



**A HUD MAP FIRM COMMITMENT APPRAISAL REPORT OF**

**CUMBERLAND OAKS  
100 MARY POWELL DRIVE  
ST. MARYS, CAMDEN COUNTY, GEORGIA 31558**

**Effective Date: June 30, 2015  
Report Date: October 16, 2015**

*Prepared For*

**Mr. Adam Roberts  
Oak Grove Commercial Mortgage, LLC  
6209 Riverside Drive, Suite 150  
Dublin, OH 43017**

*Assignment Code*

**OAK601V-161**

*Prepared By*

**Novogradac & Company LLP  
11044 Research Boulevard  
Bldg. C, Suite 400  
Austin, TX 78759  
512-340-0420**

October 16, 2015

Mr. Adam Roberts  
Oak Grove Commercial Mortgage, LLC  
6209 Riverside Drive, Suite 150  
Dublin, OH 43017

Re: HUD MAP 223(f) Pilot Appraisal of Cumberland Oaks  
100 Mary Powell Drive, St. Marys, Georgia.

Dear Mr. Roberts,

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to present our findings with respect to our appraisal of the above-referenced property, Cumberland Oaks (the "Subject"). The purpose of this report is to estimate the hypothetical market value as an unrestricted development, as well as providing an estimate of the restricted net operating income, both scenarios assuming proposed repairs and allowable improvements have been completed, as of the effective date of this report. It should be noted that we have completed an application market study with an effective date of July 10, 2014 and a Freddie Mac appraisal with an effective date of January 28, 2015 on the Subject of this report. Additionally, we completed a HUD MAP appraisal of this property with an effective date of January 28, 2015.

The Subject is an existing 154-unit Project Based Section 8 multifamily property, consisting of 32 one-bedroom units, and 90 two-bedroom units, and 32 three-bedroom units. Of the 154 units, all units benefit from Project-Based Section 8 subsidies. Upon completion of the proposed renovations, the units will be Low Income Housing Tax Credit (LIHTC) restricted to households earning 60 percent of the area median income (AMI) or less. Additionally, all of the Subject's units will continue to operate with Project-Based Section 8 subsidies, post renovation. The following report provides support for the findings of the appraisal and outlines the sources of information and the methodologies used to arrive at these conclusions.

The report was prepared for Oak Grove Commercial Mortgage, LLC, (the Client) and it is intended only for the specified use of the Client and their financial underwriters and fiduciaries, as well as HUD. Intended users are those transaction participants who are interested parties and have knowledge of the HUD MAP program. These could include local housing authorities, state allocating agencies, state lending authorities, construction and permanent lenders. As our client, Oak Grove Commercial Mortgage, LLC owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report, another third party has accepted the terms of the original engagement letter including the scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated hypothetical value of the fee simple interest in the Subject property, assuming unrestricted operation and completion of repairs and allowable improvements, free and clear of financing, as of June 30, 2015, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$12,600,000)**

*The borrower proposes to complete a rehabilitation of the Subject property with low income housing tax credit (LIHTC) equity. For the purposes of this appraisal, we have presented a hypothetical market value as if unrestricted. Similarly, per Chapter 7, Section 7.6, Part G, we have assumed that the proposed repairs and allowable improvements have been completed as of the effective date of this report.*

In accordance with MAP guidelines, we have provided an estimate of the net operating income, assuming the completion of all repairs and allowable improvements, assuming restrictions are in place, in the following table. It should be noted that the HAP contract rents will not change, post renovation. Thus, we have utilized the current contract rents in our restricted scenario.

**Cumberland Oaks**  
**PROFORMA SUMMARY "AS RESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
1BR/1BA	32	\$538	\$206,592	\$1,342	17.1%
2BR/1BA	90	\$631	\$681,480	\$4,425	56.4%
3BR/2BA	32	\$836	\$321,024	\$2,085	26.6%
<b>Residential Rental Income</b>	<b>154</b>		<b>\$1,209,096</b>	<b>\$7,851</b>	<b>99.1%</b>
General Other Income		\$6	\$11,550	\$75	0.9%
<b>Total Residential Potential Gross Income</b>			<b>\$1,220,646</b>	<b>\$7,926</b>	<b>100.0%</b>
Residential Vacancy and Collection Loss		5.0%	\$61,032	\$396	5.0%
<b>Effective Gross Income</b>			<b>\$1,159,614</b>	<b>\$7,530</b>	
<b>Expenses</b>					
General and Administrative			\$53,756	\$349	4.6%
Management		5.0%	\$58,058	\$377	5.0%
Utilities			\$103,377	\$671	8.9%
Payroll, Taxes & Benefits			\$172,516	\$1,120	14.9%
Repairs and Maintenance			\$103,377	\$671	8.9%
Insurance			\$62,026	\$403	5.3%
Replacement Reserves			\$46,200	\$300	4.0%
Real Estate Taxes			\$70,503	\$458	6.1%
Total Expenses			\$669,813	\$4,349	57.8%
<b>Net Operating Income</b>			<b>\$489,800</b>	<b>\$3,181</b>	<b>42.2%</b>

Mr. Adam Roberts  
Oak Grove Commercial Mortgage, LLC  
October 2015  
Page 3

*We have provided an estimate of the restricted NOI, assuming that all proposed repairs and allowable improvements have been completed as of the effective date of this report. Therefore, our estimate of expenses assumes the Subject has undergone the LIHTC rehabilitation as proposed.*

The scope of our work includes an analysis of comparable operating information. This data has presumably been reviewed and/or compiled in accordance with the American Institute of Certified Public Accountants (AICPA), and we assume no responsibility for any errors or misrepresentations of such statements.

We also used certain forecasted data in our analysis and applied generally accepted procedures based upon economic and market factors to such data and assumptions. We have not examined the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the Uniform Standards of Professional Appraisal Practice (USPAP). Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the inspection date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,  
Novogradac and Company LLP



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Ed Mitchell  
Manager  
Certified General Real Property Appraiser  
Georgia License #4649

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>FACTUAL DESCRIPTION .....</b>	<b>9</b>
<b>MARKET AREA ANALYSIS .....</b>	<b>13</b>
<b>PROPERTY DESCRIPTION .....</b>	<b>30</b>
<b>SUPPLY ANALYSIS.....</b>	<b>41</b>
<b>HIGHEST AND BEST USE .....</b>	<b>79</b>
<b>APPRAISAL METHODOLOGY.....</b>	<b>81</b>
<b>COST APPROACH.....</b>	<b>84</b>
<b>INCOME APPROACH .....</b>	<b>95</b>
<b>SALES COMPARISON APPROACH .....</b>	<b>107</b>
<b>RECONCILIATION .....</b>	<b>115</b>

### **ADDENDA**

Addendum A: Qualifications

Addendum B: Subject Photos

Addendum C: 92273-S8 Rent Grids Unrestricted

Addendum E: 92274 Operating Expenses Restricted

Addendum F: 92274 Operating Expenses Unrestricted

Addendum G: 92264 Restricted

Addendum H: 92264 Unrestricted

Addendum I: 92264 T

Addendum J: Maps

Addendum K: Other Subject Information

## **EXECUTIVE SUMMARY**

**EXECUTIVE SUMMARY**

**PROPERTY SUMMARY OF SUBJECT**

**Property Appraised:** Cumberland Oaks (Subject) is located at 100 Mary Powell Drive, St. Marys, Georgia 31558.

**Subject Property Description:** The Subject is the proposed rehabilitation of an existing 154-unit Project-Based Section 8 development with Low Income Housing Tax Credits (LIHTCs). Of the 154 units, all units currently benefit from a Project-Based Section 8 HAP contract (GA06-0012-149). The current Section 8 HAP contract expires in June 2023, and it is anticipated that the Subject will secure a new long-term HAP contract upon completion of the planned renovations. The most recent HAP contract rent increase was effective July 1, 2015. The Subject was originally built in 1981 and is currently in average condition; post renovation, the Subject is expected to exhibit good condition. Post renovation, all units will be restricted to households earning 60 percent of area median income (AMI) or less. Further, all 154 of the units are anticipated to continue to benefit from Project-Based Section 8 subsidies, post renovation.

The Subject’s current Project-Based Section 8 rents, effective July 1, 2015, are detailed in the following table. The landlord pays water, sewer and trash expenses, the tenant is responsible for all other expenses. According to a rent roll dated July 8, 2015, the Subject was 92.9 percent occupied with 11 units vacant.

**CURRENT RENTS**

Unit Type	Number of Units	Contract Rent	Utility Allowance (1)	Gross Rent	2015 HUD Fair Market Rents
<i>Section 8</i>					
1BR/1BA	32	\$538	\$65	\$603	\$575
2BR/1BA	90	\$631	\$95	\$726	\$778
3BR/2BA	32	\$836	\$128	\$964	\$1,081
<b>Total</b>	<b>154</b>				

Notes (1) Source of Utility Allowance is according to HUD approved rent schedule, Eff. 7/1/2015.

The borrower intends to substantially renovate the Subject using LIHTC. According to information provided by the client, the proposed total hard costs of the renovation are estimated at approximately \$4,700,967, or \$30,526 per unit.

It should be noted that post renovation, all of the Subject’s units will continue to benefit from Project-Based Section 8 rental subsidies and the tenants will continue to be responsible for 30 percent of their income towards rent.

The following table details the Subject’s proposed LIHTC rents, post renovations. There is no proposed change to the utility structure, and thus, the utility allowance will continue to be based on the current HAP contract. Further, all units will maintain a Section 8 overlay. It should be noted that the proposed LIHTC rents are higher than the current Section 8 contract rents for the one- and two-bedroom units but lower for the three-bedroom units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	LIHTC Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
<i>60% AMI</i>							
1BR/1BA	498	32	\$631	\$65	\$696	\$736	\$575
2BR/1BA	586	90	\$732	\$95	\$827	\$883	\$778
3BR/2BA	775	32	\$807	\$128	\$935	\$1,020	\$1,081
<b>Total</b>		<b>154</b>					

Notes (1) Source of Utility Allowance is according to HUD approved rent schedule, Eff. 7/1/2015.

The Subject’s proposed gross LIHTC rents are set below the 2015 maximum allowable rent levels. It should be noted that the HAP contract rents will not change, post renovation. Thus, we have utilized the current contract rents in our restricted scenario.

**Property Identification:**

The Subject site is identified by the Camden County Assessor’s Office as Parcel Number 135 053A.

**Land Area:**

The Subject site is approximately 13.97 acres or 608,533 square feet, according to the Camden County Assessor’s Office.

**Legal Interest Appraised:**

For the as if vacant land value, the property interest appraised is fee simple estate subject to any and all encumbrances. For the remaining values, the property interest appraised is leased fee estate.

**Unit Mix:**

The following table details the Subject’s unit mix and unit sizes. The proposed renovation will not involve

reconfiguration of any units. Thus, the unit sizes will remain the same, post renovation.

#### UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR/1BA	32	498	15,936
2BR/1BA	90	586	52,740
3BR/2BA	32	775	24,800
<b>Total</b>	<b>154</b>		<b>93,476</b>

Unit square footage was confirmed by the client and is presumed to be accurate.

#### Scope of Renovation:

The renovation will include the replacement of all HVAC equipment, all roofs, gutter spouts, toilets, showerheads, faucets, sinks, water heaters, refrigerators, ranges, outlets, indoor lighting, exhaust fans. New exterior lighting sensors, ceiling fans, fiberglass insulation, signs, security cameras and a secured access gate will be installed. The entry doors and all windows will be replaced as well as kitchen and bathroom cabinets, countertops, flooring, paint, ceilings, bathroom mirrors and medicine cabinets. The leasing office will be remodeled, landscaping updated, buildings will be pressure washed, parking lot and curbs will be repaired and all public areas made to conform to ADA requirements. Hard costs of the renovation are \$4,700,967, or \$30,526 per unit. Additionally, renovations will occur with tenants in place and limited turnover is anticipated.

#### PCNA:

According to a Project Conditions Report, dated February 4, 2015 and prepared by Nova Consulting Group, Inc, no critical repairs are necessary and non-critical repairs are estimated at \$210,950. Further, replacement reserves are estimated at \$301 per unit per year. We have assumed that the repairs will be completed as part of the scope of the renovation. Thus, these repairs have not been deducted from our hypothetical market rate value, which is based on post-renovation condition.

#### Ownership History of the Subject:

Current ownership is vested in Southport Financial Services, Inc. According to the second amendment of the purchase and sale agreement dated April 15, 2014, Kings Bay Associates, Ltd. (Seller) sold the Subject property to Southport Financial Services, Inc. (Buyer) for a purchase price of \$5,850,000 in an arm's length transaction. We are

unaware of any other transfers of sale within the past three years and the property is not currently listed for sale. The indicated value of \$12,600,000 illustrated in this report reflects the hypothetical unrestricted valuation of the Subject, assuming completion of all proposed repairs and allowable improvements, as required by HUD MAP 223(f) Pilot guidelines; therefore, we are unable to reconcile the value with the most recent purchase price as restricted.

**Highest and Best Use**

**As If Vacant:**

Per the HUD MAP guidelines, land value for the site is determined as if vacant based on the intended use, not the highest and best use. The Subject property is an existing 154-unit multifamily property. Therefore, the warranted price of the land is based on the proposed 154-unit multifamily development.

**Effective Date:**

Ed Mitchell inspected the Subject and all comparables on June 30, 2015, which shall be the effective date of the appraisal.

**INDICATIONS OF VALUE:**

<b>INDICATIONS OF VALUE</b>	
<i>Warranted Price of the Land</i>	\$1,500,000
<i>Income Capitalization Approach - Unrestricted</i>	\$12,600,000
<i>Sales Comparison Approach - Unrestricted</i>	\$10,800,000
<i>Reconciled Value - Unrestricted</i>	\$12,600,000

\*The replacement cost approach has not been developed due to the age of the property and the lack of investor use of the cost approach for decision making. Therefore, the cost approach is not considered a reasonable indication of the value for the Subject. Per Chapter 7, Section 7.12 of the HUD MAP Guide, we have not fully developed the cost approach due to the fact that the property is over ten years old.

*The borrower proposes to complete a rehabilitation of the Subject property with low income housing tax credit (LIHTC) equity. For the purposes of this appraisal, we have presented a hypothetical market value as if unrestricted. Similarly, per Chapter 7, Section 7.6, Part G, we have assumed that the proposed repairs and allowable improvements have been completed as of the effective date of this report.*

**Restricted NOI:**

In accordance with MAP guidelines, we have provided an estimate of net operating income, assuming all allowable repairs and improvements have been completed, and assuming restrictions are in place. It should be noted that the HAP contract rents will not change, post renovation. Thus, we have utilized the current contract rents in our restricted scenario. The following summary of the restricted NOI is provided below.

**Cumberland Oaks**  
**PROFORMA SUMMARY "AS RESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
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<b>Expenses</b>					
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Total Expenses			\$669,813	\$4,349	57.8%
<b>Net Operating Income</b>			<b>\$489,800</b>	<b>\$3,181</b>	<b>42.2%</b>

*We have provided an estimate of the restricted NOI, assuming that all proposed repairs and allowable improvements have been completed as of the effective date of this report. Therefore, our estimate of expenses assumes the Subject has undergone the LIHTC rehabilitation as proposed.*

**Marketing Period:**

Nine to Twelve Months.

**Exposure Time:**

Nine to Twelve Months.

## **FACTUAL DESCRIPTION**

## FACTUAL DESCRIPTION

### APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided a hypothetical market value of the Subject property assuming unrestricted operations. In addition, the appraisers have been asked to estimate the income and expenses of the referenced real property based on operations, as a restricted property. Both scenarios assume that all of the proposed repairs and allowable improvements have been completed as of the effective date of this report. Our findings are presented in a narrative Appraisal Report of the Subject property.

This appraisal is performed to HUD MAP standards for a HUD 223(f) Pilot loan. Therefore, based upon typical HUD MAP underwriting we will employ specific valuation methodologies. This is considered a Scope of Work issue according to the 2014-2015 USPAP Guidelines.

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. Given the Subject's investment type and age, the cost approach is not considered a reliable method of valuation. It is not used by participants in the marketplace, and was not performed in accordance with Chapter 7, Section 7.12 of the HUD MAP guidelines due to the Subject's age.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

### Property Identification

Cumberland Oaks, the Subject, is an existing 154-unit Project-Based Section 8 development (HAP Contract #GA06-0012-149) that is proposed for renovation with LIHTC. The Subject site is identified by the Camden County Assessor's Office as Parcel Number 1350530A.

### Intended Use and Intended User

Oak Grove Commercial Mortgage, LLC is the client in this engagement. We understand that they will use this document to assist in loan/investment underwriting and HUD submission. Intended users are those transaction participants who are interested parties and have knowledge of the HUD MAP program. These could include local housing authorities, state allocating agencies, state lending authorities, construction and permanent lenders. As our client, Oak Grove Commercial Mortgage, LLC owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

**Purpose & Function of Appraisal, Property Interest Appraised**

The purpose of this appraisal is to estimate the market value of the leased fee estate of the Subject property as of the date of inspection. The value conclusion is hypothetical, assuming no LIHTC restrictions are in place and that all proposed repairs and allowable improvements have been made. In addition, the purpose of this report is to estimate the appropriate rent level and expenses of the Subject, as of June 30, 2015, the date of inspection. We have provided an estimate of restricted NOI, assuming that all proposed repairs and allowable improvements have been completed as of the effective date of this report. Therefore, our estimate of expenses assumes the Subject has undergone a moderate rehabilitation as proposed.

**Market Value is Defined As:**

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
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; and
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

**Date of Inspection and Effective Date of Appraisal**

The Subject was inspected by Ed Mitchell, a state certified general real estate appraiser employed by Novogradac & Company LLP, on June 30, 2015, in accordance with the guidelines stipulated in the current MAP Guide, revised November 23, 2011. We have prepared this report based on our analysis of current market conditions relative to the Subject.

**Scope of the Appraisal**

For the purposes of this appraisal, the appraiser visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally

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<sup>1</sup> 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration.

### **Compliance and Competency Provision**

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. Further, the appraisers have extensive experience with both HUD MAP requirements and the market.

### **Unavailability of Information**

In general, all information necessary to develop an estimate of value of the subject property was available to the appraisers.

### **Furniture, Fixtures, and Equipment**

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included; which may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

### **Ownership and History of Subject**

Current ownership is vested in Southport Financial Services, Inc. According to the second amendment of the purchase and sale agreement dated April 15, 2014, Kings Bay Associates, Ltd. (Seller) sold the Subject property to Southport Financial Services, Inc. (Buyer) for a purchase price of \$5,850,000 in an arm's length transaction. We are unaware of any other transfers of sale within the past three years and the property is not currently listed for sale. The indicated value of \$12,600,000 illustrated in this report reflects the hypothetical unrestricted valuation of the Subject, assuming completion of all proposed repairs and allowable improvements, as required by HUD MAP 223(f) Pilot guidelines; therefore, we are unable to reconcile the value with the most recent purchase price as restricted.

# **MARKET AREA ANALYSIS**

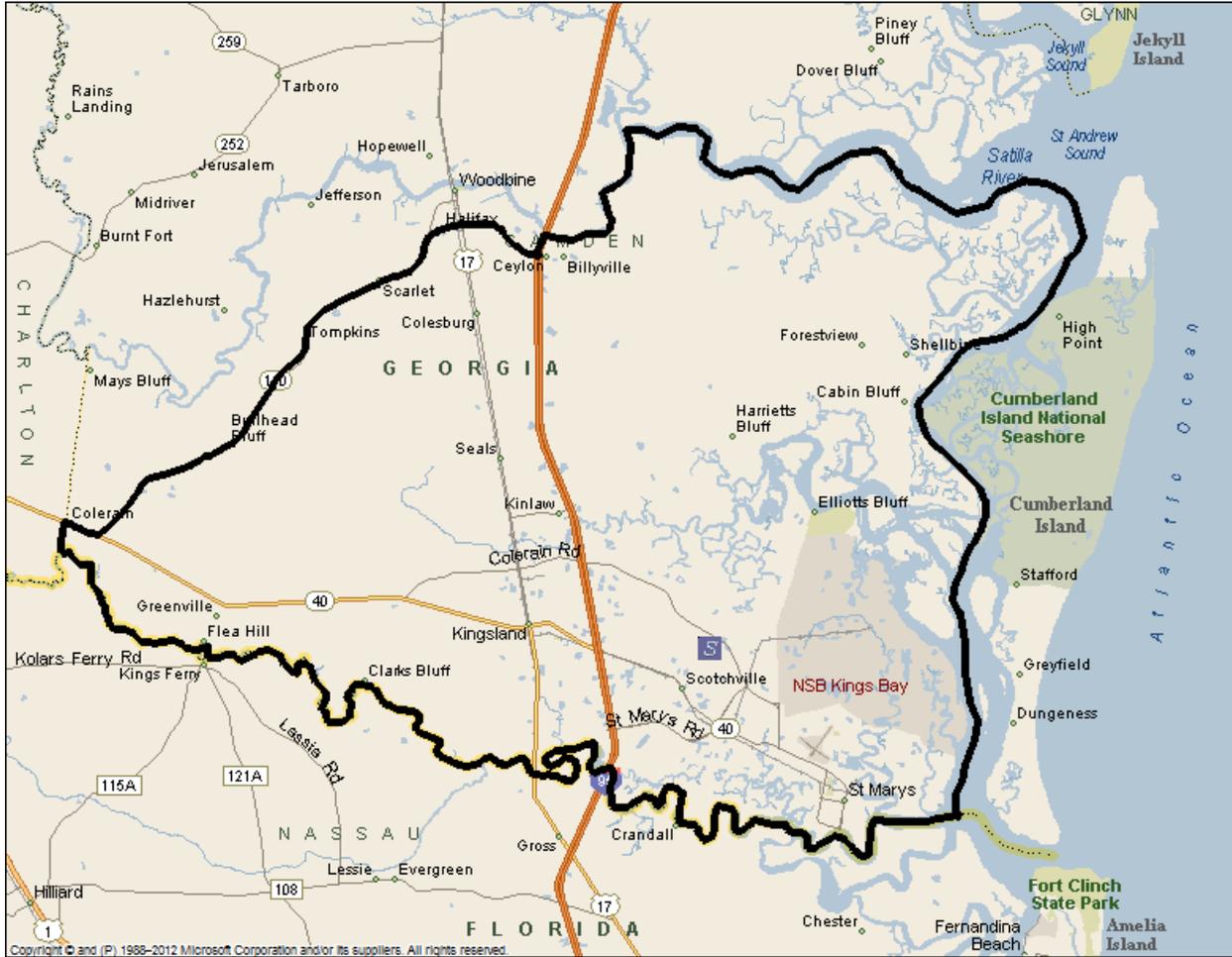
## MARKET AREA ANALYSIS

### COMMUNITY DEMOGRAPHIC DATA

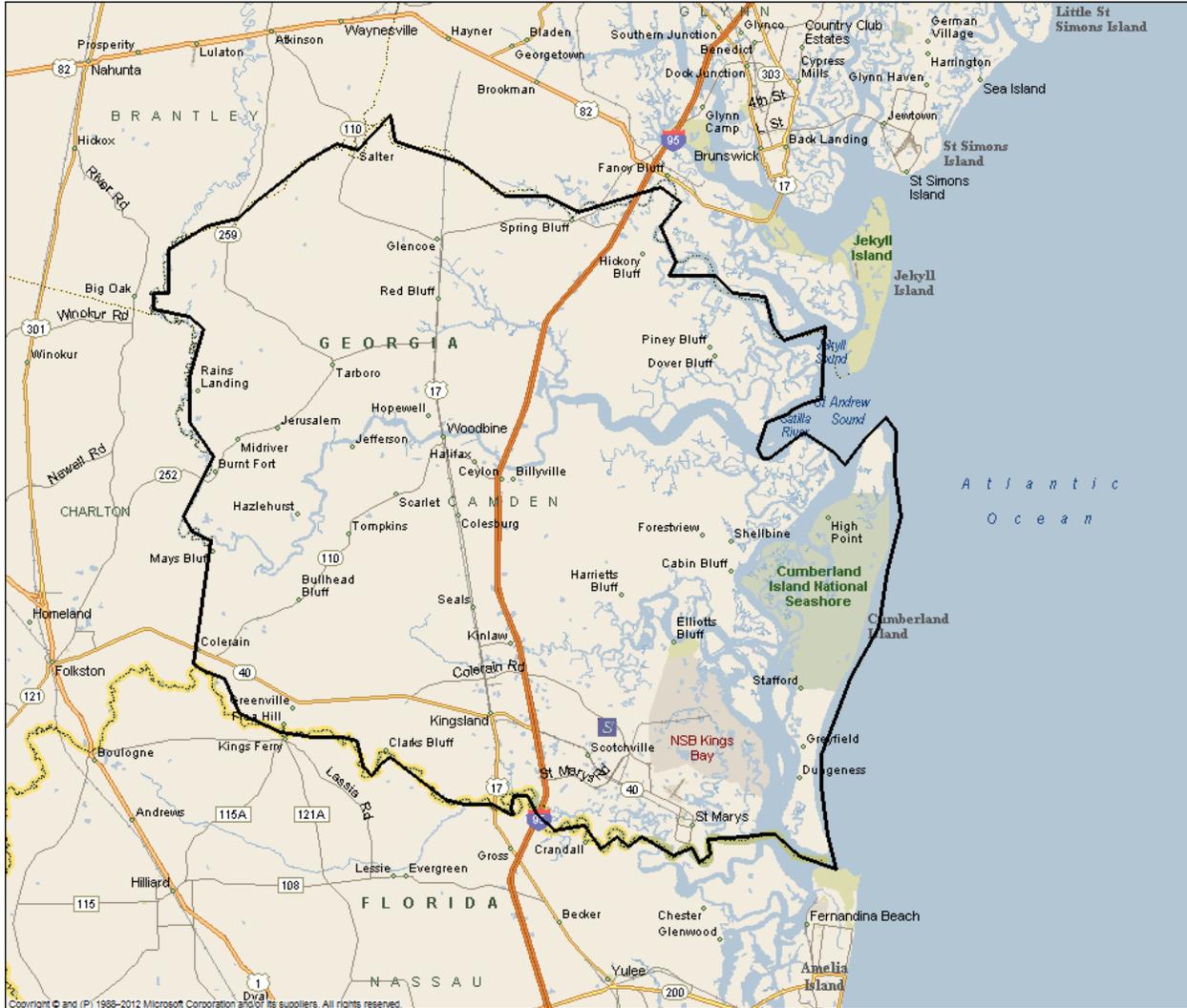
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the state of Georgia and the Subject's Primary Market Area (PMA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. Demographic data has been obtained from ESRI Demographics 2014, a national proprietary data provider.

The PMA is defined by the boundaries of the state of Georgia to the south and Cumberland Sound to the east. Cumberland Island has been excluded from the PMA as it is a National Seashore with no residents. Boundaries to the north include the Satilla River and Highway 110. This area encompasses approximately half of Camden County. The southern and eastern borders were defined on political and natural boundaries. Many property managers have indicated that majority of their tenants from the area are from the Camden County area. The northern and western boundaries were recommended by property managers, as these borders separate the area of St. Marys/Kingsland from the other towns of Camden County, which have a different economic base. The boundaries of the PMA range from approximately four to 17 miles from the Subject and the total square mileage of the PMA is 325 miles. Many of the local property managers indicated that most residents originated from the local area but stated that a small percentage of tenants also come from various points within Camden County and surrounding communities. Therefore, we have estimated that 10 percent of the tenants come from outside the PMA boundaries. The St. Marys, GA Micropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA).

PMA MAP



MSA MAP



Population and Households

The tables below illustrate population and household trends in the PMA, MSA, and nation from 2000 through 2019.

POPULATION

Year	PMA		St. Marys, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	39,617	-	43,662	-	281,421,906	-
2010	45,861	1.6%	50,513	1.6%	308,745,538	1.0%
2014	47,080	0.6%	51,986	0.7%	314,467,933	0.4%
2019	48,046	0.4%	53,812	0.7%	325,843,774	0.7%

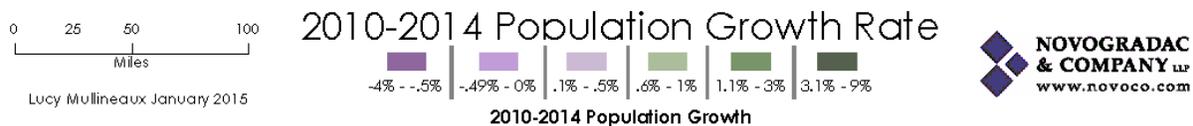
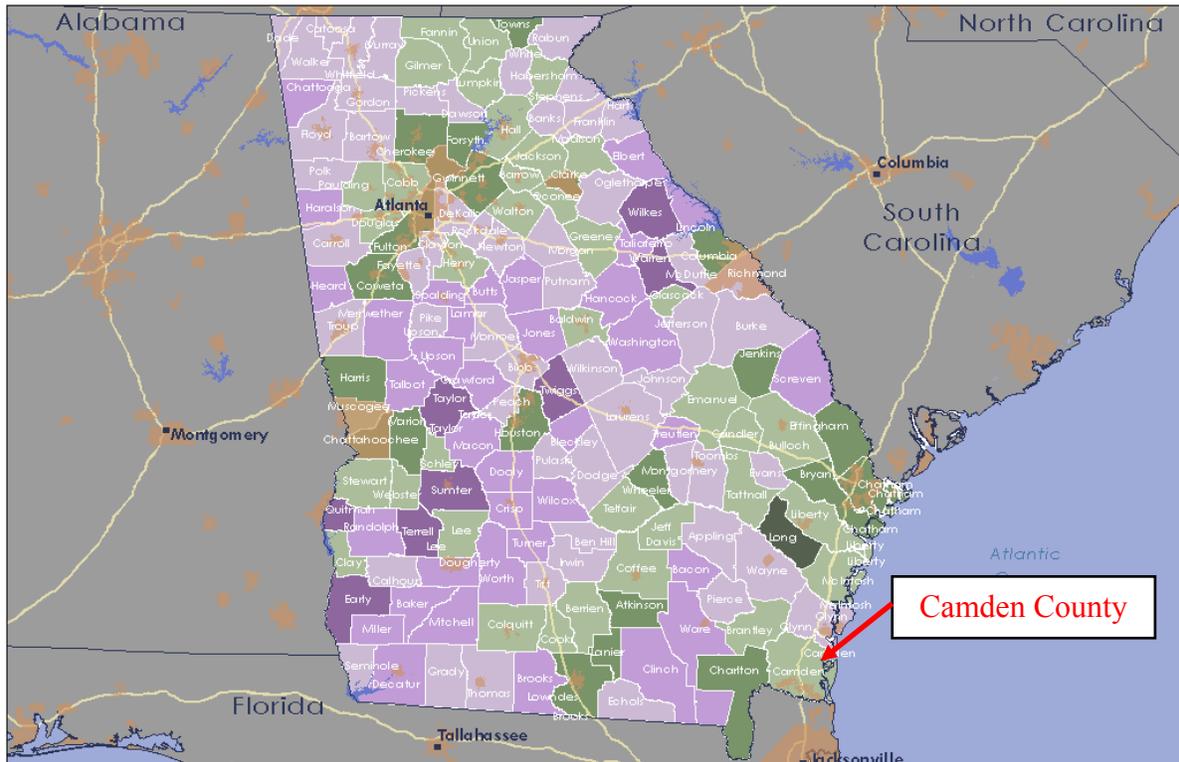
Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

**HOUSEHOLDS**

Year	PMA		St. Marys, GA Micropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	13,287	-	14,804	-	105,991,193	-
2010	16,286	2.3%	18,047	2.2%	116,716,292	1.0%
2014	16,921	0.9%	18,797	1.0%	118,979,182	0.5%
2019	17,409	0.6%	19,640	0.9%	123,464,895	0.8%

Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

The following map illustrates annual population growth from 2010 to 2014 by County for the state of Georgia.



The population in the PMA and SMA experienced annual growth at rates of 0.6 percent and 0.7 percent, respectively, from 2010 to 2014. Comparatively, the nation’s annual growth rate was 0.4 percent during the same time period. Through 2019, population in both the SMA and nation is estimated to increase by 0.7 percent annually, compared to the 0.4 percent annual growth rate of the PMA. The number of households in the PMA and SMA increased at annual rates of 0.9 percent and 1.0 percent, respectively, from 2010 to 2014, which is significantly higher than the national rate of 0.5 percent per year during the same time period. Through 2019 the number of households in both the PMA and SMA are projected to grow, though at slightly lower respective rates of 0.6 percent annually and 0.9 percent annually. The expected local growth rates more closely track the anticipated 0.8 percent annual growth rate of the nation.

**Median Household Income Levels**

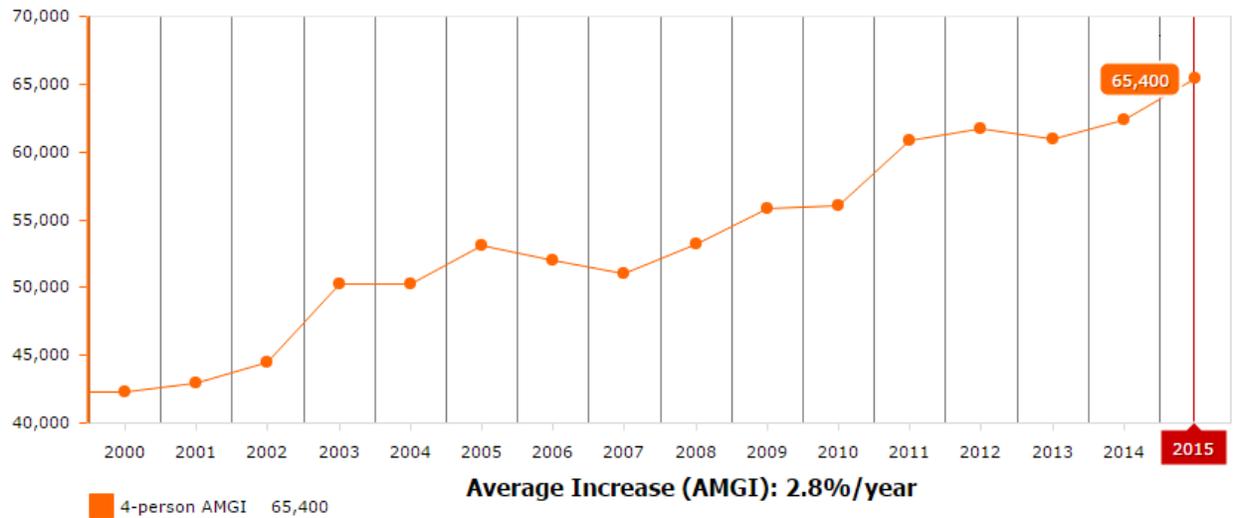
The table below illustrates median household income levels in the PMA, MSA, and nation from 2000 to 2019.

**MEDIAN HOUSEHOLD INCOME**

Year	PMA		St. Marys, GA Micropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$41,405	-	\$41,147	-	\$42,164	-
2014	\$53,422	2.0%	\$52,584	2.0%	\$51,314	1.5%
2019	\$58,096	1.7%	\$56,971	1.7%	\$59,580	3.2%

Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

In 2014, the median household income in the PMA was slightly higher than the household income in the MSA, and at \$53,422 compared to \$52,584. Both the PMA and MSA exhibit median household incomes above the national average. Through 2019, the median household income in the PMA and MSA is anticipated to grow at an annual rate of 1.7 percent; this is below the expected national annual growth rate of 3.2 percent during the same time period. The national median household income is expected to surpass both that of the PMA and MSA by 2019. The growth in the median household income indicates that the demand for housing is expected to stay strong in the near future. This bodes well for the Subject and indicates strong demand for all types of housing in the PMA and MSA. The following chart illustrates the AMI level for a four-person household in Camden County:

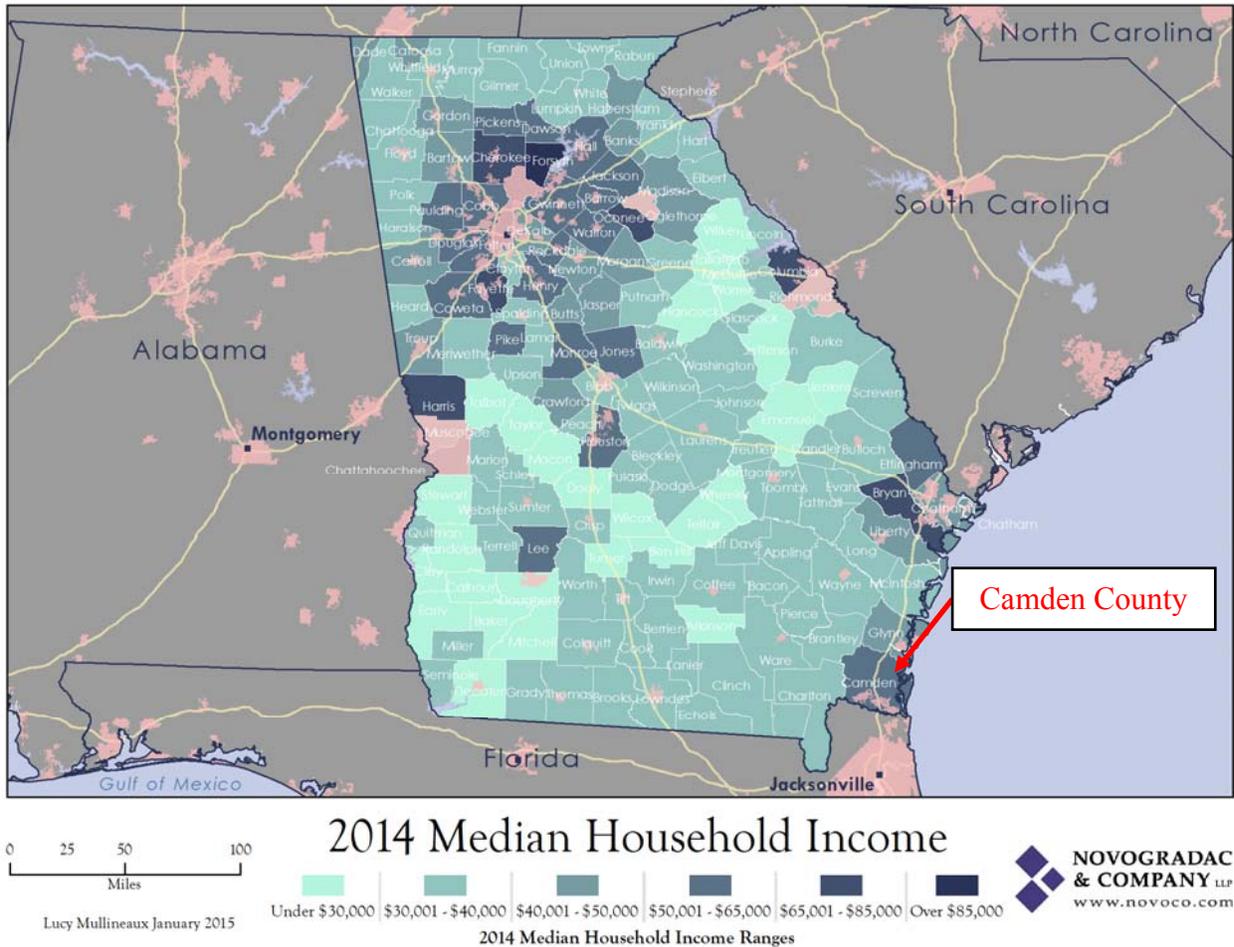


Source: Novogradac & Company LLP, 6/2015

Overall, the AMI has increased by an average 2.8 percent annually between 2000 and 2015. The rise in AMGI since 2007 indicates a healthy market where affordable households may be priced out by more affluent households. However, in 2013 the AMI decreased 1.1 percent from the previous year. Nationally, 84 percent of counties experienced a decrease in the 2013 AMI level due to decreased income limits in approximately 50 percent of counties nationwide. However, AMI has increased in each year since 2013, indicating properties previously held harmless will be able to raise their rents to the higher 2015 limits. The Subject’s current rents are based upon Section 8 contract rent levels and future increases will not be based upon increases in AMI. The

Subject’s proposed LIHTC rents are set below 2015 maximum allowable levels and, therefore, will be not be constrained by increases in AMI.

The following map illustrates the 2014 annual median household income by County for the state of Georgia.



As shown in the map above Camden County had a 2014 median household income between \$50,000 and \$65,000.

**Demographics Conclusion**

The Subject property is located in an area where the population and households are expected to increase in the PMA and MSA through 2019. Both the PMA and MSA have greater median household income levels than the nation, and both are expected to increase through 2019. The high median income indicates ongoing demand for all types of housing in the PMA and MSA.

## EMPLOYMENT TRENDS AND ECONOMIC OVERVIEW

### Employment by Industry

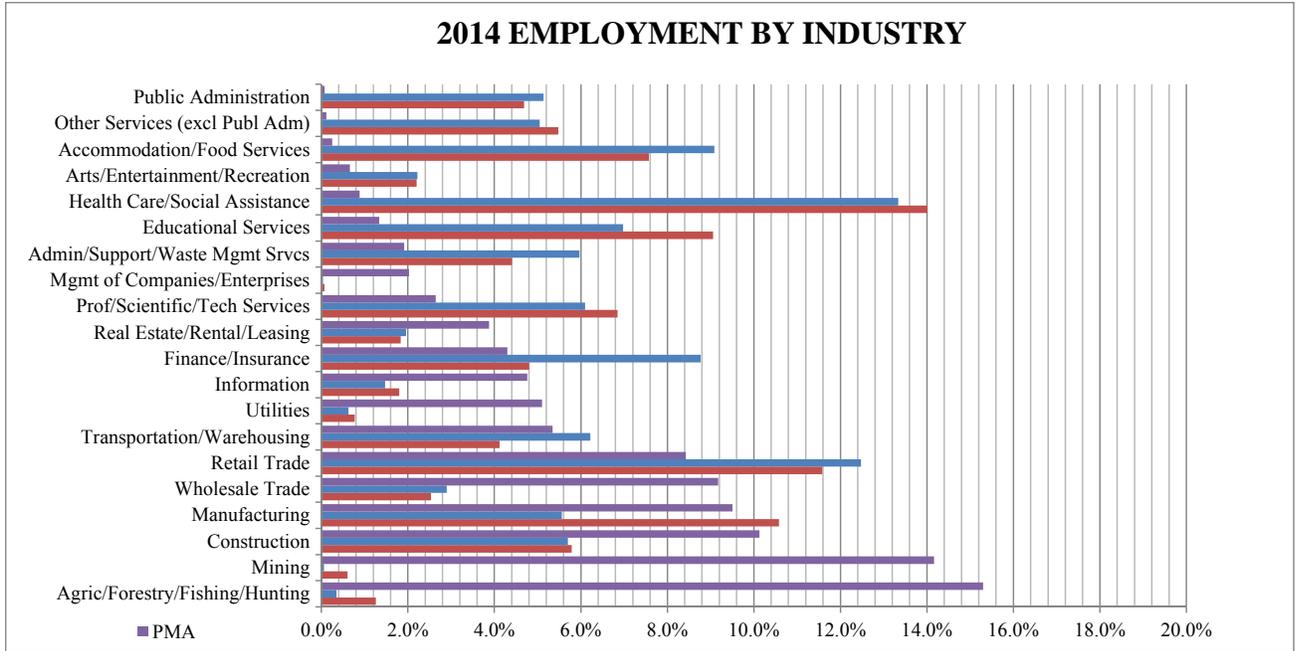
The following table illustrates employment by industry for the PMA, as of 2014.

#### 2014 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	21	0.1%	1,800,354	1.3%
Mining	47	0.3%	868,282	0.6%
Construction	942	5.1%	8,291,595	5.8%
Manufacturing	1,556	8.4%	15,162,651	10.6%
Wholesale Trade	354	1.9%	3,628,118	2.5%
Retail Trade	2,616	14.2%	16,592,605	11.6%
Transportation/Warehousing	794	4.3%	5,898,791	4.1%
Utilities	122	0.7%	1,107,105	0.8%
Information	163	0.9%	2,577,845	1.8%
Finance/Insurance	488	2.6%	6,884,133	4.8%
Real Estate/Rental/Leasing	374	2.0%	2,627,562	1.8%
Prof/Scientific/Tech Services	716	3.9%	9,808,289	6.8%
Mgmt of Companies/Enterprises	14	0.1%	97,762	0.1%
Admin/Support/Waste Mgmt Svcs	987	5.3%	6,316,579	4.4%
Educational Services	1,694	9.2%	12,979,314	9.1%
Health Care/Social Assistance	1,870	10.1%	20,080,547	14.0%
Arts/Entertainment/Recreation	246	1.3%	3,151,821	2.2%
Accommodation/Food Services	1,755	9.5%	10,849,114	7.6%
Other Services (excl Publ Adm)	879	4.8%	7,850,739	5.5%
Public Administration	2,825	15.3%	6,713,073	4.7%
<b>Total Employment</b>	<b>18,463</b>	<b>100.0%</b>	<b>143,286,279</b>	<b>100.0%</b>

Source: ESRI Demographics 2014, Novogradac & Company LLP, January 2015

The industries with the highest number of employees in the PMA are public administration, retail trade, health care/social assistance and accommodation/food services. The public administration and health care/social assistance are generally considered stable industries which remain strong in periods of economic downturn. However, retail trade and accommodation/food services are low-paying industries and are dependent upon the large population based at Kings Bay Naval Submarine Base and tourism in the region and these industries are typically volatile during economic downturns. Public administration, retail trade, and accommodation/food services management services are all overrepresented in the PMA compared to the nation, indicating the PMA is heavily based upon these industries related to Kings Bay Naval Submarine Base or tourism.



**Major Employers**

The diversification of the Camden County economic base is indicated by the following list of the Camden County’s 10 largest employers.

**MAJOR EMPLOYERS**

Camden County, GA

Employer	Industry	Number of Employees
Kings Bay Naval Submarine Base	Military	8,979
Camden County School System	Education	1,462
Express Scripts	Healthcare	600
Lockheed Martin	Defense Contractor	479
Camden County Government	Public Administration	404
Walmart Supercenter	Retail	366
Southeast Georgia Health System - Camden Campus	Healthcare	330
Kings Bay Support Services	Administrative Support/Utilities	290
Winn-Dixie	Retail	107
Publix	Retail	105

Source: Tribune of Georgia, Camden County Chamber of Commerce; "Guide to Camden County"; 2013

The local economy is heavily reliant on the Kings Bay Naval Submarine Base. Kings Bay Naval Submarine Base is the largest employer in the region and several other employers are dependent upon this military installation. This base is the newest and largest of the three naval submarine bases on the east coast. Additionally, Kings Bay is the only base that can accommodate the navy’s Trident submarines. As such, this base is under minimal pressure for down-sizing and has no proposed funding cuts. The economic stability of Kings Bay Naval Submarine Base is integral to the region’s economy and its significant role in the U.S. Navy bodes well for continuing economic growth in the region.

### Employment Expansion/Contractions

A large scale, \$300 million theme park is proposed and entering the final planning stages in incorporated Kingsland, approximately 6.9 miles from the Subject. The theme park, currently referred to as Kingsland Adventures Resort, would provide a water park, amusement park, convention center, a number of hotels and sport fields to the area. The development has received city approval and will be ready to begin construction once all permits are obtained. Construction is expected to begin in 2015 and be complete by May of 2017. The development would create 1,300 direct jobs in the area. The economy in Camden County already attracts a substantial amount of tourists and this attraction would greatly increase this industry for years to come.

Only one WARN notice was issued in Camden County since 2012. The King's Bay Shipyard in nearby King's Bay, Georgia announced the layoff of two employees in January 2014. The region has seen minimal closures and is closely tied to Kings Bay Naval Submarine Base, which is a stable military installment.

### Employment and Unemployment Trends

The following tables detail employment and unemployment trends for the St. Marys, GA MSA and the nation from 2005 through April 2015.

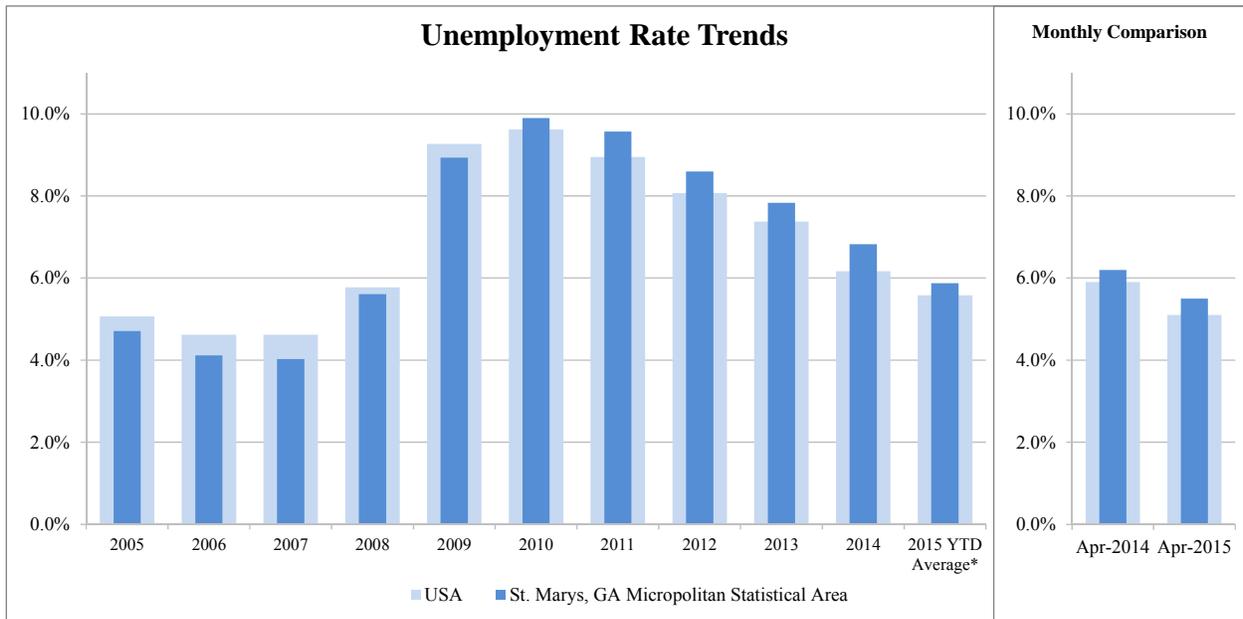
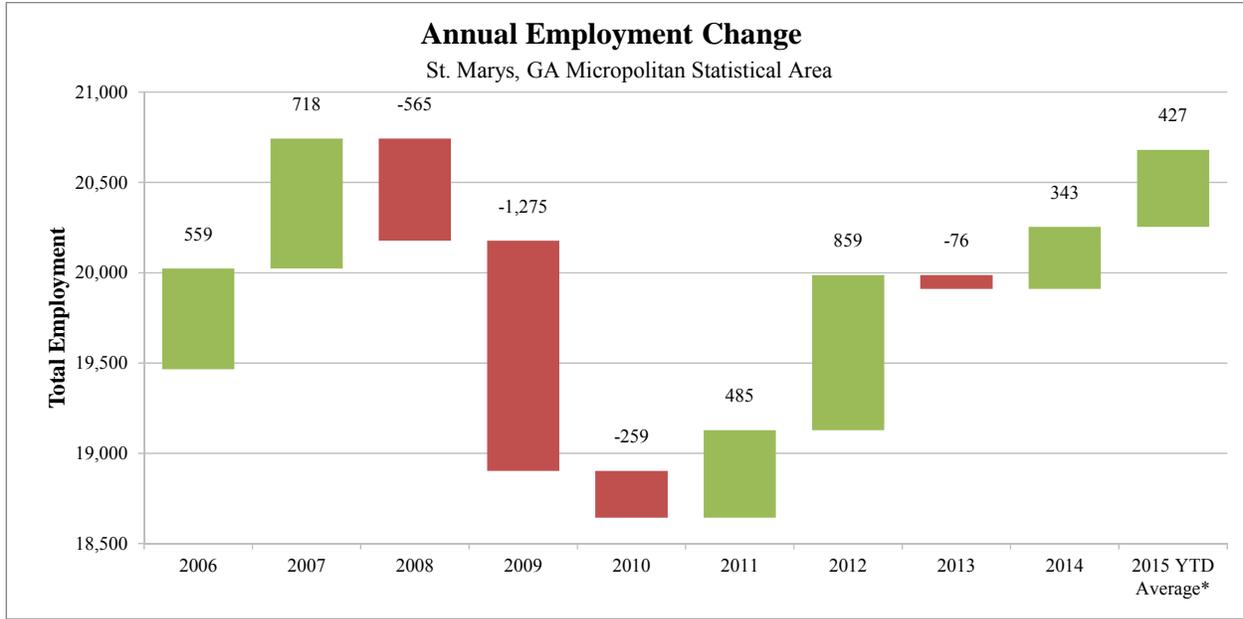
#### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	St. Marys, GA Micropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	19,466	-	4.7%	-	141,730,000	-	5.1%	-
2006	20,024	2.9%	4.1%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	20,742	3.6%	4.0%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	20,178	-2.7%	5.6%	1.6%	145,363,000	-0.5%	5.8%	1.2%
2009	18,902	-6.3%	8.9%	3.3%	139,878,000	-3.8%	9.3%	3.5%
2010	18,643	-1.4%	9.9%	1.0%	139,064,000	-0.6%	9.6%	0.3%
2011	19,128	2.6%	9.6%	-0.3%	139,869,000	0.6%	9.0%	-0.7%
2012	19,987	4.5%	8.6%	-1.0%	142,469,000	1.9%	8.1%	-0.9%
2013	19,911	-0.4%	7.8%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2014	20,255	1.7%	6.8%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	20,681	2.1%	5.9%	-0.9%	147,848,200	1.1%	5.6%	-0.6%
Apr-2014	20,268	-	6.2%	-	145,767,000	-	5.9%	-
Apr-2015	20,876	3.0%	5.5%	-0.7%	148,587,000	1.9%	5.1%	-0.8%

Source: U.S. Bureau of Labor Statistics June 2015

\*2015 data is through Apr

Total employment in the St. Mary's, GA Micropolitan Statistical Area (MSA) has increased in six of the most recent 10 years. Between 2008 and 2010, total employment decreased due to the recent national recession. Since 2010 total employment has increased in every year, except for 2013 when there was a slight decrease. Total employment in the MSA has returned to pre-recessionary levels. Prior to the recent national recession, the unemployment rate in the MSA appears to have been generally lower than that of the nation. However, the MSA reported an unemployment peak in 2010 at a higher rate than the nation. Unemployment in the MSA has decreased every year since 2010, but it remains above the national unemployment rate and pre-recession levels in the MSA.



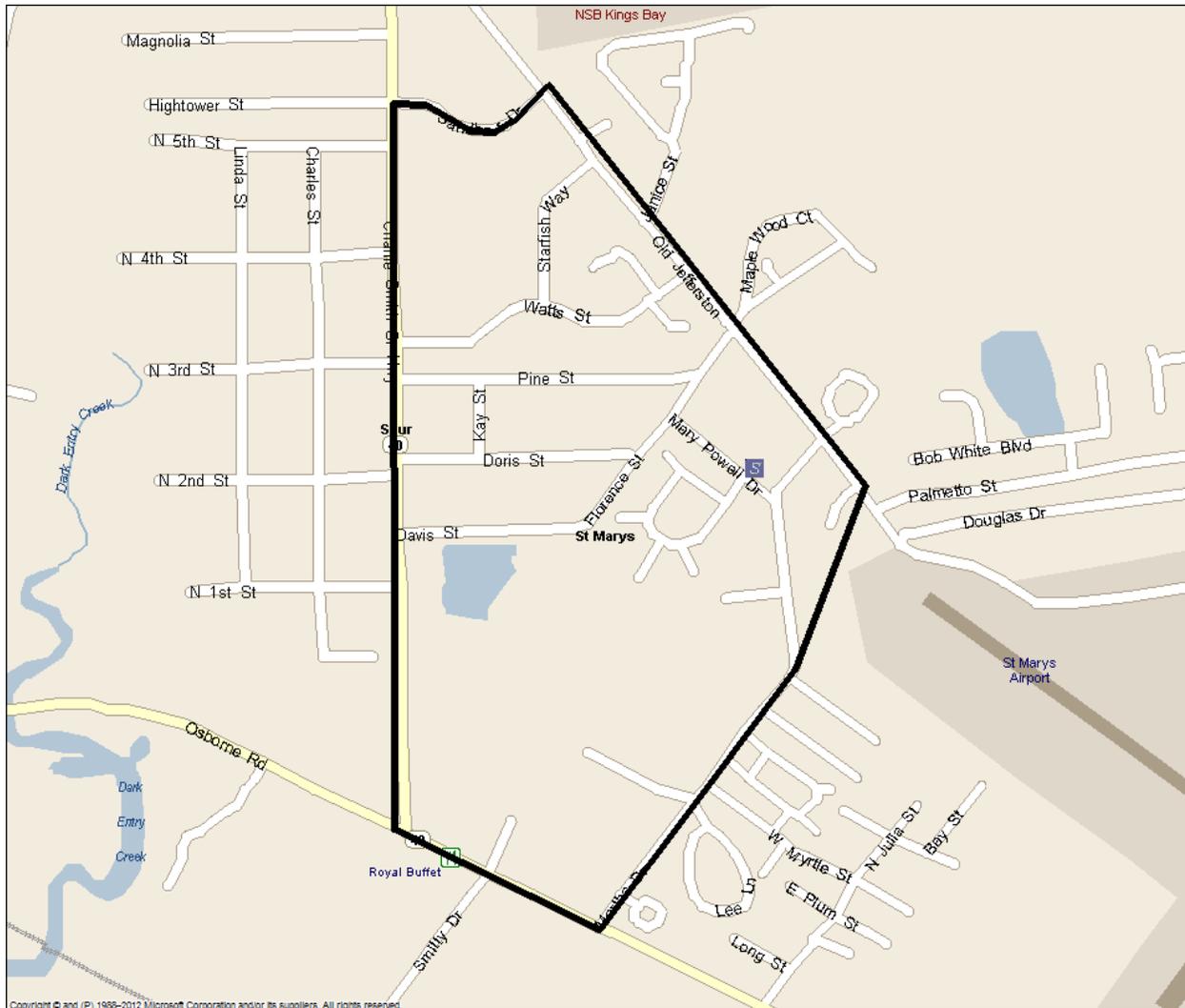
**NEIGHBORHOOD DESCRIPTION AND ANALYSIS**

**Introduction**

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

**Location and Boundaries**

The Subject is located in central St. Marys, approximately one-half mile north of the intersection at Osborne Road and Charlie Smith Senior Highway. The general boundaries of the Subject's neighborhood are Old Jefferson Drive and Sand Bar Drive to the north, Martha Drive to the east, Osborne Road to the south, and Charlie Smith Senior Highway to the west. The following map illustrates the Subject's general neighborhood.

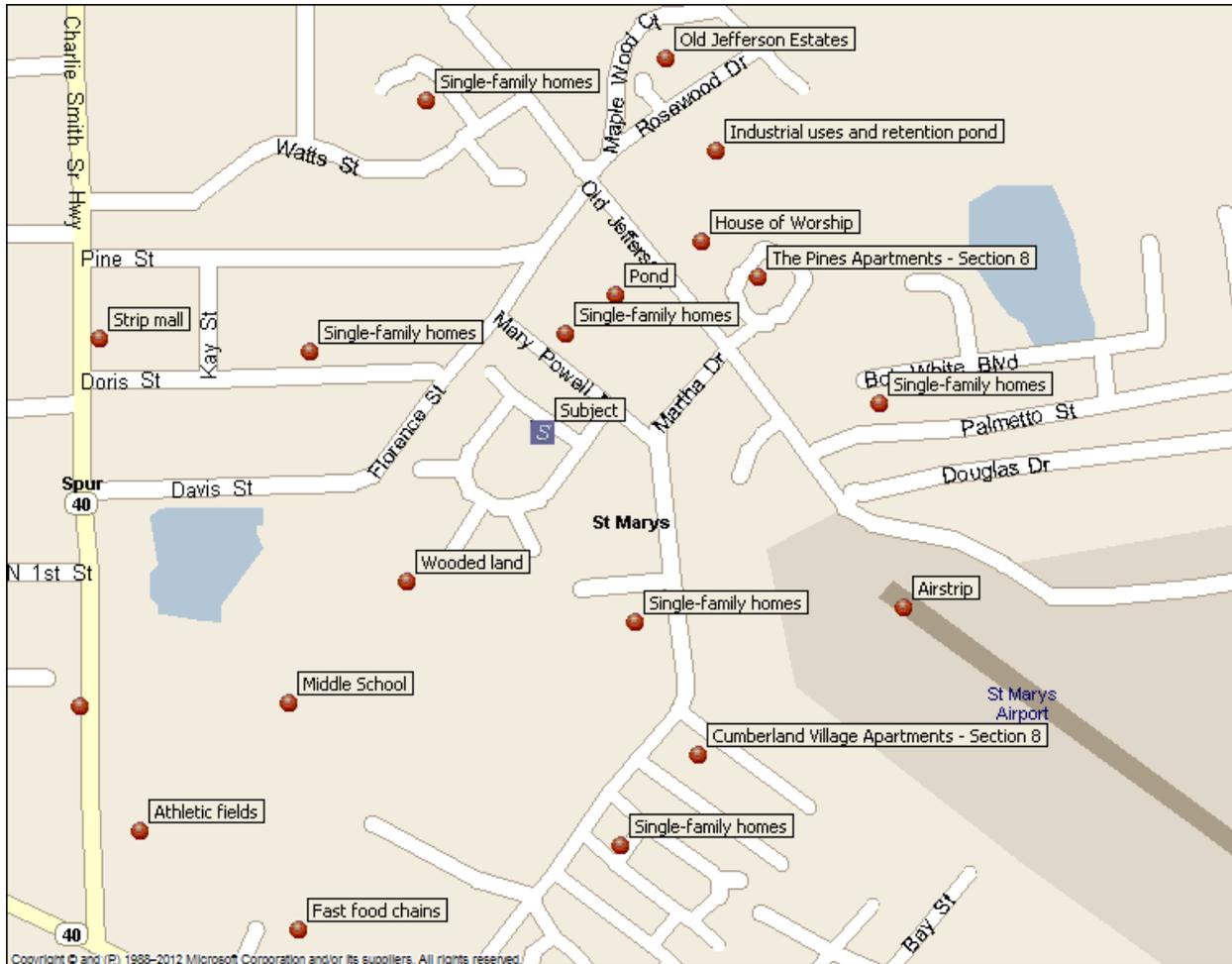


**Accessibility**

The Subject is accessible from Mary Powell Drive, which is a lightly trafficked two-lane road that travels east to west. Overall, access and traffic flow are considered good.

**Surrounding Uses**

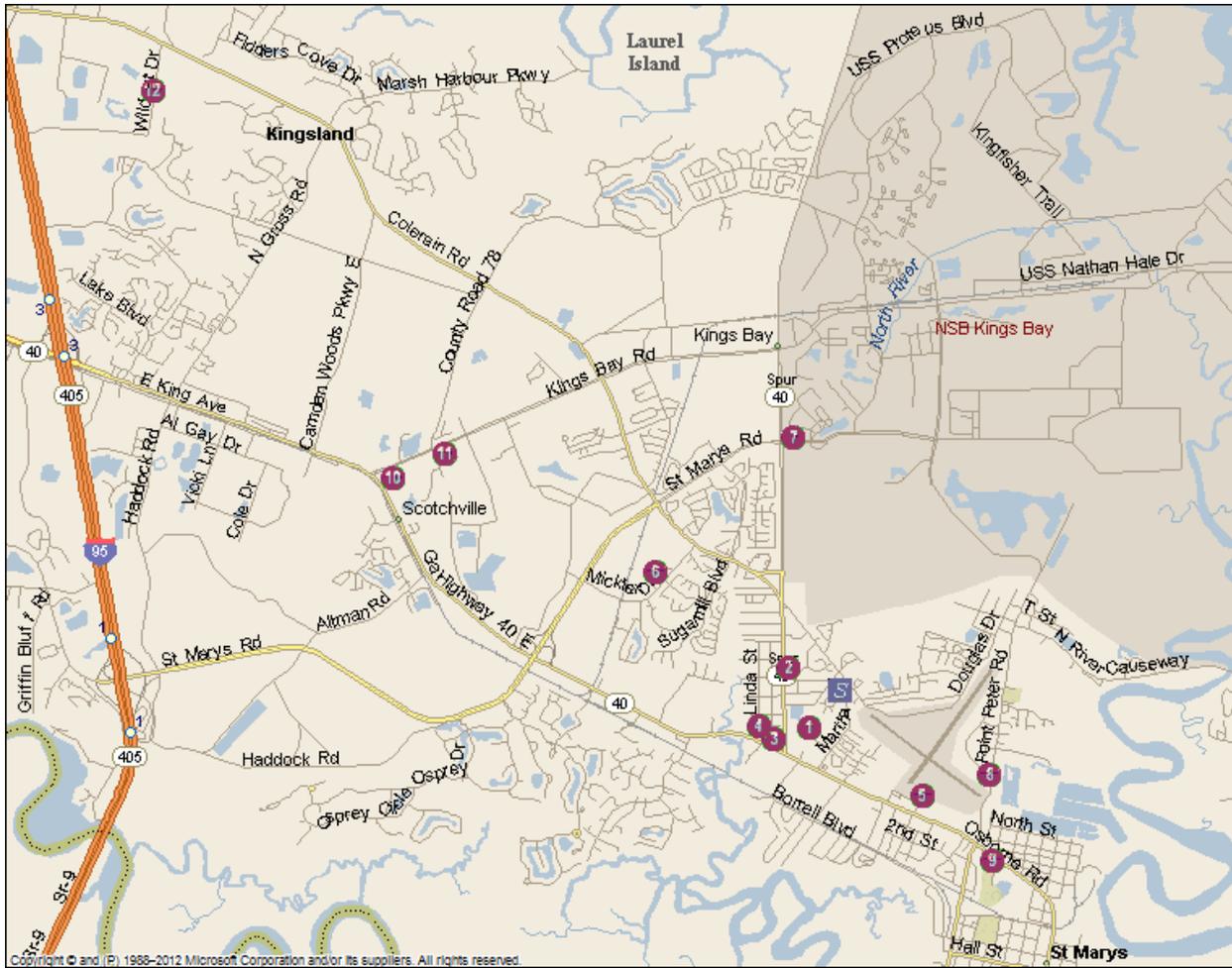
The following map illustrates the surrounding uses for the Subject property.



The Subject is primarily surrounded by residential uses, including a number of multifamily properties. There are communities of single-family homes located two blocks east and west of the Subject. South of the Subject is the St. Mary’s Middle School and commercial uses on Osborne Road. East of the Subject is the St. Mary’s Airport and further north is the Kings Bay Naval Submarine Base. The Subject has a walk score of 35 out of 100, which is a car-dependent location. Commercial and retail occupancy in the Subject’s neighborhood appears to be approximately 90 percent.

**Proximity to Local Services**

The following table illustrates the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented following.



**LOCATIONAL AMENITIES**

Map #	Service/Amenity	Distance from Subject
1	St. Marys Middle School	0.5 miles
2	US Post Office	0.6 miles
3	Bank of America	0.8 miles
4	Harvey's Supermarket	0.9 miles
5	St. Marys Fire Department	1.4 miles
6	Mary Lee Clark Elementary School	2.0 miles
7	Kings Bay Naval Submarine Base	2.0 miles
8	St. Marys Police Department	2.3 miles
9	St. Marys Public Library	2.1 miles
10	Walmart Supercenter	4.3 miles
11	Southeast Georgia Health System Camden Campus	5.0 miles
12	Camden County High School	7.1 miles

**Public Transportation**

According to our research, there is no local public transportation service in St. Mary's, which is fairly common in small market areas.

## Crime

### 2014 CRIME RISK INDICES

	PMA	St. Marys, GA Micropolitan Statistical
<b>Total Crime*</b>	132	151
<b>Personal Crime*</b>	96	132
Murder	61	86
Rape	67	161
Robbery	75	144
Assault	110	124
<b>Property Crime*</b>	137	154
Burglary	134	176
Larceny	144	155
Motor Vehicle Theft	87	88

Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

\*Unweighted aggregations

The crime risk indices shown above are based on the national average, which would be indicated as the number 100 in the table above. Any numbers shown deviating from the number 100 would thus be considered to be either above or below the national average. That is, an index of 125 would be 25 percent higher than the national average and an index of 75 would be 25 percent lower than the national average. As indicated in the previous table, the personal crime rate for the PMA is generally below national average; whereas the property crime rate is generally higher compared to the nation. All indices in the PMA are below those of the MSA. There was no obvious evidence of crime in the area during the inspection, which is consistent with conversations with local property managers. The Subject offers perimeter fencing as a security feature to the property. Moreover, based on the performance of the comparables, we believe the Subject is competitive in terms of security features.

### Conclusion

The Subject's neighborhood appears to be a good location for an existing Section 8 multifamily development. Most desirable locational amenities are located within less than 5.0 miles of the Subject property including a grocery store, retail, a post office, public schools, a public library and the King's Bay Naval Submarine Base. The Subject is in an established neighborhood of single-family home communities and several multifamily developments. The Subject is a compatible use within the existing neighborhood.

## **PROPERTY DESCRIPTION**

## PROPERTY DESCRIPTION

### DESCRIPTION OF SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.



**Size:** The Subject site consists of approximately 13.97 acres, or 608,533 square feet according to the Camden County Assessor's Office.

**Shape:** The Subject site is rectangular in shape.

**Frontage:** The Subject site has frontage along Mary Powell Drive and Florence Street.

- Topography:** The site is generally level.
- Utilities:** All utilities are provided to the site.
- Visibility/Views:** The Subject is primarily surrounded by residential uses, including a number of multifamily properties. There are communities of single-family homes located two blocks east and west of the Subject. South of the Subject is the St. Mary's Middle School and commercial uses on Osborne Road. East of the Subject is the St. Mary's Airport and further north is the Kings Bay Naval Submarine Base. The Subject has average visibility from Mary Powell Drive. Views from the Subject are impeded by wooded land on all sides, but include single-family homes in average condition to the north, east and west and St. Mary's Middle School to the South. Overall, visibility and views are considered average.
- Access and Traffic Flow:** The Subject is accessible from Mary Powell Drive, which is a lightly trafficked two-lane road that travels east to west. Overall, access and traffic flow are considered good.
- Drainage:** Appears adequate, however, no specific tests were performed.
- Environmental, Soil and Subsoil Conditions and Drainage:** According to a draft Phase I Environmental Site Assessment report dated July 28, 2015 provided by the client and performed by D3G, no recognized environmental conditions in connection with the Subject were identified. Further analysis is beyond the scope of this report.
- Flood Plain:** According to [www.floodinsights.com](http://www.floodinsights.com) Community Panel number 13039C0414F dated December 16, 2008, the Subject site is located in Zone X, which is defined as an area outside of 100- and 500-year flood plains. Further analysis is beyond the scope of this report. Novogradac and Company LLP does not have expertise in this field and cannot opine on this matter.
- Detrimental Influences:** It should be noted that the Subject is located near a small regional airport. The nearby airport may be considered a detrimental influence to the Subject due to some air traffic noise. However, the Subject is currently 95 percent occupied and surrounding multifamily uses are performing well, indicating the airport has not hindered the

marketability of the Subject. Further, the Subject has historically performed well.

**LURA:**

We are unaware of any land use regulatory agreements in connection with the Subject site.

**Conclusion:**

The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.

**DESCRIPTION OF IMPROVEMENTS**

Our description of the improvements is based upon information provided by the client and the borrower. We assume that this information is accurate.

Cumberland Oaks (Subject) is an existing 154-unit Project-Based Section 8 development located at 100 Mary Powell Drive, in St. Marys, Camden County, Georgia 31558. The Subject will be substantially renovated with LIHTC. Post renovation, the Subject will be restricted to 60 percent of AMI, but will maintain the Section 8 overlay on all of the units. The description of improvements is based on our inspection of the Subject, as well as a review of information provided by the client. The following are photos of the Subject.



**Date of Construction:**

The Subject was originally constructed in 1981. The rehabilitation is expected to begin in September 2015 and be complete by February 2016. According to the borrower, there are no plans to temporarily relocate any tenants and minimal turnover is anticipated during renovations.

**Unit Mix:** The following table details the Subject’s unit mix and unit sizes. The proposed renovation will not involve reconfiguration of any units. Thus, the unit sizes will remain the same, post renovation.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable
1BR/1BA	32	498	15,936
2BR/1BA	90	586	52,740
<u>3BR/2BA</u>	<u>32</u>	<u>775</u>	<u>24,800</u>
<b>Total</b>	<b>154</b>		<b>93,476</b>

Unit square footage was provided by the client and is presumed to be accurate.

**NLA:** The net leasable area is estimated to be 93,476 square feet.

**GBA:** The gross building area is estimated to be 139,469 square feet, per the developer. The non-leasable square footage at the Subject is occupied by common areas, leasing office, maintenance building, and water main building.

**Current Rents:** The Subject’s current Project-Based Section 8 rents, effective July 1, 2015, are detailed in the following table. The landlord pays water, sewer and trash expenses, the tenant is responsible for all other expenses. According to the rent roll dated July 8, 2015, the Subject was 92.9 percent occupied with 11 units vacant.

**CURRENT RENTS**

Unit Type	Number of Units	Contract Rent	Utility Allowance (1)	Gross Rent	2015 HUD Fair Market Rents
<i>Section 8</i>					
1BR/1BA	32	\$538	\$65	\$603	\$575
2BR/1BA	90	\$631	\$95	\$726	\$778
3BR/2BA	32	\$836	\$128	\$964	\$1,081
<b>Total</b>	<b>154</b>				

Notes (1) Source of Utility Allowance is according to HUD approved rent schedule, Eff. 7/1/2015.

The following table details the Subject’s proposed LIHTC rents, post renovations. There is no proposed change to the utility structure, and thus, the utility allowance will continue to be based on the current HAP contract. Further, all units will maintain a Section 8 overlay and, therefore, the tenants will continue to be responsible for 30 percent of their income towards rent. It should be noted that the

proposed LIHTC rents are higher than the current Section 8 contract rents for the one- and two-bedroom units but lower for the three-bedroom units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	LIHTC Gross Rent	2015 LIHTC Maximum Allowable Gross Rent	2015 HUD Fair Market Rents
<i>60% AMI</i>							
1BR/1BA	498	32	\$631	\$65	\$696	\$736	\$575
2BR/1BA	586	90	\$732	\$95	\$827	\$883	\$778
3BR/2BA	775	32	\$807	\$128	\$935	\$1,020	\$1,081
<b>Total</b>		<b>154</b>					

Notes (1) Source of Utility Allowance is according to HUD approved rent schedule, Eff. 7/1/2015.

The Subject’s proposed gross LIHTC rents are set below the 2015 maximum allowable rent levels. It should be noted that the HAP contract rents will not change, post renovation. Thus, we have utilized the current contract rents in our restricted scenario.

**New Construction or Rehabilitation:**

The renovation will include the replacement of all HVAC equipment, all roofs, gutter spouts, toilets, showerheads, faucets, sinks, water heaters, refrigerators, ranges, outlets, indoor lighting, exhaust fans. New exterior lighting sensors, ceiling fans, fiberglass insulation, signs, security cameras and a secured access gate will be installed. The entry doors and all windows will be replaced as well as kitchen and bathroom cabinets, countertops, flooring, paint, ceilings, bathroom mirrors and medicine cabinets. The leasing office will be remodeled, landscaping updated, buildings will be pressure washed, parking lot and curbs will be repaired and all public areas made to conform to ADA requirements. Hard costs of the renovation are \$4,700,967, or \$30,526 per unit. Additionally, renovations will occur with tenants in place and limited turnover is anticipated as a result of the renovations.

**Community Amenities:**

Community amenities offered at the Subject include clubhouse/community room, a business center, courtyard, exercise facility, central laundry, off-street parking, a playground and on-site management. No community amenities will be added post renovation. However, the community amenities will be upgraded and remodeled.

**Unit Amenities:**

Currently, the Subject’s unit amenities include blinds, range/oven, refrigerator, garbage disposal, carpet, vinyl

flooring, coat closet, walk-in closets, washer and dryer hookups and central air conditioning. Post-renovations, the Subject will also offer ceiling fans in all units, and grab bars in ADA units.

**Parking:** The Subject offers 246 off-street uncovered parking spaces, which are all free of charge. Based upon our site inspection the amount of parking appears adequate.

**Utilities:** Currently, the landlord is responsible for water, sewer and trash expenses while the tenant is responsible for cooling, electric cooking, electric water heating, and electric heating. Post-renovation, the Subject's utility structure will remain the same. For the purposes of this analysis, we have assumed the current HUD approved utility allowance will not change.

**Americans with Disabilities Act of 1990:** We are unaware if the Subject has violations of the Americans with Disabilities Act of 1990. However, we assume any potential ADA issues would be addressed as part of the renovation.

**Quality of Construction:** The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner.

**PCNA:** According to a draft Project Conditions Report, dated July 23, 2015 and prepared by D3G, all critical repairs will be addressed as part of the renovation, and non-critical repairs are estimated at \$250. Further, the recommended annual deposit to replacement reserves is \$300 per unit per year over a 10 year term. We have assumed that all necessary repairs will be completed as part of the scope of the renovation. Thus, these repairs have not been deducted from our hypothetical market rate value, which is based on post-renovation condition.

**Condition:** At the time of the inspection, the Subject was in average condition. Upon completion of the planned renovations, we anticipate the Subject will be in good condition based on the scope of work supplied by the client.

**Functional Utility:** The Subject will be a substantially rehabilitated LIHTC property. We have inspected the property and reviewed the site plans and floor plans and do not believe the Subject suffers from functional obsolescence.

**Conclusion:**

The Subject is an existing family property in average condition. Upon completion of the renovations, the Subject will exhibit good condition. The Subject will also offer a competitive amenities package when compared to family rental properties in the local market. As a newly renovated property, the Subject will not suffer from functional obsolescence.

# PROPERTY PROFILE REPORT

## Cumberland Oaks

<b>Effective Rent Date</b>	6/30/2015
<b>Location</b>	100 Mary Powell Dr St Marys, GA 31558 Camden County County
<b>Distance</b>	N/A
<b>Units</b>	154
<b>Vacant Units</b>	N/A
<b>Vacancy Rate</b>	N/A
<b>Type</b>	Lowrise (2 stories)
<b>Year Built/Renovated</b>	1981 / 2016
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	N/A
<b>Tenant Characteristics</b>	N/A
<b>Contact Name</b>	N/A
<b>Phone</b>	N/A



### Market Information

<b>Program</b>	@60% (Section 8)
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	N/A
<b>Leasing Pace</b>	N/A
<b>Annual Chg. in Rent</b>	N/A
<b>Concession</b>	N/A

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	32	498	\$631	\$0	@60% (Section 8)	N/A	N/A	N/A	no	None
2	1	Lowrise (2 stories)	90	586	\$732	\$0	@60% (Section 8)	N/A	N/A	N/A	no	None
3	2	Lowrise (2 stories)	32	775	\$807	\$0	@60% (Section 8)	N/A	N/A	N/A	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$631	\$0	\$631	\$0	\$631
2BR / 1BA	\$732	\$0	\$732	\$0	\$732
3BR / 2BA	\$807	\$0	\$807	\$0	\$807

## Cumberland Oaks, continued

### Amenities

#### In-Unit

Blinds  
Central A/C  
Ceiling Fan  
Hand Rails  
Pull Cords  
Walk-In Closet

Carpeting  
Coat Closet  
Garbage Disposal  
Oven  
Refrigerator  
Washer/Dryer hookup

#### Security

Limited Access  
Perimeter Fencing  
Video Surveillance

#### Services

None

#### Property

Business Center/Computer Lab  
Courtyard  
Central Laundry  
On-Site Management

Clubhouse/Meeting  
Exercise Facility  
Off-Street Parking  
Playground

#### Premium

None

#### Other

None

### Comments

This property is currently a Section 8 property that is proposing to renovate using LIHTC. Post, renovations, all units will maintain a Section 8 overlay, which currently expires June 30, 2023. The rents in this profile are the proposed LIHTC rents.

## Cumberland Oaks, continued

### Trend Report

#### Vacancy Rates

<b>1Q15</b>	<b>3Q15</b>
N/A	N/A

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$631	\$0	\$631	\$631
2015	3	N/A	\$631	\$0	\$631	\$631

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$732	\$0	\$732	\$732
2015	3	N/A	\$732	\$0	\$732	\$732

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$807	\$0	\$807	\$807
2015	3	N/A	\$807	\$0	\$807	\$807

### Trend: Comments

- 1Q15** This property is currently a Section 8 property that is proposing to renovate using LIHTC. Post, renovations, all units will maintain a Section 8 overlay. The rents in this profile are the proposed LIHTC rents.
- 3Q15** This property is currently a Section 8 property that is proposing to renovate using LIHTC. Post, renovations, all units will maintain a Section 8 overlay, which currently expires June 30, 2023. The rents in this profile are the proposed LIHTC rents.

Photos



**ASSESSMENT VALUE AND TAXES**

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject after renovation. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is located within the Camden County real estate taxing jurisdiction. Real estate taxes for a property located in Camden County are based upon a property's assessed valuation. According to the Camden County Assessor's Office, multifamily apartment properties are reassessed every three years using primarily the income approach. The Subject was last assessed in 2014. Real estate taxes in this jurisdiction represent *ad valorem* taxes, meaning a tax applied in proportion to value. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by a composite rate, which is commonly termed a levy established in each taxing district. According to the local assessor's office, properties are assessed at 40 percent of the market value. The current millage rate for the Subject property is \$32.701 per \$1,000 of assessed value. The following table illustrates the Subject's current and historical assessment. The Subject's 2015 assessed value will be \$31,015 per unit, similar to the 2014 value.

<b>CURRENT &amp; HISTORICAL ASSESSMENT</b>					
<b>Year</b>	<b>Total Market Value</b>	<b>Market Value per Unit</b>	<b>Assessment Ratio</b>	<b>Total Assessed Value</b>	<b>Assessed Value Per Unit</b>
2014	\$4,776,285	\$31,015	40%	\$1,910,514	\$12,406
2013	\$4,269,130	\$27,722	40%	\$1,707,652	\$11,089

The following real estate tax comparables were utilized in our analysis:

<b>TAX COMPARABLES</b>					
<b>Property Name</b>	<b>Type</b>	<b>Year Built</b>	<b>Number of units</b>	<b>Market Value</b>	<b>Market Value per Unit</b>
Greenbriar Townhomes	Market	1993/2009	72	\$2,305,787	\$32,025
Harbor Pines	Market	1989	200	\$6,677,215	\$33,386
Mission Forrest	Market	1986	104	\$3,331,572	\$32,034
Park Place	Market	1988	200	\$6,450,000	\$32,250
The Pines	Section 8	1982	70	\$1,990,507	\$28,436

The Subject's current market value (as a Section 8 development) of \$31,015 per unit is towards the low end of the range of the comparable properties, but appears reasonable based on the current condition as well as unit mix and the other Section 8 tax comparable. Upon completion of the planned renovations, we would anticipate a slight increase in the assessed value based on the improved condition and higher achievable rents. Thus, we have concluded to a market value of \$45,000 per unit for the unrestricted scenario and \$35,000 for the restricted scenario.

<b>SUBJECT TAX BURDEN - UNRESTRICTED</b>							
Property Parcel ID	Total Market Value	Assessment Ratio	Total Assessed Value	Total Assessed Value Per Unit	Millage Rate	Estimated Tax Burden	Estimated Tax Burden per Unit
135 053A	\$6,930,000	40%	\$2,772,000	\$18,000	\$0.03270	\$90,647	\$589

<b>SUBJECT TAX BURDEN - RESTRICTED</b>							
Property Parcel ID	Total Market Value	Assessment Ratio	Total Assessed Value	Total Assessed Value Per Unit	Millage Rate	Estimated Tax Burden	Estimated Tax Burden per Unit
135 053A	\$5,390,000	40%	\$2,156,000	\$14,000	\$0.03270	\$70,503	\$458

It should be noted that our concluded market values for tax purposes are below the final market values presented later in this report. However, based on an analysis of recent multifamily sales in the area, it is typical for properties to be assessed below the sale price. Therefore, we believe our tax estimates appear reasonable.

## ZONING

### Current Zoning

The Subject is located inside the St. Mary's city limits in Camden County; thus, it must comply with the City of St. Mary's zoning regulations. We spoke to Michelle Wood of the City of St. Mary's Planning Department to obtain zoning information on the property. Ms. Wood stated that the Subject is zoned R-3:Medium and High Density Multifamily Residential District, which allows for multifamily development. Multifamily properties located in the R-3 zoning district must have a minimum lot area of 8,000 square feet for the first two units plus an additional 2,000 square feet per additional unit. Thus, the maximum density would be approximately 19 units per acre. The Subject offers 154 units on 13.97 acres, which equates to a density of 11 units per acre. Additionally, multifamily uses are required to have a minimum of two parking spaces per dwelling unit regardless of the bedroom type. To conform to parking requirements, the Subject would require 308 parking spaces. According to the client, the Subject offers 246 parking spaces. Thus, the Subject is a legal, non-conforming use. However, the parking ratio and density appears consistent with other multifamily properties in the area.

According to Ms. Wood, if a nonconforming structure is destroyed or damaged by any cause, and the cost of reconstructing the structure to its previous condition does not exceed 50 percent of the value of the entire structure before the damage, then the structure may be restored to a condition comparable to its nonconforming condition.

### Prospective Zoning Changes

We are not aware of any proposed zoning changes at this time.

# **SUPPLY ANALYSIS**

## SUPPLY ANALYSIS

### HOUSING SUMMARY

#### Household Tenure

The following table illustrates housing tenure trends in the PMA.

<b>TENURE PATTERNS PMA</b>				
<b>Year</b>	<b>Owner-Occupied</b>	<b>Percentage</b>	<b>Renter-Occupied</b>	<b>Percentage</b>
	<b>Units</b>	<b>Owner-Occupied</b>	<b>Units</b>	<b>Renter-Occupied</b>
2000	8,021	60.4%	5,266	39.6%
2014	10,328	61.0%	6,593	39.0%
2019	10,577	60.8%	6,832	39.2%

Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

As of 2014, 39.0 percent of housing units in the PMA are renter-occupied units, slightly higher than the national average of 36.4 percent (not shown). The number of renter-occupied housing units is expected to increase by 239 units from 2014 through 2019, demonstrating a future demand for rental units.

### INTERVIEWS/DISCUSSIONS

In order to ascertain the need for housing and affordable housing in the Subject's area, interviews were conducted with various local officials.

#### Georgia Department of Community Affairs, Waycross Regional Office

We spoke with Mr. Pat McNally, Section 8 Office Manager for the Georgia Department of Community Affairs (DCA) Section 8 Department, to gather information pertaining to the use of Housing Choice Vouchers. Mr. McNally was unable to report how many Housing Choice Vouchers are in use in Camden County. Mr. McNally stated that due to budget cuts, the Georgia DCA is not currently issuing additional vouchers, and added that there are no applicants on the waiting list as it is closed indefinitely. The payment standards for Camden County are listed below.

<b>Payment Standards</b>	
1BR	\$575
2BR	\$778
3BR	\$1081

Payment standards for the county are 90 percent of FMR. The Subject's current HAP contract rents are below the current payment standards. Additionally, the proposed two- and three-bedroom LIHTC rents are below the current payment standards but the proposed one-bedroom LIHTC rent is above the current payment standard.

**St. Marys Planning Department**

We contacted Ms. Michelle Wood of the City of St. Mary's Planning Department, to inquire about multifamily developments in the planning and construction phases in the Subject's area. According to Ms. Wood, there are no multifamily developments currently under construction or in the planning stages. Ms. Wood reported that the most recent multifamily development constructed in the city was The Village at Winding Road, a 52-unit senior community which was completed 2013.

**LIHTC Competition / Recent and Proposed Construction**

According to the Georgia Department of Community Affairs summary of LIHTC projects awarded tax credits between 2012 and 2014, there were no projects awarded LIHTC funding in the Subject's PMA, nor in Camden County.

**SURVEY OF COMPARABLE PROPERTIES**

Novogradac performed a competitive analysis of the local rental market. As the Subject is an existing Project-Based Section 8 development, we surveyed comparable market rate properties. The developer indicated that after renovations are complete, units will be restricted to households earning 60 percent of the AMI or less. However, tenants in the Project-Based Section 8 units will continue to be responsible for 30 percent of their income towards rent. Thus, because of the additional LIHTC restrictions, we have also included LIHTC comparables in our analysis.

We attempted to compare the Subject to properties from the competing market area to provide a picture of the health and available supply in the market. An extensive search for comparable properties was performed within the PMA, and we have included 10 properties in our analysis. Five of the 10 comparables are located in St. Marys and within 2.8 miles of the Subject. However, based on the limited supply of unsubsidized LIHTC properties in the immediate area, we included additional LIHTC comparables and one market rate comparable from Kingsland. The comparables were constructed or renovated between 1926 and 2004. We have chosen the most comparable properties to use in the 92273 adjustment grids. The comparable data is considered adequate to support our conclusions. The following table illustrates the affordable properties in the PMA that were excluded from our analysis and the reason for exclusion.

**EXCLUDED PROPERTIES**

<b>Property Name</b>	<b>Program</b>	<b>Tenancy</b>	<b>Reasons Excluded</b>	<b>Distance from Subject</b>
Clarks Bluff Road	LIHTC	Family	Only Two Units	9.2 miles
The Village at Winding Road	LIHTC	Senior	Senior Tenancy	4.9 miles
Old Jefferson Estates	LIHTC	Family	Unable to Contact	0.2 miles
Cumberland Village	Rural Development	Senior	Subsidized	0.3 miles
Hilltop Terrace	Rural Development	Family	Subsidized/Senior	9.1 miles
Hilltop Terrace	Rural Development	Family	Subsidized	9.1 miles
Satilla Villages	Rural Development	Senior	Subsidized	20.1 miles
Cottages at Camden	Section 8	Family	Subsidized/Senior	6.2 miles
The Pines Apartments	Section 8	Family	Subsidized	0.3 miles
Brant Creek	Market	Family	Refused to Participate	1.7 miles
Kings Landing Apartments	Market	Family	More comparable properties available	6.4 miles
Summer Bend Apartments	Market	Family	More comparable properties available	9.2 miles
Willow Way Apartments	Market	Family	More comparable properties available	6.3 miles
Camden Way Apartments	Market	Family	More comparable properties available	6.3 miles

While we excluded all Section 8 properties as comparables due to their subsidized rents, we surveyed several of these properties to gain insight into the general performance of Section 8 properties in the area. This is illustrated in the following table.

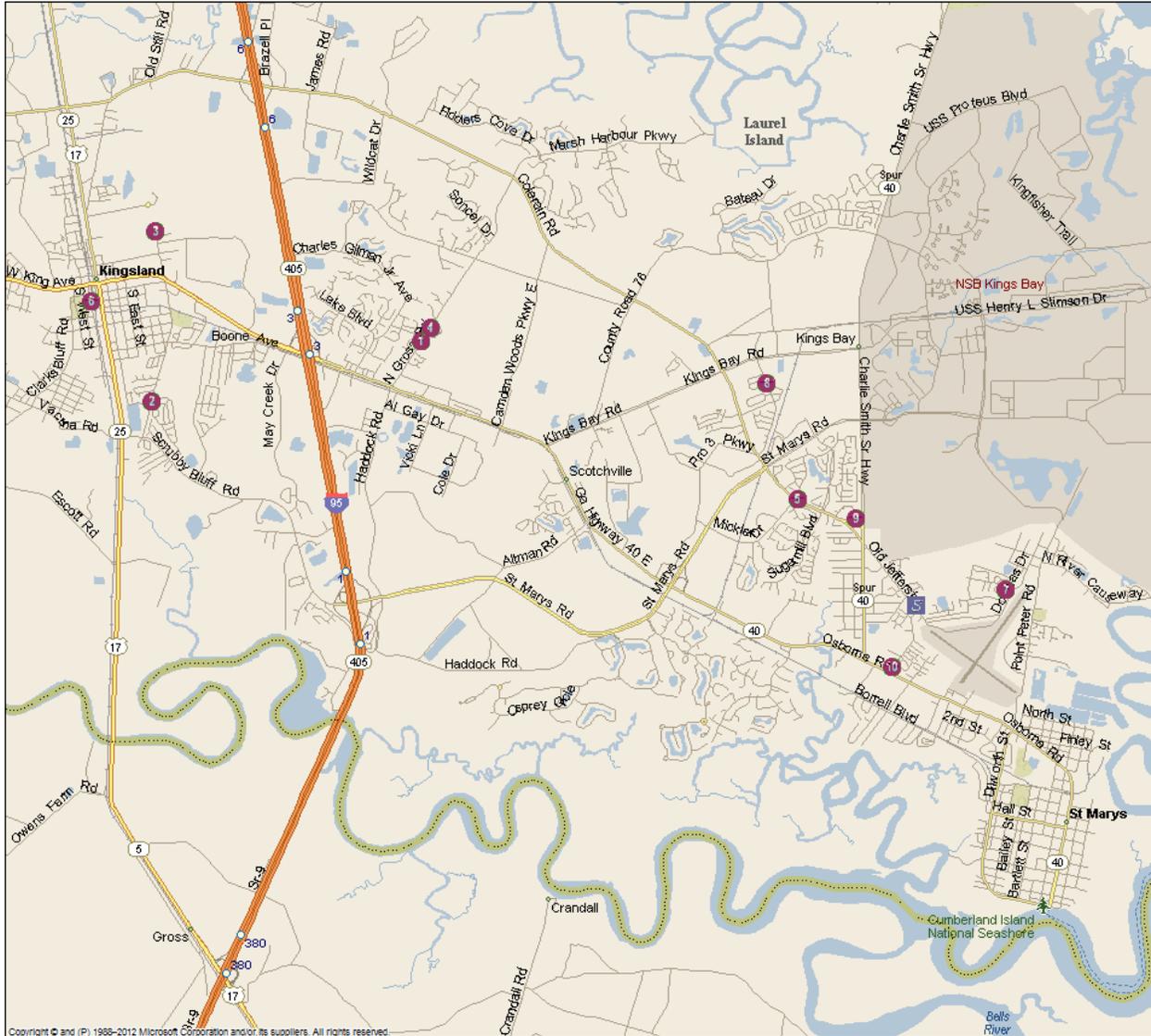
**SECTION 8 OCCUPANCY**

<b>Property Name</b>	<b>Location</b>	<b>Occupancy</b>	<b>Waiting List</b>
The Pines	St. Mary's	100%	6 month wait
Glynn Isle	Brunswick	97%	1 year wait
Ware Manor	Waycross	98%	3 month wait

As illustrated, the family Section 8 properties in the Subject's area appear to be performing very well, and all maintain lengthy waiting lists.

Provided on the following pages are maps and individual property profiles of the comparable properties used in the rental analysis. In addition, Novogradac has provided summary matrices to facilitate the analysis of the comparable properties.

Map of Comparable Properties



COMPARABLE PROPERTIES				
#	Property Name	City	Type	Distance
1	Ashton Cove Apartments	Kingsland	LIHTC	6.4 miles
2	Caney Heights	Kingsland	LIHTC	9.7 miles
3	Kings Grant Apartments	Kingsland	LIHTC	10.3 miles
4	Royal Point Apartments	Kingsland	LIHTC	6.6 miles
5	The Reserve At Sugar Mill	St Marys	LIHTC	1.8 miles
6	Greenbriar Townhomes	Kingsland	Market	9.1 miles
7	Harbor Pines Apartments	St Marys	Market	1.1 miles
8	Mission Forest Apartments	St Marys	Market	2.8 miles
9	Park Place	St Marys	Market	1.1 miles
10	Pelican Point Apartments	St Mary's	Market	0.6 miles

**SUMMARY MATRIX**

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate		
Subject	Cumberland Oaks 100 Mary Powell Dr St Marys, GA 31558 Camden County County	n/a	Lowrise (2 stories) 1981 / 2016	@60% (Section 8)	1BR / 1BA	32	20.80%	@60%	\$631	498	no	N/A	N/A	N/A		
					2BR / 1BA	90	58.40%	@60%	\$732	586	no	N/A	N/A	N/A		
					3BR / 2BA	32	20.80%	@60%	\$807	775	no	N/A	N/A	N/A		
						154	100%									
1	Ashton Cove Apartments 230 N Gross Road Kingsland, GA 31548 Camden County	6.4 miles	Garden 1999 / n/a	@45% @50%	1BR / 1BA	15	20.80%	@45%	\$398	764	yes	Yes	0	0.00%		
					1BR / 1BA	3	4.20%	@50%	\$420	764	yes	Yes	0	0.00%		
					2BR / 2BA	32	44.40%	@45%	\$475	984	yes	Yes	0	0.00%		
					2BR / 2BA	6	8.30%	@50%	\$503	984	yes	Yes	0	0.00%		
					3BR / 2BA	13	18.10%	@45%	\$543	1,184	yes	Yes	0	0.00%		
					3BR / 2BA	3	4.20%	@50%	\$623	1,184	yes	Yes	0	0.00%		
						72	100%								0	0.00%
2	Caney Heights Grove Boulevard Kingsland, GA 31548 Camden County	9.7 miles	Single Family 2012 / n/a	@50% @60%	3BR / 2BA	4	14.30%	@50%	\$604	1,418	no	No	0	0.00%		
					3BR / 2BA	14	50.00%	@60%	\$699	1,418	no	No	1	7.10%		
					4BR / 2BA	2	7.10%	@50%	\$575	1,710	no	No	0	0.00%		
					4BR / 2BA	8	28.60%	@60%	\$705	1,710	no	No	0	0.00%		
						28	100%								1	3.60%
3	Kings Grant Apartments 500 N. Grove Boulevard Kingsland, GA 31548 Camden County	10.3 miles	Garden (2 stories) 2009 / n/a	@50% @60%	2BR / 2BA	7	11.70%	@50%	\$530	900	no	No	0	0.00%		
					2BR / 2BA	20	33.30%	@60%	\$644	900	no	No	1	5.00%		
					3BR / 2BA	14	23.30%	@50%	\$600	1,100	no	No	0	0.00%		
					3BR / 2BA	19	31.70%	@60%	\$683	1,100	no	No	1	5.30%		
						60	100%								2	3.30%
4	Royal Point Apartments 301 N Gross Road Kingsland, GA 31548 Camden County	6.6 miles	Garden (3 stories) 2000 / n/a	@50% @60%	2BR / 2BA	72	50.00%	@50%	\$545	990	no	No	0	0.00%		
					2BR / 2BA	N/A	N/A	@60%	\$686	990	no	No	0	N/A		
					3BR / 2BA	72	50.00%	@50%	\$621	1,189	no	No	0	0.00%		
					3BR / 2BA	N/A	N/A	@60%	\$783	1,189	no	No	2	N/A		
						144	100%								2	1.40%
5	The Reserve At Sugar Mill 11115 Colerain Rd St Marys, GA 31558 Camden County	1.8 miles	Garden (2 stories) 1997 / 2013	@50% @60%	2BR / 2BA	3	4.30%	@50%	\$545	939	no	Yes	0	0.00%		
					2BR / 2BA	3	4.30%	@50%	\$545	952	no	Yes	0	0.00%		
					2BR / 2BA	13	18.60%	@60%	\$650	939	no	Yes	2	15.40%		
					2BR / 2BA	15	21.40%	@60%	\$650	952	no	Yes	0	0.00%		
					3BR / 2BA	3	4.30%	@50%	\$625	1,161	no	Yes	0	0.00%		
					3BR / 2BA	3	4.30%	@50%	\$625	1,174	no	Yes	0	0.00%		
					3BR / 2BA	17	24.30%	@60%	\$725	1,161	no	Yes	2	11.80%		
					3BR / 2BA	13	18.60%	@60%	\$725	1,174	no	Yes	0	0.00%		
						70	100%								4	5.70%
					6	Greenbriar Townhomes 244 S. Orange Edwards Blvd Kingsland, GA 31548 Camden County	9.1 miles	Townhouse (2 stories) 1993 / 2009	Market	2BR / 2BA	6	8.30%	Market	\$640	1,200	n/a
3BR / 2BA	66	91.70%	Market	\$650						1,200	n/a	Yes	0	0.00%		
	72	100%													0	0.00%
7	Harbor Pines Apartments 2000 Harbor Pine Drive St Marys, GA 31558 Camden County	1.1 miles	Garden (2 stories) 1989 / n/a	Market	1BR / 1BA	44	22.00%	Market	\$595	750	n/a	No	2	4.50%		
					2BR / 2BA	112	56.00%	Market	\$630	950	n/a	No	6	5.40%		
					3BR / 2BA	44	22.00%	Market	\$740	1,100	n/a	No	2	4.50%		
						200	100%								10	5.00%
8	Mission Forest Apartments 999 Mission Trace Dr St Marys, GA 31558 Camden County	2.8 miles	Garden (2 stories) 1986 / n/a	Market	1BR / 1BA	16	15.40%	Market	\$527	750	n/a	No	0	0.00%		
					2BR / 2BA	88	84.60%	Market	\$597	950	n/a	No	1	1.10%		
						104	100%								1	1.00%
9	Park Place 11919 Colerain Rd St Marys, GA 31558 Camden County	1.1 miles	Garden (2 stories) 1988 / n/a	Market	1BR / 1BA	32	16.00%	Market	\$842	700	n/a	No	0	0.00%		
					1BR / 1BA	0	0.00%	Market	\$888	700	n/a	No	0	N/A		
					1BR / 1BA	0	0.00%	Market	\$795	700	n/a	No	0	N/A		
					2BR / 1BA	68	34.00%	Market	\$908	950	n/a	No	2	2.90%		
					2BR / 1BA	0	0.00%	Market	\$922	950	n/a	No	0	N/A		
					2BR / 1BA	0	0.00%	Market	\$895	950	n/a	No	0	N/A		
					2BR / 2BA	68	34.00%	Market	\$975	950	n/a	No	0	0.00%		
					2BR / 2BA	0	0.00%	Market	\$990	950	n/a	No	0	N/A		
					2BR / 2BA	0	0.00%	Market	\$960	950	n/a	No	0	N/A		
					3BR / 2BA	32	16.00%	Market	\$958	1,100	n/a	Yes	0	0.00%		
					3BR / 2BA	0	0.00%	Market	\$981	1,100	n/a	Yes	0	N/A		
					3BR / 2BA	0	0.00%	Market	\$935	1,100	n/a	Yes	0	N/A		
						200	100%								2	1.00%
10	Pelican Point Apartments 1 Pelican Point St Mary's, GA 31558 Camden County	0.6 miles	Garden (2 stories) 1987 / n/a	Market	1BR / 1BA	24	42.90%	Market	\$490	560	n/a	No	1	4.20%		
					2BR / 2BA	32	57.10%	Market	\$590	1,000	n/a	No	0	0.00%		
						56	100%								1	1.80%

# PROPERTY PROFILE REPORT

## Ashton Cove Apartments

**Effective Rent Date** 7/10/2015  
**Location** 230 N Gross Road  
 Kingsland, GA 31548  
 Camden County  
**Distance** 6.4 miles  
**Units** 72  
**Vacant Units** 0  
**Vacancy Rate** 0.0%  
**Type** Garden  
**Year Built/Renovated** 1999 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** The Village at Winding Road  
**Tenant Characteristics** 32 units for seniors  
**Contact Name** Reese  
**Phone** (912) 510-7007



### Market Information

**Program** @45%, @50%  
**Annual Turnover Rate** 20%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 17%  
**Leasing Pace** Pre-leased  
**Annual Chg. in Rent** None  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	15	764	\$378	\$0	@45%	Yes	0	0.0%	yes	None
1	1	Garden	3	764	\$400	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	32	984	\$445	\$0	@45%	Yes	0	0.0%	yes	None
2	2	Garden	6	984	\$473	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden	13	1,184	\$503	\$0	@45%	Yes	0	0.0%	yes	None
3	2	Garden	3	1,184	\$583	\$0	@50%	Yes	0	0.0%	yes	None

### Unit Mix

@45%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$378	\$0	\$378	\$20	\$398	1BR / 1BA	\$400	\$0	\$400	\$20	\$420
2BR / 2BA	\$445	\$0	\$445	\$30	\$475	2BR / 2BA	\$473	\$0	\$473	\$30	\$503
3BR / 2BA	\$503	\$0	\$503	\$40	\$543	3BR / 2BA	\$583	\$0	\$583	\$40	\$623

## Ashton Cove Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Picnic Area  
Swimming Pool

Central Laundry  
On-Site Management  
Playground

**Premium**

None

**Other**

None

### Comments

The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 200 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts. 32 units at this property are set aside for senior tenants.

# Ashton Cove Apartments, continued

## Trend Report

### Vacancy Rates

3Q14	1Q15	2Q15	3Q15
0.0%	0.0%	0.0%	0.0%

### Trend: @45%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$378	\$0	\$378	\$398
2015	1	0.0%	\$378	\$0	\$378	\$398
2015	2	0.0%	\$378	\$0	\$378	\$398
2015	3	0.0%	\$378	\$0	\$378	\$398

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$445	\$0	\$445	\$475
2015	1	0.0%	\$445	\$0	\$445	\$475
2015	2	0.0%	\$445	\$0	\$445	\$475
2015	3	0.0%	\$445	\$0	\$445	\$475

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$503	\$0	\$503	\$543
2015	1	0.0%	\$503	\$0	\$503	\$543
2015	2	0.0%	\$503	\$0	\$503	\$543
2015	3	0.0%	\$503	\$0	\$503	\$543

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$400	\$0	\$400	\$420
2015	1	0.0%	\$400	\$0	\$400	\$420
2015	2	0.0%	\$400	\$0	\$400	\$420
2015	3	0.0%	\$400	\$0	\$400	\$420

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$473	\$0	\$473	\$503
2015	1	0.0%	\$473	\$0	\$473	\$503
2015	2	0.0%	\$473	\$0	\$473	\$503
2015	3	0.0%	\$473	\$0	\$473	\$503

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$583	\$0	\$583	\$623
2015	1	0.0%	\$583	\$0	\$583	\$623
2015	2	0.0%	\$583	\$0	\$583	\$623
2015	3	0.0%	\$583	\$0	\$583	\$623

## Trend: Comments

- 3Q14** The property manager is the same as The Reserve at Sugar Mill. The waiting list is eight to 12 months in length with 200 households. Both properties typically maintain 100 percent occupancy. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 1Q15** The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 250 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts.
- 2Q15** The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 250 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts. 32 units at this property are set aside for senior tenants.
- 3Q15** The property manager is the same as The Reserve at Sugar Mill. The waiting list has approximately 200 households on it. Most workers in St. Mary's work at the military base and are overqualified for affordable housing. Most tenants either work at Walmart or Express Scripts. 32 units at this property are set aside for senior tenants.

# PROPERTY PROFILE REPORT

## Caney Heights

<b>Effective Rent Date</b>	7/08/2015
<b>Location</b>	Grove Boulevard Kingsland, GA 31548 Camden County
<b>Distance</b>	9.7 miles
<b>Units</b>	28
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	3.6%
<b>Type</b>	Single Family
<b>Year Built/Renovated</b>	2012 / N/A
<b>Marketing Began</b>	12/01/2011
<b>Leasing Began</b>	2/01/2012
<b>Last Unit Leased</b>	6/01/2012
<b>Major Competitors</b>	None
<b>Tenant Characteristics</b>	Mostly local families with 2-4 kids
<b>Contact Name</b>	Dylan
<b>Phone</b>	912-882-7220



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	20%
<b>Units/Month Absorbed</b>	5.5
<b>HCV Tenants</b>	4%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	Reduced deposits

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	4	1,418	\$555	\$0	@50%	No	0	0.0%	no	None
3	2	Single Family	14	1,418	\$650	\$0	@60%	No	1	7.1%	no	None
4	2	Single Family	2	1,710	\$575	\$0	@50%	No	0	0.0%	no	None
4	2	Single Family	8	1,710	\$705	\$0	@60%	No	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
3BR / 2BA	\$555	\$0	\$555	\$49	\$604	3BR / 2BA	\$650	\$0	\$650	\$49	\$699
4BR / 2BA	\$575	\$0	\$575	\$0	\$575	4BR / 2BA	\$705	\$0	\$705	\$0	\$705

### Amenities

#### In-Unit

Balcony/Patio	Blinds
Carpeting	Central A/C
Dishwasher	Garbage Disposal
Oven	Refrigerator
Washer/Dryer	Washer/Dryer hookup

#### Security

None

#### Services

None

#### Property

Basketball Court	Clubhouse/Meeting
Central Laundry	Off-Street Parking
On-Site Management	Picnic Area
Playground	Swimming Pool

#### Premium

None

#### Other

Lakeside park, shuffleboard

## **Caney Heights, continued**

### **Comments**

The contact reported the property operates on a first come, first served basis.

# Caney Heights, continued

## Trend Report

### Vacancy Rates

2Q14	3Q14	1Q15	3Q15
7.1%	10.7%	3.6%	3.6%

### Trend: @50%

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$530	\$0	\$530	\$579
2014	3	0.0%	\$555	\$0	\$555	\$604
2015	1	0.0%	\$555	\$0	\$555	\$604
2015	3	0.0%	\$555	\$0	\$555	\$604

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$550	\$0	\$550	\$550
2014	3	0.0%	\$575	\$0	\$575	\$575
2015	1	0.0%	\$575	\$0	\$575	\$575
2015	3	0.0%	\$575	\$0	\$575	\$575

### Trend: @60%

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	7.1%	\$650	\$0	\$650	\$699
2014	3	7.1%	\$650	\$0	\$650	\$699
2015	1	7.1%	\$650	\$0	\$650	\$699
2015	3	7.1%	\$650	\$0	\$650	\$699

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	12.5%	\$705	\$0	\$705	\$705
2014	3	25.0%	\$705	\$0	\$705	\$705
2015	1	0.0%	\$705	\$0	\$705	\$705
2015	3	0.0%	\$705	\$0	\$705	\$705

### Trend: Comments

**2Q14** The property manager at Caney Heights is also the property manager of Kings Grant Apartments. Caney Heights is the third phase of the Kingsland Affordable Housing Development, which is projected to include five phases. The waiting list is three months long for units @50% AMI. Management explained that the two vacancies are due to tenants buying houses. Management stated that demand is slow due to the military base offering housing to the public since January.

The property manager reported that rents are almost at the maximum allowable level for all unit types.

There are currently eight households that are currently utilizing Housing Choice Vouchers. Caney Heights, which is adjacent to Kings Grant Apartments, shares community amenities with Kings Grant Apartments including swimming pool and clubhouse.

Although the units have in-unit washer and dryers, Caney Heights has its own central laundry for its tenants use.

**3Q14** N/A

**1Q15** The contact stated she expects a rent increase within the next few months.

**3Q15** The contact reported the property operates on a first come, first served basis.

# PROPERTY PROFILE REPORT

## Kings Grant Apartments

<b>Effective Rent Date</b>	7/08/2015
<b>Location</b>	500 N. Grove Boulevard Kingsland, GA 31548 Camden County
<b>Distance</b>	10.3 miles
<b>Units</b>	60
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	3.3%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	2009 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	3/28/2009
<b>Last Unit Leased</b>	8/31/2009
<b>Major Competitors</b>	Caney Place, Ashton Cove, Old Jefferson, Ashton Pines
<b>Tenant Characteristics</b>	Mostly local families
<b>Contact Name</b>	Dylan
<b>Phone</b>	912-882-7220



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	30%
<b>Units/Month Absorbed</b>	11-12
<b>HCV Tenants</b>	30%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increase of 1.4 to 1.9%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	7	900	\$530	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (2 stories)	20	900	\$644	\$0	@60%	No	1	5.0%	no	None
3	2	Garden (2 stories)	14	1,100	\$600	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (2 stories)	19	1,100	\$683	\$0	@60%	No	1	5.3%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$530	\$0	\$530	\$0	\$530	2BR / 2BA	\$644	\$0	\$644	\$0	\$644
3BR / 2BA	\$600	\$0	\$600	\$0	\$600	3BR / 2BA	\$683	\$0	\$683	\$0	\$683

## Kings Grant Apartments, continued

### Amenities

**In-Unit**

Carpeting  
Coat Closet  
Ceiling Fan  
Hand Rails  
Oven  
Refrigerator

Central A/C  
Dishwasher  
Garbage Disposal  
Microwave  
Pull Cords  
Washer/Dryer hookup

**Security**

Patrol

**Services**

None

**Property**

Basketball Court  
Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Playground  
Swimming Pool

Business Center/Computer Lab  
Exercise Facility  
Off-Street Parking  
Picnic Area  
Sport Court

**Premium**

None

**Other**

None

### Comments

The contact reported the property has been operating on a first come, first served basis.

# Kings Grant Apartments, continued

## Trend Report

### Vacancy Rates

3Q14	1Q15	2Q15	3Q15
13.3%	5.0%	3.3%	3.3%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$520	\$0	\$520	\$520
2015	1	0.0%	\$520	\$0	\$520	\$520
2015	2	14.3%	\$530	\$0	\$530	\$530
2015	3	0.0%	\$530	\$0	\$530	\$530

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	0.0%	\$590	\$0	\$590	\$590
2015	1	0.0%	\$590	\$0	\$590	\$590
2015	2	0.0%	\$600	\$0	\$600	\$600
2015	3	0.0%	\$600	\$0	\$600	\$600

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	20.0%	\$634	\$0	\$634	\$634
2015	1	10.0%	\$634	\$0	\$634	\$634
2015	2	5.0%	\$644	\$0	\$644	\$644
2015	3	5.0%	\$644	\$0	\$644	\$644

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	21.1%	\$673	\$0	\$673	\$673
2015	1	5.3%	\$673	\$0	\$673	\$673
2015	2	0.0%	\$683	\$0	\$683	\$683
2015	3	5.3%	\$683	\$0	\$683	\$683

## Trend: Comments

3Q14 N/A

1Q15 The contact reported a waiting list was recently purged. Two of the units have applications pending approval.

2Q15 The contact indicated that the property has historically had elevated vacancy rates as previous management kept poor records and experienced high turnover. Since the contact became the manager for this property and its sister property, Caney Heights, occupancy has substantially improved. The waiting list was recently purged.

3Q15 The contact reported the property has been operating on a first come, first served basis.

# PROPERTY PROFILE REPORT

## Royal Point Apartments

<b>Effective Rent Date</b>	6/29/2015
<b>Location</b>	301 N Gross Road Kingsland, GA 31548 Camden County
<b>Distance</b>	6.6 miles
<b>Units</b>	144
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	1.4%
<b>Type</b>	Garden (3 stories)
<b>Year Built/Renovated</b>	2000 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Ashton Cove, Willow Way, Camden Way
<b>Tenant Characteristics</b>	Majority from Camden Cty including St Marys; Avg HH size is 3 persons, 2% senior
<b>Contact Name</b>	Melody
<b>Phone</b>	(912) 729-7135



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	13%
<b>Leasing Pace</b>	Within one week
<b>Annual Chg. in Rent</b>	Increase of 1.5 to 12.2%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	72	990	\$545	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	N/A	990	\$686	\$0	@60%	No	0	N/A	no	None
3	2	Garden (3 stories)	72	1,189	\$621	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	N/A	1,189	\$783	\$0	@60%	No	2	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$545	\$0	\$545	\$0	\$545	2BR / 2BA	\$686	\$0	\$686	\$0	\$686
3BR / 2BA	\$621	\$0	\$621	\$0	\$621	3BR / 2BA	\$783	\$0	\$783	\$0	\$783

## Royal Point Apartments, continued

### Amenities

**In-Unit**

Blinds  
Central A/C  
Dishwasher  
Garbage Disposal  
Refrigerator  
Washer/Dryer hookup

Carpeting  
Coat Closet  
Ceiling Fan  
Oven  
Walk-In Closet

**Security**

None

**Services**

None

**Property**

Basketball Court  
Exercise Facility  
Off-Street Parking  
Playground

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

The contact indicated the property typically maintains a waiting list but no one is waiting at this time. She indicated that all of the vacancies are pre-leased. The contact noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a significant increase of 12 percent for the units at 60 percent of AMI.

# Royal Point Apartments, continued

## Trend Report

### Vacancy Rates

2Q14	3Q14	1Q15	2Q15
4.2%	4.9%	4.2%	1.4%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$537	\$0	\$537	\$537
2014	3	2.8%	\$537	\$0	\$537	\$537
2015	1	0.0%	\$545	\$0	\$545	\$545
2015	2	0.0%	\$545	\$0	\$545	\$545

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	1.4%	\$611	\$0	\$611	\$611
2014	3	0.0%	\$611	\$0	\$611	\$611
2015	1	0.0%	\$621	\$0	\$621	\$621
2015	2	0.0%	\$621	\$0	\$621	\$621

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$611	\$0	\$611	\$611
2014	3	N/A	\$611	\$0	\$611	\$611
2015	1	N/A	\$686	\$0	\$686	\$686
2015	2	N/A	\$686	\$0	\$686	\$686

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$733	\$0	\$733	\$733
2014	3	N/A	\$699	\$0	\$699	\$699
2015	1	N/A	\$783	\$0	\$783	\$783
2015	2	N/A	\$783	\$0	\$783	\$783

### Trend: Comments

- 2Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is.
- 3Q14** The contact indicated higher demand for 50 percent units in the area and while there is no waiting list for these units currently, the contact indicated that there often is one maintained.
- 1Q15** The contact reported a waiting list with five to seven households for the two bedroom units at this time. She noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a sharp increase of 12 percent for the units at 60 percent of AMI. Recent price increases have brought the rents up to the maximum allowable.
- 2Q15** The contact indicated the property typically maintains a waiting list but no one is waiting at this time. She indicated that all of the vacancies are pre-leased. The contact noted a modest 1.5 percent rent increase for units at 50 percent of AMI and a significant increase of 12 percent for the units at 60 percent of AMI.

# PROPERTY PROFILE REPORT

## The Reserve At Sugar Mill

<b>Effective Rent Date</b>	6/30/2015
<b>Location</b>	11115 Colerain Rd St Marys, GA 31558 Camden County
<b>Distance</b>	1.8 miles
<b>Units</b>	70
<b>Vacant Units</b>	4
<b>Vacancy Rate</b>	5.7%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1997 / 2013
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Kings Grant, Ashton Cove
<b>Tenant Characteristics</b>	Majority of tenants come from St. Marys and Kingsland, five percent seniors
<b>Contact Name</b>	Cheramy
<b>Phone</b>	912-673-6588



### Market Information

<b>Program</b>	@50%, @60%
<b>Annual Turnover Rate</b>	17%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	9%
<b>Leasing Pace</b>	Pre-leased
<b>Annual Chg. in Rent</b>	Increase of 3.5 to 4.2%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	3	939	\$515	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	3	952	\$515	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	13	939	\$620	\$0	@60%	Yes	2	15.4%	no	None
2	2	Garden (2 stories)	15	952	\$620	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,161	\$585	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,174	\$585	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	17	1,161	\$685	\$0	@60%	Yes	2	11.8%	no	None
3	2	Garden (2 stories)	13	1,174	\$685	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$515	\$0	\$515	\$30	\$545	2BR / 2BA	\$620	\$0	\$620	\$30	\$650
3BR / 2BA	\$585	\$0	\$585	\$40	\$625	3BR / 2BA	\$685	\$0	\$685	\$40	\$725

## The Reserve At Sugar Mill, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Coat Closet  
Exterior Storage  
Garbage Disposal  
Refrigerator  
Washer/Dryer

Blinds  
Central A/C  
Dishwasher  
Ceiling Fan  
Oven  
Walk-In Closet  
Washer/Dryer hookup

**Security**

None

**Services**

None

**Property**

Clubhouse/Meeting  
Off-Street Parking  
Playground

Central Laundry  
On-Site Management  
Recreation Areas

**Premium**

None

**Other**

Splash pad

### Comments

The contact reported strong occupancy during the past 12 months and there are 45 households on the waiting list at this time. Both vacancies are pre-leased.

# The Reserve At Sugar Mill, continued

## Trend Report

### Vacancy Rates

2Q14	3Q14	1Q15	2Q15
0.0%	0.0%	0.0%	5.7%

### Trend: @50%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$495	\$0	\$495	\$525
2014	3	0.0%	\$495	\$0	\$495	\$525
2015	1	0.0%	\$515	\$0	\$515	\$545
2015	2	0.0%	\$515	\$0	\$515	\$545

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$565	\$0	\$565	\$605
2014	3	0.0%	\$565	\$0	\$565	\$605
2015	1	0.0%	\$585	\$0	\$585	\$625
2015	2	0.0%	\$585	\$0	\$585	\$625

### Trend: @60%

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$595	\$0	\$595	\$625
2014	3	0.0%	\$595	\$0	\$595	\$625
2015	1	0.0%	\$620	\$0	\$620	\$650
2015	2	7.1%	\$620	\$0	\$620	\$650

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$660	\$0	\$660	\$700
2014	3	0.0%	\$660	\$0	\$660	\$700
2015	1	0.0%	\$685	\$0	\$685	\$725
2015	2	6.7%	\$685	\$0	\$685	\$725

### Trend: Comments

- 2Q14** Management is the same as Ashton Cove Apartments. The property underwent an 8.9 million dollar renovation, which equates to \$127,123 per unit. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.
- 3Q14** Management is the same as Ashton Cove Apartments. The property underwent an 4.3 million dollar renovation, which equates to \$61,500 per unit in hard costs. The increase in rent was \$5 for two-bedrooms, \$15 for three-bedrooms at 50 percent AMI, and an \$8 decrease for three-bedrooms at 60 percent AMI. Management stated that a portion of the tenants stayed at the property. Construction began in July 2012 and was completed by January 31st, 2014. During that time all of the available units were leased. Management stated that there are few jobs in the area outside of the military base. She stated that workers at the base are overqualified for affordable housing. The tenants typically work at Walmart or Express Scripts. Traffic for the property has been slow lately.
- 1Q15** The contact reported strong occupancy during the past 12 months and there are 25 households on the waiting list at this time.
- 2Q15** The contact reported strong occupancy during the past 12 months and there are 45 households on the waiting list at this time. Both vacancies are pre-leased.

# PROPERTY PROFILE REPORT

## Greenbriar Townhomes

<b>Effective Rent Date</b>	6/29/2015
<b>Location</b>	244 S. Orange Edwards Blvd Kingsland, GA 31548 Camden County
<b>Distance</b>	9.1 miles
<b>Units</b>	72
<b>Vacant Units</b>	0
<b>Vacancy Rate</b>	0.0%
<b>Type</b>	Townhouse (2 stories)
<b>Year Built/Renovated</b>	1993 / 2009
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Soncell
<b>Tenant Characteristics</b>	90% are military households
<b>Contact Name</b>	Tee
<b>Phone</b>	912-673-6596



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	25%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within one weeks
<b>Annual Chg. in Rent</b>	None
<b>Concession</b>	One month free rent

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Townhouse (2 stories)	6	1,200	\$665	\$55	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	66	1,200	\$665	\$55	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$665	\$55	\$610	\$30	\$640
3BR / 2BA	\$665	\$55	\$610	\$40	\$650

### Amenities

#### In-Unit

Balcony/Patio	Cable/Satellite/Internet
Carpeting	Central A/C
Coat Closet	Dishwasher
Exterior Storage	Oven
Refrigerator	Walk-In Closet
Washer/Dryer hookup	

#### Security

None

#### Services

None

#### Property

Central Laundry	Swimming Pool
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#### Premium

None

#### Other

None

## **Greenbriar Townhomes, continued**

### **Comments**

The property's turnover is primarily based on military transfers which occur in April and November. There is a concession at the property currently to facilitate rapid leasing as new military families just transferred to the area. Four households on are the waiting list currently.

## Greenbriar Townhomes, continued

### Trend Report

#### Vacancy Rates

2Q14	3Q14	1Q15	2Q15
0.0%	0.0%	0.0%	0.0%

### Trend: Market

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$665	\$55	\$610	\$640
2014	3	0.0%	\$665	\$20	\$645	\$675
2015	1	0.0%	\$645	\$0	\$645	\$675
2015	2	0.0%	\$665	\$55	\$610	\$640

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$665	\$55	\$610	\$650
2014	3	0.0%	\$665	\$55	\$610	\$650
2015	1	0.0%	\$665	\$55	\$610	\$650
2015	2	0.0%	\$665	\$55	\$610	\$650

### Trend: Comments

- 2Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. There is a waiting list of two households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.
- 3Q14** There is a rent special at the property currently. Rents for the two and three-bedroom units are typically the same, since they have the same square footage. Rents for military families are typically \$645 as opposed to the \$665 for civilians. However, all rents are at the discounted rate currently. There is a waiting list of five households. Turnover is limited to base transfers mainly. The property does not accept Housing Choice Vouchers.
- 1Q15** The contact reported occupancy rates have been stable during the past 12 months. There is currently a rent special on the three-bedroom units, two of which will become vacant at the end of the month.
- 2Q15** The property's turnover is primarily based on military transfers which occur in April and November. There is a concession at the property currently to facilitate rapid leasing as new military families just transferred to the area. Four households are on the waiting list currently.

# PROPERTY PROFILE REPORT

## Harbor Pines Apartments

**Effective Rent Date** 7/08/2015  
**Location** 2000 Harbor Pine Drive  
 St Marys, GA 31558  
 Camden County  
**Distance** 1.1 miles  
**Units** 200  
**Vacant Units** 10  
**Vacancy Rate** 5.0%  
**Type** Garden (2 stories)  
**Year Built/Renovated** 1989 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** Park Place, Brant Creek  
**Tenant Characteristics** 40% military, 20% senior, families, singles  
**Contact Name** Kelly  
**Phone** (912) 882-7330



### Market Information

**Program** Market  
**Annual Turnover Rate** 35%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 2%  
**Leasing Pace** Within 10 days  
**Annual Chg. in Rent** Increase of 0.7%-9.7%  
**Concession** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	44	750	\$575	\$0	Market	No	2	4.5%	N/A	None
2	2	Garden (2 stories)	112	950	\$600	\$0	Market	No	6	5.4%	N/A	None
3	2	Garden (2 stories)	44	1,100	\$700	\$0	Market	No	2	4.5%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$575	\$0	\$575	\$20	\$595
2BR / 2BA	\$600	\$0	\$600	\$30	\$630
3BR / 2BA	\$700	\$0	\$700	\$40	\$740

## Harbor Pines Apartments, continued

### Amenities

**In-Unit**

Balcony/Patio  
Carpeting  
Dishwasher  
Garbage Disposal  
Refrigerator

Blinds  
Central A/C  
Exterior Storage  
Oven  
Washer/Dryer hookup

**Security**

Patrol

**Services**

None

**Property**

Basketball Court  
Off-Street Parking  
Playground  
Tennis Court

Clubhouse/Meeting  
On-Site Management  
Swimming Pool

**Premium**

None

**Other**

None

### Comments

The contact reported current occupancy has been typical so far in 2015.

# Harbor Pines Apartments, continued

## Trend Report

### Vacancy Rates

3Q14	1Q15	2Q15	3Q15
2.5%	2.5%	4.0%	5.0%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	4.5%	\$505	\$0	\$505	\$525
2015	1	0.0%	\$515	\$0	\$515	\$535
2015	2	N/A	\$515	\$0	\$515	\$535
2015	3	4.5%	\$575	\$0	\$575	\$595

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	1.8%	\$550	\$0	\$550	\$580
2015	1	0.9%	\$550	\$0	\$550	\$580
2015	2	N/A	\$560	\$0	\$560	\$590
2015	3	5.4%	\$600	\$0	\$600	\$630

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	2.3%	\$695	\$0	\$695	\$735
2015	1	9.1%	\$695	\$0	\$695	\$735
2015	2	N/A	\$695	\$0	\$695	\$735
2015	3	4.5%	\$700	\$0	\$700	\$740

## Trend: Comments

3Q14	N/A
1Q15	The contact reported three of the vacant units are preleased at this time.
2Q15	The contact could not provide a detailed vacancy breakdown at the property.
3Q15	The contact reported current occupancy has been typical so far in 2015.



## **Mission Forest Apartments, continued**

### **Comments**

The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants in the military.

## Mission Forest Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	3Q14	1Q15	2Q15
3.8%	1.0%	1.9%	1.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	6.2%	\$515	\$16	\$499	\$519
2014	3	0.0%	\$515	\$43	\$472	\$492
2015	1	0.0%	\$515	\$17	\$498	\$518
2015	2	0.0%	\$515	\$8	\$507	\$527

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	3.4%	\$575	\$16	\$559	\$589
2014	3	1.1%	\$575	\$48	\$527	\$557
2015	1	2.3%	\$575	\$17	\$558	\$588
2015	2	1.1%	\$575	\$8	\$567	\$597

### Trend: Comments

2Q14	The property has a flat fee for water. It is 30 dollars on the one-bedroom units and 50 dollars on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.
3Q14	The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants working at the military base.
1Q15	The property has a flat fee for water. It is \$30 on the one-bedroom units and \$50 on the two-bedroom units. High turnover is due to a majority of tenants in the military.
2Q15	N/A

# PROPERTY PROFILE REPORT

## Park Place

<b>Effective Rent Date</b>	7/14/2015
<b>Location</b>	11919 Colerain Rd St Marys, GA 31558 Camden County
<b>Distance</b>	1.1 miles
<b>Units</b>	200
<b>Vacant Units</b>	2
<b>Vacancy Rate</b>	1.0%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1988 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Brant Creek, Harbor Pines, Hickory Plantation
<b>Tenant Characteristics</b>	90% military, Camden Cty Medical Center, schools, police department; Avg is 4 person HH; 5% senior
<b>Contact Name</b>	Heather
<b>Phone</b>	(912) 673-6001



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	N/A
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	0%
<b>Leasing Pace</b>	Within two weeks
<b>Annual Chg. in Rent</b>	Increase of 6.5 to 10.2%
<b>Concession</b>	None

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	700	\$822	\$0	Market	No	0	0.0%	N/A	AVG
1	1	Garden (2 stories)	0	700	\$868	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	0	700	\$775	\$0	Market	No	0	N/A	N/A	LOW
2	1	Garden (2 stories)	68	950	\$878	\$0	Market	No	2	2.9%	N/A	AVG
2	1	Garden (2 stories)	0	950	\$892	\$0	Market	No	0	N/A	N/A	HIGH
2	1	Garden (2 stories)	0	950	\$865	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (2 stories)	68	950	\$945	\$0	Market	No	0	0.0%	N/A	AVG
2	2	Garden (2 stories)	0	950	\$960	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (2 stories)	0	950	\$930	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (2 stories)	32	1,100	\$918	\$0	Market	Yes	0	0.0%	N/A	AVG
3	2	Garden (2 stories)	0	1,100	\$941	\$0	Market	Yes	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	0	1,100	\$895	\$0	Market	Yes	0	N/A	N/A	LOW

## Park Place, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$775 - \$868	\$0	\$775 - \$868	\$20	\$795 - \$888
2BR / 1BA	\$865 - \$892	\$0	\$865 - \$892	\$30	\$895 - \$922
2BR / 2BA	\$930 - \$960	\$0	\$930 - \$960	\$30	\$960 - \$990
3BR / 2BA	\$895 - \$941	\$0	\$895 - \$941	\$40	\$935 - \$981

### Amenities

#### In-Unit

Blinds  
Central A/C  
Exterior Storage  
Garbage Disposal  
Oven  
Vaulted Ceilings  
Washer/Dryer hookup

Carpeting  
Dishwasher  
Ceiling Fan  
Microwave  
Refrigerator  
Walk-In Closet

#### Security

Patrol

#### Services

None

#### Property

Clubhouse/Meeting  
Central Laundry  
On-Site Management  
Tennis Court

Exercise Facility  
Off-Street Parking  
Swimming Pool

#### Premium

None

#### Other

Fishing pond, walking path

### Comments

She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy. There is a short waiting list for three-bedroom units.

## Park Place, continued

### Trend Report

#### Vacancy Rates

3Q14	1Q15	2Q15	3Q15
4.0%	4.5%	1.0%	1.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$622 - \$688	\$0	\$622 - \$688	\$642 - \$708
2015	1	0.0%	\$686 - \$868	\$0	\$686 - \$868	\$706 - \$888
2015	2	0.0%	\$740 - \$833	\$0	\$740 - \$833	\$760 - \$853
2015	3	0.0%	\$775 - \$868	\$0	\$775 - \$868	\$795 - \$888

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$740 - \$815	\$0	\$740 - \$815	\$770 - \$845
2015	1	4.4%	\$760 - \$809	\$0	\$760 - \$809	\$790 - \$839
2015	2	2.9%	\$900 - \$1,017	\$0	\$900 - \$1,017	\$930 - \$1,047
2015	3	2.9%	\$865 - \$892	\$0	\$865 - \$892	\$895 - \$922

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$827 - \$881	\$0	\$827 - \$881	\$857 - \$911
2015	1	5.9%	\$809 - \$858	\$0	\$809 - \$858	\$839 - \$888
2015	2	0.0%	\$936 - \$1,047	\$0	\$936 - \$1,047	\$966 - \$1,077
2015	3	0.0%	\$930 - \$960	\$0	\$930 - \$960	\$960 - \$990

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	3	N/A	\$754 - \$911	\$0	\$754 - \$911	\$794 - \$951
2015	1	6.2%	\$860 - \$1,013	\$0	\$860 - \$1,013	\$900 - \$1,053
2015	2	0.0%	\$895 - \$976	\$0	\$895 - \$976	\$935 - \$1,016
2015	3	0.0%	\$895 - \$941	\$0	\$895 - \$941	\$935 - \$981

### Trend: Comments

3Q14	Management stated that rent ranges based on occupancy and rents change daily. A large majority of tenants work at the base. Management was unable to estimate turnover and stated that leasing pace depends on the apartment type. Management also believes that housing demand in the area is average.
1Q15	The contact reported current occupancy has been typical for most of the past year. She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy.
2Q15	She could not estimate turnover rate but stated it was not as high as it has been in previous years due to the high military tenancy. There is a short waiting list for three-bedroom units.
3Q15	N/A

# PROPERTY PROFILE REPORT

## Pelican Point Apartments

<b>Effective Rent Date</b>	6/29/2015
<b>Location</b>	1 Pelican Point St Mary's, GA 31558 Camden County
<b>Distance</b>	0.6 miles
<b>Units</b>	56
<b>Vacant Units</b>	1
<b>Vacancy Rate</b>	1.8%
<b>Type</b>	Garden (2 stories)
<b>Year Built/Renovated</b>	1987 / N/A
<b>Marketing Began</b>	N/A
<b>Leasing Began</b>	N/A
<b>Last Unit Leased</b>	N/A
<b>Major Competitors</b>	Camden Way, Mission Forest, Harbor Pines
<b>Tenant Characteristics</b>	Approximately 30% seniors, 10-15% military
<b>Contact Name</b>	Lisa
<b>Phone</b>	(912) 673-6301



### Market Information

<b>Program</b>	Market
<b>Annual Turnover Rate</b>	21%
<b>Units/Month Absorbed</b>	N/A
<b>HCV Tenants</b>	2%
<b>Leasing Pace</b>	Within three weeks
<b>Annual Chg. in Rent</b>	Increase of 1.7 to 2.0%
<b>Concession</b>	Reduced app fees

### Utilities

<b>A/C</b>	not included -- central
<b>Cooking</b>	not included -- electric
<b>Water Heat</b>	not included -- electric
<b>Heat</b>	not included -- electric
<b>Other Electric</b>	not included
<b>Water</b>	included
<b>Sewer</b>	included
<b>Trash Collection</b>	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	560	\$490	\$0	Market	No	1	4.2%	N/A	None
2	2	Garden (2 stories)	32	1,000	\$590	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$490	\$0	\$490	\$0	\$490
2BR / 2BA	\$590	\$0	\$590	\$0	\$590

### Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting	Central A/C	
Dishwasher	Oven	
Refrigerator	Walk-In Closet	
Washer/Dryer hookup		
Property	Premium	Other
Central Laundry	None	None
On-Site Management	Off-Street Parking	
	Playground	

## **Pelican Point Apartments, continued**

### **Comments**

The contact indicated that recent turnover was due to evictions. The contact indicated that many people are looking for affordable housing in the area.

## Pelican Point Apartments, continued

### Trend Report

#### Vacancy Rates

2Q14	3Q14	1Q15	2Q15
7.1%	0.0%	3.6%	1.8%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	8.3%	\$480	\$0	\$480	\$480
2014	3	0.0%	\$480	\$0	\$480	\$480
2015	1	0.0%	\$490	\$0	\$490	\$490
2015	2	4.2%	\$490	\$0	\$490	\$490

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	6.2%	\$580	\$0	\$580	\$580
2014	3	0.0%	\$580	\$0	\$580	\$580
2015	1	6.2%	\$590	\$0	\$590	\$590
2015	2	0.0%	\$590	\$0	\$590	\$590

### Trend: Comments

2Q14	Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied. She stated that demand has been low lately. The property is waiving the application fee and will also waive the deposit if the tenant has a high credit score. Three of the vacancies are preleased. Two will be rented by May first and the other by the end of May.
3Q14	Management is the same as Old Jefferson. Management stated that one tenant who has been at the property for several years uses a housing choice voucher. There are no other tenants using vouchers because rents are too high. Management also stated that Pelican Point is typically 100 percent occupied.
1Q15	N/A
2Q15	The contact indicated that recent turnover was due to evictions. The contact indicated that many people are looking for affordable housing in the area.

## MARKET CHARACTERISTICS

Following is an analysis of relevant market characteristics for the comparable properties surveyed relative to the Subject.

### Absorption

According to our rent survey and the analysis of the low income housing demand, the demand for housing of all types is very strong. As an affordable housing development, absorption is anticipated to be fairly rapid, if the Subject were hypothetically vacant.

Two of the comparables were able to report absorption information. Caney Heights, a 28-unit LIHTC property located in Kingsland, completed construction in 2012. According to the property manager, this property absorbed seven units a month for an absorption period of four months. Additionally, we obtained absorption information from Kings Grant, a 60-unit LIHTC property located in Kingsland. This property was completed in 2009 and reported to absorb between 11 and 12 units per month, equating to an absorption period of approximately five months. Thus, if the Subject was hypothetically 100 percent vacant and had to re-lease units, we would estimate an absorption rate of approximately 12 units per month, for an absorption period of approximately 12 to 13 months. However, the Subject is an existing development that is currently stabilized, and the renovations will occur as a rolling renovation with tenants remaining in place. All of the Subject's existing tenants will remain income qualified following renovations, and the absorption analysis is moot.

### Vacancy

The following table summarizes overall weighted vacancy trends at the surveyed properties.

#### OVERALL VACANCY

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashton Cove Apartments	LIHTC	72	0	0.00%
Caney Heights	LIHTC	28	1	3.60%
Kings Grant Apartments	LIHTC	60	2	3.30%
Royal Point Apartments	LIHTC	144	2	1.40%
The Reserve At Sugar Mill	LIHTC	70	4	5.70%
Greenbriar Townhomes	Market	72	0	0.00%
Harbor Pines Apartments	Market	200	10	5.00%
Mission Forest Apartments	Market	104	1	1.00%
Park Place	Market	200	2	1.00%
Pelican Point Apartments	Market	56	1	1.80%
<b>Total</b>		<b>1006</b>	<b>23</b>	<b>2.30%</b>

The overall vacancy rates among the comparables range from 0.0 to 5.7 percent, with a weighted average of 2.3 percent. At the time of the previous survey in the first quarter of 2015, the weighted average vacancy rate was 2.8 percent. The LIHTC comparables reported a weighted average vacancy rate of 2.4 percent. The market rate comparables reported an average weighted vacancy rate of 2.2 percent.

The Subject reported vacancy and collection loss of 7.1 percent or less over the past three years. According to the rent roll dated July 8, 2015, the Subject was 92.9 percent occupied. Based upon the Subject's historical performance and the previous data of the overall health of the market, we believe that with adequate management, the Subject would operate with a vacancy rate of four percent or less for the restricted and unrestricted scenarios.

### Concessions

Two of the market rate comparables reported concessions on select unit types. However, the limited amount of concessions in the market indicates that the Subject likely does not need to offer concessions to remain competitive at the current rent levels.

### Reasonability of Rents

The following table is a comparison of the Subject's and comparable properties' rents. For the purposes of this appraisal, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. We have utilized the Georgia Department of Community Affairs, effective July 1, 2015, as the basis of our adjustments. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, it is important to note that we compared to conceded rent levels at the comparable properties, when applicable.

<b>LIHTC Rent Comparison - @60%</b>			
<b>Property Name</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
Cumberland Oaks (Subject)	\$631	\$732	\$807
<b>2015 LIHTC Maximum (Net)</b>	<b>\$681</b>	<b>\$792</b>	<b>\$906</b>
Caney Heights	N/A	N/A	\$699
Kings Grant Apartments	N/A	\$644	\$683
Royal Point Apartments	N/A	\$686	\$783
The Reserve At Sugar Mill	N/A	\$650	\$725
<b>Average (excluding Subject)</b>	<b>N/A</b>	<b>\$658</b>	<b>\$722</b>

As illustrated in the previous table, the Subject's proposed rents at 60 percent of AMI are set below the 2015 maximum allowable levels. Royal Point Apartments reported to be achieving maximum allowable rents for its two and three-bedroom units at 60 percent AMI. The remaining comparables reported to be achieving rents below 60 percent AMI. As shown, none of the comparables offer one-bedroom units at 60 percent AMI. The Subject's proposed one-bedroom rents are above the 50 percent AMI rents at Ashton Cove but below the maximum allowable levels and appear reasonable based on the limited number of affordable one-bedroom units in the market. The proposed two- and three-bedroom rents are above the range of the comparables asking rents. Post renovation, the Subject will be similar to slightly inferior to all of the comparables in terms of age/condition. Additionally, the Subject will be inferior to all of the comparables in terms of unit sizes. However, it offers a competitive amenities package. The Subject offers a similar location relative to most of the comparables. However, the comparables located in Kingsland are considered to offer a slightly inferior location compared to the Subject. Further, three of the comparables maintain waiting list and the overall weighted vacancy rate of

the LIHTC comparables is less than three percent. Post renovations, the Subject will be most similar to The Reserve at Sugar Mill, which is the only LIHTC comparable located in St. Mary's. The Subject is considered to be similar in terms of location, slightly superior in terms of age/condition, and inferior in terms of unit sizes relative to The Reserve at Sugar Mill. Further, this property currently maintains a waiting list. Thus, we believe the Subject could achieve two- and three-bedroom rents similar to this property, post renovations. Overall, we believe the Subject's proposed one-bedroom rents are market oriented. However, the proposed two- and three-bedroom unit's rents are too high. Therefore, we have concluded to achievable LIHTC rents of \$631, \$675, and \$750 for the one-, two-, and three-bedroom units, respectively. The following table illustrates NOVOCO's estimated achievable LIHTC rents for the Subject.

**LIHTC Rent Analysis - As Renovated**

<b>Unit Type</b>	<b>Proposed LIHTC Rent</b>	<b>Achievable LIHTC Rent</b>	<b>Proposed Sec 8 Contract Rent</b>
1BR	\$631	\$631	\$725
2BR	\$732	\$675	\$800
3BR	\$807	\$750	\$895

However, as previously noted, the Subject will maintain its Section 8 overlay, post renovation, and the HAP contract rents will not change. Thus, we have utilized the current contract rents in our restricted scenario.

**SURVEY OF COMPARABLE PROJECTS – ESTIMATE OF MARKET RENT**

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market.

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay for their own utilities. Therefore, rents at comparable properties with a utility structure that differs from the Subject have received utility adjustments. This adjustment process allows for a simple comparison of the rents within the market. The table below summarizes the Subject's current rents.

**CURRENT RENTS**

Unit Type	Number of Units	Contract Rent	Utility Allowance (1)	Gross Rent	2015 HUD Fair Market Rents
<i>Section 8</i>					
1BR/1BA	32	\$538	\$65	\$603	\$575
2BR/1BA	90	\$631	\$95	\$726	\$778
3BR/2BA	32	\$836	\$128	\$964	\$1,081
<b>Total</b>	<b>154</b>				

Notes (1) Source of Utility Allowance is according to HUD approved rent schedule, Eff. 7/1/2015.

We have used HUD Form 92273 to determine the current achievable market rents, which is discussed in the following section.

**MARKET RENT ANALYSIS****3. Effective Date of Rental**

All of the comparable properties were surveyed in June or July 2015 and reported that they had leased units recently. No adjustment is warranted for differences in market conditions.

**4. Type of Project / Stories**

The Subject offers one-, two-, and three-bedroom units contained in garden-style lowrise buildings, which is similar to the majority of the comparables. Only one of the comparables, Greenbriar Townhomes, offers townhome units. However, there does not appear to be a premium in the market associated with townhome style units. Thus, no adjustments are warranted.

**5. Floor of Unit in Building**

No properties reported premiums for various floor levels in the buildings. Therefore, no adjustment is warranted.

**6. Project Occupancy**

All of the comparable properties reported occupancy levels above 95 percent. As such, we did not make any adjustments to the comparables for occupancy.

**7. Rent Concessions**

Mission Forest Apartments and Greenbriar Townhomes are currently offering concessions on various unit types. We have applied a negative adjustment in the amount of the monthly concession to these properties as necessary. None of the remaining market rate comparables are currently offering concessions and therefore no adjustments were necessary.

**8. Year Built**

Adjustments for this category are included in condition and street appeal.

**9. Unit Interior Square Footage**

The Subject and the comparables vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot one bedroom functions similarly to a 700 square foot one bedroom) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred method to use for derivation of an adjustment, particularly in the case of differences in square footage. However, no direct matched pairs were available in the market. We have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage.

**10. Number of Bedrooms**

The Subject offers one-, two-, and three-bedroom units. One-, two-, and three-bedroom units are available at the comparable properties utilized in the grids. No adjustment is warranted for number of bedrooms.

**11. Number of Bathrooms**

The Subject offers one-bathroom in the one- and two-bedroom units and two bathrooms in the three-bedroom units. All of the comparables offer one bathroom in the one-bedroom units and two bathrooms in their three-bedroom units. However, the majority of the comparables also offer two bathrooms in their two-bedroom units. Thus, we have valued a bathroom by comparing the value added at comparable properties that offer a different number of bathrooms in the same unit type. The following table illustrates the value of an additional bathroom in this market.

Value of Bathroom				
Park Place				
Unit Type	Rent	SF	Rent/SF	
2BR/1BA	\$878	950	\$0.92	
2BR/2BA	\$945	950	\$0.99	
<i>Calculation of Value</i>				
1. Diff. in SF of 2BR/ 2BA and 2BR/1BA / 4	=	0		
2. Additional SF x RPSF of larger unit	=	\$0.00		
3. Diff. in rent for 2BR/ 2BA and 2BR/1BA - SF value	=	\$67		
<b>Value of additional bathroom</b>		<b>\$67</b>		

Based on the comparable that offer this, the average value of a bathroom is \$67. However this is relatively small sample size. Thus, we have valued a full bathroom at \$40 based on this analysis. We have applied these adjustments as applicable to the comparables.

## 12. Number of Rooms

No adjustment is required.

## 13. Balcony/Terrace/Patio

The Subject does not offer balconies and patios, which is similar to two of the comparables. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

## 14. Parking

The Subject and all of the comparable properties offer off-street surface parking for no charge. Thus, no adjustments are warranted.

## 15. Equipment

### a) Air Conditioning

The Subject and all of the comparables offer air conditioning. Thus, no adjustments are warranted.

### b) Range/Oven

The Subject and all of the comparables offer a range/oven; therefore, no adjustments are needed.

### c) Refrigerator

The Subject and all of the comparable properties offer a refrigerator. No adjustment is required.

**d) Disposal**

The Subject offers a garbage disposal, which three of the comparables offer. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**e) Microwave**

The Subject does not offer a microwave, which only one of the comparables offer. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**f) Dishwasher**

The Subject does not offer a dishwasher, which all of the comparables offer. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**g) Washer/Dryer**

The Subject offers in-unit washer/dryer hook-ups and central laundry facilities, similar to four of the comparables. One of the comparables only offers washer/dryer hookups, which is inferior to the Subject. In order to determine appropriate adjustments for in-unit washer/dryers, we have used a cost/benefit methodology. An \$800 washer and dryer would cost approximately \$22 per month over a three-year lifespan of the appliance. In the one-bedroom units, the Subject only offers central laundry. Thus, comparables that offer both central laundry and hook-ups received negative \$15 adjustments; also one of the comparables offers hook-ups only and received a negative \$5 adjustment. In the two- and three-bedroom units, the Subject offers central laundry and hook-ups which is similar to most of the comparables. Harbor Pines offers only hookups in these grids and it received a positive \$15 adjustment.

**h) Carpet/Blinds**

The Subject offers carpeting/Vinyl floors and window coverings. All of the comparables offer carpeting/Vinyl floors and blinds. Therefore, no adjustments have been applied.

**i) Pool/Recreation**

The Subject provides recreational amenities such as a playground. The majority of the comparables offer a swimming pool, and all of the comparables offer recreation amenities. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**16. Services – Lines A through F**

The Subject's rental rate includes cold water, sewer, and trash. Tenants are responsible for electric and gas expenses. All utility adjustments are based on the most recent utility allowance provided by the Georgia Department of Community Affairs, effective July 1, 2014. It should be noted that the 92273 rent grids are estimating the net achievable market rents for the Subject, which does not include utility costs. Adjustments as a result of utility structure are not considered true rental adjustments, as they are simply a way to equalize the asking rents of the comparables for utilities, so there is a true apples to apples comparison with the Subject in terms of total shelter cost. Further, there is limited subjectivity when making these adjustments, given that they are based on a published utility allowance schedule, local to the Subject's market.

**17. Storage**

The Subject does not offer additional storage, similar to two of the comparables. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**18. Project Location**

The Subject is located in a primarily residential neighborhood in St. Mary's. Four of the comparables are located within 2.8 miles of the Subject and within St. Mary's. These properties are considered to offer a similar location as the Subject. Greenbriar Townhomes is located in Kingsland, which is slightly inferior in terms of location relative to the Subject. Therefore, we have applied a positive \$25 adjustment to this comparable for inferior location.

**19. Other:****a) Clubhouse/Community Room**

The Subject offers a clubhouse, similar to three of the comparable properties. It should be noted that logically, we understand that an adjustment can be made, but we cannot illustrate the magnitude through comparable support. Further, property managers were not able to adequately express an opinion regarding the magnitude of the adjustment. Therefore, no adjustments were applied.

**b) Condition/Street Appeal**

The Subject was constructed in 1981 and exhibits average condition. However, the Subject will undergo approximately \$18,500 per unit in renovations and will be in good condition post renovations. The comparable market rate developments were built between 1986 and 1993. Harbor Pines Apartments, Mission Forest Apartments, and Pelican Point Apartments were constructed between 1986 and 1987. Based on our site inspection, these properties are considered to be in average condition. Greenbriar Townhomes was constructed in 1993 and reported renovations in 2009. Based on our site inspection, this property is also considered to be in average condition. Park Place was originally constructed in 1988 and has been well maintained over the years. This property is considered to be in good condition. To determine an appropriate adjustment for properties based on condition, we compared the asking rents of

the properties in average condition to those in good condition. The indicated adjustments are illustrated in the following table. It should be noted that the rents illustrated below have been adjusted for all other characteristics except for condition.

Condition Adjustments			
Property	Condition	Adjusted Rent	
<b>Two-Bedroom Units</b>			
Park Place	Good	\$847	
Harbor Pines	Average	\$569	
Mission Forest	Average	\$516	
Pelican Point	Average	\$484	
Greenbriar Townhomes	Average	\$559	
<i>Average Difference Between Good and Average</i>			<i>\$315</i>

This is a small sample size and likely does not illustrate the true market premium for developments in fair, good, and excellent condition. As previously noted, the Subject will be in good condition, post renovations. Thus, we have applied a positive \$200 adjustment to comparables in average condition compared to the Subject’s anticipated good condition. No adjustments are necessary for the comparable in good condition. These adjustments are within the range of the differences illustrated in the table and we believe that our adjustments are reasonable based on conversations with local managers. Further, based on the comparable adjusted asking rents, we believe our adjustment is supported by the data.

**c) Business/Computer Center**

The Subject offers a computer room, which none of the comparables offer. Based on a comparison of internet providers in the Subject’s immediate area, monthly rates range from \$14.95 to \$39.99. It should be noted that there are some local restaurants and venues that do offer free Wi-Fi “hotspots” within walking distance from the Subject. However, there is an inherent value of having a computer center on-site. Thus, we have applied a positive \$15 adjustment to all of the comparables that do not offer a business center.

The following charts summarize the adjustments made within the rental grids, along with our conclusions of achievable market rent for each floor plan.

**One-Bedroom Units**

<i>A. Comparable No. 7</i>		<i>B. Comparable No. 8</i>		<i>C. Comparable No. 9</i>		<i>D. Comparable No. 9</i>	
Harbor Pines		Mission Forest		Park Place		Pelican Point	
St. Marys, GA		St. Marys, GA		St. Marys, GA		St. Marys, GA	
<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
<b>\$760</b>		<b>\$687</b>		<b>\$787</b>		<b>\$660</b>	

The adjusted rents range from \$660 to \$787 per month, with an adjusted average rent of \$724 per month. The central 60 percent range is from \$685 to \$762. With consideration given to all of the properties, we have concluded to a market rent of **\$725** for the one-bedroom units.

**Two-Bedroom Units**

<i>A. Comparable No. 7</i>		<i>B. Comparable No. 8</i>		<i>C. Comparable No. 9</i>		<i>D. Comparable No. 9</i>		<i>E. Comparable No. 6</i>	
Harbor Pines		Mission Forest		Park Place		Pelican Point		Greenbriar Townhomes	
St. Marys, GA		St. Marys, GA		St. Marys, GA		St. Marys, GA		Kingsland, GA	
<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
<b>\$770</b>		<b>\$717</b>		<b>\$848</b>		<b>\$683</b>		<b>\$760</b>	

The adjusted rents range from \$683 to \$848 per month, with an adjusted average rent of \$756 per month. The central 60 percent range is from \$716 to \$815. We placed slightly more weight on Park Place based on its location proximate to the Subject. This comparable also had the fewest net adjustments. With consideration given to all of the properties, we have concluded to a market rent of **\$800** for the two-bedroom units.

**Three-Bedroom Units**

<i>A. Comparable No. 7</i>		<i>B. Comparable No. 8</i>		<i>E. Comparable No. 6</i>	
Harbor Pines		Park Place		Greenbriar Townhomes	
St. Marys, GA		St. Marys, GA		Kingsland, GA	
<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
<b>\$920</b>		<b>\$913</b>		<b>\$835</b>	

The adjusted rents range from \$835 to \$920 per month, with an adjusted average rent of \$889 per month. The central 60 percent range is from \$852 to \$903. We placed slightly more weight on Park Place based on its location proximate to the Subject. This comparable also had the fewest net adjustments. With consideration given to all of the properties, we have concluded to a market rent of **\$895** for the three-bedroom units.

**POTENTIAL GROSS RENTAL INCOME**

In deriving an estimate of the achievable market rents, we have developed 92273 adjustment grids. These grids were discussed in the previous section and have been included in the addendum of this report. The following tables reflect the achievable rents under the unrestricted and restricted scenarios.

The following table summarizes the Subject’s achievable restricted rents. It should be noted, that per HUD Guidelines Section 7.17, the LIHTC rent must be derived for a unit that currently benefits from a Section 8 subsidy; however, the Section 8 rent will be the actual amount of rental income for that unit. Thus, the Section 8 contract rent will be utilized for the units that benefit from Section 8 subsidies. Moreover, we have assumed the Subject will be issued a new long-term HAP contract and the Section 8 rents will be marked-to-market post-renovation. Thus, we have utilized our estimate of achievable market rents to determine our restricted NOI.

**GROSS POTENTIAL AS IS RENTAL REVENUE - RESTRICTED**

<b>Cumberland Oaks</b>					
<b>Unit Type</b>	<b>Number of Units</b>	<b>Size</b>	<b>Contract Rent</b>	<b>Monthly Gross Potential Rent</b>	<b>Annual Gross Potential Rent</b>
1BR/1BA	32	498	\$538	\$17,216	\$206,592
2BR/1BA	90	586	\$631	\$56,790	\$681,480
3BR/2BA	<u>32</u>	775	\$836	<u>\$26,752</u>	<u>\$321,024</u>
<b>Total</b>	<b>154</b>			<b>\$100,758</b>	<b>\$1,209,096</b>

The following table summarizes the Subject's achievable unrestricted and market rents.

**GROSS POTENTIAL AS IS UNRESTRICTED RENTAL REVENUE**

<b>Cumberland Oaks</b>						
<b>Unit Type</b>	<b>Number of Units</b>	<b>Achievable Rents</b>			<b>Monthly Gross Potential Rent</b>	<b>Annual Gross Potential Rent</b>
		<b>Unrestricted</b>	<b>Size</b>	<b>\$/PSF</b>		
1BR/1BA	32	\$725	498	\$1.46	\$23,200	\$278,400
2BR/1BA	90	\$800	586	\$1.37	\$72,000	\$864,000
3BR/2BA	<u>32</u>	\$895	775	\$1.15	<u>\$28,640</u>	<u>\$343,680</u>
<b>Total</b>	<b>154</b>				<b>\$123,840</b>	<b>\$1,486,080</b>

**Initial Operating Deficit**

As stated previously, the Subject will have the renovations completed with tenants in place. Thus, we do not believe there will be an operating deficit during the rehabilitation period.

## HIGHEST AND BEST USE

Highest and Best Use may be defined as that legal use which will yield the highest net present value to the land, or that land use which may reasonably be expected to produce the greatest net return over a given period of time.

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the greatest net return to the land. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it creates and/or maintains maximum value, and it is maximum value which affords the owner maximum returns.

The Dictionary of Real Estate Appraisal (Fifth Edition, 2010), published by the Appraisal Institute, defines Highest and Best Use as:

"The reasonably probable and legal use of vacant land supported and financially feasible, and that results in the highest value. The four criteria that the Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. That reasonable and probable use that will support the highest present value of vacant land or improved property, as defined as of the date of the appraisal."

It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of Highest and Best Use takes into account the contribution of a specific use to the community and the community's development goals, as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant, and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. In arriving at the estimate of Highest and Best Use, the Subject site is analyzed "as is", meaning vacant and available for development.

Four tests are typically used to determine the Highest and Best Use of a particular property. Thus, the following areas are addressed.

1. **Physically Possible:** The uses which it is physically possible to put on the site in question.
2. **Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
3. **Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
4. **Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

**HIGHEST AND BEST USE AS IS (VACANT)**

Per the HUD MAP guidelines, land value for the site is determined as if vacant based on the intended use, not the highest and best use. The Subject property is an existing 154-unit multifamily property. Therefore, the warranted price of the land is based on the proposed 154-unit multifamily development.

# **APPRAISAL METHODOLOGY**

## **APPRAISAL METHODOLOGY**

The valuation process begins with an estimate of the highest and best use of the Subject property considered as though vacant, and as improved. Once determined, the property is then valued according to its highest and best use.

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

## **APPLICABILITY TO THE SUBJECT PROPERTY**

This appraisal is performed to HUD MAP standards for a HUD 223(f) Pilot loan, as specified in Chapter 7 of the HUD Map Guide, revised November 23, 2011. Therefore, based upon typical HUD MAP underwriting we will employ specific valuation methodologies. This is considered a Scope of Work issue according to USPAP Guidelines.

The methodology includes a thorough examination of the market and derivation of market derived revenue and expenses estimates. Revenues and expenses are presented based upon the 92273 rent adjustment grid and the 92274 expense grid. The HUD 92264 form is also included as a summary appraisal in the addenda.

The employment of the Cost Approach in the valuation process is based on the principle of substitution. This approach is least effective with properties of a similar age and condition as the Subject. Investors in the marketplace do not typically rely upon the cost approach. The difficulty in accurately estimating economic obsolescence further weakens the reliability of this approach. Therefore, the cost approach is considered to have only limited use in the valuation of the Subject property. Further, MAP guidelines do not require the development of the cost approach for properties over 10 years in age. As such, we have not developed the cost approach. However, an indication of land value is presented in accordance with MAP requirements.

The income capitalization approach requires an estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The

Subject is an income producing property and this is considered to be the best method of valuation.

In the sales comparison approach, appraisers estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach in valuing the Subject property.

## **COST APPROACH**

## **COST APPROACH**

The employment of the Cost Approach in the valuation process is based on the principle of substitution. This approach is least effective with properties of a similar age and condition as the Subject. Investors in the marketplace do not typically rely upon the cost approach. The difficulty in accurately estimating economic obsolescence further weakens the reliability of this approach. Therefore, the cost approach is considered to have only limited use in the valuation of the Subject property. Further, MAP guidelines do not require the development of the cost approach for properties over 10 years in age. As such, we have not developed the cost approach. However, an indication of land value is presented in accordance with MAP requirements as well as an estimate of the remaining economic life.

## **LAND VALUATION**

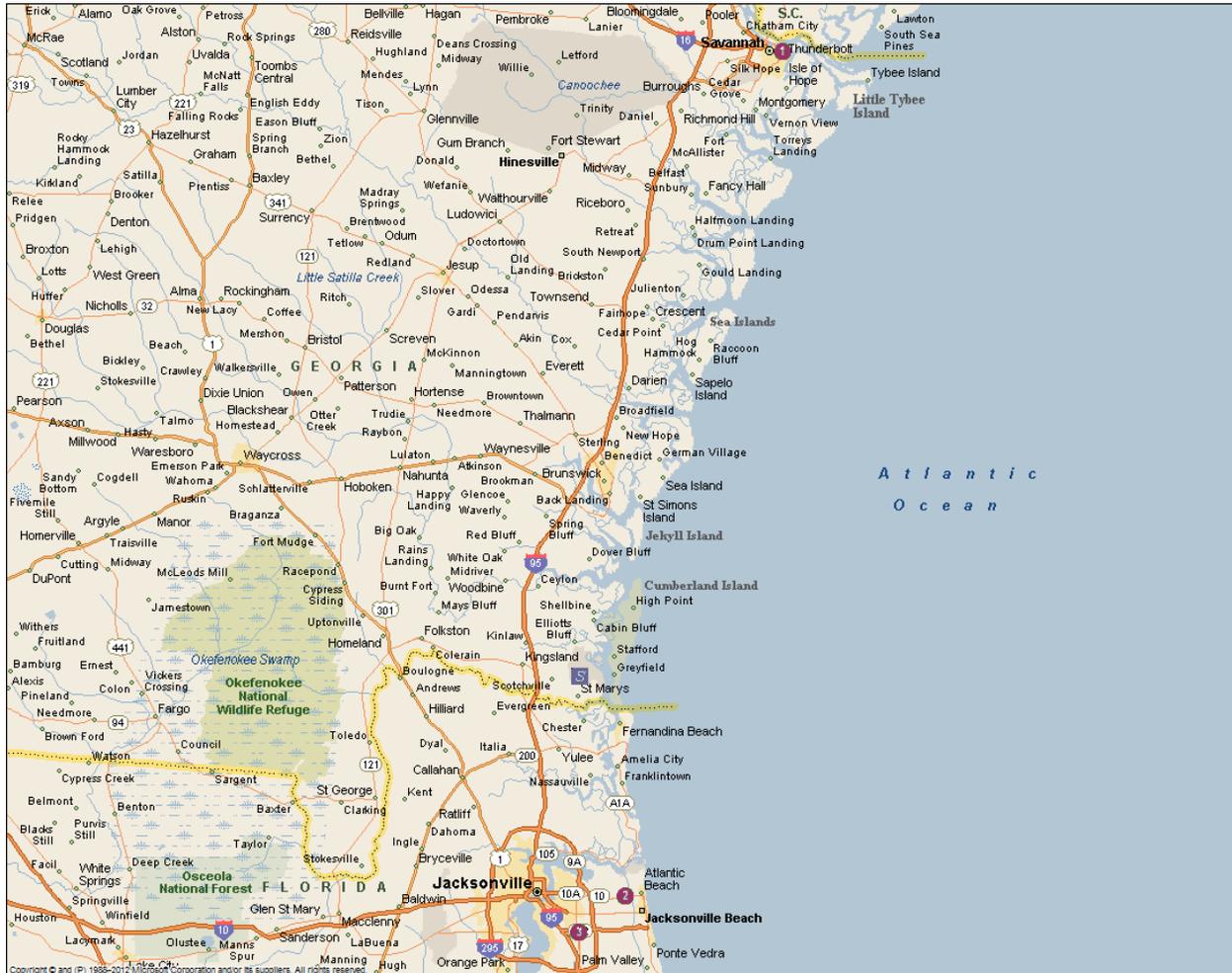
To arrive at an estimated land value (as if vacant) for the Subject site, the appraisers have analyzed actual sales of comparable multifamily sites in the area. We researched the subject's market area for recent sales of comparable vacant land. We researched the Subject's market area for recent sales of comparable vacant multifamily land sales. There has been limited new construction of multifamily developments in the Subject's area. Therefore, we extended our search to Jacksonville, FL and Savannah, GA. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace. All sales have comparable zoning and feature comparable utility. Provided below is a summary of the selected comparable land sales. The profiles on the following pages provide relevant information on the sales used in the analysis:

### **COMPARABLE LAND SALES**

<b>Number</b>	<b>Location</b>	<b>City</b>	<b>Sale Date</b>	<b>Price</b>	<b># Units</b>	<b>Price per Unit</b>
1	514 Pennsylvania Ave	Savannah, GA	December-13	\$1,140,000	114	\$10,000
2	13846 Atlantic Blvd	Jacksonville, FL	December-12	\$4,200,000	298	\$14,094
3	8681 AC Skinner Pkwy	Jacksonville, FL	August-12	\$4,200,000	280	\$15,000

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is presented on the following page.

### Comparable Land Sales



**Land Sale 1**



**Land Sale 1**

<b>Location:</b>	514 Pennsylvania Ave Savannah, GA	
<b>Buyer:</b>	Mercy Housing Southeast, Inc	
<b>Seller:</b>	CHSA Development, Inc	
<b>Sale Date:</b>	December-13	
<b>Sale Price:</b>	\$1,140,000	
<b>Financing:</b>	Cash	
<b>Number of Units:</b>	114	
<b>Site:</b>	Acre(s)	5.000
	Square Footage	217,800
<b>Zoning</b>	Multifamily	
<b>Corner</b>	Yes	
<b>Topography</b>	Level	
<b>Shape</b>	Regular	
<b>Sale Price:</b>	Per Unit	\$10,000
	Per Acre	\$228,000
	Per SF	\$5.23

**Comments:**

This site was purchased to construct a 114-unit mixed-income multifamily property known as Savannah Gardens Phase IV. The sale price was confirmed by the Chatham County assessors office and the buyer.

**Verification:** Assessor, Buyer

**Land Sale 2**



**Land Sale 2**

<b>Location:</b>	13846 Atlantic Blvd Jacksonville, FL	
<b>Buyer:</b>	Fairfield Residential LLC	
<b>Seller:</b>	Crescent Resources	
<b>Sale Date:</b>	December-12	
<b>Sale Price:</b>	\$4,200,000	
<b>Financing:</b>	Cash	
<b>Number of Units:</b>	298	
<b>Site:</b>	Acre(s)	14.520
	Square Footage	632,491
<b>Zoning</b>	Multifamily	
<b>Corner</b>	No	
<b>Topography</b>	Level	
<b>Shape</b>	Irregular	
<b>Sale Price:</b>	Per Unit	\$14,094
	Per Acre	\$289,256
	Per SF	\$6.64

**Comments:**

This site was purchased to construct a 298-unit luxury market rate multifamily property. According to an article in the Daily Record, the development broke ground in April 2013. Based on our research, the property is under construction and is known as the Views at Harbortown.

**Verification:** RC Analytics, Daily Record, Public Records

**Land Sale 3**



**Land Sale 3**

**Location:** 8681 AC Skinner Pkwy  
Jacksonville, FL

**Buyer:** Lost Lake Apartments LLC  
**Seller:** SWQ Holdings Inc.  
**Sale Date:** August-12  
**Sale Price:** \$4,200,000  
**Financing:** Cash

**Number of Units:** 280  
**Site:** Acre(s) 14.000  
 Square Footage 609,840  
**Zoning** Multifamily  
**Corner** Yes  
**Topography** Level  
**Shape** Rectangular

**Sale Price:** Per Unit \$15,000  
 Per Acre \$300,000  
 Per SF \$6.89

**Comments:**  
 This site was purchased to construct a 280-unit market rate multifamily development known as Lost Lake Apartments.

**Verification:** RC Analytics, Public Records

**EXPLANATION OF ADJUSTMENTS**

In determining which adjustments are appropriate to make to the comparable sales, property rights conveyed, financing terms, conditions of sale, and market conditions are considered first. After these adjustments are made, other criteria, such as location, zoning, topography, shape, and size are taken into consideration.

**Property Rights**

All sales were of fee simple interest. Therefore, no adjustments are necessary for property rights.

**Financing**

The sales were cash transactions; therefore, no adjustment is necessary.

**Conditions of Sale**

No unusual conditions existed or are known; therefore, no adjustment is necessary.

**Market Conditions**

Overall, reports indicate that the local multifamily market experienced a decline since late 2008 but began showing improvement towards the end of 2010, a trend that continues to the present. Comparable 1 sold during relatively similar market conditions and no adjustment was warranted. The remaining sales sold in 2012 during slightly inferior market conditions; thus, we applied a positive 10 percent adjustment to Sales 2 and 3.

**Location**

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following tables illustrate the median rents for the Subject and the comparable sales.

MEDIAN RENT			
Property	Zip Code	Median Rent	Differential With Subject Site
Subject	31558	\$945	-
Comp 1	31404	\$842	11%
Comp 2	32225	\$1,112	-18%
Comp 3	32256	\$1,020	-8%

As illustrated above, the Subject is considered to offer a slightly superior to slightly inferior location relative to all of the sales. Sale 1 is located in Savannah and while it has lower median rents, it is located in a slightly superior location relative to access to employment and services. Thus, we believe the location in Savannah offsets the lower median rents. Thus, no adjustment was necessary for this sale for location. The remaining two sales have higher median rents and are also located in Jacksonville. Thus, we applied negative 25 percent adjustments to these two sales for their slightly superior locations.

**Zoning**

All of the land sales' zoning permits multifamily development; therefore, no adjustments are based on use.

**Topography**

The land sales are generally level and appear to be functional. Therefore, no adjustments are necessary.

**Shape**

All land sales have functional shapes; therefore, no adjustments are necessary.

**Size**

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support approximately 154 multifamily units based on current zoning. Sales 2 and 3 are much larger than the Subject and received a positive 5 percent adjustment. The remaining sale is relatively similar in size, and no adjustments were warranted.

**Land Value Estimate**

The land sales grid is presented below:

**Comparable Land Data Adjustment Grid**

	Subject	1	2	3
Location	100 Mary Powell Dr	514 Pennsylvania Ave	13846 Atlantic Blvd	8681 AC Skinner Pkwy
City, State	St. Marys, GA	Savannah, GA	Jacksonville, FL	Jacksonville, FL
<b>Parcel Data</b>				
Zoning	Multifamily	Multifamily	Multifamily	Multifamily
Topography	Level	Similar	Similar	Similar
Shape	Regular	Similar	Similar	Similar
Corner	No	Similar	Similar	Similar
Size (SF)	608,533	217,800	632,491	609,840
Size (Acres)	13.97	5.00	14.52	14.00
Units	154	114	298	280
<b>Sales Data</b>				
Date		December-13	December-12	August-12
Interest		Fee Simple	Fee Simple	Fee Simple
Price		\$1,140,000	\$4,200,000	\$4,200,000
Price per Unit		\$10,000	\$14,094	\$15,000
<b>Adjustments</b>				
Property Rights		0	0	0
		1,140,000	4,200,000	4,200,000
Financing		0	0	0
		1,140,000	4,200,000	4,200,000
Conditions of Sale		0	0	0
		1,140,000	4,200,000	4,200,000
Market Conditions		1.000	1.100	1.100
Adjusted Sale Price		\$1,140,000	\$4,620,000	\$4,620,000
Adjusted Price Per Unit		\$10,000	\$15,503	\$16,500
<b>Adjustments</b>				
Location		0.0%	-25.0%	-25.0%
Zoning		0.0%	0.0%	0.0%
Topography		0.0%	0.0%	0.0%
Shape		0.0%	0.0%	0.0%
Size		0.0%	5.0%	5.0%
Overall Adjustment		0.0%	-20.0%	-20.0%
Adjusted Price Per SF		\$10,000	\$12,403	\$13,200
Low	\$10,000			
High	\$13,200			
Mean	\$11,868			
Median	\$12,403			
Conclusion	\$10,000	x	154	\$1,540,000
<b>Rounded</b>				<b>\$1,500,000</b>

The comparables indicate a range of adjusted prices from \$10,000 to \$13,200 per unit. The mean and the median are \$11,868 and \$12,403 per unit, respectively. We have placed the most weight on Sale 1, as it is the most recent sale and required the fewest adjustments. Overall, we have concluded to a value of \$10,000 per unit.

Thus, the warranted unencumbered value “As If Vacant”, as of June 30, 2015 is:

**ONE MILLION FIVE HUNDRED THOUSAND DOLLARS  
(\$1,500,000)**

In accordance with 2011 HUD MAP guidelines we have not developed a cost approach due to the age of the Subject property.

### **Cost Approach**

Per Chapter 7, Section 7.12 of the HUD MAP guidelines we have not fully developed the cost approach due to the fact that the Subject property is over 10 years old.

### **Remaining Economic Life**

According to the Multifamily Accelerated Processing Guide (MAP, Revised November 23, 2011) Section 7.6, subsection 9, 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.” With respect to the Subject, there are six types of factors referenced in Section 7.6, which are relied upon in estimating the remaining economic life of the Subject property including: 1) the economic make-up of the community or region and the ongoing demand for accommodations of the type represented; 2) the relationship between the property and the immediate environment; 3) the architectural design, style and utility from a functional point of view and the likelihood of obsolescence attributable to new inventions, new materials, changes in building codes, and changes in tastes; 4) the trend and rate of changes of characteristics of the neighborhood that affect property values and their effect on those values; 5) the workmanship and durability of construction and the rapidity with which natural forces cause physical deterioration; and 6) the physical condition and the practice of owners and occupants with respect to maintenance, the use or abuse to which the improvements are subjected, the physical deterioration and functional obsolescence within the property.

According to Marshall & Swift, the economic life of new multifamily properties is typically 60 years. The Subject’s actual physical age is 34 years based on the original construction date of 1981. Based on a PCNA supplied by the client, the remaining useful life of the Subject property is estimated to be greater than 50 years, post renovation.

## **INCOME APPROACH**

## INCOME APPROACH

### Introduction

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property's market value is derived via the capitalization of these future income streams.

The Subject property is valued using the Direct Capitalization technique. It is important to note that the projections of income and expenses are based on the basic assumption that the apartment building will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.

We have been asked to provide an estimate of the proposed restricted and unrestricted income and expenses. We have utilized our concluded market rents from earlier in the report as the basis of the gross potential income at the Subject.

### Potential Apartment Gross Income

The following table reflects the Subject's achievable unrestricted market rents.

#### GROSS POTENTIAL AS IS UNRESTRICTED RENTAL REVENUE

Cumberland Oaks						
Unit Type	Number of Units	Achievable Rents Unrestricted	Size	\$/PSF	Monthly Gross Potential Rent	Annual Gross Potential Rent
1BR/1BA	32	\$725	498	\$1.46	\$23,200	\$278,400
2BR/1BA	90	\$800	586	\$1.37	\$72,000	\$864,000
3BR/2BA	<u>32</u>	\$895	775	\$1.15	<u>\$28,640</u>	<u>\$343,680</u>
<b>Total</b>	<b>154</b>				<b>\$123,840</b>	<b>\$1,486,080</b>

The following table represents the Subject's achievable restricted rents. It should be noted that the HAP contract rents will not change, post renovation.

#### GROSS POTENTIAL AS IS RENTAL REVENUE - RESTRICTED

Cumberland Oaks					
Unit Type	Number of Units	Size	Contract Rent	Monthly Gross Potential Rent	Annual Gross Potential Rent
1BR/1BA	32	498	\$538	\$17,216	\$206,592
2BR/1BA	90	586	\$631	\$56,790	\$681,480
3BR/2BA	<u>32</u>	775	\$836	<u>\$26,752</u>	<u>\$321,024</u>
<b>Total</b>	<b>154</b>			<b>\$100,758</b>	<b>\$1,209,096</b>

### **Vacancy and Collection Loss**

As previously discussed, we anticipate that the Subject will have a vacancy of four percent for all scenarios. Further, we have determined that collection loss will be approximately two percent going forward for the unrestricted scenario but the collection losses would be approximately one percent under the restricted scenario due to the Section 8 HAP contract. Therefore, we believe the Subject will operate with a vacancy and collection loss of six percent in the unrestricted scenario and five percent in the restricted scenario, respectively.

### **Other Income**

The other income category is primarily revenue generated from interest income, late charges, special service fees, vending machines, etc. The Subject's historical data indicated other income of \$44 to \$197 per unit. Data from comparable properties ranges from \$99 to \$758 per unit, with two comparables reporting \$151 per unit or less. We have placed the most significant weight on the Subject's historical financial data, and concluded to total other income of \$75 per unit, which is within the historical range.

## **OPERATING EXPENSES ANALYSIS**

The four expense comparables include one market rate, two Section 8, and one mixed-income properties located in the Subject's region. Given the limited expense data for multifamily properties in the Subject's immediate area, we have had to expand our search to other areas of the State and MSA to locate similar expense comparables. All of the comparables are located in similar to slightly superior areas compared to the Subject. We have utilized the Subject's historical financials (2012, 2013, and 2014) provided by the client. As per HUD MAP guidelines, the expense comparable and historic data are updated to the most recent comparable. These trended amounts have been used in this analysis. The appraiser's estimated expenses are then trended to the effective date of the report. Details of the other properties are located on the HUD 92274 form.

We understand that HUD does not allow for the use of confidential expenses and that HUD will endeavor to keep this information confidential. Since other parties such as the borrower and lender will have access to this report, we have chosen to keep some of this data confidential. If contacted by the HUD reviewer, we will provide additional property information for the confidential properties.

An explanation of each expense line item and an analysis is presented below:

### **General Administrative**

This category includes all professional fees for items such as legal, accounting, and marketing. Historically, this expense has ranged from \$230 to \$338 per unit, with an increasing trend. The expense comparables range from \$250 to \$1,411 per unit, with an average of \$627 per unit. The expense for this category in the unrestricted scenario has been estimated at \$295 per unit, which is within the historical and the comparable range. The additional administrative duties associated with an affordable development justifies a higher expense for general administrative as

restricted, and we have estimated a per unit expense of \$349 per unit, which is also within the comparable range but slightly above the historical range.

### Management Fees

Management fees are typically billed to the property as a percentage of gross receipts. This includes both rents and other income. The comparables indicates a management fee ranging from \$284 to \$740 per unit. Historically, the Subject has had a management fee of approximately seven percent of the EGI, or \$516 to \$531 per unit. We believe the Subject's historical management fees on a per unit basis are slightly too high based on the fact that new ownership has a management agreement for five percent going forward. As such, we have estimated management fees at 5.0 percent in the restricted scenario and 4.0 percent in the unrestricted scenario.

### Utilities

The tenant is responsible for all electric expenses, and the landlord is responsible for cold water, sewer, trash, community areas and vacant unit utility expenses. Historically, the Subject's utility expenses have ranged from \$652 to \$804 per unit, with two periods indicating \$657 per unit or less. The comparable data exhibits a wide range; however, comparisons are difficult given differing utility structures at these properties. We have relied upon historic data and conclude to a trended expense of \$671 per unit.

### Payroll, Taxes & Benefits

Historically, this expense has ranged from \$968 to \$1,054 per unit at the Subject. Comparable data from the comparables indicates a range of \$434 to \$1,431 per unit, with an average of \$916 per unit. We typically find that properties the size of the Subject operate with a staff of one full-time manager, one part-time assistant manager, one full-time maintenance supervisor and one part-time maintenance technician. Benefits are estimated at \$5,000 per full-time employee and \$2,500 per part-time employee, and payroll taxes equal to 12 percent of the sum of the salaries. The following table illustrates likely staffing expenditures at a property such as the Subject:

Payroll		
Management	\$65,000	\$422
Maintenance	\$65,000	\$422
Benefits	\$15,000	\$97
Payroll Taxes	\$15,600	\$101
<b>Total</b>	<b>\$160,600</b>	<b>\$1,043</b>

We have estimated a payroll expense of \$1,043 per unit, which is within the historical expenses and the comparable range. This total of \$1,043 is then trended to the date of the appraisal by a factor of 1.074. An estimate of \$1,120 per unit is utilized in this analysis, which is within the range of the expense comparable data but slightly above the historical range. However, this expense appears reasonable based on the comparable data.

### Repairs & Maintenance

Included in this expense are normal items of repair, routine maintenance, painting, decorating, supplies, extermination, and other related items. Historically, this expense has ranged from \$854

to \$1,111 per unit, with a decreasing trend. The expense comparables range from \$432 to \$1,026 per unit, with three comparables reporting \$544 per unit or less. An estimate of \$671 is used in the analysis for both scenarios, which is within the range of the comparable expenses and at the low end of the historical expenses based on the proposed renovations.

**Insurance**

Historically, this expense has ranged from \$337 to \$395 per unit. The expense comparables range from \$140 to \$431 per unit. We have concluded to a trended insurance expense of \$403 per unit for this analysis, which is within the range of the comparable data.

**Reserves for Replacement**

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject’s size and investment status. We have estimated the Subject’s reserves at \$300 per unit based on the age, unit mix, and tenancy at the Subject. It should be noted that the results from the PCA indicate \$298 per unit; thus, our estimate for the Subject appears reasonable.

The following is a summary of our expense analysis excluding reserves for replacement:

<b>EXPENSE ANALYSIS SUMMARY - UNRESTRICTED</b>									
<b>(Includes HUD Form 92274 Adjustments)</b>									
	<u>Subject Historic</u>			<u>Comparable Range</u>				<u>As</u>	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Unrestricted</u>	
General & Administrative	\$230	\$314	\$338	\$524	\$1,411	\$324	\$250	\$295	
Management Fees	516	517	531	284	740	415	669	\$366	
Utilities	652	657	804	812	1,068	690	643	\$671	
Payroll, Taxes & Benefits	1,019	1,054	968	959	434	884	1,431	\$1,120	
Repairs & Maintenance	1,111	1,037	854	1,026	436	544	432	\$671	
Insurance	337	395	388	431	140	393	415	\$403	
Real Estate Taxes	363	364	426	1,093	336	947	436	\$589	
<b>Total*</b>	<b>\$4,228</b>	<b>\$4,338</b>	<b>\$4,310</b>	<b>\$5,129</b>	<b>\$4,565</b>	<b>\$4,197</b>	<b>\$4,275</b>	<b>\$4,116</b>	
<b>Total Excluding Real Estate Taxes And Reserves</b>	<b>\$3,864</b>	<b>\$3,974</b>	<b>\$3,884</b>	<b>\$4,036</b>	<b>\$4,229</b>	<b>\$3,250</b>	<b>\$3,839</b>	<b>\$3,527</b>	

\*All expenses are reflected without replacement reserves

**EXPENSE ANALYSIS SUMMARY - RESTRICTED**  
**(Includes HUD Form 92274 Adjustments)**

	<u>Subject Historic</u>			<u>Comparable Range</u>				<u>As</u>
	2012	2013	2014	1	2	3	4	Restricted
General & Administrative	\$230	\$314	\$338	\$524	\$1,411	\$324	\$250	\$349
Management Fees	\$516	\$517	\$531	284	740	415	669	\$377
Utilities	\$652	\$657	\$804	812	1,068	690	643	\$671
Payroll, Taxes & Benefits	\$1,019	\$1,054	\$968	959	434	884	1,431	\$1,120
Repairs & Maintenance	\$1,111	\$1,037	\$854	1,026	436	544	428	\$671
Insurance	\$337	\$395	\$388	431	140	393	415	\$403
Real Estate Taxes	\$363	\$364	\$426	1,093	336	947	436	\$458
<b>Total*</b>	<b>\$4,228</b>	<b>\$4,338</b>	<b>\$4,310</b>	<b>\$5,129</b>	<b>\$4,565</b>	<b>\$4,197</b>	<b>\$4,271</b>	<b>\$4,049</b>
<b>Total Excluding Real Estate Taxes And Reserves</b>	<b>\$3,864</b>	<b>\$3,974</b>	<b>\$3,884</b>	<b>\$4,036</b>	<b>\$4,229</b>	<b>\$3,250</b>	<b>\$3,835</b>	<b>\$3,592</b>

\*All expenses are reflected without replacement reserves

The Subject's estimated expenses are within the range of the expense comparable data and within to slightly above historical data primarily due to payroll.

The following tables present our estimated as renovated proformas:

**Cumberland Oaks**  
**"AS UNRESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
1BR/1BA	32	\$725	\$278,400	\$1,808	18.59%
2BR/1BA	90	\$800	\$864,000	\$5,610	57.69%
3BR/2BA	32	\$895	\$343,680	\$2,232	22.95%
<b>Residential Rental Income</b>	<b>154</b>		<b>\$1,486,080</b>	<b>\$9,650</b>	<b>99.23%</b>
General Other Income		\$6	\$11,550	\$75	0.77%
<b>Total Residential Potential Gross Income</b>			<b>\$1,497,630</b>	<b>\$9,725</b>	<b>100.00%</b>
Residential Vacancy and Collection Loss		6.0%	\$89,858	\$583	6.00%
<b>Effective Gross Income</b>			<b>\$1,407,772</b>	<b>\$9,141</b>	
<b>Expenses</b>					
General and Administrative			\$45,486	\$295	3.2%
Management		4.0%	56,364	\$366	4.0%
Utilities			103,377	\$671	7.3%
Payroll, Taxes & Benefits			172,516	\$1,120	12.3%
Repairs and Maintenance			103,377	\$671	7.3%
Insurance			62,026	\$403	4.4%
Replacement Reserves			46,200	\$300	3.3%
Real Estate Taxes			90,647	\$589	6.4%
Total Expenses			\$679,993	\$4,416	48.3%
<b>Net Operating Income</b>			<b>\$727,779</b>	<b>\$4,726</b>	<b>51.7%</b>

**Cumberland Oaks**  
**PROFORMA SUMMARY "AS RESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
1BR/1BA	32	\$538	\$206,592	\$1,342	17.1%
2BR/1BA	90	\$631	\$681,480	\$4,425	56.4%
3BR/2BA	32	\$836	\$321,024	\$2,085	26.6%
<b>Residential Rental Income</b>	<b>154</b>		<b>\$1,209,096</b>	<b>\$7,851</b>	<b>99.1%</b>
General Other Income		\$6	\$11,550	\$75	0.9%
<b>Total Residential Potential Gross Income</b>			<b>\$1,220,646</b>	<b>\$7,926</b>	<b>100.0%</b>
Residential Vacancy and Collection Loss		5.0%	\$61,032	\$396	5.0%
<b>Effective Gross Income</b>			<b>\$1,159,614</b>	<b>\$7,530</b>	
<b>Expenses</b>					
General and Administrative			\$53,756	\$349	4.6%
Management		5.0%	\$58,058	\$377	5.0%
Utilities			\$103,377	\$671	8.9%
Payroll, Taxes & Benefits			\$172,516	\$1,120	14.9%
Repairs and Maintenance			\$103,377	\$671	8.9%
Insurance			\$62,026	\$403	5.3%
Replacement Reserves			\$46,200	\$300	4.0%
Real Estate Taxes			\$70,503	\$458	6.1%
Total Expenses			\$669,813	\$4,349	57.8%
<b>Net Operating Income</b>			<b>\$489,800</b>	<b>\$3,181</b>	<b>42.2%</b>

## VALUE VIA DIRECT CAPITALIZATION

We have been asked to provide an indication of the Subject's hypothetical market value assuming unrestricted operations and completion of the repairs and allowable improvements. To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present value of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income.

### Overall Capitalization Rate

In order to estimate the appropriate capitalization rate, we relied upon the band of investment method, per specific HUD guidance with respect to the valuation of LIHTC 223(f) Pilot transactions. However, we have also presented other methods for comparison purposes.

### Market Extraction

The table below summarizes the recent improved sales of comparable properties that were used in our market extraction analysis:

SALES COMPARISON

No.	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate	Expense Ratio
1	Fountain Lake	Mar-15	\$5,750,000	108	\$53,241	6.6	6.80%	55.4%
2	Harbor Pines Apartments	Jul-14	\$10,000,000	200	\$50,000	6.4	6.70%	57.4%
3	Riverview Apartments	Jun-14	\$8,634,062	304	\$28,402	4.5	6.40%	71.2%
4	Auburn Glen Apartments	Mar-14	\$11,500,000	251	\$45,817	6.0	6.80%	59.1%
5	Atlantica Apartments	Dec-13	\$5,500,000	100	\$55,000	6.6	7.00%	53.9%
	<b>Average</b>			<b>193</b>	<b>\$46,492</b>	<b>6.00</b>	<b>6.70%</b>	<b>59.4%</b>

The sales illustrate a range of overall rates from 6.4 to 7.0 percent, with an average of approximately 6.70 percent. The properties all represent typical market transactions for multifamily market rate properties in the area. It should be noted that we searched for Section 8 multifamily sales in the region, however, we were unable to identify any. However, we believe the improved sales we have chosen for our analysis represent the typical multifamily market in the area. Therefore, we have utilized five conventional market rate multifamily developments in our sales approach.

The primary factors that influences the selection of an overall rate is the Subject's condition, size, location, and market conditions. In terms of condition, the Subject is considered similar to slightly superior to the sales. The Subject property offers a generally similar to slightly inferior location relative to the majority of the comparable sales, with the exception of Sale 1, which is in a slightly inferior location. In terms of size, the Subject is similar to slightly inferior to the comparable sales. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers, the Subject is considered to offer generally similar market conditions relative to all of the comparable sales.

Additionally, we interviewed Allan Holbrook, a broker with Marcus & Millichap, in order to gain further insight into capitalization rates in the market. According to Mr. Holbrook, capitalization rates for an unrestricted property in the area generally range from 6.0 to 7.0 percent.

Overall, we placed slightly more weight on Sales 1 and 2, are the most similar sales overall, and Sale 2 is located in St. Mary's. Thus, we have concluded to a capitalization rate of 6.75 percent based on market extraction for the Subject, which appears reasonable based on the comparable data.

### **The PwC Real Estate Investor Survey**

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

<b>PwC REAL ESTATE INVESTOR SURVEY</b>	
<b>National Apartment Market</b>	
<b>Overall Capitalization Rate - Institutional Grade Investments</b>	
Range:	3.50% - 8.00%
Average:	5.36%
<b>Non-Institutional Grade Investments</b>	
Range:	3.75% - 12.00%
Average:	6.58%

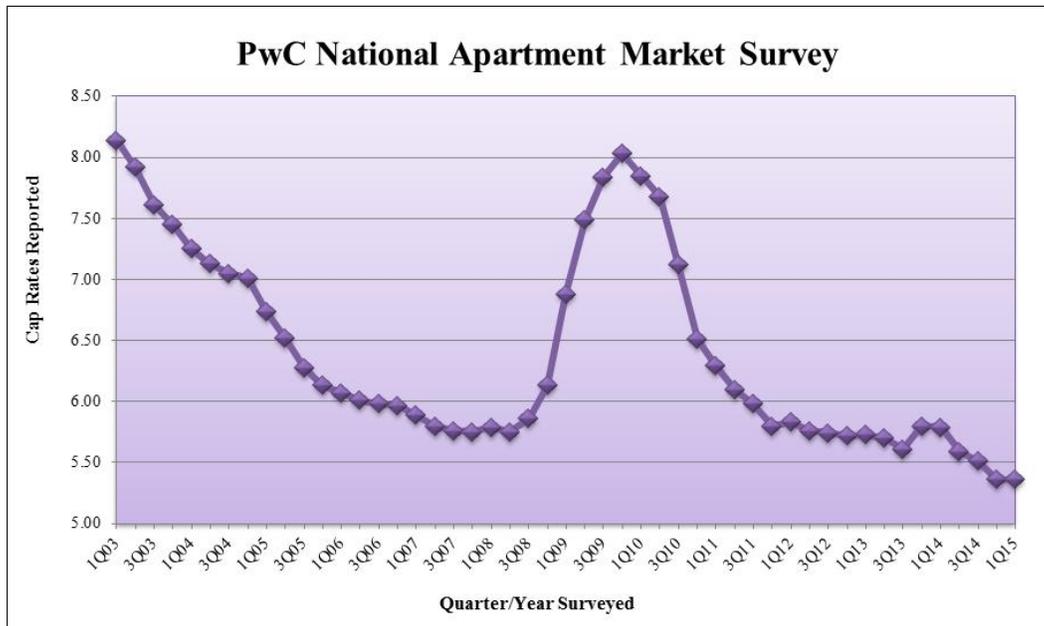
Source: PwC Real Estate Investor Survey, Q1 2015

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria<sup>2</sup>. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 122 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

<sup>2</sup> PwC Real Estate Investor Survey

<b>PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments</b>		
<b>Quarter</b>	<b>Cap Rate</b>	<b>Change (bps)</b>
1Q03	8.14	-
2Q03	7.92	-0.22
3Q03	7.61	-0.31
4Q03	7.45	-0.16
1Q04	7.25	-0.20
2Q04	7.13	-0.12
3Q04	7.05	-0.08
4Q04	7.01	-0.04
1Q05	6.74	-0.27
2Q05	6.52	-0.22
3Q05	6.28	-0.24
4Q05	6.13	-0.15
1Q06	6.07	-0.06
2Q06	6.01	-0.06
3Q06	5.98	-0.03
4Q06	5.97	-0.01
1Q07	5.89	-0.08
2Q07	5.80	-0.09
3Q07	5.76	-0.04
4Q07	5.75	-0.01
1Q08	5.79	0.04
2Q08	5.75	-0.04
3Q08	5.86	0.11
4Q08	6.13	0.27
1Q09	6.88	0.75
2Q09	7.49	0.61
3Q09	7.84	0.35
4Q09	8.03	0.19
1Q10	7.85	-0.18
2Q10	7.68	-0.17
3Q10	7.12	-0.56
4Q10	6.51	-0.61
1Q11	6.29	-0.22
2Q11	6.10	-0.19
3Q11	5.98	-0.12
4Q11	5.80	-0.18
1Q12	5.83	0.03
2Q12	5.76	-0.07
3Q12	5.74	-0.02
4Q12	5.72	-0.02
1Q13	5.73	0.01
2Q13	5.70	-0.03
3Q13	5.61	-0.09
4Q13	5.80	0.19
1Q14	5.79	-0.01
2Q14	5.59	-0.20
3Q14	5.51	-0.08
4Q14	5.36	-0.15
1Q15	5.36	0.00

Source: PwC Real Estate Investor Survey, Q1 2015



As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the first quarter of 2015 with the exception of an increase from the third quarter of 2013 through the fourth quarter of 2013. Capitalization rates as of the first quarter of 2015 have exhibited a decrease over capitalization rates from the first quarter of 2014. Overall, we have estimated the capitalization rate of 6.75 percent, which is within the range of the Non-Institutional Grade capitalization rates.

### Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$R_O = D.C.R \times R_M \times M$$

Where:

$R_O$  = Overall Capitalization Rate  
 D.C.R = Debt Coverage Ratio  
 $R_M$  = Mortgage Constant  
 M = Loan-to-Value Ratio

***Band of Investment***

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_O = M \times R_M + (1-M) \times R_E$$

Where:

$R_O$  = Overall Capitalization Rate  
 M = Loan-to-Value Ratio  
 $R_M$  = Mortgage Constant  
 $R_E$  = Equity Dividend

The Mortgage Constant ( $R_M$ ) is based upon the calculated interest rate from the ten year treasury. The equity dividend rate  $R_E$ , also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally we see equity dividend rates ranging from two to 12 percent. An equity dividend estimate of 8.0 percent is considered reasonable in this analysis.

The following table illustrates the band of investment for the Subject property based on terms supplied by the client.

**CAPITALIZATION RATE DERIVATION**

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.15	<i>Terms Supplied by Lender</i>	
Rm	0.0546	Interest Rate	3.75%
Interest (per annum)	4.20%	MIP	0.45%
Amortization (years)	35	Interest Rate (per annum)	4.20%
M	87%		
Re	8.00%		

**Debt Coverage Ratio**

<b>Ro</b>	=	DCR	X	Rm	X	M
<b>5.46%</b>	=	1.2	X	0.0546	X	87%

**Band of Investment**

<b>Ro</b>	=	(M	X	Rm)	+	((1-M)	X	Re)
<b>5.79%</b>		87%	X	0.0546	+	13%	X	8.00%

**Conclusion, Direct Capitalization:**

The following chart summarizes the various rates derived in this analysis:

**CAPITALIZATION RATE SELECTION SUMMARY**

Method	Indicated Rate
Market Extraction	6.75%
PwC Survey	6.75%
Broker	6.0%-7.0%
Debt Coverage Ratio	5.46%
Band of Investment	5.79%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject’s construction type, tenancy and physical appeal
- The anticipated demand growth in the Subject sub-market
- The demand growth expected over the next three years
- Local market overall rates.

The five approaches indicate a range from 5.46 to 7.0 percent. Per Section C of the Low Income Housing Tax Credit 223(f) Pilot Program Application Processing Guide, dated January 16, 2013, the Band of Investment is an acceptable technique for deriving capitalization rates. As such, we reconciled to a capitalization rate of 5.79 percent, based upon the Band of Investment method for the as unrestricted value. A summary of the direct capitalization analysis for the unrestricted valuation scenario can be found below.

**Cumberland Oaks**  
**"AS UNRESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
1BR/1BA	32	\$725	\$278,400	\$1,808	18.59%
2BR/1BA	90	\$800	\$864,000	\$5,610	57.69%
3BR/2BA	32	\$895	\$343,680	\$2,232	22.95%
<b>Residential Rental Income</b>	<b>154</b>		<b>\$1,486,080</b>	<b>\$9,650</b>	<b>99.23%</b>
General Other Income		\$6	\$11,550	\$75	0.77%
<b>Total Residential Potential Gross Income</b>			<b>\$1,497,630</b>	<b>\$9,725</b>	<b>100.00%</b>
Residential Vacancy and Collection Loss		6.0%	\$89,858	\$583	6.00%
<b>Effective Gross Income</b>			<b>\$1,407,772</b>	<b>\$9,141</b>	
<b>Expenses</b>					
General and Administrative			\$45,486	\$295	3.2%
Management		4.0%	56,364	\$366	4.0%
Utilities			103,377	\$671	7.3%
Payroll, Taxes & Benefits			172,516	\$1,120	12.3%
Repairs and Maintenance			103,377	\$671	7.3%
Insurance			62,026	\$403	4.4%
Replacement Reserves			46,200	\$300	3.3%
Real Estate Taxes			90,647	\$589	6.4%
Total Expenses			\$679,993	\$4,416	48.3%
<b>Net Operating Income</b>			<b>\$727,779</b>	<b>\$4,726</b>	<b>51.7%</b>
Capitalization Rate			5.79%		
Indicated Value			<b>\$12,600,000</b>		

**Conclusion**

As a result of our analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated hypothetical market value, assuming completion of all repairs and allowable improvements, in the leased fee estate, assuming **achievable market rents**, via the income capitalization approach, as of June 30, 2015, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$12,600,000)**

*The borrower proposes to complete a rehabilitation of the Subject property with low income housing tax credit (LIHTC) equity. For the purposes of this appraisal, we have presented a hypothetical market value as if unrestricted. Similarly, per Chapter 7, Section 7.6, Part G, we have assumed that the proposed repairs and allowable improvements have been completed as of the effective date of this report.*

**Restricted Scenario**

Provided below is an estimate of the Subject's restricted NOI.

**Cumberland Oaks**  
**PROFORMA SUMMARY "AS RESTRICTED"**

<b>Unit Type</b>	<b># of Units</b>	<b>Monthly Rent</b>	<b>Annual</b>	<b>Per Unit</b>	<b>% of Revenue</b>
1BR/1BA	32	\$538	\$206,592	\$1,342	17.1%
2BR/1BA	90	\$631	\$681,480	\$4,425	56.4%
3BR/2BA	32	\$836	\$321,024	\$2,085	26.6%
<b>Residential Rental Income</b>	<b>154</b>		<b>\$1,209,096</b>	<b>\$7,851</b>	<b>99.1%</b>
General Other Income		\$6	\$11,550	\$75	0.9%
<b>Total Residential Potential Gross Income</b>			<b>\$1,220,646</b>	<b>\$7,926</b>	<b>100.0%</b>
Residential Vacancy and Collection Loss		5.0%	\$61,032	\$396	5.0%
<b>Effective Gross Income</b>			<b>\$1,159,614</b>	<b>\$7,530</b>	
<b>Expenses</b>					
General and Administrative			\$53,756	\$349	4.6%
Management		5.0%	\$58,058	\$377	5.0%
Utilities			\$103,377	\$671	8.9%
Payroll, Taxes & Benefits			\$172,516	\$1,120	14.9%
Repairs and Maintenance			\$103,377	\$671	8.9%
Insurance			\$62,026	\$403	5.3%
Replacement Reserves			\$46,200	\$300	4.0%
Real Estate Taxes			\$70,503	\$458	6.1%
Total Expenses			\$669,813	\$4,349	57.8%
<b>Net Operating Income</b>			<b>\$489,800</b>	<b>\$3,181</b>	<b>42.2%</b>

*We have provided an estimate of the restricted NOI, assuming that all proposed repairs and allowable improvements have been completed as of the effective date of this report. Therefore, our estimate of expenses assumes the Subject has undergone the LIHTC rehabilitation as proposed.*

# **SALES COMPARISON APPROACH**



**Comparable Sale 1**



<b>Name:</b>	<b>Fountain Lake</b>
<b>Location:</b>	1105 Fountain Lake Dr Brunswick, GA
<b>Buyer:</b>	Bridge-Fountain Lakes, LP
<b>Seller:</b>	MAA
<b>Sale Date:</b>	Mar-15
<b>Sale Price:</b>	\$5,750,000
<b>Financing:</b>	Conventional
<b>Number of Units:</b>	108
<b>Year Built:</b>	1983
<b>Condition:</b>	Average
<b>Units of Comparison:</b>	
Effective Gross Income:	\$877,000
EGIM	6.56
Total Expenses:	\$486,000
Net Operating Income:	\$391,000
Net Operating Income per Unit:	\$3,620
Overall Rate with Reserves:	6.80%
Sale Price per Unit:	\$53,241

**Comments:**

This garden style and townhome property consists of three one-, 67 two-, and 38 three-bedroom units. The property was in average condition and 95 percent occupied at the time of sale. The sale price, NOI and capitalization rate were confirmed by a representative of the buyer (Leslie Ahlvin with Bridge Partners). Novogradac & Company LLP estimated expenses at \$4,500 per unit.

**Verification:** CoStar, Buyer

**Comparable Sale 2**



<b>Name:</b>	<b>Harbor Pines Apartments</b>
<b>Location:</b>	2000 Harbor Pines Dr St. Mary's, GA
<b>Buyer:</b>	Monument Real Estate
<b>Seller:</b>	Harbor Pines Partners Ltd
<b>Sale Date:</b>	Jul-14
<b>Sale Price:</b>	\$10,000,000
<b>Financing:</b>	Conventional
<b>Number of Units:</b>	200
<b>Year Built:</b>	1989
<b>Condition:</b>	Average
<b>Units of Comparison:</b>	
Effective Gross Income:	\$1,568,000
EGIM	6.38
Total Expenses:	\$900,000
Net Operating Income:	\$668,000
Net Operating Income per Unit:	\$3,340
Overall Rate with Reserves:	6.68%
Sale Price per Unit:	\$50,000

**Comments:**

This garden style property consists of 44 one-, 112 two-, and 44 three-bedroom units. The property was in average condition and 94 percent occupied at the time of sale. The sale price, NOI and capitalization rate were confirmed by CoStar. It should be noted that we tried to verify with the related parties but were unsuccessful. Novogradac & Company LLP estimated expenses at \$4,500 per unit.

**Verification:** CoStar, Public Records

**Comparable Sale 3**

<b>Name:</b>	<b>Riverview Apartments</b>
<b>Location:</b>	301 Caravan Circle Jacksonville, FL
<b>Buyer:</b>	Riverview Real Estate, LLC
<b>Seller:</b>	EI Riverview LLC
<b>Sale Date:</b>	Jun-14
<b>Sale Price:</b>	\$8,634,062
<b>Financing:</b>	Conventional
<b>Number of Units:</b>	304
<b>Year Built:</b>	1980s
<b>Condition:</b>	Fair
<b>Units of Comparison:</b>	
Effective Gross Income:	\$1,922,307
EGIM	4.49
Total Expenses:	\$1,368,000
Net Operating Income:	\$554,307
Net Operating Income per Unit:	\$1,823
Overall Rate with Reserves:	6.42%
Sale Price per Unit:	\$28,402

**Comments:**

The property is a 304-unit apartment complex with one, two, and three-bedroom units. The units square footages range from 720 to 1,350 square feet and rents ranged from \$520 to \$799 square feet. The property was 85 percent occupied at the time of sale. Novogradac has estimated expenses at \$4,500 per unit. All information was confirmed by the broker.

**Verification:** CoStar, Broker

**Comparable Sale 4**



**Name:** Auburn Glen Apartments  
**Location:** 8024 Southside Blvd  
 Jacksonville, FL  
**Buyer:** Bancroft Auburn Glen LLC  
**Seller:** Aimco Auburn Glen Apartments  
**Sale Date:** Mar-14  
**Sale Price:** \$11,500,000  
**Financing:** Conventional  
**Number of Units:** 251  
**Year Built:** 1974  
**Condition:** Fair

**Units of Comparison:**  
 Effective Gross Income: \$1,911,500  
 EGIM 6.02  
 Total Expenses: \$1,129,500  
 Net Operating Income: \$782,000  
 Net Operating Income per Unit: \$3,116  
 Overall Rate with Reserves: 6.80%  
 Sale Price per Unit: \$45,817

**Comments:**  
 The property offers one and two-bedroom units that range from 520 to 1,070 square feet. Community amenities include a pool, fitness center, playground, tennis court, and laundry facilities. Rents at the time of sale were between \$589 and \$756. All information was confirmed by the broker. Novogradac & Company LLP estimated expenses at \$4,500 per unit.

**Verification:** CoStar, Broker

## Comparable Sale 5



<b>Name:</b>	<b>Atlantica Apartments</b>
<b>Location:</b>	2760 Mayport Rd Jacksonville, FL
<b>Buyer:</b>	Pal MF Atlantic Beach, LLC
<b>Seller:</b>	Atlantica Investment Group LLC
<b>Sale Date:</b>	Dec-13
<b>Sale Price:</b>	\$5,500,000
<b>Financing:</b>	Conventional
<b>Number of Units:</b>	100
<b>Year Built:</b>	1987
<b>Condition:</b>	Fair
<b>Units of Comparison:</b>	
Effective Gross Income:	\$834,450
EGIM	6.59
Total Expenses:	\$450,000
Net Operating Income:	\$384,450
Net Operating Income per Unit:	\$3,845
Overall Rate with Reserves:	6.99%
Sale Price per Unit:	\$55,000

**Comments:**

The property consists of 100 two-bedroom units. The property was reportedly 98 percent occupied at the time of sale. The listing broker for the property, Allan Holbrook with Marcus & Millichap confirmed the sales price, capitalization rate, and the NOI for the transaction. Novogradac has estimated expenses at \$4,500 per unit.

**Verification:** CoStar, Broker

**VALUATION ANALYSIS**

The table below summarizes the recent improved sales of comparable properties that were used in our market extraction analysis:

**SALES COMPARISON**

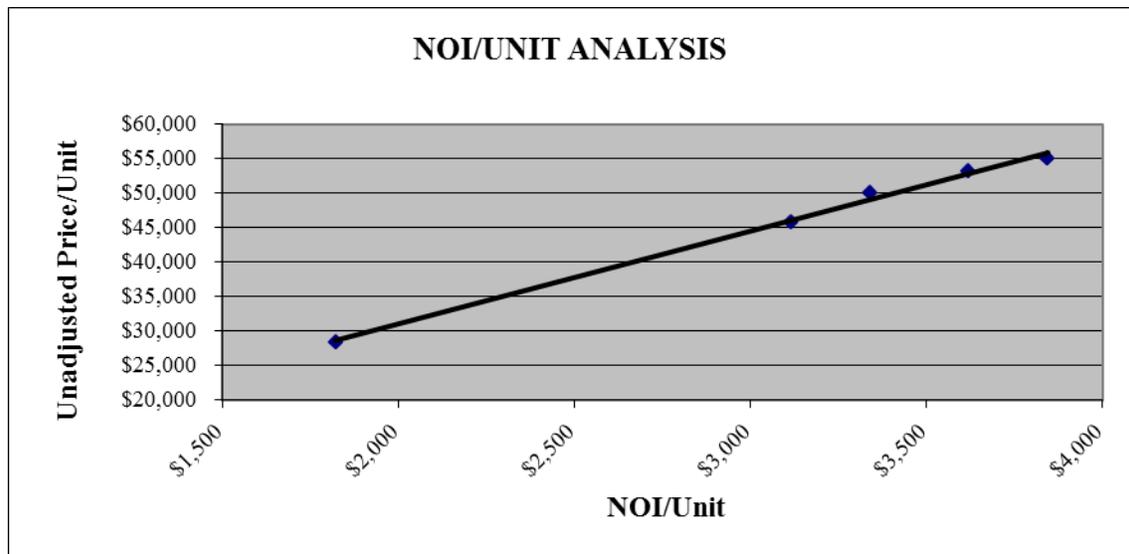
No.	Property	Sale Date	Sale Price	# of Units	Price / Unit	Effective Gross Income Multiplier	Overall Rate	Expense Ratio
1	Fountain Lake	Mar-15	\$5,750,000	108	\$53,241	6.6	6.80%	55.4%
2	Harbor Pines Apartments	Jul-14	\$10,000,000	200	\$50,000	6.4	6.70%	57.4%
3	Riverview Apartments	Jun-14	\$8,634,062	304	\$28,402	4.5	6.40%	71.2%
4	Auburn Glen Apartments	Mar-14	\$11,500,000	251	\$45,817	6.0	6.80%	59.1%
5	Atlantica Apartments	Dec-13	\$5,500,000	100	\$55,000	6.6	7.00%	53.9%
<b>Average</b>				<b>193</b>	<b>\$46,492</b>	<b>6.00</b>	<b>6.70%</b>	<b>59.4%</b>

In order to develop the value via the Sales Comparison Approach, we utilized two approaches: the NOI/unit and sales price/unit.

**NOI/UNIT ANALYSIS**

The available sales data also permits the use of the NOI/Unit analysis. This NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject. As the graph illustrates there is a direct relationship between the NOI and the sale price of the comparable properties.



The tables below summarize the calculated adjustment factors and the indicated adjusted prices.

**NOI/UNIT ANALYSIS  
AS UNRESTRICTED**

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$4,726	/	\$3,620	=	1.305	X	\$53,241	=	\$69,498
2	\$4,726	/	\$3,340	=	1.415	X	\$50,000	=	\$70,746
3	\$4,726	/	\$1,823	=	2.592	X	\$28,402	=	\$73,611
4	\$4,726	/	\$3,116	=	1.517	X	\$45,817	=	\$69,498
5	\$4,726	/	\$3,845	=	1.229	X	\$55,000	=	\$67,609
			<b>\$3,149</b>		<b>1.612</b>		<b>\$46,492</b>		<b>\$70,192</b>

The properties are all stabilized and represent typical market transactions for multifamily market. Value indications via the NOI per unit analysis are summarized below.

**NOI Indicated Value**

Scenario	Number of Units	Price Per Unit	Indicated Value
As Unrestricted	154	\$70,000	\$10,800,000

**Per Unit Adjustment Analysis**

As a second method, we used *Page 7 of the 92264* to make adjustments for the comparable properties.

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. There is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those times 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	Comparable Sale No.4	Comparable Sale No.5
Address	Cumberland Oaks Mary Powell Dr Brunswick, GA	Fountain Lake 1105 Fountain Lake Dr Brunswick, GA	Harbor Pines Apartments 2000 Harbor Pines Dr St. Marys, GA	Riverview Apartments 301 Caravan Circle Jacksonville, FL	Auburn Glen Apartments 8024 Southside Blvd Jacksonville, FL	Atlantica Apartments 2760 Mayport Rd N/A
Proximity to Subject		27.8 miles	31.0 miles	36.9 miles	29.1 miles	29.2 miles
Sales price	\$	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$5,750,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$10,000,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$8,634,062	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$11,500,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$5,500,000
Sales price per GBA	\$	N/Av	N/Av	N/Av	N/Av	N/Av
Gross annual rent	\$	\$877,000	\$1,568,000	\$1,922,307	\$1,911,500	\$834,450
Gross rent multiplier (1)*		6.56	6.38	4.49	6.02	6.59
Sales price per unit	\$	\$53,241	\$50,000	\$28,402	\$45,817	\$55,000
Sales price per room	\$	N/Av	N/Av	N/Av	N/Av	N/Av
Data Source		CoStar, Buyer	CoStar, Public Records	CoStar, Broker	CoStar, Broker	CoStar, Broker
<b>Adjustments</b>	<b>Description</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>
Sales or Financing Concessions	Conventional		Conventional	Conventional	Conventional	Conventional
Date of sale/time	Mar-15	0%	Jul-14	0%	Mar-14	0%
Location	Slightly Inferior	10%	Similar	0%	Superior	-20%
Site/view	Good	10%	Average	10%	Average	10%
Design and appeal	Average	0%	Similar	0%	Slightly Inferior	10%
Quality of construction	Average	0%	Similar	0%	Slightly Inferior	10%
Year built	1981/2016	1983	0%	1989	0%	1987
Condition	Good	Slightly Inferior	15%	Slightly Inferior	15%	Inferior
Gross Building Area	139,469 Sq. ft.	N/Av	Sq. ft.	N/Av	Sq. ft.	N/Av
Unit Breakdown	No. of Units	No. of Units	No. of Units	No. of Units	No. of Units	No. of Units
	Room count	Room count	Room count	Room count	Room count	Room count
	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.
	32 3 1 1	3 3 1 1	44 3 1 1	N/Av 3 1 1	N/Av 3 1 1	100 5 2 2
	90 4 2 1	67 5 2 2	112 5 2 2	N/Av 4 2 1	N/Av 5 2 2	
32 6 3 2	38 6 3 2	44 6 3 2	N/Av 6 3 2			
Basement description	NAP	NAP	NAP	NAP	NAP	NAP
Functional utility	Good	Similar	Similar	Similar	20% Inferior	10% Inferior
Heating/cooling	AC	Similar	Similar	Similar	Similar	Similar
Parking on/off site	On-Site	Similar	Similar	Similar	Similar	Similar
Project amenities and fee (if applicable)	Family	Family	Family	Family	Family	Family
Total Adjustment per Unit		\$18,634	\$12,500	\$18,461	\$16,036	\$16,500
Net Adjustment (Total)	X <input type="checkbox"/> + <input type="checkbox"/> - \$ Positive		X <input type="checkbox"/> + <input type="checkbox"/> - \$ Positive	X <input type="checkbox"/> + <input type="checkbox"/> - \$ Positive	X <input type="checkbox"/> + <input type="checkbox"/> - \$ Positive	X <input type="checkbox"/> + <input type="checkbox"/> - \$ Positive
Adjusted sales price of comparables	Per Unit \$	\$71,875	Per Unit \$	\$62,500	Per Unit \$	\$46,863
Total	\$	\$11,068,750	\$	\$9,625,000	\$	\$7,216,826
8. Indicated Value by Sales Comparison Approach	\$	10,800,000				
<b>Reconciliation</b>	Capitalization \$	12,600,000	Summation \$	10,800,000	Comparison \$	10,800,000

9. The market value (or replacement cost) of the property, as of the effective date of the appraisal, is \$ 12,600,000 \*\* see note below

\*\* 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 "appraisals" are in fact USPAP "consultants" concerning economically supportable cost limits. For Section 207 and 223 processing, all three approaches to value are included in the appraisal, but the 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 qualifications.

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 repairs/work write-up items.

Comments on: (continue on separate page if necessary)

- Sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investors/ purchasers/ motivation in that market).
- 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.

## EXPLANATION OF ADJUSTMENTS

The Subject has been compared on a per unit basis to the four sales comparables. Categories requiring adjustment are detailed following.

### Market Conditions

All of the sales transferred since December 2013 and offer similar market conditions and, thus, no adjustments are warranted.

### Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. To evaluate locational differences, we have relied upon differences in median rents and conversations with local brokers and observations made during the field investigation. Provided below is a summary of the quantitative data utilized in our analysis.

MEDIAN RENT			
Property	Zip Code	Median Rent	Differential With Subject Site
Subject	31558	\$945	-
Comp 1	31525	\$812	14%
Comp 2	31558	\$945	0%
Comp 3	32216	\$906	4%
Comp 4	32256	\$1,020	-8%
Comp 5	32233	\$1,004	-6%

As illustrated in the table above, the Subject offers a similar location relative to Sales 2 and 3. Therefore, no location adjustments are necessary for these comparables. Sale 1 offers a slightly inferior location relative to the Subject, and we applied a positive 10 percent adjustment to this sale. The Subject is slightly inferior to the remaining sales. Further, Comparable 4 offers superior access to employment centers, amenities, and services, and Comparable 5 is located near the beach. Thus, we have applied negative 20 percent adjustments to the remaining sales for location.

### Site & View

The Subject is located in a primarily residential area surrounding by residential and limited commercial uses. All of the comparables are considered to offer slightly inferior sites and views. Therefore, we applied a positive 10 percent adjustment to each sale.

### Design and Appeal

The Subject has average design and appeal, which is similar to Sales 1 and 2. All of the other sales offer slightly inferior design and appeal. Thus, we applied positive 10 percent adjustments to each remaining sale.

**Quality of Construction**

The Subject and the comparable properties are generally considered similar to each other in terms of quality of construction. No adjustments were required based on quality of construction.

**Condition/Age**

The Subject was built in 1981 and will be substantially renovated with LIHTC. Upon completion, we anticipate the Subject will be in good condition. Sales 1 and 2 are in slightly inferior in terms of condition and we applied a positive 15 percent adjustment to these sales. The remaining sales are inferior to the Subject and received positive 20 to 30 percent adjustments for condition.

**Size/Gross Building Area/Number of Units**

The general convention in the market is that smaller properties in terms of number of units are inferior to larger properties based on economies of scale. The Subject is relatively similar to Sales 1, 2, and 3 in terms of size. Sales 3 and 4 are larger than the Subject and we have applied a negative five percent adjustment for economies of scale.

**Functional Utility**

The Subject has average functional utility. Sales 4 and 5 offer an inferior unit mix relative to the Subject. Thus, we have applied a positive 10 percent adjustment to these sales for inferior unit mix. Further, Sale 3 has a higher operating expense ratio relative to the Subject and the comparables. Therefore, we have applied a positive 20 percent adjustment to this sale. No adjustments are necessary for the remaining comparables.

**Reconciliation**

The adjusted sales prices range from \$46,863 to \$71,875 per unit, with an average of \$62,918 per unit. However, Sale 3 appears to be an outlier and less weight was placed on this comparable in the overall reconciliation. Our conclusion of \$70,000 per unit for the Subject is within the range of the adjusted comparables and appears reasonable.

**Conclusion**

We utilized the NOI/Unit and per unit adjustment analyses to estimate the Subject's value using the sales comparison approach. These two methods must be reconciled into a single value estimate. Both techniques provide a reasonable indication of the Subject's value. However, given MAP guidelines, we have placed reliance upon the indication indicated by the per unit adjustment analysis.

As previously discussed, per Section C of the Low Income Housing Tax Credit 223(f) Pilot Program Application Processing Guide, dated January 16, 2013, the Band of Investment is an acceptable technique for deriving capitalization rates. As such, we reconciled to a capitalization rate of 5.79 percent, based upon the Band of Investment method for the as unrestricted value. This capitalization rate is significantly lower than the market-oriented capitalization rate of 6.75 percent. When capitalizing the Subject's unrestricted stabilized NOI/unit by the market-oriented capitalization rate, the as unrestricted value of the Subject using the NOI/unit analysis and as unrestricted value via the income capitalization approach are conciliatory.

As a result of our analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated hypothetical market value, assuming completion of all repairs and allowable improvements, in the leased fee, assuming **achievable market rents**, via the sales comparison approach, as of June 30, 2015, is:

**TEN MILLION EIGHT HUNDRED THOUSAND DOLLARS**  
**(\$10,800,000)**

*The borrower proposes to complete a rehabilitation of the Subject property with low income housing tax credit (LIHTC) equity. For the purposes of this appraisal, we have presented a hypothetical market value as if unrestricted. Similarly, per Chapter 7, Section 7.6, Part G, we have assumed that the proposed repairs and allowable improvements have been completed as of the effective date of this report.*

## RECONCILIATION

**RECONCILIATION**

The appraisers have considered the traditional approaches in the estimation of the Subject's hypothetical unrestricted value. The resulting value estimates are presented below:

<b>INDICATIONS OF VALUE</b>	
<i>Warranted Price of the Land</i>	<b>\$1,500,000</b>
<i>Income Capitalization Approach - Unrestricted</i>	\$12,600,000
<i>Sales Comparison Approach - Unrestricted</i>	\$10,800,000
<i>Reconciled Value - Unrestricted</i>	\$12,600,000

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. Investors in the marketplace do not typically rely upon the cost approach. The difficulty in accurately estimating economic obsolescence further weakens the reliability of this approach. Therefore, the cost approach is considered to have only limited use in the valuation of the Subject property. Further, MAP guidelines do not require the development of the cost approach for properties over 10 years in age. As such, we have not developed the cost approach. However, an indication of land value is presented in accordance with MAP requirements.

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, the appraisers searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/SF, OAR, etc.). Our search revealed numerous sales over the past three years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an NOI/unit and a sales price per unit analysis. These analyses provide a good indication of the Subject's market value.

In the final analysis, the appraisers have considered the influence of the three approaches in relation to one another and in relation to the Subject. The Subject is an income producing property, and a prudent investor would be more interested in the value indication derived using the income approach.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated hypothetical value of the leased fee interest in the Subject property, assuming unrestricted operation and completion of repairs and allowable improvements, free and clear of financing, as of June 30, 2015, is:

**TWELVE MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$12,600,000)**

*The borrower proposes to complete a rehabilitation of the Subject property with low income housing tax credit (LIHTC) equity. For the purposes of this appraisal, we have presented a hypothetical market value as if unrestricted. Similarly, per Chapter 7, Section 7.6, Part G, we have assumed that the proposed repairs and allowable improvements have been completed as of the effective date of this report.*

### **Marketing Time Projection:**

**Marketing Time** is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "As Is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of nine to twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the *PwC Investor Survey*. This estimate assumes a strong advertising and marketing program during the marketing period.

### **Reasonable Exposure Time:**

Statement 6, Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to proceed the effective date of the appraisal.

It is defined as the "estimated length of time the property interests appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." Based on our read of the market, historical information provided by the *PwC Investor Survey* and recent sales of apartment product, an exposure time of nine to twelve months appears adequate.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which was furnished by others was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation, the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation are analyzed as of a specific date in time and are only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or

moratoriums except as reported to the appraiser and contained in this report.

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject.
25. Acceptance of and/or use of this report constitutes acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

## CERTIFICATION

The undersigned hereby certify that:

- 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 our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have completed an application market study with an effective date of July 10, 2014 and a Freddie Mac appraisal with an effective date of January 28, 2015 on the Subject of this report. Additionally, we completed a HUD MAP appraisal of this property with an effective date of January 28, 2015. No other appraisal assignments have been completed in the three year period immediately preceding this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Ed Mitchell has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and are competent to perform such analyses. Lilli Valdez did not make a personal inspection of the property but provided research assistance that was used in this report. Ed Mitchell and Brad Weinberg oversaw all data collection and reporting in this appraisal. No one other than those listed on this page provided any significant real property appraisal assistance.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Ed Mitchell has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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Ed Mitchell  
Manager  
Certified General Real Property Appraiser  
Georgia License #4649

## MAP CERTIFICATION

I understand that my complete self-contained appraisal report will be used by Oak Grove Commercial Mortgage, LLC to document to the U.S. Department of Housing and Urban Development that Oak Grove Commercial Mortgage, LLC application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my review was in accordance with the HUD requirements applicable on the date of my review 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 proposed property or engage in any business that might present a conflict of interest. The racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.

I am employed full time by the MAP Lender (underwriter) or under contract for this specific assignment (appraiser, market analyst, cost architect) and I have no other side deals, agreements, or financial considerations with the MAP Lender or others in connection with this transaction.



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Ed Mitchell  
Manager  
Certified General Real Property Appraiser  
Georgia License #4649

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.

**ADDENDUM A**  
*Qualifications*

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **EDWARD R. MITCHELL**

### **I. Education**

University of Alabama, Tuscaloosa, Alabama  
Master of Science – Financial Planning (05/2014)

University of Alabama, Tuscaloosa, Alabama  
Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation

University of Alabama, Tuscaloosa, Alabama  
Bachelor of Science – Human Environmental Science

San Antonio College, San Antonio, Texas  
Associate of Arts – Real Estate Management

### **II. Professional Experience**

Analyst; Novogradac & Company LLP (September 2013 – Present)  
Senior Appraiser; Valbridge Property Advisors  
Managing Partner; Consolidated Equity, Inc.  
Appraiser; Schultz, Carr, Bissette  
Disposition Manager; Resolution Trust Corporation (RTC)

### **III. Assignments**

- Currently conducts market feasibility studies and appraisals of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way corridors, and recycling plants.

### **IV. Licensure**

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD

**EDWARD ROGERS MITCHELL**

**4649**

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A  
**CERTIFIED GENERAL REAL PROPERTY APPRAISER**

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

D. SCOTT MURPHY  
Chairperson

RONALD M. HECKMAN  
JEANMARIE HOLMES  
KEITH STONE

JEFF A. LAWSON  
Vice Chairperson

23466666

EDWARD ROGERS MITCHELL

# 4649  
Status ACTIVE

ORIGINALLY LICENSED  
02/04/1994  
END OF RENEWAL  
04/30/2016

CERTIFIED GENERAL REAL PROPERTY  
APPRAISER

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

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



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

23466666

EDWARD ROGERS MITCHELL

# 4649  
Status ACTIVE

ORIGINALLY LICENSED  
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Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



WILLIAM L. ROGERS, JR.  
Real Estate Commissioner

23466666

**ADDENDUM B**  
*Subject Photos*

**Cumberland Oaks – St. Marys, Georgia**

**Source: Ed Mitchell**

**Date: June 30, 2015**



**SIGNAGE**



**SUBJECT EXTERIOR**



**SUBJECT EXTERIOR**



**SUBJECT EXTERIOR**



**LEASING OFFICE**



**LEASING OFFICE INTERIOR**

**Cumberland Oaks – St. Marys, Georgia**

**Source: Ed Mitchell**

**Date: June 30, 2015**



**PARKING**



**CHILDREN'S PLAYSCAPE**



**ENTRANCE MARY POWELL DRIVE LOOKING WEST**



**ENTRANCE ON MARY POWELL DRIVE LOOKING EAST**



**TYPICAL KITCHEN**



**TYPICAL KITCHEN (2)**

**Cumberland Oaks – St. Marys, Georgia**

**Source: Ed Mitchell**

**Date: June 30, 2015**



**TYPICAL LIVING ROOM**



**TYPICAL LIVING ROOM (2)**



**TYPICAL BEDROOM**



**TYPICAL BEDROOM (2)**



**TYPICAL BATHROOM**



**CENTRAL LAUNDRY FACILITY**

**Cumberland Oaks – St. Marys, Georgia**

**Source: Ed Mitchell**

**Date: June 30, 2015**



**NEARBY RETAIL USES**



**NEARBY RETAIL USE**



**SINGLE-FAMILY HOME IN SUBJECT'S NEIGHBORHOOD**



**SINGLE-FAMILY HOME IN SUBJECT'S NEIGHBORHOOD**

**ADDENDUM C**  
*92273 Rent Grids*

# Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0507  
(exp. 10/30/2012)

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
1BR/1BA 498 SF	Cumberland Oaks 100 Mary Powell Drive St. Mary's, GA	Harbor Pines Apartments 2000 Harbor Pines Drive St. Mary's, GA			Mission Forest Apartments 999 Mission Trace Drive St. Mary's, GA			Park Place 11919 Colerain Road St. Mary's, GA			Pelican Point Apartments 1 Pelican Point St. Mary's, GA					
Characteristics		Data	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +		
3. Effective Date of Rental	07/2015	07/2015			07/2015				07/2015				07/2015			
4. Type of Project/Stories	G/2	G/2			G/2				G/2				G/2			
5. Floor of Unit in Building	All	All			All				All				All			
6. Project Occupancy %		95.0%			99.0%				99.0%				98.2%			
7. Concessions	No	No			Yes	(\$8)			No				No			
8. Year Built	1981/2016	1989			1986				1988				1987			
9. Sq. Ft. Area	498	750	(\$45)		750	(\$40)			700	(\$55)			560	(\$15)		
10. Number of Bedrooms	1	1			1				1				1			
11. Number of Baths	1.0	1.0			1.0				1.0				1.0			
12. Number of Rooms	3	3			3				3				3			
13. Balc./Terrace/Patio	No	Yes			No				No				Yes			
14. Garage or Carport	Lot	Lot			Lot				Lot				Lot			
15. Equipment a. A/C	Yes/Central	Yes/Central			Yes/Central				Yes/Central				Yes/Central			
b. Range/Oven	Yes	Yes			Yes				Yes				Yes			
c. Refrigerator	Yes	Yes			Yes				Yes				Yes			
d. Disposal	Yes	Yes			Yes				Yes				No			
e. Microwave	No	No			No				Yes				No			
f. Dishwasher	No	Yes			Yes				Yes				Yes			
g. Washer/Dryer	L	HU	(\$5)		L/HU	(\$15)			L/HU	(\$15)			L/HU	(\$15)		
h. Carpet/Drapes	V/B	C/B			C/B				C/B				C/B			
i. Pool/Rec. Area	No/Yes	Yes/Yes			Yes/Yes				Yes/Yes				No/Yes			
16. Services a. Heat/Type	No/Electric	No/Electric			No/Electric				No/Electric				No/Electric			
b. Cook/Type	No/Electric	No/Electric			No/Electric				No/Electric				No/Electric			
c. Electricity	No	No			No				No				No			
d. Water Cold/Hot	Yes/No	No/No	\$10		No/No	\$10			No/No	\$10			Yes/Yes	(\$15)		
17. Storage	No	Yes			No				Yes				No			
18. Project Location	Good	Good			Good				Good				Good			
19. Other																
a. Clubhouse/Comm Room	Yes	Yes			Yes				Yes				No			
b. Condition & Appeal	Good	Average	\$200		Average	\$200			Good				Average	\$200		
c. Computer Lab	Yes	No	\$15		No	\$15			No	\$15			No	\$15		
d. Trash Expense	Yes	Yes			Yes				Yes				Yes			
e. Sewer Expense	Yes	No	\$10		No	\$10			No	\$10			Yes			
20. Unit Rent Per Month		\$575			\$515				\$822				\$490			
21. Total Adjustment			\$185			\$172				(\$35)				\$170		\$0
22. Indicated Rent		\$760			\$687				\$787				\$660			
23. Correlated Subject Rent	\$725	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$787	low rent	\$660	60% range	\$685	to	\$762								

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

Appraiser's Signature



Date (mm/dd/yyyy)

06/30/15

Reviewer's Signature

Date (mm/dd/yyyy)

# Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0507  
(exp. 10/30/2012)

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
2BR/1BA 586 SF	Cumberland Oaks 100 Mary Powell Drive St. Mary's, GA	Harbor Pines Apartments 2000 Harbor Pines Drive St. Mary's, GA			Mission Forest Apartments 999 Mission Trace Drive St. Mary's, GA			Park Place 11919 Colerain Road St. Mary's, GA			Pelican Point Apartments 1 Pelican Point St. Mary's, GA			Greenbriar Townhomes 244 S Orange Edwards Blvd Kingsland, GA		
Characteristics		Data	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +		
3. Effective Date of Rental	07/2015	07/2015			07/2015				07/2015				07/2015			
4. Type of Project/Stories	G/2	G/2			G/2				G/2				T/2			
5. Floor of Unit in Building	All	All			All				All				All			
6. Project Occupancy %		95.0%			99.0%				99.0%				98.2%			
7. Concessions	No	No			Yes	(\$8)			No				No			
8. Year Built	1981/2016	1989			1986				1988				1987			
9. Sq. Ft. Area	586	950	(\$50)		950	(\$55)			950	(\$75)			1,000	(\$60)		
10. Number of Bedrooms	2	2			2				2				2			
11. Number of Baths	1.0	2.0	(\$40)		2.0	(\$40)			1.0				2.0	(\$40)		
12. Number of Rooms	4	4			4				4				4			
13. Balc./Terrace/Patio	No	Yes			No				No				Yes			
14. Garage or Carport	Lot	Lot			Lot				Lot				Lot			
15. Equipment a. A/C	Yes/Central	Yes/Central			Yes/Central				Yes/Central				Yes/Central			
b. Range/Oven	Yes	Yes			Yes				Yes				Yes			
c. Refrigerator	Yes	Yes			Yes				Yes				Yes			
d. Disposal	Yes	Yes			Yes				Yes				No			
e. Microwave	No	No			No				Yes				No			
f. Dishwasher	No	Yes			Yes				Yes				Yes			
g. Washer/Dryer	L /HU	HU	\$15		L/HU				L/HU				L/HU			
h. Carpet/Drapes	V/B	C/B			C/B				C/B				C/B			
i. Pool/Rec. Area	No/Yes	Yes/Yes			Yes/Yes				Yes/Yes				No/Yes			
16. Services a. Heat/Type	No/Electric	No/Electric			No/Electric				No/Electric				No/Electric			
b. Cook/Type	No/Electric	No/Electric			No/Electric				No/Electric				No/Electric			
c. Electricity	No	No			No				No				No			
d. Water Cold/Hot	Yes/No	No/No	\$15		No/No	\$15			No/No	\$15			Yes/Yes	(\$22)		
17. Storage	No	Yes			No				Yes				No			
18. Project Location	Good	Good			Good				Good				Good			
19. Other																
a. Clubhouse/Comm Room	Yes	Yes			Yes				Yes				No			
b. Condition & Appeal	Good	Average	\$200		Average	\$200			Good				Average	\$200		
c. Computer Lab	Yes	No	\$15		No	\$15			No	\$15			No	\$15		
d. Trash Expense	Yes	Yes			Yes				Yes				Yes			
e. Sewer Expense	Yes	No	\$15		No	\$15			No	\$15			Yes			
20. Unit Rent Per Month		\$600			\$575				\$878				\$590			
21. Total Adjustment			\$170			\$142				(\$30)			\$93			
22. Indicated Rent		\$770			\$717				\$848				\$683			
23. Correlated Subject Rent	<b>\$800</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$848	low rent	\$683	60% range	\$716	to	\$815								

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

Appraiser's Signature

Date (mm/dd/yyyy)

06/30/15

Reviewer's Signature

Date (mm/dd/yyyy)

# Estimates of Market Rent by Comparison

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

OMB Approval No. 2502-0507  
(exp. 10/30/2012)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
3BR/2BA 775 SF	Cumberland Oaks 100 Mary Powell Drive St. Mary's, GA	Harbor Pines Apartments 2000 Harbor Pines Drive St. Mary's, GA			Park Place 11919 Colerain Road St. Mary's, GA			Greenbriar Townhomes 244 S Orange Edwards Blvd Kingsland, GA								
Characteristics		Data	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +		
3. Effective Date of Rental	07/2015	07/2015			07/2015				07/2015							
4. Type of Project/Stories	G/2	G/2			G/2				T/2							
5. Floor of Unit in Building	All	All			All				All							
6. Project Occupancy %		99.0%			99.0%				100.0%							
7. Concessions	No	No			No				Yes	(\$55)						
8. Year Built	1981/2016	1989			1988				1993/2009							
9. Sq. Ft. Area	775	1,100	(\$50)		1,100	(\$60)			1,200	(\$55)						
10. Number of Bedrooms	3	3			3				3							
11. Number of Baths	2.0	2.0			2.0				2.0							
12. Number of Rooms	6	6			6				6							
13. Balc./Terrace/Patio	No	Yes			No				Yes							
14. Garage or Carport	Lot	Lot			Lot				Lot							
15. Equipment	a. A/C	Yes/Central	Yes/Central		Yes/Central				Yes/Central							
	b. Range/Oven	Yes	Yes		Yes				Yes							
	c. Refrigerator	Yes	Yes		Yes				Yes							
	d. Disposal	Yes	Yes		Yes				No							
	e. Microwave	No	No		Yes				No							
	f. Dishwasher	No	Yes		Yes				Yes							
	g. Washer/Dryer	L /HU	HU	\$15	L/HU				L/HU							
	h. Carpet/Drapes	V/B	C/B		C/B				C/B							
	i. Pool/Rec. Area	No/Yes	Yes/Yes		Yes/Yes				Yes/No							
16. Services	a. Heat/Type	No/Electric	No/Electric		No/Electric				No/Electric							
	b. Cook/Type	No/Electric	No/Electric		No/Electric				No/Electric							
	c. Electricity	No	No		No				No							
	d. Water Cold/Hot	Yes/No	No/No	\$20	No/No	\$20			No/No	\$20						
17. Storage	No	Yes			Yes				Yes							
18. Project Location	Good	Good			Good				Average	\$25						
19. Other																
	a. Clubhouse/Comm Room	Yes	Yes		Yes				No							
	b. Condition & Appeal	Good	Average	\$200	Good				Average	\$200						
	c. Computer Lab	Yes	No	\$15	No	\$15			No	\$15						
	d. Trash Expense	Yes	Yes		Yes				Yes							
	e. Sewer Expense	Yes	No	\$20	No	\$20			No	\$20						
20. Unit Rent Per Month		\$700			\$918				\$665							
21. Total Adjustment			\$220			(\$5)			\$170			\$0		\$0		
22. Indicated Rent		\$920			\$913				\$835							
23. Correlated Subject Rent	<b>\$895</b>	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$920	low rent	\$835	60% range	\$852	to	\$903								

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

Appraiser's Signature



Date (mm/dd/yy)

06/30/15

Reviewer's Signature

Date (mm/dd/yyyy)

**ADDENDUM D**  
*92274 Operating Expenses- Unrestricted*

**Operating Expense Analysis Worksheet**

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

OMB Approval No. 2502-0029  
(exp. 10/31/2012)

See Instructions on back and Refer to Handbook 4480.1 for details on completing this form.

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This information is being collected under Public Law 101-625 which requires the Department to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232 or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Property Name - Cumberland Oaks		Project Number - TBD	
City - St. Marys		Date of Appraisal - June 30, 2015	
Signature of Processor <i>[Signature]</i>		Signature of Reviewer	
Date		Date	
Project Name	Subject (Cumberland Oaks)	Subject (Cumberland Oaks)	Subject (Cumberland Oaks)
Project Number	Not Applicable	Not Applicable	TBD
Location	St. Marys	St. Marys	St. Marys
Type of Project & Number of Floors	Lowrise/2	Lowrise/2	Lowrise/2
Type of Construction	Woodframe	Woodframe	Woodframe
No. of Living Units	154	154	154
Age of Project	1981/2016	1981/2016	1981/2016
Project Unit Composition	See Narrative	See Narrative	See Narrative
No. of Each Unit Type	See Narrative	See Narrative	See Narrative
Sq. Ft. Each Unit Type	See Narrative	See Narrative	See Narrative
Average Unit Area	See Narrative	See Narrative	See Narrative
Same Tax Rate Subject*	NAP	NAP	NAP
Same Utility Rate	NAP	NAP	NAP
Effect. Date/Updating Operating Year/Percentage	1/1/2014 0.0%	1/1/2013 3.0%	1/1/2012 6.1%

Equipment Included in Rent				Services Included in Rent			
1 Rng/Refrig.	2 Crpt/Drps	3 Disposal	9 Heat	10 Cooking	11	17 Lights	
4 Dishwasher	5 Laundry	6 Air Cond.	13 Heat	14 Cooking	15		
7 Microwave	8 Pool/Ten.	9 Other	18 Heat	19 Hot Water	20		

Items of Expense by Unit of Comparison	Exp.				Updated Exp.				Adj + -				Correlated Expenses	
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Per Unit	Total
1. Advertising	\$4	NAP	\$0	\$4	\$1	\$1	\$0	\$1	\$7	\$7	\$0	\$7	\$25	\$3,850
2. Management	\$531	NAP	\$0	\$531	\$517	\$532	\$0	\$532	\$516	\$547	\$0	\$547	\$366	\$56,364
3. Other	\$334	NAP	\$0	\$334	\$314	\$323	\$0	\$323	\$223	\$237	\$0	\$237	\$250	\$38,500
<b>4. Total Admin.</b>	<b>\$869</b>	<b>NAP</b>	<b>\$0</b>	<b>\$869</b>	<b>\$831</b>	<b>\$856</b>	<b>\$0</b>	<b>\$856</b>	<b>\$746</b>	<b>\$791</b>	<b>\$0</b>	<b>\$791</b>	<b>\$641</b>	<b>\$98,714</b>
5. Elevator	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Fuel	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Lighting & Power	\$194	NAP	\$0	\$194	\$198	\$204	\$0	\$204	\$217	\$230	\$0	\$230	\$175	\$26,950
8. Water	\$518	NAP	\$0	\$518	\$361	\$372	\$0	\$372	\$329	\$349	\$0	\$349	\$350	\$53,900
9. Gas	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10. Trash Removal	\$92	NAP	\$0	\$92	\$98	\$100	\$0	\$100	\$105	\$111	\$0	\$111	\$100	\$15,400
11. Payroll	\$968	NAP	\$0	\$968	\$1,054	\$1,086	\$0	\$1,086	\$1,019	\$1,081	\$0	\$1,081	\$1,043	\$160,600
12. Other (Security)	\$78	NAP	\$0	\$78	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>13. Total Operating</b>	<b>\$1,850</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,850</b>	<b>\$1,711</b>	<b>\$1,762</b>	<b>\$0</b>	<b>\$1,762</b>	<b>\$1,670</b>	<b>\$1,772</b>	<b>\$0</b>	<b>\$1,772</b>	<b>\$1,688</b>	<b>\$256,850</b>

form HUD-92274 (2/91) ref. Handbook 4480.1

Items of Expense by Unit of Comparison	Exp.				Updated Exp.				Adj + -				Correlated Expenses	
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Per Unit	Total
14. Decorating - Turnover	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
15. Repairs	\$776	NAP	\$0	\$776	\$916	\$944	\$0	\$944	\$1,018	\$1,080	\$0	\$1,080	\$300	\$46,200
16. Exterminating	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$3,850
17. Insurance	\$388	NAP	\$0	\$388	\$395	\$407	\$0	\$407	\$337	\$357	\$0	\$357	\$375	\$57,750
18. Ground Expense	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
19. Other (Supplies)	\$78	NAP	\$0	\$78	\$121	\$124	\$0	\$124	\$93	\$98	\$0	\$98	\$200	\$30,800
<b>20. Total Maint.</b>	<b>\$1,242</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,242</b>	<b>\$1,432</b>	<b>\$1,475</b>	<b>\$0</b>	<b>\$1,475</b>	<b>\$1,448</b>	<b>\$1,536</b>	<b>\$0</b>	<b>\$1,536</b>	<b>\$1,000</b>	<b>\$154,000</b>
<b>20a. Total Operating Expense Exclusive of Reserve Time and Trend</b>													<b>\$3,309</b>	<b>\$509,586</b>

20b. Trend Adjustment	( 1.074 x 21a)	To (date) (mm/dd/yyyy)	June 30, 2015	\$3,527	\$543,146
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21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)	\$300	\$46,200
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<b>22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 21a, 21b and 22)</b>	<b>\$3,827</b>	<b>\$589,346</b>
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23. Taxes/Real Estate	\$426	NAP	\$0	\$426	\$364	\$375	\$0	\$375	\$363	\$386	\$0	\$386	\$589	\$90,647
24. Personal Prop. Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Emp. Payroll Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>27a. Total Taxes w/o Trend</b>	<b>\$426</b>	<b>NAP</b>	<b>\$0</b>	<b>\$426</b>	<b>\$364</b>	<b>\$375</b>	<b>\$0</b>	<b>\$375</b>	<b>\$363</b>	<b>\$386</b>	<b>\$0</b>	<b>\$386</b>	<b>\$589</b>	<b>\$90,647</b>

27b. Trend Adjustment	( 1.074 x 28a)	To (date) (mm/dd/yyyy)	June 30, 2015	\$589	\$90,647
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<b>28. Total Taxes (Including Time and Trend) (Sum of Lines 28a and 28b)</b>	<b>\$589</b>	<b>\$90,647</b>
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<b>29. Total Expense (Sum of Lines 22 and 28)</b>	<b>\$4,416</b>	<b>\$679,993</b>
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\* In "NO" reflect in adjustments.  
\*\* Enter appropriate numbers from table for subject and comparables and reflect in adjustments.  
\*\*\* Enter expense items in suitable unit of comparison  
(Attach additional pages to Explain Adjustment as Needed)

**Operating Expense Analysis Worksheet**

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

OMB Approval No. 2502-0029  
(exp. 10/31/2012)

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Property Name -	Cumberland Oaks	Project Number -	TBD
City -	St. Marys	Date of Appraisal -	June 30, 2015

Signature of Processor	[Signature]				Signature of Reviewer	[Signature]				Date	
Project Name	Lake Gray Apartments	Augusta Manor	Pines at Willowbrook	Confidential	Cumberland Oaks						
Project Number	Not Applicable	Not Applicable	Not Applicable	Not Applicable	TBD						
Location	Jacksonville, FL	Augusta, GA	Hinesville, GA	Jacksonville, FL	St. Marys, GA						
Type of Project & Number of Floors	Garden/3	Garden/3	Garden/3	Garden/2	Lowrise/2						
Type of Construction	Garden	Garden	Garden	Townhouse	Woodframe						
No. of Living Units	300	100	80	156	154						
Age of Project	10	41	11	43	34						
Project Unit Composition	1BR, 2BR, 3BR	1BR, 2BR, 3BR	1BR, 2BR, 3BR	1BR, 2BR	1BR, 2BR, 3BR						
No. of Each Unit Type	100,158,42	28, 40, 32	8, 48, 24	48, 108	32 1BR, 90 2BR, 32 3BR						
Sq. Ft. Each Unit Type	732, 996, 1,213	713, 960, 1,125	703, 942, 1,150	650, 850	See Appraisal						
Average Unit Area	675	933	931	750	See Appraisal						
Same Tax Rate Subject*	N/Av	N/Av	N/Av	N/Av	NAP						
Same Utility Rate	N/Av	N/Av	N/Av	N/Av	NAP						
Effect. Date/Updating Operating Year/Percentage	1/1/2013	NAP	1/1/2013	0.0%	1/1/2013	0.0%	1/1/2013	0.0%			

Equipment & Services Including Rent**				Services Included in Rent												
1 Rng/Refrig.	2 Crpt/Drps	3 Disposal	4 Gas Elec.	5 Heat	6 Air Cond.	7 Other	8 Heat	9 Heat	10 Cooking	11 Hot Water	12 Air Cond.	13 Air Cond.	14 Other	15 Hot Water	16 Air Cond.	17 Lights

Items of Expense by Unit of Comparison	Updated			Ind. Exp.	Updated			Ind. Exp.	Updated			Ind. Exp.	Updated			Ind. Exp.	Correlated Expenses	
	Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Per Unit	Total
1. Advertising	\$58	NAP	\$0	\$58	\$10	\$10	\$0	\$10	\$7	\$7	\$0	\$7	\$1	\$1	\$0	\$1	\$25	\$3,850
2. Management	\$284	NAP	\$0	\$284	\$740	\$740	\$0	\$740	\$415	\$415	\$0	\$415	\$669	\$669	\$0	\$669	\$366	\$56,364
3. Other	\$466	NAP	\$0	\$466	\$1,401	\$1,401	\$0	\$1,401	\$318	\$318	\$0	\$318	\$248	\$248	\$0	\$248	\$250	\$38,500
<b>4. Total Admin.</b>	<b>\$807</b>	<b>NAP</b>	<b>\$0</b>	<b>\$807</b>	<b>\$2,151</b>	<b>\$2,151</b>	<b>\$0</b>	<b>\$2,151</b>	<b>\$739</b>	<b>\$739</b>	<b>\$0</b>	<b>\$739</b>	<b>\$918</b>	<b>\$918</b>	<b>\$0</b>	<b>\$918</b>	<b>\$641</b>	<b>\$98,714</b>
5. Elevator	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Fuel	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Lighting & Power	\$152	NAP	\$0	\$152	\$163	\$163	\$0	\$163	\$221	\$221	\$0	\$221	\$102	\$102	\$0	\$102	\$175	\$26,950
8. Water	\$553	NAP	\$0	\$553	\$391	\$391	\$0	\$391	\$365	\$365	\$0	\$365	\$503	\$503	\$0	\$503	\$350	\$53,900
9. Gas	\$3	NAP	\$0	\$3	\$415	\$415	\$0	\$415	\$15	\$15	\$0	\$15	\$16	\$16	\$0	\$16	\$0	\$0
10. Trash Removal	\$105	NAP	\$0	\$105	\$99	\$99	\$0	\$99	\$90	\$90	\$0	\$90	\$22	\$22	\$0	\$22	\$100	\$15,400
11. Payroll	\$959	NAP	\$0	\$959	\$434	\$434	\$0	\$434	\$884	\$884	\$0	\$884	\$1,431	\$1,431	\$0	\$1,431	\$1,043	\$160,622
12. Other (Security)	\$10	NAP	\$0	\$10	\$28	\$28	\$0	\$28	\$0	\$0	\$0	\$0	\$4	\$4	\$0	\$4	\$0	\$0
<b>13. Total Operating</b>	<b>\$1,781</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,781</b>	<b>\$1,530</b>	<b>\$1,530</b>	<b>\$0</b>	<b>\$1,530</b>	<b>\$1,574</b>	<b>\$1,574</b>	<b>\$0</b>	<b>\$1,574</b>	<b>\$2,077</b>	<b>\$2,077</b>	<b>\$0</b>	<b>\$2,077</b>	<b>\$1,668</b>	<b>\$256,872</b>

form HUD-92274 (4/91)  
ref. Handbook 4480.1

Previous Editions are obsolete																		
Items of Expense by Unit of Comparison	Updated			Ind. Exp.	Updated			Ind. Exp.	Updated			Ind. Exp.	Updated			Ind. Exp.	Correlated Expenses	
	Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Exp.	Adj + -	Exp.		Per Unit	Total
14. Decorating - Turnover	\$7	NAP	\$0	\$7	\$65	\$65	\$0	\$65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
15. Repairs	\$170	NAP	\$0	\$170	\$258	\$258	\$0	\$258	\$544	\$544	\$0	\$544	\$2	\$2	\$0	\$2	\$300	\$46,200
16. Exterminating	\$22	NAP	\$0	\$22	\$33	\$33	\$0	\$33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$3,850
17. Insurance	\$431	NAP	\$0	\$431	\$140	\$140	\$0	\$140	\$393	\$393	\$0	\$393	\$415	\$415	\$0	\$415	\$375	\$57,750
18. Ground Expense	\$36	NAP	\$0	\$36	\$80	\$80	\$0	\$80	\$0	\$0	\$0	\$0	\$283	\$283	\$0	\$283	\$50	\$7,700
19. Other (Supplies)	\$791	NAP	\$0	\$791	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143	\$143	\$0	\$143	\$200	\$30,800
<b>20. Total Maint.</b>	<b>\$1,458</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,458</b>	<b>\$576</b>	<b>\$576</b>	<b>\$0</b>	<b>\$576</b>	<b>\$937</b>	<b>\$937</b>	<b>\$0</b>	<b>\$937</b>	<b>\$843</b>	<b>\$843</b>	<b>\$0</b>	<b>\$843</b>	<b>\$1,000</b>	<b>\$154,000</b>

**20a. Total Operating Expense Exclusive of Reserve Time and Trend** \$3,309 \$509,586

20b. Trend Adjustment ( 1.074 x 20a) To (date) (mm/dd/yyyy) June 30, 2015 Annual Rate 3.0% \$3,527 \$543,146

21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B) \$300 \$46,200

**22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 21a, 21b and 22)** \$3,827 \$589,346

23. Taxes/Real Estate	\$1,093	NAP	\$0	\$1,093	\$336	\$336	\$0	\$336	\$947	\$947	\$0	\$947	\$436	\$436	\$0	\$436	\$589	\$90,647
24. Personal Prop. Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Emp. Payroll Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>27a. Total Taxes w/o Trend</b>	<b>\$1,093</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,093</b>	<b>\$336</b>	<b>\$336</b>	<b>\$0</b>	<b>\$336</b>	<b>\$947</b>	<b>\$947</b>	<b>\$0</b>	<b>\$947</b>	<b>\$436</b>	<b>\$436</b>	<b>\$0</b>	<b>\$436</b>	<b>\$589</b>	<b>\$90,647</b>

27b. Trend Adjustment ( 1.074 x 28a) To (date) (mm/dd/yyyy) June 30, 2015 Annual Rate 3.0% \$589 \$90,647

**28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)** \$589 \$90,647

**29. Total Expense (Sum of Lines 22 and 28)** \$4,416 \$679,993

\* In "NO" reflect in adjustments.  
\*\* Enter appropriate numbers from table for subject and comparables and reflect in adjustments.  
\*\*\* Enter expense items in suitable unit of comparison  
(Attach additional pages to Explain Adjustment as Needed)

**ADDENDUM E**  
*92274 Operating Expenses- Restricted*

**Operating Expense Analysis Worksheet**

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

OMB Approval No. 2502-0029  
(exp. 10/31/2012)

See Instructions on back and Refer to Handbook 4480.1 for details on completing this form.

Public reporting burden for this collection of information is estimated to average 18 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. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB number.

This information is being collected under Public Law 101-625 which requires the Department to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232 or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Property Name - Cumberland Oaks		Project Number - TBD												
City - St. Marys		Date of Appraisal - June 30, 2015												
Signature of Processor <i>[Signature]</i>		Signature of Reviewer												
Date		Date												
Project Name	Subject (Cumberland Oaks)	Subject (Cumberland Oaks)	Subject (Cumberland Oaks)	Subject (Cumberland Oaks)										
Project Number	Not Applicable	Not Applicable	Not Applicable	TBD										
Location	St. Marys	St. Marys	St. Marys	St. Marys										
Type of Project & Number of Floors	Lowrise/2	Lowrise/2	Lowrise/2	Lowrise/2										
Type of Construction	Woodframe	Woodframe	Woodframe	Woodframe										
No. of Living Units	154	154	154	154										
Age of Project	1981/2016	1981/2016	1981/2016	1981/2016										
Project Unit Composition	See Narrative	See Narrative	See Narrative	See Narrative										
No. of Each Unit Type	See Narrative	See Narrative	See Narrative	See Narrative										
Sq. Ft. Each Unit Type	See Narrative	See Narrative	See Narrative	See Narrative										
Average Unit Area	See Narrative	See Narrative	See Narrative	See Narrative										
Same Tax Rate Subject*	NAP	NAP	NAP	NAP										
Same Utility Rate	NAP	NAP	NAP	NAP										
Effect. Date/Updating Operating Year/Percentage	1/1/2014 0.0%	1/1/2013 3.0%	1/1/2012 6.1%											
Equipment & Services Including Rent**														
Equipment Included in Rent		Services Included in Rent												
1 Rng/Refrig.	2 Crpt/Drips	3 Disposal	9 Heat	10 Cooking										
4 Dishwasher	5 Laundry	6 Air Cond.	13 Heat	14 Cooking										
7 Microwave	8 Pool/Ten.	9 Other	18 Heat	19 Hot Water										
				11 Lights										
				17										
Items of Expense by Unit of Comparison														
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Correlated Expenses Per Unit	Total
1. Advertising	\$4	NAP	\$0	\$4	\$1	\$1	\$0	\$1	\$7	\$7	\$0	\$7	\$25	\$3,850
2. Management	\$531	NAP	\$0	\$531	\$517	\$532	\$0	\$532	\$516	\$547	\$0	\$547	\$377	\$58,058
3. Other	\$334	NAP	\$0	\$334	\$314	\$323	\$0	\$323	\$223	\$237	\$0	\$237	\$300	\$46,200
4. Total Admin.	\$869	NAP	\$0	\$869	\$831	\$856	\$0	\$856	\$746	\$791	\$0	\$791	\$702	\$108,108
5. Elevator	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Fuel	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Lighting & Power	\$194	NAP	\$0	\$194	\$198	\$204	\$0	\$204	\$217	\$230	\$0	\$230	\$175	\$26,950
8. Water	\$518	NAP	\$0	\$518	\$361	\$372	\$0	\$372	\$329	\$349	\$0	\$349	\$350	\$53,900
9. Gas	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10. Trash Removal	\$92	NAP	\$0	\$92	\$98	\$100	\$0	\$100	\$105	\$111	\$0	\$111	\$100	\$15,400
11. Payroll	\$968	NAP	\$0	\$968	\$1,054	\$1,086	\$0	\$1,086	\$1,019	\$1,081	\$0	\$1,081	\$1,043	\$160,600
12. Other (Security)	\$78	NAP	\$0	\$78	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13. Total Operating	\$1,850	NAP	\$0	\$1,850	\$1,711	\$1,762	\$0	\$1,762	\$1,670	\$1,772	\$0	\$1,772	\$1,688	\$256,850
form HUD-92274 (2/91) ref. Handbook 4480.1														
Previous Editions are obsolete														
Items of Expense by Unit of Comparison														
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Correlated Expenses Per Unit	Total
14. Decorating - Turnover	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
15. Repairs	\$776	NAP	\$0	\$776	\$916	\$944	\$0	\$944	\$1,018	\$1,080	\$0	\$1,080	\$300	\$46,200
16. Exterminating	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$3,850
17. Insurance	\$388	NAP	\$0	\$388	\$395	\$407	\$0	\$407	\$337	\$357	\$0	\$357	\$375	\$57,750
18. Ground Expense	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
19. Other (Supplies)	\$78	NAP	\$0	\$78	\$121	\$124	\$0	\$124	\$93	\$98	\$0	\$98	\$200	\$30,800
20. Total Maint.	\$1,242	NAP	\$0	\$1,242	\$1,432	\$1,475	\$0	\$1,475	\$1,448	\$1,536	\$0	\$1,536	\$1,000	\$154,000
20a. Total Operating Expense Exclusive of Reserve Time and Trend													\$3,370	\$518,980
20b. Trend Adjustment	(	1.074	x 21a)	To (date) (mm/dd/yyyy)	June 30, 2015								\$3,592	\$553,110
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)													\$300	\$46,200
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 21a, 21b and 22)													\$3,892	\$599,310
23. Taxes/Real Estate	\$426	NAP	\$0	\$426	\$364	\$375	\$0	\$375	\$363	\$386	\$0	\$386	\$458	\$70,503
24. Personal Prop. Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Emp. Payroll Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27a. Total Taxes w/o Trend	\$426	NAP	\$0	\$426	\$364	\$375	\$0	\$375	\$363	\$386	\$0	\$386	\$458	\$70,503
27b. Trend Adjustment	(	1.074	x 28a)	To (date) (mm/dd/yyyy)	June 30, 2015								\$458	\$70,503
28. Total Taxes (Including Time and Trend) (Sum of Lines 28a and 28b)													\$458	\$70,503
29. Total Expense (Sum of Lines 22 and 28)													\$4,349	\$669,813

\* In "NO" reflect in adjustments.  
\*\* Enter appropriate numbers from table for subject and comparables and reflect in adjustments.  
\*\*\* Enter expense items in suitable unit of comparison  
(Attach additional pages to Explain Adjustment as Needed)

**Operating Expense Analysis Worksheet**

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

OMB Approval No. 2502-0029  
(exp. 10/31/2012)

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This information is being collected under Public Law 101-625 which requires the Department to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232 or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Property Name -	Cumberland Oaks	Project Number -	TBD
City -	St. Marys	Date of Appraisal -	June 30, 2015

Signature of Processor	<i>[Signature]</i>				Signature of Reviewer					Date	
Project Name	Lake Gray Apartments	Augusta Manor	Pines at Willowbrook	Confidential	Cumberland Oaks						
Project Number	Not Applicable	Not Applicable	Not Applicable	Not Applicable	TBD						
Location	Jacksonville, FL	Augusta, GA	Hinesville, GA	Jacksonville, FL	St. Marys, GA						
Type of Project & Number of Floors	Garden/3	Garden/3	Garden/3	Garden/2	Lowrise/2						
Type of Construction	Garden	Garden	Garden	Townhouse	Woodframe						
No. of Living Units	300	100	80	156	154						
Age of Project	10	41	11	43	34						
Project Unit Composition	1BR, 2BR, 3BR	1BR, 2BR, 3BR	1BR, 2BR, 3BR	1BR, 2BR	1BR, 2BR, 3BR						
No. of Each Unit Type	100,158,42	28, 40, 32	8, 48, 24	48, 108	32 1BR, 90 2BR, 32 3BR						
Sq. Ft. Each Unit Type	732, 996, 1,213	713, 960, 1,125	703, 942, 1,150	650, 850	See Appraisal						
Average Unit Area	675	933	931	750	See Appraisal						
Same Tax Rate Subject*	N/Av	N/Av	N/Av	N/Av	NAP						
Same Utility Rate	N/Av	N/Av	N/Av	N/Av	NAP						
Effect. Date/Updating Operating Year/Percentage	1/1/2013	NAP	1/1/2013	0.0%	1/1/2013	0.0%	1/1/2013	0.0%			
Equipment & Services Including Rent**											

Equipment Included in Rent				Services Included in Rent																	
1 Rng/Refrig.	2 Crpt/Drps	3 Disposal	4 Dishwasher	5 Laundry	6 Air Cond.	7 Other	8 Pool/Ten.	9 Heat Elec.	10 Heat Other	11 Cooking	12 Hot Water	13 Air Cond.	14 Hot Water	15 Air Cond.	16 Hot Water	17 Other	18 Heat	19 Hot Water	20 Water	21 Other	17 Lights

Items of Expense by Unit of Comparison	Exp.				Adj + -				Ind. Exp.				Correlated Expenses					
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Per Unit	Total
1. Advertising	\$58	NAP	\$0	\$58	\$10	\$10	\$0	\$10	\$7	\$7	\$0	\$7	\$1	\$1	\$0	\$1	\$25	\$3,850
2. Management	\$284	NAP	\$0	\$284	\$740	\$740	\$0	\$740	\$415	\$415	\$0	\$415	\$669	\$669	\$0	\$669	\$377	\$58,058
3. Other	\$466	NAP	\$0	\$466	\$1,401	\$1,401	\$0	\$1,401	\$318	\$318	\$0	\$318	\$248	\$248	\$0	\$248	\$300	\$48,200
<b>4. Total Admin.</b>	<b>\$807</b>	<b>NAP</b>	<b>\$0</b>	<b>\$807</b>	<b>\$2,151</b>	<b>\$2,151</b>	<b>\$0</b>	<b>\$2,151</b>	<b>\$739</b>	<b>\$739</b>	<b>\$0</b>	<b>\$739</b>	<b>\$918</b>	<b>\$918</b>	<b>\$0</b>	<b>\$918</b>	<b>\$702</b>	<b>\$108,108</b>
5. Elevator	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Fuel	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Lighting & Power	\$152	NAP	\$0	\$152	\$163	\$163	\$0	\$163	\$221	\$221	\$0	\$221	\$102	\$102	\$0	\$102	\$175	\$28,950
8. Water	\$553	NAP	\$0	\$553	\$391	\$391	\$0	\$391	\$365	\$365	\$0	\$365	\$503	\$503	\$0	\$503	\$350	\$53,900
9. Gas	\$3	NAP	\$0	\$3	\$415	\$415	\$0	\$415	\$15	\$15	\$0	\$15	\$16	\$16	\$0	\$16	\$0	\$0
10. Trash Removal	\$105	NAP	\$0	\$105	\$99	\$99	\$0	\$99	\$90	\$90	\$0	\$90	\$22	\$22	\$0	\$22	\$100	\$15,400
11. Payroll	\$959	NAP	\$0	\$959	\$434	\$434	\$0	\$434	\$884	\$884	\$0	\$884	\$1,431	\$1,431	\$0	\$1,431	\$1,043	\$160,622
12. Other (Security)	\$10	NAP	\$0	\$10	\$28	\$28	\$0	\$28	\$0	\$0	\$0	\$0	\$4	\$4	\$0	\$4	\$0	\$0
<b>13. Total Operating</b>	<b>\$1,781</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,781</b>	<b>\$1,530</b>	<b>\$1,530</b>	<b>\$0</b>	<b>\$1,530</b>	<b>\$1,574</b>	<b>\$1,574</b>	<b>\$0</b>	<b>\$1,574</b>	<b>\$2,077</b>	<b>\$2,077</b>	<b>\$0</b>	<b>\$2,077</b>	<b>\$1,668</b>	<b>\$256,872</b>

form HUD-92274 (4/91)  
ref. Handbook 4480.1

Previous Editions are obsolete

Items of Expense by Unit of Comparison	Exp.				Adj + -				Ind. Exp.				Correlated Expenses					
	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Exp.	Updated Exp.	Adj + -	Ind. Exp.	Per Unit	Total
14. Decorating - Turnover	\$7	NAP	\$0	\$7	\$65	\$65	\$0	\$65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50	\$7,700
15. Repairs	\$170	NAP	\$0	\$170	\$258	\$258	\$0	\$258	\$544	\$544	\$0	\$544	\$2	\$2	\$0	\$2	\$300	\$48,200
16. Exterminating	\$22	NAP	\$0	\$22	\$33	\$33	\$0	\$33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$3,850
17. Insurance	\$431	NAP	\$0	\$431	\$140	\$140	\$0	\$140	\$393	\$393	\$0	\$393	\$415	\$415	\$0	\$415	\$375	\$57,750
18. Ground Expense	\$36	NAP	\$0	\$36	\$80	\$80	\$0	\$80	\$0	\$0	\$0	\$0	\$283	\$283	\$0	\$283	\$50	\$7,700
19. Other (Supplies)	\$791	NAP	\$0	\$791	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143	\$143	\$0	\$143	\$200	\$30,800
<b>20. Total Maint.</b>	<b>\$1,458</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,458</b>	<b>\$576</b>	<b>\$576</b>	<b>\$0</b>	<b>\$576</b>	<b>\$937</b>	<b>\$937</b>	<b>\$0</b>	<b>\$937</b>	<b>\$843</b>	<b>\$843</b>	<b>\$0</b>	<b>\$843</b>	<b>\$1,000</b>	<b>\$154,000</b>

**20a. Total Operating Expense Exclusive of Reserve Time and Trend** \$3,370 \$518,980

20b. Trend Adjustment ( 1.074 x 20a) To (date) (mm/dd/yyyy) June 30, 2015 Annual Rate 3.0% \$3,592 \$553,110

21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B) \$300 \$46,200

**22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 21a, 21b and 22)** \$3,892 \$599,310

23. Taxes/Real Estate	\$1,093	NAP	\$0	\$1,093	\$336	\$336	\$0	\$336	\$947	\$947	\$0	\$947	\$436	\$436	\$0	\$436	\$458	\$70,503
24. Personal Prop. Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25. Emp. Payroll Tax	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27. Other	\$0	NAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>27a. Total Taxes w/o Trend</b>	<b>\$1,093</b>	<b>NAP</b>	<b>\$0</b>	<b>\$1,093</b>	<b>\$336</b>	<b>\$336</b>	<b>\$0</b>	<b>\$336</b>	<b>\$947</b>	<b>\$947</b>	<b>\$0</b>	<b>\$947</b>	<b>\$436</b>	<b>\$436</b>	<b>\$0</b>	<b>\$436</b>	<b>\$458</b>	<b>\$70,503</b>

27b. Trend Adjustment ( 1.074 x 28a) To (date) (mm/dd/yyyy) June 30, 2015 Annual Rate 3.0% \$458 \$70,503

**28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)** \$458 \$70,503

**29. Total Expense (Sum of Lines 22 and 28)** \$4,349 \$669,813

\* In "NO" reflect in adjustments.  
\*\* Enter appropriate numbers from table for subject and comparables and reflect in adjustments.  
\*\*\* Enter expense items in suitable unit of comparison  
(Attach additional pages to Explain Adjustment as Needed)

**ADDENDUM F**  
*92264 - Unrestricted*

# Multifamily Summary

## Appraisal Report

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

OMB Approval No. 2502-0029  
(exp. 10/30/2012)

### UNRESTRICTED SCENARIO

This form in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where the Jurisdictional Exception is invoked to allow for minor deviations, as noted throughout.

Additional technical direction is contained in the HUD Handbooks reference in the lower right corner.

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

Project Name: Cumberland Oaks  
 Project Number: TBD

**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 as 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. 100	2. Street Mary Powell Dr	3. Municipality St. Marys			
4a. Census Tract No. 0106.01	4b. Placement Code NAP	4c. Legal Description (Optional)		5. County Camden	6. State and Zip Code Georgia 31558
7. Type of Project: <input type="checkbox"/> Elevator(s) <input checked="" type="checkbox"/> Highrise <input type="checkbox"/> Detached # <input type="checkbox"/> Walkup <input type="checkbox"/> Semi-Detached	<input type="checkbox"/> 2 - 5 sty. Elev. <input type="checkbox"/> Row House <input type="checkbox"/> Town House	8. No. Stories 2	9a. Foundation: <input checked="" type="checkbox"/> Slab on grade <input type="checkbox"/> Crawl Space	9b. Basement Floor <input type="checkbox"/> Structural Slab <input checked="" type="checkbox"/> Slab on Grade	
10 TCGA-3461 <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing	11. Number of Units Revenue: 154 Non-Rev.: 0	12. No. of Bldgs. 18	13a. List Accessory Bldgs. and Area Maintenance Building, Water main Building		

13b. List Recreation Facilities and Area

Exercise Facility  
Playground  
Courtyard

#### 13c. Neighborhood Description

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Present Land Use	<u>50%</u> % 1 Family	<u>10%</u> % 2 to 4 Family
Built Up <input type="checkbox"/> Fully Developed	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%		<u>15%</u> % Multifamily	<u>0%</u> % Condo/Coop
Growth Rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow		<u>10%</u> % Commer.	<u>0%</u> % Industrial
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		<u>5%</u> % Vacant	
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Change in Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely
Rent Controls	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Likely		From _____ to _____	<input type="checkbox"/> Taking Place
				Predominant Occupancy	<input type="checkbox"/> Owner	<input checked="" type="checkbox"/> Tenant
						<u>5.00%</u> % 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 Appraisal Report.

#### Site Information

14. Dimensions: 608,533  
 15a. Zoning (If recently changed, submit evidence): R-3

15b. Zoning Compliance:  Legal  Illegal  Legal nonconforming (Grandfathered use)  No zoning

15c. Highest and Best Use as Improved:  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)  
 Rent Restricted - Section 8

#### Building Information

16a. Yr. Built 1981/2016	16b. <input type="checkbox"/> Manufactured Housing <input checked="" type="checkbox"/> Conventionally Built <input type="checkbox"/> Modules <input type="checkbox"/> Components	17a. Structural System Concrete	17b. Floor System Concrete Slab	17c. Exterior Finish Brick and Stucco	18. Heating-A/C System Central
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**B. Additional Information Concerning Land or Property**

19. Date Acquired  <b>Pending</b>	20. Purchase Price  <b>\$5,850,000</b>	21. Additional Costs Paid or Accrued  <b>NAP</b>	22. If Leasehold, Annual Ground Rent  <b>NAP</b>	23a. Total Cost  <b>\$5,850,000</b>	23b. Outstanding Balance  <b>NAP</b>
24a. Relationship (Business, Personal, or Other) Between Seller and Buyer  None		24b. Has the Subject Property been sold in the past 3 years? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Pending Sales agreement			If "Yes," explain:
25. Utilities Water <input checked="" type="checkbox"/> Public <input type="checkbox"/> Community Sewers <input checked="" type="checkbox"/> <input type="checkbox"/>		Distance from Site at site _____ at site _____		26. Unusual Site Features <input type="checkbox"/> Cuts <input type="checkbox"/> Fills <input type="checkbox"/> Rock Formations <input type="checkbox"/> Erosion <input type="checkbox"/> Poor Drainage <input checked="" type="checkbox"/> None <input type="checkbox"/> High Water Table <input type="checkbox"/> Retaining Walls <input type="checkbox"/> Off Site Improvements <input type="checkbox"/> Other (Specify)	

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

27. No. of Each Family Type Unit	Rentable Living Area (Sq. Ft.)	Composition of Units	Unit Rent per Mo. (\$)	Total Monthly Rent For Unit Type (\$)
(a) 32	498	1BR/1BA	\$725	\$23,200
(b) 90	586	2BR/1BA	\$800	\$72,000
(c) 32	775	3BR/2BA	\$895	\$28,640
<b>28. Total Estimated Rentals f #</b>				<b>\$ 123,840</b>

29. Number of Parking Spaces <input type="checkbox"/> Attended _____ <input checked="" type="checkbox"/> Self Park <b>246</b>  <b>Total Spaces</b> 246	Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent) Open Spaces <u>N/A</u> @ \$ _____ Per month = \$ _____ Covered Spaces <u>N/A</u> @ \$ _____ Per month = \$ _____ Laundry _____ and Other Income _____ sq. Ft. or Living Units @ _____ Per month = \$ <b>\$963</b> Other _____ Per month = \$ _____ Other _____ Per month = \$ _____ <b>Total Monthly Ancillary Income</b> \$ <b>963</b>
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30. Commercial Income (Attach Documentation)

Area-Ground Level _____ sq. ft. @ \$ _____ per sq. ft./ month = \$ _____	<b>Total Monthly Commercial Income</b> \$ <b>0</b>
Other Levels <u>N/A</u> sq. ft. @ \$ _____ per sq. ft./month = \$ _____	

**31. Total Estimated Monthly Gross Income at 100 Percent Occupancy** \$ **124,803**

**32. Total Annual Rent (Item 31 x 12 months)** \$ **1,497,630**

33. Gross Floor Area  139,469 Sq. Ft.	34. Net Rentable Residential Area  93,476 Sq. Ft.	35. Net Rentable Commercial Area  0 Sq. Ft.
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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 Rent** (Check and circle appropriate items; fill-in number where indicated)

<p><b>37a. Unit Amenities</b></p> <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> Ranges (Elec)</td> <td><input checked="" type="checkbox"/> Disposal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrig.</td> <td><input checked="" type="checkbox"/> Air Conditioning</td> </tr> <tr> <td><input type="checkbox"/> Microwave</td> <td><input type="checkbox"/> Dishwasher</td> </tr> <tr> <td><input checked="" type="checkbox"/> Carpet</td> <td><input checked="" type="checkbox"/> Window treatment (blinds)</td> </tr> <tr> <td><input type="checkbox"/> Balcony/Patic</td> <td><input type="checkbox"/> Fireplace(s) No. _____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Laundry hookups</td> <td><input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____</td> </tr> <tr> <td><input type="checkbox"/> Wash/Dryer (in units)</td> <td><input type="checkbox"/> Security System(s) (Describe)</td> </tr> <tr> <td><input type="checkbox"/> Other(Specify)</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Ranges (Elec)	<input checked="" type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Refrig.	<input checked="" type="checkbox"/> Air Conditioning	<input type="checkbox"/> Microwave	<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Carpet	<input checked="" type="checkbox"/> Window treatment (blinds)	<input type="checkbox"/> Balcony/Patic	<input type="checkbox"/> Fireplace(s) No. _____	<input checked="" type="checkbox"/> Laundry hookups	<input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____	<input type="checkbox"/> Wash/Dryer (in units)	<input type="checkbox"/> Security System(s) (Describe)	<input type="checkbox"/> Other(Specify)		<p><b>37b. Project Amenities</b></p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Guest room(s) No. _____</td> <td><input checked="" type="checkbox"/> Community room(s) No. _____ 1</td> </tr> <tr> <td><input type="checkbox"/> Sauna/Steam room(s) No. _____</td> <td><input type="checkbox"/> Swimming Pool(s) No. _____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Exercise room(s) No. _____</td> <td><input type="checkbox"/> Racquetballcourt(s) No. _____</td> </tr> <tr> <td><input type="checkbox"/> Tennis Court(s) No. _____</td> <td><input checked="" type="checkbox"/> Picnic/Play area(s) No. _____ 1</td> </tr> <tr> <td><input checked="" type="checkbox"/> Laundry Facilities (coin) _____</td> <td><input checked="" type="checkbox"/> Project Security System(s) (Describe)</td> </tr> <tr> <td><input type="checkbox"/> Jacuzzi(s) / Community Whirlpool(s) No. _____</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other(specify)</td> <td></td> </tr> </table>	<input type="checkbox"/> Guest room(s) No. _____	<input checked="" type="checkbox"/> Community room(s) No. _____ 1	<input type="checkbox"/> Sauna/Steam room(s) No. _____	<input type="checkbox"/> Swimming Pool(s) No. _____	<input checked="" type="checkbox"/> Exercise room(s) No. _____	<input type="checkbox"/> Racquetballcourt(s) No. _____	<input type="checkbox"/> Tennis Court(s) No. _____	<input checked="" type="checkbox"/> Picnic/Play area(s) No. _____ 1	<input checked="" type="checkbox"/> Laundry Facilities (coin) _____	<input checked="" type="checkbox"/> Project Security System(s) (Describe)	<input type="checkbox"/> Jacuzzi(s) / Community Whirlpool(s) No. _____		<input type="checkbox"/> Other(specify)	
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<p><b>37c. Unit Rating</b></p> <table style="width:100%; text-align: center;"> <tr> <td></td> <td>Good</td> <td>Aver.</td> <td>Fair</td> <td>Poor</td> </tr> <tr> <td>Condition of Improvement</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Room Sizes and Layout</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Adequacy of Closets and Storage</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Kitchen Equip., Cabinets, Workspace</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Plumbing - Adequacy and Condition</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Electrical - Adequacy and Condition</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Soundproofing - Adequacy and Condition</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Insulation - Adequacy and Condition</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Overall Livability</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Appeal and Marketability</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		Good	Aver.	Fair	Poor	Condition of Improvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Room Sizes and Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Closets and Storage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kitchen Equip., Cabinets, Workspace	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plumbing - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Electrical - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insulation - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p><b>37d. 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Facilities</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Density (units per acre)</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Unit Mix</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Quality of Construction (matl. &amp; finish)</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Condition of Exterior</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Condition of Interior</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Appeal to Market</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Soundproofing - Vertical*</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Soundproofing - Horizontal*</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		Good	Aver.	Fair	Poor	Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Amenities & Rec. Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Density (units per acre)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unit Mix	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quality of Construction (matl. & finish)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Vertical*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Horizontal*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Insulation - Adequacy and Condition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
	Good	Aver.	Fair	Poor																																																																																																																
Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
General Appearance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Amenities & Rec. Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Density (units per acre)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Unit Mix	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Quality of Construction (matl. & finish)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Vertical*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Horizontal*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																

<p><b>38. Services</b></p> <table style="width:100%;"> <tr> <td>Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water</td> <td><input type="checkbox"/> Cooking</td> <td><input type="checkbox"/> Air Conditioning</td> </tr> <tr> <td>Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water</td> <td><input type="checkbox"/> Cooking</td> <td><input type="checkbox"/> Air Conditioning</td> </tr> <tr> <td>Other: <input type="checkbox"/> <input type="checkbox"/></td> <td><input type="checkbox"/> Other (specify) _____</td> <td><input type="checkbox"/> Lights/etc. _____</td> </tr> <tr> <td></td> <td></td> <td><input type="checkbox"/> Trash, pest control, water, sewer</td> </tr> </table>	Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning	Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning	Other: <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Other (specify) _____	<input type="checkbox"/> Lights/etc. _____			<input type="checkbox"/> Trash, pest control, water, sewer	<p><b>39. Special Assessments</b></p> <p>a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable</p> <p>b. Principal Balance \$ _____</p> <p>c. Annual Payment \$ _____</p> <p>d. Remaining Term _____ Years</p>
Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning											
Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking	<input type="checkbox"/> Air Conditioning											
Other: <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Other (specify) _____	<input type="checkbox"/> Lights/etc. _____											
		<input type="checkbox"/> Trash, pest control, water, sewer											

**E. Estimate of Annual Expense**

<p><b>Administrative</b></p> <table style="width:100%;"> <tr> <td>1. Advertising</td> <td style="text-align: right;">\$ 4,135</td> </tr> <tr> <td>2. Management @ 4% of EGI</td> <td style="text-align: right;">\$ 56,364</td> </tr> <tr> <td>3. Other - General Administrative</td> <td style="text-align: right;">\$ 41,351</td> </tr> <tr> <td><b>4. Total Administrative</b></td> <td style="text-align: right;"><b>\$ 101,850</b></td> </tr> </table> <p><b>Operating</b></p> <table style="width:100%;"> <tr> <td>5. Elevator Main. Exp.</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>6. Fuel (Heating and Domestic Hot Water)</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>7. Lighting &amp; Misc. Power</td> <td style="text-align: right;">\$ 28,946</td> </tr> <tr> <td>8. Water/Utilities</td> <td style="text-align: right;">\$ 57,891</td> </tr> <tr> <td>9. Gas</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>10. Garbage &amp; Trash Removal</td> <td style="text-align: right;">\$ 16,540</td> </tr> <tr> <td>11. Payroll</td> <td style="text-align: right;">\$ 172,516</td> </tr> <tr> <td>12. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td><b>13. Total Operating</b></td> <td style="text-align: right;"><b>\$ 275,893</b></td> </tr> </table>	1. Advertising	\$ 4,135	2. Management @ 4% of EGI	\$ 56,364	3. Other - General Administrative	\$ 41,351	<b>4. Total Administrative</b>	<b>\$ 101,850</b>	5. Elevator Main. Exp.	\$ 0	6. Fuel (Heating and Domestic Hot Water)	\$ 0	7. Lighting & Misc. Power	\$ 28,946	8. Water/Utilities	\$ 57,891	9. Gas	\$ 0	10. Garbage & Trash Removal	\$ 16,540	11. Payroll	\$ 172,516	12. Other	\$ 0	<b>13. Total Operating</b>	<b>\$ 275,893</b>	<p><b>Maintenance</b></p> <table style="width:100%;"> <tr> <td>14. Decorating</td> <td style="text-align: right;">\$ 8,270</td> </tr> <tr> <td>15. Repairs</td> <td style="text-align: right;">\$ 49,621</td> </tr> <tr> <td>16. Exterminating</td> <td style="text-align: right;">\$ 4,135</td> </tr> <tr> <td>17. Insurance</td> <td style="text-align: right;">\$ 62,026</td> </tr> <tr> <td>18. Grounds Maintenance</td> <td style="text-align: right;">\$ 8,270</td> </tr> <tr> <td>19. Other</td> <td style="text-align: right;">\$ 33,081</td> </tr> <tr> <td><b>20. Total Maintenance</b></td> <td style="text-align: right;"><b>\$ 165,403</b></td> </tr> <tr> <td>21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. for Rehab)</td> <td style="text-align: right;">\$ 46,200</td> </tr> <tr> <td><b>22. Total Operating Expense</b></td> <td style="text-align: right;"><b>\$ 589,346</b></td> </tr> </table> <p><b>Taxes</b></p> <table style="width:100%;"> <tr> <td>23. Real Estate: Est. Assessed Value at \$ _____ per \$1000</td> <td style="text-align: right;">\$ 90,647</td> </tr> <tr> <td>24. Personal Prop. Est. Assessed Value at \$ _____ per \$1000</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>25. Empl. Payroll Tax ref Handbooks 4</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>26. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>27. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td><b>28. Total Taxes</b></td> <td style="text-align: right;"><b>\$ 90,647</b></td> </tr> <tr> <td><b>29. Total Expenses</b> (Attach form HUD-92274, as necessary)</td> <td style="text-align: right;"><b>\$ 679,993</b></td> </tr> </table>	14. Decorating	\$ 8,270	15. Repairs	\$ 49,621	16. Exterminating	\$ 4,135	17. Insurance	\$ 62,026	18. Grounds Maintenance	\$ 8,270	19. Other	\$ 33,081	<b>20. Total Maintenance</b>	<b>\$ 165,403</b>	21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. for Rehab)	\$ 46,200	<b>22. Total Operating Expense</b>	<b>\$ 589,346</b>	23. Real Estate: Est. Assessed Value at \$ _____ per \$1000	\$ 90,647	24. Personal Prop. Est. Assessed Value at \$ _____ per \$1000	\$ 0	25. Empl. Payroll Tax ref Handbooks 4	\$ 0	26. Other	\$ 0	27. Other	\$ 0	<b>28. Total Taxes</b>	<b>\$ 90,647</b>	<b>29. Total Expenses</b> (Attach form HUD-92274, as necessary)	<b>\$ 679,993</b>
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**F. Income Computations**

30a.	Estimated Residential Project Income (Line C28 x 12)	\$ 1,486,080	c.	Effective Gross Commercial Income (Line 32a. x Line 32b.)	\$ 0
b.	Estimated Ancillary Project Income (Line C29 x 12)	\$ 11,550	d.	Total Commercial Project Expenses (From Attached Analysis)	\$ 0
c.	Residential and Ancillary Occupancy Percentage *	94%	33.	Net Commercial Income to Project (Line 32c. minus Line 32d.)	\$ 0
d.	Effective Gross Residential and Ancillary Income (Line 30c. x (Line 30a. plus Line 30b.))	\$ 1,407,772	34.	Total Project Net Income (Line 31 plus Line 33)	\$ 727,779
e.	Total Residential and Ancillary Project Expenses (Line E29) Trended, Excluding Ground Lease Payment	\$ 679,993	35a.	Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.)	48.3%
31.	Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.)	\$ 727,779	35b.	Commercial Expense Ratio (Line 32d. divided by 32c.)	0 %
32a.	Estimated Commercial Income (Line C30 x 12)	\$ 0	* 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.		
b.	Commercial Occupancy * (80% Maximum) (See Instructions)	0%			

**G. Estimated Replacement Cost**

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**I. Estimate of Operating Deficit**

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

1. Is Location and Neighborhood acceptable?  Yes  No
2. Is Site adequate in Size for proposed Project?  Yes  No
3. Is Site Zoning permissible for intended use?  Yes  No
4. Are Utilities available now to serve the Site?  Yes  No
5. Is there a market at this location for the Facility at the proposed Rents?  Yes  No
6.  Site acceptable for type of Project proposed under Section 223(f) (If checked, acceptance subject to qualifications listed at bottom of page 6.)
7.  Site not acceptable (see reasons listed at bottom of page 6.)  
Date of inspection 6/30/15 Note: The Effective Date of all land valuations is the date of inspection.

<b>8. Value Fully Improved</b>	Location of Project Mary Powell Dr			Size of Subject 608,533 <b>Sq. Ft.</b>	
	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	514 Pennsylvania Ave	13846 Atlantic Blvd	8681 AC Skinner Pkwy		
	Savannah, GA	Jacksonville, FL	Jacksonville, FL		
Date of Sale	Dec-13	December-12	August-12		
Sales Price	\$1,140,000	\$4,200,000	\$4,200,000		
Square Feet	217,800	632,491	609,840		
Price per SF	\$5.23	\$6.64	\$6.89		
Adjustments (%)					
Time	0.00%	10.00%	10.00%		
Location	0.0%	-25.0%	-25.0%		
Zoning	0.0%	0.0%	0.0%		
Size	0.0%	5.0%	5.0%		
Rights Conveyed	0.0%	0.0%	0.0%		
Terms	0.0%	0.0%	0.0%		
Other	0.0%	0.0%	0.0%		
Total Adjustment Factor	0.0%	-10.0%	-10.0%		
Adjusted Unit Price	\$10,000	\$12,403	\$13,200		
Indicated Value by Comparison	\$1,540,000	\$1,910,013	\$2,032,800		
<b>9. Value of Site Fully Improved</b>					\$1,500,000
<b>10.</b>	<b>Value "As-Is" No.1</b>	<b>Value "As-Is" No.2</b>	<b>Value "As-Is" No.3</b>		
	N/A	N/A	N/A		
Date of Sale					
Sales Price					
Size per Sq. Ft.					
Price per Sq. Ft.					
Adjustments (%)					
Time					
Location					
Zoning					
Topography					
Demolition					
Size					
Shape					
Total Adjustment Factor					
Adjusted Sq. Ft. Price					
Indicated Value by Comparison					
<b>11. Value of Site "As-Is" by Comparison</b>					N/A

**12. Acquisition Cost:** (Last Arm's Length Transaction)

Buyer Southport Financial Services, Inc	Address
Seller Kings Bay Associates, Ltd	Address
Date Apr-14	Price \$5,850,000
Source	

**13. Other Costs:**

(1) Legal Fees and Zoning Costs	
(2) Recording and Title Fees	\$
(3) Interest on Investment	\$
(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)	\$
(2) Deduct unusual items from Section G, item 36a.	\$
(3) Warranted price of land fully improved (Replacement Cost items excluded) (Enter G-73)	\$
For Costs Certification Purposes	
(3a) Deduct cost of demol. \$ _____ and required off-s \$ _____ to be paid by Mtgor. or by special assessments	\$
(4) Estimate of "As Is" by subtraction from improved value	\$
(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 above)	\$
(7) Commissioner's estimated value of land "As Is" (The lesser of [4] or [5] above)*	\$

\*Where land is purchase ####

TCGA-3461

**K. Income Approach to Value**

(1) Estimated Remaining Economic Life		50 years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1):		
<input type="checkbox"/> Overall Rate From Comparable Projects		
<input checked="" type="checkbox"/> Rate From Band of Investment		
<input type="checkbox"/> Cash Flow to Equity		
(3) Rates Selected		5.79%
(4) Net Income "Unrestricted" (Line F 34)	\$	\$727,779
(5) Capitalized Value (Line 4 divided by Line 3)	\$	\$12,600,000
(5a) Capitalized Value after repairs	\$	
(6) Value of Leased Fee (See Chapter 3, Hand Ground Rent \$ _____ divided by Cap. Rate 10.3 % equals Value of Leased Fee	\$	

Remarks: (See item 6 and 7 on page 5)

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. There is a significant variation between the subject and comparable properties, the analysis includes a dollar adjustment reflecting the market reaction to those times 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	Comparable Sale No.4	Comparable Sale No.5
Address	Cumberland Oaks Mary Powell Dr Brunswick, GA	Fountain Lake 1105 Fountain Lake Dr Brunswick, GA	Harbor Pines Apartments 2000 Harbor Pines Dr St. Marys, GA	Riverview Apartments 301 Caravan Circle Jacksonville, FL	Auburn Glen Apartments 8024 Southside Blvd Jacksonville, FL	Atlantica Apartments 2760 Mayport Rd N/A
Proximity to Subject		27.8 miles	31.0 miles	36.9 miles	29.1 miles	29.2 miles
Sales price	\$	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$5,750,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$10,000,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$8,634,062	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$11,500,000	X <input type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$5,500,000
Sales price per GBA	\$	N/Av	N/Av	N/Av	N/Av	N/Av
Gross annual rent	\$	\$877,000	\$1,568,000	\$1,922,307	\$1,911,500	\$834,450
Gross rent multiplier (1)*		6.56	6.38	4.49	6.02	6.59
Sales price per unit	\$	\$53,241	\$50,000	\$28,402	\$45,817	\$55,000
Sales price per room	\$	N/Av	N/Av	N/Av	N/Av	N/Av
Data Source		CoStar, Buyer	CoStar, Public Records	CoStar, Broker	CoStar, Broker	CoStar, Broker
<b>Adjustments</b>	<b>Description</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>	<b>+ (-) \$ Adjust.</b>
Sales or Financing Concessions	Conventional		Conventional	Conventional	Conventional	Conventional
Date of sale/time	Mar-15	0%	Jul-14	0%	Mar-14	0%
Location	Slightly Inferior	10%	Similar	0%	Superior	-20%
Site/view	Good	10%	Average	10%	Average	10%
Design and appeal	Average	0%	Similar	0%	Slightly Inferior	10%
Quality of construction	Average	0%	Similar	0%	Similar	0%
Year built	1981/2016	1983	0%	1989	0%	1987
Condition	Good	Slightly Inferior	15%	Slightly Inferior	15%	Inferior
Gross Building Area	139,469 Sq. ft.	N/Av	Sq. ft.	N/Av	Sq. ft.	N/Av
Unit Breakdown	No. of Units	No. of Units	No. of Units	No. of Units	No. of Units	No. of Units
	Room count	Room count	Room count	Room count	Room count	Room count
	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.
	32 3 1 1	3 3 1 1	44 3 1 1	N/Av 3 1 1	N/Av 3 1 1	100 5 2 2
	90 4 2 1	67 5 2 2	112 5 2 2	N/Av 4 2 1	N/Av 5 2 2	
32 6 3 2	38 6 3 2	44 6 3 2	N/Av 6 3 2			
Basement description	NAP	NAP	NAP	NAP	NAP	NAP
Functional utility	Good	Similar	Similar	Similar	20% Inferior	10% Inferior
Heating/cooling	AC	Similar	Similar	Similar	Similar	Similar
Parking on/off site	On-Site	Similar	Similar	Similar	Similar	Similar
Project amenities and fee (if applicable)	Family	Family	Family	Family	Family	Family
Total Adjustment per Unit		\$18,634	\$12,500	\$18,461	\$16,036	\$16,500
Net Adjustment (Total)	X + <input type="checkbox"/> - \$ Positive		X + <input type="checkbox"/> - \$ Positive	X + <input type="checkbox"/> - \$ Positive	X + <input type="checkbox"/> - \$ Positive	X + <input type="checkbox"/> - \$ Positive
Adjusted sales price of comparables	Per Unit \$	\$71,875	Per Unit \$	\$62,500	Per Unit \$	\$46,863
Total	\$	\$11,068,750	\$	\$9,625,000	\$	\$7,216,826
8. Indicated Value by Sales Comparison Approach	\$	10,800,000				
<b>Reconciliation</b>	Capitalization \$	12,600,000	Summation \$	10,800,000	Comparison \$	10,800,000

9. The market value (or replacement cost) of the property, as of the effective date of the appraisal, is \$ 12,600,000 \*\* see note below

\*\* 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 "appraisals" are in fact USPAP "consultants" concerning economically supportable cost limits. For Section 207 and 223 processing, all three approaches to value are included in the appraisal, but the 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 qualifications.

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 repairs/work write-up items.

Comments on: (continue on separate page if necessary)

1. Sales comparison (including reconciliation of all indicators of value as to consistency and relative strength and evaluation of the typical investors/ purchasers/ 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.

M. To Be Completed by (To Be Completed by Construction Cost Analyst		Total Est. Cost of Off-Site Requirements	
<b>Cost Not Attributable to Dwelling Use</b>		16. Off-Site	Est. Cost
10. Impervious Surfaces	\$ _____ NAP	_____	\$ _____ 0
11. Landscaping + Exterior Improvements	\$ _____ NAP	_____	\$ _____ 0
12. Community Building / Other Non-Residential	\$ _____ NAP	_____	\$ _____ 0
13. Collateral Spaces	\$ _____ NAP	_____	\$ _____ 0
14. Other Land Improvements	\$ _____ NAP	_____	\$ _____ 0
15. <b>Total</b>	\$ _____ NAP	_____	\$ _____ 0
	_____ NAP	<b>17. Total Off-Site Costs</b>	\$ _____ 0

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:

- o the statements of fact contained in this report are true and correct.
- o the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting condition, and are my personal, unbiased professional analyses, opinions, and conclusions.
- o 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.
- o 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 value estimate, the attainment of a stipulation result, or the occurrence of a subsequent event.
- o 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 Mortgage Insurance*; HUD Handbook 4480.1, *Multifamily Underwriting Forms Catalog*; and other applicable HUD handbooks and Notices.
- o I have made a personal inspection of the property that is the subject of this report.
- o 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.

**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)

Appraiser 	Date 6/30/2015	Review Appraiser	Date
State Certification Number 4649	State Georgia	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 Manager / Deputy		Date	

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

Public Reporting Burden for this collection of information is estimated to average 114 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. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is being collected under Public Law 101-625 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

**ADDENDUM G**  
*92264 –Restricted*

# Multifamily Summary

## Appraisal Report

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

OMB Approval No. 2502-0029  
(exp. 10/30/2012)

### RESTRICTED SCENARIO

This form in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice for written reports, except where the Jurisdictional Exception is invoked to allow for minor deviations, as noted throughout.

Additional technical direction is contained in the HUD Handbooks reference in the lower right corner.

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

Project Name: Cumberland Oaks  
 Project Number: TBD

**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 as 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. 100	2. Street Mary Powell Dr	3. Municipality St. Marys			
4a. Census Tract No. 0106.01	4b. Placement Code NAP	4c. Legal Description (Optional) NAP		5. County Camden	6. State and Zip Code Georgia 31558
7. Type of Project: <input type="checkbox"/> Elevator(s) <input checked="" type="checkbox"/> Highrise <input type="checkbox"/> Detached # <input type="checkbox"/> Walkup <input type="checkbox"/> Semi-Detached		<input type="checkbox"/> 2 - 5 sty. Elev. <input type="checkbox"/> Row House <input type="checkbox"/> Town House	8. No. Stories 2	9a. Foundation: <input checked="" type="checkbox"/> Slab on grade <input type="checkbox"/> Crawl Space	
10 TCGA-3461 <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing		11. Number of Units Revenue: 154 Non-Rev.: 0		12. No. of Bldgs. 18	13a. List Accessory Bldgs. and Area Maintenance Building, Water main building

13b. List Recreation Facilities and Area

Exercise Facility  
Playground  
Courtyard

### 13c. Neighborhood Description

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Present Land Use	<u>50%</u> % 1 Family	<u>10%</u> % 2 to 4 Family
Built Up	<input type="checkbox"/> Fully Developed	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> Under 25%		<u>15%</u> % Multifamily	<u>0%</u> % Condo/Coop
Growth Rate	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow		<u>10%</u> % Commer.	<u>0%</u> % Industrial
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		<u>5%</u> % Vacant	
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	Change in Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely
Rent Controls	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Likely		From _____ to _____	<input type="checkbox"/> Taking Place
				Predominant Occupancy	<input type="checkbox"/> Owner	<input checked="" type="checkbox"/> Tenant
						<u>5.00%</u> % 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 Appraisal Report.

### Site Information

14. Dimensions: 608,533  
 15a. Zoning (If recently changed, submit evidence): R-3

15b. Zoning Compliance:  Legal  Illegal  Legal nonconforming (Grandfathered use)  No zoning

15c. Highest and Best Use as Improved:  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)  
 Rent Restricted - Section 8

### Building Information

16a. Yr. Built 1981/2016	16b. <input type="checkbox"/> Manufactured Housing <input type="checkbox"/> Modules	<input checked="" type="checkbox"/> Conventionally Built <input type="checkbox"/> Components	17a. Structural System Concrete	17b. Floor System Concrete Slab	17c. Exterior Finish Brick and Stucco	18. Heating-A/C System Central
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**B. Additional Information Concerning Land or Property**

19. Date Acquired  <b>Pending</b>	20. Purchase Price  <b>\$5,850,000</b>	21. Additional Costs Paid or Accrued  <b>NAP</b>	22. If Leasehold, Annual Ground Rent  <b>NAP</b>	23a. Total Cost  <b>\$5,850,000</b>	23b. Outstanding Balance  <b>NAP</b>
24a. Relationship (Business, Personal, or Other) Between Seller and Buyer  none		24b. Has the Subject Property been sold in the past 3 years?  Pending Sales agreement			24b. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes," explain:
25. Utilities	Public <input checked="" type="checkbox"/> Community <input type="checkbox"/>	Distance from Site	26. Unusual Site Features		
Water	<input checked="" type="checkbox"/>	at site _____	<input type="checkbox"/> Cuts	<input type="checkbox"/> Fills	<input type="checkbox"/> Rock Formations
Sewers	<input checked="" type="checkbox"/>	at site _____	<input type="checkbox"/> Erosion	<input type="checkbox"/> Poor Drainage	<input checked="" type="checkbox"/> None
			<input type="checkbox"/> High Water Table	<input type="checkbox"/> Retaining Walls	<input type="checkbox"/> Off Site Improvements
			<input type="checkbox"/> Other (Specify)		

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

27. No. of Each Family Type Unit	Rentable Living Area (Sq. Ft.)	Composition of Units	Unit Rent per Mo. (\$)	Total Monthly Rent For Unit Type (\$)
(a) 32	498	1BR/1BA	\$538	\$17,216
(b) 90	586	2BR/1BA	\$631	\$56,790
(c) 32	775	3BR/2BA	\$836	\$26,752
<b>28. Total Estimated Rentals f #</b>				<b>\$ 100,758</b>

29. Number of Parking Spaces	Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)			
<input type="checkbox"/> Attended _____	Open Spaces	N/A	@ \$ _____	Per month = \$ _____
<input checked="" type="checkbox"/> Self Park <b>246</b>	Covered Spaces	N/A	@ \$ _____	Per month = \$ _____
<b>Total Spaces 246</b>	Laundry and Other Income	_____	sq. Ft. or Living Units @ _____	Per month = \$ <b>\$963</b>
	Other	_____		Per month = \$ _____
	Other	_____		Per month = \$ _____
	<b>Total Monthly Ancillary Income</b>			<b>\$ 963</b>

30. Commercial Income (Attach Documentation)

Area-Ground Level _____ sq. ft. @ \$ _____ per sq. ft./ month = \$ _____	<b>Total Monthly Commercial Income</b>	<b>\$ 0</b>
Other Levels <b>N/A</b> sq. ft. @ \$ _____ per sq. ft./month = \$ _____		

**31. Total Estimated Monthly Gross Income at 100 Percent Occupancy** \$ 101,721

**32. Total Annual Rent (Item 31 x 12 months)** \$ 1,220,646

33. Gross Floor Area  139,469 Sq. Ft.	34. Net Rentable Residential Area  93,476 Sq. Ft.	35. Net Rentable Commercial Area  0 Sq. Ft.
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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 Rent** (Check and circle appropriate items; fill-in number where indicated)

<p><b>37a. Unit Amenities</b></p> <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> Ranges (Elec)</td> <td><input checked="" type="checkbox"/> Disposal</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrig.</td> <td><input checked="" type="checkbox"/> Air Conditioning</td> </tr> <tr> <td><input type="checkbox"/> Microwave</td> <td><input type="checkbox"/> Dishwasher</td> </tr> <tr> <td><input checked="" type="checkbox"/> Carpet</td> <td><input checked="" type="checkbox"/> Window treatment (blinds)</td> </tr> <tr> <td><input type="checkbox"/> Balcony/Patic</td> <td><input type="checkbox"/> Fireplace(s) No. _____</td> </tr> <tr> <td><input type="checkbox"/> Laundry hookups</td> <td><input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Wash/Dryer (in units)</td> <td><input type="checkbox"/> Security System(s) (Describe)</td> </tr> <tr> <td><input type="checkbox"/> Other(Specify)</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Ranges (Elec)	<input checked="" type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Refrig.	<input checked="" type="checkbox"/> Air Conditioning	<input type="checkbox"/> Microwave	<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Carpet	<input checked="" type="checkbox"/> Window treatment (blinds)	<input type="checkbox"/> Balcony/Patic	<input type="checkbox"/> Fireplace(s) No. _____	<input type="checkbox"/> Laundry hookups	<input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____	<input checked="" type="checkbox"/> Wash/Dryer (in units)	<input type="checkbox"/> Security System(s) (Describe)	<input type="checkbox"/> Other(Specify)		<p><b>37b. Project Amenities</b></p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> Guest room(s) No. _____</td> <td><input checked="" type="checkbox"/> Community room(s) No. _____ 1</td> </tr> <tr> <td><input type="checkbox"/> Sauna/Steam room(s) No. _____</td> <td><input type="checkbox"/> Swimming Pool(s) No. _____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Exercise room(s) No. _____</td> <td><input type="checkbox"/> Racquetballcourt(s) No. _____</td> </tr> <tr> <td><input type="checkbox"/> Tennis Court(s) No. _____</td> <td><input checked="" type="checkbox"/> Picnic/Play area(s) No. _____ 1</td> </tr> <tr> <td><input checked="" type="checkbox"/> Laundry Facilities (coin) _____</td> <td><input checked="" type="checkbox"/> Project Security System(s) (Describe)</td> </tr> <tr> <td><input type="checkbox"/> Jacuzzi(s) / Community Whirlpool(s) No. _____</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Other(specify)</td> <td></td> </tr> </table>	<input type="checkbox"/> Guest room(s) No. _____	<input checked="" type="checkbox"/> Community room(s) No. _____ 1	<input type="checkbox"/> Sauna/Steam room(s) No. _____	<input type="checkbox"/> Swimming Pool(s) No. _____	<input checked="" type="checkbox"/> Exercise room(s) No. _____	<input type="checkbox"/> Racquetballcourt(s) No. _____	<input type="checkbox"/> Tennis Court(s) No. _____	<input checked="" type="checkbox"/> Picnic/Play area(s) No. _____ 1	<input checked="" type="checkbox"/> Laundry Facilities (coin) _____	<input checked="" type="checkbox"/> Project Security System(s) (Describe)	<input type="checkbox"/> Jacuzzi(s) / Community Whirlpool(s) No. _____		<input type="checkbox"/> Other(specify)	
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Soundproofing - Vertical*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
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<p><b>38. Services</b></p> <table style="width:100%;"> <tr> <td>Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water</td> <td><input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning</td> </tr> <tr> <td>Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water</td> <td><input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights/etc.</td> </tr> <tr> <td>Other: <input type="checkbox"/> <input type="checkbox"/></td> <td><input type="checkbox"/> Other (specify) Trash, pest control, water, sewer</td> </tr> </table>	Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning	Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights/etc.	Other: <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Other (specify) Trash, pest control, water, sewer	<p><b>39. Special Assessments</b></p> <p>a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable</p> <p>b. Principal Balance \$ _____</p> <p>c. Annual Payment \$ _____</p> <p>d. Remaining Term _____ Years</p>
Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning						
Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water	<input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights/etc.						
Other: <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> Other (specify) Trash, pest control, water, sewer						

**E. Estimate of Annual Expense**

<p><b>Administrative</b></p> <table style="width:100%;"> <tr> <td>1. Advertising</td> <td style="text-align: right;">\$ 4,135</td> </tr> <tr> <td>2. Management @ 5% of EGI</td> <td style="text-align: right;">\$ 58,058</td> </tr> <tr> <td>3. Other - General Administrative</td> <td style="text-align: right;">\$ 49,621</td> </tr> <tr> <td><b>4. Total Administrative</b></td> <td style="text-align: right;"><b>\$ 111,814</b></td> </tr> </table> <p><b>Operating</b></p> <table style="width:100%;"> <tr> <td>5. Elevator Main. Exp.</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>6. Fuel (Heating and Domestic Hot Water)</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>7. Lighting &amp; Misc. Power</td> <td style="text-align: right;">\$ 28,946</td> </tr> <tr> <td>8. Water/Utilities</td> <td style="text-align: right;">\$ 57,891</td> </tr> <tr> <td>9. Gas</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>10. Garbage &amp; Trash Removal</td> <td style="text-align: right;">\$ 16,540</td> </tr> <tr> <td>11. Payroll</td> <td style="text-align: right;">\$ 172,516</td> </tr> <tr> <td>12. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td><b>13. Total Operating</b></td> <td style="text-align: right;"><b>\$ 275,893</b></td> </tr> </table>	1. Advertising	\$ 4,135	2. Management @ 5% of EGI	\$ 58,058	3. Other - General Administrative	\$ 49,621	<b>4. Total Administrative</b>	<b>\$ 111,814</b>	5. Elevator Main. Exp.	\$ 0	6. Fuel (Heating and Domestic Hot Water)	\$ 0	7. Lighting & Misc. Power	\$ 28,946	8. Water/Utilities	\$ 57,891	9. Gas	\$ 0	10. Garbage & Trash Removal	\$ 16,540	11. Payroll	\$ 172,516	12. Other	\$ 0	<b>13. Total Operating</b>	<b>\$ 275,893</b>	<p><b>Maintenance</b></p> <table style="width:100%;"> <tr> <td>14. Decorating</td> <td style="text-align: right;">\$ 8,270</td> </tr> <tr> <td>15. Repairs</td> <td style="text-align: right;">\$ 49,621</td> </tr> <tr> <td>16. Exterminating</td> <td style="text-align: right;">\$ 4,135</td> </tr> <tr> <td>17. Insurance</td> <td style="text-align: right;">\$ 62,026</td> </tr> <tr> <td>18. Grounds Maintenance</td> <td style="text-align: right;">\$ 8,270</td> </tr> <tr> <td>19. Other</td> <td style="text-align: right;">\$ 33,081</td> </tr> <tr> <td><b>20. Total Maintenance</b></td> <td style="text-align: right;"><b>\$ 165,403</b></td> </tr> <tr> <td>21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. for Rehab)</td> <td style="text-align: right;">\$ 46,200</td> </tr> <tr> <td><b>22. Total Operating Expense</b></td> <td style="text-align: right;"><b>\$ 599,310</b></td> </tr> </table> <p><b>Taxes</b></p> <table style="width:100%;"> <tr> <td>23. Real Estate: Est. Assessed Value at \$ _____ per \$1000</td> <td style="text-align: right;">\$ 70,503</td> </tr> <tr> <td>24. Personal Prop. Est. Assessed Value at \$ _____ per \$1000</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>25. Empl. Payroll Tax ref Handbooks 4</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>26. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td>27. Other</td> <td style="text-align: right;">\$ 0</td> </tr> <tr> <td><b>28. Total Taxes</b></td> <td style="text-align: right;"><b>\$ 70,503</b></td> </tr> <tr> <td><b>29. Total Expenses</b> (Attach form HUD-92274, as necessary)</td> <td style="text-align: right;"><b>\$ 669,813</b></td> </tr> </table>	14. Decorating	\$ 8,270	15. Repairs	\$ 49,621	16. Exterminating	\$ 4,135	17. Insurance	\$ 62,026	18. Grounds Maintenance	\$ 8,270	19. Other	\$ 33,081	<b>20. Total Maintenance</b>	<b>\$ 165,403</b>	21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. for Rehab)	\$ 46,200	<b>22. Total Operating Expense</b>	<b>\$ 599,310</b>	23. Real Estate: Est. Assessed Value at \$ _____ per \$1000	\$ 70,503	24. Personal Prop. Est. Assessed Value at \$ _____ per \$1000	\$ 0	25. Empl. Payroll Tax ref Handbooks 4	\$ 0	26. Other	\$ 0	27. Other	\$ 0	<b>28. Total Taxes</b>	<b>\$ 70,503</b>	<b>29. Total Expenses</b> (Attach form HUD-92274, as necessary)	<b>\$ 669,813</b>
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**J. Project Site Analysis and Appraisal** (See Chapter 2, Handbook 4465.1)

1. Is Location and Neighborhood acceptable?  Yes  No
2. Is Site adequate in Size for proposed Project?  Yes  No
3. Is Site Zoning permissible for intended use?  Yes  No
4. Are Utilities available now to serve the Site?  Yes  No
5. Is there a market at this location for the Facility at the proposed Rents?  Yes  No
6.  Site acceptable for type of Project proposed under Section 223(f) (If checked, acceptance subject to qualifications listed at bottom of page 6.)
7.  Site not acceptable (see reasons listed at bottom of page 6.)  
Date of inspection 6/30/15 Note: The Effective Date of all land valuations is the date of inspection.

<b>8. Value Fully Improved</b>	Location of Project Mary Powell Dr			Size of Subject 608,533 <b>Sq. Ft.</b>	
	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	514 Pennsylvania Ave	13846 Atlantic Blvd	8681 AC Skinner Pkwy		
	Savannah, GA	Jacksonville, FL	Jacksonville, FL		
Date of Sale	Dec-13	December-12	August-12		
Sales Price	\$1,140,000	\$4,200,000	\$4,200,000		
Square Feet	217,800	632,491	609,840		
Price per SF	\$5.23	\$6.64	\$6.89		
Adjustments (%)					
Time	0.00%	10.00%	10.00%		
Location	0.0%	-25.0%	-25.0%		
Zoning	0.0%	0.0%	0.0%		
Size	0.0%	5.0%	5.0%		
Rights Conveyed	0.0%	0.0%	0.0%		
Terms	0.0%	0.0%	0.0%		
Other	0.0%	0.0%	0.0%		
Total Adjustment Factor	0.0%	-10.0%	-10.0%		
Adjusted Unit Price	\$10,000	\$12,403	\$13,200		
Indicated Value by Comparison	\$1,540,000	\$1,910,013	\$2,032,800		
<b>9. Value of Site Fully Improved</b>					\$1,500,000
<b>10.</b>	<b>Value "As-Is" No.1</b>	<b>Value "As-Is" No.2</b>	<b>Value "As-Is" No.3</b>		
	N/A	N/A	N/A		
Date of Sale					
Sales Price					
Size per Sq. Ft.					
Price per Sq. Ft.					
Adjustments (%)					
Time					
Location					
Zoning					
Topography					
Demolition					
Size					
Shape					
Total Adjustment Factor					
Adjusted Sq. Ft. Price					
Indicated Value by Comparison					
<b>11. Value of Site "As-Is" by Comparison</b>					N/A

**12. Acquisition Cost: (Last Arm's Length Transaction)**

Buyer Southport Financial Services, Inc	Address
Seller Kings Bay Associates, Ltd	Address
Date Apr-14	Price \$5,850,000
Source N/A	

**13. Other Costs:**

(1) Legal Fees and Zoning Costs	
(2) Recording and Title Fees	\$
(3) Interest on Investment	\$
(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)	\$
(2) Deduct unusual items from Section G, item 36a.	\$
(3) Warranted price of land fully improved (Replacement Cost items excluded) (Enter G-73)	\$
For Costs Certification Purposes	
(3a) Deduct cost of demol. \$ _____ and required off-s \$ _____ to be paid by Mtgor. or by special assessments	\$
(4) Estimate of "As Is" by subtraction from improved value	\$
(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 above)	\$
(7) Commissioner's estimated value of land "As Is" (The lesser of [4] or [5] above)*	\$

\*Where land is purchase #####

TCGA-3461

**K. Income Approach to Value**

(1) Estimated Remaining Economic Life		50 years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1):		
<input type="checkbox"/> Overall Rate From Comparable Projects		
<input checked="" type="checkbox"/> Rate From Band of Investment		
<input type="checkbox"/> Cash Flow to Equity		
(3) Rates Selected		
(4) Net Income "restricted" (Line F 34)	\$	\$489,800
(5) Capitalized Value (Line 4 divided by Line 3)	\$	
(5a) Capitalized Value after repairs	\$	
(6) Value of Leased Fee (See Chapter 3, Hand Ground Rent \$ _____ divided by Cap. Rate 10.3 % equals Value of Leased Fee	\$	

Remarks: (See item 6 and 7 on page 5)

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 times 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	Comparable Sale No.4
Address	Cumberland Oaks Mary Powell Dr St. Marys	Fountain Lake 1105 Fountain Lake Dr Brunswick, GA	Harbor Pines Apartments 2000 Harbor Pines Dr St. Mary's, GA	Riverview Apartments 301 Caravan Circle Jacksonville, FL	Auburn Glen Apartments 8024 Southside Blvd Jacksonville, FL

N/AP



**ADDENDUM H**  
*92264-T*

**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  
Federal Housing Commissioner

OMB Approval No. 2502-0029  
(exp. 10/30/2012)

**Public reporting burden** for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is being collected under Public Law 101-625, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

	0 Bedrooms	1 Bedrooms	2 Bedrooms	3 Bedrooms	4 Bedrooms
1. Rent by Market Comparison		\$725	\$800	\$895	
2. Personal Benefit Expense (if any)		\$65	\$95	\$128	
3. The Percentage of Median Income (adjusted for family size) used for income limits 40%, 50%, <b>60%</b> (circle only one; then enter the applicable dollar income limit for each unit.)		\$30,000	\$33,720	\$37,440	
4. Estimated Maximum Affordable Monthly Rent for Restricted Units * [(0.30 x line 3) /12] - line 2		\$685	\$748	\$808	
5. Estimated Obtainable Monthly Rent for Restricted Units **		\$631	\$675	\$750	
6. Monthly Rent Estimate for Restricted Units (least of lines 1, 4, or 5) ***		\$631	\$675	\$750	
7. Number of each unit type with income limits shown on line 3		32	90	32	
8. Number of each unit type shown on another form HUD-92264-T with other income limits		0	0	0	
9. Number of each unit type with no income limits using unsubsidized market rents from line 1		0	0	0	

\* 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 has 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 the 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.

\*\*\* Enter in Section C of form HUD-92264.

form HUD-92264-T (04/2003)

Replaces form HUD-92264-TE (12/84) which is obsolete.

ref. Handbook 4480.1

**ADDENDUM I**  
*Flood Map and Zoning Map*

## FloodInsights Report For:

**100 MARY POWELL DR, SAINT MARYS,GA 31558**

*Geocoding Accuracy: S8 (Most Accurate) - single valid address match, point located at a single known address point candidate (Parcel)*

Original Input Address: 100 MARY POWELL DR, SAINT MARYS,GA 31558

### Flood Zone Determinations (Non-Guaranteed)

**SFHA** Within 250 feet of multiple flood zones?

Out No

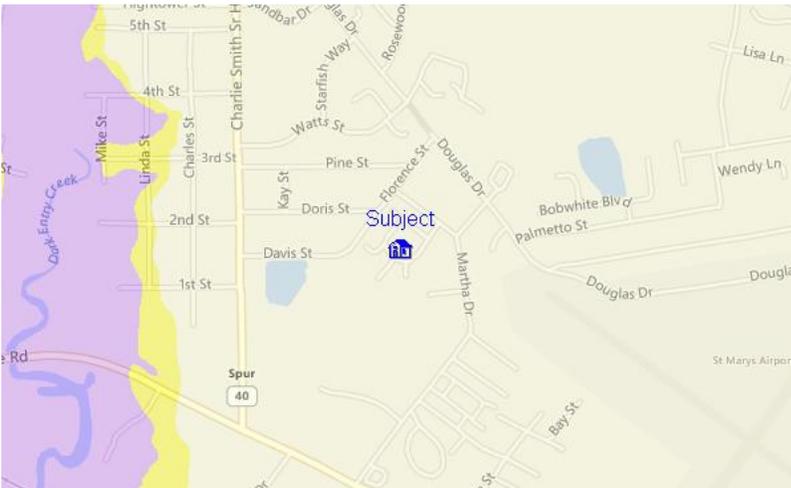
**Map Number**

13039C0414F

Community	Community_Name	Zone	Panel	Panel_Dte	COBRA
130027	ST. MARYS, CITY OF	X	0414F	December 16, 2008	COBRA_OUT

**FIPS CensusTract**

13039 0106.01



**FloodMap Legend**

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

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**ADDENDUM J**  
*Other Subject Information*



**Part G – Information on Mortgagor Entity**

Name of Entity

SP Cumberland LLC

Type of Entity

- Individual     General Partnership     Joint Tenancy/Tenants in Common     Other (specify) Limited Liability Company  
 Corporation     Limited Partnership     Trust

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:  
• corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.  
• partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.  
• trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

SP Cumberland Manager LLC - General Partner

Name and Title

J. David Page - Manager

Name and Title

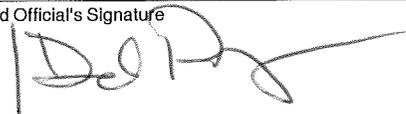
**Part H – Owner Certification**

To the best of my knowledge, 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)

Name and Title

J. David Page - Manager

Authorized Official's Signature



Date (mm/dd/yyyy)

**Part I – HUD/Lender Approval**

Addendum Number

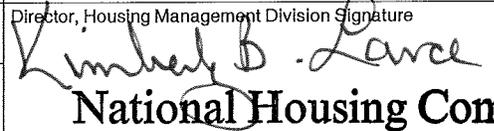
Branch Chief/Lender Official Signature

HAP Contract Number  
GA060012149

Date (mm/dd/yyyy)

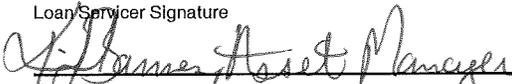
Exhibit Number

Director, Housing Management Division Signature

 4/13/15  
Date (mm/dd/yyyy)

Loan Servicer Signature

Date (mm/dd/yyyy)

 4/13/15

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 1  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date M/O Date	Lease Expires Trm-Type	Sec/Other Deposit	Ending Balance
A - A001	1	2BDHOC	OC	Rasheema F Wright Pharrell J Wright	C	740	631.00	HUD UR	654.00 (23.00)	631.00	631.00	06/09/14	05/31/16 11-A	50.00 0.00	654.00
								<b>Total:</b>	631.00						
A - A002	1	2 BD	OC	Lakeisha Robinson Carlos Johnson	C	740	631.00	HUD UR	693.00 (62.00)	631.00	631.00	12/04/14	12/01/16 12-A	50.00 0.00	693.00
								<b>Total:</b>	631.00						
A - A003	1	2BDHOC	OC	Ronnie Wilson Taleshia Winn	C	740	631.00	HUD RENT	523.00 108.00	631.00	631.00	10/01/07	09/30/15 12-A	177.00 0.00	638.00
								<b>Total:</b>	631.00						
A - A004	1	2 BD	OC	Carla Stewart Damari Thomas Kamy Thomas De'Quavion M Gordon	C	740	631.00	HUD RENT	586.00 45.00	631.00	631.00	02/10/10	01/31/16 12-A	50.00 0.00	1,011.00
								<b>Total:</b>	631.00						
A - A005	2	2BDHOC	OC	Lanesha Graham Jah'mesha Graham	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	07/01/15	06/30/16 12	50.00 0.00	701.00
								<b>Total:</b>	631.00						
A - A006	1	2 BD	OC	Tiesha Phelps Jakira Houston Jaida Phelps	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	09/20/12	08/31/15 12-A	50.00 0.00	701.00
								<b>Total:</b>	631.00						
A - A007	1	2BDHOC	OC	Kathy Peppers Jennifer F Peppers	C	740	631.00	HUD UR	678.00 (47.00)	631.00	631.00	10/10/12	09/30/15 12-A	50.00 0.00	678.00
								<b>Total:</b>	631.00						
A - A008	2	2 BD	OC	Kena McCoy	C	740	631.00	HUD UR	681.00 (50.00)	631.00	631.00	06/03/15	06/02/16 12	50.00 0.00	1,306.00
								<b>Total:</b>	631.00						
B - B009	1	2 BD	OC	Samatha J Fogle Desmond Fogle Christopher Baynham	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	12/12/12	11/30/15 12-A	63.00 0.00	701.00
								<b>Total:</b>	631.00						
B - B010	1	2 BD	OC	Tyesha Wilson Shar'Daya L Jones Ty'Daziah L Jones	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	06/24/13	06/30/15 1-A	50.00 0.00	701.00
								<b>Total:</b>	631.00						
B - B011	2	2 BD	OC	Malacia Williams Jarell Smith Anthony Williams	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	05/15/15	05/14/16 12	50.00 0.00	701.00
								<b>Total:</b>	631.00						
B - B012	1	2 BD	OC	Brittany L Anderson Malachi Z Patterson	C	740	631.00	HUD UR	701.00 (70.00)	631.00	631.00	08/20/13	07/31/15 0-A	50.00 0.00	701.00
								<b>Total:</b>	631.00						

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 2  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	M/O Date	Lease Expires	Sec/Other Deposit	Ending Balance
B - B013	2	BD	OC	Latanya Campbell	C	740	631.00	HUD	648.00	631.00	631.00	08/03/11		07/31/15	168.00	648.00
	1	HUD	N	Tyon Mahony				UR	(17.00)					12-A	0.00	
									<b>Total:</b>	631.00						
B - B014	2	BD	OC	Medora A Purrier	C	740	631.00	HUD	516.00	631.00	631.00	09/18/08		08/31/15	50.00	516.00
	1	HUD	N	Joanna Purrier				RENT	115.00					12-A	0.00	
									<b>Total:</b>	631.00						
B - B015	2	BD	OC	Rhonda Wilke	C	740	631.00	HUD	701.00	631.00	631.00	09/09/11		08/31/15	50.00	701.00
	1	HUD	N	David Wilke				UR	(70.00)					12-A	0.00	
									<b>Total:</b>	631.00						
B - B016	2	BD	OC	Kenosha I Poole	C	740	631.00	HUD	700.00	631.00	631.00	02/20/13		01/31/16	52.00	700.00
	1	HUD	N	Jamiyah A Poole				UR	(69.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C017	2	BD	OC	Faryn Roberts	C	740	631.00	HUD	701.00	631.00	631.00	09/30/13		08/31/15	50.00	701.00
	1	HUD	N					UR	(70.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C018	2	BD	OC	Raqueata M Fuller	C	740	631.00	HUD	506.00	631.00	631.00	10/26/10		09/30/15	51.00	506.00
	1	HUD	N	Jarvis J Reed Charity Fuller				RENT	125.00					12-A	0.00	
									<b>Total:</b>	631.00						
C - C019	2	BD	OC	Christopher Morales	C	740	631.00	HUD	701.00	631.00	631.00	01/07/15		01/06/16	125.00	701.00
	1	HUD	N	Diana Morales				UR	(70.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C020	2	BD	OC	Gloria A Davis	C	740	631.00	HUD	393.00	631.00	631.00	07/03/13		06/30/15	50.00	638.00
	1	HUD	N	Charles A Williams III				RENT	238.00					12-A	0.00	
									<b>Total:</b>	631.00						
C - C021	2	BD	OC	Fillyaw Shalita	C	740	631.00	HUD	701.00	631.00	631.00	12/20/13		11/30/15	0.00	701.00
	1	HUD	N	Janiyah Pierce				UR	(70.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C022	2	BD	OC	Sha'Qunda M Dickerson	C	740	631.00	HUD	658.00	631.00	631.00	07/03/13		06/30/15	50.00	658.00
	1	HUD	N	Keaudrae K Walker				UR	(27.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C023	2	BD	OC	Ashely Mitchell	C	740	631.00	HUD	701.00	631.00	631.00	09/08/14		09/01/16	50.00	701.00
	1	HUD	N	Quinto Sha drae Floyd				UR	(70.00)					12-A	0.00	
									<b>Total:</b>	631.00						
C - C024	2	BD	OC	Katedra Brown	C	740	631.00	HUD	701.00	631.00	631.00	02/16/15		02/15/16	50.00	701.00
	1	HUD	N	Jalen Brown				UR	(70.00)					12-B	0.00	
									<b>Total:</b>	631.00						
D - D025	3	BD	OC	Lisa M Naglowsky	C	1,033	836.00	HUD	771.00	836.00	836.00	01/08/14		12/31/15	50.00	759.00
	1	HUD	N	Jaeremy A Neglowsky				RENT	65.00					12-A	0.00	

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 3  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance	
Brittney N Naglowsky Owens									<b>Total:</b>	836.00						
D - D026	3	BD	OC	Yvonne L Frazier	C	1,033	836.00	HUD	530.00	836.00	836.00	02/07/07	05/31/16	184.00	568.00	
	1	HUD	N	Steven L Frazier				RENT	306.00				11-A	0.00		
Melasia M Ward								<b>Total:</b>	836.00							
D - D027	3	BD	OC	Betty Winn	C	1,033	836.00	HUD	744.00	836.00	836.00	07/22/11	06/30/15	196.00	744.00	
	1	HUD	N	Michael Winn				RENT	92.00				12-A	0.00		
Brandon Winn								<b>Total:</b>	836.00							
D - D028	3	BD	OC	Latricia Frasier	C	1,033	836.00	HUD	939.00	836.00	836.00	12/11/14	12/01/16	50.00	939.00	
	1	HUD	N	Demonte Frasier				UR	(103.00)				12-A	0.00		
Navional Peebles								<b>Total:</b>	836.00							
Ja'Dyn Turner																
D - D029	3	BD	VA	Vacancy Loss		1,033	836.00			836.00						
		HUD	N													
D - D030	3	BD	OC	Felecia Y Taylor	C	1,033	836.00	HUD	866.00	836.00	836.00	05/02/13	04/30/16	70.00	866.00	
	1	HUD	N	Carlia L Jones				UR	(30.00)				10-A	0.00		
								<b>Total:</b>	836.00							
D - D031	3	BD	OC	Madonna D Rogers	C	1,033	836.00	HUD	928.00	836.00	836.00	07/25/14	06/30/16	50.00	928.00	
	1	HUD	N	Kristian S Fuller				UR	(92.00)				12-A	0.00		
Khloe M Rogers								<b>Total:</b>	836.00							
Jhon Fuller																
D - D032	3	BD	OC	Diashae Dasher	C	1,033	836.00	HUD	736.00	836.00	836.00	10/02/13	09/30/15	69.00	1,260.00	
	1	HUD	N	Ryan Milton				RENT	100.00				12-A	0.00		
Jahcere Milton								<b>Total:</b>	836.00							
Kamali Milton																
E - E033	2	BD	OC	Tyesha Brown	C	740	631.00	HUD	165.00	631.00	631.00	05/31/12	04/30/16	95.00	899.00	
	1	HUD	N	Cameron S Brown				RENT	466.00				10-A	0.00		
Taniyah Brown								<b>Total:</b>	631.00							
E - E034	2	BD	OC	Barbara Harris	C	740	631.00	HUD	701.00	631.00	631.00	04/28/10	06/30/15	50.00	701.00	
	1	HUD	N	Thomas W Gucker				UR	(70.00)				3-A	0.00		
								<b>Total:</b>	631.00							
E - E035	2	BD	OC	Antoinette Upshaw	C	740	631.00	HUD	701.00	631.00	631.00	09/01/14	08/31/15	50.00	701.00	
	1	HUD	N	Mychail Howard				UR	(70.00)				1-A	0.00		
								<b>Total:</b>	631.00							
E - E036	2	BD	OC	Robyn L Ponsell	C	740	631.00	HUD	562.00	631.00	631.00	02/22/94	01/31/16	141.00	895.00	
	1	HUD	N	Kimberly D Lightsey				RENT	69.00				12-A	0.00		
								<b>Total:</b>	631.00							
E - E037	2	BD	OC	Kellie J Marshall	C	740	631.00	HUD	701.00	631.00	631.00	02/01/13	01/31/16	50.00	701.00	
	1	HUD	N	Kemen W Lowery				UR	(70.00)				12-A	0.00		

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
									<b>Total:</b>	631.00					
E - E038	2	BD	OC	Joni M Maynor	C	740	631.00	HUD	701.00	631.00	631.00	05/16/14	06/30/15	50.00	701.00
	1	HUD	N	Kelin D Pearson				UR	(70.00)				2-A	0.00	
									<b>Total:</b>	631.00					
E - E039	2	BD	VA	Vacancy Loss		740	631.00			631.00					
		HUD	N												
E - E040	2	BD	OC	Shakondreea Pollack	C	740	631.00	HUD	698.00	631.00	631.00	11/12/10	10/31/15	78.00	698.00
	1	HUD	N	Jarkayla Pollack				UR	(67.00)				12-A	0.00	
				Amiaya L Pollock											
				Armand J Pollock											
									<b>Total:</b>	631.00					
F - F041	3	BD	VA	Vacancy Loss		1,033	836.00			836.00					
		HUD	N												
F - F042	3	BD	VA	Vacancy Loss		1,033	836.00			836.00					
		HUD	N												
F - F043	3	BD	OC	Tiffiney L Johnson	C	1,033	836.00	HUD	607.00	836.00	836.00	09/25/13	08/31/15	256.00	1,077.00
	1	HUD	N	Kamyia Jackson				RENT	229.00				1-A	0.00	
				Valencia Johnson											
									<b>Total:</b>	836.00					
F - F044	3	BD	OC	Wanda J Kenney	C	1,033	836.00	HUD	653.00	836.00	836.00	03/04/04	02/29/16	123.00	643.00
	1	HUD	N	Dorothy Blanchard				RENT	183.00				12-A	0.00	
				Ashley M White											
									<b>Total:</b>	836.00					
F - F045	3	BD	OC	Chris Mason	C	1,033	836.00	HUD	851.00	836.00	836.00	05/26/11	04/30/16	50.00	939.00
	1	HUD	N	Jamaya Mason				UR	(15.00)				10-A	0.00	
				Jaryan Mason											
									<b>Total:</b>	836.00					
F - F046	3	BD	OC	Jimeshia B Gordon	C	1,033	836.00	HUD	939.00	836.00	836.00	04/25/14	03/31/16	188.00	939.00
	1	HUD	N	Bilishia Braxter				UR	(103.00)				12-A	0.00	
				Ziyana M Ingram											
									<b>Total:</b>	836.00					
F - F047	3	BD	OC	Whitney D Washington	C	1,033	836.00	HUD	939.00	836.00	836.00	09/30/09	08/31/15	66.00	939.00
	1	HUD	N	Makari Lee				UR	(103.00)				12-A	0.00	
				Makai Lee											
									<b>Total:</b>	836.00					
F - F048	3	BD	OC	Kara A Jones	C	1,033	836.00	HUD	939.00	836.00	836.00	10/11/06	09/30/15	50.00	939.00
	1	HUD	N	Isaiah A Jones				UR	(103.00)				12-A	0.00	
				Kilah R Jones											
									<b>Total:</b>	836.00					
G - G049	3	BD	OC	Christina Bartley	C	1,033	836.00	HUD	939.00	836.00	836.00	10/08/13	09/30/15	50.00	939.00
	1	HUD	N	Imari Roberts				UR	(103.00)				8-A	0.00	
									<b>Total:</b>	836.00					
G - G050	3	BD	OC	Veronica D Shellman	C	1,033	836.00	HUD	939.00	836.00	836.00	05/14/10	06/30/15	50.00	939.00
	1	HUD	N	India Q Shellman				UR	(103.00)				2-A	0.00	

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 5  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance	
				Quincy D Shellman				<b>Total:</b>	836.00							
G - G051		3 BD	VA	Vacancy Loss		1,033	836.00			836.00						
		HUD	N													
G - G052		3 BD	OC	Veronica Wilson	C	1,033	836.00	HUD	939.00	836.00	836.00	12/04/14	12/01/16	50.00	939.00	
	1	HUD	N	Christopher Livingston				UR	(103.00)				12-A	0.00		
				Amir Wilson				<b>Total:</b>	836.00							
				Malia Riddle												
G - G053		3 BD	OC	Andrea Clark	C	1,033	836.00	HUD	935.00	836.00	836.00	11/26/13	10/31/15	59.00	935.00	
	1	HUD	N	Vincent Baker				UR	(99.00)				12-A	0.00		
				Andrea V Collier				<b>Total:</b>	836.00							
G - G054		3 BD	OC	Vanessa Medina	C	1,033	836.00	HUD	546.00	836.00	836.00	02/11/11	01/31/16	364.00	890.00	
	1	HUD	N	Erwin Mojica				RENT	290.00				12-A	0.00		
				Jaymi Mojica				<b>Total:</b>	836.00							
				Jayren Mojica												
G - G055		3 BD	OC	Yanitza Sanchez	C	1,033	836.00	HUD	939.00	836.00	836.00	07/24/14	06/30/16	50.00	939.00	
	1	HUD	N	Nayeli Sanshez				UR	(103.00)				12-A	0.00		
				Jezaiah Sanchez				<b>Total:</b>	836.00							
G - G056		3 BD	OC	Sheila Molina	C	1,033	836.00	HUD	939.00	836.00	836.00	06/20/11	06/30/15	50.00	939.00	
	1	HUD	N	Ahianna Rivera				UR	(103.00)				1-A	0.00		
				Julio Rivera				<b>Total:</b>	836.00							
H - H057		2 BD	OC	Chanda Hobbs	C	740	631.00	HUD	701.00	631.00	631.00	06/13/13	06/30/15	50.00	701.00	
	1	HUD	N	Dayoni Johnson				UR	(70.00)				1-A	0.00		
								<b>Total:</b>	631.00							
H - H058		2 BD	OC	Quanisha Thomas	C	740	631.00	HUD	690.00	631.00	631.00	09/20/12	08/31/15	50.00	690.00	
	1	HUD	N					UR	(59.00)				12-A	0.00		
								<b>Total:</b>	631.00							
H - H059		2 BD	OC	Kayla Koger	C	740	631.00	HUD	701.00	631.00	631.00	02/06/15	02/05/16	50.00	701.00	
	1	HUD	N	Eden Koger				UR	(70.00)				12-A	0.00		
								<b>Total:</b>	631.00							
H - H060		2 BD	OC	Sheltwarnia Reed	C	740	631.00	HUD	562.00	631.00	631.00	10/23/13	09/30/15	108.00	881.00	
	1	HUD	N	Kendric Mitchell				RENT	69.00				12-A	0.00		
								<b>Total:</b>	631.00							
H - H061		2 BD	OC	Vannisha Morris	C	740	631.00	HUD	701.00	631.00	631.00	05/28/15	05/27/16	50.00	701.00	
	2	HUD	N	Shaniyah Morris				UR	(70.00)				12	0.00		
				Alanna Morris				<b>Total:</b>	631.00							
H - H062		2 BD	OC	Carla L Steele	C	740	631.00	HUD	575.00	631.00	631.00	10/17/12	09/30/15	50.00	855.00	
	1	HUD	N	Jonathan T Steele				RENT	56.00				12-A	0.00		
								<b>Total:</b>	631.00							





SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 8  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
									<b>Total:</b>	631.00					
K - K085	2	BD	OC	Nicole Quarles	C	740	631.00	HUD	701.00	631.00	631.00	12/12/14	12/01/16	50.00	701.00
	1	HUD	N	Jeremiah Nelson				UR	(70.00)				12-A	0.00	
				Timonthy Williams					<b>Total:</b>	631.00					
K - K086	2	BD	OC	Nykita N Washington	C	740	631.00	HUD	455.00	631.00	631.00	09/17/12	08/31/15	72.00	765.00
	1	HUD	N	Timmani Beard				RENT	176.00				12-A	0.00	
									<b>Total:</b>	631.00					
K - K087	2	BD	OC	Chakakhan D Myers	C	740	631.00	HUD	701.00	631.00	631.00	12/28/12	11/30/15	50.00	701.00
	1	HUD	N	Carolisa Myers				UR	(70.00)				12-A	0.00	
				Jennetta Timm					<b>Total:</b>	631.00					
K - K088	2	BD	OC	Estella L Mack	C	740	631.00	HUD	696.00	631.00	631.00	10/11/06	09/30/15	76.00	696.00
	1	HUD	N	Nicole L Mack				UR	(65.00)				12-A	0.00	
									<b>Total:</b>	631.00					
L - L089	2	BD	OC	Yomira Catala	C	740	631.00	HUD	696.00	631.00	631.00	03/14/14	02/29/16	50.00	696.00
	1	HUD	N					UR	(65.00)				12-A	0.00	
									<b>Total:</b>	631.00					
L - L090	2	BD	OC	Phercya Walker	C	740	631.00	HUD	506.00	631.00	631.00	05/01/15	04/30/16	220.00	506.00
	2	HUD	N	Nyquiah Walker				RENT	125.00				12	0.00	
									<b>Total:</b>	631.00					
L - L091	2	BD	OC	Miranda L Shellman	C	740	631.00	HUD	701.00	631.00	631.00	04/24/14	03/31/16	50.00	701.00
	1	HUD	N	Maiiana L Coleman				UR	(70.00)				12-A	0.00	
									<b>Total:</b>	631.00					
L - L092	2	BD	OC	Sharell D Robinson	C	740	631.00	HUD	671.00	631.00	631.00	03/23/11	02/29/16	50.00	671.00
	1	HUD	N	Micah L Jones				UR	(40.00)				12-A	0.00	
				Ja'Marrion M Robinson					<b>Total:</b>	631.00					
L - L093	2	BD	OC	Sandra Rivera	C	740	631.00	HUD	701.00	631.00	631.00	08/30/12	07/31/15	50.00	701.00
	1	HUD	N	Yovanni Rivera				UR	(70.00)				12-A	0.00	
				Jocelyn N Clemons					<b>Total:</b>	631.00					
L - L094	2	BD	OC	Latoya Chester	C	740	631.00	HUD	330.00	631.00	631.00	05/26/10	04/30/16	66.00	340.00
	1	HUD	N	Jeremiah M Chester				RENT	301.00				10-A	0.00	
									<b>Total:</b>	631.00					
L - L095	2	BD	OC	Kamelia R Relliford	C	740	631.00	HUD	642.00	631.00	631.00	03/12/14	02/29/16	0.00	808.00
	1	HUD	N	Carton E Simms				UR	(11.00)				12-A	0.00	
				Kamiya R Simms					<b>Total:</b>	631.00					
L - L096	2	BD	OC	Shamara R Edwards	C	740	631.00	HUD	701.00	631.00	631.00	11/21/11	10/31/15	87.00	701.00
	1	HUD	N	Akyra M Posley				UR	(70.00)				12-A	0.00	
									<b>Total:</b>	631.00					

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 9  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	M/O Date	Lease Expires Trm-Type	Sec/Other Deposit	Ending Balance
M - M097	2	BD	OC	Taffeni Williams Douzart	C	740	631.00	HUD	701.00	631.00	631.00	08/25/08		07/31/15	50.00	701.00
	1	HUD	N	Jymuar Y Terrell				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							
M - M098	2	BD	OC	Aronia Tilly	C	740	631.00	HUD	570.00	631.00	631.00	08/08/14		07/31/15	50.00	570.00
	1	HUD	N	Asisia Pinder				RENT	61.00					0-A	0.00	
								<b>Total:</b>	631.00							
M - M099	2	BD	OC	Maurika S Williams	C	740	631.00	HUD	701.00	631.00	631.00	03/14/14		02/29/16	50.00	701.00
	1	HUD	N	Kayla T Williams Taylor S Williams				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							
M - M100	2	BD	OC	Cathy Lewis	C	740	631.00	HUD	701.00	631.00	631.00	09/27/13		08/31/15	50.00	701.00
	1	HUD	N	Tobias T Lewis				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							
M - M101	2	BD	OC	Desiree C Hopkins	C	740	631.00	HUD	681.00	631.00	631.00	02/16/07		01/31/16	316.00	681.00
	1	HUD	N	Nicholas A Carter				UR	(50.00)					12-A	0.00	
								<b>Total:</b>	631.00							
M - M102	2	BD	OC	Stephanie Babb	C	740	631.00	HUD	701.00	631.00	631.00	09/26/14		08/31/15	282.00	723.00
	1	HUD	N	Kori Allen Nathaniel Babb Wayne Williams				UR	(70.00)					2-A	0.00	
								<b>Total:</b>	631.00							
M - M103	2	BD	VA	Vacancy Loss		740	631.00			631.00						
		HUD	N													
M - M104	2	BD	OC	Mathew Mullis	C	740	631.00	HUD	701.00	631.00	631.00	03/10/11		02/29/16	50.00	701.00
	1	HUD	N	Tristan D Mullis				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							
N - N105	2	BD	OC	Samantha Davis	C	740	631.00	HUD	598.00	631.00	796.00	06/23/15		05/31/16	128.00	753.00
	2	HUD	N	James Crozier				RENT	33.00					11	0.00	
								<b>Total:</b>	631.00							
N - N106	2	BD	OC	Mervilia Brice	C	740	631.00	HUD	701.00	631.00	631.00	01/23/14		12/31/15	50.00	701.00
	1	HUD	N	Meleina C Brice Yohana G Brice				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							
N - N107	2	BD	OC	Jasmine Williams	C	740	631.00	HUD	518.00	631.00	631.00	06/16/15		05/31/16	208.00	771.00
	2	HUD	N	Ciara Swinson				RENT	113.00					11	0.00	
								<b>Total:</b>	631.00							
N - N108	2	BD	OC	Janelle N Woodard	C	740	631.00	HUD	701.00	631.00	631.00	01/26/11		12/31/15	0.00	701.00
	1	HUD	N	Deantwan Woodard Tiffany L Woodard Christopher J Woodard				UR	(70.00)					12-A	0.00	
								<b>Total:</b>	631.00							

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 10  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/O Date	M/I Date	Lease Expires Trm-Type	Sec/Other Deposit	Ending Balance	
N - N109	1	BD HUD	OC N	Lavesa Walker	C	740	631.00	HUD	701.00	631.00	631.00	08/15/14	07/31/15	12-A	50.00	701.00	
				Ian Edwards				UR	(70.00)								0.00
				<b>Total:</b>				631.00									
N - N110	1	BD HUD	OC N	Paul P Rhone	C	740	631.00	HUD	701.00	631.00	631.00	05/07/14	04/30/16	10-A	53.00	701.00	
				Hayden D Rhone				UR	(70.00)								0.00
				<b>Total:</b>				631.00									
N - N111		BD HUD	VA N	Vacancy Loss		740	631.00			631.00							
N - N112	2	BD HUD	OC N	Desirae Arthur	C	740	631.00	HUD	701.00	631.00	631.00	05/08/15	05/07/16	12	50.00	701.00	
				Lauren Andrews				UR	(70.00)								0.00
				<b>Total:</b>				631.00									
O - O113	1	BD HUD	OC N	Pamela P Pace	C	740	631.00	HUD	701.00	631.00	631.00	03/20/14	02/29/16	12-A	50.00	701.00	
				Josiah R Roberts				UR	(70.00)								0.00
				<b>Total:</b>				631.00									
O - O114		BD HUD	VA N	Vacancy Loss		740	631.00			631.00							
O - O115	1	BD HUD	OC N	Latonya Hill	C	740	631.00	HUD	615.00	631.00	631.00	02/22/08	01/31/16	12-A	242.00	612.00	
				Jasmine A Hill				RENT	16.00								0.00
				Rodney A Calloway				<b>Total:</b>	631.00								
O - O116	2	BD HUD	OC N	Teri Denney	C	740	631.00	HUD	696.00	631.00	631.00	05/15/15	05/14/16	12	50.00	696.00	
				Destanie Denney				UR	(65.00)								0.00
				Dequindre Robinson				<b>Total:</b>	631.00								
O - O117	1	BD HUD	OC N	Bridget Davis	C	740	631.00	HUD	701.00	631.00	631.00	10/23/13	09/30/15	12-A	50.00	726.00	
								UR	(70.00)								0.00
				<b>Total:</b>				631.00									
O - O118		BD HUD	VA N	Vacancy Loss		740	631.00			631.00							
O - O119	1	BD HUD	OC N	Karen Jenkins	C	740	631.00	HUD	700.00	631.00	631.00	08/14/13	07/31/15	12-A	50.00	700.00	
				Toland D Gaston				UR	(69.00)								0.00
				El'Ayah S Jenkins				<b>Total:</b>	631.00								
O - O120	1	BD HUD	OC N	Britney S Hubbard	C	740	631.00	HUD	432.00	631.00	631.00	03/15/13	02/29/16	12-A	79.00	431.00	
				Nyasia A Hubbard				RENT	199.00								0.00
				<b>Total:</b>				631.00									
P - P121	1	BD HUD	OC N	Elvis Lanier	C	533	538.00	HUD	578.00	538.00	538.00	12/04/14	12/01/16	12-A	50.00	578.00	
								UR	(40.00)								0.00
				<b>Total:</b>				538.00									

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

**Rent Roll Report**  
**CUMBERLAND OAKS APARTMENTS**  
**CUMBERLAND OAKS APARTMENTS**  
**July 8, 2015**

Page: 11  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
P - P122	1	BD	OC	Cynthia Wilson	C	533	538.00	HUD	390.00	538.00	538.00	12/26/12	11/30/15	367.00	384.00
	1	HUD	N					RENT	148.00				12-A	0.00	
								<b>Total:</b>	538.00						
P - P123	1	BD	OC	Deborah Williams	C	533	538.00	HUD	397.00	538.00	538.00	10/20/06	09/30/15	50.00	401.00
	1	HUD	N					RENT	141.00				12-A	0.00	
								<b>Total:</b>	538.00						
P - P124	1	BD	OC	Thomas D Dennis	C	533	538.00	RENT	538.00	538.00	538.00	06/12/14	05/31/16	0.00	543.00
	1	HUD	N					<b>Total:</b>	538.00				12-A	0.00	
P - P125	1	BD	OC	Frederick Lewis	C	533	538.00	HUD	573.00	538.00	538.00	06/13/13	06/30/15	50.00	573.00
	1	HUD	N					UR	(35.00)				1-A	0.00	
								<b>Total:</b>	538.00						
P - P126	1	BD	OC	Hector Garlaza	C	533	538.00	HUD	578.00	538.00	538.00	08/05/09	07/31/15	332.00	578.00
	1	HUD	N					UR	(40.00)				12-A	0.00	
								<b>Total:</b>	538.00						
P - P127	1	BD	OC	Rodney Calloway	C	533	538.00	HUD	556.00	538.00	538.00	11/25/09	10/31/15	50.00	556.00
	1	HUD	N					UR	(18.00)				12-A	0.00	
								<b>Total:</b>	538.00						
P - P128	1	BD	OC	Melroy D Rhone	C	533	538.00	HUD	395.00	538.00	538.00	10/22/07	09/30/15	263.00	420.00
	1	HUD	N					RENT	143.00				12-A	0.00	
								<b>Total:</b>	538.00						
P - P129	1	BD	OC	Shaqwane Moseley	C	533	538.00	HUD	405.00	538.00	538.00	07/01/15	06/30/16	198.00	405.00
	2	HUD	N					RENT	133.00				12	0.00	
								<b>Total:</b>	538.00						
P - P130	1	BD	OC	Amari Forrest	C	533	538.00	HUD	558.00	538.00	538.00	06/18/15	05/31/16	50.00	796.00
	2	HUD	N					UR	(20.00)				11	0.00	
								<b>Total:</b>	538.00						
P - P131	1	BD	OC	Jordan F Travis	C	533	538.00	HUD	573.00	538.00	538.00	05/02/14	04/30/16	0.00	573.00
	1	HUD	N					UR	(35.00)				10-A	0.00	
								<b>Total:</b>	538.00						
P - P132	1	BD	OC	Emery Green	C	533	538.00	HUD	383.00	538.00	538.00	06/02/15	06/01/16	220.00	743.00
	2	HUD	N					RENT	155.00				12	0.00	
								<b>Total:</b>	538.00						
P - P133	1	BD	VA	Vacancy Loss		533	538.00			538.00					
		HUD	N												
P - P134	1	BD	OC	Rashad Williams	C	533	538.00	HUD	578.00	538.00	538.00	10/08/14	10/01/16	50.00	578.00
	1	HUD	N					UR	(40.00)				12-A	0.00	
								<b>Total:</b>	538.00						

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 12  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date M/O Date	Lease Expires Trm-Type	Sec/Other Deposit	Ending Balance		
P - P135	1	BD	OC	Earnest B Coes, Jr	C	533	538.00	HUD	573.00	538.00	538.00	03/22/06	02/29/16	65.00	573.00		
								UR	(35.00)							12-A	0.00
								<b>Total:</b>	538.00								
P - P136	1	BD	OC	Elizabeth R Mendez	C	533	538.00	HUD	387.00	538.00	538.00	11/09/05	10/31/15	50.00	387.00		
								RENT	151.00							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q137	1	BD	OC	Carl L Jones	C	533	538.00	HUD	578.00	538.00	538.00	01/10/14	12/31/15	50.00	578.00		
								UR	(40.00)							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q138	1	BD	OC	Nakeshia Ramero	C	533	538.00	HUD	347.00	538.00	538.00	12/19/14	12/01/16	100.00	347.00		
								RENT	191.00							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q139	1	BD	OC	Valerie J Richmond	C	533	538.00	HUD	522.00	538.00	538.00	09/22/06	08/31/15	150.00	490.00		
								RENT	16.00							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q140	1	BD	OC	Diana Roberts	C	533	538.00	HUD	377.00	538.00	538.00	07/24/14	06/30/15	100.00	338.00		
								RENT	161.00							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q141	2	BD	OC	Mrs. Brenda Albertye	C	533	538.00	HUD	573.00	538.00	538.00	05/20/15	05/19/16	50.00	573.00		
								UR	(35.00)							12	0.00
								<b>Total:</b>	538.00								
Q - Q142	1	BD	OC	Jashua C Leggett	C	533	538.00	HUD	573.00	538.00	538.00	03/13/14	02/29/16	100.00	573.00		
								UR	(35.00)							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q143	1	BD	OC	Rachel E Thomas	C	533	538.00	HUD	578.00	538.00	538.00	05/22/14	04/30/16	50.00	578.00		
								UR	(40.00)							10-A	0.00
								<b>Total:</b>	538.00								
Q - Q144	1	BD	OC	Earl Walker	C	533	538.00	HUD	573.00	538.00	538.00	06/20/14	05/31/16	50.00	573.00		
								UR	(35.00)							11-A	0.00
								<b>Total:</b>	538.00								
Q - Q145	1	BD	OC	Deja Fleming	C	533	538.00	HUD	558.00	538.00	538.00	11/14/14	10/31/15	50.00	558.00		
								UR	(20.00)							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q146	1	BD	OC	Jon-Daniel Fitzsimmons	C	533	538.00	HUD	513.00	538.00	538.00	02/17/15	02/16/16	50.00	527.00		
								RENT	25.00							12-A	0.00
								<b>Total:</b>	538.00								
Q - Q147	2	BD	OC	Elisha Brewton	C	533	538.00	HUD	339.00	538.00	538.00	07/01/15	06/30/16	264.00	339.00		
								RENT	199.00							12	0.00
								<b>Total:</b>	538.00								

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

**Rent Roll Report**  
**CUMBERLAND OAKS APARTMENTS**  
**CUMBERLAND OAKS APARTMENTS**  
**July 8, 2015**

Page: 13  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance	
<b>Total:</b>									538.00							
Q - Q148	1	BD	OC	Jamarous T Riddle	C	533	538.00	HUD	414.00	538.00	538.00	05/12/14	04/30/16	0.00	698.00	
	1	HUD	N					RENT	124.00				10-A	0.00		
<b>Total:</b>									538.00							
Q - Q149	1	BD	OC	Mario Shellman	C	533	538.00	HUD	320.00	538.00	538.00	05/08/15	05/07/16	283.00	320.00	
	2	HUD	N					RENT	218.00				12	0.00		
<b>Total:</b>									538.00							
Q - Q150	1	BD	OC	Ranika S Fuller	C	533	538.00	HUD	363.00	538.00	538.00	02/14/14	01/31/16	50.00	1,060.00	
	1	HUD	N					RENT	175.00				12-A	0.00		
<b>Total:</b>									538.00							
Q - Q151	1	BD	VA	Vacancy Loss		533	538.00			538.00						
		HUD	N													
Q - Q152	1	BD	OC	Jamall Sheilds	C	533	538.00	HUD	305.00	538.00	538.00	12/30/13	11/30/15	50.00	512.00	
	1	HUD	N					RENT	233.00				12-A	0.00		
<b>Total:</b>									538.00							
R - R153	2	BD	OC	Rene' Scott	C	740	631.00	HUD	670.00	631.00	631.00	10/09/12	09/30/15	50.00	670.00	
	1	HUD	N	Emanuel Scott				UR	(39.00)				12-A	0.00		
				Rico M Samuel				<b>Total:</b>	631.00							
R - R154	2	BD	OC	Mamie L Jenkins	C	740	631.00	HUD	321.00	631.00	631.00	05/01/91	04/30/16	196.00	320.00	
	1	HUD	N					RENT	310.00				10-A	0.00		
<b>Total:</b>									631.00							
<b>Total:</b>							<u>Market Rent</u>		<u>Lease Rent</u>	<u>Gross Possible</u>	<u>Actual Potential Charges</u>		<u>Security Deposits</u>	<u>Other Deposits</u>	<u>Total Deposits</u>	<u>Ending Balance</u>
						100,758.00		93,183.00	100,758.00	93,348.00	12,497.00		0.00	12,497.00	101,046.00	

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

**Rent Roll Report**  
**CUMBERLAND OAKS APARTMENTS**  
**CUMBERLAND OAKS APARTMENTS**  
 July 8, 2015

Page: 14  
 07/2015  
 07/08/15  
 7:43

Unit	ID	Type	Unit Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
<u>Income Code:</u>				<u>Resident Stat.</u>			<u>Unit Stat.</u>			<u>Unit Analysis</u>					
HUD	HUD Assistance	C	Current	OC	Occupied	Description		Units	Percent						
RENT	Rent	P	Previous	VA	Vacant Available	Occupied		143	92.86						
UR	UR-Util Allow Reiml					Vacant		11	7.14						
						Down		0	0.00						
						Total Units		154	100.00						
						Construction		0							
						Waiting Lists		0							
						Employee		0							
						Model		0							
						Other Use		0							
						Total Special Use		0	0.00						

**Summary of Actual Charges by Income Code (Current, On-Notice, Transfer Out residents only)**

HUD	HUD Assistance	91,249.00
RENT	Rent	8,100.00
UR	UR-Util Allow Reimb	-6,166.00

This Rent Roll includes Current Resident. '\*' Indicates amounts not included in summary of lease charges

SSI410  
 GACUB  
 Select: 07/08/15  
 154 Units

Rent Roll Report  
 CUMBERLAND OAKS APARTMENTS  
 CUMBERLAND OAKS APARTMENTS  
 July 8, 2015

Page: 15  
 07/2015  
 07/08/15  
 7:43

Unit	Unit ID	Status	Names	R S	Sq.Ft.	Market Rent	Code	Lease Charges	Gross Possible	Actual Potential Charges	M/I Date	Lease Expires	Sec/Other Deposit	Ending Balance
<b>Grand Total :</b>														
						<u>Market Rent</u>		<u>Lease Rent</u>	<u>Gross Possible</u>	<u>Actual Potential Charges</u>		<u>Other Deposits</u>	<u>Total Deposits</u>	<u>Ending Balance</u>
						100,758.00		93,183.00	100,758.00	93,348.00		12,497.00	0.00	101,046.00

**Grand Summary of Actual Charges by Income Code (Current, On-Notice, Transfer Out residents only)**

HUD	HUD Assistance	91,249.00
RENT	Rent	8,100.00
UR	UR-Util Allow Reimb	-6,166.00

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2014**

**C O N T E N T S**

	PAGE
INDEPENDENT AUDITORS' REPORT	2 & 3
FINANCIAL STATEMENTS:	
Balance Sheet	4 & 5
Statement of Income (Loss)	6 & 7
Statement of Changes in Partners' Capital (Deficit)	8
Statement of Cash Flows	9 & 10
Notes to the Financial Statements	11 - 15
SUPPLEMENTARY INFORMATION	16 - 20
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21 & 22
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR HUD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE <i>CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS</i>	23 & 24
SCHEDULE OF FINDINGS, QUESTIONED COSTS, RECOMMENDATIONS AND CORRECTIVE ACTION PLAN	25

## Independent Auditors' Report

To the Partners of  
KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD Project No. 061-00126-PM-L8I

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KINGS BAY ASSOCIATES, LTD. (L.P.), HUD Project No. 061-00126-PM-L8I which comprise the balance sheet, as of December 31, 2014, and the related statements of income (loss), changes in partners' capital (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KINGS BAY ASSOCIATES, LTD. (L.P.) as of December 31, 2014 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2015, on our consideration of KINGS BAY ASSOCIATES, LTD. (L.P.)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KINGS BAY ASSOCIATES, LTD. (L.P.)'s internal control over financial reporting and compliance.

*Tama, Budaj & Raab, P.C.*

Farmington Hills, Michigan  
February 11, 2015

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8  
(A GEORGIA LIMITED PARTNERSHIP)**

**BALANCE SHEET  
DECEMBER 31, 2014**

ASSETS

CURRENT ASSETS			
1120	Cash - operations	\$ 245,839	
1130N	Net tenant accounts receivable	18,381	
1200	Prepaid expenses	<u>20,340</u>	
1100T	TOTAL CURRENT ASSETS		\$ 284,560
DEPOSITS			
1191	Tenant deposits held in trust		11,291
OTHER DEPOSITS			
1310	Escrow deposits	67,028	
1320	Replacement reserve	<u>354,134</u>	
1300T	TOTAL OTHER DEPOSITS		421,162
PROPERTY AND EQUIPMENT			
1410	Land	319,385	
1420	Buildings	4,057,485	
1440	Building equipment - portable	<u>421,365</u>	
1400T	TOTAL PROPERTY AND EQUIPMENT	4,798,235	
1495	Less accumulated depreciation	<u>(4,202,825)</u>	
1400N	NET PROPERTY AND EQUIPMENT		595,410
OTHER ASSETS			
1520	Financing costs (net of accumulated amortization of \$11,734)	28,800	
1590	Syndication costs	<u>190,157</u>	
1500T	TOTAL OTHER ASSETS		<u>218,957</u>
1000T	TOTAL ASSETS		<u><u>\$ 1,531,380</u></u>

The accompanying notes are an integral part of these financial statements.

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8  
(A GEORGIA LIMITED PARTNERSHIP)**

**BALANCE SHEET  
DECEMBER 31, 2014**

LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)

CURRENT LIABILITIES

2113	Accounts payable - entity - general partner administration fees	\$	1,500
2114	Incentive performance fee payable		32,563
2131	Accrued interest - first mortgage		8,250
2132	Accrued interest - second mortgage		42,898
2134	Accrued interest - notes payable - surplus cash		618,879
2170	Mortgage payable - first mortgage - current portion		61,572
2210	Prepaid rent		<u>3,486</u>
2122T	TOTAL CURRENT LIABILITIES		\$ 769,148

2191	TENANT DEPOSITS HELD IN TRUST		11,339
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LONG-TERM LIABILITIES

2320	Mortgage note payable - first mortgage	\$ 1,885,775	
	Less current portion	<u>(61,572)</u>	1,824,203
2322	Mortgage note payable - second mortgage		1,397,564
2311	Notes payable - surplus cash		<u>702,444</u>

2300T	TOTAL LONG-TERM LIABILITIES		<u>3,924,211</u>
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2000T	TOTAL LIABILITIES		4,704,698
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3130	TOTAL PARTNERS' CAPITAL (DEFICIT)		<u>(3,173,318)</u>
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2033T	TOTAL LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)		<u><u>\$ 1,531,380</u></u>
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**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**STATEMENT OF INCOME (LOSS)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

RENTAL INCOME			
5120	Rental revenue - gross potential	\$ 148,945	
5121	Tenant assistance payment	<u>1,028,855</u>	
5100T	TOTAL RENTAL INCOME		\$ 1,177,800
VACANCIES			
5220	Apartments	<u>(79,188)</u>	
5200T	TOTAL VACANCIES		<u>(79,188)</u>
5152N	NET RENTAL REVENUE		1,098,612
FINANCIAL REVENUE			
5410	Financial revenue - project operations	12	
5440	Revenue from investments - replacement reserve	<u>306</u>	
5400T	TOTAL FINANCIAL REVENUE		318
OTHER REVENUE			
5910	Laundry and vending revenue	18	
5920	Tenant charges	5,208	
5990	Miscellaneous revenue	<u>1,568</u>	
5900T	TOTAL OTHER REVENUE		<u>6,794</u>
5000T	TOTAL REVENUE		<u>1,105,724</u>
ADMINISTRATIVE EXPENSES			
6210	Advertising and marketing	622	
6310	Office salaries	15,194	
6311	Office expenses	12,950	
6320	Management fees	81,838	
6330	Manager or superintendent salaries	32,666	
6340	Legal expense - project	1,614	
6350	Auditing expense	8,000	
6351	Bookkeeping fees/accounting services	9,240	
6370	Bad debts	20,291	
6390	Miscellaneous administrative expenses	<u>338</u>	
6263T	TOTAL ADMINISTRATIVE EXPENSES		182,753
UTILITIES EXPENSES			
6450	Electricity	29,950	
6451	Water	39,917	
6453	Sewer	<u>39,917</u>	
6400T	TOTAL UTILITIES EXPENSES		109,784

Continued...

The accompanying notes are an integral part of these financial statements.

**KINGS BAY ASSOCIATES, LTD. (L.P.)**  
**HUD PROJECT NO. 061-00126-PM-L8**

**STATEMENT OF INCOME (LOSS) (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

OPERATING AND MAINTENANCE EXPENSES			
6510	Payroll	\$ 71,803	
6515	Supplies	7,441	
6520	Contracts	49,056	
6525	Garbage and trash removal	14,096	
6546	Heating/cooling repairs and maintenance	7,737	
6590	Miscellaneous operating and maintenance expenses	62,787	
6500T	TOTAL OPERATING AND MAINTENANCE EXPENSES		\$ 212,920
TAXES AND INSURANCE			
6710	Real estate taxes	65,662	
6711	Payroll taxes	10,382	
6720	Property and liability insurance	59,735	
6723	Health insurance and other employee benefits	18,995	
6790	Miscellaneous taxes, licenses, permits and insurance	4,516	
6700T	TOTAL TAXES AND INSURANCE		159,290
FINANCIAL EXPENSES			
6820	Interest on first mortgage payable	100,180	
6850	Mortgage insurance premium/service charge	9,565	
6800T	TOTAL FINANCIAL EXPENSES		109,745
6000T	TOTAL COST OF OPERATIONS BEFORE DEPRECIATION/AMORTIZATION		774,492
5060T	INCOME (LOSS) BEFORE DEPRECIATION/AMORTIZATION		331,232
6600	Depreciation expense		118,577
6610	Amortization expense		1,013
5060N	OPERATING INCOME (LOSS)		211,642
ENTITY REVENUE (EXPENSES)			
7115	Incentive performance fee - M2M	(32,563)	
7141	Interest expense on notes payable - surplus cash	(45,533)	
7142	Interest on second mortgage payable	(42,898)	
7190	General Partner administration fee	(1,500)	
7100T	NET ENTITY REVENUE (EXPENSES)		(122,494)
3250	NET INCOME (LOSS)		\$ 89,148

The accompanying notes are an integral part of these financial statements.

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**STATEMENT OF CHANGES IN PARTNERS' CAPITAL (DEFICIT)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

S1100-010	Partners' capital (deficit) - January 1, 2014	\$ (3,262,466)
3250	Net income (loss)	<u>89,148</u>
3130	Partners' capital (deficit) - December 31, 2014	<u><u>\$ (3,173,318)</u></u>

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from:

S1200-010	Rent collections	\$ 1,105,402	
S1200-020	Interest received	318	
S1200-030	Laundry	18	
S1200-030	Other	<u>6,776</u>	
S1200-040	Total receipts		\$ 1,112,514

Cash paid for:

Salaries and wages:

6310	Office salaries	15,194	
6330	Management and superintendent salaries	32,666	
6510	Operating and maintenance	<u>71,803</u>	
S1200-100	Total salaries and wages	119,663	
S1200-050	Administrative expenses	53,055	
S1200-070	Management fees	83,717	
S1200-090	Utilities	109,784	
S1200-110	Operating and maintenance	141,115	
S1200-120	Real estate taxes	65,662	
S1200-140	Property insurance	58,816	
S1200-150	Miscellaneous taxes and insurance	33,893	
S1200-160	Tenants' security deposits	(821)	
S1200-180	Interest on HUD insured mortgage note	100,678	
S1200-181	Interest on second mortgage note - M2M	47,991	
S1200-210	Insurance on HUD insured mortgage note	9,391	
	Entity expenses:		
S1200-223	Incentive performance fee - M2M	32,603	
S1200-225	General Partner administration fee	<u>1,500</u>	
S1200-230	Total disbursements		<u>857,049</u>
S1200-240	NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		255,465

CASH FLOWS FROM INVESTING ACTIVITIES:

S1200-245	Change in mortgage escrow	(21,284)	
S1200-250	Change in replacement reserve	<u>(34,987)</u>	
S1200-350	NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES		(56,271)

Continued...

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

CASH FLOWS FROM FINANCING ACTIVITIES:

S1200-360	First mortgage principal payments	\$ (58,429)	
S1200-361	Second mortgage principal payments	(90,086)	
S1200-361	Second mortgage principal payments - per 12/31/13 MBI adjustment	(23,508)	
S1200-361	Second mortgage principal payments - per 12/31/12 MBI adjustment	13,668	
S1200-365	Proceeds from notes payable - surplus cash - per 12/31/10 MBI adjustment	26,929	
S1200-370	Principal payments on notes payable - surplus cash - paid from 12/31/13 MBI adjustment	(26,929)	
S1200-370	Principal payments on notes payable - surplus cash - paid from 12/31/13 MBI adjustment	(17,512)	
S1200-370	Principal payments on notes payable - surplus cash - paid from 12/31/12 MBI adjustment	(7,836)	
S1200-455	Interest expense - notes payable - surplus cash - paid from 12/31/12 MBI adjustment	<u>4,555</u>	
S1200-460	NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES		<u>\$ (179,148)</u>
S1200-470	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		20,046
S1200-480	CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		<u>225,793</u>
S1200T	CASH AND CASH EQUIVALENTS - END OF YEAR		<u>\$ 245,839</u>
	RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
3250	Net income (loss)		\$ 89,148
	Adjustments to reconcile net income (loss) to net cash provided by (used by) operating activities:		
6600	Depreciation	\$ 118,577	
6610	Amortization	1,013	
	Changes in:		
S1200-490	Accounts receivable - tenant	6,906	
S1200-520	Prepaid expenses	935	
S1200-530	Tenants' security deposits - cash	2,270	
S1200-560	Accrued expenses	(1,722)	
S1200-570	Accrued interest - first mortgage	(498)	
S1200-570	Accrued interest - second mortgage	(5,093)	
S1200-570	Accrued interest - notes payable - surplus cash	45,534	
S1200-580	Tenants' security deposits payable	(1,449)	
S1200-590	Prepaid rent	(116)	
S1200-605	Accrued entity - incentive performance fee - M2M	<u>(40)</u>	
	TOTAL ADJUSTMENTS		<u>166,317</u>
S1200-610	NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		<u>\$ 255,465</u>

The accompanying notes are an integral part of these financial statements.

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

1. ORGANIZATION AND BASIS OF PRESENTATION (S3100-010)

The Partnership was organized under the laws of the State of Georgia on August 15, 1979, for the purpose of constructing and operating a 154 unit rental housing project, under Section 221(d)(4) of the National Housing Act, as amended. Under this program, the Partnership is subject to regulation by the Department of Housing and Urban Development (HUD) as to rent charges and operating methods. The Section 221(d)(4) and Section 8 programs are considered major HUD programs for audit purposes.

In addition, under Section 8 of the National Housing Act, HUD was obligated to make monthly housing assistance payments to the Project under a contract which covers 154 units and expires on June 30, 2023. The Project received subsidy income of \$1,028,855 in 2014.

The housing assistance payments (HAP) contract was renewed under HUD's Mark-to-Market ("M2M") program on June 24, 2003 for a 20 year term. Under the M2M program, Project rents were reduced to comparable market rents. The Partnership's first mortgage was also restructured to enable the Project to continue making loan payments based on its reduced housing assistance payments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (S3100-040)

The following significant accounting policies have been followed in the preparation of the financial statements:

Accounts Receivable and Bad Debts

Management has elected to record bad debt expense using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debt expense. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided for over the estimated useful lives of the underlying assets, which range from 5 to 40 years, using accelerated and straight-line methods. Expenditures for maintenance and repairs are charged to expense as incurred. The Partnership reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. There were no impairment losses recognized in 2014.

Financing Costs

Financing costs in connection with securing the mortgage note payable are being amortized on the straight-line method over the term of repayment.

Continued...

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2014**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (S3100-040) (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rental Income

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

Real Estate Taxes

Real estate taxes are deducted in the statement of income (loss) during the period to which they apply.

Income Taxes

No provisions for income taxes (or benefits) are provided for in the Project's accounts, since income taxes are the partners' responsibility.

The Partnership's income tax returns are subject to examination by taxing authorities generally for three years after they are filed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Partnership considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents. At December 31, 2014, there were no cash equivalents.

3. FIRST MORTGAGE NOTE PAYABLE (S3100-050)

The first mortgage debt was refinanced under HUD's Mark-to-Market ("M2M") program on June 24, 2003.

The mortgage note is insured by HUD and payable in monthly installments of \$13,259 (including principal and interest) at an effective rate of 5.25% per annum. The note is due and payable on July 1, 2033. Substantially all of the rental property and equipment is pledged as collateral on the mortgage note.

Continued...

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2014**

3. FIRST MORTGAGE NOTE PAYABLE (S3100-050) (CONTINUED)

Maturities of the mortgage note are as follows for the years ended December 31:

S3100-060	2015	\$	61,572
S3100-070	2016		64,883
S3100-080	2017		68,373
S3100-090	2018		72,050
S3100-100	2019		75,925
S3100-110	Thereafter		<u>1,542,972</u>
			<u><u>\$ 1,885,775</u></u>

4. SECOND MORTGAGE NOTE PAYABLE (S3100-050)

In connection with the refinancing of the first mortgage under HUD's Mark-to-Market ("M2M") program, the Project was issued a second mortgage note in the principal amount of \$1,599,705. The mortgage note is insured by and payable to HUD, and bears interest at 3.00% per annum. Payments on the note are to be made annually from Restricted Surplus Cash (which HUD defines as 75% of Surplus Cash after required payments on any Capital Recovery Payment and Incentive Performance Fees payable - see note on Surplus Cash Allowable to be Disbursed). If Restricted Surplus Cash exists at the end of a year, such cash is to be paid to HUD within 10 days after the Project's annual financial statements are due to HUD. Any amounts paid toward this debt will be applied first to accrued interest and then to principal. The note, plus any accrued interest, is due and payable on July 1, 2033. Substantially all of the rental property and equipment is pledged as collateral under the notes.

Certain adjustments to the amounts paid in the current year may have been required pursuant to correspondence received from an organization called "MBI" which represents HUD. These adjustments, if any, have been identified in the financial statements.

5. RECONCILIATION OF FINANCIAL AND TAX INCOME (LOSS) (S3100-240)

The difference between the income (loss) for financial reporting purposes and the income (loss) for income tax purposes is as follows:

Net income (loss) per financial statements	\$	89,148
Adjustments for:		
Prepaid rent		(116)
Depreciation		<u>94,545</u>
Income (loss) per tax return		<u><u>\$ 183,577</u></u>

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2014**

6. TRANSACTIONS WITH RELATED PARTIES (S3100-200)

Notes Payable - Surplus Cash

The Partnership has notes payable to related parties totaling \$702,444 as of December 31, 2014. Some of the notes bear interest at 7% per annum, and they can be repaid from surplus cash in accordance with the Regulatory Agreement.

Management Fees

Management of the Project has been performed by Hallmark Management, Inc., an affiliate of the General Partner. Fees paid or accrued to such related entities for services rendered to the Project were \$81,838, representing 7.00% of residential and miscellaneous income collected.

Incentive Performance Fee

The Incentive Performance Fee ("IPF") is a non-cumulative payment to the owner equal to 3% of effective gross income (as provided for in Regulatory Agreement). Effective gross income for the year ended December 31, 2014 was \$1,085,433 and the allowable IPF distribution from surplus cash is \$32,563.

Surplus Cash Allowable to be Disbursed

Under the Regulatory Agreement for Section 221(d) (4) projects, distributions to partners from funds provided by rental operations are allowed, provided: 1) surplus cash, as defined by HUD, is available for such purposes, 2) the Project is in compliance with all outstanding notices of requirements for proper maintenance, and 3) there is no default under the Regulatory Agreement or under the mortgage note. For the year ended December 31, 2014, surplus cash totaled \$234,055.

Under the Mark-to-Market ("M2M") program, surplus cash is divided between the Project's owners and payments on the second and third mortgages. Surplus cash, as defined by HUD in the Regulatory Agreement, is first used to return the Capital Recovery Payment ("CRP"), and then a 3% incentive performance fee ("IPF"). After payment of the CRP and IPF, any remaining surplus cash is split 25% to the Project's Owners and 75% towards the second mortgage.

Certain adjustments to the amounts paid in the current year may have been required pursuant to correspondence received from an organization called "MBI" which represents HUD. These adjustments, if any, have been identified in the financial statements.

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2014**

7. VULNERABILITY DUE TO CERTAIN CONCENTRATIONS (S3100-240)

The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by acts of or administrative changes mandated by these regulatory agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

8. CABLE SERVICE AGREEMENT (S3100-240)

During 2014, the Project entered into a cable communications agreement with Comcast of Georgia/South Carolina II LLC. Under this agreement, Comcast received the exclusive right to provide cable television, high-speed internet and other communications services to the Project. The Project received a one-time net fee of \$13,090. The agreement is for a term of 10 years and shall automatically renew for successive periods of 6 months unless either party shall provide the other with a minimum of 60 days notice of its intention not to renew prior to the end of the then current term.

9. CONCENTRATION OF CREDIT RISK (S3100-240)

The Partnership had funds exceeding the applicable FDIC insurable limit in a single financial institution.

10. COMMITMENTS AND CONTINGENCIES (S3100-240)

The Partnership has entered into agreements which may provide various credits or assistance. In conjunction with these agreements, the Partnership may be bound by restrictive covenants and needs to comply with various regulations. Failure to maintain compliance with the covenants and regulations could result in material adverse consequences for the Partnership.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 11, 2015, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Reserve for Replacements:

In accordance with the provisions of the Regulatory Agreement, restricted cash is held by the lender to be used for replacement of property with the approval of HUD as follows:

1320P	BALANCE, JANUARY 1, 2014		\$ 319,147
	Monthly deposits:		
1320DT	Deposits (6 X \$9,233) + (6 X \$9,390)	\$ 111,738	
1320INT	Interest income	<u>306</u>	
			112,044
1320WT	Withdrawals - HUD approved		<u>(77,057)</u>
1320	BALANCE, DECEMBER 31, 2014		<u>\$ 354,134</u>
1320R	Deposits suspended or waived		N

Details of Miscellaneous Administrative Expenses (Account 6390)

Mileage and travel	<u>\$ 338</u>
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Details of Miscellaneous Operating and Maintenance Expenses (Account 6590)

Interior repairs	<u>\$ 62,787</u>
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Details of Miscellaneous Taxes and Insurance (Account 6790)

Dues and licenses	<u>\$ 4,516</u>
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**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Basic Financial Statement Items Not Represented in Revised HUD Chart of Accounts

S1000-010	Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	<u>\$ 58,429</u>
S1000-020	Total of all monthly replacement reserve deposits required during the audit period, even if payments may be temporarily suspended or waived.	<u>\$ 111,738</u>
S1000-030	Replacement reserve releases which are included as expense on this profit and loss statement.	<u>\$ 77,057</u>

<b>Computation of Surplus Cash, Distributions and Residual Receipts</b>		<b>U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner</b>	
Project Name <b>Kings Bay Associates, Ltd. (L.P.)</b>		Fiscal Period Ended <b>December 31, 2014</b>	Project Number <b>061-00126-PM-L8</b>
<b>Part A - Compute Surplus Cash</b>			
<b>Cash</b>			
1. Cash (Accounts 1120, 1191)		\$ 257,130	
2. Tenant subsidy vouchers due for period covered by financial statement		\$ -	
3. Other (describe)		\$ -	
(a) Total Cash (Add lines 1, 2, and 3)			\$ 257,130
<b>Current Obligations</b>			
4. Accrued mortgage interest payable		\$ 8,250	
5. Delinquent mortgage principal payments		\$ -	
6. Delinquent deposits to reserve for replacements		\$ -	
7. Accounts payable (due within 30 days)		\$ -	
8. Loans and notes payable (due within 30 days)		\$ -	
9. Deficient Tax Insurance or MIP Escrow Deposits		\$ -	
10. Accrued expenses (not escrowed)		\$ -	
11. Prepaid Rents (Account 2210)		\$ 3,486	
12. Tenant security deposits liability (Account 2191)		\$ 11,339	
13. Other (describe)		\$ -	
(b) Less Total Current Obligations (Add Lines 4 through 13)			\$ 23,075
(c) Surplus Cash (Deficiency) available for IPF (Line (a) minus Line (b))			\$ 234,055
(d) Less IPF (Incentive Performance Fee - 3% of Effective gross income)			\$ (32,563)
(e) Surplus Cash (Deficiency) available for M2M Note payments (Line (c) minus Line (d))			\$ 201,492
(f) Less M2M Note Payments (75% of Line 13 (e))			\$ (151,119)
(g) Surplus Cash (Deficiency) available for Distribution to Owners (Line (e) minus Line (f))			\$ 50,373
<b>Part B - Compute Distributions to Owners and Required Deposits to Residual Receipts</b>			
1. Surplus Cash			\$ -
<b>Limited Dividend Projects</b>			
2a. Annual Distribution Eamed During Fiscal Period Covered by the Statement		\$ -	
2b. Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period		\$ -	
2c. Distributions Paid During Fiscal Period Covered by Statement		\$ -	
2c. LIHPRHA Approved Debt Service		\$ -	
3. Amounts to be Carried on Balance Sheet as Distribution Eamed but Unpaid (Line 2a plus 2b minus 2c)		\$ -	
4. Amount Available for Distribution During Next Fiscal Period			\$ -
5. Deposit Due Residual Receipts (Must be deposited with Mortgagee within 60 days after Fiscal Period Ends)			\$ -
Prepared by		Reviewed by	
Loan Technician	Date	Loan Servicer	Date
HUD-93486 (8/95)			

**KINGS BAY ASSOCIATES, LTD. (L.P.)**  
**HUD PROJECT NO. 061-00126-PM-L8**

**SUPPLEMENTARY INFORMATION**  
**CHANGES IN PROPERTY AND EQUIPMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Cost			Balance December 31	
	Balance January 1	Additions	Deductions		
1410P Land	\$ 319,385	\$ -0-	\$ -0-	\$ 319,385	1410
1420P Buildings	4,057,485	-0-	-0-	4,057,485	1420
1440P Building equipment - portable	421,365	-0-	-0-	421,365	1440
TOTAL	<u>\$ 4,798,235</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,798,235</u>	
	Accumulated Depreciation				
	Balance January 1	Additions	Deductions	Balance December 31	Net Property and Equipment December
TOTAL	<u>\$ 4,084,248</u>	<u>\$ 118,577</u>	<u>\$ -0-</u>	<u>\$ 4,202,825</u>	<u>\$ 595,410</u>
	1495P	6600	1400ADT	1495	1400N

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Partners of  
KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD Project No. 061-00126-PM-L8I

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KINGS BAY ASSOCIATES, LTD. (L.P.) ("the Entity"), which comprise the balance sheet as of December 31, 2014, and the related statements of income (loss), changes in partners' capital (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tama, Budaj & Raab, P.C.*

Farmington Hills, Michigan  
February 11, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
HUD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF  
HUD PROGRAMS**

To the Partners of  
KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD Project No. 061-00126-PM-L8I

**Report on Compliance for Each Major HUD Program**

We have audited KINGS BAY ASSOCIATES, LTD. (L.P.)'s ("the Entity") compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on each of the Entity's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2014. The HUD programs that are considered major programs for audit purposes are as follows: Section 221(d)(4) mortgage insurance and Section 8 Housing Assistance Payment Contract.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its HUD programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the Entity's major HUD programs based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major HUD program occurred. An audit includes examining, on a test basis, evidence about the Entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major HUD program. However, our audit does not provide a legal determination of the Entity's compliance.

*Opinion on Each Major HUD Program*

In our opinion, the Entity complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended December 31, 2014.

## Report on Internal Control Over Compliance

Management of the Entity is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Entity's internal control over compliance with the requirements that could have a direct and material effect on each major HUD program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major HUD program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a HUD program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a HUD program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

*Tama, Budaj & Raab, P.C.*

Farmington Hills, Michigan  
February 11, 2015

**KINGS BAY ASSOCIATES, LTD. (L.P.)  
HUD PROJECT NO. 061-00126-PM-L8**

**SCHEDULE OF FINDINGS, QUESTIONED COSTS, RECOMMENDATIONS  
AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**CURRENT YEAR FINDINGS:**

There were no current year findings.

**PRIOR YEAR FINDINGS:**

There were no prior year findings.

Beth Soles 340  
 Camden County Tax Commissioner  
 PO Box 698  
 Woodbine, GA 31569-0698  
 (912) 576-3248

2014 Ad Valorem Tax Notice

IMPORTANT NOTICES

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition to the regular homestead exemption authorized for all homeowners, certain elderly persons are entitled to additional exemptions. The full law relating to each exemption must be referred to in order to determine eligibility for the exemption. If you are eligible for one of these exemptions and are not now receiving the benefit of the exemption, you must apply for the exemption not later than April 1, 2015 in order to receive the exemption in future years. For more information on eligibility for exemptions or on the proper method of applying for an exemption, you may contact:

Camden County Tax Assessor  
 Courthouse Square  
 Woodbine, GA  
 (912) 576-3241

If you feel that your property has been assigned too high a value for tax purposes by the Board of Tax Assessors, you should file a tax return reducing the value not later than April 1, 2015 in order to have an opportunity to have this value lowered for next years' taxes. Information on filing a return can be obtained at the location and phone number above.

RECEIVED  
 OCT 23 2014

Address Service Requested 65  
 Cumberland Oaks  
 \*\*\*\*\*AUTO\*\*MIXED AADC 296 20207 1 MB 0.435 065  
 KINGS BAY ASSOCIATES LTD  
 C/O HALLMARK MANAGEMENT, INC.  
 ATTN: PROPERTY TAX EAGLE  
 3338 COUNTRY CLUB RD STE L1  
 VALDOSTA GA 31605-7425

2014 State, County & School Ad Valorem Tax Notice

Bill No.	Property Description	Map Number	Fair Mkt Value	Assessed Value	Exempt Value	Taxable Value	Millage Rate	Tax Amount	
015728	01 Conn (apts)/L S/W Mary Powell 100 MARY POWELL DR	135 053A	4776285	1910514		1910514	28.860	55137.43	
<b>Important Messages -- Please Read</b>							<b>Total of Bills by Tax Type</b>		
Office hours are 9am to 5pm Monday through Friday.  If your taxes are to be paid through an escrow account by your mortgage company, please forward a copy of this notice to them. ***We now accept online payments***  Please visit our website at: <a href="http://www.camden.paytaxes.net">www.camden.paytaxes.net</a> <a href="http://www.co.camden.ga.us">www.co.camden.ga.us</a>		<b>This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.</b>					<b>STATE</b>		191.05
							<b>COUNTY</b>		22811.54
		<b>SCHOOL</b>		30224.33					
		<b>JDA</b>		1910.51					
		<b>TOTAL DUE</b>		<b>55137.43</b>					
		<b>DATE DUE</b>		<b>12/19/2014</b>					
<b>County Local Option Sales Tax Information</b>									
Mills required to produce county budget		14.59							
Mill reduction due to sales tax roll back		2.65							
Actual millage set by county officials		11.94							
Tax savings due to sales tax rollback		5062.06							

⌈ PLEASE DETACH HERE AND RETURN THIS PORTION, MAKING SURE THAT OUR RETURN ADDRESS APPEARS THROUGH THE WINDOW IN THE ENVELOPE PRIOR TO SEALING ⌋

KINGS BAY ASSOCIATES LTD  
 C/O HALLMARK MANAGEMENT, INC ← If this address is incorrect,  
 ATTN: PROPERTY TAX EAGLE please write the correct  
 3338-L1 COUNTRY CLUB RD., SUITE address on this portion.  
 VALDOSTA GA 31605



2014011122

Beth Soles  
 Camden County Tax Commissioner  
 PO Box 698  
 Woodbine, GA 31569-0698



PAYMENT INSTRUCTIONS

- Please Make Check or Money Order Payable to: Camden County Tax Commissioner
- Please write the bill number(s) on your check.
- If a receipt is desired, please include a stamped, self-addressed envelope.
- If taxes are to be paid by a mortgage company, send them this portion only.
- If you are paying after the due date, please call our office for the full amount due.
- Interest at a rate of 1% per month plus costs begins the day after the due date.
- A 10% penalty is imposed on all property other than homesteaded property with a bill under \$500.00 90 days after the due date.

Bill Number	Map Number	Tax Amount
2014 015728	135 053A	55137.43
<b>DATE DUE</b>		<b>TOTAL DUE</b>
12/19/2014		55137.43

**BETH SOLES**  
**CAMDEN COUNTY TAX COMM**  
**200 EAST FOURTH STREET**  
**P.O. BOX 698**  
**WOODBINE, GEORGIA 31569**  
**912-576-3248**

KINGS BAY ASSOCIATES LTD  
 ATTN: PROPERTY TAX EAGLE  
 3338-L1 COUNTRY CLUB RD.,  
 SUITE 236  
 VALDOSTA GA 31605

**IMPORTANT MESSAGES – PLEASE READ**

Certain persons are eligible for certain homestead exemptions from ad valorem taxation. In addition to the regular homestead exemption authorized for all homeowners, certain elderly persons are entitled to additional exemptions. The full law relating to each exemption must be referred to in order to determine eligibility for the exemption. If you are eligible for one of these exemptions and are not now receiving the benefit of the exemption, you must apply for the exemption not later than April 1 in order to receive the exemption in future years. For more information on eligibility for exemptions or on the proper method of applying for an exemption, you may contact:

**Camden County Tax Assessor**  
**Courthouse Square**  
**Woodbine, GA**  
**(912) 576-3241**

If you feel that your property has been assigned too high a value for tax purposes by the Board of Tax Assessors, you should file a tax return reducing the value not later than April 1 in order to have an opportunity to have this value lowered for next years' taxes. Information on filing a return can be obtained at the location and phone number above.

**2014 AD VALOREM TAX NOTICE FOR REAL AND PERSONAL PROPERTY**

BILL NUMBER		MAP NUMBER		PROPERTY DESCRIPTION	
2014	015728	135	053A	Comm (apts)/L S/W Mary Powell	
FAIR MARKET VALUE		ASSESSED VALUE		HOMESTEAD CODE	TAX DISTRICT
4,776,285		1,910,514			01
TAX ENTITY		EXEMPTION	NET ASSESSMENT	TAX RATE	PROPERTY ACCOUNT
STATE			1,910,514	.100	2947R14
COUNTY			1,910,514	11.940	
SCHOOL			1,910,514	15.820	
			1,910,514	1.000	
<b>TOTAL TAXES</b>					55,137.43
<b>INTEREST 1% PER MONTH</b>					
<b>LATE FEES</b>					
<b>10% PENALTY</b>					
<b>BACK TAXES</b>					
<b>PAYMENTS RECEIVED</b>					
<b>TOTAL DUE</b>					55,137.43
<b>DATE DUE</b>					<b>12/19/2014</b>

SALES TAX CREDIT SAVINGS 5,062.86

Office hours are 9am to 5pm Monday through Friday.  
 If your taxes are to be paid through an escrow account by your mortgage company, please forward a copy of this notice to them.  
 If ownership of real estate has changed, please forward this bill to the new owner.

**\*\*\*We now accept online payments\*\*\***  
 Please visit our website at:  
[www.camden.paytaxes.net](http://www.camden.paytaxes.net)

KINGS BAY ASSOCIATES LTD  
 ATTN: PROPERTY TAX EAGLE  
 3338-L1 COUNTRY CLUB RD.,  
 SUITE 236  
 VALDOSTA GA 31605

Please address all payments to:

**BETH SOLES**  
**CAMDEN COUNTY TAX COMM**  
**200 EAST FOURTH STREET**  
**P.O. BOX 698**  
**WOODBINE, GEORGIA 31569**

Please place this bill number on your check →	2014 015728
ACCOUNT NUMBER	2947R14
AMOUNT DUE	55,137.43
AMOUNTS VALID THROUGH	12/19/2014
<b>DATE DUE</b>	<b>12/19/2014</b>
Please make check or Money Order Payable to: <b>CAMDEN COUNTY TAX COMM</b>	
If a receipt is desired, please furnish a stamped, self-addressed envelope with your payment.	
Please Note: If taxes are to be paid by your mortgage company, send them this portion only.	

# 2014 Property Tax Statement

City of St. Marys  
418 Osborne Street  
St. Marys, GA 31558

Bill No.	Due Date	TOTAL DUE
2014- 732.0	12/18/2014	10223.14

Map: 135-053A  
Location:

MAKE CHECK OR MONEY ORDER PAYABLE TO:  
City of St. Marys



KINGS BAY ASSOCIATES LTD *Cumberland Oaks*  
ATTN: PROPERTY TAX EAGLE  
3338-L1 COUNTRY CLUB RD., SUIT  
VALDOSTA, GA 31605



↑ Return top portion with payment ↑

City of St. Marys  
418 Osborne Street  
St. Marys, GA 31558  
Office hours 8:00 AM - 5:00 PM Monday - Friday  
Email: [stmarystaxes@stmarysga.gov](mailto:stmarystaxes@stmarysga.gov)

**Billing Date:** 10/16/2014

**Tax Payer:** KINGS BAY ASSOCIATES LTD  
**Map Code:** 135-053A REAL  
**Description:** Comm (apts)/L S/W Mar y Powell  
**Location:**  
**Bill No:** 2014 - 732.0  
**District:** 01

Phone: (912) 510-4048 or (912) 510-4024  
Fax: (912) 882-5506

**WE DO NOT ACCEPT POSTMARKS**

We encourage you to pay your bill by mail which will avoid the lines and should be more convenient for you. Please put your bill number(s) on your check. Interest will be added to payments received after Due Date.

Fair Market Value (FMV)	Assessed Value 40% FMV	Exemptions	Taxable Value	Millage Rate	Net Tax Due
4,776,285	1,910,510	- 0	1,910,510	5.351	10,223.14

Entity	Exemptions	Gross Tax	Exemptions Tax Credit	Net Tax	Fees	Total Due
CITY OF ST. MARYS		10,223.14				
<b>NET TAX DUE</b>				10,223.14		
<b>TOTAL DUE</b>						10,223.14

Delinquent Taxes Subject to additional Interest

City of St. Marys, GA - The law requires payment in full by: **Dec 18, 2014**

**IMPORTANT MESSAGES - PLEASE READ**

- These taxes are billed based on the digest as provided from the Camden County Tax Assessor's Office.
- Please write the bill number(s) on your check.
- If a receipt is desired, please include a stamped, self-addressed envelope.
- If taxes are to be paid by a mortgage company, please forward a copy of this bill to them. We do not send one.
- If you are paying after the due date, please call our office for the full amount due.
- Interest at a rate of 1 % per month begins the day after the due date.
- A 10 % penalty (minimum \$10.00) will be imposed on all bills not paid by 90 days after the due date.
- A \$15 lien fee will be imposed on all bills not paid by 30 days after due date.
- Bills are sent to the owner of a property as of Jan 1st, and will remain in that name until paid in full. If the sales contract provides for the buyer to pay the taxes, the seller should send a copy of this bill to the new owner.

Balance Due this bill:	10,223.14
Back taxes	
<b>TOTAL DUE</b>	<b>10,223.14</b>

Failure to receive a bill does not exempt penalties or interest.  
We are not responsible for late remittance made through the mail service.  
We do not accept postmarks.

Kings Bay Associates Ltd (Cumbe Vendor  
KingsBay-CO OP COASTAL B 0485 City of St. Marys

Vendor ID  
340TAXCITY

Payment Number  
0000000000156768

Date  
11/07/2014

Check Number  
00017520

Invoice Number	Date	Description	Amount	Discount	Paid Amount
2014 195.0	12/18/2014	2014 CITY PP TAX	\$47.16	\$0.00	\$47.16

Tax Department  
418 Osborne St.  
St. Marys, GA 31558-8402

TOTALS: \$47.16 \$0.00 \$47.16

THIS CHECK IS VOID WITHOUT A BLUE BURBUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK. HOLD AT ANGLE TO VIEW.

Kings Bay Associates Ltd (Cumbe  
KingsBay-CO OP COASTAL B 0485  
3111 Paces Mill Road  
Suite A-250  
Atlanta, GA 30339

The Coastal Bank of Georgia 061212510

Nov 7, 2014 00017520  
DATE CHECK NO.

Pay Forty Seven Dollars And 16 Cents

\$47.16

to the Order of:  
City of St. Marys  
Tax Department  
418 Osborne St.  
St. Marys, GA 31558-8402

*Martin J. Petersen*

⑈00017520⑈⑈061212510⑈ 030485⑈

Kings Bay Associates Ltd (Cumbe Vendor  
KingsBay-CO OP COASTAL B 0485 City of St. Marys  
Invoice Number Date Description  
2014 195.0 12/18/2014 2014 CITY PP TAX

Vendor ID  
340TAXCITY

Payment Number  
0000000000156768

Date  
11/07/2014

Check Number  
00017520

Invoice Number	Date	Description	Amount	Discount	Paid Amount
2014 195.0	12/18/2014	2014 CITY PP TAX	\$47.16	\$0.00	\$47.16

Tax Department  
418 Osborne St.  
St. Marys, GA 31558-8402

TOTALS: \$47.16 \$0.00 \$47.16

# 2014 Property Tax Statement

City of St. Marys  
418 Osborne Street  
St. Marys, GA 31558

Bill No.	Due Date	TOTAL DUE
2014- 195.0	12/18/2014	47.16

Map: P1-850  
Location:

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**  
**City of St. Marys**

  
 310 Kings Bay Assoc  
 CUMBERLAND OAKS APARTMENTS  
 3111 PACES MILL ROAD SE  
 SUITE A250  
 ATLANTA, GA 30339



↑ Return top portion with payment ↑

City of St. Marys  
418 Osborne Street  
St. Marys, GA 31558  
Office hours 8:00 AM - 5:00 PM Monday - Friday  
Email: [stmarystaxes@stmarysga.gov](mailto:stmarystaxes@stmarysga.gov)

**Billing Date:** 10/16/2014

**Tax Payer:** CUMBERLAND OAKS APARTMENTS  
**Map Code:** P1-850 **PERSONAL**  
**Description:**  
**Location:**  
**Bill No:** 2014- 195.0  
**District:** 01

Phone: (912) 510-4048 or (912) 510-4024  
Fax: (912) 882-5506

**WE DO NOT ACCEPT POSTMARKS**

We encourage you to pay your bill by mail which will avoid the lines and should be more convenient for you. Please put your bill number(s) on your check. Interest will be added to payments received after Due Date.

Fair Market Value (FMV)	Assessed Value 40% FMV	Exemptions	Taxable Value	Millage Rate	Net Tax Due
22,033	8,813	0	8,813	5.351	47.16

Entity	Exemptions	Gross Tax	Exemptions Tax Credit	Net Tax	Fees	Total Due
CITY OF ST. MARYS		47.16				
<b>NET TAX DUE</b>				47.16		
<b>TOTAL DUE</b>						47.16

Delinquent Taxes Subject to additional Interest

City of St. Marys, GA - The law requires payment in full by: **Dec 18, 2014**

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- If taxes are to be paid by a mortgage company, please forward a copy of this bill to them. We do not send one.
- If you are paying after the due date, please call our office for the full amount due.
- Interest at a rate of 1 % per month begins the day after the due date.
- A 10 % penalty (minimum \$10.00) will be imposed on all bills not paid by 90 days after the due date.
- A \$15 lien fee will be imposed on all bills not paid by 30 days after due date.
- Bills are sent to the owner of a property as of Jan 1st, and will remain in that name until paid in full. If the sales contract provides for the buyer to pay the taxes, the seller should send a copy of this bill to the new owner.

Balance Due this bill	47.16
Back taxes	
<b>TOTAL DUE</b>	<b>47.16</b>

Failure to receive a bill does not exempt penalties or interest.  
We are not responsible for late remittance made through the mail service.  
We do not accept postmarks.



Beth Soles  
Camden County Tax Commissioner  
PO Box 698  
Woodbine, GA 31569-0698  
(912) 576-3248

**IMPORTANT NOTICES**

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Camden County Tax Assessor  
Courthouse Square  
Woodbine, GA  
(912) 576-3241

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**2014 Ad Valorem Tax Notice**

*310 Kings Hwy Assoc*  
Address Service Requested

49



\*\*\*\*\*AUTO\*\*SCH 3-DIGIT 303 15509 1 AT 0.406 049

CUMBERLAND OAKS APARTMENTS  
C/O HALLMARK MANAGEMENT INC  
3111 PACES MILL RD SE STE A250  
ATLANTA GA 30339-5704

**2014 State, County & School Ad Valorem Tax Notice**

Bill No.	Property Description	Map Number	Fair Mkt Value	Assessed Value	Exempt Value	Taxable Value	Millage Rate	Tax Amount	
006989	01 INVENTORY/EQUIPMENT 100 MARY POWELL DRIVE	P1 850	22033	8813		8813	28.860	254.33	
<b>Important Messages - Please Read</b>							<b>Total of Bills by Tax Type</b>		
Office hours are 9am to 5pm Monday through Friday.  If your taxes are to be paid through an escrow account by your mortgage company, please forward a copy of this notice to them. ***We now accept online payments***  Please visit our website at: <a href="http://www.camden.paytaxes.net">www.camden.paytaxes.net</a> <a href="http://www.co.camden.ga.us">www.co.camden.ga.us</a>				This gradual reduction and elimination of the state property tax and the reduction in your tax bill this year is the result of property tax relief passed by the Governor and the House of Representatives and the Georgia State Senate.			STATE		.87
		COUNTY					105.23		
				SCHOOL		JDA		139.42	
								8.81	
<b>County Local Option Sales Tax Information</b>							<b>TOTAL DUE</b>		
Mills required to produce county budget								254.33	
Mill reduction due to sales tax roll back									
Actual millage set by county officials									
Tax savings due to sales tax rollback									
							<b>DATE DUE</b>		
							<b>12/19/2014</b>		

↑ PLEASE DETACH HERE AND RETURN THIS PORTION, MAKING SURE THAT OUR RETURN ADDRESS APPEARS THROUGH THE WINDOW IN THE ENVELOPE PRIOR TO SEALING ↓

CUMBERLAND OAKS APARTMENTS  
C/O HALLMARK MANAGEMENT INC  
3111 PACES MILL ROAD SE  
SUITE A250  
ATLANTA GA 30339

← If this address is incorrect,  
please write the correct  
address on this portion



2014004590

Beth Soles  
Camden County Tax Commissioner  
PO Box 698  
Woodbine, GA 31569-0698



**PAYMENT INSTRUCTIONS**

- Please Make Check or Money Order Payable to: Camden County Tax Commissioner
- Please write the bill number(s) on your check.
- If a receipt is desired, please include a stamped, self-addressed envelope.
- If taxes are to be paid by a mortgage company, send them this portion only.
- If you are paying after the due date, please call our office for the full amount due.
- Interest at a rate of 1% per month plus costs begins the day after the due date.
- A 10% penalty is imposed on all property other than homesteaded property with a bill under \$500.00 90 days after the due date.

Bill Number	Map Number	Tax Amount
2014 006989	P1 850	254.33
<b>DATE DUE</b>		<b>TOTAL DUE</b>
12/19/2014		254.33