

# Crown Appraisal Group

Corporate Office

6797 N. High Street, Suite 325

Columbus, OH 43085

tel 614.431.3332

fax 614.431.3376

[www.crownappraisal.com](http://www.crownappraisal.com)



## An appraisal report of **±10.000 Acres of Vacant Land**

**346 Storey Lane  
Jefferson, Georgia**

**Date of Report: June 1, 2015**

### **Prepared by**

**Crown Appraisal Group, Inc.  
6797 N. High Street, Suite 325  
Columbus, Ohio 43085  
614-431-3332 (o), 614-431-3376 (f)**

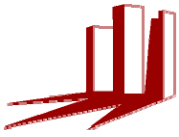
### **Prepared for**

**Mr. Tab Bullard  
Zimmerman Properties Southeast, LLC  
2015 Ayrnsley Town Boulevard, Suite 202  
Charlotte, North Carolina 28723**

### **PRIVILEGED AND CONFIDENTIAL**

This document, and all of the statements, opinions, contents, and all attachments and addendums are privileged and confidential to the client (the addressee), and are not intended to be disclosed to or relied upon by any third party without the express written consent of the appraiser(s).

**ADDITIONAL CONSENT AND USE AGREEMENTS ARE IN THE LETTER OF TRANSMITTAL AND WITHIN OTHER PARTS OF THE REPORT.**



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June 1, 2015

Zimmerman Properties Southeast, LLC  
Attn: Mr. Tab Bullard  
2015 Ayrley Town Boulevard, Suite 202  
Charlotte, North Carolina 28723

**Re: ±10.000 Acres of Vacant Land  
346 Storey Lane  
Jefferson, Georgia**

Dear Mr. Bullard:

At your request, we have completed an inspection and analysis of the referenced property for the purpose of developing and reporting a value estimate for the property. The specific real property interest, real estate, type of report, and type of value estimate are detailed within the body of the accompanying appraisal report. Based on discussions with market participants, the marketing period and exposure period for the property is estimated at 12 months.

The appraisal assignment has been prepared in conformance with the requirements established by the Appraisal Institute. The appraisal assignment is in conformance with USPAP requirements.

### Notice

The attached *report* is intended for only the *client*, and *intended user(s)*, and only for the *intended use*. The definitions of these terms are found in the Parameters of Assignment section of the report.

The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to anyone not specifically identified as an Intended User.

**ACCEPTANCE OF, AND/OR USE OF, THIS REPORT CONSTITUTES ACCEPTANCE OF THIS NOTICE.**

Mr. Tab Bullard

June 1, 2015

Page Two

The opinion of value contained in the attached appraisal report is based upon the following extraordinary assumptions:

- None.

The opinion of value contained in the attached appraisal report is based upon the following hypothetical conditions:

- None.

The opinion of value contained in the attached appraisal report is based upon the following assumptions and limiting conditions:

- The information furnished by others is believed to be reliable. No warranty is given for its accuracy, though.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the report.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations, laws, and license requirements unless otherwise stated in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- The value opinions, and the costs used, are as of the date of the value opinion.
- All engineering is assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
- The proposed improvements, if any, on or off-site, as well as any repairs required, are considered, for purposes of the appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser.
- Responsible ownership and competent property management are assumed.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

Mr. Tab Bullard

June 1, 2015

Page Three

- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that make it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering or environmental studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- All mechanical components are assumed to be in good, operable condition unless otherwise noted.
- Our opinion of value does not consider the effect (if any) of possible noncompliance with the requirements of the ADA.
- Crown Appraisal Group, Inc. and its employees accept no responsibility for changes in market conditions or the inability of the client, intended user, or any other party to achieve desired outcomes.
- Projections or estimates of desired outcomes by the client, intended user, or any other party may be affected by future events. The client, intended user, or any other party using this report acknowledges and accepts that Crown Appraisal Group, Inc. and its employees have no liability arising from these events.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to purchase, sell, or retain the property at the value(s) stated.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to provide financing (mortgage, equity, or other) for the property at the value(s) stated.
- Zimmerman Properties Southeast, LLC, or its representative(s), agrees to indemnify and hold Crown Appraisal Group, Inc., its officers and employees, harmless from and against any loss, damages, claims, and expenses (including costs and reasonable attorney fees) sustained as a result of negligence or intentional acts or omissions by Zimmerman Properties Southeast, LLC, or its representative(s) arising from or in any way connected with the use of or purported reliance upon, the appraisal report or any part of the appraisal report.
- The contents of the appraisal report, and all attachments and information that will be contained within the report, is proprietary and confidential. Zimmerman Properties Southeast, LLC, or its representative(s) will not release or provide the report, in any form, in whole or in part, to any third party, including any borrower, potential borrower, buyer or potential buyer, without the signing appraiser's express written authorization.

**ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

Mr. Tab Bullard  
June 1, 2015  
Page Four

The attached appraisal report contains the results of the investigation and opinion of value. We appreciate this opportunity to serve you and your firm. Should you or anyone authorized to use this report have any questions, contact us at your convenience.

Sincerely,

**CROWN APPRAISAL GROUP**



Andrew J. Moye, MAI  
amoye@crownappraisal.com  
614.431.3332

AJM/hrp  
Enclosure



Hanna R. Phillips  
hphillips@crownappraisal.com  
614.431.3332

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## Executive Summary

Subject Real Estate Identification:	The subject, a ±10.000 acre tract of vacant land, has an address of 346 Storey Lane in Jefferson, Georgia. It is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange. It is also located about 2 miles northwest of historic downtown Jefferson. Jefferson, Georgia is the county seat of Jackson County. The property configuration is irregular.
Existing Use of Real Estate:	Unimproved multifamily land
Highest and Best Use:	Residential Development
Zoning:	R-3: Multifamily
Pertinent Dates:	
Date of Valuation:	May 24, 2015
Date of Inspection:	May 24, 2015
Date of Report:	June 1, 2015
Value, Interest Appraised:	As-is market value, fee simple interest
<b>Value Conclusion:</b>	<b>\$1,280,000</b>

# Parameters of Assignment

## Purpose, Real Property Interest(s) Appraised

The purpose of this assignment is to develop the as-is market value of the land located at 346 Storey Lane in Jefferson, Georgia. With respect to the as-is market value, the interest is identified as fee simple.

## Definitions

The following terms are defined in the DEFINITIONS section of USPAP and for purposes of this Appraisal they shall have the same meaning:

Appraisal	(noun) The act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.
Appraiser	One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.
Assignment	An agreement between an appraiser and a client to provide a valuation service; the valuation service that is provided as a consequence of such an agreement.
Assignment Results	An appraiser's opinions or conclusion developed specific to an assignment.
Assumption	That which is taken to be true.
Client	The party or parties who engage, by employment or contract, an appraiser in a specific assignment.
Exposure Time	Estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
Extraordinary Assumption	An assumption, directly related to a specific assignment, as of the effective date of the assignment results which, if found to be false, could alter the appraiser's opinions or conclusion.
Hypothetical Condition	A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.
Intended Use	The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.
Intended User	The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment.
Market Value	A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.



Real Estate	An identified parcel or tract of land, including improvements, if any.
Real Property	The interests, benefits, and rights inherent in the ownership of real estate.
Report	Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client upon completion of an assignment.
Scope of Work	The type and extent of research and analyses in an appraisal or appraisal review assignment.
Value	The monetary relationship between properties and those who buy, sell, or use those properties.

The following terms are defined by sources other than USPAP;

### **Market Value:**

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

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

Source: *Federal Register*

### **Fee Simple:**

*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: *The Dictionary of Real Estate Appraisal*; 5<sup>th</sup> edition

## **Client, Intended Use, Intended User**

On the basis of the above definitions, the following are more specifically identified:

*Client*                      *Mr. Tab Bullard of Zimmerman Properties Southeast, LLC. The identification of the Client as such is limited to the party named. No other person, individuals, entities, or third parties are included within the definition of Client.*

*Intended Use*            *Ascertaining the defined value(s) of the subject site for mortgage financing purposes, and **for no other purpose or intended use, nor by any person other than the Client.***

*Intended User*         *The Intended User of this Appraisal Report shall be the Client, and only the Client. Use of this Appraisal by others is not intended by the Appraiser. No*

*other persons, individuals, entities, or third parties are included within the definition of Intended User, and only the Client is entitled to rely upon this Appraisal Report for the Intended Use, and for no other purpose. **Any person, individual, entity, or other third party who obtains this Appraisal Report or a copy of this Appraisal Report from the Client, or from any other source, does not have any right to rely upon this Appraisal Report, and is specifically excluded from the definition of Intended User. This exclusion applies specifically to buyers, borrowers, investors, and any other third parties who are not specifically identified as the Client herein.***

The Uniform Standards of Professional Appraisal Practice (USPAP) have a number of rules, comments, advisory opinions, and frequently asked questions relating to control or use of reports. The signatory(ies) of this report is/are bound by USPAP. Therefore, as noted in the letter of transmittal, no party other than the intended user may use this report without receiving written consent from the signing appraiser(s). Further, no part of the report shall be published or made available to the general public, nor shall any part of the report be published or made available for public or private offering memorandum or prospectus, without the written consent of the signing appraiser(s) of this report.

#### **Extraordinary Assumption(s)**

For those reports that incorporate an extraordinary assumption, USPAP requires that the appraiser provide notice to the user of the report that the use of the extraordinary assumption might affect the assignment results. The appraiser(s) is not required to report on the impact of the extraordinary assumption on assignment results.

The opinion of value contained in the attached appraisal report is based upon the following extraordinary assumptions:

- None.

#### **Hypothetical Condition(s)**

For those reports that incorporate a hypothetical condition, USPAP requires that the appraiser provide notice to the user of the report that the use of the hypothetical condition might affect the assignment results. The appraiser(s) is not required to report on the impact of the hypothetical condition on assignment results.

The opinion of value contained in the attached appraisal report is based upon the following hypothetical conditions:

- None.

## Scope

The scope of services was focused on reviewing issues considered relevant and appropriate by the appraisers based on their knowledge of the subject's real estate market. The appraisers believe that the scope was sufficient to arrive at an accurate value opinion. A summary of the scope of work is presented below. Additional explanatory comments regarding the scope undertaken can be found throughout the report. The scope included the following:

- Review and analysis of the subject market area, economic and demographic issues.
- Review of existing and planned comparable and/or competitive properties located within the subject area.
- Analysis of economic, demographic and development factors within the subject market area.
- Physical inspection of the real estate; specifically, observation of the above ground attributes of the site was made, observation of representative exterior facades of building(s) on site was made, observation of representative property amenities on site was made, and interior viewing of a number of representative living units within the building(s) was made in a manner considered sufficient to comprehend and analyze the physical and functional adequacy and appropriateness of the real estate in light of market conditions as of the date of report.
- Evaluation of the highest and best use of the property.
- Consideration of all applicable and appropriate valuation approaches.
- Reconciliation of the above opinions to a point value opinion.

Note that:

- Crown Appraisal Group, Inc. employees are not engineers and are not competent to judge matters of an engineering nature.

## Pertinent Dates

The as-is date of valuation is May 24, 2015. The most recent inspection of the real estate was on May 24, 2015. It is noted that the term *inspection* is not intended to convey a complete, exhaustive examination of the real estate. Such an inspection is best suited for an engineer, architect, or building inspector formally educated and trained in such matters. Rather, the term denotes that the individual viewing the real estate was at the property on the date and observed the general condition and quality of the real estate at that time. The date of report--the date the report was written—is June 1, 2015.

Events subsequent to these dates may have an impact on the opinions developed through the course of the assignment, and on the opinions contained within this report. All such subsequent events are beyond the control of the appraiser(s), and any consequences thereof are beyond the scope of this assignment.

## Comments Regarding Appraisal

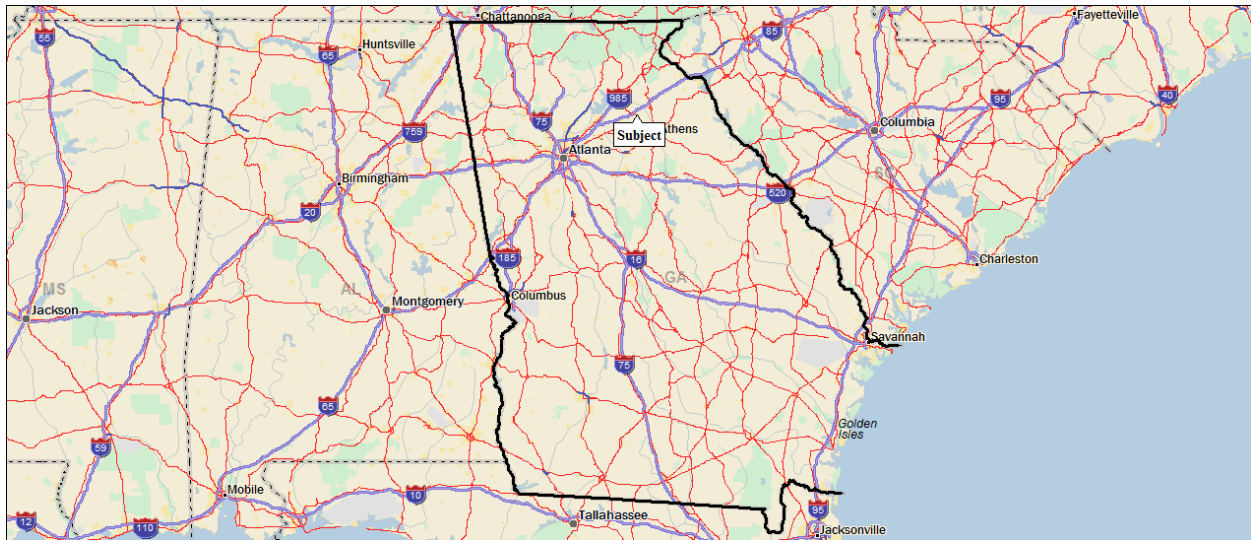
A number of comments regarding the subject and appraisal assignment are discussed below.

- **Property Identification.** The subject is a ±10.000 acre tract of unimproved land. The site will be split from a larger parcel of land which consists of ±35.140 acres.
- **Purchase Contract/Proposed Use.** The subject is in contract to be acquired by Zimmerman Properties Development, LLC from Peebles Family Limited Partnership for \$1,280,000. The sale is for ±10.000 acres that will be split from a ±35.140 acre site. According to zoning authorities, the allowable number of units on the subject site is 80 units. An 80-unit apartment complex is proposed for the subject site subsequent to acquisition. The purchase contract is in the addendum.
- **Property Location.** Jefferson is located in northeastern Georgia. The subject is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange. It is also located about 2 miles northwest of historic downtown Jefferson. Jefferson, Georgia is the county seat of Jackson County.
- **Applicability of Approaches.** The sales comparison approach is the only applicable valuation approach for the undeveloped land. Sales of similar sites were examined and adjusted to estimate the value of the subject site.

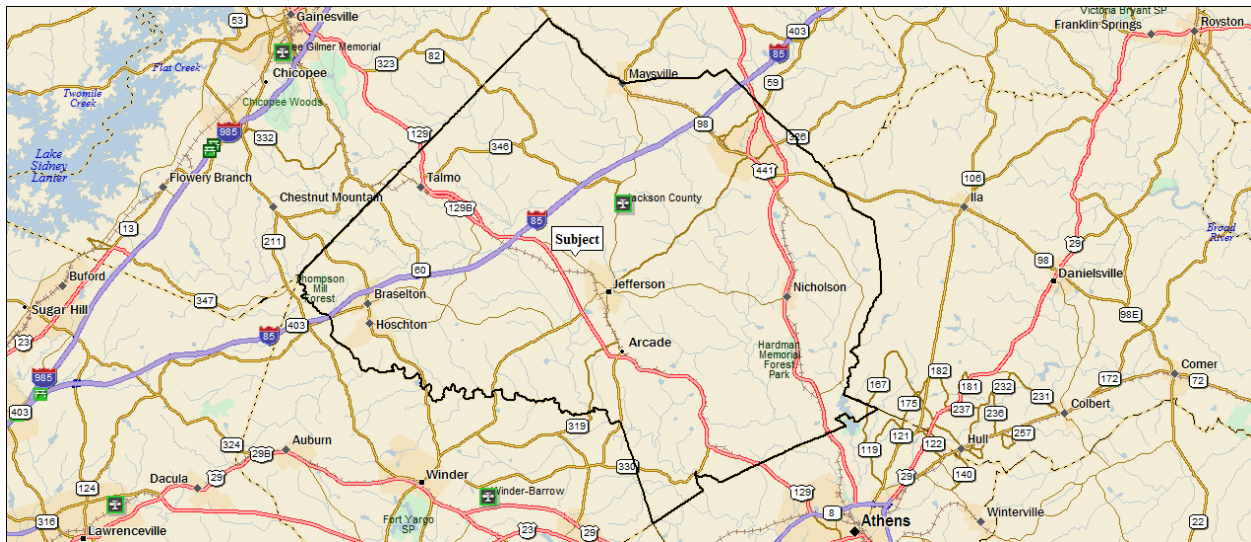
# Area Overview

The subject is located in Jefferson, Georgia. Jefferson is the county seat of Jackson County. The following paragraphs provide an overview of the immediate area. The map below shows the subject's location within the immediate market area. The following map shows the location of the subject property.

## Georgia



## Jackson County



## History

Jefferson, named for President Thomas Jefferson, was founded in 1800. It became the county seat of Jackson County in 1806. The community was also known as Jeffersonville and Jeffersonton before it finally settled on the shortened version in 1824. Jefferson is recognized today for Dr. Crawford W. Long, a practicing physician in Jefferson who was the first to use ether as a surgical anesthesia in 1842. Jackson County has historically relied heavily on the poultry and beef industry. It continually ranks in the top five Georgia counties for poultry and egg production as well as beef and livestock income. Georgia's oldest Angus cattle herd was started in the 1930s by Jimmy Johnson, a Jackson County resident.

## Major Traffic Arteries

There are a number of highways and significant thoroughfares that provide access into and/or through the market area. These include I-85, SR 15A (Commerce Road), SR 11 (Winder Highway), and US 129 (Major Damon Gause Bypass), US 129 Business (Washington Street).

I-85 is a northeast-southwest highway in the northern portion of Jackson County. I-85 interchanges with US 129/SR 11 about 2½ miles northwest of the subject. To the northeast, I-85 connects the area with Franklin County and northeastern Georgia. To the southwest, I-85 provides access to Gwinnett County and the Atlanta CBD.

SR 15A (Commerce Road) is a northeast-south roadway which travels through downtown Jefferson. To the northeast, Commerce Road continues into downtown Commerce, Georgia. To the south of downtown Jefferson, it travels concurrently with the US 129 business route, where it has a southern terminus at US 129.

SR 11 (Winder Highway) has an intersection with US 129 on the west side of Jefferson. It travels concurrently with US 129 to the northwest. To the southwest, it provides access to Barrow County.

US 129 (Major Damon Gause Bypass) is a northwest-southeast roadway which travels through central Jackson County. To the northwest, US 129 has an interchange with I-85 and continues into Hall County. To the southeast, it provides access to Athens. The US 129 business route (Washington Street) is a ±7-mile stretch on the east side of US 129. It has a northern terminus about one mile southeast of the I-85/US 129 interchange, provides access to downtown Jefferson, then merges with SR 15A until its southern terminus at US 129 near Arcade, Georgia.

The subject is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange.

## Land Uses and Development

Land uses and development in the immediate area consist primarily of agricultural and wooded land. There are commercial and single-family residential properties as well. The aerial photo below depicts the general location of the area and the surrounding development.



Single family residential development in the subject's immediate area is along US 129 Business (Washington Street) as well as the secondary roadways that intersect it.

Commercial development is also along Washington Street. Just west of the subject, on the east side of Washington Street, are the Farm Bureau, Jefferson Animal Hospital, and Sunshine Self Storage ( $\pm 200$  units). To the north along Washington Street are Maple Square (LIHTC senior;  $\pm 55$  units) and a  $\pm 5,000$  sf medical office building tenanted by Jefferson Pediatrics, Howell Orthodontics, and Stresscare Counseling. South of Storey Lane, along Washington Street, are Faith Baptist Church, Bright Beginnings of Jefferson daycare, Doggie Style'n Pet Grooming, Fresh Frozen Foods grocery, Trinity Tire & Auto, and Harco Equipment Rental.

More significant retail development is located about one mile southeast of the subject along Washington Street. There is a  $\pm 40,000$  sf Bell's Food Market anchored shopping center located on the west side of Washington Street. It is tenanted by Rite Aid, Pizza Hut, Jefferson Pain Clinic, and Jefferson Fitness. Jefferson Station is a  $\pm 45,000$  sf center tenanted by Dollar General, Golden Nail Tan Spa, Great Wall restaurant, and the Jefferson Public Library. AutoZone is an outparcel. There are also several freestanding users, including Family Dollar, Anything on Wheels car dealership, EJ Gringo's Mexican Grill, SBF Bookkeeping & Tax Associates, and Hair by Ginger.

There are several institutional users in the area. Just northwest of the subject, on the west side of Storey Lane, is the Jefferson City Schools administrative office. The City of Jefferson Fire Station is located about  $\frac{1}{2}$  mile northwest of the subject on the east side of SR 129 business (Washington Street). Jefferson Elementary School, Jefferson Middle School, and Jefferson High School are located about one mile southeast of the subject, on the west side of Washington Street. Jefferson Memorial Stadium and Jefferson City Park are located just southwest of the schools along Lynn Avenue.

## Demographic Data

Demographic data for 1, 3, and 5-mile radii from the subject's location are detailed below. The population of Jefferson has been growing. The dominant household type in the city and county is owner occupied ( $\pm 77\%$ ). Within Jefferson, about 35% of the households earn less than \$35,000 annually. Within a 1-mile radius just over 32% of households earn less than \$35,000 annually. Within a 1-mile radius about 25% of households earn less than \$25,000 annually.



<b>346 Stoney Lane</b>										
<b>Demographic Profile: 1, 3 and 5-mile Radii</b>										
	Jefferson		Radius from subject						Jackson County	
	City	CAG	1 Mile	CAG	3 Mile	CAG	5 Mile	CAG	County	CAG
<b>Population</b>										
2000	4,755		295		4,706		10,047		41,590	
2010	9,432	7.1%	538	6.2%	8,850	6.5%	17,968	6.0%	60,485	3.8%
2015 est.	10,121	1.4%	579	1.5%	9,414	1.2%	18,924	1.0%	61,516	0.3%
2020 proj.	10,845	1.4%	624	1.5%	10,053	1.3%	20,051	1.2%	63,424	0.6%
Median Age	36.00		35.80		36.10		36.80		37.90	
Average Age	36.20		35.90		36.50		36.80		37.80	
<b>Households</b>										
2000	1,666		99		1,636		3,528		15,055	
2010	3,317	7.1%	184	6.4%	3,078	6.5%	6,224	5.8%	21,343	3.6%
2015 est.	3,501	1.1%	195	1.2%	3,207	0.8%	6,445	0.7%	21,504	0.2%
2020 proj.	3,712	1.2%	209	1.4%	3,393	1.1%	6,774	1.0%	22,049	0.5%
<b>Average Household Size</b>										
2000	2.85		2.98		2.88		2.85		2.76	
2010	2.84	0.0%	2.92	-0.2%	2.88	0.0%	2.89	0.1%	2.83	0.3%
2015 est.	2.89	0.3%	2.97	0.3%	2.94	0.4%	2.94	0.3%	2.86	0.2%
2020 proj.	2.92	0.2%	2.99	0.1%	2.96	0.2%	2.96	0.2%	2.88	0.1%
<b>Owner Occupied (est.)</b>										
2,699	77.09%		158	81.03%	2,480	77.33%	5,080	78.82%	16,576	77.08%
<b>Renter Occupied (est.)</b>										
802	22.91%		38	19.49%	727	22.67%	1,366	21.19%	4,928	22.92%
<b>Est. Household Income</b>										
\$0-\$14,999	10.20%		10.77%		9.88%		9.96%		12.22%	
\$15,000-\$24,999	15.48%		14.36%		16.03%		13.19%		11.48%	
\$25,000-\$34,999	9.28%		7.18%		8.64%		9.34%		9.68%	
\$35,000-\$49,999	16.94%		17.95%		17.21%		16.65%		15.08%	
\$50,000-74,999	18.45%		21.54%		19.08%		19.52%		20.83%	
\$75,000-\$99,000	12.23%		13.33%		12.29%		14.54%		14.57%	
\$100,000 +	17.42%		14.87%		16.87%		16.80%		16.14%	
	100.0%		100.0%		100.0%		100.0%		100.0%	
Average Household Income (est.)	\$59,029		\$60,270		\$58,947		\$60,921		\$62,450	
Median Household Income (est.)	\$48,318		\$49,713		\$48,434		\$51,113		\$51,853	

<sup>1</sup> Compounded Annual Growth  
Source: Claritas Inc.



## Property Description

This section will present a description of the physical characteristics of the site. The description is based upon an inspection of the property, discussions with local municipal authorities, and data provided by the client and management.

### General Location

The subject has an address of 346 Storey Lane in Jefferson, Georgia. It is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange. It is also about 2 miles northwest of historic downtown Jefferson. Jefferson is the county seat of Jackson County. The maps in the preceding section show the property's location. The aerial image below depicts the location and configuration of the subject.



### Access, Ingress, Egress, Visibility

Overall, access is average from both a neighborhood (local) perspective, as well as a macro (regional) perspective. Ingress/egress is provided to the subject via Storey Lane and is average. Visibility to the subject is considered to be average.

### History of the Property

According to public records, the subject is owned by Peebles Family Limited Partnership. They have owned the subject site for more than 5 years. Currently, the subject site is in contract to be acquired by Zimmerman Properties Development, LLC from Peebles Family Limited Partnership for \$1,280,000. The sale is for ±10.000 acres that will be split from a ±35.140 acre site. According to zoning authorities, the allowable number of units on the subject site is 80 units. This is the proposed use (±80 unit multifamily property). The purchase contract is in the addendum.

### *Site*

The site contains ±10.000 acres. The site is irregular in configuration.



### Topography

The topography at the site is level to gently rolling.

### Flood Plain

According to FEMA's flood insurance rate map community panel number 13157C0140 C, dated December 17, 2010, the subject is located in Zone X. Zone X is identified as areas outside the floodplain. A copy of the flood map is in the addendum.

### Zoning

The subject site is zoned R-3: Multifamily. According to local government officials, the proposed multifamily use is a legal, conforming use under this zoning classification.

### Utilities

Water, sewer, and electric are located along Storey Lane, along the western boundary of the subject. Therefore, the site can readily be serviced by public utilities.

### Easements

No detrimental easements that would substantially deter development are known to exist. Others, such as utility easements, allow for development of the site and are considered beneficial to the tract.

### Soil Conditions

Soil conditions are assumed to be adequate. The site appears to be well drained. No engineering or soil testing has been performed to the knowledge of the appraisers, and no further conclusion as to the condition of the foundation or soil condition is made. There is no reason to suspect that hazardous materials are on the property. ***Note: The appraisers are not experts in environmental matters. It is assumed that the site is clean from an environmental standpoint. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to environmental issues.***

### Third Party Reports

No third party reports (such as market studies, environmental or physical condition) have been reviewed, and, unless noted, no warranty is made for any such reports that may exist.

## Highest and Best Use

Highest and best use is defined in The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, as follows:

*...the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.*

Some of the more germane comments from this publication regarding highest and best use are noted in the following bullet points:

- ...highest and best use relies on that analysis to then identify the most profitable, competitive use to which the subject can be put.
- In general, if the value of a property as improved is greater than the value of the land as though vacant, the highest and best use is the use of the property as improved.
- ...a property's existing use may represent an interim use, which begins with the land value for the new highest and best use and adds the contributory value of the current improvements until the new highest and best use can be achieved.
- These criteria [legally permissible, physically possible, financially feasible, maximally productive] are generally considered sequentially.

After consideration of the data, the following conclusions are drawn:

**Legally Permissible Uses:** Those which conform to the applicable zoning classification. The subject site is zoned R-3: Multifamily. Since it is not likely that a variance or rezoning would occur, this limits uses to those currently permitted under the designated zoning classification. Subsequent to acquisition, the subject site is proposed to be improved with an 80-unit apartment complex. The conclusion is that a multifamily residential use is legally permissible.

**Physically Possible Uses:** Physical constraints include site area, shape, and adjacent uses. The site has access from Storey Lane to public utilities. Noted easements are typical, and soil conditions are assumed to be adequate. There is average access and visibility. The conclusion is that intensive residential development is physically possible.

**Financially Feasible Uses:** The subject has an average location and is convenient to major traffic arteries. The surrounding area has been developed with a number of properties, including single-family residential properties, retail properties, office properties, and institutional uses (churches, schools, parkland). Residential development is located immediately north, south, and west of the subject site. The dominant household type in the city and county is owner occupied ( $\pm 77\%$ ). Within Jefferson, about 35% of the households earn less than \$35,000 annually. About 33% county-wide earn less than \$35,000 annually. Within a 1-mile radius just over 32% of households earn less than \$35,000 annually. Within a 1-mile radius about 25% of households earn less than \$25,000 annually. The majority of the population owns their own homes. The remaining residents appear to have income below \$35,000. The conclusion is that multifamily development – the most intensive use – is likely only possible via special funding.

As vacant, a use that compliments the surrounding uses is appropriate. An intensive residential use is appropriate if special funding is made available. These thoughts are carried to the Valuation section.

# Valuation

The value of the property was estimated by using the sales comparison technique, which is the primary technique used to value unimproved land. In order to obtain an indication of value for the subject from the sales comparison technique, recent sales of similar properties have been analyzed and the sales adjusted to reflect dissimilarities between the properties and the subject. From these sale prices, an indication of market value for the subject has been estimated.

## Comparable Sales Data

The initial search was limited to land sales in the subject's county with similar physical characteristics to the subject that occurred within a year of the date of valuation. More specifically, the search was for sales of multifamily land (similar highest and best use) as the subject, were located in Jackson County, and occurred no earlier than January 2014, consisting of between 5 and 20 acres. No sales were found. The search was expanded to include a longer time frame and having occurred in neighboring counties. Eventually, through the course of expanding the time frame and location, a sufficient number of comparable sales were uncovered. While the research uncovered several sales properties which share similar attributes with the subject, dissimilarities do exist. A detailed write up page and photograph of each sale follows. The map below locates the comparable sales that were utilized.



**Subject.** The subject is comprised of  $\pm 10.000$  acres. The property is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange. It is also located about 2 miles northwest of historic downtown Jefferson. The subject property has frontage along Storey Lane. The site is irregular in shape.

**Subject/Land Sale 1****General Data**

Property Location	346 Storey Lane
City:	Jefferson
County:	Jackson
MSA:	Not in a MSA
State:	Georgia
Use:	Multi Family
Buyer (Grantee):	Zimmerman Properties Development, LLC
Seller (Grantor):	Peebles Family LP

**Sale and Economic Data**

Sale Date:	In Contract
Parcel Numbers:	080 017A
Sale Price	\$1,280,000
Planned Units:	80
Units/acre	8.00
Size (ac):	10.000
Sale Price/ac:	\$128,000
Zoning:	R-3: Multifamily

**Other Comments**

The property is located on the east side of Storey Lane, about 2½ miles southeast of the I-85/US 129/SR 11 interchange and about 2 miles northwest of historic downtown Jefferson. Jefferson is the county seat of Jackson County. Currently, the site is in contract to be acquired by Zimmerman Properties SE, LLC from Peebles Family Limited Partnership for \$1,280,000. The sale is for ±10.000 acres that will be split from a ±35.140 acre site. According to zoning authorities, the allowable number of units on the subject site is 80 units. This is the proposed use, an ±80 unit multifamily property.

**Land Sale 2****General Data**

Property Location:	100 Nelson Drive
City:	Jefferson
County:	Jackson
MSA:	Not in a MSA
State:	Georgia
Use:	Multi-Family
Buyer (Grantee):	Maple Square Apartments LP
Seller (Grantor):	Jackson Land Properties, LLC

**Sale and Economic Data**

Sale Date:	Oct-11
Parcel Number:	080 015B8
Sale Price:	\$442,250
Planned Units:	55
Units/acre:	6.22
Size (ac):	8.840
Sale Price/ac:	\$50,028
Zoning:	C-4: Commercial

**Other Comments**

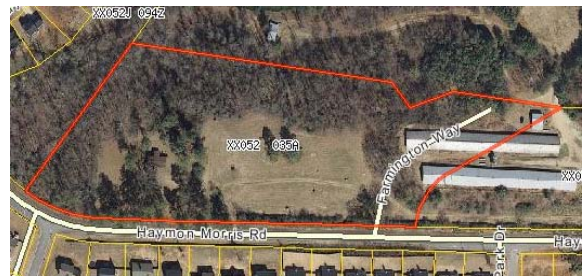
This property is located on the north side of US 129 Business (Washington Street), about 2 1/2 miles southeast of the I-85/US 129/SR 11 interchange and about 2 miles northwest of historic downtown Jefferson. Jefferson is the county seat of Jackson County. Subsequent to acquisition, a 55-unit apartment complex known as Maple Square was constructed on the site.

**Land Sale 3****General Data**

Property Location:	1506 Farmington Way
City:	Winder
County:	Barrow
MSA:	Atlanta-Sandy Springs-Marietta
State:	Georgia
Use:	Multi Family
Buyer (Grantee):	Farmington Hills LP
Seller (Grantor):	Gasaway, William Ronn

**Sale and Economic Data**

Sale Date:	Jun-11
Parcel Number:	XX052 035A
Sale Price:	\$838,500
Planned Units:	72
Units/acre:	8.16
Size (ac):	8.820
Sale Price/ac:	\$95,068
Zoning:	C-4: Commercial

**Other Comments**

The property is located on the north side of Haymon Morris Road, within the southwest quadrant of US 29 (University Parkway) and SR 324 (Carl Bethlehem Road). This location is about 4 miles southwest of downtown Winder. Winder is about 20 miles west of Athens and about 40 miles northeast of Atlanta. Subsequent to acquisition, Phase I of Farmington Hills was constructed. Farmington Hills is a Low Income Housing Tax Credit (LIHTC) property. Phase I consisted of 72 units.



**Land Sale 4****General Data**

Property Location	5941 Lights Ferry Road
City:	Flowery Branch
County:	Hall
MSA:	Gainesville
State:	Georgia
Use:	Multi-Family
Buyer (Grantee):	McGowan Family Farming Partnership
Seller (Grantor):	RL Regi Georgia, LLC (Rialto Capital)

**Sale and Economic Data**

Sale Date:	Aug-14
Parcel Number:	08118 001004A
Sale Price:	\$1,515,000
Planned Units:	157
Units/acre	8.41
Size (ac):	18.677
Sale Price/ac:	\$81,116
Zoning:	R-3: Residential

**Other Comments**

This property is located in the northwest quadrant of Lights Ferry Road and Gainesville Street, about one mile northwest of the I-985/East Main Street interchange in Flowery Branch. This location is about 10 miles southwest of Gainesville. At the time of sale, the site had utilities in place and zoning support for 157 units.

**Land Sale 5**

**General Data**

Property Location:	Thompson Bridge Road
City:	Gainesville
County:	Hall
MSA:	Gainesville
State:	Georgia
Use:	Multi-Family
Buyer (Grantee):	Over the Hill Holdings, LLC
Seller (Grantor):	Great Oak GA Owner, LLC



**Sale and Economic Data**

Sale Date:	Dec-14
Parcel Number:	01100 001002A
Sale Price:	\$2,180,000
Planned Units:	120
Units/acre	#####
Size (ac):	10.400
Sale Price/ac:	\$209,615
Zoning:	C-4: Commercial



**Other Comments**

This property is located on the west side of SR 60 (Thompson Bridge Road), about 3 miles northwest of downtown Gainesville and about 4 miles northwest of the I-985/US 129 (EE Butler Parkway) interchange. At the time of sale, the property had recently been approved for development of a 100-unit assisted living facility and a 20-unit independent living facility.

## Comparable Sales Data

The sales that were utilized to develop the value of the subject are detailed in the chart that follows. The sale price per acre unit of comparison is used to develop the value of the subject. To arrive at a value conclusion, the comparables are adjusted for dissimilarities to the subject with respect to property rights conveyed, financing terms, conditions of sale, date of sale, location, physical and economic attributes. Adjustments are made based on a comparison with one another as well as the appraisers' knowledge about the sales as they relate to the subject. The chart also notes the adjustments.

### Land Sales Analysis

#### Per Acre Unit of Comparison

#### 346 Storey Lane

Sale	Subject/Sale 1	2	3	4	5
Name		Maple Square	Farmington Hills		
Location	346 Storey Lane	100 Nelson Drive	1506 Farmington Way	5941 Lights Ferry Road	Thompson Bridge Road
City	Jefferson	Jefferson	Winder	Flowery Branch	Gainesville
County	Jackson	Jackson	Barrow	Hall	Hall
MSA	Not in a MSA	Not in a MSA	Atlanta-Sandy Springs-Marietta	Gainesville	Gainesville
Sale Date	In Contract	Oct-11	Jun-11	Aug-14	Dec-14
Grantee	Zimmerman Properties SE, LLC	Maple Square Apartments LP	Farmington Hills LP	McGowan Family Farming Partnership	Over the Hill Holdings, LLC
Grantor	Peebles Family LP	Jackson Land Properties, LLC	Gasaway, William Ronn	RL Regi Georgia, LLC (Rialto Capital)	Great Oak GA Owner, LLC
Sale Price	\$1,280,000	\$442,250	\$838,500	\$1,515,000	\$2,180,000
Size (ac)	10.000	8.840	8.820	8.406	10.400
Units	80	55	72	157	120
Utilities	All public	All public	All public	All public	All public
Topography/Configuration	Level to Rolling/Irregular	Level/Irregular	Rolling/Rectangular	Level/Irregular	Level/Irregular
<b>Sale Price/acre</b>	<b>\$128,000</b>	<b>\$50,028</b>	<b>\$95,068</b>	<b>\$180,227</b>	<b>\$209,615</b>
<b>Sale Adjustments</b>					
Property Rights Conveyed	Fee Simple	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing Terms	Market	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Conditions of Sale	Arm's Length	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions	Current	Inferior 30%	Inferior 30%	Similar 0%	Similar 0%
Total Sale Adjustments		30%	30%	0%	0%
<b>Adjusted Price/acre</b>	<b>\$128,000</b>	<b>\$65,037</b>	<b>\$123,588</b>	<b>\$180,227</b>	<b>\$209,615</b>
<b>Property Adjustments</b>					
General Location	Jefferson	Jefferson Similar 0%	Winder Superior -5%	Flowery Branch Superior -10%	Gainesville Superior -20%
Size (ac)	10.000	8.840	8.820	8.406	10.400
Density (units/acre)	8.0	6.2 Inferior 10%	8.2 Similar 0%	18.7 Superior -20%	11.5 Superior -15%
Total Property Adjustments		10%	-5%	-30%	-35%
<b>Adjusted Price/acre</b>	<b>\$128,000</b>	<b>\$71,540</b>	<b>\$117,409</b>	<b>\$126,159</b>	<b>\$136,250</b>
<b>Adjusted Value/acre</b>	<b>128,000</b>				
<b>Value Indication</b>	<b>1,280,000</b>				
Value Data Points (per acre)	Low \$71,540	Average \$115,872	Median \$126,159	High \$136,250	

Source: Crown Appraisal Group

Sale adjustments were considered for property rights conveyed, financing terms, conditions of sale, and market conditions. No adjustments were needed for property rights conveyed, financing terms, and conditions of sale, as they were all considered similar to the subject. *Sale 1* and *Sale 2* sold in 2011, at a time when financing was not as easily attainable and the market was only beginning to recover. It was also at a time when the market for tax credits was beginning to

recover. An upward adjustment is applied to *Sale 1* and *Sale 2* for the inferior market conditions.

The subject is located in Jefferson, Georgia. Jefferson is the county seat of Jackson County. *Sale 3*, *Sale 4*, and *Sale 5* are each located in more developed areas of northeastern Georgia where multifamily is more prevalent. A downward (superior) adjustment is applied to *Sale 3*, *Sale 4*, and *Sale 5*.

The subject contains 10.000 acres and has a density of 8.0 units per acre. *Sale 1* is adjusted upward for inferior density and an upward adjustment is made. *Sale 4* and *Sale 5* are adjusted downward for superior density and a downward adjustment is made to *Sale 4* and *Sale 5*.

### Summary and Conclusion

The table below summarizes the analysis:

<b><i>Sales Comparison Approach Summary</i></b>			
<b><i>346 Storey Lane</i></b>			
Unadjusted Value Range/acre	50,028	-	209,615
Indicated Value Range (rounded)	500,000	-	2,100,000
Adjusted Value Range/acre	71,540	-	136,250
Indicated Value Range (rounded)	720,000	-	1,360,000
Central Tendencies	115,872 average		126,159 median
<b><i>Indicated Value (rounded)</i></b>			<b><i>1,280,000</i></b>
<b><i>Value/acre</i></b>			<b><i>128,000</i></b>
Source: <i>Crown Appraisal Group</i>			

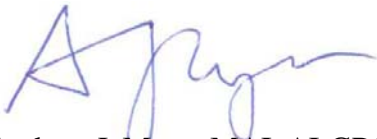
After making the appropriate adjustments, the value per acre range narrows to \$71,540 to \$136,250. The subject is in contract to be sold for \$1,280,000 or \$128,000/acre. This indicates a value of \$16,000/unit. ***The contract price is supported by the market sales. Therefore, it is selected as the value by the sales comparison approach.***

# Certifications

## Andrew J. Moye

The undersigned hereby certifies that, to the best of his knowledge and belief, or as otherwise noted in the report:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have performed no 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated results, or the occurrence of a subsequent event directly related to the intended user of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I certify that, to the best of my knowledge and belief my 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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute of relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I have not made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal professional assistance to the person signing this certification.
- compliance with the USPAP competency rule has been achieved.



Andrew J. Moye, MAI, AI-GRS

**Hanna R. Phillips**

The undersigned hereby certifies that, to the best of his knowledge and belief, or as otherwise noted in the report:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have performed no 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated results, or the occurrence of a subsequent event directly related to the intended user of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I certify that, to the best of my knowledge and belief my 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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute of relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal professional assistance to the person signing this certification.
- compliance with the USPAP competency rule has been achieved.



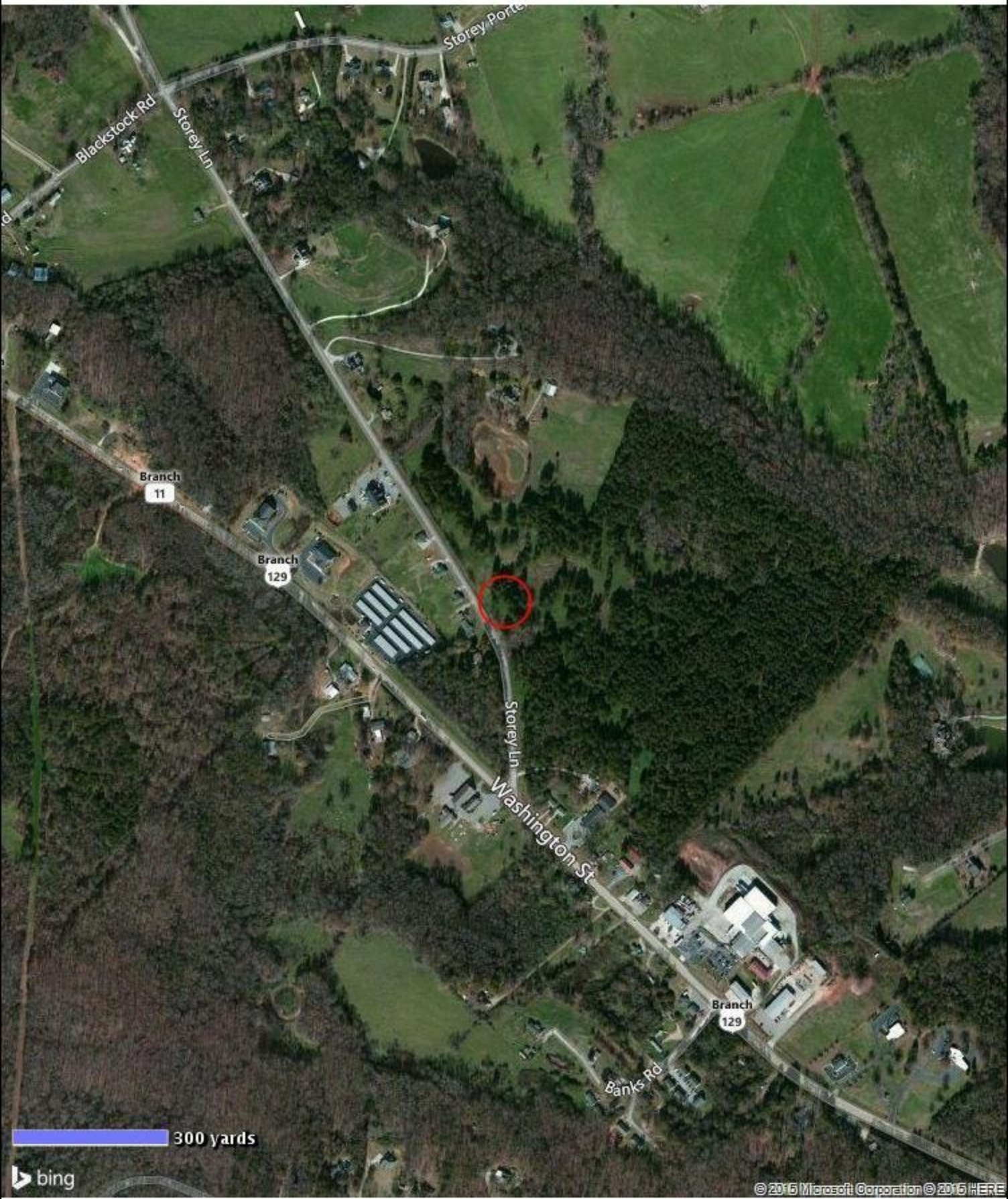
Hanna R. Phillips

# **ADDENDUM**

# SUBJECT PHOTOGRAPHS







### MAP DATA

FEMA Special Flood Hazard Area: **No**  
Map Number: **13157C0140C**  
Zone: **X**  
Map Date: **December 17, 2010**  
FIPS: **13157**

### MAP LEGEND

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

**COMMERCIAL AND INDUSTRIAL  
REAL ESTATE SALE CONTRACT**

1. PARTIES: This contract ("Contract") is made by and between **Peebles Family Limited Partnership** (the "Seller") and **Zimmerman Properties Development, LLC and/or its assigns** ("Buyer"), and is effective as of the date and time of acceptance on the signature page of this Contract (the "Effective Date").

2. PROPERTY: Seller sells to Buyer and Buyer purchases from Seller a proposed sub-parcel of the real estate that is located at **346 Storey Lane, Jackson County, Georgia**, consisting of approximately **ten and 0/10ths (10.0) +/-acres**, also known as **Parcel 080 017A** as shown on the attached **Exhibit A**. Buyer and Seller will mutually agree on an acceptable legal and survey. **LEGAL AND ACREAGE ON SURVEY TO GOVERN.**

3. EXCEPTIONS: The Property shall be subject to the Permitted Exceptions (as defined in Paragraph # 8 of this Contract), and the existing leases, contracts and agreements disclosed by Seller to Buyer pursuant to Paragraph #19 of this Contract.

4. PURCHASE PRICE: The purchase price shall be **ONE MILLION TWO HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS (\$1,280,000.00)**, which Buyer agrees to pay as follows:

- a. "Earnest Money" in the amount of **TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500.00)** will be deposited within ten (10) business days of execution of this Contract in the insured trust or escrow account of **First American Title Insurance Company, 13924 Gold Circle, Omaha, NE 68144, Attn: Dave Proksel, Underwriting Counsel** ("Escrow Agent"), shall be made as part of the consideration of the sale, credited against the Purchase Price at Closing, as defined herein below;
- b. The balance remaining shall be paid in guaranteed funds or cashier's check at Closing, adjusted at Closing for proration's, closing costs and other agreed adjustments.

5. CLOSING DATE: Subject to all the provisions of this Contract, the closing of this Contract (the "Closing") shall take place at the offices of the Title Company (as hereinafter defined), or such other place as the parties mutually agree, on the latter of (i) **one hundred twenty (120) days** after receipt of an award of financing from **DCA**, (ii) thirty (30) days after receipt of an environmental clearance review from the U.S. Department of Housing and Urban Development ("HUD") or (iii) **April 1, 2016**, or prior thereto by mutual consent, and possession shall be delivered at Closing.

6. EXISTING FINANCING: Seller shall make any payments required on existing mortgages or deeds of trust until Closing.

7. PRORATIONS: The rents, income and expenses from the Property, if any, shall be prorated between Seller and Buyer as of Closing. Seller shall pay all general real estate taxes levied and assessed against the Property, and all installments of special assessments assessed for or attributable to the year, or years prior to the calendar year of Closing. All such taxes and installments of special assessments assessed for or attributable to the calendar year of Closing shall be prorated between Seller and Buyer on the basis of such calendar year, as of Closing. If the amount of any tax or special assessment cannot be ascertained at Closing, proration shall be computed on the amount for the preceding year's tax or special assessment. Buyer shall assume and pay all such taxes and installments of special assessments accruing after the Closing.

8. TITLE INSURANCE: Seller shall provide Buyer a current copy of Seller's title insurance policy at Seller's cost (the "Owner's Policy"). If no such Owner's Policy shall exist, then Seller shall not be required to obtain a current Owner's Policy. The Owner's Policy, if provided, shall not contain any exception for mechanic's liens or claims of mechanic's liens or for parties in possession (except for those tenants disclosed under Paragraph #19 and specifically listed in the Owner's Policy) and Buyer herein objects to any such exceptions. Buyer shall also obtain, within a reasonable time after the Effective Date of this Contract, or cause to be furnished to Buyer a current commitment to issue the Owner's Policy (the "Title Commitment"), issued through a title insurance company

acceptable to Buyer and authorized to issue title insurance in the state in which the Property is located (the "Title Company"), together with complete and legible copies of all documents and instruments, including plats and surveys (the "Exceptions Documents") creating exceptions to title in the Title Commitment. Buyer shall have until ten (10) days after receipt of the Title Commitment, Exception Documents and Survey (the "Review Period") in which to notify Seller in writing of any objections Buyer has to any matters shown or referred to in the Title Commitment. Any matters which are set forth in the Title Commitment and to which Buyer does not object within the Review Period shall be deemed to be permitted exceptions to the status of Seller's title (the "Permitted Exceptions"). Within ten (10) days after receipt of Buyer's objections, (the "Cure Period") Seller shall either: (i) cure all such matters objected to by Buyer and notify Buyer in writing that the same have been cured; or (ii) provide such evidence as is reasonably satisfactory to Buyer and the Title Company that all such matters will be cured on or before the Closing in order that the Title Company may, as of the Closing, issue the Owner's Policy subject only to the Permitted Exceptions; or (iii) notify Buyer in writing that Seller elects not to cure one or more of the matters objected to by Buyer. In the event Seller does not, within the Cure Period, cure Buyer's title objections and notify Buyer that the same have been cured or provide evidence reasonably satisfactory to Buyer and the Title Company that Buyer's title objections will be cured on or before the Closing, then Buyer shall have the right to terminate this Contract by giving Seller written notice of termination at any time after expiration of the Cure Period and prior to the Closing. In the event Buyer terminates this Contract in accordance with this Paragraph #8, all Earnest Money, if applicable and not specifically considered earned and nonrefundable pursuant to Paragraph #4 hereinabove, will be returned to Buyer and the parties shall be relieved of their respective rights and obligations set forth in this Contract. In the event Buyer does not terminate this Contract during said ten (10) day period, Buyer shall be deemed to have elected to waive its title objections and accept title subject to the matter(s) reflected in the Title Commitment and not cured by Seller. If Seller fails to completely perform, in a timely manner, all of the obligations and requirements of Seller set forth in the terms and conditions of this Paragraph #8, Buyer, at Buyer's sole option, may terminate this Contract by giving notice to Seller as provided herein, in which event the Earnest Money, if applicable, shall be immediately returned to Buyer and thereafter this Contract shall be null and void and of no further force or effect.

9. DUE DILIGENCE INSPECTION: Buyer shall have reasonable access to the Property for the purpose of inspecting its physical condition and performing other investigations of the Property and the suitability and feasibility of the Property for Buyer's proposed use. Buyer's inspection rights shall include performing soil tests, environmental tests or audits, foundation and mechanical inspections, and such other inspections as Buyer may reasonably determine are necessary or desirable, performing development planning, engineering, feasibility and other studies, reviewing applicable state, federal and local laws, reviewing all leases, contracts and agreements affecting the Property, and performing such other tests, reviews and investigations and obtaining such approvals as Buyer deems necessary or appropriate. Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, expense and liability arising out of Buyer's due diligence investigation of the Property; provided, however, that Buyer shall not be responsible for any existing conditions on the Property. All inspections and investigations shall be at Buyer's expense. At all times prior to the expiration of the Inspection Period (as hereinafter defined), Seller shall allow Buyer and its counsel, accountants, or other representatives to have full access during reasonable hours to the Property, subject to the rights of any tenants of the Property, and Seller shall furnish Buyer with all information concerning the physical condition or financial aspects of the Property as Buyer may reasonably request. Buyer's obligations under this Contract are contingent upon these inspections and investigations revealing that the physical condition and other aspects of the Property are satisfactory to Buyer, in Buyer's sole opinion. Buyer shall provide Seller copies of all items and documents obtained pursuant to this Paragraph #9 prior to, or upon Closing. If Buyer is not satisfied with the physical condition or other aspects of the Property, Buyer may elect to terminate this Contract, provided that this election must be made by written notice to Seller on or before **December 31, 2015**, (the "Inspection Period"). If Buyer elects to terminate this Contract within this time period, all Earnest Money and other sums deposited under this Contract shall be returned promptly to Buyer, and this Contract shall be null and void. If, however, Buyer does not elect to terminate this Contract within this time period, the contingency stated in this Paragraph #9 shall have been waived by Buyer and Buyer shall be obligated to proceed with the Closing of this transaction and to accept the Property in the condition existing at the Effective Date, ordinary wear and tear excepted. The Inspection Period shall be extended one day for each day Seller is late in providing to Buyer the certifications described under Paragraph #19 of this Contract.

10. REAL ESTATE BROKER: Seller and Buyer agree that **The Norton Agency, c/o Will Cobb**, is the only real estate broker negotiating this sale, and Seller agrees to pay an five and ½ percent (5.5%) commission to **The Norton Agency** at Closing. Any party to this Contract through whom a claim to any broker's, finder's or other

fee is made, contrary to the representations made above in this Paragraph #10, shall indemnify, defend and hold harmless the other party to this Contract from any other loss, liability, damage, cost or expense, including, without limitation, reasonable attorney's fees, court costs and other legal expenses paid or incurred by the other party, that is in any way related to such a claim. The provisions of this Paragraph #10 shall survive Closing or termination of this Contract.

11. DELIVERY OF DEED; PAYMENT; DISBURSEMENT OF PROCEEDS: At or before Closing, Seller agrees to properly execute and deliver to the Title Company to hold in escrow a General Warranty Deed, a Warranty Bill of Sale for any non-realty portion of the Property, and all other documents and funds reasonably necessary to complete the Closing. The General Warranty Deed shall convey to Buyer marketable fee simple title to the Property, free and clear of all liens and encumbrances, other than the Permitted Exceptions. At or before the Closing, Seller and Buyer each agree to deliver into escrow with the Title Company a cashier's check or guaranteed funds sufficient to satisfy their respective obligations under this Contract. Seller understands that, unless otherwise agreed, disbursement of proceeds will not be made until after the General Warranty Deed or the instrument of conveyance, and, if applicable, the mortgage/deed of trust relating to Buyer's financing have been recorded and the Title Company can issue the Owner's Policy containing only the Permitted Exceptions on Schedule B thereof.

12. INSURANCE; MAINTENANCE: Seller agrees to maintain Seller's current fire and extended coverage insurance, if any, on the Property until Closing. Seller shall perform all ordinary and necessary maintenance, upkeep and repair to the Property to maintain it in its present condition through Closing.

13. FOREIGN INVESTMENT: Seller represents that Seller is not a foreign person as described in the Foreign Investment in Real Property Tax Act and agrees to deliver a certificate at Closing to such effect which shall contain Seller's tax identification number.

14. TERMINATION: If this Contract is terminated by either party pursuant to a right expressly given in this Contract or upon failure of any contingency or condition precedent, Buyer shall be entitled to an immediate return of the Earnest Money deposit if not specifically considered earned and nonrefundable pursuant to Paragraph #4 hereinabove, and neither party shall have any further rights or obligations under this Contract except as otherwise stated in this Contract.

15. DEFAULT AND REMEDIES: Seller or Buyer shall be in default under this Contract if either fails to comply with any material covenant, agreement or obligation within any time limits required by this Contract. Following a default by either Seller or Buyer under this Contract, the other party shall have the following remedies, subject to the provisions of Paragraph #16 of this Contract:

- a. If Seller defaults, Buyer may (i) specifically enforce this Contract and recover damages suffered by Buyer as a result of the delay in the acquisition of the Property or (ii) terminate this Contract by written notice to Seller and, at Buyer's option, pursue any remedy and damages available at law or in equity. If Buyer elects to terminate this Contract, all Earnest Money, without adjustment and regardless if any amount has been considered earned and nonrefundable to Buyer, shall be returned to Buyer upon written demand.
- b. If Buyer defaults, Seller may retain all Earnest Money as liquidated damages as Seller's sole remedy (the parties recognizing that it would be extremely difficult to ascertain the extent of actual damages caused by Buyer's breach, and that the Earnest Money represents as fair an approximation of such actual damages as the parties can now determine).

If, as a result of a default under this Contract, either Seller or Buyer employs an attorney to enforce its rights, the non-prevailing party shall, unless prohibited by law, reimburse the prevailing party for all reasonable attorneys' fees, court costs and other legal expenses incurred by the prevailing party in connection with the default.

16. DISPOSITION OF EARNEST MONEY AND OTHER FUNDS AND DOCUMENTS: In the absence of written escrow instructions, and notwithstanding any other terms of this Contract providing for forfeiture or refund of the Earnest Money, the Escrow Agent shall not distribute the Earnest Money or other escrowed funds or

documents, once deposited, without the written consent of all parties to this Contract. A party's signature on a closing statement prepared by the Escrow Agent or Title Company shall constitute such consent. In the absence of either written consent or written notice of a dispute, failure by either Buyer or Seller to respond in writing to a certified letter from the Escrow Agent or Title Company, if different, within five (5) days of receipt, or failure by either Buyer or Seller to make written demand upon the other party and upon the Escrow Agent or Title Company, as applicable, for return or forfeiture of the Earnest Money, other escrowed funds or documents within five (5) days after receiving written notice of cancellation of this Contract, shall constitute consent to distribution of all funds and documents deposited with the Escrow Agent or Title Company as suggested in any such certified letter or written demand.

17. NOTICES: All notices, consents, approvals, requests, waivers, objections or other communications (collectively "notices") required under this Contract (except notice *given* pursuant to Paragraph #16 of this Contract) shall be in writing and shall be served by either electronic facsimile transmission (if receipt is verified and a signed copy is promptly mailed), by hand delivery, by prepaid United States certified mail, return receipt requested, or by reputable overnight delivery service guaranteed next-day delivery and providing a receipt. All notices shall be addressed to the parties at the respective addresses as set forth below, except that any party may, by notice in the manner provided above, change this address for all subsequent notices. Notices shall be deemed served and received upon the date of transmission (in the case of electronic facsimile transmission), upon the third day following the date of mailing (in the case of notices mailed by certified mail) or upon delivery (in all other cases). A party's failure or refusal to accept service of a notice shall constitute delivery of the notice.

18. SURVEY: Buyer shall have the right (but shall not be obligated) to obtain, at its sole expense, a current survey of the Property prepared and certified to Buyer by a surveyor licensed in the state in which the Property is located. If it elects to obtain a survey, Buyer may require, among other things, that the certificate of survey be in accordance with the Minimum Standard Detail requirements for ALTA/ACSM Land Title Surveys, contain a legal description of the Property and identify the boundaries of the Property, the dimensions thereof, the location and dimensions of any improvements on the Property, the location and dimensions of all recorded easements on the Property, the location and dimensions of all easements, rights-of-way, driveways, roads, power lines, fences and encroachments on the Property which are observable from a visual inspection of the Property, and access to public roads or rights-of-way. Buyer may further require that the certificate of survey certify that no part of the Property lies within a designated floodplain or flood hazard area. If upon receipt of the survey, Buyer has any objection to a matter shown therein which affects or could affect the Property or Buyer's use of the Property, including, without limitation, objections to the legal description, size, dimensions or location of Property, Buyer shall have until expiration of the Cure Period, as defined in Paragraph #8, to notify Seller of said objection(s) in writing, and Seller shall have ten (10) days (the "Survey Cure Period") to correct such matters, or provide such evidence as is reasonably satisfactory to Buyer that any and all such matters will be cured on or before the Closing to Buyer's satisfaction. If Seller fails to correct such matters, or provide such evidence as previously stated herein, to Buyer's satisfaction prior to the expiration of the Survey Cure Period, Buyer shall have the right to terminate the Contract by written notice given to Seller on or prior to the date of Closing, in which event the Earnest Money, without adjustment regardless of whether any amount shall be considered earned and nonrefundable to Buyer pursuant to Paragraph #4 hereinabove, shall be refunded to Buyer and neither party shall have any further liability under the Contract.

19. EXISTING LEASES AND CONTRACTS: Within ten (10) days after the Effective Date of this Contract, Seller shall deliver to Buyer true and complete copies of (i) all existing leases and other contracts and agreements which do or will materially affect the use, ownership, operation or management of the Property (excluding any documents evidencing exceptions to title referenced in the Title Commitment), (ii) statements of income and expenses relating to the operation of the Property for the past two (2) years, (iii) a rent roll showing rent due and rent paid under all existing leases covering the past two years, and (iv) utility bills for the past year. At that time, Seller shall certify to Buyer in writing that the documents so delivered do constitute true, complete and accurate copies of all existing leases, contracts, agreements, and other items required to be delivered under this Paragraph #19. If, in Buyer's sole judgment, the existing leases, contracts, agreements, or other items are unsatisfactory, Buyer shall have the right to terminate this Contract by written notice given to Seller on or prior to the end of the Inspection Period, in which event the Earnest Money shall be refunded to Buyer and neither party shall have any further liability under this Contract, and this Contract shall be null and void. If, however, Buyer does not elect to terminate this Contract during the specified time period, this right of termination shall have been waived by Buyer. On or before the date of Closing, Seller shall (a) confirm to Buyer that there exists no default under any of the leases, tenancies, contracts or agreements for all or any portion of the Property by Seller, as landlord or otherwise, and (b) use its best efforts to furnish to Buyer

customary estoppel certificates from each tenant which shall include, without limitation, confirmation from each tenant with respect to the lease and income and expense information supplied by landlord with respect to that tenant, and confirmation that such tenant holds no unrecorded deeds, contracts, or options to purchase the Property, has no unilateral right to renew an existing tenancy, is not entitled to any abatement or reduction of rent or right of set-off against rents, and is not entitled to any performance by Seller as landlord of any construction or other service. At Closing, Seller shall assign to Buyer all of Seller's rights to all leases affecting the Property together with the other contracts or agreements which Buyer elects to have assigned and, without limiting the representations of Seller set forth herein, Buyer shall assume the Seller's responsibilities under such leases and contracts arising after the effective date of such assignment. At closing, Buyer shall receive a credit against the Purchase Price for all security deposits provided for under any lease affecting the Property.

20. EARNEST MONEY DEPOSIT: To the extent permitted by applicable law, Seller and Buyer hereby direct the Escrow Agent to place the Earnest Money and any other funds deposited with it at the execution of this Contract in an interest bearing account. All interest and other earnings on the funds so placed shall become part of the Earnest Money deposit and shall be disposed of as called for in this Contract in the same manner as the funds originally deposited. The cash payment due at Closing shall be reduced by the amount of any interest or other earnings on the Earnest Money deposit that are paid to or accrue for the benefit of Seller.

21. ESCROW FEES: Seller and Buyer shall each pay their own attorney fees charged for handling the closing of this transaction, with Closing directed by Buyer's attorney.

22. RECORDING AND CLOSING COSTS: Buyer shall pay for all fees and expenses in connection with Buyer's financing, if any, including, without limitation, all mortgage registration taxes and recording fees. Seller shall pay for recording the deed and for all recording fees and other costs in connection with the release of any liens on the Property which are not Permitted Exceptions. Seller and Buyer shall each pay for their own title policies described in Paragraph #8. Except as otherwise set forth in this Contract, all other Closing costs, including, without limitation, miscellaneous recording fees which are not addressed above and escrow fees shall be borne by Buyer.

23. CONDITIONS: The obligations of Buyer to close this transaction and to complete the purchase and pay the purchase price are subject, without limitation, to the following conditions precedent being in effect or complied with on the Closing Date, and Seller agrees that it will use its best efforts to cause such conditions to be in effect or complied with on such date: (i) no materially adverse change shall have occurred with respect to the condition or operation of the Property between the date hereof and the Closing date, and the Seller shall have delivered a certificate to that effect to Buyer; and (ii) no part of the Property shall be subject to any pending or threatened condemnation or public taking.

24. CONTINGENCIES: The obligations of Buyer to close this transaction and to complete the purchase and pay the Purchase Price are subject, without limitation, to satisfaction of the following contingencies on or before the dates listed herein below for each contingency:

- i. Buyer verifying that adequate water, sewer, electricity, gas and other required utilities are to the Property in a size and capacity necessary to adequately service Buyer's proposed **multi-family apartment community** on or around **June 11, 2015**;
- ii. Buyer verifying the Property is zoned to allow for Buyer's intended use, or if not, then Buyer successfully rezoning the Property to allow for Buyer's intended use by, or before **June 11, 2015**;
- iii. Buyer obtaining an allocation of low-income housing tax credits in an amount acceptable to Buyer, in Buyer's sole discretion, from DCA to construct a **multi-family apartment community**, in which such allocation is anticipated to be announced in the month of **December 2015**;
- iv. Buyer obtaining approval of a Plat of the Property on or around **April 2016**;
- v. Buyer obtaining approval of a site or final plan of the Property on or around **April 2016**; and

- vi. Buyer having obtained all necessary approvals from governmental authorities having jurisdiction, including zoning, rezoning, site plan or development plan approval, plat approval, lot split, subdivision or similar matters, permitting Buyer to use the property for Buyer's proposed **multi-family apartment community** on or around **April 2016**.

In the event the contingencies set forth above have not been satisfied by those dates specifically listed above for each contingency (i) through (vi), Buyer, in its sole discretion, may (a) terminate this Contract in writing, in which event all Earnest Money shall be returned to Buyer, except as explicitly provided for in Paragraph #4 above, or (b) waive any such contingency(ies) and proceed to Closing as provided for in Paragraph #5.

25. **INCLUDED PROPERTY:** The Property sold and to be conveyed hereunder shall include the following: (i) all those certain plots, parcels or tracts of land referred to in **Exhibit A** attached hereto and made a part hereof, together with all right, title and interest of Seller in and to all rights, privileges, servitudes and appurtenances thereto belonging or appertaining, including without limitation streets, alleys and rights of way adjacent thereto; (ii) all buildings, structures, fixtures (excluding business/trade fixtures) and other improvements located thereon; (iii) all personal property located on the real property which is used in connection with the operation thereof, except such property which is owned by tenants; and (iv) all right title and interest of the landlord in and to the leases which are disclosed in the information furnished to Buyer pursuant to Paragraph #19 hereof.

26. **PLANS, DRAWINGS AND REPORTS:** Within ten (10) days after the Effective Date of this Contract, Seller shall deliver to Buyer copies of all as-built drawings, soil boring and engineering reports, topography maps, final plans and specifications, and other similar matters relating to the physical aspects of the Property in the possession or control of Seller or Seller's representatives, including without limitation copies of all environmental reports, studies, assessments and similar information relating to the environmental condition of the Property, together with a written certification to Buyer that true, correct and complete copies of all items required to be delivered under this Paragraph #26 have been so delivered. In the event Buyer fails for any reason to purchase the Property all such reports shall be returned to Seller. If Buyer purchases the Property, Buyer shall reimburse Seller at closing for its reasonable expenses incurred in copying the items required to be delivered under this Paragraph #26.

27. **NO OTHER BROKERS:** Except as provided in Paragraph #10 of this Contract, Seller and Buyer each hereby represent and warrant to the other that no other brokers or agents are due any commissions from or relating to the closing of this transaction and each party hereby indemnifies and agrees to hold the other harmless against and from all claims asserted by any others for any such commission or fee.

28. **COVENANTS PENDING CLOSING:** From the Effective Date until the Closing, Seller agrees as follows:

- a. Seller shall advise Buyer in writing of any material changes known to the Seller to information provided and representations and warranties made to Buyer pursuant to the terms and conditions of this Contract.
- b. Seller shall not make application for any building permits, use permits or zoning variances from any governmental authority with respect to the Property without Buyer's prior written consent.
- c. Subject to the indemnity clause in Paragraph #9, Seller shall allow Buyer to enter the Property and to inspect or cause to be inspected the condition of the Property, at any time or times from the Effective Date to and including the Closing, such inspections to be made during reasonable hours.
- d. Seller will not incur any new lease or obligation or enter into or alter, amend, or modify any lease, contract or commitment relating to the Property without Buyer's prior written consent.

29. **DAMAGE BY CASUALTY/CONDEMNATION:** In the event the Property shall be damaged by fire, casualty or any other cause that would be covered by what is known as "extended coverage insurance," to an extent of Fifty Thousand and No/100 Dollars (\$50,000) or less, Seller shall give written notice thereof to Buyer, the Property shall not be repaired or restored (except to the extent required to preserve and protect the Property or as

required by any tenant lease, in which case, Seller shall repair or restore the Property to the extent so required) and the parties shall proceed with the Closing, and Buyer shall receive (i) the insurance payable for such loss (less any amounts required to repair or restore the Property as described above) and (ii) a credit against the Purchase Price in the amount of any deductible. If the Property shall be damaged by fire, casualty or any other cause that would be covered by what is known as "extended coverage insurance," to an extent of more than Fifty Thousand and No/100 Dollars (\$50,000), Seller shall immediately give written notice thereof to Buyer and Buyer may, at its option, within ten (10) days thereafter, elect to rescind this Contract by written notice to Seller. In the event that Buyer elects to rescind this Contract under this Paragraph #29, Seller shall return promptly to Buyer the Earnest Money. If Buyer does not elect to rescind within said twenty (20) day period, then Buyer shall proceed to the Closing and receive, subject to the rights of tenants, the insurance payable for such to restore the Property and Buyer shall receive a credit against the Purchase Price in the amount of any deductible.

If before the Closing Date, the Property or any part thereof are taken or are threatened to be taken by condemnation or other eminent domain proceedings, Seller will immediately give written notice thereof to Buyer and Buyer shall have the option to cancel this Contract by written notice to Seller within ten (10) days after the date of the Seller's notice to Buyer of such event. If so canceled, Buyer and Seller shall be released from all obligations to each other under this Contract; in which event, all Earnest Money shall be promptly returned to Buyer. If Buyer shall not cancel this Contract, Buyer shall purchase the Property without reduction in Purchase Price, in which event Seller shall assign to Buyer at closing all of Seller's rights to any condemnation proceeds payable as a result of such condemnation.

30. REPRESENTATIONS: Seller represents and hereby warrants to Buyer that as of the Effective Date:

- a. There is no litigation at law, in equity or in proceedings before any commission or other administrative authority, or any governmental investigation, pending or, to the knowledge of Seller, threatened against or affecting the Property or Seller's interest in the Property.
- b. Seller is duly organized, validly existing and in good standing under the laws of the state of its organization; Seller has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated herein, and the individual of the Seller who executes and delivers this Contract and all documents to be delivered to Buyer hereunder is and shall be duly authorized to do so.
- c. All items of personal property included within the Property being transferred in this sale are owned free and clear of all liens, encumbrances, or claims of any nature and kind whatsoever.
- d. No representation or warranty by Seller in this Contract and no statement or certificate furnished or to be furnished by Seller pursuant hereto or in connection with the transaction contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

Seller covenants that all of Seller's representations contained in this Contract shall remain true as of the date of Closing, shall survive the Closing with an effective date as of the Closing Date, and shall not be merged with the title conveyed to Buyer or any document executed in connection with this transaction.

31. ENTIRE AGREEMENT AND MANNER OF MODIFICATION: This Contract, and any attachments or addendums hereto, constitute the complete agreement of the parties concerning the Property, supersede all other agreements and may be modified only by initialing changes in this Contract or by written agreement.

32. DEADLINE FOR ACCEPTANCE: Buyer's offer to purchase the Property from Seller shall expire if Seller has not accepted this Contract by signing and delivering a fully executed copy to Buyer, on or before the earlier of (i) Buyer delivering written notice to Seller that Buyer's offer to enter into this Contract is withdrawn or (ii) **May 15, 2015.**



33. ADDITIONAL TERMS:

- a. Buyer hereby agrees at Seller's request to install vegetative buffering (i.e. leyland cypress or other similar hedge or screening vegetation) along a span approximately equal to the non-ingress / egress portion of the Northern boundary of the Property nearest Seller's personal residence. Prior to Closing, Buyer and Seller shall mutually agree upon specific portions of the Northern boundary in which to provide said vegetative buffering.
- b. Attached and hereby made a part of this Contract is **Exhibit B** which outlines a proposed alternate tract of land (parcel 080 018D) adjacent the Property also owned by Seller, which Seller is currently in the process of rezoning (the "Alternate Property"). Buyer and Seller hereby agree, upon Seller successfully rezoning the Alternate Property to a zoning district which permits Buyer's use of the Alternate Property for Buyer's proposed **multi-family apartment community**, to relocate Buyer's proposed **multi-family apartment community** to the Alternate Property. Relocation to the Alternate Property shall be subject to all terms stipulated within this Contract, including but not limited to all provisions in Paragraphs #4, #8, #9, #11, #18, #23, #24 and #25, as well as approval to relocate granted by DCA. However, Buyer and Seller hereby agree that any rezoning relating to the Alternate Property shall not be held to the same dates in Paragraph #24, but rezoning of the Alternate Property shall be finalized by Seller no later than September 30, 2015 for the provisions of this Paragraph #33b to binding to Buyer. Buyer shall make its best efforts to work with, and provide all information to DCA in order to obtain DCA's approval to relocate to the Alternate Property if possible. Seller hereby agrees, warrants, and represents to Buyer should any of the foregoing provision of this Paragraph #33b not be satisfied, in Buyer's sole determination, which Buyer's determination shall be made in a reasonable, justifiable, and professional workmanship manner, and Buyer is awarded an allocation of low-income housing tax credits from DCA, Seller will unconditionally allow Buyer to proceed with the Closing of the Property pursuant to all terms of this Contract, and Buyer shall not be obligated to relocate Buyer's proposed **multi-family apartment community** to the Alternate Property.
- c. As part of Buyer making an application for an allocation of low-income housing tax credits from DCA, Buyer may apply for HOME Investment Partnership Program funds, in which case the acquisition of the Property is subject to 49 CFR 24.101.
- d. Attached, and hereby made a part of this Contract, is **Exhibit C**, which is a "Pre-Contract Agreement" to be executed by both Buyer and Seller. DCA requires both Seller and Buyer to execute, along with this Contract, this Pre-Contract Agreement indicating Seller is aware that Buyer may use Federal funds obtained from the U.S. Department of Housing and Development for purposes of acquiring the Property owned by Seller, and Seller acknowledges that: (A) Buyer does not have the power of eminent domain to force the sale of the Property, and this Contract represents a voluntary sale by the Seller; (B) the Seller and Buyer mutually agree the Purchase Price is a reasonable and fair estimate of the fair market value of the Property; and (C) Seller and Buyer hereby agree to cause the Pre-Contract Agreement to be duly executed along with this Contract, and to make such Pre-Contract Agreement a part of this Contract, and incorporated herein by reference.


34. TIME AND EXACT PERFORMANCE ARE OF THE ESSENCE UNDER THIS CONTRACT.

*[REMAINDER OF PAGE INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]*

**IN WITNESS WHEREOF**, Seller and Buyer execute this Contract on the date(s), and at the time(s), indicated below their respective signatures.


**BUYER:**

Zimmerman Properties Development, LLC  
and/or its assigns

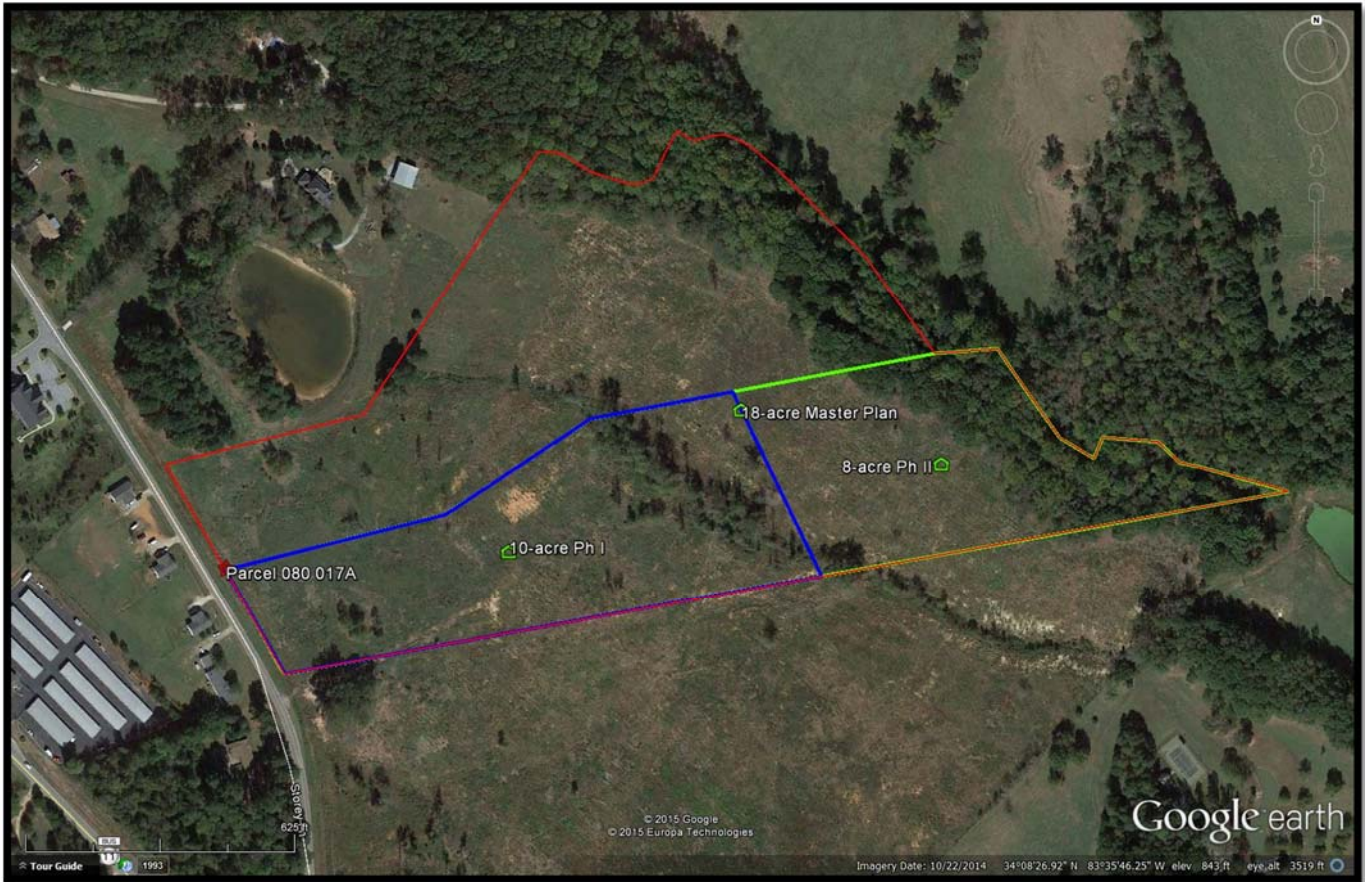
By:   
Print Name: Justin Zimmerman  
Title: \_\_\_\_\_ Member  
Date: 5/8/2015 Time: 1:00pm  
Mailing Address: 2015 Ayrley Town Blvd, Ste 202  
Charlotte, NC 28273  
Telephone: \_\_\_\_\_ (417) 883-1632  
Fax: \_\_\_\_\_ (417) 883-6343

**SELLER:**

Peebles Family Limited Partnership

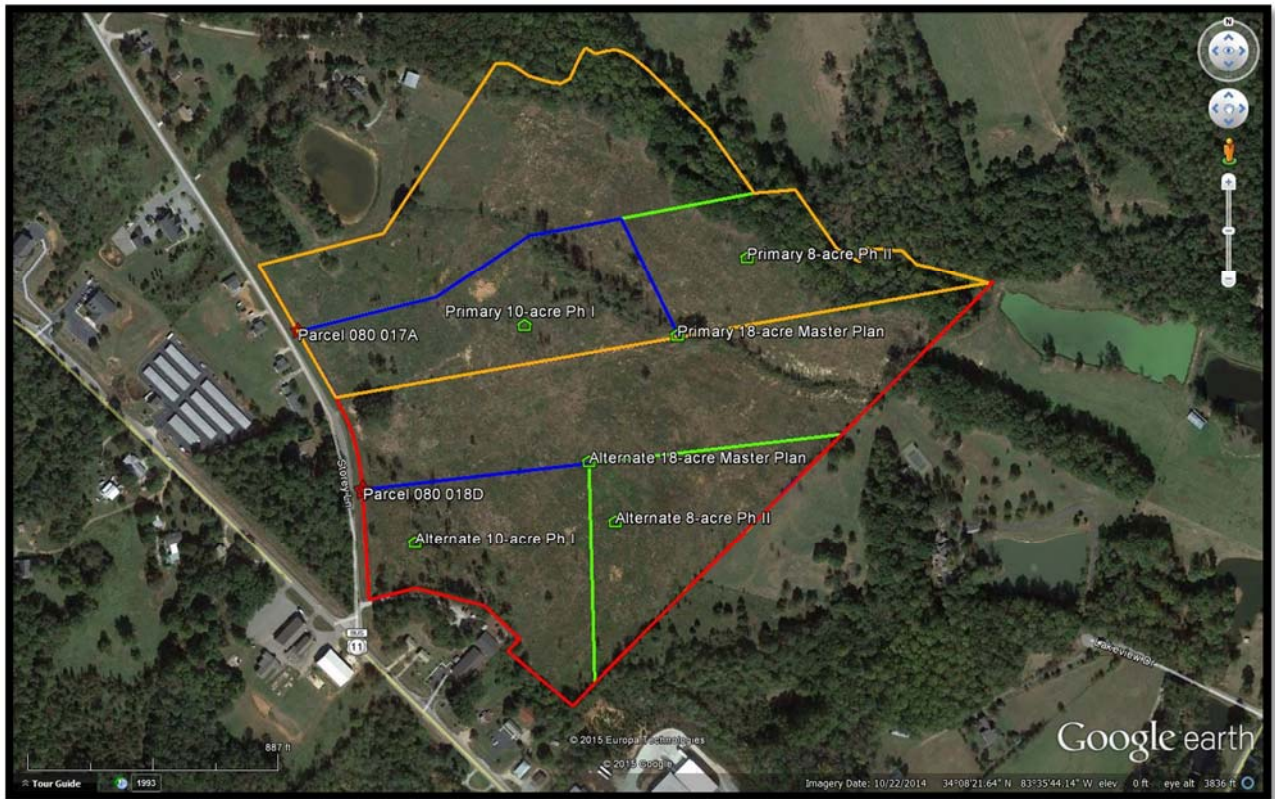
By:   
Print Name: JOHN E PEEBLES  
Title: GENERAL PARTNER  
Date: 05-15-15 Time: 3:20  
Mailing Address: \_\_\_\_\_ P.O. Box 463  
\_\_\_\_\_ Jefferson, GA 30549  
Telephone: 706-367-8625  
Fax: \_\_\_\_\_

**EXHIBIT A**



**Legal Description:**

**Exhibit B**



**Legal Description:**

**Exhibit C**

*[ATTACH PRE-CONTRACT AGREEMENT]*

**PRE-CONTRACT AGREEMENT**

This Pre-Contract Agreement (Agreement) is executed for a proposed 10.0 acre sub-parcel of the property located at 346 Storey Lane (Parcel 080 017A), Jackson County, Georgia between the following parties:

Seller: Peebles Family Limited Partnership Address: P.O. Box 463, Jefferson, GA 30549

Buyer: Zimmerman Properties Development, LLC Address: 2015 Ayrsley Town Blvd, Suite 202  
and/or its assigns Charlotte, NC 28273

**AGREEMENT CONDITIONS:**

The Buyer may use Federal funds obtained from the U.S. Department of Housing and Development to acquire property owned by the Seller. Therefore, please be informed of the following:

**Voluntary Sale –**

- 1) The Buyer does not have the right of eminent domain.
- 2) Because this is a voluntary transaction, the Buyer will not be able to acquire the property offered for sale if negotiations fail to result in an amicable agreement.
- 3) The Buyer estimates the fair market value of the property to be \$1,280,000.
- 4) Even though Federal funds will be used in the acquisition of the property, the Seller WILL NOT be entitled to any relocation benefits.
- 5) Any tenant legally occupying the property is eligible to receive relocation assistance and benefits as identified in the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended.

**Timely Notices –**

- 1) The Seller authorizes the Buyer, the funding buyer, or a designated representative, to provide to each resident the notices required by HUD's instructions found in HUD Handbook 1378.
- 2) The Seller authorizes the Buyer, the funding buyer, or a designated representative, to provide, or permit to be provided, a move-in notice to any person who wishes to make application to become a tenant.
- 3) Before signing a lease and commencing occupancy, the person must be informed of the following:
  - a. If the application is funded, the new tenant may be displaced; and,
  - b. The person would not qualify as a "displaced person" as a result of the project and, therefore, would not be eligible to receive any assistance or benefits.


**Recordkeeping –**

- 1) The Seller agrees to provide the Buyer, the funding buyer, or a designated representative, when requested, the names and addresses of the residents residing in the property.
- 2) The Seller authorizes the Buyer, the funding buyer, or a designated representative, to survey the residents to determine the relocation costs and housing needs.

**AGREEMENT ACCEPTANCE:**

The Buyer and Seller understand if the conditions of this Agreement are not complied with, either party may terminate the real property sales contract (Contract) by notifying the other party by certified mail, return-receipt requested, that the Contract is terminated. The Buyer and Seller voluntarily accept these Agreement conditions and agree to enter into a Contract for the property identified in this Agreement.

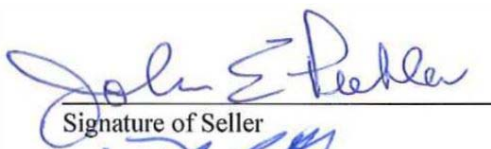
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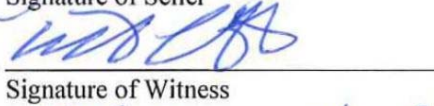
 5/8/2015  
Signature of Buyer Date

 5/8/2015  
Signature of Witness Date

1730 E. Republic Rd., Suite F, Springfield, MO 65804  
Address of Witness

417-890-3219  
Witness Phone Number

 05-15-15  
Signature of Seller Date

 5-15-15  
Signature of Witness Date

434 Grand Boulevard #30501  
Address of Witness

770-532-0022  
Witness Phone Number

\_\_\_\_\_  
Signature of Seller Date

\_\_\_\_\_  
Signature of Witness Date

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Witness Phone Number

# PROFESSIONAL QUALIFICATIONS

## ANDREW J. MOYE, MAI, AI-GRS

### **Business Experience**

*Crown Appraisal Group*, Columbus, Ohio.

Principal

Real estate consulting, including appraisal, appraisal review, and market study assignments for commercial and residential real estate.

*Vista Capital/Chemical Mortgage Company*, Columbus, Ohio.

Vice President.

Appraisal assignments and market studies of commercial real property.

*Landauer Associates, Inc.*, West Palm Beach, Florida.

Assistant Vice President.

Valuation and evaluation of real property, and development of land use studies for large commercial and residential PUDs.

### **Education**

Masters of Business Administration (Finance), The Ohio State University, Columbus, Ohio.

Bachelor of Science in Business Administration (Real Estate), The Ohio State University, Columbus, Ohio.

### **Professional Education (partial list)**

Basic Valuation Procedures	Residential Valuation
Capitalization Theory, Part 1	Standards of Professional Practice
Capitalization Theory, Part 2	Case Studies in Real Estate Valuation
Capitalization Theory and Techniques, Part B	Valuation Analysis and Report Writing
Advanced Applications	Advanced Sales Comparison & Cost Approaches
Basic Income Capitalization	Litigation Appraising: Specialized Topics and Applications
Advanced Income Capitalization	General Appraiser Market Analysis and Highest & Best Use
The Appraiser as Expert Witness: Preparation and Expert Testimony	Market Analysis
Review Theory – General	Condemnation Appraising: Principles and Applications

### **Professional Qualifications, testimony venues**

MAI designation offered by Appraisal Institute

AI-GRS designation offered by Appraisal Institute

Young Advisory Council attendee, moderator, Appraisal Institute

Certified General Appraiser: AL, AZ, CO, FL, GA, IL, IN, KY, MI, MS, NC, NY, OH, SC, VA, WV

Expert witness in Federal Bankruptcy Court, Common Pleas Courts throughout Ohio, various Boards of Revision, State Board of Tax Appeal



STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD

**ANDREW JOHN MOYE**

5464

IS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF GEORGIA IN THE CAPACITY AS

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY

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RONALD M. HECKMAN

JEFF A. LAWSON

KEITH STONE

MARILYN R. WATTS

**PROFESSIONAL QUALIFICATIONS  
HANNA R. PHILLIPS**

**Business Experience**

*Crown Appraisal Group*, Columbus, Ohio.

Analyst

Real estate consulting, including appraisal and market study assignments for commercial real estate.

**Education**

*The Ohio State University*, Columbus, Ohio.

Bachelor of Science in Business Administration (Specialization in Real Estate & Urban Analysis)

**Professional Education**

- Appraisal Principles ..... Hondros College 2013
- Appraisal Procedures ..... Hondros College 2013
- USPAP ..... Hondros College 2013
- Fair Housing ..... Hondros College 2013
- Real Estate Finance, Statistics, & Valuation Modeling ..... Appraisal Institute 2014
- General Appraiser Income Capitalization Approach Part I ..... Appraisal Institute 2014
- General Appraiser Income Capitalization Approach Part II..... Appraisal Institute 2014

**Professional Qualifications**

Registered Real Estate Appraiser Assistant – Ohio #2013003981