

Appraisal of Real Property

West Midtown Data Center

Data Center/Office Property

1120 Curran Street NW.

Atlanta, Fulton County, Georgia 30309

Client Reference: 17-002436-01-1

Prepared For:

Regions Bank

and

Small Business Administration

Effective Date of the Appraisal:

July 20, 2017

Report Format:

Appraisal Report – Standard Format

IRR - Atlanta

File Number: 101-2017-0393





West Midtown Data Center
1120 Curran Street NW.
Atlanta, Georgia



July 25, 2017

Pamela York
REVS VM Team
Regions Bank
201 Milan Pkwy
Birmingham, AL 35211

SUBJECT: Market Value Appraisal
 West Midtown Data Center
 1120 Curran Street NW.
 Atlanta, Fulton County, Georgia 30309
 Client Reference: 17-002436-01-1
 IRR - Atlanta File No. 101-2017-0393

Dear Ms. York:

Integra Realty Resources – Atlanta is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property. The client for the assignment is Regions Bank, and the intended use is for loan underwriting purposes.

The subject is an existing data center/office property containing 14,874 square feet of rentable area. The improvements were constructed in 1976 and were renovated in 2007. Renovations completed included interior updates and a new roof membrane. In 2016 a new 200 ton chiller plant was installed to add to the cooling capacity of the building. The site area is 0.59 acres or 25,700 square feet. The asphalt parking area was repaved and striped and a concrete parking, access and maneuverability area were installed in 2016. The asphalt parking area is fenced with chain-link/barbed-wire fencing and a keypad entry gate.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of Regions Bank. The appraisal is also prepared in accordance with the appraisal

regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 20, 2017	\$4,050,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report. Therefore, we assume the subject property does not suffer from significant deferred maintenance.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None.
-

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.



Pamela York
Regions Bank
July 25, 2017
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Atlanta



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Summary of Salient Facts and Conclusions

Property Name	West Midtown Data Center	
Address	1120 Curran Street NW. Atlanta, Fulton County, Georgia 30309	
Property Type	Data Center/Office - Data Center	
Owner of Record	Hemphill Avenue LLC	
Tax ID	17 014900010393	
Land Area	0.59 acres; 25,700 SF	
Rentable Area	14,874 SF	
Year Built; Year Renovated	1976; 2007	
Zoning Designation	C-2, Commercial Service District	
Highest and Best Use - As if Vacant	Office or flex space use	
Highest and Best Use - As Improved	Continued data center/office use	
Exposure Time; Marketing Period	6-12 months; 6-12 months	
Effective Date of the Appraisal	July 20, 2017	
Date of the Report	July 25, 2017	
Property Interest Appraised	Fee Simple	
Market Value Indications		
Cost Approach	Not Used	
Sales Comparison Approach	\$4,090,000	(\$274.98/SF)
Income Capitalization Approach	\$3,940,000	(\$264.89/SF)
Market Value Conclusion	\$4,050,000	(\$272.29/SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Regions Bank and Small Business Administration may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report. Therefore, we assume the subject property does not suffer from significant deferred maintenance.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None.

Quality Assurance

Delivering superior value is a top priority at IRR and we place a premium on feedback from our valued clients. By learning more about your experience with IRR, we will be better able to serve your needs – to enhance our products, service offerings, and client communications.

Attached is a short survey applicable to this appraisal report and the service that you received. Please take a few minutes to share your experience of IRR with us. Your feedback will be reviewed by our Quality Control team. If you desire a follow-up telephone call, please provide your contact information and a member of our Quality Control team will contact you.

Access the online survey here: quality.irr.com.

Thank you in advance for assisting us with this important endeavor. Please feel free to contact your Local Office using the contact information provided within the letter of transmittal or our Quality Control team at quality@irr.com, with any questions or suggestions you may have.

General Information

Identification of Subject

The subject is an existing data center/office property containing 14,874 square feet of rentable area. The improvements were constructed in 1976 and were renovated in 2007. Renovations completed included interior updates and a new roof membrane. In 2016 a new 200 ton chiller plant was installed to add to the cooling capacity of the building. The site area is 0.59 acres or 25,700 square feet. The asphalt parking area was repaved and striped and a concrete parking, access and maneuverability area were installed in 2016. The asphalt parking area is fenced with chain-link/barbed-wire fencing and a keypad entry gate. A legal description of the property is in the addenda.

Property Identification

Property Name	West Midtown Data Center
Address	1120 Curran Street NW. Atlanta, Georgia 30309
Tax ID	17 014900010393
Owner of Record	Hemphill Avenue LLC

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	June 30, 2016
Seller	Markprop, Inc.
Buyer	Hemphill Avenue LLC
Sale Price	\$2,082,000
Recording Instrument Number	Fulton Warranty Deed Bk 56317 Pg 644
Expenditures Since Purchase	The owner added an additional 200 ton chiller plant which cost \$450,000 and new parking lots which cost \$50,000.

In an effort to gain more information about the 2016 transaction, we interviewed the current owner representative Michael Oken who made the following statement concerning the June 30, 2016 transaction: "It was a private transaction. I had leased the building in 2006 and had a fixed option to buy which I exercised in 2016. No change in use of the building. We have done some improvements since the last transaction. The owner added an additional 200 ton chiller plant and new parking lots."

During the inspection, Mr. Oken disclosed the amount spent on the expenditures:

- \$450,000 for the 200 ton chiller plant
- \$50,000 for repaving the asphalt parking area south of the building improvements and installing the concrete parking area to the north of the building improvements.

These expenditures occurred after the June 30, 2016 transaction.

Our market value conclusion differs significantly from the sale price due to this transaction being private and below market. To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value as is of the fee simple interest in the property as of the effective date of the appraisal, July 20, 2017. The date of the report is July 25, 2017. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

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

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for loan underwriting purposes. The client is Regions Bank. The intended users are Regions Bank and the Small Business Administration. The appraisal is not intended for any other use or user. No party or parties other than Regions Bank and Small Business Administration may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised June 7, 1994;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of Regions Bank.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The **sales comparison approach** is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.

The **income capitalization approach** is an applicable valuation method because:

- There is an active rental market for similar properties that permits us to estimate the subject's income generating potential. Estimated income is converted to a market value indication through capitalization.

The **cost approach** is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- There are limited land transactions in the market area of the subject, making estimates of underlying land value subjective.
- This approach is not typically used by market participants, except for new or nearly new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Sherry L. Watkins, MAI, FRICS, ASA conducted an interior and exterior inspection of the property on July 20, 2017. J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS has not personally inspected the subject property.

Significant Appraisal Assistance

It is acknowledged that Zach Fraysier (Georgia Registered Real Estate Appraiser 351694) made a significant professional contribution to this appraisal, consisting of participating in the property inspection, conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

Fulton County Area Analysis

Fulton County is located in northern Georgia and consists of the Atlanta CBD and surrounding areas to the north and south. It is 527 square miles in size and has a population density of 1,959 persons per square mile. Fulton County is part of the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area, hereinafter called the Atlanta MSA, as defined by the U.S. Office of Management and Budget.

Population

Fulton County has an estimated 2017 population of 1,031,774, which represents an average annual 1.6% increase over the 2010 census of 920,581. Fulton County added an average of 15,885 residents per year over the 2010-2017 period, and its annual growth rate exceeded the Atlanta MSA rate of 1.4%.

Looking forward, Fulton County's population is projected to increase at a 1.3% annual rate from 2017-2022, equivalent to the addition of an average of 14,020 residents per year. The Fulton County growth rate is expected to be similar to that of the Atlanta MSA.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2017 Estimate	2022 Projection	2010 - 2017	2017 - 2022
Fulton County	920,581	1,031,774	1,101,874	1.6%	1.3%
Atlanta MSA	5,286,728	5,843,277	6,234,160	1.4%	1.3%

Source: Environics Analytics

Employment

Total employment in Fulton County is currently estimated at 845,653 jobs. Between year-end 2006 and the present, employment rose by 55,805 jobs, equivalent to a 7.1% increase over the entire period. There were gains in employment in seven out of the past ten years despite the national economic downturn and slow recovery. Although Fulton County's employment rose over the last decade, it underperformed the Atlanta MSA, which experienced an increase in employment of 8.8% or 207,551 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Fulton County unemployment rate has been consistently higher than that of the Atlanta MSA, with an average unemployment rate of 7.5% in comparison to a 7.2% rate for the Atlanta MSA. A higher unemployment rate is a negative indicator.

Recent data shows that the Fulton County unemployment rate is 4.8% in comparison to a 4.5% rate for the Atlanta MSA, a negative sign for Fulton County economy but one that must be tempered by the fact that Fulton County has outperformed the Atlanta MSA in the rate of job growth over the past two years.

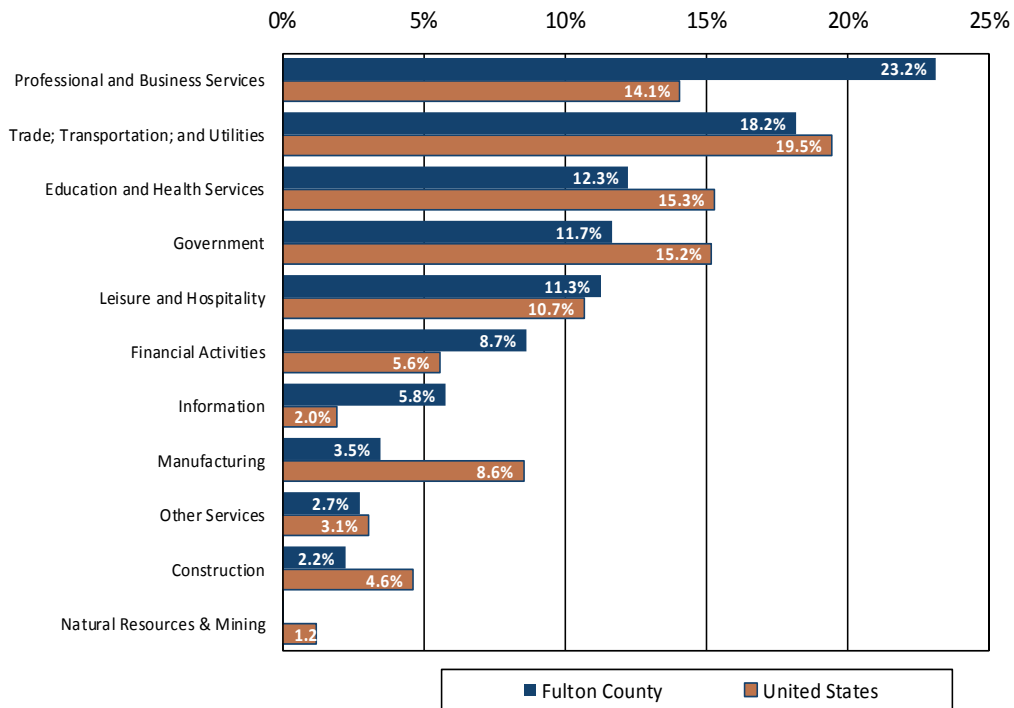
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	%		%		Fulton County	Atlanta MSA
	Fulton County	Change	Atlanta MSA	Change		
2006	789,848		2,347,089		5.0%	4.7%
2007	769,902	-2.5%	2,367,761	0.9%	4.8%	4.4%
2008	731,925	-4.9%	2,270,752	-4.1%	6.4%	6.2%
2009	695,436	-5.0%	2,150,014	-5.3%	10.1%	9.9%
2010	715,216	2.8%	2,167,155	0.8%	10.5%	10.3%
2011	735,651	2.9%	2,210,116	2.0%	10.2%	9.9%
2012	737,867	0.3%	2,251,291	1.9%	9.1%	8.8%
2013	761,033	3.1%	2,318,359	3.0%	8.1%	7.8%
2014	789,339	3.7%	2,408,012	3.9%	7.1%	6.8%
2015	810,226	2.6%	2,482,211	3.1%	6.0%	5.7%
2016	845,653	4.4%	2,554,640	2.9%	5.4%	5.1%
Overall Change 2006-2016	55,805	7.1%	207,551	8.8%		
Avg Unemp. Rate 2006-2016					7.5%	7.2%
Unemployment Rate - April 2017					4.8%	4.5%

Source: Bureau of Labor Statistics and Economy.com. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Fulton County job market is depicted in the chart below. A complete data set is not available for the Atlanta MSA, so we will compare Fulton County to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Fulton County jobs in each category.

Employment Sectors - 2016



Source: Bureau of Labor Statistics and Economy.com

Fulton County has greater concentrations than the United States in the following employment sectors:

1. Professional and Business Services, representing 23.2% of Fulton County payroll employment compared to 14.1% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Leisure and Hospitality, representing 11.3% of Fulton County payroll employment compared to 10.7% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Financial Activities, representing 8.7% of Fulton County payroll employment compared to 5.6% for the nation overall. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.



4. Information, representing 5.8% of Fulton County payroll employment compared to 2.0% for the nation overall. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.

Fulton County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 18.2% of Fulton County payroll employment compared to 19.5% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Education and Health Services, representing 12.3% of Fulton County payroll employment compared to 15.3% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Government, representing 11.7% of Fulton County payroll employment compared to 15.2% for the nation overall. This sector includes employment in local, state, and federal government agencies.
4. Manufacturing, representing 3.5% of Fulton County payroll employment compared to 8.6% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

Major Employers

Major employers in Fulton County are shown in the following table.

Major Employers - Fulton County	
	Name
1	Army National Guard
2	Northside Hospital
3	Delta Air Lines Inc
4	Piedmont Hospital
5	Coca-Cola Refreshments USA Inc
6	Atlanta Medical Ctr
7	Preconstruction-Road & Airport
8	Grady Memorial Hospital
9	Georgia Institute of Tech
10	Georgia World Congress Ctr

Source: Georgia Department of Labor



Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area. Although GDP figures are not available at the county level, data reported for the Atlanta MSA is considered meaningful when compared to the nation overall, as Fulton County is part of the MSA and subject to its influence.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Atlanta MSA than the United States overall during the past eight years. The Atlanta MSA has grown at a 0.9% average annual rate while the United States has grown at a 1.3% rate. As the national economy improves, the Atlanta MSA has recently performed better than the United States. GDP for the Atlanta MSA rose by 2.9% in 2015 while the United States GDP rose by 2.5%.

The Atlanta MSA has a per capita GDP of \$53,216, which is 6% greater than the United States GDP of \$50,054. This means that Atlanta MSA industries and employers are adding relatively more value to the economy than their counterparts in the United States overall.

Gross Domestic Product				
Year	(\$ Mil)		(\$ Mil)	
	Atlanta MSA	% Change	United States	% Change
2008	285,001		14,718,301	
2009	271,120	-4.9%	14,320,114	-2.7%
2010	272,427	0.5%	14,628,165	2.2%
2011	276,516	1.5%	14,833,679	1.4%
2012	280,911	1.6%	15,126,281	2.0%
2013	285,802	1.7%	15,348,044	1.5%
2014	295,397	3.4%	15,691,181	2.2%
2015	303,903	2.9%	16,088,249	2.5%
Compound % Chg (2008-2015)		0.9%		1.3%
GDP Per Capita 2015	\$53,216		\$50,054	

Source: Bureau of Economic Analysis and Economy.com; data released September 2016. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2009 dollars.

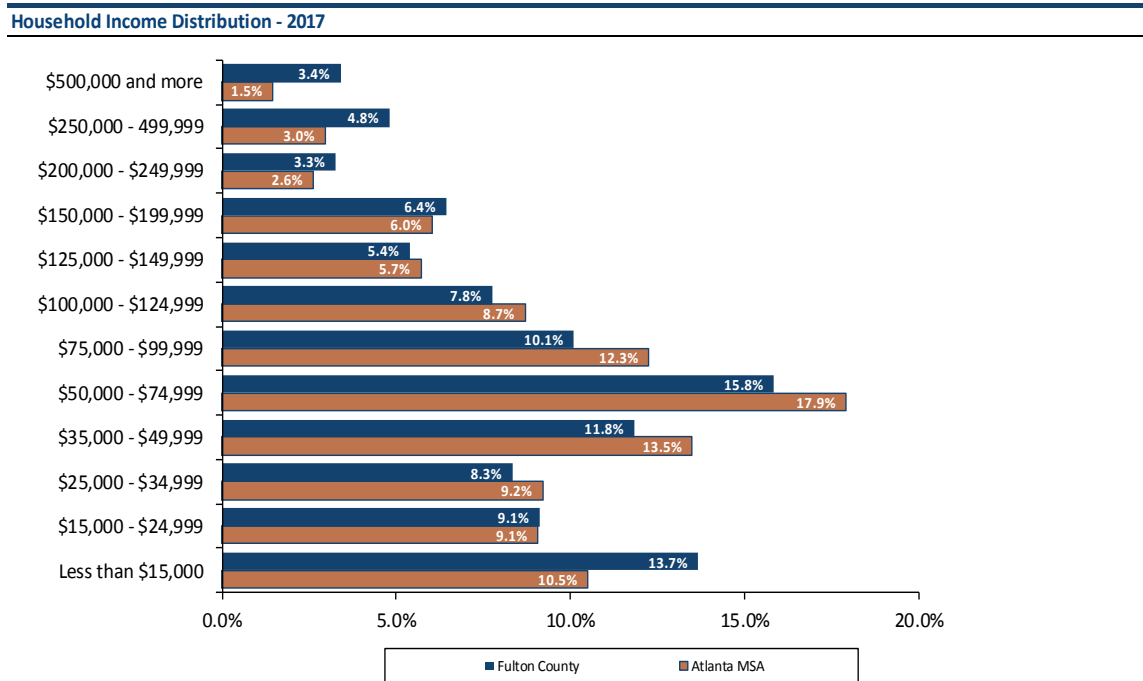
Household Income

Fulton County has a slightly higher level of household income than the Atlanta MSA. Median household income for Fulton County is \$60,084, which is 0.5% greater than the corresponding figure for the Atlanta MSA.

Median Household Income - 2017	
	Median
Fulton County	\$60,084
Atlanta MSA	\$59,801
Comparison of Fulton County to Atlanta MSA	+ 0.5%

Source: Environics Analytics

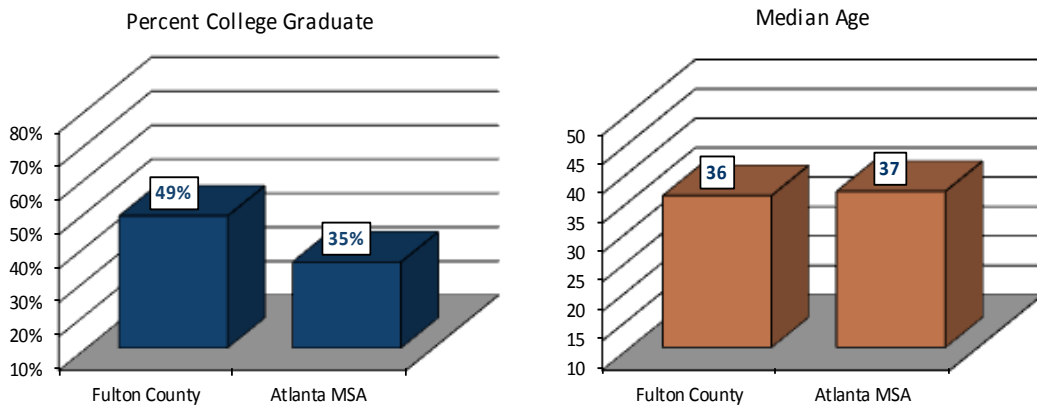
The following chart shows the distribution of households across twelve income levels. Fulton County has a greater concentration of households in the lower income levels than the Atlanta MSA. Specifically, 31% of Fulton County households are below the \$35,000 level in household income as compared to 29% of Atlanta MSA households. A lesser concentration of households is apparent in the middle income levels, as 28% of Fulton County households are between the \$35,000 - \$75,000 levels in household income versus 31% of Atlanta MSA households.



Education and Age

Residents of Fulton County have a higher level of educational attainment than those of the Atlanta MSA. An estimated 49% of Fulton County residents are college graduates with four-year degrees, versus 35% of Atlanta MSA residents. People in Fulton County are slightly younger than their Atlanta MSA counterparts. The median age for Fulton County is 36 years, while the median age for the Atlanta MSA is 37 years.

Education & Age - 2017



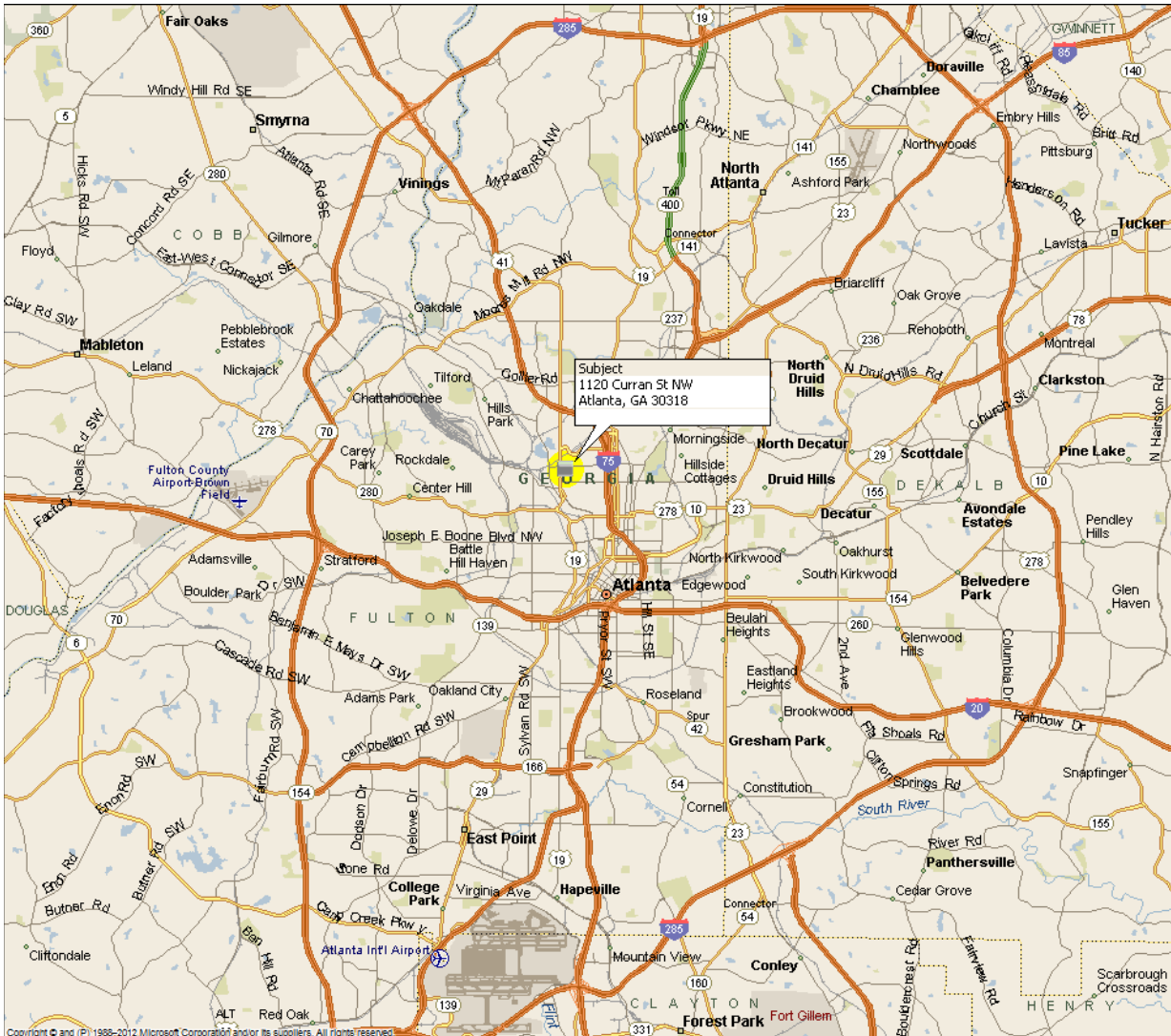
Source: Environics Analytics

Conclusion

The Fulton County economy will benefit from a growing population base and higher income and education levels. Fulton County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. Moreover, Fulton County benefits from being part of the Atlanta MSA, which is the ninth most populous metropolitan area in the country, and generates a higher level of GDP per capita than the nation overall. We anticipate that the Fulton County economy will grow, strengthening the demand for real estate.



Area Map



Surrounding Area

Location

The subject property is located in the central portion of Fulton County within the city limits of Atlanta. More specifically, the subject property is located in the West Midtown neighborhood in close proximity to Georgia Tech and Atlantic Station. The access driveway is on the east side of Curran Street NW approximately 300 feet south of its intersection and northern terminus with 14th Street NW.

Access and Linkages

Primary access to the area is provided by Interstates 75/85, a major arterial that crosses the Atlanta metro area in a north/south direction. Access to the subject from the interstate is provided by various thoroughfares. Primary access is given from 10th Street and 14th via Hemphill Avenue. Travel time from the interstate is roughly five minutes depending on traffic. Overall, vehicular access is good. The local market perceives public transportation as good compared to other areas in the region. Public transportation is provided by MARTA (Metro Atlanta Rapid Transit Authority) and provides access to the City of Atlanta, Fulton County and DeKalb County. The nearest train stations are located at 10th Street/West Peachtree Street and 16th Street/West Peachtree Street. However, the primary mode of transportation in this area is the automobile. There are many excellent secondary roads in the area including 10th Street, 14th Street, Howell Mill Road, etc.

Demand Generators

The top employers in the Midtown area are; AGL Resources, Bank of America, BellSouth, The Coca-Cola Company, Emory Crawford-Long Hospital, Equifax, Federal Reserve Bank of Atlanta, Georgia Institute of Technology, Norfolk Southern and Turner Entertainment. The top 10 law firms (by number of attorneys) are; Alston & Bird; King and Spalding; Troutman Sanders; Kilpatrick Stockton; Powell Goldstein; Sutherland Asbill & Brennan; Smith, Gambrell & Russell; Jones Day; Amall Golden Gregory; and Hunton & Williams. In addition to its strong employment base, the area is easily accessible to the Downtown Atlanta and Buckhead submarkets, all within ten to fifteen minutes driving time. Access to employment centers in other submarkets is a major demand driver.

The Midtown area is densely populated with restaurants and bars, all located within a short drive from the subject. Other attractions of note in the immediate area are; The Georgia Aquarium, The Mercedes-Benz Stadium (home of the Atlanta Falcons), Emory University Hospital, The World Congress Center, and Georgia Institute of Technology.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2017 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Fulton County	Atlanta MSA
Population 2010	15,182	135,327	301,262	920,581	5,286,728
Population 2017	18,309	153,845	335,503	1,031,774	5,843,277
Population 2022	19,684	163,311	355,890	1,101,874	6,234,160
Compound % Change 2010-2017	2.7%	1.8%	1.5%	1.6%	1.4%
Compound % Change 2017-2022	1.5%	1.2%	1.2%	1.3%	1.3%
Households 2010	5,513	61,212	137,584	376,377	1,943,885
Households 2017	7,134	72,282	158,994	428,714	2,158,578
Households 2022	8,010	78,699	172,063	461,688	2,307,874
Compound % Change 2010-2017	3.8%	2.4%	2.1%	1.9%	1.5%
Compound % Change 2017-2022	2.3%	1.7%	1.6%	1.5%	1.3%
Median Household Income 2017	\$44,899	\$56,234	\$55,783	\$60,084	\$59,801
Average Household Size	1.7	1.8	1.9	2.3	2.7
College Graduate %	65%	60%	56%	49%	35%
Median Age	25	32	34	36	37
Owner Occupied %	19%	38%	43%	53%	66%
Renter Occupied %	81%	62%	57%	47%	34%
Median Owner Occupied Housing Value	\$257,543	\$297,314	\$299,269	\$273,804	\$190,897
Median Year Structure Built	2004	1994	1987	1991	1993
Avg. Travel Time to Work in Min.	23	24	26	30	33

Source: Envirionics Analytics

As shown above, the current population within a 3-mile radius of the subject is 153,845, and the average household size is 1.8. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Fulton County overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$56,234, which is lower than the household income for Fulton County. Residents within a 3-mile radius have a considerably higher level of educational attainment than those of Fulton County, while median owner occupied home values are higher.

Land Use

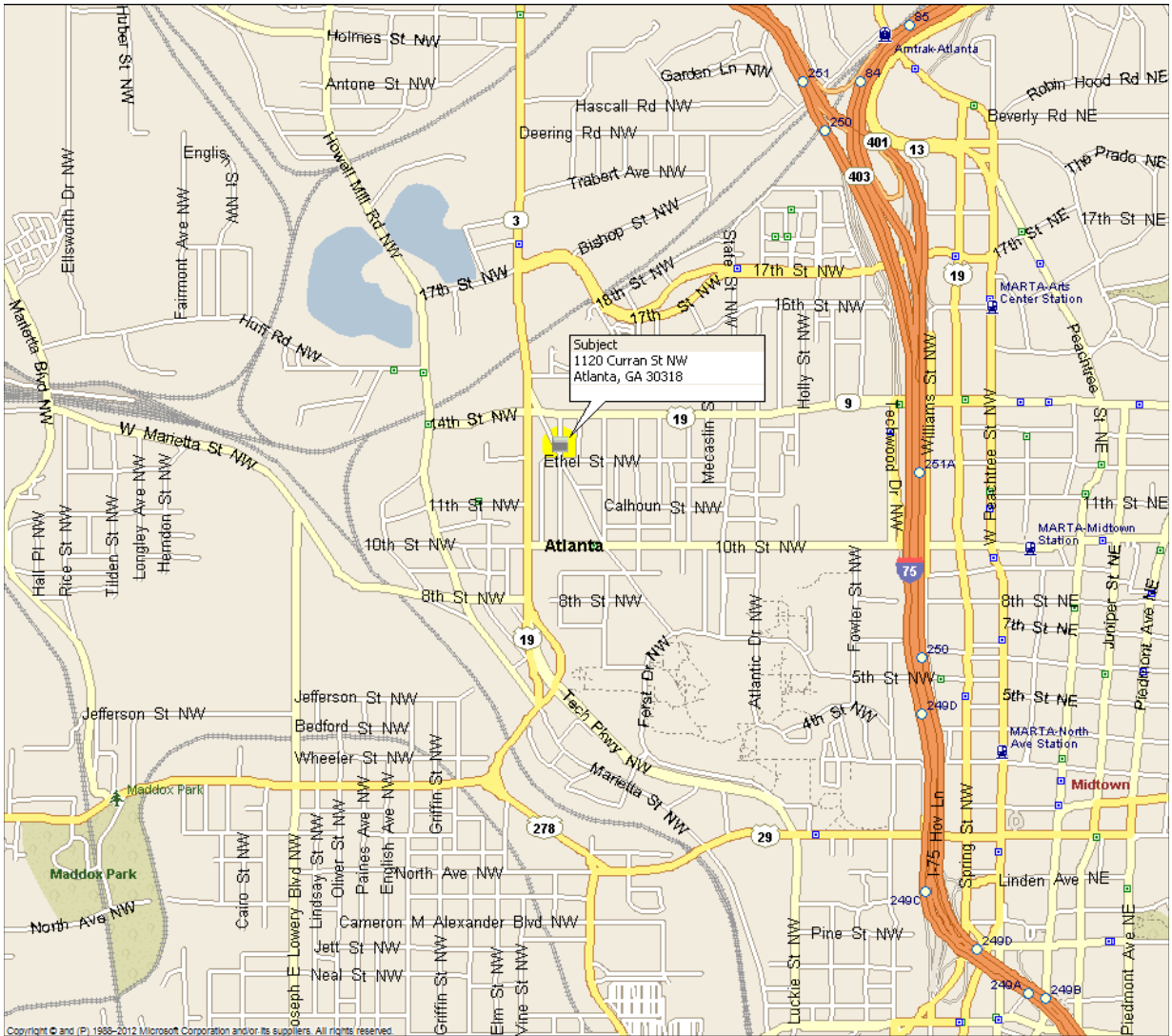
The area is urban in character and approximately 95% developed.

Land uses immediately surrounding the subject are predominantly commercial uses with typical ages of building improvements ranging from 30 to 65 years. Immediately north of the subject site is The Wiley Group (565 14th Street) and Masterpiece Lighting; south is the Gio's Chicken Amalfitano Building (1099 Curran Street), east is unfinished site area and west is Antico Pizza warehouse.

Outlook and Conclusions

The one-mile area surrounding the subject property is in the growth stage of its life cycle. Recent development activity has accelerated since late 2015. There have been eight completions in this time-frame consisting of five multifamily developments, two retail properties and one office property. As of the effective date of the report, there are seven properties under construction: four are multifamily and two are office properties and one is a self-storage property. Numerous projects in this area are currently being proposed. We anticipate that property values will see modest increase in the near future.

Surrounding Area Map



Data Center Market Analysis

Introduction

The subject's data center use is less dependent on the immediate local economy than would be a traditional commercial or residential property and is, instead, part of the national data center market. Consequently, this Data Center Market Analysis describes trends that affect the entire industry on a national scale. Later in this section, we detail regional data center activity.

Technical Characteristics

While data center is a widely used term, as an asset class it is not generic and they can vary significantly. Data centers are storage/server intensive buildings that provide secure 24x7x365 environments for the storage and processing of mission critical electronic information. They are used to house primarily IT operations of leading companies, transaction processing, and for disaster recovery purposes. Internet gateways, by comparison, are internet and telecom network-intensive buildings that serve as hubs for Internet and data communications within and between major metro areas.

In simple terms, a data center is basically an air-conditioned warehouse filled with thousands of computer servers ("server farms") that talk to Internet users around the globe. All of these servers consume extraordinary amounts of electricity and generate extraordinary amounts of heat. As a result, extraordinary cooling systems – which themselves consume massive amounts of electricity – are needed to cool the space. The word data center is used to describe many types of facilities but a "true" data center is designed for 100, 150, even 200+ watts/square foot compared to 5-8 watts/square foot for a typical office building. As a result, these facilities can cost as much as five times the cost of a conventional office building with mechanical and electrical systems often accounting for 70% or more of construction costs.

A modern data center building houses the equipment necessary for user's requirements such as servers, modems, data storage devices, load balancers, and the physical apparatus to hold the equipment including racks, vaults, panels and cages. Such buildings have redundant infrastructures including power, fiber, cooling security and fire protection. Basic requirements are as follows:

- High grade electrical power capacity
- Extra/Redundant electrical power source comprising of uninterruptible power supply (UPS) battery system and electrical generators
- Fiber optic cable with multiple/redundant fiber optic service providers
- Industrial grade air conditioning systems to cool equipment areas to optimal operating levels
- Ceiling heights typically 12 feet or higher to accommodate raised floor and equipment cabinets
- Raised floor areas that support the weight of equipment and use the void for uses of cable compartment and cooling.

Data Centers Defined

Multiple models for establishing and running data centers have evolved. Some of the first data center properties to come on-line were established in renovated warehouses and older office buildings.

These buildings offer several attractions in that, foremost, they are already constructed. They are also structurally compatible with telecommunication needs, and they typically had sufficient ceilings heights, to accommodate raised flooring, switches, stacked servers, and cabling.

In recent years, owners/developers have provided "power shells" for single tenant users, leaving the responsibility and liability on the tenant to provide the critical infrastructure to support their equipment. Others have adopted a model closer to a "full-service" center (typically multitenant), where elements of needed infrastructure are provided to the tenants along with operations support, which can be tailored for each client. This additional support can be offered through a variety of turnkey service packages that include providing connections to a carrier of their choice, equipment troubleshooting, and maintenance. Some data centers owners may also offer equipment installation and coordination, network connection services, and data storage and backup.

The complexity of technology and its services allow for various types of data centers. Following an April 2005 white paper prepared and released by ADC Telecommunications Corporations, data centers are now generally categorized in four tiers per the "TIA-942 standard," with Tier IV being the most advanced.

- **Tier I – Basic Availability**
 - Susceptible to disruptions from both planned and unplanned activity
 - Single path for power and cooling distribution; no redundant components (N)
 - May or may not have raised floors, UPS, or generator
 - Must be shut down completely to perform maintenance

- **Tier II – Redundant Components**
 - Less susceptible to disruptions from both planned and unplanned activity
 - Single path for power and cooling distribution; includes redundant components (N+1)
 - Includes raised floors, UPS, or generator
 - Maintenance of power path and other parts of the infrastructure require a processing shutdown

- **Tier III – Concurrently Maintainable**
 - Enables planned activity without disrupting computer hardware operation, but unplanned events will still cause disruption
 - Multiple power and cooling distribution paths but with only one path active; includes redundant components (N+1)
 - Includes raised floor and sufficient capacity and distribution to carry load on one path while performing maintenance on the other

- **Tier IV – Fault Tolerant**
 - Planned activity does not disrupt critical load and data center can sustain at least one worst-case unplanned event with no critical load impact
 - Multiple active power and cooling distribution paths; includes redundant components (2 N + 1; i.e., 2 UPS each with N+1 redundancy)
 - Little or no annual downtime

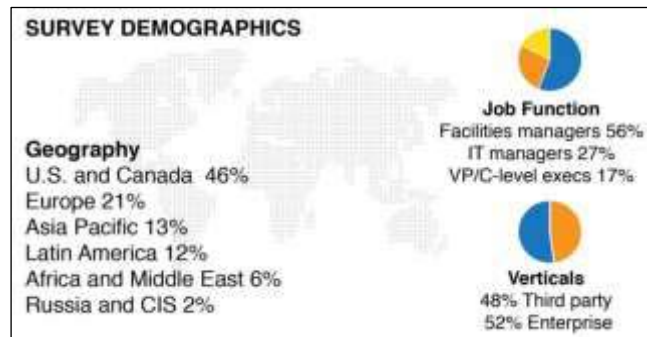
Performance Standards by Tier Level				
Tier Requirements	Tier I	Tier II	Tier III	Tier IV
Source	System	System	System	System + System
System Component Redundancy	N	N+1	N+1	At least two N+1
Distribution Parts	1	1	1 normal and 1 alternate	2 simultaneously active
Compartmentalization	No	No	No	Yes
Concurrently Maintainable	No	No	Yes	Yes
Fault Tolerance (Single Event)	No	No	No	Yes

Source: The Uptime Institute

The subject is considered a “Tier III” Data/Switch center located in Atlanta, GA (Atlanta MSA). As a result of its size, modular design, and power capacity, the subject is expected to compete on a regional and national basis for end-users.

Typical Tenants

Web based technology companies – Yahoo, Google, Facebook, Microsoft, etc. – rely heavily on data centers; however, data center space is frequently used by companies across all industries, especially the finance, government, retail, and health care sectors. Even smaller firms and startup companies are often drawn to “cloud hosting systems” via third party, which allows these firms to have access to multi-tenant data center companies. In fact, according to a survey conducted by Uptime Institute consisting of 1,000 data center operators and IT practitioners around the world, about half of the end-user respondents work for third-party commercial data center companies (colocation or cloud computing providers), and the other half work for enterprises in vertical industries such as financial services (11%), manufacturing (7%), healthcare (4%), government (4%), and other industries (26%). This survey was collected from February through April 2014, with U.S. and Canada making up a significant portion of the response and growing number of participants around the globe. This is a big shift from the tech bubble when the market was primarily speculative tech companies. As a result, the tenant base increased while the risk associated with the data centers has diminished.



Data Center Supply and Demand

National

Data centers are growing larger and more energy intensive. The data center market across the nation saw a tremendous growth in 2015, as private industries and governments require up-to-date technologies. For the 1st half of 2016, demand for data center space remained robust.

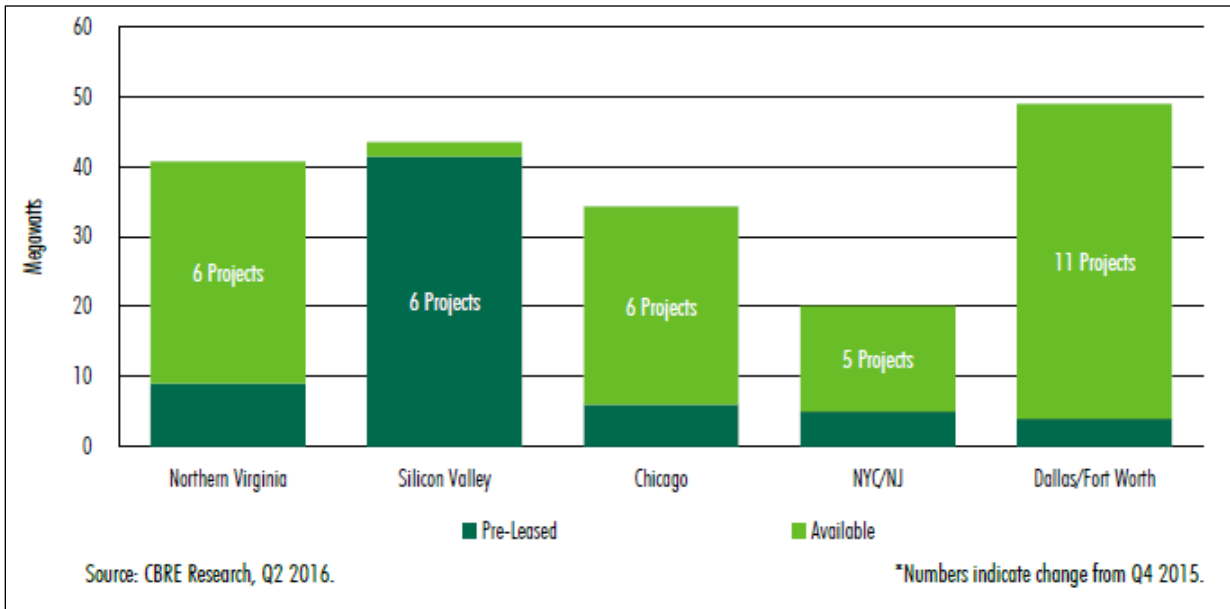
Cloud service providers (CSP) have been the major demand driver and account for more than 75 MW of pre-leased capacity. The adoption of cloud is occurring at an even faster rate than cloud providers had anticipated. The pricing and supply fundamentals have been impacted by the “just-in-time” delivery model that is perceived to have helped stabilize pricing trends and new supply. Pricing compression has been a result of aggressive competition for available spec space, while pricing for wholesale colocation transactions has stabilized with year-over-year increases in the 3% to 5% range. Technology advancements and the evolution of data center designs have lowered operating costs.

The following charts from CBRE’s National Data Center Market Update, published 2nd Quarter 2016, illustrate supply and demand of primary data center markets in the United States, followed by a table presenting the construction pipeline.

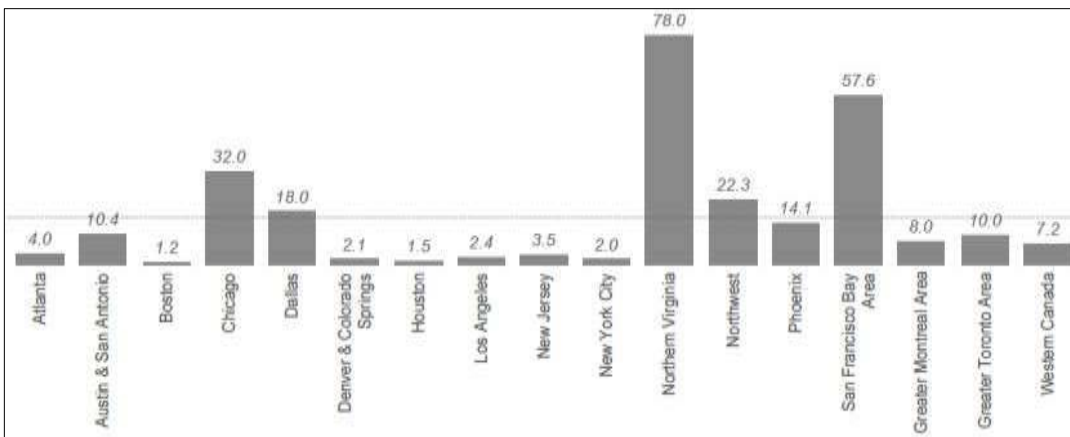
MARKET FUNDAMENTALS						
Market	New Deliveries (MW)	Supply Outlook	Absorption (MW)	Demand Outlook	Wholesale Rental Rates (kW/mo)	Pricing Outlook
Northern Virginia	47.8	▲	44.7	▲	\$125 - \$140	▶
Silicon Valley	3	▲	6.5	▲	\$145 - \$165	▲
Chicago	23.2	▲	23.9	▲	\$140 - \$160	▶
NYC/NJ	1	▼	(1.2)	▼	\$145 - \$165**	▶
Dallas/Fort Worth	11	▲	6.7	▶	\$130 - \$150	▶

Source: CBRE Data Center Solutions, Q2 2016.

*Arrows indicate change from Q4 2015.
 **Quoted rental rates are outside of NYC proper (Manhattan).



According to Jones Lang LaSalle’s 2016 Outlook, data center absorption is summarized in the following graphic.



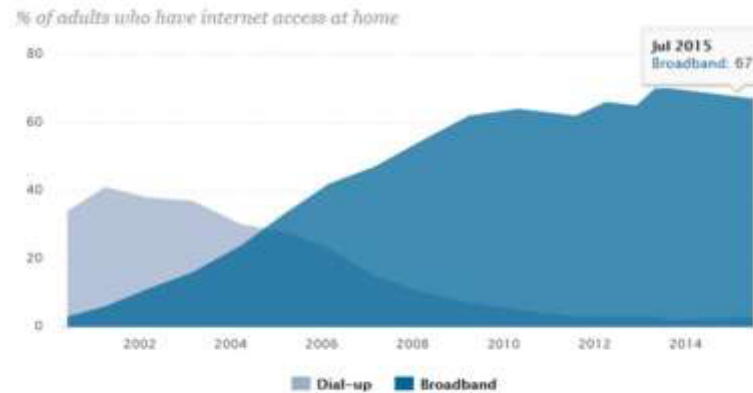
Demand

In simple terms, use of the Internet is exploding and users are demanding more from the Internet. According to the Pew Internet & American Life Project, the number of Americans who have broadband at home jumped from about 10% of households in 2002 to 66% in April 2012, and 67% in July 2015.

Broadband adoption is now back to peak levels, as households want to be connected at higher speeds to access the ever expanding library of online videos, music, and data. The following graphic illustrates broadband trends.

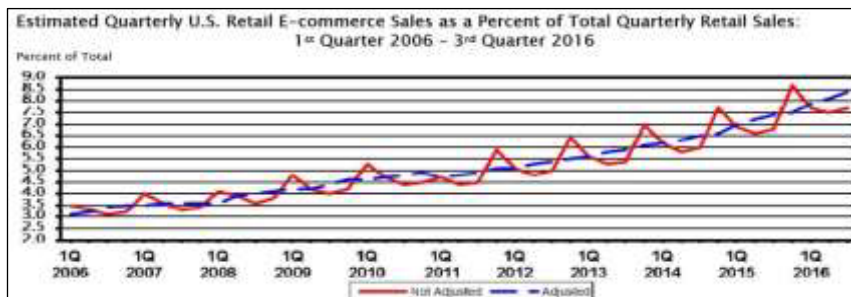
Broadband and dial-up adoption, 2002-2015

% of American adults who access the internet at home via dial-up or broadband, over time. As of July 2015, 67% of American adults age 18+ have a high-speed broadband connection at home.



Source: Pew Research Center's Internet, Science & Tech Survey

Online sales rose to an estimated \$93.7 billion for the 3rd Quarter of 2016 (latest available data), which is an increase of 2.6% from the 2nd Quarter, according to the U.S. Department of Commerce. This coupled with the advent of web-based software, e-mail with ever-expanding storage capacities, video streaming (Netflix, Hulu, Amazon Prime), music downloading (Spotify, Pandora, etc.), social networking (Facebook, Twitter, LinkedIn, etc.), transportation (Uber, Lyft, etc.), online gaming, auctions, shopping, etc., is causing demand for data center space to skyrocket.



Finally, the rising adaptation of tablets and smartphones, which are designed with mobility in mind, is also driving demand for data center space. For every tablets and smartphones sold, additional servers must exist to handle the incremental demand for web traffic that is generated. According to Pew Research, about 65% of American adults now own a smartphone as of 2015. As smartphones and tablets are becoming more prevalent in the United States and a “necessity” for younger generations, it is easy to see the data center sector remains poised for continued growth.

Global Colocation Market

The subject’s primary competition as a data/switch center is largely comprised of the “Colocation Sector” of the datacenter market. A colocation center provides space and services including power, cooling, and physical security for server, switch, and other networking equipment.

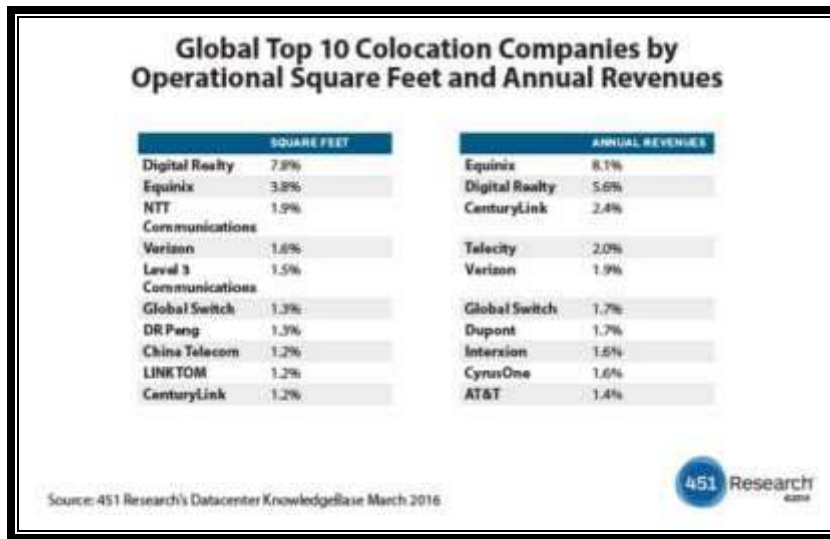
According to a market report dated March 31, 2016 and published by 451 Research, “451 Research projects the global colocation market will reach \$33.2 billion by 2018 in its latest quarterly Datacenter Knowledgebase (DCKB) release, which tracks nearly 4,800 datacenters operated by 1,286 companies worldwide.”

During the 4th Quarter 2015, “The data center colocation market saw \$27.0 billion in annualized revenue. The majority of this revenue (54.6%) continues to be derived from local providers with sub-\$500 million in annualized colocation revenues.”

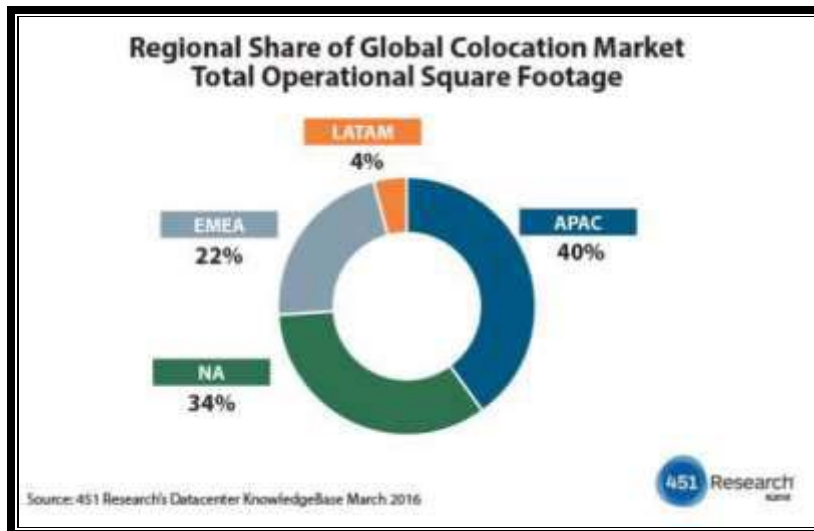
“2015 was a record year for the datacenter, hosting, and managed services sector, with the highest number of deals since we began tracking it. But there are still hundreds of datacenter providers around the world that will continue to consolidate, either to gain scale or add services or both,” noted Kelly Morgan, Research Director, North American Datacenters, 451 Research. “This is not because the industry is in trouble; the move to cloud continues to drive strong demand for leased datacenter space. It is because the industry is maturing, and providers are becoming more strategic in their approach to customers.”

“Among the largest providers, Equinix is the market leader in the combined wholesale and retail colocation market with a share of 8.1% of global annualized wholesale and retail colocation revenue. Digital Realty, primarily a wholesale provider, is the second largest supplier in terms of revenue at 5.6%, but leads the global market in terms of operational square feet with a 7.8% share globally. 451 Research estimates that the global colocation market will grow in terms of total operational square feet from today’s 132.4 million square feet to 176.5 million by the end of 2018.”

“Colocation is quickly becoming the nexus of both cloud and enterprise IT,” says Katie Broderick, Research Director, 451 Research. “The colocation market is serving as datacenter arms dealer to both enterprises and the cloud. In this process, colocation is often becoming the strategic connection point between the two.”



The market report continues, “451 Research estimates that today, the world’s largest region in terms of total operational space for colocation (space supporting IT equipment) is Asia Pacific (40.1%). Growth in APAC has been fueled by the sheer size of the economy and a less entrenched installed base of enterprise facilities with which colocation providers must compete. In addition, some Asian countries have been supporting their colocation industries with special zones and tax treatment. North America is second largest with 33.7% of total, global operational square feet, while Europe, Middle East and Africa accounts for another 22.1%. The remaining 4.1% of space is in Latin America.”



Local Market Characteristics

For the subject property characteristics identified previously, local businesses and organizations are also expected to provide a source of potential demand. As a result of its size, modular design, expected power capacity, and potential for future expansion, the subject is expected to compete on a local/regional basis for end users. However, local businesses and organizations are also expected to provide a source of potential demand.

According to datacentermap.com there are currently 30 colocation data centers in the Atlanta, Georgia area. As previously stated, the subject will likely compete locally/regionally for end users.

Google (NASDAQ: GOOG) completed a \$300 million expansion of its Lithia Springs, Georgia data center in January 2017. The development is a mammoth 808,355-square-foot data center at the site. The expansion includes a four-story data center and auxiliary structures. The property codenamed "Woodside" will initially create 25 jobs, but that number could grow. Google has an estimated 500,000 square foot data center at the site.

Data centers are the backbone of Google services. It is where Google e-mails, search queries and YouTube videos are stored and processed. As Google makes inroads into new markets - mobile operating systems, wearables, Internet-connected television and ultra-high-speed broadband - the company's need to expand its computing power grows exponentially.

The thirst for greater data center capacity locally could be related to Google's plans to launch ultra-high-speed broadband service in nine metro Atlanta cities.

Google will deliver "gigabit" Internet service, which is 100 times faster than basic broadband. The company has not specified when Google Fiber would be available for customers in metro Atlanta, or how much it would cost.

Atlanta is one of the fastest-growing markets in the country for data center space, in terms of build-out and demand. The region has the most data center jobs, as a percentage of the workforce, than any other metro area in the United States.

Data centers, which can be as large as shopping malls, are warehouses stacked floor-to-ceiling with computer servers and other hardware that power websites, crunch data and store information. They are critical to modern business, holding terabytes of sensitive information, and often housed in unmarked buildings.

The subject property is well positioned in an area of the Atlanta MSA which sees active telecom usage. The subject's surrounding area is influenced by its proximity to Midtown and major employers in the surrounding area. Surrounding uses in the immediate area are conducive to support uses for larger developments in the area. These uses include small offices and flex space, restaurants, convenience stores and fast food restaurants. This area is in-between western Midtown which is predominantly a multifamily use area and Midtown to the east which is predominately an office use area and Georgia Institute of Technology to the south. The Midtown area buffers the Atlanta Central Business District. The CBD and midtown has experienced growth in employment and population over the past several years. Therefore, we conclude that the subject property's positioning is appropriate given local and national considerations discussed in this market analysis section of the appraisal report.

Office Market Analysis

Metro Area Overview

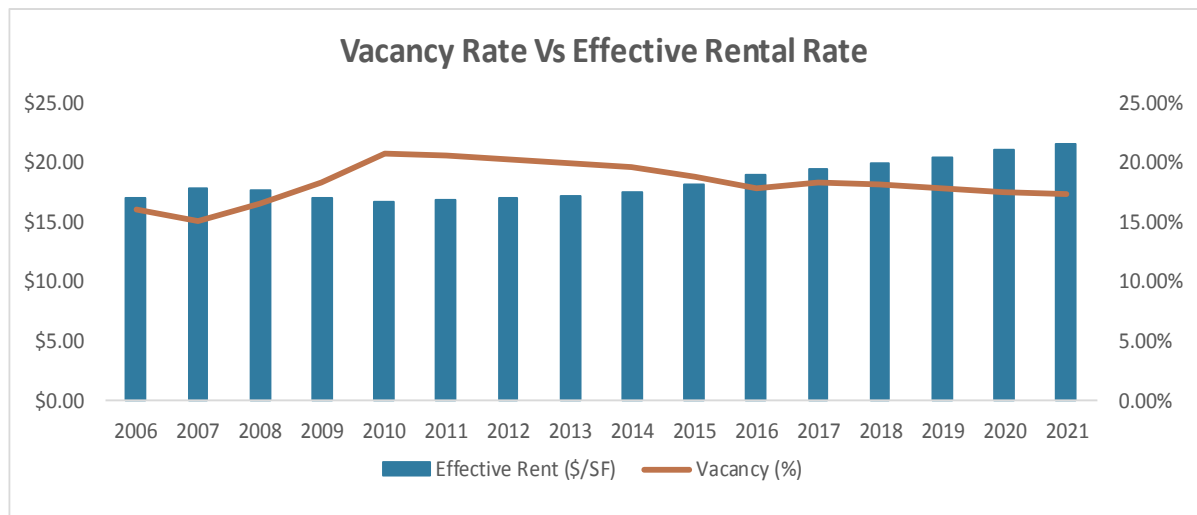
The subject is located in the Atlanta metro area as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

Atlanta Office Market Trends and Forecasts

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rental Rate (% Change)	Gross Revenue (\$/SF)	% Office Employment
2006	136,871,000	114,850,000	22,021,000	16.10%	1,695,000	2,663,000	\$17.02	4.00%	\$17.10	31.60%
2007	138,575,000	117,670,000	20,905,000	15.10%	2,618,000	2,820,000	\$17.80	4.60%	\$18.00	31.70%
2008	139,790,000	116,553,000	23,237,000	16.60%	1,970,000	-1,117,000	\$17.68	-0.70%	\$17.87	31.94%
2009	142,101,000	116,121,000	25,980,000	18.30%	1,492,000	-432,000	\$16.97	-4.00%	\$17.36	32.28%
2010	143,534,000	113,739,000	29,795,000	20.80%	2,197,000	-2,382,000	\$16.70	-1.60%	\$16.81	32.21%
2011	143,475,000	113,921,000	29,554,000	20.60%	0	182,000	\$16.87	1.00%	\$16.96	32.24%
2012	143,370,000	114,227,000	29,143,000	20.30%	0	306,000	\$17.05	1.10%	\$17.20	32.28%
2013	143,331,000	114,687,000	28,644,000	20.00%	360,000	460,000	\$17.21	0.90%	\$17.44	32.26%
2014	143,620,000	115,467,000	28,153,000	19.60%	741,000	780,000	\$17.55	2.00%	\$17.84	32.10%
2015	143,521,000	116,377,000	27,144,000	18.90%	0	910,000	\$18.22	3.80%	\$18.67	31.85%
2016	143,703,000	117,917,000	25,786,000	17.90%	633,000	1,540,000	\$19.06	4.60%	\$19.72	31.89%
Q1 2017	143,840,000	117,631,000	26,209,000	18.20%	137,000	-286,000	\$19.18	0.60%	\$19.80	31.89%
2017	145,937,000	119,190,000	26,747,000	18.30%	2,234,000	1,273,000	\$19.54	2.50%	\$20.17	31.87%
2018	147,207,000	120,496,000	26,711,000	18.10%	1,270,000	1,306,000	\$19.98	2.30%	\$20.73	31.85%
2019	148,883,000	122,374,000	26,509,000	17.80%	1,676,000	1,878,000	\$20.53	2.80%	\$21.38	31.84%
2020	150,286,000	124,021,000	26,265,000	17.50%	1,403,000	1,647,000	\$21.04	2.50%	\$22.00	31.84%
2021	151,699,000	125,412,000	26,287,000	17.30%	1,413,000	1,391,000	\$21.60	2.70%	\$22.62	31.90%
2006 - 2016 Average	141,990,091	115,593,545	26,396,545	18.56%	1,064,182	520,909	\$17.47	1.43%	\$17.72	32.03%

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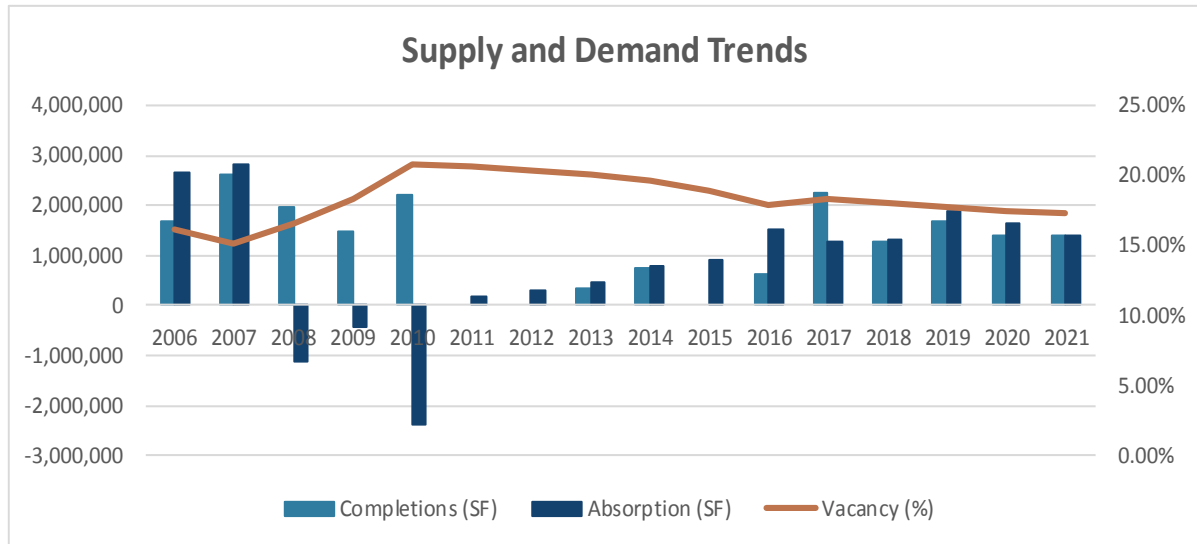
Market Trends Key Takeaways



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- The current vacancy rate in the metro area is 18.2%; the vacancy rate has decreased by 240 bps from 2011.

- Four-year forecasts project a 17.3% vacancy rate in the metro area, representing a decrease of 90 bps by year end 2021.
- Effective rent averages \$19.18/SF in the metro area; future rent values are expected to increase by 12.6% to \$21.60/SF by year end 2021.



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- The inventory in the metro area has increased by 0.3% from 2011, while the occupied stock has increased by 3.3%.
- Between 2011 and 2016, completions have averaged 289,000 SF annually and reached a peak of 741,000 SF in 2014.
- Between 2011 and 2016, absorption figures reached a peak of 1,540,000 SF in 2016 and a low of 182,000 SF in 2011.
- 31.9% of the labor force in the metro area work in office properties and this employment rate has decreased by 0.35% between 2011 and 2016.

Class B/C Office Market

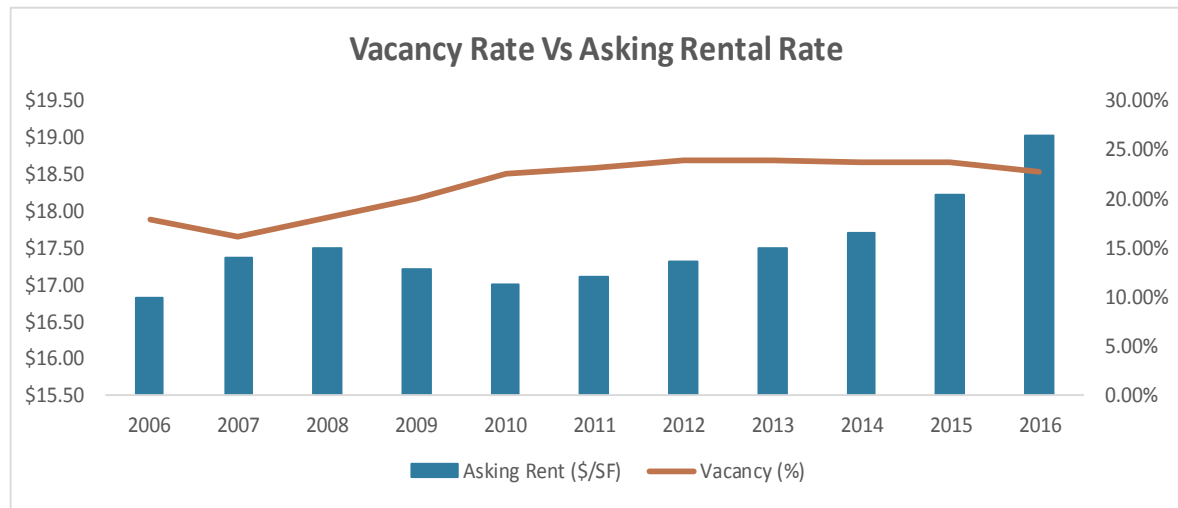
The subject is a Class B property as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all Class B/C space in the Atlanta metro area are presented in the following table.

Atlanta Office Class B/C Market Trends

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Asking Rent (\$/SF)	Asking Rental Rate (% Change)	Gross Revenue (\$/SF)
2006	60,579,000	49,694,000	10,885,000	18.00%	158,000	-117,000	\$16.82	2.50%	\$13.80
2007	60,262,000	50,504,000	9,758,000	16.20%	325,000	810,000	\$17.36	3.20%	\$14.55
2008	60,206,000	49,328,000	10,878,000	18.10%	210,000	-1,176,000	\$17.51	0.90%	\$14.35
2009	59,282,000	47,404,000	11,878,000	20.00%	0	-1,924,000	\$17.22	-1.70%	\$13.77
2010	58,683,000	45,499,000	13,184,000	22.50%	0	-1,905,000	\$17.02	-1.20%	\$13.20
2011	58,719,000	45,170,000	13,549,000	23.10%	0	-329,000	\$17.12	0.60%	\$13.17
2012	58,614,000	44,569,000	14,045,000	24.00%	0	-601,000	\$17.33	1.20%	\$13.18
2013	58,490,000	44,433,000	14,057,000	24.00%	0	-136,000	\$17.51	1.00%	\$13.30
2014	58,191,000	44,321,000	13,870,000	23.80%	0	-112,000	\$17.72	1.20%	\$13.50
2015	58,092,000	44,304,000	13,788,000	23.70%	0	-17,000	\$18.23	2.90%	\$13.90
2016	58,263,000	45,048,000	13,215,000	22.70%	585,000	744,000	\$19.02	4.30%	\$14.71
Q1 2017	58,263,000	45,032,000	13,231,000	22.70%	0	-16,000	\$19.21	1.00%	\$14.85
2006 - 2016 Average	59,034,636	46,388,545	12,646,091	21.46%	116,182	-433,000	\$17.53	1.35%	\$13.77

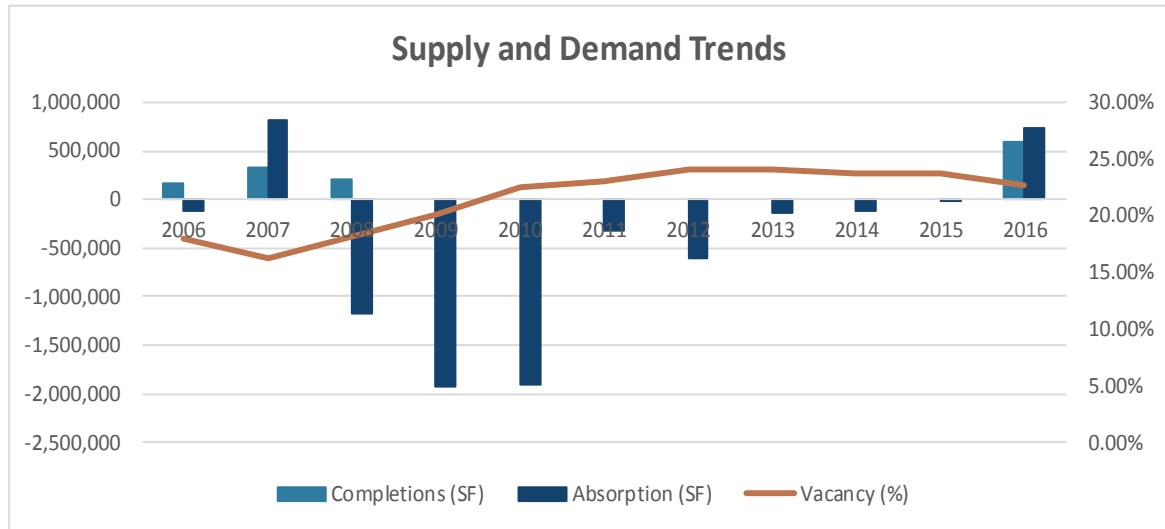
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Office Class B/C Market Key Takeaways



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- The current vacancy rate for Class B/C properties in the metro area is 22.7%; the vacancy rate has decreased by 40 bps from 2011.
- Asking rent currently averages \$19.21/SF and has increased by 12.2% from 2011.



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- Class B/C metro area inventory has decreased by 0.8% from 2011, while the occupied stock has decreased by 0.3%.
- Between 2011 and 2016, completions have averaged 97,500 SF annually and reached a peak of 585,000 SF in 2016.
- Between 2011 and 2016, absorption figures reached a peak of 744,000 SF in 2016 and a low of -601,000 SF in 2012.
- Between 2011 and 2016, gross revenue for Class B/C properties in the metro area averaged \$13.63/SF and has increased by 11.7%.

Submarket Overview

The subject is located in the West Atlanta/I-20 West/I-75 submarket. In order to evaluate the market appeal of the subject's submarket in comparison to others in the Atlanta metro area, we compare key supply and demand indicators for all space types in the ensuing table.

Atlanta Office Submarket Comparison						
Submarket	Inventory (Buildings)	Inventory (SF)	Asking Rent (\$/SF)	Vacancy (%)	Free Rent (mos)	Tenant Improvements (\$)
NE Atlanta/I-85N	81	8,485,000	\$19.49	12.60%	2.90	\$17.45
E Atlanta/Decatur	51	2,096,000	\$21.63	15.40%	3.30	\$15.36
W Atl/I-20W/I-75	33	2,115,000	\$25.35	14.20%	1.70	\$24.57
Marietta/E Cobb	80	3,374,000	\$18.44	18.10%	3.50	\$18.72
N Central/I-285	176	23,831,000	\$25.34	19.40%	3.00	\$24.73
Roswell/Alpharetta	195	15,130,000	\$23.14	16.80%	2.70	\$20.61
Northlake/Stn Mtn	24	1,318,000	\$18.17	37.50%	2.90	\$13.75
Buckhead/Lenox	85	15,865,000	\$32.69	14.00%	2.40	\$31.50
Peachtree Corners	102	7,236,000	\$18.10	25.70%	3.00	\$15.73
Midtown/Pershing	83	14,618,000	\$29.67	13.20%	1.80	\$24.82
Airport/S Atlanta	84	4,177,000	\$15.18	26.10%	2.40	\$15.95
Downtown	58	16,009,000	\$23.60	22.40%	4.50	\$21.29
Far South	36	942,000	\$17.97	20.50%	2.90	\$18.72
Cumberland/I-75	153	19,907,000	\$24.18	17.60%	2.70	\$18.60
NE Gwinnet/I-85	151	8,737,000	\$17.71	21.40%	2.80	\$17.83
Market Averages/Totals	1,392	143,840,000	\$22.04	18.23%	2.83	\$19.98

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Submarket Analysis

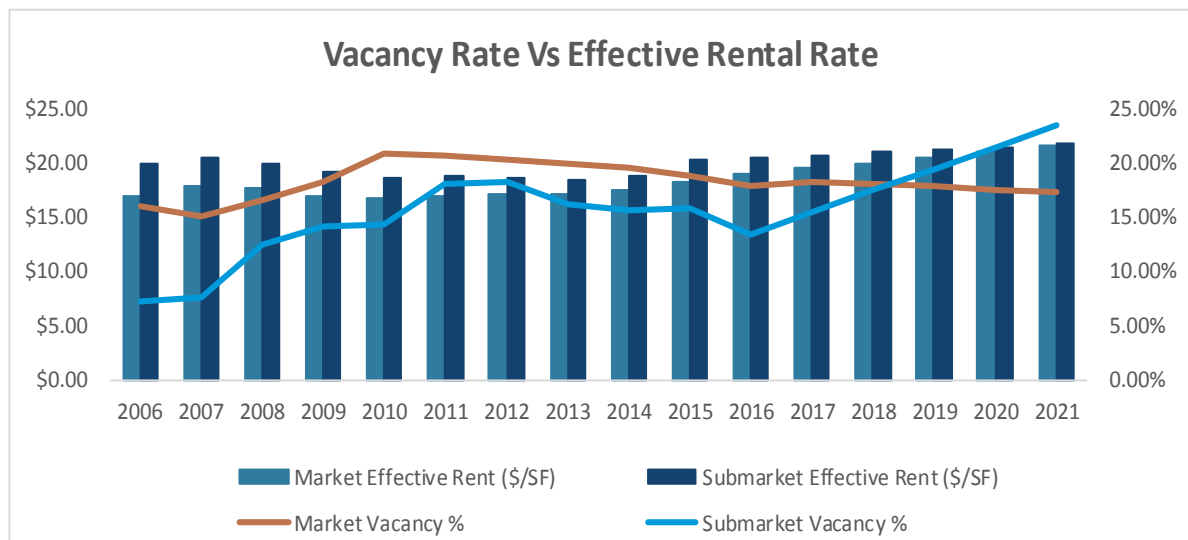
Supply and demand indicators for all classes of space in the West Atlanta/I-20 West/I-75 submarket are displayed in the following table.

West Atlanta/I-20 West/I-75 Office Submarket Trends and Forecasts

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rental Rate (% Change)	Gross Revenue (\$/SF)
2006	1,704,000	1,581,000	123,000	7.20%	0	61,000	\$19.90	13.20%	\$21.25
2007	1,882,000	1,739,000	143,000	7.60%	200,000	158,000	\$20.46	2.80%	\$21.83
2008	2,022,000	1,771,000	251,000	12.40%	140,000	32,000	\$20.00	-2.20%	\$20.95
2009	2,143,000	1,841,000	302,000	14.10%	135,000	70,000	\$19.25	-3.80%	\$20.75
2010	2,008,000	1,719,000	289,000	14.40%	0	-122,000	\$18.66	-3.10%	\$19.84
2011	2,008,000	1,647,000	361,000	18.00%	0	-72,000	\$18.86	1.10%	\$19.18
2012	2,008,000	1,643,000	365,000	18.20%	0	-4,000	\$18.64	-1.20%	\$18.88
2013	2,008,000	1,683,000	325,000	16.20%	0	40,000	\$18.51	-0.70%	\$19.28
2014	2,008,000	1,695,000	313,000	15.60%	0	12,000	\$18.80	1.60%	\$19.67
2015	2,008,000	1,689,000	319,000	15.90%	0	-6,000	\$20.29	7.90%	\$21.12
2016	2,008,000	1,739,000	269,000	13.40%	0	50,000	\$20.52	1.20%	\$22.03
Q1 2017	2,115,000	1,815,000	300,000	14.20%	107,000	76,000	\$20.43	-0.50%	\$21.75
2017	2,115,000	1,789,000	326,000	15.40%	107,000	50,000	\$20.73	1.00%	\$21.73
2018	2,142,000	1,767,000	375,000	17.50%	27,000	-22,000	\$20.97	1.20%	\$21.39
2019	2,177,000	1,756,000	421,000	19.40%	35,000	-11,000	\$21.26	1.40%	\$21.08
2020	2,227,000	1,749,000	478,000	21.50%	50,000	-7,000	\$21.51	1.20%	\$20.65
2021	2,276,000	1,742,000	534,000	23.50%	49,000	-7,000	\$21.74	1.10%	\$20.23
2006 - 2016 Average	1,982,455	1,704,273	278,182	13.91%	43,182	19,909	\$19.44	1.53%	\$20.43

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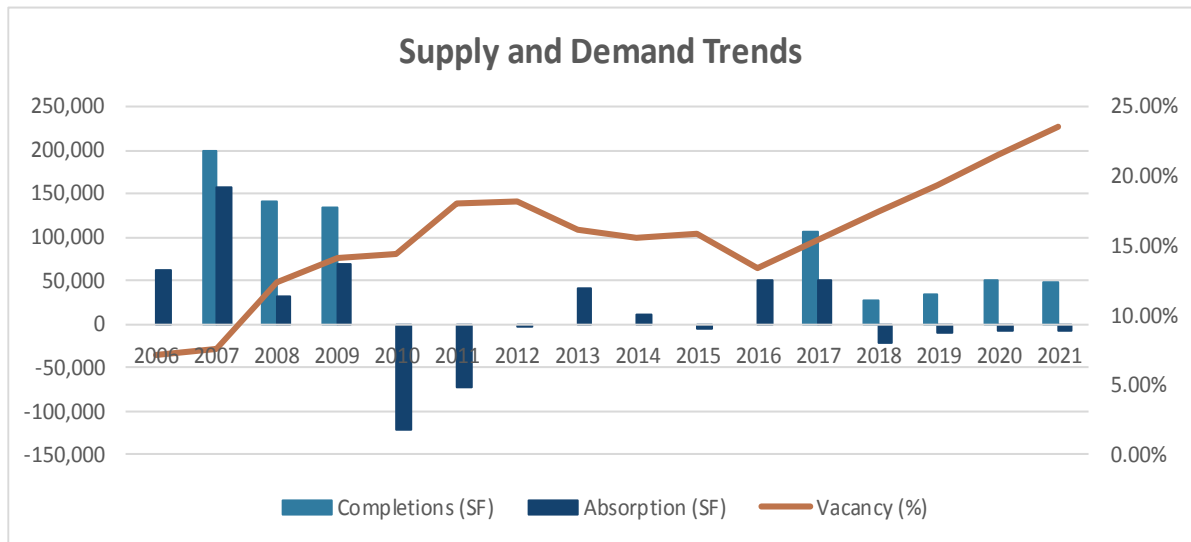
West Atlanta/I-20 West/I-75 Submarket Office Trends and Forecasts Key Takeaways



Source: REIS, Inc.; compiled by Integra Realty Resources, Inc.

- The current vacancy rate in the submarket is 14.2%; the vacancy rate has decreased by 460 bps from 2011.

- Four-year forecasts project a 23.5% vacancy rate in the submarket, representing an increase of 930 bps by year end 2021.
- Effective rent averages \$20.43/SF in the submarket; future rent values are expected to increase by 6.4% to \$21.74/SF by year end 2021.



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- Current inventory level of 2,115,000 SF is expected to increase by 7.6% through year end 2021.
- The inventory in the submarket has increased by 0.0% from 2011, while the occupied stock has increased by 5.6%.
- There have not been any completions in the submarket between 2011 and 2016.
- Between 2011 and 2016, absorption figures reached a peak of 50,000 SF in 2016 and a low of -72,000 SF in 2011.

West Atlanta/I-20 West/I-75 Submarket Class B/C Trends

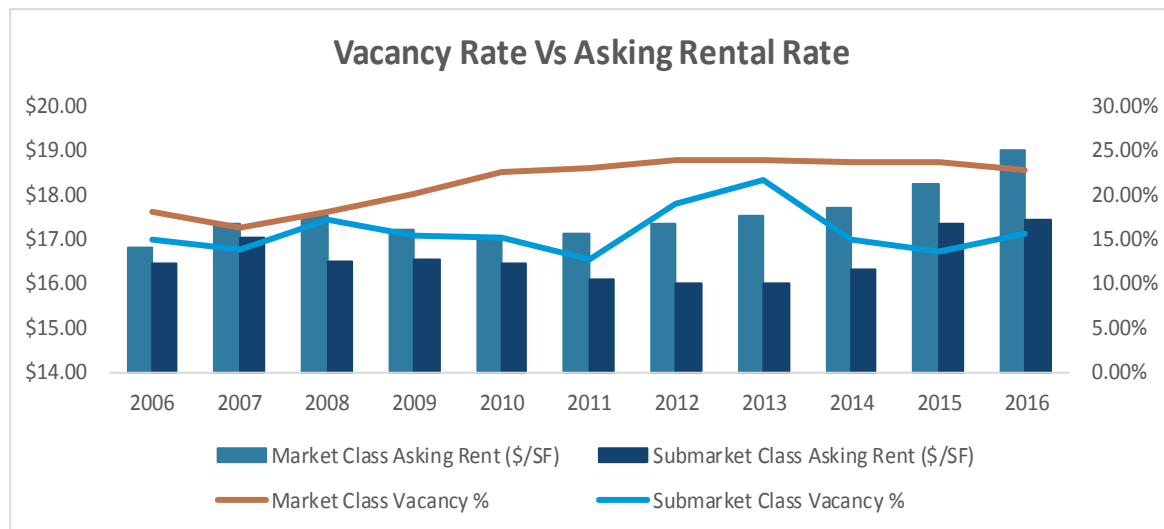
Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for Class B/C space in the submarket are presented in the ensuing table.

West Atlanta/I-20 West/I-75 Office Class B/C Submarket Trends

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Asking Rent (\$/SF)	Asking Rental	
								Rate (%)	Gross Revenue (\$/SF)
2006	800,000	681,000	119,000	14.90%	0	-15,000	\$16.44	4.10%	\$13.99
2007	812,000	699,000	113,000	13.90%	34,000	18,000	\$17.02	3.50%	\$14.65
2008	812,000	672,000	140,000	17.20%	0	-27,000	\$16.51	-3.00%	\$13.66
2009	798,000	676,000	122,000	15.30%	0	4,000	\$16.54	0.20%	\$14.01
2010	798,000	677,000	121,000	15.20%	0	1,000	\$16.47	-0.40%	\$13.97
2011	798,000	697,000	101,000	12.70%	0	20,000	\$16.10	-2.20%	\$14.06
2012	798,000	646,000	152,000	19.00%	0	-51,000	\$16.02	-0.50%	\$12.97
2013	798,000	625,000	173,000	21.70%	0	-21,000	\$15.99	-0.20%	\$12.52
2014	798,000	679,000	119,000	14.90%	0	54,000	\$16.33	2.10%	\$13.89
2015	798,000	689,000	109,000	13.70%	0	10,000	\$17.35	6.20%	\$14.98
2016	798,000	673,000	125,000	15.70%	0	-16,000	\$17.46	0.60%	\$14.73
Q1 2017	798,000	707,000	91,000	11.40%	0	34,000	\$17.44	-0.10%	\$15.45
2006 - 2016 Average	800,727	674,000	126,727	15.84%	3,091	-2,091	\$16.57	0.95%	\$13.95

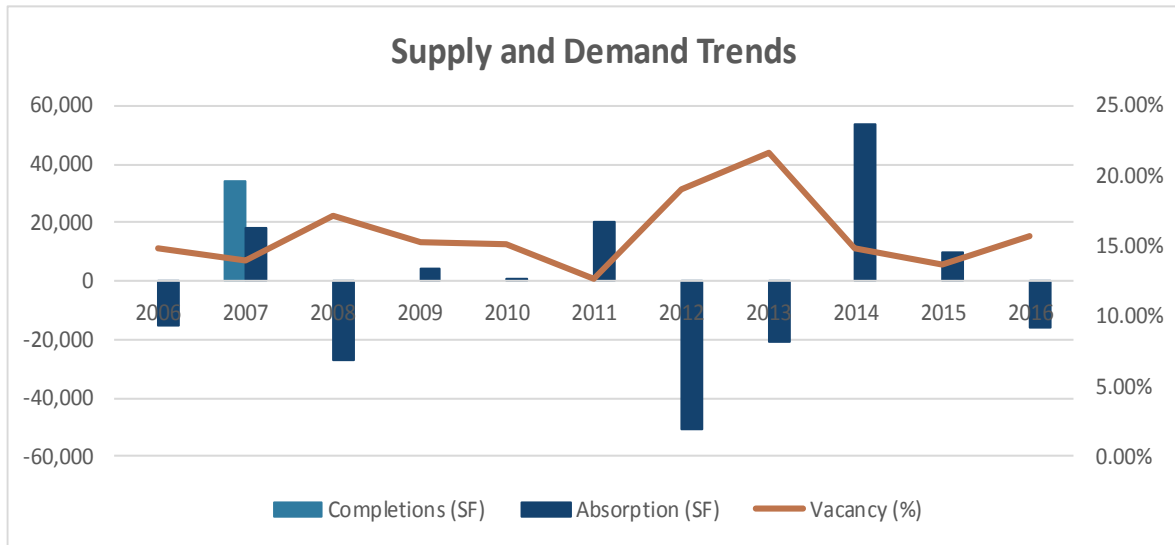
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West Atlanta/I-20 West/I-75 Submarket Class B/C Key Takeaways



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- The current vacancy for Class B/C properties in the submarket area is 11.4%; the vacancy rate has decreased by 130 bps from 2011.
- Asking rent currently averages \$17.44/SF and has increased by 8.3% from 2011.



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- Class B/C submarket inventory has remained constant from 2011, while the occupied stock has increased by 1.4%.
- There have not been any Class B/C completions in the submarket between 2011 and 2016.
- Between 2011 and 2016, absorption figures reached a peak of 54,000 SF in 2014 and a low of -51,000 SF in 2012.
- Between 2011 and 2016, gross revenue for Class B/C properties in the submarket area averaged \$13.86/SF and has increased by 13.6%.

New and Proposed Construction

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's metro area.

Atlanta Office Construction by Phase and Subtype

Office Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Sq. Ft.	Properties	Sq. Ft.	Properties	Sq. Ft.
Office	17	3,741,374	36	8,749,307	38	16,036,111
Medical Office	4	577,619	6	394,958	2	84,400
Office--Owner Occ.	10	1,752,421	2	322,060	2	72,733
Office Condominiums	0	0	0	0	1	36,000
Totals	31	6,071,414	44	9,466,325	43	16,229,244

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Office Market Construction Key Takeaways

- There are 31 properties under construction, 44 properties in the planned construction phase, and 43 properties in the proposed construction phase in the metro area.
- Office properties within the under construction phase have an average size of 220,081 SF and range in size between 13,464 SF and 806,000 SF.
- Office properties within the planned construction phase have an average size of 243,036 SF and range in size between 15,000 SF and 750,000 SF.
- Office properties within the proposed construction phase have an average size of 422,003 SF and range in size between 15,000 SF and 2,500,000 SF.
- Of the 6,071,414 SF under construction, 61.62% are Office properties, 9.51% are Medical Office properties, and 28.86% are Office-Owner Occupied properties.
- Of the 9,466,325 SF planned for construction, 92.43% are Office properties, 4.17% are Medical Office properties, and 3.40% are Office-Owner Occupied properties.
- Of the 16,229,244 SF proposed for construction, 98.81% are Office properties, 0.52% are Medical Office properties, and 0.45% are Office-Owner Occupied properties.

The following table summarizes properties that are under construction, planned, and/or proposed in the subject's submarket.

West Atlanta/I-20 West/I-75 Submarket Construction by Phase and Subtype

Office Subproperty Type	Under Construction		Planned Construction		Proposed Construction	
	Properties	Sq. Ft.	Properties	Sq. Ft.	Properties	Sq. Ft.
Office	1	170,000	4	925,000	2	120,000
Medical Office	0	0	1	13,854	0	0
Office--Owner Occ.	1	150,000	0	0	0	0
Office Condominiums	0	0	0	0	0	0
Totals	2	320,000	5	938,854	2	120,000

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Office Market Outlook and Conclusions

In comparison with other submarkets in the region, the West Atlanta/I-20 West/I-75 submarket is rated as follows:

Submarket Attribute Ratings

Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Stable
Threat of New Supply	Above Average
Rental Trends	Increasing

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Atlanta metro area to have a moderately positive impact on the subject property's performance in the near-term.

Property Analysis

Land Description and Analysis

Land Description

Land Area	0.59 acres; 25,700 SF
Source of Land Area	Other
Primary Street Frontage	Curran Street NW
Shape	Rectangular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed

Flood Area Panel Number	13121C0242F
Date	September 18, 2013
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Atlanta
Zoning Designation	C-2
Description	Commercial Service District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Broad range of sales, service, and repair activities- including offices
Minimum Lot Area	None
Minimum Lot Width (Feet)	None
Minimum Setbacks (Feet)	Front- 10'; Side- None; Rear-None
Maximum Building Height	None
Maximum Floor Area Ratio	None
Parking Requirement	One space per 300 square feet of floor area
Other Land Use Regulations	None, other than the restrictions set-fourth in the Code of Ordinance.

Utilities

Service	Provider
Water	City of Atlanta Watershed Management
Sewer	City of Atlanta Watershed Management
Electricity	Georgia Power
Natural Gas	Several providers available in area.
Local Phone	Several providers available in area.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

Improvements Description and Analysis

The subject is an existing data center/office property containing 14,874 square feet of rentable area. The improvements were constructed in 1976 and were renovated in 2007. Renovations completed included interior updates and a new roof membrane. In 2016 a new 200 ton chiller plant was installed to add to the cooling capacity of the building. The site area is 0.59 acres or 25,700 square feet. The asphalt parking area was repaved and striped and a concrete parking, access and maneuverability area were installed in 2016. The asphalt parking area is fenced with chain-link/barbed-wire fencing and a keypad entry gate.

Improvements Description

Name of Property	West Midtown Data Center
General Property Type	Data Center/Office
Property Sub Type	Data Center
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	1
Construction Class	C
Construction Type	Masonry
Construction Quality	Good
Condition	Good
Gross Building Area (SF)	14,874
Rentable Area (SF)	14,874
Land Area (SF)	25,700
Floor Area Ratio (RA/Land SF)	0.58
Floor Area Ratio (GBA/Land SF)	0.58
Building Area Source	Other
Year Built	1976
Year Renovated	2007
Actual Age (Yrs.)	41
Estimated Effective Age (Yrs.)	25
Estimated Economic Life (Yrs.)	75
Remaining Economic Life (Yrs.)	50
Number of Parking Spaces	12 & unmarked space at concrete slab north of the building improvements
Source of Parking Count	Appraiser
Parking Type	Surface

Construction Details

Foundation	Concrete slab
Structural Frame	Masonry- brick on block
Exterior Walls	Brick
Roof	built-up membrane roof
Ceiling Height in Feet	10 feet in office area, 12 feet in warehouse, around 10 feet in data center with raised floors
Dock Height Loading Doors	1
Drive-in Doors	2
Interior Finishes	Data center with raised floor, heated and cooled office space, and warehouse space
Walls	Fire resistant sheet rock in office and data center space; exposed block in warehouse
Ceilings	Drop-tile in office and data center space; exposed beams, pipes and ducts in warehouse
Lighting	Flourescent lighting
HVAC	Chiller plant and floor ducts in data center space, two a/c units in DC battery room and central HVAC in office space
Electrical	One georgia power source, deep cell batteries, UPS room and generators
Plumbing	Plumbing for chiller plants
Rest Rooms	Two common restrooms; one with a shower
Sprinklers	No sprinklers
Security	Cameras and keypad entry throughout entire building
Gates/Fencing	Chain-link with barbed-wire surrounding parking and rear entry area
Paving	Asphalt and concrete parking areas

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be superior to that of competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence. However, there is limited on-site parking.

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings	
Access	Average
Design and Appearance	Above Average
Age/Condition	Average
% Office	Average
% Sprinklered	Below Average
Floor to ceiling heights	Average
Parking Area- Maneuverability	Below Average

The subject property is a tier three data center which was extensively renovated in 2007. In 2016 a 200 ton chiller plant was installed to add to the capacity of the property. Overall, the quality, condition, and functional utility of the improvements are above average for their age and location.



Looking northerly on Curran Street on west-side of Bldg.
(Photo Taken on July 20, 2017)



Access to parking area on south-side of building
(Photo Taken on July 20, 2017)



Parking, 48' truck bay and forklift ramp north of Bldg.
(Photo Taken on July 20, 2017)



Looking southerly on Curran Street on west-side of Bldg.
(Photo Taken on July 20, 2017)



Rear of the building (east-side)
(Photo Taken on July 20, 2017)



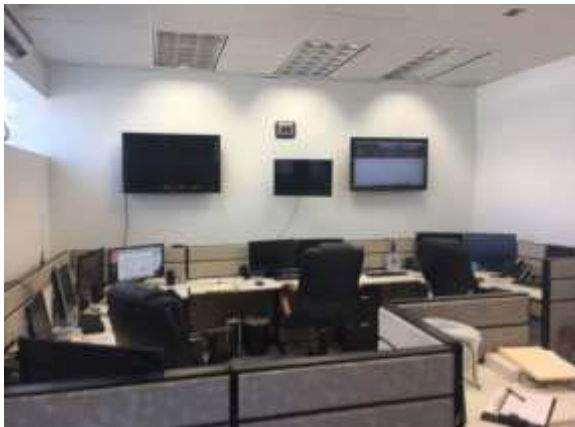
Employee and visitor parking
(Photo Taken on July 20, 2017)



Front entry
(Photo Taken on July 20, 2017)



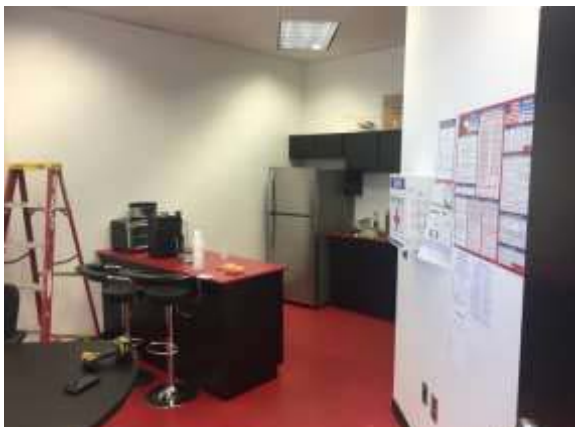
Conference room near front entry
(Photo Taken on July 20, 2017)



Office space near front entry
(Photo Taken on July 20, 2017)



(Photo Taken on July 20, 2017)



Breakroom area
(Photo Taken on July 20, 2017)



One of four office rooms
(Photo Taken on July 20, 2017)



Raised-floor data center space
(Photo Taken on July 20, 2017)



Warehouse finish space- chiller plant room
(Photo Taken on July 20, 2017)



2016 Chiller Plant installed on north of building
(Photo Taken on July 20, 2017)



UPS room
(Photo Taken on July 20, 2017)

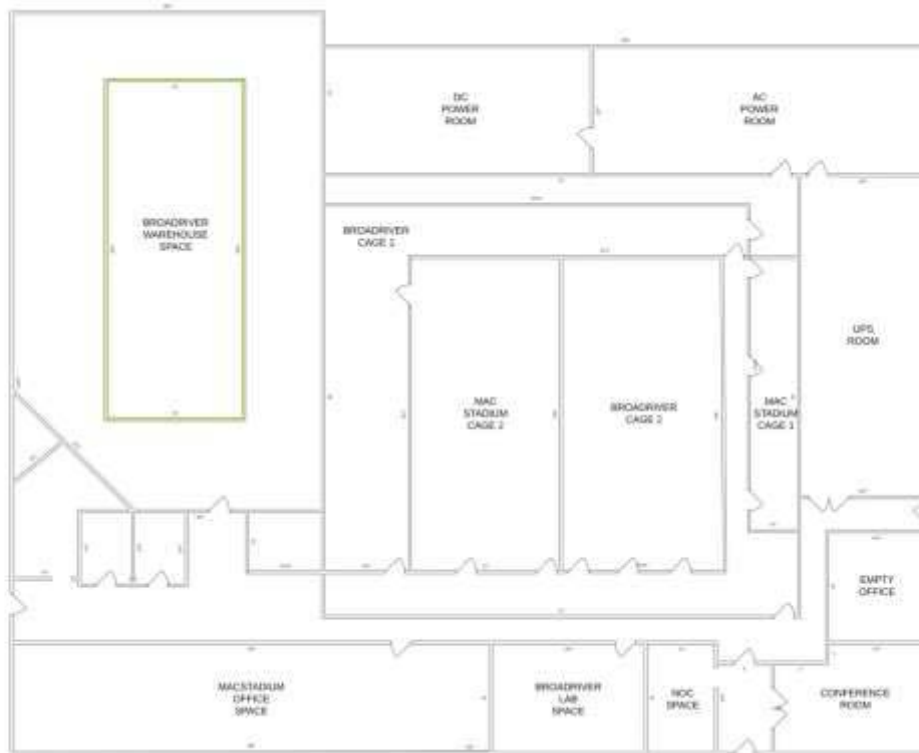


Un-cooled electrical room
(Photo Taken on July 20, 2017)



Improvement abutting subject building improvement
(Photo Taken on July 20, 2017)

Floor Plan



The floor plan above is from 2015. The tenant labels are not current; however it does represent to layout of the building improvement.

Real Estate Taxes

In Georgia, the Assessor estimates the Fair Market Value (FMV) of a property. The Assessor's FMV estimate for the subject is \$409,400, thus the subject's assessed value is \$163,760 (40% of \$409,400). The amount of the tax is based on 100% of the assessed value of the property and the millage rate, which is set by various taxing authorities.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2016

Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Total
17 014900010393	\$115,440	\$48,320	\$163,760	4.330000%	\$7,091	\$7,091

Assessor's Market Value

Tax ID	Land	Improvements	Total
17 014900010393	\$288,600	\$120,800	\$409,400

The 2017 Fulton County and City of Atlanta millage rates are not available. The 2017 tax assessment of the property has been completed and the assessment has increased significantly. The portion attributed to the Land Value is \$932,400 and the portion attributed to the Building Value is \$1,017,200 or a total FMV of \$1,940,600. This would mean an assessed value of \$776,240. Applying the 2016 combined Fulton County and City of Atlanta millage rate of 4.33% would imply an estimated 2017 tax liability of \$33,611.

Tax History

Tax Year	Total Assessed		Ad Valorem		
	Value	Tax Rate	Taxes	Total	% Change
2014	\$163,760	4.53410%	\$7,425	\$7,425	
2015	\$163,760	4.34100%	\$7,109	\$7,109	-4.3%
2016	\$163,760	4.33000%	\$7,091	\$7,091	-0.3%

Based on the concluded market value of the subject, the assessed value appears low.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned C-2, Commercial Service District. Permitted uses include broad range of sales, service, and repair activities- including offices. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only office or flex space use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for office or flex space use in the subject's area. It appears that a newly developed office or flex space use on the site would have a value commensurate with its cost. Therefore, office or flex space use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than office or flex space use. Accordingly, it is our opinion that office or flex space use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for office or flex space use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject site is developed with a 14,874 square foot data center/office improvement, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently owner-user occupied. The property has special build-out and improvements for the use of the space as a data center. The owner operates several data centers in the Atlanta MSA area.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued data center/office use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and special build-out characteristics of the property, the most likely buyer is an owner-user.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Data Center Facilities
- Location: National- United States
- Size: 6,000 to 150,000 square feet
- Age/Quality: 10 to 50 years; renovated; average to good quality
- Transaction Date: January 2014 to July 2017

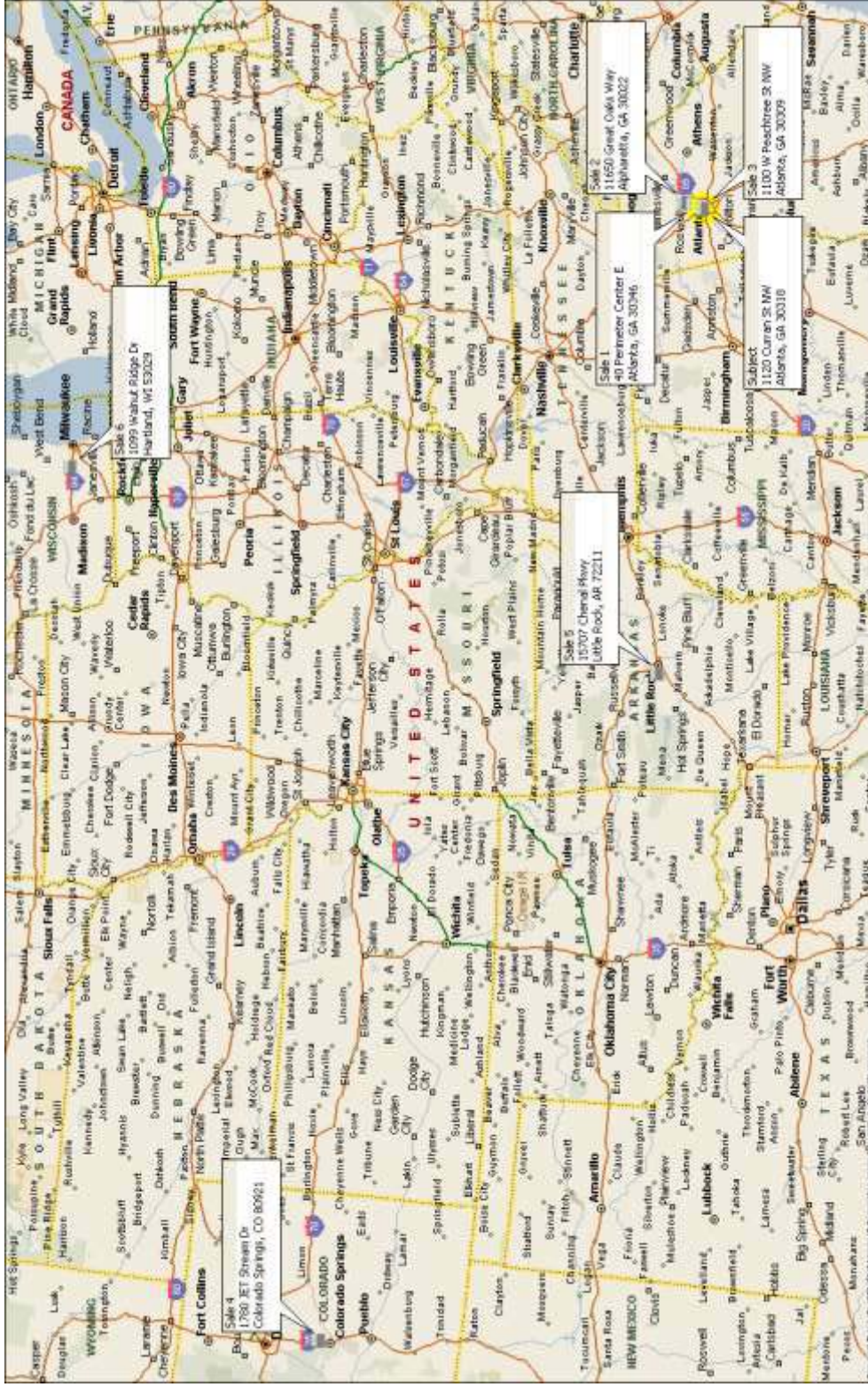
For this analysis, we use price per square foot of rentable area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Due to the limited number of datacenter sales in the Atlanta area, the search parameters were expanded nationally and to include transactions within the last three years. Also included is one office building comparable in close proximity to the subject.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Const Type; Prop Rights	Sale Price	Rentable SF	\$/Rentable SF	Cap Rate
1	Coca Cola Data Center 40 Perimeter Center Ext. E. Atlanta DeKalb County GA	May-17 Closed	1978 2 100%	12.76 0.16 2.50/1,000	Precast concrete Leased Fee	\$19,000,000	88,169	\$215.50	-
<i>Comments: This was a sale-leaseback, where the seller still occupies the property after the sale. The seller had previously renovated the building in the early 2000s to suit its needs as a data center.</i>									
2	Great Oaks Datacenter 11650 Great Oaks Way Alpharetta Fulton County GA	Feb-16 Closed	1999 1 100%	15.98 0.11 3.54/1,000	Masonry Leased Fee	\$15,750,000	77,322	\$203.69	-
<i>Comments: This was a purchase by a private REIT. The following is from their press release: "The ADC III facility is 100% leased to Sungard Availability Services, LP, a leading provider of information availability through managed IT, cloud and recovery services based in Wayne, Pennsylvania." No information pertaining to the lease in-place at the time of sale or capitalization rate was available.</i>									
3	Former WPG Properties, 1100 W. Peachtree St. Atlanta Fulton County GA	Mar-15 Closed	1924 2 0%	0.23 0.43 -	Wood frame Fee Simple	\$1,637,500	4,286	\$382.06	-
<i>Comments: The grantee of the property own the building next door - SkyHouse Midtown - and wanted to protect their sizeable investment there by purchasing this property. Novare - the grantee - has the property leased for a few years to an office user. According to Andy Vance, Novare does not have any plans at the moment for future use.</i>									
4	1780 Jet Stream Drive 1780 Jet Stream Dr. Colorado Springs El Paso County CO	Aug-14 Closed	1999 1 100%	3.00 0.11 1.09/1,000	Precast concrete Leased Fee	\$3,300,000	14,613	\$225.83	6.98%
<i>Comments: This represents the sale-leaseback of a data center property that traded at a 7.0% capitalization rate based on the in place income of the lease agreement. At the time of sale the previous owner signed a 20 year lease, absolute net, at a starting rate of \$16.00 per square foot per year. The tenant is rated B-1 and is considered "stable" by Moody's. The facility is considered a "Tier 1" facility and does not contain a subfloor; though, the improvements contain 5 Rooftop Liebert & Trane HVAC units, 1 encased Caterpillar diesel engine generator with 800 KW capacity (1,000 gallon tank) and FM 200 gas fire suppression system.</i>									
5	Windstream Building 15707 Chenal Pky. Little Rock Pulaski County AR	Jul-14 Closed	2000 1 0%	2.73 0.26 1.62/1,000	Masonry Leasehold	\$8,600,000	30,780	\$279.40	-
6	Milwaukee Data Center 1099 Walnut Ridge Dr. Hartland Waukesha County WI	Mar-14 Closed	2004 1 100%	7.98 0.17 1.34/1,000	Masonry Leased Fee	\$19,500,000	59,516	\$327.64	8.83%
<i>Comments: Current tenant, Thomson Reuter U.S., LLC, has long-term lease, expiring October 2019. Initial base rent was \$1,632,628, which increased 8.24% in November 2014.</i>									
Subject			1976	0.59	B		14,874		
West Midtown Data			1	0.58	Masonry				
Atlanta, GA			NA	-	Fee Simple				

Comparable Improved Sales Map





Sale 1
Coca Cola Data Center



Sale 2
Great Oaks Datacenter



Sale 3
Former WPG Properties, LLC Building



Sale 4
1780 Jet Stream Drive



Sale 5
Windstream Building



Sale 6
Milwaukee Data Center

West Midtown Data Center



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Property Conditions		Sale 3 was adjusted downward 10%. The purchaser was the adjacent property owner who appears to be atypically motivated.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	Some appreciation has occurred in the market. Therefore we apply a 2% annual upward adjustment.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sales 1, 2, 4, 5, and 6 were upward adjusted for having inferior location characteristics compared to the subject property. Sale prices and rental rates in the subject's surrounding area are higher than any of the comparables' locations excluding Sale 3. Sale 3 was adjusted downward for superior location in Midtown with access/exposure from a major arterial.
Size	Inverse relationship that often exists between building size and unit value.	Sales 1, 2, 5 and 6 were all larger than the subject property, requiring an upward adjustment. Sale 3 was adjusted downward for smaller improvement size.
Age/Condition	Effective age; physical condition.	Sales 2, 4, 5 and 6 were newer in age/condition requiring a downward adjustment. Sales 1 and 3 were upward adjusted for being inferior in age/condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors.	Sales 1 and 2 and 4 - 6 were adjusted downward 10% for leased fee. Sale 5 was adjusted downward 5% for leasehold. Several of the transactions are sale-leasebacks.

Improved Sales Adjustment Grid

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Comparable 1 Coca Cola Data Center	Comparable 2 Great Oaks Datacenter	Comparable 3 Former WPG Properties, LLC Building	Comparable 4 1780 Jet Stream Drive	Comparable 5 Windstream Building	Comparable 6 Milwaukee Data Center
Subject	West Midtown Data Center					
Address	1120 Curran Street NW. Atlanta DeKalb GA	11650 Great Oaks Way Alpharetta Fulton GA	1100 W. Peachtree St. Atlanta Fulton GA	1780 Jet Stream Dr. Colorado Springs El Paso CO	15707 Chenal Pky. Little Rock Pulaski AR	1099 Walnut Ridge Dr. Hartland Waukesha WI
City	Atlanta	Fulton	Atlanta	Colorado Springs	Little Rock	Hartland
County	DeKalb	Fulton	Fulton	El Paso	Pulaski	Waukesha
State	Georgia	GA	GA	CO	AR	WI
Sale Date	May-17	Feb-16	Mar-15	Aug-14	Jul-14	Mar-14
Sale Status	Closed	Closed	Closed	Closed	Closed	Closed
Sale Price	\$19,000,000	\$15,750,000	\$1,637,500	\$3,300,000	\$8,600,000	\$19,500,000
Rentable Area	88,169	77,322	4,286	14,613	30,780	59,516
Year Built	1978	1999	1924	1999	2000	2004
Year Renovated	2000	-	2008	-	-	-
Price per SF of Rentable Area	\$215.50	\$203.69	\$382.06	\$225.83	\$279.40	\$327.64
Property Rights	Leased Fee	Leased Fee	Fee Simple	Leased Fee	Leasehold	Leased Fee
% Adjustment	-	-	-	-	-	-
Financing Terms	Cash to seller	Cash to seller	All cash	Cash to seller	Cash to seller	Cash to seller
% Adjustment	-	-	-	-	-	-
Conditions of Sale	-	-	-10%	-	-	-
% Adjustment	-	-	Mar-15	Aug-14	Jul-14	Mar-14
Market Conditions	May-17	Feb-16	Mar-15	Aug-14	Jul-14	Mar-14
Annual % Adjustment	-	3%	5%	6%	6%	7%
Cumulative Adjusted Price	\$215.50	\$209.80	\$361.04	\$239.38	\$296.17	\$350.58
Location	5%	5%	-10%	10%	10%	10%
Size	15%	15%	-5%	-	5%	10%
Age/Condition	5%	-5%	5%	-5%	-5%	-10%
Economic Characteristics	-10%	-10%	-	-10%	-5%	-10%
Net \$ Adjustment	\$32.32	\$10.49	-\$36.10	-\$11.97	\$14.81	\$0.00
Net % Adjustment	15%	5%	-10%	-5%	5%	0%
Final Adjusted Price	\$247.82	\$220.29	\$324.94	\$227.41	\$310.97	\$350.58
Overall Adjustment	15%	8%	-15%	1%	1.1%	7%
Range of Adjusted Prices	\$220.29 - \$350.58					
Average	\$280.34					
Indicated Value	\$275.00					



Value Indication

Prior to adjustment, the sales reflect a range of \$203.69 - \$382.06 per square foot. After adjustment, the range is narrowed to \$220.29 - \$350.58 per square foot. The adjusted average is \$280.34 per square foot. We give greatest weight to sales 1, 2, and 3 which were recent transactions within closest proximity to the subject property.

Value Indication by Sales Comparison

Indicated Value per SF	\$275.00
Subject Square Feet	14,874
Indicated Value	\$4,090,350
Rounded	\$4,090,000

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

As the subject is currently owner occupied and the most probable purchaser is another owner-user, we use market rent as the basis of our income projection and apply only the direct capitalization method. Our valuation assumes stabilized occupancy without a deduction for lease-up costs.

Market Rent Analysis

To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date. Comparables used in our analysis are summarized in the following table.

Due to the limited rental comparables for data center and considering the subject's office space, we have included office rental comparables in close proximity to the subject in addition to national data center comparables.

Summary of Comparable Rentals - Data Center/Office								
No.	Property Information	Description	Tenant	SF	Lease Start	Term (Mos.)	Rent/SF	Lease Type
1	Lyft Office Building 814 Bellemeade Ave. NW. Atlanta Fulton County GA	Yr Blt. 1960 Stories: 2 RA: 6,600 Parking Ratio: 4.8 /1,000	Lyft Company	6,600	May-16	63	\$24.00	Triple Net
<i>Comments: This was a 63 month lease to a national tenant as a local corporate headquarters. The lease started with three months free rent a TI Allowance of \$50/sf.</i>								
2	Atlanta Technology Center 1575 Northside Drive Atlanta Fulton County GA	Yr Blt. 1986 Stories: 1 RA: 197,357 Parking Ratio: 3.4 /1,000	Confidential	19,748	May-16	60	\$22.50	Modified Gross
<i>Comments: This is the lease of 19,748 square feet of office space. The rental rate is \$22.50 per square foot per year on a modified gross basis. The lease commenced on May 1, 2016. The lease term is 5 years.</i>								
3	Misson Escape Atlanta 525 Bishop St. NW. Atlanta Fulton County GA	Yr Blt. 1950 Stories: 2 RA: 6,205 Parking Ratio: 4.0 /1,000	Misson Escape Atlanta	6,205	Dec-15	36	\$22.50	Triple Net
<i>Comments: This is a three year lease to an general office use tenant. No TI allowance was available to the tenant because the space was renovated prior to their move-in date. The only concession made was one month free rent at start. The property was on the market for three months before being</i>								
4	Tampa Enterprise Data 1309 N. Ward St. Tampa Hillsborough County FL	Yr Blt. 1985 Stories: 1 RA: 23,478 Parking Ratio: 1.9 /1,000	Data Center Tenant	23,478	Jun-15	120	\$18.00	Triple Net
<i>Comments: This is an existing, freestanding, data center that is located at the southeast corner of N. Ward Street and W. Laurel Street, Tampa, Hillsborough County, Florida. The property is well positioned within the Tampa market and close to Tampa International Airport. The improvements consist of 23,478 square feet and were originally constructed in 1985. The overall site area is 0.92 acres, or 40,200 square feet.</i>								
<i>The property is a fully redundant, Tier III, data center with hardened concrete construction designed to withstand flooding. Site improvements include perimeter fencing and two powered security gates. Building features include secure entrance (man hole), video surveillance, 2 separate power grid sources, N+1 redundancy on all power and cooling, N+1 redundancy on all core and edge network equipment, 1,368 tons of evaporative and dry cooling with 25k gallon reserve, (2) 4.5 MW generators with 10k gallon reserve. The building features 12,000 square feet production area, 9,000 square feet (38% of total area) of raised floor data center area and 7,000 square feet of Disaster Recovery and office space area.</i>								
<i>The current asking rate is \$18.00 per square foot, triple net. The asking term is for 10 years with fixed annual increases.</i>								
5	Windstream - Lexington 151 N. Martin Luther King Lexington Fayette County KY	Yr Blt. 1941 Stories: 4 RA: 108,912 Parking Ratio: 0.4 /1,000	Windstream Corporations	108,912	Aug-14	240	\$18.50	Absolute Net
<i>Comments: Landlord pays all expenses. Rent escalations of 3% per year, reflected in effective rent.</i>								
6	Windstream Building 15707 Chenal Pky. Little Rock Pulaski County AR	Yr Blt. 2000 Stories: 1 RA: 30,780 Parking Ratio: 1.6 /1,000	Windstream Corporation	30,780	Aug-14	239	\$17.00	Triple Net
<i>Comments: Lease to Windstream Corporation at a fixed rent of \$17.00 per square foot for a 20-year term. The fixed rent in effect shall increase 2% annually on each anniversary of the commencement date.</i>								

Comparable Rentals Map





Lease 1
Lyft Office Building



Lease 2
Atlanta Technology Center



Lease 3
Misson Escape Atlanta Office



Lease 4
Tampa Enterprise Data Center



Lease 5
Windstream - Lexington



Lease 6
Windstream Building

West Midtown Data Center



Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

Analysis of Comparable Rentals

The comparable rentals are compared to the subject and adjusted to account for material differences that affect market rental value. The following table summarizes our analysis of each comparable.

Rental Adjustment Grid - Data Center/Office

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	West Midtown Data Center	Atlanta Technology Drive	Mission Escape Atlanta Office	Tampa Enterprise Data Center	Windstream - Lexington	Windstream Building
Address	1120 Curran Street NW. Atlanta	1575 Northside Drive Atlanta	525 Bishop St. NW. Atlanta	1309 N. Ward St. Hillsborough	151 N. Martin Luther King Blvd. Lexington	15707 Chenal Pky. Little Rock
City	Atlanta	Atlanta	Atlanta	Tampa	Lexington	Little Rock
County	Fulton	Fulton	Fulton	FL	Fayette	Pulaski
State	GA	GA	GA	FL	KY	AR
Lease Start Date	May-16	May-16	Dec-15	Jun-15	Aug-14	Aug-14
Lease Term (Months)	63	60	36	120	240	239
Tenant Name	Lyft Company	Confidential	Mission Escape Atlanta	Data Center Tenant	Windstream Corporations	Windstream Corporation
Leased SF	6,600	19,748	6,205	23,478	108,912	30,780
Lease Type	Triple Net	Modified Gross	Triple Net	Triple Net	Absolute Net	Triple Net
Year Built	1960	1986	1950	1985	1941	2000
Renovation Date	2016	-	2015	-	1960's	-
Base Rent/SF/Yr	\$24.00	\$22.50	\$22.50	\$18.00	\$18.50	\$17.00
Expense Structure	-	-	-	-	-	-
\$ Adjustment	-	-\$1.50	-	-	\$0.50	-
Conditions of Lease	-	-	-	-	-	-
% Adjustment	-	-	-	-	-	-
Market Conditions	7/20/2017	May-16	Dec-15	Jun-15	Aug-14	Aug-14
Annual % Adjustment	1%	1%	2%	2%	3%	3%
Cumulative Adjusted Rent	\$24.24	\$21.21	\$22.95	\$18.36	\$19.57	\$17.51
Location	-	-	-	10%	10%	10%
Size	-5%	-	-5%	5%	15%	5%
Building Quality	-	-5%	-	-	-	-
Age/Condition	-	5%	-	5%	10%	-5%
Net \$ Adjustment	-\$1.21	\$0.00	-\$1.15	\$3.67	\$6.85	\$1.75
Net % Adjustment	-5%	0%	-5%	20%	35%	10%
Final Adjusted Price	\$23.03	\$21.21	\$21.80	\$22.03	\$26.42	\$19.26
Overall Adjustment	-4%	-6%	-3%	22%	43%	13%
Range of Adjusted Rents	\$19.26 - \$26.42					
Average	\$22.29					
Indicated Rent	\$22.50					



Market Rent Conclusion

Based on the preceding analysis of comparable rentals, we conclude market lease terms for the subject as follows:

Concluded Market Lease Terms

Space Type	SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease Term (Mos.)
Data Center/Office	14,874	\$22.50	\$/SF/Yr	2% per year	Triple Net	60

Stabilized Income and Expenses

Potential Gross Rent

The market rental rate is applied to the subject's rentable area to arrive at Potential Gross Rent.

Expense Reimbursements

Operating expenses are assumed to be paid by a potential triple net tenant; therefore, it is not necessary to estimate reimbursement income.

Vacancy & Collection Loss

Stabilized vacancy and collection loss is estimated at 5.0% based on the vacancy rate of the subject's single tenant configuration and specialized data center use.

Expenses

For the projection of the potential net operating income, we assume a triple net structure because this is the prevailing lease type in the area for the data center property type. The only expense deductions that are appropriate are structural maintenance and property management.

Structural maintenance is estimated at \$0.20 per square foot based on the age, condition, and construction quality of the improvements.

Management is estimated at 3.0% of effective gross income considering the limited managerial responsibilities associated with this type of property.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

Capitalization Rate Comparables							
No.	Property Name	Year Built	Sale Date	Rentable Area	% Occup.	Price/SF	Cap Rate
3	Former WPG Properties, LLC	1924	3/10/2015	4,286	0%	\$382.06	–
4	1780 Jet Stream Drive	1999	8/29/2014	14,613	100%	\$225.83	6.98%
6	Milwaukee Data Center	2004	3/28/2014	59,516	100%	\$327.64	8.83%
7	Confidential	1998	2/12/2015	187,743	100%	\$88.42	6.93%
8	Wells Fargo Operations Center	1976	2/11/2015	240,976	100%	\$85.90	7.14%
Average (Mean) Cap Rate:							7.47%

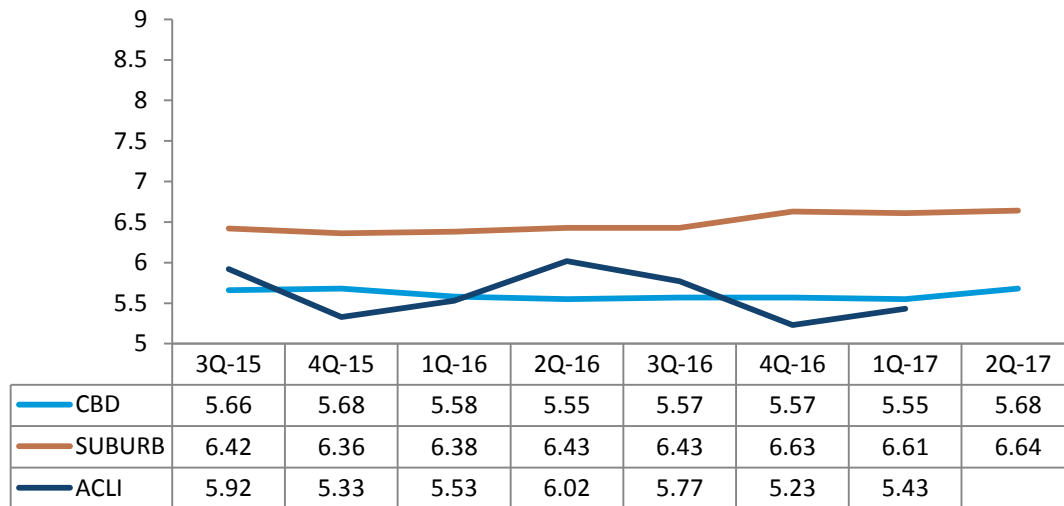
The capitalization indicators range from 6.93% to 8.83%. The more recent transactions have the lower capitalization rates.

The North American Data Center report has several 2016 transactions with capitalization rate indications of 5.9% to 8.5%. However, these properties have sale prices of \$233 to \$951 per square foot. These properties are generally considered superior to the subject suggesting a capitalization rate at the mid to upper end of this range.

Capitalization Rate Surveys – Office Properties					
	IRR-ViewPoint Mid Year 2017 National CBD Office	IRR-ViewPoint Mid Year 2017 National Suburban Office	PwC 2Q-17 National CBD Office	PwC 2Q-17 National Suburban Office	ACLI 1Q-17 National Office
Range	4.25% - 11.00%	5.25% - 10.00%	3.50% - 7.50%	5.00% - 9.50%	NA
Average	7.14%	7.45%	5.68%	6.64%	5.43%
Source: IRR-Viewpoint 2017; PwC Real Estate Investor Survey; American Council of Life Insurers Investment					

These surveys are of institutional grade properties suggesting a higher capitalization rate for the subject above the national CBD office averages.

Office Capitalization Rate Trends



CBD - PwC Real Estate Investor Survey - National CBD Office Market

SUBURB - PwC Real Estate Investor Survey - National Suburban Office Market

ACLI - American Council of Life Insurers Investment Bulletin - Office Properties

Band of Investment Method

Mortgage/Equity Assumptions

Loan To Value Ratio	75%
Interest Rate	5.00%
Amortization (Years)	25
Mortgage Constant	0.0702
Equity Ratio	25%
Equity Dividend Rate	9.00%

Weighted Average of Mortgage and Equity Requirements

Mortgage Requirement	75%	x	7.02%	=	5.26%
Equity Requirement	25%	x	9.00%	=	2.25%

Indicated Capitalization Rate	7.51%
Rounded	7.50%

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 7.0% to 8.75%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Risk Factor	Issues	Impact on Rate
Competitive Market Position	Construction quality, appeal, condition, effective age, functional utility.	↓
Location	Market area demographics and life cycle trends; proximity issues; access and support services.	↓
Market	Vacancy rates and trends; rental rate trends; supply and demand.	↓
Highest & Best Use	Upside potential from redevelopment, adaptation, expansion.	↔
Overall Impact		↓

The subject has been renovated over the years. It is located in a high demand area of Atlanta. Atlanta leads the nation in demand for data centers. Accordingly, we conclude a capitalization rate as follows:

Capitalization Rate Conclusion

Going-In Capitalization Rate	7.75%
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Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to arrive at a value indication by the income capitalization approach as follows:

Direct Capitalization Analysis

	SF	Space Type	Rent Applied	\$/SF	Annual	\$/SF Bldg.
Income						
Base Rent						
Owner-user	14,874	Data Center/Office	Market	\$22.50	\$334,665	–
Potential Gross Rent	14,874				\$334,665	\$22.50
Vacancy & Collection Loss	5.00%				-\$16,733	-\$1.13
Effective Gross Income					\$317,932	\$21.38
Expenses						
Management	3.00%				\$9,538	\$0.64
Structural Maintenance					\$2,975	\$0.20
Total Expenses					\$12,513	\$0.84
Net Operating Income					\$305,419	\$20.53
Capitalization Rate					7.75%	
Indicated Value					\$3,940,890	\$264.95
Rounded					\$3,940,000	\$264.89

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	\$4,090,000
Income Capitalization Approach	\$3,940,000
Reconciled	\$4,050,000

The sales comparison approach is given the greatest weight because it is the most reliable valuation method for the subject. The income approach is given less weight because it does not directly consider the sale prices of alternate properties having similar utility. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 20, 2017	\$4,050,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report. Therefore, we assume the subject property does not suffer from significant deferred maintenance.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is 6-12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6-12 months.

Insurable Replacement Cost

An estimate of insurable replacement cost based on the calculator method of Marshall Valuation Service is shown in the following table. In the absence of specific instructions from the client, this estimate is based on the replacement cost new of the building improvements. From the total of these amounts, we deduct insurance exclusions.

The following are not considered in our estimate: land value, site improvement costs, entrepreneurial profit, depreciation, and costs to demolish damaged structures.

We have not viewed the specific policy that is in effect or may be written for the subject, nor have we been given specific instructions by the client on what is to be included in, or excluded from, the insurable replacement cost estimate. Moreover, methodologies for developing these estimates vary between underwriters. Therefore, reliance should not be placed on our estimate unless the client independently determines that the items included in our estimate are consistent with the terms of the subject's insurance coverage.

We are not experts in estimating replacement costs for insurable value purposes. We recommend the engagement of an appropriately qualified professional if a definitive estimate of insurable replacement cost is required.

Estimate of Insurable Replacement Cost							
Replacement Cost New - Building Improvements							
<i>Bldg Name</i>	<i>MVS Building Type</i>	<i>MVS Class</i>	<i>Quality</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Cost New</i>
West Midtown Data Center	Computer (Data) Centers	C	Good	14,874	SF	\$155.21	\$2,308,594
Subtotal - Building Improvements							\$2,308,594
Less: Insurance Exclusions							
Other						8.0%	\$184,687
Total Exclusions						8.0%	\$184,687
Insurable Replacement Cost							\$2,123,906
Rounded:							\$2,120,000

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 no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. We certify that to the best of our knowledge and belief, 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.
12. Sherry L. Watkins, MAI, FRICS, ASA made a personal inspection of the property that is the subject of this report. J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS has not personally inspected the subject.
13. Significant real property appraisal assistance was provided by Zach Fraysier (Georgia Registered Real Estate Appraiser 351694) who has not signed this certification.

14. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
15. As of the date of this report, Sherry L. Watkins, MAI, FRICS, ASA and J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS have completed the continuing education program for Designated Members of the Appraisal Institute.



Sherry L. Watkins, MAI, FRICS, ASA
Certified General Real Estate Appraiser
Georgia Certificate # CG001536



J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS
Certified Real Estate Appraiser
Georgia Certificate # CG000818

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Atlanta, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Atlanta is not a building or environmental inspector. Integra Atlanta does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

- appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Atlanta, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. We were not provided a property conditions report. Therefore, we assume the subject property does not suffer from significant deferred maintenance.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None.
-

29.

Addendum A
Appraiser Qualifications



Sherry L. Watkins, MAI, FRICS, ASA

Experience

Senior Managing Director/Principal for the Atlanta, GA office of Integra Realty Resources, the nation's largest national valuation and consulting firm. Primary responsibilities include managing staff of 12 analysts, valuation, market analysis, and consulting engagements involving multifamily, office, retail, industrial, manufacturing, land, subdivisions, and special use properties, for corporate clients, pension fund advisors, banks and financial institutions, developers and investors, law firms, government, life insurance companies, and individuals. Also completes valuations of hotels, car washes, gas stations, and other going concerns. Actively engaged in real estate valuation and consulting assignments since the late 1980s. Specialty is multifamily properties including: market rent properties, affordable housing, and valuations for Fannie Mae DUS, Freddie Mac, and HUD. Ms. Watkins is MAP certified.

Prior work experience includes Managing Director at PGP Valuation Inc./Colliers International and Associate Director at Cushman & Wakefield. Senior Appraiser at C. Spencer Powell/RSP Associates and Oregon Department of Revenue.

Professional Activities & Affiliations

Appraisal Institute Atlanta Chapter 2017 Secretary
Appraisal Institute Atlanta Chapter 2016 Treasurer
Appraisal Institute Atlanta Chapter LDAC Attendee Years 1, 2, and 3
Appraisal Institute Board of Directors
Member: Appraisal Institute (MAI)
Member: Royal Institution of Chartered Surveyors (FRICS)
Member: CREW
Member: American Society of Appraisers (ASA - Accredited Senior Appraiser)
Former Appraisal Institute Regional Representative
Former Appraisal Institute General Admissions Chairman

Licenses

Alabama, Certified Real Estate Appraiser, G00613, Expires September 2017
Florida, Certified General Real Estate Appraiser, RZ3004, Expires November 2018
Georgia, Certified General Real Estate Appraiser, CG001536, Expires September 2017
Louisiana, Certified General Real Estate Appraiser, G3735, Expires December 2017
South Carolina, Certified General Real Estate Appraiser, CG4578, Expires June 2018
Tennessee, Certified General Real Estate Appraiser, 00003563, Expires November 2018
Texas, Certified General Real Estate Appraiser, TX1336688, Expires October 2018
Mississippi, Certified Real Estate Appraiser, GA1241, Expires July 2019
North Carolina, Certified General Real Estate Appraiser, A5192, Expires June 2018

Education

Bachelor of Science in Business Administration, Georgia State University, Atlanta, Georgia.

Completed all courses required by the Appraisal Institute for MAI designation as well as numerous real estate related courses and seminars. Currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members. Completed HUD Multifamily Accelerated Processing (MAP).

swatkins@irr.com - 404-836-7925 x

Integra Realty Resources
Atlanta

1100 Peachtree Street, NE
Suite 350
Atlanta, GA 30309

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Sherry L. Watkins, MAI, FRICS, ASA

Education (Cont'd)

Recently completed AI - Fundamentals of Separating Real Property, Personal Property, FF&E, Uniform Appraisal Standards for Federal Land Acquisitions, Complex Litigation Appraisal Case Studies, and Conservation Easements & Your Taxes.

Recently completed ASA - BV 201 Introduction to Business Valuation and Allocation of Going Concerns.

Qualified Before Courts & Administrative Bodies

Qualified as an expert witness in various courts and administrative bodies including U.S Federal Bankruptcy Court, and Superior Courts in Bibb, Cobb, DeKalb, Fulton, Gwinnett, Douglas, Dawson, Henry, and Pickens Counties in Georgia.
Hearing Officer for Georgia Department of Revenue.

Miscellaneous

Featured as a Women of Influence 2010 in the Real Estate Forum July/August 2010.

Is an IRR Certified Reviewer.

Integra Realty Resources
Atlanta

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Atlanta, GA 30309

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STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

SHERRY LYNN WATKINS

1536

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
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THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

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SHERRY LYNN WATKINS

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Atlanta, GA 30303-1605

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08/09/1991

**END OF RENEWAL
09/30/2017**



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

46530756

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WILLIAM L. ROGERS, JR.
Real Estate Commissioner

46530756

J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS

Experience

Director/Principle of Integra Realty Resources - Atlanta, formerly part of Schultz, Carr, Bissette & Associates and Senior Managing Director of Integra Realty Resources - Savannah, GA. He is also a member of The Real Estate Counseling Group of America. Exclusively engaged in real estate consulting and valuation with more than 40 years experience. Was formerly a Partner in Wight, Couch & Schultz, and Vice President of Landauer, a national appraisal and consulting firm.

Most recently has been working with international appraisal associations and government agencies in developing appraisal standards, education and regulations. These have included assignments in Poland, Russia, Ukraine, Slovakia, Hungary, Bulgaria, Armenia & Thailand.

Actively engaged in real estate valuation and consulting assignments including, but not limited to, shopping centers, office buildings, churches, industrial facilities, marinas, golf resorts, coastal islands, wetlands, marsh lands (easements), agricultural properties, and residential subdivisions. Clients include banks and financial institutions, law firms, governments, insurance companies, and investors.

Professional Activities & Affiliations

Counselor of Real Estate (CRE) American Society of Real Estate Counselors
Appraisal Institute, Member (MAI) Appraisal Institute
Atlanta Board of REALTORS
Georgia Association of REALTORS
National Association of REALTORS
Real Estate Counseling Group of America
Rho Epsilon National Real Estate Fraternity
Royal Institute of Chartered Surveyors, Fellow (FRICS) Royal Institution of Chartered Surveyors
Society of Golf Course Appraisers (SGA)
University of Georgia College of Business Administration; Distinguished Practitioning Lecturer 1975-76

Licenses

Georgia, Certified Real Estate Appraiser, CG000818, Expires October 2017
Alabama, Certified General Real Property Appraiser, G000413, Expires September 2017
North Carolina, Certified General Real Estate Appraiser, A3851, Expires June 2017
South Carolina, Certified General Real Estate Appraiser, C469, Expires June 2018
Tennessee, Certified General Real Estate Appraiser, CG00000929, Expires February 2014
Mississippi, Certified General Real Estate Appraiser, GA-776, Expires October 2017

Education

Graduate of the University of Georgia in 1963. Received BBA Degree with major in Real Estate. Has attended numerous courses and taught appraisal courses nationally for the American Institute of Real Estate Appraisers, Society of Real Estate Appraisers, and the Appraisal Institute. Developed the initial National Professional Appraisal Standards Course for the Appraisal Foundation.

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J. Carl Schultz, Jr., MAI, SRA, CRE, FRICS

Qualified Before Courts & Administrative Bodies

Fulton County, Gwinnett County, DeKalb County, Chatham County, Cobb County, Muscogee County, Forsyth County, Georgia; Greenville, South Carolina; Chattanooga, TN; Scranton, PA; Albany, NY; New Orleans, LA; State of Georgia Public Service Commission

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STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

JOHN CARL SCHULTZ, JR

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IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

47301405

JOHN CARL SCHULTZ, JR

818
Status **ACTIVE**

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Real Estate Commission
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Atlanta, GA 30303-1605

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06/24/1991

**END OF RENEWAL
10/31/2017**



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

47301405

JOHN CARL SCHULTZ, JR

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229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

47301405

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

Financials and Property Information



FULTON COUNTY

Board of Assessors

Recent Sales in Neighborhood Recent Sales in Area	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search	Fulton Home
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Owner and Parcel Information

Owner Name	HEMPHILL AVENUE LLC	Today's Date	July 20, 2017
Mailing Address	1120 CURRAN ST ATLANTA, GA 30318	Parcel Number	17 014900010393
Location Address	569 FLORENCE ST	Tax District	05
Legal Description	C2	Zoning	C2
Property Class	I3-Industrial Lots	Acres	0.5888
Neighborhood	CB01	Parcel Map	Show Parcel Map
Legal Description		Homestead	N

Assessment Information

[Hide Historical Assessments](#)

[2017 Assessment Notice](#)

Year	LUC	CLASS	Land Value	Building Value	Total Value	Assessed Value
2017	393	I3	\$ 923,400	\$ 1,017,200	\$ 1,940,600	\$ 776,240
2016	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2015	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2014	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2013	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2012	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2011	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2010	393	I3	\$ 288,600	\$ 120,800	\$ 409,400	\$ 163,760
2009	393	I3	\$ 288,600	\$ 156,400	\$ 445,000	\$ 178,000

Land Information

Land Type	Land Code	Description	Square Feet	Acreage	Price
S	21		25,650	0.5888	\$ 923,400

Commercial Improvement Information

Card	Building Type	Structure Code/Desc	Units	Year Built	Total Square Footage
1	01	398-398 WAREHOUSE		1964	13,035

Accessory Information

Description	Year Built	Area	Grade	Value
PAVING-ASPHALT PARK	1964	11000		\$ 13,697

Sale Information

Sale Date	Sale Price	Instrument	Deed Book	Deed Page	Sale Qualification	Validity	Grantee	Grantor
2016-06-30	\$ 2,082,000		56317	644	Unqualified	0-Valid Sale	HEMPHILL AVENUE LLC	MARKPROP, INC.

Recent Sales in Neighborhood Recent Sales in Area	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search Page	Fulton Home
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Fulton County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. Assessment information for all tax parcels included in this data is for the current tax year which began January 1st of this calendar year. Value and characteristic parcel data on this site does not reflect changes due to documents recorded after January 1st however sales information may be displayed to show recent sales. Website Updated: July 11, 2017

DETAILED TAX SUMMARY



City of Atlanta/Fulton

TAX YEAR: 2016 ▼

Owner Name

MARK PROP INC

Parcel Identification

17 -0149-0001-039-3

Account Number

2231513

Property Location

569 FLORENCE STREET NORTHWEST

Tax District

05 - ATLANTA

Fair Market Value

409,400

Assessed Value

163,760

Temporary Assessment

Not Found

City Exemption:

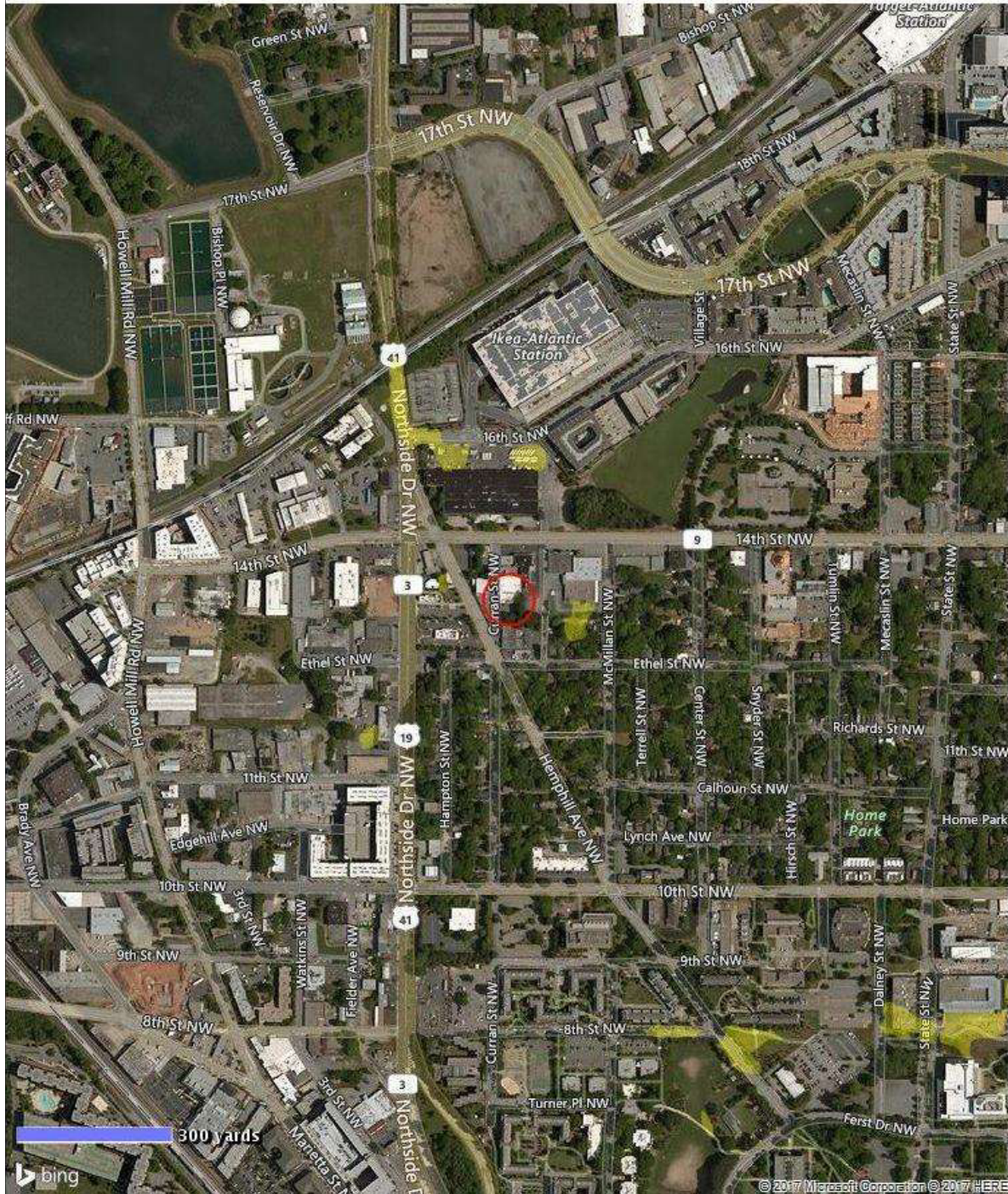
County Exemption:

<u>Levies</u>	<u>Assessment</u>	Exemptions	<u>Net Assessment</u>	X	<u>Net Rate</u>	<u>State Credit</u>	TAX
Fulton Cycle							
FULTON BONDS	163,760	0	163,760	X	.000250	\$0.00	\$40.94
FULTON OPER	163,760	0	163,760	X	.010450	\$0.00	\$1,711.29
INTEREST							\$0.00
PENALTIES/FEES							\$0.00
Last Payment: 11/6/2016			Total Amount Billed				\$1,752.23
			Less Amount Paid				\$1,752.23
			Total Due				\$0.00
City of Atlanta/Fulton Cycle							
ATLANTA BONDS	163,760	0	163,760	X	.001480	\$0.00	\$242.36
ATLANTA GENERAL	163,760	0	163,760	X	.008880	\$0.00	\$1,454.19
ATLANTA PARKS	163,760	0	163,760	X	.000500	\$0.00	\$81.88
ATLANTA SCHOOL BOND	163,760	0	163,760	X	.000025	\$0.00	\$4.09
ATLANTA SCHOOL	163,760	0	163,760	X	.021715	\$0.00	\$3,556.05
INTEREST							\$53.38
PENALTIES/FEES							\$0.00
Last Payment: 11/6/2016			Total Amount Billed				\$5,391.95
			Less Amount Paid				\$5,391.95
			Total Due				\$0.00

Property owners with current legal matters, such as bankruptcy or foreclosure, must contact the Tax Commissioner's office at (404) 613-6100 for the official balance due on their parcel(s).

[Return to Tax Bill](#) | [Return to Search Results](#)





MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **13121C0242F**
 Zone: **X**
 Map Date: **September 18, 2013**
 FIPS: **13121**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Powered by CoreLogic®



The map was prepared using the data as shown on a plat of 12/20/01. The plat is subject to all conditions and restrictions of the original plat. The plat is subject to all conditions and restrictions of the original plat. The plat is subject to all conditions and restrictions of the original plat.

LEGEND

These standard symbols will be found in the drawing

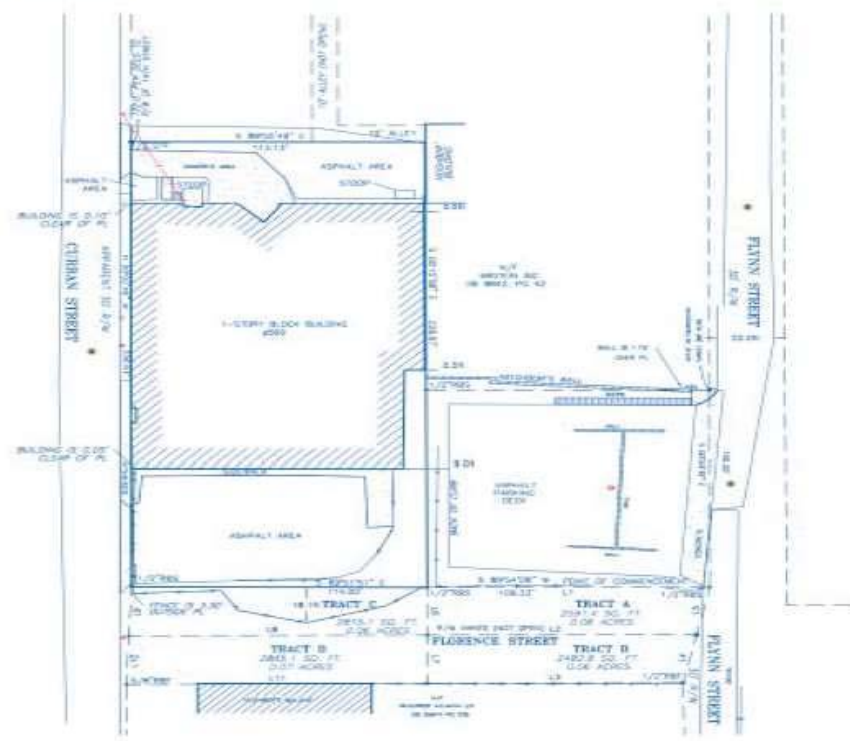
- ▲ IRREGULAR POINT
- 1/2" IRREGULAR POINT
- IRREGULAR POINT
- ⊕ CATCH BASIN
- ⊖ DRAIN
- ⊕ FIVE HYDRANT
- ⊕ GUY WIRE
- ⊕ LIGHT POLE
- ⊕ MANHOLE
- ⊕ POWER POLE
- ⊕ COMMUNICATION MARK-OUT
- ⊕ SEWER
- ⊕ ELECTRIC
- ⊕ FENCE
- ⊕ UNDERGROUND PIPELINE

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 89°54'30" W	120.21
L2	S 89°54'30" W	120.21
L3	S 89°54'30" W	98.81
L4	S 89°54'30" W	120.21
L5	S 89°54'30" W	120.21
L6	S 89°54'30" W	120.21
L7	S 89°54'30" W	120.21
L8	S 89°54'30" W	120.21
L9	S 89°54'30" W	120.21
L10	S 89°54'30" W	120.21
L11	S 89°54'30" W	120.21

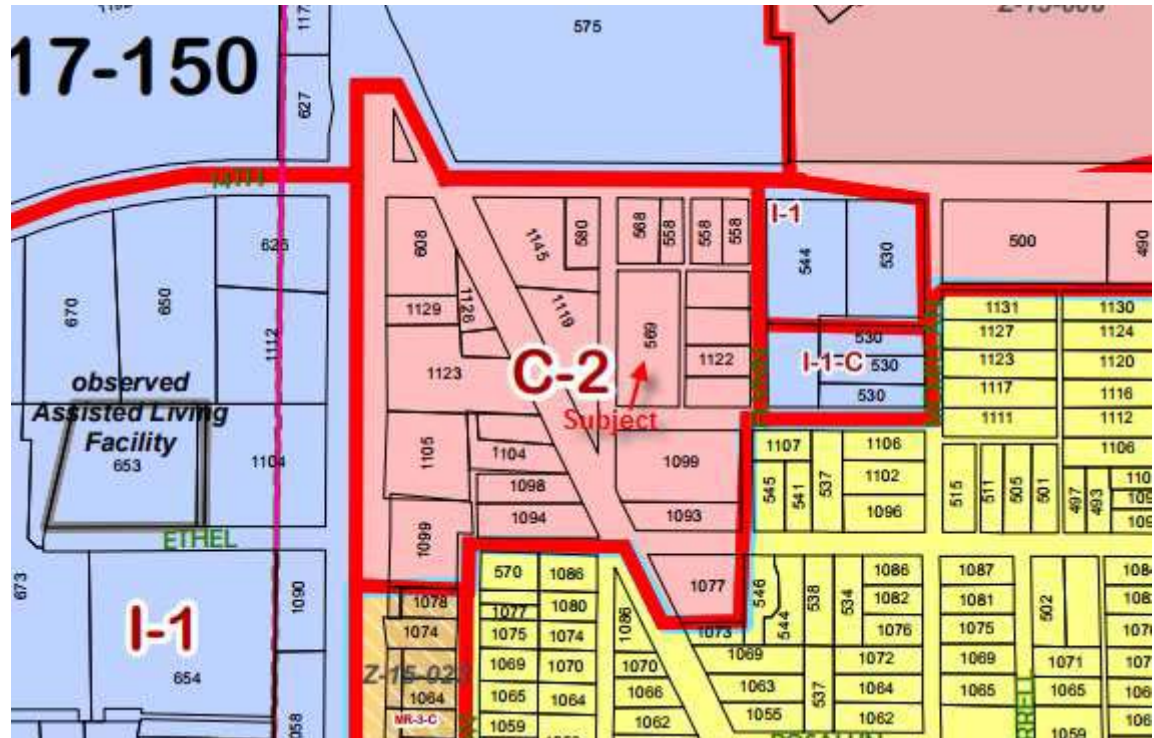


AREA
 0.7412 AC.
 0.329 ACRES



1. THIS PLAN WAS PREPARED FOR THE EXCLUSIVE USE OF THE PERSONS NAMED HEREON. IT IS NOT TO BE USED FOR ANY OTHER PURPOSE. THE SURVEYOR'S LIABILITY IS LIMITED TO THE PROFESSIONAL STANDARD OF CARE. THE SURVEYOR IS NOT RESPONSIBLE FOR ANY DAMAGE TO PERSONS OR PROPERTY CAUSED BY THE USE OF THIS PLAN.

SHEET # 149	MARKPROP, INC. MARKPROP, INC.	DATE: 7/8/05 SCALE: 1" = 30'	GEORGIA LAND SURVEYING CO., INC. 155 CLIFWOOD DRIVE ATLANTA, GEORGIA, 30328 TELEPHONE (404) 255-4671, FAX (404) 255-6807
	LOTS 149 17 Tracts	FULTON COUNTY, GEORGIA DISTRICT 10	
PLAT BOOK 2728, PAGE 422	SHEET 1 OF 2	ALL MATTERS PERTAINING TO TITLE ARE EXCEPTED	



CHAPTER 12. - C-2 COMMERCIAL SERVICE DISTRICT REGULATIONS

Sec. 16-12.001. - Scope of provisions.

The regulations set forth in this chapter, or set forth elsewhere in this part when referred to in this chapter, are the regulations in the C-2 Commercial Service District.

(Code 1977, § 16-12.001)

Sec. 16-12.002. - Statement of intent.

The intent of this chapter, in establishing the C-2 Commercial Service District, is as follows:

- (1) To provide a broad range of sales, service, and repair activities.
- (2) To encourage residential use either as a principal use or in mixed use developments.

(Code 1977, § 16-12.002)

Sec. 16-12.003. - Permitted principal uses and structures.

A building or premises shall be only used for the following principal purposes:

- (1) Banks, savings and loan associations, and similar financial institutions.
- (2) Repealed.
- (3) Business or commercial schools.
- (4) Child care centers, kindergartens and special schools.
- (5) Churches, synagogues, temples, mosques and other religious worship facilities, on lots of one acre or more.
- (6) Clubs and lodges.
- (7) Commercial greenhouses.
- (8) Commercial recreation establishments, including bowling alleys, theaters, convention halls, places of assembly, and similar uses, with primary activities conducted within fully enclosed buildings. Pool halls, billiard parlors, amusement arcades and game rooms are allowed only by special use permits.
- (9) Eating and drinking establishments, including those licensed for the on-premises consumption of malt beverages, wine and/or distilled spirits.
- (10) Repealed.
- (11) Repealed.
- (12) Repealed.

- (13) Hospitals.
- (14) Repealed.
- (15) Institutions of higher learning, including colleges and universities.
- (16) Laundry and dry cleaning, collection stations or plants; limited to no more than 7,500 square feet in area; laundry and dry cleaning establishments where equipment is operated by customers.
- (17) Mortuary and funeral homes.
- (18) Multi-family dwellings, two-family dwellings and single-family dwellings.
- (19) Museums, galleries, auditoriums, libraries and similar cultural facilities.
- (20) New and used car sales and rental, including other motorized vehicles such as mopeds and motorcycles.
- (21) Repealed.
- (22) Offices, clinics (including veterinary), laboratories, studios, and similar uses, but not blood donor stations except at hospitals. Veterinary clinics shall be located within soundproof buildings when located within 300 feet of any residential use.
- (23) Parking structures and lots, other than park-for-hire facilities.
- (24) Plumbing, tinsmithing, or cabinet shops, general service and repair establishments.
- (25) Printing shops.
- (26) Professional or personal service establishments, but not hiring halls.
- (27) Repair garages, paint and body shops.
- (28) Repair establishments for home appliances, bicycles, lawn mowers, shoes, clocks and similar devices.
- (29) Retail establishments, including catering establishments, delicatessens and bakeries with wholesale operations.
- (30) Vault-storage facility, not exceeding 7,500 square feet in floor area.
- (31) Service stations, battery exchange stations and car washes.
- (32) Structures and uses required for operation of MARTA or a public utility but not including uses involving storage, train yards, warehousing, switching or maintenance shop as the primary purpose.
- (33) Tailoring, custom dressmaking, millinery and similar establishments.
- (34) Repealed.
- (35) Supportive housing.
- (36) Urban gardens.
- (37) Market gardens.

No use or manner of operation shall be permitted which is obnoxious or offensive by reason of odor, smoke, noise, fumes, gas, vibration, unusual danger of fire or explosion, emission of particulate matter, or interference with radio or television reception, or is otherwise incompatible with the character of the district or its relation to adjoining residential districts.

(Code 1977, § 16-12.003; Ord. No. 1996-83, § 5, 12-2-96; Ord. No. 2004-53, § 15A, 8-20-04; Ord. No. 2005-21, §§ 1, 2, 3-25-05; Ord. No. 2005-41(06-O-0381), § 10, 7-12-05; Ord. No. 2009-24(08-O-1251), § 2E, 6-9-09; Ord. No. 2009-61(09-O-1076), §§ 2(2), 3(2), 5(2), 10-13-09; Ord. No. 2014-53(14-O-1278), § 2(Attach. B), 12-10-14; Ord. No. 2014-22(14-O-1092), § 2-O, 6-11-14)

Sec. 16-12.004. - Permitted accessory uses and structures.

Uses and structures which are customarily incidental and subordinate to permitted principal uses and structures, to include devices for generation of energy such as solar panels, wind generators and similar devices including electric vehicle charging stations equipped with Level 1 Level 2 and/or DC Fast Charge EVSE, except as otherwise herein provided, no merchandise shall be stored other than that to be sold at retail on the premises; and no storage for such merchandise shall occupy more than 25 percent of the total floor areas on the premises. No off-premises storage of such merchandise shall be permitted in the district as either a principal or accessory use.

(Code 1977, § 16-12.004; Ord. No. 2014-53(14-O-1278), § 2(Attach. B), 12-10-14)

Sec. 16-12.005. - Special use permits.

The following uses are permissible only by special permit of the kind indicated, subject to limitations and requirements set forth herein or elsewhere in this part:

- (1) *Special use permits:*
 - (a) Helicopter landing facilities or pickup or delivery stations.
 - (b) Outdoor amusement enterprises, exhibits, entertainments, meetings, displays or sales areas, or outdoor areas for religious ceremonies of 90 days' or more duration.
 - (c) Poolrooms, billiard parlors, amusement arcades and game rooms.
 - (d) Nursing homes, assisted living facilities, rehabilitation centers and personal care homes.
 - (e) Broadcasting towers and line-of-site relay devices for telephonic, radio or television communications greater than 70 feet in height, except 1) alternative design mounting structures and 2) new or additional uses of existing structures as contemplated by section 16-25.002(3)(i)(iv)(k).
 - (f) Dormitories, fraternity houses and sorority houses, officially affiliated with an accredited college, university or private school and only for the time period that such affiliation is in effect, such that loss of affiliation shall result in the loss of permission for the use.

- (g) Hotels and motels.
- (h) Single room occupancy residence.
- (i) Bingo parlors.
- (j) Park-for-hire facilities.
- (k) Shelter.
- (l) Park, playgrounds, stadiums, soccer, baseball, football or other athletic fields, golf courses, sports arena, and community centers.
- (m) ATV parks. ATV parks shall have at least 10 acres of land. No ATV park shall be located within 3000 feet of any residential district. Distance shall be measured in a straight line from the nearest lot line of the ATV park to the nearest lot line of a residential district.

(2) *Special administrative permits:*

- (a) Outdoor amusement enterprises, exhibits, entertainments, meetings, displays or sale areas, or outdoor areas for religious ceremonies of less than 90-day duration.
- (b) Zero-lot-line development (see section 16-28.011(6)).
- (c) Farmers' markets.
- (d) Broadcasting towers and line-of-site relay devices for telephonic, radio or television communications 70 feet or less in height, alternative design mounting structures, and new or additional uses of existing structures as contemplated by section 16-25.002(3)(i)(iv)(k).
- (e) Whenever an application for such a permit is made, the director of the bureau of planning shall provide prior notification to the pertinent district councilmember and at-large councilmembers.

(3) *Special exceptions:*

- (a) Churches, synagogues, temples, mosques and other religious worship facilities on lots of less than one acre.
- (b) Off-street parking within 500 feet of primary use.

(Code 1977, § 16-12.005; Ord. No. 1995-02, § 1, 1-11-95; Ord. No. 1997-06, § 4, 2-10-97; Ord. No. 1997-16, § 4, 4-14-97; Ord. No. 1997-65, § 1, 11-10-97; Ord. No. 2001-96, §§ XXVIII, XXIX, 12-12-01; Ord. No. 2004-53, §§ 15B, 15C, 8-20-04; Ord. No. 2005-21, §§ 1, 2, 3-25-05; Ord. No. 2008-62(06-O-0038), §§ 4C(1), 5F, 5G, 6C, 7-7-08; Ord. No. 2009-24(08-O-1251), § 2E(1), 6-9-09; Ord. No. 2011-39(10-O-1773), § 30, 9-15-11; Ord. No. 2016-26(16-O-1158), § 2, 9-15-16; Ord. No. 2017-05(16-O-1428), § 1, 1-26-17)

Sec. 16-12.006. - Transitional uses, structures, requirements.

- (1) *Transitional uses:* Where a lot in this district abuts a lot in any R-1 through R-G district at the side along the same street frontage, and without an intervening street, the first lot within this district, or the first 100 feet of such lot if it is wider than 100 feet, shall not be used for any secured-storage facility, drive-in facility, car wash, service station, mortuary or funeral home, sales lot for automobiles, or body shop.

(2) *Transitional height planes:* Where this district adjoins a district in the R-1 through R-G classification without an intervening street, height within the district shall be limited as follows: No portion of any structure shall protrude through a height-limit plane beginning 35 feet above the buildable area boundary nearest to the common district boundary and extending inward over this district at an angle of 45 degrees.

(3) *Transitional Yards:*

(a) *Side yard:* Adjacent to an R District without an intervening street, 20 feet is required which shall not be used for the purpose of parking, paving, loading, servicing or storage activity and shall be planted and/or maintained in a natural state.

(b) *Rear yard:* There shall be a rear yard of 20 feet adjacent to an R district which shall not be paved or used for parking or paving or servicing.

(c) *Screening:* Where a lot in this district abuts a lot in an R-1 through R-G district on the rear or side yard lot line without an intervening street, opaque fencing or screening not less than six feet in height shall be provided and maintained in slightly condition. See section 16-28.008(9).

(Code 1977, § 16-12.006; Ord. No. 2009-61(09-O-1076), § 3(3), 10-13-09)

Sec. 16-12.007. - Development controls.

(1) *Bulk limitations:* For nonresidential uses and lodging uses, floor area shall not exceed an amount equal to 3.0 times net lot area. Multi-family dwellings shall be permitted up to the maximum ratios established for sector 3 shown on Table I, section 16-08.007.

(2) *Minimum lot width, area, all uses:* No fixed minimum lot widths or areas are established for these districts, but lot dimensions shall be sufficient to meet other requirements set forth herein. Churches, synagogues, temples, mosques and other religious worship facilities on lots or less than one acre require a special exception.

(3) *Minimum yard requirements:*

(a) *Front yard setback:* 10 foot minimum.

(b) *Side:* None, except if a building is not constructed to the lot line, it shall be set back at least five feet from the lot line, and except as required in section 16-12.006.

(c) *Rear:* None except as required in section 16-12.006.

(d) *Side street side:* On corner lots there shall be a setback along the side street side of not less than half the required depth of the front yard.

(Code 1977, § 16-12.007; Ord. No. 1999-53, § 2, 6-16-99; Ord. No. 2005-21, §§ 1, 2, 3-25-05)

Sec. 16-12.008. - Maximum height limitations.

None, except as required in section 16-12.006.

(Code 1977, § 16-12.008)

Sec. 16-12.009. - Minimum off-street parking requirements.

The following parking requirements shall apply to all uses provided by special permit as well as permitted uses (see section 16-28.014. See also section 16-28.015 for loading requirements):

- (1) *Schools, colleges, churches, recreational or community centers and other places of assembly:* One space for each four fixed seats with 18 inches of bench length counted as one seat or one space for each 35 square feet of enclosed floor area for the accommodation of movable seats in the largest assembly room, whichever is greater, plus the following:
 - (a) *Public or private elementary or middle school:* Two spaces for each classroom.
 - (b) *High school:* Four spaces for each classroom.
 - (c) *Colleges and universities:* Eight spaces for each classroom.
- (2) *Nursing homes, convalescent homes, and similar care facilities:* One space per four beds.
- (3) *Child care centers, day care centers, prekindergarten, kindergarten, play and other special schools or day care centers for young children:* One space per 600 square feet of floor area. In addition to providing off-street parking, such establishments shall provide safe and convenient facilities for loading and unloading children, as approved by the director, bureau of traffic and transportation.
- (4) *Dwellings and lodgings:* Off-street parking requirements shall be as follows: See section 16-08.007, table I, for applicable ratios according to the appropriate floor area ratio.
- (5) *Banks, savings and loan institutions, and the like:* One space for each 200 square feet of floor area.
- (6) *Business colleges, trade schools, conservatories, dancing schools, and the like:* One space for each 200 square feet of floor area.
- (7) *Dormitories, fraternity houses and sorority houses.* One space for two beds plus one space for each 200 square feet of floor area designated or occupied other than for sleeping purposes.
- (8) *Clubs, lodges:* One space for each 200 square feet of floor area.
- (9) *Plumbing, tinsmithing, or cabinet shops, general service or repair establishments:* One space for each 200 square feet of floor area.
- (10) *Printing shops:* One space for each 200 square feet of floor area.
- (11) *Repair garages, paint and body shops:* One space for each 200 square feet of floor area.
- (12) *Car washes:* See section 16-28.021.
- (13) *Drive-in establishments:* Section 16-28.021.
- (14) *Hotels and motels:* One space per rental unit plus one-half space per employee; one space per 100 square feet of restaurant/lounge gross leasable area; one space per 300 square feet of other convention facilities (GLA).
- (15) *Temporary storage centers:* One space for each 600 square feet of floor area.
- (16)

Eating and drinking establishments: One space for each 100 square feet of floor area. Where an eating and drinking establishment derives more than 60 percent of its gross income from the sale of malt beverages, wine and/or distilled spirits, it shall be required to have one space for each 75 square feet of floor area. Floor area shall include, in addition to those areas defined in section 16-29.001(13)(b), areas within the existing building footprint where walls have been removed and a permanent roof remains.

- (17) *Other uses:* One space for each 300 square feet of floor area.
- (18) *Single room occupancy residences:* One space for each two dwelling units plus one space for each employee.
- (19) *Accessory outdoor dining:* Limited to 25 percent of the total gross floor area of the building or business with no parking requirements, unless a greater number of spaces are required as a condition for a special use permit: over 25 percent must provide one space per 200 s.f. of the total accessory outdoor dining area including the 25 percent non-exempt floor area. Where an establishment derives more than 60 percent of its gross income from the sale of malt beverages, wine and/or distilled spirits, it shall be required to have one space for each 150 s.f. of the total accessory outdoor dining area including the 25 percent non-exempt floor area.
- (20) *Shelter:* One parking space for each on duty staff member, whether paid or unpaid. In addition to staff parking, a space of sufficient size is required for each van, bus or other vehicle used by the facility and one additional parking space shall be provided for each 2,000 square feet of the facility.
- (21) *Secured-storage facilities:* One space per 50 individual units/compartments plus one space for each employee on the peak working shift.

(Code 1977, § 16-12.009; Ord. No. 1996-59, § 2, 8-26-96; Ord. No. 2002-26, § 5, 3-14-02; Ord. No. 2005-41(06-O-0381), §§ 11, 12, 7-12-05; Ord. No. 2008-62(06-O-0038), § 4C(2), 6C(1), 7-7-08; Ord. No. 2009-24(08-O-1251), § 2E(2), 6-9-09; Ord. No. 2009-61(09-O-1076), § 3(4), 10-13-09)

Addendum C

Comparable Data



Location & Property Identification

Property Name:	Coca Cola Data Center
Sub-Property Type:	Data Center
Address:	40 Perimeter Center Ext. E.
City/State/Zip:	Atlanta, GA 30346
County:	DeKalb
Submarket:	N Central/I-285
Market Orientation:	Industrial Park
IRR Event ID:	1517848



Sale Information

Sale Price:	\$19,000,000
Effective Sale Price:	\$19,000,000
Sale Date:	05/19/2017
Sale Status:	Closed
\$/SF GBA:	\$215.50
\$/SF NRA:	\$215.50
Grantor/Seller:	Coca-Cola Refreshments USA, Inc.
Grantee/Buyer:	BBK Coke Data Center, LLC
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Warranty Deed
Recording No.:	DeKalb WD Bk 26266 Pg 190
Verified By:	Zach Fraysier
Verification Date:	07/13/2017
Verification Type:	Secondary Verification
Secondary Verific. Source:	Assessor, CoStar, Deed

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Owner Occupied
Occupancy at Time of Sale:	100.00%
Major Tenant(s):	Coca-Cola

Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	18-346-05-076
GBA-SF:	88,169
NRA-SF:	88,169
Acres(Usable/Gross):	12.76/12.76
Land-SF(Usable/Gross):	555,782/555,782
Usable/Gross Ratio:	1.00
Year Built:	1978
Most Recent Renovation:	2000
Construction Quality:	Average
Improvements Cond.:	Good
Construction Desc.:	Precast concrete
No. of Buildings/Stories:	1/2
Percent Office:	20%
Total Parking Spaces:	220
Park. Ratio 1000 SF GLA:	2.50
No. Surface Spaces:	220
Park. Ratio 1000 SF GBA:	2.50
Elevators/Count:	None
Fire Sprinkler Type:	Yes
Roof, Heating, AC Comm.:	Roof: Built up HVAC includes seven 700 ton chillers
Shape:	Irregular
Topography:	Rolling
Bldg. to Land Ratio FAR:	0.16
Zoning Code:	OI

Improvement and Site Data (Cont'd)

Zoning Desc.:	Office Institutional
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, Fiber Optics
Bldg. Phy. Info. Source:	Other
Source of Land Info.:	Other

Comments

This was a sale-leaseback, where the seller still occupies the property after the sale. The seller had previously renovated the building in the early 2000s to suit its needs as a data center.

The building was renovated to data center space in 2000 at a cost of \$54 million.

Location & Property Identification

Property Name: Great Oaks Datacenter
 Sub-Property Type: Data Center
 Address: 11650 Great Oaks Way
 City/State/Zip: Alpharetta, GA 30022
 County: Fulton
 Submarket: Roswell/Alpharetta
 Market Orientation: Suburban

 IRR Event ID: 1517865



Sale Information

Sale Price: \$15,750,000
 Effective Sale Price: \$15,750,000
 Sale Date: 02/02/2016
 Sale Status: Closed
 \$/SF GBA: \$203.69
 \$/SF NRA: \$203.69
 Grantor/Seller: Great Oaks Holdings, LLC
 Grantee/Buyer: Carter Validus Msn Critical
 Property Rights: Leased Fee
 % of Interest Conveyed: 100.00
 Financing: Cash to seller
 Document Type: Warranty Deed
 Recording No.: Fulton WD Bk 55865 Pg 447
 Verified By: Zach Fraysier
 Verification Date: 07/13/2017
 Verification Type: Secondary Verification
 Secondary Verific. Source: Assessor, CoStar, Deed

Occupancy

Occupancy Type Before Sale: Single Tenant
 Occupancy Type After Sale: Single Tenant
 Occupancy at Time of Sale: 100.00%
 Major Tenant(s): Sungard

Improvement and Site Data

MSA: Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
 Legal/Tax/Parcel ID: 12-2980-0852-0418
 GBA-SF: 77,322
 NRA-SF: 77,322
 Acres(Usable/Gross): 15.98/15.98
 Land-SF(Usable/Gross): 696,088/696,088
 Usable/Gross Ratio: 1.00
 Year Built: 1999
 Property Class: B
 M&S Class: C
 Construction Quality: Average
 Improvements Cond.: Average
 Exterior Walls: Brick
 Construction Desc.: Masonry
 No. of Buildings/Stories: 1/1
 Multi-Tenant/Condo.: No/No
 Percent Office: 40%
 Total Parking Spaces: 274
 Park. Ratio 1000 SF GLA: 3.54
 No. Surface Spaces: 274
 Park. Ratio 1000 SF GBA: 3.54
 Shape: Irregular
 Topography: Level
 Vegetation: Minimal
 Corner Lot: No
 AccessibilityRating: Average

Improvement and Site Data (Cont'd)

Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.11
Zoning Code:	OI
Zoning Desc.:	Office Institutional
Flood Plain:	No
Utilities:	Electricity, Water Public, Sewer, Telephone, CableTV, Fiber Optics
Bldg. Phy. Info. Source:	Broker
Source of Land Info.:	Other

Comments

This was a purchase by a private REIT. The following is from their press release: "The ADC III facility is 100% leased to Sungard Availability Services, LP, a leading provider of information availability through managed IT, cloud and recovery services based in Wayne, Pennsylvania." No information pertaining to the lease in-place at the time of sale or capitalization rate was available.

This Data Center property is located off of North Point Pkwy., just south of Old Milton Pkwy. The western side of the property is adjacent to GA Hwy. 400. The property is improved with a one-story Tier 3 Datacenter which includes 46,000 SF of raised flooring. The building is 100% occupied by a single tenant (Sungard). Per a 2016 press release the following information is pertinent to the data center description: "From the time when ADC III was originally built in 1999, Sungard Availability Services, LP has invested in core infrastructure improvements as well as utilities, mechanical, and electrical system upgrades. Two new diesel generators and accompanying underground fuel storage tanks were added to the four previously existing generators and USTs in 2013-2014, and the data center facility has an N+1 level of redundancy for electrical systems and cooling systems."

Location & Property Identification

Property Name:	Former WPG Properties, LLC Building
Sub-Property Type:	General Purpose
Address:	1100 W. Peachtree St.
City/State/Zip:	Atlanta, GA 30309
County:	Fulton
Submarket:	Midtown/Pershing
Market Orientation:	Suburban
IRR Event ID:	1148040



Sale Information

Sale Price:	\$1,637,500
Effective Sale Price:	\$1,637,500
Sale Date:	03/10/2015
Sale Status:	Closed
\$/SF GBA:	\$382.06
\$/SF NRA:	\$382.06
Grantor/Seller:	Wesley Peachtree Group, Inc.
Grantee/Buyer:	Novare Group
Assets Sold:	Real estate only
Property Rights:	Fee Simple
Financing:	All cash
Document Type:	Warranty Deed
Verified By:	Philip R. Thomas, MAI, MRICS
Verification Date:	06/22/2015
Confirmation Source:	Andy Vance
Verification Type:	Confirmed-Buyer

Sale Analysis

Current Use at T.O.S.:	Small Office Building
Proposed Use Change:	No
Sale Price Includes FF&E?	No

Occupancy

Occupancy at Time of Sale:	0.00%
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Improvement and Site Data

Legal/Tax/Parcel ID:	17 010700040291
GBA-SF:	4,286
NRA-SF:	4,286
Acres(Usable/Gross):	0.23/0.23
Land-SF(Usable/Gross):	10,018/10,018
Usable/Gross Ratio:	1.00
Year Built:	1924
Most Recent Renovation:	2008
Property Class:	C
Construction Quality:	Good
Improvements Cond.:	Average
Construction Desc.:	Wood frame
No. of Buildings/Stories:	1/2
Bldg. to Land Ratio FAR:	0.43
Zoning Code:	C4
Zoning Desc.:	Central Area Commercial Residential
Source of Land Info.:	Other

Comments

The grantee of the property own the building next door - SkyHouse Midtown - and wanted to protect their sizeable investment there by purchasing this property. Novare - the grantee - has the property leased for a few years to an office user. According to Andy Vance, Novare does not have any plans at the moment for future use.

Location & Property Identification

Property Name:	1780 Jet Stream Drive
Sub-Property Type:	Special Purpose Industrial, Data Center
Address:	1780 Jet Stream Dr.
City/State/Zip:	Colorado Springs, CO 80921
County:	El Paso
Market Orientation:	Suburban
IRR Event ID:	1245868



Sale Information

Sale Price:	\$3,300,000
Effective Sale Price:	\$3,300,000
Sale Date:	08/29/2014
Sale Status:	Closed
\$/SF GBA:	\$225.83
\$/SF NRA:	\$225.83
Grantor/Seller:	Mcleod USA Networks SVCS INC
Grantee/Buyer:	1780 Jet Stream Drive LLC
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Warranty Deed
Verification Type:	Confirmed-Buyer

Operating Data and Key Indicators

Operating Data Type:	In Place
Net Operating Income:	\$ 230,424
Reserves Included:	Yes
Management Included:	Yes
Cap Rate - Derived:	6.98%
EGIM Reported:	233,785.00

Occupancy

Occupancy at Time of Sale:	100.00%
Number of Tenants at T.O.S.:	1

Major Tenant(s):	Windstream Corporation
Lease Type:	Absolute Net
Credit Rating:	B-1
Credit Rating Source:	Moodys
Credit Rating Outlook:	Stable

Improvement and Site Data

GBA-SF:	14,613
NRA-SF:	14,613
Acres(Usable/Gross):	3.00/3.00
Land-SF(Usable/Gross):	130,710/130,710
Usable/Gross Ratio:	1.00
Year Built:	1999
Most Recent Renovation:	N/A
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	No/No
Ceiling Height Minimum:	10.00
Ceiling Height Maximum:	15.00
Overhead/Grade/Bay:	1
Percent Office:	10%
Air-Conditioned:	10.00%
Clear Height(Feet):	15.00
Mezzanine:	No
Total Parking Spaces:	16
Park. Ratio 1000 SF GLA:	1.09
No. Surface Spaces:	16
Park. Ratio 1000 SF GBA:	1.09
Elevators/Count:	None

Improvement and Site Data (Cont'd)

Fire Sprinkler Type:	Wet
Air-Conditioning Type:	Roof Central Mounted
Bldg. to Land Ratio FAR:	0.11
Bldg. Phy. Info. Source:	Past Appraisal
Source of Land Info.:	Past Appraisal

Comments

This represents the sale-leaseback of a data center property that traded at a 7.0% capitalization rate based on the in place income of the lease agreement. At the time of sale the previous owner signed a 20 year lease, absolute net, at a starting rate of \$16.00 per square foot per year. The tenant is rated B-1 and is considered "stable" by Moody's. The facility is considered a "Tier 1" facility and does not contain a subfloor; though, the improvements contain 5 Rooftop Liebert & Trane HVAC units, 1 encased Caterpillar diesel engine generator with 800 KW capacity (1,000 gallon tank) and FM 200 gas fire suppression system.

Location & Property Identification

Property Name: Windstream Building
 Sub-Property Type: Call Center
 Address: 15707 Chenal Pky.
 City/State/Zip: Little Rock, AR 72211
 County: Pulaski

Market Orientation: Suburban
 Property Location: South side of Chenal Parkway, 150' east of Kanis Road

IRR Event ID: 1111803



Sale Information

Sale Price: \$8,600,000
 Effective Sale Price: \$8,600,000
 Sale Date: 07/11/2014
 Sale Status: Closed
 \$/SF GBA: \$279.40
 \$/SF NRA: \$279.40
 Grantor/Seller: Windstream Hosted Solutions, LLC
 Grantee/Buyer: 15707 Chenal Parkway, LLC
 Property Rights: Leasehold
 Document Type: Deed
 Recording No.: Book 2014, Page 040310
 Confirmation Source: Office files
 Verification Type: Confirmed-Buyer

Sale Analysis

Other Adj.: \$8,600,000

Occupancy

Occupancy at Time of Sale: 0.00%

Improvement and Site Data

MSA: Little Rock-North Little Rock, AR Metropolitan Statistical Area
 Legal/Tax/Parcel ID: 44L0750200100
 GBA-SF: 30,780
 NRA-SF: 30,780
 Acres(Usable/Gross): 2.73/2.73
 Land-SF(Usable/Gross): 118,854/118,854
 Usable/Gross Ratio: 1.00
 Year Built: 2000
 Property Class: B
 M&S Class: C
 Construction Quality: Average
 Improvements Cond.: Good
 Exterior Walls: Block
 Construction Desc.: Masonry
 No. of Buildings/Stories: 1/1
 Ceiling Height Minimum: 14.00
 Total Parking Spaces: 50
 Park. Ratio 1000 SF GLA: 1.62
 No. Surface Spaces: 50
 Park. Ratio 1000 SF GBA: 1.62
 Elevators/Count: None
 Fire Sprinkler Type: Dry
 Air-Conditioning Type: Central
 Shape: Irregular
 Topography: Level
 Frontage Feet: 602

Improvement and Site Data (Cont'd)

Frontage Desc.:	216'-Chenal Parkway; 386'-Kanis Road
Bldg. to Land Ratio FAR:	0.26
Zoning Code:	C-3
Zoning Desc.:	General Commercial District
Flood Plain:	No
Flood Zone:	Outside of 500-year floodplain
Flood Zone Designation:	X
Comm. Panel No.:	05119C0341G
Date:	07/06/2015
Source of Land Info.:	Public Records

Location & Property Identification

Property Name:	Milwaukee Data Center
Sub-Property Type:	Data Center
Address:	1099 Walnut Ridge Dr.
City/State/Zip:	Hartland, WI 53029
County:	Waukesha
Market Orientation:	Suburban
IRR Event ID:	1417950



Sale Information

Sale Price:	\$19,500,000
Effective Sale Price:	\$19,500,000
Sale Date:	03/28/2014
Sale Status:	Closed
\$/SF GBA:	\$327.64
\$/SF NRA:	\$327.64
Grantor/Seller:	Hartland, LLC
Grantee/Buyer:	Carter Validus MSN Critical
Assets Sold:	Real estate only
Property Rights:	Leased Fee
Financing:	Cash to seller - buyer obtained financing
Document Type:	Deed
Verification Type:	Secondary Verification

Operating Data and Key Indicators

Cap Rate - Reported:	8.83%
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Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	100.00%
Lease Type:	Triple Net
Remaining Lease Term (Yrs):	5.00

Improvement and Site Data

MSA:	Milwaukee-Waukesha-West Allis
Legal/Tax/Parcel ID:	HAV-0758-999-038
GBA-SF:	59,516
NRA-SF:	59,516
Acres(Usable/Gross):	7.98/7.98
Land-SF(Usable/Gross):	347,609/347,609
Usable/Gross Ratio:	1.00
Year Built:	2004
Property Class:	B
M&S Class:	C
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Brick
No. of Buildings/Stories:	1/1
Total Parking Spaces:	80
Park. Ratio 1000 SF GLA:	1.34
No. Surface Spaces:	80
Park. Ratio 1000 SF GBA:	1.34
Fire Sprinkler Type:	Wet
Air-Conditioning Type:	Roof Central Mounted
Shape:	Irregular
Corner Lot:	No
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.17
Zoning Code:	B
Zoning Desc.:	Business
Source of Land Info.:	Public Records

Comments

Current tenant, Thomson Reuter U.S., LLC, has long-term lease, expiring October 2019. Initial base rent was \$1,632,628, which increased 8.24% in November 2014.

Location & Property Identification

Property Name:	Lyft Office Building
Sub-Property Type:	General Purpose, Low Rise
Address:	814 Bellemeade Ave. NW.
City/State/Zip:	Atlanta, GA 30318
County:	Fulton
Submarket:	W Atl/I-20W/I-75
Market Orientation:	Urban
IRR Event ID:	1520689



Space Information

Space Type:	Office
Leased Area:	6,600
No. of Floors:	2.00
% Office (leased space):	100%

Lease Information

Lease Status:	Signed Lease
Lessee:	Lyft Company
Lessee Type:	National
Lease Signed Date:	05/01/2016
Start/Available Date:	05/01/2016
Term of Lease:	63 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$24.00
Effective Rental Rate:	\$22.68
Escalation Type:	Fixed Percentage
TI Allowance (\$/SF):	\$50.00
TI Type:	New Tenant
Free Rent (Months):	3.00
Concessions:	\$50.00/sf TI Allowance and 3 months free rent at start
Verified by:	Zach Fraysier
Verification Date:	07/21/2017
Verification Source:	CoStar Lease Comps
Transaction Reliability:	Verified

Lease Expense Information

Reimbursement Method:	Triple Net
Reimbursement Desc.:	Tenant pays all expenses directly except for management and structural repair
Landlord Pays:	Management Fees, Structural Repairs
Tenant Pays:	RE Taxes, Utilities, Repairs & Maintenance, Security

Improvement and Site Data

MSA:	Atlanta MSA
Legal/Tax/Parcel ID:	17-0152-0005-055
GBA-SF:	6,600
NRA-SF:	6,600
Acres(Usable/Gross):	0.42/0.42
Land-SF(Usable/Gross):	18,295/18,295
Usable/Gross Ratio:	1.00
Year Built:	1960
Most Recent Renovation:	2016
Property Class:	C
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Brick
Construction Desc.:	Two-story brick on block with flat roof
No. of Buildings/Stories:	1/2
Total Parking Spaces:	32
Park. Ratio 1000 SF GLA:	4.85
No. Surface Spaces:	32

Improvement and Site Data (Cont'd)

Park. Ratio 1000 SF GBA:	4.85
Bldg. to Land Ratio FAR:	0.36
Zoning Code:	C-1
Zoning Desc.:	Commercial
Source of Land Info.:	Public Records

Comments

This is a two story office building located one parcel east of Howell Mill Road.

This was a 63 month lease to a national tenant as a local corporate headquarters. The lease started with three months free rent a TI Allowance of \$50/sf.

Location & Property Identification

Property Name:	Atlanta Technology Center
Sub-Property Type:	General Purpose, Low Rise
Address:	1575 Northside Drive
City/State/Zip:	Atlanta, GA 30318
County:	Fulton
Submarket:	W Atl/I-20W/I-75
Market Orientation:	Urban
IRR Event ID:	1417632



Space Information

Space Type:	Office
Leased Area:	19,748

Lease Information

Lessee:	Confidential
Start/Available Date:	05/01/2016
Term of Lease:	60 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$22.50
Effective Rental Rate:	\$22.50
Transaction Reliability:	Verified

Lease Expense Information

Reimbursement Method:	Modified Gross
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Improvement and Site Data

MSA:	Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
Legal/Tax/Parcel ID:	17-0147-LL-068
GBA-SF:	197,357
NRA-SF:	197,357
Acres(Usable/Gross):	19.42/19.42
Land-SF(Usable/Gross):	845,935/845,935
Usable/Gross Ratio:	1.00
Year Built:	1986

Property Class:	B
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Construction Desc.:	Masonry exterior
No. of Buildings/Stories:	4/1
No. of Units / Unit Type:	22/Suites
Multi-Tenant/Condo.:	Yes/No
Total Parking Spaces:	680
Park. Ratio 1000 SF GLA:	3.45
Park. Ratio 1000 SF GBA:	3.45
Parking Ratio(/Unit):	30.91
Shape:	Irregular
Topography:	Gently Sloping
Density-Unit/Gross Acre:	1.13
Density-Unit/Usable Acre:	1.13
Bldg. to Land Ratio FAR:	0.23
Zoning Code:	I1
Zoning Desc.:	Light Industrial
Source of Land Info.:	Past Appraisal

Comments

The subject is an existing office property containing 197,357 square feet of rentable area. The improvements were constructed in 1986, and has strong historical occupancy. The site area is 19.42 acres, or 845,935 square feet. There are two, two-story office buildings and two, one-story office buildings. This is the lease of 19,748 square feet of office space. The rental rate is \$22.50 per square foot per year on a

Comments (Cont'd)

modified gross basis. The lease commenced on May 1, 2016. The lease term is 5 years.

Location & Property Identification

Property Name:	Misson Escape Atlanta Office
Sub-Property Type:	General Purpose
Address:	525 Bishop St. NW.
City/State/Zip:	Atlanta, GA 30318
County:	Fulton
Submarket:	W Atl/I-20W/I-75
Market Orientation:	Urban
IRR Event ID:	1520712



Space Information

Space Type:	Office
Leased Area:	6,205
No. of Floors:	2.00
% Office (leased space):	100%

Lease Information

Lease Status:	Signed Lease
Lessee:	Mission Escape Atlanta
Lease Signed Date:	12/18/2015
Start/Available Date:	12/18/2015
Term of Lease:	36 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$22.50
Effective Rental Rate:	\$24.00
Escalation Type:	Fixed Steps
Free Rent (Months):	1.00
Concessions:	One month free rent at start.
Verified by:	Zach Fraysier
Verification Date:	07/21/2017
Verification Source:	CoStar Lease Comps
Transaction Reliability:	Verified

Lease Expense Information

Reimbursement Method:	Triple Net
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Reimbursement Desc.:	Tenant pays expenses directly except for management and structural maintenance expenses
Landlord Pays:	Management Fees, Structural Repairs
Tenant Pays:	RE Taxes, Property Insurance, Utilities, Repairs & Maintenance, Security

Improvement and Site Data

MSA:	Atlanta MSA
Legal/Tax/Parcel ID:	17-0148-0004-042
GBA-SF:	6,205
NRA-SF:	6,205
Acres(Usable/Gross):	0.58/0.58
Land-SF(Usable/Gross):	25,264/25,264
Usable/Gross Ratio:	1.00
Year Built:	1950
Most Recent Renovation:	2015
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Brick
No. of Buildings/Stories:	1/2
Total Parking Spaces:	25
Park. Ratio 1000 SF GLA:	4.03
No. Surface Spaces:	25
Park. Ratio 1000 SF GBA:	4.03
Bldg. to Land Ratio FAR:	0.25

Improvement and Site Data (Cont'd)

Zoning Code:	L1/MRC-3
Zoning Desc.:	Mixed Use
Source of Land Info.:	Public Records

Comments

This is a two story office building built in 1950 and renovated in 2015.

This is a three year lease to an general office use tenant. No TI allowance was available to the tenant because the space was renovated prior to their move-in date. The only concession made was one month free rent at start. The property was on the market for three months before being leased.

Location & Property Identification

Property Name:	Tampa Enterprise Data Center
Sub-Property Type:	Data Center
Address:	1309 N. Ward St.
City/State/Zip:	Tampa, FL 33607
County:	Hillsborough
Submarket:	Westshore
Market Orientation:	Suburban
Property Location:	Southeast corner of N. Ward Street and W. Laurel Street
IRR Event ID:	1147909



Space Information

Space Type:	Office
Full Building Lease:	Yes
Leased Area:	23,478

Lease Information

Start/Available Date:	06/22/2015
Term of Lease:	120 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$18.00
Effective Rental Rate:	\$18.00
Transaction Reliability:	Verified

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

Legal/Tax/Parcel ID:	A-17-29-18-3JV-000001-0001 0.0
GBA-SF:	23,478
NRA-SF:	23,478
Acres(Usable/Gross):	0.92/0.92
Land-SF(Usable/Gross):	40,200/40,200
Usable/Gross Ratio:	1.00
Year Built:	1985
Property Class:	C

No. of Buildings/Stories:	1/1
Total Parking Spaces:	45
Park. Ratio 1000 SF GLA:	1.92
No. Surface Spaces:	45
Park. Ratio 1000 SF GBA:	1.92
Elevators Count:	None
Shape:	Rectangular
Topography:	Level
Corner Lot:	Yes
Accessibility Rating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.58
Zoning Code:	M-AP-1
Zoning Desc.:	M-AP-1
Environmental Issues:	No
Utilities:	Electricity, Water Public, Sewer, Telephone
Utilities Desc.:	All available
Source of Land Info.:	Public Records

Comments

This is an existing, freestanding, data center that is located at the southeast corner of N. Ward Street and W. Laurel Street, Tampa, Hillsborough County, Florida. The property is well positioned within the Tampa market and close to Tampa International Airport. The improvements consist of 23,478 square feet and were originally constructed in 1985. The overall site area is 0.92 acres, or

Comments (Cont'd)

40,200 square feet.

The property is a fully redundant, Tier III, data center with hardened concrete construction designed to withstand flooding. Site improvements include perimeter fencing and two powered security gates. Building features include secure entrance (man hole), video surveillance, 2 separate power grid sources, N+1 redundancy on all power and cooling, N+1 redundancy on all core and edge network equipment, 1,368 tons of evaporative and dry cooling with 25k gallon reserve, (2) 4.5 MW generators with 10k gallon reserve. The building features 12,000 square feet production area, 9,000 square feet (38% of total area) of raised floor data center area and 7,000 square feet of Disaster Recovery and office space area.

The current asking rate is \$18.00 per square foot, triple net. The asking term is for 10 years with fixed annual increases.

Location & Property Identification

Property Name:	Windstream - Lexington
Sub-Property Type:	Data Center
Address:	151 N. Martin Luther King Blvd.
City/State/Zip:	Lexington, KY 40507
County:	Fayette
Market Orientation:	CBD
Property Location:	North side of N. MLK Blvd, between E. Short St & Barr St
IRR Event ID:	1073633



Space Information

Space Type:	Office
Full Building Lease:	Yes
Leased Area:	108,912

Lease Information

Lessor:	151 MLK Blvd., LLC
Lessee:	Windstream Corporations
Start/Available Date:	08/28/2014
Expiration Date:	08/31/2034
Term of Lease:	240 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$18.50
Effective Rental Rate:	\$24.86
Escalation Type:	Fixed Percentage
Renewal Options:	Yes
Desc. of Options:	Three 5 Year options at fair market rent
Transaction Reliability:	IRR Confirmed

Lease Expense Information

Reimbursement Method:	Absolute Net
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Improvement and Site Data

MSA:	Lexington-Fayette, KY Metropolitan Statistical Area
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Legal/Tax/Parcel ID:	4025800
GBA-SF:	108,912
NRA-SF:	108,912
Acres(Usable/Gross):	1.12/1.12
Land-SF(Usable/Gross):	48,787/48,787
Usable/Gross Ratio:	1.00
Year Built:	1941
Most Recent Renovation:	1960's
Property Class:	B
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
No. of Buildings/Stories:	1/4
Total Parking Spaces:	39
Park. Ratio 1000 SF GLA:	0.36
No. Surface Spaces:	39
Park. Ratio 1000 SF GBA:	0.36
Parking Ratio(/Unit):	39.00
Elevators Count:	Yes/3
Fire Sprinkler Type:	Yes
Roof,Heating,AC Comments:	Constructed in 1941 per operations manager. Constructed at 3 different times with the last addition being sometime in the 1960's. Roof is flat w/asphalt shingle covering and was replaced in 2012 for \$500K. Building has 3 chillers, boilers & 5 generators.
Shape:	Rectangular



Improvement and Site Data (Cont'd)

Topography:	Level
Corner Lot:	Yes
Frontage Feet:	185
Frontage Desc.:	Martin Luther King Blvd
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	Traffic light
Accessibility Rating:	Average
Visibility Rating:	Average
Density-Unit/Gross Acre:	0.89
Density-Unit/Usable Acre:	0.89
Bldg. to Land Ratio FAR:	2.23
Zoning Code:	B-2B
Zoning Desc.:	Lexington Center Business
Flood Plain:	No
Flood Zone:	X
Flood Zone Designation:	X
Comm. Panel No.:	2100670117E
Date:	03/03/2014
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Fiber Optics
Bldg. Phy. Info. Source:	Inspection
Source of Land Info.:	Public Records

Comments

Property is a Tier III data center and the main switch center for Windstream in the state of Kentucky. Property contains a large amount of electronic equipment, including fiber optic cables. Additionally, there was formerly 2,886 SF of retail space on the 1st floor. However, the retail tenant vacated the space in December of 2015 mainly due to insufficient on-site parking. As of December 2016, the former retail space is used for storage and there are no other plans for the space. Landlord pays all expenses. Rent escalations of 3% per year, reflected in effective rent.

Location & Property Identification

Property Name:	Windstream Building
Sub-Property Type:	Call Center
Address:	15707 Chenal Pky.
City/State/Zip:	Little Rock, AR 72211
County:	Pulaski
Market Orientation:	Suburban
Property Location:	South side of Chenal Parkway, 150' east of Kanis Road
IRR Event ID:	1111805



Space Information

Space Type:	Office
Leased Area:	30,780

Lease Information

Lessor:	15707 Chenal Parkway, LLC
Lessee:	Windstream Corporation
Start/Available Date:	08/01/2014
Expiration Date:	07/30/2034
Term of Lease:	239 months
Lease Measure:	\$ Amnt/Yr
Face Rental Rate:	\$523,260.00
Effective Rental Rate:	\$523,260.00
Renewal Options:	Yes
Verification Source:	Office files
Transaction Reliability:	IRR Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

MSA:	Little Rock-North Little Rock, AR Metropolitan Statistical Area
Legal/Tax/Parcel ID:	44L0750200100
GBA-SF:	30,780
NRA-SF:	30,780

Acres(Usable/Gross):	2.73/2.73
Land-SF(Usable/Gross):	118,854/118,854
Usable/Gross Ratio:	1.00
Year Built:	2000
Property Class:	B
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Block
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/1
Total Parking Spaces:	50
Park. Ratio 1000 SF GLA:	1.62
No. Surface Spaces:	50
Park. Ratio 1000 SF GBA:	1.62
Elevators Count:	None
Fire Sprinkler Type:	Dry
Air-Conditioning Type:	Central
Shape:	Irregular
Topography:	Level
Frontage Feet:	602
Frontage Desc.:	216'-Chenal Parkway; 386'-Kanis Road
Bldg. to Land Ratio FAR:	0.26
Zoning Code:	C-3
Zoning Desc.:	General Commercial District
Flood Plain:	No
Flood Zone:	Outside of 500-year floodplain
Flood Zone Designation:	X



Improvement and Site Data (Cont'd)

Comm. Panel No.:	05119C0341G
Date:	07/06/2015
Source of Land Info.:	Public Records

Comments

Lease to Windstream Corporation at a fixed rent of \$17.00 per square foot for a 20-year term. The fixed rent in effect shall increase 2% annually on each anniversary of the commencement date.

Addendum D
Engagement Letter





July 12, 2017

John (Carl) Schultz
1100 Peachtree Street NE, Suite 350
Atlanta, GA 30309

Dear John (Carl) Schultz,

This letter will serve as REGION's engagement of your services to perform an appraisal on the property location listed on page 2 of this letter, Request for Proposal (RFP) Award Summary page. The specifics of the engagement including the agreed upon fee and delivery date are also included on the RFP Summary Page.

As confirmation of your acceptance of this assignment under the terms specified in this letter, please return a signed copy of this engagement letter to us and include a copy in the addenda to the report. Signing of this engagement letter indicates that your report will comply with the most current USPAP and all guidelines specified. Please note: all single family residential must be completed on the most current FNMA URAR form and comply with FNMA Guidelines. Also, by signing this engagement letter you understand that REGIONS is the client and that you are prohibited from appraising this property for the next six months without the express written permission of the undersigned or the Chief Appraiser of Regions Bank. Such permission will not be unreasonably withheld.

The appraisal must comply with the Uniform Standards of Professional Appraisal Practice, Title XI of "FIRREA" and the Regions Appraisal Guidelines. Failure to comply with any of the above requirements may result in rejection of the appraisal. In addition, payment of the fee is subject to a review of the appraisal for compliance with the above mentioned requirements. Should you experience any delays in the performance of this appraisal please notify us, in writing via fax or e-mail, no less than five days prior to the due date.

Please note that a \$100 per day fine will be imposed for reports not delivered as promised or without prior, one weeks' notice of delay.

Please make sure the following items are included in every report as indicated:

- (1) Final Report - with all required signatures (no "draft" versions)
- (2) Invoice file - Properly completed invoice addressed to Regions Financial. When prompted, remember to input 1) Invoice Number, 2) Total Invoice Amount, 3) Short Description, 4) Invoice Date
- (3) Other Files - Signed copy of engagement letter located in addenda
- (3) Other Files - Appraisal checklist located in addenda (if required)
- (3) Other Files - Copy of appropriate state certifications in addenda

When uploading your .pdf files into RIMSCentral, please submit three (3) separate uploads. The documents to be included in each separate upload are referenced by the (#) listed above.

For additional general appraiser requirements, please see Vendor Reference Document, Engagement Letter Terms & Conditions.

Sincerely,

This document was created 07-12-2017 by Pamela York for **REGIONS** Bank. The user's identity has been verified and authenticated by RIMS through a secure login. The original version of this document is retained in RIMS.

Accepted:  _____

Date: 7-12-2017



Request for Proposal (RFP) Award Summary

RIMS Project #: 17-002436-01-01
Fee: \$3000
Due Date: July 27, 2017

Property Location: 1120 Curran Street NW, Atlanta, GA 30318
Property Type: Office - Mixed Use-Office-Industrial

Property Contact: Michael Oken
Phone: 404-965-2221

Report Type: Appraisal Report
Format: Narrative

Valuation Scenarios:	<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>
	Market Value	As-Is	Fee Simple

Appraisal Scope

Intended Use: Use - Loan Underwriting
Intended User: User - Regions Bank and the SBA
Inspection Requirement: Inspect - All
Approaches to Value: Approach - All
Market Analysis Level: Level A

Comments: Comments: The scope of work includes the development of the most applicable approaches as defined in the Request for Proposal (RFP). The report summarizes significant data and analysis in support of the assignment results with an emphasis on critical data, analysis, and conclusions. Estimate the "As Is" market value per FIRREA and USPAP guidelines. Should you not be able to complete the appraisal by the requested date, please provide a best available due date.

If you cannot bid on this project, please enter a "zero" in the bid amount & "no bid" in the comments section (you can explain if you want) so that we know you received but declined to bid.

If you cannot meet the delivery date but want to bid, please provide an alternate delivery date & bid amount for our consideration!

If you are awarded this project, as a "best practice", we expect you to make your initial contact with the borrower within 1-2 business days of award. If documentation is required from the borrower, follow up with an email and be sure to copy the REVS team so that we can assist in obtaining the required documentation.

NOTE: Appraisals that are delivered after the contracted delivery date are subject to a \$100 per day late penalty.

Per AO: Data Center ~C this is a special purpose building, with huge upgrades in HVAC, electrical, raised flooring

NOTE: Appraisals that are delivered after the contracted delivery date are subject to a \$100 per day late penalty.

REGIONS Contact Info:

Job Manager	Pamela York	Account Officer	Edie Carroll
Phone:	205-420-4836	Phone:	404-253-5250
Email:	pamela.york@regions.com	Email:	Edie.Carroll@regions.com

Any changes in the scope of this assignment, appraisal fees, or due date extensions, etc. must be authorized in writing by the Job Manager.



The appraisal reports (0) must be addressed and sent to the client at the address shown below. In addition, an electronic copy of the report **MUST** be uploaded onto the RIMS Central website. Any questions pertaining to this assignment should be addressed with REGIONS first.

AFTER REPORT HAVE BEEN *REVIEWED AND APPROVED*, SEND REPORTS AND INVOICES TO:

REVS VM Team
201 Milan Parkway
Mail Code ALBH70321A
Birmingham, AL 35211

Telephone #205-420-4836

[← Back](#)

RIMS Customer: Regions
Project #: 17-002436-01-1

-Award Information

Date Awarded: 7/12/2017
 Canceled: No
 Fee: \$3,000.00
 Property Contact(s): Michael Oken, 404-965-2221, moken@vcitadel.com
 Award Comments: You have been awarded this project and we expect the appraisal to be uploaded into RIMSCentral on or before the contracted delivery date. If you determine you cannot meet the contracted delivery date, please contact our office immediately. NOTE: Appraisals that are delivered after the contracted delivery date are subject to a \$100 per day late penalty.

Directly Awarded: No
Delivery Date: 7/27/2017

As a "best practice", we expect you to make contact with the borrower within 3 business days of award. If documentation is required from the borrower, a follow up email to the customer is recommended. Please be sure to copy the REVS team so that we can assist in obtaining the required documentation. If you have any issues making contact with the customer or if you experience delays in obtaining the required information, please contact the VM Team immediately.

Any changes in the scope of this assignment/appraisal fees/due date extensions, etc., must be authorized in writing by the Job Manager (please review both the Engagement Letter & RFP).

Please download and execute a copy of the Engagement Letter and include the signed copy in the addenda section of the appraisal report (you do not have to upload until the appraisal report is completed & uploaded to RIMS).

A digital copy of the appraisal, uploaded into RIMS, is required on all projects. When uploading the appraisal report, always upload a copy of your invoice and complete the "Invoice Files" section in RIMS. The invoice information must be completed so that we can submit your invoice electronically for payment.

Also note that the appraiser we engage should always sign the Certification section of the report and is responsible for the valuation.

Once our review is complete and you are notified via email of our approval, if applicable, please forward the required number of hard copies of appraisal to:

REVS VM Team
201 Milan Parkway
3rd Floor - Mail Code ALBH70321A
Birmingham, AL 35211
telephone # 205-420-4834 or 205-420-4835

Job Attachments:

File	Description	Date Uploaded	Confirmation Number
tax card.pdf		7/7/2017 12:55:38 PM EDT	

Appraisal Summary Input:

-Bid Information

Proposed Fee: \$3,000.00
 Signatory Information: Carl Schultz, MAI, SRA, CRE
 Prior Services: Have you performed or provided any services regarding the subject property within the prior three years, as an appraiser or in any other capacity? If Yes, please provide details in the Comments field.
 Bid Comments: Another MAI appraised this property for the owners in 2015.

Proposed Delivery Date: 7/27/2017
Office Location: Atlanta

-RFP Information

Purpose Of Request: New Transaction
 Response Deadline: 7/11/2017
 Desired Delivery Date: 7/24/2017
 RFP Contact: Stacy G. Trammell MAI
 Contact Phone: 770-887-4380

ADDRESSEES:

First name	Last name	Company	Address
Pamela	York	Regions Bank	201 Milan Pkwy Birmingham, AL 35211
show U.S. Small Business Administration as Intended User.			

Total Addressees: 2

DISTRIBUTION:

Number Of Copies	First Name	Last Name	Company	Address
0	Edie	Carroll	Regions Bank	1180 West Peachtree Street Atlanta, GA 30309

Total # Hard Copies: 0

SCOPE OF SERVICES: Intended Use Use - Loan Underwriting
 The intended use of this appraisal is for loan underwriting and-or credit decisions by Regions Bank and-or participants

Intended User User - Regions Bank and the SBA
 The intended users of this report is Regions Bank and the Small Business Administration

Inspection Requirement Inspect - All
 An interior and exterior inspection of the subject property, as well as an inspection of all comparable properties utilized.

Approaches to Value Approach - All
 All applicable approaches

Market Analysis Level Level A
 Market Analysis Level A

Other

Report Type: Appraisal Report
 Report Format: Narrative

VALUATION SCENARIOS:	Valuation Premise	Premise Qualifier	Property Interest	Comment
	Market Value	As-Is	Fee Simple	Data center

RFP Comments: If you cannot bid on this project, please enter a "zero" in the bid amount & "no bid" in the comments section (you can explain if you want) so that we know you received but declined to bid.

If you cannot meet the delivery date but want to bid, please provide an alternate delivery date & bid amount for our consideration!

If you are awarded this project, as a "best practice", we expect you to make your initial contact with the borrower within 1-2 business days of award. If documentation is required from the borrower, follow up with an email and be sure to copy the REVS team so that we can assist in obtaining the required documentation.

Requester Comments: NOTE: Appraisals that are delivered after the contracted delivery date are subject to a \$100 per day late penalty.
 Per AO: Data Center "C this is a special purpose building, with huge upgrades in HVAC, electrical, raised flooring

-Property Information

Project Name: Virtual Citadel Inc
 Property Description / Construction Type: Data Center "C this is a special purpose building, with huge upgrades in HVAC, electrical, raised flooring
 Property Type: HE1 - Office - Mixed Use-Office-Industrial - A property that includes office and industrial uses.
 Address: 1120 Curran Street NW, Atlanta, GA 30318
 County: Fulton
 Improvement Size (Primary): 14,500 SF
 Land Size: 0.59 Acres
 Occupancy: 100%

Parcel Numbers: 17 014900010393
 Current Use: datacenter
 Proposed Use: datacenter
 Number Of Buildings: 1976
 Property Status: Existing
 Property Tenancy: Owner Occupied 100
 Parking Type: Surface Parking
 Ground Lease?: No
 Proposed Renovation?: No
 Listed for Sale?: No
 Pending/Recent Sale?: No
 Legal Description: C©\2, Commercial Service District 17 014900010393