

APPRAISAL OF REAL PROPERTY
FOR
Commercial Office/Retail Building

1436 Georgia Highway 16 West
Griffin, Spalding County, Georgia

AS OF:
October 4, 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 4, 2007



RE: Summary Appraisal Report
Commercial Office/Retail Building
1436 Georgia Highway 16 West
Land Lot 112, 2nd Land District
Griffin, Spalding County, Georgia

Dear [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 4, 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 4, 2007, it is my opinion that the Market Value with Fee Simple Interest in the subject property is:

Five Hundred Twenty Thousand Dollars
\$520,000

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: | ████████████████████ |
| Property Type: | Commercial Office/Retail Building |
| Property Address: | 1436 Georgia Highway 16 West Griffin, Spalding County, Georgia |
| Parcel ID: | 55-3-7D |
| Owner: | ████████████████████ |
| Site Size: | .516 Acres +/- or 22,476 SF +/- |
| Improvements: | 3606 SF +/- commercial office building |
| Year Built: | Originally constructed in 1986 |
| Zoning: | PCD, Planned Commercial District |
| Interest Appraised: | Fee Simple |
| Effective Date of Appraisal: | October 4, 2007 |
| Date of Report | October 4, 2007 |
| Final Estimate of Value: | \$520,000 |

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 official determination, further study is recommended by a qualified engineer.

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.



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.



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 commercial office/retail 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 commercial office/retail 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.”²

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.”³

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.⁴

Improvements

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

² *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).

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

⁴ *Ibid*, 234.

⁵ *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.”⁶

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.”⁷

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.”⁸

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.”⁹

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.

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

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

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

⁹ *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.”¹⁰

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.

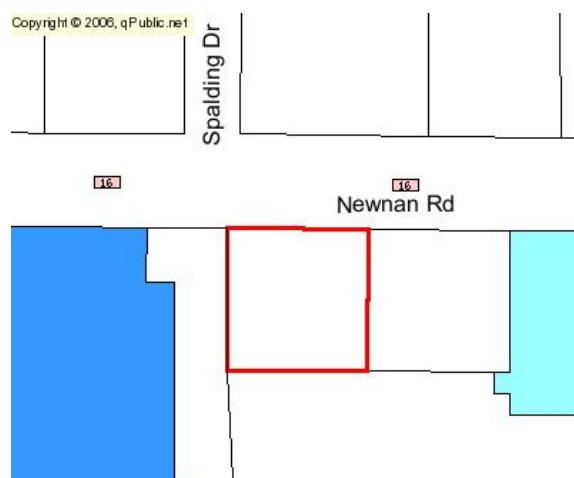
¹⁰ *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 128.

Assignment Description

Property Identification

The subject property is presently utilized as a commercial office/retail building, which is located at 1436 Georgia Highway 16 West, Griffin, Georgia. The building is a single-story structure that was originally constructed in 1986 and was renovated in the recent past. The facility was in good condition for its age at the time of inspection.

The total site contains approximately .516 acres or 22,476 SF +/- . It is identified by Spalding County Assessor's Office as Parcel Number 55-3-7D. Below is a copy of the tax map.



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 4, 2007, the most recent date of the real estate inspection. The report date is October 4, 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 Spalding County Deed Book 1560, Page 122, the subject property has been owned by the present owner, James W. Highsmith et al, for more than three years. There have been no other transfers of any interests, in whole or part, in the past three years. The subject property is presently listed on the market for \$799,000 and has been listed on the subject market for 8 to 9 months.

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.”¹

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 evaluation 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 commercial office use. Therefore, the Improved Sales Comparison and Income Approaches to value have been performed in this report. Due to the age of the subject improvements, the Cost Approach has not been performed and is considered not to be applicable. Also, the Sales Comparison Approach will be performed in this report to estimate the market value of the fee simple interest of the subject land.

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).

¹ 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: | 1436 Georgia Highway 16 West Griffin, Spalding County, Georgia |
| Land Area: | Approximately .516 acres or 22,476 SF. 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. See attached tax plat for details. |
| Shape: | The subject property is considered square in shape. |
| Frontage: | The subject site has frontage and access on Highway 16. The subject property has approximately 150' of frontage on Georgia Highway 16 West and approximately 149.98' of frontage on the entry road to the Lowe's shopping center. The subject property has access from the entry/exit to the Lowe's Shopping Center via a perpetual easement for vehicular ingress and egress. |
| Topography: | The site is best described as basically level to highway grade. |
| Utilities: | Water, Gas, Sewer and Electricity are available. |
| 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 the FEMA Flood Map 130165 0001B, dated January 1, 1987, the subject is not located in a 100 year flood plain area. According to City of Griffin Flood Maps, the subject it not located in a 100 year flood plain. This report assumes that the property is not in a flood hazard area and will not |

be subject to flooding. For official determination, further study is recommended by a qualified engineer.

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 Spalding 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 |
| 55-3-7D | 22,476 | 0.516 | \$ 191,295 | \$ 211,290.00 | \$ 402,585.00 | \$ 161,034.00 | 41.5500 | \$ 6,690.96 |
| Total | 22,476 | 0.516 | \$ 191,295 | \$ 211,290.00 | \$ 402,585.00 | \$ 161,034.00 | 41.5500 | \$ 6,690.96 |

Zoning:

The subject site is zoned PCD, Planned Commercial District, by the City of Griffin. The use as a commercial office building represents a compatible use with the surrounding neighborhood, which consists of various commercial properties to include retail, office, restaurants, and various others. For official zoning and allowances, a letter of permissible uses must be obtained from the City of Griffin's Planning and Zoning Department. The excerpt from the City of Griffin's Zoning Ordinance is located in the Addenda section of this report.

Description of Improvements

The building is a single story framed structure that was reportedly originally built in 1986 and has been renovated in recent years. The subject building contains approximately 3606 SF of area. The subject building is presently utilized as commercial office/retail building for the sales and storage of home healthcare equipment.

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

| | |
|--------------------|--|
| Foundation: | Reinforced concrete slab foundation |
| Structural: | Wood Frame |
| Exterior Walls: | Stucco |
| Roof Covering: | Built-up tar and gravel, wood truss system |
| Interior Finish: | Drywall partitions with paint and wallpaper cover, chair rail, a mixture of ceramic tile and carpeting where appropriate, drop acoustical ceiling tiles with lay-in grid, and fluorescent lighting with diffusers. |
| HVAC: | Central heat and air conditioning. This appraisal assumes that the HVAC system is adequate. |
| Plumbing: | There are (2) restrooms with (8) total fixtures. Kitchenette with sink and cabinetry. |
| Other: | Emergency/Exit lighting throughout. |
| Site Improvements: | Site improvements consist of asphalt paved parking lot, exterior lighting, landscaping, and signage. |

Physical Condition: The subject building was originally built in 1986 and has been renovated in recent years. The subject building is considered to be in good condition. The parking lot appears to be in average condition.

Functional Utility: The subject building is designed for and utilized as a commercial office/retail building. 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 commercial office/retail use and is considered functional when compared to competing buildings in the market.

Actual Age, Effective Age, Remaining Economic Life: The subject building was constructed in 1986 and has an actual age of 21 years. The effective age is estimated at 15 years. The total economic life is estimated at 50 years, of which 35 is remaining.

Photographs of Subject Property

View of Front of Subject Property



View of Rear of Subject Property



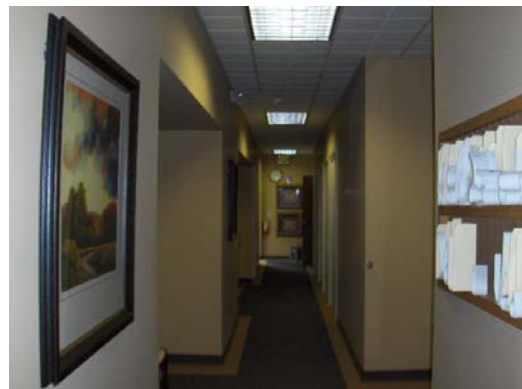
View of Subject Rear Access/Driveway



View of Subject Access/Driveway from Highway 16 West



View of Interior of Subject Property



Photographs of Subject Property

View of Front Office/Reception Area



View of Kitchenette



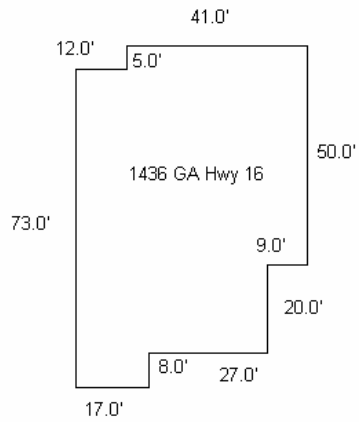
View of Conference Room



View of Storage Room



Building Sketch



| SKETCH CALCULATIONS | | | | | | | | | | | | | |
|-------------------------|---|-------------------|-------|--------------------|--------|--------------------|-------|-------------------|-------|------------------------|--------|-------------------------|----------------|
| | <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">A1 : 41.0 x 5.0 =</td> <td style="text-align: right;">205.0</td> </tr> <tr> <td style="padding-left: 20px;">A2 : 53.0 x 45.0 =</td> <td style="text-align: right;">2385.0</td> </tr> <tr> <td style="padding-left: 20px;">A3 : 44.0 x 20.0 =</td> <td style="text-align: right;">880.0</td> </tr> <tr> <td style="padding-left: 20px;">A4 : 17.0 x 8.0 =</td> <td style="text-align: right;">136.0</td> </tr> <tr> <td style="padding-left: 20px;">office/retail building</td> <td style="text-align: right;">3606.0</td> </tr> <tr> <td style="padding-left: 20px;">Total Misc. Area</td> <td style="text-align: right;">-3606.0</td> </tr> </table> | A1 : 41.0 x 5.0 = | 205.0 | A2 : 53.0 x 45.0 = | 2385.0 | A3 : 44.0 x 20.0 = | 880.0 | A4 : 17.0 x 8.0 = | 136.0 | office/retail building | 3606.0 | Total Misc. Area | -3606.0 |
| A1 : 41.0 x 5.0 = | 205.0 | | | | | | | | | | | | |
| A2 : 53.0 x 45.0 = | 2385.0 | | | | | | | | | | | | |
| A3 : 44.0 x 20.0 = | 880.0 | | | | | | | | | | | | |
| A4 : 17.0 x 8.0 = | 136.0 | | | | | | | | | | | | |
| office/retail building | 3606.0 | | | | | | | | | | | | |
| Total Misc. Area | -3606.0 | | | | | | | | | | | | |

Area & Neighborhood Overview

Introduction

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

The subject property is located on Georgia Highway 16 West in the western portion of the City of Griffin. The subject property has good exposure and visibility. The subject neighborhood consists of various commercial properties to include offices, restaurants, convenience/gasoline stores, retail, banks and various others.

Griffin, Georgia lies approximately 40 miles south of the Atlanta downtown business district and approximately 30 miles south of Atlanta's Hartsfield – Jackson International Airport.

Population:

In 1990, Spalding County's population was 54,457; in 2000 the population had grown to 58,417, indicating a compound annual growth rate of .73% between 1990 and 2000. The year-end 2005 population estimate was 61,289, indicating a compound annual increase of .47% between 2000 and 2005.

The following table illustrates historical population trends for the City of Griffin, Spalding County and the State of Georgia.

| | 2005 | 2000 | 1990 | Annual % Change from.1990 to 2000 |
|---------------------------------|-----------|-----------|-----------|---|
| City of Griffin | 23,286 | 23,451 | 21,347 | .99% |
| Spalding County | 61,289 | 58,417 | 54,457 | .73% |
| State of Georgia | 9,072,576 | 8,186,453 | 6,478,216 | 2.1% |

Source: US Census Bureau

Between 2000 and 2005, the population in Spalding County grew at an estimated compound rate of .47%, while the State of Georgia grew at a rate of 1.95% for the same period. However, the City of Griffin experienced an annual change of -.14% for the same time. Given the recent compound increase in the population base for Spalding County, the population growth trends foreshadow a modest economic climate through the near future.

The highest concentrated age group of the county's inhabitants is between the ages of 0 and 19, or 30.0%. In terms of household size, at the end of 2000 the number of households stood at 21,519 in Spalding County with an average household size of 2.67 persons.

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

| Demographic Profile | | | |
|-----------------------------------|--|----------------------------|-----------------------------|
| Category | | Spalding County | State of Georgia |
| Age Distribution | 0-19 | 30.0% | 29.5% |
| | 20-34 | 20.0% | 23.1% |
| | 35-54 | 29.0% | 29.7% |
| | 55+ | 21.0% | 17.7% |
| Estimated Average Household Size: | | 2.67 persons | 2.65 persons |
| Median Family Income: | \$20,000 - \$34,999 | 15.0% | 33.7% |
| | \$35,000 - \$49,999 | 38.0% | 17.0% |
| | \$50,000 & Over | 47.0% | 51.6% |
| Median Family Income: | | \$41,631 | \$49,280 |
| Source: | <i>US Census Bureau May not add due to rounding.</i> | | |

As the year end 2000 statistics indicates that 47.0% of the households in Spalding County earned over \$50,000 per annum. As indicated in the table above, Spalding County was below the state of Georgia in median household income.

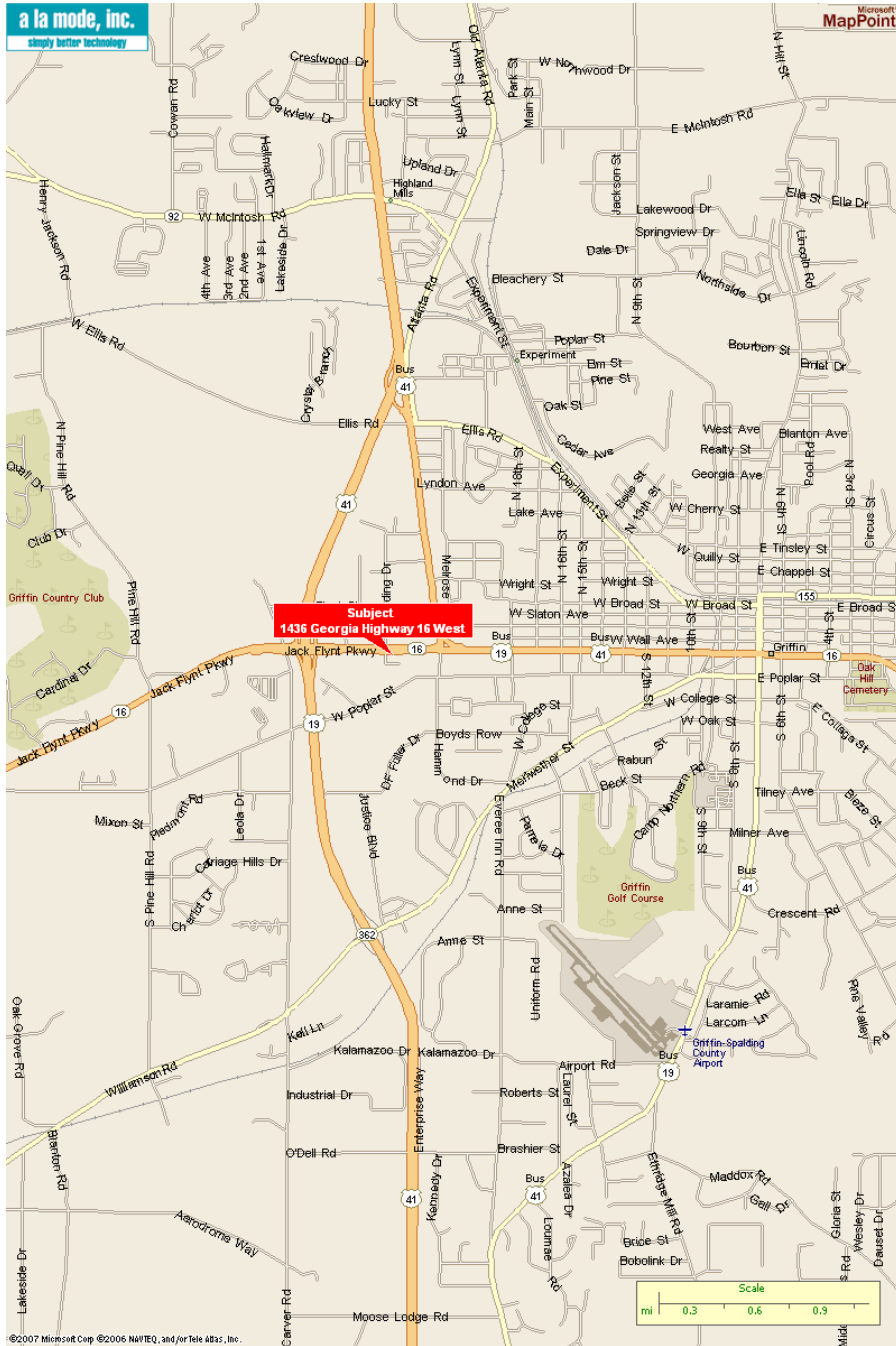
Area Business and Related Economic Trends

According to the US Census Bureau, the number of employed people in Spalding County in 2000 was 25,438, resulting in an unemployment rate of 3.8%. A comparison of the major components of the economic base for 2002 is presented in the table below.

| | | Spalding County | | State of Georgia | |
|--|--|-----------------|-------------|------------------|-------------|
| Employment Sector | | | | | |
| Agriculture | | 131 | .5% | 53,201 | 1.4% |
| Construction | | 2,742 | 10.8% | 304,710 | 7.9% |
| Manufacturing | | 5,574 | 21.9% | 568,830 | 14.8% |
| Wholesale Trade | | 813 | 3.2% | 148,026 | 3.9% |
| Retail Trade | | 3,592 | 14.1% | 459,548 | 12.0% |
| Transportation | | 1,748 | 6.9% | 231,304 | 6.0% |
| Information | | 353 | 1.4% | 135,496 | 3.41% |
| Finance, Insurance & Real Estate | | 1,253 | 4.9% | 251,240 | 6.5% |
| Professional Services | | 1,435 | 5.6% | 362,414 | 9.4% |
| Educational | | 3,566 | 14.0% | 675,593 | 17.6% |
| Arts & Entertainment | | 1,621 | 6.4% | 274,437 | 7.1% |
| Other Services | | 1,343 | 5.3% | 181,829 | 4.7% |
| Public Administration | | <u>1,267</u> | <u>5.0%</u> | <u>193,128</u> | <u>5.0%</u> |
| Total | | 25,438 | 100% | 3,821,756 | 99.8% |
| <i>Source: US Census Bureau, 2002 Economic Census; May not add due to rounding</i> | | | | | |

In summary, Spalding County has experienced modest growth. Given the past performance in the Spalding County's local economy, modest economic improvement is anticipated in the foreseeable future.

Location Maps of Subject Property



Aerial Map for Neighborhood



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

Physically Possible – As previously mentioned, the subject property contains .516 acres or 22,476 SF. Many uses would be physically possible including various commercial, 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 Spalding County, and is under the jurisdiction of the city of Griffin. The property is zoned PCD, Planned Commercial Development. The subject is located in a neighborhood that is predominately composed of commercial properties. According to the City of Griffin's Planning and Zoning Department, the subject's current use as a commercial office/retail building 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 City of Griffin's 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 for future commercial use.

Land as Currently Improved

The subject building is currently operating as commercial office/retail use. 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 as a commercial office/retail building utilized for the sales and storage of home healthcare equipment. The highest and best use, as improved, is considered to be its current use as commercial office/retail 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 commercial office/retail use.

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 commercial office use. Therefore, the Improved Sales Comparison and Income Approaches to value have been performed in this report. Due to the age of the subject improvements, the Cost Approach has not been performed and is considered not to be applicable. Also, the Sales Comparison Approach will be performed in this report to estimate the market value of the fee simple interest of the subject land.

Sales Comparison Approach

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 I-1</i> | <i>Improved Sale I-2</i> | <i>Improved Sale I-3</i> |
|------------------------------------|--------------------------------------|--|--|--|
| Facility Type | Office/Retail Bldg | Office Building | Commercial Bldg | Office Building |
| Facility Location | 1436 Hwy 16 West Griffin, Georgia | 627 West Taylor St Griffin, Georgia | 656 N. Expressway Griffin, Georgia | 122 S. 13th Street Griffin, Georgia |
| <i>Facility Data</i> | | | | |
| Year Built | 1986 | 1960's | 2002 | 1972 |
| Land Area (Acres) | 0.516 | 0.130 | 0.410 | 0.210 |
| Building Area | 3,606 | 1,281 | 4,160 | 2,424 |
| <i>Transaction Data</i> | | | | |
| Date of Sale | | Nov-06 | Mar-07 | Jun-06 |
| Sales Price | | \$185,000 | \$550,000 | \$250,000 |
| Sale Price Per SF | | \$144.42 | \$132.21 | \$103.13 |
| ORDERED ADJUSTMENTS: | | | | |
| Financing Adjustments | | 0% | 0% | 0% |
| Adjusted Value | | \$144.42 | \$132.21 | \$103.13 |
| Conditions of Sale Adjustments | | 0% | 0% | 0% |
| Adjusted Value | | \$144.42 | \$132.21 | \$103.13 |
| Market Conditions/Time Adjustments | | 5% | 0% | 5% |
| Adjusted Value | | \$151.64 | \$132.21 | \$108.29 |
| OTHER ADJUSTMENTS: | | | | |
| Location | | -10% | -10% | 10% |
| Building Size | | -10% | 5% | -5% |
| Age/Condition | | 10% | 5% | 10% |
| Quality of Improvements | | 10% | 10% | 15% |
| Access/Parking | | 0% | 0% | 0% |
| Land Size | | 5% | 0% | 5% |
| Net Adjustments | | 5% | 10% | 35% |
| Net Adjusted Value | | \$158.86 | \$145.43 | \$144.38 |
| Value Indications | | | | |
| | <i>Price Per SF</i> | | | |
| Range Minimum: | \$144.38 | 3,606 | Square Feet @ | \$145 |
| Range Maximum: | \$158.86 | | | Rounded |
| Range Average: | \$149.56 | | | |
| Standard Deviation | \$8.07 | | | |
| Reconciled Value/SF: | \$145.00 | | Estimated Value Via Sales Comparison Approach | \$520,000 |

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 June 2006 to March 2007. Sales 1 and 3 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. Sales 1 and 2 are considered slightly superior to the subject property as to location, and a downward adjustment is necessary for this factor. Sale 3 is located on a secondary street, and is considered inferior to the subject property as to location. An upward adjustment is necessary 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 3 are smaller in size than the subject property, and a downward adjustment is necessary for this factor. Sale 2 is 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. The subject building was constructed in 1986 and has been renovated over the years and has a high quality office finish. The subject building is considered to be superior to the above comparable sales as condition, and superior to Sales 1 and 3 as to age. An upward adjustment is necessary for this factor. The subject building is slightly superior to Sale 2 as to condition, and an upward 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. As stated above, the subject building was constructed in 1986 and has been renovated in the recent past. The subject building consists of a high quality finish, and is considered superior to the above comparable sales as to quality of improvements, and an upward adjustment is necessary for this factor.

Access/Parking – The subject is located on Highway 16 West in the western portion of the City of Griffin. All sales have similar access as well as parking as the subject property. No adjustments were made 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. Sales 1 and 3 are located on smaller tracts than the subject tract. This is an inferior factor, and an upward adjustment is necessary for this factor.

Sales Comparison Conclusion - The overall value for the subject property is estimated at \$145.00 per SF based on the sales above and giving consideration for location, size, zoning, available utility, overall topography and site conditions, frontage, and giving special consideration for the subject's high quality finish and improvements. The total value estimated via Sales Comparison Approach is \$520,000.

Then:

3606 SF @ \$145.00 per SF = \$522,870

Called = \$520,000

Income Approach (Direct Capitalization)

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. The subject property is owner occupied and has no past rental history. 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. | Bay Spaces Sup. Wal-Mart Shopping Ctr Griffin, Georgia | 1200 to 2500 SF | Retail/Office Space | \$18.00 per SF Modified Gross Lease |
| 2. | Dovedown Center Griffin, Georgia | 275 to 1926 SF | Retail/Office Space | \$6.77 to \$12.46 per SF annually Gross Lease Basis |
| 3. | Williamson Road Griffin, Georgia | 8000 SF | Multi-Office/Retail Space | \$12.00 per SF annually Gross Lease Basis |
| 4. | O'Dell Road Fayetteville, GA | 2585 SF | Office Space | \$11.00 per SF annually Gross Lease Basis |
| 5. | 390 Hudson Road Griffin, Georgia | 3750 SF | Office Space | \$12.16 per SF annually Modified Gross Lease |
| 6. | 1815 North Expressway Griffin, Georgia | 11,250 SF | Office Space | \$12.74 per SF annually Modified Gross Lease |
| 7. | 410 East Taylor Street Griffin, Georgia | 1200 to 3500 SF | Retail/Office Space | \$7.88 to \$14.00 per SF annually Modified Gross Lease |
| 8. | 1438 Hwy 16 West Griffin, Georgia | 1050 SF | Retail/Office Space | \$16.00 per SF annually Modified Gross Lease |
| 9. | Hanger 19, Hwy 19 Griffin, Georgia | 2310 SF | Restaurant use/Retail | \$15.50 per SF plus \$3.00 per SF CAM Modified Gross Lease |

Revenue

The above rent comparables range from \$6.77 to \$18.00 per SF per year on a Gross Lease Basis and on a Modified Gross Lease Basis. Considering the above comparables, the appraiser has modeled a potential speculative rental rate per square foot for the subject property to be \$16.00 per SF annually on a Modified Gross Lease Basis whereby the lessor and the lessee share operating expenses for the subject property.

Expense Analysis

Vacancy and Collection Loss

Typically, improvements, such as the subject, are leased on long term basis. For the purpose of this analysis, the appraiser has modeled a vacancy and collection loss of 5%. A typical vacancy and collection loss rate would be slightly higher than the modeled 5%; however, the subject is currently owner-occupied and therefore a lower loss rate will be used.

Operating Expenses

Tenant-Paid Expenses

Typically, under the terms of a modified gross lease, the following expenses are paid by the Tenant and have not been included in this analysis of operating expenses: pest control, trash removal, landscaping, and utilities.

Owner-Paid Expenses

The only owner-paid expenses used for the purpose of this operating expense analysis are insurance and real estate taxes. These expenses are typically paid by the owner of the property under the terms of a typical modified gross lease. The total expense to the Owner for the afore mentioned expenses is \$7690.

Reserves

Capital improvements, or reserves for replacements, typically include an allowance for replacement for roof covers, paving, HVAC, and other short-lived items. Given the age and condition of the subject property, a reserve allowance of 3% of collected revenues or \$1644 has been used in this analysis.

Total operating expenses for in the analysis total \$9334.

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 Retail – All Types range from 6.90% to 14.47%, with an average of 9.53%. According to Realty Rates Investor Survey, Second Quarter 2007, indicated OAR's for Office – All Types range from 6.68% to 14.04%, with an average of 9.58%

| RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2007* | | | | | | |
|---|----------|-------------------------------------|------|----------|----------|--------------|
| OFFICE - ALL TYPES | | | | | | |
| Item | Input | | | | OAR | |
| Minimum | | | | | | |
| Spread Over 10-Year Treasury | 0.80% | DCR Technique | 1.15 | 0.069041 | 0.85 | 6.75 |
| Debt Coverage Ratio | 1.15 | Band of Investment Technique | | | | |
| Interest Rate | 5.62% | Mortgage | 85% | 0.069041 | 0.058685 | |
| Amortization | 30 | Equity | 15% | 0.077200 | 0.011590 | |
| Mortgage Constant | 0.069041 | OAR | | | | 7.03 |
| Loan-to-V value Ratio | 85% | Surveyed Rates | | | | 6.68 |
| Equity Dividend Rate | 7.72% | | | | | |
| Maximum | | | | | | |
| Spread Over 10-Year Treasury | 4.80% | DCR Technique | 1.90 | 0.125452 | 0.50 | 11.92 |
| Debt Coverage Ratio | 1.90 | Band of Investment Technique | | | | |
| Interest Rate | 9.52% | Mortgage | 50% | 0.125452 | 0.062726 | |
| Amortization | 15 | Equity | 50% | 0.158400 | 0.077700 | |
| Mortgage Constant | 0.125452 | OAR | | | | 14.04 |
| Loan-to-V value Ratio | 50% | Surveyed Rates | | | | 13.34 |
| Equity Dividend Rate | 15.54% | | | | | |
| Average | | | | | | |
| Spread Over 10-Year Treasury | 2.35% | DCR Technique | 1.53 | 0.085350 | 0.70 | 9.12 |
| Debt Coverage Ratio | 1.53 | Band of Investment Technique | | | | |
| Interest Rate | 7.07% | Mortgage | 70% | 0.085350 | 0.059745 | |
| Amortization | 25 | Equity | 30% | 0.120210 | 0.036063 | |
| Mortgage Constant | 0.085350 | OAR | | | | 9.58 |
| Loan-to-V value Ratio | 70.0% | Surveyed Rates | | | | 9.43 |
| Equity Dividend Rate | 12.02% | | | | | |

*1st Quarter 2007 Data

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| RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2007* | | | | | | |
|---|----------|-------------------------------------|------|----------|----------|--------------|
| RETAIL - ALL TYPES | | | | | | |
| Item | Input | | | | OAR | |
| Minimum | | | | | | |
| Spread Over 10-Year Treasury | 0.75% | DCR Technique | 1.00 | 0.067909 | 0.85 | 5.77 |
| Debt Coverage Ratio | 1.00 | Band of Investment Technique | | | | |
| Interest Rate | 5.47% | Mortgage | 85% | 0.067909 | 0.057723 | |
| Amortization | 30 | Equity | 15% | 0.075200 | 0.011290 | |
| Mortgage Constant | 0.067909 | OAR | | | | 6.90 |
| Loan-to-V value Ratio | 85% | Surveyed Rates | | | | 6.56 |
| Equity Dividend Rate | 7.52% | | | | | |
| Maximum | | | | | | |
| Spread Over 10-Year Treasury | 5.27% | DCR Technique | 1.90 | 0.128879 | 0.50 | 12.24 |
| Debt Coverage Ratio | 1.90 | Band of Investment Technique | | | | |
| Interest Rate | 9.99% | Mortgage | 50% | 0.128879 | 0.064440 | |
| Amortization | 15 | Equity | 50% | 0.160600 | 0.080300 | |
| Mortgage Constant | 0.128879 | OAR | | | | 14.47 |
| Loan-to-V value Ratio | 50% | Surveyed Rates | | | | 13.75 |
| Equity Dividend Rate | 16.06% | | | | | |
| Average | | | | | | |
| Spread Over 10-Year Treasury | 2.33% | DCR Technique | 1.38 | 0.085183 | 0.73 | 8.55 |
| Debt Coverage Ratio | 1.38 | Band of Investment Technique | | | | |
| Interest Rate | 7.05% | Mortgage | 73% | 0.085183 | 0.061994 | |
| Amortization | 25 | Equity | 27% | 0.122170 | 0.033257 | |
| Mortgage Constant | 0.085183 | OAR | | | | 9.53 |
| Loan-to-V value Ratio | 72.8% | Surveyed Rates | | | | 9.41 |
| Equity Dividend Rate | 12.2% | | | | | |

*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% |
| | | | | Rounded To: | 9.20% |

Capitalization Rate Conclusion

Due to the age, quality of construction, location investor expectations, and associated risks, the appraiser concludes that an overall rate of 9.20% 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

| <u>REVENUES:</u> | | | |
|--|-------|----------------|------------------|
| Potential Gross Revenues | | | |
| Rentable Area: | 3,606 | \$16.00 | \$57,696 |
| Recoveries/CAM | | | \$0 |
| Potential Gross Revenue: | | | \$57,696 |
| Vacancy and Credit Loss: | 5% | | <u>\$2,885</u> |
| Effective Gross Income | | | \$54,811 |
| <u>OPERATING EXPENSES:</u> | | | |
| Pest Control | | | paid by tenant |
| Trash Removal | | | paid by tenant |
| Landscaping | | | paid by tenant |
| Utilities | | | paid by tenant |
| Insurance | | | \$1,000 |
| Real Estate Taxes | | | <u>\$6,690</u> |
| Total Operating Expenses | | | \$7,690 |
| Reserves | 3.0% | | <u>\$1,644</u> |
| Total Expenses & Reserves | | | \$9,334 |
| NET OPERATING INCOME | | | \$45,477 |
| Capitalization Rate | | | <u>9.20%</u> |
| Estimated Direct Capitalization Value | | | \$494,314 |
| | | Rounded | \$490,000 |
| INDICATED VALUE VIA INCOME APPROACH | | | \$490,000 |

RECONCILIATION AND FINAL ESTIMATE

| Summary of Value Conclusions | | |
|---|-------|------------------|
| Building Size (Square Feet) | 3,606 | |
| Sales Comparison Approach | | \$520,000 |
| Cost Approach (Tangible Assets Only) | | N/A |
| Income Approach | | \$490,000 |
| Reconciled Market Value of Real Estate | | \$520,000 |
| Per Building Square Foot | | \$145.00 |
| Per Square Foot of Land Only | | N/A |

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. In determining our final estimate, primary reliance was placed on the Sales Comparison Approach since it is common in the subject market area for this type of improvement to be purchased for owner occupancy. The final estimate of value is as follows:

As of October 4, 2007 it is my opinion that the Market Value with Fee Simple Interest in the subject property is as follows:

Five Hundred Twenty Thousand Dollars
\$520,000

Addenda

Supporting Documents
For
Subject Property

Exhibit "A"
Engagement Letter

September 20, 2007

Fletcher and Company, Inc.
Attn: Mr. Jason Fletcher

Via Email: jason@fletcherandcompany.com

RE: Commercial building located on 1436 Georgia Highway 16 West Griffin, Georgia
James W. and Joyce T. Highsmith – Property Owners – Property Refinance

Dear Jason:

Enclosed is our request for appraisal services in the form of an engagement letter. Please sign this letter and return it to me within seven (7) days.

This letter is for professional appraisal services and represents your authorization to prepare an independent appraisal report for First National Bank of Griffin. The bank is the client for this report. In addition, you shall perform this report as an independent contractor and not as an employee/partner, principal, nor agent of this bank.

The fee for appraisal services rendered shall not exceed \$1,750.00. The date of completion shall be on or before October 10th, 2007.

The appraisal report shall be prepared with the following minimum guidelines:

A. This appraisal report is to be in writing and in narrative format or on a form approved by this institution and the appropriate federal banking regulatory agency. Regardless of the format chosen, the report shall conform to the minimum reporting requirements of the appropriate federal financial institution regulatory agencies.

B. This appraisal report is to conform to the 2006 USPAP Guidelines as to Scope of Work, and the Appraiser's professional ability to look at the different approaches and to show how the value was derived.

C. This appraisal report shall make an affirmative statement that the appraiser is competent to complete this report in accordance with the competency provision in the USPAP. In the absence of an affirmative statement, the appraiser must disclose any lack of knowledge and/or experience for this assignment and any necessary steps taken to comply with the competency provision in the USPAP.

D. The type of value estimate desired in this report is market value. The appraiser shall use definition of market value as it appears in the definitions section of the USPAP. No alternative definitions are acceptable to this institution.

E. Analyze and report in reasonable detail any price sales of the property being appraised that occurs within the following time periods:

1. For one-to-four family residential property, one year
2. For all other property, three years

F. Analyze and report data on current revenues, expenses, and vacancies for the property if it is and will continue to be income-producing. Current revenues are based on those currently being earned on competing properties.

1. The appraiser has no other interest in the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

2. The appraiser has not acted as an agent for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

3. The appraiser has not acted as a broker or salesperson for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

4. The appraiser has not acted as a consultant for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

5. The appraiser has not acted as a lender or servicer for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

6. The appraiser has not acted as a real estate agent, broker, or salesperson for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

7. The appraiser has not acted as a real estate consultant for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

8. The appraiser has not acted as a real estate lender or servicer for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

9. The appraiser has not acted as a real estate agent, broker, or salesperson for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

10. The appraiser has not acted as a real estate consultant for the owner of the property being appraised, either directly or indirectly, and is not related to the owner of the property being appraised.

Signature of Appraiser
[Handwritten Signature]
Date: 9/28/07

Printed Name of Appraiser

Printed Title of Appraiser

Printed Address of Appraiser

Printed City of Appraiser

Printed State of Appraiser

Printed Zip of Appraiser

Printed Phone of Appraiser

Printed Fax of Appraiser

Printed E-mail of Appraiser

Printed Firms of Appraiser

Printed License No. of Appraiser

Printed License State of Appraiser

Printed License Expiration Date of Appraiser

Printed License Issue Date of Appraiser

Printed License Renewal Date of Appraiser

Printed License Suspension Date of Appraiser

Printed License Revocation Date of Appraiser

Printed License Inactive Date of Appraiser

Printed License Reinstatement Date of Appraiser

Printed License Reciprocity State of Appraiser

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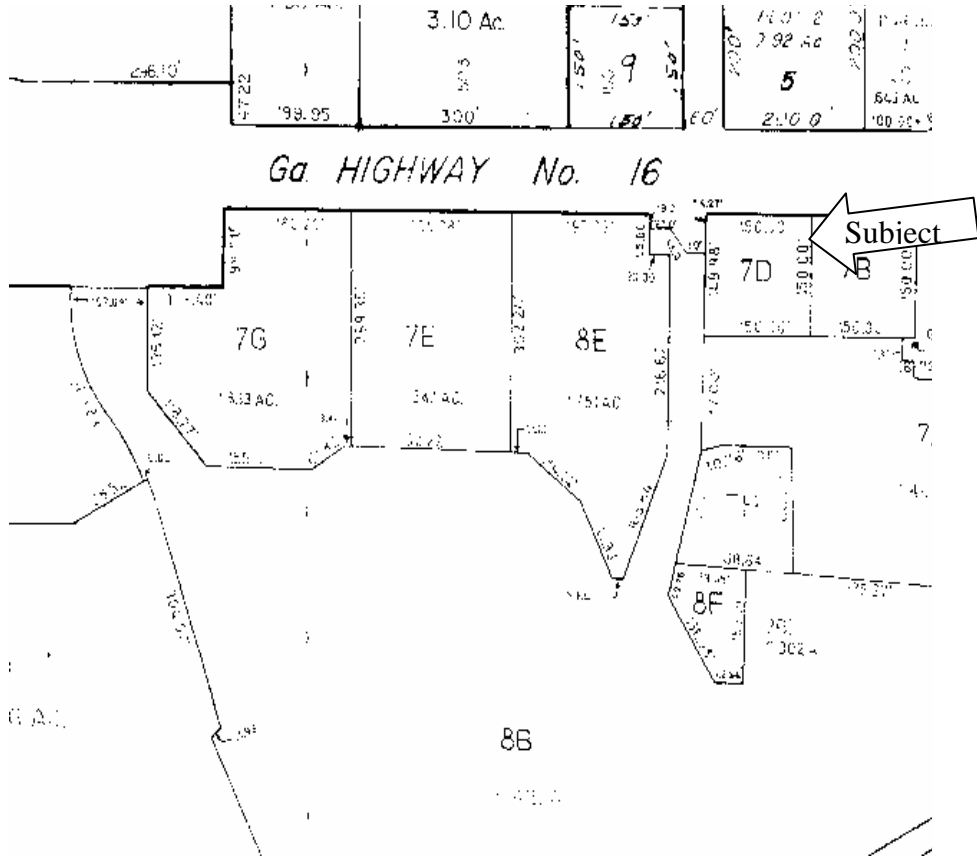
Printed License Reciprocity Date of Appraiser

Printed License Reciprocity State of Appraiser

Printed License Reciprocity Date of Appraiser

Exhibit “B”
Subject Legal Description & Plat

Subject Tax Plat
Subject Lot: 7D



FILED & RECORDED
CLERK, SPALDING COUNTY,
SPALDING COUNTY, GA.

198 JUL 22 AM 9 54

BY *[Signature]*
NORTIE F. PIERCE, CLERK

Not Public Record Fee
\$76.00
7-22
[Signature]
Clerk of Spalding Court, Spalding Co., Ga.

LOW OFFICES
NEWTON & SCHWELB, P.C.
P.O. BOX 97
COLUMBIA, MISSISSIPPI

State of ~~Mississippi~~ Tennessee, DAVIDSON County.

THIS INDENTURE, Made the _____ day of July in the year of our Lord One Thousand Nine Hundred and Ninety eight between ACE LIFE INSURANCE COMPANY, FIFTH INDEPENDENT INSURANCE GROUP, INC.

of the County of Davidson and State of Tennessee and the FIRST PART, and

JAMES W. HIGDON and JOYCE Y. HIGDON of the County of Spalding and State of Georgia and the SECOND PART,

WITNESSETH, That the said party of the FIRST PART for and in consideration of TEN AND 00/100 (\$10.00) DOLLARS AND OTHER VALUABLE CONSIDERATIONS is 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 doth give, bargain, sell, alien, convey and confirm unto the said party of the SECOND PART here and hence:

All that tract or parcel of land lying and being in Land Lot 112 of the 2nd District of Spalding County, Georgia, the same being more particularly described as follows:

TO FIND THE POINT OF BEGINNING, commence at a concrete monument at the intersection of the southerly right of way line of Georgia State Highway #16 (104-foot right-of-way) with the east line of said Land Lot 112, running thence north 89 degrees, 18 minutes West along the south right-of-way line of Georgia State Highway #16 a distance of 810.0 feet to an iron pin which marks the beginning, with the POINT OF BEGINNING thus established, turning thence south 00 degrees, 42 minutes West a distance of 150.0 feet to an iron pin, turning thence south 89 degrees 18 minutes East a distance of 150.0 feet to an iron pin, running thence north 00 degrees, 42 minutes East a distance of 150.0 feet to an iron pin on the southerly right-of-way line of Georgia State Highway #16; running thence north 89 degrees, 18 minutes West along the southerly right-of-way line of Georgia State Highway #16 a distance of 150.0 feet to the POINT OF BEGINNING, containing 0.516 acres as shown on plot of survey, dated March 23, 1977, revised June 23, 1977, prepared by Kenco Engineering and Surveying Co., Inc., said plat being incorporated here by reference.

TOGETHER WITH a non-exclusive and perpetual easement for vehicular ingress and egress, cross, through and across a strip of land 40.0 feet in width and 150.0 feet in length, said strip of land being located immediately adjacent to and west of the westerly boundary line of the above described property.

TO HAVE AND TO HOLD the said above granted and described property, with all and singular the rights, members and appurtenances thereto appertaining to the said proper use, heirs and assigns of the said party of the SECOND PART, their heirs, successors, administrators, and assigns, to the said party of the FIRST PART and the heirs, assigns, administrators, successors, and assigns of the said party of the FIRST PART, their heirs, successors, administrators and assigns, against all and every other person or persons, shall and well and do hereby warrant and forever defend by virtue of these presents.

IN WITNESS WHEREOF, The said party of the FIRST PART by _____ hand _____ s/he _____ and _____, and delivered these presents, the day and year first above written.

Signed, sealed and delivered in presence of us, the undersigned writers:

BY *[Signature]*
BY *[Signature]*
My commission expires _____

ACE LIFE INSURANCE COMPANY, FIFTH INDEPENDENT INSURANCE GROUP, INC.
BY: *[Signature]* (SEAL)
MERRIS C. GIBBY, Sr. Vice-President
BY: *[Signature]* (SEAL)
JOHN C. GIBBY, Vice-President

DAVIDSON COUNTY CLERK
BY: *[Signature]*
NORTIE F. PIERCE, CLERK

Exhibit "C"
Flood Map



Exhibit “D”
County Tax Assessment



Spalding County Georgia Board of Tax Assessors

Board of Tax Assessors
Room 101
119 E. Solomon Street
Griffin, Georgia 30223

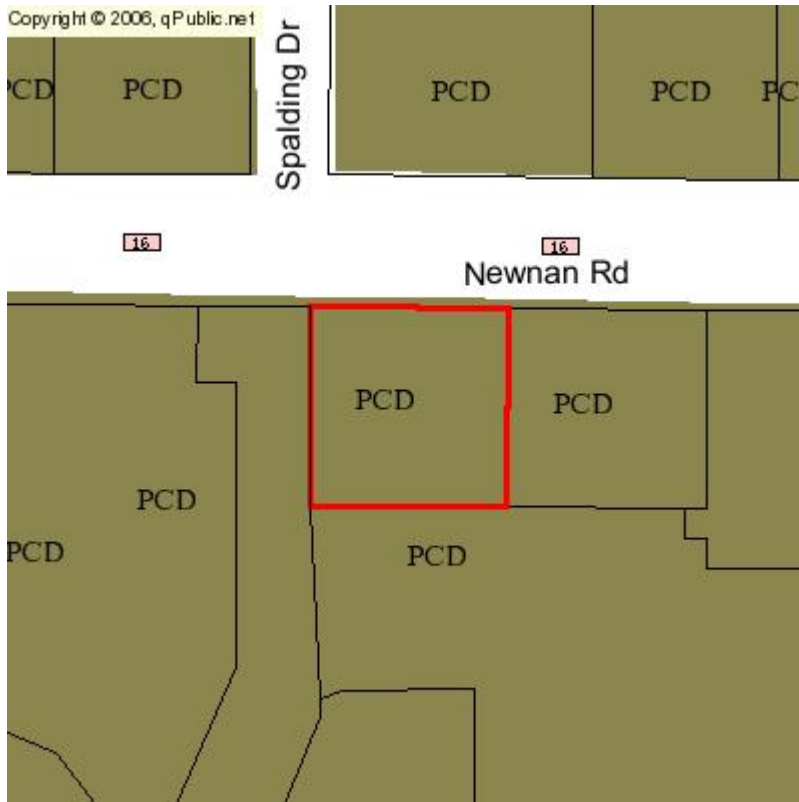
| Recent Sales in Neighborhood Recent Sales in Area | Previous Parcel | Next Parcel | Return To Main Search Page | Spalding Home | | | |
|--|-----------------------------------|-------------------------------------|--|--------------------------------|---------------------------------|-----------------------------|--------------------------------|
| Owner and Parcel Information | | | | | | | |
| Owner Name | HIGHSMITH JAMES W & | Today's Date | October 09, 2007 | | | | |
| Mailing Address | JOYCE | Parcel Number | 055 03007D | | | | |
| | P O BOX 760 GRIFFIN, GA 30224 | Tax District | Griffin (District 01) | | | | |
| Location Address | 1436 W HWY 16 HWY | 2007 Millage Rate | 41.55 | | | | |
| Legal Description | GA HWY 16 | Acres | 0.52 | | | | |
| | | G.M.D. | 1001 | | | | |
| Neighborhood | CITY OF GRIFFIN | Homestead Exemption | No (S0) | | | | |
| Landlot/District | 112/02 | Parcel Map | <input type="button" value="Show Parcel Map"/> | | | | |
| 2007 Tax Year Value Information | | | | | | | |
| Land Value | Improvement Value | Accessory Value | Total Value | Previous Value | | | |
| \$191,295 | \$211,290 | \$0 | \$402,585 | \$402,585 | | | |
| Land Information | | | | | | | |
| Type | Description | Calculation Method | Frontage | Depth | Acres | | |
| RES | CITY - COMMERCIAL (41) | Front Feet | 150 | 150 | 0.52 | | |
| Improvement Information | | | | | | | |
| Description | Value | Actual Year Built | Effective Year Built | Square Feet | Wall Height | Wall Frames | Exterior Walls |
| Unidentified | \$211,290 | 1900 | | 0 | 10 | | |
| Roof Cover | Interior Walls | Floor Construction | Floor Finish | Ceiling Finish | Lighting | Heating | SKETCH |
| | | | | | | | NA |
| Accessory Information | | | | | | | |
| Description | Year Built | Dimensions/Units | Value | | | | |
| No accessory information associated with this parcel. | | | | | | | |
| Sale Information | | | | | | | |
| Sale Date | Deed Book | Plat Page | Price | Reason | Grantor | Grantee | |
| 07-01-1998 | 01560 0122 | | \$270,000 | FAIR MARKET - IMPROVED | INDEPENDENT INSURANCE GROUP INC | HIGHSMITH JAMES W & | |
| Permit Information | | | | | | | |
| Permit Date | Permit Number | Type | Description | | | | |
| No permit information associated with this parcel. | | | | | | | |
| Recent Sales in Neighborhood Recent Sales in Area | Previous Parcel | Next Parcel | Return To Main Search Page | Spalding Home | | | |

The Spalding 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 14, 2007

© 2005 by the County of Spalding, GA | Website design by [gpublic.net](#)

Exhibit “E”
Zoning Map & Ordinance

Zoning Map



Zoning Ordinance

APPENDIX A—ZONING

§ 510

E. *Maximum building height:* 100 feet, but if over 35 feet a fire control plan must be approved in writing by the fire chief or their designee;

F. *Maximum lot coverage by impervious surface:* 100 percent if located within the original Griffin Historic Commercial District (downtown); 80 percent for undeveloped CBD zoned property; and 50 percent if directly adjacent to residential zoned property.

509.5. *Storage.* No storage shall be permitted on the lot unless in a fully enclosed building.

509.6. *Access.* All lots in the CBD district shall have access to an arterial or collector street, either directly or indirectly via local street.

509.7. *Parking.* No automobile parking or service areas will be permitted within the required ten buffer of the property line of any adjoining residential lot. If located within the original Downtown Commercial Historic District, public parking is provided; therefore, there are no specified parking requirements.

Parking and service areas must be separated from adjoining residential lots by a suitable buffer or screen as provided in section 422 of this ordinance.

509.8. *Loud speaking systems.* No outside loud speaking systems shall be utilized.

509.9. *Satellite dishes.* Ground-based satellite dishes shall not be located within the Downtown Commercial Historic District of the city as listed on the National Register of Historical Places.

509.10. *Lighting.* All lights or lighting arrangements for purposes of advertising, security or night operations must be directed away from adjoining or nearby residential zoning lots.

509.11. *[New construction.]* New construction located within the Downtown Commercial Historic District shall be subject to architectural standards of existing buildings or those standards established by the City of Griffin Historic Preservation commission in order to retain the integrity of the original Downtown Commercial Historic District.
(Ord. No. 04-22, §§ 1—3, 9-14-2004)

Section 510. Planned commercial development (PCD).

510.1. *Intent.* It shall be the intent of this zoning district to promote and encourage the clustering of commercial uses which occur along arterial thoroughfares; to promote and encourage the infill of commercial uses between existing commercial uses along arterial thoroughfares; to limit the number of access points from PCD to an arterial thoroughfare; to limit commercial development which occurs outside the CBD to areas on an arterial thoroughfare adjacent to existing commercial development.

The regulations which apply within this district are designed to encourage the formation and continuance of a stable, economically healthy and compatible environment for commercial and service uses that are located so as to provide the city with convenient, safe, attractive and efficient shopping and service facilities. These regulations are also intended to reduce traffic

Supp. No. 11

CDA-65

congestion, provide adequate off-street parking, prohibit the expansion of "strip" type business areas beyond existing "strip" development and to discourage encroachment by other uses capable of adversely affecting the commercial character of the district.

The PCD district is also intended to encourage the best possible site plans and building arrangements under a plan of development rather than under lot-by-lot regulations. The developer benefits from better land utilization, economy in the provision of roads and utilities and flexibility in design. The city gains the advantage of variety in building types, compatibility of use and optimum community development. The planned commercial development is intended to encourage ingenuity and resourcefulness in land planning and to assure the provision of adequate land facilities for the use of the occupants of the development.

510.2. Ownership control. All of the land in a planned commercial development shall be owned initially by an individual, by a corporation or some other legal entity. Individual properties may be sold after a final plat has been recorded with the properties subject to private deed covenants that assure the continuance of the Planned Development as originally approved and developed.

510.3. Permitted uses. The following uses shall be permitted as a matter of right in the PCD district:

- A. Retail business;
- B. Service business;
- C. Office space for governmental, business, professional or other purposes;
- D. Publicly owned building, facility or land;
- E. Restaurant, cafe, hotel or motel;
- F. Ambulance service or rescue squad;
- G. Licensed day care center;
- H. Medical or dental services;
- I. Amusement or commercial recreational facilities;
- J. Animal hospital, commercial kennel, veterinary clinic;
- K. Art, music or other studio;
- L. Newspaper publishing facility;
- M. Financial institution;
- N. Car wash;
- O. Farmer's market;
- P. Commercial greenhouse or nursery;
- Q. Self-service storage facilities (mini-warehouses);
- R. Funeral home;

- S. Residential dwelling, provided the existing structure was originally constructed as a residential dwelling (single- or multi-family) and is located on West Poplar Street or West Solomon Street.

510.4. Physical requirements. Unless otherwise specified in this ordinance uses permitted in the PCD district shall conform to the following standards:

- A. *[Compatibility:]* The development shall be compatible with the topography of the land and shall preserve any unusual topographic or natural features;
- B. *[Neighboring properties:]* The development shall not adversely affect the developed or undeveloped neighboring properties;
- C. *[Design, development features:]* The development shall utilize design and development features that would not be possible by the application of lot-by-lot zoning district regulations;
- D. *[Public facilities:]* Water, sanitary sewer and other public facilities shall be adequate for the proposed development;
- E. *Minimum lot width measured at building line:* 100 feet;
- F. *Minimum front yard:* 15 feet;
- G. *Minimum side yard:* 15 feet;
- H. *Minimum rear yard:* 30 feet;
- I. *Maximum building height:* 35 feet;
- J. *Maximum lot coverage by impervious surface:* 80 percent;

510.5 Storage. No storage shall be permitted on the lot unless in a fully enclosed building.

510.6. Parking. No automobile parking or service areas will be permitted within the required front yard setback or within 30 feet of the property line of an adjoining residential zoning lot. Parking and service areas must be separated from adjoining residential lots by a suitable planting screen, fence or wall at least six feet in height above finished grade. The above-required screen, fence or wall must provide for a reasonable visual separation between the properties.

510.7. Loud speaking systems. No outside loud speaking system shall be utilized prior to 7:00 a.m. or after 9:00 p.m. if directly adjacent to a residential zoned use.

510.8. Lighting. All lights or lighting arrangements for purposes of advertising, security or night operations must be directed away from adjoining or nearby residential zoning lots.

510.9. General deed covenants. The entire planned commercial development shall be included within private deed covenants running with the land to assure the continuance of the planned commercial development in accordance with approved plans and development, unless waived by the zoning administrator.

510.10. Development in stages. The entire planned commercial development may be divided into logical geographical sections with specific and reasonable periods within which the development of each section must be commenced and completed subject to approval of the City of Griffin Development Review Committee (DRC).
(Ord. No. 04-22, §§ 1-3, 9-14-2004)

Section 511. Planned industrial development (PID).

511.1. Intent. It shall be the intent of this district to establish and protect sites for light industrial uses which are not significantly objectionable in terms of appearance, noise, odor, fumes, etc. to surrounding properties. The regulations which apply within this district are designed to encourage the formation and continuance of a compatible environment for uses of a light industrial nature, to protect and preserve undeveloped areas of the city which are suitable for such industries and to discourage encroachment by other uses which are capable of adversely affecting the limited industrial character of the district.

It is also the intent of this district to locate PIDs at or adjacent to existing industrial land. In all cases the establishment of a new PID or the expansion of an existing PID shall be as close as possible to existing industrial uses.

The PID district is also intended to encourage the best possible site plans and building arrangements under a plan of development rather than under lot-by-lot regulations. The developer benefits from better land utilization, economy in the provision of roads and utilities and flexibility in design. The City gains the advantage of variety in building types, compatibility of use and optimum community development. The planned industrial development is intended to encourage ingenuity and resourcefulness in land planning and to assure the provision of adequate facilities for the use of the occupants of the development. Review of the development plan by the City of Griffin Development Review Committee (DRC) is required to assure that the development is in compliance with all applicable codes, ordinances and design regulations.

511.2. Ownership. All of the land in a planned industrial development shall be owned initially by an individual, by a corporation or some other legal entity. Individual properties may be sold after a final plat has been recorded with the properties subject to private deed covenants that assure the continuance of the planned industrial development as originally approved and developed.

511.3. Permitted uses. The following uses shall be permitted as a matter of right in the PID district:

- A. Any light industrial use which involves manufacturing, processing, assembly or storage operations where all operations are conducted entirely within a building and no noise, vibration, smoke, gas, fume, odor, dust, fire hazard, radiation or other injurious or obnoxious condition related to the operation creates a nuisance beyond the premises;
- B. Commercial trade or vocational school;

Supporting Documents
For
Comparable Sales

Exhibit "F"
Profiles for Improved Sales

Improved Sale 1

Property Identification

1. Property Type: Brick Multi-tenant office bldg
2. Address: 627 West Taylor Street
Griffin, GA
3. Tax ID: 11-14-14

Sale Data

4. Grantor: Dan L. Dunson
- Grantee: Robert S. Ogletree, III
5. Sale Price: \$185,000
6. Price Per SF: \$144.42
7. Sale Date: 11/16/2006
8. Deed Book/Page: 3011/291
9. Verification: GSCCCA – Deeds/Spalding Co Tax Assessor
10. Condition of Sale: Arm's Length
11. Financing: All Cash to Seller

Property Data

12. Building Size: 1281 Square Feet
13. Land Area: .13 Acres
14. Year Built: 1960's +/-
15. Zoning: PCD, Planned Commercial Development
16. Utilities: All Available
17. Comments:

One-story brick multi-tenant office building. Good exposure and visibility on Taylor Street.



Improved Sale 2

Property Identification

1. Property Type: Office/Medical Facility
2. Address: 656 North Expressway
Griffin, GA
3. Tax ID: 61-10-1

Sale Data

4. Grantor: Kenneth D. Mullis
- Grantee: GKW, LLC
5. Sale Price: \$550,000
6. Price Per SF: \$132.21
7. Sale Date: 3/30/2007
8. Deed Book/Page: 3083/216
9. Verification: GSCCCA/Spalding Co Tax Assessor
10. Condition of Sale: Arm's Length
11. Financing: All Cash to Seller

Property Data

12. Building Size: 4160 Square Feet
13. Land Area: .41 Acres
14. Year Built: 2002
15. Zoning: PCD, Planned Commercial Development
16. Utilities: All Available
17. Comments:

This sale building is utilized as a veterinary clinic. Vinyl Exterior. Good exposure and visibility from the North Expressway.



Improved Sale 3

Property Identification

1. Property Type: Office Building
2. Address: 122 South 13th Street
Griffin, GA
3. Tax ID: 11-14-17

Sale Data

4. Grantor: John S. Treadway et al
- Grantee: Eddie F. Own
5. Sale Price: \$250,000
6. Price Per SF: \$103.13
7. Sale Date: 06/13/2006
8. Deed Book/Page: 2925/139
9. Verification: GSCCCA/Spalding Co Tax Assessors Office
10. Condition of Sale: Arm's Length
11. Financing: All Cash to Seller

Property Data

12. Building Size: 2424 Square Feet
13. Land Area: .21 Acres
14. Year Built: 1972
15. Zoning: PCD, Planned Commercial Development
16. Utilities: All Available
17. Comments:

One-story 2-unit brick office building constructed in 1972 and renovated over

years.



Exhibit "G"
Location Map for Improved Sales

Improved Sales Location Map



Exhibit “H”
Profiles for Rent Comparables

Rental Comparable 1

Property Identification

- | | |
|-------------------|--|
| 1. Property Type: | Restaurant Space & Various Retail Space |
| 2. Address: | El Charro Restaurant & Retail Space Super Wal-Mart Shopping Center Griffin, GA |
| 3. Tax ID: | Pt of 66-1-56 |

Lease Data

- | | |
|-----------------|---|
| 4. Lease Type: | Modified Gross \$14.00 per SF plus \$2.30 per SF CAM Fee for restaurant space |
| 5. Rent Per SF: | \$18.00 per SF for various retail bays |

Property Data

- | | |
|-------------------|--------------------------------------|
| 6. Building Size: | 5200 Square Feet Restaurant 1200- |
| Building Size: | 2500 Square Feet Retail Bays |
| 7. Year Built: | 2002 |
| 8. Land Use: | Commercial |
| 9. Utilities: | All Available |



Rental Comparable 2

Property Identification

- | | |
|-------------------|---|
| 1. Property Type: | Retail Space/Office Space |
| 2. Address: | Dovedown Office/Retail Center 319 West Solomon Street Griffin, GA |
| 3. Tax ID: | 12-31-3 |

Lease Data

- | | |
|------------------------------|----------------------------|
| 4. Lease Type: | Gross Lease Basis |
| 5. Rent Per SF: | See following rental rates |
| Clothing Store – 790 SF | \$6.77 per SF annually |
| Teacher Association – 432 SF | \$10.97 per SF annually |
| State Farm Ins. – 1926 SF | \$12.46 per SF annually |
| Knowledge Point – 1014 SF | \$7.38 per SF annually |
| O2 Realty – 275 SF | \$12.00 per SF annually |

Property Data

- | | | |
|-------------------|---------------|-------------|
| | 24,096 | |
| | (16,400 SF | |
| 6. Building Size: | Tenable Area | Square Feet |
| 7. Year Built: | 1920's | |
| 8. Land Use: | Commercial | |
| 9. Utilities: | All Available | |



Rental Comparable 3

Property Identification

- | | |
|-------------------|--------------------------------|
| 1. Property Type: | Office/Retail Space |
| 2. Address: | Williamson Road Griffin, GA |
| 3. Tax ID: | 49A-1-3C |

Lease Data

- | | |
|-----------------|-------------------------|
| 4. Lease Type: | Gross Lease Basis |
| 5. Rent Per SF: | \$12.00 per SF annually |

Property Data

- | | |
|-------------------|---------------|
| 6. Building Size: | 8000 |
| 7. Year Built: | 2001 |
| 8. Land Use: | Commercial |
| 9. Utilities: | All Available |



Rental Comparable 4

Property Identification

1. Property Type: Office Space
2. Address: O'Dell Road
Griffin, GA
3. Tax ID: 236-1-34

Lease Data

4. Lease Type: Gross Lease Basis
5. Rent Per SF: \$11.00 per SF annually

Property Data

6. Building Size: 2585 Square Feet
7. Year Built: 2002
8. Land Use: Commercial
9. Utilities: All Available



Rental Comparable 5

Property Identification

1. Property Type: Office Space
2. Address: 390 Wilson Road
Griffin, GA
3. Tax ID: 130-7-5A pt

Lease Data

4. Lease Type: Modified Gross
5. Rent Per SF: \$12.16 per SF annually

Property Data

6. Building Size: 3750 Square Feet
7. Year Built: 1971
8. Land Use: Commercial
9. Utilities: All Available



Rental Comparable 6

Property Identification

1. Property Type: Various Office Space
2. Address: 1815 North Expressway
Griffin, GA
3. Tax ID: 103-16-17

Lease Data

4. Lease Type: Modified Gross
5. Rent Per SF: \$12.74 per SF annually

Property Data

6. Building Size: 11,250 Square Feet
7. Land Use: Commercial
8. Utilities: All Available



Rental Comparable 7

Property Identification

1. Property Type: Various Retail/Office Space
2. Address: Griffin Bottling Co.
410 East Taylor Street
Griffin, GA
3. Tax ID:

Lease Data

4. Lease Type: Modified Gross
5. Rent Per SF: \$7.88 to \$14.00 per SF

Property Data

6. Building Size: 1200
to
3500 Square Feet Spaces
7. Year Built:
8. Land Use: Commercial
9. Utilities: All Available



Rental Comparable 8

Property Identification

1. Property Type: Retail/Office Space – Various Units
2. Address: 1438 Highway 16 West
Griffin, GA
3. Tax ID: 55-3-7H

Lease Data

4. Lease Type: Gross Lease to include CAM Fee
5. Rent Per SF: \$15.14 per SF (Tenant did build-out)
\$17.14 per SF (Owner did build-out)
\$20.57 per SF (High Quality Office Finish)

Property Data

6. Building Size: 1050 Square Feet Units
7. Year Built: 2006
8. Land Use: Commercial
9. Utilities: All Available



Rental Comparable 9

Property Identification

1. Property Type: Restaurant Space
2. Address: Hanger 19
Highway 19
Griffin, GA
3. Tax ID: 233-5-13E

Lease Data

4. Lease Type: Modified Gross
5. Rent Per SF: \$15.50 per SF plus \$3.00 per SF CAM Fee

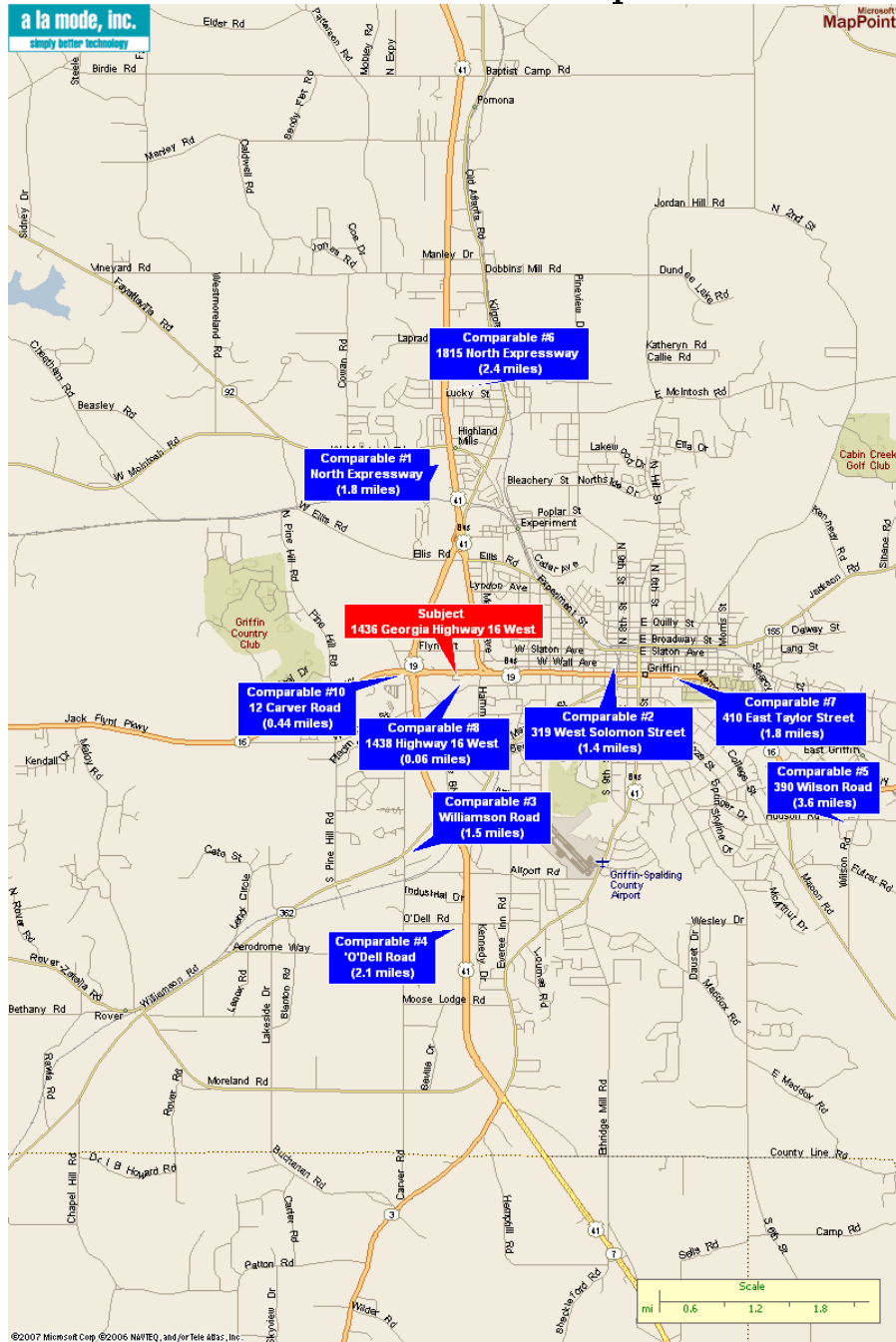
Property Data

6. Building Size: 2310 Square Feet
7. Year Built: 2006
8. Land Use: Commercial
9. Utilities: All Available



Exhibit "I"
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

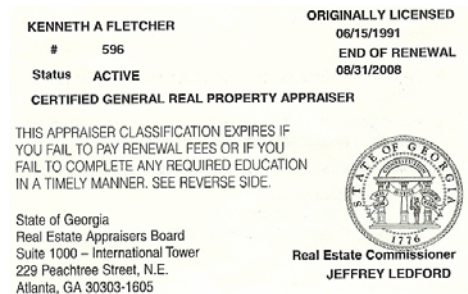
Degree: BBA

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