



Stewart, Martin & McCoy
Appraisal | Brokerage | Consulting

**APPRAISAL REPORT
REAL ESTATE APPRAISAL
of**

**PUBLIC SCHOOL TRACT AT 9305 CREEDMOOR
A PORTION OF WAKE COUNTY PIN 0799-30-2983**



A Portion of the Property with address at 9305 Creedmoor Road
Raleigh, Wake County, NC, 27615-1423

As of
August 10, 2018

Prepared For
Ms. Betty L. Parker
Wake County Public School System
1429 Rock Quarry Road, Suite 116
Raleigh, NC, 27610

Client File:
211182

Prepared by
STEWART, MARTIN & MCCOY LLC
Kirk McCoy II, MAI, NC-A7687

File Name:
2018-08-22-A001

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August 28, 2018

Ms. Betty L. Parker
Wake County Public School System
1429 Rock Quarry Road, Suite 116
Raleigh, NC 27610

Re: Public School Tract at 9305 Creedmoor
A portion of Wake County Pin 0799-30-2983
9305 Creedmoor Road
Raleigh, Wake County, NC, 27615-1423

Appraisal Report
File Name: 2018-08-22-A001

Dear Ms. Parker:

At your request, I have prepared an appraisal for the above referenced property, which may be described as follows:

The subject has been identified as the southernmost ± 27.83 acre portion of the parcel designated under Wake County PIN # 0799-30-2983. The subject property is located on the western side of Creedmoor Road. The larger parent parcel has a property description of 'Boundary Survey for Bailey Land Company, Inc.' and a Wake County Real Estate ID number 0335245.

Please reference page 6 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated interest in the subject beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 5). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions: The following hypothetical condition is assumed for this appraisal. The parcel designated under Wake County PIN # 0799302983 is a 69.3-acre tract in the Barton's Creek Township of Wake County, however, our appraisal subject is only the southern most ± 27.83 -acre portion of the property located on the western side of Creedmoor Road, just north of Beechnut Trail. Therefore, the appraisal assumes this portion of the parcel has been split away from the larger tract.

Extraordinary Assumptions: There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion:

Current As Is Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of August 10, 2018, is

Two Million Six Hundred Forty Four Thousand Dollars (\$2,644,000)

The market exposure time preceding August 10, 2018 would have been 12 months and the estimated marketing period as of August 10, 2018 is 12 months.

Respectfully submitted,
Stewart, Martin & McCoy LLC

Kirk McCoy II, MAI
NC-A7687

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Summary of Important Facts and Conclusions

GENERAL

Subject:	Public School Tract at 9305 Creedmoor, a portion of Wake County Pin 0799-30-2983 9305 Creedmoor Road, Raleigh, Wake County, NC, 27615-1423 The subject has been identified as the southernmost ±27.83 acre portion of the parcel designated under Wake County PIN # 0799-30-2983. The subject property is located on the western side of Creedmoor Road. The larger parent parcel has a property description of 'Boundary Survey for Bailey Land Company, Inc.' and a Wake County Real Estate ID number 0335245.															
Owner:	Bay Leaf Baptist Church															
Legal Description:	Boundary Survey for Bailey Land Company, Inc.															
Date of Report:	August 28, 2018															
Intended Use:	The intended use is for internal decision making.															
Intended Users:	The client and property owner.															
Assessment:	<table><tr><th colspan="5">Real Estate Assessment and Taxes</th></tr><tr><th>Tax ID</th><th>Land</th><th>Improvements</th><th>Other</th><th>Total Assessment</th></tr><tr><td>0335245</td><td>\$5,545,906</td><td>\$229,113</td><td>\$0</td><td>\$5,775,019</td></tr></table> <p><i>Note: This assessment represents the entire parent parcel, which is 69.30 acres.</i></p>	Real Estate Assessment and Taxes					Tax ID	Land	Improvements	Other	Total Assessment	0335245	\$5,545,906	\$229,113	\$0	\$5,775,019
Real Estate Assessment and Taxes																
Tax ID	Land	Improvements	Other	Total Assessment												
0335245	\$5,545,906	\$229,113	\$0	\$5,775,019												
Sale History:	The subject has not sold in the last three years, according to public records. The parent parcel and all improvements transferred ownership on September 12, 2005 in a Related Party Transaction. The seller was a member of the church.															
Current Listing/Contract(s):	The subject is not currently listed for sale, or under contract, however, it is under negotiation of sale between the client and property owner. No terms have been disclosed to the appraiser.															

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Subject Tract	27.83	1,212,275	27.83	1,212,275	Rolling	Irregular
Remaining Parcel	41.47	1,806,433	31.86	1,387,822	Rolling	Irregular
Totals	69.30	3,018,708	59.69	2,600,096	Rolling	Irregular

Zoning:	R-40W
Highest and Best Use of the Site:	Residential or Community Use
Type of Value:	Market Value

VALUE INDICATIONS

Land Value:	\$2,644,000
Reconciled Value:	As Is
Value Conclusion	\$2,644,000
Effective Date	August 10, 2018
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Stewart, Martin & McCoy LLC. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Stewart, Martin & McCoy LLC's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Stewart, Martin & McCoy LLC has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal.**

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Betty L. Parker, Senior Director, Real Estate Services Wake County Public School System. The problem to be solved is to estimate the current 'As Is' market value for acquisition decision making purposes. The intended use is for internal decision making. This appraisal is intended for the use of client and property owner.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified as the southernmost ± 27.83 acre portion of the parcel designated under Wake County PIN # 0799-30-2983. The subject property is located on the western side of Creedmoor Road. The larger parent parcel has a property description of 'Boundary Survey for Bailey Land Company, Inc.' and a Wake County Real Estate ID number 0335245.
Inspection:	A complete exterior inspection of the subject property has been made, and photographs taken on August 10, 2018 at 9:30AM.
Market Area and Analysis of Market Conditions:	A summary analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value
Valuation Analyses	
Cost Approach:	A cost approach was not applied as the approach is not applicable.
Land Sales Comparison Approach:	A land sales approach was applied as there is adequate data to develop a land value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as the subject is not an income producing property and this approach does not reflect market behavior for this property type.
Hypothetical Conditions:	The following hypothetical condition is assumed for this appraisal. The parcel designated under Wake County PIN # 0799302983 is a 69.3-acre tract in the Barton's Creek Township of Wake County, however, our appraisal subject is only the southern most ± 27.83 -acre portion of the property located on the western side of Creedmoor Road, just north of Beechnut Trail. Therefore, the appraisal assumes this portion of the parcel has been split away from the larger tract.
Extraordinary Assumptions:	There are no Extraordinary Assumptions for this appraisal.
Information Not Available:	A recent preliminary title report was not available.

Market Area Analysis

Area Description & Boundaries

The neighborhood boundaries extend from NC Highway 98 to Interstate highway 540 on a north south axis and from Leesville Road to Falls of the Neuse Road on an east west axis. The area is mostly suburban in nature but remains a popular bedroom community to Raleigh.

Area & Property Use Characteristics

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Built Up <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input checked="" type="checkbox"/> Dn
Change in Economic Base	<input checked="" type="checkbox"/> Likely	<input type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn

Land Use Trends

Present Land Use	Supply/Demand		
	Under	In Bal.	Over
37.5% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.0% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.5% Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.5% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2.5% Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
50.0% Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
100%			

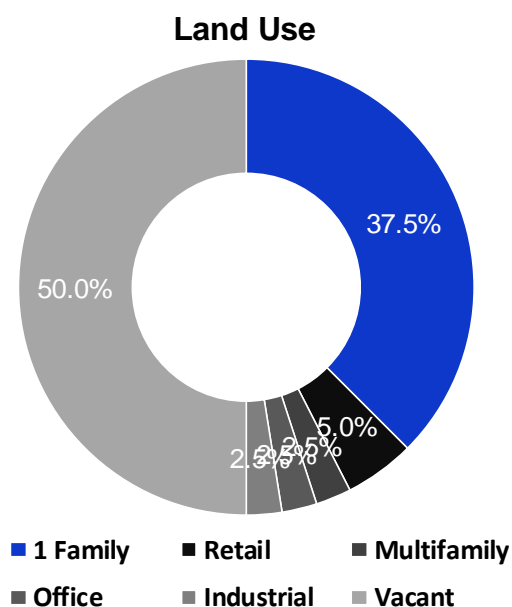
Change in Land Use	Likely	<input checked="" type="checkbox"/>
	Not Likely	<input type="checkbox"/>
	Taking Place	<input type="checkbox"/>

Land uses in the neighborhood mostly consist of vacant tracts of land and residential subdivisions. There is a sprinkle of retail to support the residences within the neighborhood, however, there is a greater concentration of commercial space, just south of Interstate 540 along Creedmoor Road. There are lesser amounts of office and industrial space, usually relegated to the small stand alone offices and small warehouse operations.

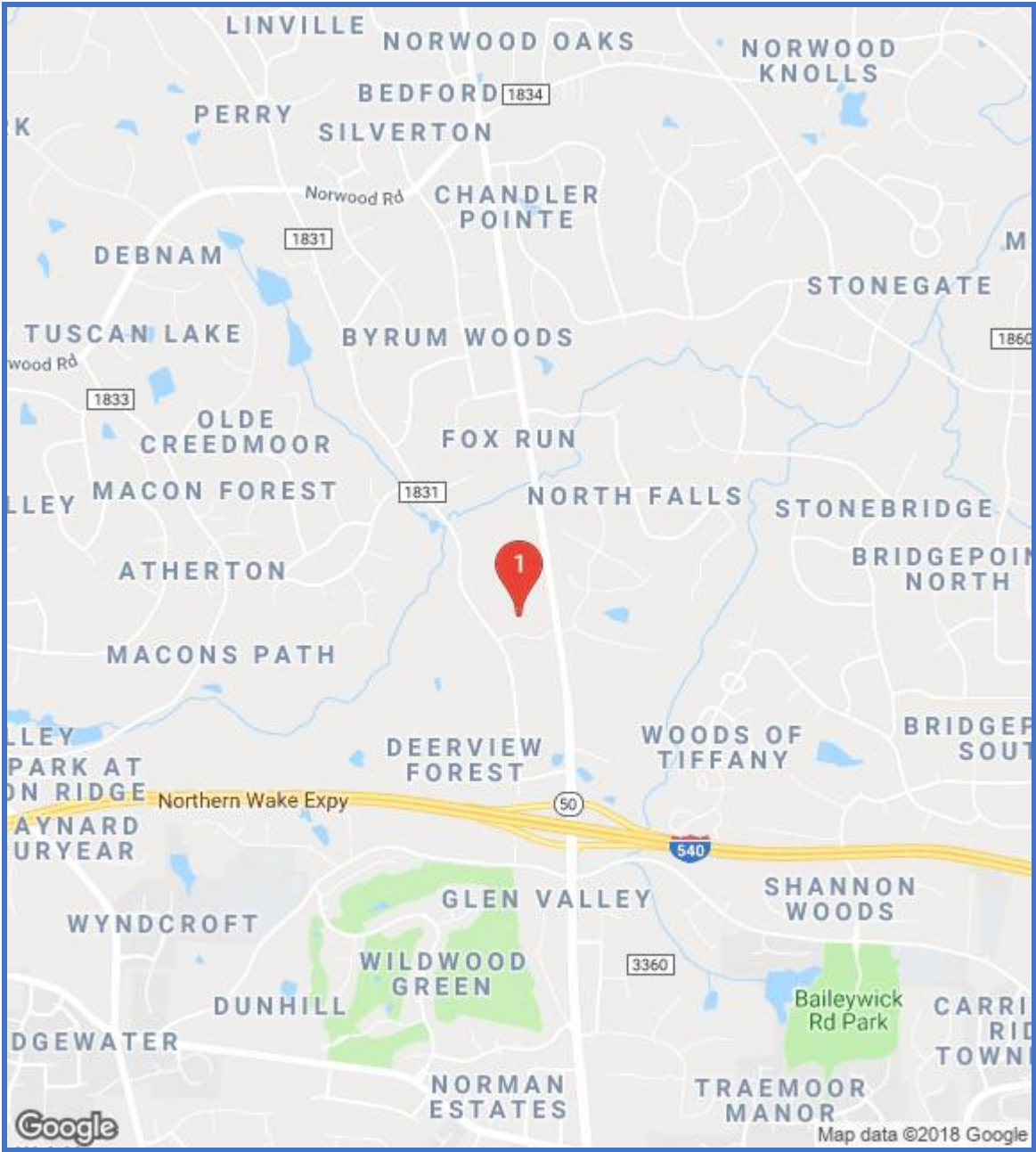
Age Range for Subject Property Type 1960 to 2017

Adjacent Property Use

Adjacent property uses include Barton Creek and a small residential subdivision along Creedmoor Road to the north; vacant wooded acreage and single family subdivisions to the east and west; and then vacant land, Interstate 540, followed by higher density residential and commercial development to the south of the subject.



Location Map

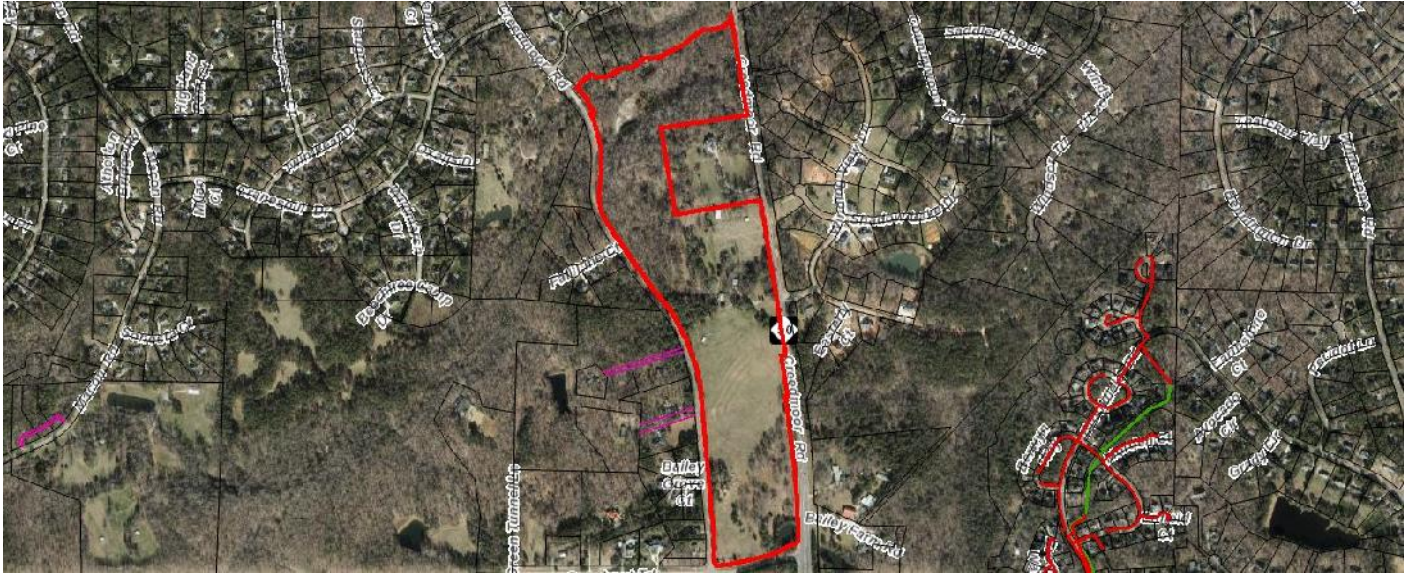


Property Description

The subject has been identified as the southernmost ± 27.83 acre portion of the parcel designated under Wake County PIN # 0799-30-2983. The subject property is located on the western side of Creedmoor Road. The larger parent parcel has a property description of 'Boundary Survey for Bailey Land Company, Inc.' and a Wake County Real Estate ID number 0335245.

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Subject Tract	27.83	1,212,275	27.83	1,212,275	Rolling	Irregular
Remaining Parcel	41.47	1,806,433	31.86	1,387,822	Rolling	Irregular
Totals	69.30	3,018,708	59.69	2,600,096	Rolling	Irregular

SITE	
Location:	The property is located on the western side of Creedmoor Road, just north of Beechnut Trail and Interstate 540.
Current Use:	Residential Land
Site Size:	Total: 27.83 acres; 1,212,275 square feet Usable: 27.83 acres; 1,212,275 square feet The subject tract has no flood plained areas, however the parent parcel has approximately 9.61 acres of land that is inundated within a flood plain near the northern boundary.
Shape:	The site is irregularly shaped
Frontage/Access:	The subject property has Good access with frontage as follows: <div style="margin-left: 20px;">) Creedmoor Road: 2,595 feet) Beechnut Trail Lane: 673 feet </div> The site has an average depth of 660 feet. It is a corner lot.
Visibility:	Good
Topography:	The subject has a rolling topography.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: The site is served by public electricity. Sewer: The site needs access to community sewer. Water: The site needs access to private well.
Site Improvements:	None
Flood Zone:	The subject is in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area. FEMA Map Number: 3720079900J FEMA Map Date: May 2, 2006 The subject tract has no flood plained areas, however the parent parcel has approximately 9.61 acres of land that is inundated within a flood plain near the northern boundary.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Site Comments:	The site has good utility.

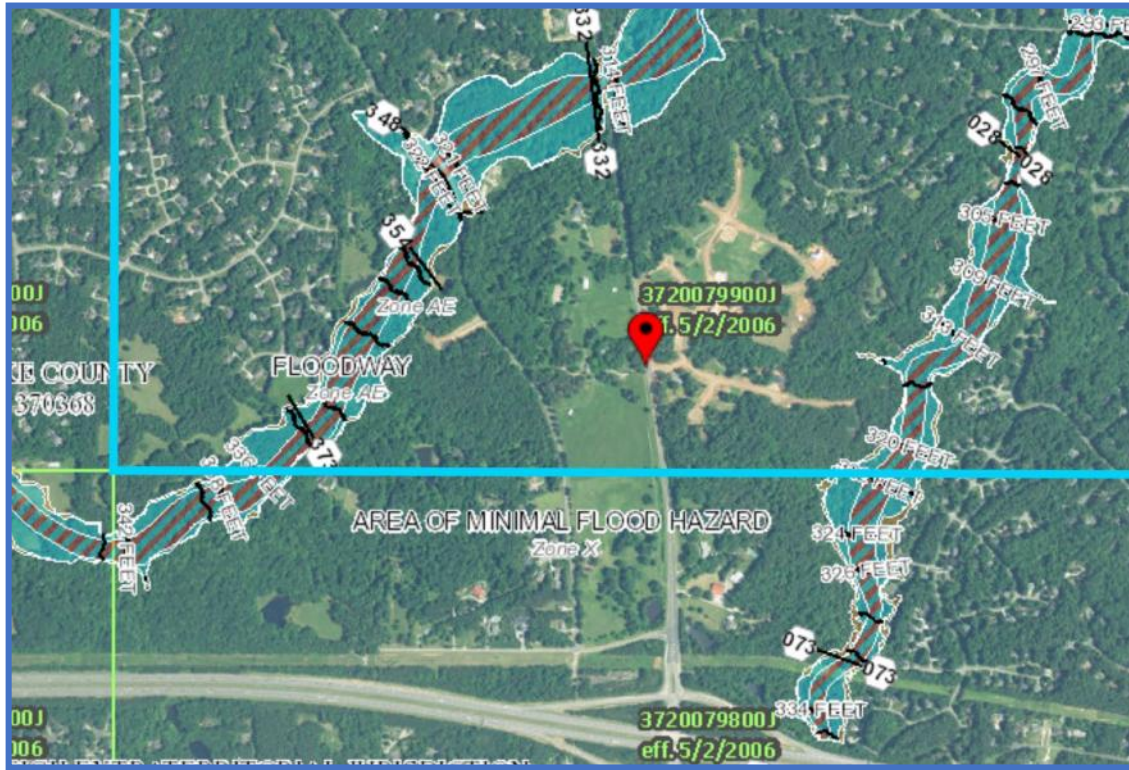


Tax Map – Parent Parcel

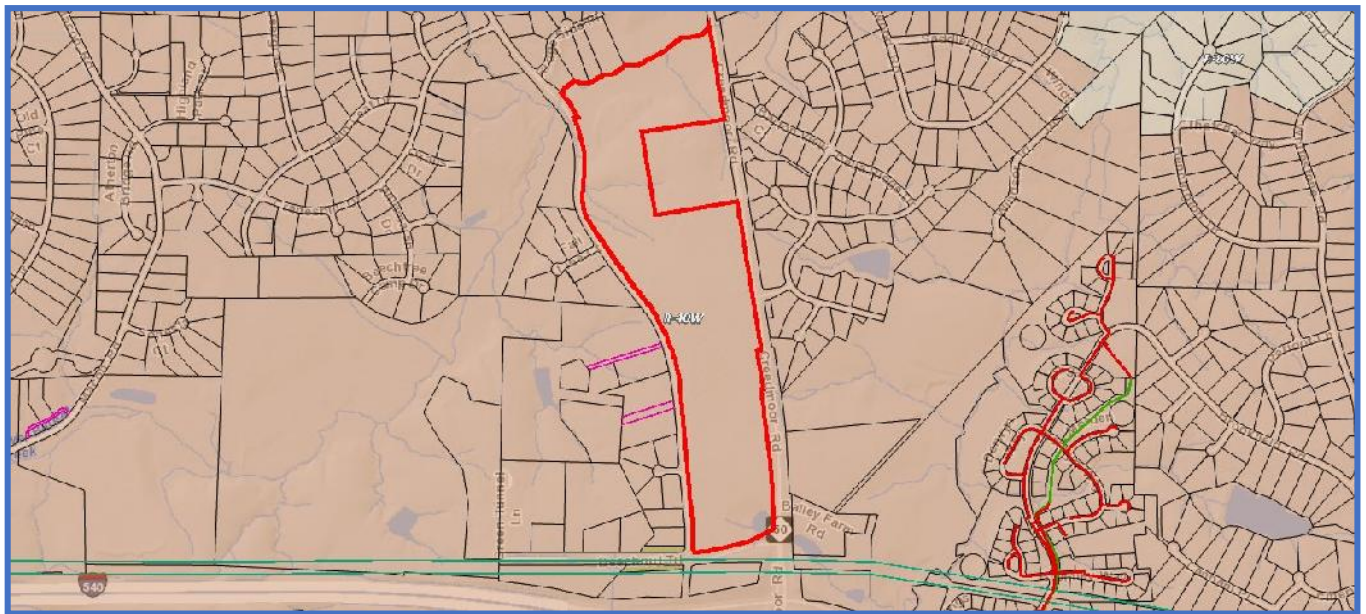
Tax Map – Subject Parcel



Flood Map



Zoning Map



Subject Photographs



Interior View of Subject Parcel



View along Old Creedmoor Road



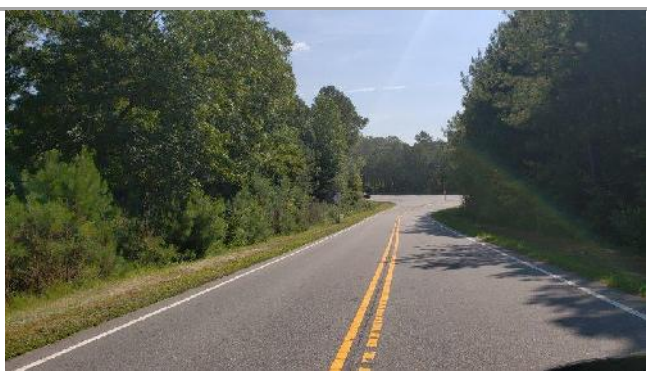
Western View from Old Creedmoor Road



Southwestern View from Old Creedmoor Road



View along Old Creedmoor Road



View along Beechnut Trail Lane



View along Creedmoor Road



Eastern View from Creedmoor Road



Eastern View from Creedmoor Road



Entrance from Creedmoor Road

Assessment and Taxes

Taxing Authority Wake County

Assessment Year 2018

Note The assessment presented below incorporates the entire tax parcel.

Real Estate Assessment and Taxes				
Tax ID	Land	Improvements	Other	Total Assessment
0335245	\$5,545,906	\$229,113	\$0	\$5,775,019

Zoning

LAND USE CONTROLS	
Zoning Code	R-40W
Zoning Description	Residential-40 Watershed District
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	Not Applicable
Zoning Density	1 dwelling per acre
Minimum Lot Size	40,000 square feet
Set Back Distance	30 feet
Side Yard Distance	15 feet
Rea Yard Distance	30 feet
Minimum Lot Width	110 feet
Building Height	35 feet
Coverage Area	30%
Zoning Comments	<p>The R-40 Watershed District is intended to zoning districts are known as residential watershed districts. These districts allow very-low-density residential development in the form of single-family detached dwellings and duplexes. A limited number of nonresidential uses are also allowed, but generally only if the Board of Adjustment first reviews and approves a site plan and special use permit for such use.</p> <p>Certain nonresidential uses are permitted in this District with no special review. Such uses include: schools, libraries, museums, art galleries, and churches.</p>

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, which is vacant, is for Residential or Community Use. The site would be purchased for a residential or civic use.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\text{Cost New} - \text{Depreciation} + \text{Land Value} = \text{Value}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **Cost Approach** was considered and was not developed because the approach is not applicable.

A **Land Sales Comparison Approach** was considered and was developed because there is adequate data to develop a land value estimate and this approach reflects market behavior for this property type.

An **Income Approach** was considered and was not developed because the subject is not an income producing property and this approach does not reflect market behavior for this property type.

Land Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

-) The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
-) The most pertinent data is further analyzed and the quality of the transaction is determined.
-) The most meaningful unit of value for the subject property is determined.
-) Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
-) The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Comp	Address City	Date Price	Acres Price Per Acre	Usable Acres Zoning
Subject	+/- 27.83 acre portion Raleigh	8/10/2018 --	27.83 --	27.83 R-40W
1	0 Norwood Road	9/20/2017	38.05	38.05
2	13201 Durant Road	3/27/2017	55.95	55.95
3	12353 Old Creedmoor Rd	7/24/2018	36.26	36.26
4	12313 Marsh Field Dr	4/13/2018	15.48	15.48

Land Comparable 1



Transaction

ID	466	Date	9/20/2017
Address	0 Norwood Road	Price	\$2,875,000
City	Raleigh	Price per Acre	\$75,558
State	NC	Financing	Conventional
Tax ID	799585249	Property Rights	Fee Simple
Grantor	Nipper Family Limited	Days on Market	NA
Grantee	Montrose Investments, llc	Verification	Montrose Investments
Legal Description	Lorg PT 1 Nipper Family		

Site

Acres	38.1	Topography	Sloping
Land SF	1,657,458	Zoning	R-40W
Road Frontage	1,674	Flood Zone	X
Shape	Irregular	Encumbrance or	No Flood zone areas
Utilities	Needs Water	Environmental Issues	CgC2, CeB2, CeC2

Land Comparable 2



Transaction

ID	467	Date	3/27/2017
Address	13201 Durant Road	Price	\$5,870,000
City	Raleigh	Price per Acre	\$104,915
State	NC	Financing	Conventional
Tax ID	1708971644	Property Rights	Fee Simple
Grantor	Parker Properties	Days on Market	NA
Grantee	Avalaire Land, LLC	Verification	Avalaire Land, Howard
Legal Description	Honeycutt LD		

Site

Acres	56.0	Topography	Sloping
Land SF	2,437,182	Zoning	R-40W
		Flood Zone	X
Shape	Rectangle	Encumbrance or	No Flood zone areas
Utilities	Needs Septic	Environmental Issues	CeB2, CiB3, CeC2, Me

Land Comparable 3



Transaction

ID	468	Date	7/24/2018
Address	12353 Old Creedmoor	Price	\$2,497,500
City	Raleigh	Price per Acre	\$68,878
State	NC	Financing	Conventional
Tax ID	880457837	Property Rights	Fee Simple
Grantor	Albert T. Ray, et al.	Days on Market	NA
Grantee	Papillon Park 2 LLC	Verification	--
Legal Description	LO4 ALBERT A RAY		

Site

Acres	36.3	Topography	Sloping
Land SF	1,579,486	Zoning	R-40W
Road Frontage	915	Flood Zone	X
Shape	Irregular	Encumbrance or	No Flood zone areas
Utilities	Needs Septic and Water	Environmental Issues	CgB2, CgC2, CeD, WmE,

Land Comparable 4



Transaction

ID	470	Date	4/13/2018
Address	12313 Marsh Field Dr	Price	\$1,080,000
City	Raleigh	Price per Acre	\$69,767
State	NC	Financing	Conventional
Tax ID	214975	Property Rights	Fee Simple
Grantor	Ethans Meadow II	Days on Market	NA
Grantee	Homes by Dickerson Inc	Verification	Homes by Dickerson
Legal Description	Ethans Meadow PHII		

Site

Acres	15.5	Topography	Rolling
Land SF	674,309	Zoning	R-40W
		Flood Zone	X
Shape	Irregular	Encumbrance or	No Flood zone areas
Utilities	Needs Septic and Water	Environmental Issues	AsB, AsC, CeD, CgB2,

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Market Trends
- Financing
- Location
- Conditions of Sale
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
Address	9305 Creedmoor	0 Norwood Road		13201 Durant Road		12353 Old Creedmoor Rd		12313 Marsh Field	
City	Raleigh	Raleigh		Raleigh		Raleigh		Raleigh	
State	NC	NC		NC		NC		NC	
Date	8/10/2018	9/20/2017		3/27/2017		7/24/2018		4/13/2018	
Price	--	\$2,875,000		\$5,870,000		\$2,497,500		\$1,080,000	
Price Adjustment (for Utility Access)	--	\$275,000		\$425,000		\$375,000		\$225,000	
Adjusted Price	--	\$3,150,000		\$6,295,000		\$2,872,500		\$1,305,000	
Acres	27.83	38.05		55.95		36.26		15.48	
Acre Unit Price	--	\$82,786		\$112,511		\$79,220		\$84,302	
Transaction Adjustments									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Arm's Length	Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%
Adjusted Acre Unit Price		\$82,786		\$112,511		\$79,220		\$84,302	
Market Trends Through	8/10/2018	3.0%	2.7%	4.1%		0.1%		1.0%	
Adjusted Acre Unit Price		\$84,987		\$117,170		\$79,329		\$85,119	
Location		Similar		Similar		Inferior		Inferior	
% Adjustment		0%		0%		5%		5%	
\$ Adjustment		\$0		\$0		\$3,966		\$4,256	
Acres	27.83	38.05		55.95		36.26		15.48	
% Adjustment		0.0%		2.5%		0.0%		0.0%	
\$ Adjustment		\$0		\$2,929		\$0		\$0	
Topography	Rolling	Sloping		Sloping		Sloping		Rolling	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Usable Acres	100.00%	100.00%		100.00%		100.00%		100.00%	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Zoning	R-40W	R-40W		R-40W		R-40W		R-40W	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Adjusted Acre Unit Price		\$84,987		\$120,099		\$83,295		\$89,375	
Net Adjustments		0.0%		2.5%		5.0%		5.0%	
Gross Adjustments		0.0%		2.5%		5.0%		5.0%	

Comparable Land Sale Adjustments

Price Adjustment (for Utility Access)

One of the most significant attributes of land include the availability of water and sewer. Per a conversation with the owner, the subject has immediate access to water via a private well near the southern boundary. It also has access to a community sewer system along Old Creedmoor Road. However, comparable #1 needed access to water utilities upon the purchase of the sites. Comparable #2 needed access to sewer. Comparables #3 and #4 needed access to both water and sewer. Therefore, price adjustments were applied to all comparables in order to account for the lack of access. These costs can vary from site to site depending on the distance to existing public infrastructure, topography and the permitted uses for the site. The infrastructure costs were estimated based on discussion with parties familiar to the transactions. At that point, all comparables would be able to evaluated and adjusted from a level basis that assumes all comparables have access to utilities. At that point, we determined the most meaningful unit of value for the subject property, Per Unit Acre Price.

Property Rights

Each of the five comparables transfer the fee simple rights, which is similar to the rights we are appraising for the subject property, thus no adjustments were necessary.

Financing

Each of the five comparables transferred using conventional financing methods, which is similar to the method we anticipate for the transfer of the subject property; thus no adjustments are necessary.

Conditions of Sale

Each of the five comparable transactions are arm's length transactions, which is similar to the method we anticipate for the transfer of the subject property; thus no adjustments are necessary.

Economic Trends

The comparable transactions started in March 27, 2017 through July 24, 2018. Over that time period, property values have increased due to economic trends that benefit the sellers of real estate. Therefore, we are adjusting the comparables using appreciation of 3.0% annually to bringing older sales to current market values.

Location

The site is located in a suburban area; however, it is in the path of growth as a bedroom community to Raleigh. Comparables #1 and #4 are all within the same general area. Comparables #3 and #4 are sited further north away from commercial amenities, and further away from the path of growth therefore we made an upward adjustment for location.

Acres

Generally, it is understood that all things being equal, a significantly larger site will sell for a lower per unit value than a smaller site. Therefore, we made adjustments to the comparable based on their size relative the subject. Comparables #1, #3 and #4 are not significantly different in size from the subject, therefore no adjustments were necessary. Comparable #2 is significantly larger than the subject, therefore, upward adjustments were made to these comparables.

Topography

All comparables had a similar topography to the subject, therefore no adjustments were necessary.

Usable Acres

The subject has approximately no acreage that lie within a flood plain, therefore the site has approximately 100% of the site ready and usable. We would have made adjustments to those comparables with significantly more or less usable acreage. All comparables had the same usability to the subject, therefore no adjustments were made.

Zoning

The subject has a R-40W zoning designation which calls for 40,000 sf minimum size lots for single family residents. This is one of the more conservative zoning designations limiting the amount of development potential to the site. Comparables #1, #2, #3 and #4 have the same zoning designation, therefore, no adjustment was made to these comparables.

Land Sales Comparison Approach– Preliminary Per Acre Land Valuation

All of the value indications have been considered, and in the final analysis, all comparables have been given equal weight in arriving at my reconciled value of \$95,000 per acre. The valuation is presented below.

Sales Comparison Approach Conclusion – Land Valuation

Land Value Ranges & Reconciled Value				
Number of Comparables:	4	Unadjusted	Adjusted	%
	Low:	\$79,220	\$83,295	5%
	High:	\$112,511	\$120,099	7%
	Average:	\$89,705	\$94,439	5%
	Median:	\$83,544	\$87,181	4%
Reconciled Value/Unit Value:			\$95,000	
Subject Size:			27.83	
Indicated Value:			\$2,643,850	
Reconciled Final Value:			\$2,644,000	
Two Million Six Hundred Forty Four Thousand Dollars				

Land Sales Comparison Approach Conclusion

Based on the analysis detailed on the following page, as of August 10, 2018 I have reconciled to a value of:

\$2,644,000

Two Million Six Hundred Forty Four Thousand Dollars

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Land Value: \$2,644,000

Value Conclusion

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion, as of August 10, 2018, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value: Premise: As Is
Interest: Fee Simple
Value Conclusion: \$2,644,000
Two Million Six Hundred Forty Four Thousand Dollars

Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Kirk McCoy II has made an inspection of the subject property.

A handwritten signature in black ink, appearing to read 'Kirk McCoy II', written over a horizontal line.

Kirk McCoy II, MAI
NC-A7687

Addenda

1. Professional Qualifications
2. Glossary



KIRK D. MCCOY II, MAI, CCIM

PRINCIPAL

STEWART, MARTIN & MCCOY LLC

*Professional
Qualifications*

In May 2015, Kirk joined by Jarvis Martin, SRA and Jim Stewart, CCIM started a North Carolina based real estate firm, Stewart, Martin & McCoy. The three real estate veterans bring together over 80 years of experience in appraisal, brokerage, consulting, management and acquisitions. The firm will serve its clients with integrity and excellence along these same business lines.

Prior to starting Stewart, Martin & McCoy, Kirk was a Senior Director with Cushman & Wakefield's Valuation & Advisory group since June 2005. As a Senior Director with Cushman & Wakefield's Valuation & Advisory group, Kirk led valuation professionals responsible for appraisal, tax appeal, and consulting assignments across the southeastern United States. He is qualified as an expert witness in tax appeal hearings, and litigation cases. He appraised and consulted on over \$4 billion in commercial real estate assets across the southeastern United States. Previous to Cushman & Wakefield, he was an associate in the multifamily acquisitions group at Enterprise Social Investment Corporation in Columbia, Maryland.

EXPERIENCE

Experience includes providing appraisal and consulting services on a variety of commercial and investment properties including, but is not limited to, the following types of property:

-)] Apartment Projects
-)] Commercial, Industrial, Residential Land
-)] Industrial Facilities
-)] Office Buildings and Office Parks
-)] Retail Properties
-)] Shopping Centers

EDUCATION

-)] University of North Carolina at Chapel Hill
 - Degree: Master of Business Administration
-)] Florida A&M University
 - Degree: Bachelor of Science – Mechanical Engineering

APPRAISAL EDUCATION

Mr. McCoy completed courses and experience requirements to obtain the CCIM and MAI designations. He completed the continuing education requirements of the Appraisal Institute and CCIM Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

-)] CCIM Designated Member, CCIM Institute
-)] MAI Designated Member, Appraisal Institute
-)] Certified General Real Estate Appraiser in the following states:
 - Georgia – CG300386
 - North Carolina – A7687
 - South Carolina – CG6995
-)] Real Estate Broker in the following states:
 - North Carolina – 282641

NORTH CAROLINA – APPRAISER LICENSE



SOUTH CAROLINA – APPRAISER LICENSE



GEORGIA – APPRAISER LICENSE

KIRK D MCCOY, II

300386

Status ACTIVE

**CERTIFIED GENERAL REAL PROPERTY
APPRAISER**

ORIGINALLY LICENSED

02/03/2006

END OF RENEWAL

05/31/2019

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

27632777

NORTH CAROLINA – BROKER LICENSE

**NORTH CAROLINA
REAL ESTATE COMMISSION**

REAL ESTATE LICENSE RENEWAL/REINSTATEMENT

LICENSEE

MCCOY II, KIRK DOUGLAS

282641

LICENSE NUMBER

06/30/19

EXPIRATION DATE

B

TYPE




Miriam J. Baer
EXECUTIVE DIRECTOR

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. Chicago: Appraisal Institute, 2013. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. 2015. Print.

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

(Dictionary, 6th Edition)

Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 6th Edition)

Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
 -) CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
 -) CAM can refer to all operating expenses.
 -) CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.
2. The amount of money charged to tenants for their shares of maintaining a center's common area. The

charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 6th Edition)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 6th Edition)

Discount Rate

A rate on return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 6th Edition)

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 6th Edition)

Effective Date

1. The date on which the appraisal or review opinion applies. (SVP)
2. In a lease document, the date upon which the lease goes into effect.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and

open market. (Dictionary, 6th Edition)

External Obsolescence

A type of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent (Dictionary, 6th Edition).

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinion or conclusion. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 6th Edition)

Functional Obsolescence

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 6th Edition)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary, 6th Edition)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. (Dictionary, 6th Edition)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 6th Edition)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best legal use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (Dictionary, 6th Edition)

Hypothetical Condition

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 it is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary, 6th Edition)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the revisionary right when the lease expires. (Dictionary, 6th Edition)

Market Area

The geographic region from which a majority of demand comes in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (Dictionary, 6th Edition)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and reevaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 6th Edition)

Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition:

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 a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

-) Identification of the specific property rights to be appraised.
 -) Statement of the effective date of the value opinion.
 -) Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
 -) If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the 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:

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

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines *market value* for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (IVS)
5. The Uniform Standards for Federal Land Acquisitions defines *market value* as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date for the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 6th Edition)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6,

“Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time). (Dictionary, 6th Edition)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest taxes, depreciation, and amortization) (Dictionary, 6th Edition)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 6th Edition)

Scope of Work

The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2016-2017 ed.)

Stabilized Occupancy

An expression of the average or typical occupancy that would be expected for a property over a specified

for a continued use; may be either functional or external. (Dictionary, 6th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 6th Edition)

Rentable Area

For office buildings, the tenant’s pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 6th Edition)

projection period or over its economic life. (Dictionary, 6th Edition)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 6th Edition)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. (Dictionary, 6th Edition)