displayed and explained in accordance with the requirements set forth in USPAP for hypothetical conditions.

### Extraordinary Assumptions

- We assume for the purposes of analysis, that the road improvement project will be completed according to the plans provided. If this is not the case, our value estimate herein could change.

The use of hypothetical conditions and extraordinary assumptions may have affected the assignment results.

---

<sup>1</sup> Per the Uniform Standards of Appraisal Practice, 2020 - 2022 Ed., Standards Rule 2-1(c), all hypothetical conditions are identified and explained.

## Executive Summary

Property Identification:	The subject consists of a 57-room hotel on a 3.997-acre site located at [REDACTED], North Carolina. This parcel can be further identified as Harnett County parcel number [REDACTED].
Location:	The site is located along the east side of [REDACTED], just south of the I-95 Exit 72, and has a street address of [REDACTED], Dunn, North Carolina.
Interest Appraised:	Fee Simple Estate
Effective Date of Value "As Is":	February 18, 2021 (retrospective to date of taking)
Ownership:	[REDACTED]
Total Area – "Before":	3.997-acres
Total Area – "After":	3.450-acres
Zoning:	C-3 – Highway Commercial District (Dunn)
Highest and Best Use as Vacant– Before	Commercial Use
Highest and Best Use as Improved– Before	Continued Use of Existing Improvements; Commercial development of Excess land
Highest and Best Use as Vacant – After	Commercial Use
Highest and Best Use as Improved – After	Continued Use of Existing Improvements; Commercial development of Excess land
Value Indicators	
"As Is" – Before:	\$ [REDACTED]
"As Is" – After:	\$ [REDACTED]
Difference	\$ [REDACTED]

## INTRODUCTION

---

### Identification of the Property

The subject consists of a 57-room hotel situated on a 3.997-acre site located at [REDACTED], Dunn, North Carolina. This parcel can be further identified as Harnett County parcel number [REDACTED].

### Property Inspection

As part of a prior appraisal assignment, Ella M. Vrolyk, MAI, completed an inspection of the subject property on March 11, 2020, while accompanied by the property owner and the property owner's attorney. Haywood F. Newkirk inspected the property on March 16, 2020. Subsequent to those inspections, the subject property was condemned on February 18, 2021 by the [REDACTED] in conjunction with the road improvement project. Ella Vrolyk inspected the subject from the right of way on February 18, 2023, and Haywood Newkirk inspected the subject from the right of way on February 22, 2023. Ella Vrolyk and Haywood Newkirk each inspected the comparable land and improved sales from their respective rights of way.

### The Client

[REDACTED]

### Intended Users

The agents and assigns of [REDACTED], [REDACTED] (s), [REDACTED], and [REDACTED] ).

### Intended Use

To assist in the acquisition of private property for public use under the [REDACTED] eminent domain laws.

### Purpose and Function of the Report

This report has three purposes.

1. The first purpose of this report is to estimate the "as is" before value of the parcel, retrospectively as of the date of taking, or February [REDACTED].
2. The second purpose of this report is to estimate the "as is" after value of the parcel, retrospectively as of the date of taking, or February [REDACTED].
3. The third purpose of this report is to estimate the difference in the before and after value of the parcel, retrospectively as of the date of taking, or February [REDACTED].

### Definition of Market Value

As defined in The Appraisal of Real Estate, 15th Edition (p.48), "MARKET VALUE is the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a

competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeable, and for self-interest, and assuming that neither is under undue duress."

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

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

The function of the appraisal report is for market valuation purposes.

### **Scope of the Appraisal**

The scope of this appraisal involves an inspection of the subject property and general area, research into the market for sales and other comparable information, analysis of the findings, and a report of the findings in a narrative format.

As part of this appraisal, a number of independent investigations and analyses were conducted. In addition to data compiled on a regular basis, the investigations undertaken and major data sources used are listed below:

*Area and Neighborhood Analysis* - Examined information provided by Harnett County, the Town of Dunn, and the U.S. Census Bureau concerning demographics, land use policies and trends, growth forecasts and employment data. Information concerning the subject neighborhood was taken from a physical inspection and observation of the area.

*Site Description and Analysis* - The parcel size has been taken from information provided by the North Carolina Department of Transportation, specifically the court map prepared in compliance with NC General Statute 136-106 and entitled "State of [REDACTED], et al, [REDACTED]".

*Land Value by Comparison Approach* - Land transfers were obtained by researching comparable land sales within Dunn and the surrounding areas.

*Cost Approach to Value* - Land transfers were obtained by researching comparable land sales within the Dunn and surrounding areas. The cost for the improvements was taken from construction cost estimates provided by Barringer Construction and the HVS hotel development survey. Additionally, the Marshall Valuation Service cost guide was utilized. The concluded land value will then be added to the estimated construction cost to determine the value by this approach.

*Sales Comparison Approach to Value* - In this analysis, sales of comparable hotels were compiled from Dunn and the surrounding areas. These have been inspected and the sale prices confirmed with the buyer, seller or broker.

*Reporting Process* – Ella M. Vrolyk, MAI, is the primary appraiser of this report. Ella M. Vrolyk made an inspection of the subject as well as the comparable sales from their respective rights of way. Haywood F. Newkirk, MAI inspected the subject and the comparable sales from the right of way. Mr. Newkirk also read and analyzed the report in terms of consistency and methodology.

### **Property Rights Appraised**

The value of the subject considers all those rights that are held in the fee simple estate. The fee simple estate is defined as; “an absolute ownership interest unencumbered by any other interest or estate.” The valuation estimate assumes that the property is free and clear of all encumbrances, except those noted in the deed and available for its highest and best use.

### **Owner of Record**

According to the [REDACTED], the owner of record for the subject is [REDACTED] whose mailing address is [REDACTED].

### **History of the Property**

The current owner of record acquired the property on [REDACTED], as recorded in the Harnett County public record in deed book [REDACTED], beginning on page [REDACTED].

There have been no transactions of the subject over the last five years, and to the best of my knowledge, the subject is not currently listed for sale and there are no transactions pending involving the subject (in whole or in part).

### **Legal Description**

A copy of the legal description is located in the addenda.

## REGIONAL AREA ANALYSIS

An analysis of the area in which the subject is located considers the four forces which affect property value. These forces are economic, social, governmental, and environmental. The four forces are interactive, and each affects the economic climate of the area, particularly the behavior patterns of typical buyers and sellers in the subject's market.

Harnett County is located in Central North Carolina, approximately 32 miles southeast of Raleigh, approximately 25 miles northeast of Fayetteville, and approximately 25 miles northwest of Clinton. Harnett County encompasses a total area of approximately 595 square miles. The county includes five incorporated municipalities. Dunn, the largest city in the county, is located near the eastern boundary line of the county along I-95 with the town of Lillington as the county to the west. As of 2019 census data, the county had a population of just over 135,976 residents.

### Economic Forces

Economic forces typically include factors which influence property development trends and consequently property values. Factors considered are the characteristics of the area's workforce, trends in employment opportunities, and the influence each has on property.

The following chart compares economic factors of Harnett County to those of the state.

Economic Forces	Harnett County	North Carolina
Per Capita Income (2019)	\$23,767	\$30,783
Median Household Income (2015-2019)	\$53,554	\$54,602
Unemployment Rate (October 2020)	6.4%	6.3%
Persons below the Poverty Level (2019)	15.6%	13.6%
Retail Sales per Capita (2012)	\$7,119	\$12,376

Source: U.S. Census Bureau, Bureau of Labor Statistics

As indicated, Harnett County reports a per capita income level that is over 22% below the state average and a median household income that is approximately 2% below the state level. And, although the county's unemployment rate has decreased slightly in recent months, it is still slightly above the overall state average. The percentage of residents with income levels reported below the poverty line is notably higher in Harnett County than on average in the state.

### Social Forces

Social forces such as population growth or decline patterns, education levels, and overall living standards directly affect the need for real estate by influencing requirements for housing and businesses which provide goods and services.

The following chart summarizes the most relevant social factors in Harnett County and compares the county figures to the state averages.



<b>Social Forces</b>	<b>Harnett County</b>	<b>North Carolina</b>
Population Change from April 2010 to July 2019	18.6%	10.0%
Bachelor Degree or Higher (age 25+)	21.9%	31.3%
Homeownership Rate (2015 - 2019)	65.4%	65.2%

Source: U.S. Census Bureau

Harnett County has experienced an increase in population in recent years. Over the past nine years, the county population has increased approximately 18.6%. This is a stark contrast to the population increase for the state, which is reported at 10.0% during the same time period.

The education levels in the county lag behind those reported by the state, with a significant gap between the county and the state for residents obtaining a bachelor's degree or higher. However, the homeownership rate in the county of 65.4% slightly surpasses the state average, which is reported at 65.2%.

#### Governmental Forces

Governmental forces include zoning, public services and taxation. Each affects real estate values in that they reflect the land use plans and patterns for the area. In general, an area could be characterized as being pro-development where there is evidence of governmental occurrences such as recent restructuring of the zoning ordinance, favorable taxation system, and continued willingness in the community to expand public services.

Harnett County does have county-wide zoning, although there are areas such as within town limits and in some parts of the county that have their own zoning restrictions. The Harnett County Planning Department and local town administrators have to follow both the North Carolina mandated building codes and the Flood Insurance Rate Program regulations.

Real property tax rates are levied based on the Harnett County assessment. According to the Harnett County tax administrator, the tax office mails over 64,000 property tax notices annually. The most recent county-wide revaluation was completed for the 2017 tax year.

Area law enforcement is provided by the Harnett County Sheriff's Department and the Dunn Police Department. Fire protection services are provided by the county and town of Dunn as well as through localized fire districts and volunteer fire departments.

The Harnett County school system consists of four primary, thirteen elementary, six middle, and five high schools.

#### Environmental Forces

Environmental factors that contribute to property value include factors such as location, transportation, utility availability, climate, terrain, surrounding property uses and even noise levels.

Access to Harnett County is considered good from surrounding regions. Interstate 95 runs in a north/south manner along the eastern portion of the county, while NC 87 runs in a north/south manner through the western portion of the county. NC Highway 421 bisects the central northern portion of the county and provides direct access to NC Highway 87 to the west of the county and I-95 to the east. Other various state-maintained roadways and secondary roadways traverse the county for ease of access.



Harnett County is considered to be predominantly a rural area, with low-density development throughout most of the county. Electricity and telephone service is widely available, but public water and sewerage services are generally limited to the immediate vicinity of the municipalities. It is typical throughout most of the county for developments (residential and commercial) to operate on private water or county water and septic systems.

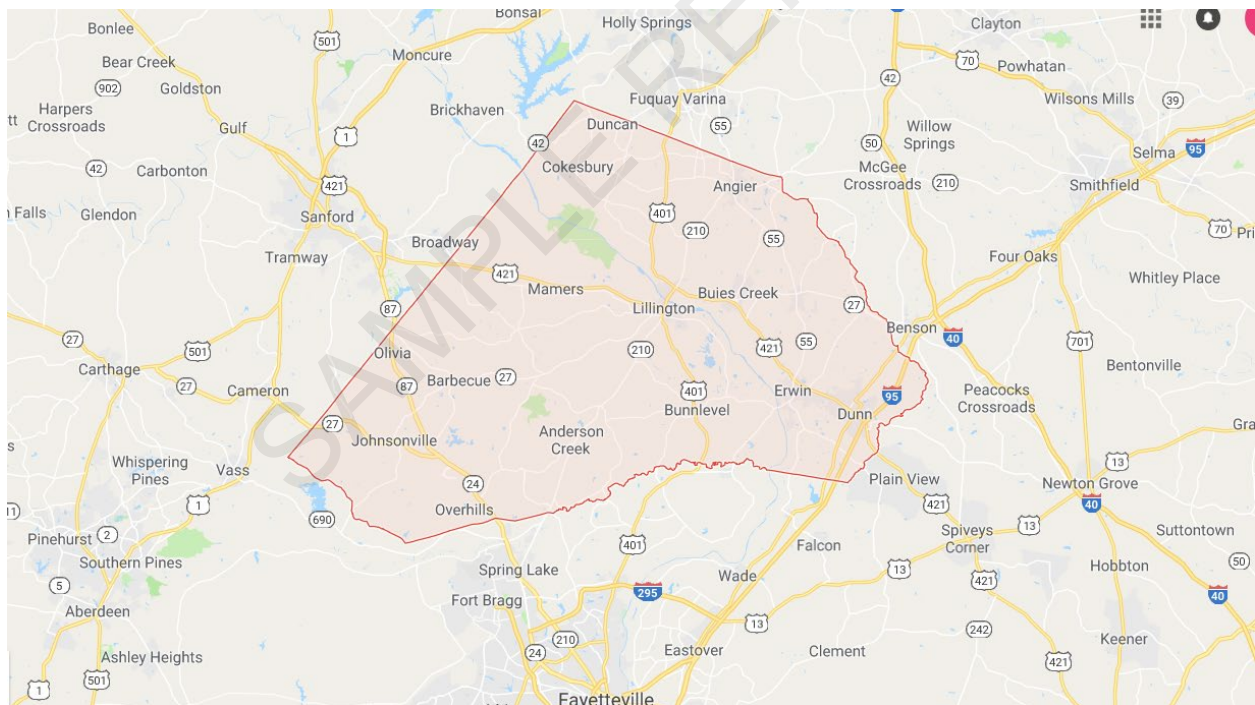
Harnett County includes a moderate climate with average summer temperatures in the 80s and 90s and moderately cold winters typically in the 30s and 40s. The area includes a moderate terrain ranging from level pastureland in the eastern part of the county to gently rolling pasture land in the western part of the county with numerous creeks and streams flowing through the county.

### Summary

Harnett County is described as a predominantly rural county located in Central North Carolina. The county lags behind other parts of the state in indicators of economic stability, including income levels per capita, unemployment rates and education levels. The county does, however, exceed other parts of the state in median household income levels and population growth. The forecast for the county is for continued stability in the short terms and population growth in upcoming years.

An area map follows.

**Harnett County Area Map**  
(county outlined and shaded in red)



## NEIGHBORHOOD DESCRIPTION

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A neighborhood is defined in the Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition, as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises”.

Neighborhood analysis is defined as “the objective analysis of observable and/or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors.

The subject is located just outside the city limits of Dunn, in the eastern portion of Harnett County. The county seat is in Lillington to the west.

**Boundaries:** The neighborhood essentially encompasses the city of Dunn including Dunn’s ETJ.

**Land Use Characteristics:** The subject neighborhood is stable, with limited development activity. The subject neighborhood is approximately 60% developed with 40% remaining in vacant land. The neighborhood includes a mix of residential, commercial, agricultural, and recreational uses, as well as vacant land. Improvements in the subject neighborhood typically reflect average quality construction and most appear to be well maintained.

**Land Use Change:** The subject neighborhood has seen very light growth in recent years with no significant changes in land use. Over the last five to six years, the market appears to be stable with very little change in terms of sales volume.

**Immediate Land Use:** Land use in the immediate vicinity of the subject is primarily residential and commercial uses at each I-95 interchange.

**Access:** Access to the subject neighborhood is considered good. Interstate 95 traverses the eastern edge of the city and provides direct access to Interstate 40 to the north and Interstate 74 to the south.

**Road Improvements:** Neighborhood roadways are primarily asphalt-paved state-maintained roadways in good condition.

**Utilities Available:**

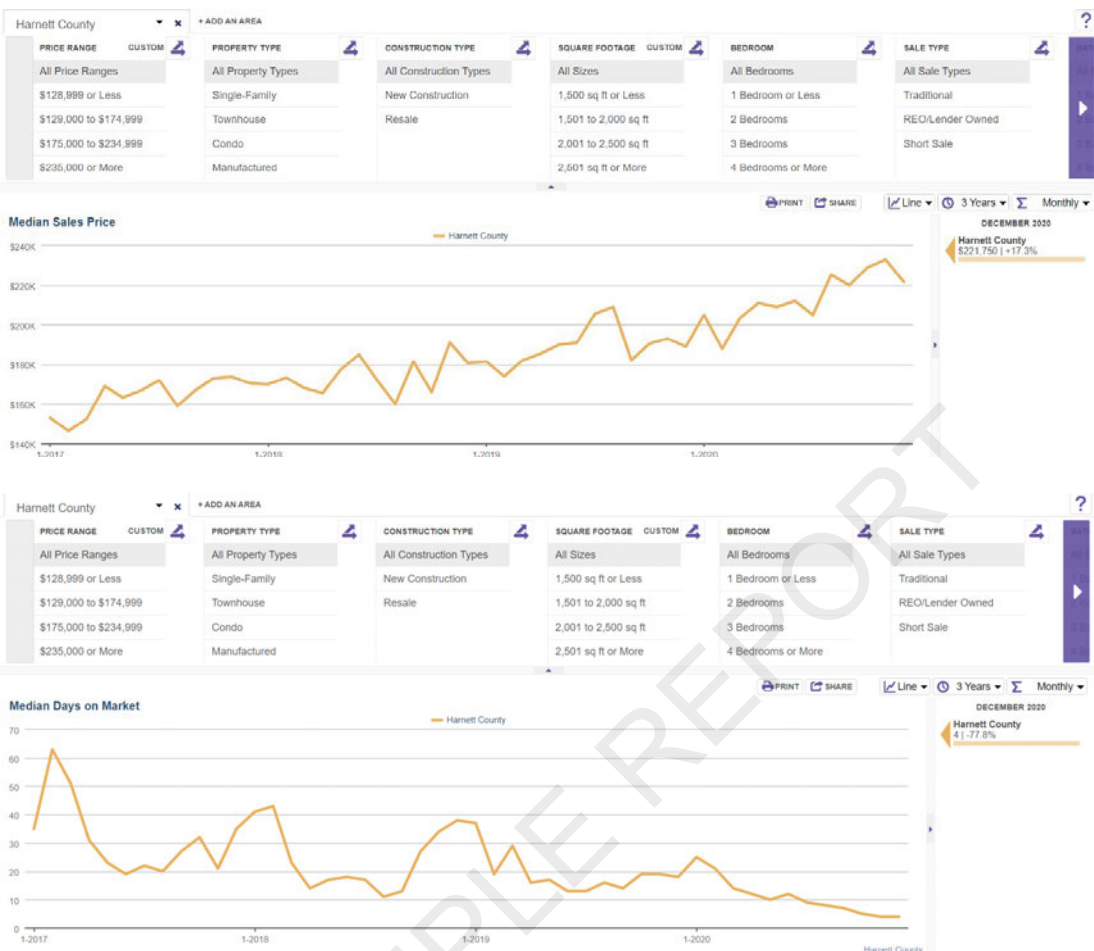
Electricity:	Yes, Duke Energy
Telephone:	Yes, various providers
Water/Sewer:	Yes, City of Dunn and Harnett County (outside city limits)
Natural Gas:	Yes, for some parts of the city, Harnett County

**Nuisances &**

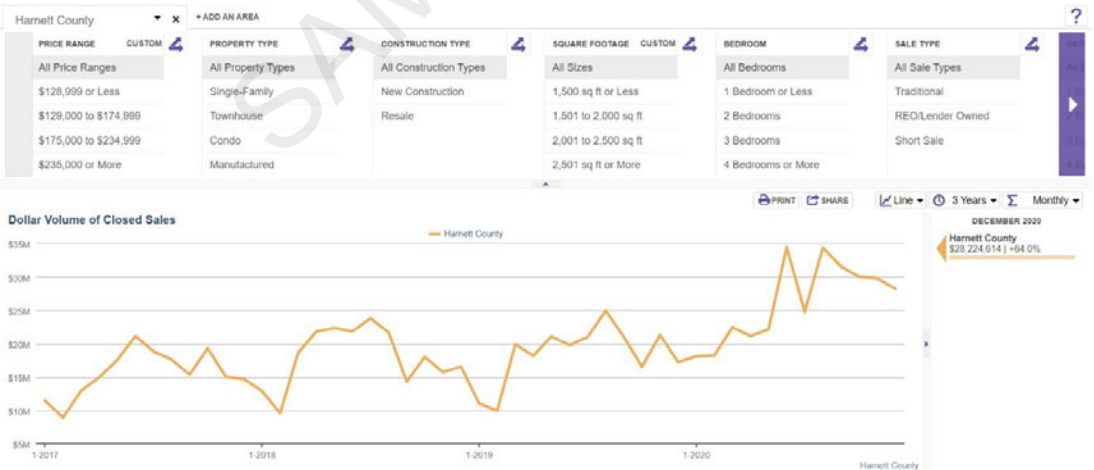
**External Obsolescence:** Neighborhood properties have adequate levels of maintenance. According to Gail Adams with RE/MAX, the noise levels along the Interstate 95 corridor may have an obsolescence with regards to residential properties. No additional adverse or unfavorable factors were observed.

**Neighborhood Life Cycle:** Most recently there has been minimal growth with a forecast of moderate, sustainable growth. While vacant land is available, supply appears to be higher than demand in the current market. Conversations with county officials indicate that no new development of significance is anticipated in the foreseeable future.

Real Estate Trends: According to the Triangle MLS, the median sales price has been on the rise over the past several years while the median days on market within Harnett County has also been on the decline.



The overall dollar volumes have also been on the increase as indicated in the chart below.



It's noted that most of this growth is located in areas of the county that are closer to the Raleigh growth pattern.

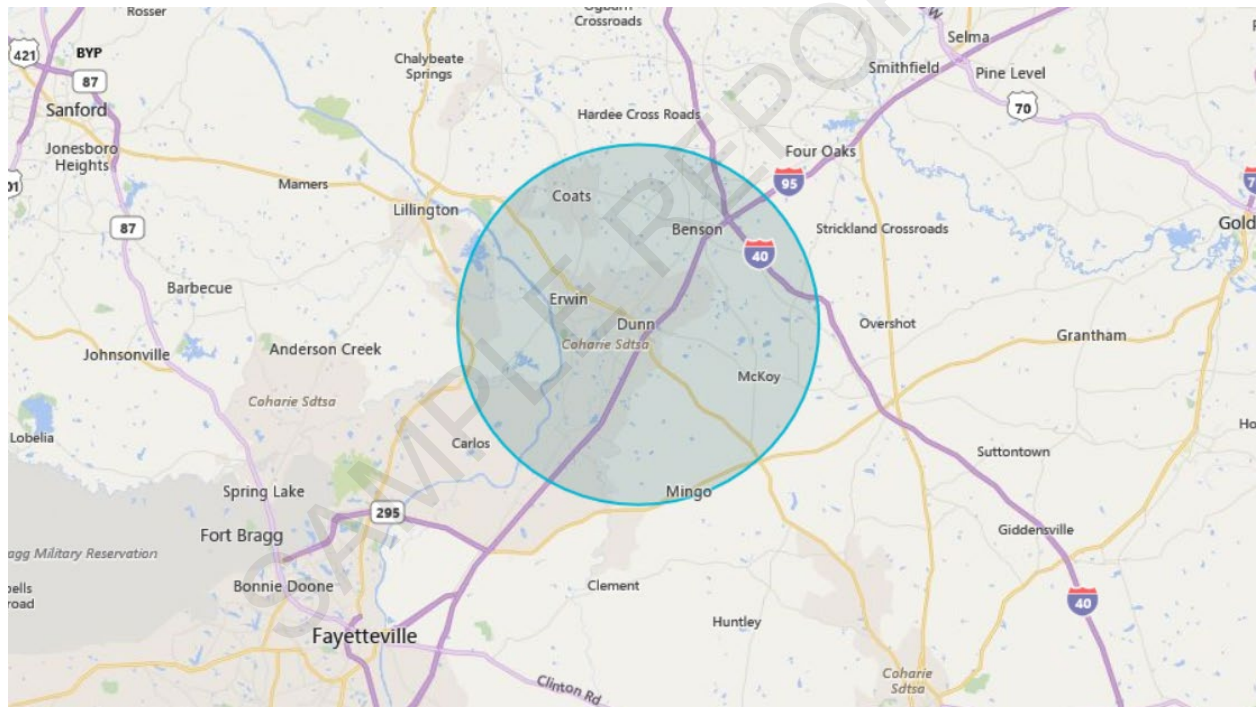
According to the residential permit activity for Harnett County the overall activity has been increasing

for new residential construction since 2015 with 519 permits in 2015, 581 permits in 2016, and 578 permits in 2017. The commercial activity in the county has 14 permits in 2015, 16 permits in 2016, and 20 permits in 2017. The commercial permit estimates do not include new construction for institutional buildings.

According to the residential permit activity for the City of Dunn the overall activity has been relatively in balance for new residential construction since 2015 with 20 permits in 2015, 19 permits in 2016, and 19 permits in 2017. The commercial activity in the City of Dunn has been more minimal with 8 permits in 2015, 10 permits in 2016, and only 2 permits in 2017. The commercial permit estimates do not include new construction for institutional buildings.

When the permit activities from the county to the City of Dunn are compared it appears that a majority of the residential and commercial growth has occurred within the county. According to county officials the majority of the residential growth has occurred in the northwestern portion of the county closer to the Raleigh growth pattern. They also indicated that much of the commercial growth has occurred in the southwestern portion of the county closer to Fort Bragg.

### NEIGHBORHOOD MAP





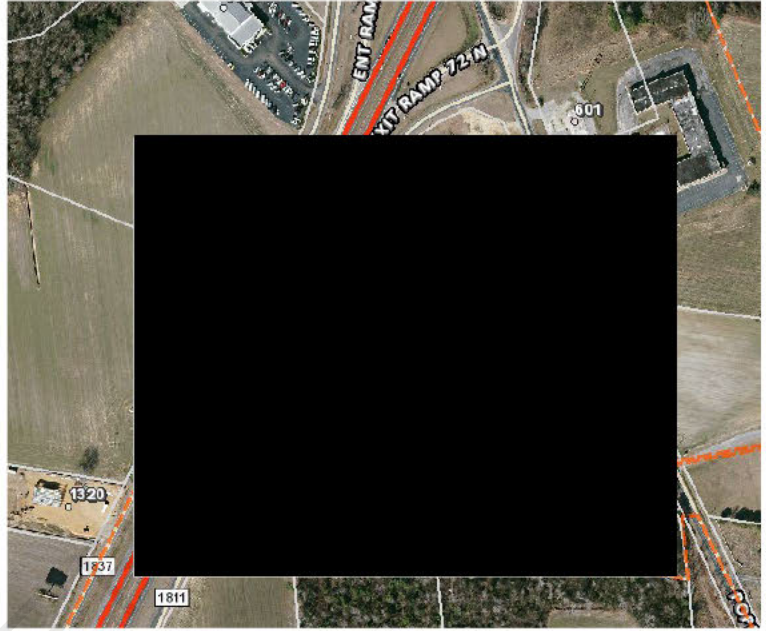
## THE LAND - BEFORE

### Location

The site is located along the east side of [REDACTED], just south of the I-95 Exit 72 ramp, and has a street address of [REDACTED].

### Size/Shape/Dimensions

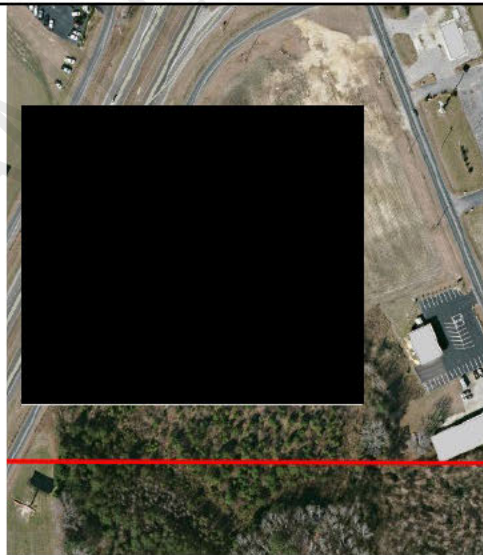
The site is mostly rectangular in shape and contains 3.997-acres (per the court map). This site has approximately  $\pm 400'$  of frontage along the east side of Bud Hawkins Road. At the subject site, I-95 indicates a traffic count of approximately 57,000 cars per day according to a 2021 NCDOT traffic study. Spring Branch Road (the nearest interchange off of I-95 to the subject) indicates a traffic count of approximately 5,000 cars per day according to a 2021 NCDOT traffic study. The reader's attention is focused to a copy of the aerial map located to the right.



Aerial view of subject via Harnett County GIS

### Topography

The site can be characterized as level and at the grade of the roadway. The site is cleared and improved. According to FEMA Flood Zone Map Number [REDACTED] dated 10/3/2006, the subject does not lie within a flood hazard zone.



Map Location

Flood Zone: (Zone X) Minimal Flood Risk

Flood Source: Flood model is not available for this area.

Base Flood Elevation: N/A More

County: Harnett

Political Area: City Of Dunn

CID: 370264

Panel: 1506 Download

Map Number: [REDACTED]

Panel Effective Date: 10/3/2006

Latitude: [REDACTED]

Longitude: [REDACTED]

Flood data per Flood Risk Information System

### Soils

According to the United States Department of Agriculture's Web Soil Survey, The predominate soil at the subject site is classified as NOaA, or Norfolk loamy sand, 0 to 2 percent slopes. There is a limited amount of soil in the northeast corner of the site classified as Ra – Rains Sandy loam 0 to 2 percent slopes, as shown in the exhibit to the right.



Per the USDA Web Soil Survey

### Utilities and Services

Duke Energy Progress provides electricity and multiple companies provide telephone service. Municipal water and sewer service are available to the subject from the town of Dunn. The Town of Dunn also provides police, fire and trash collection. The Dunn Fire Department provides rescue services.

### Access

The site is accessible from [REDACTED] Road with two points of access.

### Easements and Restrictions

There are no known adverse easements or restrictions noted at the subject. The site includes typical easements for utilities.



## THE IMPROVEMENTS - BEFORE


The subject site is improved with a 57-room hotel of approximately 26,280 square feet in a three-story building constructed in 1998, according to the Harnett County tax records. The building has a stucco exterior with an asphalt-shingled roof and is constructed on a slab foundation. The hotel currently includes the "Comfort Inn" branding.

In addition to the 57 guest rooms, the hotel includes a lobby/reception area, breakfast room with kitchen, laundry facilities, and staff offices.

Based on a physical inspection it appears that the subject has had an ongoing maintenance program and recent renovations. The building has a total economic life new of 45 years and an actual age of 23 years. Based on the inspection, it has an effective age of approximately 15 years and a remaining economic life of 30 years. The percentage of depreciation for the long-lived items is 33.33%. The percentage of depreciation for the short-lived items ranges from 25% to 60%. There were no items of deferred maintenance noted.

Interior finishes are considered typical and consistent with similar average-quality hotels. The guest rooms (bedroom area) include commercial-grade carpeting, painted sheetrock walls and incandescent lighting fixtures. The guest bathrooms include granite counters, ceramic tile flooring, painted sheetrock walls and incandescent lighting.

The lobby/reception area and breakfast room include laminate flooring, painted sheetrock walls and incandescent ceiling fixture lighting. Overall, the building is in average to good condition, with no deferred maintenance noted.

<p>Overview of The Subject Building</p> <p><i>Photo taken 3/11/2020</i></p>	
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Subject interior

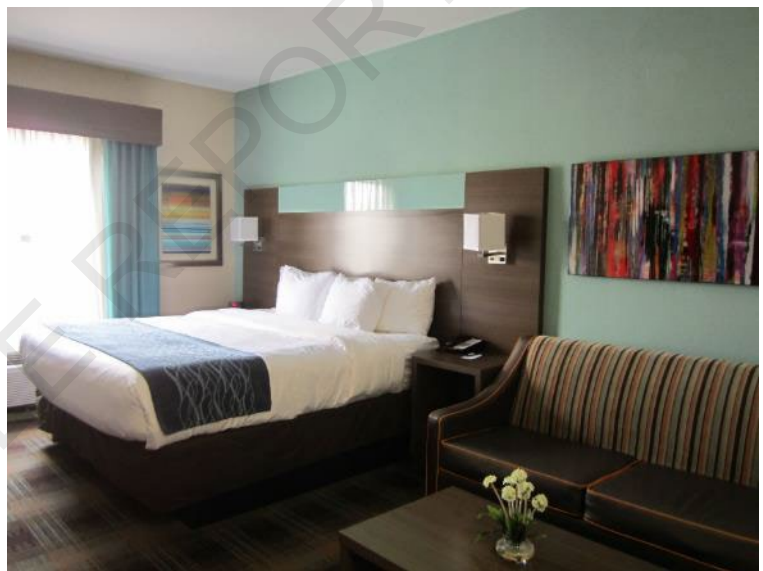
Lobby/Reception  
and Breakfast Area

*Photo taken 3/11/2020*



Typical Guest Room

*Photo taken 3/11/2020*



Typical Guest Bathroom

*Photo taken 3/11/2020*



Additional photos of the subject property are located in the addenda.

The site improvements at the subject include:

Site Improvements		
Improvement	Quantity	Units
Asphalt Paving	32,900	SF
Concrete Paving	3,775	SF
Concrete curbing	1,375	LF
Light Post (dual lamp)	8	Ea
Swimming Pool	20' x 30'	Ea
Wrought-Iron Pool Fence	190	LF
Chain-Link Fence	600	LF
Landscaping (Other)	Typical	Ea

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## ZONING AND APPLICATION ORDINANCES

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According to officials with the City of Dunn, the property is currently zoned Highway Commercial, C-3. The dimensional requirements for the C-3 District are:

Lot width SF (min. feet):	75'
Lot area (min. sf):	10,000
Front Yard (SF/MF feet):	20'
Rear Yard (SF/MF feet):	10'
Side Yard (feet):	10'

Permitted uses under the C-3 District Classification include, but are not limited to, animal hospitals, appliance sales, auto car wash, auto parts, auto sales/service, bakeries, banks, barbershops, boat sales, building supplies, building trades, bus station, churches, convenience stores, financial institutions, funeral homes, furniture showrooms, garden supplies, grocery stores, hospitals, hotels, offices, restaurants, retail stores, and outdoor advertising signs.

### Restrictive Covenants

We are not aware of any restrictive covenants.

### Other Government Regulations

There are reviews of proposed improvements by local, state and federal agencies for conformity with building, fire and sanitation ordinances, subdivision regulation, flood plain management regulations and other requirements. Also, the planning board reviews and approves major developments to insure conformity with land use programs.



## AD VALOREM TAX VALUATION

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### Appraised Tax Value

North Carolina mandates that properties must be revalued at least every eight years. The most recent revaluation occurred in Harnett County in 2017. Properties are assessed at 100% of appraised value.

### Tax Rates

The property is subject to taxes for the jurisdictions of Harnett County, the city of Dunn, the local school district, county fire district, and the county water district. The 2021 tax rate (the most recently available) for the county is \$0.750 per \$100 of value, the tax rate for the City of Dunn is \$0.50 per \$100 of value, the tax rate for the school district is \$0.020 per \$100 of value, and the rate for the Dunn fire district is \$0.090 per \$100 of value. This equates to a total tax rate of \$1.360 per \$100 of value. This property is also subject to a \$140 waste disposal fee.

### Assessed Value

The subject land has been assessed for [REDACTED]. The subject improvements have been assessed for \$[REDACTED]. This equates to a total assessed value of [REDACTED]. Application of the ad valorem tax rate of [REDACTED] per \$100 of value, to the total assessment indicates the following tax levy for the subject;

[REDACTED]

*The tax value for this property is significantly lower than our appraised value. The mass valuation technique used in the tax valuation does not take into account the specifics of this property. Therefore, the value determined within this report is more reflective of market value.*

## MARKETABILITY

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In order to determine the marketing period for the subject, recent transactions and current offerings were analyzed. Also, information was gathered through conversations with brokers and developers of commercial properties.

Reasonable marketing time is an estimate of the amount of time it may take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by con-current market conditions.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal.

Potential buyers include local and regional investors. Investors would typically be interested in purchasing the subject for a commercial use.

Discussions with various lenders indicate a desire to provide financing for individual purchasers. Loans to owner occupants on homes under \$200,000 are routinely made at 80% LTV with typical nominal interest rates around 5.0% - 5.5% with a 30-year amortization schedule. Loans to investors are typically made at 80% LTV with typical nominal interest rates around 6.50% with a maximum 20-year amortization schedule. These discussions also indicate that in today's current economic climate, very few financial institutions are making loans on land tracts. Therefore, most land purchases require all cash buyers. Conversations with brokers active in the area indicate a commission structure of 5% to 6%.

Based on interviews with market participants and studies of similar projects, a nine-to-twelve month marketing period is considered an adequate time to sell the property. The exposure time is considered similar to the marketing time in this instance at nine to twelve months.

## HIGHEST AND BEST USE - BEFORE

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The Appraisal Institute defines Highest and Best Use as follows:

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

In estimating Highest and Best Use, there are essentially four stages of analysis:

1. Physically Possible. What uses of the site are physically possible?
2. Legally Permissible. What uses are permitted by zoning and deed restrictions on the site?
3. Financially Feasible. Among the feasible uses, which use will produce the highest net return to the owner of the site?
4. Maximally Productive. Among the feasible uses, which use will produce the highest net return or the highest present value?

### Highest and Best Use as If Vacant

#### *Physically Possible*

The subject site is slightly irregular in shape and contains approximately 3.997 acres. This site has approximately  $\pm 400'$  of frontage along the east side of [REDACTED] Road, with visibility from Interstate 95. At the subject site, I-95 indicates a traffic count of approximately 57,000 cars per day according to a 2021 [REDACTED] traffic study. The site is adequate in size to allow for the construction of most types of commercial developments. The site has level topography and access to municipal water and sewer. The property is in an established, small town setting that includes a mixture of single-family homes, neighborhood retail, and agricultural uses. It should be noted that the properties in this area are subject to substantial road noise from I-95.

#### *Legally Permissible*

The site is zoned C-3 Highway Commercial District, by the City of Dunn. Permitted uses under the C-3 zoning classification include, but are not limited to, animal hospitals, appliance sales, auto car wash, auto parts, auto sales/service, bakeries, banks, barbershops, boat sales, building supplies, building trades, bus station, churches, convenience stores, financial institutions, funeral homes, furniture showrooms, garden supplies, grocery stores, hospitals, hotels, offices, restaurants, retail stores, and outdoor advertising signs.

#### *Financially Feasible*

Conversations with brokers active in the area, as well as a physical inspection of the neighborhood reveal that there is a strong demand for commercial uses in this area. In addition, according to LoopNet data, asking retail rents and prices have also been on the increase within the past year.

#### *Maximally Productive*

The development of the 3.997-acre site into a commercial use is the only use that satisfies the first three tests of highest and best use. Therefore, the highest and best use of the subject, as if vacant, is for commercial development.

#### *Conclusion*

The highest and best use of the subject site, as if vacant, is for commercial development.



## Highest and Best Use as Improved

### *Physically Possible*

The subject site is currently improved with a 57-room hotel currently operating under the "██████████" brand. The improvements are in good condition, as compared to other similar properties in the area, and do not exhibit any functional or external obsolescence. The subject is located along ██████████ Road, just south of the I-95 North Exit 72 (Spring Branch Road).

The hotel improvements encompasses approximately 2.300 acres of the total 4.000-acre site. The remaining 1.697 acres is vacant, unimproved land.

### *Legally Permissible*

The subject appears to meet the minimum requirements of the Highway Commercial, C-3 District.

### *Financially Feasible*

A limited amount of commercial development was noted during our inspection of the subject neighborhood. However, population in the area has increased in recent years, increasing the demand for residential development and ultimately commercial development. Commercial permit activity for the City of Dunn shows that the city has been averaging 6 – 7 new commercial construction permits per year.

### *Maximally Productive*

The current use of the subject as a hotel satisfies the first three tests of highest and best use. Therefore, the highest and best use of the subject, as improved, is for its continued use of the existing improvements.

Additionally, as indicated, the southern portion of the site, including approximately 1.697 acres, is unimproved. This area does not support the existing improvements (hotel) on the northern portion of the site, and is considered excess land.

### *Conclusion*

The current improvements represent a commercial use and add value to the site.

Considering the size of the excess land portion of the site, its access and frontage characteristics, and the commercial development in the area, the highest and best use of this portion of the site is for commercial development.

Therefore, the highest and best use of the subject site, as improved, is for the continued use of the existing improvements in their current condition and commercial development of the excess land portion of the site.

## VALUATION METHODOLOGY

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Traditionally, three approaches to value are considered and include the Cost, Sales Comparison, and Income Capitalization approaches.

The Cost Approach begins with the estimation of market value of the land, as if it were vacant. In estimating the value of the land, the subject site is compared to various sales and offerings of sites that are available for development of a similar highest and best use. Adjustments are then made for any dissimilarity between the transactions analyzed and the subject. To facilitate the comparison process, the sale prices are typically analyzed on an appropriate unit value. The second step of the Cost Approach is to estimate the reproduction cost of any improvements, less any accrued depreciation. The resulting depreciated improvement value is then added to the land value for a market value estimate by the Cost Approach.

The Sales Comparison Approach is a readily recognized valuation technique based on the principle of substitution which states that a knowledgeable purchaser will not pay more for a given property than for an equally desirable substitute property. This approach involves a direct comparison between the subject and recently sold similar properties. This approach has its greatest credence when the properties used for comparison have recently sold and are very similar to the subject. In those cases where dissimilarities arise, an attempt will be made to make market-oriented adjustments. An estimated FF&E value will be extracted from each sale so that the actual real estate components of each sale can be analyzed on a price per room basis.

The Income Capitalization Approach is based on the principle of anticipation and derives value through the analysis of income and expenses attributable to the property and is generally the best measure of value for an income producing, investment property since it more accurately simulates the perception and desires of investors in the market. A value estimate may be derived by discounting the present value of a net income stream and reversions (estimated resale price) over a typical ownership period. Another method for value estimation via this approach is direct capitalization which capitalizes a stabilized year net operating income by an overall capitalization rate derived from market sales of similar properties. Note that a lack of operating data from the subject or from similar properties in the area precludes a credible estimate of income and expense projections for the subject property. Therefore, in this instance, the Income Capitalization Approach was not utilized.

### Estimation of Land Value

#### **Comparable Land Transactions**

The value of the subject site has been estimated by direct comparison with the following transactions. Note that data for recent comparable site sales in the area was limited. Therefore, the search area was expanded to include similar nearby markets. The sale data utilized is considered to be the best and most applicable data available as of the date of valuation.

#### **Adjustment Criteria for the Comparable Land Sales Data**

##### *Overview*

Inherent in the comparable sales data are variances from the subject relative to real property rights appraised, financing terms, condition of sale, date of sale, location and physical characteristics.

In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. In this process the comparable transactions are brought into sync with the subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

##### *Real Property Rights Conveyed*

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed of the subject and the comparable transactions.

##### *Financing Terms*

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

##### *Conditions of Sale*

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

### *Market Conditions*

A time adjustment is needed in order to compensate for changing market conditions. Such an adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of a recognized measure of inflation, such as the Consumer Price Index. In a normal land sale market, this index has proven to be a realistic measure of variance.

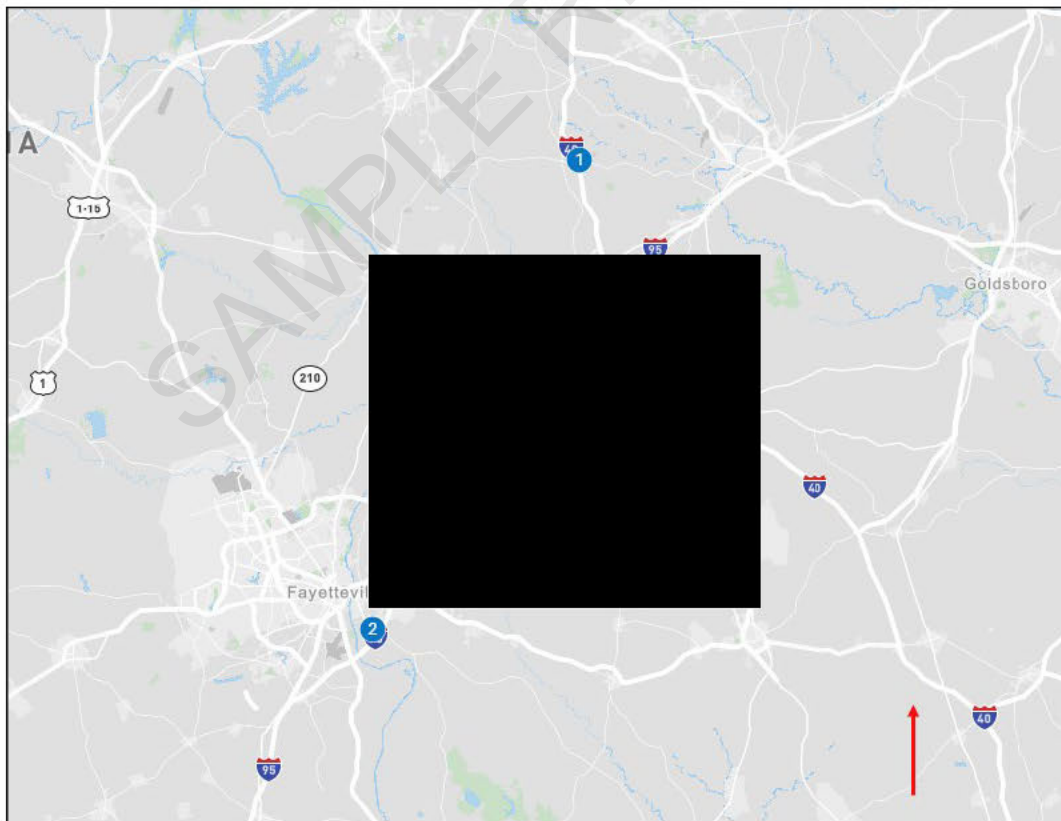
### *Physical Characteristics*

The adjustments of location, size, frontage/visibility/access, shape, easements, topography, utilities and zoning may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Through objective analysis of paired sales comparing a parcel subdivided from a larger tract may indicate a size adjustment is necessary.

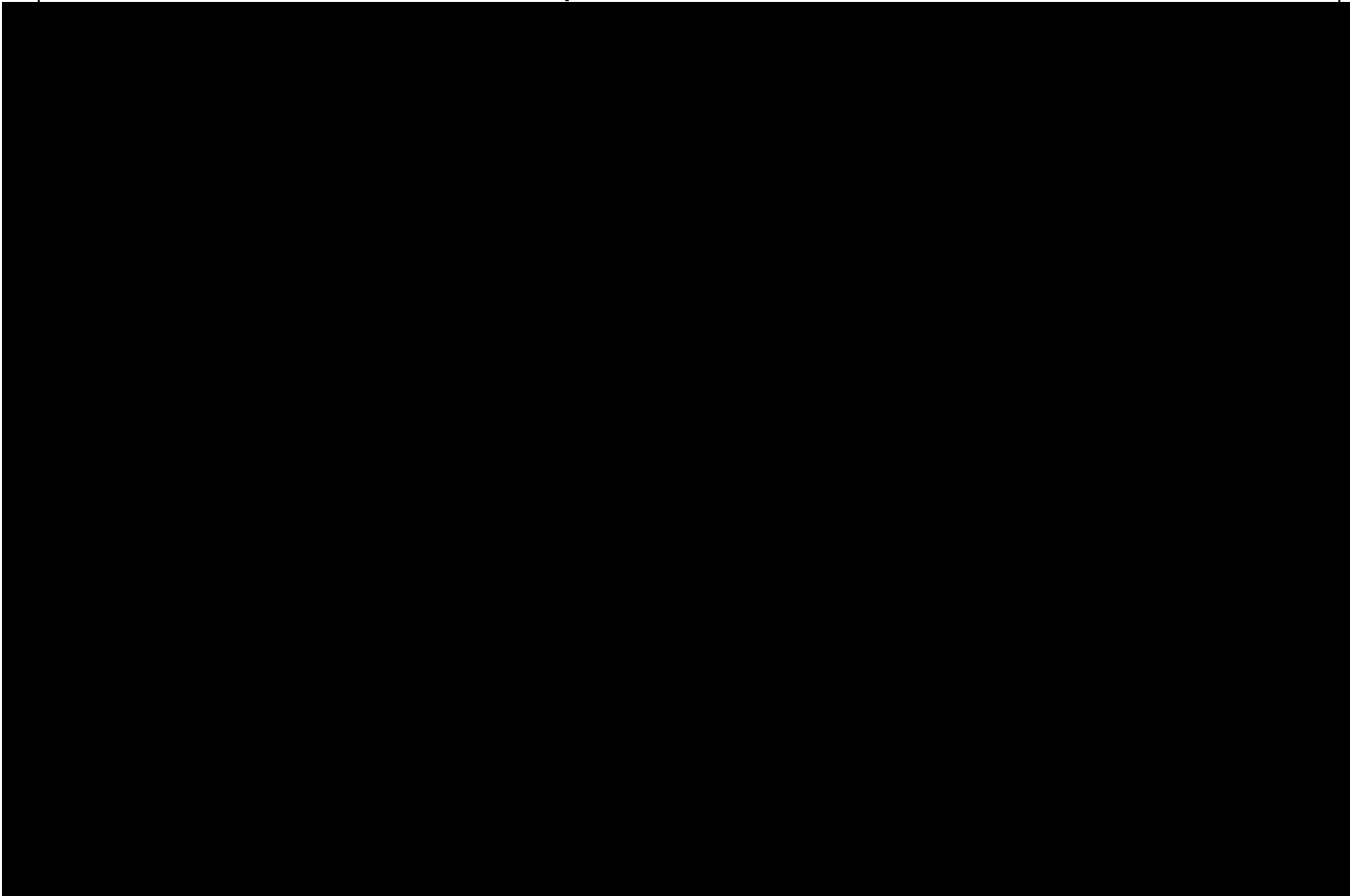
Other subjective facets of analysis are the measurement of variances by the dollar, cost to cure such as extension of utilities, street improvements and tract grading activities. In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

Details of the sale transactions utilized for comparison are presented below.

### **Map of Comparable Land Sales and Subject**



[REDACTED]-Right of Way Branch  
Comparable No: Land Sale 1



Aerial Oriented North Up  
Arrow is Direction of Photograph



Picture Taken By: CBRE  
Date of Picture: 3/6/2020



**-Right of Way Branch**  
**Comparable Number: Land Sale 2**



Aerial Oriented North Up  
Photo taken from roadway, looking northeast



Picture Taken By: CBRE  
Date of Picture: 3/6/2020





Cumberland County GIS aerial. Site outlined in blue.



Picture Taken By: Clontz Newkirk

Date of Picture: 4/25/2019

### **Improved Tract**

The following adjustments and adjustment chart pertain to the subject's improved tract of 2.300 acres.

### **Adjustment Criteria and Procedures - Before**

We have spoken with several real estate professionals in the local market. These participants indicated that this market has been relatively stable in recently years. This has also been confirmed by local MLS data. A market conditions adjustment of 3.5% is considered reasonable and will be applied to each sale.

The sale data presented is believed to represent the best and most applicable data available as of the date of valuation.

#### **Sale 1**

An upward adjustment of 10% is applied to this sale for its inferior location within a business park with limited visibility from a primary roadway. There is typically an inverse relationship between the size of a site and its unit price. Therefore, Sale 1 was adjusted upward 5% for its larger size as compared to the subject. This sale was also adjusted upward 10% for its zoning designation which is more limiting in development options as compared to that at the subject.

#### **Sale 2**

An upward adjustment of 10% is applied to this sale for its inferior frontage/visibility. This sale was also adjusted upward 10% for its inferior topography as compared to the subject.

#### **Sale 3**

This sale was adjusted upward 10% for its inferior location in an area of more limited development. A 10% upward adjustment was applied for this sale's inferior frontage/visibility as compared to the subject.

These adjustments are reflected in the following chart.

Comparable Land Sales - Improved Tract			
Appraisal Date	Feb-21		
Market Conds Adjustment	3.5%		
Size of Subject Property (Acs)	2.300		
Comparable Number	1	2	3
Price	\$335,000	\$350,000	\$175,000
Date of Sale	Feb-20	Dec-19	Feb-19
Total Acres	3.230	3.040	1.560
Price Per Acre	\$103,715	\$115,132	\$112,179
Interest Sold	Fee Simple	Fee Simple	Fee Simple
Interest Adjustment	0%	0%	0%
Interest Adjusted Price	\$103,715	\$115,132	\$112,179
Financing	Market	Market	Market
Financing Adjustment	0%	0%	0%
Cash Equivalent Price	\$103,715	\$115,132	\$112,179
Condition Adjustment	0%	0%	0%
Condition Adjusted Price	\$103,715	\$115,132	\$112,179
Market Conditions Adjust	4%	4%	7%
Market Conds Adjusted Price	\$107,474	\$119,868	\$119,935
Adjustments For:			
Location	10%	0%	10%
Size	5%	0%	0%
Frontage/Visibility	0%	10%	10%
Access	0%	0%	0%
Shape	0%	0%	0%
Easements	0%	0%	0%
Topography	0%	10%	0%
Utilities	0%	0%	0%
Zoning	10%	0%	0%
Composite Factor	25%	20%	20%
Indicated Value Per Acre	\$134,343	\$143,841	\$143,922
Minimum Value Per Acre	\$134,343		
Maximum Value Per Acre	\$143,922		
Mean Value Per Acre	\$140,702		
Median Value Per Acre	\$143,841		
Standard Deviation	\$4,497		
68% Prob of Value/Acre Between	\$136,206	and	\$145,199

## Estimate of Value – Improved Portion of Site - “Before”

The adjusted sale prices range from \$[REDACTED] per acre to \$[REDACTED] per acre, with a mean indication of [REDACTED] per acre. The sales each required typical levels of adjustments and are considered good indicators of value. The sales were given generally equal consideration in reconciliation. Considering the data presented and the specific characteristics of the subject, a market value estimate of [REDACTED] per acre is considered appropriate for the subject’s improved portion of the site, with a value estimate calculated as follows:

$$\text{Improved Portion: } [REDACTED] \times \$[REDACTED] \text{ per acre} = \$[REDACTED]$$

## Estimate of Value – Excess Land Portion of Site - “Before”

The same sales were utilized in the analysis of the excess land tract. The difference in size between the subject’s improved portion of the site and the subject’s excess land tract was not significant enough to warrant additional adjustments, and all other characteristics of this portion of the site are considered similar to the improved portion. Therefore, the unit value estimate of \$[REDACTED] per acre is considered appropriate for the subject’s excess land portion, with a value estimate calculated as follows:

$$\text{Excess Land Portion: } [REDACTED] \text{ (rounded)}$$

## Valuation of the Improvements

The cost for the improvements was taken from construction cost estimates provided Mr. Brian Didiano of Barringer Construction. Additionally, the Marshall Valuation Service cost guide was utilized. The concluded land value will then be added to the estimated construction cost to determine the value by this approach.

Total cost is composed of direct costs, indirect costs, improvement costs and developer’s profit. The land value will then be added to the total cost in order to determine the total value by the cost approach.

### Indirect Costs

Indirect costs include survey, engineering, architectural, permit, impact, legal and appraisal fees and any sales or leasing commissions associated with the property. Discussions with local architects/engineers and commercial brokers indicate that the developer’s estimate for indirect costs for a project of this magnitude should be approximately 10% - 12% of the direct costs. Therefore, indirect costs are estimated at 10%.

### Developer's Profit

Most developers, in preparing a pro forma, calculate the developers profit based on a percentage of total project costs. In this market, most of the developer’s try to secure from 10% to 20% of all estimated direct costs and indirect costs as a base. Therefore, developer’s profit is estimated at 15%. The indirect costs and developers profit are included in the cost per unit in the chart.

## Building Costs

### Contractor Quote

The project costs associated with development, which will be implemented, are the cost of the building, site improvements, etc. According to [REDACTED] with Barringer Construction, the reproduction cost new for limited-service style hotels would likely range from \$[REDACTED] to [REDACTED] per square foot. Mr. Barringer indicated that the subject could also be classified as a "budget" hotel, which could cost up to 25% less. These costs are inclusive of a car canopy, which is typical for hotel construction.

The 2018/2019 HVS U.S. Hotel Development Cost Survey, published by HVS who has tracked hotel construction costs throughout the United States since 1976, indicates a median cost for building, site improvements and soft costs of \$[REDACTED] per room for similar hotels. (Note site improvements are included in the cost estimate.) This per room cost would equate to approximately [REDACTED] per square foot for the subject property.

### Cost Guide

The subject property's cost was estimated by using the hotel/motel category of the cost guide. This is the category which best represents the characteristics of the subject property. Then adjustments were made to the base cost estimate for factors such as shape, story height, time, and local market conditions. Additionally, the base cost is adjusted to account for indirect costs and developer's profit. The cost estimate for the canopy was estimated via the cost guide in a similar fashion.

The cost estimates via the cost guide are calculated as follows:

Cost Guide Data		
<i>Marshall &amp; Swift Cost Guide (March 2020)</i>		
	Hotel Shell	Canopy
Category	Motel / Class C	Canopy
Section/Page	12/9	13/40
Quality	Avg to Good	Avg to Good
Base Cost PSF	\$117.17	\$45.63
Current Multiplier	1.030	1.030
Local Multiplier	0.930	0.930
Perimeter Multiplier	1.000	1.000
Story Height Multiplier	1.000	1.000
Indirect Costs	1.100	1.100
Developer's Profit	1.150	1.150
Adjusted Unit Cost PSF (rounded)	\$142.00	\$55.50

### Reconciliation

In reconciliation of the direct cost estimates, primary reliance was placed on the estimates indicated by the *Marshall & Swift* cost guide method. These cost estimates are reflective of costs

that would be incurred by typical market participants based on national data for similar properties, and customized to reflect the local market.

Although weighted less in reconciliation, the estimated quotes from the local developer and the hotel cost survey are considered supportive of the estimates obtained through the cost guide method.

A reproduction cost of [REDACTED] per square foot for the hotel building is considered appropriate and has been utilized, while a cost of [REDACTED] per square foot is utilized for the canopy.

According to contractors and the Marshall and Swift valuation service, the segregated cost for the short-lived items is:

Component	Unit Cost	Units	RCN
Roof Covering*			
Floor Covering	\$		
HVAC	\$		
Paint	\$		0
* Based on 110% of the building footprint to account for eaves and pitch.			

## Depreciation

Based on a physical inspection it appears that the subject has had an ongoing maintenance program and recent renovations. The building has a total economic life new of 45 years and an actual age of 23 years. Based on the inspection, it has an effective age of approximately 15 years and a remaining economic life of 30 years. The percentage of depreciation for the long-lived items is 33.33%. The percentage of depreciation for the short-lived items ranges from 25% to 60%. There were no items of deferred maintenance noted.

### Physical Curable Depreciation

No physical curable depreciation was observed.

### Functional Obsolescence

The appraiser did not observe any functional obsolescence that significantly affected the value of the improvements.

### External Obsolescence

The appraiser did not observe any external obsolescence that significantly affected the value of the improvements.

## Value Estimate

After adjusting for various costs less depreciation, the estimated reproduction cost new less depreciation as determined by Marshall & Swift and local contractors is as follows:



Hotel Building					
Hotel		SF@		=	
Canopy		SF@		=	
TOTAL ESTIMATED RCN:					
Depreciation:					
A. Physical Depreciation:					
1. Physical Curable					
Depreciation:					
a. Accrued Physical					
Curable Depreciation:					
b. Deferred Physical					
Curable Depreciation:					
		<u>Effective</u>	<u>Economic</u>		
<u>ITEM</u>	<u>RCN</u>	<u>Age</u>	<u>Life</u>	<u>% Dep.</u>	<u>Depreciation</u>
Roof Covering	\$21,681	5	20	25%	\$5,420
Floor Covering	\$72,270	5	10	50%	\$36,135
HVAC	\$105,120	10	20	50%	\$52,560
Paint	<u>\$52,560</u>	3	5	60%	<u>\$31,536</u>
TOTALS:	\$251,631				\$125,651
2. Physical Incurable					
Depreciation:					
The RCN of the bone structure and foundation or long-life items is estimated at:					
	\$	Deprec. @	3		
Total Physical Depreciation:					\$
B. Functional Obsolescence:					
1. Functional Curable					
Obsolescence:					
2. Functional Incurable					
Obsolescence:					
					\$0
					\$0
C. Economic Obsolescence:					<u>\$0</u>
Total Depreciation for All Factors:					
ESTIMATED DEPRECIATED VALUE OF IMPROVEMENT:					

### Site Improvements

Value estimates for the site improvements are included based on their estimated depreciated contributory values.

Building contractors and developers (including APAC Carolina, Mr. Dale Tweedy with Stonegate Developers, Mr. Wayne Maxwell with Maxwell Pools, Dixie Fence) and Marshall and Swift service provided reproduction cost estimates which were utilized for the site

improvements.

In estimating the reproduction cost new of the site improvements, primary reliance was placed on the estimates provided by the contractors/developers, with support from the cost guide. For site improvements, the cost guide often indicates a wide range of estimates. The quotes from local developers all fall within the range of costs indicated by the guide.

The site improvements were in average to good condition at the time of inspection. The depreciation for the site improvements generally ranges from 25% to 33% based on a physical inspection. No depreciation is applied to the landscaping.

Reproduction cost new estimates, depreciation, and the resulting contributory values of the site improvements are estimated as shown in the chart below:

Site Improvements								
Improvement	Quantity	Units	Unit Price	RCN	Economic Life	Effective Age	Ratio	Depreciated Contributing Value
Asphalt Paving	32,900	SF	\$4.75	\$156,275	20	5	25%	\$117,206
Concrete Paving	3,775	SF	\$5.75	\$21,706	25	5	20%	\$17,365
Concrete curbing	1,375	LF	\$16.00	\$22,000	25	5	20%	\$17,600
Light Post (dual lamp)	8	Ea	\$3,500	\$28,000	15	5	33%	\$18,667
Swimming Pool	20' x 30'	Ea	\$34,200	\$34,200	20	5	25%	\$25,650
Wrought-Iron Pool Fence	190	LF	\$18.50	\$3,515	20	5	25%	\$2,636
Chain-Link Fence	600	LF	\$22.00	\$13,200	20	5	25%	\$9,900
Landscaping (Other)	Typical	Ea	\$25,000	\$25,000	N/A	N/A	N/A	\$25,000
Total								
Landscaping includes several mature trees, shrubs, and grass.								

### Cost Approach Summary

The following chart combines the depreciated improvement value of the primary structures, the contributory value of the site improvements, and the estimated land value into a total estimate of the market value of the subject property in the "before", via the cost approach.

COST APPROACH SUMMARY - BEFORE		
<b><u>IMPROVED PORTION OF PROPERTY</u></b>		
Depreciated Reproduction Costs	██████████	
Site Improvements (Contributory Value)	██████████	
Value Estimate of Improvements (rounded)	██████████	
Plus: Estimated Land Value	██████████	
Value Estimate of Land and Improvements		██████████
<b><u>EXCESS LAND TRACT</u></b>		
Estimated Land Value		\$ ██████████
Estimate of Market Value of Subject Property ("Before")		██████████

## SALES COMPARISON APPROACH TO VALUE - BEFORE

In the Sales Comparison Approach, value estimates for similar properties are typically compared on a sale price per room method of analysis, in which the overall sale price is divided by the number of rooms.

The subject consists of a 57-room hotel. To estimate value for the subject via the sales comparison approach, sales of comparable properties throughout the Dunn and surrounding areas were researched.

Although sale data was limited, the data utilized is believed to represent the best and most applicable data available as of the date of valuation.

### Sales Comparison Approach - Before

#### Comparable Hotel Transactions

The value of the subject has been estimated by direct comparison with the transactions presented below.

#### Adjustment Criteria

##### Overview

Inherent in the comparable sales data are variances from the subject relative to real property rights appraised, financing terms, condition of sale, date of sale, location, and physical characteristics.

In order for the comparison process to be meaningful, differences must be accounted for through a process of adjustment. In this process the comparable transactions are brought into sync with the

subject.

In many instances the basis for an adjustment is inherent in the data itself. This represents an objective adjustment process.

#### *Real Property Rights Conveyed*

When applicable, this adjustment is utilized to equate real property interest conveyed. The process involves determining the real property rights conveyed of the subject and the comparable transactions. It should be noted that all of the sales represent the transfer of operating hotel properties. Therefore, all of the transactions inherently reflect a going-concern business value, which likely includes certain intangible items such as franchise affiliation, skill of management/workforce, and goodwill.

#### *Financing Terms*

This adjustment is necessary when two identical properties are sold at different prices due to one having more or less, favorable financing. Typically a transaction price may be affected by above or below market interest rates. Other situations affecting sales price may be a purchase money mortgage or assumption of an existing loan.

#### *Conditions of Sale*

This adjustment represents the differences of motivation between a particular buyer and seller. Examples may include the sale between family members at a below market price, a bankruptcy auction or if the seller is extremely motivated.

#### *Market Conditions*

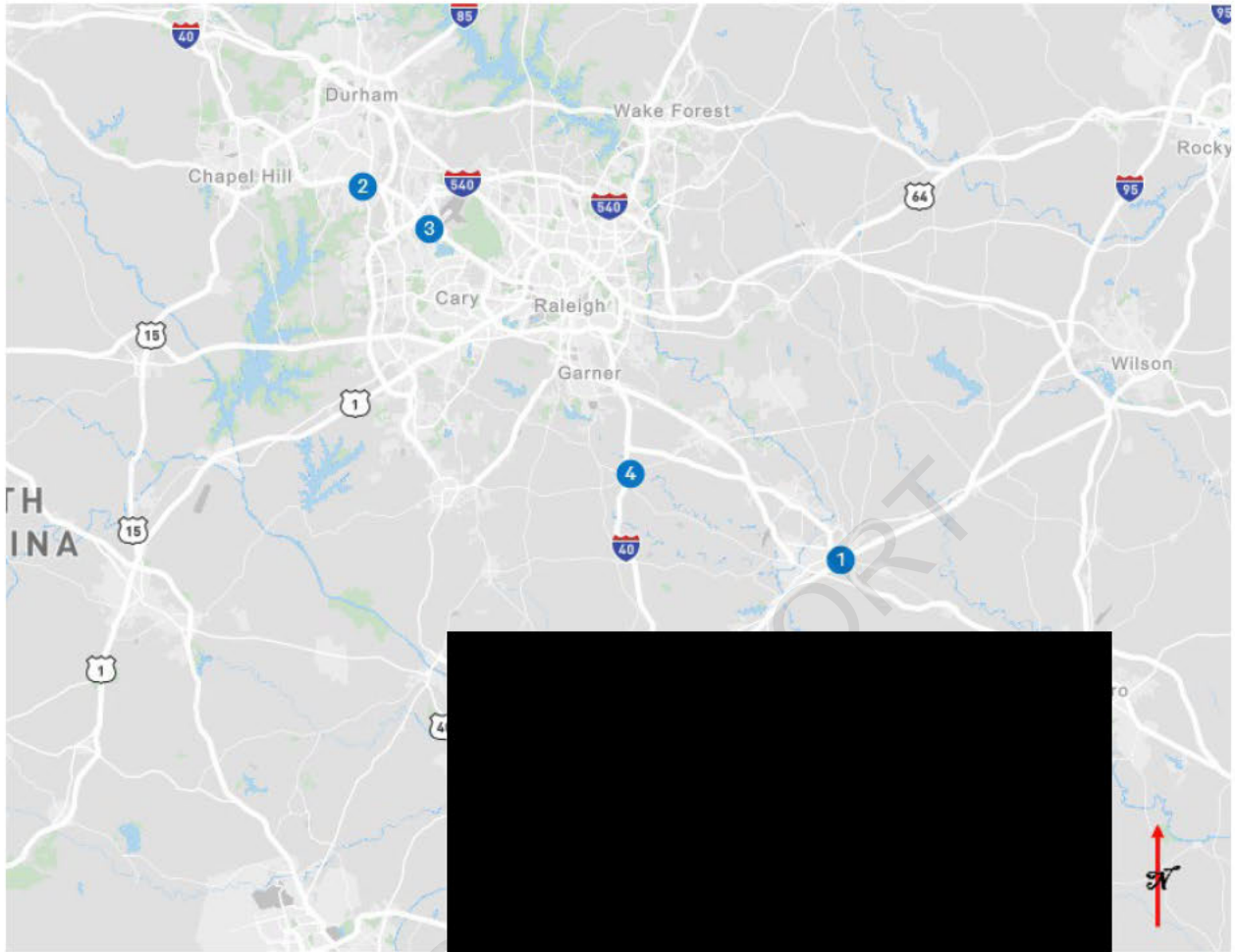
A time adjustment is needed in order to compensate for changing market conditions. Such an adjustment may be required as a result of inflation, deflation, supply and demand or other factors. In the absence of significant results from the pairing processes, the next and usually the most reliable method of achieving parity is by the use of a recognized measure of inflation, such as the Consumer Price Index. In a normal land sale market, this index has proven to be a realistic measure of variance.

#### *Physical Characteristics*

The adjustments of location, size, age/condition, construction quality, and building amenities may be necessary in order to equate the characteristics of the comparable transactions with those of the subject. Through objective analysis of paired sales comparing a parcel subdivided from a larger tract may indicate a size adjustment is necessary.

In most cases, however, the adjustment processes are exercises in judgment by the appraiser.

## Map of Comparable Improved Sales and Subject



ight of Way Branch  
Comparable No: Improved Sale 1



Picture Taken By: CBRE  
Date of Picture: 02/19/2023









### **Adjustment Criteria and Procedures - Before**

As previously discussed, market data indicates that prices have been increasing over the past three years, at an average rate of approximately 2 - 3% annually. An annual market conditions adjustment of 3% appears reasonable and is applied to each sale.

Note that all of the sales have been adjusted for the inclusion of Furniture, Fixtures and Equipment (FF&E). As previously indicated, all of the comparables represent the sale of operating hotels. These sales typically include all of the FF&E, which is considered business value and therefore has been deducted from the sale price to reflect the sale of real estate only. Brokers, as well as developer surveys, indicate that FF&E typically encompasses 12% to 16% of the overall market value of similar properties. An estimate toward the middle of the range, or 14% is considered appropriate and has been applied to all of the sales.

#### **Sale 1**

This sale is considered overall similar to the subject, with no additional adjustments necessary.

#### **Sale 2**

This sale was adjusted downward 20% for its superior location in a major metro area, as compared to the subject which is located in a more rural area.

#### **Sale 3**

This sale was adjusted downward 20% for its superior location in a major metro area, as compared to the subject which is located in a more rural area.

#### **Sale 4**

This sale is considered overall similar to the subject, with no additional adjustments necessary.

These adjustments are summarized in the following chart:

Comparable Improved Sales				
Appraisal Date	Feb-21			
Annual Time Adjustment	3.0%			
Size (Rooms)	57			
Comparable Number	1	2	3	4
Price	\$4,800,000	\$8,658,500	\$6,225,000	\$3,600,000
Date of Sale	Jul-20	Oct-19	Sep-19	Feb-19
Rooms	76	122	118	67
Price Per Square Foot	\$63,158	\$70,971	\$52,754	\$53,731
Interest Sold	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Interest Adjustment	0%	0%	0%	0%
Interest Adjusted Price	\$63,158	\$70,971	\$52,754	\$53,731
Financing	Market	Market	Market	Market
Financing Adjustment	0%	0%	0%	0%
Cash Equivalent Price	\$63,158	\$70,971	\$52,754	\$53,731
Condition Adjustment	0%	0%	0%	0%
Condition Adjusted Price	\$63,158	\$70,971	\$52,754	\$53,731
Market Conds Adjustment	2%	4%	4%	6%
Market Conds Adjust Price	\$64,321	\$73,905	\$55,013	\$56,986
Adjustments For:				
Location	0%	-20%	-20%	0%
Access/Visibility	0%	0%	0%	0%
Size	0%	0%	0%	0%
Age/Condition	0%	0%	0%	0%
Construction Quality	0%	0%	0%	0%
FF&E	-14%	-14%	-14%	-14%
Composite Factor	-14%	-34%	-34%	-14%
Indicated Value Per Rpp,	\$55,316	\$48,778	\$36,309	\$49,008
Minimum Value Per Room		\$36,309		
Maximum Value Per Room		\$55,316		
Mean Value Per Room		\$47,353		
Median Per Room		\$48,893		
Standard Deviation		\$6,895		
68% Prob of Value/Room, Falling	\$40,458	and	\$54,247	

### Estimate of Market Value – “Before”

The adjusted sale prices range from [REDACTED] to \$ [REDACTED] per room, with a mean and median adjusted sale price of \$ [REDACTED] and \$ [REDACTED] per room, respectively. Sales 1 and 4 required the least degree of adjustments and were given primary consideration. Sales 2 and 3 were given secondary consideration due to the greater degree of adjustments required. An appropriate



value estimate for the subject is considered to be [REDACTED] per room. This value indication would not include the excess land tract. Therefore, the value estimate for the excess land, as previously estimated, is carried forward, with an overall value indication for the subject, via the sales comparison approach, estimated as follows:

SALES COMPARISON APPROACH SUMMARY - BEFORE		
<b>IMPROVED PORTION OF PROPERTY</b>		
Value Estimate per Room	[REDACTED]	
Total Rooms at Subject	57	
Total Value Estimate - Improved Portion		[REDACTED]
<b>EXCESS LAND TRACT</b>		
Estimated Land Value		\$ [REDACTED]
Estimate of Market Value of Subject Property ("Before")		\$ [REDACTED]



## RECONCILIATION AND FINAL "BEFORE" VALUE ESTIMATE

Final reconciliation is defined as the process of evaluating alternative conclusions and selecting a final estimate of value from the approaches utilized. The appraiser weighs the relative significance, applicability, and defensibility of the indication of value estimated by each approach and places most credence on the one that, in his/her professional judgment, best approximates the value being sought in the appraisal assignment. In this instance, the cost approach and the sales comparison approach were utilized, with value indications summarized below:

Cost Approach	\$ [REDACTED]
Sales Comparison Approach	\$ [REDACTED]

The sales comparison is given secondary consideration in reconciliation since it inherently reflects a going-concern value as opposed to a fee simple value of the real estate only. Although an estimated value of FF&E has been extracted from the comparable sales, other intangible items cannot be quantifiably extracted.

Additionally, given the scope of the assignment, the value indication via the cost approach is given primary consideration, as it allows for an allocation of value between the land and improvements. The value indication via the sales comparison approach is considered supportive of the cost approach. The final value estimate for the subject property in the "before" is therefore estimated and allocated as follows:

Allocation - Before		
Land - Improved Portion	\$ [REDACTED]	
Land - Excess	\$ [REDACTED] 5	
Total Land		[REDACTED]
Improvements		\$ [REDACTED]
Total Value Indication		\$ [REDACTED]

## DESCRIPTION OF THE ACQUISITION

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### Land

The [REDACTED] has acquired a total of 0.547 acre of land, known as the “take area”. The take area is located in two areas of the site. The larger take area, encompassing 0.422 acre is an irregularly-shaped strip of land located along the site’s road frontage along Bud Hawkins Road. The smaller take area, of 0.125 acre, is located in the southern corner of the site and is triangular in shape.

### Easements Outside the Right of Way

#### Permanent Utility Easement

The [REDACTED] has acquired 0.424 acre of permanent utility easement (PUE). The PUE area is located adjacent to the take area and extends from the western boundary to the eastern boundary with a varying depth.

Per [REDACTED]:

*“Said Permanent Utility Easement in perpetuity is for the installation and maintenance of utilities, and for which the Department is authorized by law to subject same. The Department and its agents or assigns shall have the right to construct and maintain in a proper manner in, upon and through, said premises for the purpose of inspecting said utility lines and making all necessary repairs, and alterations, thereon; together with the right to cut away and keep clear of said utility lines, all trees and other obstructions that may in any way endanger or interfere with the proper maintenance and operation of the same with the right at all times of ingress, egress and regress. It is understood and agreed that the department shall have the right to construct and maintain the cut and/or fill slopes in the above-described Permanent Utility Easement area(s). It is further understood and agreed that Permanent Utility Easement shall be used by the Department for additional working area during the above described project. The underlying fee owner shall have the right to continue use the Permanent Utility Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors.”*

#### Temporary Construction Easement and Slope Easement

The [REDACTED] has acquired 0.520 acre of slope easement. The slope easement extends through the central portion of the tract, from the PUE area to the southeast boundary of the site.

The [REDACTED] has acquired a total of 0.186 acre of temporary construction easement (TCE). The TCE areas are located in three areas of the site, adjacent to and on either side of the slope easement.

The TCE and slope areas will include the new access driveway to the subject site, from the re-routed Bud Hawkins Road which will run along the southern portion of the site in the after instead of the northwestern portion of the site as in the before. (More details are provided below.)

Per [REDACTED]:

*“It is understood and agreed that the Department shall have the right to construct and maintain the cut and/or fill slopes in the above described temporary easement area(s) until such time that the property owners alter the adjacent lands in such a manner that the cut and/or fill slopes are*

*no longer needed for the lateral support of the roadway. Any additional construction areas lying beyond the cut and/or fill slopes and extending beyond the right of way limits and beyond any permanent easement areas will terminate upon completion and acceptance of the project. The underlying fee owner shall have the right to continue to use the Temporary Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors."*

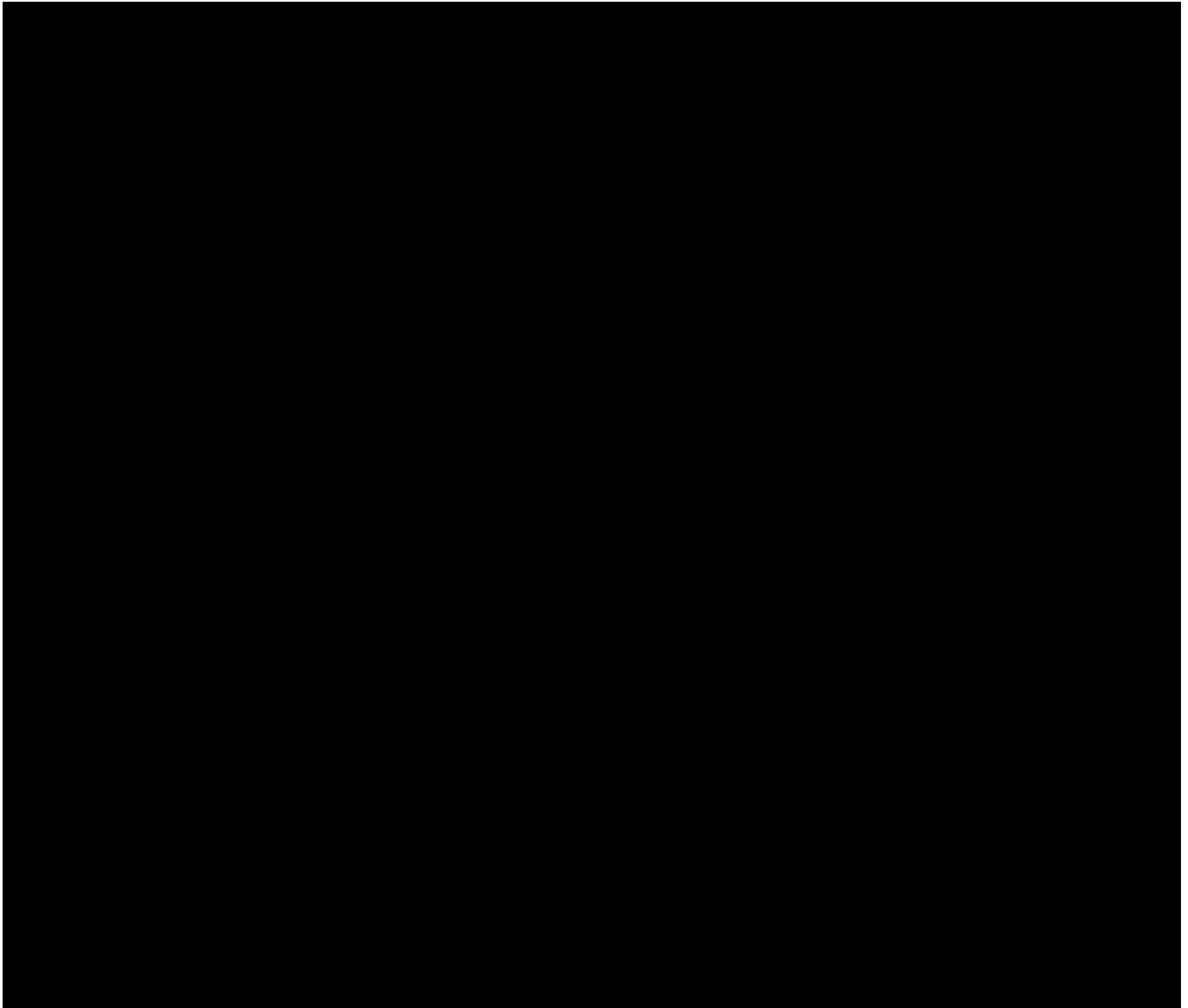
Please refer to the plan sheet, which provides a visual depiction of the take and easement acquisition areas.

## **Improvements**

The [REDACTED] intends to acquire the following improvements:

- Approximately 1,850 square feet of asphalt paving
- Approximately 140 linear feet of concrete curbing
- 4 dual-lamp light posts
- Approximately 55 linear feet of the wrought-iron fencing around the swimming pool
- Approximately 125 linear feet of chain-link fencing
- Approximately 10% of the landscaping

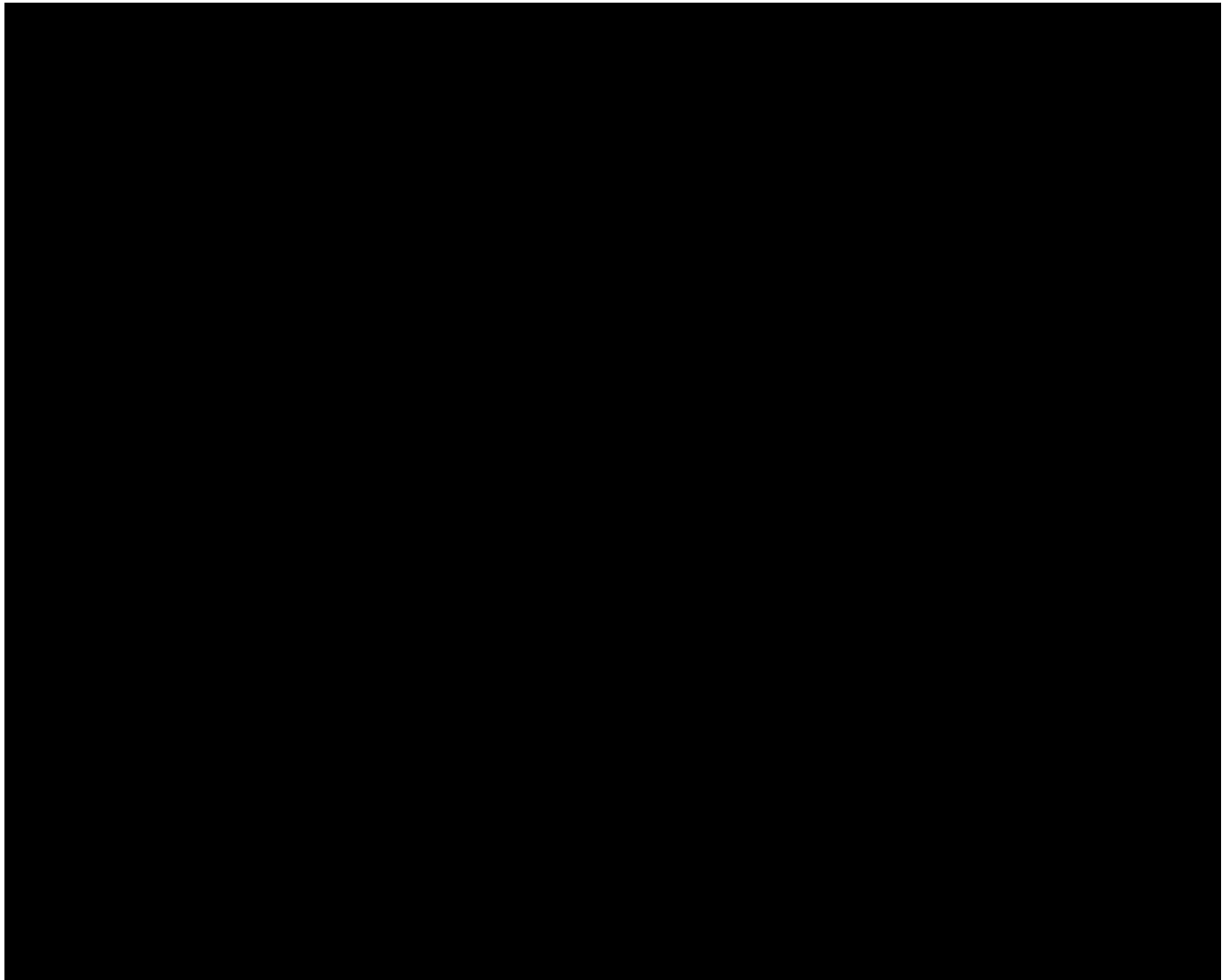
Note that the property's large commercial sign, as well as two smaller commercial signs, are located within the acquisition and/or easement areas. However, the signs will be relocated by [REDACTED] and are therefore not included in the acquisition list.



The right of way acquisition areas are shaded red.  
The PUE area is shaded orange.  
The Slope area is shaded green.  
The TCE areas are shaded yellow.

The following exhibit shows the approximate division between the improved portion of the site and the excess land area, as well as the division of the acquisition and easement areas in each portion.

**██████████ Court Map (excerpt) with Notations**



*The excess land area has an overlay shading of blue.*

The remainder site is an irregularly shaped site, containing 3.450 acres (2.033 acres improved, and 1.417 acres excess land). In the "before", the site is accessed via Bud Hawkins Road, which runs along the front of the subject property, parallel to I-95. The proposed road project will re-route Bud Hawkins Road, beginning to the west of the subject property, so that it veers to the southeast, to the rear of the subject property, and connects with Spring Branch Road/Pope Road. There will no longer be access to the property in the front of the building.

[illegible]



It should be noted that the existing parking capacity (in the before) will not be affected in the after. Although a portion of the PUE will be located within the area that includes the existing front nine parking spaces, according to the N [REDACTED], this area can be used by the property owner *"...in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking..."*

As indicated, the subject will no longer have access from the front of the building, as it is configured on the site. The access in the after will be from the re-routed Bud Hawkins Road, which will run along the rear of the subject property. The site will have one (new) access drive, instead of the two access points as in the before. It should be noted that the property will still have good visibility from I-95, and the distance to travel from the I-95 exit to the subject is only slightly increased in the after as compared to the before (approximately 950 feet as compared to 700 feet in the before).

In addition, the comparable sales utilized in the report and a number of additional sales contained in our files show that the subject will still be located closer to the nearest interchange/visibility point than the majority of these recently sold properties. This is a clear indication that this property in the after will be more than adequate in terms of access, based on actual market data.

Accessing the property from the rear of the building instead of the front, could be viewed as less desirable by some customers. A study done by Edwin Farr, MS-RECM, entitled "Access, Frontage, and Exposure Impact Study" for hotels (a copy of which is located in the addenda), indicates that a downgrade in the appeal rating for a hotel's access/exposure could result in damages ranging from 7% to 19%. Since the subject will maintain good visibility and access from I-95, with the primary impact of the project being a change in the configuration of the access from the front of the building to the rear, the damages to the subject property would likely fall toward the lower end of this range.

In addition, the comparable sales utilized in the report and a number of additional sales contained in our files show that the traffic flow at the subject will still be very similar to a number of recently sold properties. This is a clear indication that this property in the after will be functional in terms of traffic flow based on actual market data.

Considering the data available and the specific characteristics of the subject property, a damage estimate of 10% is considered appropriate. This damage amount is considered applicable to the improvements only, since the damage is primarily due to the configuration of the existing improvements on the site. No damages are considered applicable to the site.

## HIGHEST AND BEST USE OF THE REMAINDER

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### Highest and Best Use as if Vacant

The subject site is smaller and slightly altered in shape as compared to the before. And although the access to the site has changed slightly, it will retain high visibility from I-95. The highest and best use of the remainder site, as if vacant, is the same as in the before. Therefore, the highest and best use of the subject remainder site, as if vacant, is for commercial development

### Highest and Best Use as Improved

The highest and best use of the remainder site, as improved, is the same as in the before. Therefore, the highest and best use of the subject remainder site, as improved, is its continued use of the existing improvements, and commercial development of the excess land portion.

## COST APPROACH – AFTER

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### **Land Valuation - After**

The remainder site is valued using the same sales as in the “before” value estimate. The change in site size (for the improved portion or the excess land portion) is not sufficient to change the unit price.

As previously indicated, the remainder site is also encumbered by additional easements. The project includes a permanent utility easement (PUE) and a Slope easement. The ownership of these areas will be retained by the property owner, but usage of these areas is severely limited since they cannot be utilized for development. This right of permanent use is compensated at a rate of 90% of the estimated “after” site value. .

The site will also be encumbered by a temporary construction easement. Typically, a temporary construction easement is used for the duration of the project. It is generally assumed that at the conclusion of the project, the area included in the TCE will be returned to its original state (as in the before condition) and the owner will resume full fee simple rights. However, in this instance, there are permanent changes within the TCE area, and the area will be altered in the after, as it represents a portion of the access driveway to the property that replaces the access that will be eliminated by the project. The right of temporary use of the TCE area, and the permanent changes effected within this area, are compensated at a rate of 90% of the estimated “after” site value.

The compensation of the easement areas is expressed as a reduction in the market value of the total site.

The market value of the remainder site is calculated as follows:

Remainder Site									
<b>Improved Portion</b>									
Remainder									
Less PUE									)
Less Slope									)
Less TCE									)
Improved Portion of the Remainder Site (rounded):									0
<b>Excess Land:</b>									
Remainder									
Less PUE									)
Less TCE									)
Excess Land Portion of the Remainder Site (rounded):									
Estimate of Value of Remainder Site (Rounded):									

### Improvement Valuation – After

As discussed, the highest and best use of the subject property, as improved, in the after, is for its continued use of the existing improvements. However, as discussed, the change in access will result in damages of approximately 10%, which is compensated for as functional obsolescence in the depreciated reproduction cost estimate as presented below.

Hotel Building					
Hotel					
Canopy	784				
TOTAL ESTIMATED RCN:					\$
Depreciation:					
A. Physical Depreciation:					
1. Physical Curable					
Depreciation:					
a. Accrued Physical					
Curable Depreciation:					
b. Deferred Physical					
Curable Depreciation:					
		<u>Effective</u>	<u>Economic</u>		
<u>ITEM</u>	<u>RCN</u>	<u>Age</u>	<u>Life</u>	<u>% Dep.</u>	<u>Depreciation</u>
Roof Covering	\$21,681	5	20	25%	\$5,420
Floor Covering	\$72,270	5	10	50%	\$36,135
HVAC	\$105,120	10	20	50%	\$52,560
Paint	\$52,560	3	5	60%	\$31,536
TOTALS:	\$251,631				\$125,651
2. Physical Incurable					
Depreciation:					
The RCN of the bone structure and foundation or long-life items is estimated at:					
					\$
Total Physical Depreciation:					
B. Functional Obsolescence:					
1. Functional Curable					
Obsolescence:					
2. Functional Incurable					
Obsolescence:*					
	\$	@	1	%	\$0
C. Economic Obsolescence:					\$0
Total Depreciation for All Factors:					
ESTIMATED DEPRECIATED VALUE OF IMPROVEMENT:					
* Functional Obsolescence calculated as a percentage of the RCN less physical depreciation.					

As previously described, those site improvements located within the acquisition and easement areas will be acquired by [REDACTED]. The contributory value of the remaining site improvements is summarized below.

Site Improvements - AFTER								
Improvement	Quantity	Units	Unit Price	RCN	Economic Life	Effective Age	Ratio	Depreciated Contributing Value
Asphalt Paving	31,050	SF		\$	20	5	25%	
Concrete Paving	3,775	SF			25	5	20%	\$
Concrete curbing	1,235	LF			25	5	20%	\$
Light Post (dual lamp)	4	Ea			15	5	33%	
Swimming Pool	20' x 30'	Ea			20	5	25%	
Wrought-Iron Pool Fence	135	LF			20	5	25%	
Chain-Link Fence	475	LF			20	5	25%	
Landscaping (Other)	Typical	Ea		\$	N/A	N/A	N/A	
Total								
Less Functional Obsolescence at 10%								
Total Contributory Value of Remaining Site Improvements (rounded):								

The indication of value via the cost approach in the after is summarized below.

COST APPROACH SUMMARY - AFTER		
<b>IMPROVED PORTION OF PROPERTY</b>		
Depreciated Reproduction Costs		
Site Improvements (Contributory Value)	\$	
Value Estimate of Improvements (rounded)		
Plus: Estimated Land Value		
Value Estimate of Land and Improvements		
<b>EXCESS LAND TRACT</b>		
Estimated Land Value		
Estimate of Market Value of Subject Property ("After")		

## RECONCILIATION AND FINAL ESTIMATE OF MARKET VALUE - AFTER

The cost approach was the sole method of valuation utilized in the analysis of the subject in the "After". Therefore, the final value estimate is that indicated by the cost approach, which is allocated as follows:

Allocation - After		
Land - Improved Portion	\$	
Land - Excess	\$	
Total Land		
Improvements		
Total Value Indication		

## DIFFERENCE BETWEEN BEFORE AND AFTER VALUES

This results in the following difference in the before and after situation for the subject as a result of the taking:

Difference Between Before and After Values			
<b>Before</b>			
Land (total)	\$		
Improvements			
Total			
<b>After</b>			
Land (total)	\$		
Improvements			
Total			\$
Difference:			\$



## ALLOCATION OF DIFFERENCE

Breakdown of Allocation									
Value of Land Acquired									
R/W									
PUE									
Slope									
TCE									
Value of Improvements Acquired									
Asphalt Paving									
Concrete Curbing									
Light posts									
Wrought-iron Fencing									
Chain-link Fencing									
A portion of the landscaping									
Damages to Remainder									
Land									\$0
Improvements									
Building									
Site Improvements									
Benefits to the Remainder									
									\$0
Total Allocation*									
*Allocated values rounded where necessary for consistency in reporting.									

## ADDENDA

Subject Photographs  
Court Map  
Subject Deed  
Subject Tax Card  
Subject Building Sketch  
Hotel Study  
Certificate of Appraiser

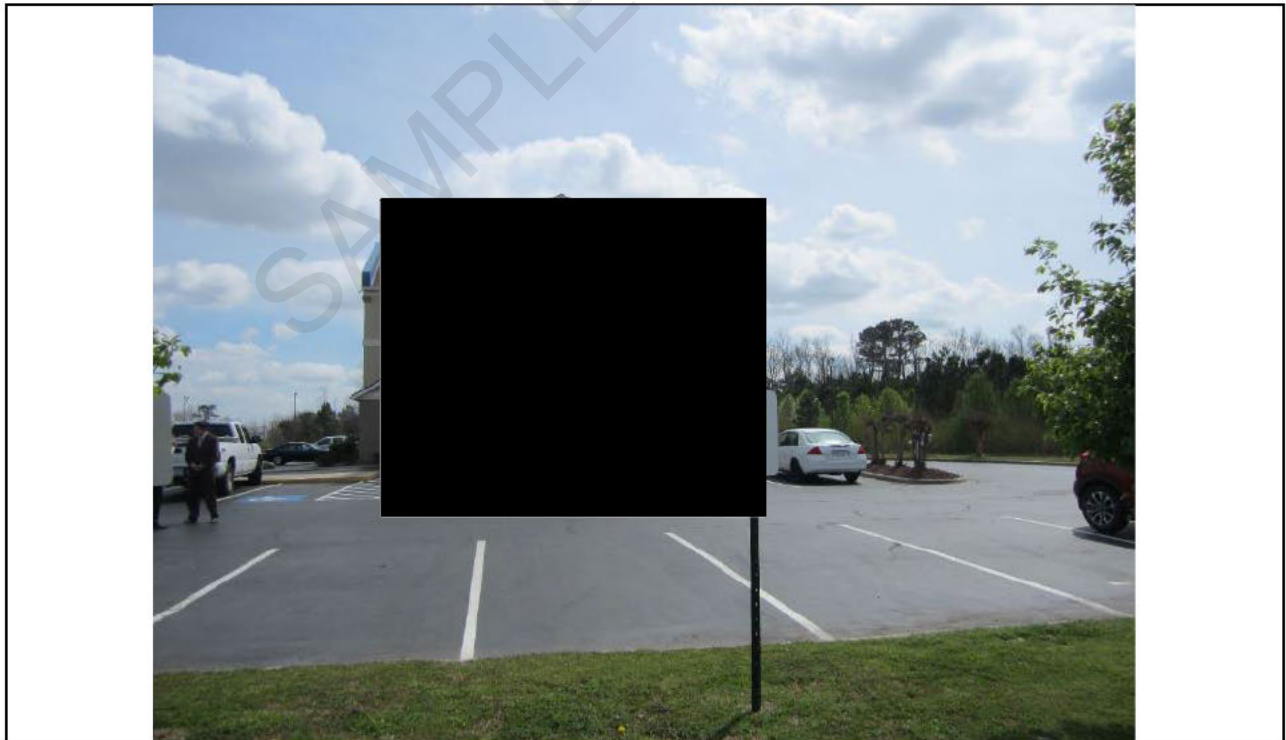
SAMPLE REPORT

## PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; Owner: [REDACTED]  
*All photos taken by Ella M. Vrolyk on 3/11/2020 unless otherwise noted*



1.) OVERVIEW - LOOKING SOUTH AT THE SUBJECT



2.) FRONT ELEVATION - LOOKING SOUTHEAST AT THE SUBJECT

PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; [REDACTED]; Owner: [REDACTED]



3.) REAR ELEVATION - LOOKING NORTHWEST AT THE SUBJECT



4.) SIDE AND REAR ELEVATIONS - LOOKING WEST AT THE SUBJECT

PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; [REDACTED]; Owner: [REDACTED]



5.) LOOKING NORTHEAST AT THE SUBJECT'S FRONTAGE ALONG BUD HAWKINS ROAD AND PORTIONS OF ACQUISITION AND EASEMENT AREAS



6.) INTERIOR – LOBBY/BREAKFAST AREA

PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; Owner: [REDACTED]



7.) TYPICAL GUEST ROOM



8.) TYPICAL GUEST BATHROOM

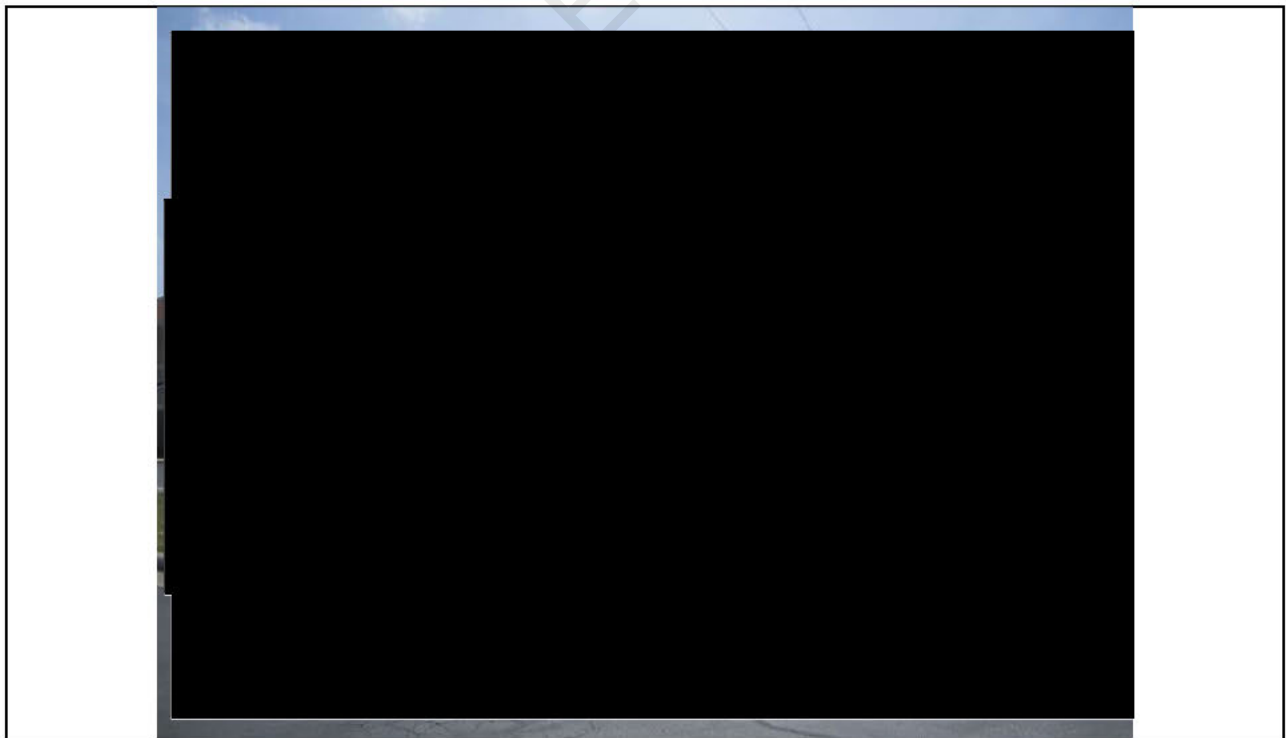


PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; [REDACTED]; Owner: [REDACTED]



9.) LAUNDRY FACILITIES



10.) LOOKING SOUTHWEST AT THE ACQUISITION AND EASEMENT AREAS

PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; Owner: [REDACTED]



11.) LOOKING SOUTHEAST AT SUBJECT EXCESS LAND AREA



12.) LOOKING NORTHWEST AT TCE AREA

PHOTOGRAPHS OF SUBJECT

TIP/Parcel:

[REDACTED]; [REDACTED]

Owner:

[REDACTED]



13.) LOOKING SOUTH TOWARD PORTION OF RIGHT OF WAY AREA



14.) LOOKING NORTHEAST AT SUBJECT PROPERTY AND PORTIONS OF ACQUISITION AND EASEMENT AREAS



PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; Owner: [REDACTED]



15.) LOOKING SOUTH TOWARD SUBJECT (photo taken 2/18/2023)



16.) LOOKING SOUTH TOWARD SUBJECT'S EXCESS LAND AREA (photo taken 2/18/2023)

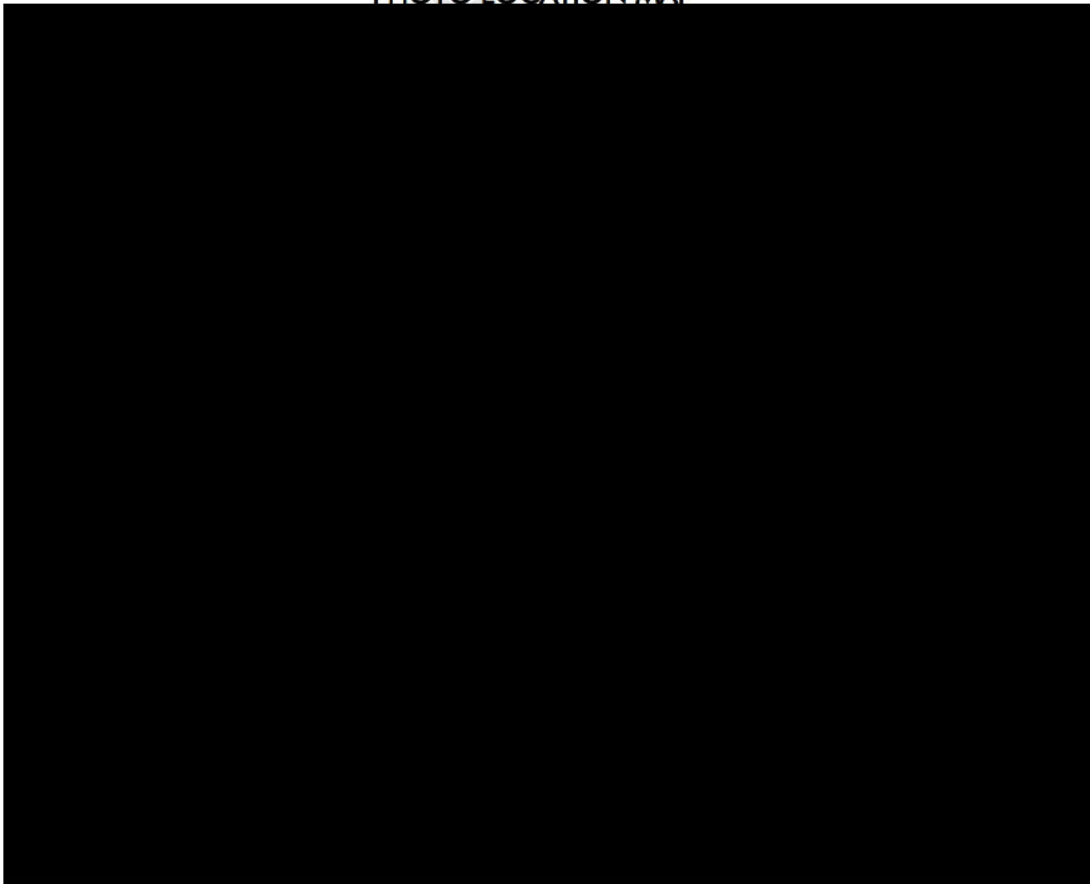
## PHOTOGRAPHS OF SUBJECT

TIP/Parcel: [REDACTED]; [REDACTED]; Owner: [REDACTED]

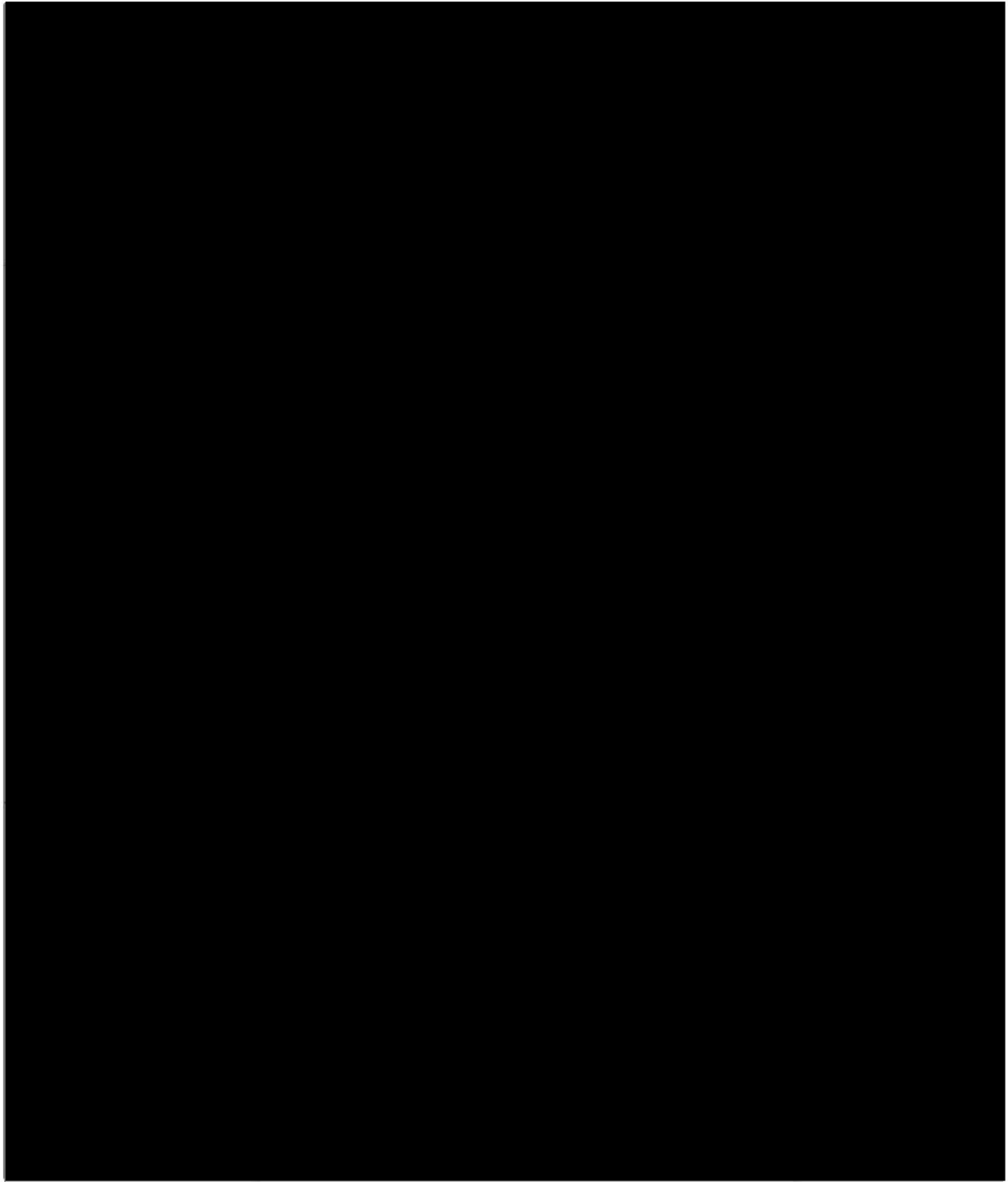


17.) LOOKING EAST TOWARD PORTIONS OF ACQUISITION AND EASEMENT AREAS AND FRONTAGE  
ALONG BUD HAWKINS ROAD (photo taken 2/18/2023)

## PHOTO LOCATION MAP



COURT MAP





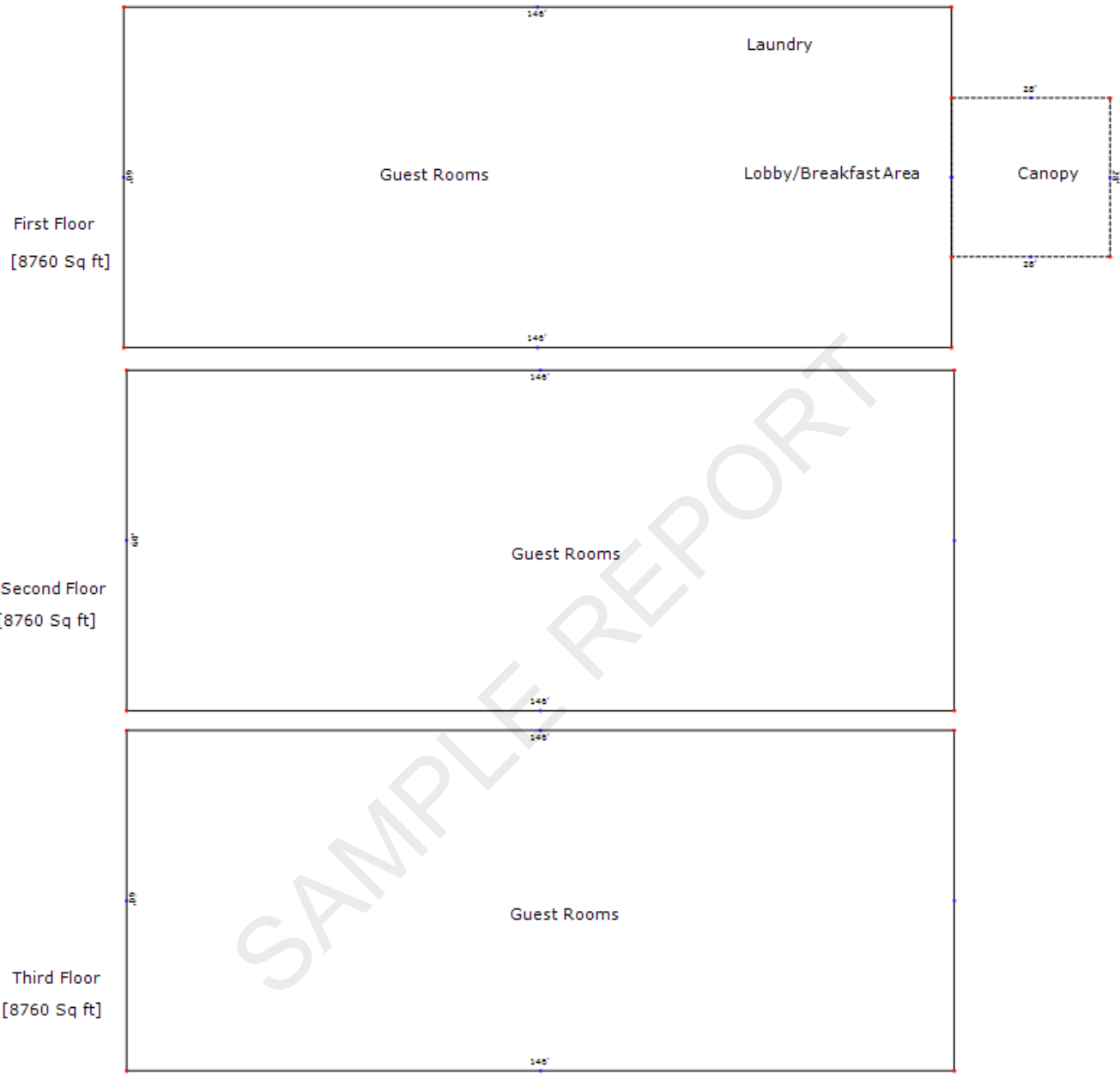
SUBJECT DEED

[REDACTED]

[REDACTED]



SUBJECT BUILDING SKETCH



**Access, Frontage, and Exposure Impact Study**  
**Hotel Property**  
**An Empirical Observational Study**  
**By: Edwin Farr, MS-RECM**

**Purpose:** The purpose of this study is to determine what (if any) impact a change in access, frontage, and/or exposure would have on the advertised rates of hotel property.

**Data Analyzed:** A survey of hotel properties in the peripheral areas of Charlotte, NC were selected from small areas surrounding highway intersections and ramps where the same potential customers had several choices between hotels that had good access, frontage, exposure and ones that did not. The daily advertised rate was analyzed from each and each category mentioned above (including the condition of improvements and amenities) was analyzed and given a rating from Poor, Fair, Below Average, Average, Above Average, Good, and Excellent. Each factor was rated and an overall qualitative Overall Appeal Rating was developed in order to compare the samples. Purposely, hotels of overall good ratings and ones of less desirable ratings were selected from each area in order to attempt to measure the impact from the changes.

**Hypothesis:** My hypothesis is that rental rates will decline as a property gets harder for a typical customer (of the end user) to access or see from their typical vantage point and will get lower as the overall appeal rating declines. This can be due to differences in turning lanes, shape of the subject lot (interior parking circuitry), elevation of the site relative to traffic, vision obstructions (between business and patron), condition of the improvements, and other factors.

**Methodology:** There are a multitude of independent variables that can affect the dependent variable (advertised rack rates) and there is not enough data available in order to do a multiple variable regression analysis. Therefore, paired sales with qualitative ratings for the overall appeal will be used.

Each property was viewed through the county GIS system or Google Maps in order to rate the overall access, frontage, and visibility; Location; Condition; and Amenities from the perspective of a typical customer. These were entered into the table as an independent variable.

**Analysis:** Appendix A shows the properties that were used and their descriptions as well as ratings. Appendix B shows a table that shows the discounts from higher to lower ratings. It is important to note that a combined analysis was not possible due to the intersections and different areas having too much impact on the rack rates and no adjustment being available to normalize this difference, each pairing or group of hotels had to be analyzed separate from each other and the discounts were then compared from the different groups.

**Caveat:** These factors alone cannot be measured together all the time. Some properties may have excellent access with poor exposure and vice versa. Other factors may be part of or the majority of the source for the impact on rack rates. Items such as having to park on the side or back of the building, building orientation (wide or narrow) to the roadway, and other factors may be variables which also manifest the price change even though the agglomerated independent variable being measured is present at the same time as well.

The only study that could account for and extract such specific impacts would be a very sophisticated multiple regression analysis which would take weeks to develop. Regardless, this study provides a rudimentary way of supporting damages from a change in these factors, through empirically grouped data.

**Findings:** The findings support what is intuitively known by all real estate investors, brokers, and appraisers, that qualitatively rated Fair or Average properties sell for less per square foot than Good properties. While this study is far from a mathematical proof, it is sufficient enough to draw quantitative conclusions based on the qualitative change in the subject property due to the project.

**Pertinent to this Report:** This damage study indicates that taking a property with an overall appeal rating of Good and changing it to Average would create damages of 15-18%. Going from Average to Fair would create damages of 7-19%. Going from Good to Fair would cause damages of 23-33%.

## Appendix A

Name	Address	Pair	Advertised Rate	Overall Appeal Rating	Access/Visibility Rating	Location Rating	Condition Rating	Amenities
Golden Green Hotel	3024 E Independence Blvd Charlotte, NC 28205	1	\$70	Good	Excellent	Excellent	Fair	Minor
Budget Inn	2224 E Independence Blvd Charlotte, NC 28205	1	\$65	Good	Average	Excellent	Average	Minor
Greanleaf Inn Charlotte	5820 Monroe Rd Charlotte, NC 28212	1	\$45	Fair	Fair	Average	Good	Minor
Best Western Plus Sterling Hotel & Suites	242 E Woodlawn Rd Charlotte, NC 28217	2	\$90	Good	Excellent	Good	Good	Average
Woodlawn Inn	122 W Woodlawn Rd Charlotte, NC 28217	2	\$74	Average	Fair	Average	Average	Minor
Quality Inn	122 W Woodlawn Rd Charlotte, NC 28217	2	\$74	Average	Fair	Average	Above Avg	Minor
Days Inn Charlotte/Woodlawn	118 E Woodlawn Rd Charlotte, NC 28217	2	\$69	Fair	Poor	Average	Average	Average
Four Points by Sheraton Charlotte	9705 Leitner Dr Pineville, NC 28134	3	\$94	Good	Average	Average	Excellent	Good
Extended Stay America Charlotte	10930 Park Rd Charlotte, NC 28226	3	\$85	Above Avg	Fair	Fair	Good	Minor
Holiday Inn Express Charlotte South - Pineville	9825 Leitner Dr Pineville, NC 28134	3	\$80	Average	Average	Average	Good	Minor
Comfort Suites	10415 Centrum Pkwy Pineville, NC 28134	3	\$76	Below Avg	Fair	Average	Good	Minor
Suburban Extended Stay SE	10225 Feldfarm Ln Charlotte, NC 28210	3	\$65	Fair	Fair	Fair	Above Avg	Minor

Name	Access/Visibility Description	Location Description	Condition Description
Golden Green Hotel	Hwy 74	Hwy 74	Old high rise
Budget Inn	Hwy 74	Hwy 74	Motel style
Greanleaf Inn Charlotte	Local road, small sign	Local Road	Similar to subject
Best Western Plus Sterling Hotel & Suites	Corner of Woodlawn and Old Pineville Rd	Corner of Woodlawn and Old Pineville Rd	Nice, newer
Woodlawn Inn	E. Woodland Rd, in strip center	E. Woodland Rd, in strip center	Older hotel style
Quality Inn	E. Woodland Rd, in strip center	E. Woodland Rd, in strip center	Nice, newer, exterior catwalks
Days Inn Charlotte/Woodlawn	E Woodlawn Rd, behind Mexican Restaurant	E Woodlawn Rd, behind Mexican Restaurant	Older Motel style
Four Points by Sheraton Charlotte	Retail Area Road	Retail Area Road	Superior
Extended Stay America Charlotte	Trees	Park Rd	Similar to subject
Holiday Inn Express Charlotte South - Pineville	Retail Area Road	Retail Area Road	Similar to Subject
Comfort Suites	Business Park Road Good visibility from I-485 but poor access	Business Park Road	Similar to subject
Suburban Extended Stay SE	Field Farm Ln. Suburban area	Secondary Road	Newer Coast Apt style

## Appendix B

Pair Set	Overall Appeal Rating	Rack Rate	% discount from Good	% discount from Above Average	% discount from Average	% discount from Below Average
1	Good	\$67.50				
1	Fair	\$45.00	-33%			
2	Good	\$90.00				
2	Average	\$74.00	-18%			
2	Fair	\$69.00	-23%		-7%	
3	Good	\$94.00				
3	Above Avg	\$85.00	-10%			
3	Average	\$80.00	-15%	-6%		
3	Below Avg	\$76.00	-19%	-11%	-5%	
3	Fair	\$65.00	-31%	-24%	-19%	-14%



## APPRAISER QUALIFICATIONS

### PROFILES



VALUATION & ADVISORY SERVICES / CHARLOTTE

## Ella Vrolyk, MAI

VAS – Vice President, Charlotte

T +1 704 969 4136

M [REDACTED]

E Ella.Vrolyk@cbre.com

NC State-Certified General Appraiser #A7339

### Education

- Bachelor of Business Administration, majoring in Finance and International Business; Ohio University

### Professional Experience

Ella Vrolyk has nearly 25 years of experience in real estate valuation and consulting. Ms. Vrolyk has performed real estate valuations of fee simple, easement, leased fee and leasehold interests of existing and proposed properties including land, retail, industrial, office, hotels, residential subdivisions, single-family residences, RV parks, automotive dealerships, churches, conservation easements, agricultural ranches, and specialty properties. Consulting assignments Ms. Vrolyk has performed have included market rent analyses, feasibility studies, and various easement impact studies.

For the last 12 years, Ms. Vrolyk has specialized in eminent domain valuation, working primarily with the North Carolina Department of Transportation in providing estimates and valuations for proposed roadway projects in multiple counties across the state.

### Professional Affiliations

- Appraisal Institute, Designated Member (MAI)
- Certified General Real Estate Appraiser – North Carolina (A7339)
- IRWA – Member
- North Carolina Licensed Real Estate Salesperson (#324252)

# Haywood Newkirk, MAI

*Executive Vice President, North Carolina Right-of-Way Practice Leader*

**CBRE**



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[haywood.newkirk@cbre.com](mailto:haywood.newkirk@cbre.com)

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Charlotte, NC 28244

## Clients Represented

- NCDOT
- SCDOT
- MDSHA
- FDOT
- Florida's Turnpike
- US Department of Justice
- North Carolina Attorney General's Office
- Maryland Attorney General's Office
- American Acquisitions
- Right of Way Consultants
- Professional Property Services
- Atkins
- Carolina Land Acquisition Co
- Duke Energy

## Experience

Haywood Newkirk, MAI, has over 30 years of real estate appraisal, appraisal review and consulting experience. Over the last 25 years, Mr. Newkirk's career has focused on litigation support and the completion of large eminent domain valuation projects in North Carolina, South Carolina, Maryland and Florida. Mr. Newkirk has testified approximately 30 times at the State Court and Federal Court levels.

Mr. Newkirk has completed valuations and reviews for a variety of projects at the state level. These range from local bypass/road expansion projects to large scale interstate expansions such as the valuation of 600 parcels affected as a result of the I-95 interchange redesign. Mr. Newkirk has also provided valuation for the US Attorney's Office for properties located in North Carolina and South Carolina. He is a member of the IRWA and a licensed Real Estate Broker.

Mr. Newkirk has worked extensively with large scale right-of-way infrastructure projects which include the valuation of fee simple and easement estates for proposed and existing roadway expansions and public utility lines. Recent, notable right-of-way projects include:

- I-95 Interchange Redesign, Harnett/Cumberland County's, NC
- I-540 Bypass Project, Raleigh, NC
- I-85 Expansion/Widening, Cabarrus County, NC
- I-77 Toll Road Project, Huntersville/Cornelius, NC
- Purple Line Metro Project, Silver Spring, MD
- Redline Metro Project, Baltimore, MD
- Charlotte Light Rail Project, Concord, NC
- Marine Corps Air Station Base Expansion – Cherry Point, NC
- Marine Corps Air Station Base Expansion – Beaufort, SC

## Professional Affiliations / Accreditations

- Appraisal Institute, Designated Member (MAI)
- International Right of Way Association, Designated Member
- Certified General Real Estate Appraiser – North Carolina (A3832), Florida (RZ3857), Maryland (31971), South Carolina (5547)
- President, New Hanover Scholars
- Brand Ambassador – Infinity Paddleboards

## Education

- University of North Carolina, B.A. Political Science
- University of Florida, MBA

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## Assumptions and Limiting Conditions

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The certification of the Appraiser appearing in this appraisal report is subject to the following conditions and to such other limiting condition as are set forth by the Appraiser in this report:

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
  - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
  - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
  - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
  - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
  - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
  - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
  - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
  - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
  - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

- (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.
16. CBRE, Inc. is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the land or improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have assumed there are no hazardous materials that would cause a loss in value to the subject.
17. A soils analysis for the site has not been provided for the preparation of this appraisal. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support the highest and best use.

- Right of Way Unit

Certificate of Appraiser

TIP/Parcel No.: [REDACTED] WBS Element: [REDACTED] County: Harnett

Description: [REDACTED]

Property Owner's Name: [REDACTED] Fed Aid Project: [REDACTED]

I HEREBY CERTIFY THAT:

I have ☒, have not ☐, performed ☒ appraisal and ☒ other services as an appraiser or any other capacity, regarding the property that is the subject of this appraisal within the three year period immediately preceding acceptance of this assignment. If "Have" box is marked, please see Scope of Appraisal Section for details.

I have personally inspected the property herein appraised and that I have also made a personal field inspection of the comparable sales/rentals relied upon in making said appraisal. The subject and the comparables relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

I have given the owner or his designated representative the opportunity to accompany me during my inspection of the subject property.

Any decrease or increase in the "Market Value" of real property prior to the date of valuation caused by the public improvement for which such property is acquired or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, is disregarded in determining the compensation for the property.

The statements of fact contained in this appraisal report are true and correct, and the reported analyses, opinions and conclusions, subject to the critical assumptions and limiting conditions herein set forth, are my personal, unbiased, professional analyses, opinions and conclusions.

I understand such appraisal may be used in connection with the acquisition of or disposal of right-of-way for a highway to be constructed by the [REDACTED], and that such appraisal has been made in conformity with appropriate State laws, regulations, and policies and procedures applicable to appraisal of right-of-way for such purposes, and that to the best of my knowledge, no portion of the value assigned to such property consists of items which are "Non-Compensable" under established laws of the [REDACTED].

My analyses, opinions, and conclusions were developed, and this report has been prepared, in compliance with [REDACTED] Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice. The appraisals in this assignment are to be made in accordance with all of the requirements set out in the [REDACTED] Real Estate Appraisal Standards and Legal Principles and the Uniform Standards of Professional Appraisal Practice and shall also comply with all applicable Local, State, and Federal laws, ordinances, regulations, restrictions and/or requirements; and any additions, revisions and/or supplements thereto.

Neither my employment nor my compensation for making this appraisal is in any way contingent on the values reported herein.

I have no direct or indirect, present or prospective interest in neither the subject property nor any benefit from the acquisition of this property nor any bias with respect to the parties involved.

In addition to the undersigned, those persons duly noted in this report and under my direct supervision and responsibility, in so far as this particular appraisal is concerned, have contributed to the production of this appraisal. The analyses, conclusions or value estimates set forth in this appraisal are those of the undersigned.

I will not reveal the findings and results of such appraisal to anyone other than the proper officials of the [REDACTED] or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings or to a duly authorized professional peer review committee.

My independent opinion of the difference in Market Value as of the [REDACTED]<sup>H</sup> day of [REDACTED], [REDACTED], is \$ [REDACTED] based upon my independent appraisal and the exercise of my professional judgment.

[REDACTED]  
Specified Appraiser

3/4/2023  
Date





## **CBRE VALUATION & ADVISORY SERVICES**

Prepared By:

**Haywood Newkirk, MAI**  
**Executive Vice President**  
**(910) 520-1483**  
**haywood.newkirk@cbre.com**



# Request for Proposal

## **RFP# MPM-1192**

**Real Property Appraisal Services**

**September 18, 2023**



# ***REQUEST FOR PROPOSAL***

## ***RFP# MPM-1192***

**Issue Date:** September 18, 2023  
**Title:** Real Property Appraisal Services  
**Issuing Agency:** Commonwealth of Virginia  
James Madison University  
Procurement Services MSC 5720  
752 Ott Street, Wine Price Building  
First Floor, Suite 1023  
Harrisonburg, VA 22807

**Period of Contract:** From Date of Award Through One Year (Renewable)

**Sealed Proposals Will Be Received Until 2:00 PM on October 18, 2023 for Furnishing The Services Described Herein.**

**MANDATORY/ OPTIONAL PRE-PROPOSAL:** None

*SEALED PROPOSALS MAY BE MAILED, EXPRESS MAILED, OR HAND DELIVERED DIRECTLY TO THE ISSUING AGENCY SHOWN ABOVE.*

All Inquiries For Information And Clarification Should Be Directed To: Michael Morrison, Buyer Senior, Procurement Services, [morrismp@jmu.edu](mailto:morrismp@jmu.edu); 540-568-6181; (Fax) 540-568-7935 not later than five business days before the proposal closing date.

**NOTE: THE SIGNED PROPOSAL AND ALL ATTACHMENTS SHALL BE RETURNED.**

In compliance with this Request for Proposal and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
*(Signature in Ink)*

Name: \_\_\_\_\_  
*(Please Print)*

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Web Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Fax #: \_\_\_\_\_

ACKNOWLEDGE RECEIPT OF ADDENDUM: #1 \_\_\_\_\_ #2 \_\_\_\_\_ #3 \_\_\_\_\_ #4 \_\_\_\_\_ #5 \_\_\_\_\_ (please initial)

SMALL, WOMAN OR MINORITY OWNED BUSINESS:

☐ YES; ☐ NO; *IF YES* ⇒ ☐ SMALL; ☐ WOMAN; ☐ MINORITY ***IF MINORITY:*** ☐ AA; ☐ HA; ☐ AsA; ☐ NW; ☐ Micro

**Note:** This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

# ***REQUEST FOR PROPOSAL***

*RFP # MPM-1192*

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## **I. PURPOSE**

The purpose of this Request for Proposal (RFP) is to solicit sealed proposals from qualified sources to enter into a contract to provide Real Property Appraisal Services for James Madison University (JMU), an agency of the Commonwealth of Virginia. Initial contract shall be for one (1) year with an option to renew for three (3) additional one-year periods.

## **II. BACKGROUND**

James Madison University (JMU) is a comprehensive public institution in Harrisonburg, Virginia with an enrollment of nearly 22,000 students and over 4,000 faculty and staff. There are over 600 individual departments on campus that support seven academic divisions. The University offers over 120 majors, minors, and concentrations. Further information about the University may be found at the following website: <http://www.jmu.edu>.

"James Madison University Delegated Authority Capital Projects and Lease Activities" (the "manual"), as structured upon Commonwealth of Virginia Division Real Estate Services Real Property Management Manual, provides the policies and procedures for acquiring real property. Administration of the manual and review and recommendation for approval of the acquisition of real property as set forth in the manual, is performed by the Real Property and Space Management office of James Madison University.

## **III. SMALL, WOMAN-OWNED AND MINORITY PARTICIPATION**

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities, and to encourage their participation in State procurement activities. The Commonwealth encourages contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. Attachment B contains information on reporting spend data with subcontractors.

## **IV. STATEMENT OF NEEDS**

James Madison University seeks to enter into a contract with multiple qualified real estate appraisers to provide residential and commercial property appraisal services on an as-needed basis. The successful offeror shall furnish all labor, travel, and incidentals necessary to perform the real estate appraisal services described herein.

### **A. Appraiser Qualifications**

1. Appraisers, including review appraisers, shall be currently (at the time of appraisal) licensed by the Commonwealth of Virginia as Certified General Real Property Appraisers. Describe your firm's ability to meet this requirement.
2. Appraisers, including review appraisers, shall have extensive experience in appraising (or reviewing, as the case may be) properties similar to that being appraised. Describe how your firm will ensure that this requirement is met.
3. Appraisers shall meet the competency provisions of the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Federation. Confirm your firm's ability to meet this requirement.

4. Provide an organizational chart of your firm stating job titles, certifications, and designations held, education, responsibilities, location, and number of years' experience.
5. Specify the person that will be responsible for managing JMU's account with your firm.
6. Describe your firm's knowledge and experience in the valuation of interests in real estate.
7. Describe your firm's knowledge and experience in providing testimony to opinion of value to the state and federal courts or other adjudication bodies on valuation issues.

B. Appraisal Services

1. Describe your firm's approach to customer service.
2. Describe any appraisal services that would be subcontracted under this contract.
3. The landowner or landowner's agent shall be afforded the opportunity to accompany the appraiser during the appraiser's inspection of the property. Describe your firm's ability to comply in this regard.
4. Describe the turnaround time for providing appraisal services under this contract.
5. All information regarding JMU's property appraisals under this contract shall be confidential. Describe how your firm will ensure that all appraisal services and JMU provided information under this contract shall remain strictly confidential.

C. Appraisal Reports

1. All appraisals prepared for James Madison University shall conform to the guidelines provided in the Uniform Standards of Professional Appraisal Practice (USPAP), latest edition, promulgated by the [Appraisal Standards Board of the Appraisal Foundation](#).
2. Describe your firm's ability and experience in performing complete, review, and restricted appraisals.
3. Describe your firm's ability and experience in providing self-contained and summary appraisal reports.
4. In all cases, the highest and best use determined by the appraiser shall be an economic use. Public uses, as well as any value adjustments attributable to the public nature of the purchaser, will not be accepted. Confirm your firm's understanding and agreement to comply with this requirement.

D. Required Submissions

1. Provide three (3) examples of previous appraisal reports performed.
2. Provide an example of an invoice that would be sent to JMU for appraisal services. Demonstrate how line items will clearly show where charges were applied, specifying for which service.



3. Provide proof of license and professional designations for each person that will provide appraisal services under this contract.

## V. PROPOSAL PREPARATION AND SUBMISSION

### A. GENERAL INSTRUCTIONS

**To ensure timely and adequate consideration of your proposal, offerors are to limit all contact, whether verbal or written, pertaining to this RFP to the James Madison University Procurement Office for the duration of this Proposal process. Failure to do so may jeopardize further consideration of Offeror's proposal.**

1. RFP Response: In order to be considered for selection, the **Offeror shall submit a complete response to this RFP**; and shall submit to the issuing Purchasing Agency:
  - a. **One (1) original and one (1) copies** of the entire proposal, INCLUDING ALL ATTACHMENTS. Any proprietary information should be clearly marked in accordance with 3.f. below.
  - b. **One (1) electronic copy in WORD format or searchable PDF (CD or flash drive)** of the entire proposal, INCLUDING ALL ATTACHMENTS. Any proprietary information should be clearly marked in accordance with 3.f. below.
  - c. Should the proposal contain **proprietary information**, provide **one (1) redacted hard copy** of the proposal and all attachments with **proprietary portions removed or blacked out**. This copy should be clearly marked "*Redacted Copy*" on the front cover. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. JMU shall not be responsible for the Contractor's failure to exclude proprietary information from this redacted copy.

No other distribution of the proposal shall be made by the Offeror.

2. The version of the solicitation issued by JMU Procurement Services, as amended by an addenda, is the mandatory controlling version of the document. Any modification of, or additions to, the solicitation by the Offeror shall not modify the official version of the solicitation issued by JMU Procurement services unless accepted in writing by the University. Such modifications or additions to the solicitation by the Offeror may be cause for rejection of the proposal; however, JMU reserves the right to decide, on a case-by-case basis in its sole discretion, whether to reject such a proposal. If the modification or additions are not identified until after the award of the contract, the controlling version of the solicitation document shall still be the official state form issued by Procurement Services.
3. Proposal Preparation
  - a. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submissions of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing

agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

- b. Proposals shall be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
  - c. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub letter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub letter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at the appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
  - d. As used in this RFP, the terms “must”, “shall”, “should” and “may” identify the criticality of requirements. “Must” and “shall” identify requirements whose absence will have a major negative impact on the suitability of the proposed solution. Items labeled as “should” or “may” are highly desirable, although their absence will not have a large impact and would be useful, but are not necessary. Depending on the overall response to the RFP, some individual “must” and “shall” items may not be fully satisfied, but it is the intent to satisfy most, if not all, “must” and “shall” requirements. The inability of an offeror to satisfy a “must” or “shall” requirement does not automatically remove that offeror from consideration; however, it may seriously affect the overall rating of the offeror’s proposal.
  - e. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
  - f. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protection of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret materials submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection and return of the proposal.
4. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to James Madison University. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact-finding

and explanation session only and does not include negotiation. James Madison University will schedule the time and location of these presentations. Oral presentations are an option of the University and may or may not be conducted. Therefore, proposals should be complete.

B. SPECIFIC PROPOSAL INSTRUCTIONS

Proposals should be as thorough and detailed as possible so that James Madison University may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Return RFP cover sheet and all addenda acknowledgements, if any, signed and filled out as required.
2. Plan and methodology for providing the goods/services as described in Section IV. Statement of Needs of this Request for Proposal.
3. A written narrative statement to include, but not be limited to, the expertise, qualifications, and experience of the firm and resumes of specific personnel to be assigned to perform the work.
4. Offeror Data Sheet, included as *Attachment A* to this RFP.
5. Small Business Subcontracting Plan, included as *Attachment B* to this RFP. Offeror shall provide a Small Business Subcontracting plan which summarizes the planned utilization of Department of Small Business and Supplier Diversity (SBSD)-certified small businesses which include businesses owned by women and minorities, when they have received Department of Small Business and Supplier Diversity (SBSD) small business certification, under the contract to be awarded as a result of this solicitation. This is a requirement for all prime contracts in excess of \$100,000 unless no subcontracting opportunities exist.
6. Identify the amount of sales your company had during the last twelve months with each VASCUPP Member Institution. A list of VASCUPP Members can be found at: [www.VASCUPP.org](http://www.VASCUPP.org).
7. Proposed Cost. See Section X. Pricing Schedule of this Request for Proposal.

## VI. EVALUATION AND AWARD CRITERIA

### A. EVALUATION CRITERIA

Proposals shall be evaluated by James Madison University using the following criteria:

	Points
1. Quality of products/services offered and suitability for intended purposes	25
2. Qualifications and experience of Offeror in providing the goods/services	25
3. Specific plans or methodology to be used to perform the services	25
4. Participation of Small, Women-Owned, & Minority (SWaM) Businesses	10
5. Cost	15
	100

- B. AWARD TO MULTIPLE OFFERORS: Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the agency shall select the offeror which, in its opinion, has made the best proposal, and shall award the contract to that offeror. The Commonwealth reserves the right to make multiple awards as a result of this solicitation. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. Should the Commonwealth determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

## VII. GENERAL TERMS AND CONDITIONS

- A. PURCHASING MANUAL: This solicitation is subject to the provisions of the Commonwealth of Virginia's Purchasing Manual for Institutions of Higher Education and Their Vendors and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is available for review at the purchasing office. In addition, the manual may be accessed electronically at <http://www.jmu.edu/procurement> or a copy can be obtained by calling Procurement Services at (540) 568-3145.
- B. APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with applicable federal, state and local laws and regulations.
- C. ANTI-DISCRIMINATION: By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as

amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §10 of the Rules Governing Procurement, Chapter 2, Exhibit J, Attachment 1 (available for review at <http://www.jmu.edu/procurement>). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender, sexual orientation, gender identity, or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*§6 of the Rules Governing Procurement*).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
    - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
    - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
    - c. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting these requirements.
  2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- F. DEBARMENT STATUS: By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

- G. ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS RFPs: Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. CLARIFICATION OF TERMS: If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. PAYMENT:
1. To Prime Contractor:
    - a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
    - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
    - c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
    - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
    - e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and



the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Rules Governing Procurement, Chapter 2, Exhibit J, Attachment 1 § 53; available for review at <http://www.jmu.edu/procurement>*).

2. To Subcontractors:
    - a. A contractor awarded a contract under this solicitation is hereby obligated:
      - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
      - (2) To notify the agency and the subcontractors, in writing, of the contractor's intention to withhold payment and the reason.
    - b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
  3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.
  4. The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.
- K. PRECEDENCE OF TERMS: Paragraphs A through J of these General Terms and Conditions and the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors, shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth

that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

- M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:
  - 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
  - 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
    - a. By mutual agreement between the parties in writing; or
    - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
    - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.
- P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from

other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

- Q. **INSURANCE:** By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with § 25 of the Rules Governing Procurement – Chapter 2, Exhibit J, Attachment 1, and 65.2-800 et. Seq. of the Code of Virginia (available for review at <http://www.jmu.edu/procurement>) The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

**MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:**

1. **Workers' Compensation:** Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirement under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
2. **Employer's Liability:** \$100,000
3. **Commercial General Liability:** \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. **Automobile Liability:** \$1,000,000 combined single limit. *(Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)*

NOTE: In addition, various Professional Liability/Errors and Omissions coverages are required when soliciting those services as follows:

<b>Profession/Service</b>	<b>Limits</b>
Surveying	\$1,000,000 per occurrence; \$1,000,000 aggregate

- R. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$100,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site ([www.eva.virginia.gov](http://www.eva.virginia.gov)) for a minimum of 10 days.
- S. **DRUG-FREE WORKPLACE:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a

controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- T. NONDISCRIMINATION OF CONTRACTORS: An offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.
- U. eVA BUSINESS TO GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS: The eVA Internet electronic procurement solution, website portal [www.eVA.virginia.gov](http://www.eVA.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet procurement solution by completing the free eVA Vendor Registration. All offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the proposal being rejected. Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

1. For orders issued July 1, 2014 and after, the Vendor Transaction Fee is:
  - a. Department of Small Business and Supplier Diversity (SBSD) certified Small Businesses: 1% capped at \$500 per order.
  - b. Businesses that are not Department of Small Business and Supplier Diversity (SBSD) certified Small Businesses: 1% capped at \$1,500 per order.
2. For orders issued prior to July 1, 2014 the vendor transaction fees can be found at [www.eVA.virginia.gov](http://www.eVA.virginia.gov).

3. The specified vendor transaction fee will be invoiced by the Commonwealth of Virginia Department of General Services approximately 60 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.
- V. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the Commonwealth of Virginia shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- W. PRICING CURRENCY: Unless stated otherwise in the solicitation, offerors shall state offered prices in U.S. dollars.
- X. E-VERIFY REQUIREMENT OF ANY CONTRACTOR: Any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with James Madison University to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to any awarded contract.
- Y. CIVILITY IN STATE WORKPLACES: The contractor shall take all reasonable steps to ensure that no individual, while performing work on behalf of the contractor or any subcontractor in connection with this agreement (each, a “Contract Worker”), shall engage in 1) harassment (including sexual harassment), bullying, cyber-bullying, or threatening or violent conduct, or 2) discriminatory behavior on the basis of race, sex, color, national origin, religious belief, sexual orientation, gender identity or expression, age, political affiliation, veteran status, or disability.
- The contractor shall provide each Contract Worker with a copy of this Section and will require Contract Workers to participate in training on civility in the State workplace. Upon request, the contractor shall provide documentation that each Contract Worker has received such training.
- For purposes of this Section, “State workplace” includes any location, permanent or temporary, where a Commonwealth employee performs any work-related duty or is representing his or her agency, as well as surrounding perimeters, parking lots, outside meeting locations, and means of travel to and from these locations. Communications are deemed to occur in a State workplace if the Contract Worker reasonably should know that the phone number, email, or other method of communication is associated with a State workplace or is associated with a person who is a State employee.
- The Commonwealth of Virginia may require, at its sole discretion, the removal and replacement of any Contract Worker who the Commonwealth reasonably believes to have violated this Section.
- This Section creates obligations solely on the part of the contractor. Employees or other third parties may benefit incidentally from this Section and from training materials or other communications distributed on this topic, but the Parties to this agreement intend this Section to be enforceable solely by the Commonwealth and not by employees or other third parties.
- Z. TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth’s excise tax exemption registration number is 54-73-0076K.

## VIII. SPECIAL TERMS AND CONDITIONS

- A. AUDIT: The Contractor hereby agrees to retain all books, records, systems, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Commonwealth of Virginia, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- B. CANCELLATION OF CONTRACT: James Madison University reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- C. IDENTIFICATION OF PROPOSAL ENVELOPE: The signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From:	_____	_____	_____
	Name of Offeror	Due Date	Time
	_____	_____	_____
	Street or Box No.	RFP #	
	_____	_____	_____
	City, State, Zip Code	RFP Title	
	Name of Purchasing Officer:	_____	_____

The envelope should be addressed as directed on the title page of the solicitation.

The Offeror takes the risk that if the envelope is not marked as described above, it may be inadvertently opened and the information compromised, which may cause the proposal to be disqualified. Proposals may be hand-delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

- D. LATE PROPOSALS: To be considered for selection, proposals must be received by the issuing office by the designated date and hour. The official time used in the receipt of proposals is that time on the automatic time stamp machine in the issuing office. Proposals received in the issuing office after the date and hour designated are automatically non responsive and will not be considered. The University is not responsible for delays in the delivery of mail by the U.S. Postal Service, private couriers, or the intra university mail system. It is the sole responsibility of the Offeror to ensure that its proposal reaches the issuing office by the designated date and hour.
- E. UNDERSTANDING OF REQUIREMENTS: It is the responsibility of each offeror to inquire about and clarify any requirements of this solicitation that is not understood. The University will not be bound by oral explanations as to the meaning of specifications or language contained in this solicitation. Therefore, all inquiries deemed to be substantive in nature must be in writing and submitted to the responsible buyer in the Procurement Services Office. Offerors must ensure that written inquiries reach the buyer at least five (5) days prior to the time set for receipt of offerors proposals. A copy of all queries and the respective response will be provided in the form of an addendum to all offerors who have indicated an interest in responding to this



solicitation. Your signature on your Offer certifies that you fully understand all facets of this solicitation. These questions may be sent by Fax to 540/568-7935.

- F. RENEWAL OF CONTRACT: This contract may be renewed by the Commonwealth for a period of three (3) successive one year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.
1. If the Commonwealth elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract increased/decreased by no more than the percentage increase/decrease of the other services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.
  2. If during any subsequent renewal periods, the Commonwealth elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased/decreased by more than the percentage increase/decrease of the other services category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.
- G. SUBMISSION OF INVOICES: All invoices shall be submitted within sixty days of contract term expiration for the initial contract period as well as for each subsequent contract renewal period. Any invoices submitted after the sixty day period will not be processed for payment.
- H. OPERATING VEHICLES ON JAMES MADISON UNIVERSITY CAMPUS: Operating vehicles on sidewalks, plazas, and areas heavily used by pedestrians is prohibited. In the unlikely event a driver should find it necessary to drive on James Madison University sidewalks, plazas, and areas heavily used by pedestrians, the driver must yield to pedestrians. For a complete list of parking regulations, please go to [www.jmu.edu/parking](http://www.jmu.edu/parking); or to acquire a service representative parking permit, contact Parking Services at 540.568.3300. The safety of our students, faculty and staff is of paramount importance to us. Accordingly, violators may be charged.
- I. COOPERATIVE PURCHASING / USE OF AGREEMENT BY THIRD PARTIES: It is the intent of this solicitation and resulting contract(s) to allow for cooperative procurement. Accordingly, any public body, (to include government/state agencies, political subdivisions, etc.), cooperative purchasing organizations, public or private health or educational institutions or any University related foundation and affiliated corporations may access any resulting contract if authorized by the Contractor.

Participation in this cooperative procurement is strictly voluntary. If authorized by the Contractor(s), the resultant contract(s) will be extended to the entities indicated above to purchase goods and services in accordance with contract terms. As a separate contractual relationship, the participating entity will place its own orders directly with the Contractor(s) and shall fully and independently administer its use of the contract(s) to include contractual disputes, invoicing and payments without direct administration from the University. No modification of this contract or execution of a separate agreement is required to participate; however, the participating entity and the Contractor may modify the terms and conditions of this contract to accommodate specific governing laws, regulations, policies, and business goals

required by the participating entity. Any such modification will apply solely between the participating entity and the Contractor.

The Contractor will notify the University in writing of any such entities accessing this contract. The Contractor will provide semi-annual usage reports for all entities accessing the contract. The University shall not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by the Contractor to extend the contract. It is understood and agreed that the University is not responsible for the acts or omissions of any entity and will not be considered in default of the contract no matter the circumstances.

Use of this contract(s) does not preclude any participating entity from using other contracts or competitive processes as needed.

J. SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

1. It is the goal of the Commonwealth that 42% of its purchases are made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential offerors are required to submit a Small Business Subcontracting Plan. Unless the offeror is registered as a Department of Small Business and Supplier Diversity (SBSD)-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to SBSD-certified small businesses. This shall not exclude SBSD-certified women-owned and minority-owned businesses when they have received SBSD small business certification. No offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Small Business and Supplier Diversity (SBSD) by the due date for receipt of proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the SBSD certification number or FEIN, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided. **This information shall be submitted to: JMU Office of Procurement Services, Attn: SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.**
2. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution with every request for payment, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. **This information shall be submitted to: JMU Office of Procurement Services, SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.** When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the Department of Small Business and Supplier Diversity (SBSD) certification number or FEIN number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.
3. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution with every request for payment, information on use of subcontractors that are not Department of Small Business and Supplier Diversity (SBSD)-

certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, FEIN number, total dollar amount subcontracted, and type of product or service provided. **This information shall be submitted to: JMU Office of Procurement Services, Attn: SWAM Subcontracting Compliance, MSC 5720, Harrisonburg, VA 22807.**

- K. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH: A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.
- L. PUBLIC POSTING OF COOPERATIVE CONTRACTS: James Madison University maintains a web-based contracts database with a public gateway access. Any resulting cooperative contract/s to this solicitation will be posted to the publicly accessible website. Contents identified as proprietary information will not be made public.
- M. CRIMINAL BACKGROUND CHECKS OF PERSONNEL ASSIGNED BY CONTRACTOR TO PERFORM WORK ON JMU PROPERTY: The Contractor shall obtain criminal background checks on all of their contracted employees who will be assigned to perform services on James Madison University property. The results of the background checks will be directed solely to the Contractor. The Contractor bears responsibility for confirming to the University contract administrator that the background checks have been completed prior to work being performed by their employees or subcontractors. The Contractor shall only assign to work on the University campus those individuals whom it deems qualified and permissible based on the results of completed background checks. Notwithstanding any other provision herein, and to ensure the safety of students, faculty, staff and facilities, James Madison University reserves the right to approve or disapprove any contract employee that will work on JMU property. Disapproval by the University will solely apply to JMU property and should have no bearing on the Contractor's employment of an individual outside of James Madison University.
- N. INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the contractor/any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the contractor on the materials, goods or equipment delivered.
- O. ADDITIONAL GOODS AND SERVICES: The University may acquire other goods or services that the supplier provides than those specifically solicited. The University reserves the right, subject to mutual agreement, for the Contractor to provide additional goods and/or services under the same pricing, terms, and conditions and to make modifications or enhancements to the existing goods and services. Such additional goods and services may include other products, components, accessories, subsystems, or related services that are newly

introduced during the term of this Agreement. Such additional goods and services will be provided to the University at favored nations pricing, terms, and conditions.

- P. ADVERTISING: In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to James Madison University will be used in product literature or advertising without the express written consent of the University. The contractor shall not state in any of its advertising or product literature that James Madison University has purchased or uses any of its products or services, and the contractor shall not include James Madison University in any client list in advertising and promotional materials without the express written consent of the University.
- Q. PRIME CONTRACTOR RESPONSIBILITIES: The contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime contractor. The contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- R. SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications, and experience of their proposed subcontractors. The contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all the requirements of the contract.
- S. KEYS: If the Contractor is given keys for this project, it is the Contractor's responsibility to return the keys when the contract is terminated, as well as for the safekeeping of the keys during the contract period. The Contractor shall not loan or duplicate the keys. In the event the Contractor loses the keys, they will be charged for the replacement of the keys and any locks which are rekeyed or replaced.
- T. CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION: The contractor assures that information and data obtained as to personal facts and circumstances related to faculty, staff, students, and affiliates will be collected and held confidential, during and following the term of this agreement, and will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. This shall include FTI, which is a term of art and consists of federal tax returns and return information (and information derived from it) that is in contractor/agency possession or control which is covered by the confidentiality protections of the Internal Revenue Code (IRC) and subject to the IRC 6103(p)(4) safeguarding requirements including IRS oversight. FTI is categorized as sensitive but unclassified information and may contain personally identifiable information (PII). Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

## **IX. METHOD OF PAYMENT**

The contractor will be paid based on invoices submitted in accordance with the solicitation and any negotiations. James Madison University recognizes the importance of expediting the payment process for our vendors and suppliers; we request that our vendors and suppliers enroll in our bank's Comprehensive Payable options: either the Virtual Payables Virtual Card or the PayMode-X electronic deposit (ACH) to your bank account so that future payments are made electronically. Contractors signed up for the Virtual Payables process will receive the benefit of being paid Net 15. Additional information is available online at:

<http://www.jmu.edu/financeoffice/accounting-operations-disbursements/cash-investments/vendor-payment-methods.shtml>

## **X. PRICING SCHEDULE**

The offeror shall provide pricing for all products and services included in proposal indicating one-time and on-going costs. The resulting contract will be cooperative and pricing shall be inclusive for the attached Zone Map, of which JMU falls within Zone 2.

Specify any associated charge card processing fees, if applicable, to be billed to the university.

## **XI. ATTACHMENTS**

Attachment A: Offeror Data Sheet

Attachment B: Small, Women, and Minority-owned Business (SWaM) Utilization Plan

Attachment C: Standard Contract Sample

Attachment D: Zone Map

## ATTACHMENT A

### OFFEROR DATA SHEET

#### TO BE COMPLETED BY OFFEROR

1. QUALIFICATIONS OF OFFEROR: Offerors must have the capability and capacity in all respects to fully satisfy the contractual requirements.
2. YEARS IN BUSINESS: Indicate the length of time you have been in business providing these types of goods and services.

Years \_\_\_\_\_ Months \_\_\_\_\_

3. REFERENCES: Indicate below a listing of at least five (5) organizations, either commercial or governmental/educational, that your agency is servicing. Include the name and address of the person the purchasing agency has your permission to contact.

CLIENT	LENGTH OF SERVICE	ADDRESS	CONTACT PERSON/PHONE #
--------	-------------------	---------	---------------------------


4. List full names and addresses of Offeror and any branch offices which may be responsible for administering the contract.


5. RELATIONSHIP WITH THE COMMONWEALTH OF VIRGINIA: Is any member of the firm an employee of the Commonwealth of Virginia who has a personal interest in this contract pursuant to the [CODE OF VIRGINIA](#), SECTION 2.2-3100 – 3131?

[ ] YES [ ] NO

IF YES, EXPLAIN: \_\_\_\_\_




## ATTACHMENT B

### Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

**Offeror Name:** \_\_\_\_\_ **Preparer Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Is your firm a **Small Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Woman-owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Minority-Owned Business Enterprise** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

Is your firm a **Micro Business** certified by the Department of Small Business and Supplier Diversity (SBSD)? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, certification number: \_\_\_\_\_ Certification date: \_\_\_\_\_

**Instructions:** *Populate the table below to show your firm's plans for utilization of small, women-owned and minority-owned business enterprises in the performance of the contract. Describe plans to utilize SWaMs businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.*

**Small Business:** "Small business " means a business, independently owned or operated by one or more persons who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years.

**Woman-Owned Business Enterprise:** A business concern which is at least 51 percent owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more women, and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified women-owned businesses are also a small business enterprise.**

**Minority-Owned Business Enterprise:** A business concern which is at least 51 percent owned by one or more minorities or in the case of a corporation, partnership or limited liability company or other entity, at least 51 percent of the equity ownership interest in which is owned by one or more minorities and whose management and daily business operations are controlled by one or more of such individuals. **For purposes of the SWaM Program, all certified minority-owned businesses are also a small business enterprise.**

**Micro Business** is a certified Small Business under the SWaM Program and has no more than twenty-five (25) employees **AND** no more than \$3 million in average annual revenue over the three-year period prior to their certification.

**All small, women, and minority owned businesses must be certified by the Commonwealth of Virginia Department of Small Business and Supplier Diversity (SBSD) to be counted in the SWaM program. Certification applications are available through SBSD at 800-223-0671 in Virginia, 804-786-6585 outside Virginia, or online at <http://www.sbsd.virginia.gov/> (Customer Service).**

***RETURN OF THIS PAGE IS REQUIRED***

ATTACHMENT B (CNT'D)  
Small, Women and Minority-owned Businesses (SWaM) Utilization Plan

Procurement Name and Number: \_\_\_\_\_

Date Form Completed: \_\_\_\_\_

Listing of Sub-Contractors, to include, Small, Woman Owned and Minority Owned Businesses  
for this Proposal and Subsequent Contract

Offeror / Proposer:

\_\_\_\_\_  
Firm

\_\_\_\_\_  
Address

\_\_\_\_\_  
Contact Person/No.

Sub-Contractor's Name and Address	Contact Person & Phone Number	SBSD Certification Number	Services or Materials Provided	Total Subcontractor Contract Amount (to include change orders)	Total Dollars Paid Subcontractor to date (to be submitted with request for payment from JMU)

*(Form shall be submitted with proposal and if awarded, again with submission of each request for payment)*

***RETURN OF THIS PAGE IS REQUIRED***

ATTACHMENT C



COMMONWEALTH OF VIRGINIA  
STANDARD CONTRACT

Contract No. \_\_\_\_\_

This contract entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ hereinafter called the "Contractor" and Commonwealth of Virginia, James Madison University called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

PERIOD OF PERFORMANCE: From \_\_\_\_\_ through \_\_\_\_\_

The contract documents shall consist of:

- (1) This signed form;
- (2) The following portions of the Request for Proposals dated \_\_\_\_\_:
  - (a) The Statement of Needs,
  - (b) The General Terms and Conditions,
  - (c) The Special Terms and Conditions together with any negotiated modifications of those Special Conditions;
  - (d) List each addendum that may be issued
- (3) The Contractor's Proposal dated \_\_\_\_\_ and the following negotiated modification to the Proposal, all of which documents are incorporated herein.
  - (a) Negotiations summary dated \_\_\_\_\_.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed intending to be bound thereby.

CONTRACTOR:

PURCHASING AGENCY:

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## ATTACHMENT D

### Zone Map



## Virginia Association of State College & University Purchasing Professionals (VASCUPP)

### List of member institutions by zones

<b><u>Zone 1</u></b> George Mason University (Fairfax)	<b><u>Zone 2</u></b> James Madison University (Harrisonburg)	<b><u>Zone 3</u></b> University of Virginia (Charlottesville)
<b><u>Zone 4</u></b> University of Mary Washington (Fredericksburg)	<b><u>Zone 5</u></b> College of William and Mary (Williamsburg) Old Dominion University (Norfolk)	<b><u>Zone 6</u></b> Virginia Commonwealth University (Richmond)
<b><u>Zone 7</u></b> Longwood University (Farmville)	<b><u>Zone 8</u></b> Virginia Military Institute (Lexington) Virginia Tech (Blacksburg) Radford University (Radford)	<b><u>Zone 9</u></b> University of Virginia - Wise (Wise)