

Appraisal Report

**Existing Multifamily Housing
Ashton of Richmond Hill
505 Harris Trail Road
Richmond Hill, Georgia 31324**

**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 9, 2014**

**Effective Date of Appraisal
April 7, 2014**

**Appraised By
Samuel T. Gill**

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



June 9, 2014

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

RE: Ashton of Richmond Hill
505 Harris Trail Road
Richmond Hill, Georgia 31324
"As Is" and "As Complete" Appraisal Report
As of April 7, 2014

Dear Ms. Turner:

In accordance with your request, I have personally appraised the property known as Ashton of Richmond Hill. The site is improved with 29 two-story walk-up apartment buildings containing 232 Low Income Housing Tax Credit units designed for families. The property also contains two accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area; a swimming pool; picnic area; tot lot; volleyball court; tennis court; video surveillance; gazebo and a parking lot. The total site size is approximately 18.77 acres, or 817,621+/- square feet.

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 7, 2014, is as follows:

TWENTY MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS
\$20,220,000.00

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 7, 2014, is as follows:

THIRTEEN MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS
\$13,725,000.00

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:

TWENTY-TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS
\$22,310,000.00

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:

FOURTEEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS
\$14,110,000.00

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:

TWENTY-TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS
\$22,310,000.00

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:

FOURTEEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS
\$14,110,000.00

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:

THIRTY-THREE MILLION TWO HUNDRED SEVENTY THOUSAND DOLLARS
\$33,270,000.00

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:

EIGHT MILLION NINE HUNDRED FORTY-NINE THOUSAND DOLLARS
\$8,949,000.00

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,



Jon Richmond
Appraiser Trainee



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

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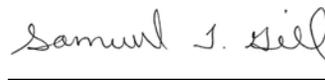
CERTIFICATE OF VALUE

I 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 performed an appraisal on the property which is the subject of this report on October 21, 2013. We performed a need and demand analysis on the property in conjunction with this Appraisal Report. We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- ◆ 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.



Jon Richmond
Appraiser Trainee



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

June 9, 2014

CERTIFICATE OF VALUE (Cont.)

Restricted Cost Approach	\$13,890,000.00 As Is \$14,310,000.00 As Complete
Unrestricted Cost Approach	\$20,390,000.00 As Is \$22,620,000.00 As Complete
Restricted Income Approach	\$13,725,000.00 As Is \$14,110,000.00 As Complete \$14,110,000.00 As Complete and Stabilized
Unrestricted Income Approach	\$20,220,000.00 As Is \$22,310,000.00 As Complete \$22,310,000.00 As Complete and Stabilized
Market Value	\$33,270,000.00 Upon Loan Maturity
Sales Comparison Approach	\$20,185,000.00 As Is \$22,500,000.00 As Complete
Value of Land	\$ 665,000.00 As Is
Valuation of Tax Credits	\$ 8,949,000.00

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 and have an embossed seal. 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

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

2nd 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.

INTRODUCTION

IDENTIFICATION OF THE SUBJECT PROPERTY

The property appraised is the land and the existing development known as Ashton of Richmond Hill. The subject is located along 505 Harris Trail Road, Richmond Hill, Bryan County, Georgia. The subject contains 29 two-story walk-up apartment buildings containing 232 Low Income Housing Tax Credit units designed for families. The property also contains two accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area; a swimming pool; picnic area; tot lot; volleyball court; tennis court; video surveillance; gazebo and a parking lot.

The property contains 29 two-story walk-up apartment buildings of wood-frame construction with stucco and siding exterior. The property also contains two accessory buildings housing a clubhouse, fitness center, laundry facility, leasing/management office and maintenance area. It contains 56 one-bedroom/one-bath units with approximately 770 square feet for a total of 43,120 square feet; 72 two-bedroom/one-bath units with approximately 920 square feet for a total of 66,240 square feet; 64 two-bedroom/two-bath units with 980 square feet for a total of 62,720 square feet; and 40 three-bedroom/two-bath units with 1,150 square feet for a total of 46,000 square feet. The total net rentable area is approximately 218,080 square feet. According to the Bryan County Assessor's Office, the gross building area is approximately 223,080 square feet. The subject's parcel number is 054 001 01. The parcel currently contains 18.77 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 Bryan County Assessor's Office, the property is owned by Ashton Partners GA, LLC. The property transferred ownership from Ashton of Richmond Hill on December 2, 2013. No other transfers of ownership have occurred within the past five years.

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; valuation of tax credits; and valuation of favorable financing. The date of the inspection is April 7, 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 November 1, 2014.

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.¹

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.¹

¹The Appraisal of Real Estate, 4th 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 Richmond Hill; the Bryan County Recorder; the Bryan County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; 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 June 3, 2013 to June 7, 2013. This information was analyzed and summarized in this report. Area data was obtained from the City of Richmond Hill; the Bryan County Recorder; the Bryan County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; 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 subject have been previously completed on several occasions. A physical inspection of the property was originally made on October 23, 2013. Jon Richmond, Appraiser Trainee, and Samuel T. Gill, State Certified General Real Estate Appraiser, revisited the property on April 7, 2014. The site data was analyzed and summarized in this report. The property 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 property 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 Richmond Hill, Bryan County and the surrounding area. Market data on leased properties was obtained from Richmond Hill, Bryan 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 Richmond Hill and Bryan County, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Bryan 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 Richmond Hill and Bryan 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

Richmond Hill is a city in the central portion of Bryan County in the southeastern portion of the State of Georgia. It is located approximately 14 miles north of Midway; 21 miles southwest of Savannah; 22 miles east of Fort Stewart; and 23 miles south of Meldrim. Bryan County has the following boundaries: North – Bulloch and Effingham Counties; East – Chatham County; South – Liberty County; and West - Evans County.

Utilities

Water is provided to the city by the City of Richmond Hill. Natural gas is provided by AmeriGas. Georgia Power and Costal Electric Cooperative provide electricity to the city, and basic telephone service is provided by CenturyLink.

Population

The 2010 population for Richmond Hill, according to the U.S. Census Bureau, was 9,281. There were 3,330 total households, with 1,366 renter-occupied households. The rental vacancy rate was 8.1 percent. The population for Bryan County in 2010 was 30,233, with 10,738 total households. The number of renter-occupied households was 2,681, with a 10.7 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 Richmond Hill include the following: Saint Joseph's Hospital, Liberty Regional Medical Center and Memorial Health University Medical Center.

Transportation

Major roadways in the Richmond Hill area include Interstate 95, U.S. Highway 17, and State Highway 114. Airports nearby include Savannah/Hilton Head International Airport. Railroads within the region include Amtrak and CSXT.

Employment Factors

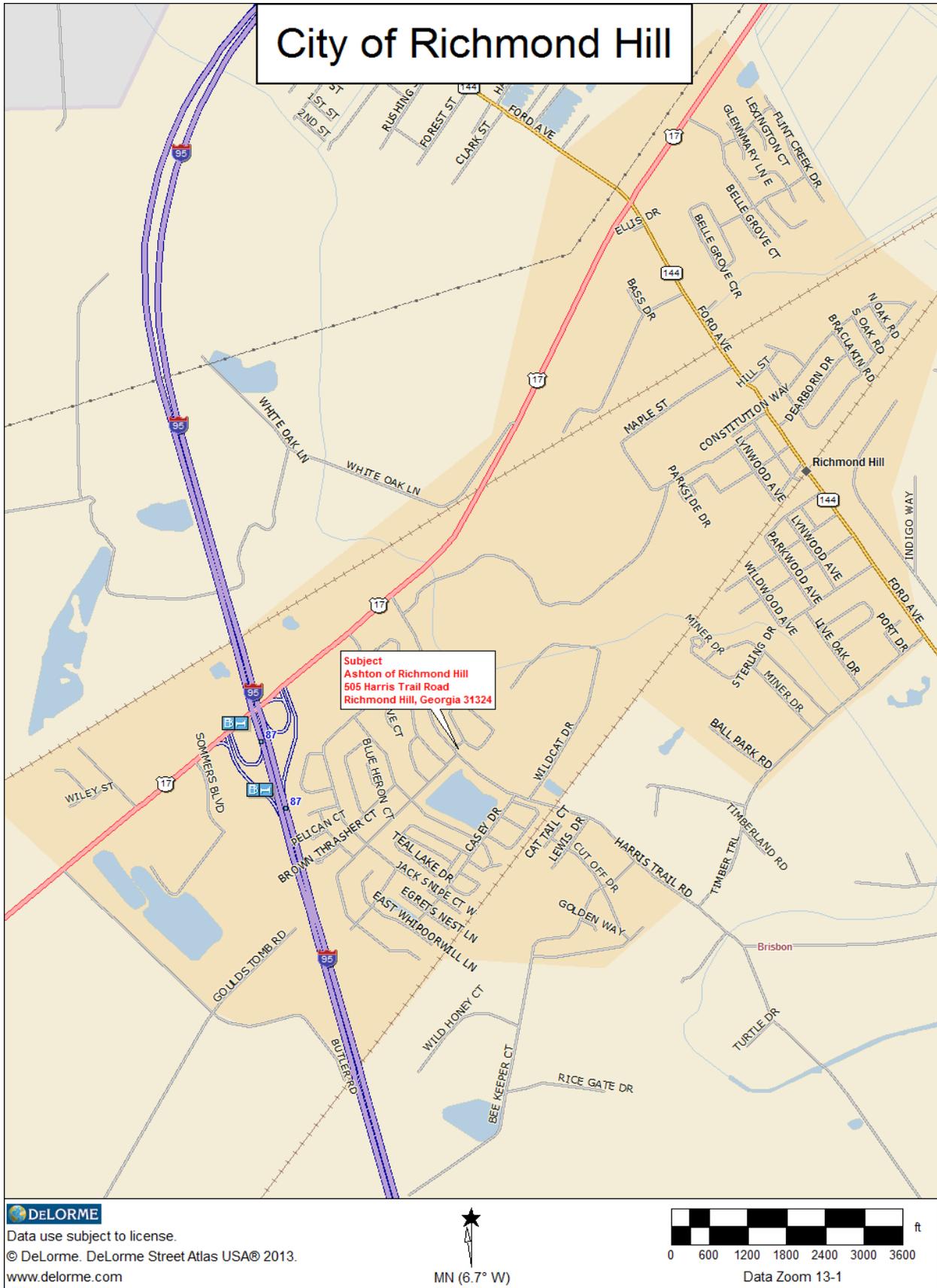
The average civilian labor force for 2000 for Bryan County was 11,653, with 11,294 employed. The number unemployed, according to the U.S. Bureau of Labor Statistics, was 359, for a 3.1 percent unemployment rate. The average for 2010 showed 15,574 for the total civilian labor force for the county and 14,198 employed. The number unemployed was 1,376. The unemployment rate was 8.8 percent. Preliminary estimates for February 2014 for the county showed a civilian labor force of 16,450, with 15,442 employed. There were 1,008 unemployed, and the unemployment rate was 6.1 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 City of Richmond Hill include Allied Van Lines, Bryan County Bank & Trust, City of Richmond Hill, Hobart Corporation, Kroger, Publix and South Coast Medical.

Summary and Conclusions

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



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www.delorme.com



MN (6.7° W)



Data Zoom 13-1



NEIGHBORHOOD DATA

Location

The subject property is located in the southern portion of the City of Richmond Hill, Georgia. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – Sterling Creek East – CSXT Railroad; South – Interstate 95; and West – U.S. Highway 17.

Access

The neighborhood is accessed by Interstate 95 and U.S. Highway 17. 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 El Cheapo #120, Domino's Pizza, Jukebox Bar & Grill, Gianni's, Southern Image Restaurant, Fuji Japanese Restaurant, Molly Machpherson's Scottish, Denny's, Smoke House Southern Grill, Subway, Smoking Pig, Steamers Restaurant, Papa Murphy's Take N Bake Pizza, Waffle House, China I, Taco Bell, Popeye's Louisiana Kitchen, Long John Silver's, McDonald's, The Sombrero Mexican Grill & Sports Bar, Hardee's, Mr. Pizza, Arby's, Papa's Pizza To Go and Forentio's Pizza. Businesses within 1.5 miles of the subject include Food Lion and Europe Grocery. St Joseph's Hospital is located approximately 10.0 from the subject. The Richmond Hill Police Department and Richmond Hill Fire Department are located approximately 1.4 miles from the subject.

Land Use Pattern

The subject neighborhood is comprised primarily of single-family residences and commercial properties, with multifamily properties and vacant land and is 95 percent built up. Approximately 60 percent of the land use is made up of single-family residences. Commercial properties make up approximately 25 percent. Another 10 percent of the land use is multifamily properties, and the remaining five 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 Mr. Chris Sheppard, Executive Director of 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

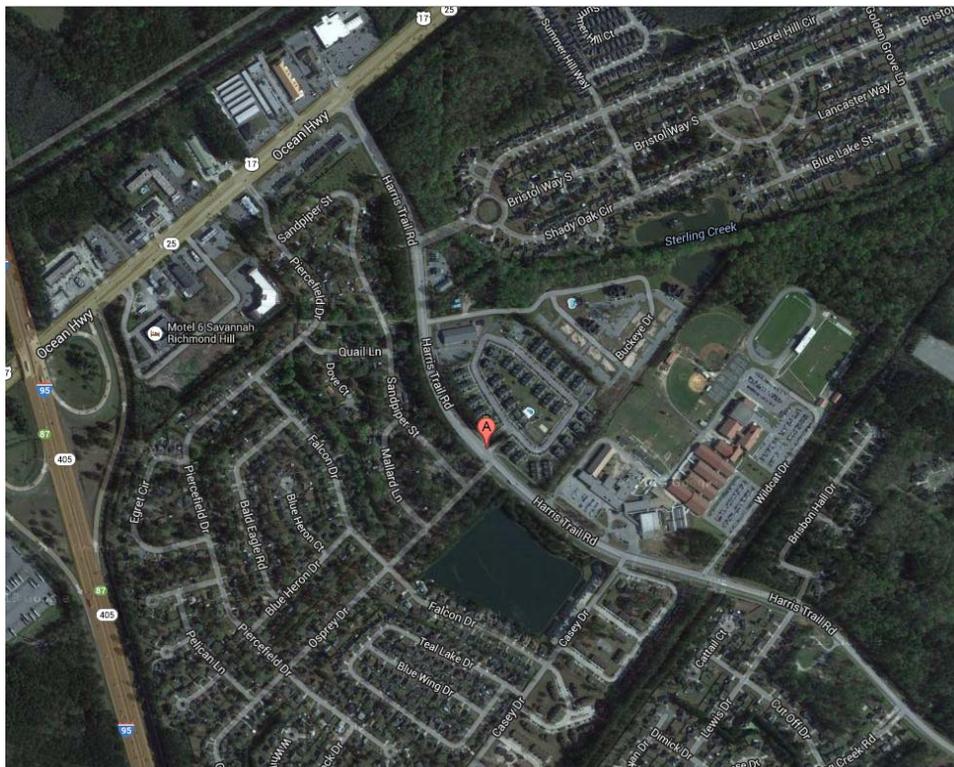
There are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

Utilities

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

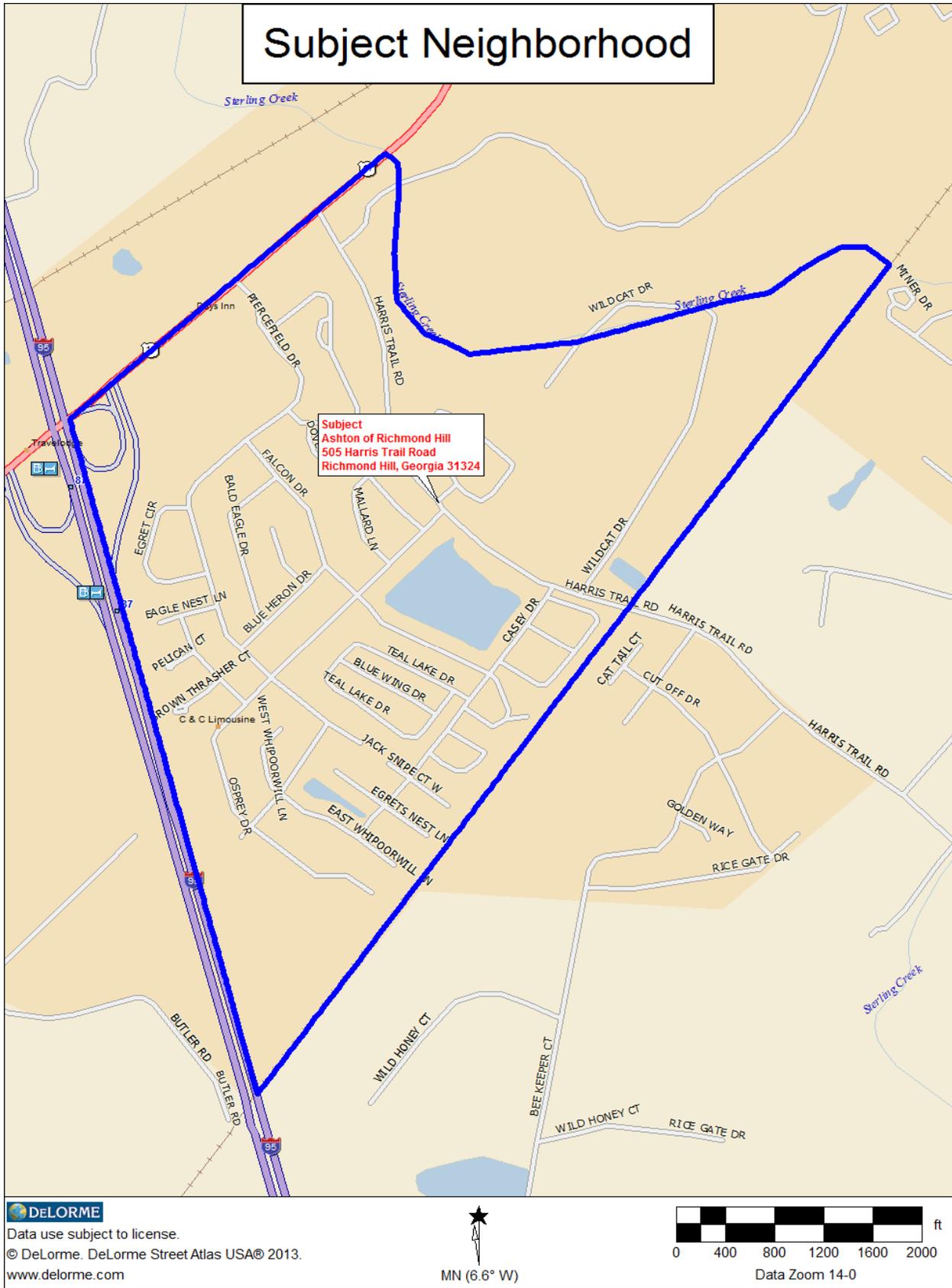
Neighboring Property Use

The subject neighborhood is comprised primarily of single-family residences and commercial properties, with multifamily properties and vacant land. A day care center is located to the north of the property. Richmond Hill High School is located to the south of the property. Buckeye Plantation is located to the east of the subject. To the west are single-family residences.



Analysis/Comments

In conclusion, the subject is located in the southern portion of the City of Richmond Hill, Bryan County, Georgia. The subject is considered to be compatible with the adjacent properties.



DEFINING THE MARKET AREA

The primary market area consists of the following census tracts: 9203.03, 9203.05, 9203.06, 9203.00, 12, 15, 20, 21, 23, 26, 27, 28, 29, 30, 33.01, 33.02, 43, 44, 45, 105.02, 108.06, 108.07, 112, 113, 114, 13.00, 18.00, 19.00, 24.00, 25.00 and 108.05. Bryan County has the following boundaries: North – Bulloch and Effingham Counties; East – Chatham County; South – Liberty County; and West - Evans County.

The makeup and trends of the economy of the market area appear to be declining. The market area is currently at stable unemployment, and the economy seems to be stable. Due to the recent economic trends, Richmond Hill, as well as the rest of the nation, increased slightly in unemployment. However, it is expected to decrease to at least to the high end of the historical range. The subject is an existing multifamily property. However, the economy should not affect the marketability of Richmond Hill. 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 the market area in 2010 was 47.7 percent, and the percentage for Richmond Hill was 41.0 percent. According to the U.S. Census Bureau, the national rental percentage is 34.9 percent.

HOUSEHOLDS BY TENURE						
SUBJECT	YEAR	TOTAL HOUSEHOLDS	OWNER		RENTER	
			NO.	%	NO.	%
BRYAN COUNTY	2000	8,089	6,287	77.7%	1,802	22.3%
	2010	10,738	8,057	75.0%	2,681	25.0%
Estimated Projected	2014	11,992	8,991	75.0%	3,001	25.0%
	2019	13,314	9,968	74.9%	3,346	25.1%
MARKET AREA	2000	24,923	13,977	56.1%	10,946	43.9%
	2010	28,375	14,851	52.3%	13,524	47.7%
Estimated Projected	2014	30,408	16,002	52.6%	14,406	47.4%
	2019	32,817	17,329	52.8%	15,488	47.2%
RICHMOND HILL	2000	2,488	1,562	62.8%	926	37.2%
	2010	3,330	1,964	59.0%	1,366	41.0%
Estimated Projected	2014	3,823	2,251	58.9%	1,572	41.1%
	2019	4,272	2,474	57.9%	1,798	42.1%

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	BRYAN COUNTY	MARKET AREA	RICHMOND HILL
1 person	1,174	3,225	298
2 persons	2,801	5,163	605
3 persons	1,644	2,806	430
4 persons	1,537	2,194	413
5 persons	619	913	158
6 persons	193	347	43
7 or more persons	89	203	17
RENTER-OCCUPIED			
1 person	723	4,569	398
2 persons	628	3,670	334
3 persons	536	2,289	285
4 persons	433	1,489	193
5 persons	223	888	100
6 persons	90	347	40
7 or more persons	48	272	16

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, none of the surveyed comparables were offering concessions.

Turnover Rates

An estimated turnover rate of 32.3 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. The table below shows the turnover rates of the comparables verified:

TURNOVER RATES	
Property Name	Avg. Annual Turnover Rate
Ashton of Richmond Hill (Subject)	90.5%
Montgomery Landing	25.0%
Plantation Apartments III	10.0%
Plantation IV Apartments	11.0%
The Oaks at Brandlewood	25.0%
Average Annual Turnover	32.3%

Absorption Rates

This market area has an overall vacancy of 1.3 percent for subsidized/rent restricted units. The overall vacancy rate of the market rate units is 4.6 percent. Of the 2,679 market and rent restricted units surveyed, 73 units were vacant. The overall occupancy rate for the market area is 97.3 percent. This vacancy appears to be reasonable.

The subject is an existing multifamily development that will contain 56 one-bedroom units, 136 two-bedroom units and 40 three-bedroom units. After researching the vacancy rates of the existing units in the area, it is firmly believed that the existing development will satisfy a portion of the continued demand for the units within the market. The subject has one vacant unit. Therefore, it is estimated that a 93+ percent occupancy level can be achieved in two to five months. The interviews with apartment managers substantiate the absorption rate. It is believed that the existing development will absorb two to five units per month; therefore, it will reach a stable occupancy level within five months.

Likely Impact of Proposed Development on Rental Occupancy Rates

The development will not have an adverse impact on the market area. Its one-, two- and three-bedroom units are 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 before 2000. The market-rate complexes were built between 1975 and 1999. The restricted apartment complexes were built between 1900 and 2013. The market area’s rental units have average occupancy rates.

Number of Units

From January 2001 through February 2014, permit issuing jurisdictions in Richmond Hill authorized the construction of 2,511 new single-family and multifamily dwelling units. Multifamily units accounted for 16.7 percent of the construction activity.

BUILDING PERMITS ISSUED (2001 through February 2014)			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2001	176	0	176
2002	216	0	216
2003	228	21	249
2004	176	5	181
2005	204	122	326
2006	234	18	252
2007	136	19	155
2008	147	10	157
2009	133	0	133
2010	106	0	106
2011	115	174	289
2012	99	21	120
2013	103	20	123
2014**	18	10	28
TOTAL	2,091	420	2,511

**Preliminary Numbers through February 2014.*

Source: U.S. Census Bureau

Market Rate Vacancies

The field survey was completed during the first week of April 2014. There were 54 vacant units at the time of the survey out of 1,176 surveyed, for an overall vacancy rate of 4.6 percent. The market rate occupancy is 95.4 percent.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Allen Apartments	98	26	26.5%
Madison Apartments	92	2	2.2%
Georgetown Crossing Apartments	168	0	0.0%
Georgetown Grove Apartments	176	7	4.0%
Crown Villas	90	0	0.0%
Preston Grove Apartments	192	4	2.1%
Hunters Bluff Apartments	216	9	4.2%
Magnolia Villa Apartment Homes	144	6	4.2%
Totals	1176	54	4.6%

Subsidized/Restricted Vacancies

The field survey was completed during the first week of April 2014. There were 19 vacant units at the time of the survey out of 1,503 surveyed, for an overall vacancy rate of 1.3 percent. The subsidized/restricted occupancy is 98.7 percent.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Ashton of Richmond Hill (Subject)	232	1	4.3%
Plantation Apartments	112	1	0.9%
Montgomery Landing	209	0	0.0%
Plantation Apartments III	54	0	0.0%
Plantation IV Apartments	48	0	0.0%
Ashton of Savannah Summit	138	1	0.7%
The Oaks at Brandlewood	324	16	4.9%
Thomas Francis Williams Apartments	151	0	0.0%
Heritage Place Apartments	88	0	0.0%
Sisters Court	77	0	0.0%
Heritage Corner and Heritage Row Apartments	70	0	0.0%
Totals	1503	19	1.3%

Overall Vacancy

The overall vacancy rate for the market area is 2.7 percent. Of the 2,679 market and rent restricted units surveyed, 73 units were vacant. The overall occupancy rate for the market area is 97.3 percent.

Households Income Trends and Analysis

Within the subject's target incomes from \$24,480 to \$41,460, there are 2,862 renters, or 21.6 percent, that will qualify for the Low Income Housing Tax Credit units.

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE		
INCOME	BRYAN COUNTY	MARKET AREA
Less than \$10,000		
Less than 20%	0	25
20-24%	0	0
25-29%	0	106
30-34%	13	120
35%+	247	1,987
Not Computed	85	745
\$10,000 - \$19,999		
Less than 20%	0	120
20-24%	7	21
25-29%	0	15
30-34%	0	188
35%+	348	2,162
Not Computed	75	211
\$20,000 - \$34,999		
Less than 20%	21	94
20-24%	44	124
25-29%	41	250
30-34%	154	408
35%+	274	1,854
Not Computed	70	130
\$35,000 - \$49,999		
Less than 20%	80	295
20-24%	150	594
25-29%	47	403
30-34%	55	292
35%+	183	356
Not Computed	18	60
\$50,000 - \$74,999		
Less than 20%	46	596
20-24%	94	475
25-29%	73	176
30-34%	67	126
35%+	53	90
Not Computed	43	55
\$75,000 or more		
Less than 20%	300	944
20-24%	89	143
25-29%	26	71
30-34%	0	0
35%+	0	0
Not Computed	0	27
TOTAL	2,703	13,263
<i>Source: U.S. Census Bureau</i>		

Within the subject's target incomes from \$24,480 to \$41,460, there are 2,862 households, or 21.6 percent, that will qualify for the Low Income Housing Tax Credit units in 2014. This is a total of 2,862 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+
BRYAN COUNTY									
Less than \$15,000	166	303	366	200	439	332	229	594	509
\$15,000 - \$24,999	209	367	304	211	327	413	228	381	552
\$25,000 - \$34,999	356	268	129	370	322	203	438	423	279
\$35,000 - \$49,999	626	589	220	508	701	336	498	769	427
\$50,000 - \$74,999	849	804	245	749	722	315	891	962	497
\$75,000 - \$99,999	920	524	67	1,080	631	261	1,059	693	337
\$100,000 - \$149,999	690	1,135	74	851	1,257	127	756	1,178	113
\$150,000 - \$199,999	265	256	68	249	352	159	186	296	161
\$200,000+	32	168	33	186	214	49	137	170	48
TOTAL	10,033			11,564			12,811		
MARKET AREA									
Less than \$15,000	1,645	1,969	1,594	2,160	1,784	1,457	2,293	1,800	1,700
\$15,000 - \$24,999	1,143	1,273	953	1,538	1,207	962	1,653	1,205	1,151
\$25,000 - \$34,999	1,176	950	611	1,327	936	884	1,412	938	1,060
\$35,000 - \$49,999	1,505	1,205	595	1,550	1,156	946	1,733	1,191	1,158
\$50,000 - \$74,999	1,961	1,874	469	1,609	2,069	611	1,879	2,262	854
\$75,000 - \$99,999	1,504	1,026	257	1,441	951	452	1,559	1,056	601
\$100,000 - \$149,999	1,240	1,485	208	1,307	1,624	262	1,400	1,664	321
\$150,000 - \$199,999	355	409	88	318	550	221	306	557	268
\$200,000+	106	292	99	234	385	95	232	411	129
TOTAL	25,992			28,036			30,793		

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 LIHTC unit. The following table lists how many households are within the required target age and income for each unit type.

INCOME ELIGIBLE HOUSEHOLDS – PRIMARY MARKET AREA				
Unit Type	Rent	Lower Range	Upper Range	Households
1/1 BR @ 60% AMI	\$714	\$24,480	\$30,720	1,201
2/1 BR @ 60% AMI	\$848	\$29,074	\$34,560	1,058
2/2 BR @ 60% AMI	\$863	\$29,589	\$34,560	944
3/2 BR @ 60% AMI	\$996	\$34,149	\$41,460	1,032
All Units at 60% AMI	\$714-\$996	\$24,480	\$41,460	2,862

SUBJECT DESCRIPTION

The area of the site and the site dimensions are based on the legal description obtained from the Bryan County Assessor's Office.

Total Land Area Total acreage: 18.77 acres, or 817,621+/- square feet

Shape/Dimensions Irregular-shaped

Access & Exposure The subject property is located on Harris Trail Road. The site is at or near pavement grade with Harris Trail Road. The site has ingress and egress on Harris Trail Road.

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 13029C-0291C, dated March 2, 2009, the subject is zoned AE, an area determined to be inside the 100- and 500-year floodplains. Federal flood insurance is available and is 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 There is limited room for expansion of the existing facility as the current building does not occupy 100 percent of the site. The size of the building when compared to the total lot size does not preclude expansion of the facility and, therefore, does not negatively affect the estimated market

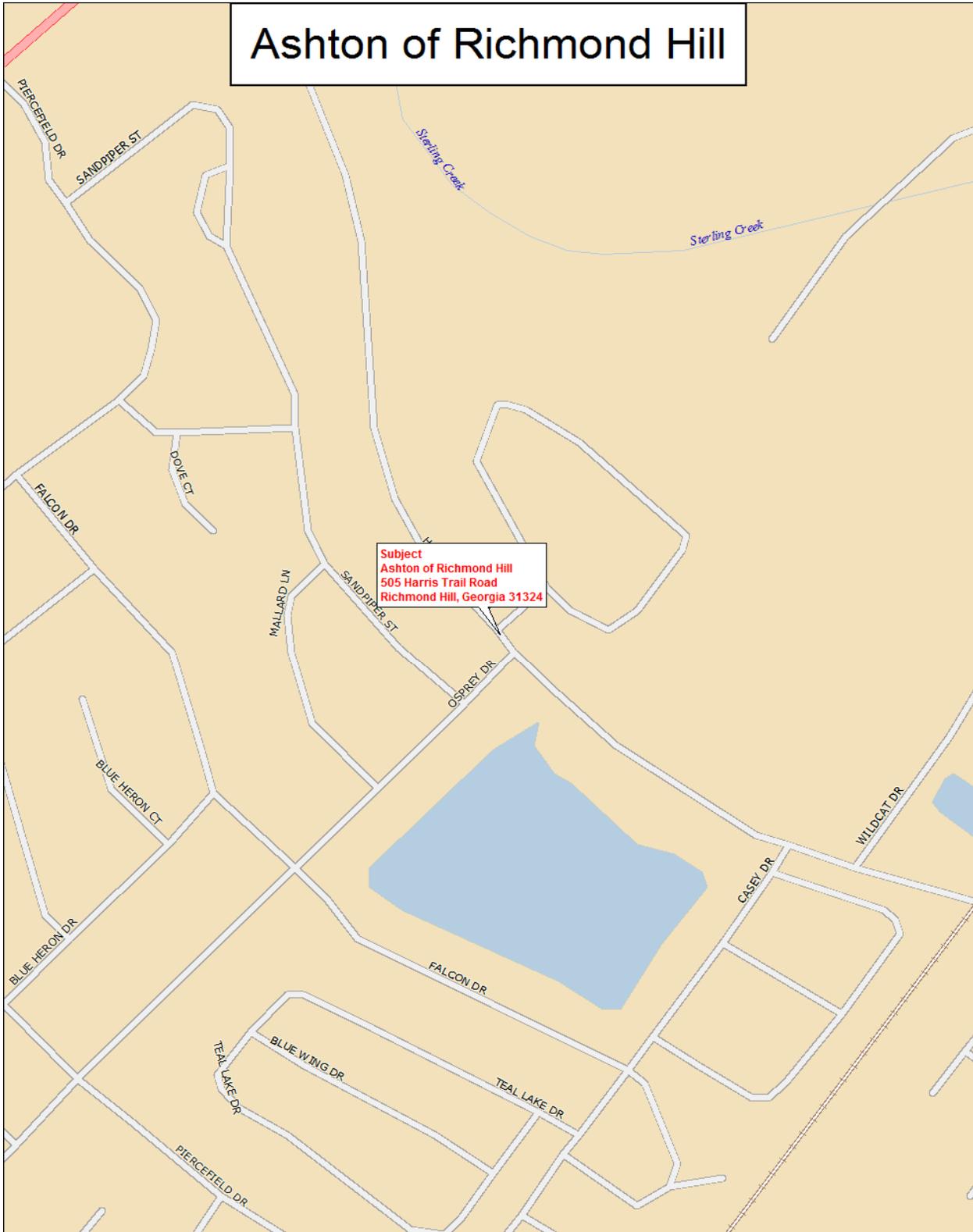
value of the subject. The site coverage ratio indicates the available land has been utilized at the subject to preclude a “cramped” feel to the property.

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 Richmond Hill Zoning Department, the subject is zoned R-3, Multi-family Residential Apartments, Townhouse, Condominium and Duplex District. The subject is a legal, conforming use. Permitted uses include the following: single-family residence, multifamily residence, home occupations, park and playground, school and customary accessory buildings and uses incidental to the above permitted uses. It appears there is no conflict between the subject property and the zoning ordinances provided by the City of Richmond Hill 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.



Ashton of Richmond Hill

Subject
Ashton of Richmond Hill
505 Harris Trail Road
Richmond Hill, Georgia 31324



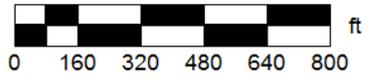
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Data Zoom 15-3

IMPROVEMENT DESCRIPTION

Number of Buildings	The subject contains 29 two-story walk-up apartment buildings containing 232 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, volleyball court, tennis court, video surveillance, gazebo and a parking lot.
Net Rentable Area	218,080 square feet
Gross Building Area	223,080 square feet
Year Built/Year Renovated	1995/Proposed
Building Construction	Stucco and siding exterior, concrete slab floors, good quality construction, good condition
Economic Life	55 years
Effective Age	10 years – As Is 5 years – As Complete
Remaining Life	45 years – As Is 50 years – As Complete

The subject contains 29 two-story walk-up apartment buildings containing 232 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, volleyball court, tennis court, video surveillance, gazebo and a parking lot. The subject property was originally constructed in 1995 for families. The total net rentable area is approximately 218,080 square feet. According to the Bryan County Assessor’s Office, the gross building area is approximately 223,080 square feet. The unit mix is shown in the following table:

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	56	770	43,120
2/1	72	920	66,240
2/2	64	980	62,720
3/2	40	1,150	46,000
			218,080

Each unit contains 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. As complete, the units will also contain washers and dryers.

Project amenities include a clubhouse, swimming pool, fitness center, picnic area, tot lot, volleyball 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.

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	1	770	\$535	\$139
1/1	6	770	\$545	\$139
1/1	49	770	\$560	\$139
2/1	11	920	\$635	\$178
2/1	61	920	\$655	\$178
2/2	2	980	\$0	\$178
2/2	1	980	\$655	\$178
2/2	6	980	\$660	\$178
2/2	54	980	\$670	\$178
2/2	1	980	\$1,273	\$178
3/2	3	1,150	\$750	\$216
3/2	37	1,150	\$765	\$216
	232			

The property will be 100 percent Low Income Housing Tax Credits with units at 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 April 29, 1994 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 @ 60% AMI	56	770	\$575	\$139
2/1 @ 60% AMI	72	920	\$670	\$178
2/2 @ 60% AMI	64	980	\$685	\$178
3/2 @ 60% AMI	40	1,150	\$780	\$216
	232			

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, Vinyl 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 Leasing Office & Community Building Front



View of Leasing Office & Community Building Rear



View of Leasing Office & Community Building Interior



View of Maintenance Area



View of Maintenance Area



View of Community Room



View of Community Room Kitchen



View of Fitness Center



View of Laundry Facility



View of Laundry Facility



View of Mail Center



View of Pool



View of Gazebo



View of Picnic Area and Toddler Playground



View of Tennis Court



View of Volleyball Court



View of Living Area – One Bedroom Unit



View of Kitchen – One Bedroom Unit



View of Dining Area - One Bedroom Unit



View of Kitchen Pantry - One Bedroom Unit



View of Bedroom – One Bedroom Unit



View of Bath – One Bedroom Unit



View of Living Area – Two Bedroom Unit



View of Kitchen – Two Bedroom Unit



View of Dining Area – Two Bedroom Unit



View of Bath – Two Bedroom Unit



View of Bedroom One – Two Bedroom Unit



View of Bedroom Two – Two Bedroom Unit



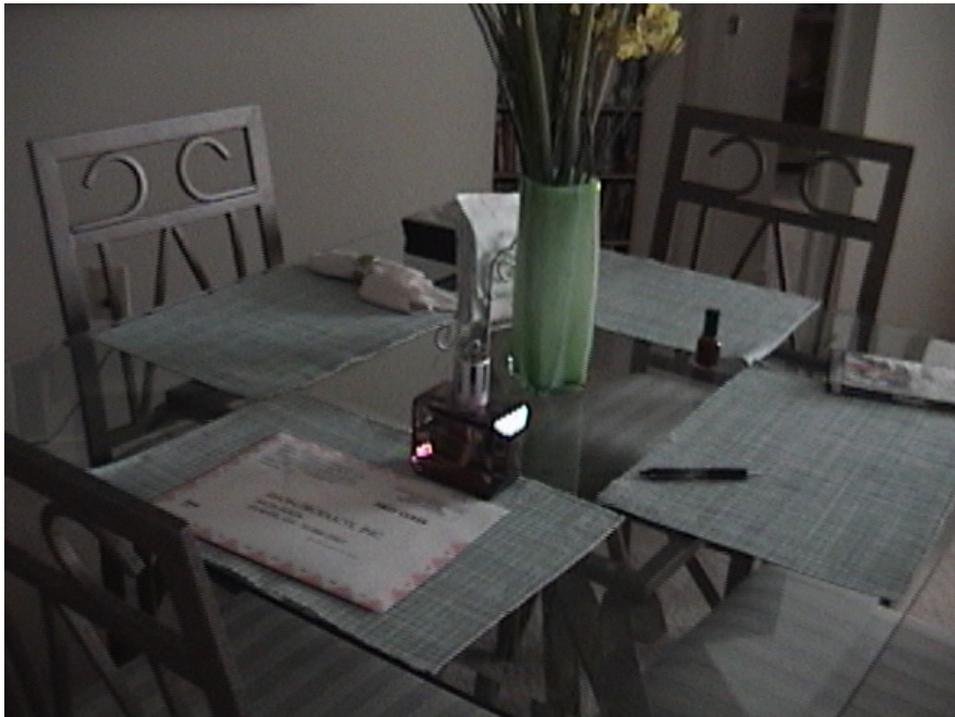
View of Living Area – Three Bedroom Unit



View of Kitchen – Three Bedroom Unit



View of Kitchen – Three Bedroom Unit



View of Dining Area – Three Bedroom Unit



View of Laundry Area - Three Bedroom Unit



View of Bathroom One - Three Bedroom Unit



View of Bedroom One – Three Bedroom Unit



View of Bedroom Three – Three Bedroom Unit



View of Bedroom Three – Three Bedroom Unit



View of Bathroom Two – Three Bedroom Unit



View of Parking



View of Parking



View of Street



View of Street

ASSESSMENTS AND CURRENT REAL ESTATE TAXES

According to the Bryan County Assessor’s Office, the property’s real estate taxes for 2013 are \$90,851.09. The subject has a total appraised value of \$8,098,400. The subject’s parcel number is 054 001 01.

The appraiser researched the following tax comparables in Liberty and Bulloch Counties:

Property	No. of Units	Year Built	Parcel #	Assessed Value - 2013	Real Estate Taxes	Taxes Per Unit
Gateway Apartments I & II 128 Gause Street Hinesville, Liberty, GA	32	1978	056A 094	\$146,324	\$15,211.04	\$475.35
Stewart Way Apartments 302 General Stewart Way Hinesville, Liberty, GA	190	1986	055A 042	\$493,149	\$21,185.70	\$111.50
Lexford at Links Terrace 110 Link Street Hinesville, Liberty, GA	54	1985	057D 006	\$452,616	\$19,444.30	\$360.08
Liberty Wood Apartments 740 South Main Street Hinesville, Liberty, GA	116	1984	058A 032	\$2,958,920	\$28,273.40	\$243.74
College Walk Apartments 210 Lanier Drive Statesboro, Bulloch, GA	205	1979/2003	MS63-008-000	\$1,103,278	\$15,566.10	\$75.93
The Garden District 17931 Highway 67 South Statesboro, Bulloch, GA	234	1999	MS75-010-001	\$6,869,710	\$111,990.00	\$478.59
Greenbriar & Hawthorne Apts 21 Greenbriar Road Statesboro, Bulloch, GA	316	1978	MS74-155-000	\$563,452	\$19,948.90	\$63.13

These comparables are all market-rate facilities in Liberty and Bulloch Counties. The comparables indicated a range from \$63.13 per unit to \$478.59 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 market value scenarios.

LOW INCOME HOUSING TAX CREDIT MAXIMUM RENTS

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

	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
60%	\$720	\$864	\$997	\$1,113

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?²

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 18.77 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.

² The Appraisal Institute. *The Appraisal of Real Estate*. 14th 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.³

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 currently supports one multifamily facility designed for families with a total gross building area of approximately 223,080 square feet. The subject does suffer from functional or external obsolescence. The subject is 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.

³ The Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. (Chicago, 2013), 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 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
10 Osgood Lane

Address	10 Osgood Lane	Date	5/9/2012
City	Richmond Hill	Price	\$46,500
County	Bryan	Acre Unit Price	\$119,231
State	Georgia	Financing	Conventional
Zip	31324	Property Rights	Fee Simple
Grantor	Dunham Marsh Partners LLC	Verification Source	Assessor
Grantee	Homes of Intergrity	Conditions of Sale	Normal

Site			
Acres	0.39	Topography	Nearly Level
Land SF	16,988	Zoning	PUD
Utilities	E, G, W, S	Road Frontage	Osgood Lane
Shape	Irregular	Visibility/Access	Average

Land Comparable 2
25 Long Creek Lane

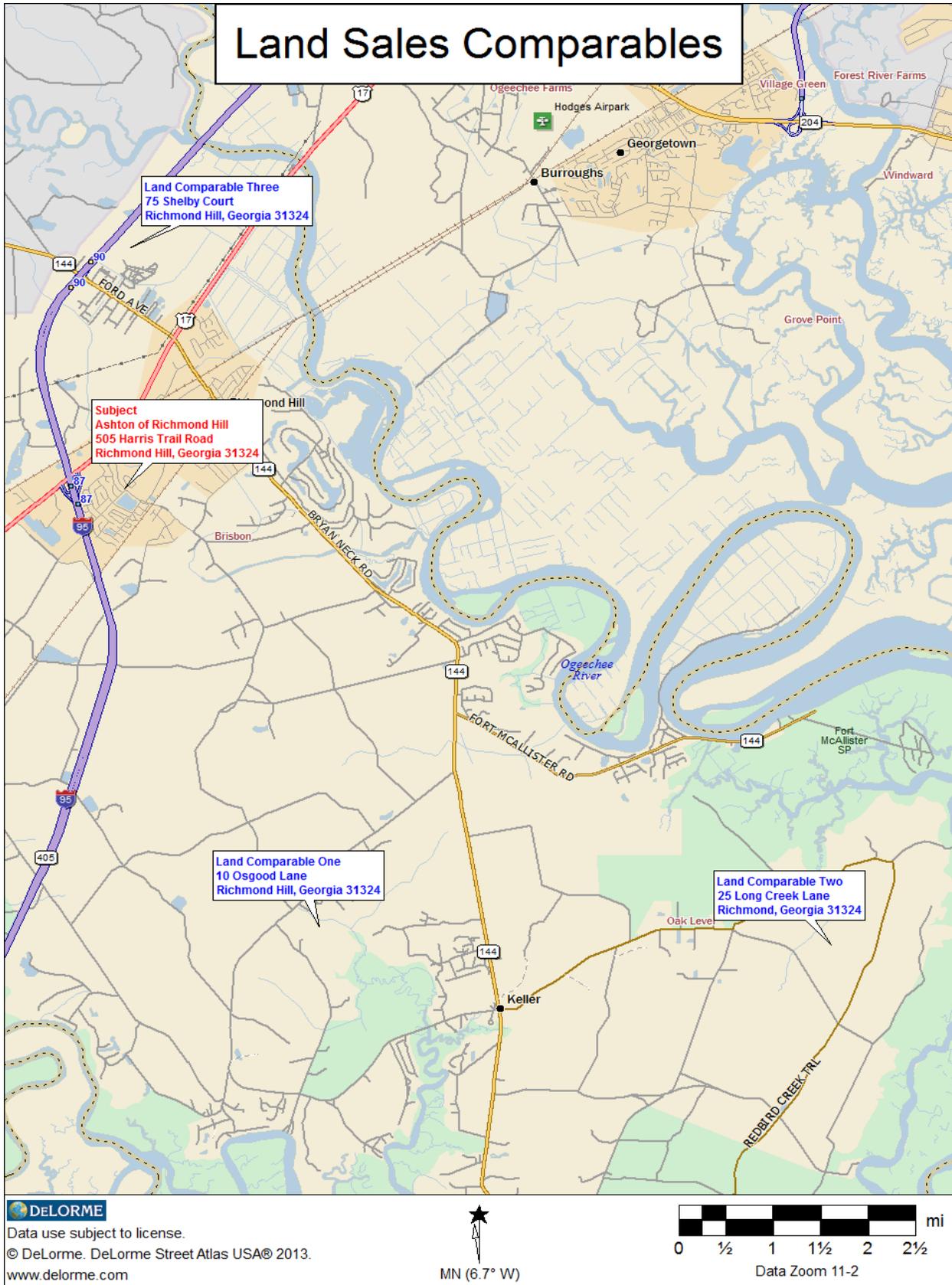
Address	25 Long Creek Lane	Date	10/23/2012
City	Richmond Hill	Price	\$58,600
County	Bryan	Acre Unit Price	\$86,176
State	Georgia	Financing	Conventional
Zip	31324	Property Rights	Fee Simple
Grantor	Savannah Land Holdings	Verification Source	Assessor
Grantee	C Pickett Enterprises Inc	Conditions of Sale	Normal

Site			
Acres	0.68	Topography	Nearly Level
Land SF	29,621	Zoning	PUD
Utilities	E, G, W, S	Road Frontage	Long Creek Lane
Shape	Irregular	Visibility/Access	Average

Land Comparable 3
75 Shelby Court

Address	75 Shelby Court	Date	7/5/2013
City	Richmond Hill	Price	\$180,000
County	Bryan	Acre Unit Price	\$35,019
State	Georgia	Financing	Conventional
Zip	31324	Property Rights	Fee Simple
Grantor	Community Southern Bank	Verification Source	Assessor
Grantee	John A Usher	Conditions of Sale	Normal

Site			
Acres	5.14	Topography	Nearly Level
Land SF	223,898	Zoning	B1
Utilities	E, G, W, S	Road Frontage	Shelby Court
Shape	Irregular	Visibility/Access	Average



Land Analysis Grid		Comp 1	Comp 2	Comp 3
Address	505 Harris Trail Road	10 Osgood Lane	25 Long Creek Lane	75 Shelby Court
City	Richmond Hill	Richmond Hill	Richmond Hill	Richmond Hill
State	Georgia	Georgia	Georgia	Georgia
Date	4/7/2014	5/9/2012	10/23/2012	7/5/2013
Price	\$0	\$46,500	\$58,600	\$180,000
Acres	18.77	0.39	0.68	5.14
Acre Unit Price	\$0	\$119,231	\$86,176	\$35,019
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal
Adjusted Acre Unit Price		\$119,231	\$86,176	\$35,019
Market Trends Through	4/7/14	0.0%	0.0%	0.0%
Adjusted Acre Unit Price		\$119,231	\$86,176	\$35,019
Location	Average	Simialr	Similar	Similar
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Acres	18.77	0.39	0.68	5.14
% Adjustment		-70%	-60%	0%
\$ Adjustment		-\$83,462	-\$51,706	\$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-3	PUD	PUD	B1
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Adjusted Acre Unit Price		\$35,769	\$34,471	\$35,019

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 7, 2014, is as follows:

$$18.77 \text{ acres} \times \$35,000 \text{ per acre} = \$656,950$$

Rounded \$655,000

SUMMARY OF VACANT LAND SALES

Comparable	Address	Date	Price	Acre Unit		Land SF	Zoning
				Price	Acres		
1	10 Osgood Lane	5/9/2012	\$46,500	\$119,231	0.39	16,988	PUD
2	25 Long Creek Lane	10/23/2012	\$58,600	\$86,176	0.68	29,621	PUD
3	75 Shelby Court	7/5/2013	\$180,000	\$35,019	5.14	223,898	B1

Adjustments

The prices of the comparable land sales range from \$35,019 to \$119,231 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

The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential commercial or multifamily investor. These factors also include degree and quality of surrounding development and view. The subject is located in Richmond Hill and is in an average location. All comparables are relatively similar in location and did not require adjustments.

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 area of 18.77 acres. The comparables range in size from 0.39 acres to 5.14 acres. Comparable 3 was considered similar to the subject and was not adjusted. Comparables 1 and 2 were adjusted based on paired analysis between these comparable and Comparable 3. The paired analysis results are as follows: $\$119,231 - \$35,019 = \$84,212 / \$119,231 = 70.63$ percent, rounded to 70 percent and $\$86,176 - \$35,019 = \$51,157 / \$86,176 = 59.36$ percent, rounded to 60 percent).

Zoning

The adjustment for zoning reflects not only the zoning of the comparables relative to the subject property but also the potential utility of the sites. The subject is zoned R-3. Comparables 1 and 2 are zoned PUD. Comparable 3 is zoned B1. Paired analysis did not indicate a need for adjusted due to zoning. Therefore, no adjustments were made.

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. The comparable land sales range from \$34,471 to \$35,086 per acre after adjustments. All comparables were given equal consideration. The comparables indicated a reconciled value of \$35,086 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office. 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 7, 2014, is as follows:

18.77 acres x \$35,000 per acre = \$655,950

Rounded \$655,000

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.⁴

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 \$88.95 per square foot. The local cost multiplier is \$1.00 for the Richmond Hill area. The current cost multiplier is \$1.06. The charts shown on Pages 88 to 93 illustrate the subject's value based on the Cost Approach.

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 for the restricted scenarios.

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

Cost Analysis - Market As Is - Section 1 of 1

Marshall & Swift	
Cost Source: Marshall & Swift	# 12: Dwellings, Multiples, Motels
No. of Stories Multiplier: 1.000	Local Multiplier: 1.000
Height/Story Multiplier: 1.000	Current Cost Multiplier: 1.060
Perimeter Multiplier: 1.000	Combined Multipliers: 1.060

Building Improvements						
Item	Unit Type	Cost	Quantity	Multiplier		
Average Class D Multiple Residences	Per Sq. Ft	\$88.95	223,080	1.060	\$21,033,544	
Built-Ins	Per Unit	\$2,700.00	232	1.060	\$663,984	
				1.060	\$0	
				1.060	\$0	
				1.060	\$0	
Total Building Improvement Costs					\$21,697,528	
Price per SF Gross Building Area					\$97.26	

Site Improvements				
Item	Unit Type	Cost	Quantity	Total
Paving	Lump Sum	\$250,000.00	1	\$250,000
Recreation Area	Lump Sum	\$2,500.00	4	\$10,000
Swimming Pool	Lump Sum	\$35,000.00	1	\$35,000
Total Site Improvement Costs				\$295,000
Subtotal: Building & Site Costs				\$21,992,528
Price per SF Gross Building Area				\$98.59

Total Costs		
Subtotal: Building, Site & Soft Costs		\$21,992,528
Developer's Profit 10.0%		\$2,199,253
Total Cost		\$24,191,781
Price per SF Gross Building Area		\$108.44

Depreciation: Section 1 of 1				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	10	55	18%	\$4,296,111
Physical Depreciation: Site	10	20	50%	\$162,250
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$0
Total Depreciation				\$4,458,361
Depreciated Value of Improvements				\$19,733,420
Cost Per Square Foot Gross Building Area				\$88.46

Additional Cost Sections	
Cost Section 2	\$0
Cost Section 3	\$0

Land Value	
Land Value	\$655,000
Other	\$0
Cost Approach Value Indication	
\$20,388,420	
Rounded	
\$20,390,000	
Price per SF Gross Building Area	
\$91.40	

*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 = \$20,390,000.00

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

Total Construction Cost of Structures				\$21,992,528
Plus: Entrepreneur's Profit				\$2,199,253
Depreciation				\$4,458,361
Cost of Structures before External obsolescence				<u>\$19,733,420</u>
Value of Land				\$655,000
Plus: Entrepreneur's Profit				<u>\$65,500</u>
Cost before External Obsolescence				\$20,453,920
Current Capitalization Rate				6.45%
Economic Net Operating Income (RCN x CR)				\$1,319,278
Net Operating Income from the Subject				<u>\$885,111</u>
Net Loss Due to Economic Obsolescence				\$434,167
Ratio of Improvements Total Property Value				0.9648
Year		Actual NOI Loss	Overall Cap Rate	Capitalized NOI Loss
1		\$434,167	6.45%	\$6,731,269
Times ratio of Improvements to Total Property				0.9648
Total External Obsolescence				\$6,494,157

Cost Analysis - Restricted As Is - Section 1 of 1

Marshall & Swift	
Cost Source: Marshall & Swift	# 12: Dwellings, Multiples, Motels
No. of Stories Multiplier: 1.000	Local Multiplier: 1.000
Height/Story Multiplier: 1.000	Current Cost Multiplier: 1.060
Perimeter Multiplier: 1.000	Combined Multipliers: 1.060

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Per Sq. Ft.	\$88.95	223,080	1.060	\$21,033,544
Built-Ins	Per Unit	\$2,700.00	232	1.060	\$663,984
				1.060	\$0
				1.060	\$0
				1.060	\$0
Total Building Improvement Costs					\$21,697,528
Price per SF Gross Building Area					\$97.26

Site Improvements					
Item	Unit Type	Cost	Quantity	Total	
Paving	Lump Sum	\$250,000.00	1	\$250,000	
Recreation Area	Lump Sum	\$2,500.00	4	\$10,000	
Swimming Pool	Lump Sum	\$35,000.00	1	\$35,000	
Total Site Improvement Costs					\$295,000
Subtotal: Building & Site Costs					\$21,992,528
Price per SF Gross Building Area					\$98.59

Total Costs		
Subtotal: Building, Site & Soft Costs		\$21,992,528
Developer's Profit 10.0%		\$2,199,253
Total Cost		\$24,191,781
Price per SF Gross Building Area		\$108.44

Depreciation: Section 1 of 1					
Component	Eff. Age	Life	Percent	Amount	
Physical Depreciation: Building	10	55	18%	\$4,296,111	
Physical Depreciation: Site	10	20	50%	\$162,250	
Functional Obsolescence Building			0%	\$0	
External Obsolescence Building				\$6,494,157	
Total Depreciation					\$10,952,518
Depreciated Value of Improvements					\$13,239,263
Cost Per Square Foot Gross Building Area					\$59.35

Additional Cost Sections	
Cost Section 2	\$0
Cost Section 3	\$0

Land Value	
Land Value	\$655,000
Other	\$0
Cost Approach Value Indication	
Rounded \$13,890,000	
Price per SF Gross Building Area \$62.26	

*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 = \$13,890,000.00

Cost Analysis - Market As Complete - Section 1 of 1

Marshall & Swift	
Cost Source: Marshall & Swift	# 12: Dwellings, Multiples, Motels
No. of Stories Multiplier: 1.000	Local Multiplier: 1.000
Height/Story Multiplier: 1.000	Current Cost Multiplier: 1.060
Perimeter Multiplier: 1.000	Combined Multipliers: 1.060

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Per Sq. Ft.	\$88.95	223,080	1.060	\$21,033,544
Built-Ins	Per Unit	\$2,700.00	232	1.060	\$663,984
				1.060	\$0
				1.060	\$0
				1.060	\$0
Total Building Improvement Costs					\$21,697,528
Price per SF Gross Building Area					\$97.26

Site Improvements				
Item	Unit Type	Cost	Quantity	Total
Paving	Lump Sum	\$250,000.00	1	\$250,000
Recreation Area	Lump Sum	\$2,500.00	4	\$10,000
Swimming Pool	Lump Sum	\$35,000.00	1	\$35,000
Total Site Improvement Costs				\$295,000
Subtotal: Building & Site Costs				\$21,992,528
Price per SF Gross Building Area				\$98.59

Total Costs		
Subtotal: Building, Site & Soft Costs		\$21,992,528
Developer's Profit 10.0%		\$2,199,253
Total Cost		\$24,191,781
Price per SF Gross Building Area		\$108.44

Depreciation: Section 1 of 1				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$2,148,055
Physical Depreciation: Site	5	20	25%	\$81,125
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$0
Total Depreciation				\$2,229,180
Depreciated Value of Improvements				\$21,962,600
Cost Per Square Foot Gross Building Area				\$98.45

Additional Cost Sections	
Cost Section 2	\$0
Cost Section 3	\$0

Land Value	
Land Value	\$655,000
Other	\$0
Cost Approach Value Indication	
Rounded \$22,617,600	
\$22,620,000	
Price per SF Gross Building Area \$101.40	

*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 = \$22,620,000.00

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

Total Construction Cost of Structures				\$21,992,528
Plus: Entrepreneur's Profit				\$2,199,253
Depreciation				\$2,229,180
Cost of Structures before External obsolescence				<u>\$21,962,600</u>
Value of Land				\$655,000
Plus: Entrepreneur's Profit				<u>\$65,500</u>
Cost before External Obsolescence				\$22,683,100
Current Capitalization Rate				6.45%
Economic Net Operating Income (RCN x CR)				\$1,463,060
Net Operating Income from the Subject				<u>\$909,849</u>
Net Loss Due to Economic Obsolescence				\$553,211
Ratio of Improvements Total Property Value				0.9682
Year		Actual NOI Loss	Overall Cap Rate	Capitalized NOI Loss
1		\$553,211	6.45%	\$8,576,914
Times ratio of Improvements to Total Property				0.9682
Total External Obsolescence				\$8,304,480

Cost Analysis - Restricted As Complete - Section 1 of 1

Marshall & Swift	
Cost Source: Marshall & Swift	# 12: Dwellings, Multiples, Motels
No. of Stories Multiplier: 1.000	Local Multiplier: 1.000
Height/Story Multiplier: 1.000	Current Cost Multiplier: 1.060
Perimeter Multiplier: 1.000	Combined Multipliers: 1.060

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Average Class D Multiple Residences	Per Sq. Ft.	\$88.95	223,080	1.060	\$21,033,544
Built-Ins	Per Unit	\$2,700.00	232	1.060	\$663,984
				1.060	\$0
				1.060	\$0
				1.060	\$0
Total Building Improvement Costs					\$21,697,528
Price per SF Gross Building Area					\$97.26

Site Improvements				
Item	Unit Type	Cost	Quantity	Total
Paving	Lump Sum	\$250,000.00	1	\$250,000
Recreation Area	Lump Sum	\$2,500.00	4	\$10,000
Swimming Pool	Lump Sum	\$35,000.00	1	\$35,000
Total Site Improvement Costs				\$295,000
Subtotal: Building & Site Costs				\$21,992,528
Price per SF Gross Building Area				\$98.59

Total Costs	
Subtotal: Building, Site & Soft Costs	\$21,992,528
Developer's Profit 10.0%	\$2,199,253
Total Cost	\$24,191,781
Price per SF Gross Building Area	\$108.44

Depreciation: Section 1 of 1				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	55	9%	\$2,148,055
Physical Depreciation: Site	5	20	25%	\$81,125
Functional Obsolescence Building			0%	\$0
External Obsolescence Building				\$8,304,480
Total Depreciation				\$10,533,660
Depreciated Value of Improvements				\$13,658,120
Cost Per Square Foot Gross Building Area				\$61.23

Additional Cost Sections	
Cost Section 2	\$0
Cost Section 3	\$0

Land Value	
Land Value	\$655,000
Other	\$0
Cost Approach Value Indication	
Rounded	
\$14,310,000	
Price per SF Gross Building Area	
\$64.15	

*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 = \$14,310,000.00

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.

Walden at Chatham Center



Comparable 1

Address	100 Walden Lane	Date	5/8/2012
City	Savannah	Price	\$26,000,000
County	Chatham	Price per Unit	\$110,169.49
State	Georgia	Transaction Type	Closed
Tax ID	2-0739-01-009	Financing	Conventional
Grantor	The Shoptaw Group	Property Rights	Fee Simple
Grantee	Olympus Property	Verification Source	Kara Letien
Property Type	Multifamily	Deed Book/Page	377H/641

Site

Acres	17.68	Topography	Nearly Level
Land SF	770,141	Zoning	PUDB
Road Frontage	Walden Lane	Utilities	E, G, W, S

Improvements & Financial Data

GBA	Unknown	Construction Type	Brick/Siding
Rentable Area	Unknown	HVAC	Central Electric/Central
Total No. of Units	236	Parking	Parking Lot/Garage
Year Built/Renovated	2003/2012	Structure/Stories	WU/3
Condition/Street Appeal	Similar	Utilities with Rent	None
Unit Amenities	Range/Oven, Refrigerator, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings (some), Walk-In Closet, Coat Closet, Balcony (some), Patio (some)		
Project Amenities	Swimming Pool, Fitness Center, Picnic Area, Playground, Exterior Storage (some), Business Center, Car Wash Area, Laundry Facility, Limited Access Gate		

Notes

Comments	Expense data was not available for this comparable.
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112 East Harris Street



Comparable 2

Address	112 East Harris Street	Date	10/3/2011
City	Savannah	Price	\$1,150,000
County	Chatham	Price per Unit	\$104,545.45
State	Georgia	Transaction Type	Closed
Tax ID	2-0015-330-10	Financing	Conventional
Grantor	William George & Betty B U	Property Rights	Fee Simple
Grantee	112 East Harris Street LLC	Verification Source	Assessor
Property Type	Multifamily	Deed Book/Page	3720/934

Site

Acres	0.09	Topography	Nearly Level
Land SF	3,920	Zoning	Multifamily
Road Frontage	East Harris Street	Utilities	E, G, W, S

Improvements & Financial Data

GBA	8,408	Construction Type	Stucco/Brick
Rentable Area	8,408	HVAC	Central Electric/Central
Total No. of Units	11	Parking	Parking Lot
Year Built/Renovated	1857/1995	Structure/Stories	WU/3
Condition/Street Appeal	Similar	Utilities with Rent	Trash
Unit Amenities	Range/Oven, Refrigerator, Tile, Hardwood, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Patio		
Project Amenities	Laundry Facility		

Notes

Comments	Expense data was not available for this comparable.
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Avala at Savannah Quarters



Comparable 3

Address	300 Blue Moon Crossing	Date	6/13/2011
City	Pooler	Price	\$26,625,000
County	Chatham	Price per Unit	\$104,003.91
State	Georgia	Transaction Type	Closed
Tax ID	5-1009-01-062	Financing	Conventional
Grantor	AG Spanos Companies	Property Rights	Fee Simple
Grantee	Mid-America Apartment	Verification Source	Aunna
Property Type	Multifamily	Deed Book/Page	370L/480

Site

Acres	16.18	Topography	Nearly Level
Land SF	704,801	Zoning	Multifamily
Road Frontage	Blue Moon Crossing	Utilities	E, G, W, S

Improvements & Financial Data

GBA	Unknown	Construction Type	Brick/Siding
Rentable Area	Unknown	HVAC	Central Electric/Central
Total No. of Units	256	Parking	Parking Lot/Garage
Year Built/Renovated	2009/2012-13	Structure/Stories	WU/3
Condition/Street Appeal	Similar	Utilities with Rent	None
Unit Amenities	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio		
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Playground, Tennis Court, Business Center		

Notes

Comments	Expense data was not available for this comparable.
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Sales Comparison per Unit – As Is

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	505 Harris Trail Road	100 Walden Lane	112 East Harris Street	300 Blue Moon Crossing
City	Richmond Hill	Savannah	Savannah	Pooler
State	Georgia	Georgia	Georgia	Georgia
Date	4/7/2014	5/8/2012	10/3/2011	6/13/2011
Price	\$0	\$26,000,000	\$1,150,000	\$26,625,000
Total No. of Units	232	236	11	256
Price per Unit	\$0.00	\$110,169.49	\$104,545.45	\$104,003.91
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Cash	Normal	Normal	Normal
Adjusted Price per Unit		\$110,169.49	\$104,545.45	\$104,003.91
Market Trends Through	4/7/14	0.0%	0.0%	0.0%
Adjusted Price per Unit		\$110,169.49	\$104,545.45	\$104,003.91
Location	Average	Superior	Superior	Superior
% Adjustment		-10%	-10%	-10%
\$ Adjustment		-\$11,016.95	-\$10,454.55	-\$10,400.39
Total No. of Units	232	236	11	256
% Adjustment		0%	-20%	0%
\$ Adjustment		\$0.00	-\$20,909.09	\$0.00
Year Built/Renovated	1995	2003/2012	1857/1995	2009/2012-13
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Condition/Street Appeal	Average	Superior	Similar	Superior
% Adjustment		-10%	0%	-5%
\$ Adjustment		-\$11,016.95	\$0.00	-\$5,200.20
HVAC	Central Electric/Central Electric	Central Electric/Central Electric	Central Electric/Central Electric	Central Electric/Central Electric
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Parking	Parking Lot	Parking Lot/Garage	Parking Lot	Parking Lot/Garage
% Adjustment		-5%	0%	-5%
\$ Adjustment		-\$5,508.47	\$0.00	-\$5,200.20
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, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings (some), Walk-In Closet, Coat Closet, Balcony (some), Patio (some)	Range/Oven, Refrigerator, Tile, Hardwood, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio
% Adjustment		3%	4%	0%
\$ Adjustment		\$3,305.08	\$4,181.82	\$0.00
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Tot Lot, Volleyball Court, Tennis Court, Laundry Facility, Video Surveillance, Gazebo	Swimming Pool, Fitness Center, Picnic Area, Playground, Exterior Storage (some), Business Center, Car Wash Area, Laundry Facility, Limited Access Gate	Laundry Facility	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Playground, Tennis Court, Business Center
% Adjustment		2%	9%	3%
\$ Adjustment		\$2,203.39	\$9,409.09	\$3,120.12
Adjusted Price per Unit		\$88,135.59	\$86,772.73	\$86,323.24

Based on the preceding analysis, it is the appraiser's opinion that the "as is" value of the subject property, as of April 7, 2014, via the Sales Comparable Approach is as follows:

$$232 \text{ units} \times \$87,000 \text{ per Unit} = \$20,184,000$$

Indicated Value = \$20,185,000

APARTMENT SALES EXPLANATIONS – AS IS

Comparable	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Walden Lane	5/8/2012	\$26,000,000	\$110,169.49	236	2003/2012
2	112 East Harris Street	10/3/11	\$1,150,000	\$104,545.45	11	1857/1995
3	300 Blue Moon Crossing	6/13/2011	\$26,625,000	\$104,003.91	256	2009/2012-13

Improved Sales Analysis

The sale prices of the comparables range from \$104,004 to \$110,169 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 Richmond Hill, Georgia. All comparables are located in Savannah and are considered to be relatively superior in location. All comparables were adjusted downward 10 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 232 units. The number of units of the comparables range from 11 to 256. Comparable 2 is much smaller than the subject and was adjusted downward 20 percent.

Year Built/Renovated

The subject was built in 1995. It is in average condition. Comparable 1 was built in 2003 and renovated in 2012. Comparable 2 was constructed in 1957 and renovated in 1995. Comparable 3 was built in 2009 and renovated in 2012 through 2013. Any necessary adjustment was utilized in the condition/street appeal adjustment.

Condition/Street Appeal

Comparables 1 and 3 were considered superior to the subject in terms of condition/street appeal and were adjusted downward as follows: Comparable 1 – 10 percent and Comparable 3 – five 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. In addition, Comparables 1 and 3 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, washer/dryer hook-ups, caret, tile, blinds, ceiling fans, vaulted ceilings (some), walk-in closet, coat closet, balcony (some) and patio (some) and was adjusted upward three percent. Comparable 2 contains a range/oven, refrigerator, tile, hardwood, ceiling fans, fireplace, walk-in closet, balcony and patio and was adjusted upward four percent. Comparable 3 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer, carpet, tile, blinds, ceiling fans, walk-in closet, coat closet, balcony and patio and was not adjusted.

Project Amenities

The subject contains a clubhouse, swimming pool, fitness center, picnic area, tot lot, volleyball court, tennis court, laundry facility, video surveillance and gazebo. Comparable 1 contains a swimming pool, fitness center, picnic area, playground, exterior storage (some), business center, car wash area, laundry

facility and limited access gate and was adjusted upward two percent. Comparable 2 contains a laundry facility and was adjusted upward nine percent. Comparable 3 contains a clubhouse, swimming pool, fitness center, picnic area, playground, tennis court and business center and was adjusted upward three percent.

Summary and Conclusion

The comparables range from \$88,323 to \$88,136 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 7, 2014, via the Sales Comparable Approach is as follows:

232 Units x \$87,000 per Unit = \$20,184,000

Indicated Value = \$20,185,000

Sales Comparison per Unit – As Complete

Analysis Grid		Comp 1	Comp 2	Comp 3
Address	505 Harris Trail Road	100 Walden Lane	112 East Harris Street	300 Blue Moon Crossing
City	Richmond Hill	Savannah	Savannah	Pooler
State	Georgia	Georgia	Georgia	Georgia
Date	4/7/2014	5/8/2012	10/3/2011	6/13/2011
Price	\$0	\$26,000,000	\$1,150,000	\$26,625,000
Total No. of Units	232	236	11	256
Price per Unit	\$0.00	\$110,169.49	\$104,545.45	\$104,003.91
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Cash	Normal	Normal	Normal
Adjusted Price per Unit		\$110,169.49	\$104,545.45	\$104,003.91
Market Trends Through	4/7/14	0.0%	0.0%	0.0%
Adjusted Price per Unit		\$110,169.49	\$104,545.45	\$104,003.91
Location	Average	Superior	Superior	Superior
% Adjustment		-10%	-10%	-10%
\$ Adjustment		-\$11,016.95	-\$10,454.55	-\$10,400.39
Total No. of Units	232	236	11	256
% Adjustment		0%	-20%	0%
\$ Adjustment		\$0.00	-\$20,909.09	\$0.00
Year Built/Renovated	1995	2003/2012	1857/1995	2009/2012-13
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Condition/Street Appeal	Average	Similar	Inferior	Inferior
% Adjustment		0%	10%	5%
\$ Adjustment		\$0.00	\$10,454.55	\$5,200.20
HVAC	Central Electric/Central Electric	Central Electric/Central Electric	Central Electric/Central Electric	Central Electric/Central Electric
% Adjustment		0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00
Parking	Parking Lot	Parking Lot/Garage	Parking Lot	Parking Lot/Garage
% Adjustment		-5%	0%	-5%
\$ Adjustment		-\$5,508.47	\$0.00	-\$5,200.20
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, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings (some), Walk-In Closet, Coat Closet, Balcony (some), Patio (some)	Range/Oven, Refrigerator, Tile, Hardwood, Ceiling Fans, Fireplace, Walk-In Closet, Balcony, Patio	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony, Patio
% Adjustment		2%	4%	0%
\$ Adjustment		\$2,203.39	\$4,181.82	\$0.00
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Tot Lot, Volleyball Court, Tennis Court, Laundry Facility, Video Surveillance, Gazebo	Swimming Pool, Fitness Center, Picnic Area, Playground, Exterior Storage (some), Business Center, Car Wash Area, Laundry Facility, Limited Access Gate	Laundry Facility	Clubhouse, Swimming Pool, Fitness Center, Picnic Area, Playground, Tennis Court, Business Center
% Adjustment		2%	9%	3%
\$ Adjustment		\$2,203.39	\$9,409.09	\$3,120.12
Adjusted Price per Unit		\$98,050.85	\$97,227.27	\$96,723.63

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:

$$232 \text{ units} \times \$97,000 \text{ per Unit} = \$22,504,000$$

Indicated Value = \$22,500,000

APARTMENT SALES EXPLANATIONS – AS COMPLETE

Comparable	Address	Date	Price	Price per Unit	Total No. of Units	Year Built/Renovated
1	100 Walden Lane	5/8/2012	\$26,000,000	\$110,169.49	236	2003/2012
2	112 East Harris Street	10/3/11	\$1,150,000	\$104,545.45	11	1857/1995
3	300 Blue Moon Crossing	6/13/2011	\$26,625,000	\$104,003.91	256	2009/2012-13

Improved Sales Analysis

The sale prices of the comparables range from \$104,004 to \$110,169 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 Richmond Hill, Georgia. All comparables are located in Savannah and are considered to be relatively superior in location. All comparables were adjusted downward 10 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 232 units. The number of units of the comparables range from 11 to 256. Comparable 2 is much smaller than the subject and was adjusted downward 20 percent.

Year Built/Renovated

The subject was built in 1995 and will be renovated. It will be in good condition. Comparable 1 was built in 2003 and renovated in 2012. Comparable 2 was constructed in 1957 and renovated in 1995. Comparable 3 was built in 2009 and renovated in 2012 through 2013. Any necessary adjustment was utilized in the condition/street appeal adjustment.

Condition/Street Appeal

Comparable 1 will be considered similar to the subject and was not adjusted. Comparables 2 and 3 will be considered inferior to the subject in terms of condition/street appeal and were adjusted upward as follows: Comparable 2 – 10 percent and Comparable 3 – five 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. In addition, Comparables 1 and 3 contain garage parking and were adjusted downward five percent.

Unit Amenities

The subject contains 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, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, vaulted ceilings (some), walk-in closet, coat closet, balcony (some) and patio (some) and was adjusted upward three percent. Comparable 2 contains a range/oven, refrigerator, tile, hardwood, ceiling fans, fireplace, walk-in closet, balcony and patio and was adjusted upward four percent. Comparable 3 contains a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer, carpet, tile, blinds, ceiling fans, walk-in closet, coat closet, balcony and patio and was not adjusted.

Project Amenities

The subject contains a clubhouse, swimming pool, fitness center, picnic area, tot lot, volleyball court, tennis court, laundry facility, video surveillance and gazebo. Comparable 1 contains a swimming pool,

fitness center, picnic area, playground, exterior storage (some), business center, car wash area, laundry facility and limited access gate and was adjusted upward two percent. Comparable 2 contains a laundry facility and was adjusted upward nine percent. Comparable 3 contains a clubhouse, swimming pool, fitness center, picnic area, playground, tennis court and business center and was adjusted upward three percent.

Summary and Conclusion

The comparables range from \$96,724 to \$99,152 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:

232 Units x \$97,000 per Unit = \$22,504,000

Indicated Value = \$22,500,000

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/One-Bath Units (770 SF) – As Is

**Estimates of Market Rent
by Comparison - As Is**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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)	
1BR / 1BA	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA	Allen Apartments 595 West 54th Street Savannah/Chatham - GA		Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA		Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA		Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA		Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA	
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/3		WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	96%	73%		96%		98%		96%		96%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1995/Proposed	1975	\$50	1990s		1999	(\$50)	1979/2007	(\$15)	1986	
9. Sq. Ft. Area	770	700	\$20	815	(\$15)	817	(\$15)	777		800	(\$10)
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		N	\$5	Y	
14. Garage or Carport	L/0	L/0		L/0		L/0, G/75		L/0		L/0	
15. Equipment	A/C	C		C		C		C		C	
	b. Range/Oven	Y		Y		Y		Y		Y	
	c. Refrigerator	Y		Y		Y		Y		Y	
	d. Disposal	Y		N		Y		N		N	
	e. Microwave	Y	\$5	Y		Y		N	\$5	N	\$5
	f. Dishwasher	Y		Y		Y		Y		Y	
	g. Washer/Dryer	HU		HU		HU		HU		HU/L	
	h. Carpet/Drapes	C/B		C/B		C/B		C/B		C/B	
	i. Pool/Rec. Area	P/RA	\$10	RA	\$10	P/RA		P/RA		P	\$10
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	
	c. Electricity	N		N		N		N		N	
	d. Water Cold/Hot	C	\$45	N	\$45	N	\$45	N	\$45	N	\$45
	e. Sewer	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
	f. Trash	Y		N	\$15	N	\$15	N	\$15	N	\$15
17. Storage	N	N		Y	(\$5)	Y	(\$5)	N		N	
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)
19. Special Features	N	N		N		Y	(\$10)	N		N	
20. Clubhouse/Community Room	C	N	\$5	C		C		C		N	\$5
21. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	N	\$5
22. Unit Rent Per Month		\$580		\$764		\$863		\$796		\$630	
23. Total Adjustment			\$140		\$45		(\$25)		\$60		\$75
24. Indicated Rent		\$720		\$809		\$838		\$856		\$705	
25. Correlated Subject Rent	\$ 785	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$856	low rent	\$705	60% range	\$735	to	\$826			

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. Hill* Date (mm/dd/yy): 04/07/14

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

Two-Bedroom/One-Bath Units (920 SF) – As Is

**Estimates of Market Rent
by Comparison - As Is**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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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)	
2BR / 1BA	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA	Allen Apartments 595 West 54th Street Savannah/Chatham - GA		Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA		Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA		Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA		Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA	
Characteristics		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/3		WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	96%	73%		96%		98%		96%		96%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1995/Proposed	1975	\$50	1990s		1999	(\$50)	1979/2007	(\$15)	1986	
9. Sq. Ft. Area	920	800	\$30	1,128	(\$55)	1,138	(\$60)	1,035	(\$30)	1,100	(\$50)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	10	15	(\$10)	2.0	(\$20)	2.0	(\$20)	10		2.0	(\$20)
12. Number of Rooms	4	6		5		5		4		5	
13. Balc./Terrace/Patio	Y	Y		Y		Y		N	\$5	Y	
14. Garage or Carport	L/0	L/0		L/0		L/0, G/75		L/0		L/0	
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	N	\$5	N	\$5	Y		N	\$5	N	\$5
e. Microwave	Y	N	\$5	Y		Y		N	\$5	N	\$5
f. Dishwasher	Y	Y		Y		Y		Y		Y	
g. Washer/Dryer	HU	HU		HU		HU		HU		HU/L	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10	P/RA		P/RA		P	\$10
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	\$55	N	\$55	N	\$55	N	\$55	N	\$55
e. Sewer	Y	N	\$30	N	\$30	N	\$30	N	\$30	N	\$30
f. Trash	Y	Y		N	\$15	N	\$15	N	\$15	N	\$15
17. Storage	N	N		Y	(\$5)	Y	(\$5)	N		N	
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)
19. Special Features	N	N		N		Y	(\$10)	N		N	
20. Clubhouse/Community Room	C	N	\$5	C		C		C		N	\$5
21. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	N	\$5
22. Unit Rent Per Month		\$680		\$840		\$918		\$859		\$725	
23. Total Adjustment			\$160		\$5		(\$75)		\$50		\$35
24. Indicated Rent		\$840		\$845		\$843		\$909		\$760	
25. Correlated Subject Rent	\$ 850	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$909	low rent	\$760	60% range	\$790	to	\$879			
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		Date (mm/dd/yyyy)			
		<i>Samuel S. Hill</i>		04/07/14							

Previous editions are obsolete

form HUD-92273 (3/95)

Two-Bedroom/Two-Bath Units (980 SF) – As Is

**Estimates of Market Rent
by Comparison - As Is**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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 / 2BA	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA			Allen Apartments 595 West 54th Street Savannah/Chatham - GA			Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA			Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA			Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA			Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA			
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			
4. Type of Project/Stories	WU/2	WU/2		WU/3			WU/3			WU/3			WU/2			WU/2			
5. Floor of Unit in Building	Varies	Varies		Varies			Varies			Varies			Varies			Varies			
6. Project Occupancy %	96%	73%		96%			98%			96%			96%			96%			
7. Concessions	None	None		None			None			None			None			None			
8. Year Built	1995/Proposed	1975	\$50	1990s			1999	(\$50)		1979/2007	(\$15)		1986			1986			
9. Sq. Ft. Area	980	800	\$50	1,128	(\$40)		1,138	(\$45)		1,035	(\$15)		1,100	(\$30)		1,100	(\$30)		
10. Number of Bedrooms	2	2		2			2			2			2			2			
11. Number of Baths	2.0	1.5	\$10	2.0			2.0			1.0	\$20		2.0			2.0			
12. Number of Rooms	5	5		5			5			4			5			5			
13. Balc./Terrace/Patio	Y	Y		Y			Y			N	\$5		Y			Y			
14. Garage or Carport	L/0	L/0		L/0			L/0, G/75			L/0			L/0			L/0			
15. Equipment	A/C	C		C			C			C			C			C			
b. Range/Oven	Y	Y		Y			Y			Y			Y			Y			
c. Refrigerator	Y	Y		Y			Y			Y			Y			Y			
d. Disposal	Y	N	\$5	N	\$5		Y			N	\$5		N	\$5		N	\$5		
e. Microwave	Y	N	\$5	Y			Y			N	\$5		Y			N	\$5		
f. Dishwasher	Y	Y		Y			Y			Y			Y			Y			
g. Washer/Dryer	HU	HU		HU			HU			HU			HU/L			HU/L			
h. Carpet/Drapes	C/B	C/B		C/B			C/B			C/B			C/B			C/B			
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10		P/RA			P/RA			P	\$10		P	\$10		
16. Services	a. Heat/Type	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			
c. Electricity	N	N		N			N			N			N			N			
d. Water Cold/Hot	C	N	\$55	N	\$55		N	\$55		N	\$55		N	\$55		N	\$55		
e. Sewer	Y	N	\$30	N	\$30		N	\$30		N	\$30		N	\$30		N	\$30		
f. Trash	Y	Y		N	\$15		N	\$15		N	\$15		N	\$15		N	\$15		
17. Storage	N	N		Y	(\$5)		Y	(\$5)		N			N			N			
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)		Superior	(\$25)		Superior	(\$25)		Superior	(\$25)		Superior	(\$25)		
19. Special Features	N	N		N			Y	(\$10)		N			N			N			
20. Clubhouse/Community Room	C	N	\$5	C			C			C			N	\$5		N	\$5		
21. Security	Y	N	\$5	Y	(\$5)		Y	(\$5)		N	\$5		N	\$5		N	\$5		
22. Unit Rent Per Month		\$680		\$840			\$918			\$859			\$725			\$800			
23. Total Adjustment			\$200		\$40			(\$40)			\$85			\$75					
24. Indicated Rent		\$880		\$880			\$878			\$944			\$800						
25. Correlated Subject Rent	\$ 885			If there are any Remarks, check here and add the remarks to the back of page.															
	high rent	\$944	low rent	\$800	60% range			\$829	to	\$915									
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				Date (mm/dd/yyyy)			
				Samuel J. Hill				04/07/14											

Previous editions are obsolete

form HUD-92273 (3/95)

Three-Bedroom/Two-Bath Units (1,150 SF) – As Is

**Estimates of Market Rent
by Comparison - As Is**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA		Allen Apartments 595 West 54th Street Savannah/Chatham - GA		Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA		Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA		Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA		Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA	
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/3		WU/2		WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies		
6. Project Occupancy %	96%	73%		96%		98%		96%		96%		
7. Concessions	None	None		None		None		None		None		
8. Year Built	1995/Proposed	1975	\$50	1990s		1999	(\$50)	1979/2007	(\$15)	1986		
9. Sq. Ft. Area	1,150	900	\$65	1,362	(\$55)	1,362	(\$55)	1,250	(\$25)	1,350	(\$50)	
10. Number of Bedrooms	3	3		3		3		3		3		
11. Number of Baths	2.0	2.5	(\$10)	2.0		2.0		2.0		2.0		
12. Number of Rooms	6	7		6		6		6		6		
13. Balc./Terrace/Patio	Y	Y		Y		Y		N	\$5	Y		
14. Garage or Carport	L/0	L/0		L/0		L/0, G/75		L/0		L/0		
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	N	\$5	N	\$5	Y		N	\$5	N	\$5	
e. Microwave	Y	N	\$5	Y		Y		N	\$5	N	\$5	
f. Dishwasher	Y	Y		Y		Y		Y		Y		
g. Washer/Dryer	HU	HU		HU		HU		HU		HU/L		
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B		
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10	P/RA		P/RA		P	\$10	
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	\$70	N	\$70	N	\$70	N	\$70	N	\$70	
e. Sewer	Y	N	\$35	N	\$35	N	\$35	N	\$35	N	\$35	
f. Trash	Y	Y		N	\$15	N	\$15	N	\$15	N	\$15	
17. Storage	N	N		Y	(\$5)	Y	(\$5)	N		N		
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	
19. Special Features	N	N		N		Y	(\$10)	N		N		
20. Clubhouse/Community Room	C	N	\$5	C		C		C		N	\$5	
21. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	N	\$5	
22. Unit Rent Per Month		\$800		\$1,109		\$1,051		\$964		\$925		
23. Total Adjustment			\$215		\$45		(\$30)		\$75		\$75	
24. Indicated Rent		\$1,015		\$1,154		\$1,021		\$1,039		\$1,000		
25. Correlated Subject Rent	\$1,050	If there are any Remarks, check here and add the remarks to the back of page.										
	high rent	\$1,154	low rent	\$1,000	60% range		\$1,031 to	\$1,123				

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. Self* Date (mm/dd/yy): 04/07/14

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

Explanation of Adjustments and Market Rent Conclusions

Ashton of Richmond Hill – As Is

Primary Unit Type – One-Bedroom Units (770 SF), Two-Bedroom Units (920 SF), Two-Bedroom Units (980 SF) and Three-Bedroom Units (1,150 SF)

Rent comparability grids were prepared for the primary unit types with 770, 920, 980 and 1,150 square feet. Comparable apartments used include the following: ***Allen Apartments (Comparable 1), Georgetown Grove Apartments (Comparable 2), Preston Grove Apartments (Comparable 3), Hunters Bluff Apartments (Comparable 4) and Magnolia Villa Apartment Homes (Comparable 5).***

Structure/Stories – The subject contains walk-up two-story apartment buildings. All comparables contain two- or three-story walk-up buildings. No adjustment was needed.

Project Occupancy - The subject currently has 99 percent occupancy. The comparables' occupancies range from 73 to 98 percent. Therefore, no adjustments were needed.

Year Built/Year Renovated – The subject was constructed in 1995. ***Comparable 1*** was built in 1975. ***Comparable 2*** was built in the 1990s. ***Comparable 3*** was constructed in 1999. ***Comparable 4*** was constructed in 1979. ***Comparable 5*** was built in 1986. The subject is currently in average condition. ***Comparable 1*** was considered inferior to the subject as it has an older construction date and has not been as well maintained. ***Comparables 2 and 5*** were considered relatively similar to the subject and were not adjusted. ***Comparables 3 and 4*** were considered superior to the subject as these properties are newer or been renovated. It is difficult to determine adjustment amounts for year built, as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to year built. After considering all factors, ***Comparable 1*** was adjusted upward \$50 per month, ***Comparable 3*** was adjusted downward \$50 per month, and ***Comparable 4*** was adjusted downward \$15 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 comparables' 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 \$0.31 for the one-bedroom comparison, \$0.27 for the two-bedroom

comparisons and \$0.25 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.

of Bedrooms – The subject and all comparables have the same number of bedrooms in the units. Therefore, no adjustment was needed.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath and \$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 \$10 adjustment was selected per half-bath, and a \$20 adjustment was selected per full bath.

Balcony/Patio – The subject contains balconies or patios. All comparables not containing balconies or patios were adjusted upward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement. Therefore, a nominal adjustment was selected.

Parking – The subject and all comparables contain parking lots for no fee. **Comparable 3** also contains garage parking for an additional \$75 per month. Since this property also contains open parking that is similar to the subject, no adjustment was needed.

AC: Central/Wall – The subject contains central air conditioning. All comparables contain central conditioning. No adjustment was needed.

Microwave – The subject contains microwaves. All comparables not containing microwaves were adjusted upward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement. Therefore, a nominal adjustment was selected.

Dishwasher – The subject and all contain dishwashers in the units. No adjustment was needed.

Washer/Dryer – The subject contains washer/dryer hook-ups and laundry facility. All comparables contain washer/dryer hook-ups or laundry facilities. No adjustments were needed.

Pool/Recreation Areas – The subject contains a swimming pool, fitness center, picnic area, tot lot, volleyball court, tennis court and gazebo. **Comparables 1 and 5** contain swimming pools. **Comparable 2** contains a fitness center, picnic area, playground, volleyball court, tennis court and gazebo. **Comparable 3** contains a swimming pool, lake, dog park, business center, tennis court, volleyball court, picnic area, playground and car wash area. **Comparables 4** contains a swimming pool, fitness center and playground. Apartments with these features can command a higher rent in the market. Tenants in the market area indicated a willingness to pay a small amount for these amenities. Therefore, comparables with only one type feature were 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 – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold/Hot Water – The subject has cold water provided. None of the comparables have either utility provided and were adjusted upward \$45 per month for the one-bedroom comparison, \$55 for the two-bedroom comparisons, and \$70 for the three-bedroom comparison. The adjustments were based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and were rounded to the nearest \$5. The adjustments were substantiated with local utility companies.

Sewer – The subject has this utility provided. None of the comparables have this utility provided and were adjusted upward \$25 per month for the one-bedroom comparison, \$30 for the two-bedroom comparisons, and \$35 for the three-bedroom comparison. The adjustments were based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and were rounded to the nearest \$5. The adjustments were substantiated with local utility companies.

Trash – The subject and **Comparable 1** have this utility provided. None of the remaining comparables have this utility provided and were adjusted upward \$15 for all comparisons. The adjustment was based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and was rounded to the nearest \$5. The adjustment was substantiated with local utility companies.

Extra Storage – The subject does not contain extra storage. All comparables except **Comparables 2 and 3** are similar to the subject. Although there is little market data available concerning feature, the added amenity is an enhancement. Therefore, **Comparables 2 and 3** were adjusted downward \$5 per month.

Location – The subject's location is average. All comparables are located in Savannah and were considered superior to the subject. Savannah is considerably larger than Richmond Hill with greater access to services. Even though its median income and home value are lower than Richmond Hill, Savannah is considered to be superior to the subject. It is difficult to determine adjustment amounts for location as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to location. After considering all factors, all comparables were adjusted downward \$25 per month.

Special Features – The subject does not contain any special features. All comparables except **Comparable 3** are similar to the subject. **Comparable 3** contains vaulted ceilings and was adjusted downward \$10 per month. Although there is little market data available concerning feature, the added amenity is an enhancement to the unit and can command a higher rent. Therefore, the adjustment was deemed reasonable.

Clubhouse/Community Room – The subject and **Comparables 2, 3 and 4** contain clubhouses. None of the remaining comparables 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 5** were adjusted upward \$5 per month.

Security – The subject contains video surveillance. **Comparables 1, 4 and 5** do not contain any form of security. **Comparable 2** contains a limited access gate. **Comparable 3** contains intercom/electric entry, limited access gate and security/courtesy patrol. 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 2 and 3** were adjusted downward \$10 per month.

Conclusion of Market Rent – As Is

The adjusted rents range from \$705 to \$856 for the one-bedroom units; from \$760 to \$909 for the two-bedroom/one-bath units; from \$800 to \$944 for the two-bedroom/two-bath units; and from \$1,000 to \$1,154 for the three-bedroom units. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **770 SF One-Bedroom Unit** - **\$785, or \$1.02 per square foot**
- **920 SF Two-Bedroom Unit** - **\$850, or \$0.92 per square foot**
- **980 SF Two-Bedroom Unit** - **\$885, or \$0.90 per square foot**
- **1,150 SF Three-Bedroom Unit** - **\$1,050, or \$0.91 per square foot**

One-Bedroom/One-Bath Units (770 SF) – As Complete

**Estimates of Market Rent
by Comparison - As Complete**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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)	
1BR / 1BA	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA	Allen Apartments 595 West 54th Street Savannah/Chatham - GA		Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA		Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA		Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA		Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA	
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/3		WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	96%	73%		96%		98%		96%		96%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1995/Proposed	1975	\$100	1990s	\$50	1999		1979/2007	\$35	1986	\$50
9. Sq. Ft. Area	770	700	\$20	815	(\$15)	817	(\$15)	777		800	(\$10)
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		N	\$5	Y	
14. Garage or Carport	L/0	L/0		L/0		L/0, G/75		L/0		L/0	
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	N		N		Y		N		N	
e. Microwave	Y	N	\$5	Y		Y		N	\$5	N	\$5
f. Dishwasher	Y	Y		Y		Y		Y		Y	
g. Washer/Dryer	WD	HU	\$5	HU	\$5	HU	\$5	HU	\$5	HU/L	\$5
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10	P/RA		P/RA		P	\$10
16. Services											
a. Heat/Type	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	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C	N	\$45	N	\$45	N	\$45	N	\$45	N	\$45
e. Sewer	Y	N	\$25	N	\$25	N	\$25	N	\$25	N	\$25
f. Trash	Y	Y		N	\$15	N	\$15	N	\$15	N	\$15
17. Storage	N	N		Y	(\$5)	Y	(\$5)	N		N	
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)
19. Special Features	N	N		N		Y	(\$10)	N		N	
20. Clubhouse/Community Room	C	N	\$5	C		C		C		N	\$5
21. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	N	\$5
22. Unit Rent Per Month		\$580		\$764		\$863		\$796		\$630	
23. Total Adjustment			\$195		\$100		\$30		\$15		\$130
24. Indicated Rent		\$775		\$864		\$893		\$911		\$760	
25. Correlated Subject Rent	\$845	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$911	low rent	\$760	60% range	\$790	to	\$881			
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 J. Zell</i>		Date (mm/dd/yy) 04/07/14		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (3/95)

Two-Bedroom/One-Bath Units (920 SF) – As Complete

**Estimates of Market Rent
by Comparison - As Complete**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA			Allen Apartments 595 West 54th Street Savannah/Chatham - GA			Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA			Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA			Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA			Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA		
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/3	WU/3		WU/2	WU/2		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 %	96%	73%		96%	96%		98%	98%		98%	98%		96%	96%		96%	96%	
7. Concessions	None	None		None	None		None	None		None	None		None	None		None	None	
8. Year Built	1995/Proposed	1975	\$100	1990s	1999	\$50	1999	1979/2007	\$35	1986	\$50							
9. Sq. Ft. Area	920	800	\$30	1,128	1,138	(\$60)	1,338	1,035	(\$30)	1,100	(\$50)							
10. Number of Bedrooms	2	2		2	2		2	2		2								
11. Number of Baths	10	15	(\$10)	2.0	2.0	(\$20)	2.0	1.0		2.0	(\$20)							
12. Number of Rooms	4	6		5	5		5	4		5								
13. Balc./Terrace/Patio	Y	Y		Y	Y		Y		\$5	Y								
14. Garage or Carport	L/0	L/0		L/0	L/0, G/75		L/0, G/75	L/0		L/0								
15. Equipment	A/C	C		C	C		C	C		C								
b. Range/Oven	Y	Y		Y	Y		Y	Y		Y								
c. Refrigerator	Y	Y		Y	Y		Y	Y		Y								
d. Disposal	Y	N	\$5	N	Y	\$5	Y	N	\$5	N	\$5							
e. Microwave	Y	N	\$5	Y	Y		Y	N	\$5	N	\$5							
f. Dishwasher	Y	Y		Y	Y		Y	Y		Y								
g. Washer/Dryer	WD	HU	\$10	HU	HU	\$10	HU	HU	\$10	HU/L	\$10							
h. Carpet/Drapes	C/B	C/B		C/B	C/B		C/B	C/B		C/B								
i. Pool/Rec. Area	P/RA	P	\$10	RA	P/RA	\$10	P/RA	P/RA		P	\$10							
16. Services	a. Heat/Type	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								
c. Electricity	N	N		N	N		N	N		N								
d. Water Cold/Hot	C	N	\$55	N	N	\$55	N	N	\$55	N	\$55							
e. Sewer	Y	N	\$30	N	N	\$30	N	N	\$30	N	\$30							
f. Trash	Y	Y		N	N	\$15	N	N	\$15	N	\$15							
17. Storage	N	N		Y	Y	(\$5)	Y	N		N								
18. Project Location	Fair-Good	Superior	(\$25)	Superior	Superior	(\$25)	Superior	Superior	(\$25)	Superior	(\$25)							
19. Special Features	N	N		N	Y	(\$10)	N	N		N								
20. Clubhouse/Community Room	C	N	\$5	C	C		C	C		N	\$5							
21. Security	Y	N	\$5	Y	Y	(\$5)	Y	N	\$5	N	\$5							
22. Unit Rent Per Month		\$680		\$840	\$918		\$903	\$859		\$725								
23. Total Adjustment			\$220			\$65			(\$15)		\$95							
24. Indicated Rent		\$900		\$905	\$903		\$969	\$820										
25. Correlated Subject Rent	\$910																	
<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.																		
high rent			\$969	low rent			\$820	60% range			\$850	to			\$939			
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				Date (mm/dd/yyyy)
Samuel J. Zell										04/07/14								

Previous editions are obsolete

form HUD-92273 (3/95)

Two-Bedroom/Two-Bath Units (980 SF) – As Complete

**Estimates of Market Rent
by Comparison - As Complete**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 Adjusted 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 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 / 2BA	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA	Allen Apartments 595 West 54th Street Savannah/Chatham - GA		Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA		Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA		Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA		Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA	
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/3		WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	96%	73%		96%		98%		96%		96%	
7. Concessions	None	None		None		None		None		None	
8. Year Built	1995/Proposed	1975	\$100	1990s	\$50	1999		1979/2007	\$35	1986	\$50
9. Sq. Ft. Area	980	800	\$50	1,128	(\$40)	1,138	(\$45)	1,035	(\$15)	1,100	(\$30)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	2.0	1.5	\$10	2.0		2.0		1.0	\$20	2.0	
12. Number of Rooms	5	5		5		5		4		5	
13. Balc./Terrace/Patio	Y	Y		Y		Y		N	\$5	Y	
14. Garage or Carport	L/0	L/0		L/0		L/0, G/75		L/0		L/0	
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	N	\$5	N	\$5	Y		N	\$5	N	\$5
e. Microwave	Y	N	\$5	Y		Y		N	\$5	N	\$5
f. Dishwasher	Y	Y		Y		Y		Y		Y	
g. Washer/Dryer	WD	HU	\$10	HU	\$10	HU	\$10	HU	\$10	HU/L	\$10
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10	P/RA		P/RA		P	\$10
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	\$55	N	\$55	N	\$55	N	\$55	N	\$55
e. Sewer	Y	N	\$30	N	\$30	N	\$30	N	\$30	N	\$30
f. Trash	Y	Y		N	\$15	N	\$15	N	\$15	N	\$15
17. Storage	N	N		Y	(\$5)	Y	(\$5)	N		N	
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)	Superior	(\$25)
19. Special Features	N	N		N		Y	(\$10)	N		N	
20. Clubhouse/Community Room	C	N	\$5	C		C		C		N	\$5
21. Security	Y	N	\$5	Y	(\$5)	Y	(\$5)	N	\$5	N	\$5
22. Unit Rent Per Month		\$680		\$840		\$918		\$859		\$725	
23. Total Adjustment			\$260		\$100		\$20		\$145		\$135
24. Indicated Rent		\$940		\$940		\$938		\$1,004		\$860	
25. Correlated Subject Rent	\$945	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$1,004	low rent	\$860	60% range	\$889	to	\$975			
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) 04/07/14		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (3/95)

Three-Bedroom/Two-Bath Units (1,150 SF) – As Complete

**Estimates of Market Rent
by Comparison - As Complete**

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

OMB Approval No. 2502-0029
(exp. 9/31/2016)

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 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	Ashton of Richmond Hill 505 Harris Trail Road Richmond Hill/Bryan - GA			Allen Apartments 595 West 54th Street Savannah/Chatham - GA			Georgetown Grove Apartments 1800 Grove Point Road Savannah/Chatham - GA			Preston Grove Apartments 1825 Grove Point Road Savannah/Chatham - GA			Hunters Bluff Apartments 201W. Montgomery Crossroad Savannah/Chatham - GA			Magnolia Villa Apartments 205 W. Montgomery Crossroad Savannah/Chatham - GA		
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		
4. Type of Project/Stories	WU/2	WU/2		WU/3			WU/3			WU/3			WU/2			WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies			Varies			Varies			Varies			Varies		
6. Project Occupancy %	96%	73%		96%			98%			98%			96%			96%		
7. Concessions	None	None		None			None			None			None			None		
8. Year Built	1995/Proposed	1975	\$100	1990s	\$50		1999			1979/2007	\$35		1986	\$50				
9. Sq. Ft. Area	1,150	900	\$65	1,362	(\$55)		1,362	(\$55)		1,250	(\$25)		1,350	(\$50)				
10. Number of Bedrooms	3	3		3			3			3			3					
11. Number of Baths	2.0	2.5	(\$10)	2.0			2.0			2.0			2.0					
12. Number of Rooms	6	7		6			6			6			6					
13. Balc./Terrace/Patio	Y	Y		Y			Y			N	\$5		Y					
14. Garage or Carport	L/0	L/0		L/0			L/0, G/75			L/0			L/0					
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	N	\$5	N	\$5		Y			N	\$5		N	\$5				
e. Microwave	Y	N	\$5	Y			Y			N	\$5		N	\$5				
f. Dishwasher	Y	Y		Y			Y			Y			Y					
g. Washer/Dryer	WD	HU	\$10	HU	\$10		HU	\$10		HU	\$10		HU/L	\$10				
h. Carpet/Drapes	C/B	C/B		C/B			C/B			C/B			C/B					
i. Pool/Rec. Area	P/RA	P	\$10	RA	\$10		P/RA			P/RA			P	\$10				
16. Services	a. Heat/Type	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		
c. Electricity	N	N		N			N			N			N			N		
d. Water Cold/Hot	C	N	\$70	N	\$70		N	\$70		N	\$70		N	\$70		N	\$70	
e. Sewer	Y	N	\$35	N	\$35		N	\$35		N	\$35		N	\$35		N	\$35	
f. Trash	Y	Y		N	\$15		N	\$15		N	\$15		N	\$15		N	\$15	
17. Storage	N	N		Y	(\$5)		Y	(\$5)		N			N			N		
18. Project Location	Fair-Good	Superior	(\$25)	Superior	(\$25)		Superior	(\$25)		Superior	(\$25)		Superior	(\$25)		Superior	(\$25)	
19. Special Features	N	N		N			Y	(\$10)		N			N			N		
20. Clubhouse/Community Room	C	N	\$5	C			C			C			C			N	\$5	
21. Security	Y	N	\$5	Y	(\$5)		Y	(\$5)		N	\$5		N	\$5		N	\$5	
22. Unit Rent Per Month		\$800		\$1,109			\$1,051			\$964			\$925					
23. Total Adjustment			\$275		\$105			\$30			\$135			\$135				
24. Indicated Rent		\$1,075		\$1,214			\$1,081			\$1,099			\$1,060					
25. Correlated Subject Rent	\$ 1,110	If there are any Remarks, check here and add the remarks to the back of page.																
	high rent	\$ 1,214	low rent	\$ 1,060	60% range		\$ 1,091	to	\$ 1,183									

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. Hill* Date (mm/dd/yy): 04/07/14
Reviewer's Signature: _____ Date (mm/dd/yyyy): _____

Explanation of Adjustments and Market Rent Conclusions

Ashton of Richmond Hill – As Complete

Primary Unit Type – One-Bedroom Units (770 SF), Two-Bedroom Units (920 SF), Two-Bedroom Units (980 SF) and Three-Bedroom Units (1,150 SF)

Rent comparability grids were prepared for the primary unit types with 770, 920, 980 and 1,150 square feet. Comparable apartments used include the following: ***Allen Apartments (Comparable 1), Georgetown Grove Apartments (Comparable 2), Preston Grove Apartments (Comparable 3), Hunters Bluff Apartments (Comparable 4) and Magnolia Villa Apartment Homes (Comparable 5).***

Structure/Stories – The subject contains walk-up two-story apartment buildings. All comparables contain two- or three-story walk-up buildings. No adjustment was needed.

Project Occupancy - The subject currently has 99 percent occupancy. The comparables' occupancies range from 73 to 98 percent. Therefore, no adjustments were needed.

Year Built/Year Renovated – The subject was constructed in 1995. It will be renovated and will be in good condition. ***Comparable 1*** was built in 1975. ***Comparable 2*** was built in the 1990s. ***Comparable 3*** was constructed in 1999. ***Comparable 4*** was constructed in 1979. ***Comparable 5*** was built in 1986. The subject is currently in average condition. As renovated, all comparables except ***Comparable 3*** will be considered inferior to the subject. ***Comparable 3*** will be considered relatively similar to the subject and was not adjusted. It is difficult to determine adjustment amounts for year built, as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to year built. After considering all factors, ***Comparable 1*** was adjusted upward \$100 per month, ***Comparables 2 and 5*** were adjusted upward \$50 per month, and ***Comparable 4*** was adjusted upward \$35 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 comparables' 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 \$0.31 for the one-bedroom comparison, \$0.27 for the two-bedroom comparisons and \$0.25 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.

of Bedrooms – The subject and all comparables have the same number of bedrooms in the units. Therefore, no adjustment was needed.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath and \$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 \$10 adjustment was selected per half-bath, and a \$20 adjustment was selected per full bath.

Balcony/Patio – The subject contains balconies or patios. All comparables not containing balconies or patios were adjusted upward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement. Therefore, a nominal adjustment was selected.

Parking – The subject and all comparables contain parking lots for no fee. **Comparable 3** also contains garage parking for an additional \$75 per month. Since this property also contains open parking that is similar to the subject, no adjustment was needed.

AC: Central/Wall – The subject contains central air conditioning. All comparables contain central conditioning. No adjustment was needed.

Microwave – The subject contains microwaves. All comparables not containing microwaves were adjusted upward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement. Therefore, a nominal adjustment was selected.

Dishwasher – The subject and all contain dishwashers in the units. No adjustment was needed.

Washer/Dryer – As complete, the subject will contain washers and dryers in the units. All comparables contain washer/dryer hook-ups or laundry facilities and were adjusted upward \$10 per month. Although there is little market data available concerning units with these features, the added amenity is an enhancement. Therefore, the adjustments were deemed reasonable.

Pool/Recreation Areas – The subject contains a swimming pool, fitness center, picnic area, tot lot, volleyball court, tennis court and gazebo. **Comparables 1 and 5** contain swimming pools. **Comparable 2** contains a fitness center, picnic area, playground, volleyball court, tennis court and gazebo. **Comparable 3** contains a swimming pool, lake, dog park, business center, tennis court, volleyball court, picnic area, playground and car wash area. **Comparables 4** contains a swimming pool, fitness center and playground. Apartments with these features can command a higher rent in the market. Tenants in the market area indicated a willingness to pay a small amount for these amenities. Therefore, comparables with only one type feature were 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 – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold/Hot Water – The subject has cold water provided. None of the comparables have either utility provided and were adjusted upward \$45 per month for the one-bedroom comparison, \$55 for the two-bedroom comparisons, and \$70 for the three-bedroom comparison. The adjustments were based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and were rounded to the nearest \$5. The adjustments were substantiated with local utility companies.

Sewer – The subject has this utility provided. None of the comparables have this utility provided and were adjusted upward \$25 per month for the one-bedroom comparison, \$30 for the two-bedroom comparisons, and \$35 for the three-bedroom comparison. The adjustments were based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and were rounded to the nearest \$5. The adjustments were substantiated with local utility companies.

Trash – The subject and **Comparable 1** have this utility provided. None of the remaining comparables have this utility provided and were adjusted upward \$15 for all comparisons. The adjustment was based on the Southern Region Utility Allowance Schedule provided by the State of Georgia and was rounded to the nearest \$5. The adjustment was substantiated with local utility companies.

Extra Storage – The subject does not contain extra storage. All comparables except **Comparables 2 and 3** are similar to the subject. Although there is little market data available concerning feature, the added amenity is an enhancement. Therefore, **Comparables 2 and 3** were adjusted downward \$5 per month.

Location – The subject's location is average. All comparables are located in Savannah and were considered superior to the subject. Savannah is considerably larger than Richmond Hill with greater access to services. Even though its median income and home value are lower than Richmond Hill, Savannah is considered to be superior to the subject. It is difficult to determine adjustment amounts for location as it is difficult to determine rent level fluctuations based on these items. Therefore, it was necessary to rely in large part on opinions of area apartment managers and tenants. In addition, adjusted rents of the comparables were considered as the difference in rents of the comparables after everything else is factored out is assumed to be attributable to location. After considering all factors, all comparables were adjusted downward \$25 per month.

Special Features – The subject does not contain any special features. All comparables except **Comparable 3** are similar to the subject. **Comparable 3** contains vaulted ceilings and was adjusted downward \$10 per month. Although there is little market data available concerning feature, the added amenity is an enhancement to the unit and can command a higher rent. Therefore, the adjustment was deemed reasonable.

Clubhouse/Community Room – The subject and **Comparables 2, 3 and 4** contain clubhouses. None of the remaining comparables 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 5** were adjusted upward \$5 per month.

Security – The subject contains video surveillance. **Comparables 1, 4 and 5** do not contain any form of security. **Comparable 2** contains a limited access gate. **Comparable 3** contains intercom/electric entry, limited access gate and security/courtesy patrol. 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 2 and 3** were adjusted downward \$10 per month.

Conclusion of Market Rent – As Complete

The adjusted rents range from \$760 to \$911 for the one-bedroom units; from \$820 to \$969 for the two-bedroom/one-bath units; from \$860 to \$1,044 for the two-bedroom/two-bath units; and from \$1,060 to \$1,214 for the three-bedroom units. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **770 SF One-Bedroom Unit** - **\$845, or \$1.10 per square foot**
- **920 SF Two-Bedroom Unit** - **\$910, or \$0.99 per square foot**
- **980 SF Two-Bedroom Unit** - **\$945, or \$0.96 per square foot**
- **1,150 SF Three-Bedroom Unit** - **\$1,110, or \$0.96 per square foot**

Allen Apartments



Lease Comparable 1

Name	Allen Apartments	Verification Date	4/7/2014
Address	595 West 54th Street	Verification Source	Juan
City	Savannah	Phone Number	912-232-7659
County	Chatham	Type Affordable Housing	Market
State	Georgia	Property Type	Multifamily
Zip	31405	Structure/Stories	WU/2
Total No. of Units	98	Year Built/Renovated	1975/Upkeep
No. Buildings	13	Project Occupancy%	73%
Utilities with Rent	Trash	Rent/Inc. Restrictions	None

Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	16	1	1.0	700	\$580
Y	72	2	1.5	800	\$680
Y	10	3	2.5	900	\$800

Building

Unit Amenities	Refrigerator, Range, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Patio
Project Amenities	Swimming Pool, On-Site Management
Parking	L/0
Comments	The contact stated the low occupancy was due to a slow market and people are currently without jobs. The contact also stated 10 of the 98 units are Section 8 units.

Georgetown Grove Apartments



Lease Comparable 2

Name	Georgetown Grove Apartments	Verification Date	4/7/2014
Address	1800 Grove Point Road	Verification Source	Corey
City	Savannah	Phone Number	912-920-2080
County	Chatham	Type Affordable Housing	Market
State	Georgia	Property Type	Multifamily
Zip	31419	Structure/Stories	WU/3
Total No. of Units	176	Year Built/Renovated	1990
No. Buildings	12	Project Occupancy%	96%
Utilities with Rent	None	Rent/Inc. Restrictions	None

Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	Unknown	1	1.0	815	\$764-\$1,005
Y	Unknown	1(Loft)	1.0	1,094	\$814-\$934
Y	Unknown	2	2.0	1,128	\$840-\$1,194
Y	Unknown	2	2.0	1,150	\$855-\$1,255
Y	Unknown	3	2.0	1,362	\$1,109-\$1,229

Building

Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Balcony, Patio
Project Amenities	Clubhouse, Fitness Center, Picnic Area, Playground, Volleyball Court, Tennis Court, Exterior Storage, Gazebo, Limited Access Gate, On-Site Management
Parking	L/O
Comments	The rent range is due to the floor location and view. The application fee is \$50. The administrative fee is \$300. The security Deposit is \$750.

Preston Grove Apartments



Lease Comparable 3

Name	Preston Grove Apartments	Verification Date	4/7/2014
Address	1825 Grove Point Road	Verification Source	Debbie
City	Savannah	Phone Number	912-920-1520/912-208-2973
County	Chatham	Type Affordable Housing	Market
State	Georgia	Property Type	Multifamily
Zip	31419	Structure/Stories	WU/3
Total No. of Units	192	Year Built/Renovated	1999
No. Buildings	10	Project Occupancy%	98%
Utilities with Rent	None	Rent/Inc. Restrictions	None

Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	Unknown	1	1.0	817	\$863
Y	Unknown	2	2.0	1,138	\$918
Y	Unknown	2	2.0	1,150	\$927
Y	Unknown	3	2.0	1,362	\$1,051

Building

Unit Amenities	Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Ice Maker, Carpet, Tile, Blinds, Ceiling Fans, Vaulted Ceilings, Walk-In Closet, Coat Closet, Balcony, Patio, In-Unit Alarm
Project Amenities	Lake, Dog Park, Business Center, Tennis Court, Volleyball Court, Playground, Picnic Area, Swimming Pool, Clubhouse, Car Wash Area, Laundry Facility, On-Site Management, Intercom/Electric Entry, Limited Access Gate, Security/Courtesy Patrol
Parking	DG/75
Comments	The concession is \$150 administrative fee. The security deposit is \$750. The application fee is \$50. The administrative fee is \$300. The pet fee is \$300 for 45 pounds and under and \$500 for over 45 pounds.

Hunters Bluff



Lease Comparable 4

Name	Hunters Bluff	Verification Date	4/7/2014
Address	201 West Montgomery Crossroad	Verification Source	Sarah
City	Savannah	Phone Number	912-225-4913
County	Chatham	Type Affordable Housing	Market
State	Georgia	Property Type	Multifamily
Zip	31406	Structure/Stories	WU/2
Total No. of Units	216	Year Built/Renovated	1979/2007
No. Buildings	50	Project Occupancy%	96%
Utilities with Rent	None	Rent/Inc. Restrictions	None

Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	48	1	1.0	777	796-893
Y	Unknown	1	1.0	863	810-849
Y	80	2	1.0	1035-1121	859-937
Y	64	2	2.0	1035-1121	845-935
Y	24	3	2.0	1,250	\$964
Y	Unknown	3	2.0	1,336	\$1,170

Building

Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups (3 bedroom units only), Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet
Project Amenities	Clubhouse, Swimming Pool, Fitness Center, Playground, Laundry Facility, On-Site Management, On-Site Maintenance
Parking	L/O
Comments	The washer and dryer hook-ups are only available in the three bedroom units. The rents change daily based upon yield star pricing. The contact stated they do not usually maintain an active waiting list.

Magnolia Villa Apartment Homes



Lease Comparable 5

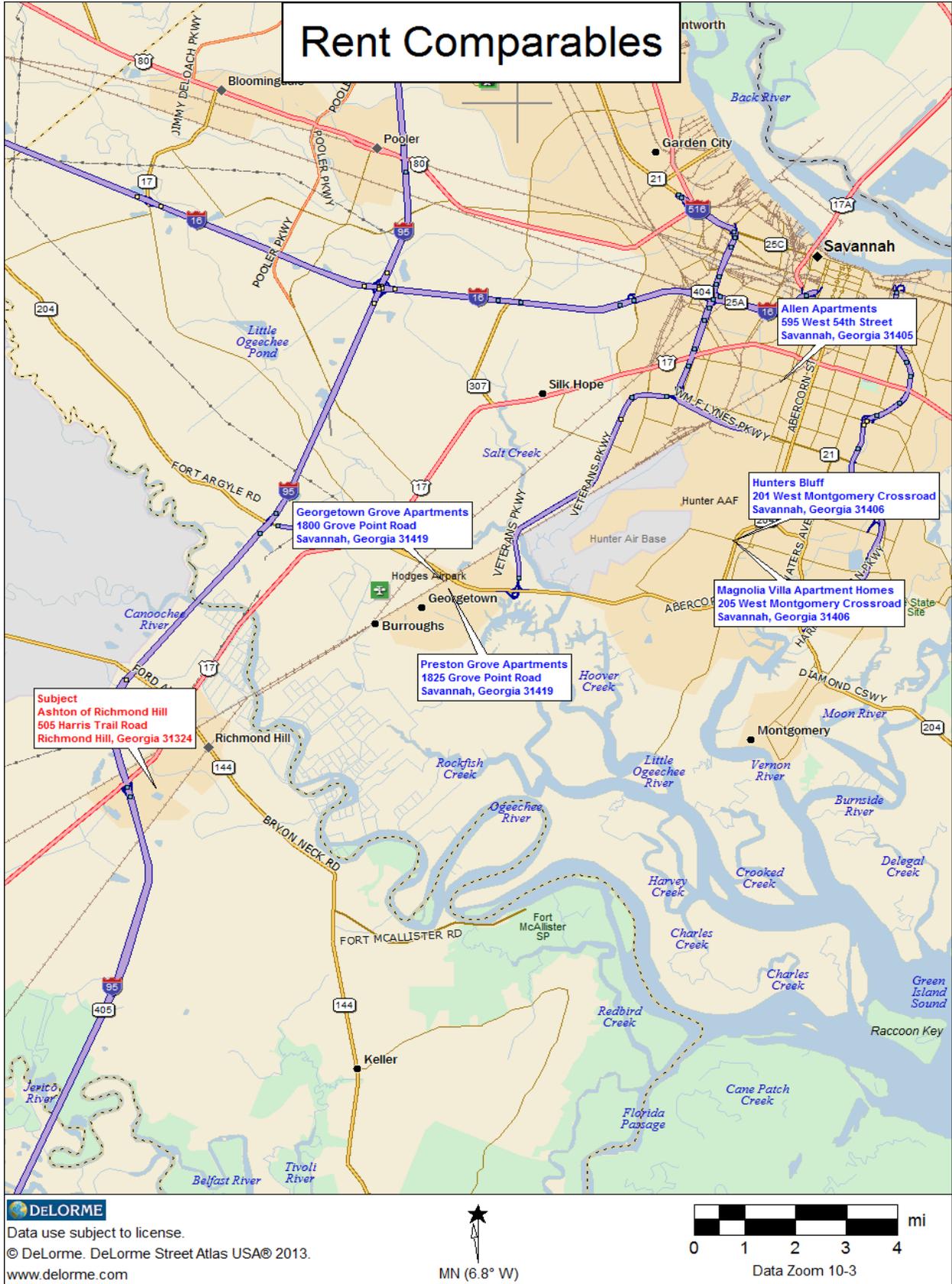
Name	Magnolia Villa Apartment Homes	Verification Date	4/7/2014
Address	205 West Montgomery Crossroad	Verification Source	Andrea
City	Savannah	Phone Number	912-927-3777
County	Chatham	Type Affordable Housing	Market
State	Georgia	Property Type	Multifamily
Zip	31406	Structure/Stories	WU/2
Total No. of Units	144	Year Built/Renovated	1986
No. Buildings	18	Project Occupancy%	96%
Utilities with Rent	None	Rent/Inc. Restrictions	None

Leased Space

Used in RCS?	No. of Units	Bedrooms	Baths	Interior Size	Average Rent
Y	Unknown	1	1.0	800	\$630
Y	Unknown	2	2.0	1,100	\$725
Y	Unknown	2	2.0	1,150	\$765-\$815
Y	Unknown	3	2.0	1,350	\$925-\$955

Building

Unit Amenities	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Hardwood, Blinds, Walk-In Closet, Coat Closet, Balcony, Patio
Project Amenities	Swimming Pool, Laundry Facility, On-Site Management
Parking	L/0
Comments	The contact did not have a breakdown of the units. The difference in the rents for the two and three bedroom units are based upon the apartment and if it is a split level apartment or not.



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
56	1/1	770	\$785	\$43,960
72	2/1	920	\$850	\$61,200
64	2/2	980	\$885	\$56,640
40	3/2	1,150	\$1,050	\$42,000
Total Potential Monthly Rental Income				\$203,800
				x 12
Total Potential Gross Rental Income				\$2,445,600
Miscellaneous Revenue*				\$65,000
Total Potential Gross Income				\$2,510,600

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
37	1/1	770	\$560	\$20,720
1	1/1	770	\$565	\$565
18	1/1	770	\$570	\$10,260
37	2/1	920	\$655	\$24,235
35	2/1	920	\$670	\$23,450
1	2/2	980	\$0	\$0
35	2/2	980	\$670	\$23,450
26	2/2	980	\$675	\$17,550
1	2/2	980	\$680	\$680
1	2/2	980	\$1,290	\$1,290
15	3/2	1,150	\$765	\$11,475
19	3/2	1,150	\$770	\$14,630
6	3/2	1,150	\$775	\$4,650
Total Potential Monthly Rental Income				\$152,955
				x 12
Total Potential Gross Rental Income				\$1,835,460
Miscellaneous Revenue*				\$65,000
Total Potential Gross Income				\$1,900,460

Total Potential Gross Rental Income (Market) – As Complete

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
56	1/1	770	\$845	\$47,320
72	2/1	920	\$910	\$65,520
64	2/2	980	\$945	\$60,480
40	3/2	1,150	\$1,110	\$44,400
Total Potential Monthly Rental Income				\$217,720
				x 12
Total Potential Gross Rental Income				\$2,612,640
Miscellaneous Revenue*				\$65,000
Total Potential Gross Income				\$2,677,640

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
56	1/1 @ 60%	770	\$575	\$32,200
72	2/1 @ 60%	920	\$670	\$48,240
64	2/2 @ 60%	980	\$685	\$43,840
40	3/2 @ 60%	1,150	\$780	\$31,200
Total Potential Monthly Rental Income				\$155,480
				x 12
Total Potential Gross Rental Income				\$1,865,760
Miscellaneous Revenue*				\$65,000
Total Potential Gross Income				\$1,930,760

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 – As Is

Property: Ashton of Richmond Hill - Richmond Hill, Georgia

of Rental Units: 232

of Commercial Units: 0

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	As Is																		REVENUE - Annual		
	2010		2011		2012		8 months				3 months				Market Projections						
	PUPA	%	PUPA	%	PUPA	%	YTD	2013	Annualized	PUPA	%	YTD	2014	Annualized	PUPA	%	Projections	PUPA		%	
Residential & Ancillary Income																					
Annual Gross Potential Rental Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	#VALUE!	1,209,343	1,814,015	7,819	N/A	460,840	1,843,360	7,946	N/A	2,445,600	10,541	N/A	
Annual Ancillary Income	54,194	234	58,344	251	8%	64,702	279	11%	37,288	55,932	241	-14%	19,011	76,042	328	16%	65,000	280	11%		
Annual Gross Potential Income	N/A	N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	#VALUE!	1,246,631	1,869,947	8,060	N/A	479,851	1,919,402	8,273	N/A	2,510,600	10,822	N/A	
Occupancy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	#VALUE!	#VALUE!	91.99%	91.99%	646	N/A	88.38%	88.38%	962	N/A	95.00%	541	0%	
Effective Gross Income (EGI)	1,548,313	6,674	1,572,867	6,780	2%	1,586,592	6,839	1%	1,146,776	1,720,164	7,415	8%	424,075	1,696,301	7,312	7%	2,385,070	10,280	52%		
Commercial Income																					
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Occupancy (Commercial)	0.00%	0	0.00%	0	0	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0.00%	0	0	0.00%	0	0	0	
EGI (Commercial)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is																		ITEMIZED EXPENSES - Annual Estimate of Annual Expense		
	2010		2011		2012		8 months				3 months				Market Projections						
	PUPA	%	PUPA	%	PUPA	%	YTD	2013	Annualized	PUPA	%	YTD	2014	Annualized	PUPA	%	Projections	PUPA		%	
Administrative																					
Advertising	11,908	51	12,295	53	3%	0	0	-100%	12,586	18,879	81	0	4,438	17,753	77	24%	17,400	75	42%		
Management Fee	92,238	398	91,895	396	0%	94,874	409	3%	54,733	82,099	354	-13%	21,146	84,583	365	-11%	95,403	411	4%		
Other (Specify)	63,921	276	68,635	296	7%	81,647	352	19%	108,988	163,482	705	100%	41,821	167,284	721	149%	92,800	400	35%		
Total Administrative	168,067	724	172,825	745	3%	176,521	761	2%	176,307	264,460	1,140	50%	67,405	269,621	1,162	53%	205,603	886	19%		
Operating																					
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 Hotwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Lighting and Misc. Power	95,006	410	108,160	466	14%	117,782	508	9%	16,224	24,336	105	-79%	6,228	24,910	107	-79%	24,360	105	-77%		
Water	0	0	0	0	0	0	0	0	1,658	2,486	11	0	961	3,842	17	0	3,480	15	0		
Gas	0	0	0	0	0	0	0	0	1,132	1,698	7	0	238	953	4	0	1,160	5	0		
Garbage and Trash Removal	0	0	0	0	0	0	0	0	66,936	100,404	433	0	24,770	99,080	427	0	98,600	425	0		
Payroll	184,013	793	185,110	798	1%	176,358	760	-5%	43,078	64,617	279	-63%	25,062	100,249	432	-43%	46,400	200	-75%		
Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Operating	279,019	1,203	293,270	1,264	5%	294,140	1,268	0%	129,028	193,542	834	-34%	57,258	229,034	987	-22%	174,000	750	-41%		
Maintenance																					
Decorating	0	0	0	0	0	0	0	0	43,673	65,509	282	0	9,600	38,399	166	0	42,920	185	0		
Repairs	177,135	764	206,669	891	17%	195,947	845	-5%	40,681	61,021	263	-69%	17,473	69,892	301	-64%	61,480	265	-70%		
Exterminating	0	0	0	0	0	0	0	0	3,410	5,115	22	0	2,393	9,573	41	0	6,960	30	0		
Insurance	0	0	0	0	0	0	0	0	54,588	81,882	353	0	21,303	85,212	367	0	82,360	355	0		
Ground Expense	0	0	0	0	0	0	0	0	33,331	49,997	216	0	15,500	62,000	267	0	52,200	225	0		
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Maintenance	177,135	764	206,669	891	17%	195,947	845	-5%	175,682	263,524	1,136	34%	66,269	265,077	1,143	35%	245,920	1,060	19%		
Taxes																					
Real Estate Tax	147,014	634	164,819	710	12%	158,853	685	-4%	66,972	100,458	433	-37%	22,713	90,851	392	-43%	92,800	400	-44%		
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	0	0	0	0	0	0	0	0	9,459	14,188	61	0	4,289	17,157	74	0	13,920	60	0		
Employee Benefits	0	0	0	0	0	0	0	0	19,935	29,902	129	0	7,070	28,280	122	0	27,840	120	0		
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Taxes	147,014	634	164,819	710	12%	158,853	685	-4%	96,366	144,548	623	-9%	34,072	136,288	587	-14%	134,560	580	-18%		
Operating Exp. before RFR	771,235	3,324	837,583	3,610	9%	825,461	3,558	-1%	577,383	866,074	3,733	5%	225,005	900,019	3,879	9%	760,083	3,276	-9%		
Reserve For Replacement	42,713	184	66,774	288	56%	45,520	196	-32%	0	0	0	-100%	7,644	30,575	132	-33%	58,000	250	-13%		
Operating Exp. Incl. RFR	813,948	3,508	904,357	3,898	11%	870,981	3,754	-4%	577,383	866,074	3,733	-1%	232,649	930,594	4,011	7%	818,083	3,526	-10%		
Commercial Space Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NOI	734,365	3,165	668,510	2,882	-9%	715,611	3,085	7%	569,393	854,090	3,681	19%	191,427	765,707	3,300	7%	1,566,987	6,754	134%		

Estimating Market Expenses Per Unit					
Subject As Is	Expenses	Comparable One	Comparable Two	Comparable Four	IREM Region 4
\$75	Advertising	\$50	\$10	\$10	\$0
\$411	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
\$105	Lighting & Misc. Power	\$190	\$200	\$180	\$191
\$15	Water/Sewer	\$380	\$350	\$320	\$66
\$5	Gas	\$0	\$0	\$0	\$10
\$425	Garbage/Trash Removal	\$85	\$60	\$50	\$0
\$200	Payroll	\$200	\$350	\$270	\$884
\$0	Other Operating Expenses	\$350	\$200	\$380	\$318
\$185	Decorating	\$0	\$0	\$0	\$90
\$265	Repairs	\$75	\$200	\$195	\$212
\$30	Exterminating	\$0	\$0	\$0	\$0
\$355	Insurance	\$350	\$400	\$240	\$234
\$225	Ground Expenses	\$0	\$0	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0
\$400	Real Estate Taxes	\$490	\$598	\$757	\$495
\$60	Payroll Taxes	\$106	\$86	\$109	\$0
\$120	Employee Benefits	\$85	\$60	\$72	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0
\$250	Replacement Reserves	\$300	\$200	\$305	\$0
\$3,526	Total Per Unit	\$3,266	\$3,489	\$3,497	\$3,401
Comments:					
<p>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.</p> <p>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 33 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.</p>					

Itemized Expenses Explanations – Market

Expense Numbers per Unit		
Expense	As Is	Comp Range
1. Advertising	\$75	\$10-50
<p>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.</p>		
2. Management	\$411	\$275-341
<p>A management expense of \$411 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.</p>		
3. Other Administrative	\$400	\$268-500
<p>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.</p>		
4. Elevator	\$0	\$0-0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>		
5. Fuel	\$0	\$0-0
<p>The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.</p>		
6. Lighting & Misc. Power	\$105	\$180-200
<p>A lighting and miscellaneous power expense of \$105 was projected for the subject. A comparable range of \$180 to \$200 per unit was determined. The expense was projected using the subject's historical financials.</p>		
7. Water/Sewer	\$15	\$320-380
<p>A water/sewer expense of \$15 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.</p>		
8. Gas	\$5	\$0-0
<p>A gas expense of \$5 per unit was 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.</p>		
9. Garbage/Trash Removal	\$425	\$50-85
<p>A garbage/trash removal expense of \$425 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.</p>		

- | | | | |
|-----|---|-------|-----------|
| 10. | Payroll | \$200 | \$200-350 |
| | The payroll expense of \$200 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 | \$0 | \$200-380 |
| | An other operating expense of \$0 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 | \$185 | \$0-0 |
| | A decorating expense of \$185 was projected. A comparable range of \$0 to \$0 was determined. Therefore, the subject's historical expenses were given the most consideration. | | |
| 13. | Repairs | \$265 | \$75-200 |
| | A repairs expense of \$265 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 | \$30 | \$0-0 |
| | An exterminating expense of \$30 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 | \$355 | \$240-400 |
| | An insurance expense of \$355 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 | \$225 | \$0-0 |
| | A ground expense of \$225 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 | \$400 | \$490-757 |
| | A real estate tax expense of \$400 per unit was projected for the subject based on the Bryan County Assessor's Office. | | |
| 19. | Payroll Taxes | \$60 | \$86-109 |
| | Payroll taxes were projected at \$60 per unit. A comparable range of \$86 to \$109 was determined. The expense was projected using the subject's historical financials. | | |
| 20. | Employee Benefits | \$120 | \$60-85 |
| | Employee benefits were projected at \$120 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. | | |

Estimating Restricted Expenses Per Unit					
Subject As Is	Expenses	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$267	\$30	\$43	\$0
\$467	Management	\$80	\$579	\$501	\$467
\$650	Other Administrative Expenses	\$374	\$1,321	\$601	\$1,072
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0
\$105	Lighting & Misc. Power	\$370	\$280	\$125	\$151
\$15	Water/Sewer	\$0	\$172	\$444	\$55
\$5	Gas	\$0	\$0	\$0	\$17
\$425	Garbage/Trash Removal	\$0	\$62	\$83	\$0
\$285	Payroll	\$537	\$581	\$489	\$661
\$0	Other Operating Expenses	\$0	\$839	\$0	\$225
\$185	Decorating	\$0	\$0	\$72	\$83
\$265	Repairs	\$146	\$0	\$338	\$305
\$30	Exterminating	\$0	\$0	\$0	\$0
\$355	Insurance	\$165	\$346	\$156	\$278
\$225	Ground Expenses	\$0	\$0	\$196	\$208
\$0	Other Maintenance	\$0	\$0	\$0	\$0
\$400	Real Estate Taxes	\$430	\$324	\$357	\$327
\$60	Payroll Taxes	\$0	\$108	\$68	\$0
\$120	Employee Benefits	\$0	\$357	\$11	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0
\$300	Replacement Reserves	\$240	\$499	\$399	\$0
\$3,967	Total Per Unit	\$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 50 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 – 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	\$467	\$80-579
A management expense of \$467 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	\$650	\$374-1,321
An other administrative expense of \$650 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	\$105	\$125-370
A lighting and miscellaneous power expense of \$105 was projected for the subject. A comparable range of \$125 to \$370 per unit was determined. The expense was projected using the subject's historical financials.		
7. Water/Sewer	\$15	\$0-444
A water/sewer expense of \$15 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 expense was projected using the subject's historical financials.		
9. Garbage/Trash Removal	\$425	\$0-83
A garbage/trash removal expense of \$425 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	\$285	\$489-581
The payroll expense of \$285 per unit was projected. A comparable range of \$489 to \$581 was determined. The subject's expenses are lower than the comparable range. The expense was projected using the subject's historical financials.		
11. Other Operating Expenses	\$0	\$0-839
An other operating expense of \$0 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 | \$185 | \$0-72 |
| | A decorating expense of \$185 was projected. A comparable range of \$0 to \$72 was determined. Therefore, the subject's historical expenses were given the most consideration. | | |
| 13. | Repairs | \$265 | \$0-338 |
| | A repairs expense of \$265 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 | \$30 | \$0-0 |
| | An exterminating expense of \$30 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 | \$355 | \$156-346 |
| | An insurance expense of \$355 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 | \$225 | \$0-196 |
| | A ground expense of \$225 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 | \$400 | \$324-430 |
| | A real estate tax expense of \$400 per unit was projected for the subject based on the Bryan County Assessor's Office. | | |
| 19. | Payroll Taxes | \$60 | \$0-108 |
| | Payroll taxes were projected at \$60 per unit. A comparable range of \$0 to \$108 was determined. The subject's expense is within the comparable range. Therefore, both the subject's historical financial statements and the comparable range were given more consideration. | | |
| 20. | Employee Benefits | \$120 | \$0-357 |
| | Employee benefits were projected at \$120 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 – As Complete and As Complete & Stabilized

Property: Ashton of Richmond Hill - Richmond Hill, Georgia

of Rental Units: 232

of Commercial Units: 0

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	As Complete												As Complete & Stabilized			REVENUE - Annual												
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	8 months		3 months		Market	Market	Market													
									YTD	2013	Annualized	PUPA	%	YTD	2014	Annualized	PUPA	%	Projections	PUPA	%	Projections	PUPA	%				
Residential & Ancillary Income																												
Annual Gross Potential Rental Income	NA	NA	NA	NA	NA	NA	#VALUE!	#VALUE!	1,209,343	1,814,015	7,819	NA		460,840	1,843,360	7,946	NA		2,612,640	11,261	NA	2,612,640	11,261	#VALUE!	2,612,640	11,261	#VALUE!	Residential & Ancillary Income
Annual Ancillary Income	54,194	234	58,344	251	8%	64,702	279	11%	37,288	55,932	241	-14%		19,011	76,042	328	18%		65,000	280	11%	65,000	280	11%	65,000	280	11%	Annual Ancillary Income
Annual Gross Potential Income	NA	NA	NA	NA	NA	NA	#VALUE!	#VALUE!	1,246,631	1,869,947	8,060	NA		479,851	1,919,402	8,273	NA		2,677,640	11,542	NA	2,677,640	11,542	#VALUE!	2,677,640	11,542	#VALUE!	Annual Gross Potential Income
Occupancy	NA	NA	NA	NA	NA	NA	#VALUE!	#VALUE!	91.99%	91.99%	646	NA		88.38%	88.38%	962	NA		95.00%	577	0%	95.00%	577	0%	95.00%	577	0%	Occupancy
Effective Gross Income (EGI)	1,548,313	6,674	1,572,867	6,780	2%	1,586,592	6,839	1%	1,146,776	1,720,164	7,415	8%		424,075	1,696,301	7,312	7%		2,543,758	10,964	62%	2,543,758	10,964	62%	2,543,758	10,964	62%	Effective Gross Income (EGI)
Commercial Income																												
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Annual Gross Potential Inc. (Commercial)	
Occupancy (Commercial)	0.00%	0	0.00%	0	0	0.00%	0	0	0.00%	0.00%	0	0		0.00%	0.00%	0	0		0.00%	0	0	0.00%	0	0	0	0	Occupancy (Commercial)	
EGI (Commercial)	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	EGI (Commercial)	

ITEMIZED EXPENSES - Annual	As Complete												As Complete & Stabilized			ITEMIZED EXPENSES - Annual												
	2010	PUPA	2011	PUPA	%	2012	PUPA	%	8 months		3 months		Market	Market	Market													
Estimate of Annual Expense									YTD	2013	Annualized	PUPA	%	YTD	2014	Annualized	PUPA	%	Projections	PUPA	%	Projections	PUPA	%				
Administrative																												
Advertising	11,908	51	12,295	53	3%	0	0	-100%	12,586	18,879	81	0		4,438	17,753	77	24%		17,400	75	42%	17,400	75	42%	17,400	75	42%	Advertising
Management Fee	92,238	398	91,895	396	0%	94,874	409	3%	54,733	82,099	354	-13%		21,146	84,563	365	-11%		101,750	439	11%	101,750	439	11%	101,750	439	11%	Management Fee
Other (Specify)	63,921	276	68,635	296	7%	81,647	352	19%	108,988	163,482	705	100%		41,821	167,284	721	149%		92,800	400	35%	92,800	400	35%	92,800	400	35%	Other (Specify)
Total Administrative	168,067	724	172,825	745	3%	176,521	761	2%	176,307	264,460	1,140	50%		67,405	269,621	1,162	53%		211,950	914	23%	211,950	914	23%	211,950	914	23%	Total Administrative
Operating																												
Elevator Maintenance Exp.	0	0	0	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 - Heating	0	0	0	0	0	0	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	0	0	0	0	0	0	Fuel - Domestic Hotwater	
Lighting and Misc. Power	95,006	410	108,160	466	14%	117,782	508	9%	16,224	24,336	105	-79%		6,228	24,910	107	-79%		24,360	105	-77%	24,360	105	-77%	24,360	105	-77%	Lighting and Misc. Power
Water	0	0	0	0	0	0	0	0	1,659	2,486	11	0		961	3,942	17	0		3,480	15	0	3,480	15	0	3,480	15	0	Water
Gas	0	0	0	0	0	0	0	0	1,132	1,698	7	0		238	953	4	0		1,160	5	0	1,160	5	0	1,160	5	0	Gas
Garbage and Trash Removal	0	0	0	0	0	0	0	0	66,936	100,404	433	0		24,770	99,080	427	0		98,600	425	0	98,600	425	0	98,600	425	0	Garbage and Trash Removal
Payroll	184,013	793	185,110	798	1%	176,358	760	-5%	43,078	64,617	279	-63%		25,062	100,249	432	-43%		46,400	200	-75%	46,400	200	-75%	46,400	200	-75%	Payroll
Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Other (Specify)	
Total Operating	279,019	1,203	293,270	1,264	5%	294,140	1,268	0%	129,028	193,542	834	-34%		57,258	229,034	987	-22%		174,000	750	-41%	174,000	750	-41%	174,000	750	-41%	Total Operating
Maintenance																												
Decorating	0	0	0	0	0	0	0	0	43,673	65,509	282	0		9,600	38,399	166	0		42,920	185	0	42,920	185	0	42,920	185	0	Decorating
Repairs	177,135	764	206,669	891	17%	195,947	845	-5%	40,681	61,021	263	-69%		17,473	69,892	301	-64%		29,000	125	-86%	29,000	125	-86%	29,000	125	-86%	Repairs
Exterminating	0	0	0	0	0	0	0	0	3,410	5,115	22	0		2,383	9,573	41	0		6,960	30	0	6,960	30	0	6,960	30	0	Exterminating
Insurance	0	0	0	0	0	0	0	0	54,588	81,882	353	0		21,303	85,212	367	0		93,960	405	0	93,960	405	0	93,960	405	0	Insurance
Ground Expense	0	0	0	0	0	0	0	0	33,331	49,997	216	0		15,500	62,000	267	0		52,200	225	0	52,200	225	0	52,200	225	0	Ground Expense
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Other (specify)	
Total Maintenance	177,135	764	206,669	891	17%	195,947	845	-5%	175,682	263,524	1,136	34%		66,269	265,077	1,143	35%		225,040	970	9%	225,040	970	9%	225,040	970	9%	Total Maintenance
Taxes																												
Real Estate Tax	147,014	634	164,819	710	12%	158,853	685	-4%	66,972	100,458	433	-37%		22,713	90,851	392	-43%		104,400	450	-37%	104,400	450	-37%	104,400	450	-37%	Real Estate Tax
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Personal Property Tax	
Employee Payroll Tax	0	0	0	0	0	0	0	0	9,459	14,188	61	0		4,289	17,157	74	0		13,920	60	0	13,920	60	0	13,920	60	0	Employee Payroll Tax
Employee Benefits	0	0	0	0	0	0	0	0	19,935	29,902	129	0		7,070	28,280	122	0		27,840	120	0	27,840	120	0	27,840	120	0	Employee Benefits
Other	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Other	
Total Taxes	147,014	634	164,819	710	12%	158,853	685	-4%	66,966	144,548	623	-9%		34,072	136,288	587	-14%		146,160	630	-11%	146,160	630	-11%	146,160	630	-11%	Total Taxes
Operating Exp. before RFR	771,235	3,324	837,583	3,610	9%	825,461	3,558	-1%	577,383	866,074	3,733	5%		225,005	900,019	3,679	9%		757,150	3,264	-10%	757,150	3,264	-10%	757,150	3,264	-10%	Operating Exp. before RFR
Reserve For Replacement	42,713	184	66,774	288	56%	45,520	196	-32%	0	0	0	-100%		7,644	30,575	132	-33%		58,000	250	-13%	58,000	250	-13%	58,000	250	-13%	Reserve For Replacement
Operating Exp. Incl. RFR	813,948	3,508	904,357	3,898	11%	870,981	3,754	-4%	577,383	866,074	3,733	-1%		232,649	930,594	4,011	7%		815,150	3,514	-10%	815,150	3,514	-10%	815,150	3,514	-10%	Operating Exp. Incl. RFR
Commercial Space Expenses	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0	0	0	0	0	0	0	0	Commercial Space Expenses	
NOI	734,365	3,165	668,510	2,882	-9%	715,611	3,085	7%	569,393	854,090	3,681	19%		191,427	765,707	3,300	7%		1,728,608	7,451	159%	1,728,608	7,451	159%	1,728,608	7,451	159%	NOI

Estimating Market Expenses Per Unit						
Subject As Complete	Expenses	Subject As Complete & Stabilized	Comparable One	Comparable Two	Comparable Four	IREM Region 4
\$75	Advertising	\$75	\$50	\$10	\$10	\$0
\$439	Management	\$439	\$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
\$105	Lighting & Misc. Power	\$105	\$190	\$200	\$180	\$191
\$15	Water/Sewer	\$15	\$380	\$350	\$320	\$66
\$5	Gas	\$5	\$0	\$0	\$0	\$10
\$425	Garbage/Trash Removal	\$425	\$85	\$60	\$50	\$0
\$200	Payroll	\$200	\$200	\$350	\$270	\$884
\$0	Other Operating Expenses	\$0	\$350	\$200	\$380	\$318
\$185	Decorating	\$185	\$0	\$0	\$0	\$90
\$125	Repairs	\$125	\$75	\$200	\$195	\$212
\$30	Exterminating	\$30	\$0	\$0	\$0	\$0
\$405	Insurance	\$405	\$350	\$400	\$240	\$234
\$225	Ground Expenses	\$225	\$0	\$0	\$0	\$193
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0
\$450	Real Estate Taxes	\$450	\$490	\$598	\$757	\$495
\$60	Payroll Taxes	\$60	\$106	\$86	\$109	\$0
\$120	Employee Benefits	\$120	\$85	\$60	\$72	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0	\$0
\$250	Replacement Reserves	\$250	\$300	\$200	\$305	\$0
\$3,514	Total Per Unit	\$3,514	\$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 31 percent of the gross rent potential which is less 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

Expense	“As Complete”	“As Complete & Stabilized”	Range
1. Advertising	\$75	\$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	\$439	\$439	\$275-341
A management expense of \$439 was projected for the “as complete” scenario and \$439 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	\$105	\$105	\$180-200
A lighting and miscellaneous power expense of \$105 per unit was projected. A comparable range of \$180 to \$200 per unit was determined. The expense was projected using the subject’s historical financials.			
7. Water/Sewer	\$15	\$15	\$320-380
A water/sewer expense of \$15 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.			
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 expense was projected using the subject’s historical financials.			

- | | | | | |
|-----|---|-------|-------|-----------|
| 9. | Garbage/Trash Removal | \$425 | \$425 | \$50-85 |
| | A garbage/trash removal expense of \$425 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 | \$200 | \$200 | \$200-350 |
| | The payroll expense of \$200 per unit was projected for both scenarios. 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 | \$0 | \$0 | \$200-380 |
| | An other operating expense of \$0 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 | \$185 | \$185 | \$0-0 |
| | A decorating expense of \$185 per unit was projected. A comparable range of \$0 to \$0 per unit was determined. Therefore, the subject's historical expenses were given the most consideration. | | | |
| 13. | Repairs | \$125 | \$125 | \$75-200 |
| | A repairs expense of \$125 per unit was projected for the subject. A comparable range of \$75 to \$200 per unit 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 | \$30 | \$30 | \$0-0 |
| | An exterminating expense of \$70 per unit was projected. A comparable range of \$0 to \$0 per unit was determined. The expense was projected using the subject's historical financials. | | | |
| 15. | Insurance | \$405 | \$405 | \$240-400 |
| | The subject's insurance expenses were projected at \$405 per unit. 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 | \$225 | \$225 | \$0-0 |
| | A ground expense of \$225 per unit was projected for the subject. A comparable range of \$0 to \$100 per unit 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 \$0 per unit was determined. Therefore, no other maintenance expense was projected. | | | |
| 18. | Real Estate Taxes | \$450 | \$450 | \$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 | \$60 | \$60 | \$86-109 |
| | A payroll taxes expense of \$60 per unit was projected for the subject. A comparable range of \$86 to \$109 per unit was determined. The expense was projected using the subject's historical financials. | | | |

20. Employee Benefits \$120 \$120 \$60-85
An employee benefits expense of \$120 per unit was projected for the subject. A comparable range of \$60 to \$85 per unit was determined. The expense was projected using the subject's historical financials.
21. Replacement Reserves \$250 \$250 \$200-305
Replacement reserves of \$250 per unit were projected for the subject. A comparable range of \$200 to \$305 per unit was determined. This expense was projected by considering the market comparables.

Estimating Restricted Expenses Per Unit						
Subject As Complete	Expenses	Subject As Complete & Stabilized	Comparable One	Comparable Two	Comparable Three	IREM Region 4
\$75	Advertising	\$75	\$267	\$30	\$43	\$0
\$474	Management	\$474	\$80	\$579	\$501	\$467
\$700	Other Administrative Expenses	\$700	\$374	\$1,321	\$601	\$1,072
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$0
\$105	Lighting & Misc. Power	\$105	\$370	\$280	\$125	\$151
\$15	Water/Sewer	\$15	\$0	\$172	\$444	\$55
\$5	Gas	\$5	\$0	\$0	\$0	\$17
\$425	Garbage/Trash Removal	\$425	\$0	\$62	\$83	\$0
\$285	Payroll	\$285	\$537	\$581	\$489	\$661
\$0	Other Operating Expenses	\$0	\$0	\$839	\$0	\$225
\$185	Decorating	\$185	\$0	\$0	\$72	\$83
\$125	Repairs	\$125	\$146	\$0	\$338	\$305
\$30	Exterminating	\$30	\$0	\$0	\$0	\$0
\$405	Insurance	\$405	\$165	\$346	\$156	\$278
\$225	Ground Expenses	\$225	\$0	\$0	\$196	\$208
\$0	Other Maintenance	\$0	\$0	\$0	\$0	\$0
\$450	Real Estate Taxes	\$450	\$430	\$324	\$357	\$327
\$60	Payroll Taxes	\$60	\$0	\$108	\$68	\$0
\$120	Employee Benefits	\$120	\$0	\$357	\$11	\$0
\$0	Other Taxes	\$0	\$0	\$0	\$0	\$0
\$300	Replacement Reserves	\$300	\$240	\$499	\$399	\$0
\$3,984	Total Per Unit	\$3,984	\$2,609	\$5,498	\$3,883	\$3,849
<p>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 <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.</p> <p>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 50 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.</p>						

Itemized Expenses Explanations – Restricted

Expense Numbers per Unit

Expense	“As Complete”	“As Complete & Stabilized”	Range
1. Advertising	\$75	\$75	\$30-267
An advertising expense of \$75 per unit was projected. 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	\$474	\$474	\$80-579
A management expense of \$474 was projected for the “as complete” scenario and \$474 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	\$700	\$700	\$374-1,321
An other administrative expense of \$700 per unit was projected for both scenarios. 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	\$0-0
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	\$105	\$105	\$125-370
A lighting and miscellaneous power expense of \$105 per unit was projected. A comparable range of \$125 to \$370 per unit was determined. The expense was projected using the subject’s historical financials.			
7. Water/Sewer	\$15	\$15	\$0-444
A water/sewer expense of \$15 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 expense was projected using the subject’s historical financials.			
9. Garbage/Trash Removal	\$425	\$425	\$0-83
A garbage/trash removal expense of \$425 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	\$285	\$285	\$489-581
The payroll expense of \$285 per unit was projected for both scenarios. A comparable range of \$489 to \$581 was determined. The subject’s expenses are lower than the comparable range. The expense was projected using the subject’s historical financials.			

- | | | | | |
|-----|--|-------|-------|-----------|
| 11. | Other Operating Expenses | \$0 | \$0 | \$0-839 |
| | An other operating expense of \$0 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 | \$185 | \$185 | \$0-72 |
| | A decorating expense of \$185 per unit was projected. A comparable range of \$0 to \$72 per unit 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 per unit 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 | \$30 | \$30 | \$0-0 |
| | An exterminating expense of \$30 per unit was projected. A comparable range of \$0 to \$0 per unit was determined. The expense was projected using the subject's historical financials. | | | |
| 15. | Insurance | \$405 | \$405 | \$156-346 |
| | The subject's insurance expenses were projected at \$405 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 | \$225 | \$225 | \$0-196 |
| | A ground expense of \$225 per unit was projected for the subject. A comparable range of \$0 to \$196 per unit 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 \$1 per unit was determined. Therefore, no other maintenance expense was projected. | | | |
| 18. | Real Estate Taxes | \$450 | \$450 | \$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 | \$60 | \$60 | \$0-108 |
| | A payroll taxes expense of \$60 per unit was projected for the subject. A comparable range of \$0 to \$108 per unit was determined. The subject's expense is within the comparable range. Therefore, both the subject's historical financial statements and the comparable range were given more consideration. | | | |
| 20. | Employee Benefits | \$120 | \$120 | \$0-357 |
| | An employee benefits expense of \$120 per unit was projected for the subject. A comparable range of \$0 to \$357 per unit 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 130.

Vacancy

The subject is an existing multifamily property. The restricted vacancy rate is currently 0.47 percent and the market occupancy rate is currently 0.85 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 five percent vacancy rate was projected for the subject's "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 *2012 Income/Expense Analysis: Conventional Apartments* printed by the Institute of Real Estate Management and the *2012 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

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

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			
Capitalization Rate Variables			
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%		
Band of Investment Analysis			
Mortgage Constant		Loan Ratio	Contributions
0.060562521	x	90.0%	= 5.45%
Equity Dividend Rate		Equity Ratio	
10.00%	x	10.0%	= 1.00%
Band of Investment Capitalization Rate			6.45%

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	\$1,566,987.00/7.75%	=	\$20,219,187.10
Market Rate As Complete	\$1,728,608.00/7.75%	=	\$22,304,619.35
Market Rate As Complete & Stabilized	\$1,728,608.00/7.75%	=	\$22,304,619.35
Market Rate As Is		=	\$20,220,000.00
Market Rate As Complete Value		=	\$22,310,000.00
Market Rate As Complete & Stabilized Value		=	\$22,310,000.00

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	\$885,111.00/6.45%	=	\$13,722,651.16
Restricted Rate As Complete	\$909,849.00/6.45%	=	\$14,106,186.05
Restricted Rate As Complete & Stabilized	\$909,849.00/6.45%	=	\$14,106,186.05
Restricted Rate As is		=	\$13,725,000.00
Restricted Rate As Complete Value		=	\$14,110,000.00
Restricted Rate As Complete & Stabilized Value		=	\$14,110,000.00

Prospective Market Value Upon Loan Maturity

Prospective Market Value (As Complete and Stabilized) – \$22,310,000 [PV]
 Term of Loan – 20 years [n]
 Growth Rate – 2.00% [i]*

Market Value
 \$22,310,000 PV
 20 [g] [n]
 2.00 [g] [i]
 Solve for FV = \$33,271,528.96

Using these factors, a prospective market value upon loan maturity of \$33,271,528.96 was determined.

Prospective Market Value Upon Loan Maturity = \$33,270,000.00

*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 Richmond Hill is expected to increase an average of 3.74 percent per year between 2000 and 2019.

CHANGE IN TOTAL POPULATION						
SUBJECT	YEAR	POPULATION	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
RICHMOND HILL	2000	6,959				
Estimated Projected	2010	9,281	2,322	33.4%	232	3.3%
	2014	10,690	1,409	15.2%	1,409	15.2%
	2019	11,881	1,191	11.1%	238	2.2%

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

Unemployment Trends

The unemployment rate has fluctuated from 3.5 percent to 8.3 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 BRYAN COUNTY					
ANNUALS	CIVILIAN LABOR	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2000	11,653	11,294	96.9%	359	3.1%
2001	11,960	11,595	96.9%	365	3.1%
2002	12,603	12,160	96.5%	443	3.5%
2003	13,148	12,681	96.4%	467	3.6%
2004	14,359	13,851	96.5%	508	3.5%
2005	15,384	14,788	96.1%	596	3.9%
2006	16,147	15,577	96.5%	570	3.5%
2007	16,512	15,929	96.5%	583	3.5%
2008	16,896	16,052	95.0%	844	5.0%
2009	16,913	15,617	92.3%	1,296	7.7%
2010	16,755	15,356	91.7%	1,399	8.3%
2011	15,459	14,181	91.7%	1,278	8.3%
2012	16,271	15,029	92.4%	1,242	7.6%
2013	15,816	14,880	94.1%	936	5.9%
2014**	16,450	15,442	93.9%	1,008	6.1%

* 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

Richmond Hill's median household income indicates an increase of 3.16 percent per year between 2000 and 2018.

CHANGE IN MEDIAN HOUSEHOLD INCOME						
SUBJECT	YEAR	HOUSEHOLD INCOME	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
RICHMOND HILL	2000	\$47,061				
Estimated	2013	\$56,961	\$9,900	21.0%	\$1,238	2.6%
Projected	2018	\$73,864	\$16,903	29.7%	\$3,381	5.9%

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

Median Home Value

Richmond Hill's median home value indicates an increase of 5.30 percent per year between 2000 and 2018.

CHANGE IN MEDIAN HOME VALUE						
SUBJECT	YEAR	HOME VALUE	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
RICHMOND HILL	2000	\$96,800				
Estimated	2013	\$170,286	\$73,486	75.9%	\$9,186	9.5%
Projected	2018	\$189,223	\$18,937	11.1%	\$3,787	2.2%

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 - RICHMOND HILL 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%	

Richmond Hill's population has been increasing an average of 3.74 percent per year and its median household income has been increasing an average of 3.16 percent per year in the past 18 years. Its median home value has increased 5.30 percent since 2000.

Richmond Hill's unemployment rate was stable ranging from 3.1 to 5.0 percent from 2000 to 2008, and due to the recent economic trends, Richmond Hill, 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 = \$33,270,000.00

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 hopes to receive an annual allocation of \$693,745 from the Georgia Department of Community Affairs for low income housing tax credits. The total for the 10-year period will be \$6,937,450. 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>		=	\$6,937,450	
Price	x 0.91	=	\$6,313,079	\$6,313,079
<i>Assumed State Allocation:</i>		=	\$6,937,450	
Price	x 0.38	=	\$2,636,231	\$2,636,231
Total Value of Tax Credits (rounded)				\$8,949,310

Total Value of Tax Credits = \$8,949,000.00

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

Cost Approach	Income Approach	Sales Comparison Approach
\$20,390,000.00 (Market)	\$20,220,000.00 (Market)	\$20,185,000.00
\$13,890,000.00 (Restricted)	\$22,310,000.00 (Restricted)	

Value of the Real Estate – As Complete

Cost Approach	Income Approach	Sales Comparison Approach
\$22,620,000.00 (Market)	\$13,725,000.00 (Market)	\$22,500,000.00
\$14,310,000.00 (Restricted)	\$14,110,000.00 (Restricted)	

Value of the Real Estate – As Complete & Stabilized

Cost Approach	Income Approach	Sales Comparison Approach
N/A	\$13,725,000.00 (Market)	N/A
	\$14,110,000.00 (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 7, 2014, is as follows:

TWENTY MILLION TWO HUNDRED TWENTY THOUSAND DOLLARS
\$20,220,000.00

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 7, 2014, is as follows:

THIRTEEN MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS
\$13,725,000.00

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:

TWENTY-TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS
\$22,310,000.00

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:

FOURTEEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS
\$14,110,000.00

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:

TWENTY-TWO MILLION THREE HUNDRED TEN THOUSAND DOLLARS
\$22,310,000.00

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:

FOURTEEN MILLION ONE HUNDRED TEN THOUSAND DOLLARS
\$14,110,000.00

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:

THIRTY-THREE MILLION TWO HUNDRED SEVENTY THOUSAND DOLLARS
\$33,270,000.00

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:

EIGHT MILLION NINE HUNDRED FORTY-NINE THOUSAND DOLLARS
\$8,949,000.00

ADDENDUM A

EXHIBIT "A"

All that certain lot, tract or parcel of land, lying, situate, and being in the County of Bryan in the 20th G.M. District containing 40.917 acres, more or less, and being identified as a portion of Tract 14-A on a plat for Ashton of Richmond Hill, L.P., by Dominion Engineering Consultants, Inc., dated January 19, 1993, recorded in Plat Book 410, page 10 in Office of Clerk of Superior Court of Bryan County, Georgia and described more particularly as follows: Beginning at a point in the southwest corner of the property owned by the Bryan County Board of Education as shown on Plat Book 1, page 24 Bryan County Records where said point intersects with the Eastern right-of-way of Harris Road, this being the Point of Beginning; thence in a Northwesterly direction along the East boundary line of the right-of-way of Harris Road North 48 degrees 16 minutes 10 seconds West a chord distance of 399.15' (bearing delta angle of 69 degrees 16 minutes 43 seconds [R= 2405.85]; L= 399.99') thence North 45 degrees 54 minutes 15 seconds West along the East boundary line of the right-of-way of Harris Road a distance of 271.18 feet; thence North North 21 degrees 33 minutes 01 seconds West along the East boundary line of the right-of-way of Harris Road a chord distance of 470.00 feet (bearing delta angle of 24 degrees 45 minutes 52 seconds [R=1095.92; L=473.68]); thence North 60 degrees 02 minutes 40 seconds East a distance of 250.00 feet; thence North 23 degrees 17 minutes 45 seconds East a distance of 370.14 feet; thence South 78 degrees 28 minutes 24 seconds East a distance of 179.64; thence North 84 degrees 54 minutes 21 seconds East a distance of 74.11 feet; thence North 76 degrees 28 minutes 38 seconds East a distance of 1000.74 feet; thence North 76 degrees 01 minutes 25 seconds East a distance of 483.75 feet; thence South 34 degrees 31 minutes 40 seconds West a distance of 1910.88 feet; thence South 36 degrees 52 minutes 15 seconds West a distance of 474.00 feet to the East boundary line of the right-of-way of Harris Road, the point of beginning.

Less and except:

All that tract or parcel of land situate, lying and being in the 20th G.M. District, Richmond Hill, Bryan County, Georgia, and being more particularly described as being Tract 2, containing 22.15 acres, according to a survey prepared for Ashton of Richmond Hill L.P. by EMC Engineering Services, Inc., dated June 15, 1994, and recorded in Plat Slide 426, page 9 in office of Clerk of Superior Court of Bryan County, Georgia.

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);

WITNESSETH, THAT:

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:	***,
Unofficial Witness	By: _____ Title: _____
Notary Public My Commission Expires: [NOTARIAL SEAL]	By: _____ Title: _____ [SEAL]

ADDENDUM B

**AGREEMENT OF PURCHASE AND SALE
AND ESCROW INSTRUCTIONS**

by and between

ASHTON OF RICHMOND HILL, L.P.

as Seller,

and

SOUTHEAST HOLDINGS, LLC

as Buyer

Property:

Ashton Apartments
505 Harris Trail
Richmond Hill, GA 31324

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 **ASHTON OF RICHMOND HILL 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

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

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 Eleven Million Seven Hundred Fifty Thousand and No/100 Dollars (\$11,750,000.00).

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:

Ashton of Richmond Hill, 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

Hallmark Management Inc - Ashton of Richmond
RENT ROLL DETAIL

Parameters: Property - ALL; SubJournal - ALL; Forms excluded - Yes; Unit Designation - ALL;
Details

Unit	Floorplan	Unit Designation	SOFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep Balance On Hand
01-2A	2x1 60%	N/A	500	Occupied	Hale, Terah	01/22/2011 01/22/2013	07/21/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-2B	2x1 60%	N/A	820	Occupied	Hale, Deborah	04/11/2013 04/11/2013	04/10/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-2C	2x1 60%	Alternate	920	Occupied	Gapes, Alisha	05/02/2013 05/02/2013	05/25/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-2D	2x1 60%	N/A	920	Occupied	Diaz, Camille	11/02/2012 11/02/2013	11/07/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-2E	2x1 60%	N/A	850	Occupied	Bailey, Jackie	09/17/2010 09/17/2013	09/16/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-2T	2x1 60%	N/A	820	Occupied	Charlan, Susana	08/31/2013 08/31/2013	08/30/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-3G	2x1 60%	N/A	870	Occupied	DOHERTY, SKYLER	05/31/2013 05/31/2013	05/30/2014	07/00	RENT	655.00	0.00	655.00	250.00
01-3H	2x1 60%	N/A	820	Occupied	Siermons, Kelli	12/09/2010 12/09/2013	12/07/2014	07/00	RENT	655.00	0.00	655.00	250.00
02-3A	2x2 60%	N/A	980	Occupied	Mitchell, Amanda	07/23/2013 07/23/2013	10/24/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3B	2x2 60%	N/A	980	Occupied	Taylor, Elena	12/14/2010 12/14/2013	12/13/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3C	2x2 60%	N/A	980	Occupied	MEYERS, VERNILIA	05/19/2010 05/19/2013	05/18/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3D	2x2 60%	N/A	880	Vacant/Leased	VACANT		08/00			0.00	0.00	0.00	0.00
02-3E	2x2 60%	N/A	980	Appl/Leas	Shuchter, Maggie	04/02/2014 04/02/2015				0.00	0.00	0.00	0.00
02-3F	2x2 60%	N/A	980	Occupied	Reidman, Gail	02/21/2012 02/21/2013	05/03/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3G	2x2 60%	N/A	980	Occupied	Brookwell, Roxanne	10/02/2013 10/02/2013	10/29/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3H	2x2 60%	N/A	980	Occupied	COOPER, SUSAN	11/12/2008 11/12/2013	11/11/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3I	2x2 60%	N/A	980	Occupied	Mason, Tishan	05/05/2013 05/05/2013	05/05/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3J	2x2 60%	N/A	980	Occupied	BODDOK, DONNA	01/29/2010 01/29/2014	01/28/2015	08/00	RENT	675.00	0.00	675.00	250.00
02-3K	2x2 60%	N/A	980	Occupied	Roches, Cassandra	02/08/2012 02/08/2014	02/07/2015	08/00	RENT	675.00	0.00	675.00	250.00
02-3L	2x2 60%	N/A	980	Occupied	Russell, Curt	03/29/2013 03/29/2014	03/26/2015	08/00	RENT	675.00	0.00	675.00	250.00
02-3M	2x2 60%	N/A	980	Occupied	Simmons, Gerald	10/15/2012 10/15/2013	10/14/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3N	2x2 60%	N/A	980	Occupied	SEN, BOHAN	09/23/2007 09/23/2013	09/19/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3O	2x2 60%	N/A	980	Occupied	MILLER, CARMIEH	03/04/2009 03/04/2013	03/03/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3P	2x2 60%	N/A	980	Occupied	McEwen, Katrinae	07/26/2013 07/26/2013	07/24/2014	08/00	RENT	670.00	0.00	670.00	250.00
02-3Q	2x2 60%	N/A	980	Occupied	Blair, Neasha	11/21/2013 11/21/2013	11/20/2014	08/00	RENT	670.00	0.00	670.00	250.00
04-5A	3x2 60%	N/A	1150	Occupied	PETERS, PATRICK	04/10/2009 04/10/2013	04/09/2014	775.00	RENT	785.00	0.00	785.00	250.00
04-5B	3x2 60%	N/A	1150	Occupied	Palms, Michael	05/28/2011 05/28/2013	05/25/2014	775.00	RENT	785.00	0.00	785.00	250.00

* Indicates amounts not included in total totals

Halmark Management Inc - Ashton of Richmond
RENT ROLL DETAIL

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;
Details

Unit	Floorplan	Designation (3, 4, 5, 6, 7, 8)	Unit Lease Status	Unit Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep. Balance On Hand
04-5C	3x2 60%	N/A	Occupied	Brookwell, Brand	02/20/2014	03/15/2015	03/15/2015	RENT	770.00	0.00	770.00	250.00
04-5D	3x2 60%	N/A	Occupied	Thomas, Tamela	02/10/2012	02/10/2014	02/05/2015	RENT	770.00	0.00	770.00	250.00
04-5E	3x2 60%	N/A	Occupied	James, Ekrota	08/01/2012	08/01/2013	08/02/2014	RENT	765.00	0.00	765.00	250.00
04-5F	3x2 60%	N/A	Occupied	Ruth, Tina	08/14/2013	08/13/2014	08/13/2014	RENT	765.00	0.00	765.00	250.00
04-5G	3x2 60%	N/A	Occupied	Grant, Crystal	03/15/2013	03/15/2014	03/14/2015	RENT	770.00	0.00	770.00	250.00
04-5H	3x2 60%	N/A	Occupied	Graham, Elysa	03/18/2014	03/18/2014	03/17/2015	RENT	770.00	0.00	770.00	250.00
05-6A	3x2 80%	N/A	Vacant/Leased	VACANT			775.00		0.00	0.00		
05-6B	3x2 80%	N/A	Applcmt	Jones, Shenita	04/05/2014	04/05/2014	02/25/2015		0.00	0.00	0.00	0.00
05-6C	3x2 60%	Available	Occupied	Lagano, Beth	05/05/2012	08/03/2013	06/07/2014	RENT	765.00	0.00	765.00	250.00
05-6D	3x2 60%	N/A	Occupied	Angelina, Eric	04/15/2011	04/14/2014	04/14/2014	RENT	765.00	0.00	765.00	250.00
05-6E	3x2 60%	N/A	Occupied	Moore, Tereasa	01/25/2013	01/25/2014	12/01/2015	RENT	770.00	0.00	770.00	250.00
05-6F	3x2 60%	N/A	Occupied	Ferry, Timothy	05/30/2013	05/30/2013	05/29/2014	RENT	765.00	0.00	765.00	250.00
05-6G	3x2 80%	N/A	Occupied	McCall, Sherrise	02/26/2014	02/26/2014	02/25/2015	RENT	770.00	0.00	770.00	250.00
05-6H	3x2 80%	N/A	Occupied	Woods, David	11/23/2011	11/23/2013	11/22/2014	RENT	765.00	0.00	765.00	250.00
05-6I	3x2 80%	N/A	Occupied	McCall, Pauline	01/05/2010	01/05/2014	01/05/2015	RENT	770.00	0.00	770.00	250.00
05-7A	2x1 60%	N/A	Occupied	Dunn, Ruby	11/21/2013	11/21/2013	11/20/2014	RENT	655.00	0.00	655.00	250.00
05-7B	2x1 60%	N/A	Occupied	Jurado, Abigailis	05/11/2012	05/11/2013	05/10/2014	RENT	655.00	0.00	655.00	250.00
05-7C	2x1 60%	N/A	Occupied	Herman, Carl	04/18/1988	04/18/2013	04/18/2014	RENT	655.00	0.00	655.00	250.00
05-7E	2x1 60%	N/A	Occupied	Patrick, Denise	10/25/2012	10/25/2013	10/25/2014	RENT	655.00	0.00	655.00	250.00
05-7F	2x1 60%	N/A	Occupied	Puryear, Kelly	07/05/2012	07/05/2013	07/05/2014	RENT	655.00	0.00	655.00	250.00
05-7G	2x1 60%	N/A	Occupied	Lewis, Krystal	09/27/2013	09/27/2013	09/26/2014	RENT	655.00	0.00	655.00	250.00
05-7H	2x1 60%	N/A	Occupied	Fuentes, Heider	02/24/2012	02/24/2014	02/23/2015	RENT	670.00	0.00	670.00	250.00
07-8A	2x1 60%	N/A	Occupied	Cross, Eddie	09/08/2011	09/08/2013	09/07/2014	RENT	655.00	0.00	655.00	250.00
07-8B	2x1 60%	N/A	Occupied	Baker, Benjamin	03/23/2013	03/23/2013	03/22/2014	RENT	655.00	0.00	655.00	250.00
07-8C	2x1 60%	N/A	Occupied	Jones, Ashli	04/18/2012	04/18/2013	04/17/2014	RENT	655.00	0.00	655.00	250.00
07-8D	2x1 60%	N/A	Occupied	Scott, Tyondra	12/12/2012	12/12/2013	12/11/2014	RENT	655.00	0.00	655.00	250.00
07-8E	2x1 60%	N/A	Occupied	Stone, Angela	02/10/2014	02/10/2014	02/09/2015	RENT	670.00	0.00	670.00	250.00
07-8F	2x1 60%	N/A	Occupied	Arbouse, Burt	03/23/2012	03/23/2014	03/22/2015	RENT	670.00	0.00	670.00	250.00
07-8G	2x1 60%	N/A	Occupied	Sanchez, Magda	03/29/2014	03/29/2014	03/27/2015	RENT	670.00	0.00	670.00	250.00
07-8H	2x1 60%	N/A	Occupied	McNeal, Jamal	06/27/2013	06/27/2013	06/26/2014	RENT	655.00	0.00	655.00	250.00
07-8I	2x1 60%	N/A	Occupied	Kruel, Sara	02/24/2014	02/24/2014	02/23/2015	RENT	670.00	0.00	670.00	250.00

*Indicates amounts not included in detail totals

Parameters: Property - ALL; Sub-Journal - ALL; Formers excluded - Yes; Unit Designation - ALL;
Details

Unit	Floorplan	Designation (S.O. only)	Unit/Lease Status	Unit/Lease SQFT	Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep. Balance On Hand
08-8A	2x1 80%	N/A	Occupied	820	Gray, Kaitira	02/12/2010 02/12/2014	02/11/2015	02/11/2015	RENT	670.00	0.00	670.00	250.00
08-8B	2x1 80%	N/A	Occupied	820	Pubel, Arel	03/26/2009 02/28/2014	03/26/2015	03/26/2015	RENT	670.00	0.00	670.00	250.00
08-8C	2x1 80%	N/A	Occupied	820	Charoy, Teri	05/04/2012 05/04/2013	05/03/2014	05/03/2014	RENT	655.00	0.00	655.00	(40.00)
08-8D	2x1 80%	N/A	Vacant	820	VACANT					0.00	0.00*		
08-8E	2x1 80%	N/A	Occupied	820	Hemp, Jay	06/17/2013 06/17/2013	06/02/2014	06/02/2014	RENT	655.00	0.00	655.00	250.00
08-8F	2x1 80%	N/A	Occupied	820	Silguro, Janice	07/16/2010 07/16/2013	07/15/2014	07/15/2014	RENT	655.00	0.00	655.00	250.00
08-8G	2x1 80%	N/A	Occupied	820	Nhan, Christopher	12/08/2013 12/02/2013	12/05/2014	12/05/2014	RENT	655.00	0.00	655.00	250.00
08-8H	2x1 80%	N/A	Occupied	820	Allen, Ronald	02/12/2010 02/12/2014	02/11/2015	02/11/2015	RENT	670.00	0.00	670.00	250.00
08-10A	1x1 80%	N/A	Occupied	770	Veale, Kathy	06/27/2012 06/27/2013	06/26/2014	06/26/2014	RENT	560.00	0.00	560.00	250.00
08-10B	1x1 80%	N/A	Occupied	770	Baker, Mario	10/02/2008 10/02/2013	10/01/2014	10/01/2014	RENT	560.00	0.00	560.00	250.00
08-10C	1x1 80%	N/A	Occupied	770	Baldwin, Brenda	12/18/2013 12/18/2013	12/18/2014	12/18/2014	RENT	566.00	0.00	566.00	250.00
08-10D	1x1 80%	N/A	Occupied	770	Latham, Joseph	02/13/2014 02/13/2014	02/12/2015	02/12/2015	RENT	570.00	0.00	570.00	250.00
08-10E	1x1 80%	N/A	Occupied	770	Cham, Nathan	05/23/2013 05/23/2013	05/16/2014	05/16/2014	RENT	560.00	0.00	560.00	250.00
08-10F	1x1 80%	N/A	Occupied	770	Proctor, Patricia	06/22/2005 06/22/2013	06/21/2014	06/21/2014	RENT	560.00	0.00	560.00	250.00
08-10G	1x1 80%	N/A	Occupied	770	Morgan, Dennis	07/03/2013 07/03/2013	07/02/2014	07/02/2014	RENT	560.00	0.00	560.00	250.00
08-10H	1x1 80%	N/A	Occupied	770	Quaderman, James	02/13/2013 02/13/2014	02/12/2015	02/12/2015	RENT	570.00	0.00	570.00	250.00
10-11A	1x1 80%	N/A	Occupied	770	Truak, Terica	06/16/2012 06/16/2013	06/06/2014	06/06/2014	RENT	560.00	0.00	560.00	250.00
10-11B	1x1 80%	N/A	Occupied	770	Levent, Amy	11/07/2013 11/07/2013	11/06/2014	11/06/2014	RENT	560.00	0.00	560.00	250.00
10-11C	1x1 80%	N/A	Occupied	770	McCree, Antonio	04/23/2013 04/23/2013	04/22/2014	04/22/2014	RENT	560.00	0.00	560.00	250.00
10-11D	1x1 80%	N/A	Occupied	770	Hill, Bobby	07/02/2013 07/02/2013	07/01/2014	07/01/2014	RENT	560.00	0.00	560.00	250.00
10-11E	1x1 80%	N/A	Occupied	770	Hill, Anna	07/14/2011 07/14/2013	07/13/2014	07/13/2014	RENT	560.00	0.00	560.00	250.00
10-11F	1x1 80%	N/A	Occupied	770	Boyles, Michael	07/01/2012 07/01/2013	06/30/2014	06/30/2014	RENT	560.00	0.00	560.00	250.00
10-11G	1x1 80%	N/A	Occupied	770	Clark, Ashley	02/10/2014 02/10/2014	02/09/2015	02/09/2015	RENT	570.00	0.00	570.00	250.00
10-11H	1x1 80%	N/A	Occupied	770	Duval, James	04/12/2013 04/12/2013	04/11/2014	04/11/2014	RENT	560.00	0.00	560.00	250.00
11-12A	1x1 80%	N/A	Occupied	770	Saiki, Gordon	05/12/2011 05/12/2013	05/11/2014	05/11/2014	RENT	560.00	0.00	560.00	250.00
11-12B	1x1 80%	N/A	Occupied	770	Marx, Ashley	02/07/2014 02/07/2014	02/06/2015	02/06/2015	RENT	570.00	0.00	570.00	250.00
11-12C	1x1 80%	N/A	Occupied	770	James, Briana	11/08/2012 11/08/2013	11/07/2014	11/07/2014	RENT	560.00	0.00	560.00	250.00
11-12D	1x1 80%	N/A	Occupied	770	Wright, Keshli	08/10/2012 08/10/2013	08/09/2014	08/09/2014	RENT	560.00	0.00	560.00	250.00
11-12E	1x1 80%	N/A	Occupied	770	Miler, Patricia	04/23/2010 04/23/2013	04/22/2014	04/22/2014	RENT	560.00	0.00	560.00	250.00
11-12F	1x1 80%	N/A	Occupied	770	Ward, Elaine	10/02/2008 10/02/2013	10/02/2014	10/02/2014	RENT	560.00	0.00	560.00	1,801.00
11-12G	1x1 80%	N/A	Occupied	770	Racon, Darryl	10/25/2013 10/25/2013	10/24/2014	10/24/2014	RENT	560.00	0.00	560.00	250.00
11-12H	1x1 80%	N/A	Vacant-Lessee	770	VACANT					0.00	0.00*		

* Indicates amounts not included in detail totals

Hallmark Management Inc - Ashton of Richmond
RENT ROLL DETAIL

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL;
As of 03/31/2014

Details

Unit Floorplan	Unit Designation (3,4,5,6)	Unit/Lease Status	SOFT	Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep Balance On Hand
12-13A	1x1 60%	Occupied		Bellique, Shannon	04/13/2014	04/13/2014	02/12/2016		0.00	0.00*	0.00*	0.00
12-13B	1x1 60%	Occupied		McIver, Naita	02/13/2012	02/13/2014	02/12/2015	RENT	570.00	0.00	570.00	250.00
12-13C	1x1 60%	Occupied		Sims, Kiley	01/18/2013	01/18/2014	01/17/2015	RENT	570.00	0.00	570.00	250.00
12-13D	1x1 60%	Occupied		Eddien, Beate	11/04/2011	11/04/2013	11/03/2014	RENT	560.00	0.00	560.00	250.00
12-13E	1x1 60%	Occupied		Milward, Dawn	02/17/2014	02/17/2014	02/16/2015	RENT	570.00	0.00	570.00	250.00
12-13F	1x1 60%	Occupied		Pridden, Lenore	01/16/2014	01/16/2014	01/09/2015	RENT	570.00	0.00	570.00	250.00
12-13G	1x1 60%	Occupied		Buller, Ashton	04/21/2011	04/21/2013	04/20/2014	RENT	560.00	0.00	560.00	250.00
12-13H	1x1 60%	Occupied		Duggins, Neil	06/27/2013	06/27/2013	06/26/2014	RENT	560.00	0.00	560.00	250.00
12-13I	1x1 60%	Occupied		Davis, Kuska	11/01/2013	11/01/2013	10/31/2014	RENT	560.00	0.00	560.00	250.00
12-13J	1x1 60%	Occupied		Konveth, Richards	11/21/2011	11/21/2013	11/20/2014	RENT	560.00	0.00	560.00	250.00
12-13K	1x1 60%	Occupied		Walker, Keesha	03/24/2014	03/24/2014	02/05/2015	RENT	570.00	0.00	570.00	250.00
12-13L	1x1 60%	Occupied		Galina, Mira	07/27/2013	07/26/2014	07/05/2014	RENT	560.00	0.00	560.00	250.00
12-13M	1x1 60%	Occupied		Emory, Kimberly	11/26/2012	11/26/2013	11/25/2014	RENT	560.00	0.00	560.00	250.00
12-13N	1x1 60%	Occupied		Ballo, John	12/21/2011	12/21/2013	12/20/2014	RENT	560.00	0.00	560.00	250.00
12-13O	1x1 60%	Occupied		Williamson, Shelby	10/16/2013	10/16/2013	10/15/2014	RENT	560.00	0.00	560.00	250.00
12-13P	1x1 60%	Occupied		Kaylandall, Eric	10/21/2013	10/21/2013	10/20/2014	RENT	560.00	0.00	560.00	250.00
12-13Q	1x1 60%	Occupied		Torrey, Justin	10/29/2013	10/29/2013	10/27/2014	RENT	560.00	0.00	560.00	250.00
12-13R	1x1 60%	Occupied		Smith, James	02/05/2013	02/05/2014	02/04/2015	RENT	670.00	0.00	670.00	250.00
12-13S	1x1 60%	Occupied		Jennings, Gloria	02/11/2013	02/11/2014	02/10/2015	RENT	670.00	0.00	670.00	250.00
12-13T	1x1 60%	Occupied		Archo, Eric	08/07/2012	08/07/2013	08/06/2014	RENT	655.00	0.00	655.00	250.00
12-13U	1x1 60%	Occupied		Mango, Melvyn	07/02/2013	07/02/2013	07/01/2014	RENT	655.00	0.00	655.00	250.00
12-13V	1x1 60%	Occupied		Jones, Jennifer	11/01/2012	11/01/2013	10/31/2014	RENT	658.00	0.00	658.00	250.00
12-13W	1x1 60%	Occupied		Gibson, Turrey	02/16/2013	02/16/2014	02/15/2015	RENT	670.00	0.00	670.00	250.00
12-13X	1x1 60%	Occupied		Sinnott, Shauna	02/13/2014	02/13/2014	02/12/2015	RENT	670.00	0.00	670.00	250.00
12-13Y	1x1 60%	Occupied		Washington, Jayron	01/07/2013	01/07/2014	01/06/2015	RENT	670.00	0.00	670.00	250.00
12-13Z	1x1 60%	Occupied		Kearney, John	03/28/2013	03/28/2014	03/27/2015	RENT	675.00	0.00	675.00	250.00
12-13AA	1x1 60%	Occupied		Walker, Kimberly	02/05/2013	02/05/2013	02/04/2014	RENT	670.00	0.00	670.00	250.00
12-13AB	1x1 60%	Occupied		Harris, Kimberly	06/21/2012	06/21/2013	06/20/2014	RENT	670.00	0.00	670.00	250.00
12-13AC	1x1 60%	Occupied		Milms, Shirley	04/16/2013	04/16/2013	04/15/2014	RENT	670.00	0.00	670.00	250.00
12-13AD	1x1 60%	Occupied		Sanders, Jancia	05/25/2011	05/25/2013	05/24/2014	RENT	670.00	0.00	670.00	250.00

* Indicates amounts not included in client totals

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL
As of 03/31/2014

Details

Unit Floorplan	Unit Designation (3.0.amb)	Unit/Lease Status	SOFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep Balance On Hand
15-188	2x2 80%	NA	900	Occupied	Shepe, Angela	03/03/2012	03/03/2014	03/03/2015	RENT	675.00	0.00	675.00	250.00
15-189	2x2 80%	NA	900	Occupied	Pined, Deb	06/25/2013	06/25/2013	06/24/2014	RENT	670.00	0.00	670.00	250.00
15-190	2x2 80%	NA	900	Occupied	Haynes, Sabine	02/09/2007	02/09/2014	02/06/2015	RENT	670.00	0.00	670.00	290.00
15-17A	2x1 60%	NA	600	Occupied	Fields, Karen	06/09/2008	06/09/2013	06/09/2014	RENT	655.00	0.00	655.00	260.00
15-17B	2x1 60%	NA	600	Occupied	McFlynn, Trudis	11/21/2013	11/20/2013	11/20/2014	RENT	655.00	0.00	655.00	250.00
15-17C	2x1 60%	NA	600	Occupied	Fitch, Kimberly	08/03/2013	08/03/2013	08/02/2014	RENT	655.00	0.00	655.00	250.00
15-17D	2x1 60%	NA	600	Vacant-Leased	VACANT			07/01/00		0.00 *	0.00 *	0.00	715.00
		NA		Applicant	Thomas, Quindria	04/03/2014	04/03/2014	03/03/2015		0.00 *	0.00 *	0.00 *	0.00
15-17E	2x1 60%	NA	600	Occupied	Carlin, Juliana	11/13/2008	11/13/2013	11/12/2014	RENT	655.00	0.00	655.00	250.00
15-17F	2x1 60%	NA	600	Occupied	Connors, Brian	08/26/2013	08/26/2013	08/25/2014	RENT	650.00	0.00	650.00	250.00
15-17G	2x1 60%	NA	600	Occupied	DeDoveas, Chris	03/12/2014	03/12/2014	03/11/2015	RENT	670.00	0.00	670.00	250.00
15-17H	2x1 60%	NA	600	Occupied	Whitton, Trent	10/15/2013	10/15/2013	10/14/2014	RENT	655.00	0.00	655.00	250.00
17-18A	3x2 80%	NA	1150	Occupied	Alana, Dorena	05/22/2006	05/22/2013	05/21/2014	RENT	765.00	0.00	765.00	250.00
17-18B	3x2 80%	NA	1150	Occupied	Williams, India	03/28/2012	03/28/2014	03/26/2015	RENT	770.00	0.00	770.00	250.00
17-18C	3x2 80%	NA	1150	Vacant-Leased	VACANT					0.00 *	0.00 *	0.00	0.00
		NA		Applicant	Wight, Aubrey	04/05/2014	04/05/2014	03/05/2015		0.00 *	0.00 *	0.00 *	15.00
17-18D	3x2 80%	NA	1150	Occupied	Patterson, Jessica	02/19/2013	02/19/2013	02/18/2014	RENT	770.00	0.00	770.00	250.00
17-18E	3x2 80%	NA	1150	Occupied	Frazier, Anna	02/04/2014	02/04/2014	02/03/2015	RENT	770.00	0.00	770.00	250.00
17-18F	3x2 80%	NA	1150	Occupied	Buller, Jeff	06/20/2011	06/20/2013	06/19/2014	RENT	765.00	0.00	765.00	250.00
17-18G	3x2 80%	NA	1150	Occupied	Early, Tangle	04/03/2010	04/03/2013	04/02/2014	RENT	765.00	0.00	765.00	250.00
17-18H	3x2 80%	NA	1150	Vacant-Leased	VACANT					0.00 *	0.00 *	0.00	162.04
		NA		Applicant	McCoy, Janise	04/03/2014	04/03/2014	03/03/2015		0.00 *	0.00 *	0.00 *	0.00
18-19A	2x2 80%	NA	900	Occupied	Arnold, Jr., Darrell	12/16/2013	12/16/2013	12/15/2014	RENT	675.00	0.00	675.00	240.00
18-19B	2x2 80%	NA	900	Occupied	Brooks, Rosalinda	10/16/2013	10/16/2013	10/15/2014	RENT	670.00	0.00	670.00	240.00
18-19C	2x2 80%	NA	900	Vacant-Leased	VACANT					0.00 *	0.00 *	0.00	0.00
		NA		Applicant	Andrews, Janeth	04/05/2014	04/05/2014	03/27/2015		0.00 *	0.00 *	0.00 *	0.00
18-19D	2x2 80%	NA	900	Occupied	Robins, Bethany	06/10/2012	06/10/2013	06/07/2014	RENT	670.00	0.00	670.00	240.00
18-19E	2x2 80%	NA	900	Occupied	Abolt, Cuadrinay	07/23/2010	07/23/2013	07/22/2014	RENT	670.00	0.00	670.00	250.00

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As of 03/31/2014

Parameters: Property - ALL; SubJournal - ALL; Formers included - Yes; Unit Designation - ALL;
Details

Unit	Floorplan	Unit Designation (3.0.mh)	SOFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep Balance On Hand
19-19F	2x2 60%	N/A	980	Occupied	Forney, Frank	03/21/2014 03/21/2014	03/21/2014	03/20/2015	RENT	675.00	0.00	675.00	250.00
19-19G	2x2 60%	N/A	980	Occupied	Michael, Anthony	07/01/2011 07/01/2013	06/30/2014	06/30/2014	RENT	670.00	0.00	670.00	250.00
19-19H	2x2 60%	N/A	980	Occupied	Scroggins, Andrew	05/07/2013 05/07/2013	04/06/2014	04/06/2014	RENT	670.00	0.00	670.00	250.00
19-20A	2x1 60%	N/A	520	Occupied	Oh, Rena	12/16/2010 12/16/2013	12/16/2014	12/16/2014	RENT	655.00	0.00	655.00	250.00
19-20B	2x1 60%	N/A	520	Occupied	Roberts, Catherine	10/25/2013 10/25/2013	10/24/2014	10/24/2014	RENT	655.00	0.00	655.00	250.00
19-20C	2x1 60%	N/A	520	Occupied	Puac, Matthew	07/11/2012 07/11/2013	07/10/2014	07/10/2014	RENT	655.00	0.00	655.00	250.00
19-20D	2x1 60%	N/A	520	Vacant-Leased	VACANT					0.00	0.00	0.00	0.00
19-20E	2x1 60%	N/A	520	Applicant	Leach, Edward	04/01/2014 04/01/2014	03/31/2015			0.00	0.00	0.00	0.00
19-20F	2x1 60%	N/A	520	Occupied	Nebrat, Priya	11/29/2013 11/29/2013	11/28/2014	11/28/2014	RENT	655.00	0.00	655.00	250.00
19-20G	2x1 60%	N/A	520	Occupied	McElman, Maile	04/27/2013 04/27/2013	03/26/2014	03/26/2014	RENT	655.00	0.00	655.00	250.00
19-20H	2x1 60%	N/A	520	Occupied	Zakobow, Jennifer	05/27/2013 05/27/2013	05/26/2014	05/26/2014	RENT	655.00	0.00	655.00	250.00
19-20I	2x1 60%	N/A	520	Occupied	White, Sybil	12/15/2010 12/15/2013	12/14/2014	12/14/2014	RENT	655.00	0.00	655.00	250.00
20-21A	2x2 60%	N/A	980	Occupied	Freeman, Jason	05/12/2008 05/12/2013	05/11/2014	05/11/2014	RENT	670.00	0.00	670.00	250.00
20-21B	2x2 60%	N/A	980	Occupied	Jackson, Michael	04/25/2011 04/25/2013	04/24/2014	04/24/2014	RENT	670.00	0.00	670.00	250.00
20-21C	2x2 60%	N/A	980	Occupied	Lary, Theresa	07/21/2013 07/21/2013	07/20/2014	07/20/2014	RENT	670.00	0.00	670.00	250.00
20-21D	2x2 60%	N/A	980	Occupied	McKnight, Carmen	10/26/2011 10/26/2013	10/27/2014	10/27/2014	RENT	670.00	0.00	670.00	250.00
20-21E	2x2 60%	N/A	980	Occupied	Miller, Kimberly	03/19/2014 03/19/2014	03/18/2015	03/18/2015	RENT	675.00	0.00	675.00	250.00
20-21F	2x2 60%	N/A	980	Occupied	Young, Kazuko	04/07/2012 04/07/2013	03/6/2014	03/6/2014	RENT	670.00	0.00	670.00	250.00
20-21G	2x2 60%	N/A	980	Occupied	Bernard, Brian	11/18/2013 11/18/2013	11/17/2014	11/17/2014	RENT	670.00	0.00	670.00	250.00
20-21H	2x2 60%	N/A	980	Occupied	Doggett, Dana	05/13/2011 05/13/2013	05/12/2014	05/12/2014	RENT	670.00	0.00	670.00	250.00
21-22A	2x2 60%	N/A	980	Occupied	Williams, Robert	05/10/2013 05/10/2013	05/09/2014	05/09/2014	RENT	670.00	0.00	670.00	250.00
21-22B	2x2 60%	N/A	980	Occupied	Carline, Kristine	01/01/2008 01/01/2014	01/01/2015	01/01/2015	RENT	675.00	0.00	675.00	250.00
21-22C	2x2 60%	N/A	980	Occupied	Walker, Jynelle	03/26/2014 03/26/2014	03/27/2015	03/27/2015	RENT	675.00	0.00	675.00	250.00
21-22D	2x2 60%	N/A	980	Occupied	WATT, ANDREW	11/01/2004 11/01/2013	10/31/2014	10/31/2014	EMPHICED	0.00	(980.00)	0.00	250.00
21-22E	2x2 60%	N/A	980	Occupied	Agnew, Christopher	06/04/2011 06/04/2013	06/03/2014	06/03/2014	RENT	670.00	0.00	670.00	250.00
21-22F	2x2 60%	N/A	980	Occupied	Shanous, Brian	07/01/2011 07/01/2013	06/30/2014	06/30/2014	RENT	670.00	0.00	670.00	250.00
21-22G	2x2 60%	N/A	980	Occupied	Bailey, Valera	01/29/2010 01/29/2013	01/28/2014	01/28/2014	RENT	675.00	0.00	675.00	250.00

Country Non Resident

* Indicates amounts not included in total totals

As of 03/31/2014

Parameters: Property - ALL; Subjournal - ALL; Formets excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation	SOFT	Unit/Lease Status	Name	Move-In	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep Balance On Hand
22-22H	2x2 60%	N/A	980	Occupied	Henderson, Roben	06/26/2013	06/26/2014	06/26/2014	RENT	670.00	0.00	670.00	250.00
22-23A	2x2 60%	N/A	980	Occupied	Paul, Rishab	02/28/2011	02/28/2014	02/27/2015	RENT	675.00	0.00	675.00	250.00
22-23B	2x2 60%	N/A	980	Occupied	Reynolds, Cheryl	12/14/2012	12/14/2013	12/13/2014	RENT	670.00	0.00	670.00	250.00
22-23C	2x2 60%	N/A	980	Occupied	Jehel, Patrick	03/28/2013	03/28/2014	03/28/2015	RENT	675.00	0.00	675.00	250.00
22-23D	2x2 60%	N/A	980	Occupied	Watts, Natasha	06/26/2013	06/27/2014	06/27/2014	RENT	655.00	0.00	655.00	250.00
22-23E	2x2 60%	N/A	980	Occupied	Rice, Rochelle	12/20/2005	12/20/2013	12/19/2014	RENT	670.00	0.00	670.00	250.00
22-23F	2x2 60%	N/A	980	Occupied	Dunsey, Tanisha	06/13/2010	06/13/2014	06/12/2014	RENT	670.00	0.00	670.00	250.00
22-23G	2x2 60%	N/A	980	Occupied	Wilborn, Sharne	00/13/2014	00/13/2014	00/12/2015	RENT	675.00	0.00	675.00	250.00
22-23H	2x2 60%	N/A	980	Occupied	Lindseal, Angela	12/04/2004	12/04/2013	12/03/2014	RENT	670.00	0.00	670.00	250.00
22-24A	2x2 60%	N/A	980	Occupied	Cris, Andrea	06/26/2013	06/26/2013	05/01/2014	RENT	670.00	0.00	670.00	250.00
22-24B	2x2 60%	N/A	980	Occupied	Winberry, Christopher	07/16/2010	07/16/2013	07/16/2014	RENT	670.00	0.00	670.00	250.00
22-24C	2x2 60%	N/A	980	Occupied	Council, Purita	04/13/2013	04/13/2013	04/12/2014	RENT	670.00	0.00	670.00	250.00
22-24D	2x2 60%	N/A	980	Occupied	Savage, Markie	06/10/2013	06/10/2013	05/19/2014	RENT	670.00	0.00	670.00	250.00
22-24E	2x2 60%	N/A	980	Occupied	Shaffer, Ben	12/05/2013	12/05/2013	12/05/2014	RENT	675.00	0.00	675.00	250.00
22-24F	2x2 60%	N/A	980	Occupied	Paul, Mindy	05/13/2009	05/13/2013	05/09/2014	RENT	670.00	0.00	670.00	250.00
22-24G	2x2 60%	N/A	980	Occupied	Futch, Jeremy	03/19/2013	03/19/2014	03/18/2015	EMP-CRED	0.00	670.00	0.00	0.00
22-24H	2x2 60%	N/A	980	Occupied	Johnson, Shaels	10/26/2012	10/26/2013	10/25/2014	RENT	670.00	0.00	670.00	250.00
24-25A	2x1 60%	N/A	520	Occupied	Lee, Jenie	12/19/2012	12/19/2013	12/18/2014	RENT	658.00	0.00	658.00	250.00
24-25B	2x1 60%	N/A	520	Occupied	Frazier, Carleann	11/01/2011	11/01/2013	10/31/2014	RENT	655.00	0.00	655.00	250.00
24-25C	2x1 60%	N/A	520	Occupied	Harris, Tracie	05/02/2013	05/02/2013	05/01/2014	RENT	655.00	0.00	655.00	250.00
24-25D	2x1 60%	N/A	520	Occupied	Rodney, Crystal	02/04/2014	02/04/2014	02/03/2015	RENT	670.00	0.00	670.00	250.00
24-25E	2x1 60%	N/A	520	Occupied	Conner, Craig	11/12/2013	11/12/2013	11/11/2014	RENT	655.00	0.00	655.00	250.00
24-25F	2x1 60%	N/A	520	Occupied	Hicks, Cris	10/17/2013	10/17/2013	10/16/2014	RENT	655.00	0.00	655.00	250.00
24-25G	2x1 60%	N/A	520	Occupied	Harrison, Clyde	00/13/2012	00/13/2013	00/12/2014	RENT	655.00	0.00	655.00	250.00
24-25H	2x1 60%	N/A	520	Occupied	Newland, Cassandra	10/20/2013	10/20/2013	10/19/2014	RENT	658.00	0.00	658.00	250.00
25-26A	2x1 60%	N/A	520	Occupied	Riley, Kimberly	02/05/2014	02/05/2014	02/04/2015	RENT	670.00	0.00	670.00	250.00
25-26B	2x1 60%	N/A	520	Occupied	Thomas, Ashley	01/29/2010	01/29/2014	01/28/2015	RENT	670.00	0.00	670.00	250.00
25-26C	2x1 60%	N/A	520	Occupied	Wainwright, Paul	03/05/2014	03/05/2014	03/04/2015	RENT	670.00	0.00	670.00	250.00
25-26D	2x1 60%	N/A	520	Occupied	Barnard, Londa	10/25/2013	10/25/2013	10/24/2014	RENT	655.00	0.00	655.00	250.00

* Indicates amounts not included in detail totals

As of 03/31/2014

Parameters: Property - ALL; Subjournal - ALL; Formers excluded - Yes; Unit Designation - ALL

Details

Unit	Floorplan	Unit Designation	Unit/Lease Status	SQFT	Unit/Lease Name	Move-In Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charged/Credits	Total Billing	Dep Balance On Hand
25-26E	2x1 60%	N/A	Occupied	600	Herrin, Ryan	06/06/2013	06/06/2014	07/01/2015	RENT	655.00	0.00	655.00	250.00
25-26F	2x1 60%	N/A	Occupied	600	Barton, Herbert	03/04/2014	03/04/2015	03/01/2015	RENT	670.00	0.00	670.00	250.00
25-26G	2x1 60%	N/A	Occupied	600	Lewis, Candice	02/04/2010	02/04/2015	02/01/2015	RENT	670.00	0.00	670.00	250.00
25-26H	2x1 60%	N/A	Occupied	600	Mack, Apple	02/06/2013	02/03/2014	02/07/2015	RENT	670.00	0.00	670.00	250.00
25-27A	3x2 60%	N/A	Occupied	1150	Jackson, Lauren	08/02/2012	08/02/2013	08/01/2014	RENT	765.00	0.00	765.00	250.00
25-27B	3x2 60%	N/A	Occupied	1150	Conley, Patricia	03/06/2010	03/06/2014	03/07/2015	RENT	770.00	0.00	770.00	250.00
25-27C	3x2 60%	N/A	Occupied	1150	Sanders, Katherine	06/26/2008	06/26/2013	06/26/2014	RENT	765.00	0.00	765.00	250.00
25-27D	3x2 60%	N/A	Occupied	1150	Onuoha, Rentgula	06/26/2010	05/29/2013	06/27/2014	RENT	765.00	0.00	765.00	250.00
25-27E	3x2 60%	N/A	Occupied	1150	Purcell, Victoria	07/12/2012	07/12/2013	07/11/2014	RENT	765.00	0.00	765.00	250.00
25-27F	3x2 60%	N/A	Occupied	1150	Harrison, Tanika	04/15/2013	04/15/2013	04/14/2014	RENT	765.00	0.00	765.00	250.00
25-27G	3x2 60%	N/A	Vacant-Leased	1150	VACANT			775.00		0.00 *	0.00 *	0.00	0.00
25-27H	3x2 60%	N/A	Applicant		Medikina, Teledra	04/05/2014	03/04/2015			0.00 *	0.00 *	0.00	0.00
26-27A	3x2 60%	N/A	Occupied	1150	Hickson, Phonte	08/28/2013	08/27/2014	08/27/2014	RENT	765.00	0.00	765.00	250.00
27-28A	3x2 60%	N/A	Occupied	1150	Liam, Thang	05/17/2013	05/16/2014	05/16/2014	RENT	765.00	0.00	765.00	250.00
27-28B	3x2 60%	N/A	Occupied	1150	Brownlie, Corey	10/12/2013	10/11/2014	10/11/2014	RENT	765.00	0.00	765.00	250.00
27-28C	3x2 60%	N/A	Occupied	1150	Tedlow, Jessica	12/16/2013	12/16/2013	12/16/2014	RENT	770.00	0.00	770.00	250.00
27-28D	3x2 60%	N/A	Occupied	1150	Quatara, Lindsey	03/26/2013	03/26/2014	03/26/2015	RENT	770.00	0.00	770.00	250.00
27-28E	3x2 60%	N/A	Occupied	1150	Ingram, Rose	03/06/2014	03/05/2015	03/05/2015	RENT	770.00	0.00	770.00	250.00
27-28F	3x2 60%	N/A	Occupied	1150	Myrick, Erick	02/02/2012	02/02/2014	02/01/2015	RENT	770.00	0.00	770.00	250.00
27-28G	3x2 60%	N/A	Occupied	1150	Manning, Tony	10/19/2012	10/19/2013	10/18/2014	RENT	765.00	0.00	765.00	250.00
27-28H	3x2 60%	N/A	Vacant-Leased	1150	VACANT			775.00		0.00 *	0.00 *	0.00	0.00
28-29A	1x1 60%	N/A	Applicant		Gayles, Tho	04/06/2014	03/25/2015			0.00 *	0.00 *	0.00	0.00
28-29B	1x1 60%	N/A	Occupied	770	Dykes, Major	07/07/2010	07/07/2013	07/06/2014	RENT	560.00	0.00	560.00	250.00
28-29C	1x1 60%	N/A	Occupied	770	Murphy, Ching	07/16/2010	07/16/2013	07/16/2014	RENT	560.00	0.00	560.00	250.00
28-29D	1x1 60%	N/A	Occupied	770	Harrige, Carl	05/02/2010	05/02/2013	05/02/2014	RENT	560.00	0.00	560.00	250.00
28-29E	1x1 60%	N/A	Occupied	770	Walker, Courtney	01/26/2013	01/25/2013	01/24/2014	RENT	560.00	0.00	560.00	250.00
28-29F	1x1 60%	N/A	Occupied	770	Rain, Jesse	10/15/2013	10/14/2014	10/14/2014	RENT	560.00	0.00	560.00	250.00
28-29G	1x1 60%	N/A	Occupied	770	Shook, Doree	03/25/2011	03/25/2014	03/25/2015	RENT	560.00	0.00	560.00	250.00
28-29H	1x1 60%	N/A	Occupied	770	Madden, Reginald	08/20/2012	08/20/2013	08/19/2014	RENT	560.00	0.00	560.00	250.00
28-29I	1x1 60%	N/A	Occupied	770	Darlene, Jeremy	09/25/2013	09/24/2014	09/24/2014	RENT	560.00	0.00	560.00	250.00

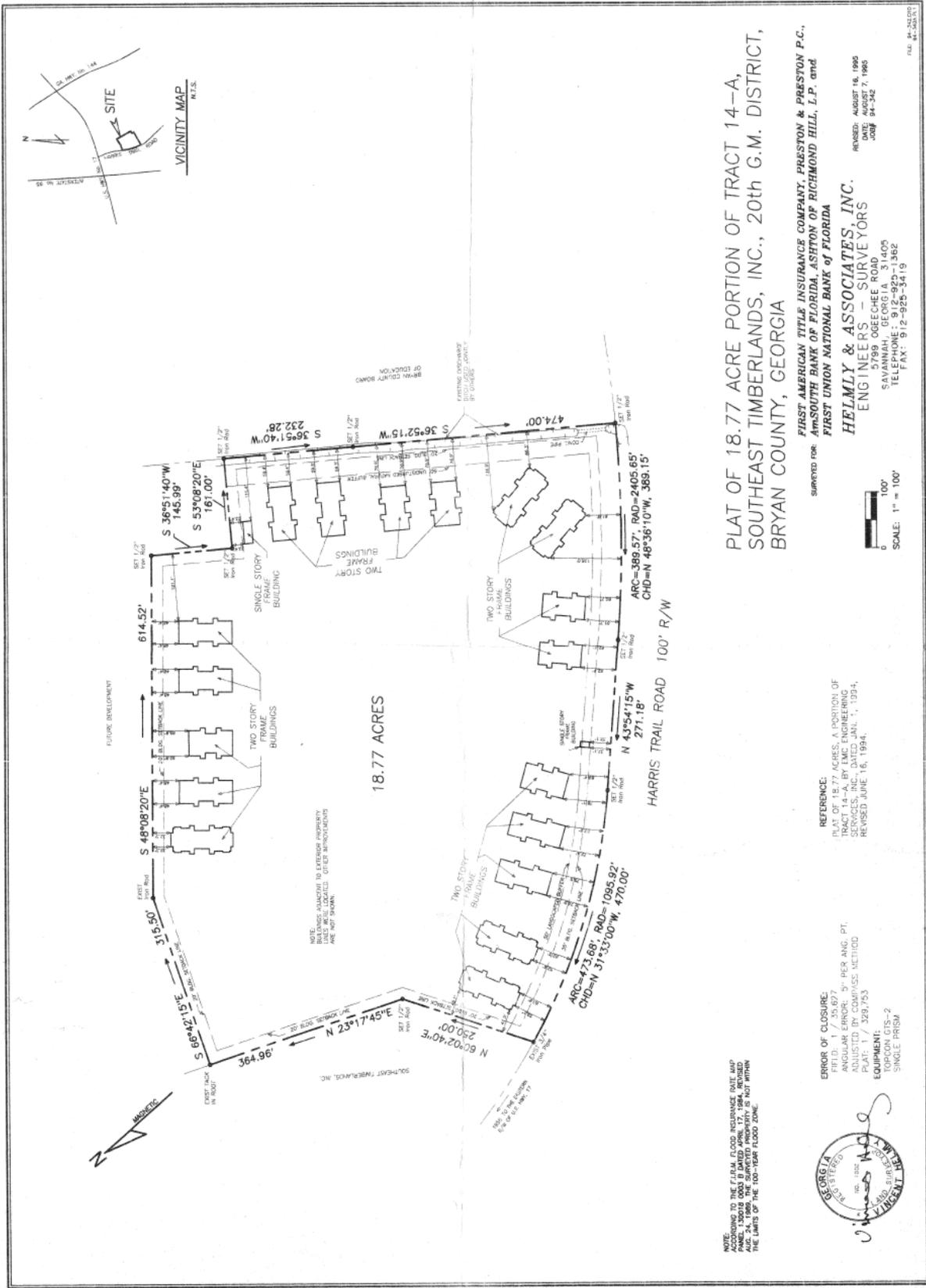
* Indicates amounts not included in detail totals

As of 03/31/2014

Parameters: Property - ALL; Subjournal - ALL; Formas excluded - Yes; Unit Designation - ALL;
Details

Unit	Floorplate	Unit Designation	SOFT	Unit Lease Status	Name	Move-In	Move-Out	Lease Start	Lease End	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep Balance On Hand
29-30A	1st 60%	N/A	770	Occupied	Wahl, Thomas	06/03/2008		08/01/2014	08/01/2014	RENT	560.00	0.00	560.00	250.00
29-30B	1st 60%	N/A	770	Occupied	Pedron, Barry	02/01/2003		03/01/2014	02/28/2015	RENT	560.00	0.00	560.00	250.00
29-30C	1st 60%	N/A	770	Occupied	Moore, Virginia	11/19/2011		11/19/2013	11/17/2014	RENT	560.00	0.00	560.00	250.00
29-30D	1st 60%	N/A	770	Occupied	Digrass, Raymond	05/29/2000		05/29/2013	06/28/2014	RENT	560.00	0.00	560.00	250.00
29-30E	1st 60%	N/A	770	Occupied	Allen, Helen	03/02/2005		03/02/2014	03/01/2015	RENT	560.00	0.00	560.00	250.00
29-30F	1st 60%	N/A	770	Occupied	Ferguson, Amanda	03/09/2014		03/09/2014	03/27/2015	RENT	570.00	0.00	570.00	0.00
29-30G	1st 60%	N/A	770	Occupied	Quaker, Christine	11/04/2013		11/04/2013	11/03/2014	RENT	560.00	0.00	560.00	250.00
29-30H	1st 60%	N/A	770	Occupied	Stivell, Gaudy	04/02/2013		04/02/2013	04/28/2014	RENT	560.00	0.00	560.00	250.00
Totals:											144,865.00	(1,333.00)	143,532.00	87,112.00

* Indicate amounts not included in detail totals



PLAT OF 18.77 ACRE PORTION OF TRACT 14-A,
SOUTHEAST TIMBERLANDS, INC., 20th G.M. DISTRICT,
BRYAN COUNTY, GEORGIA

SUBMITTED FOR: **FIRST AMERICAN TITLE INSURANCE COMPANY, PRESTON & PRESTON P.C.,**
AM SOUTH BANK OF FLORIDA, ASHTON OF RICHMOND HILL, L.P. and
FIRST UNION NATIONAL BANK OF FLORIDA
HELMLEY & ASSOCIATES, INC.
ENGINEERS - SURVEYORS
5789 OGECHEE ROAD
SAVANNAH, GEORGIA 31405
TELEPHONE: 903-945-362
FAX: 912-925-3419

REFERENCE:
PLAT OF 18.77 ACRES, A PORTION OF
SOUTHEAST TIMBERLANDS, INC.,
TRACT 14-A, 20th G.M. DISTRICT,
BRYAN COUNTY, GEORGIA,
REVISED JUNE 16, 1994.

ERROR OF CLOSURE:
FRT D: 1 / 30,677
ANGULAR ERROR: 0.0000 PER ANG. PT.
MAGNETIC DEVIATION: 11.00
PLAT: 1 / 329,753
EQUIPMENT:
TOPCON GTS-2
SINGLE PRISM



NOTE: THIS IS THE FINAL PLANS. SURVEYOR DATE IS
APRIL 24, 1995. THE SURVEYED PROPERTY IS NOT WITHIN
THE LIMITS OF THE 100-YEAR FLOOD ZONE.



A-3-1076

**LEWIS
BROWN
JR. ARCHITECT**

5700 W. THIRTEETH
34TH
STREET
SUITE 307
MILWAUKEE, WISCONSIN
53212-1378

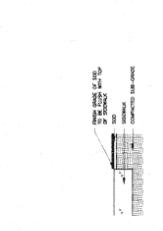
DESIGNED BY
[Signature]

DATE: 12/15/11
BY: [Signature]
CHECKED BY: [Signature]
PROJECT NO.: 11-001

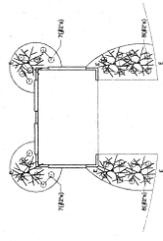
ASHTON
FOR
ASHTON OF RICHMOND HILL, L.P.
DOUGLAS, GEORGIA

APARTMENT BUILDING LANDSCAPE PLAN. SEE LANDSCAPE DETAILS
PROJECT ENTRY LANDSCAPE PLAN

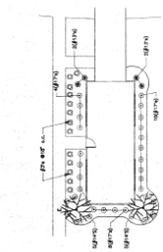
LS.02



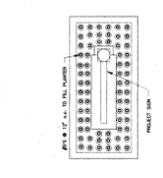
DUMPSTER PLANTING DETAIL
SITE LANDSCAPE DETAILS
SEE PLANTING SCHEDULE, SHEET LS.03 FOR PLANTING TYPES



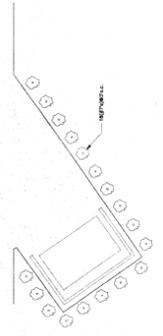
SCHOOL BUS SHELTER



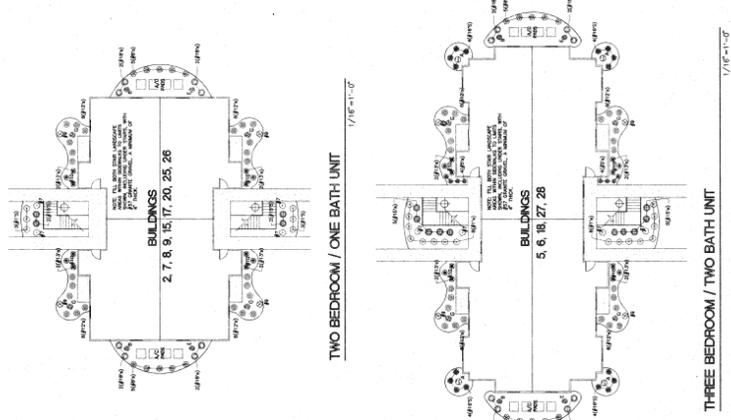
MAINTENANCE BUILDING



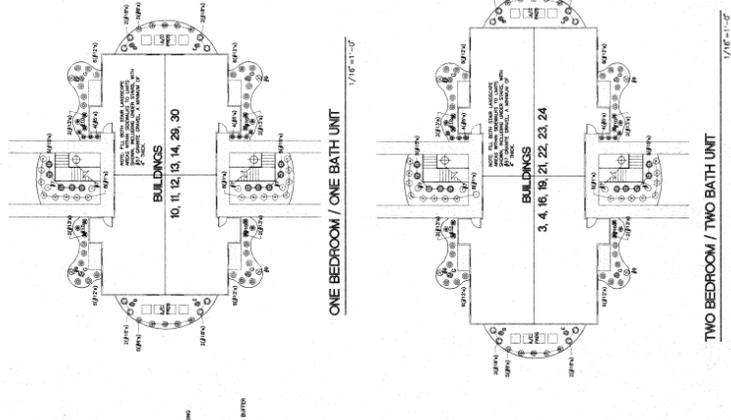
PROJECT SIGN PLANTER



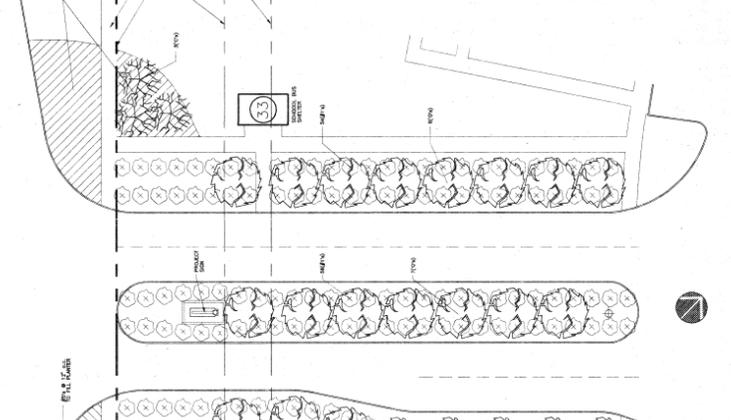
SOD • SIDEWALK



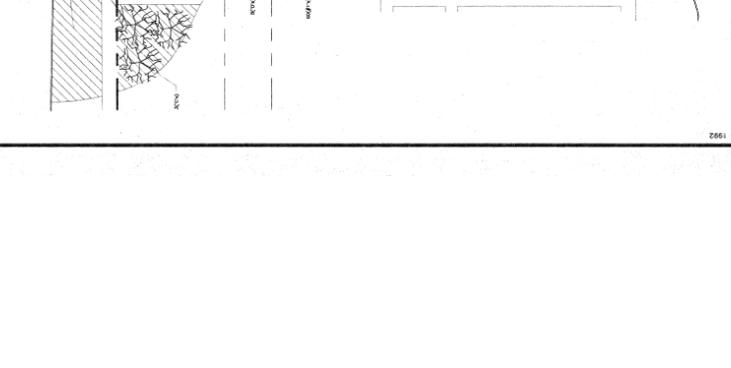
TWO BEDROOM / ONE BATH UNIT



ONE BEDROOM / ONE BATH UNIT



TWO BEDROOM / TWO BATH UNIT



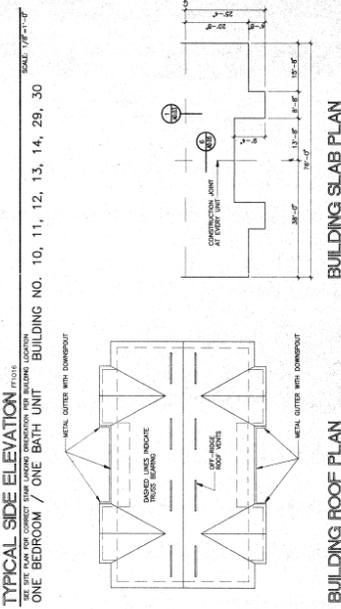
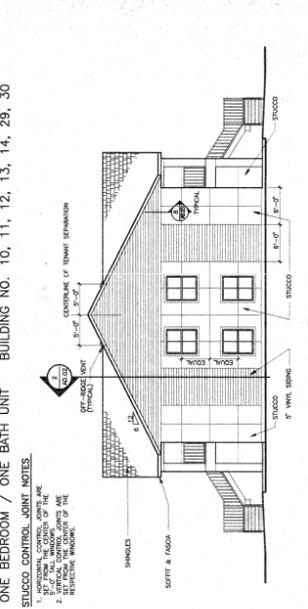
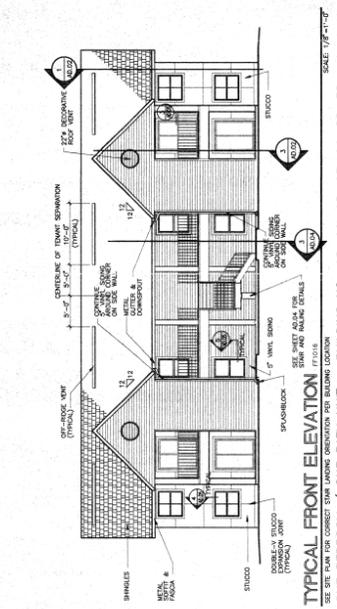
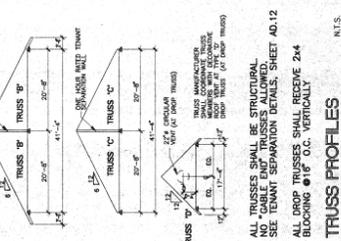
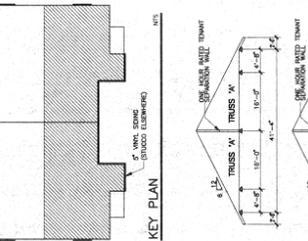
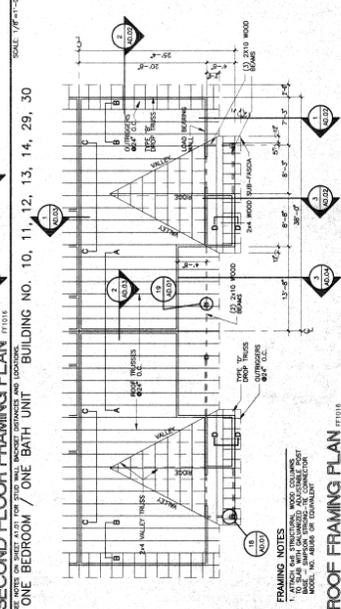
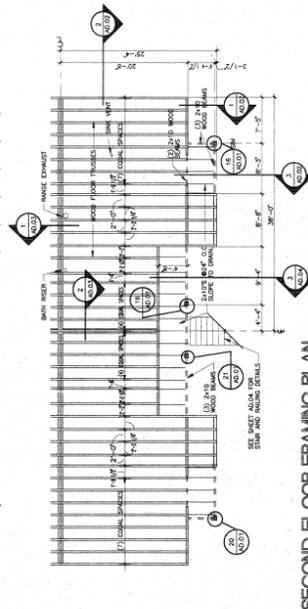
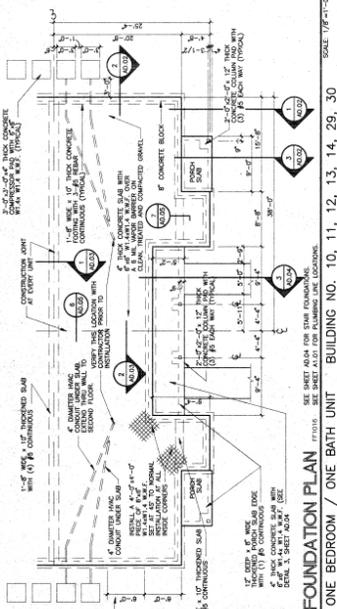
THREE BEDROOM / TWO BATH UNIT

APARTMENT BUILDING LANDSCAPE PLANS
SEE PLANTING SCHEDULE, SHEET LS.03 FOR PLANTING TYPES

PROJECT ENTRY LANDSCAPE PLAN
SEE PLANTING SCHEDULE, SHEET LS.03 FOR PLANTING TYPES

OUTDOOR LIGHTING

OUTDOOR LIGHTING



TYPICAL FRONT ELEVATION NOTES:
 1. HORIZONTAL CONTROL: SPITS ARE TO BE PLACED AT THE CENTER OF THE WINDOW UNITS.
 2. HORIZONTAL CONTROL: SPITS ARE TO BE PLACED AT THE CENTER OF THE WINDOW UNITS.

TYPICAL SIDE ELEVATION NOTES:
 1. HORIZONTAL CONTROL: SPITS ARE TO BE PLACED AT THE CENTER OF THE WINDOW UNITS.
 2. HORIZONTAL CONTROL: SPITS ARE TO BE PLACED AT THE CENTER OF THE WINDOW UNITS.

BUILDING ROOF PLAN NOTES:
 1. ROOF SHEATHING SHALL BE 1/2" OSB.
 2. GABLE ROOF SHEATHING SHALL BE 1/2" OSB.

FRAMING NOTES:
 ALL TRUSSES SHALL BE STRUCTURAL STEEL TRUSSES. SEE TYPICAL TRUSS DETAIL, SHEET AD.12.
 TRUSS MANUFACTURER SHALL PROVIDE TRUSS CONNECTIONS TO BE APPROVED BY THE ENGINEER.
 ALL TRUSSES SHALL BE 2x4.
 BUILDING SHALL BE 2x4 GABLE.
 TRUSS PROFILES: N.T.S.
 SEE SHEET A1.01 FOR TRUSS AND RAFTER NOTES.
 SEE SHEET A1.01 FOR FLOOR JOIST, BEAM, AND TRUSS NOTES.
 SEE SHEET A1.01 FOR FOUNDATION NOTES.
 SEE SHEET A1.01 FOR ROOF SHEATHING AND GABLE NOTES.

ADDENDUM C

Section 7. - R-3 multi-family residential apartment, townhouse, condominium, and duplex district.

- A. *Purpose of district.* This district provides for the development of multi-family residential dwellings, to include apartment, townhouse and duplex dwelling units as defined in article II at medium density so as to provide for the amenities of open space and recreational potential essential to family living. This district provides a choice in housing types in the community where such dwelling would be compatible with existing development. Internal stability, safety, attractiveness, order and efficiency are encouraged by providing for adequate light, air, and open space for dwellings and related facilities. Certain nonresidential uses intended primarily to provide service to the adjacent neighborhood may be permitted. See article IV, section 4.
- B. *Permitted uses.* Within the R-3 district, unless otherwise permitted by this ordinance, no building, structure or land shall be used except for the following:
- (1) Single-family residence.
 - (2) Multi-family residence.
 - (3) Home occupations.
 - (4) Park and playground.
 - (5) School.
 - (6) Customary accessory buildings and uses incidental to the above permitted uses.
- C. *Conditional permitted uses.* The conditional permitted uses enumerated below in accordance with the provisions contained in article VII may be permitted upon application being submitted to the city planning commission for review and approval by the governing body. A site development plan is required to accompany the application and shall be amended, if necessary, to reflect any changes imposed by the final city council approval prior to issuance of the first permit. Uses similar to those below that are not found in any other district classification may be conditionally permitted upon approval by the city council.
- (1) Cemetery.
 - (2) Church.
 - (3) Country club, sports complex club, golf course.
 - (4) Medical office (administrative office only).
 - (5) Nursing home.
 - (6) Family day care home.
 - (7) Laundromat.
 - (8) Adult day care.
 - (9) Customary accessory buildings and uses incidental to the above conditionally permitted uses.
- D. *Area regulations.* The following are the area requirements for the R-3 zoning district:

Item	Apartment (Building)	Townhouse (per unit)	Condominium (per unit)	Duplex (per unit)
(1) Minimum lot size (square feet)	N/A	N/A	N/A	1000
(2) Minimum square footage living space	N/A	800	800	800
(3) Minimum lot width (feet) at building line	100	20	20 from lot line on ground floor. N/A above ground floor	40 (80 per building)

(4)	Minimum front setback (feet)	35 from rear of street curb	20 from rear of street curb	20 from lot line from ground floor. N/A above ground floor	20 from front lot line
(5)	Minimum side setback (feet)	20	0 on interior lots. 20 on end units. 20 feet between buildings.	20 on end units. 20 feet between buildings.	0 on interior wall. 20 on end units.
(6)	Minimum rear setback (feet) from property line or street	20	20	20	20
(7)	Maximum building height (feet)	35	35	35	35
(8)	Signage dimensions	See article VI of this ordinance	See article VI of this ordinance	See article VI of this ordinance	See article VI of this ordinance
(9)	Paved parking spaces required. Cannot count garage space(s) as off-street parking.	3, plus handicapped as required.	2	2	2 per unit (4 per building)
(10)	Maximum density	10 apartments per acre	10 units per acre	10 units per acre	8 units per acre (four buildings)
(11)	Maximum percentage of lot coverage	35	N/A	N/A	N/A

(Ord. of 9-5-00; Ord. of 10-17-00, § D.15, 17)

ADDENDUM D



FLOODSCAPE™

Flood Hazards Map

Map Number
 13029C0287C

Effective Date
 March 2, 2009

- Flood Legend**
- High flood risk
 - Moderate flood risk
 - Low flood risk

This report makes no representations or warranties concerning its content, accuracy or completeness.

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 469.574.1234

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 877.77.FLOOD
 www.floodsource.com

ADDENDUM E

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

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

2nd 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.