

Mitchell D. Bennett

Real Property Appraisals, Market Analysis, Consulting

SUMMARY APPRAISAL OF REAL PROPERTY COMPREHENSIVE REPORT



LOCATED AT:

121 DRAYTON ALLEY
MONTEZUMA, GEORGIA 31063
MACON COUNTY
APPRAISAL ID: OMS-126210-REPORT #1

Prepared for

Branch Banking & Trust Company of North Carolina
2713 Forest Hills Road
Wilson, NC 27893

Mitchell D. Bennett

Digitally signed by Mitchell D. Bennett
DN: cn=Mitchell D. Bennett, o=Mitchell D. Bennett Appraisals, ou,
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Date: 2013.03.25 20:34:10 -04'00'

Mitchell D. Bennett

Real Property Appraisals • Consulting Services • Market Analysis

March 21, 2013

Real Estate Appraisal Department
Branch Banking & Trust Company of North Carolina
2713 Forest Hills Road
Wilson, NC 27893

Re: A Comprehensive Appraisal, Summary Appraisal Report of
121 Drayton Alley, Montezuma, Georgia 31063.
OMS-126210-Report #1

Dear Client:

In accordance with your request, we have inspected and a Comprehensive Appraisal, summary report has been completed on the above referenced property.

As a result of the inspections, investigations and analysis of available data, subject to the Marketing and Exposure times detailed in the report, it is our opinion the subject property had an "As-Is" Market Value, as defined in the report, in *fee simple estate*, on March 20, 2013, which is the effective date of appraisal, of:

EIGHTY THOUSAND DOLLARS
(\$80,000)

Mitchell D. Bennett has not previously appraised the subject property.

The purpose of the study was to perform a Comprehensive Appraisal and to provide an opinion of the Market Value. The value opinion is being reported using a Summary format.

Transmittal Letter OMS-126210-Report #1

March 21, 2013

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This report is intended for use only by Branch Banking & Trust Company of North Carolina. The appraisers do not intend use of this report by others. The appraisal is intended for internal use, including but not limited to, rendering a decision relative to a financial transaction. This report is not intended for any other use. The appraisal may be used only by the intended user and for the intended use stated above.

Enclosed with this letter is our report, which describes the methods of approach, and the analysis underlying the conclusion. The reader is directed to the Certification, Assumptions and Qualifying Conditions contained in the Addendum. Any copy of this report should be considered valid only when the signatures are original.

Thank you for the privilege of serving you in this matter. If you have any questions, please call us.

Sincerely,

A handwritten signature in black ink, appearing to read "Mitchell D. Bennett". The signature is written in a cursive style with a large initial "M".

Mitchell D. Bennett

GA Certified General Real Property Appraiser # CG06885

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

CLIENT AND INTENDED USERS: Branch Banking & Trust Company of North Carolina.

INTENDED USE OF THE APPRAISAL: The appraisal is intended for internal use, including but not limited to, rendering a decision relative to a financial transaction.

DATE OF REPORT: March 21, 2013.

EFFECTIVE DATE OF APPRAISAL: March 20, 2013.

LOCATION: 121 Drayton Alley, Montezuma, Georgia 31063.

OWNER: Ferrell Owen, d/b/a Owen Paint and Body Shop.

PROPERTY RIGHTS APPRAISED: Fee simple estate.

ZONING: C-1, Central Business District.

LAND SIZE: 0.766 Acre.

EXISTING IMPROVEMENTS: Steel frame with pre-engineered metal siding and metal roof service repair garage constructed in 1989 and containing 3,550 square feet according to public records. Additional improvements include a 960 square foot metal awning over concrete drive in ramps, five overhead doors, and chain link perimeter fencing. An older wood frame with tin siding structure that is in disrepair was also noted on the site.

HIGHEST AND BEST USE, AS VACANT: Commercial land.

HIGHEST AND BEST USE, AS IMPROVED: Service repair garage.

VALUE INDICATIONS:

COST APPROACH:	NOT APPLICABLE
INCOME APPROACH:	\$ 78,000
SALES COMPARISON APPROACH:	\$ 82,000
FINAL "AS-IS" MARKET VALUE OPINION:	\$ 80,000

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Addenda

BB&T Appraisal Engagement Authorization
BB&T Appraisal Engagement Document Attachment
Standards Rule 2-2 Report Comparison Chart

121 Drayton Alley



Rear View



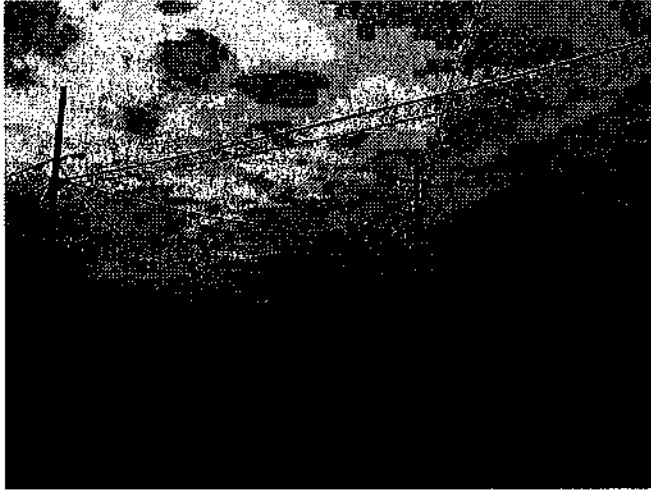
Additional Structure (No Value)



Additional Structure (No Value)



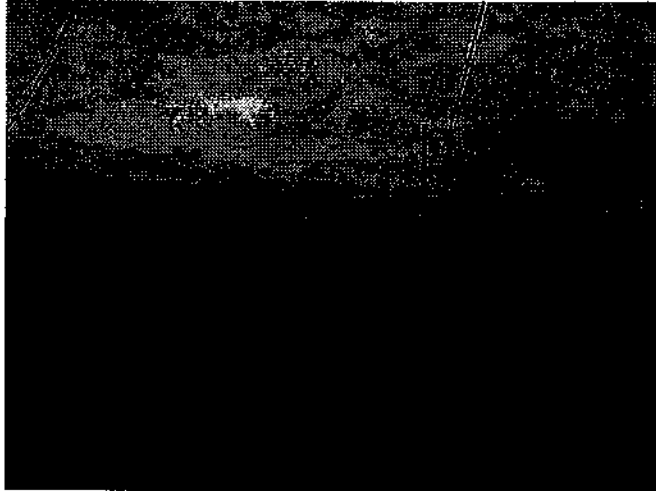
Cherry Street



Drayton Alley



Drayton Alley



Cherry Street



PROPERTY RIGHTS APPRAISED

The property rights appraised are the *fee simple estate*. This ownership interest is defined as an absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

The client has also requested an appraisal of the leased fee interest; however, the subject is owner occupied. Therefore, the lease fee interest is not applicable to this assignment.

INTENDED USE AND USER OF THE APPRAISAL

The appraisal is intended for internal use, including but not limited to, rendering a decision relative to a financial transaction. The intended user of this report is Branch Banking & Trust Company of North Carolina. This appraisal can only be used by the named client, and they can only use this report for the intended use stated.

SCOPE OF THE APPRAISAL

All data that was considered to be pertinent to the valuation of the subject property was assembled. The investigations undertaken and major sources used will be discussed. The area and neighborhood analysis includes economic and demographic data that was obtained from the Middle Georgia Planning and Development Commission, The Chamber of Commerce, the local newspaper and Georgia Trend Magazine. At the client's request, this information has been omitted from this report and has been retained in the appraisers' file.

Mitchell D. Bennett physically inspected and photographed the subject. The client indicated an external only inspection was permitted. I was able to walk into the interior; however, the owner requested no pictures be taken of the interior. The legal descriptions, ad valorem tax information, zoning data and flood hazard map have been reviewed for site analysis.

Market data has been obtained by reviewing public records in the Clerk's Office of Superior Court and the Macon County Tax Assessors office. Insufficient data was found to limit our search to the county in which the subject is located. The information utilized in this report has been verified with a knowledgeable party in each transaction.

¹ The Dictionary of Real Estate Appraisal, 5th Edition, (Chicago. Appraisal Institute, 2010, page 78.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion of the **Market Value** of the subject property as of the effective date of appraisal.

Market Value, as defined by The Office of the Comptroller of the Currency (Title XI of FIRREA as adopted by the OCC Regulation 12, CFR 34), is:

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in US 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.

The market value conclusion reported in this appraisal assumes a hypothetical sale of the subject property as of the effective date. It is assumed that the property is professionally marketed and exposed to the market for a reasonable period of time.

This appraisal report is subject to General Assumptions and Limiting Conditions, as set forth following the Reconciliation section of this report.

IDENTIFICATION OF THE SUBJECT PROPERTY

ADDRESS: 121 Drayton Alley, Montezuma, Georgia.

OWNER: Ferrell Owen, d/b/a Owen Paint and Body Shop.

TAX MAP: 4023J

PARCEL #: 0004.

LEGAL DESCRIPTION

All that tract or parcel of land lying and being in the City of Montezuma, Macon County, Georgia, and more particularly described as follows:

Begin at a point where the Southern right of way margin of the Central of Georgia Railroad intersects the Northwestern right of way margin of a street sometimes called Drayton Street; thence, South 23 degrees 20 minutes West along the Northwestern right of way margin of said Drayton Street a distance of 203.70 feet to a point on the Northern right of way margin of an abandoned railroad tract line; thence, South 80 degrees 31 minutes West a distance of 160 feet chord to a point; thence, South 75 degrees 18 minutes West a distance of 92 feet chord to a point; thence, North 17 degrees 42 minutes West a distance of 67.45 feet to a point on the Southern right of way of said Central of Georgia Railroad; thence, North 63 degrees 38 minutes East a distance of 388.40 feet to the Point of Beginning, containing 0.766 acres according to a plat of survey by Kenneth Earl Dunmon, Georgia Registered Land Surveyor #1526, dated July 26, 1989, and recorded in Plat Book 12, page 91, Macon County, Georgia Records.

HISTORY OF OWNERSHIP

Ownership of the subject was last transferred on August 31, 1989 from Frank Joiner to Ferrell Owen, d/b/a Owen Paint and Body Shop, as recorded in Deed Book 75, page 332, Clerk's Office, Macon County Superior Court. This is believed to have been an arm's length transaction. To the best of my knowledge the subject has not sold within the past three years and is not currently listed for sale.

NEIGHBORHOOD DESCRIPTION

The subject is located in downtown Montezuma at the intersection of Cherry Street and Drayton Alley, one block off of South Dooly Street and adjacent to Central of Georgia Railroad. The immediate area is primarily commercial in nature, with older storefronts fronting on South Dooly Street and backing up to Drayton Alley. The subject's neighborhood includes all of Macon County as well as parts of the surrounding counties.

Macon County has four cities that include Montezuma, Marshallville, Oglethorpe, and Ideal. Oglethorpe is the county seat. Macon County has a population of 14,405 according to the latest census figures in 2011. This was loss of 2.4% over the 2010 population estimate.

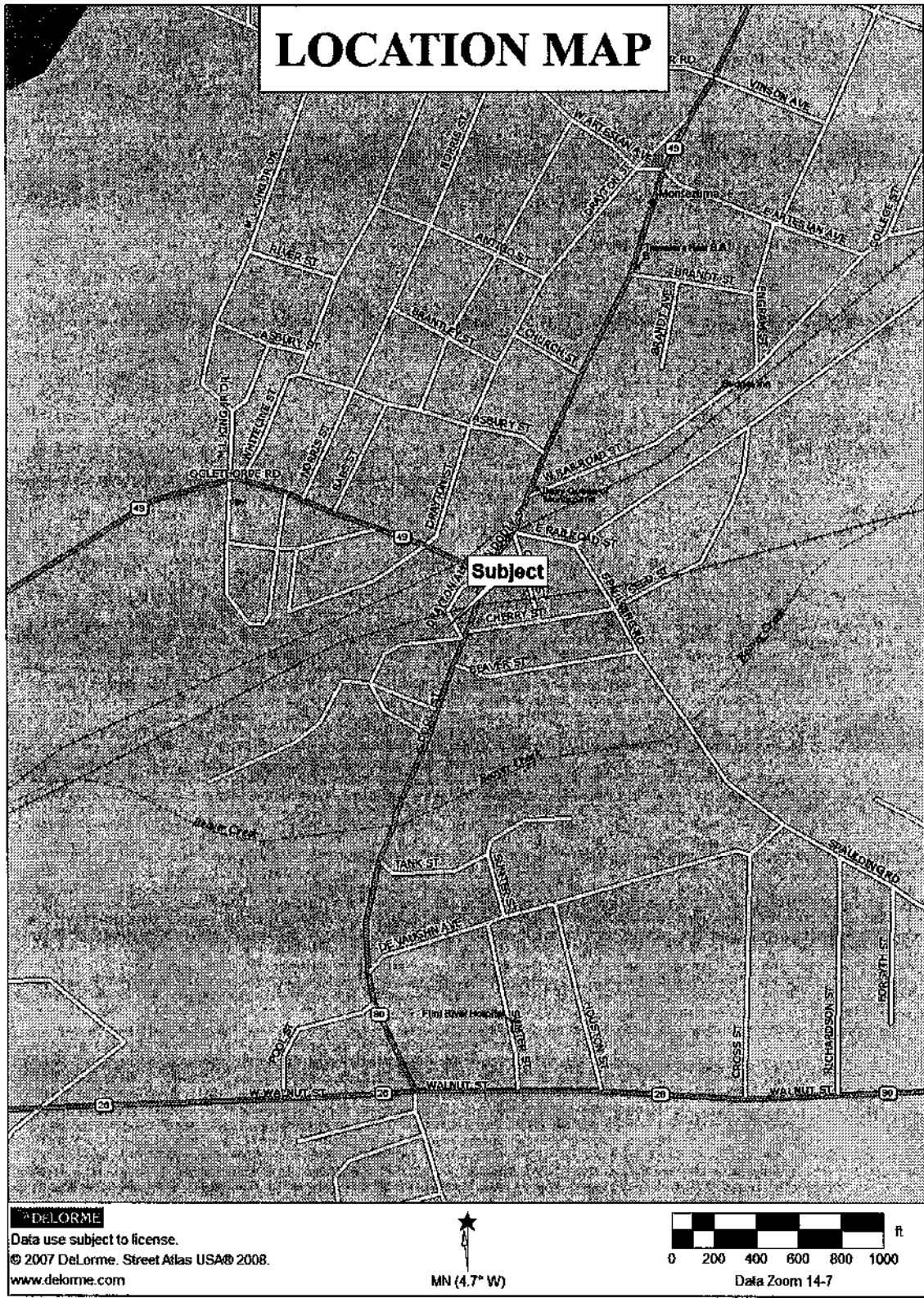
Agriculture and timber production have long been the main industries in Macon County. The types of agriculture include milk production, peaches, poultry and row crops. Tyson has a breeder farm, hatchery, and feed mill in the county. Other crops grown in Macon County include cotton, peanuts, soy beans, tomatoes, squash, bell peppers, pecans, corn, wheat, oats, peas, etc.

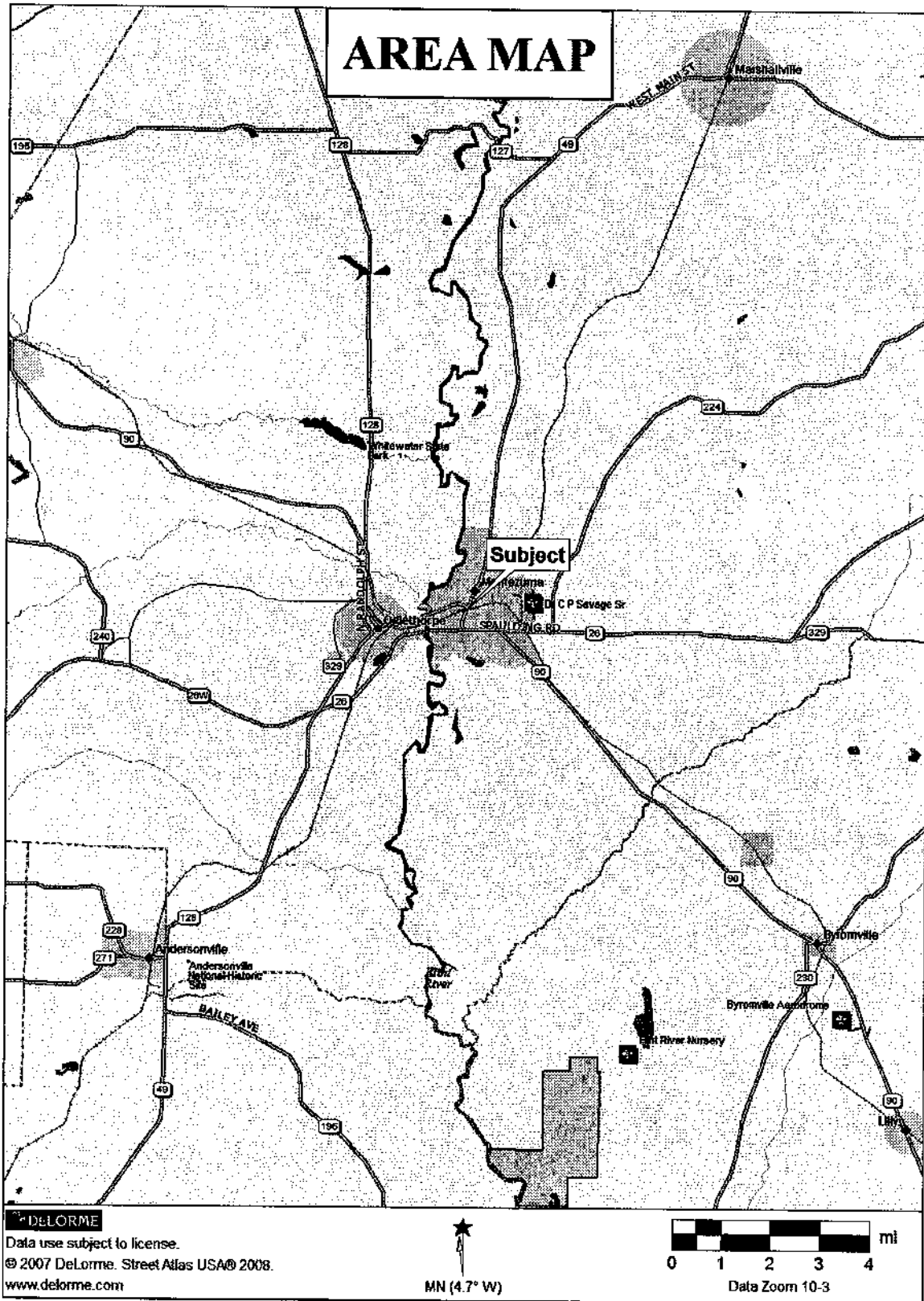
The timber industry includes a chip plant that provides wood chips for paper production, and a large pulp processing plant. Weyerhaeuser has a large pulp processing plant near Oglethorpe that employs more than 500 people. Hundreds of others are employed by support industries such as trucking. Southern Wood Supplies has a large chip mill in Macon County that produces hard wood chips used in the manufacture of paper.

Manufacturing is the largest employment sector in Macon County, providing 33.6% of all jobs according to the Chamber of Commerce. The second leading employment sectors in Macon County are services and government. The unemployment rate in Macon County, averaging 9.3% between 1996 and 2000, has traditionally been much higher than the statewide average, which averaged around 4.2% in the same time period.

Major employers in Macon County include Birds Eye Foods, Watkins Engineering, and Weyerhaeuser Company.

In summary, Macon County is a rural county in south central Georgia that has experienced little growth over the last 30 years. The economic outlook for the county is expected to remain relatively unchanged for the foreseeable future. The City of Montezuma has had little to no growth within the last few years. This trend is expected to continue for the foreseeable future.





SITE DATA AND DESCRIPTION

AREA: 0.766 acre.

SHAPE: Irregular.

ZONING: C-1, Central Business District.

ACCESS AND FRONTAGE: The subject tract has a total of 203.70 frontage along Drayton Alley (referenced as Drayton Street in the legal description), with open access.

TOPOGRAPHY: The site is at grade and generally level.

SOIL CONDITIONS: Appears adequate for most types of construction.

DRAINAGE: Appears adequate.

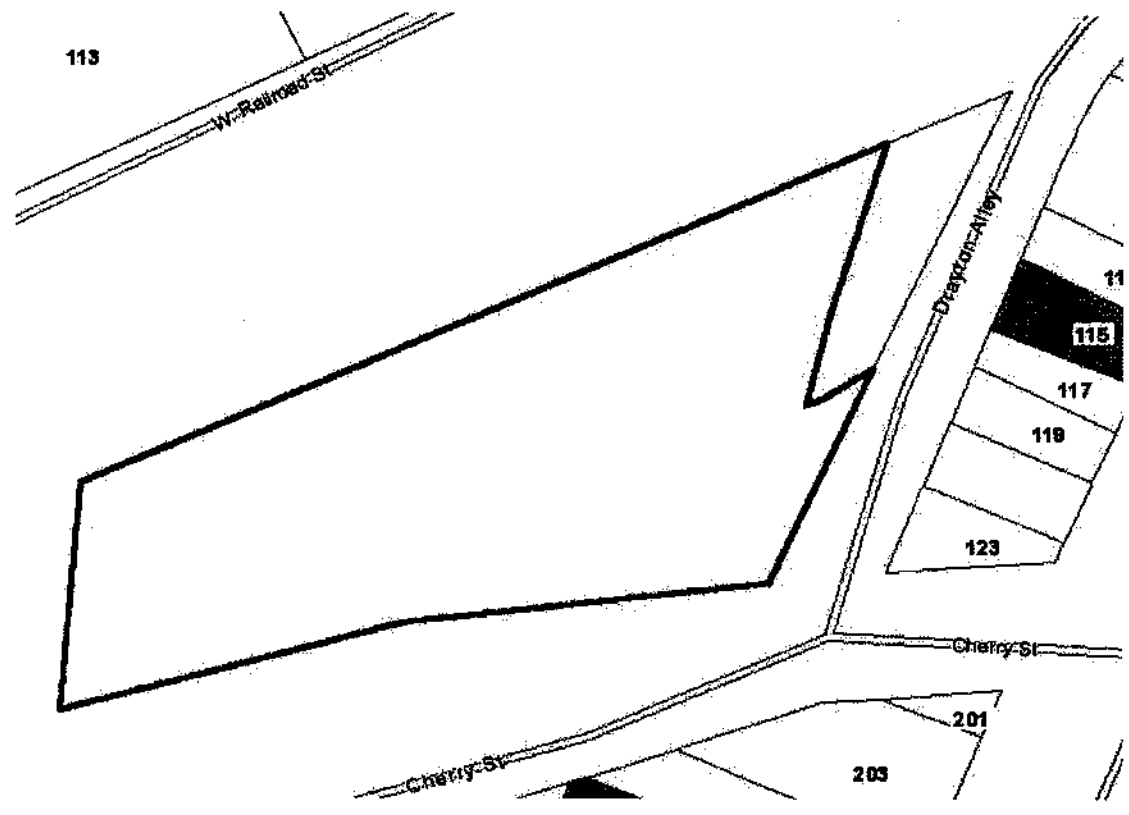
UTILITIES: Public utilities available to the site include electricity.

ENCROACHMENTS, EASEMENTS OR RESTRICTIONS: None noted other than normal utility easements, which do not have an adverse affect on the value. As shown in the following plat, the property is encumbered by utility easements and a drainage easement.

NUISANCES, HAZARDS, DETRIMENTAL INFLUENCES OR THE EXISTENCE OF ANY ENVIRONMENTAL CONDITIONS: None evident from a visual inspection of the property. The appraisers are not experts in this field. If the client is concerned with this matter, we recommend an environmental audit from a professional be obtained. The value opinion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value.

LAND/BUILDING RATIO: 9.40:1.

TAX MAP



ZONING DATA

The subject is zoned C-1, Central Business District. The Planning and Zoning Commission govern zoning laws in the county. The subject currently conforms to this zoning and we do not believe the zoning will change in the foreseeable future.

TAX DATA

Property taxes are due annually based on 40% of the total assessed value. Following is the tax calculation based on the current assessed values and millage rates:

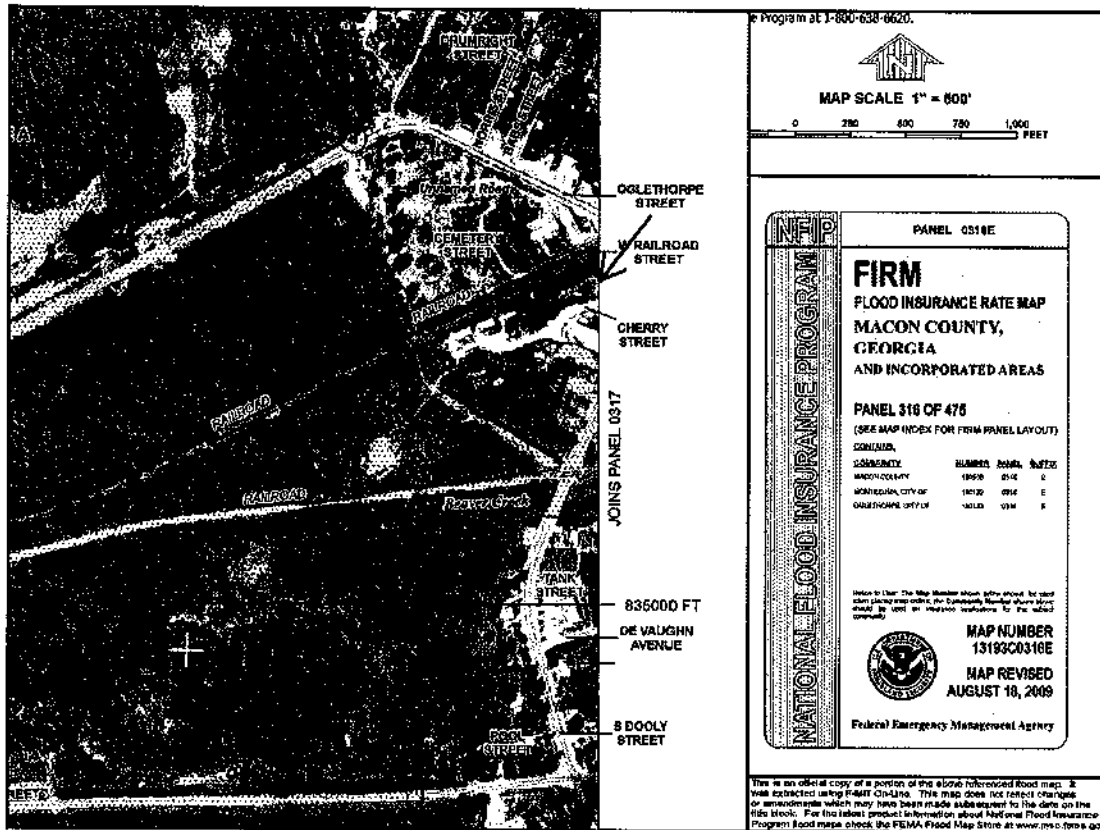
Land Value	\$ 14,263
Improvement Value	\$ 58,510
Accessory Value	\$ 2,087
100% Assessed Value	\$ 74,860
40% Assessed Value	\$ 29,944
Millage Rate	0.039
Total Tax Due	\$ 1,167.82

FLOOD ZONE DATA

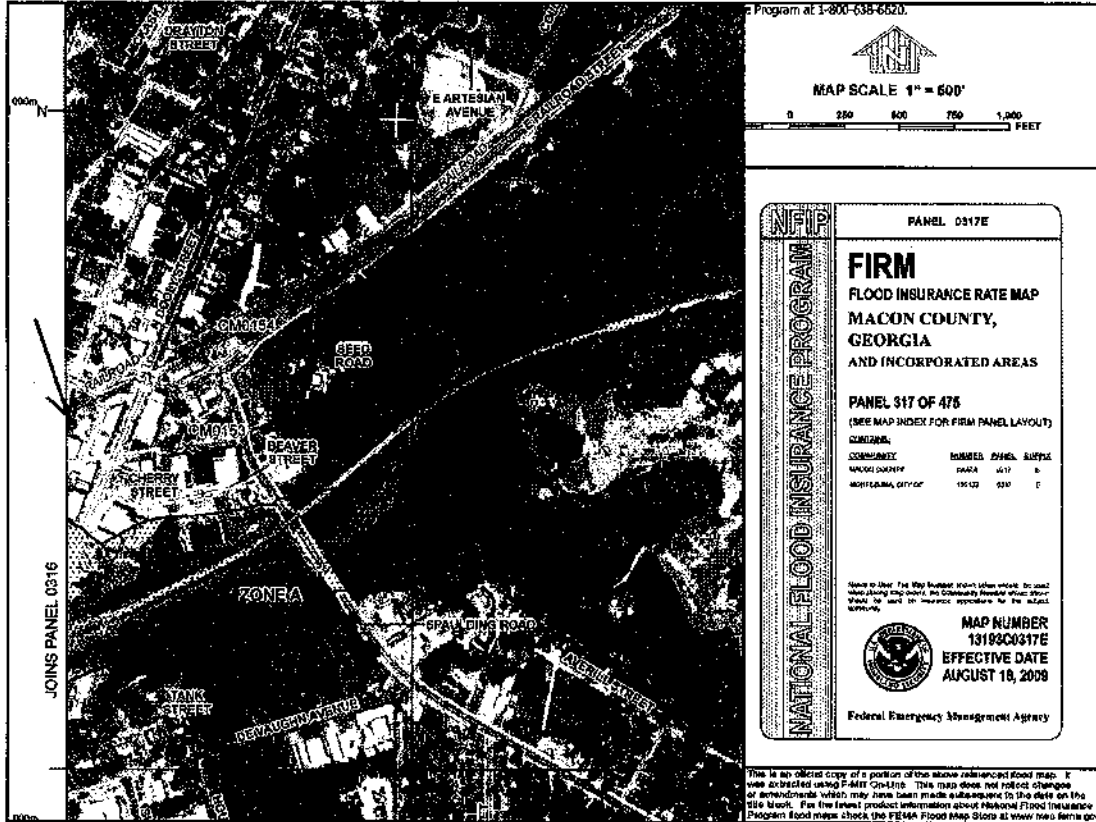
The Federal Emergency Management Agency's Flood Insurance Rate Map was consulted to determine if the site is located in the 100-year flood zone. Federal and some State chartered financial institutions are required by law to have the borrower purchase flood insurance on properties located in this zone before loans are approved and closed.

The subject is located on community panels #13193C0316E and #13193C0317E, dated August 18, 2009, which do not show the subject to be located in the flood zone. **However, it should be noted that the subject property was inundated by flood waters during the flood of 1994.**

FLOOD ZONE MAP



FLOOD ZONE MAP



ENVIRONMENTAL STATEMENT

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraisers become aware of such during the inspection.

The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances, or environmental condition, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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.

AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act (ADA) became effective January 26, 1992 for most public buildings. We have 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 this act.

If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

This Act requires businesses catering to the public to have adequate facilities to accommodate persons with disabilities. Older buildings are affected most by this Act because of design and since retrofitting is required. I am not an expert in this field and recommend you contact an Architect if concerned with this matter.

DESCRIPTION OF IMPROVEMENTS

The subject property is currently improved with a steel frame with pre-engineered metal siding service repair garage that contains 3,550 square feet and was constructed in 1989 according to public records. The building has a metal roof with metal gutters and downspouts providing drainage, which appears to be adequate.

The interior is primarily unfinished with metal walls and ceilings. There is a small office area, with attached two fixture restroom, that is estimated to contain approximately 128 square feet. This area is low cost construction with plywood or OSB walls. Interior lighting is suspended strip fluorescent. Heating is provided by a single suspended gas fired heater, with a window unit in the office area for air conditioning. There are five overhead doors that are 10' x 10' each.

Other improvements to the subject property include a 12' x 80' awning over the overhead doors with a concrete paved drive-in and parking, and chain link fencing along the perimeter. An older structure that is wood frame with tin siding was also noted on the site. This structure is in poor condition and does not contribute value to the site.

HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."²

The analysis of highest and best use will direct the appraiser to seek, gather and analyze the data that is applicable to the assignment. In addition, this process allows consideration to any forms of obsolescence before the various approaches are begun.

An analysis of highest and best use includes a consideration of the site as vacant and readily available to be put to its highest and best use, as well as an analysis of the site as it is presently improved. This is necessary in order to ascertain if the site is being properly utilized to its maximum potential.

As Vacant

The subject is an irregular shaped parcel containing 0.766 acre on the western side of Drayton Alley, one block off of South Dooly Street, which is the main street through Montezuma. The property is zoned C-1, Central Business District, which permits a variety of commercial uses, including the current use.

Uses in the immediate area consist primarily of older storefront buildings lining both sides of Dooly Street and backing up to Drayton Alley. Agricultural uses dominate the area outside of Montezuma, with limited single family residential and special purpose uses nearby.

Limited land remains for continued development in the general area. Limited development has occurred in the immediate area over the last several years.

The highest and best use of the subject as vacant is use as commercial land.

As Improved

The subject property is improved with service repair garage constructed in 1989. The improvements appear to be in average condition.. The current use is physically possible.

The site is zoned C-1, Central Business District. This zoning permits the current use as a service repair garage. Therefore, continued use is legally permissible.

² Appraisal Institute. The Appraisal of Real Property, 13th Edition (Chicago: Appraisal Institute, 2010), page 277-278.

The subject is located one block off of South Dooly Street, the main commercial artery in Montezuma, Macon County, Georgia. The immediate area is comprised primarily of older storefronts along South Dooly Street, with scattered single family residences and special purpose properties such as places of worship. The owner has operated the subject as a body shop for a number of years. While the subject improvements could be renovated into an alternative use, the cost to make said renovations is not known. Therefore, the highest and best use is the maximally productive use as a service repair garage.

INTRODUCTION TO THE VALUATION PROCESS

The valuation process involves the systematic gathering, classification and interpretation of factual data, carefully taking into consideration the social, economic governmental and environmental forces affecting the subject property.

The analysis should lead to a natural and reasonable conclusion to value. The appraisal process involves employing three generally accepted approaches to value. These are the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Each of these approaches derives a market value estimate in a different way, and the results are reconciled to arrive at one single final opinion of value for the subject property. Before applying any of these approaches, the highest and best use of the subject, as vacant and as improved must be analyzed.

This process enables the appraisers to determine the proper data that should be used to value the subject. The final step in the appraisal process is Reconciliation of the values estimated by the three approaches to value into a single estimated market value. Consideration is given to the relative applicability of the valuation techniques utilized, and the reasoning for the opinion of market value is discussed.

COST APPROACH

The Cost Approach is similar to the other approaches to value because it is based on comparison. This approach reflects market thinking because buyers judge the value of an existing property by comparing it to the value of a newly constructed building with optimal functional utility. As a result, prices are adjusted by estimating the cost to bring the building to their desired functional utility.

While the cost approach is a good indicator of value on newer properties, it loses its validity as buildings age. The subject was constructed in 1989 and is now 24 years old and is at a point where estimating all forms of obsolescence would be unreliable. The cost approach would be misleading and is not considered applicable to this assignment. Therefore, the only applicable approaches are the income approach and the sales comparison approach. Because these are the only applicable approaches, the appraisal is a complete appraisal according to USPAP.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach to value is based on the assumption the higher income a property can earn, the higher the value. The approach is defined as "a set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value.

This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."³

The direct capitalization method is used in this report because most readers of appraisal reports easily understand it and the capitalization rate is market derived. A value estimate is derived from the income capitalization approach by forecasting market rent for the subject, estimating stabilized operating expenses and determining net operating income. Expenses deducted in this market include a vacancy and credit loss and both fixed and variable expenses.

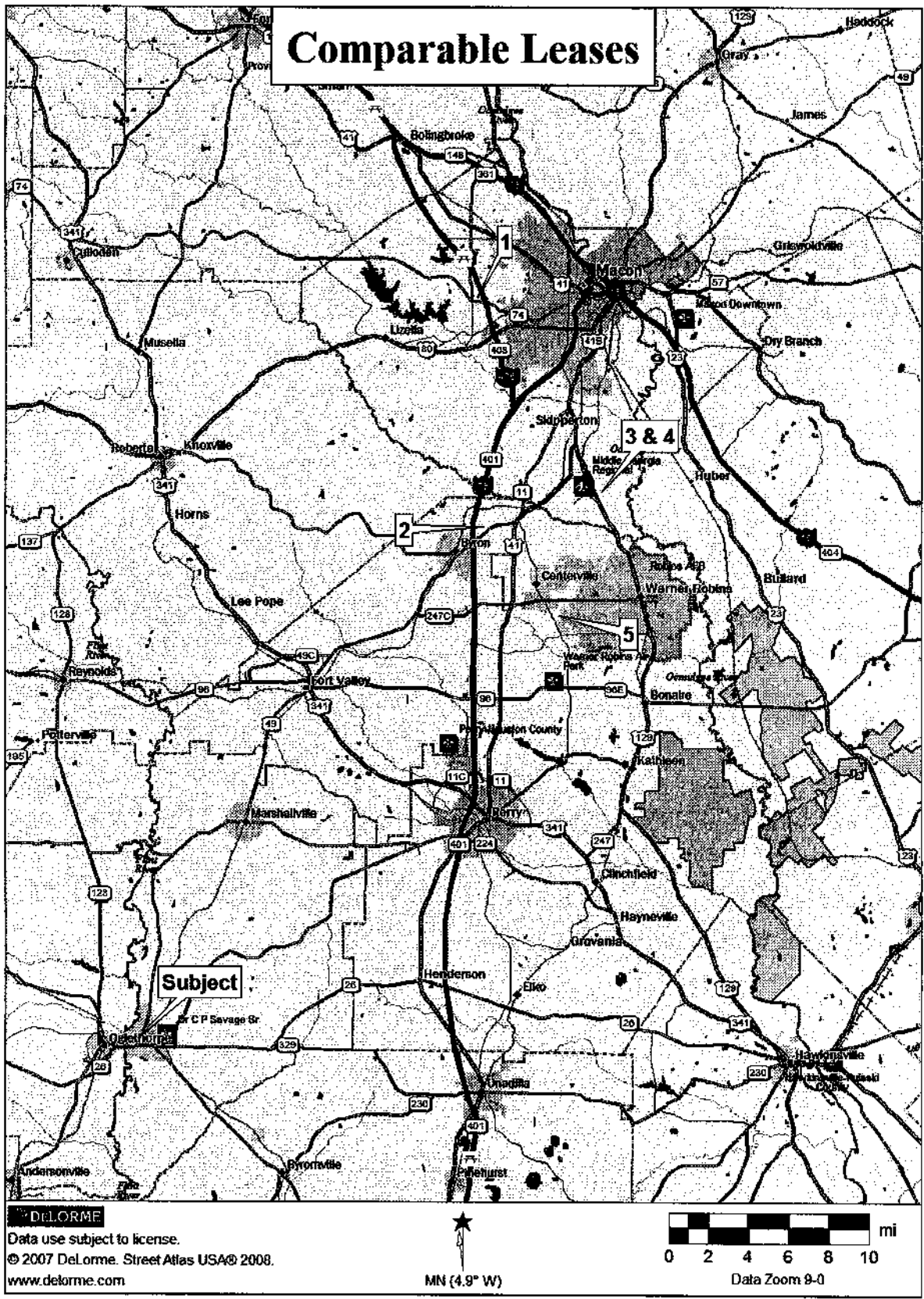
Forecast of Market Rent

The subject is owner occupied. Comparable rentals are analyzed to determine market rent. The remainder of this section develops the valuation of the subject from the Income Capitalization Approach. Market rent will be forecast using the following comparable rentals. Limited data is available for the immediate area, making it necessary to gather data from the surrounding areas.

RENTALS SUMMARY TABLE

No.	Location	Lease Type	Building Size	Rent/SF
1.	4528 Knight Road	Gross	1,843	\$2.52
2.	220 James E. Williams Pkwy	Net	21,250	\$5.00
3.	12106 Highway 247	Gross	5,075	\$3.07
4.	12102 Highway 247	Gross	6,000	\$5.60
5.	901 Carl Vinson Pkwy	Modified Gross	16,000	\$4.20

³ The Dictionary of Real Estate Appraisal, 5th Edition (Chicago: Appraisal Institute, 2010), page 99.



Improved Lease No 1 is the lease of multiple suites in an office warehouse facility just off Mercer University Drive in suburban west Macon. Rental rates for the suites that are primarily warehouse with limited or no office space range from \$1.49 per square foot to \$3.58 square foot with an average of \$2.52 per square foot, with an average unit size of 1,843 square feet.

Improved Lease No 2 is the lease of a 21,250 square foot metal building with 2,000 (9.41%) square feet of office and 19,250 square feet of distribution warehouse. The office area has an entry/display, sales counter, 4 offices, break room and 3 restrooms. Eave heights are 24 feet. The site is also improved with a 900 square foot concrete truck well loading dock, a 10,000 square foot concrete storage yard, 285 linear feet of fencing and asphalt parking containing 20,000 square feet.

Improved Lease No 3 is the lease of a 5,075 square foot metal building on Highway 247 across from N. Davis Drive and just north of Robins Air Force Base. The building was constructed in 1972 with an additional in 2009. The additional included the remodeling of the office space and new front on the building. There are also 544 square feet of covered porch, 2 overhead roll up doors and two sliding doors in the warehouse area. Gross lease at \$1300 per month for two years. Currently leased to NFI, Inc.

Improved Lease No 4 is the lease of a 6,000 square foot metal building on Highway 247 across from N. Davis Drive and just north of Robins Air Force Base. The building was constructed in 2006 and contains 2,000 square feet of retail showroom and office space with the remainder being warehouse. There is also a 14 foot covered porch around the front and sides containing 3,472 square feet. The warehouse area has four 14' overhead roll up doors.

Improved Lease No 5 is the lease of a newly constructed 16,000 square foot light industrial building in north Houston County. The building contains 700 square feet of office space with the remainder being warehouse/production area. It has 16' eaves, two 14' overhead roll up doors and asphalt paving for parking. It was constructed for and leased to Sunbelt Plastics which operates on the adjoining property. Seven year lease term with tenant responsible for building maintenance.

Reconciliation and Forecast of Market Rent

Similar properties in this area are typically leased on a three to five year basis, with the lessor paying for taxes, insurance, repairs and maintenance of the roof, exterior walls and structural foundation.

The price per square foot shown is for the entire building, but finished and warehouse space is typically priced differently. Finished areas generally lease for between \$3.00 to \$8.00 p/s/f, with warehouse space bringing between \$1.00 to \$4.00 p/s/f. The subject is in overall average condition, but has minimal finish and is in a fair to average location.

Recent activity in the subject market, as well as regional and national markets, has been hampered by the ongoing sluggish market. While some experts predict the market is beginning to turn, little evidence is available.

I have forecast the subject based on a blended rate of \$5.00 per square foot for the office space and \$3.00 per square foot for the unfinished space. This calculates to \$10,906 per year, or \$909 per month, which is \$3.07 per square foot. Market rent is forecast on a modified gross basis, with the lessor responsible for taxes and insurance, as well as structural, roof and exterior wall maintenance.

Potential Gross Income

Potential Gross Income is a combination of Market Rent and Other Income. Any other income is assumed to be minimal and would be utilized to pay expenses of collecting rent. Therefore, market rent is considered potential gross income.

Discussion of Expenses

Vacancy and credit loss is charged even if a property is fully occupied because it is likely to suffer some form of vacancy and credit loss during economic life. This expense is forecast at 10% of potential gross income. Effective gross income is the result of subtracting vacancy and credit loss from potential gross income.

Fixed Expenses consist of property taxes and insurance. Market rent was forecast with the lessor paying these expenses. Property taxes were forecast previously at \$1,168 per year. Insurance is forecast at \$0.15 per square foot, or \$513 per year.

Variable expenses generally vary with occupancy levels and the degree of services provided. Professional management expense should always be included in an operating statement. Typical fees quoted by commercial Realtors for properties similar to the subject range from 3% to 7%. This expense is estimated at 6% of effective gross income.

Repairs and Maintenance is generally for typical expenditures to maintain the building in average condition. Capital improvements are not included. This will be estimated at \$0.20 per square foot.

Miscellaneous expense is a catchall expense category that includes legal and professional fees, licenses, etc. and is estimated at 1% of effective gross income.

A Reserve for Replacement Allowance provides for the periodic replacement of short-lived building components. Most owners do not in fact reserve for this expense, and the

Overall Rates utilized in the Capitalization section do not include this expense. In addition, this expense is typically not estimated in the local market; therefore, it will not be included in this analysis.

Reconstructed Operating Statement

Potential Gross Rental Income		\$ 10,906	
Less: Vacancy & Credit Loss		<u>\$ 1,091</u>	
Effective Gross Income		\$ 9,815	
<i>Operating Expenses</i>			
<u>Fixed Expenses</u>			
Taxes	\$ 1,168		
Insurance	<u>\$ 513</u>		
Total Fixed Expenses		\$ 1,681	
<u>Variable Expenses</u>			
Management	\$ 589		
Repairs & Maintenance	\$ 26		
Miscellaneous	<u>\$ 98</u>		
Total Variable Expenses		\$ 713	
Replacement Allowance		\$ -	
Total Operating Expenses		<u>\$ 2,394</u>	24.39%
Net Operating Income		\$ 7,421	75.61%

A comparison of the subject's operating expense ratio was not made due to the lack of properties purchased while under lease. Based on past appraisals, the subjects operating expense ratio is considered reasonable.

Direct Capitalization

An overall capitalization rate can be derived using several methods, including comparable sales; gross income multipliers; a mortgage equity analysis, which can use either the mortgage and equity components or the land and building components; and the debt coverage ratio. Of the comparable sales used in the report, only one could be utilized for overall capitalization rate analysis. Therefore mortgage equity analysis will be considered.

Mortgage Equity Analysis

The capitalization rate for debt is called the mortgage constant (R_m). This is a measure of the annual debt service on the loan. The equity yield (Y_e) is the ratio between annual cash flow to the investor and the amount of equity (cash down payment).

The overall rate must satisfy both of these considerations, and is a weighted average of the investment of debt and equity. The loan to value (M) represents the debt position, and the equity ratio is expressed as $(1-M)$.

Both positions can be extracted from the market. Typical lender terms are available for various types of properties, and include the interest rate, amount of loan and amortization length. The equity yield rate can be determined by discussions with investors and commercial Realtors. Cash flow after debt service is estimated and divided by the amount of initial cash investment.

Typical mortgage terms in the market for a similar property call for an interest rate of between 6.00% - 8.00% with 15 year amortization and loan to value ratios of 60% - 85%. Most loans of this type have an annual adjustment or a balloon provision after three to five years. National data sources indicate the average Loan to Value ratio for industrial properties of all types at 70%. We have assumed a 7.00% interest rate on a 75% loan for this analysis.

Discussions with people knowledgeable of returns investors are seeking for similar investments indicate rates for the equity position range from 10% to 15%, therefore, we will assume 15.00% for the equity position.

Credit for the amount of loan that is paid off over a five year holding period should be subtracted. This is calculated by multiplying the loan percentage by the percentage paid down over the holding period (P). A sinking fund factor (SFF) based on the Equity Rate and holding period is then multiplied by this figure to arrive at the Credit for Equity Build up.

The final component of mortgage equity analysis is the potential change in property values over the holding period. For the purpose of this analysis, no appreciation or depreciation in property value is forecast to occur over the holding period.

Calculation of the Overall Capitalization Rate

Following is the model used to calculate an Overall Rate from the Akerson Format of mortgage equity analysis.

$M \times R_m$	= Mortgage
$(1-M) \times Y_e$	= Equity
Less: $M \times p \times SFF$	= Credit for Equity Build up
 R_o	 = Total

Calculation

0.75×0.10720	= 0.0804
0.25×0.15000	= 0.0375
$0.75 \times 0.22200 \times 0.148316$	<u>- 0.0247</u>
R_o	= 0.0932, or 9.25%

Finally, PwC Real Estate Investor Survey was consulted, with Warehouse properties having overall capitalization rates ranging from 6.00% to 12.00%. This national survey is based on a wide range of properties, including credit tenants. Therefore, an overall capitalization rate near the upper middle of the range is considered reasonable.

Therefore, the indicated value from Direct Capitalization is calculated:

$$\$7,421 / 0.0950 = \$78,117, \text{ Rounded to } \$78,000.$$

SALES COMPARISON APPROACH

The sales comparison approach is a valuation method used that compares the subject to properties that have sold. A primary premise of this approach is that the market value of a property is directly related to the prices paid for competitive properties.

Analysis focuses on the differences in the legal, physical, locational and economic characteristics of these sales, compared to the subject. Additional but primary considerations are the real property rights conveyed, dates of sale, the motivations of the parties in the sale and the financing arrangements associated with the transaction. Each of these factors can affect market price, and therefore, market value.

Comparable Data

Following is a summary of the sales that are considered comparable to the subject.

IMPROVED SALES SUMMARY TABLE

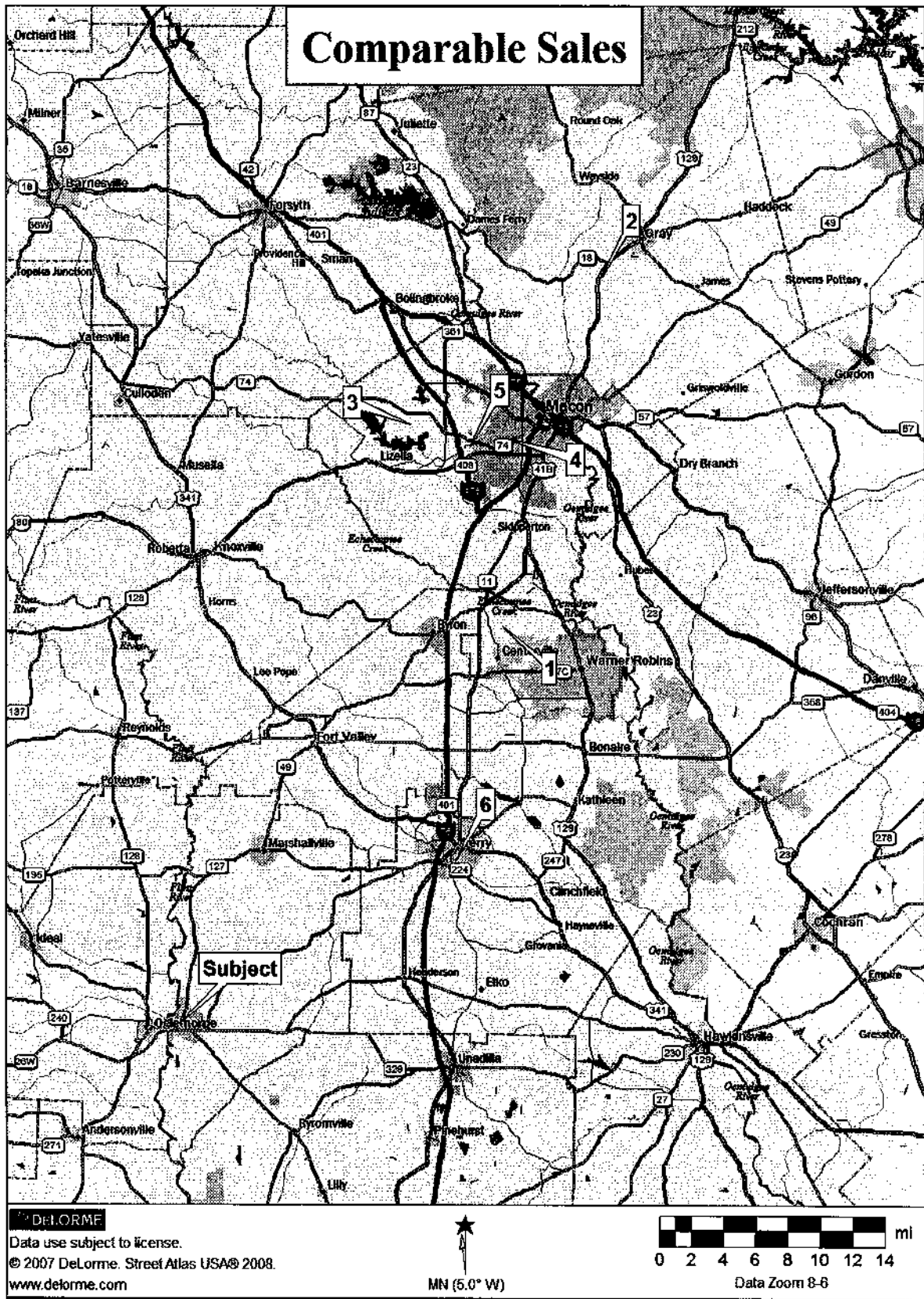
No.	Location	Sale Date	Price	Building Size (SF)	Price/ SF
1.	636 Dunbar Rd	07/23/2012	\$125,000	6,300	\$19.84
2.	4126 Gray Highway	06/12/2012	\$145,100	4,948	\$29.32
3.	10165 Lower Thomaston Rd	10/28/2011	\$275,000	9,600	\$28.65
4.	3184 Mercer University Drive	08/11/2011	\$165,000	9,000	\$18.33
5.	4338 Interstate Dr	01/06/2011	\$111,000	5,080	\$21.85
6.	629 General Courtney Hodges Blvd	03/14/2012	\$265,000	6,060	\$43.73

Improved Sale No. 1 is the sale of light manufacturing facility located on Dunbar Rd. The structure was built in 1982 and is comprised of mainly warehouse space.

Improved Sale No. 2 is the bank sale of an office warehouse facility consisting of a 2.16 acre parcel that has been improved with an 11 year old, 4,948 square foot pre-engineered metal over metal frame, office-warehouse facility. This facility has 1,428 square feet of finished office space and 3,520 square feet of warehouse area.

The warehouse has a single restroom with the remaining space being open warehouse space. The warehouse area has two 12 x 12 overhead doors. One is at ground level, and the other is dock high. The property is located along the southeast side of Gray Highway just north of Highway 18.

Improved Sale No. 3 is a 9,600 square foot general purpose pre-engineered metal frame structure consisting of two 80 x 60 pre-engineered buildings that have been joined together. The original building included 4,800 square feet and was built in 1996, with a 4,800 square foot addition made in 2005. The buildings have 14 and 16 foot eaves, with 1,355 square feet office space and an additional 230 square feet of warehouse office space with two warehouse restrooms.



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Improved Sale No. 4 is the sale of a general purpose pre-engineered metal office warehouse facility located on Mercer University Drive just east of Anthony Road and just west of Henderson Drive. The property has good visibility from Mercer University Drive and has adequate paved parking to service the facility.

Improved Sale No. 5 is the sale of an office/warehouse facility located at 4338 Interstate Dr in Macon Ga. The property is comprised of a one acre parcel improved with buildings totaling 5,080 square feet. The buildings were built in 1987 and are of prefabricated structural steel construction.

Improved Sale No. 6 is the sale of a 6,060 square foot retail/warehouse facility located on General Courtney Hodges Blvd in Perry. The property at the time of the sale was rented by Cool Breeze Pools & Spas, Inc. The property transferred for \$265,000 or \$43.73 per square foot.

Discussion of Adjustments and Analysis of Comparable Sales

When analyzing market data, and comparing this data to the subject, different techniques can be applied in order to arrive at reasonable adjustments to the sales price of the comparable properties.

These techniques are categorized, in typical appraisal terms, as quantitative and qualitative techniques. These methods of adjustments can be used to narrow the range of value, but a market value estimate is not determined by a set of precise calculations. Appraisers use judgment to analyze and interpret quantitative data.

One acceptable method of expressing adjustments to comparable sales is as a percentage. For example, the subject is a percentage superior or inferior to the comparable. This method of adjustment is particularly helpful when sales data is limited and quantitative techniques such as paired data analysis and statistical analysis are therefore impractical.

Adjustment of the Comparable Sales

An adjustment grid analysis is presented as follows. It is intended to demonstrate our estimates of the degree of dissimilarities in the various elements of comparison between the comparable sales and the subject property. The adjustments are stated in percentages.

Summary Adjustment Chart						
	Index 1	Index 2	Index 3	Index 4	Index 5	Index 6
Sale Price Per Unit	\$19.84	\$29.32	\$28.65	\$18.33	\$21.85	\$43.73
Date of Sale	2012	2012	2011	2011	2011	2012
Market Conditions	0%	0%	0%	0%	0%	0%
\$ Adj. Per Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Unit Price	\$19.84	\$29.32	\$28.65	\$18.33	\$21.85	\$43.73
Quality of Construction	5%	5%	0%	5%	5%	5%
Age/condition	0%	-10%	-10%	0%	0%	0%
Frontage/Access	0%	0%	0%	0%	0%	0%
Location	-10%	-10%	-10%	-10%	-10%	-10%
Size	0%	0%	10%	10%	0%	0%
Adjustment Percentage	-5%	-15%	-10%	5%	-5%	-5%
\$ Adj Per Unit	\$ (0.99)	\$ (4.40)	\$ (2.87)	\$ 0.92	\$ (1.09)	\$ (2.19)
Adjusted Unit Price	\$ 18.85	\$ 24.92	\$ 25.79	\$ 19.25	\$ 20.76	\$ 41.54
Total % Adjustment	-5%	-15%	-10%	5%	-5%	-5%

The most comparable sales available in the middle Georgia area were utilized. No adjustment was indicated for market conditions. All but Sale 3 were adjusted upward for quality of construction, with Sales 2 and 3 adjusted downward for age/condition. All sales were adjusted for location as they were in superior markets, while Sales 3 and 4 were adjusted for size due to being significantly larger.

The sales exhibit an adjusted value range of \$18.85 to \$41.54, with Sale 6 considered an outlier. Sales 1-5 range from \$18.85 to \$25.79, with the values evenly distributed. Therefore, the indicated value of the subject from the sales comparison approach is:

$$\$23.00 \times 3,550 \text{ square feet} = \$81,650, \text{ Rounded to } \$82,000$$

FINAL RECONCILIATION

The final reconciliation provides a review of all the methods and techniques that were utilized and the appropriateness of each in the appraisal. The purpose is to correlate the value estimates from the applicable approaches into a final Market Value opinion. The approaches indicated "Market Value" cash equivalent values are:

COST APPROACH:	Not Applicable
INCOME CAPITALIZATION APPROACH:	\$ 78,000
SALES COMPARISON APPROACH:	\$ 80,000

The applicable approaches were developed utilizing the most current and comparable data available. Adjustments were made as deemed appropriate, with emphasis placed on the most similar adjusted units of comparison. The approaches have been analyzed and reconciled to arrive at an overall opinion of market value.

The subject is an older service garage in a rural area and would likely be purchased by an owner/operator. The income and sales comparison approaches are given equal emphasis, with a unit near the middle of the range considered reasonable.

As a result of my analysis of the available data, it is my opinion the "As - Is" Market Value, subject to the marketing and exposure times detailed, in *fee simple*, as of March 20, 2013, which is the effective date of the appraisal, is:

EIGHTY THOUSAND DOLLARS (\$80,000)

MARKETING PERIOD, EXPOSURE TIME AND TREND ANALYSIS

The subject is in a location well supported by the neighborhood for its current and Highest and Best Use, and continued demand is anticipated.

Although sales of real property may have slowed, we do not foresee a major downturn in this market. New construction has been limited by the general market and tightening of credit standards, indicating the trend in this area will be relatively steady for the foreseeable future, say through the next fiscal year end.

The Uniform Standards of Professional Appraisal Practice (USPAP), specifically Statement on Appraisal Standards No. 6 (SMT-6), states that exposure time is always presumed to precede the effective date of the appraisal. Based on the above indications, a reasonable exposure time for the subject property linked to the value opinions stated is within a period of twelve months to twenty four months.

The above market trends are expected to continue into the foreseeable future. Therefore, we further estimate the property could be sold for the value indicated within a reasonable future marketing period of twelve to twenty four months.

The reader should be advised this appraisal assumes a normal marketing time as stated above and is an opinion of the subject's Market Value as of a specified date. These values have not been discounted for time or holding costs typically associated with real estate investments.

CERTIFICATION

We certify that, to the best of our knowledge and belief:

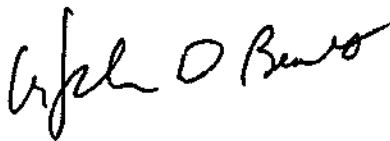
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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 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. The analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. Mitchell D. Bennett has made a personal inspection of the property that is the subject of this report.
9. Mitchell D. Bennett previously appraised the subject property on January 6, 2011.
10. No one provided significant real property appraisal assistance to the person(s) signing this report.

Additional certification required by the client or the Appraisal Institute.

11. This assignment is not based on a requested minimum valuation, a specific valuation or the approval of a loan.
12. The individual appraiser is in compliance with the Competency Provision of USPAP.
13. We certify that, to the best of our knowledge and belief, 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.
14. 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.

Additional certification required by the State of Georgia:

15. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.



Mitchell D. Bennett
GA Certified General # CG 6885

GENERAL LIMITING CONDITIONS AND ASSUMPTIONS

The following general limiting conditions and assumptions are made an important part of this report:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. This report contains a section of Ownership and Sales History that describes the recent title history of the subject. This should not be construed to be a title search or a report of title.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. The appraiser has made no survey of the property and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is assumed to be reliable, but no warranty is given for its accuracy.
6. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents and 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.
10. The appraiser assumes no liability for structural conditions not visible through ordinary inspection.

General Limiting Conditions and Assumptions (continued)

11. It is assumed that the use of the land and improvements is confined within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
15. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property unless arrangements have been previously made.
16. Unless otherwise stated in this report, the existence of hazardous materials or substances, including without limitation asbestos, polychlorinated biphenyl's, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the inspection.
17. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances, or environmental condition, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it 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.

General Limiting Conditions and Assumptions (continued)

18. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
19. 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 this Act. If so, this fact could have a negative effect upon the value of the property. Since there was no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the property. This Act requires businesses catering to the public to have adequate facilities to accommodate persons with disabilities. Older buildings are affected most by this Act because of design and since retrofitting is required. The appraiser is not an expert in this field. I recommend the client contact an Architect if concerned with this matter.
20. Disclosure of the contents of this appraisal report is governed by the Standards of Professional Appraisal Practice of the Appraisal Institute.
21. Mitchell D. Bennett prepared this appraisal for the exclusive use of the addressee, who is the client. The information and opinions contained in this appraisal set forth the appraiser's best judgment in light of information available at the time of preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and the sole risk of the third party. The appraiser accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.
22. The client is provided the requested number of copies at the time of delivery of the appraisal. Additional copies are available at a cost of \$100.00 per copy.

**QUALIFICATIONS OF THE APPRAISER
MITCHELL D. BENNETT**

Professional Experience:	<p>Mitchell D. Bennett Appraisals April 2011 to Present</p> <p>Staff Appraiser April 1998 to April 2011</p> <p>Avco Financial Services December 1994 to January 1998</p> <p>Fleet Finance February 1991 to December 1994</p>
Education Background:	<p>Georgia College & State University Bachelor of Business Administration - August 1990</p> <p>Gordon College Associates Degree in Business Administration - June 1988</p>
Appraisal Institute courses:	<p>Course I210 - Residential Case Study Course I310 - Basic Income Capitalization Course I320 - General Applications Course I410 - Standards of Professional Practice, Part A Course I420 - Standards of Professional Practice, Part B Course II510 - Advanced Income Capitalization Course II520 - Highest & Best Use and Market Analysis Course II530 - Advanced Sales Comparison & Cost Approaches Course II540 - Report Writing & Valuation Analysis Course II550 - Advanced Applications General Demonstration Appraisal Report Writing Seminar Small Hotel/Motel Valuation Eminent Domain and Condemnation National USPAP Equivalent Update Course The Road Less Traveled; Special Purpose Properties Subdivision Valuation Business Practices and Ethics</p>
Certification:	<p>Georgia Certified General Real Property Appraiser # CG 6885</p>

Improved Lease No. 1**Property Identification**

Property Type Industrial, Office warehouse
Address 4528 Knight Road , Macon, Bibb County, Georgia
Tax ID K007-0110

Physical Data

Land Size 0.750 Acres or 32,670 SF
Gross SF 7,370

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
Suite 2	1	1,340	\$400	\$0.30
Suite 3	1	2,010	\$500	\$0.25
Suite 5	1	2,010	\$400	\$0.20
Suite 6	1	2,010	\$250	\$0.12

Total Units 4
Avg. Unit Size 1,843
Avg. Rent/Unit \$388
Avg. Rent/SF \$0.21

Construction Type Pre-engineered metal frame
Roof Type Metal
Foundation Slab
Electrical Adequate

Improved Lease No. 1 (Cont.)

Stories	One
Year Built	1997
Condition	Average

Rent Analysis

Actual Rent	\$1.49 - \$3.58/SF; \$2.52/SF Average
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Remarks

This is the lease of multiple suites in an office warehouse facility just off Mercer University Drive in suburban west Macon. Rental rates for the suites that are primarily warehouse with limited or no office space range from \$1.49 per square foot to \$3.58 square foot with an average of \$2.52 per square foot.

Improved Lease No. 2**Property Identification**

Record ID
Property Type Office/Warehouse, Office Warehouse
Property Name SCP Distributors
Address 220 James E. Williams Pkwy, Byron, Peach County, Georgia

Physical Data

Land Size 1.870 Acres or 81,457 SF
SF 21,250

Area Breakdown

Office	2,000
Warehouse	19,250

Construction Type Metal
Roof Type Metal
Foundation Concrete slab
Stories One
Floor Height 24
Office 2000
Industrial 19250
Year Built 2008
Condition Good

General Lease Data

Tenant SPC
Typical Lease Term 5 years
Lease Type Net
Tenant Size 21,250 to 21,250

General Tenant Summary

Owner Turner Brooks, LLC

Improved Lease No. 2 (Cont.)**Verification**

Gary Garrard; Confirmed by Mitchell D. Bennett

Rent Analysis**Actual Rent**

\$5.00/SF Average

Remarks

This is the lease of a 21,250 square foot metal building with 2,000 square feet of office and 19,250 square feet of distribution warehouse. The office area has an entry/display, sales counter, 4 offices, break room and 3 restrooms. Eave heights are 24 feet. The site is also improved with a 900 square foot concrete truck well loading dock, a 10,000 square foot concrete storage yard, 285 linear feet of fencing and asphalt parking containing 20,000 square feet.

Improved Lease No. 3**Property Identification**

Record ID	1935
Property Type	Office/Warehouse, Office Warehouse
Property Name	NFI Building
Address	12106 Highway 247, Warner Robins, Houston County, Georgia
Tax ID	118B-109

Physical Data

Land Size	1.100 Acres or 47,916 SF
Gross SF	5,075

Area Breakdown	Open office	800
	Warehouse	4,275

Construction Type	Metal
Roof Type	Metal
Foundation	Concrete Slab
Stories	One
Floor Height	14
Year Built	1972
Condition	Average

General Lease Data

Tenant	NFI, Inc.
Typical Lease Term	2 years
Lease Type	Gross
Tenant Size	5,075 to 5,075

General Tenant Summary

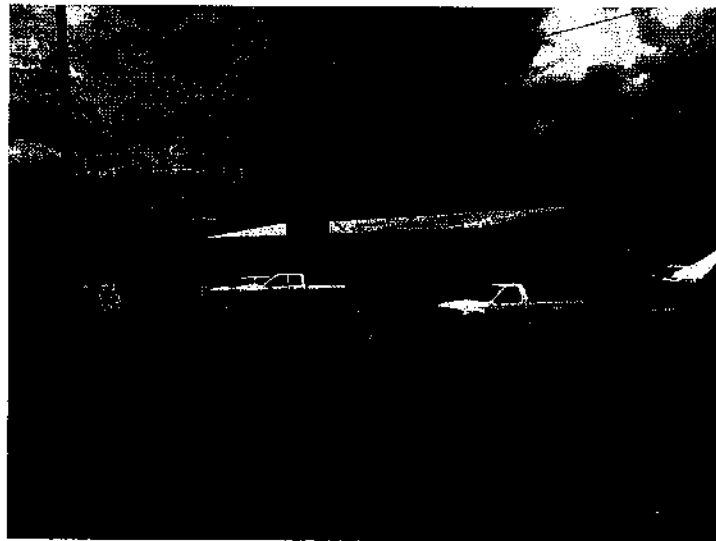
Verification	Gary Garrard; Confirmed by Mitchell D. Bennett
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Improved Lease No. 3 (Cont.)**Rent Analysis****Actual Rent**

\$3.07 - \$3.07/SF; \$3.07/SF Average

Remarks

This is the lease of a 5,075 square foot metal building on Highway 247 across from N. Davis Drive and just north of Robins Air Force Base. The building was constructed in 1972 with an addition in 2009. The addition included the remodeling of the office space and a new front on the building. There is also a 544 square foot covered porch, 2 overhead roll up doors and two sliding doors in the warehouse area. Gross lease at \$1300 per month for two years. Currently leased to a NFI, Inc.

Improved Lease No. 4**Property Identification**

Record ID	1936
Property Type	Office/Warehouse, Office Warehouse
Property Name	MGT Flooring
Address	12102 Highway 247, Warner Robins, Houston County, Georgia
Tax ID	118B-104

Physical Data

Land Size	1.100 Acres or 47,916 SF
Net SF	6,000

Area Breakdown	Showroom	2,000
	Warehouse	4,000

Construction Type	Metal
Roof Type	Metal
Foundation	Concrete Slab
Stories	One
Floor Height	14
Year Built	2006
Condition	Good

General Lease Data

Tenant	MGT Flooring
Typical Lease Term	5 years
Lease Type	Gross
Tenant Size	6,000 to 6,000

General Tenant Summary

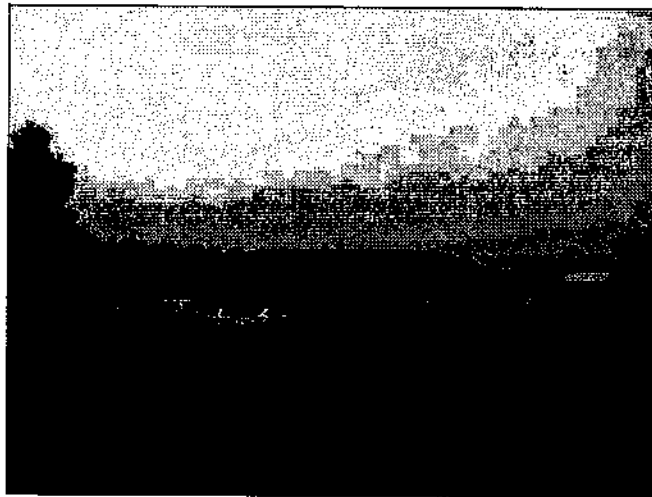
Verification	Gary Garrard; Confirmed by Mitchell D. Bennett
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Improved Lease No. 4 (Cont.)**Rent Analysis****Actual Rent**

\$5.60 - \$5.60/SF; \$5.60/SF Average

Remarks

This is the lease of a 6,000 square foot metal building on Highway 247 across from N. Davis Drive and just north of Robins Air Force Base. The building was constructed in 2006 and contains 2,000 square feet of retail showroom and office space with the remainder being warehouse. There is also a 14 foot covered porch around the front and sides containing 3,472 square feet. The warehouse area has four 14' overhead roll up doors. Gross lease at \$2800 per month for five years beginning 2007. Currently leased to a retail flooring/tile store.

Improved Lease No. 5**Property Identification**

Record ID 1937
Property Type Office/Warehouse, Office Warehouse
Property Name Sunbelt Plastics
Address 901 Carl Vinson Pkwy, Centerville, Houston County, Georgia

Physical Data

Land Size 2.722 Acres or 118,570 SF
SF 16,000

Area Breakdown

Office	700
Warehouse	15,300

Construction Type Metal
Roof Type Metal
Foundation Concrete slab
Stories One
Floor Height 16
Year Built 2010
Condition Good

General Lease Data

Tenant Sunbelt Plastics
Typical Lease Term 7 years
Lease Type Modified Gross
Tenant Size 16,000 to 16,000

General Tenant Summary

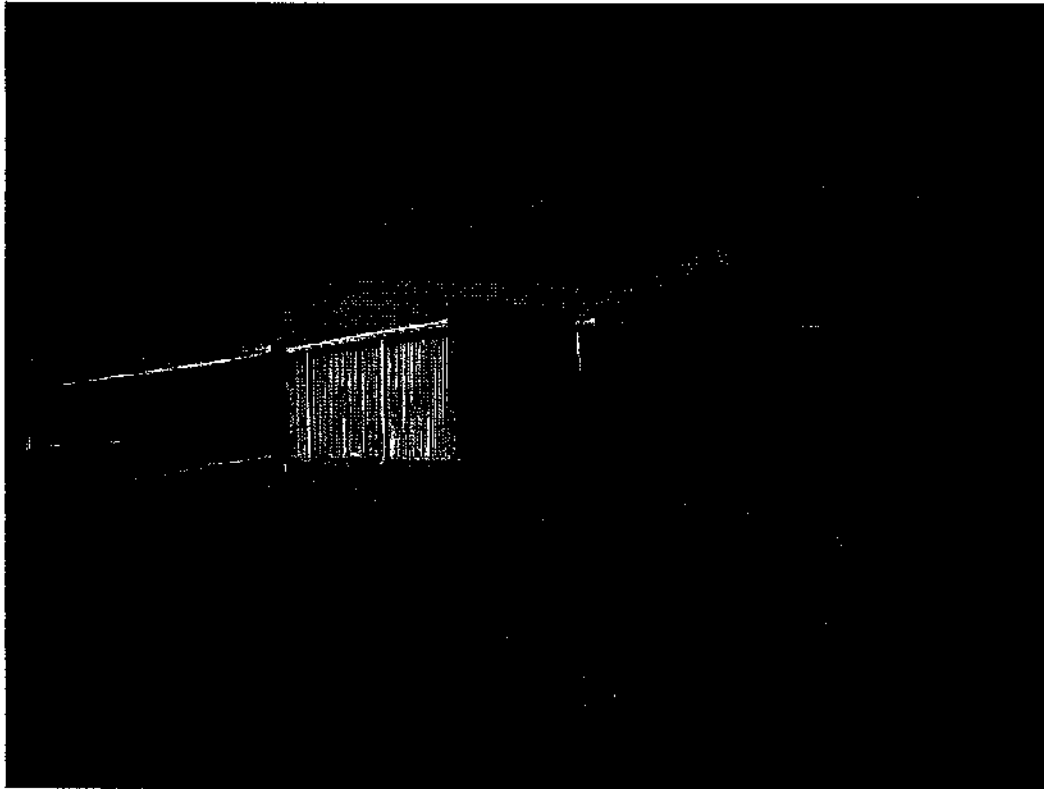
Verification Gary Garrard; Confirmed by Mitchell D. Bennett

Improved Lease No. 5 (Cont.)**Rent Analysis****Actual Rent**

\$4.20 - \$4.20/SF; \$4.20/SF Average

Remarks

This is the lease of a newly constructed 16,000 square foot light industrial building in north Houston County. The building contains 700 square feet of office space with the remainder being warehouse/production area. It has 16' eaves, two 14' overhead roll up doors and asphalt paving for parking. It was constructed for and leased to Sunbelt Plastics which operates on the adjoining property. Seven year lease term with tenant responsible for building maintenance.

Improved Sale No. 1**Property Identification**

Property Type	Light Industrial
Property Name	Office/Warehouse
Address	636 Dunbar Rd, Warner Robins, Houston County, Georgia 31093
Location	Houston County
Tax ID	0W72B0 01A

Sale Data

Grantor	John M. Edenfield, R Woodbridge Turner and Della Jo G Turner
Grantee	Michael D Smith
Sale Date	July 23, 2012
Deed Book/Page	5912/ 100
Recorded Plat	25/ 5
Property Rights	Fee Simple
Financing	Owner financed \$87,500 due July 1, 2022.
Verification	Public records, Loopnet, Confirmed by Mitchell D. Bennett

Sale Price	\$125,000
Cash Equivalent	\$125,000

Land Data

Land Size	2.040 Acres or 88,862 SF
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Improved Sale No. 1 (Cont.)

Zoning	M-1, M-1
Topography	Level
Utilities	Public

General Physical Data

Building Type	Single Tenant
Gross SF	6,300

Foundation	Slab
Stories	One
Year Built	1982

Indicators

Sale Price/Gross SF	\$19.84
Floor Area Ratio	0.07
Land to Building Ratio	14.29:1

Remarks

This is the sale of light manufacturing facility located on Dunbar Rd. The structure was built in 1982 and is comprised of mainly warehouse space. The property recently sold for \$125,000 or \$19.84 per square foot. This transaction took place on July 23, 2012 and is recorded in Deed Book 5912, pages 100-101.

Improved Sale No. 2**Property Identification**

Property Type	Light Industrial
Property Name	Office Warehouse
Address	4126 Gray Highway, Gray, Jones County, Georgia
Tax ID	J44 00 114A

Sale Data

Grantor	State Bank And Trust Company
Grantee	Micah A. Strong
Sale Date	June 12, 2012
Deed Book/Page	827/75
Property Rights	Fee Simple
Sale History	02/09/2012, \$196,640.62 Foreclosure
User 4	DB 818/24
Verification	Trey Faircloth, Robins Federal Credit Union; Tax Records, Deed Records, Confirmed by Mitchell D. Bennett

Sale Price	\$145,100
Cash Equivalent	\$145,100

Improved Sale No. 2 (Cont.)**Land Data**

Land Size	2.160 Acres or 94,090 SF
Front Footage	116 ft Gray Highway
Zoning	C-2 - Commercial
Topography	Slopes to the rear
Utilities	Public water & septic system
Shape	Slightly irregular
Landscaping	Adequate

General Physical Data

Building Type	Single Tenant
Gross SF	4,948
Area Breakdown	Office 1,428 Warehouse 3,520
Construction Type	Pre-engineered metal frame
Roof Type	Metal
Foundation	Slab
Electrical	Adequate
HVAC	Central HVAC in office
Stories	One
Floor Height	15-20
Year Built	2001
Condition	Average

Indicators

Sale Price/Gross SF	\$29.32
Floor Area Ratio	0.05
Land to Building Ratio	20.00:1

Remarks

This is the bank sale of an office warehouse facility consisting of a 2.16 acre parcel that has been improved with an 11 year old, 4,948 square foot pre-engineered metal over metal frame, office-warehouse facility. This facility has 1,428 square feet of finished office space and 3,520 square feet of warehouse area. The office area includes a reception area, four offices, a break area, and three restrooms. The warehouse has a single restroom with the remaining space being open warehouse space. The warehouse area has two 12 x 12 overhead doors. One is at ground level, and the other is dock high. The property is located along the southeast side of Gray Highway just north of Highway 18.

Improved Sale No. 3**Property Identification**

Property Type	Light Industrial
Property Name	Office/Warehouse
Address	10165 Lower Thomaston Rd, Macon, Monroe County, Georgia 31220
Location	Monroe County
Tax ID	084 020E

Sale Data

Grantor	Jarriel, Kelly H & Robin R
Grantee	Lizella Properties
Sale Date	October 28, 2011
Deed Book/Page	1472/054
Recorded Plat	31/ 89
Property Rights	Fee Simple
Verification	Public records, Confirmed by Mitchell D. Bennett

Sale Price	\$275,000
Cash Equivalent	\$275,000

Land Data

Land Size	1.520 Acres or 66,211 SF
Zoning	R, R

Income Analysis

Potential Gross Income	\$33,600
Vacancy	\$2,688

Improved Sale No. 3 (Cont.)

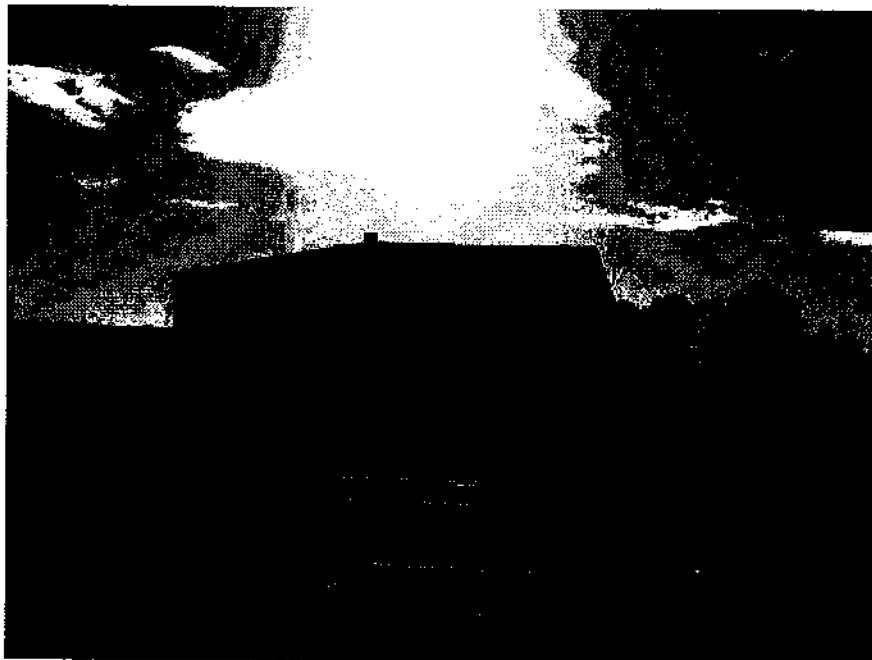
Effective Gross Income	\$30,912
Expenses	\$6,658
Net Operating Income	\$24,254

Indicators

Sale Price/Gross SF	\$28.65
Floor Area Ratio	0.14
Land to Building Ratio	7.14:1
Occupancy at Sale	100% Leased
Gross Income Multiplier	8.18
Eff. Gross Income Multiplier	8.9
Expenses/Sq. Ft.	\$0.69
Overall or Cap Rate	8.82%
Net Operating Income/Sq. Ft.	\$2.53

Remarks

The site is improved with a 9,600 square foot general purpose pre-engineered metal frame structure that is typical for light industrial or office-warehouse use. This 9,600 square foot facility is made up of two 80 x 60 pre-engineered buildings that have been joined together. The original building included 4,800 square feet and was built in 1996, and in 2005 a 4,800 square foot addition was made. One of the buildings has approximately 15 to 16 foot eaves with a 24 to 26 foot center height. The other building has approximately 14 foot eaves with a 16 to 18 foot center height. On the interior 1,355 square feet that has been converted into heated and cooled office space, with mezzanine storage above it, and there is an additional 230 square feet of warehouse office space with two warehouse restrooms. The subject property is located along the northeast side of Lower Thomaston Road, just south of the intersection of Lower Thomaston Road and Thomaston Road/Hwy 74. The property was purchased by the tenant.

Improved Sale No. 4**Property Identification**

Property Type Light Industrial /Office-Warehouse
Address 3184 Mercer University Drive, Macon, Bibb County, Georgia
Tax ID N082-0476

Sale Data

Grantor Chao Ying Davis
Grantee North Macon Healthcare Properties Inc.
Sale Date August 11, 2011
Deed Book/Page 8562/139
Recorded Plat 61/114
Property Rights Fee Simple
Verification Public Records, Confirmed by Mitchell D. Bennett

Sale Price \$165,000
Cash Equivalent \$165,000

Land Data

Land Size 1.242 Acres or 54,102 SF
Front Footage 200 ft Mercer University Drive
Zoning C-2 - Commercial
Topography Generally Level
Utilities All Public

Improved Sale No. 4 (Cont.)

Shape Generally Triangular

General Physical Data

Building Type Single Tenant
Gross SF 9,000

Construction Type Pre-engineered metal
Roof Type Metal
Foundation Concrete Slab
Electrical Adequate
Stories One
Year Built 1980
Condition Average

Indicators

Sale Price/Gross SF \$18.33
Floor Area Ratio 0.17
Land to Building Ratio 5.88:1

Remarks

This is the sale of a general purpose pre-engineered metal office warehouse facility located on Mercer University Drive just east of Anthony Road and just west of Henderson Drive. The property has good visibility from Mercer University Drive and has adequate paved parking to service the facility.

Improved Sale No. 5**Property Identification**

Property Type	Light Industrial
Property Name	Office/Warehouse
Address	4338 Interstate Dr, Macon, Bibb County, Georgia 31210
Location	Macon
Tax ID	K008-0082

Sale Data

Grantor	Southeastern Carpenters
Grantee	Holland, Howard O. Jr.
Sale Date	January 06, 2011
Deed Book/Page	8439/375
Recorded Plat	75/85
Property Rights	Fee Simple

Sale Price	\$111,000
Cash Equivalent	\$111,000

Improved Sale No. 5 (Cont.)**Land Data**

Land Size	1.000 Acres or 43,560 SF
Zoning	PDI, PDI, Planned Development Industrial
Topography	Level
Utilities	Public

Indicators

Sale Price/Gross SF	\$21.85
Floor Area Ratio	0.12
Land to Building Ratio	8.33:1

Remarks

This is the sale of an office/warehouse facility located at 4338 Interstate Dr in Macon Ga. The property is comprised of a one acre parcel improved with buildings totaling 5,080 square feet. The buildings were built in 1987 and are of prefabricated structural steel construction. The property conveyed on January 06, 2011 for \$111,000 or \$21.85 per square foot. The Grantor is listed as Southeastern Carpenters and the Grantee is listed as Holland, Howard O. Jr. This transaction is recorded in Deed Book 8439, page 375.

Improved Sale No. 6**Property Identification**

Property Type	Office/Warehouse, Retail
Property Name	Office/Warehouse
Address	629 General Courtney Hodges Blvd, Perry, Houston County, Georgia 31069
Location	Perry
Tax ID	0P0360 116

Sale Data

Grantor	Triple F Farm LLC
Grantee	Cool Breeze Pools & Spas, Inc
Sale Date	March 14, 2012
Deed Book/Page	5782/28-29
Recorded Plat	68/109
Property Rights	Fee Simple
Financing	Conventional
Verification	Bryan Fountain (Grantor); Tax Records, Warranty Deed, Confirmed by Cole Christie
Sale Price	\$265,000
Cash Equivalent	\$265,000

Improved Sale No. 6 (Cont.)**Land Data**

Land Size	0.550 Acres or 23,958 SF
Zoning	C-2, C-2 - Commercial
Topography	Slightly above street Level
Utilities	Public

General Physical Data

Building Type	Single Tenant
Gross SF	6,060
Construction Type	Pre-engineered metal
Roof Type	Metal
Foundation	Concrete Slab
Electrical	Adequate
HVAC	Central HVAC
Stories	One
Year Built	1986
Condition	Average

Income Analysis

Potential Gross Income	\$32,412
Vacancy	\$1,621
Effective Gross Income	\$30,791
Expenses	\$6,158
Net Operating Income	\$24,633

Indicators

Sale Price/Gross SF	\$43.73
Floor Area Ratio	0.25
Land to Building Ratio	4.00:1
Occupancy at Sale	Occupied
Gross Income Multiplier	8.18
Eff. Gross Income Multiplier	8.61
Expenses/Sq. Ft.	\$1.02
Overall or Cap Rate	9.3%
Net Operating Income/Sq. Ft.	\$4.06

Remarks

This is the sale of a 6,060 square foot retail/warehouse facility located on General Courtney Hodges Blvd in Perry. The property at the time of the sale was rented by Cool Breeze Pools & Spas, Inc. The property transferred for \$265,000 or \$43.73 per square foot. The Grantee is listed as Cool Breeze Pools and Spas, Inc. and the Grantor is listed as Triple F Farm, LLC. This transaction took place on March 14, 2012 and is recorded in Deed Book 5782, pages 28-29.



Appraisal Engagement Authorization

Appraiser: **Mitchell Bennett** ID: **GACOL21** Date: **03/15/2013** Appraisal ID: **OMS-126210- Report # 1**
Phone: **(478) 951-0859** Fax:
Address: **, 108 Suncrest Place Kathleen, GA, 31047**

Subject to the provisions herein and the BB&T Appraisal Engagement Document Attachment, you are authorized to proceed with the appraisal assignment briefly described below. Please call the Engagement Specialist indicated below if you have any questions or need further information regarding the property.

Date Ordered: **03/15/2013** Appraisal Fee: **\$ 2,500** Delivery Expected: **03/25/2013**
Borrower: **OWEN PAINT & BODY INC**

Address 1: **121 DRAYTON ALLEY** Additional Address Information:
City: **MONTEZUMA** State: **GA** Zip: **310630000** County: **Macon**

Parcel IDs: **4023J 0004**

Additional Property Info.: **Appraisal needed on existing 3,632 Square Foot Steel Frame/Industrial Shop with 1, 086 Square Foot Shed located on 0.76+/-Acres. External appraisal will suffice.**

Contact Person: **Brad Minear** Phone: **(407) 667-2320** Ext: Phone 2:

Appraisal Type: **Comprehensive** Report Format: **Summary**
Value Estimate(s) Requested: **Mkt Value As Is**
Real Property interest to be appraised: **Fee Simple, Leased Fee**

Miscellaneous Comments: **External appraisal will suffice.**

Photo Exhibits for Appraisals with Interior and/or Exterior Property Inspections:

1. **Exterior photographs, which must, at a minimum, include: Clear, descriptive photographs showing the front, back (all sides), and a street scene of the subject property and the front of each comparable sale. The subject and all comparables must be appropriately identified.**
2. **Interior photographs, which must, at a minimum, include: the kitchen, all bathrooms, main living area, examples of physical deterioration, if present and examples of recent updates, such as restoration, remodeling and renovation, if present.**

Please reference in your report the Parcel Identification Number(s) related to this property.

If the appraisal is for multiple subdivision lots, homes, or residential/commercial condos, please identify the lot numbers, unit numbers and addresses related to each of the tax Parcel ID numbers.

Please remember that in addition to rating the appraisal quality, BB&T rates your professionalism and timeliness. Should you encounter difficulties that may affect the due date on this assignment, please contact your Engagement Specialist immediately. Delivering the report on the promised delivery date will help keep your ratings high and avoid having to forfeit part of the fee due to tardiness. If the report is late due to no fault of BB&T or our client, a forfeiture of part of the fee will be imposed.

****PLEASE NOTE** A 3% fee reduction will be applied for each calendar day the report is past due if deemed necessary.**

Note: Mail one (1) hard copy of the report (with the exception of the 1-4 family SFR appraisals) to the Real Estate Appraisal Department addressed to: **Real Estate Appraisal Department, BB&T, 2713 Forest Hills Road, Wilson, NC 27893.**

All reports (PDF or hardcopy) are to be delivered directly to READ. Please do not give a copy to the borrower, property owner or any other BB&T employee without authorization.

Standards: The assignment must be processed and the report prepared in accordance with the guidelines of BB&T as stated in the instructions herein and rulings of the federal regulatory agencies.

Competency: Acceptance of this assignment shall indicate that the appraiser is in compliance with the Competency Provision of USPAP and is suitably State Certified/Licensed by the State in which the subject property is located. If temporary licensing is obtained for purposes of completing this assignment, evidence that such licensing has been received must be included in the report addenda.

Confidentiality: It is understood and agreed by you that BB&T is your confidential client and no information regarding your appraisal may be furnished to anyone other than the undersigned. Any questions related to the required form and substance of the appraisal shall be directed to the undersigned, and no one else.

Appraiser Independence: Maintaining the independence and objectivity of the appraisal process is of utmost importance to BB&T. If an appraiser has a current or prospective interest in the subject property, transaction, or parties involved, the appraiser must decline the assignment. If at any time during the assignment, the appraiser realizes that they have performed any prior appraisal services on the subject property, the appraiser must stop and notify BB&T immediately, allowing the Real Estate Appraisal Department to determine whether or not to proceed with the assignment. Additionally, the appraiser must be able to remain unbiased by the previous assignment, or decline the current assignment. If during the course of completing an assignment, the appraiser becomes aware of a potential conflict of interest, the appraiser must contact BB&T's Real Estate Appraisal Department immediately. All communication between the appraiser and BB&T must be through the Real Estate Appraisal Department.

Address: The appraisal reports must all be addressed and submitted to the following address:

**BB&T
Real Estate Appraisal Department
2713 Forest Hills Road
Wilson, NC 27893**

Each copy of the appraisal report must include in the Addenda a copy of this letter and attached instructions, with proper signatures, in order to be acceptable. Should you encounter reporting requirements different than indicated herein, **please call the person who initiated the engagement document before proceeding.**

When completed, please submit one PDF copy and separate invoice (as instructed) into the Real Estate Management System (REMS) and one original copy of your report with original photographs (except for 1-4 Single Family Residential appraisals) to the above addressee on or before the agreed upon delivery date together with an invoice for your fee. The appraiser named in this engagement letter must be a signatory to the appraisal report and must inspect the property to be appraised. Please be aware that errors in the appraisal or failure to follow these instructions will result in the appraisal being returned to you for correction. Payment for your services will be contingent upon timely correction of any deficiencies found during BB&T's review. BB&T will review the appraisal and notify you of any such deficiencies within 30 days of receipt of the appraisal.

General Appraisal Standards Requirements:

1. The appraisal assignment must be processed and the report prepared in accordance with the guidelines as follows:

Mitchell D. Bennett Appraisals

- a. Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation.
 - b. Federal regulations as stipulated by all appropriate federal regulatory agencies under the most recent Real Estate Appraisal Ruling (12 CFR Part 34 [Title XI of FIRREA]), as well as any other regulatory requirements that may apply.
 - c. BB&T's Appraisal Regulations, as indicated herein.
 - d. In all cases the more demanding requirement will apply.
2. The appraisal must be sufficiently descriptive to enable the reader to ascertain the estimated market value, as defined above, and contain sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at a conclusion will indicate to the reader the reasonableness of the market value reported, and generally must conform to the definition of the reporting format indicated above.
 3. The appraisal must be self-sufficient, without reference to documents not included. Any third party studies used to determine value must be verified, explained and attached to the appraisal.

Specific Appraisal Content Requirements:

4. The appraisal must **state the appraisal type and reporting format** as indicated on page one of these instructions. (BB&T)
5. The appraisal must **state and define the value(s) to be estimated** as instructed on page one of these instructions and as specifically indicated in the engagement letter accompanying these instructions. (USPAP)
6. The appraisal must **state the real property interest being appraised** as indicated in the engagement letter accompanying these instructions. (USPAP)
7. The appraisal must **state the purpose and intended use** as indicated in the engagement letter accompanying these instructions. (USPAP)
8. The appraisal must **state the date of the report and the effective date of valuation**. The effective date of value must be within 30 days of the date the report is delivered to BB&T unless waived by the ordering officer. (USPAP)
9. The appraisal must **describe the scope of the report** (extent of the process used in the collection, confirmation and reporting of data), including: type of property being appraised; date of last physical inspection; period that data was investigated; geographical markets researched; and sources used to collect and verify data. (USPAP)
10. The appraisal must **clearly identify the subject property**. The identification should, as a minimum, provide the subject property's name, address, and further indication of location with a brief property description. (USPAP)
11. The appraisal must **include a legal description** of the real estate being appraised in addition to the description required by the USPAP. Tax map and deed book references are not considered legal descriptions. (BB&T)
12. The appraisal must **include a detailed site description**. Identify the subject property's approximate dimensions, frontage, depth, shape, topography, drainage, soil condition, availability of utilities, access and visibility. (BB&T)
13. The appraisal must **indicate whether or not subject property lies within a designated flood hazard area** and the value must reflect the impact, if any, on the property being so determined to lie within a flood hazard zone. (BB&T)

14. The appraisal must **include a detailed description of existing and/or proposed improvements**. Identify number of units, buildings and each building's type, age, condition, size, and if proposed, the expected date of completion. Further describe the subject's current use, its functional adequacy including parking, site coverage, percentage office, and amenities. (BB&T)
15. The appraisal must **analyze and report current market conditions and trends** of the region, city, and neighborhood to the extent that they affect the value of the property. (USPAP)
16. The appraisal must **detail any encumbrances** such as prior liens, title defects, or deed restrictions which are cited in the title information provided by the ordering Bank officer; or the existence of any easements, rights-of-way, or encroachments that might be known or detailed in the survey information also provided by the ordering Bank Officer; or the existence of any covenants, restrictions, or special assessments that are known or discovered in the appraisal process. Your value estimate must reflect the impact, if any, of any such encumbrances. (USPAP)
17. The appraisal must be **based on existing zoning** however, you may value the property based on both current zoning and any other zoning that is likely to be obtained within a short period. The likelihood of obtaining an alternative zoning should be explained in the report. In addition, the report must include your statement as to whether or not the subject property is in compliance with the existing zoning. The appraiser should discuss the implication of value if the property is a non-conforming use and out of operation. (USPAP)
18. The appraisal must **note the presence or absence of any potential environmental hazards** (i.e., underground storage tanks, storage containers of known or unknown contents, evidence of waste disposal such as sludge, paints, chemical residues, oil spillage, asbestos content in building material, etc.). All environmental problems that may affect the value of the subject property, they must be dealt with in the appraisal. (Note: If you discover any environmental problems that may be unknown to the Bank, please call the ordering officer immediately!) If an environmental assessment and an estimate of the cost to "clean up" the property have been furnished by BB&T, these costs must be given consideration in the estimate of value. Likewise, when valuing distressed property solely on a land value basis that implies demolition or removal of improvements, the cost of demolition and/or removal should be netted against the land value with the estimated cost of removal so reflected. Include photographs when appropriate. If no such hazards are known or observed, the appraiser should provide a statement to this effect. (BB&T)
19. The appraisal must **provide the current assessed value and the amount of annual property taxes** for the property, (include a copy of the subject's current tax abstract), and comment as to the reasonableness of the assessed value and the effect of any special taxing districts including their impact if any upon the property's value. When the subject is proposed, provide an estimate of taxes based on the appraised value. (BB&T)
20. The appraisal must **include a detailed highest and best use analysis** which tests the feasibility of the subject site "As If Vacant" and "As Improved", when applicable. (USPAP)

Specific Appraisal Valuation Process and Content Requirements:

21. The appraisal must **report and analyze data on previous sales of the subject property**. For all property types, prior sales for the three years preceding the date on which the appraisal was prepared must be reported and analyzed. (USPAP) Comparable sales should reflect sale dates that do not exceed these time periods and, if possible, should reflect sales within the previous six months. (BB&T)
22. Unless otherwise instructed, the appraisal must **follow a reasonable valuation method that considers and addresses the Income Approach, Sales Comparison (Market) Approach and Cost Approach** to market value, and reconciles those approaches. It is acceptable to eliminate the use of one or more of the approaches to value only after giving consideration and in the appraiser's professional judgment

the approach is irrelevant and/or there is no data available after thorough research has been conducted. If one or more approach cannot be used, the appraiser must explain the elimination of each and document what applicable research was conducted to determine its irrelevance or the lack of pertinent data. (USPAP) Furthermore, BB&T will not accept an appraisal report where the Cost Approach is the only method of value utilized. If the Cost Approach is used, there must be an additional approach to value presented to support the conclusion of value.

23. The appraisal must **appraise the property in the actual, "as-is" state of development**. If estimates to complete repairs or to correct code violations have been furnished, specify whether those expenses have been considered in estimating the property's appraised value. (BB&T)
24. The appraisal of proposed construction, renovation or other modifications must be **based on the most recent plans and specifications assuming 100% completion of the planned improvements**. A Market Value "As Is" on the appraisal date and a Prospective Future Market Value(s) upon completion of construction, and if applicable upon achieving stabilized occupancy are required for proposed projects. The appraiser should include the estimated "Time to Completion" if available. (BB&T)
25. Unless otherwise requested, the appraisal must **consider and analyze an Income Approach to valuation** and is required when the subject property is an income producing property. (USPAP) This analysis should:
 - a. For income producing properties with existing leases, report actual data on current revenues, expenses, and vacancies.
 - b. For income producing, multi-tenant properties include the Discounted Cash Flow (DCF) method.
 - c. For income producing, multi-tenant properties provide a current rent roll and lease summary.
 - d. Provide adjustment grid(s) to quantify the appraiser's adjustments and support market rent estimates.
 - e. Provide detailed data sheets for each comparable property, including photographs.
 - f. Explain and support all calculations and assumptions.
 - g. Analyze and report appropriate deductions and discounts for any proposed construction.
 - h. Analyze and report appropriate deductions and discounts for any completed properties that are partially leased and/or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units.
26. Unless otherwise requested, the appraisal must **consider and analyze a Sales Comparison (Market) Approach to valuation** when sufficient market data is available. (USPAP) This analysis should:
 - a. Provide adjustment grid(s) to quantify the appraiser's adjustments and support market value estimates.
 - b. Provide detailed data sheet for each comparable property, including photographs.
 - c. Analyze and report appropriate deductions and discounts for any proposed construction.
 - d. Analyze and report appropriate deductions and discounts for any completed properties that are partially leased and/or leased at other than market rents as of the date of the appraisal.
27. Unless otherwise requested, the appraisal must **consider and analyze a Cost Approach to valuation** and is required when the subject property is proposed or newly constructed. (USPAP) (The subject property is considered "new" when its actual age is less than one quarter of its estimated life expectancy.) This analysis should:
 - a. For proposed projects, report actual data as contracted to complete or as estimated to complete.
 - b. For existing properties, provide a detailed discussion of your analysis showing all calculations.
 - c. Explain and support construction cost and depreciation estimates with market evidence.
28. The appraisal must **identify and separately value any personal property, fixtures, or intangible items** that are not real property but are included in the appraisal, and discuss the impact of their inclusion or exclusion on the estimate of value. (USPAP)

29. **All assumptions and projections should be supported and conform to current market conditions. In the case of income property, the capitalization rate, discount rate, revenues, expenses, vacancy rates, financing terms, and absorption rate should be reasonable and well documented. If the property is land which, in the appraiser's opinion, cannot be sold within 12 months or if it is land with a plan for development into lots, valuation must be based on a discounted cash flow analysis of the revenues minus estimated expenses including, but not limited to, costs of carrying the lots for the time period necessary to sell all the subject property. In these cases, the appraiser will be required to submit the following values: (USPAP) (BB&T)**
 - Discounted Cash Flow Value
 - Discounted Cash Flow Value per Structure/Unit Type
 - Discounted Cash Flow Value per Lot/Land Type
 - Insurable Value per Structure/Unit Type
30. The appraisal must **reconcile all approaches to valuation** that have been considered, analyzed and utilized. Discuss the relative strengths and weaknesses of each approach to value and indicate the weight of each approach to value considered in arriving at your final value estimate(s). (USPAP)
31. The appraisal must **provide an allocation of value for all real property appraised**. Allocation of value should at a minimum be indicated for land and for individual real property improvements. In assignments where the subject is a "Going Concern" (an operating business enterprise that is expected to continue), non-realty components must be identified and the final value allocated among the real property, personal property, and intangible business value. (BB&T)
32. The appraisal must be **signed and dated by the preparing appraiser (and sealed where required)**. The signature, date, and seal should occur on the certification and where the final market value is reported. (BB&T)
33. The appraisal must **analyze and report a reasonable marketing period** for the subject property. This marketability study should classify the typical market purchaser(s), measure existing supply and demand, forecast changes in the future supply and demand and note the typical selling commissions and other related costs required to affect a sale of the subject. (BB&T) The appraiser must also develop an opinion of reasonable exposure time linked to the value opinion. (USPAP)
34. The appraisal must **include a list and an explanation of any missing or unavailable data or deviations from USPAP requirements**. If information required or deemed pertinent to the completion of an appraisal is unavailable, this fact must be disclosed and explained in the appraisal. (USPAP)
35. The appraisal must **include a Certification** in accordance with USPAP Standards Rule 2-3. The Certification must be signed and dated by each appraiser contributing to the analysis and valuation of the property. If more than one party signs a Certification, the document must clearly show the differentiating extent to which the appraiser(s) contributed to the analysis and investigation of the property. (USPAP)
36. The appraisal must **include a statement of competency by the appraiser** along with any steps taken that were necessary or appropriate to comply with the Competency Provision. (USPAP)
37. The appraisal must **include the appraiser's qualifications** for proof of competence to complete the appraisal assignment. Provide indication of your state certification or licensing status, as appropriate, professional experience, education, training, continuing professional education, and appropriate affiliations. (BB&T)

38. The appraisal must include an assumptions and limiting conditions statement. CLEARLY AND ACCURATELY DISCLOSE ANY EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS THAT DIRECTLY AFFECT THE APPRAISAL AND IMPACT THE VALUE. (USPAP)
39. All appraisals must, as a minimum, include the following exhibits:
- Photographs: Subject (front, rear, street scenes), Comparable Improved Sales and Comparable Improved Rentals
 - Subject Property's Survey (when provided or made available)
 - Subject Property's Site Plan (when provided or made available)
 - Subject Property's Floor Plan (when provided or made available); if not, provide a sketch with exterior dimensions
 - Subject Property's Tax Abstract
 - Map of City/Regional area locating the subject property
 - Map of area locating Land sales
 - Map of area locating Improved Sales
 - Map of area locating Rent Comparables
 - BB&T Engagement Letter, signed and dated by the appraiser
 - BB&T Appraisal Instructions, signed and dated by the appraiser
40. Under certain conditions and for some property types, a **Quick Sale Value** estimate may be requested by the engagement letter in addition to a Market Value estimate. In such cases, the definition of Quick Sale Value shall be as follows: The most probable price which a specified interest in real property is likely to bring when the property must be sold without reasonable market exposure, typically within 90 days.

Requirements for Appraisal Updates:

41. Consistent with USPAP Advisory Opinion AO-3, BB&T accepts appraisal updates under the following conditions:
- The update is considered a new assignment and the original appraiser-client relationship has terminated.
 - The original appraisal is available for comparative review.
 - The scope of work in the update must be clearly stated.
 - Discussion of each section of the report noting whether there have been substantive changes, to include but not be limited to, a recalculation, including all exhibits, of values in the original appraisal obtained by all three recognized methods of establishing value. The Income Approach must use actual income and expenses of the subject property.
 - Current photographs of the subject property.
 - Updated Assumptions and Limiting Conditions.
 - Updated Appraisal Certification.

I hereby certify that to the best of my knowledge I have complied and will continue to comply with these instructions in their entirety.



January 25, 2013

OMS-126210 Report #1

BB&T Approved Appraiser's
Signature

Date

Appraisal I.D. Number

Specific performance and reporting requirements for each BB&T appraisal type are described below.

	<i>BB&T APPRAISAL TYPES</i>
Requirement	<i>COMPREHENSIVE</i>
General Performance Requirement: report of work sufficient to produce credible assignment results.	All applicable approaches
General Reporting Requirement	<p>Identify and narrate data and analysis in support of the assignment results.</p> <p>Emphasis on clear and concise reporting of the relevant data, analysis, and conclusions.</p>
USPAP Report Type	- Self-Contained Report or Summary Report
Property Tax Data	<ul style="list-style-type: none"> - Current assessment - Current/forecast taxes - Past due taxes - Tax analysis
Valuation Analysis	- All applicable approaches
Proposed Renovation/Construction	<ul style="list-style-type: none"> - Feasibility analysis - Analysis of prospective taxes - Cost approach
Land Valuation Documentation	<ul style="list-style-type: none"> - Description of comparable data - Comparison of data - Analysis/adjustment of data
Cost Approach Documentation	<ul style="list-style-type: none"> - Cost new analysis - Accrued depreciation analysis - Summary of cost analysis components
Sales Comparison Approach Documentation	<ul style="list-style-type: none"> - Description of comparable data - Comparison of data - Analysis/adjustment of data
Income Approach Documentation	<ul style="list-style-type: none"> - Tenant by tenant lease summary - Income and expense history - Market rent comparables - Expense comparables - Support for cap/discount rates - Income and expense forecast
Relevant Exhibits	<ul style="list-style-type: none"> - Site plans/survey/tax maps - Plans & specifications - Subject photographs - Comparable photographs - Subject and comp maps - Web link references

STANDARDS RULE 2-2 REPORT COMPARISON CHART

The essential difference among the three options is in the use and application of the terms describe, summarize and state. Describe is used to connote a comprehensive level of detail in the presentation of information. Summarize is used to connote a more concise presentation of information. State is used to connote the minimal presentation of information.

a) Self-Contained Valuation Report	b) Summary Appraisal Report	c) Restricted Use Appraisal Report
i. identify and describe the real estate being appraised	i. identify and provide a summary description of the real estate being appraised	i. identify the real estate being appraised
ii. state the real property interest being appraised	ii. state the real property interest being appraised	ii. state the real property interest being appraised
iii. state the purpose and intended use of the appraisal	iii. state the purpose and intended use of the appraisal	iii. state the purpose and intended use of the appraisal
iv. define the value to be estimated	iv. define the value to be estimated	iv. state and reference a definition of the value to be estimated
v. state the effective date of the appraisal and the date of the report	v. state the effective date of the appraisal and the date of the report	v. state the effective date of the appraisal and the date of the report
vi. state the extent of the process of collecting, confirming and reporting data	vi. summarize the extent of the process of collecting, confirming and reporting data	vi. describe the extent of the process of collecting, confirming and reporting data
vii. state all assumptions and limiting conditions that affect the analysis, opinions, and conclusions	vii. state all assumptions and limiting conditions that affect the analysis, opinions, and conclusions	vii. state all assumption and limiting conditions that affect the analysis, opinions, and conclusion
viii. describe the information considered, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions	viii. summarize the information considered, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions	viii. state the appraisal procedures followed, state the value conclusion and reference the existence of specific file information in support of the conclusion
ix. describe the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate	ix. summarize the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate	ix. state the appraiser's opinion of the highest and best use of the real estate, when such an opinion is necessary and appropriate
x. explain and support the exclusion of any of the usual valuation approaches	x. explain and support the exclusion of any of the usual valuation approaches	x. state the exclusion of any of the usual valuation approaches
xi. describe any additional information that may be appropriate to show compliance with, or clearly identify and explain permitted departures from the specific guidelines of Standard 1	xi. summarize any additional information that may be appropriate to show compliance with, or clearly identify and explain permitted departures from the specific guidelines of Standard 1	xi. contain a prominent use restriction that limits reliance on the report to the client and warns that the report cannot be understood properly without additional information in the workfile of the appraiser, and clearly identify and explain permitted departures from the specific Standard 1
xii. include a signed certification in accordance with Standards Rule 2-3	xii. include a signed certification in accordance with Standards Rule 2-3	xii. include a signed certification in accordance with Standards Rule 2-3

Explanatory Comments have not been included in this chart.

