

Flood Information

The subject property is located within flood zone X on FEMA panel 13129C0151D dated September 26, 2008. The appraiser is not qualified to make a definite determination of this fact. A survey is recommended.



Major Transportation Corridors - Linkage

The region is traversed by ten major transportation corridors:

Interstate-75 crosses south to north roughly through the middle of the region and, as a link between Atlanta and Chattanooga, constitutes the most important and heavily travelled motor route in the fifteen counties. Many of its exits are sites of major commercial, industrial, and less often, residential development.

Interstate-20, a major route between Birmingham, AL, and Atlanta, is also heavily travelled, but passes through the south of Haralson County, the most southern county in the region. Its location somewhat limits its impact on the region as a whole, though its exits draw commercial development.

Interstate-59, connecting Birmingham, AL, and Chattanooga, passes through Dade County, where it has three exits accessing Rising Fawn, Trenton, and New England (GA). It constitutes a major highway connection to other areas, and serves to relieve its geographical isolation.

Interstate-24 dips down into Georgia from its path through Tennessee, skirting the southern flank of Raccoon Mountain. In the course of its four mile path through Dade County, it intersects I-59.

State Route 515 came about as a phase of the development of Corridor A-1 of the Appalachian Development Highway System, and currently starts near the border of Pickens and Cherokee Counties, traversing Pickens, Gilmer, and Fannin Counties on its way to Blairsville. This corridor has spurred much commercial development in those three counties, and promises to convert large areas of forest and agricultural land to developed uses. In some areas, local sentiment favors commercial zoning through entire jurisdictions along the alignment.

U.S. Highway 27 is a south to north alignment that links Bremen, Buchanan, Cedartown, Rome, Summerville, LaFayette, Ft. Oglethorpe, and Chattanooga. The road has been widened throughout the Northwest Georgia Region, and carries large volumes of traffic in places. Bypasses built in cities such as Cedartown and Buchanan have encouraged consumption of agricultural and forested land for commercial and other uses.

U.S. Highway 41 once a heavily travelled south to north route from Florida to Michigan. However, today its potential traffic volume is greatly diminished by I-75, which runs roughly parallel to it. It traverses the entire state of Georgia, and links Cartersville, Calhoun, Dalton, Ringgold, and Chattanooga, but does not support a great deal of new commercial development in the region since its former role has been assumed by I-75 exits. Therefore, existing businesses along the route must rely on local traffic volume to remain viable.

U.S. Highway 278 is a west to east alignment that links Cedartown, Rockmart, and Dallas to Atlanta. It is a major four-lane conduit for Atlanta metro sprawl into Paulding and Polk Counties, and contributes to

the conversion of vast amounts of forest and agricultural land to commercial, residential, and other urbanizing uses.

U.S. Highway 411 crosses Floyd County east and north after entering the Cave Spring area and becomes a four-lane road in Rome. It continues eastward into the center of Bartow County, where it turns northward in the city of Cartersville becoming a two-lane road; it serves as a link for smaller towns before reaching the city of Chatsworth; it continues north to the Tennessee line.

U.S. Highway 76 runs east to west through the region, then north. It links Blue Ridge, Ellijay, Chatsworth, Dalton, and Chatanooga, crossing mountainous territory along much of its path across the region, and development tends to be concentrated near the towns.

Population

The fifteen county region's population is expected to grow from 871,968 persons in 2010, to an estimated 1,348,614 in 2030. This represents a projected population growth of almost 55%. Paulding, which is sometime included in the Atlanta MSA but on the edge of the NWGA MSA, is projected to be the region's most populous county with an estimated 2030 population of 275,726, with Bartow County second in population with an estimated 183,447 persons in 2030. Dade, Fannin, and Chattooga Counties are anticipated to be the region's smallest in population. Bartow and Gordon Counties' locations along Interstate-75 will probably accelerate their population growth, and Pickens and Paulding Counties' population increase will be stimulated by their proximity to Atlanta and their location within the Atlanta Metropolitan Area. The populations of Walker, Chattooga, Floyd, and Polk Counties are likely to increase more slowly, percentage-wise, than other counties due to their relative distance from interstate highways. By 2030, anticipated population densities for each county per square mile are: Paulding, 880; Catoosa, 643; Whitfield, 464; Bartow, 399; Pickens, 240; Floyd, 230; Gordon, 223; Murray, 211; Polk, 184; Walker, 182; Haralson, 158; Dade, 126; Gilmer, 122; Chattooga, 110; Fannin, 86. The numbers anticipate a 55% increase in regional population between the years 2010 and 2030. Atlanta has little legacy of a dense urban core, and rapid population growth is unlikely to change an established development pattern. As the Metro-Atlanta population spreads outward in the region, demand for land for all uses will increase, and it is likely that the rate of land consumption will exceed that of the population, given trends over the past half-century. These trends are summarized in the following chart.

COUNTY POPULATION FORECASTS: 2010 - 2045								
	2010	2015	2020	2025	2030	2035	2040	2045
Bartow	100,712	117,543	136,635	158,780	183,447	201,436	222,106	242,777
Catoosa	65,773	74,174	83,222	93,176	104,242	112,852	122,430	132,008
Chattooga	27,335	28,997	30,773	32,657	34,557	36,278	38,082	39,887
Dade	16,587	17,925	19,234	20,632	21,836	23,188	24,503	25,818
Fannin	23,490	25,867	28,189	30,612	33,134	35,433	37,825	40,217
Floyd	97,696	102,613	107,598	112,799	118,161	123,035	128,122	133,209
Gilmer	30,095	34,636	39,743	45,592	52,242	56,974	62,479	67,983
Gordon	54,925	60,375	66,191	72,509	79,377	84,877	90,945	97,012
Haralson	30,062	33,270	36,779	40,666	44,436	47,815	51,406	54,997
Murray	42,243	48,665	55,671	63,527	72,794	79,243	86,798	94,352
Paulding	143,722	169,702	200,653	236,668	275,726	304,069	336,994	369,919
Pickens	33,000	37,817	43,200	49,334	55,669	60,740	66,386	72,031
Polk	43,228	46,462	49,787	53,360	57,178	60,355	63,806	67,257
Walker	66,190	69,994	73,835	77,810	81,254	85,086	88,842	92,598
Whitfield	96,900	105,163	114,157	123,979	134,561	142,879	152,188	161,498
NWGRC	871,958	973,203	1,085,667	1,212,101	1,348,614	1,452,182	1,570,140	1,688,098
Source: State of Georgia Population Projections								

EMPLOYMENT

The Northwest Georgia region includes some of the fastest-growing areas in the nation, and according to the latest forecasts from the Northwest Georgia Regional Commission, this strong growth will continue over the next 25 years. Primary factors influencing the continued growth of the MSA include new employment opportunities, transportation amenities, moderate climate, standard of living, and the region’s dominant position in the Southeast for national and international business, industry and trade. Although the region has experienced relatively low unemployment over the past 12 years, the unemployment rate was 7.9% as of October 2010 (last date of regional survey).

Based on the latest reports from the U.S. Department of Commerce (U.S. Census Bureau) the leading employment base within the state and county are as follows;

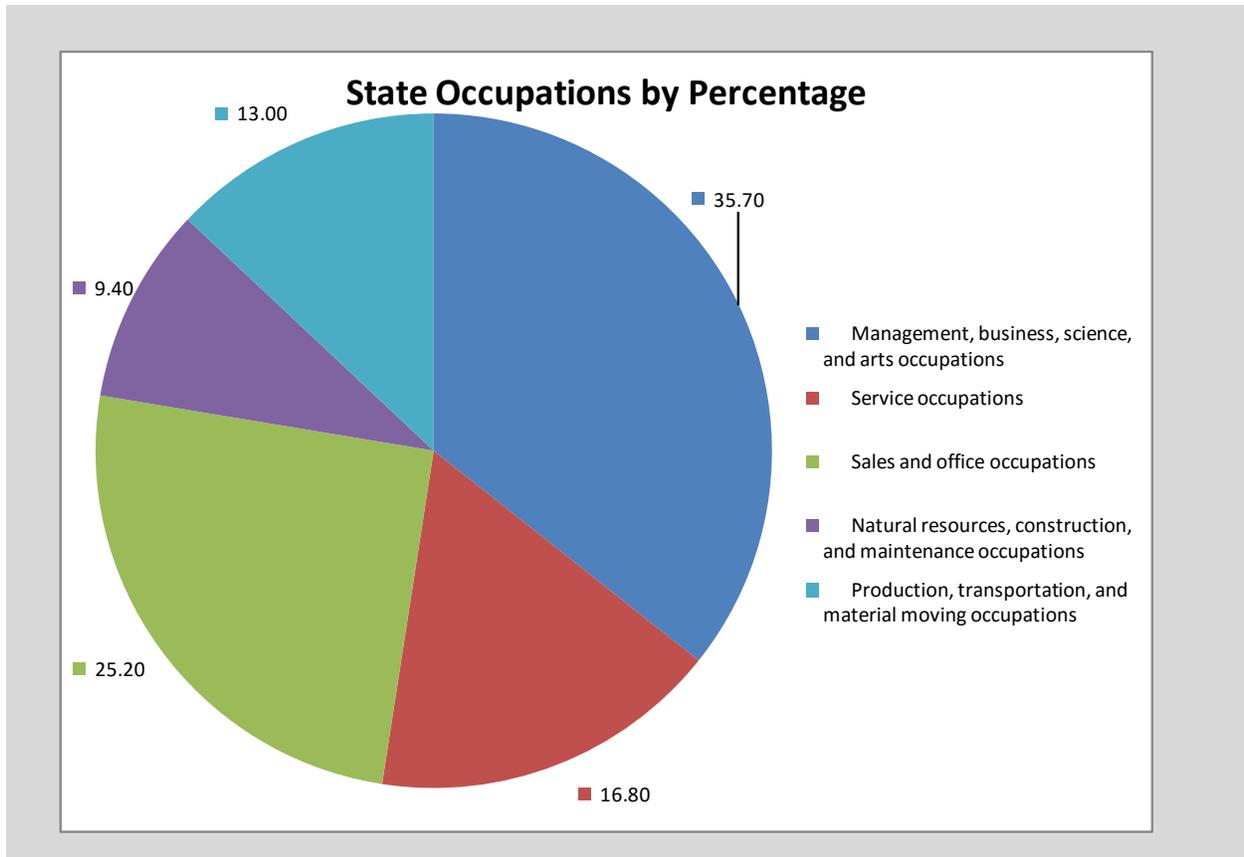
EMPLOYMENT TRENDS AND FORECASTS											
(Average Monthly County Employment)											
	1990	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040
Bartow	27,822	31,620	39,258	42,363	48,081	53,207	58,333	63,459	68,585	73,712	78,838
Catoosa	20,435	23,348	29,032	33,555	37,681	42,116	46,552	50,987	55,422	59,858	64,293
Chattooga	9,973	11,426	11,252	10,531	11,042	11,141	11,240	11,339	11,438	11,536	11,635
Dade	5,906	6,471	7,513	8,090	7,089	7,126	7,163	7,201	7,238	7,276	7,313
Fannin	6,453	7,564	8,762	9,625	8,232	8,284	8,336	8,388	8,440	8,493	8,545
Floyd	39,206	42,873	43,210	47,913	43,616	43,743	43,869	43,995	44,122	44,248	44,375
Gilmer	6,183	6,828	10,983	12,876	9,467	9,566	9,666	9,766	9,865	9,965	10,065
Gordon	17,616	19,783	23,610	25,561	21,916	22,025	22,135	22,244	22,353	22,463	22,572
Haralson	9,744	8,625	12,015	12,233	10,769	10,815	10,861	10,906	10,952	10,998	11,044
Murray	13,430	17,245	19,046	20,170	17,603	17,655	17,707	17,759	17,811	17,863	17,915
Paulding	21,106	30,205	44,757	56,228	38,720	38,978	39,237	39,495	39,753	40,012	40,270
Pickens	7,090	8,259	12,168	13,745	10,445	10,497	10,549	10,601	10,653	10,705	10,757
Polk	14,764	14,032	16,954	19,543	16,419	16,457	16,495	16,533	16,572	16,610	16,648
Walker	26,830	28,394	29,495	31,445	29,108	29,135	29,162	29,189	29,216	29,242	29,269
Whitfield	37,764	42,415	42,317	43,663	41,618	41,650	41,681	41,713	41,744	41,776	41,807
NWGRC	264,322	299,088	350,372	387,541	351,806	362,396	372,986	383,575	394,165	404,755	415,345

Source: U.S. Census Bureau

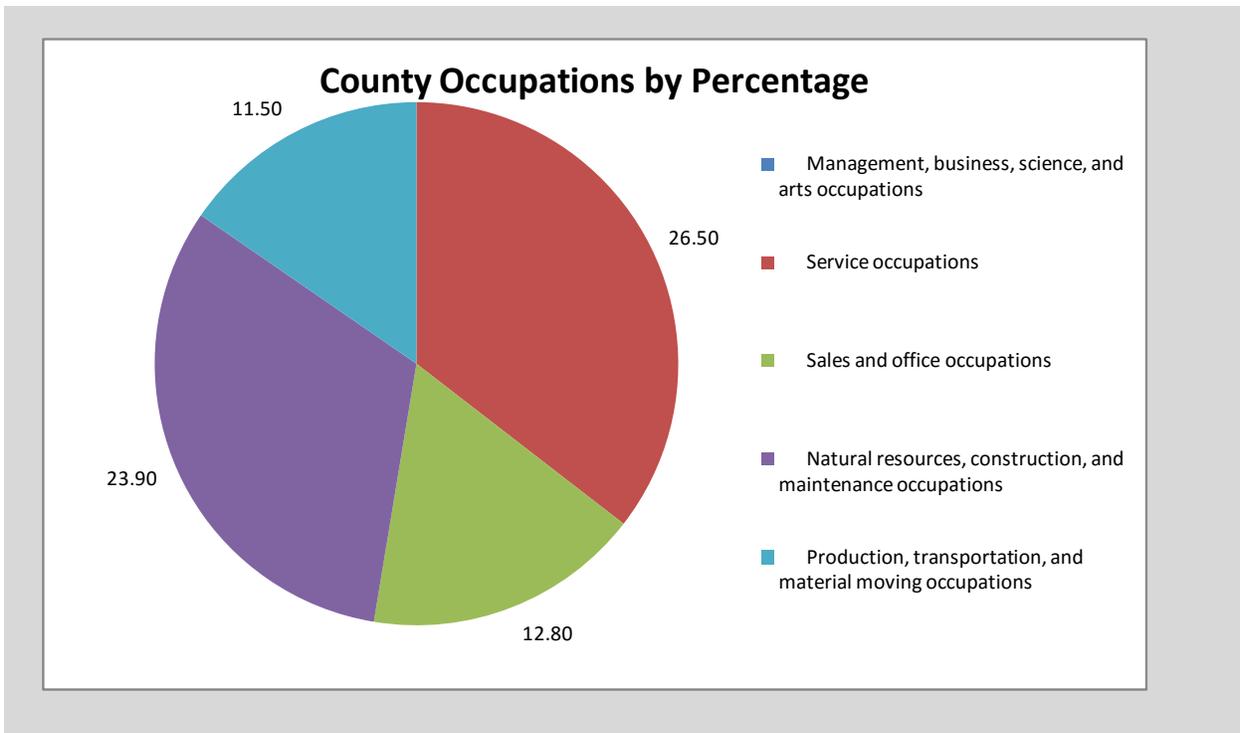
Regional Economy

The region's economic base has long depended upon the manufacturing sector (25% of the region's employment in 2011), dominated by carpet/textiles. The economic downturn and resulting collapse of the housing industry dramatically reduced demand for carpet products, causing economic distress in the region as layoffs and plant closures led to thousands of jobs lost. Whitfield County continues to lose carpet manufacturing jobs; losing 4,600 jobs, or 6.9 percent of its employment, from June 2011 to June 2012 (US BLS). This affects workers in neighboring Murray, Gordon and Catoosa Counties, as well as related manufacturers, distributors and suppliers throughout the region. From Dade County to Whitfield County, Northwest Georgia has experienced greater economic distress than the U. S. as a whole, with a 24-month regional unemployment rate of 10.22% compared to 8.94% for the U.S. Northwest Georgia Regional Comprehensive Economic Development Strategy 13. However, there are bright spots as well around the region in 2012. These include the expansion of Mohawk Carpet in Chattooga County, adding 500 jobs to this rural community; and voestalpine, a global auto supplier adding 220 jobs as the anchor industry in Bartow County's Highland 75 industrial park, with the promise of additional jobs. Three industries in Walker County- Syntec, Synthetic Industries, and Phillips Brothers- are expanding, adding 100 jobs and retaining 220, investing \$6.3 in private investment and bonds. Paulding County attracted Interroll, a global manufacturer of conveyer systems, creating 70 jobs with a private investment of \$10 million. Other counties, including Polk, Pickens and Gilmer, are investing in their industrial parks and in downtown development. Manufacturing, including the carpet and flooring industry, is changing its production model. Going from a highly labor intensive hands-on production system to an automated system, where skilled technicians guide machines using computer programming or perform manual tasks with robotic assistance. In this changing job market, prospective employees must have or be able to learn the required skill set including engineering, computer technology, and programming skill as well as ability to do demanding physical work and long hours. Automotive suppliers and other small manufacturers have similar requirements. Other industries still depend on traditional textile workers but find it difficult to work with the educational system to train and supply the needed workforce.

Nationally, and here in Northwest Georgia, the service sector, including health care, food service and retail, is a growing sector. The following charts represent the most recent occupation survey within the state of GA as well as the subject county of Gordon.



In 2000, an almost equal portion of the region’s workers (approximately 25%) were employed in the production, transportation, and material moving; management, business, science and arts; and sales and office occupations. Service occupations formed only 12.1% of total employed workers. From 2006-2010, service occupations increased by 2.9% to 14.9%, while the production/transportation sector decreased by 5.2% to 20.5%. Management and sales occupations increased slightly and natural resources decreased slightly.



Agriculture

Agriculture increased in the region from 1970-2010 due in large part to an apparent increase in employment from 2000-2010. Employment in this sector tended to fluctuate across the 40 year period. Agricultural employment may depend on many conditions that vary from year to year including labor availability, current federal or state regulations, condition and yield of crops, type and size of farming operation, even seasonal variations. Reporting farm employment also depends on the definition of a farm, as well as the fact that the farm may be a secondary source of employment and income. The sector provides less than 1% of total employment for the region.

The number of farms in the region dropped from 7,042 in 1969 to 4,904 in 1987, to 4,600 in 1992 but increased to 5,939 in 2007. Acreage in farms dropped by almost 40% or 435,104 acres from 1969 to 1997 but increased slightly to 660,357 acres in 2007. The average size farm remained virtually unchanged from 1997-2007 after declining by 11 acres from 1969 to 1987. Poultry and poultry products accounted for an average 72% of total farm sales in 2007, same as 72.9% in 1987. Other livestock and their products accounted for 12% of agricultural sales. Poultry processing is growing but requires very little land and most owners of chicken houses use chickens only to supplement their income. Gilmer County produces the highest broiler sales followed by Gordon County.

Construction

The construction industry in Georgia declined by 26% from 2000-2010 due to the impact of the housing crisis and economic recession. Overall from 1970-2010, the industry saw a 44% growth in employment. As a percent of total employment the sector dropped from 4.6% in 1970 to 3.6% in 2010. Overall, employment is projected to decline by 2% by 2018.

Mining

The mining sector currently forms less than one half percent of total employment, and this sector has decreased in employment from 1970 to 2010. Bartow County account for four-fifths of this total. Mining in Bartow County is conducted for several clay minerals but has declined in the last five years with the closing of a major operation near downtown Cartersville. Outside this county, mining is mostly limited to sand and gravel. Projected employment shows a 4% decrease by 2018.

Manufacturing

Manufacturing in the region declined by 15% as a percentage of employment from 1970-2010; in 1970 manufacturing accounted for 65% of total employment and in 2010 this had decreased to 30%; however it is still a significant employment sector in the region. Textile and textile producing mills accounted for the majority of jobs lost in the region. Manufacturing is projected to decline by 5% by 2018.

Service Providing

The service sector of the economy increased as a source of employment from 1970-2010. All service sectors increased by at least 120% total employment. By 2018, the service sector is projected to increase by 16%.

Retail Trade

Retail trade increased from 13% of the region's employment in 1970 to 15% of employment in 2010, and employment in the sector increased by 126%. As population increased in the region the demand for additional services grew and retail employment increased. This sector is very vulnerable to changes in the economy and with the recession's impact on disposable income layoffs and closures are common. By 2018, the overall trade and transportation sector including retail is expected to increase by 6%.

Wholesale Trade

From 1970 to 2010, wholesale trade increased from 3.6% to 4.5% of total employment, and actual employment increased 127% over the period. By 2018, the overall trade and transportation sector including wholesale is expected to increase by 6%.

Transportation

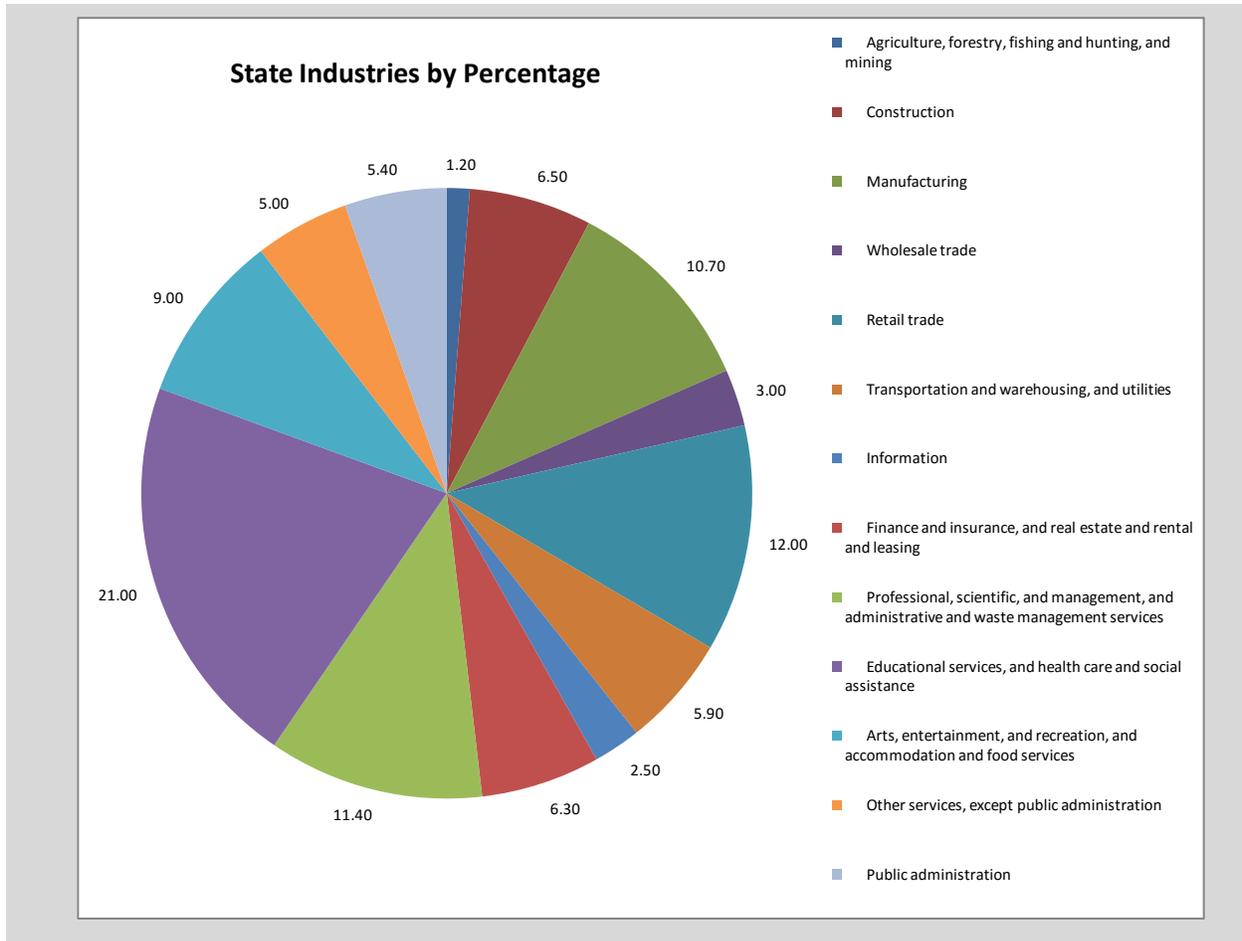
This sector increased steadily in jobs and grew from 3.2% of total employment in 1970 to 5.2% in 2010; an increase of 197%. In 2000, over half of sector employment was due to trucking and warehousing, primarily to serve the carpet industry concentrated in Whitfield County. This sector was impacted heavily by the recession, the decline of the carpet industry and the rising price of gasoline. Changes to the logistics and transportation industry are expected as cargo handling and distribution changes globally. Sector employment is expected to grow by 83% to 15859 by 2025. By 2018, the overall trade and transportation sector is expected to increase by 6%.

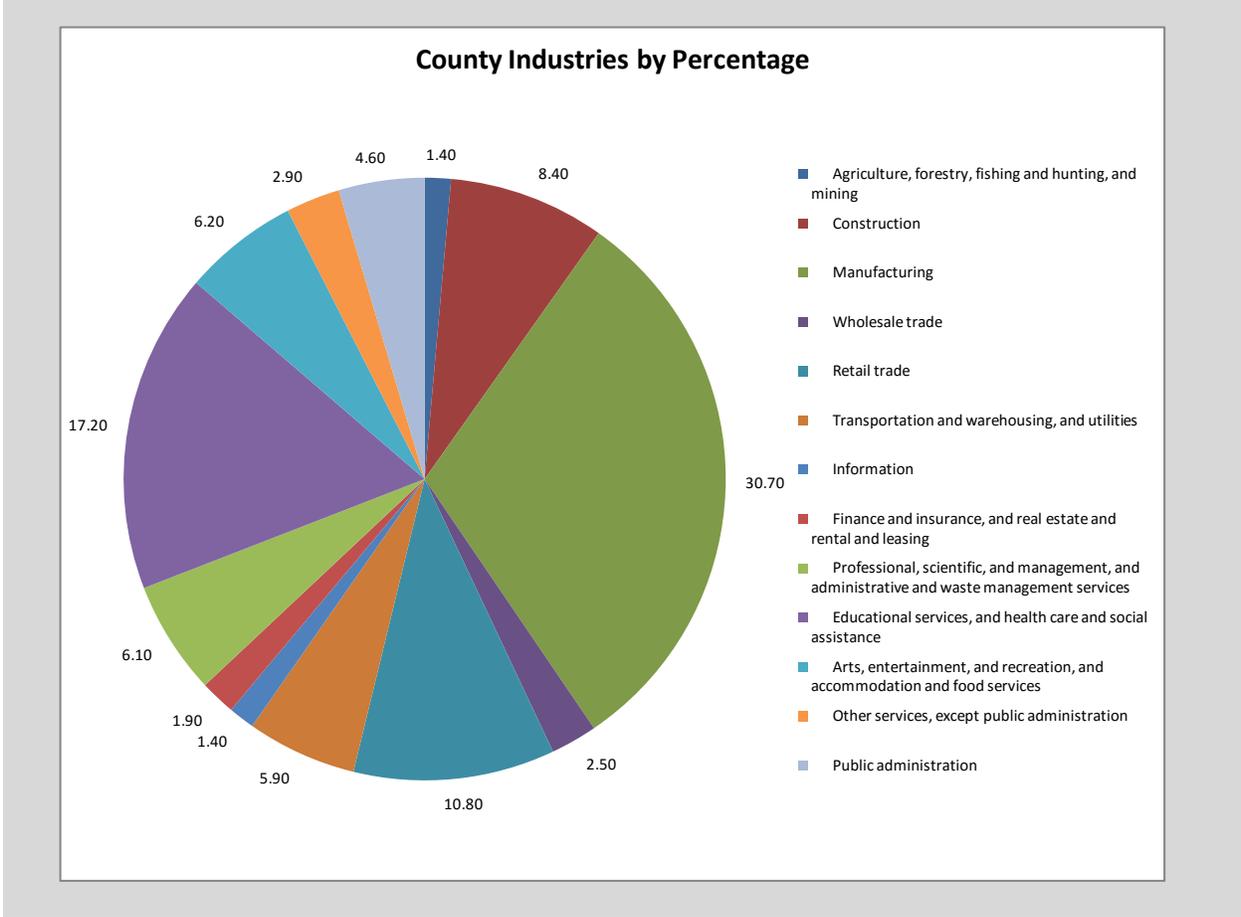
Other Services

Employment in this sector as a percent of the total employment increased from 7% in 1970 to 37% in 2010, and employment increased overall in the sector by 833%. By 2018 the sector is projected to grow by a further 13%.

Government

This sector which currently employs 17,945 in the region, including local, state, and national levels, is projected to grow by 6.3%.





From 1990 to 2010, job growth in Paulding County skyrocketed with an increasing population and proximity to the metro Atlanta area. Other communities who saw job growth related to metro Atlanta and I-75 or I-575 include Bartow, Fannin, Pickens, and Gilmer Counties. While most counties saw job growth over the period.

The job situation from 2000-2010 changed dramatically. Due to the recession, housing crisis and subsequent changes in the carpet industry, including layoffs and closures, job growth was negative for many counties, including Chattooga, Murray, Whitfield and Walker Counties. In Paulding County, continuing growth occurred in the service sector, specifically in retail trade, health care and food service, while goods producing jobs actually declined. Employment growth in these service sectors paralleled population growth as Paulding County became an increasingly residential community for Metro Atlanta area workers. Compared to the state, the region showed less job growth over the decade.

Manufacturing in Northwest Georgia rose slightly over the period 1990-2000 but declined drastically from 2000-2010. The majority or 19,974 of the 27,510 manufacturing jobs lost were in textile mills or textile product mills (including carpet manufacturing). Even with these losses, these are still the two sectors employing the most workers in manufacturing. The trend of decreasing employment in these

sectors is projected to continue into 2018. However, with decreasing employment comes increasing mechanization and automation of the manufacturing process, which will result in hiring higher skilled workers to oversee the automated production line.

Top Five Employers (per county)

Bartow County	Catoosa County	Chattooga County
Anheuser Busch Inc.	Hutcheson Medical Center	Georgia Dept. of Corrections
Atlanta Market GP Inc.	Lake Winnepesaukah Amusements	Mohawk Carpet Corp.
Georgia Power Company	Propex Operating Company LLC	Mount Vernon Mills Inc.
Shaw Industries Group Inc.	Shaw Industries Group Inc.	Oak View Nursing & Rehab.
Toyo Tire North America Inc.	Wal-Mart	Wal-Mart
Dade County	Fannin County	Floyd County
1 WG High Perf. Conductors Inc.	Fannin Regional Hospital	Floyd Healthcare Management
Covenant College Inc.	Heritage Healthcare of Blue Ridge	Harbin Clinic LLC
Dade Health & Rehab. LLC	Ingles Markets Inc.	Mohawk Carpet Corp.
Gill Industries Georgia Inc.	Mercier Orchards Inc.	Redmond Regional Medical Ctr.
Medsources Technologies	Unihealth Solutions of North Georgia	Wal-Mart
Gilmer County	Gordon County	Haralson County
Pilgrims Pride Corp.	Gordon Hospital	Higgins General Hospital
Southern Health Corp. of Ellijay	Mannington Carpets	HI-A Co Inc.
Wal-Mart	Mohawk Carpet Corp.	Honda Precision Parts of GA
Whitepath Fab Tech Inc.	Shaw Industries Group Inc.	Stoffel Seals Corp.
	Wal-Mart	Wal-Mart
Murray County	Paulding County	Pickens County
Beaulieu Group LLC	Jim-N-Nicks Bar-B-Que	Lexington Insulators
Marquis Industries Inc.	Publix Super Market Inc.	Piedmont Mountainside Hospital
Mohawk Carpet Corp.	The Kroger Company	Royston LLC
Murray Medical Center Inc.	Wal-Mart	Tech Inc.
Shaw Industries Group Inc.	Wellstar Health System Inc.	The Kroger Company
Polk County	Walker County	Whitfield County
AT&T Mobility Services LLC	Blue Bird North Georgia	Beaulieu Group LLC
Engineered Fabrics Corp.	McDonalds Restaurants	Hamilton Medical Center Inc.
The Hon Company	Roper Corp.	Mohawk Carpet Corp.
Tip Top Poultry Inc.	Shaw Industries Group Inc.	O'Reilly Automotive Inc.
Wal-Mart	Wal-Mart	Shaw Industries Group Inc.

Source: Georgia Department of Labor, Area Labor Profile 2009

The number one component of growth is employment. Employment links the general population to the demand for the various sectors or real estate such as office space, industrial space, housing, and retail. The top of the tear is employment; employment controls the depth of succession, how far the growth penetrates the overall real estate market. Wal-Mart is the predominant employer within the region. This is also an indication of expected growth in the population as Wal-Mart's presence represents intense demand studies within the perspective areas; consumer demand is directly linked to employment, housing, and population. The following charts summarize the employment sectors within the region.

Manufacturing is the largest sector of employment within the region. Trade, transportation, and utility make up the second largest; education and health are followed by leisure; natural resources rounds out the top five in the private employment sector. The area has above average attraction for manufacturing and transportation because of the easy access to the afore mentioned major corridors within the region that yield less traffic congestion and shorter drive-times outside of the Atlanta and Chattanooga metro areas. Furthermore, the State of Georgia population projections forecast an increase in the Northwest Georgia Region from 2010 - 2020 near 215,000, a 25% increase. In addition, the employment projections yield an estimated 6% increase over the same period; this is approximately twenty-one thousand jobs added to the market. The geographic area, which consists of large tracts of rural-undeveloped land near major interstates and highways, makes the area an attractive market for the major private-sector leaders in employment to continue to expand as the economy improves.

	Georgia	State	Gordon County,	County
	Estimate	Percent	Estimate	Percent
EMPLOYMENT STATUS				
Employed	4,254,879	56.0%	22,898	54.0%
Unemployed	544,802	7.2%	2,566	6.0%
Armed Forces	52,963	0.7%	21	0.0%
OCCUPATION				
Management, business,	1,517,308	35.7%	6,076	26.5%
Service occupations	716,415	16.8%	2,940	12.8%
Sales and office	1,072,067	25.2%	5,483	23.9%
Natural resources,	398,032	9.4%	2,644	11.5%
Production, transportation,	551,057	13.0%	5,755	25.1%
INDUSTRY				
Agriculture, forestry, fishing	50,558	1.2%	315	1.4%
Construction	278,561	6.5%	1,921	8.4%
Manufacturing	456,197	10.7%	7,024	30.7%
Wholesale trade	127,826	3.0%	573	2.5%
Retail trade	508,895	12.0%	2,481	10.8%
Transportation and	251,035	5.9%	1,342	5.9%
Information	106,487	2.5%	329	1.4%
Finance and insurance, and	270,145	6.3%	442	1.9%
Professional, scientific, and	483,367	11.4%	1,395	6.1%
Educational services, and	894,794	21.0%	3,936	17.2%
Arts, entertainment, and	383,664	9.0%	1,414	6.2%
Other services, except	213,506	5.0%	666	2.9%
Public administration	229,844	5.4%	1,060	4.6%
INCOME AND BENEFITS (IN 2013)				
Total households	3,518,097	3,518,097	19,066	19,066
Less than \$10,000	307,761	8.7%	1,709	9.0%
\$10,000 to \$14,999	202,306	5.8%	1,506	7.9%
\$15,000 to \$24,999	400,652	11.4%	2,699	14.2%
\$25,000 to \$34,999	383,613	10.9%	2,601	13.6%
\$35,000 to \$49,999	488,801	13.9%	2,953	15.5%
\$50,000 to \$74,999	634,516	18.0%	3,467	18.2%
\$75,000 to \$99,999	407,128	11.6%	2,063	10.8%
\$100,000 to \$149,999	406,119	11.5%	1,411	7.4%
\$150,000 to \$199,999	148,363	4.2%	314	1.6%
\$200,000 or more	138,838	3.9%	343	1.8%
Median household income	49,179	(X)	40,926	(X)
Mean household income	67,572	(X)	52,683	(X)
Per capita income (dollars)	25,182	(X)	19,177	(X)

HOUSING

Housing is intrinsically linked to employment. Northwest Georgia housing, including single-family, multi-family, and mobile homes, increased 60% over the past two decades. This significant increase is related to the housing boom of the last decade, which ultimately stalled as unemployment grew to double digits

Neighborhood Data

