

## **Appraisal Report**

### **Existing Multifamily Housing Sable Chase 102 Sable Chase Boulevard McDonough, Georgia 30253**

**Prepared For  
Ms. Willa Turner  
Office of Affordable Housing  
Georgia Department of Community Affairs  
60 Executive Park South Northeast, 2nd Floor  
Atlanta, Georgia 30329**

**Authorized By  
Mr. Matt Mills  
Southeast Holdings LLC  
718 West Business Highway 60  
Dexter, Missouri 63841**

**Date of Appraisal  
June 7, 2014**

**Effective Date of Appraisal  
April 8, 2014**

**Appraised By  
Samuel T. Gill**

***Gill  
Group***  
*P.O. Box 784  
512 N. One Mile Road  
Dexter, MO 63841*



512 North One Mile Road \* Dexter, Missouri 63841

Ph: 573-624-6614 \* Fax: 573-624-2942

June 7, 2014

Ms. Willa Turner  
Office of Affordable Housing  
Georgia Department of Community Affairs  
60 Executive Park South Northeast, 2nd Floor  
Atlanta, Georgia 30329

RE: Sable Chase  
102 Sable Chase Boulevard  
McDonough, Georgia 30253  
"As Complete" Appraisal Report  
As of April 8, 2014

Dear Ms. Turner:

In accordance with your request, we have personally appraised the site for Sable Chase. The site is improved with 28 two-story walk-up buildings containing 225 Low Income Housing Tax Credit units designed for families. The property also contains accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area. The property also contains a swimming pool, picnic area, tot lot, basketball court, tennis court, video surveillance, gazebo and a parking lot. The total site size is approximately 24.88 acres.

The purpose of the Appraisal Report is to estimate the as is market value of the fee simple estate; the market value, as restricted, of the subject property; the prospective market value, as restricted, upon completion and as stabilized; the market value, as unrestricted, of the subject property; the prospective market value, as unrestricted, upon completion and as stabilized; prospective market value at loan maturity; valuation of tax credits; and valuation of favorable financing. This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an appraisal report. As such, it presents discussion of the data, reasoning and analysis used in the appraisal process to develop the opinion of value. Its intended users are Georgia Department of Community Affairs and Southeast Holdings LLC. The intended use of the appraisal is to assist Georgia Department of Community Affairs and Southeast Holdings LLC in loan underwriting evaluation.

A description of the property, together with information providing a basis for estimates, is presented in the accompanying report. This appraisal is subject to the definitions, assumptions, conditions and certification contained in the attached report. We have prepared this appraisal in compliance with the Uniform Standards of Professional Appraisal Practice; the Financial Institutions Reform and Recovery Enforcement Act.

A description of the property, together with information providing the basis of the estimates, is presented in the accompanying Appraisal Report. In the course of the fieldwork, it has been determined that the appraised property has no natural, cultural, scientific or recreational value.

The market value was determined under the hypothetical condition that the subject property was a conventional property and not subject to any rent or income restrictions. The prospective "as complete" value was prepared under the extraordinary assumption that the structure is constructed and the proposed subject is completed as described in this report.

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the "as is" market value of the subject property, as of April 8, 2014, is as follows:

**FIFTEEN MILLION FOUR HUNDRED TWENTY THOUSAND DOLLARS**  
**\$15,420,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as is” market value, as restricted of the subject property, as of April 8, 2014, is as follows:

**EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**\$8,400,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as complete” prospective market value of the subject property, as of December 31, 2015, is as follows:

**SIXTEEN MILLION NINE HUNDRED TEN THOUSAND DOLLARS**  
**\$16,910,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as complete” prospective restricted value of the subject property, as of December 31, 2015, is as follows:

**EIGHT MILLION NINE HUNDRED FORTY THOUSAND DOLLARS**  
**\$8,940,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as complete and stabilized” prospective market value of the subject property, as of August 1, 2016, is as follows:

**EIGHTEEN MILLION FOUR HUNDRED SIXTY THOUSAND DOLLARS**  
**\$18,460,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as complete and stabilized” prospective restricted value of the subject property, as of August 1, 2016, is as follows:

**TEN MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS**  
**\$10,230,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the prospective market value at loan maturity of the subject property, as of August 1, 2016, is as follows:

**TWENTY-SEVEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS**  
**\$27,530,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the valuation of tax credits of the subject property, as of December 31, 2015, is as follows:

**SEVEN MILLION FOURTEEN THOUSAND DOLLARS**  
**\$7,014,000.00**

This report and its contents are intended solely for your information and assistance for the function stated previously and should not be relied upon for any other purpose. Otherwise neither the whole nor any part of this appraisal or any reference thereto may be included in any document, statement, appraisal or circular without our explicit, prior written approval of the form and context in which it appears.

The accompanying prospective financial analysis is based on estimates and assumptions developed in connection with the appraisal. However, some assumptions inevitably will not materialize and unanticipated events and circumstances will occur. The actual results achieved during the holding period will vary from our estimates and these variations may be material. We have not been engaged to evaluate the effectiveness of management, and we are not responsible for management’s actions such as marketing efforts.

This appraisal report sets forth only the appraiser’s conclusions. Supporting documentation is retained in the appraiser’s file. A copy of this report, together with the field data from which it was prepared, is retained in our files. This data is available for your inspection upon request.

Respectfully submitted,



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Jon Richmond  
Appraiser Trainee



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Samuel T. Gill  
State Certified General  
Real Estate Appraiser  
GA #258907

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### CERTIFICATE OF VALUE

We certify that to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- ◆ We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ We have performed an appraisal on the property which is the subject of this report on October 21, 2013.
- ◆ We have no bias with respect to the property that is the subject of the report or to the parties involved with this assignment.
- ◆ 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 this appraisal.
- ◆ Our analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ We have made a personal inspection of the property that is the subject of this report.
- ◆ No one provided significant assistance to the people signing this certification.



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Jon Richmond  
Appraiser Trainee



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Samuel T. Gill  
State Certified General  
Real Estate Appraiser  
GA #258907

June 7, 2014

**CERTIFICATE OF VALUE (Cont.)**

<b>Restricted Cost Approach</b>	<b>\$ 9,280,000.00 As Is</b> <b>\$ 9,850,000.00 As Complete</b>
<b>Unrestricted Cost Approach</b>	<b>\$15,630,000.00 As Is</b> <b>\$17,130,000.00 As Complete</b>
<b>Restricted Income Approach</b>	<b>\$ 8,400,000.00 As Is</b> <b>\$ 8,940,000.00 As Complete</b> <b>\$10,230,000.00 As Complete and Stabilized</b>
<b>Unrestricted Income Approach</b>	<b>\$15,420,000.00 As Is</b> <b>\$16,910,000.00 As Complete</b> <b>\$18,460,000.00 As Complete and Stabilized</b>
<b>Market Value</b>	<b>\$27,530,000.00 Upon Loan Maturity</b>
<b>Sales Comparison Approach</b>	<b>\$14,740,000.00 As Is</b> <b>\$18,900,000.00 As Complete</b>
<b>Value of Land</b>	<b>\$ 1,692,000.00 As Is</b>
<b>Valuation of Tax Credits</b>	<b>\$ 7,014,000.00</b>

## **SPECIAL LIMITING CONDITIONS AND ASSUMPTIONS**

### **1. Limit of Liability**

The liability of Gill Group, employees and subcontractors is limited to the client. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property. Possession of this or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use; the physical report(s) remain the property of the appraiser for the use of the client, the fee being for the analytical services only. This appraisal report is prepared for the sole and exclusive use of the client to assist with the mortgage lending decision. It is not to be relied upon by any third parties for any purpose whatsoever.

### **2. Copies, Publications, Distribution, Use of Report**

The client may distribute copies of the appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public for the use of advertising media, public relations, news, sales or other media for public communication without prior written consent of the appraiser.

### **3. Confidentiality**

This appraisal is to be used only in its entirety. All conclusions and opinions of the analyses set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and the firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions or give a copy of the report to anyone other than the client or his designee as specified in writing except by a court of law or body with the power of subpoena.

### **4. Copyright Law and Trade Secrets**

This document is protected from unauthorized use or reproduction by the federal copyright laws of the United States of America. Any unauthorized reproduction, either in part or in whole, will warrant prosecution to the fullest extent of the law.

This appraisal was obtained from Gill Group, related companies and/or individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 1232 (b) (4). Notify the appraiser(s) signing the report of any request to reproduce this appraisal in whole or part.

## **5. Information Used**

No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the consultant and possibly signing the report are independent contractors. The comparable data relied upon in this report have been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease or other significant commitment of subject property and that such verification be performed by the appropriate specialists.

## **6. Testimony, Consultation, Completion of Contract for Appraisal Services**

The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post-appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena issued on the behalf of the client, then the client shall be responsible for any additional time fees and changes.

## **7. Exhibits**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown as being prepared by a professional surveyor.

## **8. Legal, Engineering, Financial, Structural or Mechanical Nature Hidden Components, Soil**

No responsibility is assumed for matters legal in character or nature or matters of survey or of any architectural, structural, mechanical or engineering nature. The title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. The use of the land and improvements is confined within the boundaries or property lines of the property described.

The property is appraised as if free and clear unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee or as derived by the appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy nor soils and potential for settlement, drainage, etc., (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status and legal marketability (seek legal assistance). The lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect or other expert.

The appraiser has inspected, as far as possible by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. I have not critically inspected mechanical components within the improvements, and no representations are made therein as to these matters unless specifically stated conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden unapparent or apparent conditions of the property site subsoil or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them.

All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling ventilation, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation or energy efficiency of the improvements or equipment.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above-mentioned items.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

## **9. Legality of Use**

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report and that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless

otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

#### **10. Component Values**

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

#### **11. Auxiliary and Related Studies**

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraiser reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimations or conclusions upon any subsequent such study or analysis or previous study or factual information as to market or subject or analysis subsequently becoming known to him.

#### **12. Dollar Values, Purchasing Power**

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the value estimate.

#### **13. Inclusions**

Furnishings and equipment or personal property or business operations except as specifically indicated and typically considered as part of real estate have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types business and real estate interests and values are combined.

#### **14. Proposed Improvements, Conditioned Value**

Improvements proposed, if any, on or off-site as well as any repairs required are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

#### **15. Value Change, Dynamic Market, Influences**

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value are naturally dynamic.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraiser reserves the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

**16. Management of the Property**

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management neither inefficient nor super-efficient.

**17. Fee**

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report.

**18. Authentic Copies**

The authentic copies of this report are signed originals. Any copy that does not have the above is unauthorized and may have been altered.

**19. Insulation and Toxic Materials**

Unless otherwise stated in this report, the appraiser(s) signing this report have no knowledge concerning the presence or absence of toxic materials, asbestos and/or urea-formaldehyde foam insulation in existing improvements; if such is present, the value of the property may be adversely affected and reappraisal an additional cost necessary to estimate the effects of such.

**20. Hypothetical Conditions**

The market value was determined under the hypothetical condition that the subject property was a conventional property and not subject to any rent or income restrictions.

**21. Extraordinary Assumptions**

The prospective "as complete" value was prepared under the extraordinary assumption that the structure is constructed and the proposed subject is completed as described in this report.

## **22. Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act (ADA) became effective January 26, 1992, as to the removal of barriers in existing public accommodations. The ADA applies to alterations of existing public accommodations or commercial facilities or places of public accommodation designed for first occupancy after January 26, 1993. A compliance survey of the subject property has not been conducted to determine if it conforms to the various requirements of the ADA. A compliance survey of the property, in conjunction with a detailed study of the ADA requirements, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect on the value of the property. Since I am not qualified to determine if the subject property complies with the various ADA regulations, I did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

## **23. Review**

Unless otherwise noted herein, the review appraiser has reviewed the report only as to general appropriateness of technique and format and has not necessarily inspected the subject or market comparable properties.

The appraiser(s) and/or associates of Gill Group reserve the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to them facts pertinent to the appraisal process which were unknown to Gill Group when the report was finished.

**Acceptance Of And/Or Use Of This Appraisal Report  
Constitutes Acceptance of the Above Conditions**

## DISCLOSURE OF COMPETENCY

Samuel T. Gill  
512 North One Mile Road  
P.O. Box 784  
Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
todd.gill@gillgroup.com

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### OVERVIEW

Extensive multifamily experience over the past 20 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

### ACCREDITATIONS

State Certified General Real Estate Appraiser  
Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Nebraska State License Number: CG2000046R  
New Mexico State License Number: 02489-G  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
South Dakota State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Hawaii, Kentucky, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Rhode Island and Vermont.

### EXPERIENCE (1991 TO PRESENT)

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 300 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 250 reviews under this program. Have completed approximately 60 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in California, Hawaii, Indiana, Kansas, Louisiana, Nebraska, Oregon, New Mexico, North Carolina, Utah and Washington. Completed approximately 300 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 75 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 50 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 50 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

**EDUCATION**

**Bachelor of Arts Degree**

*Southeast Missouri State University*

**Associate of Arts Degree**

*Three Rivers Community College*

**HUD/FHA Appraiser Training**

*Arkansas State Office*

**Multifamily Accelerated Processing Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

**2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

**FHA Appraising Today**

*McKissock, Inc.*

**Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing  
Appraiser Training**

*Kentucky Rural Development*

**Financial Analysis of Income Properties**

*National Association of Independent Fee Appraisers*

**Income Capitalization**

*McKissock, Inc.*

**Introduction to Income Property Appraising**

*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

*National Association of Independent Fee Appraisers*

**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

*McKissock, Inc.*

**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising: Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*

**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

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**Developing & Growing an Appraisal Practice - Virtual Classroom**

*McKissock, Inc.*

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**Current Issues in Appraising**

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**2011 ValExpo: Keynote-Valuation Visionaries**

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**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

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## **INTRODUCTION**

## **IDENTIFICATION OF THE SUBJECT PROPERTY**

The property appraised is the land and the proposed development to be known as Sable Chase. The subject site is located along 102 Sable Chase Boulevard, McDonough, Henry County, Georgia. The subject contains 28 two-story walk-up buildings containing 225 Low Income Housing Tax Credit units designed for families. The property will also contain two one-story accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area.

The property contains 28 two-story walk-up buildings of wood-frame construction with stucco and siding exterior. The property also contains two one-story accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area. It contains 48 one-bedroom/one-bath units with approximately 781 square feet for a total of 37,488 square feet; 32 two-bedroom/one-bath units with approximately 857 square feet for a total of 27,424 square feet; 73 two-bedroom/two-bath units with approximately 968 square feet for a total of 70,664 square feet; and 24 three-bedroom/two-bath units with 1,180 square feet for a total of 84,960 square feet. The total net rentable area will be approximately 220,536 square feet. According to the Henry County Assessor's Office, the gross building area is approximately 224,678 square feet. The subject's parcel number is 092-01013000. The parcel currently contains 24.88 acres. A full, complete, legible and concise legal description is included in Addendum A.

## **PAST FIVE YEARS SALES HISTORY OF THE SUBJECT**

According to the Henry County Assessor's Office, the property is currently owned by Sable Chase of McDonough, LP. The property has not transferred ownership within the past five years. The property is currently under contract between the owner and Southeast Holdings, LLC for \$8,000,000.

## **PURPOSE OF THE APPRAISAL**

The purpose of the appraisal is to estimate the as is market value of the fee simple estate; the market value, as restricted, of the subject property; the prospective market value, as restricted, upon completion and as stabilized; the market value, as unrestricted, of the subject property; the prospective market value, as unrestricted, upon completion and as stabilized; prospective market value at loan maturity; and valuation of tax credits. The date of the inspection is April 8, 2014. The effective date of the "as complete" value is December 31, 2015, and the effective date of the "as complete and stabilized" value is August 1, 2016.

## **FUNCTION OF THE APPRAISAL**

The function of this appraisal is to aid the client in the decision-making process involved in evaluating the value of the subject property.

## **PROPERTY RIGHTS APPRAISED**

For this appraisal, we have valued the property rights inherent in the **Fee Simple Estate** which is defined in the definitions section of this report.

## **DEFINITION OF VALUE PREMISE**

### **Market Value**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently 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.<sup>1</sup>

### **Market Value, Subject to Restricted Rents**

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their 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.

It considers any rent limits, rent subsidies, expense abatements, or restrictive-use conditions imposed by any government or non-government financing sources but does not consider any favorable financing involved in the development of the property.<sup>1</sup>

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<sup>1</sup>*The Appraisal of Real Estate, 14<sup>th</sup> ed.*

**“As Is” Value**

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

**Prospective Value**

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction or under conversion to a new use or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

**Going Concern Value**

Going concern value is the value of a proven property operation. It includes the incremental value associated with the business concern which is distinct from the value of the real estate only.

**Fee Simple Estate**

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.

**Lease Fee Estate**

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

**Leasehold Estate**

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

**Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date a building with utility equivalent to the building being appraised, 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, super adequacies and obsolescence of the subject building.

**Contract Rent**

The actual rental income specified in a lease.

**Market Rent**

The rental income that a property would most probably command in the open market; indicated by the current rents paid and asked for comparable space as of the date of the appraisal.

**Excess Rent**

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect a locational advantage, unusual management, unknowledgeable parties or a lease execution in an earlier, stronger rental market.

**Percentage Rent**

Rental income received in accordance with the terms of a percentage lease; typically derived from retail store tenants on the basis of a certain percentage of their retail sales.

**Overage Rent**

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified break-even sales volume.

**Special Purpose Property**

A limited market property with a unique physical design, special construction materials or layout that restricts its utility to the use for which it was built; also called special-design property.

**EXTENT OF THE INVESTIGATION (SCOPE)**

As part of this appraisal, the appraiser made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are as follows: City of McDonough; the Henry County Recorder; the Henry County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; [www.stdbonline.com](http://www.stdbonline.com) and ESRI Business Information Solutions.

**AREA AND NEIGHBORHOOD ANALYSIS**

Primary data was gathered pertaining to the subject neighborhood and the area from May 12, 2014 to May 16, 2014. This information was analyzed and summarized in this report. Area data was obtained from the City of McDonough; the Henry County Recorder; the Henry County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; [www.stdbonline.com](http://www.stdbonline.com) and ESRI Business Information Solutions. The neighborhood analysis was based on the observations made by the appraiser as well as the sales in the neighborhood.

## **SITE DESCRIPTION AND ANALYSIS**

Interior and exterior inspections of the site have been previously completed on several occasions. A physical inspection of the site was made on April 8, 2014, by Jon Richmond, Appraiser Trainee, and Samuel T. Gill, State Certified General Real Estate Appraiser. The site data was analyzed and summarized in this report. The site and the street scenes were photographed and are included in this report.

## **IMPROVEMENT AND DESCRIPTION ANALYSIS**

Detailed descriptions of the site and improvements are included in this report. Photographs of the site are included in this report. Exterior photos of the rent comparables are also included in this report.

## **STATEMENT OF COMPETENCY**

I have the knowledge and experience to complete the assignment competently based upon having completed appraisals of properties of a similar type throughout the United States for the past several years.

## **MARKET DATA**

Market data on land sales were obtained from the subject neighborhood in McDonough, Henry County and the surrounding area. Market data on leased properties was obtained from McDonough, Henry County and the surrounding area. Summaries of the leases are included in this report.

Attention of the reader is also directed to the assumptions and limiting conditions contained within the report.

## **REASONABLE EXPOSURE TIME**

In the definition of market value, one of the conditions of a "market value sale" is as follows: a reasonable time is allowed for exposure in the open market. Marketing time has a definite influence on the potential selling price of a property. To obtain a maximum selling price, a property must be exposed to a given market for a time long enough to enable most market participants to gain full knowledge of the sale and the attributes of the property.

To produce a reliable estimate of the expected normal marketing period for the subject property, the following factors were considered and findings analyzed:

1. Historical evidence.
2. Supply and demand relationships including vacancy and occupancy rates.
3. Revenue and expense changes.
4. Future market conditions.

## **HISTORICAL EVIDENCE**

Generally, the sales in the Income Comparison Approach were on the market for one to two years. Since current supply and demand relationships are similar to historical relationships, there is justification for some reliance on historical evidence.

## **SUPPLY AND DEMAND RELATIONSHIPS**

A survey of apartment complexes in McDonough and Henry County, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Henry County, Georgia, which are leased.

## **REVENUE AND EXPENSE CHANGES AND FUTURE MARKET CONDITIONS**

A survey completed by PwC Real Estate Investor Survey indicated that the change rate of apartment complexes ranges from 0.00 to 8.00 percent, with an average of 2.73 percent for the First Quarter of 2014. During the same period a year ago, the market rent change rate ranged from -2.00 to 6.00 percent, with an average of 2.57 percent.

The changes in expenses range from 1.00 to 3.50 percent, with an average of 2.70 percent (First Quarter of 2014). The survey for a year ago indicated a range of expenses from 1.00 to 3.50 percent, with an average of 2.71 percent.

## **SUMMARY**

For the purpose of this report the reasonable exposure time is estimated at one to two years based on the previous discussion and the length of time the comparables were on the market. The 2014 First Quarter National Apartment Market Survey conducted by PwC Real Estate Investor Survey indicated a range of one to two years for marketing time. In accordance with the Uniform Standards of Professional Appraisal Practice as modified by the Supplemental Standard Rule 1-2(c), special financial arrangements and related special situations were not used in estimating the value of the property. In accordance with the Uniform Standards of Professional Appraisal Practice as modified by the Supplemental Standard Rule 1-3, the appraisal was completed using the current or anticipated use of the property as an apartment complex without regard to the highest and best use.

### **ESTIMATED MARKETING TIME**

Marketing time is similar to exposure time in that it refers to a time during which a property is marketed prior to its sale. Marketing time differs from exposure time in that it is estimated to occur after the date of value as opposed to before that date of value. This time would be measured from the date of value and would be a measure of time necessary to secure a willing buyer for the property, at a market price. Since this refers to prospective events, it is typically necessary to analyze neighborhood trends. In theory, in a market which is near equilibrium, the estimated marketing time should be equal to past trends or the reasonable exposure time. In a market, which is experiencing down-turning conditions, the estimated marketing time should be greater than the reasonable exposure time. In the case of the subject property, the market for this type of facility should be similar to previous market conditions. Therefore, the estimated marketing time is estimated at one to two years.

**DESCRIPTIVE SECTION**

## **REGIONAL AND AREA DATA**

The following data on the City of McDonough and Henry County is included to give the reader an insight into the social, economic, governmental and environmental factors which provide the setting and ultimate stability for the subject neighborhood and the property which is the subject of this appraisal. The various social, economic, governmental and environmental factors within any city are the underlying forces which create, modify or destroy real property values.

### **Location**

McDonough is a city in the central portion of Henry County in the central portion of the State of Georgia. It is located approximately eight miles north of Locust Grove; 19 miles east of Fayetteville; 21 miles southwest of Covington; and 30 miles south of Atlanta. Henry County has the following boundaries: North – DeKalb County; East – Rockdale and Newton Counties; South – Butts and Spalding Counties; and West – Clayton County.

### **Utilities**

Water is provided to the city by the City of McDonough. Natural gas is provided by Atlanta Gas and Georgia Power, Central Georgia and Snapping Shoals provide electricity to the city, and basic telephone service is provided by AT&T.

### **Population**

The 2010 population for McDonough, according to the U.S. Census Bureau, was 22,084. There were 8,053 total households, with 3,884 renter-occupied households. The rental vacancy rate was 11.0 percent. The population for Henry County in 2010 was 203,922, with 70,255 total households. The number of renter-occupied households was 16,116, with an 11.0 percent vacancy rate. The population for the State of Georgia in 2010 was 9,687,653, with 3,585,584 total households. The number of renter-occupied households was 1,231,182, with a 12.3 percent rental vacancy rate.

### **Health Services**

Hospitals or clinics near McDonough include the following: Henry Medical Center, Sylvan Grove Hospital and Spalding Regional Medical Center.

### **Transportation**

Major roadways in the McDonough area include Interstate 75, U.S. Highway 23, and State Highways 20, 81 and 155. Airports nearby include the William B Hartsfield Atlanta International Airport.

### **Employment Factors**

The average civilian labor force for 2000 for Henry County was 67,806, with 66,019 employed. The number unemployed, according to the U.S. Bureau of Labor Statistics, was 1,787, for a 2.6 percent

unemployment rate. The average for 2010 showed 103,965 for the total civilian labor force for the county and 93,709 employed. The number unemployed was 10,256. The unemployment rate was 9.9 percent. Preliminary estimates for February 2014 for the county showed a civilian labor force of 105,582, with 98,060 employed. There were 7,522 unemployed, and the unemployment rate was 7.1 percent.

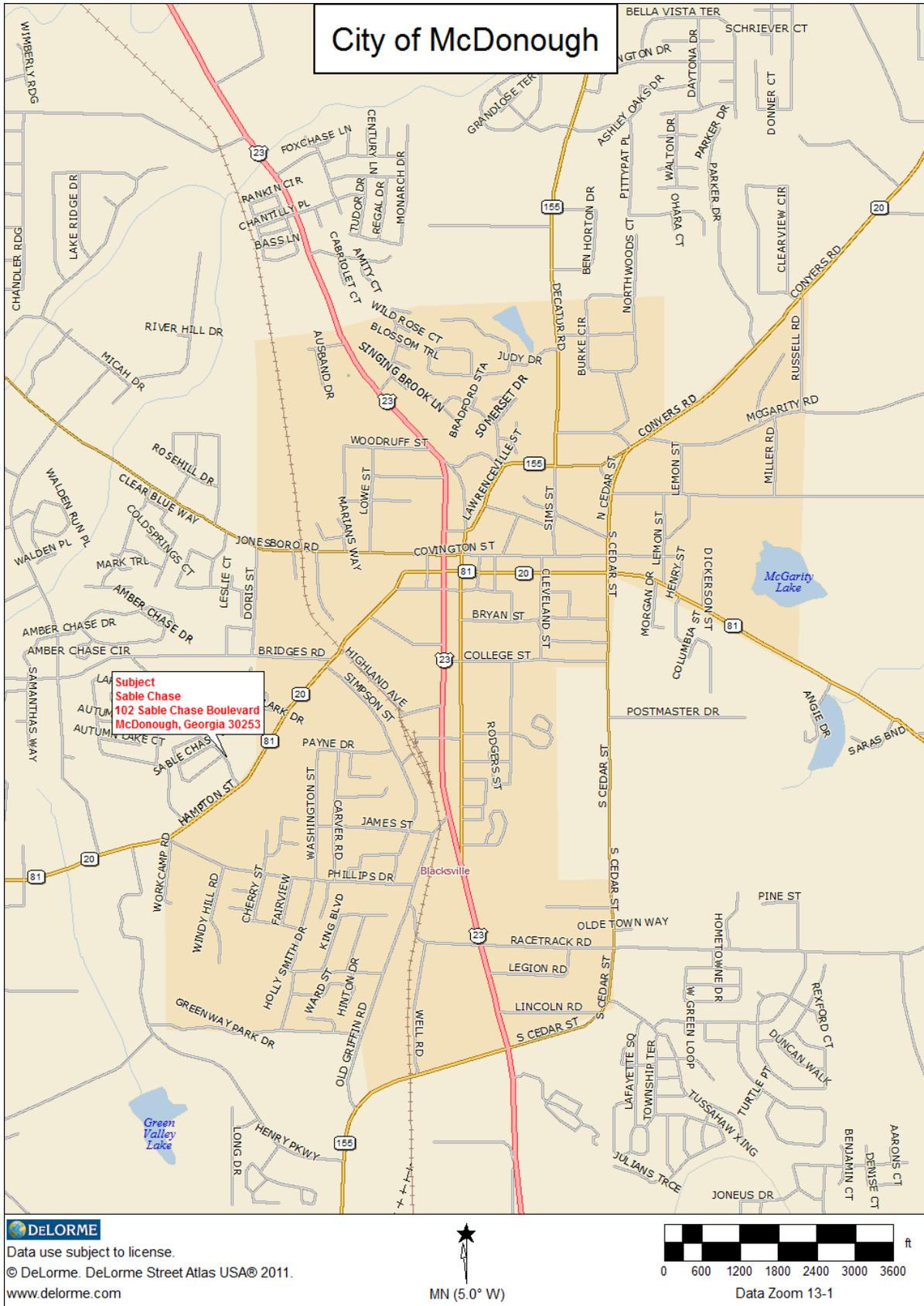
The total civilian labor force for 2000 for the State of Georgia was 4,242,889, with 4,095,362 employed. The number unemployed, according to the U.S. Census Bureau, was 147,527, for a 3.5 percent unemployment rate. The average for 2010 showed 4,693,711 for the total civilian labor force for the state and 4,213,719 employed. The number unemployed was 479,992, and the unemployment rate was 10.2 percent. Preliminary estimates for February 2014 for the state showed a civilian labor force of 4,737,344, with 4,397,094 employed. There were 340,250 unemployed, and the unemployment rate was 7.2 percent.

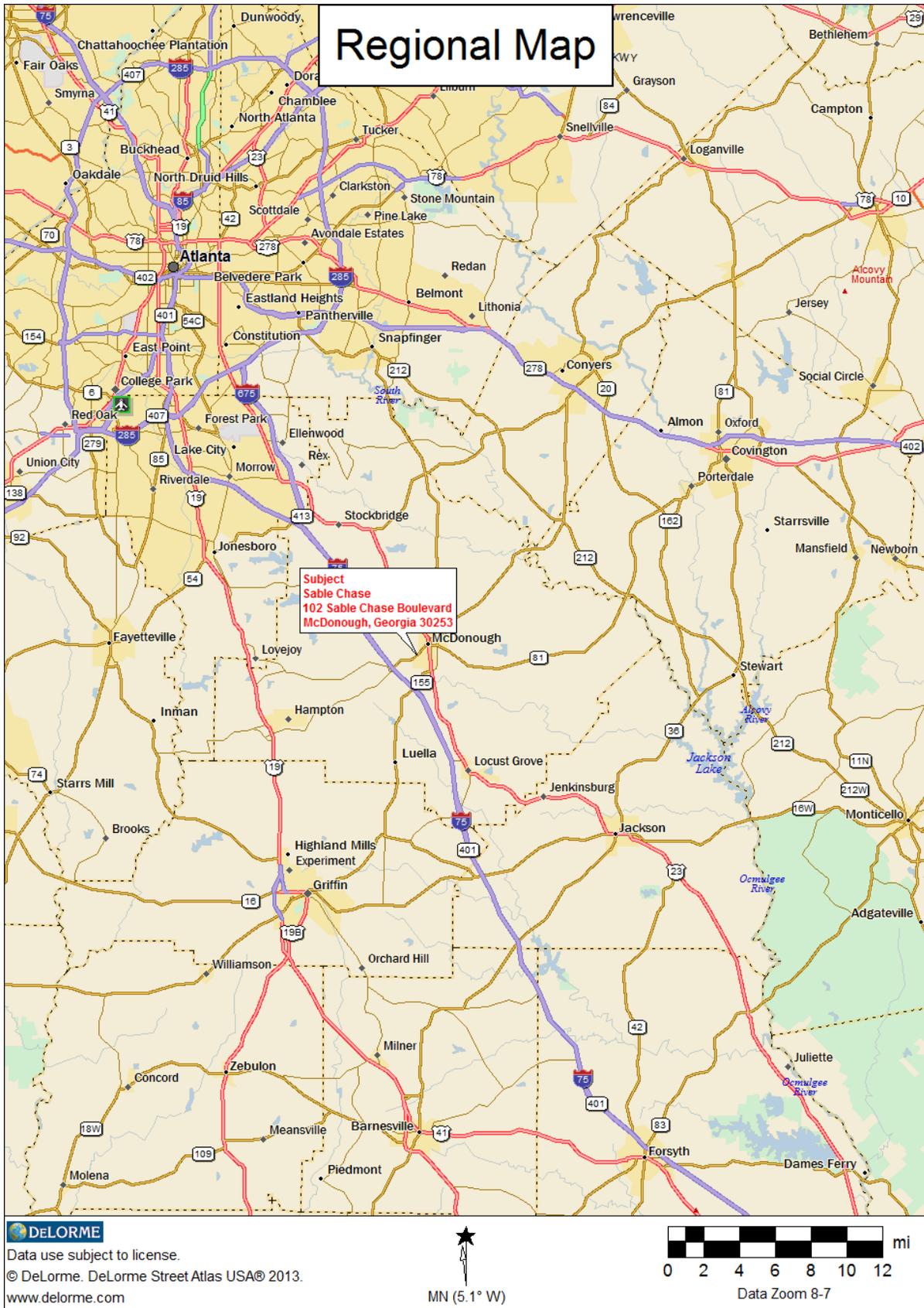
Major employers within the County of Henry include:

EMPLOYER	TYPE OF OPERATION	NO. OF EMPLOYEES
Henry County Schools	Education	4,800
Home Depot Repair Logistics Center	Household Products	2,855
Henry County Government	Government	1,595
Piedmont Henry Hospital	Healthcare	1,115
Federal Aviation Administration	Air Traffic Control	800
Georgia Power Customer Care Center	Customer Care Center	600
Briggs & Stratton Corporation	Manufacturing	523
Southern States, LLC	Manufacturing	380
Ken's Foods, Inc.	Manufacturing	323
Georgia Crown Distributing Company	Beverages	310
Luxottica Retail Group	Eyewear	302
Bennett International Group, Inc.	Transportation	250

**Summary and Conclusions**

McDonough is a city located in the central portion of Georgia. The economic outlook for future growth and development appears to be stable.





## **NEIGHBORHOOD DATA**

### **Location**

The subject property is located in the southwestern portion of the City of McDonough, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – Bridges Road; East – State Highway 81 and Simpson Street; South – Phillips Drive; and West – McDonough Parkway.

### **Access**

The neighborhood is accessed by Bridges Road, State Highway 81, Simpson Street, Phillips Drive and McDonough Parkway. There are additional roads running north to south and west to east that provide access to the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

### **Proximity to Services**

There are a few services within the subject's immediate neighborhood. Restaurants within 1.5 miles of the subject include Grill Parts, Poppa's Country Cooking, Mimi's Good Taste, Family Buffet, Catfish Mahoney's, Pasta Max Café, The Lunch Box, Andre's FWS, Chevys Fresh Mex, China Fu Restaurant, Occasions Restaurant Bar, El Castillo, Pj's Café, Koffee Klutch, Raising Cupcakes, Gritz Family Restaurant, Big Chic, Seafood Chef, IHOP, Sakura Hibald Sushi Buffet, Three Dollar Café, Blossom Island Style Cuisine, Pete's Caribbean Bakery, Subway, Motorheads Bar & Grill, Waffle House H J Wings & Things, Big Chic, Baby Jane's Home Cooking, Domino's, Hardee's, Empire of China II, Taco Bell, Los Avina Mexican Restaurant, Pippins Barbecue, Curley's Q, Chick-Fil-A, Philly Connection, Mo Joe's, Uncle Sam's, Sonic Drive-In, Church's Chicken, McDonald's, Tokyo Japanese Steakhouse, Dre & Ida's Meals To Go, Burger King, Papa John's Pizza, Bo-Jaynes Speciality Foods, Quiznos, Zaxby's, Anthony's Pizza & Pasta, Pizza Hut, Toribios Mexican Bar and Grill, Wendy's, Applebee's, Wendy's, Southside Steve's, Ob's Bar B Q, Arby's, Huddle House, Outlaws Woodfire Steak and Seafood, Cracker Barrel Old Country Store, American Deli, China Express, Thai Time, Marco's Pizza, Ruby Tuesday and Son Of A Greek. Businesses within 1.5 miles of the subject include Shreon Services, Target, Dollar General, Family Dollar, Dollar General Store, Dollar Tree, Walmart Supercenter, Phillips Food Mart, First Choice Grocery, Kangaroo Express, Publix Super Markets, Kroger and Aldi. Henry Healthcare McDonough is located approximately 0.80 from the subject. The County of Henry Police and Henry County Fire Department are located approximately 1.2 miles from the subject.

### **Land Use Pattern**

The subject neighborhood is comprised primarily of single-family residences and vacant land with commercial properties and multifamily residences and is 75 percent built up. Approximately 50 percent of

the land use is made up of single-family residences. Commercial properties make up approximately 15 percent. Another 10 percent of the land use is multifamily properties, and the remaining 25 percent is vacant land. The area is mostly suburban.

**Neighborhood Characteristics**

Most of the properties in the neighborhood maintain an acceptable level of property maintenance and condition. The ages of buildings in the area generally range from new to 120 years. The subject neighborhood is in average condition with average appeal. There are no rent controls affecting the marketability of the subject.

**Future Development**

According to Ms. Laura Luker, Director of Tourism with the Chamber of Commerce, there have been a few new industries locating in the area. This has provided a need for additional housing in the area. It is believe that the economy will remain stable.

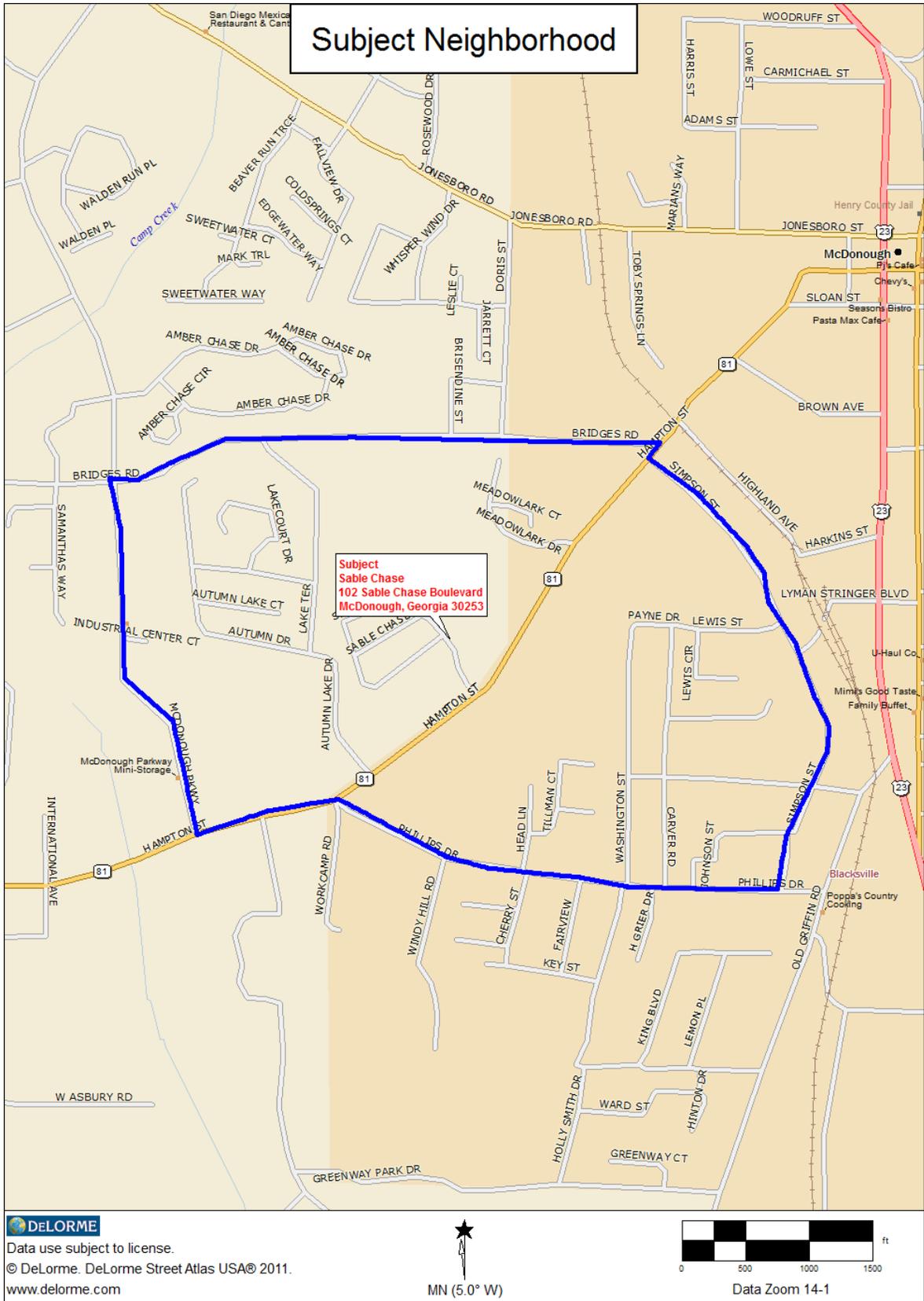
**Adverse Influences**

There are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

**Utilities**

Utilities generally available in the neighborhood include water, electricity, sewer and telephone.



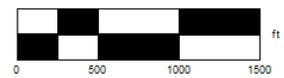


### Subject Neighborhood

Subject  
Sable Chase  
102 Sable Chase Boulevard  
McDonough, Georgia 30253



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www.delorme.com



Data Zoom 14-1

## **DEFINING THE MARKET AREA**

The market area for the subject consists of the City of McDonough. The market area is bound by the city limits.

The makeup and trends of the economy of the market area appear to be declining. The market area is currently at high unemployment, and the economy seems to be unstable. Due to the recent economic trends, McDonough, as well as the rest of the nation, increased in unemployment. However, it is expected to decrease to at least to the high end of the historical range. The subject is existing. Therefore, the seemingly unstable economy should not affect the marketability of McDonough. Surveying existing apartment complexes helps to show what the competition is offering. Vacancy rates are an indicator of current market strength. In a field survey an attempt is made to survey 100 percent of all units in the market area. This is not always possible. There are several apartments in the market area. Information was gathered through interviews with owners and managers and through field inspection. These sources appear to be reliable, but it is impossible to authenticate all data. The appraiser does not guarantee this data and assumes no liability for any errors in fact, analysis or judgment.

## **SUPPLY AND DEMAND CONDITIONS**

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. Some of the demand has been, or will be, satisfied by units which have been built, or will be built, by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals, and then characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of rental units which will be demanded.

**Tenure**

The percentage of renters in Henry County in 2010 was 22.9 percent, and the percentage for McDonough was 48.2 percent. According to the U.S. Census Bureau, the national rental percentage is 27 percent.

HOUSEHOLDS BY TENURE						
SUBJECT	YEAR	TOTAL HOUSEHOLDS	OWNER		RENTER	
			NO.	%	NO.	%
HENRY COUNTY	2000	41,332	35,144	85.0%	6,188	15.0%
	2010	70,255	54,139	77.1%	16,116	22.9%
Estimated Projected	2014	72,923	56,068	76.9%	16,855	23.1%
	2019	76,423	58,634	76.7%	17,789	23.3%
MCDONOUGH	2000	3,067	1,796	58.6%	1,271	41.4%
	2010	8,053	4,169	51.8%	3,884	48.2%
Estimated Projected	2014	8,669	5,170	59.6%	3,499	40.4%
	2019	9,351	5,545	59.3%	3,806	40.7%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

The breakdown of households according to size and type in 2010 is shown below.

HOUSEHOLDS BY SIZE AND TYPE		
OWNER-OCCUPIED	HENRY COUNTY	MCDONOUGH
1 person	8,899	1,011
2 persons	17,020	1,233
3 persons	10,562	698
4 persons	10,216	668
5 persons	4,620	340
6 persons	1,836	138
7 or more persons	986	81
RENTER-OCCUPIED		
1 person	4,102	1,254
2 persons	3,827	966
3 persons	3,131	763
4 persons	2,524	473
5 persons	1,428	244
6 persons	686	116
7 or more persons	418	68

Source: U.S. Census Bureau

**Lease Terms and Concessions**

The typical lease term is 12 months. At the time of the writing of this report, one of the comparables was offering concessions. Walden Run is offering one month free garage rental with the signing of a new lease.

**Turnover Rates**

An estimated turnover rate of 33 percent was deemed reasonable for the market area. This was based on the Institute of Real Estate Management (IREM) and comparables in the market area.

### **Absorption Rates**

The subject is an existing multifamily development that will contain 48 one-bedroom units, 105 two-bedroom units and 72 three-bedroom units. After researching the vacancy rates of the existing units in the area, it is firmly believed that the proposed development will satisfy a portion of the continued demand for the units within the market. The subject has 25 vacant units. Therefore, it is estimated that a 93+ percent occupancy level can be achieved in five to eight months. The interviews with apartment managers substantiate the absorption rate. It is believed that the existing development will absorb three to five units per month; therefore, it will reach a stable occupancy level within eight months.

### **Likely Impact of Proposed Development on Rental Occupancy Rates**

The proposed development will not have an adverse impact on the market area. Its one-, two- and three-bedroom units will be suitable in the market. Additionally, the project can attract tenants from the waiting lists of restricted developments which have similar rents and income limits.

### **Market Area Overview**

The rental housing stock in the market area is comprised of market-rate and restricted apartment complexes. The majority of the housing stock was built in the 2000s. The market-rate complexes were built between 1988 and 2012. The restricted apartment complexes were built between 2004 and 2011. The market area's rental units have average occupancy rates.

### Number of Units

From January 2001 through February 2014, permit issuing jurisdictions in McDonough authorized the construction of 4,588 new single-family and multifamily dwelling units. Multifamily units accounted for 23.8 percent of the construction activity.

<b>BUILDING PERMITS ISSUED (2001 through FEBRUARY 2014)</b>			
<b>YEAR</b>	<b>SINGLE-FAMILY</b>	<b>MULTIFAMILY</b>	<b>TOTAL</b>
2001	195	0	195
2002	487	2	489
2003	501	458	959
2004	575	264	839
2005	526	39	565
2006	503	113	616
2007	344	208	552
2008	149	8	157
2009	69	0	69
2010	57	0	57
2011	15	0	15
2012	19	0	19
2013	52	0	52
2014**	4	0	4
<b>TOTAL</b>	<b>3,496</b>	<b>1,092</b>	<b>4,588</b>
<i>*Preliminary Numbers through February 2014.</i>			
<i>Source: U.S. Census Bureau</i>			

### Market Rate Vacancies

The field survey was completed during the first week of April 2013. There were 88 vacant units at the time of the survey out of 3,850 surveyed, for an overall vacancy rate of 2.3 percent. The market rate occupancy is 97.7 percent.

<b>MARKET VACANCIES</b>			
<b>Name of Property</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Rate</b>
Villas at Southpoint	284	0	0.0%
Bridge Mill Vista	276	8	2.9%
Walden Run Apartments	240	5	2.1%
Mandalay Villas	304	6	2.0%
Preston Creek Apartments	340	10	2.9%
Crossing at McDonough	252	10	4.0%
Sundance Creek Apartments	232	5	2.2%
Amber Chase Apartments	352	11	3.1%
Carrington Green Apartments	264	8	3.0%
Meadowlark Apartments	56	1	1.8%
Hadden Place Apartments	250	0	0.0%
Trees of Avalon Apartments	500	0	0.0%
Waterford Landing Apartments	260	10	3.8%
The Estates at McDonough	240	14	5.8%
<b>Totals</b>	<b>3850</b>	<b>88</b>	<b>2.3%</b>

**Subsidized/Restricted Vacancies**

The field survey was completed during the first week of April 2014. There were 35 vacant units at the time of the survey out of 570 surveyed, for an overall vacancy rate of 6.1 percent. The subsidized/restricted occupancy is 93.9 percent.

<b>AFFORDABLE HOUSING VACANCIES</b>			
<b>Name of Property</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Rate</b>
Sable Chase (Subject)	225	25	11.1%
Woodlawn Park Apartments	240	7	2.9%
The Heritage at McDonough	105	3	2.9%
<b>Totals</b>	<b>570</b>	<b>35</b>	<b>6.1%</b>

**Overall Vacancy**

The overall vacancy rate for the market area is 2.8 percent. Of the 4,420 market and rent restricted units surveyed, 123 units were vacant. The overall occupancy rate for the market area is 97.2 percent.

### Households Income Trends and Analysis

Within the subject's target incomes from \$22,629 to \$41,760, there are 834 renters, or 26.2 percent, that will qualify for the units.

<b>HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE</b>		
<b>INCOME</b>	<b>HENRY COUNTY</b>	<b>MCDONOUGH</b>
<b>Less than \$10,000</b>		
Less than 20%	11	0
20-24%	0	0
25-29%	0	0
30-34%	0	0
35%+	990	459
Not Computed	318	71
<b>\$10,000 - \$19,999</b>		
Less than 20%	0	0
20-24%	0	0
25-29%	0	0
30-34%	8	0
35%+	1,023	304
Not Computed	147	23
<b>\$20,000 - \$34,999</b>		
Less than 20%	40	11
20-24%	59	29
25-29%	180	56
30-34%	871	184
35%+	1,900	495
Not Computed	93	7
<b>\$35,000 - \$49,999</b>		
Less than 20%	55	0
20-24%	649	141
25-29%	507	92
30-34%	476	117
35%+	599	60
Not Computed	113	9
<b>\$50,000 - \$74,999</b>		
Less than 20%	1,164	412
20-24%	1,055	233
25-29%	437	81
30-34%	207	0
35%+	59	0
Not Computed	74	10
<b>\$75,000 or more</b>		
Less than 20%	1,456	230
20-24%	401	89
25-29%	156	75
30-34%	33	0
35%+	20	0
Not Computed	61	0
<b>TOTAL</b>	<b>13,162</b>	<b>3,188</b>
<i>Source: U.S. Census Bureau</i>		

Within the subject's target incomes from \$22,629 to \$41,760, there are 1,384 households, or 16.7 percent, that will qualify for the units. This is a total of 1,384 age and income qualified households.

HOUSEHOLDS BY INCOME GROUP BY AGE									
INCOME	2010			2014			2019		
	25-44	45-64	65+	25-44	45-64	65+	25-44	45-64	65+
<b>HENRY COUNTY</b>									
Less than \$15,000	1,379	1,857	1,294	2,090	1,605	1,620	1,788	1,506	1,804
\$15,000 - \$24,999	1,419	1,245	1,414	1,912	2,989	1,654	1,602	2,783	1,933
\$25,000 - \$34,999	2,393	1,612	1,058	2,978	2,503	1,398	2,497	2,352	1,662
\$35,000 - \$49,999	4,466	3,325	1,365	3,141	4,453	1,677	2,793	4,592	2,103
\$50,000 - \$74,999	7,229	6,152	1,855	6,684	6,995	3,351	5,845	6,963	4,226
\$75,000 - \$99,999	5,786	4,712	740	4,309	4,929	1,639	4,023	5,207	2,190
\$100,000 - \$149,999	5,350	5,198	603	4,310	5,287	688	4,667	6,628	1,056
\$150,000 - \$199,999	974	1,479	149	1,482	1,526	132	1,569	1,867	198
\$200,000+	673	871	76	476	969	91	651	1,545	185
<b>TOTAL</b>	<b>64,674</b>			<b>70,888</b>			<b>74,235</b>		
<b>MCDONOUGH</b>									
Less than \$15,000	270	317	197	431	247	308	396	259	356
\$15,000 - \$24,999	319	159	241	282	421	250	253	413	278
\$25,000 - \$34,999	328	217	56	316	173	108	291	180	145
\$35,000 - \$49,999	587	422	148	452	558	233	406	591	256
\$50,000 - \$74,999	920	611	109	949	697	337	889	772	429
\$75,000 - \$99,999	815	226	75	624	470	152	624	536	194
\$100,000 - \$149,999	305	146	63	473	469	72	553	636	104
\$150,000 - \$199,999	112	28	16	111	78	12	127	106	19
\$200,000+	12	7	10	25	37	3	42	78	6
<b>TOTAL</b>	<b>6,716</b>			<b>8,288</b>			<b>8,939</b>		

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

The following table uses a 35 percent lease rent-to-income to determine the minimum target income required for each unit and the tax credit income limits to determine the upper range of eligibility for each unit. The following table lists how many households are within the required target age and income for each unit type.

<b>INCOME ELIGIBLE HOUSEHOLDS – PRIMARY MARKET AREA</b>				
<b>Unit Type</b>	<b>Rent</b>	<b>Lower Range</b>	<b>Upper Range</b>	<b>Households</b>
1/1 BR @ 50% AMI	\$670	\$22,971	\$25,800	148
1/1 BR @ 60% AMI	\$670	\$22,971	\$30,960	417
2/1 BR @ 50% AMI	\$660	\$22,629	\$29,000	332
2/2 BR @ 60% AMI	\$814	\$27,909	\$34,800	359
3/2 BR @ 50% AMI	\$707	\$24,240	\$34,800	551
3/2 BR @ 60% AMI	\$922	\$31,611	\$41,760	366
All Units	--	\$22,629	\$41,760	834

**SUBJECT DESCRIPTION**

The area of the site and the site dimensions are based on the legal description obtained from the developer.

**Total Land Area** Total acreage: 24.88 acres, or 1,083,773+/- square feet

**Shape/Dimensions** Irregular-shaped

**Access & Exposure** The subject property is located on Sable Chase Boulevard. The site is at or near pavement grade with Sable Chase Boulevard. The site has ingress and egress on Sable Chase Boulevard.

**Topography/Drainage** The site is nearly level. A water detention area is not located on the site. No adverse soil conditions are known in the area which would prevent development.

**Flood Plain** According to FloodSource FloodScape, Flood Map Number 13151C-0158C, dated May 16, 2006, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available and is not required.

**Environmental Issues** The appraisers are not qualified to determine whether or not hazards exist. A copy of a Phase I Environmental Site Assessment was not provided to the appraisers with this assignment. No environmental hazards were observed on the site on the date of the inspection.

**Encroachments** No encroachments were observed. A survey was not provided with this assignment. The appraisers are not qualified to determine whether or not the adjacent properties encroach on the subject site.

**Easements** Typical utility easements that are not adverse to the site's development run on the property. A title insurance report was not provided to the appraisers with this assignment. No significant easements are known.

**Site Ratios** The positioning of the improvements on the site precludes further subdivision of the site. However, there will be room for expansion of the proposed facility as the building will not occupy 100 percent of the site. The size of the building when compared to the total lot size will not

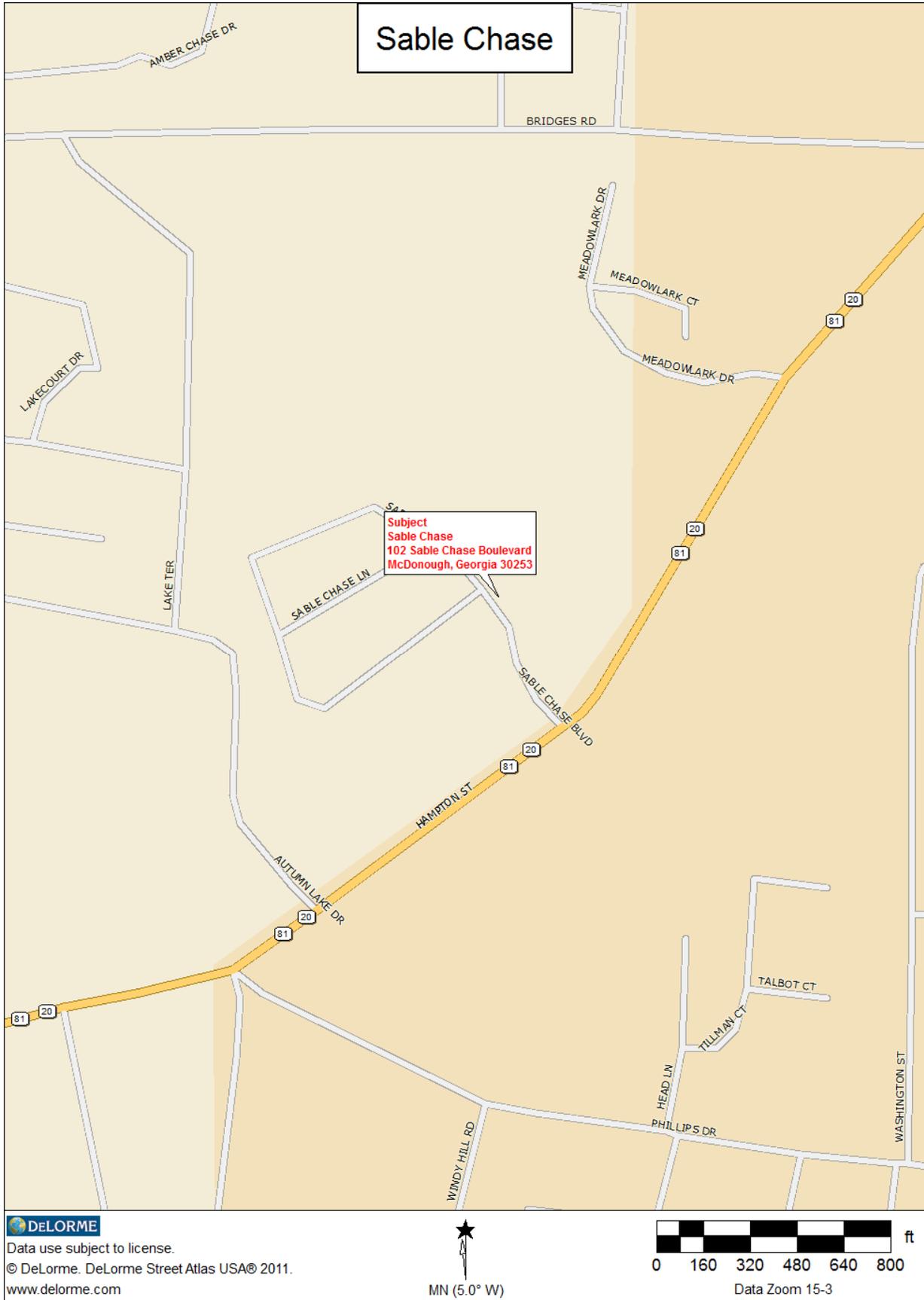
preclude expansion of the facility and, therefore, does not negatively affect the estimated market value of the subject.

**Utilities**

Water, sewer and electricity are provided by city utilities along the site boundaries. These services appear to be adequate for commercial use.

**Zoning**

According to the McDonough Zoning Department, the subject is zoned R-M, Multi-family Residential District. The subject is a legal, conforming use. Permitted uses include the following: single-family detached dwellings, customary residential accessory buildings, multifamily dwellings, residential subdivision amenity centers, senior condominium center, churches and cemeteries. It appears there is no conflict between the subject property and the zoning ordinances provided by the City of McDonough Zoning Department. Since there are no obvious conflicts between the subject property and the zoning of the property, there is no negative impact on the market value by the zoning classification.



**IMPROVEMENT DESCRIPTION**

<b>Number of Buildings</b>	The subject contains 28 two-story walk-up apartment buildings containing 225 units and two one-story accessory buildings housing a clubhouse, fitness room, laundry facility, leasing/management office and maintenance area. The property also contains a swimming pool, picnic area, tot lot, basketball court, tennis court, video surveillance, gazebo and a parking lot.
<b>Net Rentable Area</b>	220,536 square feet
<b>Gross Building Area</b>	224,678 square feet
<b>Year Built/Year Renovated</b>	1995/Proposed
<b>Building Construction</b>	Stucco and siding exterior, concrete slab floors, good quality construction, good condition
<b>Economic Life</b>	55 years
<b>Effective Age</b>	10 years – As Is 5 years – As Complete
<b>Remaining Life</b>	45 years – As Is 50 years – As Complete

The subject property is improved with 28 two-story walk-up apartment buildings containing 225 units and two one-story accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area. The property also contains a swimming pool, picnic area, tot lot, basketball court, tennis court, video surveillance, gazebo and a parking lot. The subject property was originally constructed in 1995. The net rentable area is approximately 220,536 square feet. According to the Henry County Assessor’s Office, the gross building area is approximately 224,678 square feet. The following table shows the unit mix for the subject property.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	48	781	37,488
2/1	32	857	27,424
2/2	73	968	70,664
3/2	72	1,180	84,960
			<b>220,536</b>

Each unit will contain one or more bedrooms, one or more baths, living area, dining area and kitchen. Each unit contains a refrigerator, range/oven, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet and tile floor coverings, blinds, ceiling fans, walk-in closet, coat closet, balcony and patio. Once rehabilitation is complete the subject will contain washers/dryers.

Project amenities include a clubhouse, swimming pool, fitness center, picnic area, tot lot, basketball court, tennis court, laundry facility, on-site management, on-site maintenance, video surveillance, gazebo and a

parking lot. The parking lot contains adequate parking for the property. Once rehabilitation is complete, the subject will also contain a dog park.

Water, sewer and trash collection will be provided. Heating and cooling are central electric. Cooking and hot water are also electric. At the time of inspection the property was 88 percent occupied, with 25 units vacant.

The subject is 100 percent Low Income Housing Tax Credit. It is designated for families. The unit types, current rents, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Contract Rent	Utility Allowance
1/1 @ 50% AMI	14	781	\$408	\$105
1/1 @ 60% AMI	4	781	\$499	\$105
1/1 @ 60% AMI	1	781	\$509	\$105
1/1 @ 60% AMI	1	781	\$517	\$105
1/1 @ 60% AMI	1	781	\$525	\$105
1/1 @ 60% AMI	5	781	\$542	\$105
1/1 @ 60% AMI	19	781	\$560	\$105
1/1 @ 60% AMI	2	781	\$600	\$105
2/1 @ 50% AMI	31	857	\$475	\$134
2/1 @ 50% AMI	1	857	\$485	\$134
2/1 @ 60% AMI	2	857	\$602	\$134
2/2 @ 60% AMI	1	968	\$625	\$134
2/2 @ 60% AMI	1	968	\$630	\$134
2/2 @ 60% AMI	1	968	\$650	\$134
2/2 @ 60% AMI	1	968	\$665	\$134
2/2 @ 60% AMI	1	968	\$660	\$134
2/2 @ 60% AMI	50	968	\$675	\$134
2/2 @ 60% AMI	15	968	\$725	\$134
3/2 @ 50% AMI	44	1,180	\$531	\$167
3/2 @ 50% AMI	2	1,180	\$667	\$167
3/2 @ 50% AMI	1	1,180	\$675	\$167
3/2 @ 60% AMI	1	1,180	\$679	\$167
3/2 @ 60% AMI	1	1,180	\$692	\$167
3/2 @ 60% AMI	1	1,180	\$710	\$167
3/2 @ 60% AMI	13	1,180	\$750	\$167
3/2 @ 60% AMI	6	1,180	\$800	\$167
3/2 @ 60% AMI	2	1,180	\$850	\$167
1/1 Non-Revenue	1	781	N/A	N/A
2/2 Non-Revenue	1	968	N/A	N/A
3/2 Non-Revenue	1	1,180	N/A	N/A
	<b>225</b>			

The property will be 100 percent Low Income Housing Tax Credits with units at 50 and 60 percent of the area median income. The property is to be rehabilitated, with an expected completion date of December 2015. The original plans are dated July 28, 1993 by Lewis Brown Jr. Additional information about the

plans can be seen in Addendum B. The proposed unit types, contract rents, utility allowances and unit sizes are shown in the table below:

Unit Type	# of Units	Square Footage	Contract Rent	Utility Allowance
1/1 @ 50% AMI	16	781	\$565	\$105
1/1 @ 60% AMI	32	781	\$565	\$105
2/1 @ 50% AMI	32	857	\$526	\$134
2/2 @ 60% AMI	73	968	\$680	\$134
3/2 @ 50% AMI	47	1,180	\$540	\$167
3/2 @ 60% AMI	25	1,180	\$775	\$167
	<b>225</b>			

**CONSTRUCTION SUMMARY**

Foundation	Concrete Slab on Grade
Construction	Wood Frame
Exterior Walls	Stucco/Siding
Interior Walls	Painted Drywall
Windows	Aluminum
Paving, Parking, Sidewalks	Asphalt, Concrete
Floors	Carpet and Tile
Exterior Doors	Metal Doors
Interior Doors	Hollow Core Wood Doors
Roof	Composition Shingle

**UTILITIES**

Heat	Electric
Cooling	Electric
Cooking	Electric
Hot Water	Electric

**APPEAL**

Landscaping	Grass, Trees, Shrubs – Fair to Good Condition
Interior	Fair to Good Condition

**Age, Life and Condition**

The improvements are of average quality construction and in average condition. The buildings are in average condition overall. The buildings are classified as Average Class D Multiple Residences, according to the Marshall & Swift Cost Manual. Based on the life expectancy tables found in the Marshall & Swift Cost Manual, the economic life of the building is approximately 55 years. Therefore, the effective age is 10 years. Once rehabilitation is complete, the effective age will be five years.



View of Sign



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Maintenance Area



View of Maintenance Area



View of Leasing Office-Fitness-Laundry



View of Leasing Office-Fitness-Laundry



View of Leasing Office-Fitness-Laundry



View of Leasing Office-Fitness-Laundry



View of Leasing Office-Fitness-Laundry



View of Leasing Office-Fitness-Laundry



View of Fitness Center



View of Pool



View of Laundry Facility



View of Laundry Facility



View of Mail Center



View of Picnic Area



View of Picnic Area



View of Playground - Picnic Area



View of Living Area – One Bedroom - One Bath Unit



View of Kitchen Area – One Bedroom - One Bath Unit



View of Kitchen Pantry – One Bedroom - One Bath Unit



View of Bath – One Bedroom - One Bath Unit



View of Bedroom – One Bedroom - One Bath Unit



View of Closet – One Bedroom - One Bath Unit



View of Living Area – Two Bedroom - One Bath Unit



View of Kitchen – Two Bedroom - One Bath Unit



View of Dining Area - Two Bedroom - One Bath Unit



View of Bedroom One - Two Bedroom - One Bath Unit



View of Bedroom Two – Two Bedroom - One Bath Unit



View of Bath – Two Bedroom - One Bath Unit



View of Living Area – Two Bedroom - Two Bath Unit



View of Kitchen – Two Bedroom - Two Bath Unit



View of Dining Area – Two Bedroom - Two Bath Unit



View of Laundry Area – Two Bedroom - Two Bath Unit



View of Bedroom One – Two Bedroom - Two Bath Unit



View of Bathroom One – Two Bedroom - Two Bath Unit



View of Bedroom Two – Two Bedroom - Two Bath Unit



View of Bathroom Two – Two Bedroom - Two Bath Unit



View of Living Area – Three Bedroom - Two Bath Unit



View of Kitchen Area – Three Bedroom - Two Bath Unit



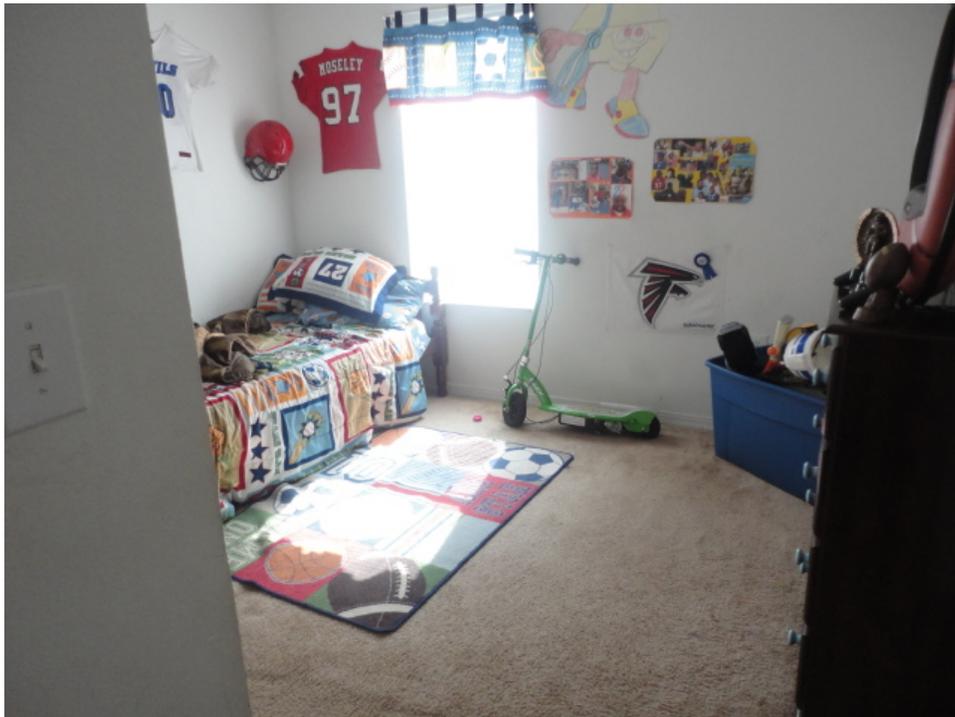
View of Dining Area – Three Bedroom - Two Bath Unit



View of Bedroom One – Three Bedroom - Two Bath Unit



View of Bathroom One - Three Bedroom - Two Bath Unit



View of Bedroom Two - Three Bedroom - Two Bath Unit



View of Closet – Three Bedroom - Two Bath Unit



View of Bedroom Three – Three Bedroom - Two Bath Unit



View of Bathroom Two - Three Bedroom - Two Bath Unit



View of Laundry Area - Three Bedroom - Two Bath Unit



View of Parking



View of Parking



View of Street



View of Street

**ASSESSMENTS AND CURRENT REAL ESTATE TAXES**

According to the Henry County Assessor’s Office, the property’s real estate taxes for 2013 are \$142,506.77. The subject has a total appraised value of \$3,558,120. The subject’s parcel number is 092-01013000.

The appraiser researched the following tax comparables in Henry County:

Property	No. of Units	Year Built	Parcel #	Assessed Value - 2013	Real Estate Taxes	Taxes Per Unit
Meadowlark 101 Meadowlark Lane McDonough, Henry, GA	56	1988	M02501004000	\$841,880	\$40,383.07	\$721.13
Walden Run 100 Walden Run Place McDonough, Henry, GA	240	1997	092-01032000	\$5,188,720	\$222,244.15	\$926.02
Knight Port 201 Willow Chase Drive McDonough, Henry, GA	84	1999	074-01023000	\$1,307,120	\$52,720.30	\$627.62
Carrington Green 745 Highway 42 South McDonough, Henry, GA	264	2005	108-01026008	\$6,832,760	\$332,006.39	\$1,257.60
Amber Chase 570 McDonough Parkway McDonough, Henry, GA	352	1998	092-01033000	\$8,843,920	\$388,914.61	\$1,104.87

These comparables are all market-rate facilities in Henry County. The comparables indicated a range from \$627.62 per unit to \$1,257.60 per unit. The appraiser has estimated the subject’s real estate taxes at \$155,250, or \$690 per unit. The subject’s anticipated real estate taxes are within the range of the tax comparables. Therefore, no adjustment was needed to the real estate taxes for the prospective market value, as unrestricted, as complete and as stabilized.

**LOW INCOME HOUSING TAX CREDIT MAXIMUM RENTS**

The maximum rent limits for Henry County in 2014 are shown in the table below:

	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
50%	\$604	\$725	\$837	\$935
60%	\$725	\$870	\$1,005	\$1,122

## HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal*, sponsored by the Appraisal Institute (Fifth Edition 2010), as the following:

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

Implied in this definition is that the determination of highest and best use takes into account the contribution of specific use to the community and community development goals as well as the benefits of that use to individual property owners. Hence, in certain situations, the highest and best use of land may be for parks, greenbelt, preservation, conservation, wildlife habitat, etc.

In determining the highest and best use of the subject property, careful consideration was given to the economic, legal, and social factors which motivate investors to develop, own, buy, sell and lease real estate.

There are four criteria that are used in evaluating the highest and best use of a property. The highest and best must be as follows:

1. **Physically Possible**
2. **Legally Permissible**
3. **Financially Feasible**
4. **Maximally Productive**

The four criteria are applied in sequential order. The selection of uses is narrowed through the consideration of each criterion so that by the time the last criterion is applied only a single use is indicated. Hence, a property often will have numerous uses which are physically possible, a lesser number which are both physically possible and legally permissible; fewer still which are physically possible, legally permissible and financially feasible; and only a single use which meets all four criteria.

In addition to the preceding four criteria, the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation further indicate that the following items must be considered as they relate to the use and value of the property:

1. Existing land use regulations
2. Reasonably probable modifications of such regulations
3. Economic demand
4. The physical adaptability of the property
5. Neighborhood trends

The previous sections of this report were used to render a judgment as to the highest and best use of the site as though vacant and as though improved.

### **HIGHEST AND BEST USE AS THOUGH VACANT**

Highest and best use of land or a site as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvements. With this assumption, uses that create value can be identified, and the appraiser can begin to select comparable properties and estimate land value. The questions to be answered in this analysis are as follows:

If the land is, or were, vacant, what use should be made of it?

What type of building or improvement, if any, should be constructed on the land and when?<sup>2</sup>

### **PHYSICALLY POSSIBLE USE AS VACANT**

The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site itself. The size and location within a given block are the most important determinants of value. In general, the larger the site, the greater its potential to achieve economies of scale and flexibility in development. The size of the parcel, considered within the provisions of the zoning, has considerable influence on its ultimate development.

The key determinant in developing a site is the permitted size of the project. More land permits higher density development, higher floor to area ratios (FAR), etc. the total number of square feet allowed for a building structure tends to rise in proportion to the size of the lot. Location is important when considering a site's proximity to open plazas, office trade areas, work force areas, public transportation, major highways (access/visibility), etc.

As noted in the Site Data section of this report, the subject site has a total land area of 9.928 acres. Topographically, the site is nearly level. The subject is not located in a flood hazard area. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer, and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

### **LEGALLY PERMISSIBLE USE AS VACANT**

Legal restrictions, as they apply to the subject property, are of two types, private restrictions (deed restriction easements) and public restrictions, namely zoning. No information regarding private restrictions affecting title was provided with this assignment other than those mentioned below. It is assumed that only common restrictions (i.e. utility easements, etc.) are applicable and are not of any consequence to the development of this site.

<sup>2</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2013), 337.

### **FINANCIALLY FEASIBLE USE AS VACANT**

After the discussion of the physically possible and legally permissible uses for the site as vacant, the adjacent property uses suggest that the possibilities for the subject have been narrowed to commercial and residential development.

### **MAXIMALLY PRODUCTIVE AS VACANT**

Based on the analysis of the previous elements, it is reasonable to assume, if the site were vacant and available for development on the date of valuation, the highest and best use would be for commercial development, most likely a commercial use which could produce a higher return than would a residential development.

### **HIGHEST AND BEST USE AS IMPROVED**

Highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. The use that maximizes an investment property's value, consistent with the long-term rate of return and associated risk, is its highest and best use as improved.<sup>3</sup>

This part of highest and best use analysis is structured to answer the following problems:

1. Should the building be maintained as is?
2. Should the building be renovated, expanded, or demolished?
3. Should the building be replaced with a different type or intensity of use?

### **PHYSICALLY POSSIBLE AS IMPROVED**

The subject site will support one multifamily facility designed for families with a total gross building area of approximately 224,678 square feet. The subject will not suffer from functional or external obsolescence. The subject will be in good condition.

### **LEGALLY PERMISSIBLE AS IMPROVED**

Based on the adjacent property uses and the zoning restrictions for the subject, the highest and best use of the subject site is considered to be multifamily. The configuration of the improvements is not in violation of any known regulations and is considered to be a compatible use with the adjacent commercial and residential properties. The subject has on-site parking.

<sup>3</sup> The Appraisal Institute. *The Appraisal of Real Estate*. 14<sup>th</sup> ed. (Chicago, 2010), 345.

**FINANCIALLY FEASIBLE AS IMPROVED**

The third factor that must be considered is the economical feasibility of the types of uses that are physically and legally permissible. Based on the data presented in the Income Approach section of this report, the existing improvements appear to be capable to produce an adequate return to be financially feasible as they exist.

**MAXIMALLY PRODUCTIVE AS IMPROVED**

Considering the previous discussions, the existing improvements are physically possible, legally permissible and financially feasible. There currently is no alternative legal use that could economically justify razing the existing improvement or significantly changing their use. Based on the foregoing analysis, it is our opinion that the maximally productive use of the property is as a multifamily development.

## **APPRAISAL PROCEDURES**

In order to develop a reasonable opinion of the value of the subject property, the following appraisal techniques have been used:

### **The Cost Approach**

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence, and external obsolescence. A summation of the market value of the land, assumed vacant, and the depreciated replacement cost of the improvements provides an indication of the total value of the property.

### **The Income Approach**

The Income Approach is based on an estimate of the subject property's possible net income. The net income is capitalized to arrive at an indication of value from the standpoint of an investment. This method measures the present worth and anticipated future benefits (net income) derived from the property.

### **The Sales Comparison Approach**

The Sales Comparison Approach produces an estimate of value by comparing the subject property to sales and/or listings of similar properties in the same or competing areas. This technique is used to indicate the value established by informed buyers and sellers in the market.

In preparing this appraisal, the appraiser inspected the subject property and analyzed historic operating data for the subject. A Cost Approach was used to determine the effective age and economic life of the proposed development. Furthermore, we gathered information on competitive properties in the region for comparable improved rentals and operating expenses. Lastly, comparable sales were gathered primarily for their use as overall rate indicators. This information was applied in the Income Capitalization Approach. The application of each measure of value is discussed further in appropriate sections of this report.

**VALUATION SECTION**

## **COST APPROACH**

The Cost Approach is a method in which the value of a property is derived by estimating the replacement cost of the improvements, deducting the estimated depreciation, and adding the market value of the land.

The first Step in the Cost Approach is to estimate the value of the subject site.

## **SITE VALUE**

The comparison method is the most common way of developing a market value estimate for land. In the comparison method, sales of vacant land comparable to the subject property are gathered and analyzed. Ideally, such vacant sales are close in time and proximity to the subject property.

The sales prices are adjusted for time, location, physical characteristics and other relevant variations. The adjusted prices are reduced to some common unit of comparison and conclude a unit value applicable to the subject property. This unit value, when applied to the appropriate unit measure, results in an estimate of market value for land.

An investigation revealed several sales of similar sites in the subject's neighborhood. The comparables found are summarized on the following pages.

**Land Comparable 1**



**Transaction**

<b>Address</b>	Highway 81 & Greenwood Road	<b>Date</b>	7/9/2013
<b>City</b>	McDonough	<b>Price</b>	\$500,000
<b>County</b>	Henry	<b>Acre Unit Price</b>	\$68,871
<b>State</b>	Georgia	<b>Financing</b>	Conventional
<b>Zip</b>	30252	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Bank of the Ozarks	<b>Verification Source</b>	Assessor
<b>Grantee</b>	EFN McDonough Property	<b>Conditions of Sale</b>	Normal

**Site**

<b>Acres</b>	7.26	<b>Topography</b>	Nearly Level
<b>Land SF</b>	316,246	<b>Zoning</b>	C2
<b>Utilities</b>	E, G, W, S	<b>Road Frontage</b>	Highway 81
<b>Shape</b>	Irregular	<b>Visibility/Access</b>	Average

**Land Comparable 2**



**Transaction**

<b>Address</b>	Jodeco Road	<b>Date</b>	9/6/2013
<b>City</b>	Stockbridge	<b>Price</b>	\$250,000
<b>County</b>	Henry	<b>Acre Unit Price</b>	\$67,222
<b>State</b>	Georgia	<b>Financing</b>	Conventional
<b>Zip</b>	30281	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Don A Barnette	<b>Verification Source</b>	Assessor
<b>Grantee</b>	Woodcutters Properties LLC	<b>Conditions of Sale</b>	Normal

**Site**

<b>Acres</b>	3.72	<b>Topography</b>	Nearly Level
<b>Land SF</b>	162,000	<b>Zoning</b>	OI
<b>Utilities</b>	E, G, W, S	<b>Road Frontage</b>	Jodeco Road
<b>Shape</b>	Irregular	<b>Visibility/Access</b>	Average

**Land Comparable 3**

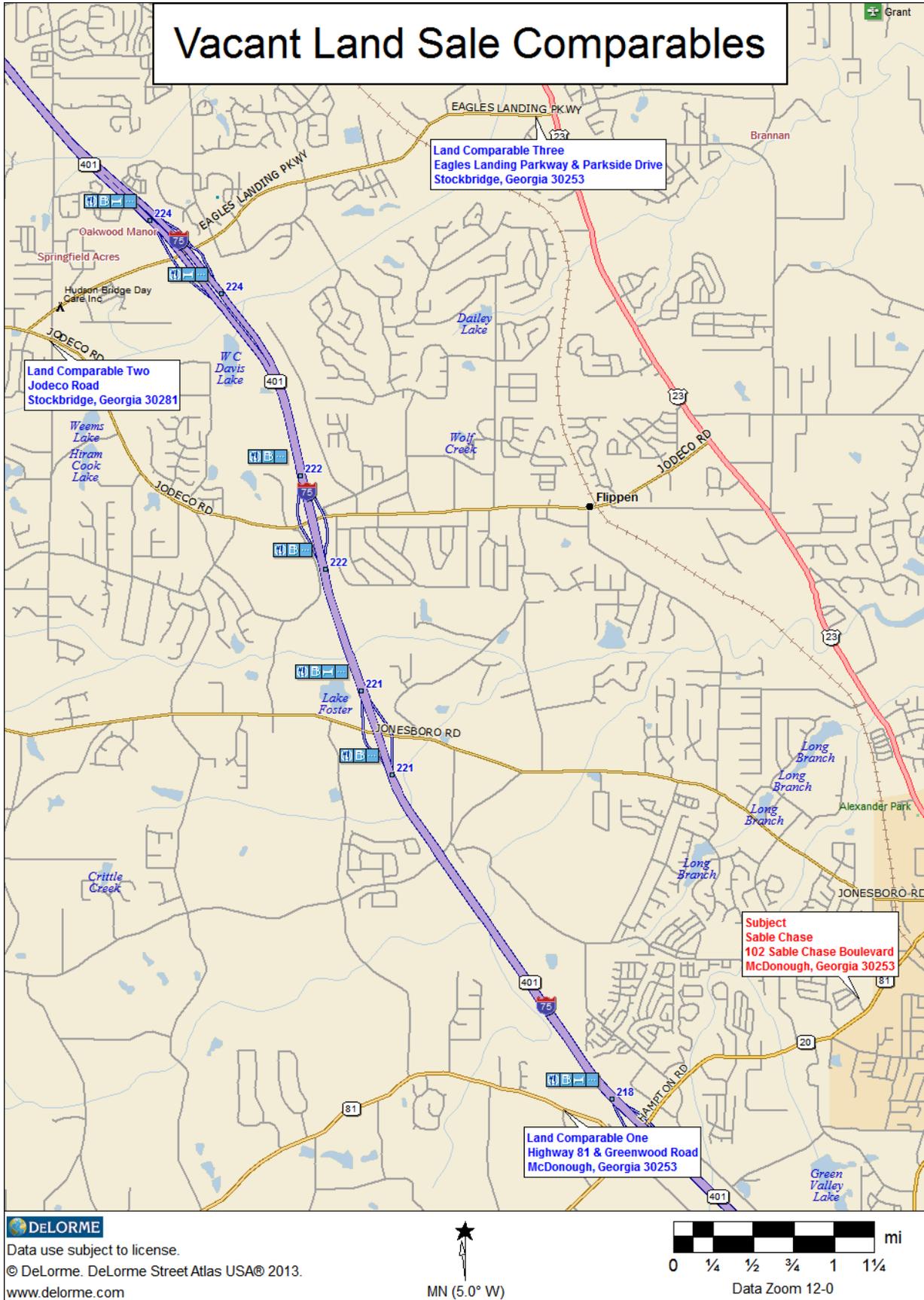


**Transaction**

<b>Address</b>	Eagles Landing Parkway & Parkside Drive	<b>Date</b>	12/16/2013
<b>City</b>	Stockbridge	<b>Price</b>	\$260,000
<b>County</b>	Henry	<b>Acre Unit Price</b>	\$61,004
<b>State</b>	Georgia	<b>Financing</b>	Conventional
<b>Zip</b>	30281	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	MB REO-GA Land LLC	<b>Verification Source</b>	Assessor
<b>Grantee</b>	All American Quality Foods	<b>Conditions of Sale</b>	Normal

**Site**

<b>Acres</b>	4.26	<b>Topography</b>	Nearly Level
<b>Land SF</b>	185,653	<b>Zoning</b>	C2
<b>Utilities</b>	E, G, W, S	<b>Road Frontage</b>	Eagles Landing
<b>Shape</b>	Irregular	<b>Visibility/Access</b>	Average



Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	102 Sable Chase Boulevard	Highway 81 & Greenwood Road	Jodeco Road	Eagles Landing Parkway & Parkside Drive
City	McDonough	McDonough	Stockbridge	Stockbridge
State	Georgia	Georgia	Georgia	Georgia
Date	4/8/2014	7/9/2013	9/6/2013	12/16/2013
Price	\$0	\$500,000	\$250,000	\$260,000
Acres	24.88	7.26	3.72	4.26
Acre Unit Price	\$0	\$68,871	\$67,222	\$61,004
<b>Transaction Adjustments</b>				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal
<b>Adjusted Acre Unit Price</b>		<b>\$68,871</b>	<b>\$67,222</b>	<b>\$61,004</b>
Market Trends Through	4/8/14	0.0%	0.0%	0.0%
<b>Adjusted Acre Unit Price</b>		<b>\$68,871</b>	<b>\$67,222</b>	<b>\$61,004</b>
Location	Average	Similar	Inferior	Inferior
% Adjustment		0%	5%	5%
\$ Adjustment		\$0	\$3,361	\$3,050
Acres	24.88	7.26	3.72	4.26
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Topography	Nearly Level	Nearly Level	Nearly Level	Nearly Level
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Utilities	E, G, W, S	E, G, W, S	E, G, W, S	E, G, W, S
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Zoning	R-M	C2	OI	C2
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
<b>Adjusted Acre Unit Price</b>		<b>\$68,871</b>	<b>\$70,583</b>	<b>\$64,054</b>
<b>Net Adjustments</b>		0.0%	5.0%	5.0%
<b>Gross Adjustments</b>		0.0%	5.0%	5.0%

After analyzing the land sales, and adjusting each sale accordingly, it is our opinion that the estimated "as is" market value of the subject site as of April 8, 2014, is as follows:

$$24.88 \text{ acres} \times \$68,000 \text{ per acre} = \$1,691,840$$

**Rounded \$1,692,000**

**SUMMARY OF VACANT LAND SALES**

Comparable	Address	Date	Price	Acre Unit		Zoning
				Price	Acres	
1	Highway 81 & Greenwood Road	7/9/2013	\$500,000	\$68,871	7.26	C2
2	Jodeco Road	9/6/2013	\$250,000	\$67,222	3.72	OI
3	Eagles Landing Parkway & Parkside Drive	12/16/2013	\$260,000	\$61,004	4.26	C2

**Adjustments**

The prices of the comparable land sales range from \$61,004 to \$68,871 per acre before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

**Location**

Consideration was given to the location of the subject and each of the comparables. The subject is located on 102 Sable Chase Boulevard. Comparable 1 is located in McDonough and is considered similar to the subject. Comparables 2 and 3 are located outside of Stockbridge and are considered inferior to the subject. Comparables 2 and 3 were adjusted upward five percent.

**Size**

Consideration was given to the size of the subject as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per unit than larger parcels with equal utility. The subject site consists of a total of 24.88 acres. The comparables range in size from 3.72 acres to 7.26 acres. Paired analysis did not warrant a size adjustment.

**Zoning**

The subject is zoned R-M, Multi-family Residential District. Multifamily residences is a permitted use. Comparables 1 and 3 are commercially zoned, and Comparable 2 is office use zoned. Paired analysis did not warrant an adjustment was needed for zoning.

**Visibility/Access**

The subject and all comparables are similar in visibility/access. No adjustment was needed.

**Topography**

Consideration was given to the topography of the subject and each of the comparables. The subject is nearly level. The comparables are nearly level; however, no adjustment was warranted.

**Site Utility**

Consideration was given to the access, shape, zoning and utility of the subject and each of the comparables. The adjustment for the access of the comparables is related to the frontage which was considered previously in the location paragraph. The subject site is served by gas, electricity, water and sewer. All comparables are considered to be similar to the subject in all aspects.

**Summary Conclusions**

The land sales analysis indicates the quantitative or qualitative adjustments and the order of comparability. The comparable land sales range from \$64,054 to \$70,583 per acre after adjustments. All comparables were give equal weight. After analyzing the land sales, and adjusting each sale accordingly, it is our opinion that the estimated “as is” market value of the subject site as of April 8, 2014, is as follows:

**24.88 acres x \$68,000 per acre = \$1,691,840**

**Rounded \$1,692,000**

## IMPROVEMENT VALUATION

The next step in the Cost Approach is to estimate the replacement cost new of the improvements.

Replacement cost new (RCN) is defined as follows:

The estimated cost to construct, at current prices as of the effective date of the appraisal, a building with utility equivalent to the building being appraised, using modern materials and current standards, design and layout.<sup>4</sup>

A description of the improvements was presented in the Improvement Data section. The costs estimated were made based on a physical inspection of the subject site and existing retail building. Cost estimates were made based on the replacement cost new of the improvements using the **Marshall Valuation Service Cost Manual**.

The costs listed for the subject improvements are taken from the sections and pages noted on the following pages. Adjustments to the base cost of the building are necessary for current costs and local cost differences.

The subject is defined as Average Class D Multiple Residences. The base cost is \$65.24 per square foot. The local cost multiplier is \$0.93 for the McDonough area. The current cost multiplier is \$1.01. The charts shown on Pages 95, 97, 99 and 101 illustrate the subject's value based on the Cost Approach.

<sup>4</sup> Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 3<sup>rd</sup> ed. (Chicago, 1992), 304.

**External Obsolescence**

External obsolescence is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. The subject does seem to suffer from external obsolescence.

The following formula shows the external obsolescence for the "as is" market value.

<b>Total Construction Cost of Structures</b>				\$19,442,637
<b>Plus: Entrepreneur's Profit</b>				\$1,944,264
<b>Depreciation</b>				\$3,884,842
<b>Cost of Structures before External obsolescence</b>				<u>\$17,502,058</u>
<b>Value of Land</b>				\$1,692,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$169,200</u>
<b>Cost before External Obsolescence</b>				\$19,363,258
<b>Current Capitalization Rate</b>				7.75%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,500,653
<b>Net Operating Income from the Subject</b>				<u>\$1,195,363</u>
<b>Net Loss Due to Economic Obsolescence</b>				\$305,290
<b>Ratio of Improvements Total Property Value</b>				0.9039
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		\$305,290	7.75%	\$3,939,220
<b>Times ratio of Improvements to Total Property</b>				0.9039
<b>Total External Obsolescence</b>				\$3,560,581

**Cost Analysis - Market As Is - Section 1 of 1**

<b>Marshall &amp; Swift</b>	
<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Multiples, Motels
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.930
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.010
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.939

<b>Building Improvements</b>					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residence	Sq. Ft.	\$88.95	224,678	0.939	\$18,772,012
Built-Ins	Per Unit	\$2,700.00	225	0.939	\$570,625
				0.939	\$0
				0.939	\$0
				0.939	\$0
<b>Total Building Improvement Costs</b>					<b>\$19,342,637</b>
Price per SF Gross Building Area					\$86.09

<b>Site Improvements</b>					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Asphalt Paving	Lump Sum	\$100,000.00	1		\$100,000
					\$0
					\$0
<b>Total Site Improvement Costs</b>					<b>\$100,000</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$19,442,637</b>
Price per SF Gross Building Area					\$86.54

<b>Total Costs</b>		
Subtotal: Building, Site & Soft Costs		\$19,442,637
Developer's Profit 10.0%		\$1,944,264
<b>Total Cost</b>		<b>\$21,386,900</b>
Price per SF Gross Building Area		\$95.19

<b>Depreciation: Section 1 of 1</b>				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$3,829,842
Physical Depreciation: Site	10	20	50%	\$55,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$3,560,581
<b>Total Depreciation</b>				<b>\$7,445,423</b>
<b>Depreciated Value of Improvements</b>				<b>\$13,941,477</b>
Cost Per Square Foot Gross Building Area				\$62.05

<b>Additional Cost Sections</b>	
Cost Section 2	\$0
Cost Section 3	\$0

<b>Land Value</b>	
Land Value	\$1,692,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$15,633,477</b>
<b>Rounded</b>	<b>\$15,630,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$69.57</b>

\*The building has an effective age of 10 years. Properties of this type are anticipated to have an economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 10/55, or 18 percent. The total Estimated Value indicated by the Cost Approach for the subject is as follows:

**Rounded = \$15,630,000.00**

The following formula shows the external obsolescence for the "as is" restricted value.

<b>Total Construction Cost of Structures</b>				\$19,442,637
<b>Plus: Entrepreneur's Profit</b>				\$1,944,264
<b>Depreciation</b>				\$3,884,842
<b>Cost of Structures before External obsolescence</b>				<u>\$17,502,058</u>
<b>Value of Land</b>				\$1,692,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$169,200</u>
<b>Cost before External Obsolescence</b>				\$19,363,258
<b>Current Capitalization Rate</b>				6.45%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,248,930
<b>Net Operating Income from the Subject</b>				<u>\$541,666</u>
<b>Net Loss Due to Economic Obsolescence</b>				\$707,264
<b>Ratio of Improvements Total Property Value</b>				0.9039
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		\$707,264	6.45%	\$10,965,336
<b>Times ratio of Improvements to Total Property</b>				0.9039
<b>Total External Obsolescence</b>				\$9,911,346

**Cost Analysis - Restricted As Is - Section 1 of 1**

<b>Marshall &amp; Swift</b>	
<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Multiples, Motels
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.930
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.010
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.939

<b>Building Improvements</b>						
Item	Unit Type	Cost	Quantity	Multiplier	Total	
Average Class D Multiple Residence	Sq. Ft.	\$88.95	224,678	0.939	\$18,772,012	
Built-Ins	Per Unit	\$2,700.00	225	0.939	\$570,625	
				0.939	\$0	
				0.939	\$0	
				0.939	\$0	
<b>Total Building Improvement Costs</b>					<b>\$19,342,637</b>	
Price per SF Gross Building Area					\$86.09	

<b>Site Improvements</b>						
Item	Unit Type	Cost	Quantity	Total		
Asphalt Paving	Lump Sum	\$100,000.00	1	\$100,000		
				\$0		
				\$0		
<b>Total Site Improvement Costs</b>					<b>\$100,000</b>	
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$19,442,637</b>	
Price per SF Gross Building Area					\$86.54	

<b>Total Costs</b>		
Subtotal: Building, Site & Soft Costs		\$19,442,637
Developer's Profit 10.0%		\$1,944,264
<b>Total Cost</b>		<b>\$21,386,900</b>
Price per SF Gross Building Area		\$95.19

<b>Depreciation: Section 1 of 1</b>				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$3,829,842
Physical Depreciation: Site	10	20	50%	\$55,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$9,911,346
<b>Total Depreciation</b>				<b>\$13,796,188</b>
<b>Depreciated Value of Improvements</b>				<b>\$7,590,712</b>
Cost Per Square Foot Gross Building Area				\$33.78

<b>Additional Cost Sections</b>	
Cost Section 2	\$0
Cost Section 3	\$0

<b>Land Value</b>	
Land Value	\$1,692,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$9,282,712</b>
<b>Rounded</b>	<b>\$9,280,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$41.30</b>

\*The building has an effective age of 10 years. Properties of this type are anticipated to have an economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 10/55, or 18 percent. The total Estimated Value indicated by the Cost Approach for the subject is as follows:

**Rounded = \$9,280,000.00**

The following formula shows the external obsolescence for the "as complete" market value.

<b>Total Construction Cost of Structures</b>				\$19,442,637
<b>Plus: Entrepreneur's Profit</b>				\$1,944,264
<b>Depreciation</b>				\$1,969,921
<b>Cost of Structures before External obsolescence</b>				<u>\$19,416,979</u>
<b>Value of Land</b>				\$1,692,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$169,200</u>
<b>Cost before External Obsolescence</b>				\$21,278,179
<b>Current Capitalization Rate</b>				7.75%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,649,059
<b>Net Operating Income from the Subject</b>				<u>\$1,310,706</u>
<b>Net Loss Due to Economic Obsolescence</b>				\$338,353
<b>Ratio of Improvements Total Property Value</b>				0.9125
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		\$338,353	7.75%	\$4,365,844
<b>Times ratio of Improvements to Total Property</b>				0.9125
<b>Total External Obsolescence</b>				\$3,983,964

**Cost Analysis - Market As Complete - Section 1 of 1**

<b>Marshall &amp; Swift</b>	
<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Multiples, Motels
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.930
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.010
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.939

<b>Building Improvements</b>						
Item	Unit Type	Cost	Quantity	Multiplier	Total	
Average Class D Multiple Residence	Sq. Ft.	\$88.95	224,678	0.939	\$18,772,012	
Built-Ins	Per Unit	\$2,700.00	225	0.939	\$570,625	
				0.939	\$0	
				0.939	\$0	
				0.939	\$0	
<b>Total Building Improvement Costs</b>					<b>\$19,342,637</b>	
Price per SF Gross Building Area					\$86.09	

<b>Site Improvements</b>						
Item	Unit Type	Cost	Quantity	Total		
Asphalt Paving	Lump Sum	\$100,000.00	1	\$100,000		
				\$0		
				\$0		
<b>Total Site Improvement Costs</b>					<b>\$100,000</b>	
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$19,442,637</b>	
Price per SF Gross Building Area					\$86.54	

<b>Total Costs</b>		
Subtotal: Building, Site & Soft Costs		\$19,442,637
Developer's Profit 10.0%		\$1,944,264
<b>Total Cost</b>		<b>\$21,386,900</b>
Price per SF Gross Building Area		\$95.19

<b>Depreciation: Section 1 of 1</b>				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$1,914,921
Physical Depreciation: Site	10	20	50%	\$55,000
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$3,983,964
<b>Total Depreciation</b>				<b>\$5,953,885</b>
<b>Depreciated Value of Improvements</b>				<b>\$15,433,015</b>
Cost Per Square Foot Gross Building Area				\$68.69

<b>Additional Cost Sections</b>	
Cost Section 2	\$0
Cost Section 3	\$0

<b>Land Value</b>	
Land Value	\$1,692,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$17,125,015</b>
<b>Rounded</b>	<b>\$17,130,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$76.24</b>

\*The building will have an effective age of five years. Properties of this type are anticipated to have an economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 5/55, or nine percent. The total Estimated Value indicated by the Cost Approach for the subject is as follows:

**Rounded = \$17,130,000.00**

The following formula shows the external obsolescence for the "as complete" restricted value.

<b>Total Construction Cost of Structures</b>				\$19,442,637
<b>Plus: Entrepreneur's Profit</b>				\$1,944,264
<b>Depreciation</b>				\$1,969,921
<b>Cost of Structures before External obsolescence</b>				<u>\$19,416,979</u>
<b>Value of Land</b>				\$1,692,000
<b>Plus: Entrepreneur's Profit</b>				<u>\$169,200</u>
<b>Cost before External Obsolescence</b>				\$21,278,179
<b>Current Capitalization Rate</b>				6.45%
<b>Economic Net Operating Income (RCN x CR)</b>				\$1,372,443
<b>Net Operating Income from the Subject</b>				<u>\$576,557</u>
<b>Net Loss Due to Economic Obsolescence</b>				\$795,886
<b>Ratio of Improvements Total Property Value</b>				0.9125
<b>Year</b>		<b>Actual NOI Loss</b>	<b>Overall Cap Rate</b>	<b>Capitalized NOI Loss</b>
1		\$795,886	6.45%	\$12,339,311
<b>Times ratio of Improvements to Total Property</b>				0.9125
<b>Total External Obsolescence</b>				\$11,259,993

**Cost Analysis - Restricted As Complete - Section 1 of 1**

<b>Marshall &amp; Swift</b>	
<b>Cost Source:</b> Marshall & Swift	# 12: Dwellings, Multiples, Motels
<b>No. of Stories Multiplier:</b> 1.000	<b>Local Multiplier:</b> 0.930
<b>Height/Story Multiplier:</b> 1.000	<b>Current Cost Multiplier:</b> 1.010
<b>Perimeter Multiplier:</b> 1.000	<b>Combined Multipliers:</b> 0.939

<b>Building Improvements</b>					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residence	Sq. Ft.	\$88.95	224,678	0.939	\$18,772,012
Built-Ins	Per Unit	\$2,700.00	225	0.939	\$570,625
				0.939	\$0
				0.939	\$0
				0.939	\$0
<b>Total Building Improvement Costs</b>					<b>\$19,342,637</b>
Price per SF Gross Building Area					\$86.09

<b>Site Improvements</b>					
Item	Unit Type	Cost	Quantity		Total
Asphalt Paving	Lump Sum	\$100,000.00	1		\$100,000
					\$0
					\$0
<b>Total Site Improvement Costs</b>					<b>\$100,000</b>
<b>Subtotal: Building &amp; Site Costs</b>					<b>\$19,442,637</b>
Price per SF Gross Building Area					\$86.54

<b>Total Costs</b>		
Subtotal: Building, Site & Soft Costs		\$19,442,637
Developer's Profit 10.0%		\$1,944,264
<b>Total Cost</b>		<b>\$21,386,900</b>
Price per SF Gross Building Area		\$95.19

<b>Depreciation: Section 1 of 1</b>					
Component	Eff. Age	Life	Percent		Amount
Physical Depreciation: Building	5	55	9%		\$1,914,921
Physical Depreciation: Site	10	20	50%		\$55,000
Functional Obsolescence Building			0%		\$0
External Obsolescence Building					\$11,259,993
<b>Total Depreciation</b>					<b>\$13,229,914</b>
<b>Depreciated Value of Improvements</b>					<b>\$8,156,986</b>
Cost Per Square Foot Gross Building Area					\$36.31

<b>Additional Cost Sections</b>	
Cost Section 2	\$0
Cost Section 3	\$0

<b>Land Value</b>	
Land Value	\$1,692,000
Other	\$0
<b>Cost Approach Value Indication</b>	<b>\$9,848,986</b>
<b>Rounded</b>	<b>\$9,850,000</b>
<b>Price per SF Gross Building Area</b>	<b>\$43.84</b>

\*The building will have an effective age of five years. Properties of this type are anticipated to have an economic life of 55 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject is 5/55, or nine percent. The total Estimated Value indicated by the Cost Approach for the subject is as follows:

**Rounded = \$9,850,000.00**

### **SALES COMPARISON APPROACH**

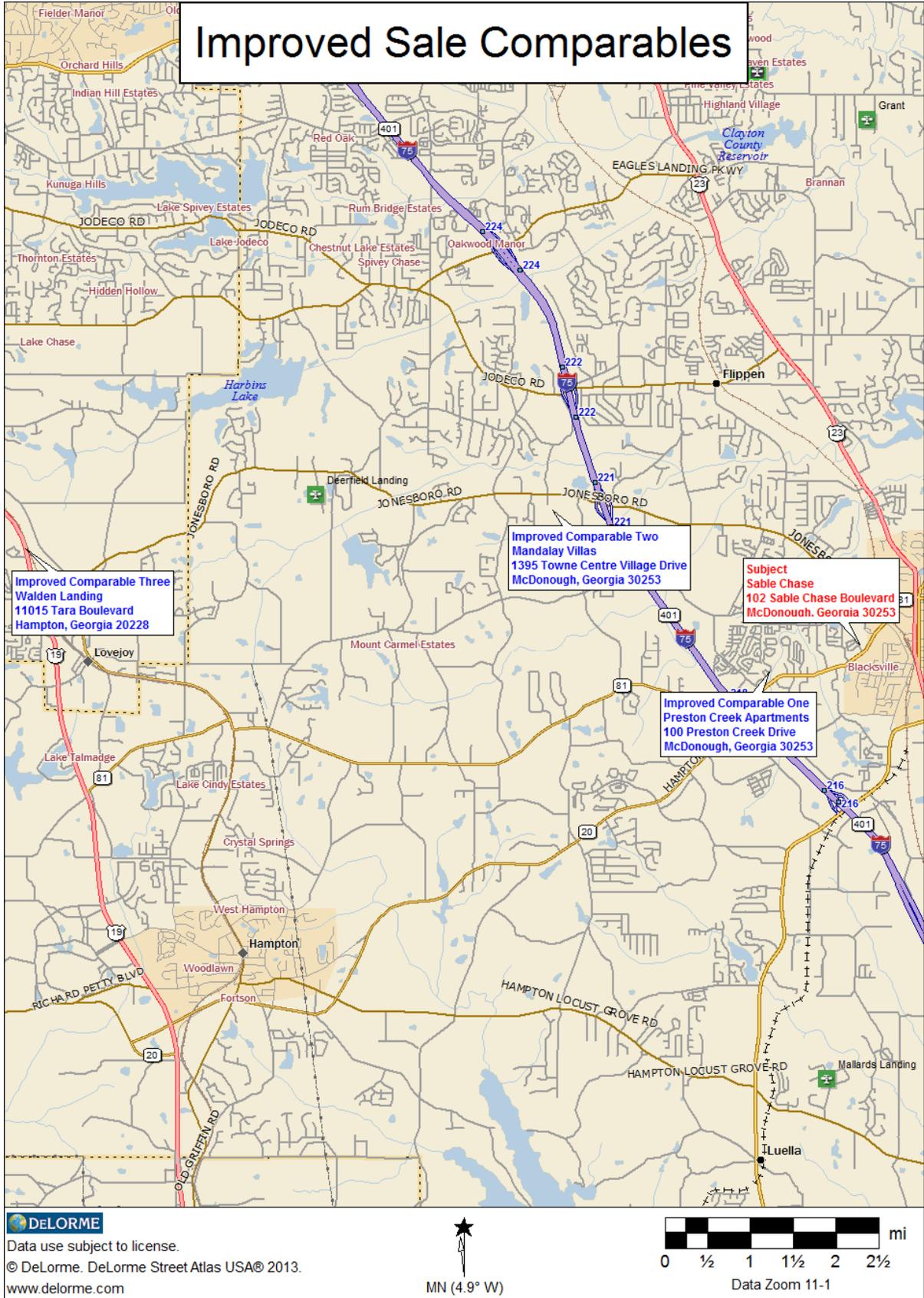
The Sales Comparison Approach is based on the assumption that an informed purchaser will pay no more for a property than the cost of acquiring an existing property of similar utility. Typically, one would estimate the value of the subject property by comparing the sales prices of recent transactions involving property similar to the subject. Adjustments are made to each sale for dissimilarities as compared to the subject property. These adjustments may include the date of sale, location, age, floor plan, condition, quality, size or external factors that may influence rents or occupancy levels. Typically, the reliability of the sales comparison approach is based on a number of factors such as:

- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

I have found that the reliability of the sales comparison approach for traditional real estate is excellent when valuing vacant land, single family homes or small commercial type properties where there is more activity, a larger data base, and greater degree of comparability. For more complex and larger investment grade properties such as shopping centers, nursing homes, and apartment complexes, the required adjustments are often numerous and the degree to which they can be performed without a considerable amount of subjectivity is difficult. As mentioned previously, a number of factors must be verifiable and documented in order to make appropriate adjustments. Items necessary for verification might include the following:

- Location
- Condition
- Appeal
- Date of Sale
- Amenities
- Income and Expense Data
- Personal Property Included
- Financing Terms and Conditions
- Management Contracts Involved

There are obviously other differences that must be adjusted in the marketplace. For the purposes of this report, the appraiser has analyzed a number of sales; however, only those believed to be most similar to the subject were included. The information from the sales analyzed will be included. The information from the sales analyzed will be used to determine a value estimate for the subject property by the sales comparison approach. The unit of comparison considered will be the price paid per unit. The following sales are offered as an indication of value of the subject property as of the date of this assignment.



**Preston Creek Apartments**



**Comparable 1**

<b>Address</b>	100 Preston Creek Drive	<b>Date</b>	8/18/2011
<b>City</b>	McDonough	<b>Price</b>	\$21,932,000
<b>County</b>	Henry	<b>Price per Unit</b>	\$64,505.88
<b>State</b>	Georgia	<b>Transaction Type</b>	Closed
<b>Tax ID</b>	092-01001004	<b>Financing</b>	Conventional
<b>Grantor</b>	LNR Properties Inc	<b>Property Rights</b>	Fee Simple
<b>Grantee</b>	ARWC-100 Preston Creek	<b>Verification Source</b>	Christina
<b>Property Type</b>	Multifamily	<b>Deed Book/Page</b>	12205/345

**Site**

<b>Acres</b>	51.29	<b>Topography</b>	Nearly Level
<b>Land SF</b>	2,234,192	<b>Zoning</b>	Multifamily
<b>Road Frontage</b>	Preston Creek Drive	<b>Utilities</b>	E, G, W, S

**Improvements & Financial Data**

<b>GBA</b>	22,920	<b>PGI</b>	\$2,755,226
<b>Rentable Area</b>	Unknown	<b>Vacancy</b>	\$0
<b>Total No. of Units</b>	340	<b>EGI</b>	\$2,755,226
<b>Year Built/Renovated</b>	2003	<b>Expenses</b>	\$1,305,272
<b>Condition/Street Appeal</b>	Similar	<b>NOI</b>	\$1,449,954
<b>Construction Type</b>	Brick/Siding	<b>NOI/Net SF</b>	Unknown
<b>HVAC</b>	Central Electric/Central	<b>NOI Per Unit</b>	\$4,265
<b>Parking</b>	L/O, G/90	<b>SalePrice/Net SF</b>	Unknown
<b>Structure/Stories</b>	WU/3	<b>Sale Price/Unit</b>	\$64,506
<b>Utilities with Rent</b>	None	<b>Occupancy @ Sale</b>	100%
<b>Capitalization Rate</b>	6.6%	<b>PGIM</b>	7.96
<b>Expense % of PGI</b>	47.37%	<b>Expense/ Net SF</b>	Unknown
<b>Expense % of EGI</b>	47.37%	<b>Expense/ Unit</b>	\$3,839
<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio		
<b>Project Amenities</b>	Clubhouse, Community Room, Swimming Pool, Spa/Hot Tub, Fitness Center, Picnic Area, Playground, Volleyball Court, Tennis Court, Limited Access Gate, Perimeter Fencing, Sunroom		

**Notes**

This complex does not maintain a waiting list. The annual turnover rate is approximately 29 percent. This complex was full within a month of opening. The rent range is due to the floor plan and prices change daily. There is a \$55 application fee and \$100 administrative fee.

**Mandalay Villas**



**Comparable 2**

<b>Address</b>	1395 Towne Centre Village	<b>Date</b>	4/1/2011
<b>City</b>	McDonough	<b>Price</b>	\$29,280,000
<b>County</b>	Henry	<b>Price per Unit</b>	\$96,315.79
<b>State</b>	Georgia	<b>Transaction Type</b>	Closed
<b>Tax ID</b>	054-01030005	<b>Financing</b>	Conventional
<b>Grantor</b>	Davis Development Inc	<b>Property Rights</b>	Fee Simple
<b>Grantee</b>	Panther McDonough Mandalay	<b>Verification Source</b>	Joe
<b>Property Type</b>	Multifamily	<b>Deed Book/Page</b>	12065/115

**Site**

<b>Acres</b>	25.54	<b>Topography</b>	Nearly Level
<b>Land SF</b>	1,112,522	<b>Zoning</b>	Multifamily
<b>Road Frontage</b>	Towne Centre Village Drive	<b>Utilities</b>	E, G, W, S

**Improvements & Financial Data**

<b>GBA</b>	12,495	<b>PGI</b>	\$3,347,110
<b>Rentable Area</b>	Unknown	<b>Vacancy</b>	\$0
<b>Total No. of Units</b>	304	<b>EGI</b>	\$3,347,110
<b>Year Built/Renovated</b>	2008	<b>Expenses</b>	\$1,210,800
<b>Condition/Street Appeal</b>	Similar	<b>NOI</b>	\$2,136,310
<b>Construction Type</b>	Brick/Siding	<b>NOI/Net SF</b>	Unknown
<b>HVAC</b>	Central Electric/Central	<b>NOI Per Unit</b>	\$7,027
<b>Parking</b>	Parking Lot/Garage	<b>SalePrice/Net SF</b>	Unknown
<b>Structure/Stories</b>	WU/2	<b>Sale Price/Unit</b>	\$96,316
<b>Utilities with Rent</b>	None	<b>Occupancy @ Sale</b>	100%
<b>Capitalization Rate</b>	7.30%	<b>PGIM</b>	8.75
<b>Expense % of PGI</b>	36.17%	<b>Expense/ Net SF</b>	Unknown
<b>Expense % of EGI</b>	36.17%	<b>Expense/ Unit</b>	\$3,983
<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio		
<b>Project Amenities</b>	Clubhouse, Community Room, Swimming Pool, Fitness Center, Playground, Billiards Room, Limited Access Gate		

**Notes**

This complex does not maintain a waiting list. The annual turnover rate is very low. Only one or two move out a year. This complex was full within the first week of opening. There is a \$30 application fee.

**Walden Landing**



**Comparable 3**

<b>Address</b>	11015 Tara Boulevard	<b>Date</b>	2/9/2012
<b>City</b>	Hampton	<b>Price</b>	\$13,054,000
<b>County</b>	Clayton	<b>Price per Unit</b>	\$54,391.67
<b>State</b>	Georgia	<b>Transaction Type</b>	Closed
<b>Tax ID</b>	06-126C-A-010	<b>Financing</b>	Conventional
<b>Grantor</b>	Hathaway Development	<b>Property Rights</b>	Fee Simple
<b>Grantee</b>	Walden Landing LLC	<b>Verification Source</b>	Janice
<b>Property Type</b>	Multifamily	<b>Deed Book/Page</b>	10067/97

**Site**

<b>Acres</b>	30.00	<b>Topography</b>	Nearly Level
<b>Land SF</b>	1,306,800	<b>Zoning</b>	Multifamily
<b>Road Frontage</b>	Tara Boulevard	<b>Utilities</b>	E, G, W, S

**Improvements & Financial Data**

<b>GBA</b>	Unknown	<b>PGI</b>	\$1,964,645
<b>Rentable Area</b>	Unknown	<b>Vacancy</b>	\$0
<b>Total No. of Units</b>	240	<b>EGI</b>	\$1,964,645
<b>Year Built/Renovated</b>	2000	<b>Expenses</b>	\$1,087,416
<b>Condition/Street Appeal</b>	Similar	<b>NOI</b>	\$877,229
<b>Construction Type</b>	Brick/Siding	<b>NOI/Net SF</b>	Unknown
<b>HVAC</b>	Central Electric/Central	<b>NOI Per Unit</b>	\$3,655
<b>Parking</b>	Parking Lot/Garage	<b>SalePrice/Net SF</b>	Unknown
<b>Structure/Stories</b>	WU/3	<b>Sale Price/Unit</b>	\$54,392
<b>Utilities with Rent</b>	Trash	<b>Occupancy @ Sale</b>	100%
<b>Capitalization Rate</b>	6.72%	<b>PGIM</b>	6.64
<b>Expense % of PGI</b>	55.35%	<b>Expense/ Net SF</b>	Unknown
<b>Expense % of EGI</b>	55.35%	<b>Expense/ Unit</b>	\$4,531
<b>Unit Amenities</b>	Range/Oven, Refrigerator, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio		
<b>Project Amenities</b>	Clubhouse, Swimming Pool, Fitness Center, Playground, Tennis Court, Laundry Facility, Limited Access Gate, Perimeter Fencing		

**Notes**

This complex does not maintain a waiting list. The annual turnover rate is approximately 21 percent. This complex was fully leased within two weeks of opening and stay full. The rent range is due to the floor plan and floor level. There is a \$50 application fee. Concessions are no app fee for this month. There is a flat fee of \$60 for water and sewer. There is a \$300 pet deposit and \$25 per month. This complex offers month to month lease terms.

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	102 Sable Chase Boulevard	100 Preston Creek Drive	1395 Towne Centre Village	11015 Tara Boulevard
City	McDonough	McDonough	McDonough	Hampton
State	Georgia	Georgia	Georgia	Georgia
Date	4/8/2014	8/18/2011	4/1/2011	2/9/2012
Price	\$0	\$21,932,000	\$29,280,000	\$13,054,000
Total No. of Units	225	340	304	240
Price per Unit	\$0.00	\$64,505.88	\$96,315.79	\$54,391.67
<b>Transaction Adjustments</b>				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Cash	Normal	Normal	Normal
<b>Adjusted Price per Unit</b>		<b>\$64,505.88</b>	<b>\$96,315.79</b>	<b>\$54,391.67</b>
Market Trends Through	4/8/14	0.0%	0.0%	0.0%
<b>Adjusted Price per Unit</b>		<b>\$64,505.88</b>	<b>\$96,315.79</b>	<b>\$54,391.67</b>
Location	Average	Similar	Similar	Inferior
% Adjustment		0%	0%	15%
\$ Adjustment		\$0.00	\$0.00	\$8,158.75
Total No. of Units	225	340	304	240
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Year Built/Renovated	1994	2003	2008	2000
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Condition/Street Appeal	Average	Similar	Superior	Similar
% Adjustment		0%	-25%	0%
\$ Adjustment		\$0.00	-\$24,078.95	\$0.00
HVAC	Central Electric/Central	Central Electric/Central	Central Electric/Central	Central Electric/Central
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Parking	Parking Lot	Parking Lot/Garage	Parking Lot/Garage	Parking Lot/Garage
% Adjustment		-5%	-5%	-5%
\$ Adjustment		-\$3,225.29	-\$4,815.79	-\$2,719.58
Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio	Range/Oven, Refrigerator, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio
% Adjustment		0%	0%	2%
\$ Adjustment		\$0.00	\$0.00	\$1,087.83
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Tot Lot, Basketball Court, Tennis Court, Laundry Facility, Video Surveillance, Gazebo	Clubhouse, Community Room, Swimming Pool, Spa/Hot Tub, Fitness Center, Picnic Area, Playground, Volleyball Court, Tennis Court, Limited Access Gate, Perimeter Fencing, Sunroom	Clubhouse, Community Room, Swimming Pool, Fitness Center, Playgroud, Billiards Room, Limited Access Gate	Clubhouse, Swimming Pool, Fitness Center, Playground, Tennis Court, Laundry Facility, Limited Access Gate, Perimeter Fencing
% Adjustment		-2%	3%	2%
\$ Adjustment		-\$1,290.12	\$2,889.47	\$1,087.83
<b>Adjusted Price per Unit</b>		<b>\$59,990.47</b>	<b>\$70,310.53</b>	<b>\$62,006.50</b>
<b>Net Adjustments</b>		<b>-7.0%</b>	<b>-27.0%</b>	<b>14.0%</b>
<b>Gross Adjustments</b>		<b>7.0%</b>	<b>33.0%</b>	<b>24.0%</b>

Based on the preceding analysis, it is the appraiser's opinion that the "as complete" value of the subject property, as of April 8, 2014, via the Sales Comparable Approach is as follows:

$$225 \text{ Units} \times \$65,500 \text{ per Unit} = \$14,737,500$$

**Indicated Value = \$14,740,000**

**APARTMENT SALES SUMMARY TABLE – As Is**

Comparable	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Preston Creek Drive	8/18/2011	\$21,932,000	\$64,505.88	340	2003
2	1395 Towne Centre Village	4/1/2011	\$29,280,000	\$96,315.79	304	2008
3	11015 Tara Boulevard	2/9/2012	\$13,054,000	\$54,391.67	240	2000

**Improved Sales Analysis**

The sale prices of the comparables range from \$54,392 to \$64,506 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in McDonough, Georgia. Comparables 1 and 2 are located in McDonough and are considered to be relatively similar in location. No adjustment was needed. Comparable 3 is located in Hampton and was considered inferior to the subject. Comparable 3 was adjusted upward 15 percent.

**Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 225 units. The number of units of the comparables range from 240 to 340. No adjustments were needed.

**Year Built/Renovated**

The subject was built in 1994. It is in average condition. Comparable 1 was built in 2003. Comparable 2 was constructed in 2008. Comparable 3 was built in 2000. Any necessary adjustment was utilized in the condition/street appeal adjustment.

**Condition/Street Appeal**

Comparable 2 was considered superior to the subject in terms of condition and was adjusted downward 25 percent.

**HVAC**

The subject and all comparables contain comparable heating and cooling. No adjustment was needed.

**Parking**

The subject and all comparables contain parking lots. All comparables also contain garage parking and were adjusted downward five percent.

**Unit Amenities**

The subject contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, walk-in closet, coat closet, balcony and patio. Comparable 1 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, ice maker, carpet, blinds, ceiling fans, balcony and patio and was not adjusted. Comparable 2 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, ice maker, carpet, blinds, ceiling fans, balcony and patio and was not adjusted. Comparable 3 contains a range/oven, refrigerator, dishwasher, washer/dryer hook-ups, carpet, blinds, ceiling fans, walk-in closet, balcony and patio and was adjusted upward two percent.

**Project Amenities**

The subject contains a clubhouse, swimming pool, fitness center, picnic area, tot lot, basketball court, tennis court, laundry facility, video surveillance and gazebo. Comparable 1 contains a clubhouse, community room, swimming pool, spa/hot tub, fitness center, picnic area, playground, volleyball court, tennis court, limited access gate, perimeter fencing and sunroom and was adjusted downward two percent. Comparable 2 contains a clubhouse, community room, swimming pool, fitness center, playground, billiards room and limited access gate and was adjusted upward three percent. Comparable

3 contains a clubhouse, swimming pool, fitness center, playground, tennis court, laundry facility, limited access gate and perimeter fencing and was adjusted upward two percent.

**Summary and Conclusion**

The comparables range from \$59,990 to \$70,311 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of April 8, 2014, via the Sales Comparable Approach is as follows:

225 Units x \$65,500 per Unit = \$14,737,500

**Indicated Value = \$14,740,000**

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	102 Sable Chase Boulevard	100 Preston Creek Drive	1395 Towne Centre Village	11015 Tara Boulevard
City	McDonough	McDonough	McDonough	Hampton
State	Georgia	Georgia	Georgia	Georgia
Date	4/8/2014	8/18/2011	4/1/2011	2/9/2012
Price	\$0	\$21,932,000	\$29,280,000	\$13,054,000
Total No. of Units	225	340	304	240
Price per Unit	\$0.00	\$64,505.88	\$96,315.79	\$54,391.67
<b>Transaction Adjustments</b>				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Cash	Normal	Normal	Normal
<b>Adjusted Price per Unit</b>		<b>\$64,505.88</b>	<b>\$96,315.79</b>	<b>\$54,391.67</b>
Market Trends Through	4/8/14	0.0%	0.0%	0.0%
<b>Adjusted Price per Unit</b>		<b>\$64,505.88</b>	<b>\$96,315.79</b>	<b>\$54,391.67</b>
Location	Average	Similar	Similar	Inferior
% Adjustment		0%	0%	15%
\$ Adjustment		\$0.00	\$0.00	\$8,158.75
Total No. of Units	225	340	304	240
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Year Built/Renovated	1994/Proposed	2003	2008	2000
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Condition/Street Appeal	Good	Inferior	Similar	Inferior
% Adjustment		25%	0%	25%
\$ Adjustment		\$16,126.47	\$0.00	\$13,597.92
HVAC	Central Electric/Central	Central Electric/Central	Central Electric/Central	Central Electric/Central
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Parking	Parking Lot	Parking Lot/Garage	Parking Lot/Garage	Parking Lot/Garage
% Adjustment		-5%	-5%	-5%
\$ Adjustment		-\$3,225.29	-\$4,815.79	-\$2,719.58
Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio	Range/Oven, Refrigerator, Dishwasher, Washer/Dryer, Hook-Ups, Carpet, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio
% Adjustment		0%	0%	2%
\$ Adjustment		\$0.00	\$0.00	\$1,087.83
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Tot Lot, Basketball Court, Tennis Court, Laundry Facility, Video Surveillance, Gazebo, Dog Park	Clubhouse, Community Room, Swimming Pool, Spa/Hot Tub, Fitness Center, Picnic Area, Playground, Volleyball Court, Tennis Court, Limited Access Gate, Perimeter Fencing, Sunroom	Clubhouse, Community Room, Swimming Pool, Fitness Center, Playground, Billiards Room, Limited Access Gate	Clubhouse, Swimming Pool, Fitness Center, Playground, Tennis Court, Laundry Facility, Limited Access Gate, Perimeter Fencing
% Adjustment		-1%	4%	3%
\$ Adjustment		-\$645.06	\$3,852.63	\$1,631.75
<b>Adjusted Price per Unit</b>		<b>\$76,762.00</b>	<b>\$95,352.63</b>	<b>\$76,148.33</b>
<b>Net Adjustments</b>		19.0%	-1.0%	40.0%
<b>Gross Adjustments</b>		31.0%	9.0%	50.0%

Based on the preceding analysis, it is the appraiser's opinion that the "as complete" value of the subject property, as of December 31, 2015, via the Sales Comparable Approach is as follows:

$$225 \text{ Units} \times \$84,000 \text{ per Unit} = \$18,900,000$$

**Indicated Value = \$18,900,000**

**APARTMENT SALES SUMMARY TABLE – As Complete**

Comparable	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Preston Creek Drive	8/18/2011	\$21,932,000	\$64,505.88	340	2003
2	1395 Towne Centre Village	4/1/2011	\$29,280,000	\$96,315.79	304	2008
3	11015 Tara Boulevard	2/9/2012	\$13,054,000	\$54,391.67	240	2000

**Improved Sales Analysis**

The sale prices of the comparables range from \$54,392 to \$64,506 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

**Location**

The subject is located in McDonough, Georgia. Comparables 1 and 2 are located in McDonough and are considered to be relatively similar in location. No adjustment was needed. Comparable 3 is located in Hampton and was considered inferior to the subject. Comparable 3 was adjusted upward 15 percent.

**Total No. of Units**

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 225 units. The number of units of the comparables range from 240 to 340. No adjustments were needed.

**Year Built/Renovated**

The subject was built in 1994 and will be rehabilitated. It will be in good condition. Comparable 1 was built in 2003. Comparable 2 was constructed in 2008. Comparable 3 was built in 2000. Any necessary adjustment was utilized in the condition/street appeal adjustment.

**Condition/Street Appeal**

Comparables 1 and 3 were considered inferior to the subject in terms of condition and were adjusted upward 25 percent.

**HVAC**

The subject and all comparables contain comparable heating and cooling. No adjustment was needed.

**Parking**

The subject and all comparables contain parking lots. All comparables also contain garage parking and were adjusted downward five percent.

**Unit Amenities**

The subject will contain a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer, carpet, tile, blinds, ceiling fans, walk-in closet, coat closet, balcony and patio. Comparable 1 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, ice maker, carpet, blinds, ceiling fans, balcony and patio and was not adjusted. Comparable 2 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, ice maker, carpet, blinds, ceiling fans, balcony and patio and was not adjusted. Comparable 3 contains a range/oven, refrigerator, dishwasher, washer/dryer hook-ups, carpet, blinds, ceiling fans, walk-in closet, balcony and patio and was adjusted upward two percent.

**Project Amenities**

The subject will contain a clubhouse, swimming pool, fitness center, picnic area, tot lot, basketball court, tennis court, laundry facility, video surveillance, gazebo and dog park. Comparable 1 contains a clubhouse, community room, swimming pool, spa/hot tub, fitness center, picnic area, playground, volleyball court, tennis court, limited access gate, perimeter fencing and sunroom and was adjusted downward one percent. Comparable 2 contains a clubhouse, community room, swimming pool, fitness center, playground, billiards room and limited access gate and was adjusted upward four percent.

Comparable 3 contains a clubhouse, swimming pool, fitness center, playground, tennis court, laundry facility, limited access gate and perimeter fencing and was adjusted upward three percent.

**Summary and Conclusion**

The comparables range from \$76,148 to \$95,353 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of December 31, 2015, via the Sales Comparable Approach is as follows:

225 Units x \$84,000 per Unit = \$18,900,000

**Indicated Value = \$18,900,000**

### **INCOME APPROACH**

The Income Approach is a procedure in which the value of a property is estimated by means of capitalization of a net income stream, either imputed or actual. The steps in the procedure are as follows:

1. Analyze the income the property is capable of generating.
2. Estimate the rental loss from vacancy and uncollected rents.
3. Estimate the amount of expense that will be incurred in operating the property.
4. Subtract 2 and 3 above from 1 to arrive at a net income estimate before capital charges.
5. Using an appropriate rate, capitalize the net income estimate into an indication of value.

### **Income Analysis**

The first step in forming an opinion of reasonable net income expectancy is the estimation of market rent. Market rent is defined as the rental warranted by a property in the open real estate market based upon current rentals being paid for comparable space.

To estimate the market rent for the subject, lease information from comparable apartment complexes were collected and analyzed.

**Apartment rentals found to be comparable to the subject property are summarized on the following HUD-Forms 92273.**

**One-Bedroom Units (781 SF)**  
**Estimates of Market Rent**  
**by Comparison**

**U.S. Department of Housing and Urban Development**  
 Office of Housing  
 Federal Housing Commissioner

OMB Approval No. 2502-0029  
 (exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered nonsensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
1BR / 1BA	Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia	Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia		Walden Run 100 Walden Run Place McDonough/Henry - Georgia		Knight Port 201 Willow Chase Drive McDonough/Henry - Georgia		Carrington Green 745 Highway 42 South McDonough/Henry - Georgia		Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	04/2014	04/2014		04/2014		04/2014		04/2014		04/2014	
4. Type of Project/Stories	WU/2	WU/2		WU/3		WU/2,3		WU/2,3		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	88%	98%		98%		100%		97%		97%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1994	1988		1997		1999		2005		1998	
9. Sq. Ft. Area	781	929	(\$35)	867	(\$20)	800		691	\$20	800	
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	10	10		10		10		10		10	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		Y	
14. Garage or Carport	L/0	L/0		L/0, G/100		L/0		L/0		L/0, G/100	
15. Equipment	A/C	C		C		C		C		C	
b. Range/Oven	Y	Y		Y		Y		Y		Y	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	Y	Y		Y		Y		Y		Y	
e. Microwave	Y	Y		N	\$5	N	\$5	N	\$5	Y	
f. Dishwasher	Y	Y		Y		N	\$5	Y		Y	
g. Washer/Dryer	HU	HU		HU		HU		HU		HU	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	PRA	PRA		PRA		RA	\$10	P/RA		PRA	
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E	
b. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C	N	\$60	N	\$60	C		N	\$60	N	\$60
e. Trash	Y	N	\$20	N	\$20	Y		N	\$20	N	\$20
17. Storage	N	N		Y/40		N		N		Y	(\$5)
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Special Features	N	N		N		N		N		N	
20. Security	Y	N	\$5	N	\$5	N	\$5	Y	(\$5)	Y	(\$5)
21. Clubhouse/Community Room	C	N	\$5	Y		N	\$5	Y		Y	
22. Business Center	N	N		Y	(\$5)	N		N		N	
20. Unit Rent Per Month		\$645		\$605		\$635		\$680		\$565	
21. Total Adjustment			\$55		\$65		\$30		\$100		\$70
22. Indicated Rent		\$700		\$670		\$665		\$780		\$635	
23. Correlated Subject Rent	\$675	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$780	low rent	\$635	60% range	\$664	to	\$751			
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature <i>Samuel S. Ziel</i>		Date (mm/dd/yy) 04/08/14		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (07/2003)

**Two-Bedroom Units (857 SF)**  
**Estimates of Market Rent**  
**by Comparison**

**U.S. Department of Housing and Urban Development**  
 Office of Housing  
 Federal Housing Commissioner

OMB Approval No. 2502-0029  
 (exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address) Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia	A. Comparable Property No. 1 (address) Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia	B. Comparable Property No. 2 (address) Walden Run 100 Walden Run Place McDonough/Henry - Georgia	C. Comparable Property No. 3 (address) Knight Port 201 Willow Chase Drive McDonough/Henry - Georgia	D. Comparable Property No. 4 (address) Carrington Green 745 Highway 42 South McDonough/Henry - Georgia	E. Comparable Property No. 5 (address) Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia
Characteristics	Data	Data	Data	Data	Data	Data
		Adjustments	Adjustments	Adjustments	Adjustments	Adjustments
3. Effective Date of Rental	04/2014	04/2014	04/2014	04/2014	04/2014	04/2014
4. Type of Project/Stories	WU/2	WU/2	WU/3	WU/2,3	WU/2,3	WU/2
5. Floor of Unit in Building	Varies	Varies	Varies	Varies	Varies	Varies
6. Project Occupancy %	88%	98%	98%	100%	97%	97%
7. Concessions	None	None	None	None	None	None
8. Year Built	1994	1988	1997	1999	2005	1998
9. Sq. Ft. Area	857	1,104 (\$55)	1,155 (\$65)	980 (\$25)	1,177 (\$70)	1,117 (\$55)
10. Number of Bedrooms	2	2	2	2	2	2
11. Number of Baths	10	2.0 (\$20)	2.0 (\$20)	2.0 (\$20)	2.0 (\$20)	10
12. Number of Rooms	4	4	4	4	4	4
13. Balc/Terrace/Patio	Y	Y	Y	Y	Y	Y
14. Garage or Carport	L/0	L/0	L/0, G/100	L/0	L/0	L/0, G/100
15. Equipment	A/C	C	C	C	C	C
b. Range/Oven	Y	Y	Y	Y	Y	Y
c. Refrigerator	Y	Y	Y	Y	Y	Y
d. Disposal	Y	Y	Y	Y	Y	Y
e. Microwave	Y	Y	N	\$5	N	\$5
f. Dishwasher	Y	Y	Y	N	\$5	Y
g. Washer/Dryer	HU	HU	HU	HU	HU	HU
h. Carpet/Drapes	C/B	C/B	C/B	C/B	C/B	C/B
i. Pool/Rec. Area	PRA	PRA	PRA	RA	\$10	P/RA
16. Services	a. Heat/Type	N/E	N/E	N/E	N/E	N/E
b. Cook/Type	N/E	N/E	N/E	N/E	N/E	N/E
c. Electricity	N	N	N	N	N	N
d. Water Cold/Hot	C	N	\$75	N	\$75	C
e. Trash	Y	N	\$20	N	\$20	N
17. Storage	N	N	Y/40	N	N	Y
18. Project Location	Average	Similar	Similar	Similar	Similar	Similar
19. Special Features	N	N	N	N	N	N
20. Security	Y	N	\$5	N	\$5	Y
21. Clubhouse/Community Room	C	N	\$5	Y	\$5	Y
22. Business Center	N	N	Y	(\$5)	N	N
20. Unit Rent Per Month		\$745	\$725	\$729	\$795	\$750
21. Total Adjustment		\$30	\$15	(\$15)	\$5	\$30
22. Indicated Rent		\$775	\$740	\$714	\$800	\$780
23. Correlated Subject Rent	\$775	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.				
	high rent	\$800	low rent	\$714	60% range	\$731 to \$783
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature		Date (mm/dd/yy)	Reviewer's Signature	
		<i>Samuel J. Zell</i>		04/08/14		

Previous editions are obsolete

form HUD-92273 (07/2003)

**Three-Bedroom Units (1,180 SF)**  
**Estimates of Market Rent**  
**by Comparison**

**U.S. Department of Housing and Urban Development**  
 Office of Housing  
 Federal Housing Commissioner

OMB Approval No. 2502-0029  
 (exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)
3BR / 2BA	Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia	Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia	Walden Run 100 Walden Run Place McDonough/Henry - Georgia	Knight Port 201 Willow Chase Drive McDonough/Henry - Georgia	Carrington Green 745 Highway 42 South McDonough/Henry - Georgia	Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia
Characteristics	Data	Data	Data	Data	Data	Data
3. Effective Date of Rental	04/2014	04/2014	04/2014	04/2014	04/2014	04/2014
4. Type of Project/Stories	WU/2	WU/2	WU/3	WU/2,3	WU/2,3	WU/2
5. Floor of Unit in Building	Varies	Varies	Varies	Varies	Varies	Varies
6. Project Occupancy %	88%	98%	98%	100%	97%	97%
7. Concessions	None	None	None	None	None	None
8. Year Built	1994	1988	1997	1999	2005	1998
9. Sq. Ft. Area	1,180	1,469 (\$65)	1,390 (\$45)	1,100 \$20	1,447 (\$60)	1,332 (\$35)
10. Number of Bedrooms	3	3	3	3	3	3
11. Number of Baths	2.0	2.0	2.0	2.0	2.0	2.0
12. Number of Rooms	5	5	5	5	5	5
13. Balc./Terrace/Patio	Y	Y	Y	Y	Y	Y
14. Garage or Carport	L/0	L/0	L/0, G/100	L/0	L/0	L/0, G/100
15. Equipment	A/C	C	C	C	C	C
b. Range/Oven	Y	Y	Y	Y	Y	Y
c. Refrigerator	Y	Y	Y	Y	Y	Y
d. Disposal	Y	Y	Y	Y	Y	Y
e. Microwave	Y	Y	N	\$5	N	\$5
f. Dishwasher	Y	Y	Y	N	\$10	Y
g. Washer/Dryer	HU	HU	HU	HU	HU	HU
h. Carpet/Draperies	C/B	C/B	C/B	C/B	C/B	C/B
i. Pool/Rec. Area	P/RA	P/RA	P/RA	RA	\$10	P/RA
16. Services	a. Heat/Type	N/E	N/E	N/E	N/E	N/E
b. Cook/Type	N/E	N/E	N/E	N/E	N/E	N/E
c. Electricity	N	N	N	N	N	N
d. Water Cold/Hot	C	N	\$90	N	C	\$90
e. Trash	Y	N	\$20	N	Y	\$20
17. Storage	N	N	Y/40	N	N	Y (\$5)
18. Project Location	Average	Similar	Similar	Similar	Similar	Similar
19. Special Features	N	N	N	N	N	N
20. Security	Y	N	\$5	N	\$5	Y (\$5)
21. Clubhouse/Community Room	C	N	\$5	Y	N	\$5
22. Business Center	N	N	Y	Y	N	Y
20. Unit Rent Per Month		\$845	\$920	\$905	\$910	\$930
21. Total Adjustment		\$55	\$70	\$55	\$50	\$65
22. Indicated Rent		\$900	\$990	\$960	\$960	\$995
23. Correlated Subject Rent	<b>\$975</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.				
	high rent	\$995	low rent	\$900	<b>60% range \$919 to \$976</b>	

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature: *Samuel S. Zell* Date (mm/dd/yy): 04/08/14

Reviewer's Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

***Explanation of Adjustments and Market Rent Conclusions***

**Sable Chase – As Is**

**Primary Unit Type – One-Bedroom Units (781 SF), Two-Bedroom Units (857 SF) and Three-Bedroom Units (1,180 SF)**

**Secondary Unit Type – Two-Bedroom Units (968 SF)**

A rent comparability grid was prepared for the primary unit types with 781, 857 and 1,180 square feet. Comparable apartments used include the following: ***Meadowlark (Comparable 1), Walden Run (Comparable 2), Knight Port (Comparable 3), Carrington Green (Comparable 4) and Amber Chase (Comparable 5).***

**Structure/Stories** – The subject contains two-story walk-up style buildings. All comparables contain two- or three-story walk-up style buildings. No adjustments were needed.

**Project Occupancy** - The subject currently has 88 percent occupancy. The comparables' occupancies range from 97 to 100 percent. Therefore, no adjustments were needed.

**Year Built/Year Renovated** – The subject was constructed in 1994. ***Comparable 1*** was built in 1988. ***Comparable 2*** was built in 1997. ***Comparable 3*** was built in 1999. ***Comparable 4*** was built in 2005. ***Comparable 5*** was built in 1998. The subject is currently in average condition. All comparables were considered similar to the subject. Therefore, no adjustments were needed.

**SF Area** - For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 33 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot is \$0.23 for the one-bedroom comparison, \$0.22 for the two-bedroom comparison and \$0.22 for the three-bedroom comparison. No adjustments were made to comparables within 25 square feet of the subject. These adjustments are reflected on the HUD-Forms 92273, which are attached. The subject also contains two-bedroom units with 968 square feet. These units were considered secondary units and were adjusted as described above. (968 SF – 857 SF = 111 SF x \$0.22 = \$24. Rounded \$25).

**# of Bedrooms** – The subject and all comparables contain similar number of bedrooms. No adjustment was needed.

**# of Baths** – Each complex with a differing number of baths than the subject was adjusted \$20 per full bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to account for the convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. A paired rental analysis indicated a range of \$0 to \$30 per bath. The paired rental analysis range was determined by comparing comparables with differing numbers of baths and factoring out any other difference (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority in this paired analysis, a \$20 adjustment was selected per full bath.

**Balcony/Patio** – The subject and all comparables contain this feature. Therefore, no adjustments were needed.

**Parking** – The subject and all comparables contain parking lots for no fee. **Comparables 2 and 5** also contains garage parking for an additional fee. Since these comparables also contain parking similar to the subject, no adjustment was needed.

**AC: Central/Wall** – The subject and all comparables contain central air conditioning. Therefore, no adjustments were needed.

**Washer/Dryer** – The subject and all comparables contain washer/dryer hook-ups in the units. Therefore, no adjustments were needed.

**Pool/Recreation Areas** – The subject contains a swimming pool, fitness center, picnic area, tot lot, basketball court, tennis court and gazebo. **Comparables 1, 2, 4 and 5** contain swimming pools. In addition, **Comparable 1** contains a picnic area, playground and basketball court. **Comparable 2** also contains a fitness center, playground and car wash area. **Comparable 4** also contains a fitness center, playground and basketball court. **Comparable 5** also contains a spa/hot tub, fitness center, picnic area, playground, volleyball court, basketball court, tennis court and car wash area. **Comparable 3** contains a picnic area and was adjusted upward \$10 per month. Apartments with these features can command a higher rent in the market area. Therefore, these adjustments were deemed reasonable after conversations with local apartment managers and tenants.

**Heat** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Cooking** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Electric** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Cold/Hot Water** – The subject has cold water provided. None of the comparables except **Comparable 3** have either utility provided and were adjusted upward \$60 for the one-bedroom comparison, \$75 for the two-bedroom comparison and \$90 for the three-bedroom comparison. These adjustments were substantiated with local utility companies.

**Trash** – The subject and **Comparable 3** have this utility provided. None of the remaining comparables have this utility provided and was adjusted upward \$20 for all comparisons.

**Extra Storage** – The subject does not contain extra storage. **Comparables 1, 3 and 4** are similar to the subject. **Comparable 2** contains extra storage for an additional \$40 per month. **Comparable 5** contains extra storage for no additional fee. Although there is little market data available for units containing these features, tenants in the area indicate a willingness to pay an additional amount for this feature. Therefore, a nominal \$5 adjustment was selected for **Comparable 5**. Since there is a fee charged for the storage at **Comparable 5**, no adjustment was made.

**Location** – The subject and all comparables are considered similar in project location. Therefore, no adjustment was needed.

**Special Features** – Neither the subject, nor any of the comparables contain this feature. Therefore, no adjustments were needed.

**Security** – The subject contains video surveillance. **Comparable 4** contains limited access gate. **Comparable 5** limited access gate and perimeter fencing. **Comparables 1, 2 and 3** do not contain any form of security. Residents in the market area indicated a willingness to pay an additional amount for security, especially security that limits access to the property or units. Therefore, **Comparables 4 and 5** was adjusted downward \$5 per month, and **Comparables 1, 2 and 3** were adjusted upward \$5 per month.

**Clubhouse/Community Room** – The subject and **Comparables 2, 4 and 5** contain clubhouses. **Comparables 1 and 3** do not contain either feature. Although there is little market data available concerning units with these features, the added amenity is an enhancement. Therefore, **Comparables 1 and 3** were adjusted upward \$5 per month.

**Business Center** – The subject does not contain a business center. All comparables except **Comparable 2** are similar to the subject. Although there is little market data available to support an adjustment for this feature, the amenity is an enhancement to the unit. Therefore, **Comparable 2** was adjusted downward \$5 per month.

**Conclusion of Market Rent**

The adjusted rents range from \$635 to \$780 for the one-bedroom units; from \$714 to \$800 for the two-bedroom units; and from \$900 to \$995 for the three-bedroom units. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **781 SF One-Bedroom Unit** - **\$675, or \$0.86 per square foot**
- **857 SF Two-Bedroom Unit** - **\$775, or \$0.90 per square foot**
- **1,180 SF Three-Bedroom Unit** - **\$975, or \$0.83 per square foot**

The subject also contains two-bedroom-two-bath units with 968 square feet. These units were adjusted as described in the unit square footage and number of baths explanation. The appraiser concluded the market rent for the units as follow:

- **968 SF Two-Bedroom Unit** - **\$820, or \$0.85 per square foot**

**One-Bedroom/One-Bath Units (781 SF)**

**Estimates of Market Rent  
by Comparison**

**U.S. Department of Housing and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
1BR / 1BA	Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia	Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia		Walden Run 100 Walden Run Place McDonough/Henry - Georgia		Knight Port 201 Willow Chase Drive McDonough/Henry - Georgia		Carrington Green 745 Highway 42 South McDonough/Henry - Georgia		Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	04/2014	04/2014		04/2014		04/2014		04/2014		04/2014	
4. Type of Project/Stories	WU/2	WU/2		WU/3		WU/2,3		WU/2,3		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	88%	98%		98%		100%		97%		97%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1994/Proposed	1988	\$50	1997	\$50	1999	\$50	2005	\$50	1998	\$50
9. Sq. Ft. Area	781	929	(\$35)	867	(\$20)	800		691	\$20	800	
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	10	10		10		10		10		10	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		Y	
14. Garage or Carport	L/0	L/0		L/0, G/100		L/0		L/0		L/0, G/100	
15. Equipment	A/C	C		C		C		C		C	
b. Range/Oven	Y	Y		Y		Y		Y		Y	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	Y	Y		Y		Y		Y		Y	
e. Microwave	Y	Y		N	\$5	N	\$5	N	\$5	Y	
f. Dishwasher	Y	Y		Y		N	\$5	Y		Y	
g. Washer/Dryer	WD	HU	\$5	HU	\$5	HU	\$5	HU	\$5	HU	\$5
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	PRA	PRA		PRA		RA	\$10	P/RA		PRA	
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E	
b. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C	N	\$60	N	\$60	C		N	\$60	N	\$60
e. Trash	Y	N	\$20	N	\$20	Y		N	\$20	N	\$20
17. Storage	N	N		Y/40		N		N		Y	(\$5)
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Special Features	N	N		N		N		N		N	
20. Security	Y	N	\$5	N	\$5	N	\$5	Y	(\$5)	Y	(\$5)
21. Clubhouse/Community Room	C	N	\$5	Y		N	\$5	Y		Y	
22. Business Center	N	N		Y	(\$5)	N		N		N	
20. Unit Rent Per Month		\$645		\$605		\$635		\$680		\$565	
21. Total Adjustment			\$10		\$20		\$85		\$155		\$125
22. Indicated Rent		\$755		\$725		\$720		\$835		\$690	
23. Correlated Subject Rent	<b>\$ 730</b>	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$835	low rent	\$690	<b>60% range</b>	<b>\$ 719</b>	to	<b>\$ 806</b>			

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature: *Samuel S. Kiel* Date (mm/dd/yy): 04/08/14

Reviewer's Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

**Two-Bedroom/One-Bath Units (857 SF)**

**Estimates of Market Rent  
by Comparison**

**U.S. Department of Housing and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor or formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)			A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)			
2BR / 1BA	Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia			Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia			Walden Run 100 Walden Run Place McDonough/Henry - Georgia			Knight Port 201 Willow Chase Drive McDonough/Henry - Georgia			Carrington Green 745 Highway 42 South McDonough/Henry - Georgia			Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia			
Characteristics	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	Data	Data	Adjustments	
3. Effective Date of Rental	04/2014	04/2014		04/2014	04/2014		04/2014	04/2014		04/2014	04/2014		04/2014	04/2014		04/2014	04/2014		
4. Type of Project/Stories	WU/2	WU/2		WU/2	WU/2		WU/3	WU/3		WU/2,3	WU/2,3		WU/2,3	WU/2,3		WU/2	WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies	Varies		Varies	Varies		Varies	Varies		Varies	Varies		Varies	Varies		
6. Project Occupancy %	88%	98%		98%	98%		100%	100%		100%	100%		97%	97%		97%	97%		
7. Concessions	None	None		None	None		None	None		None	None		None	None		None	None		
8. Year Built	1994/Proposed	1988	\$50	1997	1997	\$50	1999	1999	\$50	2005	2005	\$50	1998	1998	\$50	1998	1998	\$50	
9. Sq. Ft. Area	857	1,104	(\$55)	1,155	1,155	(\$65)	980	980	(\$25)	1,177	1,177	(\$70)	1,117	1,117	(\$55)	1,117	1,117	(\$55)	
10. Number of Bedrooms	2	2		2	2		2	2		2	2		2	2		2	2		
11. Number of Baths	1.0	2.0	(\$20)	2.0	2.0	(\$20)	2.0	2.0	(\$20)	2.0	2.0	(\$20)	1.0	1.0		1.0	1.0		
12. Number of Rooms	4	4		4	4		4	4		4	4		4	4		4	4		
13. Balc./Terrace/Patio	Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		
14. Garage or Carport	L/0	L/0		L/0, G/100	L/0, G/100		L/0	L/0		L/0	L/0		L/0, G/100	L/0, G/100		L/0, G/100	L/0, G/100		
15. Equipment	A/C	C		C	C		C	C		C	C		C	C		C	C		
b. Range/Oven	Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		
c. Refrigerator	Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		
d. Disposal	Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		Y	Y		
e. Microwave	Y	Y		N	N	\$5	N	N	\$5	N	N	\$5	Y	Y		Y	Y		
f. Dishwasher	Y	Y		Y	Y		N	N	\$5	Y	Y		Y	Y		Y	Y		
g. Washer/Dryer	WD	HU	\$5	HU	HU	\$5	HU	HU	\$5	HU	HU	\$5	HU	HU	\$5	HU	HU	\$5	
h. Carpet/Draperies	C/B	C/B		C/B	C/B		C/B	C/B		C/B	C/B		C/B	C/B		C/B	C/B		
i. Pool/Rec. Area	P/RA	P/RA		P/RA	P/RA		RA	RA	\$10	P/RA	P/RA		P/RA	P/RA		P/RA	P/RA		
16. Services	a. Heat/Type	N/E		N/E	N/E		N/E	N/E		N/E	N/E		N/E	N/E		N/E	N/E		
b. Cook/Type	N/E	N/E		N/E	N/E		N/E	N/E		N/E	N/E		N/E	N/E		N/E	N/E		
c. Electricity	N	N		N	N		N	N		N	N		N	N		N	N		
d. Water Cold/Hot	C	N	\$75	N	N	\$75	C	C		N	N	\$75	N	N	\$75	N	N	\$75	
e. Trash	Y	N	\$20	N	N	\$20	Y	Y		N	N	\$20	N	N	\$20	N	N	\$20	
17. Storage	N	N		Y/40	Y/40		N	N		N	N		Y	Y	(\$5)	Y	Y	(\$5)	
18. Project Location	Average	Similar		Similar	Similar		Similar	Similar		Similar	Similar		Similar	Similar		Similar	Similar		
19. Special Features	N	N		N	N		N	N		N	N		N	N		N	N		
20. Security	Y	N	\$5	N	N	\$5	N	N	\$5	Y	Y	(\$5)	Y	Y	(\$5)	Y	Y	(\$5)	
21. Clubhouse/Community Room	C	N	\$5	Y	Y		N	N	\$5	Y	Y		Y	Y		Y	Y		
22. Business Center	N	N		Y	Y	(\$5)	N	N		N	N		N	N		N	N		
20. Unit Rent Per Month		\$745		\$725	\$725		\$729	\$729		\$795	\$795		\$750	\$750		\$750	\$750		
21. Total Adjustment			\$85			\$70			\$40			\$60			\$85			\$85	
22. Indicated Rent		\$830		\$795	\$795		\$769	\$769		\$855	\$855		\$835	\$835		\$835	\$835		
23. Correlated Subject Rent	<b>\$ 830</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.																	
	high rent	\$855	low rent	\$769	<b>60% range \$786 to \$838</b>														
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature <i>Samuel S. Hill</i>				Date (mm/dd/yy) 04/08/14				Reviewer's Signature				Date (mm/dd/yyyy)			

Previous editions are obsolete

form HUD-92273 (07/2003)

**Three-Bedroom/Two-Bath Units (1,180 SF)**

**Estimates of Market Rent  
by Comparison**

**U.S. Department of Housing and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor or formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
3BR / 2BA	Sable Chase 102 Sable Chase Boulevard McDonough/Henry - Georgia	Meadowlark 101 Meadowlark Lane McDonough/Henry - Georgia		Walden Run 100 Walden Run Place McDonough/Henry - Georgia		Knights Port 201 Willow Chase Drive McDonough/Henry - Georgia		Carrington Green 745 Highway 42 South McDonough/Henry - Georgia		Amber Chase 570 McDonough Parkway McDonough/Henry - Georgia	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	04/2014	04/2014		04/2014		04/2014		04/2014		04/2014	
4. Type of Project/Stories	WU/2	WU/2		WU/3		WU/2,3		WU/2,3		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	88%	98%		98%		100%		97%		97%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1994/Proposed	1988	\$50	1997	\$50	1999	\$50	2005	\$50	1998	\$50
9. Sq. Ft. Area	1,180	1,469	(\$65)	1,390	(\$45)	1,100	\$20	1,447	(\$60)	1,332	(\$35)
10. Number of Bedrooms	3	3		3		3		3		3	
11. Number of Baths	2.0	2.0		2.0		2.0		2.0		2.0	
12. Number of Rooms	5	5		5		5		5		5	
13. Balc./Terrace/Patio	Y	Y		Y		Y		Y		Y	
14. Garage or Carport	L/0	L/0		L/0, G/100		L/0		L/0		L/0, G/100	
15. Equipment	A/C	C		C		C		C		C	
b. Range/Oven	Y	Y		Y		Y		Y		Y	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	Y	Y		Y		Y		Y		Y	
e. Microwave	Y	Y		N	\$5	N	\$5	N	\$5	Y	
f. Dishwasher	Y	Y		Y		N	\$10	Y		Y	
g. Washer/Dryer	WD	HU	\$5	HU	\$5	HU	\$5	HU	\$5	HU	\$5
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	PRA	PRA		PRA		RA	\$10	P/RA		PRA	
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E	
b. Cook/Type	N/E	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C	N	\$90	N	\$90	C		N	\$90	N	\$90
e. Trash	Y	N	\$20	N	\$20	Y		N	\$20	N	\$20
17. Storage	N	N		Y/40		N		N		Y	(\$5)
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Special Features	N	N		N		N		N		N	
20. Security	Y	N	\$5	N	\$5	N	\$5	Y	(\$5)	Y	(\$5)
21. Clubhouse/Community Room	C	N	\$5	Y		N	\$5	Y		Y	
22. Business Center	N	N		Y	(\$5)	N		N		N	
20. Unit Rent Per Month		\$845		\$920		\$905		\$910		\$930	
21. Total Adjustment			\$110		\$125		\$110		\$105		\$120
22. Indicated Rent		\$955		\$1,045		\$1,015		\$1,015		\$1,050	
23. Correlated Subject Rent	<b>\$1,030</b>	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,050	low rent	\$955	<b>60% range</b>	<b>\$974</b>	to	<b>\$1,031</b>			

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature: *Samuel J. Ziel* Date (mm/dd/yy): 04/08/14 Reviewer's Signature: \_\_\_\_\_ Date (mm/dd/yyyy): \_\_\_\_\_

## ***Explanation of Adjustments and Market Rent Conclusions***

### **Sable Chase**

**Primary Unit Type – One-Bedroom Units (781 SF), Two-Bedroom Units (857 SF) and Three-Bedroom Units (1,180 SF)**

**Secondary Unit Type – Two-Bedroom Units (968 SF)**

A rent comparability grid was prepared for the primary unit types with 781, 857 and 1,180 square feet. Comparable apartments used include the following: ***Meadowlark (Comparable 1), Walden Run (Comparable 2), Knight Port (Comparable 3), Carrington Green (Comparable 4) and Amber Chase (Comparable 5).***

**Structure/Stories** – The subject contains two-story walk-up style buildings. All comparables contain two- or three-story walk-up style buildings. No adjustments were needed.

**Project Occupancy** - The subject currently has 88 percent occupancy. The comparables' occupancies range from 97 to 100 percent. Therefore, no adjustments were needed.

**Year Built/Year Renovated** – The subject was constructed in 1994 and will be rehabilitated. ***Comparable 1*** was built in 1988. ***Comparable 2*** was built in 1997. ***Comparable 3*** was built in 1999. ***Comparable 4*** was built in 2005. ***Comparable 5*** was built in 1998. The subject will be in good condition. All comparables will be considered inferior to the subject and were adjusted upward \$50 per month.

**SF Area** - For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 33 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot is \$0.23 for the one-bedroom comparison, \$0.22 for the two-bedroom comparison and \$0.22 for the three-bedroom comparison. No adjustments were made to comparables within 25 square feet of the subject. These adjustments are reflected on the HUD-Forms 92273, which are attached. The subject also contains two-bedroom units with 968 square feet. These units were considered secondary units and were adjusted as described above. (968 SF – 857 SF = 111 SF x \$0.22 = \$24. Rounded \$25).

**# of Bedrooms** – The subject and all comparables contain similar number of bedrooms. No adjustment was needed.

**# of Baths** – Each complex with a differing number of baths than the subject was adjusted \$20 per full bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to account for the convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. A paired rental analysis indicated a range of \$0 to \$30 per bath. The paired rental analysis range was determined by comparing comparables with differing numbers of baths and factoring out any other difference (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority in this paired analysis, a \$20 adjustment was selected per full bath.

**Balcony/Patio** – The subject and all comparables contain this feature. Therefore, no adjustments were needed.

**Parking** – The subject and all comparables contain parking lots for no fee. **Comparables 2 and 5** also contains garage parking for an additional fee. Since these comparables also contain parking similar to the subject, no adjustment was needed.

**AC: Central/Wall** – The subject and all comparables contain central air conditioning. Therefore, no adjustments were needed.

**Washer/Dryer** – The subject will contain washers and dryers within the individual units. All comparables contain washer/dryer hook-ups in the units. Although there is little market data available to support an adjustment for this feature, the amenity is an enhancement to the unit. Therefore, all comparables were adjusted upward \$5 per month.

**Pool/Recreation Areas** – The subject contains a swimming pool, fitness center, picnic area, tot lot, basketball court, tennis court and gazebo. **Comparables 1, 2, 4 and 5** contain swimming pools. In addition, **Comparable 1** contains a picnic area, playground and basketball court. **Comparable 2** also contains a fitness center, playground and car wash area. **Comparable 4** also contains a fitness center, playground and basketball court. **Comparable 5** also contains a spa/hot tub, fitness center, picnic area, playground, volleyball court, basketball court, tennis court and car wash area. **Comparable 3** contains a picnic area and was adjusted upward \$10 per month. Apartments with these features can command a higher rent in the market area. Therefore, these adjustments were deemed reasonable after conversations with local apartment managers and tenants.

**Heat** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Cooking** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Electric** – Neither the subject, nor any of the comparables have this utility provided. Therefore, no adjustments were needed.

**Cold/Hot Water** – The subject has cold water provided. None of the comparables except **Comparable 3** have either utility provided and were adjusted upward \$60 for the one-bedroom comparison, \$75 for the two-bedroom comparison and \$90 for the three-bedroom comparison. These adjustments were substantiated with local utility companies.

**Trash** – The subject and **Comparable 3** have this utility provided. None of the remaining comparables have this utility provided and was adjusted upward \$20 for all comparisons.

**Extra Storage** – The subject does not contain extra storage. **Comparables 1, 3 and 4** are similar to the subject. **Comparable 2** contains extra storage for an additional \$40 per month. **Comparable 5** contains extra storage for no additional fee. Although there is little market data available for units containing these features, tenants in the area indicate a willingness to pay an additional amount for this feature. Therefore, a nominal \$5 adjustment was selected for **Comparable 5**. Since there is a fee charged for the storage at **Comparable 5**, no adjustment was made.

**Location** – The subject and all comparables are considered similar in project location. Therefore, no adjustment was needed.

**Special Features** – Neither the subject, nor any of the comparables contain this feature. Therefore, no adjustments were needed.

**Security** – The subject contains video surveillance. **Comparable 4** contains limited access gate. **Comparable 5** limited access gate and perimeter fencing. **Comparables 1, 2 and 3** do not contain any form of security. Residents in the market area indicated a willingness to pay an additional amount for security, especially security that limits access to the property or units. Therefore, **Comparables 4 and 5** was adjusted downward \$5 per month, and **Comparables 1, 2 and 3** were adjusted upward \$5 per month.

**Clubhouse/Community Room** – The subject and **Comparables 2, 4 and 5** contain clubhouses. **Comparables 1 and 3** do not contain either feature. Although there is little market data available concerning units with these features, the added amenity is an enhancement. Therefore, **Comparables 1 and 3** were adjusted upward \$5 per month.

**Business Center** – The subject does not contain a business center. All comparables except **Comparable 2** are similar to the subject. Although there is little market data available to support an adjustment for this feature, the amenity is an enhancement to the unit. Therefore, **Comparable 2** was adjusted downward \$5 per month.

**Conclusion of Market Rent**

The adjusted rents range from \$690 to \$835 for the one-bedroom units; from \$769 to \$855 for the two-bedroom units; and from \$955 to \$1,050 for the three-bedroom units. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **781 SF One-Bedroom Unit** - **\$730, or \$0.93 per square foot**
- **857 SF Two-Bedroom Unit** - **\$830, or \$0.97 per square foot**
- **1,180 SF Three-Bedroom Unit** - **\$1,030, or \$0.87 per square foot**

The subject also contains two-bedroom-two-bath units with 968 square feet. These units were adjusted as described in the unit square footage and number of baths explanation. The appraiser concluded the market rent for the units as follow:

- **968 SF Two-Bedroom Unit** - **\$875, or \$0.90 per square foot**

**Meadowlark**



**Lease Comparable 1**

<b>Name</b>	Meadowlark	<b>Verification Date</b>	4/8/2014
<b>Address</b>	101 Meadowlark Lane	<b>Verification Source</b>	Jessie
<b>City</b>	McDonough	<b>Phone Number</b>	770-957-6170
<b>County</b>	Henry	<b>Type Affordable Housing</b>	Market
<b>State</b>	Georgia	<b>Property Type</b>	Multifamily
<b>Zip</b>	30253	<b>Structure/Stories</b>	WU/2
<b>Total No. of Units</b>	56	<b>Year Built/Renovated</b>	1988
<b>No. Buildings</b>	5	<b>Project Occupancy%</b>	98%
<b>Utilities with Rent</b>	None	<b>Rent/Inc. Restrictions</b>	None

**Leased Space**

<b>Used in RCS?</b>	<b>No. of Units</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Interior Size</b>	<b>Average Rent</b>
Y	24	1	1.0	929	\$645
N	Unknown	1	1.0	988	\$665
Y	28	2	2.0	1,104	\$745
N	Unknown	2	2.0	1,182	\$765
Y	4	3	2.0	1,469	\$845

**Building**

<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Coat Closet, Balcony, Patio
<b>Project Amenities</b>	Swimming Pool, Picnic Area, Playground, Basketball Court, On-Site Management, On-Site Maintenance
<b>Parking</b>	L/0
<b>Comments</b>	This complex does not maintain a waiting list. The annual turnover rate is approximately 57 percent. There is a \$100 application fee. Concessions are no application fee is you look and lease the same day. This complex offers 12 month lease terms.

**Walden Run**



**Lease Comparable 2**

<b>Name</b>	Walden Run	<b>Verification Date</b>	4/8/2014
<b>Address</b>	100 Walden Run Place	<b>Verification Source</b>	Brenda/Judy
<b>City</b>	McDonough	<b>Phone Number</b>	770-898-8400
<b>County</b>	Henry	<b>Type Affordable Housing</b>	Market
<b>State</b>	Georgia	<b>Property Type</b>	Multifamily
<b>Zip</b>	30253	<b>Structure/Stories</b>	WU/3
<b>Total No. of Units</b>	240	<b>Year Built/Renovated</b>	1997
<b>No. Buildings</b>	11	<b>Project Occupancy%</b>	98%
<b>Utilities with Rent</b>	None	<b>Rent/Inc. Restrictions</b>	None

**Leased Space**

<b>Used in RCS?</b>	<b>No. of Units</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Interior Size</b>	<b>Average Rent</b>
Y	80	1	1.0	867	\$605
N	Unknown	1	1.0	961	\$675
Y	110	2	2.0	1,155	\$725
N	Unknown	2	2.0	1,285	\$795
Y	50	3	2.0	1,390	\$920

**Building**

<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Balcony, Patio
<b>Project Amenities</b>	Clubhouse, Community Room, Swimming Pool, Fitness Center, Playground, Exterior Storage, Business Center, Car Wash Area, Laundry Facility, On-Site Management, On-Site Maintenance
<b>Parking</b>	L/0, G/100
<b>Comments</b>	This complex does not maintain a waiting list. The annual turnover rate was unknown. There is a \$150 application fee. This complex offers 12 month lease terms. Concessions are a one month free garage rental at time of lease signing. Storage can be rented for \$40 per month. The security deposit is based upon credit score and can range from \$100 up to an amount equal to one month's rent. Pets are allowed with a \$300 non-refundable fee.

**Knight Port**



**Lease Comparable 3**

<b>Name</b>	Knight Port	<b>Verification Date</b>	4/8/2014
<b>Address</b>	201 Willow Chase Drive	<b>Verification Source</b>	Amanda
<b>City</b>	McDonough	<b>Phone Number</b>	678-583-0930
<b>County</b>	Henry	<b>Type Affordable Housing</b>	Market
<b>State</b>	Georgia	<b>Property Type</b>	Multifamily
<b>Zip</b>	30253	<b>Structure/Stories</b>	WU/2,3
<b>Total No. of Units</b>	84	<b>Year Built/Renovated</b>	1999
<b>No. Buildings</b>	13	<b>Project Occupancy%</b>	100%
<b>Utilities with Rent</b>	Water, Sewer, Trash	<b>Rent/Inc. Restrictions</b>	None

**Leased Space**

<b>Used in RCS?</b>	<b>No. of Units</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Interior Size</b>	<b>Average Rent</b>
Y	12	1	1.0	800	\$635
Y	56	2	2.0	980	\$729
Y	16	3	2.0	1,100	\$905

**Building**

<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Tile, Blinds, Ceiling Fans, Balcony, Patio
<b>Project Amenities</b>	Picnic Area, On-Site Management
<b>Parking</b>	L/0
<b>Comments</b>	This complex does not maintain a waiting list. The annual turnover rate is approximately 10 percent. There is a \$35 application fee. This complex offers 12 month lease terms.

**Carrington Green**



**Lease Comparable 4**

<b>Name</b>	Carrington Green	<b>Verification Date</b>	4/8/2014
<b>Address</b>	745 Highway 42 South	<b>Verification Source</b>	Stephanie
<b>City</b>	McDonough	<b>Phone Number</b>	770-288-2873
<b>County</b>	Henry	<b>Type Affordable Housing</b>	Market
<b>State</b>	Georgia	<b>Property Type</b>	Multifamily
<b>Zip</b>	30253	<b>Structure/Stories</b>	WU/2,3
<b>Total No. of Units</b>	264	<b>Year Built/Renovated</b>	2005
<b>No. Buildings</b>	12	<b>Project Occupancy%</b>	97%
<b>Utilities with Rent</b>	None	<b>Rent/Inc. Restrictions</b>	None

**Leased Space**

<b>Used in RCS?</b>	<b>No. of Units</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Interior Size</b>	<b>Average Rent</b>
Y	82	1	1.0	691	\$680 - \$965
N	Unknown	1	1.0	880	\$680 - \$965
Y	122	2	2.0	1,177	\$795 - \$1,020
N	Unknown	2	2.0	1,320	\$1,000 - \$1,095
Y	60	3	2.0	1,447	\$910 - \$1,030

**Building**

<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Balcony, Patio
<b>Project Amenities</b>	Clubhouse, Community Room, Swimming Pool, Fitness Center, Playground, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance, Limited Access Gate, Movie Theater
<b>Parking</b>	L/0
<b>Comments</b>	This complex does not maintain a waiting list. The annual turnover rate is approximately 57 percent. There is a \$100 application fee. Concessions are no application fee is you look and lease the same day. This complex offers 12 month lease terms.

**Amber Chase**



**Lease Comparable 5**

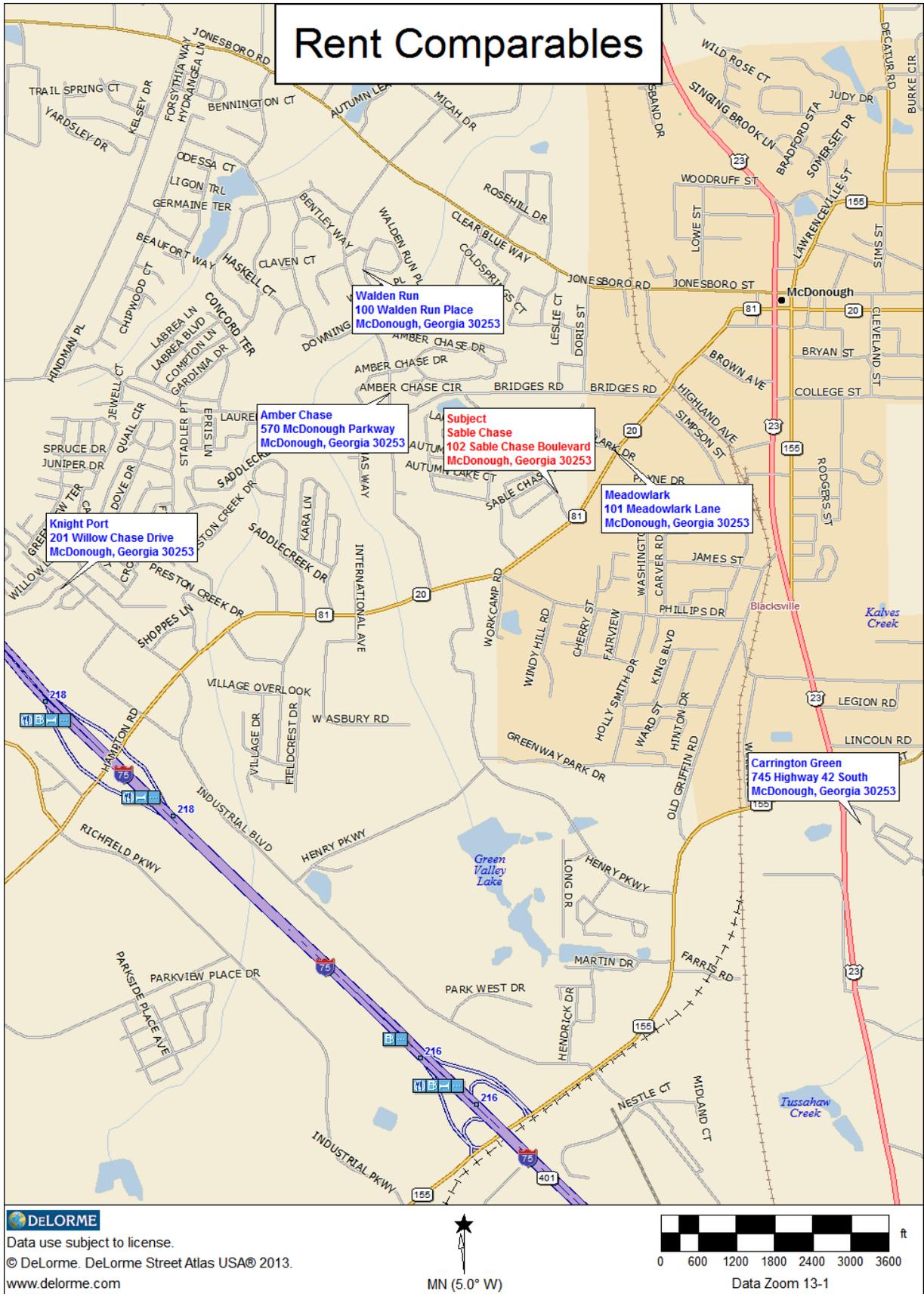
<b>Name</b>	Amber Chase	<b>Verification Date</b>	4/8/2014
<b>Address</b>	570 McDonough Parkway	<b>Verification Source</b>	Troy
<b>City</b>	McDonough	<b>Phone Number</b>	678-432-0087
<b>County</b>	Henry	<b>Type Affordable Housing</b>	Market
<b>State</b>	Georgia	<b>Property Type</b>	Multifamily
<b>Zip</b>	30253	<b>Structure/Stories</b>	WU/2
<b>Total No. of Units</b>	352	<b>Year Built/Renovated</b>	1998
<b>No. Buildings</b>	18	<b>Project Occupancy%</b>	97%
<b>Utilities with Rent</b>	None	<b>Rent/Inc. Restrictions</b>	None

**Leased Space**

<b>Used in RCS?</b>	<b>No. of Units</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Interior Size</b>	<b>Average Rent</b>
Y	98	1	1.0	800	\$565
N	Unknown	1	1.0	900	\$610
Y	188	2	1.0	1,117	\$750
N	Unknown	2	2.0	1,253	\$820
Y	66	3	2.0	1,332	\$930

**Building**

<b>Unit Amenities</b>	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio, In-Unit Alarm
<b>Project Amenities</b>	Clubhouse, Community Room, Swimming Pool, Spa/Hot Tub, Fitness Center, Picnic Area, Playground, Volleyball Court, Basketball Court, Tennis Court, Exterior Storage, Car Wash Area, On-Site Management, On-Site Maintenance, Limited Access Gate, Perimeter Fencing, Movie Theater
<b>Parking</b>	L/0, G/100
<b>Comments</b>	This complex does not maintain a waiting list. The annual turnover rate is approximately 57 percent. There is a \$100 application fee. Concessions are no application fee is you look and lease the same day. This complex offers 12 month lease terms.



**Summary and Conclusion**

Comparable apartment complexes were analyzed as shown on the attached HUD-Forms 92273. Adjustments were based on market rates for individual items as discussed on the previous pages. After analyzing the aforementioned data, market rates were established with special emphasis placed on the best comparables for each unit type to arrive at the estimated market rents as shown in the chart below. After all adjustments, the comparables with the least amount of adjustments for each bedroom type were considered to determine market rates. These rates were used throughout the report as the "Market Rates" for all subject apartment types.

**Total Potential Gross Rental Income (Market As Is)**

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
47	1/1	781	\$675	\$31,725
32	2/1	857	\$775	\$24,800
72	2/2	968	\$820	\$59,040
71	3/2	1,180	\$975	\$69,225
1	1/1 Non-Revenue	781	N/A	N/A
1	2/2 Non-Revenue	968	N/A	N/A
1	3/2 Non-Revenue	1,180	N/A	N/A
Total Potential Monthly Rental Income				\$184,790
				x 12
Total Potential Gross Rental Income				\$2,217,480
Miscellaneous Revenue*				\$140,000
<b>Total Potential Gross Income</b>				<b>\$2,357,480</b>

**Total Potential Gross Rental Income (Restricted As Is)**

The total potential gross income for the subject is summarized as follows:

# of Units	Unit Type	Unit SF	Restricted Rent	Potential Gross Income
14	1/1 @ 50% AMI	781	\$408	\$5,712
4	1/1 @ 60% AMI	781	\$499	\$1,996
1	1/1 @ 60% AMI	781	\$509	\$509
1	1/1 @ 60% AMI	781	\$517	\$517
1	1/1 @ 60% AMI	781	\$525	\$525
5	1/1 @ 60% AMI	781	\$542	\$2,710
19	1/1 @ 60% AMI	781	\$560	\$10,640
2	1/1 @ 60% AMI	781	\$600	\$1,200
31	2/1 @ 50% AMI	857	\$475	\$14,725
1	2/1 @ 50% AMI	857	\$485	\$485
2	2/2 @ 60% AMI	968	\$602	\$1,204
1	2/2 @ 60% AMI	968	\$625	\$625
1	2/2 @ 60% AMI	968	\$630	\$630
1	2/2 @ 60% AMI	968	\$650	\$650
1	2/2 @ 60% AMI	968	\$665	\$665
1	2/2 @ 60% AMI	968	\$660	\$660
50	2/2 @ 60% AMI	968	\$675	\$33,750
15	2/2 @ 60% AMI	968	\$725	\$10,875
44	3/2 @ 50% AMI	1,180	\$531	\$23,364
2	3/2 @ 50% AMI	1,180	\$667	\$1,334
1	3/2 @ 50% AMI	1,180	\$675	\$675
1	3/2 @ 60% AMI	1,180	\$679	\$679
1	3/2 @ 60% AMI	1,180	\$692	\$692
1	3/2 @ 60% AMI	1,180	\$710	\$710
13	3/2 @ 60% AMI	1,180	\$750	\$9,750
6	3/2 @ 60% AMI	1,180	\$800	\$4,800
2	3/2 @ 60% AMI	1,180	\$850	\$1,700
1	1/1 Non-Revenue	781	N/A	N/A
1	2/2 Non-Revenue	968	N/A	N/A
1	3/2 Non-Revenue	1,180	N/A	N/A
Total Potential Monthly Rental Income				\$131,782
				x 12
Total Potential Gross Rental Income				\$1,581,384
Miscellaneous Revenue*				\$140,000
Total Potential Gross Income				<b>\$1,721,384</b>

**Total Potential Gross Rental Income (Market As Complete)**

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
47	1/1	781	\$730	\$34,310
32	2/1	857	\$830	\$26,560
72	2/2	968	\$875	\$63,000
71	3/2	1,180	\$1,030	\$73,130
1	1/1 Non-Revenue	781	N/A	N/A
1	2/2 Non-Revenue	968	N/A	N/A
1	3/2 Non-Revenue	1,180	N/A	N/A
Total Potential Monthly Rental Income				\$197,000
				x 12
Total Potential Gross Rental Income				\$2,364,000
Miscellaneous Revenue*				\$140,000
<b>Total Potential Gross Income</b>				<b>\$2,504,000</b>

**Total Potential Gross Rental Income (Restricted As Complete)**

The total potential gross income for the subject is summarized as follows:

# of Units	Unit Type	Unit SF	Restricted Rent	Potential Gross Income
16	1/1 @ 50% AMI	781	\$565	\$9,040
31	1/1 @ 60% AMI	781	\$565	\$17,515
32	2/1 @ 50% AMI	857	\$526	\$16,832
72	2/2 @ 60% AMI	968	\$680	\$48,960
47	3/2 @ 50% AMI	1,180	\$540	\$25,380
24	3/2 @ 60% AMI	1,180	\$775	\$18,600
1	1/1 Non-Revenue	781	N/A	N/A
1	2/2 Non-Revenue	968	N/A	N/A
1	3/2 Non-Revenue	1,180	N/A	N/A
Total Potential Monthly Rental Income				\$136,327
				x 12
Total Potential Gross Rental Income				\$1,635,924
Miscellaneous Revenue*				\$140,000
<b>Total Potential Gross Income</b>				<b>\$1,775,924</b>

**Vacancy and Collection Loss**

*Vacancy and collection loss is an allowance for reductions in potential rental income because space is not leased or rents that are due cannot be collected.*

Annual rent collections are typically less than the potential annual gross income; therefore, an allowance for vacancy and collection loss is typically included in an appraisal of income-producing property. The allowance is usually estimated as a percentage of potential gross income. The percentage varies according to the type and characteristics of the physical property, the quality of tenancy, current and projected supply and demand relationships, and general and local economic conditions.

**Expenses**

To develop an estimate of the net operating income, the appraiser analyzes data for the property. Net operating income (NOI), the income remaining after total expenses have been deducted from the effective gross income, may be calculated before or after deducting replacement reserves. The actual expenses a landlord is required to defray include two specific categories: those incurred by the property itself, such as taxes and insurance, and those resulting from the operation of the property, such as utilities and maintenance. Generally, expenses incurred by the property per se are called fixed expenses. Expenses tied to the operation of the property, which rise or fall with occupancy, are called variable expenses.

## **Management**

Building size determines the type of management. Generally, buildings of more than 25 units are of sufficient size to bear the additional burden of professional property management; larger high-rise or garden apartment projects of over 50 units often require the additional services of a site or resident manager. Lenders generally prefer that properties be professionally managed.

A property manager reports to the property owners, sets rent levels, establishes marketing procedures and does the fiscal planning for the project. The property manager also supervises on-site employees, among whom the resident manager is responsible for looking after the day-to-day dealings with the tenants, leasing of units, collection of rents, and coordination of routine and long-term building maintenance. The resident manager may oversee janitorial staff, an on-site maintenance crew, or various outside contractors. Large-scale apartment projects and newly built developments also employ leasing agents to fill vacancies or negotiate lease renewals and to assist with marketing programs, promotion, and advertising.

## **Tax and Assessment Information**

Real property taxes are based on ad valorem assessments. The records of the county assessor or tax collector can provide the details of a property's assessed value and annual tax burden. From the present assessment data and recent history of tax rates, the appraiser can formulate conclusions about future taxes. Property taxes directly increase the cost of ownership and therefore reduce the net income derived from the rental of apartment units. The fairness of the assessment and anticipated future taxes must be thoroughly analyzed and their impact on value considered in the property appraisal. Property taxes are generally imposed to pay for local government services such as fire fighting, police protection and schools. Apartment properties in well-run communities, however, will attract potential tenants willing to pay higher rents for the superior services provided.

Special assessments are levied to pay for infrastructure development (roads or utilities) and extraordinary services (fire or police protection). Ideally, the value of the properties' subject to special assessment is not penalized. The enhancement resulting from the new infrastructure or the provision of additional services should offset the tax increase. However, when a property is subject to a special assessment that exceeds the benefit derived, the value of the property is diminished.

## **Insurance**

The insurance expense is the responsibility of the landlord.

## **Maintenance**

The property manager is responsible for the janitorial staff and on-site maintenance crew and various outside contractors.

## **Utilities and Service**

Water, electricity, natural or liquid petroleum (propane) gas, sewage, trash collection, street maintenance, telephone and cable television are essential utilities and services in most residential markets. If the utilities on the site are inadequate, the cost of improving utility service must be considered. Utilities may be publicly provided or privately owned as part of a community system. In some cases, utilities are individual to the site. The availability and reliability of utilities have a direct bearing on the amount of rent a tenant will pay. At the same time, the cost of utility services is an operating expense that affects the potential net income of the project. The effect of this expenditure is investigated by comparing the costs of utilities and services at competing buildings in relation to rents with the costs incurred by the subject.

## **Reserves for Replacement**

For large properties, the cost of replacing items such as heating/cooling equipment or hallway carpeting may occur regularly. Thus, an allowance for replacements is treated as a separate expense. Even for smaller apartment properties, however, mortgage lenders and property managers may require that part of net operating income be withheld as a reserve to fund the replacement of building components. Consequently, appraisers often estimate an allowance for replacements when projecting cash flow to be capitalized into market value. Other allowances are sometimes made for unusual circumstances—e.g.,

reserves to cover periodic non-annual repairs, eventual compliance with environmental regulations (asbestos removal), or bringing the building up to code for handicapped persons. Estimates of such reserves should be included in the income forecast if the appraiser believes the situation warrants it.

Because of possible differences in the way accountants and property managers enter line-item expenses, the appraiser should ensure the subject property's operating statement is reconstructed to provide that the expense items recorded correspond to proper appraisal practice. In the reconstruction of the operating statement 1) nonrecurring past items are not repeated, 2) any deductions taken for non-operating expenses (personal expenses) are eliminated, 3) ambiguous, repetitive or atypical expense items are recategorized and 4) line items are appropriately grouped to facilitate analysis.

An expense comparison should be made on a uniform or standardized basis. If most of the expense comparables include a replacement reserve, an estimate of this item should be included in the reconstructed operating statement for the subject property. Recategorizing expense items allows the appraiser to compare the operation of the subject with the operating expenses of other properties and the expense averages from benchmark data.

For example, apartment managers often record air conditioning as an expense category. In some cases, this may simply cover the cost of maintaining the equipment, while in others it includes allocations for water, electricity, supplies (filters) and maintenance. Similarly, the category for management may reflect different items because of different ways of operating a property. Some apartment managers will contract for landscaping, snow removal, boiler maintenance and redecoration, while others have these functions performed by on-site managers. By grouping all expense items that are management-controllable, the appraiser will be able to compare the operations of a building maintained on contract accounts with those of buildings that employ a permanent workforce to look after maintenance.

Utility expenses often differ among properties because some managers operate apartments on a "self-contained" basis, whereby tenants pay directly for meterable natural gas and electricity, while other managers pay the costs of fuel for heating and cooking but not for electricity. Typically, the landlord absorbs all utility charges incurred by vacant units and public spaces (corridors, lobbies, office, basement storage rooms, laundry, parking and exterior lighting), as well as water and sewer charges.

In analyzing operating expenses, the appraiser may also consult benchmark data. For example, the Institute of Real Estate Management's annual reports include the following groupings:

- \* Administration and management
- \* Utilities
- \* Repairs and maintenance
- \* Real estate taxes and insurance
- \* Payroll (salaries for maintenance and administrative staff)

These data are quoted per square foot of rentable area, as dollars per unit, and as percentage of effective gross income. Such data may be compared against the historic expense data for the subject and cited in the appraisal report. In this instance, the benchmark data was merely used to reflect the validity of our report.

### **Market Rent and Contract Rent**

In the income capitalization approach, the appraiser arrives at an estimate of market rent, or rental income the subject property would likely command in the open market, by analyzing current rents paid and asked for space in comparable buildings. Estimated market rent is important for both proposed and operating properties. In the case of the former, market rent allows the forecast of gross income, and with the latter it is used to calculate the income for vacant rental space or space occupied by the ownership or property management. Contract rent is the actual rental income specified in a lease. It is calculated for operating properties from existing leases, including month-to-month extensions of former leases. It is essential to specify whether the cited rent is 1) the former or existing contract rent, 2) the asking amount sought by the landlord or property manager or 3) the market rent estimated by the appraiser.

**Other Miscellaneous Income**

In addition to income from apartment rents, income to the building may be generated from a variety of sources. License fees are paid for temporary, nonexclusive use of special facilities, such as a party room or swimming pool. Service fees are charged for elective maid service. An apartment project may earn concession income from coin telephones, vending machines and laundry room equipment.

Rental income can also be generated from non-apartment space such as an on-site retail store, restaurant, beauty parlor or physician's office. A parking garage may be leased to an operator or, alternatively, the building may directly license the parking spaces to tenants or non-tenants (on-site parking, however, is often available to tenants at no additional charge). Finally, interest income may accrue on the balance between rents collected in advance and expenses paid in arrears. Interest can also be earned on security deposits, although in some jurisdictions such interest must ultimately be paid back to the tenants. Thus, other income includes rent for non-apartment space and miscellaneous income from various tenant charges.

In many instances, a significant degree of the apartment project's income stream is imputable to intangible, as well as tangible personal property. Apartment properties may earn business income from profits on the rental of in-suite furniture to tenants, marking up the cost of electricity privately metered to tenants, as well as for opening tenants' doors when the key is left inside, licensing the concierge function and the coin machines, profit centers such as storage rooms (including the sale of abandoned tenant goods) and the interest on company bank accounts.

### Historical Financial Statements & Market Projections

Property: Sable Chase - McDonough, GA

# of Rental Units: 225

#### Revenue and Expense Analysis

#### Historical and Proforma

% change compared to preceding year.

2012 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual	Unaudited									As Is						REVENUE - Annual				
	2010			2011			2012			3 months			Market Projections							
	2010	PUPA	%	2011	PUPA	%	2012	PUPA	%	YTD	2014	PUPA	%	Budget	PUPA		%	2014	PUPA	%
<b>Residential &amp; Ancillary Income</b>																				
Annual Gross Potential Rental Income	N/A	N/A		N/A	N/A		1,558,725	6,928	N/A		390,663	6,945	N/A	1,640,328	7,290	N/A	2,217,480	9,855	N/A	Residential & Ancillary Income
Annual Ancillary Income	98,786	439		71,902	320	-27%	140,061	622	95%		8,947	159	-50%	95,000	422	32%	140,000	622	95%	Annual Gross Potential Rental Income
Annual Gross Potential Income	N/A	N/A		N/A	N/A		1,698,786	7,550	N/A		399,610	7,104	N/A	1,735,328	7,713	N/A	2,357,480	10,478	N/A	Annual Ancillary Income
Occupancy	N/A	N/A		N/A	N/A		86.65%	1,008	N/A		77.64%	1,588	N/A	93.38%	510	0%	90.00%	1,048	0%	Annual Gross Potential Income
Effective Gross Income (EGI)	1,352,191	6,010		1,448,643	6,438	7%	1,471,998	6,542	2%		310,264	5,516	-14%	1,620,505	7,202	12%	2,121,732	9,430	46%	Occupancy
																				Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	Unaudited									As Is						ITEMIZED EXPENSES - Annual Estimate of Annual Expense				
	2010			2011			2012			3 months			Market Projections							
	2010	PUPA	%	2011	PUPA	%	2012	PUPA	%	YTD	2014	PUPA	%	Budget	PUPA		%	2014	PUPA	%
<b>Administrative</b>																				
Advertising	22,135	98		14,565	65	-34%	13,571	60	-7%		3,485	62	-4%	16,000	71	10%	16,875	75	16%	Administrative
Management Fee	79,253	352		81,104	360	2%	68,596	305	-15%		21,094	375	4%	80,923	360	0%	84,869	377	5%	Advertising
Other (Specify)	125,829	559		129,677	576	3%	130,381	579	1%		30,198	537	-7%	20,100	89	-84%	90,000	400	-31%	Management Fee
<b>Total Administrative</b>	<b>227,217</b>	<b>1,010</b>		<b>225,346</b>	<b>1,002</b>	<b>-1%</b>	<b>212,548</b>	<b>945</b>	<b>-6%</b>		<b>54,777</b>	<b>974</b>	<b>-3%</b>	<b>117,023</b>	<b>520</b>	<b>-48%</b>	<b>191,744</b>	<b>852</b>	<b>-15%</b>	Other (Specify)
<b>Operating</b>																				
Elevator Maintenance Exp.	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Operating
Fuel - Heating	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Elevator Maintenance Exp.
Fuel - Domestic Hot water	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Fuel - Heating
Lighting and Misc. Power	33,284	148		24,386	108	-27%	26,575	118	9%		12,509	222	105%	100,000	444	310%	28,125	125	15%	Fuel - Domestic Hot water
Water	157,052	698		174,151	774	11%	183,976	818	6%		51,517	916	18%	100,000	444	-43%	185,625	825	7%	Lighting and Misc. Power
Gas	1,164	5		1,378	6	18%	825	4	-40%		236	4	-31%	0	0	-100%	1,125	5	-18%	Water
Garbage and Trash Removal	35,469	158		36,200	161	2%	28,004	116	-28%		7,730	137	-15%	35,924	160	-1%	25,875	115	-29%	Gas
Payroll	67,305	299		68,250	303	1%	79,094	352	16%		13,055	232	-23%	185,000	822	171%	67,500	300	-1%	Garbage and Trash Removal
Other (Specify)	3,140	14		1,914	9	-39%	3,195	14	67%		5,310	94	1010%	0	0	-100%	3,375	15	76%	Payroll
<b>Total Operating</b>	<b>297,414</b>	<b>1,322</b>		<b>306,279</b>	<b>1,361</b>	<b>3%</b>	<b>319,669</b>	<b>1,421</b>	<b>4%</b>		<b>90,357</b>	<b>1,606</b>	<b>18%</b>	<b>420,924</b>	<b>1,871</b>	<b>37%</b>	<b>311,625</b>	<b>1,385</b>	<b>2%</b>	Other (Specify)
<b>Maintenance</b>																				
Decorating	44,020	196		30,354	135	-31%	56,424	251	86%		7,455	133	-2%	0	0	-100%	56,250	250	85%	Maintenance
Repairs	97,156	432		76,037	338	-22%	39,934	177	-47%		8,724	155	-54%	68,000	302	-11%	39,375	175	-48%	Decorating
Exterminating	56,374	251		36,068	160	-36%	7,875	35	-78%		4,228	75	-53%	25,000	111	-31%	11,250	50	-69%	Repairs
Insurance	71,948	320		30,648	136	-57%	43,917	195	43%		12,272	218	60%	90,000	400	194%	45,000	200	47%	Exterminating
Ground Expense	48,138	214		29,680	132	-38%	31,319	139	6%		5,055	90	-32%	0	0	-100%	31,500	140	6%	Insurance
Other (specify)	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Ground Expense
<b>Total Maintenance</b>	<b>317,636</b>	<b>1,412</b>		<b>202,787</b>	<b>901</b>	<b>-36%</b>	<b>179,468</b>	<b>798</b>	<b>-11%</b>		<b>37,734</b>	<b>671</b>	<b>-26%</b>	<b>183,000</b>	<b>813</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>	Other (specify)
<b>Taxes</b>																				
Real Estate Tax	115,991	516		113,859	506	-2%	114,000	507	0%		32,563	579	14%	106,000	471	-7%	144,000	640	26%	Taxes
Personal Property Tax	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Real Estate Tax
Employee Payroll Tax	17,907	80		16,729	74	-7%	13,505	60	-19%		3,411	61	-18%	0	0	-100%	11,250	50	-33%	Personal Property Tax
Employee Benefits	4,891	22		8,097	36	66%	32,694	145	304%		10,270	183	407%	0	0	-100%	28,125	125	247%	Employee Payroll Tax
Other	0	0		0	0	0%	0	0	0%		0	0	0%	0	0	0%	0	0	0%	Employee Benefits
<b>Total Taxes</b>	<b>138,789</b>	<b>617</b>		<b>138,685</b>	<b>616</b>	<b>0%</b>	<b>160,199</b>	<b>712</b>	<b>16%</b>		<b>46,245</b>	<b>822</b>	<b>33%</b>	<b>106,000</b>	<b>471</b>	<b>-24%</b>	<b>183,375</b>	<b>815</b>	<b>32%</b>	Other
<b>Operating Exp. before RFR</b>	<b>981,056</b>	<b>4,360</b>		<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>		<b>229,113</b>	<b>4,073</b>	<b>5%</b>	<b>826,947</b>	<b>3,675</b>	<b>-5%</b>	<b>870,119</b>	<b>3,867</b>	<b>0%</b>	<b>Operating Exp. before RFR</b>
Reserve For Replacement	0	0		0	0	0%	0	0	0%		0	0	0%	78,750	350	0%	56,250	250	0%	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>981,056</b>	<b>4,360</b>		<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>		<b>229,113</b>	<b>4,073</b>	<b>5%</b>	<b>905,697</b>	<b>4,025</b>	<b>4%</b>	<b>926,369</b>	<b>4,117</b>	<b>6%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>371,135</b>	<b>1,649</b>		<b>575,546</b>	<b>2,558</b>	<b>55%</b>	<b>600,114</b>	<b>2,667</b>	<b>4%</b>		<b>81,151</b>	<b>1,443</b>	<b>-44%</b>	<b>714,808</b>	<b>3,177</b>	<b>24%</b>	<b>1,195,363</b>	<b>5,313</b>	<b>108%</b>	<b>NOI</b>

<b>Estimating Market Expenses Per Unit</b>					
Subject As Is	Expenses	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$50	\$10	\$10	\$0
\$377	Management	\$305	\$275	\$341	\$405
\$400	Other Administrative Expenses	\$300	\$500	\$268	\$303
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0
\$125	Lighting & Misc. Power	\$190	\$200	\$180	\$191
\$825	Water/Sewer	\$380	\$350	\$320	\$66
\$5	Gas	\$0	\$0	\$0	\$10
\$115	Garbage/Trash Removal	\$85	\$60	\$50	\$0
\$300	Payroll	\$200	\$350	\$270	\$884
\$15	Other Operating Expenses	\$350	\$200	\$380	\$318
\$250	Decorating	\$0	\$0	\$0	\$90
\$175	Repairs	\$75	\$200	\$195	\$212
\$50	Exterminating	\$0	\$0	\$0	\$0
\$200	Insurance	\$350	\$400	\$240	\$234
\$140	Ground Expenses	\$0	\$0	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0
\$640	Real Estate Taxes	\$490	\$598	\$757	\$495
\$50	Payroll Taxes	\$106	\$86	\$109	\$0
\$125	Employee Benefits	\$85	\$60	\$72	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0
\$250	Replacement Reserves	\$300	\$200	\$305	\$0
\$4,117	<b>Total Per Unit</b>	\$3,266	\$3,489	\$3,497	\$3,401
<p><b>Comments:</b>  Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2013 Income/Expense Analysis: Conventional Apartments printed by the Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.  The expenses for the comparable apartments vary per unit but are consistently between 39 and 45 percent of the gross rent potential. The subject's expenses were estimated at 42 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>					

## Itemized Expenses Explanations - Market

Expense Numbers per Unit		
Expense	As Is	Comp Range
1. Advertising	\$75	\$10-50
An advertising expense of \$75 per unit was projected for the subject. A comparable range of \$10 to \$50 per unit was determined. The subject is located in an area with moderate to high occupancies in all complexes. The expense was projected using the subject's historical financials.		
2. Management	\$377	\$275-341
A management expense of \$377 per unit was projected for the as is scenario. A comparable range of \$275 to \$341 was determined. The expense was projected using approximately four percent of the effective gross income as indicated by the comparables.		
3. Other Administrative	\$400	\$268-500
An other administrative expense of \$400 per unit was projected. A comparable range of \$268 to \$500 was determined. The subject's projected market expense is significantly lower than the subject's historical range. However, restricted properties require much higher other administrative expenses due to required screening process of tenants and other steps necessary to remain in compliance with HUD and state tax credit agencies. As a market property, the expenses would be forced to mimic competing market properties and this pressure will cause a market-rate property to be much more diligent in keeping expenses in line with its competitors. As a result, this downward pressure causes market-based properties to carry the minimal staffing necessary to complete the tasks required. Therefore, more reliance was placed upon competing market properties than the subject's historical performance in this category, so the comparable range was given more weight. In addition, according to the <i>2013 Income/Expense Analysis: Conventional Apartments</i> published by the Institute of Real Estate Management, the other administrative expense for low rise properties is \$303 per unit. Therefore, the expense was projected using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management and the comparable range.		
4. Elevator	\$0	\$0-0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
5. Fuel	\$0	\$0-0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
6. Lighting & Misc. Power	\$125	\$180-200
A lighting and miscellaneous power expense of \$125 was projected for the subject. A comparable range of \$180 to \$200 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.		
7. Water/Sewer	\$825	\$320-380
A water/sewer expense of \$825 per unit was projected for the subject. A comparable range of \$320 to \$380 per unit was determined. The expense was projected using the subject's historical financials as well as the comparable range.		
8. Gas	\$5	\$0-0
A gas expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject's historical		

financials. This expense was substantiated using the *2013 Income/Expense Analysis: Conventional Apartments* printed by Institute of Real Estate Management.

- |     |                                                                                                                                                                                                                                                                                                                                                 |       |           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 9.  | Garbage/Trash Removal                                                                                                                                                                                                                                                                                                                           | \$115 | \$50-85   |
|     | A garbage/trash removal expense of \$115 per unit was projected for the subject. A comparable range of \$50 to \$85 per unit was determined. The expense was projected using the subject's historical financials.                                                                                                                               |       |           |
| 10. | Payroll                                                                                                                                                                                                                                                                                                                                         | \$300 | \$200-350 |
|     | The payroll expense of \$300 per unit was projected. A comparable range of \$200 to \$350 was determined. The subject's projected market expense is lower than the subject's historical range. Payroll expenses typically are lower than restricted expenses. Therefore, the projected expense was deemed reasonable.                           |       |           |
| 11. | Other Operating Expenses                                                                                                                                                                                                                                                                                                                        | \$15  | \$200-380 |
|     | An other operating expense of \$15 per unit was projected. A comparable range of \$200 to \$380 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                            |       |           |
| 12. | Decorating                                                                                                                                                                                                                                                                                                                                      | \$250 | \$0-0     |
|     | A decorating expense of \$250 was projected. A comparable range of \$0 to \$0 was determined. Therefore, the subject's historical expenses were given the most consideration.                                                                                                                                                                   |       |           |
| 13. | Repairs                                                                                                                                                                                                                                                                                                                                         | \$175 | \$75-200  |
|     | A repairs expense of \$175 was projected for the as is scenario. A comparable range of \$75 to \$200 was determined. The expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management. |       |           |
| 14. | Exterminating                                                                                                                                                                                                                                                                                                                                   | \$50  | \$0-0     |
|     | An exterminating expense of \$50 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                  |       |           |
| 15. | Insurance                                                                                                                                                                                                                                                                                                                                       | \$200 | \$240-400 |
|     | An insurance expense of \$200 per unit was projected for the subject. A comparable range of \$240 to \$400 per unit was determined. The insurance expense of the subject was projected using the subject's historical financials as well as the expenses from other properties with similar features.                                           |       |           |
| 16. | Ground Expenses                                                                                                                                                                                                                                                                                                                                 | \$140 | \$0-0     |
|     | A ground expense of \$140 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.                   |       |           |
| 17. | Other Maintenance                                                                                                                                                                                                                                                                                                                               | \$0   | \$0-0     |
|     | Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected using the subject's historical financials.                                                                                                                                       |       |           |
| 18. | Real Estate Taxes                                                                                                                                                                                                                                                                                                                               | \$640 | \$490-757 |
|     | A real estate tax expense of \$640 per unit was projected for the subject based on the Henry County Assessor's Office.                                                                                                                                                                                                                          |       |           |
| 19. | Payroll Taxes                                                                                                                                                                                                                                                                                                                                   | \$50  | \$86-109  |
|     | Payroll taxes were projected at \$50 per unit. A comparable range of \$86 to \$109 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                         |       |           |

20. Employee Benefits \$125 \$60-85  
Employee benefits were projected at \$125 per unit. A comparable range of \$60 to \$85 was determined. The expense was projected using the subject's historical financials.
21. Replacement Reserves \$250 \$200-305  
A replacement reserves expense of \$250 per unit was projected. This expense was projected by considering the market comparables.

### Historical Financial Statements & Restricted Projections

Property: Sable Chase - McDonough, GA

# of Rental Units: 225

Revenue and Expense Analysis

Historical and Proforma

% change compared to preceding year.

2012 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual	Unaudited											As Is					REVENUE - Annual				
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	3 months			Budget	PUPA	%	Restricted Projections			PUPA	%		
									YTD	2014	Annualized				PUPA	%				Projections	PUPA
<b>Residential &amp; Ancillary Income</b>																				Residential & Ancillary Income	
Annual Gross Potential Rental Income	N/A	N/A	N/A	N/A	N/A	1,558,725	6,928	N/A			390,663	1,562,651	6,945	N/A	1,640,328	7,290	N/A	1,581,384	7,028	N/A	Annual Gross Potential Rental Income
Annual Ancillary Income	98,786	439	71,902	320	-27%	140,061	622	95%			8,947	35,789	159	-50%	95,000	422	32%	140,000	622	95%	Annual Ancillary Income
Annual Gross Potential Income	N/A	N/A	N/A	N/A	N/A	1,698,786	7,550	N/A			399,610	1,598,440	7,104	N/A	1,735,328	7,713	N/A	1,721,384	7,651	N/A	Annual Gross Potential Income
Occupancy	N/A	N/A	N/A	N/A	N/A	86.65%	1,008	N/A			77.64%	77.64%	1,588	N/A	93.38%	510	0%	90.00%	765	0%	Occupancy
Effective Gross Income (EGI)	1,352,191	6,010	1,448,643	6,438	7%	1,471,998	6,542	2%			310,264	1,241,056	5,516	-14%	1,620,505	7,202	12%	1,549,246	6,886	7%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	Unaudited											As Is					ITEMIZED EXPENSES - Annual Estimate of Annual Expense				
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	3 months			Budget	PUPA	%	Restricted Projections			PUPA	%		
									YTD	2014	Annualized				PUPA	%				Projections	PUPA
<b>Administrative</b>																					Administrative
Advertising	22,135	98	14,565	65	-34%	13,571	60	-7%			3,485	13,941	62	-4%	16,000	71	10%	16,875	75	16%	Advertising
Management Fee	79,253	352	81,104	360	2%	68,596	305	-15%			21,094	84,378	375	4%	80,923	360	0%	92,955	413	15%	6.000% Management Fee
Other (Specify)	125,829	559	129,677	576	3%	130,381	579	1%			30,198	120,790	537	-7%	20,100	89	-84%	129,375	575	0%	Other (Specify)
<b>Total Administrative</b>	<b>227,217</b>	<b>1,010</b>	<b>225,346</b>	<b>1,002</b>	<b>-1%</b>	<b>212,548</b>	<b>945</b>	<b>-6%</b>			<b>54,777</b>	<b>219,109</b>	<b>974</b>	<b>-3%</b>	<b>117,023</b>	<b>520</b>	<b>-48%</b>	<b>239,205</b>	<b>1,063</b>	<b>6%</b>	<b>Total Administrative</b>
<b>Operating</b>																					Operating
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel - Heating	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Fuel - Heating
Fuel - Domestic Hotwater	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Fuel - Domestic Hotwater
Lighting and Misc. Power	33,284	148	24,386	108	-27%	26,575	118	9%			12,509	50,037	222	105%	100,000	444	310%	28,125	125	15%	Lighting and Misc. Power
Water	157,052	698	174,151	774	11%	183,976	818	6%			51,517	206,070	916	18%	100,000	444	-43%	185,625	825	7%	Water
Gas	1,164	5	1,378	6	18%	825	4	-40%			236	945	4	-31%	0	0	-100%	1,125	5	-18%	Gas
Garbage and Trash Removal	35,469	158	36,200	161	2%	26,004	116	-28%			7,730	30,920	137	-15%	35,924	160	-1%	25,875	115	-29%	Garbage and Trash Removal
Payroll	67,305	299	68,250	303	1%	79,094	352	16%			13,055	52,218	232	-23%	185,000	822	171%	78,750	350	15%	Payroll
Other (Specify)	3,140	14	1,914	9	-39%	3,195	14	67%			5,310	21,239	94	1010%	0	0	-100%	3,375	15	76%	Other (Specify)
<b>Total Operating</b>	<b>297,414</b>	<b>1,322</b>	<b>306,279</b>	<b>1,361</b>	<b>3%</b>	<b>319,669</b>	<b>1,421</b>	<b>4%</b>			<b>90,357</b>	<b>361,428</b>	<b>1,606</b>	<b>18%</b>	<b>420,924</b>	<b>1,871</b>	<b>37%</b>	<b>322,875</b>	<b>1,435</b>	<b>5%</b>	<b>Total Operating</b>
<b>Maintenance</b>																					Maintenance
Decorating	44,020	196	30,354	135	-31%	56,424	251	86%			7,455	29,820	133	-2%	0	0	-100%	56,250	250	85%	Decorating
Repairs	97,156	432	76,037	338	-22%	39,934	177	-47%			8,724	34,897	155	-54%	68,000	302	-11%	39,375	175	-48%	Repairs
Exterminating	56,374	251	36,068	160	-36%	7,875	35	-78%			4,228	16,910	75	-53%	25,000	111	-31%	11,250	50	-69%	Exterminating
Insurance	71,948	320	30,648	136	-57%	43,917	195	43%			12,272	49,088	218	60%	90,000	400	194%	45,000	200	47%	Insurance
Ground Expense	48,138	214	29,680	132	-38%	31,319	139	6%			5,055	20,220	90	-32%	0	0	-100%	31,500	140	6%	Ground Expense
Other (Specify)	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Other (Specify)
<b>Total Maintenance</b>	<b>317,636</b>	<b>1,412</b>	<b>202,787</b>	<b>901</b>	<b>-36%</b>	<b>179,468</b>	<b>798</b>	<b>-11%</b>			<b>37,734</b>	<b>150,935</b>	<b>671</b>	<b>-26%</b>	<b>183,000</b>	<b>813</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>	<b>Total Maintenance</b>
<b>Taxes</b>																					Taxes
Real Estate Tax	115,991	516	113,859	506	-2%	114,000	507	0%			32,563	130,254	579	14%	106,000	471	-7%	144,000	640	26%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Personal Property Tax
Employee Payroll Tax	17,907	80	16,729	74	-7%	13,505	60	-19%			3,411	13,646	61	-18%	0	0	-100%	16,875	75	1%	Employee Payroll Tax
Employee Benefits	4,891	22	8,097	36	66%	32,694	145	304%			10,270	41,080	183	407%	0	0	-100%	33,750	150	317%	Employee Benefits
Other	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Other
<b>Total Taxes</b>	<b>138,789</b>	<b>617</b>	<b>138,685</b>	<b>616</b>	<b>0%</b>	<b>160,199</b>	<b>712</b>	<b>16%</b>			<b>46,245</b>	<b>184,980</b>	<b>822</b>	<b>33%</b>	<b>106,000</b>	<b>471</b>	<b>-24%</b>	<b>194,625</b>	<b>865</b>	<b>40%</b>	<b>Total Taxes</b>
<b>Operating Exp. before RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>			<b>229,113</b>	<b>916,452</b>	<b>4,073</b>	<b>5%</b>	<b>826,947</b>	<b>3,675</b>	<b>-5%</b>	<b>940,080</b>	<b>4,178</b>	<b>8%</b>	Operating Exp. before RFR
Reserve For Replacement	0	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>			<b>229,113</b>	<b>916,452</b>	<b>4,073</b>	<b>5%</b>	<b>905,697</b>	<b>4,025</b>	<b>4%</b>	<b>1,007,580</b>	<b>4,478</b>	<b>15%</b>	Operating Exp. Incl. RFR
<b>NOI</b>	<b>371,135</b>	<b>1,649</b>	<b>575,546</b>	<b>2,558</b>	<b>55%</b>	<b>600,114</b>	<b>2,667</b>	<b>4%</b>			<b>81,151</b>	<b>324,605</b>	<b>1,443</b>	<b>-44%</b>	<b>714,808</b>	<b>3,177</b>	<b>24%</b>	<b>541,666</b>	<b>2,407</b>	<b>-6%</b>	<b>NOI</b>

<b>Estimating Restricted Expenses Per Unit</b>					
Subject As Is	Expenses	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$267	\$30	\$43	\$0
\$413	Management	\$80	\$579	\$501	\$467
\$575	Other Administrative Expenses	\$374	\$1,321	\$601	\$1,072
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0
\$125	Lighting & Misc. Power	\$370	\$280	\$125	\$151
\$825	Water/Sewer	\$0	\$172	\$444	\$55
\$5	Gas	\$0	\$0	\$0	\$17
\$115	Garbage/Trash Removal	\$0	\$62	\$83	\$0
\$350	Payroll	\$537	\$581	\$489	\$661
\$15	Other Operating Expenses	\$0	\$839	\$0	\$225
\$250	Decorating	\$0	\$0	\$72	\$83
\$175	Repairs	\$146	\$0	\$338	\$305
\$50	Exterminating	\$0	\$0	\$0	\$0
\$200	Insurance	\$165	\$346	\$156	\$278
\$140	Ground Expenses	\$0	\$0	\$196	\$208
\$0	Other Maintenance	\$0	\$0	\$0	\$0
\$640	Real Estate Taxes	\$430	\$324	\$357	\$327
\$75	Payroll Taxes	\$0	\$108	\$68	\$0
\$150	Employee Benefits	\$0	\$357	\$11	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0
\$300	Replacement Reserves	\$240	\$499	\$399	\$0
\$4,478	<b>Total Per Unit</b>	\$2,609	\$5,498	\$3,883	\$3,849
<p><b>Comments:</b>  Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the <i>2013 Income/Expense Analysis: Federally Assisted Apartments printed by the Institute of Real Estate Management</i>. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.  The expenses for the comparable apartments vary per unit but are consistently between 61 and 92 percent of the gross rent potential. The subject's expenses were estimated at 64 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.</p>					

## Itemized Expenses Explanations - Restricted

	Expense Numbers per Unit	
Expense	As Is	Comp Range
1. Advertising	\$75	\$30-267
An advertising expense of \$75 per unit was projected for the subject. A comparable range of \$30 to \$267 per unit was determined. The subject is located in an area with moderate to high occupancies in all complexes. The expense was projected using the subject's historical financials.		
2. Management	\$413	\$80-579
A management expense of \$413 per unit was projected for the as is scenario. A comparable range of \$80 to \$579 was determined. The expense was projected using approximately 6.0 percent of the effective gross income as indicated by the subject's historical financial statements.		
3. Other Administrative	\$575	\$374-1,321
An other administrative expense of \$575 per unit was projected. A comparable range of \$374 to \$1,321 was determined. The subject is higher than the comparable range. However, the other administrative expense includes additional management salary expenses. Therefore, the subject's historical financial statements were given more consideration.		
4. Elevator	\$0	\$0-0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
5. Fuel	\$0	\$0-0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
6. Lighting & Misc. Power	\$125	\$125-370
A lighting and miscellaneous power expense of \$125 was projected for the subject. A comparable range of \$125 to \$370 per unit was determined. The subject provides this utility to the tenants. The majority of the comparables do not have this utility provided. Therefore, the expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.		
7. Water/Sewer	\$825	\$0-444
A water/sewer expense of \$825 per unit was projected for the subject. A comparable range of \$0 to \$444 per unit was determined. The expense was projected using the subject's historical financials.		
8. Gas	\$5	\$0-0
A gas expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.		
9. Garbage/Trash Removal	\$115	\$0-83
A garbage/trash removal expense of \$115 per unit was projected for the subject. A comparable range of \$0 to \$83 per unit was determined. The expense was projected using the subject's historical financials.		
10. Payroll	\$350	\$489-581
The payroll expense of \$350 per unit was projected. A comparable range of \$489 to \$581 was determined. The subject's expenses are higher than the comparable range. The expense was projected using the subject's historical financials.		

- |     |                                                                                                                                                                                                                                                                                                                                       |       |           |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------|
| 11. | Other Operating Expenses                                                                                                                                                                                                                                                                                                              | \$15  | \$0-839   |
|     | An other operating expense of \$15 per unit was projected. A comparable range of \$0 to \$839 was determined. The subject is within the comparable range. Therefore, this expense was projected utilizing the subject's historical financial statements and the comparable range.                                                     |       |           |
| 12. | Decorating                                                                                                                                                                                                                                                                                                                            | \$250 | \$0-72    |
|     | A decorating expense of \$250 was projected. A comparable range of \$0 to \$72 was determined. Therefore, the subject's historical expenses were given the most consideration.                                                                                                                                                        |       |           |
| 13. | Repairs                                                                                                                                                                                                                                                                                                                               | \$175 | \$0-338   |
|     | A repairs expense of \$175 was projected for the as is scenario. A comparable range of \$0 to \$338 was determined. The expense was projected using the subject's historical financials and the comparable range.                                                                                                                     |       |           |
| 14. | Exterminating                                                                                                                                                                                                                                                                                                                         | \$50  | \$0-0     |
|     | An exterminating expense of \$50 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                        |       |           |
| 15. | Insurance                                                                                                                                                                                                                                                                                                                             | \$200 | \$156-346 |
|     | An insurance expense of \$200 per unit was projected for the subject. A comparable range of \$156 to \$346 per unit was determined. The insurance expense of the subject was projected using the subject's historical financials as well as the expenses from other properties with similar features.                                 |       |           |
| 16. | Ground Expenses                                                                                                                                                                                                                                                                                                                       | \$140 | \$0-196   |
|     | A ground expense of \$140 per unit was projected. A comparable range of \$0 to \$196 was determined. The expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management. |       |           |
| 17. | Other Maintenance                                                                                                                                                                                                                                                                                                                     | \$0   | \$0-0     |
|     | Other maintenance expenses of \$0 per unit were projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The expense was projected using the subject's historical financials.                                                                                                                             |       |           |
| 18. | Real Estate Taxes                                                                                                                                                                                                                                                                                                                     | \$640 | \$324-430 |
|     | A real estate tax expense of \$640 per unit was projected for the subject based on the Henry County Assessor's Office.                                                                                                                                                                                                                |       |           |
| 19. | Payroll Taxes                                                                                                                                                                                                                                                                                                                         | \$75  | \$0-108   |
|     | Payroll taxes were projected at \$75 per unit. A comparable range of \$0 to \$108 was determined. The subject's expense is slightly higher than the comparable range. Therefore, the subject's historical financial statements were given more consideration.                                                                         |       |           |
| 20. | Employee Benefits                                                                                                                                                                                                                                                                                                                     | \$150 | \$0-357   |
|     | Employee benefits were projected at \$150 per unit. A comparable range of \$0 to \$357 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                           |       |           |
| 21. | Replacement Reserves                                                                                                                                                                                                                                                                                                                  | \$300 | \$240-499 |
|     | A replacement reserves expense of \$300 per unit was projected. This expense was projected based on the subject's financial statements and substantiated by the comparable range.                                                                                                                                                     |       |           |

### Historical Financial Statements & Market Projections

Property: Sable Chase - McDonough, GA

# of Rental Units: 225

#### Revenue and Expense Analysis

#### Historical and Proforma

% change compared to preceding year.

2012 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual	Unaudited										As Complete			As Complete & Stabilized			REVENUE - Annual			
	2010		2011		2012		3 months			Budget	PUPA	%	Market Projections		Market Projections			PUPA	%	
		PUPA		PUPA		PUPA	YTD	2014	PUPA					PUPA	%	PUPA				%
<b>Residential &amp; Ancillary Income</b>																				
Annual Gross Potential Rental Income	N/A	N/A	N/A	N/A	N/A	1,558,725	6,928	N/A	390,663	6,945	N/A	1,640,328	7,290	N/A	2,364,000	10,507	N/A	2,364,000	10,507	N/A
Annual Ancillary Income	98,786	439	71,902	320	-27%	140,061	622	95%	8,947	159	-50%	95,000	422	32%	140,000	622	95%	140,000	622	95%
Annual Gross Potential Income	N/A	N/A	N/A	N/A	N/A	1,698,786	7,550	N/A	399,610	7,104	N/A	1,735,328	7,713	N/A	2,504,000	11,129	N/A	2,504,000	11,129	N/A
Occupancy	N/A	N/A	N/A	N/A	N/A	86.65%	1,008	N/A	77.64%	1,588	N/A	93.38%	510	0%	90.00%	1,113	0%	95.00%	556	0%
Effective Gross Income (EGI)	1,352,191	6,010	1,448,643	6,438	7%	1,471,998	6,542	2%	310,264	5,516	-14%	1,620,505	7,202	12%	2,253,600	10,016	56%	2,378,800	10,572	64%

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	Unaudited										As Complete			As Complete & Stabilized			ITEMIZED EXPENSES - Annual Estimate of Annual Expense			
	2010		2011		2012		3 months			Budget	PUPA	%	Market Projections		Market Projections			PUPA	%	
		PUPA		PUPA		PUPA	YTD	2014	PUPA					PUPA	%	PUPA				%
<b>Administrative</b>																				
Advertising	22,135	98	14,565	65	-34%	13,571	60	-7%	3,485	62	-4%	16,000	71	10%	16,875	75	16%	16,875	75	16%
Management Fee	79,253	352	81,104	360	2%	68,596	305	-15%	21,094	375	4%	80,923	360	0%	90,144	401	11%	95,152	423	17%
Other (Specify)	125,829	559	129,677	576	3%	130,381	579	1%	30,198	537	-7%	20,100	89	-84%	90,000	400	-31%	90,000	400	-31%
<b>Total Administrative</b>	<b>227,217</b>	<b>1,010</b>	<b>225,346</b>	<b>1,002</b>	<b>-1%</b>	<b>212,548</b>	<b>945</b>	<b>-6%</b>	<b>54,777</b>	<b>974</b>	<b>-3%</b>	<b>117,023</b>	<b>520</b>	<b>-48%</b>	<b>197,019</b>	<b>876</b>	<b>-13%</b>	<b>202,027</b>	<b>898</b>	<b>-10%</b>
<b>Operating</b>																				
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel - Heating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel - Domestic Hot Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lighting and Misc. Power	33,284	148	24,386	108	-27%	26,575	118	9%	12,509	222	105%	100,000	444	310%	28,125	125	15%	28,125	125	15%
Water	157,052	698	174,151	774	11%	183,976	818	6%	51,517	916	18%	100,000	444	-43%	185,625	825	7%	185,625	825	7%
Gas	1,164	5	1,378	6	18%	825	4	-40%	236	4	-31%	0	0	-100%	1,125	5	-18%	1,125	5	-18%
Garbage and Trash Removal	35,469	158	36,200	161	2%	26,004	116	-28%	7,730	137	-15%	35,924	160	-1%	25,875	115	-29%	25,875	115	-29%
Payroll	67,305	299	68,250	303	1%	79,094	352	16%	13,055	232	-23%	185,000	822	171%	67,500	300	-1%	67,500	300	-1%
Other (Specify)	3,140	14	1,914	9	-39%	3,195	14	67%	5,310	94	1010%	0	0	-100%	3,375	15	76%	3,375	15	76%
<b>Total Operating</b>	<b>297,414</b>	<b>1,322</b>	<b>306,279</b>	<b>1,361</b>	<b>3%</b>	<b>319,669</b>	<b>1,421</b>	<b>4%</b>	<b>90,357</b>	<b>1,606</b>	<b>18%</b>	<b>420,924</b>	<b>1,871</b>	<b>37%</b>	<b>311,625</b>	<b>1,385</b>	<b>2%</b>	<b>311,625</b>	<b>1,385</b>	<b>2%</b>
<b>Maintenance</b>																				
Decorating	44,020	196	30,354	135	-31%	56,424	251	86%	7,455	133	-2%	0	0	-100%	56,250	250	85%	56,250	250	85%
Repairs	97,156	432	76,037	338	-22%	39,934	177	-47%	8,724	155	-54%	68,000	302	-11%	28,125	125	-63%	28,125	125	-63%
Exterminating	56,374	251	36,068	160	-36%	7,875	35	-78%	4,228	75	-53%	25,000	111	-31%	11,250	50	-69%	11,250	50	-69%
Insurance	71,948	320	30,648	136	-57%	43,917	195	43%	12,272	218	60%	90,000	400	194%	56,250	250	84%	56,250	250	84%
Ground Expense	48,138	214	29,680	132	-38%	31,319	139	6%	5,055	90	-32%	0	0	-100%	31,500	140	6%	31,500	140	6%
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Maintenance</b>	<b>317,636</b>	<b>1,412</b>	<b>202,787</b>	<b>901</b>	<b>-36%</b>	<b>179,468</b>	<b>798</b>	<b>-11%</b>	<b>37,734</b>	<b>671</b>	<b>-26%</b>	<b>183,000</b>	<b>813</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>
<b>Taxes</b>																				
Real Estate Tax	115,991	516	113,859	506	-2%	114,000	507	0%	32,563	579	14%	106,000	471	-7%	155,250	690	36%	155,250	690	36%
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Payroll Tax	17,907	80	16,729	74	-7%	13,505	60	-19%	3,411	61	-18%	0	0	-100%	11,250	50	-33%	11,250	50	-33%
Employee Benefits	4,891	22	8,097	36	66%	32,694	145	304%	10,270	183	407%	0	0	-100%	28,125	125	247%	28,125	125	247%
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Taxes</b>	<b>138,789</b>	<b>617</b>	<b>138,685</b>	<b>616</b>	<b>0%</b>	<b>160,199</b>	<b>712</b>	<b>16%</b>	<b>46,245</b>	<b>822</b>	<b>33%</b>	<b>106,000</b>	<b>471</b>	<b>-24%</b>	<b>194,625</b>	<b>865</b>	<b>40%</b>	<b>194,625</b>	<b>865</b>	<b>40%</b>
<b>Operating Exp. before RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>	<b>229,113</b>	<b>4,073</b>	<b>5%</b>	<b>826,947</b>	<b>3,675</b>	<b>-5%</b>	<b>886,644</b>	<b>3,941</b>	<b>2%</b>	<b>891,652</b>	<b>3,963</b>	<b>2%</b>
Reserve For Replacement	0	0	0	0	0	0	0	0	0	0	0	78,750	350	0	56,250	250	0	56,250	250	0
<b>Operating Exp. Incl. RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>	<b>229,113</b>	<b>4,073</b>	<b>5%</b>	<b>905,697</b>	<b>4,025</b>	<b>4%</b>	<b>942,894</b>	<b>4,191</b>	<b>8%</b>	<b>947,902</b>	<b>4,213</b>	<b>9%</b>
<b>NOI</b>	<b>371,135</b>	<b>1,649</b>	<b>575,546</b>	<b>2,558</b>	<b>55%</b>	<b>600,114</b>	<b>2,667</b>	<b>4%</b>	<b>81,151</b>	<b>1,443</b>	<b>-44%</b>	<b>714,808</b>	<b>3,177</b>	<b>24%</b>	<b>1,310,706</b>	<b>5,825</b>	<b>128%</b>	<b>1,430,898</b>	<b>6,360</b>	<b>149%</b>

<b>Estimating Market Expenses Per Unit</b>						
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$75	\$50	\$10	\$10	\$0
\$401	Management	\$423	\$305	\$275	\$341	\$405
\$400	Other Administrative Expenses	\$400	\$300	\$500	\$268	\$303
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0
\$125	Lighting & Misc. Power	\$125	\$190	\$200	\$180	\$191
\$825	Water/Sewer	\$825	\$380	\$350	\$320	\$66
\$5	Gas	\$5	\$0	\$0	\$0	\$10
\$115	Garbage/Trash Removal	\$115	\$85	\$60	\$50	\$0
\$300	Payroll	\$300	\$200	\$350	\$270	\$884
\$15	Other Operating Expenses	\$15	\$350	\$200	\$380	\$318
\$250	Decorating	\$250	\$0	\$0	\$0	\$90
\$125	Repairs	\$125	\$75	\$200	\$195	\$212
\$50	Exterminating	\$50	\$0	\$0	\$0	\$0
\$250	Insurance	\$250	\$350	\$400	\$240	\$234
\$140	Ground Expenses	\$140	\$0	\$0	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0
\$690	Real Estate Taxes	\$690	\$490	\$598	\$757	\$495
\$50	Payroll Taxes	\$50	\$106	\$86	\$109	\$0
\$125	Employee Benefits	\$125	\$85	\$60	\$72	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0	\$0
\$250	Replacement Reserves	\$250	\$300	\$200	\$305	\$0
\$4,191	<b>Total Per Unit</b>	\$4,213	\$3,266	\$3,489	\$3,497	\$3,401

**Comments:**

Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the *2013 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.

The expenses for the comparable apartments vary per unit but are consistently between 39 and 45 percent of the gross rent potential. The subject's expenses were estimated at 40 percent of the gross rent potential which is lower than the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.

## Itemized Expenses Explanations - Market

### Expense Numbers Per Unit

	<b>Expense</b>	<b>“As Complete”</b>	<b>“As Complete &amp; Stabilized”</b>	<b>Range</b>
1.	Advertising	\$75	\$75	\$10-50
	An advertising expense of \$75 per unit was projected. A comparable range of \$10 to \$50 per unit was determined. The subject is located in an area with moderate to high occupancies in all complexes. The expense was projected using the subject’s historical financials.			
2.	Management	\$401	\$423	\$275-341
	A management expense of \$401 was projected for the “as complete” scenario and \$423 per unit was projected for the “as complete and stabilized” scenario. A comparable range of \$275 to \$341 was determined. The majority of the conventional comparables show approximately four percent of the effective rent potential is used for management. Therefore, the market expense was projected using four percent.			
3.	Other Administrative	\$400	\$400	\$268-500
	An other administrative expense of \$400 per unit was projected for both scenarios. A comparable range of \$268 to \$500 was determined. The subject’s projected market expense is significantly lower than the subject’s historical range. However, restricted properties require much higher other administrative expenses due to required screening process of tenants and other steps necessary to remain in compliance with HUD and state tax credit agencies. As a market property, the expenses would be forced to mimic competing market properties and this pressure will cause a market-rate property to be much more diligent in keeping expenses in line with its competitors. As a result, this downward pressure causes market-based properties to carry the minimal staffing necessary to complete the tasks required. Therefore, more reliance was placed upon competing market properties than the subject’s historical performance in this category, so the comparable range was given more weight. In addition, according to the <i>2013 Income/Expense Analysis: Conventional Apartments</i> published by the Institute of Real Estate Management, the other administrative expense for low rise properties is \$303 per unit. Therefore, the expense was projected using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management and the comparable range.			
4.	Elevator	\$0	\$0	\$0-0
	An elevator expense of \$0 per unit was projected. This subject will not contain an elevator. Therefore, no elevator expense was projected.			
5.	Fuel	\$0	\$0	\$0-0
	The property will not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
6.	Lighting & Misc. Power	\$125	\$125	\$180-200
	A lighting and miscellaneous power expense of \$125 per unit was projected. A comparable range of \$180 to \$200 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject’s historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.			
7.	Water/Sewer	\$825	\$825	\$320-380
	A water/sewer expense of \$825 per unit was projected for the subject. A comparable range of \$320 to \$380 per unit was determined. The expense was projected using the subject’s historical financials as well as the comparable range.			

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       |       |           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-----------|
| 8.  | Gas                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$5   | \$5   | \$0-0     |
|     | A gas expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management. |       |       |           |
| 9.  | Garbage/Trash Removal                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$115 | \$115 | \$50-85   |
|     | A garbage/trash removal expense of \$115 per unit was projected for the subject. A comparable range of \$50 to \$85 per unit was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                                                                                                 |       |       |           |
| 10. | Payroll                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$300 | \$300 | \$200-350 |
|     | The payroll expense of \$300 per unit was projected. A comparable range of \$200 to \$350 was determined. The subject's projected market expense is lower than the subject's historical range. Payroll expenses typically are lower than restricted expenses. Therefore, the projected expense was deemed reasonable.                                                                                                                                             |       |       |           |
| 11. | Other Operating Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$15  | \$45  | \$200-380 |
|     | An other operating expense of \$15 per unit was projected. A comparable range of \$200 to \$380 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                                                                                                                              |       |       |           |
| 12. | Decorating                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$250 | \$250 | \$0-0     |
|     | A decorating expense of \$250 was projected. A comparable range of \$0 to \$0 was determined. Therefore, the subject's historical expenses were given the most consideration.                                                                                                                                                                                                                                                                                     |       |       |           |
| 13. | Repairs                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$125 | \$125 | \$75-200  |
|     | A repairs expense of \$125 was projected for the as is scenario. A comparable range of \$75 to \$200 was determined. The subject will undergo a substantial renovation and will not require as many repairs going forward. Therefore, the "as complete" and "as complete and stabilized" expenses were projected lower than the "as is" expense.                                                                                                                  |       |       |           |
| 14. | Exterminating                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$50  | \$50  | \$0-0     |
|     | An exterminating expense of \$50 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                                                                                                                                    |       |       |           |
| 15. | Insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                         | \$250 | \$250 | \$240-400 |
|     | An insurance expense of \$250 per unit was projected for the subject. A comparable range of \$240 to \$400 per unit was determined. The property will be renovated and have an increased replacement cost. Therefore, the "as complete" and "as complete and stabilized" expenses were projected higher than the "as is" expense.                                                                                                                                 |       |       |           |
| 16. | Ground Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                   | \$140 | \$140 | \$0-0     |
|     | A ground expense of \$140 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Conventional Apartments</i> printed by Institute of Real Estate Management.                                                                                                                                     |       |       |           |
| 17. | Other Maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$0   | \$0   | \$0-0     |
|     | An other maintenance expense of \$0 per unit was projected for the subject. This expense was most likely included in the repairs expense. A comparable range of \$0 to \$210 per unit was determined. Therefore, no other maintenance expense was projected.                                                                                                                                                                                                      |       |       |           |
| 18. | Real Estate Taxes                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$690 | \$690 | \$490-757 |
|     | The property will be renovated and have an increased taxable value. Therefore, the "as complete" and "as complete and stabilized" expenses were projected higher than the "as is" expense.                                                                                                                                                                                                                                                                        |       |       |           |

- |     |                                                                                                                                                                             |       |       |           |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-----------|
| 19. | Payroll Taxes                                                                                                                                                               | \$50  | \$50  | \$86-109  |
|     | Payroll taxes were projected at \$50 per unit. A comparable range of \$86 to \$109 was determined. The expense was projected using the subject's historical financials.     |       |       |           |
| 20. | Employee Benefits                                                                                                                                                           | \$125 | \$125 | \$60-85   |
|     | Employee benefits were projected at \$125 per unit. A comparable range of \$60 to \$85 was determined. The expense was projected using the subject's historical financials. |       |       |           |
| 21. | Replacement Reserves                                                                                                                                                        | \$250 | \$250 | \$200-305 |
|     | A replacement reserves expense of \$250 per unit was projected. This expense was projected by considering the market comparables.                                           |       |       |           |

## Historical Financial Statements & Restricted Projections

Property: **Sable Chase - McDonough, GA**  
 # of Rental Units: 225

### Revenue and Expense Analysis

Historical and Proforma  
 % change compared to preceding year.

2012 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual	Unaudited									As Complete			As Complete & Stabilized			REVENUE - Annual							
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	YTD	3 months Annualized		PUPA	%	Budget	PUPA		%	Restricted Projections	PUPA	%	Restricted Projections	PUPA	%
<b>Residential &amp; Ancillary Income</b>																							
Annual Gross Potential Rental Income	NA	NA	NA	NA	NA	1,558,725	6,928	NA		390,663	1,562,651	6,945	NA	1,640,328	7,290	NA	1,635,924	7,271	NA	1,635,924	7,271	NA	Residential & Ancillary Income
Annual Ancillary Income	98,786	439	71,902	320	-27%	140,061	622	95%		6,947	35,789	159	-50%	95,000	422	32%	140,000	622	95%	140,000	622	95%	Annual Gross Potential Rental Income
Annual Gross Potential Income	NA	NA	NA	NA	NA	1,698,786	7,550	NA		399,610	1,598,440	7,104	NA	1,735,328	7,713	NA	1,775,924	7,893	NA	1,775,924	7,893	NA	Annual Gross Potential Income
Occupancy	NA	NA	NA	NA	NA	86.65%	1,008	NA		77.64%	77.64%	1,588	NA	93.38%	510	0%	90.00%	789	0%	95.00%	395	0%	Occupancy
Effective Gross Income (EGI)	1,352,191	6,010	1,448,643	6,438	7%	1,471,998	6,542	2%		310,264	1,241,056	5,516	-14%	1,620,505	7,202	12%	1,598,332	7,104	10%	1,687,128	7,498	16%	Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense										As Complete			As Complete & Stabilized			ITEMIZED EXPENSES - Annual Estimate of Annual Expense							
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	YTD	3 months Annualized		PUPA	%	Budget	PUPA		%	Restricted Projections	PUPA	%	Restricted Projections	PUPA	%
<b>Administrative</b>																							
Advertising	22,135	98	14,565	65	-34%	13,571	60	-7%		3,485	13,941	62	-4%	16,000	71	10%	16,875	75	16%	16,875	75	16%	Administrative
Management Fee	79,253	352	81,104	360	2%	68,596	305	-15%		21,094	84,378	375	4%	80,923	360	0%	95,900	426	18%	101,228	450	25%	6.000% Management Fee
Other (Specify)	125,829	559	129,677	576	3%	130,381	579	1%		30,198	120,790	537	-7%	20,100	89	-84%	129,375	575	0%	129,375	575	0%	Other (Specify)
<b>Total Administrative</b>	<b>227,217</b>	<b>1,010</b>	<b>225,346</b>	<b>1,002</b>	<b>-1%</b>	<b>212,548</b>	<b>945</b>	<b>-6%</b>		<b>54,777</b>	<b>219,109</b>	<b>974</b>	<b>-3%</b>	<b>117,023</b>	<b>520</b>	<b>-48%</b>	<b>242,150</b>	<b>1,076</b>	<b>7%</b>	<b>247,478</b>	<b>1,100</b>	<b>10%</b>	<b>Total Administrative</b>
<b>Operating</b>																							
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Operating
Fuel - Heating	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.
Fuel - Domestic Hot water	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Fuel - Heating
Lighting and Misc. Power	33,284	148	24,366	108	-27%	26,575	118	9%		12,509	50,037	222	105%	100,000	444	310%	28,125	125	15%	28,125	125	15%	Fuel - Domestic Hot water
Water	157,052	698	174,151	774	11%	183,976	818	6%		51,517	206,070	916	18%	100,000	444	-43%	185,825	825	7%	185,825	825	7%	Lighting and Misc. Power
Gas	1,164	5	1,378	6	18%	825	4	-40%		236	945	4	-31%	0	0	-100%	1,125	5	-18%	1,125	5	-18%	Water
Garbage and Trash Removal	35,469	158	36,200	161	2%	26,004	116	-28%		7,730	30,820	137	-15%	35,924	160	-1%	25,875	115	-29%	25,875	115	-29%	Gas
Payroll	67,305	299	68,250	303	1%	79,094	352	16%		13,055	52,218	232	-23%	185,000	822	171%	78,750	350	15%	78,750	350	15%	Garbage and Trash Removal
Other (Specify)	3,140	14	1,914	9	-39%	3,195	14	67%		5,310	21,239	94	1010%	0	0	-100%	3,375	15	76%	3,375	15	76%	Payroll
<b>Total Operating</b>	<b>297,414</b>	<b>1,322</b>	<b>306,279</b>	<b>1,361</b>	<b>3%</b>	<b>319,669</b>	<b>1,421</b>	<b>4%</b>		<b>90,357</b>	<b>361,428</b>	<b>1,606</b>	<b>18%</b>	<b>420,924</b>	<b>1,871</b>	<b>37%</b>	<b>322,875</b>	<b>1,435</b>	<b>5%</b>	<b>322,875</b>	<b>1,435</b>	<b>5%</b>	<b>Total Operating</b>
<b>Maintenance</b>																							
Decorating	44,020	196	30,354	135	-31%	56,424	251	86%		7,455	29,820	133	-2%	0	0	-100%	56,250	250	85%	56,250	250	85%	Maintenance
Repairs	97,156	432	76,037	338	-22%	39,934	177	-47%		8,724	34,897	155	-54%	68,000	302	-11%	28,125	125	-63%	28,125	125	-63%	Decorating
Exterminating	56,374	251	36,068	160	-36%	7,875	35	-78%		4,228	16,910	75	-53%	25,000	111	-31%	11,250	50	-69%	11,250	50	-69%	Repairs
Insurance	71,948	320	30,648	136	-57%	43,917	195	43%		12,272	49,088	218	60%	90,000	400	194%	56,250	250	84%	56,250	250	84%	Exterminating
Ground Expense	48,138	214	29,680	132	-38%	31,319	139	6%		5,055	20,220	90	-32%	0	0	-100%	31,500	140	6%	31,500	140	6%	Insurance
Other (specify)	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Ground Expense
<b>Total Maintenance</b>	<b>317,636</b>	<b>1,412</b>	<b>202,787</b>	<b>901</b>	<b>-36%</b>	<b>179,468</b>	<b>798</b>	<b>-11%</b>		<b>37,734</b>	<b>150,935</b>	<b>671</b>	<b>-26%</b>	<b>183,000</b>	<b>813</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>	<b>183,375</b>	<b>815</b>	<b>-10%</b>	<b>Total Maintenance</b>
<b>Taxes</b>																							
Real Estate Tax	115,991	516	113,859	506	-2%	114,000	507	0%		32,563	130,254	579	14%	106,000	471	-7%	155,250	690	36%	155,250	690	36%	Taxes
Personal Property Tax	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Real Estate Tax
Employee Payroll Tax	17,907	80	16,729	74	-7%	13,506	60	-19%		3,411	13,646	61	-18%	0	0	-100%	16,875	75	1%	16,875	75	1%	Personal Property Tax
Employee Benefits	4,891	22	8,097	36	66%	32,694	145	304%		10,270	41,080	183	407%	0	0	-100%	33,750	150	317%	33,750	150	317%	Employee Payroll Tax
Other	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Employee Benefits
<b>Total Taxes</b>	<b>138,789</b>	<b>617</b>	<b>138,685</b>	<b>616</b>	<b>0%</b>	<b>160,199</b>	<b>712</b>	<b>16%</b>		<b>46,245</b>	<b>184,980</b>	<b>822</b>	<b>33%</b>	<b>106,000</b>	<b>471</b>	<b>-24%</b>	<b>205,875</b>	<b>915</b>	<b>48%</b>	<b>205,875</b>	<b>915</b>	<b>48%</b>	<b>Total Taxes</b>
<b>Operating Exp. before RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>		<b>229,113</b>	<b>916,452</b>	<b>4,073</b>	<b>5%</b>	<b>826,947</b>	<b>3,675</b>	<b>-5%</b>	<b>954,275</b>	<b>4,241</b>	<b>9%</b>	<b>959,603</b>	<b>4,265</b>	<b>10%</b>	<b>Operating Exp. before RFR</b>
Reserve For Replacement	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	Reserve For Replacement
<b>Operating Exp. Incl. RFR</b>	<b>981,056</b>	<b>4,360</b>	<b>873,097</b>	<b>3,880</b>	<b>-11%</b>	<b>871,884</b>	<b>3,875</b>	<b>0%</b>		<b>229,113</b>	<b>916,452</b>	<b>4,073</b>	<b>5%</b>	<b>905,697</b>	<b>3,520</b>	<b>4%</b>	<b>1,021,775</b>	<b>4,541</b>	<b>17%</b>	<b>1,027,103</b>	<b>4,565</b>	<b>18%</b>	<b>Operating Exp. Incl. RFR</b>
<b>NOI</b>	<b>371,135</b>	<b>1,649</b>	<b>575,546</b>	<b>2,558</b>	<b>55%</b>	<b>600,114</b>	<b>2,667</b>	<b>4%</b>		<b>81,151</b>	<b>324,605</b>	<b>1,443</b>	<b>-44%</b>	<b>714,808</b>	<b>3,177</b>	<b>24%</b>	<b>576,557</b>	<b>2,562</b>	<b>0%</b>	<b>660,025</b>	<b>2,933</b>	<b>15%</b>	<b>NOI</b>

<b>Estimating Restricted Expenses Per Unit</b>						
Subject As Is	Expenses	Subject As Complete	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$75	\$267	\$30	\$43	\$0
\$426	Management	\$450	\$80	\$579	\$501	\$467
\$575	Other Administrative Expenses	\$575	\$374	\$1,321	\$601	\$1,072
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0
\$125	Lighting & Misc. Power	\$125	\$370	\$280	\$125	\$151
\$825	Water/Sewer	\$825	\$0	\$172	\$444	\$55
\$5	Gas	\$5	\$0	\$0	\$0	\$17
\$115	Garbage/Trash Removal	\$115	\$0	\$62	\$83	\$0
\$350	Payroll	\$350	\$537	\$581	\$489	\$661
\$15	Other Operating Expenses	\$15	\$0	\$839	\$0	\$225
\$250	Decorating	\$250	\$0	\$0	\$72	\$83
\$125	Repairs	\$125	\$146	\$0	\$338	\$305
\$50	Exterminating	\$50	\$0	\$0	\$0	\$0
\$250	Insurance	\$250	\$165	\$346	\$156	\$278
\$140	Ground Expenses	\$140	\$0	\$0	\$196	\$208
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0
\$690	Real Estate Taxes	\$690	\$430	\$324	\$357	\$327
\$75	Payroll Taxes	\$75	\$0	\$108	\$68	\$0
\$150	Employee Benefits	\$150	\$0	\$357	\$11	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0	\$0
\$300	Replacement Reserves	\$300	\$240	\$499	\$399	\$0
\$4,541	<b>Total Per Unit</b>	\$4,565	\$2,609	\$5,498	\$3,883	\$3,849

**Comments:**

Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the *2013 Income/Expense Analysis: Federally Assisted Apartments* printed by the Institute of Real Estate Management. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.

The expenses for the comparable apartments vary per unit but are consistently between 61 and 92 percent of the gross rent potential. The subject's expenses were estimated at 63 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.

## Itemized Expenses Explanations - Restricted

### Expense Numbers Per Unit

	<b>Expense</b>	<b>“As Complete”</b>	<b>“As Complete &amp; Stabilized”</b>	<b>Range</b>
1.	Advertising	\$75	\$75	\$30-267
	An advertising expense of \$75 per unit was projected. A comparable range of \$30-267 per unit was determined. The subject is located in an area with moderate to high occupancies in all complexes. The expense was projected using the subject’s historical financials.			
2.	Management	\$426	\$450	\$80-579
	A management expense of \$426 was projected for the “as complete” scenario and \$450 per unit was projected for the “as complete and stabilized” scenario. A comparable range of \$80 to \$579 was determined. The expense was projected using approximately 6.0 percent of the effective gross income as indicated by the subject’s historical financial statements.			
3.	Other Administrative	\$575	\$575	\$374-1,321
	An other administrative expense of \$575 per unit was projected for both scenarios. A comparable range of \$374 to \$1,321 was determined. The expense was projected using the subject’s historical financials.			
4.	Elevator	\$0	\$0	\$0-0
	An elevator expense of \$0 per unit was projected. This subject will not contain an elevator. Therefore, no elevator expense was projected.			
5.	Fuel	\$0	\$0	\$0-0
	The property will not have this expense. The expense is not typical in the market. Therefore, no expense was projected.			
6.	Lighting & Misc. Power	\$125	\$125	\$125-370
	A lighting and miscellaneous power expense of \$125 per unit was projected. A comparable range of \$125 to \$370 per unit was determined. The subject provides this utility to the tenants. The majority of the comparables do not have this utility provided. Therefore, the expense was projected using the subject’s historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.			
7.	Water/Sewer	\$825	\$825	\$0-444
	A water/sewer expense of \$825 per unit was projected for the subject. A comparable range of \$0 to \$444 per unit was determined. The expense was projected using the subject’s historical financials.			
8.	Gas	\$5	\$5	\$0-0
	A gas expense of \$5 per unit was projected for the subject. A comparable range of \$0 to \$0 per unit was determined. The subject provides this utility to the tenants. The comparables do not have this utility provided. Therefore, the expense was projected using the subject’s historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management.			
9.	Garbage/Trash Removal	\$115	\$115	\$0-83
	A garbage/trash removal expense of \$115 per unit was projected for the subject. A comparable range of \$0 to \$83 per unit was determined. The expense was projected using the subject’s historical financials.			
10.	Payroll	\$350	\$350	\$489-581

The payroll expense of \$350 per unit was projected for both scenarios. A comparable range of \$489 to \$581 was determined. The subject's expenses are higher than the comparable range. The expense was projected using the subject's historical financials.

- |     |                                                                                                                                                                                                                                                                                                                                                       |       |       |           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-----------|
| 11. | Other Operating Expenses                                                                                                                                                                                                                                                                                                                              | \$15  | \$15  | \$0-839   |
|     | An other operating expense of \$15 per unit was projected. A comparable range of \$0 to \$839 was determined. The subject is within the comparable range. Therefore, this expense was projected utilizing the subject's historical financial statements and the comparable range.                                                                     |       |       |           |
| 12. | Decorating                                                                                                                                                                                                                                                                                                                                            | \$250 | \$250 | \$0-72    |
|     | A decorating expense of \$250 per unit was projected. A comparable range of \$0 to \$72 was determined. Therefore, the subject's historical expenses were given the most consideration.                                                                                                                                                               |       |       |           |
| 13. | Repairs                                                                                                                                                                                                                                                                                                                                               | \$125 | \$125 | \$0-338   |
|     | A repairs expense of \$125 per unit was projected for the subject. A comparable range of \$0 to \$338 was determined. The subject will undergo a substantial renovation and will not require as many repairs going forward. Therefore, the "as complete" and "as complete and stabilized" expenses were projected lower than the "as is" expense.     |       |       |           |
| 14. | Exterminating                                                                                                                                                                                                                                                                                                                                         | \$50  | \$50  | \$0-0     |
|     | An exterminating expense of \$50 per unit was projected. A comparable range of \$0 to \$0 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                                        |       |       |           |
| 15. | Insurance                                                                                                                                                                                                                                                                                                                                             | \$250 | \$250 | \$156-346 |
|     | The subject's insurance expenses were projected at \$250 per unit. A comparable range of \$156 to \$346 per unit was determined. The property will be renovated and have an increased replacement cost. Therefore, the "as complete" and "as complete and stabilized" expenses were projected higher than the "as is" expense.                        |       |       |           |
| 16. | Ground Expenses                                                                                                                                                                                                                                                                                                                                       | \$140 | \$140 | \$0-196   |
|     | A ground expense of \$140 per unit was projected for the subject. A comparable range of \$0 to \$196 was determined. The expense was projected using the subject's historical financials. This expense was substantiated using the <i>2013 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management. |       |       |           |
| 17. | Other Maintenance                                                                                                                                                                                                                                                                                                                                     | \$0   | \$0   | \$0-0     |
|     | An other maintenance expense of \$0 per unit was projected for the subject. This expense was most likely included in the repairs expense. A comparable range of \$0 to \$0 per unit was determined. Therefore, no other maintenance expense was projected.                                                                                            |       |       |           |
| 18. | Real Estate Taxes                                                                                                                                                                                                                                                                                                                                     | \$690 | \$690 | \$324-430 |
|     | The property will be renovated and have an increased taxable value. Therefore, the "as complete" and "as complete and stabilized" expenses were projected higher than the "as is" expense.                                                                                                                                                            |       |       |           |
| 19. | Payroll Taxes                                                                                                                                                                                                                                                                                                                                         | \$75  | \$75  | \$0-108   |
|     | A payroll taxes expense of \$75 per unit was projected for the subject. A comparable range of \$0 to \$108 was determined. The subject's expense is slightly higher than the comparable range. Therefore, the subject's historical financial statements were given more consideration.                                                                |       |       |           |
| 20. | Employee Benefits                                                                                                                                                                                                                                                                                                                                     | \$150 | \$150 | \$0-357   |
|     | An employee benefits expense of \$150 per unit was projected for the subject. A comparable range of \$0 to \$357 was determined. The expense was projected using the subject's historical financials.                                                                                                                                                 |       |       |           |
| 21. | Replacement Reserves                                                                                                                                                                                                                                                                                                                                  | \$300 | \$300 | \$240-499 |
|     | A replacement reserves expense of \$300 per unit was projected. This expense was projected based on the subject's financial statements and substantiated by the comparable range.                                                                                                                                                                     |       |       |           |

## **Conclusions**

### **Potential Gross Income**

The estimated market rents were based on information obtained on the HUD-Forms 92273. The calculations for the potential gross income for the subject are shown on Page 94.

### **Vacancy**

The subject is existing. The restricted vacancy rate is currently six percent and the market occupancy rate is currently two percent. The comparable occupancy was given significant consideration in determining the vacancy rate. For both the restricted and market scenarios the following vacancy rates have been determined: a 10 percent vacancy rate was projected for the subject's "as is" and "as complete" scenario, and a five percent vacant rate was projected for the subject's "as complete and stabilized" scenario.

### **Expenses after Reserves for Replacement**

The subject's expenses were projected considering the subject's operating history, the expense data of the comparables and the information contained in the *2013 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management and the *2013 Section 42 Apartments* printed by the Institute of Real Estate Management.

### **Direct Capitalization**

Most apartment appraisers as well as buyers, sellers and lenders prefer value estimates derived from direct capitalization rather than discounted cash flow analysis. Other than in cases where the client and appraiser believe that the achievable income from an apartment property has not approximated its stabilized income, the net operating income to the property can be directly capitalized as of the effective date of the appraisal, based on the current yield to the property. In this situation, the discounting of forecast cash flows on a yield-to-maturity basis is considered superfluous. The use of overall cash flow analysis under other circumstances is discussed in the following section.

An overall capitalization rate ( $R_o$ ) is the usual expression of the relationship between the net operating income and the value of the property (the  $R_o$  is the reciprocal of a net income multiplier). Overall capitalization rates are derived from the simple formula

$$\text{Rate} = \text{Income/Value of } R_o = I/V$$

A capitalization rate is typically expressed as a percentage. For example, if the net operating income to a comparable property was \$1.8 million and its value/price was \$20 million, the overall capitalization rate would be 16.0% (the reciprocal, 11.1, is the property's net income multiplier).

An overall capitalization rate incorporates many considerations, including the likelihood that property income will increase, the momentum and duration of such an increase, and the risk and timing of a possible decrease. It reflects judgments regarding the recapture of investment and property depreciation. An overall capitalization rate can be developed on the basis of the relative allocation between, or weighting of, property components (e.g., mortgage and equity), and the respective capitalization rates of both components. This procedure is known as the band of investment technique. The specific allocation between financial components is supported by their relative risk rating based on which component has the prior claim to payment; for example, mortgages are paid before equity investors.

Other ways to apportion NOI are among the physical and ownership components of the property. When the property's NOI, the value of one property component, and the capitalization rates of both property components are known, a residual technique is applied to estimate the value of the property component of unknown value. The income to the property component of known value is deducted from the property's NOI, and the residual income attributable to the property component of unknown value is capitalized. In many cases, however, it is not necessary to apportion an overall rate or net operating income to property components.

### Market Derived Capitalization Rates

Income and expense data from comparable properties were analyzed to derive the capitalization rate. To derive the capitalization rate, the appraiser used the direct capitalization method, which consists of dividing the net income by the value.

The direct capitalization method will both reflect the value of income at yields attractive to a prospective investor and provide for the recapture of wasting purchase capital. The capitalization rate shows the rate of return for land, as well as the rate of return for the buildings. It also reflects the relationship between the income from the entire property and the value of the entire property.

Comparable #	Comparable Address	Number of Units	Date of Sale	NOI /	Sales Price =	Indicated Capitalization Rate
1	1119 Medlin Street Southeast Smyrna, Georgia	122	2/3/2011	\$212,222	\$2,504,800	8.47%
2	880 South Cobb Drive Southeast Marietta, Georgia	222	1/11/2012	\$641,857	\$8,325,000	7.71%
3	3900 Paces Walk Atlanta, Georgia	302	3/17/2010	\$1,022,521	\$14,600,000	7.00%
4	2945 Jefferson Street Austell, Georgia	48	3/3/2011	\$67,772	\$875,000	7.75%
5	3885 George Busbee Parkway Kennesaw, Georgia	489	5/25/2011	\$2,452,994	\$30,675,000	8.00%
6	4045 George Busbee Parkway Kennesaw, Georgia	322	12/2/2011	\$2,465,017	\$32,250,000	7.64%

The comparables indicate a range of 7.00 to 8.47 percent for indicated capitalization rates. The average capitalization rate is 7.76 percent. The comparables indicated a weighted capitalization rate of 7.75 percent.

### Band of Investment

Another method of arriving at a capitalization rate is the Band of Investment Method. This method is based on typical mortgage terms currently available and expected investment return. This analysis uses *fixed* interest rates. Surveys of lenders that make loans on commercial properties are currently quoting interest rates at one percent over prime and amortization of 15 to 30 years. Local lenders quoted 250 to 350 basis points over the current LIBOR rate for the same term as the loan. For our calculations, the following components were used in this analysis.

Capitalization Rate Calculations				
<b>Capitalization Rate Variables</b>				
Mortgage Interest Rate	5.00%			
Loan Term (Years)	35			
Loan To Value Ratio	90.0%			
Debt Coverage Ratio	1.2			
Equity Dividend Rate	10.00%			
<b>Band of Investment Analysis</b>				
Mortgage Constant		Loan Ratio	Contributions	
0.060562521	x	90.0%	=	5.45%
Equity Dividend Rate		Equity Ratio		
10.00%	x	10.0%	=	1.00%
<b>Band of Investment Capitalization Rate</b>				<b>6.45%</b>

Therefore, based on the band of investment, a capitalization rate of 6.45 percent was determined.

**Realty Rates Survey**

The Realty Rates Investor Survey was considered in this analysis. The RealtyRates.com Investor Survey First Quarter 2014 for Garden/Suburban Townhouse Apartments found that investors in apartments indicate overall capitalization rates ranging from 4.55 percent to 11.92 percent, with an average of 8.10 percent. In addition, the RealtyRates.com Market Survey First Quarter of 2014 found that investors in apartments in the South Atlantic Region indicated an overall capitalization rate of 8.30 percent.

**PwC Real Estate Investor Survey**

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the First Quarter of 2014 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 10.00 percent, with an average of 5.79 percent.

**Determination of the Market Capitalization Rate**

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.79 percent. From the sales available in the area a capitalization rate of 7.75 percent was determined. The RealtyRates.com Investor Survey indicated an average capitalization rate of 8.10 percent. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.30 percent. The comparable sales were determined to be the most accurate reflection of the market capitalization rate. After considering all factors, a market capitalization rate of **7.75 percent** was determined.

**Weighted Market Derived Capitalization Rate of 7.75% gives a value of**

Market Rate As Is	\$1,195,363.00/7.75%	=	\$15,424,038.71
Market Rate As Complete	\$1,310,706.00/7.75%	=	\$16,912,335.48
Market Rate As Complete & Stabilized	\$1,430,898.00/7.75%	=	\$18,463,200.00
<b>Market Rate As Is</b>		<b>=</b>	<b>\$15,420,000.00</b>
<b>Market Rate As Complete Value</b>		<b>=</b>	<b>\$16,910,000.00</b>
<b>Market Rate As Complete &amp; Stabilized Value</b>		<b>=</b>	<b>\$18,460,000.00</b>

**Determination of the Restricted Capitalization Rate**

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.79 percent. The RealtyRates.com Investor Survey indicated an average capitalization rate of 8.10 percent. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.30 percent. The band of investment indicated a capitalization rate of 6.45 percent. The band of investment was determined to be the most accurate reflections of the capitalization rate. Therefore, after considering all factors, a capitalization rate of **6.45 percent** was determined to be appropriate for the market value, subject to restricted rents.

**Weighted Restricted Derived Capitalization Rate of 6.45% gives a value of**

Restricted Rate As Is	\$541,666.00/6.45%	=	\$ 8,397,922.48
Restricted Rate As Complete	\$576,557.00/6.45%	=	\$ 8,938,868.22
Restricted Rate As Complete & Stabilized	\$660,025.00/6.45%	=	\$10,232,945.74
<b>Restricted Rate As is</b>		<b>=</b>	<b>\$ 8,400,000.00</b>
<b>Restricted Rate As Complete Value</b>		<b>=</b>	<b>\$ 8,940,000.00</b>
<b>Restricted Rate As Complete &amp; Stabilized Value</b>		<b>=</b>	<b>\$10,230,000.00</b>

**Prospective Market Value Upon Loan Maturity**

Prospective Market Value (As Complete and Stabilized) – \$18,460,000 [PV]

Term of Loan – 20 years [n]

Growth Rate – 2.00% [i]\*

Market Value

\$18,460,000 PV

20 [g] [n]

2.00 [g] [i]

Solve for FV = \$27,529,915.94

Using these factors, a prospective market value upon loan maturity of \$27,529,915.94 was determined.

**Prospective Market Value Upon Loan Maturity = \$27,530,000.00**

\*The growth rate is based on the market trends. This includes data from population, unemployment factors, median household income, median home values and capitalization rates. In addition, comparables within the State of Georgia were analyzed to determine a growth rate.

**Population**

The following table indicates that the population for the City of McDonough is expected to increase an average of 6.70 percent per year between 2000 and 2019.

CHANGE IN TOTAL POPULATION						
SUBJECT	YEAR	POPULATION	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
MCDONOUGH	2000	8,493				
Estimated Projected	2010	22,084	13,591	160.0%	1,359	16.0%
	2014	24,376	2,292	10.4%	2,292	2.6%
	2019	26,237	1,861	7.6%	372	1.5%

Source: U.S. Census Bureau and Nielsen Claritas; Ribbon Demographics

**Unemployment Trends**

The unemployment rate has fluctuated from 2.6 percent to 10.4 percent over the past ten years. These fluctuations are in line with the unemployment rates for the State of Georgia.

LABOR FORCE AND EMPLOYMENT TRENDS FOR HENRY COUNTY					
ANNUALS	CIVILIAN LABOR	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2000	67,806	66,019	97.4%	1,787	2.6%
2001	71,482	69,366	97.0%	2,116	3.0%
2002	75,402	72,343	95.9%	3,059	4.1%
2003	78,949	75,573	95.7%	3,376	4.3%
2004	83,130	79,506	95.6%	3,624	4.4%
2005	89,168	84,515	94.8%	4,653	5.2%
2006	92,793	88,548	95.4%	4,245	4.6%
2007	96,292	91,986	95.5%	4,306	4.5%
2008	98,197	92,112	93.8%	6,085	6.2%
2009	96,934	87,684	90.5%	9,250	9.5%
2010	95,947	85,972	89.6%	9,975	10.4%
2011	104,821	94,646	90.3%	10,175	9.7%
2012	106,795	97,225	91.0%	9,570	9.0%
2013	106,624	99,288	93.1%	7,336	6.9%
2014**	105,582	98,060	92.9%	7,522	7.1%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through February 2014.

Source: U.S. Bureau of Labor Statistics Data

### Median Household Income

McDonough's median household income indicates an increase of 1.40 percent per year between 2010 and 2018.

CHANGE IN MEDIAN HOUSEHOLD INCOME						
SUBJECT	YEAR	HOUSEHOLD INCOME	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
MCDONOUGH	2010	48,835				
Estimated	2013	48,280	(555)	-1.1%	(555)	-0.4%
Projected	2018	55,979	7,699	15.9%	1,540	3.2%

Source: U.S. Census Bureau and Nielsen Claritas; ESRI Business Information Solutions

### Median Home Value

McDonough's median home value indicates a decrease of 0.75 percent per year between 2010 and 2018.

CHANGE IN MEDIAN HOME VALUE						
SUBJECT	YEAR	HOME VALUE	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
MCDONOUGH	2010	157,500				
Estimated	2013	127,848	(29,652)	-18.8%	(29,652)	-6.3%
Projected	2018	158,711	30,863	24.1%	6,173	4.8%

Source: U.S. Census Bureau and Nielsen Claritas; ESRI Business Information Solutions

### Realty Rates Market Survey

The Realty Rates Market Survey was considered in this analysis. The following table indicates the fluctuation of capitalization rates within the South Atlantic Region. Capitalization rates ranged from 8.1 to 8.5 percent in 2013, with an average of 8.3 percent.

REALTY RATES MARKET SURVEY - MCDONOUGH AREA CAPITALIZATION RATES			
QUARTER	2012	2013	2014
1st Quarter	8.4%	8.2%	8.3%
2nd Quarter	8.2%	8.1%	---
3rd Quarter	8.2%	8.5%	---
4th Quarter	8.2%	8.4%	---

Source: RealtyRates.com; South Atlantic Region

**Comparable Sales Analysis**

Comparable market sales that sold within the State of Georgia were analyzed to determine any trend in the area. The following table lists the comparables used in this analysis. Capitalization rates ranged from 4.53 to 14.69 percent between 2001 and 2013.

COMPARABLE SALES ANALYSIS						
Name	Number of Units	Date of Sale	Sales Price	NOI	Cap Rate	
Avondale Crossing Apts	156	1/1/2001	\$5,600,000	\$638,213	11.40%	
Dunwoody Gables Apts	311	3/24/2002	\$25,000,000	\$1,937,418	7.75%	
North River Village Apts	133	12/13/2002	\$6,800,000	\$693,200	10.19%	
West Hampton Court Apts	52	5/29/2005	\$2,600,000	\$231,824	8.92%	
Sierra Townhomes	134	9/20/2006	\$5,000,000	\$438,500	8.77%	
Chastain Pines Apartments	167	7/26/2006	\$4,735,000	\$463,557	9.79%	
Donnelly Gardens Apts	310	2/2/2007	\$9,350,000	\$841,500	9.00%	
Park East Apartments	100	7/15/2008	\$3,950,000	\$335,750	8.50%	
Staten Crossing	196	8/11/2008	\$15,250,000	\$953,125	6.25%	
Anthos at Hidden Lakes	144	4/30/2008	\$5,250,000	\$569,900	10.86%	
Twin Keys Apartments	68	3/30/2009	\$3,350,000	\$202,587	6.05%	
Ansley Village	294	7/24/2009	\$16,500,000	\$1,514,355	9.18%	
Linkwood Manor Apts	56	3/5/2009	\$1,780,000	\$169,063	9.50%	
Gardens at Briarwood Apts	130	5/17/2010	\$4,925,000	\$535,167	10.87%	
Highland Ridge Apartments	219	4/9/2010	\$9,000,000	\$779,210	8.66%	
Forest Hills at Vinings Apts	302	3/17/2010	\$14,600,000	\$1,022,521	7.00%	
Huntington Lane Apts	98	12/21/2010	\$1,675,000	\$246,204	14.69%	
Barrington Mill Apartments	752	12/15/2010	\$36,650,000	\$2,581,812	7.04%	
Park Gate Apartments	23	11/18/2010	\$1,000,000	\$103,623	10.36%	
Sundance Creek Apts	232	11/2/2010	\$14,100,000	\$1,277,633	9.06%	
Manchester at Mansell	468	10/15/2010	\$27,150,000	\$2,127,249	7.84%	
Chatsworth Apartments	410	10/15/2010	\$23,250,000	\$1,932,196	8.31%	
Glen Lake Apartments	270	10/13/2010	\$30,000,000	\$1,357,699	4.53%	
The Retreat at Arc Way	284	10/7/2010	\$10,000,000	\$1,149,687	11.50%	
Brookwood Valley Apts	240	6/19/2010	\$17,250,000	\$1,404,941	8.14%	
Camellia Cove Apartments	12	3/31/2011	\$295,000	\$28,476	9.65%	
Park Lake Apartments	328	12/12/2012	\$18,550,000	\$1,358,577	7.32%	
Hampton Hill	236	12/14/2012	\$17,600,000	\$1,376,767	7.82%	
The Falls Sope Creek	232	12/14/2012	\$21,500,000	\$1,025,010	4.77%	
Holcomb Bridge Road Apartments	160	12/20/2012	\$12,000,000	\$768,415	6.40%	
ARIUM North Point	236	12/21/2012	\$14,100,000	\$1,223,614	8.68%	
Central Methodist Garden	52	12/26/2012	\$2,785,000	\$155,655	5.59%	
The Hamptons at East Cobb	196	12/27/2012	\$16,400,000	\$1,080,842	6.59%	
Fernwood	120	12/28/2012	\$9,163,582	\$640,984	6.99%	
Abbingdon Pointe	408	12/28/2012	\$23,500,000	\$1,552,856	6.61%	
Tree Corners Apartments	414	1/24/2013	\$38,000,000	\$2,904,983	7.64%	
Paces Crossings Apartments	260	2/5/2013	\$18,200,000	\$1,294,717	7.11%	
Sycamore Chase	111	2/7/2013	\$6,461,000	\$397,010	6.14%	
Steeple Chase	305	19-Mar	\$13,275,000	\$1,295,493	9.76%	

McDonough's population has been increasing an average of 6.70 percent per year and its median household income has been increasing an average of 1.40 percent per year in the past four years. Its median home value has decreased 0.75 percent since 2010.

McDonough's unemployment rate was stable ranging from 2.6 to 6.2 percent from 2000 to 2008, and due to the recent economic trends, McDonough, as well as the rest of the nation, increased in unemployment. However, it is expected to decrease to at least to the high end of the historical range by the loan's maturity date.

A growth rate of 2.00 percent is typically used in projections and Atlanta's market represents this percentage. Therefore, a 2.00 percent growth rate was used in determining the subject's prospective market value upon loan maturity.

**Prospective Market Value Upon Loan Maturity = \$27,530,000.00**

**Value of Tax Credits**

For the purposes of this analysis, the likely market value of the tax credits allocated to the subject has been estimated. The subject is a proposed construction and hopes to receive an annual allocation of \$547,978 from the Georgia Department of Community Affairs for low income housing tax credits. The total for the 10-year period will be \$5,479,780. To determine the value of the tax credits, the average price for tax credits in the area was established by utilizing interviews with syndicators, developers and mortgage lenders as well as published sources.

**Analysis of Tax Credits**

The following analysis is used to develop a present value for the subject's tax credits. Percentages utilized were based on similar transactions as well as interviews with state and federal authorities to arrive at an accurate market value for the allocated tax credits.

**Tax Credit Calculation:**

<i>Assumed Federal Allocation:</i>		=	\$5,479,780	
<b>Price</b>	<b>x 0.91</b>	=	<b>\$4,986,600</b>	<b>\$4,986,600</b>
<i>Assumed State Allocation:</i>		=	\$5,479,780	
<b>Price</b>	<b>x 0.37</b>	=	<b>\$2,027,519</b>	<b>\$2,027,519</b>
<b>Total Value of Tax Credits (rounded)</b>				<b>\$7,014,119</b>

**Total Value of Tax Credits = \$7,014,000.00**

## **RECONCILIATION AND CONCLUSIONS**

**CONCLUSION OF VALUE**

The market values indicated by the three appraisal approaches utilized are as follows:

**Value of the Real Estate – As Is**

<b>Cost Approach</b>	<b>Income Approach</b>	<b>Sales Comparison Approach</b>
\$15,630,000.00 (Market)	\$15,420,000.00 (Market)	\$14,740,000.00
\$ 9,280,000.00 (Restricted)	\$ 8,400,000.00 (Restricted)	

**Value of the Real Estate – As Complete**

<b>Cost Approach</b>	<b>Income Approach</b>	<b>Sales Comparison Approach</b>
\$17,130,000.00 (Market)	\$16,910,000.00 (Market)	\$18,900,000.00
\$ 9,850,000.00 (Restricted)	\$ 8,940,000.00 (Restricted)	

**Value of the Real Estate – As Complete & Stabilized**

<b>Cost Approach</b>	<b>Income Approach</b>	<b>Sales Comparison Approach</b>
N/A	\$18,460,000.00 (Market)	N/A
	\$10,230,000.00 (Restricted)	

Reconciliation involves the weighing of the three approaches in relation to their importance or their probable influence on the reactions of typical uses and investors in the market. Consideration is given to the quality and quantity of the data available for examination in each approach, to the inherent advantages and disadvantages of each approach and to the relevancy of each to the subject property.

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence, and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property.

The Income Approach is typically used when the real estate is commonly developed, or bought and sold for the anticipated income stream. Income and expense data of similar properties in the surrounding area were used in this analysis. The most weight is accorded to the indication via the Income Comparison Approach in the final value conclusion.

The Sales Comparison Approach is a reflection of the buying and selling public based on physical and/or financial units of comparison. The market for properties similar to the subject has been active in the subject’s market area. As was noted in the improved sales analysis, the range of unit values after adjustments was relatively narrow. Quantitative (percentage) adjustments for the differences between the comparables and the subject were made to the comparables.

The data utilized and the value indicated by the three approaches is considered appropriate in estimating the value of the subject property. Weight is given to the Income Approach, and this value is considered to provide the best indication of value for the subject.

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as is” market value of the subject property, as of April 8, 2014, is as follows:

**FIFTEEN MILLION FOUR HUNDRED TWENTY THOUSAND DOLLARS**  
**\$15,420,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the “as is” market value, as restricted of the subject property, as of April 8, 2014, is as follows:

**EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS**  
**\$8,400,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the "as complete" prospective market value of the subject property, as of December 31, 2015, is as follows:

**SIXTEEN MILLION NINE HUNDRED TEN THOUSAND DOLLARS**  
**\$16,910,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the "as complete" prospective restricted value of the subject property, as of December 31, 2015, is as follows:

**EIGHT MILLION NINE HUNDRED FORTY THOUSAND DOLLARS**  
**\$8,940,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the "as complete and stabilized" prospective market value of the subject property, as of August 1, 2016, is as follows:

**EIGHTEEN MILLION FOUR HUNDRED SIXTY THOUSAND DOLLARS**  
**\$18,460,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the "as complete and stabilized" prospective restricted value of the subject property, as of August 1, 2016, is as follows:

**TEN MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS**  
**\$10,230,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the prospective market value at loan maturity of the subject property, as of August 1, 2016, is as follows:

**TWENTY-SEVEN MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS**  
**\$27,530,000.00**

Based on the data, analyses and conclusions presented in the attached report, it is our opinion that the valuation of tax credits of the subject property, as of December 31, 2015, is as follows:

**SEVEN MILLION FOURTEEN THOUSAND DOLLARS**  
**\$7,014,000.00**

## **ADDENDUM A**

B4622  
B239

BOOK 4622 PAGE 239

EXHIBIT A

LEGAL DESCRIPTION

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to the survey prepared for Sable Chase of McDonough, L.P., a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 288 in the Office of the Clerk of Superior Court of Henry County, Georgia.

Together with all of Sable Chase of McDonough L.P.'s right, title and interest in and to that certain EASEMENT from Ronnie C. Davis and Norita V. Davis to Sable Chase of McDonough L.P., executed and delivered and filed for the record in Office of Clerk of Superior Court of Henry County, Georgia on August 26, 1993 in Deed Book 1705, pages 191-197. Said EASEMENT being 80 feet in width, traversing a portion of a tract of land lying South of the real estate described above and extending from the South boundary line of the real estate described above to the North boundary line of the right-of-way of Georgia Highway 20 & 81. The real estate traversed by said EASEMENT being further described in said EASEMENT.



**Equipment:** All above-ground and underground coaxial cables, fiber, internal wiring, conduit, electronics and/or any other equipment or facilities necessary for, installed by, and/or used by Operator (or its predecessor(s)-in-interest) to provide the Services. The Equipment extends from the external boundary lines of the Premises up to and including the outlets in each unit.

**1. Grant.** In consideration of the mutual promises and other consideration set forth herein, the sufficiency of which is hereby acknowledged, Owner grants Operator the right (including ingress and egress) to install, operate, improve, remove, repair and/or maintain its Equipment within the Premises. Upon termination of this Agreement, Operator shall have the right to remove its Equipment, as applicable, provided that any Equipment that Operator does not remove within 90 days of such termination, shall be deemed abandoned and become the property of the Owner. This Agreement may be recorded. This rights granted hereunder shall run with the land and shall bind and inure to the benefit of the parties and their respective successors and assigns.

**2. Services; Equipment.** Operator shall have the (i) nonexclusive right to offer and (ii) exclusive right to market the Services to residents of the Premises. Operator will install, maintain, and/or operate the Equipment in accordance with applicable law. The Equipment shall always be owned by and constitute the personal property of the Operator, except that from the Effective Date, the internal wiring located within any building, which includes "cable home wiring" and "home run wiring"<sup>1</sup> (the "Internal Wiring") and, without limitation, excludes set-top boxes, electronics, active components, and exterior Equipment, shall be deemed to be owned by and constitute the personal property of the Owner. Owner hereby grants to Operator the exclusive right to use the Internal Wiring during the Agreement Term and (i) shall not grant any other provider rights to use the Internal Wiring and (ii) shall prohibit other providers from using the same.

Without limiting Operator's exclusive rights to use Internal Wiring and its Equipment, should either (A) an antenna, or signal amplification system or (B) any Owner modification, relocation of, and/or work on the Internal Wiring interfere with the provision of Operator's Services, Owner shall eliminate such interference immediately. In the event (i) installation, repair, maintenance, or proper operation of the Equipment, and/or unhindered provision of the Services is not possible at any time as a result of interference, obstruction, or other condition not caused by Operator, or (ii) such interference, obstruction, or other condition (or the cause thereof) will have negative consequences to Operator's personnel safety or the Equipment, as Operator may determine in its sole discretion, Operator may terminate this Agreement without liability upon written notice to Owner.

**3.** Owner represents and warrants that it is the legal owner of and the holder of fee title to the Premises; that it has the authority to execute this Agreement. The person signing this Agreement represents and warrants that he/she is Owner's authorized agent with full authority to bind Owner hereto. If any one or more of the provisions of this Agreement are found to be invalid or unenforceable, such invalid provision shall be severed from this Agreement, and the remaining provisions of this Agreement will remain in effect without further impairment.

**4.** In the event of a default by a party hereunder in addition to rights available at law or in equity, the non-defaulting party may (i) terminate the Agreement after 30 days prior written notice, unless the other party cures or commences to cure such breach during such 30-day period and diligently

<sup>1</sup> The terms "cable home wiring" and "home run wiring" are defined at 47 CFR §§ 76.5(l) and 76.800(d).

proceeds with such cure (exercising commercially reasonable efforts). Neither party shall be liable to the other party for any delay or its failure to perform any obligation under this Agreement if such delay or failure is caused by the occurrence of any event beyond such party's reasonable control.

5. Each party shall indemnify, defend and hold harmless the other against all liability, claims, losses, damages and expenses (collectively, "Liability"), but only to the extent that such Liability arises from any negligent or willful misconduct, breach of this Agreement, or violation of a third party's rights or applicable law on the part of the party from whom indemnity is sought. Each party seeking such indemnification shall use reasonable efforts to promptly notify the other of any situation giving rise to an indemnification obligation hereunder, and neither party shall enter into a settlement that imposes liability on the other without the other party's consent, which shall not be unreasonably withheld.

6. Notwithstanding anything to the contrary stated hereunder, Operator will not be liable for any indirect, special, incidental, punitive or consequential damages, including, but not limited to, damages based on loss of service, revenues, profits or business opportunities.

IN WITNESS WHEREOF, the parties have set their hands on the date indicated in their respective acknowledgments.

**OPERATOR:**

**Charter Communications, LLC**

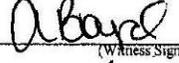
By: Charter Communications, Inc., its  
Manager

By:   
(Signature)

Printed Name: Adam Ray

Title VP Sales

Date: 9-13-12

By:   
(Witness Signature)

Printed Name: Angela Boyd

**OWNER:**

**Sable Chase of McDonough, LP**

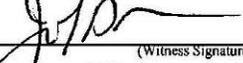
By: Hallmark Group Services of McDonough II, LLC.,  
its General Partner

By:   
(Signature)

Printed Name: Martin H Petersen

Title: Managing Member

Date: 9/16/2012

By:   
(Witness Signature)

Printed Name: John D Pence

STATE OF Georgia )

COUNTY OF Cobb )

On 8/16/2012 before me, Martin H. Petersen, personally appeared personally known to me (or proved to me the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Belinda J. Matonak Expiration Date 6/24/2014

STATE OF Tennessee )

COUNTY OF Blount )

On 9-13-12 before me, R. Adam Ray, personally appeared personally known to me (or proved to me the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Signature Linda L. Mann Expiration Date Commission Expires: March 6, 2013

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to the survey prepared for Sable Chase of McDonough, L.P., a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 288 in the Office of the Clerk of Superior Court of Henry County, Georgia.

Together with all of Sable Chase of McDonough L.P.'s right, title and interest in and to that certain EASEMENT from Ronnie C. Davis and Norita V. Davis to Sable Chase of McDonough L.P., executed and delivered and filed for the record in Office of Clerk of Superior Court of Henry County, Georgia on August 26, 1993 in Deed Book 1705, pages 191-197. Said EASEMENT being 80 feet in width, traversing a portion of a tract of land lying South of the real estate described above and extending from the South boundary line of the real estate described above to the North boundary line of the right-of-way of Georgia Highway 20 & 81. The real estate traversed by said EASEMENT being further described in said EASEMENT.

01665  
0203

DB 1665/203

HENRY COUNTY GEORGIA  
 REAL ESTATE TRANSFER TAX  
 PAID \$ 529.00  
 DATE 6-22-93  
 WARRANTY DEED

RECORDED IN PLAT BOOK  
 PAGE 1665  
 DATE RECORDED 6-22-93  
 BY CLERK

JUN 22 12 36 (1) '93

CLERK OF SUPERIOR COURT  
 HENRY COUNTY, GA.

STATE OF GEORGIA, Chickamauga COUNTY

THIS INDENTURE, made this 22 day of June, 1993, between J.C. BROGDON, JR., of the State of Georgia and County of Henry, hereinafter called grantor and SABLE CHASE OF MCDONOUGH L.P., a Georgia Limited Partnership, of the State of Georgia and County of Henry, hereinafter called grantee.

WITNESSETH:

THAT the said grantor, for and in consideration of TEN (\$10.00) DOLLARS AND OTHER VALUABLE CONSIDERATION in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said grantee, all of the following described property, to-wit:

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to survey prepared for Sable Chase of McDonough L.P. a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 82, in Office of Clerk of Superior Court of Henry County, Georgia.

TO HAVE AND TO HOLD the said bargained premises, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of the said grantee forever IN FEE SIMPLE.

PRESTON & PRESTON, P.C.  
 ATTORNEYS AT LAW 230 EAST WIND STREET P.O. BOX 71 DOUGLAS, GEORGIA 31833 (478) 384-4700

13004

BOOK 1665 PAGE 203

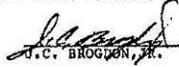
01665  
0204

BOOK 1665 PAGE 204

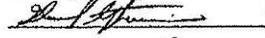
And the said grantor, for himself, his heirs, executors and administrators will warrant and forever defend the right and title to the above-described property unto the said grantee, against the lawful claims of all persons whomsoever.

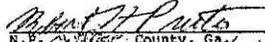
The words "Grantor" and "Grantee" whenever used herein shall include individuals, corporations (and if a corporation, its officers, employees, agents or attorneys) and any and all other persons or entities, and the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and all those holding under any of them, and the pronouns used herein shall include when appropriate either gender and both singular and plural.

IN WITNESS WHEREOF, the said grantor has hereunto set his hand and affixed his seal, the day and year above written.

 (SEAL)  
J.C. BROGDON, JR.

Signed, sealed and delivered  
in the presence of:



  
Notary Public, Coffee County, Ga.  
My Commission Expires 12/21/94  
Dated 10/21/93

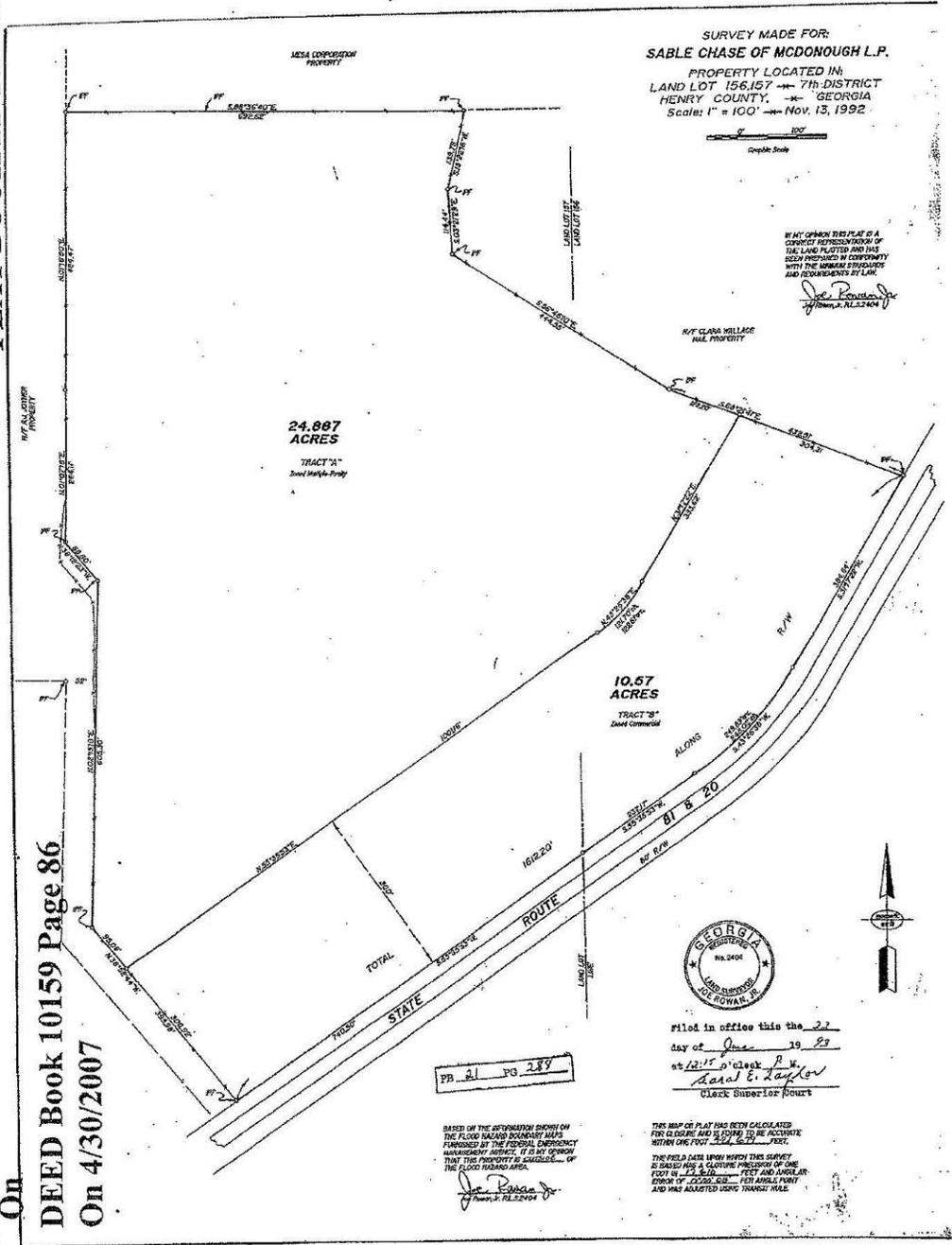


PLAT 21/288

PLAT BOOK 21 PAGE 288

On DEED Book 10159 Page 86 On 4/30/2007

288



DB 129781169-191



Doc ID: 016027840023 Type: SD  
Recorded: 03/06/2013 at 01:36:10 PM  
Fee Amt: \$14,754.00 Page 1 of 23  
Intangible Tax: \$14,700.00  
Henry, GA Clerk of Superior Court  
Barbara Harrison Clerk of Court  
BK 12978 PG 169-191

Prepared by, and after recording  
return to:

Ballard Spahr LLP  
1909 K Street, NW  
12th Floor  
Washington, DC 20006-1157  
ATTN: Dameon Rivers, Esq.

AFTER RECORDING RETURN TO  
GEORGE C. CALLOWAY, ESQ.  
SPECIALIZED TITLE SERVICES, INC.  
6133 PEACHTREE DUNWOODY ROAD NE  
ATLANTA, GEORGIA 30328  
(770) 394-7000 STS FILE NO. 1030-0153

**MULTIFAMILY DEED TO SECURE DEBT,  
ASSIGNMENT OF RENTS  
AND SECURITY AGREEMENT**

**GEORGIA**

**(CME AND PORTFOLIO)**

**(Revised 9-1-2011)**

122

Freddie Mac Loan Number: 708287115  
Property Name: Sable Chase

**MULTIFAMILY DEED TO SECURE DEBT,  
ASSIGNMENT OF RENTS  
AND SECURITY AGREEMENT  
GEORGIA**

**(CME AND PORTFOLIO)**

**(Revised 9-1-2011)**

THIS MULTIFAMILY DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Instrument") is made to be effective as of the 1<sup>st</sup> day of March, 2013, between **SABLE CHASE OF MCDONOUGH, L.P. a/k/a SABLE CHASE OF MCDONOUGH L.P.**, a limited partnership organized and existing under the laws of Georgia, whose address is 3111 Paces Mill Road, Suite A-250, Atlanta, Georgia 30339, as grantor ("**Borrower**"), and **GREYSTONE SERVICING CORPORATION, INC.**, a corporation organized and existing under the laws of Georgia, whose address is 419 Belle Air Lane, Warrenton, Virginia 20186, as grantee ("**Lender**"). Borrower's organizational identification number, if applicable, is 866381.

**RECITAL**

Borrower is indebted to Lender in the principal amount of \$4,900,000.00, as evidenced by Borrower's Multifamily Note payable to Lender, dated as of the date of this Instrument, and maturing on March 1, 2020 ("**Maturity Date**").

**AGREEMENT**

TO SECURE TO LENDER the repayment of the Indebtedness, and all renewals, extensions and modifications of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in the Loan Documents, Borrower grants, conveys and assigns to Lender and Lender's successors and assigns, with power of sale, the Mortgaged Property, including the Land located in Henry County, State of Georgia and described in Exhibit A attached to this Instrument. To have and to hold the Mortgaged Property unto Lender and Lender's successors and assigns forever. As used in this Instrument, the term "Mortgaged Property" is synonymous with the term "Secured Property," and the term "Lien" is synonymous with the term "security interest and title."

Borrower covenants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, that the Mortgaged Property is unencumbered, except as shown on the schedule of exceptions to coverage in the title policy issued to and accepted by Lender contemporaneously with the

execution and recordation of this Instrument and insuring Lender's interest in the Mortgaged Property (the "**Schedule of Title Exceptions**"). Borrower covenants that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

**UNIFORM COVENANTS  
(CME AND PORTFOLIO)**

**(Revised 9-1-2011)**

**Covenants.** In consideration of the mutual promises set forth in this Instrument, Borrower and Lender covenant and agree as follows:

1. **Definitions.** The following terms, when used in this Instrument (including when used in the above recitals), will have the following meanings and any capitalized term not specifically defined in this Instrument will have the meaning ascribed to that term in the Loan Agreement:

"**Attorneys' Fees and Costs**" means (a) fees and out of pocket costs of Lender's and Loan Servicer's attorneys, as applicable, including costs of Lender's and Loan Servicer's in-house counsel, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses; (b) costs and fees of expert witnesses, including appraisers; (c) investigatory fees; and (d) the costs for any opinion required by Lender pursuant to the terms of the Loan Documents.

"**Borrower**" means all Persons identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

"**Business Day**" means any day other than a Saturday, a Sunday or any other day on which Lender or the national banking associations are not open for business.

"**Event of Default**" means the occurrence of any event described in Section 8.

"**Fixtures**" means all property owned by Borrower which is attached to the Land or the Improvements so as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures,

screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

**"Governmental Authority"** means any board, commission, department, agency or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property, or the use, operation or improvement of the Mortgaged Property, or over Borrower.

**"Ground Lease"** means the lease described in the Loan Agreement pursuant to which Borrower leases the Land, as such lease may from time to time be amended, modified, supplemented, renewed and extended.

**"Improvements"** means the buildings, structures, improvements now constructed or at any time in the future constructed or placed upon the Land, including any future alterations, replacements and additions.

**"Indebtedness"** means the principal of, interest at the fixed or variable rate set forth in the Note on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 7 to protect the security of this Instrument.

**"Land"** means the land described in Exhibit A.

**"Leasehold Estate"** means Borrower's interest in the Land and any other real property leased by Borrower pursuant to the Ground Lease, if applicable, including all of the following:

- (a) All rights of Borrower to renew or extend the term of the Ground Lease.
- (b) All amounts deposited by Borrower with Ground Lessor under the Ground Lease.
- (c) Borrower's right or privilege to terminate, cancel, surrender, modify or amend the Ground Lease.
- (d) All other options, privileges and rights granted and demised to Borrower under the Ground Lease and all appurtenances with respect to the Ground Lease.

**"Leases"** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

**"Lender"** means the entity identified as "Lender" in the first paragraph of this Instrument, or any subsequent holder of the Note.

**"Loan Agreement"** means the Multifamily Loan and Security Agreement executed by Borrower in favor of Lender and dated as of the date of this Instrument, as such agreement may be amended from time to time.

**"Loan Documents"** means the Note, this Instrument, the Loan Agreement, all guaranties, all indemnity agreements, all collateral agreements, UCC filings, O&M Programs, the MMP and any other documents now or in the future executed by Borrower, any guarantor or any other Person in connection with the loan evidenced by the Note, as such documents may be amended from time to time.

**"Loan Servicer"** means the entity that from time to time is designated by Lender or its designee to collect payments and deposits and receive Notices under the Note, this Instrument and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives Notice to the contrary, the Loan Servicer is the entity identified as "Lender" in the first paragraph of this Instrument.

**"Mortgaged Property"** means all of Borrower's present and future right, title and interest in and to all of the following:

- (a) The Land, or, if Borrower's interest in the Land is pursuant to a Ground Lease, the Ground Lease and the Leasehold Estate.
- (b) The Improvements.
- (c) The Fixtures.
- (d) The Personalty.
- (e) All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated.
- (f) All proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement.
- (g) All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof.

- (h) All contracts, options and other agreements for the sale of the Land, or the Leasehold Estate, as applicable, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations.
- (i) All proceeds from the conversion, voluntary or involuntary, of any of the items described in subsections (a) through (h) inclusive into cash or liquidated claims, and the right to collect such proceeds.
- (j) All Rents and Leases.
- (k) All earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Instrument.
- (l) All Imposition Reserve Deposits.
- (m) All refunds or rebates of Impositions by Governmental Authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated).
- (n) All tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits.
- (o) All names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property.

“**Note**” means the Multifamily Note (including any Amended and Restated Note, Consolidated, Amended and Restated Note, or Extended and Restated Note) executed by Borrower in favor of Lender and dated as of the date of this Instrument, including all schedules, riders, allonges and addenda, as such Multifamily Note may be amended, modified and/or restated from time to time.

“**Notice**” or “**Notices**” means all notices, demands and other communication required under the Loan Documents, provided in accordance with the requirements of Section 11.03 of the Loan Agreement.

“**Person**” means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

“**Personalty**” means all of the following:

- (a) Accounts (including deposit accounts) of Borrower related to the Mortgaged Property.
- (b) Equipment and inventory owned by Borrower, which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or Improvements, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form) and computer equipment (hardware and software).
- (c) Other tangible personal property owned by Borrower which is used now or in the future in connection with the ownership, management or operation of the Land or Improvements or is located on the Land or in the Improvements, including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures).
- (d) Any operating agreements relating to the Land or the Improvements.
- (e) Any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements.
- (f) All other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a Governmental Authority.
- (g) Any rights of Borrower in or under letters of credit.

**"Property Jurisdiction"** means the jurisdiction in which the Land is located.

**"Rents"** means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due or to become due, and deposits forfeited by tenants, and, if Borrower is a cooperative housing corporation or association, maintenance fees, charges or assessments payable by shareholders or residents under proprietary leases or occupancy agreements, whether now due, past due, or to become due.

**"Taxes"** means all taxes, assessments, vault rentals and other charges, if any, whether general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a Lien on the Land or the Improvements.

## 2. Uniform Commercial Code Security Agreement.

- (a) This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, for the purpose of securing Borrower's obligations under this Instrument and to further secure Borrower's obligations under the Note, this Instrument and other Loan Documents, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, "UCC Collateral"), and by this Instrument, Borrower grants to Lender a security interest in the UCC Collateral. To the extent necessary under applicable law, Borrower hereby authorizes Lender to prepare and file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest.
- (b) Unless Borrower gives Notice to Lender within 30 days after the occurrence of any of the following, and executes and delivers to Lender modifications or supplements of this Instrument (and any financing statement which may be filed in connection with this Instrument) as Lender may require, Borrower will not (i) change its name, identity, structure or jurisdiction of organization; (ii) change the location of its place of business (or chief executive office if more than one place of business); or (iii) add to or change any location at which any of the Mortgaged Property is stored, held or located.
- (c) If an Event of Default has occurred and is continuing, Lender will have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies.
- (d) This Instrument also constitutes a financing statement with respect to any part of the Mortgaged Property that is or may become a Fixture, if permitted by applicable law.

**3. Assignment of Rents; Appointment of Receiver; Lender in Possession.**

- (a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents.
  - (i) It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower.
  - (ii) Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately

effective and to constitute an absolute present assignment and not an assignment for additional security only.

- (iii) For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents will not be deemed to be a part of the Mortgaged Property. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents will be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a Lien on Rents in favor of Lender, which Lien will be effective as of the date of this Instrument.
- (b)
  - (i) Until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Reserve Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Reserve Deposits), tenant improvements and other capital expenditures.
  - (ii) So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument.
  - (iii) After the occurrence of an Event of Default, and during the continuance of such Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. From and after the occurrence of an Event of Default, and during the continuance of such Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents will automatically terminate and Lender will without Notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower will pay to Lender upon demand all Rents to which Lender is entitled.
  - (iv) At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender. No tenant will be obligated to inquire further as to the occurrence or continuance of an Event of Default. No tenant will be obligated to pay to Borrower any amounts which are actually paid to

Lender in response to such a notice. Any such notice by Lender will be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower will not interfere with and will cooperate with Lender's collection of such Rents.

- (c) Borrower represents and warrants to Lender that it has not executed any prior assignment of Rents (other than an assignment of Rents securing any prior indebtedness that is being assigned to Lender, or paid off and discharged with the proceeds of the Loan evidenced by the Note or, if this Instrument is entered into in connection with a Supplemental Loan, other than an assignment of Rents securing any Senior Indebtedness), that Borrower has not performed any acts and has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under any Loan Document, and that at the time of execution of this Instrument there has been no prepayment of any Rents for more than 2 months prior to the due dates of such Rents.
- (d) If an Event of Default has occurred and is continuing, then Lender will have each of the following rights and may take any of the following actions:
  - (i) Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of Repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable.
  - (ii) Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte if permitted by applicable law.

- (iii) If Borrower is a housing cooperative corporation or association, Borrower hereby agrees that if a receiver is appointed, the order appointing the receiver may contain a provision requiring the receiver to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Reserve Deposits, it being acknowledged and agreed that the Indebtedness is an obligation of Borrower and must be paid out of maintenance charges payable by Borrower's tenant shareholders under their proprietary leases or occupancy agreements.
- (iv) Lender or the receiver, as the case may be, will be entitled to receive a reasonable fee for managing the Mortgaged Property.
- (v) Immediately upon appointment of a receiver or immediately upon Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower will surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and will deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents.
- (vi) If Lender takes possession and control of the Mortgaged Property, then Lender may exclude Borrower and its representatives from the Mortgaged Property.

Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 will not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

- (e) If Lender enters the Mortgaged Property, Lender will be liable to account only to Borrower and only for those Rents actually received. Except to the extent of Lender's gross negligence or willful misconduct, Lender will not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged Property, by reason of any act or omission of Lender under Section 3(d), and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.
- (f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes will become an additional part of the Indebtedness as provided in Section 7.

- (g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Instrument will not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

**4. Assignment of Leases; Leases Affecting the Mortgaged Property.**

- (a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.
  - (i) It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only.
  - (ii) For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases will not be deemed to be a part of the Mortgaged Property.
  - (iii) However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases will be included as a part of the Mortgaged Property and it is the intention of Borrower that in this circumstance this Instrument create and perfect a Lien on the Leases in favor of Lender, which Lien will be effective as of the date of this Instrument.
- (b) Until Lender gives Notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower will have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence of an Event of Default, and during the continuance of such Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases will automatically terminate. Borrower will comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.
- (c) (i) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 will not be construed to make Lender a mortgagee-in-possession of the

Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements.

- (ii) The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) will not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses.
- (iii) Except to the extent of Lender's gross negligence or willful misconduct, Lender will not be liable in any way for any injury or damage to person or property sustained by any Person or Persons in or about the Mortgaged Property.
- (iv) Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender will not be obligated for any of the following:
  - (A) Lender will not be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease).
  - (B) Lender will not be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property.
  - (C) Lender will not be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower will constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and will be that of Borrower, prior to such actual entry and taking of possession.
- (d) Upon delivery of Notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of an Event of Default, and during the continuance of such Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately will have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.
- (e) Borrower will, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect.
- (f) If Borrower is a cooperative housing corporation or association, notwithstanding anything to the contrary contained in this Instrument, so long as Borrower

remains a cooperative housing corporation or association and is not in breach of any covenant of this Instrument, Lender consents to the following:

- (i) Borrower may execute leases of apartments for a term in excess of 2 years to a tenant shareholder of Borrower, so long as such leases, including proprietary leases, are and will remain subordinate to the Lien of this Instrument.
- (ii) Borrower may surrender or terminate such leases of apartments where the surrendered or terminated lease is immediately replaced or where Borrower makes its best efforts to secure such immediate replacement by a newly-executed lease of the same apartment to a tenant shareholder of Borrower. However, no consent is given by Lender to any execution, surrender, termination or assignment of a lease under terms that would waive or reduce the obligation of the resulting tenant shareholder under such lease to pay cooperative assessments in full when due or the obligation of the former tenant shareholder to pay any unpaid portion of such assessments.

5. **Prepayment Premium.** Borrower will be required to pay a prepayment premium in connection with certain prepayments of the Indebtedness, including a payment made after Lender's exercise of any right of acceleration of the Indebtedness, as provided in the Note.

6. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Neither Lender's acceptance of an amount that is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized will constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument, the Note and all other Loan Documents will remain unchanged.

7. **Protection of Lender's Security; Instrument Secures Future Advances.**

- (a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, file such documents, disburse such sums and take such actions as Lender reasonably deems necessary

to perform such obligations of Borrower and to protect Lender's interest, including all of the following:

- (i) Lender may pay Attorneys' Fees and Costs.
  - (ii) Lender may pay fees and out-of-pocket expenses of accountants, inspectors and consultants.
  - (iii) Lender may enter upon the Mortgaged Property to make Repairs or secure the Mortgaged Property.
  - (iv) Lender may procure the Insurance required by the Loan Agreement.
  - (v) Lender may pay any amounts which Borrower has failed to pay under the Loan Agreement.
  - (vi) Lender may perform any of Borrower's obligations under the Loan Agreement.
  - (vii) Lender may make advances to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a Prior Lien.
- (b) Any amounts disbursed by Lender under this Section 7, or under any other provision of this Instrument that treats such disbursement as being made under this Section 7, will be secured by this Instrument, will be added to, and become part of, the principal component of the Indebtedness, will be immediately due and payable and will bear interest from the date of disbursement until paid at the Default Rate.
- (c) Nothing in this Section 7 will require Lender to incur any expense or take any action.

- 8. Events of Default.** An Event of Default under the Loan Agreement will constitute an Event of Default under this Instrument.
- 9. Remedies Cumulative.** Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument, the Loan Agreement or any other Loan Document or afforded by applicable law or equity, and each will be cumulative and may be exercised concurrently, independently or successively, in any order. Lender's exercise of any particular right or remedy will not in any way prevent Lender from exercising any other right or remedy available to Lender. Lender may exercise any such remedies from time to time and as often as Lender chooses.
- 10. Waiver of Statute of Limitations, Offsets, and Counterclaims.** Borrower waives the right to assert any statute of limitations as a bar to the enforcement of the Lien of this Instrument or to any action brought to enforce any Loan Document. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any

action or proceeding brought against it by Lender or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform any of its obligations under this Instrument will be a valid defense to, or result in any offset against, any payments that Borrower is obligated to make under any of the Loan Documents.

**11. Waiver of Marshalling.**

- (a) Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender will have the right to determine the order in which any or all of the Mortgaged Property will be subjected to the remedies provided in this Instrument, the Note, the Loan Agreement or any other Loan Document or applicable law. Lender will have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies.
- (b) Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

**12. Further Assurances; Lender's Expenses.**

- (a) Borrower will deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements or amendments, transfers and assurances as Lender may require from time to time in order to better assure, grant and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents or in connection with Lender's consent rights under Article VII of the Loan Agreement.
- (b) Borrower acknowledges and agrees that, in connection with each request by Borrower under this Instrument or any Loan Document, Borrower will pay all reasonable Attorneys' Fees and Costs and expenses incurred by Lender, including any fees payable in accordance with any request for further assurances or an estoppel certificate pursuant to the Loan Agreement, regardless of whether the matter is approved, denied or withdrawn. Any amounts payable by Borrower under this Instrument or under any other Loan Document will be deemed a part of the Indebtedness, will be secured by this Instrument and will bear interest at the Default Rate if not fully paid within 10 days of written demand for payment.

**13. Governing Law; Consent to Jurisdiction and Venue.** This Instrument, and any Loan Document which does not itself expressly identify the law that is to apply to it, will be

governed by the laws of the Property Jurisdiction. Borrower agrees that any controversy arising under or in relation to the Note, this Instrument or any other Loan Document may be litigated in the Property Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction will have jurisdiction over all controversies that may arise under or in relation to the Note, any security for the Indebtedness or any other Loan Document. Borrower irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing in this Section 13 is intended to limit Lender's right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.

14. **Notice.** All Notices, demands and other communications under or concerning this Instrument will be governed by the terms set forth in the Loan Agreement.
15. **Successors and Assigns Bound.** This Instrument will bind the respective successors and assigns of Borrower and Lender, and the rights granted by this Instrument will inure to Lender's successors and assigns.
16. **Joint and Several Liability.** If more than one Person signs this Instrument as Borrower, the obligations of such Persons will be joint and several.
17. **Relationship of Parties; No Third Party Beneficiary.**
  - (a) The relationship between Lender and Borrower will be solely that of creditor and debtor, respectively, and nothing contained in this Instrument will create any other relationship between Lender and Borrower. Nothing contained in this Instrument will constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.
  - (b) No creditor of any party to this Instrument and no other Person will be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement ("Servicing Arrangement") between Lender and any Loan Servicer for loss sharing or interim advancement of funds will constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower will not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.
18. **Severability; Amendments.**
  - (a) The invalidity or unenforceability of any provision of this Instrument will not affect the validity or enforceability of any other provision, and all other provisions will remain in full force and effect. This Instrument contains the entire agreement

among the parties as to the rights granted and the obligations assumed in this Instrument.

- (b) This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought; provided, however, that in the event of a Transfer prohibited by or requiring Lender's approval under Article VII of the Loan Agreement, some or all of the modifications to the Loan Documents (if any) may be modified or rendered void by Lender at Lender's option by Notice to Borrower and the transferee(s).

**19. Construction.**

- (a) The captions and headings of the Sections of this Instrument are for convenience only and will be disregarded in construing this Instrument. Any reference in this Instrument to a "Section" will, unless otherwise explicitly provided, be construed as referring to a Section of this Instrument.
- (b) Any reference in this Instrument to a statute or regulation will be construed as referring to that statute or regulation as amended from time to time.
- (c) Use of the singular in this Instrument includes the plural and use of the plural includes the singular.
- (d) As used in this Instrument, the term "including" means "including, but not limited to" and the term "includes" means "includes without limitation."
- (e) The use of one gender includes the other gender, as the context may require.
- (f) Unless the context requires otherwise any definition of or reference to any agreement, instrument or other document in this Instrument will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in this Instrument).
- (g) Any reference in this Instrument to any person will be construed to include such person's successors and assigns.

- 20. Subrogation.** If, and to the extent that, the proceeds of the loan evidenced by the Note, or subsequent advances under Section 7, are used to pay, satisfy or discharge a Prior Lien, such loan proceeds or advances will be deemed to have been advanced by Lender at Borrower's request, and Lender will automatically, and without further action on its part, be subrogated to the rights, including Lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

**END OF UNIFORM COVENANTS; STATE-SPECIFIC PROVISIONS FOLLOW**

**21-30 Reserved.**

**31. Acceleration; Remedies.**

- (a) At any time during the existence of an Event of Default, Lender, at Lender's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale granted in this Instrument (and Borrower appoints Lender as Borrower's agent and attorney-in-fact to exercise such power of sale in the name and on behalf of Borrower) and any other remedies permitted by Georgia law or provided in this Instrument or in any other Loan Document. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Lender will be entitled to collect all costs and expenses incurred in pursuing such remedies, including reasonable Attorneys' Fees and Costs and costs of documentary evidence, abstracts and title reports.
- (b) Lender may sell and dispose of the Mortgaged Property at public auction, at the usual place for conducting sales at the courthouse in the county where all or any part of the Mortgaged Property is located, to the highest bidder for cash, first advertising the time, terms and place of such sale by publishing a notice of sale once a week for four consecutive weeks (without regard to the actual number of days) in a newspaper in which sheriff's advertisements are published in such county, all other notice being waived by Borrower; and Lender may thereupon execute and deliver to the purchaser a sufficient instrument of conveyance of the Mortgaged Property in fee simple, which may contain recitals as to the happening of the default upon which the execution of the power of sale granted by this Section depends. The recitals in the instrument of conveyance will be presumptive evidence that Lender duly complied with all preliminary acts prerequisite to the sale and instrument of conveyance. Borrower constitutes and appoints Lender as Borrower's agent and attorney-in-fact to make such recitals, sale and conveyance. Borrower ratifies all of Lender's acts, as such attorney-in-fact, and Borrower agrees that such recitals will be binding and conclusive upon Borrower and that the conveyance to be made by Lender (and in the event of a deed in lieu of foreclosure, then as to such conveyance) will be effectual to bar all right, title and interest, equity of redemption, including all statutory redemption, homestead, dower, curtesy and all other exemptions of Borrower, or its successors in interest, in and to the Mortgaged Property.
- (c) The Mortgaged Property may be sold in one parcel and as an entirety, or in such parcels, manner or order as Lender, in its discretion, may elect, and one or more exercises of the powers granted in this Section will not extinguish or exhaust the power unless the entire Mortgaged Property is sold or the Indebtedness is paid in full, and Lender will collect the proceeds of such sale, applying such proceeds as provided in this Section. In the event of a deficiency, Borrower will immediately on demand from Lender pay such deficiency to Lender, subject to the provisions of the Note limiting Borrower's personal liability for payment of the Indebtedness. Borrower acknowledges that Lender may bid for and purchase the Mortgaged Property at any foreclosure sale and will be entitled to apply all or any

part of the Indebtedness as a credit to the purchase price. Borrower covenants and agrees that Lender will apply the proceeds of the sale in the following order: (i) to all reasonable costs and expenses of the sale, including reasonable Attorneys' Fees and Costs and costs of title evidence; (ii) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (iii) the excess, if any, to the person or persons legally entitled to the excess. The power and agency granted in this Section 31 are coupled with an interest, are irrevocable by death or otherwise and are in addition to the remedies for collection of the Indebtedness as provided by law.

(d) If the Mortgaged Property is sold pursuant to this Section 31, Borrower, or any person holding possession of the Mortgaged Property through Borrower, will surrender possession of the Mortgaged Property to the purchaser at such sale on demand. If possession is not surrendered on demand, Borrower or such person will be a tenant holding over and may be dispossessed in accordance with Georgia law.

32. **Release.** Upon payment of the Indebtedness, Lender will cancel this Instrument. Borrower will pay Lender's reasonable costs incurred in canceling this Instrument.

33. **Borrower's Waiver Of Certain Rights.** To the fullest extent permitted by law, Borrower agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any present or future law providing for any appraisal, valuation, stay, extension or redemption, homestead, moratorium, reinstatement, marshalling or forbearance, and Borrower, for Borrower, Borrower's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, to the fullest extent permitted by law, waives and releases all rights of redemption, valuation, appraisal, stay of execution, reinstatement (including all rights under O.C.G.A. Section 44-14-85), notice of intention to mature or declare due the whole of the Indebtedness, and all rights to a marshalling of assets of Borrower, including the Mortgaged Property.

34. **Deed To Secure Debt.** This conveyance is to be construed under the existing laws of the State of Georgia as a deed passing title, and not as a mortgage, and is intended to secure the payment of the Indebtedness.

35. **Assumption Not a Novation.** Lender's acceptance of an assumption of the obligations of this Instrument and the Note, and the release of Borrower pursuant to Article VII of the Loan Agreement or otherwise, will not constitute a novation and will not affect the priority of the Lien created by this Instrument.

36. **WAIVER OF TRIAL BY JURY.**

(a) **BORROWER AND LENDER EACH COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP**

**BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY.**

- (b) **BORROWER AND LENDER EACH WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

**37. Incorporation of Riders.** The following Riders are attached to this Instrument:

None.

**38. Attached Exhibits.** The following Exhibits, if marked with an "X" in the space provided, are attached to this Instrument:

<input checked="" type="checkbox"/>	Exhibit A	Description of the Land (required)
<input type="checkbox"/>	Exhibit B	Modifications to Instrument
<input type="checkbox"/>	Exhibit C	Ground Lease Description (if applicable)

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IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

Signed, sealed and delivered in the presence of:

**BORROWER:**

**SABLE CHASE OF MCDONOUGH, L.P. a/k/a  
SABLE CHASE OF MCDONOUGH L.P., a  
Georgia limited partnership**

By: **HALLMARK GROUP SERVICES OF  
MCDONOUGH II, LLC, a Georgia  
limited liability company, its General  
Partner**

By: *Martin H. Petersen* (SEAL)  
Martin H. Petersen  
Manager

*Darla K. Jaben*  
Unofficial Witness

Darla K Jaben  
Printed Name of Witness

*Susan S. Francis*  
Notary Public, Cobb County,  
2/7/15



**EXHIBIT "A"**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 156 & 157 OF THE 7<sup>TH</sup> DISTRICT OF HENRY COUNTY, GEORGIA, CONTAINING 24.886 ACRES, BEING SHOWN AS TRACT "A" ON SURVEY MADE FOR SABLE CHASE OF MCDONOUGH L.P, A GEORGIA LIMITED PARTNERSHIP, GREYSTONE SERVICING CORPORATION, INC., ITS SUCCESSORS AND ASSIGNS, FEDERAL HOME LOAN MORTGAGE CORPORATION, ITS SUCCESSORS AND ASSIGNS, SPECIALIZED TITLE SERVICES, INC., AN AGENT OF STEWART TITLE GUARANTY COMPANY, PREPARED BY JONATHAN B. PRINCE, R.L.S. #3244, DATED 10-29-2012, REVISED 1-28-2013; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE TRUE POINT OF BEGINNING, COMMENCE FROM THE INTERSECTION FORMED BY THE NORTHWESTERLY RIGHT-OF-WAY OF STATE ROUTE # 20 & 81 ( 80' R/W ) AND THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE ( 50' R/W ); THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE A DISTANCE OF 300.92' TO AN IRON PIN FOUND ½" REBAR AND THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING ALONG SAID RIGHT-OF-WAY NORTH 39 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 95.06' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 02 DEGREES 17 MINUTES 03 SECONDS EAST A DISTANCE OF 605.24' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 38 DEGREES 10 MINUTES 29 SECONDS WEST A DISTANCE OF 88.80' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 01 DEGREES 03 MINUTES 28 SECONDS EAST A DISTANCE OF 264.11' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE NORTH 01 DEGREES 17 MINUTES 34 SECONDS EAST A DISTANCE OF 484.47' TO AN IRON PIN FOUND 2" OPEN TOP PIPE; THENCE SOUTH 88 DEGREES 36 MINUTES 24 SECONDS EAST A DISTANCE OF 692.62' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 13 DEGREES 17 MINUTES 03 SECONDS WEST A DISTANCE OF 139.61' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE SOUTH 03 DEGREES 20 MINUTES 49 SECONDS EAST A DISTANCE OF 114.44' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 56 DEGREES 44 MINUTES 06 SECONDS EAST A DISTANCE OF 444.55' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 68 DEGREES 24 MINUTES 41 SECONDS EAST A DISTANCE OF 128.09' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 31 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 333.62' TO AN IRON PIN FOUND ½" REBAR; THENCE ALONG THE ARC OF A CLOCKWISE CURVE A DISTANCE OF 122.41' ( SAID ARC BEING SUBTENDED BY A CHORD HAVING A DISTANCE OF 121.50' AND A BEARING OF SOUTH 43 DEGREES 25 MINUTES 04 SECONDS WEST ) TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 55 DEGREES 36 MINUTES 28 SECONDS WEST A DISTANCE OF 1001.28' TO AN IRON PIN FOUND ½" REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE AND THE TRUE POINT OF BEGINNING.

TOGETHER WITH EASEMENT RIGHTS ARISING UNDER THAT CERTAIN EASEMENT FROM RONNIE C. DAVIS AND NORITA V. DAVIS TO SABLE CHASE OF MCDONOUGH L.P., A GEORGIA LIMITED PARTNERSHIP, DATED AUGUST 25, 1993, FILED FOR RECORD AUGUST 25, 1993 AT 3:00 P.M., RECORDED IN DEED BOOK 1705, PAGE 191, RECORDS OF HENRY COUNTY, GEORGIA.

Map Reference No. 092-01013000

DB 12978 | 192-194



Doc ID: 016027350003 Type: ASGN  
Recorded: 03/06/2013 at 01:37:12 PM  
Fee Amt: \$6.00 Page 1 of 3  
HENRY, GA Clerk of Superior Court  
Barbara Harrison Clerk of Court

BK 12978 PG 192-194

Prepared by, and after recording  
return to:

Ballard Spahr LLP  
1909 K Street, NW  
12th Floor  
Washington, DC 20006-1157  
ATTN: Dameon Rivers, Esq.

Freddie Mac Loan No.: 708287115

Name of Project: Sable Chase

AFTER RECORDING RETURN TO  
GEORGE C. CALLOWAY, ESQ.  
SPECIALIZED TITLE SERVICES, INC.  
6133 PEACHTREE DUNWOODY ROAD NE  
ATLANTA, GEORGIA 30328  
(770) 394-7000 STS FILE NO. 1030-0153

**ASSIGNMENT OF SECURITY INSTRUMENT**  
(Revision Date 11-01-2000)

FOR VALUABLE CONSIDERATION, **GREYSTONE SERVICING CORPORATION, INC.**, a corporation, organized and existing under the laws of Georgia (the "Assignor"), having its principal office at 419 Belle Air Lane, Warrenton, Virginia 20186, hereby assigns, grants, sells and transfers to the **FEDERAL HOME LOAN MORTGAGE CORPORATION**, a corporation organized and existing under the laws of the United States (the "Assignee"), having its principal place of business at 8200 Jones Branch Drive, McLean, Virginia 22102, and the Assignee's successors, transferees and assigns forever, all of the right, title and interest of the Assignor in and to the Multifamily Deed To Secure Debt, Assignment Of Rents And Security Agreement dated March 1, 2013, entered into by **SABLE CHASE OF MCDONOUGH, L.P. a/k/a SABLE CHASE OF MCDONOUGH L.P.**, a Georgia limited partnership (the "Borrower") for the benefit of the Assignor, securing an indebtedness of the Borrower to the Assignor in the principal amount of \$4,900,000.00, and recorded immediately prior hereto in the land records of Henry County, Georgia (the "Instrument"), which indebtedness is secured by the property described in Exhibit A, attached to this Assignment and incorporated into it by this reference.

Together with the note or other obligation described in the Instrument and all obligations secured by the Instrument now or in the future.

*[Remainder of page left intentionally blank.]*

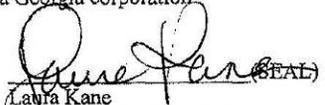
IN WITNESS WHEREOF, the Assignor has executed this Assignment on the 1<sup>st</sup> day of March, 2013, to be effective as of the date of the Instrument.

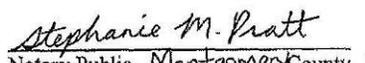
Signed, sealed and delivered in the presence of:

**BORROWER:**

**GREYSTONE SERVICING CORPORATION, INC.**, a Georgia corporation

  
Unofficial Witness  
Erika L. Kiah  
Printed Name of Witness

By:  (SEAL)  
Laura Kane  
Managing Director, Closing

  
Notary Public, Montgomery County,  
Maryland

[NOTARY SEAL]

STEPHANIE M. PRATT  
Notary Public-Maryland  
Montgomery County  
My Commission Expires  
December 27, 2016

**EXHIBIT "A"**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 156 & 157 OF THE 7<sup>TH</sup> DISTRICT OF HENRY COUNTY, GEORGIA, CONTAINING 24.886 ACRES, BEING SHOWN AS TRACT "A" ON SURVEY MADE FOR SABLE CHASE OF MCDONOUGH L.P, A GEORGIA LIMITED PARTNERSHIP, GREYSTONE SERVICING CORPORATION, INC., ITS SUCCESSORS AND ASSIGNS, FEDERAL HOME LOAN MORTGAGE CORPORATION, ITS SUCCESSORS AND ASSIGNS, SPECIALIZED TITLE SERVICES, INC., AN AGENT OF STEWART TITLE GUARANTY COMPANY, PREPARED BY JONATHAN B. PRINCE, R.L.S. #3244, DATED 10-29-2012, REVISED 1-28-2013; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE TRUE POINT OF BEGINNING, COMMENCE FROM THE INTERSECTION FORMED BY THE NORTHWESTERLY RIGHT-OF-WAY OF STATE ROUTE # 20 & 81 ( 80' R/W ) AND THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE ( 50' R/W ); THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE A DISTANCE OF 300.92' TO AN IRON PIN FOUND ½" REBAR AND THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING ALONG SAID RIGHT-OF-WAY NORTH 39 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 95.06' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 02 DEGREES 17 MINUTES 03 SECONDS EAST A DISTANCE OF 605.24' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 38 DEGREES 10 MINUTES 29 SECONDS WEST A DISTANCE OF 88.80' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 01 DEGREES 03 MINUTES 28 SECONDS EAST A DISTANCE OF 264.11' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE NORTH 01 DEGREES 17 MINUTES 34 SECONDS EAST A DISTANCE OF 484.47' TO AN IRON PIN FOUND 2" OPEN TOP PIPE; THENCE SOUTH 88 DEGREES 36 MINUTES 24 SECONDS EAST A DISTANCE OF 692.62' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 13 DEGREES 17 MINUTES 28 SECONDS WEST A DISTANCE OF 139.61' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE SOUTH 03 DEGREES 20 MINUTES 49 SECONDS EAST A DISTANCE OF 114.44' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 56 DEGREES 44 MINUTES 06 SECONDS EAST A DISTANCE OF 444.55' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 68 DEGREES 24 MINUTES 41 SECONDS EAST A DISTANCE OF 128.09' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 31 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 333.62' TO AN IRON PIN FOUND ½" REBAR; THENCE ALONG THE ARC OF A CLOCKWISE CURVE A DISTANCE OF 122.41' ( SAID ARC BEING SUBTENDED BY A CHORD HAVING A DISTANCE OF 121.50' AND A BEARING OF SOUTH 43 DEGREES 25 MINUTES 04 SECONDS WEST ) TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 55 DEGREES 36 MINUTES 28 SECONDS WEST A DISTANCE OF 1001.28' TO AN IRON PIN FOUND ½" REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE AND THE TRUE POINT OF BEGINNING.

TOGETHER WITH EASEMENT RIGHTS ARISING UNDER THAT CERTAIN EASEMENT FROM RONNIE C. DAVIS AND NORITA V. DAVIS TO SABLE CHASE OF MCDONOUGH L.P., A GEORGIA LIMITED PARTNERSHIP, DATED AUGUST 25, 1993, FILED FOR RECORD AUGUST 25, 1993 AT 3:00 P.M., RECORDED IN DEED BOOK 1705, PAGE 191, RECORDS OF HENRY COUNTY, GEORGIA.

Map Reference No. 092-01013000

DB 12978 | 195-201

Doc ID: 016027860007 Type: NOT  
Recorded: 03/06/2013 at 01:38:04 PM  
Fee Amt: \$22.00 Page 1 of 7  
Henry, GA Clerk of Superior Court  
Barbara Harrison Clerk of Court  
BK 12978 PG 195-201

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
(202) 661-2200

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

GEORGE C. CALLOWAY, ESQ.  
SPECIALIZED TITLE SERVICES, INC.  
6133 PEACHTREE DUNWOODY ROAD NE  
ATLANTA, GEORGIA 30328  
(770) 394-7000 STS FILE NO. 1030. 0153

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME** - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
OR **SABLE CHASE OF MCDONOUGH, L.P.**

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
3111 Paces Mill Road, Suite A-250 Atlanta GA 30339 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION limited partnership 1f. JURISDICTION OF ORGANIZATION Georgia 1g. ORGANIZATIONAL ID#, if any 866381  NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME** - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME  
OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID#, if any  NONE

**3. SECURED PARTY'S NAME** (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
OR **FEDERAL HOME LOAN MORTGAGE CORPORATION**

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
8200 Jones Branch Drive McLean VA 22102 USA

4. This FINANCING STATEMENT covers the following collateral:

All items of personal property and fixtures which are described on Exhibit "B" hereto and which are located on, related to or used in connection with the real property described on Exhibit "A" hereto.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
**RECORDS OF HENRY COUNTY, GEORGIA (Sable Chase)**

### UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
OR <b>SABLE CHASE OF MCDONOUGH, L.P.</b>		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only <u>one</u> name (11a or 11b) – do not abbreviate or combine names				
11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> None

12. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input checked="" type="checkbox"/> ASSIGNOR S/P'S NAME – insert only <u>one</u> name (12a or 12b)				
12a. ORGANIZATION'S NAME				
OR <b>GREYSTONE SERVICING CORPORATION, INC.</b>				
12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
419 Belle Air Lane		Warrenton	VA	20186 USA

13. This FINANCING STATEMENT covers <input type="checkbox"/> timber to be cut or <input type="checkbox"/> as-extracted collateral, or is filed as a <input type="checkbox"/> fixture filing.	16. Additional collateral description.
14. Description of real estate:  See Exhibit "A" attached hereto.	
15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):  Debtor is record owner.	
17. Check <u>only</u> if applicable and check <u>only</u> one box. Debtor is a <input type="checkbox"/> Trust or <input type="checkbox"/> Trustee acting with respect to property held in trust or <input type="checkbox"/> Decedent's Estate.	
18. Check <u>only</u> if applicable and check <u>only</u> one box. <input type="checkbox"/> Debtor is a TRANSMITTING UTILITY <input type="checkbox"/> Filed in connection with a Manufactured-Home Transaction – effective 30 years <input type="checkbox"/> Filed in connection with a Public-Finance Transaction – effective 30 years.	

**EXHIBIT A  
TO  
UCC SCHEDULE A**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 156 & 157 OF THE 7<sup>TH</sup> DISTRICT OF HENRY COUNTY, GEORGIA, CONTAINING 24.886 ACRES, BEING SHOWN AS TRACT "A" ON SURVEY MADE FOR SABLE CHASE OF MCDONOUGH L.P, A GEORGIA LIMITED PARTNERSHIP, GREYSTONE SERVICING CORPORATION, INC., ITS SUCCESSORS AND ASSIGNS, FEDERAL HOME LOAN MORTGAGE CORPORATION, ITS SUCCESSORS AND ASSIGNS, SPECIALIZED TITLE SERVICES, INC., AN AGENT OF STEWART TITLE GUARANTY COMPANY, PREPARED BY JONATHAN B. PRINCE, R.L.S. #3244, DATED 10-29-2012, REVISED 12-19-2012, REVISED 1-28-2013; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE TRUE POINT OF BEGINNING, COMMENCE FROM THE INTERSECTION FORMED BY THE NORTHWESTERLY RIGHT-OF-WAY OF STATE ROUTE # 20 & 81 ( 80' R/W ) AND THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE ( 50' R/W ); THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE A DISTANCE OF 300.92' TO AN IRON PIN FOUND ½" REBAR AND **THE TRUE POINT OF BEGINNING**; THENCE FROM SAID TRUE POINT OF BEGINNING ALONG SAID RIGHT-OF-WAY NORTH 39 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 95.06' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 02 DEGREES 17 MINUTES 03 SECONDS EAST A DISTANCE OF 605.24' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 38 DEGREES 10 MINUTES 29 SECONDS WEST A DISTANCE OF 88.80' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 01 DEGREES 03 MINUTES 28 SECONDS EAST A DISTANCE OF 264.11' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE NORTH 01 DEGREES 17 MINUTES 34 SECONDS EAST A DISTANCE OF 484.47' TO AN IRON PIN FOUND 2" OPEN TOP PIPE; THENCE SOUTH 88 DEGREES 36 MINUTES 24 SECONDS EAST A DISTANCE OF 692.62' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 13 DEGREES 17 MINUTES 28 SECONDS WEST A DISTANCE OF 139.61' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE SOUTH 03 DEGREES 20 MINUTES 49 SECONDS EAST A DISTANCE OF 114.44' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 56 DEGREES 44 MINUTES 06 SECONDS EAST A DISTANCE OF 444.55' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 68 DEGREES 24 MINUTES 41 SECONDS EAST A DISTANCE OF 128.09' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 31 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 333.62' TO AN IRON PIN FOUND ½" REBAR; THENCE ALONG THE ARC OF A CLOCKWISE CURVE A DISTANCE OF 122.41' ( SAID ARC BEING SUBTENDED BY A CHORD HAVING A DISTANCE OF 121.50' AND A BEARING OF SOUTH 43 DEGREES 25 MINUTES 04 SECONDS WEST ) TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 55 DEGREES 36 MINUTES 28 SECONDS WEST A DISTANCE OF 1001.28' TO AN IRON PIN FOUND ½" REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE AND **THE TRUE POINT OF BEGINNING**.

TOGETHER WITH EASEMENT RIGHTS ARISING UNDER THAT CERTAIN EASEMENT FROM RONNIE C. DAVIS AND NORITA V. DAVIS TO SABLE CHASE OF MCDONOUGH L.P., A GEORGIA LIMITED PARTNERSHIP, DATED AUGUST 25, 1993, FILED FOR RECORD AUGUST 25, 1993 AT 3:00 P.M., RECORDED IN DEED BOOK 1705, PAGE 191, RECORDS OF HENRY COUNTY, GEORGIA.

Map Reference No. 092-01013000

**FINANCING STATEMENT  
EXHIBIT B  
(CME AND PORTFOLIO)**

**(Revised 9-1-2011)**

All of Debtor's present and future right, title and interest in and to all of the following:

- (1) All property owned by Debtor which is so attached to the real property described in Exhibit A and/or the improvements on such real property (collectively, "**Property**") as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment (collectively, "**Fixtures**").
- (2) All of the following (collectively, "**Personalty**"):
  - (i) Accounts (including deposit accounts) of Debtor related to the Property.
  - (ii) Equipment and inventory owned by Debtor, which are used now or in the future in connection with the ownership, management or operation of the Property or are located on the Property, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form), and computer equipment (hardware and software).
  - (iii) Other tangible personal property owned by Debtor which is used now or in the future in connection with the ownership, management or operation of the Property or is located on the Property, including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures).
  - (iv) Operating agreements relating to the Property.
  - (v) Surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Property.

- (vi) Other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Property, including all governmental permits relating to any activities on the Property and including subsidy or similar payments received from any sources, including a governmental authority.
- (vii) Any rights of Debtor in or under any letters of credit.
- (3) All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Property, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated.
- (4) All proceeds paid or to be paid by any insurer of the Property, the Fixtures, the Personalty or any other part of the Property, whether or not Debtor obtained the insurance pursuant to Secured Party's requirement.
- (5) All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Property, the Fixtures, the Personalty or any other part of the Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Property, the Fixtures, the Personalty or any other part of the Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof.
- (6) All contracts, options and other agreements for the sale of the Property, the Fixtures, the Personalty or any other part of the Property entered into by Debtor now or in the future, including cash or securities deposited to secure performance by parties of their obligations.
- (7) All rents (whether from residential or non-residential space), revenues and other income of the Property, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Property, whether now due, past due, or to become due, and deposits forfeited by tenants, and, if Debtor is a cooperative housing corporation or association, maintenance fees, charges or assessments payable by shareholders or residents under proprietary leases or occupancy agreements, whether now due, past due, or to become due ("**Rents**").
- (8) All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property (including proprietary leases or occupancy agreements if Debtor is a cooperative housing corporation), and all modifications, extensions or renewals ("**Leases**").
- (9) All earnings, royalties, accounts receivable, issues and profits from any part of the Property, and all undisbursed proceeds of the loan ("**Loan**") to which this financing statement relates.

- (10) All amounts deposited by the Debtor in connection with the Loan for (a) hazard insurance premiums or other insurance premiums required by Secured Party, (b) taxes or payments in lieu of taxes, (c) water and sewer charges that could become a lien on the Property, (d) ground rents, and (e) assessments or other charges that could become a lien on the Property (collectively, "**Imposition Deposits**").
- (11) All refunds or rebates of Imposition Deposits by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this financing statement is recorded).
- (12) All tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits.
- (13) All names under or by which the Property or any part of it may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Property (subject to the terms of the Multifamily Loan and Security Agreement (the "**Loan Agreement**").
- (14) All interest rate cap agreements, interest rate swap agreements and other interest rate hedging contracts and agreements, if any (collectively, "**Cap Agreements**"), obtained by Debtor (or obtained by Secured Party in the name of Debtor) pursuant to the Loan Documents (as defined in the Loan Agreement) or as a condition to Secured Party's making the loan that is the subject of such Loan Documents, together with all of the following:
  - (i) Any and all moneys (collectively, "**Cap Payments**") payable from time to time pursuant to any Cap Agreement by the interest rate cap provider or other counterparty to a Cap Agreement, or any guarantor of the obligations of any such cap provider or counterparty ("**Cap Provider**").
  - (ii) All rights of the Debtor under any Cap Agreement, and all rights of the Debtor to all Cap Payments, including contract rights and general intangibles, now existing or hereafter arising.
  - (iii) All rights, liens and security interests or guarantees now existing or hereafter granted by a Cap Provider or any other person to secure or guaranty payment of any Cap Payment.
  - (iv) All documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter created.
  - (v) All cash and non-cash proceeds and products of any of the foregoing.
- (15) All proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds.
- (16) RESERVED
- (17) All other assets of Debtor, whether now



Doc ID: 016027370008 Type: UCC  
 Recorded: 03/06/2013 at 01:38:16 PM  
 Fee Amt: \$20.00 Page 1 of 6  
 Henry, GA Clerk of Superior Court  
 Barbara Harrison Clerk of Court

File **7520130359**

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)  
 (202) 661-2200

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

GEORGE C. CALLOWAY, ESQ.  
 SPECIALIZED TITLE SERVICES, INC.  
 6133 PEACHTREE DUNWOODY ROAD NE  
 ATLANTA, GEORGIA 30328  
 (770) 394-7000 STS FILE NO. 1030. 0153

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME -- insert only one debtor name (1a or 1b) -- do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
 OR **SABLE CHASE OF MCDONOUGH, L.P.**

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
 3111 Paces Mill Road, Suite A-250 Atlanta GA 30339 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION limited partnership 1f. JURISDICTION OF ORGANIZATION Georgia 1g. ORGANIZATIONAL ID#, if any 866381  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME -- insert only one debtor name (2a or 2b) -- do not abbreviate or combine names

2a. ORGANIZATION'S NAME  
 OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID#, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) -- insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
 OR **FEDERAL HOME LOAN MORTGAGE CORPORATION**

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
 8200 Jones Branch Drive McLean VA 22102 USA

4. This FINANCING STATEMENT covers the following collateral:

All items of personal property and fixtures which are described on Exhibit "B" hereto and which are located on, related to or used in connection with the real property described on Exhibit "A" hereto.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check (to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional)  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

**HENRY COUNTY CLERK OF SUPERIOR COURT (Sable Chase)**

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT				
OR	9a. ORGANIZATION'S NAME <b>SABLE CHASE OF MCDONOUGH, L.P.</b>			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX	
10. MISCELLANEOUS:				
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY				
11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only <u>one</u> name (11a or 11b) – do not abbreviate or combine names				
OR	11a. ORGANIZATION'S NAME			
	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> None
12. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input checked="" type="checkbox"/> ASSIGNOR S/P'S NAME – insert only <u>one</u> name (12a or 12b)				
OR	12a. ORGANIZATION'S NAME <b>GREYSTONE SERVICING CORPORATION, INC.</b>			
	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS <b>419 Belle Air Lane</b>		CITY <b>Warrenton</b>	STATE <b>VA</b>	POSTAL CODE COUNTRY <b>20186 USA</b>
13. This FINANCING STATEMENT covers <input type="checkbox"/> timber to be cut or <input type="checkbox"/> as-extracted collateral, or is filed as a <input type="checkbox"/> fixture filing.		16. Additional collateral description.		
14. Description of real estate:  <b>See Exhibit "A" attached hereto.</b>				
15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):  <b>Debtor is record owner.</b>				
17. Check <u>only</u> if applicable and check <u>only</u> one box. Debtor is a <input type="checkbox"/> Trust or <input type="checkbox"/> Trustee acting with respect to property held in trust or <input type="checkbox"/> Decedent's Estate				
18. Check <u>only</u> if applicable and check <u>only</u> one box. <input type="checkbox"/> Debtor is a TRANSMITTING UTILITY <input type="checkbox"/> Filed in connection with a Manufactured-Home Transaction – effective 30 years <input type="checkbox"/> Filed in connection with a Public-Finance Transaction – effective 30 years				

**EXHIBIT "A"**

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 156 & 157 OF THE 7<sup>TH</sup> DISTRICT OF HENRY COUNTY, GEORGIA, CONTAINING 24.886 ACRES, BEING SHOWN AS TRACT "A" ON SURVEY MADE FOR SABLE CHASE OF MCDONOUGH L.P, A GEORGIA LIMITED PARTNERSHIP, GREYSTONE SERVICING CORPORATION, INC., ITS SUCCESSORS AND ASSIGNS, FEDERAL HOME LOAN MORTGAGE CORPORATION, ITS SUCCESSORS AND ASSIGNS, SPECIALIZED TITLE SERVICES, INC., AN AGENT OF STEWART TITLE GUARANTY COMPANY, PREPARED BY JONATHAN B. PRINCE, R.L.S. #3244, DATED 10-29-2012, REVISED 1-28-2013; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE TRUE POINT OF BEGINNING, COMMENCE FROM THE INTERSECTION FORMED BY THE NORTHWESTERLY RIGHT-OF-WAY OF STATE ROUTE # 20 & 81 ( 80' R/W ) AND THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE ( 50' R/W ); THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE A DISTANCE OF 300.92' TO AN IRON PIN FOUND ½" REBAR AND **THE TRUE POINT OF BEGINNING**; THENCE FROM SAID TRUE POINT OF BEGINNING ALONG SAID RIGHT-OF-WAY NORTH 39 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 95.06' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 02 DEGREES 17 MINUTES 03 SECONDS EAST A DISTANCE OF 605.24' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 38 DEGREES 10 MINUTES 29 SECONDS WEST A DISTANCE OF 88.80' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 01 DEGREES 03 MINUTES 28 SECONDS EAST A DISTANCE OF 264.11' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE NORTH 01 DEGREES 17 MINUTES 34 SECONDS EAST A DISTANCE OF 484.47' TO AN IRON PIN FOUND 2" OPEN TOP PIPE; THENCE SOUTH 88 DEGREES 36 MINUTES 24 SECONDS EAST A DISTANCE OF 692.62' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 13 DEGREES 17 MINUTES 28 SECONDS WEST A DISTANCE OF 139.61' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE SOUTH 03 DEGREES 20 MINUTES 49 SECONDS EAST A DISTANCE OF 114.44' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 56 DEGREES 44 MINUTES 06 SECONDS EAST A DISTANCE OF 444.55' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 68 DEGREES 24 MINUTES 41 SECONDS EAST A DISTANCE OF 128.09' TO AN IRON PIN PLACED ½" REBAR; THENCE SOUTH 31 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 333.62' TO AN IRON PIN FOUND ½" REBAR; THENCE ALONG THE ARC OF A CLOCKWISE CURVE A DISTANCE OF 122.41' ( SAID ARC BEING SUBTENDED BY A CHORD HAVING A DISTANCE OF 121.50' AND A BEARING OF SOUTH 43 DEGREES 25 MINUTES 04 SECONDS WEST ) TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 55 DEGREES 36 MINUTES 28 SECONDS WEST A DISTANCE OF 1001.28' TO AN IRON PIN FOUND ½" REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE AND **THE TRUE POINT OF BEGINNING**.

TOGETHER WITH EASEMENT RIGHTS ARISING UNDER THAT CERTAIN EASEMENT FROM RONNIE C. DAVIS AND NORITA V. DAVIS TO SABLE CHASE OF MCDONOUGH L.P., A GEORGIA LIMITED PARTNERSHIP, DATED AUGUST 25, 1993, FILED FOR RECORD AUGUST 25, 1993 AT 3:00 P.M., RECORDED IN DEED BOOK 1705, PAGE 191, RECORDS OF HENRY COUNTY, GEORGIA.

Map Reference No. 092-01013000

**FINANCING STATEMENT  
EXHIBIT B  
(CME AND PORTFOLIO)**

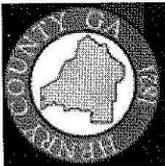
**(Revised 9-1-2011)**

All of Debtor's present and future right, title and interest in and to all of the following:

- (1) All property owned by Debtor which is so attached to the real property described in Exhibit A and/or the improvements on such real property (collectively, "**Property**") as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment (collectively, "**Fixtures**").
- (2) All of the following (collectively, "**Personalty**");
  - (i) Accounts (including deposit accounts) of Debtor related to the Property.
  - (ii) Equipment and inventory owned by Debtor, which are used now or in the future in connection with the ownership, management or operation of the Property or are located on the Property, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form), and computer equipment (hardware and software).
  - (iii) Other tangible personal property owned by Debtor which is used now or in the future in connection with the ownership, management or operation of the Property or is located on the Property, including ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures).
  - (iv) Operating agreements relating to the Property.
  - (v) Surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Property.

- (vi) Other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Property, including all governmental permits relating to any activities on the Property and including subsidy or similar payments received from any sources, including a governmental authority.
- (vii) Any rights of Debtor in or under any letters of credit.
- (3) All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Property, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated.
- (4) All proceeds paid or to be paid by any insurer of the Property, the Fixtures, the Personalty or any other part of the Property, whether or not Debtor obtained the insurance pursuant to Secured Party's requirement.
- (5) All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Property, the Fixtures, the Personalty or any other part of the Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Property, the Fixtures, the Personalty or any other part of the Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof.
- (6) All contracts, options and other agreements for the sale of the Property, the Fixtures, the Personalty or any other part of the Property entered into by Debtor now or in the future, including cash or securities deposited to secure performance by parties of their obligations.
- (7) All rents (whether from residential or non-residential space), revenues and other income of the Property, parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Property, whether now due, past due, or to become due, and deposits forfeited by tenants, and, if Debtor is a cooperative housing corporation or association, maintenance fees, charges or assessments payable by shareholders or residents under proprietary leases or occupancy agreements, whether now due, past due, or to become due ("**Rents**").
- (8) All present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property, or any portion of the Property (including proprietary leases or occupancy agreements if Debtor is a cooperative housing corporation), and all modifications, extensions or renewals ("**Leases**").
- (9) All earnings, royalties, accounts receivable, issues and profits from any part of the Property, and all undisbursed proceeds of the loan ("**Loan**") to which this financing statement relates.

- (10) All amounts deposited by the Debtor in connection with the Loan for (a) hazard insurance premiums or other insurance premiums required by Secured Party, (b) taxes or payments in lieu of taxes, (c) water and sewer charges that could become a lien on the Property, (d) ground rents, and (e) assessments or other charges that could become a lien on the Property (collectively, "**Imposition Deposits**").
- (11) All refunds or rebates of Imposition Deposits by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this financing statement is recorded).
- (12) All tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits.
- (13) All names under or by which the Property or any part of it may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Property (subject to the terms of the Multifamily Loan and Security Agreement (the "**Loan Agreement**").
- (14) All interest rate cap agreements, interest rate swap agreements and other interest rate hedging contracts and agreements, if any (collectively, "**Cap Agreements**"), obtained by Debtor (or obtained by Secured Party in the name of Debtor) pursuant to the Loan Documents (as defined in the Loan Agreement) or as a condition to Secured Party's making the loan that is the subject of such Loan Documents, together with all of the following:
  - (i) Any and all moneys (collectively, "**Cap Payments**") payable from time to time pursuant to any Cap Agreement by the interest rate cap provider or other counterparty to a Cap Agreement, or any guarantor of the obligations of any such cap provider or counterparty ("**Cap Provider**").
  - (ii) All rights of the Debtor under any Cap Agreement, and all rights of the Debtor to all Cap Payments, including contract rights and general intangibles, now existing or hereafter arising.
  - (iii) All rights, liens and security interests or guarantees now existing or hereafter granted by a Cap Provider or any other person to secure or guaranty payment of any Cap Payment.
  - (iv) All documents, writings, books, files, records and other documents arising from or relating to any of the foregoing, whether now existing or hereafter created.
  - (v) All cash and non-cash proceeds and products of any of the foregoing.
- (15) All proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds.
- (16) RESERVED
- (17) All other assets of Debtor, whether now



**HENRY COUNTY PROPERTY TAX INFORMATION**

**2012 Property Tax Statement**

[PRINT THIS PAGE](#)

David Curry  
Henry County Tax Commissioner  
140 Henry Parkway  
McDonough, GA 30253  
<http://www.henrytc.org>

Map Code: 092-01013000      Good through: N/A  
Last payment: 1/18/2013      Printed: 4/14/2013  
Location: 102 SABLE CHASE DR

If your bill shows **BACK TAXES DUE**, payments received will be applied to the **OLDEST BILL**.

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Henry County Tax Commissioner

If you disagree with the VALUE assigned by the Tax Assessors, you should file a tax return between January 1 and April 1. Information on filing a return can be obtained from the Tax Commissioner's office or at <http://www.henrytc.org>. You may pay your taxes via the web @ <https://hcwebbb.boca.co.henry.ga.us/webtip/>.

**1% interest, per month, on the unpaid principal, will be added if not paid by due date.**

**A 10% PENALTY (of the original Principal) will be applied to any bill 90 days past due.**

You can pay your taxes **ONLINE @**  
<https://hcwebbb.boca.co.henry.ga.us/webtip/>.  
If you have questions regarding Stormwater Fees call  
770-288-7246 - Unincorporated; 770-957-3915 City of McDonough;  
770-389-7867 City of Stockbridge.

SABLE CHASE OF MCDONOUGH LP  
102 SABLE CHASE DR

**RETURN THIS PORTION WITH PAYABLE**

(1% interest per month will be added if not paid by due date)

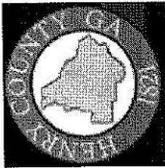
David Curry  
Henry County Tax Commissioner  
140 Henry Parkway  
McDonough, GA 30253  
<http://www.henrytc.org>

Tax Payer: SABLE CHASE OF MCDONOUGH LP  
Map Code: 092-01013000      REAL  
Description: Llot: 157 LDist: 7  
Location: 102 SABLE CHASE DR  
Bill No: 64975  
District: 001 UNINCORPORATED

Phone: (770) 288-8180      Fax: (770) 288-8190

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good Through	Exemptions
\$6,909,400.00	\$1,730,600.00	24.88	\$8,640,000.00	11/16/2012	N/A	N/A	
Entity							
STATE TAX		Adjusted FMV	Net Assessment	Exemptions	Taxable Value	Millage Rate	Net Tax
		\$8,640,000.00	\$3,456,000.00	\$0.00	\$3,456,000.00	0.2	\$691.20
HENRY COUNTY TAX		\$8,640,000.00	\$3,456,000.00	\$0.00	\$3,456,000.00	18.52	\$64,005.12
COUNTY SALES TAX CREDIT						-4.02	\$0.00(\$13,893.12)
COUNTY SCHOOL M&O		\$8,640,000.00	\$3,456,000.00	\$0.00	\$3,456,000.00	20	\$69,120.00
COUNTY SCHOOL BOND		\$8,640,000.00	\$3,456,000.00	\$0.00	\$3,456,000.00	3.628	\$12,538.37
COUNTY WATER		\$8,640,000.00	\$3,456,000.00	\$0.00	\$3,456,000.00	2	\$6,912.00
STORMWATER 770 288-7246		\$0.00	\$0.00	\$0.00	\$0.00	0	\$3,305.89
TOTALS							
						40.328	\$156,572.58(\$13,893.12)

Current Due	\$142,679.46
Penalty	\$0.00
Interest	\$0.00
Other Fees	\$0.00
Previous Payments	\$142,679.46
Back Taxes	\$0.00
<b>TOTAL DUE</b>	<b>\$0.00</b>



**HENRY COUNTY PROPERTY TAX INFORMATION**

**2012 Property Tax Statement**

PRINT THIS PAGE

David Curry  
Henry County Tax Commissioner  
140 Henry Parkway  
McDonough, GA 30253  
<http://www.henrytc.org>

Map Code: 18030  
Last payment: 12/17/2012  
Location: APT RENTAL

Good through: 12/17/2012  
Printed: 4/14/2013

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

Henry County Tax Commissioner

If you disagree with the VALUE assigned by the Tax Assessors, you should file a tax return between January 1 and April 1. Information on filing a return can be obtained from the Tax Commissioner's office or at <http://www.henrytc.org>. You may pay your taxes via the web @ <https://hcwebb.boca.co.henry.ga.us/webtip/>.

SABLE CHASE OF MCDONOUGH LP  
APT RENTAL

If your bill shows BACK TAXES DUE, payments received will be applied to the OLDEST BILL.

1% interest, per month, on the unpaid principal, will be added if not paid by due date.

A 10% PENALTY (of the original Principal) will be applied to any bill 90 days past due.

You can pay your taxes ONLINE @ <https://hcwebb.boca.co.henry.ga.us/webtip/>.  
If you have questions regarding Stormwater Fees call 770-288-7246 - Unincorporated; 770-957-3915 City of McDonough; 770-389-7867 City of Stockbridge.

**RETURN THIS PORTION WITH PAYABLE**

(1% interest per month will be added if not paid by due date)

David Curry  
Henry County Tax Commissioner  
140 Henry Parkway  
McDonough, GA 30253  
<http://www.henrytc.org>

Tax Payer: SABLE CHASE OF MCDONOUGH LP  
Map Code: 18030 PERSONAL  
Description: MEFF/INVENT  
Location: APT RENTAL  
Bill No: 95183  
District: 001 UNINCORPORATED

Phone: (770) 288-8180 Fax: (770) 288-8190

Building Value	Land Value	Acres	Fair Market Value	Due Date	Billing Date	Payment Good Through	Exemptions
\$0.00	\$0.00	0	\$134,708.00	11/16/2012	N/A	12/17/2012	
Entity							
STATE TAX	\$134,710.00		\$53,884.00	\$98.00	\$53,786.00	0.2	\$10.76
HENRY COUNTY TAX	\$134,710.00		\$53,884.00	\$0.00	\$53,884.00	18.52	\$997.93
COUNTY SALES TAX CREDIT					\$53,884.00	-4.02	\$0.00
COUNTY SCHOOL M&O	\$134,710.00		\$53,884.00	\$0.00	\$53,884.00	20	\$1,077.68
COUNTY SCHOOL BOND	\$134,710.00		\$53,884.00	\$0.00	\$53,884.00	3.628	\$195.49
COUNTY WATER	\$134,710.00		\$53,884.00	\$0.00	\$53,884.00	2	\$107.77
TOTALS							
						40.328	\$2,389.63
							(\$216.61)
							\$2,173.02

Current Due	\$2,173.02
Penalty	\$0.00
Interest	\$21.73
Other Fees	\$0.00
Previous Payments	\$2,194.75
Back Taxes	\$0.00
<b>TOTAL DUE</b>	<b>\$0.00</b>

01705  
0191

DB 1705 | 191

RECORDED BY 1205 BOOK 1705 PAGE 191  
PAGE 191-192  
DATE RECORDED 8-26-93  
CLERK John S. Taylor  
AUG 25 3 00 PM '93

FILED IN OFFICE  
CLERK OF SUPERIOR COURT  
HENRY COUNTY, GA.  
EASEMENT

STATE OF GEORGIA,  
COUNTY OF COFFEE.

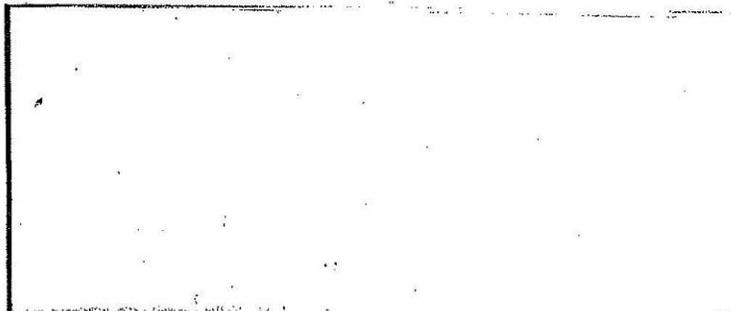
For and in consideration of the sum of One Dollar (\$1.00) in hand paid, and other good and valuable considerations, RONNIE C. DAVIS, and NORITA V. DAVIS, hereinafter referred to as "Grantor" hereby grants unto SABLE CHASE OF McDONOUGH L.P. a Georgia Limited Partnership, hereinafter referred to as "Grantee", a perpetual, assignable, non-exclusive easement for ingress and egress and maintenance and installation of paving and utilities of all kinds, over, under, through and across the property described on Exhibit "A" attached hereto and made a part hereof.

The consideration hereinabove recited shall constitute payment in full for any damages to the land of the grantor, his heirs, administrators, successors and assigns, by reason of the exercise of the rights herein conveyed. The grantee covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of the grantor, his heirs, administrators, successors and assigns.

The easement herein granted shall bind the heirs, administrators, successors and assigns of the undersigned grantor,

PRESTON & PRESTON, P.C.  
ATTORNEYS AT LAW 230 EAST WARD STREET P.O. BOX 71 DOUGLAS, GEORGIA 31023 (912) 284-4700

18269



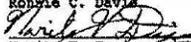
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BOOK 1705 PAGE 192

and shall inure to the benefit of the grantee, its successors and assigns.

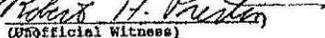
IN WITNESS WHEREOF, the grantor has hereunto set his hand and affixed his seal this 25<sup>th</sup> day of August, 1993.

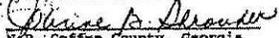
  
\_\_\_\_\_  
Ronnie C. Davis (SEAL)

  
\_\_\_\_\_  
Norita V. Davis (SEAL)

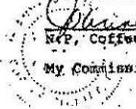
BY   
\_\_\_\_\_  
Ronnie C. Davis, Attorney  
in fact for Norita V. Davis

Signed, sealed and delivered  
in the presence of:

  
\_\_\_\_\_  
(Unofficial Witness)

  
\_\_\_\_\_  
Notary Public, Coffee County, Georgia

My Commission expires: 6/16/94



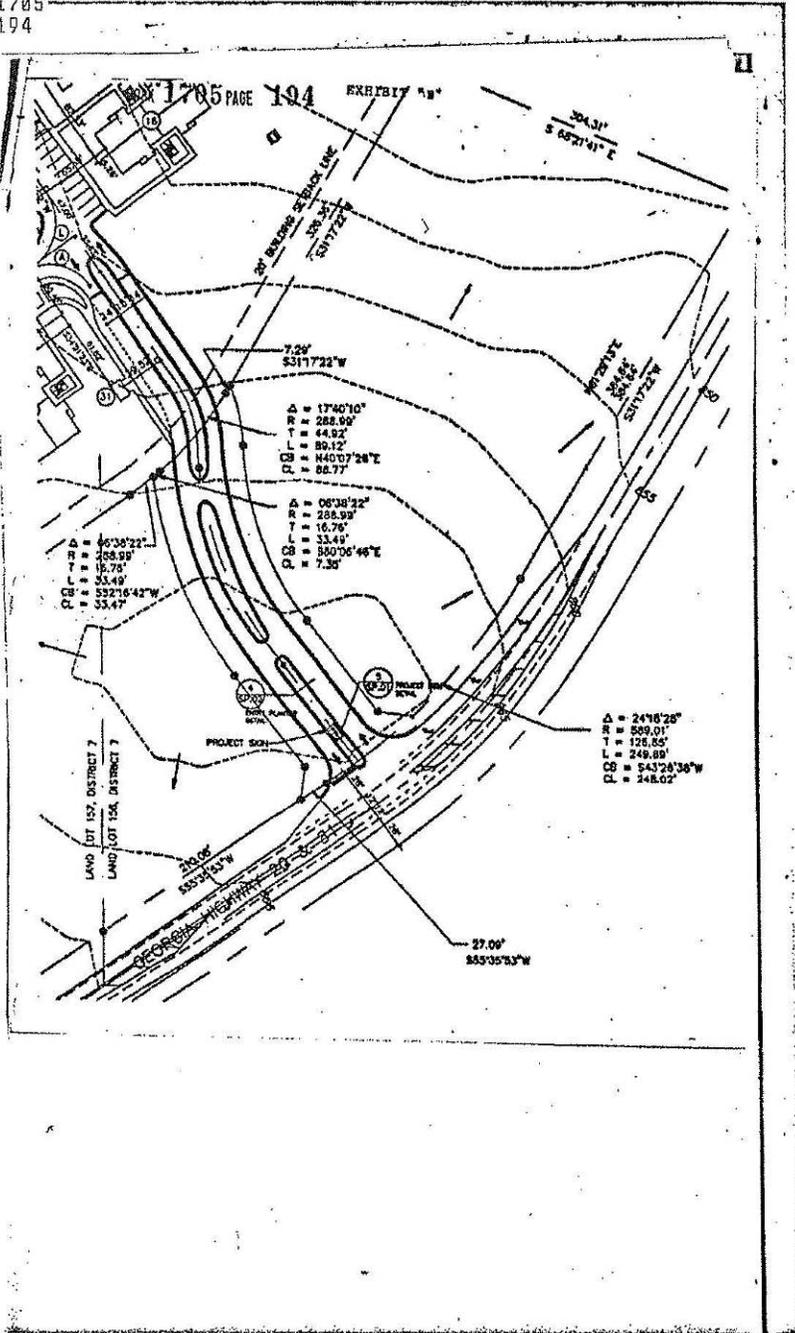
01785  
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BOOK 1705 PAGE 193

EXHIBIT "A"

All that tract or parcel of land situate, lying and being in Original Lot of Land No. 156 in the 7th Land District of Henry County, Georgia and extending 80 feet along the North boundary line of the right-of-way of Georgia Highway 20 & 81, said beginning point being located North 55 degrees 35 minutes 33 seconds East 210.8 feet from the intersection of the West Original Land Lot Line of said Original Lot of Land No. 156 with the North boundary line of Georgia Highway 20 & 81. The exact measurements, configurations and metes and bounds of said real estate described herein is more particularly described according to Exhibit "B", "C" and "D" attached hereto and incorporated herein by reference. Said real estate fronting said distance of 80 feet on the North boundary line of the right-of-way of Georgia Highway 20 & 81 extends in generally a Northerly direction to the South boundary line of that certain 24.887 acre tract owned by Sable Chase of McDonough L.P., a Georgia Limited Partnership, said 24.887 acre tract being attached hereto and marked Exhibit "E".

01705  
0194





01705  
0196

BOOK 1705 PAGE 196 EXHIBIT "B"  
ENTRY DRIVE CURB DATA

<p>(A) <math>\Delta = 96^{\circ}34'46''</math> R = 30.00' T = 33.66' L = 50.57' CL = 44.79' CB = S85<math>^{\circ}</math>57'39"E</p>	<p>(F) <math>\Delta = 27^{\circ}39'38''</math> R = 35.00' T = 8.62' L = 16.90' CL = 16.73' CB = N291<math>^{\circ}</math>01'31"W</p>	<p>(K) <math>\Delta = 10^{\circ}33'13''</math> R = 76.80' T = 7.09' L = 14.15' CL = 14.13' CB = N06<math>^{\circ}</math>39'40"W</p>
<p>(B) <math>\Delta = 34^{\circ}43'02''</math> R = 276.50' T = 86.43' L = 167.54' CL = 164.99' CB = N20<math>^{\circ}</math>18'45"W</p>	<p>(G) <math>\Delta = 32^{\circ}22'46''</math> R = 35.00' T = 10.16' L = 19.78' CL = 17.17' CB = N16<math>^{\circ}</math>22'32"W</p>	<p>(L) <math>\Delta = 24^{\circ}49'29''</math> R = 100.31' T = 22.08' L = 43.46' CL = 42.87' CB = N22<math>^{\circ}</math>03'35"W</p>
<p>(C) <math>\Delta = 09^{\circ}38'57''</math> R = 107.49' T = 9.07' L = 18.10' CL = 18.08' CB = N07<math>^{\circ}</math>53'54"W</p>	<p>(H) <math>\Delta = 35^{\circ}11'42''</math> R = 321.00' T = 101.81' L = 197.18' CL = 194.10' CB = N20<math>^{\circ}</math>04'25"W</p>	<p>(M) <math>\Delta = 31^{\circ}21'06''</math> R = 340.00' T = 95.41' L = 186.04' CL = 183.73' CB = N21<math>^{\circ}</math>59'43"W</p>
<p>(D) <math>\Delta = 24^{\circ}05'59''</math> R = 121.50' T = 25.94' L = 51.11' CL = 50.73' CB = N22<math>^{\circ}</math>48'36"W</p>	<p>(I) <math>\Delta = 74^{\circ}16'39''</math> R = 30.00' T = 22.72' L = 38.89' CL = 36.22' CB = 270<math>^{\circ}</math>31'57"</p>	<p>(N) <math>\Delta = 35^{\circ}37'30''</math> R = 260.00' T = 83.54' L = 161.66' CL = 159.07' CB = N19<math>^{\circ}</math>51'32"W</p>
<p>(E) <math>\Delta = 110^{\circ}14'48''</math> R = 35.00' T = 50.21' L = 67.35' CL = 57.43' CB = S62<math>^{\circ}</math>19'07"W</p>	<p>(J) <math>\Delta = 35^{\circ}14'20''</math> R = 289.79' T = 92.04' L = 178.23' CL = 194.10' CB = N20<math>^{\circ}</math>04'25"W</p>	<p>(O) <math>\Delta = 21^{\circ}24'49''</math> R = 140.00' T = 26.47' L = 52.32' CL = 52.02' CB = N12<math>^{\circ}</math>45'11"W</p>

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EXHIBIT "B"

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to survey prepared for Sable Chase of McDonough L.P. a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 288, in Office of Clerk of Superior Court of Henry County, Georgia.

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DB 1747/129

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Name of Line Sable Chase  
Account No. 0-530012-300-0-001053

**Easement**

STATE OF GEORGIA,  
HENRY COUNTY,

Received of GEORGIA POWER COMPANY, hereinafter called the Company, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), in consideration of which the undersigned, Sable Chase of McDonough L.P., whose ~~tax~~ address is 5700 S.W. 34th Street, Suite 1107 Gainesville, Florida 32608, do hereby grant and convey to said Company, its successors and assigns, the right, privilege and easement to go in, upon, along and across that tract of land owned by the undersigned in Land Lot \_\_\_\_\_ Number 157 of the 7th District \_\_\_\_\_ Section of Henry County, State of Georgia, said lands being bounded as follows:

on the North by lands of \_\_\_\_\_  
on the South by lands of Georgia Highway 20 & 81  
on the East by lands of \_\_\_\_\_  
and on the West by lands of \_\_\_\_\_

together with the right to construct, operate and maintain continuously upon and under said land, its lines for transmitting electric current, with poles, wires, transformers, service pedestals, and other necessary apparatus, fixtures and appliances, including the right to stretch communication wires on said poles, or under said lands with necessary appliances; with the right to permit the attachment of the wires and appliances of any other company or person, to said poles; together with the right at all times to enter upon said premises for the purpose of inspecting said lines, making repairs, renewals, alterations and extensions thereon, thereunder, thereon or therefrom; together with the right to cut away and keep clear of said overhead or underground lines, transformers, fixtures and appliances, all trees and other obstructions that may now or hereafter in any way interfere or be likely to interfere with the proper operation of said overhead or underground lines, transformers, fixtures and appliances; also the right of ingress and egress over said land to and from said lines. Any timber cut on said land by or for said Company shall remain the property of the owner of said timber. The undersigned does not convey any land, but merely grants the rights, privileges and easements hereinbefore set out.

Property known as Sable Chase Apartments

RECORDED 1997  
FILED IN OFFICE  
CLERK OF SUPERIOR COURT  
HENRY COUNTY, GA.  
MAY 22 12 21 PM '97

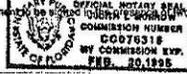
Said Company shall not be liable for, or bound by any statement, agreement or understanding not herein expressed.  
IN WITNESS WHEREOF, the said undersigned hereunto set his hand X and seal, this 11th day of Oct., 1993.

Signed, sealed and delivered in the presence of:  
Thomas D. Nelson Witness  
James L. Nelson Notary Public

\* Ronnie C. Davis (SEAL)  
General Partner (SEAL)  
Sable Chase of McDonough L.P. (SEAL)

(This easement to be recorded in the presence of 2 witnesses, one of whom should be a Notary Public.)

NOTARY PUBLIC



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RECORDED  
DATE REC.  
1861  
Mar 30 4 16 PM '94

LAND USE RESTRICTION AGREEMENT

This Land Use Restriction Agreement ("Agreement") entered into as of March 30, 1994, by and between the GEORGIA HOUSING AND FINANCE AUTHORITY, a public corporation and instrumentality of the State of Georgia (together with any successor to its rights, duties and obligations hereunder, the "Lender") and SABLE CHASE OF MCDONOUGH, L.P., a limited partnership (the "Owner").

WHEREAS, Owner owns the land described on Exhibit A and incorporated herein by this reference, together with the improvements located thereon, including a 225 - unit rental housing project located at Hampton Street, McDonough, Henry County, Georgia and commonly known as "Sable Chase" (said land and improvements are hereinafter collectively referred to as the "Property") which constitutes "affordable housing" as defined in Section 215 of Title II of the Cranston-Gonzalez National Affordable Housing Act, Pub. L. 101-625, as amended (the "Act"); and

WHEREAS, Lender has agreed to lend federal funds to Owner, made available to Lender under the Act, for the purpose of constructing the Property; and

WHEREAS, pursuant to Section 215(a)(1)(E) of the Act, and the HOME Regulations (hereinafter defined), Owner must agree to comply with certain occupancy, rent and other restrictions for the remaining useful life of the Property as specified herein, and the parties hereto have entered into this Agreement to evidence Owner's agreement to comply with such restrictions;

NOW, THEREFORE, in consideration of the premises hereof and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

Article 1. Definitions.

- 1.01. "Act" means Section 215 of Title II of the Cranston-Gonzalez National Affordable Housing Act, Pub. L. 101-625, as amended, or any corresponding provision(s) of succeeding law as it or they may be amended from time to time.
- 1.02. "Adjusted Income" means "adjusted income" as defined in 24 C.F.R. §92.203.
- 1.03. "Affordability Period" means the period commencing on the date of this Agreement and continuing for thirty (30) years thereafter.
- 1.04. "Agreement" means this Land Use Restriction Agreement, as it may be amended from time to time.
- 1.05. "Annual Income" means "annual income" as defined in 24 C.F.R. §92.203.
- 1.06. "Area Median Income" means the median income, adjusted for family size, for the area wherein the Property is located, as said median income is established by HUD at least annually.
- 1.07. "Business Day" means a day on which the Lender is open for the transaction of business in Atlanta, Georgia.
- 1.08. "Gross Income" means "gross income" as defined in 24 C.F.R. §92.203.
- 1.09. "HOME Program" means the federal housing program established pursuant to the Act and the HOME Regulations.
- 1.10. "HOME Regulations" mean the regulations promulgated pursuant to the act by HUD or any successor, as amended from time to time, which regulations govern the HOME Program. At the time this Agreement is executed, the HOME Regulations appear at Title 24 Part 92 of the Code of Federal Regulations.

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- 1.11. "HUD" means the United States Department of Housing and Urban Development.
- 1.12. "Low Income Families" or "Low Income Family" means families and individuals whose Annual Incomes do not exceed sixty percent (60%) of the Area Median Income.
- 1.13. "Newly Formed Entity" means (i) the Owner; (ii) any family member of such Owner; or (iii) any person or entity (A) that directly or indirectly controls or is controlled by or is under common control with such Owner, (B) that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, such Owner or of which such Owner is an officer, partner or trustee, or with respect to which such Owner serves in a similar capacity, or (C) that is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of such Owner or of which such Owner is directly or indirectly the owner of 10% or more of any class of equity securities.
- 1.14. "Owner" means Sable Chase of McDonough, L.P. as set forth at the beginning of this Agreement, or any successor in title to the Property.
- 1.15. "Unit" means a residential accommodation that was constructed with funds provided under the HOME Program.
- 1.16. "Utility Allowance" means a monthly allowance for utilities and services (excluding telephone) to be paid by the tenant, which monthly allowance is approved by Lender annually and from time to time as required under the HOME Regulations.
- 1.17. "Very Low Income Families" or "Very Low Income Family" means low income families and individuals whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income.

**Article 2. Use and Occupancy of the Property.**

- 2.01. **Use of the Property.** During the Affordability Period, Owner will maintain the Property as rental housing and will rent or hold available for rental each Unit on a continuous basis.
- 2.02. **Laundry and Community Facilities.** During the Affordability Period, Owner agrees that any laundry or community facilities located on the Property shall be for the exclusive use of the tenants and their guests and shall not be available for use by the general public.
- 2.03. **Occupancy Requirements.** During the Affordability Period, Owner will make continuously available for occupancy by Low Income Families not less than 222 Units of which at least 96 Units shall be made available for occupancy by Very Low Income Families. Owner shall use its best efforts to distribute Units reserved for Low Income Families and Very Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Low Income Families or Very Low Income Families in any area or areas of the Property.
- 2.04. **Income Determination.**
- (a) The determination of whether the Annual Income of a family or individual occupying or seeking to occupy a Unit exceeds the applicable income limit shall be made prior to admission of such family or individual to occupancy in a Unit (or to a designation of a Unit occupied by such family or individual). Thereafter such determinations shall be made at least annually on the basis of an examination or re-examination of the current income of the family or individual.
- (b) If the Annual Income of a tenant which is a Very Low Income Family shall be determined upon re-examination to exceed the applicable income limit for a Very Low Income Family but not the applicable income limit for a Low Income

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family, the Unit shall count as occupied by a Very Low Income Family during such family's or individual's continuing occupancy of such Unit so long as Owner shall make the next available Unit (regardless of whether said Unit was rehabilitated with federal funds provided under the HOME Program) available for occupancy by a Very Low Income Family.

(c) If the Annual Income of a tenant shall be determined upon re-examination to exceed the applicable income limit for a Low Income Family, the Unit occupied by such family or individual shall be counted as occupied by a Low Income Family so long as: (A) the family or individual pays as rent not less than thirty percent (30%) of said family's or individual's monthly Adjusted Income, as recertified annually (but no more than a fair market rent); and (B) Owner shall make the next available Unit (regardless of whether said Unit was rehabilitated with federal funds provided under the HOME Program) available for occupancy by a Low Income Family or Very Low Income Family, whichever is necessary to meet the occupancy requirements of Section 2.03.

2.05. Mixed Income Restrictions. During the Affordability Period, Owner agrees that all units shall, on a continuous basis, be rented to or held available for rental by either a Low Income Family or a Very Low Income Family.

Article 3. Rent

3.01. Rent Limitations for Low Income Families.

a) For thirty-two (32) one-bedroom units, rents for the first year after construction completion and final certificate of occupancy shall be the lesser of: (i) an amount equal to 15.810% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 15.810% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus the Utility Allowance. For years two through thirty of the term of the loan rents shall be an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus the Utility Allowance.

b) For seventy-three (73) two-bedroom units, rents for the first year after construction completion and final certificate of occupancy shall be the lesser of: (i) an amount equal to 6.621% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 6.621% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus the Utility Allowance. For years two through thirty of the term of the loan rents shall be an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus Utility Allowance.

c) For twenty-four (24) three-bedroom units, rents for the first year after construction completion and final certificate of occupancy shall be the lesser of: (i) an amount equal to 16.690% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 16.690% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus the Utility Allowance. Years two through thirty rents shall be an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals sixty percent (60%) of Area Median Income, minus the Utility Allowance.

d) Borrower will not be required to reduce rent levels established at time of closing regardless of any market fluctuations.

3.02. Rent Limitations for Very Low Income Families.

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- a) For sixteen (16) one-bedroom units, the lesser of: (i) an amount equal to 17.431% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 17.431% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals fifty percent (50%) of Area Median Income, minus the Utility Allowance.
- b) For thirty-two (32) two-bedroom units, the lesser of: (i) an amount equal to 18.356% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 18.356% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals fifty percent (50%) of Area Median Income, minus the Utility Allowance.
- c) For forty-eight (48) three-bedroom units, the lesser of: (i) an amount equal to 19.040% below the existing fair market rent for comparable units in the area where the Property is located as established by HUD, minus the Utility Allowance; or (ii) an amount equal to 19.040% below an amount equal to thirty percent (30%) of the Adjusted Income of a family whose income equals fifty percent (50%) of Area Median Income, minus the Utility Allowance.
- d) Borrower will not be required to reduce rent levels established at time of closing regardless of any market.

**Article 4. Administration.**

**4.01. Examination and Re-examination of Incomes.**

(a) Owner shall be responsible for determination of the Annual Income and family composition of Low Income Families and Very Low Income Families at initial occupancy of a Unit, and for re-examination of Annual Income and family composition of Low Income Families and Very Low Income Families at least annually, in accordance with procedures set forth in the HOME Regulations and the HOME Manual.

(b) Owner shall not be deemed to be in violation of Section 2.03 of this Agreement if, in determining Annual Income and family composition of Low Income Families and Very Low Income Families: (i) Owner has relied in good faith upon the information which is supplied to Owner by tenant, (ii) Owner has no reason to believe such information is false, and (iii) Owner shall have complied with all requirements of Lender with respect to verification of household income and family composition.

**4.02. Certification by Owner.** During the Affordability Period, on each anniversary of the date upon which this Agreement was first recorded in the land records for the county wherein the Property lies, Owner shall submit to Lender a certification in a form satisfactory to Lender as to Owner's compliance with all of the terms and provisions of this Agreement.

**4.03. Maintenance of Documents.** All tenant lists, applications, leases, waiting lists, income examinations and re-examinations relating to the Property shall at all times be kept separate and identifiable from any other business of Owner which is unrelated to the Property and shall be maintained in compliance with the HOME Regulations, the HOME Manual, and any Lender requirements in a reasonable condition for proper audit and subject to examination and photocopying during business hours by representatives of Lender, HUD, the United States Comptroller General or Recipient.

**4.04. Compliance Review.** Lender or HUD periodically will monitor Owner's compliance with this Agreement. In conducting its compliance review, Lender or HUD will rely primarily on information obtained from Owner's records and reports, findings from on-site monitoring and audit reports. Lender or HUD may also

consider relevant information gained from other sources, including litigation and citizen complaints.

**Article 4. Representations and Warranties of Owner.**

**5.01. Representations and Warranties.** Owner represents and warrants to Lender that:

(a) Two Hundred Twenty Five (225) Units are to be constructed with federal funds made available under the HOME Program.

(b) Owner has validly executed this Agreement and the same shall constitute the binding obligation of Owner. Owner has full power, authority and capacity; (i) to enter into this Agreement; (ii) to carry out Owner's obligations as described in this Agreement; and (iii) to assume responsibility for compliance with all applicable rules, regulations, and requirements governing the HOME Program, including but not limited to, the HOME Regulations and the HOME Manual.

(c) To the best of Owner's knowledge, the making of this Agreement and the fulfillment of Owner's obligations hereunder: (i) will not violate any contractual covenants or restrictions between the Owner or any third party; (ii) will not violate any contractual covenants or restrictions affecting the Property; (iii) if Owner is other than an individual, will not conflict with any of the instruments that create or establish Owner's authority; (iv) will not conflict with any applicable public or private restrictions; (v) do not require any consent or approval of any public or private authority which has not already been obtained; (vi) are not threatened with the invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against (A) Owner, (B) any person with whom Owner may be jointly or severally liable, or (C) the Property or any part thereof.

(d) No action, proceeding, investigation or litigation is now pending, or, to the best of Owner's knowledge, threatened against Owner, which, if adversely determined, could individually or in the aggregate have an adverse effect on title to or the use and enjoyment or value of the Property, or any portion thereof, or which could in any way interfere with the consummation of this Agreement.

(e) There is not pending or, to Owner's best knowledge, threatened against Owner any case, proceeding or other action in bankruptcy, whether voluntary or otherwise, any assignment for the benefit of creditors, or any petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for Owner under any federal, state or other statute, law, regulation relating to bankruptcy, insolvency or relief of debtors.

(f) Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(g) Owner warrants and represents that Owner has freely and without reservation placed itself under the obligations of this Agreement and that the receipt of financial assistance from the Lender is an essential part of the consideration for this Agreement.

**5.02. Revival of Agreement.** In the event of loss of the Property by foreclosure or deed in lieu of foreclosure, Owner agrees that: (i) if the party which was Owner at the time of or immediately prior to such foreclosure or deed in lieu of foreclosure acquires an ownership interest in the Property at any time during the

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Affordability Period; or (ii) if a Newly Formed Entity acquires an ownership interest in the Property at any time during the Affordability Period, then the covenants and restrictions set forth in this Agreement shall be revived and shall remain in force for the remaining Affordability Period.

5.03. **Indemnification.** Owner agrees to indemnify and hold harmless Lender from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lender as a result of any material inaccuracy in any of the representations and warranties contained herein.

**Article 6. Default, Enforcement and Remedies.**

6.01. **Events of Default.** Occurrence of one or more of the following events will, at the sole discretion of Lender, constitute an event of default ("Event of Default") under this Agreement:

(a) Owner shall fail to observe or perform or any of its obligations under this Agreement or breaches a covenant, agreement or restriction set forth in this Agreement, and the same is not cured within fifteen (15) calendar days after the giving of written notice to Owner; or

(b) any warranty or representation of Owner contained in this Agreement shall prove untrue or misleading in any material aspect; or

(c) Owner, or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan, shall make an assignment for the benefit of creditors; or a receiver, liquidator or trustee shall be appointed for Owner or for the Property; or petition for the bankruptcy, reorganization, readjustment or debt, dissolution, liquidation or arrangement, pursuant to the Federal Bankruptcy Act or any similar statute, shall be filed by Owner or on behalf of Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the guaranty executed in connection with the Loan shall be adjudged bankrupt or insolvent; or Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan, or any trustee or similar officer for Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan; or Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan, shall petition or apply to any tribunal for the appointment of a receiver for a substantial part of the assets of Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan; or Owner or any principal or general partner of Owner, or any guarantor under any guaranty executed in connection with the Loan, shall admit, in any proceeding, its insolvency or inability to pay its debts as they fall due; or

(d) Owner shall sell, lease, or otherwise transfer the Property, in whole or in part, without the prior written consent of Lender.

6.02. **Remedies.** Upon an occurrence of an Event of Default, Lender in its sole discretion, may: (i) apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, and/or for an injunction against any violation of this Agreement, and/or for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Agreement; or (ii) take any and all action at law, in equity, in restitution, or otherwise which it deems necessary or advisable. The parties hereby acknowledge that the beneficiaries of Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's default. Lender shall be entitled to its reasonable attorneys' fees in any such judicial action in which Lender shall prevail.

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6.03. **Cumulative and Concurrent Remedies.** Each right, power and remedy of Lender provided for in this Agreement now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of exercise by Lender of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lender of any or all such other rights, powers or remedies.

6.04. **Enforcement.** Any deed, lease, conveyance of contract made in violation of this agreement shall be void and may be set aside on petition of one or more of the parties to the agreement, and all successors in interest, heirs, executors, administrators, or assigns, shall be deemed parties to this Agreement to the same effect as the original signers; and when any such conveyance or other instrument is set aside by decree of a court of competent jurisdiction, all costs and all expenses of such proceedings shall be taxed against the offending party or parties, and shall be declared by the court to constitute a lien against the real estate so wrongfully deeded, sold, leased, or conveyed, until paid, and such lien may be enforced in such manner as the court may order.

**Article 7. Miscellaneous.**

7.01. **NOTICES.** All notices and other communications required or permitted under this Agreement shall be in writing and, if mailed by prepaid first-class mail or certified mail, return receipt requested, at any time other than during a general discontinuance of postal services due to strike, lockout or otherwise, shall be deemed to have been received on the earlier of the date shown on the receipt or three (3) Business Days after the postmarked date thereof and, if telecopied, shall be followed forthwith by letter and shall be deemed to have been received on the next Business Day following dispatch and acknowledgment of receipt by the recipient's telecopy machine. In addition, notices hereunder may be delivered by hand or overnight courier, in which event the notice shall be deemed effective when delivered. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

Lender:	GEORGIA HOUSING AND FINANCE AUTHORITY 60 Executive Park South, N.E., Suite 250 Atlanta, Georgia 30329 Attention: Director, Housing Management
Owner:	SABRE CHASE OF MCDONOUGH, L.P. 5700 Southwest 36th Street, Suite 1307 Gainesville, Florida 32608 Attention: Ronnie C. Davis

Any party hereto may change the address to which notices shall be directed by giving ten (10) Business Days' written notice of such change to the other parties.

7.02. **Partial Exercise.** No failure or delay on the part of Lender to exercise any right, power or privilege hereunder shall operate as a waiver of any such right, power or privilege hereunder. No failure or delay on the part of Lender to exercise any single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise of any right, power or privilege hereunder.

**7.03. Governing Law Waiver of Statutory Rights.** The parties expressly agree that the laws of the State of Georgia shall control in all instances involving the interpretation, rehabilitation and validity of the within Agreement. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who drafted or through its agent prepared the same; it being agreed that the agents of all parties have participated in the preparation hereof. The parties expressly agree that this Agreement shall supersede any statutory right to dissolve any covenant restricting land which may be found in O.C.G.A. 44-5-60, or any successor title thereto. Owner warrants and represents that it has read, is familiar with, and has received legal counsel concerning O.C.G.A. 450-26-8(a)(30), which permits Lender to impose restrictive covenants which shall be deemed running with the land to any person, corporation, partnership, or other form of business entity which receives financial assistance from the authority, which form of financial assistance shall include tax credits, bond financing, grants, guarantees of the authority, guarantees of the state, insurance of the authority, and all other forms of financial assistance, regardless of whether the Lender enjoys privity of estate or whether the covenants touch and concern the property burdened. Owner hereby waives any rights it may have under O.C.G.A. 44-5-60. Owner agrees that this Agreement takes precedence over any existing, or prospective laws or regulations. This Agreement shall survive any prepayment, acceleration, foreclosure, or deed in lieu of foreclosure. Owner hereby agrees that the Property shall be subject to the provisions of this Agreement, including, but not limited to, those provisions set forth in Articles 2 and 3 herein, for the Affordability Period of the Agreement, despite any prepayment of any financial assistance provided by Lender for the Property.

**7.04. Time of Essence.** Time is of the essence of this Agreement.

**7.05. Severability.** In the event that any part or portion of this Agreement is, for any reason, set aside or found to be unlawful, those lawful parts or portions remaining shall continue in full force and effect.

**7.06. Binding Effect: Covenants Running with the Land.** During the Affordability Period, this Agreement and the covenants, reservations and restrictions contained herein shall be deemed covenants running with the land for the benefit of Lender and its successors, and shall pass to and be binding upon Owner's heirs, assigns and successors in title to the Property and shall render Owner, and any heirs, assigns, and successors thereto, liable for any Event of Default, or if the Property shall not include title to land, but shall include a leasehold interest in land, this Agreement and the covenants, reservations and restrictions contained herein shall bind the leasehold interest as well as the Property and shall pass to and be binding upon all heirs, assigns and successors to such interests; provided, however, that upon expiration of the Affordability Period in accordance with the terms hereof, said covenants, reservations and restrictions shall expire. This Agreement constitutes a charge upon the Property and is not merely a personal obligation of Owner. Owner hereby acknowledges that this Agreement affects the legal rights which flow from ownership of the Property and which are connected with the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

This Agreement will inure to the benefit of and be binding upon the respective parties and their successors and assigns; provided, however, no right, benefit or advantage inuring to Borrower under this Agreement and no obligation imposed on the Borrower hereunder may be assigned without the prior written

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approval of Lender.

7.07. Effective Date. This Agreement shall be effective as of the day and year first above written.

7.08. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

7.09. Change in Neighborhood. A substantial or radical change in the character of the neighborhood surrounding the Property will not extinguish the restrictive covenant. The restrictive covenant shall survive any and all changed circumstances, including but not limited to the following: housing pattern changes; zoning amendments; the issuance of variances affecting the immediate or surrounding area; increased traffic or road conditions; enhancement of the value of the land/property; growing industrial activity; encroachment of business areas; development of natural resources; financial downturn of the Owner; or commercialization of the neighborhood in question.

This space intentionally left blank

Signatures on following page

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BOOK 1861 PAGE 213

IN WITNESS WHEREOF, the parties hereto have caused this Declaration of Land Use Restrictive Covenants to be duly executed as of the date and year first-above written.

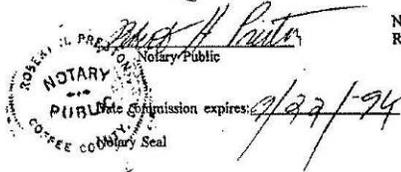
Signed, sealed and delivered on the 20 day of March 1994 in the presence of:

  
Witness

SABLE CHASE OF MCDONOUGH, L.P.

By:   
sole general partner

Name: Ronnie C. Davis  
Ronnie C. Davis  
SEAL



Signed, sealed and delivered

on the 20 day of March 1994 in the presence of:

  
Witness

GEORGIA HOUSING AND FINANCE AUTHORITY

By: Cynthia Mead  
Name: Douglas Shelby Cynthia Mead  
Title: Director Housing Development Executive Counsel

Spence Thompson  
Notary Public

Attest: Reginald Fern  
Reginald Fern  
Title: Manager Multifamily Programs

Date commission expires: [SEAL]  
Notary Public, DeKalb County, Georgia,  
My Commission Expires February 26, 1997.



BOOK 1861 PAGE 214

EXHIBIT A

LEGAL DESCRIPTION

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to the survey prepared for Sable Chase of McDonough, L.P., a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 288 in the Office of the Clerk of Superior Court of Henry County, Georgia.

Together with all of Sable Chase of McDonough L.P.'s right, title and interest in and to that certain EASEMENT from Ronnie C. Davis and Norita V. Davis to Sable Chase of McDonough L.P., executed and delivered and filed for the record in Office of Clerk of Superior Court of Henry County, Georgia on August 26, 1993 in Deed Book 1705, pages 191-197. Said EASEMENT being 80 feet in width, traversing a portion of a tract of land lying South of the real estate described above and extending from the South boundary line of the real estate described above to the North boundary line of the right-of-way of Georgia Highway 20 & 81. The real estate traversed by said EASEMENT being further described in said EASEMENT.

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**EXHIBIT B**

**Bedroom Sizes**

Forty-eight (48) one-bedroom units, one hundred five (105) two-bedroom units, and seventy-two (72) three-bedroom units

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DB 1862 | 258

STATE OF GEORGIA

McDonough - 41128

**BELLSOUTH**  
TELECOMMUNICATIONS

COUNTY OF Henry

BOOK 1862 PAGE 258

**EASEMENT**

For and in consideration of ONE dollars (\$ 1.00 ) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation, its licensees, agents, successors, assigns, and allied and associated companies, hereinafter referred to as Grantee, an easement to construct, operate, maintain, add, and/or remove such systems of communications, facilities, or related services as the Grantee may from time to time require upon, over, and under a portion of the lands described in Deed Book \_\_\_\_\_ page \_\_\_\_\_ County, Georgia, Records, and, to the fullest extent the grantor has the power to grant, upon, over, along, and under the roads, streets, or highways adjoining or through said property. The said easement is more particularly described as follows:

All that tract or parcel of land lying in Land Lot(s) 157 (Land District) (GAD) 7 Section Henry County, State of Georgia, consisting of a (strip)(part) of land 10 feet in width being more particularly located and shown on plat marked "EXHIBIT A" attached and made a part of this easement.

The following rights are also granted: the exclusive right to allow any other person, firm, or corporation to attach wires or lay cable or conduit or other appurtenances upon, over, and under said easement for communications or electric power transmission or distribution; ingress to and egress from said easement at all times; the right, but not the obligation, to clear the easement and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, to trim and cut and keep trimmed and cut all dead, weak, leaning, or dangerous trees or limbs outside the easement which might interfere with or fall upon the lines or systems of communication or power transmission or distribution; and the right to relocate said facilities, systems of communications, or related services on said lands to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto BellSouth Telecommunications, Inc., its licensees, agents, successors, assigns, and allied and associated companies forever and in perpetuity.

Grantor warrants that grantor is the true owner of record of the above described land on which the aforesaid easement is granted.

**SPECIAL STIPULATIONS OR COMMENTS:**

The following special stipulations shall control in the event of conflict with any of the foregoing easement:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Preparer's name and address:  
(Return document to the  
BellSouth address on back)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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McDonough  
APR 1 12 04 PM '94  
F. J. ...  
CLERK OF SUPERIOR COURT  
HENRY COUNTY, GA.

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In witness whereof, the undersigned has/have caused this instrument to be executed on the 24th day of January, 1994.

BOOK 1862 PAGE 259

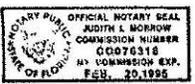
Signed, sealed, and delivered in the presence of:

Thomas D. Velina  
Witness

[Signature] L.S.  
Owner: SABLE CHASE OF McDONOUGH, L.P.

[Signature]  
Notary Public

Ronnie C. Davis, G.P. L.S.



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Grantor's Address:

Sable Chase of  
McDonough L.P.  
1700 SW 14th Street  
Suite 1307  
Gainesville, FL 32608

Grantee's Address:

Hillsouth Telecommunications, Inc.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

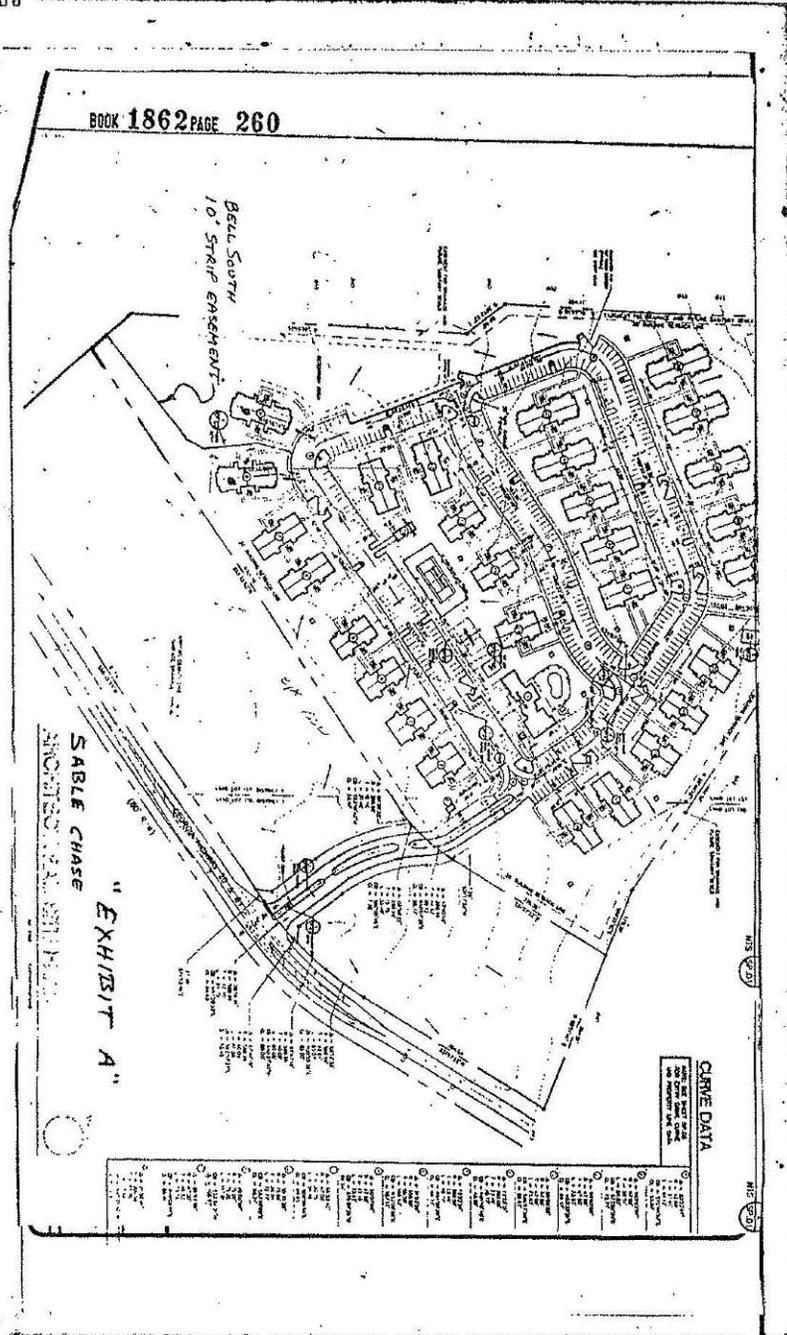
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TO BE COMPLETED BY HILLSOUTH TELECOMMUNICATIONS, INC.

District		Wire Center		Authority	
Drawing	Location	File Number	RW Number		
Approved				Title	

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REC'D IN U.S.  
PAGE 255  
DATE FEB 23 1995  
CLERK

BOOK 2040 PAGE 255

DECLARATION OF LAND USE RESTRICTIVE COVENANTS  
FOR LOW-INCOME HOUSING CREDITS

BY  
CLERK THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this "AGREEMENT"), dated as of  
December 23, 1994, by and between Sabla Chase of McDonough, L.P., and its successors and  
assigns (the "Owner") and the Georgia Housing and Finance Authority, an instrumentality of the State of  
Georgia and a public corporation (together with any successor to its rights, duties and obligations, the  
"Authority"), is given as a condition precedent to the allocation of low-income housing credits by the  
Authority.

WITNESSETH:

WHEREAS, the Owner is or shall be the owner of a 151-unit rental housing development located  
on lands in the City of McDonough, County of Henry, State of Georgia, more particularly described in  
Exhibit A hereto, known as or to be known as Sabla Chase I, (the "Project"); and

WHEREAS, the Authority has been designated by the Governor of the State of Georgia as the  
housing credit agency for the State of Georgia for the allocation of low-income housing credit dollars  
(the "Credit"); and

WHEREAS, the Owner has applied to the Authority for an allocation of Credit to the Project in  
the approximate amount of Seven Hundred Thousand low-income housing credit dollars (\$700,000);  
and

WHEREAS, the Owner has represented to the Authority in Owner's Low-income Housing Credit  
Application identified as Application # B2-012, amended from time to time and incorporated herein by  
reference, (the "Application"), that Owner shall lease 100% of the units in the Project to individuals  
or families whose income is 80% or less of the area median gross income, adjusted for family size  
("Low-income Tenants"), as determined in accordance with Section 42 of the Internal Revenue Code  
(the "Code"); and

WHEREAS, the Authority has determined the Project would support a Credit allocation in the  
amount of \$700,000; and

WHEREAS, the Owner has represented to the Authority in Owner's Application that it will  
impose additional rent restrictions or will covenant to maintain the Section 42 rent and income  
restrictions for additional period of time (Optional, check if applicable   ); and

WHEREAS, the Code requires as a condition precedent to the allocation of the Credit that the  
Owner execute, deliver and record in the official land deed records of the county in which the Project  
is located this Agreement to create certain covenants running with the land for the purpose of  
enforcing the requirements of Section 42 of the Code and the GHFA Occupancy Restrictions found in  
Section 5 hereof by regulating and restricting the use and occupancy and transfer of the Project as set  
forth herein; and

WHEREAS, the Owner, under this Agreement, intends, declares and covenants that the  
regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the  
Project shall be and are covenants running with the Project Land for the term stated herein and binding  
upon all subsequent owners of the Project Land for such term, and are not merely personal covenants  
of the Owner.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of  
other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner  
agrees as follows:

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**SECTION 1 - DEFINITIONS**

All words and phrases defined in Section 42 of the Code and by the U. S. Departments of Treasury or Housing and Urban Development (HUD) regulations pertaining thereto shall have the same meanings in this Agreement.

**SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND**

(a) Upon execution and delivery by the Owner, the Owner shall cause this Agreement and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to the Authority an executed original of the recorded Agreement showing the date, deed book and page numbers of record. The Owner agrees that the Authority will not issue the Internal Revenue Service Form 8609 constituting final allocation of the Credit unless and until the Authority has received the recorded executed original of the Agreement.

(b) The Owner intends, declares and covenants, on behalf of itself and all future Owners and operators of the Project Land during the term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project Land and the Project (i) shall be and are covenants running with the Project Land, encumbering the Project Land for the term of this Agreement, binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project Land, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner (and the benefits shall inure to the Authority and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of Georgia to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. For the longer of the period this Credit is claimed or the term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

**SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER**

The Owner hereby represents, covenants and warrants as follows:

- (a) The Owner (i) is a Limited Partnership duly organized under the laws of the State of Georgia, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.
- (b) The execution and performance of this Agreement by the Owner (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

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BOOK 2040 PAGE 257

- (c) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially adversely affect its financial condition.
- (d) The Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in Section 42 of the Code and applicable regulations.
- (e) Each unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless) which are to be used on other than a transient basis.
- (f) During the term of this Agreement, all units subject to the Credit shall be leased and rented or made available to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in Section 42(g) of the Code.
- (g) During the term of this agreement, the Owner is prohibited from refusing to lease to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.
- (h) During the term of this Agreement, the Owner covenants, agrees and warrants that each low-income unit is and will remain suitable for occupancy.
- (i) During the term of this Agreement, there shall be no disposition of any portion of any building to which the Agreement applies to any person or entity unless all of such building is disposed of to such person or entity. Subject to the requirements of Section 42 of the Code and this Agreement, the Owner may sell, transfer or exchange the entire Project at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Agreement and to the requirements of Section 42 of the Code and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any low-income portion of the Project. The Owner agrees that the Authority may void any sale, transfer or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Agreement and the requirements of Section 42 of the Code.
- (j) The Owner agrees to notify the Authority in writing of any sale, transfer or exchange of the entire Project or any low-income portion of the Project.
- (k) The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- (l) The Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Agreement unless required by law.
- (m) The Owner represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement.

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**SECTION 4 - INCOME RESTRICTIONS; RENTAL RESTRICTIONS**

The Owner represents, warrants and covenants throughout the term of this Agreement and to satisfy the requirements of Section 42 of the Code ("Section 42 Occupancy Restrictions") that:  
(Check applicable percentage election)

- (a) (1)  At least 20% or more of the residential units (or floor space fraction, as applicable) in the Project are both rent-restricted and occupied by individuals whose income is 60% or less of area median income.
- (2)  At least 40% or more of the residential units (or floor space fraction, as applicable) in the Project are both rent-restricted and occupied by individuals whose income is 60% or less of area median income.
- (b) The Owner agrees that for each taxable year in the extended use period (as such term is defined in Section 6 hereof), the applicable fraction as defined in Section 42(c)(1) of the Code shall not be less than the applicable fraction specified in Section 4(a) of this Agreement.
- (c) The determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.

**SECTION 5 - GHFA OCCUPANCY RESTRICTIONS**

This Section is intended to make enforceable those extended use or deeper targeting covenants which the Owner represented to the Authority in its Application.

The Owner represents, warrants and covenants throughout the term of this Agreement that:  
(Check if applicable)

- (a)  Throughout the compliance period and for \_\_\_\_\_ years after the close of the compliance period, the low-income units shall rent for at least \_\_\_\_\_% lower than the maximum gross rent allowed under Section 42 of the Code.
- (b)  The Owner will extend the Section 42 income and rental restrictions for \_\_\_\_\_ years after the close of the compliance period.

**SECTION 6 - TERM OF AGREEMENT**

(a) Except as hereinafter provided, this Agreement and the Section 42 Occupancy Restrictions and GHFA Occupancy Restrictions specified herein shall remain in effect throughout the extended use period. In accordance with Section 42 of the Code, the extended use period shall commence with the first day in the Project period on which any building which is part of the Project is placed in service and shall end on the later of (i) the date which is 15 years after the close of the compliance period, or (ii) the number of years after the close of the compliance period specified in Section 5(a) or (b) hereof.

(b) Notwithstanding subsection (a) above, unless the Secretary of the U. S. Department of the Treasury determines that such acquisition is part of an arrangement with the Owner, the purpose of which is to terminate the extended use period, the extended use period for any building which is part of this Project shall terminate:

- (1) On the date the building is acquired by foreclosure or instrument in lieu of foreclosure; or

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(2) On the last day of the one-year period beginning on the date (after the 14th year of the compliance period) the Owner properly submits a written request to the Authority, asking the Authority to assist in procuring a qualified contract for the acquisition of the low-income portion of any building which is a part of the Project if the Authority is unable to present a qualified contract during such one-year period; provided, however, that this Agreement may not be terminated pursuant to this subsection (b)(2) if the Owner has agreed to GHFA Occupancy Restrictions as reflected in Section 5 of this Agreement.

(c) Notwithstanding subsection (b) above, the Section 42 and GHFA rent requirements shall continue for a period of three years following the termination of the extended use requirement pursuant to the procedures specified in subsection (b) above. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such low-income unit.

#### SECTION 7 - ENFORCEMENT OF GHFA OCCUPANCY RESTRICTIONS

(a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Authority, to inspect any books and records of the Owner regarding the Project with respect to the income of Low-Income Tenants which pertain to compliance with the GHFA Occupancy Restrictions specified in this Agreement.

(b) The Owner shall submit any other information, documents or certifications requested by the Authority which the Authority shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the GHFA Occupancy Restrictions specified in this Agreement.

#### SECTION 8 - ENFORCEMENT OF SECTION 42 OCCUPANCY RESTRICTIONS

(a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code and applicable regulations of this Agreement. Moreover, Owner covenants to take any lawful action (including amendment of this Agreement as may be necessary, in the opinion of the Authority) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, or the Internal Revenue Service, or the Department of Housing and Urban Development from time to time pertaining to Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Owner with Section 42 of the Code and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING CREDITS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE AUTHORITY AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Project compliance under Section 42 of the Code and the applicable regulations.

- (d) The Owner acknowledges that Section 42 of the Code or regulations implementing said Section require the Authority to monitor the Section 42 Occupancy Restrictions and additionally that the Authority may choose to monitor the GHFA Occupancy Restrictions. The Owner will take any and all actions reasonably necessary and required by the Authority to substantiate the Owner's compliance with the Section 42 Occupancy Restrictions or GHFA Occupancy Restrictions and will pay a reasonable fee to the Authority for such monitoring activities performed by the Authority.
- (e) If the Project has been or will be financed by the Farmers Home Administration ("FmHA") under its Section 515 program, the Owner hereby further agrees that if a change in the law or the regulations governing the Credit results in increased monitoring responsibilities on the part of the Authority, the Owner agrees to comply with such additional monitoring requirements as may be imposed by the Authority in accordance with such statutory or regulatory change, and to pay an additional, reasonable fee assessed by the Authority to compensate it for such additional monitoring responsibilities.

**SECTION 9 - MISCELLANEOUS**

- (a) **Severability.** The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- (b) **Notices.** All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

To the Authority: Georgia Housing and Finance Authority  
60 Executive Park South N.E., Suite 250  
Atlanta, Georgia 30329  
ATTENTION: Low-Income Housing Credit Program

To the Owner: Ronnie C. Davis  
Sable Chase of McDonough, L.P.  
5700 SW 34th Street, Suite 1307  
Gainesville, Florida 32608

The Authority and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certifications or other communications shall be sent.

- (c) **Amendment.** The Owner agrees that it will take all actions necessary to effect amendment of this Agreement as may be necessary to comply with the Code any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Credit.
- (d) **Subordination of Agreement.** This Agreement and the restrictions hereunder are subordinate to the loan and loan documents, if any, on the Project except insofar as Section 42 requires otherwise (relating to the three-year vacancy control during the extended use period).
- (e) **Governing Law.** This Agreement shall be governed by the laws of the State of Georgia and, where applicable, the laws of the United States of America.
- (f) **Survival of Obligations.** The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

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IN WITNESS WHEREOF, the Owner has caused this Agreement to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER

Shanack R. Helms  
Witness

Signed, sealed and delivered on the 21<sup>ST</sup> day  
of FEBRUARY, 1985, in the presence of:

By: [Signature]  
(Name)

Title: Ronnie C. Davis, General Partner  
Sable Chase of McDonough L.P.

Ara C. Wright  
Notary Public in and for the State of Georgia, Florida  
whose commission expires on 5/11/87

ATTEST: \_\_\_\_\_



Boal

GEORGIA HOUSING AND FINANCE AUTHORITY

Marie Langston  
Witness

Signed, sealed and delivered on the 23 day  
of December, 1984, in the presence of:

By: [Signature]  
Name: Douglas W. Shelby

Title: Director, Housing Development

Carl S. Johnson  
Notary Public in and for the State of Georgia  
whose commission expires on \_\_\_\_\_

ATTEST: [Signature]



Boal

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Exhibit A

Legal Description

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.897 acres, more particularly described according to survey prepared for Sabie Chase of McDonough L.P. a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 188, in Office of Clerk of Superior Court of Henry County, Georgia.

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RECORD IN EX. 2040  
PAGE 263 - 270  
DATE REC. 2-23-95  
BY

BOOK 2040 PAGE 263

FEB 22 10 45 AM '95  
**DECLARATION OF LAND USE RESTRICTIVE COVENANTS  
FOR LOW-INCOME HOUSING CREDITS**

CLERK: THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS (this "AGREEMENT"), dated as of December 23, 1984, by and between Sabra Chasa of McDonough, L.P., and its successors and assigns (the "Owner") and the Georgia Housing and Finance Authority, an instrumentality of the State of Georgia and a public corporation (together with any successor to its rights, duties and obligations, the "Authority"), is given as a condition precedent to the allocation of low-income housing credits by the Authority.

**WITNESSETH:**

WHEREAS, the Owner is or shall be the owner of a 21-unit rental housing development located on lands in the City of McDonough, County of Henry, State of Georgia, more particularly described in Exhibit A hereto, known as or to be known as Sabra Chasa II (the "Project"); and

WHEREAS, the Authority has been designated by the Governor of the State of Georgia for the allocation of low-income housing credit dollars (the "Credit"); and

WHEREAS, the Owner has applied to the Authority for an allocation of Credit to the Project in the approximate amount of Three Hundred Thirty-Five Thousand Eight Hundred and Forty-One low-income housing credit dollars (\$335,841); and

WHEREAS, the Owner has represented to the Authority in Owner's Low-Income Housing Credit Application identified as Application # 02-050, amended from time to time and incorporated herein by reference, (the "Application"), that Owner shall lease 100% of the units in the Project to individuals or families whose income is 80% or less of the area median gross income, adjusted for family size ("Low-Income Tenants"), as determined in accordance with Section 42 of the Internal Revenue Code (the "Code"); and

WHEREAS, the Authority has determined the Project would support a Credit allocation in the amount of \$335,841; and

WHEREAS, the Owner has represented to the Authority in Owner's Application that it will impose additional rent restrictions or will covenant to maintain the Section 42 rent and income restrictions for additional period of time (Optional, check if applicable   ); and

WHEREAS, the Code requires as a condition precedent to the allocation of the Credit that the Owner execute, deliver and record in the official land deed records of the county in which the Project is located this Agreement to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the Code and the GHFA Occupancy Restrictions found in Section 5 hereof by regulating and restricting the use and occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Owner, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the Project Land for the term stated herein and binding upon all subsequent owners of the Project Land for such term, and are not merely personal covenants of the Owner.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

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**SECTION 1 - DEFINITIONS**

All words and phrases defined in Section 42 of the Code and by the U. S. Department of Treasury or Housing and Urban Development (HUD) regulations pertaining thereto shall have the same meanings in this Agreement.

**SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND**

(a) Upon execution and delivery by the Owner, the Owner shall cause this Agreement and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately transmit to the Authority an executed original of the recorded Agreement showing the date, deed book and page numbers of record. The Owner agrees that the Authority will not issue the Internal Revenue Service Form 8509 constituting final allocation of the Credit unless and until the Authority has received the recorded executed original of the Agreement.

(b) The Owner intends, declares and covenants, on behalf of itself and all future Owners and operators of the Project Land during the term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project Land and the Project (i) shall be and are covenants running with the Project Land, encumbering the Project Land for the term of this Agreement, binding upon the Owner's successors in title and all subsequent Owners and Operators of the Project Land, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner (and the benefits shall inure to the Authority and any past, present or prospective tenant of the Project) and its respective successors and assigns during the term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of Georgia to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements of privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. For the longer of the period the Credit is claimed or the term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement, provided, however, the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

**SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE OWNER**

The Owner hereby represents, covenants and warrants as follows:

- (a) The Owner (i) is a Limited Partnership duly organized under the laws of the State of Georgia, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.
- (b) The execution and performance of this Agreement by the Owner (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Owner is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

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- (c) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially adversely affect its financial condition.
- (d) The Project constitutes or will constitute a qualified low-income building or qualified low-income project, as applicable, as defined in Section 42 of the Code and applicable regulations.
- (e) Each unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless) which are to be used on other than a transient basis.
- (f) During the term of this Agreement, all units subject to the Credit shall be leased and rented or made available to members of the general public who qualify as Low-income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in Section 42(g) of the Code.
- (g) During the term of this agreement, the Owner is prohibited from refusing to lease to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.
- (h) During the term of this Agreement, the Owner covenants, agrees and warrants that each low-income unit is and will remain suitable for occupancy.
- (i) During the term of this Agreement, there shall be no disposition of any portion of any building to which the Agreement applies to any person or entity unless all of such building is disposed of to such person or entity. Subject to the requirements of Section 42 of the Code and this Agreement, the Owner may sell, transfer or exchange the entire Project at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Agreement and to the requirements of Section 42 of the Code and applicable regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any low-income portion of the Project. The Owner agrees that the Authority may void any sale, transfer or exchange of the Project if the buyer or successor or other person fails to assume in writing the requirements of this Agreement and the requirements of Section 42 of the Code.
- (j) The Owner agrees to notify the Authority in writing of any sale, transfer, or exchange of the entire Project or any low-income portion of the Project.
- (k) The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- (l) The Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Agreement unless required by law.
- (m) The Owner represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement.

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**SECTION 4 - INCOME RESTRICTIONS; RENTAL RESTRICTIONS**

The Owner represents, warrants and covenants throughout the term of this Agreement and to satisfy the requirements of Section 42 of the Code ("Section 42 Occupancy Restrictions") that:  
(Check applicable percentage election)

- (a) (1)  At least 20% or more of the residential units (or floor space fraction, as applicable) in the Project are both rent-restricted and occupied by individuals whose income is 60% or less of area median income.
- (2)  At least 40% or more of the residential units (or floor space fraction, as applicable) in the Project are both rent-restricted and occupied by individuals whose income is 60% or less of area median income.
- (b) The Owner agrees that for each taxable year in the extended use period (as such term is defined in Section 6 hereof), the applicable fraction as defined in Section 42(c)(1) of the Code shall not be less than the applicable fraction specified in Section 4(a) of this Agreement.
- (c) The determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.

**SECTION 5 - GHFA OCCUPANCY RESTRICTIONS**

This Section is intended to make enforceable those extended use or deeper targeting covenants which the Owner represented to the Authority in its Application.

The Owner represents, warrants and covenants throughout the term of this Agreement that:  
(Check if applicable)

- (a)  Throughout the compliance period and for \_\_\_\_\_ years after the close of the compliance period, the low-income units shall rent for at least \_\_\_\_\_% lower than the maximum gross rent allowed under Section 42 of the Code.
- (b)  The Owner will extend the Section 42 income and rental restrictions for \_\_\_\_\_ years after the close of the compliance period.

**SECTION 6 - TERM OF AGREEMENT**

- (a) Except as hereinafter provided, this Agreement and the Section 42 Occupancy Restrictions and GHFA Occupancy Restrictions specified herein shall remain in effect throughout the extended use period. In accordance with Section 42 of the Code, the extended use period shall commence with the first day in the Project period on which any building which is part of the Project is placed in service and shall end on the later of (i) the date which is 15 years after the close of the compliance period, or (ii) the number of years after the close of the compliance period specified in Section 5(a) or (b) hereof.
- (b) Notwithstanding subsection (a) above, unless the Secretary of the U. S. Department of the Treasury determines that such acquisition is part of an arrangement with the Owner, the purpose of which is to terminate the extended use period, the extended use period for any building which is part of this Project shall terminate:
  - (1) On the date the building is acquired by foreclosure or instrument in lieu of foreclosure; or

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(2) On the last day of the one-year period beginning on the date (after the 14th year of the compliance period) the Owner properly submits a written request to the Authority, asking the Authority to assist in procuring a qualified contract for the acquisition of the low-income portion of any building which is a part of the Project if the Authority is unable to present a qualified contract during such one-year period; provided, however, that this Agreement may not be terminated pursuant to this subsection (b)(2) if the Owner has agreed to GHFA Occupancy Restrictions as reflected in Section 6 of this Agreement.

(c) Notwithstanding subsection (b) above, the Section 42 and GHFA rent requirements shall continue for a period of three years following the termination of the extended use requirement pursuant to the procedures specified in subsection (b) above. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such low-income unit.

**SECTION 7 - ENFORCEMENT OF GHFA OCCUPANCY RESTRICTIONS**

(a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Authority, to inspect any books and records of the Owner regarding the Project with respect to the incomes of Low-Income Tenants which pertain to compliance with the GHFA Occupancy Restrictions specified in this Agreement.

(b) The Owner shall submit any other information, documents or certifications requested by the Authority which the Authority shall deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of the GHFA Occupancy Restrictions specified in this Agreement.

**SECTION 8 - ENFORCEMENT OF SECTION 42 OCCUPANCY RESTRICTIONS**

(a) The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code and applicable regulations of this Agreement. Moreover, Owner covenants to take any lawful action (including amendment of this Agreement as may be necessary, in the opinion of the Authority) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, or the Internal Revenue Service, or the Department of Housing and Urban Development from time to time pertaining to Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Agreement is to assure compliance of the Project and the Owner with Section 42 of the Code and the applicable regulations, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING CREDITS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT THE AUTHORITY AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A STATE COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(c) The Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Authority and all persons interested in Project compliance under Section 42 of the Code and the applicable regulations.

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- (d) The Owner acknowledges that Section 42 of the Code or regulations implementing said Section require the Authority to monitor the Section 42 Occupancy Restrictions and additionally that the Authority may choose to monitor the GHFA Occupancy Restrictions. The Owner will take any and all actions reasonably necessary and required by the Authority to substantiate the Owner's compliance with the Section 42 Occupancy Restrictions or GHFA Occupancy Restrictions and will pay a reasonable fee to the Authority for such monitoring activities performed by the Authority.
- (e) If the Project has been or will be financed by the Farmers Home Administration ("FmHA") under its Section 515 program, the Owner hereby further agrees that if a change in the law or the regulations governing the Credit results in increased monitoring responsibilities on the part of the Authority, the Owner agrees to comply with such additional monitoring requirements as may be imposed by the Authority in accordance with such statutory or regulatory change, and to pay an additional, reasonable fee assessed by the Authority to compensate it for such additional monitoring responsibilities.

**SECTION 9 - MISCELLANEDUS**

- (a) Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- (b) Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Authority: Georgia Housing and Finance Authority  
80 Executive Park South N.E., Suite 250  
Atlanta, Georgia 30329  
ATTENTION: Low-Income Housing Credit Program

To the Owner: Bonnie C. Davis  
Sable Chase of McDonough, L.P., Phase II  
5700 SW 34th Street, Suite 1307  
Gainesville, Florida 32608

The Authority and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certifications or other communications shall be sent.

- (c) Amendment. The Owner agrees that it will take all actions necessary to effect amendment of this Agreement as may be necessary to comply with the Code any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Credit.
- (d) Subordination of Agreement. This Agreement and the restrictions hereunder are subordinate to the loan and loan documents, if any, on the Project except insofar as Section 42 requires otherwise (relating to the three-year vacancy control during the extended use period).
- (e) Governing Law. This Agreement shall be governed by the laws of the State of Georgia and, where applicable, the laws of the United States of America.
- (f) Survival of Obligations. The obligations of the Owner as set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

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IN WITNESS WHEREOF, the Owner has caused this Agreement to be signed by its duly authorized representatives, as of the day and year first written above.

OWNER

Sharon P. Helmer  
Witness

Signed, sealed and delivered on the 21<sup>st</sup> day  
of FEBRUARY, 1995, in the presence of:

[Signature]  
(Name)

Title: Ronnie C. Davis, General Partner  
Sable Chase of McDonough L.P.

Lisa Upright  
Notary Public in and for the State of FLORIDA Florida  
whose commission expires on 5/11/97

ATTEST: \_\_\_\_\_



Seal

GEORGIA HOUSING AND FINANCE AUTHORITY

Marie Slaughter  
Witness

Signed, sealed and delivered on the 13 day  
of February, 1995, in the presence of:

By: [Signature]  
Name: Douglas W. Shelby

Title: Director, Housing Development

Cathy S. Johnson  
Notary Public in and for the State of Georgia  
whose commission expires on \_\_\_\_\_

ATTEST: [Signature]

Notary Public, DeKalb County, Georgia  
My Commission Expires April 10, 1998.



Seal

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Exhibit A

Legal Description

All that tract or parcel of land situate, lying and being in Original Lots of Land Nos. 156 & 157, 7th Land District of Henry County, Georgia and being all of Tract "A" containing 24.887 acres, more particularly described according to survey prepared for Sable Chase of McDonough L.P. a Georgia Limited Partnership, dated November 13, 1992, recorded in Plat Book 21, page 388, in Office of Clerk of Superior Court of Henry County, Georgia.

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DOC# 050239  
FILED IN OFFICE  
12/05/2001  
01:47:56PM  
BK:04622 PG:0231-239  
JUDITH A. LEWIS  
CLERK OF  
SUPERIOR COURT  
HENRY COUNTY, GA

*Charter Communications  
Attn: Missie Varner  
1920 Brannan Road  
McDonough, Ga. 30253  
678-938-0907*

**SERVICE DISTRIBUTION EASEMENT  
AND MAINTENANCE AGREEMENT**

THIS AGREEMENT is entered into as of October 15, 2001 (the "Effective Date"), by and between Sable Chase of McDonough, Ltd. ("Owner") with its principal office located at 20721 SW 46<sup>th</sup> Avenue, Newberry, FL 32669, and Charter Communications, LLC, d/b/a Charter Communications ("Operator") with its principal office located at 1920 Brannan Road, McDonough, GA 30253.

WHEREAS, Owner owns, governs or manages the common areas of the residential community known as Sable Chase Apartments, whose address is 102 Sable Chase Boulevard, McDonough, GA 30253, consisting of 225 units, plus any units added or constructed in the future, the legal description of which is provided hereto in Exhibit A, (the "Complex") attached hereto and by this reference made a part of this agreement; and

WHEREAS, Operator owns and operates a cable communications system (the "System") in McDonough, Georgia (the "Community") and provides cable communications services to the residents of the Community, pursuant to a franchise agreement or other authorization granted by the local franchising authority (the "Franchise"), and

WHEREAS, Owner desires to obtain and Operator is willing to provide cable television and other communications services (the "Service") to the Complex upon the terms and conditions contained herein,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

1. **TERM.** The term of this Agreement shall commence on the date hereof and shall end twelve (12) years thereafter (the "Initial Term"), unless sooner terminated as provided herein, and will be automatically renewed for successive one-year terms (the "Renewal Terms") unless either party provides the other with written notice of its intent not to renew this Agreement at least sixty (60) days in advance of the expiration of the then-current applicable term.

2. **INSTALLATION, OWNERSHIP AND MAINTENANCE OF SYSTEM.**

option, may either remove any or all Equipment or leave any or all of it in place. Operator shall repair, replace and maintain all Equipment at its own expense.

(c) Any property damage to the Complex proximately caused by Operator as a result of its installation, repair, maintenance or removal of the Equipment shall be timely and reasonably repaired by the Operator. Owner shall take reasonable precautions to notify its contractors, agents and employees of the location of the Equipment and shall promptly notify Operator of any underground construction in the vicinity of the Complex. Owner shall promptly repair or cause to be repaired to the reasonable satisfaction of Operator any damage to the Equipment caused by Owner, its agents, employees or invitees.

82.1. 3. **GRANT OF EASEMENT RIGHTS.** Owner hereby grants and conveys to Operator and its successors and assigns an unrestricted easement and right of access on, over, under, within and through the common areas of the Complex as is necessary to install, maintain, repair, replace, and/or remove the Equipment and the System. Such rights shall run with the land and thereafter during any period allowed for removal of the Equipment. Such grant shall include a right of reasonable access within the Complex to sell and market the Service; to connect, disconnect, and/or change Service to the Units; to install and remove Equipment within the Units; and, as necessary, to repair, maintain, relocate or replace Equipment. All such repair, maintenance, relocation or replacement shall be the responsibility of Operator.

4. **OCCUPANTS' ACCOUNTS.** All transactions for the acquisition of the Service shall be directly between Operator and occupants. The occupants rather than Owner shall be responsible for (i) the installation charges, (ii) monthly subscription rates, and (iii) Equipment deposits or other charges for the Service. Operator assumes sole responsibility for collection of charges, billing, accounting and other related services.

92.1. 5. **COVENANTS OF OWNER.** As of the date hereof and during the term of this Agreement:

(a) Owner warrants that it has title to, or management authority over the common areas of the property on which the Complex is located and is authorized to enter into this Agreement, or, if the execution of this Agreement is not by Owner, the signatory is the authorized agent of Owner. This Agreement constitutes the legal, valid and binding obligation of Owner.

(b) Owner agrees to provide in writing to Operator the name of the manager of the Complex.

(c) As an inducement to Operator to make the capital expenditure required to install the Service in the Complex, Owner represents that it has not granted and will not grant any other easements or rights which will interfere or compete with the operation within the Complex of Operator's Service or Equipment.

6. **INDEMNIFICATION.** Operator shall hold harmless and indemnify Owner and its principals, partners, affiliates, officers, directors, agents and employees from and against any and all damage or claims for damage asserted by reason of Operator's installation and maintenance of

the Equipment in the Complex (except loss or damage arising from any negligent or willful act or omission of Owner, its agents, employees, or invitees) or the material breach of any representation, warranty or covenant made by Operator in this Agreement. Operator agrees to maintain public liability insurance for not less than one million dollars (\$1,000,000.00) for injury to any one person, two million dollars (\$2,000,000.00) for injury resulting from one accident and property damage for not less than five hundred thousand dollars (\$500,000.00).

Owner shall hold harmless and indemnify Operator and its principals, partners, affiliates, officers, directors, agents and employees from and against any and all damage or claims for damage asserted by reason of any acts or omissions of Owner, its agents, employees, or invitees causing damage to the Equipment in the Complex (except loss or damage arising from any negligent or willful act or omission of Operator, its agents, employees, or invitees) or the material breach of any representation, warranty or covenant made by Owner in this Agreement.

If either party is obligated to incur costs in order to enforce any provision of this Agreement, the prevailing party shall be entitled to reimbursement for all reasonable costs so incurred, including reasonable attorneys' fees and costs.

7. **TERMINATION.**

(a) This Agreement may be terminated by either party if the other party violates any provision of this Agreement, provided, however, that the defaulting party shall be given notice of the default and shall have thirty (30) days from receipt of such notice in which to cure or commence diligent efforts to cure the default. If the defaulting party has not cured or commenced diligent efforts to cure (and is proceeding diligently to cure) such default by the end of such 30-day period, this Agreement shall terminate on the date stated in the notice.

(b) Operator may terminate this Agreement upon sixty (60) days' written notice (or such shorter period as may be required by law) to Owner if Operator is unable to continue the distribution of the Service due to any governmental law, rule, regulation, judgment of any court, contract with a third party, force majeure or any other reason beyond the reasonable control of Operator, or if the Franchise is assigned, terminated, surrendered or revoked for any reason.

8. **INSTALLATION OF FACILITIES/SERVICE INTERRUPTION.** In the event that during the term of this Agreement, installation and maintenance of the Equipment in the Complex is not undertaken, or the Service is interrupted or discontinued due to an occurrence beyond the reasonable control of Operator, such discontinuance or interruption shall not be considered to be a breach of this Agreement.

9. **ASSIGNMENT.** This Agreement may be assigned by either party without the consent of the other party. An assignment by Operator shall release Operator from any and all obligations arising after the later occurrence of the effective date of such assignment and the date Owner is first notified of the assignment or pending assignment. This Agreement shall be automatically assigned by Owner to the transferee in the event of the sale, gift, bequest, devise, or voluntary or involuntary transfer of all or any part of the Complex or upon the assignment or transfer of any

management contract that may exist for the Complex. Owner hereby agrees to provide Operator with at least thirty (30) days' prior notice of any sale, gift, assignment or transfer of Owner's interest in the Complex, including any assignment or transfer of any management agreement existing on the Complex. Such notice shall include without limitation the name and address of the prospective transferee. Owner further agrees to provide a copy of this Agreement to any such prospective transferee.

10. MISCELLANEOUS.

- (a) The easement and rights of access granted herein shall run with the land and shall survive any sale, assignment or transfer of the Complex.
- (b) Applicable Law. The parties acknowledge that this Agreement is subject to the provisions of applicable federal and state laws and regulations including any applicable cable communications franchise. Any obligation, duty or provision under this Agreement that conflicts with any provision of the Franchise or with applicable federal or state laws or regulations, is to that extent void. This Agreement has been made, and its validity, performance, and effect shall be determined in accordance with the internal laws of the state in which the subject matter of this Agreement is located.
- (c) Waiver. The waiver by either party of a breach or violation of, or failure of either party to enforce, any provision of this Agreement shall not operate or be construed as (i) a waiver of any subsequent breach or violation or (ii) a relinquishment of any rights hereunder.
- (d) Integration and Modification. This writing represents the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all previous agreements of whatever nature between the parties with respect to the subject matter; it may not be altered or amended except by an agreement in writing signed by both parties.
- (e) Headings; Exhibits. The headings of sections in this Agreement are for convenience only. The headings form no part of this Agreement and shall not affect its interpretation. All schedules, exhibits, addenda or attachments referred to herein shall be incorporated into and constitute a part of this Agreement.
- (f) Severability. If any part of any provision of this Agreement is invalid or unenforceable under applicable law, the provision shall be ineffective only to the extent of such invalidity or unenforceability without in any way affecting the remaining parts of the provision or this Agreement.
- (g) Construction. Both parties hereby acknowledge that they participated equally in the negotiation and drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other.

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- (h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- (i) Trade Term Usage. Words used in this Agreement shall be given the meanings that they normally possess in the cable communications industry, unless otherwise specifically defined herein.
- (j) Remedial Recourse Limitation. The parties expressly agree that (i) any recourse by Owner shall be exclusively limited to the tangible assets of Operator and shall not include any assets of any parent company or partnership owner, officers, directors, employees or affiliates, or any other entity associated with Operator; and (ii) neither party shall be entitled to incidental or consequential damages or awards for any breach or violation of this Agreement.
- (k) Additional terms, if any, are contained in the attached Addendum, which is incorporated herein by this reference.
- (l) Force Majeure. Neither party shall incur any liability whatsoever for any breach which results from events beyond such party's reasonable control, including but not limited to: (i) acts of God; (ii) acts of the federal, state or local government; (iii) fire, floods, explosions, earthquakes, wind, storms, hurricanes, lightning or other catastrophes; and (iv) civil riot, disturbances or strikes.

11. NOTICES. All notices, demands, requests, approvals, or other communications which either party to this Agreement is required to give, shall be deemed given when personally delivered or mailed in a sealed envelope, with registered or certified mail, postage prepaid thereon, addressed as follows:

(i) If to Operator:  
Charter Communications  
1920 Brannan Road  
McDonough, GA 30253  
Attention: General Manager

With a copy to: Charter Communications  
Legal Department  
12405 Powerscourt Drive  
Saint Louis, MO 63131

With a copy to: Dave Troxel, Vice President – Operations  
Charter Communications  
280 Corporate Center Drive  
Stockbridge, GA 30281

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- (ii) If to Owner:  
Sable Chase of McDonough, Ltd.  
20721 SW 46<sup>th</sup> Avenue  
Newberry, FL 32669  
Attention: James J. Stockman, General Manager

Each party hereto shall promptly notify the other of any change of address in accordance with the provisions of this Section.

IN WITNESS THEREOF, the parties have executed Service Distribution Easement and Maintenance Agreement as of the date first above written.

**OPERATOR:**

Charter Communications, LLC,  
d/b/a Charter Communications

By: *Trudi Fawshar*  
Name: Trudi Fawshar  
Title: Vice President

WITNESSES:

*Angela Adams*  
*Angela Adams*

**OWNER:**

Sable Chase of McDonough, Ltd.

By: *Stefan M. Davis*  
Name: Stefan M. Davis  
Title: as attorney-in-fact for  
Ronnie C. Davis, General Partner  
under the Durable Power of Attorney  
WITNESSES: dated December 28, 1999

*Marjorie Mulman*  
*Jim [Signature]*

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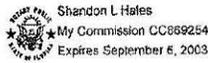
STATE OF Florida )  
COUNTY OF Alachua ) ss.

Before me, a notary public in and for said State, appeared Stefan M. Davis known to me to be the General Partner of the Owner described in the foregoing Agreement, and executed said instrument as his free act and deed.

Given under my hand and seal this 15<sup>th</sup> day of October, 2001.

My commission expires: 9/6/03

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Shandon L. Hales  
Notary Public

[SEAL]

STATE OF Missouri )  
COUNTY OF St. Louis ) ss.

Before me, a notary public in and for said State, appeared Tyvidi Foushwa, known to me to be the Vice Pres. for the Operator described in the foregoing Agreement, and executed said instrument as his free act and deed.

Given under my hand and seal this 9 day of Nov, 2001.

My commission expires: 5/10/04



Mark Bommarito  
Notary Public

[SEAL]

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EXHIBIT A

Attached to and Forming a Part of the  
Service Distribution Easement and Maintenance Agreement  
between  
Sable Chase of McDonough, Ltd., as Owner, and  
Charter Communications, LLC, d/b/a Charter Communications, as Operator  
dated October 15, 2001

Legal Description  
(see attached)

## **ADDENDUM B**

**AGREEMENT OF PURCHASE AND SALE  
AND ESCROW INSTRUCTIONS**

by and between

**SABLE CHASE OF McDONOUGH, L.P.**

as Seller,

and

**SOUTHEAST HOLDINGS, LLC**

as Buyer

Property:

Sable Chase Apartments  
102 Sable Chase Boulevard  
McDonough, GA 30253

## AGREEMENT OF PURCHASE AND SALE AND ESCROW INSTRUCTIONS

**THIS AGREEMENT OF PURCHASE AND SALE AND ESCROW INSTRUCTIONS** (the "**Agreement**") is made as of October 1, 2013 (the "**Execution Date**"), by and between **SABLE CHASE OF MCDONOUGH L.P.**, a Georgia limited partnership, ("**Seller**"), and **SOUTHEAST HOLDINGS, LLC**, a \_\_\_\_\_ limited liability company or permitted assignee pursuant to a Permitted Assignment ("**Buyer**").

### RECITALS

- A. Seller is the owner of the Property (as defined in Section 2).
- B. Buyer desires to purchase and Seller is willing to sell the Property on the terms and conditions of this Agreement.
- C. The parties do not intend to be present at the Closing and therefore desire to establish escrow procedures for closing the sale of the Property.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

### AGREEMENT

1. **Certain Basic Definitions.** For purposes of this Agreement, the following terms shall have the following definitions:

1.1 **"Buyer's Address"** means:

Address: 718 West Business Hwy 60  
Dexter, Missouri 63841  
Attention: Matt Mills  
Telephone No.: 573-624-8901  
Email: [matt@se-holdings.com](mailto:matt@se-holdings.com)

1.2 **"Closing Date"** means the date upon which the transaction contemplated by this Agreement is consummated, which date shall be November 1, 2013; provided, however, that Buyer shall have the one-time right to extend the Closing Date to December 1, 2013 by written notice to Seller given not less than five (5) business days prior to the originally scheduled Closing Date.

1.3 **"Earnest Money Deposit" or "Deposit"** means the amount of Twenty-Five Thousand and No/100 U.S. Dollars (\$25,000.00) and all interest accrued thereon, which amount shall be delivered to Escrow Holder within two (2) business days of the Execution Date. In the event Buyer elects to extend the Closing Date as provided in Section 1.2, Buyer shall deposit with Escrow Holder at the time of such election the amount of Twenty-Five Thousand and No/100 U.S. Dollars (\$25,000.00), which, together with all interest accrued thereon, shall be

included in the Earnest Money Deposit or Deposit. In the event Buyer fails to deliver the second Earnest Money Deposit as and when specified, Buyer shall close on November 1, 2013.

1.4 "**Due Diligence Period**" means the period ending prior to the Execution Date. Buyer acknowledges full satisfaction of Due Diligence as provided in Section 3.3, and waives its rights as pursuant to Section 3.3.

1.5 "**Escrow Holder**" means Specialized Title Services, Inc.

1.6 "**Escrow Holder's Address**" means:

Address: 6133 Peachtree Dunwoody Road  
Atlanta, GA 30328  
Attention: George C. Calloway, Esq.  
Telephone No.: 770-698-2025  
Facsimile No.: 770-698-2027  
E-Mail: [gcalloway@specializedtitle.com](mailto:gcalloway@specializedtitle.com)

1.7 "**Excluded Items**" means all proprietary, privileged or confidential information of Seller relating to the Property, including but not limited to, Seller's internal financial analyses, appraisals, Seller's credit analyses and collection plans, materials relating to Seller's cost to acquire the Property and any documents or communications subject to the attorney/client privilege.

1.8 "**Execution Date**" means the date set forth in the preamble of this Agreement.

1.9 "**Permitted Encumbrances**" means those matters listed on Exhibit "H" attached hereto and by this reference made a part hereof, as adjusted pursuant to the terms of Section 3.3.3 and 3.3.4.

1.10 "**Purchase Price**" means the sum of Eight Million and No/100 Dollars (\$8,000,000.00).

1.11 "**Security Deposit**" means any amounts paid by or on behalf of any tenant in connection with any lease or occupancy agreement, oral or written, for the purpose of securing the observance and performance by the tenant of its obligations under any lease or occupancy agreement, whether oral or written, at the Property.

1.12 "**Seller's Address**" means:

Sable Chase of McDonough, L.P.  
3111 Paces Mill Road, Suite A-250  
Atlanta, GA 30339  
Attention: Mr. Martin H. Petersen  
Telephone No.: 770-984-2100, ext. 107  
Facsimile No.: 770-952-9116

E-mail: ppetersen@hallmarkco.com

**1.13 "Title Company"** means Stewart Title Guaranty Company, by its agent Specialized Title Services, Inc.

**2. Sale of Property; Purchase Price.**

**2.1 Sale of Property.** Subject to the terms, covenants and conditions of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller:

- (a) the land located in the City of McDonough, Georgia, known as Sable Chase Apartments, 102 Sable Chase Boulevard, McDonough, Georgia 30253, which property is more particularly described in **Exhibit "A"** attached hereto ("**Land**");
- (b) all buildings and other improvements located on the Land ("**Improvements**");
- (c) all right, title and interest of Seller, if any, in and to any equipment, machinery or other property which is affixed to the Improvements so as to constitute fixtures under Georgia law on the date of Closing ("**Fixtures**") (the Land, the Improvements and the Fixtures are collectively referred to herein as the "**Real Property**");
- (d) all right, title and interest of Seller in and to all furniture, furnishings, decorations and other tangible personal property now existing and located upon the Real Property on the date of Closing, but excluding tangible personal property owned by tenants of the Real Property under Tenant Leases (as defined below) and the Excluded Items (the "**Personal Property**") (the Real Property, the Personal Property, and the "Intangible Property," defined below, are collectively referred to herein as the "**Property**");
- (e) all right, title and interest of Seller, if any, in and to all leases for apartment units within the Real Property (collectively, the "**Tenant Leases**"); and
- (f) all right, title and interest of Seller, if any, in and to all trademarks, service marks, websites, trade names (whether or not registered), trade dress, logos and marketing materials used in connection with the Real Property ("**Intangible Property**").

**2.2 Purchase Price.** The Purchase Price shall be payable as follows:

**2.2.1 Earnest Money Deposit.** The Earnest Money Deposit shall be delivered by Buyer to Escrow Holder as and when specified in Section 1.3 above in the form of a wire transfer or cashier's check drawn on good and sufficient funds.

**2.2.2 Existing Loan.** The Property shall be conveyed to Buyer by Buyer an existing mortgage (the "Existing Mortgage") in the original principal amount of \$4,900,000.00. Buyer shall receive a credit against the Purchase Price at Closing equal to the outstanding principal balance of the loan secured by the Existing Mortgage ("**Loan Balance**"). All accrued and unpaid interest under the Existing Mortgage shall be prorated as of the Closing

Date. Buyer shall use its best efforts in applying for the consent from the holder of the Existing Mortgage upon terms acceptable to Buyer (which terms shall be acceptable to Buyer if they are the same terms as exist currently under the Existing Mortgage) and shall diligently pursue approval of the application by the expiration of the Due Diligence Period, provided, however, that Seller shall cooperate with Buyer as necessary.

**2.2.3 Balance.** Buyer shall deposit into Escrow with Escrow Holder an amount ("**Cash Balance**"), in immediately available federal funds equal to the Purchase Price minus Loan Balance and the Earnest Money Deposit and adjusted by the amount of any credits due or any items chargeable to Buyer under this Agreement. Buyer shall so deposit the Cash Balance upon the Closing Date such that Escrow Holder will be in a position to disburse the cash proceeds to Seller on the Closing Date.

**3. Escrow; Closing.**

**3.1 Escrow.** Upon the execution of this Agreement by Buyer and Seller, and the acceptance of this Agreement by Escrow Holder in writing, this Agreement shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder to open an escrow ("**Escrow**") for the consummation of the sale of the Property to Buyer pursuant to the terms of this Agreement. Upon Escrow Holder's written acceptance of this Agreement, Escrow Holder is authorized to act, and shall act, in accordance with the terms of this Agreement. Buyer and Seller shall execute Escrow Holder's general escrow instructions, upon request; provided, however, that if there is any conflict or inconsistency between such general escrow instructions and this Agreement, this Agreement shall control. Upon the Close of Escrow, Escrow Holder shall pay any sum owed to Seller with immediately available federal funds.

**3.2 Closing Date.** The Escrow shall close ("**Close of Escrow**") on the Closing Date, provided that all conditions to the Close of Escrow set forth in this Agreement have been satisfied or waived in writing by the party intended to be benefited thereby.

**3.3 Due Diligence.** The Close of Escrow is subject to and contingent on the satisfaction (which satisfaction shall be in the Buyer's full discretion and without limitation) of the following conditions or the waiver of the same by Buyer in writing:

**3.3.1** As defined in Section 1.4, and notwithstanding anything contained in this Agreement to the contrary, the Due Diligence period expired prior to the Execution Date.

**3.3.2 Inspection.** (a) Buyer shall have the right to conduct physical inspections of the Property immediately after the Execution Date of this Agreement upon written notice to Seller. Buyer's physical inspection of the Property shall be conducted during normal business hours at times mutually acceptable to Buyer and Seller. No such inspection may interfere with the rights of tenants under the Tenant Leases. No invasive testing or boring shall be done without the prior notification of Seller and Seller's written permission of the same, which permission may be granted or withheld in Seller's sole and absolute discretion; provided, however, if Buyer requests Seller's permission to perform invasive testing or boring Seller shall make commercially reasonable efforts to respond to such request within two (2) business days.

All activities permitted to be undertaken by Buyer, its agents or representatives, on the Property during the Due Diligence Period shall fully comply with all applicable laws, rules and regulations of all governmental and quasi-governmental authorities, including laws relating to worker safety and to proper disposal of any samples taken from the Property.

(b) Buyer acknowledges that prior to the expiration of the Due Diligence Period: (i) Buyer has or will have conducted such surveys, inspections and other studies of the Property; and (ii) Seller has provided Buyer with adequate opportunity to make such inspection of the Property (including an inspection for zoning, land use, environmental and other laws, regulations and restrictions) as Buyer has, in Buyer's discretion, deemed necessary or advisable to determine the physical, environmental and land use characteristics of the Property and its suitability for Buyer's intended use. If the Close of Escrow does not occur for any reason, Buyer shall deliver to Seller without charge all surveys; inspections; geologic, environmental and soil tests; and other studies of the Property performed by or on behalf of Buyer during the Due Diligence Period.

(c) Buyer shall protect, indemnify, defend and hold the Property, Seller, and its shareholders, directors, participants, affiliates, employees, representatives, invitees, agents and contractors free and harmless from and against any and all claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Liabilities**"), resulting from Buyer's inspection and testing of the Property, including, without limitation, repairing any and all damages to any portion of the Property, arising out of or related (directly or indirectly) to Buyer's conducting such inspections, surveys, tests, and studies, unless such Liabilities are caused by the negligence or misconduct of Seller; provided, however, that the foregoing indemnity shall not apply to any Liabilities (a) to the extent caused by the negligence or willful misconduct of Seller, its agents, employees or contractors, or (b) caused by the discovery by Buyer of a pre-existing condition or substance (but not Buyer's deposit of same on the Property). Buyer shall keep the Property free and clear of any mechanics' liens or materialmen's liens related to Buyer's right of inspection and the activities contemplated by Section 3.3.2 of this Agreement. The Buyer's indemnification obligations set forth in this Section 3.3.2(c) shall survive the Close of Escrow and shall not be merged with the Deed, and shall survive the termination of this Agreement and Escrow prior to the Close of Escrow.

(d) During the Due Diligence Period, Buyer shall have the right and opportunity to review the loan documents in connection with the Existing Mortgage, copies of which shall be provided to Buyer.

**3.3.3 Preliminary Title Report.** Buyer acknowledges and agrees that Buyer has received as of the Execution Date and has had the opportunity to review a copy of a title update with an Effective Date of August 22, 2013, which is in the form of a title commitment issued by Stewart Title Guaranty Company and copies of title exceptions listed therein (collectively, the "**PTR**"). Buyer hereby acknowledges that Buyer is satisfied with the title to the Property as reflected in the PTR, which shall become Permitted Encumbrances, and waives any right to object to title matters. Seller agrees that all monetary liens and monetary encumbrances on the Property as a result of Seller's intentional actions (other than non-

delinquent real property taxes and assessments) will be removed from title by Seller at its sole cost and expense prior to the Close of Escrow.

**3.3.4 Survey.** Buyer acknowledges and agrees that Buyer, at its sole cost and expense, will have the opportunity to obtain a new survey of the Land (the "**Survey**"); provided that the Closing Date shall not be extended in order for Buyer to obtain such a Survey. Buyer shall be deemed to have accepted and approved all matters that would be disclosed by a Survey of the Land and all such matters shall become Permitted Encumbrances.

**3.3.5 Due Diligence Items.** Buyer has reviewed the due diligence items listed on **Exhibit "F"** ("**Due Diligence Items**") to the extent such items are within Seller's possession or control, within the Due Diligence Period. Buyer acknowledges that Seller has delivered to Buyer a list of Personal Property currently located on the Real Property.

**3.3.6 Intentionally Deleted.**

**3.3.7 Additional Buyer Conditions to Closing.** The obligations of Buyer to consummate the transactions provided for herein are subject to and contingent upon the satisfaction of the following conditions or the waiver of same by Buyer in writing:

(i) All representations and warranties of Seller contained in this Agreement shall be substantially and materially true and correct as of the date made and as of the Close of Escrow with the same effect as though such representations and warranties were made at and as of the Close of Escrow.

(ii) Seller shall have performed and satisfied all agreements and covenants required hereby to be performed by Seller prior to or at the Close of Escrow.

(iii) On the Closing Date, the Title Company shall have irrevocably committed to issue to Buyer the Title Policy in an amount equal to the Purchase Price reflecting that title to the Real Property is vested in the name of Buyer as of the date of Closing, subject only to the Permitted Encumbrances.

(iv) Seller's existing contract for the management of the Property with Hallmark Management, Inc. (the "Manager") shall have been terminated (with Seller solely responsible for all costs of termination and the Manager responsible for all its employee costs); and

(v) There shall have been no material adverse change in the physical condition of the Property not otherwise timely cured by Seller under any right to cure as provided in this Agreement, the information reflected in updated rent roll delivered by Seller pursuant to Section 3.6.6 below shall not be materially and adversely different in any respect from the information in the rent roll attached hereto as **Exhibit "I,"** and there shall have been no other material adverse change in the financial condition of the Property.

**3.4 Leasing.** From the date hereof through the Close of Escrow, all leases entered into by Seller shall be for residential units in the Property, shall be on forms customarily

used in the jurisdiction in which the Property is located and complying with the laws of such jurisdiction, shall be for initial terms of at least six months and not more than two years, shall not include options to purchase and shall be at leasing rates generally consistent with Seller's leasing program in effect as of the Execution Date (including rebates and promotions). During the pendency of this Agreement Seller shall operate the Property in the ordinary course and consistent with Seller's customary operation, marketing and management practices.

**3.5 Seller's Conditions to Closing.** The obligations of Seller to consummate the transactions provided for herein are subject to and contingent upon the satisfaction of the following conditions or the waiver of same by Seller in writing:

**3.5.1 Representations and Warranties.** All representations and warranties of Buyer contained in this Agreement shall be true and correct as of the date made and as of the Close of Escrow with the same effect as though such representations and warranties were made at and as of the Close of Escrow.

**3.5.2 Covenants.** Buyer shall have performed and satisfied all agreements and covenants required hereby to be performed by Buyer prior to or at the Close of Escrow.

**3.5.3 Release from Existing Mortgage Liability and Obligations.** Buyer shall have obtained approval for the assumption of the Existing Mortgage by the holder of the Existing Mortgage, and Buyer and any guarantors of any aspect of the Existing Mortgage shall be released from liability and all obligations arising from and after the Closing Date.

**3.6 Title and Title Insurance.**

**3.6.1 Deed.** Seller shall convey title to the Real Property to Buyer by a Limited Warranty Deed in the form of **Exhibit "B"** attached hereto ("**Deed**") subject to the Permitted Encumbrances.

**3.6.2 General Assignment.** Seller shall assign to Buyer, without recourse, representation or warranty, of any kind, Seller's right, title and interest, if any, (a) in any plans, specifications, licenses, permits, entitlements, surveys, maps, agreements and contracts relating to the Property, subject to any rights of consent as provided therein, and (b) the Tenant Leases, pursuant to an assignment in the form of **Exhibit "C"** attached hereto ("**General Assignment**").

**3.6.3 Bill of Sale.** Seller shall transfer and assign all of Seller's right, title and interest to the Personal Property owned by Seller and used in the operation of the Property pursuant to a Limited Warranty Bill of Sale in the form of **Exhibit "D"** attached hereto ("**Bill of Sale**").

**3.6.4 Buyer's Title Policy.** At the Close of Escrow, Title Company shall issue to Buyer a Standard Coverage Owner's Policy of Title Insurance (the "**Buyer's Title Policy**") which:

(a) shall be written with coverage in the amount of the Purchase Price; and

(b) shall insure title to the Property to be vested in Buyer, subject only to the Permitted Encumbrances.

**3.6.5 ALTA Policy.** Buyer shall have the right to procure an ALTA Extended Coverage Owner's Policy of Title Insurance ("**ALTA Policy**") as long as the issuance of the ALTA Policy does not delay or extend the Closing Date. Buyer shall pay for the increased cost of such ALTA Policy, the cost of any survey that Title Company requires for issuance of an ALTA Policy and for the cost of any other increase in the amount or scope of title insurance if Buyer elects to increase the amount or scope of title insurance coverage provided in the Buyer's Title Policy.

**3.6.6 Updated Rent Roll.** Seller shall deliver to Buyer an updated rent roll dated not more than one (1) day prior to the Closing Date and certified by Seller to be true, correct, and complete in all material respects as of the date thereof.

**3.7 Closing Costs and Charges.**

**3.7.1 Seller's Costs.** Seller shall pay (a) one-half (½) of Escrow Holder's fees in connection with the Escrow; (b) State and county transfer taxes, other taxes, and/or recording fees payable in connection with the transfer of the Property; and (c) the cost of the PTR and one-half the costs of Buyer's Title Policy described in Section 3.6.4.

**3.7.2 Buyer's Costs.** Buyer shall pay (a) one-half (½) of the Escrow Holder's fee in connection with the Escrow; (b) all costs associated with its due diligence inspections and survey, assumption of the Existing Mortgage and with obtaining bridge financing, including intangibles tax and recording fees for assumption and for new loan, and lender's title insurance; and (c) one-half the costs of Buyer's Title Policy, and the entire additional costs of an ALTA Policy, if Buyer chooses to receive an ALTA Policy, which are described in Sections 3.6.4 and 3.6.5.

**3.7.3 Other Costs.** All other costs, if any, shall be apportioned in the customary manner for real property transactions in the county where the Real Property is located. Each party shall be responsible for its own attorney's and advisor's fees in connection with the negotiation of this Agreement and the Closing of the transaction contemplated hereby.

**3.8 Deposit of Documents and Funds by Seller.** Upon the Closing Date, Seller shall deposit the following items into Escrow, each of which shall be duly executed and acknowledged by Seller where appropriate:

3.8.1 The Deed;

3.8.2 The Certification of Non-Foreign Status ("**Certification**") in the form of **Exhibit "E"** attached hereto;

3.8.3 A counterpart of the General Assignment;

3.8.4 The Bill of Sale;

3.8.5 A Closing Statement, showing the costs, allocations and prorations contemplated by this Agreement; and

3.8.6 Other documents that may reasonably be required by Escrow Holder or Title Company to close the Escrow in accordance with this Agreement.

**3.9 Deposit of Documents and Funds by Buyer.** Upon the Closing Date, Buyer shall deposit the following items into Escrow each of which shall be duly executed and acknowledged by Buyer where appropriate:

3.9.1 The Cash Balance;

3.9.2 All other funds and documents as may reasonably be required by Escrow Holder to close the Escrow in accordance with this Agreement;

3.9.3 A counterpart of the General Assignment;

3.9.4 A counterpart of the Closing Statement, showing the costs, allocations and prorations contemplated by this Agreement; and

3.9.5 A counterpart of any assumption documents, guaranties, and other documents required by the holder of the Existing Mortgage in connection with the assumption of the Existing Mortgage.

**3.10 Delivery of Documents and Funds at Closing.** Provided that all conditions to closing set forth in this Agreement have been satisfied or, as to any condition not satisfied, waived by the party intended to be benefited thereby, Escrow Holder shall conduct the closing by recording or distributing the following documents and funds in the following manner on the Closing Date:

**3.10.1 Recorded Documents.** Record the Deed in the Office of the Register of Deeds for the County in which the Real Property is located;

**3.10.2 Buyer's Documents.** Deliver to Buyer: (a) the original Buyer's Title Policy (or, if Buyer's final Title Policy is not delivered at the Close of Escrow, a marked-up title commitment); (b) the original Certification; (c) an original counterpart of the General Assignment executed by Seller; and (d) an original of the Bill of Sale executed by Seller;

**3.10.3 Seller's Documents.** Deliver to Seller an original counterpart of the General Assignment executed by Buyer and a copy of every other document delivered to Buyer; and

**3.10.4 Purchase Price.** Deliver to Seller the Purchase Price and such other funds, if any, as may be due to Seller by reason of credits under this Agreement, less all items chargeable to Seller under this Agreement.

**3.10.5 Existing Mortgage Documents.** Deliver to the holder of the Existing Mortgage all documents in its possession in connection with the assumption by Buyer of the Existing Mortgage pursuant to the directions of the holder of the Existing Mortgage or its counsel, with executed counterparts or copies, as applicable, of each document to Seller and Buyer.

**3.11 Prorations and Adjustments.**

**3.11.1 Taxes.** The parties shall prorate real property taxes and assessments on the Property as of the Close of Escrow for the current fiscal year based on the most current official real property tax information available from the County Assessor's office where the Real Property is located or other assessing authorities. If real property tax and assessment figures for the current fiscal year are not available, real property taxes shall be prorated based on the real property taxes for the previous fiscal year. When the actual amount of taxes and assessments for the year or years in question shall be determinable, then such taxes and assessments will be re prorated between the parties to reflect the actual amount of such taxes and assessments. The provisions of this paragraph shall survive the Close of Escrow. Seller shall pay any real property taxes attributable to the period of Seller's ownership of the Property as an adjustment to the Purchase Price. Seller reserves the right to meet with governmental officials and to contest any reassessment concerning or affecting Seller's obligations under this Section 3.11.1. (collectively, a "**Contest**"). If Seller initiates a Contest and the result of such Contest is a refund or reduction in any real property tax or assessments attributable to the Property for tax periods prior to, including or following the Close of Escrow (collectively, a "**Refund**"), the parties agree to adjust the closing proration of Taxes after the Close of Escrow to achieve the intent of this Section 3.11.1. If Seller determines that the closing prorations contemplated by this Section 3.11.1 resulted in a credit to Buyer in excess of Buyer's actual liability for Taxes following the Refund, Seller shall provide written notice to Buyer of the same along with a recalculated proration and Buyer shall pay over to Seller the amount of any such excess credit received by Buyer at the Close of Escrow not later than ten (10) business days following its receipt of such notice. If any Refund is received by either party in the form of a cash payment, such Refund shall be applied (A) first, to Seller, to the extent of third party out-of-pocket expenses incurred in connection with the contest and/or appeal of any such taxes, (B) second, to Seller to the extent such Refund is attributable to periods prior to the Close of Escrow, and (C) third, to Buyer to the extent such Refund is attributable to periods following the Close of Escrow, and in all cases prorated on a per diem basis. If Seller or Buyer receives any Refund, then each shall retain or pay such amounts (or portions thereof) in order that such payments are applied in the manner set forth in this Section. The rights and obligations contained in this Section 3.11.1 shall survive the Close of Escrow.

**3.11.2 Rents.**

(a) Escrow Holder shall prorate rental income and all other amounts payable by tenants under the Tenant Leases as of the Close of Escrow.

(b) Delinquent rents shall not be prorated; provided, that if Buyer receives any rental payment after the Closing Date which represents rent that was delinquent as of the Closing Date, Buyer shall apply any such delinquent rents in the following order of priority; (i) first, to Buyer for the rents currently due and payable under the subject Tenant Lease; (ii) then, to Buyer and Seller for the month in which the Closing Date occurred (subject to the prorations, if any, under this Agreement); and (iii) finally, to Seller for the month or months preceding the month in which the Closing Date occurred. Any amounts payable to Seller under this Section 3.11.2(b) shall be remitted by Buyer to Seller within ten (10) days after receipt thereof. In the event that there shall be any Rents or other charges under any Tenant Leases which, although relating to a period prior to the Close of Escrow, do not become due and payable until after Closing Date or are paid prior to Closing Date but are subject to adjustment after the Close of Escrow (such as year end common area expense reimbursements and the like), then any Rents or charges of such type received by Buyer or its agents or Seller or its agents subsequent to the Closing Date shall, to the extent applicable to a period extending through the Closing Date, be prorated between Seller and Buyer as of the Closing Date and Seller's portion thereof shall be remitted promptly to Seller by Buyer.

**3.11.3 Security Deposits; Landlord Responsibilities.** Effective on, as of and at the date of Closing, and except as otherwise expressly provided in this Agreement, all obligations and performances of Seller with respect to the Property shall cease and terminate, and Buyer shall assume and undertake all of the terms, covenants and conditions of landlord as Landlord under each lease or occupancy agreement, whether written or oral, for the Property, and all other obligations, performances and liabilities arising out of or in connection with the ownership, occupancy or use of the Property pursuant to such agreements as have been recorded in the official property records or otherwise included in documents furnished by Seller to Buyer. Such assumption of obligations, performances and liabilities by Buyer shall include, without limitation, any and all fees, commissions, or brokerage fees due under any lease, any Security Deposits and interest payments thereon, and any inducement or incentive obligations under any lease to the extent included in such agreements as have been recorded in the official property records or otherwise included in documents furnished by Seller to Buyer. Seller represents and warrants that it shall pay all brokerage and/or leasing commissions with respect to Tenant Leases arising as a result of any Tenant Leases in effect as of the Closing Date, if any, which payment obligation shall survive the Close of Escrow. Consistent with and not in limitation of any other provisions of this Agreement, Buyer will assume liability for those Security Deposits delivered to Buyer by Seller, if any, and for those Security Deposits for which Seller does not have custody but a credit against the Purchase Price is given, if any. This assumption and undertaking by Buyer shall survive Closing and the delivery, acceptance and recordation of the Deed and shall not be merged therein. In connection with the Close of Escrow, Seller will cause the delivery of the Notice to Tenants regarding Security Deposits in the form of **Exhibit "G"** attached hereto. Transfer of the Security Deposits from Seller to Buyer shall be effectuated by a credit to Buyer in the closing adjustments. Attached hereto as **Exhibit "I"** is a current rent roll, which Seller represents and warrants is true, correct and complete in all material respects as of the date hereof.

**3.11.4 Utilities and Other Expenses.** Seller shall notify all water, gas, electric, cable television and other utility companies servicing the Property (collectively, "**Utility Companies**") of the sale of the Property to Buyer and shall request that all Utility Companies

send Seller a final bill for the period ending on the last day prior to the Close of Escrow. Buyer shall notify all Utility Companies servicing the Property that as of the Close of Escrow, Buyer shall own the Property and that all utility bills for the period commencing on the Close of Escrow are to be sent to Buyer. If any of the Utility Companies sends Seller or Buyer a bill prior to Closing for a period in which the Close of Escrow occurs, Buyer and Seller shall prorate such bills at Closing. In connection with such proration, it shall be presumed that utility charges were uniformly incurred during the billing period.

To the extent that Seller pays certain charges for services provided by Utilities Companies on behalf of tenants of the Property which charges are later reimbursed to Seller by such tenants, Seller agrees to provide Buyer with the total amount of any outstanding reimbursements that are owing to Seller as of the Close of Escrow. After the Close of Escrow, Buyer shall be solely and exclusively entitled to all reimbursements collected from such tenants.

**3.11.5 Accrued Interest on the Existing Mortgage** All accrued and unpaid interest under the Existing Mortgage shall be prorated as of the Closing Date.

**3.11.6 Prorations.** All prorations shall be made as of the Close of Escrow on the basis of the actual days of the month in which the Close of Escrow occurs.

**3.12 Delivery and Possession.** Subject to the Permitted Encumbrances and the other matters described herein, Seller shall deliver possession of the Property to Buyer at the Close of Escrow.

**4. Commissions.** Buyer and Seller each represent and warrant to the other that there are no commissions, finder's fees or brokerage fees arising out of the transactions contemplated by this Agreement other than a brokerage fee payable to Hendricks-Berkadia ("**Broker**") by Seller in the amount of two percent (2%) of the Purchase Price, pursuant to a separate agreement between Seller and Broker. Other than Broker, Buyer and Seller each represent and warrant to the other that no commissions, finder's fees or brokerage fees are payable to any person or entity in connection with the transaction contemplated hereby as a result of any agreement with the representing party and any broker or finder. Buyer shall indemnify and hold Seller harmless from and against any and all liabilities, claims, demands, damages, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, in connection with claims for any such commissions, finders' fees or brokerage fees arising out of Buyer's conduct or the inaccuracy of the foregoing representation and/or warranty on the part of Buyer. Seller shall indemnify and hold Buyer harmless from and against any and all liabilities, claims, demands, costs and expenses, including, without limitation, reasonable attorneys' fees and costs in connection with claims for any such commissions, finders' fees or brokerage fees arising out of Seller's conduct or the inaccuracy of the foregoing representation and/or warranty on the part of Seller. The foregoing indemnifications shall extend to any and all claims, liabilities, costs and expenses (including reasonable attorneys' fees and litigation costs) arising as a result of such claims and shall survive the Close of Escrow.

5. **Damage or Destruction; Condemnation.**

5.1 **Materiality.** For purposes of the Agreement, (a) a taking by eminent domain of a portion of the Property shall be deemed to affect a "**material part**" of the Property if the estimated value of the portion of the Property taken exceeds twenty percent (20%) of the Purchase Price, and (b) the destruction of a "**material part**" of the Property shall be deemed to mean an insured or uninsured casualty to the Property following Buyer's inspection of the Property and prior to the Close of Escrow having an estimated cost of repair which equals or exceeds twenty percent (20%) of the Purchase Price.

5.2 **Definitions.** The phrase "**estimated value**" shall mean an estimate obtained from a M.A.I. appraiser, who has at least five (5) years experience evaluating property located in the County where the Real Property is located, similar in nature and function to that of the Property, selected by Seller and approved by Buyer, and the phrase "**estimated cost of repair shall**" mean an estimate obtained from an independent contractor selected by Seller and approved by Buyer. Buyer shall not unreasonably withhold, condition or delay Buyer's approval under this Section.

5.3 **Notice; Credit to Buyer.** Seller and Buyer shall each have the right to terminate this Agreement if all or a material part of the Property is destroyed without fault of the terminating party or if a material part of the Property is taken by eminent domain. The terminating party shall give written notice of its election to terminate this Agreement within five (5) business days after it first learns of any damage to or condemnation of the Property which entitles such party to terminate this Agreement, in which event the Earnest Money Deposit shall be refunded to Buyer and all rights and obligations of the parties hereunder shall terminate with the exception of any rights and obligations that are expressly intended to survive termination or performance of this Agreement. If neither party gives such notice, then this Agreement shall remain in full force and effect and there shall be no reduction in the Purchase Price, but Seller shall, at Close of Escrow, assign to Buyer (a) any insurance proceeds payable with respect to such damage; or (b) the entire award payable with respect to such condemnation proceeding, whichever is applicable.

6. **Seller's Representations and Warranties.** It is expressly understood and agreed that all liability of Seller for breach of the representations and warranties contained in this Section 6 shall terminate if no written claim of breach, specifying the representation or warranty allegedly breached and the supporting evidence for the alleged breach, shall be delivered to Seller on or prior to the date which is six (6) months following the Closing Date. Any reference herein to "Seller's knowledge," "Seller's best knowledge," or words of similar intent (including without limitation, pertaining to a representation or warranty), or notice of any matter or thing, shall only mean such knowledge or notice that has actually been received by Martin H. Petersen. Seller represents and warrants to Buyer that as of the date of this Agreement and as of the Closing Date:

6.1 Seller is a duly organized and validly existing limited partnership in the State of Georgia and is in good standing under the laws of such state;

**6.2** Seller has the full power and authority to execute, deliver and perform its obligations under this Agreement. No consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Seller to enter into this Agreement, perform its obligations under this Agreement and convey the Property to Buyer.

**6.3** This Agreement and all agreements, instruments and documents herein provided to be executed by Seller are and as of the Close of Escrow will be duly authorized, executed and delivered by and are and will be binding upon Seller.

**6.4** Seller has not received notice of any pending or threatened proceeding or action in the nature of eminent domain, nor is there any pending, or to Seller's best knowledge, threatened, proceeding or action by any governmental authority having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

**6.5** To Seller's best knowledge, no assessments have been made against any portion of the Property which are unpaid (except ad valorem taxes and other impositions or assessments for the current year not yet due and payable).

**6.6** To Seller's best knowledge (i) the Leases are valid and enforceable according to their respective terms, (ii) there has been no written claim by a tenant of a default by Seller under a Lease which would have a material adverse effect on the Property, and (iii) except as set forth in the Rent Roll, no tenant is entitled to receive any rental concession or abatements.

**6.7** With the exceptions of the delinquencies disclosed on the Rent Roll or delinquency reports, to Seller's best knowledge, no material default exists under any of the Leases. To Seller's best knowledge the Leases or copies thereof delivered or made available to Purchaser are true and complete copies of each and includes each written modification thereof and supplement thereto.

**6.8** To Seller's best knowledge, there is no litigation (including any arbitration, investigation or other proceeding) pending or, to Seller's best knowledge, threatened, which would prevent Seller from being able to perform its obligations in accordance with the terms and conditions of this Agreement or which would have a material adverse impact on the Property or the operation thereof.

**6.9** Seller has not presently assigned, pledged, hypothecated or otherwise encumbered the right of Seller to collect rent under the Leases, except for rentals collected by Manager in accordance with the Management Agreement which will be terminated at Closing and which have been collaterally assigned to the lender securing a loan which will be paid off at Closing.

**6.10** Seller is not a Foreign Person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and any applicable regulations thereunder.

**6.11** To Seller's best knowledge, there are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller and Seller has received no notice of any of the same pending or threatened against Seller or the Property.

**6.12** To Seller's best knowledge, there are no adverse parties in possession of the Property or of any part thereof and no parties in possession thereof except Seller and the tenants under the Leases, and parties with rights under service agreements, and except as otherwise expressly disclosed herein, and to Seller's best knowledge no party has been granted any license, lease, easement, or other right relating to the use or possession of the Property except (i) tenants under the leases shown on the Rent Roll (ii) as disclosed in Schedule B of the Title Report or in the Permitted Encumbrances, and (iii) under service agreements or leases provided to Buyer during the Due Diligence Period, or as otherwise expressly disclosed herein.

**6.13** To Seller's best knowledge without having performed any investigation, neither the Property nor Seller is in violation of or subject to any existing, pending, or threatened investigation or inquiry by any governmental authority or to any remedial obligations under any applicable laws pertaining to health or the environment (hereinafter sometimes collectively called "Environmental Laws"), including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act of 1976 ("RCRA"). To Seller's best knowledge, Seller has not obtained and, to Seller's best knowledge, is not required to obtain, and Seller has no knowledge of any reason Purchaser will be required to obtain any permits, licenses, or similar authorizations to construct, occupy, operate, or use any part of the Property by reason of any applicable Environmental Laws. To Seller's best knowledge, there are no underground storage tanks presently located beneath the Property.

**6.14** To Seller's best knowledge there are no management agreements, leasing agent's agreements, equipment leases, building service agreements, or other agreements to which Seller is (i) a party or (ii) an assignee, relating to the operation of the Property, except for those that will be supplied to Buyer during the Due Diligence Period for Buyer's review.

**6.15** Neither Seller nor the Manager have entered into any employment agreement with any of their respective employees employed at or for the Property; all employees of Seller and the Manager are at-will employees. Seller and the Manager shall be solely responsible for any and all payroll, severance, termination or similar benefits with respect to such employees, and for any and all obligations arising under or related to any pension, retirement, vacation, insurance, option or other form of benefit plan.

**6.16** There are no maintenance contracts, service contracts or any other contracts (whether oral or written) affecting or relating to the Property other than those that will be supplied to Buyer during the Due Diligence Period for Buyer's review.

**6.17** To Seller's best knowledge, no uncured default exists under the loan documents evidencing or securing the Existing Mortgage.

7. **Buyer's Representations and Warranties.** Buyer represents and warrants to Seller that as of the date of this Agreement and as of the Closing Date:

7.1 Buyer is duly organized, validly existing, and in good standing under the laws of the state of its formation and at closing will be qualified to do business in the State of Georgia;

7.2 Buyer has the full power and authority to execute, deliver and perform Buyer's obligations under this Agreement;

7.3 This Agreement and all agreements, instruments and documents herein provided to be executed by Buyer are and as of the Close of Escrow will be duly authorized, executed and delivered by and are and will be binding upon Buyer;

7.4 That at no time on or before the Closing Date, shall any of the following have occurred with respect to Buyer, and if Buyer is a partnership, to any general partners of Buyer: (i) the commencement of a case under Title 11 of the United States Code, as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or other similar law; (ii) the appointment of a trustee or receiver of any property interest; (iii) an assignment for the benefit of creditors; (iv) an attachment, execution or other judicial seizure of a substantial property interest; (v) the taking of, failure to take, or submission to any action indicating an inability to meet its financial obligations as they accrue; or (vi) a dissolution or liquidation, death or incapacity; and

7.5 Buyer is not an Ineligible Purchaser. "Ineligible Purchaser" means any Person who is, or whose Affiliate is, (i) identified on any of the Lists (defined below), (ii) a "Designated National" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, (iii) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation, any other similar Executive Order or any similar regulation, (iv) a Person who has been convicted of a felony involving moral turpitude in any state or federal court, (v) a Person who is then the subject of any investigation by any governmental authority or any class action litigation in which it is alleged that it or any of its Affiliates has engaged in "predatory" or other improper lending or servicing or other unethical or improper business conduct, (vi) intentionally deleted, or (vii) an individual or entity who has at any time owned an interest in the Property which interest was foreclosed upon.

As used herein, "Lists" means any or all of (i) the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control ("OFAC"), (ii) any similar list maintained by the Department of the Treasury, and (iii) any other similar list maintained by OFAC or any other agency or department of the United States Government pursuant to any authorizing statute, Executive Order No. 13224 (September 23, 2001), any related enabling legislation or other similar Executive Order or any other similar regulation.

As used herein, "Affiliate" shall mean any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Buyer, as the case may be. For the purposes of this definition, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person,

whether through the ownership of voting securities, by contract or otherwise. As used herein, "Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise.

As used herein, "Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise.

8. **Default.**

8.1 **LIQUIDATED DAMAGES.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IF BUYER HAS NOT TERMINATED THIS AGREEMENT PRIOR TO THE EXPIRATION OF THE DUE DILIGENCE PERIOD AND THE SALE OF THE PROPERTY TO BUYER IS NOT CONSUMMATED DUE TO BUYER'S MATERIAL DEFAULT UNDER THE AGREEMENT, SELLER SHALL BE ENTITLED TO THE EARNEST MONEY DEPOSIT AS SELLER'S LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER AS A RESULT OF BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH SELLER WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT SELLER'S RIGHTS TO RECEIVE REIMBURSEMENT FOR REASONABLE ATTORNEYS' FEES, NOR WAIVE OR AFFECT SELLER'S RIGHTS AND BUYER'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY. NOTWITHSTANDING THE FOREGOING, IF SUCH LIQUIDATED DAMAGES CLAUSE IS FOR ANY REASON HELD TO BE UNENFORCEABLE, SELLER SHALL HAVE THE RIGHT TO ELECT TO RECOVER ITS ACTUAL DAMAGES THAT ARISE AS A DIRECT RESULT OF THE FAILURE OF ESCROW TO CLOSE DUE TO BUYER'S MATERIAL DEFAULT UNDER THIS AGREEMENT. IN NO EVENT SHALL SELLER HAVE THE RIGHT TO REQUIRE THAT BUYER SPECIFICALLY PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION.

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SELLER'S INITIALS

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BUYER'S INITIALS

8.2 **Buyer's Remedies.** In the event Seller fails to perform any act required to be performed by Seller pursuant to this Agreement on or before the Closing Date, then Buyer shall execute and deliver to Seller written notice of such failure, which notice shall set forth complete information about the nature of such failure. Seller shall have a period of ten (10) days to cure such breach. If such breach remains uncured beyond the ten (10) day period described above, then Buyer may elect, as Buyer's sole and exclusive remedy at law or equity, to either (a)

whether through the ownership of voting securities, by contract or otherwise. As used herein, "Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise.

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BUYER'S INITIALS

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terminate this Agreement by written notice to Seller and Escrow Holder, in which event the Earnest Money Deposit shall be refunded to Buyer, and recover from Seller Buyer's out-of-pocket expenses actually paid by Buyer to third parties in relation to this Agreement or the Property and its investigation thereof, up to a maximum of Twenty Thousand and no/100 U.S. Dollars (\$20,000.00), (but specifically excluding any internal or overhead costs or expenses of Buyer), or (b) file, within sixty (60) days after the date of the alleged breach by Seller, an action for specific performance of this Agreement, provided, however, that no action for specific performance may be filed unless Buyer has performed all of its material obligations under this Agreement, excluding any obligations which Buyer is incapable of performing under this Agreement due to the breach by Seller. If Buyer fails to file an action for specific performance against Seller within sixty (60) days after the date of the alleged default by Seller, Buyer shall have waived the right to file an action for specific performance as a remedy for Seller's default.

**8.3 Damage Waiver.** UNDER NO CIRCUMSTANCES MAY EITHER PARTY SEEK OR BE ENTITLED TO RECOVER ANY DAMAGES OF ANY OTHER KIND OR GREATER AMOUNT THAN SET FORTH IN THIS SECTION 8, INCLUDING, BUT NOT LIMITED TO, ANY GENERAL, COMPENSATORY, SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE, INCIDENTAL OR INDIRECT DAMAGES WHETHER IN CONTRACT, TORT, OR UNDER ANY OTHER LEGAL OR EQUITABLE PRINCIPAL, ALL OF WHICH THE PARTIES SPECIFICALLY WAIVE.

**9. Condition of Property.** Buyer represents and warrants that, as specified in Section 3.3 hereof, Buyer has, or shall have inspected and conducted tests and studies of the Property, and that Buyer is familiar, in all respects, with the condition of the Property. Buyer understands and acknowledges that the Property may be subject to earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions, hazardous materials and similar occurrences that may alter its condition or affect its suitability for any proposed use. Seller shall have no responsibility or liability with respect to any such occurrence. Buyer represents and warrants that Buyer is acting, and will act only, upon information obtained by Buyer directly from Buyer's own inspection of the Property. Notwithstanding anything to the contrary contained in this Agreement, the suitability or lack of suitability of the Property for any proposed or intended use, or availability or lack of availability of (a) permits or approvals of governmental or regulatory authorities, or (b) easements, licenses or other rights with respect to any such proposed or intended use of the Property shall not affect the rights or obligations of the Buyer hereunder.

**10. Property "AS IS."**

**10.1 No Side Agreements or Representations.** No person acting on behalf of Seller is authorized to make, and by execution hereof, Buyer acknowledges that no person has made any representation, agreement, statement, warranty, guarantee or promise regarding the Property or the transaction contemplated herein or the zoning, construction, physical condition or other status of the Property except as may be expressly set forth in this Agreement. No representation, warranty, agreement, statement, guarantee or promise, if any, made by any person acting on behalf of Seller which is not contained in this Agreement will be valid or binding on Seller.

**11. Governmental Approvals.** Nothing contained in this Agreement shall be construed as authorizing Buyer to apply for a zone change, variance, subdivision map, lot line adjustment, or other discretionary governmental act, approval or permit with respect to the Property prior to the Close of Escrow, and Buyer agrees not to do so without Seller's prior written approval, which approval may be withheld in Seller's sole and absolute discretion. Buyer agrees not to submit any reports, studies or other documents, including, without limitation, plans and specifications, impact statements for water, sewage, drainage or traffic, environmental review forms, or energy conservation checklists to any governmental agency, or any amendment or modification to any such instruments or documents prior to the Close of Escrow unless first approved by Seller, which approval Seller may withhold in Seller's sole discretion. Buyer's obligation to purchase the Property shall not be subject to or conditioned upon Buyer's obtaining any variances, zoning amendments, subdivision map, lot line adjustment or other discretionary governmental act, approval or permit.

**12. Hazardous Materials.** If, during the Due Diligence Period, Buyer discovers any hydrocarbon substances, polychlorinated biphenyls, or any other hazardous or toxic substances, wastes or materials (as determined under federal, state or local law then in effect), asbestos or asbestos-bearing materials or other environmental condition subject to legal requirements for corrective action or affecting the Property, Buyer shall immediately notify Seller.

Buyer acknowledges and agrees that (except as expressly set forth in this Agreement) Seller has not made any representations or warranties regarding the environmental condition of the Property and that Seller shall have no liability for any of the soil, environmental or structural conditions or any other conditions or matters described therein. Buyer acknowledges and agrees that prior to the close of the Due Diligence Period, Buyer will be provided with an adequate opportunity to retain its own consultants and to conduct its own inspections and examinations of the Property and all matters relating to the Property. Upon the Close of Escrow, Buyer shall be deemed to have waived any and all rights or remedies whatsoever, express or implied, Buyer may have against Seller, including remedies for damages arising out of or resulting from any unknown, unforeseen or unanticipated presence or releases of hazardous substances or other Hazardous Substances from or on the Property or Seller's failure to disclose the same; provided, however, that Buyer shall retain all rights and remedies with respect to "Excluded Claims" (defined below). "Excluded Claims" means any and all claims, losses, liabilities, damages and expenses arising out of or in connection with any breach by Seller of any representation, warranty or covenant set forth in this Agreement, which Excluded Claims must be made by Buyer against Seller within six (6) months of the Closing Date. The provisions of this paragraph shall survive the Close of Escrow and shall not be merged with the Deed.

**13. Miscellaneous.**

**13.1 Waiver of Trial by Jury.** Seller and Buyer, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Agreement, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Seller and Buyer hereby agree that any such claim, demand, action,

cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

**13.2 Claims for Consequential and/or Punitive Damages.** Buyer and Seller each waive claims against the other for consequential and/or punitive damages arising out of or relating to this Agreement; provided, however, that this section shall not preclude an award of liquidated damages pursuant to Section 8.

**13.3 Attorneys' Fees.** If any action or proceeding is commenced by either party to enforce their rights under this Agreement or to collect damages as a result of the breach of any of the provisions of this Agreement, each party in such action or proceeding, including any bankruptcy, insolvency or appellate proceedings, shall be responsible for its own costs and expenses, including, without limitation, attorneys' fees and court costs.

**13.4 Notices.** All notices, demands, approvals, and other communications provided for in this Agreement shall be in writing and shall be effective upon the earliest of the following to occur: (a) when delivered to the recipient; (b) one (1) business day after deposit with a nationally recognized overnight-guaranteed delivery service; (c) three (3) business days after deposit in a sealed envelope in the United States mail, postage prepaid by registered or certified mail, return receipt requested, addressed to the recipient as set forth below; or (d) upon completion of transmission if sent by facsimile to the facsimile number set forth herein for each party (provided that such facsimile transmission is confirmed by telephone or a statement generated by the transmitting machine), or if transmission is completed after 5:00 p.m. Eastern Time or on a day other than a business day, on the next succeeding business day. All notices to Seller shall be sent to Seller's Address and/or Facsimile Number with a copy to Darla K. Jaben, Esq., 8225 Sullivan Hill Road, Sandy Springs, GA 30350, Facsimile: (770) 668-1653. All notices to Buyer shall be sent to Buyer's Address and/or Facsimile Number with a copy to \_\_\_\_\_; Facsimile: \_\_\_\_\_. All notices to Escrow Holder shall be sent to Escrow Holder's Address. If the date on which any notice to be given hereunder falls on a Saturday, Sunday or legal holiday, then such date shall automatically be extended to the next business day immediately following such Saturday, Sunday or legal holiday. The foregoing addresses may be changed by written notice given in accordance with this Section. Notices, demands, approvals and other communications may be sent by a party or its attorneys with the same force and effect as if sent by the party itself.

**13.5 Amendment; Complete Agreement.** All amendments and supplements to this Agreement must be in writing and executed by Buyer and Seller. This Agreement contains the entire agreement and understanding between Buyer and Seller concerning the subject matter of this Agreement and supersedes all prior agreements, terms, understandings, conditions, representations and warranties, whether written or oral, made by Buyer or Seller concerning the Property or the other matters which are the subject of this Agreement. This Agreement has been drafted through a joint effort of the parties and their counsel and, therefore, shall not be construed in favor of or against either of the parties.

**13.6 Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia applicable to contracts made and to be performed within that state, without regard to choice or conflicts of law rules.

**13.7 Severability.** If any provision of this Agreement or application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement (including the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable) shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

**13.8 Counterparts and Headings.** The parties agree that signatures sent and received via facsimile or electronic mail shall be valid and binding and of the same force and effect as original signatures. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement. The headings to sections of this Agreement are for convenient reference only and shall not be used in interpreting this Agreement.

**13.9 Waiver.** No waiver by Buyer or Seller of any of the terms or conditions of this Agreement or any of their respective rights under this Agreement shall be effective unless such waiver is in writing and signed by the party charged with the waiver.

**13.10 Third Parties.** This Agreement is entered into for the sole benefit of Buyer and Seller and their respective permitted successors and assigns. No party other than Buyer and Seller and such permitted successors and assigns shall have any right of action under or rights or remedies by reason of this Agreement.

**13.11 Additional Documents.** Each party agrees to perform any further acts and to execute and deliver such further documents which may be reasonably necessary to carry out the terms of this Agreement.

**13.12 Independent Counsel.** Buyer and Seller each acknowledge that: (i) they have been represented by independent counsel in connection with this Agreement; (ii) they have executed this Agreement with the advice of such counsel; and (iii) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. The fact that this Agreement was prepared by Seller as a matter of convenience shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller prepared this Agreement in its final form.

**13.13 Assignment.** Buyer shall neither assign its rights nor delegate its obligations hereunder without obtaining Seller's prior written consent, which may be withheld in Seller's sole discretion. Notwithstanding the foregoing, Buyer shall be entitled a one-time right to assign this Agreement to an affiliate or nominee of Buyer that is a single asset entity organized for the sole purpose of owning the Property, and is wholly owned or controlled by Buyer or any entity which is controlled by Matt Mills (a "**Permitted Assignment**"). Buyer shall give prompt written notice to Seller of any such Permitted Assignment together with copies of the assignment instrument and the formation and operating documents of the assignee not later than five (5) days prior to the Close of Escrow. In no event shall any assignment, including a Permitted

Assignment, relieve Buyer from its obligations under this Agreement. Any other purported or attempted assignment or delegation without obtaining Seller's prior written consent shall be void and of no effect.

**13.14 Successors and Assigns.** Subject to the restrictions on transfer set forth in Section 13.13 hereof, this Agreement shall be binding upon and inure to the benefits of the heirs, successors and assigns of the parties hereto. In no event shall Buyer have any right to delay or postpone the Close of Escrow to create a partnership, corporation or other form of business association or to obtain financing to acquire title to the Property or to coordinate with any other sale, transfer, exchange or conveyance.

**13.15 Exhibits.** Each reference to a Section or Exhibit in this Agreement shall mean the sections of this Agreement and the exhibit attached to this Agreement, unless the context requires otherwise. Each such exhibit is incorporated herein by this reference.

**13.16 No Reservation of Property.** The preparation and/or delivery of unsigned drafts of this Agreement shall not create any legally binding rights in the Property and/or obligations of the parties, and Buyer and Seller acknowledge that this Agreement shall be of no effect until it is duly executed by both Buyer and Seller.

**13.17 Duty of Confidentiality.** Buyer shall use reasonable efforts to keep all information and/or reports obtained from Seller, or related to or connected with the Property, the Seller, or this transaction, confidential and will not disclose any such information to any person or entity without obtaining the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary in the foregoing, Buyer may disclose such information to its members, its attorneys and consultants, actual and prospective joint venture partners, lenders and their respective attorneys and consultants. If Buyer has executed a separate confidentiality agreement in favor of Seller, this Section shall be supplemental to and not in derogation of the provisions of such confidentiality agreement.

**13.18 Business Day.** If the Closing Date or the day for performance of any act required under this Agreement falls on a Saturday, Sunday or legal holiday in the State in which the Property is located, then the Closing Date or the day for such performance, as the case may be, shall be the next following regular business day.

**13.19 Recording.** This Agreement may not be recorded by any party hereto.

**13.20 Standstill.** Seller agrees that for the period commencing on the Execution Date and ending on the date of termination of this Agreement, Seller shall not sell nor agree to sell the Property to any other party other than Buyer or Buyer's permitted assignees; provided, however, that during such period Seller shall be permitted to solicit and collect so-called contingency or backup offers at any time from any person so long as such contingency or backup offers are clearly distinguished as such.

**13.21 Operational Covenants.** From the date of this Agreement until the Close of Escrow, Seller hereby covenants and agrees that it shall (i) operate and manage the Property in

in the manner it is currently being operated and managed, (ii) maintain all present services and amenities, (iii) maintain the Property in good condition, repair and working order, (iv) keep on hand sufficient materials, supplies, equipment and other personal property for the efficient operation and management of the Property, (v) perform when due, and otherwise substantially comply with, all of Seller's obligations and duties under the Tenant Leases and applicable contracts, and (vi) maintain the Property in accordance with all applicable laws, ordinances, rules, regulations, covenants, conditions and restrictions affecting the Property.

IN WITNESS WHEREOF, Buyer and Seller do hereby execute this Agreement as of the Execution Date.

**SELLER:**

**Sable Chase of McDonough, L.P.**  
a Georgia limited partnership

By: Hallmark Group Services of McDonough II, LLC, a  
Georgia limited liability company, as General  
Partner

By: Martin H. Petersen (SEAL)  
Martin H. Petersen, as Manager

**BUYER:**

**SOUTHEAST HOLDINGS, LLC**  
a Missouri limited liability company

By: M.H. (SEAL)

in the manner it is currently being operated and managed, (ii) maintain all present services and amenities, (iii) maintain the Property in good condition, repair and working order, (iv) keep on hand sufficient materials, supplies, equipment and other personal property for the efficient operation and management of the Property, (v) perform when due, and otherwise substantially comply with, all of Seller's obligations and duties under the Tenant Leases and applicable contracts, and (vi) maintain the Property in accordance with all applicable laws, ordinances, rules, regulations, covenants, conditions and restrictions affecting the Property.

**IN WITNESS WHEREOF**, Buyer and Seller do hereby execute this Agreement as of the Execution Date.

**SELLER:**

**Sable Chase of McDonough, L.P.**  
**a Georgia limited partnership**

By: Hallmark Group Services of McDonough II, LLC, a  
Georgia limited liability company, as General  
Partner

By: Martin H. Petersen (SEAL)  
Martin H. Petersen, as Manager

**BUYER:**

**SOUTHEAST HOLDINGS, LLC**  
**a \_\_\_\_\_ limited liability company**

By: \_\_\_\_\_ (SEAL)

**Acceptance by Escrow Holder**

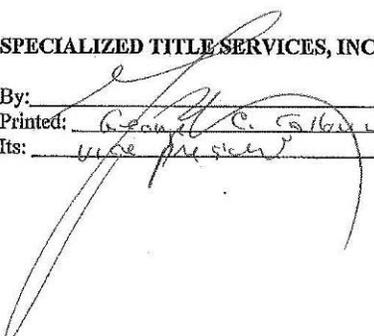
Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the instructions contained therein.

**SPECIALIZED TITLE SERVICES, INC.**

By: \_\_\_\_\_

Printed: Geoffrey C. Fisher

Its: Vice President



**EXHIBIT LIST**

- EXHIBIT "A" - Legal Description
- EXHIBIT "B" - Form of Deed
- EXHIBIT "C" - Form of General Assignment
- EXHIBIT "D" - Form of Bill of Sale
- EXHIBIT "E" - Non-Foreign Certificate
- EXHIBIT "F" - Due Diligence Items
- EXHIBIT "G" - Notice to Tenants
- EXHIBIT "H" - Permitted Encumbrances
- EXHIBIT "I" - Rent Roll

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

EXHIBIT "A"

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOTS 156 & 157 OF THE 7<sup>TH</sup> DISTRICT OF HENRY COUNTY, GEORGIA, CONTAINING 24.886 ACRES, BEING SHOWN AS TRACT "A" ON SURVEY MADE FOR SABLE CHASE OF MCDONOUGH L.P, A GEORGIA LIMITED PARTNERSHIP, GREYSTONE SERVICING CORPORATION, INC., ITS SUCCESSORS AND ASSIGNS, FEDERAL HOME LOAN MORTGAGE CORPORATION, ITS SUCCESSORS AND ASSIGNS, SPECIALIZED TITLE SERVICES, INC., AN AGENT OF STEWART TITLE GUARANTY COMPANY, PREPARED BY JONATHAN B. PRINCE, R.L.S. #3244, DATED 10-29-2012, REVISED 1-28-2013; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TO FIND THE TRUE POINT OF BEGINNING, COMMENCE FROM THE INTERSECTION FORMED BY THE NORTHWESTERLY RIGHT-OF-WAY OF STATE ROUTE # 20 & 81 ( 80' R/W ) AND THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE ( 50' R/W ); THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE A DISTANCE OF 300.92' TO AN IRON PIN FOUND ½" REBAR AND **THE TRUE POINT OF BEGINNING**; THENCE FROM SAID TRUE POINT OF BEGINNING ALONG SAID RIGHT-OF-WAY NORTH 39 DEGREES 00 MINUTES 24 SECONDS WEST A DISTANCE OF 95.06' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 02 DEGREES 17 MINUTES 03 SECONDS EAST A DISTANCE OF 605.24' TO AN IRON PIN FOUND ¾" REBAR; THENCE NORTH 38 DEGREES 10 MINUTES 29 SECONDS WEST A DISTANCE OF 88.80' TO AN IRON PIN FOUND ½" REBAR; THENCE NORTH 01 DEGREES 03 MINUTES 28 SECONDS EAST A DISTANCE OF 264.11' TO AN IRON PIN FOUND ¾" OPEN TOP PIPE; THENCE NORTH 01 DEGREES 17 MINUTES 34 SECONDS EAST A DISTANCE OF 484.47' TO AN IRON PIN FOUND 2" OPEN TOP PIPE; THENCE SOUTH 88 DEGREES 36 MINUTES 24 SECONDS EAST A DISTANCE OF 692.62' TO AN IRON PIN FOUND ¾" REBAR; THENCE SOUTH 13 DEGREES 17 MINUTES 28 SECONDS WEST A DISTANCE OF 139.61' TO AN IRON PIN FOUND ½" OPEN TOP PIPE; THENCE SOUTH 03 DEGREES 20 MINUTES 49 SECONDS EAST A DISTANCE OF 114.44' TO AN IRON PIN PLACED ¾" REBAR; THENCE SOUTH 56 DEGREES 44 MINUTES 06 SECONDS EAST A DISTANCE OF 444.55' TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 68 DEGREES 24 MINUTES 41 SECONDS EAST A DISTANCE OF 128.09' TO AN IRON PIN PLACED ¾" REBAR; THENCE SOUTH 31 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 333.62' TO AN IRON PIN FOUND ¾" REBAR; THENCE ALONG THE ARC OF A CLOCKWISE CURVE A DISTANCE OF 122.41' ( SAID ARC BEING SUBTENDED BY A CHORD HAVING A DISTANCE OF 121.50' AND A BEARING OF SOUTH 43 DEGREES 25 MINUTES 04 SECONDS WEST ) TO AN IRON PIN FOUND ½" REBAR; THENCE SOUTH 55 DEGREES 36 MINUTES 28 SECONDS WEST A DISTANCE OF 1001.28' TO AN IRON PIN FOUND ½" REBAR ON THE NORTHEASTERLY RIGHT-OF-WAY OF AUTUMN LAKE DRIVE AND **THE TRUE POINT OF BEGINNING**.

TOGETHER WITH EASEMENT RIGHTS ARISING UNDER THAT CERTAIN EASEMENT FROM RONNIE C. DAVIS AND NORITA V. DAVIS TO SABLE CHASE OF MCDONOUGH L.P., A GEORGIA LIMITED PARTNERSHIP, DATED AUGUST 25, 1993, FILED FOR RECORD AUGUST 25, 1993 AT 3:00 P.M., RECORDED IN DEED BOOK 1705, PAGE 191, RECORDS OF HENRY COUNTY, GEORGIA.

Map Reference No. 092-01013000

**EXHIBIT "B"**

**DEED**

**LIMITED WARRANTY DEED**

**THIS INDENTURE**, made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2013, by and between \*\*\*, (hereinafter referred to as the "Grantor"), and \*\*\*, (hereinafter referred to as "Grantee") (the words "Grantor" and "Grantee" to include their respective heirs, legal representatives, successors and assigns where the context requires or permits);

**W I T N E S S E T H, T H A T:**

**GRANTOR**, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto said Grantee, all that tract or parcel of land lying and being located in , and being more particularly described on Exhibit "A", attached hereto and incorporated herein by this reference (hereinafter referred to as the "Property").

**THIS CONVEYANCE** and the warranties herein contained are expressly made subject to those liens, encumbrances, restrictions and other matters set forth on Exhibit "B" attached hereto and incorporated herein by this reference.

**TO HAVE AND TO HOLD** the said described Property, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, only to the proper use, benefit and behoof of the said Grantee forever in FEE SIMPLE.

**AND THE SAID GRANTOR** will warrant and forever defend the right and title to the above described Property unto the said Grantee against the claims of all persons and entities claiming by, through and under Grantor, but not otherwise.

**IN WITNESS WHEREOF**, the duly authorized officers of Grantor have signed and sealed this Deed on the day and year first above written.

Signed, sealed and delivered in the presence of:	***,  By: _____
Unofficial Witness	Title: _____  By: _____
Notary Public My Commission Expires:  [NOTARIAL SEAL]	Title: _____  [SEAL]

**EXHIBIT "C"**

**GENERAL ASSIGNMENT**

THIS GENERAL ASSIGNMENT ("**Assignment**") is executed by \_\_\_\_\_, a \_\_\_\_\_ ("**Seller**"), and \_\_\_\_\_ ("**Buyer**"), with reference to the following facts:

A. Seller and Buyer have entered into that certain Agreement of Purchase and Sale dated as of \_\_\_\_\_, 2013 ("**Purchase Agreement**"), in which Seller has agreed to sell and Buyer has agreed to purchase the real property described in Exhibit "A" attached thereto and the improvements located thereon (collectively, the "**Property**").

B. Pursuant to the Purchase Agreement, Seller has agreed to assign, without recourse, representation or warranty, to Buyer all of Seller's right, title and interest (i) if any, in and to any plans, specifications, reports, licenses, permits, entitlements, surveys, and maps relating to the Property in Seller's possession (collectively, the "**Plans and Documents**") subject to any rights of consent as provided therein, (ii) all leases and occupancy agreements affecting the Property and any amendments or modifications thereto (collectively, the "**Leases**"), and (iii) the service agreements or leases listed on Schedule I attached hereto and by this reference made a part hereof (collectively, the "**Contracts**").

THEREFORE, for valuable consideration, Seller and Buyer agree as follows:

1. **Assignment.** Seller hereby assigns, sells and transfers to Buyer, without recourse and without representation or warranty (except for the express representations and warranties contained in the Purchase Agreement, which shall remain in effect until and to the extent provided in the Purchase Agreement), all of Seller's right, title and interest, if any, in and to the Plans and Documents, subject to any rights of consent as provided therein, the Leases and the "Intangible Property" (as defined in the Agreement).

2. **Assumption.** With respect to the Leases (specifically including, without limitation, any Security Deposits) and the obligations under any of the Plans and Documents and Contracts, Buyer hereby assumes all of the benefits and burdens of the Leases, Plans and Documents and Contracts and agrees to perform all of the covenants and obligations of lessor under the Leases and any obligations of Seller under the Plans and Documents and Contracts accruing on or after the date hereof. Buyer further agrees to indemnify, defend and hold Seller harmless from and against any and all cost, loss, harm or damage which may arise under the Leases, Plans and Documents and Contracts as a result of obligations accruing on and after the date hereof; provided, further that Buyer shall indemnify, defend and hold Seller harmless from and against any and all cost, loss, harm or damage which may arise out of or in connection with any claim or loss for any security deposit in connection with any Lease, without reference to whether or not such security deposit was delivered to Buyer or whether or not such security deposit was credited to Buyer at closing. Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all cost, loss, harm or damage which may arise under the

Leases, Plans and Documents and Contracts as a result of obligations accruing prior to the date hereof.

3. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument.

4. **Miscellaneous.** This Assignment shall be binding on the parties and their respective successors and assigns. The headings to paragraphs of this Assignment are for convenient reference only and shall not be used in interpreting this Assignment.

5. **Governing Law.** This Assignment shall be governed by and interpreted in accordance with the laws of the State of Georgia applicable to contracts made and to be wholly performed in such state, without regard to conflicts or choice of law rules.

Dated: \_\_\_\_\_, 2013

**SELLER:** ,  
a

By: \_\_\_\_\_ (SEAL)

Name:

Title:

**The undersigned hereby confirms its obligations pursuant to the provisions of Section 2 and its consent to be bound hereby.**

**BUYER:** \_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "D"**

**LIMITED WARRANTY BILL OF SALE**

**KNOW ALL MEN BY THESE PRESENTS THAT:**

**IN CONSIDERATION** of the sum of TEN DOLLARS (\$10.00), in lawful money of the United States of America, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the undersigned \_\_\_\_\_, **LLC**, a Georgia limited liability company (hereinafter referred to as "Seller"), has bargained, sold, conveyed, assigned, transferred and delivered and by these presents does bargain, sell, convey, assign, transfer and deliver absolutely unto \_\_\_\_\_, a \_\_\_\_\_ (hereinafter referred to as "Purchaser") all of the supplies, equipment, furniture, machinery, owner's personal property and other items described on Exhibit B, attached hereto and by this reference incorporated herein and made a part hereof, TOGETHER WITH any and all plumbing, heating, lighting and cooling fixtures, air conditioning fixtures and units, ranges, refrigerators, dishwashers, washing machines, dryers, disposals, hot water heaters and equipment, bathroom and kitchen cabinets, carpeting, furniture, drapes, blinds, shades, screens, pumps, shrubbery, outdoor statuary (if any), signs, cleaning supplies, office equipment (other than computer equipment and software) and swimming pool and recreational equipment (hereinafter, all of the foregoing, together with the items set forth on Exhibit "B", are collectively referred to as the "Property") owned by Seller and being located on or used in connection with and for the occupancy, management and operation of the improved real property located in Richmond Hill, Georgia, and more particularly described on Exhibit "A", attached hereto and by this reference made a part hereof.

**TO HAVE AND TO HOLD** all and singular the Property unto Purchaser, its successors, successors-in-title and assigns, forever.

**AND**, Seller does hereby bind itself and its legal representatives, successors and assigns, to warrant and defend all and singular the Property unto Purchaser, its successors, successors-in-title and assigns, against the lawful claims of all persons claiming by, through or under Seller, but not otherwise.

Physical possession of the Property is being delivered to Purchaser simultaneously herewith.

This Agreement shall be construed under and enforced in accordance with the laws of the State of Georgia.

This Agreement shall be binding upon and shall inure to the benefit of Seller and Purchaser, their legal representatives, successors and assigns.

IN WITNESS WHEREOF, Seller has executed and sealed these presents as of \_\_\_\_\_, 201

		<b>"SELLER":</b>
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IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of \_\_\_\_\_,  
2013.

**SELLER:**

a

By: \_\_\_\_\_ (SEAL)

Name:

Title:

**EXHIBIT "E"**

**CERTIFICATE OF NON-FOREIGN STATUS**

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity.

To inform \_\_\_\_\_, a \_\_\_\_\_ ("Transferee"), purchaser of the United States real property described on Exhibit A attached hereto and made a part hereof that withholding of tax is not required upon the disposition of a United States real property interest by \_\_\_\_\_, a \_\_\_\_\_ ("Seller"), the undersigned ("Transferor") hereby certifies the following:

1. Seller is the owner of the real property described on Exhibit "A" attached hereto.
2. Transferor is the sole member of Seller.
3. Transferor is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and Income Tax Regulations).
4. Transferor's Taxpayer Identification Number is \_\_\_\_\_.
5. Transferor's address is: \_\_\_\_\_.
6. Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

**TRANSFEROR:**

a

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT "F"**

**DUE DILIGENCE ITEMS**

1. Title Commitment/Preliminary Title Report
2. Underlying Title Documents
3. ALTA/ACSM Survey
4. Rent Roll (by unit number and type: lease inception & expiration, and security deposit information). If this information is not included on the Rent Roll, provide a Security Deposit Schedule)
5. Concessions Report, by unit/resident; including "burn off"
6. Operating Statements (Year to Date and Trailing 12 - for Current Year)
7. Operating Statements (Previous 3 years)
8. Current Year Budget
9. Any and all existing Operations or Maintenance Plans
10. General Ledger, Current and Prior Year
11. List of Capital Improvements, including cost for last 3 years
12. Accounts Receivable Aging Report
13. Collections Report for last 6 months
14. Management Agreement
15. All Service Contracts
16. Third Party Warranties, if any
17. Spa and Pool Certification
18. Utility Bills – 3 years, Water, Sewer, Electric, Gas
19. Property Tax Bills (Current year and previous 2 years, including Personal Property Tax or any other local taxes or fees)
20. Special Assessments
21. Copies of Current Insurance Policies, or Binder
22. Five Year Loss Run – Historical Insurance Claims
23. Evidence of Flood Plan Insurance (if applicable)
24. Flood Plain Certificate
25. Evidence of Zoning Compliance
26. Schedule of Litigation (if any)
27. Personal Property List
28. List of Employees, including positions, salary, benefits and bonus plan(s)
29. Current Schedule of Rent & Policy
30. Competitive Market Survey
31. Standard Lease Agreement
32. Phase I Environmental Report
33. Existing Phase II Environmental
34. Existing Engineering Report(s)
35. Seismic Report (if applicable)
36. Property Condition Report
37. Lead Based Paint
38. Asbestos

39. Mold
40. Termite Inspections Report(s)
41. Existing Pest Control Report(s)
42. Existing Appraisal
43. Offering Memorandum
44. Site Plan
45. Property Photos, including Internet/Website
46. Architectural Drawings
47. AS Built Plans and Drawings
48. Parking Information, including space count and plan
49. Building Permits
50. Certificate(s) of Occupancy (for Buildings)
51. Notice of Completion
52. Floor Plans
53. Marketing Materials and Brochures, including Internet/Website(s) REA (Declarations) (if any)
54. Roof Inspection Report(s) (if any)
55. Development Agreement (if any)
56. HOA Information, if applicable
57. Copies of Promissory Note(s)
58. Copies of Existing Mortgage(s)/Deed(s) of Trust
59. Copies of all other Loan Documentation
60. Certification of Loan Compliance

**EXHIBIT "G"**

**NOTICE TO TENANTS**

[MANAGEMENT COMPANY LETTERHEAD]

**Certified Mail, Return Receipt Requested**

TO: Tenant/Unit

RE: \_\_\_\_\_

Please be advised that \_\_\_\_\_, a \_\_\_\_\_  
("Seller") sold the property as of \_\_\_\_\_, 2013 to \_\_\_\_\_ whose address is  
\_\_\_\_\_.

In connection with the sale of the property, the Seller has transferred your security deposit  
in the amount of \$ \_\_\_\_\_ to the Buyer.

SELLER:

a \_\_\_\_\_,

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "H"**

**PERMITTED ENCUMBRANCES**

1. Taxes for the year 2013 and subsequent years not yet due and payable, and any additional taxes due as a result of a reassessment of the subject property.
2. Rights of tenants in possession under unrecorded leases.
3. Easement from Ronnie C. Davis and Norita V. Davis to Sable Chase of McDonough L.P., a Georgia limited partnership, dated August 25, 1993, filed for record August 25, 1993 at 3:00 p.m., recorded in Deed Book 1705, Page 191, Records of Henry County, Georgia.
4. Easement from Sable Chase of McDonough L.P. to Georgia Power Company, dated October 11, 1993, filed for record October 22, 1993 at 12:21 p.m., recorded in Deed Book 1747, Page 129, aforesaid Records.
5. Land Use Restriction Agreement by and between the Georgia Housing and Finance Authority, a public corporation and instrumentality of the State of Georgia, and Sable Chase of McDonough, L.P., a limited partnership, dated as of March 30, 1994, filed for record March 30, 1994 at 4:15 p.m., recorded in Deed Book 1861, Page 204, aforesaid Records.
6. Easement from Sable Chase of McDonough, L.P. to BellSouth Telecommunications, Inc., a Georgia corporation, dated January 24, 1994, filed for record April 1, 1994 at 12:41 p.m., recorded in Deed Book 1862, Page 258, aforesaid Records.
7. Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits by and between Sable Chase of McDonough, L.P. and the Georgia Housing and Finance Authority, an instrumentality of the State of Georgia and a public corporation, dated as of December 23, 1994, filed for record February 22, 1995 at 10:44 a.m., recorded in Deed Book 2040, Page 255, aforesaid Records.
8. Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits by and between Sable Chase of McDonough, L.P. and the Georgia Housing and Finance Authority, an instrumentality of the State of Georgia and a public corporation, dated as of December 23, 1994, filed for record February 22, 1995 at 10:45 a.m., recorded in Deed Book 2040, Page 263, aforesaid Records.
9. Service Distribution Easement and Maintenance Agreement by and between Sable Chase of McDonough, Ltd. and Charter Communications, LLC, d/b/a Charter Communications, dated as of October 15, 2001, filed for record December 5, 2001 at 1:47 p.m., recorded in Deed Book 4622, Page 231, aforesaid Records.
10. Nonexclusive Installation and Service Agreement between Charter Communications, LLC and Sable Chase of McDonough, LP, dated August 16, 2012, filed for record

October 18, 2012 at 3:46 p.m., recorded in Deed Book 12756, Page 164, aforesaid Records.

11. Matters disclosed by ALTA/ACSM Land Title Survey for Sable Chase of McDonough, L.P., a Georgia limited partnership, Greystone Servicing Corporation, Inc., its successors and assigns, Federal Home Loan Mortgage Corporation, its successors and assigns, and Specialized Title Services, Inc., an Agent of Stewart Title Guaranty Company, prepared by J. B. Prince & Associates, Inc., Job No. 092212SA, bearing the seal and certification of Jonathan B. Prince, Georgia Registered Land Surveyor No. 3244, dated October 29, 2012, last revised December 19, 2012.
12. [INSERT RECORDED DOCUMENTS FOR EXISTING MORTGAGE]

**EXHIBIT "I"**

**RENT ROLL**

Rent roll report  
 Sable Chase of McDonough  
 Report created on calendar date: 10/1/2013 (property date: 09/30/2013)

All Properties

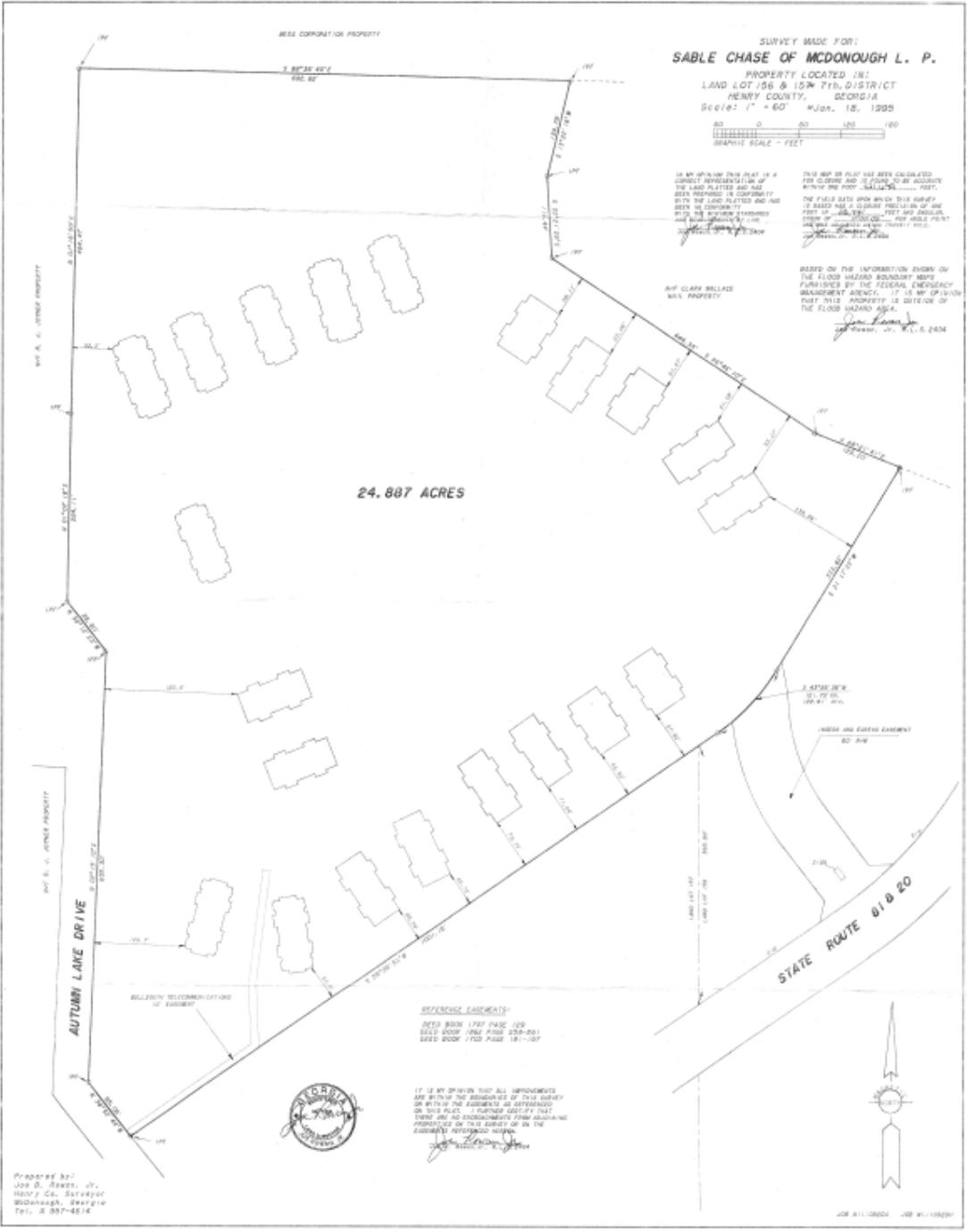
Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
00-101	Hill, Felicia	2x2 80%	988	0.00	0.00	0.00	06/01/2011	05/31/2014	O
01-201	Smith, Todd	2x1 50%	857	806.00	790.00	790.00	04/17/2007	04/16/2014	O
01-202	Fallon, Stephanie	2x1 50%	857	496.00	250.00	250.00	04/01/2013	03/31/2014	O
01-203	Luke, Anthony	2x1 50%	857	475.00	250.00	250.00	10/01/2010	09/30/2013	O
01-204	Bell, Tawana	2x1 50%	857	475.00	250.00	250.00	07/15/2011	07/14/2014	O
01-205	Bailey, Brittany	2x1 50%	857	475.00	250.00	250.00	02/10/2011	02/09/2014	O
01-206	Prince, Saida	2x1 50%	857	475.00	250.00	250.00	03/09/2012	03/08/2014	O
01-207	Glover, Akeya	2x1 50%	857	475.00	250.00	250.00	06/04/2012	06/03/2014	O
01-208	Dubose, Monique	2x1 50%	857	475.00	250.00	250.00	07/08/2011	07/07/2014	O
02-301	Lawrence, Bertha	2x1 50%	857	475.00	260.00	250.00	08/02/2013	08/01/2014	O
02-302	Melvin, Brenda	2x1 50%	857	475.00	250.00	250.00	06/01/2007	05/31/2014	O
02-303	Tripplet, Clinton	2x1 50%	857	475.00	250.00	250.00	08/26/2008	08/25/2014	O
02-304	Holman, Lauren	2x1 50%	857	475.00	250.00	250.00	11/12/2010	11/11/2013	O
02-305	Smith, Patricia	2x1 50%	857	475.00	250.00	250.00	08/12/2011	08/11/2014	O
02-306	Wrice, Tajanna	2x1 50%	857	475.00	250.00	250.00	01/07/2011	01/06/2014	O
02-307	Riggins, Brian	2x1 50%	857	475.00	745.00	745.00	10/01/2010	09/30/2013	O
02-308	Geathers, Ann Marie	2x1 50%	857	475.00	745.00	745.00	07/30/2010	07/29/2014	O
03-401	Son, Su Yang	1x1 80%	781	660.00	252.00	252.00	03/15/2013	03/14/2014	O
03-402	Vacant	1x1 80%	781	660.00	260.00	0.00			VR
03-403	Davis, Selena	1x1 60%	781	560.00	250.00	250.00	05/12/2004	05/11/2014	O
03-404	Jones, Tiffany	1x1 60%	781	560.00	250.00	250.00	07/26/2013	07/25/2014	O
03-405	Prator, Farrah	1x1 60%	781	560.00	250.00	250.00	06/28/2013	06/27/2014	O
03-406	Newton, Ashunaca	1x1 60%	781	560.00	250.00	250.00	07/30/2012	07/29/2014	O
03-407	Frost, Samantha	1x1 60%	781	560.00	250.00	250.00	09/15/2011	09/14/2014	O
03-408	Vacant	1x1 60%	781	560.00	250.00	0.00			VU
04-501	Taylor, Latricia	1x1 60%	781	560.00	250.00	0.00	09/26/2013	09/25/2014	O
04-502	Mathis, Dale	1x1 60%	781	560.00	250.00	250.00	05/19/2009	06/18/2014	O
04-503	Anderson, Calvin	1x1 60%	781	542.00	250.00	260.00	01/04/2008	01/03/2014	O
04-504	Vacant	1x1 60%	781	560.00	250.00	0.00			VU
04-505	Webb, Christine	1x1 60%	781	542.00	250.00	250.00	07/01/2009	06/30/2014	O
04-506	Weaver, Pertrena	1x1 60%	781	542.00	250.00	250.00	10/20/2009	10/19/2013	O
04-507	Anderson, Sharnecia	1x1 60%	781	560.00	250.00	250.00	03/02/2012	03/01/2014	O
04-508	Spiller, Gwendolyn	1x1 60%	781	499.00	250.00	250.00	09/10/2010	09/09/2014	O
05-801	Smith, Danmarlo	2x2 60%	968	675.00	250.00	254.00	04/01/2013	03/30/2014	O
05-802	Johnson, Calina	2x2 60%	968	675.00	250.00	250.00	05/31/2013	05/30/2014	O
05-803	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
05-804	Mendez, Hector	2x2 60%	968	675.00	250.00	250.00	07/16/2013	07/15/2014	O
05-805	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
05-806	Wade, Larry	2x2 60%	968	675.00	250.00	250.00	05/07/2013	05/06/2014	O
05-807	Alexander, Shemeake	2x2 60%	968	675.00	250.00	125.00	04/03/2012	04/02/2014	O
05-808	Maxwell, Paula	2x2 60%	968	675.00	250.00	250.00	08/17/2013	08/16/2014	O
06-701	Mcnelly, Krzynewski	2x2 60%	968	660.00	250.00	250.00	05/01/2009	04/30/2014	O
06-702	Weems, Sharon	2x2 60%	968	675.00	260.00	250.00	05/01/2013	05/01/2014	O
06-703	Duffy, Rosie	2x2 60%	968	602.00	250.00	250.00	12/01/2011	11/30/2013	O
06-704	Dangerfield, Virginia	2x2 60%	968	675.00	250.00	0.00	09/28/2013	09/25/2014	O
06-705	Henley, Roderick	2x2 60%	968	675.00	250.00	250.00	10/05/2012	10/04/2013	O
06-706	Coley, Ida	2x2 60%	968	655.00	250.00	250.00	01/07/2011	01/06/2014	O
06-707	Smith, Gayla	2x2 60%	968	625.00	250.00	250.00	12/10/2010	12/09/2013	O
06-708	Allen, Carissa	2x2 60%	968	675.00	250.00	250.00	02/28/2013	02/27/2014	O
07-801	Borden, Shaleda	3x2 50%	1180	531.00	250.00	0.00	09/29/2013	09/25/2014	O
07-802	Callaway, Roy	3x2 50%	1180	531.00	400.00	400.00	08/03/2011	08/02/2014	O
07-803	Boutelle, Lalalia	3x2 50%	1180	531.00	250.00	0.00	09/13/2013	09/12/2014	O
07-804	Williams, Vickie	3x2 50%	1180	531.00	250.00	250.00	04/08/2012	04/05/2014	O
07-805	Watson, Derrick	3x2 50%	1180	531.00	250.00	250.00	04/03/2012	04/02/2014	O
07-806	Mayfield, Ebony	3x2 50%	1180	531.00	250.00	125.00	03/15/2012	03/14/2014	O
07-807	Maradiaga, Perla	3x2 50%	1180	692.00	250.00	250.00	02/01/2008	01/31/2014	O
07-808	Smallwood, Adriana	3x2 50%	1180	531.00	250.00	250.00	08/01/2013	07/31/2014	O
08-901	Brewington, Wanda	3x2 50%	1180	531.00	250.00	250.00	11/28/2010	11/25/2013	NU
08-902	Weaver, Emory	3x2 50%	1180	531.00	250.00	250.00	01/11/2008	01/10/2014	O
08-903	Hudgeons, Mary	3x2 50%	1180	531.00	250.00	0.00	04/02/2013	04/01/2014	O
08-904	Hill, Terence	3x2 60%	1180	750.00	250.00	249.00	07/23/2013	07/22/2014	O
08-905	Brown, Ronnie	3x2 50%	1180	531.00	260.00	260.00	06/05/2009	06/04/2014	O
08-906	Collins, Bobbie	3x2 50%	1180	531.00	250.00	250.00	01/09/2009	01/08/2014	O
08-907	Gardner, Samantha	3x2 50%	1180	531.00	250.00	250.00	03/08/2013	03/07/2014	O
08-908	Steele, Deonica	3x2 50%	1180	531.00	250.00	250.00	04/02/2012	04/01/2014	O
09-1101	Alford, LaQuandria	2x2 60%	968	675.00	250.00	0.00	09/26/2013	09/25/2014	O
09-1102	Speight, Shameek	2x2 60%	968	675.00	250.00	250.00	07/02/2012	07/01/2014	O

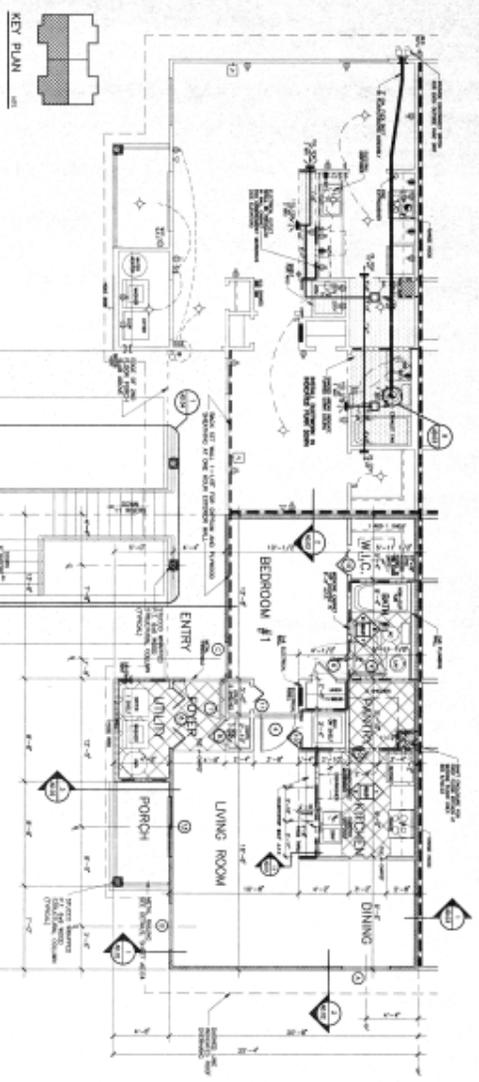
Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
09-1103	Pickens, Alreda	2x2 60%	968	675.00	250.00	0.00	09/13/2013	09/12/2014	O
09-1104	John, Deniesha	2x2 60%	968	675.00	250.00	250.00	03/08/2013	03/07/2014	O
09-1105	Aleobua, Lionel	2x2 60%	968	675.00	250.00	250.00	04/04/2013	04/03/2014	O
09-1106	Holmes, Debra	2x2 60%	968	675.00	250.00	250.00	07/03/2013	07/02/2014	O
09-1107	Lawrence, Felicia	2x2 60%	968	675.00	250.00	250.00	07/09/2012	07/08/2014	O
09-1108	Archer, Dakota	2x2 60%	968	675.00	250.00	0.00	08/28/2013	08/25/2014	O
10-1201	Augustin, Wrdnel	2x2 60%	968	675.00	250.00	250.00	03/05/2013	03/04/2014	O
10-1202	McIntosh, Lauren	2x2 60%	968	675.00	250.00	250.00	02/25/2013	02/24/2014	O
10-1203	Guillory, Learnit	2x2 60%	968	675.00	250.00	250.00	12/31/2012	11/30/2013	O
10-1204	Williams, Beverly	2x2 60%	968	675.00	250.00	250.00	07/26/2013	07/25/2014	O
10-1205	Hines, Casimira	2x2 60%	968	675.00	250.00	250.00	08/26/2013	08/25/2014	O
10-1206	Smith, Aesha	2x2 60%	968	675.00	250.00	250.00	02/25/2013	02/24/2014	O
10-1207	Latimer, Lillie	2x2 60%	968	1156.00	250.00	250.00	09/09/2010	09/07/2014	O
10-1208	Williams, Aaron	2x2 60%	968	675.00	250.00	250.00	02/28/2013	02/27/2014	O
11-1301	Ruckman, Samantha	1x1 60%	781	560.00	250.00	250.00	08/27/2012	08/26/2014	O
11-1302	Hurt, John	1x1 60%	781	517.00	250.00	250.00	05/22/2001	05/21/2014	O
11-1303	Jah, Winston	1x1 60%	781	499.00	250.00	250.00	12/30/2010	12/29/2013	O
11-1304	Stell, Edwin	1x1 60%	781	560.00	250.00	250.00	03/31/2007	03/30/2014	O
11-1305	Brown, Calvin	1x1 60%	781	542.00	250.00	250.00	12/04/2009	12/03/2013	O
11-1306	Neely, Andrew	1x1 60%	781	499.00	250.00	250.00	11/28/2010	11/25/2013	O
11-1307	Howell, Eve	1x1 60%	781	560.00	250.00	250.00	02/28/2013	02/27/2014	O
11-1308	Harper, Veronica	1x1 60%	781	499.00	250.00	250.00	12/03/2010	12/02/2013	O
12-1401	Miller, Roslyn	1x1 50%	781	408.00	250.00	250.00	02/20/2009	02/19/2014	O
12-1402	Thomas, Stella	1x1 50%	781	408.00	250.00	250.00	03/09/2013	03/08/2014	O
12-1403	Hurdle, Orianda	1x1 50%	781	408.00	250.00	250.00	05/29/2010	05/27/2014	O
12-1404	Fowler, Kelvin	1x1 50%	7481	408.00	0.00	0.00	01/17/2011	01/16/2014	O
12-1405	Knighter, Barbara	1x1 50%	781	408.00	250.00	250.00	09/12/2008	09/11/2014	O
12-1406	McDowell, Fanny	1x1 50%	781	408.00	250.00	250.00	10/05/2009	10/04/2013	O
12-1407	Miller, Tramerial	1x1 50%	781	408.00	250.00	0.00	08/28/2013	08/25/2014	O
12-1408	Brown, Willie	1x1 50%	781	408.00	250.00	250.00	03/01/2005	02/28/2014	O
13-1501	Hood, Jeffrey	1x1 60%	781	560.00	250.00	250.00	06/28/2013	06/27/2014	O
13-1502	Wynn, Alfonzo	1x1 60%	781	560.00	250.00	250.00	07/01/2013	07/01/2014	O
13-1503	Reed, Calvin	1x1 60%	781	525.00	694.00	694.00	12/16/2010	12/15/2013	O
13-1504	Smith, Jeffrey	1x1 60%	781	560.00	250.00	250.00	07/10/2012	07/09/2014	O
13-1505	Nkwanwoh, Javis	1x1 60%	781	560.00	250.00	250.00	02/18/2013	02/17/2014	O
13-1506	Vacant	1x1 60%	781	560.00	250.00	0.00			VU
13-1507	Poulos, Danny	1x1 60%	781	509.00	250.00	250.00	08/17/2010	08/16/2014	O
13-1508	Stewart, Emily	1x1 60%	781	542.00	250.00	250.00	04/02/2010	04/01/2014	O
14-1601	Vacant	2x2 60%	968	675.00	250.00	0.00			VU
14-1602	Miller, Brett	2x2 60%	968	655.00	250.00	250.00	11/04/2011	11/03/2013	O
14-1603	English, Donna	2x2 60%	968	675.00	250.00	250.00	04/29/2013	04/28/2014	O
14-1604	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
14-1605	Williams, Krystian	2x2 60%	968	620.00	250.00	250.00	11/20/2009	11/19/2013	O
14-1606	Hardeman, Annie	2x2 60%	968	675.00	250.00	171.00	11/10/2012	11/09/2013	O
14-1607	McFadden, Nadia	2x2 60%	968	675.00	250.00	250.00	07/26/2013	07/25/2014	O
14-1608	Cantler, Jonathan	2x2 60%	968	675.00	250.00	250.00	06/28/2013	06/27/2014	O
15-1701	Snapp, Erica	2x2 60%	968	675.00	250.00	250.00	02/25/2013	02/24/2014	O
15-1702	Tyler, Jennifer	2x2 60%	968	675.00	250.00	250.00	12/28/2012	12/27/2013	O
15-1703	Hawthorne, Mamesa	2x2 60%	968	625.00	250.00	250.00	02/03/2011	02/02/2014	O
15-1704	Torres, Maria	2x2 60%	968	675.00	250.00	250.00	09/14/2012	09/13/2014	O
15-1705	Lipsev, Vearie	2x2 60%	968	635.00	250.00	250.00	02/06/2012	02/05/2014	O
15-1706	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
15-1707	Martinez, Henry	2x2 60%	968	625.00	250.00	250.00	12/23/2010	12/22/2013	O
15-1708	Harris, Gabriel	2x2 60%	968	655.00	250.00	250.00	09/01/2011	08/31/2014	O
16-1801	Vacant	2x1 50%	857	475.00	250.00	0.00			VR
16-1802	Hightower, Shonda	2x1 50%	857	498.00	250.00	250.00	07/11/2012	07/10/2014	O
16-1803	Blgg, Derrick	2x1 50%	857	475.00	250.00	250.00	09/30/2011	09/29/2013	O
16-1804	Jones, Davia	2x1 50%	857	475.00	250.00	250.00	10/09/2012	10/08/2013	O
16-1805	Thomas, Ricky	2x1 50%	857	475.00	250.00	250.00	12/17/2009	12/16/2013	O
16-1806	Harp, David	2x1 50%	857	475.00	250.00	250.00	05/13/2013	05/12/2014	NR
16-1807	Hickman, Latrice	2x1 50%	857	475.00	500.00	500.00	07/30/2011	07/29/2014	O
16-1808	Abrams, Juanita	2x1 50%	857	475.00	250.00	0.00	06/02/2013	06/01/2014	O
17-1901	Scott, Janice	1x1 50%	781	408.00	250.00	250.00	04/04/2008	04/03/2014	O
17-1902	Vacant	1x1 50%	781	408.00	250.00	0.00			VR
17-1903	Miller, Rodrecius	1x1 50%	781	408.00	250.00	250.00	02/28/2013	02/27/2014	O
17-1904	Hunter, Andrea	1x1 50%	781	408.00	250.00	250.00	10/01/2009	09/30/2013	NU
17-1905	Stillwell, Majorie	1x1 50%	781	408.00	250.00	250.00	09/28/2012	09/27/2014	O
17-1906	Moore, James	1x1 50%	781	408.00	250.00	250.00	10/25/2011	10/24/2013	O
17-1907	Crump, Darrell	1x1 50%	781	408.00	250.00	250.00	02/28/2013	02/27/2014	O
17-1908	Singleton, John	1x1 50%	781	408.00	250.00	250.00	02/28/2013	03/27/2014	O
18-2001	Upshaw, Willie	2x1 50%	857	475.00	250.00	250.00	07/15/2010	07/14/2014	O
18-2002	Battle, Cahty	2x1 50%	857	475.00	250.00	250.00	08/01/2009	07/31/2014	O
18-2003	Smith, Jonathan	2x1 50%	857	475.00	250.00	250.00	01/30/2013	01/29/2014	O
18-2004	Harper, Sandra	2x1 50%	857	475.00	250.00	250.00	10/21/2012	10/20/2013	O
18-2005	Dandu, Talatu	2x1 50%	857	475.00	250.00	250.00	09/01/2011	08/31/2014	O
18-2006									

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
18-2007	Thomas, Tammy	2x1 50%	857	475.00	250.00	250.00	11/16/2012	11/15/2013	O
18-2008	Lodge, Chrissann	2x1 50%	857	475.00	250.00	250.00	12/31/2012	12/30/2013	O
19-2101	Olorunfemi, David	2x1 50%	857	475.00	250.00	250.00	11/16/2012	11/15/2013	O
19-2102	Baltazar, Fabian	2x2 60%	968	675.00	250.00	250.00	08/09/2012	08/08/2014	O
19-2103	Robinson, Sandra	2x2 60%	968	675.00	250.00	250.00	10/14/2011	10/13/2013	O
19-2104	Weekes, Jerome	2x2 60%	968	675.00	250.00	250.00	04/26/2013	04/25/2014	O
19-2105	Ross, Cathy	2x2 60%	968	675.00	250.00	250.00	06/28/2013	06/27/2014	O
19-2106	Davis, Carol	2x2 60%	968	665.00	250.00	250.00	10/03/2011	10/02/2013	O
19-2107	Whitehead, James	2x2 60%	968	675.00	250.00	250.00	07/01/2013	06/30/2014	O
19-2108	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
19-2108	Armstrong, Darius	2x2 60%	968	675.00	250.00	250.00	07/15/2013	07/16/2014	O
22-2201	Bolton, Marcus	2x2 60%	968	675.00	250.00	250.00	02/11/2013	02/10/2014	O
22-2202	Bellamy, Antuanette	2x2 60%	968	675.00	250.00	0.00	08/26/2013	08/25/2014	O
22-2203	Brown, Aaron	2x2 60%	968	675.00	250.00	250.00	03/08/2013	03/07/2014	O
22-2204	Spikes, Wallace	2x2 60%	968	675.00	250.00	250.00	06/28/2013	06/27/2014	O
22-2205	Dantief, Monica	2x2 60%	968	650.00	250.00	250.00	08/01/2008	07/31/2014	O
22-2206	Weaver, Michelle	2x2 60%	968	602.00	250.00	250.00	11/12/2010	11/11/2013	O
22-2207	Henson, Lindsey	2x2 60%	968	675.00	250.00	250.00	04/01/2013	03/31/2014	O
22-2208	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
23-2301	Augustinowicz, Rosetta	2x2 60%	968	675.00	250.00	250.00	10/22/2012	10/21/2013	O
23-2302	Freeman, Todd	2x2 60%	968	675.00	250.00	250.00	03/20/2013	03/19/2014	O
23-2303	Massey, Dustin	2x2 60%	968	675.00	250.00	250.00	03/20/2013	03/19/2014	O
23-2304	Christmas, Beja	2x2 60%	968	675.00	250.00	250.00	07/26/2013	07/25/2014	O
23-2305	Williams, Rashad	2x2 60%	968	675.00	250.00	0.00	10/30/2012	10/29/2013	O
23-2306	Dutton, Mildred	2x2 60%	968	602.00	250.00	250.00	10/06/2010	10/05/2013	O
23-2307	Walden, Jennifer	2x2 60%	968	675.00	250.00	0.00	07/26/2013	07/25/2014	O
23-2308	Vacant	2x2 60%	968	675.00	250.00	0.00			VR
24-2401	Clemons, Zakiya	3x2 50%	1180	531.00	250.00	0.00	09/02/2013	09/01/2014	O
24-2402	Evans, Malorie	3x2 50%	1180	531.00	250.00	250.00	06/28/2013	06/27/2014	O
24-2403	Brittlan, Alicia	3x2 50%	1180	558.00	250.00	250.00	05/29/2009	05/28/2014	O
24-2404	Snipes, Latoya	3x2 50%	1180	558.00	250.00	250.00	03/15/2013	03/14/2014	O
24-2405	Cunzio, Bethany	3x2 50%	1180	750.00	250.00	250.00	02/25/2013	02/24/2014	O
24-2406	Glover, Rebecca	3x2 50%	1180	531.00	250.00	250.00	03/15/2011	03/14/2014	O
24-2407	Gavalas, Lorena	3x2 50%	1180	531.00	250.00	250.00	01/22/2013	01/21/2014	O
24-2408	Mason Parr, Arteria	3x2 50%	1180	531.00	250.00	250.00	12/31/2012	12/30/2013	O
25-2501	Simmis, Leon	3x2 50%	1180	531.00	250.00	250.00	02/17/2012	02/16/2014	O
25-2502	Glover, Allen	3x2 50%	1180	531.00	250.00	250.00	05/13/2013	05/12/2014	O
25-2503	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
25-2504	Lenon, Rickey	3x2 60%	1180	750.00	250.00	250.00	03/01/2013	02/28/2014	O
25-2505	Frink, Datvyan	3x2 50%	1180	531.00	250.00	250.00	04/26/2013	04/25/2014	O
25-2506	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
25-2507	Jordan, Carla	3x2 50%	1180	531.00	250.00	200.00	09/28/2012	09/27/2014	O
25-2508	Crew, Patricia	3x2 50%	1180	531.00	250.00	250.00	04/01/2008	03/31/2014	O
26-2601	Bryant, Harold	3x2 50%	1180	531.00	250.00	250.00	02/28/2013	02/27/2014	O
26-2602	Ross, Barbara	3x2 50%	1180	531.00	882.00	882.00	10/12/2009	10/11/2013	O
26-2603	Mocdowell, Charles	3x2 50%	1180	531.00	250.00	250.00	02/28/2013	02/27/2014	O
26-2604	Williams, Barbara	3x2 50%	1180	531.00	250.00	250.00	11/25/2004	11/24/2013	O
26-2605	Webb, Michelle	3x2 50%	1180	558.00	250.00	250.00	03/15/2013	03/14/2014	O
26-2606	Bell, Latonia	3x2 50%	1180	531.00	250.00	250.00	08/01/2011	07/31/2014	O
26-2607	Mitchell, Koyana	3x2 50%	1180	531.00	250.00	250.00	01/18/2011	01/17/2014	O
26-2608	Vacant	3x2 60%	1180	750.00	250.00	0.00			VR
27-2701	Buckhanon, Taquilla	3x2 60%	1180	710.00	250.00	250.00	02/01/2008	01/31/2014	O
27-2702	Sasso, Evonne	3x2 60%	1180	750.00	250.00	250.00	10/23/2012	10/22/2013	O
27-2703	Flowers, Alphonso	3x2 50%	1180	531.00	250.00	250.00	10/30/2012	10/29/2013	O
27-2704	Vacant	3x2 60%	1180	750.00	250.00	0.00			VU
27-2705	Agee, Tameka	3x2 60%	1180	750.00	250.00	250.00	03/11/2013	03/10/2014	O
27-2706	Sasso Petersen, Elise	3x2 60%	1180	750.00	250.00	250.00	08/28/2013	08/25/2014	O
27-2707	Green, Ayana	3x2 60%	1180	710.00	250.00	250.00	03/01/2010	02/28/2014	O
27-2708	Thomas, Latoya	3x2 60%	1180	0.00	250.00	250.00	05/25/2012	05/24/2014	O
28-2801	Burrell, Joyce	3x2 60%	1180	750.00	250.00	250.00	05/01/2013	04/30/2014	O
28-2802	Rispress, Sherita	3x2 60%	1180	750.00	250.00	250.00	03/11/2013	03/10/2014	O
28-2803	Appelwhite, Antwian	3x2 60%	1180	750.00	250.00	250.00	10/11/2012	10/10/2013	O
28-2804	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
28-2805	Vacant	3x2 60%	1180	750.00	250.00	0.00			VR
28-2806	Jackson, Danny	3x2 50%	1180	531.00	250.00	250.00	02/01/2010	01/31/2014	O
28-2807	Jefferson, Stephanie	3x2 60%	1180	750.00	250.00	0.00	09/28/2013	09/25/2014	O
28-2808	Vacant	3x2 60%	1180	750.00	250.00	0.00			VU
29-2901	Mason, Herman	3x2 60%	1180	750.00	250.00	250.00	02/11/2013	02/10/2014	O
29-2902	Terrell, Beverly	3x2 60%	1180	667.00	917.00	917.00	12/01/2009	11/30/2013	O
29-2903	Vacant	3x2 60%	1180	750.00	250.00	0.00			VU
29-2904	Barber, Rekita	3x2 60%	1180	1198.00	250.00	250.00	08/05/2010	08/04/2014	O
29-2905	McDonald, Latoya	3x2 50%	1180	531.00	250.00	250.00	06/28/2013	06/27/2014	O
29-2906	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
29-2907	Babb, Stanley	3x2 60%	1180	750.00	250.00	250.00	08/01/2013	07/31/2014	O
29-2908	Brown, Chelsea	3x2 60%	1180	750.00	250.00	250.00	09/28/2012	09/27/2014	O
30-3001									

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
30-3002	Hyppolite, Nadia	3x2 50%	1180	531.00	250.00	250.00	09/01/2009	09/31/2014	O
30-3003	Bowdry, Jonae	3x2 50%	1180	531.00	250.00	250.00	06/17/2011	06/16/2014	O
30-3004	Jones, Jacquice	3x2 60%	1180	750.00	250.00	200.00	03/01/2012	02/28/2014	O
30-3005	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
30-3006	Vacant	3x2 50%	1180	531.00	250.00	0.00			VU
30-3007	Bowdry, Keiwana	3x2 50%	1180	531.00	250.00	250.00	09/08/2011	08/07/2014	O
30-3008	Hayford, Vanessa	3x2 50%	1180	531.00	250.00	250.00	09/13/2013	06/12/2014	O

Status	Description	Number of Units	Rent Schedule	Amount
O	Occupied, not on notice	196	Units occupied - actual billing amount	115,040.00
NU	Occupied, on notice, not rented	2	Units vacant - billing potential	15,990.00
NR	Occupied, on notice, rented	1		
VU	Vacant, not rented	14	100% (gross) potential billing value	131,030.00
VR	Vacant, rented	12		
VA	Vacant, admin	0	Total scheduled deposits	59,435.00
VD	Vacant, down	0	Total deposits on hand	48,759.00
			Total rentable square footage	227,236
	<b>Total Units</b>	<b>225</b>		

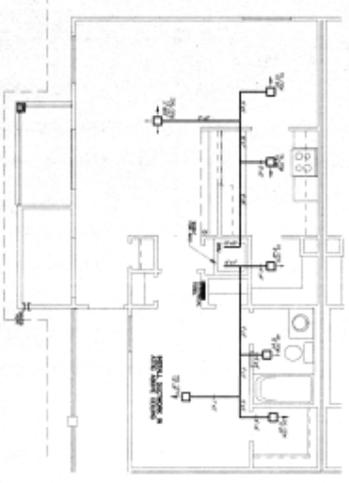




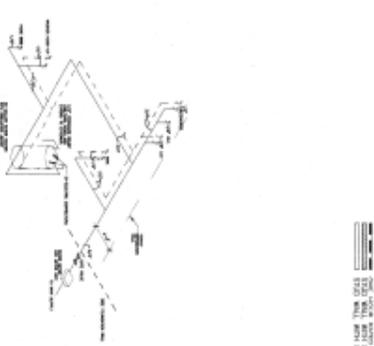
- NOTES:**
1. PENETRATIONS ARE TO LINE OF SLAB SET NOT AT.
  2. PENETRATION WALLS ARE BUILT SET 1/2" FROM EDGE.
  3. ONE HOUR RATED PENETRATION WALLS SHALL BE SICK SET 5/8" TO ALLOW FOR 3/8" TYP. IN GYPSUM SHEATHING.
  4. SET APPROXIMATE, BUT FIRM FOR EXIST. LANDING.
  5. METAL SPECIFIED ATIC INSULATION IN CEILING SPACES ABOVE UTILITY AREAS IN ACCORDANCE TO AIRC. RESOLUTION IN OTHER COMPROMISED AREAS.
  6. THROUGH ROOF A SLOPED LEAD PIPING DRAIN WITH FLOOR LINE REVISION AND DOWN DUCTS UNIT DIRECTLY THROUGH ROOF.
  7. FLOORING SHALL BE LAMINATE ON SECOND FLOOR.
  8. FLOORING SHALL BE CARPETING ON SECOND FLOOR.
  9. WALL, CEILING AND FLOOR SHALL BE ACCORDANCE TO CHAPTER 15, STANDARD BALANCE CODE.
  10. SPECIAL IN THE PLUMBING SECTION SHALL BE SPREADSHEET IN ACCORDANCE WITH CHAPTER 15, STANDARD PLUMBING CODE.

**MECHANICAL (1st FLOOR ONLY) / ELECTRICAL (1st & 2nd FLOOR) FLOOR PLAN**  
 ONE BEDROOM / ONE BATH UNIT  
 BUILDING NO. 4, 5, 13, 14, 15, 19  
 SEE SHEET A101 FOR ELECTRICAL LEGEND

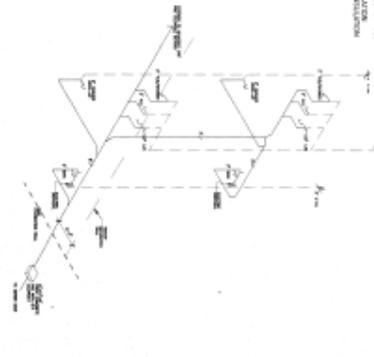
**ARCHITECTURAL (1st & 2nd FLOOR) FLOOR PLAN**  
 ONE BEDROOM / ONE BATH UNIT  
 BUILDING NO. 4, 5, 13, 14, 15, 19  
 SEE SHEET A101 FOR ARCHITECTURAL LEGEND



**MECHANICAL (2nd FLOOR ONLY) FLOOR PLAN**  
 ONE BEDROOM / ONE BATH UNIT  
 BUILDING NO. 4, 5, 13, 14, 15, 19  
 SCALE: 1/4" = 1'-0"



**WATER SUPPLY RISER DIAGRAM**  
 ONE BEDROOM / ONE BATH UNIT  
 BUILDING NO. 4, 5, 13, 14, 15, 19



**SANITARY RISER DIAGRAM**  
 ONE BEDROOM / ONE BATH UNIT  
 BUILDING NO. 4, 5, 13, 14, 15, 19

**RECORD DRAWING: 15 February 1995**  
 THIS RECORD DRAWING IS BASED ON INFORMATION CONTAINED BY THE CONTRACTOR AND OWNER TO THE PROJECT. THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

**A101**

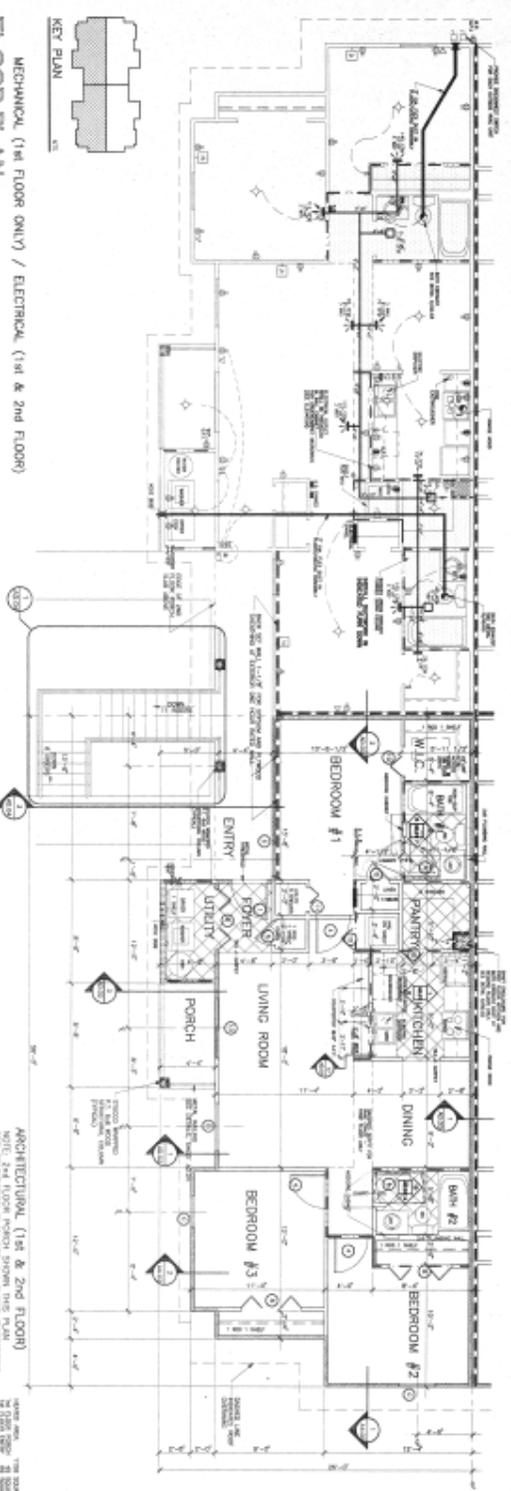
**SABLE CHASE**  
 DEKALB COUNTY, GEORGIA  
 SABLE CHASE OF MCDONOUGH, L.P.  
 MARIETTA, GEORGIA

**LEWIS BROWN TR. ARCHT.**

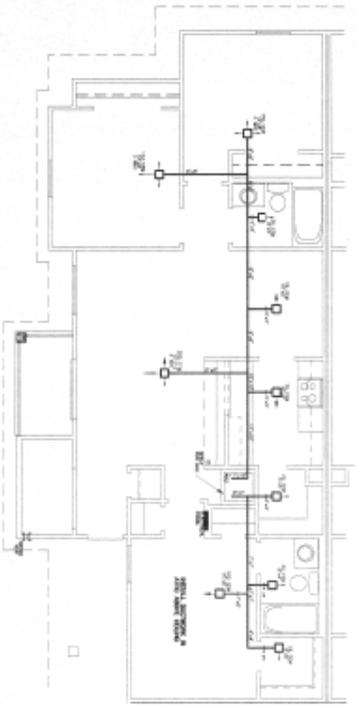
DATE: 02/15/95  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 SCALE: 1/4" = 1'-0"







**MECHANICAL (1st FLOOR ONLY) / ELECTRICAL (1st & 2nd FLOOR)**  
**FLOOR PLAN**  
 THREE BEDROOM / TWO BATH UNITS BUILDING NO. 8, 9, 24, 25, 26, 27, 28, 29, 30  
 SEE SHEET A4.01 FOR ELECTRICAL LEGEND



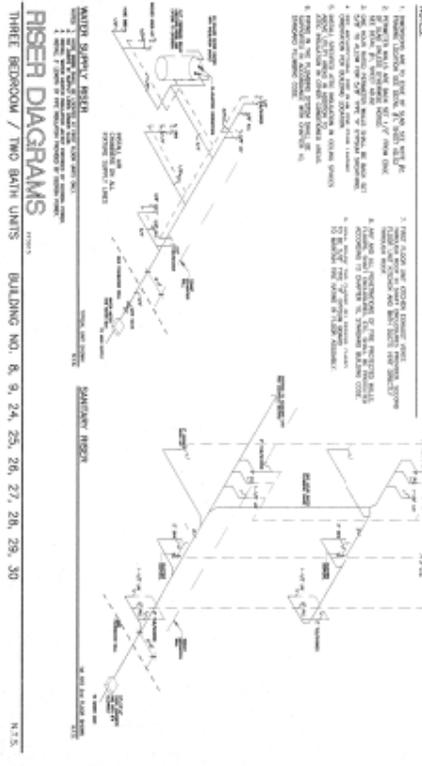
**MECHANICAL (2nd FLOOR ONLY)**  
**FLOOR PLAN**  
 THREE BEDROOM / TWO BATH UNITS BUILDING NO. 8, 9, 24, 25, 26, 27, 28, 29, 30  
 SCALE: 1/4" = 1'-0"

**RECORD DRAWING: 15 February 1995**

THIS RECORD DRAWING IS BASED ON INFORMATION COMPILED BY THE CONTRACTOR AND OWNER TO THE MAXIMUM EXTENT POSSIBLE. THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THIS RECORD DRAWING.

- NOTES:**
1. RECORD DRAWING IS TO BE USED AS A GUIDE ONLY.
  2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.
  10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY THE ARCHITECT AND OWNER.

**ARCHITECTURAL (1st & 2nd FLOOR)**  
 NOTE: 2nd FLOOR PORCH SHOWN THIS PLAN  
 SEE FOUNDATION PLAN FOR 1st FLOOR DIMENSIONS



**RISER DIAGRAMS**  
 THREE BEDROOM / TWO BATH UNITS BUILDING NO. 8, 9, 24, 25, 26, 27, 28, 29, 30  
 N.T.S.

**LEWIS BROWN JR. ARCHITECT**  
 5100 W. WINDYBROOK DRIVE  
 SUITE 107  
 GAINESVILLE, FLORIDA 32608  
 (904) 332-1378

**SABLE CHASE**  
 SABLE CHASE OF McDONOUGH, L.P.  
 SNEELAKE, FLORIDA

DATE: 11/11/94  
 DRAWN BY: J.R. KANE  
 CHECKED BY: J.R. KANE  
 TITLE: MECHANICAL & ELECTRICAL

SHEET NO. 15  
 OF 14 SHEETS

SCALE: 1/4" = 1'-0"  
 N.T.S.

A4.01

Rent Roll report

OnSite<sup>®</sup> Leasing & Rents

Helmink Management Inc

ref-843-001

Rent roll report  
 Sable Chase of McDonough  
 Report created on calendar date: 4/8/2014 (property date: 04/07/2014)

All Properties

*Manager*

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
00-101	Hil, Felicia	2x2 60% <i>Per Rev.</i>	988	0.00	0.00	0.00	06/01/2011	05/31/2014	0
01-201	Smith, Todd	2x1 90%	857	495.00	250.00	250.00	04/17/2007	04/18/2014	0
01-202	Mason, Stephanie	2x1 60%	857	475.00	250.00	250.00	04/01/2013	09/31/2015	0
01-203	Hunter, Briana	2x1 60%	857	475.00	250.00	250.00	11/26/2013	11/25/2014	0
01-204	Bell, Tawana	2x1 60%	857	475.00	250.00	250.00	07/15/2011	07/14/2014	0
01-205	Bailey, Brittany	2x1 60%	857	475.00	250.00	250.00	02/10/2011	02/09/2015	0
01-208	Prince, Saide	2x1 60%	857	475.00	250.00	250.00	03/09/2012	03/08/2015	0
01-207	Glover, Akeya	2x1 60%	857	475.00	250.00	250.00	03/04/2012	06/03/2014	0
01-208	Dubose, Monique	2x1 60%	857	475.00	250.00	250.00	07/09/2011	07/07/2014	0
02-301	Lawrence, Bernita	2x1 60%	857	475.00	250.00	250.00	08/02/2013	06/01/2014	0
02-302	Makun, Brenda	2x1 60%	857	475.00	250.00	250.00	06/01/2007	05/31/2014	0
02-303	Tripplet, Clinton	2x1 60%	857	475.00	250.00	0.00	12/26/2013	12/25/2014	0
02-304	Hightower, Shonda	2x1 90%	857	475.00	250.00	250.00	06/12/2011	06/11/2014	0
02-305	Smith, Patricia	2x1 60%	857	475.00	250.00	250.00	01/07/2011	01/06/2015	0
02-306	Wrica, Tajuana	2x1 60%	857	475.00	250.00	250.00	10/01/2010	09/30/2014	0
02-307	Riggins, Brian	2x1 60%	857	475.00	0.00	0.00	07/30/2010	07/29/2014	0
02-308	Geathers, Ann Marie	2x1 60%	857	475.00	0.00	0.00	02/15/2013	02/14/2015	0
03-401	Son, Su Yang	1x1 60%	781	560.00	250.00	250.00	11/20/2013	11/19/2014	0
03-402	Jackson, Sharlene	1x1 60%	781	560.00	250.00	250.00	05/12/2004	05/11/2014	0
03-403	Davis, Savene	1x1 60%	781	560.00	250.00	250.00	07/28/2013	07/27/2014	0
03-404	Jones, Tiffany	1x1 60%	781	560.00	250.00	250.00	06/28/2013	06/27/2014	0
03-405	Prator, Fernan	1x1 60%	781	560.00	250.00	250.00	07/30/2012	07/29/2014	0
03-406	Newton, Ashunaca	1x1 60%	781	560.00	250.00	250.00	09/15/2011	09/14/2014	0
03-407	Frost, Samantha	1x1 60%	781	560.00	250.00	250.00	10/25/2013	10/24/2014	0
03-408	Pierre, Aidawn	1x1 60%	781	560.00	250.00	250.00	09/26/2013	09/25/2014	0
04-501	Taylor, Latricia	1x1 60%	781	560.00	250.00	250.00	06/19/2009	06/18/2014	0
04-502	Mathis, Dale	1x1 60%	781	560.00	250.00	250.00	01/04/2006	01/03/2015	0
04-503	Anderson, Caitlin	1x1 60%	781	560.00	250.00	250.00	11/15/2013	11/14/2014	0
04-504	Oliver, Cameron	1x1 60%	781	560.00	250.00	250.00	07/01/2009	06/30/2014	0
04-505	Vieaso, Christine	1x1 60%	781	560.00	250.00	250.00	10/20/2008	10/19/2014	0
04-506	Vieaver, Patricia	1x1 60%	781	560.00	250.00	250.00	03/02/2012	03/01/2015	0
04-507	Anderson, Shamecia	1x1 60%	781	560.00	250.00	250.00	09/10/2010	09/09/2014	0
04-508	Spicer, Owendolyn	1x1 60%	781	560.00	250.00	250.00	04/01/2013	03/31/2014	0
05-601	Smith, Darnaria	2x2 60%	968	675.00	250.00	250.00	05/31/2013	05/30/2014	0
05-602	Jonsson, Ceana	2x2 60%	968	675.00	250.00	250.00	02/21/2014	02/20/2015	0
05-603	Pagan, Jose	2x2 60%	968	675.00	250.00	250.00	07/16/2013	07/15/2014	0
05-604	Mendez, Hector	2x2 60%	968	675.00	250.00	250.00	03/10/2014	03/09/2015	0
05-605	Johnson, Etbone	2x2 60%	968	675.00	250.00	250.00	08/07/2012	08/06/2014	0
05-606	Wade, Larry	2x2 60%	968	675.00	250.00	125.00	04/03/2012	04/02/2014	0
05-607	Alexander, Sherneke	2x2 60%	968	675.00	250.00	250.00	08/17/2013	08/16/2014	0
05-608	Maxwell, Paula	2x2 60%	968	675.00	250.00	250.00	05/01/2009	04/30/2014	0
06-701	Munally, Krzyszewski	2x2 60%	968	675.00	250.00	250.00	09/01/2013	08/31/2014	0
06-702	Vieems, Sharon	2x2 60%	968	675.00	250.00	250.00	12/26/2013	12/25/2014	0
06-703	Wills, Brenon	2x2 60%	968	675.00	250.00	250.00	09/23/2013	09/22/2014	0
06-704	Dangerfeld, Virginia	2x2 60%	968	675.00	250.00	0.00	01/24/2014	01/23/2015	0
06-705	Harris, Neri	2x2 60%	968	675.00	250.00	250.00	02/17/2014	02/16/2015	0
06-706	Daniels, Kendra	2x2 60%	968	675.00	250.00	250.00	08/17/2014	08/16/2015	0
06-707	Wills, Michael	2x2 60%	968	675.00	250.00	250.00	02/28/2013	02/27/2015	0
06-708	Afen, Carissa	2x2 60%	968	675.00	250.00	250.00	08/26/2013	08/25/2014	0
07-801	Borden, Shavada	3x2 60%	1180	531.00	250.00	400.00	08/03/2011	08/02/2014	0
07-802	Callaway, Roy	3x2 60%	1180	531.00	250.00	250.00	09/13/2013	09/12/2014	0
07-803	Boutelle, Letala	3x2 60%	1180	531.00	250.00	250.00	04/08/2012	04/07/2014	0
07-804	Williams, Vickie	3x2 60%	1180	531.00	250.00	250.00	04/03/2012	04/02/2014	0
07-805	Watson, Derrick	3x2 60%	1180	531.00	250.00	250.00	03/15/2012	03/14/2014	0
07-806	Mayfield, Ebony	3x2 60%	1180	531.00	250.00	250.00	03/01/2008	02/28/2014	0
07-807	Naradaga, Paris	3x2 60%	1180	531.00	250.00	250.00	08/01/2013	07/31/2014	0
07-808	Smallwood, Acrene	3x2 60%	1180	531.00	250.00	250.00	12/01/2010	11/30/2014	0
08-901	Brewington, Wanda	3x2 60%	1180	531.00	250.00	250.00	01/11/2008	01/10/2015	0
08-902	Vieaver, Emory	3x2 60%	1180	531.00	250.00	0.00	04/02/2013	04/01/2014	0
08-903	Hudgson, Mary	3x2 60%	1180	531.00	250.00	240.00	07/23/2013	07/22/2014	0
08-904	Hill, Terence	3x2 60%	1180	531.00	250.00	250.00	08/05/2009	08/04/2014	0
08-905	Brown, Robbie	3x2 60%	1180	531.00	250.00	250.00	01/09/2009	01/08/2015	0
08-906	Collins, Bobbie	3x2 60%	1180	531.00	250.00	250.00	03/08/2013	03/07/2015	0
08-907	Gardner, Samantha	3x2 60%	1180	531.00	250.00	250.00	04/02/2012	04/01/2014	0
08-908	Seale, Deatrice	3x2 60%	1180	531.00	250.00	250.00	03/21/2014	03/20/2015	0
09-1101	Montano, Carlos	2x2 60%	968	675.00	250.00	250.00	03/21/2014	03/20/2015	0
09-1102	Rodriguez, Nashira	2x2 60%	968	675.00	250.00	250.00	03/21/2014	03/20/2015	0

Rent Roll report

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
09-1103	Smith, Marqua	2x2 80% *	968	875.00	250.00	250.00	03/10/2014	03/08/2015	O
09-1104	Warfield, Ragnald	2x2 80% *	968	875.00	250.00	0.00	03/21/2014	03/20/2015	O
09-1105	Alesbus, Lionel	2x2 80% *	968	875.00	250.00	250.00	04/04/2013	04/03/2014	O
09-1108	Holmes, Debra	2x2 80% *	968	875.00	250.00	250.00	07/03/2013	07/02/2014	O
09-1107	Lawrence, Felicia	2x2 80% *	968	875.00	250.00	250.00	07/09/2012	07/08/2014	O
09-1208	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
10-1201	Augustin, Widnel	2x2 80% *	968	875.00	250.00	250.00	03/05/2013	03/04/2015	O
10-1202	Vacant	2x2 80% *	968	725.00	250.00	0.00			VR
10-1203	Price, Christopher	2x2 80% *	968	875.00	250.00	250.00	02/21/2014	02/20/2015	O
10-1204	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
10-1205	Vacant	2x2 80% *	968	725.00	250.00	0.00			VR
10-1206	Dorch, Chelaha	2x2 80% *	968	875.00	250.00	250.00	02/21/2014	02/20/2015	O
10-1207	Lalmer, Lillie	2x2 80% *	968	630.00	250.00	250.00	09/08/2010	09/07/2014	O
10-1208	Williams, Aaron	2x2 80% *	968	875.00	250.00	250.00	02/28/2013	02/27/2015	O
11-1301	Ruckman, Samantha	1x1 60% *	791	560.00	250.00	250.00	06/27/2012	05/26/2014	O
11-1302	Hurt, John	1x1 60% *	791	517.00	250.00	250.00	05/22/2011	05/21/2014	O
11-1303	Jah, Winson	1x1 60% *	791	499.00	250.00	250.00	12/30/2010	12/29/2014	O
11-1304	Stek, Edwin	1x1 60% *	791	560.00	250.00	250.00	03/31/2007	03/30/2014	O
11-1305	Brown, Calvin	1x1 60% *	791	542.00	250.00	250.00	12/04/2009	12/03/2014	O
11-1306	Neely, Andrew	1x1 60% *	791	466.00	250.00	250.00	12/01/2010	11/30/2014	O
11-1307	Vacant	1x1 60% *	791	600.00	250.00	0.00			VR
11-1308	Harper, Veronica	1x1 60% *	791	499.00	250.00	250.00	12/03/2010	12/02/2014	O
12-1401	Miller, Roslyn	1x1 50% *	791	408.00	250.00	250.00	02/20/2009	02/19/2015	O
12-1402	Vacant	1x1 50% *	791	500.00	250.00	0.00			VR
12-1403	Hurdle, Orlando	1x1 50% *	791	408.00	250.00	250.00	05/28/2010	05/27/2014	O
12-1404	Vacant <i>Max Rev</i>	1x1 50% *	791	500.00	250.00	0.00			VU
12-1405	Knighter, Bebera	1x1 50% *	791	408.00	250.00	250.00	08/12/2008	08/11/2014	O
12-1406	McDowell, Fanny	1x1 50% *	791	466.00	250.00	250.00	10/05/2009	10/04/2014	O
12-1407	Miller, Tramentai	1x1 50% *	791	408.00	250.00	0.00	08/26/2013	08/25/2014	O
12-1408	Brown, Willie	1x1 50% *	791	408.00	250.00	250.00	09/01/2005	02/28/2015	O
13-1501	Hood, Jeffrey	1x1 60% *	791	560.00	250.00	250.00	05/25/2013	05/24/2014	O
13-1502	Wynn, Alfonso	1x1 60% *	791	580.00	250.00	250.00	07/01/2013	07/01/2014	O
13-1503	Read, Calvin	1x1 60% *	791	328.00	684.00	684.00	12/16/2010	12/15/2014	O
13-1504	Smith, Jeffrey	1x1 60% *	791	590.00	250.00	250.00	07/10/2012	07/09/2014	O
13-1505	Nowamweh, Javis	1x1 60% *	791	560.00	250.00	250.00	02/18/2013	02/17/2015	O
13-1506	Slaton, Armani	1x1 60% *	791	560.00	250.00	250.00	02/21/2014	02/20/2015	O
13-1507	Poulos, Danny	1x1 60% *	791	509.00	250.00	250.00	08/17/2010	08/16/2014	O
13-1508	Stewart, Emily	1x1 60% *	791	560.00	250.00	250.00	04/02/2010	04/01/2014	O
14-1501	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
14-1502	Vacant	2x2 80% *	968	725.00	250.00	0.00			VR
14-1503	English, Donna	2x2 80% *	968	875.00	250.00	250.00	04/29/2013	04/28/2014	O
14-1504	Hunter, Andrea	2x2 80% *	968	875.00	250.00	250.00	10/01/2013	09/30/2014	O
14-1505	Vacant	2x2 80% *	968	725.00	250.00	0.00			VR
14-1506	Hardaman, Annie	2x2 80% *	968	875.00	250.00	171.00	11/02/2012	11/01/2014	O
14-1507	Bogen, Harneeda	2x2 80% *	968	875.00	250.00	250.00	02/21/2014	02/20/2015	O
14-1508	Center, Jonathan	2x2 80% *	968	875.00	250.00	250.00	08/28/2013	08/27/2014	O
15-1701	Snapp, Erica	2x2 80% *	968	875.00	250.00	250.00	02/26/2013	02/24/2015	O
15-1702	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
15-1703	Hawthorne, Marissa	2x2 80% *	968	625.00	250.00	250.00	02/03/2011	02/02/2015	O
15-1704	Torres, Maria	2x2 80% *	968	875.00	250.00	250.00	09/14/2012	09/13/2014	O
15-1705	Barkley, Craig	2x2 80% *	968	875.00	250.00	250.00	03/14/2014	03/13/2015	O
15-1706	Sevage, Mary	2x2 80% *	968	875.00	250.00	250.00	10/01/2013	09/30/2014	O
15-1707	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
15-1708	Vacant	2x2 80% *	968	725.00	250.00	0.00			VU
16-1801	Stone, Talisha	2x1 50% *	857	475.00	250.00	250.00	11/01/2013	10/31/2014	O
16-1802	Upsey, Vearle	2x1 50% *	857	475.00	250.00	0.00	01/01/2014	12/31/2015	O
16-1803	Bigg, Derrick	2x1 50% *	857	475.00	250.00	250.00	09/30/2011	09/29/2014	O
16-1804	Jackson, Gemontae	2x1 50% *	857	475.00	250.00	250.00	02/21/2014	02/20/2015	O
16-1805	Thomas, Ricky	2x1 50% *	857	475.00	250.00	250.00	12/17/2009	12/16/2014	O
16-1806	Evans, Priscilla	2x1 50% *	857	475.00	250.00	0.00	11/26/2013	11/25/2014	O
16-1807	Hickman, Latrice	2x1 50% *	857	475.00	500.00	500.00	07/30/2011	07/29/2014	O
16-1808	McClanery, Justasia	2x1 50% *	857	475.00	250.00	250.00	12/28/2013	12/25/2014	O
17-1901	Battle, LaTonya	1x1 50% *	791	408.00	250.00	250.00	03/07/2014	03/06/2015	O
17-1902	Ellerbe, Mary	1x1 50% *	791	408.00	250.00	250.00	11/05/2013	11/04/2014	O
17-1903	Leusa, Tommy	1x1 50% *	791	408.00	250.00	126.00	01/24/2014	01/23/2015	O
17-1904	Jack, Sharon	1x1 50% *	791	408.00	250.00	250.00	11/04/2013	11/03/2014	O
17-1905	Stewart, Myron	1x1 50% *	791	408.00	250.00	250.00	09/29/2012	09/27/2014	O
17-1906	Moore, James	1x1 50% *	791	408.00	250.00	250.00	10/25/2011	10/24/2014	O
17-1907	Crums, Carmel	1x1 50% *	791	408.00	250.00	250.00	02/28/2013	02/27/2015	O
17-1908	Singleton, John	1x1 50% *	791	408.00	250.00	250.00	02/28/2013	02/27/2015	O
18-2001	Upshaw, Willie	2x1 50% *	857	475.00	250.00	250.00	07/15/2010	07/14/2014	O
18-2002	Marshall, Dianne	2x1 50% *	857	475.00	250.00	250.00	11/15/2013	11/14/2014	O
18-2003	Smith, Jonathan	2x1 50% *	857	475.00	250.00	250.00	01/30/2013	01/29/2015	O
18-2004	Harper, Sandra	2x1 50% *	857	475.00	250.00	250.00	10/21/2012	10/20/2014	O
18-2005	Dandu, Taietu	2x1 50% *	857	475.00	250.00	250.00	08/01/2011	08/01/2014	O
18-2006									

*no income man*

Rent Roll report

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposit(s) on Hand	Move In Date	Lease End Date	Unit Status
18-2007	Thomas, Tammy	2x1 50%	857	475.00	250.00	250.00	11/16/2012	11/16/2014	O
18-2007	Logge, Christian	2x1 50%	857	475.00	250.00	250.00	12/31/2012	12/30/2014	O
18-2008	Olorunfemi, David	2x1 50%	857	475.00	250.00	250.00	11/16/2012	11/16/2014	O
19-2101	Beltz, Felton	2x2 50%	968	675.00	250.00	250.00	08/09/2012	08/09/2014	O
19-2102	Robinson, Sandra	2x2 50%	968	675.00	250.00	250.00	10/14/2011	10/13/2014	O
19-2103	Smith, Patricia	2x2 50%	968	675.00	250.00	250.00	02/01/2014	01/31/2015	O
19-2104	Crammer, Faye	2x2 50%	968	675.00	250.00	250.00	12/26/2013	12/25/2014	O
19-2105	Devis, Carol	2x2 50%	968	675.00	250.00	250.00	10/03/2011	10/02/2014	O
19-2106	Whithead, James	2x2 50%	968	675.00	250.00	250.00	07/01/2013	06/30/2014	O
19-2107	Hill, Dacia	2x2 50%	968	675.00	250.00	250.00	01/24/2014	01/23/2015	O
19-2108	Henderson, Mario	2x2 50%	968	675.00	250.00	0.00	03/28/2014	03/27/2015	O
22-2201	Vacant	2x2 50%	968	725.00	250.00	0.00			VU
22-2202	Belsamy, Antuanette	2x2 50%	968	675.00	250.00	250.00	08/28/2013	08/28/2014	O
22-2203	Gordon, Tasha	2x2 50%	968	675.00	250.00	0.00	03/28/2014	03/27/2015	O
22-2204	Vacant	2x2 50%	968	725.00	250.00	0.00			VU
22-2205	Devis, Monica	2x2 50%	968	650.00	250.00	250.00	08/01/2008	07/31/2014	O
22-2206	Wiewa, Michelle	2x2 50%	968	602.00	250.00	250.00	11/12/2010	11/11/2014	O
22-2207	Henson, Lindsey	2x2 50%	968	675.00	250.00	250.00	04/01/2013	03/31/2014	O
22-2208	Evans, Renato	2x2 50%	968	675.00	250.00	250.00	12/25/2013	12/12/2014	O
23-2301	Vacant	2x2 50%	968	725.00	250.00	0.00			VR
23-2302	Vacant	2x2 50%	968	725.00	250.00	0.00			VU
23-2303	Massey, Dustin	2x2 50%	968	675.00	250.00	250.00	03/20/2013	03/19/2014	O
23-2304	Christmas, Baja	2x2 50%	968	675.00	250.00	250.00	07/28/2013	07/28/2014	O
23-2305	Vacant	2x2 50%	968	725.00	250.00	0.00			VU
23-2306	Dutton, Wignee	2x2 50%	968	602.00	250.00	250.00	10/06/2010	10/05/2014	O
23-2307	Walden, Jennifer	2x2 50%	968	675.00	250.00	250.00	07/26/2013	07/25/2014	O
23-2308	Little, Cynthia	2x2 50%	968	675.00	250.00	250.00	01/24/2014	01/23/2015	O
24-2401	Clamona, Zakia	3x2 50%	1180	531.00	250.00	240.00	05/23/2013	05/01/2014	O
24-2402	Henderson, Joyenka	3x2 50%	1180	531.00	250.00	0.00	11/25/2013	11/25/2014	O
24-2403	Brtman, Alize	3x2 50%	1180	531.00	250.00	250.00	05/23/2009	05/23/2014	O
24-2404	Snipes, Latoya	3x2 50%	1180	531.00	250.00	250.00	03/15/2013	03/14/2014	NR
24-2405	Vacant	3x2 50%	1180	800.00	250.00	0.00			VU
24-2406	Vacant	3x2 50%	1180	950.00	250.00	0.00			VR
24-2407	Gavatas, Lorena	3x2 50%	1180	531.00	250.00	240.00	01/22/2013	01/21/2015	O
24-2408	Mason, Pam, Arteria	3x2 50%	1180	531.00	250.00	250.00	12/31/2012	12/30/2014	O
25-2501	Simms, Leon	3x2 50%	1180	531.00	250.00	250.00	02/17/2012	02/16/2015	O
25-2502	Allen, Carissa	3x2 50%	1180	531.00	250.00	0.00	04/01/2014	03/27/2015	O
25-2503	Smith, Gayla	3x2 50%	1180	531.00	250.00	0.00	12/28/2013	12/28/2014	O
25-2504	Vacant	3x2 50%	1180	600.00	250.00	0.00			VU
25-2505	Frank, Dalwyn	3x2 50%	1180	531.00	250.00	250.00	04/23/2013	04/23/2014	O
25-2506	Smith Jr., Mark	3x2 50%	1180	531.00	250.00	250.00	02/21/2014	02/20/2015	O
25-2507	Jordan, Ceila	3x2 50%	1180	531.00	250.00	250.00	06/28/2012	06/27/2014	O
25-2508	Crow, Patricia	3x2 50%	1180	531.00	250.00	250.00	04/01/2008	03/31/2015	O
26-2601	Bryant, Harold	3x2 50%	1180	531.00	250.00	250.00	02/28/2012	02/27/2015	O
26-2602	Ross, Barbara	3x2 50%	1180	531.00	0.00	0.00	10/12/2009	10/11/2014	O
26-2603	Bowdry, Kelema	3x2 50%	1180	531.00	250.00	250.00	03/02/2014	02/29/2015	O
26-2604	Williams, Barbara	3x2 50%	1180	531.00	250.00	250.00	11/25/2014	11/24/2014	O
26-2605	Perry, Tanya	3x2 50%	1180	675.00	250.00	250.00	03/21/2014	03/20/2015	O
26-2606	Martinez, Henry	3x2 50%	1180	531.00	250.00	0.00	01/24/2014	01/23/2015	O
26-2607	Mitchell, Keyana	3x2 50%	1180	531.00	250.00	250.00	01/07/2011	01/06/2015	O
26-2608	Medicos, Michael	3x2 50%	1180	0.00	0.00	0.00	02/21/2014	02/20/2015	O
27-2701	Duffey, Gwendolyn	3x2 50%	1180	750.00	250.00	0.00	03/28/2014	03/27/2015	O
27-2702	Sasso, Evonne	3x2 50%	1180	750.00	250.00	250.00	10/23/2012	10/22/2014	O
27-2703	Walker, Shalonda	3x2 50%	1180	531.00	250.00	0.00	03/21/2014	03/20/2015	O
27-2704	St Clair, Veronica	3x2 50%	1180	750.00	250.00	250.00	10/25/2013	10/24/2014	O
27-2705	Vacant	3x2 50%	1180	800.00	250.00	0.00			VR
27-2706	Sasso, Peteraan, Elise	3x2 50%	1180	750.00	250.00	250.00	08/29/2013	08/28/2014	O
27-2707	Green, Aiyana	3x2 50%	1180	710.00	250.00	250.00	03/01/2010	02/28/2015	O
27-2708	Thomas, Latoya	3x2 50%	1180	675.00	250.00	250.00	05/25/2012	05/24/2014	O
28-2801	Burnell, Joyce	3x2 50%	1180	750.00	250.00	250.00	05/01/2013	04/30/2014	O
28-2802	Vacant	3x2 50%	1180	800.00	250.00	0.00			VR
28-2803	Applewhite, Antwan	3x2 50%	1180	750.00	250.00	250.00	10/11/2012	10/10/2014	O
28-2804	Finley, Ruth	3x2 50%	1180	531.00	250.00	250.00	10/29/2013	10/28/2014	O
28-2805	Vacant	3x2 50%	1180	800.00	250.00	0.00			VU
28-2806	Jackson, Danny	3x2 50%	1180	531.00	250.00	250.00	02/01/2010	01/31/2015	O
28-2807	Jefferson, Stephanie	3x2 50%	1180	730.00	250.00	250.00	09/28/2012	09/25/2014	O
28-2808	Holmes, Darlene	3x2 50%	1180	750.00	250.00	250.00	10/25/2013	10/24/2014	O
29-2901	Brown, Debra	3x2 50%	1180	750.00	250.00	250.00	03/24/2014	03/23/2015	O
29-2902	Tepel, Beverly	3x2 50%	1180	887.00	917.00	917.00	12/01/2009	11/30/2014	O
29-2903	Vacant	3x2 50%	1180	800.00	250.00	0.00			VR
29-2904	Barber, Rakia	3x2 50%	1180	887.00	250.00	250.00	08/08/2010	08/04/2014	O
29-2905	McDonald, Latoya	3x2 50%	1180	531.00	250.00	250.00	05/28/2013	05/27/2014	O
29-2906	Vacant	3x2 50%	1180	850.00	250.00	0.00			VR
29-2907	Boob, Stanley	3x2 50%	1180	750.00	250.00	250.00	08/01/2013	07/31/2014	O
29-2908	Brown, Chelsea	3x2 50%	1180	750.00	250.00	250.00	06/29/2012	06/27/2014	O

NEW

Non Res

Rent Roll report

Bldg/Unit	Name	Floor Plan	Square Footage	Actual Billing Amount	Deposit(s) Required	Deposits) on Hand	Move In Date	Lease End Date	Unit Status
	Daniel, Johnasha	3x2 50% *	1180	591.00	250.00	0.00	12/25/2013	12/25/2014	0
30-3002	Hypolite, Nedie	3x2 50% *	1180	591.00	250.00	250.00	09/01/2009	08/31/2014	0
30-3003	Bowdry, Jon as	3x2 50% *	1180	591.00	250.00	250.00	06/17/2011	08/18/2014	0
30-3004	Jones, Jeccaice	3x2 50% *	1180	750.00	250.00	200.00	03/01/2012	02/29/2015	0
30-3005	Hatter, Jon'a	3x2 50% *	1180	591.00	250.00	250.00	11/15/2013	11/14/2014	0
30-3006	Roberson, Taffney	3x2 50% *	1180	591.00	250.00	250.00	10/25/2013	10/24/2014	0
30-3007	Brown, Miro	3x2 50% *	1180	591.00	250.00	250.00	07/24/2014	01/23/2018	0
30-3008	Hayford, Vanessa	3x2 50% *	1180	591.00	250.00	250.00	06/13/2013	06/12/2014	0

Status	Description	Number of Units	Rent Schedule	Amount
O	Occupied, not on notice	168	Units occupied - actual billing amount	113,207.00
NJ	Occupied, on notice, not rented	0	Units vacant - billing potential	16,578.00
NR	Occupied, on notice, rented	1		
VU	Vacant, not rented	14	100% (gross) potential billing value	121,782.00
VR	Vacant, rented	12		
VA	Vacant, admin	0	Total scheduled deposits	56,523.00
VD	Vacant, down	0	Total deposits on hand	44,758.00
			Total rentable square footage	227,236
	Total Units	220		

## **ADDENDUM C**

**ZONING DISTRICTS**

Minimum heated floor area	1,000 square feet per dwelling unit.
Curb and gutter	Required
Paved driveway	Required
Sewage system	Public sewer system
Water system	County water system

Zero lot line developments are allowed as an optional development pattern by right for single-family uses within this zoning district.

2. **Permitted Uses and Supplemental Standards:** See Tables 2.03.02 and 2.03.03.
3. **Accessory Uses:** See Table 2.03.04.

H. **RM: Multi-Family Residential district.** This district is intended to provide locations for the development of multi-family residences or cluster housing developments.

**1. Development Standards**

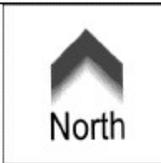
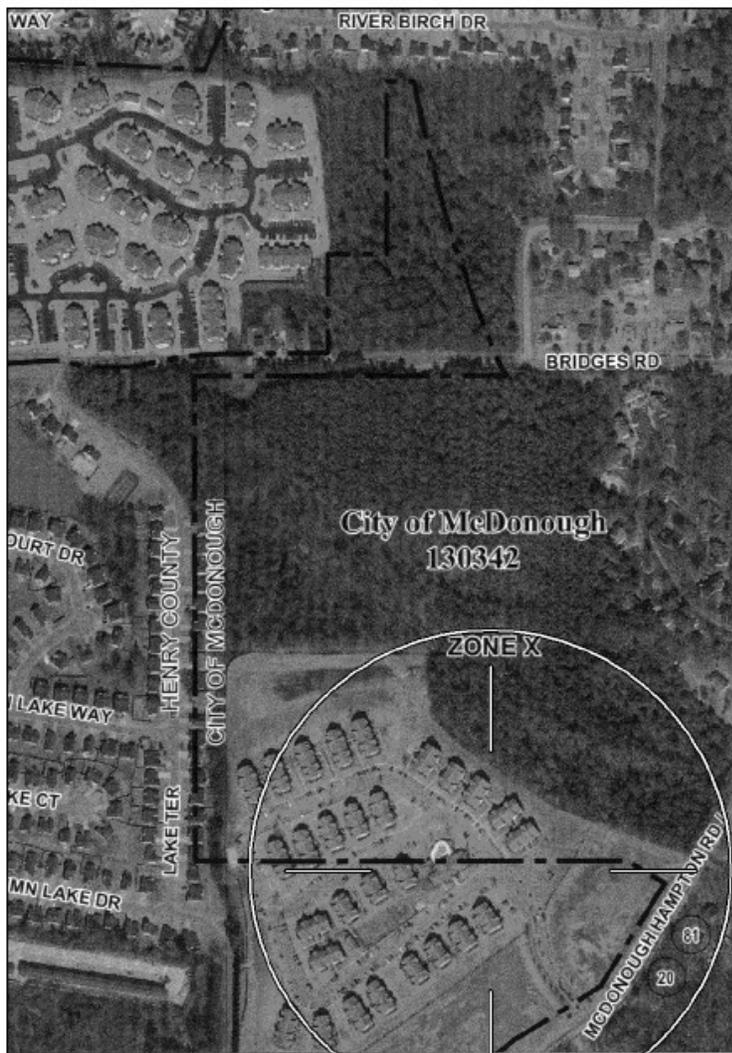
Minimum lot area	43,560 square feet or one (1) acre in area
Minimum lot width	100 feet
Minimum front yard setback	60 feet from right-of-way line
Minimum side yard setback	15 feet
Minimum rear yard setback	20 feet
Maximum height	65 feet for new development, 50 feet for all other situations.
Minimum heated floor area	650 square feet for a one bedroom, 900 square feet for a two bedrooms and 200 square feet for each additional bedroom over two. 1,800 square feet for cluster housing developments.
Curb and gutter	Required
Paved driveway	Required
Sewage system	Public sewer system
Water system	County water system

2. **Permitted Uses and Supplemental Standards:** See Tables 2.03.02 and 2.03.03.
3. **Accessory Uses:** See Table 2.03.04.

## **ADDENDUM D**



**PROPERTY ADDRESS:**  
102 Sable Chase Blvd, McDonough, GA, 30253



**FLOODSCAPE™**

Flood Hazards Map

**Map Number**  
13151C0158C

**Effective Date**  
May 16, 2006

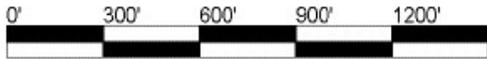
**Flood Legend**

- High flood risk
- Moderate flood risk
- Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

**STDBonline.com**  
469.574.1234

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## **ADDENDUM E**

**STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD**

**SAMUEL TODD GILL**

**258907**

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

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

D. SCOTT MURPHY  
Chairperson

JEFF A. LAWSON  
KEITH STONE  
MARILYN R. WATTS

SANDRA MCALISTER WINTER  
Vice Chairperson

10185599

SAMUEL TODD GILL

# 258907  
Status ACTIVE

ORIGINALLY LICENSED

02/06/2003

END OF RENEWAL  
09/30/2014

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



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

10185599

SAMUEL TODD GILL

# 258907  
Status ACTIVE

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Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

10185599

GILL, SAMUEL  
GILL GROUP INC  
PO BOX 784  
DEXTER, MO 63841

## **ADDENDUM F**

Samuel T. Gill  
512 North One Mile Road  
P.O. Box 784  
Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
todd.gill@gillgroup.com

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OVERVIEW

Extensive multifamily experience over the past 20 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

ACCREDITATIONS

State Certified General Real Estate Appraiser  
Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Nebraska State License Number: CG2000046R  
New Mexico State License Number: 02489-G  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
South Dakota State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Hawaii, Kentucky, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Rhode Island and Vermont.

EXPERIENCE  
(1991 TO PRESENT)

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 300 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 250 reviews under this program. Have completed approximately 60 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in California, Hawaii, Indiana, Kansas, Louisiana, Nebraska, Oregon, New Mexico, North Carolina, Utah and Washington. Completed approximately 300 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 75 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 50 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 50 appraisal assignments under these programs.

Partial list of clients include: Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, CohnReznick, L.L.P., Group, Siegel Group, Signet Partners and Wachovia Securities.

## EDUCATION

### **Bachelor of Arts Degree**

*Southeast Missouri State University*

### **Associate of Arts Degree**

*Three Rivers Community College*

### **HUD/FHA Appraiser Training**

*Arkansas State Office*

### **Multifamily Accelerated Processing Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

### **2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

*U.S. Department of Housing and Urban Development*

### **FHA Appraising Today**

*McKissock, Inc.*

### **Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing  
Appraiser Training**

*Kentucky Rural Development*

**Financial Analysis of Income Properties**

*National Association of Independent Fee Appraisers*

**Income Capitalization**

*McKissock, Inc.*

**Introduction to Income Property Appraising**

*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

*National Association of Independent Fee Appraisers*

**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

*McKissock, Inc.*

**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising: Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*

**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

*National Association of Independent Fee Appraisers*

**Developing & Growing an Appraisal Practice - Virtual Classroom**

*McKissock, Inc.*

**The Appraiser as Expert Witness**

*McKissock, Inc.*

**Current Issues in Appraising**

*McKissock, Inc.*

**2011 ValExpo: Keynote-Valuation Visionaries**

*Van Education Center/Real Estate*

**Residential Report Writing**

*McKissock, Inc.*

**The Dirty Dozen**

*McKissock, Inc.*

**Risky Business: Ways to Minimize Your Liability**

*McKissock, Inc.*

**Introduction to Legal Descriptions**

*McKissock, Inc.*

**Introduction to the Uniform Appraisal Dataset**

*McKissock, Inc.*

**Mold Pollution and the Appraiser**

*McKissock, Inc.*

**Appraising Apartments: The Basics**

*McKissock, Inc.*

**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

*McKissock, Inc.*