

**RECONSTRUCTED OPERATING STATEMENT**  
MOORE ENTERPRISES  
YADKIN ROAD, FAYETTEVILLE, NORTH CAROLINA

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**Gross Potential Income: \$37,025.54/mo x 12** \$ 453,708.00  
(\$10.74/sf gross)

**Vacancy and Collection Losses @ 4%** - \$ 18,148.32

**Effective Gross Income: .....** \$ 435,559.68

**Expenses:**

Taxes: .....	\$ 28,638.56
Insurance: .....	\$ 14,308.70
C.A.M. .....	\$ 2,400.00
Utilities: .....	\$ 1,800.00
Management (8%): .....	\$ 34,844.74
Misc. Expenses/Repairs: .....	<u>\$ 5,000.00</u>
	\$ 86,992.03

**Total Expenses: .....** \$ 86,992.03

**Replacements for Reserves (4%+-): .....** \$ 17,000.00

**Total Expenses and Reserves (24%): .....** - \$ 103,992.03

**NET OPERATING INCOME .....** \$ 331,567.65

NOI                    \$331,567.65

Several factors influencing the applicable CAP rate:

- Rental rates are considered to be well below market levels. Currently at \$10.74/sf gross.
- Historical occupancy levels close to 100%
- Same owner for over 50 years and long-term tenants.
- The condition of the property is good and there is a good routine maintenance schedule in place.
- The building setbacks are good and there are multiple access points and great visibility. Great potential for value-add opportunities or redevelopment.
- Great location on Yadkin Road which is the main access onto Fort Liberty Military Base.

Given these factors a CAP rate of 7.5% is considered to be applicable.

Taking \$331,567.65 and dividing by .075 gives a value of \$4,420,902, rounded to \$4,420,000.

There is an additional 3.80+- acres of excess commercial land suitable for future development that is a part of this property. It has been valued at \$3.50 per sf. Taking 3.80 acres, or 165,528 sf and multiplying by \$3.50 gives a value of \$579,348, rounded to \$580,000.

Taking \$4,420,000 and adding the \$580,000 gives a value of \$5,000,000.

**This adequately supports our listing price for this property at \$4,950,000.**