

Appraisal Report

**Richmond Villas Apartments
3551 Windsor Spring Road
Hephzibah, Georgia 30815**

**Date of Appraisal
February 23, 2017**

**Effective Date of Appraisal
October 27, 2016**

Appraised By

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



512 North One Mile Road * Dexter, MO 63841

Phone: 573-624-6614 * Fax: 573-624-2942

February 23, 2017

Ms. Ali Rode, Underwriter
Gershman Investment Corp
7 North Bemiston Avenue
Clayton, Missouri 63105

RE: Richmond Villas Apartments
3551 Windsor Spring Road
Hephzibah, Georgia 30815
Appraisal Report
As of October 27, 2016

Dear Ms. Rode:

In accordance with your request, I have personally appraised the real property known as Richmond Villas Apartments, a family Section 8 complex with 96 units located on a total site of 9.80 acres. Site improvements for the subject property include five two-story walk-up apartment buildings containing 96 units and an accessory building. The subject property also contains asphalt paving and parking. Upon closing of the acquisition and loan closing, the property will have a Section 8 contract for 100 percent of the units and will further be regulated under the LIHTC program with units at 60 percent of the area median income.

The purpose of the Appraisal Report is to estimate the Market Value of the Fee Simple Estate of the subject. This report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice and Title XI of the Federal Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA). Its intended users are Gershman Investment Corp and the U.S. Department of Housing and Urban Development (HUD) and its successors. The intended use of the appraisal is to assist Gershman Investment Corp and HUD in decision making concerning compliance and eligibility under the U.S. Department of Housing and Urban Development's requirements pertaining to the Multifamily Accelerated Processing (M.A.P.) 221(d)(4) guidelines as set forth in the 2016 M.A.P. Guide.

This appraisal is subject to the definitions, assumptions, conditions and certification contained in the attached report. This appraisal report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice; the Federal Financial Institution Reform Recovery and Enforcement Act of 1989 and the appraisal guidelines of P/R Mortgage and Investment Corporation, of Carmel, Indiana, and HUD.

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

Based upon the investigation as outlined, it is my opinion that the market value of the subject property, based on the hypothetical condition that the subject was a conventional property unencumbered by rent or income restrictions and based on the hypothetical condition that any applicable repairs to the property were completed as of the effective date of the report, as of October 27, 2016, is as follows:

FIVE MILLION THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
\$5,375,000

This report and its contents are intended solely for your information and assistance for the function stated previously and should not be relied upon for any other purpose. Otherwise neither the whole nor any part of this

appraisal or any reference thereto may be included in any document, statement, appraisal or circular without my explicit prior written approval of the form and context in which it appears.

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

A copy of this report, together with the field data from which it was prepared, is retained in my files. This data is available for your inspection upon request.

Respectfully submitted,



David Warren
State Certified General Real Estate
Appraiser
GA# 306823



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

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EXECUTIVE SUMMARY

Name of the Property Richmond Villas Apartments

Location 3551 Windsor Spring Road, Hephzibah, Richmond County, Georgia 30815

Current Owner Augusta Richmond Villas, LLC

Type of Report Appraisal Report

Total Land Area 9.80 acres or 426,888+/- square feet

Floodplain Hazard According to RiskMeter, Flood Map Number 13245C0115F, dated September 25, 2009, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

Zoning According to City of Augusta-Richmond County Planning Commission, the subject is zoned R-3B, Multiple-Family Residential. The subject is a legal, conforming use.

Property Description The subject is improved with five two-story walk-up apartment buildings containing 96 units and an accessory building. The net rentable area is approximately 79,088 square feet. The gross building area, according to the Richmond County Assessor's Office, is 84,638 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	16	653	10,440
2/1	64	807	51,629
3/1.5	16	1,064	17,019
	96		79,088

Real Estate Taxes \$39,298.40 for 2016 **Parcel Number** 131-0-096-01-0

Property Type Apartment Complex **Highest and Best Use** Apartment Complex

Date of Inspection October 27, 2016 **Date of Report** February 23, 2017

Sales History of Subject According to the Richmond County Assessor's Office, the property is owned by Augusta Richmond Villas, LLC. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. On September 2, 2016, the owner entered into a Purchase and Sale Agreement with Augusta Housing Associates, L.P., to sell the property for an agreed-upon price of \$3,600,000. As per the scope of work for this assignment, the market value determined in this appraisal is the market

value, under the hypothetical condition that the property is not subject to any income or rent restrictions. Since the subject property is currently operating as a restricted property with a Section 8 HAP contract, it does not currently operate in accordance to normal, market-rate properties in the open marketplace. As is typical with affordable properties, it has higher operating expenses than conventional market-rate properties due to increased reporting and certification requirements that are in place at restricted properties like the subject. Since the property currently operates in the manner as is typical of restricted properties and was marketed and sold as such, the most recent sale price is not an accurate reflection of the property's possible value on the open market if it was not restricted and was instead operated as a typical conventional apartment complex. As a result, the market value contained in the body of this report is slightly higher than the sales price associated with the recent transfer. It is assumed that the sale price was derived using current income and expense estimates by the seller which, due to the above items, undervalued the property on a conventional basis and most likely caused the sale price to reflect current operating conditions for the subject as opposed to the most likely conventional and unrestricted market conditions. This resulted in the variance shown between the recent sale price and the market value determined in this appraisal. Since the property is being valued under the hypothetical condition that it is not restricted, the actual sale price was not considered in the development of the unrestricted market value contained within the body of this report.

Cost Approach	\$7,990,000 – As Complete
Income Approach	\$5,375,000 – As Is
Sales Comparison Approach	\$5,470,000 – As Is
Value of Land	\$190,000
Market Value	\$5,375,000 – As Is

CERTIFICATION

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

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial and unbiased professional analyses, opinions and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment
- ◆ I have no bias with respect to the property that is the subject of the report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My 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.
- ◆ My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ David Warren inspected the interior and exterior of the subject property and inspected the exteriors of the properties used as comparables in this report. Samuel T. Gill did not make a personal inspection the property.
- ◆ No one provided significant professional assistance to the persons signing this report.
- ◆ The racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination.



David Warren
State Certified General Real Estate Appraiser

GA# 306823



Samuel T. Gill
State Certified General Real Estate
Appraiser

GA# 258907

APPRAISER'S M.A.P. CERTIFICATION

Richmond Villas Apartments
3551 Windsor Spring Road
Hephzibah, Georgia

I understand that my appraisal will be used by Gershman Investment Corp and Georgia Department of Community Affairs to document to the U.S. Department of Housing and Urban Development that the M.A.P. Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my report was in accordance with 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, members or partners of the lender or affiliated entities, Borrower or affiliated entities, 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.

Date: February 23, 2017



David Warren
State Certified General Real Estate
Appraiser
GA# 306823



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

I hereby certify under penalty of perjury that all of the information I have provided on this form and in any accompanying documentation is true and accurate. I acknowledge that if I knowingly have made any false, fictitious or fraudulent statement, representation or certification on this form or on any accompanying documents. I may be subject to criminal, civil and/or administrative sanctions, including fines, penalties and/or imprisonment under applicable federal law, including but not limited to 12 U.S.C. § 1833a; 18 U.S.C. §§1001, 1006, 1010, 1012 and 1014; 12 U.S.C. §1708 and 1735f-14; and 31 U.S.C. §§3729 and 3802.

INTRODUCTION

IDENTIFICATION OF THE SUBJECT PROPERTY

The property appraised is the land and the existing improvements known as Richmond Villas Apartments. It is located at 3551 Windsor Spring Road, Hephzibah, Richmond County, Georgia.

LEGAL DESCRIPTION

See Addendum C.

PAST FIVE YEARS SALES HISTORY OF THE SUBJECT

According to the Richmond County Assessor's Office, the property is owned by Augusta Richmond Villas, LLC. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. On September 2, 2016, the owner entered into a Purchase and Sale Agreement with Augusta Housing Associates, L.P., to sell the property for an agreed-upon price of \$3,600,000. As per the scope of work for this assignment, the market value determined in this appraisal is the market value, under the hypothetical condition that the property is not subject to any income or rent restrictions. Since the subject property is currently operating as a restricted property with a Section 8 HAP contract, it does not currently operate in accordance to normal, market-rate properties in the open marketplace. As is typical with affordable properties, it has higher operating expenses than conventional market-rate properties due to increased reporting and certification requirements that are in place at restricted properties like the subject. Since the property currently operates in the manner as is typical of restricted properties and was marketed and sold as such, the most recent sale price is not an accurate reflection of the property's possible value on the open market if it was not restricted and was instead operated as a typical conventional apartment complex. As a result, the market value contained in the body of this report is slightly higher than the sales price associated with the recent transfer. It is assumed that the sale price was derived using current income and expense estimates by the seller which, due to the above items, undervalued the property on a conventional basis and most likely caused the sale price to reflect current operating conditions for the subject as opposed to the most likely conventional and unrestricted market conditions. This resulted in the variance shown between the recent sale price and the market value determined in this appraisal. Since the property is being valued under the hypothetical condition that it is not restricted, the actual sale price was not considered in the development of the unrestricted market value contained within the body of this report.

PROPERTY RIGHTS APPRAISED

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

PURPOSE OF THE APPRAISAL

The Market Value was determined for the purpose of evaluating the existing property as security for a long-term HUD-insured mortgage. The effective date of the as complete value is October 27, 2016.

FUNCTION OF THE APPRAISAL

The function of this appraisal is to aid Gershman Investment Corp and HUD in the decision-making process involved in evaluating the value of the subject property.

INTENDED USE OF REPORT

This appraisal report is intended for the sole purpose of assisting the client in decision making concerning compliance and eligibility under the Department of Housing and Urban Development's requirements pertaining to Section 221(d)(4) guidelines of the Multifamily Accelerated Processing (M.A.P.) Program as set forth in the 2016 M.A.P. Guide.

EXTENT OF THE INVESTIGATION (SCOPE)

As part of this appraisal, the appraiser made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are as follows:

AREA AND NEIGHBORHOOD ANALYSIS

Primary data was gathered pertaining to the subject neighborhood and the area during the period from October 24, 2016, to October 28, 2016. This information was analyzed and summarized in this report. Area data was obtained from Hephzibah, Georgia; the Richmond County Recorder; the Richmond County Assessor; the U.S. Bureau of Labor Statistics; the U.S. Census Bureau; Nielsen Claritas and Ribbon Demographics. The neighborhood analysis was based on the observations made by the appraiser as well as the sales in the neighborhood.

SITE DESCRIPTION AND ANALYSIS

The interior and exterior of the property was inspected on October 27, 2016, by David Warren, State Certified General Real Estate Appraiser. The appraiser walked the site, physically inspected the exterior and all common areas and inspected at least one unit of each varying type. More than one of each unit type may have been inspected based on the condition, number of vacancies at the time of inspection or other mitigating factors. While inspecting the interior of each unit type, the appraiser physically measured and calculated the size of differing units and considered the sizes provided by the property contact, if applicable. The appraiser then assigned a specific or weighted square footage for each unit type as appropriate. Per the M.A.P. guide, the appraiser must inspect at least five percent of the units if the property contains less than 200 units. The subject contains 96 units; therefore, the appraiser is required to inspect at least five units, including one of each unit type. The appraiser inspected six units, including

one of at least each differing unit type. The following table indicates the variance of measurements obtained during inspection:

Unit Type	Property Contact	Appraiser's Unit Sizes
One-Bedroom	625 SF	625 SF
Two-Bedroom	775 SF	775 SF
Three-Bedroom	1,035 SF	1,035 SF

The site plans and specifications for the property were studied. The site data was analyzed and summarized in this report. The property and the street scenes were photographed and are included in this report.

IMPROVEMENT AND DESCRIPTION ANALYSIS

Detailed descriptions of the existing improvements are included in this report. Interior and exterior photographs of the buildings at the subject are included in this report. Photographs of the vacant land sales comparables are also included in this report.

STATEMENT OF COMPETENCY

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

MARKET DATA

Market data on land sales was obtained from the subject neighborhood in Hephzibah, Georgia, and the surrounding area. Market data on leased properties were obtained from Hephzibah, Georgia, and the surrounding area. Summaries of the leases are included in this report. Attention of the reader is also directed to the assumptions and limiting conditions contained within the report.

REASONABLE EXPOSURE TIME

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

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

1. Historical evidence.
2. Supply and demand relationships including vacancy and occupancy rates.

3. Revenue and expense changes.
4. Future market conditions.

HISTORICAL EVIDENCE

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

SUPPLY AND DEMAND RELATIONSHIPS

A survey of apartment complexes in Hephzibah, Georgia, and the surrounding area indicate that they are not owner-occupied. The appraisal discusses similar apartment complexes in Hephzibah, Georgia, which were leased.

REVENUE AND EXPENSE CHANGES AND FUTURE MARKET CONDITIONS

The revenue from apartment complexes has increased corresponding to increases in expenses at generally the same rate. A survey completed by PwC indicated that the change rate of apartment complexes ranges from 0.00 to 5.00 percent, with an average of 2.88 percent for the third quarter of 2016. During the same period a year ago, the market rent change rate ranged from 0.00 to 8.00 percent, with an average of 3.23 percent.

The changes in expenses range from 2.00 to 4.00 percent, with an average of 2.81 percent (third quarter of 2016). The survey for a year ago indicated a range of expenses from 1.00 to 4.00 percent, with an average of 2.81 percent.

SUMMARY

For the purpose of this report the reasonable exposure time is estimated at one to nine months based on the previous discussion and the length of time other apartments were on the market. The 2016 Third Quarter National Apartment Market Survey conducted by PwC Real Estate Investor Survey indicated a range of one to nine months for marketing time.

ESTIMATED MARKETING TIME

Marketing time is similar to exposure time in that it refers to a time during which a property is marketed prior to its sale. Marketing time differs from exposure time in that it is estimated to occur after the date of value as opposed to before that date of value. This time would be measured from the date of value and would be a measure of time necessary to secure a willing buyer for the property at a market price. Since this refers to prospective events, it is typically necessary to analyze neighborhood trends. In theory in a market which is near equilibrium, the estimated marketing time should be equal to past trends or the

reasonable exposure time. In a market which is experiencing down-turning conditions, the estimated marketing time should be greater than the reasonable exposure time.

The subject is a family Section 8 and Low Income Housing Tax Credit property. Therefore, it is reasonable to assume that a marketing time of one to nine months would be necessary.

DESCRIPTIVE SECTION

REGIONAL AND AREA DATA

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

Location

The City of Hephzibah is located in Richmond County which is located in the eastern portion of Georgia. The nearest city with a population of over 50,000 is Augusta-Richmond County, Georgia, which is approximately 10 miles northeast. The nearest city with a population of over 200,000 is Atlanta, Georgia, which is approximately 137 miles west. The nearest city with a population over 1,000,000 is Philadelphia, Pennsylvania, which is approximately 602 miles northeast. The nearest cities are Gracewood, Georgia; Blythe, Georgia; Fort Gordon, Georgia; Keysville, Georgia; Grovetown, Georgia; Augusta, Georgia; and Matthews, Georgia.

Utilities

The City of Hephzibah provides water service to the residents of the city. Electricity service is provided by Jefferson Energy. Natural gas service is provided by Southern Natural Gas Company. Basic telephone service is provided by AT&T Georgia.

Health Care

University Hospital, Doctors Hospital, and Trinity Hospital of Augusta are health care and medical facilities located in Augusta, approximately 16 miles from Hephzibah that serve the residents of city and the surrounding area.

Transportation

Major highways in the County of Richmond include Interstates 20 and 520, U.S. Highways 1, 25, 78 and 278, and State Highways 4, 10, 28, 56, 88, 104, 121, 223, 232, 383, 402, 415 and 540. Daniel Field and Augusta Regional Airport at Bush Field are located in Augusta, approximately 16 miles from the city.

Population and Employment Statistics

CENSUS - 2015

	City	County	State
Population	3,950	201,291	10,006,693
Households	1,279	71,724	3,574,362
Renter Occupied	329	33,650	1,310,665
Rental Vacancy %	0.0	10.1	8.7

LABOR STATISTICS

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
2000	87,441	84,140	3,301	3.8
2010	88,711	78,825	9,886	11.1
August 2016	85,156	79,587	5,569	6.5

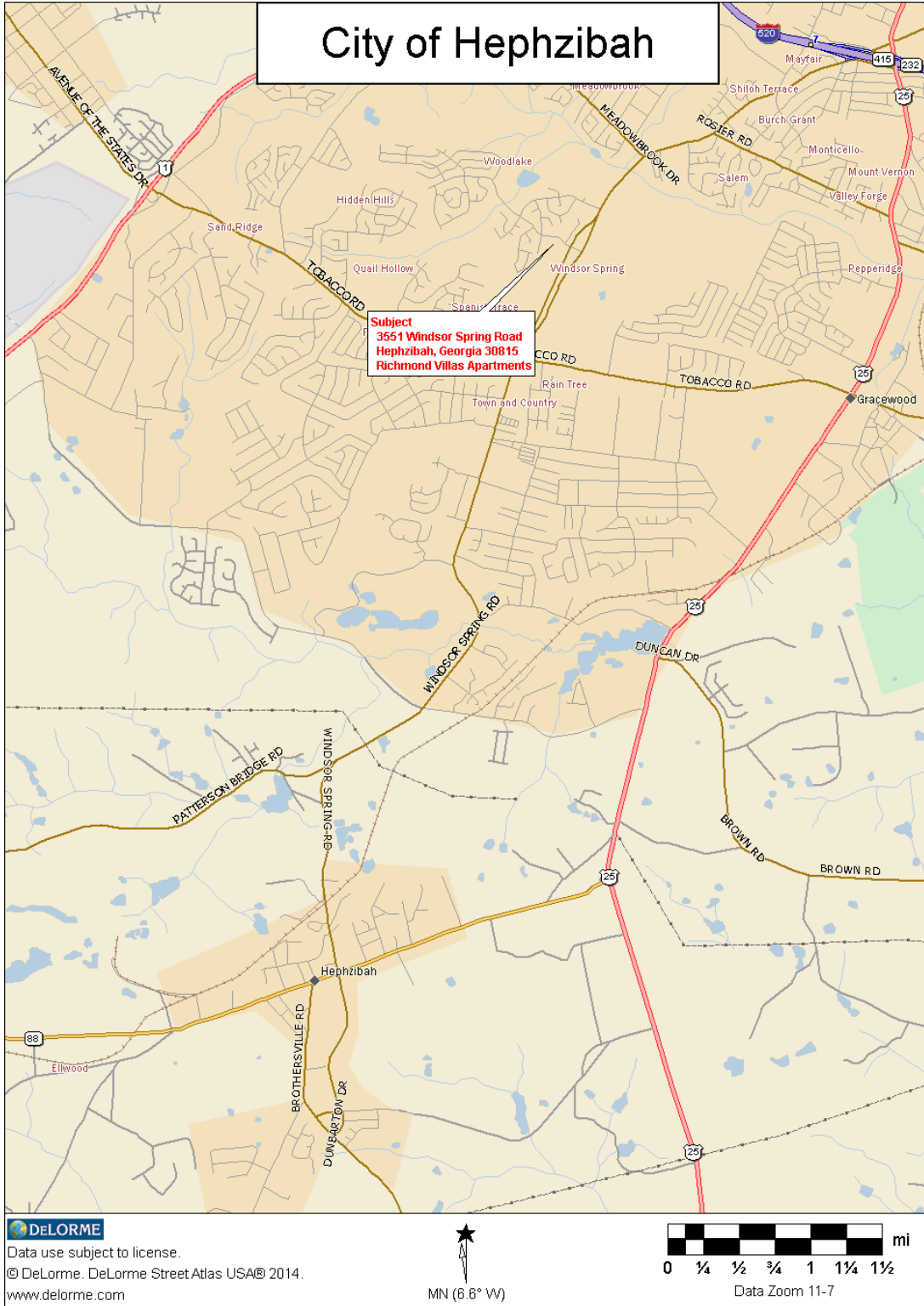
STATE				
	Labor Force	Employment	Unemployment	Unemployment Rate
2000	4,263,305	4,134,257	129,048	3.0
2010	4,721,252	4,221,004	500,248	10.6
August 2016	4,899,595	4,643,680	255,915	5.2

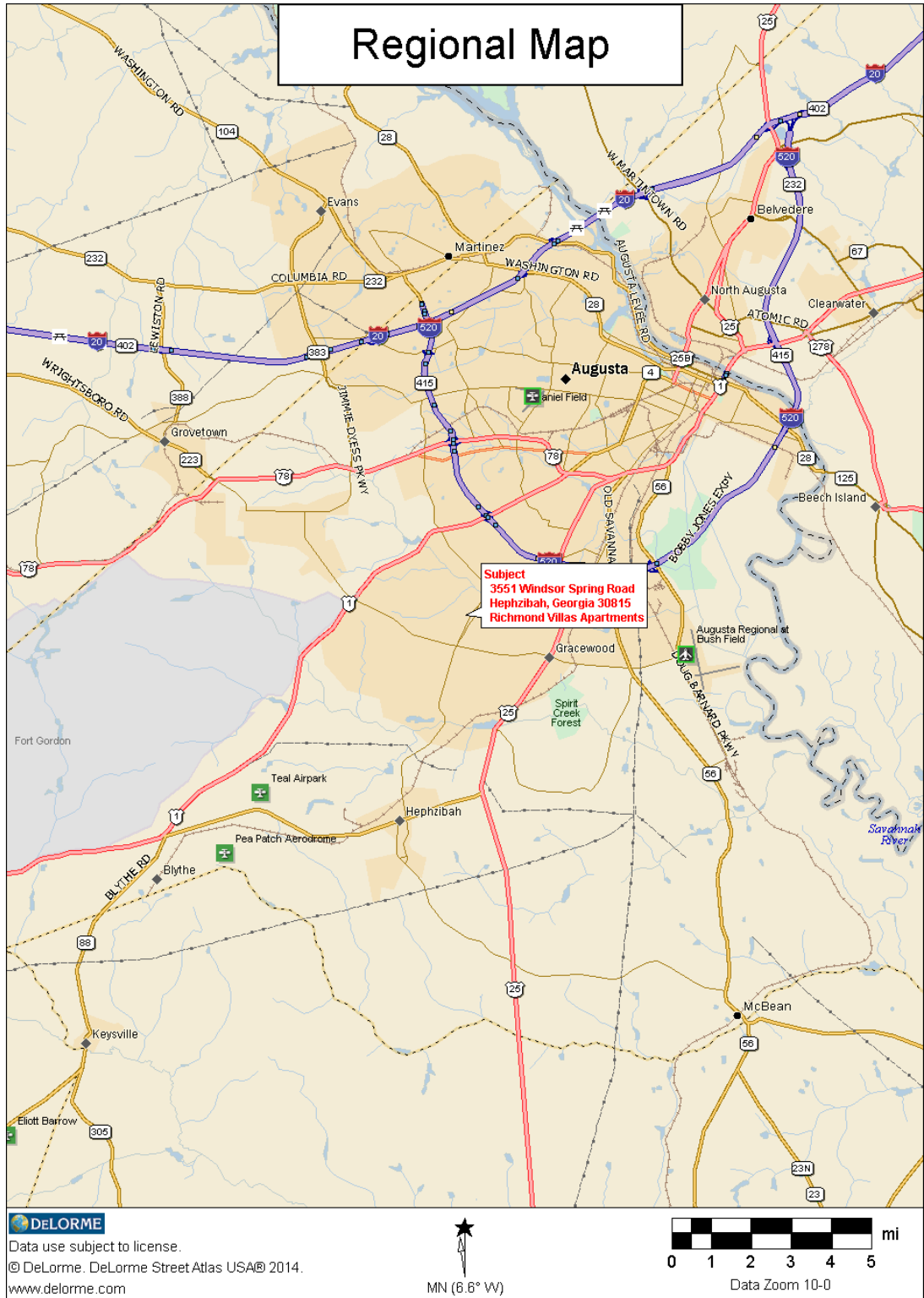
Major Employers

Major employers for the area are as follows: EZ GO Textron; Covidien; International Paper; Kellogg's; FPL Food, LLC; Procter & Gamble; Thermal Ceramics; Augusta Newsprint; Boral Brick; PCS Nitrogen DSM Chemical; Augusta Coca-Cola; NutraSweet; Carole Fabrics; SOLO Cup; Solvay Advances Polymers; Standard Textile – Augusta; Elanco/Eli Lilly; J&J Mid-South; US Battery; APAC – Georgia; Olin Corporation; Macuch Steel Products; Southern Machine & Tool; Unimin; PQ Corporation; Prayon; International Flavors & Fragrance; Eagle Parts and Products; Richmond Supply; American Concrete; Finnchem; Modern Welding of Georgia; Southern Roofing; AAA Sign; Palmetto Industries; and DSM Resins.

Summary and Conclusions

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





NEIGHBORHOOD DATA

Location

The subject property is located in the northern portion of the City of Hephzibah, Richmond County, Georgia, on Windsor Spring Road. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – U.S. Highway 1/State Highway 4/Deans Bridge Road; South – Tobacco Road and Windsor Spring Road; East - Windsor Spring Road; and West – U.S. Highway 1/State Highway 4/Deans Bridge Road. The subject is located in the southern portion of the neighborhood.

Access

The neighborhood is accessed by U.S. Highway 1/State Highway 4/Deans Bridge Road, Tobacco Road and Windsor Spring Road. Additional secondary roads running north to south and west to east access the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

Proximity to Services

Restaurants	
0.1 mi	Augusta Burgers Express
0.6 mi	Asian Wok
0.7 mi	Hardee's
0.7 mi	Sonic Drive-In
0.7 mi	Popeyes® Louisiana Kitchen
0.7 mi	Taco Bell
0.7 mi	Popeyes Louisiana Kitchen
0.7 mi	China 8 Restaurant
0.8 mi	Pizza Hut
0.8 mi	Jfam
0.8 mi	Zack's Wings & Seafood
0.8 mi	Grill Depot
0.8 mi	McDonald's
0.8 mi	KFC

Groceries	
0.6 mi	Walmart Neighborhood Market
0.9 mi	Bi-Lo
1 mi	Amex Mart
2.3 mi	Bi-Lo
2.4 mi	Augusta IGA
2.4 mi	IN-N-OUT / B.C. Food Store
2.6 mi	Walmart Supercenter
2.6 mi	Edible Arrangements
2.9 mi	Oriental Food & Gift Store
2.9 mi	Kim's Oriental Market
3 mi	La Casa Latina
3 mi	Bourda Green Caribbean & Oriental Market
3.1 mi	Border Green Caribbean Market
3.3 mi	Albion Acres Subversion

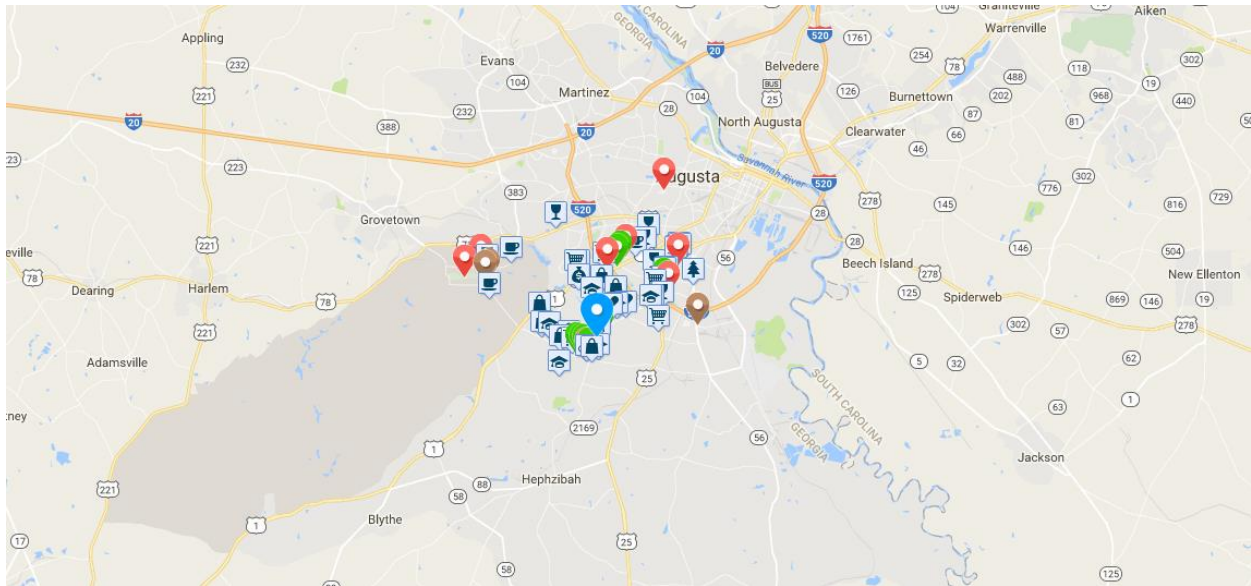
Schools	
0.8 mi	Tobacco Road Elementary School
1 mi	Windsor Spring Road Elementary School
1.3 mi	Meadowbrook Elementary School
1.7 mi	Jamestown Elementary School
1.7 mi	Morgan Road Middle School
1.9 mi	Deer Chase Elementary School
2.2 mi	Rollins Elementary School
2.3 mi	Sego Middle School
2.3 mi	The First Academy
2.7 mi	Gracewood Elementary School
2.9 mi	Glenn Hills Elementary School
2.9 mi	Glenn Hills High School
3 mi	Glenn Hills Middle School
3.2 mi	Hillcrest Baptist School
3.3 mi	Willis Foreman Elementary School

Shopping	
0.8 mi	Family Dollar #1675
0.8 mi	Citi Trends
1 mi	Bobbie's Dressmaking
1.4 mi	Natalie's Virtuous Design
1.5 mi	Fantasia Home Parties Southern Division
1.7 mi	Hush Records.Ent
2 mi	Family Dollar Store
2.2 mi	C T Mart
2.3 mi	Upgrade Fashions
2.3 mi	Family Dollar Store
2.4 mi	Barter Books
2.4 mi	Da Damas
2.5 mi	Fashion Trend
2.5 mi	New Fashion

Banks	
0.1 mi	Wells Fargo ATM
0.9 mi	Wells Fargo Bank
0.9 mi	Bank of America ATM
0.9 mi	Queensborough National Bank
1 mi	Georgia Bank & Trust
2.7 mi	Bank of America ATM
2.8 mi	Wells Fargo ATM
2.9 mi	Wells Fargo Bank
3 mi	Georgia Bank & Trust
3.5 mi	Bank of America Financial Center
3.6 mi	Fifth Third Bank & ATM
3.6 mi	ATM (Fifth Third Bank)
3.7 mi	SunTrust Bank
4.2 mi	Regions Bank
4.3 mi	Wells Fargo Bank

Police	
3.6 mi	State Patrol
4.5 mi	Criminal Investigation Division (CID)
4.6 mi	Military Police Law Enforcement Center

Medical Facilities	
0.9 mi	Southcare Medical Center
2.5 mi	Nova Medical Centers
3 mi	Center For Primary Care
3.1 mi	Medical Associates Plus
3.9 mi	MedNow Urgent Care
5 mi	Connelly Health Clinic
5.3 mi	Snyder Dental Clinic
5.9 mi	Norwood VA Medical Center: Monroe Keith
6.1 mi	QTC Medical Group
7.3 mi	Select Medical
7.4 mi	MCG Children's Medical Center
8.3 mi	St Vincent Depaul Health Clinic
10 mi	Perfect Health Urgent Care & Medical Weight Loss



Land Use Pattern

The subject neighborhood is comprised primarily of single-family residences and is 80 percent built up. Approximately 40 percent of the land use is made up of single-family residences. About 25 percent is comprised of multifamily dwellings. Another 15 percent of the land use is made up of commercial properties. The remaining 20 percent is vacant land. The area is mostly suburban.

Neighborhood Characteristics

Most of the properties in the neighborhood maintain an acceptable level of property maintenance and condition. The ages of buildings in the area generally range from new to 50 years. The subject neighborhood is in good condition with good appeal. There are no rent controls affecting the marketability of the subject.

Adverse Influences

There were no adverse influences observed in the subject neighborhood that would have a negative impact on the marketability of the subject. According to Neighborhood Scout, the crime index for the neighborhood is 34 (100 is the safest). There is a 1 in 600.0 chance of becoming a victim of a violent crime and a 1 in 40.0 chance of being a victim of property crime.

Utilities

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

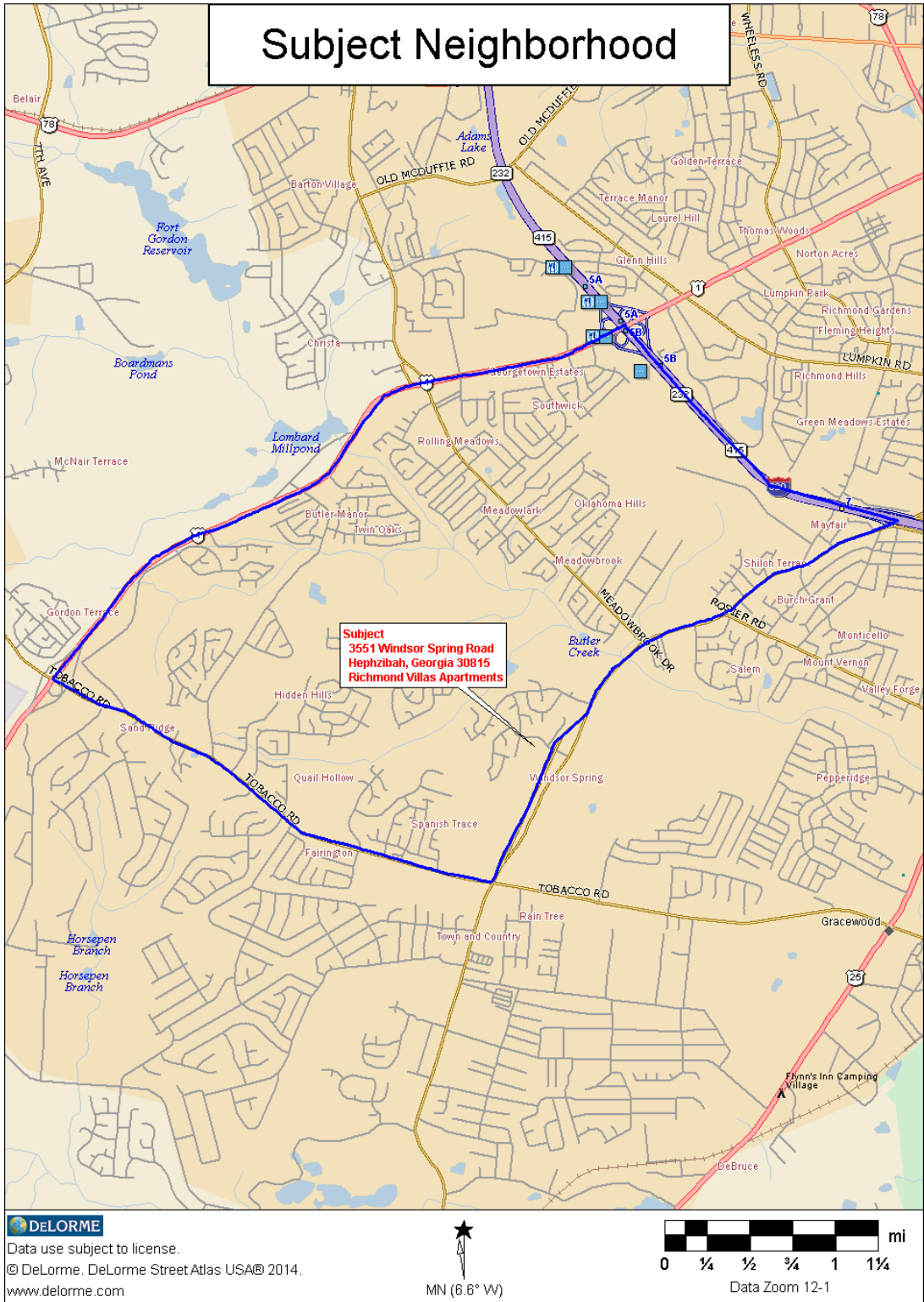
Neighboring Property Use

Vacant land and single-family residences are located north of the site. Vacant wooded land is located south of the site. Commercial properties are located east of the subject. Single-family residences are located west of the subject.



Analysis/Comments

In conclusion the subject is located within the City of Hephzibah, Georgia. The subject is considered to be compatible with the adjacent properties. The median household income level of the area is \$37,337. The median income is within the range of the surrounding area. The subject property is a family Section 8 and Low Income Housing Tax Credit property.



DEFINING THE MARKET AREA

The market area for the subject consists of Census Tracts 0105.05, 0105.06, 0105.07, 0105.08, 0105.09, 0105.10, 0105.12, 0105.13, 0107.03, 0107.04, 0107.05, 0107.07, 0107.08, 0107.09, 0107.10, 0107.11 and 0107.12. The market area has the following boundaries: North – Rocky Creek, Regency Boulevard, Milledgeville Road and Old McDuffie Road; South – Ellis Pond, South Prong Creek, Spirit Creek and Richmond Factory Pond; East – U.S Highway 25, State Highway 121, Butler Creek and Norfolk Southern Railroad; and West – Barton Chapel Road, U.S. Highway 1/State Highway 4, Lombard Millpond, Butler Creek and Dean's Bridge Road. The makeup and trends of the economy of the market area appear to be stable. Surveying existing apartment complexes helps to show what the competition is offering. Vacancy rates are an indicator of current market strength. In a field survey an attempt is made to survey 100 percent of all units in the market area. This is not always possible. There are several apartments in the market area. Information was gathered through interviews with owners and managers and through field inspection. These sources appear to be reliable, but it is impossible to authenticate all data. The appraiser does not guarantee this data and assumes no liability for any errors in fact, analysis or judgment.

A field/phone survey was conducted in October 2016 with various apartment complexes in and around the market area. Including the subject, seven restricted properties responded to the survey.

Market Area Vacancy by Development - Affordable			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Richmond Villas Apartments (Subject)	96	0	0%
Mount Zion Apartments	67	1	1%
Shadowood Apartments	78	4	5%
Cedarwood Apartments	184	2	1%
The Terrace at Edinburgh	72	0	0%
Crest at Edinburgh	40	0	0%
Trinity Manor Apartments	100	8	8%
TOTALS	637	15	2%

Eleven conventional properties also responded to the survey.

Market Area Vacancy by Development - Conventional			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Oakview Place	124	17	14%
Pinnacle Place Apartments	120	2	2%
High Point Crossing Apartments	168	12	7%
Fleming Heights Apartments	62	2	3%
Cedar Grove Apartments	126	4	3%
Salem Arms Apartments	136	0	0%
Meadow Wood Place	68	1	1%
Quail Hollow Apartments	32	0	0%
Walker Estate Apartments	252	4	2%
Benson Estates	275	61	22%
Cedar Ridge Homes	75	0	0%
TOTALS	1,438	103	7%

Overall the vacancy of the apartments in the market area was six percent. The contact for Oakview Place indicated that the property has a higher vacancy rate due to recent move-outs. Bensen Estates is currently in the process of leasing up resulting in a higher occupancy rate. Therefore, the overall vacancy rate excluding Bensen Estates is approximately three percent. At the time of the site visit, the subject was 100 percent occupied. The historical occupancy ranged from 99 to 100 percent between 2013 and 2015.

Occupancy - Based upon the analysis of the apartment units in the market area, it is the appraiser's belief that there is more than adequate demand to meet the supply of rental applicants in the area. At the time of the site visit, the subject was 100 percent occupied. Based on the historical vacancy rates in the market area as well as the current vacancy rate of the subject and comparables, a five percent total economic vacancy rate was utilized in this analysis.

OPERATING DEFICIT

A property which cannot rent-up in the first years should be carefully examined from a feasibility standpoint. The subject property is an existing facility with 96 revenue units. The subject is currently 100 percent occupied. The required repairs and capital improvements did not affect the occupancy or displace tenants. Therefore, the operating deficit will not be applicable.

SUPPLY AND DEMAND CONDITIONS

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

project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals, and then characteristics of the housing stock will be noted. The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of rental units which will be demanded.

CHANGE IN TOTAL POPULATION						
SUBJECT	YEAR	POPULATION	TOTAL		ANNUAL	
			CHANGE	PERCENT	CHANGE	PERCENT
MARKET AREA	2000	61,192				
Estimated Projected	2010	61,912	720	1.2%	72	0.1%
	2016	61,559	(353)	-0.6%	(59)	-0.1%
	2021	62,383	824	1.3%	165	0.3%

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

CHANGE IN POPULATION BY AGE GROUPS						
MARKET AREA						
AGE	2010	2016	CHANGE	2016	2021	CHANGE
0-4	4,704	4,558	-3.1%	4,558	4,606	1.1%
5-9	4,985	4,469	-10.4%	4,469	4,634	3.7%
10-14	5,123	4,705	-8.2%	4,705	4,418	-6.1%
15-17	3,600	2,666	-25.9%	2,666	2,829	6.1%
18-20	3,268	2,508	-23.3%	2,508	2,534	1.0%
21-24	3,350	3,625	8.2%	3,625	3,334	-8.0%
25-34	8,681	8,541	-1.6%	8,541	8,535	-0.1%
35-44	7,901	7,072	-10.5%	7,072	7,697	8.8%
45-54	9,529	7,621	-20.0%	7,621	6,627	-13.0%
55-64	6,544	8,126	24.2%	8,126	7,834	-3.6%
65-74	3,817	4,876	27.7%	4,876	5,984	22.7%
75-84	1,668	2,177	30.5%	2,177	2,659	22.1%
85+	466	585	25.5%	585	692	18.3%
Total Population	63,636	61,529	-3.3%	61,529	62,383	1.4%
Elderly % Population	9.4%	12.4%	1.2%	12.4%	15.0%	2.6%

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

There were 18,906 people under the age of 20 in 2016 and 42,623 over the age of 19.

Tenure

The percentage of renters in the market area for 2016 was 35.9 percent. According to the U.S. Census Bureau, the national rental percentage is 34.9 percent.

HOUSEHOLDS BY TENURE						
SUBJECT	YEAR	TOTAL HOUSEHOLDS	OWNER		RENTER	
			NO.	%	NO.	%
MARKET AREA	2000	21,147	14,608	69.1%	6,539	30.9%
Estimated Projected	2010	22,227	14,246	64.1%	7,981	35.9%
	2016	22,312	14,292	64.1%	8,020	35.9%
	2021	22,730	14,567	64.1%	8,163	35.9%

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

The breakdown of household tenure by age is shown in the following table:

TENURE BY AGE				
SUBJECT	AGE	OWNER	RENTER	TOTAL
MARKET AREA	25-34	1,262	2,316	3,578
	35-44	2,171	1,797	3,968
	45-54	3,709	1,523	5,232
	55-64	3,487	955	4,442
	65-74	2,078	420	2,498
	75+	1,383	239	1,622

Source: U.S. Census Bureau

Lease Terms and Concessions

The typical lease terms are six to twelve months. None of the comparables are currently offering any rent concessions.

Turnover Rates

An estimated turnover rate of 25 percent was deemed reasonable for the market area. This was based on the Institute of Real Estate Management (IREM) and comparables in the market area.

Market Area Overview

The rental housing stock in the market area is comprised primarily of market-rate apartment complexes. The majority of the housing stock was built in 1980s. The confirmed apartment complexes were built between 1963 and 2015. The market area’s rental units have high occupancy rates.

Education Level

According to the U.S. Census Bureau, 46.9 percent of the population in the market area has attended college. Approximately 16.7 percent did not graduate high school.

EDUCATION LEVEL		
HIGHEST EDUCATION ATTAINED	INDIVIDUALS	PERCENT
MARKET AREA		
Grade K-8	1,909	4.2%
Grade 9-12, No Diploma	5,635	12.5%
High School Graduate	16,482	36.4%
Some College, No Degree	12,401	27.4%
Associate Degree	3,829	8.5%
Bachelor’s Degree	3,353	7.4%
Graduate Degree	1,615	3.6%
TOTAL	45,224	100.0%

Source: U.S. Census Bureau

Renting vs. Home Ownership

In 2010, according to the U.S. Census Bureau, approximately 64.1 percent of all housing units in the market area were owner-occupied. The average monthly owner cost of housing was \$1,491, while the average monthly renter cost of housing was approximately \$913. According to the U.S. Census Bureau, the average resident in the market area in 2014 spent approximately \$17,892 on owned dwellings and \$10,956 on rented dwellings. Costs included in the analysis include mortgage interest, mortgage principal, property taxes, homeowner's insurance, ground rent, maintenance and remodeling services, maintenance and remodeling materials and property management and security for owned dwellings. Costs for rented dwellings include rent, rent received as pay, renter's insurance, maintenance and repair services and maintenance and repair materials.

Shadow Market

Research was conducted to determine the extent, if any, of the shadow market in the City of Hephzibah. The shadow market is an inventory of investor-owned single-family homes, townhouses and condominiums that attract renters away from traditional apartment complexes. The subject maintains a stabilized occupancy rate. Therefore, the property does not appear to be impacted by the shadow market.

Demand for the Subject Property

It appears that there will be continued demand for the subject property in the market area. The proposed refinance of the subject will not negatively impact the FHA-insured housing inventory in the area.

SUBJECT DESCRIPTION

The area of the site and the site dimensions are based on the legal description obtained at the RichmondCounty Assessor's Office.

Total Land Area 9.80 acres or 426,888+/- square feet

Shape/Dimensions Irregular

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

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

Flood Plain According to RiskMeter, Flood Map Number 13245C0115F, dated September 25, 2009, the subject is zoned X, an area determined to be outside the 100- and 500-year floodplains. Federal flood insurance is available but is not required.

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

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

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

Site Ratios

Building to Land Ratio: 1 to 9.85;

Site Coverage Ratio – 10.16 percent

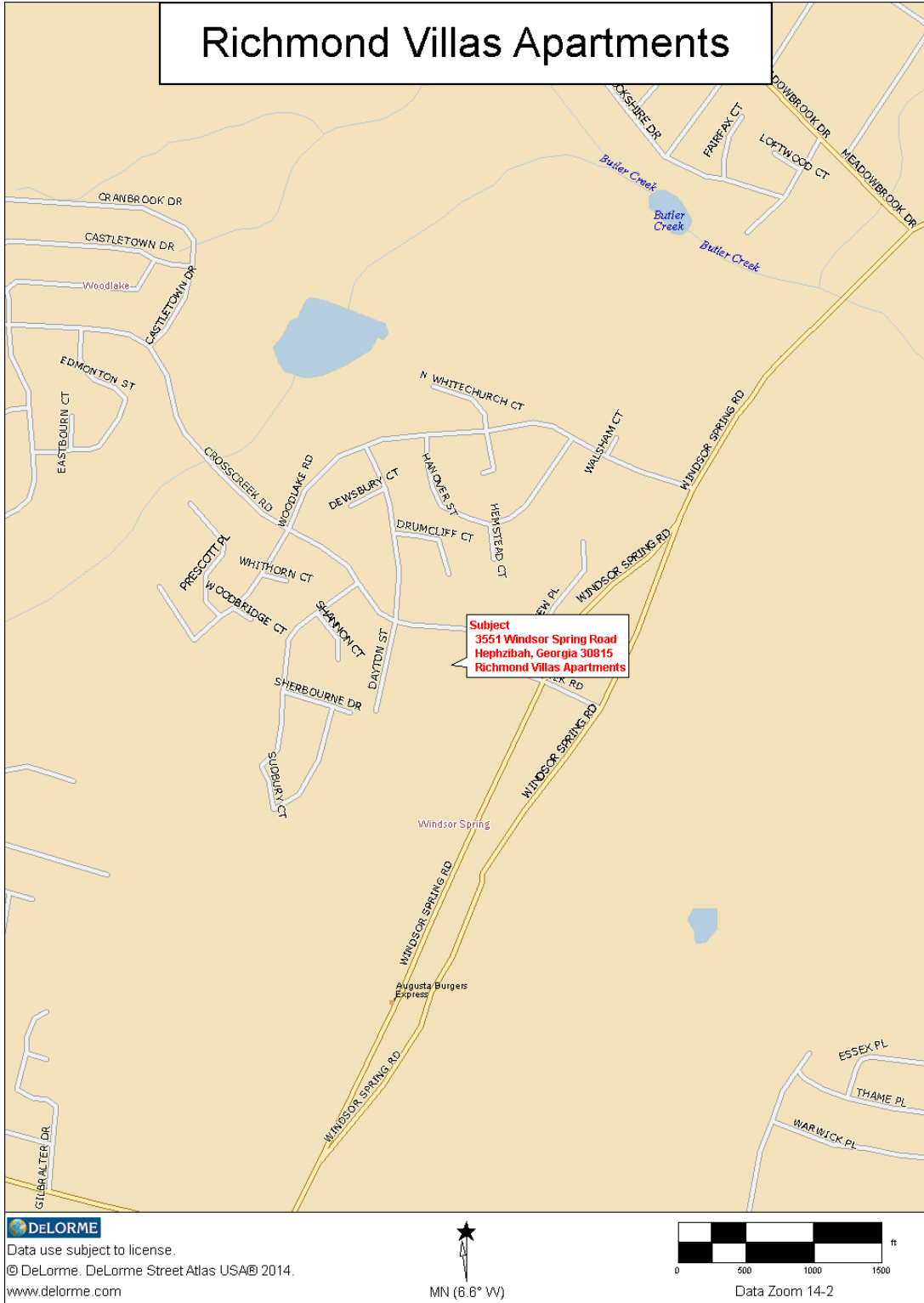
There is limited room for expansion of the existing facility as the current buildings do not occupy 100 percent of the site. The size of the buildings when compared to the total lot size does not preclude expansion of the facility and, therefore, does not negatively affect the estimated market value of the subject. The site coverage ratio indicates the available land around the buildings has been utilized at the subject to preclude a “cramped” feel to the property.

Utilities

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

Zoning

According to City of Augusta-Richmond County Planning Commission, the subject is zoned R-3B, Multiple-Family Residential. The subject is a legal, conforming use. A full copy of the zoning ordinances and permitted uses can be seen in the addenda. Since there are no obvious conflicts between the subject property and the zoning of the property, there is no negative impact on the market value by the zoning classification.



IMPROVEMENT DESCRIPTION

Number of Buildings	The subject contains five two-story walk-up apartment buildings containing 96 units and an accessory building containing leasing office, laundry facility and maintenance area.
Net Rentable Building Area	79,088 square feet
Gross Building Area	84,638 square feet
Year Built/Year Renovated	1980/Proposed
Building Construction	Brick and siding exterior, frame construction, good condition
Total Economic Life	60 Years
Effective Age	10 Years (As Is) 5 Years (As Complete)
Remaining Economic Life	50 Years (As Is) 55 Years (As Complete)

The subject is improved with five two-story walk-up apartment buildings containing 96 units and an accessory building containing leasing office, laundry facility and maintenance area. According to the Richmond County Assessor's Office, the subject was built in 1980. The gross building area is 84,638 square feet. The total net rentable area for the property is approximately 79,088 square feet. The unit mix is shown in the following table.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	16	653	10,440
2/1	64	807	51,629
3/1.5	16	1,064	17,019
	96		79,088

The subject is classified as Average Class D Multiple Residences, according to Marshall & Swift Valuation Service. The property currently has an effective age of 10 years and a total economic life expectancy of 60 years.

The units contain living area, kitchen, one, two or three bedrooms and one or more baths. Each unit contains a refrigerator, range/oven, dishwasher, carpet, tile, blinds, walk-in closet and coat closet. Project amenities include laundry facility, on-site management and on-site maintenance. The property also contains open lot parking. The telephone number for the property is 706-790-0399. The property contact is Sheran Kettles.

The subject will undergo a proposed rehabilitation. The total estimated cost of the proposed rehabilitation is \$4,561,504. Upon completion of the rehabilitation, the property will also contain microwaves in the units, a meeting room, playground, covered picnic area and park benches.

Heating is central gas, and cooling is central electric. Cooking is gas, and hot water is gas. Water, sewer and trash are included in the rent..

At the time of the site visit, the subject was 100 percent occupied. The property is a family complex that is 100 percent Section 8. Upon closing the property will have a Section 8 contract for all of the units, and the units will be further regulated under the LIHTC program with units at 60 percent of the area median income. The following table indicates the subject's unit sizes, rental rates and utility allowances.

Unit Type	# of Units	Square Feet	Contract Rent	Utility Allowance
1/1	16	653	\$533	\$109
2/1	64	807	\$589	\$145
3/1.5	16	1,064	\$761	\$184

The subject will undergo a proposed rehabilitation. The following table shows the subject's proposed rental rates upon completion of the proposed rehabilitation:

Unit Type	# of Units	Square Footage	Maximum Net Rent (60%)	Proposed Net Rent	Utility Allowance
1/1	16	625	\$554	\$709	\$109
2/1	64	775	\$651	\$791	\$145
3/1.5	16	1,038	\$737	\$893	\$184

The proposed rents are higher than the maximum allowable rents at 60 percent of the area median income under the Low Income Housing Tax Credit program. However, the subject property will retain its Section 8 contract. Therefore, the tenant's rent will be equal to 30 percent of his income. At no time will the tenant's portion exceed the maximum allowable rent. The current residents at the subject property will qualify for residency under the guidelines established for units at 60 percent of the area median income.

CONSTRUCTION SUMMARY

Foundation	Concrete Slab on Grade
Construction	Frame
Exterior Walls	Brick/Siding
Interior Walls	Painted Drywall
Paving, Parking, Sidewalks	Asphalt, Concrete
Floors	Carpet/Tile
Roof	Asphalt Shingle

UTILITIES

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Central Gas	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Gas	Tenant
Cooking	Gas	Tenant
Other Electric	N/A	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

AGE, LIFE AND CONDITION

The subject was constructed in 1980 using both residential and commercial industry standard workmanship and materials. At the time of the inspection, the facility was observed to be in good physical condition. The remaining estimated effective life is calculated by subtracting the effective age of a property as determined by the appraiser from the total economic life as determined by *Marshall and Swift Cost Valuation Services*. The effective age of a property is its age as compared with other properties performing like functions. It is the actual age less the age which has been taken off by face-lifting, structural reconstruction, removal of functional inadequacies, modernization of equipment, etc. It is an age which reflects the true remaining life for the property, taking into account the typical life expectancy of buildings or equipment of its class and its usage. It is a matter of judgment, taking all factors, current and those anticipated in the immediate future, into consideration.

In evaluating the remaining economic life, the M.A.P. Guide recommends consideration of the following points:

- a. *The economic make-up of the community or region and the on-going demand for accommodations of the type represented.*

As noted in the Neighborhood Data section of this report, the subject is considered to be compatible with the adjacent properties in its neighborhood. The median rent is similar to the range of the surrounding census tracts as well as the City of Hephzibah as a whole. Additionally as noted in the Supply and Demand Conditions section of this report, approximately 64.1 percent of all housing units in the market area were owner-occupied. The average monthly owner cost of housing was \$1,491, while the average monthly renter cost of housing was approximately \$913. According to the U.S. Census Bureau, the average resident in the market area in 2014 spent approximately \$17,892 on owned dwellings and \$10,956 on rented dwellings. This data indicates that the cost to rent is significantly lower than the cost to own, thereby increasing the demand for rental housing. Therefore, the demand for rental units continues to be strong.

- b. *The relationship between the property and the immediate environment. Older properties may have legally non-conforming use if they pre-dated real property zoning for the neighborhood.*

Observations within the neighborhood in which the subject is situated may reveal a conflicting relationship. This should be fully explored to determine any potential external obsolescence.

In selecting an appropriate effective age for the subject, the property's compatibility within the neighborhood was considered. The property is a compatible use in the neighborhood and remains in demand by residents as exhibited by the stable occupancy rate of the property. The existing multifamily use of the subject does not conflict with adjacent property uses. Therefore, the property's compatibility does not have a detrimental impact on the property's remaining economic life. Surrounding and nearby land uses are not detrimental to the subject property. There is no evidence of external obsolescence arising from undesirable or non-conforming properties within the subject district.

c. To the extent possible, the appraiser should analyze 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.

The property's architectural design is typical for the local rental market and is generally similar to rental projects in the area. In addition, the functional utility of the subject is similar to rental projects in the area, and the property does not suffer from functional obsolescence.

d. The trend and rate of change in the characteristics of the neighborhood that affect property values and their effect on those values.

Essential goods and services are readily accessible. Access to primary transportation routes is average, with ready linkage to both north-south and east-west highways. These neighborhood characteristics have resulted in a stable environment where occupancy rates are strong. No significant changes to the market area characteristics are anticipated.

e. Workmanship and durability of construction and the rapidity with which natural and man-made forces may cause physical deterioration.

The physical aspects reflect Class D construction which is viewed as having good durability.

f. 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 subject property.

The property is well-maintained, exhibits no evidence of deferred maintenance and is functionally adequate. The subject property is not anticipated to experience physical deterioration at a higher rate than projected for similar properties in the area.

Based on the *Marshall and Swift Cost Valuation Services*, a total economic life of 60 years has been determined.

The appraiser has estimated the effective age at 10 years. Therefore, the remaining estimated effective life (EEL) of the buildings is 50 years (60 years – 10 years = 50 years).

The subject will undergo a proposed rehabilitation. Upon completion of the rehabilitation, the effective age of the subject will be five years. Therefore, the remaining estimated effective life of the buildings upon completion of the rehabilitation will be 55 years (60 years – 5 years = 55 years).



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Office



View of Maintenance Area



View of Living Area - One-Bedroom Unit



View of Kitchen - One-Bedroom Unit



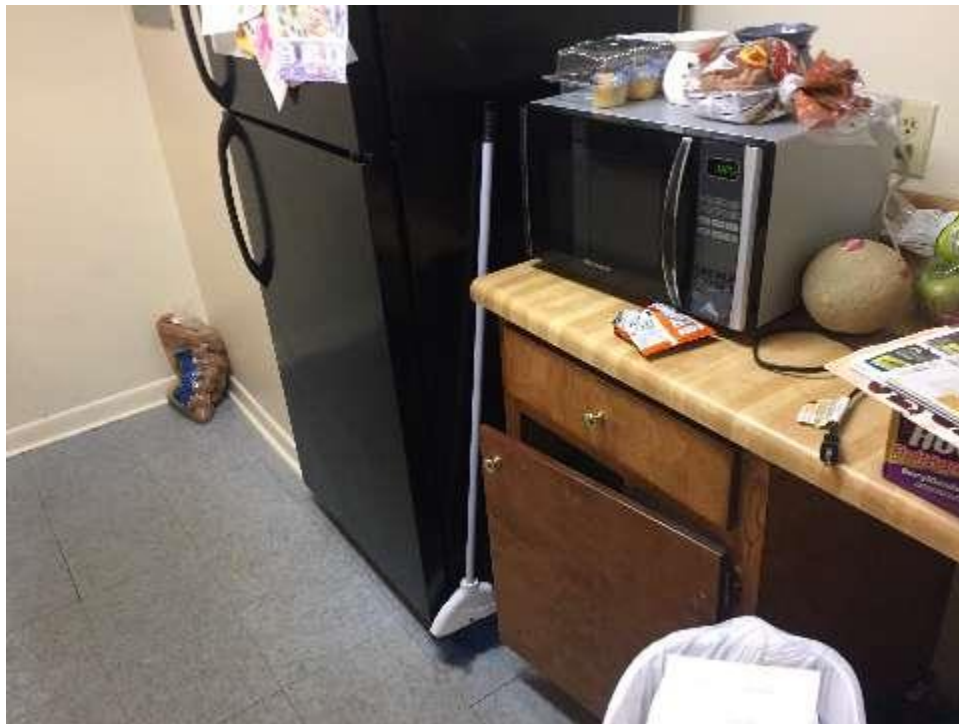
View of Bedroom - One-Bedroom Unit



View of Bath - One-Bedroom Unit



View of Living Area - Two-Bedroom Unit



View of Kitchen - Two-Bedroom Unit



View of Bedroom - Two-Bedroom Unit



View of Bath - Two-Bedroom Unit



View of Living Area - Three-Bedroom Unit



View of Kitchen - Three-Bedroom Unit



View of Bedroom - Three-Bedroom Unit



View of Bath - Three-Bedroom Unit



View of Parking



View of Street

ASSESSMENTS AND CURRENT REAL ESTATE TAXES

The Richmond County Collector's Office was contacted to determine current real estate tax information. The tax rate for Richmond County is 32.46800 per \$1,000 of assessed value. Properties in the county are reassessed every year. The assessed value is equal to 40 percent of the fair market value. Affordable housing properties and conventional properties are appraised using the same method. A sale or rehabilitation will trigger a review but not automatically trigger a re-assessment. The following table shows the parcel number and assessed values for 2016. In addition, the table shows the actual real estate taxes for 2015.

Parcel #	Total Appraised Value - 2016	Total Assessed Value - 2016	Actual Real Estate Taxes - 2016
131-0-096-01-0	\$3,037,646.00	\$1,215,058.00	\$39,298.40
Totals	\$3,037,646.00	\$1,215,058.00	\$39,298.40

As can be seen in the table above, the total assessed value for 2016 was \$1,215,058.00 The total real estate taxes for 2016 were \$39,298.40.

In order to determine the projected real estate taxes for the market-rate income approach scenario required in the analysis, the following comparables were verified.

Property	No. of Units	Year Built	Parcel #	Assessed Value - 2016	Real Estate Taxes	Taxes Per Unit
Oakview Place 3506 Oakview Place Hephzibah, Richmond County, Georgia	124	1985	131-0-354-00-0	\$4,108,500	\$55,636.93	\$448.68
High Point Crossing Apartments 524 Richmond Hill Road West Augusta, Richmond County, Georgia	168	1976/2008	085-4-087-02-0	\$4,505,177	\$58,414.56	\$347.71
Cedar Grove Appartments 526 Richmond Hill Road West Augusta, Richmond County, Georgia	126	1971/2011	085-4-087-03-0	\$2,754,429	\$35,748.44	\$283.72
Salem Arms Apartments 2243 Rosier Road Augusta, Richmond County, Georgia	136	1972/1997	121-0-020-00-0	\$3,800,000	\$49,509.42	\$364.04
Subject	96	1980			\$39,298.40	\$409.36

The comparables indicate a range of \$283.72 to \$448.68 per unit, with an average of \$370.70 per unit. The subject's real estate taxes are within the comparable range. Therefore, the real estate taxes were projected similar to the subject data.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined in *The Dictionary of Real Estate Appraisal*, sponsored by the Appraisal Institute (Sixth Edition 2015), as the following:

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

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

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

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

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

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

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

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

Highest and Best Use as though Vacant

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

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

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

Physically Possible Use as Vacant

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

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

As noted in the Subject Description section of this report, the subject site has a land area of 9.80 acres. The subject property parcel is nearly level. The subject is located in Flood Zone X. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

LEGALLY PERMISSIBLE USE AS VACANT

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

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

FINANCIALLY FEASIBLE USE AS VACANT

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

MAXIMALLY PRODUCTIVE AS VACANT

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

HIGHEST AND BEST USE AS IMPROVED

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

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

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

PHYSICALLY POSSIBLE AS IMPROVED

The subject site supports an existing multifamily facility with a gross building area of 84,638 square feet. The subject does not appear to suffer from functional or external obsolescence. The subject is currently in good condition.

LEGALLY PERMISSIBLE AS IMPROVED

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

³ The Appraisal Institute. *The Appraisal of Real Estate*. 14th ed. (Chicago, 2013), 345

FINANCIALLY FEASIBLE AS IMPROVED

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

MAXIMALLY PRODUCTIVE AS IMPROVED

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

VALUATION SECTION

APPRAISAL PROCEDURES

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

The Cost Approach

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

The Income Approach

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

The Sales Comparison Approach

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

In preparing this appraisal, the appraiser inspected the subject property and analyzed historic operating data for the subject. Furthermore, I gathered information on competitive properties in the region for comparable improved rentals and operating expenses. This information was applied in the Income Capitalization Approach. The application of each measure of value is discussed further in appropriate sections of this report.

COST APPROACH

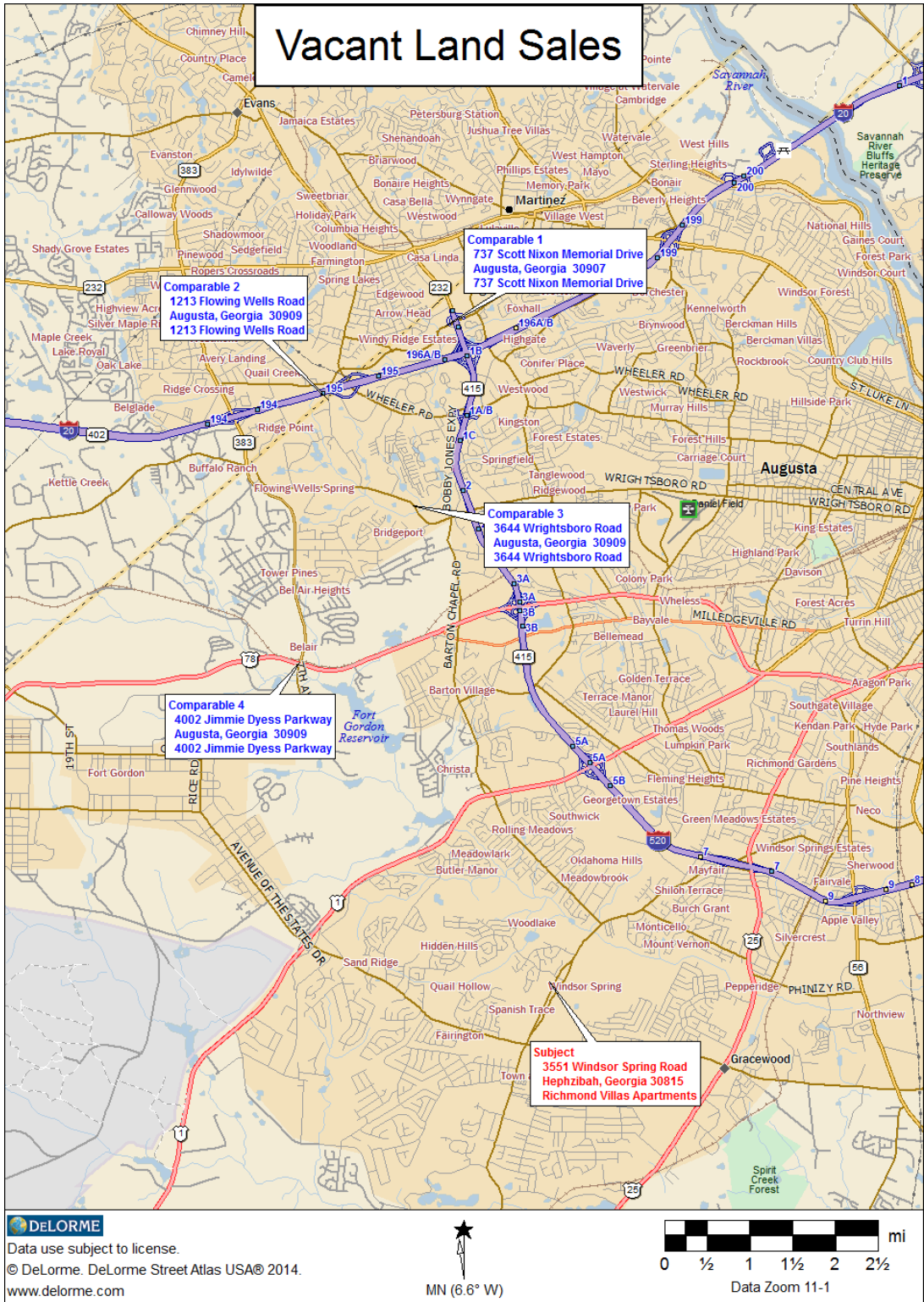
The Cost Approach is a method in which the value of a property is derived by estimating the replacement cost of the improvements, deducting the estimated depreciation, and adding the market value of the land.

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

SITE VALUE

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

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



Richmond Villas Apartments * 3551 Windsor Spring Road * Hephzibah, Georgia

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
Address	3551 Windsor Spring Road	737 Scott Nixon Memorial Drive	1213 Flowing Wells Road	3644 Wrightsboro Road	4002 Jimmie Dyess Parkway				
City	Hephzibah	Augusta	Augusta	Augusta	Augusta				
State	GA	GA	GA	GA	GA				
Date	10/27/2016	1/23/2015	7/14/2015	4/25/2016	9/3/2015				
Price		\$80,000	\$77,000	\$175,000	\$200,000				
# of Units	96	75	24	76	146				
Price Per Unit		\$1,067	\$3,208	\$2,303	\$1,370				
Transaction Adjustments									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Price Per Unit		\$1,067		\$3,208		\$2,303		\$1,370	
Market Trends Through	10/27/16	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted Price Per Unit		\$1,067		\$3,208		\$2,303		\$1,370	
Location	Good	Similar		Similar		Similar		Similar	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Acres	9.80	2.59		0.83		2.62		5.04	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Visibility/Access	Good	Similar		Superior		Similar		Similar	
% Adjustment		0%		-25%		0%		0%	
\$ Adjustment		\$0		-\$802		\$0		\$0	
Topography	Nearly Level	Nearly Level		Nearly Level		Nearly Level		Nearly Level	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Zoning	R-3B	B-2		B2		B-2		B-2	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Utilities	E, G, W, S	E, G, W, S		E, G, W, S		E, G, W, S		E, G, W, S	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Density	9.80	28.96		28.92		29.01		28.97	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Adjusted Price Per Unit		\$1,067		\$2,406		\$2,303		\$1,370	
Net adjustments		0.0%		-25.0%		0.0%		0.0%	
Gross adjustments		0.0%		-25.0%		0.0%		0.0%	

After analyzing the land sales and adjusting each sale accordingly, it is our opinion that the estimated Market Value of the subject site as of October 27, 2016, is as follows:

96 units x \$2,000 per unit = \$192,000

Rounded \$190,000

SUMMARY OF VACANT LAND SALES

Adjustments

The prices of the comparable land sales range from \$1,067 to \$3,208 per unit before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

Location

Consideration was given to the location of the subject and each of the comparables. The subject and all comparables were considered similar in terms of location. No adjustment was needed.

Acres

Consideration was given to the size of the subject as compared to the comparables. Size can have an impact on site value based on the premise that smaller parcels often sell for a higher price per acre than larger parcels with equal utility. The subject site consists of a total of 9.80 acres. The comparables range in size from 0.83 acres to 5.04 acres. The comparables did not indicate an adjustment was needed for size.

Visibility/Access

The subject and all comparables except Comparable 2 were considered similar in terms of visibility/access. Comparable 2 is superior to the subject in visibility/access and required a downward adjustment. In order to determine the appropriate adjustment, this comparable was compared to the remaining comparables using paired analysis. Due to the subjective nature of the adjustment, the appraiser elected to utilize approximately one-half of the average of the indicated adjustments. Therefore, Comparable 2 was adjusted downward 25 percent.

Zoning

The subject is zoned R-3B. All comparables are zoned to allow multifamily development. Therefore, no adjustments were needed.

Density

The density of the subject is 9.80 units per acre. The comparables range from 28.92 to 29.01 units per acre. Therefore, no adjustments were needed.

Summary and Conclusions

The land sales analysis indicates the quantitative or qualitative adjustments. The comparable land sales range from \$1,067 to \$2,406 per unit after adjustments. All comparables were given consideration. The

comparables indicated a reconciled value of \$2,000 per unit. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

96 units x \$2,000 per unit = \$192,000

Rounded \$190,000

Land Sale No. 1



Property Identification

Record ID	3735
Property Type	Commercial
Property Name	737 Scott Nixon Memorial Drive
Address	737 Scott Nixon Memorial Drive, Augusta, Richmond County, Georgia 30907
Tax ID	0220009000
Market Type	Land

Sale Data

Grantor	Augusta I-20 Investors, LLC
Grantee	Travis Price
Sale Date	January 23, 2015
Deed Book/Page	1472-1477
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional

Sale Price	\$80,000
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Land Data

Zoning	B-2, Commercial
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Sale No. 1 (Cont.)

Land Size Information

Gross Land Size	2.590 Acres or 112,820 SF
	75
Front Footage	Scott Nixon Memorial Drive

Indicators

Sale Price/Gross Acre	\$30,888
Sale Price/Gross SF	\$0.71
Sale Price/ Unit	\$1,067

Land Sale No. 2



Property Identification

Record ID	3737
Property Type	Office
Property Name	1213 Flowing Wells Road
Address	1213 Flowing Wells Road, Augusta, Richmond County, Georgia 30909
Tax ID	0290002020
Market Type	Land

Sale Data

Grantor	Farmer Robert V
Grantee	Sandra Lynce
Sale Date	July 14, 2015
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional

Sale Price	\$77,000
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Land Data

Zoning	B2, Office
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Size Information

Gross Land Size	0.830 Acres or 36,155 SF
Front Footage	24 Flowing Wells Road

Land Sale No. 2 (Cont.)

Indicators

Sale Price/Gross Acre	\$92,771
Sale Price/Gross SF	\$2.13
Sale Price/ Unit	\$3,208

Land Sale No. 3



Property Identification

Record ID	3741
Property Type	Commercial
Property Name	3644 Wrightsboro Road
Address	3644 Wrightsboro Road, Augusta, Richmond County, Georgia 30909
Tax ID	0400040010
Market Type	Land

Sale Data

Grantor	Elizabeth May Lovejoy Fleming
Grantee	Sbkc Real Estate Holdings LLC
Sale Date	April 25, 2016
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Sale Price	\$175,000

Land Data

Zoning	B-2, General Business District
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Land Sale No. 3 (Cont.)

Land Size Information

Gross Land Size	2.620 Acres or 114,127 SF
	76
Front Footage	Wrightsboro Road

Indicators

Sale Price/Gross Acre	\$66,794
Sale Price/Gross SF	\$1.53
Sale Price/ Unit	\$2,303

Land Sale No. 4



Property Identification

Record ID	3742
Property Type	Commercial
Property Name	4002 Jimmie Dyess Parkway
Address	4002 Jimmie Dyess Parkway, Augusta, Richmond County, Georgia 30909
Tax ID	0662005000
Market Type	Land

Sale Data

Grantor	Nidhi K Gulati
Grantee	4Site Investment, LLC
Sale Date	September 03, 2015
Deed Book/Page	1502-3036
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional

Sale Price	\$200,000
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Land Data

Zoning	B-2, Commercial
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Land Sale No. 4 (Cont.)

Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular
<u>Land Size Information</u>	
Gross Land Size	5.040 Acres or 219,542 SF
	146
Front Footage	Jimmie Dyess Parkway
<u>Indicators</u>	
Sale Price/Gross Acre	\$39,683
Sale Price/Gross SF	\$0.91
Sale Price/ Unit	\$1,370

IMPROVEMENT VALUATION

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

Replacement cost new (RCN) is defined as follows:

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

Carrying Charges

The carrying charges were estimated by the appraiser.

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

Depreciation Accrued To The Subject

The building will have an effective age of five years after the proposed rehabilitation is complete. Properties of this type are anticipated to have a total economic life of 60 years. Based upon the concept of age/life depreciation, the overall depreciation applicable to the subject "As Complete": is 5/60, or 8 percent.

⁴ Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 6th ed. (Chicago, 2015), 304

Marshall & Swift	
Cost Source: Marshall & Swift	# 12: Dwellings, Duplexes & Motels
No. of Stories Multiplier: 1.0000	Local Multiplier: 0.8500
Height/Story Multiplier: 1.0000	Current Cost Multiplier: 1.0300
Perimeter Multiplier: 1.0000	Combined Multipliers: 0.8755

Building Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Main Buildings	Sq. Ft.	\$99.91	84,704	0.876	\$7,409,161
Built-Ins	Per Unit	\$2,825.00	96	0.876	\$237,436
Total Building Improvement Costs					\$7,646,597
Price per SF Gross Building Area					\$90.27

Site Improvements					
Item	Unit Type	Cost	Quantity	Multiplier	Total
Paving	Lump Sum	\$75,000.00	1	0.876	\$65,663
Recreation Areas	Per Unit	\$2,500.00	3	0.876	\$6,566
Total Site Improvement Costs					\$72,229
Subtotal: Building & Site Costs					\$7,718,825
Price per SF Gross Building Area					\$91.13

Total Costs	
Subtotal: Building, Site & Soft Costs	\$7,718,825
Developer's Profit 10.0%	\$771,883
Total Cost	\$8,490,708
Price per SF Gross Building Area	\$100.24

Depreciation				
Component	Eff. Age	Life	Percent	Amount
Physical Depreciation: Building	5	60	8%	\$672,900
Physical Depreciation: Site	5	20	25%	\$19,863
Functional Obsolescence Building			0%	\$0
External Obsolescence Building			0%	\$0
Total Depreciation				\$692,763
Depreciated Value of Improvements				\$7,797,944
Cost Per Square Foot Gross Building Area				\$92.06

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

Land Value	
Land Value	\$190,000
Other	\$0
Cost Approach Value Indication	\$7,987,944
Rounded	\$7,990,000
Price per SF Gross Building Area	\$94.33

The costs in the preceding chart were determined utilizing *Marshall & Swift* and are believed to be the most accurate reflection of the replacement cost new. The total Estimated Value indicated by the Cost Approach for the subject "As Complete" is as follows:

Rounded = \$7,990,000.00

INCOME APPROACH

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

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

Income Analysis

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

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

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


HUD-Forms 92273 – As Is
One-Bedroom Units (653 SF) – As Is

Estimates of Market Rent
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)					
One-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Oakview Place 3506 Oakview Place Hephzibah, Richmond, GA	Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA	High Point Crossing Apartments 524 Richmond Hill Road West Augusta, Richmond, GA	Fleming Heights Apartments 2467 Lumpkin Road Augusta, Richmond, GA	Cedar Grove Apartments 526 Richmond Hill Road West Augusta, Richmond, GA					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016	
4. Type of Project/Stories	WU/2	WU/2, T/2		WU/2		WU/2		G/1		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		First		Varies	
6. Project Occupancy %	100%	86%		98%		93%		97%		97%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1980	1985		1984		1976	\$80	1963	\$45	1971	\$100
9. Sq. Ft. Area	653	692	(\$10)	740	(\$20)	850	(\$45)	561	\$20	726	(\$15)
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	10	10		10		10		10		10	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		N	
14. Garage or Carport	L/O	L/O		L/O		L/O		L/O		L/O	
15. Equipment a. A/C	C	C		C		C		Win	\$15	C	
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	N	Y		Y		Y		N		Y	
d. Microwave	N	N		N		N		N		N	
f. Dishwasher	Y	Y		Y		Y		N	\$10	Y	
g. Washer/Dryer	L	HU	(\$5)	HU	(\$5)	WD	(\$25)	HU	(\$5)	L	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	N	PR	(\$20)	PR	(\$20)	PR	(\$20)	N		R	(\$10)
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C/N	C/N		N/N	\$45	C/N		N/N	\$42	C/N	
17. Storage	N	N		N		N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		N		Y	(\$5)	Y	(\$5)
20. Clubhouse/Meeting Room	N	N		N		N		N		N	
21. Other	N/A	N/A		N/A		N/A		N/A		N/A	
22. Unit Rent Per Month		\$680		\$650		\$580		\$525		\$475	
23. Total Adjustment			(\$40)				(\$15)		\$122		\$70
24. Indicated Rent		\$640		\$650		\$565		\$647		\$545	
25. Correlated Subject Rent	\$625	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$650	low rent	\$545	60% range	\$566	to	\$629			
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) 10/27/16		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (07/2003)

Two-Bedroom Units (807 SF) – As Is

Estimates of Market Rent
by Comparison - As Is

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 6 (address)			D. Comparable Property No. 7 (address)			E. Comparable Property No. 8 (address)		
Two-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Oakview Place 3506 Oakview Place Hephzibah, Richmond, GA			Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA			Salem Arms Apartments 2243 Rosier Road Augusta, Richmond, GA			Meadow Wood Place 2404 Nordahl Drive Augusta, Richmond, GA			Quail Hollow Apartments 2705 Tobacco Road Hephzibah, Richmond, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		
4. Type of Project/Stories	WU/2	WU/2, T/2		WU/2		WU/2		WU/2		WU/2		WU/2		WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies		Varies		Varies		
6. Project Occupancy %	100%	86%		98%		100%		98%		100%		98%		100%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	1980	1985		1984		1972/1997	\$55	1984	\$15	1985	\$65	1985		1985	\$65	
9. Sq. Ft. Area	807	888	(\$5)	975	(\$30)	762	\$10	1000	(\$35)	850	(\$10)	850		850	(\$10)	
10. Number of Bedrooms	2	2		2		2		2		2		2		2		
11. Number of Baths	10	2.0	(\$20)	1.5	(\$10)	1.0		1.0		1.0		1.0		1.0		
12. Number of Rooms	4	4		4		4		4		4		4		4		
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	C		C		Win	\$15	C		C		C		C		
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c. Refrigerator	Y	Y		Y		Y		Y		Y		Y		Y	\$25	
d. Disposal	N	Y		Y		Y		N		N		N		Y		
d. Microwave	N	N		N		N		N		N		N		N		
f. Dishwasher	Y	Y		Y		Y		Y		Y		Y		Y		
g. Washer/Dryer	L	HU	(\$5)	HU	(\$5)	L		HU	(\$5)	HU	(\$5)	HU		HU	(\$5)	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B		C/B		C/B		
i. Pool/Rec. Area	N	PR	(\$20)	PR	(\$20)	PR	(\$20)	N		N		N		N		
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/G		N/E		N/E		N/E		
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
c. Electricity	N	N		N		N		N		N		N		N		
d. Water Cold/Hot	C/N	C/N		N/N	\$55	C/N		C/N		C/N		C/N		C/N		
17. Storage	N	N		N		Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	N		N		Y	(\$5)	N		N		N		N		
20. Clubhouse/Meeting Room	N	N		N		N		N		N		N		N		
21. Other	N/A	N/A		N/A		N/A		N/A		N/A		N/A		N/A		
22. Unit Rent Per Month		\$795		\$725		\$650		\$525		\$580		\$580		\$580		
23. Total Adjustment			(\$65)		(\$10)		\$45		\$75						\$65	
24. Indicated Rent		\$730		\$715		\$695		\$600		\$645		\$645		\$645		
25. Co-related Subject Rent	\$700	If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$730	low rent	\$600	60% range	\$626	to	\$704								

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: *[Signature]* Date (mm/dd/yy): 10/27/16
Reviewer's Signature: _____ Date (mm/dd/yyyy): _____

Previous editions are obsolete

form HUD-92273 (07/2003)

Three-Bedroom Units (1,064 SF) – As Is

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

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 6 (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)		
Three-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Salem Arms Apartments 2243 Rosier Road Augusta, Richmond, GA			Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA			High Point Crossing Apartments 524 Richmond Hill Road West Augusta, Richmond, GA			Fleming Heights Apartments 2467 Lumpkin Road Augusta, Richmond, GA			Cedar Grove Apartments 526 Richmond Hill Road West Augusta, Richmond, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		
4. Type of Project/Stories	WU/2	WU/2		WU/2		WU/2		WU/2		G/1		WU/2		WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		First		Varies		Varies		
6. Project Occupancy %	100%	100%		98%		93%		97%		97%		97%		97%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	1980	1972/1997	\$55	1984		1976	\$80	1963	\$45	1971	\$100	1971		1971	\$100	
9. Sq. Ft. Area	1064	990	\$15	1130	(\$10)	1050		751	\$55	1048		1048		1048		
10. Number of Bedrooms	3	3		3		3		3		3		3		3		
11. Number of Baths	15	15		2.0	(\$10)	2.0	(\$10)	10	\$10	2.0	(\$10)	2.0	(\$10)	2.0	(\$10)	
12. Number of Rooms	5	5		5		5		5		5		5		5		
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		N		N		N		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	Win	\$15	C		C		Win	\$15	C		C		C		
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c. Refrigerator	Y	Y		Y		Y		Y		Y		Y		Y		
d. Disposal	N	Y		Y		Y		N		Y		Y		Y		
d. Microwave	N	N		N		N		N		N		N		N		
f. Dishwasher	Y	Y		Y		Y		N	\$10	Y		Y		Y		
g. Washer/Dryer	L	L		HU	(\$5)	WD	(\$25)	HU	(\$5)	HU	(\$5)	HU	(\$5)	HU	(\$5)	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B		C/B		C/B		
i. Pool/Rec. Area	N	PR	(\$20)	PR	(\$20)	PR	(\$20)	N		R	(\$10)	R	(\$10)	R	(\$10)	
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
c. Electricity	N	N		N		N		N		N		N		N		
d. Water Cold/Hot	C/N	C/N		N/N	\$65	C/N		N/N	\$77	C/N		C/N		C/N		
17. Storage	N	Y	(\$5)	N		N		N		N		N		N		
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	Y	(\$5)	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	
20. Clubhouse/Meeting Room	N	N		N		N		N		N		N		N		
21. Other	N/A	N/A		N/A		N/A		N/A		N/A		N/A		N/A		
22. Unit Rent Per Month		\$725		\$850		\$770		\$575		\$700		\$700		\$700		
23. Total Adjustment			\$50		\$20		\$20		\$202		\$70		\$70		\$70	
24. Indicated Rent		\$775		\$870		\$790		\$777		\$770		\$770		\$770		
25. Co-related Subject Rent	\$ 800	If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$870	low rent	\$770	60% range	\$790	to	\$850								
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature			Date (mm/dd/yy)		Reviewer's Signature			Date (mm/dd/yyyy)				
							10/27/16									

Previous editions are obsolete

form HUD-92273 (07/2003)

Explanation of Adjustments and Market Rent Conclusions – As Is

Richmond Villas Apartments

Primary Unit Types – One-Bedroom Units (653 SF), Two-Bedroom Units (807 SF) and Three-Bedroom Units (1,064 SF)

Rent comparability grids were prepared for the primary unit types with 653, 807 and 1,064 square feet. Comparable apartments used include the following: Oakview Place (Comparable 1), Pinnacle Place Apartments (Comparable 2), High Point Crossing Apartments (Comparable 3), Fleming Heights Apartments (Comparable 4), Cedar Grove Apartments (Comparable 5), Salem Arms Apartments (Comparable 6), Meadow Wood Place (Comparable 7) and Quail Hollow Apartments (Comparable 8).

Structure/Stories – The subject is located in two-story walk-up buildings. All comparables are located in one- or two-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

Project Occupancy – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 86 to 100 percent. The contact for Comparable 1 indicated that the property has recently evicted several tenants resulting in a lower occupancy rate. Since the vacancy does not appear to be the result of the rent level, no adjustment was needed.

Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

Year Built/Year Renovated – The subject was constructed in 1980. Comparable 1 was constructed in 1985. Comparable 2 was constructed in 1984. Comparable 3 was built in 1976. Comparable 4 was built in 1963. Comparable 5 was constructed in 1971. Comparable 6 was constructed in 1972 and renovated in 1997. Comparable 7 was built in 1984. Comparable 8 was built in 1985. In order to determine the appropriate adjustments for condition (year built/year renovated), the appraiser utilized paired analysis to compare the comparables. Comparable 2 was deemed the most similar to the subject. Therefore, this comparable was considered the subject in the paired analysis calculation. When performing the analysis, the appraiser compared the units at Comparables 3, 4, 5, 6, 7 and 8 individually to the units at Comparable 2. As can be seen in the following tables, the appraiser adjusted the street rent of each comparable for all differences between the subject and comparables to come up with a net adjusted rent for each comparable. The differences that warranted adjustments included square foot area, number of baths, balcony/terrac/patio, air conditioning, refrigerator, microwave, dishwasher, washer/dryer, pool/recreation areas, cold/hot water, storage and security. Once the net adjusted rents were determined,

these rents were compared to the street rent at Comparable 2. The differences between the rents indicate the appropriate adjustments for condition.

Paired Analysis - One-Bedroom Units			
Item	Comparable 3	Comparable 4	Comparable 5
Street Rent	\$580	\$525	\$475
Sq. Ft. Area	-\$25	\$40	\$0
Number of Baths	\$0	\$0	\$0
Balc/Terrace/Patio	-\$5	\$0	\$0
A/C	\$0	\$15	\$0
Refrigerator	\$0	\$0	\$0
Microwave	\$0	\$0	\$0
Dishwasher	\$0	\$10	\$0
Washer/Dryer	-\$20	\$0	\$5
Pool/Recreation Areas	\$0	\$20	\$10
Water: Cold/Hot	-\$45	-\$3	-\$45
Storage	\$0	\$0	\$0
Security	\$0	-\$5	-\$5
Net Rent	\$485	\$602	\$440
Comparable 2 Street Rent	\$650	\$650	\$650
Indicated Adjustment	\$165	\$48	\$210

Paired Analysis - Two-Bedroom Units			
Item	Comparable 6	Comparable 7	Comparable 8
Street Rent	\$650	\$525	\$580
Sq. Ft. Area	\$40	\$0	\$25
Number of Baths	\$10	\$10	\$10
Balc/Terrace/Patio	-\$5	\$0	-\$5
A/C	\$15	\$0	\$0
Refrigerator	\$0	\$0	\$25
Microwave	\$0	\$0	\$0
Dishwasher	\$0	\$0	\$0
Washer/Dryer	\$5	\$0	\$0
Pool/Recreation Areas	\$0	\$20	\$20
Water: Cold/Hot	-\$55	-\$55	-\$55
Storage	-\$5	\$0	-\$5
Security	-\$5	\$0	\$0
Net Rent	\$650	\$500	\$595
Comparable 2 Street Rent	\$725	\$725	\$725
Indicated Adjustment	\$75	\$225	\$130

Paired Analysis - Three-Bedroom Units				
Item	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Street Rent	\$770	\$575	\$700	\$725
Sq. Ft. Area	\$15	\$70	\$15	\$25
Number of Baths	\$0	\$20	\$0	\$10
Balc/Terrace/Patio	-\$5	\$0	\$0	-\$5
A/C	\$0	\$15	\$0	\$15
Refrigerator	\$0	\$0	\$0	\$0
Microwave	\$0	\$0	\$0	\$0
Dishwasher	\$0	\$10	\$0	\$0
Washer/Dryer	-\$20	\$0	\$0	\$5
Pool/Recreation Areas	\$0	\$20	\$10	\$0
Water: Cold/Hot	-\$65	\$12	-\$65	-\$65
Storage	\$0	\$0	\$0	-\$5
Security	\$0	-\$5	-\$5	-\$5
Net Rent	\$695	\$717	\$655	\$700
Comparable 2 Street Rent	\$850	\$850	\$850	\$850
Indicated Adjustment	\$155	\$133	\$195	\$150

As can be seen on the analysis, the amount of adjustments indicated was different for each bedroom type. Due to the nature of the adjustment and the fact that all of the difference may not be attributable entirely to differences in condition, the results were averaged and then divided by two. The comparables were adjusted as follows: Comparable 3 - \$80; Comparable 4 - \$45; Comparable 5 - \$100; Comparable 6 - \$55; Comparable 7 - \$115; and Comparable 8 - \$65. All remaining comparables were considered similar to the subject and were not adjusted.

SF Area – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected adjustment factor for the one-bedroom comparison is \$0.22, the selected adjustment factor for the two-bedroom comparison is \$0.19, and the selected adjustment factor for the three-bedroom comparison is \$0.18. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

Number of Bedrooms – The subject and all comparables contain the same number of bedrooms. No adjustment is needed.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$50 per full bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$0 to \$25 per bath, as can be seen in the table below.

	Comp 1	Comp 8		Comp 6	Comp 6
Small 2 BR Rent	\$805	\$580	Small 3 BR Rent	\$725	\$725
Small 2 BR Size	1,042	850	Small 3 BR Size	990	990
Large 2 BR Rent	\$795	\$600	Large 3 BR Rent	\$750	\$775
Large 2 BR Size	888	950	Large 3 BR Size	1,129	1,129
Size Adj Factor	\$0.19	\$0.19	Size Adj Factor	\$0.18	\$0.18
Size Difference	-154	100	Size Difference	139	139
Indicated Size Adj.	-\$29	\$19	Indicated Size Adj.	\$25	\$25
Adjusted 2 BR Rent	\$824	\$581	Adjusted 2 BR Rent	\$725	\$750
Indicated Bath Adj.	\$19	\$1	Indicated Bath Adj.	\$0	\$25

The paired rental analysis range is determined by comparing comparables with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.). The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. After considering the results of the paired analysis, a \$10 adjustment was selected for each half-bath, and a \$20 adjustment was selected for each full bath.

Balcony/Patio – The subject does not contain either amenity. Comparables 2, 4, 5 and 7 are similar to the subject. The comparables with balconies or patios were adjusted downward \$5 per month. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

Parking – The subject and all comparables contain open parking lots. No adjustment is needed.

AC: Central/Wall – The subject contains central air conditioning. All comparables except Comparables 4 and 6 contain central air conditioning. Comparables 4 and 6 contain window air conditioning. Residents in this market indicated a willingness to pay an additional amount for central air conditioning versus through-the-wall air conditioning. Therefore, Comparables 4 and 6 were adjusted upward \$15 per month.

Range/Oven – The subject and all comparables contain this feature. No adjustments were needed.

Refrigerator – The subject and all comparables except Comparable 8 contain this feature. Although no comparable indicates a rent difference based on this feature, the added amenity is an enhancement. Therefore, Comparable 8 was adjusted upward \$25 per month. The adjustment was based on the appraiser's experience as well as data obtained from local rent-to-own facilities.

Microwave – Neither the subject nor the comparables contain this feature. No adjustments were needed.

Dishwasher – The subject and all comparables except Comparable 4 contain this feature. Although no comparable indicates a rent difference based on this feature, the added amenity is an enhancement. Therefore, a \$10 adjustment was selected for Comparable 4.

Washer/Dryer – The subject and Comparables 5 and 6 contain laundry facilities. Comparables 2, 4, 7 and 8 contain washer/dryer hook-ups and were adjusted downward \$5 per month. The remaining comparable contains washers and dryers in the individual units and was adjusted downward \$25 per month. These adjustments were based on the experience of the appraiser, the local market area and the cost of amortizing over 12 months the replacement of any parts required for either laundry facility or washers and dryers or hook-ups in individual units.

Carpet/Drapes – The subject and all comparables contain carpet and window coverings. No adjustments were needed.

Pool/Recreation Areas – The subject does not contain either feature. Comparable 1 contains a swimming pool and playground. Comparable 2 contains a swimming pool, picnic area and playground. Comparable 3 contains a swimming pool, picnic area and playground. Comparable 4 does not contain either feature. Comparable 5 contains a picnic area and playground. Comparable 6 contains a fitness center. Comparables 7 and 8 do not contain either feature. Properties with these features can command a higher rent in the market. Therefore, a \$10 adjustment was selected for comparables with recreation areas, and an additional \$10 adjustments was selected for comparables with swimming pools.

Heat – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cooking – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Electricity – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cold/Hot Water – The subject has cold water and sewer provided. Comparables 1, 3, 5, 6, 7 and 8 are similar to the subject. Comparable 2 has an additional monthly charge to cover the cost of water and sewer. The charges are as follows: \$45 for one-bedroom units, \$55 for two-bedroom units and \$65 for three-bedroom units. Since a fee is charged at this comparable, Comparable 2 was adjusted upward \$45 for the one-bedroom units, \$55 for the two-bedroom units and \$65 for the three-bedroom units. Comparable 4 does not have either cold water or sewer provided and was adjusted upward \$42 for the one-bedroom units and \$77 for the three-bedroom units. The adjustments were based on the amounts indicated by the Allowances for Tenant-Furnished Utilities and Other Services for Richmond County. The adjustments were supported by conversations with area apartment managers and tenants and local utility companies.

Extra Storage – The subject does not contain this feature. Comparables 6 and 8 contains extra storage. The remaining comparables are similar to the subject. Tenants in the market area indicated a willingness to pay an amount for these amenities. Therefore, a nominal \$5 adjustment was determined.

Location – The subject and all comparables were considered similar in terms of location. No adjustments were needed.

Security – The subject does not contain any form of security. Comparables 1, 2, 3, 7 and 8 are similar to the subject and were not adjusted. Comparable 4 contains security patrol. Comparable 5 contains video surveillance. Comparable 6 contains security patrol. Although there is very little market data available concerning security features, residents indicate a willingness to pay an additional amount per month for security features. Therefore, the comparables with security features were adjusted downward \$5 per month.

Clubhouse/Meeting Room – Neither the subject nor any comparable contains either feature. No adjustments were needed.

Conclusion of Market Rent – As Is

The adjusted rents range from \$545 to \$650 for the one-bedroom comparison; from \$600 to \$730 for the two-bedroom comparison; and from \$770 to \$870 for the three-bedroom comparison. Comparables 1 and 2 were given the most consideration in determining the market rent as they are most similar in condition. The remaining comparables were also given consideration. The appraiser concluded the market rent for the units at the subject as follows:

• 653 SF One-Bedroom Units	-	\$625
• 807 SF Two-Bedroom Units	-	\$700
• 1,064 SF Three-Bedroom Units	-	\$800

HUD-Forms 92273 – As Complete

One-Bedroom Units (653 SF) – As Complete

Estimates of Market Rent
by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
One-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Oakview Place 3506 Oakview Place Hephzibah, Richmond, GA		Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA		High Point Crossing Apartments 524 Richmond Hill Road West Augusta, Richmond, GA		Fleming Heights Apartments 2467 Lumpkin Road Augusta, Richmond, GA		Cedar Grove Apartments 526 Richmond Hill Road West Augusta, Richmond, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016	
4. Type of Project/Stories	WU/2	WU/2, T/2		WU/2		WU/2		G/1		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		First		Varies	
6. Project Occupancy %	100%	86%		98%		93%		97%		97%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1980/Proposed	1985	\$70	1984	\$65	1976	\$40	1963	\$100	1971	\$150
9. Sq. Ft. Area	653	692	(\$10)	740	(\$20)	850	(\$45)	561	\$20	726	(\$15)
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	10	10		10		10		10		10	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		N	
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C		Win	\$15	C	
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	N	Y		Y		Y		N		Y	
d. Microwave	Y	N	\$5	N	\$5	N	\$5	Y		N	\$5
f. Dishwasher	Y	Y		Y		Y		Y	\$10	Y	
g. Washer/Dryer	L	HU	(\$5)	HU	(\$5)	WD	(\$25)	HU	(\$5)	L	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	N	\$10	R	
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E	
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C/N	C/N		N/N	\$45	C/N		N/N	\$42	C/N	
17. Storage	N	N		N		N		N		N	
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		N		Y	(\$5)	Y	(\$5)
20. Clubhouse/Meeting Room	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
21. Other	N/A	N/A		N/A		N/A		N/A		N/A	
22. Unit Rent Per Month		\$680		\$650		\$580		\$525		\$475	
23. Total Adjustment			\$50		\$85		\$65		\$92		\$140
24. Indicated Rent		\$730		\$735		\$645		\$717		\$615	
25. Correlated Subject Rent	\$720	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$735	low rent	\$615	60% range	\$639	to	\$711			
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature		Date (mm/dd/yy)		Reviewer's Signature		Date (mm/dd/yyyy)	
						10/27/16					

Previous editions are obsolete

form HUD-92273 (07/2003)


Two-Bedroom Units (807 SF) – As Complete

Estimates of Market Rent
by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 6 (address)		D. Comparable Property No. 7 (address)		E. Comparable Property No. 8 (address)	
Two-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Oakview Place 3506 Oakview Place Hephzibah, Richmond, GA		Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA		Salem Arms Apartments 2243 Rosier Road Augusta, Richmond, GA		Meadow Wood Place 2404 Nordahl Drive Augusta, Richmond, GA		Quail Hollow Apartments 2705 Tobacco Road Hephzibah, Richmond, GA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016	
4. Type of Project/Stories	WU/2	WU/2, T/2		WU/2		WU/2		WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	100%	86%		98%		100%		98%		100%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1980/Proposed	1985	\$80	1984	\$75	1972/1997	\$120	1984	\$170	1985	\$125
9. Sq. Ft. Area	807	888	(\$15)	975	(\$30)	762	\$10	1000	(\$35)	850	(\$10)
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	10	2.0	(\$20)	1.5	(\$10)	1.0		1.0		1.0	
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		Win	\$15	C		C	
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c. Refrigerator	Y	Y		Y		Y		Y		Y	
d. Disposal	N	Y		Y		Y		N		Y	
d. Microwave	Y	N	\$5	N	\$5	Y		N	\$5	Y	
f. Dishwasher	Y	Y		Y		Y		Y		Y	
g. Washer/Dryer	L	HU	(\$5)	HU	(\$5)	L		HU	(\$5)	HU	(\$5)
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B	
i. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	N	\$10	N	\$10
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/G		N/E	
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E	
c. Electricity	N	N		N		N		N		N	
d. Water Cold/Hot	C/N	C/N		N/N	\$55	C/N		C/N		C/N	
17. Storage	N	N		N		Y	(\$5)	N		Y	(\$5)
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar	
19. Security	N	N		N		Y	(\$5)	N		N	
20. Clubhouse/Meeting Room	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
21. Other	N/A	N/A		N/A		N/A		N/A		N/A	
22. Unit Rent Per Month		\$795		\$725		\$650		\$525		\$580	
23. Total Adjustment			\$35		\$85		\$125		\$150		\$115
24. Indicated Rent		\$830		\$810		\$775		\$675		\$695	
25. Correlated Subject Rent	\$795	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$830	low rent	\$675	60% range	\$706	to	\$799			
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) 10/27/16		Reviewer's Signature			Date (mm/dd/yyyy)

Previous editions are obsolete

form HUD-92273 (07/2003)

Three-Bedroom Units (1,064 SF) – As Complete

Estimates of Market Rent
by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 6 (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)		
Three-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Salem Arms Apartments 2243 Rosier Road Augusta, Richmond, GA			Pinnacle Place Apartments 500 Caldwell Drive Hephzibah, Richmond, GA			High Point Crossing Apartments 524 Richmond Hill Road West Augusta, Richmond, GA			Fleming Heights Apartments 2467 Lumpkin Road Augusta, Richmond, GA			Cedar Grove Apartments 526 Richmond Hill Road West Augusta, Richmond, GA		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		10/2016		
4. Type of Project/Stories	WU/2	WU/2		WU/2		WU/2		WU/2		G/1		WU/2		WU/2		
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		First		Varies		Varies		
6. Project Occupancy %	100%	100%		98%		93%		97%		97%		97%		97%		
7. Concessions	N	N		N		N		N		N		N		N		
8. Year Built	1980/Proposed	1972/1997	\$130	1984	\$85	1976	\$155	1963	\$105	1971	\$170	1971	\$105	1971	\$170	
9. Sq. Ft. Area	1064	990	\$15	1130	(\$10)	1050		751	\$55	1048		1048		1048		
10. Number of Bedrooms	3	3		3		3		3		3		3		3		
11. Number of Baths	15	15		2.0	(\$10)	2.0	(\$10)	1.0	\$10	2.0	(\$10)	2.0	(\$10)	2.0	(\$10)	
12. Number of Rooms	5	5		5		5		5		5		5		5		
13. Balc./Terrace/Patio	N	Y	(\$5)	N		Y	(\$5)	N		N		N		N		
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0		L/0		L/0		L/0		
15. Equipment a. A/C	C	Win	\$15	C		C		Win	\$15	C		C		C		
b. Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c. Refrigerator	Y	Y		Y		Y		Y		Y		Y		Y		
d. Disposal	N	Y		Y		Y		N		Y		Y		Y		
e. Microwave	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
f. Dishwasher	Y	Y		Y		Y		N	\$10	Y		Y		Y		
g. Washer/Dryer	L	L		HU	(\$5)	WD	(\$25)	HU	(\$5)	HU	(\$5)	HU	(\$5)	HU	(\$5)	
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B		C/B		C/B		C/B		
i. Pool/Rec. Area	R	PR	(\$10)	PR	(\$10)	PR	(\$10)	N	\$10	R		R		R		
16. Services a. Heat/Type	N/G	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
b. Cook/Type	N/G	N/E		N/E		N/E		N/E		N/E		N/E		N/E		
c. Electricity	N	N		N		N		N		N		N		N		
d. Water Cold/Hot	C/N	C/N		N/N	\$65	C/N		N/N	\$77	C/N		C/N		C/N		
17. Storage	N	Y	(\$5)	N		N		N		N		N		N		
18. Project Location	Good	Similar		Similar		Similar		Similar		Similar		Similar		Similar		
19. Security	N	Y	(\$5)	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	
20. Clubhouse/Meeting Room	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
21. Other	N/A	N/A		N/A		N/A		N/A		N/A		N/A		N/A		
22. Unit Rent Per Month		\$725		\$850		\$770		\$675		\$700		\$700		\$700		
23. Total Adjustment			\$145		\$125		\$115		\$282		\$160		\$160		\$160	
24. Indicated Rent		\$870		\$975		\$885		\$857		\$860		\$860		\$860		
25. Correlated Subject Rent	\$920	If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$975	low rent	\$857	60% range	\$881	to	\$951								
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature			Date (mm/dd/yy)		Reviewer's Signature				Date (mm/dd/yyyy)			
							10/27/16									

Previous editions are obsolete

form HUD-92273 (07/2003)

Explanation of Adjustments and Market Rent Conclusions – As Complete

Richmond Villas Apartments

Primary Unit Types – One-Bedroom Units (653 SF), Two-Bedroom Units (807 SF) and Three-Bedroom Units (1,064 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (B) (2b) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

Rent comparability grids were prepared for the primary unit types with 653, 807 and 1,064 square feet. Comparable apartments used include the following: Oakview Place (Comparable 1), Pinnacle Place Apartments (Comparable 2), High Point Crossing Apartments (Comparable 3), Fleming Heights Apartments (Comparable 4), Cedar Grove Apartments (Comparable 5), Salem Arms Apartments (Comparable 6), Meadow Wood Place (Comparable 7) and Quail Hollow Apartments (Comparable 8).

Structure/Stories – The subject is located in two-story walk-up buildings. All comparables are located in one- or two-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

Project Occupancy – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 86 to 100 percent. The contact for Comparable 1 indicated that the property has recently evicted several tenants resulting in a lower occupancy rate. Since the vacancy does not appear to be the result of the rent level, no adjustment was needed.

Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

Year Built/Year Renovated – The subject was constructed in 1980 and will undergo a proposed rehabilitation. Comparable 1 was constructed in 1985. Comparable 2 was constructed in 1984. Comparable 3 was built in 1976. Comparable 4 was built in 1963. Comparable 5 was constructed in 1971. Comparable 6 was constructed in 1972 and renovated in 1997. Comparable 7 was built in 1984. Comparable 8 was built in 1985. All comparables will be inferior to the subject upon completion of the proposed rehabilitation. It has been the appraiser's experience that rehabilitated properties can typically command an increase in rents equal to approximately 10 percent of the rent. Therefore, all comparables

were adjusted upward 10 percent in addition to the condition adjustments determined in the “as is” scenario.

SF Area – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected adjustment factor for the one-bedroom comparison is \$0.22, the selected adjustment factor for the two-bedroom comparison is \$0.19, and the selected adjustment factor for the three-bedroom comparison is \$0.18. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

Number of Bedrooms – The subject and all comparables contain the same number of bedrooms. No adjustment is needed.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$50 per full bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$0 to \$25 per bath, as can be seen in the table below.

	Comp 1	Comp 8		Comp 6	Comp 6
Small 2 BR Rent	\$805	\$580	Small 3 BR Rent	\$725	\$725
Small 2 BR Size	1,042	850	Small 3 BR Size	990	990
Large 2 BR Rent	\$795	\$600	Large 3 BR Rent	\$750	\$775
Large 2 BR Size	888	950	Large 3 BR Size	1,129	1,129
Size Adj Factor	\$0.19	\$0.19	Size Adj Factor	\$0.18	\$0.18
Size Difference	-154	100	Size Difference	139	139
Indicated Size Adj.	-\$29	\$19	Indicated Size Adj.	\$25	\$25
Adjusted 2 BR Rent	\$824	\$581	Adjusted 2 BR Rent	\$725	\$750
Indicated Bath Adj.	\$19	\$1	Indicated Bath Adj.	\$0	\$25

The paired rental analysis range is determined by comparing comparables with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.). The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range.

The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. After considering the results of the paired analysis, a \$10 adjustment was selected for each half-bath, and a \$20 adjustment was selected for each full bath.

Balcony/Patio – The subject does not contain either amenity. Comparables 2, 4, 5 and 7 are similar to the subject. The comparables with balconies or patios were adjusted downward \$5 per month. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

Parking – The subject and all comparables contain open parking lots. No adjustment is needed.

AC: Central/Wall – The subject contains central air conditioning. All comparables except Comparables 4 and 6 contain central air conditioning. Comparables 4 and 6 contain window air conditioning. Residents in this market indicated a willingness to pay an additional amount for central air conditioning versus through-the-wall air conditioning. Therefore, Comparables 4 and 6 were adjusted upward \$15 per month.

Range/Oven – The subject and all comparables contain this feature. No adjustments were needed.

Refrigerator – The subject and all comparables except Comparable 8 contain this feature. Although no comparable indicates a rent difference based on this feature, the added amenity is an enhancement. Therefore, Comparable 8 was adjusted upward \$25 per month. The adjustment was based on the appraiser's experience as well as data obtained from local rent-to-own facilities.

Microwave – The subject will contain microwaves upon completion of the rehabilitation. None of the comparables contain this feature. Although microwaves are relatively inexpensive, the added amenity is an enhancement. Therefore, all comparables were adjusted upward \$5 per month.

Dishwasher – The subject and all comparables except Comparable 4 contain this feature. Although no comparable indicates a rent difference based on this feature, the added amenity is an enhancement. Therefore, a \$10 adjustment was selected for Comparable 4.

Washer/Dryer – The subject and Comparables 5 and 6 contain laundry facilities. Comparables 2, 4, 7 and 8 contain washer/dryer hook-ups and were adjusted downward \$5 per month. The remaining comparable contains washers and dryers in the individual units and was adjusted downward \$25 per month. These adjustments were based on the experience of the appraiser, the local market area and the

cost of amortizing over 12 months the replacement of any parts required for either laundry facility or washers and dryers or hook-ups in individual units.

Carpet/Drapes – The subject and all comparables contain carpet and window coverings. No adjustments were needed.

Pool/Recreation Areas – The subject will contain a playground, covered picnic area and park benches upon completion of the rehabilitation. Comparable 1 contains a swimming pool and playground. Comparable 2 contains a swimming pool, picnic area and playground. Comparable 3 contains a swimming pool, picnic area and playground. Comparable 4 does not contain either feature. Comparable 5 contains a picnic area and playground. Comparable 6 contains a fitness center. Comparables 7 and 8 do not contain either feature. Properties with these features can command a higher rent in the market. Therefore, a \$10 adjustment was selected for comparables without either feature, and a \$10 adjustment was selected for comparables with both features.

Heat – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cooking – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Electricity – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cold/Hot Water – The subject has cold water and sewer provided. Comparables 1, 3, 5, 6, 7 and 8 are similar to the subject. Comparable 2 has an additional monthly charge to cover the cost of water and sewer. The charges are as follows: \$45 for one-bedroom units, \$55 for two-bedroom units and \$65 for three-bedroom units. Since a fee is charged at this comparable, Comparable 2 was adjusted upward \$45 for the one-bedroom units, \$55 for the two-bedroom units and \$65 for the three-bedroom units. Comparable 4 does not have either cold water or sewer provided and was adjusted upward \$42 for the one-bedroom units and \$77 for the three-bedroom units. The adjustments were based on the amounts indicated by the Allowances for Tenant-Furnished Utilities and Other Services for Richmond County. The adjustments were supported by conversations with area apartment managers and tenants and local utility companies.

Extra Storage – The subject does not contain this feature. Comparables 6 and 8 contains extra storage. The remaining comparables are similar to the subject. Tenants in the market area indicated a willingness to pay an amount for these amenities. Therefore, a nominal \$5 adjustment was determined.

Location – The subject and all comparables were considered similar in terms of location. No adjustments were needed.

Security – The subject does not contain any form of security. Comparables 1, 2, 3, 7 and 8 are similar to the subject and were not adjusted. Comparable 4 contains security patrol. Comparable 5 contains video surveillance. Comparable 6 contains security patrol. Although there is very little market data available concerning security features, residents indicate a willingness to pay an additional amount per month for security features. Therefore, the comparables with security features were adjusted downward \$5 per month.

Clubhouse/Meeting Room – Upon completion of the proposed rehabilitation, the subject will contain a meeting room. None of the comparables contain either feature. Although no comparable shows a rent difference based on this feature, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for all comparables.

Conclusion of Market Rents – As Complete

The adjusted rents range from \$615 to \$735 for the one-bedroom comparison; from \$675 to \$830 for the two-bedroom comparison; and from \$857 to \$975 for the three-bedroom comparison. Comparables 1 and 2 were given the most consideration in determining the market rent as they are most similar in condition. The remaining comparables were also given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **653 SF One-Bedroom Units** - **\$720**
- **807 SF Two-Bedroom Units** - **\$795**
- **1,064 SF Three-Bedroom Units** - **\$920**

Multi-Family Lease No. 1



Property Identification

Record ID 14209
Property Type Walk-Up/Townhouse
Property Name Oakview Place
Address 3506 Oakview Place, Hephzibah, Richmond County, Georgia 30815
Market Type Market

Verification Amy; 706-796-6059, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	28	692	\$680	\$0.98
2/1.5	72	1,042	\$805	\$0.77
2/2	24	888	\$795	\$0.90

Occupancy 86%
Rent Premiums N
Total Units 124
Unit Size Range 692 - 1042
Avg. Unit Size 933
Avg. Rent/Unit \$775
Avg. Rent/SF \$0.83

SF 115,712

Physical Data

No. of Buildings 27
Construction Type Siding
HVAC Forced Air Elec/Central Elec
Stories 2

Multi-Family Lease No. 1 (Cont.)

Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	1985
Condition	Good
Gas Utilities	Hot Water
Electric Utilities	Cooking, Cooling, Heating, Other Elec

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Hardwood, Blinds, Ceiling Fans(Some), Fireplace(TH), Balcony, Patio, Swimming Pool, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

There are no applicants on the waiting list for the property. The average annual turnover rate was not disclosed. The contact reported that the property has had several evictions in the last two months resulting in a higher than typical vacancy rate.

Multi-Family Lease No. 2



Property Identification

Record ID 14208
Property Type Walk-Up
Property Name Pinnacle Place Apartments
Address 500 Caldwell Drive, Hephzibah, Richmond County, Georgia 30815
Market Type Market

Verification Peggy; 706-793-2435, October 27, 2016

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	16	740	\$650	\$0.88
2/1.5	72	975	\$725	\$0.74
3/2	32	1,130	\$850	\$0.75

Occupancy 98%
Rent Premiums N
Total Units 120
Unit Size Range 740 - 1130
Avg. Unit Size 985
Avg. Rent/Unit \$748
Avg. Rent/SF \$0.76

SF 118,200

Physical Data

No. of Buildings 15

Multi-Family Lease No. 2 (Cont.)

Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1984
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Swimming Pool, Picnic Area, Playground, On-Site Management, On-Site Maintenance

Remarks

The tenant must pay an additional fee for the water, sewer and trash. The fees for the units are as follows: \$45 for the one-bedroom units, \$55 for the two-bedroom units and \$65 for the three-bedroom units. There are no applicants on the waiting list. The average annual turnover rate was not disclosed.

Multi-Family Lease No. 3



Property Identification

Record ID 3915
Property Type Walk-Up
Property Name High Point Crossing Apartments
Address 524 Richmond Hill Road West, Augusta, Richmond County, Georgia 30906
Market Type Market

Verification Tammi; 706-793-3697, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	32	850	\$580	\$0.68
2/1	120	950	\$670	\$0.71
3/2	16	1,050	\$770	\$0.73

Occupancy 93%
Rent Premiums None
Total Units 168
Unit Size Range 850 - 1050
Avg. Unit Size 940
Avg. Rent/Unit \$662

Multi-Family Lease No. 3 (Cont.)

Avg. Rent/SF \$0.70
SF 158,000

Physical Data

No. of Buildings 21
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/0
Year Built 1976
Condition Good

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer (BR only), Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet (1BR,2BR Only), Balcony, Patio, Swimming Pool, Picnic Area, Playground, Business Center, Laundry Facility, On-Site Maintenance, On-Site Management

Remarks

There are five applicants on the waiting list for the property. The average annual turnover rate was not disclosed.

Multi-Family Lease No. 4



Property Identification

Record ID 14188
Property Type Garden
Property Name Fleming Heights Apartments
Address 2467 Lumpkin Road, Augusta, Richmond County, Georgia 30906
Market Type Market

Verification Mary; 706-798-1521, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1Sr	6	561	\$460	\$0.82
1/1		561	\$525	\$0.94
2/1Sr	48	672	\$485	\$0.72
2/1		672	\$550	\$0.82
3/1Sr	8	751	\$510	\$0.68
3/1		751	\$575	\$0.77

Occupancy 95%
Rent Premiums N
Total Units 62
Unit Size Range 561 - 751
Avg. Unit Size 671
Avg. Rent/Unit \$486
Avg. Rent/SF \$0.72

SF 41,630

Physical Data

No. of Buildings 31
Construction Type Brick
HVAC Forced Air Elec/Window Elec
Stories 1
Utilities with Rent None
Parking L/0
Year Built 1963
Condition Good

Multi-Family Lease No. 4 (Cont.)

Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Tile, Hardwood, Blinds, Ceiling Fans(Some), Coat Closet, On-Site Management, On-Site Maintenance, Security Patrol(9pm-6am)

Remarks

There are no applicants on the waiting list for the property. The average annual turnover rate was not disclosed. The lower rents are for units occupied solely by residents over the age of 55 years.

Multi-Family Lease No. 5



Property Identification

Record ID 3033
Property Type Walk-Up
Property Name Cedar Grove Apartments
Address 526 Richmond Hill Road West, Augusta, Richmond County, Georgia 30906
Market Type Market

Verification Lisa; 706-792-6111, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	48	726	\$475	\$0.65
2/1.5	22	878	\$550	\$0.63
2/1.5(TH)	32	1,022	\$600	\$0.59
2/1.5(TH)		1,022	\$650	\$0.64
3/2	24	1,048	\$700	\$0.67
3/2		1,048	\$750	\$0.72

Occupancy 97%
Rent Premiums N
Total Units 126

Multi-Family Lease No. 5 (Cont.)

Unit Size Range	726 - 1048
Avg. Unit Size	889
Avg. Rent/Unit	\$563
Avg. Rent/SF	\$0.63

SF	112,020
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Physical Data

No. of Buildings	17
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Project Amenities	Air Conditioning, Balcony, Disposal, Laundry
Parking	L/O
Year Built	1971
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups (TH Only), Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony (TH Only), Patio (TH Only), Extra Storage (TH Only), Picnic Area, Playground, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance, Courtesy Patrol, Video Surveillance

Remarks

This complex does not maintain an active waiting list. The annual turnover rate is 20 percent.

Multi-Family Lease No. 6



Property Identification

Record ID 3916
Property Type Walk-Up/Townhouse
Property Name Salem Arms Apartments
Address 2243 Rosier Road, Augusta, Richmond County, Georgia 30906
Market Type Market

Verification Pam; 706-798-3243, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	36	762	\$650	\$0.85
3/1.5	50	990	\$725	\$0.73
3/2.5(TH)	50	1,129	\$750	\$0.66
3/2.5(TH)		1,129	\$775	\$0.69

Occupancy 100%
Rent Premiums None
Total Units 136
Unit Size Range 762 - 1129
Avg. Unit Size 981
Avg. Rent/Unit \$714

Multi-Family Lease No. 6 (Cont.)

Avg. Rent/SF \$0.73
SF 133,382

Physical Data

No. of Buildings 25
Construction Type Brick
HVAC Central Elec/Window Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/0
Year Built 1972/1997
Condition Good

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Patio, Balcony, Swimming Pool, Playground, Basketball Court, Extra Storage, Security Patrol, On-Site Management, On-Site Maintenance, Fitness Center, Laundry Facility

Remarks

This complex does not maintain an active waiting list. The annual turnover rate was not disclosed.

Multi-Family Lease No. 7



Property Identification

Record ID 14189
Property Type Walk-Up
Property Name Meadow Wood Place
Address 2404 Nordahl Drive, Augusta, Richmond County, Georgia 30906
Market Type Market

Verification Justin; 706-793-9185, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	68	1,000	\$525	\$0.53
Occupancy	98%			
Rent Premiums	N			
Total Units	68			
Unit Size Range	0 - 1000			
Avg. Unit Size	1,000			
Avg. Rent/Unit	\$525			
Avg. Rent/SF	\$0.52			
SF	68,000			

Physical Data

No. of Buildings 17
Construction Type Brick
HVAC Forced Air Gas/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/O
Year Built 1984
Condition Good
Gas Utilities Heating, Hot Water
Electric Utilities Cooking, Cooling, Other Elec

Amenities

Multi-Family Lease No. 7 (Cont.)

Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Coat Closet, On- Site Management, On-Site Maintenance

Remarks

There are five applicants on the waiting list for the property. The average annual turnover rate is 14.7 percent.

Multi-Family Lease No. 8



Property Identification

Record ID 14210
Property Type Walk-Up/Townhouse
Property Name Quail Hollow Apartments
Address 2705 Tobacco Road, Hephzibah, Richmond County, Georgia 30815
Market Type Market

Verification Collier Mat; 706-798-6898, October 27, 2016

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	16	850	\$580	\$0.68
2/1.5TH	16	950	\$600	\$0.63

Occupancy 100%
Rent Premiums N
Total Units 32
Unit Size Range 850 - 950
Avg. Unit Size 900
Avg. Rent/Unit \$590
Avg. Rent/SF \$0.66

SF 28,800

Physical Data

No. of Buildings 8
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection

Multi-Family Lease No. 8 (Cont.)

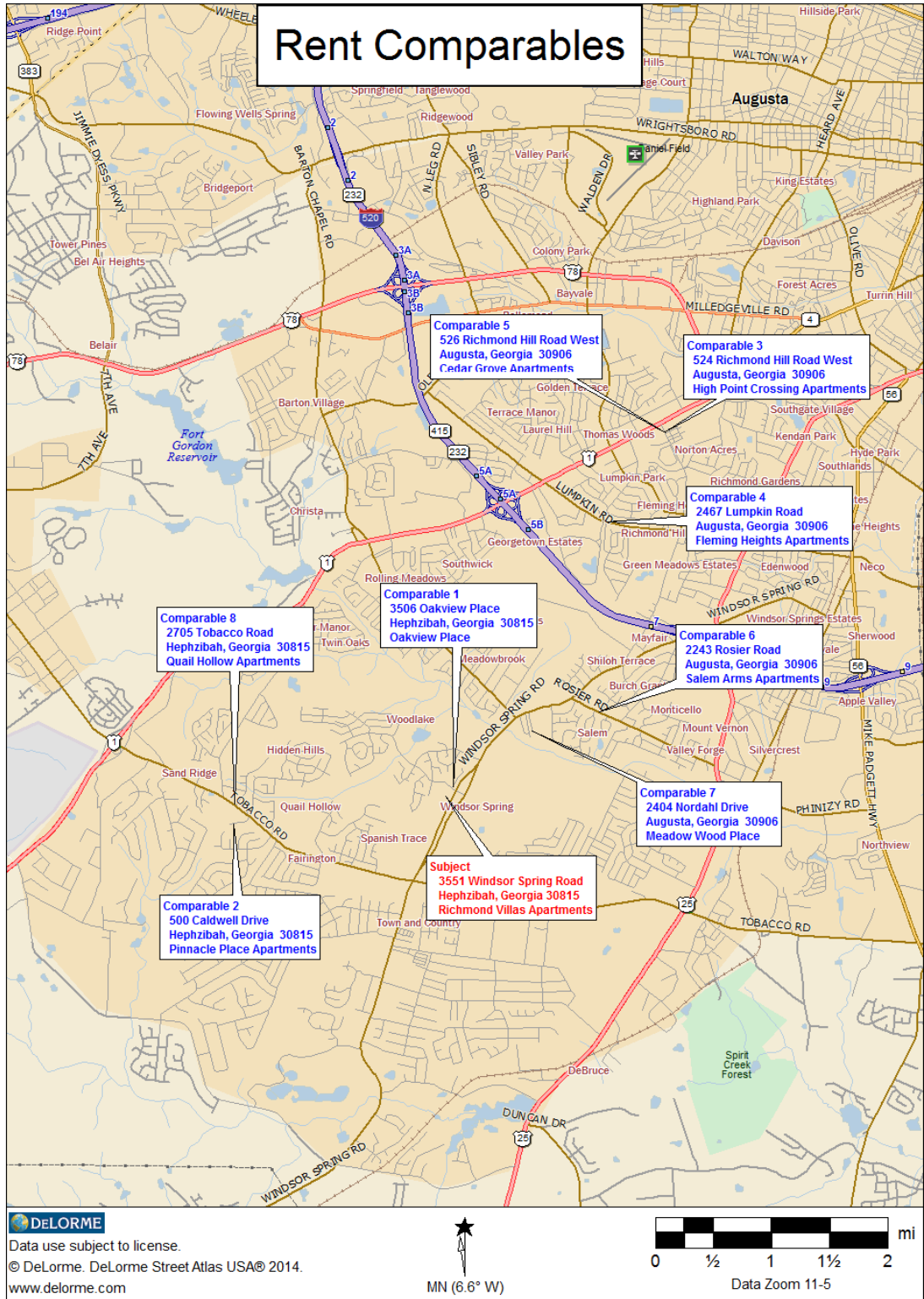
Parking	L/0
Year Built	1985
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Walk-In Closet, Balcony, Patio, Exterior Storage

Remarks

There are no applicants on the property's waiting list. The average annual turnover rate was not disclosed.



HUD-Forms 92273 – As Complete (Obtainable)

One-Bedroom Units (653 SF) – As Complete

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

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)				
One-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Shadowood Apartments 2506 Lumpkin Road Augusta, Richmond, GA	Mount Zion Apartments 2445 Amsterdam Drive Augusta, Richmond, GA	Cedarwood Apartments 527 Richmond Hill Road West Augusta, Richmond, GA				
Characteristics		Data	Data	Adjustments	Data	Adjustments	Data	Adjustments
				- +		- +		- +
3. Effective Date of Rental	10/2016	10/2016			10/2016		10/2016	
4. Type of Project/Stories	WU/2	WU/2			WU/2		WU/2	
5. Floor of Unit in Building	Varies	Varies			Varies		Varies	
6. Project Occupancy %	100%	95%			99%		99%	
7. Concessions	N	N			N		N	
8. Year Built	1980/Proposed	1980			1973	\$60	1973	\$50
9. Sq. Ft. Area	653	675	\$50		540	\$25	850	(\$45)
10. Number of Bedrooms	1	1			1		1	
11. Number of Baths	1.0	1.0			1.0		1.0	
12. Number of Rooms	3	3			3		3	
13. Balc./Terrace/Patio	N	N			N		Y	(\$5)
14. Garage or Carport	L/0	L/0			L/0		L/0	
15. Equipment a. A/C	C	C			C		C	
b. Range/Oven	R/O	R/O			R/O		R/O	
c. Refrigerator	Y	Y			Y		Y	
d. Disposal	N	N			Y		Y	
d. Microwave	Y	N	\$5		N	\$5	N	\$5
f. Dishwasher	Y	Y			N	\$10	Y	
g. Washer/Dryer	L	L			L		HU	(\$5)
h. Carpet/Drapes	C/B	C/B			C/B		C/B	
i. Pool/Rec. Area	R	R			N	\$10	PR	(\$10)
16. Services a. Heat/Type	N/G	N/G			N/E		N/E	
b. Cook/Type	N/G	N/E			N/E		N/E	
c. Electricity	N	N			N		N	
d. Water Cold/Hot	C/N	C/N			C/N		C/N	
17. Storage	N	N			N		N	
18. Project Location	Good	Similar			Similar		Similar	
19. Security	N	N			N		N	
20. Clubhouse/Meeting Room	Y	Y			Y		N	\$5
21. Other	N/A	N/A			N/A		N/A	
22. Unit Rent Per Month		\$491			\$617		\$488	
23. Total Adjustment			\$55			\$110		(\$5)
24. Indicated Rent		\$546			\$727		\$483	
25. Correlated Subject Rent	\$709	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.						
	high rent	\$727	low rent	\$483	60% range	\$532	to	\$678
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature		Date (mm/dd/yy)		Reviewer's Signature		Date (mm/dd/yyyy)
				10/27/16				

Previous editions are obsolete

form HUD-92273 (07/2003)

Two-Bedroom Units (807 SF) – As Complete

Estimates of Obtainable Rent by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)						
Two-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Shadowood Apartments 2506 Lumpkin Road Augusta, Richmond, GA			Mount Zion Apartments 2445 Amsterdam Drive Augusta, Richmond, GA			Cedarwood Apartments 527 Richmond Hill Road West Augusta, Richmond, GA						
Characteristics	Data	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	Data	Adjustments +	
3. Effective Date of Rental	10/2016	10/2016		10/2016		10/2016		10/2016						
4. Type of Project/Stories	WU/2	WU/2		WU/2		WU/2		WU/2						
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies						
6. Project Occupancy %	100%	95%		99%		99%		99%						
7. Concessions	N	N		N		N		N						
8. Year Built	1980/Proposed	1980	\$60	1973	\$75	1973	\$55	1973	\$55					
9. Sq. Ft. Area	807	800		715	\$15	950	(\$25)	950	(\$25)					
10. Number of Bedrooms	2	2		2		2		2						
11. Number of Baths	1.0	2.0	(\$20)	1.0		1.5	(\$10)	1.5	(\$10)					
12. Number of Rooms	4	4		4		4		4						
13. Balc./Terrace/Patio	N	N		N		Y	(\$5)	Y	(\$5)					
14. Garage or Carport	L/0	L/0		L/0		L/0		L/0						
15. Equipment a. A/C	C	C		C		C		C						
b. Range/Oven	R/O	R/O		R/O		R/O		R/O						
c. Refrigerator	Y	Y		Y		Y		Y						
d. Disposal	N	N		Y		Y		Y						
d. Microwave	Y	N	\$5	N	\$5	N	\$5	N	\$5					
f. Dishwasher	Y	Y		N	\$10	Y		Y						
g. Washer/Dryer	L	L		L		HU	(\$5)	HU	(\$5)					
h. Carpet/Drapes	C/B	C/B		C/B		C/B		C/B						
i. Pool/Rec. Area	R	R		N	\$10	PR	(\$10)	PR	(\$10)					
16. Services a. Heat/Type	N/G	N/G		N/E		N/E		N/E						
b. Cook/Type	N/G	N/E		N/E		N/E		N/E						
c. Electricity	N	N		N		N		N						
d. Water Cold/Hot	C/N	C/N		C/N		C/N		C/N						
17. Storage	N	N		N		N		N						
18. Project Location	Good	Similar		Similar		Similar		Similar						
19. Security	N	N		N		N		N						
20. Clubhouse/Meeting Room	Y	Y		Y		N	\$5	N	\$5					
21. Other	N/A	N/A		N/A		N/A		N/A						
22. Unit Rent Per Month		\$584		\$730		\$550		\$550						
23. Total Adjustment			\$45		\$115		\$10		\$10					
24. Indicated Rent		\$629		\$845		\$560		\$560						
25. Correlated Subject Rent	\$791	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.												
	high rent	\$845	low rent	\$560	60% range	\$617	to	\$788						

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)

10/27/16

Reviewer's Signature

Date (mm/dd/yyyy)

Previous editions are obsolete

form HUD-92273 (07/2003)

Three-Bedroom Units (1,064 SF) – As Complete

Estimates of Obtainable Rent by Comparison - As Complete

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

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

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)								
Three-Bedroom	Richmond Villas Apartments 3551 Windsor Spring Road Hephzibah, Richmond, GA	Shadowood Apartments 2506 Lumpkin Road Augusta, Richmond, GA			Mount Zion Apartments 2445 Amsterdam Drive Augusta, Richmond, GA			Cedarwood Apartments 527 Richmond Hill Road West Augusta, Richmond, GA								
Characteristics	Data	Data	Adjustments	+	Data	Adjustments	+	Data	Adjustments	+	Data	Adjustments	+	Data	Adjustments	+
3. Effective Date of Rental	10/2016	10/2016			10/2016			10/2016								
4. Type of Project/Stories	WU/2	WU/2			WU/2			WU/2								
5. Floor of Unit in Building	Varies	Varies			Varies			Varies								
6. Project Occupancy %	100%	95%			99%			99%								
7. Concessions	N	N			N			N								
8. Year Built	1980/Proposed	1980		\$74	1973		\$100	1973		\$70						
9. Sq. Ft. Area	1,064	1,000		\$10	937		\$25	1,200		(\$25)						
10. Number of Bedrooms	3	3			3			3								
11. Number of Baths	1.5	2.0		(\$10)	2.0		(\$10)	2.0		(\$10)						
12. Number of Rooms	5	5			5			5								
13. Balc./Terrace/Patio	N	N			N			Y		(\$5)						
14. Garage or Carport	L/0	L/0			L/0			L/0								
15. Equipment a. A/C	C	C			C			C								
b. Range/Oven	R/O	R/O			R/O			R/O								
c. Refrigerator	Y	Y			Y			Y								
d. Disposal	N	N			Y			Y								
d. Microwave	Y	N		\$5	N		\$5	N		\$5						
f. Dishwasher	Y	Y			N		\$10	Y								
g. Washer/Dryer	L	L			L			HU		(\$5)						
h. Carpet/Drapes	C/B	C/B			C/B			C/B								
i. Pool/Rec. Area	R	R			N		\$10	PR		(\$10)						
16. Services a. Heat/Type	N/G	N/G			N/E			N/E								
b. Cook/Type	N/G	N/E			N/E			N/E								
c. Electricity	N	N			N			N								
d. Water Cold/Hot	C/N	C/N			C/N			C/N								
17. Storage	N	N			N			N								
18. Project Location	Good	Similar			Similar			Similar								
19. Security	N	N			N			N								
20. Clubhouse/Meeting Room	Y	Y			Y			N								
21. Other	N/A	N/A			N/A			N/A								
22. Unit Rent Per Month		\$737			\$982			\$700								
23. Total Adjustment				\$79			\$140			\$20						
24. Indicated Rent		\$816			\$1,122			\$720								
25. Correlated Subject Rent	\$893	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.														
	high rent	\$1,122	low rent	\$720	60% range	\$800	to	\$1,042								

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)

10/27/16

Reviewer's Signature

Date (mm/dd/yyyy)

Previous editions are obsolete

form HUD-92273 (07/2003)

Explanation of Adjustments and Obtainable Rent Conclusions – As Complete

Richmond Villas Apartments

Primary Unit Types – One-Bedroom Units (653 SF), Two-Bedroom Units (807 SF) and Three-Bedroom Units (1,064 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (B) (2b) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

Rent comparability grids were prepared for the primary unit types with 653, 807 and 1,064 square feet. Comparable apartments used include the following: Shadowood Apartments (Comparable 1), Mount Zion Apartments (Comparable 2) and Cedarwood Apartments (Comparable 3).

Structure/Stories – The subject is located in two-story walk-up buildings. All comparables are similar to the subject. No adjustment was needed.

Project Occupancy – The subject is currently 100 percent occupied. The occupancy rates of the comparables range from 95 to 99 percent. No adjustments were needed.

Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

Year Built/Year Renovated – The subject was constructed in 1980 and will undergo a proposed rehabilitation. Comparable 1 was constructed in 1980. Comparable 2 was constructed in 1973. Comparable 3 was built in 1973. All comparables will be inferior to the subject upon completion of the proposed rehabilitation. It has been the appraiser's experience that rehabilitated properties can typically command an increase in rents equal to approximately 10 percent of the rent. Therefore, all comparables were adjusted upward 10 percent in addition to the condition adjustments determined in the "as is" scenario.

SF Area – For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined. This number was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The median dollar per square foot rental rate is determined. Next, the difference in square

footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected adjustment factor for the one-bedroom comparison is \$0.18, the selected adjustment factor for the two-bedroom comparison is \$0.18, and the selected adjustment factor for the three-bedroom comparison is \$0.18. No adjustments were made to comparables within 25 square feet of the subject. The adjustments were rounded to the nearest \$5. These adjustments are reflected on the HUD-Forms 92273, which are attached.

Number of Bedrooms – The subject and all comparables contain the same number of bedrooms. No adjustment is needed.

of Baths – Each complex with a differing number of baths than the subject was adjusted \$10 per half-bath or \$20 per full bath. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. There was insufficient data available to perform a paired analysis. Therefore, a nominal \$10 per half-bath adjustment was selected.

Balcony/Patio – The subject does not contain either amenity. Comparables 1 and 2 are similar to the subject. The comparables with balconies or patios were adjusted downward \$5 per month. Although the comparables do not indicate a rent differential for units with these features versus units without these features, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for these features.

Parking – The subject and all comparables contain open parking lots. No adjustment is needed.

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

Range/Oven – The subject and all comparables contain this feature. No adjustments were needed.

Refrigerator – The subject and all comparables contain this feature. No adjustments were needed.

Microwave – The subject will contain microwaves upon completion of the rehabilitation. None of the comparables contain this feature. Although microwaves are relatively inexpensive, the added amenity is an enhancement. Therefore, all comparables were adjusted upward \$5 per month.

Dishwasher – The subject and all comparables except Comparable 2 contain this feature. Although no comparable indicates a rent difference based on this feature, the added amenity is an enhancement. Therefore, a \$10 adjustment was selected for Comparable 2.

Washer/Dryer – The subject and Comparables 1 and 2 contain laundry facilities. Comparable 3 contains washer/dryer hook-ups and was adjusted downward \$5 per month. These adjustments were based on the experience of the appraiser, the local market area and the cost of amortizing over 12 months the replacement of any parts required for either laundry facility or washers and dryers or hook-ups in individual units.

Carpet/Drapes – The subject and all comparables contain carpet and window coverings. No adjustments were needed.

Pool/Recreation Areas – The subject will contain a playground, covered picnic area and park benches upon completion of the rehabilitation. Comparable 1 contains a playground. Comparable 2 does not contain either feature. Comparable 3 contains a swimming pool, fitness center and playground. Properties with these features can command a higher rent in the market. Therefore, a \$10 adjustment was selected for comparables without either feature, and a \$10 adjustment was selected for the comparable with both features.

Heat – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cooking – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Electricity – Neither the subject nor any comparable has this utility provided. No adjustments were needed.

Cold/Hot Water – The subject has cold water and sewer provided. All comparables are similar to the subject. No adjustments were needed.

Extra Storage – The subject does not contain this feature. All comparables are similar to the subject. No adjustments were needed.

Location – The subject and all comparables were considered similar in terms of location. No adjustments were needed.

Security – The subject does not contain any form of security. All comparables are similar to the subject. No adjustments were needed.

Clubhouse/Meeting Room – Upon completion of the proposed rehabilitation, the subject will contain a meeting room. Comparables 1 and 2 contain clubhouses. Comparable 3 does not contain either feature. Although no comparable shows a rent difference based on this feature, the added amenity is an enhancement. Therefore, a nominal \$5 adjustment was selected for Comparable 3.

Conclusion of Obtainable Rents – As Complete

The adjusted rents range from \$483 to \$727 for the one-bedroom comparison; from \$560 to \$845 for the two-bedroom comparison; and from \$720 to \$1,122 for the three-bedroom comparison. The subject's proposed rents are within the range of the comparables and were deemed reasonable. The appraiser concluded the obtainable rent for the units at the subject as follows:

• 653 SF One-Bedroom Units	-	\$709
• 807 SF Two-Bedroom Units	-	\$791
• 1,064 SF Three-Bedroom Units	-	\$893

Multi-Family Lease No. 1



Property Identification

Record ID 3928
Property Type Walk-Up
Property Name Shadowood Apartments
Address 2506 Lumpkin Road, Augusta, Richmond County, Georgia 30906
Market Type Section 8

Verification Mrs. Clay; 706-790-0599, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	18	675	\$491	\$0.73
2/2	45	800	\$584	\$0.73
3/2	15	1,000	\$737	\$0.74

Occupancy 95%
Rent Premiums None
Total Units 78
Unit Size Range 675 - 1000
Avg. Unit Size 810
Avg. Rent/Unit \$592

Multi-Family Lease No. 1 (Cont.)

Avg. Rent/SF \$0.73

SF 63,150

Physical Data

No. of Buildings 10

Construction Type Brick/Siding

HVAC Central Gas/Central Elec

Stories 2

Utilities with Rent Water, Sewer, Trash Collection

Parking L/O

Year Built 1980

Condition Good

Gas Utilities Heating

Electric Utilities Cooling, Cooking

Amenities

Refrigerator, Range/Oven, Dishwasher, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Clubhouse, Playground Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

This complex maintains an active waiting list of 20 applicants. The annual turnover rate is 18 percent. The occupancy on July 10, 2014 was 100 percent.

Multi-Family Lease No. 2



Property Identification

Record ID 3926
Property Type Walk-Up
Property Name Mount Zion Apartments
Address 2445 Amsterdam Drive, Augusta, Richmond County, Georgia
30901
Market Type Section 8

Verification Taylor; 205-981-3300, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	3	540	\$617	\$1.14
2/1	60	715	\$730	\$1.02
3/2	4	937	\$982	\$1.05

Occupancy 99%
Rent Premiums None
Total Units 67
Unit Size Range 540 - 937
Avg. Unit Size 720
Avg. Rent/Unit \$740

Multi-Family Lease No. 2 (Cont.)

Avg. Rent/SF \$1.03

SF 48,268

Physical Data

No. of Buildings 2

Construction Type Brick/Siding

HVAC Central Elec/Central Elec

Stories 2

Utilities with Rent Water, Sewer, Trash Collection

Parking L/0

Year Built 1973

Condition Good

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Carpet, Tile, Blinds, Coat Closet, Clubhouse, Laundry Facility, On-Site Management

Remarks

This complex maintains an active waiting list. However, the number of applicants was not disclosed. The annual turnover rate was not disclosed.

Multi-Family Lease No. 3



Property Identification

Record ID 14190
Property Type Walk-Up
Property Name Cedarwood Apartments
Address 527 Richmond Hill Road West, Augusta, Richmond County, Georgia 30906
Market Type Section 8/LIHTC

Verification Vonda; 706-790-1003, October 27, 2016

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	56	850	\$488	\$0.57
2/1.5	24	950	\$550	\$0.58
2/1.5(TH)	80	1,150	\$664	\$0.58
3/2	24	1,200	\$700	\$0.58

Occupancy 99%
Rent Premiums N
Total Units 184
Unit Size Range 850 - 1200
Avg. Unit Size 1,039
Avg. Rent/Unit \$600
Avg. Rent/SF \$0.58

SF 191,200

Physical Data

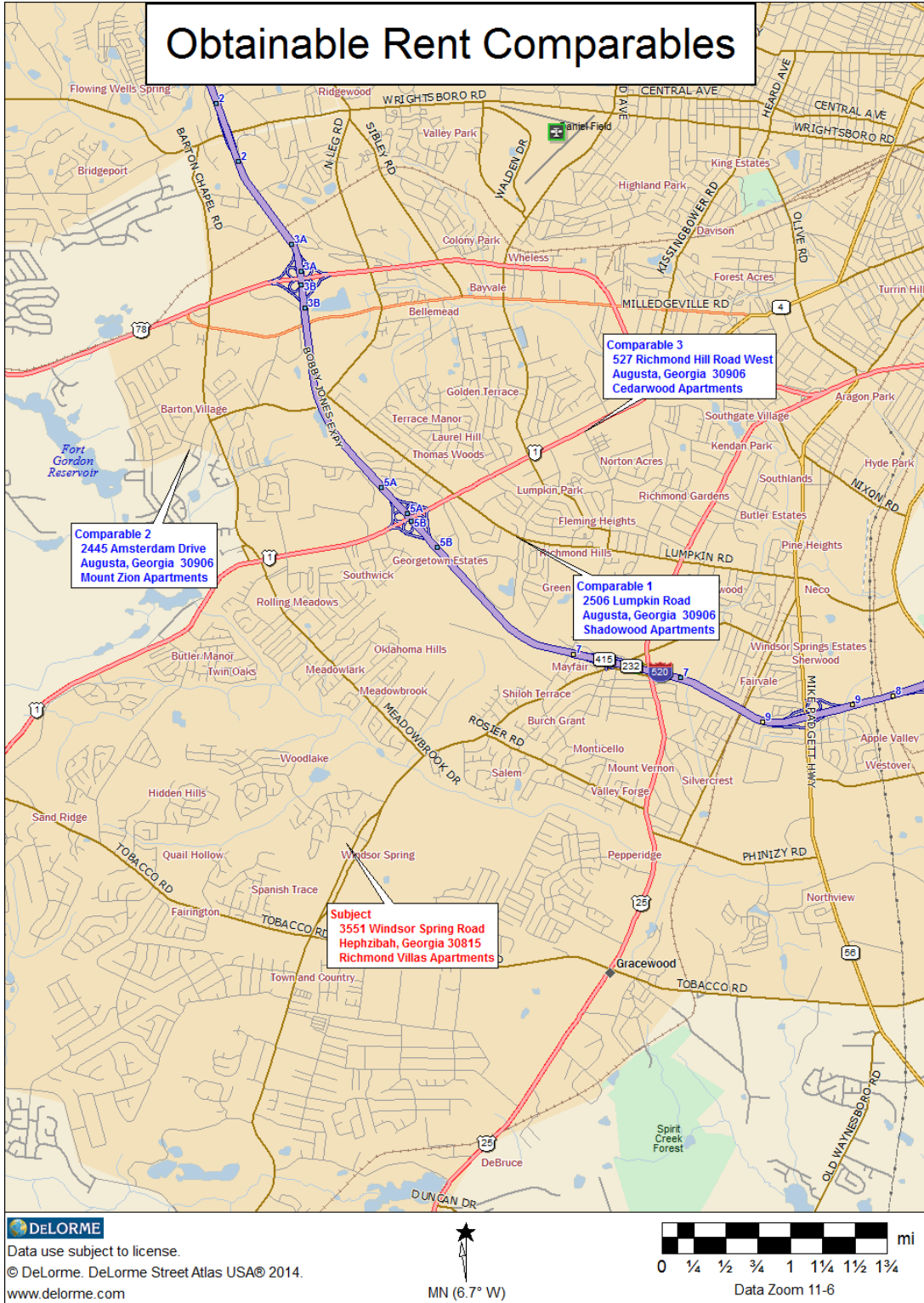
No. of Buildings 24

Multi-Family Lease No. 3 (Cont.)

Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer
Parking	L/0
Year Built	1973
Condition	Good
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Swimming Pool, Fitness Center, Playground, Business Center, Laundry Facility



**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		\$720	\$795	\$920	
2. Personal Benefit Expense (if any)		\$109	\$145	\$184	
3. The Percentage of Median Income (adjusted for family size) used for income limits for 40%, 50%, 60% (circle only one; then enter the applicable dollar income limit for each unit.)		60%	60%	60%	
		\$26,550	\$31,860	\$36,840	
4. Estimated Maximum Affordable Monthly Rent for Restricted Units * [(0.30 x line 3) / 12 - line 2		\$555	\$652	\$737	
5. Estimated Obtainable Monthly Rent for Restricted Units **		\$709	\$791	\$893	
6. Monthly Rent Estimate for Restricted Units (least of lines 1, 4 or 5) ***		\$709	\$791	\$893	
7. Number of each unit type with income limits shown on line 3		16	64	16	
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.

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

form HUD-92264-T (04/2003)
ref. Handbook 4480.1

Ancillary Income

The subject's historical financial statements did not indicate any ancillary income. However, with the change of ownership, the property will generate ancillary income. Therefore, ancillary income was projected at \$100 per unit in line with the borrower's budget. This revenue appears reasonable in the market.

Summary and Conclusion

Comparable apartment complexes were analyzed as shown on the attached HUD-Forms 92273. Adjustments were based on market rates for individual items as discussed on the previous pages. After analyzing the aforementioned data, market rates were established with special emphasis placed on the best comparables for each unit type to arrive at the estimated market rents as shown in the chart below. After all adjustments, the comparables most similar to the subject for each bedroom type were considered to determine market rates. These rates were used throughout the report as the "Market Rates" for all subject apartment types. The restricted rents shown in the "as is" calculation below are the current restricted rents at the subject. The restricted rents shown in the "as complete" calculation below are the borrower's proposed rents. The borrower's proposed rents are lower than the "as complete" market rents determined by the appraiser. Therefore, the borrower's proposed rents were considered reasonable and were utilized in the following calculation.

Total Potential Gross Rental Income (Restricted Rent As Is)

# of Units	Unit Type	Unit SF	Contract Rent	Potential Gross Income
16	1/1	653	\$533	\$8,528
64	2/1	807	\$589	\$37,696
16	3/1.5	1,064	\$761	\$12,176
Total Potential Monthly Rental Income				\$58,400
				x 12
Total Potential Gross Rental Income				\$700,800
Miscellaneous Income				\$0
Laundry and Vending Revenue				\$9,600
Tenant Charges				\$0
Parking				\$0
Total Potential Gross Income				\$710,400

Total Potential Gross Rental Income (Restricted Rent As Complete)

# of Units	Unit Type	Unit SF	Contract Rent	Potential Gross Income
16	1/1	653	\$709	\$11,344
64	2/1	807	\$791	\$50,624
16	3/1.5	1,064	\$893	\$14,288
Total Potential Monthly Rental Income				\$76,256
				x 12
Total Potential Gross Rental Income				\$915,072
Miscellaneous Income				\$0
Laundry and Vending Revenue				\$9,600
Tenant Charges				\$0
Parking				\$0
Total Potential Gross Income				\$924,672

Total Potential Gross Rental Income (Market Rent As Is)

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
16	1/1	653	\$625	\$10,000
64	2/1	807	\$700	\$44,800
16	3/1.5	1,064	\$800	\$12,800
Total Potential Monthly Rental Income				\$67,600
				x 12
Total Potential Gross Rental Income				\$811,200
Miscellaneous Income				\$0
Laundry and Vending Revenue				\$9,600
Tenant Charges				\$0
Parking				\$0
Total Potential Gross Income				\$820,800

Total Potential Gross Rental Income (Market Rent As Complete)

# of Units	Unit Type	Unit SF	Market Rent	Potential Gross Income
16	1/1	653	\$720	\$11,520
64	2/1	807	\$795	\$50,880
16	3/1.5	1,064	\$920	\$14,720
Total Potential Monthly Rental Income				\$77,120
				x 12
Total Potential Gross Rental Income				\$925,440
Miscellaneous Income				\$0
Laundry and Vending Revenue				\$9,600
Tenant Charges				\$0
Parking				\$0
Total Potential Gross Income				\$935,040

Vacancy and Collection Loss

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

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

Expenses

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

Management

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

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

Tax and Assessment Information

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

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

Insurance

The insurance expense is the responsibility of the landlord.

Maintenance

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

Utilities and Service

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

Reserves for Replacement

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

capitalized into market value. Other allowances are sometimes made for unusual circumstances – e.g., reserves to cover periodic non-annual repairs, eventual compliance with environmental regulations (asbestos removal) or bringing the building up to code for handicapped persons. Estimates of such reserves should be included in the income forecast if the appraiser believes the situation warrants it.

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

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

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

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

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

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

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

Market Rent and Contract Rent

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

specify whether the cited rent is 1) the former or existing contract rent, 2) the asking amount sought by the landlord or property manager or 3) the market rent estimated by the appraiser.

Other Miscellaneous Income

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

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

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

Net Operating Income Projections – Restricted As Is

Property: **Richmond Villas Apartments**
 Project #: **061-35258**
 # of Rental Units: **96**
 # of Commercial Units: **0**

Revenue and Expense Analysis
Historical and Proforma

% change compared to preceding year.

2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual													REVENUE - Annual								
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months Annualized		PUPA	%	Budget	PUPA	%	Projections	PUPA	%		
Residential & Ancillary Income																					Residential & Ancillary Income
Annual Gross Potential Rental Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	915,072	9,532	33%	700,800	7,300	2%			Annual Gross Potential Rental Income
Annual Ancillary Income	0	0	0	0	0%	0	0	0%	0	0	0	0%	9,600	100	0	9,600	100	0			Annual Ancillary Income
Annual Gross Potential Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	924,672	9,632	34%	710,400	7,400	3%			Annual Gross Potential Income
Occupancy	99.69%	22	99.68%	23	0%	100.00%	0	0%	92.59%	92.59%	572	-7%	93.00%	674	0%	95.00%	370	0%			Occupancy
Effective Gross Income (EGI)	688,331	7,170	690,884	7,197	0%	689,727	7,185	0%	514,811	686,415	7,150	0%	859,945	8,958	25%	674,880	7,030	-2%			Effective Gross Income (EGI)
Commercial Income																					Commercial Income
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			Annual Gross Potential Inc. (Commercial)
Occupancy (Commercial)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			Occupancy (Commercial)
EGI (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			EGI (Commercial)

ITEMIZED EXPENSES - Annual													ITEMIZED EXPENSES - Annual								
Estimate of Annual Expense													Estimate of Annual Expense								
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months Annualized		PUPA	%	Budget	PUPA	%	Projections	PUPA	%		
Administrative																					Administrative
Advertising	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	600	6	0	600	6	0		Advertising
Management Fee	34,433	359	34,544	360	0%	34,488	359	0%	0	0	0	-100%	42,997	448	25%	33,744	362	-2%	5,000%		Management Fee
Service Coordinator	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	0%		Service Coordinator
Other (Specify)	22,608	236	19,221	200	-15%	22,562	235	17%	14,318	19,091	199	-15%	28,880	301	28%	28,880	300	28%			Other (Specify)
Total Administrative	57,041	594	53,765	560	-6%	57,050	594	6%	14,318	19,091	199	-67%	72,477	755	27%	63,224	659	11%			Total Administrative
Operating																					Operating
Elevator Maintenance Exp.	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	0%		Elevator Maintenance Exp.
Fuel	0	0	0	0	0%	390	4	0%	0	0	0	-100%	0	0	-100%	0	0	-100%			Fuel - Heating
Lighting and Misc. Power	9,408	98	10,795	112	15%	11,467	119	6%	8,879	11,839	123	3%	12,480	130	9%	12,480	130	9%			Lighting and Misc. Power
Water	55,115	574	60,541	631	10%	47,553	495	-21%	51,658	68,877	717	45%	69,000	719	45%	69,000	719	45%			Water
Gas	1,306	14	1,296	13	-2%	1,476	15	15%	982	1,309	14	-11%	1,440	15	-2%	1,440	15	-2%			Gas
Garbage and Trash Removal	18,582	194	18,933	197	2%	19,202	200	1%	18,189	25,595	267	33%	19,200	200	0%	19,200	200	0%			Garbage and Trash Removal
Payroll	63,151	658	32,356	337	-49%	75,063	782	132%	10,065	13,420	140	-82%	60,336	629	-20%	60,336	300	-20%			Payroll
Other (Specify)	20,996	219	43,615	454	108%	71,830	748	65%	0	0	0	-100%	0	0	-100%	0	0	-100%			Other (Specify)
Total Operating	168,558	1,756	167,526	1,745	-1%	226,981	2,364	35%	90,773	121,031	1,261	-47%	162,456	1,692	-28%	162,456	1,692	-28%			Total Operating
Maintenance																					Maintenance
Decorating	0	0	0	0	0%	0	0	0%	7,010	9,347	97	0%	2,520	26	0	2,520	26	0			Decorating
Repairs	13,071	136	40,835	425	212%	23,073	240	-43%	33,112	44,149	460	91%	28,800	300	25%	28,800	300	25%			Repairs
Exterminating	0	0	0	0	0%	0	0	0%	3,975	5,300	55	0%	6,929	72	0	6,929	72	0			Exterminating
Insurance	48,318	503	49,768	518	3%	49,534	516	0%	0	0	0	-100%	24,000	250	-52%	24,000	250	-52%			Insurance
Ground Expense	0	0	0	0	0%	0	0	0%	0	0	0	0%	18,000	188	0	18,000	188	0			Ground Expense
Other (specify)	1,575	16	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			Other (specify)
Total Maintenance	62,964	656	90,603	944	44%	72,607	756	-20%	44,097	58,796	612	-19%	80,249	836	11%	80,249	836	11%			Total Maintenance
Taxes																					Taxes
Real Estate Tax	37,649	392	39,985	417	6%	39,933	416	0%	0	0	0	-100%	54,720	570	37%	40,320	420	1%			Real Estate Tax
Personal Property Tax	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			Personal Property Tax
Employee Payroll Tax	0	0	235	2	0%	0	0	-100%	0	0	0	0%	14,064	147	0	14,064	147	0			Employee Payroll Tax
Employee Benefits	85	1	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			Employee Benefits
Other	0	0	0	0	0%	0	0	0%	414	552	6	0%	0	0	0%	0	0	0%			Other
Total Taxes	37,734	393	40,220	419	7%	39,933	416	-1%	414	552	6	-99%	68,784	717	72%	54,384	567	36%			Total Taxes
Operating Exp. before RFR	326,297	3,399	352,114	3,668	8%	396,571	4,131	13%	149,602	199,469	2,078	-50%	383,966	4,000	-3%	360,313	3,753	-9%			Operating Exp. before RFR
Reserve For Replacement	45,461	474	45,768	477	1%	45,768	477	0%	0	0	0	-100%	33,600	350	-27%	28,800	300	-37%			Reserve For Replacement
Operating Exp. Incl. RFR	371,758	3,872	397,882	4,145	7%	442,339	4,608	11%	149,602	199,469	2,078	-55%	417,566	4,350	-6%	389,113	4,053	-12%			Operating Exp. Incl. RFR
Commercial Space Expenses	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			Commercial Space Expenses
NOI	316,573	3,298	293,002	3,052	-7%	247,388	2,577	-16%	365,209	486,945	5,072	97%	442,379	4,608	79%	285,767	2,977	16%			NOI

Operating Expense Analysis Worksheet

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

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

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. 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.

Project Name Richmond Villas Apartments	Project Number 061-35258
City Hephzibah, Georgia	Date of Appraisal (mm/dd/yyyy) 10/27/2016

Signature of Processor 	Signature of Reviewer	Date (mm/dd/yyyy)
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Project Name	Augusta Apartments	Manor	Summerset Apartments	Garden Walk Apartments	Richmond Villas Apartments
Project Number					061-35258
Location	Augusta, GA	Swainsboro, GA	Augusta, GA	Hephzibah, Georgia	
Type of Project & No. of Stories	WU/2	G/1	G/1	WU/2	
Type of Construction	Brick/Siding	Brick	Brick	Brick/Siding	
No. of Living Units	100	32	19	96	
Age of Project	1974	1994	1966	1980	
Project Unit Composition	BRM (1) BRM (2) BRM (3) () () () ()	BRM (1) () () () () () ()	BRM (1) () () () () () ()	BRM (1) () () () () () ()	BRM (1) () () () () () ()
No. of Each Type Unit	28 40 32	29 2 1	19	16 64 16	
Sq. Ft. Each Type Unit	713 960 1,125	625 763 796	538	653 807 1,064	
Average Unit Area	944	639	538	824	
Same Tax Rate as Subject*	Yes	No	Yes		
Same Utility Rate *	Yes	No	Yes		
Effective Date/Updating Operating Yr./Percent	2015	2014	2.00% 2.00%	2013	4.00% 4.00%
Equip. & Services Incl. Rent **	1,2,5,6,9,21,22	1,2,5,6,9,21,22	1,2,6,9,21,22	1,2,4,5,6,7,9,21,22	

Equipment Included in Rent									Services Included in Re:												
1 Ranges & Refrig.	2 Carpet & Drapes	3 Disposal	4 Dishwasher	5 Laundry Fac.	6 Air Cond.	7 Other	8	9	10 Gas Elec.	11 Heat	12 Cooking	13 Hot Water	14 A/C	15 Heat	16 Cooking	17 Hot Water	18 A/C	19 Other Fuel	20 Heat	21 Hot Water	22 Other

Items of Expense by Units of Comparison ***	Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Correlated Expense
1. Advertising	31	0	31	3	3	0	3	0	0	0	0					6
2. Management	408	0	408	487	497	0	497	339	353	0	353					339
3. Other	713	0	713	584	596	0	596	67	70	0	70					289
4. Total Admin.																634
5. Elevator	0	0	0	0	0	0	0	0	0	0	0					0
6. Fuel	0	0	0	0	0	0	0	0	0	0	0					0
7. Lighting & Misc. Power	238	0	238	163	166	0	166	47	49	0	49					125
8. Water	322	0	322	262	267	0	267	224	233	0	233					693
9. Gas	322	0	322	0	0	0	0	0	0	0	0					14
10. Garbage & Trash Removal	90	0	90	72	73	0	73	52	54	0	54					193
11. Payroll	666	0	666	138	141	0	141	0	0	0	0					289
12. Other	304	0	304	201	205	0	205	218	227	0	227					0
13. Total Operating																1,315

Richmond Villas Apartments * 3551 Windsor Spring Road * Hephzibah, Georgia

Items of Expense by Units of Comparison ***	Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.		Adj.		Ind. Exp.	Exp.	Up- dated Exp.		Adj.		Ind. Exp.	Correlated Expense
		+	-			+	-	+	-			+	-				
14. Decorating	58	0		58	0	0		0		0	25	26	0		26		25
15. Repairs	84	0		84	0	0		0		0	201	209	0		209		289
16. Exterminating	29	0		29	69	70		0		70	1	1	0		1		70
17. Insurance	334	0		334	192	196		0		196	0	0	0		0		241
18. Ground Expenses	151	0		151	232	237		0		237	145	151	0		151		181
19. Other	0	0		0	3	3		0		3	18	19	0		19		0
20. Total Maint.																	806
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																	2,756
20b. Trend Adjustment (3.67% x 20a)												10/27/2016		Annual Rate	2.00%		101
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																	300
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																	3,157
23. Taxes/Real Estate	411	0		411	479	489		0		489	154	160	0		160		405
24. Personal Prop. Tax	0	0		0	0	0		0		0	0	0	0		0		0
25. Emp. Payroll Tax	87	0		87	46	47		0		47	0	0	0		0		141
26. Emp. Benefits	111	0		111	22	22		0		22	0	0	0		0		0
27. Misc. Taxes/Lic.	0	0		0	2	2		0		2	0	0	0		0		0
27a. Total Taxes w/ Trend																	546
27b. Trend Adjustment (3.67% x 27a)												2/23/2017		Annual Rate	2.00%		20
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																	567
29. Total Expense (Sum of Lines 22 and 28)																	3,724

*If "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 Adjustments as Needed)

Itemized Expenses Explanations (Restricted)

Expense Numbers Per Unit (As Shown on HUD-Form 92274 Prior to Trend Analysis)

The correlated expense represents the subject's projected expense as of the effective date of the most recent expense comparable, in this case, January 1, 2015. The updated expense listed below is the subject's projected expense as of the effective date of this appraisal, October 27, 2016, after applying the updating adjustment of 3.67 percent. The comparable range listed below is the per unit range of the expenses reported for the expense comparables. A breakdown of the individual line items included in each category is included in the addenda of this report.

Expense Item	Historical Range	Correlated Expense	Updated Expense	Comparable Range
1. Advertising	\$0 -\$0	\$6	\$6	\$0-\$31

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted advertising expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

2. Management	\$359 -\$360	\$339	\$352	\$353-\$497
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The subject's historical financial statements indicate a management fee of approximately five percent of the effective gross rent potential and a range of \$359 to \$360 per unit, with an average of \$359 per unit. The comparables have a range of \$353 to \$497 per unit. Comparables in the area indicated that the typical management fee for properties similar to the subject is five percent of the effective gross income. The management fee was projected at 5.00 percent of the effective gross income.

3. Other Administrative	\$200 -\$236	\$289	\$300	\$70 -\$713
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The historical expenses for the subject indicate a range of \$200 to \$236 per unit, with an average of \$224 per unit. A comparable range of \$70 to \$713 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

4. Total Administrative

The subject's correlated total administrative expense is \$634 per unit. The comparables range from \$422 to \$1,152 per unit. The subject's total administrative expense is within the comparable range. Historically, the subject's total administrative expenses ranged from \$560 to \$594 per unit. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total administrative expense for similar properties is \$1,713 per unit. Based on the historical data of the subject as well as the comparable data, the total administrative expenses were deemed reasonable.

5. Elevator	\$0 -\$0	\$0	\$0	\$0-\$0
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The subject does not contain an elevator. Therefore, no elevator expense was projected.

6. Fuel	\$0 -\$4	\$0	\$0	\$0-\$0
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The historical financial statements of the subject do not indicate a fuel expense. In addition, the comparables do not indicate this expense is typical in the area. Therefore, no fuel expense was projected.

7. Lighting & Misc. Power	\$98 -\$112	\$125	\$130	\$49-\$238
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A lighting and miscellaneous power expense of \$125 per unit was correlated. The subject's historical financial lighting and miscellaneous power expense ranged from \$98 to \$112 per unit, with an average of \$70. A comparable range of \$49 to \$238 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

8. Water/Sewer \$495 -\$631 \$693 \$719 \$233-\$322

The historical expenses for the subject indicate a range of \$495 to \$631 per unit, with an average of \$567 per unit. A comparable range of \$233 to \$322 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

9. Gas \$13 -\$15 \$14 \$15 \$0-\$322

The historical expenses for the subject indicate a range of \$13 to \$15 per unit, with an average of \$14 per unit. A comparable range of \$0 to \$322 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

10. Garbage/ Trash Removal \$194 -\$200 \$193 \$200 \$54-\$90

The historical expenses for the subject indicate a range of \$194 to \$200 per unit, with an average of \$197 per unit. A comparable range of \$54 to \$90 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

11. Payroll \$337 -\$782 \$289 \$300 \$0-\$666

A payroll expense of \$289 was correlated. The subject's historical financial statements indicate a range of \$337 to \$782 per unit, with an average of \$592 per unit. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

12. Other Operating \$219 -\$748 \$0 \$0 \$205-\$304

An other operating expense of \$0 was correlated. The subject's historical financial statements indicate a range of \$219 to \$748 per unit, with an average of \$474 per unit. The historical financial statements grouped several expenses into broad categories including "other operating" and "other maintenance". The borrower's budget including allocations for the individual line items. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

13. Total Operating

The subject's correlated total operating expense is \$1,315 per unit. The comparables range from \$563 to \$1,942 per unit. The subject's total operating expense is within the comparable range. Historically, the subject's total operating expenses ranged from \$1,745 to \$2,364 per unit. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total operating expense for similar properties is \$1,585 per unit.

14. Decorating \$0 -\$0 \$25 \$26 \$0-\$58

A decorating expense of \$25 per unit was correlated. The comparables range from \$0 to \$58 per unit. The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted decorating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

15. Repairs \$136 -\$425 \$289 \$300 \$0-\$209

A repairs expense of \$289 was correlated. The comparables range from \$0 to \$209 per unit. The subject's historical financial statements indicate a range of \$136 to \$425, with an average of \$267 per unit. The expense was projected similar to the historical data.

16. Exterminating \$0 -\$0 \$70 \$72 \$1-\$70

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted exterminating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

17. Insurance \$503 -\$518 \$241 \$250 \$0-\$334

An insurance expense of \$241 per unit was correlated. The comparables range from \$0 to \$334 per unit. The historical expenses for the subject indicate a range of \$503 to \$518 for this expense, with an average of \$513 per unit. The expense was projected based on an insurance quote provided by the borrower.

18. Grounds \$0 -\$0 \$181 \$188 \$151-\$237

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted grounds expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

19. Other Maintenance \$0 -\$16 \$0 \$0 \$0-\$19

The subject's historical financial statements do not indicate that this expense is typical for properties similar to the subject. Therefore, no other maintenance expense was projected.

20. Total Maintenance

The subject's total maintenance is \$806 per unit. The comparables indicate total maintenance expenses ranging from \$406 to \$656. The subject is higher than the comparable range. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total maintenance expense for similar properties \$948 per unit. Historically, the subject's total maintenance expense from \$656 to \$944 per unit. Therefore, the total maintenance expenses were deemed reasonable.

23. Real Estate Taxes \$392 -\$417 \$405 \$420 \$160-\$489

The appraiser consulted the Richmond County Assessor's Office to determine the appropriate real estate tax expense.

25. Payroll Taxes \$0 -\$2 \$141 \$141 \$0-\$87

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted payroll taxes expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

26. Employee Benefits \$0 -\$1 \$0 \$0 \$0-\$111

The subject's historical financial statements did not indicate an allocation for this expense. This expense was included in the projected payroll expense. Therefore, no separate employee benefits were projected.

27. Misc. Taxes/License \$0 -\$0 \$0 \$0 \$0-\$2

The subject's historical financial statements did not indicate an allocation for this expense. Therefore, no miscellaneous taxes/license expense was projected.

28. Total Taxes

The subject's total tax expense is \$546 per unit. The comparable range is \$160 to \$609 per unit. Overall, the subject is within the comparable range. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total taxes expense for similar properties is \$425 per unit. Therefore, the expenses were deemed reasonable.

Reserves for Replacement

The subject's reserves for replacement were projected at \$300 per unit based on the reserves deposits indicated by comparable properties in the market area.

Operating Expense Summary

The subject's projected expenses per unit after applying the trend adjustment as shown on the HUD-Form 92274 are \$3,753 before reserves for replacement. This is a decrease of six percent from the total expenses indicated in 2015. The expense comparables ranged from \$1,551 to \$4,359 before reserves for replacement. The *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by the Institute

of Real Estate Management indicates an overall expense per unit of \$4,671 for similar properties. The subject's correlated expenses are within the comparable range. Due to its historical operation and the comparable range, the subject's expenses were deemed reasonable.

Net Operating Income Projections – Restricted As Complete

Property: Richmond Villas Apartments
 Project #: 061-35258
 # of Rental Units: 96
 # of Commercial Units: 0

Revenue and Expense Analysis Historical and Proforma

% change compared to preceding year. 2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual											REVENUE - Annual										
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months Annualized		PUPA	%	Budget	PUPA	%	Projections	PUPA	%		
Residential & Ancillary Income																				Residential & Ancillary Income	
Annual Gross Potential Rental Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	915,072	9,532	33%	915,072	9,532	33%	Annual Gross Potential Rental Income		
Annual Ancillary Income	0	0	0	0	0%	0	0	0%	0	0	0	0%	9,600	100	0	9,600	100	0	Annual Ancillary Income		
Annual Gross Potential Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	924,672	9,632	34%	924,672	9,632	34%	Annual Gross Potential Income		
Occupancy	99.69%	22	99.68%	23	0%	100.00%	0	0%	92.59%	92.59%	572	-7%	93.00%	674	0%	95.00%	482	0%	Occupancy		
Effective Gross Income (EGI)	688,331	7,170	690,884	7,197	0%	689,727	7,185	0%	514,811	686,415	7,150	0%	859,945	8,958	25%	878,438	9,150	27%	Effective Gross Income (EGI)		
Commercial Income																			Commercial Income		
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Annual Gross Potential Inc. (Commercial)		
Occupancy (Commercial)	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Occupancy (Commercial)		
EGI (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	EGI (Commercial)		

ITEMIZED EXPENSES - Annual											ITEMIZED EXPENSES - Annual										
Estimate of Annual Expense											Estimate of Annual Expense										
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months Annualized		PUPA	%	Budget	PUPA	%	Projections	PUPA	%		
Administrative																				Administrative	
Advertising	0	0	0	0	0%	0	0	0%	0	0	0	0%	600	6	0	600	6	0	Advertising		
Management Fee	34,433	359	34,544	360	0%	34,488	359	0%	0	0	0	-100%	42,997	448	25%	43,922	458	27%	Management Fee		
Service Coordinator	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Service Coordinator		
Other (Specify)	22,608	236	19,221	200	-15%	22,562	235	17%	14,318	19,091	199	-15%	28,880	301	28%	28,880	301	28%	Other (Specify)		
Total Administrative	57,041	594	53,765	560	-6%	57,050	594	6%	14,318	19,091	199	-67%	72,477	755	27%	73,402	765	29%	Total Administrative		
Operating																			Operating		
Elevator Maintenance Exp.	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Elevator Maintenance Exp.		
Fuel	0	0	0	0	0%	390	4	0%	0	0	0	-100%	0	0	-100%	0	0	-100%	Fuel - Heating		
Lighting and Misc. Power	9,408	98	10,795	112	15%	11,467	119	6%	8,879	11,839	123	3%	12,450	130	0%	12,480	130	0%	Lighting and Misc. Power		
Water	55,115	574	60,541	631	10%	47,553	495	-21%	51,658	68,877	717	45%	69,000	719	45%	69,000	719	45%	Water		
Gas	1,306	14	1,286	13	-2%	1,476	15	15%	982	1,309	14	-11%	1,440	15	-2%	1,440	15	-2%	Gas		
Garbage and Trash Removal	18,582	194	18,933	197	2%	19,202	200	1%	19,189	25,585	267	33%	19,200	200	0%	19,200	200	0%	Garbage and Trash Removal		
Payroll	63,151	658	32,356	337	-49%	75,063	792	132%	10,065	13,420	140	-82%	60,336	629	-20%	60,336	629	-20%	Payroll		
Other (Specify)	20,986	219	43,615	454	108%	71,930	748	85%	0	0	0	-100%	0	0	-100%	0	0	-100%	Other (Specify)		
Total Operating	168,558	1,756	167,526	1,745	-1%	226,981	2,364	35%	90,773	121,031	1,261	-47%	162,456	1,692	-28%	162,456	1,692	-28%	Total Operating		
Maintenance																			Maintenance		
Decorating	0	0	0	0	0%	0	0	0%	7,010	9,347	97	0	2,520	26	0	2,520	26	0	Decorating		
Repairs	13,071	136	40,836	425	212%	23,073	240	-43%	33,112	44,149	460	91%	29,800	300	25%	24,000	250	4%	Repairs		
Exterminating	0	0	0	0	0%	0	0	0%	3,975	5,300	55	0	6,929	72	0	6,929	72	0	Exterminating		
Insurance	48,318	503	49,768	518	3%	49,534	516	0%	0	0	0	-100%	24,000	250	-52%	24,000	250	-52%	Insurance		
Ground Expense	0	0	0	0	0%	0	0	0%	0	0	0	0%	18,000	188	0	18,000	188	0	Ground Expense		
Other (specify)	1,575	16	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Other (specify)		
Total Maintenance	62,964	656	90,603	944	44%	72,607	756	-20%	44,097	58,796	612	-19%	80,249	836	11%	75,449	786	4%	Total Maintenance		
Taxes																			Taxes		
Real Estate Tax	37,649	392	39,985	417	6%	39,933	416	0%	0	0	0	-100%	54,720	570	37%	40,320	420	1%	Real Estate Tax		
Personal Property Tax	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Personal Property Tax		
Employee Payroll Tax	0	0	235	2	0	0	0	-100%	0	0	0	0%	14,064	147	0	14,064	147	0	Employee Payroll Tax		
Employee Benefits	85	1	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Employee Benefits		
Other	0	0	0	0	0%	0	0	0%	414	552	6	0	0	0	0	0	0	0	Other		
Total Taxes	37,734	393	40,220	419	7%	39,933	416	-1%	414	552	6	-99%	68,784	717	72%	54,384	567	36%	Total Taxes		
Operating Exp. before RFR	326,297	3,399	352,114	3,668	8%	396,571	4,131	13%	149,602	199,469	2,078	-50%	383,966	4,000	-3%	365,691	3,809	-4%	Operating Exp. before RFR		
Reserve For Replacement	45,461	474	45,768	477	1%	45,768	477	0%	0	0	0	-100%	33,600	350	-27%	28,900	300	-37%	Reserve For Replacement		
Operating Exp. Incl. RFR	371,758	3,872	397,882	4,145	7%	442,339	4,608	11%	149,602	199,469	2,078	-55%	417,566	4,350	-6%	394,491	4,109	-11%	Operating Exp. Incl. RFR		
Commercial Space Expenses	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Commercial Space Expenses		
NOI	316,573	3,298	293,002	3,052	-7%	247,388	2,577	-16%	365,209	486,945	5,072	97%	442,379	4,608	79%	483,947	5,041	96%	NOI		


Operating Expense Analysis Worksheet

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

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

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 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.

Project Name Richmond Villas Apartments	Project Number 061-35258
City Hephzibah, Georgia	Date of Appraisal (mm/dd/yyyy) 10/27/2016
Signature of Processor 	Signature of Reviewer Date (mm/dd/yyyy)

Project Name	Augusta Manor Apartments	Summerset Apartments	Garden Apartments	Walk	Richmond Villas Apartments
Project Number					061-35258
Location	Augusta, GA	Swainsboro, GA	Augusta, GA		Hephzibah, Georgia
Type of Project & No. of Stories	WU/2	G/1	G/1		WU/2
Type of Construction	Brick/Siding	Brick	Brick		Brick/Siding
No. of Living Units	100	32	19		96
Age of Project	1974	1994	1966		1980/Proposed
Project Unit Composition	BRM (1) BRM () BRM () BRM ()	BRM (1) BRM () BRM () BRM ()	BRM () BRM () BRM () BRM ()	BRM () BRM () BRM () BRM ()	BRM (1) BRM () BRM (3) BRM ()
No. of Each Type Unit	28 40 32	29 2 1	19		16 64 16
Sq. Ft. Each Type Unit	713 960 1,125	625 763 796	538		653 807 1,064
Average Unit Area	944	639	538		824
Same Tax Rate as Subject *	Yes	No	Yes		
Same Utility Rate *	Yes	No	Yes		
Effective Date/Updating Operating Yr./Percentage	2015	2014 2.00%	2013 4.00%		
Equip. & Services Incl. Rent **	1,2,5,6,9,21,22	1,2,5,6,9,21,22	1,2,6,9,21,22		1,2,4,5,6,7,9,21,22

Equipment Included in Rent				Services Included in Rent									
1 Ranges & Refrig.	2 Carpet & Drapes	3 Disposal	4 Dishwasher	5 Laundry Fac.	6 Air Cond.	7 Microwave	8 Pool/Tennis	9 Other	10 Gas	11 Heat	12 Cooking	13 Hot Water	14 A/C
									15 Elec.	16 Heat	17 Cooking	18 Hot Water	19 A/C
									20 Other Fuel	21 Heat	22 Hot Water	23 Water	24 Other
													25 Lights

Item or Expense by Units of Comparison ***	Exp.			Adj.			Ind. Exp.			Correlated Expense		
	Exp.	Adj. +	Ind. Exp.	Exp.	Up-dated Exp.	Adj. +	Ind. Exp.	Exp.	Up-dated Exp.	Adj. +	Ind. Exp.	Correlated Expense
1. Advertising	31	0	31	3	3	0	3	0	0	0	0	6
2. Management	408	0	408	487	497	0	497	339	353	0	353	441
3. Other	713	0	713	584	596	0	596	67	70	0	70	290
4. Total Admin.												738
5. Elevator	0	0	0	0	0	0	0	0	0	0	0	0
6. Fuel	0	0	0	0	0	0	0	0	0	0	0	0
7. Lighting & Misc. Power	238	0	238	163	166	0	166	47	49	0	49	125
8. Water	322	0	322	262	267	0	267	224	233	0	233	693
9. Gas	322	0	322	0	0	0	0	0	0	0	0	14
10. Garbage & Trash Removal	90	0	90	72	73	0	73	52	54	0	54	193
11. Payroll	666	0	666	138	141	0	141	0	0	0	0	606
12. Other	304	0	304	201	205	0	205	218	227	0	227	0
13. Total Operating												1,632

Previous editions are obsolete

form HUD-92274 (05/2003)

Richmond Villas Apartments * 3551 Windsor Spring Road * Hephzibah, Georgia

Items of Expense by Units of Comparison ***	Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Correlated Expense
		+	-				+	-				+	-				+	-		
14. Decorating	58	0		58	0	0	0	0	0	25	26	0		26						25
15. Repairs	84	0		84	0	0	0	0	0	201	209	0		209						241
16. Exterminating	29	0		29	69	70	0	70	1	1	0		1							70
17. Insurance	334	0		334	192	196	0	196	0	0	0		0							241
18. Ground Expenses	151	0		151	232	237	0	237	145	151	0		151							181
19. Other	0	0		0	3	3	0	3	18	19	0		19							0
20. Total Maint.																				758
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																				3,128
20b. Trend Adjustment (3.67% x 20a)										To (date) (mm/dd/yyyy)	10/27/2016		Annual Rate	2.00%						115
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																				300
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																				3,543
23. Taxes/Real Estate	411	0		411	479	489	0	489	154	160	0		160							405
24. Personal Prop. Tax	0	0		0	0	0	0	0	0	0	0		0							0
25. Emp. Payroll Tax	87	0		87	46	47	0	47	0	0	0		0							141
26. Emp. Benefits	111	0		111	22	22	0	22	0	0	0		0							0
27. Misc. Taxes/Lic.	0	0		0	2	2	0	2	0	0	0		0							0
27a. Total Taxes w/ Trend																				546
27b. Trend Adjustment (3.67% x 27a)										To (date) (mm/dd/yyyy)	2/23/2017		Annual Rate	2.00%						20
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																				567
29. Total Expense (Sum of Lines 22 and 28)																				4,109

*If "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 Adjustments as Needed)

Itemized Expenses Explanations (Restricted)

Expense Numbers Per Unit (As Shown on HUD-Form 92274 Prior to Trend Analysis)

The correlated expense represents the subject's projected expense as of the effective date of the most recent expense comparable, in this case, January 1, 2015. The updated expense listed below is the subject's projected expense as of the effective date of this appraisal, October 27, 2016, after applying the updating adjustment of 3.67 percent. The comparable range listed below is the per unit range of the expenses reported for the expense comparables. A breakdown of the individual line items included in each category is included in the addenda of this report.

Expense Item	Historical Range	Correlated Expense	Updated Expense	Comparable Range
1. Advertising	\$0 -\$0	\$6	\$6	\$0-\$31

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted advertising expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

2. Management	\$359 -\$360	\$441	\$458	\$353-\$497
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The subject's historical financial statements indicate a management fee of approximately five percent of the effective gross rent potential and a range of \$359 to \$360 per unit, with an average of \$359 per unit. The comparables have a range of \$353 to \$497 per unit. Comparables in the area indicated that the typical management fee for properties similar to the subject is five percent of the effective gross income. The management fee was projected at 5.00 percent of the effective gross income.

3. Other Administrative	\$200 -\$236	\$290	\$301	\$70 -\$713
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The historical expenses for the subject indicate a range of \$200 to \$236 per unit, with an average of \$224 per unit. A comparable range of \$70 to \$713 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

4. Total Administrative

The subject's correlated total administrative expense is \$738 per unit. The comparables range from \$422 to \$1,152 per unit. The subject's total administrative expense is within the comparable range. Historically, the subject's total administrative expenses ranged from \$560 to \$594 per unit. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total administrative expense for similar properties is \$1,713 per unit. Based on the historical data of the subject as well as the comparable data, the total administrative expenses were deemed reasonable.

5. Elevator	\$0 -\$0	\$0	\$0	\$0-\$0
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The subject does not contain an elevator. Therefore, no elevator expense was projected.

6. Fuel	\$0 -\$4	\$0	\$0	\$0-\$0
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The historical financial statements of the subject do not indicate a fuel expense. In addition, the comparables do not indicate this expense is typical in the area. Therefore, no fuel expense was projected.

7. Lighting & Misc. Power	\$98 -\$112	\$125	\$130	\$49-\$238
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A lighting and miscellaneous power expense of \$125 per unit was correlated. The subject's historical financial lighting and miscellaneous power expense ranged from \$98 to \$112 per unit, with an average of \$70. A comparable range of \$49 to \$238 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

8. Water/Sewer \$495 -\$631 \$693 \$719 \$233-\$322

The historical expenses for the subject indicate a range of \$495 to \$631 per unit, with an average of \$567 per unit. A comparable range of \$233 to \$322 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

9. Gas \$13 -\$15 \$14 \$15 \$0-\$322

The historical expenses for the subject indicate a range of \$13 to \$15 per unit, with an average of \$14 per unit. A comparable range of \$0 to \$322 was determined. The expense was projected similar to the historical data.

10. Garbage/ Trash Removal \$194 -\$200 \$193 \$200 \$54-\$90

The historical expenses for the subject indicate a range of \$194 to \$200 per unit, with an average of \$197 per unit. A comparable range of \$54 to \$90 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

11. Payroll \$337 -\$782 \$606 \$629 \$0-\$666

A payroll expense of \$289 was correlated. The subject's historical financial statements indicate a range of \$337 to \$782 per unit, with an average of \$592 per unit. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

12. Other Operating \$219 -\$748 \$0 \$0 \$205-\$304

An other operating expense of \$0 was correlated. The subject's historical financial statements indicate a range of \$219 to \$748 per unit, with an average of \$474 per unit. The historical financial statements grouped several expenses into broad categories including "other operating" and "other maintenance". The borrower's budget including allocations for the individual line items. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

13. Total Operating

The subject's correlated total operating expense is \$1,632 per unit. The comparables range from \$563 to \$1,942 per unit. The subject's total operating expense is within the comparable range. Historically, the subject's total operating expenses ranged from \$1,745 to \$2,364 per unit. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total operating expense for similar properties is \$1,585 per unit.

14. Decorating \$0 -\$0 \$25 \$26 \$0-\$58

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted decorating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

15. Repairs \$136 -\$425 \$241 \$250 \$0-\$209

A repairs expense of \$241 was correlated. The comparables range from \$0 to \$209 per unit. The subject's historical financial statements indicate a range of \$136 to \$425, with an average of \$267 per unit. The subject will undergo a proposed rehabilitation. Upon completion of the rehabilitation, fewer repairs will be required. Therefore, the expense was projected lower than the "as is" expense.

16. Exterminating \$0 -\$0 \$70 \$72 \$1-\$70

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted exterminating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

17. Insurance \$503 -\$518 \$241 \$250 \$0-\$334

An insurance expense of \$241 per unit was correlated. The comparables range from \$0 to \$334 per unit. The historical expenses for the subject indicate a range of \$503 to \$518 for this expense, with an average of \$513 per unit. The expense was projected based on an insurance quote provided by the borrower.

18. Grounds \$0 -\$0 \$181 \$188 \$151-\$237

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted grounds expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

19. Other Maintenance \$0 -\$16 \$0 \$0 \$0-\$19

The subject's historical financial statements do not indicate that this expense is typical for properties similar to the subject. Therefore, no other maintenance expense was projected.

20. Total Maintenance

The subject's total maintenance is \$758 per unit. The comparables indicate total maintenance expenses ranging from \$406 to \$656. The subject is higher than the comparable range. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total maintenance expense for similar properties is \$948 per unit. Historically, the subject's total maintenance expense from \$656 to \$944 per unit. Therefore, the total maintenance expenses were deemed reasonable.

23. Real Estate Taxes \$392 -\$417 \$405 \$420 \$160-\$489

The appraiser consulted the Richmond County Assessor's Office to determine the appropriate real estate tax expense.

25. Payroll Taxes \$0 -\$2 \$141 \$147 \$0-\$87

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted payroll taxes expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

26. Employee Benefits \$0 -\$1 \$0 \$0 \$0-\$111

The subject's historical financial statements did not indicate an allocation for this expense. This expense was included in the projected payroll expense. Therefore, no separate employee benefits were projected.

27. Misc. Taxes/License \$0 -\$0 \$0 \$0 \$0-\$2

The subject's historical financial statements did not indicate an allocation for this expense. Therefore, no miscellaneous taxes/license expense was projected.

28. Total Taxes

The subject's total tax expense is \$546 per unit. The comparable range is \$160 to \$609 per unit. Overall, the subject is within the comparable range. According to the *2016 Income/Expense Analysis: Federally Assisted Apartments* published by the Institute of Real Estate Management, the total taxes expense for similar properties is \$425 per unit. Therefore, the expenses were deemed reasonable.

Reserves for Replacement

The subject's reserves for replacement were projected at \$300 per unit based on the reserves deposits indicated by comparable properties in the market area.

Operating Expense Summary

The subject's projected expenses per unit after applying the trend adjustment as shown on the HUD-Form 92274 are \$3,753 before reserves for replacement. This is a decrease of seven percent from the total expenses indicated in 2015. The expense comparables ranged from \$1,551 to \$4,359 before reserves for replacement. The *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by

the Institute of Real Estate Management indicates an overall expense per unit of \$4,671 for similar properties. The subject's correlated expenses are within the comparable range. Due to its historical operation and the comparable range, the subject's expenses were deemed reasonable.

Restricted Expense Comparables

Restricted Expense Comparable No. 1



Property Identification

Record ID 1503
Property Type Walk-Up
Property Name Augusta Manor Apartments
Address 3551 Mike Padgett Highway, Augusta, Richmond County, Georgia 30906
Market Type Section 8

Land Data

Front Footage Mike Padgett Highway
Zoning Multi-Family
Topography Nearly Level
Utilities E, G, W, S
Shape Irregular

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	28	713	\$582	\$0.82

Restricted Expense Comparable No. 1 (Cont.)

2/1	40	960	\$694	\$0.72
3/2	32	1,125	\$994	\$0.88

Total Units	100
Avg. Unit Size	944
Avg. Rent/Unit	\$759
Avg. Rent/SF	\$0.80
SF	94,364

General Physical Data

No. of Buildings	11
Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Parking	L/O
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1974
Condition	Good

Income Analysis

Potential Gross Income	\$816,474
Vacancy	\$16,891
Effective Gross Income	\$799,583
Expenses	\$435,840
Net Operating Income	\$363,743

Indicators

Occupancy at Sale	100%
Expenses/SF	\$4.62 Gross
Expenses/Unit	\$4,358
Expenses as % of PGI	53.38%
Expenses as % of EGI	54.51%
NOI/SF	\$3.85 Gross
NOI/Unit	\$3,637

Amenities

Refrigerator, Range/Oven, Carpet, Tile, Blinds, Walk-In Closet (2-3BR Only), Coat Closet, Laundry Facility, On-Site Management, On-Site Maintenance

Restricted Expense Comparable No. 2



Property Identification

Record ID	72
Property Type	Garden
Property Name	Summerset Apartments
Address	317 Mary Ann Street, Swainsboro, Emanuel County, Georgia 30401
Market Type	Rural Development/LIHTC

Land Data

Land Size	3.100 Acres or 135,036 SF
Front Footage	Mary Ann Street
Zoning	R-8, Multi-Family
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Restricted Expense Comparable No. 2 (Cont.)

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	29	625	\$420	\$0.67
2/1	2	763	\$440	\$0.58
2/1	1	796		

Total Units	32
Avg. Unit Size	639
Avg. Rent/Unit	\$408
Avg. Rent/SF	\$0.64

SF align="right">20,447

General Physical Data

No. of Buildings	6
Construction Type	Brick
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	1
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1994
Condition	Good

Income Analysis

Potential Gross Income	\$148,393
Vacancy	\$4,043
Effective Gross Income	\$144,350
Expenses	\$122,460
Net Operating Income	\$21,890

Indicators

Occupancy at Sale	97%
Expenses/SF	\$5.99 Gross
Expenses/Unit	\$3,827
Expenses as % of PGI	82.52%
Expenses as % of EGI	84.84%
NOI/SF	\$1.07 Gross
NOI/Unit	\$684

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet (select units), Tile, Blinds, Walk-In Closet, Patio, Pull Cords, Community Room, Laundry Facility, On-Site Management, On-Call Maintenance

Restricted Expense Comparable No. 3



Property Identification

Record ID	513
Property Type	Garden
Property Name	Garden Walk Apartments
Address	701 Hall Street, Augusta, Richmond County, Georgia 30909
Tax ID	0592141000
Market Type	Section 8

Land Data

Land Size	0.630 Acres or 27,443 SF
Front Footage	Hall Street
Zoning	R-1C, One-Family Dwelling
Topography	Nearly Level
Utilities	E. W. S
Shape	Irregular

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	19	538	\$424	\$0.79
Total Units	19			
Avg. Unit Size	538			
Avg. Rent/Unit	\$424			
Avg. Rent/SF	\$0.79			
Gross SF	11,112			
Net Rentable SF	10,222			

Restricted Expense Comparable No. 3 (Cont.)

General Physical Data

No. of Buildings	4
Construction Type	Brick
HVAC	Central Elec/Central Elec
Parking	S/0
Stories	G/1
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1966
Condition	Good

Income Analysis

Potential Gross Income	\$63,307
Effective Gross Income	\$63,307
Expenses	\$28,337
Net Operating Income	\$34,970

Indicators

Occupancy at Sale	100
Expenses/SF	\$2.55 Gross or \$2.77 Net Rentable
Expenses/Unit	\$1,491
Expenses as % of PGI	44.76%
Expenses as % of EGI	44.76%
NOI/SF	\$3.15 Gross or \$3.42 Net Rentable
NOI/Unit	\$1,841

Amenities

Refrigerator, Range/Oven, Carpet, Tile, Blinds, Coat Closet and Picnic Area

Net Operating Income Projections – Market As Is

Property: **Richmond Villas Apartments**
 Project #: **061-35258**
 # of Rental Units: **96**
 # of Commercial Units: **0**

Revenue and Expense Analysis Historical and Proforma

% change compared to preceding year.

2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual											REVENUE - Annual										
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months	months	%	Budget	PUPA	%	Projections	PUPA	%			
Residential & Ancillary Income																					
Annual Gross Potential Rental Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	915,072	9,532	33%	811,200	8,450	18%	Residential & Ancillary Income		
Annual Ancillary Income	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Annual Gross Potential Rental Income		
Annual Gross Potential Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	924,672	9,632	34%	820,800	8,550	19%	Annual Gross Potential Income		
Occupancy	99.69%	22	99.68%	23	0%	100.00%	0	0%	92.59%	92.59%	572	-7%	93.00%	674	0%	95.00%	428	0%	Occupancy		
Effective Gross Income (EGI)	688,331	7,170	690,884	7,197	0%	689,727	7,185	0%	514,811	686,415	7,150	0%	859,945	8,958	25%	779,760	8,123	13%	Effective Gross Income (EGI)		
Commercial Income																					
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Commercial Income		
Occupancy (Commercial)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Annual Gross Potential Inc. (Commercial)		
EGI (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Occupancy (Commercial)		
																			EGI (Commercial)		

ITEMIZED EXPENSES - Annual											ITEMIZED EXPENSES - Annual										
Estimate of Annual Expense																					
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months	months	%	Budget	PUPA	%	Projections	PUPA	%			
Administrative																					
Advertising	0	0	0	0	0%	0	0	0%	0	0	0	0%	600	6	0	600	6	0	Administrative		
Management Fee	34,433	359	34,544	360	0%	34,488	359	0%	0	0	0	-100%	42,997	448	25%	31,190	325	-10%	Advertising		
Service Coordinator	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Management Fee		
Other (Specify)	22,608	236	19,221	200	-15%	22,562	235	17%	14,318	19,091	199	-15%	28,880	301	28%	28,880	300	28%	Service Coordinator		
Total Administrative	57,041	594	53,765	560	-6%	57,050	594	6%	14,318	19,091	199	-67%	72,477	755	27%	60,670	632	6%	Total Administrative		
Operating																					
Elevator Maintenance Exp.	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Operating		
Fuel	0	0	0	0	0%	390	4	0%	0	0	0	-100%	0	0	-100%	0	0	-100%	Elevator Maintenance Exp.		
Lighting and Misc. Power	9,408	98	10,795	112	15%	11,467	119	6%	8,879	11,839	123	3%	12,480	130	9%	12,480	130	9%	Fuel - Heating		
Water	55,115	574	60,541	631	10%	47,553	495	-21%	51,658	68,877	717	45%	69,000	719	45%	69,000	719	45%	Lighting and Misc. Power		
Gas	1,306	14	1,286	13	-2%	1,476	15	15%	982	1,309	14	-11%	1,440	15	-2%	1,440	15	-2%	Water		
Garbage and Trash Removal	18,582	194	18,953	197	2%	19,202	200	1%	19,189	25,585	267	33%	19,200	200	0%	19,200	200	0%	Gas		
Payroll	63,151	658	32,356	337	-49%	75,063	782	132%	10,065	13,420	140	-32%	60,336	629	-20%	51,360	535	-32%	Garbage and Trash Removal		
Other (Specify)	20,996	219	43,615	454	108%	71,830	748	65%	0	0	0	-100%	0	0	-100%	0	0	-100%	Payroll		
Total Operating	168,558	1,756	167,526	1,745	-1%	226,981	2,364	35%	90,773	121,031	1,261	-47%	162,456	1,692	-28%	153,480	1,599	-32%	Total Operating		
Maintenance																					
Decorating	0	0	0	0	0%	0	0	0%	7,010	9,347	97	0%	2,520	26	0	2,520	26	0	Maintenance		
Repairs	13,071	136	40,835	425	212%	23,073	240	-43%	33,112	44,149	460	91%	28,800	300	25%	28,800	300	25%	Decorating		
Exterminating	0	0	0	0	0%	0	0	0%	3,975	5,300	55	0	6,929	72	0	6,929	72	0	Repairs		
Insurance	48,318	503	49,768	518	3%	49,534	516	0%	0	0	0	-100%	24,000	250	-52%	24,000	250	-52%	Exterminating		
Ground Expense	0	0	0	0	0%	0	0	0%	0	0	0	0%	18,000	188	0	18,000	188	0	Insurance		
Other (Specify)	1,575	16	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Ground Expense		
Total Maintenance	62,964	656	90,603	944	44%	72,607	756	-20%	44,097	58,796	612	-19%	80,249	836	11%	80,249	836	11%	Total Maintenance		
Taxes																					
Real Estate Tax	37,648	392	39,985	417	6%	39,933	416	0%	0	0	0	-100%	54,720	570	37%	40,320	420	1%	Taxes		
Personal Property Tax	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Real Estate Tax		
Employee Payroll Tax	0	0	235	2	0%	0	0	-100%	0	0	0	0%	14,064	147	0	12,960	135	0	Personal Property Tax		
Employee Benefits	85	1	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Employee Payroll Tax		
Other	0	0	0	0	0%	0	0	0%	414	552	6	0%	0	0	0%	0	0	0%	Employee Benefits		
Total Taxes	37,734	393	40,220	419	7%	39,933	416	-1%	414	552	6	-99%	68,784	717	72%	53,280	555	33%	Total Taxes		
Operating Exp. before RFR																					
Reserve For Replacement	45,461	474	45,768	477	1%	45,768	477	0%	149,602	199,469	2,078	-50%	383,966	4,000	-3%	347,679	3,622	-12%	Operating Exp. before RFR		
Operating Exp. Incl. RFR	371,758	3,872	397,882	4,145	7%	442,339	4,608	11%	149,602	199,469	2,078	-55%	417,566	4,350	-6%	376,479	3,922	-15%	Operating Exp. Incl. RFR		
Commercial Space Expenses																					
	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	Commercial Space Expenses		
NOI	316,573	3,298	293,002	3,052	-7%	247,388	2,577	-16%	365,209	486,945	5,072	97%	442,379	4,608	79%	403,281	4,201	63%	NOI		


Operating Expense Analysis Worksheet

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

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

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 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.

Project Name Richmond Villas Apartments		Project Number 061-35258	
City Hephzibah, Georgia		Date of Appraisal (mm/dd/yyyy) 10/27/2016	
Signature of Processor 		Signature of Reviewer	
		Date (mm/dd/yyyy)	

Project Name	Providence Apartments	Place	Hidden Cove	Jefferson Ridge Townhomes	Richmond Villas Apartments
Project Number	N/A		N/A	N/A	061-35258
Location	Augusta, GA		Milledgeville, GA	Madison, GA	Hephzibah, Georgia
Type of Project & No. of Stories	WU/2		WU/2	T/2	WU/2
Type of Construction	Brick/Siding		Siding	Siding	Brick/Siding
No. of Living Units	296		34	22	96
Age of Project	1975		1985	2000	1980
Project Unit Composition	BRM (1) BRM (2) BRM (2) BRM (3)		BRM (1) BRM (2) BRM (3) () () () ()	BRM (2) () () () () () () ()	BRM (1) BRM (2) BRM (3) () ()
No. of Each Type Unit	80 156 54 6		8 22 4	22	16 64 16
Sq. Ft. Each Type Unit	540 800 1,000 1,150		546 567 864	1,064	653 807 1,064
Average Unit Area	773		597	1,064	824
Same Tax Rate as Subject *	Yes		No	No	
Same Utility Rate *	Yes		No	No	
Effective Date/Updating Operating Yr./Percentage	2014		2014	2014	
Equip. & Services Incl. Rent **	1, 2, 5, 6, 21, 22		1, 2, 6, 9, 21, 22	1, 2, 5, 6, 9	1, 2, 4, 5, 6, 7, 9, 21, 22

Equipment Included in Rent				Services Included in Rent														
1 Ranges & Refrig.	2 Carpet & Drapes	3 Disposal	4 Dishwasher	5 Laundry Fac.	6 Air Cond.	7 Pool/Tennis	8 Other	9 Other	10 Heat	11 Heat	12 Heat	13 Cooking	14 Hot Water	15 Hot Water	16 Hot Water	17 A/C	18 A/C	19 Lights

Items of Expense by Units of Comparison ***	Exp.			Adj.			Ind.			Exp.			Adj.			Ind.			Correlated Expense
	Exp.	Adj. +	Ind. -	Exp.	Adj. +	Ind. -	Exp.	Adj. +	Ind. -	Exp.	Adj. +	Ind. -	Exp.	Adj. +	Ind. -	Exp.	Adj. +	Ind. -	
1. Advertising	14	0	14	0	0	0	0	0	0	23	23	0	23						6
2. Management	318	0	318	593	593	0	593	585	585	0	585								307
3. Other	17	0	17	611	611	0	611	68	68	0	68								290
4. Total Admin.																			603
5. Elevator	0	0	0	0	0	0	0	0	0	0	0								0
6. Fuel	0	0	0	0	0	0	0	0	0	0	0								0
7. Lighting & Misc. Power	222	0	222	359	359	0	359	1,000	1,000	0	1,000								123
8. Water	229	0	229	0	0	0	0	0	0	0	0								680
9. Gas	4	0	4	0	0	0	0	0	0	0	0								14
10. Garbage & Trash Removal	51	0	51	0	0	0	0	0	0	0	0								189
11. Payroll	0	0	0	0	0	0	0	0	0	0	0								506
12. Other	0	0	0	1,458	1,458	0	1,458	0	0	0	0								0
13. Total Operating																			1,512

form HUD-92274 (05/2003)

Previous editions are obsolete

Richmond Villas Apartments * 3551 Windsor Spring Road * Hephzibah, Georgia

Items of Expense by Units of Comparison ***	Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Correlated Expense	
		+	-				+	-				+	-				+	-			
14. Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25
15. Repairs	180	0	180	0	0	0	0	0	159	159	0	159									284
16. Exterminating	0	0	0	0	0	0	0	0	0	0	0	0									68
17. Insurance	199	0	199	0	0	0	0	364	364	0	364										236
18. Ground Expenses	51	0	51	0	0	0	0	0	0	0	0	0									177
19. Other	243	0	243	0	0	0	0	0	0	0	0	0									0
20. Total Maint.																					790
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																					2,905
20b. Trend Adjustment (5.75% x 20a)								To (date) (mm/dd/yyyy)	10/27/2016				Annual Rate	2.00%							167
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																					300
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																					3,372
23. Taxes/Real Estate	246	0	246	537	537	0	537	651	651	0	651										397
24. Personal Prop. Tax	0	0	0	0	0	0	0	0	0	0	0	0									0
25. Emp. Payroll Tax	80	0	80	0	0	0	0	0	0	0	0	0									128
26. Emp. Benefits	0	0	0	0	0	0	0	0	0	0	0	0									0
27. Misc. Taxes/Lic.	0	0	0	0	0	0	0	0	0	0	0	0									0
27a. Total Taxes w/ Trend																					525
27b. Trend Adjustment (5.75% x 27a)								To (date) (mm/dd/yyyy)	10/27/2016				Annual Rate	2.00%							30
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																					555
29. Total Expense (Sum of Lines 22 and 28)																					3,927

*If "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 Adjustments as Needed)

**Itemized Expenses Explanations (Market)
Expense Numbers Per Unit (As Shown on HUD-Form 92274 Prior to Trend Analysis)**

The correlated expense represents the subject's projected expense as of the effective date of the most recent expense comparable, in this case, January 1, 2014. The updated expense listed below is the subject's projected expense as of the effective date of this appraisal, October 27, 2016, after applying the updating adjustment of 5.75 percent. The comparable range listed below is the per unit range of the expenses reported for the expense comparables.

Expense Item	Historical Range	Correlated Expense	Updated Expense	Comparable Range
1. Advertising	\$0 -\$0	\$6	\$6	\$0-\$23

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted advertising expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

2. Management	\$359 -\$360	\$307	\$325	\$318-\$593
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The subject's historical financial statements indicate a management fee of approximately five percent of the effective gross rent potential and a range of \$359 to \$360 per unit, with an average of \$359 per unit. The comparables have a range of \$318 to \$593 per unit. Comparables in the area indicated that the typical management fee for properties similar to the subject is four percent of the effective gross income. The management fee was projected at 4.00 percent of the effective gross income.

3. Other Administrative	\$200 -\$236	\$290	\$OA_Asls _Mkt	\$17-\$611
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The historical expenses for the subject indicate a range of \$200 to \$236 per unit, with an average of \$224 per unit. A comparable range of \$17 to \$611 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

4. Total Administrative

The subject's correlated total administrative expense is \$603 per unit. The comparables range from \$349 to \$1,204 per unit. The subject's total administrative expense is within the comparable range. Historically, the subject's total administrative expenses ranged from \$560 to \$594 per unit. According to the Section 42 Reports contained in the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total administrative expense for Low Income Housing Tax Credit properties is \$770 per unit. Based on the historical data of the subject as well as the comparable data, the total administrative expenses were deemed reasonable

5. Elevator	\$0 -\$0	\$0	\$0	\$0-\$0
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The subject does not contain an elevator. Therefore, no elevator expense was projected.

6. Fuel	\$0 -\$4	\$0	\$0	\$0-\$0
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The historical financial statements of the subject do not indicate a fuel expense. In addition, the comparables do not indicate this expense is typical in the area. Therefore, no fuel expense was projected.

7. Lighting & Misc. Power	\$98 -\$112	\$123	\$130	\$222-\$1,000
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A lighting and miscellaneous power expense of \$123 per unit was correlated. The subject's historical financial lighting and miscellaneous power expense ranged from \$98 to \$112 per unit, with an average of \$70 . A comparable range of \$222 to \$1,000 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

8. Water/Sewer \$495 -\$631 \$680 \$719 \$0-\$229

The historical expenses for the subject indicate a range of \$495 to \$631 per unit, with an average of \$567 per unit. A comparable range of \$0 to \$229 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

9. Gas \$13 -\$15 \$14 \$15 \$0-\$4

The historical expenses for the subject indicate a range of \$13 to \$15 per unit, with an average of \$14 per unit. A comparable range of \$0 to \$4 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

10. Garbage/ Trash Removal \$194 -\$200 \$189 \$200 \$0-\$51

The historical expenses for the subject indicate a range of \$194 to \$200 per unit, with an average of \$197 per unit. A comparable range of \$0 to \$51 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

11. Payroll \$337 -\$782 \$506 \$535 \$0-\$0

A payroll expense of \$506 was correlated. The subject's historical financial statements indicate a range of \$337 to \$782 per unit, with an average of \$592 per unit. Market-rate properties typically have a lower payroll expense than restricted properties; therefore, this expense was projected lower than the restricted expense.

12. Other Operating \$219 -\$748 \$0 \$0 \$0-\$1,458

An other operating expense of \$0 was correlated. The subject's historical financial statements indicate a range of \$219 to \$748 per unit, with an average of \$474 per unit. The historical financial statements grouped several expenses into broad categories including "other operating" and "other maintenance". The borrower's budget including allocations for the individual line items. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

13. Total Operating

The subject's correlated total operating expense is \$1,512 per unit. The comparables range from \$506 to \$1,817 per unit. The subject's total operating expense is within the comparable range. Historically, the subject's total operating expenses ranged from \$1,745 to \$2,364 per unit. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total operating expense is \$1,632 per unit.

14. Decorating \$0 -\$0 \$25 \$26 \$0-\$0

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted decorating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

15. Repairs \$136 -\$425 \$284 \$300 \$0-\$180

A repairs expense of \$284 was correlated. The comparables range from \$0 to \$180 per unit. The subject's historical financial statements indicate a range of \$136 to \$425, with an average of \$267 per unit. The expense was projected in line with the historical data.

16. Exterminating \$0 -\$0 \$68 \$72 \$0-\$0

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted exterminating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

17. Insurance \$503 -\$518 \$236 \$250 \$0-\$364

An insurance expense of \$236 per unit was correlated. The comparables range from \$0 to \$364 per unit. The historical expenses for the subject indicate a range of \$503 to \$518 for this expense, with an average of \$513 per unit. The expense was projected based on an insurance quote provided by the borrower.

18. Grounds \$0 -\$0 \$177 \$188 \$0-\$51

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted grounds expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

19. Other Maintenance \$0 -\$16 \$0 \$0 \$0-\$243

The subject's historical financial statements do not indicate that this expense is typical for properties similar to the subject. Therefore, no other maintenance expense was projected.

20. Total Maintenance

The subject's total maintenance is \$790 per unit. The comparables indicate total maintenance expenses ranging from \$523 to \$673. The subject is higher than the comparable range. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total maintenance expense is \$786 per unit. Historically, the subject's total maintenance expense from \$656 to \$944 per unit. Therefore, the total maintenance expenses were deemed reasonable.

23. Real Estate Taxes \$392 -\$417 \$397 \$420 \$246-\$651

\$The appraiser consulted the Richmond County Assessor's Office to determine the appropriate real estate tax expense.

25. Payroll Taxes \$0 -\$2 \$128 \$135 \$0-\$80

The subject's historical financial statements did not indicate an allocation for this expense. This expense is tied closely to the payroll expense. Therefore, the payroll taxes expense was projected at approximately 25 percent of the payroll expense.

26. Employee Benefits \$0 -\$1 \$0 \$0 \$0-\$0

The subject's historical financial statements did not indicate an allocation for this expense. This expense was included in the projected payroll expense. Therefore, no separate employee benefits were projected.

27. Misc. Taxes/License \$0 -\$0 \$0 \$0 \$0-\$0

The subject's historical financial statements did not indicate an allocation for this expense. Therefore, no miscellaneous taxes/license expense was projected.

28. Total Taxes

The subject's total tax expense is \$525 per unit. The comparable range is \$326 to \$651 per unit. Overall, the subject is within the comparable range. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total taxes expense is \$549 per unit. Therefore, the expenses were deemed reasonable.

Reserves for Replacement

The subject's reserves for replacement were projected at \$300 per unit based on amount indicated by comparables in the market area.

Expenses before Reserves for Replacement

The subject's projected expenses per unit after applying the trend adjustment as shown on the HUD-Form 92274 are \$3,622 before reserves for replacement. This is a decrease of 16 percent from the total expenses indicated in 2015. The expense comparables ranged from \$1,854 to \$3,558 before reserves for

replacement. The subject's correlated expenses are within the comparable range. Due to its historical operation and the comparable range, the subject's expenses were deemed reasonable.

Net Operating Income Projections – Market As Complete

Property: Richmond Villas Apartments
 Project #: 061-35258
 # of Rental Units: 96
 # of Commercial Units: 0

Revenue and Expense Analysis

Historical and Proforma

% change compared to preceding year.

2015 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual											REVENUE - Annual										
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months		months	%	Budget	PUPA	%	Projections	PUPA	%		
										Dec-16	Annualized	PUPA	%								
Residential & Ancillary Income																				Residential & Ancillary Income	
Annual Gross Potential Rental Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	915,072	9,532	33%	925,440	9,640	34%	Annual Gross Potential Rental Income		
Annual Ancillary Income	0	0	0	0	0%	0	0	0%	0	0	0	0%	9,600	100	0	9,600	100	0	Annual Ancillary Income		
Annual Gross Potential Income	690,476	7,192	693,124	7,220	0%	689,727	7,185	0%	556,010	741,347	7,722	7%	924,672	9,632	34%	935,040	9,740	36%	Annual Gross Potential Income		
Occupancy	99.69%	22	99.68%	23	0%	100.00%	0	0%	92.59%	92.59%	572	-7%	93.00%	674	0%	95.00%	487	0%	Occupancy		
Effective Gross Income (EGI)	688,331	7,170	690,884	7,197	0%	689,727	7,185	0%	514,811	686,415	7,150	0%	859,945	8,958	25%	888,288	9,253	29%	Effective Gross Income (EGI)		
Commercial Income																					
Annual Gross Potential Inc. (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Annual Gross Potential Inc. (Commercial)		
Occupancy (Commercial)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Occupancy (Commercial)		
EGI (Commercial)	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	EGI (Commercial)		

ITEMIZED EXPENSES - Annual											ITEMIZED EXPENSES - Annual										
Estimate of Annual Expense											Estimate of Annual Expense										
	Dec-13	PUPA	Dec-14	PUPA	%	Dec-15	PUPA	%	YTD	9 months		months	%	Budget	PUPA	%	Projections	PUPA	%		
										Dec-16	Annualized	PUPA	%								
Administrative																					
Advertising	0	0	0	0	0%	0	0	0%	0	0	0	0%	600	6	0	600	6	0	Advertising		
Management Fee	34,433	359	34,544	360	0%	34,488	359	0%	0	0	0	-100%	42,997	448	25%	35,532	370	3%	Management Fee		
Service Coordinator	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0%	Service Coordinator		
Other (Specify)	22,608	236	19,221	200	-15%	22,562	235	17%	14,318	19,091	199	-15%	28,880	301	28%	28,880	301	28%	Other (Specify)		
Total Administrative	57,041	594	53,765	560	-6%	57,050	594	6%	14,318	19,091	199	-67%	72,477	755	27%	65,012	677	14%	Total Administrative		
Operating																					
Elevator Maintenance Exp.	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0	Elevator Maintenance Exp.		
Fuel	0	0	0	0	0%	390	4	0%	0	0	0	-100%	0	0	-100%	0	0	-100%	Fuel - Heating		
Lighting and Misc. Power	9,408	98	10,795	112	15%	11,467	119	6%	8,879	11,829	123	3%	12,480	130	3%	12,480	130	3%	Lighting and Misc. Power		
Water	55,115	574	60,541	631	10%	47,553	495	-21%	51,658	68,877	717	45%	69,000	719	45%	69,000	719	45%	Water		
Gas	1,306	14	1,286	13	-2%	1,476	15	15%	982	1,309	14	-11%	1,440	15	-2%	1,440	15	-2%	Gas		
Garbage and Trash Removal	18,582	194	18,933	197	2%	19,202	200	1%	19,189	25,585	267	33%	19,200	200	0%	19,200	200	0%	Garbage and Trash Removal		
Payroll	63,151	658	32,356	337	-49%	75,063	782	132%	10,065	13,420	140	-82%	60,336	629	-20%	51,360	535	-32%	Payroll		
Other (Specify)	20,986	219	43,815	454	108%	71,830	748	85%	0	0	0	-100%	0	0	-100%	0	0	-100%	Other (Specify)		
Total Operating	168,558	1,756	167,526	1,745	-1%	226,981	2,364	35%	90,773	121,031	1,261	-47%	162,456	1,692	-28%	153,480	1,599	-32%	Total Operating		
Maintenance																					
Decorating	0	0	0	0	0%	0	0	0%	7,010	9,347	97	0	2,520	26	0	2,520	26	0	Decorating		
Repairs	13,071	136	40,835	425	212%	23,073	240	-43%	33,112	44,149	460	91%	28,800	300	25%	24,000	250	4%	Repairs		
Exterminating	0	0	0	0	0%	0	0	0%	3,975	5,300	55	0	6,929	72	0	6,929	72	0	Exterminating		
Insurance	48,318	503	49,768	518	3%	49,534	516	0%	0	0	0	-100%	24,000	250	-52%	24,000	250	-52%	Insurance		
Ground Expense	0	0	0	0	0%	0	0	0%	0	0	0	0%	18,000	188	0	18,000	188	0	Ground Expense		
Other (specify)	1,575	16	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0	0	0	0%	Other (specify)		
Total Maintenance	62,964	656	90,603	944	44%	72,607	756	-20%	44,097	58,796	612	-19%	80,249	836	11%	75,449	786	4%	Total Maintenance		
Taxes																					
Real Estate Tax	37,649	392	39,985	417	6%	39,933	416	0%	0	0	0	-100%	54,720	570	37%	40,320	420	1%	Real Estate Tax		
Personal Property Tax	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0	0	0	0%	Personal Property Tax		
Employee Payroll Tax	0	0	235	2	0%	0	0	-100%	0	0	0	0%	14,064	147	0	12,960	135	0	Employee Payroll Tax		
Employee Benefits	85	1	0	0	-100%	0	0	0%	0	0	0	0%	0	0	0	0	0	0%	Employee Benefits		
Other	0	0	0	0	0%	0	0	0%	414	552	6	0%	0	0	0	0	0	0%	Other		
Total Taxes	37,734	393	40,220	419	7%	39,933	416	-1%	414	552	6	-99%	68,784	717	72%	53,280	555	33%	Total Taxes		
Operating Exp. before RFR	326,297	3,399	352,114	3,668	8%	396,571	4,131	13%	149,602	199,469	2,078	-50%	383,966	4,000	-3%	347,221	3,617	-12%	Operating Exp. before RFR		
Reserve For Replacement	45,461	474	45,768	477	1%	45,768	477	0%	0	0	0	-100%	33,600	350	-27%	28,800	300	-37%	Reserve For Replacement		
Operating Exp. Incl. RFR	371,758	3,872	397,882	4,145	7%	442,339	4,608	11%	149,602	199,469	2,078	-55%	417,566	4,350	-6%	376,021	3,917	-15%	Operating Exp. Incl. RFR		
Commercial Space Expenses	0	0	0	0	0%	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%			
NOI	316,573	3,298	293,002	3,052	-7%	247,388	2,577	-16%	365,209	486,945	5,072	97%	442,379	4,608	79%	512,267	5,336	107%	NOI		

Operating Expense Analysis Worksheet

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

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

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 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.

Project Name Richmond Villas Apartments	Project Number 061-35258
City Hephzibah, Georgia	Date of Appraisal (mm/dd/yyyy) 10/27/2016
Signature of Processor 	Signature of Reviewer Date (mm/dd/yyyy)

Project Name	Providence Apartments	Place	Hidden Cove	Jefferson Ridge Townhomes	Richmond Villas Apartments
Project Number	N/A		N/A	N/A	061-35258
Location	Augusta, GA		Milledgeville, GA	Madison, GA	Hephzibah, Georgia
Type of Project & No. of Stories	WU/2		WU/2	T/2	WU/2
Type of Construction	Brick/Siding		Siding	Siding	Brick/Siding
No. of Living Units	296.00		34.00	22.00	96
Age of Project	1975.00		1985.00	2000.00	1980
Project Unit Composition	BRM (1) (2) (2) (3)		BRM (1) (2) (3) ()	BRM (2) () () ()	BRM (1) () () ()
No. of Each Type Unit	80 156 54 6		8 22 4	22	16 64 16
Sq. Ft. Each Type Unit	540 800 1,000 1,150		546 567 864	1,064	653 807 1,064
Average Unit Area	773		597	1,064	794
Same Tax Rate as Subject*	Yes		No	No	
Same Utility Rate *	Yes		No	No	
Effective Date/Updating Operating Yr./Percent	2014		2014 n/a	2014 n/a	
Equip. & Services Incl. Rent **	1,2,5,6,21,22		1,2,6,9,21,22	1,2,5,6,9	1,2,4,5,6,7,9,21,22

Equipment Included in Rent				Services Included in Rent													
1 Ranges & Refrig.	2 Carpet & Drapes	3 Disposal	4 Dishwasher	5 Laundry Fac.	6 Air Cond.	7 Microwave	8 Pool/Tennis	9 Other	10 Heat	11 Cooking	12 Hot Water	13 A/C	14 Heat	15 Cooking	16 Hot Water	17 A/C	18 Lights
									19 Heat	20 Hot Water	21 Water	22 Other					

Items of Expense by Units of Comparison ***	Exp.			Adj.			Ind. Exp.			Exp.			Adj.			Ind. Exp.			Correlated Expense
	+	-	Exp.	+	-	Exp.	+	-	Exp.	+	-	Exp.	+	-	Exp.	+	-	Exp.	
1. Advertising	31	0	31	3	3	0	3	0	0	0	0	0							6
2. Management	408	0	408	487	497	0	497	339	353	0	353								350
3. Other	713	0	713	584	596	0	596	67	70	0	70								290
4. Total Admin.																			646
5. Elevator	0	0	0	0	0	0	0	0	0	0	0								0
6. Fuel	0	0	0	0	0	0	0	0	0	0	0								0
7. Lighting & Misc. Power	222	0	222	359	359	0	359	1,000	1,000	0	1,000								123
8. Water	229	0	229	0	0	0	0	0	0	0	0								680
9. Gas	4	0	4	0	0	0	0	0	0	0	0								14
10. Garbage & Trash Removal	51	0	51	0	0	0	0	0	0	0	0								189
11. Payroll	0	0	0	0	0	0	0	0	0	0	0								506
12. Other	0	0	0	1,458	1,458	0	1,458	0	0	0	0								0
13. Total Operating																			1,512

Previous editions are obsolete

form HUD-92274 (05/2003)

Richmond Villas Apartments * 3551 Windsor Spring Road * Hephzibah, Georgia

Items of Expense by Units of Comparison ***	Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Exp.	Up- dated Exp.	Adj.		Ind. Exp.	Correlated Expense	
		+	-				+	-				+	-				+	-			
14. Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25
15. Repairs	180	0	180	0	0	0	0	0	159	159	0	159									236
16. Exterminating	0	0	0	0	0	0	0	0	0	0	0	0									68
17. Insurance	199	0	199	0	0	0	0	364	364	0	364										236
18. Ground Expenses	51	0	51	0	0	0	0	0	0	0	0	0									177
19. Other	243	0	243	0	0	0	0	0	0	0	0	0									0
20. Total Maint.																					743
20a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 20)																					2,901
20b. Trend Adjustment (5.75% x 20a)								To (date) (mm/dd/yyyy)	10/27/2016				Annual Rate	2.00%							167
21. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																					300
22. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 20a, 20b and 21)																					3,368
23. Taxes/Real Estate	246	0	246	537	537	0	537	651	651	0	651										397
24. Personal Prop. Tax	0	0	0	0	0	0	0	0	0	0	0	0									0
25. Emp. Payroll Tax	80	0	80	0	0	0	0	0	0	0	0	0									128
26. Emp. Benefits	0	0	0	0	0	0	0	0	0	0	0	0									0
27. Misc. Taxes/Lic.	0	0	0	0	0	0	0	0	0	0	0	0									0
27a. Total Taxes w/ Trend																					525
27b. Trend Adjustment (5.75% x 27a)								To (date) (mm/dd/yyyy)	10/27/2016				Annual Rate	2.00%							30
28. Total Taxes (Including Time and Trend) (Sum of Lines 27a and 27b)																					555
29. Total Expense (Sum of Lines 22 and 28)																					3,923

*If "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 Adjustments as Needed)

**Itemized Expenses Explanations (Market)
Expense Numbers Per Unit (As Shown on HUD-Form 92274 Prior to Trend Analysis)**

The correlated expense represents the subject's projected expense as of the effective date of the most recent expense comparable, in this case, January 1, 2014. The updated expense listed below is the subject's projected expense as of the effective date of this appraisal, October 27, 2016, after applying the updating adjustment of 5.75 percent. The comparable range listed below is the per unit range of the expenses reported for the expense comparables.

Expense Item	Historical Range	Correlated Expense	Updated Expense	Comparable Range
1. Advertising	\$0 -\$0	\$6	\$6	\$0-\$23

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted advertising expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

2. Management	\$359 -\$360	\$350	\$370	\$318-\$593
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The subject's historical financial statements indicate a management fee of approximately five percent of the effective gross rent potential and a range of \$359 to \$360 per unit, with an average of \$359 per unit. The comparables have a range of \$318 to \$593 per unit. Comparables in the area indicated that the typical management fee for properties similar to the subject is four percent of the effective gross income. The management fee was projected at 4.00 percent of the effective gross income.

3. Other Administrative	\$200 -\$236	\$290	\$301	\$17-\$611
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The historical expenses for the subject indicate a range of \$200 to \$236 per unit, with an average of \$224 per unit. A comparable range of \$17 to \$611 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

4. Total Administrative

The subject's correlated total administrative expense is \$646 per unit. The comparables range from \$349 to \$1,204 per unit. The subject's total administrative expense is within the comparable range. Historically, the subject's total administrative expenses ranged from \$560 to \$594 per unit. According to the Section 42 Reports contained in the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total administrative expense for Low Income Housing Tax Credit properties is \$770 per unit. Based on the historical data of the subject as well as the comparable data, the total administrative expenses were deemed reasonable.

5. Elevator	\$0 -\$0	\$0	\$0	\$0-\$0
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The subject does not contain an elevator. Therefore, no elevator expense was projected.

6. Fuel	\$0 -\$4	\$0	\$0	\$0-\$0
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The historical financial statements of the subject do not indicate a fuel expense. In addition, the comparables do not indicate this expense is typical in the area. Therefore, no fuel expense was projected.

7. Lighting & Misc. Power	\$98 -\$112	\$123	\$130	\$222-\$1,000
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A lighting and miscellaneous power expense of \$123 per unit was correlated. The subject's historical financial lighting and miscellaneous power expense ranged from \$98 to \$112 per unit, with an average of \$70. A comparable range of \$222 to \$1,000 was determined. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

8. Water/Sewer	\$495 -\$631	\$680	\$719	\$0-\$229
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The historical expenses for the subject indicate a range of \$495 to \$631 per unit, with an average of \$567 per unit. A comparable range of \$0 to \$229 was determined. The borrower has an extensive history of

owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

9. Gas \$13 -\$15 \$14 \$15 \$0-\$4

The historical expenses for the subject indicate a range of \$13 to \$15 per unit, with an average of \$14 per unit. A comparable range of \$0 to \$4 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

10. Garbage/ Trash Removal \$194 -\$200 \$189 \$200 \$0-\$51

The historical expenses for the subject indicate a range of \$194 to \$200 per unit, with an average of \$197 per unit. A comparable range of \$0 to \$51 was determined. No adjustments to the comparables were needed. The subject's expense has remained relatively stable since 2013. Therefore, the expense was projected based on the historical expense.

11. Payroll \$337 -\$782 \$506 \$535 \$0-\$0

A payroll expense of \$506 was correlated. The subject's historical financial statements indicate a range of \$337 to \$782 per unit, with an average of \$592 per unit. Market-rate properties typically have a lower payroll expense than restricted properties; therefore, this expense was projected lower than the restricted expense.

12. Other Operating \$219 -\$748 \$0 \$0 \$0-\$1,458

An other operating expense of \$0 was correlated. The subject's historical financial statements indicate a range of \$219 to \$748 per unit, with an average of \$474 per unit. The historical financial statements grouped several expenses into broad categories including "other operating" and "other maintenance". The borrower's budget including allocations for the individual line items. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

13. Total Operating

The subject's correlated total operating expense is \$1,512 per unit. The comparables range from \$506 to \$1,817 per unit. The subject's total operating expense is within the comparable range. Historically, the subject's total operating expenses ranged from \$1,745 to \$2,364 per unit. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total operating expense is \$1,632 per unit.

14. Decorating \$0 -\$0 \$25 \$26 \$0-\$0

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted decorating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

15. Repairs \$136 -\$425 \$236 \$250 \$0-\$180

A repairs expense of \$236 was correlated. The comparables range from \$0 to \$180 per unit. The subject's historical financial statements indicate a range of \$136 to \$425, with an average of \$267 per unit. Upon completion of the rehabilitation, fewer repairs will be required. Therefore, the expense was projected lower than the "as is" expense.

16. Exterminating \$0 -\$0 \$68 \$72 \$0-\$0

The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted exterminating expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

17. Insurance \$503 -\$518 \$236 \$250 \$0-\$364

An insurance expense of \$236 per unit was correlated. The comparables range from \$0 to \$364 per unit. The historical expenses for the subject indicate a range of \$503 to \$518 for this expense, with an

average of \$513 per unit. The expense was projected based on an insurance quote provided by the borrower.

18. Grounds	\$0 - \$0	\$177	\$188	\$0 - \$51
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The subject's historical financial statements did not include an allocation for this expense. However, this expense is typical for properties similar to the subject. The borrower has an extensive history of owning and operating thousands of multifamily units across the country. Therefore, the budgeted grounds expense was deemed reasonable. Therefore, the expense was projected in line with the budget.

19. Other Maintenance	\$0 - \$16	\$0	\$0	\$0 - \$243
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The subject's historical financial statements do not indicate that this expense is typical for properties similar to the subject. Therefore, no other maintenance expense was projected.

20. Total Maintenance

The subject's total maintenance is \$743 per unit. The comparables indicate total maintenance expenses ranging from \$523 to \$673. The subject is higher than the comparable range. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total maintenance expense is \$786 per unit. Historically, the subject's total maintenance expense from \$656 to \$944 per unit. Therefore, the total maintenance expenses were deemed reasonable.

23. Real Estate Taxes	\$392 - \$417	\$397	\$420	\$246 - \$651
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The appraiser consulted the Richmond County Assessor's Office to determine the appropriate real estate tax expense.

25. Payroll Taxes	\$0 - \$2	\$128	\$135	\$0 - \$80
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This expense is tied closely to the payroll expense. Therefore, the payroll taxes expense was projected at approximately 25 percent of the payroll expense.

26. Employee Benefits	\$0 - \$1	\$0	\$0	\$0 - \$0
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The subject's historical financial statements did not indicate an allocation for this expense. This expense was included in the projected payroll expense. Therefore, no separate employee benefits were projected.

27. Misc. Taxes/License	\$0 - \$0	\$0	\$0	\$0 - \$0
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The subject's historical financial statements did not indicate an allocation for this expense. Therefore, no miscellaneous taxes/license expense was projected.

28. Total Taxes

The subject's total tax expense is \$525 per unit. The comparable range is \$326 to \$651 per unit. Overall, the subject is within the comparable range. According to the *2016 Income/Expense Analysis: Conventional Apartments* published by the Institute of Real Estate Management, the total taxes expense is \$549 per unit. Therefore, the expenses were deemed reasonable.

Reserves for Replacement

The subject's reserves for replacement were projected at \$300 per unit based on amount indicated by comparables in the market area.

Expenses before Reserves for Replacement

The subject's projected expenses per unit after applying the trend adjustment as shown on the HUD-Form 92274 are \$3,622 before reserves for replacement. This is a decrease of 19 percent from the total expenses indicated in 2015. The expense comparables ranged from \$1,854 to \$3,558 before reserves for replacement. The subject's correlated expenses are within the comparable range. Due to its historical operation and the comparable range, the subject's expenses were deemed reasonable.

Market Expense Comparables

Market Expense Comparable No. 1



Property Identification

Record ID	155
Property Type	Garden/Walk-Up
Property Name	Providence Place Apartments
Address	2205 Southgate Drive, Augusta, Richmond County, Georgia 30906
Tax ID	0863044000
Market Type	Market

Land Data

Land Size	2.000 Acres or 87,120 SF
Front Footage	Southgate Drive
Zoning	R3B, Residential/Multifamily
Topography	Nearly Level
Utilities	E, G, W, S

Market Expense Comparable No. 1 (Cont.)

Shape

Irregular

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	80	540	\$425	\$0.79
2/1	80	800	\$475	\$0.59
2/1	76	850	\$475	\$0.56
2/1.5	54	1,000	\$550	\$0.55
3/1.5	6	1,150	\$700	\$0.61

Total Units	296
Avg. Unit Size	786
Avg. Rent/Unit	\$480
Avg. Rent/SF	\$0.61

SF 232,700

General Physical Data

No. of Buildings	39
Construction Type	Brick/Siding
Parking	L/0
Stories	2
Year Built	1975
Condition	Good

Income Analysis

Potential Gross Income	\$170,400
Vacancy	\$340,800
Effective Gross Income	-\$170,400
Expenses	\$679,884
Net Operating Income	-\$850,284

Indicators

Expenses/SF	\$2.92 Gross
Expenses/Unit	\$2,297
Expenses as % of PGI	398.99%
Expenses as % of EGI	-398.99%
NOI/SF	-\$3.65 Gross
NOI/Unit	-\$2,873

Amenities

Swimming Pool, Playground

Market Expense Comparable No. 2



Property Identification

Record ID	154
Property Type	Garden
Property Name	Hidden Cove
Address	107 P. A. Johns Road, Milledgeville, Baldwin County, Georgia 31061
Market Type	Market

Land Data

Land Size	6.420 Acres or 279,655 SF
Front Footage	P.A. Johns Road
Zoning	None, None
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Market Expense Comparable No. 2 (Cont.)

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1	8	546	\$505	\$0.92
2/1	21	567	\$525	\$0.93
2/1	1	567		
3/1	4	864	\$540	\$0.63

Total Units	34
Avg. Unit Size	597
Avg. Rent/Unit	\$507
Avg. Rent/SF	\$0.85

SF align="right">20,298

General Physical Data

No. of Buildings	9
Construction Type	Siding
HVAC	Central Elec/Central Elec
Parking	L
Utilities with Rent	Water, Sewer
Year Built	1985
Condition	Good

Income Analysis

Potential Gross Income	\$187,722
Vacancy	\$100
Effective Gross Income	\$187,622
Expenses	\$156,000
Net Operating Income	\$31,722

Indicators

Expenses/SF	\$7.69 Gross
Expenses/Unit	\$4,588
Expenses as % of PGI	83.10%
Expenses as % of EGI	83.15%
NOI/SF	\$1.56 Gross
NOI/Unit	\$933

Amenities

Washer/Dryer Hook-Ups, Walk-In Closets, Patios, Swimming Pool, Laundry Facility, Tennis Court

Market Expense Comparable No. 3



Property Identification

Record ID 46
Property Type Townhouse
Property Name Jefferson Ridge Townhomes
Address 363 East Jefferson Street, Madison, Morgan County, Georgia 30650
Market Type Market

Land Data

Land Size 2.490 Acres or 108,464 SF
Front Footage Jefferson Street
Zoning R8, Residential
Topography Level
Utilities E,G,W,S
Shape Irregular

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2.5 (TH)	22	1,064	\$675	\$0.63
Total Units	22			
Avg. Unit Size	1,064			
Avg. Rent/Unit	\$675			
Avg. Rent/SF	\$0.63			
SF	23,408			

Market Expense Comparable No. 3 (Cont.)

General Physical Data

No. of Buildings	5
Construction Type	Siding
Parking	L
Stories	2
Utilities with Rent	None
Year Built	2000
Condition	Good

Amenities

Blinds, Carpet, Tile, Dishwasher, Washer/Dryer Hook-Ups, Storage Space Interior, Patio

Direct Capitalization

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

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

A capitalization rate is typically expressed as a percentage. For example, if the net operating income to a comparable property was \$1.8 million and its value/price was \$20 million, the overall capitalization rate would be 9.0% (the reciprocal, 11.1, is the property's net income multiplier).

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

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

Market-Derived Capitalization Rates

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

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

Comparable Capitalization Rates

Comparable #	Comparable Address	Number of Units	Date of Sale	NOI /	Sales Price =	Indicated Capitalization
1	601 Giddings Court Augusta, Georgia	240	7/30/2015	\$1,878,825	\$35,250,000	5.33%
2	3150 Skinner Mill Road Augusta, Georgia	204	7/14/2016	\$1,647,000	\$30,000,000	5.49%
3	1035 Alexander Drive Augusta, Georgia	200	8/18/2015	\$1,163,709	\$19,995,000	5.82%
4	427 Blue Ridge Drive Augusta, Georgia	272	6/16/2016	\$1,054,500	\$18,500,000	5.70%
5	568 Old Evans Road Evans, Georgia	116	5/20/2015	\$643,500	\$11,000,000	5.85%
6	1700 Valley Park Court Augusta, Georgia	324	3/4/2015	\$651,000	\$10,500,000	6.20%
7	2205 Southgate Drive Augusta, Georgia	296	6/16/2015	\$507,650	\$5,500,000	9.23%
8	2420 Damascus Road Augusta, Georgia	171	3/23/2016	\$420,750	\$4,950,000	8.50%
9	505 13th Street Augusta, Georgia	104	8/31/2015	\$294,000	\$3,000,000	9.80%
10	2905 Arrowhead Drive Augusta, Georgia	70	1/5/2015	\$235,811	\$2,165,394	10.89%
11	1850 Apple Valley Drive Augusta, Georgia	75	1/20/2015	\$168,560	\$2,107,000	8.00%

Analysis of Comparables:

The comparables indicate a range of 5.33 to 10.89 percent for indicated capitalization rates, with a mean of 7.35 percent. Comparable 9 is the most similar in number of units, and Comparables 2, 4 and 8 are the most recent sales. After considering all factors, a capitalization rate of 7.50 percent was determined from the sales comparables.

Realty Rates Investor Survey

The Realty Rates Market Survey was considered in this analysis. The RealtyRates.com Market Survey Third Quarter 2016 found that investors in apartments in the South Atlantic Region which includes the State of Georgia indicated an overall capitalization rate of 8.00 percent. The Realty Rates Investor Survey was also considered in this analysis. The RealtyRates.com Investor Survey Third Quarter 2016 indicates a range of 4.21 to 12.40 percent for capitalization rates, with a median capitalization rate of 7.50 percent.

PwC Real Estate Investor Survey

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the third quarter of 2016 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 7.50 percent, with an average of 5.25 percent.

Band of Investment

Another method of arriving at a capitalization rate is the Band of Investment Method. This method is based on typical mortgage terms currently available and expected investment return. For the mortgage component of the band of investment, mortgage brokers, current periodicals and rate sheets were consulted relative to mortgage terms, interest rates and investor yield rates. Based on the subject's physical and economic characteristics, the following components were used in this analysis.

Capitalization Rate Analysis					
Mortgage Interest Rate	3.50%		Loan To Value Ratio	80%	
Loan Term (Years)	40		Debt Coverage Ratio	1.20	
Curtail Rate	1.1487%		Equity Dividend Rate	10.00%	
Band of Investment					
Mortgage Constant		Loan Ratio			
0.055100	x	80%	=	0.0441	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.20	=	0.02	Equity Component
Capitalization Rate				6.41%	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.20	x	80%	x	0.05510	= 0.052896
Capitalization Rate				5.29%	

The capitalization rate shown above was calculated using an interest rate of 3.50 percent and loan term of 40 years. Therefore, a capitalization rate of 6.41 percent was determined for the subject's band of investment scenario.

The capitalization rate derived from the market comparables was 7.50 percent. The PwC Real Estate Investor Survey indicates a capitalization rate of 5.25 percent is appropriate. The RealtyRates.com Investor Survey indicated an average capitalization rate of 7.50 percent. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.00 percent. The Band of Investment Analysis indicates a capitalization rate of 6.41 percent. The sales comparables were determined to be reliable and were considered to be more accurate of a reflection of the market capitalization rate. After considering the market-derived capitalization rates, the national data presented in the PwC Real Estate Investor Survey, the regional and national data presented in the Realty Rates Investor and Market Surveys, and the market-based band of investment capitalization rate, a capitalization rate of **7.50 percent** is considered appropriate for the subject.

	Capitalization Rate		7.50%
	Capitalization Rate of 7.50% gives a value of		
As Is	Market	\$403,281 /7.50%	= \$5,377,075

INCOME VALUE CONCLUSIONS

The following formula shows the value concluded from the income approach.

Using the net operating income found on Page 147 and the capitalization rate concluded on the previous page, the following value was concluded.

	Net Operating Income/Capitalization Rate	=	Indicated Value
As Is	Market \$403,281 /7.50%	=	\$5,377,075
	As Is Market Income Value	=	\$5,375,000

SALES COMPARISON APPROACH

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

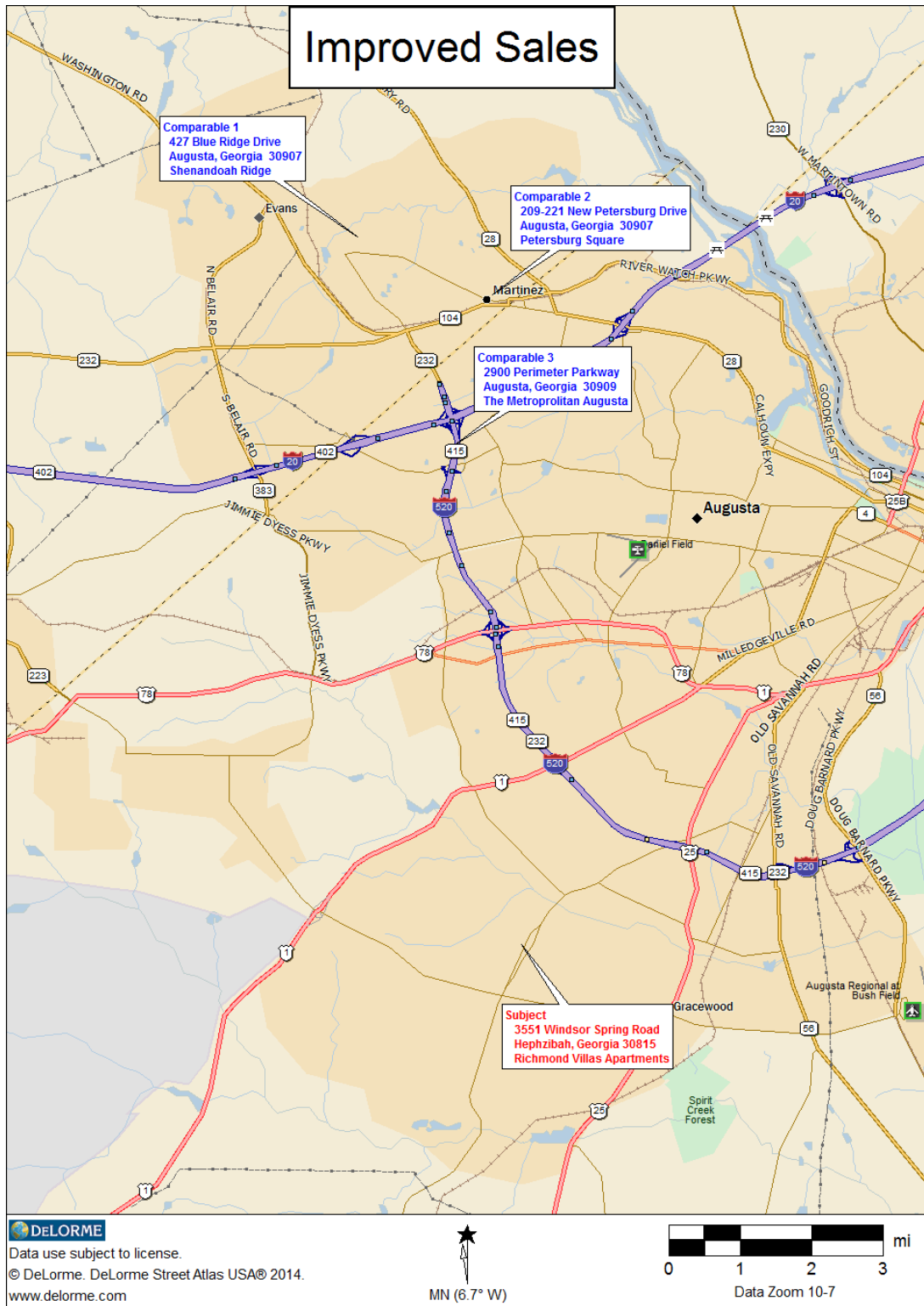
- Availability of comparable sales data
- Verification of sales data
- Degree of comparability to the extent that large or numerous adjustments are not necessary to compensate for the differences between the subject property and the comparable sales used

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

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

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

MARKET SALES COMPARABLE MAP



MARKET SALES ANALYSIS GRID – AS IS

Sales Analysis Grid		Comp 1	Comp 2	Comp 3
Address	3551 Windsor Spring Road	427 Blue Ridge Drive	209-221 New Petersburg Drive	2900 Perimeter Parkway
City	Hephzibah	Augusta	Augusta	Augusta
State	GA	GA	GA	GA
Date	10/27/2016	6/16/2016	8/31/2015	11/24/2015
Price		\$18,500,000	\$1,890,000	\$14,225,000
Total No. of Units	96	272	40	236
Price per Unit		\$68,015	\$47,250	\$60,275
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing	Conventional	Conventional	Conventional	Conventional
Conditions of Sale	Normal	Normal	Normal	Normal
Adjusted Price per Unit		\$68,015	\$47,250	\$60,275
Market Trends Through	10/27/16	0%	0%	0%
Adjusted Price per Unit		\$68,015	\$47,250	\$60,275
Location	Good	Similar	Similar	Similar
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Total No. of Units	96	272	40	236
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
YearBuilt/Renovated	1980	1982	1985	1986
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Condition/Street Appeal	Average	Similar	Similar	Similar
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
HVAC	Central Gas/Central Electric	Central Elec/Central Elec	Central Electric/Central	Central Elec/Central Elec
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Parking	L/0	L/0	L/0	L/0
% Adjustment		0%	0%	0%
\$ Adjustment		\$0	\$0	\$0
Amenities	Refrigerator, Range/Oven, Dishwasher, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet and Laundry Facility	Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Up, Carpet, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Coat Closet, Balcony, Patio, Swimming Pool, Playground, Volleyball Court, Computer Room, Car Wash Area and Laundry Facility	Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Balcony and Patio	Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Hardwood, Blinds, Ceiling Fans, Vaulted Ceiling, Fireplace (Some), Walk-In Closet, Coat Closet, Balcony, Patio, Clubhouse, Swimming Pool, Fitness Center, Racquetball Court and Laundry Facility
% Adjustment		-5%	-3%	-5%
\$ Adjustment		-\$3,401	-\$1,418	-\$3,014
Adjusted Price per Unit		\$64,614	\$45,833	\$57,262
Net adjustments		-5.0%	-3.0%	-5.0%
Gross adjustments		-5.0%	-3.0%	-5.0%

Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of October 27, 2016, via the Sales Comparable Approach is as follows:

96 units x \$57,000 per unit = \$5,472,000

Indicated Value = \$5,470,000

MARKET SALES EXPLANATIONS

Improved Sales Analysis

The sale prices of the comparables range from \$47,250 to \$68,015 per unit before adjustments. The sales were analyzed in order to estimate their comparability to the subject based on the following characteristics of value.

Location

The subject and all comparables were considered similar in terms of location. No adjustments were needed.

Total No. of Units

Size can have an impact on value based on the premise that smaller facilities tend to sell for a higher price per unit than larger facilities. The subject contains 96 units. The number of units of the comparables range from 40 to 272. No adjustments were needed.

Condition/Street Appeal

Consideration was given to the condition of the subject and each of the comparables. Although the comparables were constructed in slightly different years, the overall condition/street appeal of the comparables were similar to the subject. Therefore, no adjustments were needed.

HVAC

The subject contains a central electric heating and cooling as do all comparables. No adjustments were needed.

Parking

The subject contains a parking lot as do all comparables. No adjustments were needed.

Amenities

The subject contains a refrigerator, range/oven, dishwasher, carpet, tile, blinds, walk-in closet and coat closet. Comparable 1 contains a range/oven, refrigerator, garbage disposal, dishwasher, washer/dryer hook-up, carpet, blinds, ceiling fans, fireplace, walk-in closet, coat closet, balcony, patio, swimming pool, playground, volleyball court, computer room, car wash area and laundry facility. Comparable 2 contains a refrigerator, range/oven, dishwasher, washer/dryer hook-ups, carpet, tile, blinds, ceiling fans, fireplace, walk-in closet, balcony and patio. Comparable 3 contains a refrigerator, range/oven, dishwasher, microwave, washer/dryer hook-ups, carpet, hardwood, blinds, ceiling fans, vaulted ceiling, fireplace (some), walk-in closet, coat closet, balcony, patio, clubhouse, swimming pool, fitness center, racquetball court and laundry facility. Comparable 1 was adjusted downward five percent. Comparable 2 was adjusted downward three percent. Comparable 3 was adjusted downward five percent.

Summary and Conclusion

The comparables range from \$45,833 to \$64,614 per unit after adjustments. Based on the preceding analysis, it is the appraiser's opinion that the market value of the subject property, as of October 27, 2016, via the Sales Comparable Approach is as follows:

96 units x \$57,000 per unit = \$5,472,000

Indicated Value = \$5,470,000

Multi-Family Sale No. 1



Property Identification

Record ID 760
Property Type Walk-Up
Property Name Shenandoah Ridge
Address 427 Blue Ridge Drive, Augusta, Columbia County, Georgia 30907
Tax ID 078-139
Market Type Market

Sale Data

Grantor ARIM Shenandoah Ridge, LLC
Grantee Shenandoah Ridge Apartments GA, LLC
Sale Date June 16, 2016
Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification Assessor; 706-860-7816, October 27, 2016

Sale Price \$18,500,000

Land Data

Land Size 11.820 Acres or 514,879 SF
Front Footage Blue Ridge Drive
Zoning AR, Multifamily District
Topography Nearly Level
Utilities E, G, W, S
Shape Irregular

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	96	625		
1/1	32	700		
2/1	48	925		
2/2	96	1,000		

Multi-Family Sale No. 1 (Cont.)

Total Units	272
Avg. Unit Size	819
Net SF	222,800

General Physical Data

No. of Buildings	2
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	8
Year Built	1982
Condition	Good

Indicators

Sale Price/Net SF	\$83.03
Sale Price/Unit	\$68,015

Amenities

Range/Oven, Refrigerator, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Up, Carpet, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Coat Closet, Balcony, Patio, Swimming Pool, Playground, Volleyball Court, Computer Room, Car Wash Area and Laundry Facility

Multi-Family Sale No. 2



Property Identification

Record ID 2028
Property Type Garden
Property Name Petersburg Square
Address 209-221 New Petersburg Drive, Augusta, Richmond County, Georgia 30907
Market Type Market

Sale Data

Grantor Petersburg Square Apartments, LLC
Grantee New London, LLC
Sale Date August 31, 2015
Property Rights Fee Simple
Financing Conventional
Verification Assessor; October 27, 2016

Sale Price \$1,890,000

Land Data

Land Size 0.210 Acres or 9,148 SF
Zoning PUD
Topography Nearly Level
Utilities E, G, W, S

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2	40	950	\$660	\$0.69
Total Units	40			
Avg. Unit Size	950			
Avg. Rent/Unit	\$660			
Avg. Rent/SF	\$0.69			
Gross SF	40,000			
Net SF	38,000			

Multi-Family Sale No. 2 (Cont.)

General Physical Data

No. of Buildings	14
HVAC	Central Electric/Central Elect
Parking	L/0
Stories	2
Year Built	1985

Indicators

Sale Price/Gross SF	\$47.25 Actual or \$47.25 Adjusted
Sale Price/Net SF	\$49.74 Actual or \$49.74 Adjusted
Sale Price/Unit	\$47,250 Actual or \$47,250 Adjusted

Amenities

Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Ceiling Fans, Fireplace, Walk-In Closet, Balcony and Patio

Multi-Family Sale No. 3



Property Identification

Record ID 2029
Property Type Walk-Up
Property Name The Metropolitan Augusta
Address 2900 Perimeter Parkway, Augusta, Richmond County, Georgia 30909
Tax ID 0230003030
Market Type Market

Sale Data

Grantor Hunt Holdings, Inc.
Grantee Georgia Multifamily Partners, LLC
Sale Date November 24, 2015
Property Rights Fee Simple
Conditions of Sale Normal
Verification Assessor; October 27, 2016

Sale Price \$14,225,000

Land Data

Land Size 13.760 Acres or 599,386 SF
Zoning B-2
Topography Nearly Level
Utilities E, G, W, S

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	18	780	\$849	\$1.09
1/1	64	720	\$829	\$1.15

Multi-Family Sale No. 3 (Cont.)

1/1	36	550	\$759	\$1.38
1/1	54	675	\$799	\$1.18
2/1	32	850	\$749	\$0.88
2/2	32	1,000	\$949	\$0.95

Total Units	236
Avg. Unit Size	744
Avg. Rent/Unit	\$818
Avg. Rent/SF	\$1.10

Gross SF	319,394
Net SF	175,570

General Physical Data

No. of Buildings	13
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	3
Year Built	1986
Condition	Good

Indicators

Sale Price/Gross SF	\$44.54 Actual or \$44.54 Adjusted
Sale Price/Net SF	\$81.02 Actual or \$81.02 Adjusted
Sale Price/Unit	\$60,275 Actual or \$60,275 Adjusted
Occupancy at Sale	100

Amenities

Refrigerator, Range/Oven, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Hardwood, Blinds, Ceiling Fans, Vaulted Ceiling, Fireplace (Some), Walk-In Closet, Coat Closet, Balcony, Patio, Clubhouse, Swimming Pool, Fitness Center, Racquetball Court and Laundry Facility

Restricted Value Determination

The sales comparison approach is applicable but not necessary for a credible appraisal and has not been developed for the restricted value determination. The subject is a Section 8 property with restricted rents. As a result, there are very few similar operating properties in the market area and none that could be confirmed as having sold within the past five years. Research for sales comparables similar to the subject was conducted with local realtors, MLS and CoStar, and none could be confirmed. As per the scope of work for this assignment, the sales comparison approach is not required and was not developed.

RECONCILIATION AND CONCLUSIONS

CONCLUSION OF VALUE

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

The Cost Approach considers the current cost of replacing a property, less depreciation from three sources: physical deterioration, functional obsolescence and external obsolescence. A summation of the market value of the land, assumed vacant and the depreciated replacement cost of the improvements provides an indication of the total value of the property. This approach is given less consideration as the validity of this approach decreases as the property's age increases.

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

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

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

Based upon the investigation as outlined, it is my opinion that the market value of the subject property, based on the hypothetical condition that the subject was a conventional property unencumbered by rent or income restrictions and based on the hypothetical condition that any applicable repairs to the property were completed as of the effective date of the report, as of October 27, 2016, is as follows:

FIVE MILLION THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
\$5,375,000

SPECIAL LIMITING CONDITIONS AND ASSUMPTIONS

SPECIAL LIMITING CONDITIONS AND ASSUMPTIONS

1. Limit of Liability

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

2. Copies, Publications, Distribution, Use of Report

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

3. Confidentiality

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

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

4. Information Used

No responsibility is assumed for accuracy of information furnished by or from others, the client, his designee or public records. I am not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with the consultant and possibly signing the report are independent contractors. The comparable data relied upon in this report have been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of my factual judgment and knowledge. An impractical

and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease or other significant commitment of subject property and that such verification be performed by the appropriate specialists.

5. Testimony, Consultation, Completion of Contract for Appraisal Services

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

6. Exhibits

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

7. Legal, Engineering, Financial, Structural or Mechanical Nature Hidden Components, Soil

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

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

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

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

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

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

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

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

8. Legality of Use

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report and that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

9. Component Values

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

10. Auxiliary and Related Studies

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

11. Dollar Values, Purchasing Power

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

12. Inclusions

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

13. Proposed Improvements, Conditioned Value

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

14. Value Change, Dynamic Market, Influences

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

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

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

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

15. Management of the Property

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

16. Fee

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

17. Authentic Copies

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

18. Insulation and Toxic Materials

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

19. Hypothetical Conditions

The market rents were determined and the market value was prepared under the hypothetical condition that the property was a market-rate property and not subject to any rent or income restrictions. The “as complete” rents were determined under the hypothetical condition that the rehabilitation was completed as described in this appraisal.

The use of a hypothetical condition might have affected the assignment results.

20. Extraordinary Assumptions

There were no extraordinary assumptions utilized in the preparation of this appraisal.

The use of an extraordinary assumption might have affected the assignment results.

21. Americans with Disabilities Act (ADA)

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

22. Review

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

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

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

DEFINITION OF TERMS

DEFINITION OF TERMS

Market Value

For the purpose of this report, market value is defined as shown below.

The most probable price which a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale occurs as of a specified date.
2. An open and competitive market exists for the property interest appraised.
3. The buyer and seller are each acting prudently and knowledgeably.
4. The price is not affected by undue stimulus.
5. The buyer and seller are typically motivated.
6. Both parties are acting in what they consider their best interest.
7. Marketing efforts were adequate and a reasonable exposure time was allowed for exposure in the open market.
8. Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Going Concern Value

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

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Lease Fee Estate

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

Leasehold Estate

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

¹The Appraisal of Real Estate, 14th ed., pg. no. 18-22.

Replacement Cost

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

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout and quality of workmanship and embodying all the deficiencies, superadequacies and obsolescence of the subject building.

Contract Rent

The actual rental income specified in a lease.

Market Rent

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

Excess Rent

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

Percentage Rent

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

Overage Rent

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

Special Purpose Property

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

ADDENDUM A

HUD-Form 92264 (As Complete Market)
Multifamily Summary
Appraisal Report

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

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

This form is 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 referenced in the lower right corner.

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

Project Name: Richmond Villas Apartments
 Project Number: 061-35258

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. 3551
 2. Street Windsor Spring Road
 3. Municipality Hephzibah

4a. Census Tract No. 0107.08
 4b. Placement Code
 4c. Legal Description (Optional) See Addendum C
 5. County Richmond
 6. State and Zip Code GA 30815

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

10. Proposed Existing
 11. Number of Units Revenue Non-Rev. 96 0
 12. No. of Bldgs. 5
 13a. List Accessory Bldgs. and Area Commnity Building Area (s.f.):

13b. List Recreational Facilities and Area Playground, Covered Picnic Area Area (s.f.):

13c. Neighborhood Description
 Location Urban Suburban Rural
 Built Up Fully Developed Over 75% 25% to 75% Under 25%
 Growth Rate Rapid Steady Slow
 Property Values Increasing Stable Declining
 Demand/Supply Shortage In Balance Oversupply
 Rent Controls Yes No Likely
 Present Land Use 40 % 1 Family 2 % 2 to 4 Family
 25 % Multifamily % Condo/Coop
 15 % Commer. % Industrial
 20 % Vacant
 Change in Use Not Likely Likely Taking Place
 From to
 Predominant Occupancy Owner Tenant % 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.

The subject property is located in the northern portion of the City of Hephzibah, Richmond County, Georgia, on Windsor Spring Road. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North - U.S. Highway 1/State Highway 4/Deans Bridge Road; South - Tobacco Road and Windsor Spring Road; East - Windsor Spring Road; and West - U.S. Highway 1/State Highway 4/Deans Bridge Road. The subject is located in the southern portion of the neighborhood.

Site Information

14. Dimensions ft. by ft. or 426,888 sq. ft.
 15a. Zoning (if recently changed, submit evidence) R-3B, Multiple-Family Residential

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

Building Information

16a. Yr. Built 1980
 16b. Manufactured Housing Conventionally Built Components
 17a. Structural System Frame
 17b. Floor System Concrete Slab on Grade
 17c. Exterior Finish Brick/Siding
 18. Heating-A/C System CG / EC

B. Additional Information Concerning Land or Property

19. Date Acquired	20. Purchase Price	21. Additional Costs Paid or Accrued	22. If Leasehold, Annual Ground Rent	23a. Total Cost	23b. Outstanding Balance
24a. Relationship (Business, Personal, or Other) Between Seller and Buyer			24b. Has the Subject Property been sold in the past 3 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," explain:		
25. Utilities		26. Unusual Site Features			
Water <input type="checkbox"/>	Public <input type="checkbox"/>	Community <input type="checkbox"/>	Distance from Site _____ 0 ft.	<input type="checkbox"/> Cuts <input type="checkbox"/> Fills	<input type="checkbox"/> Rock Formations <input type="checkbox"/> Erosion <input type="checkbox"/> Poor Drainage <input type="checkbox"/> None
Sewers <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ 0 ft.	<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) 16	653	1BR, 1FB, LD, KT	\$720	\$11,520
(b) 64	807	2BR, 1FB, LD, KT	\$795	\$50,880
(c) 16	1,064	3BR, 1FB, 1HB, LD, KT	\$920	\$14,720
(d)				
(e)				
(f)				
(g)				
(h)				
(i)				
(j)				
(k)				
(l)				
(m)				
(n)				
(o)				
(p)				
(q)				

28. Total Estimated Rentals for All Family Units \$77,120

29. Number of Parking Spaces	Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)		
<input type="checkbox"/> Attended _____	Open Spaces _____ total, with _____ @ \$ _____	per month = \$ _____	
<input type="checkbox"/> Self Park _____	Covered Spaces _____ total, with _____ @ \$ _____	per month = \$ _____	0
	Laundry _____ 96 Sq. Ft. or Living Units @ \$ _____ 8.33	per month = \$ _____	800
	Other _____ Tenant Charges	per month = \$ _____	0
Total Spaces _____ 0	Other _____ Miscellaneous Revenue	per month = \$ _____	0
	Total Monthly Ancillary Income		\$ 800

30. Commercial Income (Attach Documentation)

Area- Ground Level _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____ = **Total Monthly Commercial Income** \$ _____

Other Levels _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____

31. Total Estimated Monthly Gross Income at 100 Percent Occupancy \$ 77,920

32. Total Annual Rent (Item 31 x 12 months) \$ 935,040

33. Gross Floor Area	34. Net Rentable Residential Area	35. Net Rentable Commercial Area
84,638 Sq. Ft.	79,088 Sq. Ft.	Sq. Ft.

36. Non-Revenue Producing Space

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

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

Tenant/Employee- Paid Utilities Type(s) _____ Monthly Cost _____

Landlord/Employer- Paid Utilities Type(s) _____ Monthly Cost _____

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)

37a. Unit Amenities <input checked="" type="checkbox"/> Ranges- (Gas or Electric) <input type="checkbox"/> Disposal/Compactor <input checked="" type="checkbox"/> Refrig. - (Gas or Electric) <input checked="" type="checkbox"/> Air Conditioning - (central or window) <input checked="" type="checkbox"/> Micro Wave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> Window treatmt - (blinds, drapes, shades) <input type="checkbox"/> Balcony/Patio <input type="checkbox"/> Fireplace(s) No. _____ <input type="checkbox"/> Laundry hookups (in units) <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)		37b. Project Amenities <input type="checkbox"/> Guest room(s) No. _____ <input checked="" type="checkbox"/> Community room(s) No. <u>1</u> <input type="checkbox"/> Sauna/Steam room No. _____ <input type="checkbox"/> Swimming Pool(s) No. _____ <input type="checkbox"/> Exercise room(s) No. _____ <input type="checkbox"/> Racquetball court(s) No. _____ <input type="checkbox"/> Tennis Court(s) No. _____ <input checked="" type="checkbox"/> Picnic/Play area(s) No. <u>2</u> <input checked="" type="checkbox"/> Laundry Facilities (coin) <input type="checkbox"/> Project Security System(s) (Describe) <input type="checkbox"/> Jacuzzies/Community Whirlpool(s) No. _____ <input type="checkbox"/> Other (specify)	
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37c. Unit Rating Condition of Improvement Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Room Sizes and Layout Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Adequacy of Closets and Storage Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Kitchen Equip., Cabinets, Workspace Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Plumbing - Adequacy and Condition Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Electrical - Adequacy and Condition Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Soundproofing - Adequacy and Condition Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Insulation - Adequacy and Condition Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Overall Livability Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Appeal and Marketability Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>					37d. Project Rating Location Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> General Appearance Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Amenities & Rec. Facilities Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Density (units per acre) Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Unit Mix Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Quality of Construction (matl. & finish) Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Condition of Exterior Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Condition of Interior Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Appeal to Market Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Soundproofing - Vertical Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/> Soundproofing - Horizontal Good <input type="checkbox"/> Aver. <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor <input type="checkbox"/>				
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38. Services 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"/> Heat <input type="checkbox"/> Hot Water <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Other (specif) <input type="checkbox"/> Trash Collection				39. Special Assessments N/A a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable b. Principal Balance _____ c. Annual Payment _____ d. Remaining Term _____ Years	
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E. Estimate of Annual Expense

Administrative 1. Advertising \$ 600 2. Management \$ 35,532 3. Other \$ 28,880 4. Total Administrative \$ 65,012		Maintenance 14. Decorating \$ 2,520 15. Repairs \$ 24,000 16. Exterminating \$ 6,929 17. Insurance \$ 24,000 18. Ground Expense \$ 18,000 19. Other \$ - 20. Total Maintenance \$ 75,449 21. Replacement Reserve (0.006 x total structures Line G41 or (0.004 x MTG. for Rehab) \$ 28,800 22. Total Operating Expense \$ 322,741	
Operating 5. Elevator Main. Exp. \$ - 6. Fuel (Heating and Domestic Hot Water) \$ - 7. Lightings & Misc. Power \$ 12,480 8. Water \$ 69,000 9. Gas \$ 1,440 10. Garbage & Trash Removal \$ 19,200 11. Payroll \$ 51,360 12. Other \$ - 13. Total Operating \$ 153,480		Taxes 23. Real Estate: Est. Assessed Value _____ at \$ _____ per \$1000 \$ 40,320 24. Personal Prop. Est. Assessed Value _____ at \$ _____ per \$1000 \$ - 25. Empl. Payroll Tax \$ 12,960 26. Empl. Benefits \$ - 27. Misc. Taxes/Licenses \$ - 28. Total Taxes \$ 53,280 29. Total Expenses (Attach form HUD-92274, as necessary) \$ 376,021	

F. Income Computations

30a. Estimated Residential Project Income (Line C28 x 12)	\$ 925,440	c. Effective Gross Commercial Income (Line 32a. x Line 32b.)	\$ _____
b. Estimated Ancillary Project Income (Line C29 x 12)	\$ 9,600	d. Total Commercial Project Expenses (From Attached Analysis)	\$ _____
c. Residential and Ancillary Occupancy Percentage *	95.0 %	33. Net Commercial Income to Project (Line 32c. minus Line 32d.)	\$ _____
d. Effective Gross Residential and Ancillary Income (Line 30c. x (Line 30a. plus Line 30b.))	\$ 888,288	34. Total Project Net Income (Line 31 plus Line 33)	\$ 512,267
e. Total Residential and Ancillary Project Expenses (Line E29)	\$ 376,021	35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.)	42.33 %
31. Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.)	\$ 512,267	35b. Commercial Expense Ratio (Line 32d. divided by 32c.)	%
32a. Estimated Commercial Income (Line C30 x 12)	\$ _____	* 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 * (90% Maximum) (See instructions)	0 %		

G. Estimated Replacement Cost

36a. Unusual Land Improvements	\$ _____	Carrying Charges & Financing	
b. Other Land Improvements	\$ 72,229	53. Interest: 2 Mos. at _____ %	
c. Total Land Improvements	\$ 72,229	on half of _____	\$ 0
Structures		54. Taxes	\$ _____
37. Main Buildings	\$ 7,646,597	55. Insurance	\$ _____
38. Accessory Buildings	\$ _____	56. FHA Mtg. Ins. Prem. (0.45 %)	\$ 0
39. Garages	\$ _____	57. FHA Exam Fee (0.30 %)	\$ 0
40. All other Buildings	\$ _____	58. FHA. Inspec. Fee (0.50 %)	\$ 0
41. Total Structures	\$ 7,646,597	59. Financing Fee (_____ %)	\$ 0
42. General Requirements	\$ 0	60. AMPO (N. P. only) (0.00 %)	\$ 0
Fees		61. FNMA/GNMA Fee (_____ %)	\$ 0
43. Builder's Gen. Overhead at 0.00 %	\$ 0	62. Title & Recording	\$ _____
44. Builder's Profit at 10.00 %	\$ 771,883	63. Total Carrying Charges & Financing	\$ 0
45. Arch. Fee- Design at 0.00 %	\$ 0	Legal, Organization & Audit Fee	
46. Arch. Fee- Supvr. at 0.00 %	\$ 0	64. Legal	\$ _____
47. Bond Premium at 0.00 %	\$ _____	65. Organizational	\$ _____
48. Other Fees at 0.00 %	\$ _____	66. Cost Certification Audit Fee	\$ _____
49. Total Fees	\$ 771,883	67. Total Legal, Organization & Audit Fees (64+65+66)	\$ 0
50. Total All Improvements (Lines 36c. plus 41 plus 42 plus 49)	\$ 8,490,709	68. Builder and Sponsor Profit & Risk	\$ 0
51. Cost Per Gross Sq. Ft.	\$ 100.32	69. Consultant Fee (N.P. only)	\$ _____
52. Estimated Construction Time (Months)	_____	70. Less Depreciation	\$ -692,763
Note 1: Jurisdictional Exception: In HUD programs, land, and/or existing improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."		71. Contingency Reserve (Sec. 202 or Rehab only)	\$ _____
		72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)	\$ 7,797,946
		73a. Warranted Price of Land J- 14(3) (New Constr) 426,888 sq. ft. @ \$ 0.45 per sq. ft.	\$ 190,000 * see note 1
		73b. As Is Property Value (Rehab only)	\$ _____ * see note 2
		73c. Off-Site (if needed, Rehab only)	\$ _____ * see note 1
		74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)	\$ 7,987,946

H. Remarks

(Note 2: For Rehab only: Estimated Value of land without Improvements _____)
 Estimated Value of land and improvements "As Is" by Residual Method, i.e., After Rehabilitation Correlated Value minus line G72 Cost of Rehabilitation Improvements equals \$ _____ ; line G73b is the lesser of this residual amount, and the amount estimated by Supplemental form HUD- 92264 "As Is".)

I. Estimate of Operating Deficit

Commercial Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos							N/A
2. 2nd Mos							N/A
Residential Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos							N/A
2. 2nd Mos							N/A
3. Total Operating Deficit							N/A

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 10/27/16 Note: The Effective Date of all land valuations is the date of inspection.

8. Value Fully Improved	Location of Project 3551 Windsor Spring Road, Hephzibah, GA 30815	Size of Subject Property 96 Units
--------------------------------	--	---

	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
	737 Scott Nixon Memorial Drive, Augusta, GA	1213 Flowing Wells Road, Augusta, GA	3644 Wrightsboro Road, Augusta, GA	4002 Jimmie Dyess Parkway, Augusta, GA	
Date of Sale	1/23/2015	7/14/2015	4/25/2016	4/22/15	
Sales Price	\$80,000	\$77,000	\$175,000	\$200,000	
Units	75.00	24.00	76.00	146	
Price per Unit	1,067	3,208	2,303	1,370	
Adjustments (%)					
Time					
Location	100%	100%	100%	100%	
Zoning					
Plottage					
Demolition					
Piling, Etc.					
Other		75%			
Total Adjustment Factor	100.0%	75.0%	100.0%	100.0%	
Adjusted Unit Price	1,067	2,406	2,303	1,370	
Indicated Value by Comparison	\$102,432	\$230,976	\$221,088	\$131,520	

9. Value of Site Fully Improved \$190,000

10.	Value "As is" No. 1	Value "As is" No. 2	Value "As is" No. 3
Date of Sale			
Sales Price			
Ft. / Acres			
Price per Sq. Ft.			
Adjustments (%)			
Time			
Location			
Zoning			
Plottage			
Demolition			
Piling, Etc.			
Other			
Total Adjustment Factor			
Adjusted Sq. Ft. Price			
Indicated Value by Comparison			

11. Value of Site "As Is" by Comparison

12. Acquisition Cost (Last Arms- Length Transaction)

Buyer	Address
Seller	Address
Date	Price
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 Cost Certification Purposes	
(3a) Deduct cost of demolition _____ and required off-sites _____ 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 purchased from LPA or other Governmental authority for specific reuse, use the least of 4, 5, or 6.

K. Income Approach to Value

(1) Estimated Remaining Economic Life		55 Years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1)		
<input type="checkbox"/> Overall Rate From Comparable Projects		
<input type="checkbox"/> Rate From Band of Investment		
<input type="checkbox"/> Cash Flow to Equity		
(3) Rate Selected		%
(4) Net Income (Line F 34)	\$	512,267
(5) Capitalized Value (Line 4 divided by Line 3)	\$	-
(6) Value of Leased Fee (See Chapter 3, Handbook 4465.1) Ground Rent _____ divided by Cap. Rate _____ equals Value of Leased Fee		

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

L. Comparison Approach to Value

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

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3																																																																							
Address	3551 Windsor Spring Road, Hephzibah, GA 30815	427 Blue Ridge Drive, Augusta, GA	427 Blue Ridge Drive, Augusta, GA	2900 Perimeter Parkway, Augusta, GA																																																																							
Proximity to subject																																																																											
Sales price	FALSE	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$18,500,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$1,890,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Furn. \$14,225,000																																																																							
Sales price per GBA	\$0.00																																																																										
Gross annual income	\$710,400																																																																										
GIM (1)*	0.00																																																																										
Sales price per unit	\$0	\$68,015	\$47,250	\$60,275																																																																							
Sales price per room	\$0																																																																										
Data source	Inspection	Interview	Interview	Interview																																																																							
Adjustments	Description	Description (-) \$ Adjust	Description (-) \$ Adjust	Description (-) \$ Adjust																																																																							
Sales or financing concessions		Fee Simple	Fee Simple	Fee Simple																																																																							
Date of sale/time		6/16/16	8/31/15	11/24/15																																																																							
Location	Good	Similar	Similar	Similar																																																																							
Site/view	Good	Similar	Similar	Similar																																																																							
Design and appeal	Average	Similar	Similar	Similar																																																																							
Quality of construction	Average	Similar	Similar	Similar																																																																							
Year built	1980	1982	1985	1986																																																																							
Condition	Good	Similar	Similar	Similar																																																																							
Gross Building Area	84,638 Sq. ft.	Sq. ft.	Sq. ft.	Sq. ft.																																																																							
Average Unit Size	882 Sq. ft.	Sq. ft.	Sq. ft.	Sq. ft.																																																																							
Unit Breakdown	<table border="1"> <thead> <tr> <th rowspan="2">No. of Units</th> <th colspan="4">Room count</th> <th rowspan="2">No. Vac.</th> </tr> <tr> <th>Tot.</th> <th>Br.</th> <th>Ba.</th> <th>Vac.</th> </tr> </thead> <tbody> <tr> <td>16</td> <td>3</td> <td>1</td> <td>1</td> <td></td> <td>##</td> </tr> <tr> <td>64</td> <td>4</td> <td>2</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>16</td> <td>5</td> <td>3</td> <td>2</td> <td></td> <td></td> </tr> <tr> <td>96</td> <td>##</td> <td>##</td> <td>##</td> <td></td> <td>##</td> </tr> </tbody> </table>	No. of Units	Room count				No. Vac.	Tot.	Br.	Ba.	Vac.	16	3	1	1		##	64	4	2	1			16	5	3	2			96	##	##	##		##	<table border="1"> <thead> <tr> <th rowspan="2">No. of Units</th> <th colspan="4">Room count</th> <th rowspan="2">No. Vac.</th> </tr> <tr> <th>Tot.</th> <th>Br.</th> <th>Ba.</th> <th>Vac.</th> </tr> </thead> <tbody> <tr> <td>40</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>##</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	No. of Units	Room count				No. Vac.	Tot.	Br.	Ba.	Vac.	40						##						<table border="1"> <thead> <tr> <th rowspan="2">No. of Units</th> <th colspan="4">Room count</th> <th rowspan="2">No. Vac.</th> </tr> <tr> <th>Tot.</th> <th>Br.</th> <th>Ba.</th> <th>Vac.</th> </tr> </thead> <tbody> <tr> <td>##</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	No. of Units	Room count				No. Vac.	Tot.	Br.	Ba.	Vac.	##					
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	Tot.	Br.	Ba.	Vac.																																																																							
##																																																																											
Basement description	None	Similar	Similar	Similar																																																																							
Functional utility	Average	Similar	Similar	Similar																																																																							
Heating/cooling	Central	Similar	Similar	Similar																																																																							
Parking on/off site	Lot	Lot	Lot	Lot																																																																							
Project amenities and fee (if applicable)	See Narrative	Superior (\$3,401)	Superior (\$1,418)	Superior (\$3,014)																																																																							
Other	N/A																																																																										
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$ 3,400.74	<input type="checkbox"/> + <input type="checkbox"/> - \$ 1,417.50	<input type="checkbox"/> + <input type="checkbox"/> - \$ 3,013.77																																																																							
Adjusted sales price of comparables per unit		\$64,614	\$45,833	\$57,262																																																																							
8. Indicated Value by Sales Comparison		\$ 6,202,941	\$ 4,399,920	\$ 5,497,119																																																																							

Reconciliation

Capitalization \$ - Summation _____ Comparison _____

9. The market value of the subject property, as of the effective date of the appraisal, is \$ - ** 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 "consultations" 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 Construction Cost Analyst

Site/Cost Not Attributable to Dwelling Use			Total Est. Cost of Off-Site Requirements	
	Area (s.f.)	Estimated Cost		Estimated Cost
10. Parking	_____	_____	16. Off-Site	_____
11. Garage	_____	_____		\$ _____
12. Commercial	_____	_____		\$ _____
13. Special Ext Land Improvements	_____	_____		\$ _____
14. Other	_____	_____		\$ _____
15. Total	_____	_____	17. Total Off-Site Costs	\$ _____
% land/gross area/cost	_____	_____		\$ _____

N. Signatures and Appraiser Certification

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

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

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

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	Review Appraiser	Date
	10/27/16		
State Certification Number	State	State Certification Number	State
306823	Georgia		

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 separate page if necessary. Appraisal reports must be kept for a minimum of five years.)

Actual occupancy based on the owner's rent roll as of 1/0/1900 is 100.0%.

As Is Value = \$5,375,000

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.

HUD-Form 92264 (As Complete Restricted)

Multifamily Summary Appraisal Report

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

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

This form is 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 referenced in the lower right corner.

Application Processing Stage <input type="checkbox"/> SAMA <input type="checkbox"/> Feasibility (Rehab) <input checked="" type="checkbox"/> Firm	
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold	
Project Name Richmond Villas Apartments	Project Number 061-35258

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. 3551		2. Street Windsor Spring Road		3. Municipality Hephzibah	
4a. Census Tract No. 0107.08		4b. Placement Code		4c. Legal Description (Optional) See Addendum C	
5. County Richmond		6. State and Zip Code GA 30815			
7. Type of Project <input type="checkbox"/> Highrise <input type="checkbox"/> 2 - 5 sty. Elev. <input type="checkbox"/> Row House <input type="checkbox"/> Town House <input type="checkbox"/> Elevator(s) <input checked="" type="checkbox"/> Walkup <input type="checkbox"/> Detached <input type="checkbox"/> Semi-detached		8. No. Stories 2		9a. Foundation <input checked="" type="checkbox"/> Slab on Grade <input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement <input type="checkbox"/> Crawl Space	
9b. Basement Floor <input type="checkbox"/> Structural Slab <input type="checkbox"/> Slab on Grade		10. <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing		11. Number of Units Revenue 96 Non-Rev. 0	
12. No. of Bldgs. 5		13a. List Accessory Bldgs. and Area Commnity Building		Area (s.f.):	
13b. List Recreational Facilities and Area Playground, Covered Picnic Area				Area (s.f.):	

13c. Neighborhood Description		Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Present Land Use 40 % 1 Family _____ % 2 to 4 Family	
Built Up <input type="checkbox"/> Fully Developed <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%		Growth Rate <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow		25 % Multifamily _____ % Condo/Coop	
Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply		15 % Commer. _____ % Industrial	
Rent Controls <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Likely		Change in Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely <input type="checkbox"/> Taking Place		20 % Vacant	
		Predominant Occupancy <input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant _____ % Vacant		From _____ to _____	

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.

The subject property is located in the northern portion of the City of Hephzibah, Richmond County, Georgia, on Windsor Spring Road. The neighborhood has average attractiveness and appeal. The neighborhood has the following boundaries: North – U.S. Highway 1/State Highway 4/Deans Bridge Road; South – Tobacco Road and Windsor Spring Road; East - Windsor Spring Road; and West – U.S. Highway 1/State Highway 4/Deans Bridge Road. The subject is located in the southern portion of the neighborhood.

Site Information

14. Dimensions ft. by _____ ft. or 426,888 sq. ft.		15a. Zoning (if recently changed, submit evidence) R-3B, Multiple-Family Residential	
15b. Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Illegal <input type="checkbox"/> Legal nonconforming (Grandfathered use) <input type="checkbox"/> No zoning			
15c. Highest and Best Use as Improved <input type="checkbox"/> Present Use <input checked="" type="checkbox"/> Proposed Use <input type="checkbox"/> 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			

Building Information

16a. Yr. Built 1980		16b. <input type="checkbox"/> Manufactured Housing <input checked="" type="checkbox"/> Conventionally Built <input type="checkbox"/> Modules <input type="checkbox"/> Components		17a. Structural System Frame		17b. Floor System Concrete Slab on Grade		17c. Exterior Finish Brick/Siding		18. Heating-A/C System CG / EC	
------------------------	--	---	--	---------------------------------	--	---	--	--------------------------------------	--	-----------------------------------	--

B. Additional Information Concerning Land or Property

19. Date Acquired Unknown	20. Purchase Price	21. Additional Costs Paid or Accrued	22. If Leasehold, Annual Ground Rent	23a. Total Cost	23b. Outstanding Balance
24a. Relationship (Business, Personal, or Other) Between Seller and Buyer			24b. Has the Subject Property been sold in the past 3 years? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," explain:		
25. Utilities		Distance from Site		26. Unusual Site Features	
Water	<input type="checkbox"/> Public <input type="checkbox"/> Community	_____ 0 ft.		<input type="checkbox"/> Cuts	<input type="checkbox"/> Fills
Sewers	<input type="checkbox"/> Public <input type="checkbox"/> Community	_____ 0 ft.		<input type="checkbox"/> Rock Formations	<input type="checkbox"/> Erosion
				<input type="checkbox"/> Poor Drainage	<input 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)	16	653	1BR, 1FB, LD, KT	\$709	\$11,344
(b)	64	807	2BR, 1FB, LD, KT	\$791	\$50,624
(c)	16	1,064	3BR, 1FB, 1HB, LD, KT	\$893	\$14,288
(d)					
(e)					
(f)					
(g)					
(h)					
(i)					
(j)					
(k)					
(l)					
(m)					
(n)					
(o)					
(p)					
(q)					

28. Total Estimated Rentals for All Family Units \$76,256

29. Number of Parking Spaces	Offstreet Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)		
<input type="checkbox"/> Attended	Open Spaces _____ total, with _____ @ \$ _____	per month = \$ _____	
<input type="checkbox"/> Self Park	Covered Spaces _____ total, with _____ @ \$ _____	per month = \$ _____	0
	Laundry _____ 96 Sq. Ft. or Living Units @ \$ _____	per month = \$ _____	800
	Other Tenant Charges _____	per month = \$ _____	0
Total Spaces _____	Other Miscellaneous Revenue _____	per month = \$ _____	0
	Total Monthly Ancillary Income		\$ 800

30. Commercial Income (Attach Documentation)

Area- Ground Level _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____ = **Total Monthly Commercial Income** \$ _____

Other Levels _____ sq. ft. @ \$ _____ per sq. ft./month = \$ _____

31. Total Estimated Monthly Gross Income at 100 Percent Occupancy \$ 77,056

32. Total Annual Rent (Item 31 x 12 months) \$ 924,672

33. Gross Floor Area	34. Net Rentable Residential Area	35. Net Rentable Commercial Area
84,638 Sq. Ft.	79,088 Sq. Ft.	Sq. Ft.

36. Non-Revenue Producing Space			
Type of Employee	No. Rms.	Composition of Unit	Location of Unit in Project

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

Tenant/Employee- Paid Utilities Type(s) _____ Monthly Cost _____

Landlord/Employer- Paid Utilities Type(s) _____ Monthly Cost _____

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)

<p>37a. Unit Amenities</p> <p><input checked="" type="checkbox"/> Ranges- (Gas or Electric) <input type="checkbox"/> Disposal/Compactor</p> <p><input checked="" type="checkbox"/> Refrig. - (Gas or Electric) <input checked="" type="checkbox"/> Air Conditioning - (central or window)</p> <p><input checked="" type="checkbox"/> Micro Wave <input checked="" type="checkbox"/> Dishwasher</p> <p><input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> Window treatmt - (blinds, drapes, shades)</p> <p><input type="checkbox"/> Balcony/Patio <input type="checkbox"/> Fireplace(s) No. _____</p> <p><input type="checkbox"/> Laundry hookups (in units)</p> <p><input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____</p> <p><input type="checkbox"/> Wash/Dryer (in units) <input type="checkbox"/> Security System(s) (Describe)</p> <p><input type="checkbox"/> Other(Specify)</p>	<p>37b. Project Amenities</p> <p><input type="checkbox"/> Guest room(s) No. _____ <input checked="" type="checkbox"/> Community room(s) No. <u>1</u></p> <p><input type="checkbox"/> Sauna/Steam room No. _____ <input type="checkbox"/> Swimming Pool(s) No. _____</p> <p><input type="checkbox"/> Exercise room(s) No. _____ <input type="checkbox"/> Racquetball court(s) No. _____</p> <p><input type="checkbox"/> Tennis Court(s) No. _____ <input checked="" type="checkbox"/> Picnic/Play area(s) No. <u>2</u></p> <p><input checked="" type="checkbox"/> Laundry Facilities (coin)</p> <p><input type="checkbox"/> Project Security System(s) (Describe)</p> <p><input type="checkbox"/> Jacuzzies/Community Whirlpool(s) No. _____</p> <p><input type="checkbox"/> Other (specify)</p>
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<p>37c. 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E. Estimate of Annual Expense

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F. Income Computations

30a. Estimated Residential Project Income (Line C28 x 12)	\$ 915,072	c. Effective Gross Commercial Income (Line 32a. x Line 32b.)	\$ _____
b. Estimated Ancillary Project Income (Line C29 x 12)	\$ 9,600	d. Total Commercial Project Expenses (From Attached Analysis)	\$ _____
c. Residential and Ancillary Occupancy Percentage *	95.0 %	33. Net Commercial Income to Project (Line 32c. minus Line 32d.)	\$ _____
d. Effective Gross Residential and Ancillary Income (Line 30c. x (Line 30a. plus Line 30b.))	\$ 878,438	34. Total Project Net Income (Line 31 plus Line 33)	\$ 483,947
e. Total Residential and Ancillary Project Expenses (Line E29)	\$ 394,491	35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d.)	44.91 %
31. Net Residential and Ancillary Income to Project (Line 30d. minus Line 30e.)	\$ 483,947	35b. Commercial Expense Ratio (Line 32d. divided by 32c.)	%
32a. Estimated Commercial Income (Line C30 x 12)	\$ _____	* 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 * (90% Maximum) (See instructions)	0 %		

G. Estimated Replacement Cost

36a. Unusual Land Improvements	\$ _____	Carrying Charges & Financing	
b. Other Land Improvements	\$ 72,229	53. Interest: 2 Mos. at _____ %	
c. Total Land Improvements	\$ 72,229	on half of _____	\$ 0
Structures		54. Taxes	\$ _____
37. Main Buildings	\$ 7,646,597	55. Insurance	\$ _____
38. Accessory Buildings	\$ _____	56. FHA Mtg. Ins. Prem. (0.45 %)	\$ 0
39. Garages	\$ _____	57. FHA Exam Fee (0.30 %)	\$ 0
40. All other Buildings	\$ _____	58. FHA. Inspec. Fee (0.50 %)	\$ 0
41. Total Structures	\$ 7,646,597	59. Financing Fee (_____ %)	\$ 0
42. General Requirements	\$ 0	60. AMPO (N. P. only) (0.00 %)	\$ 0
Fees		61. FNMA/GNMA Fee (_____ %)	\$ 0
43. Builder's Gen. Overhead at 0.00 %	\$ 0	62. Title & Recording	\$ _____
44. Builder's Profit at 10.00 %	\$ 771,883	63. Total Carrying Charges & Financing	\$ 0
45. Arch. Fee- Design at 0.00 %	\$ 0	Legal, Organization & Audit Fee	
46. Arch. Fee- Supvr. at 0.00 %	\$ 0	64. Legal	\$ _____
47. Bond Premium at 0.00 %	\$ _____	65. Organizational	\$ _____
48. Other Fees at 0.00 %	\$ _____	66. Cost Certification Audit Fee	\$ _____
49. Total Fees	\$ 771,883	67. Total Legal, Organization & Audit Fees (64+65+66)	\$ 0
50. Total All Improvements (Lines 36c. plus 41 plus 42 plus 49)	\$ 8,490,709	68. Builder and Sponsor Profit & Risk	\$ 0
51. Cost Per Gross Sq. Ft.	\$ 100.32	69. Consultant Fee (N.P. only)	\$ _____
52. Estimated Construction Time (Months)	_____	70. Less Depreciation	\$ -692,763
Note 1: Jurisdictional Exception: In HUD programs, land, and/or existing improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."		71. Contingency Reserve (Sec. 202 or Rehab only)	\$ _____
		72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)	\$ 7,797,946
		73a. Warranted Price of Land J- 14(3) (New Constr) 426,888 sq. ft. @ \$ 0.45 persq. ft.	\$ 190,000 * see note 1
		73b. As Is Property Value (Rehab only)	\$ _____ * see note 2
		73c. Off-Site (if needed, Rehab only)	\$ _____ * see note 1
		74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)	\$ 7,987,946

H. Remarks

(Note 2: For Rehab only: Estimated Value of land without Improvements _____
 Estimated Value of land and improvements "As Is" by Residual Method, i.e., After Rehabilitation Correlated Value minus line G72 Cost of Rehabilitation Improvements equals \$ _____; line G73b is the lesser of this residual amount, and the amount estimated by Supplemental form HUD-92264 "As Is".)

I. Estimate of Operating Deficit

Commercial Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos							N/A
2. 2nd Mos							N/A
Residential Periods	Gross Income	Occup. %	Effec. Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos							N/A
2. 2nd Mos							N/A
3. Total Operating Deficit							N/A

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 permissive 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 10/27/16 Note: The Effective Date of all land valuations is the date of inspection.

8. Value Fully Improved	Location of Project 3551 Windsor Spring Road, Hephzibah, GA 30815	Size of Subject Property 96 Units
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	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
	737 Scott Nixon Memorial Drive, Augusta, GA	1213 Flowing Wells Road, Augusta, GA	3644 Wrightsboro Road, Augusta, GA	4002 Jimmie Dyess Parkway, Augusta, GA	
Date of Sale	1/23/2015	7/14/2015	4/25/2016	4/22/15	
Sales Price	\$80,000	\$77,000	\$175,000	\$200,000	
Units	75.00	24.00	76.00	146	
Price per Unit	1,067	3,208	2,303	1,370	
Adjustments (%)					
Time					
Location	100%	100%	100%	100%	
Zoning					
Plottage					
Demolition					
Piling, Etc.					
Other		75%			
Total Adjustment Factor	100.0%	75.0%	100.0%	100.0%	
Adjusted Unit Price	1,067	2,406	2,303	1,370	
Indicated Value by Comparison	\$102,432	\$230,976	\$221,088	\$131,520	

9. Value of Site Fully Improved \$190,000

10.	Value "As is" No. 1	Value "As is" No. 2	Value "As is" No. 3
Date of Sale			
Sales Price			
Ft. / Acres			
Price per Sq. Ft.			
Adjustments (%)			
Time			
Location			
Zoning			
Plottage			
Demolition			
Piling, Etc.			
Other			
Total Adjustment Factor			
Adjusted Sq. Ft. Price			
Indicated Value by Comparison			

11. Value of Site "As Is" by Comparison

12. Acquisition Cost (Last Arms-Length Transaction)

Buyer	Address
Seller	Address
Date	Price
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 Cost Certification Purposes	
(3a) Deduct cost of demolition _____ and required off-sites _____ 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 purchased from LPA or other Governmental authority for specific reuse, use the least of 4, 5, or 6.

K. Income Approach to Value

(1) Estimated Remaining Economic Life		55 Years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1)		
<input type="checkbox"/> Overall Rate From Comparable Projects		
<input type="checkbox"/> Rate From Band of Investment		
<input type="checkbox"/> Cash Flow to Equity		
(3) Rate Selected		%
(4) Net Income (Line F 34)	\$	483,947
(5) Capitalized Value (Line 4 divided by Line 3)	\$	-
(6) Value of Leased Fee (See Chapter 3, Handbook 4465.1) Ground Rent _____ divided by Cap. Rate _____ equals Value of Leased Fee		

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

L. Comparison Approach to Value

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

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3			
Address	3551 Windsor Spring Road, Hephzibah, GA 30815	427 Blue Ridge Drive, Augusta, GA	427 Blue Ridge Drive, Augusta, GA	2900 Perimeter Parkway, Augusta, GA			
Proximity to subject							
Sales price	FALSE	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Fum. \$18,500,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Fum. \$1,890,000	<input checked="" type="checkbox"/> Unf. <input type="checkbox"/> Fum. \$14,225,000			
Sales price per GBA	\$0.00						
Gross annual income	\$710,400						
GIM (1)*	0.00						
Sales price per unit	\$0	\$68,015	\$47,250	\$60,275			
Sales price per room	\$0						
Data source	Inspection	Interview	Interview	Interview			
Adjustments	Description	Description	(-) \$ Adjust	Description	(-) \$ Adjust	Description	(-) \$ Adjust
Sales or financing concessions		Fee Simple		Fee Simple		Fee Simple	
Date of sale/time		6/16/16		8/31/15		11/24/15	
Location	Good	Similar		Similar		Similar	
Site/view	Good	Similar		Similar		Similar	
Design and appeal	Average	Similar		Similar		Similar	
Quality of construction	Average	Similar		Similar		Similar	
Year built	1980	1982		1985		1986	
Condition	Good	Similar		Similar		Similar	
Gross Building Area	84,638 Sq. ft.	Sq. ft.		Sq. ft.		Sq. ft.	
Average Unit Size	882 Sq. ft.	Sq. ft.		Sq. ft.		Sq. ft.	
Unit Breakdown	No. of Units	No. of Units		No. of Units		No. of Units	
	Room count	Room count		Room count		Room count	
	Tot. Br. Ba. Vac.	Tot. Br. Ba. Vac.		Tot. Br. Ba. Vac.		Tot. Br. Ba. Vac.	
	16 3 1 1	##		40		##	
	64 4 2 1						
16 5 3 2							
96 ## ## ##	##		40		##		
Basement description	None	Similar		Similar		Similar	
Functional utility	Average	Similar		Similar		Similar	
Heating/cooling	Central	Similar		Similar		Similar	
Parking on/off site	Lot	Lot		Lot		Lot	
Project amenities and fee (if applicable)	See Narrative	Superior	(\$3,401)	Superior	(\$1,418)	Superior	(\$3,014)
Other	N/A						
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$ 3,400.74		<input type="checkbox"/> + <input type="checkbox"/> - \$ 1,417.50		<input type="checkbox"/> + <input type="checkbox"/> - \$ 3,013.77	
Adjusted sales price of comparables per unit		\$64,614		\$45,833		\$57,262	
8. Indicated Value by Sales Comparison		\$ 6,202,941		\$ 4,399,920		\$ 5,497,119	

Reconciliation

Capitalization \$ - Summation Comparison \$ - ** see note below

9. The market value of the subject property, as of the effective date of the appraisal, is \$ - ** 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 "consultations" 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

M. To Be Completed by Construction Cost Analyst

Site/Cost Not Attributable to Dwelling Use			Total Est. Cost of Off-Site Requirements	
	Area (s.f.)	Estimated Cost		Estimated Cost
10. Parking	_____	_____	16. Off-Site	_____
11. Garage	_____	_____		\$ _____
12. Commercial	_____	_____		\$ _____
13. Special Ext Land Improvements	_____	_____		\$ _____
14. Other	_____	_____		\$ _____
15. Total	_____	_____	17. Total Off-Site Costs	\$ _____
% land/gross area/cost	_____	_____		_____

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 know ledge and belief:

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

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	Review Appraiser	Date
	10/27/16		
State Certification Number	State	State Certification Number	State
306823	Georgia		

The Review Appraiser certifies that he/s/ 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 separate page if necessary. Appraisal reports must be kept for a minimum of five years.)

Actual occupancy based on the owner's rent roll as of 10/1900 is 100.0%.

As Is Value = \$5,375,000

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 B

Wind Villas
 Windsor Spring Rd
 Zebah, GA 30815

Rent Register Report

Report Date: October 2016

09/26/2016
 10:11 AM

Page

Unit No.	Tenant Name	Sub	Tenant Rent	Amount Paid	Due - Paid	Check No	Prev Bal Due	Balance Due
1 01	DAVIS, MARY E	HUD	\$ 164	\$ 164			\$	\$
1 02	JEFFERSON, MARY J	HUD	\$ 107	\$ 107	10/12		\$	\$
1 02	TURNER, DEBORAH	HUD	\$ 0	\$			\$	\$
1 04	WILLIAMS, TERESA E	HUD	\$ 124	\$ 107			\$	\$
1 05	ROBERTS, JAMYKA	HUD	\$ 0	\$			\$	\$
1 06	CALVIN, TANYA R	HUD	\$ 162	\$ 162			\$	\$
1 07	PATILLO, RUBAM	HUD	\$ 301	\$ 301			\$	\$
1 08	HAMMOND, TANKA M	HUD	\$ 175	\$ 178			\$	\$
1 09	SMITH, EVELYN E	HUD	\$ 72	\$ 72			\$	\$
1 14	THOMAS, LUCIOUS	HUD	\$ 82	\$ 82			\$	\$
1 14	HEDGEWATH, ASHLEY L	HUD	\$ 0	\$			\$	\$
1 14	KIM, MUN K	HUD	\$ 0	\$			\$	\$
1 13	HOCKMAN, NAN B	HUD	\$ 125	\$ 525			\$	\$
1 14	HARVEY, LADEEJE	HUD	\$ 0	\$			\$	\$
1 15	RAMOS, MICHAEL	HUD	\$ 139	\$ 139			\$	\$
1 16	THOMAS, SILARDA	HUD	\$ 341	\$ 241	10/1/16		\$	\$
2 17	JOHNSON, WELIE M	HUD	\$ 34	\$ 34			\$	\$
2 18	EDWARDS, BESSIE L	HUD	\$ 46	\$ 49			\$	\$
2 18	BAKER, EMMA J	HUD	\$ 49	\$			\$	\$
2 21	GRIFIN, TYANA	HUD	\$ 0	\$			\$	\$
2 21	NERO, PATRICK	HUD	\$ 63	\$ 63			\$	\$
2 22	MERRIWEATHER, KEMBRAT	HUD	\$ 0	\$			\$	\$
2 23	GRIFIN, JAMEKA	HUD	\$ 107	\$			\$	\$
2 24	ALLEY, SANDRA K	HUD	\$ 120	\$ 120			\$	\$
2 25	YOUNG, ERNEST C	HUD	\$ 0	\$			\$	\$
2 26	LIGHTEN, LAKEISHA L	HUD	\$ 0	\$			\$	\$
2 27	CHISOM, PARISA	HUD	\$ 0	\$			\$	\$
2 28	PARTIN, MARIE D	HUD	\$ 98	\$ 98			\$	\$
2 29	TONEY, JERAE M	HUD	\$ 0	\$			\$	\$
2 30	HENLEY, CHARLISE	HUD	\$ 0	\$			\$	\$
2 31	GRIFIN, TROVONNIF N	HUD	\$ 33	\$ 160			\$	\$
2 31	MAYS, AMBER N	HUD	\$ 0	\$			\$	\$
2 32	MONROE, UNISHEA S	HUD	\$ 0	\$			\$	\$
2 33	MANOR, QUALESIA M	HUD	\$ 0	\$			\$	\$
2 34	WILLIAMS, TETANY L	HUD	\$ 0	\$			\$	\$
2 35	NOBLE, TEIRNNA	HUD	\$ 0	\$			\$	\$
2 36	ALEXANDER, RAYANN	HUD	\$ 0	\$			\$	\$
2 37	WHITEHEAD, JASMINE	HUD	\$ 0	\$			\$	\$
2 38	Harper, Alisha I	HUD	\$ 0	\$			\$	\$
2 39	BONNER, STEPHANIE	HUD	\$ 71	\$ 71			\$	\$
2 40	MORGAN, CYNTHIA	HUD	\$ 0	\$			\$	\$
2 41	WASHINGTON, SUSAN A	HUD	\$ 156	\$ 156			\$	\$
2 42	HOUSTON, TINA	HUD	\$ 65	\$ 65			\$	\$
2 43	EASON, CRYSTAL	HUD	\$ 171	\$ 190			\$	\$
2 44	LANDERS, WYLANSKA C	HUD	\$ 0	\$			\$	\$
2 45	GARVIN, CHEVALA F	HUD	\$ 0	\$			\$	\$
2 46	PHILPOTTS, SHMOND A	HUD	\$ 25	\$			\$	\$
2 47	INGRAM, TIA R	HUD	\$ 25	\$			\$	\$
2 48	MITCHELL, KIMBERLY D	HUD	\$ 242	\$			\$	\$

August - n souths.co

Rent Register Report

Spring Rd
A30815

Report Date: October 2016

10/26/2016
10:09 AM

Page: 2

Unit No.	Tenant Name	Sub	Term Int	Amount Paid	Date Due	Acct No.	Pre-Inst Due	Balance Due
450	SHARPTON, JALICA O	HUD	\$ 0	\$			\$	\$
451	HARPER, VANESSA N	HUD	\$ 135	\$ 135			\$	\$
452	COPPING, CAMDEN I.	HUD	\$ 370	\$ N/A			\$	\$
453	IVEY, ANGEL B	HUD	\$ 0	\$			\$	\$
454	COX, DONNA	HUD	\$ 0	\$			\$	\$
455	AMOS, AMBER R	HUD	\$ 0	\$			\$	\$
456	ROBINSON, BRITTANY	HUD	\$ 0	\$			\$	\$
457	MANOR, MICHELLE T	HUD	\$ 167	\$			\$	\$
458	THOMAS, NACORAD	HUD	\$ 138	\$ 138			\$	\$
459	GOODWIN, ANNETTE W	HUD	\$ 16	\$			\$	\$
460	DEAS, SADE I.	HUD	\$ 0	\$			\$	\$
461	GREEN, SHAKREAH A	HUD	\$ 0	\$			\$	\$
462	JONES, QUINESHAT	HUD	\$ 0	\$			\$	\$
463	JAMERSON, SHANNON M	HUD	\$ 86	\$			\$	\$
464	FIELDINGS, SEQUASHIA	HUD	\$ 0	\$			\$	\$
563	HEDGEFETH, LYNELL	HUD	\$ 123	\$ 123			\$	\$
566	SCOTT, SHONTELL	HUD	\$ 219	\$ 219			\$	\$
567	EDWARDS, SHAWNIA M	HUD	\$ 312	\$			\$	\$
568	ABEL, BRIDGET M	HUD	\$ 130	\$ 130			\$	\$
569	CAMPBELL, RITAD	HUD	\$ 143	\$ 143			\$	\$
570	WALTON, JANEL R	HUD	\$ 0	\$			\$	\$
57	LOWE, TAMMIE I.	HUD	\$ 0	\$			\$	\$
572	NORMAN, APRIL D	HUD	\$ 520	\$ 520			\$	\$
673	GILYARD, DEANDRA S	HUD	\$ 0	\$			\$	\$
674	WELMAKER, KAMBRA D	HUD	\$ 0	\$			\$	\$
675	SCOTT, KASUNDR	HUD	\$ 0	\$			\$	\$
676	COLIJER, RICO LA	HUD	\$ 0	\$			\$	\$
677	WILLIAMS, WYKINA K	HUD	\$ 282	\$ 282			\$	\$
678	THOMPSON, OLIVIA D	HUD	\$ 75	\$ 75			\$	\$
679	DRAYTON, PATRICIA A	HUD	\$ 0	\$			\$	\$
680	SEALEY, SHAQUERA R	HUD	\$ 0	\$			\$	\$
681	PENNINGTON, TIFFANY M	HUD	\$ 0	\$			\$	\$
682	WASHINGTON, SERENA	HUD	\$ 0	\$			\$	\$
683	MOORE, LATASHA N	HUD	\$ 0	\$			\$	\$
684	BURCH, LATAYSHA	HUD	\$ 0	\$			\$	\$
685	LANDBURG, NYSTAZIA S	HUD	\$ 0	\$			\$	\$
686	MARTIN, SHAQUITA	HUD	\$ 0	\$			\$	\$
687	WILSON, COURTNEY I.	HUD	\$ 0	\$			\$	\$
688	HABERSHAM, TASIEKA	HUD	\$ 33	\$			\$	\$
689	WILLIAMS, LAKISHIA M	HUD	\$ 0	\$			\$	\$
690	WALLAS, LATRICA	HUD	\$ 26	\$			\$	\$
691	WALKER, LESCHIA L.	HUD	\$ 0	\$			\$	\$
752	FINNEY, TRACELE	HUD	\$ 234	\$ 234			\$	\$
753	JACKSON, SHIKINA	HUD	\$ 0	\$			\$	\$
754	BLACKWELL, JESSICA D	HUD	\$ 0	\$			\$	\$
755	SMITH, SHARFE L	HUD	\$ 0	\$			\$	\$
756	CURTIS, CHANVELL	HUD	\$ 0	\$			\$	\$
Total:				\$ 3199			\$	\$

August or earlier

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

Project-based Section 8
HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT
ONE-YEAR TERM

RECEIVED
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PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

HUD-9536

Basic Renewal Contract
One-Year Term
REV 11-05-2007

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

Project-based Section 8

**HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT¹**

ONE-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: GA060010028

Section 8 Project Number of Expiring Contract:

FHA Project Number (if applicable): 061-11153

Project Name: Richmond Villas

Project Description: 3551 Windsor Springs Road, Hephzibah, Georgia 30815

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴ National Housing Compliance

Address of Contract Administrator 1975 Lakeside Pkwy., Suite 310, Atlanta, Georgia 30084

Name of Owner August Richmond Villas, Ltd.

Address of Owner 421 Wingspan Drive, Ormond Beach, Florida 32174

2 TERM AND FUNDING OF RENEWAL CONTRACT

- a The Renewal Contract begins on October 1, 2016 and shall run for a period of one year.
- b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$618,139,⁷ an amount sufficient to provide housing assistance payments for approximately twelve months of the Renewal Contract term.
- c HUD will provide additional funding for the remainder of the Renewal Contract term subject to the availability of sufficient appropriations. When such appropriations are available, HUD will

obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f)

4 RENEWAL CONTRACT**a Parties**

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will end prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for a one-year term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing

decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a** Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b** All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
 - (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c** The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Contract rents

Throughout the Renewal Contract term, the contract rent for each bedroom size (number of bedrooms) shall be the contract rent amount listed in Exhibit A of the Renewal Contract.

b No rent adjustments

There shall be no adjustment of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.

- c If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)
Name of Contract Administrator

National Housing Compliance

By: Kimberly Lance
Signature of authorized representative
Jeffery K. Wirrick, Chief Asset Management Officer
Name and official title
Date 10/20/16

U.S. Department of Housing and Urban Development

By: Bonita R. Smith
Signature of authorized representative
Authorized Agent
Name and official title
Date 10/20/2016

Owner
Name of Owner

August Richmond Villas, Ltd.
By: [Signature]
Signature of authorized representative
L.C. RUTLES, MANAGING MEMBER
Name and title
Date 10/19/16

EXHIBIT A

IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: GA060010028

FHA Project Number (if applicable): 061-11153

Effective Date of the Rent Increase (if applicable): October 1, 2016

<u>Number of Contract Units</u>	<u>Number of Bedrooms</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
16	1 BR	\$533	\$109	\$642
64	2 BR	\$589	\$145	\$734
16	3 BR	\$761	\$184	\$945

Comments:

HUD-9636

Basic Renewal Contract
One-Year Term
REV 11-05-2007

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

¹ This form of Renewal Contract is to be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract under the authority of Section 524(a) or 524(b)(1) of MAHRA for a one-year term. Attachment 11-2 is to be used for renewals under the authority of Section 524(a) or 524(b)(1) of MAHRA for a renewal term of two or more years.

This form may not be used for Mark-Up-To-Market Renewals. The HUD prescribed form of Mark-Up-To-Market Renewal Contract must be used for this purpose.

Section 2 of the Renewal Contract specifies the date on which the one-year renewal term begins.

² To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

³ Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered Project.

If necessary, attach an exhibit with a site plan, legal description or other descriptive information. Enter a reference to the attached exhibit.

⁴ Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

⁵ Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

* The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

' Enter the amount of funding obligated.

' Enter a whole number of months.

NOTIFICATION OF SECTION 8 CONTRACT RENTS AND FUNDING

FOR (Check one): Initial Renewal Subsequent Renewal Amend Rent/BA Only

Section 8 Contract No. GA060010028 Expires on 9/30/2016

Owner Name: August Richmond Villas, Ltd.

Project Name: Richmond Villas

Project Location: 3551 Windsor Springs Rd. Hephzibah, 30815

FHA Project No.: 061-11153

**IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE
AND APPLICABLE CONTRACT RENTS**

Rent Effective Date 10/1/2016

No. Of Units	No. Of Bedrooms	Contract Rent (\$)
16	1BR	\$533
64	2BR	\$589
16	3BR	\$761

FUNDING

BUDGET AUTHORITY INCREASE: \$618,139

Contract/Renewal Effective Date 10/1/2016 Expiration Date 9/30/2017

For HUD Use Only:

Notice to Owner executed by:
HUD or CONTRACT ADMINISTRATOR

By: Kimberly B. Lance (Signature)
Kimberly B. Lance (Printed Name)
Director, Asset Managers (Official Title)
10/20/16 (Date)

2016 REHABILITATION WORK SCOPE

PROJECT NAME: Richmond Villas Apartments
 PROJECT LOCATION: 10000 Avenue Spring Road, Highfield, GA 30015
 OWNER: MDC Development
 YEAR BUILT: 1980
 UNIT COUNT: 96
 GROSS SQUARE FOOTAGE: 82896

CSI DIVISION		TRADE ITEM	Describe scope, materials, performance specifications	Percentage of total existing to be demoed or replaced	QUANTITY	UNIT (sf, lf, ea, cy, sq, etc.)	UNIT COST	TOTAL (quantity * unit cost)
New Format	Old Format							
01a	01a	Accessibility	general demo/construction for clearances. Install toilet grab bars and associated blocking, roll-in showers w/grab bars and handheld shower, pipe wrap at kitchen and bath sinks, and remote switch for range hood fan/light		5	ea	7300	\$36,500
		convert existing units to UFAS-complaint units						\$0
		retrofit existing units for Fair Housing compliance						\$0
		retrofit existing clubhouse to meet UFAS, Fair Housing, & ADA						\$0
		retrofit existing site to meet Fair Housing, ADA	install concrete curb ramps		7	ea	2500	\$17,500
		retrofit existing site to meet Fair Housing, ADA	install accessible parking signage		11	ea	130	\$1,550
		retrofit existing site to meet Fair Housing, ADA	install accessible mailbox kiosk		2	ea	8000	\$16,000
		retrofit existing site to meet Fair Housing, ADA	install metal handrails at existing concrete stairs leading to Buildings 3 & 4		70	lf	100	\$7,000
		Total (Accessibility)						\$78,250
2	2	Demolition						\$0
		site	remove existing railroad tie stairs leading to central greenspace	100	2	ea	3000	\$6,000
		existing structures	remove existing office, laundry and maintenance structures and associated utilities South of and attached to Building 7		1	allowance	20000	\$20,000
		bidg interiors: ceilings, walls, floor, plumbing, HVAC, etc.	remove existing doors and hardware, millwork, casework, plumbing fixtures, electrical fixtures, water heaters, air-handling units (furnaces), flooring, and appliances		98	units	1200	\$115,200
		bidg exteriors: siding, roofing, patios, decks, stairs, breezeways	remove existing roofing, soffits, fascia, guttering, downspouts, exterior doors and windows		7	bdgs.	28557	\$199,999
2	2	Unusual site conditions (such as lead, asbestos, mold abatement)						\$0
		lead abatement	install passive radon systems (1 per every 2 ground floor units)		1	allowance	25000	\$25,000
		radon remediation	abate ACM from existing kitchen sinks and encapsulate ACM flooring materials (reference Phase I Environmental Site Assessment)		1	allowance	20000	\$20,000
		asbestos abatement/encapsulation	mold remediation at Unit B1 HVAC closet		1	allowance	1000	\$1,000
31	2	Earthwork						\$0
		regrade for drainage control	regrade to provide positive drainage away from buildings and parking areas		1	allowance	10000	\$10,000
		regrade for elimination of erosion situations						\$0
31	2	Landscaping & Irrigation						\$0
		sodding/seeding	landscaping allowance		1	allowance	52128	\$52,128
		trees, shrubs, and annuals						\$0
		irrigation						\$0
		tree pruning, mold removal	trim/prune existing trees and remove existing yard debris		1	allowance	15000	\$15,000
31	2	Retaining walls						\$0
31	2	Site Improvements						\$0
		fencing	replace 18' gates at restricted access to Crosscreek Road	100	2	ea	10000	\$20,000
		exterior amenities construction (playground equipment)	install new playground equipment, fall protection surface and seating	new	3	pieces	7000	\$21,000
		exterior amenities construction (pavilion)	install new 16'x16' covered pavilion with (2) picnic tables and (2) bbq grills	new	1	ea	12000	\$12,000
		exterior amenities construction (park benches)	install new park benches	new	2	ea	500	\$1,000
		new Community Building	conduct new Community Building	new	1	sf	119	\$19,900
		signage	install brick monument sign	new	1	ea	7000	\$7,000
		signage	install new office directional sign	new	1	ea	200	\$200
		dumpster enclosure	install new brick 6' dumpster enclosures	new	3	ea	8000	\$24,000
		terrace treatment	treat for wood destroying pests		7	buildings	5000	\$35,000
32	2	Roads (paving)						\$0
		new asphalt parking area for new Community Building	install 1-1/2" asphalt wear surface over 6" aggregate base	new	4	spaces	2500	\$10,000
		asphalt paving repair	mill and replace 1" of asphalt	new	<2	sf	10	\$10,000
		asphalt paving repair	repair asphalt parking surface at sanitary sewer crossing		200	lf	10	\$2,000
		asphalt sealing	apply sealcoat to existing asphalt	100	75000	sf	0.3	\$22,500
		asphalt striping	stripe per site plan	100	147	spaces	70	\$10,700
32	2	Site concrete (curbs, gutters, & sidewalks)						\$0
		curb & gutter						\$0
		dumpster pads	install new concrete pads for dumpster enclosures	new	792	sf	10	\$7,920
		new sidewalks	install new concrete sidewalks to new amenities (Community Bldg., playground, and pavilion)	new	400	sf	8	\$3,200
		sidewalks	replace concrete sidewalks where deteriorated or required for accessibility		3500	sf	10	\$35,000
33	2	Site Utilities						\$0
		water service entrance lines	replace water service entrance lines to all buildings	100	400	lf	50	\$20,000
		water service meter valve pits	replace meter/valve pits	100	7	ea	500	\$3,500
		fire service						\$0
		storm water piping	replace 8" sanitary sewer service lines and cleanouts from buildings to man	100	855	lf	41	\$122,693
		sewer service						\$0
		electrical service						\$0
		gas service						\$0
		Total (Land Improvements)						\$1,015,036
3	3	Concrete (building pads & concrete)						\$0
4	4	Masonry						\$0
5	5	Metals (stair stringers, metal decking, handrails, structural steel)						\$0
		stair panel stringers	at each breezeway, install new metal stairs with concrete treads, metal hand/guard rails, and metal cane detector	100	12	ea	9500	\$114,000
		corrugated metal decking						\$0
		handrails						\$0
		structural steel						\$0
6	6	Rough Carpentry (framing, sheathing, decking)						\$0
		framing	install gable bracing per structural report		7	bdgs.	500	\$3,500
		ext wall sheathing	replace existing T1-11 sheathing with 7/16" OSB to 24" AFF	11	7278	sf	5	\$36,390
		ext roof sheathing	replace existing deteriorated sheathing with new 1/2" OSB sheathing	25	12269	sf	5	\$61,345
		fascia	replace existing deteriorated 1x8 fascia boards	25	865	lf	6	\$5,730
		floor decking						\$0
		attic draft stops	patch existing attic draftstopping as required		7	buildings	500	\$3,500
		exterior wood decks/patios and rails						\$0
6	6	Finish Carpentry (window sills, wood base, wood paneling, exterior wood trim, shutters, etc)						\$0
		exterior trim including shutters	install new 5-1/4" primed pine baseboards	100	98	units	900	\$88,400
7	7	Wall/ceiling						\$0
		insulation						\$0
		wall insulation						\$0
		roof insulation	install additional blown-in attic insulation to an R-38 total (R-22 indicated on existing plans)		7	bdgs.	5000	\$35,000
		sound insulation						\$0
		sealants	seal all penetrations with fire-rated material		80	units	200	\$19,200
7	7	Roofing						\$0

2016 REHABILITATION WORK SCOPE

PROJECT NAME: Richmond Villas Apartments YEAR BUILT: 1980
 PROJECT LOCATION: 10001 Avenue Irving Road, Hightstown, GA 30915 UNIT COUNT: 95
 OWNER: MACO Development GROSS SQUARE FOOTAGE: 82896

CSI DIVISION		TRADE/ITEM	Describe scope, materials, performance specifications	Percentage of total existing to be replaced	QUANTITY	UNIT (sf, lf, ea, cy, sq, etc.)	UNIT COST	TOTAL (quantity * unit cost)
New Format	Old Format							
		Shingles (or other roofing material)	install 30 year asphalt shingle roofing system	100	7	bldgs.	14,286	\$100,002
		gutters & downspouts	install new gutters, downspouts and splashblocks	100	7	bldgs.	8,571	\$59,997
		soffit & fascia	install new prefinished aluminum soffits and fascia	100	7	bldgs.	14,286	\$100,002
7	7	Siding/stucco	install new cement siding over housewrap and existing T1-11 sheathing	100	7	bldgs.	14,286	\$100,002
8	8	Doors & hardware	install new 6-panel masonite doors and hardware	100	723	ea	135	\$101,200
		interior doors	install new louvered doors at mechanical closets	100	19	ea	150	\$28,800
		exterior doors	install new 20 min. rated doors, frame and hardware	100	99	units	400	\$38,400
		hardware	install new doorstops	100	1040	ea	3	\$2,080
8	8	Windows/glass	install new 4x4 sliding windows	100	192	ea	350	\$67,200
		Windows	install pair of new 4x4 sliding windows	100	98	ea	550	\$52,800
		mirrors						\$0
9	9	Drywall	repair and replacement-walls		95	units	1,300	\$124,800
		repair and replacement-ceiling						\$0
9	9	Tile work	tile, surrounds					\$0
		ceramic floors						\$0
9	9	Reinforced concrete flooring	VCT sheet goods		95	units	2,200	\$211,200
		wood flooring	install new sheetrock throughout entire unit	100	95	units		\$0
9	9	Painting	interior walls		95	units	1,388	\$124,000
		ceilings	paint interior walls, ceilings, doors, and millwork	100	98	units		\$0
		doors & trim						\$0
		steel, handrails, stairs, etc.						\$0
		additional carp work (sandblasting)						\$0
10	10	Specialties	signage		95	units	80	\$5,760
		toilet accessories including framed mirrors	install new towel bars, shower bars, toilet paper holders, and medicine cabinet style mirrors	100	98	units	250	\$24,000
		fire extinguishers	install new vinyl coated wire shelving throughout	100	95	units	500	\$48,000
		shelving						\$0
		mailboxes	install over the range fire suppression canisters		95	ea	150	\$14,400
		stove-top fire suppression	install new wall splash protectors at rear wall of range		95	ea	400	\$36,000
11	11	Cabinets (incl. countertops)	unit kitchens		95	units	3,200	\$307,200
		countertops	install new kitchen cabinets (base and wall including laminate countertops)	100	95	units		\$0
11	11	Appliances	refrigerators		95	ea	550	\$52,800
		stove	install new 30" free standing range	100	95	ea	500	\$52,800
		vent hood	install range hood in UFAS Units	100	4	ea	100	\$500
		dishwasher	install new dishwashers (energy star)	100	95	ea	300	\$28,800
		microwave	install new microwave/hood combo in typical units and countertop style in UFAS Units	100	95	ea	200	\$19,200
		disposal						\$0
12	12	Blinds & Shades	install new 1" vinyl mini-blinds	100	95	units	75	\$7,200
12	12	Carpets						\$0
13	13	General construction (poor)						\$0
14	14	Elevators						\$0
21	15	Sprinklers						\$0
22	15	Plumbing	bathrooms and/or pre-fab showers		91	ea	800	\$72,800
		shower heads	replace existing tubs and clean/regrofit tile surrounds		95	ea	300	\$28,800
		tub faucets	install new tub control, diverter, shower head and drain		112	ea	350	\$38,200
		bathroom sinks	install new wall-hung lavatories, faucets & shut-offs	100	95	ea	150	\$14,400
		kitchen faucets	install new kitchen faucets		95	ea	75	\$7,200
		toilets	install new ADA style toilets	100	112	ea	400	\$44,000
		new water service-piping, valves, etc.						\$0
		new waste/vent service-piping, valves, etc.						\$0
		water heaters	install new 30 gal. natural gas (1 BR & 2BR Units)	100	80	ea	800	\$84,000
		water heaters	install new 40 gal. natural gas (3BR Units)	100	16	ea	850	\$13,600
		individual water metering						\$0
		exterior hose bibs	replace exterior hose bibs	100	14	ea	500	\$7,000
23	15	HVAC	air conditioning equipment		95	ea	1,700	\$163,200
		condensing unit pads	install new 15 SEER heat pump, disconnect and line sets	100	95	ea	100	\$9,600
		heating equipment	level existing concrete condensing unit pads	100	95	ea	1,900	\$182,400
		thermostat	install new 90% AFUE gas furnace	100	95	ea	200	\$19,200
		ductwork/ceiling	install new digital thermostats		95	ea	300	\$28,800
		ductwork	install new registers, diffusers, and return air grilles	100	95	ea		\$0
		duct insulation						\$0
		bathroom ventilation fans	install new bathroom exhaust fans (duct to exterior), with bathroom light and timer switch	100	112	ea	350	\$39,200
		solar hot water heating						\$0
26	16	Electrical	unit light fixtures		95	ea	600	\$57,600
		common area/exterior building mounted light fixtures	install new light fixtures (energy star)	100	12	bldgs.	1,000	\$12,000
		pole lights	install new breezeaway lighting	100	9	ea	1,500	\$13,500
		ceiling fans	replace pole mounted site lighting					\$0
		electrical wiring (within unit)						\$0
		outlets & light switches	replace switches/outletplates	100	95	ea	800	\$76,800
		outlets	install GFCI outlets in kitchens/baths and exteriors	100	95	ea	200	\$19,200
		distribution-breaker boxes, breakers, meters	replace circuit breakers (AFCI as req'd)	100	95	ea	300	\$70,080
		distribution-breaker boxes, breakers, meters	replace meter banks	100	16	ea	2,000	\$24,395
		meter banks						\$0
27	16	Communications Systems (cable, phone, internet, etc)	cable outlets		95	ea	250	\$24,000
		cable wiring	install new cable TV system	100	95	ea	250	\$24,000
		phone jacks	install new phone system	100	95	ea	250	\$24,000
		phone wiring (per unit)						\$0
		internet system (wireless or hard wired?)						\$0
28	16	Safety systems	smoke detectors		94	ea	500	\$47,000
		smoke detectors	install new hardwired/interconnected smoke detectors w/battery back-up	100	94	ea	500	\$47,000
		smoke detectors	install new hardwired/interconnected smoke/strobe detectors w/battery back-up in Audio/Visual Units	100	2	ea	500	\$1,000
		fire alarm system						\$0
		security alarm system						\$0
		access control system						\$0
		camera system						\$0
Subtotal (structures)								\$3,467,546
Total (Structure & Land Imprvmts & Accessibility)								\$4,561,504

PURCHASE AND SALE AGREEMENT
(Richmond Villas Apartments)

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into effective as of the 2nd day of September, 2016 (the "Effective Date"), by and between **AUGUST RICHMOND VILLAS, LLC**, a Georgia limited liability company ("Seller"), and **AUGUSTA HOUSING ASSOCIATES, L.P.**, a Georgia limited partnership, and its assigns ("Purchaser").

Background Statement

Seller owns and operates a multifamily residential apartment project for low-income tenants in Hephzibah, Georgia generally known as "Richmond Villas Apartments" (the "Project"). Purchaser desires to purchase and rehabilitate the Project utilizing low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). Seller desires to sell the Project to Purchaser on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. **Certain Definitions**. When used in this Agreement, capitalized terms, not otherwise defined in the text of this Agreement, shall have the respective meanings as set forth opposite each such term on Exhibit A attached hereto.

2. **Agreement to Purchase and Sell**. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell and convey to Purchaser at the Closing, and Purchaser agrees to purchase and take from Seller at the Closing, all of Seller's right, title, estate and interest in and to the Property.

3. **Consideration and Payment**. Purchaser agrees to pay to Seller for the Property the sum of **three million six hundred thousand dollars (\$3,600,000.00)**, subject to the adjustments provided for in this Agreement, including especially in Section 10(f) (the "Purchase Price"), as follows:

(a) **one hundred thousand dollars (\$100,000.00)** in earnest money to be deposited by Purchaser with the Title Company within three (3) business days after the Effective Date, to be held by the Title Company and administered in accordance with the terms of this Agreement (said deposit, together with any interest thereon and any additions thereto, is collectively referred to as the "Earnest Money Deposit").

(b) The balance of the Purchase Price, plus or minus prorations, shall be delivered to Seller at Closing, by wire transfer or cashier's check.

4. **Conveyance**. At Closing, Seller shall deliver to Purchaser a good and sufficient special warranty deed in form reasonably acceptable to Purchaser, its counsel and the Title Company, conveying to Purchaser fee simple, insurable title, and all of Seller's rights and obligations in and to the Land and Improvements, free and clear of all encumbrances, except only the Permitted Exceptions, duly executed by Seller (the "Deed").

5. **Due Diligence Investigation.**

(a) As promptly as feasible, Seller shall provide Purchaser with true copies of each of the items listed on Exhibit B attached hereto and incorporated herein, or provide Purchaser access to such documents for inspection, to the extent such documents are in Seller's possession or control (collectively, the "Due Diligence Documents"). In the event Seller does not provide Purchaser all Due Diligence Documents on or before the Effective Date, the Due Diligence Period (as defined below) will be extended one (1) day for each day of delay.

(b) Subject to extension as set forth above, for a period ending sixty (60) days after the Effective Date (the "Due Diligence Period"), Purchaser shall have the right to enter upon the Property at any reasonable time during business hours for the purpose of inspecting the condition of the Property, as well as the use and operation thereof and to conduct its due diligence investigation, including but not limited to the right to cause a Survey to be prepared, to determine the suitability of the Property for Purchaser's intended uses thereof ("Due Diligence Investigations"). Without limiting the generality of the foregoing, as a part of Purchaser's Due Diligence Investigations, Purchaser shall have the right to enter and inspect one hundred percent (100%) of the units at the Project (subject to the rights of tenants).

(c) At any time on or before expiration of the Due Diligence Period, Purchaser may elect to terminate this Agreement for any reason or for no reason, in which event one hundred dollars (\$100.00) of the Earnest Money Deposit shall be paid to Seller and the balance of the Earnest Money Deposit shall be paid to Purchaser. In such event, Purchaser and Seller shall have no further duty or obligation to the other and this Agreement shall thereafter be null and void, except as to provisions which are expressly specified to survive. Purchaser may make such election in its sole discretion for any material reason.

(d) Purchaser hereby agrees to protect, defend, indemnify and hold Seller harmless from and against any physical damage to property or injury to persons caused by Purchaser or its agents as a direct result of Purchaser's Due Diligence Investigations. This provision shall survive termination of this Agreement.

(e) During the Due Diligence Period and continuing thereafter until Closing, Seller hereby authorizes Purchaser to take such actions as Purchaser deems reasonably appropriate to continue to conduct its Due Diligence Investigations and to prepare for Closing.

(f) At or before Closing, Seller shall obtain the release and/or termination of any mortgages, deeds of trust, liens, encumbrances, restrictions, use or regulatory agreement(s) related to any current or prior financing of the Property (the "Releases"). Seller shall be solely responsible for any prepayment fee, premium, penalty or expense including without limitation, defeasance costs, McKinney Act payment, and other costs associated with obtaining the Releases.

(g) Purchaser shall have no duty or obligation to assume any contract, debt or obligation of Seller. As part of the Due Diligence Documents, Seller shall supply to Purchaser copies of all service contracts, equipment leases, leases or other agreements relating to the operation and maintenance of the Property and the Project (each, a "Property Agreement"). If Purchaser does not affirmatively elect to assume a Property Agreement by December 1, 2016, Seller shall terminate such contract to be effective as of Closing and shall pay any resulting termination expenses.

6. **Representations, Warranties, and Covenants.**

(a) **Seller.** Seller covenants with and represents and warrants to Purchaser as of the Effective Date that:

(i) Seller is the sole owner of the Property and is able to convey fee simple, absolute title to the Property free of any lien, claim or encumbrance other than Permitted Exceptions. Except for parties to the Leases and the Property Agreements, no party has the right to possess any portion of the Property.

(ii) Seller is and will be on the Closing Date a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Georgia. Seller has all requisite power and authority to execute and deliver, and to perform all of its obligations under this Agreement and nothing prohibits or restricts the right or ability of Seller to close the transactions contemplated hereunder and carry out the terms hereof. Seller is duly authorized to execute this Agreement and to legally bind Seller and to do all things, take all actions, and to execute and deliver all documents, agreements, instruments, certificates and other writings necessary to consummate the transactions contemplated in this Agreement. Upon written request, the Seller shall deliver to Purchaser written confirmation that Seller has received approval from all members of Seller, in form and content acceptable to Purchaser, confirming that Seller's execution of this Agreement has been duly authorized and that this Agreement constitutes an enforceable obligation of Seller.

(iii) The Due Diligence Documents will be correct and complete in all material respects to the Seller's knowledge.

(iv) Seller is the owner of, and intends by this Agreement to contract to sell, all of the Tangible and Intangible Personal Property which is used in the operation of the Project and none of the property currently used in connection with the Project is leased, owned by a management company or any related or third party.

(v) Seller has not received any notice from any governmental agency indicating, and Seller has no reason to believe, that any hazardous materials have been or are currently on or under the Project. The Project does not contain an underground storage tank.

(vi) Seller has not received any written notice of any pending or proposed (1) condemnation of any part of the Land; (2) special tax or assessment to be levied against the Property; or (3) change in the zoning classification of the Land, or (4) modification or realignment of any street or highway serving or adjoining the Land. To Seller's knowledge, there are no implied easements or rights arising by adverse possession (or any similar principle) as to the Project in favor of any party other than Seller.

(vii) To the best of Seller's knowledge, the Project conforms to all Laws, including applicable zoning, subdivision and use laws, ordinances or codes and local building and housing codes. To the best of Seller's knowledge, there is no mold in the Project. All of the apartment units in the Project are presently, and will be at Closing, available for immediate occupancy, in "rent-ready" condition. To Seller's knowledge, the Property and the Project are in good condition and repair, normal wear and tear excepted.

(viii) The HAP Contract and, to Seller's knowledge, all Licenses are in full force and effect, are assignable to Purchaser, and are free from violation, and Seller has not received any notice to the contrary. Seller has not received any rental payments pursuant to the HAP Contract that it is

not entitled to retain and there are no refunds, rebates, adjustments or repayments that Seller is obligated to make pursuant to the HAP Contract. To Seller's knowledge, the tenant income information collected by Seller, or its management agent, and remitted to HUD is true, correct and complete in all material respects.

(ix) Seller will execute and deliver to Purchaser upon execution of this Agreement, and again at Closing, a certificate in the form attached hereto as Exhibit D (the "10 Year Statement") and the representations and warranties contained therein will be true, complete, and correct in all material respects. Seller shall also cause the Title Company to deliver to Purchaser a chain of title report with respect to the Project indicating that no conveyances thereof have been made in the ten (10) year period immediately preceding the Closing.

(x) The Project is substantially assisted, financed and/or operated under Section 8 of the United States Housing Act of 1937. The Project will continue to be a federally-assisted building as set forth above at all times through the Closing Date.

(xi) Neither the Seller nor the Project has received an allocation of low-income housing tax credits within the fifteen (15) years preceding the Effective Date.

(xii) Without limiting the generality of any of the foregoing representations, Seller expressly represents and warrants that no party other than Purchaser holds any options, rights of first refusal or other rights to acquire all or any part of the Property. To the extent any party may have previously held any such rights, all such rights have been fully released and/or lapsed and are of no further force or effect.

(b) **Purchaser.** Purchaser represents and warrants to Seller as of the Effective Date (which such representations and warranties to be re-made as of Closing) that:

(i) Purchaser has the capacity and authority to execute this Agreement and perform the obligations of Purchaser under this Agreement. All action necessary to authorize the execution, delivery and performance of this Agreement by Purchaser has been taken and such action has not been rescinded or modified. Purchaser covenants, warrants, represents, and stipulates that this Agreement has been duly authorized and executed in accordance with the laws of the State of Georgia applicable to Purchaser and its sole general partner.

(ii) Purchaser is not subject to any judgment or decree of a court of competent jurisdiction or governmental agency that would limit or restrict Purchaser's right to enter into and carry out this Agreement. Purchaser is a duly organized and validly existing limited partnership, in good standing under the laws of the State of Georgia, and has the legal right, power and authority to enter into this Agreement and to perform all of its obligation hereunder, and this Agreement constitutes the legal, valid and binding obligations of Purchaser, enforceable in accordance with its terms.

(iii) Neither the execution of this Agreement nor the consummation of the transactions contemplated herein will constitute a breach under any contract or agreement to which Purchaser is a party or by which Purchaser is bound or affected.

(c) **Continued Accuracy of Representations and Warranties.** The matters set forth in Section 6(a) constitute representations and warranties by Seller which are now, and shall at the Closing, be true and correct in all material respects. The continued accuracy in all material respects of such representations and warranties is a condition precedent to Purchaser's obligation to close. Purchaser shall not be deemed to have waived any such representation or warranty unless Purchaser executes an

express, written waiver. Such representations and warranties shall survive Closing or termination of this Agreement for a period of one (1) year from the Closing Date.

7. **Actions of Seller Prior to Closing.** From the Effective Date through the Closing Date, Seller shall: (a) keep and perform all of the obligations to be performed as owner of the Property and as landlord under any Leases and Laws and to maintain replacement value insurance coverage for the Improvements and Tangible Personal Property; (b) operate the Property in the same manner as before the making of this Agreement, the same as though Seller were retaining the Property; (c) not convey the Property, nor to grant any liens or encumbrances with respect thereto; (d) remove the Property from the market and not negotiate with other purchasers beginning on the Effective Date and continuing until such time as this Agreement is terminated; and (e) permit Purchaser to have access to the Property and continue Due Diligence Investigations, as provided in Section 5(b). Seller will execute and deliver an assignment, assumption and amendment of the HAP Contract, to be completed by Purchaser in HUD's standard form and provided to Seller, to be held in escrow pending Closing (the "HAP Assignment").

8. **Closing.**

(a) The closing of the transactions described in this Agreement (the "Closing") shall occur on a date selected by Purchaser within one hundred eighty (180) days following the last day of the Due Diligence Period (the "Closing Date"), subject to the extension rights set forth in this Agreement and subject to the fulfillment or waiver in writing of the conditions to closing set forth in Section 9(a) below. Purchaser may specify an earlier Closing Date upon three (3) days prior notice to Seller (a "Closing Notice"). If Purchaser issues a Closing Notice, Purchaser shall retain the right to withdraw such notice and reschedule the Closing for another date within the time period for Closing permitted by this Agreement.

(b) Purchaser shall have the right to extend the Closing Date for two (2) additional periods of sixty (60) days each by delivering to the Title Company, prior to the Closing Date then in effect, written notice and the sum of thirty five thousand dollars (\$35,000.00) for each such extension (each, an "Additional Deposit"). The Additional Deposit shall become a part of the Earnest Money Deposit and be applied as provided in this Agreement.

9. **Conditions to Closing.**

(a) Purchaser's obligation to proceed to Closing is conditioned upon the satisfaction of the following conditions, provided that Purchaser may, in its sole discretion, elect to waive any such condition in writing: (i) all of Seller's representations and warranties made pursuant to Section 6(a) shall be and remain true and correct in every material respect; (ii) Seller shall have delivered all of the documents and other items required pursuant to Section 11(a); (iii) HUD, the Georgia Housing & Finance Authority ("GHFA"), the Seller's members and others shall have provided all necessary approvals and consents, including but not limited to the HUD Approvals; (iv) Seller shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date; (v) the Title Company is obligated to issue the Title Policy to Purchaser; (vi) all Releases shall have been obtained; (vii) Purchaser shall have received an allocation of four percent (4%) federal and state low income housing tax credits from GHFA, which allocation remains valid, available, and in effect as of the Closing Date, in an amount equal to or exceeding \$350,000 (the "LIHTCs Allocation"); (viii) Purchaser shall have received an allocation of tax exempt bonds from GHFA, which allocation remains valid, available and in effect as of the Closing Date, in amount equal to or exceeding \$6,000,000; and (ix) HUD shall have approved a post-rehab increase in the rents payable under the HAP Contract, in an amount equal to or exceeding an average of \$770 per unit per month (net of utility allowance) and on terms acceptable to Purchaser.

If any condition specified in this Section 9(a) is not timely satisfied by Seller or waived by Purchaser in writing, Purchaser shall have no obligation to close the purchase of the Property and Purchaser shall have the option to terminate this Agreement, in which event the Earnest Money Deposit shall be returned to Purchaser; provided, however, that the foregoing shall not be Purchaser's sole remedy if the condition is not satisfied due to a breach, default or misrepresentation by Seller.

(b) Seller's obligation under this Agreement to sell the Property is subject to the fulfillment at or prior to the Closing Date of the following conditions: (i) Purchaser shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date; and (ii) each and every representation and warranty made by Purchaser in this Agreement shall be true and correct in every material respect.

If any condition specified in this Section 9(b) is not timely satisfied by Purchaser or waived by Seller in writing, Seller shall have the right to terminate this Agreement, in which event the Earnest Money Deposit shall be released to Seller and no party shall have any further rights or obligations under this Agreement.

10. **Prorations and Charges.**

(a) Property, ad valorem, and similar taxes and assessments, if any, shall be prorated as of the Adjustment Date.

(b) The Earnest Money Deposit shall be credited to the Purchase Price at Closing.

(c) All prorations, adjustments and final readings shall be made effective as of midnight of the day preceding the Closing Date, unless otherwise mutually agreed to by the parties (the "Adjustment Date"), by the Title Company based on information provided by the parties, as follows: (i) Rents actually received shall be prorated for the month in which Closing occurs; (ii) Final readings and final billings for utilities shall be made as of the Adjustment Date; and (iii) Purchaser shall receive an assignment at Closing of tenant security deposits and pet deposits and other refundable miscellaneous deposits under the Leases and prepaid rent. Seller agrees not to apply security deposits to delinquent rent for tenants in possession of the Project on the Closing Date.

(d) If more accurate information regarding the amount of any expense or income item allocated at Closing becomes available within three (3) months after Closing, Purchaser and Seller mutually agree to adjust the affected proration(s) based on the more accurate information and make any necessary payments to the other party, as applicable, with reasonable promptness. Without limiting the generality of the foregoing, the parties agree to prorate payments due pursuant to the HAP Contract and if either party receives rental payments from HUD for any period(s) for which it was not the owner of the Property, it will promptly pay to the other party all of the rent, utility reimbursement, and other amounts covered by such payment which are allocable to that party's period of ownership.

(e) Seller shall be charged the following amounts at Closing: (i) any monetary encumbrances on the Property, lender's charges, expenses, and recording costs for any Releases; (ii) the cost of endorsements, if any, to the Title Policy necessary for Seller to satisfy the conditions of title required hereunder; and (iii) in the event Purchaser elects to proceed with the purchase of the Property pursuant to Section 12 (following a fire or casualty), an amount equal to Seller's insurance deductible. Purchaser shall be charged the following amounts at Closing: (A) the cost of the Title Policy (excluding endorsements which Seller chooses to purchase to satisfy the conditions of title required hereunder); (B) any costs related to Purchaser's financing; (C) the cost of the Survey; and (D) all costs, taxes, and fees

related to the recording of the Deed. Each party shall pay its own attorneys' fees, except as otherwise specifically set forth herein.

(f) In the event HUD or another governing party requires that the replacement reserve account currently maintained for the Property remain with the Property and be transferred for the benefit of Purchaser rather than be released to Seller, the Purchase Price shall be increased at Closing by an amount equal to the balance in Seller's replacement reserve account as of the Closing Date that will transfer to Purchaser as a part of the Intangible Personal Property at Closing.

11. **Deliveries.**

(a) Seller shall deliver the following to Purchaser (duly executed where applicable) through escrow at or prior to the Closing, each of which shall be in form and substance mutually acceptable to Purchaser and Seller in their judgment reasonably exercised: (i) an owner's affidavit sufficient to permit the Title Company to delete the standard exceptions from the Title Policy, a FIRPTA Affidavit and such other documents reasonably required by the Title Company in connection with the issuance of the Title Policy, each in form and substance reasonably satisfactory to the Title Company; (ii) the Deed; (iii) an assignment and assumption of Leases and any Retained Property Agreements (the "Assignment of Leases"); (iv) a closing statement identifying the prorations required hereunder, and a separate proration agreement if requested by Purchaser; (v) a bill of sale transferring the Tangible Personal Property and the Intangible Personal Property, with a warranty that Seller owns the Tangible Personal Property and the Intangible Personal Property free and clear of all liens and encumbrances; (vi) the HAP Assignment; (vii) a "drop down" certificate, updating the truth and accuracy of Seller's representations and warranties contained herein and indicating any changes which may be required to make those representations and warranties remain true and accurate in every material respect; provided, however, that if any changes are indicated, then Purchaser shall have the rights as set forth in Section 9(a) above; (viii) a Rent Roll, certified as of the Closing Date; (ix) an updated 10 Year Statement; (x) all Tenant files; and (xi) the closing statement for the transaction.

(b) Purchaser shall deliver the following to Seller (duly executed where applicable) through escrow at or prior to Closing: (i) the balance of the Purchase Price; (ii) the Assignment of Leases and the HAP Assignment; and (iii) counterparts of the other documents identified in Section 11(a) above that also require execution by Purchaser.

(c) Subject only to the rights of tenants pursuant to Leases delivered to Purchaser, Seller will deliver possession of the Property to Purchaser on the Closing Date and Seller will thereupon deliver to Purchaser the originals of all tenant Leases, all correspondence with tenants, tenant/lease files, operating statements, plans and specifications, supplies and advertising materials, booklets, keys, and other items used in connection with operation of the Property.

12. **Fire or Other Casualty.** If all or any portion of the Property, prior to the Closing, is damaged or destroyed by fire or any other cause Purchaser may, at Purchaser's option: (i) remain obligated to perform this Agreement and receive (x) all insurance proceeds received by or payable to Seller as a result of such damage or destruction and use of those proceeds and (y) a reduction in the Purchase Price equal to Seller's insurance deductible; or (ii) terminate this Agreement and no party shall have any further rights, duties, obligations or liabilities under this Agreement, except as otherwise specifically set forth herein.

13. **Condemnation and Eminent Domain.** If, prior to the Closing, all or any portion of the Property is subjected to a taking, either total or partial, by eminent domain, condemnation, or for any public or quasi-public use, which taking would not permit Purchaser to operate the Property in

substantially the same manner in which it has been historically operated, Purchaser shall have the right to either: (i) terminate this Agreement by giving written notice of termination to Seller and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth herein; or (ii) proceed to the Closing, in which case Seller shall assign to Purchaser at Closing all of the proceeds and/or awards from such condemnation action.

14. **Notices.** Any notice required or permitted to be given hereunder by the parties shall be delivered personally or served by certified or registered mail or by a nationally recognized overnight carrier or by facsimile to the parties at the addresses and fax numbers set forth below, unless different addresses or fax numbers are given by one party to the other:

As to Seller:

August Richmond Villas, LLC
Attn: Mr. Chris Kettles
421 Wingspan Drive
Ormond Beach, Florida 32174
Phone: (386) 263-8216
Fax: (386) 263-8214

As to Purchaser:

Augusta Housing Associates, L.P.
520 W. Summit Hill, Suite 903
Knoxville, Tennessee 37902
Attn: Brian M. Simmons
Phone: (865) 719-5956

With a copy to:

Van Matre, Harrison, Hollis, Taylor,
and Elliott, P.C.
1103 East Broadway
P.O. Box 1017
Columbia, MO 65205
Phone: (573) 874-7777
Fax: (573) 875-0017

and

c/o MACO Development
111 North Main Street
Clarkton, MO 63837
Attention: Jason Maddox
Phone: (573) 448-3000
Fax: (573) 448-3551

15. **Remedies.**

(a) In the event that Purchaser defaults in its obligation to proceed to the Closing of the transaction contemplated by this Agreement or otherwise fails to perform any of the covenants and agreements contained in this Agreement, Seller shall be entitled to terminate this Agreement and retain the Earnest Money Deposit as liquidated damages, in lieu of all other remedies available to Seller at law or in equity for such default

(b) In the event that Seller shall have failed on the Closing Date to have performed any of the covenants and agreements contained in this Agreement which are to be performed by Seller on or before the Closing Date or made any material misrepresentation in this Agreement, Purchaser shall have the right, as its remedies, to either (i) take any and all legal actions necessary to compel Seller's specific performance hereunder (it being acknowledged that damages at law alone would be an inadequate remedy), and to consummate the transaction contemplated by this Agreement in accordance with the provisions of this Agreement, together with recovery for Purchaser's attorneys' fees and litigation expenses, or (ii) terminate this Agreement and seek return of the Earnest Money Deposit and

recovery of the out-of-pocket expenses up to a maximum of twenty-five thousand dollars (\$25,000.00) incurred by Purchaser in pursuing the Due Diligence Investigations, the HUD Approvals and other efforts to finance and purchase the Property, in which event, except as otherwise expressly set forth herein, neither party shall thereafter have any further liability to the other.

(c) The foregoing provisions relating to liquidated damages shall not apply in any way to the indemnities provided by each party to the other pursuant to this Agreement.

16. **Brokers.** Seller and Purchaser each represent and warrant to the other that it has not dealt with any broker or finder in connection with the transaction contemplated by this Agreement. Seller and Purchaser each agrees to defend, indemnify and hold the other harmless from and against any losses, damages, costs, or expenses (including attorney's fees) incurred by such other party due to a breach of the foregoing warranty by the indemnifying party. The indemnity contained in this Section 16 shall survive Closing.

17. **Miscellaneous.** In the event any date or deadline under this Agreement falls on a Saturday, Sunday or bank-observed holiday, the deadline shall roll the next succeeding business day. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated hereby, and all prior agreements, letters of intent, term sheets, proposals, offers, counter-offers, understandings, representations and statements, oral or written, are merged into this Agreement. If any provisions of this Agreement or the application thereof to any part or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall be governed by and construed in accordance with the internal, substantive laws of the State of Georgia. Executed facsimile or PDF copies of this Agreement or any amendments hereto shall be binding upon the parties, and facsimile or PDF signatures appearing hereon or on any amendments hereto shall be deemed to be original signatures.

[Remainder of Page Intentionally Blank – Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

AUGUST RICHMOND VILLAS, LLC, a Georgia
limited liability company

By: _____

PURCHASER:

Augusta Housing Associates, L.P., a Georgia limited
partnership

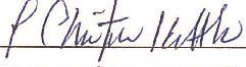
By: Augusta Housing Partners GP, L.L.C., a Georgia
limited liability company, its General Partner

By: 
Jason Maddox, Manager

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

AUGUST RICHMOND VILLAS, LLC, a Georgia
limited liability company

By: 
MARK W. MEMBER

PURCHASER:

Augusta Housing Associates, L.P., a Georgia limited
partnership

By: Augusta Housing Partners GP, L.L.C., a Georgia
limited liability company, its General Partner

By: _____
Jason Maddox, Manager

EXHIBIT A

DEFINITIONS

- (a) **Adjustment Date**: Shall have the meaning set forth in Section 10(c) of this Agreement.
- (b) **Assignment of Leases**: Shall have the meaning set forth in Section 11(a)(iii) of this Agreement.
- (c) **Closing**: Shall have the meaning set forth in Section 8 of this Agreement.
- (d) **Closing Date**: Shall have the meaning set forth in Section 8 of this Agreement.
- (e) **Deed**: Shall have the meaning set forth in Section 4 of this Agreement.
- (f) **Due Diligence Investigations**: Shall have the meaning set forth in Section 5(b) of this Agreement.
- (g) **Due Diligence Period**: Shall have the meaning set forth in Section 5(b) of this Agreement.
- (h) **Earnest Money Deposit**: Shall have the meaning set forth in Section 3(a) of this Agreement, together with all interest accrued thereon.
- (i) **HAP Assignment**: Shall have the meaning set forth in Section 7 of this Agreement.
- (j) **HAP Contract**: The Housing Assistance Payment Contract(s) affecting the Property.
- (k) **HUD**: U.S. Department of Housing and Urban Development.
- (l) **HUD Approvals**: Collectively: (A) HUD shall have approved the assignment of the HAP Contract applicable to the Project from Seller to Purchaser (including all required 2530 approvals), the pledge of the HAP Contract to Purchaser's financing sources, and an extension/renewal of the HAP Contract for at least twenty (20) additional years, with rental terms acceptable to Purchaser in its sole but reasonable discretion; (B) Seller shall have obtained HUD's permission and consent to prepay Seller's HUD-insured financing, if applicable; (C) HUD shall have approved a post-renovation increase in the rents payable under the HAP Contract, in an amount equal to or exceeding an average of \$770 per unit per month (net of utility allowance) and on terms acceptable to Purchaser; and (D) Purchaser and Seller shall have received all other approvals from HUD for the parties to be able to consummate the transactions described herein, without conditions or limitations not contemplated by this Agreement, all on terms acceptable to Purchaser, in its reasonable discretion.
- (m) **Improvements**: All buildings, fixtures, structures, parking areas, landscaping and other improvements permanently located in or on the Land as of the Effective Date, including all replacements or additions thereto between the Effective Date and the Closing Date.
- (n) **Intangible Personal Property**: A collective reference to all tradenames and trademarks associated with the Property, if any, including Seller's rights and interest in the name "Richmond Villas Apartments"; Seller's rights and interest in and to any plans, specifications, architectural and other engineering drawings for the buildings, structures and other improvements constructed on the Land; warranties, zoning approvals and Licenses (to the extent assignable), if any; all of

Seller's rights in the HAP Contract; all tenant security deposits held by Seller or its agents (in the amounts Seller is required to have on deposit pursuant to applicable law and the Leases); and tenant lists, correspondence with tenants, information regarding the tenants and Leases, manuals and other promotional materials with respect to the Property. In the event HUD or another governing party requires that the replacement reserve account currently maintained for the Property remain with the Property and be transferred for the benefit of Purchaser rather than be released to Seller, the Intangible Personal Property shall also include the balance of the Property's replacement reserve account as of Closing.

- (o) **Land:** The land used for the Project and further described on Exhibit C attached hereto and made a part hereof, together with any and all right, title and interest of Seller in and to any land lying in the bed of any street, road, alley or avenue, open or proposed, in front of or adjoining such land, as well as any riparian or water rights, any mineral rights, air rights, all rights of way or use, servitudes, licenses, easements, tenements, hereditaments and appurtenances now or hereafter belonging to or benefiting such land.
- (p) **Laws:** All laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, directions, and requirements of all governmental authorities having jurisdiction over the Property or the use or operation thereof.
- (q) **Leases:** A collective reference to all residential leases or other residential occupancy agreements pursuant to which any person has the right to occupy space in the Improvements for residential purposes, including without limitation, all amendments and modifications thereto and any new leases that may be made after the date hereof but prior to the Closing Date by Seller pursuant to the terms hereof.
- (r) **Licenses:** Any and all licenses or permits issued by any governmental authority having jurisdiction over the Property relating to the ownership or operation of the Property, including without limitation, any certificates of occupancy.
- (s) **LHITCs Allocation:** Shall have the meaning set forth in Section 9(a) of this Agreement.
- (t) **Permitted Exceptions:** (i) General real estate taxes and special assessments related to the period after the Closing Date which are a lien but are not yet due and payable at the Closing Date; (ii) rights under the Leases, subject to renewals, extensions and changes incurred in the ordinary course of Seller's business, which Leases shall be assigned to Purchaser at Closing; (iii) easements, non-monetary encumbrances, covenants, conditions, reservations and restrictions of record as disclosed in the Title Commitment, unless removed of record prior to Closing; and (iv) any matters disclosed by the Survey; provided, however, that any foregoing matter objected to by Purchaser which is not thereafter cured by Seller or expressly waived by Purchaser in writing shall not constitute a Permitted Exception.
- (u) **Property:** Collectively, the Land, the Intangible Personal Property, the Tangible Personal Property, the Leases, the Improvements and the Retained Property Agreements.
- (v) **Property Agreements:** Shall have the meaning set forth in Section 5(g) of this Agreement
- (w) **Purchase Price:** Shall have the meaning set forth in Section 3 of this Agreement.
- (x) **Releases:** Shall have the meaning set forth in Section 5(f) of this Agreement.

- (y) **Rent Roll**: A full, true and correct rent register for the Property.
- (z) **Retained Property Agreements**: The service contracts, equipment leases, leases or other agreements affecting the Property that Purchaser is willing to assume from and after Closing.
- (aa) **Rents**: All rental income from the Property and other amounts payable by tenants, residential or commercial.
- (bb) **Survey**: A survey of the Land prepared by a surveyor duly licensed in the jurisdiction in which the Land is located and certified to Purchaser and the Title Company as (i) having been prepared in accordance with current ALTA/ASCM Minimum Standard Detail Requirements and (ii) otherwise meeting the requirements of Purchaser, its lender(s) and tax credit investor(s).
- (cc) **Tangible Personal Property**: A collective reference to all machinery, appliances, equipment (including computer hardware and computer software), fixtures, furnishings, vehicles, artwork, and other tangible personal property, if any, owned by Seller and used in connection with the operation or maintenance of the Project or any part thereof, together with all replacements or additions thereto between the Effective Date and the Closing Date made in the normal course of Seller's business and consistent with past practice.
- (dd) **Title Commitment**: A commitment for an ALTA Title Insurance Policy for the Land issued by the Title Company in an amount satisfactory to Purchaser, covering Seller's interest in the Land and Improvements on or after the Effective Date.
- (ee) **Title Company**: St. Louis Title L.L.C., 7701 Forsyth Boulevard, Suite 200, St. Louis, Missouri, 63105, Attn: Nancy Napoli; phone (314) 480-4575; e-mail nnapoli@stltitle.com.
- (ff) **Title Policy**: An ALTA owner's title policy issued by the Title Company in the amount of the Purchase Price (plus such additional amount requested by Purchaser sufficient to insure the secured loans made to Purchaser and equity investments made by Purchaser's tax credit investors), in its customary form, with all standard exceptions removed, which shall insure title to the Land and Improvements to Purchaser, in form and content reasonably acceptable to Purchaser and its lender.

EXHIBIT B

DUE DILIGENCE DOCUMENTS

Certified Rent Roll for current month (and Seller's working copies of the rent rolls for the Project applicable to the preceding three (3) months)

Upon request from Purchaser to Seller, for the period beginning on the Effective Date and continuing through Closing, Seller will provide monthly Certified Rent Rolls, within five (5) business days following written notice/request from Purchaser or its agents

Documents related to current financing of the Property, if any (promissory notes, deeds of trust, mortgages, regulatory agreements, etc.), together with a copy of the current mortgage loan statement

Easements and other restrictions, liens and encumbrances on the Property

Housing Assistance Payments (HAP) Contract, including the Original and all Renewals and HUD-92458 Rent Schedules

Copies of HUD Forms 50059 for all units

Copies of all current and existing Property Agreements, including any non-residential leases (i.e. laundry facilities, cell towers, sundry store, etc.) and service agreements

Copies of real property surveys

Title insurance policies and reports

Copies of environmental assessments and written notices of environmental violations relating to the Property

Complete copies of Seller's audits for the preceding three (3) years (or financial statements certified by the Seller if the Seller/Project has not been audited for any such year) and year-to-date financials; line item detail operating statements (past three (3) years) – should include breakdown between tenant paid and HAP portion of rent revenue

Copies of Real Estate Assessment Center (REAC) annual physical assessments for the preceding five (5) years and associated correspondence to/from HUD

Copies of original plans and specifications, including architectural, mechanical, electrical, plumbing, drainage, utility, construction and any similar plans, drawings, specifications and/or blueprints

Listing of capital improvements (past five years)

Form of residential lease

Access to review all Leases and Tenant files

All Use Agreements applicable to the Property and/or the Project

All Regulatory Agreements applicable to the Property and/or Project

Copies of utility bills for the Property for the past twelve (12) calendar months

Copies of Property tax assessments, tax bills and proof of payment for the two (2) years prior to the Effective Date

Copy of insurance loss runs (five (5) years)

Copy of any employment contracts for employees of Seller (or Seller's management agent), if any, and a schedule of such employee's salaries and benefits

Access to work orders/maintenance reports concerning the Property for previous twenty-four (24) months (and copies of any such work orders/maintenance reports as requested by Purchaser)

Copy of the two (2) most recent Management Occupancy Review reports relating to the Property

Description of any non-profit or governmental organizations providing services to the Project and its tenants

If applicable, Excess Income Reporting for past five (5) years

Affirmative Fair Housing Marketing Plan that is approved by HUD and in place

Copy of warranties for roofs and other major systems

House Rules and Resident Selection Plans

Information on any pending legal actions including discrimination complaints and resident pending legal issues

Certificates for most recent: (1) fire alarm testing; (2) sprinkler & fire pump testing; (3) generator inspection; (4) boiler inspection; (5) fire extinguisher inspection; and (6) back flow inspection

504 Transition Plan and any updates

Copies of all tenant requests for reasonable accommodation submitted within the last twenty-four (24) months along with an explanation of how the request was resolved

EXHIBIT C

Legal Description

All that tract of parcel of land lying and being in the State of Georgia, County of Richmond, 86th G.M.D. being more particularly described as follows:

To locate the Point of Beginning, commence at the intersection of the southwest right-of-way of Crosscreek Road (a 70' right of way) and the northwest right of way of Windsor Spring Road (an 80' right of way); Thence run S 25 degrees 32 minutes 55 seconds West a distance of 290.29 feet along the aforesaid northwest right of way of Windsor Spring Road to a no. 4 reinforcing bar found, which marks the Point of Beginning; from said Point of Beginning, continue along the aforesaid northwest right of way of Windsor Spring Road on a bearing of South 25 degrees 32 minutes 55 seconds West a distance of 277.47 feet to a concrete monument found; thence departing from said right of way to run North 58 degrees 45 minutes 35 seconds West a distance of 199.52 feet to a concrete monument found; thence run North 58 degrees 47 minutes 35 seconds West a distance of 168.49 feet to a one-half inch open-top iron found; thence run North 58 degrees 49 minutes 5 seconds West a distance of 31.96 feet to a concrete monument found; thence run North 31 degrees 9 minutes 55 seconds East a distance of 149.95 feet to a concrete monument found; thence run North 58 degrees 47 minutes 10 seconds West a distance of 149.67 feet to a concrete monument found; thence run South 31 degrees 12 minutes 10 seconds West a distance of 150.00 feet to a concrete monument found; thence run North 58 degrees 49 minutes 5 seconds West a distance of 183.64 feet to a concrete monument found; thence run South 53 degrees Twenty Seven minutes 40 seconds West a distance of 250.00 feet to a one-half inch open-top iron set; thence run North 17 degrees 5 minutes 25 seconds East a distance of 584.04 feet to a no. 4 reinforcing bar set; thence run North 75 degrees 34 minutes 45 seconds West a distance of 146.00 feet to a no. 4 reinforcing bar set; thence run North 21 degrees 2 minutes 15 seconds East a distance of 12.00 feet to a no. 4 reinforcing set; thence run S 75 degrees 34 minutes 45 seconds East a distance of 127.90 feet to a no. 4 reinforcing bar found; thence run South 84 degrees 26 minutes 5 seconds East a distance of 391.97 feet to a no. 4 reinforcing bar found; thence run North 22 degrees 37 minutes 25 seconds East a distance of 129.79 feet to a no. 4 reinforcing bar found on the southwest right of way of Crosscreek Road; thence along the southwest right of way of Crosscreek Road following a curve to the right with a chord bearing of South 58 degrees 58 minutes 25 seconds East and a chord distance of 145.91 feet and an arc distance of 147.18 feet to a no. 4 reinforcing bar set on said right of way; thence continuing along said right of way a distance of 223.74 feet on a bearing of South 45 degrees 55 minutes 25 seconds East to a number 4 reinforcing bar set; thence continuing along said right of way on a curve to the left with a chord bearing of South 47 degrees 50 minutes 15 seconds East and a chord distance of 32.95 feet, an arc distance of 32.96 feet to a no. 8 reinforcing bar found; thence departing from said right of way run South 25 degrees 20 minutes 5 seconds West a distance of 330.97 feet to a no. 4 reinforcing bar found; thence run South 64 degrees 57 minutes 35 seconds East a distance of 199.51 feet to the Point of Beginning. Said property containing 9.8 acres, more or less.

EXHIBIT D

Seller's Sworn Statement (10-Year Rule)

The undersigned hereby certifies the following with respect to the requirements of Code Section 42(d)(2) of the Internal Revenue Code, regarding the eligibility of existing buildings for low-income housing tax credit as it relates to Richmond Villas Apartments, located in Hephzibah, Georgia:

- For the period starting with its acquisition in ____ through [DATE OF CLOSING], August Richmond Villas, LLC, a Georgia limited liability company (the "Seller"), has been, and through the date of closing will be, the continuous and sole owner of certain real estate, related improvements and amenities in and on the land consisting of an apartment complex commonly known as Richmond Villas Apartments, located in Hephzibah, Georgia (the "Property").
- That the Seller is not a related party, as described in Internal Revenue Service Code Section 42(d)(2)(D)(iii), to Richmond Villas II, L.P. (the "Purchaser") of the property.
- That the Property is (and will continue to be through the Closing Date) substantially federally assisted as follows: The Property receives Housing Assistance Payments from HUD pursuant to a HAP Contract for one hundred percent (100%) of the residential rental units at the Property.

AUGUST RICHMOND VILLAS, LLC, a Georgia
limited liability company

By: _____

Richmond Villas Apartments
Hephzibah, Georgia
061-35258
Expense Year

Dec-13

Row Labels	Sum of Amount
Advertising	\$0
Advertising and Marketing	\$0
Annual Ancillary Income	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$0
Annual Gross Potential Rental Income	\$690,476
Rent Revenue - Gross Potential	\$690,476
Tenant Assistance Payments	\$0
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$0
Decorating	\$0
Elevator Maintenance Expense	\$0
Elevator Maintenance Expense	\$0
Employee Benefits	\$85
Health Insurance and Other Employee Benefits	\$85
Workmen's Compensation	\$0
Employee Payroll Tax	\$0
Payroll Taxes (Project's Share)	\$0
Excluded Income	\$0
Financial Revenue	\$0
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Exterminating	\$0
Exterminating	\$0
Fuel	\$0
Fuel	\$0
Garbage and Trash Removal	\$18,582
Garbage and Trash Removal	\$18,582
Gas	\$1,306
Gas	\$1,306
Ground Expense	\$0
Snow Removal	\$0
Insurance	\$48,318
Fidelity Bond Insurance	\$0
Property and Liability Insurance (Hazard)	\$48,318
Lighting and Miscellaneous Power	\$9,408
Electricity	\$9,408
Management Fee	\$34,433

Management Fee	\$34,433
Misc. Taxes/Licenses	\$0
Miscellaneous Taxes, Licenses, Permits and Insurance	\$0
Other Administrative	\$22,608
Administrative Rent Free Unit	\$0
Audit Expense	\$1,750
Bad Debts	\$0
Bookkeeping Fees/Accounting Services	\$5,963
Conventions and Meetings	\$0
Legal Expense - Project	\$1,221
Management Consultants	\$0
Miscellaneous Administrative Expenses	\$75
Office Expenses	\$13,599
Other Renting Expenses	\$0
Other Maintenance	\$1,575
Miscellaneous Operating and Maintenance Expense	\$1,575
Other Operating	\$20,996
Replacement Reserves Releases Included as Expense	-\$50,774
Security Payroll/Contract	\$0
Supplies	\$71,770
Payroll	\$63,151
Manager or Superintendent Salaries	\$11,380
Office Salaries	\$0
Payroll	\$51,771
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$37,649
Real Estate Taxes	\$37,649
Repairs	\$13,071
Contracts	\$13,071
Heating/Cooling Repairs and Maintenance	\$0
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Reserves for Replacement	\$45,461
Replacement Reserve Deposits	\$45,461
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$2,145
Vacancies - Apartments	-\$2,145
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$55,115
Sewer	\$0
Water	\$55,115
(blank)	\$2,819,135
Net Rental Revenue	\$688,331

Operating Expenses	
Total Administrative Expenses	\$68,421
Total Operating and Maintenance Expenses	\$156,769
Total Operating Expenses	\$377,071
Total Other Revenue	\$0
Total Rent Revenue	\$690,476
Total Revenue	\$688,331
Total Taxes and Insurance	\$86,052
Total Utilities Expense	\$65,829
Total Vacancies	-\$2,145
(blank)	
Excluded Expense	\$0
Loss on Disposal of Assets	\$0
Grand Total	\$3,879,224

Richmond Villas Apartments
 Hephzibah, Georgia
 061-35258
 Expense Year

Dec-14

Row Labels	Sum of Amount
Advertising	\$0
Advertising and Marketing	\$0
Annual Ancillary Income	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$0
Annual Gross Potential Rental Income	\$693,124
Rent Revenue - Gross Potential	\$693,124
Tenant Assistance Payments	\$0
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$0
Decorating	\$0
Elevator Maintenance Expense	\$0
Elevator Maintenance Expense	\$0
Employee Benefits	\$0
Health Insurance and Other Employee Benefits	\$0
Workmen's Compensation	\$0
Employee Payroll Tax	\$235
Payroll Taxes (Project's Share)	\$235
Excluded Income	\$36
Financial Revenue	\$36
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Exterminating	\$0
Exterminating	\$0
Fuel	
Fuel	
Garbage and Trash Removal	\$18,933
Garbage and Trash Removal	\$18,933
Gas	\$1,286
Gas	\$1,286
Ground Expense	\$0
Snow Removal	\$0
Insurance	\$49,768
Fidelity Bond Insurance	\$0
Property and Liability Insurance (Hazard)	\$49,768
Lighting and Miscellaneous Power	\$10,795
Electricity	\$10,795
Management Fee	\$34,544

Management Fee	\$34,544
Misc. Taxes/Licenses	\$0
Miscellaneous Taxes, Licenses, Permits and Insurance	\$0
Other Administrative	\$19,221
Administrative Rent Free Unit	\$0
Audit Expense	\$7,713
Bad Debts	\$0
Bookkeeping Fees/Accounting Services	\$0
Conventions and Meetings	\$0
Legal Expense - Project	\$1,155
Management Consultants	\$0
Miscellaneous Administrative Expenses	\$0
Office Expenses	\$10,353
Other Renting Expenses	\$0
Other Maintenance	\$0
Miscellaneous Operating and Maintenance Expense	\$0
Other Operating	\$43,615
Replacement Reserves Releases Included as Expense	-\$43,785
Security Payroll/Contract	\$0
Supplies	\$87,400
Payroll	\$32,356
Manager or Superintendent Salaries	\$0
Office Salaries	\$10,265
Payroll	\$22,091
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$39,985
Real Estate Taxes	\$39,985
Repairs	\$40,835
Contracts	\$40,430
Heating/Cooling Repairs and Maintenance	\$405
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Reserves for Replacement	\$45,768
Replacement Reserve Deposits	\$45,768
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$2,240
Vacancies - Apartments	-\$2,240
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$60,541
Sewer	\$0
Water	\$60,541
(blank)	\$2,864,486
Net Rental Revenue	\$690,884

Operating Expenses	
Total Administrative Expenses	\$64,030
Total Operating and Maintenance Expenses	\$169,259
Total Operating Expenses	\$395,899
Total Other Revenue	\$0
Total Rent Revenue	\$693,124
Total Revenue	\$690,920
Total Taxes and Insurance	\$89,988
Total Utilities Expense	\$72,622
Total Vacancies	-\$2,240
(blank)	
Excluded Expense	\$0
Loss on Disposal of Assets	\$0
Grand Total	\$3,953,288

Richmond Villas Apartments
 Hephzibah, Georgia
 061-35258
 Expense Year

Dec-15

Row Labels	Sum of Amount
Advertising	\$0
Advertising and Marketing	\$0
Annual Ancillary Income	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$0
Annual Gross Potential Rental Income	\$689,727
Rent Revenue - Gross Potential	\$689,727
Tenant Assistance Payments	\$0
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$0
Decorating	\$0
Elevator Maintenance Expense	\$0
Elevator Maintenance Expense	\$0
Employee Benefits	\$0
Health Insurance and Other Employee Benefits	\$0
Workmen's Compensation	\$0
Employee Payroll Tax	\$0
Payroll Taxes (Project's Share)	\$0
Excluded Income	\$36
Financial Revenue	\$36
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Exterminating	\$0
Exterminating	\$0
Fuel	\$390
Fuel	\$390
Garbage and Trash Removal	\$19,202
Garbage and Trash Removal	\$19,202
Gas	\$1,476
Gas	\$1,476
Ground Expense	\$0
Snow Removal	\$0
Insurance	\$49,534
Fidelity Bond Insurance	\$0
Property and Liability Insurance (Hazard)	\$49,534
Lighting and Miscellaneous Power	\$11,467
Electricity	\$11,467
Management Fee	\$34,488

Management Fee	\$34,488
Misc. Taxes/Licenses	\$0
Miscellaneous Taxes, Licenses, Permits and Insurance	\$0
Other Administrative	\$22,562
Administrative Rent Free Unit	\$0
Audit Expense	\$0
Bad Debts	\$0
Bookkeeping Fees/Accounting Services	\$7,926
Conventions and Meetings	\$0
Legal Expense - Project	\$1,165
Management Consultants	\$0
Miscellaneous Administrative Expenses	\$376
Office Expenses	\$13,095
Other Renting Expenses	\$0
Other Maintenance	\$0
Miscellaneous Operating and Maintenance Expense	\$0
Other Operating	\$71,830
Security Payroll/Contract	\$0
Supplies	\$71,830
Payroll	\$75,063
Manager or Superintendent Salaries	\$0
Office Salaries	\$22,290
Payroll	\$52,773
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$39,933
Real Estate Taxes	\$39,933
Repairs	\$23,073
Contracts	\$21,603
Heating/Cooling Repairs and Maintenance	\$1,470
Replacement Reserves Releases Included as Expense	\$0
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Reserves for Replacement	\$45,768
Replacement Reserve Deposits	\$45,768
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	\$0
Vacancies - Apartments	\$0
Vacancies - Concessions	\$0
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$47,553
Sewer	\$0
Water	\$47,553
(blank)	\$2,862,359
Net Rental Revenue	\$689,727

Operating Expenses	
Total Administrative Expenses	\$79,340
Total Operating and Maintenance Expenses	\$166,878
Total Operating Expenses	\$396,571
Total Other Revenue	\$0
Total Rent Revenue	\$689,727
Total Revenue	\$689,763
Total Taxes and Insurance	\$89,467
Total Utilities Expense	\$60,886
Total Vacancies (blank)	\$0
Excluded Expense	\$0
Loss on Disposal of Assets	\$0
Grand Total	\$3,994,461

Richmond Villas Apartments

Hephzibah, Georgia

061-35258

Expense Year

Dec-16

of Months

9

Row Labels	Sum of Amount
Advertising	\$0
Advertising and Marketing	\$0
Annual Ancillary Income	\$0
Laundry and Vending Revenue	\$0
Miscellaneous Revenue	\$0
Tenant Charges	\$0
Annual Gross Potential Rental Income	\$556,010
Rental Income	\$498,834
Tenant Receipts	\$57,176
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$7,010
Decorating Supplies	\$6,360
Decorating Contract	\$650
Elevator Maintenance Expense	\$0
Elevator Maintenance Expense	\$0
Employee Benefits	\$0
Health Insurance and Other Employee Benefits	\$0
Workmen's Compensation	\$0
Employee Payroll Tax	\$0
Payroll Taxes (Project's Share)	\$0
Excluded Income	\$0
Financial Revenue	\$0
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Exterminating	\$3,975
Termite Protection	\$3,975
Fuel	\$0
Fuel	\$0
Garbage and Trash Removal	\$19,189
Garbage and Trash Removal	\$19,189
Gas	\$982
Gas	\$982
Ground Expense	\$0
Snow Removal	\$0
Insurance	\$0
Fidelity Bond Insurance	\$0
Property and Liability Insurance (Hazard)	\$0
Lighting and Miscellaneous Power	\$8,879

Electricity	\$8,879
Management Fee	\$0
Management Fee	\$0
Misc. Taxes/Licenses	\$414
Other Taxes & Licenses	\$414
Other Administrative	\$14,318
Administrative Rent Free Unit	\$0
Audit Expense	\$0
Conventions and Meetings	\$0
Management Consultants	\$0
Miscellaneous Administrative Expenses	\$0
Other Renting Expenses	\$0
Office Expense	\$5,109
Legal	\$1,259
Accounting	\$7,500
Gasoline, Oil, Mileage	\$450
Other Maintenance	\$0
Miscellaneous Operating and Maintenance Expense	\$0
Other Operating	\$0
Security Payroll/Contract	\$0
Payroll	\$10,065
Manager or Superintendent Salaries	\$0
Office Salaries	\$200
Cleaning Payroll	\$1,990
Repairs Payroll	\$7,200
Decorating Payroll	\$675
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$0
Real Estate Taxes	\$0
Repairs	\$33,112
Replacement Reserves Releases Included as Expense	\$0
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Repairs Material	\$15,653
Repairs Contract	\$15,187
Repairs HVAC	\$2,272
Reserves for Replacement	\$0
Replacement Reserve Deposits	\$0
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$41,199
Vacancies - Concessions	\$0
Returns - Negative Ren	-\$41,199
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$51,658

Sewer	\$0
Water	\$51,658
(blank)	\$1,843,637
<hr/>	
Net Rental Revenue	\$514,811
Operating Expenses	
Total Administrative Expenses	\$14,518
Total Operating and Maintenance Expenses	\$73,151
Total Operating Expenses	\$149,602
Total Other Revenue	\$0
Total Rent Revenue	\$556,010
Total Revenue	\$514,811
Total Taxes and Insurance	\$414
Total Utilities Expense	\$61,519
Total Vacancies	-\$41,199
(blank)	
Excluded Expense	\$0
<hr/>	
Loss on Disposal of Assets	\$0
Grand Total	\$2,508,050

Richmond Villas Apartments
 Hephzibah, Georgia
 061-35258

Expense Year


Budget

Row Labels	Sum of Amount
Advertising	\$600
Advertising	\$600
Annual Ancillary Income	\$9,600
Miscellaneous Revenue	\$0
Tenant Charges	\$0
Laundry/Misc. Income	\$9,600
Annual Gross Potential Rental Income	\$915,072
Tenant Assistance Payments	\$0
Gross Rent Income	\$915,072
Annual Income (Commercial)	\$0
Rent Revenue - Stores and Commercial	\$0
Decorating	\$2,520
Decorating	\$2,520
Elevator Maintenance Expense	\$0
Elevator Maintenance Expense	\$0
Employee Benefits	\$0
Health Insurance and Other Employee Benefits	\$0
Worker's Compensation	\$0
Employee Payroll Tax	\$14,064
Payroll Taxes & Benefits	\$14,064
Excluded Income	\$0
Financial Revenue	\$0
Interest Reduction Payments Revenue	\$0
Retained Excess Income	\$0
Special Claims Revenue	\$0
Exterminating	\$6,929
Exterminating	\$6,929
Fuel	\$0
Fuel	\$0
Garbage and Trash Removal	\$19,200
Garbage and Trash Removal	\$19,200
Gas	\$1,440
Gas	\$1,440
Ground Expense	\$18,000
Ground Expense	\$18,000
Insurance	\$24,000
Fidelity Bond Insurance	\$0
Insurance	\$24,000
Lighting and Miscellaneous Power	\$12,480
Electricity	\$12,480
Management Fee	\$42,997

Management Fee	\$42,997
Misc. Taxes/Licenses	\$0
Miscellaneous Taxes, Licenses, Permits and Insurance	\$0
Other Administrative	\$28,880
Administrative Rent Free Unit	\$0
Bad Debts	\$0
Conventions and Meetings	\$0
Management Consultants	\$0
Office Expenses	\$0
Telephone	\$0
Legal	\$0
Audit	\$0
Training	\$0
Other Administrative	\$28,880
Other Maintenance	\$0
Miscellaneous Operating and Maintenance Expense	\$0
Other Operating	\$0
Security Payroll/Contract	\$0
Maintenance Supply	
Payroll	\$60,336
Office Salaries	\$0
Payroll	\$60,336
Management Payroll	\$0
Personal Property Tax	\$0
Personal Property Taxes	\$0
Real Estate Tax	\$54,720
Real Estate Taxes	\$54,720
Repairs	\$28,800
Heating/Cooling Repairs and Maintenance	\$0
Replacement Reserves Released as Expense	\$0
Vehicle and Maintenance Equipment Operation and Repairs	\$0
Repairs	\$28,800
Reserves for Replacement	\$33,600
Replacement Reserve Deposits	\$33,600
Service Coordinator	\$0
Service Coordinator Expenses	\$0
Service Coordinator Income	\$0
Vacancy (Apartments)	-\$64,727
Vacancies - Concessions	\$0
Vacancy Allowance	-\$64,727
Vacancy (Commercial)	\$0
Vacancies - Stores and Commercial	\$0
Water/Sewer	\$69,000
Sewer	\$0
Water	\$69,000
(blank)	\$3,338,167
Net Rental Revenue	\$850,345

Operating Expenses	
Total Administrative Expenses	\$72,477
Total Operating and Maintenance Expenses	\$135,785
Total Operating Expenses	\$383,966
Total Other Revenue	\$9,600
Total Rent Revenue	\$915,072
Total Revenue	\$859,945
Total Taxes and Insurance	\$92,784
Total Utilities Expense	\$82,920
Total Vacancies (blank)	-\$64,727
Excluded Expense	\$0
MIP	\$0
Grand Total	\$4,615,678

ADDENDUM C

Book 00926:1996 Augusta - Richmond County
2004018569 05/11/2004 11:11:35.00
\$14.00 QUITCLAIM DEED

2004018569 Augusta - Richmond County

Prepared by:
Ingibry, Fullgust, Horns, Courington & Culbata, P.C.
P.O. Box 1408
Savannah, GA 31402
Attn: J. Daniel Fullgust
File No. 38973-001A

STATE OF GEORGIA
COUNTY OF CHATHAM

QUIT CLAIM DEED

THIS INDENTURE made this 11th day of May, 2004, between RICHMOND VILLAS, LTD., a Georgia limited partnership, Party of the First Part, and AUGUST RICHMOND VILLAS, LLC, a Georgia limited liability company, Party of the Second Part;

WITNESSETH:

THAT Party of the First Part, for and in consideration of the sum of One and No/100ths (\$1.00) Dollar and other valuable considerations, receipt whereof is hereby acknowledged, does hereby grant, bargain, convey, release and forever Quit Claim unto the Party of the Second Part, its successors and assigns, the following described property to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

TO HAVE AND TO HOLD said property, together with all and singular the rights, members, hereditaments, improvements, easements and appurtenances thereunto belonging or in anywise appertaining unto the Party of the Second Part, its successors and assigns, so that neither the Party of the First Part, its successors and assigns, nor any person or persons claiming under it shall have, claim or demand any right to the above-described property, or its appurtenances.

Book 00926:1997 Augusta - Richmond County
2004018569 05/11/2004 11:11:35.00

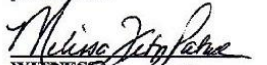
IN WITNESS WHEREOF, the Party of the First Part has hereunto set its hand and seal the day and year first above written.

RICHMOND VILLAS, LTD.,
a Georgia limited partnership

By: The August Group, Inc.

By: 
L. Christopher Kettles, President

Signed, sealed and delivered this
11th day of May, 2004, in the
presence of:


WITNESS:


NOTARY PUBLIC
County,
My commission expires:



Exhibit "A"
Legal Description

All that tract or parcel of land lying and being in the State of Georgia, County of Richmond, 86th G.M.D. being more particularly described as follows:

To locate the Point of Beginning, commence at the intersection of the southwest right-of-way of Crosscreek Road (a 70' right-of-way) and the northwest right-of-way of Windsor Spring Road (an 80' right-of-way); Thence run S25°32'55"W a distance of 290.29 feet along the aforesaid northwest right-of-way of Windsor Spring Road to a no. 4 reinforcing bar found, which marks the Point of Beginning; from said Point of Beginning, continue along the aforesaid northwest right-of-way of Windsor Spring Road on a bearing of S25°32'55"W a distance of 277.47 feet to a concrete monument found; thence departing from said right-of-way to run N58°45'35"W a distance of 199.52 feet to a concrete monument found; thence run N58°47'35"W a distance of 168.49 feet to a one-half inch open-top iron found; thence run N58°49'5"W a distance of 31.96 feet to a concrete monument found; thence run N31°9'55"E a distance of 149.95 feet to a concrete monument found; thence run N58°47'10"W a distance of 149.67 feet to a concrete monument found; thence run S31°12'10"W a distance of 150.00 feet to a concrete monument found; thence run N58°49'5"W a distance of 183.64 feet to a concrete monument found; thence run S53°27'40"W a distance of 250.00 feet to a one-half inch open-top iron set; thence run N17°5'25"E a distance of 584.04 feet to a no. 4 reinforcing bar set; thence run N75°34'45"W a distance of 146.00 feet to a no. 4 reinforcing bar set; thence run N21°2'15"E a distance of 12.00 feet to a no. 4 reinforcing set; thence run S75°34'45"E a distance of 127.90 feet to a no. 4 reinforcing bar found; thence run S84°26'5"E a distance of 391.97 feet to a no. 4 reinforcing bar found; thence run N22°37'25"E a distance of 129.79 feet to a no. 4 reinforcing bar found on the southwest right-of-way of Crosscreek Road; thence along the southwest right-of-way of Crosscreek Road following a curve to the right with a chord bearing of S58°58'25"E and a chord distance of 145.91 feet and an arc distance of 147.18 feet to a no. 4 reinforcing bar set on said right-of-way; thence continuing along said right-of-way a distance of 223.74 feet on a bearing of S45°55'25"E to a no. 4 reinforcing bar set; thence continuing along said right-of-way on a curve to the left with a chord bearing of S47°50'15"E and a chord distance of 32.55 feet, an arc distance of 32.96 feet to a no. 8 reinforcing bar found; thence departing from said right-of-way run S25°20'5"W a distance of 330.97 feet to a no. 4 reinforcing bar found; thence run S64°57'35"E a distance of 199.51 feet to the Point of Beginning.

Said property containing 9.8 acres, more or less.

Filed in this office:
Augusta - Richmond County
05/11/2004 11:11:35.00
Elaine C. Johnson
Clerk of Superior Court

**Regulatory Agreement for
Multifamily Housing Projects**

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

Book 00926:1999 Augusta - Richmond County
2004018570 05/11/2004 11:11:35.01
\$20.00 AGREEMENT
2004018570 Augusta - Richmond County

Under Sections 207, 220, 221(d)(4), 231 and 232, Except Nonprofits

Project Number 061-11153-PM-REF-LHA		Mortgagee Reilly Mortgage Group, Inc.	
Amount of Mortgage Note \$2,720,000.00		Date May 11, 2004	
Mortgage Recorded State Georgia	County Richmond	Date May 11, 2004	Originally endorsed for insurance under Section 223 (E) (4)
Book	Page		

This Agreement entered into this 11th day of May, 2004 between August Richmond Villas, LLC, a Georgia limited liability company whose address is 37 West Fairmont Avenue, Suite 208, Savannah, GA 31406

their successors, heirs, and assigns (jointly and severally, hereinafter referred to as Owners) and the undersigned Secretary of Housing and Urban Development and his successors (hereinafter referred to as Secretary).

In consideration of the endorsement for insurance by the Secretary of the above described note or in consideration of the consent of the Secretary to the transfer of the mortgaged property or the sale and conveyance of the mortgaged property by the Secretary, and in order to comply with the requirements of the National Housing Act, as amended, and the Regulations adopted by the Secretary pursuant thereto, Owners agree for themselves, their successors, heirs and assigns, that in connection with the mortgaged property and the project operated thereon and so long as the contract of mortgage insurance continues in effect, and during such further period of time as the Secretary shall be the owner, holder or reinsurer of the mortgage, or during any time the Secretary is obligated to insure a mortgage on the mortgage property:

1. Owners, except as limited by paragraph 17 hereof, assume and agree to make promptly all payments due under the note and mortgage.
2. (a) Owners shall establish or continue to maintain a reserve fund for replacements by the allocation to such reserve fund in a separate account with the mortgagee or in a safe and responsible depository designated by the mortgagee, concurrently with the beginning of payments towards amortization of the principal of the mortgage insured or held by the Secretary of an amount equal to \$ 3,157.58* per month unless a different date or amount is approved in writing by the Secretary.

*plus initial deposit of \$37,891.00 with a total of \$161,605 in the Reserve Account prior to endorsement of the Mortgage for insurance.

Such fund, whether in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America shall at all times be under the control of the mortgagee. Disbursements from such fund, whether for the purpose of effecting replacement of structural elements and mechanical equipment of the project or for any other purpose, may be made only after receiving the consent in writing of the Secretary. In the event that the owner is unable to make a mortgage note payment on the due date and that payment cannot be made prior to the due day of the next such installment or when the mortgagee has agreed to forgo making an election to assign the mortgage to the Secretary based on a monetary default, or to withdraw an election already made, the Secretary is authorized to instruct the mortgagee to withdraw funds from the reserve fund for replacements to be applied to the mortgage payment in order to prevent or cure the default. In addition, in the event of a default in the terms of the mortgage, pursuant to which the loan has been accelerated, the Secretary may apply or authorize the application of the balance in such fund to the amount due on the mortgage debt as accelerated.

- (b) Where Owners are acquiring a project already subject to an insured mortgage, the reserve fund for replacements to be established will be equal to the amount due to be in such fund under existing agreements or charter provisions at the time Owners acquire such project, and payments hereunder shall begin with the first payment due on the mortgage after acquisition, unless some other method of establishing and maintaining the fund is approved in writing by the Secretary.

3. Real property covered by the mortgage and this agreement is described in Schedule A attached hereto.

(This paragraph 4 is not applicable to cases insured under Section 232.)

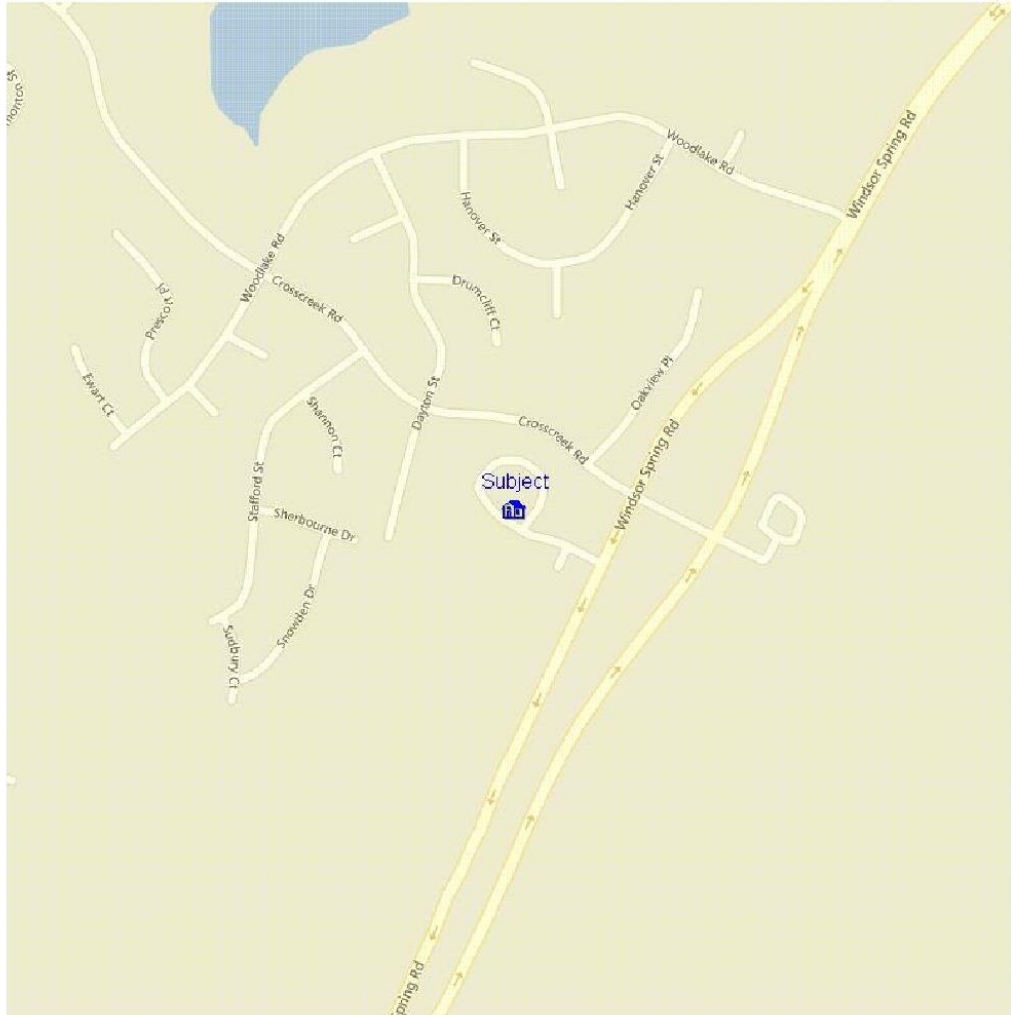
4. (a) Owners shall make dwelling accommodation and services of the project available to occupants at charges not exceeding those established in accordance with a rental schedule approved in writing by the Secretary, for any project subject to regulation of rent by the Secretary. Accommodations shall not be rented for a period of less than thirty (30) days, or, unless the mortgage is insured under Section 231, for more than three years. Commercial facilities shall be rented for such use and upon such terms as approved by the Secretary. Subleasing of dwelling accommodations, except for subleases of single dwelling accommodations by the tenant thereof, shall be prohibited without prior written approval of Owners and the Secretary and any lease shall so provide. Upon discovery of any unapproved sublease, Owners shall immediately demand cancellation and notify the Secretary thereof.
- (b) Upon prior written approval by the Secretary, Owners may charge to and receive from any tenant such amounts as from time to time may be mutually agreed upon between the tenant and the Owners for any facilities and/or services which may be furnished by the Owners or others to such tenant upon his request, in addition to the facilities and services included in the approved rental schedule. Approval of charges for facilities and services is not required for any project not subject to regulation of rent by the Secretary.
- (c) For any project subject to regulation of rent by the Secretary, the Secretary will at any time entertain a written request for a rent increase properly supported by substantiating evidence and within a reasonable time shall:

- (i) Approve a rental schedule that is necessary to compensate for any net increase, occurring since the last approved rental schedule, in taxes (other than income taxes) and operating and maintenance cost over which Owners have no effective control or;
 - (ii) Deny the increase stating the reasons therefor.
5. (a) If the mortgage is originally a Secretary-held purchase money mortgage, or is originally endorsed for insurance under any Section other than Sections 231 or 232 and is not designed primarily for occupancy by elderly persons, Owners shall not in selecting tenants discriminate against any person or persons by reason of the fact that there are children in the family.
- (b) If the mortgage is originally endorsed for insurance under Section 221, Owners shall in selecting tenants give to displaced persons or families an absolute preference or priority of occupancy which shall be accomplished as follows:
- (1) For a period of sixty (60) days from the date of original offering, unless a shorter period of time is approved in writing by the Secretary, all units shall be held for such preferred applicants, after which time any remaining unrented units may be rented to non-preferred applicants;
 - (2) Thereafter, and on a continuing basis, such preferred applicants shall be given preference over nonpreferred applicants in their placement on a waiting list to be maintained by the Owners; and
 - (3) Through such further provisions agreed to in writing by the parties.
- (c) Without the prior written approval of the Secretary not more than 25% of the number of units in a project insured under Section 231 shall be occupied by persons other than elderly persons.
- (d) All advertising or efforts to rent a project insured under Section 231 shall reflect a bona fide effort of the Owners to obtain occupancy by elderly persons.
6. Owners shall not without the prior written approval of the Secretary:
- (a) Convey, transfer, or encumber any of the mortgaged property, or permit the conveyance, transfer or encumbrance of such property.
 - (b) Assign, transfer, dispose of, or encumber any personal property of the project, including rents, or pay out any funds except from surplus cash, except for reasonable operating expenses and necessary repairs.
 - (c) Convey, assign, or transfer any beneficial interest in any trust holding title to the property, or the interest of any general partner in a partnership owning the property, or any right to manage or receive the rents and profits from the mortgaged property.
 - (d) Remodel, add to, reconstruct, or demolish any part of the mortgaged property or subtract from any real or personal property of the project.
 - (e) Make, or receive and retain, any distribution of assets or any income of any kind of the project except surplus cash and except on the following conditions:
 - (1) All distributions shall be made only as of and after the end of a semiannual or annual fiscal period, and only as permitted by the law of the applicable jurisdiction;
 - (2) No distribution shall be made from borrowed funds, prior to the completion of the project or when there is any default under this Agreement or under the note or mortgage;
- (3) Any distribution of any funds of the project, which the party receiving such funds is not entitled to retain hereunder, shall be held in trust separate and apart from any other funds; and
 - (4) There shall have been compliance with all outstanding notices of requirements for proper maintenance of the project.
 - (f) Engage, except for natural persons, in any other business or activity, including the operation of any other rental project, or incur any liability or obligation not in connection with the project.
 - (g) Require, as a condition of the occupancy or leasing of any unit in the project, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of one month's rent to guarantee the performance of the covenants of the lease. Any funds collected as security deposits shall be kept separate and apart from all other funds of the project in a trust account the amount of which shall at all times equal or exceed the aggregate of all outstanding obligations under said account.
 - (h) Permit the use of the dwelling accommodations or nursing facilities of the project for any purpose except the use which was originally intended, or permit commercial use greater than that originally approved by the Secretary.
7. Owners shall maintain the mortgaged premises, accommodations and the grounds and equipment appurtenant thereto, in good repair and condition. In the event all or any of the buildings covered by the mortgage shall be destroyed or damaged by fire or other casualty, the money derived from any insurance on the property shall be applied in accordance with the terms of the mortgage.
8. Owners shall not file any petition in bankruptcy or for a receiver or in insolvency or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy or the taking possession of the mortgaged property or any part thereof by a receiver or the seizure and sale of the mortgaged property or any part thereof under judicial process or pursuant to any power of sale, and fail to have such adverse actions set aside within forty-five (45) days.
9. (a) Any management contract entered into by Owners or any of them involving the project shall contain a provision that, in the event of default hereunder, it shall be subject to termination without penalty upon written request by the Secretary. Upon such request Owners shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to the Secretary for continuing proper management of the project.
- (b) Payment for services, supplies, or materials shall not exceed the amount ordinarily paid for such services, supplies, or materials in the area where the services are rendered or the supplies or materials furnished.
 - (c) The mortgaged property, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and subject to examination and inspection at any reasonable time by the Secretary or his duly authorized agents. Owners shall keep copies of all written contracts or other instruments which affect the mortgaged property, all or any of which may be subject to inspection and examination by the Secretary or his duly authorized agents.

ADDENDUM D

STDB

You are currently logged in as: (Amy Earnheart) on 17-Oct-2016
3551 Windsor Spring Road, Hephzibah, GA
3551 WINDSOR SPRING RD, HEPHZIBAH, GA



MAP DATA

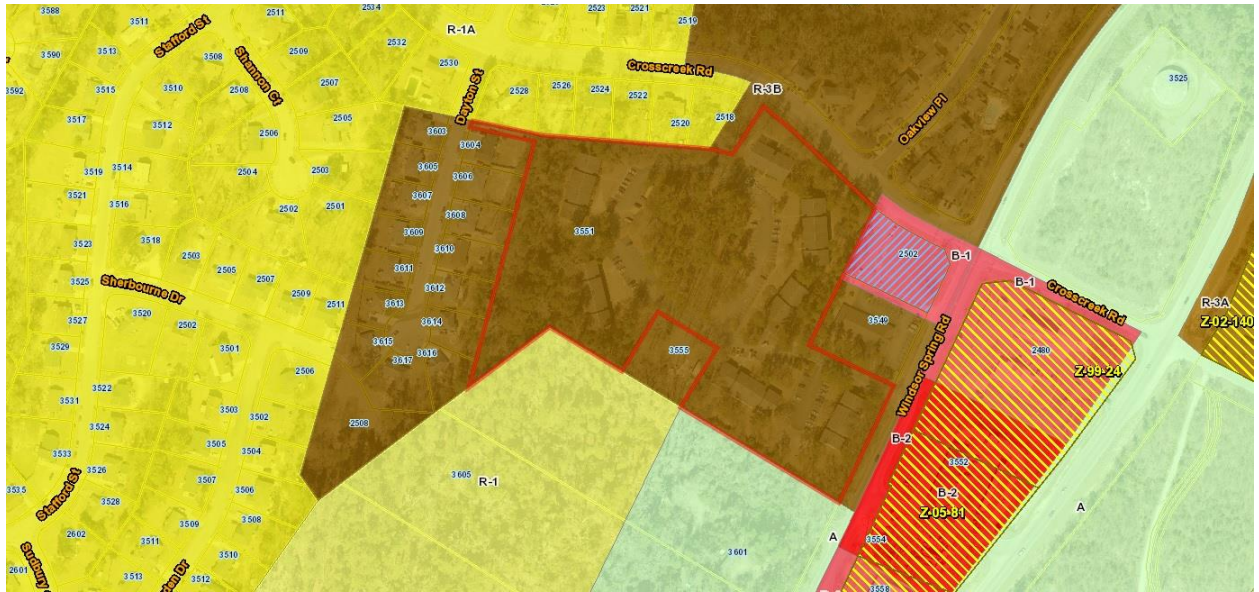
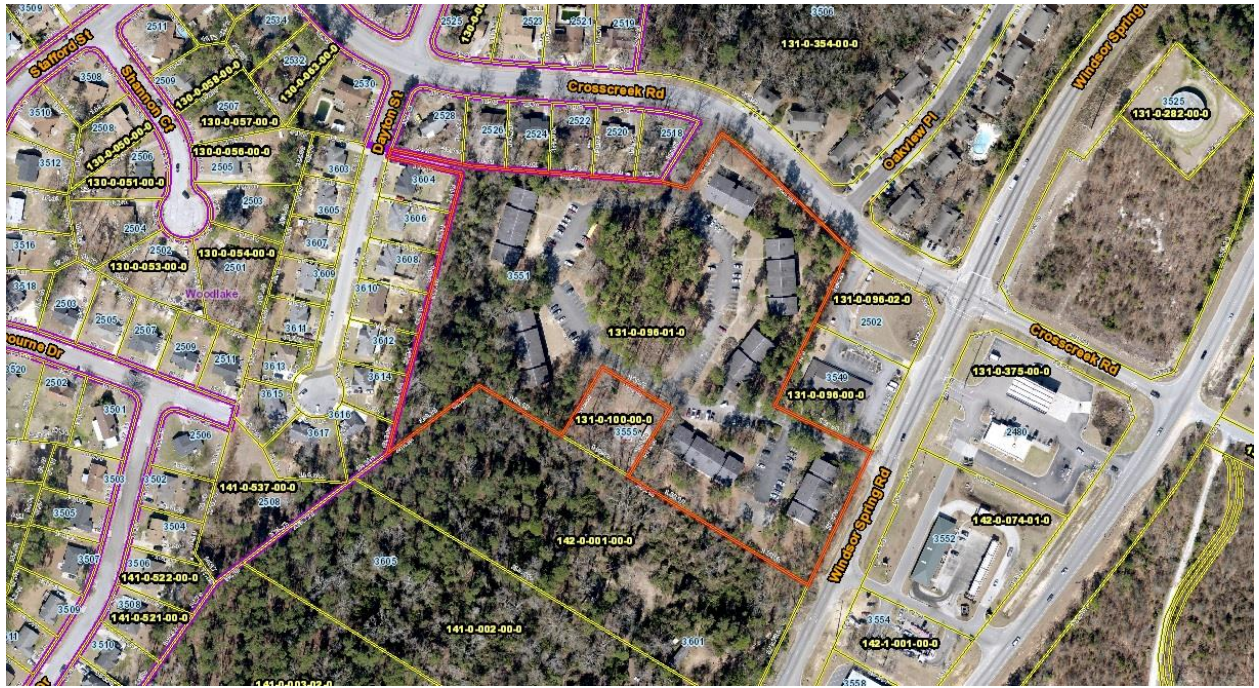
Map Number : 13245C0115F
Panel Date : September
25,2009
FIPS Code : 13245

Census Tract : 0107.08
Geo Result : S8 (Most Accurate) -
single valid address match, point
located at a single known address
point candidate (Parcel)

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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RESIDENTIAL DISTRICT CLASSIFICATIONS

SECTION 17

R-3B (MULTIPLE-FAMILY RESIDENTIAL) ZONE

17-1 Permitted Uses:

- (a) Any use permitted in the R-3A (Multiple-family Residential) Zone subject to the restrictions and regulations of the R-3A Zone;
- (b) *Single-family attached dwellings and condominiums developed in accordance with Section 13 of this Ordinance, provided that the density of dwellings shall not exceed the regulations set forth in Section 17-5 (a) of this Ordinance.*
- (c) Lodging or tourist home.
- (d) Family and group personal care homes.
- (e) Fraternity or sorority house.

17-2 Special Exception: The following may be permitted in the R-3B Zone by Special Exception:

- (a) Public parking areas, when located and developed as in Section 4 and where the area adjoins a use other than provided for in the R-1 Zone, provided such transitional use does not extend more than one hundred (100) feet from the boundary of the less restricted zone.

17-3 DELETED.

17-4 Height: Maximum height shall not exceed four (4) stories or seventy-five (75) feet, except that the height may be increased as provided for in Section 29 of this Ordinance.

17-5 Area:

- (a) Lot area per dwelling unit: The minimum lot area per dwelling unit shall be two thousand five hundred (2,500) square feet in an R-3B Zone.
- (b) Tract Area: The tract area provisions of the R-3A (Multiple-family Residential) Zone shall apply to the R-3B Zone.

17-6 Lot Coverage: The lot coverage provisions of the R-3A (Multiple-family Residential) Zone shall apply to the R-3B Zone.

17-7 Setbacks:

- (a) Front Setbacks: The front yard setback provisions of the R-3A Zone shall apply to the R-3B Zone.
- (b) Side Setbacks: The side yard setback provisions of the R-3A Zone shall apply to the R-3B Zone.
- (c) Rear Setbacks: The rear yard setback provisions of the R-3A Zone shall apply to the R-3B Zone.

17-8 Special Exceptions

Any use established as a result of a Special Exception granted per Subsection 17-2 must be initiated within six (6) months of the granting, or the Special Exception shall no longer be valid. The initiation of a use is established by the issuance of a valid business license by the Augusta Planning and Development Department or by other reasonable proof of the establishment of vested rights. If a Special Exception is granted and the use is initiated but later ceases to operate for a period of one (1) year, then the Special Exception shall no longer be valid.

Amended August 2006, Section 17-1 (b)
Amended Sept. 2004, Section 17-8

RESIDENTIAL DISTRICT CLASSIFICATIONS

SECTION 16

R-3A (MULTIPLE-FAMILY RESIDENTIAL) ZONE

16-1 Permitted Uses:

- (a) Any use permitted in the R-2 (Two-family) Zone subject to the restrictions and regulations of the R-2 Zone; and
- (b) Multiple-family dwellings.
- (c) *Single-family attached dwellings and condominiums developed in accordance with Section 13 of this Ordinance, provided that the density of dwellings shall not exceed the regulations set forth in Section 16-5 (a) of this Ordinance.*
- (d) *Family personal care homes subject to the criteria established in Section 26 of this Ordinance.*

16-2 Special Exception: The following may be permitted in the R-3A Zone by Special Exception.

- (a) Relocated to 16-1(c)
- (b) Relocated to 16-1(d)
- (c) Lodging house or tourist house.
- (d) Group personal care homes.
- (e) Fraternity or sorority houses.
- (f) Public parking areas, when located and developed as in Section 4 and where the area adjoins a use other than provided for in the R-1 Zone, provided such transitional use does not extend more than one hundred (100) feet from the boundary of the less restricted zone.

DELETED.

16-4 Height: The height provisions of the R-2 (Two-family) Zone shall apply to the R-3A Zone.

16-5 Area:

- (a) Lot area per dwelling unit: The minimum lot area per dwelling unit shall be four thousand (4,000) square feet in an R-3A Zone.
- (b) Tract Area: Every tract in an R-3A Zone shall have a minimum width of eighty (80) feet and a minimum area of ten thousand (10,000) square feet.

16-6 Lot Coverage: The lot coverage provisions of the R-2 (Two-family) Zone shall apply to the R-3A Zone.

16-7 Setbacks:

- (a) Front Setbacks: The front yard setback provisions of Sections 8-8 of this Ordinance shall apply to the R-3A (Multiple-family) Zone.
- (b) Side Setbacks: The side yard setback provisions of Sections 8-8 of this Ordinance shall apply, provided when a side yard abuts a zone described in Sections 8-8 of this Ordinance, no structure may be constructed within 25 feet of the boundary of that zone. If a six (6) foot brick or stucco wall is constructed beginning at the

front setback line and extending along the entire side property line adjoining the zone described in Sections 8-8 of this Ordinance, then the required setback shall be fifteen (15) feet. Where a side yard abuts a public street the provisions for front setbacks shall apply.

- (c) Rear Setbacks: The rear yard setback shall be the greater of twenty-five (25) feet or twenty (20) percent of the depth of the lot, but such yard need not exceed fifty (50) feet.

16-8 *Special Exceptions*

Any use established as a result of a Special Exception granted per Subsection 16-2 must be initiated within six (6) months of the granting, or the Special Exception shall no longer be valid. The initiation of a use is established by the issuance of a valid business license by the Augusta Planning and Development Department or by other reasonable proof of the establishment of vested rights. If a Special Exception is granted and the use is initiated but later ceases to operate for a period of one (1) year, then the Special Exception shall no longer be valid.

Amended May 2012, Section 16-2-(b) (c)

Amended August, 2006, Section 16-2 (b)

Amended Sept. 2004, Section 16-8

Figure 16-3 illustrates the relationship between the number of units produced and the total cost of production. The graph shows a linear relationship between the number of units produced and the total cost of production. The x-axis represents the number of units produced, and the y-axis represents the total cost of production. The line starts at the origin (0,0) and slopes upward, indicating that total cost increases as the number of units produced increases.



RESIDENTIAL DISTRICT CLASSIFICATIONS

SECTION 15

R-2 (TWO-FAMILY) ZONE

15-1 Permitted Uses:

- (a) Any use permitted in the R-1 (One-family Residential) Zone, subject to the restrictions and regulations of the R-1 Zone.
- (b) Two-family Dwellings.

15-2 Special Exception: The following may be permitted in a R-2 Zone by Special Exception.

- (a) deleted May 2012
- (b) Public parking areas, when located and developed as in Section 4 and where the area adjoins a use other than provided for in the R-1 Zone, provided such transitional use does not extend more than one (100) feet from the boundary of the less restricted zone.

15-3 Height: The height provisions of the R-1 Zone shall apply to the R-2 (Two-family Residential) Zone.

15-4 Area:

- (a) Size of Tract: The maximum size of any tract to be zoned and developed under an R-2 Zone shall be one (1) acre.
- (b) Lot area per dwelling unit: The minimum lot area per dwelling unit shall be two thousand five hundred (2,500) square feet in an R-2 Zone.
- (c) Lot Area: Every tract in an R-2 Zone shall have a minimum width of fifty (50) feet and a minimum area of five thousand (5,000) square feet.
- (d) Lot Coverage: Not more than forty percent (40%) of the lot shall be covered by buildings or structures in an R-2 Zone.

15-4 Setbacks:

- (a) Front Setbacks: The front yard setback provisions of Sections 8-11 shall apply to the R-2 (Two-family Residential) Zone.
- (b) Side Setbacks: The side yard setback provisions of Sections 8-11 of this Ordinance shall apply to the R-2 (Two-family Residential) Zone.
- (c) Rear Setbacks: The rear yard setback provisions of Sections 8-11 of this Ordinance shall apply to the R-2 (Two-family Residential) Zone.

15-5 Special Exceptions

Any use established as a result of a Special Exception granted per Subsection 15-2 must be initiated within six (6) months of the granting, or the Special Exception shall no longer be valid. The initiation of a use is established by the issuance of a valid business license by the Augusta Planning and Development Department or by other reasonable proof of the establishment of vested rights. If a Special Exception is granted and the use is initiated but later ceases to operate for a period of one (1) year, then the Special Exception shall no longer be valid.

Amended May 2012, Section 15-2(a)
Amended August, 2006, Section 15-2 (a)
Amended Sept. 2004, Section 15-5

ADDENDUM E

STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

DAVID J WARREN

306823

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

52675216

DAVID J WARREN

306823
Status ACTIVE

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

ORIGINALLY LICENSED
05/31/2008
END OF RENEWAL
10/31/2017



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

52675216

DAVID J WARREN

306823
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

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

ORIGINALLY LICENSED
05/31/2008
END OF RENEWAL
10/31/2017



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

52675216

**STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD**

SAMUEL TODD GILL

258907

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

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

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

46665602

SAMUEL TODD GILL

258907
Status **ACTIVE**

**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

ORIGINALLY LICENSED

02/06/2003

END OF RENEWAL
09/30/2017



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

46665602

SAMUEL TODD GILL

258907
Status **ACTIVE**

**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

46665602

ADDENDUM F

David Warren
512 North One Mile Road
P. O. Box 784
Dexter, Missouri 63841
573-624-6614 (phone)
573-624-2942 (fax)

OVERVIEW	Multifamily and commercial experience specializing in work for private contractors, the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program.
ACCREDITATIONS	Georgia State Certified General Real Estate Appraiser License No. GACG306823
EMPLOYMENT	Gill Group, Inc. 2015-Present Specializing in multi-family market studies, appraisals, and physical inspections. Adams on Real Estate Advisors 2013-2015 Performed duties regarding commercial real estate appraisals under the guidance of an MAI. Engaged in the appraisals of lots, large tract vacant land, office, multi-family, retail, flex-industrial properties.
EDUCATION	State University of New York Plattsburgh, NY
EXPERIENCE (2005 To Present)	Provider of appraisals for HUD, Public Housing Authorities, Property Management Companies, Non-Profit Entities, For-Profit Entities, Commercial Property Chains, Banks and Lenders everywhere.
ADDITIONAL EDUCATION	Appraisal Principles, AREA* - 09/2005 Appraisal Applications, AREA*- 10/2005 15-HR National USPAP, AREA*-10/2005 Appraisal Techniques, AREA*- 06/2006 Residential Sales Comparison & Income Approach Part 1, AREA*-04/2008 Residential Sales Comparison & Income Approach Part 2, AREA*-04/2008 Residential Market Analysis and Highest and Best Use, Career Webschool-05/2008 Residential Appraisers Site Valuation and Cost Approach, Career Webschool-05/2008 Advanced Residential Applications and Case Studies, McKissock LP-07/2009 Statistics, Modeling, and Finance, McKissock LP-08/2009 Appraisal Subject Matter Electives, McKissock LP-07/2009 2010-2011 7hr USPAP Update, Career Webschool-10/2009 Appraising FHA Today, McKissock LP-10/10 Introduction to the Uniform Dataset, McKissock LP-08/11 REO & Foreclosure Properties, McKissock LP-09/11 2-4 Family Finesse, McKissock LP-11/12 Even Odder: More Oddball Appraisals, McKissock LP-11/12 2014-2015 7-Hour National USPAP Update, Georgia Appraiser School, LLC-10/13 Income Capitalization Overview, Career Webschool-10/13 General Report Writing and Case Studies, McKissock LP-03-14 General Appraiser Income Approach, McKissock LP, 05-14 General Appraiser Site Valuation and Cost Approach, McKissock LP, 05-14 General Appraiser Sales Comparison Approach, McKissock LP, 05-14 <i>*Americas Real Estate Academy</i>

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573-624-2942 (fax)
todd.gill@gillgroup.com

OVERVIEW

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

ACCREDITATIONS

State Certified General Real Estate Appraiser
Alabama State License Number: G00548
Arizona State License Number: 31453
Colorado State License Number: CG40024048
Connecticut State License Number: RCG.0001276
District of Columbia License Number: GA11630
Georgia State License Number: 258907
Hawaii State License Number: CGA1096
Idaho State License Number: CGA-3101
Illinois State License Number: 153.0001384
Indiana State License Number: CG40200270
Iowa State License Number: CG02426
Kansas State License Number: G-1783
Louisiana State License Number: G1126
Maryland State License Number: 32017
Michigan State License Number: 1201068069
Minnesota State License Number: 40186198
Mississippi State License Number: GA-624
Missouri State License Number: RA002563
Nebraska State License Number: CG2000046R
New York State License Number: 46000039864
North Carolina State License Number: A5519
North Dakota State License Number: CG-2601
Ohio State License Number: 448306
Oklahoma State License Number: 12524CGA
Oregon State License Number: C000793
Pennsylvania State License Number: GA001813R
South Carolina State License Number: 3976
Tennessee State License Number: 00003478
Texas State License Number: 1329698-G
Utah State License Number: 5510040-CG00
Virginia State License Number: 4001 015446
Washington State License Number: 1101018
West Virginia State License Number: CG358
Wisconsin State License Number: 1078-10
Wyoming State License Number: 479

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

EXPERIENCE
(1991 TO PRESENT)

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

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

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 300 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 300 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 250 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 150 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 150 appraisal assignments under these programs.

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

**DEVELOPMENT/OWNERSHIP/
MANAGEMENT EXPERIENCE
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 500 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest. In addition, the companies combined have 100 additional multifamily units and several thousand square feet of commercial space planned for the remainder of 2015.

EDUCATION

Bachelor of Arts Degree

Southeast Missouri State University

Associate of Arts Degree

Three Rivers Community College

HUD/FHA Appraiser Training

Arkansas State Office

Multifamily Accelerated Processing Valuation (MAP)

U.S. Department of Housing and Urban Development

2nd Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)

U.S. Department of Housing and Urban Development

FHA Appraising Today

McKissock, Inc.

Texas USDA Rural Development Multifamily Housing Appraiser Training

Texas Rural Development

Kentucky USDA Rural Development Multifamily Housing Appraiser Training

Kentucky Rural Development

Financial Analysis of Income Properties

National Association of Independent Fee Appraisers

Income Capitalization

McKissock, Inc.

Introduction to Income Property Appraising

National Association of Independent Fee Appraisers

Concepts, Terminology & Techniques

National Association of Independent Fee Appraisers

Uniform Standards of Professional Appraisal Practice

Central Missouri State University

Appraisal of Scenic, Recreational and Forest Properties

University of Missouri-Columbia

Appraiser Liability

McKissock, Inc.

Appraisal Trends

McKissock, Inc.

Sales Comparison Approach

Hondros College

Even Odder: More Oddball Appraisals

McKissock, Inc.

Mortgage Fraud: A Dangerous Business

Hondros College

Private Appraisal Assignments

McKissock, Inc.

Construction Details & Trends

McKissock, Inc.

Condemnation Appraising: Principles & Applications

Appraisal Institute

Michigan Law

McKissock, Inc.

Pennsylvania State Mandated Law

McKissock, Inc.

Valuing Real Estate in a Changing Market

National Association of Independent Fee Appraisers

Principles of Residential Real Estate Appraising

National Association of Independent Fee Appraisers

Real Estate Appraisal Methods

Southeast Missouri State University

Lead Inspector Training

The University of Kansas

Lead Inspector Refresher

Safety Support Services, Incorporated

Home Inspections: Common Defects in Homes

National Association of Independent Fee Appraisers

Heating and Air Conditioning Review

National Association of Independent Fee Appraisers

Professional Standards of Practice

National Association of Independent Fee Appraisers

Developing & Growing an Appraisal Practice – Virtual Classroom

McKissock, Inc.

The Appraiser as Expert Witness

McKissock, Inc.

Current Issues in Appraising

McKissock, Inc.

2011 ValExpo: Keynote-Valuation Visionaries

Van Education Center/Real Estate

Residential Report Writing

McKissock, Inc.

The Dirty Dozen

McKissock, Inc.

Risky Business: Ways to Minimize Your Liability

McKissock, Inc.

Introduction to Legal Descriptions

McKissock, Inc.

Introduction to the Uniform Appraisal Dataset

McKissock, Inc.

Mold Pollution and the Appraiser

McKissock, Inc.

Appraising Apartments: The Basics

McKissock, Inc.

Foundations in Sustainability: Greening the Real Estate and Appraisal Industries

McKissock, Inc.

Mortgage Fraud

McKissock, Inc.

The Nuts and Bolts of Green Building for Appraisers

McKissock, Inc.

The Cost Approach

McKissock, Inc.

Pennsylvania State Mandated Law for Appraisers

McKissock, Inc.

Michigan Appraisal Law

McKissock, Inc.

Modern Green Building Concepts

McKissock, Inc.

Residential Appraisal Review

McKissock, Inc.

Residential Report Writing: More Than Forms

McKissock, Inc.

2-4 Family Finesse

McKissock, Inc.

Appraisal Applications of Regression Analysis

McKissock, Inc.

Appraisal of Self-Storage Facilities

McKissock, Inc.

Supervisor-Trainee Course for Missouri

McKissock, Inc.

The Thermal Shell

McKissock, Inc.

Even Odder – More Oddball Appraisals

McKissock, Inc.