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APPRAISAL REPORT
HUD SECTION 221(d)(4) SUB-REHAB FIRM APPLICATION
RENTAL ASSISTANCE DEMONSTRATION (RAD) CONVERSION

OF THE EXISTING

GRAYFIELD APARTMENTS
344 WEST AVENUE
CEDARTOWN, POLK COUNTY, GEORGIA 30125

EHA File 14-171

DATE OF VALUE

December 19, 2014

PREPARED FOR

Mr. Andy Severt
Financial Analyst
AGM Financial Services, Inc.
20 South Charles Street, Suite 1000
Baltimore, Maryland 21201

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April 10, 2015

Mr. Andy Severt
Financial Analyst
AGM Financial Services, Inc.
20 South Charles Street, Suite 1000
Baltimore, Maryland 21201

RE: Appraisal Report
HUD Section 221(d)(4) Sub-Rehab Firm Application
RAD Conversion of the Existing
Grayfield Apartments
344 West Avenue
Cedartown, Polk County, GA 30125
EHA File 14-171

Dear Mr. Severt:

At your request and authorization, we conducted the inspections, investigations, and analyses necessary to appraise the above referenced properties. We have prepared an appraisal report presented in a comprehensive format. The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject "as is" under the hypothetical condition that market rents and pre-rehab unrestricted expenses are in place, and prepare a net operating income (NOI) analysis under the hypothetical condition that the CHAP rents are in-place and assuming market-based, post-rehab expenses and that all proposed improvements are complete and stabilized as of a current date. In addition, we prepared an estimate of market value of the fee simple interest in the subject's underlying land "as if vacant". The values reported are predicated upon market conditions prevailing on December 19, 2014, which is the most recent date of inspection. This appraisal is intended for use by AGM Financial Services, Inc. for HUD Section 221(d)(4) sub-rehab refinancing and RAD conversion. HUD is also an authorized user of this report.

The subject property is the Grayfield Apartments, a 100-unit, Class-C public housing development, built in 1974 and situated on an approximate 2.518-acre site. The units are contained in a single five-story, interior-corridor, elevator-served apartment building. The unit mix consists of 40 461-SF studio units, 56 573-SF one-bedroom units and four 916-SF two-bedroom units. The average unit size is 542 square feet (gross rentable). Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms and a gazebo. The property is marketed to the elderly or disabled and the majority of tenants fit this profile. However, there is no

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restriction. The property is currently 98% occupied and in average condition. The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, interior and exterior paint, new signage, new kitchen cabinets, countertops and appliances, plumbing improvements, new water heaters, new bathroom fixtures, new lighting and other items. The cost of these items is estimated at approximately $32,500 per unit. According to a letter provided by the U.S. Department of Housing and Urban Development (HUD), upon completion of the rehabilitation / conversion, contract rents will be $471 a month for the studio units, $523 a month for the 1BR units and $639 a month for the 2BR units. Based on the information contained in this report, the proposed contract rents are slightly below market (post-rehab condition). In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits. According to the developer, the rehabilitation is expected to take 18 months. Reportedly, the renovation will be phased so that existing tenants will be temporarily relocated to other units then moved back in once completed. As such, the property should stabilize almost immediately upon completion. A relocation plan will also be in place.

The subject is more fully described, legally and physically, within the attached report. Additional data, information and calculations leading to the value conclusions are in the report following this letter. This document in its entirety, including all assumptions and limiting conditions, is an integral part of this letter.

The following narrative appraisal contains the most pertinent data and analyses upon which our opinions are based. The appraisal was prepared in compliance with the requirements of Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA), Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute, and HUD's Appraisal Reporting Guidelines and those of AGM Financial Services, Inc.

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Our opinions of value were formed based on our experience in the field of real property valuation, as well as the research and analysis set forth in this appraisal. Our concluded opinions of value are subject to the attached Assumptions and Limiting Conditions and Certification, as follows:

Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject, "As Is", as of December 19, 2014

TWO MILLION DOLLARS

$2,000,000

Estimate of Market Value of the Fee Simple Interest in the Subject's Underlying Land "As if Vacant," as of December 19, 2014

ONE HUNDRED FIFTEEN THOUSAND DOLLARS

$115,000

It is noted the subject existing land and improvements are to be leased to a related party of the current ownership, with an up-front one-time lease payment due at the time of commencement equivalent to the fee simple "as is" appraised value of the property. Therefore, in this instance, the leased fee value is synonymous with the above noted fee simple value, which implies a leasehold value of zero.

It was our pleasure assisting you in this matter. If you have any questions concerning the analysis, or if we can be of further service, please call.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

By:

Jonathan A. Reiss
Certified General Appraiser
Georgia Certificate No. 272625

Stephen M. Huber
Principal
Certified General Appraiser
Georgia Certificate No. CG001350

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. We previously prepared an appraisal on the subject property for a tax credit application to the Georgia Department of Community Affairs. 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Jonathan A. Reiss made a personal inspection of the subject property and prepared this report under the supervision of Stephen M. Huber, who also inspected the subject.
10. Douglas M. Rivers provided real property appraisal assistance, consisting of market research and comparable data verification, to the persons signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, we have completed the Standards and Ethics Education Requirement for Practicing Affiliates or Candidates of the Appraisal Institute.
14. The Racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.
15. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act, the Rules and Regulations of the Georgia Real Estate Appraisers Board.
16. We have extensive experience in the appraisal of commercial properties and are appropriately certified by the State of Georgia to appraise properties of this type.

Stephen M. Huber
Principal
Certified General Real Property Appraiser
Georgia Certificate No. 1350

Jonathan A. Reiss
Certified General Appraiser
Georgia Certificate No. 272625

HUD SECTION 221(D)(4) SUB-REHAB REFINANCE APPLICATION APPRAISER CERTIFICATION

I understand that my appraisal will be used by AGM Financial Services, Inc. to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my report was in accordance with HUD requirements applicable on the date of my report and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Borrower, the general contractor, any subcontractors, the buyer or seller of the property or engage in any business that might present a conflict of interest.

I am under contract with AGM Financial Services, Inc. for this specific assignment and I have no other side deals, agreements, or financial considerations with AGM Financial Services, Inc. or others in connection with this transaction.

Everson, Huber & Associates, LC
Company Name

Stephen M. Huber
Signature

By: Stephen M. Huber

Principal
Title

April 10, 2015
Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years or both.

Property Name/Address:	Grayfield Apartments 344 West Avenue Cedartown, Polk County, GA 30125
Location:	The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD.
Property Description:	The subject property is the Grayfield Apartments, a 100-unit, Class-C public housing development, built in 1974 and situated on an approximate 2.518-acre site. The units are contained in a single five-story, interior-corridor, elevator-served apartment building. The unit mix consists of 40 461-SF studio units, 56 573-SF one-bedroom units and four 916-SF two-bedroom units. The average unit size is 542 square feet (gross rentable). Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms and a gazebo. The property is marketed to the elderly or disabled and the majority of tenants fit this profile. However, there is no restriction. The property is currently 98% occupied and in average condition. The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD. The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, interior and exterior paint, new signage, new kitchen cabinets, countertops and appliances, plumbing improvements, new water heaters, new bathroom fixtures, new lighting and other items. The cost of these items is estimated at approximately $32,500 per unit. According to a letter provided by the U.S. Department of Housing and Urban Development (HUD), upon completion of the rehabilitation / conversion, contract rents will be $471 a month for the studio units, $523 a month for the 1BR units and $639 a month for the 2BR units. Based on the information contained in this report, the proposed contract rents are slightly below market (post-rehab condition). In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits. According to the developer, the rehabilitation is expected to take 18 months. Reportedly, the renovation will be phased so that existing tenants will be temporarily relocated to other units then moved back in once completed. As such, the property should stabilize almost immediately upon completion. A relocation plan will also be in place.

Highest and Best Use	As If Vacant: Future development with either commercial or higher-density residential use As Improved: Continued operation as an apartment complex
Purpose of the Appraisal:	The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject "as is" under the hypothetical condition that market rents and pre-rehab unrestricted expenses are in place, and prepare a net operating income (NOI) analysis under the hypothetical condition that the CHAP rents are in-place and assuming market-based, post-rehab expenses and that all proposed improvements are complete and stabilized as of a current date. In addition, we prepared an estimate of market value of the fee simple interest in the subject's underlying land "as if vacant".
Intended Use:	This appraisal is intended for use by AGM Financial Services, Inc. for HUD Section 221(d)(4) sub-rehab refinancing and RAD conversion. HUD is also an authorized user of this report.
Property Rights:	Fee Simple
Date of Inspection/Value:	December 19, 2014
Date of Report:	April 10, 2015
Est. Marketing Time:	12 months or less

Financial Indicators – "Post Rehab" NOI Analysis	Total	Per Unit
Projected Effective Gross Income:	$589,354	$5,894
Projected Expenses (including reserves):	$430,245	$4,302
Projected Net Income:	$159,108	$1,591

Valuation

Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject, "As Is", as of December 19, 2014:	$2,000,000
Per Unit (100 units):	$20,000
Estimate of Market Value of the Fee Simple interest in the Subject's Underlying Land "As if Vacant," as of December 19, 2014:	$115,000
Per Acre (2.518 acres):	$45,671

PROPERTY IDENTIFICATION

The subject property is the Grayfield Apartments, a 100-unit, Class-C public housing development, built in 1974 and situated on an approximate 2.518-acre site. The units are contained in a single five-story, interior-corridor, elevator-served apartment building. The unit mix consists of 40 461-SF studio units, 56 573-SF one-bedroom units and four 916-SF two-bedroom units. The average unit size is 542 square feet (gross rentable). Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms and a gazebo. The property is marketed to the elderly or disabled and the majority of tenants fit this profile. However, there is no restriction. The property is currently 98% occupied and in average condition. The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD.

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, interior and exterior paint, new signage, new kitchen cabinets, countertops and appliances, plumbing improvements, new water heaters, new bathroom fixtures, new lighting and other items. The cost of these items is estimated at approximately $32,500 per unit. According to a letter provided by the U.S. Department of Housing and Urban Development (HUD), upon completion of the rehabilitation / conversion, contract rents will be $471 a month for the studio units, $523 a month for the 1BR units and $639 a month for the 2BR units. Based on the information contained in this report, the proposed contract rents are slightly below market (post-rehab condition). In addition, the rehabilitation will be partially funded with Low Income Housing Tax Credits. According to the developer, the rehabilitation is expected to take 18 months. Reportedly, the renovation will be phased so that existing tenants will be temporarily relocated to other units then moved back in once completed. As such, the property should stabilize almost immediately upon completion. A relocation plan will also be in place.

OWNERSHIP AND PROPERTY HISTORY

According to public records, the owner of the subject property is the Cedartown Housing Authority, who has been the owner of record since 1974. Reportedly, the owner is a non-profit that meets the state property tax exemption requirements. According to the developer (Peter Behringer), acquisition of the property will be effected through a long-term lease of land and improvements where the Cedartown Housing Authority will lease the land and improvements to a limited partnership in which a Cedartown Housing Authority affiliate will be the managing general partner. There will be a single lease payment at closing, which will be for the as-is appraised value of the property (estimated in this report at $2,000,000). The Cedartown Housing Authority will loan an amount to the limited partnership that is equivalent to the lease payment. This loan will be subordinate to the HUD loan. We were informed that the developer and the Housing Authority are currently working on a lease option agreement, but it is not complete.

The subject property was constructed in 1974 for use as public housing and is currently proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The purpose of the RAD program is to allow Public Housing and Moderate Rehabilitation (Mod Rehab) properties to convert, to long-term Section 8 rental assistance contracts. The program also allows Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Mod Rehab properties to convert tenant-based vouchers issued upon contract expiration or termination to project-based vouchers. The goal is to restructure the financing and to bring properties up to market standards through an initial rehabilitation and subsequent repairs and/or replacements over the next twenty year period. The restructuring program has three basic goals:

1. Social - Preserving the “affordable housing stock” by maintaining the long term physical integrity of HUD subsidized rental housing insured by FHA.

2. Economic - Reducing the long term Project based Section 8 rental assistance costs and reducing the costs of insurance claims paid by FHA.

3. Administrative - Promote greater operating cost efficiencies and establish systems to administer the program and terminate relationships owners/properties that violate agreements or program requirements.

We are aware of no other offers, contracts, or transactions, nor any ownership changes, during the past three years.

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject "as is" under the hypothetical condition that market rents and pre-rehab unrestricted expenses are in place, and prepare a net operating income (NOI) analysis under the hypothetical condition that the CHAP rents are in-place and assuming market-based, post-rehab expenses and that all proposed improvements are complete and stabilized as of a current date. In addition, we prepared an estimate of market value of the fee simple interest in the subject's underlying land "as if vacant". This appraisal is intended for use by AGM Financial Services, Inc. for HUD Section 221(d)(4) sub-rehab refinancing and RAD conversion. HUD is also an authorized user of this report.

DATES OF INSPECTION, VALUATION AND DATE OF REPORT

The values reported are predicated upon market conditions prevailing on December 19, 2014, which is the date of inspection. The date of report is April 10, 2014.

DEFINITION OF MARKET VALUE

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby[1]:

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[1] *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Fourth Edition, 2002; and *The Appraisal of Real Estate*, 13th Edition, Appraisal Institute, 2008.

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

PROPERTY RIGHTS APPRAISED

We appraised the fee simple interest in the subject site and improvements. While we do acknowledge that, according to the developer, the Cedartown Housing Authority will lease the land and improvements to a limited partnership in which a Cedartown Housing Authority affiliate will be the managing general partner, this is an internal lease between interrelated parties and is not considered arms length. As such, fee simple is the appropriate ownership interest for this appraisal.

"Fee title" is the greatest right and title that an individual can hold in real property. It is "free and clear" ownership subject only to the governmental rights of police power, taxation, eminent domain, and escheat reserved to federal, state, and local governments[1].

Since the property is appraised subject to short-term leases that will be in place, this could be construed to be the leased fee estate. However, we are recognizing the interest appraised as fee simple with the stipulated qualification.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS – SCOPE OF WORK

We completed the following steps for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject site and improvements, comparables and neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and county services.

[1] *The Dictionary of Real Estate Appraisal*, Appraisal Institute, Fourth Edition, 2002; and *The Appraisal of Real Estate*, 13th Edition, Appraisal Institute, 2008.

4. Considered comparable improved sales, land sales and comparable rentals. Confirmed data with a combination of principals, managers, real estate agents representing principals, leasing agents, knowledgeable third parties, public records and/or various other data sources.
5. Analyzed the data to arrive at concluded estimates of value via each applicable approach.
6. Reconciled the results of each approach to value employed into a probable range of market value and finally an estimate of value for the subject, as defined herein.
7. Estimated reasonable exposure and marketing times associated with the value estimate.

The site and improvement descriptions included in this report are based on a personal inspection of the subject property; various documents provided by the owner and developer including a unit mix, rent rolls, surveys, building plans, historical and budgeted operating statements, CHAP contracts and other items; discussions with representatives of the owner and the developer; property tax information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

To develop an opinion of value, we have prepared an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The value estimates reflect all known information about the subject, market conditions, and available data. This report incorporates comprehensive discussions of the data, reasoning and analysis used to develop an opinion of value. It also includes thorough descriptions of the subject and the market for the property type. The depth of discussion contained in this report is specific to the client's needs and for the intended use stated within the report.

SPECIAL APPRAISAL INSTRUCTIONS

As previously mentioned, we were asked to estimate the market value of the fee simple interest in the subject “as is” under the hypothetical condition that market rents and pre-rehab unrestricted expenses are in place, and prepare a net operating income (NOI) analysis under the hypothetical condition that the CHAP rents are in-place and assuming market-based, post-rehab expenses and that all proposed improvements are complete and stabilized as of a current date. In addition, we prepared an estimate of market value of the fee simple interest in the subject’s underlying land “as if vacant.” The following definitions pertain to the value estimates provided in this report.

Market Value "As Is" On Appraisal Date

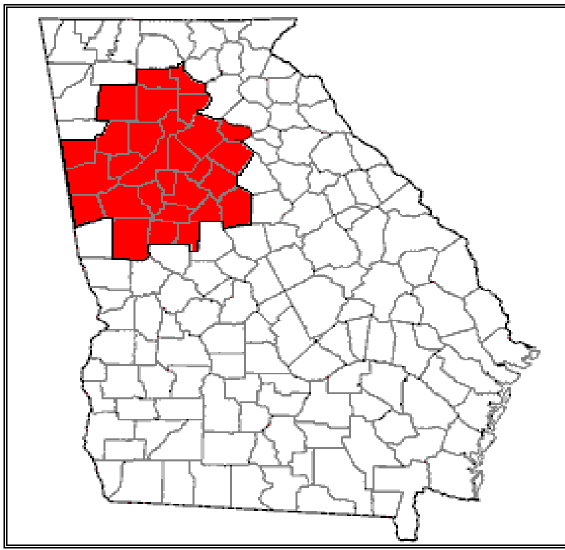
An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

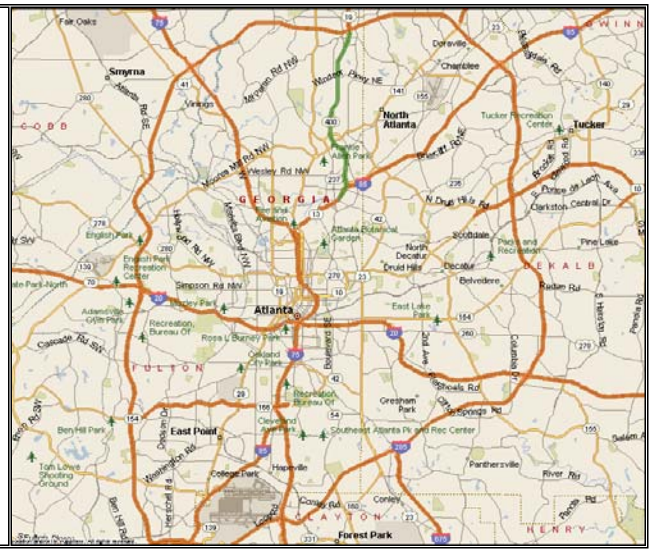
Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

REGIONAL OVERVIEW

The following section of the report provides an overview of the 28-county Atlanta Metropolitan Statistical Area or MSA.





Location and Population

Located in the central, northwestern portion of Georgia, Atlanta is the state's capital and largest city. At almost 5.7 million, the current population of the Atlanta MSA has shown moderately strong growth in recent years. As can be seen in the following table, between 2000 and 2010, the MSA has been growing at a rate over twice as fast as the nation and 1/3 faster than the state of Georgia. From 2010 to 2013, the MSA population growth has more than doubled the national average and significantly exceeded that of the State of Georgia. Since 2010, the fastest growing counties are Forsyth, Fulton and Gwinnett. In terms of absolute growth, the two largest counties, Gwinnett and Fulton, lead the way.

Chief among the factors driving continued expansion of the MSA population are employment opportunities, transportation, climate, standard of living, and Atlanta's dominant position in the southeast for national and international business, industry, and trade. While it is true that most of the growth in the MSA has occurred in the north, available land in that sector is becoming scarce (as the MSA hits the north Georgia mountains and heads towards the Alabama border to the west) and the pattern may more strongly turn to the south and west, where affordable land is available and the strong interstate system facilitates commuting patterns.

The following table shows the Atlanta MSA population trend, county by county, from 1990 to 2013.

ATLANTA METROPOLITAN STATISTICAL AREA (MSA) POPULATION								
					2000 to 2010 Chge.		2010 to 2013 Chge.	
	1990	2000	2010	2013	Number	Percent	Number	Percent
Barrow	29,721	46,144	69,367	71,453	23,223	50%	2,086	3%
Bartow	55,911	76,019	100,157	101,273	24,138	32%	1,116	1%
Butts	15,326	19,522	23,655	23,361	4,133	21%	-294	-1%
Carroll	71,422	87,268	110,527	112,355	23,259	27%	1,828	2%
Cherokee	91,000	141,903	214,346	225,106	72,443	51%	10,760	5%
Clayton	184,100	236,517	259,424	264,220	22,907	10%	4,796	2%
Cobb	453,400	607,751	688,078	717,190	80,327	13%	29,112	4%
Coweta	53,853	89,215	127,317	133,180	38,102	43%	5,863	5%
Dawson	9,429	15,999	22,330	22,686	6,331	40%	356	2%
DeKalb	553,800	665,865	691,893	713,340	26,028	4%	21,447	3%
Douglas	71,700	92,174	132,403	136,379	40,229	44%	3,976	3%
Fayette	62,800	91,263	106,567	108,365	15,304	17%	1,798	2%
Forsyth	44,083	98,407	175,511	195,405	77,104	78%	19,894	11%
Fulton	670,800	816,006	920,581	984,293	104,575	13%	63,712	7%
Gwinnett	356,500	588,448	805,321	859,304	216,873	37%	53,983	7%
Hall	95,984	139,677	179,684	187,745	40,007	29%	8,061	4%
Haralson	21,966	25,690	28,780	28,495	3,090	12%	-285	-1%
Heard	8,628	11,012	11,834	11,558	822	7%	-276	-2%
Henry	59,200	119,341	203,922	211,128	84,581	71%	7,206	4%
Jasper	8,453	11,426	13,900	13,601	2,474	22%	-299	-2%
Lamar	13,038	15,912	18,317	17,959	2,405	15%	-358	-2%
Meriwether	22,441	22,534	21,992	21,232	-542	-2%	-760	-3%
Newton	41,808	62,001	99,958	102,446	37,957	61%	2,488	2%
Paulding	41,611	81,678	142,324	148,950	60,646	74%	6,626	5%
Pickens	14,432	22,983	29,431	29,584	6,448	28%	153	1%
Pike	10,224	13,688	17,869	17,796	4,181	31%	-73	0%
Rockdale	54,500	70,111	85,215	86,919	15,104	22%	1,704	2%
Spalding	54,457	58,417	64,073	63,829	5,656	10%	-244	0%
Walton	38,586	60,687	83,768	85,754	23,081	38%	1,986	2%
MSA Total	3,209,173	4,387,658	5,448,544	5,694,906	1,060,886	24%	246,362	5%
State: Georgia	6,478,216	8,186,453	9,687,653	9,992,167	3,513,951	18%	304,514	3%
U.S.	248,709,873	281,421,906	308,745,538	316,128,839	67,418,966	10%	7,383,301	2%
Source: U.S. Census Bureau								

Employment By Industry

A key factor in Atlanta's population growth is the strength of its regional economy. Atlanta has a vigorous, diverse economic base. Only broad based, overall declines in the national economy are likely to affect the region’s economy to any significant extent. A breakdown of employment by industry sector within the MSA (from The Georgia Department of Labor) is presented below.

MSA INDUSTRY MIX						
	Establishments			Employment		
	2010	2013(11)	% Change	2010	2013(11)	% Change
Construction	11,953	11,396	-4.7%	87,239	82,396	-5.6%
Manufacturing	4,625	4,613	-0.3%	140,948	145,390	3.2%
Finance/Info./Real Estate	18,233	18,611	2.1%	208,611	216,042	3.6%
Wholesale Trade	11,154	11,892	6.6%	127,792	129,422	1.3%
Retail Trade	15,908	16,111	1.3%	241,497	246,255	2.0%
Professional/Tech./Scientific	22,312	23,305	4.5%	154,312	166,473	7.9%
Health Care/Social Assistance	11,791	12,461	5.7%	213,204	237,233	11.3%
Accommodation/Food Services	10,116	10,468	3.5%	197,786	192,782	-2.5%
Transport/Warehousing	3,367	3,821	13.5%	105,839	128,651	21.6%
Adminstration/Support/Waste Mgt.	9,324	9,415	1.0%	161,422	166,190	3.0%
Government	3,112	4,481	44.0%	319,296	321,259	0.6%
All Other	23,143	14,364	-37.9%	176,333	135,406	-23.2%
Total	**145,038**	**140,938**	**-2.8%**	**2,134,279**	**2,167,499**	**1.6%**
Source: Georgia Department of Labor						

As can be seen on this chart, in terms of absolute job numbers, the Government sector dominates the Atlanta employment base, followed by Retail Trade, and Health Care. From 2010, employment within the Transport/Warehousing sector has shown the strongest percentage change. The Atlanta Airport complex is a significant factor within this segment. The Government has shown the greatest percentage change in number of establishments; however, its growth in terms of employment has been minimal.

Unemployment

The unemployment rates for the Atlanta MSA over the years have generally equaled or consistently bettered the state and national averages. However, unemployment has been climbing in the state of Georgia, as well as the Atlanta MSA. According to a recent article in the *Atlanta Journal-Constitution*, ex-Georgia's State Labor Commissioner, Michael Thurmond, indicated that the state of Georgia is facing an increasingly difficult economic environment. Economists believe the unemployment rate to be a lagging and somewhat inexact indicator. Critics argue that a slowing economy typically does not immediately shove jobless rates much higher. On the other hand, an improving economy is often accompanied by rising rates as more people seek work. The following table looks at the MSA trend since 2006 and compares it with the state and the nation.

UNEMPLOYMENT RATES - ANNUAL AVERAGES									
	2006	2007	2008	2009	2010	2011	2012	2013	Oct-14
Atlanta MSA*	4.7%	4.2%	6.2%	9.6%	10.2%	9.6%	8.7%	7.9%	7.3%
Georgia	4.6%	4.4%	6.2%	9.6%	10.2%	9.8%	9.0%	8.2%	7.7%
U.S.	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	5.8%
*Source: Bureau of Labor Statistics / Atlanta Regional Commission * October 2014*									

Largest Employers

As indicated in the following chart, Atlanta's top employer continues to be Delta Airlines, Emory University, Gwinnett County Public Schools, and AT & T. It is important to note that several of Atlanta's highest profile companies do not quite make the list of largest employers. For example, Coca Cola, Turner Broadcasting, Georgia Pacific, Bank of America, Home Depot (12th) and the Georgia Institute of Technology (14th) were under the threshold.

MAJOR EMPLOYERS - ATLANTA REGION		
Rank	**Company**	**Atlanta Employees**
1	Delta Airlines	30,000
2	Emory University	23,898
3	Gwinnett County Public Schools	19,943
4	AT & T	18,339
5	Cobb County Public Schools	13,551
6	DeKalb County Public Schools	12,012
7	Fulton County Public Schools	12,000
8	UPS	10,849
9	WellStar Health System	9,717
10	Publix Super Markets	9,656
Source: *Atlanta Business Chronicle, Book of Lists 2013 - 2014*		

Over the last decade major changes have taken place in the Atlanta employment arena. Lockheed, once a leader, has dropped to 18th and may continue to decline. Both GM and Ford decreased their presence in the area with major plant closures. Delta, which is still quite strong, emerged from bankruptcy and merged with Northwest Airlines, and although the Ford and GM plants closed, Kia opened a new $1 billion 2.2 million square-foot auto plant in 2009 just outside the metro area's southwestern boundary near LaGrange, GA. Another major employer began hiring in the Atlanta vicinity in 2013. Caterpillar is opening a large plant in Athens, Georgia (just outside eastern edge of the MSA). By 2015 the plant expects to have hired 1,400 new workers at the Athens plant with indications that another 2,800 new positions would evolve from satellite parts and service plants in the area.

A few other job announcements in 2013 are worthy of note: Athena Health is leasing a large amount of space in Ponce City Market downtown and expects to hire 500. INALFA Roofing Systems is opening a plant in Cherokee County that will hire 300 and Hartsfield International Airport expanded food service operations in 2013, hiring an additional 200 workers.

Income, Median Age, Home Value, and Education

According to a demographic report by STDBOnline, for 2015, the average household income estimate is $78,171 (2010 figure was $85,998), with a median of $55,802. The median home value for the MSA is $180,707 (versus 2010 figure of $145,533). As per the 2015 estimate, 79% of the population had completed high school, and 23% had at least a four-year college degree.

MARKET SECTOR SNAPSHOTS

Retail

According to the *CoStar Retail Report, Fourth Quarter 2014,* the Atlanta retail market experienced a slight improvement in market conditions in the fourth quarter 2014. The vacancy rate went from 8.8% in the previous quarter to 8.4% in the current quarter. Net absorption was positive 1,757,791 square feet, and vacant sublease space decreased by (21,859) square feet. Quoted rental rates increased from third quarter 2014 levels, ending at $12.87 per square foot per year. A total of 22 retail buildings with 605,911 square feet of retail space were delivered to the market in the quarter, with385,058 square feet still under construction at the end of the quarter. Tallying retail building sales of 15,000 square feet or larger, cap rates were lower in 2014, averaging 8.31% compared to the same period in 2013 when they averaged 8.85%.

Multi-Family

According to the MFP Research A*tlanta Apartment Market Report – Fourth Quarter 2014*, Atlanta is a bifurcated metro in terms of both the local economy and the local apartment market. Atlanta has been fighting an uphill battle in dealing with consistently high unemployment and excess housing following the recession, which has contributed to this split. However, recent data shows the story is changing for the better, as the metro continued to record post-recession high occupancy and a two-decade high annual rent increase in the quarter. Moreover, while permitting and development activity remains elevated, it is still well below peak levels. Also, residential demand has steadily improved and long-term demand drivers are causing apartment absorption levels to remain solid. All told, the Atlanta apartment market is showing signs of life, though not universally, with clear winners and loser among market segments.

Office

According to the *PwC Real Estate Investor Survey, Fourth Quarter 2014,* recovery in the broad-based local economy, improving office fundamentals, and a pro-business environment has buoyed investor optimism in the Atlanta office market. First, this quarter's average initial-year market rent change rate increased 21 basis points to 2.29%. While this figure is below the aggregate average of 3.00% for the 19 city specific office markets surveyed, it represents a 225-basis-point increase from three years ago. Second, this market's average overall cap rate continues a four-year downward trend and dipped six basis points this quarter to 7.74%. "The Atlanta office market is priced to perfection," quips an investor. While two-thirds of the surveyed investors foresee overall cap rates holding steady in the next six months, the balance expects further cap rate compression of as much as 50 basis points over that time period. These positive trends have resulted in a rush of office building sales activity. In fact, total office sales volume exceeded $1.0 billion in the third quarter, more than twice the level in the prior quarter, as per RealCapital Analytics. "There are more aggressive buyers in this market today than at any time in recent years, resulting in multiple bids on high quality assets," notes a participant.

According to the *CoStar Office Report, Fourth Quarter 2014*, the Atlanta office market ended the quarter with a vacancy rate of 14.2%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 1,379,369 square feet. Vacant sublease space decreased in the quarter, ending at 1,487,729 square feet. Rental rates ended the quarter at $19.47, an increase over the previous quarter. A total of four buildings delivered to the market in the quarter totaling 271,298 square feet, with 1,946,989 square feet still under construction at the end of the quarter.

Tallying office building sales of 15,000 square feet or larger, total office buildings sales activity was down compared to 2013. In the first nine months of 2014, the market saw 105 transactions with a total volume of $1,417,666,471. The price per square foot averaged $126.77. In the same first nine months of 2013, the market posted 101 transactions with a total volume of $12,505,651,410. The price per square foot averaged $148.74. Cap rates have been higher in 2014, averaging 8.76% compared to the same period in 2013 when they averaged 7.91%.

Industrial

According to the *CoStar Industrial Report, Fourth Quarter 2014,* the Atlanta Industrial market ended the fourth quarter 2014 with a vacancy rate of 8.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 7,985,740 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending at 1,194,076 square feet. Rental rates ended the fourth quarter at $3.99, an increase of $0.05 over the previous quarter. A total of five buildings delivered to the market in the quarter totaling 2,239,415 square feet, with 15,019,309 square feet still under construction at the end of the quarter.

Tallying industrial building sales of 15,000 square feet or larger, Atlanta industrial sales activity in 2014 is up compared to the previous year. In the first nine months of 2014, the market saw 181 industrial sales transactions with a total volume of $886,219,135. The price per square foot has averaged $37.47 this year. In the first nine months of 2013, the market posted 181 transactions with a total volume of $570,638,714. The price per square foot averaged $33.60. Cap rates have been lower in 2014, averaging 8.15%, compared to the first six months of last year when they averaged 8.39%.

Housing

According to the First Multiple Listing Service (FMLS) statistics overview for the metro Atlanta area, dated February 21, 2014, there were 3,123 closings for single-family detached homes in February 2014. This reflects a decrease of 12% over February 2013. The average sale price was $227,074 versus $199,380 for the same period one year ago. Year-to-date closings for single-family detached homes were 6,199, which reflect a decrease of 9% over YTD 2013. The YTD average sale price was $224,499 versus $191,331 for 2013, representing a 17% increase. Active inventory for single-family detached homes continues to increase with 17,095 active listings as of the end of February 2014 versus 14,331 as of the end of February 2013.

According to a February 21, 2014 report from Metrostudy, a national housing information and consulting firm, the 22 county Atlanta region experienced 13,862 housing starts in 2013, up 67% year over year and new home closings were up 39% coming in at 12,079 units closed (move-ins). According to Eugene James, regional director for Metrostudy, "with housing demand outpacing the low supply of new and resale homes in the region I think we will have another year of huge gains in housing construction activity, probably by at least 25% above the 2013 figures."

The Atlanta region finished the 2013 year with huge gains in new construction housing starts. By the end of 2013 there were 13,862 annual single family homes either being constructed or built in the region, up 67% from December 2012 when Annual Starts ended the year with 8,311 housing starts. The northern portions of Atlanta (areas above I-20) have experienced the bulk of the housing starts with an 80% market share. But for the first time in many years starts rose significantly in every county, including the exurban markets. For instance, counties located south of I-20, an area hit hard with foreclosures and declining property values, saw housing starts increase by 97% from one year earlier.

Convention Trade

Tourism is a major business in Atlanta. The city hosts on average about 17,000,000 visitors a year. The industry typically generates between three and four billion in annual revenues. Convention and trade show business ranks as Atlanta's largest industry. Estimates vary, but overall annual attendance is approximately three million, with delegates spending an average of almost $200 per person, per day. To accommodate visitors there are approximately 92,000 hotel rooms in the 28-county metro area. As other cities continue to offer increasing competition for Atlanta's convention business, namely Orlando, Miami, Las

Vegas and New Orleans, the city continually strives to improve its facilities. The largest facility, the Georgia World Congress Center (GWCC), completed its expansion from 950,000 to 1.4 million square feet of exhibit space, in 2002. The top trade shows and conventions booked during 2013/14 in Atlanta are shown next.

TOP TRADE SHOWS AND CONVENTIONS IN ATLANTA FOR 2013/2014		
Show	**Estimated or expected No. of Attendees**	**Location**
NCAA Final Four	100,000	Georgia Dome
AmericasMart Gift & Home Furnishings Market Jan.	92,000	AmericasMart Atlanta
AmericasMart Gift & Home Furnishings Market July	91,000	AmericasMart Atlanta
SEC Football Championship	73,000	Georgia Dome
2014 Chik-Fil-A Bowl	72,000	Georgia Dome
Chick-fil-a College Kick-Off	72,000	Georgia Dome
Cheersport	70,000	GWCC
Atlanta Football Classic 2011	60,000	Georgia Dome
Passion Conference	60,000	GWCC
Tampa Bay Big South Qualifier	59,000	GWCC
Source: *Atlanta Business Chronicle, Book of Lists 2013 - 2014*		

Transportation

The Atlanta region's continued emphasis on upgrading the transportation system is a significant factor in the area's economic growth and development. The main focus on improvement has been primarily in three areas over the recent past: the Metropolitan Atlanta Rapid Transit Authority (MARTA) commuter railway project; Hartsfield-Jackson Atlanta International Airport; and the interstate highway system.

MARTA is a public agency that provides mass rail transportation in the two most populated counties of the Atlanta region. Its transit system consists of extensive bus service (over 150 routes) and a heavy-rail, rapid transit system in DeKalb and Fulton Counties. The rail system consists of north-south and east-west lines that intersect near the center of Atlanta's CBD. The system currently consists of 47 miles of rail and 38 stations, including one at Hartsfield Airport. Cobb, Gwinnett and Clayton counties also have bus transit systems that have routes to the CBD, as well as links to other MARTA routes.

The interstate highway system in and around Atlanta is well developed. Encircling the city is the six- to 10-lane, 64-mile, I-285. The highway system also includes three major freeways that intersect in the middle of town and radiate out in all directions. These are I-20 (east/west), I-75 (northwest/southeast), and I-85 (northeast/southwest). Additionally, the extension of Georgia Highway 400 from I-285 to I-85 near the downtown connector was completed in 1993. This is Atlanta's first toll road and provides multiple-lane, direct access to the central business district for residents of north Fulton and Forsyth Counties.

Hartsfield-Jackson Atlanta International Airport is the world's largest passenger terminal complex and the world's busiest airport (per *Wikipedia* and other sources). Since 1998, Hartsfield-Jackson has been the busiest airport in the world, thus making it the busiest airport in the history of aviation.

Other Features

Some additional features of Atlanta are 29 degree-granting colleges and universities and the Jimmy Carter Presidential Center. Atlanta is one of few cities with three major professional sports teams: football with the Atlanta Falcons (1998 NFC Champions); basketball with the Atlanta Hawks; and baseball with the Atlanta Braves (1992, 1996, and 2000 National League Champions and 1995 World Series Champions); The Atlanta Thrashers hockey team moved from Atlanta to Winnipeg, Manitoba in June 2011. Additionally, the Atlanta area hosts a major NASCAR race every year (over 100,000 in attendance). Major recreational attractions include Six Flags Over Georgia, Stone Mountain Park, Lakes Sidney Lanier and Allatoona, and multiple museums and theater venues. New attractions in the Atlanta area include the Georgia Aquarium and Atlantic Station.

Over the last decade, Atlanta has been a huge presence in the world of spectator sports. It all started with its selection as the site of the 1996 Summer Olympics. A key factor in that achievement, as well as the city's hosting of the 1994 and 2000 Super Bowls, 2002 and 2007 NCAA Men's Basketball Final Four, 2003 NCAA Women's Basketball Final Four, and major indoor track events, has been the Georgia Dome. This indoor stadium was completed for the Falcons' 1992 football season. A new, state-of-the-art is in the planning stages for the Falcons and should be completed in 2017. Coupled with recent improvements to the nearby Georgia World Congress Center, it has proven to be a big plus for the city. The spin-off from the events has further enhanced Atlanta's reputation as a true international city, not to mention the significant economic impact.

CONCLUSIONS / OUTLOOK

According to Rajeev Dhawan of the Economic Forecasting Center at Georgia State University's J. Mack Robinson College of Business, "The Peach State job engine is indeed humming." Second quarter 2014 job growth was "very encouraging," with 25,900 positions added, a marked increase from the 6,800 created in the inclement first quarter and projects a total gain of 74,100 jobs in 2014. Georgia employment grew by 83,400 in calendar year 2013. Expect a gain of 74,100 positions in calendar year 2014 (15,300 premium jobs). Employment growth will improve to 83,600 jobs (18,600 premium jobs) in 2015 and 86,600 jobs (16,900 premium) in calendar year 2016.

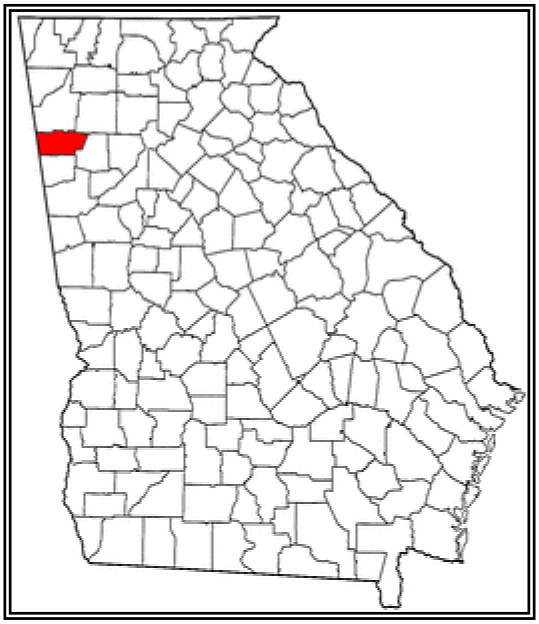
Looking at Georgia's important catalyst sectors, which start a chain reaction of job creation, jobs in professional and business services will grow by 25,500 this year, with further gains in coming years. Growth in manufacturing, which gained only 2,400 positions in 2013, will pick up in 2014 with 4,900 new jobs, and grow further in 2015 with 7,200 jobs added. Education and healthcare will add 6,800 jobs in 2014, down from 10,500 jobs in 2013, a drop Dhawan attributes in part to hospital downsizing and mergers. The sector will soon experience strong growth, gaining 11,000 jobs in 2015 and 12,200 in 2016. State unemployment will average 7.2% in 2014, fall to 6.5% in 2015, and 5.9% in 2016. Nominal personal income will increase 3.5% in 2014, 4.9% in 2015, and 5.6% in 2016. Atlanta will add 52,900 jobs (11,300 premium jobs) in calendar year 2014. Total payrolls for Metro Atlanta will grow by 55,600 jobs (13,600 premium jobs) in calendar year 2015. Atlanta employment will rise by 59,400 positions (13,300 premium jobs) in calendar year 2016.

There is some concern over the recent rise in the state's unemployment rate, which can be explained by putting Dhawan's Triangle of Money concept in motion. In brief, when a job is created, it results in a paycheck and new income tax collection. People making money spend it on taxable items, and thus sales tax revenue collections increase. When the job growth engine is humming, tax collections are rising. And indeed they are rising across all categories. Total tax collections increased 5.2% in the last six months of FY2014. This pace of tax collections is more or less expected to continue, says Dhawan, as investment spending translates into job creation. However, the quality of these new jobs matters, especially for Atlanta real estate developers. "When calculating the demand for real estate, developers should look not only at total job gains, but also at the purchasing potential of the jobs," advises Dhawan. Could developers overreach, as happened with office and condo developments in the mid-2000s? "Not yet, but if all the high-rise apartment plans currently announced for Midtown receive financing, it could happen."

Atlanta's housing permits increased 70.2% to 24,065 units in 2013 due to an 85% increase in multifamily permits. In 2014, permitting activity will increase a paltry 0.3% to 24,143. Permit activity will grow 5.9% in 2015 and 13.7% in 2016 as single and multifamily permits ramp up.

Mr. Dhawan also notes that unease stemming from global factors (oil price spikes triggered by the rise of ISIS, Russia-Ukraine tensions putting downward pressure on Europe, and China's inability to jumpstart its economy), as well as national factors (market reaction when the Federal Reserve completes its bond-buying program this fall), will somewhat impede the Georgia's forward momentum.

POLK COUNTY



History

Polk County, created on December 20, 1851, by legislative act and named for President James K. Polk, is located in the Coosa Valley area of Northwest Georgia. Prior to the 1830's legend has it the area was prized by both the Creek and Cherokee Indian camps due to a large, natural limestone spring, known as the Big Spring, so ownership was settled by a game of ball which the Cherokees won. The Cherokees established a village named "Charley Town" in the western part of what was to become Polk County. In 1838 Cherokee possession came to an end as President Andrew Jackson decreed that the Cherokee nation would be forcibly relocated to Oklahoma. A containment camp, called Cedar Town, was established near the Big Spring. This encampment became the southernmost camp for the forced roundup and removal of the Cherokees to Oklahoma on what became known as the "Trail of Tears". The War Between the States came to Polk County near the end of the war when Kilpatrick's Calvary burned the Courthouse and numerous buildings in Cedartown, now the county seat. About the same time a wing of the Union Army of Tennessee swept through eastern Polk and engaged in a minor skirmish near Van Wert Church. Polk County survived reconstruction and developed industrial mining of hematite iron ore in the western part of the county and mining of slate in the eastern portion. After the turn of the century cotton farming became king and industrial giants like Goodyear and Julliard came and constructed mills where local cotton was loomed into thread and fabric. Today, Polk County has a diversified economy with modern industrial parks in both Cedartown and Rockmart. Four-lane US-278 runs east and west in the county, and four-lane US-27 runs north and south. The highly popular Silver Comet Trail for hiking and biking runs from the eastern boundary at Paulding to the western boundary at the Alabama state line.

Population

According to a demographic study prepared by ESRI, through STDBonline.com, for 2013, Polk County had a population of 41,708, up from 38,127 in 2000 and 41,475 in 2010, indicating a 1.4% annual growth rate since 2000 but only a 0.19% annual growth rate for the past three years. The population is expected to grow to 42,224 in 2018, indicating a projected 0.25% annual growth rate over the next five years.

Healthcare

The new Floyd Polk Medical Center opened on November 6, 2014. In addition to a 12-room expandable emergency room, the $40 million, 25-bed hospital features a new surgical program with two state-of-the-art operating rooms and increased diagnostic and imaging services, including a dedicated women's diagnostic center. Additionally, the complex includes a 23,000-square-foot medical office building, featuring physician offices and outpatient services, including physical therapy and cardiac rehab. Senior care is available at Rockmart Nursing and Rehabilitation, a 73-bed, skilled and intermediate care facility, Cedar Valley Nursing and Rehabilitation, a 100-bed, skilled and intermediate care facility, and Cedar Springs Nursing and Rehabilitation, a 116-bed intermediate care facility. Polk County's assisted living facilities include Plantation South, a 28-room facility and Winthrop at Polk, a 30-room apartment facility.

Employment

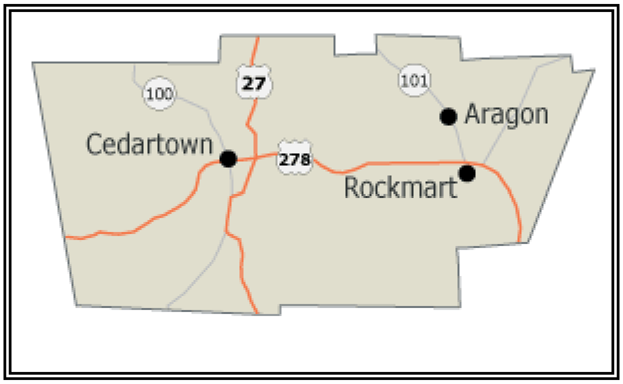
The following is a list of the top 10 employers in the county.

TOP TEN EMPLOYERS - POLK COUNTY			
Company	**Product/Service**	**Location**	**Employees**
Meggitt Polymers & Composites	Aircraft Fuel Tanks	Rockmart	1169
HON Company	Manufacture Office Furniture	Cedartown	680
Tip Top Poultry	Poultry Processing	Rockmart	650
AT&T	Telecommunications	Cedartown	378
Angelica Textile Services	Industrial Laundry	Rockmart	242
Jefferson Southern Corp.	Automotive Parts	Rockmart	190
Metaugus, Inc.	Nutritional Products	Cedartown	160
EBY-Brown	Wholesale Grocer	Rockmart	150
Nordic Logistics & Warehousing	Public Refrigerated Warehousing	Rockmart	128
Advance Storage Products	Manufacture Storage Systems	Cedartown	124
Source: Polk County Chamber of Commerce			

Big Spring Park

Big Spring, located in Cedartown, is the second largest limestone spring in the South. This spring produces an average of 4 million gallons of water per day and provides water to 10,000 people in NW Georgia. It also was the site of a ball field and ceremonial dance ground of the Cherokee Indian natives until the early 1800s. According to legend, rights to the main water source, The Big Spring, were won by the Cherokee who challenged the Creek in a peaceful ballgame.

CEDARTOWN



According to *Wikipedia*, Cherokee and Creek Native Americans first inhabited the area known as Cedar Valley. The Cherokee people had established a village they called "Beaver Dam" near present day Cedartown. During the Civil War, Cedar Town was abandoned by most of its citizens when Union troops encroached. The city was burnt to the ground by the Union forces of General Hugh Kirkpatrick in 1865, leaving only one mill standing on the outskirts of town. In 1867, the town was re-chartered by the state of Georgia as Cedartown. An influx of industrial business bolstered the largely cotton-based economy of Cedartown, with Goodyear and other fabric mills and iron works appearing in or near what is now the Cedartown Industrial Park on the west side of town. Industrial and passenger railroad service was added to Cedartown in the early 20th century. The Goodyear Tire and Rubber Company built a large textile mill operation in Cedartown, and also built a large residential section of town for mill workers, now known as the Goodyear Village.

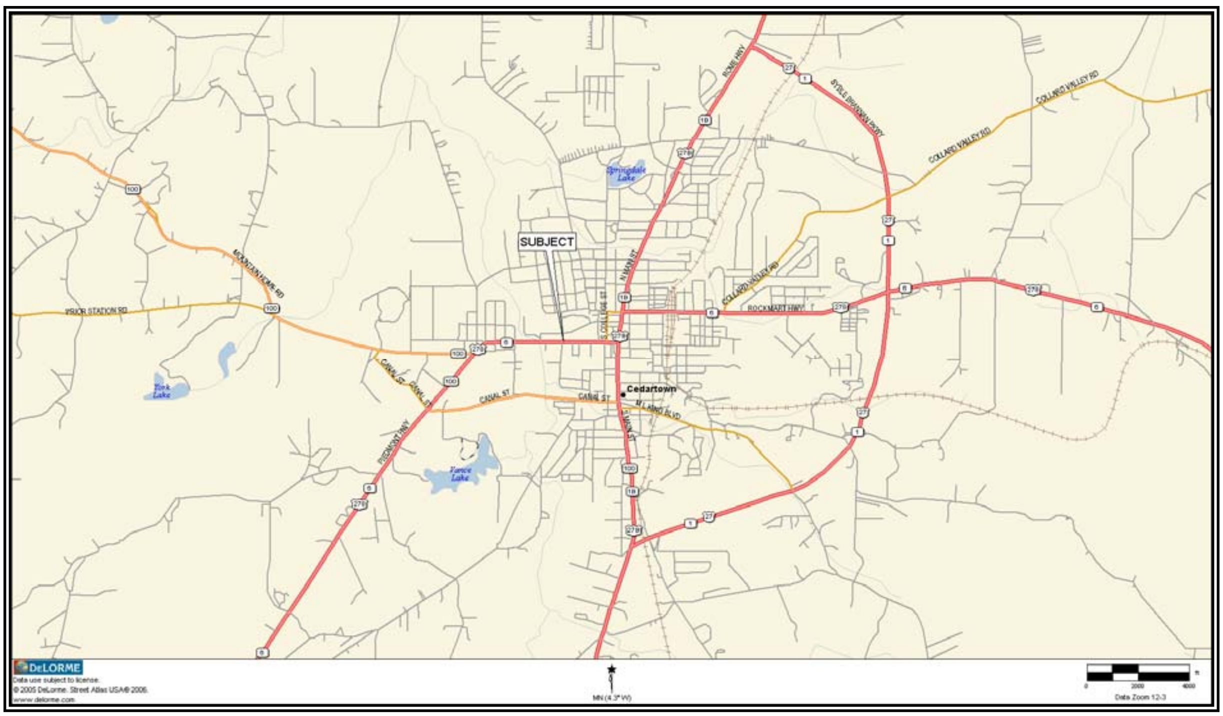
In recent times, the Georgia Rails to Trails project has converted much of the former Seaboard Air Line into the Silver Comet Trail, a federal and state funded park that connects many cities in Northwest Georgia. Cedartown's Main Street is listed in the National Register of Historic Places in recognition of its 1890s architecture. During the 1970s, many structures were demolished including train stations, churches, and a high school, and a theater on Main Street. Downtown Cedartown has recently seen massive investment in new sidewalks, street parks, and paving to showcase the downtown district.

With the shift away from rural living patterns toward Interstate Highway satellite suburban living patterns, combined with the general U.S. shift away from agricultural and industrial economies, Cedartown is left in an awkward position. The city suffered a major economic blow in 1983 when the Goodyear Tire and Rubber Company closed its Cedartown mill operations. For its current employment, Cedartown mainly relies on the prospect of large corporate operation centers like that of AT&T, small manufacturing operations like that of The HON Company, and the retail operations of Wal-Mart. The Hon Company is Cedartown's largest for-profit employer. The Rome Plow Company, formerly located in Rome, Georgia, is headquartered in Cedartown. It manufactured the Rome plows used as jungle-clearing vehicles during the Vietnam War and produced agricultural vehicles until it shut down in late 2009. Rome Plow has since been purchased and re-opened. The new facility recently underwent an expansion.

NEIGHBORHOOD OVERVIEW

Location and Boundaries

The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD. Neighborhood boundaries are Highway 27/1 (Syble Brannon Parkway) to the north, south and east (runs in a semi-arc around the eastern portion of the city) and Highway 100 (Mountain Home Road) to the west. A neighborhood map is presented below with a larger map, as well as a regional map, included in the Addenda.



Access and Availability of Utilities

Access to and through the subject neighborhood is average. Primary roadways through the city include SR-6/US-278, SR-1/US-27 and SR-100. These roadways all intersect at some point in and around downtown Cedartown and have various names (Rockmart Highway, Piedmont Highway, Main Street, Canal Street, ML King Blvd., West Ave., East Ave, Syble Brannan Parkway, etc.). SR-6/US-278 runs in a general east/west direction through Polk County, providing access east into neighboring Paulding and Cobb Counties, and west/southwest into Alabama (about nine miles). SR-1/US-27 runs in a general north/south direction through the county, providing access north to Rome, GA (about 18 miles) and south into neighboring Haralson County. It also provides access to I-20 (about 23 miles south), which is the nearest interstate. It is noted that SR-1/US-27 forms an arc around the eastern portion of the city while SR-1/US-27 Business runs through the central part of the city. SR-100 runs northwest from Cedartown providing access to the Northwest Georgia Mountains and south/southwest (generally parallel to SR-1/US-27) to Tallapoosa, GA and then to I-20. In addition, there are a number of secondary streets serving the area.

Streets in the neighborhood are asphalt-paved with a combination of overhead and underground utilities, and surface drainage. Utilities available throughout this neighborhood include water, sewer, electricity, natural gas, cable television and telephone. Police and fire protection are also provided.

Land Use

The subject's general neighborhood is about 60% to 70% developed, with vacant land scattered throughout the neighborhood, mainly to the west and south. Development within the neighborhood is a mixture of commercial and light-industrial along primary traffic arteries and residential on the secondary roads. The subject’s primary frontage Road (West Avenue) is a somewhat primary neighborhood artery that contains several strip-retail centers (small, old, unanchored), light-industrial buildings, free-standing restaurants, a branch bank, churches and other similar uses. It also contains a fair amount of vacant lots, some that contain old, vacant improvements. Directly east and adjacent to the subject is the old Purks Building. This historic building was originally constructed in 1942 to house the Purks Middle School. In 2005 it was purchased by EB Slaughter Realty and transformed into a special events facility that included the Purks Restaurant, the "Bell Tree" at the Purks Lounge, Comedy at the Purks, an Auditorium with 2400 seating capacity (largest in Polk County) and banquet/meeting rooms with seating capacity up to 300. However, it closed after just a few years and has been vacant since. Uses along Prior Street (the subject’s other frontage road) in the vicinity of the subject are primarily old, single-family homes and a baseball field. Big Spring, discussed in a prior paragraph, is located behind the baseball field. In general, the overall characteristics of the immediate area surrounding the subject are average at best.

The subject is also just a few blocks west of the main downtown corridor of Historic Cedartown, which consists of typical downtown-square, mom-and-pop retail-, office and service-type businesses, as well as county and city government buildings. This area has recently seen substantial investment in new sidewalks, street parks, and paving to showcase the downtown district.

The majority of commercial development in Cedartown has taken place along SR-1/US-27, north and south of Historic Downtown Cedartown (primarily to the north), and includes neighborhood and strip retail centers, gas stations, branch banks, fast-food and full-service restaurants, motels, auto-related businesses and other similar uses. Some of the more well-known retailers in the area include Kroger, CVS, Rite Aid, Auto Zone, Ace Hardware, Badcock Furniture, CVS Pharmacy, Family Dollar, Huddle House, Bojangle's, Taco Bell, Waffle House, Wendy's, McDonalds, Burger King, Dairy Queen, Krystal, and Checkers. On the north side of town, there is a Home Depot and a Wal-Mart-anchored retail center, as well as various outparcels.

On the east side of town is the Cedartown Civic Auditorium, the Cedartown Library, a large cemetery and the new Floyd Polk Medical Center, which opened on November 6, 2014. In addition to a 12-room expandable emergency room, the $40 million, 25-bed hospital features a new surgical program with two state-of-the-art operating rooms and increased diagnostic and imaging services, including a dedicated women's diagnostic center. Additionally, the complex includes a 23,000-square-foot medical office building, featuring physician offices and outpatient services, including physical therapy and cardiac rehab.

We also observed a number of schools and churches in the area, as well as some light-industrial uses, mainly office-warehouses. Most larger-scale industrial development in the area is located in the Cedartown Industrial Park, on the west side of town. The most notable land use is the Hon Company, which manufactures furniture on a 44-acre site. With over 500,000 square feet of light manufacturing space the company employs over 600 people and annual revenues are estimated at over $500 million. The improvements were originally built in the late 1960's and expansion continued through the 1990's.

Residential development in the area consists mainly of older, single-family ranches on small lots and in average to below average condition. As will be seen on a following page, the median home value within a three-mile radius of the subject property is $73,914, slightly below the County median ($78,886). In addition, about 50% of the homes were built before 1969. There are only a few multi-family developments in Cedartown, most of which are located on the north side. There a few small, market-rate complexes (50 units or less), a few LIHTC complexes and a few mixed-income properties. The most recent development in the area is Hummingbird Pointe, a 64-unit, 100% LIHTC property built in 2010. This complex is located on the north side of town, along Cherokee Road. The property is currently 100% occupied. We will discuss a number of these apartment properties in the market analysis section of this report. It is noted that there are also a significant amount of public housing properties scattered throughout the city, also owned by the Cedartown Housing Authority. These properties are primarily small duplex- or quadplex-style properties built in the 1940's and 1950's. We also observed some mobile homes and manufactured housing, mostly on the south side of town.

Demographics

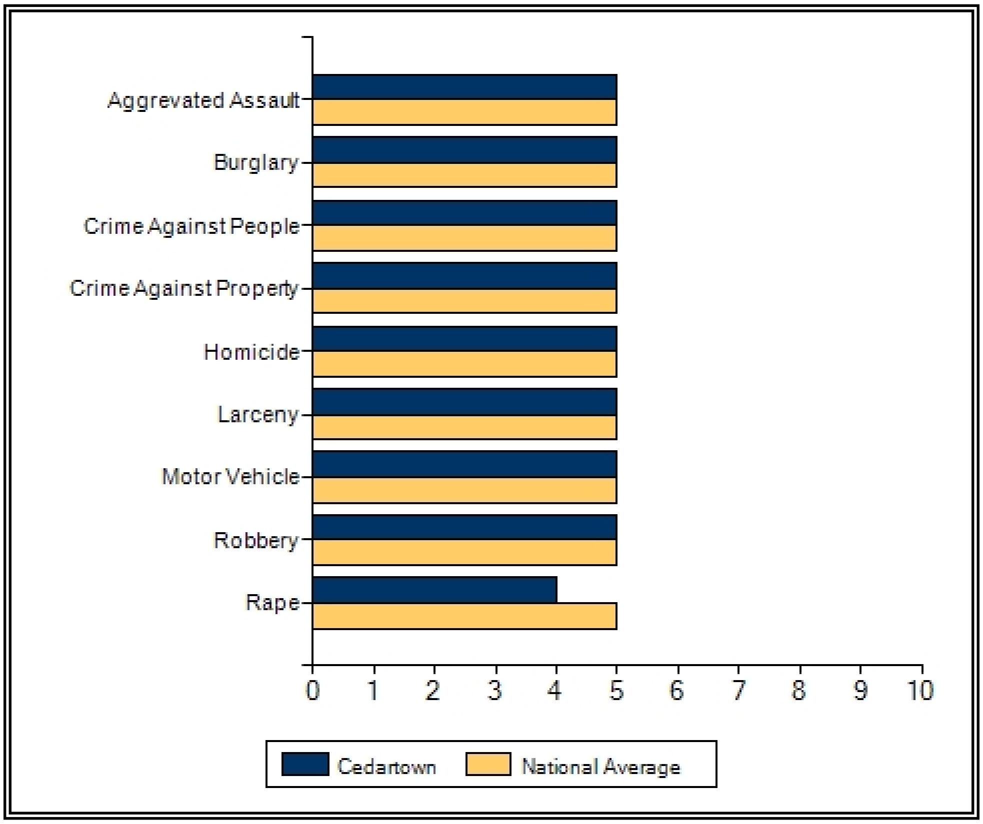
To gain additional insight into the characteristics of the subject's neighborhood, we reviewed a demographic study prepared by ESRI through *STDBOnline*. The information in the following table primarily pertains to a three-mile radius around the subject property and Polk County. The full reports are included in the Addenda.

DEMOGRAPHICS SUMMARY				
344 West Avenue, Cedartown, GA - 3-Mile Radius				
	2000	2010	2013	2018
Population	14,788	15,595	15,822	16,222
Growth		5.46%	6.99%	2.53%
Households	5,347	5,473	5,572	5,691
Growth		2.36%	4.21%	2.14%
			3-Mile Radius	Polk County
Income				
Average HH			$47,134	$47,931
Median HH			$36,607	$38,359
Per Capita			$16,701	$17,456
Median Home Value			$73,914	$78,886
Housing Units				
Renter - Occupied			42%	32%
Owner - Occupied			48%	57%
Vacant			10%	11%
Most Homes Built (decade)			Pre 1969	Pre 1969
Percentage			50%	43%
Education Levels (Adults > 25)				
High School Graduate			65%	74%
4-Year College Degree			10%	11%
Largest Employ. Categories				
Services			41%	39%
Manufacturing			22%	22%
Retail Trade			14%	13%
Construction			11%	9%

Source: ESRI

The demographic information illustrates that the subject neighborhood has experienced slow growth in terms of both population and households since 2000 and this trend is expected to continue for the next five years. In comparison to the county, income levels, home values and education levels are all below average. Homes in the area are older and are weighted towards owners. However, we do note that the percentage of renters within our three-mile search radius is much higher than the average for the county (42% compared to 32%). Employment in the area is fairly diversified with a heavy concentration in services and manufacturing positions, followed by retail and construction-related jobs.

We referenced Relocation Essentials for crime data in the subject zip code. As shown, eight of the nine crime categories were equal to the national average and one is below.



Conclusion

In general, the neighborhood is an established and slow growing area of extreme western metropolitan Atlanta. The area appears to be adequately served by supportive retail and service businesses. Access to and through the area is average, with easy access to several major local arteries. We expect the overall demographic nature and development characteristics of the neighborhood to remain relatively consistent, with continued slow growth over the foreseeable future. These factors suggest the subject area should continue to be a desirable location for some form of subsidized housing.

The site and improvement descriptions included in this report are based on a personal inspection of the subject property; various documents provided by the owner and developer including a unit mix, rent rolls, surveys, building plans, historical and budgeted operating statements, CHAP contracts and other items; discussions with representatives of the owner and the developer; property tax information; and our experience with typical construction features for apartment complexes. The available information is adequate for valuation purposes. However, our investigations are not a substitute for formal engineering studies.

SITE DESCRIPTION

Address:	Grayfield Apartments 344 West Avenue Cedartown, Polk County, GA 30125
Location:	The subject is located along the north side of West Avenue and the south side of Prior Street, just east of Furnace Street, within the city limits of Cedartown, Polk County, Georgia. This location is about 60 miles northwest of the Atlanta CBD.
Tax Parcel Number:	C12-074
Land Area:	Currently, the overall site is 3.108 acres (per provided survey). However, due to flood zone issues a 0.59-acre portion of the site will be carved out and not be considered part of the subject collateral. Thus, we have used a site area of 2.518 acres.
Shape and Frontage:	Irregular shape with 312' frontage along the north side of West Avenue. Currently, the site also has frontage along the south side of Prior Street. However, this portion of the site will be carved out and not be considered part of the subject collateral.
Ingress and Egress:	Two curb cuts along the north side of West Avenue and one along the south side of Prior Street (access easement)
Topography and Drainage:	The subject site has a generally level topography and is at grade of its frontage roads. Drainage occurs in a number of directions. The parking/drive areas are sloped to promote subsurface drainage. We are unaware of any drainage issues and assume that none exist.
Soils:	We were not provided a geotechnical exploration report. We are not aware of any soil problems and assume the site can support the existing improvements both now and into the future. We have no expertise in this area. We recommend the consultation of a specialist for further questions of this nature.

Easements:	The provided survey indicates an access and parking easement along the northern boundary of the site. We assume the only other easements are those typically provided for the installation and maintenance of utilities or right of way easements. We are aware of no detrimental easements and assume that none exist. However, we are not qualified in this legal matter.
Covenants, Conditions, and Restrictions:	We are not aware of any deed restrictions, or restricting covenants, other than zoning. However, this is a legal matter, and we recommend professional counsel for questions of this nature.
Utilities/Services:	Utilities available to the subject include water/sewer, electricity, natural gas, and telephone. Services include police and fire protection.
Flood Zone:	According to the provided survey, the subject property is identified on Federal Emergency Management Agency Flood Insurance Rate Map Number 13233C0044D, effective date September 26, 2008. Based on a review of the survey, portions of the subject property are located in Zone X, which is defined as areas outside of the 100- and 500-year flood plain while other areas are located within Zone AE, which is defined as areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. The AE area is located at the northeastern portion of the site and encompasses approximately 25% of the overall site. This area is the location of the maintenance building, parking areas and a pond. We were informed that this portion of the site will be carved out and not be considered part of the subject collateral. The main building is not located within the flood-prone area. We are not experts in this area and recommend the consultation of an expert for flood issues or the need to purchase flood insurance.
Environmental Issues:	We were not provided a Phase I Environmental Assessment Report (ESA). No environmental problems were apparent during our inspection, but we are not qualified in this field. This analysis assumes that there is no hazardous material on or in the property, including land and improvements, which would cause a significant loss in value. We reserve the right to adjust our conclusion of value if any environmental conditions are discovered.
Conclusion:	The subject site is considered to have adequate overall physical utility for its current use. This conclusion is based on the site’s size, shape, topography, accessibility and exposure, and availability of all utilities and services. Additionally, it is our opinion that the improvements reflect good utilization of the site’s physical characteristics.

IMPROVEMENT DESCRIPTION

Construction Class: The subject building has concrete frame and brick/stucco exterior. According to the *Marshall Valuation Service* manual, the building qualifies as average, Class A[1] construction.

Competitive Rating: The subject is perceived in its market as a Class-C property in terms of quality, features, amenities and age.

Unit Mix:

UNIT MIX Grayfield Apartments					
Type	**No. Units**	**HUD Net SF**	**HUD Net Total**	**Gross SF**	**Gross Total**
0BR/1BA	40	420	16,800	461	18,440
1BR/1BA	56	525	29,400	573	32,088
2BR/1BA	4	840	3,360	916	3,664
Total / Average	100	496	49,560	542	54,192

Source: Developer Provided Unit Mix

Improvement Summary:

Area (SF):	49,560-SF HUD net / 496-SF average 54,192-SF gross rentable / 542-SF average 84,010-SF gross building area
Year Built:	1974
Units:	100 units with 5 handicap-accessible units
Floor Plans:	Studio, one- and two-bedroom units
Condition:	Average
Buildings/Stories:	One five-story, T-shaped apartment building
Access:	Interior corridor. Two central elevators.

Exterior Description:

Foundation:	Poured, reinforced concrete
Frame:	Concrete
Exterior Finish:	Brick and stucco
Roof:	Flat, built-up, single-ply membrane

Interior Living Areas:

Walls:	Concrete and painted drywall
Windows:	Aluminum frame, single hung
Ceiling:	Painted concrete and acoustical tile
Lighting:	Fixtures, fluorescent and incandescent
Flooring:	Carpet, ceramic and laminate tile

Kitchen Areas: Wood cabinetry w/ plastic laminate countertops, refrigerator, stainless sink and 24” range/oven with hood. No dishwashers, disposals or W/D connections.

Bathrooms: Porcelain commode, pedestal sink and ceramic tile tub/shower combination.

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1) The primary feature of Class A buildings is the fireproofed, protected structural steel frame, which may be welded, bolted, or riveted together. The fireproofing may be masonry, poured concrete, plaster, sprayed fiber, or any other type which will give a high fire-resistant rating. (Source: *Marshall Valuation Service*, January 2012, ♣1, p. 5)

Other:	HVAC:	Pad-mounted, exterior HVAC units (central electric heat pump systems).
	Electrical/plumbing:	Typical, assumed adequate. The property has a power generator. Gas water heaters. The building is not sprinklered.
	Interior doors:	Wood
	Exterior doors:	Metal

Parking/Sidewalks: 50 surface parking spaces including 8 handicapped spaces. We assume parking spaces are in compliance with local zoning requirements.

Landscaping/Other: Typical landscaping, signage, and metal / chain-link fencing

Property Amenities: Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms and a gazebo. There are common area restrooms on the ground floor and common areas with vending machines and exterior balconies on each floor. There is also an office on the ground floor that had previously been utilized as the leasing office. It is currently just used for storage and office area. There are no tenants in this space.

Utilities: The complex pays for electric, natural gas, water, sewer and trash. Tenants pay a flat $31.26 per unit per month for cable. Reportedly, the tenants will contract for this service directly with the cable provider, post rehab.

Economic Age and Life: According to *Marshall Valuation Service* cost guide (Section 97, page 10, Multiple Residences, Class D), buildings of this type and quality have an expected life of about 55 years. However, this may be extended by a consistent repair schedule. The subject complex was built in 1974 with upgrades/replacements on an “as needed” basis. The roof was replaced in 2008. We also note that the subject is proposed for a substantial rehabilitation that will include replacements to various items (detailed on the following page) and various repairs.

It is noted that the foregoing estimates largely pertain to physical life. For purposes of the appraisal we are to estimate *remaining economic life*, which takes other factors into consideration and may vary from remaining physical life. Remaining Economic Life is defined as the estimated period during which improvements will continue to contribute to property value and an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal. Our estimate considers the following factors:

1. The economic make-up of the community and the ongoing demand for the subject type,
2. The relationship between the property and the immediate environment,

3. Architectural design, style and utility from a functional point of view,
4. The trend and rate of change in the characteristics of the neighborhood that affect values,
5. Construction quality, and
6. Physical condition

The subject is average-quality construction and the unit mix and sizes are consistent to competitive properties in the area and fit the tenant base well. In addition, the subject's construction quality, condition and level of amenities are all consistent to competitive product. There has been very limited new construction in the area in the past five years and nothing new is planned for the immediate area. This should bode well for occupancy at the subject and as such, there should be minimal vacancy. Finally, the subject will be fully funded with annual deposits that will meet capital needs through an ongoing repair and replacement schedule, which should prolong the life of the subject. Considering all of these factors, we estimate a **remaining economic life, post-rehabilitation, of 55 years**.

Conclusion/Comments: The subject's construction is consistent with similar vintage apartment complexes in the area and has features sought by tenants in the market.

RENOVATIONS

The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, interior and exterior paint, new signage, new kitchen cabinets, countertops and appliances, plumbing improvements, new water heaters, new bathroom fixtures, new lighting and other items. The cost of these items is estimated at approximately $32,500 per unit. A detailed scope of work and budget is included in the addenda.

ZONING ANALYSIS

The property is subject to the zoning regulations of the City of Cedartown, Georgia. According to Joseph Martin with the Cedartown Planning and Zoning Department, the subject parcel is zoned C-2, General Commercial District. The C-2 District is intended to promote general commercial activities in appropriate and concentrated locations along major streets and the existing city center. Permitted uses in this district include various types of retail, service and office uses including but not limited to appliance stores, art galleries, health clubs, book stores, clothing stores, drug stores, groceries, hardware stores, laundry facilities, professional offices, restaurants, motels/hotels, government buildings, automobile sales, banks, minor shopping centers and other similar uses. There are no minimum lot area requirements. Front, side and rear setbacks are 35', 20' and 20', respectively, and the maximum building height is 50'.

Apartment complexes are not permitted in this district. According to Mr. Martin, the subject is a legal non-conforming use and if it were to be destroyed, it would have to apply for a conditional use application to construct similar improvements. However, in Mr. Martin' opinion, that would not be much of a problem as the property has been there for 40 years and the development patterns have not changed much. A letter from the City of Cedartown regarding zoning is included in the Addenda.

TAX ANALYSIS

The Polk County Tax Assessors' Office has the subject valued at $2,115,000 ($21,150 per unit) for 2014, which includes $63,070 for land value, $2,021,420 for improvement value and $30,510 for accessory value. The subject is publicly owned and is not subject to real property taxes. However, it does make a payment in lieu of taxes (PILOT). This PILOT has been in place since 1969 and shall continue as long as the project is owned by a public body or a contract between the local authority and the government for loans or annual contributions, or both, in connection with such project remains in force and effect, or bonds issued in connection with such project remain unpaid, whichever period is the longest. Reportedly, this will continue post-renovation. We will discuss estimated PILOT taxes for our "as is" and post-renovation analyses in the income capitalization approach, later in this report.

Although we will not be utilizing market taxes in either of our valuations, we did review the current assessments at several local properties just to show what market taxes would be without the restrictions and PILOT program. Details of the comparables are presented in the following chart. It is once again noted that the subject's current assessed value is $21,150 per unit.

TAX COMPARABLES				
	1	2	3	4
Name	Hummingbird Pointe	Cedar Chase Apartments	Evergreen Village	Kirkwood Trail
Address	51 Cherokee Road	76 Evergreen Lane	110 Evergreen Lane	133 Cason Road
Parcel No.	029B024	023E102A	023E103 & 090	025C146A/146B & 149
# Units	64	28	56	52
Year Built	2010	1986	1999	2002 / 2008
Tax Assessed Value	$2,000,000	$850,000	$1,480,873	$1,452,606
Tax Value / Unit	$31,250	$30,357	$26,444	$27,935

Source: Polk County Tax Assessor Office

Our research and discussions with county officials indicates that there are limited 100% market-rate properties in the county. Comparable One is 100% LIHTC, Comparables Two and Three are 100% market and Comparable Four is mixed-income with market-rate units. The comparables were built between 1986 and 2010 with unit counts from 28 to 64. They present a range of assessed value per unit from $26,444 to $31,250 with a mean of $28,997. Comparable One ($31,250) is the highest quality, newest built property and is an age-restricted property (55+). However, it is a LIHTC property with rent restrictions. Still, in the subject's market, maximum thresholds are at or above market levels. As such, it should not have significant impact. Comparables Two ($30,357) and Three ($26,444) are 100% market-rate. The subject was built in 1974 and has a total of 100 units. The subject is older than the comparables and has a higher unit count. Based on this information, we estimate that the current tax assessor appraised value of $21,150 per unit is reasonable and will be used in our analysis. Real estate in Georgia is assessed at 40% of the assessor's estimated market value. Thus, the assessed value is $8,460 per unit, or $846,000 total (100 units). At the current millage rate of $38.62 per $1,000, the resulting taxes would be $32,673. This is the amount we will utilize in our “as is” analysis assuming market rents and expenses. For our post-renovation analyses, we will estimate PILOT taxes.

An overview of regional and local market conditions is a necessary aspect of the appraisal process. The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. In this section of our report, we will review trends in the investment market relative to apartments in particular. This presentation is followed by a discussion of the subject's submarket and competitive set. We will also estimate a reasonable exposure and marketing period for the subject.

APARTMENT INVESTMENT MARKET

The following paragraphs were taken from *Emerging Trends in Real Estate 2015*. According to the study, multifamily was real estate's trendsetter in the first years of recovery. If you go by just the numbers, the opinions of the *Emerging Trends* survey respondents seem sharply divided. For high-end multifamily, nearly half of the respondents (48%) felt it would be smart to divest in 2015, while 30% consider it worthwhile to hold for a longer period. Only 21% suggest this is a good time to buy. At the more moderate income level, that relationship was reversed. Only 28% recommend selling, while holding and acquisition are more attractive, with 37% and 35% recommending these strategies, respectively, in the year ahead. The survey subtly distinguishes between the moderate- and upper-income tiers' investment and development prospects. For investment, more moderately-priced apartments have the edge. Despite this, the upper-income units have an attractive price-to-cost spread. Survey respondents expect upward cap-rate adjustment, though most of the shift will not happen in 2015 but in the 2016 to 2018 period. The sense of urgency to sell just isn't at hand right now.

Developers' preferences for upper end apartments notwithstanding, the depth of demand for luxury rental units goes only so far. Wealthy households prefer to own their homes - and most already do. The bulk of pent-up and emerging demand comes from the battered middle-income and lower-middle-income sector, predominantly renters. As the forecasted gains in employment take hold, millennial sharers, “boomerang children,” domestic migrants, and international immigrants represent the bulk of new residential renter demand. Developers may actually be able to “make up in volume what they can't achieve in price.” The overarching context is that next year and beyond, the demand fundamentals for moderate apartments continue to look very good. Many interviewees expect the millennials to move into homeownership in some significant numbers, but that won't happen until 2020 or later. One economic forecaster sees terrific opportunities to buy value-add multifamily and suggests as a “best bet” purchasing “B” buildings in “A” markets. Should the acceleration in the job market begin to push incomes up for the middle class, a hope or a reasonable guess, but not a certainty, there could be a nice bump in rents for those Class B apartment buildings. Supply is still on the rise, but a disproportionate share of new construction is at the high end.

As a screening device, one investor looks for markets with science, technology, engineering, and math (STEM) strength — which usually means a big research university drawing young tech and engineering talent in need of apartments, with salaries that are attractive to the owners of rental complexes. The real strength in multifamily, though, is that it is not dependent upon just one demand segment. As local economies grow and the number of jobs rises, rental housing is required. This is not rocket science. Unless you are a contrarian, though, don't expect a rapid upward turnaround for suburban garden apartments. Once a classic vehicle for developers and investors riding the wave out of the center city, these are now out of favor with millennial renters and portfolio managers alike. Still, transaction data show that there's a steady parade of buyers for garden apartment product, which has about a 150-basis-point-higher cap rate than mid- and high-rise multifamily. As potent as the urbanization trend is, there is still a huge base of suburban units out there, and they are a lot cheaper.

According to the *PwC Real Estate Investor Survey – Fourth Quarter 2014*, amid rising prices in an aggressive investment arena, the current pace of total sales in the national apartment market is ahead of last year. Through the third quarter of 2014, total apartment sales reached $73.1 billion, compared to $71.1 billion in the prior year, as per RealCapital Analytics. At the same time, the average price per unit increased 21.5%. Despite the characterization by certain investors of a "too pricey" and "crowded" apartment market, this asset class placed second again this year for overall investment prospects in Emerging Trends in Real Estate, published by PwC and ULI. In fact, it scored a 3.48 on a scale of 1(abysmal) to 5 (excellent), compared to a score of 3.61 for the industrial/distribution market. Along with vigorous sales activity, this market's average overall cap rate decreases to its lowest point in the Survey since its debut in mid-1990. The average overall cap rate drops 15 basis points this quarter to 5.36%. "Cap rates have compressed for value-added and core deals," remarks a participant. In the next six months, surveyed investors foresee overall cap rates holding steady in this market as the supply and demand dynamics shift due to increases in new development. The *PwC Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down 5 basis points from the previous quarter and down 23 basis points from the same period one year ago. It should be noted that National non-institutional-grade capitalization rates on average are 122 basis points higher (Southeast Region is not currently being tracked). Investors indicated inflation assumptions for market rent generally ranging between 2.00% and 4.00%, with an average of 3.15%. Additionally, these investors quoted an expense inflation rate between 2.00% and 3.00%, with an average of 2.80%. Internal rate of return (IRR) requirements for the investors ranged from 6.00% to 10.00%, with an average of 7.60%, down 10 basis points from the prior quarter and down 35 basis points from the same period one year ago. The average marketing time ranged from 1 to 6 months, with an average of 3.0 months, unchanged from the prior quarter and down from 4.4 months one year ago.

RENT ANALYSIS

Currently, the subject is 100% public housing and there are no “contract” rents. Tenants pay a portion of the rent based on their income levels and the complex receives a subsidy from the Housing Authority for the remainder. Rent on these units is determined by a government-derived formula applied to operating expenses. As mentioned, the subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. Upon completion of the rehabilitation / conversion, contract rents will be **$471** for the studio units, **$523** a month for the 1BR units and **$639** a month for the 2BR units. These figures are shown in the following chart. Per HUD Guidelines, and at the direction of our client, are the rents we will utilize in our post-renovation analysis.

POTENTIAL GROSS INCOME - CHAP RENTS - POST RENOVATION					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
0BR/1BA	40	461	$471	$18,840	$226,080
1BR/1BA	56	573	$523	$29,288	$351,456
2BR/1BA	4	916	$639	$2,556	$30,672
	100	542	$507	$50,684	$608,208

COMPETITIVE MARKET RENT ANALYSIS

At the direction of our client, we were also requested to estimate market rents, as is and post renovation. The as is rents will be utilized in our “as is” value analysis and the post-rehab rents are for comparison purposes with the proposed CHAP rents only. Our search produced four complexes in Cedartown, three of which are 100% market-rate and one of which is a mixed-income community with market-rate units. Due to the rural nature of the subject and comparable’s locations, there would not be a significant difference between restricted and unrestricted rents in this market. Our search produced four complexes in Cedartown, three of which are 100% market-rate and one of which is a 55+ mixed-income community with market-rate units. We included an additional 55+, mixed-income community with market-rate units in Summerville, in Chattooga County, a similar outlying area. While we note that the subject is not age-restricted, it is marketed to the elderly and disabled and based on our discussions with subject management, nearly all of the tenants fit this profile. As such, our inclusion of age-restricted comparables is appropriate. The comparables we utilized are all Class-B/C complexes, built between 1983 and 2006 with unit counts from 28 to 56. Only one of the comparables was offering concessions. The subject includes water, sewer, trash, electric and gas with rent. The comparables include water, sewer and trash. The following summary chart presents the comparables' effective rents. Further details, as well as photographs and a location map, are presented in the addenda. All of the information was verified via on-site leasing agents or owners. Adjustments applied to the comparables are in the HUD-92273 Estimates of Market Rent by Comparison forms, included in the Addenda. Our discussion of the adjustments is included following our rent analysis.

Studio / One-Bedroom Units

APARTMENT RENT COMPARABLE SUMMARY ONE-BEDROOM UNITS					
Comparable No. and Name	**Bath Qty.**	**Size (SF)**	**Effective Rent Per Month**	**Effective Rent Per SF**	**Utilities Included**
Subject (Studio)	**1.0**	**461**	**N/Ap**	**N/Ap**	**W,S,T,G, E**
Subject (1R)	**1.0**	**573**	**N/Ap**	**N/Ap**	**W,S,T,G, E**
1. Kirkwood Trail (55+)	1.0	816	$415	$0.51	W,S,T
2. Cedar Chase	1.0	600	$350	$0.58	W,S,T
3. Evergreen Village	1.0	756	$390	$0.52	W,S,T
4. T&W Apartments	1.0	700	$395	$0.56	W,S,T
5. Saratoga Court (55+	1.0	760	$440	$0.58	W,S,T
Average		726	$398	$0.55	
Maximum		816	$440	$0.58	
Minimum		600	$350	$0.51	
W=Water, S=Sewer, T=Trash, G=Gas, E=Electric					

The subject has a 461-SF (gross) Studio/1BA floor plan and a 573-SF (gross) 1BR/1BA floor plan. None of the comparable complexes offer studio units. Therefore, we utilized the 1BR comparable plans for both the studio and 1BR units at the subject. The comparable one-bedroom units range in size from 600 to 816 square feet and average 726 square feet. The subject's studio and 1BR floor plans are below the range of the comparables in terms of size. However, we do note that the subject is an interior-corridor property while the comparables are garden-style complexes. Interior-corridor properties offer much more extensive common area and it is our opinion that this feature more than offsets the smaller unit sizes. Effective rents at the comparables range from $350 to $440 ($0.51 to $0.58 per square foot) and average $398 ($0.55 per square foot). The high end of the range is exhibited by the two age-restricted properties (Comparable One @ $415 and Comparable Five @ $440), which are also the newest properties. The low end of the range ($350) is exhibited by Comparable Two, which is the oldest property (built in 1986).

As Is - Per the HUD 92273 Rent Form, after making the appropriate adjustments for the studio plan, the comparables range from $394 to $454 and average $431. Comparables One ($444) and Five ($454) are the two age-restricted properties and Comparable One is located in Cedartown. However, we must also stay within the middle 60% of the adjusted range. Considering all of this information, we concluded an as is market rent for the subject studio plan of a rounded **$440** per month. Per the HUD 92273 Rent Form, after making the appropriate adjustments for the 1BR plan, the comparables range from $500 to $535 and average $517. Comparables One ($525) and Five ($535) are the two age-restricted properties and Comparable One is located in Cedartown. Once again, we must stay within the middle 60% of the adjusted range. Considering all of this information, we concluded an as is market rent for the subject 1BR plan of a rounded **$525** per month.

Post Rehab - Per the HUD 92273 Rent Form, after making the appropriate adjustments for the studio plan, the comparables range from $474 to $509 and average $491. Comparables One ($499) and Five ($509) are the two age-restricted properties and Comparable One is located in Cedartown. However, we must also stay within the middle 60% of the adjusted range. Considering all of this information, we concluded a post-renovation market rent for the subject studio plan of a rounded **$500** per month. Per the HUD 92273 Rent Form, after making the appropriate adjustments for the 1BR plan, the comparables range from $565 to $590 and average $577. Comparables One ($580) and Five ($590) are the two age-restricted properties and Comparable One is located in Cedartown. Considering all of this information, we concluded a post-renovation market rent for the subject 1BR plan of a rounded **$585** per month.

Two-Bedroom Units

TWO-BEDROOM UNITS					
Comparable No. and Name	**Bath Qty.**	**Size (SF)**	**Effective Rent Per Month**	**Street Rent Per SF**	**Utilities Included**
Subject	**1.0**	**916**	**N/Ap**	**N/Ap**	**W,S,T,G,E**
1. Kirkwood Trail (55+)	1.0	816	$415	$0.51	W,S,T
2. Cedar Chase	1.0	1,000	$475	$0.48	W,S,T
2. Cedar Chase	1.5	1,050	$500	$0.48	W,S,T
2. Cedar Chase	2.0	1,150	$560	$0.49	W,S,T
3. Evergreen Village	2.0	915	$442	$0.48	W,S,T
4. T&W Apartments	1.0	1,000	$455	$0.46	W,S,T
4. T&W Apartments	1.0	1,000	$525	$0.53	W,S,T
5. Saratoga Court (55+)	1.0	1,003	$465	$0.46	W,S,T
Average		992	$480	$0.48	
Maximum		1,150	$560	$0.53	
Minimum		816	$415	$0.46	
W=Water, S=Sewer, T=Trash, G=Gas, E=Electric					

The subject has a 916-SF (gross) 2BR/1BA floor plan. The comparable two-bedroom units range in size from 816 to 1,150 square feet and average 992 square feet. The subject's floor plan is toward the low end of the range of the comparables in terms of size. However, we do note that the subject is an interior-corridor property while the comparables are garden-style complexes. Interior-corridor properties offer much more extensive common area and it is our opinion that this feature more than offsets the smaller unit sizes. Effective rents at the comparables range from $415 to $560 ($0.46 to $0.53 per square foot) and average $480 ($0.48 per square foot). The high end of the range (Comparable Two @ $560) is exhibited by the largest floor plan that also has two bathrooms. The low end of the range ($415) is exhibited by the smallest size comparable unit.

As Is - Per the HUD 92273 Rent Form, after making the appropriate adjustments for the 2BR plan, the comparables range from $601 to $689 and average $632. Comparables One ($603) and Five ($614) are the two age-restricted properties and Comparable One is located in Cedartown. However, we must also stay within the middle 60% of the adjusted range. Considering all of this information, we concluded an as is market rent for the subject 2BR plan of a rounded **$625** per month.

Post Rehab - Per the HUD 92273 Rent Form, after making the appropriate adjustments for the 2BR plan, the comparables range from $681 to $769 and average $717. Comparables One ($683) and Five ($694) are the two age-restricted properties and Comparable One is located in Cedartown. Once again, we must stay within the middle 60% of the adjusted range. Considering all of this information, we concluded a post-renovation market rent for the subject 2BR plan of a rounded **$700** per month.

Market Rent Indications

The chart below summarizes our estimated market rents, as is and post renovation. Our estimated average rent, as is, equates to $495 per month, while our post rehab rent is $556 per unit, which is about 10% above the proposed average CHAP contract rent of $507.

ESTIMATED MARKET RENTS - AS IS					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
0BR/1BA	40	461	$440	$17,600	$211,200
1BR/1BA	56	573	$525	$29,400	$352,800
2BR/1BA	4	916	$625	$2,500	$30,000
	100	542	$495	$49,500	$594,000
ESTIMATED MARKET RENTS - POST RENOVATION					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
0BR/1BA	40	461	$500	$20,000	$240,000
1BR/1BA	56	573	$585	$32,760	$393,120
2BR/1BA	4	916	$700	$2,800	$33,600
	100	542	$556	$55,560	$666,720

92273 Adjustment Factors

The following narrative summarizes the adjustments applied to the comparables on the HUD-92273 Estimates of Market Rent by Comparison Forms. These forms are presented in the Addenda. The adjustments are discussed in the order in which they appear on the form.

3. **Effective Date of Rental:** All of the comparable properties were surveyed in December 2014 and no adjustment is warranted for time.

4. **Type of Project/Stories:** The subject is an five-story, interior corridor property with elevators and extensive common area. This is a very attractive feature, especially for a senior. All of the comparables are one- or two-story garden-style properties and received $50 upward adjustments.

5. **Floor of Unit in Bldg:** Rent premiums per floor were not reflected in the comparables. As such, no adjustment is necessary.

6. **Project Occupancy:** As summarized previously, the market rent comparables ranged from 85% to 100% physical occupancy. We estimated 97% physical occupancy for the subject (95% market)t. Comparable Three (85%) is well below the range but is offering concessions to boost occupancy. As such, an additional adjustment is not necessary. The remaining comparables are between 93% and 100%.

7. **Concessions:** Comparable Three was the only complex offering concessions. We applied the exact amount of the concession.

8. **Year Built:** The subject property was built in 1974 and is proposed for a substantial rehabilitation. The comparables were built between 1983 and 2003. For our “as is” analysis, we made varying downward adjustments to the comparables for their newer construction. “Post rehab” the subject will have a greater remaining economic life than all of the comparables. As such, we made varying upward adjustments to the comparables.

9. **Sq. Ft. Area:** Adjustments have been applied to the comparables that differ significantly in size from the proposed subject units. However, it is noted that most of the size differential is for less expensive space (no extra appliances, electrical, plumbing, etc.). Typically, there is some variance between the square footage quoted by the property and the actual rentable square footage. Thus, we must apply some gap before we make any adjustments. As such, for the comparables within 50-SF of the studio and 1BR units and 100-SF of the 2BR subject units, we did not make an adjustment. For those units with a greater difference, we applied

a $25 adjustment. Based on a review of the comparables, there does not appear to be a significant premium for size.

10. **Number of Bedrooms:** The subject has studio, 1- and 2-BR floor plans. All of the comparables have 1 and 2BR plans, but none have studio plans. We note that for Comparable Three, there is a $66 premium for its 3BR plan over its two bedroom plan which includes 221 additional square feet. Comparable Five charges a $75 premium for its 3BR plan over its 2BR plan and includes 128 additional square feet and an additional ½ bathroom. Typically, the premium for a 1BR unit over a studio unit would be smaller. As such, we made a $50 adjustment for the 1BR units over the studio units.

11. **Number of Baths:** No adjustment is necessary.

12. **Number of Rooms:** No adjustment is necessary.

13. **Balcony/Terrace/Patio:** No adjustment is necessary.

14. **Garage or Carport:** No adjustment is necessary.

15. **Equipment:**

    a. **A/C:** No adjustment is necessary.

    b. **Range/Oven:** No adjustment is necessary.

    c. **Refrigerator:** No adjustment is necessary.

    d. **Disposal:** No adjustment is necessary.

    e. **Microwave:** No adjustment is necessary.

    f. **Dishwasher:** No adjustment is necessary.

    g. **Washer/Dryer Connections:** The subject does not have W/D hookups. However, it does have two laundry rooms. The comparables have W/D connections. We made a slight $5 downward adjustment for the convenience factor.

    h. **Carpet/Blinds:** No adjustment is necessary.

    i. **Pool/Recreational Area:** Comparable Five has a clubhouse and fitness center. In our opinion, this amenity is worth a $10 premium. The remaining comparables have no or very limited amenities, similar to the subject, and no adjustments are warranted.

16. Services

a. **Heat/Type:** At the subject, the complex pays for this utility. At the comparables, the tenants pay. We made the appropriate adjustments based on DCA published utility allowances.

b. **Cook/Type:** At the subject, the complex pays for this utility. At the comparables, the tenants pay. We made the appropriate adjustments based on DCA published utility allowances.

c. **Electricity:** At the subject, the complex pays for this utility. At the comparables, the tenants pay. We made the appropriate adjustments based on DCA published utility allowances.

d. **Water Cold/Hot:** At the subject, the complex pays for both hot and cold water. At the comparables, the tenants pay for hot water. We made the appropriate adjustments based on DCA published utility allowances.

e. **Sewer:** No adjustments are necessary.

f. **Trash:** No adjustments are necessary.

17. Storage: No adjustment is necessary.

18. Project Location: No adjustment is necessary.

19. Condition: As is, the subject and the comparables are in overall average condition and no adjustments are required. The subject is proposed for a substantial rehabilitation under the Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units. The rehabilitation will include ADA upgrades, interior and exterior paint, new signage, new kitchen cabinets, countertops and appliances, plumbing improvements, new water heaters, new bathroom fixtures, new lighting and other items. The cost of these items is estimated at approximately $32,500 per unit. This is a significant investment and should greatly enhance the desirability of the subject property. As such, we made varying upward adjustments to each of the comparables.

Occupancy

We surveyed five comparable apartment complexes. The comparables reported physical occupancy levels between 85% and 100% with a weighted mean of 94%. The low end of the range (85%) is exhibited by Comparable Three. The leasing agent at this complex indicated no unusual reasons for the dip in occupancy but did report that they are offering rent specials to boost occupancy. The remaining comparables range from 93% to 100%. We also note that the two complexes with age and income restricted units (One and Five) range from 96% to 100% while the market rate complexes range from 85% to 96%. The subject property is 100% public housing and typically stays near 100% occupied with a waiting list. Post renovation, the subject will be 100% PBRA and will experience similar occupancy levels. Based on all of this information, we estimate a stabilized physical occupancy of **97%** for both our post renovation analyses. We included an additional 2% for collection/bad-debt/concession loss, which equates to stabilized economic occupancies of **95%**. For our as is analysis, we used a slightly lower **93%** (5% physical and 2% economic).

RENT COMPARABLES - OCCUPANCY			
Complex	# of Units	Vacant	Occupancy
1. Kirkwood Trail	52	0	100%
2. Cedar Chase	28	2	93%
3. Evergreen Village	56	8	85%
4. T&W Apartments	51	2	96%
5. Saratoga Court	48	2	96%
Total/Average	235	14	94%

INCOME/RENT RESTRICTIONS

It is our understanding that the property will be financed with proceeds from the syndication of federal and state low income housing tax credits. When the tax credits are in place, income levels for the subject units must be at or below 60% of area median income (AMI). For Polk County in 2014, per HUD, area median income is defined at $49,100. The restricted income levels are calculated at 60% of this figure. All units at the subject will also be CHAP contract units. Qualified tenants pay 30% of their income towards rent, with the Housing Authority paying the difference between this amount and calculated contract rent (discussed on a prior page). Since all utilities are paid by the complex, no utility deduction is necessary. The reported proposed contract rents are all below the maximum thresholds.

MAXIMUM ALLOWABLE RENT PER AMI LEVEL												
60% Inc.	Eff.	1.0	(	$22,080	x	30%	) / 12 =	$552	-	$0	=	$552
60% Inc.	1BR	1.5	(	$23,640	x	30%	) / 12 =	$591	-	$0	=	$591
60% Inc.	2BR	3.0	(	$28,380	x	30%	) / 12 =	$710	-	$0	=	$710

UNDER CONSTRUCTION / IN PLANNING

We interviewed several officials in the Cedartown and Polk County government to get an idea of the multi-family pipeline in the area. We are aware of a 60-unit, age-restricted (55+), 100% LIHTC (50% and 60% AMI) property that is currently under construction in Rockmart, about 20 miles to the east of Cedartown. It will feature one- and two-bedroom floor plans in three residential buildings. It opened in December 2014. Joseph Martin in the Cedartown Planning and Zoning Office indicated that he has had some inquiries from several tax-credit developers but nothing has been submitted as of the date of appraisal.

REASONABLE EXPOSURE AND MARKETING TIMES

Exposure time is always presumed to precede the effective date of appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of appraisal. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. To arrive at an estimate of exposure time for the subject, we considered direct and indirect market data gathered during the market analysis, the amount of time required for marketing the comparable sales included in this report, broker surveys, as well as information provided by national investor surveys that we regularly review. This information indicated typical exposure periods of less than twelve months for properties similar to the subject. Recent sales of similar quality apartment complexes were marketed for periods of less than twelve months. Therefore, we estimate a reasonable exposure time of 12 months or less.

A reasonable marketing time is the period a prospective investor would forecast to sell the subject immediately after the date of value, at the value estimated. The sources for this information include those used in estimating reasonable exposure time, but also an analysis of the anticipated changes in market conditions following the date of appraisal. Based on the premise that present market conditions are the best indicators of future performance, a prudent investor will forecast that, under the conditions described above, the subject property would require a marketing time of 12 months or less. This seems like a reasonable projection, given the current and projected market conditions.

In appraisal practice, the concept of highest and best use is the premise upon which value is based. The four criteria that the highest and best use must meet are: legal permissibility; physical possibility; financial feasibility; and maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. In cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use as improved. The existing use will continue, however, until land value, at its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

HIGHEST AND BEST USE AS IF VACANT

The subject is zoned C-2 (General Commercial District), which does not permit high-rise apartment development (reportedly, the subject is a legal non-conforming use). However, according to Joseph Martin in the Cedartown Planning and Zoning Office, it would not be very hard to get the site re-zoned to allow for its current use as an apartment complex. There appears to be very limited demand for new market-rate construction of any type (commercial or residential) in the area. However, our investigation indicates that there is fairly strong demand in the market for subsidized apartments. The site is generally suitable for many uses, but given the subject's location in a mixed commercial/residential area and its size, shape and topography, it is best suited for either commercial or higher-density residential use. In our opinion, development of some form of future commercial or medium-density, affordable multi-family residential use will result in the maximum productive use of the site.

HIGHEST AND BEST USE AS IMPROVED

The subject is used in the operation of an affordable apartment complex, which according to Joseph Martin with the Cedartown Planning and Zoning Department, is permitted under a grandfather clause. The improvements are well suited for their intended use. It is possible the improvements could be converted to another use entirely, if the costs were justified. This seems highly unlikely, however. Our investigation indicates that there is fairly strong demand in the market for subsidized apartments. Given that use of the subject improvements is basically limited to the current or a similar use physically, and the fact that the improvements are financially feasible, we conclude that the existing subsidized apartment use is consistent with the maximally profitable use. We conclude that the highest and best use of the property is for continued use as an age-restricted, affordable apartment complex.

Three basic approaches to value are typically considered. The cost, sales comparison, and income capitalization methodologies are described below.

- The **cost approach** is based on the premise that an informed purchaser will pay no more for the subject than the cost to produce an equivalent substitute. This approach is particularly applicable when the subject property is relatively new and represents the highest and best use of the land, or when relatively unique or specialized improvements are located on the site for which there exist few sales or lease comparables. The first step in the cost approach is to estimate land value (at its highest and best use). The second step is to estimate cost of all improvements. Improvement costs are then depreciated to reflect value loss from physical, functional and external causes. Land value and depreciated improvement costs are then added to indicate a total value.

- The **income approach** involves an analysis of the income-producing capacity of the property on a stabilized basis. The steps involved are: analyzing contract rent and comparing it to comparable rentals for reasonableness; estimating gross rent; making deductions for vacancy and collection losses as well as building expenses; and then capitalizing net income at a market-derived rate to yield an indication of value. The capitalization rate represents the relationship between net income and value.

  Related to the direct capitalization method is discounted cash flow (DCF). In this method of capitalizing future income to a present value, periodic cash flows (which consist of net income less capital costs, per period) and a reversion (if any) are estimated and discounted to present value. The discount rate is determined by analyzing current investor yield requirements for similar investments.

- In the **sales comparison** approach, sales of comparable properties, adjusted for differences, are used to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per square foot excluding land, price per unit, etc., or economic units of comparison such as a net operating income (NOI) or gross rent multiplier (GRM). Adjustments are applied to the physical units of comparison. Economic units of comparison are not adjusted, but rather are analyzed as to relevant differences, with the final estimate derived based on the general comparisons. The reliability of this approach is dependent upon: (a) availability of comparable sales data; (b) verification of the data; (c) degree of comparability; and (d) absence of atypical conditions affecting the sale price.

In the analysis of the subject, there are significant weaknesses in the application of the cost approach. The age of the improvements suggests a fair amount of physical depreciation, which is difficult to quantify. It should also be noted that investors of income producing properties typically do not perform a cost approach unless the building is new or fairly new, as they are most concerned with the income characteristics of the asset. Per HUD guidelines, a cost approach is not required for properties that are 10 years or older. As such, we did not include a cost approach. In addition, per HUD appraisal requirements, we performed a land valuation analysis utilizing the sales comparison approach, which is the most common methodology for appraising land.

The income approach is particularly applicable to this appraisal since the income producing capability is the underlying factor that would attract investors to the subject property. There is an adequate quality and quantity of income and expense data available to render a reliable and defensible value conclusion. Therefore, this approach was employed for our "as is" value estimate. We performed a direct capitalization analysis in this approach. It is more direct with fewer subjective variables, and is more commonly relied upon by investors for the subject property type.

In regard to the sales comparison approach, sale prices of income producing properties are highly dependent on income characteristics. For this reason, a comparison of the net income of each property is more indicative of value for the property than comparison of physical units. We also performed a physical adjustment analysis. Given the quality of the comparable sales information that we did obtain, we believe that this approach provides a reasonable value estimate "as is."

SUMMARY

We used two of the three traditional methods of analysis in this appraisal of the fee simple interest in the subject "as is". For various reasons that are discussed above, it is our opinion that the typical investor would place most reliance on the income approach.

The sales comparison approach is commonly used in the analysis of residential land by appraisers, as well as by purchasers and sellers in the market. In this analysis, sale prices of comparable sites are compared on a unit basis such as price per allowable or achievable unit, or price per acre. For this portion of our analysis, we are appraising the underlying site “as if vacant” and will be performing our analysis on a per-acre basis. Typically, when ample sales data can be found, adjustments can be determined and applied to provide a clear indication of value.

DISCUSSION OF THE COMPARABLES

In our valuation of the subject site, we searched for sales and listings of comparable vacant sites in the Cedartown and surrounding market. There have been very few transactions of sites purchased for any type of development in the Cedartown area over the past few years. As such, we expanded our search to include other areas within Polk County where development has occurred. We included three sales in nearby Rockmart and one listing in Cedartown. These comparables are summarized in the following chart. Photographs and a location map are included in the Addenda.

COMPARABLE LAND SALES

#	Grantor	Grantee	Date of Sale	Price	Land Area (Acres)	Sale Price / Acre
1)	Renesant Bank	Aparna Dhananhay Mane	Dec-13	$80,000	2.23	$35,874
	Comments: This property is located at the northwest quadrant of Highway 278 and Highway 113, in Rockmart, Polk County, GA. It is located in an established commercial corridor in front of a Wal-Mart Supercenter. The site is cleared and has a generally level topography with all utilities and good access and exposure. The site is zoned for commercial development. It was on the market for approximately 18 months at an asking price of $139,500. This was a bank sale where the purchaser bought the property as an investment. It is currently back on the market for sale at an asking price of $500,000, or $224,215 per acre.					
2)	Preston Herring	Cason Road Health Care, LLC	Dec-13	$450,000	10.00	$45,000
	Comments: This property is located at the southwest quadrant of Highway 278 and Highway 113, in Rockmart, Polk County, GA. It is located in an established commercial corridor behind the Floyd Urgent Care Center. The site is cleared and has a generally level topography with all utilities and good access and exposure. The site is zoned for commercial development. This was an estate sale. Reportedly, the site was purchased to develop a 120-bed nursing home. Upon inspection, the site was still vacant.					
3)	Preston Herring	Ramsey Run, LP	Jun-13	$678,700	12.34	$55,000
	Comments: This property is located at the southwest quadrant of Highway 278 and Highway 113, in Rockmart, Polk County, GA. It is located in an established commercial corridor behind commercial development. The site is cleared and has a generally level topography with all utilities and good access and exposure. The site is zoned for commercial development. This was an estate sale. The site was purchased to develop a 60-unit age- and income-restricted apartment development known as Ramsey Run, which has been completed.					
4)	EB Slaughter Realty	N/Ap	For Sale	$59,800	1.00	$59,800
	Comments: This property is located along the north side of Prior Station Road, west of West Avenue, within the city limits of Cedartown, Polk County, GA. It is located in a fairly established commercial/industrial corridor on the west side of Cedartown. The site has a level topography with all utilities and good access and exposure. It has some old, vacant improvements that do not contribute to value. The site is zoned for commercial or industrial development and has been on the market for several years.					

Discussion of Adjustments

Condition of Sale

Comparable One was an REO sale and while it was exposed to the market for 18 months, in comparison to the other sales (after all other adjustments have been made), it does appear that this site sold at a discount. In addition, the buyer is currently marketing the property at a much higher asking price. As such, we made an upward adjustment to bring it more in line with the other comparables. Comparable Four is a listing that has been on the market for several years. Typically, there is some negotiation involved in the sale of real estate. Considering the length of time it has been on the market, we made a rather significant downward adjustment to this comparable.

Market Conditions

The comparable sales closed within the past six months. As such, we did not make any adjustments to the comparables for market conditions.

Location

The subject property is located in a lower-income area that has not experienced much growth in the past few years. Comparables One through Three are located in a growing commercial corridor of Polk County and received varying downward adjustments. Comparable Three is surrounded by commercial development and received a more significant adjustment. Comparable Four is located in a less developed, light industrial corridor and received an upward adjustment.

Access/Exposure

No adjustments are necessary.

Size (AC)

The subject has 2.518 acres. Typically, larger sites realize a "quantity discount" and sell at lower prices on a per acre basis. Comparables Two and Three are larger and require upward adjustments. Comparable Four is smaller and requires a downward adjustment. Comparable One is similar enough in size as to not warrant an adjustment.

Zoning

No adjustments are necessary.

Topography

No adjustments are necessary.

SUMMARY AND COMMENTS

The following adjustment grid illustrates our thought processes in the comparison of these sales to the subject. As shown, prior to adjustment, the comparables present a range of price per acre between $35,874 and $59,800, with an overall mean of $48,919 per acre.

COMPARABLE LAND SALES ADJUSTMENT GRID					
Sale No.	**Subject**	**1**	**2**	**3**	**4**
Date		December-13	December-13	June-13	For Sale
Sale Price		$80,000	$450,000	$678,700	$59,800
Acres	2.518	2.23	10.00	12.34	1.00
Price per Acre		$35,874	$45,000	$55,000	$59,800
Conditions of Sale		25%			-20%
Market Conditions					
Adjusted Price/Unit		$44,843	$45,000	$55,000	$47,840
Physical Adjustments					
Location		-10%	-10%	-20%	5%
Access/Exposure					
Size (AC)			10%	10%	-10%
Zoning					
Topography					
Net Adjustment		-10%	0%	-10%	-5%
Adjusted Indication		$40,359	$45,000	$49,500	$45,448
Indicated Range:		$40,359	to	$49,500	
Adjusted Mean:			$45,077		

After application of adjustments, the range of indicated price per acre is a narrow $40,359 to $49,500, with a mean of $45,077 per acre. Comparable Two ($45,000) received the least net adjustment and Comparable Four ($45,448) is most proximate. Based on this information, we estimate a value for the subject site (as if vacant) at a rounded $45,000 per acre, which reflects the following:

ESTIMATED LAND VALUE				
Size (AC)		**$/Acre**		**Total**
2.518	X	$45,000	=	$113,310
	Rounded:			$115,000

The income capitalization approach to value is based upon an analysis of the economic benefits to be received from ownership of the subject. These economic benefits typically consist of the net operating income projected to be generated by the improvements. There are several methods by which the present value of the income stream may be measured, including direct capitalization and a discounted cash flow analysis. In this section, we used the direct capitalization method. We initially estimated potential rental income, followed by projections of vacancy and collection loss and operating expenses. The resultant net operating income is then capitalized into a value indication based on application of an appropriate overall capitalization rate. The following analysis is for our “as is” valuation scenario. The post renovation net operating income analysis will be presented at the end of this section.

RENTAL INCOME ANALYSIS – MARKET RENTS

We estimated market rents for the subject property “as is” in the market analysis section of this report. Our estimates are presented in the following chart. At these rent levels, potential gross income at 100% occupancy is $594,000, or $5,940 per unit.

ESTIMATED MARKET RENTS - AS IS					
Unit Type	Units	Size (SF)	Rent	Total Gross Monthly Rent	Total Gross Annual Rent
0BR/1BA	40	461	$440	$17,600	$211,200
1BR/1BA	56	573	$525	$29,400	$352,800
2BR/1BA	4	916	$625	$2,500	$30,000
	100	542	$495	$49,500	$594,000

OTHER INCOME

As will be seen in the re-constructed operating statements on a following page, for fiscal years 2013 and 2014, actual other income for the subject was $450 and $524 per unit, respectively, or between 8.8% and 9.7% of gross potential rental revenue. The fiscal 2015 budget is $524 per unit, or 9.1% of GPRI. The bulk of this income is cable reimbursement of $31.26 per unit per month, which equates to $37,512 per year (based on 100% occupancy), or about $375 per unit. However, we are unaware if all tenants pay for this amenity. We asked but did not receive an answer. We were informed that the complex does not make a profit on cable and based on a review of the associated expenses ($13,500 to $26,000 over the past few years), it would not appear that all tenants pay for cable. However, we were unable to obtain a clear answer on this topic. In addition, based on a review of the comparables, it does not appear that cable reimbursement is prevalent in the market. We also note that for this portion of our analysis, we are estimating value as a market rate property, which typically receives higher other income than a restricted property. IREM indicates a range of $343 to $1,000 per unit, and a median of $686 per unit for the Southeast Region. As a percentage, the range is 3.7% to 8.8%, with a median of 6.4%. Based upon the above, we forecast market other income at 6% of PGRI ($356/unit), which is at the low end of the IREM range on a per-unit basis.

VACANCY AND COLLECTION LOSS

As discussed in the market analysis section of this report, we estimate a stabilized physical occupancy of **95%** (market). We included an additional 2% for collection/bad-debt/concession loss, which equates to stabilized economic occupancies of **93%**.

EFFECTIVE GROSS INCOME

After accounting for other income, and factoring in vacancy and collection loss of 7%, our projected annual effective gross rental income is $585,565 or $5,856 per unit, as is.

EXPENSE ANALYSIS

In deriving an estimate of net income, it is necessary to consider various expenses and allowances ascribable to the operation of a property of this type. We were provided actual operating history for fiscal years (October through September) 2013 and 2014, as well as a fiscal 2015 budget. We were also provided a post-renovation budget. In addition, we reviewed industry standard expenses as published in the 2014 edition of the *Income/Expense Analysis – Conventional Apartments* published by IREM (Institute of Real Estate Management). Further, we considered recent operating expense data from four market-rate apartment projects in various locations in Georgia. The properties were built between 1965 and 1997 with unit counts from 96 to 160. The subject's historical operating data and budget, IREM data, and expense comparables are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS - GRAYFIELD APARTMENTS 100 Units								
	Actual 2013 10/12-9/13		Actual 2014 10/13-9/14		Budget 2015 10/13-9/14		Post Renovation Budget	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
REVENUE								
Tenant Rental Revenue	$250,500	$2,505	$249,000	$2,490	$249,000	$2,490	$0	$0
Tenant Asst Payments (HAP)	$263,000	$2,630	$290,486	$2,905	$324,000	$3,240	$0	$0
Total Gross Potential Rental Revenue	$513,500	$5,135	$539,486	$5,395	$573,000	$5,730	$608,208	$6,082
Total Other Income (Not Including Interest Income)	$45,000	$450	$52,400	$524	$52,400	$524	$12,000	$120
Other as % of Potential Gross Rental Income	8.8%		9.7%		9.1%		2.0%	
Potential Gross Income	$558,500	$5,585	$591,886	$5,919	$625,400	$6,254	$620,208	$6,202
Vacancy Loss	$0	$0	$0	$0	$0	$0	$31,010	$310
Other Loss	$5,000	$50	$4,400	$44	$4,400	$44	$3,793	$38
Total Loss	$5,000	$50	$4,400	$44	$4,400	$44	$34,803	$348
Loss as a % of PGI	0.9%		0.7%		0.7%		5.6%	
Effective Gross Income	**$553,500**	**$5,535**	**$587,486**	**$5,875**	**$621,000**	**$6,210**	**$585,405**	**$5,854**
EXPENSES								
Real Estate Taxes	$16,050	$161	$0	$0	$0	$0	$10,700	$107
Insurance	25,000	250	33,500	335	33,500	335	23,130	231
Management Fee	65,616	656	64,300	643	64,300	643	39,476	395
Mgmt. as a % of EGI	11.9%		10.9%		10.4%		6.7%	
Utilities	$90,000	$900	$103,500	$1,035	$103,500	$1,035	$98,972	$990
Salaries and Labor	$159,900	$1,599	$178,000	$1,780	$136,641	$1,366	$97,075	$971
Maintenance & Repairs	$64,000	$640	$59,000	$590	$59,000	$590	$50,673	$507
Landscaping	$0	$0	$0	$0	$0	$0	$8,000	$80
Advertising & Promotion	$0	$0	$0	$0	$0	$0	$2,000	$20
Administrative & Miscellaneous	$47,400	$474	$40,650	$407	$40,650	$407	$24,214	$242
Total Expenses	**$467,966**	**$4,680**	**$478,950**	**$4,790**	**$437,591**	**$4,376**	**$354,240**	**$3,542**
As a % of EGI	84.55%		81.53%		70.47%		60.51%	
Reserves	$0	$0	$0	$0	$0	$0	$35,000	$350
Net Income	**$85,534**	**$855**	**$108,536**	**$1,085**	**$183,409**	**$1,834**	**$196,165**	**$1,962**

Source: The operating statements were reconstructed from the provided historical statements.

Collection Loss were treated as an expense item in the owner's statements. We included it as an offset to income. 2037877.8

We removed asset management fees and audit expenses.

MARKET RATE OPERATING EXPENSE COMPARABLES								
Project Name	Pointe Lanier		Evergreen Lost Mountain		Summit Place		Legacy at Brunswick	
Location	Gainesville, GA		Dallas, GA		Gainesville, GA		Brunswick, GA	
No. Units	100		206		128		168	
Avg. Unit Size	919		999		928		1,105	
Year Built	1986		2000 / 2008		1994		2008	
	T12	Trended	T12	Trended	FY	Trended	FY	Trended
Expense Year	8/13-7/14		6/13 - 6/14		2013		2013	
Effective Date/% Trended	Aug-13	0.0%	Jun-13	0.2%	Jan-13	1.2%	Jan-13	1.2%
Real Estate Taxes	$380	$380	$772	$773	$630	$638	$621	$628
Insurance	208	208	204	204	309	313	279	282
Management Fee:	530	530	365	366	352	356	373	377
Utilities	1,137	1,137	813	814	522	528	618	625
Salaries & Labor	265	265	737	738	561	568	903	914
Maint. & Repairs/Turnkey	785	785	1,142	1,144	663	671	264	267
Landscaping	102	102	232	232	98	99	304	308
Advert. & Promotion	0	0	159	159	2	2	63	64
Administrative/Misc.	71	71	334	335	179	181	285	288
Total Expenses	$3,478	$3,478	$4,758	$4,766	$3,316	$3,356	$3,710	$3,753

2014 IREM INCOME & EXPENSE DATA FOR SOUTHEAST - REGION IV

Income & Expense Category (A)	Annual Income & Expense as % of GPI			Annual Income & Expenses Per Unit		
	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	90.9%	93.5%	96.3%	$8,163	$9,495	$11,066
Other Income:	3.7%	6.4%	8.8%	$343	$686	$1,000
Gross Possible Income:	100.0%	100.0%	100.0%	$8,576	$10,100	$11,842
Vacancies/Rent Loss:	4.9%	7.6%	12.0%	$478	$755	$1,252
Total Collections:	85.2%	90.6%	94.4%	$7,468	$8,964	$10,507
Expenses (B)						
Real Estate Taxes	5.1%	6.8%	8.5%	$487	$701	$993
Insurance	1.8%	2.7%	3.7%	$189	$268	$397
Management Fee	2.6%	3.6%	4.5%	$304	$363	$451
Total Utilities, Common & Apts	5.8%	6.2%	9.9%	$137	$664	$902
Water/sewer (Common & Apts	3.4%	4.7%	6.3%	$0	$464	$587
Electric (Common & Apts)	2.3%	1.5%	3.3%	$137	$186	$294
Gas (Common & Apts)	0.1%	0.0%	0.3%	$0	$14	$21
Total Utilities, Common Only	2.1%	4.1%	5.8%	$235	$466	$639
Water/sewer (common only)	1.0%	2.5%	3.7%	$116	$300	$426
Electric (common only)	1.1%	1.5%	1.9%	$119	$158	$198
Gas (common only)	0.0%	0.1%	0.2%	$0	$8	$16
Salaries and Administrative (C)	7.6%	11.2%	18.6%	$785	$1,159	$1,759
Other Administrative	3.1%	5.0%	9.1%	$336	$543	$908
Other Payroll	4.5%	6.2%	9.5%	$450	$616	$851
Maintenance & Repairs	2.2%	3.8%	5.4%	$219	$381	$591
Painting & Redecorating (D)	1.1%	1.7%	2.6%	$113	$185	$278
Grounds Maintenance & Amenitie	1.5%	2.2%	3.2%	$145	$223	$330
Grounds Maintenance	1.4%	2.0%	2.9%	$135	$203	$300
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.1%	0.2%	0.7%	$8	$24	$56
Other/Miscellaneous	0.5%	1.5%	13.5%	$59	$154	$847
Other Tax/Fee/Permit	0.0%	0.1%	0.3%	$0	$9	$27
Supplies	0.1%	0.2%	0.5%	$9	$17	$43
Building Services	0.4%	1.0%	1.7%	$50	$99	$168
Other Operating	0.1%	0.5%	11.8%	$9	$55	$678
Total Expenses:	32.8%	40.4%	48.7%	$3,465	$4,222	$5,028
Net Operating Income:	38.9%	47.3%	56.3%	$3,432	$4,844	$6,293

Notes: Survey for Region IV includes 123,665 apartment units with an average unit size of 969 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM).

Real Estate Taxes

As discussed in the tax analysis section of this report, we estimate market taxes of $32,673, or **$327** per unit.

Insurance

For fiscal 2013 and 2014, actual expenses were $250 and $335 per unit, respectively. The 2015 budget is projected at $335 per unit and the post-renovation budget is at $231 per unit. IREM indicates a range of $189 to $397 per unit, and a median of $268 per unit. The comparables indicate expenses within a range of $204 to $313 per unit and average $252. Based upon the foregoing considerations, we forecast insurance expense at **$250** per unit, as is.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. The historical operating statements indicate a range for the past few years from 10.9% to 11.9% of EGI, or $643 to $656 per unit. The 2015 budget is at 10.4% of EGI or $643 per unit. The post-renovation budget is at 6.7% of EGI, or $395 per unit. The historical percentages are well above typical levels for market or restricted properties and we assume this includes more than just property management fees. It is noted that management fees for public housing properties are based on set formulas dictated by the government and are typically much higher than market or even other restricted-type properties (like LIHTC). Post-renovation, the subject will be managed at a contracted rate of 6.5% of EGI. IREM indicates a range for market-rate properties from 2.6% to 4.5% with a median of 3.6%. The comparables range from about 3.5% to 5.0% and $356 to $530 per unit. Based on all of this information, we included a management fee of 5.0%, as is (**$293**/unit).

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. In the subject's case, the complex pays for all utilities (electric, gas, water, sewer and trash). It is also noted that the cable expenses were included in the historical statements as an administrative expense, not under utilities. For fiscal 2013 and 2014, actual expenses were $900 and $1,035 per unit, respectively. The 2015 budget is projected at $1,035 per unit and the post-renovation budget is at $990 per unit. IREM indicates a range of $137 to $902 per unit, and a median of $664 per unit. The comparables indicate expenses within a range of $528 to $1,137 per unit and average $776. Based upon the foregoing considerations and placing emphasis on the actual expenses, we forecast utilities expense at **$1,000** per unit, as is. We allocated this as $550 for water/sewer, $300 for electric, $50 for gas and $100 for trash.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. For fiscal 2013 and 2014, actual expenses were $1,599 and $1,780 per unit, respectively. The 2015 budget is projected at $1,366 per unit and the post-renovation budget is at $971 per unit. Reportedly, the subject recently eliminated two salaried positions in their family self sufficiency department that equated to $87,805 per year with approximately $20,000 in associated expenses. However, this was a shared expense with other Housing Authority properties. IREM indicates a range of $785 to $1,759 per unit and average $1,159 per unit. The comparables indicate expenses within a range of $265 to $914 per unit and average $621. Based upon the foregoing considerations, we forecast market salaries and labor expense at **$900** per unit, as is. We allocated this as $700 for salaries and $200 for taxes/benefits/other.

Maintenance and Repairs / Painting and Redecorating

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations. For fiscal 2013 and 2014, actual expenses were $640 and $590 per unit, respectively, inclusive of landscaping and elevator maintenance expenses. The 2015 budget is projected at $590 per unit and the post-renovation budget is at $507 per unit, exclusive of landscaping but inclusive of elevator maintenance expenses. IREM indicates a range (exclusive of landscaping) of $332 to $869 per unit, and a median of $566. The comparables indicate expenses (also exclusive of landscaping) from $267 to $1,144 per unit, with an average $717. The low end of the comparables ($267) was built in 2008 and three of the four are between $671 and $1,144. Based upon the foregoing considerations, for our as is analysis, we forecast combined maintenance and repairs and redecorating expenses at $650 plus an additional $50 per unit for the elevators, or a combined **$700** per unit, exclusive of landscaping and amenities. We allocated this as $500 for maintenance ($50 of the $500 for elevator maintenance) and $200 for decorating.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance. It should be noted that a line item within the subject's historical statements for landscaping was not included. The post-renovation budget includes this expense at $80 per unit. IREM indicates a range of $145 to $330 per unit, and a median of $223 per unit. The comparables indicate expenses from $99 to $308 per unit, with an average $185. The subject has a limited amenity package and limited green space. Based upon the foregoing considerations, we forecast landscaping and amenities expense at **$150** per unit, as is.

Advertising and Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels. The subject's provided historical operating information includes no advertising expenses. The post-renovation budget is $20 per unit. However, restricted complexes typically have very low advertising expenses. IREM does not separately report advertising expenses. The comparables indicate expenses from $0 to $159 per unit, with an average of $56. We included **$100** per unit for market advertising expenses, as is.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For fiscal 2013 and 2014, actual expenses were $474 and $407 per unit, respectively. The 2015 budget is projected at $407 per unit and the post-renovation budget is at $242 per unit. Reportedly, the historical expenses included cable charges. IREM indicates a range of $59 to $847 per unit, with an average of $154. The comparables indicate expenses from $71 to $335 per unit, with an average of $219. Based upon the foregoing considerations, we forecast administrative expense at **$200** per unit, as is.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category and it is not included for the comparables. Typically, reserves range from $150 to $350 per unit, depending on age, condition, and size. Based on the condition of the property, we forecast reserves at **$300** per unit, as is.

Summary of Expenses – As-Is

Our estimated "as is" expenses total $431,301 including reserves and trending (2% annually from August 2013 to January 2015), which equates to $4,313 per unit. If excluding reserves, the estimated expenses are $4,013 per unit. For fiscal 2013 and 2014, actual expenses were $4,680 and $4,790 per unit, respectively. The 2015 budget is projected at $4,376 per unit and the post-renovation budget is at $3,542 per unit (not including PILOT expenses). Our projections are slightly below the actual historical figures for the past few years. However, several salaried positions have been eliminated, which will reduce these expenses. In addition, we are estimating market expenses. As such, the historical expenses are not overly relevant in some categories. Total expenses reported by IREM, which do not include reserves, range from $3,465 to $5,028 with a median of $4,222 per unit. Our estimates are within the range. The comparables indicate total trended expenses within a range of $3,356 and $4,766 per unit and average $3,838. Our estimates are within the range of the comparables. Based on this information, our estimates appear reasonable.

Net Operating Income – As Is

Our estimates of income and expenses for the subject apartments, as is, result in a net operating income projection of $154,264, or $1,543 per unit.

CAPITALIZATION OF NET OPERATING INCOME

Capitalization is the process by which net operating income of investment property is converted to a value indication. Capitalization rates reflect the relationship between net operating income and the value of receiving that current and probable future income stream during a certain projection period or remaining economic life. Generally, the best method of estimating an appropriate overall rate is through an analysis of recent sales in the market. Overall rates (OAR's) are typically derived from sales of similar properties by dividing net operating income by sale price.

In selecting an appropriate capitalization rate for the subject, we considered those rates indicated by recent sales of properties that are similar to the subject with regard to risk, duration of income, quality and condition of improvements, and remaining economic life. Primary factors that influence overall rates include potential for income increases over both the near and long terms, as well as appreciation potential. Adjustments for dissimilar factors that influence the utility and/or marketability of a property, such as specific location within a market area; land/building ratio; functional efficiency, quality, and condition of improvements; and specific features of the building and land improvements, are inherently reflected by the market in the form of varying market rent levels. As rent levels form the basis for net income levels, the market has, in effect, already made the primary adjustments required for those factors, and any significant adjustments to overall rates based upon these dissimilarities would merely distort the market data.

The following table summarizes capitalization rates extracted from several recent apartment sales in various outlying areas of Georgia. We chose a variety of property types built between 1947 and 1998. The comparable sales used in this analysis present a range of overall rates between 7.18% and 8.70%, with a mean of 8.09%. Excluding the extremes, the range is 7.45% to 8.60%, with a mean of 8.18%.

IMPROVED SALES SUMMARY

No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Waterbury Apartments, Athens, GA	Jun-14	53	1985	$34,302	609	$2,463	7.18%
2	Hampton Place Apartments, Perry, GA	Jun-14	152	1998	$52,303	939	$3,895	7.45%
3	Pine Ridge Apartments, Cartersville, GA	Feb-14	29	1991	$28,448	862	$2,475	8.70%
4	Brick Pointe, Albany, GA	Feb-14	56	1947	$32,589	953	$2,803	8.60%
5	Riverwalk Apartments, Rome, GA	Mar-13	18	1976	$24,722	727	$2,101	8.50%

As mentioned in the Market Analysis section, the *Fourth Quarter 2014 PwC Real Estate Investor Survey* indicates that overall capitalization rates for apartments in the Southeast Region range from 3.75% to 7.25%, with an average of 5.50% (institutional-grade properties). The average rate is down 5 basis points from the previous quarter and down 23 basis points from the same period one year ago. It should be noted that National non-institutional-grade capitalization rates on average are 122 basis points higher (Southeast Region is not currently being tracked).

Mortgage Equity Technique

We also utilized the mortgage-equity procedure, which is presented in the following chart. Under this procedure, the overall capitalization rate considers the returns on the mortgage and equity positions as well as the equity build-up that accrues as the loan principle is paid off. For properties like the subject, our research of the current financing market indicate a typical loan-to-value ratio of 75% to 80%, a fixed interest rate of about 4.50% to 5.50% and a 30-year amortization with a balloon in 10 years. For this analysis, we used a 75% loan-to-value, an interest rate of 5.00%, 30-year amortization, a 10-year balloon, and property appreciation of 2.5% annually (reasonable for a market-rate property and considering the current market). Equity yield rates are more difficult to ascertain. However, based on discussions with investors and valuation experts, and consideration of alternative investment choices and comparing the risks involved with each, we find a typical range of 15% to 20%. Based on the specific characteristics of the subject, we concluded an equity yield rate of 18%. As shown on the following chart, the indicated overall capitalization rate based on the foregoing parameters equates to approximately 7.50%.

CAPITALIZATION RATE DERIVATION BY MORTGAGE/EQUITY TECHNIQUE

ASSUMPTIONS	
Mortgage Amortization Term	30 Years
Holding Period	10 Years
Mortgage Interest Rate	5.00%
Loan-to-Value Ratio	75%
Annual Constant for Monthly Payments	0.064419
Required Equity Yield Rate	18%
Assumed Net Annual Appreciation	2.50%

CALCULATIONS

Basic Rate Calculation:									
Mortgage:	75%	x	0.064419	=				0.048314	
Equity:	25%	x	0.180000	=				+ 0.045000	
Composite Basic Rate:									0.093314
Credit For Equity Build-up Due to Amortization Over Holding Period:									
Mortgage (Loan-to-Value Ratio):				75%					
Sinking Fund Factor @	18%	For		10	Years		=	0.042515	
Percentage of Loan Principal Repaid After				10	Years		=	18.6585%	
Credit:	75%	x	0.042515	x	0.186585		=		0.005949
Appreciation Factor Over the Holding Period:									
Appreciation Credit @	2.5%	Over		10	Years		=	28.0085%	
Sinking Fund Factor @	18%	For		10	Years		=	0.042515	
Credit:	28.0085%	x	0.042515				=		0.011908

INDICATED CAPITALIZATION RATE

Basic Rate:		0.093314
Less Credit For Equity Build-up:	-	0.005949
Less Credit For Appreciation:	-	0.011908
INDICATED CAPITALIZATION RATE:		**0.075457**
ROUNDED:		**7.50%**

Direct Capitalization Conclusion

Based on the information presented from the actual sales, the investor survey and the mortgage equity technique, with particular consideration given to the subject's age, size, quality and location, we are of the opinion that the typical investor would select an overall rate in the range of 7.50% to 8.00% and reconcile towards the middle. Considering this information, we estimate a rate of 7.75% for our as is analysis. Our direct capitalization analysis is presented in the following chart. As shown, our estimated as is value is **$2,000,000 or $20,000 per unit**.

AS IS VALUATION ANALYSIS				
Grayfield Apartments				
100 Units 54,192 Rentable Sq. Ft.				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$594,000	$5,940	$10.96
Plus Other Income	6.0%	35,640	356	0.66
Total Potential Gross Income		629,640	6,296	11.62
Total Vacancy and Collection Loss	7.0%	$44,075	$441	$0.81
Effective Gross Income		$585,565	$5,856	$10.81
Expenses				
Real Estate Taxes		$32,673	$327	$0.60
Insurance		25,000	250	0.46
Management Fee	5.0%	29,278	293	0.54
Utilities		100,000	1,000	1.85
Salaries & Labor		90,000	900	1.66
Maint. & Repairs / Turnkey		70,000	700	1.29
Landscaping		15,000	150	0.28
Advert. & Promotion		10,000	100	0.18
Administrative/Misc.		20,000	200	0.37
Total Expenses		$391,951	$3,920	$7.23
Trended from 08/01/13 to 01/01/2015	2.83%	$9,350	$93	$0.17
Reserves		$30,000	$300	$0.55
Total Operating Expenses		$431,301	$4,313	$7.96
Net Income		$154,264	$1,543	$2.85
Overall Rates/Indicated Values	7.50%	$2,056,854	$20,569	$37.95
	7.75%	$1,990,504	$19,905	$36.73
	8.00%	$1,928,301	$19,283	$35.58
Stabilized Reconciled Value		$2,000,000	$20,000	$36.91

As mentioned, we were also requested to prepare a prospective net operating income (NOI) analysis post rehab, assuming all proposed improvements are complete and stabilized as of a current date.

RENTAL INCOME ANALYSIS

Subject Rental Income Analysis

Once again, per HUD guidelines and at the direction of our client, we are to use the CHAP contract rents for our post-renovation NOI analysis. These figures are shown in the following chart. At these rent levels, potential gross income at 100% occupancy is $608,208, or $6,082 per unit.

CHAP CONTRACT RENTS
Grayfield Apartments

Program Type	Type	No. Units	Gross Size SF	Total Unit SF	Post Renovation - Proposed: Unit Rent	Post Renovation - Proposed: Total Annual Rent
CHAP	0BR/1BA	40	461	18,440	$471	$226,080
CHAP	1BR/1BA	56	573	32,088	$523	$351,456
CHAP	2BR/1BA	4	916	3,664	$639	$30,672
Total / Average		100	542	54,192	$507	$608,208

Source: Provided Letter From HUD and 2015 OCAF Adjustment

OTHER INCOME

As will be seen in the re-constructed operating statements on a following page, for fiscal years 2013 and 2014, actual other income for the subject was $450 and $524 per unit, respectively, or between 8.8% and 9.7% of gross potential rental revenue. The fiscal 2015 budget is $524 per unit, or 9.1% of GPRI. The bulk of this income is cable reimbursement of $31.26 per unit per month, which equates to $37,512 per year (based on 100% occupancy), or about $375 per unit. However, we are unaware if all tenants pay for this amenity. We asked but did not receive an answer. We were informed that the complex does not make a profit on cable and based on a review of the associated expenses ($13,500 to $26,000 over the past few years), it would not appear that all tenants pay for cable. However, we were unable to obtain a clear answer on this topic. According to the owner and developer, they will not be able to charge for this amenity post-renovation. The post-renovation budget includes other income of $120 per unit, or 2% of GPRI. IREM indicates a range of $343 to $1,000 per unit, and a median of $686 per unit for the Southeast Region. As a percentage, the range is 3.7% to 8.8%, with a median of 6.4%. Based upon the above, we forecast other income at 2% of PGRI ($122/unit), post renovation, which assumes no cable income.

VACANCY AND COLLECTION LOSS

As discussed in the market analysis section of this report, we estimate a stabilized physical occupancy, post-rehab, of 97%. We included an additional 2% for collection/bad-debt/concession loss, which equates to stabilized economic occupancies of **95%**.

EFFECTIVE GROSS INCOME

After accounting for other income, and factoring in vacancy and collection loss of 5%, our projected annual effective gross rental income is $589,354 or $5,894 per unit, post renovation.

EXPENSE ANALYSIS

In deriving an estimate of net income, it is necessary to consider various expenses and allowances ascribable to the operation of a property of this type. We were provided actual operating history for fiscal years (October through September) 2013 and 2014, as well as a fiscal 2015 budget. We were also provided a post-renovation budget. In addition, we reviewed industry standard expenses as published in the 2014 edition of the *Income/Expense Analysis – Conventional Apartments* published by IREM (Institute of Real Estate Management). Further, we considered recent operating expense data from four apartment projects in various locations in Georgia. The properties were built between 1965 and 1997 with unit counts from 96 to 160. Three of the comparables are public housing complexes with contract rents while one is a LIHTC property. The subject's historical operating data and budget, IREM data, and expense comparables are summarized in the following charts.

HISTORICAL OPERATING STATEMENTS - GRAYFIELD APARTMENTS 100 Units	Actual 2013 10/12-9/13		Actual 2014 10/13-9/14		Budget 2015 10/13-9/14		Post Renovation Budget	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
REVENUE								
Tenant Rental Revenue	$250,500	$2,505	$249,000	$2,490	$249,000	$2,490	$0	$0
Tenant Asst Payments (HAP)	$263,000	$2,630	$290,486	$2,905	$324,000	$3,240	$0	$0
Total Gross Potential Rental Revenue	$513,500	$5,135	$539,486	$5,395	$573,000	$5,730	$608,208	$6,082
Total Other Income (Not Including Interest Income)	$45,000	$450	$52,400	$524	$52,400	$524	$12,000	$120
Other as % of Potential Gross Rental Income	8.8%		9.7%		9.1%		2.0%	
Potential Gross Income	$558,500	$5,585	$591,886	$5,919	$625,400	$6,254	$620,208	$6,202
Vacancy Loss	$0	$0	$0	$0	$0	$0	$31,010	$310
Other Loss	$5,000	$50	$4,400	$44	$4,400	$44	$3,793	$38
Total Loss	$5,000	$50	$4,400	$44	$4,400	$44	$34,803	$348
Loss as a % of PGI	0.9%		0.7%		0.7%		5.6%	
Effective Gross Income	**$553,500**	**$5,535**	**$587,486**	**$5,875**	**$621,000**	**$6,210**	**$585,405**	**$5,854**
EXPENSES								
Real Estate Taxes	$16,050	$161	$0	$0	$0	$0	$10,700	$107
Insurance	25,000	250	33,500	335	33,500	335	23,130	231
Management Fee	65,616	656	64,300	643	64,300	643	39,476	395
Mgmt. as a % of EGI	11.9%		10.9%		10.4%		6.7%	
Utilities	$90,000	$900	$103,500	$1,035	$103,500	$1,035	$98,972	$990
Salaries and Labor	$159,900	$1,599	$178,000	$1,780	$136,641	$1,366	$97,075	$971
Maintenance & Repairs	$64,000	$640	$59,000	$590	$59,000	$590	$50,673	$507
Landscaping	$0	$0	$0	$0	$0	$0	$8,000	$80
Advertising & Promotion	$0	$0	$0	$0	$0	$0	$2,000	$20
Administrative & Miscellaneous	$47,400	$474	$40,650	$407	$40,650	$407	$24,214	$242
Total Expenses	**$467,966**	**$4,680**	**$478,950**	**$4,790**	**$437,591**	**$4,376**	**$354,240**	**$3,542**
As a % of EGI	84.55%		81.53%		70.47%		60.51%	
Reserves	$0	$0	$0	$0	$0	$0	$35,000	$350
Net Income	**$85,534**	**$855**	**$108,536**	**$1,085**	**$183,409**	**$1,834**	**$196,165**	**$1,962**

Source: The operating statements were reconstructed from the provided historical statements.
Collection Loss were treated as an expense item in the owner's statements. We included it as an offset to income. 2037877.8
We removed asset management fees and audit expenses.

OPERATING EXPENSE COMPARABLES								
Project Name	Bethel Housing		Columbia Plaza		Oglethorpe Ridge		Rolling Ridge	
Location	Albany, GA		Atlanta, GA		Ft. Oglethorpe, GA		Athens, GA	
No. Units	98		96		97		160	
Avg. Unit Size	809		760		1,206		751	
Year Built	1973		1965		1997		1980	
	T12	Trended	FY	Trended	FY	Trended	FY	Trended
Expense Year	10/13 - 9/14		2013		2013		2013	
Effective Date/% Trended	Oct-13	0.0%	Jan-13	1.7%	Jan-13	1.7%	Jan-13	1.7%
Real Estate Taxes	$404	$404	$115	$117	$452	$460	$410	$417
Insurance	287	287	121	123	365	371	385	391
Management Fee:	586	586	179	182	384	391	622	632
Utilities	845	845	1,161	1,181	1,161	1,181	653	664
Salaries & Labor	2,013	2,013	1,346	1,369	1,238	1,259	1,277	1,298
Combined Maint. & Repairs	657	657	593	603	432	439	982	998
Landscaping	214	214	45	46	181	184	133	135
Advert. & Promotion	2	2	12	12	16	16	9	9
Administrative/Misc.	143	143	658	669	445	453	277	282
Total Expenses	$5,151	$5,151	$4,230	$4,302	$4,674	$4,753	$4,748	$4,827

2014 IREM INCOME & EXPENSE DATA FOR SOUTHEAST - REGION IV

Income & Expense Category (A)	Annual Income & Expense as % of GPI			Annual Income & Expenses Per Unit		
	Low	Median	High	Low	Median	High
Income						
Gross Possible Rents:	90.9%	93.5%	96.3%	$8,163	$9,495	$11,066
Other Income:	3.7%	6.4%	8.8%	$343	$686	$1,000
Gross Possible Income:	100.0%	100.0%	100.0%	$8,576	$10,100	$11,842
Vacancies/Rent Loss:	4.9%	7.6%	12.0%	$478	$755	$1,252
Total Collections:	85.2%	90.6%	94.4%	$7,468	$8,964	$10,507
Expenses (B)						
Real Estate Taxes	5.1%	6.8%	8.5%	$487	$701	$993
Insurance	1.8%	2.7%	3.7%	$189	$268	$397
Management Fee	2.6%	3.6%	4.5%	$304	$363	$451
Total Utilities, Common & Apts	5.8%	6.2%	9.9%	$137	$664	$902
Water/sewer (Common & Apts	3.4%	4.7%	6.3%	$0	$464	$587
Electric (Common & Apts)	2.3%	1.5%	3.3%	$137	$186	$294
Gas (Common & Apts)	0.1%	0.0%	0.3%	$0	$14	$21
Total Utilities, Common Only	2.1%	4.1%	5.8%	$235	$466	$639
Water/sewer (common only)	1.0%	2.5%	3.7%	$116	$300	$426
Electric (common only)	1.1%	1.5%	1.9%	$119	$158	$198
Gas (common only)	0.0%	0.1%	0.2%	$0	$8	$16
Salaries and Administrative (C)	7.6%	11.2%	18.6%	$785	$1,159	$1,759
Other Administrative	3.1%	5.0%	9.1%	$336	$543	$908
Other Payroll	4.5%	6.2%	9.5%	$450	$616	$851
Maintenance & Repairs	2.2%	3.8%	5.4%	$219	$381	$591
Painting & Redecorating (D)	1.1%	1.7%	2.6%	$113	$185	$278
Grounds Maintenance & Amenitie	1.5%	2.2%	3.2%	$145	$223	$330
Grounds Maintenance	1.4%	2.0%	2.9%	$135	$203	$300
Recreational/Amenities	0.1%	0.2%	0.3%	$10	$20	$30
Security (D)	0.1%	0.2%	0.7%	$8	$24	$56
Other/Miscellaneous	0.5%	1.5%	13.5%	$59	$154	$847
Other Tax/Fee/Permit	0.0%	0.1%	0.3%	$0	$9	$27
Supplies	0.1%	0.2%	0.5%	$9	$17	$43
Building Services	0.4%	1.0%	1.7%	$50	$99	$168
Other Operating	0.1%	0.5%	11.8%	$9	$55	$678
Total Expenses:	32.8%	40.4%	48.7%	$3,465	$4,222	$5,028
Net Operating Income:	38.9%	47.3%	56.3%	$3,432	$4,844	$6,293

Notes: Survey for Region IV includes 123,665 apartment units with an average unit size of 969 square feet.
(A) *Median* is the middle of the range, *Low* means 25% of the sample is below this figure, *High* mean 25% of the sample is above figure.
(B) Line item expenses do not necessarily correspond to totals due to variances in expenses reported and sizes of reporting complexes.
(C) Includes administrative salaries and expenses, as well as maintenance salaries.
(D) Includes salaries associated with these categories.

Source: 2014 *Income/Expense Analyses:Conventional Apartments* by the Institute of Real Estate Management (IREM).

Real Estate Taxes

The subject is exempt from real estate taxes. However, it does make a payment in lieu of taxes (PILOT), which is calculated by taking 10% of tenant-paid rent less utilities (plus some other calculations). This PILOT has been in place since 1969 and shall continue as long as the project is owned by a public body or a contract between the local authority and the government for loans or annual contributions, or both, in connection with such project remains in force and effect, or bonds issued in connection with such project remain unpaid, whichever period is the longest. The 2014 amount was $14,317. Tenant paid rent will not be much different post rehab. However, we did estimate slightly lower utilities. Thus, for our "as is" restricted analysis, we used rounded taxes (PILOT) of $16,000, or **$160** per unit.

Insurance

For fiscal 2013 and 2014, actual expenses were $250 and $335 per unit, respectively. The 2015 budget is projected at $335 per unit and the post-renovation budget is at $231 per unit. IREM indicates a range of $189 to $397 per unit, and a median of $268 per unit. The comparables indicate expenses within a range of $117 to $417 per unit and average $349. Based upon the foregoing considerations, we forecast insurance expense at **$300** per unit, post renovation.

Management Fee

Management expense for an apartment complex is typically negotiated on a percent of collected revenues (effective gross income, or EGI). This percentage typically ranges from 3.0% to 5.0% for a traditional apartment complex, depending on the size of the complex and position in the market. The historical operating statements indicate a range for the past few years from 10.9% to 11.9% of EGI, or $643 to $656 per unit. The 2015 budget is at 10.4% of EGI or $643 per unit. The post-renovation budget is at 6.7% of EGI, or $395 per unit. The historical percentages are well above typical levels for market or restricted properties and we assume this includes more than just property management fees. It is noted that management fees for public housing properties are based on set formulas dictated by the government and are typically much higher than market or even other restricted-type properties (like LIHTC). Post-renovation, the subject will be managed at a contracted rate of 6.5% of EGI. IREM indicates a range from 2.6% to 4.5% with a median of 3.6%. However, this is for conventional, market-rate properties. The comparables range from about 5% to 8% and $182 to $632 per unit (three of the four between $391 and $632 per unit). Based on all of this information, we included a management fee of 6.5%, post renovation (**$383**/unit).

Utilities

This expense covers all energy costs related to the leasing office, vacant units, and common areas, including exterior lighting. At some complexes, it also may include trash removal and water/sewer costs for apartments. In the subject's case, the complex pays for all utilities (electric, gas, water, sewer and trash). It is also noted that the cable expenses were included in the historical statements as an administrative expense, not under utilities. For fiscal 2013 and 2014, actual expenses were $900 and $1,035 per unit, respectively. The 2015 budget is projected at $1,035 per unit and the post-renovation budget is at $990 per unit. IREM indicates a range of $137 to $902 per unit, and a median of $664 per unit. The comparables indicate expenses within a range of $664 to $1,181 per unit and average $968. We would assume the renovation, which includes new fixtures, would have some positive effect on utilities. Based upon the foregoing considerations, we forecast utilities expense at **$900** per unit, post renovation. We allocated this as $500 for water/sewer, $250 for electric, $50 for gas and $100 for trash.

Salaries and Labor

This expense covers all payroll and labor expenses, including direct and indirect expenses. The taxes and benefits portion of this expense also includes the employer's portion of social security taxes, group health insurance and workman's comp insurance. In addition, employees typically incur overtime pay at times. For fiscal 2013 and 2014, actual expenses were $1,599 and $1,780 per unit, respectively. The 2015 budget is projected at $1,366 per unit and the post-renovation budget is at $971 per unit. Reportedly, the subject recently eliminated two salaried positions in their family self sufficiency department that equated to $87,805 per year with approximately $20,000 in associated expenses. However, this was a shared expense with other Housing Authority properties. IREM indicates a range of $785 to $1,759 per unit and average $1,159 per unit. The comparables indicate expenses within a range of $1,259 to $2,013 per unit and average $1,485. Based upon the foregoing considerations, we forecast salaries and labor expense at **$1,200** per unit, post renovation. We allocated this as $1,000 for salaries and $200 for taxes/benefits/other.

Maintenance and Repairs / Painting and Redecorating

This expense category includes the cost of minor repairs to the apartment units, including painting and redecorating. Interior maintenance amounts to cleaning, electrical repairs, exterminating, contract labor for painting, and plumbing repairs. Exterior maintenance amounts to painting, and replacement or repairs to parking lots, roofs, windows, doors, etc. Maintenance and repairs expenses vary considerably from complex to complex and from year to year due to scheduling of repairs and accounting procedures. Apartment owners often list replacement items under "maintenance and repairs" for more advantageous after-tax considerations. For fiscal 2013 and 2014, actual expenses were $640 and $590 per unit, respectively, inclusive of landscaping and elevator maintenance expenses. The 2015 budget is projected at $590 per unit and the post-renovation budget is at $507 per unit, exclusive of landscaping but inclusive of elevator maintenance expenses. IREM indicates a range (exclusive of landscaping) of $332 to $869 per unit, and a median of $566. The comparables indicate expenses (also exclusive of landscaping) from $439 to $998 per unit, with an average $674. The low end of the comparables ($439) was built in 1997 and three of the four are between $439 and $657. The subject is proposed for a major renovation, which should reduce maintenance expenses. Based upon the foregoing considerations, for our post-renovation analysis, we forecast combined maintenance and repairs and redecorating expenses at $500 plus an additional $50 per unit for the elevators, or a combined **$550** per unit, exclusive of landscaping and amenities. We allocated this as $350 for maintenance ($50 of the $350 for elevator maintenance) and $200 for decorating.

Landscaping and Amenities

Landscaping, or grounds maintenance, includes normal grounds landscaping and maintenance. Routine pool maintenance is typically performed by the maintenance personnel at larger complexes. It should be noted that a line item within the subject's historical statements for landscaping was not included. The post-renovation budget includes this expense at $80 per unit. IREM indicates a range of $145 to $330 per unit, and a median of $223 per unit. The comparables indicate expenses from $46 to $214 per unit, with an average $145. The subject has a limited amenity package and limited green space. Based upon the foregoing considerations, we forecast landscaping and amenities expense at **$100** per unit, post renovation.

Advertising and Promotion

This expense category accounts for placement of advertising, commissions, signage, brochures, and newsletters. Advertising and promotion costs are generally closely tied to occupancy. If occupancy is considered high and the market is stable, then the need for advertising is not as significant. However, if occupancy is considered to be low or occupancy tends to fluctuate, then advertising becomes much more critical. Our analysis assumes that the property is operating at stabilized levels. The subject's provided historical operating information includes no advertising expenses. The post-renovation budget is $20 per unit. IREM does not separately report advertising expenses. The comparables indicate expenses from $2 to $16 per unit, with an average of $10. Considering the high demand for subsidized housing it is reasonable to assume advertising expenses should be minimal. We included **$25** per unit for advertising expenses, post renovation.

Administrative and Miscellaneous Expense

This expense includes such items as legal, accounting, office supplies, answering service, telephone, etc. For fiscal 2013 and 2014, actual expenses were $474 and $407 per unit, respectively. The 2015 budget is projected at $407 per unit and the post-renovation budget is at $242 per unit. We were informed that the cable expenses were included in this category, which should go away post renovation. IREM indicates a range of $59 to $847 per unit, with an average of $154. The comparables indicate expenses from $143 to $669 per unit, with an average of $387. Based upon the foregoing considerations, we forecast administrative expense at **$300** per unit, post renovation.

Reserves for Replacement

Reserves for replacement is an annual allowance for the periodic replacement of roof covers, paving, carpeting, HVAC units, appliances, and other short-lived items. Investors of apartment properties sometimes establish separate accounts for reserves in the pro forma analysis. IREM does not chart this category and it is not included for the comparables. Typically, reserves range from $150 to $350 per unit, depending on age, condition, and size. Based on the extent of the renovation, we forecast reserves at **$300** per unit, post renovation.

Summary of Expenses – Post Renovation

Our estimated post renovation expenses total $430,245 including reserves and trending (2% annually from October 2013 to January 2015), which equates to $4,302 per unit. If excluding reserves, the estimated expenses are $4,002 per unit. For fiscal 2013 and 2014, actual expenses were $4,680 and $4,790 per unit, respectively. The 2015 budget is projected at $4,376 per unit and the post-renovation budget is at $3,542 per unit (not including PILOT expenses). Our projections are slightly below the actual historical figures for the past few years. However, the subject is proposed for a substantial renovation and some expense categories, particularly utilities and maintenance and repairs should be reduced. In addition, several salaried positions have been eliminated, which will reduce these expenses. In addition, the reported management fees appear well above market norms. Total expenses reported by IREM, which do not include reserves, range from $3,465 to $5,028 with a median of $4,222 per unit. Our estimates are within the range. The comparables indicate total trended expenses within a range of $4,302 and $5,151 per unit and average $4,758. Our estimates (not including reserves) are slightly below the range of the comparables. However, the comparables are older properties and we once again note the proposed rehabilitation and low real estate taxes at the subject. Based on this information, our estimates appear reasonable.

Net Operating Income – Post Renovation

Our estimates of income and expenses for the subject apartments, post renovation, result in a net operating income projection of $159,108, or $1,591 per unit.

POST RENOVATION NOI ANALYSIS Grayfield Apartments 100 Units 54,192 Rentable Sq. Ft.				
		Total	Per Unit	Per SF
Potential Gross Rental Income		$608,208	$6,082	$11.22
Plus Other Income	2.0%	12,164	122	0.22
Total Potential Gross Income		620,372	6,204	11.45
Total Vacancy and Collection Loss	5.0%	$31,019	$310	$0.57
Effective Gross Income		$589,354	$5,894	$10.88
Expenses				
Real Estate Taxes		$16,000	$160	$0.30
Insurance		30,000	300	0.55
Management Fee	6.5%	38,308	383	0.71
Utilities		90,000	900	1.66
Salaries & Labor		120,000	1,200	2.21
Maint. & Repairs / Turnkey		55,000	550	1.01
Landscaping		10,000	100	0.18
Advert. & Promotion		2,500	25	0.05
Administrative/Misc.		30,000	300	0.55
Total Expenses		$391,808	$3,918	$7.23
Trended from 10/01/13 to 01/01/2015	2.50%	$8,438	$84	$0.16
Reserves		$30,000	$300	$0.55
Total Operating Expenses		$430,245	$4,302	$7.94
Net Income		$159,108	$1,591	$2.94

The sales comparison approach provides an estimate of market value based on an analysis of recent transactions involving similar properties in the subject's or comparable market areas. This method is based on the premise that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute. When there are an adequate number of sales involving truly similar properties, with sufficient information for comparison, a range of value for the subject can be developed.

In the analysis of sales, considerations for such factors as changing market conditions over time, location, size, quality, age/condition, and amenities, as well as the terms of the transactions, are all significant variables relating to the relative marketability of the subject property. Any adjustments to the sale price of comparables to provide indications of market value for the subject must be market-derived; thus, the actions of typical buyers and sellers are reflected in the comparison process. There are various units of comparison available in the evaluation of sales data. The sale price per unit (NOI), physical adjustment and effective gross income multiplier (EGIM) are most commonly used for apartments. Based on the limited expense information available from the comparables, we included an NOI and physical adjustment analysis.

The following summary chart provides pertinent details regarding each transaction; additional information including photographs and a location map are included in the Addendum. The comparable properties were reportedly built between 1947 and 1998 with unit counts between 18 and 152. The transactions occurred between March 2013 and June 2014. Overall rates indicated by the transactions range between 7.18% and 8.70%, with an average of 8.09%. Sales prices per unit range from $24,722 to $52,303. This range appears to fluctuate most with net operating income per unit, which ranges from $2,101 to $3,895.

IMPROVED SALES SUMMARY

No.	Name Location	Sale Date	Number of Units	Year Built	Price Per Unit	Avg. Unit Size (SF)	NOI/Unit at Sale	OAR
1	Waterbury Apartments, Athens, GA	Jun-14	53	1985	$34,302	609	$2,463	7.18%
2	Hampton Place Apartments, Perry, GA	Jun-14	152	1998	$52,303	939	$3,895	7.45%
3	Pine Ridge Apartments, Cartersville, GA	Feb-14	29	1991	$28,448	862	$2,475	8.70%
4	Brick Pointe, Albany, GA	Feb-14	56	1947	$32,589	953	$2,803	8.60%
5	Riverwalk Apartments, Rome, GA	Mar-13	18	1976	$24,722	727	$2,101	8.50%

SALE PRICE PER UNIT ANALYSIS

While some general observations can be made, isolating physical and location adjustments in the comparison of income producing comparable sales can be very subjective. This subjectivity is particularly true when the comparables are drawn from different locations.

Most investors believe that all these factors are already accounted for in the rental that an income property can achieve and, thus, place most reliance upon net income characteristics as the basis for adjustment. The assumption is that tenants shop and compare, and rent paid in the open market automatically reflects differences in the age and condition of improvements, location, construction, size, amenities, and various other factors.

To further illustrate, we analyzed the net operating income (NOI) generated by each comparable as compared to the subject's projected stabilized income estimated in the income capitalization approach. Basically, by developing a ratio between the subject's and the comparable's net operating income, an adjustment factor can be calculated for each of the individual sales. This factor can then be applied to the comparable's price per unit to render indications for the subject. This process illustrates an attempt to isolate the economic reasoning of buyers. In general, it is a fundamental assumption that the physical characteristics of a project (location, access, design/appeal, condition, etc.) are reflected in the net operating income being generated, and that the resulting price per unit paid for a property has a direct relationship to the net operating income being generated. The following charts depict the calculations involved in developing adjustment factors to be applied to the respective price per unit for the comparables employed.

NET OPERATING INCOME (NOI) ANALYSIS - AS IS									
Sale No.	Subject's NOI/Unit		Comp. NOI/Unit		Multiplier		Sale Price $/Unit		Adjusted $/Unit For Subject
1	$1,543	/	$2,463	=	0.63	X	$34,302	=	$21,610
2	$1,543	/	$3,895	=	0.40	X	$52,303	=	$20,921
3	$1,543	/	$2,475	=	0.62	X	$28,448	=	$17,638
4	$1,543	/	$2,803	=	0.55	X	$32,589	=	$17,924
5	$1,543	/	$2,101	=	0.73	X	$24,722	=	$18,047

As shown above, the adjusted values indicate a range from $17,638 to $21,610 per unit, and average of $19,228. Comparable Five ($18,047) required the least adjustment and Comparable Two ($20,921) had the most similar cap rate as what we estimated for the subject. Considering all of this information, we estimate a per-unit value of a rounded **$19,000**. The value is presented in the following chart.

SALES COMPARISON APPROACH SUMMARY – AS IS		
# Units	**$/Unit**	**Indicated Value**
100	$19,000	$1,900,000
Rounded		**$1,900,000**

PHYSICAL ADJUSTMENT ANALYSIS

For additional support, we are including an adjustment grid for the comparable sales. Adjustments were made for conditions of sale and market conditions, along with common characteristics including location, access/exposure, number of units, average unit size, quality/amenities and age/condition.

Conditions of Sale

The comparable sales were all reportedly arms-length with cash or normal financing. Thus, no adjustments are necessary.

Market Conditions

Apartments have appreciated in value over the past few years. Comparable Five sold in early 2013 and received an upward adjustment. The remaining comparables sold within the past year and do not require adjustments.

Location

The subject property is located in a lower-income, mixed-use corridor in west Cedartown, in an area that has not experienced much growth in recent years. The comparables have superior locations in terms of growth potential, income levels and property values and received varying downward adjustments.

Access/Exposure

No adjustments are necessary.

Size/Number of Units

The subject has 100 units. Typically, smaller properties sell for higher per unit prices. Conversely, larger properties tend to sell for lower per unit prices. This represents something of a quantity discount. Comparables One, Three, Four and Five have unit counts from 18 to 56 and received downward adjustments. Comparable Two has 152 units and requires an upward adjustment.

Average Unit Size

The subject has an average unit size of 542 square feet. The comparables are larger and require varying downward adjustments.

Quality/Amenities

The subject is average construction with a limited amenity package. Comparable Two is a superior property and received a downward adjustment. No adjustments are required for the other comparables.

Age/Condition

The subject was built in 1974 and is currently in only average condition. Comparables One through Three are newer properties and received varying downward adjustments. Comparable Four is older and received an upward adjustment and Comparable Five does not require an adjustment.

The following adjustment grid illustrates our thought processes in the comparison of the comparables to the subject. As shown, prior to adjustment, the comparables present a range of price per unit between $24,722 and $52,303, with a mean of $34,473.

COMPARABLE SALES ADJUSTMENT CHART - AS IS						
Sale No.	**Subject**	**1**	**2**	**3**	**4**	**5**
Informational Data						
Sale Date	N/Ap	Jun-14	Jun-14	Feb-14	Feb-14	Mar-13
Sale Price	N/Ap	$1,818,000	$7,950,000	$825,000	$1,825,000	$445,000
# Units	100	53	152	29	56	18
Avg. Unit Size	542	609	939	862	953	726
Year Built	1974	1985	1998	1991	1947	1976
Location	Average	Superior	Superior	Superior	Superior	Superior
Price per Unit	N/Ap	$34,302	$52,303	$28,448	$32,589	$24,722
Comparative Analysis						
Conditions of Sale						
Adjusted Price/SF		$34,302	$52,303	$28,448	$32,589	$24,722
Market Conditions						10%
Adjusted Price/SF		$34,302	$52,303	$28,448	$32,589	$27,194
Physical Adjustments						
Location		-20%	-10%	-10%	-10%	-10%
Access / Exposure						
Size (# of units)		-10%	5%	-10%	-10%	-10%
Avg. Unit Size		-5%	-15%	-10%	-15%	-5%
Quality/Amenities			-20%			
Age/Condition		-5%	-15%	-5%	5%	
Net Adjustment		-40%	-55%	-35%	-30%	-25%
Adjusted Price/SF		$20,581	$23,536	$18,491	$22,813	$20,396
Indicated Range:			$18,491	to	$23,536	
Mean:				$21,163		
Indicated Range: (Ex. Extremes)			$20,396	to	$22,813	
Mean: (Ex. Extremes)				$21,263		

As shown, after adjustments, the indicated range is between $18,491 and $23,536, with a mean of $21,163. Excluding the extremes, the range is $20,396 to $22,813 with a mean of $21,263. Comparable One is the most recent sale and Comparable Five received the least net physical adjustment. These two comparables average $20,408. Based on this information, we estimate a value for the subject at a rounded $20,000 per unit. Our estimate of value for the subject property, based on a price per unit method is shown as follows.

SALES COMPARISON APPROACH VALUE – PRICE PER UNIT				
Indicated Value/Unit		**Subject Units**		**Total**
$20,000	X	100	=	$2,000,000
Rounded				$2,000,000

Sales Comparison Approach Conclusion

The following table summarizes the value indications provided by the methods of analysis presented in the sales comparison approach.

SUMMARY OF VALUE ESTIMATES BY SALES COMPARISON APPROACH AS IS	
Method	**Indicated Value**
NOI Per Square Foot	$1,900,000
Physical Adjustments	$2,000,000
Reconciled:	**$1,950,000**

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject "as is" under the hypothetical condition that market rents and pre-rehab unrestricted expenses are in place, and prepare a net operating income (NOI) analysis under the hypothetical condition that the CHAP rents are in-place and assuming market-based, post-rehab expenses and that all proposed improvements are complete and stabilized as of a current date. In addition, we prepared an estimate of market value of the fee simple interest in the subject's underlying land "as if vacant". Our NOI analysis is included in a prior section of this report.

FINAL VALUE ESTIMATE – AS IS

We used the income and sales comparison approaches to estimate market value for the subject property "as is". The indications from each are presented in the following chart.

FINAL VALUE ESTIMATES – AS IS	
Income Capitalization Approach	$2,000,000
Sales Comparison Approach	$1,950,000

Apartment properties are typically purchased by investors; thus, the income approach most closely parallels the anticipated analysis that would be employed by a likely buyer. Most multifamily buyers place emphasis on this approach, particularly the direct capitalization analysis for existing properties operating at or near stabilization.

The sales comparison approach is predicated on the principle that an investor will pay no more for an existing property than for a comparable property with similar utility. This approach is contingent on the reliability and comparability of available data. We used sales of conventional apartment complexes located in outlying Georgia markets of similar investment quality.

Based on the research and analysis contained in this report, and placing weighted emphasis on the income approach, we estimate the market value of the fee simple interest in the subject property, as follows:

Estimate of Hypothetical Market Value of the Fee Simple Interest in the Subject, "As Is", as of December 19, 2014

TWO MILLION DOLLARS

$2,000,000

“AS IF VACANT” LAND VALUE ESTIMATE

We used only the sales comparison approach to estimate the market value of the fee simple interest in the subject’s underlying land “as if vacant.” Our concluded estimate of value is as follows:

Estimate of Market Value of the Fee Simple Interest in the Underlying Subject Site
“As Is,” As of December 19, 2014

ONE HUNDRED FIFTEEN THOUSAND DOLLARS
$115,000

The value estimates provided in this appraisal are subject to the assumptions and limiting conditions stated throughout this report.

1. Unless otherwise noted in the body of the report, we assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor were we advised of any unless such is specifically noted in the report. We did not examine a title report and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title were not reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

2. We assume that improvements are constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

3. Unless otherwise noted in the body of this report, we assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We did not retain independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise noted in the body of the report no problems were brought to our attention by ownership or management. We were not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, we reserve the right to amend the appraisal conclusions reported herein.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the appraisal. Any existing or proposed improvements, on- or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon information submitted. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.

5. We assume that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise noted in the appraisal report. We have no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, we reserve the right to amend our conclusions if errors are revealed. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify us of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal.

However, we will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.

7. We assume no private deed restrictions, limiting the use of the subject property in any way.

8. Unless otherwise noted in the body of the report, we assume that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated we also assumed that there are no air or development rights of value that may be transferred.

9. We are not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

11. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.

12. Unless otherwise noted in the body of this report, we assume that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

13. This study may not be duplicated in whole or in part without our written consent, nor may this report or copies hereof be transmitted to third parties without said consent. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without our written consent. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a “sale” or “offer for sale” of any “security”, as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. We shall have no accountability or responsibility to any such third party.

14. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.

16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be used only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties was obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

17. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and

opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis was provided to us unless otherwise stated within the body of this report. If we were not 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 warranty is made concerning obtaining these items. We assume 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.

18. Acceptance and/or use of this report constitutes full acceptance of the Assumptions and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned assumptions and limiting conditions. We assume no responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

19. We assume that the subject property will be under prudent and competent management and ownership; neither inefficient nor super-efficient.

20. We assume that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

21. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed correct. It is further assumed that no encroachments to the realty exist.

22. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present tense. All opinions are expressed as of the date of value, unless specifically noted.

23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, we did not perform a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since we have no specific information relating to this issue, nor are we qualified to make such an assessment, the effect of any possible non-compliance was not considered in estimating the value of the subject property.

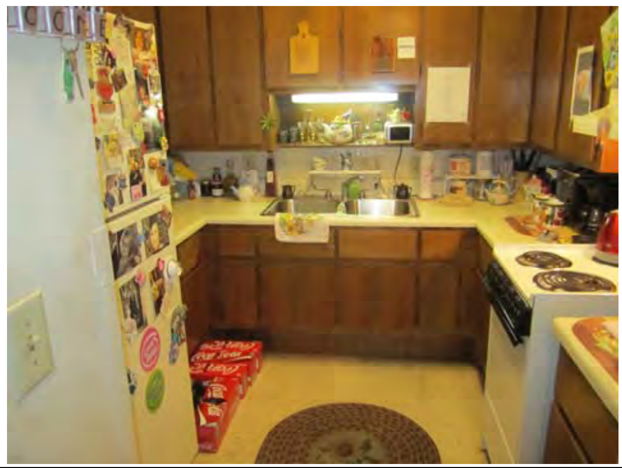
24. The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. We are not qualified to determine the existence or extent of environmental hazards.


Typical Exterior Views Of Subject Property


Typical Exterior Views Of Subject Property


Typical Exterior Views Of Subject Property


Typical Interior Views Of Subject Units

Typical Interior Views Of Subject Units


Typical Interior Views Of Subject Units

Typical Views Of Amenities / Common Areas

Typical Views Of Amenities / Common Areas

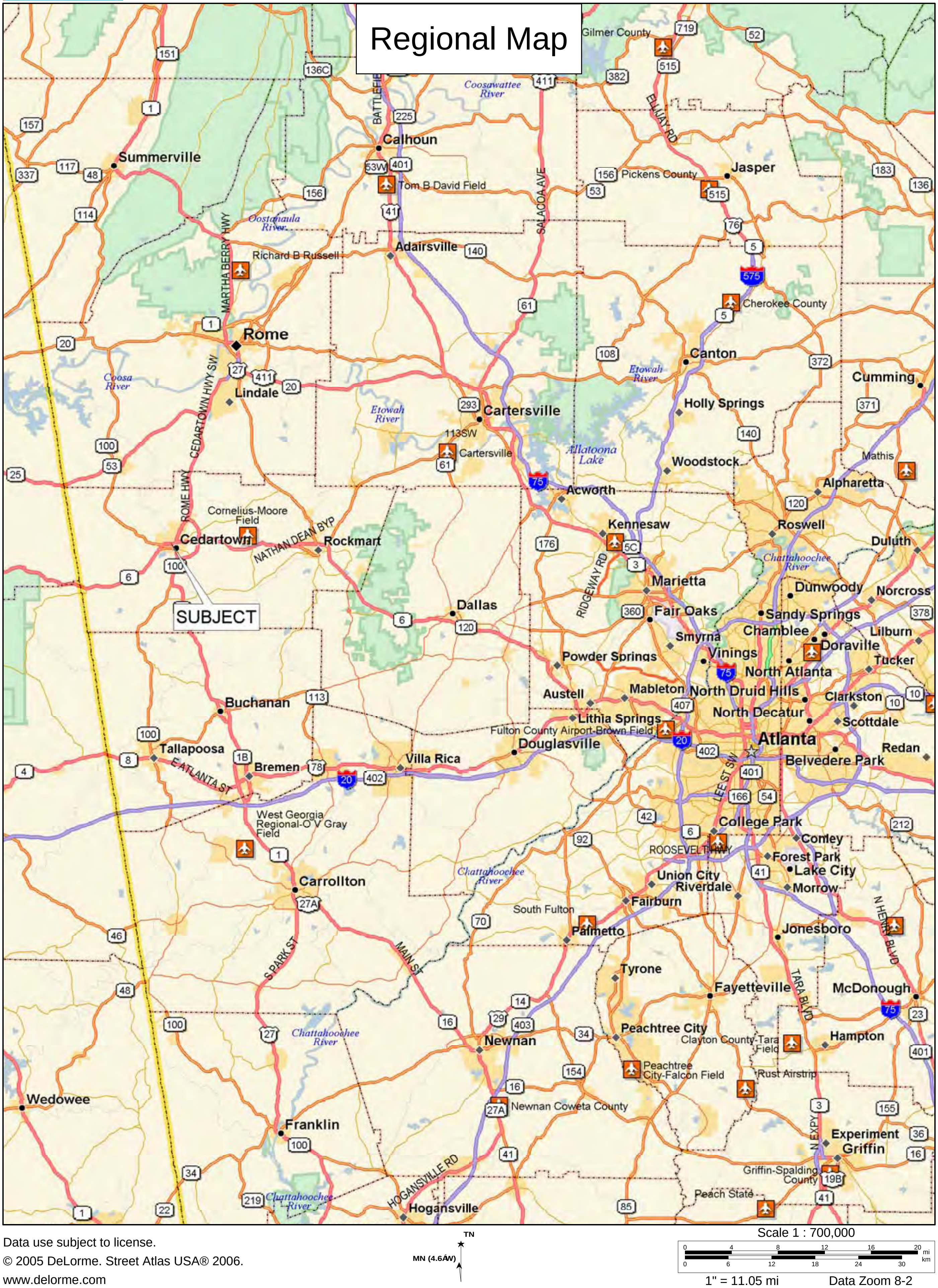
 

Typical Views Of Amenities / Common Areas

Typical Views Of Nearby Properties

Typical Views Of Nearby Properties

Typical Street Views


Regional Map
SUBJECT
Summerville
Calhoun
Tom B David Field
Adairsville
Richard B Russell
Rome
Lindale
Cartersville
Acworth
Kennesaw
Marietta
Cedartown
Cornelius-Moore Field
Rockmart
Dallas
Buchanan
Tallapoosa
Bremen
Villa Rica
Douglasville
Carrollton
West Georgia Regional-O V Gray Field
Franklin
Wedowee
Hogansville
Newnan
Newnan Coweta County
Jasper
Pickens County
Gilmer County
Cherokee County
Canton
Holly Springs
Woodstock
Alpharetta
Mathis
Roswell
Cumming
Duluth
Norcross
Dunwoody
Sandy Springs
Chamblee
Doraville
Lilburn
Tucker
Fair Oaks
Smyrna
Vinings
North Atlanta
Powder Springs
Austell
Mableton
North Druid Hills
Clarkston
Scottdale
North Decatur
Lithia Springs
Fulton County Airport-Brown Field
Atlanta
Belvedere Park
Redan
College Park
Conley
Forest Park
Lake City
Morrow
Union City
Riverdale
Fairburn
South Fulton
Palmetto
Jonesboro
Tyrone
Fayetteville
McDonough
Peachtree City
Clayton County-Tara Field
Peachtree City-Falcon Field
Rust Airstrip
Hampton
Experiment
Griffin
Griffin-Spalding County
Peach State
Allatoona Lake
Etowah River
Coosa River
Oostanaula River
Coosawattee River
Chattahoochee River
Data use subject to license.
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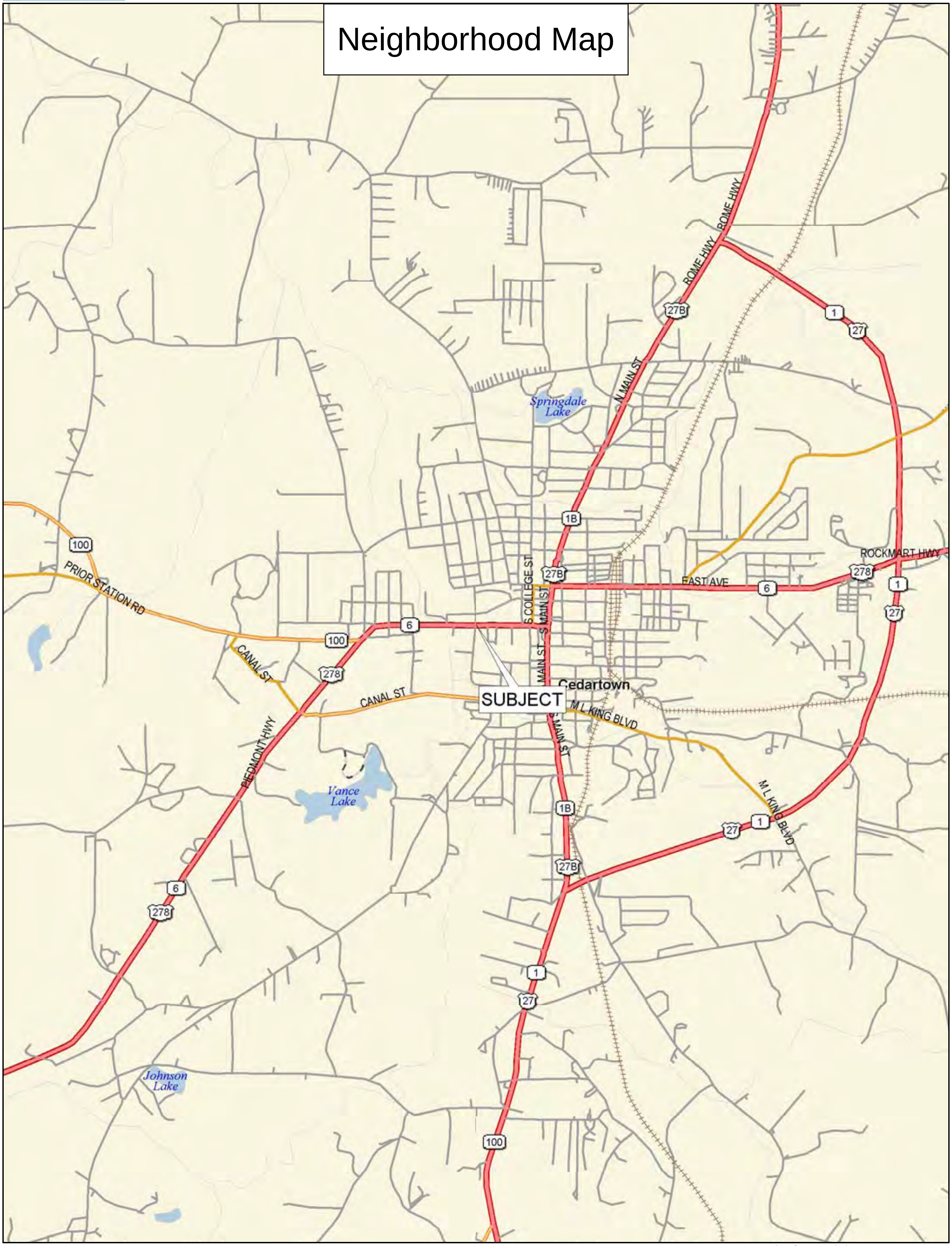
www.delorme.com
TN
MN (4.6ÅW)
Scale 1 : 700,000
1" = 11.05 mi
Data Zoom 8-2



Data use subject to license.

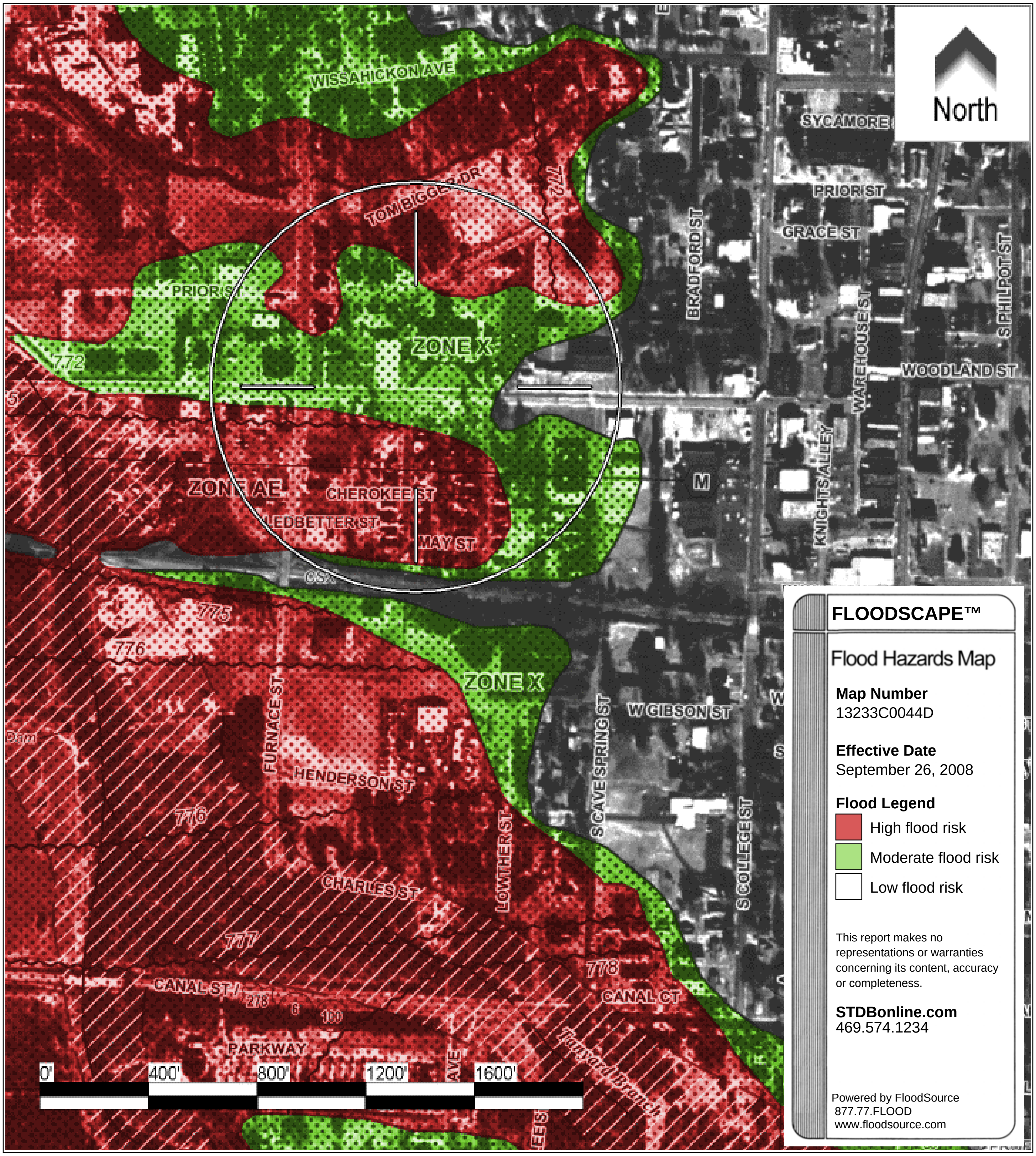
TN
MN (4.3ÅW)

Scale 1 : 46,875

1" = 3,906.3 ft

Data Zoom 12-1

PROPERTY ADDRESS:
344 West Ave, Cedartown, Georgia, 30125



FLOODSCAPE™

Flood Hazards Map

Map Number
13233C0044D

Effective Date
September 26, 2008

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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EHA
Everson, Huber & Associates, LC

Market Profile

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Rings: 1, 3, 5 mile radii

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	1 mile	3 miles	5 miles
Population Summary			
2000 Total Population	6,404	14,788	18,862
2010 Total Population	6,428	15,595	20,089
2013 Total Population	6,553	15,822	20,300
2013 Group Quarters	149	236	246
2018 Total Population	6,773	16,222	20,709
2013-2018 Annual Rate	0.66%	0.50%	0.40%
Household Summary			
2000 Households	2,202	5,347	6,825
2000 Average Household Size	2.77	2.65	2.66
2010 Households	2,073	5,473	7,124
2010 Average Household Size	2.99	2.78	2.77
2013 Households	2,131	5,572	7,213
2013 Average Household Size	3.01	2.80	2.78
2018 Households	2,198	5,691	7,332
2018 Average Household Size	3.01	2.81	2.79
2013-2018 Annual Rate	0.61%	0.43%	0.33%
2010 Families	1,384	3,771	5,032
2010 Average Family Size	3.68	3.36	3.30
2013 Families	1,410	3,811	5,057
2013 Average Family Size	3.71	3.39	3.33
2018 Families	1,441	3,864	5,104
2018 Average Family Size	3.75	3.42	3.35
2013-2018 Annual Rate	0.44%	0.28%	0.18%
Housing Unit Summary			
2000 Housing Units	2,395	5,764	7,320
Owner Occupied Housing Units	49.7%	57.2%	61.5%
Renter Occupied Housing Units	42.2%	35.5%	31.7%
Vacant Housing Units	8.1%	7.2%	6.8%
2010 Housing Units	2,444	6,173	7,969
Owner Occupied Housing Units	41.0%	49.8%	54.6%
Renter Occupied Housing Units	43.8%	38.8%	34.8%
Vacant Housing Units	15.2%	11.3%	10.6%
2013 Housing Units	2,458	6,207	8,012
Owner Occupied Housing Units	39.4%	48.1%	52.7%
Renter Occupied Housing Units	47.3%	41.7%	37.3%
Vacant Housing Units	13.3%	10.2%	10.0%
2018 Housing Units	2,472	6,305	8,108
Owner Occupied Housing Units	40.6%	48.6%	53.2%
Renter Occupied Housing Units	48.3%	41.7%	37.2%
Vacant Housing Units	11.1%	9.7%	9.6%
Median Household Income			
2013	$33,194	$36,607	$36,910
2018	$36,287	$40,820	$41,168
Median Home Value			
2013	$62,138	$73,914	$76,828
2018	$66,348	$81,409	$85,716
Per Capita Income			
2013	$13,975	$16,701	$16,680
2018	$14,982	$18,249	$18,277
Median Age			
2010	30.4	33.1	34.4
2013	30.6	33.2	34.5
2018	31.6	34.0	35.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

EHA
Everson, Huber & Associates, LC

Market Profile

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Rings: 1, 3, 5 mile radii

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	1 mile	3 miles	5 miles
2013 Households by Income			
Household Income Base	2,131	5,572	7,213
<$15,000	22.2%	19.0%	18.4%
$15,000 - $24,999	13.9%	13.8%	13.7%
$25,000 - $34,999	16.0%	14.1%	14.2%
$35,000 - $49,999	21.4%	20.1%	20.8%
$50,000 - $74,999	12.2%	15.5%	16.6%
$75,000 - $99,999	7.2%	6.4%	6.3%
$100,000 - $149,999	6.9%	9.5%	8.7%
$150,000 - $199,999	0.1%	1.1%	1.0%
$200,000+	0.0%	0.5%	0.5%
Average Household Income	$41,183	$47,134	$46,705
2018 Households by Income			
Household Income Base	2,198	5,691	7,332
<$15,000	21.2%	18.0%	17.4%
$15,000 - $24,999	13.3%	12.8%	12.7%
$25,000 - $34,999	13.1%	11.1%	11.1%
$35,000 - $49,999	19.2%	17.1%	17.6%
$50,000 - $74,999	15.9%	19.3%	20.5%
$75,000 - $99,999	10.1%	9.2%	9.2%
$100,000 - $149,999	7.0%	10.6%	9.7%
$150,000 - $199,999	0.2%	1.4%	1.3%
$200,000+	0.0%	0.5%	0.6%
Average Household Income	$44,241	$51,749	$51,391
2013 Owner Occupied Housing Units by Value			
Total	968	2,985	4,226
<$50,000	39.2%	28.6%	26.5%
$50,000 - $99,999	44.5%	44.8%	43.7%
$100,000 - $149,999	11.3%	17.3%	18.4%
$150,000 - $199,999	3.3%	5.9%	6.8%
$200,000 - $249,999	1.0%	2.0%	2.5%
$250,000 - $299,999	0.2%	0.6%	0.9%
$300,000 - $399,999	0.3%	0.4%	0.6%
$400,000 - $499,999	0.0%	0.2%	0.3%
$500,000 - $749,999	0.2%	0.2%	0.2%
$750,000 - $999,999	0.0%	0.1%	0.1%
$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	$68,082	$82,928	$87,608
2018 Owner Occupied Housing Units by Value			
Total	1,004	3,063	4,315
<$50,000	36.9%	25.7%	23.5%
$50,000 - $99,999	40.1%	38.6%	37.1%
$100,000 - $149,999	15.0%	21.6%	22.8%
$150,000 - $199,999	5.1%	8.8%	10.1%
$200,000 - $249,999	1.7%	3.2%	3.9%
$250,000 - $299,999	0.4%	0.9%	1.4%
$300,000 - $399,999	0.4%	0.5%	0.7%
$400,000 - $499,999	0.0%	0.2%	0.3%
$500,000 - $749,999	0.3%	0.3%	0.3%
$750,000 - $999,999	0.0%	0.1%	0.1%
$1,000,000 +	0.0%	0.0%	0.0%
Average Home Value	$75,158	$92,730	$98,399

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

Market Profile

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Rings: 1, 3, 5 mile radii

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	1 mile	3 miles	5 miles
2010 Population by Age			
Total	6,428	15,598	20,086
0 - 4	10.8%	9.7%	9.1%
5 - 9	8.5%	8.1%	7.8%
10 - 14	6.9%	6.8%	6.9%
15 - 24	14.9%	14.0%	13.7%
25 - 34	15.3%	13.9%	13.3%
35 - 44	11.7%	11.8%	12.1%
45 - 54	11.1%	11.5%	12.5%
55 - 64	8.5%	10.2%	10.8%
65 - 74	6.1%	7.5%	7.8%
75 - 84	4.1%	4.6%	4.4%
85 +	2.2%	2.0%	1.8%
18 +	70.0%	71.6%	72.4%
2013 Population by Age			
Total	6,553	15,820	20,299
0 - 4	10.3%	9.4%	8.8%
5 - 9	9.2%	8.6%	8.2%
10 - 14	7.2%	7.1%	7.0%
15 - 24	13.9%	13.2%	13.0%
25 - 34	15.8%	14.3%	13.7%
35 - 44	11.6%	11.8%	12.0%
45 - 54	10.7%	11.1%	11.9%
55 - 64	9.0%	10.4%	11.2%
65 - 74	6.4%	7.9%	8.3%
75 - 84	3.7%	4.3%	4.3%
85 +	1.9%	1.9%	1.7%
18 +	69.4%	71.3%	72.3%
2018 Population by Age			
Total	6,773	16,221	20,709
0 - 4	10.0%	9.2%	8.6%
5 - 9	9.1%	8.4%	8.0%
10 - 14	7.9%	7.7%	7.5%
15 - 24	13.1%	12.5%	12.2%
25 - 34	15.0%	13.6%	13.3%
35 - 44	12.1%	12.0%	12.0%
45 - 54	10.0%	10.5%	11.1%
55 - 64	9.6%	10.5%	11.4%
65 - 74	7.2%	8.9%	9.4%
75 - 84	4.1%	4.8%	4.8%
85 +	1.9%	1.9%	1.8%
18 +	69.1%	70.9%	72.1%
2010 Population by Sex			
Males	3,242	7,702	9,962
Females	3,186	7,893	10,127
2013 Population by Sex			
Males	3,306	7,811	10,063
Females	3,247	8,011	10,237
2018 Population by Sex			
Males	3,435	8,029	10,291
Females	3,338	8,193	10,418

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

EHA
Everson, Huber & Associates, LC

Market Profile

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Rings: 1, 3, 5 mile radii

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	1 mile	3 miles	5 miles
2010 Population by Race/Ethnicity			
Total	6,427	15,594	20,089
White Alone	58.1%	66.0%	70.6%
Black Alone	17.5%	14.3%	12.5%
American Indian Alone	0.4%	0.4%	0.4%
Asian Alone	0.3%	0.9%	0.8%
Pacific Islander Alone	0.2%	0.2%	0.1%
Some Other Race Alone	21.2%	16.1%	13.6%
Two or More Races	2.3%	2.2%	2.0%
Hispanic Origin	32.0%	24.5%	20.7%
Diversity Index	79.2	71.3	65.5
2013 Population by Race/Ethnicity			
Total	6,552	15,821	20,301
White Alone	55.5%	63.7%	68.5%
Black Alone	18.6%	15.1%	13.3%
American Indian Alone	0.4%	0.4%	0.4%
Asian Alone	0.3%	1.0%	0.9%
Pacific Islander Alone	0.2%	0.2%	0.1%
Some Other Race Alone	22.6%	17.3%	14.6%
Two or More Races	2.3%	2.3%	2.1%
Hispanic Origin	34.0%	26.2%	22.3%
Diversity Index	81.1	73.7	68.1
2018 Population by Race/Ethnicity			
Total	6,773	16,221	20,709
White Alone	51.8%	60.1%	65.1%
Black Alone	19.4%	15.8%	14.1%
American Indian Alone	0.5%	0.5%	0.4%
Asian Alone	0.4%	1.3%	1.1%
Pacific Islander Alone	0.2%	0.2%	0.2%
Some Other Race Alone	25.1%	19.7%	16.7%
Two or More Races	2.5%	2.5%	2.3%
Hispanic Origin	37.4%	29.4%	25.2%
Diversity Index	83.7	77.4	72.3
2010 Population by Relationship and Household Type			
Total	6,428	15,595	20,089
In Households	96.5%	97.7%	98.1%
In Family Households	83.1%	84.6%	85.6%
Householder	22.2%	24.2%	25.1%
Spouse	13.9%	16.3%	17.5%
Child	35.3%	34.6%	34.2%
Other relative	7.8%	6.3%	5.8%
Nonrelative	4.0%	3.3%	3.0%
In Nonfamily Households	13.3%	13.1%	12.5%
In Group Quarters	3.5%	2.3%	1.9%
Institutionalized Population	3.0%	2.1%	1.7%
Noninstitutionalized Population	0.5%	0.2%	0.1%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

Market Profile

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Rings: 1, 3, 5 mile radii

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	1 mile	3 miles	5 miles
2013 Population 25+ by Educational Attainment			
Total	3,883	9,772	12,799
Less than 9th Grade	18.1%	13.7%	12.8%
9th - 12th Grade, No Diploma	24.0%	20.8%	19.4%
High School Graduate	30.7%	33.6%	35.4%
Some College, No Degree	17.2%	17.9%	18.0%
Associate Degree	3.0%	3.6%	4.0%
Bachelor's Degree	3.9%	5.3%	5.6%
Graduate/Professional Degree	3.2%	5.1%	4.9%
2013 Population 15+ by Marital Status			
Total	4,795	11,855	15,431
Never Married	36.9%	27.5%	25.6%
Married	42.7%	48.9%	51.2%
Widowed	6.3%	7.7%	8.1%
Divorced	14.1%	15.8%	15.0%
2013 Civilian Population 16+ in Labor Force			
Civilian Employed	86.9%	89.1%	89.3%
Civilian Unemployed	13.1%	10.9%	10.7%
2013 Employed Population 16+ by Industry			
Total	2,295	5,766	7,541
Agriculture/Mining	2.0%	1.3%	1.3%
Construction	13.7%	11.3%	11.0%
Manufacturing	19.0%	21.9%	21.5%
Wholesale Trade	2.2%	1.5%	1.4%
Retail Trade	15.4%	13.7%	14.0%
Transportation/Utilities	2.6%	2.2%	2.9%
Information	1.0%	1.1%	1.6%
Finance/Insurance/Real Estate	2.6%	3.8%	4.1%
Services	38.4%	40.8%	39.4%
Public Administration	3.1%	2.4%	2.9%
2013 Employed Population 16+ by Occupation			
Total	2,296	5,764	7,540
White Collar	45.0%	47.6%	45.9%
Management/Business/Financial	7.4%	7.9%	7.5%
Professional	18.1%	18.0%	16.2%
Sales	8.5%	9.0%	8.8%
Administrative Support	11.0%	12.7%	13.4%
Services	16.3%	14.7%	16.1%
Blue Collar	38.7%	37.7%	38.0%
Farming/Forestry/Fishing	1.1%	0.7%	0.8%
Construction/Extraction	12.9%	11.3%	10.8%
Installation/Maintenance/Repair	2.5%	2.4%	3.4%
Production	16.1%	15.4%	14.8%
Transportation/Material Moving	6.1%	7.9%	8.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

Market Profile

344 West Ave. | Prepared by Larry Everson
344 West Ave, Cedartown, Georgia, 30125, | Latitude: 34.011260741
Rings: 1, 3, 5 mile radii | Longitude: -85.26079148

	1 mile	3 miles	5 miles
2010 Households by Type			
Total	2,073	5,473	7,124
Households with 1 Person	28.3%	26.6%	25.1%
Households with 2+ People	71.7%	73.4%	74.9%
Family Households	66.8%	68.9%	70.6%
Husband-wife Families	41.8%	46.3%	49.3%
With Related Children	23.6%	23.2%	23.9%
Other Family (No Spouse Present)	25.0%	22.6%	21.3%
Other Family with Male Householder	7.2%	6.3%	6.1%
With Related Children	4.5%	3.9%	3.7%
Other Family with Female Householder	17.8%	16.3%	15.2%
With Related Children	11.8%	10.9%	10.1%
Nonfamily Households	4.9%	4.5%	4.3%
All Households with Children	40.9%	38.9%	38.5%
Multigenerational Households	6.4%	6.0%	6.0%
Unmarried Partner Households	7.5%	6.5%	6.1%
Male-female	6.9%	6.0%	5.7%
Same-sex	0.5%	0.5%	0.5%
2010 Households by Size			
Total	2,072	5,474	7,124
1 Person Household	28.3%	26.6%	25.1%
2 Person Household	25.1%	29.1%	30.6%
3 Person Household	14.9%	16.1%	16.6%
4 Person Household	13.1%	12.5%	12.9%
5 Person Household	8.4%	7.7%	7.5%
6 Person Household	4.4%	4.0%	3.8%
7 + Person Household	5.7%	4.1%	3.6%
2010 Households by Tenure and Mortgage Status			
Total	2,073	5,473	7,124
Owner Occupied	48.3%	56.2%	61.1%
Owned with a Mortgage/Loan	28.3%	33.6%	36.7%
Owned Free and Clear	20.0%	22.6%	24.4%
Renter Occupied	51.7%	43.8%	38.9%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

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Market Profile

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		1 mile	3 miles	5 miles
Top 3 Tapestry Segments				
	1.	Heartland Communities	Southern Satellites	Southern Satellites
	2.	City Dimensions	Midlife Junction	Midlife Junction
	3.	Midlife Junction	Heartland Communities	Heartland Communities
2013 Consumer Spending				
Apparel & Services: Total $		$1,863,662	$5,365,444	$6,808,380
Average Spent		$874.55	$962.93	$943.90
Spending Potential Index		39	43	42
Computers & Accessories: Total $		$298,741	$869,005	$1,105,227
Average Spent		$140.16	$155.97	$153.22
Spending Potential Index		56	63	62
Education: Total $		$1,678,748	$4,592,214	$5,731,256
Average Spent		$787.77	$824.16	$794.57
Spending Potential Index		54	56	54
Entertainment/Recreation: Total $		$4,134,885	$12,600,334	$16,231,176
Average Spent		$1,940.35	$2,261.37	$2,250.27
Spending Potential Index		60	70	69
Food at Home: Total $		$6,725,253	$20,116,108	$25,741,451
Average Spent		$3,155.91	$3,610.21	$3,568.76
Spending Potential Index		63	72	71
Food Away from Home: Total $		$4,026,090	$11,802,786	$15,058,211
Average Spent		$1,889.30	$2,118.23	$2,087.65
Spending Potential Index		59	66	65
Health Care: Total $		$5,688,669	$18,005,490	$23,400,427
Average Spent		$2,669.48	$3,231.42	$3,244.20
Spending Potential Index		60	73	73
HH Furnishings & Equipment: Total $		$1,972,832	$5,957,506	$7,659,736
Average Spent		$925.78	$1,069.19	$1,061.93
Spending Potential Index		51	59	59
Investments: Total $		$1,644,232	$4,233,796	$5,125,076
Average Spent		$771.58	$759.83	$710.53
Spending Potential Index		37	37	34
Retail Goods: Total $		$30,068,949	$92,300,780	$119,096,678
Average Spent		$14,110.25	$16,565.11	$16,511.39
Spending Potential Index		58	69	68
Shelter: Total $		$19,269,955	$54,896,955	$69,498,944
Average Spent		$9,042.68	$9,852.29	$9,635.23
Spending Potential Index		56	61	59
TV/Video/Audio:Total $		$1,692,731	$5,133,692	$6,598,184
Average Spent		$794.34	$921.34	$914.76
Spending Potential Index		62	71	71
Travel: Total $		$2,055,132	$6,082,982	$7,795,931
Average Spent		$964.40	$1,091.71	$1,080.82
Spending Potential Index		53	60	59
Vehicle Maintenance & Repairs: Total $		$1,373,377	$4,131,316	$5,303,609
Average Spent		$644.48	$741.44	$735.28
Spending Potential Index		59	68	67

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.
Source: Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018. Esri converted Census 2000 data into 2010 geography.

April 28, 2014

EHA

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ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 1 mile radius

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
TOTALS				
Total Population	7,243		673	high
Total Households	2,324		196	high
Total Housing Units	2,628		210	high
OWNER-OCCUPIED HOUSING UNITS BY VALUE				
Total	1,159	100.0%	164	high
Less than $10,000	11	0.9%	17	low
$10,000 to $14,999	0	0.0%	0	
$15,000 to $19,999	12	1.0%	18	low
$20,000 to $24,999	46	4.0%	71	low
$25,000 to $29,999	90	7.8%	104	low
$30,000 to $34,999	0	0.0%	0	
$35,000 to $39,999	0	0.0%	0	
$40,000 to $49,999	49	4.2%	32	low
$50,000 to $59,999	146	12.6%	70	medium
$60,000 to $69,999	107	9.2%	39	medium
$70,000 to $79,999	71	6.1%	39	medium
$80,000 to $89,999	107	9.2%	46	medium
$90,000 to $99,999	82	7.1%	37	medium
$100,000 to $124,999	44	3.8%	14	medium
$125,000 to $149,999	87	7.5%	46	medium
$150,000 to $174,999	109	9.4%	42	medium
$175,000 to $199,999	14	1.2%	46	low
$200,000 to $249,999	110	9.5%	76	low
$250,000 to $299,999	39	3.4%	39	low
$300,000 to $399,999	15	1.3%	32	low
$400,000 to $499,999	4	0.3%	11	low
$500,000 to $749,999	18	1.6%	24	low
$750,000 to $999,999	0	0.0%	0	
$1,000,000 or more	0	0.0%	0	
Median Home Value	$84,533		N/A	
Average Home Value	N/A		N/A	
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS				
Total	1,159	100.0%	164	high
Housing units with a mortgage/contract to purchase/similar debt	731	63.1%	118	high
Second mortgage only	23	2.0%	25	low
Home equity loan only	50	4.3%	34	low
Both second mortgage and home equity loan	0	0.0%	0	
No second mortgage and no home equity loan	658	56.8%	118	high
Housing units without a mortgage	428	36.9%	124	medium
AVERAGE VALUE BY MORTGAGE STATUS				
Housing units with a mortgage	N/A		N/A	
Housing units without a mortgage	N/A		N/A	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

EHA
Everson, Huber & Associates, LC

ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 1 mile radius

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Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT				
Total	1,165	100.0%	178	high
With cash rent	1,136	97.5%	179	high
Less than $100	97	8.3%	61	medium
$100 to $149	44	3.8%	44	low
$150 to $199	13	1.1%	30	low
$200 to $249	74	6.4%	50	low
$250 to $299	131	11.2%	79	medium
$300 to $349	26	2.2%	13	medium
$350 to $399	140	12.0%	98	low
$400 to $449	176	15.1%	58	medium
$450 to $499	174	14.9%	106	medium
$500 to $549	52	4.5%	24	medium
$550 to $599	82	7.0%	46	medium
$600 to $649	40	3.4%	37	low
$650 to $699	43	3.7%	41	low
$700 to $749	0	0.0%	0	
$750 to $799	22	1.9%	31	low
$800 to $899	9	0.8%	21	low
$900 to $999	0	0.0%	0	
$1,000 to $1,249	13	1.1%	18	low
$1,250 to $1,499	0	0.0%	0	
$1,500 to $1,999	0	0.0%	0	
$2,000 or more	0	0.0%	0	
No cash rent	29	2.5%	24	low
Median Contract Rent	$412		N/A	
Average Contract Rent	$399		$89	medium
RENTER-OCCUPIED HOUSING UNITS BY INCLUSION OF UTILITIES IN RENT				
Total	1,165	100.0%	178	high
Pay extra for one or more utilities	1,031	88.5%	170	high
No extra payment for any utilities	134	11.5%	71	medium
HOUSING UNITS BY UNITS IN STRUCTURE				
Total	2,628	100.0%	210	high
1, detached	1,937	73.7%	189	high
1, attached	36	1.4%	26	low
2	100	3.8%	55	medium
3 or 4	121	4.6%	93	low
5 to 9	53	2.0%	45	low
10 to 19	0	0.0%	0	
20 to 49	14	0.5%	27	low
50 or more	131	5.0%	58	medium
Mobile home	236	9.0%	74	medium
Boat, RV, van, etc.	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
HOUSING UNITS BY YEAR STRUCTURE BUILT				
Total	2,628	100.0%	210	
Built 2005 or later	18	0.7%	24	
Built 2000 to 2004	47	1.8%	19	
Built 1990 to 1999	267	10.2%	67	
Built 1980 to 1989	236	9.0%	66	
Built 1970 to 1979	443	16.9%	96	
Built 1960 to 1969	265	10.1%	76	
Built 1950 to 1959	305	11.6%	118	
Built 1940 to 1949	534	20.3%	144	
Built 1939 or earlier	513	19.5%	162	
Median Year Structure Built	1959		N/A	
OCCUPIED HOUSING UNITS BY YEAR HOUSEHOLDER MOVED INTO UNIT				
Total	2,324	100.0%	196	
Owner occupied				
Moved in 2005 or later	249	10.7%	86	
Moved in 2000 to 2004	217	9.3%	77	
Moved in 1990 to 1999	294	12.7%	116	
Moved in 1980 to 1989	133	5.7%	43	
Moved in 1970 to 1979	97	4.2%	44	
Moved in 1969 or earlier	169	7.3%	63	
Renter occupied				
Moved in 2005 or later	694	29.9%	143	
Moved in 2000 to 2004	322	13.9%	118	
Moved in 1990 to 1999	145	6.2%	68	
Moved in 1980 to 1989	4	0.2%	14	
Moved in 1970 to 1979	0	0.0%	0	
Moved in 1969 or earlier	0	0.0%	0	
Median Year Householder Moved Into Unit	2003		N/A	
OCCUPIED HOUSING UNITS BY HOUSE HEATING FUEL				
Total	2,324	100.0%	196	
Utility gas	1,384	59.6%	188	
Bottled, tank, or LP gas	163	7.0%	51	
Electricity	752	32.4%	128	
Fuel oil, kerosene, etc.	0	0.0%	0	
Coal or coke	0	0.0%	0	
Wood	25	1.1%	25	
Solar energy	0	0.0%	0	
Other fuel	0	0.0%	0	
No fuel used	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

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Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
OCCUPIED HOUSING UNITS BY VEHICLES AVAILABLE				
Total	2,324	100.0%	196	high
Owner occupied				
No vehicle available	45	1.9%	28	medium
1 vehicle available	353	15.2%	83	medium
2 vehicles available	532	22.9%	135	medium
3 vehicles available	163	7.0%	49	medium
4 vehicles available	48	2.1%	32	low
5 or more vehicles available	17	0.7%	25	low
Renter occupied				
No vehicle available	210	9.0%	81	medium
1 vehicle available	654	28.1%	165	medium
2 vehicles available	227	9.8%	81	medium
3 vehicles available	55	2.4%	33	medium
4 vehicles available	18	0.8%	34	low
5 or more vehicles available	0	0.0%	0	
Average Number of Vehicles Available	1.5		0.2	high

Data Note: N/A means not available.

2005-2009 ACS Estimate: The American Community Survey (ACS) replaces census sample data. Esri is releasing the 2005-2009 ACS estimates, five-year period data collected monthly from January 1, 2005 through December 31, 2009. Although the ACS includes many of the subjects previously covered by the decennial census sample, there are significant differences between the two surveys including fundamental differences in survey design and residency rules.

Margin of error (MOE): The MOE is a measure of the variability of the estimate due to sampling error. MOEs enable the data user to measure the range of uncertainty for each estimate with 90 percent confidence. The range of uncertainty is called the confidence interval, and it is calculated by taking the estimate +/- the MOE. For example, if the ACS reports an estimate of 100 with an MOE of +/- 20, then you can be 90 percent certain the value for the whole population falls between 80 and 120.

Reliability: These symbols represent threshold values that Esri has established from the Coefficients of Variation (CV) to designate the usability of the estimates. The CV measures the amount of sampling error relative to the size of the estimate, expressed as a percentage.

High Reliability: Small CVs (less than or equal to 12 percent) are flagged green to indicate that the sampling error is small relative to the estimate and the estimate is reasonably reliable.

Medium Reliability: Estimates with CVs between 12 and 40 are flagged yellow—use with caution.

Low Reliability: Large CVs (over 40 percent) are flagged red to indicate that the sampling error is large relative to the estimate. The estimate is considered very unreliable.

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

EHA
Everson, Huber & Associates, LC

ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 3 mile radius

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
TOTALS				
Total Population	17,014		1,353	
Total Households	5,476		334	
Total Housing Units	6,125		366	
OWNER-OCCUPIED HOUSING UNITS BY VALUE				
Total	3,209	100.0%	252	
Less than $10,000	60	1.9%	23	
$10,000 to $14,999	5	0.2%	56	
$15,000 to $19,999	31	1.0%	31	
$20,000 to $24,999	87	2.7%	59	
$25,000 to $29,999	98	3.1%	104	
$30,000 to $34,999	1	0.0%	6	
$35,000 to $39,999	13	0.4%	16	
$40,000 to $49,999	96	3.0%	52	
$50,000 to $59,999	251	7.8%	113	
$60,000 to $69,999	342	10.7%	89	
$70,000 to $79,999	224	7.0%	58	
$80,000 to $89,999	236	7.4%	80	
$90,000 to $99,999	198	6.2%	80	
$100,000 to $124,999	317	9.9%	81	
$125,000 to $149,999	329	10.3%	87	
$150,000 to $174,999	222	6.9%	61	
$175,000 to $199,999	86	2.7%	73	
$200,000 to $249,999	307	9.6%	118	
$250,000 to $299,999	133	4.1%	60	
$300,000 to $399,999	117	3.6%	69	
$400,000 to $499,999	28	0.9%	28	
$500,000 to $749,999	25	0.8%	25	
$750,000 to $999,999	4	0.1%	18	
$1,000,000 or more	0	0.0%	0	
Median Home Value	$98,131		N/A	
Average Home Value	N/A		N/A	
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS				
Total	3,209	100.0%	252	
Housing units with a mortgage/contract to purchase/similar debt	2,049	63.9%	201	
Second mortgage only	111	3.5%	62	
Home equity loan only	241	7.5%	100	
Both second mortgage and home equity loan	13	0.4%	18	
No second mortgage and no home equity loan	1,684	52.5%	189	
Housing units without a mortgage	1,160	36.1%	193	
AVERAGE VALUE BY MORTGAGE STATUS				
Housing units with a mortgage	N/A		N/A	
Housing units without a mortgage	N/A		N/A	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

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Everson, Huber & Associates, LC

ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 3 mile radius

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT				
Total	2,267	100.0%	293	high
With cash rent	2,168	95.6%	293	high
Less than $100	141	6.2%	77	medium
$100 to $149	58	2.6%	57	low
$150 to $199	64	2.8%	66	low
$200 to $249	89	3.9%	52	medium
$250 to $299	212	9.4%	112	medium
$300 to $349	146	6.4%	81	medium
$350 to $399	237	10.5%	118	medium
$400 to $449	316	13.9%	132	medium
$450 to $499	297	13.1%	144	medium
$500 to $549	167	7.4%	54	medium
$550 to $599	162	7.1%	80	medium
$600 to $649	88	3.9%	64	low
$650 to $699	102	4.5%	73	low
$700 to $749	0	0.0%	0	
$750 to $799	44	1.9%	50	low
$800 to $899	13	0.6%	21	low
$900 to $999	0	0.0%	0	
$1,000 to $1,249	31	1.4%	37	low
$1,250 to $1,499	0	0.0%	0	
$1,500 to $1,999	0	0.0%	0	
$2,000 or more	0	0.0%	0	
No cash rent	99	4.4%	61	medium
Median Contract Rent	$422		N/A	
Average Contract Rent	N/A		N/A	
RENTER-OCCUPIED HOUSING UNITS BY INCLUSION OF UTILITIES IN RENT				
Total	2,267	100.0%	293	high
Pay extra for one or more utilities	2,106	92.9%	288	high
No extra payment for any utilities	161	7.1%	71	medium
HOUSING UNITS BY UNITS IN STRUCTURE				
Total	6,125	100.0%	366	high
1, detached	4,604	75.2%	331	high
1, attached	57	0.9%	32	medium
2	187	3.1%	86	medium
3 or 4	251	4.1%	119	medium
5 to 9	265	4.3%	109	medium
10 to 19	0	0.0%	0	
20 to 49	44	0.7%	37	low
50 or more	164	2.7%	64	medium
Mobile home	553	9.0%	155	medium
Boat, RV, van, etc.	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

Everson, Huber & Associates, LC

ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 3 mile radius

Prepared by Larry Everson
Latitude: 34.011260741
Longitude: -85.26079148

	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
HOUSING UNITS BY YEAR STRUCTURE BUILT				
Total	6,125	100.0%	366	high
Built 2005 or later	55	0.9%	26	medium
Built 2000 to 2004	255	4.2%	84	medium
Built 1990 to 1999	825	13.5%	174	medium
Built 1980 to 1989	804	13.1%	162	medium
Built 1970 to 1979	1,100	18.0%	162	high
Built 1960 to 1969	722	11.8%	154	medium
Built 1950 to 1959	681	11.1%	179	medium
Built 1940 to 1949	860	14.0%	225	medium
Built 1939 or earlier	824	13.5%	217	medium
Median Year Structure Built	1970		N/A	
OCCUPIED HOUSING UNITS BY YEAR HOUSEHOLDER MOVED INTO UNIT				
Total	5,476	100.0%	334	high
Owner occupied				
Moved in 2005 or later	602	11.0%	127	medium
Moved in 2000 to 2004	614	11.2%	137	medium
Moved in 1990 to 1999	738	13.5%	167	medium
Moved in 1980 to 1989	383	7.0%	115	medium
Moved in 1970 to 1979	460	8.4%	91	medium
Moved in 1969 or earlier	412	7.5%	88	medium
Renter occupied				
Moved in 2005 or later	1,240	22.6%	254	medium
Moved in 2000 to 2004	721	13.2%	187	medium
Moved in 1990 to 1999	262	4.8%	102	medium
Moved in 1980 to 1989	10	0.2%	16	low
Moved in 1970 to 1979	0	0.0%	0	
Moved in 1969 or earlier	34	0.6%	82	low
Median Year Householder Moved Into Unit	2002		N/A	
OCCUPIED HOUSING UNITS BY HOUSE HEATING FUEL				
Total	5,476	100.0%	334	high
Utility gas	3,041	55.5%	301	high
Bottled, tank, or LP gas	558	10.2%	110	high
Electricity	1,815	33.1%	229	high
Fuel oil, kerosene, etc.	0	0.0%	0	
Coal or coke	0	0.0%	0	
Wood	63	1.2%	43	low
Solar energy	0	0.0%	0	
Other fuel	0	0.0%	0	
No fuel used	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

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Ring: 3 mile radius

Prepared by Larry Everson
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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
OCCUPIED HOUSING UNITS BY VEHICLES AVAILABLE				
Total	5,476	100.0%	334	high
Owner occupied				
No vehicle available	100	1.8%	65	medium
1 vehicle available	728	13.3%	148	medium
2 vehicles available	1,603	29.3%	199	high
3 vehicles available	494	9.0%	100	medium
4 vehicles available	143	2.6%	57	medium
5 or more vehicles available	141	2.6%	76	medium
Renter occupied				
No vehicle available	317	5.8%	129	medium
1 vehicle available	1,372	25.1%	253	high
2 vehicles available	415	7.6%	135	medium
3 vehicles available	135	2.5%	70	medium
4 vehicles available	28	0.5%	35	low
5 or more vehicles available	0	0.0%	0	
Average Number of Vehicles Available	1.7		0.2	high

Data Note: N/A means not available.

2005-2009 ACS Estimate: The American Community Survey (ACS) replaces census sample data. Esri is releasing the 2005-2009 ACS estimates, five-year period data collected monthly from January 1, 2005 through December 31, 2009. Although the ACS includes many of the subjects previously covered by the decennial census sample, there are significant differences between the two surveys including fundamental differences in survey design and residency rules.

Margin of error (MOE): The MOE is a measure of the variability of the estimate due to sampling error. MOEs enable the data user to measure the range of uncertainty for each estimate with 90 percent confidence. The range of uncertainty is called the confidence interval, and it is calculated by taking the estimate +/- the MOE. For example, if the ACS reports an estimate of 100 with an MOE of +/- 20, then you can be 90 percent certain the value for the whole population falls between 80 and 120.

Reliability: These symbols represent threshold values that Esri has established from the Coefficients of Variation (CV) to designate the usability of the estimates. The CV measures the amount of sampling error relative to the size of the estimate, expressed as a percentage.

- High Reliability: Small CVs (less than or equal to 12 percent) are flagged green to indicate that the sampling error is small relative to the estimate and the estimate is reasonably reliable.
- Medium Reliability: Estimates with CVs between 12 and 40 are flagged yellow—use with caution.
- Low Reliability: Large CVs (over 40 percent) are flagged red to indicate that the sampling error is large relative to the estimate. The estimate is considered very unreliable.

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

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ACS Housing Summary

344 West Ave.
344 West Ave, Cedartown, Georgia, 30125,
Ring: 5 mile radius

Prepared by Larry Everson
Latitude: 34.011260741
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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
TOTALS				
Total Population	21,247		1,606	high
Total Households	7,118		387	high
Total Housing Units	7,997		418	high
OWNER-OCCUPIED HOUSING UNITS BY VALUE				
Total	4,504	100.0%	314	high
Less than $10,000	101	2.2%	54	medium
$10,000 to $14,999	36	0.8%	57	low
$15,000 to $19,999	33	0.7%	31	low
$20,000 to $24,999	103	2.3%	88	low
$25,000 to $29,999	111	2.5%	104	low
$30,000 to $34,999	6	0.1%	8	low
$35,000 to $39,999	22	0.5%	21	low
$40,000 to $49,999	109	2.4%	59	medium
$50,000 to $59,999	392	8.7%	119	medium
$60,000 to $69,999	412	9.1%	139	medium
$70,000 to $79,999	296	6.6%	81	medium
$80,000 to $89,999	306	6.8%	97	medium
$90,000 to $99,999	266	5.9%	82	medium
$100,000 to $124,999	573	12.7%	103	high
$125,000 to $149,999	474	10.5%	104	medium
$150,000 to $174,999	283	6.3%	91	medium
$175,000 to $199,999	135	3.0%	75	medium
$200,000 to $249,999	393	8.7%	130	medium
$250,000 to $299,999	204	4.5%	66	medium
$300,000 to $399,999	139	3.1%	76	medium
$400,000 to $499,999	63	1.4%	31	medium
$500,000 to $749,999	26	0.6%	29	low
$750,000 to $999,999	19	0.4%	26	low
$1,000,000 or more	0	0.0%	0	
Median Home Value	$102,531		N/A	
Average Home Value	N/A		N/A	
OWNER-OCCUPIED HOUSING UNITS BY MORTGAGE STATUS				
Total	4,504	100.0%	314	high
Housing units with a mortgage/contract to purchase/similar debt	2,815	62.5%	268	high
Second mortgage only	121	2.7%	72	medium
Home equity loan only	355	7.9%	110	medium
Both second mortgage and home equity loan	15	0.3%	19	low
No second mortgage and no home equity loan	2,324	51.6%	253	high
Housing units without a mortgage	1,689	37.5%	221	high
AVERAGE VALUE BY MORTGAGE STATUS				
Housing units with a mortgage	N/A		N/A	
Housing units without a mortgage	N/A		N/A	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

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344 West Ave, Cedartown, Georgia, 30125,
Ring: 5 mile radius

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Latitude: 34.011260741
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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
RENTER-OCCUPIED HOUSING UNITS BY CONTRACT RENT				
Total	2,614	100.0%	322	high
With cash rent	2,441	93.4%	322	high
Less than $100	143	5.5%	81	medium
$100 to $149	58	2.2%	57	low
$150 to $199	65	2.5%	70	low
$200 to $249	90	3.4%	58	medium
$250 to $299	234	9.0%	126	medium
$300 to $349	166	6.4%	90	medium
$350 to $399	253	9.7%	126	medium
$400 to $449	369	14.1%	154	medium
$450 to $499	369	14.1%	149	medium
$500 to $549	245	9.4%	64	medium
$550 to $599	165	6.3%	99	medium
$600 to $649	91	3.5%	74	low
$650 to $699	103	3.9%	76	low
$700 to $749	0	0.0%	0	
$750 to $799	45	1.7%	55	low
$800 to $899	13	0.5%	21	low
$900 to $999	0	0.0%	0	
$1,000 to $1,249	31	1.2%	37	low
$1,250 to $1,499	0	0.0%	0	
$1,500 to $1,999	0	0.0%	0	
$2,000 or more	0	0.0%	0	
No cash rent	173	6.6%	60	medium
Median Contract Rent	$429		N/A	
Average Contract Rent	N/A		N/A	
RENTER-OCCUPIED HOUSING UNITS BY INCLUSION OF UTILITIES IN RENT				
Total	2,614	100.0%	322	high
Pay extra for one or more utilities	2,413	92.3%	317	high
No extra payment for any utilities	201	7.7%	76	medium
HOUSING UNITS BY UNITS IN STRUCTURE				
Total	7,997	100.0%	418	high
1, detached	5,938	74.3%	388	high
1, attached	81	1.0%	43	medium
2	251	3.1%	92	medium
3 or 4	321	4.0%	131	medium
5 to 9	288	3.6%	121	medium
10 to 19	0	0.0%	0	
20 to 49	45	0.6%	47	low
50 or more	166	2.1%	69	medium
Mobile home	907	11.3%	181	medium
Boat, RV, van, etc.	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
HOUSING UNITS BY YEAR STRUCTURE BUILT				
Total	7,997	100.0%	418	high
Built 2005 or later	99	1.2%	55	medium
Built 2000 to 2004	345	4.3%	94	medium
Built 1990 to 1999	1,315	16.4%	193	high
Built 1980 to 1989	1,070	13.4%	203	high
Built 1970 to 1979	1,534	19.2%	210	high
Built 1960 to 1969	881	11.0%	189	medium
Built 1950 to 1959	779	9.7%	197	medium
Built 1940 to 1949	991	12.4%	240	medium
Built 1939 or earlier	983	12.3%	234	medium
Median Year Structure Built	1972		N/A	
OCCUPIED HOUSING UNITS BY YEAR HOUSEHOLDER MOVED INTO UNIT				
Total	7,118	100.0%	387	high
Owner occupied				
Moved in 2005 or later	773	10.9%	171	medium
Moved in 2000 to 2004	857	12.0%	165	high
Moved in 1990 to 1999	1,120	15.7%	187	high
Moved in 1980 to 1989	571	8.0%	137	medium
Moved in 1970 to 1979	699	9.8%	125	high
Moved in 1969 or earlier	484	6.8%	121	medium
Renter occupied				
Moved in 2005 or later	1,344	18.9%	276	medium
Moved in 2000 to 2004	836	11.7%	196	medium
Moved in 1990 to 1999	353	5.0%	124	medium
Moved in 1980 to 1989	22	0.3%	20	low
Moved in 1970 to 1979	0	0.0%	0	
Moved in 1969 or earlier	59	0.8%	69	low
Median Year Householder Moved Into Unit	2001		N/A	
OCCUPIED HOUSING UNITS BY HOUSE HEATING FUEL				
Total	7,118	100.0%	387	high
Utility gas	3,388	47.6%	328	high
Bottled, tank, or LP gas	1,215	17.1%	154	high
Electricity	2,409	33.8%	280	high
Fuel oil, kerosene, etc.	0	0.0%	0	
Coal or coke	0	0.0%	0	
Wood	106	1.5%	48	medium
Solar energy	0	0.0%	0	
Other fuel	0	0.0%	0	
No fuel used	0	0.0%	0	

Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

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	2005-2009 ACS Estimate	Percent	MOE(±)	Reliability
OCCUPIED HOUSING UNITS BY VEHICLES AVAILABLE				
Total	7,118	100.0%	387	high
Owner occupied				
No vehicle available	120	1.7%	69	medium
1 vehicle available	1,028	14.4%	182	high
2 vehicles available	2,243	31.5%	239	high
3 vehicles available	737	10.4%	140	high
4 vehicles available	215	3.0%	73	medium
5 or more vehicles available	161	2.3%	103	medium
Renter occupied				
No vehicle available	328	4.6%	139	medium
1 vehicle available	1,565	22.0%	273	high
2 vehicles available	503	7.1%	162	medium
3 vehicles available	162	2.3%	80	medium
4 vehicles available	57	0.8%	43	low
5 or more vehicles available	0	0.0%	0	
Average Number of Vehicles Available	1.8		0.2	high

Data Note: N/A means not available.

2005-2009 ACS Estimate: The American Community Survey (ACS) replaces census sample data. Esri is releasing the 2005-2009 ACS estimates, five-year period data collected monthly from January 1, 2005 through December 31, 2009. Although the ACS includes many of the subjects previously covered by the decennial census sample, there are significant differences between the two surveys including fundamental differences in survey design and residency rules.

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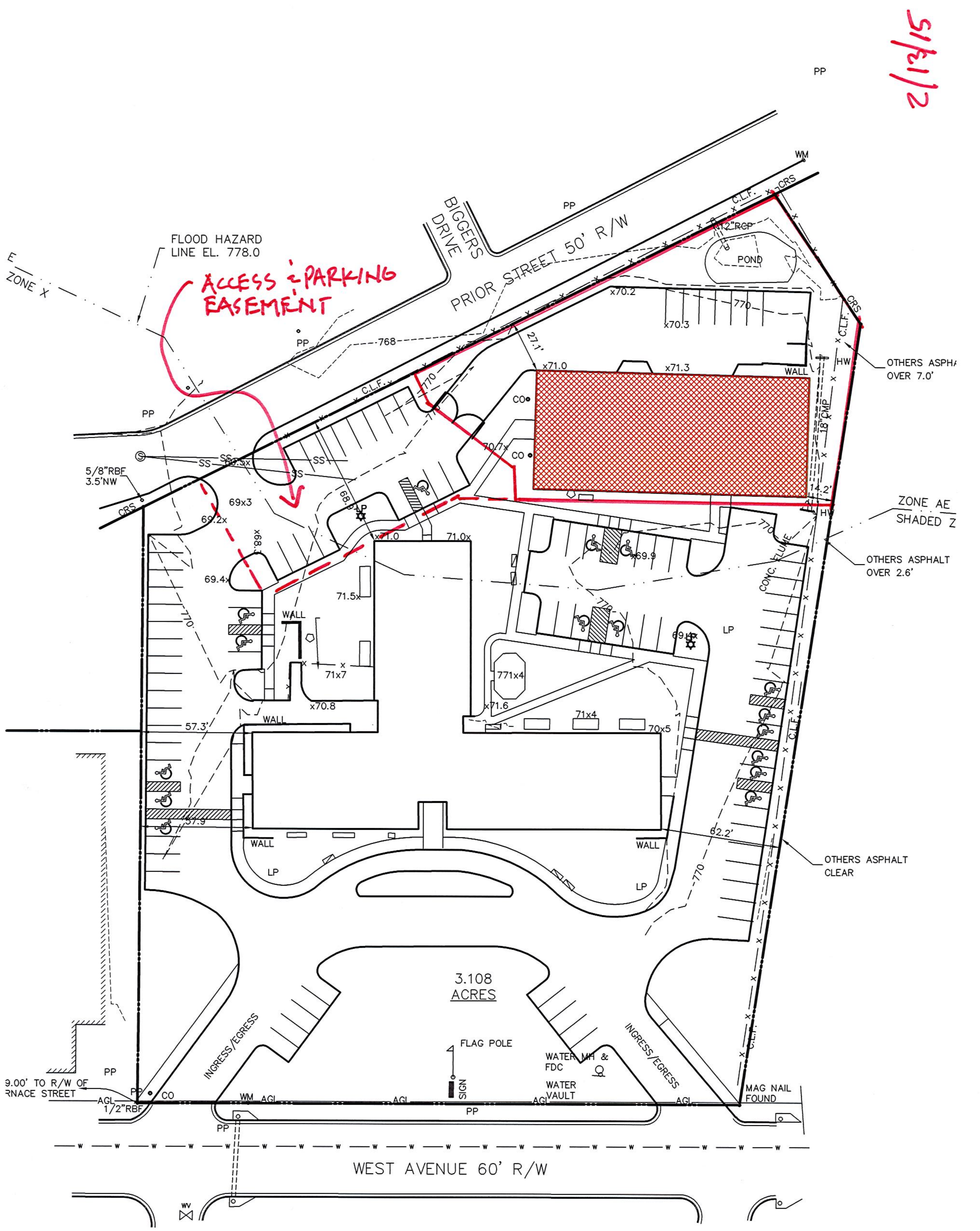
Source: U.S. Census Bureau, 2005-2009 American Community Survey

Reliability: high medium low

April 28, 2014

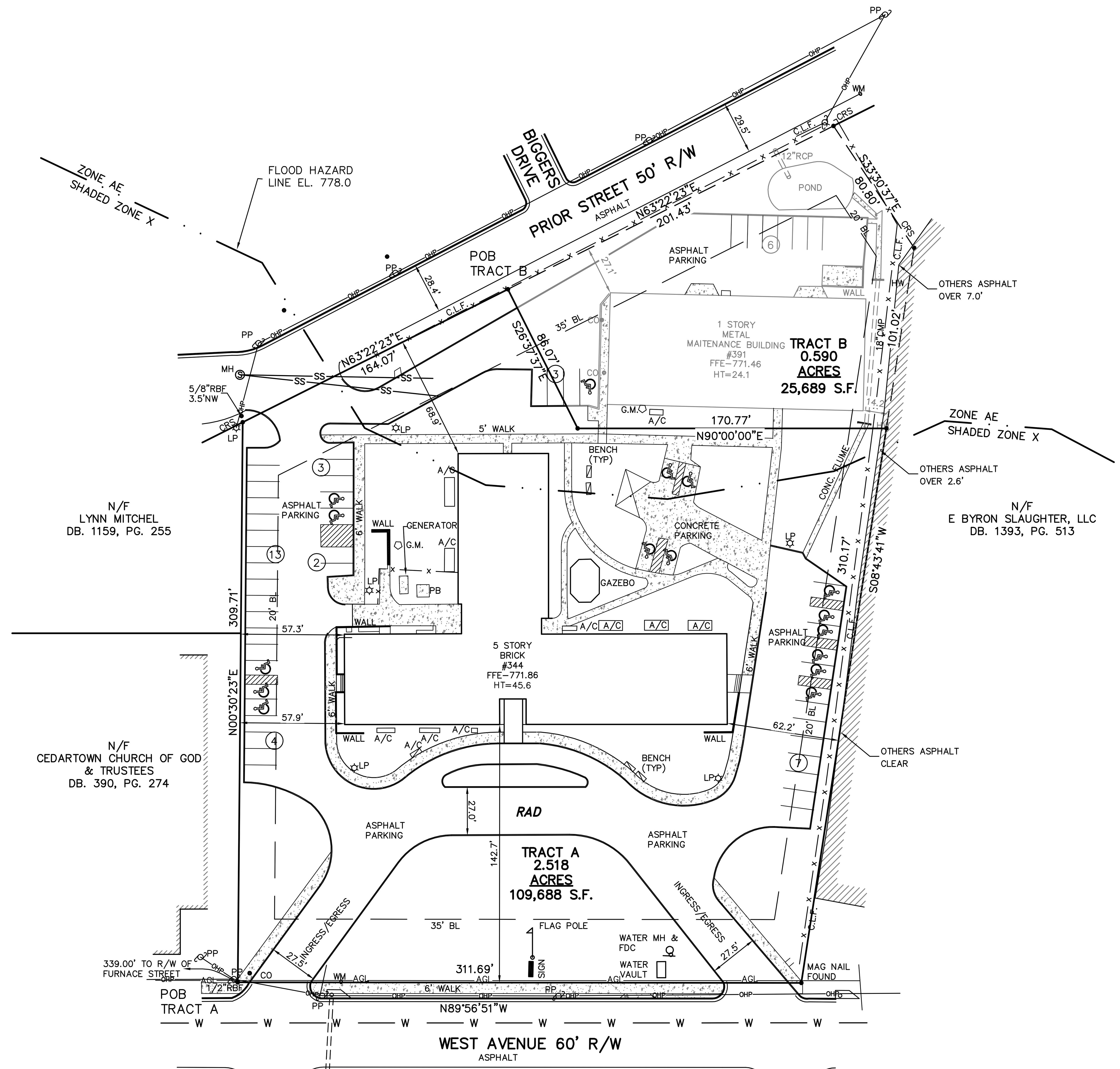


5/12/12
ACCESS & PARKING EASEMENT
FLOOD HAZARD LINE EL. 778.0
ZONE X
BIGGERS DRIVE
PRIOR STREET 50' R/W
POND
ZONE AE SHADED Z
OTHERS ASPHALT OVER 7.0'
OTHERS ASPHALT OVER 2.6'
OTHERS ASPHALT CLEAR
5/8"RBF 3.5'NW
3.108 ACRES
INGRESS/EGRESS
FLAG POLE
SIGN
WATER MH & FDC
WATER VAULT
MAG NAIL FOUND
1/2"RBF
WEST AVENUE 60' R/W

LEGEND

RBF	REBAR FOUND (1/2" REBAR)
CRS	CAPPED REBAR SET (1/2" REBAR)
OTF	OPEN TOP FOUND
CTF	CRIMP TOP FOUND
●	JUNCTION BOX
LLL	LAND LOT LINE
☼	LIGHT POLE
MH	MANHOLE
PL	PROPERTY LINE
BL	BUILDING LINE
C.L.F	CHAIN LINK FENCE
C/O	SEWER CLEAN OUT
DE	DRAINAGE EASEMENT
■	DROP INLET
RBF	REBAR FOUND
R/W	RIGHT-OF-WAY
SE	SANITARY SEWER EASEMENT
CRZ	CRITICAL ROOT ZONE
UE	UTILITY EASEMENT
	FIRE HYDRANT
	SINGLE WING CATCHBASIN
	DOUBLE WING CATCHBASIN
	WATER VALVE
	GAS VALVE
	HEADWALL
-AGL-	GAS LINE

MAGNETIC



SCI DEVELOPMENT SERVICES WILL NOT TAKE RESPONSIBILITY FOR THE DISCOVERY OF ANY UNDERGROUND UTILITIES WHICH CANNOT BE SEEN DURING A REASONABLE FIELD SURVEY OF THIS SITE. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO FURNISH DOCUMENTATION (AS-BUILTS, DEEDS ETC.) REFERRING TO THE EXISTENCE OF ANY SUCH UTILITIES PRIOR TO THE COMMISSION OF THE FIELD SURVEY.

NOTE: THE PUBLIC RECORDS REFERENCED HEREON REFLECT ONLY THOSE RECORDS NECESSARY TO ESTABLISH THE BOUNDARIES SHOWN HEREON, AND REFERENCE TO THE SAME DOES NOT AND IS NOT INTENDED TO CONSTITUTE A TITLE SEARCH OR OPINION. EASEMENTS OR OTHER ENCUMBRANCES MAY EXIST ON PUBLIC RECORD BUT NOT BE SHOWN HEREON.

811 Know what's below. Call before you dig 1-800-282-7411

GRAPHIC SCALE
40 0 20 40 80 160
(IN FEET)
1 inch = 40 ft.

Legal Description
Grayfield
Tract A

All that Tract or Parcel of land lying and being in Land Lot 992 of the 2nd district and the 4th section, in the City of Cedartown, Polk County, Georgia, being shown as the West Avenue Site on a survey prepared by SCI Development Services, bearing the seal of John A. Steerman, G.R.L.S. #2576, for the City of Cedartown Housing Authority dated March 11, 2015, and being more particularly described as follows:

COMMENCE at a rebar located on the northerly right-of-way of West Avenue (60' R/W) at its intersection with the easterly right-of-way of Furnace Street; thence running in an easterly direction along the right-of-way of West Avenue 339.00 feet to a ½" rebar, said rebar being the TRUE POINT OF BEGINNING; thence leaving said right-of-way of West Avenue and running N00°30'23"E a distance of 309.71 feet to a rebar set on the southerly right-of-way of Prior Street (50' R/W); thence following the southerly right-of-way of Prior Street and running N63°22'23"E a distance of 164.07 feet to a rebar set; thence leaving said right-of-way and running S26°37'37"E a distance of 86.07 feet to a rebar set; thence running N90°00'00"E a distance of170.77 feet to a point; thence running S08°43'41"w a distance of 310.17 feet to a mag nail on the northerly right-of-way of West Avenue; thence following the northerly right-of-way of West Avenue and running N89°56'51"W a distance of 311.69 feet to a ½" rebar on the northerly right-of-way of West Avenue, said rebar being the TRUE POINT OF BEGINNING.

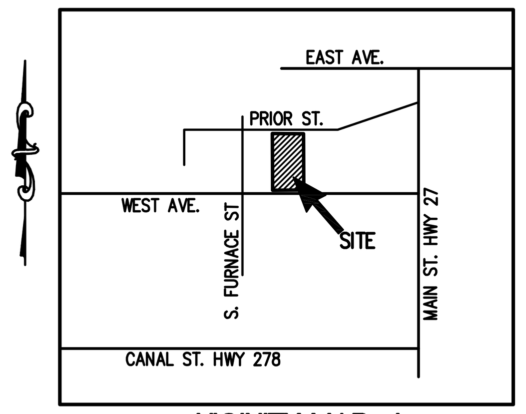
Said tract or parcel of land having 2.518 acres of land.

Legal Description
Grayfield
Tract B

All that Tract or Parcel of land lying and being in Land Lot 992 of the 2nd district and the 4th section, in the City of Cedartown, Polk County, Georgia, being shown as the West Avenue Site on a survey prepared by SCI Development Services, bearing the seal of John A Steerman, G.R.L.S. #2576, for the City of Cedartown Housing Authority dated March 11, 2015, and being more particularly described as follows:

COMMENCE at a rebar located on the northerly right-of-way of West Avenue (60' R/W) at its intersection with the easterly right-of-way of Furnace Street; thence running in an easterly direction along the right-of-way of West Avenue 339.00 feet to a ½" rebar; thence leaving said right-of-way of West Avenue and running N00°30'23"E a distance of 309.71 feet to a rebar set on the southerly right-of-way of Prior Street (50' R/W); thence following the southerly right-of-way of Prior Street and running N63°22'23"E a distance of 164.07 feet to a point, said point being the TRUE POINT OF BEGINNING; thence following right-of-way and running N63°22'23"E a distance of 201.23 feet to a rebar set; thence leaving said right-of-way and running S33°30'37"e a distance of 80.80 feet to a point; thence running S08°43'41"W a distance of 101.02 to a point; thence running S90°00'00"W a distance of 170.77 feet to a point; thence running N26°37'37"W a distance of 86.07 feet to a point on the right-of-way of Prior Street and the TRUE POINT OF BEGINNING.

Said tract or parcel of land having 0.590 acres of land.



VICINITY MAP nts

GENERAL NOTES:

THIS PLAT HAS BEEN CALCULATED FOR CLOSURE BY LATITUDES AND DEPARTURES AND IS FOUND ACCURATE TO WITHIN ONE FOOT IN 285,177 FEET.

THE FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 10,000+ FEET AND AN ANGULAR ERROR OF 02" PER ANGLE POINT AND WAS ADJUSTED USING LEAST SQUARES.

A TOPCON 802 – TOTAL STATION WAS USED TO OBTAIN THE LINEAR AND ANGULAR MEASUREMENTS USED IN THE PREPARATION OF THIS PLAT.

THERE IS NO EVIDENCE OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS.
*AT THE TIME OF THE SURVEY, ALL BUILDINGS, PARKING AND OTHER STRUCTURES HAD JUST BEEN DEMOLISHED. AND REMOVED FROM THE SITE.

THERE ARE NO PROPOSED CHANGES IN THE STREET RIGHT OF WAY LINES. NO EVIDENCE OF ANY OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS WERE OBSERVED AT THIS TIME.

THERE IS NO OBSERVABLE EVIDENCE OF SITE USE AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL.

NO WETLANDS WERE MARKED ON THE SITE.

ALL VISIBLE OR MARKED UTILITIES ARE SHOWN.

BENCHMARK

BENCHMARK USED FOR FEMA DETERMINATION
PID–EE0620
NAVD88
ELEV. 802.18

CURRENT OWNER VESTING DEED

HOUSING AUTHORITY OF THE CITY OF CEDARTOWN
344 WEST AVENUE
CEDARTOWN, GA. 30125

PARKING SPACES

STRIPED STANDARD	38
HANDI–CAPPED	13
TOTAL	51

TRACT AREAS:

TRACT "A": 2.518 ACRES
TRACT "B": 0.590 ACRES

FLOOD NOTE

BASED ON FIELD RUN ELEVATIONS, THIS PROPERTY DOES LIE IN A F.E.M.A./F.I.R.M. SPECIAL FLOOD HAZARD AREA (AE) PER COMMUNITY PANEL NO. 13233C0044D DATED SEPTEMBER 26, 2008

SITE ADDRESS

344 WEST AVE.
CEDARTOWN, GA. 30125

ZONING: C-2 (COMMERCIAL)

MINIMUM LOT AREA: NONE

MINIMUM LOT WIDTH: NONE
MAXIMUM BUILDING HT: 50 FEET

SETBACKS: FRONT=35 FEET
REAR=20 FEET
SIDE=20 FEET

HUD CERTIFICATION

I hereby certify to HUD, Housing Authority of Cedartown, Grayfield I, LP,Wells Fargo Bank, National Association and First American Title Insurance Company and their successors and assigns that:

I made an on the ground survey per record description of the land shown hereon located in Cedartown, Polk County Georgia on June 15, 2014; and that it and this map was made in accordance with the HUD Survey Instructions and Report, HUD 92457M, and the requirements for an ALTA/ACSM Land Title Survey, as defined in the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys.

To the best of my knowledge, belief and information, except as shown hereon: There are no encroachments either way across property lines; title lines and lines of actual possession are the same; and the premises are subject to a 100 year return frequency flood hazard, and such 100 year flood condition is shown on the Federal Flood Insurance Rat Map, Community Panel No. 13233C0044D, with the effective date of September 26, 2008

ALTA CERTIFICATION

To: HUD, Housing Authority of Cedartown and their successors and assigns, Wells Fargo Bank, National Association and First American Title Insurance Company

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS and includes Items 1–5, 8, 9, 11(a), 11(b), 12, 13, 16, 17, 18 and 19 of Table A thereof. The field work was completed on May 29, 2012

Date of Plat: March 24, 2015

John A. Steerman
Registration No. 2576 Expiration Date:12/31/15

GEORGIA REGISTERED No. 2576 3/24/15 LAND SURVEYOR JOHN A. STEERMAN

IN MY OPINION, THIS PLAT IS A CORRECT REPRESENTATION OF THE LAND PLATTED AND HAS BEEN PREPARED IN CONFORMITY WITH THE MINIMUM STANDARDS AND REQUIREMENTS OF LAW.

REVISIONS			
NO.	DATE	BY	DESCRIPTION
1.	3/11/15	DCP	REVISE BOUNDARIES
2.	3/24/15	DCP	ADDRESS COMMENTS
3.			
4.			

SCI Development Services
ENGINEERS - SURVEYORS - PLANNERS
2020 WESTSIDE COURT – SUITE E – SNELLVILLE, GEORGIA 30078
(770) 736-7666 FAX (770) 736-4623
MAIL@SURVEYCONCEPTS.NET

HUD, Housing Authority of Cedartown, Grayfield I, LP, Wells Fargo Bank, National Association and First American Title Insurance Company and their successors and assigns,
WEST AVENUE SITE
LAND LOT 922 2nd DISTRICT 4th SECTION
CITY OF CEDARTOWN
POLK COUNTY, GEORGIA

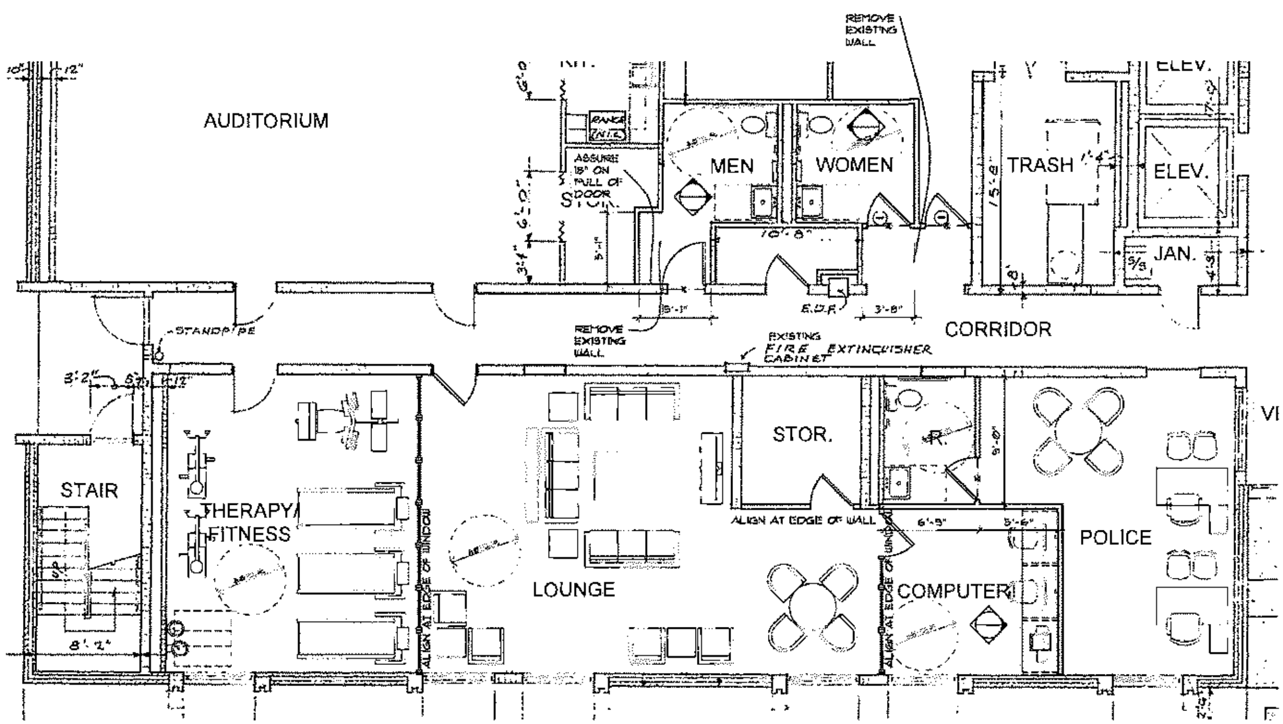
DATE	DRAWN	CHECKED
7/1/14	DCP	JAS

SCALE 1"=40'

SHEET TITLE
ALTA/ACSM LAND TITLE SURVEY

PROJECT NUMBER
51596

1



1 PARTIAL COMMUNITY AND RESTROOM FLOOR PLAN
1/4" = 1'-0"

SCALE: 1/4" = 1'-0"

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

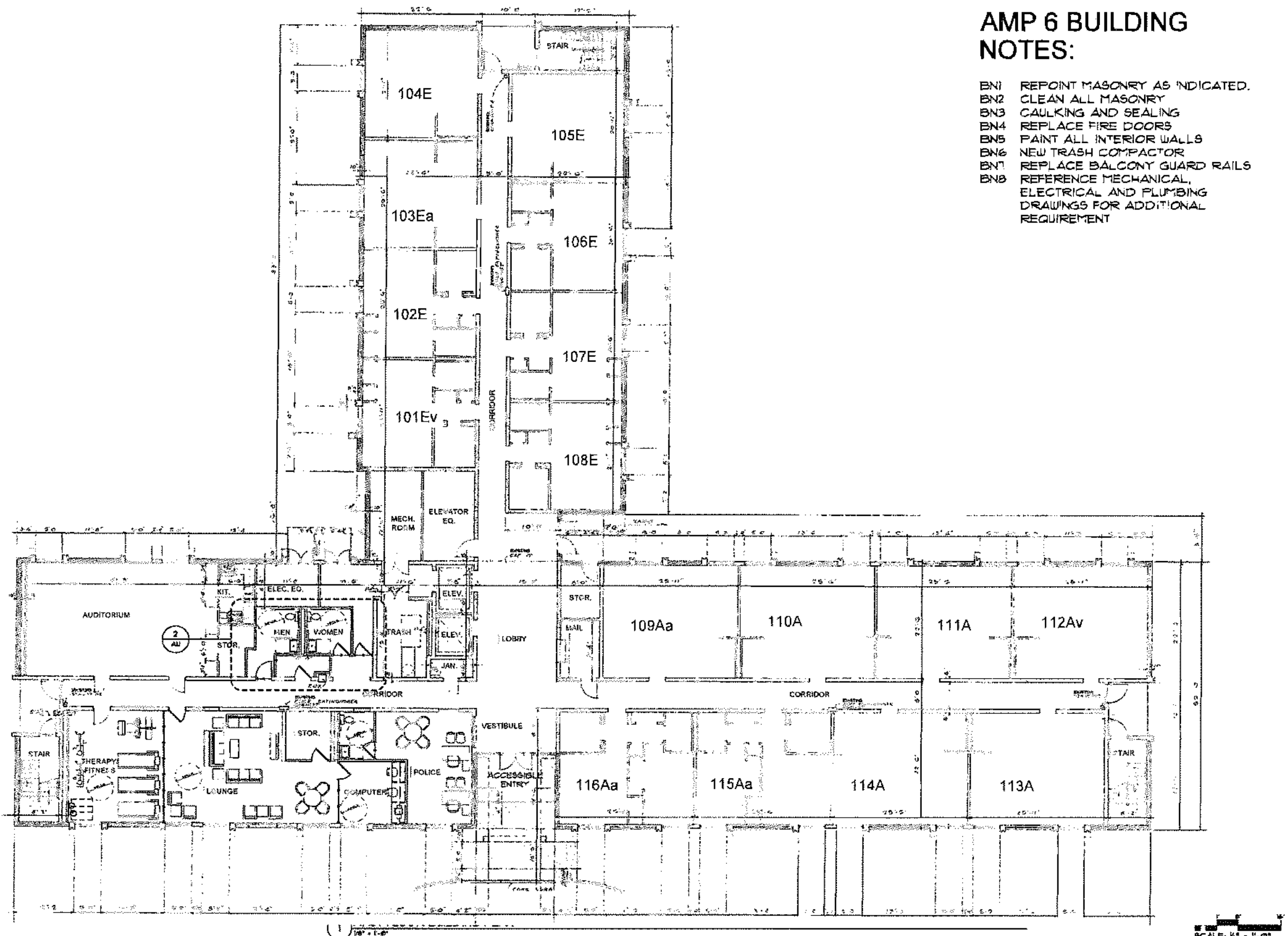
NOT RELEASED FOR CONSTRUCTION

A2.3

PROJECT 2014-032
DATE 10-22-14
DRAWN BY / CHECKED BY PLF

AMP 6 BUILDING NOTES:

BN1 REPOINT MASONRY AS INDICATED.
BN2 CLEAN ALL MASONRY
BN3 CAULKING AND SEALING
BN4 REPLACE FIRE DOORS
BN5 PAINT ALL INTERIOR WALLS
BN6 NEW TRASH COMPACTOR
BN7 REPLACE BALCONY GUARD RAILS
BN8 REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENT



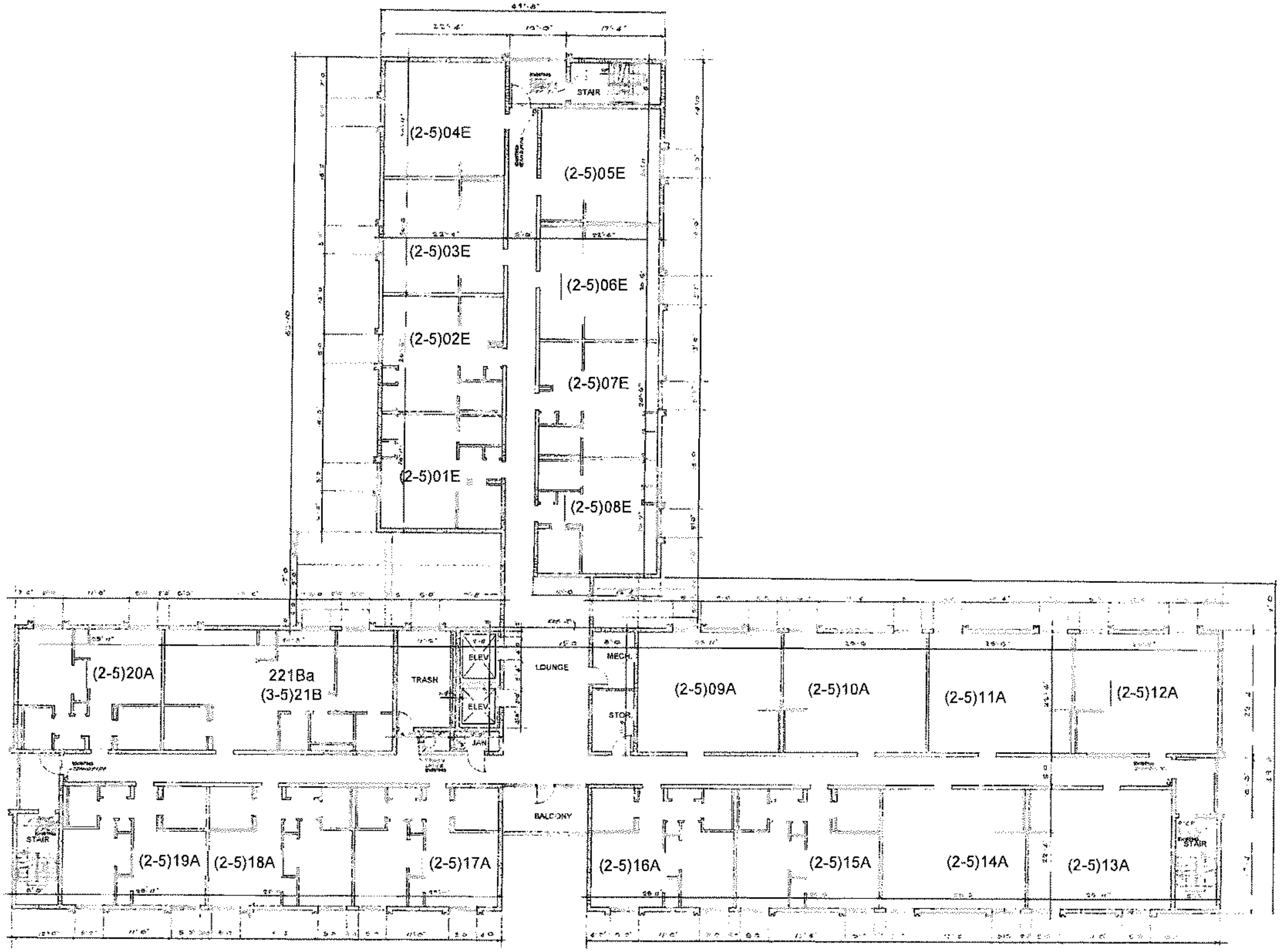
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

NOT RELEASED FOR CONSTRUCTION

PROJECT 2014-032
DATE 10-22-14
DRAWN BY / CHECKED BY PLF

A1.1



1 TYPICAL BUILDING PLAN
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

NOT RELEASED FOR CONSTRUCTION

A1.2

PROJECT 2014-032
DATE 10-22-14
DRAWN BY / CHECKED BY PLF

AMP 6 PROVIDE AT ALL UNITS:

1. PROVIDE NEW WINDOWS
2. PAINT ALL ROOMS
3. PROVIDE NEW MEDICINE CABINETS
4. REFURBISH ALL KITCHEN CABINETS
5. PROVIDE NEW PLASTIC LAMINATE KITCHEN COUNTERS
6. PROVIDE NEW REFRIGERATORS
7. PROVIDE NEW 30" RANGES
8. PROVIDE NEW RANGE HOOD
9. PROVIDE NEW CARBON MONOXIDE DETECTORS
10. PROVIDE NEW SMOKE DETECTORS
11. PROVIDE NEW TUB/ SHOWER AND FITTINGS
12. PROVIDE NEW KITCHEN SINK AND FITTINGS
13. REMOVE EXISTING FOLDING DOORS AND REPLACE WITH A SWINGING DOOR
14. REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENTS
15. REFERENCE HANDICAP NOTES FOR ADDITIONAL REQUIREMENTS AT THE HANDICAP AND AUDIO / VISUAL UNITS

AMP 6 UNIT DEMOLITION NOTES:

A. REFERENCE THE GENERAL DEMOLITION NOTES ON SHEET A0.1
B. PREP UNIT FOR PAINTING
C. REMOVE UNIT FOLDING DOORS
D. REMOVE EXISTING MEDICINE CABINET
E. REMOVE EXISTING KITCHEN COUNTERS
F. REMOVE EXISTING REFRIGERATORS
G. REMOVE EXISTING RANGES
H. REMOVE EXISTING RANGE HOODS
I. REMOVE EXISTING WATER HEATERS
J. REMOVE EXISTING TUB AND FITTINGS
K. REMOVE EXISTING KITCHEN SINK AND FITTINGS
L. REMOVE EXISTING WASTE LINES UNDER SLAB AT THE FIRST FLOOR
M. REMOVE EXISTING WATER HEATER
N. REMOVE EXISTING LIGHT FIXTURES
O. REMOVE EXISTING SMOKE DETECTORS
P. REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENTS
Q. REFERENCE HANDICAP NOTES FOR ADDITIONAL REQUIREMENTS

AMP 6 GENERAL NOTES:

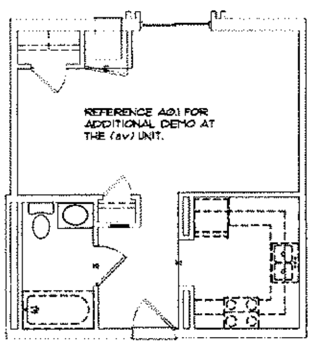
1. FIELD VERIFY ALL DIMENSIONS.

FLOOR PLAN LEGEND:

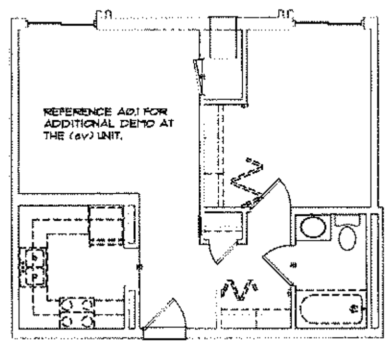
EXISTING WALL

NEW WALL

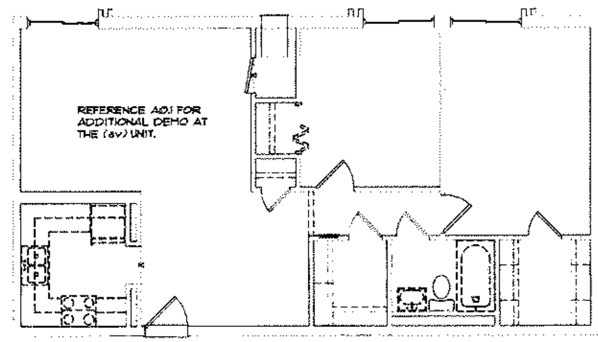
DEMO WALL



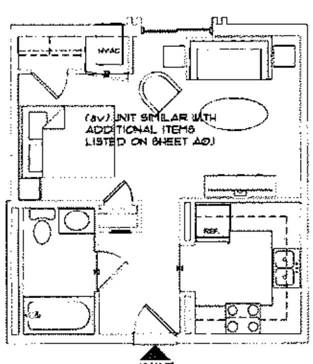
4 DEMO EFFICIENCY FLOOR PLAN - E(Ev SIM.)
1/4" = 1'-0"



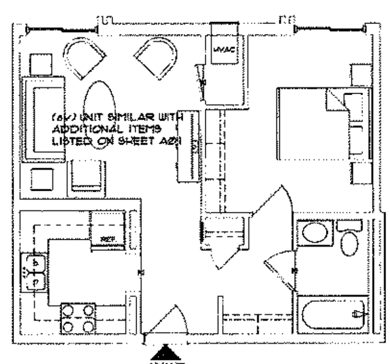
5 DEMO ONE BEDROOM FLOOR PLAN - A (Av SIM.)
1/4" = 1'-0"



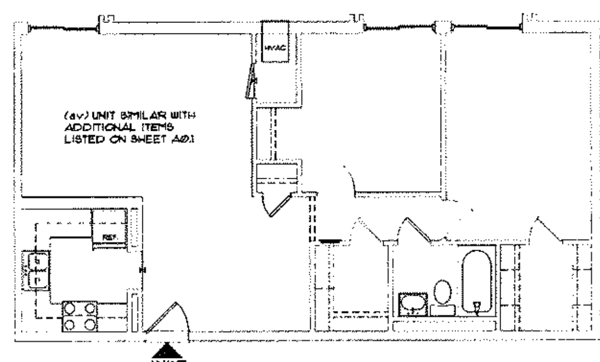
6 DEMO TWO BEDROOM FLOOR PLAN - B (Bv SIM.)
1/4" = 1'-0"



1 EFFICIENCY FLOOR PLAN - E (Ev SIMILAR)
1/4" = 1'-0"



2 ONE BEDROOM FLOOR PLAN - A (Av SIMILAR)
1/4" = 1'-0"



3 TWO BEDROOM FLOOR PLAN - B
1/4" = 1'-0"

SCALE: 1/4" = 1'-0"

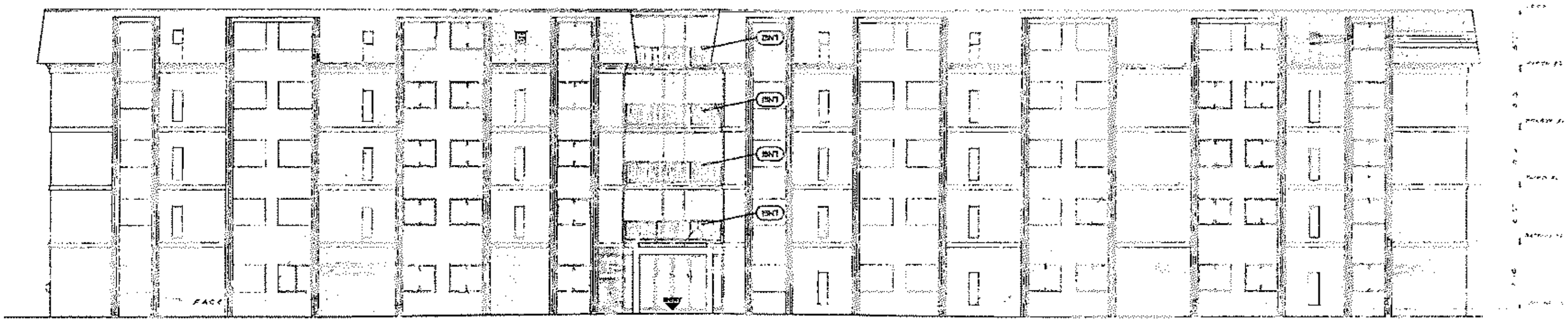
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

NOT RELEASED FOR CONSTRUCTION

A2.1

PROJECT 2014-032
DATE 10-22-14
DRAWN BY / CHECKED BY PLF
REVISIONS



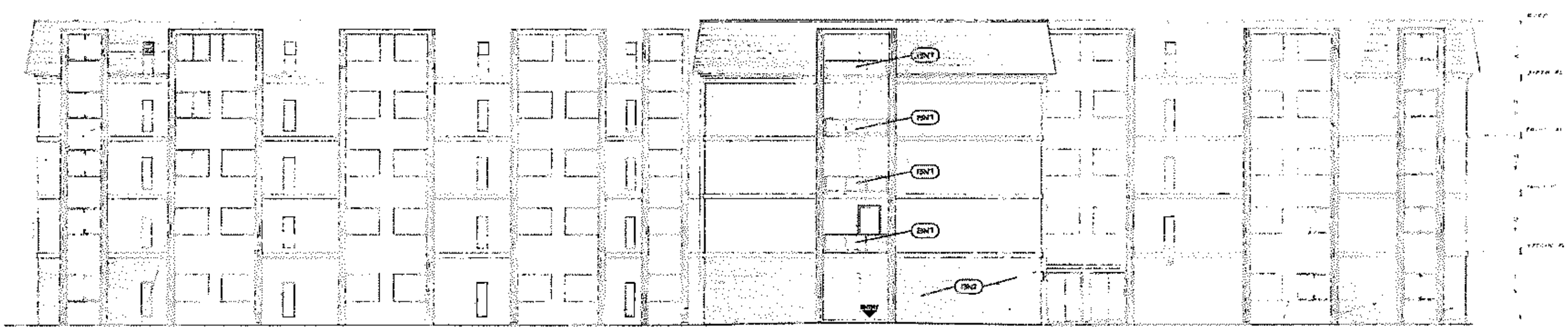
2 FRONT ELEVATION
1/8" = 1'-0"

AMP 6 BUILDING DEMOLITION NOTES:

- DN1 REFERENCE THE GENERAL DEMOLITION NOTES ON SHEET A1
- DN2 REMOVE EXISTING COMPACTOR
- DN3 REMOVE COMMON KITCHEN COUNTER
- DN4 REMOVE COMMON KITCHEN SINK AND FITTINGS
- DN5 REMOVE COMMON KITCHEN REFRIGERATOR
- DN6 REMOVE EXISTING FIRE DOORS
- DN7 REMOVE EXISTING LIGHT FIXTURES
- DN8 REMOVE WASTE LINES UNDER SLAB TO COMMON AREA PLUMBING FIXTURES
- DN9 REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENTS

AMP 6 BUILDING NOTES:

- BN1 REPOINT MASONRY AS INDICATED.
- BN2 CLEAN ALL MASONRY
- BN3 CAULKING AND SEALING
- BN4 REPLACE FIRE DOORS
- BN5 PAINT ALL INTERIOR WALLS
- BN6 NEW TRASH COMPACTOR
- BN7 REPLACE BALCONY GUARD RAILS
- BN8 REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENT



1 REAR ELEVATION
1/8" = 1'-0"

SCALE: 1/8" = 1'-0"

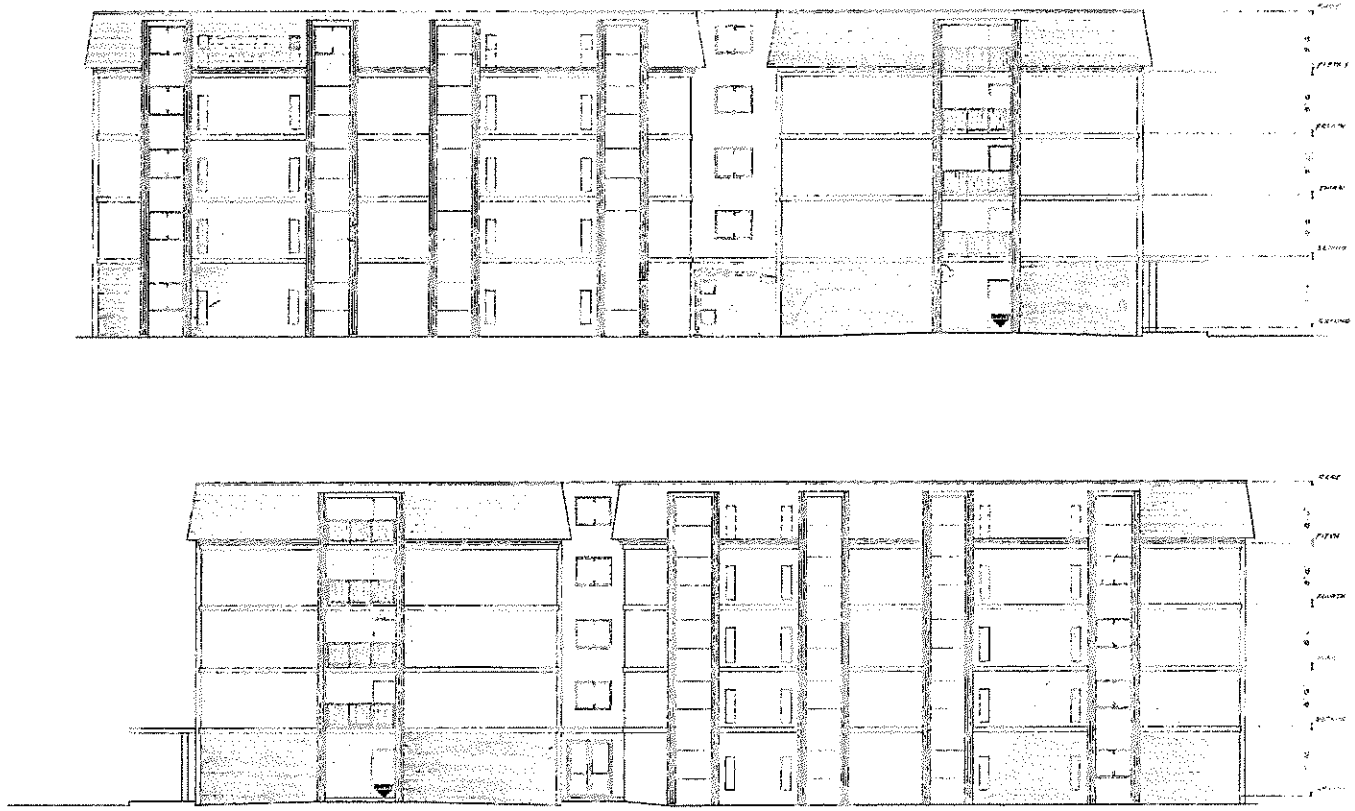
MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

NOT RELEASED FOR CONSTRUCTION

A3.1

PROJECT 2014-032
DATE 10-22-14
DRAWN BY / CHECKED BY PLF



AMP 6 BUILDING DEMOLITION NOTES:

- DN1 REFERENCE THE GENERAL DEMOLITION NOTES ON SHEET A1.1
- DN2 REMOVE EXISTING COMPACTOR
- DN3 REMOVE COMMON KITCHEN COUNTER
- DN4 REMOVE COMMON KITCHEN SINK AND FITTINGS
- DN5 REMOVE COMMON KITCHEN REFRIGERATOR
- DN6 REMOVE EXISTING FIRE DOORS
- DN7 REMOVE EXISTING LIGHT FIXTURES
- DN8 REMOVE WASTE LINES UNDER SLAB TO COMMON AREA PLUMBING FIXTURES
- DN9 REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENTS

AMP 6 BUILDING NOTES:

- BN1 REPOINT MASONRY AS INDICATED.
- BN2 CLEAN ALL MASONRY
- BN3 CAULKING AND SEALING
- BN4 REPLACE FIRE DOORS
- BN5 PAINT ALL INTERIOR WALLS
- BN6 NEW TRASH COMPACTOR
- BN7 REPLACE BALCONY GUARD RAILS
- BN8 REFERENCE MECHANICAL, ELECTRICAL AND PLUMBING DRAWINGS FOR ADDITIONAL REQUIREMENT

1 RIGHT SIDE ELEVATION
3/16" = 1'-0"

SCALE: 3/16" = 1'-0"

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800

GREYFIELD APARTMENTS - AMP 6 (WEST)
CEDARTOWN, GEORGIA

PROJECT	2014-032
DATE	10-22-14
DRAWN BY / CHECKED BY	PLF
REVISIONS	

A3.2

NOT RELEASED FOR CONSTRUCTION

Contractor and/or Mortgagor's Cost Breakdown

Schedules of Values

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

OMB No. 2502-0044 (exp. 8/31/2003)

Public reporting burden for this collection of information is estimated to average 8 hours 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0044), Washington, D.C. 20503.

Date: 1/16/2014	Sponsor:
Project No:	Building Identification:
Name of Project: Cedartown	Location: Grayfield Apts. - West Site

This form represents the Contractors and/or Mortgagors firm costs and services as a basis for disbursing dollar amounts when insured advances are requested. Detailed instructions for completing this form are included on the reverse side.

Line	Div.	Trade Item	Cost	Trade Description
1	3	Concrete	$ 7,200.00	Patching slabs related to replacing sanitary sewer
2	4	Masonry	$ 3,000.00	Monument sign, Revisions for ADA compliance
3	5	Metals	$ 55,602.00	Prefinished balcony railing, bringing interior stairs up to code compliance
4	6	Rough Carpentry	$ -	
5	6	Finish Carpentry	$ 42,625.00	Corridor handrails, interior wood trim
6	7	Waterproofing	$ 22,298.00	caulking, hard coat stucco
7	7	Insulation	$ -	
8	7	Roofing	$ -	
9	7	Sheet Metal	$ -	
10	8	Doors	$ 8,100.00	Replace interior fire doors
11	8	Windows	$ -	
12	8	Glass	$ -	
13	9	Lath and Plaster	$ -	
14	9	Drywall	$ 78,652.00	Patch and replace drywall as necessary
15	9	Tile Work	$ 22,600.00	Replace carpet with hard tile
16	9	Acoustical	$ 68,825.00	ACT Ceiling on first floor
17	9	Wood Flooring	$ -	
18	9	Resilient Flooring	$ -	
19	9	Painting and Decorating	$ 177,870.00	Interior and exterior painting of the building
20	10	Specialties	$ 25,250.00	New interior signage, new mirrors in baths, new mailboxes in common area
21	11	Special Equipment	$ 20,953.00	Replace trash compactor
22	11	Cabinets	$ 258,093.00	Replace cabinets and tops in unit kitchens
23	11	Appliances	$ 152,900.00	Replace refrigerators, ranges, and vent hoods. Provide range queens
24	12	Blinds	$ 15,000.00	Install new blinds in units
25	12	Carpets	$ -	
26	13	Special Construction	$ 268,193.00	Convert 4 units to be ADA compliant and adapt 2 additional units to have roll-in showers; make common area restrooms ADA compliant; mass & selective demolition to accomplish other work
27	14	Elevators	$ -	
28	15	Plumbing	$ 411,581.00	Sleeve underslab sanitary sewer; replace sinks, showerheads, valves/levers, aerators, and (2) common area water heaters
29	15	Heat and Ventilation	$ 42,600.00	Clean existing ductwork
30	15		$ -	
31	16	Electrical	$ 873,700.00	Replace light fixtures in units, replace fans on roof, add fan in trash chute, install pull-chords, install new switchgear and feeders
32		**Subtotal (Structures)**	$ 2,555,042.00	
33		Accessory Structures	$ -	
34		**Total (Lines 32 and 33)**	$ 2,555,042.00	

Line	Div.	Trade Item	Cost	Trade Description			
35	2	Earth Work	$ 7,000.00	Landscaping, correct erosion and re-seed			
36	2	Site Utilities	$ 20,951.00	Replace exterior underground cast iron sewer with PVC.			
37	2	Roads and Walks	$ 750.00	New markings & signage at handicapped parking spaces			
38	2	Site Improvements	$ 6,500.00	Cosmetic improvments to Gazebo, adding light to site sign,			
39	2	Lawns and Planting	$ -				
40	2	Unusual Site Condition-piling	$ -	Nonresidential and Special Exterior Land Improvement (costs included in trade item breakdown)		Offsite Costs (costs not included in trade item breakdown)	
41		Total Land Improvements	$ 35,201.00				
42		Total Struct. & Land Imprvts.	$ 2,590,243.00	Description	Est. Cost	Description	Est. Cost
43	1	General Requirements	$ 154,086.00		$		
44		Subtotal (Lines 42 thru 43)	$ 2,744,329.00		$		
45		Builder's Overhead	$ 51,805.00		$		$
46		Builder's Profit	$ 155,415.00	Total $			$
47		Subtotal (Lines 44 thru 46)	$ 2,951,549.00	Other Fees		Total $	
48						Demolition (costs not included in trade item breakdown)	
49		Other Fees					
50		Bond Premium	$ 27,716.00		$	Description	Est. Cost
51		Total for All Improvements			$		
52		Builder's Profit Paid by Means			$		
53		Total for All Improvements Less Line 52	$ 2,979,265.00	Total $		Total $	

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. ***Warning*** **:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Mortgagor:	By:	Date:
Contractor: Weaver Cooke Construction	By: John Hoots	Date: 1/16/2015
FHA: (Processing Analyst) Date:	FHA: (Chief, Cost Branch or Cost Analyst)	Date:
FHA: (Chief Underwriter)		Date:

Instructions for Completing Form HUD-2328

This form is prepared by the contractor an/or mortgagor as a requirement for the issuance of a firm commitment. The firm replacement cost of the project also serves as a basis for the disbursement of dollar amounts when insured advances are requested. A detailed breakdown of trade items is provided along with spaces to enter dollar amounts and trade descriptions.

A separate form is prepared through line 32 for each *structure type* . A summation of these structure costs are entered on line 32 of a master form. Land improvements, General Requirements and Fees are completed through line 53 on the master 2328 *only.*

Date--Date form was prepared.
Sponsor--Name of sponsor or sponsoring organization.
Project No.--Eight digit assigned project number.
Building Identification--Number(s) or Letter(s) of each building as designated on plans.
Name of Project--Sponsors designated name of project.
Location--Street address, city and state.
Division--Division numbers and trade items have been developed from the cost accounting section of the uniform system.
Accessory Structures--This item reflects structures, such as: community, storage, maintenance, mechanical, laundry and projec office buildings. Also included are garages and carports or other buildings.
When the amount shown on line 33 is $20,000.00 or 2% of line 32 whichever is the lesser, a separate form HUD-2328 will be prepared through line 32 for Accessory Structures.

Unusual Site Conditions--This trade item reflects rock excavation, high water table, excessive cut and fill, retaining walls, erosion, poor drainage and other on -site conditions considered unusual.
Cost--Enter the cost being submitted by the Contractor or bids submitted by a qualified subcontractor for each trade item. These costs will include, as a minimum, prevailing wage rates as determined by the Secretary of Labor.
Trade Description--Enter a brief description of the work included in eadh trade item.
Other Fees--Includable are fees to be paid by the Contractor, such as sewer tap fees not included in the plumbing contract. Fees paid or to be paid by the Mortgagor are not to be included on this form.
Total For All Improvements--This is the sum of lines 1 through 50 and is to include the toal builder's profit (line 46).

Line 52--When applicable, enter that portion of the builder's profit (line 46) to be paid by means other than cash and/or any part of the builder's profit to be waived during construction.
Non-Residential and Special Exterior Land Improvement Costs--Describe and enter the cost of each improvement, i.e.on-site parking facilities including individual garages and carports, commercial facilities, swimming pools with related facilities and on-site features provided to enhance the environment and livability of the project and the neighborhood. The Design Representative and Cost Analyst shall collaborate with the mortgagor or his representative in designating the items to be

Off-Site Costs--Enter description and dollar amount including fees and bond premium for off-site improvements.
Demolition--Enter description and dollar amount of demolition work necessary to condition site for building improvements including the removal of existing structures, foundations, utilities, etc.
Other Fees--Enter a brief description of item involved and cost estimate for each item.
Signatures--Enter the firm name, signature of authorized officer of the contractor and/or mortgagor and date the form was completed.

Housing Authority of the City of Cedartown
2015 OCAF Increase

CHAP 1
GRAY FIELD APTS

OCAF
0.02
ORIGINAL CHAP CONTRACT RENTS
462
513
626
0
0
0

UNIT TYPE	UNITS	CONTRACT RENT (2015 OCAF)	UTILITY ALLOWANCE	GROSS RENT
0 BR	40	471	0	471
1 BR	56	523	0	523
2 BR	4	639	0	639
3 BR	0	0	0	0
4 BR	0	0	0	0
5 BR	0	0	0	0

CHAP 2
SCATTERED SITES

OCAF
0.02
ORIGINAL CHAP CONTRACT RENTS
0
368
449
553
571
0

UNIT TYPE	UNITS	CONTRACT RENT (2015 OCAF)	UTILITY ALLOWANCE	GROSS RENT
0 BR	0	0	0	0
1 BR	16	375	128	503
2 BR	23	458	138	596
3 BR	9	564	158	722
4 BR	2	582	180	762
5 BR	0	0	0	0

CHAP 3
EASTVIEW HOMES

OCAF
0.02
ORIGINAL CHAP CONTRACT RENTS
0
387
472
582
601
0

UNIT TYPE	UNITS	CONTRACT RENT (2015 OCAF)	UTILITY ALLOWANCE	GROSS RENT
0 BR	0	0	0	0
1 BR	22	395	105	500
2 BR	70	481	114	595
3 BR	52	594	129	723
4 BR	10	613	140	753
5 BR	0	0	0	0

CITY OF CEDARTOWN

201 East avenue
Cedartown, Georgia 30125
Telephone (770) 748-3220 • Fax (770) 748-8962

March 4, 2015

Ms. Alice Cook
Cedartown Housing Authority
344 West Avenue
Cedartown, GA 30125

Re: Rehabilitation of Senior Properties for Cedartown Housing Authority
Senior Site Project, Cedartown, GA 30125
100 units

To Whom It May Concern:

I am providing information regarding your proposed development at the addresses listed on Exhibit A (attached) in Cedartown, GA 30125.

The parcels are currently zoned C-2 (General Commercial). In accordance with Section 94-275-94-279 of the City of Cedartown Zoning Ordinance, the existing structure is classified as a legal non-conforming use. A copy of the pertinent zoning ordinance can be obtained on our website (www.cedartowngeorgia.gov).

If you should have any questions, please do not hesitate to contact me.

Sincerely,

Joseph Martin

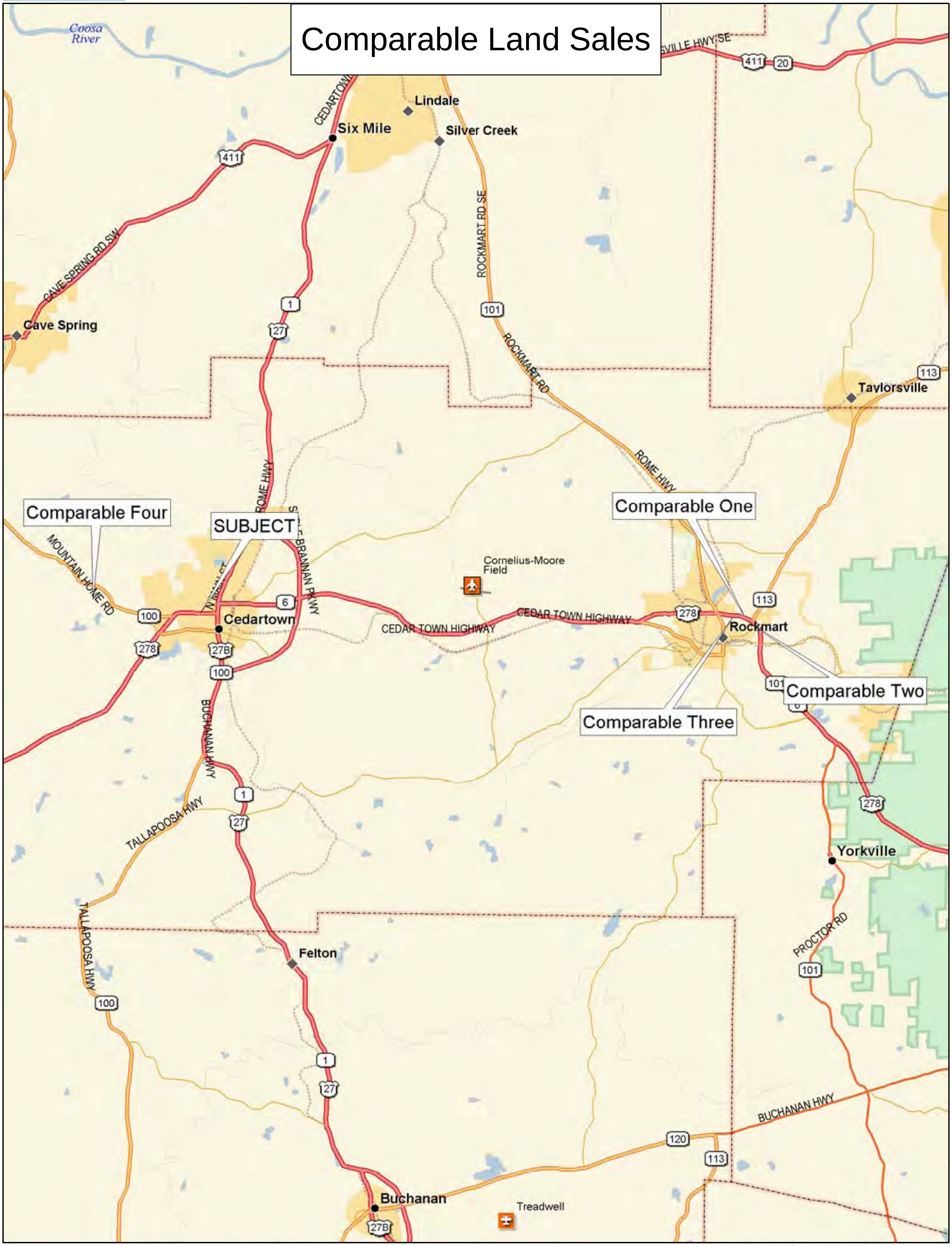
Joseph Martin
Cedartown Code Official

Comparable No. 1

Comparable No. 2

Comparable No. 3

Comparable No 4



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TN

MN (4.3°W)

Scale 1 : 200,000

1" = 3.16 mi

Data Zoom 10-0

Multi-Family Lease No. 1

Property Identification

Record ID	2089
Property Type	Garden
Property Name	Kirkwood Trail Apartments
Address	133 Cason Road, Cedartown, Polk County, Georgia 30125
Location	West Georgia
Management Co.	Gateway
Verification	Leasing Agent; 770-749-9403, December 02, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA 50%	10	816	$383	$0.47
1BR/1BA 60%	10	816	$393	$0.48
1BR/1BA Mkt	12	816	$415	$0.51
2BR/1BA 50%	6	1,029	$442	$0.43
2BR/1BA	6	1,029	$452	$0.44
2BR/1BA	8	1,029	$464	$0.45

Occupancy	100%
Total Units	52
Unit Size Range	816 - 1029
Avg. Unit Size	898
Avg. Rent/Unit	$420
Avg. Rent/SF	$0.47
Net SF	46,692

Physical Data

Construction Type	Brick/HardiePlank
Electrical	Assumed Adequate

Multi-Family Lease No. 1 (Cont.)

HVAC	Assumed Adequate
Stories	1
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies
Parking	Surface
Year Built	2003
Condition	Good

Remarks

This minimal amenity age 55+ senior complex is located in the west Georgia community of Cedartown. It is mixed income with 50% and 60% AMI tax credit units and market rate units. The complex has 32 1BR and 20 2BR units. Additional unit mix indications are appraiser estimate based on conversation with the agent. Complex pays water, sewer and trash and there are no specials being offered.

Multi-Family Lease No. 2

Property Identification	
Record ID	2090
Property Type	Garden Townhome
Property Name	Cedar Chase Apartments
Address	76 Evergreen Lane, Cedartown, Polk County, Georgia 30125
Location	West Georgia
Management Co.	Huntington
Verification	Kent Dahl; 770-749-9403, December 02, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	2	600	$350	$0.58
2BR/1BA TH	8	1,000	$475	$0.48
2BR/1.5BA TH	12	1,050	$500	$0.48
2BR/2BA TH	6	1,150	$560	$0.49

Occupancy 93%

Multi-Family Lease No. 2 (Cont.)

Total Units	28
Unit Size Range	600 - 1150
Avg. Unit Size	1,025
Avg. Rent/Unit	$495
Avg. Rent/SF	$0.48
Net SF	28,700

Physical Data

Construction Type	Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Washer/Dryer Connections
Parking	Surface
Year Built	1986
Condition	Average

Remarks

This minimal amenity market rate complex is located in the west Georgia community of Cedartown. Agent indicated that complex charges an additional $25 per month on the 1BR units if two persons are staying in the unit (utility cost). No specials are being offered. Manager indicated complex is typically 100% occupied but that they just had two move-outs.

Multi-Family Lease No. 3

Property Identification

Record ID	2092
Property Type	Garden
Property Name	Evergreen Village Apartments
Address	110 Evergreen Lane, Cedartown, Polk County, Georgia 30125
Location	West Georgia
Verification	Sonya - Leasing Agent; 770-749-9338, December 03, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1Br/1BA	16	756	$412	$0.54
2BR/2BA	21	915	$469	$0.51
3BR/2BA	19	1,136	$508	$0.45

Occupancy	85%
Total Units	56
Unit Size Range	756 - 1136

Multi-Family Lease No. 3 (Cont.)

Avg. Unit Size	945
Avg. Rent/Unit	$466
Avg. Rent/SF	$0.49
Net SF	52,895

<u>Physical Data</u>

Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Washer/Dryer Connections
Parking	Surface
Year Built	2000
Condition	Average

<u>Remarks</u>

This minimal amenity market rate complex is located in the west Georgia community of Cedartown. Agent indicated that the complex was offering a special of first month's rent at $150 (any unit) with a 12 month lease. Complex pays for water, sewer and trash.

Multi-Family Lease No. 4

Property Identification

Record ID	2094
Property Type	Garden Townhome
Property Name	T & W Apartments
Address	67-97 Evergreen Lane, Cedartown, Polk County, Georgia 30125
Location	West Georgia
Management Co.	T & W Enterprises
Verification	Linda Tanner; 770-748-3030, December 03, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA	16	700	$395	$0.56
2BR/1.5BA TH	19	1,000	$455	$0.46
2BR/1.5BA TH	16	1,000	$525	$0.53

Occupancy	96%
Total Units	51

Multi-Family Lease No. 4 (Cont.)

Unit Size Range	700 - 1000
Avg. Unit Size	906
Avg. Rent/Unit	$458
Avg. Rent/SF	$0.51
Net SF	46,200

<u>Physical Data</u>

Construction Type	Brick/Wood
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	1/2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Washer/Dryer Connections
Parking	Surface
Year Built	1983-99
Condition	Average

<u>Remarks</u>

This minimal amenity market rate complex is located in the west Georgia community of Cedartown. It refers to a series of very small complexes located along Evergreen Lane (odd numbered). Units are all market rate and water, sewer and trash are included in the rental rate. Unit sizes shown are appraiser estimate based on conversations with the agent. There are no specials being offered.

Multi-Family Lease No. 5

Property Identification

Record ID	2088
Property Type	Mixed Income - Senior 55
Property Name	Saratoga Court Apartments
Address	50 Saratoga Way, Summerville, Chattooga County, Georgia 30747
Location	NW Georgia
Verification	Manager - Cindy; 706-629-0022, November 17, 2014; Confirmed by Doug Rivers

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1BR/1BA 50%	19	760	$350	$0.46
1BR/1BA Mkt	5	760	$440	$0.58
2BR/1BA 50%	19	1,003	$405	$0.40
2Br/1BA Mkt	5	1,003	$465	$0.46

Occupancy	96%
Total Units	48

Multi-Family Lease No. 5 (Cont.)

Unit Size Range	760 - 1003
Avg. Unit Size	882
Avg. Rent/Unit	$393
Avg. Rent/SF	$0.45
Net SF	42,312

<u>Physical Data</u>

Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Unit Amenities	Patios/Balconies, Washer/Dryer Connections
Project Amenities	Clubhouse, Exercise/Fitness, Playground, Picnic Area
Parking	Surface
Year Built	2006
Condition	Good

<u>Remarks</u>

This 55+ senior complex has 50% AMI tax credit and market rate units. It is located in the NW Georgia community of Summerville. No specials are being offered. The manager indicated that typical monthly electrical bills are $76 1BR and $85 2BR. The complex pays for water, sewer and trash.

DeLorme

Street Atlas USA® 2006

Multi-Family Sale No. 1

<u>Property Identification</u>	
Record ID	1062
Property Type	Garden
Property Name	Waterbury Apartments
Address	1375 College Station Road, Athens, Clarke County, Georgia 30605
Tax ID	182B007H
<u>Sale Data</u>	
Grantor	1375 College Station Road, LLC
Grantee	Waterbury Apartments, LLC
Sale Date	June 30, 2014
Deed Book/Page	4232-201
Property Rights	Fee Simple
Marketing Time	63 Days
Conditions of Sale	Arms Length
Financing	Conventional
Sale Price	$1,818,000

Multi-Family Sale No. 1 (Cont.)

<u>Land Data</u>	
Land Size	4.090 Acres or 178,160 SF
Avg. Unit Size	609
Total Units	53
Net SF	32,256
<u>General Physical Data</u>	
Construction Type	Wood
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	One
Year Built	1985
Condition	Average
<u>Income Analysis</u>	
Net Operating Income	$130,532
<u>Indicators</u>	
Sale Price/Leasable SF	$56.36
Sale Price/Unit	$34,302
Occupancy at Sale	94%
Overall or Cap Rate	7.18%
NOI/SF	$4.05 Leasable
NOI/Unit	$2,463

Remarks

This property is located along College Station Road in southeast Athens, Clarke County, GA. The property features 53 units in several one-story cardinal style buildings. There are no property amenities. Complex sold after 63 days on the market at an overall rate of 7.18% based on trailing 3 income and trailing 12 expenses, inclusive of reserves.

Multi-Family Sale No. 2

<u>Property Identification</u>	
Record ID	1052
Property Type	Garden
Property Name	Hampton Place Apartments
Address	395 North Perry Parkway, Perry, Houston County, Georgia 31069
<u>Sale Data</u>	
Grantor	Mulberry-Hampton Place Apartments, LLC
Grantee	SPMK XVI Hampton, LLC
Sale Date	June 06, 2014
Deed Book/Page	6576-68
Property Rights	Fee Simple
Conditions of Sale	Arms Length
Financing	Conventional 20% Down Payment
Sale History	Sold for $6,800,000 in June 2006
Sale Price	$7,950,000
<u>Land Data</u>	
Land Size	16.563 Acres or 721,484 SF

Multi-Family Sale No. 2 (Cont.)

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	48	747		
2/1	49	982		
2/2	55	1,069		

Total Units	152
Avg. Unit Size	939
Net SF	142,769

General Physical Data

No. of Buildings	19
Construction Type	Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Unit Amenities	Patios/Balconies, Ceiling Fans, Washer/Dryer Connections, Microwaves
Project Amenities	Outdoor Pool, Outdoor Tennis, Clubhouse, Laundry, Exercise/Fitness
Year Built	1998
Condition	Good

Income Analysis

Effective Gross Income	$1,225,470
Expenses	$633,415
Net Operating Income	$592,056

Indicators

Sale Price/Net SF	$55.68
Sale Price/Unit	$52,303
Occupancy at Sale	94%
EGIM	6.49
Expenses/SF	$4.44 Net
Expenses/Unit	$4,167
Expenses as % of EGI	51.69%
Overall or Cap Rate	7.45%
NOI/SF	$4.15 Net
NOI/Unit	$3,895

Remarks

This is the sale of a 152-unit, Class-B, market-rate complex located in Perry, Houston County, GA. Complex was built in 1998 and was in good condition at the time of sale. Financial indicators are based on FY 2013 income and expenses, including $198/unit in capital expenses. Complex was 94% occupied at the time of sale.

Multi-Family Sale No. 3

Property Identification

Record ID	1065
Property Type	Garden
Property Name	Pine Ridge Apartments
Address	203 Iron Belt Court, Cartersville, Bartow County, Georgia 30120

Sale Data

Grantor	AI Pine Ridge, LLC
Grantee	KM Management Group, LLC
Sale Date	February 18, 2014
Deed Book/Page	2671-788
Property Rights	Fee Simple
Marketing Time	6 Months
Conditions of Sale	Arms Length

Sale Price	$825,000

Land Data

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
2/1.5	29	862		

Total Units	29
Avg. Unit Size	862
Net SF	24,998

General Physical Data

Construction Type	Brick/Vinyl

Multi-Family Sale No. 3 (Cont.)

Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Year Built	1991
Condition	Good

Income Analysis

Net Operating Income	$71,775

Indicators

Sale Price/Leasable SF	$33.00
Sale Price/Unit	$28,448
Occupancy at Sale	87%
Overall or Cap Rate	8.7%
NOI/SF	$2.87 Leasable
NOI/Unit	$2,475

Remarks

This 29-unit complex is located in the Northwest Georgia city of Cartersville. According to the broker, the property was 87% occupied at the time of sale and sold at a 8.70% rate based on actual income and expenses. Property was built in 1991 and was in good condition. It has no amenities.

Multi-Family Sale No. 4

Property Identification	
Record ID	1053
Property Type	Garden
Property Name	Brick Pointe Apartments
Address	201 Holly Drive, Albany, Dougherty County, Georgia 31705
Sale Data	
Grantor	Q&K Investments
Grantee	SandQuest Investments, LLC
Sale Date	February 01, 2014
Deed Book/Page	4101-0270
Property Rights	Fee Simple
Marketing Time	2.5 Years
Conditions of Sale	Arms Length
Sale Price	$1,825,000

Multi-Family Sale No. 4 (Cont.)

Land Data

Land Size	7.600 Acres or 331,056 SF

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	16	705		
2/1	36	1,025		
3/2	4	1,290		

Total Units	56
Avg. Unit Size	953
Net SF	53,340

General Physical Data

Construction Type	Brick
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Unit Amenities	Washer/Dryer Connections
Project Amenities	Outdoor Pool, Clubhouse, Laundry
Year Built	1947
Condition	Average

Income Analysis

Net Operating Income	$156,950

Indicators

Sale Price/Net SF	$34.21
Sale Price/Unit	$32,589
Occupancy at Sale	96%
Overall or Cap Rate	8.6%
NOI/SF	$2.94 Net
NOI/Unit	$2,803

Remarks

This is the sale of a 56-unit, Class-C, market-rate apartment complex located in Albany, Dougherty County, GA. The complex was built in 1947, renovated in 2007 and in average condition at the time of sale. Financial indicators are based on actual income and expenses at the time of sale. Complex was 96% occupied at the time of sale.

Multi-Family Sale No. 5

<u>Property Identification</u>

Record ID	1055
Property Type	Townhomes
Property Name	Riverwalk Apartments
Address	511 Plaza Place, Rome, Floyd County, Georgia 30161

<u>Sale Data</u>

Grantor	Peoples Community National Bank
Grantee	511 Plaza Place, LLC
Sale Date	March 28, 2013
Marketing Time	4 Months
Conditions of Sale	REO Sale
Sale Price	$445,000

<u>Land Data</u>

Land Size	2.500 Acres or 108,900 SF

Multi-Family Sale No. 5 (Cont.)

Unit Mix

Unit Type	No. of Units	Size SF	Rent/Mo.	Mo. Rent/SF
1/1	12	650		
2/1.5	6	880		

Total Units	18
Avg. Unit Size	727
Net SF	13,080

General Physical Data

Construction Type	Brick/Vinyl
Electrical	Assumed Adequate
HVAC	Assumed Adequate
Parking	Surface
Stories	2
Project Amenities	Laundry
Year Built	1976
Condition	Average

Income Analysis

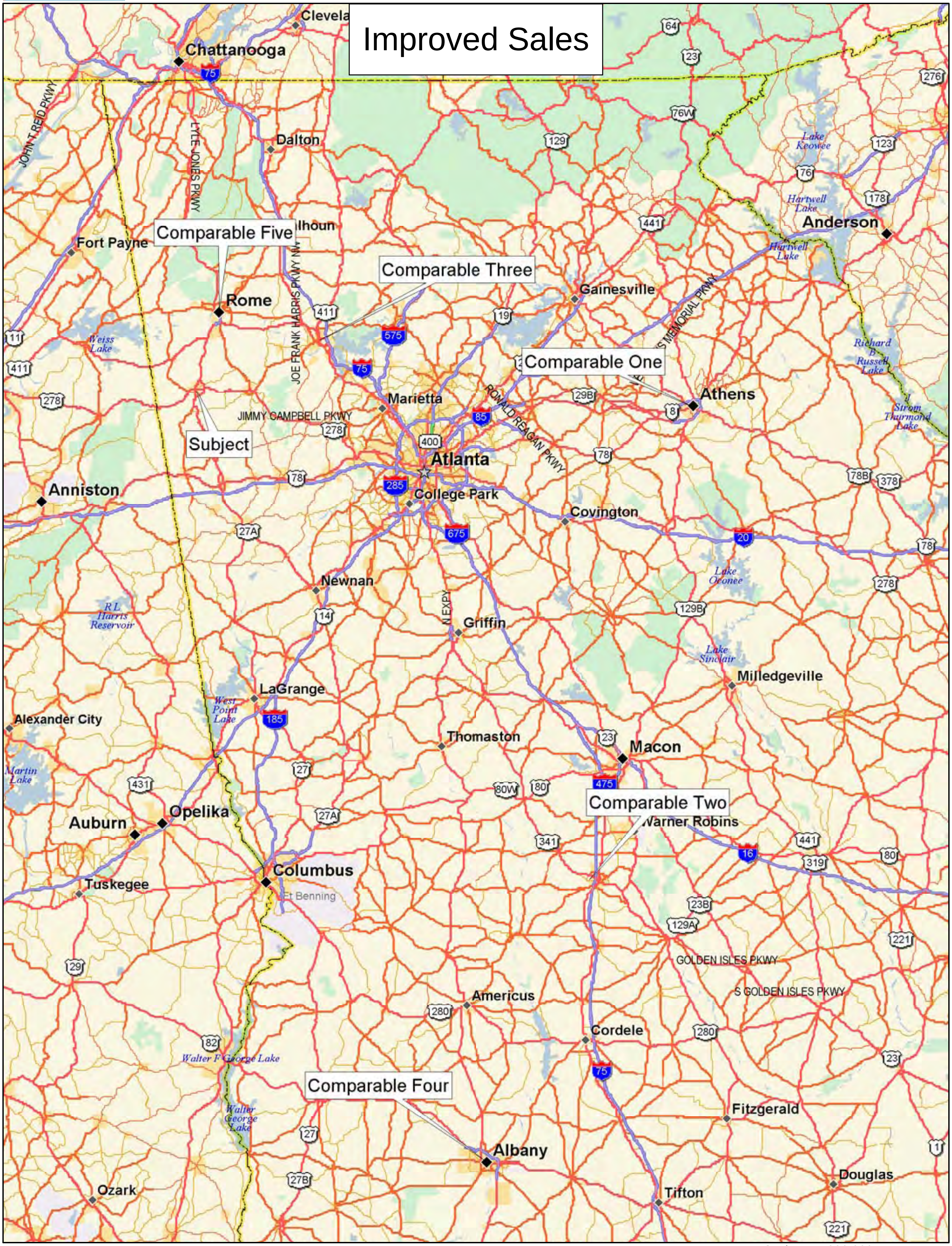
Net Operating Income	$37,825

Indicators

Sale Price/Net SF	$34.02
Sale Price/Unit	$24,722
Occupancy at Sale	90%
Overall or Cap Rate	8.5%
NOI/SF	$2.89 Net
NOI/Unit	$2,101

Remarks

This is the sale of an 18-unit, Class-C apartment complex located on the southwest side of Rome, Floyd County, GA. This was a bank owned site that was exposed to the market for four months prior to going under contract. According to the listing agent, it was an arms length transaction and sold for market value at the time. It closed at an 8.50% cap rate based on actual income and expenses at the time of sale.



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TN
MN (4.9°W)

Scale 1 : 1,800,000

1" = 28.41 mi

Data Zoom 6-7

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Pre Rehab) 0BR/1BA 461 SF	S. Subject Property Grayfield Cedartown GA	A. Comparable Property No. 1 Kirkwood Trail Cedartown GA			B. Comparable Property No. 2 Cedar Chase Cedartown GA			C. Comparable Property No. 3 Evergreen Village Cedartown GA			D. Comparable Property No. 4 T&W Apartments Cedartown GA			E. Comparable Property No. 5 Saratoga Court Summerville, GA		
Characteristics	Data	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	1974	2003	-20		1986	-5		2000	-20		1983 - 99	-10		2006	-25	
9. Sq. Ft. Area (Net)	461	816	-25		600	-25		756	-25		700	-25		760	-25	
10. Number of Bedrooms	0	1	-50		1	-50		1	-50		1	-50		1	-50	
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	3	4			4			4			4			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		23	N/G		23	N/E		23	N/E		23	N/G		23
b. Cook/Type	Y/G	N/E		6	N/G		6	N/E		6	N/E		6	N/G		6
c. Electricity	Y	N		34	N		34	N		34	N		34	N		34
d. Water Cold/Hot	Y/Y	Y/N		16	Y/N		16	Y/N		16	Y/N		16	Y/N		16
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Average	Average			Average			Average			Average			Average		
20. Unit Rent Per Month		$415			$350			$412			$395			$440		
21. Total Adjustments			29			44			17			39			14	
22. Indicated Rent		$444			$394			$429			$434			$454		
23. Correlated Subject Rent	$440	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X 12/19/2014 Stephen M. Huber

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent		$431	
Range	$394	to	$454

Previous Editions are obsolete

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Pre Rehab) **1BR/1BA 573 SF**	S. Subject Property **Grayfield Cedartown GA**	A. Comparable Property No. 1 **Kirkwood Trail Cedartown GA**			B. Comparable Property No. 2 **Cedar Chase Cedartown GA**			C. Comparable Property No. 3 **Evergreen Village Cedartown GA**			D. Comparable Property No. 4 **T&W Apartments Cedartown GA**			E. Comparable Property No. 5 **Saratoga Court Summerville, GA**		
Characteristics	Data	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	1974	2003	-20		1986	-5		2000	-20		1983 - 99	-10		2006	-25	
9. Sq. Ft. Area (Net)	573	816	-25		600			756	-25		700	-25		760	-25	
10. Number of Bedrooms	1	1			1			1			1			1		
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	4	4			4			4			4			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		33	N/G		33	N/E		33	N/E		33	N/G		33
b. Cook/Type	Y/G	N/E		9	N/G		9	N/E		9	N/E		9	N/G		9
c. Electricity	Y	N		47	N		47	N		47	N		47	N		47
d. Water Cold/Hot	Y/Y	Y/N		21	Y/N		21	Y/N		21	Y/N		21	Y/N		21
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Average	Average			Average			Average			Average			Average		
20. Unit Rent Per Month		$415			$350			$412			$395			$440		
21. Total Adjustments			110			150			98			120			95	
22. Indicated Rent		$525			$500			$510			$515			$535		
23. Correlated Subject Rent	$525	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X Stephen M. Huber 12/19/2014

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent **$517**
Range **$500** **to** **$535**

Previous Editions are obsolete

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Pre Rehab) 2BR/1BA 916 SF	S. Subject Property Grayfield Cedartown GA	A. Comparable Property No. 1 Kirkwood Trail Cedartown GA			B. Comparable Property No. 2 Cedar Chase Cedartown GA			C. Comparable Property No. 3 Evergreen Village Cedartown GA			D. Comparable Property No. 4 T&W Apartments Cedartown GA			E. Comparable Property No. 5 Saratoga Court Summerville, GA		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	1974	2003	-20		1986	-5		2000	-20		1983 - 99	-10		2006	-25	
9. Sq. Ft. Area (Net)	916	1029	-25		1000			915			1000			1003		
10. Number of Bedrooms	2	2			2			2			2			1		
11. Number of Baths	1.0	1.0			1.0			2.0	-20		1.5	-10		1.0		
12. Number of Rooms	5	5			5			6			5			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		41	N/G		41	N/E		41	N/E		41	N/G		41
b. Cook/Type	Y/G	N/E		10	N/G		10	N/E		10	N/E		10	N/G		10
c. Electricity	Y	N		61	N		61	N		61	N		61	N		61
d. Water Cold/Hot	Y/Y	Y/N		27	Y/N		27	Y/N		27	Y/N		27	Y/N		27
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Average	Average			Average			Average			Average			Average		
20. Unit Rent Per Month		$464			$475			$469			$525			$465		
21. Total Adjustments			139			179			132			164			149	
22. Indicated Rent		$603			$654			$601			$689			$614		
23. Correlated Subject Rent	$625	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X Stephen M. Huber 12/19/2014

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent		$632	
Range	$601	to	$689

Previous Editions are obsolete

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Post Rehab) 0BR/1BA 461 SF	S. Subject Property Grayfield Cedartown GA	A. Comparable Property No. 1 Kirkwood Trail Cedartown GA			B. Comparable Property No. 2 Cedar Chase Cedartown GA			C. Comparable Property No. 3 Evergreen Village Cedartown GA			D. Comparable Property No. 4 T&W Apartments Cedartown GA			E. Comparable Property No. 5 Saratoga Court Summerville, GA		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	2015 Rehab	2003		10	1986		25	2000		10	1983 - 99		20	2006		5
9. Sq. Ft. Area (Net)	461	816	-25		600	-25		756	-25		700	-25		760	-25	
10. Number of Bedrooms	0	1	-50		1	-50		1	-50		1	-50		1	-50	
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	3	4			4			4			4			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		23	N/G		23	N/E		23	N/E		23	N/G		23
b. Cook/Type	Y/G	N/E		6	N/G		6	N/E		6	N/E		6	N/G		6
c. Electricity	Y	N		34	N		34	N		34	N		34	N		34
d. Water Cold/Hot	Y/Y	Y/N		16	Y/N		16	Y/N		16	Y/N		16	Y/N		16
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Good	Average		25	Average		50	Average		25	Average		25	Average		25
20. Unit Rent Per Month		$415			$350			$412			$395			$440		
21. Total Adjustments			84			124			72			94			69	
22. Indicated Rent		$499			$474			$484			$489			$509		
23. Correlated Subject Rent	$500	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X Stephen M. Huber 12/19/2014

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent		$491	
Range	$474	to	$509

Previous Editions are obsolete

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Post Rehab) 1BR/1BA 573 SF	S. Subject Property Grayfield Cedartown GA	A. Comparable Property No. 1 Kirkwood Trail Cedartown GA			B. Comparable Property No. 2 Cedar Chase Cedartown GA			C. Comparable Property No. 3 Evergreen Village Cedartown GA			D. Comparable Property No. 4 T&W Apartments Cedartown GA			E. Comparable Property No. 5 Saratoga Court Summerville, GA		
Characteristics	Data	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+	Data	Adjustments -	+
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	2015 Rehab	2003		10	1986		25	2000		10	1983 - 99		20	2006		5
9. Sq. Ft. Area (Net)	573	816	-25		600			756	-25		700	-25		760	-25	
10. Number of Bedrooms	1	1			1			1			1			1		
11. Number of Baths	1.0	1.0			1.0			1.0			1.0			1.0		
12. Number of Rooms	4	4			4			4			4			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		33	N/G		33	N/E		33	N/E		33	N/G		33
b. Cook/Type	Y/G	N/E		9	N/G		9	N/E		9	N/E		9	N/G		9
c. Electricity	Y	N		47	N		47	N		47	N		47	N		47
d. Water Cold/Hot	Y/Y	Y/N		21	Y/N		21	Y/N		21	Y/N		21	Y/N		21
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Good	Average		25	Average		50	Average		25	Average		25	Average		25
20. Unit Rent Per Month		$415			$350			$412			$395			$440		
21. Total Adjustments			165			230			153			175			150	
22. Indicated Rent		$580			$580			$565			$570			$590		
23. Correlated Subject Rent	$585	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X Stephen M. Huber 12/19/2014

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent $577
Range $565 to $590

Previous Editions are obsolete

Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0332 (Exp. 04/30/95)

1. Unit Type (Post Rehab) 2BR/1BA 916 SF	S. Subject Property Grayfield Cedartown GA	A. Comparable Property No. 1 Kirkwood Trail Cedartown GA			B. Comparable Property No. 2 Cedar Chase Cedartown GA			C. Comparable Property No. 3 Evergreen Village Cedartown GA			D. Comparable Property No. 4 T&W Apartments Cedartown GA			E. Comparable Property No. 5 Saratoga Court Summerville, GA		
Characteristics	Data	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +	Data	Adjustments -	Adjustments +
3. Effective Date of Rental	N/AP	Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014			Dec. 2014		
4. Type of Project/Stories	IC/5 STY	GDN/1 STY		50	GDN1//2 STY		50	GDN/2 STY		50	GDN/1 STY		50	GDN/2 STY		50
5. Floor of Unit in Bldg	1 - 5	1			1 - 2			1 - 2			1			1 - 2		
6. Project Occupancy %	97%	100%			93%			85%			96%			96%		
7. Concessions	N/AP	N			N			Y	-13		N			N		
8. Year Built	2015 Rehab	2003		10	1986		25	2000		10	1983 - 99		20	2006		5
9. Sq. Ft. Area (Net)	916	1029	-25		1000			915			1000			1003		
10. Number of Bedrooms	2	2			2			2			2			1		
11. Number of Baths	1.0	1.0			1.0			2.0	-20		1.5	-10		1.0		
12. Number of Rooms	5	5			5			6			5			4		
13. Balcony/Terrace/Patio	N	Y			Y			Y			Y			Y		
14. Garage or Carport	N	N			N			N			N			N		
15. Eqpmt: a. A/C	Y	Y			Y			Y			Y			Y		
b. Range/Oven	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
c. Refrigerator	Y	Y			Y			Y			Y			Y		
d. Disposal	N	N			N			N			N			N		
e. Microwave	N	N			N			N			N			N		
f. Dishwasher	N	N			N			N			N			N		
g. Washer/Dryer (Conn.)	N	Y	-5		Y	-5		Y	-5		Y	-5		Y	-5	
h. Carpet/Blinds	Y/Y	Y/Y			Y/Y			Y/Y			Y/Y			Y/Y		
i. Pool/Rec. Area	N/N	N/N			N/N			N/N			N/N			N/Y	-10	
16. Services: a. Heat/Type	Y/G	N/E		41	N/G		41	N/E		41	N/E		41	N/G		41
b. Cook/Type	Y/G	N/E		10	N/G		10	N/E		10	N/E		10	N/G		10
c. Electricity	Y	N		61	N		61	N		61	N		61	N		61
d. Water Cold/Hot	Y/Y	Y/N		27	Y/N		27	Y/N		27	Y/N		27	Y/N		27
e. Sewer	Y	Y			Y			Y			Y			Y		
f. Trash	Y	Y			Y			Y			Y			Y		
17. Storage	N/Ap	N/Ap			N/Ap			N/Ap			N/Ap			N/Ap		
18. Project Location	Average	Average			Average			Average			Average			Average		
19. Other - Condition	Good	Average		50	Average		75	Average		50	Average		50	Average		50
20. Unit Rent Per Month		$464			$475			$469			$525			$465		
21. Total Adjustments			219			284			212			244			229	
22. Indicated Rent		$683			$759			$681			$769			$694		
23. Correlated Subject Rent	$700	☐ If there are any additional Remarks, check here and add the remarks to the back of page.														

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 below to explain adjustments as necessary.

Appraiser's Signature & Date
X Stephen M. Huber 12/19/2014

Revewer's Signature & Date
X

Comments:

Avg. Mo. Rent		$717	
Range	$681	to	$769

Previous Editions are obsolete

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING-FEDERAL HOUSING COMMISSIONER OPERATING EXPENSE ANALYSIS WORKSHEET	PROJECT NAME Grayfield Apartments	PROJECT NUMBER
CITY **Cedartown, GA** **AS IS ANALYSIS**	ANTICIPATED STABILIZATION DATE N/Ap PROJECT OCCUPANCY **97%**	
SIGNATURE OF PROCESSOR Stephen M. Hahn 12/19/2014	SIGNATURE OF REVIEWER	DATE

Project Name	**Pointe Lanier**				**Evergreen Lost Mountain**				**Summit Place**				**Legacy Brunswick**				**Grayfield**			
Project Number																				
Location	**Gainesville, GA**				**Dallas, GA**				**Gainesville, GA**				**Brunswick, GA**				**Cedartown, GA**			
Type of Project	**W/U**				**W/U**				**W/U**				**W/U**				**IC**			
Number of Stories	**2**				**2**				**2**				**3**				**5**			
Type of Construction	**Wood Frame**				**Wood Frame**				**Wood Frame**				**Wood Frame**				**Masonry Frame**			
No.of Living Units	**100**				**206**				**128**				**168**				**100**			
Age of Project	**1986**				**2000 / 2008**				**1994**				**2008**				**1974**			
Project Unit Composition	BRM (1)	BRM (2)	BRM (3)	BRM	BRM	BRM (2)	BRM (3)	BRM	BRM (1)	BRM (2)	BRM (3)	BRM	BRM (1)	BRM (2)	BRM (3)	BRM	BRM (Stu)	BRM (1)	BRM (2)	BRM -4
No. Each Unit Type																	**40**	**56**	**4**	
Sq. Ft. Each Unit Type																				
Average Unit Area	**919**				**999**				**928**				**1,105**				**542**			
*Same Tax Rate Subj.																				
*Same Utility Rate																				
Effective Date/Updating Operating Yr/Percentage	**8/13-7/14**				**6/13-6/14**				**FY 2013**				**FY 2013**							
**Equipment & Services Included in Rent	**1,2,3,4,5,6,7,12,13**				**1,2,3,4,5,6,7,12,13**				**1,2,3,4,5,6,7,8,13**				**1,2,3,4,5,6,7,8,13**				**1,2,5,6,7,10,11,12,13**			

EQUIPMENT INCLUDED IN RENT:
1. Range & Refrig. 2. Carpet & Drapes 3. Disposal
4. Dishwasher 5. Laundry Fac. 6. Air Conditioning
7. Kit Exh. Fan 8. Other (Washer / Dryer appliances)

SERVICES INCLUDED IN RENT:
Gas: 9. Heat 10. Cooking 11. Hot Water 12. A/C
Elec: 13. Heat 14. Cooking 15. Hot Water 16. A/C 17. Lights Unit
Other Fuel: 18. Heat 19. Hot Water 20. Water 21. Other

Items of Expense by Unit of Comparison	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	CORRELATED EXPENSE	
1. Advertising	**0**			**0**	**159**	0	0.2%	**159**	**2**	0	1.2%	**2**	**63**	1	1.2%	**64**	**100**	
2. Management	**530**			**530**	**365**	1	0.2%	**366**	**352**	4	1.2%	**356**	**373**	4	1.2%	**377**	**293**	
3. Other (Misc. Admin.)	**71**			**71**	**334**	1	0.2%	**335**	**179**	2	1.2%	**181**	**285**	3	1.2%	**288**	**200**	
4. Total Admin.Exp	**601**			**601**	**858**		0.2%	**860**	**533**	6	1.2%	**539**	**721**	9	1.2%	**730**		**593**
5. Elevator																		
6. Fuel																		
7. Light & Elec.																	**300**	
8. Water/Sewer																	**550**	
9. Gas																	**50**	
10. Garbage Removal																	**100**	
11. Payroll	**265**			**265**	**737**	1	0.2%	**738**	**561**	7	1.2%	**568**	**903**	11	1.2%	**914**	**700**	
12. Other (ALL UTILITIES	**1,137**			**1,137**	**813**	1	0.2%	**814**	**522**	6	1.2%	**528**	**618**	7	1.2%	**625**		
13. Total Oper. Expense	**1,402**			**1,402**	**1,550**		0.2%	**1,552**	**1,083**	13	1.2%	**1,096**	**1,521**	18	1.2%	**1,539**		**1,700**
14. Decorating																	**200**	
15. Repairs	**785**			**785**	**1,142**	2	0.2%	**1,144**	**663**	8	1.2%	**671**	**264**	3	1.2%	**267**	**500**	
16. Exterminating																		
17. Insurance	**208**			**208**	**204**	0	0.2%	**204**	**309**	4	1.2%	**313**	**279**	3	1.2%	**282**	**250**	
18. Ground Expense	**102**			**102**	**232**	0	0.2%	**232**	**98**	1	1.2%	**99**	**304**	4	1.2%	**308**	**150**	
19. Other: Trash																		
20. Total Maint.	**1,095**			**1,095**	**1,578**		0.2%	**1,580**	**1,070**	13	1.2%	**1,083**	**847**	10	1.2%	**857**		**1100**
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																		**3,393**
20b. Trend Adjust. (Per BLS, average change in CPI 2010-2013)									Annual Rate		**2.00%**							**93**
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																		**300**
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																		**3,786**
23. Taxes/Real Est.	**380**			**380**	**772**	1	0.2%	**773**	**630**	8	1.2%	**638**	**621**	7	1%	**628**	**327**	
24. Personal Property Tax																		
25. Employee Payroll Tax																		
26. Labor/Benefits																	**200**	
27. Other																		
27a.Taxes W/O Trend	**380**			**380**	**772**			**773**	**630**			**638**	**621**			**628**		**527**
27b. Trend Adjust. (Less Real Estate Taxes, Management Fee, & Reserves from 10/01/2013-1/1/2015)									Annual Rate									
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																		**527**
29. Total Expenses (Sum of Lines 22 and 28)																		**4,313**

*If "No" Reflect in adjustments (USE BELOW TO EXPLAIN ADJUSTMENTS AS NEEDED) HUD-92274 (8-82)

** Enter appropriate numbers from table for subject and comparables and reflect in adjustments. (HB 4480.1)

*** Enter expense items in suitable unit of comparison.

Comments on Adjustments Per the Bureau of Labor Statistics (BLS) the average change in CPI from year-end 2010 to year-end 2013 was 2.00%. We used 2.00% per year for the comparables.

	Pointe Lanier	Evergreen Lost Mountain	Summit Place	Legacy Brunswick
TOTALS	$3,478	$4,765	$3,356	$3,755

NOTES: THE EXPENSE NUMBERS ON THE 92274 DO NOT INCLUDE THREE ACCOUNTS FROM THE 9241C

THE ACCOUNTS ARE:
6312 - OFFICE OR MODEL APARTMENT RENT LOSS
6331 - MANAGER OR SUPERINTENDENT RENT FREE UNIT
6370 - BAD DEBTS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING-FEDERAL HOUSING COMMISSIONER OPERATING EXPENSE ANALYSIS WORKSHEET	PROJECT NAME **Grayfield Apartments**	PROJECT NUMBER
CITY **Cedartown, GA** **NOI ANALYSIS - POST RENOVATION**	ANTICIPATED STABILIZATION DATE N/Ap PROJECT OCCUPANCY **97%**	
SIGNATURE OF PROCESSOR *Stephen M. Hahn* 12/19/2014	SIGNATURE OF REVIEWER	DATE

Project Name	**Bethel Housing**	**Columbia Plaza**	**Oglethorpe Ridge**	**Rolling Ridge**	**Grayfield**
Project Number	**N/AP**	**N/Ap**	**N/Ap**		
Location	**Albany, GA**	**Atlanta, GA**	**Ft. Oglethorpe, GA**	**Athens, GA**	**Cedartown, GA**
Type of Project	**W/U-TH**	**W/U**	**W/U**	**W/U**	**IC**
Number of Stories	**2**	**2**	**2**	**2**	**5**
Type of Construction	**Wood Frame**	**Wood Frame**	**Wood Frame**	**Wood Frame**	**Masonry Frame**
No.of Living Units	**98**	**96**	**97**	**160**	**100**
Age of Project	**1973**	**1965**	**1979**	**1980**	**1974**
Project Unit Composition	BRM (1), BRM (2), BRM (3), BRM	BRM (1), BRM (2), BRM (3), BRM	BRM (1), BRM (2), BRM (3), BRM	BRM (1), BRM (2), BRM (3), BRM	BRM (Stu), BRM (1), BRM (2), BRM -4
No. Each Unit Type					**40**, **56**, **4**
Sq. Ft. Each Unit Type					
Average Unit Area	**809**	**760**	**1,206**	**751**	**542**
*Same Tax Rate Subj.					
*Same Utility Rate					
Effective Date/Updating Operating Yr/Percentage	**10/13-9/14**	**FY 2013**	**FY2013**	**FY2013**	
**Equipment & Services Included in Rent	**1,2,5,6,7,10 12,13**	**1,2,5,6,7,9 12,13**	**1,2,5,6,7,9 12,13**	**1,2,5,6,7 12,13**	**1,2,5,6,7,10,11,12,13**

EQUIPMENT INCLUDED IN RENT:
1. Range & Refrig. 2. Carpet & Drapes 3. Disposal
4. Dishwasher 5. Laundry Fac. 6. Air Conditioning
7. Kit Exh. Fan 8. Other (Washer / Dryer appliances)

SERVICES INCLUDED IN RENT:
Gas: 9. Heat 10. Cooking 11. Hot Water 12. A/C
Elec: 13. Heat 14. Cooking 15. Hot Water 16. A/C 17. Lights Unit
Other Fuel: 18. Heat 19. Hot Water 20. Water 21. Other

Items of Expense by Unit of Comparison	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	EXP.	UPD. EXP.	ADJ. + -	IND. EXP.	CORRELATED EXPENSE	
1. Advertising	**2**			**2**	**12**	0	1.7%	**12**	**16**	0	1.7%	**16**	**9**	0	1.7%	**9**	**25**	
2. Management	**586**			**586**	**179**	3	1.7%	**182**	**384**	7	1.7%	**391**	**622**	11	1.7%	**633**	**383**	
3. Other (Misc. Admin.)	**143**			**143**	**658**	11	1.7%	**669**	**445**	8	1.7%	**453**	**277**	5	1.7%	**282**	**300**	
4. Total Admin.Exp	**731**			**731**	**849**	14	1.7%	**863**	**845**	14	1.7%	**859**	**908**	15	1.7%	**923**		**708**
5. Elevator																		
6. Fuel																		
7. Light & Elec.																	**250**	
8. Water/Sewer																	**500**	
9. Gas																	**50**	
10. Garbage Removal																	**100**	
11. Payroll	**2,013**			**2,013**	**1,346**	23	1.7%	**1,369**	**1,238**	21	1.7%	**1,259**	**1,277**	22	1.7%	**1,299**	**1,000**	
12. Other (ALL UTILITIES	**845**			**845**	**1,161**	20	1.7%	**1,181**	**1,161**	20	1.7%	**1,181**	**653**	11	1.7%	**664**		
13. Total Oper. Expense	**2,858**			**2,858**	**2,507**	43	1.7%	**2,550**	**2,399**	41	1.7%	**2,440**	**1,930**	33	1.7%	**1,963**		**1,900**
14. Decorating																	**200**	
15. Repairs	**657**			**657**	**593**	10	1.7%	**603**	**432**	7	1.7%	**439**	**982**	17	1.7%	**999**	**350**	
16. Exterminating																		
17. Insurance	**287**			**287**	**121**	2	1.7%	**123**	**365**	6	1.7%	**371**	**385**	7	1.7%	**392**	**300**	
18. Ground Expense	**214**			**214**	**45**	1	1.7%	**46**	**181**	3	1.7%	**184**	**133**	2	1.7%	**135**	**100**	
19. Other: Trash																		
20. Total Maint.	**1,158**			**1,158**	**759**	13	1.7%	**772**	**978**	17	1.7%	**995**	**1,500**	26	1.7%	**1,526**		**950**
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																		**3,558**
20b. Trend Adjust. (Per BLS, average change in CPI 2010-2013)									Annual Rate		**2.00%**							**84**
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																		**300**
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																		**3,942**
23. Taxes/Real Est.	**404**			**404**	**115**	2	1.7%	**117**	**452**	8	1.7%	**460**	**410**	7	1.7%	**417**	**160**	
24. Personal Property Tax																		
25. Employee Payroll Tax																		
26. Labor/Benefits																	**200**	
27. Other																		
27a.Taxes W/O Trend	**404**			**404**	**115**	2	1.7%	**117**	**452**	8	1.7%	**460**	**410**	7	1.7%	**417**		**360**
27b. Trend Adjust. (Less Real Estate Taxes, Management Fee, & Reserves from 10/01/2013-1/1/2015)									Annual Rate									
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																		**360**
29. Total Expenses (Sum of Lines 22 and 28)																		**4,302**

*If "No" Reflect in adjustments (USE BELOW TO EXPLAIN ADJUSTMENTS AS NEEDED) HUD-92274 (8-82)

** Enter appropriate numbers from table for subject and comparables and reflect in adjustments. (HB 4480.1)

*** Enter expense items in suitable unit of comparison.

Comments on Adjustments Per the Bureau of Labor Statistics (BLS) the average change in CPI from year-end 2010 to year-end 2013 was 2.00%. We used 2.00% per year for the comparables.

	Bethel Housing	Columbia Plaza	Oglethorpe Ridge	Rolling Ridge
TOTALS	**$5,151**	**$4,302**	**$4,753**	**$4,829**

NOTES: THE EXPENSE NUMBERS ON THE 92274 DO NOT INCLUDE THREE ACCOUNTS FROM THE 9241C

THE ACCOUNTS ARE:
6312 - OFFICE OR MODEL APARTMENT RENT LOSS
6331 - MANAGER OR SUPERINTENDENT RENT FREE UNIT
6370 - BAD DEBTS

Multifamily Summary Appraisal Report

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

This form is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where the Jurisdictional Exceptions is invoked to allow for minor deviations, as noted throughout. Additional technical directions is contained in the HUD Handbooks referenced in the lower right corner.

Application Processing Stage: [ ] SAMA [ ] Feasibility (Rehab) [X] Firm
Property Rights Appraised: [X] Fee Simple [ ] Leasehold

Project Name: Grayfield Apartments - POST REHAB NOI ANALYSIS
Project Number:

Purpose. This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (Consultation for Section 221) are the analyses of market need, location, earning capacity, expenses, taxes and warranted cost of the property.
Scope. The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility, suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property.

A. Location and Description of Property

1. Street Nos.	2. Street	3. Municipality
344	West Avenue	Cedartown

4a. Census Tract No.	4b. Placement Code	4c. Legal Description (Optional)	5. County	6. State and Zip Code
			Polk	GA 30125

7. Type of Project: [X] Elevator(s) 2 [ ] Detached [ ] Highrise [ ] Walkup [ ] Semi-Detached [ ] 2-5 sty. Elev. [ ] Row House [ ] Town House
8. No. Stories: 5.0
9a. Foundation: [X] Slab on Grade [ ] Partial Basement [ ] Full Basement [ ] Crawl Space
9b. Basement Floor: [ ] Structural Slab [ ] Slab on Grade

10. [ ] Proposed [X] Existing
11. Number of Units: Revenue 100; Non-Rev. 0
12. No. of Bldgs.: 1
13a. List Accessory Bldgs. and Area

13b. List Recreation Facilities and Area
Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms an[d] a gazebo. There are common area restrooms on the ground floor and common areas with vending machines and exterior balconies on each floor.

13c. Neighborhood Description

Location		[ ] Urban	[ ] Suburban	[X] Rural
Built Up	[ ] Fully Developed	[ ] Over 75%	[X] 25% to 75%	[ ] Under 25%
Growth Rate		[ ] Rapid	[ ] Steady	[X] Slow
Property Values		[ ] Increasing	[X] Stable	[ ] Declining
Demands/Supply		[ ] Shortage	[X] In Balance	[ ] Oversupply
Rent Controls		[X] Yes	[ ] No	[ ] Likely

Present Land Use: 40 % 1 Family; 10 % 2 to 4 Family; 10 % Multifamily; 0 % Condo/Coop; 20 % Commer.; 10 % Industrial; 10 % Vacant
Change in Use: [X] Not Likely [ ] Likely [ ] Taking Place
From ______ to ______
Predominant Occupancy: [ ] Owner [X] Tenant 10 % Vacant

Description of Neighborhood: (Note: Race and racial composition of the neighborhood are not appraisal factors.) (Describe the boundaries of the neighborhood and those factors, favorable or unfavorable, that affect marketability, including neighborhood stability, appeal, property conditions, vacancies, rent control, etc.)

See Narrative Appraisal

Site information

14. Dimensions: X ft. by X ft. or 2.518 Acres
15a. Zoning (If recently changed, submit evidence): C-2
15b. Zoning Compliance: [ ] Legal [ ] Illegal [X] Legal nonconforming (Grandfathered use) [ ] No zoning
15c. Highest and Best Use as Improved: [X] Present Use [ ] Proposed use [ ] Other use (explain)
15d. Intended M/F Use (summarize: e.g., Market Rent; Hi- Med. - Lo-End; Rent Subsidized; Rent restricted with or without Subsidy; Applicable Percentages)

Rental Assistance Demonstration Program (RAD) that will convert the current public housing units to Project-Based Rental Assistance (PBRA) units.

Building Information

16a. Yr. Built	16b.	17a. Structural System	17b. Floor System	17c. Exterior Finish	18. Heating-A/C System
1974	[ ] Manufactured Housing [X] Conventionally Built [ ] Modules [ ] Components	Concrete	Concrete	Brick/stucco	Pad Mounted Units

Previous editions are obsolete
form **HUD-92264** (8/95)
ref Handbooks 4465.1 & 4480.1

B. Additional Information Concerning Land or Property

19. Date Acquired	20. Purchase Price	21. Additional Costs Paid or Accrued	22. If Leasehold, Annual Ground Rent	23a. Total Cost	23b. Outstanding Balance

24a. Relationship (Business, Personal, or Other) Between Seller and Buyer

24b. Has the Subject Property been sold in the past 3 years? ☐ Yes ☒ No If "Yes," explain:

25. Utilities	Public	Community	Distance from Site
Water	X		At site
Sewers	X		At site

26. Unusual Site Features
☐ Cuts ☐ Fills ☐ Rock Formations ☐ Erosion ☐ Poor Drainage ☐ None
☐ High Water Table ☐ Retaining Walls ☐ Off Site Improvements
☒ Other (Specify) Flood Zone

C. Estimate of Income (Attach forms HUD-92273, 92264-T, as applicable)

27. No. of Each Family Type Unit	Apartment Unit Area (Sq. Ft.)	**Composition of Units**	**Unit Rent per Mo. ($)**	Total Monthly Rent For Unit Type ($)
40		0 BR / 1 BA	$471	$ 18,840
56		1 BR / 1 BA	$523	$ 29,288
4		2 BR / 1 BA	$639	$ 2,556

28. **Total Estimated Rentals for All Family Units** $ 50,684

29. Number of Parking Spaces
☐ Attended
☒ Self Park
Total Spaces 50

Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)
Garages
Garages
Laundry ____ Sq. Ft. or Living Units @ $ ____ per month = $ -
Other
Other
Other Other Income per month = $ $1,013.67
Total Monthly Ancillary Income $ 1,013.67

30. Commercial Income (Attach Documentation)
Area-Ground Level ____ sq. ft. @ $ ____ per sq. ft./month = $ ____
Other Levels ____ sq. ft. @ $ ____ per sq. ft./month = $ ____ = **Total Monthly Commercial Income** $

31. **Total Estimated Monthly Gross Income at 100 Percent Occupancy** $ 51,698

32. **Total Annual Rent** (Item 31 × 12 months) $ 620,372

33. Gross Floor Area Est. ____ Sq. Ft.
34. Net Rentable Residential Area 49,560 Sq. Ft.
35. Net Rentable Commercial Area ____ Sq. Ft.

36. Non-Revenue Producing Space

Type of Employee	No. Rms.	Composition of Unit	Location of Unit in Project

36a. Personal Benefit Expense (PBE) (May produce additional revenue and expenses to be considered above and below.)

Tenant Employee-Paid Utilities Type(s) ____ Monthly Cost $ ____

Landlord Employer-Paid Utilities Type(s) ____ Monthly Cost $ ____

D. Amenities and Services Included in Ren (Check and circle appropriate items; fill-in number where indicate

37a. Unit Amenities		37b. Project Amenities	
[X] Ranges (Gas or Elec.)	[ ] Disposal/Compactor	[ ] Guest room(s) No.	[X] Community room(s) No. 1
[X] Refrigerator	[ ] Air Conditioning (central or window)	[ ] Sauna/Steam room(s) No.	[ ] Swimming Pool(s) No.
[ ] Microwave	[ ] Dishwasher	[ ] Exercise Room(s) No.	[ ] Racquetball court(s) No.
[ ] Carpet	[ ] Window treatment (blinds, drapes, shades)	[ ] Tennis Court(s) No.	[ ] Picnic/Play area(s) No.
[ ] Balcony/Patio	[ ] Fireplace(s) No.	[X] Laundry Facilities (coin)	[ ] Project Security System(s) (Describe)
[ ] Laundry hookups (in units)	[ ] Upper level vaulted ceiling/Skylight(s) No.	[ ] Jacuzzies/Community Whirlpool(s) No.	
[ ] Wash/Dryer (in units)	[ ] Security System(s) (Describe)	[ ] Other (See Below)	
[ ] Other (Specify):			

Complex amenities include a community room with kitchen, interior and exterior common areas, two laundry rooms and a gazebo. There are common area restrooms on the ground floor and common areas with vending machines and exterior balconies on each floor.

37c Unit Rating	Good	Aver.	Fair	Poor
Condition of Improvement		X		
Room Sizes and Layout		X		
Adequacy of Closets and Storage		X		
Kitchen Equip., Cabinets, Workspace		X		
Plumbing - Adequacy and Condition		X		
Electrical - Adequacy and Condition		X		
Soundproofing - Adequacy and Condition		X		
Insulation - Adequacy and Condition		X		
Overall Livability		X		
Appeal and Marketability		X		

37d. Project Rating	Good	Aver.	Fair	Poor
Location		X		
General Appearance		X		
Amenities & Rec. Facilities		X		
Density (units per acre)		X		
Unit Mix		X		
Quality of Construction(matl. & finish)		X		
Condition of Exterior		X		
Condition of Interior		X		
Appeal to Market		X		
Soundproofing - Vertical		X		
Soundproofing - Horizontal		X		

38. Services (Included In Rent)

Gas:	[X] Heat	[X] Hot Water	[X] Cooking	[ ] Air Conditioning	
Elec:	[ ] Heat	[ ] Hot Water	[ ] Cooking	[X] Air Conditioning	[X] Lights/etc.
Other:	[ ] Heat	[ ] Hot Water	[X] Water	[X] Other (Trash Pick-Up)	

39. Special Assessments

a. [ ] Prepayable [ ] Non-Prepayable
b. Principal Balance $
c. Annual Payment $
d. Remaining Term Years

E. Estimate of Annual Expense

Administrative		
1. Advertising	$ 2,500	
2. Management	$ 38,308	
3. Other	$ 30,000	
Total Administrative		$ 70,808
Operating		
5. Elevator Main. Exp.	$ 5,000	
6. Fuel (Heating and Domestic Hot Water)	$	
7. Lighting & Misc. Power	$ 25,000	
8. Water	$ 50,000	
9. Gas	$ 5,000	
10. Garbage & Trash Removal	$ 10,000	
11. Payroll	$ 100,000	
12. Other (labor/benefits)	$ 20,000	
13. **Total Operating**		$ 215,000

Maintenance		
14. Decorating	$ 20,000	
15. Repairs	$ 30,000	
16. Exterminating	$	
17. Insurance	$ 30,000	
18. Ground Expense	$ 10,000	
19. Other	$	
20. **Total Maintenance**		$ 90,000
21. Replacement Reserve (0.006 × total structures Line G41) or (0.004 × MTG. for Rehab)	#	$ 30,000
22. **Total Operating Expense**		$ 405,808
Taxes		
23. Real Estate: Est. Assessed Value	$ -	
at $ per $100		$ 16,000
24. Personal Prop. Est. Assessed Value	$	
at $ per $1000		$
25. Empl. Payroll Tax		$
26. Other		$
27. **Total Taxes**		$
28. **Trend Adjustment**		$ 8,438
29. **Total Expense** (Attach for HUD-92274, as necessary)		$ 430,245

F. Income Computations

30a. Estimated Residential Project Income (Line C28 × 12) $ 608,208
b. Estimated Ancillary Project Income (Line C29 × 12) $ 12,164
c. Residential and Ancillary Occupancy Percentage * 95%
d. Effective Gross Residential and Ancillary Income (Line 30c. × (Line 30a. plus 30b.)) $ 589,353
e. Total Residential and Ancillary Project Expenses (Line E29) $ 430,245
31. Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.) $ 159,108
32a. Estimated Commercial Income (Line C30 × 12) $ -
b. Commercial Occupancy * (80% Maximum) (See Instructions)
c. Effective Gross Commercial Income (Line 32a. × Line 32b.) $ -
d. Total Commercial Project Expenses (From Attached Analysis) $
33. Net Commercial Income to Project (Line 32c. minus Line 32d.) $ -
34. Total Project Net Income (Line 31 plus Line 33) $ 159,108
35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.) 73.00%
35b. Commercial Expense Ratio (Line 32d. divided by 32c.)

* Vacancy and collection loss rates and corresponding residential and commercial occupancy percentages are analyzed through market data, but subject by Jurisdictional Exception to overall HUD underwriting mandates.

G. Estimated Replacement Cost

36a. Unusual Land Improvements $ -
b. Other Land Improvements $
c. **Total Land Improvements** $

Structures

37. Main Buildings **$**
38. Accessory Buildings $
39. Garages $
40. All Other Buildings $
41. **Total Structures** $
42. General Requirements $

Fees

43. Builder's Gen. Overhead at ___ % $
44. Builder's Profit at ___ % $
45. Arch. Fee-Design at ___ % $
46. Arch. Fee-Supvr. at ___ % $
47. Bond Premium at ___ % $
48. Other Fees at ___ % $
$
49. **Total Fees** $
50. **Total All Improvements** (Lines 36c. plus 41 plus 42 plus 49) $
51. Cost Per Gross Sq. Ft.
52. Estimated Construction Time (Months)

* Note: Jurisdictional Exception: In HUD programs, land, and/or existing Improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (See Section J analysis below.)(Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine

Carrying Charges & Financing

53. Interest: ___ Mos. at ___ on $ ___ $ -
54. Taxes $
55. **Insurance** $
56. **FHA Mtg. Ins. Prem.** ( ) $
57. FHA Exam. Fee ( ) $
58. FHA Inspec. Fee ( ) $
59. Financing Fee ( ) $
60. Permanent Placement Fee ( ) $
61. FNMA/GNMA Fee ( ) $
62. Title & Recording $
63. **Total Carrying Charges & Financing** $

Legal, Organization & Audit Fee

64. Legal $
65. Organization $
66. Cost Certification Audit Fee $
67. **Total Legal, Organization & Audit Fees (64 + 65 + 66)** $
68. Builder and Sponsor Profit & Risk $
69. Consultant Fee (N. P. only) $
70. Depreciation $
71. Contingency Reserve (Sec. 202 or Rehab only)
72. **Total Est. Development Cost** (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71) $
73a. Warranted Price of Land J-14(3)(New Constr) ___ sq. ft. @ $ ___ sq. ft. $
73b. As Is Property Value (Rehab only) $
73c. Off-Site (if needed, Rehab only) $
74. **Total Estimated Replacement Cost of Project** (72 plus 73a or 73b and 73c) $

H. Remarks

(Note: For Rehab only: Estimated Value of land without Improvements $ ___
Estimated Value of land and improvements "As Is" by Residual Method, i.e., After Rehabilitation Correlated Value minus line G72 Cost of Rehabilitation Improvements equals $ ___ ; line G 73b is the lesser of this residual amount, and the amount estimated by Supplemental for HUD-92264 "As is".)

I. Estimate of Operating Deficit

Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st ( ) Mos							
2. 2nd ( ) Mos	$						
3. **Total Operating Deficit**							

Previous editions are obsolete

form **HUD-92264** (8/95)
ref Handbooks 4465.1 & 4480.1

J. Project Site Analysis and Appraisal (See Chapter 2, Handbook 4465.1)

1. Is Location and Neighborhood acceptable? [X] Yes [ ] No
2. Is Site Adequate in Size for Proposed Project? [X] Yes [ ] No
3. Is Site Zoning permissive for intended use? [X] Yes [ ] No
4. Are Utilities available now to serve the Site? [X] Yes [ ] No
5. Is there a Market at this location for the Facility at the proposed Rents [X] Yes [ ] No

6. [X] Site acceptable for type of Project propose 221 d4 .
[ ] (If checked, acceptance subject to qualifications listed below.)
7. [ ] Site not Acceptable for reasons stated below.

Date of Inspection * Note below under "Remarks"
12/24/2014

By
Jonathan A. Reiss and Stephen M. Hubei

8. **Value Fully Improved**

Location of Project: Cedartown, GA

Size of Subject Site: 2.518 Acres

	Comparable Sales Address	Date of Sale	Sales Price	Size Acres	Price Per Acre	Units	Price/ Unit	Cond	Acc/exp	Loc	Topo	Zoning	Utilities	Size	Total Adjustment Factor	Adjusted Acre Price	Indicated Value by Comparison
								Physical Adjustments (%)									
1.	NWQ 278 and 113	Dec-13	$80,000	2.23	$35,874	N/Av	N/Av	25%	0%	-10%	0%	0%	0%	0%	15.0%	$40,359	101,624
2.	SWQ 278 and 113	Dec-13	$450,000	10	$45,000	N/Av	N/Av	0%	0%	-10%	0%	0%	0%	10%	0.0%	45,000	113,310
3.	SWQ 278 and 113	Jun-13	$678,700	12.34	$55,000	N/Av	N/Av	0%	0%	-20%	0%	0%	0%	10%	-10.0%	49,500	124,641
4.	Prior Station Road	For Sale	$59,800	1.00	$59,800	N/Av	N/Av	-20%	0%	5%	0%	0%	0%	-10%	-25.0%	45,448	114,438
5.																	

Remarks: * Note: The Effective Date of all land valuations is the date of inspection.

9. **Value of Site Fully Improved $** 115,000

10. **Value "As Is"**			Ft./Acres						
1.									
2.								-	-
3.								-	-

11. **Value of Site "As Is" by Comparison $**

12. **Acquisition Cost:** (Last Arms-Length Transaction)

Buyer	Address
Seller	Address
Date	$
Source	

13. **Other Costs:**
(1) Legal Fees and Zoning Costs -
(2) Recording and Title Fees -
(3) Interest on Investments -
(4) Other -
(5) Acquisition Cost (From 12 above) -
(6) Total Cost to Sponsor $ -

14. Value of Land and Cost Certification:
(1) Fair Market Value of land fully improved (From 9 above $ 115,000
(2) Deduct unusual items from Section G, item 36a. $ -
(3) Warranted price of land fully improved (Replacement Cost items excluded) (Enter G-73) $
For Cost Certification Purposes
(3a) Deduct cost of demı - and required off-sites
$ - to be paid by Mtgor. or by special assess $ -
(4) Estimate of "As Is" by subtraction from improved value $ 115,000
(5) Estimate of "As Is" by direct comparison with similar unimproved sites (From 11 above) $ -
(6) "As Is" based on acquisition cost to sponsor (From 13 a $
(7) Commissioner's estimated value of land "As Is" (The lesser of [4] or [5] above) * $ -

* Where land is purchased from LPA or other Governmental authority for specific reuse, use

Previous editions are obsolete

form **HUD-92264** (8/95)
ref Handbooks 4480.1 & 4600.1

K. Income Approach to Value

1. Estimated Remaining Economic Life **55** Years
2. Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1):
   - [ ] Overall Rate From Comparable Projects
   - [ ] Rate From Band of Investment
   - [ ] Cash Flow to Equity
3. Rate Selected

4 Net Income (Line F34) $ 159,108
5 Capitalized Value (Line 4 divided by Line 3) $
6 Value of Leased Fee (See Chapter 3, Handbook 4465.1)
Ground Rent $ divided by Cap. Rate %
equals Value of Leased Fee $ -

L. Comparison Approach to Value

7. The undersigned has recited three sales of properties most similar and proximate to the subject property and has described and analyzed these in this analysis. If there is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those items or an explanation supported by the market data. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject property. If a significant item in the comparable property is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject property. *[(1) equals the Sales Price divided by Gross Annual Rent]

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3
Address				
Proximity to subject				
Sales price				
Sales price per GBA				
Gross annual rent				
Gross rent multiplier (1) *				
Sales price per unit				
Sales price per room				
Data Source				
Adjustments				
Sales or financing concessions				
Date of sale/time				
Location				
Access/Exposure				
Size (# of units)				
Avg. Unit Size				
Quality of construction				
Age/Condition				
Gross Building Area				
Unit Breakdown				
Basement description				
Functional utility				
Heating/cooling				
Parking on/off site				
Project amenities and fee (if applicable)				
Other				
Net Adjustment (Total)		+ - $	+ - $	+ - $
Adjusted sales price of comparables		$	$ -	$ -

8. Indicated Value by Sales Comparison Approach

Comments on:

1. Sales comparison (Including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investor's purchaser's motivation in that market).
2. Analysis of any current agreement of sale, option, or listing of the subject property and analysis of any prior sales of subject and comparables within three years of the date of appraisal.

Reconciliation

Capitalization $ ________ Summation $ ________ Comparison $ ________

9. The market value (or replacement cost) of the property, as of the effective date of the appraisal, is $ ________

M. To be Completed By Construction Cost Analys

Cost Not Attributable to Dwelling Use

10. Surface Parking	$
11. Club/Office, Mail, etc.	
12. Tot Lot	
13. Special Ext. Land Improvements	
14. Other	
15. **Total**	$

Total Est. Cost of Off-Site Requirements

16. Off-Site	Est. Cost
	$
17. **Total Off-Site Costs**	$

** Note: For Section 221 mortgage insurance application processing, acceptable risk analysis produces a supportable replacement cost estimate, and the estimate reflected here is the replacement cost new/summation approach result. In effect, such "apprais-als" are in fact USPAP "consultations" concerning economically supportable cost limits. For Section 207 and 223 processing, all three approaches to value are included in the appraisal, but he subject property is appraised for its intended multifamily use, not necessarily its "highest and best use." The definition provided in USPAP for "market value" is generally observed, but see Handbook 4465.1, paragraph 8-4, for qualifica-tions.

Effective Dates: For new construction or substantial rehabilitation proposals, the effective date of the improvements component cost estimation is the Line G53 month estimate added to the report and certification date below. The land component is valued as of the inspection date. For Section 223, the effective date of the appraisal is the same as the reporting date, but assumes (hypothetically) the completion of all required

N. Signatures and Appraiser Certification

Architectural Processor	Date	Architectural Reviewer	Date
Cost Processor	Date	Cost Reviewer	Date

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, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice; HUD Handbook 4465.1, *The Valuation Analysis Handbook for Project* 1973 4480.1, *Multifamily Underwriting Forms Catalog*; and other applicable HUD handbooks and Notices
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant professional assistance to the appraisers signing this report, except for the Architectural and Engineering, and Cost Estimation professionals signing above. These professionals' estimations of the subject property's dimensions and "hard" replacement costs have been relied upon by the Appraiser and Review Appraiser.

Appraiser Stephen M. Huber **Stephen M. Huber**	Date **12/19/2014**	Review Appraiser	Date
State Certification Number **1350**	State **GA**	State Certification Number	State

The Review Appraiser certifies that he/she ☐ Did ☐ Did not inspect the subject property

Chief, Housing Programs Branch	Date	Director, Housing Development	Date
Field Office Manage/Deputy		Date	

O. Remarks and Conclusions (continue on back of page if necessary. Appraisal reports must be kept for a minimum of five years

Lender's Underwriter X________________________________

Rent Estimates for Low/Moderate Income Units

Non-Section 8 Projects
Involving Tax-Exempt Financing
or Low Income Housing Tax Credits

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

OMB No. 2502-0029 (Exp. 9/30/97)

		0 Bedrooms	1 Bedrooms	2 Bedrooms		4 Bedrooms
1.	Rent by Market Comparison	$ 500	$ 585	$ 700		$ -
2.	Personal Benefit Expense (if any)	$ -	$ -	$ -		$ -
3.	The Percentage of Median Income (adjusted for family size) used for income limits 40%, 50%, **60%** (circle only one; then enter the applicable dollar income limit for each unit.)	$ 22,080	$ 23,640	$ 28,380		$ -
4.	Estimate Maximum Affordable Monthly Rent for Restricted Units* [(0.30 x line 3) - 2] / 12	$ 471	$ 523	$ 639		$ -
5.	Estimated Obtainable Monthly Rent for Restricted Units**	$ 471	$ 523	$ 639		$ -
6.	Monthly Rent Estimate for Restricted Units (least of lines 1, 4, or 5)***	$ 471	$ 523	$ 639		$ -
7.	Number of each unit type with income limits shown on line 3	40	56	4		-
8.	Number of each unit type shown on another form HUD-92264-T with other income limits	-	-	-		-
9.	Number of each unit type with no income limits using unsubsidized market rents from line 1	-	-	-		-

* Where State or local laws, ordinances or regulations limit rent to an amount lower than this formula estimate, or the sponsor's proposed rent is less than this formula estimate, enter the lower amount and explain below.

** Where the Valuation staff evidence that the project's tax credit assisted units would not be marketable to income eligible households at the lesser of the maximum affordable monthly rents (line 4) or the rent by market comparison (line 1), based on the market analysis review by EMAS, enter the recommended estimated monthly rent obtainable for the restricted units, as approved by the Director, Housing Development Division. For Section 223(f) cases involving projects with existing Section 8 HAP contracts, use this line to enter the processing rents calculated in accordance with the outstanding instructions involving the refinancing or purchase of Section 8 projects with outstanding project based contracts.

QUALIFICATIONS OF
STEPHEN M. HUBER
EVERSON, HUBER & ASSOCIATES, LC
3535 Roswell Road, Suite 55, Marietta, Georgia 30062
(770) 977-3000, Ext. 302
Fax: (770) 977-3490
E-mail: shuber@ehalc.com

EXPERIENCE

Twenty-five years appraisal experience as an independent fee appraiser with regional and national firms based in Atlanta, Georgia. Partner of Everson, Huber & Associates, LC since establishment in January 1995. Prior employers were CB Commercial Real Estate Group, Inc. - Appraisal Services (1991-1995), and McColgan & Company, Inc. (1986-1991). Appraisals have been performed on virtually all types of commercial real estate located throughout the eastern portion of the nation. Property types appraised include apartments, condominiums, subdivisions, hotels, industrial, office, and retail. Numerous major and secondary markets have been visited, including such cities as Atlanta, Augusta, Birmingham, Charlotte, Charleston, Chattanooga, Cincinnati, Columbus, Columbia, Huntsville, Knoxville, Louisville, Macon, Memphis, Miami, Mobile, Montgomery, Nashville, Orlando, Raleigh, Richmond, Savannah, Tampa, Tallahassee, and Washington D.C. Appraisal assignments have been prepared for financial institutions, government entities, insurance companies, portfolio advisors, private investors, and owners.

CERTIFICATION

Certified General Real Property Appraiser: State of Georgia - Certificate Number CG001350
Certified General Real Property Appraiser: State of Alabama - Certificate Number C00625
Certified General Real Property Appraiser: State of Tennessee - Certificate Number 3855

EDUCATION

Bachelor of Science in Business Administration, Major in Finance,
Bowling Green State University, Bowling Green, Ohio

Appraisal Institute courses and seminars completed are as follows:

Course 1A-1	Basic Appraisal Principles
Course 1A-2	Basic Valuation Procedures
Course 1B-A	Capitalization Theory & Techniques, Part A
Course 1B-B	Capitalization Theory & Techniques, Part B
Course 2-1	Case Studies in Real Estate Valuation
Course 2-2	Report Writing and Valuation Analysis
Course 410	Standards of Professional Practice, Part A (USPAP)
Course 420	Standards of Professional Practice, Part B
Seminar	Rates, Ratios, and Reasonableness
Seminar	Demonstration Appraisal Report Writing - Nonresidential
Seminar	Computerized Income Approach to Hotel/Motel Market Studies and Valuations
Seminar	Affordable Housing Valuation

Continuing education courses completed during last five years include:

- 2010-2011 National USPAP
- Appraising And Analyzing Retail Shopping Centers For Mortgage Underwriting
- Subdivision Valuation
- Expert Witness Testimony
- Business Practices And Ethics – Appraisal Institute
- Appraiser Liability
- Private Appraisal Assignments
- Modular Home Appraising
- Tax Free Exchanges
- Valuation of Detrimental Conditions

PROFESSIONAL

Candidate for Designation of the Appraisal Institute

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

STEPHEN MICHAEL HUBER

1350

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

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07/11/1991

**1350**
Status **ACTIVE**

END OF RENEWAL
12/31/2015

CERTIFIED GENERAL REAL PROPERTY APPRAISER

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State of Georgia
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229 Peachtree Street, N.E.
Atlanta, GA 30303-1605

WILLIAM L. ROGERS, JR.
Real Estate Commissioner

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Marietta, Georgia 30062
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E-mail: jreiss@ehalc.com

EXPERIENCE

Senior Commercial Appraiser with Everson, Huber & Associates, LC since April 2004. Appraisal assignments have been performed on various types of commercial real estate located throughout the United States with a focus on multi-family apartment development including conventional, affordable, senior, student and mixed-use properties. Extensive experience with the HUD loan application process (221D4 new construction and 223F re-finance), Fannie Mae and SBA loans, and low income tax credit financing (LIHTC). Other assignments include vacant land; residential and commercial subdivisions; mixed-use developments; hotels; resort properties; town home and condominium developments; office properties (professional, medical, office parks); industrial properties (office/warehouse, manufacturing, flex, distribution); retail properties (free-standing, shopping centers, net-lease properties) and special-uses (movie theatres, truck terminals, marinas, cemeteries). Appraisal assignments have been prepared for banks, life insurance companies, brokerage firms, law firms and private investors. Candidate for Designation of the Appraisal Institute.

EDUCATION

Emory University, Atlanta, GA; BBA, Major in Marketing and Entrepreneurship, 1997

Oxford University, Oxford, England, Concentration in Economics, 1995

Georgia Institute of Real Estate, Atlanta, GA, Real Estate Salesperson Pre-license Course, 2005

Appraisal Institute and professional courses/tests and seminars as follows:

- Appraisal Principles, 2004
- Appraisal Procedures, 2004
- 15-Hour National USPAP Course, 2004
- Basic Income Capitalization, 2004
- Apartment Appraisal: Concepts and Applications, 2005
- Advanced Income Capitalization, 2005
- General Applications, 2006
- 7-Hour National USPAP Update Course, 2006
- 15-Hour National USPAP Course, 2007
- Advanced Sales Comparison and Cost Approach, 2008
- 7-Hour National USPAP Update Course, 2008
- Advanced Applications, 2009
- 7-Hour National USPAP Update Course, 2010
- Business Practices and Ethics, 2010
- Analyzing Distressed Real Estate, 2010
- Data Verification Methods, 2010
- General Appraisal Report Writing and Case Studies, 2011
- 7-Hour National USPAP Update Course, 2012
- Advanced Market Analysis and Highest and Best Use, 2012
- Analyzing Operating Expenses, 2013
- Forecasting Revenue, 2013

LICENSES/CERTIFICATION

State Certified Real Property Appraiser:	State of Georgia - Certificate Number 272625
Georgia Real Estate Salesperson License:	State of Georgia - License Number 297293
Expert Witness:	Superior Court of Gwinnett and Cobb County Georgia

STATE OF GEORGIA

REAL ESTATE APPRAISERS BOARD

JONATHAN ANDREW REISS

272625

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A

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04/08/2004

END OF RENEWAL
10/31/2015

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Douglas M. Rivers

ADMINISTRATIVE
Pauline J. Hines

April 4, 2014

Mr. Andy Severt
Financial Analyst
AGM Financial Services, Inc.
20 South Charles Street
Suite 1000
Baltimore, MD 21201
443-573-2065

RE: Appraisal Report of:
Cedartown Housing Authority (AKA Gray Field Apartments)
100-Unit Apartment Building
344 West Avenue, Cedartown, GA 30125

Dear Mr. Severt:

At your request, we are pleased to submit this proposal letter to provide an Appraisal Report for the above listed property. The appraisal will be presented in a comprehensive narrative format, and is to be compliant with the HUD MAP Guide. The report is to be used in conjunction with a HUD 221d4 Sub-Rehab Firm Application under the RAD Program.

It is our understanding the subject is a 100-unit, five-story mid rise that houses elderly and disabled. There are 40 studios (600 SF), 56 1BR/1BA (750 SF), and 4 2BR/2BA (900 SF) units. This project is not planning on tax credit equity and is projecting $17k/unit in rehab.

The purpose of the appraisal is to estimate the current market value of the fee simple interest in the subject properties "as is" using all three approaches, and prepare a prospective NOI Analysis post rehab. Additionally we will estimate underlying land value.

The fee for this assignment is $8,000, half of which is due in advance as a retainer, with the balance due upon completion. We will initially provide an electronic draft report within four weeks of engagement. Upon notification we will subsequently produce three (3) hard copies of the report. Timely delivery of the reports is dependant on receipt of the signed engagement letter, retainer check, and requested information needed to complete the assignment (list separately submitted).

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the

EHA

EVERSON, HUBER & ASSOCIATES, LC

Commercial Real Estate Services

occurrence of a subsequent event, such as the approval of a loan. If, for whatever reason, financing should not occur, our fee will still be due and payable upon completion of the assignment.

Additional work requested by the client beyond the appraisal will be billed at our prevailing hourly rate. This includes, but is not limited to, preparation for court testimony, depositions, or other proceedings relevant to our value opinion, and actual time devoted to the proceeding.

The report will be prepared in conformity with, and will be subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The report will also conform to the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Please authorize us to proceed by signing below and returning the document back to us via email (shuber@ehalc.com) or fax (770-977-3490). Information required to complete the assignment may be forwarded to the above address. If you have any questions or wish to discuss this proposal please call Steve Huber at 770-977-3000, extension 302.

We appreciate the opportunity to be of service to you on this assignment.

Respectfully submitted,

EVERSON, HUBER & ASSOCIATES, LC

Stephen M. Huber

Stephen M. Huber, Principal
Certified General Real Property Appraiser
Georgia Certificate No. CG001350

AGREED AND ACCEPTED

Signature	SVP Title
Walid Azzam Name (type or print)	04/21/14 Date