

REPORT OF AN APPRAISAL

OF

**12,067± SQUARE FOOT SINGLE-TENANT OFFICE BUILDING
ON 5.18± ACRES OF LAND**

4470 NORTH SHALLOWFORD ROAD
DUNWOODY, DEKALB COUNTY, GEORGIA 30338

AS OF

NOVEMBER 3, 2011

PREPARED BY

ALEX B. RUBIN, MAI



ALEX B. RUBIN, MAI

ALEX RUBIN & COMPANY

REAL ESTATE APPRAISERS AND CONSULTANTS
6185 CROOKED CREEK ROAD, SUITE 200
NORCROSS, GEORGIA 30092

(770) 448-2551
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November 4, 2011

Mr. Rich Hampton
Purchasing Manager
City of Dunwoody
41 Perimeter Center East
Suite 250
Dunwoody, Georgia 30346
Rich.Hampton@dunwoodyga.gov

RE: 12,067± SF Single-Tenant Office Building
On 5.18± Acres of Land
4470 North Shallowford Road
Dunwoody, DeKalb County, Georgia 30338

Dear Mr. Hampton:

As requested, I have viewed the subject site and improvements, and analyzed the economics of the area for the purpose of estimating the Market Value of the Fee Simple Estate in the referenced property. The effective date of appraisal is November 3, 2011.

Employment of the appraiser was not conditional upon the appraiser producing a specified value or a value within a given range. Future employment prospects are not dependent upon the appraiser producing a specified value. Employment of the appraiser and payment of the fee is not based on whether a loan application is approved or disapproved. The estimated exposure period is less than 12 months for this property.

In my opinion, this appraisal has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of the Financial Institutions Reform and Enforcement Act of 1989 (FIRREA), and the Appraisal Institute.

This appraisal is intended to be a complete appraisal in a restricted report.

This is a Restricted Appraisal Report which is intended to comply with the reporting requirements of USPAP. As such, it presents only summary conclusions that were made in the appraisal process to develop the appraiser's opinion of value. Proper understanding of this report may not be possible without additional information in the work file of the appraiser. The method of valuation, together with the pertinent facts and data gathered in our investigation, is maintained in our work files.

Mr. Rich Hampton
Purchasing Manager
City of Dunwoody

November 3, 2011
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I have not analyzed the property's compliance with, nor any costs associated with, the Americans With Disabilities Act (ADA), which extended civil rights protection to persons with disabilities.

No potential environmental hazards were noted during my inspection. However, I am not an expert in this field. I would recommend a Phase I environmental study be performed in order to determine if there are any environmental hazards on or around the site.

This appraisal is intended to be a Complete Appraisal in a Restricted Appraisal Report. The client is the addressee and the intended user is the client. The intended use of the appraisal is to aid in a public acquisition.

The estimated Market Value of the Fee Simple Interest in the property, as of November 3, 2011, was:

ONE MILLION THREE HUNDRED THOUSAND DOLLARS
(\$1,300,000)

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

Sincerely,

ALEX RUBIN & COMPANY



Alex B. Rubin, MAI
Georgia Certified Real Estate
Appraiser (No. 000678)

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

PROPERTY DESCRIPTION:	12,067± SF Single-Tenant Office Building On 5.18± Acres of Land
LOCATION:	4470 North Shallowford Road Dunwoody, DeKalb County, Georgia 30338 Tax Parcel No. 18-344-03-003
DATE OF APPRAISAL:	November 3, 2011
DATE OF REPORT:	November 4, 2011
INTEREST APPRAISED:	Fee Simple
ZONING:	"OI", Office Institution District by Dunwoody County
HIGHEST AND BEST USE:	Future Office/Commercial Development
FLOOD ZONE:	The site is not located within a flood prone area per FEMA Panel 13089C0016H, dated May 7, 2001.
MARKET VALUE VIA SALES, COMPARISON APPROACH, AS LAND ONLY:	\$1,300,000
MARKET VALUE VIA SALES COMPARISON APPROACH, AS IMPROVED:	\$1,100,000
FINAL MARKET VALUE:	\$1,300,000
MARKETING/EXPOSURE TIME:	Less than 12 months.

IDENTIFICATION OF PROPERTY

The property appraised and reported herein consists of a two-story single-tenant office building containing 12,067± square feet and located on a 5.18± acre site. It is located on the west side of North Shallowford Road north of Interstate 285 in Land Lot 344 of the 18th District, City of Dunwoody, DeKalb County, Georgia. The street address is 4470 North Shallowford Road, Dunwoody, Georgia 30338. The subject is further identified as Tax Parcel 18-344-03-003.

PROPERTY INTEREST APPRAISED

The property right appraised in this appraisal report is the Fee Simple Estate of the subject property. Fee Simple Estate may be defined as:

"The unrestricted rights inherent by ownership in a property, but subject to eminent domain, escheat, police power, and taxation in addition to mortgage loan encumbrances, utility easements, and rights of tenants, if any."

PURPOSE AND USE OF APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the Fee Simple Interest in the property as of November 3, 2011, the most recent date of viewing (EXTERIOR ONLY), subject to the "Limiting Conditions and Assumptions" contained herein.

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

1. buyer and seller are typically motivated;

2. both parties are well informed or well advised and are acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangement comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted anyone associated with the sale.

SOURCE: The Dictionary of Real Estate Appraisal, 5th Edition, by the Appraisal Institute, 2010.

Market Value Comments: The factors of utility, scarcity, desire and effective purchasing power are apparent in the definition. The implication that buyer and seller are working under equal pressure is seldom completely true, although typical motivation for each does imply a reasonable balance within a market value transaction.

Market prices do not necessarily follow all of these concepts and are often affected by salesmanship and the urgency and need of the buyer and/or seller. The central difference between market price and market value lies in the premise of knowledge and willingness both of which are contemplated in market value, but not in market price. Stated differently, at any given moment of time, market value denotes what a property is actually worth under certain specified conditions, while market price denotes the actual sale price.

Probability of Value Change: The market value of the property appraised in the report is estimated as of the aforementioned date. Constantly changing economic, social, political and physical conditions have varying effects upon real property values. Even after the passage of a relatively short period of time, property values may change substantially and require a review of the appraisal and recertification.

The use of this appraisal is for a public acquisition. The exposure period is estimated to be less than twelve months for this property. The financing utilized is all cash to the seller.

The value estimate is, therefore, considered to be Cash Equivalent.

COMPETENCY OF THE APPRAISERS

The appraisers have knowledge and prior experience in appraising properties similar to the subject; therefore, the competency provision of the Uniform Standards of Professional Appraisal Practice has been satisfied.

EFFECTIVE DATE OF APPRAISAL AND REPORT

The date of the appraisal is November 3, 2011, the most recent date of viewing. The date of the report is November 4, 2011.

SCOPE OF THE APPRAISAL

The term "scope of the appraisal" means the extent of the process of collecting, confirming, and reporting appraisal data. The scope of the work performed in this appraisal assignment includes the definition of the appraisal problem; **an exterior inspection** of the property being appraised; consideration of the highest and best use of the land as vacant and property as improved, and; collection, verification and analysis of data which leads to the completion of the Sales Comparison Approaches to value as both vacant land and as improved as of the effective date of the appraisal; arriving at a final value estimate for the subject property, and preparation of a restricted report presenting the conclusion for this assignment. This appraisal is intended to be a complete appraisal in a restricted report. In the appraisal of the subject property land only and land and improvements, I have utilized the sales comparison approach.

HISTORY OF PROPERTY

County records indicate that ownership is currently in the name of American Medicorp Development. A review of county records reveals that there have been no transfers of the subject or interest within the past ten years. The subject is currently under contract to the City of Dunwoody for an undisclosed amount and subsequent to this was listed for sale for \$1,400,000 or \$116.02 per square foot of building including land.

It is noted that I have not performed a formal title search. I recommend that a qualified attorney be retained should a formal title search be desired.

HIGHEST AND BEST USE

"Highest and Best Use" of a property is defined as "that logical, legal, and most probable use which will yield the greatest net income to the land over a sustained period of time. It is also that available use or program of probable future utilization which produces the highest present land value."

Four criteria have been evaluated in estimating highest and best use. They are: (1) physical possible, (2) legally permissible, (3) economically feasible, and (4) maximally productive. It is our opinion, based on the land and improved sales analyses, that future development with an office/commercial use represents the highest and best use of the site, as vacant and as improved.

APPRAISAL PROCEDURES AND VALUE CONCLUSIONS

In the appraisal of the subject property, I have utilized the sales comparison approach to value as both vacant land and as improved as of the effective date of the appraisal. The

comparable sales utilized in the valuation of the subject property, **Land Only**, are summarized as follows:

<u>Sale No.</u>	<u>Grantor/Grantee</u>	<u>Date</u>	<u>Sale Price</u>	<u>Book/Page</u>	<u>Price/Acre</u>
1	Jack W. Boone/ The Donnellan School, Inc.	12/10	\$2,185,000	49709/274 Fulton Co.	\$272,818
2	Coker Properties, LP/ Scannell RevEx #115, LLC	12/10	\$12,686,730	50453/388 Gwinnett Co.	\$250,449
3	Perimeter Hospitality, LLC/ Perimeter Atlanta Hotel Group, LLC	11/10	\$900,000	49554/172 Fulton Co.	\$689,655
4	Jettison, LLC/ Peach Park, LLC	05/10	\$845,000	50108/542 & 546/Fulton Co.	\$243,516

After considering all reported data, it is our opinion that the market value of the subject property, Land Only, is reasonably estimated at \$250,000 per acre, or:

5.18± Acres @ \$250,000 Per Acre	=	\$1,295,000
Rounded	=	\$1,300,000

The comparable sales utilized in the valuation of the subject property, **as improved**, are summarized as follows:

Sale No.	Location	Sale Date	Bldg. Size (SF)	Price/SF
1	1455 Lincoln Pkwy. Dunwoody, GA	06/11	182,000±	\$72.86
2	4800 Ashford Dunwoody Rd. Dunwoody, GA	03/11	44,992±	\$75.57
3	5582 Peachtree Rd. Chamblee, GA	07/10	14,000±	\$98.21
4	4100 Perimeter Park Dr. Dunwoody, GA	07/10	10,504±	\$68.55
5	4480 and 4488 North Shallowford Rd. Dunwoody, GA	04/10	44,760±	\$102.77
6	4500 North Shallowford Rd. Dunwoody, GA	12/09	21,779±	\$48.21

After considering all reported data, it is our opinion that the market value of the subject property, as improved, is reasonably estimated at \$90.00 per square foot, or:

12,067 Square Feet @ \$90.00 per Square Foot	=	\$1,086,030
ROUNDED	=	\$1,100,000

Therefore, based on the land and improved sales, the estimated "As Is" Market Value of the Fee Simple Interest in the property, as of November 3, 2011, was:

ONE MILLION THREE HUNDRED THOUSAND DOLLARS

(\$1,300,000)

USE RESTRICTION

This restricted report is for the use of the client, only. **This appraisal is intended to be a complete appraisal in a restricted report. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements of USPAP. As such, it presents only summary conclusions that were made in the appraisal process to develop the appraiser's opinion of value. Proper understanding of this report may not be possible without additional information in the work file of the appraiser. The method of valuation, together with the pertinent facts and data gathered in our investigation, is maintained in our work files.**

CERTIFICATION

As the undersigned appraiser, we hereby certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, and attainment of a stipulated result, or the occurrence of a subsequent event.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
6. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
7. We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
8. We have made a personal inspection of the property that is the subject of this report.
9. As of the date of this report, I, Alex B. Rubin, have completed the requirements under the continuing education program of the Appraisal Institute.
10. Nelya Alekseenko provided significant professional assistance to the persons signing this report.
11. The appraisers have not provided services regarding the subject property in the past three years.



Alex B. Rubin, MAI
Georgia Certified Real Estate Appraiser (000678)

LIMITING CONDITIONS AND ASSUMPTIONS

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

1. Any legal descriptions or plats reported herein are assumed to be accurate. Any sketches, plats or drawings included in this report are included to assist the reader in visualizing the property. All engineering is assumed to be correct. I have made no survey of the property and assume no responsibility in connection with such matters.
2. No responsibility is assumed for matters legal in nature. Title is assumed to be good and marketable and in fee simple unless discussed otherwise in the report. The property is appraised as free and clear of existing liens, assessments and encumbrances, except as noted in the attached report.
3. Unless noted otherwise, the appraiser assumes that the roofs, structural components, and mechanical and plumbing systems, are in a condition typical for a building of this age. A qualified building inspector and/or engineer should be consulted for specific details as to the condition of these elements. The appraiser assumes no liability for structural features not visible on ordinary careful inspection
4. Unless otherwise noted, it is assumed that there are no encroachments, zoning or restriction violations affecting the subject property.
5. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
6. The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal, and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.
7. The property is assumed to be under competent and aggressive management.
8. Information, estimates and opinions used in this appraisal are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

9. The value estimates reported herein apply to the entire property and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interest is set forth in the report.
10. I am not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously.
11. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the prior written consent of the author. This pertains particularly to valuation conclusions, identity of the appraiser or firm with which he is associated, any reference to the Appraisal Institute or to the MAI Designation.
12. 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 conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible non-compliance with the requirements of ADA was not considered in estimating the value of the property.
14. The projections of income and expenses are not predictions of the future. Rather, they are the best estimates of current market thinking about what future income and expenses will be. We make no warranty of representation that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the appraiser's task to estimate the conditions of a future real estate market; the appraiser can only reflect what the investment community envisions for the future in terms of rental rates, expenses and supply and demand.

15. The value estimate assumes no impact on value because of *Section 404 wetlands*" as defined by the U.S. Army Corps of Engineers. We have found no evidence of wetlands, but are not experts in this field and urge the client to seek the advice of an expert to determine any potential impact of wetlands on the property.
16. This report may not be used for any purposes other than as stated in the report, by any other than the client(s) without previous consent of the appraiser and his client(s), and then only with proper qualification.
17. It is assumed that all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
18. Any proposed or incomplete improvements included in this report are assumed to be satisfactorily completed in a workmanlike manner within a reasonable length of time according to plans and specifications submitted.
19. Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable.
20. Although the appraiser has made, insofar as is practical, every effort to verify as factual and true all data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the appraiser either by the client or others. If for any reason future investigations should prove any data to be in substantial variance with that presented in this report, the appraiser reserves the right to alter or change any or all conclusions and/or estimates of value.
21. This report is null and void if used in any connection with a real estate syndicate or syndication, defined as a general or limited partnership, joint venture, unincorporated association, or similar organization formed for or engaged in investment or gain from an interest in real property, including but not limited to a sale, exchange, trade, development, or lease of property on behalf of others, or which is required to be registered with the U.S. Securities and Exchange Commission or any federal or state agency which regulates investments made as a public offering.
22. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

QUALIFICATIONS OF ALEX B. RUBIN, MAI

EDUCATION

Georgia State University
B.B.A. Real Estate and Urban Affairs
Graduated March 1987

Appraisal Institute Courses:

1A-1	Real Estate Principals
1A-2	Basic Valuation Procedures
1B-A	Capitalization Theory & Techniques-A
1B-B	Capitalization Theory & Techniques-B
2-1	Case Studies in Real Estate Valuation
2-2	Report Writing & Valuation Analysis
2-3	Standards of Professional Practice

Numerous Appraisal Institute Seminars including Litigation Valuation (6/93), Analyzing Operating Expenses (10/93), Appraiser as Expert Witness (10/93), Appraisal Theory (6/94),

PROFESSIONAL AFFILIATIONS

Appraisal Institute (MAI #9763)
Admissions Committee, Georgia Chapter #21
Appraisal Institute Regional Representative (1997)
Appraisal Institute Director (1998-2000)
Appraisal Institute Treasurer (2000)
Appraisal Institute Secretary (2001)
Appraisal Institute Vice President (2002)
Appraisal Institute President (2003)
Appraisal Institute Approved Instructor
Appraisal Institute Co-Chair of Education (2009)
Georgia Certified Real Estate Appraiser (#000678)
Past President, Georgia Appraisers Coalition

EXPERIENCE

Principal of Alex Rubin & Company since July 1993.
Associate Appraiser with Upton Associates from April 1987 to July 1993.
Qualified as an expert witness.

Appraisals have been made on many types of real estate including apartments, shopping centers, offices, hotels, industrial buildings, residential and office condominiums, residential subdivisions, vacant land and special use properties

CERTIFICATION

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic educational certification. I, Alex B. Rubin, have completed the requirements under the continuing education program of the Appraisal Institute.