

**APPRAISAL OF REAL PROPERTY**  
**FOR**  
**Metal Warehouse/Shop Building and 1 Acre +/-**  
**6.286 Acres +/- Excess Land**

---

1245 HIGHWAY 16 EAST  
Newnan, COWETA COUNTY, GEORGIA

AS OF:  
OCTOBER 2, 2007

PREPARED FOR



PREPARED BY  
**FLETCHER & COMPANY**  
**REAL ESTATE APPRAISALS AND CONSULTATION**  
P.O. BOX 884  
GRIFFIN, GA 30224  
(770) 227-4008



KEN A. FLETCHER

**FLETCHER & COMPANY**  
*Real Estate Appraisals*  
P. O. Box 884 • 770-227-4008  
Griffin, Georgia 30224

October 5, 2007



RE: Summary Appraisal Report  
Metal Warehouse/Shop Building & 1  
Acre  
6.286 Acres +/- Excess Land  
1245 Highway 16 East  
Land Lot 61 & 62, 2<sup>nd</sup> Land District  
Newnan, Coweta County, Georgia

Dear Mr. [REDACTED]

In accordance with your request I have personally inspected the above captioned property for the purpose of estimating the Market Value in the Fee Simple Interest. The effective date of this appraisal is October 2, 2007.

Submitted herewith is my report containing pertinent facts and data gathered in my investigation.

The method of appraising is detailed in the attached narrative report. As of October 2, 2007, it is my opinion that the Market Value with Fee Simple Interest in the subject property is:

**Five Hundred Forty Five Thousand Dollars**  
**\$545,000**

The undersigned appraiser states that his employment was not conditioned upon his producing a specific value or a value within a given range. Further employment or the payment of the fee is not dependent upon producing specified values.

It has been a pleasure to serve you in this matter.

Respectfully submitted,

Ondra L. Lee  
State of Georgia  
Registered Appraiser #267609

FLETCHER & COMPANY  
Ken A. Fletcher  
State of Georgia  
Certified General Appraiser #596

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## Summary of Salient Facts and Conclusions

**Intended User of Appraisal:** [REDACTED]

**Property Type:** Metal warehouse/shop building

**Property Address:** 1245 Highway 16 East  
Newnan, Coweta County, Georgia

**Parcel ID:** 100 2061 001A

**Owner:** [REDACTED]

**Purchaser:** [REDACTED]

**Site Size:** Developed Site: 1 Acre  
Excess Land: 6.286 Acres +/-

**Improvements:** 2400 Gross Square Feet used as a  
warehouse/shop building

**Year Built:** Originally constructed in 1988

**Zoning:** M, Industrial

**Interest Appraised:** Fee Simple

**Effective Date of Appraisal:** October 2, 2007

**Date of Report:** October 5, 2007

**Final Estimate of Value:** \$545,000

## Introduction

## Assumptions and Limiting Conditions

The appraisal is made subject to the following conditions and assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, plats or drawings included in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
2. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless discussed otherwise in this report. The property is appraised as free and clear of existing liens, assessments and encumbrances, except as noted in the attached report.
3. The appraiser does not assume responsibility for sub-surface soil conditions. No geological reports have been furnished to the appraiser.
4. Unless otherwise noted, it is assumed that there are no encroachments, zoning or restriction violations affecting the subject property.
5. The property is assumed to be under competent and aggressive management.
6. Information, estimates, and opinions used in this appraisal are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.
7. The value estimates reported herein apply to the entire property and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests is set forth in the report.
8. This report may not be used for any purpose other than as stated in the report, by any other than the client without previous consent of the appraiser and his client and then only with proper qualifications.
9. The appraiser assumes the reader or user of this report has been provided with copies of all leases and amendments, if any, encumbering this property.
10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales or other media, without the prior written consent and approval of the author.

This pertains particularly to valuation conclusions, the identity of the appraiser or firm with which he is associated.

11. The final value estimate has been concluded on the basis that the property is environmentally compliant. Further the acreage was based on information provided by the owner and/or public records. If the actual acreage or developable unit is different than the amounts used in this report, the appraiser reserves the right to modify this report.
12. The final value estimate has been concluded on the basis that the subject is not subject to flooding. For an official determination a certified flood study is recommended.



## Certification

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

- The statements of fact contained in this report are true and correct.
- Jason Fletcher visited and inspected the subject property and the comparables used in the report under review.
- The reported analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved. I have no bias with respect to the property that is the subject of this report.
- My engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this review report was prepared in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the rules and regulations of the Georgia Real Estate Appraisers Board.



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Ken Fletcher – CG # 596

- I certify that I provided significant technical support in the completion of this appraisal to include gathering market data and inspection of subject property.



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Ondra L. Lee – Registered Appraiser #267609

## Appraiser Competency

- Ken A. Fletcher is experienced in the valuation of commercial, retail, office, industrial, land acquisition and development, multi-family, condemnation, recreational and special purpose properties. For additional information on the competency of the appraiser, please review the Qualifications of Appraiser in this report.

The appraiser has extensive experience in appraising metal warehouse/shop buildings similar to the subject property and is considered to be competent in performing an appraisal on the subject property. The appraiser is also considered to be competent in the area of which the subject property is located.

- Ondra L. Lee is experienced in the valuation of commercial, retail, office, industrial, land acquisition and development, and multi-family. For additional information on the competency of the appraiser, please review the Qualifications of Appraiser in this report.

The appraiser has extensive experience in appraising metal warehouse/shop buildings similar to the subject property and is considered to be competent in performing an appraisal on the subject property. The appraiser is also considered to be competent in the area of which the subject property is located.

# Definitions

## Market Value

Market Value is defined as:

“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 are 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 best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States 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 by anyone associated with the sale.”<sup>2</sup>

## Fee Simple Interest or 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.”<sup>3</sup>

## Real Property

“All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed.” In some states, real property is defined by statute and is synonymous with real estate. See also personal property; real estate.<sup>4</sup>

## Improvements

“Buildings or other relatively permanent structures or developments located on, or attached to, land.”<sup>5</sup>

<sup>2</sup> *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 194 (as published in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989).

<sup>3</sup> *The Dictionary of Real Estate Appraisal*, 4th Ed., (Chicago Appraisal Institute, 2002), p. 113

<sup>4</sup> *Ibid*, 234.

<sup>5</sup> *Ibid*, 142

## **Personal Property**

“Identifiable tangible objects that are considered by the general public as being ‘personal’ -for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate.”<sup>6</sup>

## **Intangible Personal Property**

“Property that has no physical existence beyond merely representational, nor any extrinsic value; includes rights over tangible real and personal property, but not rights of use and possession. Its value lies chiefly in what it represents. Examples include corporate stock, bonds, money on deposit, goodwill, restrictions on activities (for example, patents and trademarks), and franchises. Note: Thus, in taxation, the rights evidenced by outstanding corporation stocks and bonds constitute intangible property of the security holders because they are claims against the assets owned and income received by the corporation rather than by the stockholders and bondholders; interests in partnerships, deeds, and the like are not ordinarily considered intangible property for tax purposes because they are owned by the same persons who own the assets and receive the income to which they attach.”<sup>7</sup>

## **Goodwill**

“The intangible asset that arises as a result of a name, reputation, customer patronage, location, products, and similar factors that have not been separately identified and/or valued but that generate economic benefits.”<sup>8</sup>

## **Exposure Time**

“The estimated length of time the property interest being appraised would have been offered on the market prior to a hypothetical consummation of a sale at market value on the effective date of the appraisal.”<sup>9</sup>

It is our opinion that the estimated exposure time for the subject property prior to the effective date of this report would have been less than twelve months.

<sup>6</sup> *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p.4.

<sup>7</sup> *The Dictionary of Real Estate Appraisal*, 4th Ed., (Chicago Appraisal Institute, 2002), p. 148.

<sup>8</sup> *The Dictionary of Real Estate Appraisal*, 4th Ed., (Chicago Appraisal Institute, 2002), p. 128.

<sup>9</sup> *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 90.

## 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 an appraisal.”<sup>10</sup>

With regard to marketability, primary consideration has been given to the subject's overall location, features, the socioeconomic characteristics of the area, and probable near-term and long-term market demand for the property. The marketing time for the appraised is based on a review of real estate sales, some of which are provided later in this report, together with conversations with brokers and other real estate professionals in the subject market.

The estimated marketing time is estimated less than twelve months based on current market conditions.

Market conditions are considered favorable with reasonable interest rates and no financing concessions necessary.

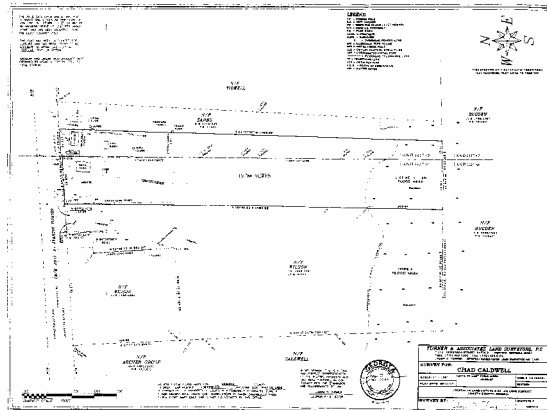
<sup>10</sup> *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 128.

## Assignment Description

## Property Identification

The subject property was constructed for its current use as warehouse/shop use, located at 1245 Highway 16 East, Newnan, Georgia. The building is a single-story structure that was originally constructed in 1988. The facility was in good condition for its age at the time of inspection.

The developed site contains approximately 1 acre and the subject excess land consists of 6.286 acres of land. Approximately 1.3 Acres of the excess land site is located in a 100 year flood plain and approximately 4.986 Acres is considered developable land. It is identified by Coweta County Assessor's Office as Parcel Number 100 2061 001A. Below is a copy of the subject plat.



### Appraisal Objective and Property Rights

The objective of this appraisal is to estimate the current fee simple market value of the real estate.

### Intended Use and Intended Users

Per Standard Rule 1-2 of USPAP, the intended use and users of the appraisal must be stated. [REDACTED] requested the market value of the Fee Simple Interest in the subject property for collateral evaluation purposes. The intended user of the report would be [REDACTED]. All information contained within this report is confidential between the client and the undersigned appraiser(s). Any information contained in this report cannot be released to a third party without written permission from the client only.

### Effective Date of the Appraisal / Report Date

The final estimate of market value represents our opinion estimates as of October 2, 2007, the most recent date of the real estate inspection. The report date is October 5, 2007.

### **Statement of Ownership and Sales History**

Standards Rule 1-5 of USPAP requires an analysis of all agreements of sale, options, or listings, and at least a three-year sales history of the subject property. According to Coweta County Deed Book 2536, Page 516, Jenny Ann Browning, DBA E.M. Properties purchased the subject property for \$420,000 on June 30, 2004 from Marcus Caswell et al. There have been no other transfers of any interests, in whole or part, in the past three years. The subject property is presently under contract to include the subject building and 7.286 acres +/- along with a residential dwelling and 3.5 acres +/- for \$650,000. The entire property under contract is 10.786 acres as shown on attached contract. See a copy of contract in the addenda of this report. A title search is recommended for official determination.



## The Scope of Work

According to Advisory Opinion 28 of USPAP, an appraisal must “1) identify the problem to be solved; 2) determine and perform the scope of work necessary to develop credible assignment results; and 3) disclose the scope of work in the report.”<sup>1</sup>

The primary purpose of the appraisal is to meet the requirements of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act (“FIRREA”) of 1989 with respect to real estate-related financial transactions as we understand these requirements. [REDACTED] requested an appraisal to assist it with collateral valuation of the subject property. This Summary appraisal report covers the necessary collection and analysis of data, property inspections and the application of accepted approaches to value. This report sets forth the rationale, assumptions, conditions and significant facts upon which the final value is based. All of the generally accepted approaches to value have been considered within this report.

Typically, the Cost, Sales Comparison and Income Approaches are applicable and reliable valuation methods. Our analysis has determined the highest and best use of the property is for the continued use as a warehouse/shop building. Therefore, the Improved Sales Comparison and Income Approaches to value have been performed in this report. The Sales Comparison Approach will be utilized in this report to estimate the value of the subject building and 1 acre developed site and will be utilized to estimate the value of the 6.286 acres of excess land. The Income Approach will be utilized to estimate the value of the subject property “As Is” and “As if Leased”. Due to the age of the subject improvements, the Cost Approach has not been performed and is considered not to be applicable.

The following is a brief discussion of the various inspections and analysis and data collection and analysis considered and utilized in arriving at a conclusion of value.

1. An inspection and analysis of area and neighborhood factors which would have an impact on the subject property.
2. An inspection and analysis of the physical features of the subject property and any factors which would have a positive or negative influence on value.
3. Property consideration of the present zoning and a discussion of highest and best use of the subject.

4. The collection, analysis, and verification of market data considered pertinent to arriving at the value estimates made by the Sales Comparison, Cost and Income Approach (when applicable).

<sup>1</sup> Ibid. P. 213.

5. The value indications for the three approaches are then reconciled into a final estimate of value.

6. An inspection and analysis of the physical features of the subject property and any factors which would have a positive or negative influence on value.

7. Property consideration of the present zoning and a discussion of highest and best use of the subject.

8. The collection, analysis, and verification of market data considered pertinent to arriving at the value estimates made by the Sales Comparison, Cost and Income Approach (when applicable).

9. The value indications for the three approaches are then reconciled into a final estimate of value.

The appraisal has been prepared in accordance with Uniform Standards of Professional Appraisal Practice requirements (USPAP).

## Identification of Property

## Property Data

### Description of Site

Location:	1245 Highway 16 East Land Lots 61 & 62, 2 <sup>nd</sup> Land District Newnan, Coweta County, Georgia
Land Area:	The subject property is part of a tract, which consists of approximately 10.786 acres+/. A portion of this tract, 3.5 acres +/- and a residential dwelling, has been separated and will be appraised separately. The subject building and developed site of 1 acre will be appraised in this report along with approximately 6.286 acres of excess land. Approximately 1.3 Acres of the excess land site is located in a 100 year flood plain and approximately and 4.986 Acres is considered developable land. The appraiser reserves the right to modify the concluded value if the actual size from a new survey is found to vary significantly from the size derived from the survey provided by the Owner at the time of inspection.
Shape:	The subject property is basically rectangular in shape.
Frontage:	The subject developed site has approximately 199.33' of frontage on Georgia Highway 16 East.
Topography:	The subject site is best described as gently rolling and sloping.
Utilities:	Water, Gas, and Electricity are available to the subject property.
Environmental:	There were no visible signs of hazards from the visit to the site. This report assumes that there are no environmental hazards present that would impact the value of the property.

Flood Plain:

According to FIRM Flood Map for Coweta County, Georgia, Flood Map # 13077C00255 dated May 16, 2006, a portion of the subject property (approximately 1.3 acres +/-) is located in a 100 year flood plain. The flood plain area is located on the southernmost portion of the subject tract. See attached plat for flood plain details.

Easements:

The appraiser is not aware of any detrimental easements or encroachments encumbering the site other than typical utility and access easements.

Real Estate Taxes:

The subject is identified by Coweta County Tax Assessor's Office with a Parcel Number. The following table details the subject's current assessment and taxes payable to the city and county.

2006 Property Assessment Data								
Parcel No.	Land Size		Tax Appraisal Data			Tax Assessed	Millage Rate	Property
	SF	Acres	Land	Improvements	Total	Value @ 40%	City & County	Taxes 2006
100 2061 001A	-	7.286	\$ 346,125	\$ 65,616.00	\$ 411,741.00	\$ 164,696.40	28.4900	\$ 4,692.20
Total	-	7.286	346,125	\$ 65,616.00	\$ 411,741.00	\$ 164,696.40	28.4900	\$ 4,692.20

Zoning:

The subject site is zoned M, Industrial by the County of Coweta. The use as a warehouse/shop building represents a compatible use with the surrounding neighborhood, which consists of several industrial properties. For official zoning and allowances, a letter of permissible uses must be obtained from the Coweta County Planning and Zoning Department. The excerpt from the Coweta County Zoning Ordinance is located in the Addenda section of this report.

## Description of Improvements

The building is a single story metal warehouse/shop building, which was reportedly originally built in 1988. The total area of the subject building is 2400 SF.

The major construction components of the subject property are as follows:

Foundation:	Reinforced concrete slab foundation
Structural:	Metal/Steel Beams
Exterior Walls:	Corrugated metal siding
Roof Covering:	Corrugated metal roofing panels
Interior Finish:	Finished office area has carpeting, drywall partitions, fluorescent lighting, (1) personnel door and a central heating and cooling system. Shop area has padded insulation, hanging heaters, 12' eave height, concrete flooring, padded insulation, fluorescent lighting, (3) OH doors, and (1) personnel door.
HVAC:	Central heat and air conditioning is provided via a central heating and cooling unit utilized in finished office area only. This appraisal assumes that the HVAC system is adequate.
Electrical & Plumbing:	The electrical components of the subject property are assumed to be adequate. There are two restrooms with two fixtures in each.
Site Improvements:	Site improvements consist of gravel parking and driveway and chain link fencing.
Physical Condition:	The subject building was originally built in 1988 and is currently in good physical condition.
Functional Utility:	The subject building is designed for and previously utilized as warehouse/shop use.

The subject improvements are considered to be of good type construction and parking is typical of similar facilities in the market. The building layout is designed for a warehouse/shop use and considered functional when compared to competing buildings in the market.

Actual Age, Effective Age,  
Remaining Economic Life:

The subject building was constructed in 1988 and has an actual age of 19 years. The effective age is estimated at 13 years. The total economic life is estimated at 50 years, of which 37 is remaining.

*Photographs of Subject Property*

View of Subject Building



View of Subject Parking Lot and Excess Land

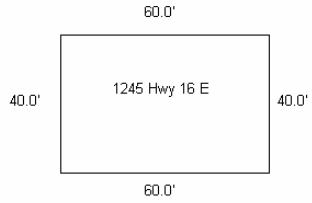



View of Interior of Subject Building





# Building Sketch



SKETCH CALCULATIONS	
 A1	A1 : 60.0 x 40.0 = 2400.0 warehouse/shop bldg 2400.0
	<b>Total Misc. Area -2400.0</b>

## Area & Neighborhood Overview

### Introduction

The purpose of this analysis is to review historic and projected economic and demographic data to determine whether Coweta County and the subject neighborhood will experience future economic stability, or decline.

The subject property is located on Georgia Highway 16 East in Newnan, GA southeast of Interstate 85. The immediate area is comprised of some commercial and industrial development. There is also residential development along highway 16 in this area including single-family detached housing and mobile homes. There is little vacant land remaining for development in the immediate neighborhood. Due to the areas close proximity to I-85 and the GA.16 being the main route running between Newnan and Griffin the area has experienced a high level of growth in recent years. The growth in the area is expected to continue for the foreseeable future and positively impact property values.

Majority of the county's commercial and industrial infrastructure can be found in Newnan. Further, Coweta County is included in the 28 County Atlanta Metropolitan Statistical Area (MSA).

### Population:

In 1990, Coweta County's population was 53,853; in 2000 the population had grown to 89,215, indicating a compound annual growth rate of 6.57% between 1990 and 2000. The year-end 2005 population estimate was 109,903, indicating a compound annual increase of 2.32% between 2000 and 2005. The following table illustrates historical population trends for Coweta County, and the State of Georgia.

	2005	2000	1990	Annual % Change from. .....1990 to 2005
<b>Coweta County</b>	109,903	89,215	53,853	3.40%
<b>State of Georgia</b>	9,072,576	8,186,453	6,478,216	1.91%

*Source: US Census Bureau*

Between 2000 and 2005, the population in Coweta County grew at an estimated compound rate of 3.76%, while the State of Georgia grew at a rate of 1.95% for the same period. Given the recent compound increase in the

population base for Coweta County, the population growth trends foreshadow a consistent and stable growth and economic trend into the foreseeable future.

The highest concentrated age group of the county's inhabitants is between the ages of 35-54, or 30.9%. In terms of household size, at the end of 2005 the number of households stood at 38,596 in Coweta County with an average household size of 2.83 persons and an average family size of 3.27 persons.

A demographic profile for Coweta County appears in the chart below.

Category	Demographic Profile		
		<u>Coweta County</u>	<u>State of Georgia</u>
Age Distribution	0-19	29.1%	29.5%
	20-34	21.9%	23.1%
	35-54	30.9%	29.7%
	55+	18.1%	17.7%
Estimated Average Household Size:		2.83 persons	2.65 persons
Median Household Income:	\$0 – \$14,999	8.5%	15.4%
	\$15,000 - \$24,999	7.7%	11.6%
	\$25,000-\$34,999	10.9%	11.6%
	\$35,000 - \$49,999	15.4%	15.5%
	\$50,000 & \$74,999	24.5%	19.1%
	\$75,000 & Over	33.0%	26.8%
Median Household Income:		\$54,811	\$49,280

Source: US Census Bureau – 2000 & 2005 Data  
May not add due to rounding.

As the year end 2005 statistics indicates that 57.5% of the households in Coweta County earned over \$50,000 per annum. As indicated in the table above, Coweta County is above the State of Georgia in median household income.

## Area Business and Related Economic Trends

According to the US Census Bureau, the number of employed people in Coweta County in 2005 was 55,319, resulting in an unemployment rate of 6.9%, or 4,124 persons. A comparison of the major components of the economic base for 2005 is presented in the table on the following page.

		Coweta County		State of Georgia	
Employment Sector					
Agriculture		337	.6%	53,201	1.4%
Construction		5,903	10.5%	304,710	7.9%
Manufacturing		6,949	12.7%	568,830	14.8%
Wholesale Trade		2,611	4.7%	148,026	3.9%
Retail Trade		5,150	9.3%	459,548	12.0%
Transportation & warehousing, utilities		6,124	11.1%	231,304	6.0%
Information		751	1.4%	135,496	3.41%
Finance, Insurance & Real Estate		3,514	6.4%	251,240	6.5%
Professional Services		3,311	6.0%	362,414	9.4%
Educational, Health Care, Social Assistance		10,611	19.2%	675,593	17.6%
Arts, Entertainment, recreation, food service		4,209	7.6%	274,437	7.1%
Other Services		1,819	3.2%	181,829	4.7%
Public Administration		4,030	7.3%	193,128	5.0%
<b>Total</b>		<b>55,319</b>	<b>100%</b>	<b>3,821,756</b>	<b>99.8%</b>
<i>Source: US Census Bureau, 2005 Economic Census; May not add due to rounding</i>					

In summary, the Metropolitan Atlanta economy continues to send mixed messages, which is reflective as the national economy as a whole. Unemployment rates for both Atlanta and the state of Georgia have recently remained stable; however, as two automotive plants close, the Bellsouth/AT&T merger, and the fate of Delta Airlines and its attempt to restructure under bankruptcy protection, long-term economic predictions are not possible. These are major employers of not just the immediate Atlanta area but suburban counties as well. However, the close proximity to Atlanta has been a major factor for the growth of Coweta County.

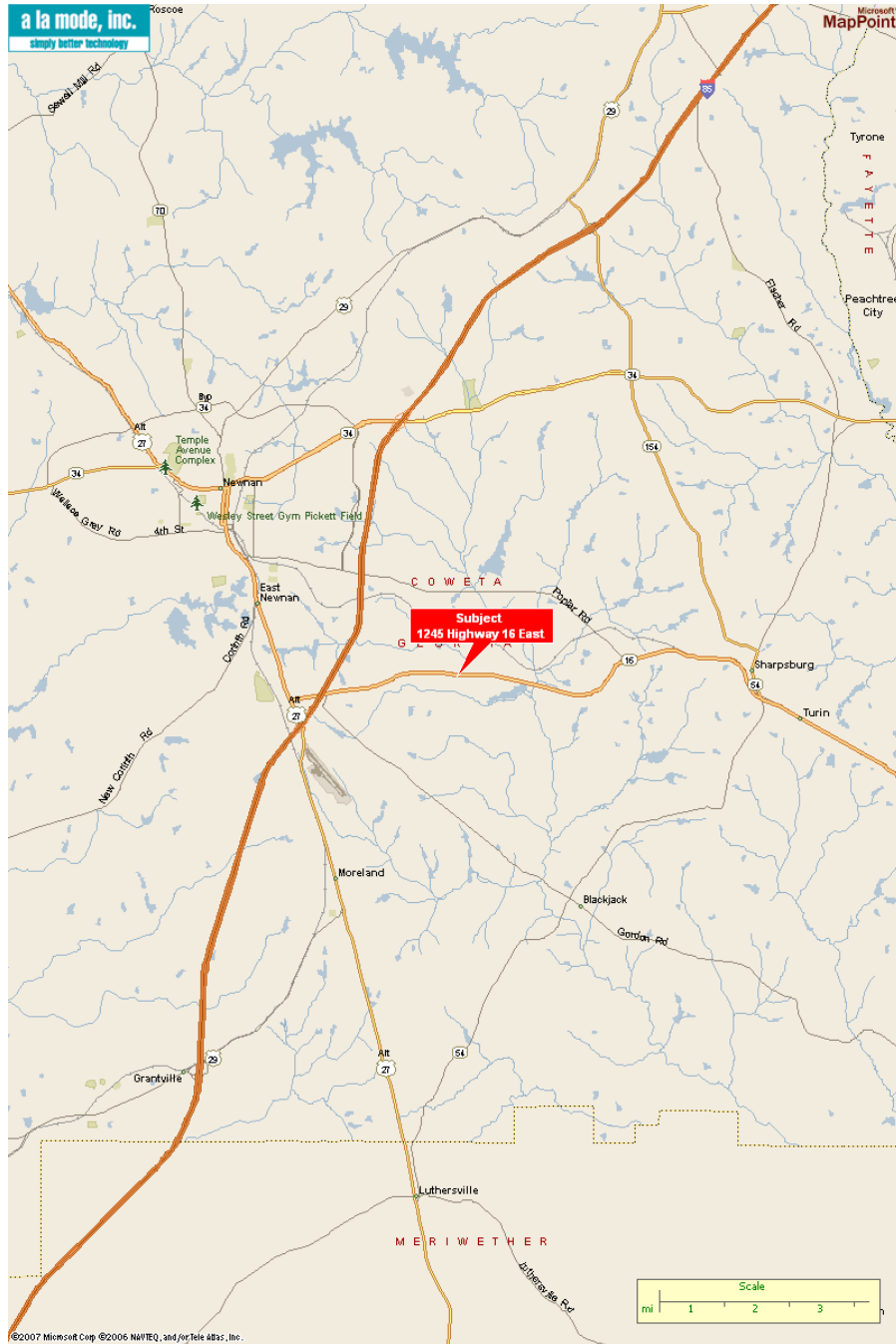
## **Market Analysis**

The general neighborhood consists of various type properties to include industrial properties, commercial properties and some residential properties.

The southern portion of Coweta County has started to experience a significant increase in subdivision development in the past three years. There have been other tracts purchased in the area by real estate development companies for future site development. There are several developments in the general vicinity that have been developed in the past two years. It is the appraiser's opinion that values will remain stable for a while after this year, since values have increased significantly in a short period of time. With the new development of these residential subdivisions, commercial and industrial activity is most likely to increase.

Supporting facilities such as shopping, schools, churches, area employment, and recreation are located in nearby Newnan, Georgia.

## Location Maps of Subject Property



## Highest and Best Use

Highest and Best Use is a real estate valuation principle that dictates that the market trends to put property to its most profitable use, and that use which provides the greatest benefits of ownership. The Appraisal of Real Estate, 12th Edition, defines highest and best use as:

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

Because the principle of highest and best use reflects the actions of the market, generally accepted professional appraisal practice requires that the subject property must be valued under this premise. If the property being appraised is improved with a structure, two highest and best use analyses are required; the highest and best use of the land as though vacant, and the highest and best use of the total property as developed. The highest and best use analysis is developed using the following four criteria. The highest and best use must be Legally Permissible, Physically Possible, Financially Feasible, and Maximally Productive.

### Land as if Vacant

#### **Developed Site – 1 Acre**

***Physically Possible*** – As previously mentioned, the subject developed site property contains 1 acre +/- . Many uses would be physically possible including various industrial uses; however, developments requiring large parcels would not be possible due to the size and configuration of the site.

***Legally Permissible*** - In estimating the highest and best use of a property, the legally permissible uses are typically determined by the zoning constraints of the jurisdiction in which the property is located. The subject parcel is located within Coweta County and is under this jurisdiction of Coweta County. The property is zoned M, Industrial. The subject is located in a neighborhood that is composed of commercial and industrial development with some residential properties located nearby. According to the Coweta County Planning and Zoning Department, the subject's current use as industrial use is a legal and conforming use and is compatible with the surrounding land uses. For official zoning and allowances, a letter of permissible uses must be obtained from the Coweta County Planning and Zoning Department.

***Financially Feasible and Maximally Productive Uses*** - After determining which uses are physically possible and legally permissible, it is necessary to

determine what potential uses are economically feasible. A use that produces an overall positive return, be it cash flow or return on investment, is economically feasible. From the list of economically feasible uses, the one use that produces the greatest return is chosen. This is the maximally productive use and, therefore, is the highest and best use of the property. This thought process could be described as a detailed process of elimination.

***Maximally Productive*** – Of all the financially feasible uses, each use is analyzed to determine which use will return the highest profit or which use will be the maximally productive use.

***Highest and Best Use as if Vacant*** - Of the available alternative uses that are physically and legally acceptable, the best alternative use for the subject site as if vacant would be to hold undeveloped until construction of a new industrial development is determined financially productive.

#### **Land as if Vacant**

##### **Excess Land – 6.286 Acres +/-**

***Physically Possible*** – As previously mentioned, the subject excess land contains 4.986 acres +/- of developable land and approximately 1.3 acres, which are located in a 100 year flood plain. Many uses would be physically possible including various industrial uses.

***Legally Permissible*** - In estimating the highest and best use of a property, the legally permissible uses are typically determined by the zoning constraints of the jurisdiction in which the property is located. The subject parcel is located within Coweta County and is under this jurisdiction of Coweta County. The property is zoned M, Industrial. The subject is located in a neighborhood that is composed of commercial and industrial development with some residential properties located nearby. According to the Coweta County Planning and Zoning Department, the subject's current use as industrial use is a legal and conforming use and is compatible with the surrounding land uses. For official zoning and allowances, a letter of permissible uses must be obtained from the Coweta County Planning and Zoning Department.

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***Maximally Productive*** – Of all the financially feasible uses, each use is analyzed to determine which use will return the highest profit or which use will be the maximally productive use.

***Highest and Best Use as if Vacant*** - Of the available alternative uses that are physically and legally acceptable, the best alternative use for the subject site as if vacant would be to hold undeveloped until construction of a new industrial development is determined financially productive.

### **Land as Currently Improved**

The building is currently operating as a warehouse/shop building. The purpose of this analysis is to determine whether to leave the improvements as they are, to modify them, or to tear them down.

***Physically Possible and Legally Permissible Uses*** - It would be physically possible and legally permissible to renovate the improvements, to leave the improvements as they are, or to tear them down. The subject facility is considered to be functional and it is in good condition. Therefore, it would be physically possible to leave the improvements as they are or to remove them and to construct similar improvements.

***Economically Feasible and Maximally Productive Uses*** – The property is currently operated for warehouse/shop use. The highest and best use, as improved, is considered to be its current use. The improvements represent a higher value than the land alone.

Therefore, based primarily upon the type and quality of the subject improvements, the subject's conformance with types and quality of land uses in the area, the lack of any apparent alternative use that would provide a higher return to the land, and demonstrated market acceptance of the subject property, as reflected in the valuation section of this report, it is my opinion that the current Highest and Best Use for the improved property is the continued use as a warehouse/shop building.

## Valuation

## The Valuation Process

The valuation process is the orderly program in which data used to estimate the value of the subject property are acquired, classified, analyzed, and presented. The first step in the process is to define the appraisal problem, i.e., identify the real estate, the effective date of value estimate, the property rights being appraised, and the type of value sought. Once this has been accomplished, the Appraiser collects and analyzes the factors that affect the market value of the subject property. These factors are addressed in the area and neighborhood analysis, the site and improvement analysis, and the highest and best use analysis, and in the application of the three approaches to value: The sales comparison approach, the cost approach, and the income capitalization approach.

The sales comparison approach is used to estimate the value of the land as though vacant and/or the property as improved. The Appraiser gathers data on sales of comparable properties and analyzes the nature and conditions of each sale, making logical adjustments for dissimilar characteristics. Typically, a common denominator is found. For land value, the unit of comparison is usually price per square foot or per acre.

The second approach applied is the cost approach to value. Accrued depreciation is deducted from the new cost of the improvements and this figure is added to the land value to indicate the value of the whole property. The third approach applied is the income capitalization approach and is predicated on the assumption that a definite relationship exists between the amount of income a property can earn and its value. In other words, value is created by the expectation of benefits to be derived in the future. In this approach, the anticipated annual net income of the subject property is processed to produce an indication of value. Net income is the income generated before payment of any debt service. Income is converted into value through capitalization, in which net income is divided by a capitalization rate. Factors such as risk, time, interest on capital invested, and recapture of the depreciating assets are considered in selecting the capitalization rate.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation, the Appraiser considers the relative applicability of each approach used, examines the range of the value indications, and gives most weight to the approach that appears to produce the most reliable solution to the appraisal problem. The purpose of the appraisal, the type property, and the adequacy and reliability of each approach to value are all taken into consideration. To apply the three approaches to value, information pertaining to the fair market value of the subject property must be derived from the market because the Appraiser seeks to anticipate the actions of buyers and sellers in the market.

## Approach To Value

Typically, the Cost, Sales Comparison and Income Approaches are applicable and reliable valuation methods. Our analysis has determined the highest and best use of the property is for the continued use as a warehouse/shop building. Therefore, the Improved Sales Comparison and Income Approaches to value have been performed in this report. The Sales Comparison Approach will be utilized in this report to estimate the value of the subject building and 1 acre developed site and will be utilized to estimate the value of the 6.286 acres of excess land. The Income Approach will be utilized to estimate the value of the subject property "As Is" and "As if Leased". Due to the age of the subject improvements, the Cost Approach has not been performed and is considered not to be applicable.

## Sales Comparison Approach

### Subject Building and 1 Acre Developed Site

This indication of value for the subject property is based on an analysis of the sales of similar properties located in similar market areas. A search was conducted for the most comparable or similar type facilities in the subject property's market area. The following sales are considered to be the most comparable and current sales data from which to compare the subject and have been adjusted for accordingly. A comparable analysis is set forth as follows:

IMPROVED SALES	SUBJECT	<i>Improved Sale F-1</i>	<i>Improved Sale F-2</i>	<i>Improved Sale F-4</i>	<i>Improved Sale F-5</i>
Facility Type	Metal Building	Metal Building	Metal Building	Metal Building	Metal Building
Facility Location	1245 Highway 16 Newnan, Georgia	6 Ellis Street Newnan, GA	18 Jefferson Place Newnan, GA	30 Tower Place Newnan, GA	26 Andrew St Newnan, GA
<b><i>Facility Data</i></b>					
Year Built	1988	1986	1991	1994	2002
Land Area (Acres)	1.000	0.160	0.500	0.750	0.260
Building Area	2,400	1,890	5,500	4,500	1,500
<b><i>Transaction Data</i></b>					
Date of Sale		Aug-05	Apr-06	Mar-06	Mar-06
Sales Price		\$210,000	\$350,000	\$400,000	\$135,000
Sale Price Per SF		\$111.11	\$63.64	\$88.89	\$90.00
<b><u>ORDERED ADJUSTMENTS:</u></b>					
Financing Adjustments		0%	0%	0%	0%
Adjusted Value		\$111.11	\$63.64	\$88.89	\$90.00
Conditions of Sale Adjustments		0%	0%	0%	0%
Adjusted Value		\$111.11	\$63.64	\$88.89	\$90.00
Market Conditions/Time Adjustments		10%	5%	5%	5%
Adjusted Value		\$122.22	\$66.82	\$93.33	\$94.50
<b><u>OTHER ADJUSTMENTS:</u></b>					
Location		-5%	-5%	-5%	-5%
Building Size		-10%	5%	5%	-10%
Age/Condition		0%	0%	-5%	-5%
Quality of Improvements		0%	0%	0%	0%
Access/Parking		-5%	-5%	-5%	-5%
Land Size		-15%	-5%	-5%	-5%
Net Adjustments		-35%	-10%	-15%	-30%
Net Adjusted Value		\$83.33	\$60.45	\$80.00	\$67.50
<b><i>Value Indications</i></b>					
	<b><i>Price Per SF</i></b>				
Range Minimum:	\$60.45	2,400	\$70.00	\$168,000	
Range Maximum:	\$83.33		Rounded	\$170,000	
Range Average:	\$72.82				
Standard Deviation	\$10.70				
<b>Reconciled Value/SF:</b>	<b>\$70.00</b>	<b>Estimated Value Via Sales Comparison Approach</b>			<b>\$170,000</b>

## Explanation of Adjustments

**Cash Equivalency** - All of the sales were cash or cash equivalency sales that did not require cash equivalent adjustments.

**Conditions of Sale** – No condition of sale adjustments were made to the comparable sales.

**Market/Time** - The time adjustment represents a dollar/percentage change (plus or minus) applied to the sale for appreciation and/or depreciation in land values within the area. The sales range in date from August 2005 to April 2006. The above comparable sales occurred over one year ago and therefore required an adjustment for the time of sale.

**Location** - Location adjustments are made to comparable sales to recognize perceived value differences in relation to neighborhood influences, access to commercial services, location aesthetics, commercial density, overall exposure and visibility, and overall market demand. All Sales are in areas considered to be more favorable than the subject. All Sales received an adjustment for this factor.

**Building Size** - Smaller buildings tend to sell for higher prices per square foot than larger buildings due to a higher demand for smaller buildings. Sales 1 and 4 are smaller in size than the subject building, and a downward adjustment is necessary for this factor. Sales 2 and 3 are larger in size than the subject building, and an upward adjustment is necessary for this factor.

**Condition/Age** – Condition and age adjustments are usually required when a property is older and more deferred maintenance is noted. A building can also be older but have a similar effective age as a newer building if it has been well maintained. An older property will obviously sell for less since a potential buyer may have to spend more money on curable physical deficiencies in the near future. The incurable physical depreciation must be considered as well. Sales 3 and 4 are considered superior to the subject as to age and a downward adjustment is necessary for this factor.

**Quality of Improvements** – When comparing sales in the market, the quality of construction must be noted. Quality is typically related to the class of the building. The appraiser must be aware of the materials and types of construction that may be considered above standard to appropriately adjust for this factor. All Sales are metal buildings or combination of metal and masonry and are considered similar. No adjustments were warranted.

**Access/Parking** – The subject is located on Highway 16 East southeast of the City of Newnan. All sales have similar access to the subject property, and no adjustment is necessary for access. The subject property has a gravel parking area, and the above comparable sales are considered superior to the subject as to parking area. A downward adjustment is necessary for this factor.

**Land Size** – When estimating an overall value for the subject property the land size must be considered. If an improvement is situated on a larger or smaller size parcel than the subject property, an appropriate adjustment must be made to offset these factors. When considering the land of a comparable sale, the appraiser must recognize the size, estimated value, and any excess land that could be later divided for more development. There are scenarios where the comparable in question may be situated on a larger or smaller tract than the subject property but the value may be similar requiring no adjustment. However, in most cases the land difference must be adjusted properly to accurately conclude the appropriate value for the subject. All Sales are less than one acre and required an adjustment for the overall land size.

**Sales Comparison Conclusion** - The overall value for the subject building and 1 acre developed site is estimated at \$70.00 per SF based on the sales above and giving consideration for location, size, zoning, available utility, overall topography and site conditions, and frontage. The total value estimated via Sales Comparison Approach is \$170,000.

# Sales Comparison Approach

## Excess Land Tract – 6.286 Acres +/- of Excess Land

### Land Analysis

The land will be valued as though vacant and available for highest and best use. The subject excess land tract consists of a total of 6.286. Approximately 1.3 acres of this excess land is located in a 100 year flood plain and approximately 4.986 acres +/- is considered developable excess land. Comparable sales of similar properties were identified for comparison to the subject. A comparative analysis is set forth as follows:

<b>INPUT DATA:</b>				
Property or Comparable	<u>Subject</u>	<u>Land Comp 1</u>	<u>Land Comp 2</u>	<u>Land Comp 3</u>
Location	1245 Hwy 16 East Newnan, Coweta County, GA	Lot 1, Newnan South Industria Park Newnan, Coweta County, Georgia	Amalajack Blvd, Shenandoah Industrial Park Newnan, Coweta County, Georgia	Lot 2, Newnan South Industrial Park Newnan, Coweta County, Georgia
Land Size Primary (Acres):	4.986 Acres +/-	2.531	14.490	2.560
Excess Land				
Zoning/Use:	M, Industrial	Industrial	Industrial	Industrial
Sale Date:		Mar-07	Jun-06	Jun-04
Transaction Price:		\$225,300	\$1,060,000	\$166,335
Price Per Acre		\$89,016	\$73,153	\$64,974
Price Per Acre		\$89,016.00	\$73,153.00	\$64,974.00
<b>ORDERED ADJUSTMENTS:</b>				
Financing		0%	0%	0%
Adjusted Indicated Price/Acre		█ \$89,016.00	█ \$73,153.00	█ \$64,974.00
Conditions of Sale		0%	5%	10%
Adjusted Indicated Price/Acre		█ \$89,016.00	█ \$76,810.65	█ \$71,471.40
Market Conditions		0%	0%	0%
Adjusted Indicated Price/Acre		█ \$89,016.00	█ \$76,810.65	█ \$71,471.40
<b>OTHER ADJUSTMENTS:</b>				
Location		5%	5%	5%
Size		-5%	10%	-5%
Shape		0%	0%	0%
Zoning		0%	0%	0%
Available Utilities		-10%	-10%	-10%
Access		0%	0%	0%
Topography/Site Conditions		0%	0%	0%
Frontage/Divisibility		0%	0%	0%
Net Adjustments		█ -10%	█ 5%	█ -10%
Adjusted Value		\$80,114.40	\$80,468.30	\$64,974.00
<i>Value Indications</i>	<i>Price Per Acre</i>			
Range Minimum:	\$64,974.00	4.986 Acres @	\$ 75,000.00	\$373,950
Range Maximum:	\$80,468.30		<b>Rounded</b>	\$375,000
Range Average:	\$55,337.73			
Standard Deviation	\$33,232.25			
<b>Reconciled Value Estir</b>	<b>\$75,000.00</b>	<b>Reconciled Value Via Sales Comp Approach</b>		<b>\$375,000</b>



## **Explanation of Adjustments**

### **6.286 Acres Excess Land**

**Cash Equivalency** - All of the sales were cash or cash equivalency sales that did not require cash equivalent adjustments.

**Conditions of Sale** – No condition of sale adjustments were made to the comparable sales.

**Market/Time** - The time adjustment represents a dollar/percentage change (plus or minus) applied to the sale for appreciation and/or depreciation in land values within the area. The land sales range in date from June 2004 to March 2007. Adjustments for time of sale were warranted for sales 2 and 3. These sales occurred over one year ago but were used for their location and overall similarities.

**Location** - Location adjustments are made to comparable sales to recognize perceived value differences in relation to neighborhood influences, access to commercial services, location aesthetics, commercial density, overall exposure and visibility, and overall market demand. The above comparable sales are located in industrial parks in Newnan, Georgia. The subject property is located on Highway 16 East and has more traffic and exposure than the above comparable sales. An upward adjustment is necessary for this factor.

**Size** - Smaller parcels tend to sell for higher prices per square foot than larger parcels due to a higher demand for smaller parcels. The above comparable sales 1 and 3 are smaller in size than the subject tract, and a downward adjustment is necessary for this factor. Sale 2 is larger in size and an upward adjustment is necessary for this factor.

**Shape** - Tracts that may be irregular in shape in a way that limits the divisibility and/or overall utility will create a negative impact on value. Lots that are irregular in shape tend to be less desirable to the market. All sales are of a typical shape and therefore did not require an adjustment for this factor.

**Zoning** – The zoning dictates what type of improvements and uses are allowed within the site. If a tract has a zoning that significantly limits the use of the site, the tract is obviously worth less. On the other hand, if the zoning of the tract allows majority of commercial uses, the value is more. All Sales have comparable zoning requirements and did not receive adjustments.

**Available Utilities** –If a tract does not have sewer available, the tract is limited in use since high water use businesses such as restaurants, carwashes, and

large developments would not be allowed. By not having sewer, the density of the tract is also limited since septic drain fields will have to be installed causing less developable land. All sales have comparable sales have all utilities available whereas the subject property does not have sewer available. The above comparable sales are superior to the subject property as to utilities available, and a downward adjustment is necessary for this factor.

**Access** – The subject is located just along Highway 16 East. No adjustments were made to the sales due to overall similarity for access.

**Topography/Site Conditions** – The topography of a tract can be crucial for a tract. If a tract has a steep grade or rolling topo, grading costs can multiply and therefore a developer could not pay the same for the land as other competing tracts to compensate for the additional grading costs. Site Conditions are also crucial for commercial development. Any low or flood areas could affect the density, parking, and building size that could be constructed for a development. A developer typically pays for the developable land of a site that has poor site conditions. The subject excess land site has approximately 1.3 acres +/- of floodplain and wetland area located on the southern most portion of the subject tract, which leaves 4.986 acres +/- of developable land.

**Frontage/Divisibility** - Frontage can make a significant difference in value. If a land tract has above average frontage and can be further subdivided into smaller tracts from existing road frontage with very little development costs, the value can be much higher. Also a tract with frontage on multiple roads is desirable due to access. The above comparables have similar frontage and divisibility as the subject tract, and no adjustment is necessary.

**Land Value Conclusion** – Based on the sales above and giving consideration for location size, zoning, available utilities, topography, and frontage, the appraiser has concluded that a value of \$75,000 per acre is appropriate for the subject developable excess land tract (4.986 Acres +/-), which is shown in the adjustment grid on the following page. The total value rendered for the subject excess land tract via Sales Comparison Approach is \$375,000.

## Income Approach

(Direct Capitalization)

### Subject Building and 1 Acre Developed Site

Investment properties are valued on their ability to generate an income stream, which is characterized by its quantity, quality, and desirability. Therefore, analysis of a property in terms of its ability to provide a sufficient net annual return on investment capital is an important means of developing a value indication. This estimate is developed in the income capitalization approach by capitalizing the projected net income at a rate commensurate with investment risks inherent to the ownership of the property. Such a conversion of income considers competitive returns offered by alternative investment opportunities. When properly applied, this approach is generally considered to provide the most reliable indication of value for income-producing properties.

### Income Analysis

The initial step in estimating the value of the subject via the Income Approach is to determine the property's market or economic rent. Rental income is based on analysis of the leases of the current tenants and using the data to project future market rents, lease terms, renewals, and other forms of income to the property. A rental survey of similar type properties was conducted with the following rents and asking rents observed. These rents are considered to be in similar type market areas.

	Address	Area	Use	Terms
1.	1131 Highway 16 East Newnan, Georgia	1200 SF	Office/warehouse suites	\$500 to \$700 per month or \$5.00 to \$7.00 per SF annually on a Modified Gross Lease
2.	1137 Highway 16 East Newnan, Georgia	3700 SF	Office/Warehouse	\$1250 per month or \$4.05 per SF Annually on a modified gross lease basis
3.	Wez Industrial Boulevard Newnan, Georgia	1500 SF	Office/warehouse	\$750 per month or \$6.00 per SF Annually on a modified gross lease basis

### Revenue

The above rent comparables range from \$4.05 to \$7.50 per SF annually on a modified gross lease basis for similar type properties. Based on the above comparable rentals, the appraiser concludes that a rental rate of \$7.50 per SF annually on a Modified Gross Lease Basis is appropriate for the subject building and 1 acre of developed land.

## Expense Analysis

### Operating Expenses

The subject property is not under a lease. Typically, properties of this type are leased on a Modified Gross Lease basis whereby operating expenses are shared by the tenant and landlord. Under this circumstance, the operating expenses incurred by the landlord average approximately 20% of the Gross Annual Income to include a vacancy allowance of 5%.

### Capitalization Rate Analysis

The Net Operating Income must be capitalized at an appropriate rate to arrive at a value estimate for the subject property. The capitalization rate is associated with location, risk, past rental history, and current market conditions. An investor may purchase a property at a lower cap rate if that property is at least 90% occupied, is in a good location, and has satisfactory rental history. The appraiser has chosen to utilize three methods in order to arrive at an appropriate capitalization rate for the subject property.

#### **Real Estate Investor Surveys (method 1)**

One technique used to determine the proper capitalization rate involves analyzing surveys of real estate investors. These surveys include data on investors operating regionally, nationally, such as representative of insurance companies, commercial banks, pension funds, investment banking firms, syndication firms and investment advisory firms. Such companies invest in all types of real estate properties, including office buildings, retail shopping centers, restaurants, hotels, apartment complexes, and industrial and healthcare facilities. Anticipated yields varied according to perceived risks associated with different types of investment real estate. In addition, OARs are dependent on these types of investors, their cost of capital, expectations about future inflation, and anticipated holding period.

According to Realty Rates Investor Survey, Second Quarter 2007, indicated OAR's for all industrial buildings range from 7.02% to 14.70%, with an average of 9.64%

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2007*						
INDUSTRIAL - ALL TYPES						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	0.90%	<b>DCR Technique</b>	1.15	0.069041	0.85	<b>6.75</b>
Debt Coverage Ratio	1.15	<b>Band of Investment Technique</b>				
Interest Rate	5.62%	Mortgage	85%	0.069041	0.058685	
Amortization	30	Equity	15%	0.077100	0.011565	
Mortgage Constant	0.069041	OAR				<b>7.02</b>
Loan-to-Value Ratio	85%	<b>Surveyed Rates</b>				<b>6.67</b>
Equity Dividend Rate	7.71%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	5.31%	<b>DCR Technique</b>	1.90	0.129173	0.50	<b>12.27</b>
Debt Coverage Ratio	1.90	<b>Band of Investment Technique</b>				
Interest Rate	10.03%	Mortgage	50%	0.129173	0.064586	
Amortization	15	Equity	50%	0.164800	0.082400	
Mortgage Constant	0.129173	OAR				<b>14.70</b>
Loan-to-Value Ratio	50%	<b>Surveyed Rates</b>				<b>13.96</b>
Equity Dividend Rate	16.48%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.22%	<b>DCR Technique</b>	1.46	0.084825	0.71	<b>8.86</b>
Debt Coverage Ratio	1.46	<b>Band of Investment Technique</b>				
Interest Rate	6.94%	Mortgage	71%	0.084825	0.060501	
Amortization	25	Equity	29%	0.125335	0.035942	
Mortgage Constant	0.084825	OAR				<b>9.64</b>
Loan-to-Value Ratio	71.3%	<b>Surveyed Rates</b>				<b>9.90</b>
Equity Dividend Rate	12.53%					

\*1st Quarter 2007 Data

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### Capitalization Rate Formula (method 2)

Another accepted method to develop an overall rate is a formula based on expected financial and funds cost. This is as follows:

#### Assumptions:

Mortgage at 8.25%; 20 year – Monthly Amortization; 75% LTV

Equity at 12%

Holding Period 10 years

No appreciation or depreciation

Method 2: Band of Investment					
Weighted Debt Component:	75%	x	8.25%	=	6.19%
Weighted Equity Component:	25%	x	12.00%	=	3.00%
					9.19%
				<b>Rounded To:</b>	<b>9.20%</b>

### Capitalization Rate Conclusion

Due to the age, quality of construction, location investor expectations, and associated risks, the appraiser concludes that an overall rate of 9.50% is appropriate for this type of property under current market conditions.

Consideration was given to the previously mentioned rate from the capitalization rate formula above, investor surveys, and other rates that were extracted from market, which prove to be the most reliable.

### Capitalization

$$\frac{\text{NOI}}{\text{CR}} = \text{Value}$$

**Direct Capitalization Technique  
Metal Warehouse/Shop Building and 1 Acre Developed  
Site**

<b>REVENUES:</b>			
Potential Gross Revenues			
Rentable Area:	2,400	\$7.50	\$18,000
Recoveries/CAM			\$0
Potential Gross Revenue:			<b>\$18,000</b>
Vacancy and Credit Loss:	5%		<u>\$900</u>
Effective Gross Income			\$17,100
<b>OPERATING EXPENSES:</b>			
Operating Expenses:	15.0%		\$2,565
Total Operating Expenses			<u>\$2,565</u>
Total Expenses & Reserves			\$2,565
<b>NET OPERATING INCOME</b>			<b>\$14,535</b>
Capitalization Rate			9.50%
<b>Estimated Direct Capitalization Value</b>			\$153,000
		<b>Rounded</b>	\$150,000
<b>INDICATED VALUE VIA INCOME APPROACH</b>			<b>\$150,000</b>

**INCOME APPROACH CONTINUED**

Building and 1 Acre Developed Site	\$150,000
Add Excess Land Value	<u>\$375,000</u>
	<b>\$525,000</b>

Indicated Value of Subject Property Via Income Approach:

**\$525,000**

**Income Approach**  
(Direct Capitalization)  
**Entire Subject Property – 7.286 Acres +/-**

As of the date of this appraisal, a lease is being prepared between the purchaser of the subject property and a future tenant. The terms of this lease as told to the appraiser are as follows; \$6500 per month with Lessor (Landlord) paying taxes and insurance and the lessee (tenant) maintaining the building and grounds. The tenant proposes to grade and gravel the entire subject tract. This lease will be a five year lease with a five year option. This lease encumbers the entire 7.286 acres +/- . An operating expense ratio of 20% is deemed appropriate for the subject property.



# Capitalization Rate Analysis

The Net Operating Income must be capitalized at an appropriate rate to arrive at a value estimate for the subject property. The capitalization rate is associated with location, risk, past rental history, and current market conditions. An investor may purchase a property at a lower cap rate if that property is at least 90% occupied, is in a good location, and has satisfactory rental history. The appraiser has chosen to utilize three methods in order to arrive at an appropriate capitalization rate for the subject property.

## Real Estate Investor Surveys (method 1)

One technique used to determine the proper capitalization rate involves analyzing surveys of real estate investors. These surveys include data on investors operating regionally, nationally, such as representative of insurance companies, commercial banks, pension funds, investment banking firms, syndication firms and investment advisory firms. Such companies invest in all types of real estate properties, including office buildings, retail shopping centers, restaurants, hotels, apartment complexes, and industrial and healthcare facilities. Anticipated yields varied according to perceived risks associated with different types of investment real estate. In addition, OARs are dependent on these types of investors, their cost of capital, expectations about future inflation, and anticipated holding period.

According to Realty Rates Investor Survey, Second Quarter 2007, indicated OAR's for all industrial buildings range from 7.02% to 14.70%, with an average of 9.64%

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2007*						
INDUSTRIAL - ALL TYPES						
Item	Input					OAR
<b>Minimum</b>						
Spread Over 10-Year Treasury	0.90%	<b>DCR Technique</b>	1.15	0.069041	0.85	<b>6.75</b>
Debt Coverage Ratio	1.15	<b>Band of Investment Technique</b>				
Interest Rate	5.62%	Mortgage	85%	0.069041	0.058685	
Amortization	30	Equity	15%	0.077100	0.011565	
Mortgage Constant	0.069041	OAR				<b>7.02</b>
Loan-to-Value Ratio	85%	<b>Surveyed Rates</b>				<b>6.67</b>
Equity Dividend Rate	7.71%					
<b>Maximum</b>						
Spread Over 10-Year Treasury	5.31%	<b>DCR Technique</b>	1.90	0.129173	0.50	<b>12.27</b>
Debt Coverage Ratio	1.90	<b>Band of Investment Technique</b>				
Interest Rate	10.03%	Mortgage	50%	0.129173	0.064586	
Amortization	15	Equity	50%	0.164800	0.082400	
Mortgage Constant	0.129173	OAR				<b>14.70</b>
Loan-to-Value Ratio	50%	<b>Surveyed Rates</b>				<b>13.96</b>
Equity Dividend Rate	16.48%					
<b>Average</b>						
Spread Over 10-Year Treasury	2.22%	<b>DCR Technique</b>	1.46	0.084825	0.71	<b>8.86</b>
Debt Coverage Ratio	1.46	<b>Band of Investment Technique</b>				
Interest Rate	6.94%	Mortgage	71%	0.084825	0.060501	
Amortization	25	Equity	29%	0.125335	0.035942	
Mortgage Constant	0.084825	OAR				<b>9.64</b>
Loan-to-Value Ratio	71.3%	<b>Surveyed Rates</b>				<b>9.90</b>
Equity Dividend Rate	12.53%					

\*1st Quarter 2007 Data

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### Capitalization Rate Formula (method 2)

Another accepted method to develop an overall rate is a formula based on expected financial and funds cost. This is as follows:

#### Assumptions:

Mortgage at 8.25%; 20 year – Monthly Amortization; 75% LTV

Equity at 12%

Holding Period 10 years

No appreciation or depreciation

Method 2: Band of Investment					
Weighted Debt Component:	75%	x	8.25%	=	6.19%
Weighted Equity Component:	25%	x	12.00%	=	3.00%
					9.19%
				<b>Rounded To:</b>	<b>9.20%</b>

### Capitalization Rate Conclusion

Due to the age, quality of construction, location investor expectations, and associated risks, the appraiser concludes that an overall rate of 10% is appropriate for this type of property under current market conditions. Consideration was given to the previously mentioned rate from the capitalization rate formula above, investor surveys, and other rates that were extracted from market, which prove to be the most reliable.

### Capitalization

$$\frac{\text{NOI}}{\text{CR}} = \text{Value}$$

## Direct Capitalization Technique Entire Subject Property

<b>REVENUES:</b>		
Potential Gross Revenues		
\$6500 per month    x 12 months		\$    78,000
		\$78,000
<b>OPERATING EXPENSES:</b>		
Operating Expenses	25.0%	\$19,500
<b>NET OPERATING INCOME</b>		<b>\$58,500</b>
Capitalization Rate		10.00%
<b>Estimated Direct Capitalization Value</b>		<b>\$585,000</b>
	<b>Rounded</b>	<b>\$585,000</b>
<b>INDICATED VALUE VIA INCOME APPROACH</b>		<b>\$585,000</b>

## RECONCILIATION AND FINAL ESTIMATE

Summary of Value Conclusions		
Building Size (Square Feet)	2,400	
Sales Comparison Approach	Bldg and 1 Acre	\$170,000
Sales Comparison Approach Excess Land	6.286 acres +/-	\$375,000
Cost Approach (Tangible Assets Only)		N/A
Income Approach Subject Bldg & 1 Ac Dev Site		\$525,000
Income Approach Entire Subject Property -7.286 AC		\$585,000
<b>Reconciled Market Value of Real Estate</b>		<b>\$525,000</b>
Per Building Square Foot		\$70.00
<b>Per Acre of Land Only</b>	<b>Excess Land</b>	<b>\$75,000</b>

The Sales Comparison Approach is generally the most reliable indicator of value since it typically reflects actions of buyers and sellers in the market place, especially in an active market.

The Income Approach is the most basic of the three approaches and is normally the starting point for the developer or lender. The Income Approach is considered a reliable indication of value since the typical investor in this type property is concerned with the income producing aspect.

**Conclusion:**

Consideration is given to both the Sales Comparison and the Income Approaches to value. The Sales Comparison Approach best reflects the value of the subject property. The Sales Comparison Approach produced an estimate of value of \$545,000. The Income Approach produced a value of \$525,000. A rental value was estimated for the subject building and 1 acre developed site, which rendered a value of \$150,000. The excess land value of \$375,000 was then added to this value, which totals \$525,000. An additional Income Approach produced a value of \$585,000 for the entire subject property – 7.286 Acres +/- . The purchaser of the property is in negotiation with a tenant for a lease amount of \$6500 per month, which includes the entire 7.286 acres and the subject building. There were no ground leases available to support the future lease for the subject property. Also, it is noted that this is considered a favorable lease with business motives for both parties. The lease amount appears to be slightly above market rents. Given the various scenarios, the Sales Comparison Approach best reflects the value of the subject property.

As of October 2, 2007 it is my opinion that the Market Value with Fee Simple Interest in the subject property is as follows:

**Five Hundred Forty Five Thousand Dollars**  
**\$545,000**

## Addenda

Supporting Documents  
For  
Subject Property

Exhibit "A"  
Engagement Letter



**BLANK**

Exhibit "B"  
Subject Legal Description & Plat



BK 02536PG516

FILED IN OFFICE  
CLERK OF  
SUPERIOR/JUVENILE  
COURT

2004 JUL -7 AM 11:59

WINDY G. GROWN, CLERK  
COWETA COUNTY, GA

Real Estate Transfer Tax

Paid \$ 420.00

Date 7/7/04

*Cindy Brown*

Clerk of Superior Court, Coweta Co. Ga.

WARRANTY DEED

PLACES ORDER TO  
J. B. HENRY  
P.O. Box 20  
Fayetteville, GA 30214-0020

STATE OF GEORGIA  
COUNTY OF FAYETTE

04-454

This indenture made this 30th day of June, in the year 2004, between MARCUS CASWELL and REGINA L. CASWELL, of the County of COWETA, State of Georgia, as party or parties of the first part, hereinafter called Grantor, and JERRY ANN BROWNING DUBA E.M. PROPERTIES as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

W I T N E S S E T H that: Grantor, for and in consideration of the sum of TEN AND 00/100'S (\$10.00) Dollars and other good and valuable considerations in hand paid at and before the signing and delivery of these presents, the receipt whereof is hereby acknowledged; has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee,

ALL THAT CERTAIN TRACT OR PARCEL OF LAND, SITUATE AND BEING IN LAND LOT 61, SECOND LAND DISTRICT, COWETA COUNTY, GEORGIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE INTERSECTION OF THE SOUTHSIDE OF THE RIGHT OF WAY OF STATE HIGHWAY NO. 16 WITH THE EAST LINE OF LAND LOT 61 AND RUN THENCE ALONG THE EAST LINE OF LAND LOT 61 SOUTH 1 DEGREE 30 MINUTES EAST 1,564 FEET TO A POINT; THENCE IN A WESTERLY DIRECTION 200 FEET; THENCE IN A NORTHERLY DIRECTION 1,567 FEET TO THE SOUTHSIDE OF THE RIGHT OF WAY OF STATE HIGHWAY NO. 16; THENCE IN AN EASTERLY DIRECTION ALONG THE SOUTH SIDE OF THE RIGHT OF WAY OF STATE HIGHWAY 16, 200 FEET TO THE BEGINNING POINT.

SAID PROPERTY IS A PORTION OF LOT 7, BLOCK B OF THE MANSOUR SUBDIVISION AS THE SAME IS SHOWN ON A PLAT OF SAID SUBDIVISION RECORDED IN DEED BOOK 58, PAGE 423, COWETA COUNTY, GEORGIA RECORDS.

This Deed is given subject to all easements and restrictions of record, if any.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereto, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantee forever in FEE SIMPLE.

AND THE SAID Grantor will warrant and forever defend the right and title to the above described property unto the said Grantee against the claims of all persons whatsoever.

IN WITNESS WHEREOF, Grantor has hereunto set grantor's hand and seal this day and year first above written.

Signed, sealed and delivered in the presence of:

*[Signature]*  
Witness  
*[Signature]*  
NOTARY PUBLIC

*[Signature]* (Seal)  
MARCUS CASWELL  
*[Signature]*  
REGINA L. CASWELL

Exhibit "C"  
County Tax Assessment



<a href="#">Recent Sales in Area</a>	<a href="#">Previous Parcel</a>	<a href="#">Next Parcel</a>	<a href="#">Return To Main Search Page</a>	<a href="#">Coweta Home</a>
Owner and Parcel Information				
<a href="#">Owner Name</a>	BROWNING JENNY ANN DBA E M		<a href="#">Today's Date</a>	October 05, 2007
<a href="#">Mailing Address</a>	PROPERTIES		<a href="#">Parcel Number</a>	100 2061 001A
	559 FOREST AVENUE FAYETTEVILLE, GA 30214		<a href="#">Tax District</a>	UNICORPORATED (District 01)
<a href="#">Location Address</a>	E HWY 16		<a href="#">2007 Millage Rate</a>	28.49
<a href="#">Legal Description</a>	BLDG/ 7.1 AC TR 7 MANSOUR S/D		<a href="#">Acres</a>	7.1
<a href="#">Class Code</a> (NOTE: Not Zoning Info)	I4-Industrial		<a href="#">Special District</a>	
<a href="#">Neighborhood</a>			<a href="#">Homestead Exemption</a>	No (\$0)
<a href="#">Landlot/District</a>	61/2			
<a href="#">Electric</a>	Electricity		<a href="#">Gas</a>	Tank Gas
<a href="#">Topography</a>	Rolling		<a href="#">Drainage</a>	Fair
<a href="#">Road Class</a>	County		<a href="#">Parcel Road Access</a>	Paved

2007 Tax Year Value Information				
<a href="#">Land Value</a>	<a href="#">Improvement Value</a>	<a href="#">Accessory Value</a>	<a href="#">Total Value</a>	<a href="#">Previous Value</a>
\$346,125	\$60,700	\$4,916	\$411,741	\$411,741

Land Information			
<a href="#">Type</a>	<a href="#">Description</a>	<a href="#">Calculation Method</a>	<a href="#">Acres</a>
RES	ACRE A1 65000.00 (832)	Acres	7.1

Improvement Information							
<a href="#">Description</a>	<a href="#">Value</a>	<a href="#">Actual Year Built</a>	<a href="#">Effective Year Built</a>	<a href="#">Square Feet</a>	<a href="#">Wall Height</a>	<a href="#">Wall Frames</a>	<a href="#">Exterior Walls</a>
* AUTOMOTIVE SERVICE GARAGE	\$60,700	1988	1988	2,400	16	Steel	Enamel Steel
<a href="#">Roof Cover</a>	<a href="#">Interior Walls</a>	<a href="#">Floor Construction</a>	<a href="#">Floor Finish</a>	<a href="#">Ceiling Finish</a>	<a href="#">Lighting</a>	<a href="#">Heating</a>	<a href="#">SKETCH</a>
Galvanized Metal	Unfinished	Concrete On Ground	Concrete	No Ceiling	Standard F.F.	Electric, Cable or Baseboard	NA

Accessory Information			
<a href="#">Description</a>	<a href="#">Year Built</a>	<a href="#">Dimensions/Units</a>	<a href="#">Value</a>
Fence, chain (R/A/C)	1988	6x900 5400	\$4,916

Sale Information						
<a href="#">Sale Date</a>	<a href="#">Deed Book</a>	<a href="#">Plat Page</a>	<a href="#">Price</a>	<a href="#">Reason</a>	<a href="#">Grantor</a>	<a href="#">Grantee</a>
06-30-2004	2536 516		\$420,000	QUALIFIED IMPROVED	CASWELL MARCUS & REGINA L CASW	BROWNING JENNY ANN DBA E M
03-29-2004	2463 744		\$255,000	IMPROVED AFTER SALE	WILSON JOHN T & SHAR	CASWELL MARCUS & REGINA L CASWELL
03-31-1987	04290 573		\$21,000	UNKNOWN STATUS		WILSON JOHN T & SHAR

Permit Information			
<a href="#">Permit Date</a>	<a href="#">Permit Number</a>	<a href="#">Type</a>	<a href="#">Description</a>
No permit information associated with this parcel.			

<a href="#">Recent Sales in Area</a>	<a href="#">Previous Parcel</a>	<a href="#">Next Parcel</a>	<a href="#">Return To Main Search Page</a>	<a href="#">Coweta Home</a>
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The Coweta County Tax Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Website Updated: September 12, 2007

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Exhibit "D"  
Zoning Map & Ordinance

## **ARTICLE 19. M INDUSTRIAL DISTRICT**

This district classification is established to provide the broadest range of industrial operations permitted in the county. It is the district for location of those industries which have not reached a technical stage which renders them free of all nuisance factors. These uses are to be located on either an arterial or major collector street, or within industrial parks having access to such thoroughfares.

### **Sec. 190. Dimensional requirements.**

Required lot size, yard setbacks, height limitations and related requirements are set forth in article 23.

### **Sec. 191. Permitted uses.**

The following uses are allowed in any M district, subject to the further provisions of this ordinance:

- (1) Any permitted structure and use identified as such in article 18 under the LM light industrial district.
- (2) Brick, tile, and terra cotta manufacture.
- (3) Cement, lime, gypsum or plaster of Paris manufacture.
- (4) Concrete, cement products or clay products manufacture.
- (5) Foundry or forging plants.
- (6) Grain elevators or commercial feed mills.
- (7) Poultry killing, plucking or processing.
- (8) Rock, sand or gravel distribution or storage.
- (9) Truck terminals.
- (10) Wood recycling centers, provided that the wood stockpiles do not exceed 20 feet in height, and that the owner(s) submits the following in addition to other development and licensing requirements:
  - (a) A bond or letter of credit in a form acceptable to the county attorney, to assist with legal fees, to ensure the removal of any wood material stock that is abandoned on-site after the business ceases operation. The amount shall be calculated at a rate of \$5,000.00 per acre of storage area as shown on the approved development site plan. If the storage area results in a fractional acreage, the bond or letter of credit amount shall be adjusted by percentage of the fractional area, and
  - (b) A notarized letter indicating that the owner has read and understands his/her responsibilities to comply with the Georgia Solid Waste Management Chapter 391-3-4-.04 (60/90 Rule) which states that 60 percent of the weight or volume of material must be used, reused, sold or recycled during a 90-day period.
- (11) Customary accessory buildings and uses.  
(Ord. of 6-7-05; Ord. of 11-15-05)

### **Sec. 192. Conditional uses.**



The following conditional uses may be permitted, subject to approval of a conditional use permit by the board of commissioners, after receiving the recommendation of the board of zoning appeals as provided in article 28:

- (1) Central mixing plant for cement, mortar, plaster, and/or building materials.
- [(2) Reserved.]
- (3) Asphalt and concrete batching plants.
- (4) Bone rendering plants.
- (5) Salvage and junk yards, provided any such use is screened from public view by a solid wall, planted screen or similar opaque partition at least six feet in height, and provided such wall or opaque partition is set back at least 50 feet from all property lines.
- (6) Church or any other place of worship provided that approval of the conditional use is not detrimental to the health or general welfare of the neighboring property owners[, and provided:]

That owners acknowledge that they may be subject to certain noxious odors, noises, traffic and business practices that members may consider inconsistent with a church. That owners affirm that they understand that by accepting this conditional zoning they are waiving any objection they may have under county ordinance to placement of or approval of any business, industry or practice on surrounding or nearby property that is otherwise allowed by county ordinances.

(Ord. of 4-27-93; Ord. of 11-10-98)

**Editor's note:** As promulgated by the original September 18, 1990, ordinance, § 192 contained no subsection (2).

Sec. 193. Additional requirements.

Required parking, loading and other supplemental regulations applicable to this district are set forth in article 24.

Exhibit “E”  
Purchase Agreement

CONTRACT FOR SALE OF REALTY

September 28, 2007

The undersigned Purchaser agrees to buy, and the undersigned Seller agrees to sell, the following property, to-wit: 10.786 acres in Land Lot 61 and 62 of the 2<sup>ND</sup> Land District, Coweta County, Georgia more particularly shown in Exhibit A attached hereto.

Including all lighting fixtures attached thereto, and all heating, water heating, and plumbing equipment therein; also all plants, trees and shrubbery now on the premises.

The purchase price of said property shall be: six hundred and fifty thousand and no/100 (\$650,000.00) to be paid as follows: \$500.00 earnest money and the balance due in cash at closing.

Seller agrees to furnish a marketable title to said property and agrees to convey said property by warranty deed to Purchaser at time sale is consummated, subject to: 1. All valid restrictions of record; 2. Zoning ordinances affecting the same; 3. Encumbrances as specified in contract.

The Purchaser shall have reasonable time after acceptance of this contract in which to examine title and in which to furnish Seller with a written statement of objections affecting the marketability of said title. Seller shall have reasonable time after receipt of such objections to satisfy all valid objections and if Seller fails to satisfy such valid objections within a reasonable time, then at the option of the Purchaser, evidenced by written notice to Seller, this contract shall be null and void.

Seller and Purchaser agree that such papers as may be legally necessary to carry out the terms of this contract shall be executed and delivered by such parties at time sale is consummated.

Seller warrants that when the sale is consummated the improvements on the property will be in the same condition as they are on the date this contract is signed by the Seller, natural wear and tear excepted. However, should the premises be destroyed or substantially damaged before the contract is consummated, then, at the election of the Purchaser: (a) The contract may be cancelled; (b) Purchaser may consummate the contract and receive such insurance as is paid on the claim of loss. This election is to be exercised within ten (10) days after the amount of the Seller's damage is determined.

This contract constitutes the sole and entire agreement between the parties hereto and no modification of this contract shall be binding unless attached hereto and

signed by all parties to this agreement. No representation, promise or inducement not included in this contract shall be binding upon any party hereto.

The following stipulations shall, if conflicting with printed matter, control:

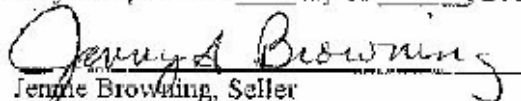
SPECIAL STIPULATIONS:

1. Closing contingent upon purchaser obtaining satisfactory financing.
2. Closing within 60 days of the signing of this contract.
3. Taxes to be prorated at closing.

This instrument shall be regarded as an offer by the Purchaser or Seller who first signs to the other and is open for acceptance by the other until \_\_\_\_\_ o'clock \_\_\_\_\_ M, on the \_\_\_\_\_ day of \_\_\_\_\_, 2007; by which time written acceptance of such offer must have been actually received, who shall promptly notify other party, in writing, of such acceptance.

  
Chad Caldwell, Purchaser

The above proposition is hereby accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

  
Jennie Browning, Seller



*D. Morrow*  
28-07



Supporting Documents  
For  
Comparable Sales

Exhibit "F"  
Profiles for Improved Sales

# Improved Sale 1

## Property Identification

1. Property Type: Metal Building
2. Address: 6 Ellis Street  
Newnan, GA
3. Tax ID: N023- 0001-006

## Sale Data

4. Grantor: The Tyler Family Trust
- Grantee: Juan C Dattero
5. Sale Price: \$210,000
6. Price Per SF: \$111.11
7. Sale Date: 08/31/2005
8. Deed Book/Page: Coweta County Book 2811/Page 273
9. Verification: Public Records/GAMLS
10. Condition of Sale: Arm's Length
11. Financing: All Cash to Seller

## Property Data

12. Building Size: 1,890 Square Feet
13. Land Area: .160 Acres
14. Year Built: 1986
15. Zoning: CHV
16. Utilities: Electricity and Gas
17. Comments:

This is a sale of a metal office/warehouse building located in Newnan, GA. The property is currently operating as an auto repair shop.





## Improved Sale 2

### Property Identification

- |                   |                                  |
|-------------------|----------------------------------|
| 1. Property Type: | Metal Building                   |
| 2. Address:       | 18 Jefferson Place<br>Newnan, GA |
| 3. Tax ID:        | N17 031                          |

### Sale Data

- |                        |                                  |
|------------------------|----------------------------------|
| 4. Grantor:            | Scott G Smith                    |
| Grantee:               | Western Baptist Association      |
| 5. Sale Price:         | \$350,000                        |
| 6. Price Per SF:       | \$63.64                          |
| 7. Sale Date:          | 04/26/2006                       |
| 8. Deed Book/Page:     | Coweta County Book 2956/Page 149 |
| 9. Verification:       | Public Records/GAMLS             |
| 10. Condition of Sale: | Arm's Length                     |
| 11. Financing:         | All Cash to Seller               |

### Property Data

- |                    |                              |             |
|--------------------|------------------------------|-------------|
| 12. Building Size: | 5,500                        | Square Feet |
| 13. Land Area:     | .50                          | Acres       |
| 14. Year Built:    | 1991                         |             |
| 15. Zoning:        | CBD - Central Business Dist. |             |
| 16. Utilities:     | All Available                |             |
| 17. Comments:      |                              |             |

This is a sale of a metal building located in Newnan, GA.



## Improved Sale 3

### Property Identification

1. Property Type: Metal Building
2. Address: 30 Tower Place  
Newnan, GA
3. Tax ID: N34 0001 025

### Sale Data

4. Grantor: Annie Joe Berkowitz
- Grantee: Ralph Padovano
5. Sale Price: \$400,000
6. Price Per SF: \$88.89
7. Sale Date: 03/03/2006
8. Deed Book/Page: Coweta County Book 2921/Page 339
11. Verification: Public Records/GAMLS
12. Condition of Sale: Arm's Length
13. Financing: All Cash to Seller

### Property Data

14. Building Size: 4,500 Square Feet
15. Land Area: .75 Acres
16. Year Built: 1995
17. Zoning: CHV
18. Utilities: All Available
19. Comments:

This is a sale of a metal building located in Newnan, GA. The property is currently operating as an auto repair/body shop.



## Improved Sale 4

### Property Identification

1. Property Type: Metal Office/Warehouse Building
2. Address: 26 Andrew Street  
Newnan, GA
3. Tax ID: N05 0005 035

### Sale Data

4. Grantor: Wilson Industrial Development
- Grantee: Scott Commercial Services
5. Sale Price: \$135,000
6. Price Per SF: \$90.00
7. Sale Date: 03/28/2006
8. Deed Book/Page: Coweta County Book 2939/Page 366
9. Verification: Public Records/GAMLS
10. Condition of Sale: Arm's Length
11. Financing: All Cash to Seller

### Property Data

12. Building Size: 1,500 Square Feet
13. Land Area: .26 Acres
14. Year Built: 2002
15. Zoning: ILT
16. Utilities: Electricity, Gas, Water
17. Comments:

This is a sale of a metal office/warehouse building located in Newnan, GA.



Exhibit "T"  
Location Map for Improved Sales

# Improved Sales Location Map

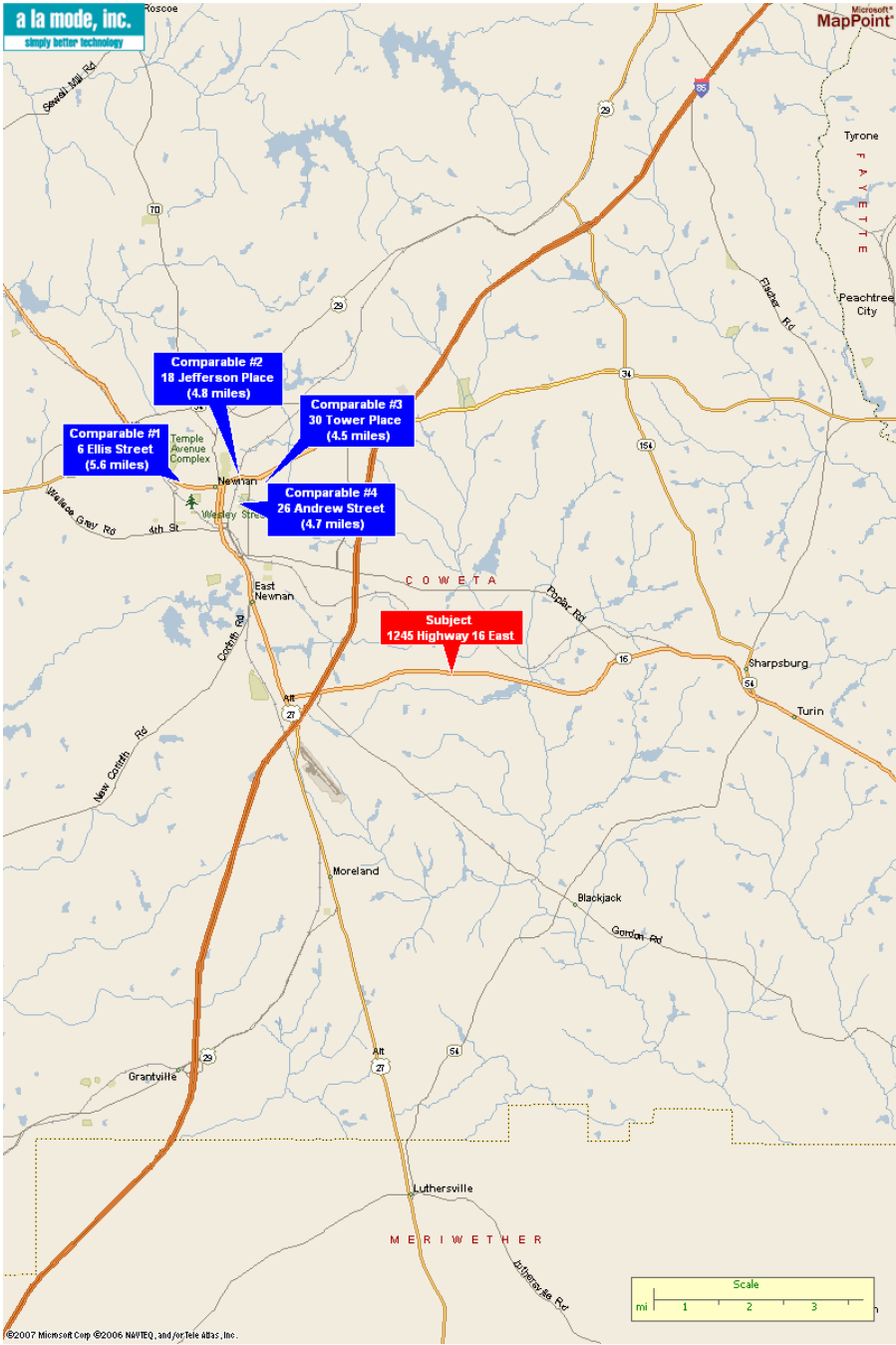


Exhibit “J”  
Profiles for Land Sales

# Land Sale 1

## Property Identification

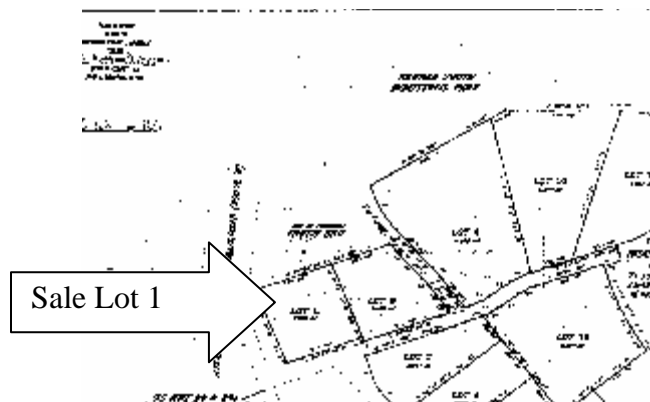
1. Property Type: Vacant Land
2. Property Description: Industrial Land
3. Address: Lot 1, Newnan South Industrial Park  
Newnan, Coweta County, GA
4. Tax ID: 075 2025 0005

## Sale Data

5. Grantor: Crain Headly, Inc.
- Grantee: Barland Enterprises, LLC
6. Sale Price: \$225,300
7. Price Per Acre: \$89,016
8. Sale Date: 3/21/2007
9. Deed Book/Page: 3154/582
10. Verification: GSCCCA – Deeds/Coweta Co. Tax Assessor
11. Condition of Sale: Arm's Length
12. Financing: All Cash to Seller

## Property Data

13. Land Area: 2.531 Acres
14. Zoning: Industrial
15. Utilities: All Available
16. Comments:  
Land Lot 25, 2<sup>nd</sup> Land District. Plat Book 68, Page 167



## Land Sale 2

### Property Identification

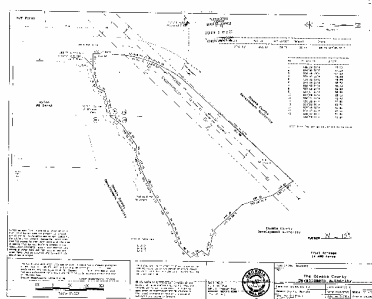
- |                          |  |
|--------------------------|--|
| 1. Property Type:        | Vacant Land                                      |
| 2. Property Description: | Industrial Land                                  |
| 3. Address:              | Amalajack Boulevard<br>Newnan, Coweta County, GA |
| 4. Tax ID:               | 097 5110 002                                     |

### Sale Data

- |                        |                           |
|------------------------|---------------------------|
| 5. Grantor:            | Anderson Trucking Service |
| Grantee:               | MHOC, LLC                 |
| 6. Sale Price:         | \$1,060,000               |
| 7. Price Per Acre:     | \$73,153                  |
| 8. Sale Date:          | 6/2006                    |
| 9. Deed Book/Page:     | 3004/776                  |
| 10. Verification:      | GSCCCA – Deeds            |
| 11. Condition of Sale: | Arm's Length              |
| 12. Financing:         | All Cash to Seller        |

### Property Data

- |                |   |
|----------------|---|
| 13. Land Area: | 14.49 Acres   |
| 14. Zoning:    | Industrial  |
| 15. Utilities: | All Available   |
| 16. Comments:  | Land Lots 83, 84, 109 & 110, 5 <sup>th</sup> Land District. PB 74, Pg 155 |





# Land Sale 3

## Property Identification

1. Property Type: Vacant Land
2. Property Description: Industrial Land
3. Address: Lot 2, Newnan South Industrial Park  
Newnan, Coweta County, GA
4. Tax ID: 075-2025-006

## Sale Data

5. Grantor: Crain Headley, Inc.
- Grantee: New Visions Construction
6. Sale Price: \$166,335
7. Price Per Acre: \$64,974
8. Sale Date: 6/2004
9. Deed Book/Page: 2520/253
10. Verification: GSCCCA – Deeds/Coweta Co. Tax Assessor
11. Condition of Sale: Arm's Length
12. Financing: All Cash to Seller

## Property Data

13. Land Area: 2.56 Acres
14. Zoning: Industrial
15. Utilities: All Available
16. Comments:  
Land Lot 25, 2<sup>nd</sup> Land District. Plat Book 68, Page 167

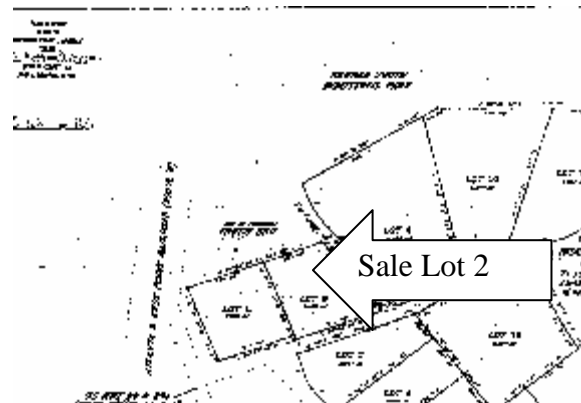


Exhibit “K”  
Location Map for Land Sales

## Location Map Comparable Land Sales

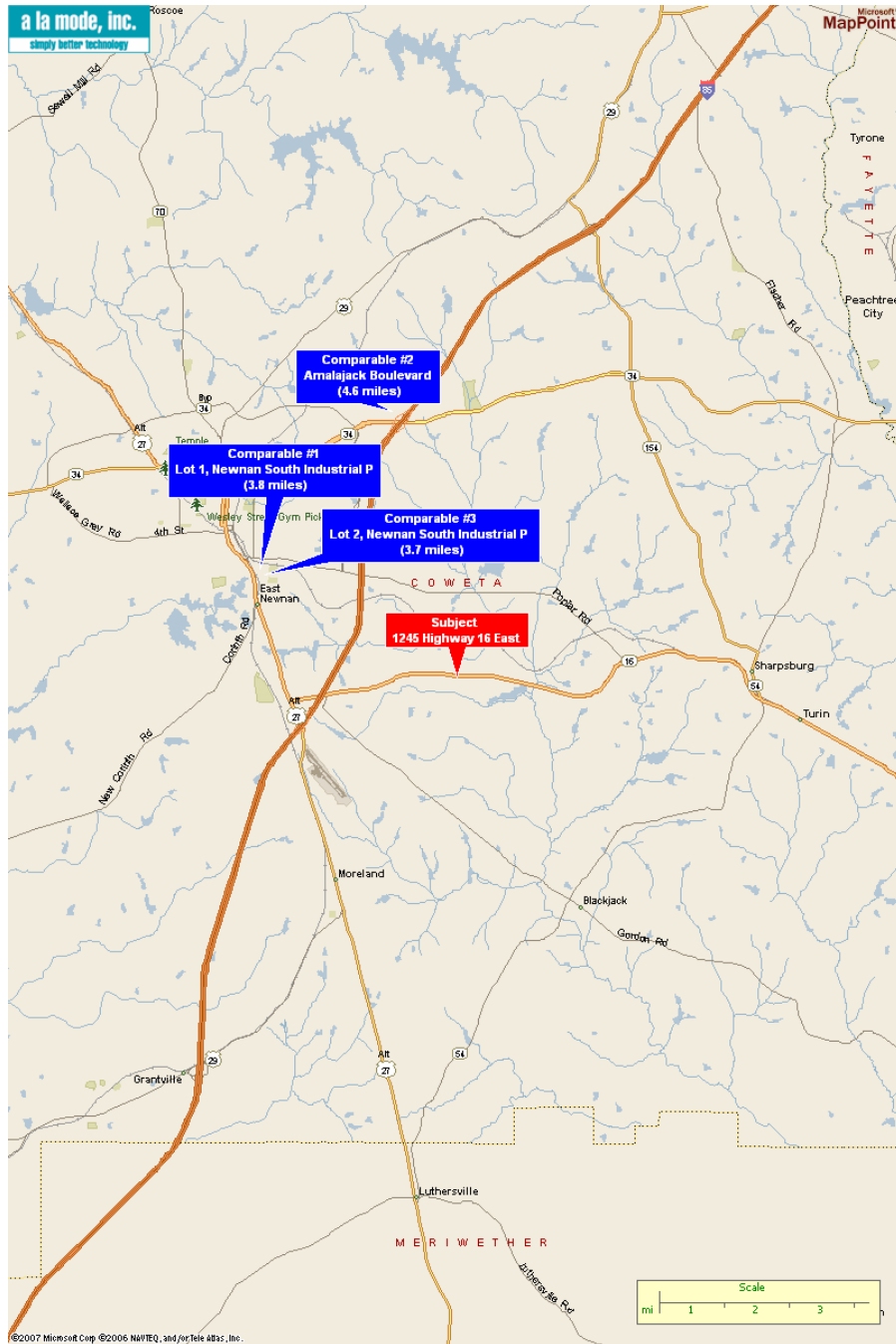
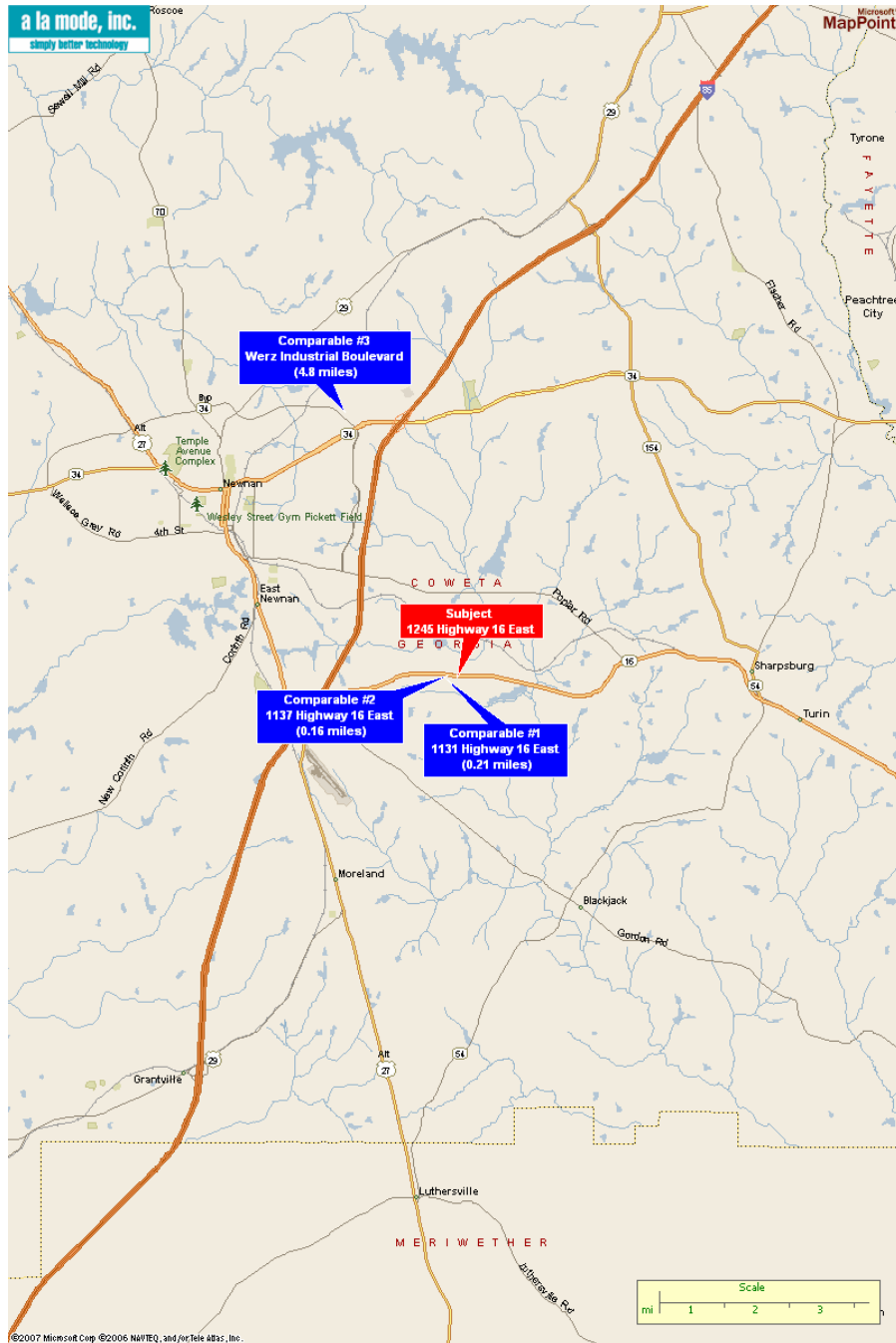


Exhibit “L”  
Location Map for Rent Comparables

# Rental Location Map



Appraiser Qualifications  
License & Resume

**KEN A. FLETCHER**  
**FLETCHER & COMPANY**  
122 West Solomon Street, Griffin, Georgia 30224  
Office Phone: (770) 227-4008, Fax: (770) 227-7329

**Appraisals**

**Commercial – Industrial – Land – Residential**

Appraisal Service Since 1971

**Appraisal of properties for:**

First Bank of Pike

United Bank

First National Bank of Griffin

First National Bank of Barnesville

United Community Bank

BB & T

Regions Bank

West Central Georgia Bank of Thomaston

Georgia Banking Company

Colony Bank and Trust

McIntosh State Bank

First Georgia Bank

Heritage Bank

Park Avenue Bank

Peachtree Bank of Gwinnett

Southern Community Bank

Georgia Power Company

First Liberty Building & Loan

Security Bank

Spalding County

Horizon Bank

City of Griffin

Main Street Bank

Neighborhood Community Bank

Bank of Coweta

First City Bank

Farmers and Merchants Community Bank

**Attorneys:**

Larry Evans – Griffin

John Newton – Griffin

Sid Esary – Griffin

Dick Mullins – Griffin

Hal Sturdivant – Griffin

Sam Sullivan – Griffin

Wade Crumbley - McDonough

Drew Whalen – Griffin

Tim Cramer – Griffin

John Carlisle – Griffin

Jack Park – Griffin

John M. Cogburn – Griffin

Smith, Welch & Brittain – McDonough

**Accountants – CPA:**

P. Lewis Robinson – McDonough

Paul Cook – Griffin

C. Randall Howell – Griffin

Steve Manley – Acquisition Services

Alton Knight – Griffin

M. Barry Erwin – Griffin

Qualified as Valuation Expert Witness: Superior Court of Spalding, Pike, Fayette, Lamar, Henry, Rockdale, Fulton, and Upson Counties. U. S. Bankruptcy Court, Savannah, Newnan, and Atlanta, Georgia. U. S. Tax Court – Northern District Atlanta

**Education:**

Graduate of the University of Georgia – 1970

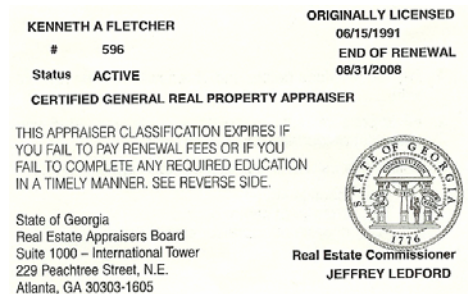
Degree: BBA

Major: Real Estate and Urban Development

Licensed Real Estate Broker

State of Georgia –

Certified General Real Estate Appraiser – No. 596



**Fletcher & Company**  
**Real Estate Appraisals**  
**122 West Solomon Street**  
**Griffin, Georgia 30224**  
**Commercial – Residential – Industrial – Land**  
**Phone: (770)227-4008      Fax: (770)227-7329**

Ondra L. Lee - State of Georgia – Registered Appraiser #267609  
Assisted Ken A. Fletcher – State of Georgia - Certified Appraiser #596 in Appraisals of properties for:

First National Bank of Griffin  
First National Bank of Barnesville  
Southern Community Bank  
Heritage Bank  
BB & T  
United Bank of Griffin  
City of Griffin  
Peachtree National Bank  
Regions Bank  
Colony Bank  
Security Bank  
First Liberty Building & Loan  
First City Bank  
McIntosh State Bank  
Park Avenue Bank  
Farmers and Merchants Community Bank  
Georgia Power Company

**Accountants – CPA:**

P. Lewis Robinson – McDonough  
Steve Manley – Acquisition Services

**Education:**

Graduate of Monroe Academy - 1990  
Graduate of John Bryant's Real Estate 2000 Appraisal School – 2003

ONDRA LETSON LEE  
# 267609

Status ACTIVE

STATE REGISTERED REAL PROPERTY APPRAISER

THIS APPRAISER CLASSIFICATION EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER. SEE REVERSE SIDE.

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

ORIGINALLY LICENSED  
11/03/2003  
END OF RENEWAL  
09/30/2008



JEFFREY LEDFORD  
Real Estate Commissioner