

COMPLETE APPRAISAL IN A SELF-CONTAINED NARRATIVE REPORT FORMAT

**SITE FOR CONNERS SENIOR VILLAGE PHASE II, LP
6.999 ACRES (304,876 SF)**

**9500 BLOCK OF CONNERS ROAD
SOUTH SIDE OF CONNERS ROAD AND PHASE I OF CONNERS SENIOR VILLAGE (60
UNITS), THREE TENTHS OF A MILE EAST OF MIRROR LAKES BOULEVARD
CITY OF VILLA RICA, DOUGLAS COUNTY, GEORGIA 30180**

PREPARED FOR

**MR. JOSH THOMASON
PEACHTREE HOUSING COMMUNITIES, LLC
80 WEST WIEUCA ROAD, NE
SUITE 204
ATLANTA, GA 30342**

PREPARED BY

**PRITCHETT, BALL & WISE, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS
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PRITCHETT, BALL & WISE, INC.



Appraisal
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Joe W. Ball, MAI
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Founded in 1954 by
J. H. Pritchett, MAI
(1922 - 2002)

June 5, 2012

Mr. Josh Thomason
Peachtree Housing Communities, LLC
80 West Wieuca Road, NE
Suite 204
Atlanta, GA 30342

RE: Complete Appraisal in a Self-Contained Narrative Report Format
Site for Conners Senior Village Phase II, LP
Vacant Land Totaling 6.999± Acres (304,876± SF)
9500 Block of Conners Road; South Side of Conners Road and Phase I of Conners Senior Village
(60 Units), Three Tenths of a Mile East of Mirror Lakes Boulevard
City of Villa Rica, Douglas County, Georgia 30180
Effective Date of Valuation: June 3, 2012

Mr. Thomason:

At your request, I have inspected and appraised the above referenced property. The purpose of this appraisal is to provide a reasonable, well-documented estimate of Market Value of the Fee Simple Estate in the subject property as of the effective date of appraisal. More complete identification, description, and analysis of the subject property follows in the attached narrative report.

The client and intended user for this report is Peachtree Housing Communities, LLC and Conners Senior Village Phase II, LLC. An additional intended user is the Georgia Department of Community Affairs ("DCA"). The intended use of the report is for internal planning purposes relating to a proposed Core Funding Application with the DCA for development of the site.

The attached self-contained narrative appraisal report has been prepared in conformance with the Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice ("USPAP") as promulgated by the Appraisal Foundation and the Standards of Professional Practice of the Appraisal Institute, the Financial Institutions Reform Recovery and Enforcement Act of 1989 ("FIRREA"), the rules and regulations of the Georgia Real Estate Appraisers Board. Per USPAP [2012-2013 Edition] requirements, the appraiser affirms that I previously appraised Phase I of the two-phase Conners Senior Village [PBW Job #7396], but have not had any involvement with the specific subject property, in an appraisal-related capacity or in any other capacity, during the three year period preceding acceptance of the current assignment. The appraiser affirms that all aspects of this valuation have been free of influence from the client, client's representative, borrower, or any other party to the transaction, and that the appraiser has no current or prospective interest in the subject property or parties involved.

After reviewing market activity for similar properties in the Douglas County submarket, my estimate of Market Value is based upon the assumption that the property was exposed to the market for a period of at least twelve months *prior* to the effective date of the appraisal. Further, the property would most likely require a twelve-month marketing time to affect a sale at the value conclusions below.

Letter of Transmittal

The effective date of this report is June 3, 2012, which is commensurate with the most recent inspection of the subject property performed by the appraiser signing the report. As of the June 3, 2012 effective date, I estimate the Market Value of the Fee Simple Estate in the subject property to be \$37,000/Acre, or \$260,000, rounded.

MARKET VALUE OF THE FEE SIMPLE INTEREST IN THE SUBJECT PROPERTY

--- \$260,000 ---

After reviewing the attached narrative report, please let us know if you require further information or have any questions. Thank you for the opportunity to provide this appraisal service.

Respectfully,

PRITCHETT, BALL & WISE, INC.



06/05/2012

Andy D. Sheppard, MAI

Date

Vice President

Pritchett, Ball & Wise, Inc.

Georgia Certified General

Real Property Appraiser #7384

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ASSUMPTIONS AND LIMITING CONDITIONS

The analysis and attached report are made subject to the following conditions and assumptions:

1. Any legal description, survey, or plat reported herein is assumed to be accurate. Any sketch or drawings included herein is included to assist the reader in visualizing the property. We 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 marketable and in fee simple unless noted otherwise in the report. The property is considered to be free and clear of existing liens, assessments, and encumbrances, except as noted.
3. It is assumed that all utilities (existing/proposed) are in good working order and are or will be of sufficient size to adequately serve any proposed improvements.
4. 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.
5. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable.
6. The existence of potentially hazardous material has not been considered, unless otherwise noted. Appraisers are not qualified to detect such substances. The client is urged to retain an expert in this field if needed.
7. This report may not be used for any purpose other than the stated intended use(s), or by anyone other than the client and/or any named intended users.
8. We are not required to give further consultation, testimony or be in attendance in court by reason of this analysis or report, with reference to the property in question, unless arrangements have been made previously therefore.
9. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report.
10. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason, further investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all conclusions and/or estimates of value.

CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. 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.
4. Compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report. Future employment prospects are not dependent upon the appraisers producing a specified value. Employment of the appraiser and payment of the fee is not based on whether a loan application is approved or disapproved.
5. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation.
6. This report has also been prepared in conformance with The Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA), as well as the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
7. Andy D. Sheppard, MAI has made a personal inspection of the subject property.
8. No one is credited with providing significant professional assistance to the signatory below.
9. I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and the report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
10. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute shall be disseminated to the public through advertising media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. 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.
13. As of the date of this report, I, Andy D. Sheppard, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



06/05/2012

Andy D. Sheppard, MAI

Date

Vice President

Pritchett, Ball & Wise, Inc.

Georgia Certified General

Real Property Appraiser #7384

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PBW JOB #: 7462
APPRAISER: Andy D. Sheppard, MAI

PROPERTY: Site for Connors Senior Village Phase II, LP
ADDRESS: 9500 Block of Connors Road
CITY/ST/ZIP: City of Villa Rica, Douglas County, Georgia 30180
TAX ID NUMBER: 1740250282

STANDARD OF VALUE: Market Value
PROPERTY RIGHTS APPRAISED: Fee Simple Estate
DATE OF INSPECTION: June 3, 2012
EFFECTIVE DATE: June 3, 2012
DATE OF REPORT: June 5, 2012

OWNER OF RECORD: PHLH-Connors, LLC
PROPERTY TYPE: Vacant Land
LAND AREA: 6.999 Acres, or 304,876 SF

EXTRAORDINARY ASSUMPTIONS: None
HYPOTHETICAL CONDITIONS: None

HIGHEST AND BEST USE
AS VACANT: Multi-Family Development
AS IMPROVED: Site is Unimproved

MARKET VALUE CONCLUSION

**MARKET VALUE OF THE FEE SIMPLE INTEREST IN THE
SUBJECT PROPERTY*
AS OF 06/03/2012** **\$260,000
[\$37,000/ACRE]**

CONCEPTUAL SITE PLAN



Phases I and II (Phase II is Shaded in Orange)



View of Phase II Only

OVERVIEW PHOTOGRAPHS OF SUBJECT PROPERTY



View along Conners Road



Interior Views of Tract



View of Adjoining Phase I Units and Rail Line at Rear of Phase II Tract

DEFINITIONS

Market Value: Market Value is defined¹ 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 is 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 own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. 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."

Fee Simple Estate: A Fee Simple Estate is defined² as "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."

SCOPE OF WORK

This is a complete appraisal presented in a Self-Contained narrative report format. The scope of this appraisal encompassed the research and analysis necessary to prepare a credible appraisal result, reporting all pertinent facts and analyses in accordance with the Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (as promulgated by the Appraisal Standards Board of the Appraisal Foundation), the Georgia Real Estate Appraiser's Board, Title XI, 12 CFR 34 and 12 CFR 323 FIRREA requirements.

The steps required to fulfill USPAP's Scope of Work requirements are addressed below.

IDENTIFICATION OF THE SUBJECT PROPERTY

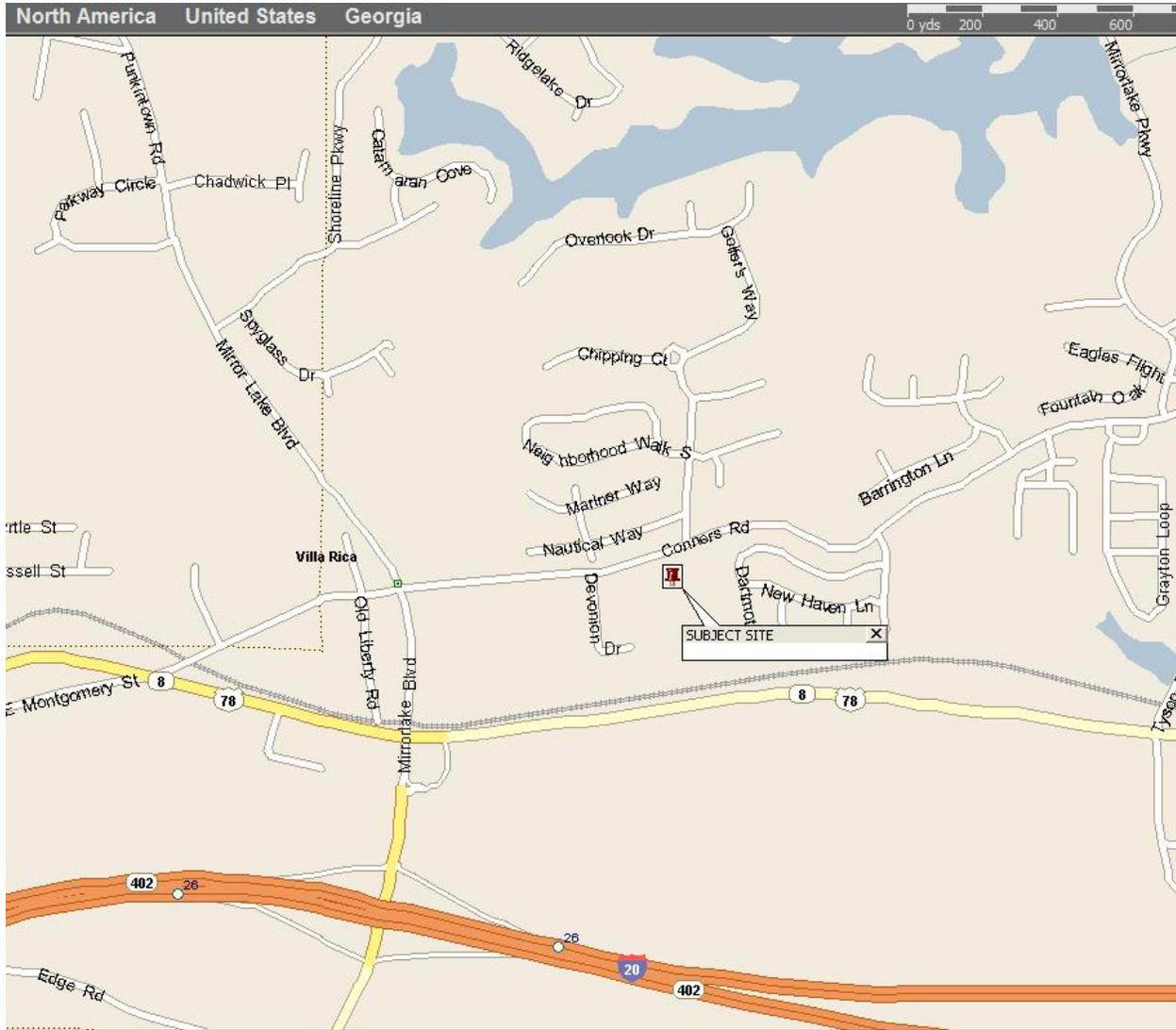
The subject property includes 6.999 acres of land in the 9500 Block of Conners Road in the City of Villa Rica, Douglas County, Georgia 30180. The subject site is identified by the Douglas County Tax Assessor as Tax Parcel 1740250282. The subject site is described in detail in the Subject Property Overview section of the report.

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

² *The Dictionary of Real Estate Appraisal*, 5th Edition, Page 78, Appraisal Institute, Chicago, Illinois, 2010.

A general location map of the subject property is provided below.

SUBJECT LOCATION MAP



SUBJECT AERIAL PHOTOGRAPH



COMPETENCY OF THE APPRAISER

The appraiser is experienced in the valuation of land in the Douglas County submarket and throughout the state of Georgia; therefore, the appraiser is well qualified to perform this assignment and has met the Competency Provision of the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The appraiser's qualifications are included in the Addenda to this report.

SIGNIFICANT APPRAISER ASSISTANCE STATEMENT

Pursuant to USPAP [2012-2013 Edition] requirements, the role of any non-signing appraiser providing significant real property appraisal assistance in an appraisal report must be disclosed [USPAP FAQ, Page F-103]. No one other than the signatory to the appraisal report provided significant assistance.

DISCLOSURE OF PRIOR INVOLVEMENT

Per USPAP [2012-2013 Edition] requirements, the appraiser affirms that I previously appraised Phase I of the two-phase Conners Senior Village [PBW Job #7396], but have not had any involvement with the specific subject property, in an appraisal-related capacity or in any other capacity, during the three year period preceding acceptance of the current assignment. The appraiser affirms that all aspects of this valuation have been free of influence from the client, client's representative, borrower, or any other party to the transaction, and that the appraiser has no current or prospective interest in the subject property or parties involved.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide a reasonable, well-documented estimate of the Market Value of the Fee Simple Estate in the subject property as of the effective date of appraisal.

INTENDED USE AND INTENDED USER OF THE APPRAISAL

The client and intended user is the Peachtree Housing Communities, LLC and Conners Senior Village Phase II, LLC. An additional intended user is the Georgia Department of Community Affairs ("DCA") and the property's recorded owner; PHLH-Conners, LLC. The intended use of the report is for internal planning purposes relating to a proposed Core Funding Application with the DCA for development of the site.

Pritchett, Ball, & Wise, Inc. has prepared this appraisal for the exclusive use of the client and intended user. The information and opinions contained in this appraisal set forth the appraisers' best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other persons or entity, or any reliance or decisions based on this appraisal is the sole

responsibility and the sole risk of the third party. Pritchett, Ball, & Wise, Inc. accepts no responsibility for damages suffered by any third party as a reliance on or decisions made or actions taken based upon this report.

STANDARD OF VALUE

The appraisal includes the current Market Value for the Fee Simple Estate in the subject property as of the stated effective date of appraisal.

PROPERTY RIGHTS APPRAISED

The appraisal reflects the Fee Simple Estate held by the current owner, PHLH-Conners, LLC.

IMPORTANT DATES NOTED IN THE APPRAISAL REPORT

Inspection Date

The scope of work included an initial physical inspection of the subject property, as well as the subject neighborhood and surrounding properties, by Andy D. Sheppard, MAI, on June 3, 2012.

Effective Date of Valuation

The effective date applicable to the Market Value estimate for the Fee Simple Estate in the subject property is June 3, 2012, which is commensurate with the most recent inspection of the subject property performed by the appraiser signing the report.

Exposure and Marketing Time

Based upon our review of market activity for similar properties in the Douglas County submarket, our estimate of Market Value is based upon the assumption that the property has been exposed to the market for a period of at least twelve months *prior* to the effective date of the appraisal. Further, the property would most likely require a twelve-month marketing time, *after* the effective date of appraisal, to affect a sale at the value conclusions presented herein.

There is a relatively active market for Low-Income Housing Tax Credit apartment development in the subject's area and region; however, economic and demographic factors ostensibly limit the volume of land sales for commercial properties, especially with regard to multi-family residential development sites. The following Sales Comparison Approach section of the report illustrates the volume of multi-family, LIHTC sales in the subject's region, comparing rural areas farther removed from Interstate interchanges and population/employment centers, modestly-populated areas both proximate to and removed from Interstate interchanges and population/employment centers, as well as moderately-populated areas both proximate to and removed from Interstate interchanges and population/employment centers. In summary, most tracts are placed under contract for years while waiting for funding approval; however, there is considerable demand from LIHTC developers for

prominent sites, as well as sites that command a higher chance of being approved for funding based on the needs of area residents.

APPRAISAL METHODOLOGY

The three traditional approaches to appraisal valuation are the Sales Comparison, Income and Cost Approaches. Selection of one or more of the approaches in the appraisal of a property primarily rests with the property type and its physical characteristics, as well as the quality and quantity of available market data. A description of each Approach, including a summary of the applicability of each Approach, is presented below.

THE SALES COMPARISON APPROACH

This Approach is based upon the principle of “substitution,” which holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability, within the same relative time period. The concepts of anticipation and change are germane to the Sales Comparison Approach.

This approach involves analysis and direct comparison of the property being appraised to other similar properties that have sold or are currently offered for sale. Ideally, actual sales of similar properties are the best indication of what a buyer and seller both concede as being an acceptable price, given each party’s investment requirements. Listings typically indicate the upper-end of value, as no buyer has had a “meeting of the minds” with the seller at the current list price.

The reliability of this technique is dependent upon the availability of sales data, the verification of the data, the honesty/completeness of the verification source’s answers, the degree of comparability of each sale with the subject property, the date of the sale in relation to the date of the appraisal, and consideration of any non-typical conditions affecting price or terms of the sale. Since no two properties are ever identical, consideration of adjustments for differences in transactional elements and physical characteristics are necessary.

Where possible, sales with one overriding difference are “paired” for analytical purposes to extract a market based adjustment; however, most properties inherently have multiple differences that make a quantifiable adjustment impossible. In an instance where an observable difference exists that cannot be quantified using paired sales analysis, the appraisers must note the difference and make either a qualitative [+ or -] or quantitative [\$ or %] adjustment to illustrate that there is a causal factor, albeit that there may be no direct market evidence to quantify absolute support for the adjustment from the data that is available.

In utilizing the Sales Comparison Approach, comparable sales were identified, verified and analyzed for the specifics of each sale. As a general rule, the common unit of measurement for improved property in the subject’s market is ***price per acre and price per unit*** for vacant land.

Applicability – Sales Comparison Approach: The Sales Comparison Approach is generally the most widely used and accepted indicator of value for property. Based on the available data and evidence from market participants, the appraisers consider the Sales Comparison Approach to be a reliable indicator of value for the subject property.

THE INCOME CAPITALIZATION APPROACH

This Approach to value is predicated on the assumption that there is a relationship between the amount of income a property will earn and its value. This approach is based upon the principle of “anticipation,” which states that value is created by the expectation of benefits to be derived in the future. In this approach, value is estimated by converting the subject property’s anticipated benefits [cash flows (i.e., a return on the equity investment) and a property reversion (i.e., a return of the equity investment)] into value. This conversion can be accomplished by using one or both of two income techniques; Direct Capitalization of income and Discounted Cash Flow.

Both techniques estimate future benefits by forecasting the gross earning potential of the property under prevailing and foreseeable market conditions. The Direct Capitalization technique assumes consistent/stabilized productivity for perpetuity, foregoing any reversionary influences, whereas the Discounted Cash Flow technique explicitly examines both the cash flow over time and the property reversion at the end of an appropriate holding period. In both techniques, allowances for vacancy loss and operating expenses, if applicable, are deducted from Gross Potential Income to estimate Net Operating Income.

The Direct Capitalization technique assumes stabilized operations into perpetuity; however, this technique can indicate a less reliable value indication for properties with relatively short lease terms, dramatically changing markets and/or uncertainties regarding future expectations of competition, population, etc. The Discounted Cash Flow technique is useful for analyzing a property over a typical holding period; however, this technique makes explicit assumptions about tenant renewals and re-sale of the property at the end of the holding period, both of which limit the reliability of the Discounted Cash Flow.

The Income Capitalization Approach typically provides a meaningful indicator of value for income-producing properties; however, similar sites in the subject’s market area are infrequently leased.

Applicability – Income Approach: The appraiser has omitted the Income Approach due to the lack of ground-leased sites, particularly for a similar highest and best use, in the subject’s market area.

THE COST APPROACH

This Approach to value is based upon the principle of “substitution,” which states that a prudent investor would pay no more for a property than the cost of constructing a property of equal desirability and utility. It is also based upon the principle of “contribution,” which holds that the agents of production and the various property components must be in proper proportion if optimum value is to

be achieved. This approach includes an analysis of the physical value of the property, including the current value of the land (as if it were vacant) and the current value of the depreciated replacement cost of the existing improvements.

Depreciated Replacement Cost is estimated by calculating the replacement cost new, less depreciation from all sources, including physical deterioration, functional obsolescence and external obsolescence. Physical deterioration is conceptually the “wear and tear” placed on the short-lived and long-lived components of a building over time. Functional obsolescence reflects the lack of desirability due to layout, style, or design, as compared to market tastes and preferences as of the effective date of appraisal. External obsolescence considers any loss in value from causes outside the property itself, such as a noisy use on a nearby property that affects vacancy.

Applicability – Cost Approach: The Cost Approach is typically only a good indicator of value for new or newer improvements. The appraiser has omitted this Approach to value due to the fact that the subject site is unimproved, vacant land, and any existing improvements will be extensively rehabilitated to facilitate its future use as a non-income-producing building.

RECONCILIATION OF APPLICABLE APPROACHES TO VALUE

The final step in the valuation process is the reconciliation of the value indications from the applicable approaches to value, given the inputs (and their individual strengths and weaknesses) that drive the various valuation techniques. Reconciliation emphasizes the approaches that produces the most reliable solution to the appraisal problem and ultimately forms the final conclusion of the value estimate for the subject property. As previously noted, the appraiser has only relied on the Sales Comparison Approach, which is reasonable and customary per regulatory and market-based standards.

The following sections detail the Douglas County submarket and the subject’s Primary Trade Area [“Neighborhood”]. These sections provide foundation for comparisons between the subject property and competing properties, and serve as the foundation for the appraisers’ highest and best use assertion and value estimate.

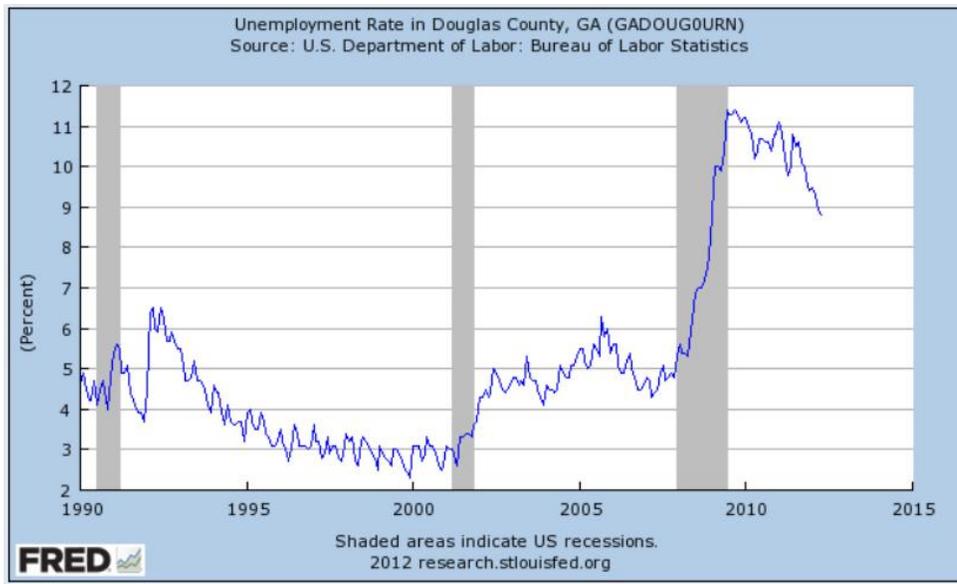
DOUGLAS COUNTY OVERVIEW



Douglas County is in the central and western portion of Georgia, approximately 30 miles east of the Alabama / Georgia border. The subject property is located in the extreme western portion of Douglas County, less than one mile east of Carroll County. The county's location within the Georgia region is shown on the maps below.



Douglas County had an estimated population of 132,403 persons as of the most recent 2010 Census, with a 43.6% increase in population between 2000 and 2010 Censuses. The Georgia Office of Planning and Budgeting projects a population of 159,765 persons in 2015, increasing to 186,427 persons by 2020. Approximately 56,874 of the county's 63,761-person work force was employed, per 2009 Census Bureau statistics. Most recently, April 2012 statistics report an unemployment rate of 8.8%. Douglas County led the region in unemployment during the most recent recession, with the county's unemployment rate peaking at 11.7% in January 2011.

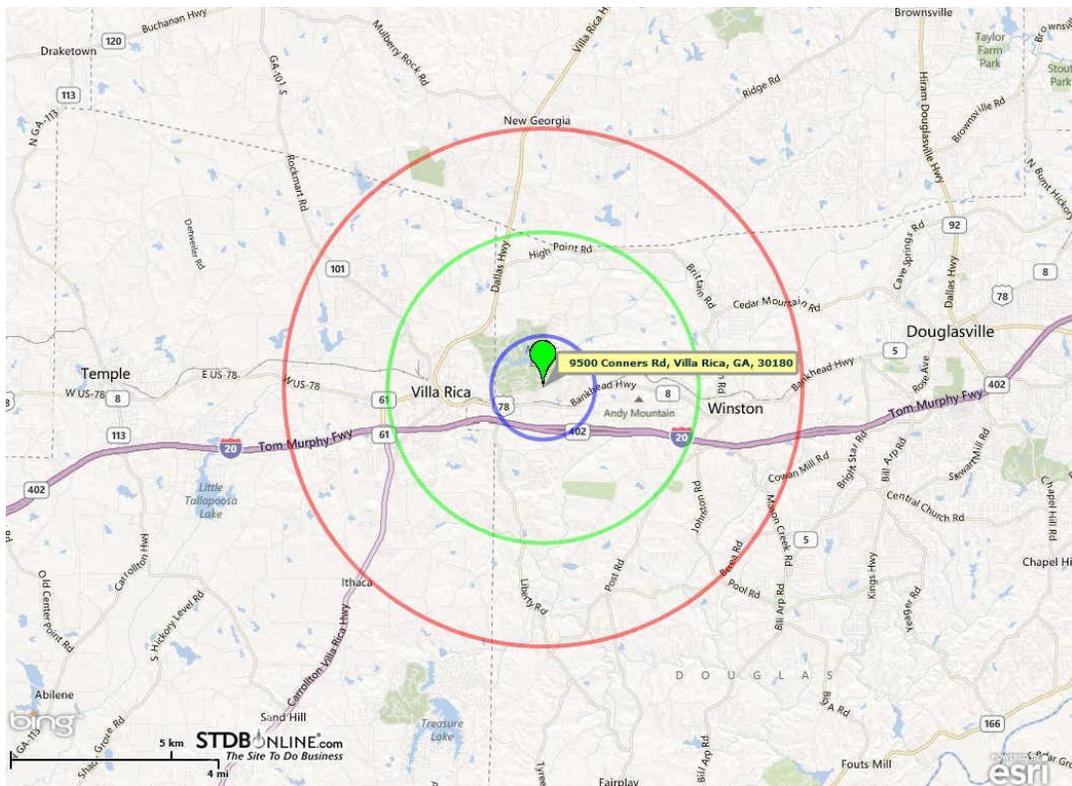


It should be noted that Douglas County is heavily dependent upon a service-based economy, at approximately 65% of its economic base, with less than 18% in government employment and slightly lower production-related employment opportunities. Notable employers in the area include Six Flags, Wal-Mart, Abercrombie & Fitch, as well as Silver Line Building Products and the American Red Cross. Only 52% of the county’s residents work in the county.

NEIGHBORHOOD OVERVIEW

The subject property is located in the City of Villa Rica, Douglas County, immediately south of the Mirror Lakes residential community and less than one mile northeast from the Liberty Road / I-20 interchange. For the purpose of the appraisal, the appraiser identifies the competitive market area for multifamily development land to include much of the area along the I-20 corridor, between the Georgia/Alabama border and the Douglas/Fulton County line to the east.

The following map and neighborhood description focuses on the subject’s surrounding influences as it pertains to comparing generally similar, superior, or inferior neighborhoods throughout the region and from more generic (not used for multifamily development) sales within Douglas County. The area is currently exhibiting signs of stability, following several years of decline during the recent and prolonged recession. Conversely, the recent recession has only fueled demand for affordable housing and LIHTC development sites. Prior to the recession, the subject’s immediate neighborhood saw relative stability and good residential growth within the Mirror Lakes community.



Statistics relating to the one-, three-, and five-mile radii around the subject property (reproduced above) illustrate that very few people live within one mile of the subject (1,889 person), whereas 14,931 persons live within three miles of the subject. Contrary to lower population statistics, the one-mile radius around the subject property had a 2010 Median Household Income of \$60,797, which was notably higher than the three- and five-mile radii at \$51,426 and \$53,114, both of which were more consistent with overall Douglas County statistics for the same time period.

In summary, the subject neighborhood is best described as a residential-oriented area generally associated with the large-scale Mirror Lakes residential community, northeast of the Liberty Road / I-20 interchange. The area is generally stable and does not appear to be transitioning into any other type of land use except single- and multi-family housing. The subject’s site offers average to above-average linkages to a commercial node at the corner of Mirror Lakes Boulevard and Conners Road. The existence of adjacent apartments in Phase I of the proposed Phase II development ultimately decreases expenses associated with marketing the additional units, relative to a new development in an unproven area.



Executive Summary

Prepared by George PetkovichAndy Sheppard

Lat: 3992812.960530, Lon: -9...

Latitude: 33.731554

Longitude: -84.892866

Ring: 1, 3, 5 Miles

	1 mile radius	3 miles radius	5 miles radius
2010 Population			
Total Population	1,869	14,931	33,031
Male Population	50.5%	49.5%	49.7%
Female Population	49.5%	50.5%	50.3%
Median Age	39.0	36.6	36.6
2010 Income			
Median HH Income	\$60,797	\$51,426	\$53,114
Per Capita Income	\$23,362	\$20,474	\$20,884
Average HH Income	\$66,974	\$57,131	\$58,993
2010 Households			
Total Households	644	5,446	11,666
Average Household Size	2.90	2.74	2.83
2010 Housing			
Owner Occupied Housing Units	66.7%	59.5%	67.1%
Renter Occupied Housing Units	4.7%	22.1%	18.7%
Vacant Housing Units	28.7%	18.4%	14.3%
Population			
1990 Population	111	5,460	13,854
2000 Population	152	5,955	17,525
2010 Population	1,869	14,931	33,031
2015 Population	2,422	18,221	39,405
1990-2000 Annual Rate	3.19%	0.87%	2.38%
2000-2010 Annual Rate	27.74%	9.38%	6.38%
2010-2015 Annual Rate	5.32%	4.06%	3.59%

In the identified market area, the current year population is 33,031. In 2000, the Census count in the market area was 17,525. The rate of change since 2000 was 6.38 percent annually. The five-year projection for the population in the market area is 39,405, representing a change of 3.59 percent annually from 2010 to 2015. Currently, the population is 49.7 percent male and 50.3 percent female.

	1 mile radius	3 miles radius	5 miles radius
Households			
1990 Households	39	1,972	4,765
2000 Households	56	2,209	6,182
2010 Households	644	5,446	11,666
2015 Households	835	6,640	13,928
1990-2000 Annual Rate	3.68%	1.14%	2.64%
2000-2010 Annual Rate	26.91%	9.2%	6.39%
2010-2015 Annual Rate	5.33%	4.04%	3.61%

The household count in this market area has changed from 6,182 in 2000 to 11,666 in the current year, a change of 6.39 percent annually. The five-year projection of households is 13,928, a change of 3.61 percent annually from the current year total. Average household size is currently 2.83, compared to 2.83 in the year 2000. The number of families in the current year is 8,909 in the market area.

Housing

Currently, 67.1 percent of the 13,605 housing units in the market area are owner occupied; 18.7 percent, renter occupied; and 14.3 percent are vacant. In 2000, there were 6,747 housing units - 72.6 percent owner occupied, 19.1 percent renter occupied and 8.3 percent vacant. The rate of change in housing units since 2000 is 7.08 percent. Median home value in the market area is \$102,243, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 1.04 percent annually to \$107,672. From 2000 to the current year, median home value changed by 1.23 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.



Executive Summary

Prepared by George PetkovichAndy Sheppard

Lat: 3992812.960530, Lon: -9...

Latitude: 33.731554

Longitude: -84.892866

Ring: 1, 3, 5 Miles

	1 mile radius	3 miles radius	5 miles radius
Median Household Income			
1990 Median HH Income	\$31,250	\$23,619	\$26,326
2000 Median HH Income	\$48,668	\$35,540	\$42,364
2010 Median HH Income	\$60,797	\$51,426	\$53,114
2015 Median HH Income	\$67,320	\$58,015	\$59,194
1990-2000 Annual Rate	4.53%	4.17%	4.87%
2000-2010 Annual Rate	2.19%	3.67%	2.23%
2010-2015 Annual Rate	2.06%	2.44%	2.19%
Per Capita Income			
1990 Per Capita Income	\$12,587	\$9,842	\$10,462
2000 Per Capita Income	\$19,218	\$15,274	\$17,668
2010 Per Capita Income	\$23,362	\$20,474	\$20,884
2015 Per Capita Income	\$25,732	\$22,930	\$23,374
1990-2000 Annual Rate	4.32%	4.49%	5.38%
2000-2010 Annual Rate	1.92%	2.9%	1.64%
2010-2015 Annual Rate	1.95%	2.29%	2.28%
Average Household Income			
1990 Average Household Income	\$38,917	\$27,289	\$29,773
2000 Average Household Income	\$50,938	\$41,341	\$49,126
2010 Average HH Income	\$66,974	\$57,131	\$58,993
2015 Average HH Income	\$73,633	\$64,042	\$65,980
1990-2000 Annual Rate	2.73%	4.24%	5.14%
2000-2010 Annual Rate	2.71%	3.21%	1.8%
2010-2015 Annual Rate	1.91%	2.31%	2.26%

Households by Income

Current median household income is \$53,114 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$59,194 in five years. In 2000, median household income was \$42,364, compared to \$26,326 in 1990.

Current average household income is \$58,993 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$65,980 in five years. In 2000, average household income was \$49,126, compared to \$29,773 in 1990.

Current per capita income is \$20,884 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$23,374 in five years. In 2000, the per capita income was \$17,668, compared to \$10,462 in 1990.

Population by Employment

Total Businesses	93	667	990
Total Employees	740	5,180	8,368

Currently, 89.5 percent of the civilian labor force in the identified market area is employed and 10.5 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 91.6 percent of the civilian labor force, and unemployment will be 8.4 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 66.3 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.1 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 56.0 percent in white collar jobs (compared to 61.6 percent of U.S. employment)
- 16.1 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 27.9 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 79.6 percent of the market area population drove alone to work, and 2.3 percent worked at home. The average travel time to work in 2000 was 33.0 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 22.9 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 37.7 percent were high school graduates only (29.6 percent in the U.S.)
- 5.7 percent had completed an Associate degree (7.7 percent in the U.S.)
- 8.6 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 5.1 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.

SUBJECT PROPERTY OVERVIEW

IDENTIFICATION OF SUBJECT PROPERTY

The subject is identified as being located at following street address or general location:

9500 Block of Conners Road
City of Villa Rica, Douglas County, Georgia

County tax records identify the subject property as Tax Parcel 1740250282. The adjoining multifamily development has a physical address in the 9500 block of Conners Road, for reference purposes. As previously illustrated on the aerial tax map, Phase II of the development is located at the rear (south side) of Phase I and includes development of the combined property's community center, putting green and community garden. Phase II will reportedly be developed with 60 units, which equates to a density of 8.6 units/acre.

OWNERSHIP AND HISTORY

According to tax records, PHLH-Conners, LLC is the current owner of the subject property. Both tracts were purchased as a combined 15± acre tract in August 2011, allocating the purchase price between both components. The subject's portion of the tract was purchased for \$259,000 (\$37,000/acre), as recorded in Deed Book 2955, Pages 642-645 of Douglas County. The adjoining 8.0± acre portion was also purchased for \$37,000/acre [\$296,000].

The appraiser understands that the property will soon be transferred into the development's ownership entity, Conners Senior Village Phase II, LLC, for the same price.

The appraiser is unaware of any current listings of negotiations to sell either portion of the subject, as the owner is the developer of Phase I and the intended developer of Phase II.

REAL ESTATE TAXES

The subject site has yet to be assessed by Douglas County following the sale and subdivision of the site. As previously stated, the subject includes 6.999 acres of undeveloped land area, noted as Parcel 1740250282.

SITE DESCRIPTION:

SIZE/SHAPE

The subject property is best described as irregular in shape, having 600± feet of frontage along the south side of Phase I's site and 200± feet of frontage along the north side of an existing rail line. In total, the site contains 6.999 acres of land (304,876 SF) and the property is contiguous to Phase I of the same type of development to the north.

LEGAL DESCRIPTION FOR SUBJECT SITE

The most recent legal description for the tract is found in Deed Book 2955, Page 644, which has been reproduced in the Addenda.

SURVEY

The appraiser was provided with a preliminary site plan for the subject property and has relied on the site plan, recorded legal description, and tax records for the subject property's land area estimates, all three of which conclude the same land area for both subject tracts.

TOPOGRAPHY

The subject property is generally rolling to level, with no areas of significant topographical change. A copy of the most recent topographical map illustrating the subject's slope is included in the Addenda.

SOILS AND COMPACTION

The appraiser is unaware of any soil or compaction issues that may affect the subject or its future development. It is assumed that existing soil conditions are suitable for development purposes.

FLOODPLAIN

The appraisers reviewed the Flood Insurance Rate Map (FIRM) published by the Federal Emergency Management Agency (FEMA) for the subject property. The subject is identified on map 13097C0107C, which carries an effective date of 8/8/2009, illustrates that the subject site contains no flood prone areas. A copy of the FEMA FIRM Panel has been reproduced in the Addenda.

ZONING

Both portions of the subject are currently zoned R-14, Multifamily Housing and is surrounded by commercially-zoned property to the west and PD-zoned properties to the east, northeast, and southeast. A letter affirming the subject's zoning has been retained in the appraiser's workfile. It should be noted that existing zoning maps for the subject property do not currently reflect its recent R-14 zoning status.

UTILITIES

All typical public utilities are available to the site, including natural gas, public water, sanitary sewer, electricity, telephone, cable television, and internet service. The client previously provided documentation from the City of Villa Rica indicating that there was sufficient capacity to serve both phases of the proposed development.

EASEMENTS AND RESTRICTIONS

There are no known or reported encroachments, easements or deed restrictions on the site; however, there is an existing gas pipeline on the tract that encumbers a strip of land along both Phases of the project. The gas pipeline easement was noted as posing no significant adverse condition; however, the pipeline's placement dictates the siting of buildings and is generally considered to be a detriment to value, relative to sites without such encumbrances or site design limitations.

ENVIRONMENTAL ISSUES

We do not have any evidence of environmental contamination on the subject property and no obvious signs of environmental contamination were noted during the property inspection; however, as described the appraisers are not qualified as an expert in regards to identifying contamination.

As stated in the Assumptions and Limiting Conditions to this report, *"unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired."*

IMPROVEMENT DESCRIPTION:

The subject property is currently unimproved land.

HIGHEST AND BEST USE

According to the Dictionary of Real Estate Appraisal, 5th Edition, as published by The Appraisal Institute, Chicago, Illinois, 2010, Highest and Best Use is defined 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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

AS-IF VACANT

Legally Permissible: As discussed, the subject property is currently zoned for multi-family development of the site. Considering the existing multi-family use of the adjacent Phase I portion of the development and the availability of utilities and existing infrastructure, the appraiser considers multi-family development of the site to be legally permissible and applicable to the valuation of the subject property. As previously noted, there is currently no pressure for commercial, retail, office, or industrial development of the subject site, and such a use would not be legally permissible without rezoning and/or potentially creating a conflict with neighboring residential uses.

Physically Possible: The subject tract has physical characteristics that are amenable to a wide variety of uses; however, the site is likely insufficient in size to host an industrial user, and potentially too large and too poorly located to host a retail or general commercial user. Given that multi-family development is the sole legally permissible use that is also physically possible, the appraiser concludes that a multi-family use of the property is germane.

Financially Feasible: The subject is located in an area of residentially-oriented properties, somewhat removed from general commercial development purposes and ultimately well suited for single- or multi-family development. The existing Phase I portion of the property proves the viability of adding multi-family units to the area. Further, the per-unit yield from developing multi-family units is far in excess of what would be physically possible or generally accepted with regards to single-family development.

Maximally Productive: Of the physically possible and legally permissible uses that are also financially feasible, the appraiser concludes that the maximally productive use of the subject site is for multi-family development.

AS IMPROVED

The subject property is unimproved, vacant land.

VALUATION

The Cost, Income Capitalization, and Sales Comparison approaches are three techniques often utilized to estimate market value of a property. Each Approach has been detailed in the Appraisal Methodology section above. In summary, the Cost Approach is based upon the concept that property is worth the value of the land plus the cost to replace the improvements, less accrued depreciation. The Income Capitalization Approach analyzes and quantifies the income producing capabilities of the property in view of current economic conditions and investor return requirements. The Sales Comparison Approach compares the property (as vacant and/or as improved) to recent sales of similar type properties, based on units of measurement applied by the market.

Application of each Approach is presented below.

COST APPROACH

As previously discussed, the appraiser has omitted the Cost Approach because the subject property's Highest and Best Use is currently for multi-family development.

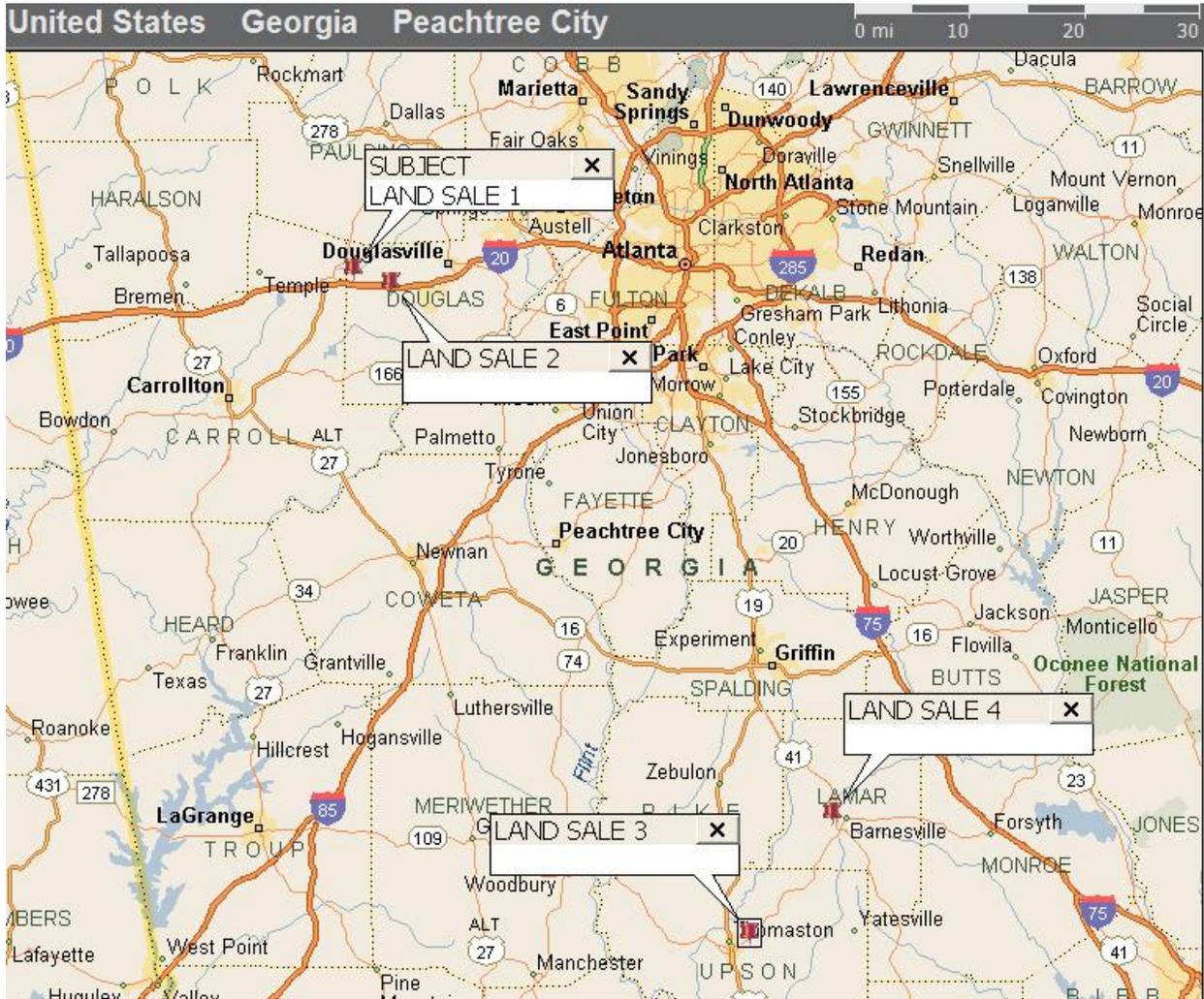
INCOME APPROACH

As previously discussed, the appraiser has omitted the Income Approach because the subject property's Highest and Best Use is currently for multi-family development.

SALES COMPARISON APPROACH

In the Sales Comparison Approach, the appraisers searched for sales and current listings of relatively similar sites in the subject's primary trade area. In the following pages, the appraisers have provided a location map and data sheets for the most applicable ("comparable") sales and current listings, as well as analysis of the sales and the appraisers' estimate of value from the Sales Comparison Approach.

COMPARABLE LAND SALES MAP



LAND SALE #1

This sale represents the August 18, 2011 purchase of the subject property from The Board of Church Development of the North Georgia Conference, Inc. by "PLH-Conners, LLC" on August 18, 2011 for \$259,000, or \$37,005 per acre. At 60 proposed units, the project's density was 8.57 units per acre and the sales price equates to \$4,317/unit, with no excess or surplus land noted as part of the intended development plan. The sale was recorded in Deed Book 2955, Pages 642-645 of Douglas County, and the property is referenced as Tax Parcel 1740250282. The appraiser verified the transaction details with the buyer, deed record, and closing statements.

TAX AERIAL – LAND SALE #1 (SUBJECT PROPERTY)



LAND SALE #2



This 6.48-acre sale property was purchased from Kippard W. Berry by “Tanner Medical Center, Inc.” on December 30, 2010 for \$316,008, or \$48,767 per acre. More recently, the buyer purchased 1.57 acres to the north of this sale property, including a house, for \$70,000/acre. Due to size differences and the existence of a house on the more recent assemblage purchase, the appraiser has only utilized the prior sale as a comparable sale to the subject property.

The sale was recorded in Deed Book 2911, Page 251 of Douglas County, and the property is referenced as Tax Parcel 01370250001. The appraiser verified the transaction details with the tax and deed records, as well as a visual inspection.

The property, located on the east side of Post Road and fronting 3375 Johnson Road in Villa Rica, is located approximately one-quarter mile south of I-20 and was purchased for the development of a medical facility. The surrounding area is mostly vacant or sparsely developed with single-family uses and is overall only superior to the subject with relation to its I-20 proximity and its lack of rail frontage. The sale property features generally level to rolling topography, at road grade with Post Road.

LAND SALE #3



This 5.0-acre sale property was purchased from Charles D. Short by “Ruthie Manor, LP” on February 23, 2010 for \$150,000, or \$30,000/acre. At 5.0 acres, the 48-unit project’s density was 9.6 units/acre and the sales price equates to \$3,125/unit, with no excess or surplus land noted as part of the intended development plan. The sale was recorded in Deed Book 1215, Page 174 of Upson County, and represents Tax Parcel # 057C 022. The appraiser verified the transaction details with the buyer, deed record, and closing statements.

The property, located on the west side of Knight Trail, 600’± south of Tom McKinley Road in Thomaston (Upson County), was used to construct the 48-unit Ruthie Manor LIHTC development. Thomaston is a lesser developed town, located between I-85 and I-75 approximately 30 miles west of Macon, and the sale’s location is relatively far (at approximately 20 miles, east) from the closest I-75 interchange in Forsyth, Georgia.

AERIAL – LAND SALE #3



LAND SALE #4



This 8.0-acre sale property was purchased from Calaron Properties by “Powell Place, LP” on June 20, 2010 for \$280,000, or \$35,000/acre. At 8.0 acres, the 64-unit project’s density was 6.75 units/acre and the sales price equates to \$4,375/unit, with no excess or surplus land noted as part of the intended development plan. The sale was recorded in Deed Book 733, Page 266 of Lamar County, and represents Tax Parcel # B10 018A. The appraiser verified the transaction details with the buyer, deed record, and closing statements. This property contained approximately one acre of unusable land area, due to existing easements and flood prone areas located along the rear of the tract, neither of which appeared to affect density or utility of the site for its intended use. A copy of the survey illustrating unusable area is presented below.

The property, located on the west side of Trojan Way and immediately north of a sports field associated with the adjacent high school in Barnesville (Lamar County), was used to constructed the 64-unit “Powell Place” LIHTC development. Barnesville is a moderately developed town, located approximately 12 miles east of I-75 and Forsyth, Georgia.

TAX AERIAL – LAND SALE #4

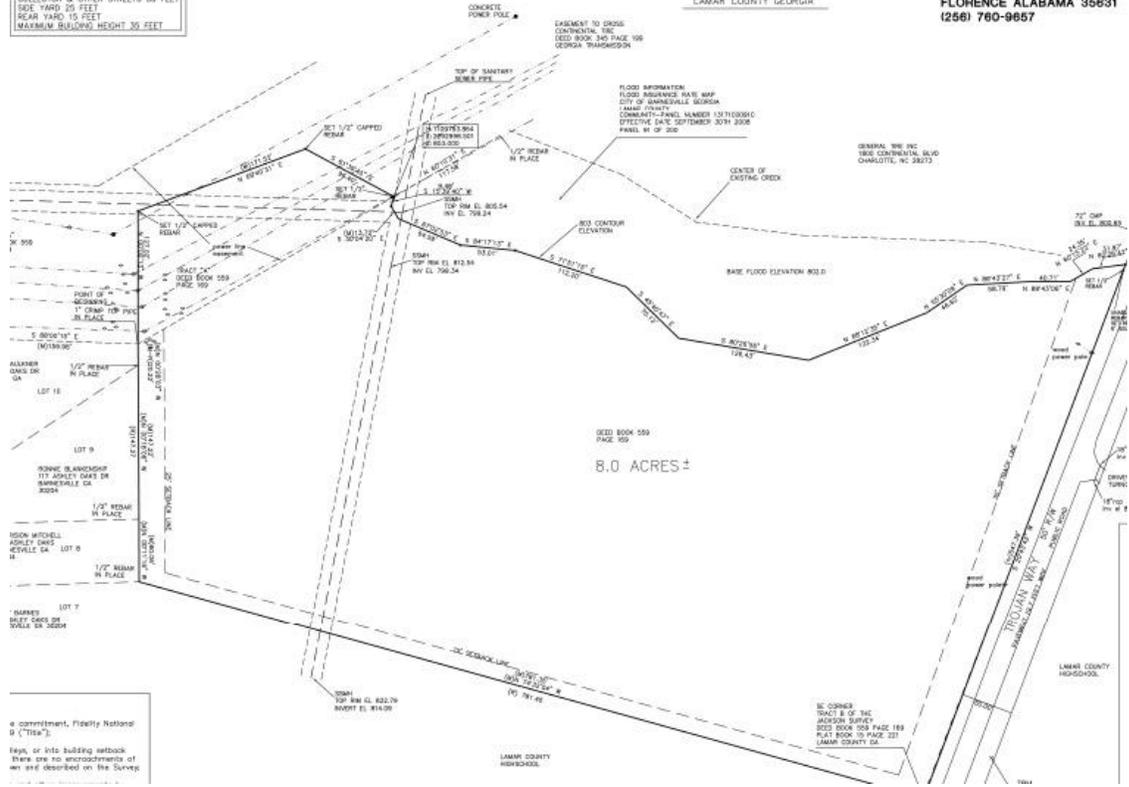


SURVEY – LAND SALE #4

SETBACK REQUIREMENTS FOR
 R-2 ZONING
 COLLECTION & OTHER STREETS 30 FEET
 SIDE YARD 25 FEET
 REAR YARD 15 FEET
 MAXIMUM BUILDING HEIGHT 35 FEET

7TH LAND DISTRICT
 CITY OF BARNESVILLE GA
 LAMAR COUNTY GEORGIA

THE GATEWAY CON
920 FLORENCE BOULEVARD
FLORENCE ALABAMA 35631
(256) 760-9657



a commitment, Fidelity National
 9 ("Title").
 Maps or info building setback
 there are no encroachments of
 any are described on this Survey.

Additional Listings / Supplemental Data

Due to the lack of truly comparable land sales from Villa Rica (or Douglas County) that would support multi-family development, the appraiser reviewed and analyzed DCA application information for developers proposing new construction in Georgia over the last three years. Filtering out “core” populated counties where the economic base is considerably larger and more conducive to conventional apartment development, the appraiser noted several tracts of land that are either under contract for sale [pending an award of tax credits to fund construction] or that have sold to third-party developers.

The appraiser further segregated the data by locational characteristics. The data appears to illustrate two main strata: rural towns with a reduced population or economic base, lacking proximity to a larger nearby town on interstate; and larger towns or immediate suburbs of larger towns that offer proximity to an interstate and/or good to excellent exposure for the purposes of attracting prospective tenants to the site.

In summary, the data appears to exhibit a per-acre range of about \$20,000/acre to \$30,000/acre for sparsely populated areas and \$40,000/acre to \$65,000/acre for proposed LIHTC developments in larger, more densely populated areas such as Villa Rica. Considering specific characteristics of the subject property, a value indication at the lower end of the sparsely populated range appears to be applicable. Although the data provides general observations of LIHTC activity in the area, the comparable sales provided above and analyzed below more clearly support the appraiser’s value conclusion as of the effective date of appraisal.

Adjustments for Sale Characteristics

All of the sales included the purchase of fee simple rights to the property, similar to the circumstance of the subject property, as vacant and available to be put to its highest and best use. All of the sales reportedly sold between third parties for cash or cash equivalent terms, with no undue stimulus, transferring fee simple ownership in each sale property; as such, no adjustment was considered reasonable for conditions of sale, financing differences or property rights.

Market conditions during the recent and prolonged recession have been considered; however, each sale transacted after any notable declines in property values between early 2008 and mid-year 2009. Further, the LIHTC land market appears to be less impacted by the recession than traditional real estate or conventional multi-family land, as the economic downturn ultimately created a larger pool of income-eligible households, overall. Any inclination toward rampant overdevelopment was countered by a general reduction in available funds made available and/or the lack of syndicators willing to purchase the tax credits which fuel LIHTC developments.

Upon adjustment for characteristics of each sale, the data suggests a per-acre value indication between \$30,000/Acre and \$48,767/Acre, before adjustments for differences in property characteristics between each sale property and the subject property.

Adjustments for Property Characteristics

In total, the subject property contains 6.999 acres of land with good visibility, an at-grade site, and proximity to average linkages.

Sale 1 includes the most recent sale of the subject property, and has not been adjusted from its \$37,005/acre value indication.

Sale 2 includes the most recent sale of land in the subject's area; however, the sale property is located closer to I-20, was purchased for more intensive development, and lacks the subject's frontage along an existing rail line. Overall, the appraiser considers a net downward adjustment of 25% to be reasonable for this sale, suggesting a market value indication for the subject at **\$36,575/Acre**.

Sale 3 includes a relatively recent sale of land in Thomaston, Georgia, which is considered to offer a significantly inferior location and proximity to an expressway, relative to the subject property. This sale property also lacks the subject's frontage along an existing rail line. Overall, the appraiser considers a net upward adjustment of 20% to be reasonable for this sale, suggesting a market value indication for the subject at **\$36,000/Acre**.

Sale 4 includes a relatively recent sale of land in Barnesville, Georgia, which is considered to offer an inferior location, as well as a slightly inferior density due to the existence of easements and flood prone areas along the rear 12.5% of the site. This sale property also lacks the subject's frontage along an existing rail line. Overall, the appraiser considers a net upward adjustment of 15% to be reasonable for this sale, suggesting a market value indication for the subject at **\$40,250/Acre**.

MARKET VALUE CONCLUSION FOR THE SITE

Considering the available sales data, adjusted for relevant and quantifiable differences that exist between the subject property and each sale property, the appraiser concludes that the comparable sales provide a relevant and current value indication for the subject property at \$37,000/Acre.

The appraisers conclude that the Market Value of the Fee Simple Interest in the subject site, as of the June 3, 2012 effective date of appraisal is [\$37,000/Acre], which equates to \$260,000, rounded.

MARKET VALUE OF FEE SIMPLE INTEREST IN SUBJECT SITE

--- \$260,000 ---

LAND SALES ADJUSTMENT GRID

	SALE #1	SALE #2	SALE #3	SALE #4
	<u>SUBJECT</u>	<u>Tanner Medical</u>	<u>Ruthie Manor</u>	<u>Powell Place</u>
Sale Date	18-Aug-11	30-Dec-10	23-Feb-10	20-Jun-10
Price	\$259,000	\$316,008	\$150,000	\$280,000
Acres	6.999	6.480	5.00	8.00
Sale Price Per Acre	\$37,005	\$48,767	\$30,000	\$35,000
Adjustments for Sale:				
Property Rights	Similar	Similar	Similar	Similar
Conditions of Sale	Similar	Similar	Similar	Similar
Financing	Similar	Similar	Similar	Similar
<u>Date of Sale / Market Conditions</u>	Similar	Similar	Similar	Similar
Net Sale Adjustment	No Adjustment	No Adjustment	No Adjustment	No Adjustment
Percentage Adjustment	0%	0%	0%	0%
Adjusted \$/Acre for Sale Characteristics	\$37,005	\$48,767	\$30,000	\$35,000
Adjustments for Property:				
Size	Similar	Similar	Similar	Similar
Shape	Similar	Similar	Similar	Similar
Location	Similar	Superior	Significantly Inferior	Inferior
Access / Exposure	Similar	Similar	Similar	Similar
Utilities	Similar	Similar	Similar	Similar
Zoning / Land Use	Similar	Superior	Similar	Similar
Topography	Similar	Similar	Similar	Similar
Floodplain / Unusable Area	Similar	Similar	Similar	Slightly Inferior
Timber Value	Similar	Similar	Similar	Similar
Improvement Value	Similar	Similar	Similar	Similar
Aesthetic Characteristics	Similar	Slightly Superior	Slightly Superior	Slightly Superior
Proximity to Protected Land	Similar	Similar	Similar	Similar
Net Property Adjustment	0.00%	-25.00%	20.00%	15.00%
Overall Net Adjustment	No Adjustment	Downward	Upward	Upward
Per-Acre Value Indication from Sale	\$37,005	\$36,575	\$36,000	\$40,250
Value Indication (Per Acre)	\$37,000			
Total Size - Acres (+/-)	6.999			
Market Value Indication	\$258,959			
Fee Simple Market Value, Rounded	\$260,000			

Note: An inferior characteristic is reflective of the need for an upward adjustment to the sale as compared to the subject.

A superior characteristic is reflective of a downward adjustment to the sale as compared to the subject.

ADDENDA

- Exhibit A – Warranty Deed
- Exhibit B – Flood Map
- Exhibit C – Topographical Map
- Exhibit D – Appraiser Qualifications

Exhibit A
Warranty Deeds

7


 Doc ID: 003675290004 Type: GLR
 Filed: 08/22/2011 at 01:50:00 PM
 Fee Amt: \$275.00 Page 1 of 4
 Transfer Tax: \$259.00
 Douglas County Georgia
 RHONDA G PAYNE Clerk Superior Court
 BK 2955 PG 642-645

✓
ew

After recording, return to:
 Gregory Q. Clark
 Coleman Talley LLP
 910 N. Patterson Street
 Valdosta, Georgia 31601

LIMITED WARRANTY DEED

THIS INDENTURE is made this 18th day of August, 2011, between **THE BOARD OF CHURCH DEVELOPMENT OF THE NORTH GEORGIA CONFERENCE, INC.**, a Georgia non-profit corporation ("Grantor"), and **PHLH-CONNERS, LLC**, a Georgia limited liability company ("Grantee") (the terms "Grantor" and "Grantee" shall include their respective successors and assigns where the context requires or permits).

WITNESSETH:

THAT GRANTOR, for and in consideration of the sum of Ten and No Hundredths Dollars (\$10.00) and other valuable considerations, in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey, unto Grantee, its successors and assigns:

All of that certain tract or parcel of land being more particularly described on **Exhibit "A"** attached hereto and incorporated herein.

This instrument is expressly made subject to the matters set forth in **Exhibit "B"** attached hereto and incorporated herein.

TO HAVE AND TO HOLD the said bargained premises, together with all and singular the rights, members, and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit, and behoof of Grantee, its successors and assigns, forever in FEE SIMPLE.

THAT GRANTOR, its successors and assigns, shall and will warrant and forever defend by virtue of these presents, the said bargained premises unto Grantee, its successors and assigns, against Grantor, its successors and assigns, but not otherwise.

4

IN WITNESS WHEREOF, Grantor has hereunto caused this Indenture to be executed under seal, this day and year above written.

**THE BOARD OF CHURCH DEVELOPMENT
OF THE NORTH GEORGIA CONFERENCE,
INC.,**
a Georgia non-profit corporation

By: Thomas Willingham
Name: Thomas Willingham
Title: Vice President



Signed, sealed and delivered
in the presence of:

Janick E. Smy-Cant
Unofficial Witness
Name: _____

Barbara Howard
Notary Public
My commission expires _____



EXHIBIT "A"

All that tract or parcel of land lying and being in Land Lots 147, 174 and 175, 2nd District, 5th Section, City of Villa Rica, Douglas County, Georgia, and being more particularly described as follows:

BEGINNING at a 1/2 inch rebar found at the corner common to Land Lots 146, 147, 174 and 175, said District, said Section; thence leaving the aforesaid Land Lot Corner proceed South 89° 34' 51" West for a distance of 25.74 feet to a 1/2 inch rebar found; thence proceed North 61°40' 39" West for a distance of 99.53 feet to a 1/2 inch rebar found; thence proceed North 72° 22' 18" West for a distance of 2.98 feet to a calculated point; thence proceed North 61°59' 10" West for a distance of 26.89 feet to a calculated point; thence proceed North 70°33' 04" West for a distance of 99.21 feet to a 1/2 inch rebar found; thence proceed North 77° 45' 29" West for a distance of 85.07 feet to a calculated point; thence proceed North 72°22' 18" West for a distance of 17.28 feet to a calculated point 1.93 feet northeast of a 1/2 inch rebar found (bent); thence proceed North 00°16' 39" West for a distance of 134.51 feet to a 1/2 inch iron pin set; thence proceed North 89° 43' 21" East for a distance of 74.70 feet to a calculated point; thence proceed North 78°37' 22" East for a distance of 705.22 feet to a 1/2 inch iron pin set on the platted line of Carrington Subdivision Unit Two as recorded among the land records of Douglas County, Georgia in Plat Book 26, Page 253; thence proceed along the line platted of Carrington Subdivision Unit Two South 09° 51' 53" East for a distance of 565.21 feet to a 1/2 inch rebar found on the northern right-of-way ("R/W") of Norfolk Southern Railroad (having a 200' R/W); thence leaving said platted line of Carrington Subdivision Unit Two continue along aforesaid R/W South 81°39' 05" West for a distance of 251.92 feet to a 1/2 inch rebar found; thence leaving the aforesaid R/W proceed North 54°06' 19" West for a distance of 345.52 feet to a 1/2 inch rebar found, being the POINT OF BEGINNING

Said property containing 304,877 square feet or 6.999 acres.

Said property is particularly shown and delineated as "Tract Two" on that certain ALTA/ACSM Land Title Survey for Conners Senior Village, LP and PHLH-Conners, LLC prepared by TerraMark Land Surveying, Inc., bearing the seal of Paul B. Cannon, GRLS Number 2928, dated January 21, 2011, last revised August 11, 2011 and having a project number of 2011-001V.

EXHIBIT "B"

EXCEPTIONS

1. All taxes for the year 2011 and subsequent years, which are a lien not yet due and payable.
2. Easement from J.C. Gordon to City of Dallas, Georgia, dated April 3, 1954, filed for record March 13, 1961, and recorded in Deed Book 37, Page 277, aforesaid records.
3. Notice of Order and Judgment Affecting Interest in Real Estate to Class Corridor, LLC, a Delaware limited liability company dated September 5, 2001, filed for record May 9, 2005 and recorded in Deed Book 2150, page 371, aforesaid records.

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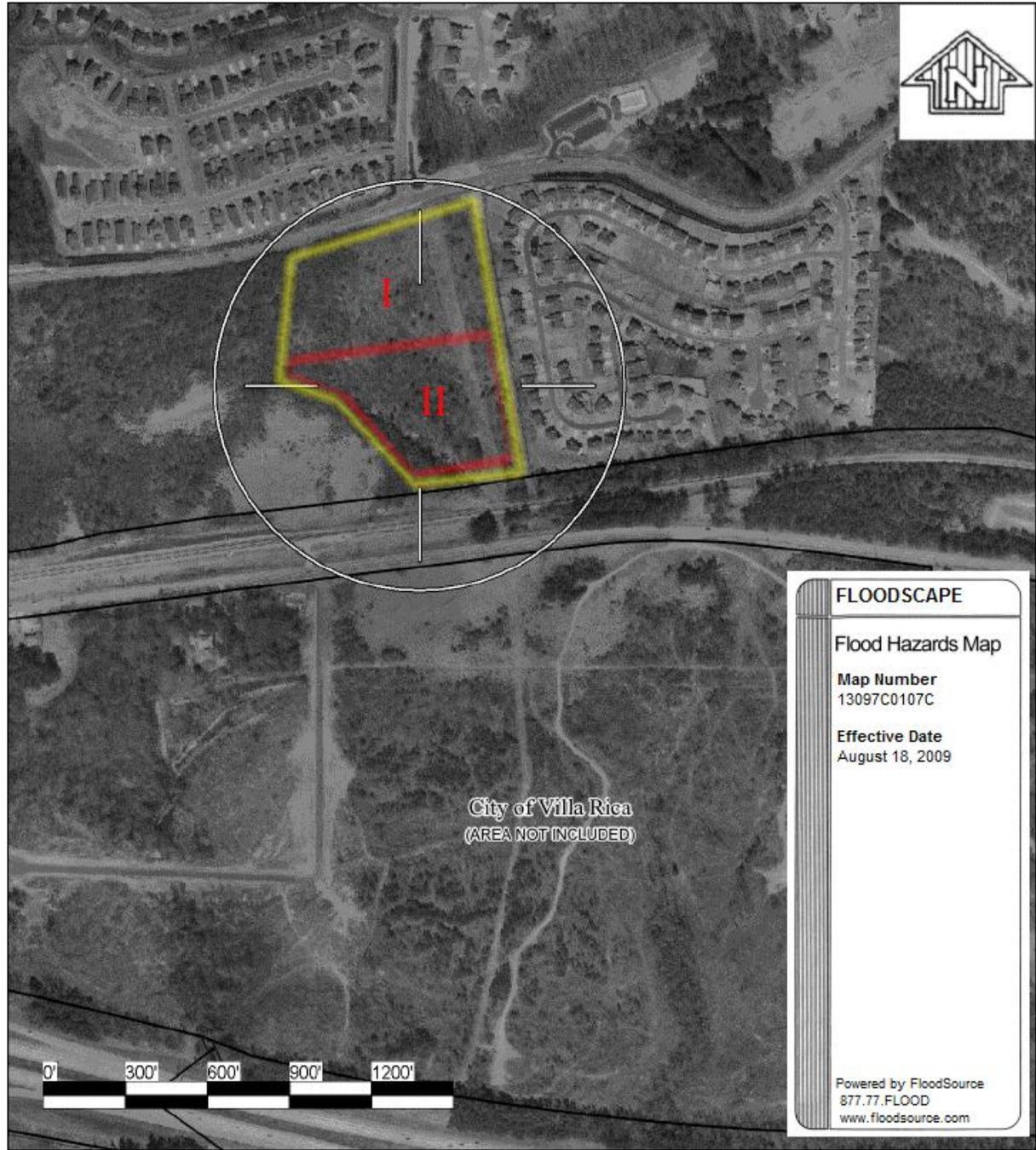
Limited Warranty Deed (PHLH-Conners)

RECORDED

SEP 02 2011

Rhonda G. Payne
Clerk Superior Court
Douglas County, GA

Exhibit B
Floodplain Map

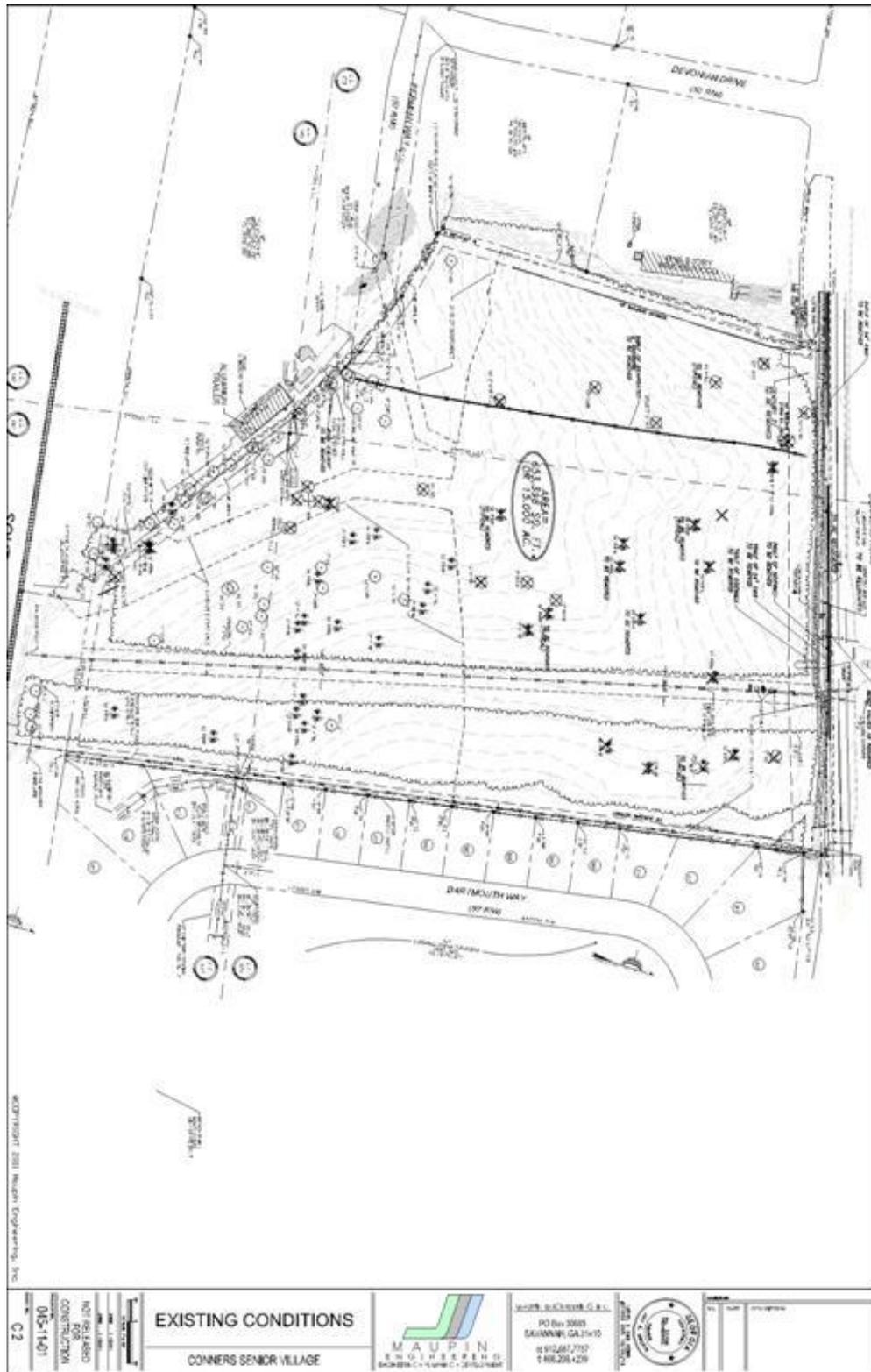


© 1999-2012 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

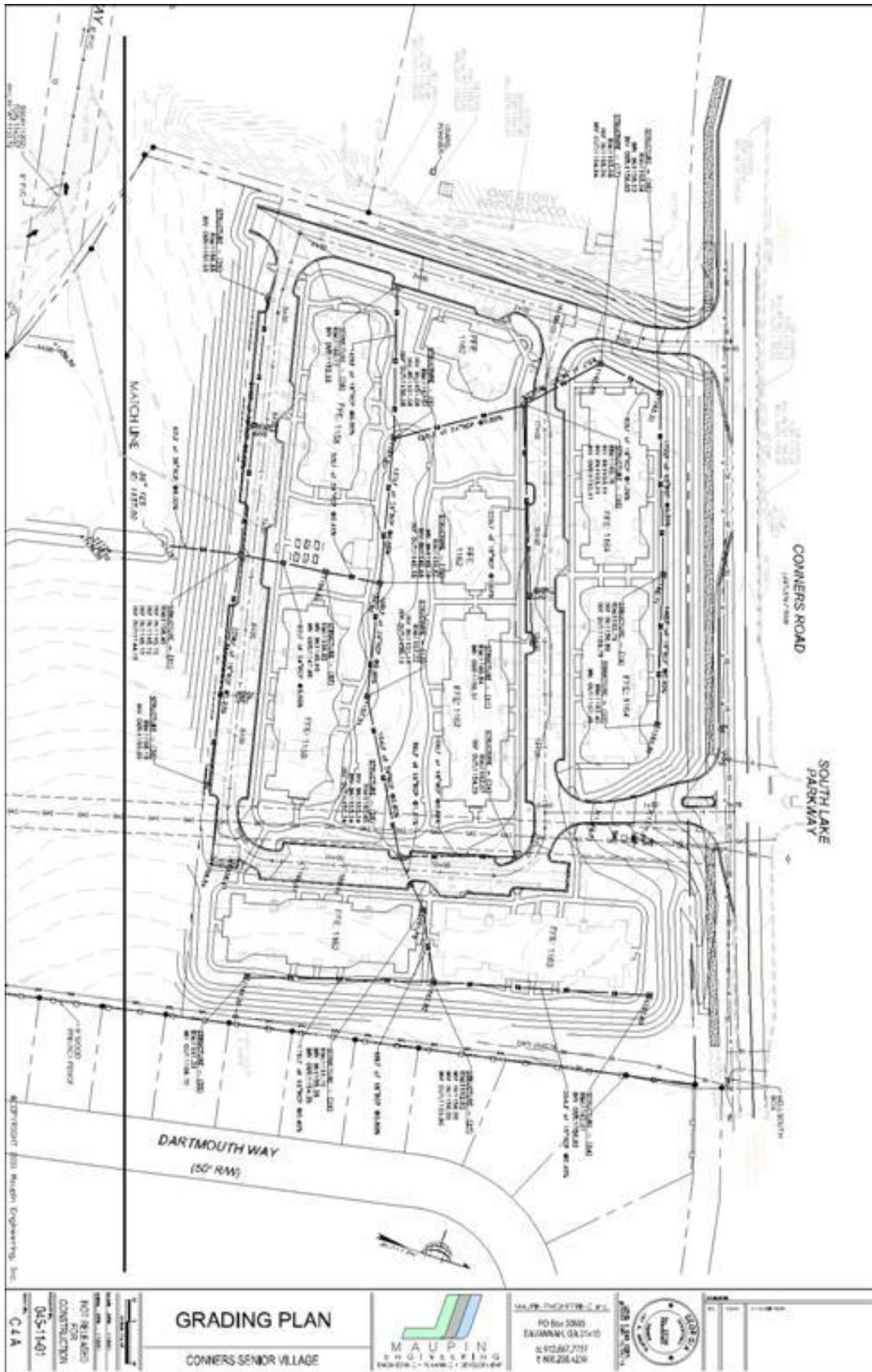
Map Illustrates both Phase I and Phase II of the Development

Exhibit C

Topographical Map and Grading Plan



Note: Map Includes Phases I and II



<p>DATE: 04-5-14 DRAWN BY: CAA CHECKED BY: [Signature] PROJECT: CONNERS SENIOR VILLAGE SHEET: 045-1401</p>	<p>GRADING PLAN CONNERS SENIOR VILLAGE</p>	 <p>MAUPIN ENGINEERING 2000 S. 10th St., Suite 100 Marietta, GA 30067</p>	<p>MAUPIN ENGINEERING, P.C. PO Box 32805 Marietta, GA 30067 404.872.7157 404.872.6426</p>	
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Exhibit D
Appraiser Qualifications

ANDY D. SHEPPARD, MAI
Vice President - Pritchett, Ball & Wise, Inc.

1389 Peachtree Street, N.E.

Atlanta, Georgia 30309

(404) 874-4499

EDUCATION: Georgia State University: Bachelor of Arts Degree in Real Estate [1998]

Appraisal Institute education courses, exams and seminars completed:

2011	The Appraiser As An Expert Witness	2001	Course 530 – Adv. Sales and Cost Approach
2011	Appraising the Appraisal	2000	Course 520 – Highest & Best Use / Mkt. Analysis
2010	ARGUS Certification Training	2000	Course 510 – Advanced Income Capitalization
2010	Experience Review Training	2000	Appraisal of Special Purpose Properties
2009	Condemnation Appraising: Principles & Applications	2000	Course 310 - Basic Income Capitalization
2008	Conservation Easement Certification Program	2000	Valuation of Detrimental Conditions
2008	Awarded MAI Designation	1999	Supporting Sales Comparison Adjustments
2006	Comprehensive Examination	1999	Appraisal of Local Retail Properties
2006	Course 420 - Business Ethics	1999	Course 120 – Appraisal Procedures
2005	Litigation Appraisal	1999	Course 110 – Appraisal Principles
2005	Course 550 – Advanced Applications	1998	Eminent Domain & Condemnation
2004	Course 540 – Report Writing	1998	Courses 410 [USPAP] and 420 [Business Ethics]

Excludes Seminars, Meetings, and Recurring Bi-Annual USPAP Update Course [’04,’06,’08,’10,’12]

EMPLOYMENT: Pritchett, Ball & Wise, Inc. [3/1998 – Present]

EXPERIENCE: As an appraiser at Pritchett, Ball & Wise, Inc., I have been involved in the study, analysis and valuation of various property types, including:

- **Vacant Land:** Commercial, industrial, mixed-use, single- and multi-family residential, conservation easements, Beltline acquisitions, borrow pits, wetlands mitigation tracts, tower sites
- **Market Analysis:** Feasibility studies for proposed multi-family projects, cell tower influence on residential property values, city-wide effect of F-18 noise on residential property values, factors affecting valuation of wetlands properties in the Everglades and Big Cypress regions of Florida
- **Residential:** Proposed, existing and rehabilitation assignments for conventional and program-assisted multi-family, including HOME and Low-Income Housing Tax Credit properties
- **Industrial:** Single- and multi-tenant buildings, textile and manufacturing plants, bulk and distribution warehouses, IM+ SF warehouse space, chilled/refrigerated production space
- **Office:** Single- and multi-tenant offices, banks, call centers, medical/surgery centers
- **Retail:** Convenience stores, storefront retail, free-standing restaurants and stores
- **Litigation:** Expert witness deposition and testimony, and assisting clients with understanding terminology/methodology. Completed Professional Development Program for Litigation through Appraisal Institute in 2011.
- **Miscellaneous:** Condemnation, mineral rights, quarries, waste treatment facilities, landfill properties, and contaminated properties. Completed Professional Development Program for Valuation of Conservation Easements, on 6/2008, as offered by the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers and the Appraisal Institute and endorsed by the Land Trust Alliance.

PROFESSIONAL AFFILIATIONS:

Georgia Certified General Real Property Appraiser - CG #7384

Designated Member of the Appraisal Institute - MAI #12520

National AI Service: Final-Level Experience Review Screener

Atlanta Chapter Appraisal Institute Service: Chair of General Associate Guidance (’09-’11); Alt.

Regional Representative (’09-’10); Regional Representative (’11-’12); Chair of Member Development and Retention (’12-’13); Nominating Committee Member (’12-’13); and Director (’12-’14)