

At the request of

City of Dunwoody
Mr. John Gates - Purchasing Manager
4800 Ashford Dunwoody Road
Dunwoody, Georgia 30338

An Appraisal of

**A Redevelopment Land Tract
4809 & 4819 Vermack Road
Dunwoody, Georgia 30338**

as of April 30, 2021



Written and Prepared By
Crossroads Appraisal Group, Inc.



May 14, 2021

City of Dunwoody
Mr. John Gates - Purchasing Manager
4800 Ashford Dunwoody Road
Dunwoody, Georgia 30338

Dear Client:

In accordance with your request, we have prepared an appraisal of a redevelopment land tract that is generally known and located as follows:

4809 & 4819 Vermack Road
Dunwoody, Georgia 30338

This ***Appraisal Report*** was prepared for the purpose of expressing an opinion of the ***as is market value*** of the above captioned property, subject to normal limitations, including typical financing, and the property rights appraised herein are the ***fee simple interest***. The intended user is the City of Dunwoody, our client, and there are no other intended users. The intended use is to establish the market value for a potential purchase of the property, and there are no other intended uses.

The analysis and value opinion are subject to the assumptions and limiting conditions beginning on page 6, including any extraordinary assumptions detailed on page 8. These are critical to the results of the report that follows and the value opinion should not be considered without due consideration being given to them. Any variation from the stated assumptions and limiting conditions will necessitate a reconsideration of the value opinion presented.

The subject of this report is two adjacent residential land tracts that total 9.31± acres. Each of the tracts is improved with dated single-family dwellings that no longer contribute to the value of the land. The land tracts are zoned R-100, as are the overwhelming majority of the surrounding single-family neighborhoods. While the current zoning district is in line with surrounding developments, a residential developer will still be required to go through the entitlements process in order to develop a single-family neighborhood on this site. New homes in the immediately surrounding area have been selling for amounts generally ranging from \$800,000 to \$1,300,000. The subject land is currently being marketed for sale with no asking price, and it has been on the market for about 2 months.



Page Two

Within the parameters of the preceding statements, it is our opinion that the *as is market value* of the *fee simple interest* in the subject property, as of April 30, 2021, in accordance with the attached assumptions and limiting conditions, is reasonably expressed by the following amount:

Final Value Conclusions

... FIVE MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS ...

\$5,680,000

Respectfully submitted,

A handwritten signature in blue ink that reads "Casey Lyon".

Crossroads Appraisal Group, Inc.
Casey Lyon, MAI
Certified General #CG 262200

A handwritten signature in blue ink that reads "K.A. Lyon".

Crossroads Appraisal Group, Inc.
Kevin A. Lyon, MAI
Certified General Appraiser #CG 311781

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CERTIFICATION OF APPRAISER(S)

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

1. An appraisal and site visit have been made of two residential land tracts located at 4809 & 4819 Vermack Road, Dunwoody, Georgia 30338.
2. Our engagement in this assignment was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
3. The statements of fact contained in the report are true and correct. No pertinent information has knowingly been withheld.
4. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
5. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
6. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
7. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. The property appraised was visited by Kevin Lyon on April 30, 2021 Casey Lyon did not participate in the current site visit. We have not performed any other services, as appraisers 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.
12. No one provided significant real property appraisal assistance to the person(s) signing this report.
13. The Appraisal Institute conducts a voluntary program of continuing education for their designated members. As of the date of this report, Casey Lyon and Kevin Lyon have completed the continuing education program for Designated Members of the Appraisal Institute.
14. The State of Georgia conducts voluntary licensing of real estate appraisers. As of the date of this report, Casey Lyon and Kevin Lyon have completed all requirements for education, appraisal experience, and testing, and hold valid licenses as Certified General Real Property Appraisers (License #262200 and #311781, respectively). The use of this report is subject to the requirements of the State of Georgia relating to review by the Real Estate Appraisal Board.



Crossroads Appraisal Group, Inc.
Casey Lyon, MAI
Certified General Appraiser #CG 262200



Crossroads Appraisal Group, Inc.
Kevin A. Lyon, MAI
Certified General Appraiser #CG 311781

ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the appraisers appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser(s) in the report. The use of these assumptions and limiting conditions might have affected the assignment results. In addition, the use and acceptance of this report indicates that the client accepts these assumptions and limiting conditions.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

The appraisers are not experts in the field of environmental hazards, so this appraisal report must not be considered as an environmental assessment of the property.

The appraisers are not professional property inspectors, and this appraisal report is not a property inspection. The appraisers only performed a visual observation of accessible areas and the appraisal report cannot be relied upon to disclose conditions and/or defects in the property. The client may wish to hire a professional property inspector for a more thorough analysis of the physical condition of the property.

The appraisers have made no survey of the property as we are not surveyors and make no guarantees, express or implied, regarding this determination.

The appraisers assume that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. The appraisers assume no responsibility for any such conditions or for engineering which might be required to discover such factors.

Information, engineering, estimates, and opinions furnished to the appraisers and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished can be assumed by the appraisers.

The appraisers are not qualified to detect the existence of hazardous materials or other harmful substances, nor the existence of environmentally protected plants and wildlife which may be present on or in the property. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead based paint, gases, or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there are no such materials, substances, or environmentally protected plants, wildlife, etc., 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.

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. No test borings or type and analysis of sub-soils were made or caused to be made by the appraisers. Soil of the parcel under appraisal appears typical of the area and subsidence in the area is unknown. The appraisers, however, cannot warrant against such condition or occurrence.

The appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any as to the title, which is assumed to be good and marketable.

The property is appraised as though under responsible ownership and competent management.

The appraisers are not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.

Any sketches, plans, or photographs appearing in this report are included to assist the reader in visualizing the property, and the appraisers assume no responsibility for their accuracy or interpretive quality.

Any tracts that, according to survey, map or plat, indicate riparian and/or littoral rights, are assumed to go with the property unless easements or deeds are found by the appraisers to the contrary.

Any distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Any separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

Unless specifically stated in the report, the appraisers did not determine the flood plain status of the property appraised other than referencing flood plain maps published by the Federal Emergency Management Agency. If such data is available, it is recommended it be obtained prior to any development that might be contemplated.

Sub-surface rights (mineral, oil, or water) were not considered in this report.

The Americans with Disabilities Act of 1990 (ADA) went into effect in January 1992. The

appraisers are not experts with regard to the ADA requirements and have not made a specific compliance survey of the property under review. Neither the client nor the property owner has provided information indicating any impending improvements designed to meet the ADA requirement. In addition, the appraisers have not determined whether or not the subject property is in compliance and conformity with the various detailed requirements of the ADA. Therefore, this analysis does not consider possible non-compliance, if any, with the requirements of ADA in estimating the value of the property.

Neither all nor part of the contents of this report, or copy thereof (conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organizations, or the firm with which he is connected) shall be used for any purposes by anyone but the applicant or his assigns without the previous written consent of the appraisers; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the appraiser.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

Consideration for preparation of this appraisal report is payment in full by the employer of all charges due the appraisers in connection herewith. Any responsibility by the appraisers for any part of this report is conditioned upon full and timely payment.

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

COVID-19 Statement

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Date of Report:	May 14, 2021
Effective Valuation Date(s):	April 30, 2021
Property Address:	4809 & 4819 Vermack Road Dunwoody, Georgia 30338
Legal Description:	Located in the addenda section
Property Description:	Two adjacent residential land tracts located along Vermack Road in Dunwoody that total 9.31± acres; each tract is improved with a dated single-family dwelling, but the improvements no longer contribute to the value of the combined property.
Tax Map Code:	18 361 02 004 and 18 361 02 074
Flood Zone:	The property appears to be located in Zone X, an area that has been determined to be above flood elevation (see page 15).
Zoning:	R-100, Single-Dwelling Residential District, City of Dunwoody
HBU, as vacant:	Single-family neighborhood
HBU, as improved:	Raze existing homes and develop a single-family neighborhood
Current Use and Use Value is Based on:	Residential development tract

Summary of Value Conclusions

<i>Market Value Premise:</i>	<i>As Is</i>
<i>Property Rights Appraised:</i>	<i>Fee simple</i>
<i>Effective Valuation Date:</i>	<i>April 30, 2021</i>
Sales Comparison Approach	\$5,680,000
<i>Final Value Conclusion(s):</i>	<i>\$5,680,000</i>

SCOPE OF THE APPRAISAL

<u>Category:</u>	<u>Comments</u>
Definitions for report:	See glossary in Addendum C
Report Type:	Appraisal Report, in accordance with Standards Rule 2-2(a) of USPAP
Intended User:	The intended user is our client, and there are no other intended users. The report may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.
Intended Use:	The intended use is to establish the market value for a potential purchase of the property, and there are no other intended uses.
Type of value:	As is market value, the date of our site visit
Effective Value Date:	April 30, 2021, the date of our site visit
Prop Rights Appraised:	Fee simple interest
Standards Followed:	USPAP, AI's Standards of Professional Practice & Code of Ethics, FIRREA
Appraiser Competency:	Appraisers meet the competency provisions of USPAP for this assignment; appraisers' qualifications located in the addenda section
Property Identification:	From client, public records and physical tour of the property
Site Visit:	Kevin Lyon drove and walked the site to the extent possible, noting site characteristics and the quality and condition of the improvements' exteriors
Site Size/Dimensions:	Acreage quoted herein obtained from legal in deed records and/or tax assessor records
Improvements:	Two dated single-family dwellings that no longer contribute to the value of the combined property; we did not physically inspect the improvements
Research:	Reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process which included interviews with local market participants, available published data, and other various resources. Research of current sales and carrying expenses was conducted to develop an opinion of value as defined herein. Conducted regional and/or local research with respect to applicable tax data, zoning requirements, flood zone status, demographics, comparable sales data, ownership and other pertinent data.
Valuation Method(s) Used:	Sales comparison approach only; the income and cost approaches are generally not applicable when appraising a redevelopment land tract in this market, and they were thus omitted.
Report Production:	The final phase of the assignment was to produce an Appraisal Report that describes each of the aforementioned topics and establishes a market value opinion of the subject property. The following pages summarize the market, including the relevant property characteristics of the subject, and the analyses employed by the appraisers in order to derive a value opinion.

OWNERSHIP AND HISTORY OF THE PROPERTY

The owner of record is the Roy Eugene Poss, Trustee of the R.E Poss Revocable Trust, and the property has been in this family for a number of years. The subject land is currently being marketed for sale with no asking price, and it has been on the market for about 2 months. According to a purchase and sale agreement provided to us, our client currently has the property in escrow at a pending sale price of \$5,670,000, and the broker reported that 12 additional offers from builders/developers were submitted as well. See the discussion of offers detailed in the valuation section. No market transactions were identified involving the subject property over the last 36 months, and no current agreements of sale, options or listings were noted.

ASSESSED VALUE & TAXATION

<i>Property Tax Summary</i>							
Tax ID	Address	Tax Values			Acres	Total Taxes	Taxes/AC
		Land	Improv	Total			
18 361 02 004	4809 Vermack Rd	\$234,300	\$78,100	\$312,400	5.99	\$5,414	\$904
18 361 02 074	4819 Vermack Rd	\$191,100	\$209,600	\$400,700	3.32	\$794	\$239
Grand Totals		\$425,400	\$287,700	\$713,100	9.31	\$6,208	\$667

Source: DeKalb County Tax Assessor and Tax Commissioner

The property was valued for tax purposes and taxed in 2020 as displayed above.

MARKET ANALYSIS

For this assignment, a market analysis relying on inferred projections based on historical data was performed. Such an analysis employs area-wide data on a general property type which is then used to project the future direction of the market as well as the appraised property's ability to capture future demand. The four steps employed to complete the market analysis for this assignment are as follows:

- 1) Analyze property productivity
- 2) Delineate market area
- 3) Analyze supply and demand
- 4) Forecast subject capture and summarize market direction

Analyze Property Productivity

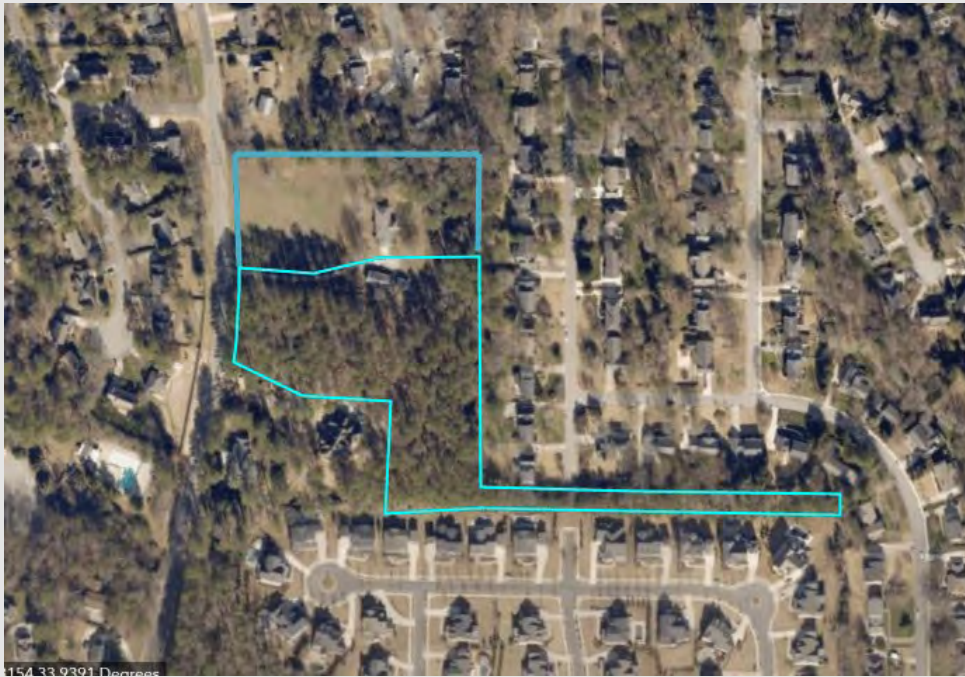
The property productivity analysis begins with an analysis of the site, including the relevant zoning requirements, and the improvements, followed by a summary comparison of the relevant property characteristics to the market typical.

Immediate Area - The property being appraised is located along Vermack Road in the city of Dunwoody. Surrounding land uses in the immediate area include a mix of single-family neighborhoods and a few spot homes on estate size lots. Vermack Road is just over one mile north of I-285, giving the area convenient access to all area thoroughfares. Overall, the subject property has a good residential location along Vermack Road in the city of Dunwoody, and this land tract will appeal to a variety of residential developers.

SITE DATA

Lot Size:	9.31 acres
Corner vs Interior:	Interior
Road Frontage:	Typical
Shape & Dimensions:	Irregular with good utility
Topography:	level to gently sloping
Curb-cuts:	1 into Vermack Road
Access:	Typical access
Visibility:	Typical residential exposure
Parking:	N/A
Utilities:	All utilities necessary for development are reportedly available to the site
Police & Fire:	City of Dunwoody
Easements:	No easements that are detrimental to the site as improved are known to exist.
Subsoil:	Assumed no detrimental subsoil conditions
Flood Zone:	Zone X outside FEMA flood plain. See the flood map at the end of this section.

Tax Plat/Aerial View



Zoning Requirements

Zoning District:	R-100, Single- Dwelling Residential District, City of Dunwoody
Intent/Purpose:	The primary purpose of the R Districts are as follows: <ol style="list-style-type: none"> a. To help protect the established character of existing neighborhoods; b. To accommodate infill development that is in keeping with character of existing neighborhoods; and c. To accommodate uses and structures designed to serve the housing, recreational, educational, religious and social needs of the neighborhood.
Permitted Uses:	Permitted R-100 uses are limited to single-family dwellings, community living arrangements (1-4 persons) and community gardens. Special use permits are required for a personal care home, adult and child day care facility (6 or fewer persons), school, bed and breakfast, cemetery, place of worship and neighborhood recreation club.
Minimum Lot Size:	15,000 sf
Maximum Lot Coverage:	25% (43,560 sf lot) to 40% (19,999 sf lot or less)
Minimum Lot Frontage:	100 feet
Minimum Setbacks:	
Street Front and side	35 feet plus 5 feet if an arterial road
Side:	10 feet
Rear:	40 feet
Maximum Height:	35 feet for main structure and 20 feet for accessory buildings

Source: City of Dunwoody Zoning Ordinance

Conclusions

In summary, the subject property is a combined 9.31± acre tract consisting of two adjacent residential land tracts located along Vermack Road in the city of Dunwoody. The site has adequate access and visibility for a variety of residential uses. All utilities necessary for development are available, and transportation and other linkages are adequate. The site is zoned R-100 by the city, but no entitlements are in place at this time. Therefore, a residential developer will still have to go through the entitlements process in order to receive their land disturbance permit for a subdivision. The broker also reported that the builders involved with the submitted offers planned for a lot yield of 17 to 18 lots for this land.

DESCRIPTION OF THE IMPROVEMENTS

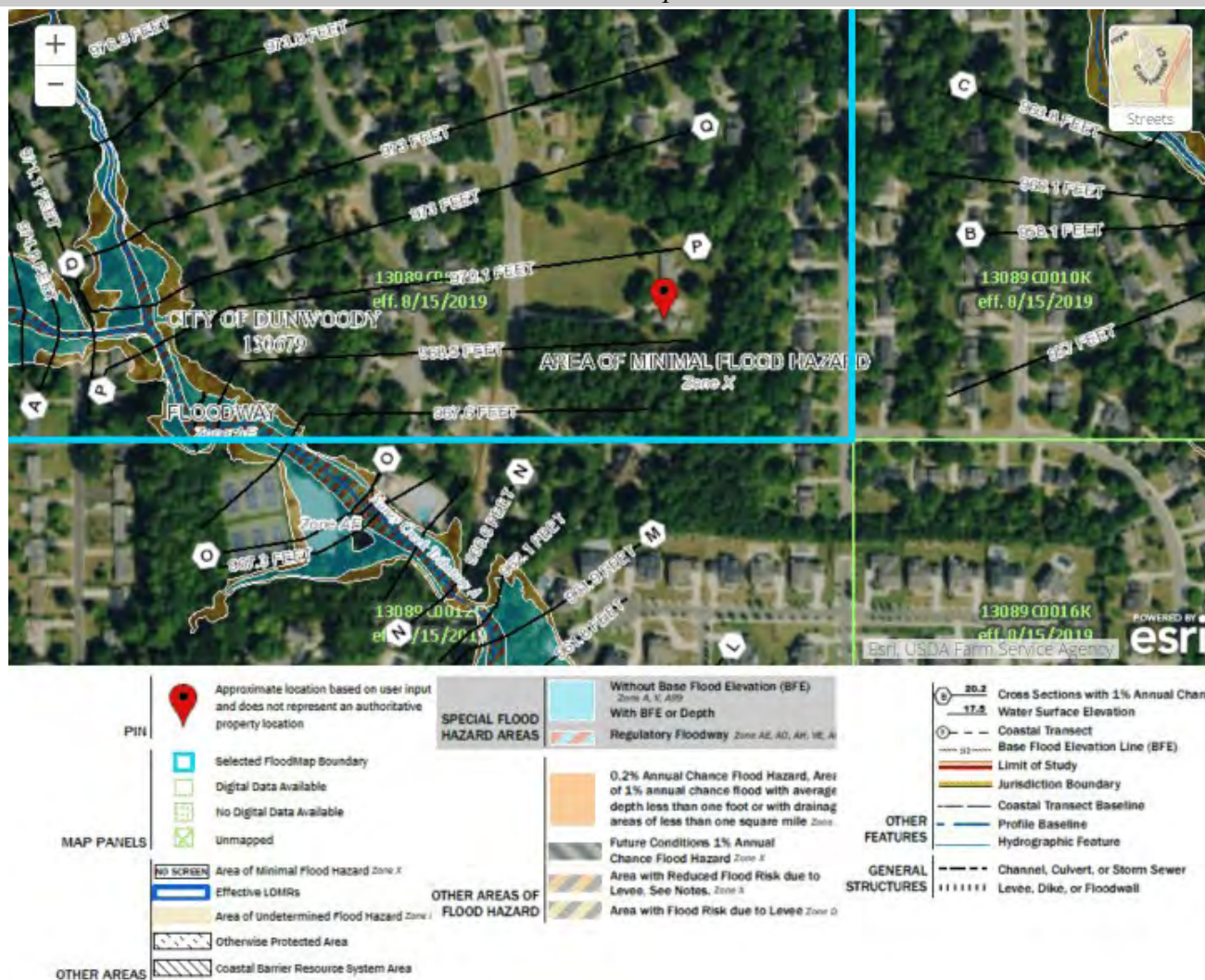
The subject of this report is two adjacent residential land tracts that are improved with two dated residential dwellings that no longer add value to the combined site. As concluded in the highest and best use section, the improvements should be razed to make way for a residential subdivision.

Street scenes are displayed on the next page followed by a flood map and subject photographs.

Street Scenes - Vermack Road



Flood Map

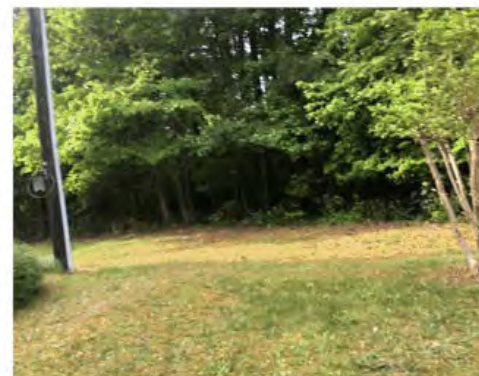
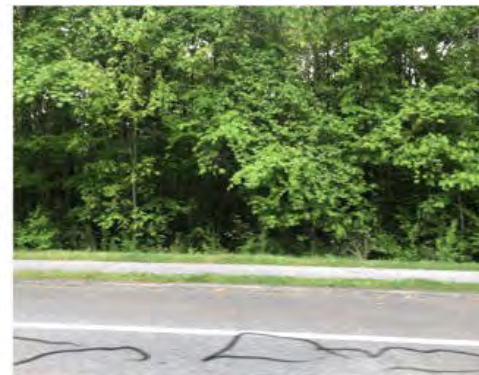


Source: FEMA

Subject Photographs - Exterior Views



Subject Photographs - Exterior Views



Macro Market

Atlanta is the principal city in the 29 county metropolitan area known as the Atlanta-Sandy Springs-Marietta, GA MSA. Presently, the metropolitan statistical area is comprised of over 130 municipalities, incorporating twenty-nine counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Morgan, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton counties. A summary of the population and income demographics within Atlanta's MSA is displayed below.

<i>Demographics for Atlanta's MSA</i>				
	Census 2010	ESRI Forecasts		
		2020	2025	Growth
Population	5,286,728	6,049,686	6,488,557	
Annual Growth Rate 2010-2020				1.36%
Projected Annual Growth Rate 2020-2025				1.41%
Households	1,943,885	2,229,119	2,392,461	
Annual Growth Rate 2010-2020				1.38%
Annual Growth Rate 2020-2025				1.42%
Median HH Income		\$70,630	\$77,173	
Average HH Income		\$99,058	\$110,149	
Projected Annual Growth Rate, Avg Inc 2020-2025				2.15%
Other Factors				
Median Age		36.5 yrs		
Median Home Value		\$235,337		

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI forecasts for 2020 and 2025

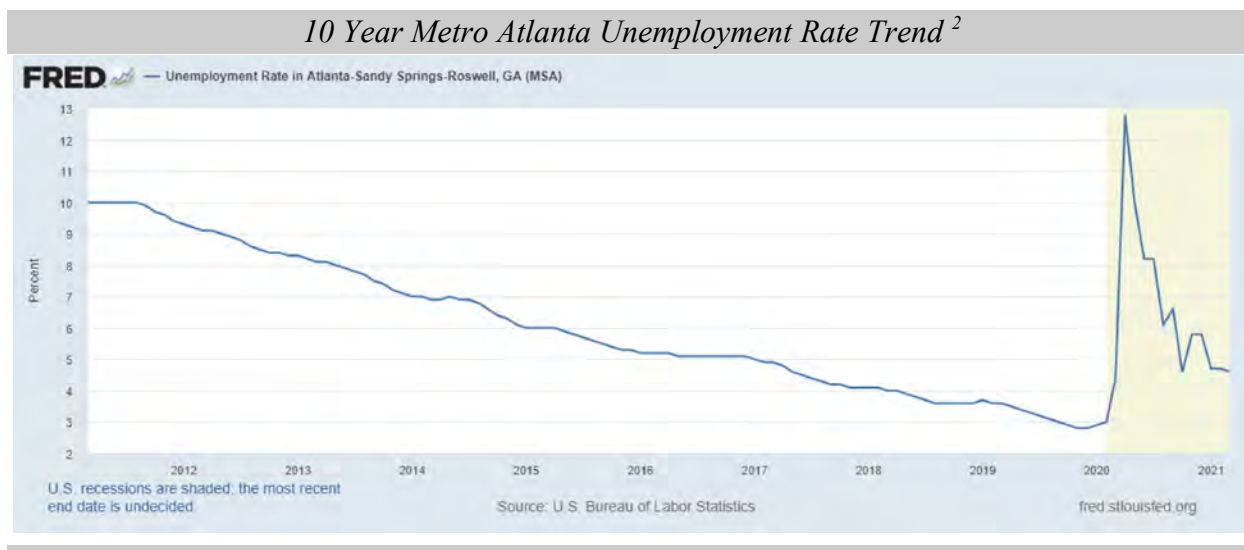
As displayed above, the macro area was expanding steadily from 2010 to 2020 with expansion projected to continue at a marginally lower rate through 2025. In terms of income demographics, the projected annual growth for this area through 2025 is 2.15%, which is in line with projected inflation rates (1.9% in 2020; 2.0% in 2021 and 2.0% in 2022 with a long term forecast of around 2.0% to 2.2% through 2031 - source: Federal Open Market Committee (FOMC) via knoema.com) indicating that no real income growth is projected.

Metro Atlanta Employment Data - Between 2000 and 2007, metro Atlanta added an average of 31,400 jobs per year. Over the ten years prior to the 2008 recession, Atlanta's job growth was dominated by the service sector and this trend is expected to continue in the post recovery years. Atlanta's employment growth was negative in 2009-2010 losing 152,300 jobs over that two year period.¹ In 2011, job losses crested and unemployment dropped and was generally improving, reaching a post recession low up until March 2020, prior to the onset of the pandemic. A 10 year metro employment trend is displayed on the next page.

As shown on the next page, from 2011 to March 2020 and subsequent to the 2008-2009

¹Source: Georgia State University EFC, Dr. Rajeev Dhawan

recession, unemployment was trending positive in metro Atlanta. However, the recent COVID-19 pandemic has had a substantial negative effect on unemployment throughout the United States due in large part to the shut downs and shelter-in-place orders that were implemented throughout the country. As shown below, unemployment spiked in April to 12.7% in the Atlanta MSA. However, the employment numbers since last May are indicating that the job market is bouncing back quickly since the economy in Georgia began to reopen at the end of April 2020, and unemployment in the MSA is back to 4.1%. See the conclusion of the market analysis for further details on the potential impacts of the pandemic.



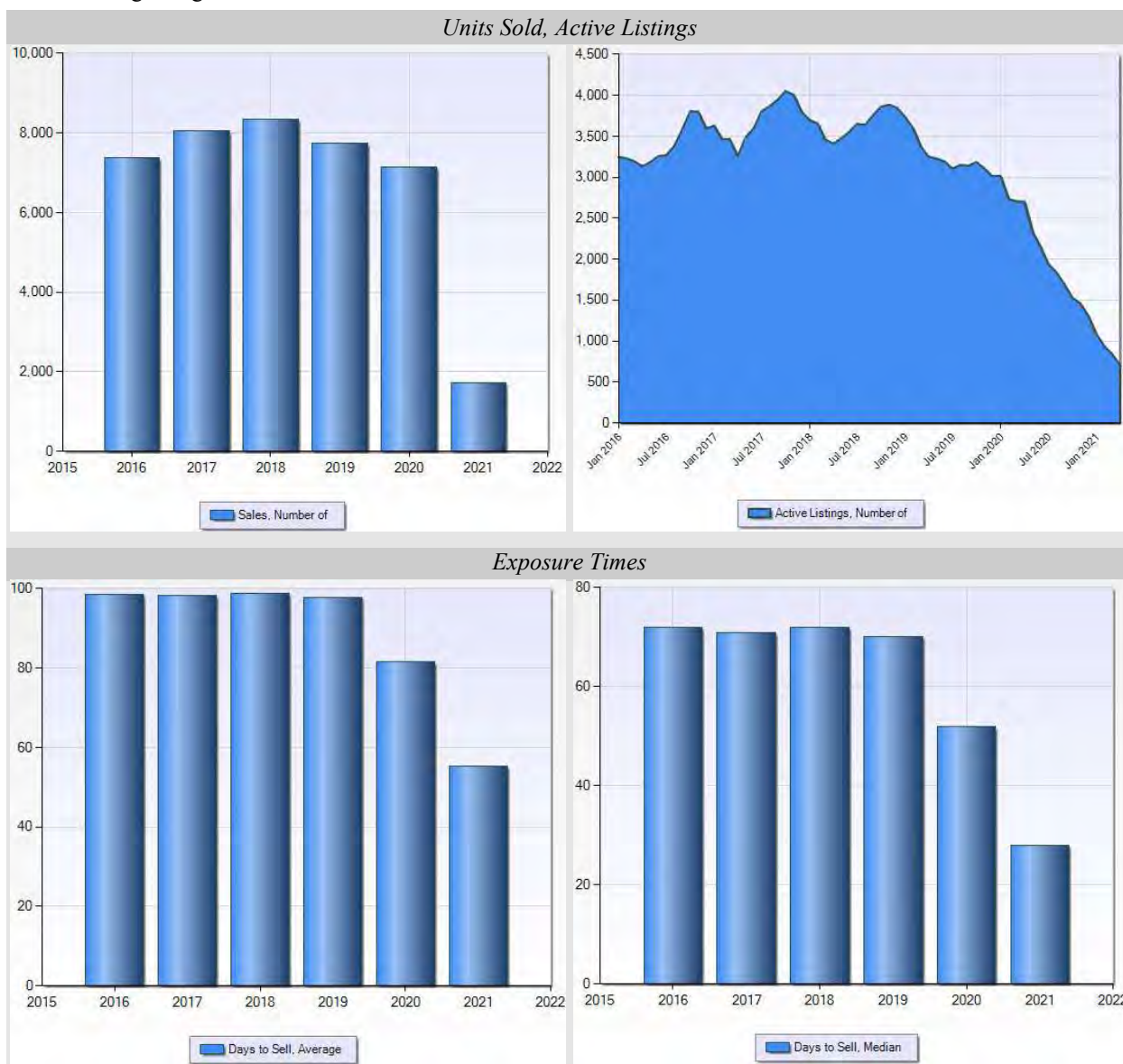
Conclusion - Atlanta is considered Georgia's most desirable city because of the pleasant climate, diverse lifestyles and robust job market and economy. Atlanta continues to attract newcomers who are younger, well educated and desire to reside in a city that meets the needs of growing families.

Atlanta's local economy remained relatively strong until the close of 2007; however, the national economic recession in 2008 adversely impacted Atlanta's real estate markets. Over the decade, Atlanta's economy has had to cope with and overcome major challenges resulting from this economic recession, but it was thriving in recent years with economists predicting job growth to remain positive over the next few years, and future business growth in the metro Atlanta area was anticipated across most market segments. This growth in business and industry, as well as the area's concentration on attracting "appropriate" commercial and industrial developments, are expected to greatly improve the area's economic base and add important diversity and stability to the economy. However, the recent COVID-19 pandemic has had broad reaching effects on the economy throughout the metro area, the state and the nation. The overall metro Atlanta single-family new home market is discussed beginning on the next page.

²<https://research.stlouisfed.org/fred2/series/ATLA013UR>

New Homes Sales Trends - Metro Atlanta

Statistics from FMLS for new homes sales trends over the last five years for the subject's MSA are analyzed and discussed beginning below.



Transaction volume peaked in 2018, followed by marginal declines in 2019 and 2020. The supply of new homes appears to have dropped sharply in 2020 as the number of active listings steadily declined. It is likely that there was a pause in construction starts at the beginning of the pandemic. Also, exposure times have decreased as supply has decreased. Currently, there is about a 1 to 2 month supply on the market.

Source: FMLS

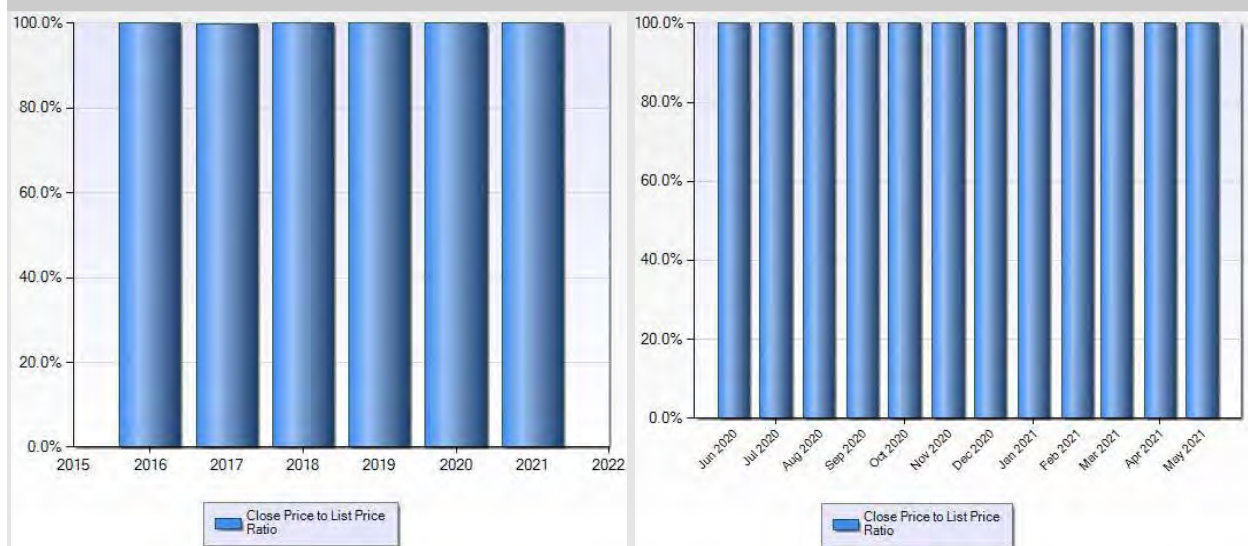
New Homes Sales Trends - continued

Sales Prices



Average and median selling prices have been trending up since 2016, and 2021 is setting the 5 year high with the market showing no signs of adverse effects from the pandemic.

Sale-to-List Price Ratios



As shown above, sale-to-list price ratios remain strong and near 100%, both over the last five years (left) and the trailing 12 months (right).

Source: FMLS

Conclusions

Despite the pandemic, the market for new homes in metro Atlanta remains very strong, including record values and declining exposure times. Also, inventories have been declining over the last year, which should lead to further price increases.

A map of the metro Atlanta area is displayed on the next page.

Area Map

29-COUNTY METROPOLITAN
STATISTICAL AREA (MSA)



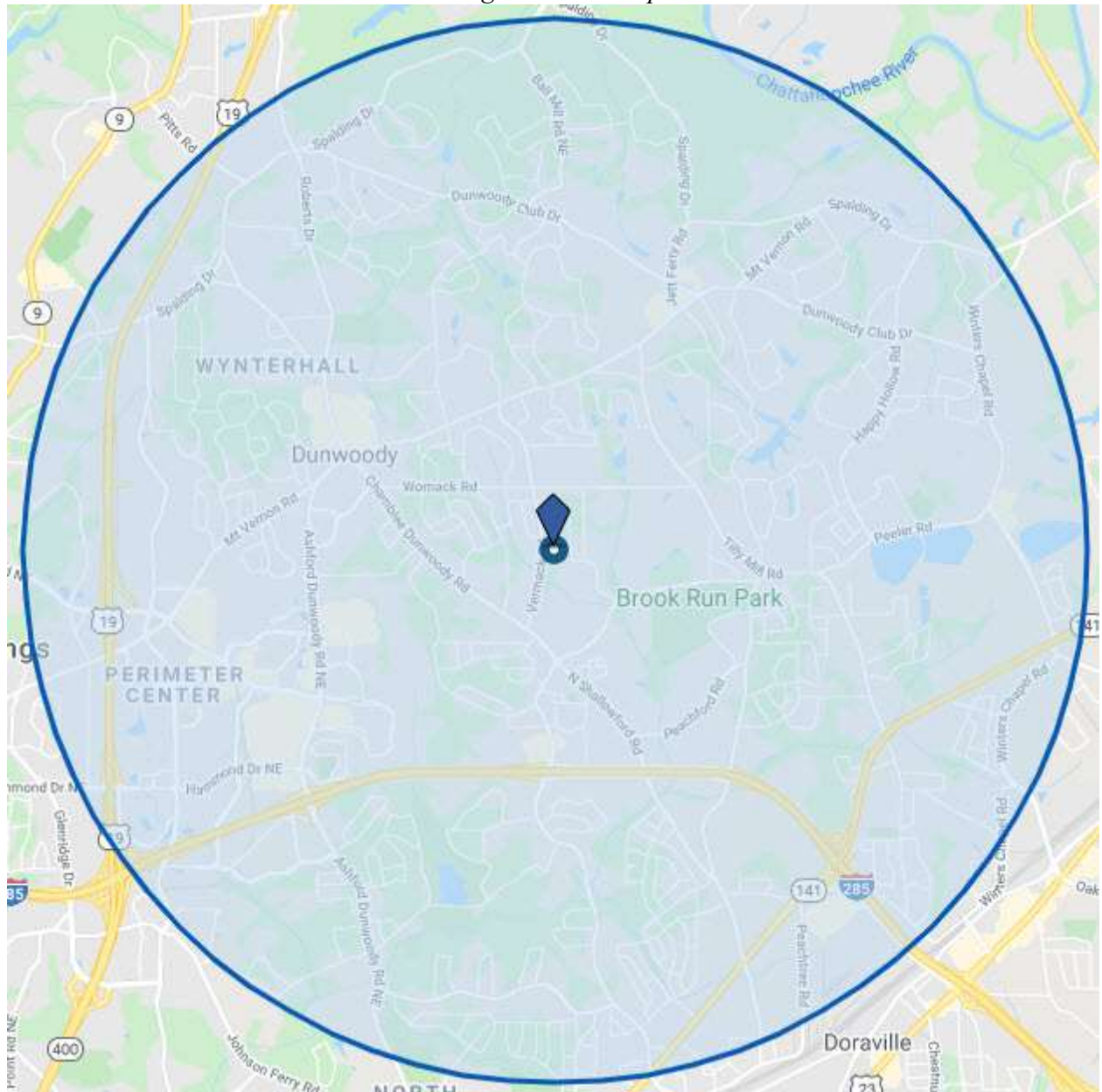
ATLANTA-SANDY SPRINGS-ROSWELL, GA MSA



Neighborhood Analysis

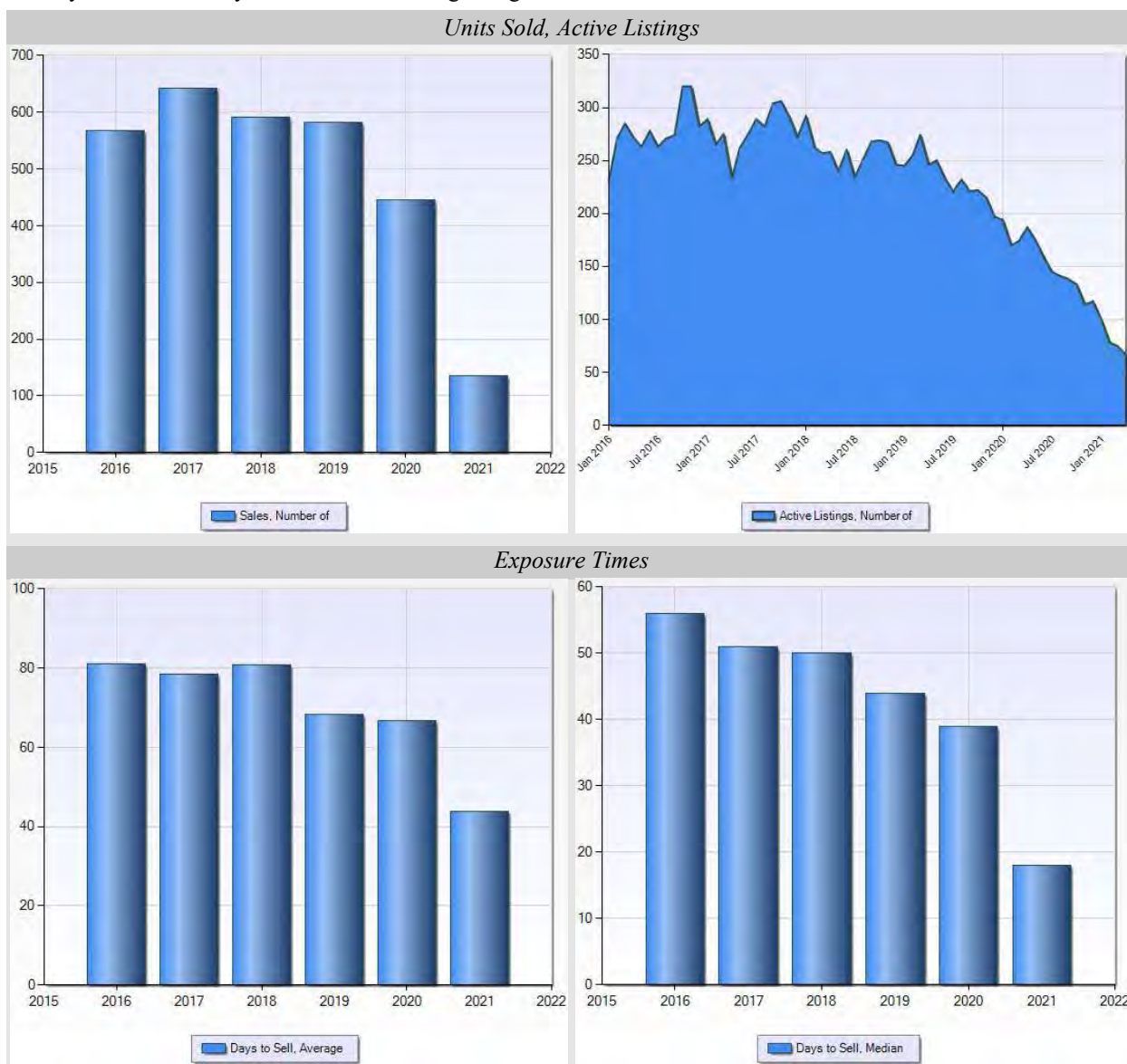
Neighborhood Parameters - Three mile radius around the subject property, as displayed below, with the subject property's location noted by the blue pin

Neighborhood Map



New Detached Homes Sales Trends - DeKalb County

Statistics from FMLS for new detached homes sales trends over the last five years for the subject's broader DeKalb County market are analyzed and discussed beginning below.

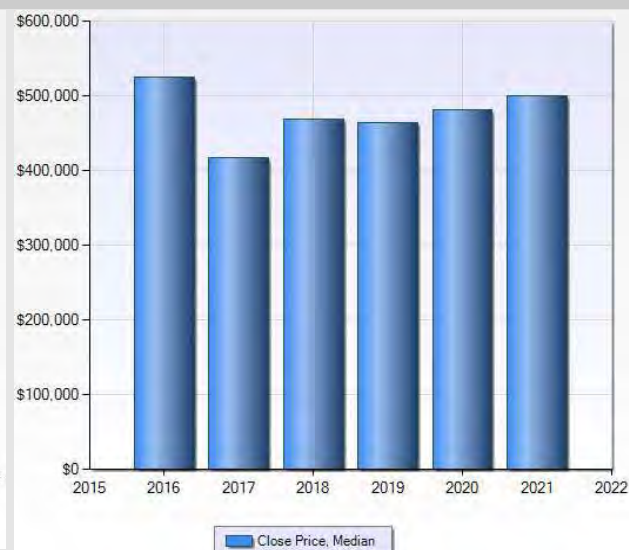
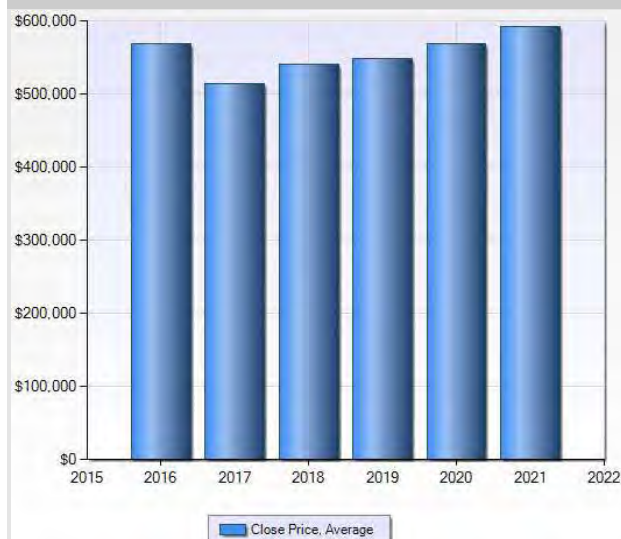


Transaction volume peaked in 2017, followed by marginal declines in 2018, 2019 and 2020. The supply of new homes has been dropping since 2018 with a steep decline in 2020 as the number of active listings steadily declined. It is likely that there was a pause in construction starts at the beginning of the pandemic. Also, exposure times have decreased as supply has decreased. Currently, there is about a 1 to 2 month supply on the market.

Source: FMLS

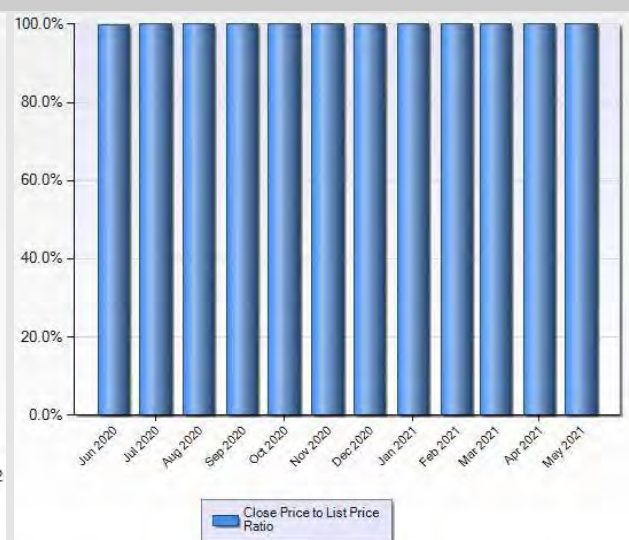
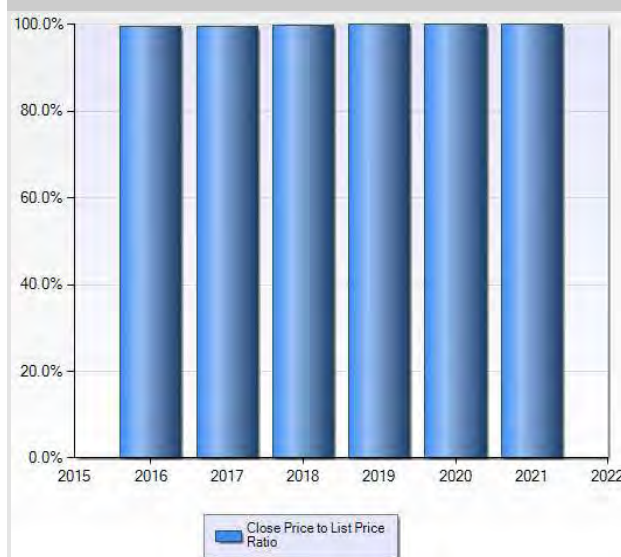
New Homes Sales Trends - continued

Sales Prices



Average and median selling prices have been trending up since 2018, and 2021 is at or near the 5 year high with the market showing no signs of adverse effects from the pandemic.

Sale-to-List Price Ratios



As shown above, sale-to-list price ratios remain strong and near 100%, both over the last five years (left) and the trailing 12 months (right).

Source: FMLS

Conclusions

Despite the pandemic, the market for new detached homes in DeKalb County remains very strong, including strong volume and increasing values, and all other data points continue to indicate strong demand. Overall, values have continued to increase as the supply of new homes has continued to decrease. In addition, properties that are appropriately priced continue to sell within reasonable exposure times.

Demand Generators

In this neighborhood, there are several primary demand generators that influence the value of a residential land tract, and these include employment, available financing and demographics (population growth and income). Each was analyzed in an effort to forecast demand as part of this neighborhood analysis.

Employment Data - As discussed on pages 18-19, metro Atlanta was near a post recession unemployment low prior to the recent onset of the pandemic, but unemployment spiked sharply in March and April due to the shelter-in-place order in Georgia. However, the economy in Georgia has rebounded quickly after the shelter-in-place order was lifted at the end of April 2020, largely due to the fact that the underlying fundamentals of the economy were very strong going into the pandemic. Unemployment from May 2020 to March 2021 has improved dramatically in metro Atlanta, which is a similar story for DeKalb County, as displayed below.

<i>Employment Data</i>						
<u>Area</u>	<u>Employment Statistics</u>	<u>March 2021</u>	<u>February 2020</u>	<u>MTM Change</u>	<u>March 2020</u>	<u>YOY Change</u>
DeKalb County	Civilian Labor Force	400,046	399,402	644	402,981	-2,935
	Employed	380,847	377,982	2,865	386,586	-5,739
	Unemployed	19,199	21,420	-2,221	16,395	2,804
	Unemployment Rate	4.80%	5.36%	-0.56%	4.07%	0.73%

Source: Georgia Department Of Labor

Financing - Tight credit markets were an issue for several years after the 2008 recession, and from 2009 to 2011, the market was dominated by cash buyers. However, the credit markets began to loosen significantly in 2013, and they were continually improving up until the beginning of the pandemic which was having a positive impact on the real estate markets.

At the onset of the pandemic, the Fed set the Federal Funds Rate at 0%, and they have indicated that they will likely keep the rate at 0% through the end of 2022. The low interest rates have helped to head off the negative impact of the virus on the economy and stabilize the real estate markets and global economy, as well as encourage activity in the form of refinances and transactions to stimulate the economy. In addition, interest rates for homes remain at or near historic lows.

Neighborhood Demographics - As displayed below, this a densely populated, affluent suburban area that continues to expand with future projections through 2025 being below the growth rate experienced over the past decade.

<i>Demographics within 3 Mile Radius</i>				
	Census 2010	Estimated 2020	Projections 2025	Growth
Population	82,660	95,227	98,721	
Annual Growth Rate 2010-2020				1.59%
Projected Annual Growth Rate 2020-2025				0.72%
Households	36,231	41,727	43,264	
Annual Growth Rate 2010-2020				1.58%
Projected Annual Growth Rate 2020-2025				0.73%
Other Factors				
Median HH Income		\$98,282		
Average HH Income		\$131,888		
Median Age (years)		37.7 yrs		
Median Home Value		\$452,598		

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI forecasts for 2020 and 2025

Summary of Inferred Market Analysis

The current trends and forecasts discussed herein indicate a residential market that has been in a strong upward cycle over the last few years in both metro Atlanta and in the subject's neighborhood, and prior to the outbreak of the corona virus, all signs were pointing toward the positive momentum continuing over the near to mid term. Based on the market data obtained from FMLS, the supply of new homes remains tight in this area at this time, and values have continued to increase in this market despite the pandemic. With the low supply of available homes and strong demand, new construction is likely to continue over the near to mid term, thus demand for residential land tracts should remain strong as well.

Overall, there has been much discussion over the last year about the effects of the current pandemic on the commercial and residential real estate markets with the negative impact being felt the most in the retail, hospitality and energy segments. The pandemic has had a significant impact on global financial markets, and the Fed cut the Federal Funds Rate to 0% in response to the uncertainty surrounding these events early in the pandemic. However, based on conversations with market participants and analyses run across multiple market segments throughout metro Atlanta, it is becoming evident that the worst has passed, and most markets have continued their pre-pandemic upward trajectories. Overall, values are increasing as a result of confidence in the market, the presence of vaccines, pent up demand from the inactivity in the 2nd and 3rd quarters of 2020, the availability of low interest rate money and the lack of supply of available properties across many market segments.

While most commercial businesses felt the impact of job losses as well as the effects of closures and decreased demand during the shelter-in-place, the economy in Georgia has been open since last May, and many businesses have adapted their business models to be able to operate safely in this pandemic. In addition, Congress has passed multiple stimulus packages over the course of the last year, and these injections of money into the economy appear to have helped to stave off some of the potential negative effects of the pandemic. Lastly, three vaccines are currently being deployed across Georgia, and eligibility has now been opened to anyone 16 and older that wants a vaccine. Lastly, the Georgia governor has indicated that lock downs will not be part of the plan in dealing with the pandemic going forward.

In terms of the residential market, the supply of new homes contracted in 2020 and into 2021, likely due to builders pausing activities at the onset of the pandemic. In addition, record low interest rates have also contributed to an increase in demand. Lastly, the fairly quick rebound in the jobs market has also calmed concerns about the residential market.

As for this analysis, data used includes sales that already reflect the impact of the pandemic. Overall, the pandemic has caused what was an upward moving real estate market to pause for a brief period in most market segments with values once again rising.

Overall, the subject has a favorable location along Vermack Road in the city of Dunwoody with little land available for development, and it should be able to capture its prorata share of demand going forward.

Disclosure - The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

Exposure & Marketing Times

A requirement of USPAP is to address reasonable exposure time in market value opinions.

Market Conditions - Continued to improve over the last few years in this area, and the supply of competitive land tracts is very tight at this time in the Dunwoody area as few development tracts remain in this market.

Typical Exposure Times - Competitive properties in the area typically range from 1 to 6 months; however, often times, properties will go under contract with the closing contingent upon approval of zoning and/or entitlements, and escrow periods can be a up to a year or longer, depending on the length of the typical zoning process in a particular municipality.

Sales Comparison Approach - Sale 1 considered in the sales comparison approach sold with an

exposure time of about 9 months, and the remainder of the sales were all off-market transactions, which is typical for residential development tracts in this market.

Conclusion - Taking all of this into consideration, a reasonable exposure time for the subject property is considered to be about 3 to 9 months with a marketing time also estimated at 3 to 9 months at the price point forecast in this analysis.

HIGHEST AND BEST USE

When analyzing the highest and best use of a property, consideration must be given to the following:

1. Possible use - what uses of the site are physically possible?

If Vacant: the subject site is a 9.31 acre parcel located along Vermack Road in Dunwoody, and it has adequate accessibility and visibility for a number of residential uses, and the most likely use would be a single-family neighborhood. Another possible use would be one or more estate homes.

As Improved: the existing dwellings were constructed in 1940 and 1979, and the dwellings appeared dated. Thus, the only possible uses would be to continue the existing residential use or raze the existing improvements to make way for a new residential development.

2. Permissible use (legal) - what uses are legally permitted on the site?

If Vacant: The site is zoned R-100, Single-Dwelling Residential District. Permitted uses in this district are primarily limited to single-family dwellings.

As Improved: the current single-family use is permissible, as would be a residential subdivision (specific development plans would require approval).

3. Feasible use - which possible and permissible uses are financially feasible, i.e., will produce a net return to the owner of the site?

If Vacant: Overall, the new single-family residential market continues to trend up both in metro Atlanta and in the subject's north DeKalb market. Developers and/or builders are actively seeking new projects, and a detached single-family neighborhood would be a feasible use for a land tract of this size and location. The current listing broker reported that the builders that have submitted offers are basing their number on a lot yield of 17 to 18 lots for this land.

As Improved: In order to assess the feasible uses, as improved, a determination must be made as to whether or not the existing improvements contribute to the overall value of the property. As determined in the valuation section, the value of the underlying land far exceeds the value that the existing improvements would command. Thus, the only feasible use is to raze the existing improvements to make way for a new single-family neighborhood.

4. Maximally productive use - of the financially feasible uses, what use will produce the highest price, or value?

If Vacant: The maximally productive and highest and best use for the subject site, as vacant, is a single-family neighborhood; the most likely buyer would be a developer or builder, and the timing would be immediately, upon approval of the entitlements.

As Improved: Based on current market conditions, the maximally productive and highest and best use for this property would be to raze the existing improvements to make way for a single-family neighborhood. The most likely buyer would be a developer/homebuilder, and the timing would be immediately, upon approval of the entitlements.

SALES COMPARISON APPROACH

The sales comparison approach is an appraisal technique in which the market value opinion is based on prices paid in actual market transactions. Sales comparison is a process of analyzing sales of similar properties. The reliability of this technique is dependent upon (1) the comparability of the sales, (2) the time of sale, (3) the verification of the sale data, and (4) the absence of unusual conditions affecting the sales. The sales comparison approach is based on the premise that the market value of a property is directly related to the prices of comparable properties. The value is sustained in the market by the availability of substitute properties of similar utility and desirability. When reliable information can be obtained on recent sales of similar properties, the sales comparison approach can provide a valid indication of value.

Price Per Unit Method

The most reliable unit of comparison for a vacant land tract competitive to the subject is judged to be the sales price per acre. The price per acre is calculated by dividing a comparable property's sales price by the number of acres.

Few land tracts have traded recently in the Dunwoody area, and search parameters in terms of time and location were expanded to include land sales in similar north metro Atlanta areas. The subject land and each of the comparable sales were placed on a grid, and adjustments were made to each of the comparable's sales price per unit for all recognizable differences to formulate an indicated value for the land being appraised. A full description of each land comparable is shown in Addendum A.

Adjustments

When compared to the subject property, the sales applied have recognizable differences and adjustments may be needed. When possible, quantitative adjustments are preferred over qualitative adjustments, as they can more accurately adjust the comparables' sales prices to help estimate a value for the subject property. To calculate quantitative adjustments, paired data analysis, statistical analysis, cost related adjustments and capitalization of income differences can be used.³ Adjustments calculated using paired data analysis involves pairing the sales used in the sales comparison approach with each other to assess the difference. Statistical analysis, cost related adjustments and capitalization of income differences are well suited alternatives that can be used as additional support or applied if paired data does not produce credible results.

³The Appraisal of Real Estate, 14th Edition, 2013, Appraisal Institute, Chicago, IL, p 402

Sales Comparison Grid

Element	Subject	Sale 1	Sale 2	Sale 3	Comp 4
Address/City	4809 & 4819 Vermack Road	1483 Pine Road, Marietta, GA	3876 Chamblee Dunwoody Road, Brookhaven, GA	5240 Timber Trail S, Sandy Springs, GA	5630 & 5636 Roberts Drive, Dunwoody, GA
Sale Price	\$5,670,000	\$1,500,000	\$3,662,500	\$1,875,000	\$2,210,000
Acres	9.31	3.45	4.69	3.26	3.4
Land SF	405,544	150,282	204,296	142,006	148,104
Price/Acre	\$609,023	\$434,783	\$780,917	\$575,153	\$650,000
<i>Transactional Adjustments</i>					
Prop Rights	FS	FS	FS	FS	FS
Financing	Cash=	Cash=	Cash=	Cash=	Cash=
Cond of Sale	Typical	Typical	Typical	Typical	Typical
Exp. After Sale	None	None	None	None	None
Mkt Conditions	Pending	12/20	03/19	07/18	Active
<i>Interim Adjusted \$/AC</i>		\$434,783	\$859,009	\$661,426	\$650,000
<i>Property Adjustments</i>					
Location	Good	Good	Good	Good	Good
Acres	9.31	3.45	4.69	3.26	3.4
Zoning	R-100	R-20	RSA-8	RD	R-100
Density	1.9	1.7±	5.5	1.5	1.9
Shape/ Utility	Irreg/Good	Irreg/Gd	Irreg/Gd	Irreg/Gd	Irreg/Gd
Topography	Level to gently	G/S/R	G/S/R	G/S/R	G/S/R
Utilities	All Available	All Available	All Available	All Available	All Available
Entitlements	No	No	Yes	Yes	No
Other	None	None	None	None	None
Net Property Adjustments		0%	-30%	-5%	0%
Adjusted Price/AC		\$434,783	\$601,306	\$628,355	\$650,000

Discussion of Adjustments

Market Conditions - The sales closed at various times between July 2018 and December 2020. Market conditions in the residential market have continued to escalate in Dunwoody and similar surrounding markets, and an adjustment of about +5% annually is indicated when analyzing the overall market. Thus, market conditions adjustments of +10% and +15% were applied to Sales 2 and 3. Sale 1 is the most recent transaction, having closed in December 2020, and no market conditions adjustment was warranted for this recent transaction. In addition, Comparable 4 is an active listing, and this additional market data lends further support to our adjustment.

Density/Price Point - Sale 2 has a much higher density that would suggest a downward adjustment of about 65%; however, this is offset by the fact that the homes in this neighborhood are selling at a substantially lower price point. Therefore, a net adjustment of -25% was applied to this sale.

Entitlements - With residential development land, a substantial discount is generally warranted for land that needs to be rezoned and entitled prior to development. Based on a number of double escrows involving such deals, a discount of up to 15% to 20% can be expected as compared to fully zoned and entitled land. The subject, however, already has the appropriate R-100 zoning in place, thus all that remains is approval of the entitlements (plans for the development, resulting in an approved land disturbance permit). This situation involves much less risk than an unzoned site. Sales 2 and 3 both traded with entitlements in place at closing, and a -5% adjustment was applied for this difference.

The subject and the sales compare fairly well, and all other differences will be considered in the final reconciliation.

Sales Comparison Approach Final Reconciliation

The table on the next page summarizes the differences for the comparables as compared to the property being appraised. Please note the sales comparables were listed in ascending order based on their adjusted prices per lot.

<i>Adjustment Summary Grid & Final Reconciliation</i>				
Sale	Adjusted Price/AC	Net Property Adjustments	Gross Property	Other Considerations
1	\$434,783	0%	0%	No entitlements, least comparable
2	\$601,306	-30%	30%	Brookhaven
<i>Subject</i>				<i>Pending at \$609K/Acre, Larger Site</i>
3	\$628,355	-5%	5%	Sandy Springs
4	\$650,000	0%	0%	Active Listing, Dunwoody
Mean	\$626,554			
Median	\$628,355			
Reconciled Value/Unit			\$610,000	
Subject Size, AC			9.31	
Indicated Value, As Is			\$5,679,100	
Final Value, Rounded			\$5,680,000	

As displayed above, the comparables support an adjusted range of values from \$434,783 to \$650,000 per acre. However, Sale 1 is well below the range of the remaining comparables. Its location compares least favorably to the subject, and the site was purchased by Cobb County schools for expansion of the athletic facilities for Walton High School. The adjacent tracts to the north of this land had already been purchased previously by Cobb County schools for the same purpose, and this likely had a negative effect on the value of this site. For these reasons, the lower value indicated by Sale 1 was given little further consideration.

The remaining three comparables support a tighter range between \$601,306 and \$650,000 per acre with a mean and median of \$626,554 and \$628,355. Comparable 4 is an active listing, and a value below \$650,000 is reasonable for this reason. As discussed herein, the subject is currently in escrow at about \$609,000 per acre, or \$5,670,000. The listing broker further reported that they have received 12 offers from builder/developers, all of which were in the \$5.5 to \$5.7 million dollar range (typical lot yield of 17 to 18 lots and new home price point of around \$1.5 million), and these offers provide strong market support for the current pending price. Taking all of this into consideration, a value of \$610,000 per acre was selected.

At the said price, the as is value for the land tract being appraised is calculated as displayed above, or **\$5,680,000**.

Analysis of Pending Sale Price

As discussed previously, the subject is currently in escrow at a pending sale price of \$5,670,000, and our final value conclusion above is just above the contract price. The comparables analyzed herein as well as the 12 current offers reported by the broker (\$5.5 to \$5.7 million range) provide strong market support for our final value conclusion.

Test of Reasonableness - Lot-to-Value Ratio

Another method of pricing residential development land is known as the lot-to-value ratio. Depending on a number of facts (location, price point, size of the planned homes, construction costs, etc), developers can generally plan for a certain ratio of the final home sale price that they can afford to pay for a fully developed lot. As stated, the broker reported that the builders that have made offers on the subject land were planning a lot yield of 17 to 18 lots for the land, and a new home price point of around \$1.5 million. Based on our experience with similar projects, a lot-to-value ratio of 30% to 40% is typical for new homes in this price point. Furthermore, a typical cost per lot to develop a site similar to the subject into a 17 to 18 lot subdivision would be in the \$100,000 to \$125,000 range, and with incentive, a total of \$150,000 per lot was selected for this test of reasonableness. Lastly, based on the price point reported by the broker as well as recent sales and listings of new homes similarly located in the Dunwoody market, a starting price point of \$1.2 to \$1.5 million is reasonable for the subject property. Taking all of this into consideration, the test of reasonableness is displayed below.

<i>Test of Reasonableness - LVR</i>		
Land Value		\$5,680,000
Lot Yield		18
Raw Land Value/Lot		\$315,556
Plus:		
Development Costs/Incentive		\$150,000
Total Developed Lot Cost		\$465,556
New Home Price Point	\$1,200,000	\$1,500,000
Indicated Lot-to-Value Ratio	0.39	0.31

As displayed above, the estimated total developed cost per lot and the projected new home price point range indicate a range of land-to-value ratios between 0.31 and 0.39, and this is well within the typical range of similar developments in this market. Thus, this test of reasonableness provides further market support for our final value conclusion.

CORRELATION AND CONCLUSION OF FINAL VALUE OPINION

As a result of this analysis, the following as is value opinion was derived for the subject property:

Sales Comparison Approach

\$5,680,000

The sales comparison approach typically provides a good indication of value. It is a direct reflection of the actions of buyers and sellers of similar properties. Three factors add to the validity of the sales comparison approach, and they include: (1) current sales of similar redevelopment land tracts were available; (2) few adjustments were made to the sales, and (3) the unit of comparison available for this property type (price per acre) is most often used by purchasers of similar properties.

Based on the preceding, it is our opinion that the *as is market value* of the *fee simple interest* in the subject property, as of April 30, 2021, in accordance with the attached assumptions and limiting conditions, is reasonably expressed by the following amount:

\$5,680,000

Addendum A - Land Sales

Land Sale 1

Address: 1483 Pine Road, Marietta, GA, Cobb County



Transaction Data

Grantor:	Kevin Harold Estes	Sales Price:	\$1,500,000
Grantee:	Cobb County Board of Education	Price/Acre:	\$434,783
Date of Sale:	12/28/2020	Price/LSF:	\$9.98
Cond. of Sale:	Typical	List Price:	N/A
Financing:	Cash=	List Price/Acre:	N/A
Deed Ref:	Book: 15850; Page: 623	Sale-to-List Ratio:	N/A
Sources:	Broker: Dan Buyers, CoStar, Mktg Flyer, Deed and County Records	Exposure Time:	9 months
CR Ref#:	2078	Property Rights:	FS
		Prior 12 Mo. Sales:	None

Site Data

Acres:	3.45	Location/Exposure:	Good
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	None	Condition at Sale:	Heavily Wooded
Utilities:	All Available	Improvements:	No
Zoning:	R-20	Bldg SF:	N/A

Other Notes

This is the sale of a residential land tract located along Pine Road in the Marietta area. According to the broker, this was all usable, raw land that sold to the Cobb County Board of education for the expansion of Walton High School's athletic campus. The typical price point for new homes in this market (Walton School District) currently range from around \$800,000 to \$1,500,000.

Land Sale 2

Address: 3876 Chamblee Dunwoody Road, Brookhaven, GA, DeKalb County

**Transaction Data**

Grantor:	Metro Atlanta Iglesia De Dios, Inc.	Sales Price:	\$3,662,500
Grantee:	Timber Mill Village, LLC	Price/Acre:	\$780,917
Date of Sale:	3/28/2019	Price/LSF:	\$17.93
Cond. of Sale:	Typical	List Price:	\$4,000,000
Financing:	Cash=	List Price/Acre:	\$852,878
Deed Ref:	Book: 27473; Page: 646	Sale-to-List Ratio:	92%
Sources:	Broker: JM Scott, CoStar, Mktg Flyer, Deed and County Records	Exposure Time:	Off Market
CR Ref#:	2023	Property Rights:	FS
		Prior 12 Mo. Sales:	None

Site Data

Acres:	4.69	Location/Exposure:	Good
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	None	Condition at Sale:	Heavily Wooded
Utilities:	All Available	Improvements:	Yes
Zoning:	RSA-8	Bldg SF:	13,500

Other Notes

This is the sale of a residential land tract located along Chamblee Dunwoody Road in the city of Brookhaven. According to the broker approximately 85 percent of the 4.69 acre tract was usable. Reportedly, the buyer purchased the property to develop a 26 unit detached single-family development.

Land Sale 3

Address: 5240 Timber Trail S, Sandy Springs, GA, Fulton County

**Transaction Data**

Grantor:	Rickenbacker Way Partners, LLC	Sales Price:	\$1,875,000
Grantee:	Timber Trail Development, LLC	Price/Acre:	\$575,153
Date of Sale:	7/20/2018	Price/LSF:	\$13.20
Cond. of Sale:	Typical	List Price:	\$1,800,000
Financing:	Cash=	List Price/Acre:	\$552,147
Deed Ref:	Book: 59114; Page: 468	Sale-to-List Ratio:	104%
Sources:	CoStar, MLS, Deed and County Records	Exposure Time:	N/A
		Property Rights:	FS
CR Ref#:	2078	Prior 12 Mo. Sales:	None

Site Data

Acres:	3.26	Location/Exposure:	Good
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	No	Condition at Sale:	Heavily Wooded
Utilities:	All Available	Improvements:	Yes
Zoning:	RD	Bldg SF:	3,348

Other Notes

This is the sale of 5 residential land tracts located along Timber Trail S in the city of Sandy Springs. Two of the new homes built on these lots recently sold in FMLS for around \$1.5 million in 2021.

Land Sale 4

Address: 5630 & 5636 Roberts Drive, Dunwoody, GA, DeKalb County



Transaction Data

Grantor:	Eric Fred & WC Amacher	Sales Price:	N/A
Grantee:	Active Listing	Price/Acre:	N/A
Date of Sale:	Active	Price/LSF:	N/A
Cond. of Sale:	Typical	List Price:	\$2,210,000
Financing:	Cash=	List Price/Acre:	\$650,000
Deed Ref:	Active Listing	Sale-to-List Ratio:	N/A
Sources:	CoStar, Broker's Flyer and County Records	Exposure Time:	N/A
		Property Rights:	FS
CR Ref#:	2078	Prior 12 Mo. Sales:	None

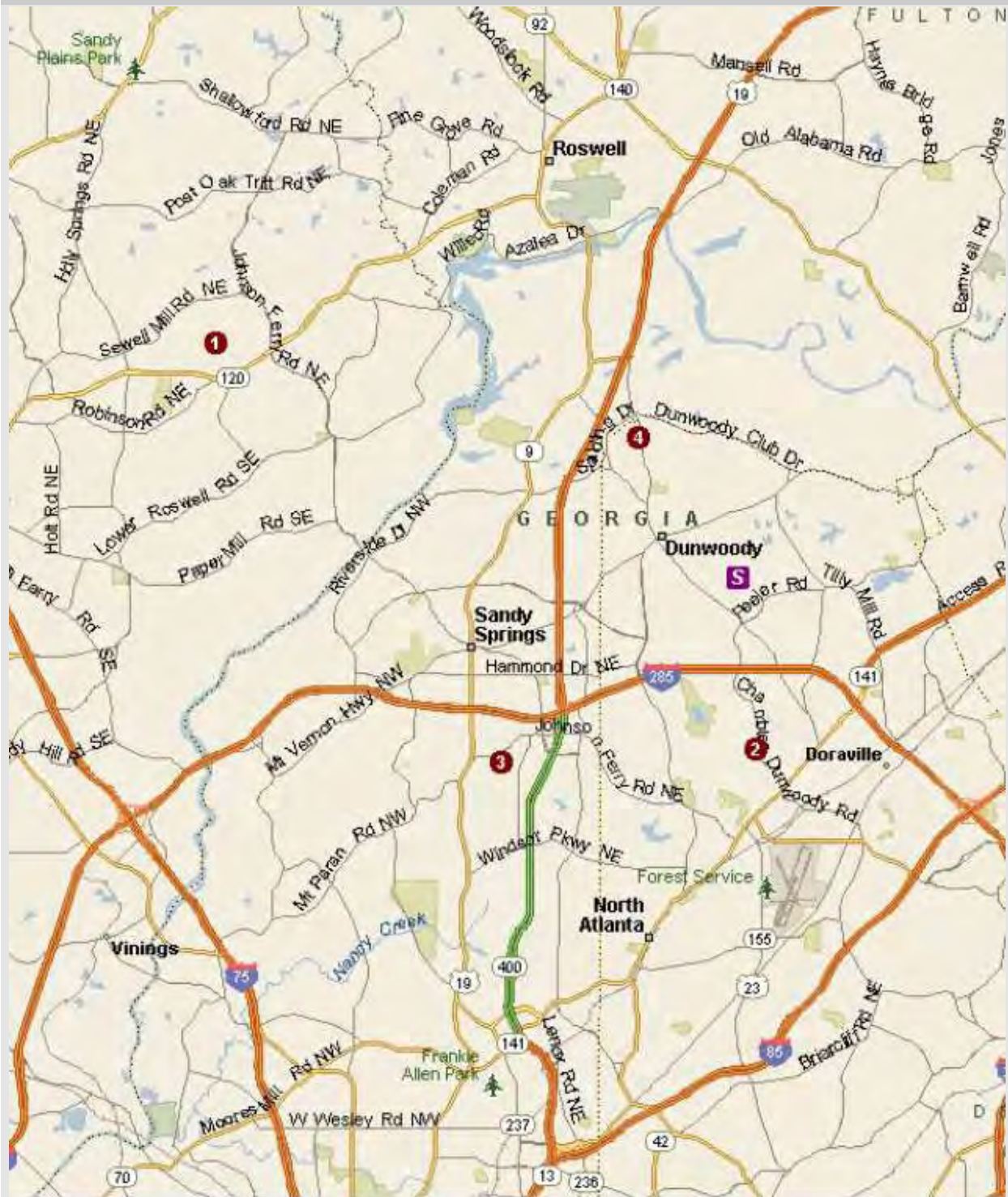
Site Data

Acres:	3.4	Location/Exposure:	Good
Shape/Utility:	Irreg/Gd	Corner/Interior:	Interior
Topography:	G/S/R	Access:	Typical
Flood Area:	No	Condition at Sale:	Heavily Wooded
Utilities:	All Available	Improvements:	Yes
Zoning:	R-100	Bldg SF:	3,348

Other Notes

This is an active listing of two adjacent residential land tracts totaling 3.4 acres and located along Roberts Drive on the north side of the city of Dunwoody. The lots are improved with two dated single-family dwellings that add no value to the land. Two of the new homes built on these lots recently sold in FMLS for around \$1.5 million in 2021.

Location Map of Land Sales



Addendum B - Legal Description

No combined legal description was available in DeKalb County deed records. See the site data section for identification of the subject land tract.

Addendum C - Glossary of Terms

Unless otherwise noted, the *Sixth Edition of The Dictionary of Real Estate Appraisal* was used for the following glossary.

Market value - The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: 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.

For agencies that regulate federally insured financial institutions in the United States, **market value** is defined as

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

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

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

As Is Market Value - The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Disposition value - the most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Excess Land - Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Exposure Time - 1. The time a property remains on the market; 2. The 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.

Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market.⁴

According to USPAP:

The opinion may be expressed as a range and can be based one or more of the following:

- Statistical information about days on the market;
- information gathered through sales verification;
- and interviews of market participants.

A reasonable exposure period is a function of price, time and use, and not an isolated estimate of time alone.⁵

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 conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the

⁴USPAP, 2016-2017 edition

⁵Statement on Appraisal Standards No. 6

integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Fair market value - In nontechnical usage, a term that is equivalent to the contemporary usage of market value.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of fair market value provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation 20.2031-1)

Fee simple estate/fee simple interest - 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.

Fractional Interest - Ownership of an asset by more than one person. The reasons for this approach are many. Allows obtaining an asset beyond the financial capabilities of an individual. Disperses control and accountability of an asset to many owner / managers. Ownership can be done by contract or shares, like stock, of the asset. Sold to individual owners. Each owner has the privileges of access to the asset and shares in any resulting income. Any loss allows owners to possibly to claim a tax loss. An example is a vacation homes. The agreement typically has the asset managed by a neutral third-party. The option to sell the asset to minimize loss can be triggered with any resulting monies split among the owners (*Black Laws Dictionary 2nd Edition*).

Highest and Best Use - 1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity; 2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS); 3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Hypothetical Condition - 1. a condition that is presumed to be true when it is known to be false. 2. 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. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Leased fee estate/leased fee interest - the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Liquidation value - The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing time - an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.)

Prospective market value “as completed” and “as stabilized” - a prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data.

Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed—reflects the property’s market value as of the time that development is expected to be completed. The prospective market value—as stabilized—reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties.

Prospective opinion of value a value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. The prospective value opinion is based upon research and analysis of currently active market participants regarding market trends, forecast market demand, operating expenses, absorption periods, inflation rates and discounts rates, as of the effective appraisal date. Also, economic trends such as population growth and future competition have been researched and analyzed. The concluded prospective value reflects the current expectations and perceptions of market participants along with the available factual data. The appraiser cannot be held responsible for unforeseeable events that may alter market conditions prior to the date of the prospective value opinion.

Retrospective Value Opinion - a value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Replacement Cost - the estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.

Reproduction Cost - the estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Scope of Work - the type and extent of research and analyses in an appraisal or appraisal review assignment.

Surplus Land - land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Addendum D - Appraisers' Qualifications

Appraiser Qualifications: Casey Lyon, MAI

Relevant Professional Experience

(1995 to 1996) Employed by Coopers & Lybrand (now PriceWaterhouse Coopers) in Memphis, TN as an auditor. Worked on assignments for a wide range of clients in various industries including REITs, healthcare, insurance, government and manufacturing.

(1999 to 2000) Mortgage broker at U.S. Residential Mortgage.

(2000 to 2002) Budget Waterproofing. A small waterproofing and structural repair business. Duties included running all the financial aspects of the business, job bidding and crew leader.

(2003 to 2015) Appraiser at Buckhead Advisory Group, LTD.

(2015 to present) Founder/CEO of Crossroads Appraisal Group, Inc. Appraisal assignments over the past three years include numerous freestanding retail buildings, hotels, retail shopping centers, c-stores, carwashes, office buildings, office condominiums, office parks, small and large industrials, child care centers, automotive repair facilities, restaurants, and apartments.

Past and current clientele include BB&T, Regions Bank, Wells Fargo, PNC, Quantum National Bank, Embassy Bank, First Citizens Bank, First Intercontinental Bank, Peach State Federal Credit Union, NOA Bank and Commonwealth Business Bank, as well as a few mortgage brokers, attorneys and individuals.

Qualified as an expert witness in the Georgia Superior Court and State Court systems.

Professional Education

1994 - Bachelor of Accountancy from the University of Mississippi

1995 - Masters of Accountancy from the University of Mississippi

Since 2003, successfully completed more than 400 hours of courses and examinations offered by the Appraisal Institute and other accredited organizations. Also, the Appraisal Institute membership requires 20 hours per year of continuing education.

Professional Affiliations

MAI membership/designation with the Appraisal Institute since 2012

Certified Real Estate Appraiser in the State of Georgia, Certification # 262200

Mailing Address and Phone Numbers

Crossroads Appraisal Group, Inc.

1755 North Brown Road, Suite 200-2046

Lawrenceville, Georgia 30043

Phone (404) 724-5110, Cell (404) 550-0921

Appraiser Qualifications: Kevin Lyon, MAI

Relevant Professional Experience

(1997 to 1999) Employed by Coopers & Lybrand (now PriceWaterhouse Coopers) in Memphis, TN and Atlanta, GA as an auditor. Worked on assignments for a wide range of clients in various industries including REITs, insurance, and software and other technology related fields.

(1999 to 2003) Employed by Lafarge North America as a senior accountant and senior analyst.

(2003 to 2006) Mortgage broker at U.S. Residential Mortgage.

(March 2006 to August 2006) Administrative assistant at Buckhead Advisory Group, LTD.

(August 2006 to January 2018) Real property appraiser at Buckhead Advisory Group, LTD.

(January 2018 to present) Real property appraiser at Crossroads Appraisal Group, Inc. Appraisal assignments over the past few years include numerous freestanding retail buildings, retail shopping centers, office buildings, office condominiums, small and large industrials, automotive repair facilities, restaurants, apartments, churches, hotels, c-stores, daycares, assisted living facilities and residential and commercial land tracts (both developed and undeveloped).

Past and current clientele include BB&T, Regions Bank, Wells Fargo, PNC, Quantum National Bank, Embassy Bank, First Citizens Bank, First Intercontinental Bank, Peach State Federal Credit Union, NOA Bank and Commonwealth Business Bank, as well as a few mortgage brokers, attorneys and individuals.

Professional Education

College:

1996 - Bachelor of Accountancy from the University of Mississippi

1997 - Masters of Accountancy from the University of Mississippi

Since 2006, successfully completed more than 400 hours of courses and examinations offered by the Appraisal Institute and other accredited organizations. Also, the Appraisal Institute membership requires 20 hours per year of continuing education.

Professional Affiliations

Certified General Real Property Appraiser in the State of Georgia, Certification # 311781
MAI membership/designation with the Appraisal Institute since November 2018

Mailing Address and Phone Numbers

Crossroads Appraisal Group, Inc.
1755 North Brown Road, Suite 200-2046
Lawrenceville, Georgia 30043
Phone (404) 724-5110, Cell (404) 993-2263

Addendum E - State Certifications

CASEY A LYON

262200
Status ACTIVE

END OF RENEWAL
07/31/2021

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

1316011071336225

KEVIN A LYON

311781
Status ACTIVE

END OF RENEWAL
12/31/2021

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

1402737137072325

Addendum F - Engagement Letter



April 14, 2021

City of Dunwoody
Mr. John Gates - Purchasing Manager
4800 Ashford Dunwoody Road
Dunwoody, Georgia 30338

RE: Real Estate Appraisal Assignment

Dear Client:

This letter will serve as an engagement letter to complete an Appraisal Report for the real properties generally known and located at 4809 Vermack Road (property id: 18 361 02 004) & 4819 Vermack Road (property id: 18 361 02 074 respectively), Dunwoody, Georgia 30338. The intended user of the report is the City of Dunwoody, and there are no other intended users. The intended use of the report is to establish market value for a potential purchase of the sites, and there are no other intended uses. The content of the report shall conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

The appraisal reports will be addressed and sent to the client at the address shown above unless otherwise requested by you in writing. The Appraiser agrees to deliver the appraisals within 15 business days of receipt of the executed engagement letter. The total compensation due to the Appraiser from the Client for the professional services required is an appraisal fee of \$2,200 for three bound copies of the report and one copy in digital PDF format. Also, if testimony time of any nature is required to explain the findings to the public or in a court room setting, an additional fee of \$250 per hour would be charged for that service which is over and above the appraisal fee quoted. This proposal is good for 30 days from the date of this letter.

The undersigned Appraiser and Client accept the terms and conditions of this engagement letter:

A handwritten signature in blue ink that reads "Casey Lyon".

Casey Lyon, MAI

A handwritten signature in blue ink, appearing to be "L. C.", representing the City Manager.

Client:

City Manager
City of Dunwoody

Crossroads Appraisal Group, Inc.

Date:

4/22/21