



# Department of Purchasing & Contract Compliance

*Cecil S. Moore, CPPO, CPPB, CPSM, C.P.M., A.P.P*  
*Director*

Fulton County, GA

**September 1, 2011**

**Re: 17-0071-0004-034-3**  
**330 Johnson Ferry Road**

Dear: Bidders

Attached is one (1) copy of Addendum 3, hereby made a part of the above referenced 17007100040343-330 Johnson Ferry Road.

Except as provided herein, all terms and conditions in the 17-0071-0004-034-3-330 Johnson Ferry Road Bid referenced above remain unchanged and in full force and effect.

Sincerely,

**Charles Leonard**  
**Chief Assistant Purchasing Agent**

Winner 2000 - 2009 Achievement of Excellence in  
Procurement Award • National Purchasing Institute



17-0071-0004-034-3- 330 Johnson Ferry Road

Addendum No. 3

Page Two

This Addendum forms a part of the contract documents and **modifies** the original RFP documents as noted below:

**Exhibit 4: Property Appraisal is provided. Please disregard Addendum Number 2 and replace with Addendum Number 3.**

ACKNOWLEDGEMENT OF ADDENDUM NO. 3

The undersigned proposer acknowledges receipt of this addendum by returning one (1) copy of this form with the bid package to the Department of Purchasing & Contract Compliance, Fulton County Public Safety Building, 130 Peachtree Street, Suite 1168, Atlanta, Georgia 30303 by the BID due date and time September 21, 2011, **11:00 A.M.**

This is to acknowledge receipt of Addendum No. 3, \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Legal Name of Bidder

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title

# CHILDERS ASSOCIATES

REAL ESTATE CONSULTANTS AND APPRAISERS

321 FOURTEENTH STREET, N.W.

ATLANTA, GEORGIA 30318

TELEPHONE: (404) 876-5100

FAX: (404) 876-8863

RICHARD S. CHILDERS, MAI  
DAVID W. CHILDERS, MAI



August 8, 2011

Ms. Liza R. Cheek  
Real Estate Specialist  
Fulton County  
General Services Department – Land Division  
141 Pryor Street, SW  
Suite 8021  
Atlanta, Georgia 30303

Re: Appraisal of Sandy Springs Health Center  
330 Johnson Ferry Road  
Sandy Springs, Georgia 30328  
Childers Associates File No. 035-11

Dear Ms. Cheek:

In accordance with your request, we have inspected the above referenced property for the purpose of estimating the current market value of the fee simple interest. The property is appraised in its current, 'as is' condition, in its current location and with all faults. The subject is a surplus property, as designated by Fulton County, and we further estimate the discounted market value for the subject to be sold with only 30 days exposure to the market and sale under a sealed bid process as explained in the attached report. The date of value for the appraisal is our most recent date of inspection, July 18, 2011.

Based on the analysis presented herein, our estimates of market value for the real estate and real property rights are:

Market value under normal marketing conditions	\$230,000
Market value with 30 day exposure	\$161,000

The estimated market value of the subject under the 30 day exposure is allocated as \$79,100 for land and \$81,900 for improvements. It has been a pleasure to serve you in this matter. If you have any questions concerning the attached appraisal, please do not hesitate to contact me.

Sincerely,

David W. Childers, MAI

Certified General Real Property Appraiser  
State of Georgia No. CG001481

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### ADDENDA

EXHIBIT A – SUBJECT TITLE REPORT
EXHIBIT B – SUBJECT SURVEY
EXHIBIT C – LAND SALES DATA
EXHIBIT D – OFFICE SALES DATA
EXHIBIT E – COMPARABLE OFFICE RENTAL DATA
EXHIBIT F – SUBJECT PHOTOGRAPHS

## **BASIC ASSUMPTION AND LIMITING CONDITIONS**

The estimate of value contained in this appraisal report is based upon the following conditions and assumptions:

1. The legal description furnished, if any, is assumed to be correct.
2. I assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances and assessments have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management, except as noted in the attached report.
3. Any sketches, plats or drawings included in this report are included as assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
4. Unless otherwise noted herein, it is assumed that there are no encroachments, zoning restrictions or violations existing in the subject property.
5. Information, estimates and opinions contained in this report are obtained from sources considered reliable, however, no liability for information provided by others can be assumed by the appraiser.
6. I am not required to give testimony or to attend court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously therefore.
7. It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good condition; and that all electrical components and the roofing are in good condition unless otherwise noted in the report.

If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.

8. The division of the land and improvement value estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.

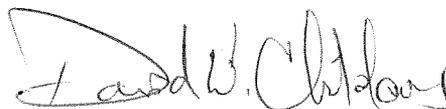
**BASIC ASSUMPTION AND LIMITING CONDITIONS (cont.)**

9. The signatory of this appraisal report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising or other media, public relations media, new media, sales media or other media for public communications without the prior written consent of the signatory of this appraisal report. Providing this report in its entirety to potential bidders for purchase of the subject surplus property is hereby allowed.
10. The value estimated applies only to the entire property and cannot be prorated to individual portions or fractional interests. Any proration or division of interest will invalidate the value estimate, unless such proration or division of interest is set forth in the report.
11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. The appraisal report is prepared for the sole and exclusive use of the appraiser's client, Ms. Liza R. Cheek and the Fulton County General Services Department, Land Division. No third parties are authorized to rely upon this report without the express written consent of the appraiser.

## CERTIFICATION

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

1. the statements of fact contained in this report are true and correct.
2. the report analyses, opinions, and conclusions are limited only to the report 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. my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
8. I have made a personal inspection of the property that is the subject of this report.
9. John P. Murray provided significant professional assistance to the person signing this report.
10. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. as of the date of this report, I have completed the requirements of the continuing education programs of the Appraisal Institute.
12. the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



David W. Childers, MAI  
Certified General Real Property Appraiser  
State of Georgia CG001481

## **QUALIFICATIONS - DAVID W. CHILDERS**

**Education:** B.I.E. (Industrial Engineering), Georgia Institute of Technology, Atlanta, Georgia. M.S.E.M. (Engineering Management), University of Alaska, Anchorage, Alaska.

Credit for all courses required for designated membership in the Appraisal Institute and elective courses in Industrial, Litigation and Business Valuation. Licensed real estate agent in the State of Georgia. Approved faculty member, Appraisal Institute; national instructor since 1986. Courses taught include Real Estate Appraisal Principles, Basic Valuation Procedures, and Capitalization Theory and Techniques Part A. Chairman, Admissions Committee, Georgia Chapter 21 American Institute of Real Estate Appraisers, 1988 and 1989. Member, National Curriculum Committee, Course Development Subcommittee, American Institute of Real Estate Appraisers 1989 and 1990 and General Appraisal Board Curriculum Division of the Appraisal Institute 1994 and 1995. 1998 Chapter President, Atlanta Area Chapter of the Appraisal Institute. National Director for the Appraisal Institute 2001 through 2003. Presented with the 2003 Legion of Leaders award by the Atlanta Area Chapter of the Appraisal Institute. Presented "Selecting an Appraiser" continuing education session for the Eminent Domain Section of the State Bar of Georgia, February 2009.

**Experience:** Engaged exclusively as an appraiser/consultant in the real estate field since 1978. I have prepared appraisal, consulting, feasibility and market study assignments for banks, government agencies, attorneys, corporations and individuals in the Metropolitan Atlanta area and the southeastern United States. Assignments include a broad variety of properties including land of all types, residences, office buildings, public buildings such as courthouses and convention centers, shopping centers, subdivisions, motels, service stations, industrial facilities and apartments. Special purpose properties appraised include laboratories, sanitary landfills, cemeteries, experimental cropland, prisons and sewerage treatment facilities. Extensive experience in valuation for litigation purposes and served as expert witness on real estate valuation matters in the Superior Courts of Fulton, Fayette, Troup, Hall, Taylor, Henry, Carroll, Cobb, Newton and Douglas Counties of Georgia and in Federal Courts.

### **Professional Affiliations:**

Member, Appraisal Institute, (MAI)  
Certified General Real Property Appraiser,  
State of Georgia, No. 001481

## PROPERTY IDENTIFICATION

A title report dated July 21, 2011, was prepared by John W. Bell, PC and was provided to us by our client. The report indicates that the fee simple owner of the subject is Fulton County by virtue of a warranty deed dated June 30, 1948. The title report includes four documents pertaining to the subject. The first document is a copy of the warranty deed transferring title to Fulton County. The second document is a restriction to sell the property within 20 years of the improvement construction in 1949 and is no longer in force. The final two documents describe easements encumbering the subject and an appurtenant easement on the adjacent property. A discussion of the warranty deed and the easement documents along with subsequent identifying documents provided by the client is below. A copy of the title report is included as Exhibit A.

Legal description:

A specific metes and bounds legal description of the subject was included in the warranty deed provided in the title certificate in Exhibit A. The warranty deed is dated June 30, 1948. The deed does not state a specific land size, but does locate the property 447.6 feet southeast of the intersection of Roswell Road and Johnson Ferry Road, in the 17<sup>th</sup> District of Fulton County. Our sketch of the metes and bounds from the legal description indicates a total land size of about 10,691 square feet. The described tract has an irregular flag-shape.

Survey:

A survey dated August 10, 1998, was also obtained from the client. The survey states a total land area for the subject of 10,870 square feet, slightly larger than the indicated size from the legal description. Our sketch of the tract based on the metes and bounds shown on the survey confirms the stated size. The metes and bounds on the survey are slightly different from the legal description. The survey depicts the subject as a flag-shaped lot located along the northern side of Johnson Ferry Road. The document also indicates that the subject is encumbered with an ingress egress easement in favor of the adjoining property owner to the east. The easement is located on the southern portion of the tract and allows for shared access to Johnson Ferry Road. A copy of the subject survey is included as Exhibit B.

Project plan:

Not applicable

Tax parcel identification  
number and plat:

The subject is identified by the Fulton County Tax Assessor as District 17, Land Lot 71, Block Four, and Parcel 34. The assessor locates the subject along Johnson Ferry Road although the tax record incorrectly indicates that the property is vacant. The record states a total land area of 0.2507 acre or about 10,920 square feet. The tax plat sketch, shown on the facing page, illustrates the subject's flag shape and also provides specific dimensions for the tract. The dimensions are generally similar to the stated dimensions on the survey and legal description discussed above with one exception. The tax plat indicates the eastern edge of the access corridor portion of the subject measures 132.9 feet while the survey and legal description indicate 172.77 and 171 feet respectively. Our analysis of the subject indicates the tax plat sketch is erroneous.

Address or location:

330 Johnson Ferry Road

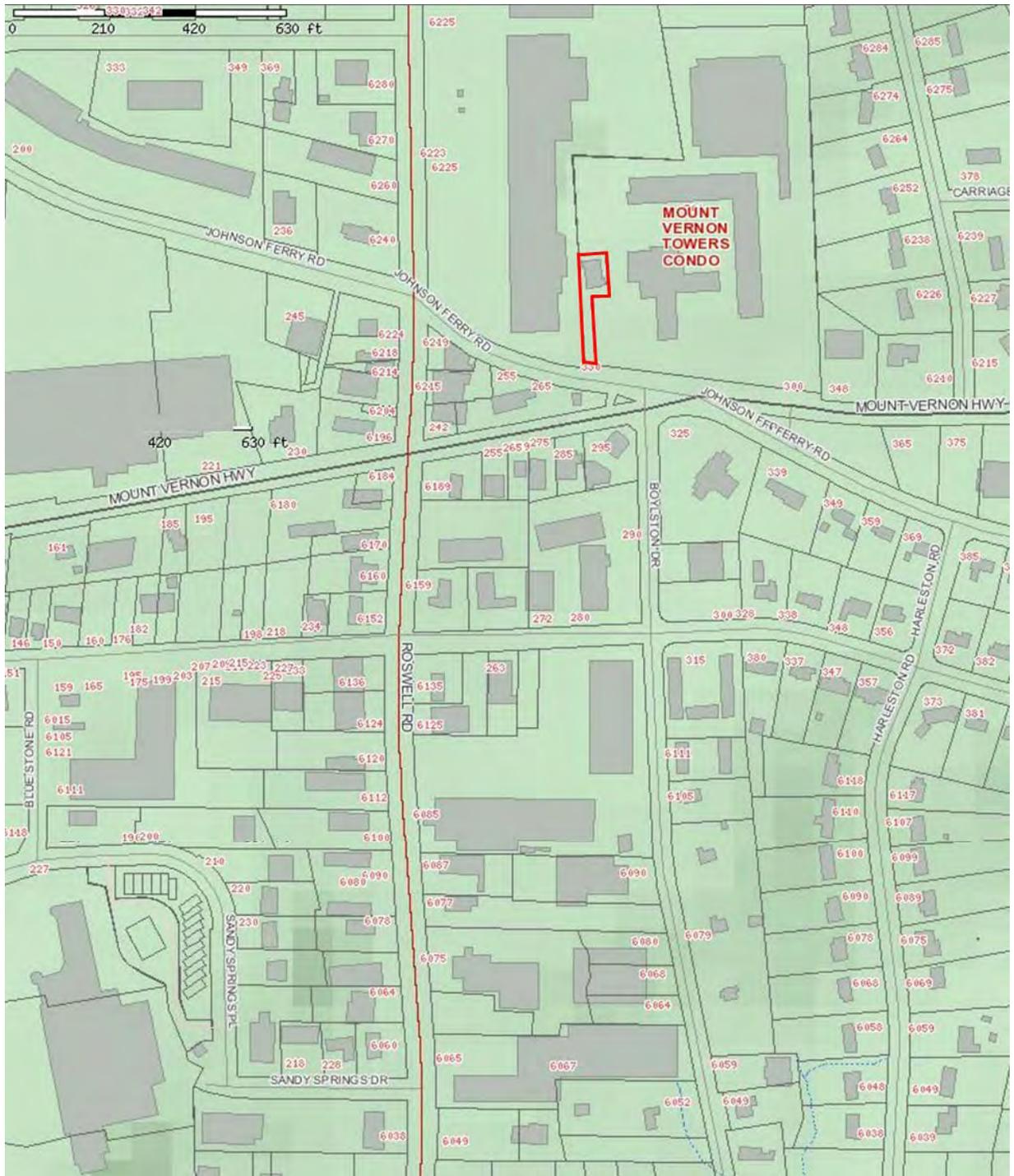
**Conclusion:**

As discussed above, three documents were obtained and used to identify the subject land tract. The subject legal description dates from 1948 and indicates a size of about 10,691 square feet while the subject survey dates from 1998 and indicates a slightly larger land size of 10,870 square feet. The 2011 Fulton County tax record states a land size of 0.2507 acre or about 10,920 square feet, the largest of the three indications. While the indications are reasonably similar and appear to support one another, two of the documents – the legal description in Exhibit A and the tax record – are judged less reliable for this analysis. The tax record is based on an incorrect property dimension and the legal description dates to 1948 and is less precise than the survey. The subject survey in Exhibit B is the most recent document and also provides the most precise indication of land size at a stated 10,870 square feet. For this analysis, we will rely on this stated land area.

As stated, the title certificate in Exhibit A includes two documents pertaining to easements involving the subject. The first document is dated October 1, 1958, and involves the adjacent property to the west, owned by Sandy Springs Plaza, Inc. The document allows the adjacent owner to construct and maintain a retaining wall along the western edge of the subject tract. The retaining wall runs the length of the subject tract and provides support for the subject which is at a higher elevation than the adjacent property. In our opinion, the easement benefits the subject tract and does not result in any loss of utility for the subject.

The final document included in the title certificate is a mutual easement agreement between the subject owner, Fulton County, and the adjacent property owner to the east, Sandy Springs Retirement Group, Ltd. The agreement is dated March 25, 1986, and states that the subject will allow a perpetual, non-exclusive ingress and egress easement over a portion of the

# SUBJECT TAX PLAT



tract in exchange for an appurtenant access and parking easement on the adjacent land tract. The easement grants the subject the right to use up to 10 parking spaces in the adjacent surface parking lot, and allows the adjoining owner to access their property across the extreme southern portion of the subject along Johnson Ferry road.

A plat included in the document states that the encumbering easement measures 1,557.62 square feet. The easement measures 22.0 feet wide by 68.48 feet deep and allows access to the adjacent property from Johnson Ferry Road. The plat also indicates that the appurtenant easement measures 3,782.29 square feet and is located 29.47 feet north of Johnson Ferry Road adjacent to the eastern edge of the subject. The encumbering easement is located on the existing subject driveway which is expected to remain in place and therefore does not have any negative impact on the overall utility of the subject. The appurtenant easement is judged an important benefit to the subject as the easement provides necessary parking for the subject improvements – an important consideration as discussed later in this report. For this report, we will not appraise the land area supporting the appurtenant easement, but will consider the availability of the parking provided by the easement.

## PROPERTY HISTORY

Ownership History:	According to the warranty deed included in Exhibit A, the subject has been under consistent ownership since 1948. No transfers of ownership have occurred in the previous five years.
Current owner:	Fulton County
Date current owner acquired property:	June 30, 1948
Development History:	The tract is improved with a single story, approximate 2,601-square foot concrete block office building believed originally constructed in 1948 for use as a community health center. The principal improvement is supported by miscellaneous site improvements such as concrete pavement, gravel, and decorative landscaping. No other structures or improvements have been added to the property.
Year improvements built:	1949
Changes to the improvements since construction:	None known
Expected or needed future changes to improvements:	As discussed later in this report, the subject improvements are antiquated and judged in poor overall condition. We believe the majority of the improvements are original and have reached the end of their useful life. According to the property owner, the property has been vacant for at least six months and we believe major renovations are warranted prior to re-occupancy.

## CONTACT WITH PROPERTY OWNER AND INSPECTION

When owner contacted and how:	We met with Ms. Liza R. Cheek of Fulton County on July 8, 2011, and also communicated by and email several times since accepting this assignment. We also met with Mr. Michael A. Graham and Mr. C. Michael Yeargin with Fulton County at the subject building on July 12, 2011.
Date(s) of inspection:	The initial inspection was conducted on July 12, 2011, with a subsequent inspection on July 18, 2011.

## **PURPOSE, USE AND DATE OF APPRAISAL**

The purpose of this appraisal is to estimate the market value of the fee simple interest of the identified real estate in its current condition and location, and considering all faults, and considering the identified easement encumbrances and benefits. We also then discount this estimated market value under typical marketing conditions to consider the specified marketing conditions for the subject by the Fulton County Land Department to dispose of this surplus property. We include a discussion of these limitations on marketing at the end of this appraisal under the heading Discount for Marketing. The use of the appraisal will be as part of the marketing plan for the property. The appraisal will be disseminated to potential purchasers for the property as a basis for sealed bids by those purchasers. A qualified bid to purchase the subject surplus property must be at least the estimated, discounted market value as presented in the appraisal. The date of appraisal is July 18, 2011.

Market value under normal marketing conditions is defined by agencies that regulate federally insured financial institutions in the United States as follows:

“The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

## SCOPE OF THE APPRAISAL

Type of appraisal:	Complete
Type of appraisal report:	Summary
Sources for data:	CoStar Comps data service, public record, and participants in the subject market
Area searched for each data type:	The land sales were selected from a broad, 10-mile radius from the subject. The office building sales were selected from a smaller, five-mile radius from the subject. The office rentals were selected within a one-mile radius from the subject.
Time frame searched for each data type:	<p>We searched for land sales since January 2008 – about 3.5 years – and obtained four sales of similar land tracts. In order to reinforce our data, we obtained three additional land sales of similar properties that date back to October 2004. The total time frame of our land sales data is about seven years.</p> <p>We researched office sales since January 2008 and obtained five sales of similar office properties that are included in our report.</p> <p>The office rental data is current as of the date of value of this report.</p>
How was data confirmed:	First through public record and then with participants in each transaction whenever possible.
Any special limitations or lack of important information:	None noted

## LOCATION

The subject is located along the northeastern side of Johnson Ferry Road in the City of Sandy Springs in northern Fulton County. The property is also located in the Central Perimeter submarket of Metropolitan Atlanta. Fulton County is one of 10 counties that, along with the City of Atlanta, collectively define the metropolitan Atlanta statistical area surrounding the city limits of Atlanta. The subject neighborhood is believed best defined by the City of Sandy Springs which is bounded by the Chattahoochee River to the north, northwest, and west, the Fulton County Line common with Gwinnett County to the east and DeKalb County to the south and east, and the City of Atlanta to the south. The subject is located in the central portion of Sandy Springs. The map on the facing page locates the subject and the subject neighborhood within the North Fulton County market.

The City of Sandy Springs and the Central Perimeter submarket are accessible by Georgia 400, the state toll road, and by Interstate 285, the circumferential highway around the City of Atlanta. Georgia 400, a limited access highway, extends in a north-south direction connecting Interstate 85, about seven miles south of the subject, to the City of Dahlonega, about 47 miles northeast of the subject. Interstate 285 provides access around the City of Atlanta and connects to Georgia 400 and the subject market to the other interstates in the Atlanta area. The combination of these two roadways provides good access from the subject market to the neighboring regions.

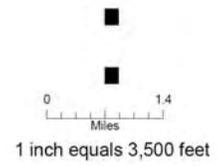
Direct access to the two major roadways from the local surface streets is available via numerous interchanges. The most proximate to the subject are the Roswell Road interchange with Interstate 285 and the Abernathy Road interchange with Georgia 400. The former is about 0.85 mile south of the subject and provides direct access to the east and west of the subject market as well as indirect access to the northeast, southwest, northwest, and south of the market via other interstates. The latter is about 1.25 miles northeast of the subject and provides access to the north and south of the subject market. The two major roadways intersect one another about 1.45 miles southeast of the subject. The subject market is judged well served with vehicular access via these adjoining, major interstate systems.

Surface streets within the subject market provide excellent connectivity between the subject and the surrounding interstate highways. The predominant surface streets traversing the subject market are State Route 9, Mount Vernon Highway, and Johnson Ferry Road. State Route 9, known as Roswell Road in the subject market, traverses the subject market in a north south direction. The roadway originates in the Midtown submarket of the City of Atlanta about 9.5 miles south of the subject and ends just north of the City of Dahlonega about 53 miles to the northeast. State Route 9 varies in width but is highly traveled and provides excellent access to and from the subject market. Mount Vernon Highway traverses the market in a northeast to southwest direction extending from Northside Drive in the western portion of Sandy Springs, about 3.5 miles southwest of the subject, to about six miles northeast of the subject to Spalding Drive in the extreme northeast corner of Sandy Springs. The roadway varies from two to four lanes and is less traveled than State Route 9, but remains an important roadway in the market providing access to the northeast and southwest of the subject.

Johnson Ferry Road is the subject's fronting road and traverses the market in a general northwest to southeast direction. The road originates at Peachtree Industrial Boulevard in

# NEIGHBORHOOD MAP

North Fulton County  
Metropolitan Area  
Georgia



### Legend

- Hydrology
- Interstates
- State Highways
- Streets

### Local Jurisdictions

- Atlanta
- Alpharetta
- Mountain Park
- Roswell
- Sandy Springs
- Johns Creek
- Milton
- Unincorporated Fulton County
- County Boundaries
- Parks & Recreation

Note: City boundaries are not official



Prepared by the  
Geographic Information Systems Division  
January 17, 2007

This map has been compiled from the most accurate source data from Fulton County and the CH2M Hill. However, this map is for informational purposes only and is not to be interpreted as a legal document. CH2M Hill assumes no legal responsibility for the information shown on this map.

DeKalb County about 4.5 miles southeast of the subject and extends northwest to Shallowford Road in Cobb County, about 7.5 miles northwest of the subject. The roadway is highly traveled and varies in width from two to six lanes although remains a fairly consistent two lanes throughout the subject neighborhood. Johnson Ferry Road intersects Roswell Road 410.18 feet northwest of the subject. It is noted that Johnson Ferry Road in front of the subject is a one-way, westbound thoroughfare only.

Other surface streets providing access within the subject market include Abernathy Road which runs east and west to the north of the subject connecting Johnson Ferry Road about one mile northwest of the subject to Mount Vernon Highway about 1.5 miles northeast of the subject, Peachtree Dunwoody Road which runs north south along the eastern edge of the subject market and connects the City of Atlanta with the northern portion of Sandy Springs, and Northside Drive which runs along the western edge of the market and connects the City of Atlanta to the south with the northwest corner of the subject market. Collectively, the surface streets provide convenient access throughout the subject market and into the neighboring regions, via their access to the interstate highways. The road system serving the subject market is judged adequate to support reasonably intensive uses.

The City of Sandy Springs is located in the northern portion of Fulton County as previously discussed. The pertinent market area for the subject valuation is the Central Perimeter submarket within metropolitan Atlanta. This submarket is irregular in shape as shown on the facing page map. The submarket is generally centered on Georgia 400 with the most intensively developed portions of the submarket located around the intersection of Interstate 285 and Georgia 400. The submarket includes the majority of the City of Sandy Springs, but also spans into the northwestern corner of DeKalb County.

Population statistics for the Central Perimeter submarket and the Atlanta Metropolitan area are believed reasonable indications of the broader market conditions influencing the subject. An area surrounding the subject judged reasonable to study population growth is defined by 15 census tracts within the 7<sup>th</sup> Superdistrict in Fulton County and 10 census tracts within the 23<sup>rd</sup> Superdistrict in DeKalb County. The 15 tracts in Fulton County are 101.01, 101.06, 101.07, 101.08, 101.09, 101.10, 101.11, 101.12, 102.04 Blocks One and Five, 102.05, 102.06 Block Five, 102.07 Blocks One, Two, and Four, 102.08, 102.09, and 102.10. The 10 tracts in DeKalb County are 211.00 Blocks Three and Four, 212.02, 212.07, 212.08 Block One, 212.09, 212.10, 212.11, 212.12, 212.13, and 212.14. The map on the following facing page illustrates the general size, shape, and location of the tracts. The demographic data is summarized on the following page.

### Population Statistics

	Total Pop. 1990	Total Pop. 2000	Avg. % Inc./ Year 1990-00	Est. Pop. 2010	Avg. % Inc./ Year 2000-10	% Inc. From 1990-10	Avg. % Inc./ Year 1990-10
Atlanta MSA	2,833,511	3,850,832	3.59%	4,502,299	1.69%	58.89%	2.94%
Subject Market	93,214	126,187	3.54%	145,399	1.52%	55.98%	2.80%

According to the data collected from the United States Census Bureau and the Atlanta Regional Commission, the Atlanta MSA increased in total population at an average rate of 3.59% per year from 1990 to 2000. The Atlanta growth slowed somewhat to an average rate of 1.69% per year between 2000 and 2010. The overall average growth rate for the 1990 to 2010 time frame is about 2.94% per year.

During the same time periods, the Central Perimeter submarket population experienced slightly less dramatic growth. From 1990 to 2000, the submarket population grew at a rate of 3.54% while from 2000 to 2010 it grew at 1.52% per year. Over the entire time period studied, the submarket population grew at average rate of 2.80% per year, slightly below the rate for Metropolitan Atlanta. The slower growth rate for the subject area is logical in that the subject market is more densely developed than the broader metropolitan area and less developable land remains. A faster rate of growth for the subject market would require redevelopment of existing residential properties for more intensive use. Development of this nature has been stunted in recent years by the recent economic recession.

The Atlanta Regional Commission (ARC) also provides projections of population growth for the subject market. The chart below illustrates the Atlanta MSA and the subject market's projected growth between 2010 and 2015 which provides some indication of the immediate potential of the subject market.

### Population Statistics - ARC Projection

	Est. Pop. 2010	Projected Pop. 2015	Avg. % Inc./ Year 2010-15
Atlanta MSA	4,502,299	4,798,665	1.32%
Subject Market	145,399	147,979	0.35%



The Atlanta Metropolitan area is projected to grow at a rate of 1.32% per year over the five years between 2010 and 2015 while the local subject market is projected to grow at a considerably slower rate of 0.35% per year. A slower growth rate for the subject is expected considering the mature state of development in the subject area as opposed to the metropolitan area as previously discussed. The subject area is believed to remain a popular and expanding residential area which will likely experience more intensive development with continued economic improvement. Continued support for commercial uses such as offices as proposed for the subject is expected.

The subject is in the central portion of the City of Sandy Springs along the northeast side of Johnson Ferry Road just southeast of Roswell Road. Immediately north and east of the subject is a 300-unit residential condominium use known as Mount Vernon Towers. The development consists of one high-rise and one low-rise residential building constructed in 1985 and currently marketed as senior living units. Immediately west of the subject is a 140,617-square-foot retail shopping center built in various stages between 1959 and 1987 known as Sandy Springs Plaza. Immediately south of the subject across Johnson Ferry Road is a 5,152-square-foot automotive repair shop known as Eddie's Automotive. The building was constructed in 1961.

Further east and southeast of the subject, along Mount Vernon Highway and Johnson Ferry Road, land uses are predominantly residential and less intensive institutional uses. Just west of the subject, Roswell Road is characterized predominantly by retail and service commercial uses spanning north and south throughout the subject neighborhood. West of Roswell Road, along Johnson Ferry Road, a mix of new residential and older residential structures converted for office uses are predominant.

The subject is situated between the intensive retail commercial developments fronting to either side of Roswell Road to the west and a reasonably intensive residential use to the east. The property is physically poorly suited for assemblage with the commercial uses to the west due to differences in elevation and the property's small size and irregular shape, and probably best suited for assemblage with the residential use to the east if vacant and suitable for redevelopment. But the subject is improved with a small office building. This use provides a reasonable transition between the commercial uses to the west and the residential uses to the east. The property enjoys good proximity to services and a centralized location within a growing community and adequate access though from a one-way thoroughfare. The location does not afford significant exposure, but a sign along the fronting road will help with this condition. Our conclusion is that the subject is suitably located for office use as previously committed and as we propose for the future.

**RECORD DATA****Zoning**

Current zoning for subject:	R-4, Single Family Residential within the City of Sandy Springs
Allowed uses:	Single family dwelling units and agricultural uses
Pertinent development requirements:	
Maximum height:	40 feet
Minimum lot size:	9,000 square feet
Minimum lot width:	70 feet
Minimum lot frontage:	35 feet
Minimum heated floor area:	1,000 square feet
Setbacks:	
	Front – 35 feet
	Side – Seven feet adjacent to interior lot and 20 feet adjacent to a street
	Rear – 25 feet

## Zoning change expected/needed:

The subject is improved with a vacant commercial building which is considered a legal, non-conforming use under the current zoning code. On July 20, 2011, we spoke with Ms. Patrice Ruffin, Administrator with the Sandy Springs Zoning Department, to determine the legal status of the subject upon a transfer of ownership from Fulton County to private ownership. According to Ms. Ruffin, a property can maintain legal, non-conforming status as long as it remains occupied and is not vacated for a period longer than 12 months. Once vacant for 12 months, the property is deemed abandoned and is no longer a legal, non-conforming use. We are unclear as to the exact time period the subject has been vacated, but Ms. Ruffin predicted that if the property sells to private ownership, the city would require that the property be rezoned to allow continued office use. We believe a prudent purchaser would assume that the subject would no longer be considered a legal, non-conforming use and would require rezoning or redevelopment under the current zoning.

Our conversations with Ms. Ruffin revealed three potential scenarios for the subject. First, the subject improvements could be demolished and the land redeveloped with a single family residential use that conforms to the current zoning. This option is not likely as the subject is situated between multifamily residential and intensive commercial uses and is unsuited for single family residential use. A less intensive, single family residential use is incompatible with these surrounding uses. Second, the subject improvements could be demolished and the land rezoned for multifamily use similar to the adjacent lands to the north and east. This scenario, while reasonably practical, does not reflect the highest use for the improved subject as discussed in the following section. The final potential scenario for the subject involves rezoning the subject to support an office use as currently developed and then renovating the existing improvements for continued use. This scenario is judged most likely to occur in the market and reflects the highest use for the subject as improved discussed later.

According to Ms. Ruffin, the final scenario is supported by the city's long range land use plan and rezoning to a commercial or mixed use district would likely be supported by the city. However, for this analysis, we appraise the subject "as is, where is, and with all faults" at the direction of our client. For this reason, we will not assume in our analysis that the property is rezoned. Rather, we appraise the subject with its current zoning in place and recognize the added risk and expense of the rezoning process that will be incurred by any potential purchaser.

As discussed later in this report, the subject office use suffers from small land area and a lack of onsite parking. Due to the small lot size, the subject likely does not conform to all applicable setback requirements nor does it provide the requisite amount of onsite parking for typical office uses in a commercial district. The latter conflict is resolved by offsite parking via the appurtenant easement discussed earlier. Ms. Ruffin stated that any remaining issues would be addressed through variances to address the nonconforming issues of the tract in the potential rezoning.

We feel confident that the subject could be appropriately rezoned and obtain the necessary variances to continue in its established office use. However, this issue would typically be resolved as part of the negotiation and contract phase of a sale. But under the special marketing assumptions for this appraisal, we assume that the property is sold with its current zoning and this issue unresolved, and the purchaser is required to assume the added risk and expense of resolving the zoning conflict subsequent to sale. The estimated market value is discounted to compensate for this condition of sale.

### **Taxes**

The subject of this report is identified by Fulton County as District 17, Land Lot 71, Block 4, Parcel 034. The subject is owned by Fulton County and is therefore exempt from tax liability, but the tax assessor provides an estimated market value for the tract. The following tax summary was obtained from the Fulton County Tax Assessor's office.

Taxing authority:	Fulton County and City of Sandy Springs
Year of valuation:	2011
Land valuation:	\$73,900
Improvements valuation:	\$78,300
Current total valuation:	\$152,200
Assessed value:	\$60,880
Current millage rate:	\$33.764 per \$1,000 of assessed value
Taxes charged:	\$0 – if owned by a private entity, the taxes would be \$2,055.55

As stated, the subject is tax exempt due to its ownership by Fulton County. Based on the current tax rate and assessed value, a private investor could expect current tax liability of about \$2,055.55. The tax assessor's opinion of market value for the property of \$152,200 is somewhat lower than our estimate of market value prior to the discount applied for marketing, and a purchaser of the subject should expect an increase in tax liability.

## PROPERTY DESCRIPTION

### Land – Subject Tract

Size:	10,870 square feet
Frontages:	25.98 feet along the northeast side of Johnson Ferry Road
Shape:	Irregular flag shape
Other dimensions:	The subject access corridor to Johnson Ferry Road measures 25.98 feet wide by 172.77 feet deep; the rectangular, principal portion of the land measures 64.74 feet wide by 100.04 feet deep
Average depth from frontage:	The western edge of the tract measures 267.11 feet from Johnson Ferry Road to the rear and the eastern edge measures about 272.81 feet
Access:	The tract is served by a single, right in right out driveway to Johnson Ferry Road; the road is westbound only in front of the subject tract
Topography:	The tract is fairly level and slopes upward from the fronting road. The tract is well above grade of the shopping center property to the west and generally on grade with the residential properties to the north and east.
Drainage:	The property generally drains toward the southern end; no wetlands or flood plain are present; see flood plain map no. 13121C0142 E on facing page
Property rights:	The property is encumbered with an access easement in favor of the adjacent property owners to the east (the Mount Vernon Towers condominium development); the easement allows for perpetual use of the subject driveway to access the adjoining surface parking lot for the condominium development. The subject enjoys an appurtenant easement to use ten parking spaces on the adjoining property to the east.
Utilities:	All necessary utilities are available to the site

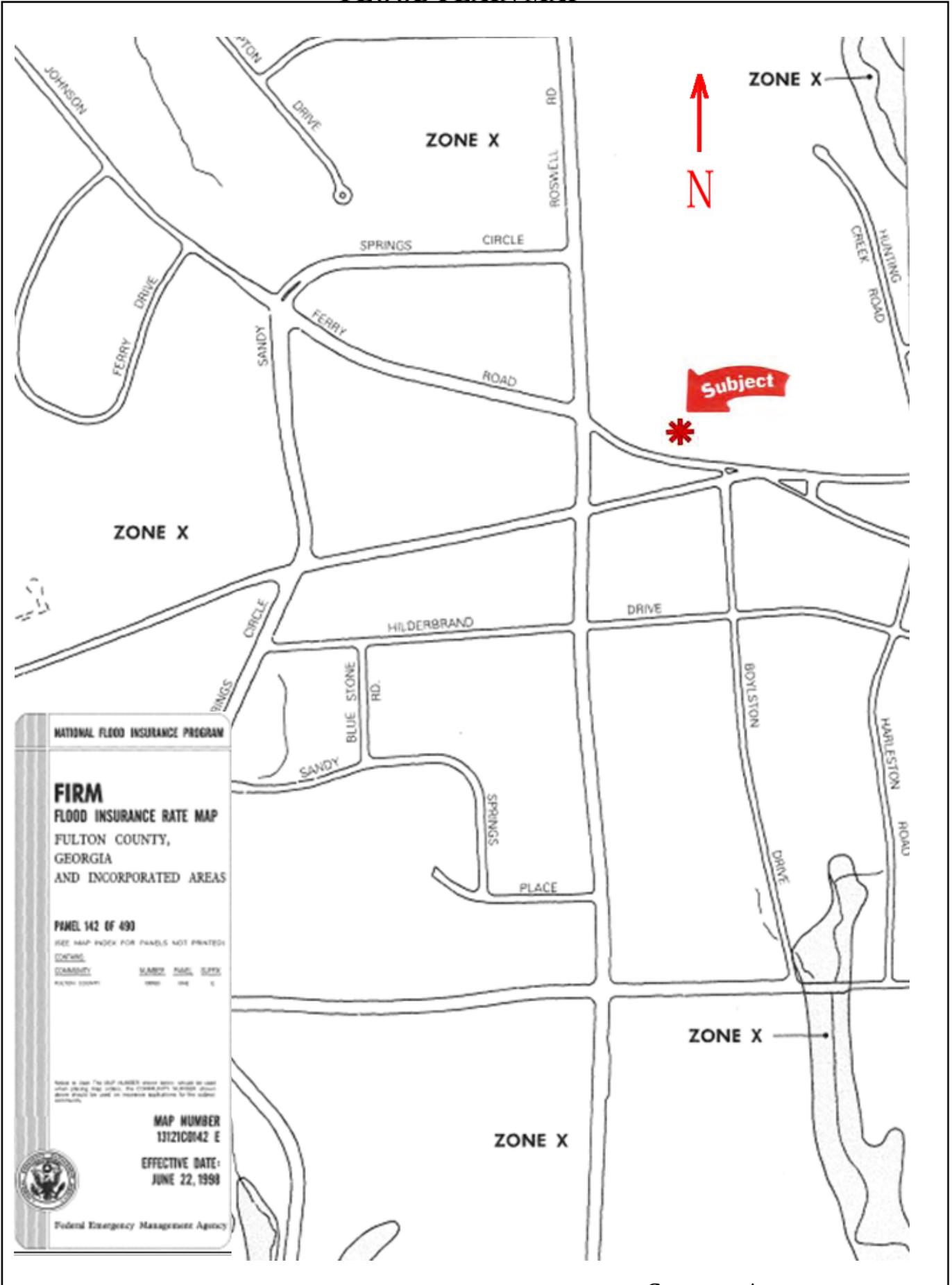
**Remarks:** The subject land tract is small, suffers from irregular shape, and is accessed from a one-way road. The tract is not believed readily suitable for independent development as zoning setbacks and restrictions for virtually any use would negate the small portion of usable land on the tract. For this reason, we believe the most appropriate use for the subject land is assemblage with adjoining lands. As the subject is situated well above grade of the adjacent tract to the west, the most likely candidate for assemblage would be the tract to the north and east now developed with a high-rise multifamily residential use. In our opinion, assemblage with this adjacent land tract would allow development of the subject to a higher intensity and ameliorate the subject's size, shape, and access hindrances. In the following section of this report, we judge the highest and best use of the subject land as though vacant as assemblage with this adjacent land tract. We therefore describe the assembled tract below.

### Land – Assembled Tract

Size:	8.602 acres
Frontages:	546.12 feet of total frontage; the frontage is allocated between Johnson Ferry Road and Mount Vernon Highway. The eastern portion of the frontage is located along Mount Vernon and measures about 290 feet. The western portion is located along Johnson Ferry and measures about 256.12 feet.
Shape:	Rectangular with the northwest quadrant excluded
Other dimensions:	The eastern edge of the tract measures 852.26 feet from Johnson Ferry Road while the western edge measures 494.75 feet; the excluded northwest quadrant of the rectangle measures 261.65 feet wide by 317.51 feet deep
Average depth from frontage:	The eastern half of the tract varies from about 830 feet to 852.26 feet along the eastern edge; the western half of the tract varies from 494.75 feet along the western edge to about 512 feet
Access:	Currently served by two drives; the primary driveway is full service to Mount Vernon Highway and is a signaled intersection; the secondary driveway is right in right out only to the one-way, Johnson Ferry Road
Topography:	Generally level and sloping upward from the fronting roads; the tract is slightly above grade of each fronting roadway
Drainage:	The property generally drains toward the southern end; no wetlands or flood plain is present
Property rights:	Likely essentially owned in fee simple
Utilities:	All necessary utilities are available to the site

Remarks: The assembled land tract is relatively large and of reasonable shape to support a wide range of intensive development. The tract would also enjoy good access and exposure and mild topography which will aid development. Overall, the assembled tract is judged physically well suited for moderately intensive residential development. The property is currently developed with a high-rise, multifamily residential use which is judged a reasonable use for this assembled tract.

# FLOOD PLAIN MAP



**NATIONAL FLOOD INSURANCE PROGRAM**

**FIRM**  
**FLOOD INSURANCE RATE MAP**  
 FULTON COUNTY,  
 GEORGIA  
 AND INCORPORATED AREAS

**PANEL 142 OF 490**  
 (SEE MAP INDEX FOR PANELS NOT PRINTED)

**CONTAINS**

COMMUNITY	UNBUILT	PANEL	SHEET
FULTON COUNTY	1990	142	1

Note to User: This map number sheet series should be used only when the subject property is located within the shaded area shown on this map. No other sheets in this series should be used on insurance applications for the subject property.

**MAP NUMBER**  
 13121C0142 E

**EFFECTIVE DATE:**  
 JUNE 22, 1990



Federal Emergency Management Agency

## Improvements

The subject is improved with a 2,601-square foot office building constructed in 1949 as a public health center. The structural components of the building – the exterior walls, roof, and foundation – appear to be in good physical condition, but the interior finishes, fenestration, and mechanical systems likely need replacing due to age and an overall deteriorated physical condition. A detailed description of the office building follows.

Present Use:	The building is currently vacant but is best suited for single tenant office use
Number of Parking Spaces	The building is supported by five onsite parking spaces and 10 off site parking spaces via the appurtenant easement on the adjoining property to the east. The total parking available to the building is therefore 15 spaces which indicates a parking ratio of about 5.8 spaces per 1,000 square feet of building.
Size:	2,601 gross square feet
Roof:	We believe the roof is flat concrete, slightly sloped toward each side for drainage. We believe the roof is in good physical condition and does not need replacement.
Foundation:	Concrete slab, on-grade
Exterior:	The building is of solid brick masonry construction with a painted brick exterior façade. The exterior walls are about 13 feet high
Fenestration:	The building has five exterior doorways – one main doorway on the southern side of the building, one main doorway and two secondary doorways on the western side of the building, and one rear doorway on the northern side of the building. The two main doorways and the rear doorway have metal doors with a solid wood core in a wood frame while the two secondary doorways are wooden in a wood frame. The windows are original and are single pane glass in industrial style, painted steel frames.
Interior:	The interior finish of the main office areas include vinyl tile floor coverings over concrete with vinyl base molding, painted plaster walls, and a combination of acoustical tile and painted plaster ceilings with exposed fluorescent light fixtures. The finished ceiling height is about 10 feet. There are four, two-fixture restrooms in the building. The restroom finishes have ceramic tile floor coverings and molding with painted plaster walls and ceilings. The restrooms also have exposed fluorescent lighting. An additional six wall mounted sinks are throughout the building in the former examination rooms.
Floors:	The floor structure is concrete.

Electrical:	We believe the electrical system is original and likely requires modernization prior to reuse of the improvements.
Heating and A/C:	The subject office building is centrally heated and cooled with a central, air handler and overhead ducts along the central hallway. The air conditioning is electric powered with an exterior compressor unit. The heat is believed provided by a converted, gas fired boiler. The air conditioning unit appears in reasonably good condition and is likely functional, but the heating system is believed outdated and requires replacement.
Plumbing:	The building is served by four, two-fixture restrooms and six additional wall-mounted sinks as discussed. We believe the plumbing system is original to the building and adequate for the original use, likely requires replacement for an alternate office use.
Additional Features:	None
Site Improvements:	By use of a site plan in Exhibit B, we estimate that the subject site includes approximately 8,269 square feet of site area improved with a variety of site improvements. These site improvements include entrance walks, decorative landscaping, concrete pavement, gravel and grassy ground cover, and a 15-inch stone retaining wall.

Remarks: We believe the office building was constructed in 1949 as a public health center. The building appears to have been relatively well maintained, but is now deteriorating. The interior finishes are old and outdated and in poor physical condition. Though some of the mechanical equipment may have been updated over time, a major renovation of the building for reuse would likely include replacement of all mechanical systems. In our opinion, future reuse of the building for an alternate office purpose would be contingent on extensively renovating the interior finishes and modernizing the mechanical systems. The renovations would likely include demolishing the interior to relocate and replace the partition walls and replacement of most fenestration components. The subject's building structure is believed reusable.

The interior layout of the building consists of a central hallway running north and south with small offices to each side. Two large lobby areas – one to the front and one to the rear of the building – allow for additional flexibility for the space. The building is supported by five on-site parking spaces and 10 off-site spaces via an appurtenant easement. The 15 spaces provide a parking ratio of 5.8 spaces per 1,000 square feet of building area which is judged more than adequate in the market. With an appropriate and thorough renovation, the subject office building could function reasonably well for an alternative, single tenant office use.

## HIGHEST AND BEST USE

Highest and Best Use is defined by the Appraisal Institute as being:

“that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.”

It is also defined as:

“That use, from among reasonable and probable legal alternate uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.”

### Land as Though Vacant

The subject land is relatively small at 10,870 square feet and has an irregular flag-shape. The shape and dimensions of the tract limit the buildable area, before considerations for zoning setbacks, to a 64.74-foot by 100.04-foot rectangle at the northern end of the property. The subject suffers from access along a one-way portion of Johnson Ferry Road and poor exposure to the fronting road due to the approximate, 173 foot long corridor providing access to the site. While the subject enjoys mild topography and good location proximate to intensively developed properties, the tract's size and shape prohibit intensive development. The subject is therefore judged physically best suited for assemblage with adjoining lands.

The subject is zoned R-4, Single Family Dwelling District within the City of Sandy Springs. The zoning classification allows for single family use with certain development restrictions. Our research of the zoning regulations revealed that the subject lot meets the requirements for minimum lot size and also is sufficient to accommodate the setback restrictions. However, the subject lot fails to meet the requirements for minimum lot width and frontage. According to the zoning regulations, a residential lot requires a minimum lot width of 70 feet and a minimum lot frontage of 35 feet along a city street. The subject land fails to meet both of these criteria and is therefore unsuitable for independent residential development. As no other land uses are allowed under the current zoning district, we believe the only viable use for the subject is assemblage with one of the adjoining properties to create a larger land tract with a more uniform shape that can support development.

As discussed earlier in this report, the subject is situated well above grade of the adjacent land to the west making assemblage with this tract unlikely. The most appropriate assemblage for the subject involves the lands to the north and east of the subject and developed with the Mount Vernon Towers residential condominium complex. The complex has 300 dwelling unit and currently shares a driveway with the subject which further supports the assemblage concept. In our opinion, the highest and best use of the subject land tract as though vacant is assemblage with the adjacent property to the east. The assembled land would likely be used for additional parking supporting the adjacent residential community. The assembled property would then measure 8.602 acres and support 300 dwelling units indicating a development density of about 34.9 units per acre.

**Property as Improved**

The subject is improved with a 2,601-square foot office building constructed in 1949 and in somewhat deteriorated condition. The building was occupied recently, but reuse of the building for modern office purposes would likely require a complete renovation. The renovation would include replacement of all fenestration, all mechanical systems and replacement of all interior finishes. Some relocation of non-supporting interior walls would likely be required and the exterior would be repainted. Items retained for the reuse would include the building foundation, floor, and perimeter and supporting walls and roof structure which are believed sound. With this thorough renovation, the improvements should function reasonably well as a single-tenant office building and be physically sound for continued office use.

The subject is zoned R-4 for single family residential use. The subject office use is therefore considered a legal, non-conforming use in the City of Sandy Springs. As such, the existing office use has been grandfathered into the current zoning ordinance and can remain as long as the property remains occupied. However, the property has been vacant for some time and will remain vacant until it is transferred to a new owner. According to Ms. Patrice Ruffin of the Sandy Springs Zoning Department, continued use of the subject as an office property after a change in ownership will likely require rezoning to an appropriate classification. Ms. Ruffin states that the rezoning would likely be acceptable to the city as the office use is consistent with the long range plan for the subject area. The change in zoning would include variances for other non-conforming aspects of the subject and the property would then become a legal use. We consider this rezoning process as an uncertainty that creates additional risk and expense for any purchaser of the property.

To determine market support for single tenant office properties similar to the subject, we researched the market and obtained five sales of similar properties occurring in the previous three years. The sales are identified as Office Sales One through Five and are discussed in greater detail in the following valuation section. Sale One occurred in May 2011 and involves a small, 2,400-square foot single tenant office building that was previously owner occupied. The property is located about five miles northwest of the subject on Providence Church Road in Cobb County. The building is currently vacant due to the change in ownership, but we believe will be owner occupied in the near future. Sale Two involves a 3,868-square foot former single family residence that has been converted for single tenant office use. The property, located on Roswell Road about 2.7 miles south of the subject, was purchased in January 2010. We believe that this property is either currently or will be owner occupied in the near future.

Sale Three, located about 0.4-mile northwest of the subject on Johnson Ferry Road, is a single family residence that was purchased in June 2010 for conversion into a single tenant, owner occupied office building. Renovation of the 1,279-square foot building is ongoing. Sale Four is another single family residence that has been converted for single tenant office use. The property was purchased in May 2008 and is located about 0.7-mile southwest of the subject on Cliftwood Drive. The 4,156-square foot building is fully occupied by the owner. And Sale Five is a larger office building that was purchased in November 2008 for single-tenant owner occupancy. The 6,000-square foot office building is located about 0.3-mile northwest of the subject along Sandy Springs Circle.

The five sales discussed above are examples of small, well occupied single-tenant office buildings in reasonable proximity of the subject. The data indicate support in the market for similar uses and suggest that the subject office building would likely be demanded after the physical and legal detriments are mitigated as discussed above. The data also reflect the market preference toward owner occupancy rather than leased occupancy.

In the following sections of this report, we value the subject as an improved office property and adjust the market value to reflect the expense and risk associated with the change in zoning. We then adjust the value further for the required renovation cost. Even after significant deductions for the added burden of rezoning and the renovations required for continued use, the subject improvements are judged to contribute value to the property supporting our conclusion of highest and best use. The highest and best use of the subject as improved is therefore to rezone the property to support an office use, renovate the existing office building as described, and reoccupancy as a single-tenant office building. The market indicates that the subject is best suited for owner occupancy.

## **METHOD OF VALUATION**

The subject land value is estimated by a sales comparison approach. This approach involves an analysis of sales of similar land tracts in proximity of the subject. The subject is valued as part of an assemblage with the adjoining residential land tract to the east as discussed in the previous section. The sales are analyzed on a price per dwelling unit basis. The market value of the subject as part of the assemblage is derived by applying a unit value to the subject land area, and then we discount this value for the required assemblage.

The market value of the subject as improved is estimated by a sales comparison approach and an income approach. The sales comparison approach involves an analysis of sales of similar single-tenant office buildings in the subject market. The sales are analyzed on a price per square foot of building area basis and compared to the subject assuming the subject was legally permissible and physically suitable for continued use. After estimating an appropriate market value under these assumptions, we adjust the value to reflect the costs and risk associated with the process of rezoning and renovating the subject as described. The resulting value reflects the market value of the subject in its current condition.

The income approach analysis involves estimating a market rental rate based on rents obtained from comparable office properties in the subject market. Based on the data obtained, a net rental rate is estimated and then reduced to reflect potential vacancy and collection loss. The resulting rate reflects the net operating income projected for the subject. This net income is then capitalized into an indication of value using an appropriate rate.

The sales comparison and income approaches are then reconciled to a final estimated market value assuming the subject is under typical market conditions. However, as noted previously, an assumption of this analysis is that the property will be marketed for a period of 30 days and sold by sealed bid. We therefore adjust the reconciled market value to reflect the limited time the property will be exposed in the market.

## LAND VALUATION

Research of market data revealed seven closed sales transactions involving land suitable for multi family residential development as predicted for the subject as though vacant. The sales data, labeled as Land Sales One through Seven, are included in this report as Exhibit C. The locations of the land tracts involved are shown on the facing page map. A brief tabulation of the data is as follows:

### Land Sales Summary

Sale No.	Date of Sale	Sale Price	Size (Acre)	No. of Units	Units/Acre	Price/Unit
1	06/11	\$3,085,000	9.625	102	10.6	\$30,245
2	02/10	3,121,000	13.19	132	10.0	23,662 *
3	10/04	1,900,000	2.0163	60	29.8	31,667
4	12/10	5,100,000	12.090	150	12.4	34,000 **
5	2005/2006	4,290,000	4.79467	166	34.6	25,843
6	04/08	7,785,000	2.750	110	40.0	70,773
7	12/05	4,750,000	4.5045	216	48.0	21,991
Subject	07/11		8.602	300	34.9	

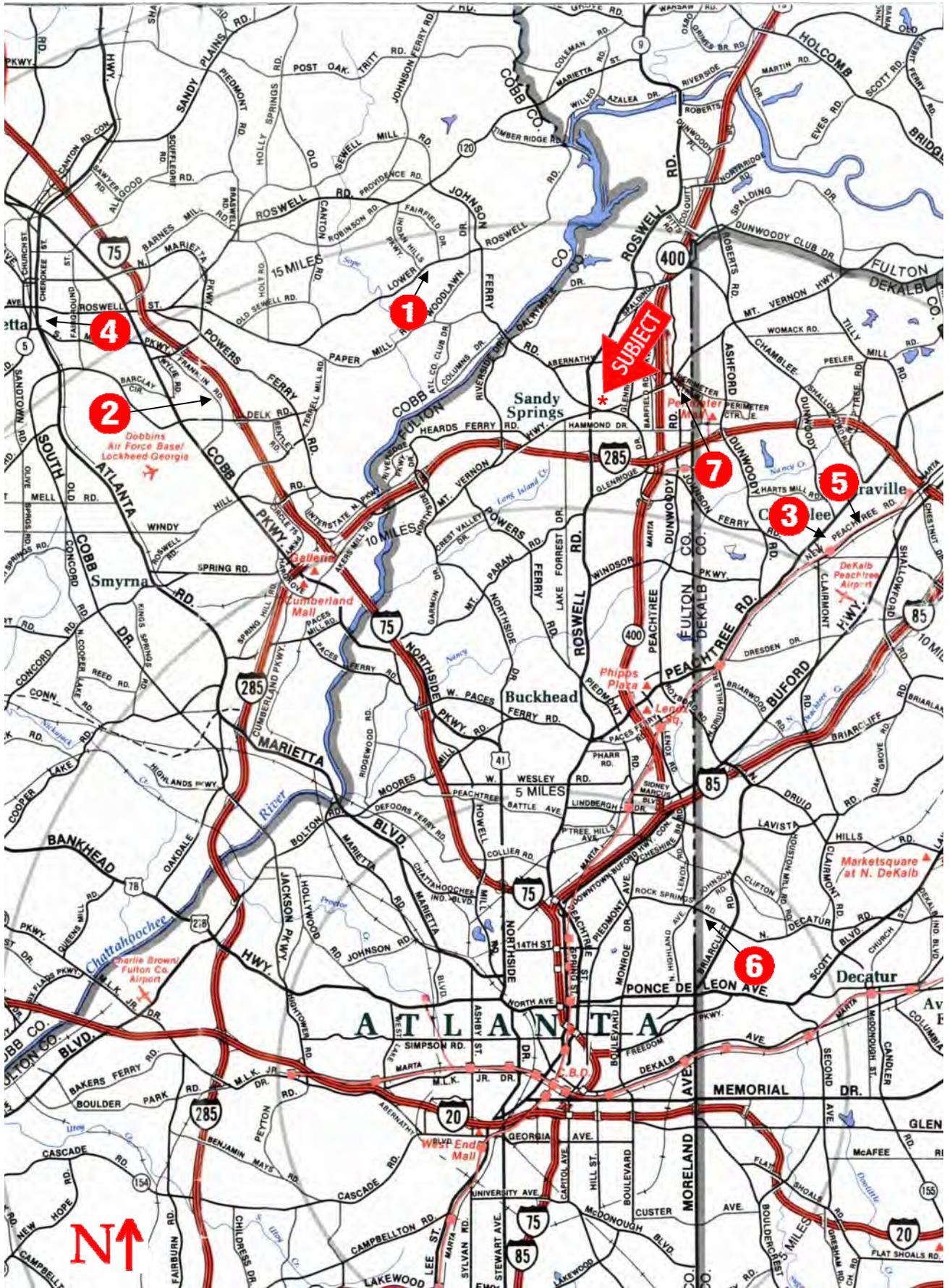
\* Density estimated based on analysis of zoning regulations and market.

\*\* Grantee stated number of units would be significantly less than the 300 allowed.

The seven closed transactions occurred over an extended time period from October 2004 to June 2011. While some of the sales are older, we believe the data reflect the most comparable transactions in the market and are pertinent to this analysis. Over the indicated time frame, land values within the subject market appear to have both increased and decreased. Currently, the multifamily residential market appears to be in the early stages of recovery as demand is increasing for new development. In our opinion, sales occurring prior to the start of the economic recession in January 2008 likely transacted at higher prices than they would in the current market and will be considered accordingly. Likewise, sales occurring since the recession began are more likely to transact at similar prices as observed currently. No adjustment is therefore warranted for sales occurring more recently.

The data range in size from 2.750 acres for Sale Six to 12.090 acres for Sale Four and bracket the subject assemblage at 8.602 acres. The number of residential units planned or allowed varies from 60 for Sale Three to 216 for Sale Seven. The subject assemblage, at 300 total units is therefore larger than any of the comparable sales, but the sales are analyzed on a unit price basis and this size differential is believed of no significance. The development density for each property is judged significant however. The density ranges from an estimated 10.0 units per acre for Sale Two to 48.0 units per acre for Sale Seven and bracket the subject at an existing 34.9 units per acre. An adjustment for development density is considered in this analysis.

# LAND SALES MAP



The sales range in unit price from \$21,991 per unit for the most intensively planned Sale Seven to \$70,773 per unit for Sale Six. The range in unit price is due largely to differences in location and market conditions. Our analysis focuses on these and other physical aspects. The most recent Sale One, the most proximate Sale Seven, and two sales with the most similar density, Sales Three and Five, are chosen for further analysis.

A summary of our adjustments to the four transactions is shown below. The chart presents the sales from left to right in order of lowest unit price to highest unit price. This organization provides a visual presentation of the analysis so as to create a range of data that brackets the final value conclusion. A "+" is used to signify characteristics of the sale that are inferior to the subject while a "-" is for superior characteristics. An "=" is used when the sale and the subject are similar. These adjustments are qualitative. A detailed discussion of the four sales and their comparison to the subject follows the chart.

#### Land Sales Analysis Summary

	Subject	Land Sale 7	Land Sale 5	Land Sale 1	Land Sale 3
Date of Sale	07/11	12/05	05-06	06/11	10/04
Sale Price		\$4,750,000	\$4,290,000	\$3,085,000	\$1,900,000
Land Area (Acres)	8.602	4.5045	4.7967	9.625	2.0163
Number of Units	300	216	166	102	60
Density (Units / AC)	34.9	48.0	34.6	10.6	29.8
Unit Price (\$/Unit)		\$21,991	\$25,843	\$30,245	\$31,667
Adjustments:					
Property Rights	Fee Simple	+	=	=	=
Conditions of Sale	Arm's Length	=	=	=	=
Expenditures after Sale / Improvements	None	=	=	=	+
Time/Market Conditions	Current	-	-	=	-
Location	Good	-	+	+	+
Density (Units / AC)	34.9	+	=	-	-
Shape	L-Shaped	=	=	=	-
Topography/Grade	Level	=	=	+	=
Access / Exposure	Good	=	-	+	=
Potential Market/ Use	Multifamily	-	-	=	-
Overall		+	+	-	-

#### **Sale Seven**

Sale Seven occurred in December 2005 and involves a 4.5045 acre land tract located in the subject market about 1.5 miles east of the subject along the east side of Peachtree Dunwoody Road. The tract was purchased for development of a 216-unit, six-story apartment building with first floor retail use. The property was purchased for \$21,991 per unit. The tract enjoys excellent access and exposure along a highly traveled road in the market. The tract's shape is slightly irregular, but is suitable for development. The indicated development density for the site is 48.0 units per acre. Reportedly, the property is encumbered with some driveway easements and a building encroachment that limited the buildable area of the tract.

Comparing Sale Seven to the subject, an upward adjustment for property rights and a downward adjustment for market conditions are first applied. Additional downward adjustments for superior location and potential use with some retail are also warranted. An additional significant upward adjustment for development density is also required. Overall, the upward adjustment for density prevails and the sale is judged inferior to the subject.

#### **Sale Five**

Sale Five involves a series of sales occurring between February 2005 and October 2006 that totaled 4.7967 acres and \$4,290,000. The property was purchased for mixed use development of 166 residential units and about 42,000 square feet of retail space. The indicated unit price is \$25,843 per dwelling unit. The density for residential space is about 34.6 units per acre. The property is located along Peachtree Road in DeKalb County about five miles southeast of the subject. The tract enjoys excellent access and exposure and has a suitable shape for development.

Comparing Sale Five to the subject, downward adjustments are necessary for market conditions, access and exposure, and potential use with retail. An upward adjustment is required for inferior location. Overall, Sale Five is believed slightly inferior to the subject.

#### **Sale One**

Sale One is the most recent sale obtained in the market. The sale involves a 9.625-acre land tract located along Lower Roswell Road in Cobb County about four miles northwest of the subject. The tract was purchased in June 2011 for \$2,085,000 and is currently being developed with 102 senior living housing units. According to the grantee, the property's extreme topography created an additional \$1,000,000 in development cost indicating an adjusted purchase price for the developable land of \$3,085,000 or about \$30,245 per dwelling unit. The indicated development density is about 10.6 units per acre. The tract slopes steeply downward away from the road and is situated well below grade of the fronting roadway. While the property's access is good, the exposure to the fronting road is diminished.

Comparing Sale One to the subject, no adjustment is required for market conditions since the sale occurred within the last month. The only applicable adjustments are upward adjustments for location, topography, and exposure and a large downward adjustment for density. Overall, Sale One is judged superior to the subject.

#### **Sale Three**

This sale involves a 2.0163-acre land tract developed with a 60-unit residential condominium complex known as Eco Lofts. The indicated development density is about 29.8 units per acre. The property is located 4.6 miles southeast of the subject along Peachtree Road in the City of Chamblee. The sale occurred in October 2004 at a price of \$31,667 per dwelling unit. The development also includes 10,000-square feet of first floor retail space. The land tract enjoys good access and exposure, level topography, and a regular shape. The tract was improved with an approximate 26,260-square foot warehouse at the time of sale that was demolished prior to redevelopment. The grantee did not divulge the demolition cost.

Comparing Sale Three to the subject, an upward adjustment for expenditures after sale is appropriate for the unknown demolition cost, and a downward adjustment is warranted for market conditions. An additional upward adjustment is applied for inferior location, but is outweighed by additional downward adjustments for smaller density, slightly better shape, and the potential for first floor retail space. Overall, Sale Three is believed superior to the subject.

#### **Conclusion – Sales Comparison Approach**

Sales Five and Seven were judged overall inferior to the subject and range upward in unit price to \$25,843 per unit for Sale Five. Sales One and Three were judged overall superior to the subject and range downward in unit price to \$30,245 per unit for Sale One. A reasonable market value estimate for the subject assemblage is likely contained within the indicated range of Sales One and Five. As Sale Five is judged only slightly inferior to the subject, a unit market value toward the lower end of the range, or about \$26,000 per residential dwelling unit, is judged reasonable. Applying this unit value to the subject assemblage's 300 units indicates an overall market value for the assemblage of \$7,800,000.

The subject assemblage is 8.602 acres in size indicating a unit value of about \$906,766 per acre. Applying this per acre unit value to the subject land tract's 10,870 square feet indicates the subject value is about \$226,275. However, this indicated market value reflects the value of the subject as part of the proposed assemblage, not as an independent parcel. Assembling the subject with the adjacent parcel benefits the subject in that it creates a larger, more regular shaped land tract that is suitable for independent development. The assemblage also benefits the adjacent parcel as it increases the land area supporting residential development and allows the adjoining property owner to control its neighbor. The assemblage of the two tracts therefore benefits both properties and results in an increased market value. In our opinion, the subject and the adjoining property would negotiate to share this benefit of assemblage. We therefore believe an appropriate market value for the subject, prior to assemblage, is one half of the indicated assembled value, or about \$113,138, rounded to \$113,000.

## VALUATION AS IMPROVED

### Sales Comparison Approach

Research of market data revealed five closed transactions involving single-tenant office buildings occurring in proximity of the subject. The sales are identified as Office Sales One through Five and are included as Exhibit D of this report. The map on the facing page shows the general locations of the transactions and a brief tabulation of the pertinent information is as follows:

#### OFFICE BUILDING SALES SUMMARY

No.	Date Of Sale	Sale Price	Expend. / Reno. Cost	Purchase Price w/ Renovation	Bldg.* Size (SF)	Year Built	Land Size (SF)	Land/ Bldg. Ratio	# of Parking Spaces	Parking Ratio**	Sale Price/ SF With Reno.
1	05/11	\$250,000	\$0	\$250,000	2,400	1955	10,875	4.53	9	3.8	\$104.17
2	01/10	592,000	18,000	610,000	1,934	1954	27,450	14.19	14	7.2	315.41
3	06/10	375,000	100,000	475,000	1,279	1966	15,900 #	12.43	10	7.8	371.38
4	05/08	695,000	160,000	855,000	2,367	1950	17,372	7.34	12	5.1	361.22
5	11/08	1,250,000	0	1,250,000	4,000	1975	26,250	6.56	29	7.3	312.50
Subject	07/11				2,601	1949	10,870	4.18	15	5.8	

\* Above grade finished office space

\*\* Parking spaces per 1,000 square feet of 1st floor building area

# Adjusted to exclude unusable land area to rear

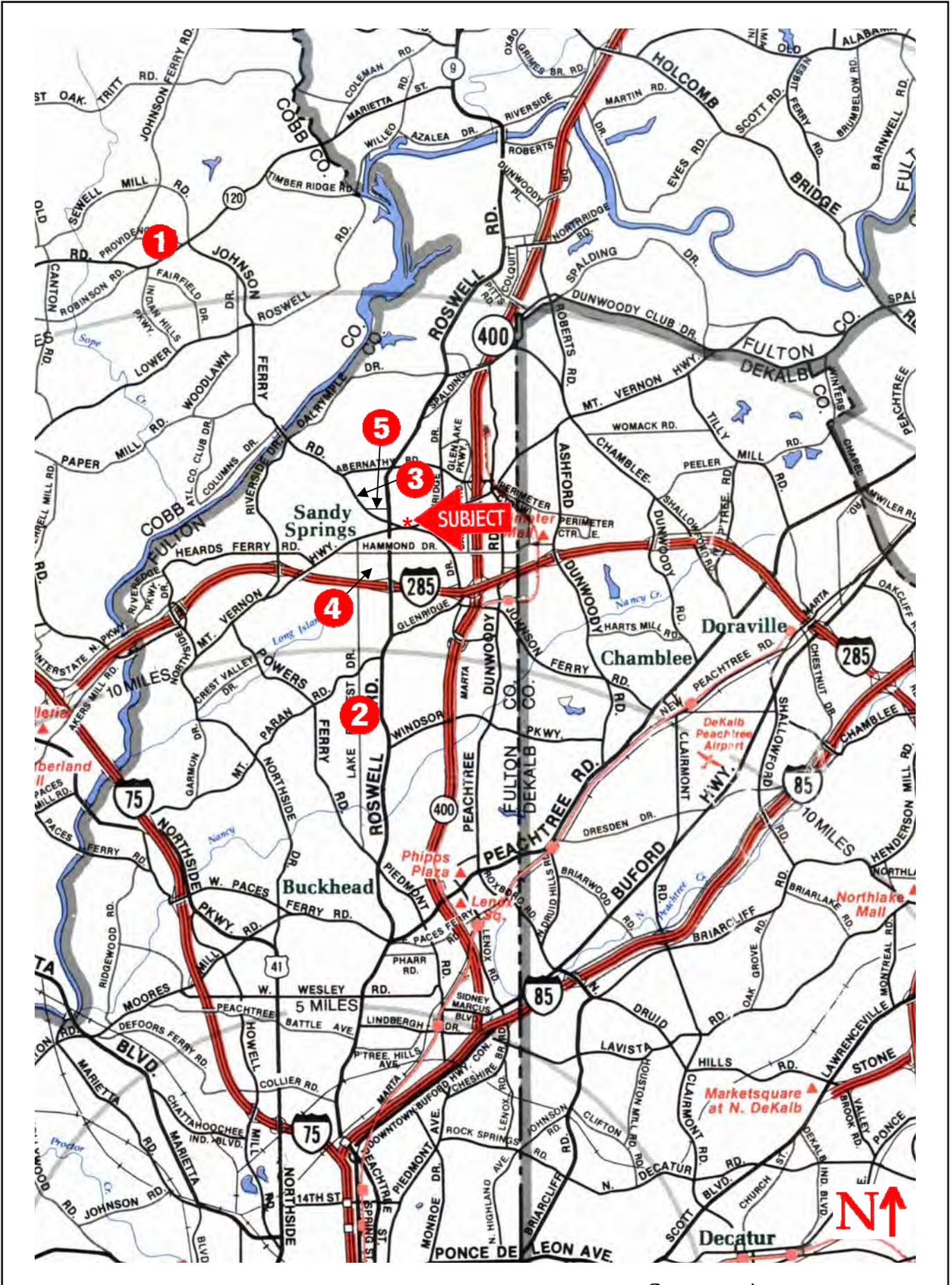
The transactions occurred over a relatively short time frame from May 2008 through May 2011. The data are the most recent sales of comparable office properties in the subject market and are therefore pertinent to this analysis. As the five sales occurred within a relatively small time frame and all since the most recent recession, no significant market conditions adjustment is warranted.

The sizes of the sale properties vary from 1,279 square feet for Sale Three to 4,000 square feet for Sale Five and bracket the subject at 2,601 square feet. We believe size likely influences price paid, particularly for properties best used for owner occupancy, and a typical size adjustment is considered in the analysis.

The building sizes for the data are estimated on a gross basis as single tenant buildings, especially owner occupied buildings, are typically measured in this manner. The subject's size is on a gross building area as well. We note that three of the sale properties, Sales Two, Four and Five, include finished daylight basement space. To be consistent with the subject, we have adjusted the sales to reflect only the above grade, finished office space and will adjust separately for any additional accessory space provided by a basement level.

The dates of construction for the sales vary from 1950 to 1975. All of the buildings are newer than the subject which was built in 1949. As discussed, the subject is proposed for complete renovation and is valued assuming this renovation is complete. We then apply a lump sum adjustment for the estimated renovation cost at the end of this analysis.

# IMPROVED SALES MAP



The land area included with each property is tabulated and the resulting land to building ratios range from 4.53 for Sale One to 14.19 for Sale Two. The subject land to building ratio at 4.18 is lower than the range of data which is expected due to the tract's small land size. As larger land area supporting office uses is preferred in the market an adjustment for land size is considered in this analysis.

The subject provides five onsite and 10 offsite parking spaces indicating a parking ratio of about 5.8 spaces per 1,000 square feet of building area. The five office sales have parking ratios ranging from 3.8 for Sale One to 7.8 for Sale Three and bracket the subject. As available onsite parking is judged a significant influence on potential income (and therefore value), significant consideration is given to this characteristic.

The indicated unit prices range broadly from \$104.17 per square foot for the most recent Sale One to \$371.38 for Sale Three. Excluding the lowest Sale One, the data range narrows to \$312.50 for Sale Five to \$371.38. Our adjustment grid for our analysis of the five sales is shown below. The sales are arranged in a similar manner as discussed in the previous analysis with similar qualitative adjustments. A detailed discussion of the five transactions follows the chart.

#### **OFFICE SALES ADJUSTMENT CHART**

	Subject	Office Sale 1	Office Sale 5	Office Sale 2	Office Sale 4	Office Sale 3
Date of Sale	07/11	05/11	11/08	01/10	05/08	06/10
Sale Price		\$250,000	\$1,250,000	\$592,000	\$695,000	\$375,000
Renovation Cost		\$0	\$0	\$18,000	\$160,000	\$100,000
Building Area	2,601	2,400	4,000	1,934	2,367	1,279
Land Size	10,870	10,875	26,250	27,450	17,349	15,900
Land to Building Ratio	4.18	4.53	6.56	14.19	7.34	12.43
Parking Ratio	5.8	3.8	7.3	7.2	5.1	7.8
Unit Price (\$/SF of Building)		\$104.17	\$312.50	\$315.41	\$361.22	\$371.38
Adjustments:						
Property Rights	Fee Simple	=	=	=	=	=
Market Conditions	Current	=	=	=	=	=
Improvement Size	2,601	-	+	-	-	-
Location	Good	+	+	+	+	=
Land to Building Ratio	4.179	-	-	-	-	-
Parking Ratio	5.8	+	-	-	+	-
Age/Condition of Improvements	Good	+	-	+	=	-
Access and Exposure	Average	-	-	-	-	-
Accessory Space	None	=	-	-	-	=
Overall		+	-	-	-	-

**Sale One**

Sale One is the most recent sale included in our data. The 2,400-square foot office building was purchased in May 2011 for \$104.17 per square foot. The property is located five miles northwest of the subject on Providence Church Road in Cobb County. The former single family residential structure was built in 1955 and appears in average overall condition. The building is supported by 10,875 square feet of land and nine parking spaces indicating a land to building ratio of 4.53 and a parking ratio of 3.8. The property enjoys good access and exposure on a secondary roadway.

Comparing Sale One to the subject, downward adjustments for building size, land to building ratio, and access and exposure are warranted. However, large upward adjustments for significantly inferior location, inferior parking ratio, and inferior condition of improvements are also needed. Overall, Sale One is judged significantly inferior to the subject.

**Sale Five**

Sale Five involves a 4,000-square foot, two-story office building located about 0.3-mile northwest of the subject on Sandy Springs Circle. The building was purchased in November 2008 for \$312.50 per square foot of above grade office space. The property also includes a full, 2,000-square foot finished basement which is also occupied. The building, constructed in 1975, appears to be in excellent overall condition and is served by a land to building ratio of 6.56 and a parking ratio of 7.3. The property has adequate access and very good exposure along a secondary roadway.

Comparing the sale to the subject, upward adjustments for smaller improvement size and inferior location are applied. But we also recognize downward adjustments for superior land to building ratio, parking ratio, condition of improvements, access and exposure, and the presence of additional finished basement space. Overall, Sale Five is judged superior to the subject.

**Sale Two**

This sale involves a single-story, 1,934-square foot office building located on the corner of Mystic Drive and Roswell Road 2.7 miles south of the subject. The office property was purchased in January 2010 for \$315.41 per square foot of above grade building area including necessary renovations. The building also includes a full, 1,934-square foot finished daylight basement that is occupied. The improvements were constructed as a single family residence in 1954 and appear in good overall physical condition. The land to building ratio is 14.19 while the parking ratio is 7.2. The property enjoys adequate access but excellent exposure along Roswell Road.

Comparing Sale Two to the subject, upward adjustments for inferior location and condition of improvements are needed. Downward adjustments for smaller building size, superior ratios, superior exposure, and basement space are also required. Overall, Sale Two is believed superior to the subject.

**Sale Four**

This sale is located 0.7-mile southwest of the subject on Cliftwood Drive. The former single family residence was purchased as a converted office building in May 2008. The office building has 2,367 square feet of above grade space and 1,789 square feet of finished and occupied daylight basement space. Reportedly, the property was in good overall condition at the time of sale but the grantee chose to spend an additional \$160,000 to modernize the building. The adjusted purchase price is \$361.22 per square foot of above grade building area. The building has average access and exposure and is supported by a land to building ratio of 7.34 and a parking ratio of 5.1.

Comparing Sale Four to the subject, upward adjustments for slightly inferior location and lower parking ratio are required. However, downward adjustments for smaller above grade building area, superior land to building ratio, superior access and exposure, and basement space are also warranted. Overall, Sale Four is judged superior to the subject.

**Sale Three**

Sale Three occurred in June 2010 and involves a 1,279-square foot single family residence currently under conversion for office use. The grantee stated that he paid \$375,000 for the property and will spend an additional \$100,000 to convert it into an office use. The indicated adjusted purchase price is \$371.38 per square foot of building area. The structure was built in 1966 but we consider that the improvements will be in very good condition after the conversion. The property also includes 1,500 square feet of unfinished storage space in two rear buildings. The land to building ratio for the property is 12.43 while the parking ratio is 7.8. The property is located 0.4-mile west of the subject along Johnson Ferry Road and enjoys good access and exposure.

Comparing Sale Three to the subject, downward adjustments for improvement size, land to building ratio, parking ratio, condition of improvements, and access and exposure are necessary. No other adjustments are applied. Sale Three is judged significantly superior to the subject.

**Conclusion – Sales Comparison Approach**

Sale One, at a unit price of \$104.17 per square foot, was judged significantly inferior to the subject. Sales Two, Three, Four, and Five were judged superior to the subject and range downward in unit price to \$312.50 per square foot for Sale Five. In our opinion, a reasonable unit value for the subject property should be contained within the range of Sales One and Five. However, this range is considerably wide. As Sale One is judged significantly inferior to the subject, a unit value toward the upper end of the range, or about \$300.00 per square foot, is judged appropriate. This unit value is applicable to the entire subject building but assumes that the legal requirements of rezoning the property for office use have been completed and that the building has been appropriately renovated for reuse. We therefore adjust the estimated market value to reflect the actual current conditions for the subject.

We first adjust the estimated market value for the additional cost and risk associated with the process of rezoning to accommodate the office use. A prospective purchaser would consider this cost. If successful, the purchaser would gain the right to continue to use the property as an office which would justify the \$300.00 per square foot unit value discussed

above. However, if unsuccessful in the rezoning process, the purchaser would be left with an improved office property that cannot legally be used. Therefore the market value of the property under that scenario is the value of the land less the cost of demolition of the improvements. In our opinion, a prudent purchaser, recognizing these two extreme potential outcomes, would negotiate to share the burden of risk and expense with the seller. We therefore believe the two parties would agree to a value toward the middle of these two extremes.

In our previous land valuation, we estimated that market value of the subject land at \$113,000. To estimate an appropriate demolition cost for the subject improvements, we consult the Marshall Valuation Service cost manual. In Section 66, Page 11 of the manual, the unadjusted cost of total demolition for a Class C Building such as the subject ranges from \$3.60 to \$5.35 per square foot. Assuming a cost toward the middle of the range indicates a unit cost of about \$4.48 per square foot. We adjust this cost by factors of 1.05 and 0.93 for date and location to yield an adjusted unit cost of about \$4.37 per square foot. Applying this cost to the 2,601 square feet of subject building area indicates a lump sum cost of about \$11,366.

Deducting the cost of demolition from the market value of the land of \$113,000 provides a low end to the discussed range of potential values of \$101,634 or about \$39.07 per square foot of building area. As discussed above, we believe a reasonable discounted value for the subject resulting from the added risk and cost of the rezoning process is toward the middle of the range between full value of \$300.00 and the indicated value of the subject land less demolition of \$39.07 per square foot. The midpoint of this range is about \$169.54 per square foot which represents an approximate 43% discount from the typical office market value. This discount for zoning appears reasonable and is used in this analysis.

The estimated adjusted unit value of \$169.54 per square foot reflects the market value of the subject in consideration of the uncertainty resulting from the subject's zoning. The value assumes that the subject office building is physically ready for occupancy. However, as discussed earlier, the subject requires complete renovation. To adjust the above unit value to reflect the current physical condition of the subject, we again consult the cost manual.

In Section 66, Page 11 of the manual, the unadjusted unit cost for demolishing the interior of an existing building ranges from \$6.30 to \$19.70 per square foot. We choose a cost toward the middle of the range or about \$13.00 per square foot for this analysis. Applying date and location factors of 1.05 and 0.93 indicates an adjusted cost for this portion of the renovation of \$12.69 per square foot. We also add the cost of interior build-out found in Section 15, Page 35 of the manual. According to this section, a Good, Class C interior finish, including all mechanical systems, will cost \$55.13 per square foot. Applying factors of 1.08 and 0.93 for date and location indicates an adjusted unit cost of about \$55.37 per square foot. Adding this cost to the adjusted demolition cost of \$12.69 indicates a total adjusted unit cost for the renovation of about \$68.06 per square foot. Applying this unit cost to the subject's 2,601 square feet of building area indicates a lump sum cost for this portion of the renovation of \$177,024.

The subject also requires new fenestration. Costs for these items are obtained from Section 55 of the manual. On Page 6, the cost new for insulated metal doorways range from \$20.25 to \$28.50 per square foot of open wall area. Using a cost toward the middle of the range indicates an unadjusted unit cost of \$24.38 per square foot. We apply date and location factors of 1.03 and 0.93 to arrive at an adjusted unit cost for doors of \$23.35. We have estimated that the five subject doorways account for about 105 square feet. Applying the unit cost to this size indicates a total lump sum cost for doors of \$2,452.

The cost to replace the subject windows is found on Page 7. We use the cost for double-hung aluminum framed windows. The cost ranges from \$13.05 to \$19.85 per square foot of wall area. We use a unit cost at the middle of the range, or \$16.45 per square foot, and apply similar date and location adjustments to arrive at an adjusted unit cost of about \$15.76 per square foot. We have estimated that the subject windows encompass about 250 square feet of wall area indicating a total lump sum cost for windows of about \$3,940.

Adding the cost of the demolition and interior renovations of \$177,024 with the costs of the doorways and windows of \$2,452 and \$3,940 indicates a total cost of the required renovations of about \$183,416. Applying a typical charge for profit or coordination for a renovation of this nature of about 15% of the total cost indicates a total cost with coordination of about \$210,928 or about \$81.09 per square foot. It is noted that this estimated unit renovation cost for the subject at \$81.09 per square foot is supported by the stated renovation cost for Office Sale Three. Sale Three has a stated renovation cost of \$100,000 over the 1,279 square foot building or about \$78.19 per square foot. The sale's extent of renovation is similar to that proposed for the subject.

Deducting the estimated unit renovation cost for the subject of \$81.09 per square foot from the previously estimated unit value considering rezoning of \$169.54, we derive our final unit value estimate for the subject in its current condition of \$88.45 per square foot. Applying this unit value to the subject's 2,601 square feet of building area yields a market value of \$230,058.

The conclusion of the sales comparison approach valuation is as follows:

**Concluded Value by Sales Comparison Approach**

Unit Market Value for Typical Office		\$300.00 / SF
Less Adjustment for Zoning @	43%	<u>130.46 / SF</u>
Indicated Value of Subject as Renovated		\$169.54 / SF
Less Adjustment for Required Renovation		<u>81.09 / SF</u>
Indicated Market Value of Subject As Is		\$88.45 / SF
Market Value As Is	2,601 SF	\$230,058
Rounded		\$230,000

### Income Approach

To estimate the market value of the subject by the income approach we researched the immediate subject area and obtained two indications of current rental rates for similar office properties. The two office rentals are located within a 0.5-mile radius of the subject as shown on the facing page map. A tabulation of the pertinent rental data is shown below.

#### Comparable Rental Tabulation

Rental No.	Property Address	Bldg. Size (SF)	Typical Lease Term	Typical Lease Type	Tenant Improvement Allowance	Available Parking (Spaces)	Parking Ratio	Rental Rate
1	90 Johnson Ferry	1,100	3 Yr	Modified Gross	As is	6	5.5	\$13.09
2	6059 Boylston	6,120	Neg.	Modified Gross	As is	23	3.8	15.69
	Subject 330 Johnson Ferry	2,601				15	5.8	

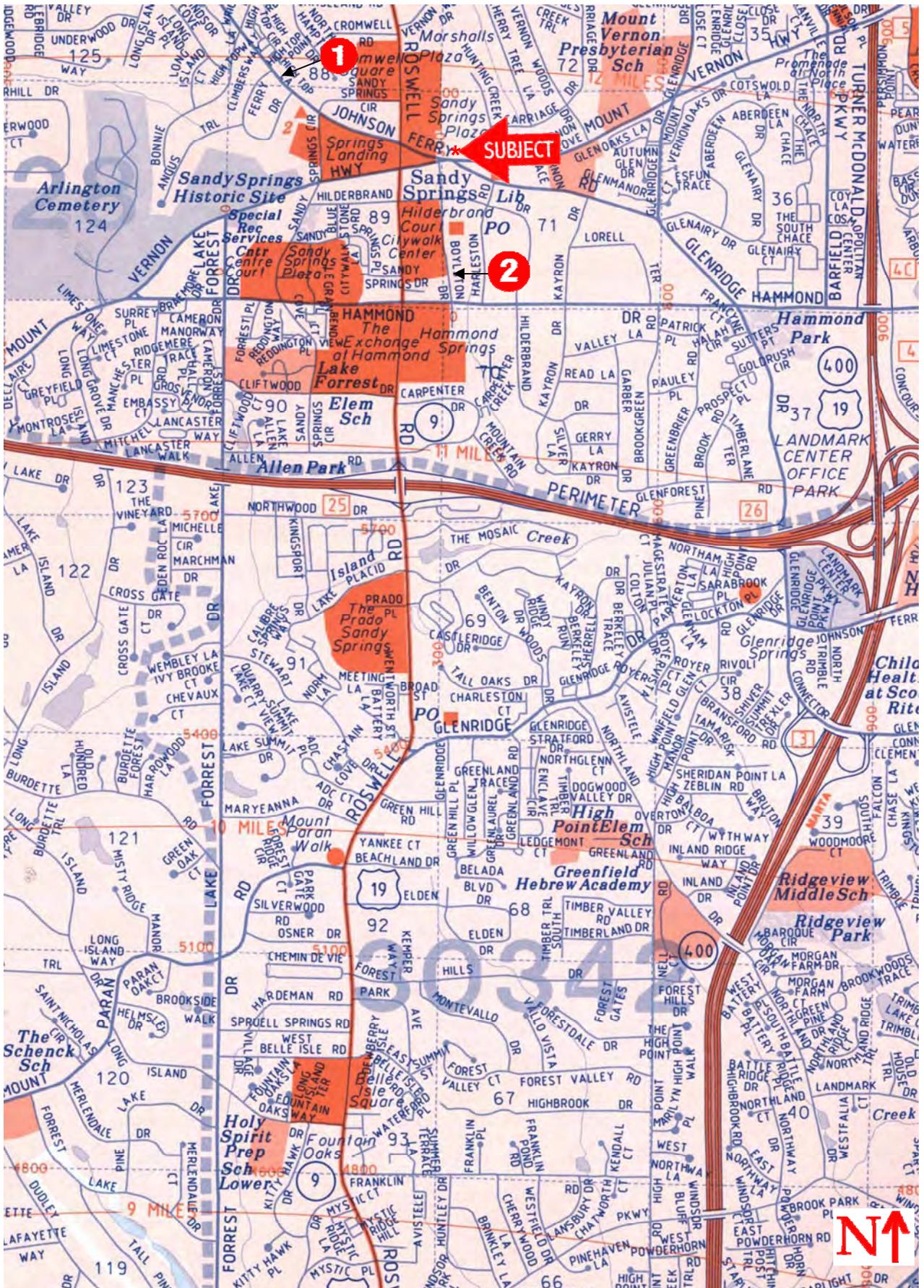
Rental One is located 0.3-mile west of the subject along the northern side of Johnson Ferry Road. The office property is a converted single family structure that is currently vacant. The building appears to be in reasonably good physical condition and reportedly functions well as a single tenant office use. The office property enjoys good access and exposure and is supported by 5.5 parking spaces per 1,000 square feet of building. The property owner reported that the building measures 1,100 square feet and is available on an as is basis for three years at a rental rate of \$1,200 per month or about \$13.09 per square foot per year. The offered lease is on a modified gross basis with the property owner responsible for taxes and insurance and the tenant responsible for all other operating costs.

For this analysis, we will convert the comparable rental data to a net rental rate, exclusive of all operating expenses. To derive a net rental rate we deduct the estimated tax liability and insurance costs from the reported rental rate. The resulting rate is the net operating income for the property if fully occupied.

Based on Fulton County records, we estimate the 2011 property tax liability for the comparable is \$2,836.18 or about \$2.58 per square foot of building area. We estimate an insurance expense using the 2011 BOMA Experience Exchange Report which reflects the 2010 operating year. According to the report, the average insurance expense for suburban office uses is \$0.19. Deducting the \$2.58 tax expense and the \$0.19 insurance expense from the reported modified gross rental rate of \$13.09 per square foot indicates a net rental rate of about \$10.32 for Rental One.

Comparing Rental One to the subject, a downward adjustment for condition of the lease is applied since the reported rate is an asking rate rather than an achieved rental in the market. Upward adjustments for inferior condition of improvements and for a lower parking ratio are also warranted. Overall, Rental One is believed slightly inferior to the subject.

# RENTAL MAP



Rental Two is located about 0.2-mile south of the subject on Boylston Drive and involves an approximate 6,120-square foot, two-story, owner occupied office building. The property owner occupies the entire second floor and half of the first floor with the remaining half of the lower level offered for lease. The tenant space measures 1,530 square feet and the property owner is asking \$2,000 per month or about \$15.69 per square foot per year. The owner did not specify a lease term, but did indicate that the lease is on a modified gross basis with the landlord paying the taxes, insurance, water, and maintenance expenses. The tenant pays the remaining utility expenses – electrical, phone, and internet – along with the janitorial expense and any security expenses. The building appears to be in good overall condition and is supported by 3.8 parking spaces per 1,000 square feet. The property enjoys good access and exposure.

Adjusting the modified gross rental rate to reflect a net basis involves estimating appropriate expenses for taxes, insurance, water, and maintenance. For the tax expense, we estimate a unit cost of \$2.38 per square foot based on the Fulton County tax record. For the remaining expenses, we utilize the BOMA report discussed previously. The insurance expense is estimated as \$0.19 per square foot. According to the survey, the water utility expense for the suburban Atlanta market averages \$0.16 per square foot while the maintenance expense averages \$1.21 per square foot. Deducting these four expenses from the reported asking rental rate of \$15.69 indicates a net rental rate of about \$11.75 per square foot.

Comparing Rental Two to the subject, a downward adjustment for the rental as an asking rent is first applied. An upward adjustment for parking ratio is necessary, but an additional downward adjustment for superior condition of the improvements is also applied. In our opinion, Rental Two is superior to the subject.

After adjustment to a net basis, Rental One indicates a rate of \$10.32 per square foot while Rental Two indicates a rate of \$11.75. Our comparison of both rentals to the subject indicates that Rental One is slightly inferior to the subject while Rental Two is superior. We believe an appropriate market indication for the net rental rate applicable for the subject is within this range and likely toward the lower end. A rate of \$10.50 per square foot per year is chosen.

The above rental rate has not considered any charge for vacancy and collection loss. In the previous sales comparison approach we discussed five sales of comparable office buildings in the market. Four of the five sales reported exposure times prior to their sale ranging from three months for Sale Five to eight months for Sale Two to one year for Sale One to two years for Sale Three. In our opinion, a reasonable expectation for vacancy should be captured within this relatively large range. As the subject is well located in the market, we choose a vacancy toward the lower end of the range or about six months. Assuming the subject suffers about six months of vacancy for every three year lease term, the indicated vacancy rate would be about 14%. Deducting a charge of 14% for vacancy from the net rental rate of \$10.50 per square foot indicates an expected net operating income of about \$9.03 per square foot per year.

We capitalize the net income at an appropriate rate to reflect the risk involved with the subject. Typically, an appropriate capitalization rate is derived from sales of comparable office properties. However, all of the sales obtained in the market appear to have been purchased for

owner occupancy and did not consider income potential. As an indication of capitalization rates for office properties, we consulted the PriceWaterhouseCoopers Real Estate Investor Survey found in the 2<sup>nd</sup> Quarter 2011 edition of the Valuation Insights and Perspectives publication of the Appraisal Institute. The investor survey indicates a range in overall capitalization rates for central business district office uses in first quarter of 2011 from 5.25% to 10.50% with an average rate of 7.42%. The survey reflects the average rates across the country, but generally applies to institutional grade properties. The subject, as a small, single tenant property is believed to incur a higher risk than the average institutional property. In our opinion, a reasonable capitalization rate for the subject should be higher than the average of 7.42%. A rate of 8.5% is chosen for this analysis.

Dividing the previously estimated net income of \$9.03 per square foot by the 8.5% capitalization rate indicates an estimated unit market value for the subject of about \$106.24 per square foot. This value reflects the market value – based on the income approach – of the subject office property assuming it has the proper zoning in place and has been extensively renovated as necessary.

The income approach value is considerably lower than the comparable estimate by the sales comparison approach of \$300.00 per square foot under similar circumstances. The sales comparison approach valuation is based on sales to owner occupants and the highest and best use of the subject is likely for owner occupancy rather than investment purposes. As a leased property, the subject is, in fact, not economically viable as the costs associated with rezoning and renovation of \$130.46 and \$88.45 per square foot respectively, are larger than the estimated market value based on generated income. Most reliance for this appraisal is therefore placed on the estimate of value by the sales comparison approach.

#### **Conclusion – Valuation as Improved**

The sales comparison approach is judged the more reliable indication of market value for the subject as improved as the subject is believed best used as an owner occupied facility. The approach indicated a market value of \$230,000. This value reflects the current physical condition of the office improvements and also considers the risk and expense involved in rezoning the property to accommodate an office use. The approach relies on similar, owner occupied office properties and therefore provides the most reliable indication of value.

The other consideration for this appraisal is the special marketing of the property specified by the owner, Fulton County, to dispose of the subject as a designated surplus property. This further discount in value is considered in the following section.

## **DISCOUNT FOR MARKETING**

Fulton County has designated the subject as surplus property in accordance with the policies and procedures for Fulton County. The pertinent policy is entitled Disposition of County – owned Real Property. This policy is dated June 1, 2011, and sponsored by the General Services Department for Fulton County.

The subject is to be sold under this policy with restrictions on the marketing of the property in accordance with the regulation. The regulation specifies that the property will be sold through a sealed bid process. The property will be exposed to the market for 30 days only. The proposed sale will be announced to the public via a sign posted on the property, posting of the invitation to bid on the county website, and advertisement in the official legal organ of the county or in at least one newspaper of general circulation in the county for two consecutive weeks prior to the sale. Sealed bids for the property will be received and opened at the end of the thirty day exposure time.

There will be one inspection of the property for potential purchasers conducted by the Land Division of Fulton County after the legal advertisements have run and this inspection will be at least five days prior to the bid opening date. A qualified bidder for the property must have funds in cash available to purchase the property at the time of bidding. A bank letter of credit will be required with the bid. A bidder may ask any questions of the county and these questions and answers will be posted on the county website. No negotiations or changes in the bid policy will be allowed, however, and the property will be sold “as is” and “where is” and “with all faults”. The title will be transferred by quitclaim deed only.

The high bidder for the property will be notified when the bids are opened and the selected, qualified, high bidder has 10 days to sign the contract for sale provided by the county. The bidder then has a maximum of 15 days to close the transaction providing cash to the county. The scheduled number of days from the opening of the bids to closing is therefore about 25 days.

The above described conditions and restrictions on the marketing of the property are believed to significantly impact the likely sale price. A significant effect is the likely limitation on the number of qualified buyers. Typical exposure times for commercial properties range from six months to one year and sometimes longer for specialized property. The specified 30 day exposure time will limit the number of buyers with knowledge of the property. The buyers are further reduced by the requirement of pre-qualification of financing prior to sale, the limited closing time after the bids are opened, and the increased risk with only one inspection allowed and no post contract negotiations or changes allowed.

Assuming typical market value is determined through probability as the expected mean of a normal distribution of market activity, buyers and sellers are in balance in the market place and sufficient time is allowed to sell a property at close to the expected mean. Significantly limiting the qualified buyers as in this case will skew the distribution toward a lower value. If the expected mean market value of the distribution is at the midpoint, or 50% above the low end of the range and 50% below the high end of the range, this reduction in demand could skew the value obtained one half to the negative, or about 25%.

An additional reduction in value is also predicted for increased risk. The feasibility of an investment in the subject is more in question than under typical marketing conditions as a result of the limited inspection, purchasing of the property with no negotiations or requirements for change, and no post contract inspections or verifications allowed. If the typical required incentive for an investment in a commercial property is 15%, this incentive should be increased in the same manner as the price will be reduced as explained above of 25%, or about one fourth of the total or about 3.8%. Adding the estimated reduction in price of 25% and the increased required incentive of 3.8% indicates an overall reduction in price due to the marketing conditions of about 28.8%.

Another perspective on the expected discount is from the buyer's viewpoint. The buyer will be provided with the market value appraisal of the property. The buyer would likely think that a 50% discount from market value would overstate the conditions, but a more typical 15% discount for entrepreneurial incentive would understate the conditions. The midpoint between these two estimates is 32.5%.

Our discussions with a broker in the real estate auction industry indicated a probable discount for quick sale under reasonably similar conditions of about 30%. Our estimates of discount as discussed above range from 28.8% to 32.5%. In our opinion, a reasonable discount for the specified marketing conditions for the subject would be toward the mid point of this range or about 30% below the previously estimated market value under typical marketing conditions.

Considering the above, we further reduce the estimated market value for the subject of \$230,000 by the estimated discount for the specified marketing of the subject as a surplus property of 30%. The resulting estimated market value for the subject under the special marketing requirements is \$161,000. This value estimate is allocated as \$79,100 for land and \$81,900 for improvements.

**EXHIBIT A**  
**SUBJECT TITLE REPORT**

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TELEPHONE: (770) 576-1962  
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13010 MORRIS ROAD, BUILDING ONE, SUITE 600  
ALPHARETTA, GEORGIA 30004

DIRECT DIAL: (678) 457-1198  
EMAIL: jwbell@jwb-law.com

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### ATTORNEY'S TITLE CERTIFICATE AND OPINION ON THE PROPERTY OF

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### FULTON COUNTY

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CLIENT:	Fulton County	TAX PARCEL:	17-0071-0004-034-3
PROJECT:	Fulton County Surplus Property	OUR FILE:	11-20011
DISTRICT:	17	LAND LOT(S):	89
PARCEL:	3	EFFECTIVE DATE:	June 5, 2011

This is to certify that in consideration of a fee to be paid to the undersigned attorneys, the undersigned does hereby certify that a careful examination has been made of the public records of Fulton County, Georgia affecting title to property described in Caption insofar as is correctly shown by indexes to said records from which indexes this certificate is furnished; and we hereby certify that record fee simple title to said property is now vested in **FULTON COUNTY** by virtue of that certain **Warranty Deed** dated **June 30, 1948** and recorded in **Deed Book 2363, Page 486**, Fulton County, Georgia records, as described therein; subject, however, to the below referenced objections. This title certificate and opinion is prepared solely for the use of the client and project listed herein for the property interests described by the above referenced parcel designation and may not be relied upon by any third party or for any other purpose.

#### STANDARD EXCEPTIONS

- (a) The exact location of boundary lines, unrecorded easements, possible encroachments and other facts or conditions which would be disclosed by an accurate survey and inspection of the property.
- (b) Any matters not shown by the public records or which are improperly indexed of record.
- (c) Any documents, instruments, or encumbrances filed under names other than those appearing in the chain of title.
- (d) Title to that portion of the property included within the bounds of roads, highways, easements and rights of way, particularly roads and easements which are created by adverse or prescriptive usage.
- (e) Rights of upper and lower riparian owners to the streams, creeks and branches crossing, abutting, or located on the property, free from diminution or pollution thereof.
- (f) Rights, if any, of tenants or other persons who may be in possession under claims not appearing of record.
- (g) Possible liens of architects, laborers and materialmen for improvement of the property, not filed for record as of the effective date of this Certificate of Title.
- (h) All municipal or county zoning laws, ordinances and regulations, and all governmental regulations of the use and occupancy of the property.
- (i) Any matters relating to the presence or absence of any hazardous materials or waste on or within the property, and any violations with regard to hazardous materials or waste under any and all Federal and State environmental protection laws, rules or regulations.
- (j) Pay-as-you-enter water or sewer lines, which, while not technically liens, will be payable upon connection with such lines.
- (k) The location of any portion of the property within the limits of any "wet lands," and any laws, rules and regulations affecting wet land areas.
- (l) Any matters relating to past due utility bills, including but not limited to gas, water, electricity, telephone, sewer, and sanitary services.
- (m) Liens for taxes not yet due and payable.

## SPECIAL EXCEPTIONS

### SECURITY DEEDS

1. None found open of record. Please inquire.

### PROTECTIVE COVENANTS AND SURVEY AND PLAT RESTRICTIONS

1. Restrictions filed September 7, 1948 and recorded in Deed Book 2351, Page 73, Fulton County, Georgia records, although such restrictions were to expire in twenty years.
2. State Restriction of Sale of Property dated March 26, 1949, filed March 28, 1949 and recorded in Deed Book 2402, Page 298, aforesaid records, although such restriction were to cease twenty years after the "completion of the construction of the public health center (Ga-18)."

### EASEMENTS, RIGHT-OF-WAY DEEDS AND AGREEMENTS

1. Easement between Fulton County and Sandy Springs Plaza, Inc., dated October 1, 1958, filed October 14, 1958 and recorded in Deed Book 3383, Page 538, aforesaid records.
2. Mutual Grant of Easement by and between Sandy Springs Retirement Group, Ltd. and Fulton County, dated March 25, 1986, filed June 10, 1986 and recorded in Deed Book 10143, Page 266, aforesaid records.

### LIENS AND JUDGMENTS

1. Numerous filings involving Fulton County.

### TAXES

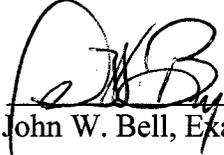
1. The subject property is currently listed as exempt from real property ad valorem taxation according to the Fulton County Tax Commissioner's records. All matters related to taxation of the subject property are hereby excepted.

### OTHER EXCEPTIONS

1. None.

This the 21<sup>st</sup> day of July, 2011.

**JOHN W. BELL, P.C.**

By:   
\_\_\_\_\_  
John W. Bell, Examining Attorney

2363/486

486

2363

FOR AGREEMENT SEE 2351-73  
2402-298

STATE OF GEORGIA, Fulton County

No. 1090129

JP  
7/4

THIS INDENTURE, made this 30th day of June in the Year of Our Lord One Thousand  
Nine Hundred and forty-eight between  
THE BOARD OF EDUCATION OF THE COUNTY OF FULTON  
of the State of Georgia and County of Fulton of the first part,  
and FULTON COUNTY, A Political Subdivision  
of the State of Georgia and County of Fulton of the second part,

WITNESSETH: That the said part Y of the first part, for and in consideration of the sum of  
ONE AND NO/100 (\$1.00) Dollars and other valuable considerations---  
in hand paid at and before the sealing and delivery of these presents, the receipt of which whereof is hereby acknowledged, has  
granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said part Y of  
the second part, its successors--- all that tract or parcel of land, lying and being in

land lot 89 of the 17th District of Fulton County, Georgia, and being more particularly  
described as follows:

BEGINNING at a point on the Northwesterly side of Johnson's Ferry Road four hundred and  
forty-seven and six-tenth (447.6) feet Southeastwardly from the Easterly side of Roswell  
Road and running thence North 6° 30' west two hundred and sixty-five (265) feet; thence  
north 83° 30' East sixty-five (65) feet; thence south 6° 30' East one hundred (100) feet;  
thence South 83° 30' West forty (40) feet; thence south 6° 30' east one hundred and  
seventy-one (171) feet to the Northwesterly side of Johnson's Ferry Road; thence North  
81° 30' West along the Northwesterly side of Johnson's Ferry Road twenty-six (26) feet to  
the point of beginning.

TO HAVE AND TO HOLD the said bargained premises ~~with all and singular the rights, mem-  
bers and appurtenances thereof to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and  
behoof of~~ it the said part Y  
of the second part, its SUCCESSORS ~~and assigns forever, in Fee Simple.~~

And the said part Y of the first part, for itself, its SUCCESSORS  
~~executors and administrators, will warrant and forever defend the right and title to the above-described property, unto the  
said part Y of the second part, its SUCCESSORS~~

~~and assigns, against the lawful claims of all persons whomsoever.~~  
IN WITNESS WHEREOF, The said party of the first part, has hereunto set its  
hand and affixed its seal, the day and year above written.

SIGNED, SEALED AND DELIVERED IN PRESENCE OF  
A. L. Livingston

Anise Troth (N. P. Seal)  
Notary Public, Georgia, State at Large,  
My Commission Expires March 2, 1949

FULTON COUNTY BOARD OF EDUCATION  
BY: James C. Shelor as President [Seal]  
BY: Paul D. West as Secretary [Seal]  
(CORP. SEAL)

Filed 11:39 AM JULY 7, 1948  
Recorded JULY 29, 1948

*J. W. Livingston* C. S. C.

2363-466  
(Ga-18) July 29-48

Received  
Sept. 13  
2351-73  
BOOK 2402 PAGE 298  
1116489

STATE RESTRICTION OF SALE OF PROPERTY

Commissioners of Roads and Revenue  
Fulton County, Georgia

agrees that in the

(Title of Project Sponsor)  
event the contract now pending for a State grant-in-aid is approved, and State funds are received to assist in the construction of a public health center

\_\_\_\_\_ at Sandy Springs, Georgia, the following statement will be recorded with the deed to the property on which the facility is constructed as an encumbrance on the transfer or sale of the premises, and that a Statement by the Clerk of the Circuit Court certifying that this has been done will be promptly furnished to the Georgia Department of Public Health.

In conformity with Section 7 (d) of Act 62, Georgia Laws 1949, if at any time within twenty years after the completion of the construction of the public health center (Ga-18)

at Sandy Springs, Georgia, said facility (A) is sold or transferred to any person, agency, or organization which (1) is not qualified to file an application under the provision of the above Act or (2) is not approved as a transferee by the State Agency or its successor, or (B) has ceased to be a publicly-owned facility, the State of Georgia shall be entitled to recover from either the transferor or the transferee a per centum of the then value of such facility equal to the same percentage as the State grant was to the total cost of the construction of the facility. This amount to be determined by agreement of the parties or by action brought in court in due process of law.

Commissioners of Roads & Revenue, Fulton County  
(Applicant)

March 26, 1949  
(Date)

By P. W. McGehee  
(Authorized Representative)

RECORDED, Fulton County, Clerk's Office Recorder Room

Filed for Record, 29 day of May, 1949

a. F. O. C. of Book 111, Page 21, 10-49

J. H. Johnson Clerk

Commissioner of Health, Fulton County  
(Title of Authorized Representative)

BOOK 383 PAGE 538  
GENEAL INDEX  
FULTON COUNTY

THIS AGREEMENT entered into on this 15th day of April 1958, between FULTON COUNTY, a political subdivision, hereinafter called the "County," and SANDY SPRINGS PLAZA, INC., a corporation, hereinafter called the "Corporation";

**WITNESSETH**

WHERAS, Fulton County is the owner of a tract of land located in Land Lot 89 of the 17th District of Fulton County, Georgia; and

WHERAS, Sandy Springs Plaza, Inc. is the owner of a tract of land lying and being in said Land Lot and District, and lying west of and adjacent to the land owned by Fulton County; and

WHERAS, on a part of the land of the County there is an existing health building, operated by the Fulton County Department of Health and

WHERAS, the Corporation desires to erect a retaining wall on a portion of the land owned by the County and lying between the existing health building and the land of the Corporation; and

WHERAS, the location of said wall is more particularly described and referred to as upon Retaining Wall on a plat prepared by Hal V. Greer, A.I.A., Architect, dated June 12, 1958, and recorded August 25, 1958, copy of which is on file in the office of the Chief Building Inspector, Fulton County and which plat is referred to herein and incorporated as a part of this agreement; and

WHERAS, the Corporation desires to have an agreement on the part of the land of the County as indicated on the above plat for the purpose of erecting said retaining wall

AND WHEREAS, IN CONSIDERATION OF THE PREMISES, IT IS

Agreed as follows:

Fulton County hereby grants an easement to Sandy Springs

Plaza, Inc., its successors and assigns, for the purpose of permitting said Corporation to build a retaining wall topped by a fence on land owned by said County located in Land Lot 89 of the 17th District of Fulton County, said wall to be located between the existing health building, now occupied by the Fulton County Department of Health and land owned by the Corporation, and more particularly located as shown on the plat above referred to, and designated on said plat as "New Retaining Wall".

2. In consideration hereof the Corporation agrees to erect and maintain at its sole expense the said retaining wall and fence on said land, the same to be erected in accordance with the specifications shown on the plat above referred to.

3. The Corporation further agrees to save harmless, Fulton County, from any and all claims for any damages whatsoever that may arise prior to beginning or during construction of the wall or at any time in the future after completion of same, where such damages are the result of the construction and maintenance, or failure to maintain the said wall.

4. It is further agreed that the within and foregoing agreement shall be a covenant running with the land of the parties and shall be binding upon both parties hereto, their successors and assigns, owners of said property.

FULTON COUNTY

By *Robert L. Greer* (3021)  
The Acting Commissioners of Taxes and Revenues

SANDY SPRINGS PLAZA, INC.  
By *Marvin G. Hurrell* (3021)

FILED  
FULTON CO., GA.  
RECORDED  
Oct 18 1958

APPROVED AS TO FORM  
County Attorney  
*William C. Williams*  
Signed, sealed and delivered in the presence of:  
*William C. Williams*  
*Henry P. Baker, Justice of the Peace*

GEORGIA, Fulton County, Clerk's Office Superior Court  
Filed & Recorded, JUN 10, 1986, 10:44 Deborah J. Rice CLERK

MUTUAL GRANT OF EASEMENT

THIS MUTUAL GRANT OF EASEMENT is made and entered into as of the 25<sup>th</sup> day of March, 1986, by and between SANDY SPRINGS RETIREMENT GROUP, LTD. (the "Partnership"), a Georgia limited partnership whose sole general partners are Covenant Development Company, Inc., a Georgia corporation, Freeman Enterprises, Ltd., a Georgia limited partnership whose sole general partner is Theodore N. Freeman, E. T. Chambers, an individual resident of the State of Alabama, GSL Service Corporation, an Alabama corporation, and Charles L. Briscoe Enterprises, Ltd., a Georgia corporation, and FULTON COUNTY, a political subdivision of the State of Georgia (the "County")

W I T N E S S E T H :

WHEREAS, the Partnership is the owner of certain real property (the "Partnership Property"), more particularly described in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, the County is the owner of certain real property (the "County Property") contiguous with the Partnership Property and more particularly described in Exhibit B attached hereto and by this reference incorporated herein; and

WHEREAS, the Partnership wishes to grant to the County, and the County wishes to acquire, a non-exclusive easement for ingress, egress, and parking over and across certain portions of the Partnership Property, all for the benefit of the County Property; and

WHEREAS, the County wishes to grant to the Partnership, and the Partnership wishes to acquire, a non-exclusive easement for vehicular and pedestrian ingress and egress over and across certain portions of the County Property, all for the benefit of the Partnership Property.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and Ten Dollars (\$10.00) and other valuable considerations, in hand paid by each party to the other, the receipt and sufficiency thereof hereby being acknowledged by each party, the parties hereto do hereby agree as follows:

1. Mutual Grant of Easements. The Partnership does hereby grant, establish, create, and declare a non-exclusive easement, license, right, and privilege of ingress, egress, and the right of parking for not more than ten (10) vehicles over, across, and on that portion of the Partnership Property that is marked "Easement Area 1" in Exhibit C attached hereto and as shown on the attached plat of survey prepared by Hill-Fister Engineers, Inc., dated February 24, 1986, all for the benefit and use of the County and its licensees and invitees.

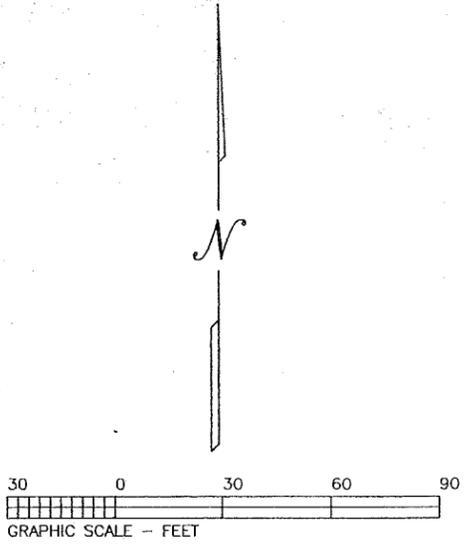
Likewise, the County does hereby grant, establish, create, and declare a perpetual, non-exclusive easement, license, right, and privilege of ingress and egress to and from Johnson Ferry Road over and across that portion of the County Property that is marked "Easement Area 2" in Exhibit D attached hereto and as shown on the attached plat of survey prepared by Hill-Fister Engineers, Inc., dated February 24, 1986, all for the benefit and use of the Partnership, its licensees, invitees, successors, and assigns. The County and the Partnership acknowledge and agree that the Partnership plans to subject all or part of the Partnership Property to the condominium form of ownership and that, without limiting the generality of the preceding sentence, the easement herein created over the Easement Area 2 shall be for the benefit and use of the aforesaid condominium and unit owners thereof.

2. Restriction on Easement Rights. Neither party hereto shall disturb any planned or existing buildings, landscaping, paving, curbing, or other improvements now or at any time hereafter located or to be located on the other party's property without first obtaining written consent of the owner of the affected property. In addition, neither party hereto shall, without the prior written consent of the other party, cause or allow to be erected any curbing, fencing (unless such fencing includes a gate the key for which has been delivered to the other party), or other barrier that totally or substantially prevents



**EXHIBIT B**  
**SUBJECT SURVEY**

MOUNT VERNON TOWERS  
UNIT B PHASE TWO  
CONDOMINIUM PLAT BOOK 9, PAGE 34



NOW OR FORMERLY  
SANDY SPRINGS PLAZA, INC.

MOUNT VERNON TOWERS  
UNIT B PHASE TWO  
CONDOMINIUM PLAT BOOK 9, PAGE 34

TRACT = 10,870 SQUARE FEET 0.250 ACRE

- NOTES:
1. THE ELEVATION USED WAS ASSUMED. EQUIPMENT USED WAS A TOPCON 303 THEODOLITE AND A MCS COLLECTOR.
  2. THIS PROPERTY DOES NOT LIE WITHIN A 100 YEAR FLOOD PLAIN.
  3. THE FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A HORIZONTAL CLOSURE OF 1" IN 24,921' AND WAS ADJUSTED USING THE COMPASS RULE.
  4. THIS PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN 1 FOOT IN  $\frac{90.435}{1}$  FEET.

- LEGEND:
- X 185.5 SPOT ELEVATION
  - IPF 1/2"RB IRON PIN FOUND 1/2" REBAR
  - C.L. CENTER LINE
  - R/W RIGHT OF WAY
  - MH MANHOLE
  - DI DROP INLET
  - FH FIRE HYDRANT
  - PP POWER POLE
  - LP LIGHT POLE
  - 24"C&G 24" CURB AND GUTTER

410.18' ALONG R/W TO INT ROSWELL ROAD  
TO 1/2"REBAR FOUND (32.5' FROM CENTER LINE)

JOHNSON FERRY ROAD

PRINTED

SEP 02 1998

TECHNICAL SURVEY  
SERVICES, INC.

BOUNDARY AND TOPOGRAPHIC  
SURVEY FOR

SANDY SPRINGS HEALTH CENTER

LAND LOT 89  
FULTON COUNTY  
AUGUST 10, 1998

17th DISTRICT  
GEORGIA  
1" = 30'

IN MY OPINION, THIS PLAT IS A  
CORRECT REPRESENTATION OF THE LAND  
PLATTED AND HAS BEEN PREPARED IN  
CONFORMITY WITH THE MINIMUM STANDARDS  
AND REQUIREMENTS OF LAW.

*[Signature]*



TECHNICAL SURVEY SERVICES, INC.  
Land Surveyors

4860 Cook Road

Stockbridge, Georgia 30281

FILE: SANDYHC.CRD

Telephone (770) 922-6391

FAX (770) 922-0767

**EXHIBIT C**  
**LAND SALES DATA**

## LAND SALE NUMBER ONE

GRANTOR: Estate of Charles Edwin James

GRANTEE: East Cobb Senior Living, LLC

RECORDED: Book: 14859 Page: 3570 County: Cobb

DATE OF TRANSACTION: June 15, 2011

CONSIDERATION: \$2,085,000 Price/Unit: \$30,245 per dwelling unit (see Remarks)

FINANCING: All cash to seller

LOCATION: Southeast side of Lower Roswell Road northeast of the intersection of Cove Drive and Lower Roswell Road

TAX PARCEL ID: 16-1114-0-002 and 16-1115-0, parcels 008, 009, 010, 026, and 027

ZONING AT TIME OF SALE: RSL, Residential Senior Living within Cobb County

INSPECTION DATE: July 12, 2011

VERIFICATION AND SOURCE: Deed, public record, and Bryan Sodel, grantee; 770.393.3355 ex. 513

CONDITIONS OF SALE: Arm's length

TIME ON MARKET: The grantee reported the property was on the market for a few months prior to the transaction

HIGHEST AND BEST USE: Multifamily residential

PRESENT USE: Vacant

TOTAL AREA: 9.625 acres

IMPROVEMENTS DESCRIPTION: None

DESCRIPTION OF THE PROPERTY:

- Shape: Irregular (see following sketch)
- Access: Available from the southeast side of Lower Roswell Road
- Frontage: 796.01 feet along the southeast side of Lower Roswell Road

## LAND SALE NUMBER ONE (cont.)

Utilities:	All available to the site
Drainage:	The tract is generally on grade with Lower Roswell Road and slopes severely downward away from the fronting road. The site therefore drains toward the south and southeast.
Topography:	The property suffers from an extreme slope away from the fronting roadway. The tract is currently being cleared and graded for development.

**REMARKS:** The land was purchased for development of 102 assisted living and senior living residential units. The grantee stated that the property was improved with three small residential structures at the time of sale but that the demolition of these improvements was insignificant and did not impact the purchase price. However, the grantee did state that the extreme topography resulted in an additional \$1,000,000 of development cost that is atypical in the market. Adding this cost to the purchase price indicates an adjusted price of \$3,085,000 or about \$30,245 per residential unit. The indicated development density is 10.6 units per acre.

# LAND SALE NUMBER ONE PHOTOGRAPH AND SKETCH



Photograph Taken By: John P. Murray  
Date Taken: July 12, 2011



## LAND SALE NUMBER TWO

GRANTOR: LMIW I, LLC

GRANTEE: The City of Marietta

RECORDED: Book: 14757 Page: 222 County: Cobb

DATE OF TRANSACTION: February 24, 2010

CONSIDERATION: \$2,700,000 Price/Unit: \$23,662 per allowable dwelling unit (see Remarks)

FINANCING: All cash to seller. No impact on price.

LOCATION: Southwest side of Franklin Road, about 600 feet southeast of the intersection of Franklin Road and Franklin Court

TAX PARCEL ID: 17-0716-0-015

ZONING AT TIME OF SALE: PRD-MF; Planned Residential Development Multifamily within City of Marietta

INSPECTION DATE: July 12, 2011

VERIFICATION AND SOURCE: Deed, public record, Nancy Cheshire with grantee; 770.794.5697, and Beth Sessoms with grantee; 770.794.5717

CONDITIONS OF SALE: The grantee stated that the purchase price was negotiated directly with the seller after the property was placed on the market. There was no threat of condemnation and the price was reported to reflect market value at the time of sale.

TIME ON MARKET: The grantee believed the property was on the market for a few months prior to the transaction

HIGHEST AND BEST USE: Multifamily

PRESENT USE: Being cleared of previous improvements

TOTAL AREA: 13.19 acres

## LAND SALE NUMBER TWO (cont.)

### IMPROVEMENTS DESCRIPTION:

At the time of sale the property was improved with several older apartment units that were later demolished. The improvements did not contribute any value to the sale price.

### DESCRIPTION OF THE PROPERTY:

Shape:

Irregular

Access:

Available from the southwestern side of Franklin Road

Frontage:

539.58 feet along the southwest side of Franklin Road

Utilities:

All available including sanitary sewer service

Drainage:

A small creek runs along a portion of the southeastern edge of the tract. The grantee stated that about 50% of the property, or 6.595 acres, are located within the flood plain. The property appears to drain toward the south and southeast. Fairly level and sloping downward to the south and southeast of the tract. The property is generally on grade with the fronting roadway.

Topography:

**REMARKS:** The tract was purchased by the City of Marietta for development of a city park. The contact stated that the sales price was negotiated at arm's length and reflected market value at the time of sale. According to the grantee, the cost of demolition of the previous improvements was about \$421,000. Adding this cost to the purchase price indicates a total cost for the cleared land of \$3,121,000. The grantee stated that the flood plain portion of the property will be developed with a recreational use but did not have any specific plans as of August 1, 2011. The portion of the tract outside the floodplain will likely be resold in the future for an alternate use.

Based on the current zoning, we believe the property can support a development density of 10 residential units per acre which equates to about 132 units. Dividing the adjusted purchase price by this size indicates a unit price paid for the property of about \$23,662 per developable dwelling unit.

# LAND SALE NUMBER TWO PHOTOGRAPH AND SKETCH



Photograph Taken By: John P. Murray  
Date Taken: July 12, 2011



## LAND SALE NUMBER THREE

GRANTOR: Thomas M. Delcampo and Phil A. Buechler

GRANTEE: 3400 Partners, LLC

RECORDED: Book: 16712 Page: 108 County: DeKalb

DATE OF TRANSACTION: October 13, 2004

CONSIDERATION: \$1,900,000 Price/Unit: \$31,667 per residential dwelling unit

FINANCING: All cash to seller. No effect on price.

LOCATION: Southwest side of Malone Drive, about 543 feet southeast of the intersection of Malone Drive and Peachtree Industrial Boulevard.

TAX PARCEL ID: 18-0299-13-004

ZONING AT TIME OF SALE: VC, Village Commercial within the City of Chamblee

INSPECTION DATE: December 8, 2008

VERIFICATION AND SOURCE: Deed, public record, and Larry Davis, grantee; 770-448-9273

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS: Fee simple

HIGHEST AND BEST USE AT SALE: Mixed commercial and residential

PRESENT USE: The property has been developed with a mixed use consisting of 60 residential units and 10,000 square feet of retail

TOTAL AREA: 2.0163 acres or about 87,830 square feet of land

IMPROVEMENTS DESCRIPTION: The property was improved with an approximate 26,260-square foot warehouse building that was demolished subsequent to sale. The improvements did not contribute to the value of the property.

## LAND SALE NUMBER THREE (cont.)

### DESCRIPTION OF THE LAND:

Shape:	Irregular rectangle
Frontage:	457.85 feet along the southwestern side of Malone Drive
Access:	Available via a single full service drive to the Malone Drive
Topography:	On grade with fronting street.
Drainage:	Adequate
Utilities:	All utilities available

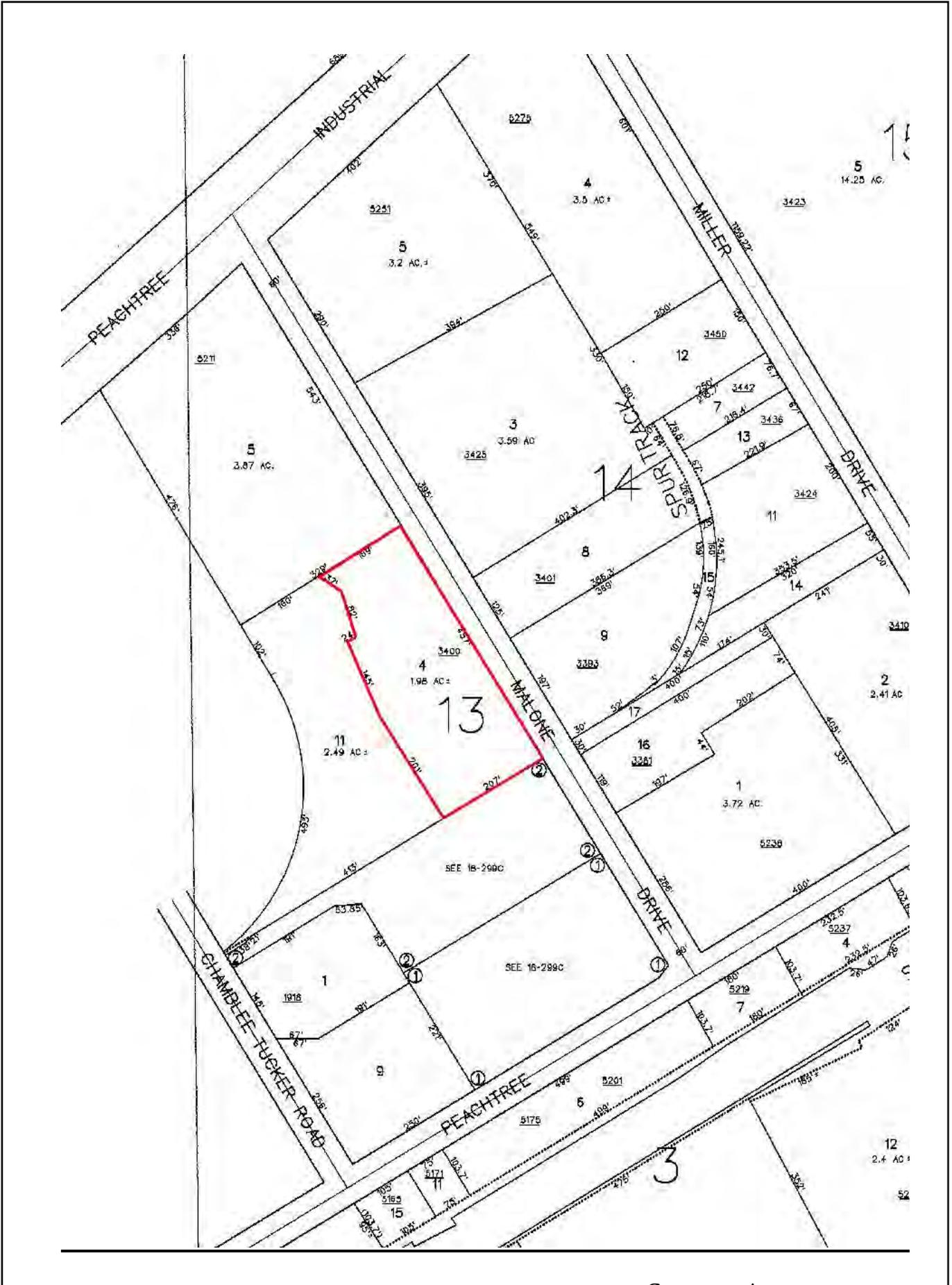
REMARKS: The property was purchased for redevelopment of the land with a 60-unit residential condominium complex known as Eco Lofts. The development also includes 10,000 square feet of first floor retail space. The grantee reported that 53 of the 60 units have been sold with only seven of the eight penthouses remaining. The retail areas remain unoccupied. The first units were completed in August 2007. The grantee could not recall the demolition cost for the existing warehouse, but considered it insignificant.

## LAND SALE NUMBER THREE PHOTOGRAPH



**Photograph taken by: John P. Murray**  
**Date taken: December 8, 2008**

# LAND SALE NUMBER THREE SKETCH



## LAND SALE NUMBER FOUR

GRANTOR: Regions Bank

GRANTEE: Walton Meeting Park, LLC

RECORDED: Book: 14824 Page: 162 County: Cobb

DATE OF TRANSACTION: December 27, 2010

CONSIDERATION: \$5,100,000 Price/Unit: \$34,000 per potential dwelling unit (see Remarks)

FINANCING: All cash to seller. No effect on price.

LOCATION: Northeast corner of the intersection of Waterman Street and Waddell Street in the City of Marietta

TAX PARCEL ID: 16-1232-0, Parcels 012, 014, 015, 016, 017, 018, 019, 020, 021, 024, 039, 040, 045, and 075 and 16-1231-0-104

ZONING AT TIME OF SALE: MXD, Mixed Use within the City of Marietta

INSPECTION DATE(S): July 12, 2011

VERIFICATION AND SOURCE: Deed, public record, and Matt Teague, grantee; 678.303.4100 ext. 4744

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple

TIME ON MARKET: The grantee stated the land was on the market for about one year prior to the sale

HIGHEST & BEST USE AT SALE: Residential

PRESENT USE: Vacant; a portion of the property is improved with 15 vacant townhouses while the remainder of the property is improved with residential site improvements such as interior roads, curb and gutter, and drainage.

TOTAL AREA: 12.09 acres according to the legal description

## LAND SALE NUMBER FOUR (cont.)

### IMPROVEMENTS DESCRIPTION:

The property was improved with 15 vacant townhouses and supporting residential infrastructure at the time of sale. The grantee stated that the infrastructure included interior roads, curb and gutter, utilities, and drainage systems that contributed value to the purchase price. However the grantee also reported that the 15 residential structures were considered a hindrance due to their location in the central portion of the tract. While the improvements will eventually be resold, the grantee did not believe the townhouses contributed any significant value to the purchase price. The grantee stated the purchase price reflects the value of the land plus the value of the residential infrastructure however he was unable to allocate the price between these two considerations.

### DESCRIPTION OF THE PROPERTY:

Shape:

Irregular

Access:

Provided by one full service driveway to the west side of Waddell Street, three full service drives to the east side of Waddell Street, three full service drives to the northern side of Waterman Street, two full service drives to the east side of Green Street, and one full service drive to the south side of Roswell Street.

Frontage:

153.62 feet along the western side of Waddell Street, 615.47 feet along the eastern side of Waddell Street, 637.46 feet along the northern side of Waterman Street, 384.78 feet along the northern side of Wayland Street, 192.15 feet along the eastern side of Green Street, and 204.15 feet along the southern side of Roswell Street.

Utilities:

All available including sanitary sewer service

Drainage:

Appears adequate; the tract does not appear located within any floodplain area and is not encumbered with any wetlands.

Topography:

Generally level and on grade with the fronting roadways; the tract slopes gently downward to the north

**REMARKS:** The property was purchased for future residential or mixed use development. The grantee stated that the property would be developed within 5 years however no specific development plan has been established. The tract is zoned to allow up to 300 residential units however the grantee stated that the development would not be nearly that dense. Assuming an actual development around half of the allowed units, or about 150 units, indicates a unit purchase price of about \$34,000 per dwelling unit. A development of this size would equate to a density of about 12.4 units per acre which is within the range of densities observed in the market.

# LAND SALE NUMBER FOUR PHOTOGRAPH AND SKETCH



Photograph Taken By: John P. Murray  
Date Taken: July 12, 2011



## LAND SALE NUMBER FIVE

GRANTOR: 1. Ronald W. Jones and Patricia A. Jones  
2. Ronald W. Jones and Patricia A. Jones  
3. Specialty Graphic Technologies, Inc.  
4. Richard T. Mitchell and Martha G. Mitchell

GRANTEE: 1. 3519 Broad Street Investment, LLLP  
2. CBT Investments, LLC  
3. F & S Lofts, LLLP  
4. F & S Lofts, LLLP

RECORDED: Book: 1. 17135 Page: 1. 6  
2. 17547 2. 434  
3. 18378 3. 467  
4. 19254 4. 34

County: DeKalb

DATE OF TRANSACTION: 1. February 17, 2005  
2. June 8, 2005  
3. January 31, 2006  
4. October 5, 2006

CONSIDERATION: 1. \$900,000  
2. 900,000  
3. 1,365,000  
4. 1,125,000  
Total \$4,290,000 Price/Unit: \$25,843 per  
planned residential unit

FINANCING: All cash to seller. No effect on price.

LOCATION: Along the northwest side of Peachtree Road, about  
261 feet northeast of Broad Street.

TAX PARCEL ID: 18-309-11-5, 70, 71, 75, 77, 78

ZONING AT TIME OF SALE: VC, Village Commercial

INSPECTION DATE(S): March 31, 2009

VERIFICATION AND SOURCE: Deed, CoStar Comps, and Charles Schmandt,  
grantee, 770-451-9200

CONDITIONS OF SALE: Arm's length

## LAND SALE NUMBER FIVE (cont.)

PROPERTY RIGHTS SOLD:	Fee simple
HIGHEST & BEST USE AT SALE:	Future mixed-use development
PRESENT USE:	Mostly vacant land, as all but one of the buildings on the property has been demolished.
TOTAL AREA:	4.79467 acres of land or about 208,856 square feet
IMPROVEMENTS DESCRIPTION:	The property was improved with several structures including single family residential and commercial buildings. According to the grantee, none of the improvements contributed value and all were demolished subsequent to the sale. The one exception is the commercial building at 3519 Broad Street. This former antiques shop is of masonry construction and is planned for reuse.
DESCRIPTION OF THE PROPERTY:	
Shape:	T-shaped
Access:	Access is available via the road frontage along Peachtree Road, Broad Street, Irvindale Drive, and Ingersoll Rand Drive.
Frontage:	212.70 feet along the northwest side of Peachtree Road, 260.17 feet along the east side of Broad Street, 505.32 feet along the southeast side of Irvindale Drive, and 269.24 feet along the southwest side of Ingersoll Rand Drive
Utilities:	All available
Drainage:	Appears adequate
Topography:	The property is mostly level, but the property along Peachtree Road and Broad Street are a higher elevation than the portion to the rear along Irvindale Drive.

REMARKS: The property was purchased for the development of a proposed, mixed-use project known as The Lofts on Antique Row. Several parcels were assembled as listed above, but the transactions involve only one true seller and one true buyer. The development is planned to consist of 166 residential units and 42,000 square feet of retail space in one to five story buildings and two levels of underground parking. As of April 2009, construction had not begun. According to the grantee, financing for construction could not be obtained due to the saturated residential condominium market and the weakening economy. The grantee expects to begin working on the project again in the near future. The price paid was reportedly entirely for land, though one building is to be retained for reuse.

# LAND SALE NUMBER FIVE PHOTOGRAPH AND SKETCH



Photograph Taken By: Dustin A. Petry  
Date Taken: March 31, 2009



## LAND SALE NUMBER SIX

GRANTOR: Emory Arms, LLP

GRANTEE: East Rock Springs Partners, LLC

RECORDED: Book: 20896 Page: 76 County: DeKalb

DATE OF TRANSACTION: June 19, 2008

CONSIDERATION: \$7,435,000 Price/Unit: \$70,773 per developed residential unit (see Remarks)

FINANCING: All cash to seller. No impact on price.

LOCATION: Southwest side of East Rock Springs Road, about 134 feet southeast of Cumberland Road

TAX PARCEL ID: 18-055-01-006

ZONING AT TIME OF SALE: RM-75; Multifamily Residential within the City of Atlanta

INSPECTION DATE(S): July 13, 2011

VERIFICATION AND SOURCE: Deed, public record, and Fred Hazel with the grantee; 770.474.4345

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple

HIGHEST & BEST USE AT SALE: Multifamily residential

PRESENT USE: 110-unit apartment complex known as M Apartments

TOTAL AREA: 6.213 acres

IMPROVEMENTS DESCRIPTION: The grantee reported that there were a few residential structures located on the site at the time of purchase. The buildings did not contribute value to the property and were demolished subsequent to the purchase.

## LAND SALE NUMBER SIX (cont'd)

### DESCRIPTION OF THE PROPERTY:

Shape:	Irregular rectangle (see sketch on following page)
Access:	Available from the southwest side of East Rock Springs Road
Frontage:	57.5 feet along the southwest side of East Rock Springs Road
Utilities:	All available
Drainage:	The grantee stated the property contains a significant amount of unusable floodplain area. The tract appears to drain to the south and southeast.
Topography:	Rolling and sloping downward to the south and southeast. The tract is on grade with the fronting road but the development is considerable above grade of the road.

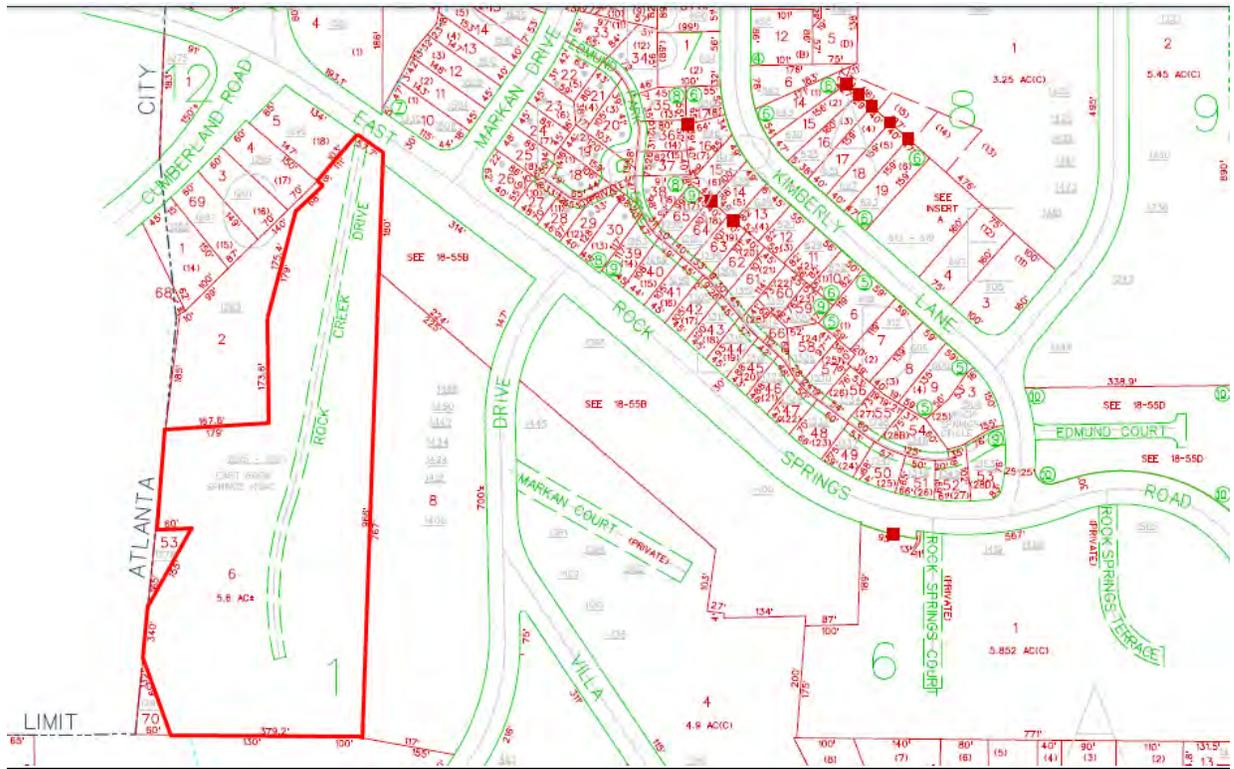
REMARKS: The property was purchased for development of a 110-unit apartment complex known as M Apartments. The grantee stated he spent between \$300,000 and \$400,000 to demolish the previous improvements. Assuming a cost toward the middle of this range, \$350,000, the adjusted cost of the land purchased is about \$7,785,000. Dividing this cost by the total size of the development indicates a unit purchase price of about \$70,773 per residential unit. The grantee also reported that only about 2.75 acres of the tract are usable due to the presence of floodplain. The indicated development density based on usable land area is therefore about 40.0 units per acre.

**LAND SALE NUMBER SIX PHOTOGRAPH**



**Photograph Taken By: John P. Murray**  
**Date Taken: July 13, 2011**

# LAND SALE NUMBER SIX SKETCH



## LAND SALE NUMBER SEVEN

GRANTOR: Perimeter Center Properties, Inc.

GRANTEE: Finger-FSC Perimeter, LTD

RECORDED: Book: 41,664 Page: 605 County: Fulton

DATE OF TRANSACTION: December 29, 2005

CONSIDERATION: \$4,750,000 Price/Unit: \$21,991 per residential unit

FINANCING: All cash to seller. No effect on price.

LOCATION: Property is located on the east side of Peachtree-Dunwoody Road about 400 feet north of the intersection of Central Park West.

TAX PARCEL ID: 0017-0019-0000-117

ZONING AT TIME OF SALE: C-1, Commercial with residential apartments allowed

INSPECTION DATE(S): April 21, 2006

VERIFICATION AND SOURCE: Deed and Gordon Pilmer, with grantee, (713) 864-3313

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple with some encumbrances for driveway easements along the northwestern corner of the property and a building encroachment located in the northeastern corner of the property.

TIME ON MARKET: N/A

HIGHEST & BEST USE AT SALE: High-rise residential or office use

PRESENT USE: 216 unit, mid-rise residential apartment building with first floor retail

TOTAL AREA: 196,216 square feet or about 4.50450 acres of gross land area.

## LAND SALE NUMBER SEVEN (cont.)

### IMPROVEMENTS DESCRIPTION:

Property is mostly vacant, but a portion of the land along the northwestern corner is encumbered with a driveway and driveway easement and the northeastern edge of the property is encumbered with a building encroachment

### DESCRIPTION OF THE PROPERTY:

Shape: Irregular L-shape  
Access: Available from the east side of Peachtree-Dunwoody Road  
Frontage: 311.56 feet along the east side of Peachtree-Dunwoody Road  
Utilities: All available  
Drainage: Appears adequate  
Topography: The property is on grade with the fronting road sloping gently downward to the east.  
Easements: The property is encumbered with a significant driveway easement encumbering the northwestern corner of the tract. This easement area is improved with Central Parkway. The area of the easement was not disclosed. A significant building encroachment is also indicated in the northeastern corner of the property.

REMARKS: Property was purchased for development of a six story apartment complex with first floor retail. The apartment complex will include 216 residential units and first floor supporting retail. The property was previously offered for build to suit office development and was rezoned from office to C1 to allow the proposed apartments. The change in the zoning and the alternate residential use was a result of the decline in demand for office properties reflecting the increase in current office inventories in the Perimeter Mall market area. The northwestern corner of the property is encumbered with a driveway easement that severs the extreme northwestern portion of the tract. Approximately 13% of the gross land area is unusable as a result of Central Parkway traversing the property in a northeast to southwest direction. The building encroachment located in the northeastern corner of the property encumbers about 5% of the gross land area. The implied total unusable land area is therefore about 18%. The remaining usable land area is therefore about 82% of the total land area or about 160,897 square feet.

# LAND SALE NUMBER SEVEN PHOTOGRAPH AND SKETCH



Photograph Taken By: David W. Childers  
Date Taken: April 21, 2006



**EXHIBIT D**  
**OFFICE SALES DATA**

## OFFICE SALE NUMBER ONE

GRANTOR: Ryan Z. Akly

GRANTEE: Motek, LLC

RECORDED: Book: 14852 Page: 2171 County: Cobb

DATE OF TRANSACTION: May 3, 2011

CONSIDERATION: \$250,000 Price/Unit: \$104.17 per square foot of building area

TAX STAMPS: \$250.00

FINANCING: All cash to seller. No effect on price.

LOCATION: 4200 Providence Church Road; southwest side of Providence Church Road, 540 feet northwest of its intersection with Roswell Road

TAX PARCEL ID: 16-0898-0-013

ZONING AT TIME OF SALE: NS; Neighborhood Shopping District within Cobb County

INSPECTION DATE: July 18, 2011

VERIFICATION AND SOURCE: Deed, public record, Erik Klein, grantee; 770.579.8990, and Ryan Akly, grantor; 404.433.2180

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple

TIME ON MARKET: One year

HIGHEST AND BEST USE AT SALE: Single-tenant office

PRESENT USE: The building is currently vacant

TOTAL AREA: Land: About 10,875 square feet  
Improvements: According to the grantor, the building totals 2,400 square feet.

## OFFICE SALE NUMBER ONE (cont.)

### IMPROVEMENT DESCRIPTION:

Single-story, wood frame building with a combination stacked stone and aluminum siding exterior façade. The structure is a former single family residence that has previously been converted for office use. We believe the building was constructed in 1955. The improvement is currently vacant. The interior finishes are typical for office use and appear in good overall condition. The exterior of the building appears to be in deteriorated condition and likely requires some renovation. The site improvements include concrete pavement and some landscaping. The surface parking in the front of the building provides approximately nine spaces.

### DESCRIPTION OF THE LAND:

Shape:	Rectangle
Frontage:	65 feet along the southwest side of Providence Church Road
Access:	Two full service drives to the fronting road are provided
Topography:	Level
Drainage:	Adequate
Utilities:	All available to site

**REMARKS:** We spoke with the buyer and the seller involved in this transaction. The buyer would not divulge any information about the sale or the intended use of the improvements. The seller stated that he believed the grantee planned to use the building as a dentist office. The grantor was unaware of any planned renovations to the property and stated that he believed the building was in average condition at the time of sale.

# OFFICE SALE NUMBER ONE PHOTOGRAPH AND SKETCH



Photograph Taken By: John P. Murray  
Date Taken: July 13, 2011



## OFFICE SALE NUMBER TWO

GRANTOR: Jill W. Van Tosh

GRANTEE: The Mystic Consortium, LLC

RECORDED: Book: 48751 Page: 71 County: Fulton

DATE OF TRANSACTION: January 27, 2010

CONSIDERATION: \$592,000 Price/Unit: \$315.41 per square  
foot of above grade building area  
(see Remarks)

FINANCING All cash to the seller.

LOCATION: Southwest corner of the intersection of Roswell  
Road and Mystic Drive

ADDRESS: 4784 Roswell Road

TAX PARCEL ID: 17-0094-0002-068

ZONING AT TIME OF SALE: O-I; Office and Institutional within the City of  
Sandy Springs

INSPECTION DATE: July 13, 2011

VERIFICATION AND SOURCE: Deed and public record only.

CONDITIONS OF SALE: Arm's length assumed

PROPERTY RIGHTS SOLD: Fee simple

HIGHEST AND BEST USE AT SALE: Low-rise office

PRESENT USE: Low-rise office

TIME ON MARKET: About eight months

TOTAL AREA: Land: About 27,450 square feet  
Building: 3,868 square feet of total building  
area allocated as 1,934 square feet on the first  
floor and 1,934 square feet within a daylight  
basement

## OFFICE SALE NUMBER TWO (cont.)

### IMPROVEMENTS DESCRIPTION:

Single-story, wood frame office building with a full daylight basement and masonry exterior façade. The structure was built in 1954 as a single family residence and later converted for office use. The improvements appear in reasonably good physical condition and are currently occupied. The site improvements include decorative landscaping and a concrete walkway to the northeast of the building and asphalt surface parking to the southwest. The surface parking to the rear of the building is in poor physical condition and appears to accommodate about 14 vehicles.

### DESCRIPTION OF THE PROPERTY:

Shape:

Rectangular

Access:

Pedestrian access is available from the southwestern side of Roswell Road and the southeastern side of Mystic Drive while vehicular access is only available from Mystic Drive via a single, full-service driveway.

Frontage:

According to the Fulton County Tax Plat, the property measures about 305 feet along the southeast side of Mystic Drive and about 90 feet along the southwest side of Roswell Road.

Utilities:

All available

Drainage:

Adequate

Topography:

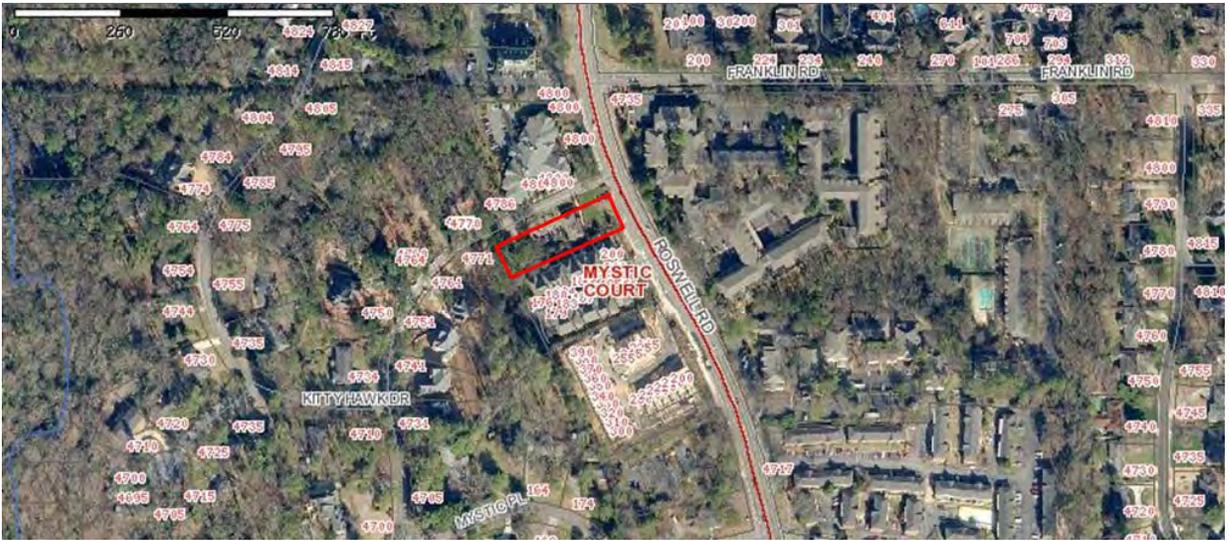
Level and sloping downward to the southwest

**REMARKS:** We believe the property was purchased for investment purposes as the building is currently leased to a single tenant. We were unable to speak with anyone directly involved in the transaction but believe the sale reflects market value at the time of purchase. According to the CoStar market report, the purchase price was negatively impacted by deferred maintenance due to an aging roof. The CoStar report indicates the purchase price was lowered from \$610,000 to the final price of \$592,000 due to the deteriorated roof. The indicated adjustment for this physical detriment is \$18,000. Using the reported original purchase price of \$610,000 indicates a unit price for the renovated property of about \$315.41 per square foot of above grade building area.

# OFFICE SALE NUMBER TWO PHOTOGRAPH AND SKETCH



Photograph taken by: John P. Murray  
Date taken: July 13, 2011



## OFFICE SALE NUMBER THREE

GRANTOR: Joy J. Eager

GRANTEE: Stephen F. Johnston

RECORDED: Book: 49109 Page: 561 County: Fulton

DATE OF TRANSACTION: June 9, 2010

CONSIDERATION: \$375,000 Price/Unit: \$371.38 per square  
foot of building area (see Remarks)

FINANCING All cash to seller. No effect on price.

LOCATION: Northeast side of Johnson Ferry Road, about 610  
feet northwest of the intersection of Johnson Ferry  
Road and Sandy Springs Circle

ADDRESS: 80 Johnson Ferry Road

TAX PARCEL ID: 17-0088-0002-009

ZONING AT TIME OF SALE: O-I; Office and Institutional within the City of  
Sandy Springs

INSPECTION DATE: July 13, 2011

VERIFICATION AND SOURCE: Deed, public record, and Stephen Johnston,  
grantee; 404.531.0012

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple

HIGHEST AND BEST USE AT SALE: Office

PRESENT USE: Office

TIME ON MARKET: Two years

## OFFICE SALE NUMBER THREE (cont.)

### TOTAL AREA:

Land: About 32,900 square feet allocated by the grantee as about 17,000 square feet of unusable land and about 15,900 square feet of usable land. The unusable land area results from an onsite creek and creek buffer as well as extreme topography to the rear of the improvements making any redevelopment extraordinarily costly.

Building: 1,279 square feet of finished building area and 1,500 square feet of unfinished storage area

### IMPROVEMENTS DESCRIPTION:

Single-story, wood frame building constructed in 1966 as a single family residence. The building is currently being converted for office use. The interior of the building has been completely gutted, the roof replaced, and some of the exterior façade replaced. The building will be in very good physical condition after the renovation is complete. The property also includes a reported 1,500 square feet of storage space to the rear located within two separate wood frame buildings. The front of the property is asphalt paved for surface parking providing about 10 parking spaces.

### DESCRIPTION OF THE PROPERTY:

Shape:

Rectangular

Access:

Available from the northeast side of Johnson Ferry Road via two full service driveways.

Frontage:

About 94 feet along the northeast side of Johnson Ferry Road

Utilities:

All available

Drainage:

The northeastern half of the tract appears to be encumbered with a small creek; the tract has two tiers, the front or southwest portion of the tract is the top tier and drains toward the fronting roadway to the southwest while the lower tier to the northeast drains to the rear of the tract.

### OFFICE SALE NUMBER THREE (cont.)

Topography:

Two tiered; the highest tier is located on the southwest half of the tract and slopes upward from the fronting roadway to a ridge located adjacent to the improvements. Beyond this ridge, the tract drops off precipitously to the northwest forming the lower tier. The lower tier is encumbered with a small creek traversing the land in a northwest to southeast direction.

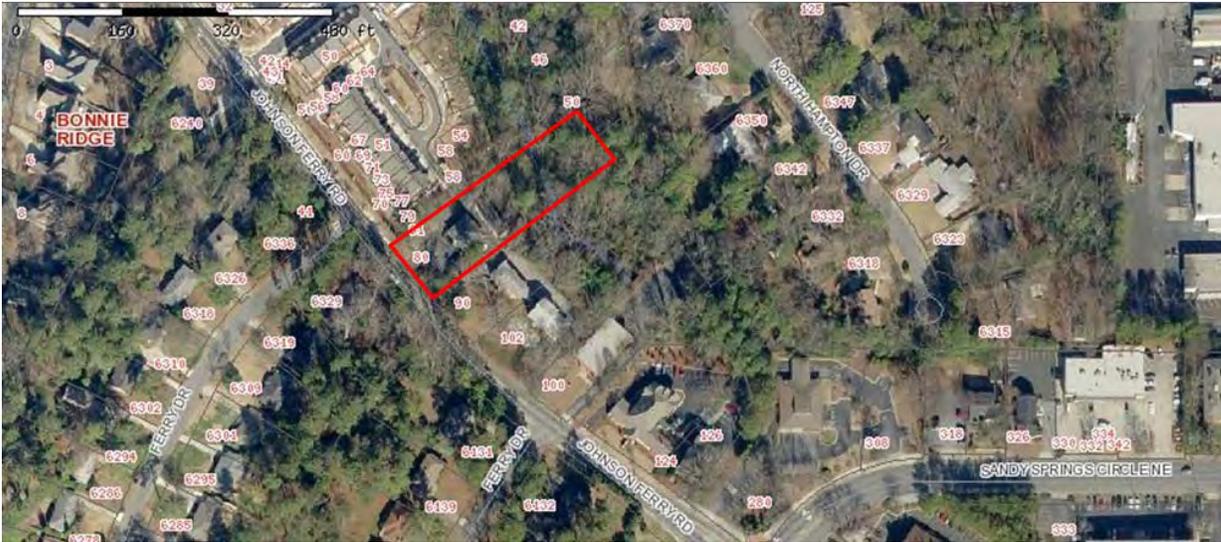
REMARKS: The property was purchased for conversion to an office use and future owner occupancy. The grantee stated that the conversion will cost an estimated \$100,000 indicating a total purchase price for the converted office property of \$475,000 or about \$371.38 per square foot of finished building area. The grantee also stated that the creek and associated buffers to the rear of the improvements along with the change in topography makes any potential redevelopment of the entire tract cost prohibitive. The grantee believes the price paid for the improved property is reflective of market value at the time of sale.

**OFFICE SALE NUMBER THREE PHOTOGRAPH AND SKETCH**



Photograph taken by: John P. Murray

Date taken: July 13, 2011



## OFFICE SALE NUMBER FOUR

GRANTOR: Hugh P. Whitehead, III and Natasha R. Whitehead

GRANTEE: TLMG USA Investments, LLC

RECORDED: Book: 46748 Page: 693 County: Fulton

DATE OF TRANSACTION: May 12, 2008

CONSIDERATION: \$695,000 Price/Unit: \$361.22 per square foot of above grade building area (see Remarks)

TAX STAMPS: \$695.00

FINANCING: All cash to seller. No effect on price.

LOCATION: 145 Cliftwood Drive; southern side of Cliftwood Drive, 812.3 feet west of the intersection of Roswell Road and Cliftwood Drive

TAX PARCEL ID: 17-0090-0003-032

ZONING AT TIME OF SALE: O-I, Office and Institutional within the City of Sandy Springs

INSPECTION DATE: July 13, 2011

VERIFICATION AND SOURCE: Deed, public record, and Michelle Belinfante, grantee; 404.252.1138 ex. 11

CONDITIONS OF SALE: Arm's length

HIGHEST AND BEST USE AT SALE: Continued use as single tenant office building

PRESENT USE: Owner occupied office

TOTAL AREA: Land: About 17,372 square feet  
Building: The grantee reported the building totals 4,156 square feet with 2,367 square feet on the upper level and 1,789 square feet on the basement level

## OFFICE SALE NUMBER FOUR (cont.)

### IMPROVEMENTS DESCRIPTION:

Single-story, wood frame office building that was constructed as a single family residence in 1950 and later converted for office use. The building is ranch style with a brick exterior façade and a full, daylight basement. The site improvements include a concrete paved parking area to the rear providing 10 parking spaces with an additional two spaces provided in the front of the building. The property also has a significant amount of decorative landscaping. The grantee reported that the property was in good condition at the time of sale. However, some renovations were conducted subsequent to the purchase. Overall, the improvements appear in very good physical condition currently.

### DESCRIPTION OF THE LAND:

Shape:	Rectangular
Access:	Available via a single full-service driveway to the southern side of Cliftwood Drive.
Frontage:	105 feet along the southern side of Cliftwood Drive
Utilities:	All available
Drainage:	The property appears to drain to the north
Topography:	The tract is well above grade of the fronting roadway and slopes steeply upward to the south

**REMARKS:** The property was purchased for continued use as a single-tenant office building. The grantee reports that she currently occupies the entire building. At the time of sale, the property was reportedly in good condition but an additional \$160,000 was spent to enhance the physical appearance of the building. Adding this cost to the reported purchase price of \$695,000 indicates an adjusted price of \$855,000 or about \$361.22 per square foot of above grade building area.

# OFFICE SALE NUMBER FOUR PHOTOGRAPH AND SKETCH



Photograph taken by: David W. Childers

Date taken: July 19, 2011



## OFFICE SALE NUMBER FIVE

GRANTOR: Harold E. Crye

GRANTEE: Sandy Soque Properties, LLC

RECORDED: Book: 47388 Page: 61 County: Fulton

DATE OF TRANSACTION: November 21, 2008

CONSIDERATION: \$1,250,000 Price/Unit: \$312.50 per square  
foot of above grade building area

FINANCING: All cash to seller. No effect on price.

LOCATION: North side of Sandy Springs Circle, 285.22 feet  
west of the intersection of Roswell Road and  
Sandy Springs Circle

ADDRESS: 352 Sandy Springs Circle

TAX PARCEL ID: 17-0089-0002-064

ZONING AT TIME OF SALE: C-1, Community Business District within the City  
of Sandy Springs

INSPECTION DATE: July 13, 2011

VERIFICATION AND SOURCE: Deed, public record, and Jay Sadd, grantee;  
404.255.6677

CONDITIONS OF SALE: Arm's length

PROPERTY RIGHTS SOLD: Fee simple

HIGHEST AND BEST USE AT SALE: Office

PRESENT USE: Owner occupied office

TIME ON MARKET: Three months

TOTAL AREA: Land: 26,250 square feet  
Building: 6,000 square feet of building area  
allocated as 4,000 square feet of above grade  
space and 2,000 square feet of finished and  
occupied basement space

## OFFICE SALE NUMBER FIVE (cont.)

### IMPROVEMENTS DESCRIPTION:

Two-story, wood-frame office building constructed in 1975. The building has a brick exterior façade with a large porch with columns in the front. The improvements also include a fully finished basement with some windows. The interior of the office space includes painted gypsum board walls and ceilings, spot lighting, and a combination of high quality carpet and wood flooring. The site improvements include asphalt paved surface parking providing 29 spaces and decorative landscaping. The property appears in excellent overall physical condition.

### DESCRIPTION OF THE PROPERTY:

Shape:	Rectangular
Frontage:	170.68 feet along the northern side of Sandy Springs Circle
Access:	Available via a single drive to the north side of the fronting road
Utilities:	All available
Drainage:	Adequate
Topography:	Level and on grade with the fronting road

**REMARKS:** The property was purchased for owner occupied use. The grantee operates his attorney's office in the building and occupies both above grade floors and the basement. The grantee did not allocate the purchase price between the above and below grade space but did recognize that the below grade space has slightly less utility due to its limited daylight.

# OFFICE SALE NUMBER FIVE PHOTOGRAPH AND SKETCH



Photograph taken by: John P. Murray  
Date taken: July 13, 2011



**EXHIBIT E**

**COMPARABLE OFFICE RENTAL DATA**

## RENTAL SURVEY NUMBER ONE

Address/name: 90 Johnson Ferry Road

Leasing Agent / Contact: Russ Powell, property owner; 678.316.4166

Building Description: Single-story, wood frame single family residence constructed in 1960 and later converted for office use. The building measures 1,100 square feet and appears in good overall condition.

Building Occupancy: The building is currently vacant.

Lease Data:

Lease Type: Modified gross; the property owner pays taxes and insurance while all other operating expenses are paid by the tenant

Typical Size: 1,100 square feet of total building area

Typical Term: Three years

Rental Rate: Asking \$1,200 per month or about \$13.09 per square foot per year; the net rental rate for the property is \$10.32 per square foot (see Remarks)

Escalations: Negotiable

Concessions: None

Tenant Improvement Allowance: None, the space is leased as is

Operating Expenses: Not reported; we have estimated that the tax expense at \$2.58 per square foot based on Fulton County records. According to the BOMA Experience Exchange Survey for 2011, the average insurance expense is around \$0.19 per square foot. The indicated total expenses paid by the property owner are therefore \$2.77 per square foot.

Parking: Six spaces are provided indicating a parking ratio of about 5.5 spaces per 1,000 square feet of building

Remarks: The property owner reported an asking rental rate of \$13.09 per square foot per year on a modified gross basis. We have estimated the operating expenses paid by the owner at \$2.77 per square foot as discussed. Deducting this cost from the reported rate indicates a net rental rate of \$10.32 per square foot per year.

**RENTAL SURVEY NUMBER ONE PHOTOGRAPH**



## RENTAL SURVEY NUMBER TWO

Address/name: 6059 Boylston Drive

Leasing Agent / Contact: Chris Quigley, property owner; 404.255.2650

Building Description: Two-story, wood frame office building with a dryvit exterior built in 1986. The building measures 6,120 square feet and appears to be in good overall condition.

Building Occupancy: The building is 75% occupied by the property owner with the remaining 25% available for lease

Lease Data:

Lease Type: Modified gross; the property owner pays taxes, insurance, water, and maintenance while all other operating expenses are paid by the tenant

Lease Size: 1,530 square feet of the building is available for lease

Typical Term: Negotiable

Rental Rate: Asking \$2,000 per month or about \$15.69 per square foot per year; the net rental rate for the property is \$11.74 per square foot (see Remarks)

Escalations: 3% per year

Concessions: None

Tenant Improvement Allowance: The property owner reported that he may provide a small allowance for painting but otherwise the space is leased as is

Operating Expenses: Not reported; we have estimated that the tax expense at \$2.38 per square foot based on Fulton County records. According to the BOMA Experience Exchange Survey for 2011, the average insurance expense is around \$0.19 per square foot while the water utility expense is \$0.16 and the maintenance expense is \$1.22. The indicated total expenses paid by the property owner are therefore \$3.95 per square foot.

Parking: 23 spaces are provided for the entire building indicating a parking ratio of about 3.8 spaces per 1,000 square feet of building; the allocated amount of parking based on the available lease size of 1,530 square feet is about six spaces.

Remarks: The property owner reported an asking rental rate of \$15.69 per square foot per year on a modified gross basis. We have estimated the operating expenses paid by the owner at \$3.95 per square foot as discussed. Deducting this cost from the reported rate indicates a net rental rate of \$11.74 per square foot per year.

**RENTAL SURVEY NUMBER TWO PHOTOGRAPH**



**EXHIBIT F**  
**SUBJECT PHOTOGRAPHS**

**SUBJECT PHOTOGRAPHS**



**Exterior view of front (southern) side of subject improvements facing northeast**



**Exterior view of western side of subject improvements**

**SUBJECT PHOTOGRAPHS (cont'd)**



**Exterior view of rear (north) side of subject improvements**



**View of subject driveway and onsite parking area facing south**

**SUBJECT PHOTOGRAPHS (cont'd)**

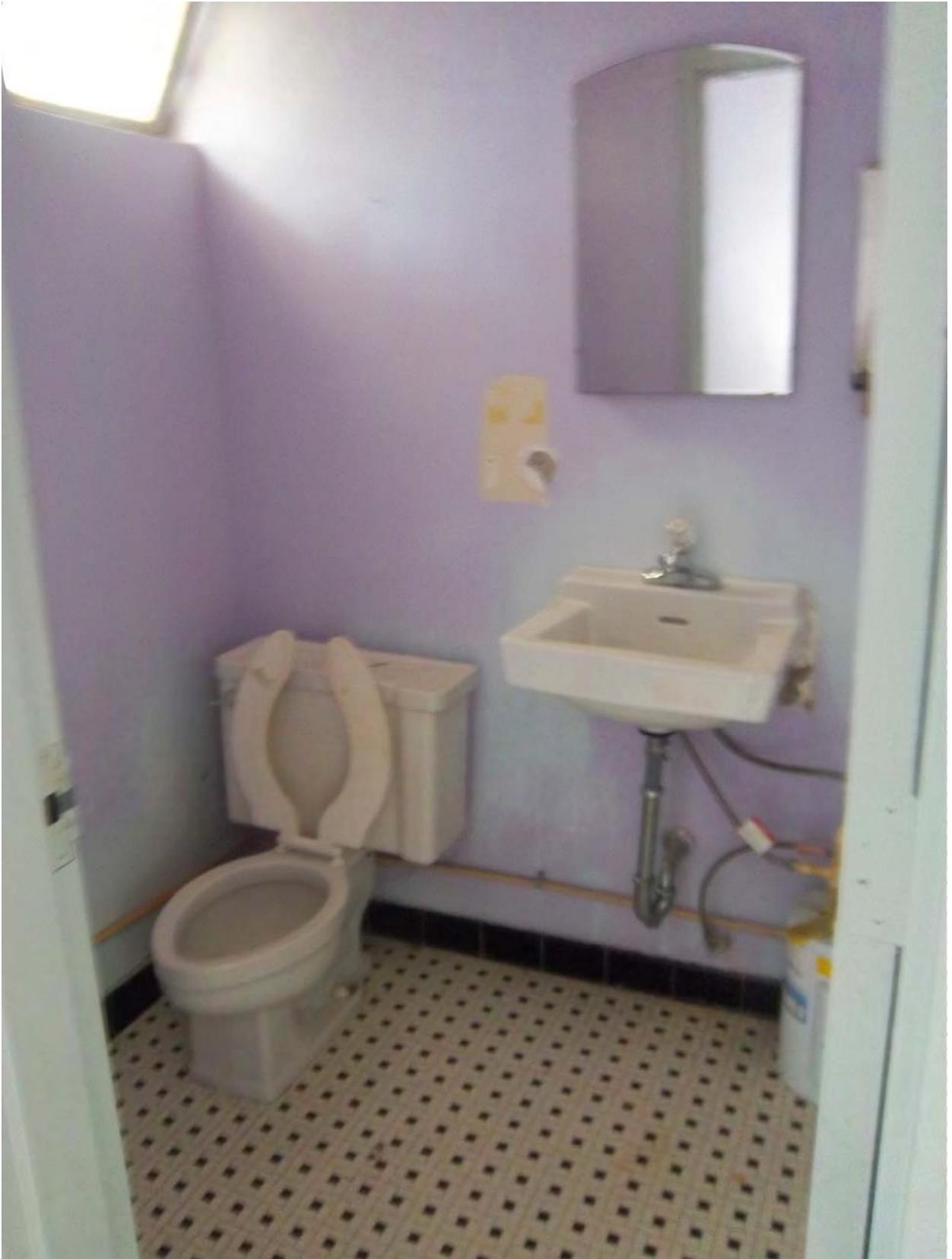


**View of subject driveway easement and appurtenant parking and access easement facing northeast from subject driveway**



**View of subject interior lobby area facing west**

**SUBJECT PHOTOGRAPHS (cont'd)**



**View of typical subject restroom facility finish**

**SUBJECT PHOTOGRAPHS (cont'd)**



**View of subject mechanical room with mechanical systems needing replacement**

**SUBJECT PHOTOGRAPHS (cont'd)**



**View of subject's interior central hallway facing south from rear of building**