APPRAISAL OF:

A 7.639-Acre Vacant Site
Planned For A Proposed Phase Two Of Farmington Hills Apartments
Located On Haymon Morris Road, Winder, Georgia 30680

CLIENT REFERENCED:

Vacant Site For Farmington Hills Apartments Phase Two

EFFECTIVE DATES OF VALUE:

As Is Value June 8, 2012

TRANSMITTAL DATE OF APPRAISAL REPORT:

June 11, 2012

PREPARED FOR:

Mr. Kevin Buckner
TBG Residential
3825 Paces Walk SE, Suite 100
Atlanta, Georgia 30339

MERIDIAN ADVISORS

a division of HH ADVISORS, LLC

Real Estate Appraisal Services

2849 Paces Ferry Road • Overlook I • Suite 660 • Atlanta, GEORGIA 30339
Telephone (770) 790-5009 • Facsimile (678) 384-6716 • www.meridianadvisorsllc.net

MERIDIAN ADVISORS

a division of HH ADVISORS, LLC

Real Estate Appraisal Services

2849 Paces Ferry Road • Overlook I • Suite 660 • Atlanta, GEORGIA 30339
Telephone (770) 790-5009 • Facsimile (678) 384-6716 • www.meridianadvisorsllc.net

June 11, 2012

Mr. Kevin Buckner
TBG Residential
3825 Paces Walk SE, Suite 100
Atlanta, Georgia 30339

RE: A 7.639-Acre Vacant Site
Planned For A Proposed Phase Two Of Farmington Hills Apartments
Located On Haymon Morris Road, Winder, Georgia 30680

Dear Mr. Buckner:

Pursuant to your request, and in accordance with our engagement arrangements, we have performed a summary appraisal report for the purpose of opining to the market value (fair market value) of the Fee Simple interest in a vacant site containing 7.639 acres. This site is located on Haymon Morris Road in the unincorporated area south of the City of Winder, Georgia and is being proposed to be improved with a second (2nd) phase of Farmington Hills Apartments. The subject property was purchased on June 14, 2011 for $573,000 or $75,009.82 per acre.

The purpose of this engagement is to establish the market value of the subject property site in its "as is" condition, which is vacant land. Based upon the data, information, and analysis presented in the accompanying appraisal report, it is the opinion that the appraisal conclusion of the Fee Simple Interest in the subject property is as follows:

Final Value Conclusion of Real Estate			
Appraisal Premise	**Appraisal Date**	**Interest Appraised**	**Appraisal Conclusion**
Market Value - As Is	**June 8, 2012**	**Fee Simple**	**$630,000**

Subject Property's Primary Market Area

The subject property's primary market area has been concluded to be overall Barrow County. While Barrow County is part of the Atlanta-Sandy Springs, MSA, it still maintains some of its rural characteristics as it rapidly transitions to a more suburban community. Since 2000, population has increased by approximately sixty percent (60%), which is approximately five percent (5%) per annum. Despite the rapid population growth of Barrow County no sizeable multifamily communities have been developed in the last decade.

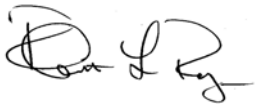
Regulatory Compliance

This appraisal report based on the engaged opinion of value has been performed in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP). This appraisal is being reported as a summary appraisal report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Thanks & Contact Information

We are pleased to provide you with the accompanying appraisal report and appreciate the opportunity to be of service to you. If you have any questions regarding this report please contact us at (770) 790-5009 or rob@meridianadvisorsllc.net.

Respectfully submitted,



Robert L. Ryan, MAI
Georgia Certified General
Real Estate Appraiser License No. 334357

TABLE OF CONTENTS

EXECUTIVE SUMMARY 4
INTRODUCTION 7
- **Purpose of the Appraisal** 7
- **Extraordinary Assumption** 7
- **Property Rights Appraised** 7
- **Value Definition** 7
- **Terms & Definitions** 7
  - Appraisal Development and Reporting Process 8
  - Scope of the Appraisal 8
  - Exposure Time 9
  - Marketing Time 9

DESCRIPTION OF THE AREA AND PROPERTY 11
- **Regional Area Analysis** 11
  - Employment 16
  - Transportation Infrastructure 18
  - Tourism & Cultural 19
  - Education 19
  - Building Permits 19
  - Residential Home Sales Pricing 21
  - Overall National Economy 23
  - Conclusion 25
- **Market Analysis** 27
  - Overview of Commercial Real Estate Market Trends 27
  - Overall Apartment Industry 28
  - Capitalization & Discount Rate Trends 29
  - Residential Demand & Construction 30
  - Supply Analysis 33
  - Demand Analysis 34
  - Conclusion 34
- **Neighborhood Analysis** 36
  - Location & Boundaries 36
  - Source: Google Earth 36
  - Accessibility 36
  - Predominant Land Uses near the Subject 37
  - Supply & Demand in the Neighborhood 37

Life Stage and Trend of the Neighborhood 37
Neighborhood Demographics 38
Conclusion 39
Site Analysis 40
Property Identification 40
Physical Description 41
Street(s) 42
Comparative Analysis 45
Covenants, Conditions and Restrictions 45
Easements and Encroachments 45
Environmental Hazards 45
Conclusion 45
Subject Photos 46
Real Estate Taxes 48
Zoning 50
Source: Barrow County Zoning Map 50
Purpose 50
Allowable Uses 51
Parking Requirements 52
Density, Intensity and Size Standards 54
Analysis Conclusions 55
Acquisition History 56
APPRASIAL ANALYSIS AND CONCLUSIONS 57
Highest and Best Use 57
Highest and Best Use of the Subject as Vacant 57
Conclusion - Highest and Best Use of the Subject as Vacant 59
Strengths & Weaknesses 59
Site Valuation 61
Condition of Sale (Motivation) Adjustment 63
Market Conditions (Time) Adjustment 63
Conclusion of Value of each Site by Sales Comparison 65
Conclusion of the Site Valuation 69
Reconciliation and Final Appraisal Estimate 70
ADDENDUMS 71
Addendum A – Assumption and Limiting Conditions 71
Addendum B – Certification of Appraiser 73
Addendum C – Professional Qualifications 74
Addendum D – Glossary of Terms and Definitions 78

Addendum E – Legal Description..... 84

EXECUTIVE SUMMARY

Location/Address

Property's Name:	Site For Proposed Phase Two of Farmington Hills Apartments
Property's Mailing Address:	Haymon Morris Road, Winder, Georgia 30680
Location:	Northeast quadrant of Haymon Morris Road at new County Road about half (½) mile west of the intersection of Haymon Morris Road and Carl-Bethlehem Road.
City:	Unincorporated Winder, Georgia
County:	Barrow County, Georgia
Zip Code:	30680
Legal Description:	Noted as Tract "B" lying in the 316th District of Barrow County, Georgia. - *See Legal Addendum for more detail description.*
County Parcel/Tax Map Reference Number(s):	Parcel Number XX052-035B

Appraisal/Assignment Summary Description

Client:	TBG Residential represented by Mr. Kevin Buckner
Client Reference #:	Farmington Hills Two
Property Rights Interest Appraised:	Fee Simple Interest
Value Premises & Corresponding Effective Date(s) Of Valuation(s):	As Is Value June 8, 2012
Inspection Date:	June 8, 2012
Intended Use:	To establish the fair market value of the real property for the Georgia Department of Community Affairs (DCA) Qualified Allocation Plan (QAP) to secure Low Income Housing Tax Credit (LIHTC)s.
Intended User:	The Georgia Department of Community (DCA) Affairs as well as parties involved in the ownership, management or their agents, legal representation, accountants and tax authorities associated with a LIHTC competitive round allocation.

Ownership/Sales History Summary Description

Ownership: MHL, Inc. (An Alabama Corporation)

Sales History: On June 14, 2011, the subject property was acquired by MHL, Inc. (An Alabama Corporation) from William Ronnie Gasaway for $573,000 or $75,009.82 per acre as recorded in Barrow County Clerk of Court Deed Book 1574, Page 446.

The prior owner, William Ronnie Gasaway, had held the subject property prior to it being subdivided from a larger poultry ranch for more than thirty (30) years, which contained approximately forty-six (46) acres.

There are no other known transfers or listings offering the subject property for purchase in the past five (5) years beyond that which are noted above.

Site Summary Description

Primary Site Size: 7.639 Acres

Surplus/Excess Site Size: 0.0 Acres

Roadway Frontage: Approximately 1,271.1 feet on the northern side of the Haymon Morris Road right-of-way and approximately 177.47 feet of frontage on the eastern right-of-way of future public street.

Zoning: R-3; High Density Residential District (Barrow County)

Earthquake Zone: The subject property is not known to be in an area of significant seismic risk.

Flood Zone: FEMA classifies the subject property as being in Flood Zone "X", as indicated by FEMA Map 13013C0110C dated December 18, 2009. Zone "X" is classified by FEMA as a low risk area.

Assumptions Relied Upon In Analysis

Extraordinary Assumptions: None

Hypothetical Assumptions: None

Valuation Conclusions

Exposure Time: Twelve (12) - Forty-Eight (48) Months
(See Introduction Section for further information)

Marketing Time:	Twelve (12) - Thirty-six (36) Months (See Introduction Section for further information)
Value Conclusion:	$630,000 As Of June 8, 2012

INTRODUCTION

Purpose of the Appraisal

To opine to the "As Is" market value ('fair market value") of the Fee Simple and fee simple analysis.

Extraordinary Assumption

This appraisal is based on the extraordinary assumption of the subject property, as outlined in the Executive Summary Section of this report.

Property Rights Appraised

The value opinion reflects the **Fee Simple Interest** in the subject property, as defined below:

Fee Simple Estate is defined by *The Dictionary of Real Estate Appraisal*, 4th Ed published by the Appraisal Institute, 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."*

Leased Fee Estate is defined by *The Dictionary of Real Estate Appraisal*, 4th Ed published by the Appraisal Institute as "*An ownership interest held by a landlord with rights of use and occupancy conveyed by lease to others. The rights of the lessor (the Fee Simple owner) and the lessee are specified by contract terms contained within the lease."*

Value Definition

The real estate was valued under a **market value definition** issued by the United States Treasury Department, Office of Comptroller of the Currency 12 CFR part 34, 34.42 (g); Office to Thrift Supervision (OTS), 12 CFR 564.2 (g); *The Dictionary of Real Estate Appraisal*, 4th Ed published by the Appraisal Institute, 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, 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: a. buyer and seller are typically motivated; b. both parties are well informed or well advised, and each acting in what he considers his own best interest; c. a reasonable time is allowed for exposure in the open market; d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and e. 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."

Terms & Definitions

The Glossary of Terms and Definitions is detailed in Addendum D to this appraisal report, providing definitions for terms that are and may be used in this analysis.

Appraisal Development and Reporting Process

The appraisal process, as presented herein, contains four (4) sections and they are described in greater detail below:

1. The Introduction; which contains data such as the required exposure time, purpose and user
2. The Description of the Area and Property; which contains an identification of the subject property and sets forth the relationship of the surrounding area. The subject site is then described.
3. The Appraisal Analysis and Conclusions, which contain the appraiser's analysis of those factors considered pertinent in the estimation of the value of the subject property, and the conclusions reached as a result thereof. These consist of a discussion of the highest and best use of the subject property followed by the appraisal methodologies, and the Sales Comparison Approach). The Sales Comparison Approach uses the most recent sales and most comparable sales within the vicinity of the subject property. The comparable sales are then adjusted for any measurable differences between the properties recognizable by the market, to indicate a value of the subject property.
4. Addendums (A-G) to the appraisal report contain the Assumptions, Limiting Conditions, Certifications, and Qualifications of the Appraiser.

Scope of the Appraisal

- The appraiser has reviewed underwriting for the tax credit application submitted to the Georgia Department of Community Affairs (DCA).
- Demographics by Site To Do Business and US Census Bureau has also been heavily weighted in this analysis.
- The "as is" effective date of the appraisal is June 8, 2012 which is the date the subject property was inspected. The comparable sales and rental properties were inspected over a multi-week period.
- A tour of the neighborhood including single family subdivisions, multifamily communities, area commercial properties and neighborhood amenities were visited.
- Area vacant land sales were visited throughout the Atlanta MSA including both within Barrow County and surrounding counties.
- City and neighborhood data was compiled by Meridian Advisors from National and Regional surveys, including the published regional analyses, economic reports, Georgia State Forecasting Center, US Census Bureau, and other published documents.
- The appraiser made an analysis of the subject property's 'highest and best use' using area, neighborhood and physical property information.
- In developing the approaches to value, market data from Meridian Advisors' records, subscription research services, county conveyance records and current listings were used. Local realtors, government officials, and investors were also consulted.
- After assembling and analyzing the data defined in this scope of the appraisal, a final estimate of market value was made based on the following approaches of value.

Appraisal Methods Applied

Appraisal Method	Applicability	Use In Report
Cost Approach	Not Applicable	Not Utilized
Income Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized

Exposure Time

Exposure time is not intended to be a prediction of a date of sale, but is a function of price, time, and use, as it is different for various types of real estate and market conditions. Exposure time is the estimated length of time a property has been offered for sale and therefore is a retrospective estimate based on recent past events, assuming an open and competitive market place. Exposure time is based on the following:

- Information gathered through comparable sales investigation;
- Statistical analysis regarding days on market; and
- Interviews of brokers and investors.

The following conclusions of exposure time published by PriceWaterhouseCoopers LLP (PWC) are supported by market participants that indicate a wide range of market exposure required. The PWC report formerly known as the Korpacz Survey is highly regarded as an industry trend on prospective conditions. Many participants refused to give a guess of specific terms, as they indicated it would depend on finding that unique user given the subject property uniqueness.

Given that it is not financially feasible to construct almost all improvements at this time, there is very little demand for vacant property. Investing in vacant property requires often a cash investor without any financing to carry the vacant property for an unknown period of time. The carry cost of annual real estate taxes and cost of capital can be significant. In comparison, investing in improved properties as studied in the PWC study are assets that can be leveraged with financing and have immediate income potential without the uncertainty of vacant land investing. As such, the time historically required for vacant land investing is significantly longer than the time needed to attract an investor for an existing improved property. As such, the marketing time can be many times the length noted in the following PWC table. The investor statements within the WPC survey support a wide range of one (1) to eighteen (18) months to attract an investor.

Average Marketing Time

	Apartments (Conventional/ Market Rate) (Southeast Region)	Strip Shopping Center (National)	Power Center (National)	Office (Atlanta)	Flex/ R&D (National)	Warehouse (National)
Range (In Months):	1-18	2-18	3-12	2-15	2-18	1–18
Average (In Months):	6.00	7.05	6.09	7.92	7.83	6.71
Year Ago (In Months):	1-18	2-18	3-18	2-15	2-18	2-18

Source: PriceWaterhouseCoopers LLP Real Estate Investor Survey 1stQ 2012

The average exposure time required to attract a purchaser over the last year has significantly improved since the year 2010, as more buyers are returning to the market, and most residential and multifamily land has required an exposure time of between twelve (12) to forty-eight (48)months.

Marketing Time

Marketing time is the number of months a prospective investor would forecast to sell the subject property immediately after the effective date of value and is essentially a measure of the perceived risk associated with

the marketability or liquidity of the subject property. The marketing time is typically based primarily on data used in estimating the exposure time, along with views of the anticipated changes in market conditions. As of the effective date of the appraisal report, the marketing time based on the pricing indicated is estimated to be between twelve (12) to thirty-six (36) months.

DESCRIPTION OF THE AREA AND PROPERTY

Regional Area Analysis

The subject property is located in Barrow County and is within three (3) miles of Gwinnett County, which is one (1) of the principal counties of the Atlanta-Sandy Springs Metropolitan Statistical Area ("MSA"). Barrow County contains one percent (1%) of the overall MSA's population and two percent (2%) of the land area. The County seat is Winder, which had a population count of 10,201 in the year 2000. The City of Winder, like many communities in the area, was developed along a rail line. Other municipalities located within Barrow County include Auburn, Carl, Bethlehem, and Statham, as noted on the map below.

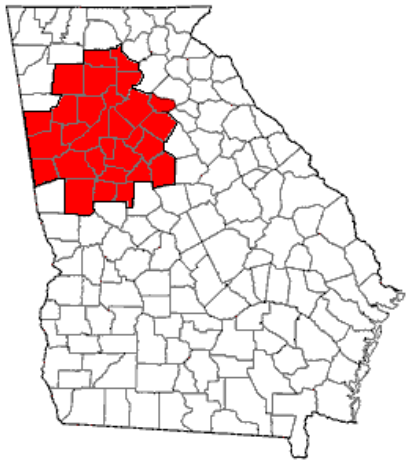
Barrow County's Location within Georgia

Barrow County Map

Barrow County is a Northeastern suburb of the Atlanta MSA, and has experienced more than a fifty percent (50%) population growth rate since the year 2000. Barrow County is home to the corporate headquarters of Duckhead Apparel, which as recent as the 1940's; has made Barrow County known to be the work clothing capitol of the world. However, in recent decades Barrow County has diversified and now serves as home to the Chateau Elan Resort, Yokohama Tire Corporation, Harrison Poultry, and Johns-Manville.

Because of its low cost of living, high-quality of life, stable and growing employment base and mild weather, the Atlanta MSA has enjoyed rapid immigration. The latest edition of "Cities Ranked and Rated", ranked the Atlanta MSA as number seven (7) of the best areas in the nation, and as a result, businesses have historically been drawn due to the low business costs, highly–skilled workforce and excellent transportation infrastructure. A 2006 "Competitive Alternatives" study by KPMG rated Atlanta as the least costly large US city in which to conduct business, this factor along with plentiful land have led to rapid growth well above national and even regional averages.

Atlanta MSA Location



Atlanta-Sandy Springs MSA
(Shaded Area Counties Added To MSA in 2003)

Based on the year 2000 Census, the Atlanta MSA was redefined in the year 2003 by the Census Bureau, resulting in the addition of eight (8) counties, which are mostly to the southern fringe of the prior twenty (20) County MSA, as illustrated in the map to the left.

Note: The City of Atlanta near the center consists of only two percent (2%) of the region's land area, ten percent (10%) of the population, and twenty percent (20%) of the employment. The City of Atlanta is located primarily in Fulton County, with a small portion extending into DeKalb County to the east.

The following "Population, Area, and Density by County" table below outlines the Atlanta-Sandy Springs MSA population by county and compares it to the City of Atlanta, State of Georgia, and the overall US. The Atlanta MSA's population is now estimated at 5,611,180 people according to *the Site To Do Business*. Atlanta's population has grown tremendously since the year 1990, when the population was near three (3) million people, which reflects an eighty-three percent (83%) increase. STDB estimates that by the year 2015, the Atlanta MSA's population will have doubled since the year 1990.

The Atlanta MSA has been one of the fastest growing MSAs between the 2000-2010 decade, which posted in-migration gains of more than 130,000 new residents per year over most of that decade. However, as unemployment rates increased, in-migration population gains diminished, and by the year 2009, the annual Atlanta MSA growth rate diminished to only 30,000 per year. In-migration growth rates greater than the national average are anticipated, which will likely be fueled by a mix of both an economic recovery resulting in more new employment opportunities, as well as good quality, fairly new and very affordable housing opportunities.

The primary core counties in the Atlanta-Sandy Springs MSA that have a county population of greater than 700,000 residents, include Fulton, Gwinnett, DeKalb and Cobb Counties, and together they contain approximately sixty percent (60%) of the MSA's total population. Of these larger four (4) primary counties, Gwinnett County grew the most during the last decade, with more than a forty percent (40%) population gain. Of the smaller counties within the MSA, Forsyth, Henry and Paulding Counties have had growth rates over the last decade of more than seventy percent (70%), or more than seven (7) times the National growth rate. However, each of these counties with robust population growth has had individual county populations of less than 200,000 in the base year of 2010.

Population, Area and Density by County
With Comparisons of the City of Atlanta, Georgia & United States Comparisons
(Sorted by 2010 Population)

County	Percent of Total As of 2010	Population 1990	2000	2010	2015 Projection	Total Change 2000-2010	% Change 2000-10
Atlanta 28 County MSA							
Fayette	2.0%	62,415	91,263	110,230	114,851	18,967	20.8%
Cobb	12.8%	447,745	607,751	717,088	757,711	109,337	18.0%
Gwinnett	14.8%	352,910	588,448	832,544	915,734	244,096	41.5%
Cherokee	4.0%	90,204	141,903	226,288	258,355	84,385	59.5%
Henry	3.7%	58,741	119,341	206,271	239,672	86,930	72.8%
Fulton	18.7%	648,951	816,006	1,047,825	1,171,458	231,819	28.4%
Rockdale	1.6%	54,091	70,111	87,399	94,071	17,288	24.7%
Douglas	2.4%	71,120	92,174	137,318	160,572	45,144	49.0%
DeKalb	13.6%	545,837	665,865	761,542	805,650	95,677	14.4%
Clayton	5.0%	182,052	236,517	283,358	302,571	46,841	19.8%
"Core" 10		2,514,066	3,429,379	4,409,863	4,820,645	980,484	28.6%
% of 28-county		82%	81%	79%	78%		71.9%
Forsyth	3.2%	44,083	98,407	181,851	224,294	83,444	84.8%
Paulding	2.6%	41,611	81,678	143,287	165,231	61,609	75.4%
Coweta	2.3%	53,853	89,215	129,842	147,717	40,627	45.5%
Walton	1.6%	38,586	60,687	90,279	103,806	29,592	48.8%
Barrow	1.3%	29,721	46,144	74,224	86,243	28,080	60.9%
Newton	1.9%	41,808	62,001	104,828	120,527	42,827	69.1%
Bartow	1.8%	55,911	76,019	99,484	108,778	23,465	30.9%
Carroll	2.1%	71,422	87,268	117,730	128,475	30,462	34.9%
Spalding	1.2%	54,457	58,417	64,848	66,949	6,431	11.0%
Other*	3.5%	123,907	158,766	194,944	207,541	36,178	22.8%
"External" 18	21.4%	555,359	659,836	1,201,317	1,359,561	541,481	82.1%
% of 28-county		18%	16%	21%	22%		39.7%
28-County MSA	100.0%	3,069,425	4,247,981	5,611,180	6,180,206	1,363,199	32.1%
Atlanta (City)		391,646	416,474	505,580	554,229	89,106	21.4%
Georgia		6,478,216	8,186,453	10,014,045	10,762,778	1,827,592	22.3%
United States (000s)		248,709	281,421	311,212	323,209	29,791	10.6%

** Consists of Butts, Dawson, Haralson, Heard, Jasper, Lamar, Meriwether, Pickens & Pike Counties.*
Source: Site To Do Business

The following "Household and Housing" table below compares data for each county, the City of Atlanta, the State of Georgia, as well as regional comparisons. This data series reveals that the average number of persons per household for Fulton County of 2.51, which includes the City of Atlanta, is notably smaller than the National average of 2.59. The Fulton County smaller household size of 2.51 persons is the result of the City of Atlanta having typical urban center demographics of a larger percentage of singles, young couples, and empty nesters. The Atlanta MSA has an average of 2.8 persons per household reflecting a large concentration

of families in the MSA suburbs. This data series also revealed, with the exception of the City of Atlanta and corresponding Fulton County containing the incorporated City of Atlanta, that most every county had a rate of homeownership of one and half(1.5) to two (2) times the average for the Nation. Due to the region's rapid growth rate, twice the percent of new homes in the Atlanta MSA have been constructed since the year 1980, when compared to the overall Nation. Also, most of these newly constructed homes consist of single-family detached structures representing approximately ten percent (10%) more of the housing stock than the state average and fourteen percent (14%) more than the national average.

Household & Housing
With Comparisons of the City of Atlanta, Georgia & United States
(Sorted By Number of 2010 Households)

County	Households					Persons /HH	% Built 1980-2000	% 1 Unit Detached	Owner Occupied
	1990	2000	2010	2015 Projection	Change 2000-2010				
Atlanta 28 County MSA									
Fayette	21,054	31,524	38,170	39,797	21.1%	2.87	76%	85%	78%
Cobb	171,288	227,487	264,416	278,777	16.2%	2.67	61%	66%	61%
Gwinnett	126,971	202,317	280,050	306,781	38.4%	2.94	76%	72%	66%
Cherokee	31,309	49,495	80,126	91,732	61.9%	2.81	73%	85%	76%
Henry	20,012	41,373	71,726	83,476	73.4%	2.92	79%	83%	76%
Fulton	257,140	321,242	404,800	452,766	26.0%	2.51	41%	49%	44%
Rockdale	18,337	24,052	29,723	31,984	23.6%	2.90	58%	77%	67%
Douglas	24,277	32,822	48,118	56,231	46.6%	2.83	58%	75%	67%
DeKalb	208,690	249,339	283,372	299,654	13.6%	2.63	39%	58%	51%
Clayton	65,523	82,243	96,275	102,318	17.1%	2.90	48%	62%	51%
"Core" 10	944,601	1,261,894	1,596,776	1,743,516	26.5%	2.80	61%	71%	64%
% of 28-county	82.8%	84.4%	78.8%	78.2%					
Forsyth	15,938	34,565	63,003	77,434	82.3%	2.87	80%	87%	80%
Paulding	14,326	28,089	50,696	59,248	80.5%	2.81	74%	86%	78%
Coweta	18,930	31,442	45,527	51,811	44.8%	2.83	65%	82%	70%
Walton	13,433	21,307	31,307	36,029	46.9%	2.86	62%	78%	68%
Barrow	10,676	16,354	26,193	30,414	60.2%	2.81	61%	74%	70%
Newton	14,401	21,997	36,911	42,491	67.8%	2.80	59%	81%	69%
Bartow	20,091	27,176	35,658	39,022	31.2%	2.76	60%	70%	68%
Carroll	25,370	31,568	42,749	46,770	35.4%	2.66	51%	68%	61%
Spalding	19,426	21,519	24,135	25,017	12.2%	2.64	38%	71%	55%
Other*	43,651	58,243	72,723	77,883	24.9%	2.61	52%	70%	65%
"External" 18	196,242	234,017	428,902	486,119	83.3%	2.77	60%	76%	69%
% of 28-county	17.2%	15.6%	21.2%	21.8%					
28-County Total Atlanta	1,140,843	1,495,911	2,025,678	2,229,635	35.4%	2.79	61%	74%	66%
Atlanta (City)	154,916	168,147	203,701	224,751	21.1%	2.33	20%	43%	34%
Georgia	2,366,615	3,006,369	3,661,527	3,938,063	21.8%	2.66	50%	64%	58%
United States	91,947,410	105,480,101	116,761,140	121,359,604	10.7%	2.59	33%	60%	37%

** *Consists of Butts, Dawson, Haralson, Heard, Jasper, Lamar, Meriwether, Pickens & Pike Counties.*
Source: Site To Do Business

The Atlanta MSA's higher than National average share of housing constructed since the year 1980 is due to large amounts of in-migration and a more transient population, which is reflected in the average length of residency for the MSAs Core Counties on average having higher median incomes, a larger percentage of the population that completed a bachelor degree or higher, and more white-collar jobs.

When compared to US averages, the Atlanta MSA's median income is approximately $11,400 higher than the National average. Approximately two percent (2%) less of the Atlanta MSA's population has a bachelor's degree or higher, than what is average for the Nation, however they have approximately the same percentage of white collar employment.

Forsyth County near the northern boundary of the MSA is noted to have the highest median household income in the MSA with a median household income of $95,906. Fayette County, which is a suburban county located near the southern edge of the MSA, is noted to have the second (2nd) highest median household income in the MSA with $91,522. The counties with the next to highest household income consist of Cherokee and Gwinnett Counties, which are considered to be suburban core counties within the MSA. Fulton and DeKalb Counties, which include the City of Atlanta, have median incomes greater than both the State of Georgia, and the United States average.

Household Income, Education & Age
With Comparison of the City of Atlanta, Georgia & United States
(Sorted By Income)

County	Median Income	% > BS/BA Degree	% White Collar	Median Age
Atlanta 28 County MSA				
Fayette	91,522	40%	70%	41
Cobb	76,904	43%	74%	35
Gwinnett	81,904	36%	72%	34
Cherokee	79,810	31%	68%	36
Henry	72,468	23%	64%	36
Fulton	65,588	41%	72%	35
Rockdale	65,496	28%	63%	38
Douglas	62,750	23%	63%	35
DeKalb	64,601	39%	69%	34
Clayton	54,664	18%	56%	31
"Core" 10	71,571	32%	67%	35
Forsyth	95,906	39%	72%	35
Paulding	70,088	18%	60%	34
Coweta	66,939	24%	60%	36
Walton	58,612	16%	56%	36
Barrow	56,426	14%	54%	35
Newton	58,431	18%	55%	36
Bartow	53,919	18%	54%	36
Carroll	47,794	21%	55%	35
Spalding	45,217	16%	52%	37
Other*	46,826	15%	50%	39
"External" 18	60,016	20%	57%	36
28-County Total Atlanta	65,793	26%	62%	36
Atlanta (City)	47,426	41%	67%	34
Georgia	56,184	28%	62%	35
US	54,442	28%	62%	37

*** Consists of Butts, Dawson, Haralson, Heard, Jasper, Lamar, Meriwether, Pickens & Pike Counties.*
Source: Site To Do Business

Cobb County has the highest percentage of the population that has earned a bachelor's degree or higher, with forty-three percent (43%), and Fayette, DeKalb, Fulton, and Forsyth report that at least thirty-nine percent (39%) of their population have earned a bachelor's degree or greater. Cobb County has the highest percent of white collar employment, with seventy-four percent (74%); however, Fayette, Gwinnett, Fulton and Forsyth each report white collar employment of greater than seventy percent (70%).

Employment

The following "Employment Trends & Forecast" table below outlines the unemployment rates for the State of Georgia, Atlanta MSA, as well as most of the major MSA's in the State of Georgia. According to the Labor Department's Bureau of Labor Statistics ("BLS"), the National unemployment rate was 8.5% in December of 2011, which is the lowest level of unemployment in approximately three (3) years. While the unemployment rate has improved, many economists have raised concerns that the decrease is due in part to reductions in the labor participation rate. As job availability increases, previously discouraged workers re-enter the work force statistical counts, as they begin active job hunting. The Atlanta's MSA and State of Georgia have had unemployment rates of approximately one hundred (100) basis points greater than the national average for several years.

The Cities of Augusta, Dalton, Gainesville, Savannah and Valdosta had employment losses of greater than one percent (1%) during the year 2011, as measured by comparing the Fourth Quarter (4th Q) of 2010 to the Fourth Quarter (4th Q) of 2011. Only Albany, Columbus and Macon had positive growth, but each had moderate growth of less than one percent (1%) during the year 2011. The trends in these cities are also noted to be very inconsistent, as in the year 2010 the winners and losers were very different than in the year 2011.

In the year 2010, it was the Cities of Athens, Dalton and Macon which had continued to experience employment losses of greater than one percent (1%), while only the cities of Augusta and Savannah had positive employment growth of near one percent (1%). Between the years 2010 to 2011, Dalton had been consistent with the highest level of employment losses in the State, which experienced a 7.3% decline in employment since the year 2009, and Dalton's unemployment rate had averaged approximately twelve percent (12%) in the last two (2) years.

Georgia State and MSA Areas Employment Trends & Forecast

Geographic Area	Employment ('000)		Employment Growth (%)				Unemployment Rate *			Employment Growth Forecast (%)	
	2010	2011	2010	2011	2010-Q4	2011-Q4	2009-Q4	2010-Q4	2011-Q4	2012	2013
Georgia	**3,816.6**	**3,812.0**	**-1.6**	**-0.4**	**-0.1**	**-0.6**	**10.3**	**10.4**	**9.7**	**0.0**	**0.8**
Albany	62.0	61.5	-0.1	1.4	0.5	0.4	10.7	10.9	10.2	0.1	1.1
Athens	80.3	80.7	-0.4	1.0	-1.1	-0.4	7.8	7.9	7.4	0.2	1.0
Atlanta	2,259.2	2,240.4	-1.4	-0.8	0.1	-0.6	10.1	10.2	9.7	0.2	0.9
Augusta	210.8	208.0	0.8	-1.1	0.9	-1.4	9.6	9.1	9.1	0.0	1.6
Columbus	117.1	117.9	-0.3	0.5	-0.2	0.8	9.6	9.5	9.1	1.0	1.6
Dalton	65.2	64.9	-1.9	-1.8	-2.5	-4.8	12.5	12.1	11.9	-2.4	0.7
Gainesville	70.7	72.1	-1.5	-0.1	-0.6	-1.4	9.6	9.2	8.1	0.2	1.1
Macon	95.3	95.9	-1.4	1.0	-1.3	0.8	10.1	10.4	9.9	0.6	1.2
Savannah	151.1	149.0	-0.2	-0.2	1.0	-1.5	8.8	9.3	9.0	-0.4	2.1
Valdosta	53.1	51.7	-1.5	-1.4	-0.5	-1.4	8.7	8.9	8.9	0.2	1.1
Warner Robins	59.1	59.7	0.4	-0.3	-0.2	-0.8	7.4	7.9	7.5	0.1	0.5

** Seasonal Adjustment done by the Economic Forecasting Center*
Source: History from the Bureau of Labor Statistics; Forecast done by the Economic Forecasting Center

The following "Quality of Job Growth" table below indicates overall job declines in nearly every category in several of the geographic areas studied. Education & Health, Federal Government and Computer Science were notable exceptions, and are the few categories that have added jobs since the year 2007. This data series

reveals that twenty-three percent (23%) of the job losses since the year 2007 in the State of Georgia and the Atlanta MSA were in construction. Nationally, manufacturing can be traced to approximately thirty percent (30%) of the job losses, which is greater than the manufacturing percent impact on job losses locally. Within the State of Georgia, manufacturing job losses have contributed to approximately twenty-one percent (21%) in the State and only 11.65% of the Atlanta MSA's employment losses, reflecting the smaller number of manufacturing jobs in the region.

The rate of job losses in the retail sector has been more consistent between the National and local comparisons, especially when compared to manufacturing. Approximately twelve percent (12%) of all job losses in the Nation, State of Georgia and the Atlanta MSA can be traced to layoffs in the retail sector. Local government in the State and in the Atlanta MSA have contributed to more than ten percent (10%) of the layoffs since the year 2007, while Nationally, local government has contributed approximately eight percent (8%) to the overall number of job declines since the year 2007.

Quality of Job Growth

NAICS *	Annual	US		Georgia			Atlanta		
	Atlanta Wage **	Since Dec-07	Last 6 Months	Since Dec-07	% Of Change Since 07	Last 6 Months	Since Dec-07	% Of Change Since 07	Last 6 Months
Total Non-Farm Employ	**$44,200**	**(5,941,000)**	**853,000**	**(350,706)**	**100.0%**	**(13,479)**	**(213,330)**	**100.0%**	**2,122**
Premium (Wage) Jobs	**$73,700**	**(1,507,800)**	**97,100**	**(95,519)**	**27.2%**	**8,565**	**(52,735)**	**24.7%**	**6,845**
Air Transportation	$110,800	(30,500)	(4,200)	109	0.0%	286	1,132	-0.5%	343
Management of Companies	$98,600	(4,300)	16,700	(814)	0.2%	770	(1,240)	0.6%	288
Utilities	$84,600	(500)	4,100	29	0.0%	114	(817)	0.4%	(251)
Computer Systems	$83,600	91,500	19,500	8,422	-2.4%	3,792	7,860	-3.7%	2,826
Mgmt, Science & Tech	$80,500	73,200	28,800	(2,257)	0.6%	194	(833)	0.4%	346
Information	$75,300	(363,000)	(24,000)	(12,606)	3.6%	(1,640)	(10,104)	4.7%	(1,142)
Telecommunications	$72,100	(189,700)	(30,300)	(4,452)	1.3%	(722)	(1,123)	0.5%	125
Acct & Related Services	$70,000	(4,400)	15,200	1,456	-0.4%	(274)	1,710	-0.8%	632
Finance & Insurance	$68,800	(382,500)	6,500	(22,607)	6.4%	1,178	(18,409)	8.6%	(1,801)
Wholesale Trade	$62,300	(451,500)	21,200	(25,080)	7.2%	(1,551)	(15,067)	7.1%	1,528
Federal Government	$50,800	65,000	(12,000)	7,156	-2.0%	3,402	1,344	-0.6%	1,659
Trans & Warehousing	$50,400	(217,900)	61,800	(10,115)	2.9%	(1,643)	(2,586)	1.2%	93
Manufactoring	$50,300	(1,866,000)	66,000	(73,738)	21.0%	(2,912)	(24,846)	11.6%	1,141
Mid-Range (Wage) Jobs	**$43,775**	**(1,481,400)**	**333,000**	**(141,455)**	**40.3%**	**(9,768)**	**(94,080)**	**44.1%**	**2,623**
Real Estate, Leasing	$47,600	(200,900)	8,100	(13,519)	3.9%	(3,113)	(12,813)	6.0%	(2,370)
Education & Health	$46,800	1,496,000	243,000	30,607	-8.7%	4,810	17,442	-8.2%	3,124
Government	$43,200	(474,000)	(78,000)	(39,126)	11.2%	(8,150)	(21,969)	10.3%	(2,772)
Construction	$37,500	(1,858,000)	22,000	(78,839)	22.5%	(3,369)	(49,814)	23.4%	(400)
Low-Range (Wage) Jobs	**$26,950**	**(1,586,600)**	**382,200**	**(102,954)**	**29.4%**	**(4,338)**	**(72,629)**	**34.0%**	**(2,145)**
Admin & Support	$33,400	(493,000)	94,900	(29,306)	8.4%	(1,985)	(22,933)	10.8%	(935)
Other Services	$28,000	(78,000)	11,000	(9,557)	2.7%	(3,913)	(7,144)	3.3%	(1,547)
Retail Trade	$25,200	(818,600)	136,300	(40,978)	11.7%	3,550	(25,427)	11.9%	4,216
Leisure & Hospitality	$21,200	(197,000)	140,000	(22,553)	6.4%	(1,942)	(15,431)	7.2%	(2,737)

* *All calculations are based on seasonally adjusted monthly data.*

** *Annual Atlanta wages from May 2008 Metropolitan and Non-Metropolitan Area Occupational Employment and Wage Estimates, Bureau of Labor St*

Source: Compiled By Forecast done by the Economic Forecasting Center

Several major private National and International companies are headquartered in the Atlanta MSA, along with ten (10) Fortune 500 companies including: Delta Airlines ranked Number Eleven (11), The Home Depot ranked number Twenty-Five (25), United Parcel Service (UPS) ranked Number Forty –Three (43), The Coca-Cola Company ranked Number Seventy-Three (73), The Southern Company ranked Number 149, SunTrust Banks ranked Number 211, Genuine Parts ranked Number 247, ARCO ranked Number 306, Newel Rubbermaid ranked Number 387, and Ashbury Automotive Groups ranked Number 486.

Delta Airlines is the largest private employer in Atlanta with over 21,000 employees. Other significant institutions located in the Atlanta MSA include Federal Reserve Bank, which is located in Midtown Atlanta and is responsible for monetary policy and bank regulation for much of the Southeast US. Other major regional employers in the Atlanta MSA include Emory University and Emory Healthcare, which together employ 21,000 people; AT&T, which has approximately 20,500 employees; and the Centers for Disease Control and Prevention (CDC), which has approximately 6,590 employees.

Other headquarters located within the Atlanta Metro area include: Arby's, Chick-fil-A, Cox Enterprises, Earthlink, Equifax, Georgia-Pacific, Oxford Industries, RaceTrac Petroleum, and Waffle House. Atlanta is also known as a major cable television programming center with Turner Broadcasting System's CNN and WTBS among its ten (10) networks employing 6,770. The Weather Channel, which is owned by NBC-Universal, along with a variety of music, television and media production credits Atlanta as in the top five (5) media cities in US.

Fortune 500 Companies Located In Atlanta MSA

2008 Rank	Company Name	# of Atlanta Employees
22	Home Depot	13,000
46	United Parcel Service	10,000
83	Coca Cola Co	4,700
118	Coca Cola Enterprises	10,824
129	Delta Air Lines	21,000
166	Southern Co	5,500
193	Suntrust Banks	7,700
243	Genuine Parts (NAPA)	NA
359	AGCO	NA
378	Newell Rubbermaid	550

Source: Fortune Magazine; May 2008

Transportation Infrastructure

High-quality transportation infrastructure has been a significant factor in fueling the regional growth of the Atlanta MSA. Interstate Highways 20, 75 and 85 provide direct access to markets throughout the Nation, which is a major factor supporting the metro area's role as a warehousing/distribution center. Along with those interstates, the sixty-four (64)-mile Interstate 285 encircles Atlanta, linking Highways 20, 75, and 85, which provide access between outlying suburban areas, along with complementing parkways and interstate legs. These roadways have led to a relatively low-density community spread across twenty-eight (28) counties, with some of the longest commuting times nationally. A second component of Atlanta's transportation infrastructure within the MSA is the Metropolitan Atlanta Rapid Transit Authority (MARTA) system. Via bus or rapid rail, MARTA transports some 450,000 passengers daily in its 550-bus/120 mile bus route system, complemented by its 338-rail car/forty-eight (48)-mile rail systems.

Atlanta's Hartsfield-Jackson International Airport, which is the world's busiest airport, both in terms of passenger traffic and aircraft operations, is the "crown jewel" of Atlanta's transportation infrastructure array. It is also a primary driver of economic growth in both the MSA and the State of Georgia as a whole, with nearly ninety (90) million air passengers per year, and much of that being rapidly growing international traffic. The airport is currently going through a 1.2 million square foot expansion with a new international terminal and a consolidated rental car facility totaling $6 billion in capital improvements.

Over half (1/2) of the passengers flying through Atlanta are flying on Delta and nearly twenty percent (20%) on AirTran, which are both headquartered in the MSA. Atlanta is also served by six (6) private airports. The Atlanta based Delta Airlines, which merged with Northwest Airlines in the year 2009, is now the world's largest airline.

Atlanta began as a railroad town and still serves as a major rail junction, with freight lines belonging to CSX and Norfolk Southern. Atlanta also provides long-distance passenger service on a line from New Orleans to New York on Amtrak's Crescent.

Tourism & Cultural

With nearly thirty-seven (37) million visitors annually and direct spending of approximately $11.4 billion (DK Shifflet and Assoc.), tourism is an important component to the Atlanta MSA economy. The Atlanta-Sandy Springs MSA has 92,000 hotel rooms, making it the fifth (5th) largest hotel market in the country. As eighty percent (80%) of the US population is within a two (2) hour flight of Atlanta, it is convenient to both business and leisure travelers, with leisure travelers accounting for sixty-five percent (65%) of those visiting the MSA. Major facilities include The Georgia World Congress Center, with 1.4 million SF, making it the fourth (4th) largest exhibit space in the country. Additionally, the Georgia Dome, the Atlanta Merchandise / Apparel / Gift Mart complex, the Cobb/Galleria Center, and the Gwinnett Civic and Cultural Center provide convention and exhibit space.

Atlanta features the world's largest indoor aquarium, The Georgia Aquarium, which opened to the public in the year 2005, and the World of Coca-Cola which reopened at a new location in the year 2007, and is now next to The Georgia Aquarium. This same area, which encircles Centennial Olympic Park, also offers Inside CNN, and The Children's Museum of Atlanta, Imagine It!. Atlanta hosts a variety of museums on subjects including history, fine arts, and natural history, as well as a zoo.

Atlanta is also home to three (3) major league sports: The Atlanta Braves of Major League Baseball, Atlanta Falcons of the National Football League, and the Atlanta Hawks of the National Basketball Association. Together they add to the cultural fabric of the community, as well as a boost in the area's reputation as a tourism destination. Tourism spending was up two percent (2%) for the year 2011 versus the year 2010.

Education

Atlanta has more than thirty (30) institutions of higher education including the Georgia Institute of Technology, which has been ranked in the top ten (10) public universities since the year 1999, as well as Georgia State University. The Atlanta University Center, which is the largest consortium of historically black colleges, includes Clark, Morehouse, and Spelman and is spread across campuses in close proximity to each other near downtown Atlanta. Also located in the Atlanta area is Emory University, which is an internationally prominent liberal arts and research school and is ranked as one (1) of the top twenty (20) schools by US News and World Report. The University of Georgia is located in nearby Athens, GA and it also has satellite campuses in the Atlanta area.

Building Permits

In most geographic areas, the number of annual building permit starts peaked in the year 2005, as noted in the following "Metro Atlanta & US Housing Permits with Forecast" table below. A housing slow-down due to over-building over the prior several years produced a significant slowdown in housing starts in most areas by the year 2006, and by the year 2009, new construction starts reached record volume lows. Nationally, new single-family home starts by the year 2009 had decreased by approximately seventy-four percent (74%) from

the year 2005, in comparison to the Atlanta MSA, which had single family home starts decrease by approximately ninety-one percent (91%).

Metro Atlanta & US Housing Permits With Forecast

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Core Counties - Cobb, DeKalb, Fulton and Gwinnett											
Total Permits	40,981	38,424	36,473	25,174	11,515	3,098	3,784	5,160	6,019	7,226	8,992
% Change	24.3	-6.2	-5.1	-31.0	-54.3	-73.1	22.1	36.4	16.6	20.1	24.4
Single Family	26,576	27,901	23,566	12,899	5,069	2,073	2,929	3,010	3,175	3,571	4,186
% Change	10.9	5.0	-15.5	-45.3	-60.7	-59.1	41.3	2.8	5.5	12.5	17.2
Multifamily	14,405	10,523	12,907	12,275	6,446	1,025	855	2,150	2,844	3,655	4,806
% Change	59.8	-26.9	22.7	-4.9	-47.5	-84.1	-16.6	151.5	32.3	28.5	31.5
Northern Counties - Cherokee, Forsyth and Pickens											
Total Permits	7,634	8,292	8,838	5,378	2,502	1,270	1,695	1,685	1,756	1,990	2,308
% Change	1.0	8.6	6.6	-39.1	-53.5	-49.2	33.5	-0.6	4.2	13.3	16.0
Single Family	7,220	8,170	8,019	5,359	2,279	1,270	1,595	1,658	1,705	1,919	2,216
% Change	3.8	13.2	-1.8	-33.2	-57.5	-44.3	25.6	3.9	2.8	12.6	15.5
Multifamily	414	122	819	19	223	0	100	27	51	71	92
% Change	-31.2	-70.5	571.3	-97.7	1073.7	-100.0	0.0	-73.0	88.9	39.2	29.6
I-20 Counties - Carroll, Douglas, Paulding, Newton and Rockdale											
Total Permits	9,933	10,109	9,306	5,010	1,889	643	584	519	592	664	803
% Change	-1.8	1.8	-7.9	-46.2	-62.3	-66.0	-9.2	-11.1	14.1	12.2	20.9
Single Family	9,608	9,873	9,146	4,994	1,578	635	474	417	458	505	593
% Change	-1.8	2.8	-7.4	-45.4	-68.4	-59.8	-25.4	-12.0	9.8	10.3	17.4
Multifamily	325	236	160	16	311	8	110	102	134	159	210
% Change	0.3	-27.4	-32.2	-90.0	1843.8	-97.4	1275.0	-7.3	31.4	18.7	32.1
Metro South Counties - Clayton, Coweta, Fayette, Henry and Spalding											
Total Permits	10,322	9,429	8,456	5,761	1,987	936	1,019	906	977	1,074	1,302
% Change	-2	-8.7	-10.3	-31.9	-65.5	-52.9	8.9	-11.1	7.8	9.9	21.2
Single Family	8,891	9,202	8,206	4,635	1,724	924	1,019	840	878	948	1,132
% Change	-6.5	3.5	-10.8	-43.5	-62.8	-46.4	10.3	-17.6	4.5	8.0	19.4
Multifamily	1,431	227	250	1,126	263	12	0	66	99	126	170
% Change	39.5	-84.1	10.1	350.4	-76.6	-95.4	-100.0	0.0	N/A	27.3	34.9
All Atlanta Metropolitan Counties											
Total Permits	72,679	70,419	66,620	43,595	18,730	6,275	7,333	8,504	9,594	11,233	13,747
% Change	11.5	-3.1	-5.4	-34.6	-57.0	-66.5	16.9	16.0	12.8	17.1	22.4
Single Family	56,005	59,253	52,376	30,049	11,475	5,166	6,206	6,087	6,379	7,123	8,338
% Change	4.1	5.8	-11.6	-42.6	-61.8	-55.0	20.1	-1.9	4.8	11.7	17.1
Multifamily	16,674	11,166	14,244	13,546	7,255	1,109	1,127	2,417	3,215	4,110	5,409
% Change	46.6	-33.0	27.6	-4.9	-46.4	-84.7	1.6	114.5	33.0	27.8	31.6
United States (Rounded In Thousands)											
Total Permits	2,070,100	2,155,300	1,838,900	1,398,400	905,400	583,000	604,600	610,700			
% Change	18.4	4.1	-14.7	-24.0	-35.3	-35.6	3.7	1.0			
Single Family	1,613,400	1,682,000	1,378,200	979,900	575,600	441,100	447,300	413,600			
% Change	21.0	4.3	-18.1	-28.9	-41.3	-23.4	1.4	-6.2			
Multifamily	456,700	473,300	460,700	418,500	329,800	141,900	157,300	197,100			
% Change	10.0	3.6	-2.7	-9.2	-21.2	-57.0	10.9	38.9			

Source: History from the US Census Bureau: Forecast and cluster calculations done by the Economic Forecasting Center

National multi-family permit starts between the same years 2005 to 2009 were down approximately seventy

percent (70%), while multi-family permits in the Atlanta MSA experienced an approximate ninety-two percent (92%) decrease in housing starts.

Nationally, the housing demand experienced a very moderate recovery since the year 2010 by a combination of low interest rates and significantly more affordable home prices. But with the continuation of historically high rate of unemployment and a significant inventory of distressed properties available for purchase at pricing well below replacement cost, housing starts have remained at very low levels. The Atlanta-Sandy Springs MSA's total number of single family permit starts has increased by approximately eighteen percent (18%) since the year 2009, which is greater than the National rate of improvement of approximately six percent (6%). However Nationally, this rate of improvement is from a higher base year and much of the new construction is occurring where owners and lenders are constructing on heavily discounted lots, due to some form of distressed real estate. An overall improvement in permit starts is expected from the current record low amounts and is projected to be constrained in the near-term by the elevated unemployment. Improvement is anticipated to be inconsistent and vary depending on the extent of oversupply over the next three (3) years, according to the Georgia State University's Economic Forecasting Center, as outlined in the housing permit table.

Residential Home Sales Pricing

Median single family home prices, as reported by the National Association of Realtors (NAR), continue to reflect a pattern of falling values based on the sample of homes that are selling. However, it is likely that the reported median home price statistics overstate the magnitude of value decline, with fewer new home sales in the sample and a larger number of sales now occurring with "As Is" terms, as well as many having significant amounts of deferred maintenance.

While residential home interest rates have remained fairly low for the last several years and have been at even historic low rates of four percent (4%) or less since late in the year 2011, home purchases have not consistently stabilized. Falling residential values have resulted in the loss of most or all of many owners' equity, with regional record high unemployment and an over-supply in many submarkets, it is unclear how the market will truly recover until employment significantly improves.

According to an article written by Misty Williams published in *The Atlanta Journal-Constitution* (AJC) on February 5, 2012 titled *Renting Out Foreclosures*, "Atlanta's nearly 4,600 government-owned foreclosed properties is No. 1 in the nation, far outnumbering those in Phoenix, Las Vegas and other major metro areas hit hard by the housing bust, according to a report last month from the Federal Reserve." As of year-end 2011, Georgia has more than 6,400 government-owned foreclosed homes, second only to California, with nearly 9,000 homes which has nearly four (4) times the population of Georgia. Of course these counts exclude foreclosed properties owned by commercial banks, which is estimated in the article if included, to produce a count near 10,000 real estate owned homes. Awash in foreclosures, metro Atlanta saw home prices plummet in November for the fourth straight month to a thirteen (13)-year lows, according to the widely watched Standard & Poor's Case-Shiller Home Price Indexes. The Case-Shiller index has consistently ranked Atlanta at or near one (1) of the worst performing housing markets of the top twenty (20) largest metropolitan markets in the country. As of November of the year 2011, Cash-Shiller indicated that homes in the Atlanta MSA lost on average over eleven percent (11%) of their value during the prior year and approximately one third since the peak of the market.

Other metro areas are showing initial signs of residential stabilization, while a recovery of the region appears to be lagging behind the national rate of recovery. This is due in part to continued elevated unemployment rates and a significant reduction in in-migration. The rate of newcomers to Atlanta has also declined sharply since the recession when approximately 100,000 new residents annually used to relocate to the region,

according to Atlanta Regional Commission. During the years 2009, 2010 and 2011, the relocation population declined to approximately 30,000 people a year.

Another contributing factor to the high number of foreclosures, is that in the State of Georgia foreclosures don't have to go through the court system like in most other states. The foreclosure process in many states may require one (1) to two (2) years, but in the State of Georgia, it may take only between thirty (30) to forty-five (45) days.

The AJC's article *Renting Out Foreclosures*, indicates roughly sixty percent (60%) of all residential sales in the Atlanta MSA were either foreclosures or short sales. Steve Palm, president of the Marietta-based real estate data firm SmartNumbers is quoted in the article as saying "It's much worse than most [people] can imagine." "We have to find a bottom." Furthermore, the article indicates that roughly twenty-six percent (26%) of all existing home sales in the Atlanta MSA last year were priced below $50,000, compared with just 2.5 percent five years ago, according to the firm.

While all signs suggest that price rules, there is more positive news below the overall metropolitan statistics. An article published in the Atlanta Business Chronicle by Martin Sinderman on June 17, 2011 quotes Jenny Pruitt, CEO and founder of Atlanta Fine Homes Sotheby's International Realty, that some areas are doing better than others with "portions of the metro market that are doing well this year including Buckhead, Midtown, and pockets of East Cobb". Geography-wise, "any section of metro Atlanta that has great schools is strong at this point". Price-wise, homes in the sub-$125,000 price range are also hot commodities in all portions of the metro area. Meanwhile, at the other end of the pricing spectrum, "The over-$1 million price point in Buckhead has also been strong the past few years."

While finished lot inventory leveled off in the spring of the year 2009 at 150,000 lots, according to both SmartNumbers and Metrostudy, new home housing inventory has also diminished with fewer starts and liquidation of existing product. According to First American CoreLogic's loan performance data, as republished by the National Association of Realtors (NAR), it indicates that as of August of the year 2010, 4.3% of the mortgages in the Atlanta MSA were either in foreclosure or have completed the foreclosure process and are owned by banks, etc, which is an increase of 0.4% from February of the year 2010. The same report also indicates that as of August of the year 2010, 8.29% of the mortgages in the Atlanta MSA were ninety (90)-days delinquent, and 9.98% were sixty (60) days delinquent. This is approximately a fifty (50) basis point improvement since February of the year 2010, but is 300 basis points worse than the US average. In the US, approximately 6.5 million homes have gone into foreclosure between the years 2005 and 2009 resulting in a reduction of homeownership from a high of sixty-nine percent (69%) in the year 2004 to near sixty-seven percent (67%) by the year 2010. This trend has resulted in an even larger reduction in Georgia during this same time period. In the year 2004, home ownership in the State of Georgia was 70.9%, which then declined to 67.4% in the year 2010.

The National Association of Realtors (NAR) published the following trends for existing single-family home prices. Based on the NAR analysis of median home prices, the Atlanta MSA has experienced value losses approximately double the percent loss of the overall value loss in the South Region, leaving the median single-family home priced at $98,600 in the Atlanta MSA as of the year 2011.

Atlanta MSA, South Region & US
Single Family Median Home Price
(Dollars In Thousands)

Area	2004	2005	2006	2007	2008	2009	2010	2011	Change 2006-2011	Change 2007-2011
Atlanta	156.9	167.2	171.8	172.0	149.5	123.5	114.8	98.6	-42.6%	-42.7%
South	181.1	183.7	183.7	178.8	169.4	160.0	153.7	149.3	-18.7%	-16.5%
US	195.2	219.0	221.9	219.9	196.6	177.9	173.2	166.2	-25.1%	-24.4%

Source: National Association of Realtors, Median Sales Prices of Existing Single-Family Homes

As of the year 2011, this data series reports a median price of $98,600 based on the sales that are occurring. This relatively low price clearly overstates the magnitude of value decline, but suggest that most sales that are occurring are of distressed real estate. This median home price is a fraction of the former median price of $150,500 in the year 2007 and $153,000 in the year 2006, with a median price decline of 74.6% since the year 2007.

The NAR data suggest that the South Region has lost 16.5% of their value since the year 2007, which had a value as of the year 2011 with a median price of $149,300. This southern region's median price has a value of fifty percent (50%) more than the median price of the Atlanta MSA. Overall the Nation has had a median price decline of 24.4% since 2007, which is a fraction of the value decline of the Atlanta MSA.

The National Association of Realtors (NAR) has not published condominium stats for the Atlanta MSA between the years of 2008 to 2010.

Overall National Economy

"Gross Domestic Product" ("GDP"), or "the output of goods and services produced by labor and property located in the United States", increased at an annualized rate of 1.8% during the Third (3rd) Quarter of 2011. This represents the ninth increase in annualized quarterly GDP since the Third (3rd) Quarter of 2009, continuing the positive trend from the revised Second (2nd) Quarter of 2011 indicating a growth rate of 1.3%. The increase in real GDP is attributed to increases in personal consumption expenditures, exports, and nonresidential fixed investment.

In late November of the year 2008, the Business Cycle Dating Committee of the National Bureau of Economic Research ("NBER") determined that economic activity in the U.S. had peaked in December of the year 2007, and that the economy had then entered a state of recession. In September of the year 2010, the NBER determined that the contraction which began in December of the year 2007 had ended in July of the year 2009. The following "NBER Business Cycle Reference Dates" table below provides perspective concerning NBER business cycles from the Great Depression to the present. The most recent contraction represented the longest of thirteen (13) contractions subsequent to the Great Depression.

NBER Business Cycle Reference Dates (1929 - Present)			
Month & Year of Economic		Duration in Months of	
Peak	Trough	Contraction	Prior Expansion
August 1929	March 1933	43	21
May 1937	June 1938	13	50
February 1945	October 1945	8	80
November 1948	October 1949	11	37
July 1953	May 1954	10	45
August 1957	April 1958	8	39
April 1960	February 1961	10	24
December 1969	November 1970	11	106
November 1973	March 1975	16	36
January 1980	July 1980	6	58
July 1981	November 1982	16	12
July 1990	March 1991	8	92
March 2001	November 2001	8	120
December 2007	June 2009	18	73

The Conference Board ("TCB") reported that the Composite Index of Leading Economic Indicators ("LEI"), the government's primary forecasting gauge, increased 0.9% in November of 2011 to 118.0. The index attempts to gauge economic activity six (6) to nine (9) months in advance. Multiple consecutive moves in the same direction are said to be indicative of the general direction of the economy. The indicators seem to point to expansion in the near term, as the index has increased for twenty (20) out of the last twenty-one (21) months, and there has been general strength among the various leading indicators in recent months.

November's increase in the LEI for the US was widespread among the leading indicators and continues to suggest that the risk of an economic downturn in the near term has receded. Interest rates' spread and housing permits made the largest contributions to the LEI, overcoming a falling average workweek in manufacturing, which reversed its October gain. The LEI also rose on improving employment and personal income, although industrial production fell in November.

Overall Local Economy

The Year 2011 saw some stabilization in many sectors, but concerns over commercial real estate defaults due to weakening fundamentals and the lack of available debt is expected to remain a feature of the local landscape, despite the continued signs of slow stabilization. The impact of the deepest downturn since the Great Depression is expected to continue to loom in the market for some time and will likely result in a slow recovery over the next few years. Layoffs are slowing with employment gains occurring both locally and nationally, however, commercial real estate has remained in a recessionary mode, but has benefited greatly from lower interest rates partially compensating for weaker fundamentals. National commercial real estate research firms such as Costar and REIS generally rank the Atlanta MSA as one of the least desirable markets to invest in, due to its relatively high rate of unemployment and oversupply of inventory in every major property category, with few exceptions in the submarket level.

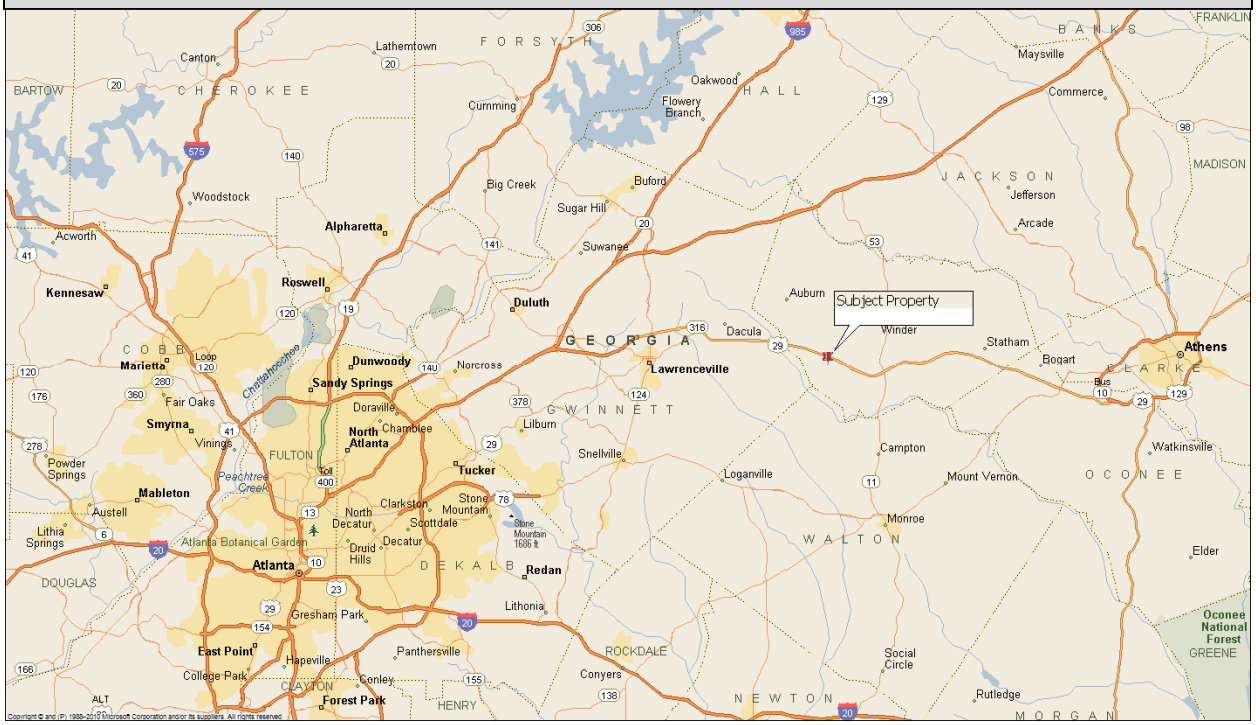
Conclusion

While the so-called Great Recession reached its official end in mid-year 2009, economic growth remains subdued, but relatively optimistic compared to the last few years and the pace of a recovery is likely to remain slow, but with less fear of a double-dip recession. However, with concerns over Europe and many of the international markets, economic growth is expected to remain moderate. Employment is now showing gradual consistent signs of improvement, although unemployment still remains elevated. Also, activity in the housing market remains weak, and the outlook is not expected to improve in the near-term until inventories of unsold new homes and foreclosed homes decline. Consumer spending did pick up in the year 2010, but has since been constrained by tight credit and the weak labor market.

The outlook for the U.S. stock market remains positive, but economists warn there could be continued volatility in the near-term, particularly given the uncertainty in Europe. Many of the problems in foreign economies remain troubling, and Europe's sovereign debt problems and China's inflationary pressures remain a concern. Furthermore, budgetary deficit issues at all levels of the United States government will need to be addressed, and as these issues unfold, they will likely inject a degree of volatility into the markets. The Federal Reserve's outlook concurs with that of many private economists by suggesting that GDP growth is expected to continue, but may be constrained by a weak labor market for some time going forward.

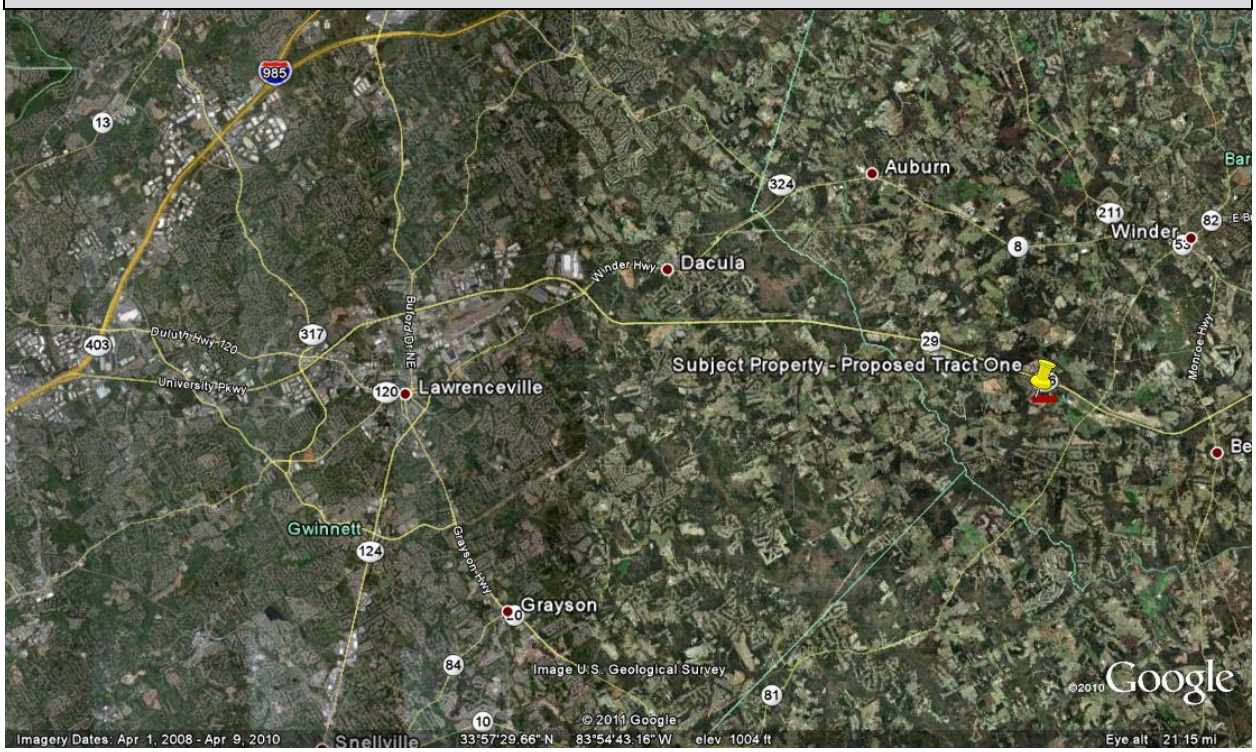
Below is a location map of the subject property within the region followed by aerial Google Earth image.

Regional Location Map of the Subject Property



Source: Microsoft Streets & Trips 2011

Google Earth Image of Subject Property's Region



Source: Google Earth

Market Analysis

Overview of Commercial Real Estate Market Trends

With the melt-down of the capital markets, as well as the unemployment rate surpassing ten percent (10%), the domino effect on commercial real estate values has been significant. All sectors of commercial real estate have realized considerable value declines over the last few years, but evidence of stabilization started in the year 2011 and is expected to continue during the year 2012. As noted in the Fourth (4thQ) Quarter *PricewaterhouseCoopers LLP Investor Survey,* investors are still seeking core assets also known as the best quality assets in the more premier markets and submarkets. In fact, the title of the Fourth (4thQ) Quarter 2011 issue of the PWC survey is "Buying Beyond Core Remains Tricky" and PWC reports that investors continue to seek commercial real estate despite the sluggish recovery and near-term forecast. This is due significantly to the fact that "commercial real estate continues to offer attractive yields compared to alternative investment vehicles" according to the PWC survey.

The majority of the PWC Survey investors view commercial real estate as favorably priced with grocery-anchored strip shopping centers, port-oriented industrial assets, apartments, and office properties in tech-driven metro areas being the most desirable. Class "A" trophy assets in key land-lock markets, such as Manhattan and San Francisco being the exception to this trend, also remain highly desirable. However, Atlanta and the Southeast, with relatively plentiful land and few barriers of entry, do not have this uniquely desirable real estate.

Whether acquiring assets in either secondary or core markets, many surveyed investors in the PWC survey stress the need to buy based on current fundamentals rather than with overly aggressive lease-up and rent growth assumptions. Even though the U.S. employment numbers in early of the year 2012 reveal that job creation remains weak, but positive among most private industries. In addition, there is concern that the reduction in the U.S. unemployment rate is partly due to many long-term unemployed individuals dropping out of the labor force.

Prior to the recession, real estate had traded at very compressed capitalization rates based on the belief that values would continue to increase during the investment's holding period. This resulted in acquisition underwriting driven mostly by the anticipated higher reversion price, more so than in-placed income. Without this bullish belief of rapid increasing values, capitalization rates now have been driven to more historic norms.

The overall economic conditions have gradually stabilized, but commercial real estate is expected to lag behind the overall economy, as non-distressed commercial real estate investors now have higher yield requirements resulting in rising discount and capitalization rates. Employment also is expected to show continued slow recovery according to many economists, and value declines in commercial real estate are also expected to continue for some time after economic stabilization; due to the lag time required to improve property fundamentals and liquidate distressed assets. Some of the driving causes for the economic fallout of commercial real estate is due to a combination of the following bullet points below, which have not only resulted in substantial price declines, but also sluggish sales activity with an extended marketing time to attract investors:

- **Return to underwriting on historic actual operating statements versus pro forma financial statements,** with many requiring underwriting that is conservative or worse than actual operating history. This includes decreasing rents upon renewals, increases in tenant allowances, and increasing vacancy rates for weakening demand.
- **Increases in investor down payment required higher rates of return** due to risk adverse fears and

potential short-term funding of operating losses.

- **Decreases in the amount of potential leverage** with many commercial real estate borrowers not able to obtain greater than seventy-five percent (75%) to eighty percent (80%) leverage, and for many property types no more than sixty percent (60%).
- **Diminishment of mezzanine debt** and to a large degree interest only financing is more difficult to secure.
- **Weakening market fundamentals** associated with declines in effective rental income and increases in vacancy rates, resulting in diminishing income.
- **Increases in tenant improvement allowances/unit rehab**, and rent abatement/concessions to remain competitive for new tenants.

The *Pricewaterhouse Coopers LLP Investor Survey* indicates that investors are still suffering from the recession hangover with many assets being overleveraged, but there is an increasing belief that a slow recovery will continue. This sense of optimism in real estate investment is expected to continue through the year 2012 however, the outlook does vary greatly depending on the property type, class and geographic location. Most institutional investors remain focused on core assets within proven markets. There is also the perception that pent-up capital seeking attractive better quality real estate investments is soaking up the limited number of quality offerings forcing capitalization rates downward on the best quality assets. However, these risk-adverse investors are still expecting premium rates of return on un-stabilized assets not fitting their definition of core assets or markets.

Compounding the concern over the declining values noted in recent years, are both the underwriting for new debt and the significant amount of out-standing commercial real estate debt maturing over the next few years. Much of this debt is now overleveraged based on current underwriting, as these newer more conservative requirements make it more difficult for leveraged assets to support their existing debt, and can result in difficulty as the debt matures or if the seller would like to exit the asset. Therefore, more motivated selling is likely to occur in the near term as property owners struggle with maturing debt.

The original loan obligations were typically for five (5) to seven (7) years in length and originated during a time with higher leverage, favorable underwriting, and higher values. According to Deutsche Bank in mid-year 2009, "approximately $1.2 trillion is maturing in the next four (4) years". Stabilization of values has mitigated some of this exposure, but current values remain well below their recent historic levels leading into the recession. Delinquencies by June of the year 2009 were reported by Trepp to be five percent (5%) to six percent (6%) on these commercial real estate loans and continued to increase throughout the year 2010.

Many have suggested that since pricing has essentially doubled between the years 2004 to 2007, in many real estate categories, that a reasonable benchmark for current pricing may exist in sale prices between the years 2003 to 2004. Many investors, or at least those successful in acquiring some of the few assets currently exchanging hands, are often using lower reversionary capitalization rates than their going in rates in markets that are not oversupplied and have strong fundamentals, as they believe the market will improve significantly by the time they plan to exit five (5) or more years into the future. However, this is not typically the case in the Southeast US and is more limited to moderate supply markets like New York.

Overall Apartment Industry

The multifamily sector in particular is showing relatively strong acquisition demand with homeownership rates hovering near their lowest rates since the year 1998, and increasing difficulties with readily available financing through government-supported mortgage companies.

The dollar volume of multi-family loan originations by Fannie Mae and Freddie Mac hit an all-time high in the fourth quarter, according to a Mortgage Bankers Association index that has tracked the data for eleven (11) years. The government-supported entities increased lending by selling $33.9 billion of bonds tied to apartment buildings last year, from $21.6 billion in the year 2010, according to data compiled by Bloomberg and published on bloomberg.com on March 7, 2012. Life insurance companies and commercial banks are also competing to lend in the relatively stable apartment market, offering mortgages for shorter durations and for "transitional" properties that are not fully occupied.

The combination of dropping homeownership rates, low interest rates and lack of new construction has resulted in multifamily recovering faster than other sectors. According to the national research firm of Axiometrics Inc., rents in the U.S. climbed 4.1% in the twelve (12)-months through December of 2011. Apartment owners are projecting rental revenue to increase by 6.7% this year, as little new supply comes to market.

According to REIS's Fourth (4thQ) Quarter) of 2011 Apartment Market Highlights report, only 40,000 new apartment units were added in the year 2011, or approximately 0.4% of the typical long-term average. REIS reports that nationally average vacancy rates ended the year 2011 at 5.2%, which overall nationally is the lowest level of vacancy since late in the year 2001.

Capitalization & Discount Rate Trends

Discount and overall capitalization rates have fluctuated greatly over the past few years. The rate trends are now improving with increased consumer confidence and market stabilization fueled by historically low interest rates. The *PricewaterhouseCoopers LLP Investor Survey* conducted by Price Waterhouse Coopers (PWC) indicates that investors now have an overall increasing positive view of commercial real estate investing with a particular focus on the "best of class" assets.

Between the years 2007 to 2009, capitalization and discount rates generally increased by approximately 200 basis points, reflecting the increase concern over risk. These increases in capitalization rates resulted in decreasing property values that were fueled by issues outside of the property, such as lack of available debt options resulting in little available leverage and investor's perception of increased risk or uncertainty at nearly all levels. Additionally, other factors impacting many asset values resulting in further value declines, included the weakening financial fundamentals of properties with many un-stabilized assets suffering from diminished occupancy levels, as well as the risk of having to roll existing tenant rents to the new lower market rents, and therefore resulting in anticipated lower future income.

Capitalization rates generally peaked in the year 2009 which were the worst days for marketing commercial real estate. Since the Third (3rdQ) Quarter of 2010, overall capitalization rates have been trending downward due to increasing buyer interest, more available and less expensive leverage, but the greatest area of interest has been in the best quality assets encumbered with the most stable predictable cash flows. As these discount and capitalization rates started improving in late year 2010, it has resulted in rate decreases by approximately 200 basis points. The following table outlines the periodic results of the PriceWaterhouseCoopers Investor Survey for the overall Southeast Region. The reader should be cautioned that the PriceWaterhouseCoopers survey is reflecting some of the best of quality assets, but is indicative of the overall trend.

PriceWaterhouseCoopers (Korpacz) Real Estate Investment Survey
Apartment Market - Southeast Region

Rate		2012	2011				2010		
		1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter
Discount Rate (IRR)	Range (%)	6.5-11.0	6.5-11.0	6.5-11.0	6.5-11.0	6.5-11.0	7.5-12.0	7.5-14.0	7.5-14.0
	Average (%)	8.40	8.40	7.90	7.98	8.20	8.63	9.73	10.05
	Change (B.P)	0	50	(8)	(22)	(43)	(110)	(32)	(23)
Overall Capitalization Rate (OAR)	Range (%)	5.0-7.0	5.0-7.0	5.0-7.0	5.0-7.5	5.0-7.5	5.0-8.0	5.8-10.0	5.8-10.0
	Average (%)	5.86	5.83	5.92	6.10	6.30	6.68	7.80	7.93
	Change (B.P)	3	(9)	(18)	(20)	(38)	(112)	(13)	(85)
Residual Capitalization Rate	Range (%)	5.5-9.8	5.5-9.8	5.0-7.0	5.5-9.8	5.5-9.8	5.0-8.0	5.5-9.8	5.5-9.8
	Average (%)	6.64	6.71	6.73	6.85	7.04	7.35	7.69	7.75
	Change (B.P)	(7)	(2)	(12)	(19)	(31)	(34)	(6)	(64)

Notes: *B.P. = basis points*
Discount Rate (IRR) = Internal rate of return in all-cash transaction, based on annual year-end compounding.
Overall Cap Rate (OAR), Initial rate of return in all-cash transaction.
Residual Cap Rate = Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following anticipated sale.

Source: *PriceWaterhouseCoopers, LLP National Market Indicators; Investor Survey (Personal survey of a cross section of major institutional equity real estate market participants conducted by PriceWaterhouseCoopers LLP)*

Residential Demand & Construction

With a rapid decline in residential demand since the years leading into the recession, housing starts are down in the region by approximately seventy percent (70%) to eighty-five percent (85%) since the peak market activity noted in the boom years between the 2005 to 2006 time periods. The overall decline in permits to construct new multi-family units is a sign of economic weakness, but posses an opportunity to reach a new equilibrium. This diminishment in construction will allow supply to grow more slowly so demand may catch up.

This trend is further being enhanced as more traditional home owners are becoming renters. Regionally, the percent of households that own their homes has decreased from approximately three percent (3%) to four percent (4%) between the years 2000 and 2010. During this same time period between the years 2000 to 2010 also netted a four percent (4%) to five percent (5%) increase in vacant housing units, as of the 2010 Census. Therefore, it appears that the vacant housing is well-position to be absorbed by renters at a rate of two (2) to three (3) times the rate of new owner-occupied units.

The increase in renter occupied housing units is a national trend and not limited to the immediate region. According to an analysis of the mover rate tracked by US Census Bureau data by William Frey, a demographer at the Brookings Institution, the mover rate, which is the percentage of people who report a move, increased to 12.5% during the year 2010 from 11.9% in the year 2008 nationally, which is the lowest mover rate since at least the year 1945, when the Census started keeping track of the data. An increase in the

mover rate typically reflects a positive increase in jobs, since jobs are one of the biggest reasons people move, but a look below the numbers shows that's not the case yet. The mover rate within counties increased to 8.4% last year, which is the highest since the year 2003. But the mover rate across county lines and between states is still mired in levels unseen since at least the 1940s, and probably since the Great Depression.

According to a national survey of renters conducted by *Apartments.com* revealed that more homeowners are becoming renters and twenty percent (20%) of respondents looking for an apartment this year said they are current homeowners. Of the current homeowners that say they are looking to rent, thirty-two percent (32%) are first-time renters. With record levels of young adults living with parents, it would appear many of these rents are bounce back former owners, and may explain the increase in same county mover rate.

Demographers believe that most new tenants do not have a choice and are being forced to rent as a result of losing their home to foreclosure, being forced into a short-sale, or as the result of some other distress-related situations. This trend will affect their credit and capability to buy a home for the next three (3) or more years. Again acting as a drag on the recovery and turnaround in home ownership volumes increasing drastically in the near future.

Others could be continuing to rent due to market fear that we have not hit a bottom or concerns about near-term mobility and flexibility. Purchasing a home has also become increasingly difficult. Lending guidelines and credit restrictions have continued to tighten, resulting in a decrease of potential homeowners who can qualify for a mortgage. This is evidenced by the fact that home ownership rates for those ages thirty-five (35) or less have hit a sixteen (16) year low. Regardless of the cause and effect, the rate of home ownership in the US has declined to lows that we have not seen in decades, which is benefiting demand for apartment communities and detached single-family shadow rentals.

In fact, apartment owners nationally are already seeing a significant bump in demand, as a result of more renters in the marketplace. Many of the largest multifamily Real Estate Investment Trust (REIT)s in the country obtained new highs during the year 2011, as a result of the strengthening rental market, and the projections for the REITs are estimated by many industry followers to continue to improve over the next several years. In fact, the CEO of "rent.com" in the summer of the year 2011 forecasted that projected vacancy rates would fall to as low as five percent (5%) by the year-end of 2012.

With multi-family demand growing and a decrease in new supply indicated in the sharp decline in new multi-family construction, the rental market should see an increase in rental rates. Many market participants have forecasted increases in rental rates as high as ten percent (10%) per year over the next couple of years in some of the hottest rental markets. However, the overall market is anticipated to stabilize, but with the continued glut of foreclosures, will rein in any huge spikes in rental prices in the near term.

Apartment Market Overview

The subject property site is located in Barrow County, which is a fringe suburban county of the Atlanta-Sandy Springs, MSA. Barrow County is a historically a relatively rural area that has been transitioning to more of a suburban market during the last decade. The subject property is located approximately three (3) miles east of the Gwinnett-Barrow County line or approximately ten (10) miles east of the Incorporated City of Lawrenceville. According to commuting trends published within the 2000 US Census of Population approximately twenty-seven percent (27%) of Barrow County's residents commute more than thirty (30) minutes to work and fourteen percent (14%) commute more than forty-five (45) minutes. This suggests that many of Barrow County's residents commute outside of the County for employment. This is further supported by the US Census Bureau's 2000 County to County Work Flow files, which reports that only thirty-four percent (34%) of Barrow County's employed residents are employed within the County. In fact a

larger percent of employed residents are employed within the adjoining Gwinnett County which employs thirty-six percent (36%) of the employed residents of Barrow County's employed. In reverse considering those working in Barrow County including those that reside outside of the county, only approximately thirty-eight percent (38%) of the persons employed in Barrow County commute from outside of the county.

Barrow County also has very few apartments with much of the rental inventory consisting of scattered detached structures. Therefore it is estimated that tenants often consider housing options throughout the county and even adjoining counties. While the school district within Barrow County is highly regarded so are many of the adjoining county school districts resulting in affordability being one of the primary draws to Barrow County. For example, overall equivalent housing costs are regarded to be significantly cheaper within Barrow County than in adjoining more developed Gwinnett County. Given the long commuting times within Barrow County, the Primary Market Area (PMA) for Farmington Hills has been defined as the overall Barrow County.

To further study the PMA, a combination of data sources have been considered including, the *US Census, Nielsen Claritas, Site To Do Business*, and primary data and surveys conducted in this analysis. As outlined in the population and household gross table below for Barrow County, the PMA's population and household growth for Farmington Hills has increased by approximately 150% since 1990. Since 2000 the population for the PMA has increased by greater than sixty percent (60%). These growth rates are well above typical growth rates for the nation as well as the region. Forecast published by the *Site To Do Business* suggest that growth should continue over the next five years within the PMA but at a slower rate. As noted below the PMA is expected to gain approximately 4,000 additional households within the next five (5) years.

Barrow County Household
Population & Household Growth Rate

	1990		2000		2010		2015	
	Number	% Chge	Number	% Chge	Number	% Chge	Number	% Chge
Population	29,721	-	46,144	55.3%	74,224	60.9%	89,243	20.2%
Households	10,676	-	16,354	53.2%	26,193	60.2%	30,414	16.1%

Source: Site To Do Business

During the last decade many single-family detached subdivisions were started offering three and four bedroom homes with two car garages typically priced from $150,000 to $200,000 each. Since the start of the recession home prices have declined following the larger recessionary trend, with nearby single-family detached homes now selling from $120,000. Despite the rapid expansion in new single-family home developments within the primary market area, there have been very few new multifamily developments developed.

Barrow County, Atlanta MSA & US Single Family Building Permits For New Construction

Area	2003	2004	2005	2006	2007	2008	2009	2010	% Change 2006-10	% Change 2007-10
Barrow County	837	826	841	745	396	262	117	72	-90.3%	-81.8%
	10	14	22	10	8	-	-	-	-100.0%	-100.0%
	44	24	16	8	4	9	-	-	-100.0%	-100.0%
	97	-	-	16	10	-	-	58	262.5%	480.0%
tal Barr	**988**	**864**	**879**	**779**	**418**	**271**	**117**	**130**	**-83.3%**	**-68.9%**
Atlanta MSA	55,033	57,304	61,558	53,944	31,121	11,989	5,397	6,436	-88.1%	-79.3%
	214	280	160	214	188	44	8	10	-95.3%	-94.7%
	306	267	140	491	433	175	110	80	-83.7%	-81.5%
	10,824	16,144	11,003	13,591	12,944	7,086	994	1,101	-91.9%	-91.5%
tal Atla	**66,377**	**73,995**	**72,861**	**68,240**	**44,686**	**19,294**	**6,509**	**7,627**	**-88.8%**	**-82.9%**
US (000s)	1,461	1,613	1,682	1,378	980	576	435	466	-66.2%	-52.4%
	41	43	39	35	28	17	10	10	-72.0%	-64.8%
	42	47	45	41	32	18	10	11	-73.6%	-65.4%
	346	366	389	384	359	295	117	131	-66.0%	-63.6%
al US (0	**1,889**	**2,070**	**2,155**	**1,839**	**1,399**	**905**	**572**	**617**	**-66.4%**	**-55.9%**

Source: US Census Bureau; www.census.gov\bldg/bldgprmt.shml

Supply Analysis

To gain more insight in the area closer to the subject property's area, the submarket for the area ideally should be investigated. There are many years of supply of finished lots and very little demand for sites to develop into new single-family subdivisions. Where there is limited supply, it is mostly limited to more infill locations which were not overbuilt.

As the subject property is zoned for multifamily land use, existing apartment communities have been investigated. However, due to the relatively few apartment communities in the Barrow County area, there are no known apartment trend reports that track Barrow County. One of the largest apartment operators in Barrow County is the City of Winder Housing Authority, which operates ten (10) public housing communities with 321 apartments, with the largest property consisting of seventy-four (74) apartments. However, public housing does not function under typical market conditions and have little reflection of the current market conditions. Together these assisted and affordable housing programs within Barrow County contains 469 units of which approximately sixty eight percent (68%) consists of public housing.

Boyd Management, based in Columbia, South Carolina, is a significant operation throughout the Southeast US of Rural Development (Section 515) communities. They operate several voucher oriented tenants which is not a perfect comparison to a Low Income Housing Tax Credit (LIHTC) property, in that tenants in a RD 515 pay only thirty-five percent (35%) of their income no matter how low it may be with a subsidy for the remainder. In comparison, many and often most LIHTC tenants have no voucher subsidy resulting in a tenant mix that are more market oriented with all affordable market rate choices available.

Despite the housing boom during the last eight years very few multifamily properties were developed in Barrow County. Over ninety percent (90%) of new residential units developed were single-family detached homes with most multifamily development consisting of two semi-attached or small multifamily communities. This is consistent with the observations noted within the market investigation, which concluded that most multifamily communities are at least ten (10) years old within Barrow County. The lack of new construction has benefited the PMA by not overbuilding the area, as well as creating unique opportunities for new communities rich with amenities to capture a market share from secondary markets.

Financial feasibility to construct market rate units lacking LIHTC equity within Barrow County is expected to remain unobtainable for at least a few years. As the subject property is to have LIHTC equity subsidizing the development cost, allows new development and creation of good quality units at a moderate price rents that would not be obtainable without the subsidy. As a result, the creation of significant additional units is not anticipated within the next three years.

The only new apartments constructed in the county within the last decade is the Phase One of Farmington Hills, which adjoins the subject property.

Demand Analysis

Demand within Barrow County for rental units has been more challenging with the Atlanta MSA's as for the last several years the unemployment rate has had multi-year record highs and is now improving. Additionally, there are plentiful housing options within nearby Gwinnett County which is now at much reduced rental rates compared to historic norms. Despite these challenges, physical occupancy rates in Barrow County have typically hovered greater than ninety percent (90%), reflecting the strength of the market. The lack of significant new construction has allowed supply not to out-pace demand.

Alternative home rentals are more commonly available in Barrow County due to the significant decline in residential home prices as reflected in the high owner occupied housing ratio. Detached single-family homes near the subject property are currently now offered for sale at as little as $120,000 per home. If a prospective buyer has a twenty percent (20%) down payment at current interest rates, a monthly mortgage payment of $550 without escrows would be obtainable. With monthly escrows for taxes and insurance anticipated to be $150 per month the total monthly obligation would likely be near $700 per month. If residents spent another hundred dollars a month for maintenance and repairs, the total monthly obligation equivalent to apartment living would be near $800 per month without considering itemized interest deduction for home ownership. Therefore home ownership for those with a down payment and credit history may be possible, but at a cost greater than the anticipated rent for the subject property.

Within the Downing and Associates market study conducted in 2011 for Phase One of Farmington Hills prior to its construction, concluded on page sixty-two (62) of their analysis that there was new demand for 1,528 units. Phase One adjoins the subject property.

Conclusion

The subject property's submarket has been detrimentally impacted by the same capital market fall-out as the overall nation. The current recession has created a risk adverse investor market, leading to significant value declines in all asset classes, with investors requiring higher rates of returns on their investments in comparison to a few years ago. The overall property level fundamentals of effective rent net of concessions and occupancy rates are also weaker today than a few years ago, reflecting diminished rental revenue. A gradual stabilization and recovery in demand is expected to take place in the coming years, enhanced by the lack of anticipated near-term new construction going forward, limiting future near-term supply. Nationally,

multifamily communities are already realizing capitalization rate compression or improvement of in surpass of over 125 basis points over the last two (2) year.

The lack of new construction multifamily within Barrow County has resulted in better occupancy rates than in many other Atlanta MSA submarkets. Rents have remained modest, but competitive multifamily communities' occupancies have remained stabilized without offering significant concessions. Due to the subject property's potential competitive advantage by being new and offering superior amenities within the competitive market, it is anticipated that it will compete well within the submarket potentially attracting tenants from even nearby secondary markets.

Neighborhood Analysis

Location & Boundaries

Farmington Hills is located approximately three (3) miles east of the Gwinnett-Barrow County line, placing it approximately ten (10) miles east of the city of Lawrenceville. The subject property is located twenty (20) miles west of Athens, Georgia and is accessed by University Parkway, which defines the subject property neighborhood's commercial corridor leading from Lawrenceville and Athens. While the subject property is located in the unincorporated area just southwest of the City of Winder, which is situated approximately two (2) miles to the north of the subject property. The subject property's immediate neighborhood is defined as the overall area south of Winder extending somewhat east and west of University Parkway. The larger neighborhood is known as the overall Barrow County, and the map below illustrates the subject property's location within the immediate neighborhood.

Aerial of Subject Property

Source: Google Earth

Accessibility

The neighborhood is in a northeastern suburb of the Atlanta-Sandy Springs MSA and is located approximately twenty (20) minutes from Interstate 85. The subject property is located only 1/4 of a mile south of University Parkway, also known as Georgia Highway 316 or US Highway 27, and this four (4) lane east-west roadway provides access to central Atlanta through Lawrenceville, Georgia.

Carl Bethlehem Road provides access from University Parkway to Haymon Morris Road, which is within a few hundred feet from the subject property.

Predominant Land Uses near the Subject

The subject property is part of a larger parent tract that had been part of a poultry farm reflecting the recent former agricultural land use. The subject property is located in a residential area of new starter homes, and directly across Haymon Morris Road is a single-family detached subdivision known as Ashebrooke, which consists of newly constructed two (2)-story homes with two (2)-car garages priced from $119,000, which is a twenty-five percent (25%) decline in value since the year 2008. This subdivision has R-1, single family residential zoning consisting of ninety (90) single-family detached lot subdivisions, with thirty-two (32) lots improved with new homes.

Immediately located to the west of the subject property is another single-family detached subdivision known as Haymon Estates, consisting of newly constructed two (2)-story homes with two (2)-car garages priced from $109,000, which is approximately a fifteen percent (15%) decline in home prices since the year 2008. Haymon Estate has approximately eighty (80) single-family detached lot subdivisions of which forty (40) of the lots have been improved with new homes with R-2 residential zoning.

The site located immediately to the east of the subject property has agricultural zoning with a number of agricultural land uses remaining.

The subject property neighborhood is in close proximity to new retail constructed within the last three (3)-years. The area between Carl Bethlehem Road and University Parkway located within a ¼ mile of the subject property is a Home Depot store, and within one (1) mile further east is the just completed Barrow Crossing Shopping Center anchored by a Publix, Target and Belk's, as well as a variety of other in-line tenants. Located along Highway 316 is additional retail and community services including a new medical office building and new theatre.

Located approximately 1/2 of a mile west of the subject property is the new Apalachee High School, Haymon Morris Middle School and Yargo Elementary School. A large day care is located across Haymon Morris from the high school.

There are a number of industrial clusters within a three (3) miles of the subject property providing additional employment opportunities. The largest industrial park in the area is known as the Barrow County Industrial Park, with five (5) structures of more than 75,000 square feet, including a Chico's and Yokohama Tire Corporation.

Supply & Demand in the Neighborhood

Overall industrial demand in the subject property neighborhood is weaker than in prior years, but attractive discounts from motivated sellers has resulted in an increase in sales volume. Effective rents are also down, with more concessions common. However, the degree of decreases in rental rates is more difficult to measure, with most new leases in the neighborhood consisting of renewals and not new leases, with demand clearly be a factor.

Life Stage and Trend of the Neighborhood

The condition of the neighborhood, and area trends taking place have a significant impact on the desirability and value of the subject property, and the neighborhood life-cycle is said to evolve through four (4) primary stages and they are as follows:

Growth: a period during which the neighborhood gains public favor and acceptance.

Stability: a period of equilibrium without marked gains or losses.
Decline: a period of diminishing demand.
Revitalization: a period of renewal, modernization, and increasing demand.

The subject property's neighborhood has had robust growth for years and is expected to remain at a level of strong growth with significant reinvestment. New development is anticipated to remain modest for several years, and to only occur in limited property types, such as owner uses or specialized users as well as limited areas of need.

Neighborhood Demographics

The "Selected Population Demographics" table below outlines the population, household, and various demographic characteristics within a one (1), three (3), and five (5) mile radius of the subject property, as well as comparing them to the larger metropolitan area.

The one (1) mile radius surrounding the subject property has seen some growth but at a much slower rate than the larger metropolitan growth rate, which has been three (3) times greater. The median age is also much younger near the subject property, which is likely due to the higher concentration of rental units adjoining the subject property's immediate neighborhood.

Selected Population Demographics
1-3-5 Mile Radius vs. Metropolitan Characteristics

Area	1 Mile Radius	3 Mile Radius	5 Mile Radius	Atlanta CBS*
Population				
2000 Census	885	6,194	24,494	4,247,981
2010 Estimate	3,181	13,299	38,151	5,611,180
2015 Projection	3,902	16,027	43,912	6,180,206
Growth 2000-2010	259.4%	113.6%	55.8%	3.21%
Growth 2010-2015	22.67%	20.51%	15.1%	1.95%
Median Age-2010	32.9	33.7	34.0	34.7

Note CBS; Core Based Statistical Area
Source: Site To Do Business

The following "Selected Household and Housing Demographics" table indicates a larger number of persons within the average household, as well as a decreasing rate of owner occupied units, which is following a national trend since the start of the recession, with many households returning to renter status. Approximately six percent (6%) to seven percent (7%) of the housing units in the year 2010 have become vacant in all geographic radius ring comparisons, which is below the overall average for the Atlanta MSA. Housing type comparisons also reveal that approximately eighty-five percent (85%) of the housing units in the one (1)-mile radius consists of detached single-family units, which is well above the typical MSA's share of sixty-five percent (65%). There are very few multifamily units, but there is nearly triple the average number of mobile homes compared to the overall Atlanta MSA, with mobile homes consisting of approximately 13.5% of the housing units in a three (3)-mile radius.

Selected Household and Housing Demographics

1-3-5 Mile Radius vs. Metropolitan Characteristics (Continued)

Area	1 Mile Radius	3 Mile Radius	5 Mile Radius	Atlanta CBS*
Household Size / Growth				
2000 Census	300	2,078	8,664	1,554,154
2010 Estimate	1,054	4,422	13,270	2,025,678
2015 Projection	1,293	5,321	15,233	2,229,635
Growth 2000-2010	251.3%	112.8%	53.2%	3.03%
Growth 2010-2015	22.7%	20.3%	14.8%	1.94%
Persons Per Household	3.02	3.00	2.85	2.73
Housing Units Occupancy				
Owner Occupied(2000/2010)	82.2%/76.4%	78.4%/78.2%	70.2%/68.4%	63.1%/59.8%
Renter Occupied(2000/2010)	13.4%/18.1%	16.9%/14.9%	24.7%/24.5%	31.4%/30.1%
Vacant Units(2000/2010)	4.5%/5.5%	4.7%/6.9%	5.0%/7.1%	5.5%/10.1%
Housing Type Mix				
% - 1 Unit, Detached (2000)	85.5%	81.4%	75.6%	65.4%
% - 1 Unit, Attached (2000)	0.0%	0.5%	0.6%	3.5%
2 Units (2000)	0.0%	2.3%	5.4%	2.0%
3 to 4 Units (2000)	0.0%	0.4%	2.0%	4.3%
5 to 9 Units (2000)	1.0%	1.0%	2.7%	7.0%
10 to 19 Units (2000)	0.0%	0.0%	0.4%	6.3%
20 or More Units (2000)	0.0%	0.8%	1.0%	7.0%
Mobile Home (2000)	13.5%	13.6%	12.3%	4.5%
Other (2000)	0.0%	0.0%	0.1%	0.0%
Housing Age / Residency				
Percent Built Since 1990	58.9%	54.9%	42.0%	30.8%
% Moved In Since 1995 (2000)	57.0%	61.3%	57.9%	58.7%

Note CBS; Core Based Statistical Area
Source: Site To Do Business

Conclusion

The subject property is in a bedroom-community that is quickly transitioning from rural to suburban, with more than a one hundred percent (100%) population growth rate in the last ten (10) years within a three (3)-mile radius. The area has had many newly constructed single-family detached homes priced in the low-$100s. The area is in close proximity to the City of Atlanta and other metropolitan suburbs with a network of freeways and interstates that provide access throughout the Atlanta MSA.

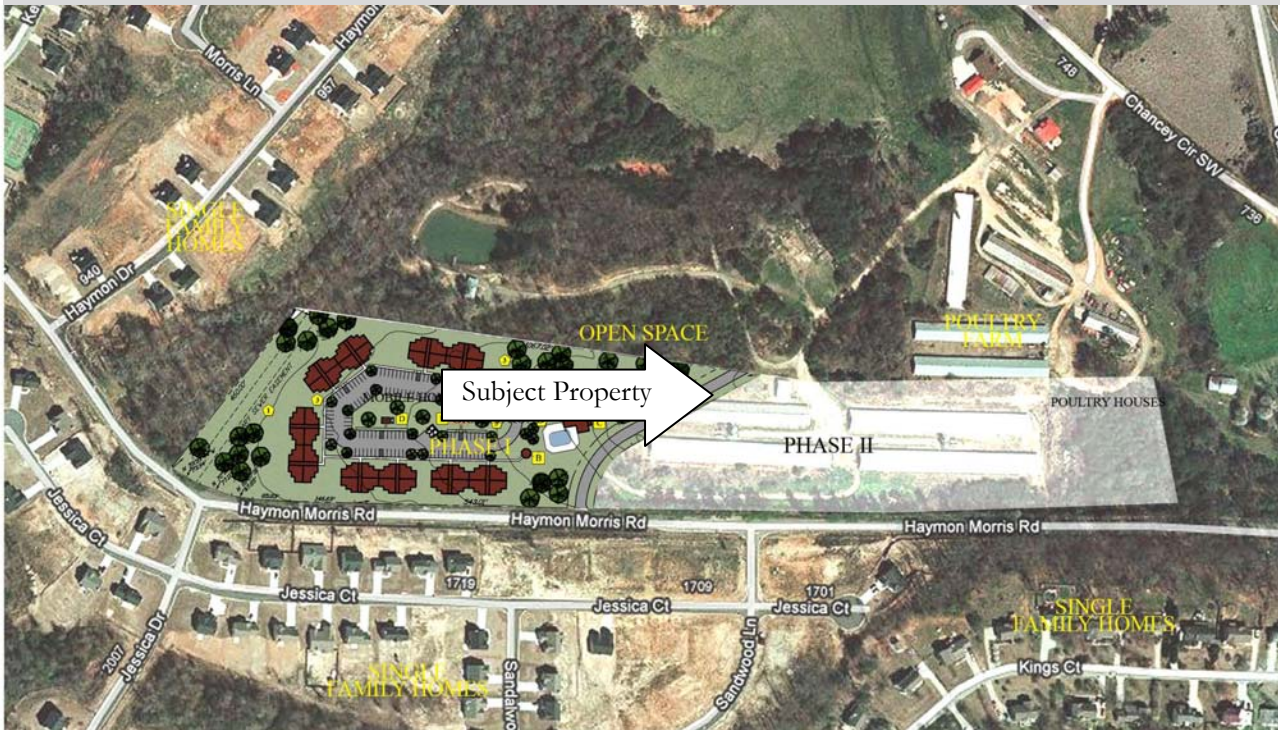
Site Analysis

Property Identification	
Location	Haymon Morris Road Just West of Carl Bethlehem Road in Winder, Georgia 30680
Legal Description	Noted as Tract "B" lying in the 316th District of Barrow County, Georgia. - *See Legal Addendum for more detail description.*
County, State	Barrow County, GA
Tax Parcel or Map Number	Parcel No. XX052-035B, Barrow County

Subject Property Parcel
Southern Portion of the Area Outlined In Red-Aerial For Detail

Subject Property Conceptual Site Plan (In Green)
Parent Tract To North

Subject Property Noted As Phase Two On Aerial

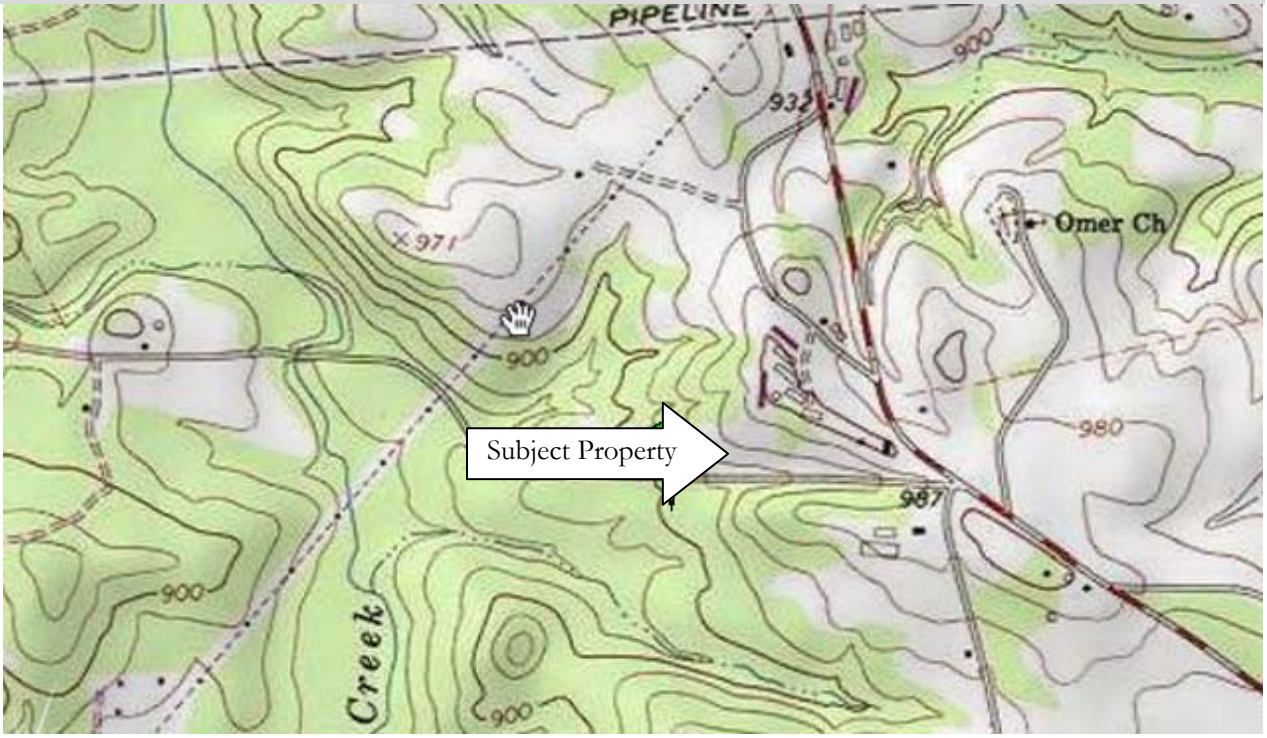


Physical Description

Primary Road Frontage	Haymon Morris Road (Approximately 1,270 linear feet along northern right-of-way)

Secondary Road Frontage	Future County Road (Approximately 177 linear feet along southeastern right-of-way). The street stub at the subject property extending north from Haymon Morris that will become the proposed new county road.
Gross Site Area Primary Site	7.639 Acres
Excess Land Area	None
Soils	A soil analysis for the site has not been provided for the preparation of this analysis. In the absence of a soils report, it is a specific assumption that the site has adequate soils to support improvements.
Shape / Site Configuration	Slightly irregular shape.
Topography	The site slopes upward towards the east and north which has been terraced to accommodate the former chicken houses that have been located on the subject property. The subject property has over one hundred (100) feet difference in elevation which has required significant terracing.

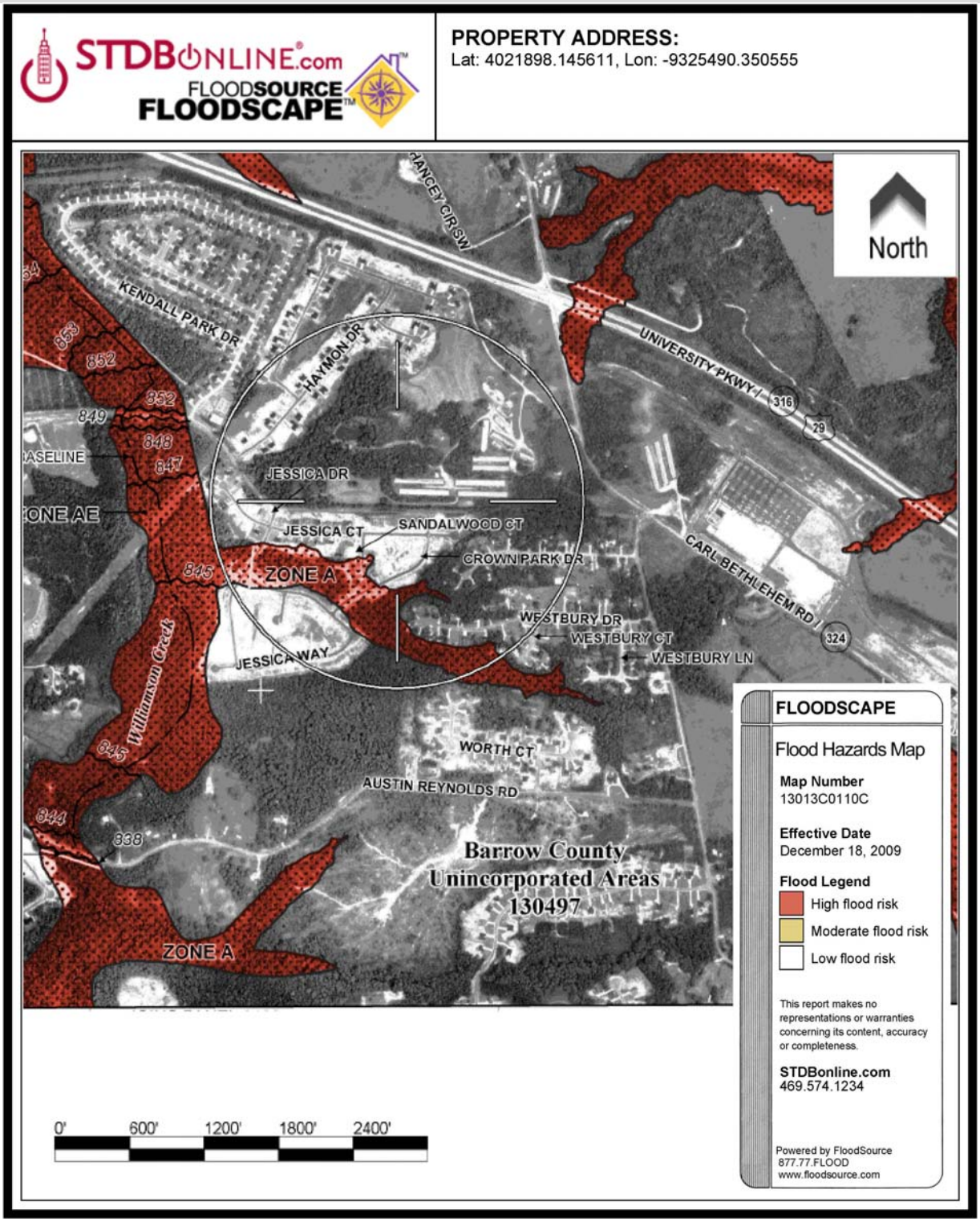
Topographic Map of Subject Property



Street(s)

Roadway Surface	Asphalt Paved (Haymon Morris)
Lanes of Traffic	Two (2) Lanes (Haymon Morris & Future County Road)
One (1) /Two (2) Directional	Two (2) Directional (Haymon Morris & Future County Road)
Street Drainage (Subsurface/Open Ditch)	Open Ditch (Haymon Morris) Future County Road (Subsurface)
Curbing	None (Haymon Morris) Future County Road (Concrete)
Sidewalks	None (Haymon Morris) Future County Road (Concrete)
Streetlights	None (Haymon Morris) Future County Road (Aluminum Pole)
Utility Lines (Above/Below Ground)	Above (Haymon Morris) Future County Road (Subsurface)
Zoning District	R-3; High Density Residential District (Barrow County)
Adjacent Land Uses	Mostly single-family residential land to the west and south, or undeveloped to the east. To the north is a chicken ranch that is slated to be closed. The agricultural use formerly contained the subject property's acreage and consisted of a forty-six (46) acre tract. The chicken ranch is in the process of being demolished and is zoned for high density residential land uses.
Drainage	No drainage issues appear to exist.
Flood Map Panel No. & Date	Map 13013C0110C, Dated December 18, 2009
Flood Zone	Flood Zone "X"

Flood Zone Map of Subject Property



Comparative Analysis	
Accessibility	Average with proposed curb cuts on the new county road extending from the northern side of the two (2)-lane Haymon Morris Road.
Visibility	Average - Haymon Morris Road is a through street providing good roadway visibility.
Traffic Volume	Moderate
Site Utility	Good

Covenants, Conditions and Restrictions

There are no other known covenants, conditions, and restrictions impacting the site except of typical zoning and public ordinance restrictions, which are considered to affect the marketability or highest and best use.

Easements and Encroachments

Based on the site inspection, and evaluation of the legal description provided, no utility easements or encroachments were noted that would be considered adverse to the marketability of the site.

Environmental Hazards

A Phase I Environmental Assessment was neither provided; nor where environmental issues observed or known at the time of inspection. However, the appraiser is not qualified to detect the existence of any potentially environmental hazards and advises the user, if concerned about such issues, to seek professional opinions with this expertise.

Conclusion

The subject property site is well-located within close proximity to most of the employment centers in the Atlanta MSA. The subject property is within one (1) mile of many retail services, as well as elementary, middle and high school. The site is zoned for multifamily use and adjoins a mix of single-family and nearby commercial land uses.

Subject Photos

View of subject property as seen from new county road looking north.

View of subject property at frontage along new county road looking towards Haymon Morris Road.

View of subject property as seen from Sandwood Lane at Haymon Morris Road.

View of subject property looking towards Haymon Morris Road and Phase One of Farmington Hills.

View of Haymon Morris Road looking west from near new county road western corner of subject property.

View of Haymon Morris Road looking west from near new county road at western corner of subject property

(subject on left).

View of Haymon Morris Road looking west from near Sandwood Lane (subject on right).

View of Haymon Morris Road looking west from near Sandwood Lane (subject on left).

View of Haymon Morris Road looking east from near Jessica Drive (subject on left).

View of new county road as seen from Haymon Morris Road looking north. The subject property has frontage at corner to right or at northwest of Haymon Morris Road at new county road.

Real Estate Taxes

The subject property of this report is defined as an assemblage of closely located parcels. In the State of Georgia, real estate taxes are assessed based on the County's Property Assessor's office, which estimates the market value, less assessment exemptions. Also in the State of Georgia, the assessed value, which is forty percent (40%) of the market value, and in turn the millage rate or tax rate is multiplied by this assessed value to indicate the amount of real estate tax obligations for the property owner, as depicted by the following illustration below:

Appraised Value x Assessment Ratio x Millage Rate = Taxes

While the subject property was subdivided in 2011, the real estate tax assessment records do not reflect the subdivision of the subject property tracts. Therefore the subject property does not have a single parcel assessment. The following table references the assessment based on the county assessor's office as a single assemblage prior to the subdivision. Together the subject property and parent tracts have historic real estate tax assessment reported within the tax history as outlined in the "Real Estate Tax Assessment" table below:

Real Estate Tax Assessment
For Overall Forty-Six (46) Acre Site - Not Available For Subject Property Exclusive of Master Site

	2007	2008	2009	2010	2011
Land Assessed Value	$489,675	$421,469	$421,469	$280,320	$280,320
Building Assessed Value	$296,476	$296,476	$272,808	$269,372	$269,372
Other (Site Improvements) Value	$0	$0	$0	$0	$0
Total Assessor's Appraised Value	$786,151	$717,945	$694,277	$549,692	$549,692
Assessment Ratio	40%	40%	40%		40%
Net Assessment	$314,460	$287,178	$277,711	$219,877	$219,877
State Tax Exemptions	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)
State Taxable Value	$312,460	$285,178	$275,711	$217,877	$217,877
State Millage Rate	.0025	.003393	.0025	.0025	.0025
HTRG State Tax Credit	($2)	($2)	$0	$0	$0
State Tax Obligation	$78	$69	$69	$55	$55
County M & O Tax Exemptions	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)
County M & O Taxable Value	$304,460	$277,178	$267,711	$209,877	$209,877
County M & O Millage Rate	.00934	.00934	.00934	.01034	.01034
HTRG State Tax Credit	($75)	($75)	$0	$0	$0
County M & O Tax Obligation	$2,777	$2,514	$2,500	$2,170	$2,170
School M & O Tax Exemptions	($10,000)	($10,000)	($10,000)	($10,000)	($10,000)
School M & O Taxable Value	$304,460	$277,178	$267,711	$209,877	$209,877
School M & O Millage Rate	.01850	.01850	.01850	.01850	.01850
HTRG State Tax Credit	($148)	($148)	$0	$0	$0
School M & O Tax Obligation	$5,485	4,980	$4,953	$3,883	$3,883
Storm Water Fees	$0	$18	$18	$18	$18
Total Real Estate Taxes	$8,328	$7,581	$6,125	$6,125	$6,125

It is important to note that the reported historic real estate tax assessments and obligations for the last few years include improvements that are in the process of being demolished or dismantled as the former use is

being ceasing. These agricultural/poultry production facilities are not part of the long-term highest and best use of the subject property.

Also noteworthy in this historic statement of real estate taxes is that the county's tax assessor had raised the assessment between the years 2006 to 2008. Since the year 2008 the assessment was subsequently lowered, reflecting the value diminishment trends noted in the market. The county tax assessor has assessed the subject property's overall site, including the parent tract, that has an overall total of 46.53 acres at an implied market value of $280,320, or $6,025 per acre. Prior to 2008, the subject property's site along with the overall parent site was assessed at $421,469, or $9,058 per acre. The change between the prior to 2008 assessment and current is reflective of a thirty-three percent (33%) tax assessed value decline.

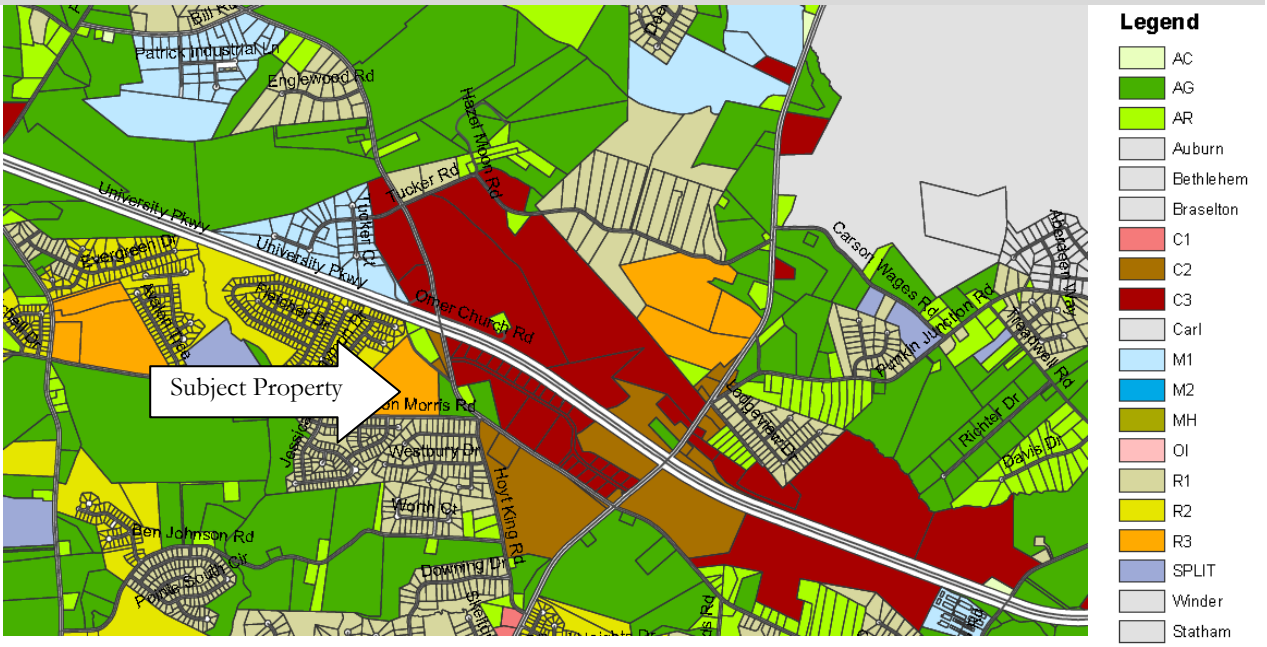
The assessment records indicate that the overall subject property's parent site is assessed as a combination of agricultural and woodland acres. The subject property is estimated in this appraisal to have a significantly higher value as reflected in the acquisition price of $75,000 per acre. This acquisition price is subject to the seller providing ninety percent (90%) financing at a six percent (6%) interest rate for eighteen (18) months.

Based on the value conclusions contained in this valuation analysis, the subject property's per acre site value is estimated to be well above the current assessed value. Therefore a typical investor should anticipate a sizeable increase in the real estate tax assessment following the most recent as well as hypothetical future real estate transfer.

Zoning

The subject property is zoned R-3; High Density Residential District (Barrow County), which is illustrated in the zoning map below.

Zoning Map - Subject Parcel & Parent Tract Shaded In Gold Fronting Haymon Morris Road



Source: Barrow County Zoning Map

Purpose

According to the Barrow County ordinances, the purpose of the R-3 (High Density Residential District) is "to provide locations for a mix of housing types, including single-family detached residential, attached single-family residential uses, duplexes, triplexes, quadraplexes, townhouses, and condominiums. The intention of this district is to incorporate multi-family residential within small complexes that will not create a large impact on services within the community. When residentially compatible institutional and recreational uses are developed within the medium density residential district, they are to be designed and built to ensure density compatibility with adjacent residences and otherwise to implement the stated purpose and intent of this Development Code."

Allowable Uses

This zoning allows a variety of residential uses including:

Permitted Residential Uses

* Conventional Subdivision with Public Streets
* Open Space Subdivision
* Commuter Rail Systems
* Club or Lodge (noncommercial)

Permitted Uses With Restrictions

* Single-Family Detached: Site-Built or Modular Home
* Single-Family Attached: Duplex
* Single-Family Attached: Townhomes
* Multi-Family
* Fraternity and Sorority Houses
* Rooming and Boarding Houses
* Personal Care Homes, Family (up to 6 under care)
* Residential Subdivisions:
* Minor Subdivision: 5-Lot Split
* Temporary Office for a Development
* Day care Services:
* Day care Center (more than 18 persons in care)
* Group Day care Home (18 or fewer persons in care)
* Residential Subdivisions (Amenities/Features):
* Neighborhood Recreation Center
* Golf Courses and Country Clubs
* Tennis Courts
* Swimming Pool
* Electric Power Transmission, Control, and Distribution
* Natural Gas Distribution
* Water Supply and Irrigation Systems
* Sewage Treatment Facilities
* Churches and Other Places of Worship
* Private Schools: Elementary and Secondary
* Parochial Schools: Elementary and Secondary

Special Use Approval Required

* Single-Family Detached: Manufactured Home
* Nursing Care Facilities

* Retirement Community
* Personal Care Homes, Group (up to 15 under care)
* Personal Care Homes, Congregate (more than 15 under care)
* Residential Subdivisions:
* Private Street Subdivision
* Master Planned Development

Parking Requirements

	Minimum Number of Parking Spaces	Required for Each:
RESIDENTIAL		
1. Single-Family Residence	2	Dwelling Unit
2. Two-Family Residence	2	Dwelling Unit
3. Multi-Family Residence:		
(a) Efficiency apartment	1	Dwelling Unit
(b) One-bedroom unit or larger	1.5	Dwelling Unit
(c) Manufactured Home Park	2	Per Unit
4. Retirement Community	1	Dwelling Unit
5. Nursing Homes, Personal Care Homes, Fraternity or Sorority Houses	1	Each resident or bed
6. Bed and Breakfast, Rooming House, Boarding House	1	Room to be rented, plus
	2	Dwelling Unit
7. Hotel or Motel:		
(a) Convention hotel, or a motel with a restaurant or lounge	1½	Room
(b) Non-convention hotel or a motel with no restaurant	1	Room
COMMERCIAL		
1. Offices: general and professional offices, insurance and real estate offices	3½	1,000 square feet of gross floor area
2. Banks	4½	1,000 square feet of gross floor area
3. Offices—Medical and Dental	5	1,000 square feet of gross floor area
4. Funeral Home	5	Viewing Room
5. Day care Center	1	400 square feet of gross floor area
6. Movie Theater	1	4 Seats
7. Service Station, Gas Station, Auto Repair Shop or Garage	3	Service bay, plus
	5	1,000 square feet of retail space

8. Automobile, Truck, Recreation Vehicle, Manufactured Home or Utility Structure Sales	2	1,000 square feet of indoor sales area, plus
	1	2,500 square feet of outdoor display, plus
	3	Service bay
9. Custom Service Restaurant:[3]		
(a) Quality restaurant	16	1,000 square feet of gross floor area
(b) Family Restaurant	9½	1,000 square feet of gross floor area
10. Fast Food Restaurant	14	1,000 square feet of gross floor area
11. Bowling Center	4	Lane
12. Amusement Parlor, Recreational Attraction, Roller Skating or Ice Skating Rink	5	1,000 square feet of gross floor area
13. Health Club or Fitness Center	4½	1,000 square feet of gross floor area
14. Shopping Centers		
(a) Less than 100,000 square feet of gross leased area [4]	4	1,000 square feet of total gross leased area , plus
	3	100 movie theater seats, plus
	10	1,000 square feet of food service area
(b) 100,000—199,999 square feet of gross leased area	4	1,000 square feet of total gross leased area , plus
	3	100 theater seats over 450, plus
	6	1,000 square feet of food service area
(c) 200,000—399,999 square feet of gross leased area	4	100 theater seats over 750
	3	1,000 square feet of total gross leased area , plus
(d) 400,000—599,000 square feet of gross leased area	4½	1,000 square feet of total gross leased area , plus
	3	100 theater seats over 750
(e) 600,000 or more square feet of gross leased area	5	1,000 square feet of total gross leased area , plus
	3	100 theater seats over 750
15. Supermarket	4	1,000 square feet of gross floor area
16. Furniture or Carpet Store	1	1,000 square feet of gross floor area
17. Building Supplies, Brick or Lumber Yard	2	1,000 square feet of indoor sales area, plus
	1	2,500 square feet of outdoor display
18. Retail Sales or Service establishments not listed above	5	1,000 square feet of gross floor area

INDUSTRIAL AND MANUFACTURING

1. Wholesale, Office-Warehouse	1	200 square feet of office space, plus
	1	1,000 square feet of storage area
2. Open storage of sand, gravel, petroleum, etc.	1	2,500 square feet of outdoor sales area, if any
3. Warehouse, Transfer and Storage	1	600 square feet of gross floor area
4. Warehouse including commercial sales to the public	1	200 square feet of sales or office, plus
	1	1,000 square feet of storage area
5. Manufacturing	2½	1,000 square feet of gross floor area
INSTITUTIONAL AND OTHER		
1. Hospital	1.8	Bed
2. Auditoriums, churches, theatres, stadiums, and other places of assembly	1	4 seats, or
	1	12 feet of pew, or
	1	100 square feet in the largest assembly room
3. College (instructional space)	10	Classroom
4. Technical College, Trade School	10	Classroom
5. Senior High Schools	6	Classroom
6. Elementary and Jr. High Schools	2	Classroom
7. Library or museum	2	1,000 square feet of gross floor area
8. Civic Clubs, Museums, Fraternal Lodges, etc.	1	200 square feet of gross floor area

Density, Intensity and Size Standards

	Well and Septic Tank		Public Infrastructure		Building Setback (feet)				
Land Use	Max. Density*	Min. Lot Size	Max. Density*	Min. Lot Size	Min. Lot Width (feet)	Front	Side	Rear	Max. Building Height (feet)
Single-Family Detached	N/A	N/A	2.9 du/acre	10,000	60	30	10	40	40
Duplex (per dwelling unit)	N/A	N/A	2.9 du/acre	10,000	60	20	10	40	40
Townhouse Subdivision	N/A	N/A	8 du/acre	2 acre	20	0	10	40	40
Townhouse, Condominium or Apartment	N/A	N/A	12 du/acre	2 acre	150	20	30	40	50

Analysis Conclusions

Zoning Analysis	
Legally Conforming:	Yes
Zoning Change:	Not Likely

Changes in the current zoning of the subject property are considered unlikely. The proposed use of the subject property is a legally conforming use under current zoning.

Acquisition History

On June 14, 2011, the subject property was acquired by MHL, Inc. (An Alabama Corporation) from William Ronnie Gasaway for $573,000 or $75,009.82 per acre as recorded in Barrow County Clerk of Court Deed Book 1574, Page 446.

The prior owner, William Ronnie Gasaway, had held the subject property for more than thirty (30) years prior to it being subdivided from a larger poultry ranch, which contained approximately forty-six (46) acres.

There are no known arms-length real estate transfers, since the property was acquired more than thirty (30) years ago. There are no other known transfers or listings offering the subject property for purchase in the past five (5) years beyond that which are noted above.

APPRASIAL ANALYSIS AND CONCLUSIONS

Highest and Best Use

Highest and best use as defined in the Dictionary of Real Estate Appraisal, is as follows:

"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 (4) criteria the highest and best use must meet are:

- Legal Permissibility
- Physical Possibility
- Financial Feasibility
- Maximum Profitability

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community developmental goals.

Highest and Best Use of the Subject as Vacant

In estimating the highest and best use of the subject site, study of both the subject property as well as the existing properties and surrounding influences within the neighborhood were necessary. The subject property until last year had been part of a larger 46.53-acre tract that had been a poultry ranch for decades. The subject property was subdivided in 2011 from the larger 46.53 acre parent tract, which includes the subdivision of the subject property tract, an adjoining site that is being developed with Farmington Phase One, and the remaining parent tract being the third (3rd) site. The following factors have been considered very carefully in determining the subject property's current highest and best use:

Legally Permissible – The subject property is currently zoned R-3; High Density Residential District (Barrow County), which is more fully described in the Zoning Section of this report. This zoning category allows for a mix of residential housing types including single-family detached residential, attached single-family residential uses, and multifamily. According to the zoning ordinances "the intention of this district is to incorporate multi-family residential within small complexes that will not create a large impact on services within the community". Zoning requires apartments to have a minimum of a two (2)-acre lot with a maximum density of twelve (12) dwelling units (apartments) per acre. Single-family and duplex development is allowed with a minimum lot size of 10,000 square feet and a maximum density of 2.9 dwelling units per acre.

Physically Possible – The subject site is physically adequate to accommodate most residential land uses with adequate size, width and depth. The site has significant variation of topographic changes, which required terracing of the hillside decades ago to create level building pads to accommodate commercial chicken houses measuring hundreds of feet in length to be relatively level despite the natural topography. For this reason, the subject property is relatively level despite grade elevation differences between each other and the parent subject tract of more than fifteen (15) feet.

The subject property tract has access to the necessary utilities required for development as well as convenient access to neighborhood services. The subject property is located within a quarter (¼) of a mile from University Parkway (SR 316) which provides direct access to both suburban Atlanta as well as Athens Georgia. Most of the subject property's surrounding land uses are zoning for low-density residential consisting of single-family subdivisions constructed within the last five (5) years which are typically selling

between $120,000 to $150,000 per new three (3) and four (4)-bedroom home. Within a mile of the subject property are the new Barrow County public elementary, middle and high schools and new retail stores including Home Depot, Publix, Kohl's, and Target.

The subject property's accessibility to utilities, convenient location to roadways, schools and retail services and surrounding complementing residential land uses make the subject property attractive for a variety of residential land uses.

Financially Feasible & Maximally Productive – Both commercial and residential demand has weakened significantly in both the subject's immediate neighborhood and throughout both the region and even the nation since the start of the last recession. While the recession technically ended a few years ago, the recovery has been extremely moderate. While there is evidence of a recovery, unemployment, consumer confidence, wages, and real estate prices has only seen modest recovery compared to the more robust years of 2005 to 2007.

Home prices have declined in the subject property's surrounding neighborhoods by between approximately twenty percent (20%) and thirty-five percent (35%) since the peak of the market. As described in more detail within the Market Section of this report, many Atlanta Metropolitan area submarkets have experienced huge over-supply of residential lots. By the spring of 2009 finished lots in the Atlanta MSA have been estimated at 150,000 lots. At this same time new home starts were at extreme lows. This is reflected in the number of vacant lots within the subject property's submarket. As described in more detail within the Neighborhood Section of this report, there are many subdivisions within a few miles of the subject property with over half (½) single family residential lots remaining. It is estimated that there are more than 500 finished lots within a few miles of the subject property and many more scattered through the larger market area. These existing finished lots are typically selling for well-below replacement cost with current sales prices often ranging from ten percent (10%) to forty percent (40%) of their original retail lot price. Based on the current oversupply of finished residential lots with existing streets that can be acquired well-below replacement cost, it is currently unfeasible to construct new residential subdivisions. This is likely to remain true for at least three (3) or more years. Not until much of the existing lot and home inventory is significantly depleted will new subdivision development likely to become feasible.

The demand for multifamily has also been experiencing weak demand with multifamily development in the Atlanta-Sandy Springs, MSA. Apartment occupancy rates are reported in many submarkets in the Atlanta-Sandy Springs MSA to be near or above ninety percent (90%). This is due in part to a combination of more moderate rates of apartment construction and the decreases in home ownership rates. Multifamily is still experiencing higher than average bad debts and with some increased level of turnover compared to historic trends.

Within Barrow County, there have been virtually no multifamily properties constructed during the last decade. The market has experienced sharp declines in rental rates as competing properties and even submarkets have competed for tenants, but despite these trends occupancy rates have not fallen as sharply for the better quality assets. The trickle-down effect has harmed the older less competitive properties within the market as better quality tenants have traded up and the financially weaker tenant base has often sorted to the lowest class properties.

Based on the current and expected market conditions, multifamily development at the subject property is estimated to become financially feasible years prior to single-family development. Additionally, this higher density land use typically supports a higher land value than pure single-family land use. Near-term multifamily development is estimated to be feasible only with a development subsidy such as Low Income

Housing Tax Credit (LIHTC) providing additional equity, but multifamily development without LIHTC is likely to become financially feasible in the subject property's area prior to new single-family development.

Conclusion - Highest and Best Use of the Subject as Vacant

Based on the neighborhood patterns and the characteristics of the current economy, the highest and best use of the subject property, as if vacant, would be to hold the site for future development once the overall economy and local real estate market stabilizes. It is estimated that development of the site, is currently a financially feasible development only with the a subsidy such as Low Income Housing Tax Credit (LIHTC) providing additional equity. Otherwise it may require a couple of years before conventional apartments become financially feasible and even three (3) or more years longer before single-family development would become financially feasible.

Strengths & Weaknesses

The subject property, like every unique parcel of real estate, has its own individual strengths and weaknesses. The following table below outlines the subject property's strengths and weaknesses that have been further described within the market and subject property descriptive sections of this report:

Strengths & Weaknesses	
Subject Property's Strengths:	
Adjoining Development:	Average quality new single-family subdivisions.
Zoning:	Fairly rare multifamily zoning.
Features:	Structural acceptable built-to-plan apartments
Location:	Close proximity from University Parkway (SR 316), less than 1 mile from public elementary, middle and high school. Also within 1 mile of many retail services including Home Depot, Publix, Kolh's and Target.
Low Vacancy Rate In Submarket:	Multifamily vacancy rate of approximately ninety percent (90%) to ninety four percent (94%) within submarket.
Subject Property's Weaknesses:	
Adjoining R-3 Multifamily Zoning:	Subject property tracts only represent about one third (1/3) of the overall multifamily zoned parent site. Therefore there is risk that an additional 300 multifamily units quoted legally and physically can be constructed adjoining the subject property to the north, increasing competitive pressure within the submarket.
Moderate Housing Cost:	The subject property is in a moderate cost neighborhood were starter homes can be currently acquired for $120,000. These three and four bedroom

	starter homes can provide a strong competitive alternative to renting for those with the credits and financial ability to move into home ownership. With twenty percent (20%) down and a loan amount of $96,000, a mortgage of $550-$600 per month not including any escrows is possible. A monthly mortgage payment of $700 to $750 per month is likely with monthly escrows of $100 per month for real estate taxes and $50 per month for property insurance Some of the subject property's finishes and mechanical systems are original to the structure. This is greater than a likely pro-forma rent for suburban apartments of equivalent size, particularly once itemized tax deductions are considered. However there is a large and growing population of those that are not qualified purchasers under today's more strict underwriting rules.
Distance to Job Centers:	The subject property is located in an area transitioning from rural housing to suburban housing. Many residents commute outside of the county lines to seek employment in nearby Athens or suburban Atlanta. As a result, these types of emerging suburbs have been at risk during economic downturns or periods of high fuel costs. A prolonged period of high fuel costs may encourage some tenants to relocate closer to their employment, therefore transferring commuting costs into a larger housing budget.

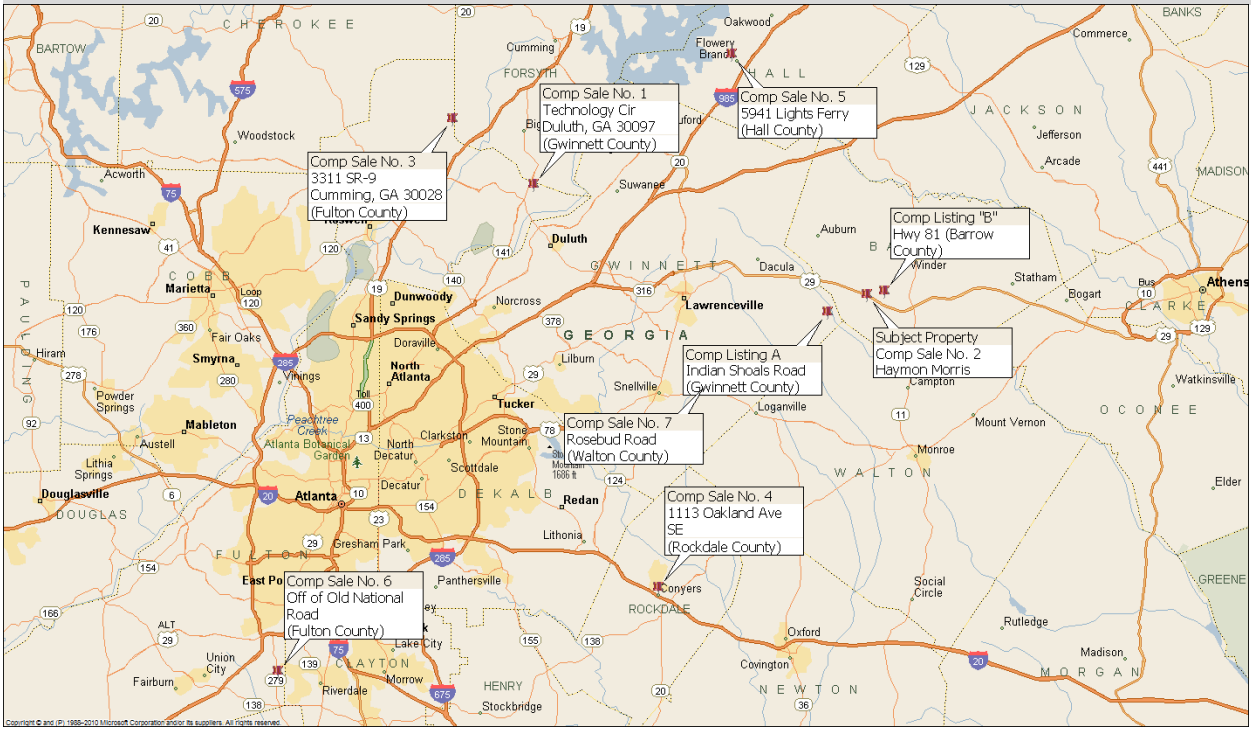
.

Site Valuation

The Sales Comparison analysis method has been utilized to estimate the market value of the subject property site, which is presented on the following pages. The market value of the subject property is estimated using the Sales Comparison Approach. The Sales Comparison involves a direct comparison of the property being appraised to similar properties that have sold in the same or similar market in order to derive a market value indication. The Sales Comparison Approach is based on the Principle of Substitution. In this approach, it is implied that a prudent person will not pay more to buy a property than it will cost to buy a comparable substitute property. Differences between the subject property and the comparable sales are accounted for by percentage adjustments to the comparable sales.

Below is a comparable land sale location map followed by a text explanation of adjustments considered during this land analysis.

Comparable Land Sales Map



The following pages include tables outlying each comparable sale and listing formally considered in this analysis. This is followed by a discussion of the adjustments applied to the comparable sales for differences between them and the subject property.

Comparable Land Sales Analysis

	Subject	Comp Sale No. 1	Comp Sale No. 2 (Subject)	Comp Sale No. 3	Comp Sale No. 4
Location	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	Technology Circle Oaks at Johns Creek (Fulton County) Duluth, GA	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	3311 Hwy 9 North aka Cumming Hwy (Fulton County) Milton, GA	1113 Oakland Ave Near I-20 (Rockdale County) Conyers, GA
Date of Sale	3/16/2011	1/18/2012	6/14/2011	6/8/2011	4/21/2011
Parcel No	XX052-035F	11-1070-0383-021	XX052-035B	22-5390-0758-025	C17-0-01-0031
Book/Page		50814-0444	50128-0489	50128-0489	4985-0100
Grantor (Brokerage Firm)	William Gasaway	JC Flex, LLC	William Gasaway	Branch Banking & Trust C.	Clarence McSwain
Grantee (Agent)	MHL, Inc (Kevin Buckner)	Oaks at Johns Creek, LLC (TriBridge)	MHL, Inc (Kevin Buckner)	Ashton Atlanta Residential LLC	City of Conyers
Sales Price	$573,000	$3,960,000	$573,000	$910,000	$250,000
Terms	Cash	Cash	Cash	Cash	Cash
Site Area - Sq Ft	332,755	1,037,599	332,755	359,849	232,001
Site Area - Acres	7.64	23.82	7.64	8.26	5.33
Zoning	R-3	MF (Johns Creek)	R-3	AG1 (Fulton)	RM (Rockdale)
# of Total Possible Units	79	268	79	40	50
Density (Lots / Acre)	10.3	11.3	10.3	4.8	9.4
Topography	Rolling	Rolling	Rolling	Moderate Rolling	Moderate Rolling
Site Condition	Cleared	Wooded	Cleared	Cleared	Wooded
Price/Residential Unit	$7,253	$14,776	$7,253	$22,750	$5,000
Price/Square Foot	$1.72	$3.82	$1.72	$2.53	$1.08
Price/Acre	$75,010	$166,247	$75,010	$110,156	$46,939

Comparable Land Sales Analysis

	Subject	Comp Sale No. 5	Comp Sale No. 6	Comp Sale No. 7	Comp Listing A	Comp Listing B
Location	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	5941 Lights Ferry Road (Hall County) Flowery Branch, GA	Crestwell Circle Near Old National (Fulton County) Atlanta, GA	Rosebud Road Near Athens Highway (Walton County) Loganville, GA	3560 Indian Shoals Rd Near June Ivey Rd (Gwinnett County) Dacula, GA	Hwy 81 - One Mile North of SR 316 (Barrow County) Winder, GA
Date of Sale	3/16/2011	3/8/2010	3/31/2008	1/7/2008		
Parcel No	XX052-035F	08118 001004A	14-0245-000-136-9	5-101-065	5345012, 5345013, 5345029	XX872-0838, XX072-008
Book/Page		6801-672	46549-0131	48554-0513		
Grantor (Brokerage Firm)	William Gasaway	Regions Bank (Thomas Neely	Centrex Homes	Dewey C. White	Coldwell Banker	Coldwell Banker
Grantee (Agent)	MHL, Inc (Kevin Buckner)	RL REG I Georgia, LLC (Lennar Homes,	Land Investments Partners LLC 1	Carrington Academies, Inc	Beverly Fields (770) 279-4151	Narender Reddy (678)320-4800
Sales Price	$573,000	$1,039,181	$4,362,637	$2,800,000	$2,376,000	$3,600,000
Terms	Cash	Cash	Cash	Cash	Cash	Cash
Site Area - Sq Ft	332,755	813,570	1,219,680	744,580	1,437,480	3,136,320
Site Area - Acres	7.64	18.68	28.00	17.09	33.00	72.00
Zoning	R-3	R-3 (Hall)	R-4	C-2 (Dev With Apts)	RA-200	M-1
# of Total Possible Units	79	190	290	175	330	720
Density (Lots / Acre)	10.3	10.2	10.4	10.2	10.0	10.0
Topography	Rolling	Rolling	Moderate Rolling	Moderate Rolling	Rolling	Rolling
Site Condition	Cleared	Streets Not Accepted	Wooded	Partially Cleared	Partially Cleared	Partially Cleared
Price/Residential Unit	$7,253	$5,469	$15,044	$16,000	$7,200	$5,000
Price/Square Foot	$1.72	$1.28	$3.58	$3.76	$1.65	$1.15
Price/Acre	$75,010	$55,640	$155,808	$163,808	$72,000	$50,000

Condition of Sale (Motivation) Adjustment

Comparable Listing "A" and "B" are vacant sites that have the potential to be utilized for multifamily development. Both comparable listings have been actively listed for sale for more than three (3) years and remain unsold as of the effective dates of this appraisal report. Based on this condition, a negative fifteen percent (-15%) adjustment has been applied to the listing price of each.

Market Conditions (Time) Adjustment

The real estate market has experienced a softening of real estate prices as part of the larger recession. The corresponding decline in the number of undeveloped larger tract property sales has made the magnitude of price decline difficult to quantify as fewer properties are currently selling. Sellers are slow to reduce asking prices for fear of giving their assets away, or they are unable to transact at lower pricing levels, due to existing debt balances greater than current value. Buyers now have higher yield expectations and believe better opportunities to acquire distressed properties over the next year will arise, which together has resulted in sales volume declines of seventy percent (70%) to eighty percent (80%) since 2007. The price decline for vacant commercial sites are being detrimentally impacted by the lack of construction, which has effectively stopped for most property categories.

The value loss trend can be noted in many sales across the region. One example is a sale that closed in January 2009, where the Bank of North Georgia sold a site with just over nine (9) acres intended for single family residential land use to Ace Homes as recorded in Gwinnett County Book 49261, Page 0262 for $110,000. In 2004, this same site was acquired for $431,700, reflecting a nearly seventy-five percent (75%) decline in value.

Likewise in September 2010, Regions Bank sold a site with more than eighteen (18) acres located on Lights Ferry in Flowery Branch of Hall County intended for an attached townhome development to Miami based RL REGI Georgia, LLC as recorded in Hall County Book 6801, Page 672 for $1,039,181. This price is about half of the prior 2004 acquired price of $2,000,000, reflecting a nearly fifty percent (50%) decline in value. This development has also received significant roadway and site improvements to prepare the site for anticipated attached townhomes. There is significant inventory of townhome produced communities in the immediate area, which now oversupplies this submarket further, making this asset less attractive to an investor for the intended use as well as difficult to change the use due to the infrastructure that has already been constructed. A change in use to garden apartments or traditional detached single-family development would require significant demolition and removal of the existing streets.

While some of these examples show rapid declines in value within the residential sector, the ultimate factor impacting value is the anticipated amount of time required for existing inventory to be absorbed within the submarket allowing it to stabilize and allowing new development. This is a zip code by zip code issue as the overbuilding is not equally distributed, but is generally common throughout Atlanta. The greatest amounts of residential overbuilding occurred in the fringe suburban markets where land was plentiful and construction was occurring at historically high levels at the peak of the market. Most of these areas have high concentrations of single-family zoning with most development targeting very similar markets. In comparison, the subject property has a relatively unique multifamily zoning which is less common than zoning encouraging single-family detached housing. As supported by the lack of listings in Barrow County with similar zoning to the subject property, the subject properties zoning is unique. Additionally, having single-family zoned property rezoned to a multifamily zoning is typically very difficult and virtually impossible in many communities.

After considering these factors a 50% time adjustment has been applied to the comparable sales to reflect an indication of value of the subject property.

Based on this analysis and data developed through this report, value declines have been estimated at approximately sixty percent (60%) for sales occurring prior to the first quarter of 2009.

Location

Comparable Sale Number One (1) is a sale of vacant land that was rezoned from an industrial use to multifamily located in the Duluth/Johns Creek area. This area is regarded to have a significantly superior location to the subject property given the higher median home price noted in the area. Based on this locational difference, Comparable Sale Number One (1) was adjusted a negative sixty percent (-60%).

Likewise Comparable Sale Number Three (3) is located in the City of Milton near the communities of Cumming and Alpharetta. The property is located across the roadway from a large golf club and is an area of larger homes. Like Comparable Sale Number One (1) an adjustment has been applied based on the median home price difference, which has been estimated on a negative thirty percent (-30%).

Comparable Sale Number Five (5) is located in the Flowery Branch area of Hall County with multifamily land use zoning. The Comparable has been developed with roadway and infrastructure improvements for an attached townhome development. The targeted townhome development is in fact very similar to the adjoining existing community with several hundred existing units. As often is the case within communities with plentiful land, the attached single-family homes within the area have been more desirable than the attached high density development. Attracting buyers to attached high-density housing in areas with plentiful land and affordable detached housing has required significant price reductions to attract buyers. Given the infrastructure improvements made and the cost of removing those improvements to reposition the asset for future speculative use, the comparable sale is estimated to suffer from locational issues. These locational issues are associated with the local overbuilding in the submarket associated with the high concentration of competitive attached housing product as well as moderate priced detached housing. It is estimated that between three (3) and five (5)-years may be required before development may proceed on the comparable sale. For these geographic differences, the comparables have been adjusted to negative fifty percent (-50%) to reflect the subject's relatively inferior location.

Required Infrastructure/Street Cost

Comparable Sale Number Two (2) is an acquisition of the subject property that occurred last year, prior to new roadway improvements for a new county street fronting the subject property to the western side. This roadway was constructed since the acquisition last year for which this adjustment has been applied to reflect the enhance improvement to the subject property and the contractual obligation that was required when the property was purchased.

Zoning Entitlement

Comparable Land Listing "A" and "B" currently have zonings that are considered to have a higher commercial utilization. Due to the current zoning and weak market for an industrial or commercial land the brokers of both of these sites are marketing them for potential multifamily development. However, as neither site is fully entitled for multifamily development and would require at a minimum having it down zoned as well as public hearings. The ability to obtain the down zoning is likely, but speculative as well as the time required to obtain the down zoning is uncertain. Down zoning to a multifamily use is often considered to be undesirable by many neighboring residents and business owners alike. Compounding this issue is

concerns over multifamily housing intended to serve moderate and low income residents. Public hearings regarding family oriented units within the LIHTC program is often met with significant resistance. Yet multifamily development is most likely to occur with the government sponsored development subsidy. Based on these factors, comparable listing from the area are near year to the subject property have been adjusted a positive fifteen percent (+15%) to reflect an indication of value of the subject property.

Site Size/Area

Generally, larger sites sell for less per acre than smaller properties, which appeal to more investors and owner occupants who can economically afford to utilize the property for their business without excess or surplus land area. This can be seen in the pattern of overall prices per acre of the comparable sales. The subject property is estimated to have approximately eight (8) acres of site area, while in comparison Comparable Land Sale Numbers Five (5) and Seven (7) each are approximately twice the size of the subject property and therefore have been adjusted a positive five percent (+5%).

However, as the comparable sales become larger then discount for size is estimated to significantly increase. Comparable Land Sales Numbers One (1) and Six (6), which are approximately three (3) times the size of the subject property and therefore requiring a sizeable adjustment. For this difference an adjustment of a positive fifteen percent (+15%) has been applied.

Site Condition (Cleared / Topography)

The subject property tract is mostly cleared and terraced due to their former agricultural use. In comparable, Comparable Land Sale Numbers One (1), Four (4), Six (6), Seven (7), as well as both Comparable Listing "A" and "B" are still in a fairly natural state which would require clearing and grading to make the sight developable. Due to these differences a positive 15% adjustment has been applied to each of the comparables to reflect an indication of the contributory value of the subject property in its improved clear and terraced state.

Conclusion of Value of each Site by Sales Comparison

The adjustment grids below outline the application of the adjustments explained in this text.

Comparable Land Sales Analysis

	Subject	Comp Sale No. 1	Comp Sale No. 2 (Subject)	Comp Sale No. 3	Comp Sale No. 4
Location	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	Technology Circle Oaks at Johns Creek (Fulton County) Duluth, GA	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	3311 Hwy 9 North aka Cumming Hwy (Fulton County) Milton, GA	1113 Oakland Ave Near I-20 (Rockdale County) Conyers, GA
Date of Sale	3/16/2011	1/18/2012	6/14/2011	6/8/2011	4/21/2011
Parcel No	XX052-035F	11-1070-0383-021	XX052-035B	22-5390-0758-025	C17-0-01-0031
Book/Page		50814-0444	50128-0489	50128-0489	4985-0100
Grantor (Brokerage Firm)	William Gasaway	JC Flex, LLC	William Gasaway	Branch Banking & Trust C.	Clarence McSwain
Grantee (Agent)	MHL, Inc (Kevin Buckner)	Oaks at Johns Creek, LLC (TriBridge)	MHL, Inc (Kevin Buckner)	Ashton Atlanta Residential LLC	City of Conyers
Sales Price	$573,000	$3,960,000	$573,000	$910,000	$250,000
Terms	Cash	Cash	Cash	Cash	Cash
Site Area - Sq Ft	332,755	1,037,599	332,755	359,849	232,001
Site Area - Acres	7.64	23.82	7.64	8.26	5.33
Zoning	R-3	MF (Johns Creek)	R-3	AG1 (Fulton)	RM (Rockdale)
# of Total Possible Units	79	268	79	40	50
Density (Lots / Acre)	10.3	11.3	10.3	4.8	9.4
Topography	Rolling	Rolling	Rolling	Moderate Rolling	Moderate Rolling
Site Condition	Cleared	Wooded	Cleared	Cleared	Wooded
Price/Residential Unit	$7,253	$14,776	$7,253	$22,750	$5,000
Price/Square Foot	$1.72	$3.82	$1.72	$2.53	$1.08
Price/Acre	$75,010	$166,247	$75,010	$110,156	$46,939

Adjustments				
Price/Square Foot	$3.82	$1.72	$2.53	$1.08
Condition of Sale (Motivation) Adjustment	0%	0%	15%	0%
Condition of Sale Adjusted Price/Unit SF	$3.82	$1.72	$2.91	$1.08
Market Conditions (Time) Adjustment	0%	0%	0%	0%
Market Conditions (Time) Adjusted Price/Unit SF	$3.82	$1.72	$2.91	$1.08
Location	-60%	0%	-30%	0%
Required Infrastructure/Street Cost	0%	10%	0%	0%
Zoning Entitlement	0%	0%	0%	0%
Size (Acreage / Number of Units)	10%	0%	0%	0%
Site Condition (Cleared / Topography)	15%	0%	0%	15%
Total Adjustments	-35%	10%	-30%	15%
Indicated Value per Unit	$2.48	$1.89	$2.04	$1.24

Comparable Land Sales Analysis

	Subject	Comp Sale No. 5	Comp Sale No. 6	Comp Sale No. 7
Location	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	5941 Lights Ferry Road (Hall County) Flowery Branch, GA	Crestwell Circle Near Old National (Fulton County) Atlanta, GA	Rosebud Road Near Athens Highway (Walton County) Loganville, GA
Date of Sale	3/16/2011	3/8/2010	3/31/2008	1/7/2008
Parcel No	XX052-035F	08118 001004A	14-0245-000-136-9	5-101-065
Book/Page		6801-672	46549-0131	48554-0513
Grantor (Brokerage Firm)	William Gasaway	Regions Bank (Thomas Neely	Centrex Homes	Dewey C. White
Grantee (Agent)	MHL, Inc (Kevin Buckner)	RL REG I Georgia, LLC (Lennar Homes,	Land Investments Partners LLC 1	Carrington Academies, Inc
Sales Price	$573,000	$1,039,181	$4,362,637	$2,800,000
Terms	Cash	Cash	Cash	Cash
Site Area - Sq Ft	332,755	813,570	1,219,680	744,580
Site Area - Acres	7.64	18.68	28.00	17.09
Zoning	R-3	R-3 (Hall)	R-4	C-2 (Dev With Apts)
# of Total Possible Units	79	190	290	175
Density (Lots / Acre)	10.3	10.2	10.4	10.2
Topography	Rolling	Rolling	Moderate Rolling	Moderate Rolling
Site Condition	Cleared	Streets Not Accepted	Wooded	Partially Cleared
Price/Residential Unit	$7,253	$5,469	$15,044	$16,000
Price/Square Foot	$1.72	$1.28	$3.58	$3.76
Price/Acre	$75,010	$55,640	$155,808	$163,808

Adjustments			
Price/Square Foot	$1.28	$3.58	$3.76
Condition of Sale (Motivation) Adjustment	15%	0%	0%
Condition of Sale Adjusted Price/Unit SF	$1.47	$3.58	$3.76
Market Conditions (Time) Adjustment	0%	-60%	-60%
Market Conditions (Time) Adjusted Price/Unit SF	$1.47	$1.43	$1.50
Location	30%	0%	0%
Required Infrastructure/Street Cost	0%	0%	0%
Zoning Entitlement	0%	0%	0%
Size (Acreage / Number of Units)	5%	15%	5%
Site Condition (Cleared / Topography)	0%	15%	15%
Total Adjustments	35%	30%	20%
Indicated Value per Unit	$1.98	$1.86	$1.81

Comparable Land Sales Analysis

	Subject	Comp Listing A	Comp Listing B
Location	Haymon Morris Rd W. of Carl Bethlehem (Barrow County) Winder, GA	3560 Indian Shoals Rd Near June Ivey Rd (Gwinnett County) Dacula, GA	Hwy 81 - One Mile North of SR 316 (Barrow County) Winder, GA
Date of Sale	3/16/2011		
Parcel No	XX052-035F	5345012, 5345013, 5345029	XX872-0838, XX072-008
Book/Page			
Grantor (Brokerage Firm)	William Gasaway	Coldwell Banker	Coldwell Banker
Grantee (Agent)	MHL, Inc (Kevin Buckner)	Beverly Fields (770) 279-4151	Narender Reddy (678)320-4800
Sales Price	$573,000	$2,376,000	$3,600,000
Terms	Cash	Cash	Cash
Site Area - Sq Ft	332,755	1,437,480	3,136,320
Site Area - Acres	7.64	33.00	72.00
Zoning	R-3	RA-200	M-1
# of Total Possible Units	79	330	720
Density (Lots / Acre)	10.3	10.0	10.0
Topography	Rolling	Rolling	Rolling
Site Condition	Cleared	Partially Cleared	Partially Cleared
Price/Residential Unit	$7,253	$7,200	$5,000
Price/Square Foot	$1.72	$1.65	$1.15
Price/Acre	$75,010	$72,000	$50,000

Adjustments		
Price/Square Foot	$1.65	$1.15
Condition of Sale (Motivation) Adjustment	-15%	-15%
Condition of Sale Adjusted Price/Unit SF	$1.40	$0.98
Market Conditions (Time) Adjustment	0%	0%
Market Conditions (Time) Adjusted Price/Unit SF	$1.40	$0.98
Location	0%	0%
Required Infrastructure/Street Cost	0%	0%
Zoning Entitlement	15%	15%
Size (Acreage / Number of Units)	20%	25%
Site Condition (Cleared / Topography)	15%	15%
Total Adjustments	50%	55%
Indicated Value per Unit	$2.11	$1.51

Conclusion of the Site Valuation

The adjusted comparable sales considered within this analysis indicate a per square-foot value of a $1.24 to $2.48 per square foot of the subject property. The prior sale of the subject property once adjusted for the roadway improvements indicates a value of $1.89 per square foot. The mean of the comparable sales once adjusted is noted in the following overview table to be $1.90 per square foot which supports the adjusted value of the 2011 acquisition of the subject property.

Value Estimate of Subject Site			
Minimum Price Per Square Foot			$1.24
Maximum Price Per Square Foot			$2.48
Standard Deviation			$0.37
Mean Price Per Square Foot			$1.90
Indicated Value Range	Lowest Indication	Highest Indication	Mean Indication
Unit Price Estimate (Per SF)	$1.24	$2.48	$1.90
Square Feet	332,755	332,755	332,755
Indicated Value Before Street Costs & Rounding	$412,356	$825,474	$632,134
Unit Price Estimate (Per SF)		$1.90	
Square Feet		332,755	
Indicated Value Before Rounding & Street Cost			$632,234
Indicated Value of Subject In Its "As Is" Condition (Rounded)			**$630,000**

Based on this analysis, the subject property is estimated to have a value at $630,000.

Conclusions Under Sales Approach			
Appraisal Premise	**Appraisal Date**	**Interest Appraised**	**Appraisal Conclusion**
"As Is"	**June 8, 2012**	**Fee Simple**	**$630,000**

Reconciliation and Final Appraisal Estimate

The final step in the appraisal process is the reconciliation of the different approaches to value applied in estimating the value of the Fee Simple Interest. Within this analysis, only the Sales Comparison Approach has been fully applied, which is reflective of the methodology applied by most investors of vacant land. The Sales Comparison Analysis is a direct reflection of the interaction of buyers and sellers in the market. This approach is typically the easiest to understand of all the three (3) approaches to value and is used by most owner occupants and unsophisticated investors.

Based on the market data and the analysis of that data, the market value of the subject property is estimated to be approximately:

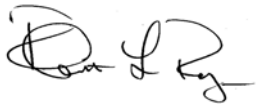
Final Market Value Conclusions

Appraisal Premise	Appraisal Date	Interest Appraised	Appraisal Conclusion
As Is	**June 8, 2012**	**Fee Simple**	**$630,000**

The value estimated contained within this analysis is based on anticipated marketing time typical of the market. This reflects the time needed to attract a prospective investor immediately following the effective date of value relied upon in this analysis. This estimate has been concluded after considering recent historic exposure time noted in comparable sales, interviews with various market participants, as well as, data and information outlined throughout this report. This estimate of required marking time, assumes an active and professional marketing would be employed to obtain this forecasted result. As of the effective date of the appraisal report, the marketing time based on the pricing indicated is estimated to be between Twelve (12) - Thirty-six (36) Months.

Thank you for the opportunity to prepare this analysis. If you have any questions, please do not hesitate to contact me at (770) 790-5109.

Respectfully submitted,



Robert L. Ryan, MAI
Georgia Certified General
Real Estate Appraiser License No. 334357

ADDENDUMS

Addendum A – Assumption and Limiting Conditions

1. The appraiser assumes the title to the property to be free and clear, unencumbered, and there are no leases, easements, liens, or other encumbrances affecting the property other than those mentioned in this report. The appraiser is unaware of any title defects nor has it been advised of any unless specifically noted in the report. Insurance against economic loss resulting from defects in title should be sought.

2. Information, estimates, and opinions furnished to the appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of items furnished to the appraisers can be assumed by the appraiser.

3. The appraiser assumes that the improvements are located on the land described herein and do not overlap this land unless otherwise stated in the appraisal report. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property, but the appraiser has not made an actual survey of the property. It is recommended that a certified survey be made by any person privy to this appraisal.

4. The management of the property is assumed to be competent and the ownership in responsible hands.

5. No responsibility is assumed for legal matters. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been made previously.

6. The appraiser assumes that there are no hidden or unapparent conditions of the property or subsoil which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for seismic, engineering, mechanical systems. Unless otherwise stated in the report no physical issues were brought to the appraiser's attention. The appraiser further assumes no responsibility for political, social, or economic changes, which would have an effect on real estate values after the date of this valuation.

7. In this appraisal assignment, the existence of potentially hazardous materials used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, contaminated ground water and/or the existence of toxic waste, which may or may not be present on the property, was not observed; nor knowledge of the existence of such materials on or in the property conveyed unless noted in this report. The appraiser, however, is not qualified to detect such substances. The existence of urea-formaldehyde insulation or other potentially hazardous waste material may have an effect on the value of the property. Any environmental factors on or in the immediate area of the subject property that are known by the appraiser are included in this report. The client is urged to retain an expert in this field if desired. No responsibility is assumed for asbestos insulation or other asbestos related materials which may be located on or in the subject property unless otherwise stated in this report. The appraiser assumes no responsibility for factors that are not known or were not observed. See environmental hazard discussion in site description of this report for information.

8. Any distribution of the valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in

conjunction with any other appraisal and are invalid if so used.

9. The fee for the investigation and preparation of this report is not in any way contingent upon the amount of value herein reported, nor contingent upon anything other than the delivery of this report. The fee for making this report does not include any court testimony of pretrial conferences.

10. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a professional like manner and utilizing property building materials.

11. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. We may at our discretion address some likely problems associated with compliance issues of the property. However, this should not be construed as a complete, full compliance survey of the subject property.

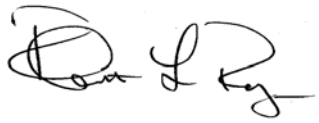
12. The EPA has ban production of CFCs (chlorofluorocarbon coolants). As a result, other types of refrigerants will have to be used in existing air conditioning systems (coolants such as HCFCs, hydrochlorofluorocarbons) and HFCs (hydrofluorocarbons). The appraisers have not addressed problems concerning retrofitting of air conditioning systems within the subject property. Most buildings will switch slowly to HCFCs and this appraisal assumes that no problems will occur within the subject property for this type of compliance (when and if it happens).

13. The appraisers are not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject property.

Addendum B – Certification of Appraiser

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. To the best of my knowledge and beliefs, the statements of fact contained in this report, upon which the analyses, opinions, and conclusions expressed herein are based, 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, impartial, and 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 no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. No one provided significant real property appraisal assistance to the person signing this certification.
8. No one other than the undersigned prepared, or contributed significantly to, the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report.
9. I have made a personal inspection of the property that is the subject of this report.
10. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



DATE: June 11, 2012

Robert L. Ryan, MAI
Georgia Certified General
Real Estate Appraiser License No. 334357

Addendum C – Professional Qualifications

Experience Summary:

Rob has comprehensive experience in commercial brokerage, valuation, consulting, litigation support and university instruction dating back to 1989. His valuation experience includes a wide range of commercial property types as well as extensive condemnation experience including highway, levee, canal and interstate petroleum pipeline ROWs. Rob has valued properties throughout the US spanning nearly 20 states Coast to Coast. He served as a reviewer for under-performing new development loans and litigation support during the Resolution Trust Corp Era as well as a key participant in nearly a dozen environmental class action defense cases with many having total potential class claims of over $1 Billion.

Prior to joining Meridian Advisors, Rob served as a Director in an investment sales group that specialized in the sale of affordable housing including properties developed with low income housing tax credits and various complementing programs. Rob first joining this investment sales group at HFF (Holiday Fenoglio Fowler, LP) in 2005 and when this specialty group moved to ARA (Apartment Realty Advisors) Rob joined his teammates in this new endeavor. In addition to properties encumbered with tax credits, his experience includes general and limited partnerships as well as various HUD programs where his team closed nearly $300M in cumulative transaction value.

For eight years (1998 to 2005) Rob also served as an Adjunct Professor of Graduate Studies focused on real estate topics at the University of New Orleans (LSU System) where he also served as Assistant Director/Analyst in UNO's Real Estate Market Data Center for 13 years.

Experience:

<u>Real Estate Appraiser & Consultant</u>

March 2009 to Present — Managing Director, Meridian Advisors, Atlanta, GA

Jan 1999 to Aug 2005 — Principal, Real Estate Consultants Group, New Orleans, LA

Valuation assignments consisted of multifamily, shopping centers, subdivisions, multi-tenant office, industrial and specialized properties including going concerns. Provided feasibility and market studies on parking garages, subdivisions, condominiums and mix use developments. Primary appraiser/consultant for state medical school's assembly of sites for new university campus research centers and public hospital

Mar 1993 to Dec 2002 Appraiser, Real Property Associates, Inc., New Orleans, LA

Extensive condemnation experience consisting of highway, levee, canal and interstate petroleum pipeline ROWs. Reviewer experience including underperforming new development loans and litigation support during the Resolution Trust Corp Era. Highly adept at providing severance damage and historic valuation analysis particularly associated with litigation. Served as key participant in ten environmental class action defense cases with many having total potential claims over $1 Billion.

<u>Commercial Real Estate Brokerage</u>

Apr 2008 to Feb 2009 — Director, ARA, Apartment Realty Advisors
National Affordable Housing Group, Atlanta, GA

Sept 2005 to Apr 2008 Director, HFF, Holliday Fenoglio Fowler
National Affordable Housing Group, Atlanta, GA

Director/producer in a national brokerage practice group specializing in the marketing of multifamily properties developed with a combination of federal low income housing tax credits and various complementing affordable housing programs. Successfully closed sales in ten states with a cumulative value of 300M.

Adjunct Professor

Aug 1998 to Aug 2005 Adjunct Professor, College of Business
University of New Orleans (LSU System), New Orleans, LA

Demonstrated real estate expertise by instructing at a state university both graduate and undergraduate course work.

Real Estate Research

Jan 1989 to Feb 1993 Assistant Director, Real Estate Market Data Center,
University of New Orleans, New Orleans, LA

Wide-range of topics studied including market trends, cost/benefit of energy efficient materials, office space per worker, office demand forecast modeling, and apartment operating expenses.

Real Estate Research Center

January 1989 to February 1993 Assistant Director, Real Estate Market Data Center,
University of New Orleans, New Orleans, LA

Editor and analyst for a variety of publications and research conducted within the University of New Orleans real estate research. This included regression modeling, data base management and creation of professional publications. Periodically, since 1993 editorial and research services have been provided to the UNO real estate center on a contract basis.

Education:

MBA with Real Estate Finance Concentration - *University of New Orleans, 1991*
BS in Marketing -*University of New Orleans, 1989*

Professional Associations:

MAI, Member of the Appraisal Institute #11687
Member of Atlanta Commercial Board of Realtors #875882802
ULI, Urban Land Institute #446789

Licenses & Certifications:

Alabama Certified General Real Property Appraiser License #G00968
Florida Certified General Real Property Appraiser License # RZ3435
Georgia Certified General Real Property Appraiser License # 334357
Georgia Salesperson License #328385

Selected Sample of Specialized Property Types Appraised:

* Large scale regression modeling of housing values and testing the influence of possible externalities for nine (9) different studies.
* Single-family appraisals including the testing for the influence of various negative externalities on value (subsidence, asbestos, roofing materials, street flooding, chemical plant or canal proximity).
* Residential and commercial subdivisions including large mix-use, office, commercial and multiphase developments.
* Condominium developments in both historic structures and suburban locations.
* Office properties including medical, high-rise and office condominium buildings.
* A wide variety of warehouse and industrial properties including commercial green houses, computer circuitry manufacturing and petroleum storage facilities.
* Batture (navigable river frontage) property valuations located along the Mississippi River.
* Retail facilities including bank facilities, shopping centers and restaurants.
* Retrospective appraisals of large tracts of vacant land and various commercial properties for litigation and estate purposes for dates as far back as 30 years.
* Multi-family apartment properties ranging from market to affordable apartments.
* Many civic facilities including numerous religious sanctuaries, a variety of schools and meeting/union halls.
* Large vacant tracts including mixed use and wetland properties.
* Wide variety of mixed-use commercial property.
* Parking facilities including surface lot assemblages and parking garages.
* Existing City street right-of-way to be closed and sold to the state.
* Historic structures including conversions and historic renovations.
* Redevelopment of specialized properties requiring substantial renovation including change of use of schools, retail, theaters, convents, churches, warehouses, union hall, and bank branches to alternative uses.
* Specialized medical properties including medical office, medical condominium, surgical centers and veterinary clinics.
* Numerous Fee Simple and fee simple opinions issued including layered or sandwich leases positions (leases with subleased positions).
* Variety of estimates of damages associated with expropriations including income losses and severance damages.
* Opinions of property contained in pipeline, roadway and canal right-of-ways.

Sample Market Feasibility Studies:

* Editor of the annual *New Orleans Real Market Analysis* (a 100+ page, nationally distributed publication summarizing residential and commercial market conditions on the Central Gulf Coast) published by the University of New Orleans (1994-2000).
* Externality studies associated with chemical explosions in Sterlington, Opelousas and Bogalusa, Louisiana and residential property valuation patterns.
* Externality study for neighborhood price patterns near a creosote plant, Bossier Parish, Louisiana
* Residential property valuation in proximity to solid waste disposal site, St Bernard Parish, Louisiana and near the Inner Harbor Navigation Canal in Orleans Parish, Louisiana.
* Economic needs, market demand and land use plan for a regional mall (Cortana Mall in Baton Rouge), Louisiana as part of the retrospective Master Wetland Permit.
* Assist in identification of large vacant parcels suitable for large-scale industrial development in Southeastern Louisiana (Louisiana Department of Economic Development).
* Parking garage with various commercial and residential mix uses, market and financial feasibility analysis in the French Quarter, New Orleans, Louisiana.
* Market and financial feasibility study for apartment conversions from a historic warehouse in Faubourg Marigny and historic theater and retail complex in the Central Business District.
* Published research article on forecasting office space demand and office space per worker estimates for the Society of Industrial and Office Realtors, January 1992.
* In-depth, study on apartment operating expenses on properties in New Orleans versus other comparable cities in the southeastern United States.

Addendum D – Glossary of Terms and Definitions

allocation by abstraction - A method of separating a whole property value into land and improvement components. The appraiser estimates replacement cost, subtracts an appropriate amount for depreciation, and subtracts the remainder from the whole property value to estimate the land value.

amortization -The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. See also negative amortization

anticipated sale price - The price at which a property is anticipated to sell in a competitive and open market, assuming an arm's length transaction whereby:1. The analysis reflects the subject property "as is" and is based on its present use as a residential dwelling. 2. Both buyer and seller are typically motivated, both parties are well-informed, or well-advised and acting in what they consider their best interests. 3. Payment is made in cash or its equivalent.4. A reasonable marketing period, not to exceed 120 days and commencing on the date of appraisal (inspection), is allowed for exposure in the open market. The analysis assumes an adequate effort to market the subject property.5. Forecasting is applied to reflect the anticipated trend of market conditions and prices during the subject property's prospective marketing period.

assessed value - Assessed value applies in ad valorem taxation and refers to the value of a property according to the tax rolls. Assessed value may not conform to market value, but it is usually calculated in relation to a market value base.

assemblage -The combining of two or more parcels, usually, but not necessarily contiguous, into one ownership or use; the process that may create Plottage. See also Plottage.

balloon mortgage -A mortgage that is not fully amortized at maturity, and thus requires a lump sum, or balloon, payment of the outstanding balance.

band of investment -A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

base rent -The minimum rent stipulated in a lease. See also rent.

breakdown method -A method of estimating depreciation in which the total loss in the value of a property is estimated by analyzing and measuring each cause of depreciation (physical, functional, and external) separately.

breakeven point - In real estate investment analysis, the point at which the cumulative income (effective gross income) of an investment property equals its cumulative loss (normal operating expenses plus debt service). See also payback period.

breakpoint -The level of sales at which a percentage clause in a lease is activated. See also base rent; overage rent; percentage rent; natural breakpoint; unnatural breakpoint. Also referred to as sales breakpoint.

bridge financing - Short-term financing between 1) the termination of one loan and the commencement of another; 2) the acquisition of a property and the improvement or rehabilitation that will make it eligible for a permanent mortgage; or 3) the maturity of a construction loan and the negotiation of permanent financing.

built-up rate -An overall capitalization rate or discount rate that represents the combination of a safe, or risk-free, rates that reflect non-liquidity, management, and risk.

CAM administration fee - The cost of actually administering the common area of a shopping center, a standard addition to the overall cost of common-area maintenance (CAM), typically set at 15 percent of tenant CAM contribution but may vary due to negotiation between landlord and tenant.

CAM recovery rate - The percentage of CAM expenses recovered or reimbursed from tenants during the year. The percentage rate may be below 100% if landlord has offered concessions or offset in order to attract or lease a particular tenant. The percentage recovery rate may exceed 100% when administrative fees are added to CAM costs for tenant billing. See common area maintenance (CAM).

capital expenditure - Investments of cash or the creation of liability to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations.

capitalization - The conversion of income into value. See also direct capitalization; yield capitalization.

capture rate - The estimated percentage of the total potential market for a specific type of property, e.g., office space, retail space, single-family homes, that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities. For example, the capture rate of a retail center depends on the size of its trade area, the anchor tenants in the facility, competition within the trade area, and the relative position of the subject facility compared to the competition. Short-term capture is referred to as absorption; long-term capture is referred to as share of the market.

cash equivalency - The procedure in which the sale prices of comparable properties sold with atypical financing are adjusted to reflect typical market terms.

cash flow analysis - A study of the anticipated movement of cash into or out of an investment.

cash on cash -The ratio of annual equity income to the equity investment; also called equity capitalization rate, cash flow rate, or equity dividend rate

common area maintenance (CAM) The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. See also common area. Additional definitions: 1. It can be a line item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. 2. It can refer to all operating expenses. 3. It can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have an "administrative load." An example would be a 15% addition to total operating expenses, which are then pro-rated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee

conditions, covenants, and restrictions (CC&Rs) A list of expressed assurances and limitations on land use; often found in contracts between a land subdivider and a lot purchaser. CC&Rs should be specified in the conveyance. Also referred to as covenants and restrictions or condominium covenants. See also restrictive covenant.

construction, operation and reciprocal easement agreement (COREA) -An agreement between the owners of two or more parcels of property detailing the construction, future operation, maintenance, expense responsibilities, and granting one another reciprocal rights to the use of their respective parcels for such things as parking, access, and signage. Most commonly associated with regional shopping malls. In most shopping centers, the anchor stores have significant input and control over the rights and obligations granted or restricted under an COREA, which could include items ranging from the use of land to development and design controls, such as permitted parking ratios. Typically, COREAs are recorded in the public records and their covenants run with the land. Also referred to as an operating agreement or reciprocal easement agreement (REA).

contract rent - The actual rental income specified in a lease.

debt coverage ratio (DCR)-The ratio of net operating income to annual debt service (DCR = NOI/I[subscript M]); measures the ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). The cash flow position is referred to as the lender's "margin of safety".

developer's fee-A term subject to various interpretations. Many appraisers associate a developer's fee with payment for overseeing the development of a project from inception to completion and include it among the direct and indirect costs of development. Others use the term interchangeably with entrepreneurial profit, equating it with compensation for the time, energy, and experience a developer invests in a project as well as a reward for the risk the developer takes.

direct capitalization-A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted from market data. Only one year's income is used. Yield and value changes are implied, but not identified.

effective rent - The rental rate net of financial concessions such as periods of no rent during the lease term; may be calculated on a discounted basis, reflecting the time value of money, or on a simple, straight-line basis.

excess land - In regard to an improved site, the land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, the land not needed to accommodate the site's primary highest and best use. Such land may be separated from the larger site and have its own highest and best use, or it may allow for future expansion of the existing or anticipated improvement. *See also* surplus land.

extraordinary assumption - An assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. *See also* hypothetical condition.

external obsolescence -An element of depreciation; a defect, usually incurable, caused by negative influences outside a site and generally incurable on the part of the owner, landlord, or tenant.

fee simple estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

floor area ratio (FAR) - The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area; also called *building-to-land ratio*.

full service lease - A lease in which rent covers all operating expenses. Typically, full service leases are combined with an *expense stop*, the expense level covered by the contract lease payment. Increases in expenses above the expense stop level are passed.

going concern -The value allocated to realty stabilized operation or prorated operation achieved as of valuation date plus or minus goodwill/ill will. Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern, which is distinct from the value of the real estate only. Going concern value includes an intangible enhancement of the value of an operating business enterprise which is produced by the assemblage of the land, building, labor, equipment, and marketing operation. This process creates an economically viable business that is expected to continue. Going concern value refers to the total value of a property, including both real property and intangible personal property attributed to the business value.

gross building area (GBA) - The total floor area of a building, including below-grade space but excluding unenclosed areas, measured from the exterior of the walls. Gross building area for office buildings is computed by measuring to the outside finished surface of permanent outer building walls without any deductions. All enclosed floors of the building including basements, mechanical equipment floors, penthouses, and the like are included in the measurement. Parking spaces and parking garages are excluded.

gross income multiplier (GIM)-See effective gross income multiplier (EGIM); potential gross income multiplier (PGIM).

gross rent multiplier (GRM)-The relationship or ratio between the sale price or value of a property and its gross rental income. See also effective gross income multiplier (EGIM); potential gross income multiplier (PGIM).

holding period yield -The total yield on an investment, particularly a bond held for less than full term, including the gains or losses from resale as well as regular earnings; the sum of all current yield and deferred yield; sometimes a shortened term for the holding period yield rate, which is analogous to the equity yield rate and internal rate of return.

hypothetical condition-That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if: Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison; use of the hypothetical condition results in a credible analysis; and the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

income capitalization approach -A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

insurable value - Is based on the replacement and/or reproduction cost of physical items that are subject to loss from hazards. Insurable value is that portion of the value of an asset or asset group that is acknowledged or recognized under the provisions of an applicable loss insurance policy.

investment value - Is the value of an investment to a particular investor based on his or her investment requirements. In contrast to market value, investment value is value to an individual, not value in the marketplace. Investment value reflects the subjective relationship between a particular investor and a given investment. When measured in dollars, investment value is the price an investor would pay for an investment in light of its perceived capacity to satisfy his or her desires, needs, or investment goals. To estimate investment value, specific investment criteria must be known.

intangible property Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment. (USPAP, 2008-2009 ed.) See also total intangible assets

intended use The manner in which the appraiser intends the intended users will employ the information contained in an appraisal report.

Fee Simple interest -1. A fee simple interest in real estate where the fee simple interest is subject to a lease.2. An ownership interest held by a lessor (landlord) with the rights of use and occupancy conveyed by lease to the lessee (tenant), with the rights and obligations of the lessor (the Fee Simple owner) and the lessee specified by lease contract terms. The lessor grants the lessee the right to occupy the real estate and use it for certain stated purposes. In return, the landlord receives rent payments for the use of the premises and retains all other rights of ownership including a reversionary right to retake possession after the lease term has expired. Also referred to as Fee Simple estate.

leasehold interest -The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. See also negative leasehold; positive leasehold.

letter of intent -An instrument that expresses the intent to invest, buy, or lease, conditioned on the receipt and approval of further documentation or the issuance of a qualification permit. A letter of intent is not a binding agreement.

market rent - The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations.

market value - Market value is one of the central concepts of the appraisal practice. Market value is

differentiated from other types of value in that it is created by the collective patterns of the market. Market value means 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) A reasonable time is allowed for exposure in the open market; 2) Both parties are well informed or well advised, and acting in what they consider their own best interests; 3) Buyer and seller are typically motivated; 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.

marketing period - The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.

net lease - Lease in which all or some of the operating expenses are paid directly by the tenant. The landlord never takes possession of the expense payment. In a *Triple Net Lease* all operating expenses are the responsibility of the tenant, including property taxes, insurance, interior maintenance, and other miscellaneous expenses. However, management fees and exterior maintenance are often the responsibility of the lessor in a triple net lease. A *modified net lease* is one in which some expenses are paid separately by the tenant and some are included in the rent.

net rentable area (NRA) - 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.

occupancy rate - The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied.

prospective value opinion - A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new user, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

reasonable exposure time - The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market.

shell rent - The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called plain vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.

surplus land - Land not necessary to support the highest and best use of the existing improvement but, because of physical limitations, building placement, or neighborhood norms, cannot be sold off separately. Such land may or may not contribute positively to value and may or may not accommodate future expansion of an existing or anticipated improvement. *See also* excess land.

trade fixtures - Articles placed in or attached to rented buildings by a tenant to help carry out the trade or business of the tenant are generally regarded as trade fixtures. For example, a tenant's shelves used to display merchandise are trade fixtures and retain the character of personal property, as opposed to all other fixtures that were but are no longer personal property when they are attached to and become part of the real estate. Despite the consensus on the concept of trade fixtures in general, applicable law and custom govern when a specific item is a trade fixture in a particular assignment. (USPAP, 2002 ed.) Also called chattel fixture. See

also fixture.

usable area - 1) The area actually used by individual tenants. 2) The Usable Area of an office building is computed by measuring to the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Excludes areas such as mechanical rooms, janitorial room, restrooms, lobby, and any major vertical penetrations of a multi-tenant floor.

use value - A concept based on the productivity of an economic good. Use value is the value a specific property has for a specific use. Use value focuses on the value the real estate contributes to the enterprise of which it is a part, without regard to the property's highest and best use or the monetary amount that might be realized upon its sale.

value indication - An opinion of value derived through application of the appraisal process.

Addendum E – Legal Description

Taken from the last acquisition of the subject property filed in Barrow County's Superior Court Deed Book 1574, Page 446:

TRACT B

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN THE 316TH DISTRICT, BARROW COUNTY, STATE OF GEORGIA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN FOUND ON THE NORTHERLY RIGHT-OF-WAY OF HAYMON-MORRIS ROAD, SAID POINT BEING NORTH 31 DEGREES 05 MINUTES 37 SECONDS WEST 119.10 FEET FROM THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY OF HAYMON-MORRIS ROAD AND THE CENTER LINE OF JESSICA DRIVE; THENCE ALONG THE NORTHERLY RIGHT-OF-WAY OF HAYMON-MORRIS ROAD IN AN EASTERLY DIRECTION, 974.43 FEET TO A POINT, THIS BEING THE TRUE POINT OF BEGINNING; THENCE LEAVING THE RIGHT-OF-WAY OF HAYMON-MORRIS ROAD AND GOING THENCE ALONG AN ARC WITH A RADIUS OF 170.18 FEET A DISTANCE OF 177.47 FEET WITH A CHORD OF NORTH 31 DEGREES 14 MINUTES 43 SECONDS EAST A CHORD DISTANCE OF 169.54 FEET TO A POINT; THENCE NORTH 61 DEGREES 07 MINUTES 22 SECONDS EAST A DISTANCE OF 334.06 FEET TO A ½" OPEN TOP FOUND; THENCE SOUTH 81 DEGREES 55 MINUTES 15 SECONDS EAST A DISTANCE OF 65.10 FEET TO A ½" OPEN TOP FOUND; THENCE SOUTH 88 DEGREES 05 MINUTES 47 SECONDS EAST A DISTANCE OF 775.00 FEET TO A ½" OPEN TOP FOUND; THENCE SOUTH 10 DEGREES 13 MINUTES 15 SECONDS EAST A DISTANCE OF 290.00 FEET TO A POINT ON THE RIGHT-OF-WAY OF HAYMON-MORRIS ROAD; THENCE ALONG THE RIGHT-OF-WAY OF HAYMON-MORRIS ROAD NORTH 89 DEGREES 15 MINUTES 30 SECONDS WEST A DISTANCE OF 285.65 FEET TO A POINT; THENCE SOUTH 89 DEGREES 32 MINUTES 10 SECONDS WEST A DISTANCE OF 295.13 FEET TO A POINT; THENCE NORTH 89 DEGREES 01 MINUTES 58 SECONDS WEST A DISTANCE OF 540.32 FEET TO A POINT; THENCE NORTH 88 DEGREES 37 MINUTES 49 SECONDS WEST A DISTANCE OF 150.00 FEET TO THE TRUE POINT OF BEGINNING.

BEING SHOWN AS TRACT B, ENCOMPASSING 7.639 ACRES ON A SURVEY FOR FARMINGTON HILLS, LP & SCS FARMINGTON, LLC PREPARED BY W.T. DUNAHOO AND ASSOCIATES, LLC, DATED 04/25/2011.