



TOWN OF CHAPEL HILL

February 11, 2004

*This application arrived.*

Ms. Nancy Suttentfield  
Vice-Chancellor for Finance and Administration  
UNC-Chapel Hill  
Campus Box #1000  
Chapel Hill, NC 27599

Subject: FARM Faculty/Staff Recreation Association (File No. 491-06-008)

Dear Ms. Suttentfield:

We recently had opportunity to review the lease agreement between the State and the Faculty-Staff Recreation Association, Inc. As you know, we have a Concept Plan application for changes to the Clubhouse at the FARM Faculty/Staff Recreation Facility. A copy of the lease document was provided to us by your staff. The property on Barbee Chapel Road, in Chapel Hill town limits, is leased to the University of North Carolina Faculty Staff Recreation Association, Incorporated by the State. The lease, recorded in Book 439, Page 93, on July 8, 1976 at the Durham County Registry, indicates that:

“The Lessee agrees to pay ad valorem taxes to the proper taxing authorities on the real property covered by this lease and agreement and upon the improvements which are constructed thereon or installed therein. The Lessee hereby expressly waives any defense to payment of ad.valorem taxes because the fee simple title to the said property remains in the State of North Carolina.”

Based on our review of the tax records of Durham County, it appears that this property is not being billed for taxes by Durham County. We respectfully request that you review the documents referred to in this letter. Please advise us of the status of this lease agreement.

Sincerely,

W. Calvin Horton  
Town Manager

cc: Ralph Karpinos, Town Attorney  
Kay Johnson, Interim Finance Director  
Faculty/Staff Recreation Association