

Lawson Montgomery Homes

Appraisal

Attached is the appraisal for Lawson Montgomery Homes. The transaction was initially structured as a sale from EHA to Bear Development. However, a ground lease is now contemplated for a term of at least 75 years.

Also included is an email from Gill Group confirming that this structure would not have a material impact on the valuation.



Debbie Schwartz <debbie@lightengalegroup.com>

FW: Eatonton, GA Appraisal

1 message

Adam Templer <adam@beardevelopment.com>

Tue, Mar 13, 2018 at 11:27 AM

To: "Debbie Schwartz (debbie@lightengalegroup.com)" <debbie@lightengalegroup.com>

See below

Adam Templer

Vice President

Bear Development, LLC

Direct: [608-230-6206](tel:608-230-6206)

Mobile: [312-405-3277](tel:312-405-3277)

adam@beardevelopment.com

From: Todd Gill [<mailto:todd.gill@gillgroup.com>]

Sent: Tuesday, March 13, 2018 10:58 AM

To: Adam Templer <adam@beardevelopment.com>

Cc: 'Mariah Hatch' <mariah.hatch@gillgroup.com>

Subject: FW: Eatonton, GA Appraisal

Hi Adam,

My apologies for not getting back to you sooner. As long as the ground lease is for 75 years or more and is for the typical \$1, then it would have no material impact on the valuation unless there are unusual stipulations in the lease (which I don't anticipate).

Thanks,

Samuel T. Gill

Gill Group, Inc.

512 N. One Mile Road, P.O. Box 784
Dexter, Missouri 63841

[573.624.6614](tel:573.624.6614)

todd.gill@gillgroup.com

Nationwide Valuation & Market Feasibility Experts

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From: Adam Templer [<mailto:adam@beardevelopment.com>]
Sent: Thursday, March 08, 2018 2:35 PM
To: Todd Gill <todd.gill@gillgroup.com>
Subject: Eatonton, GA Appraisal

Hi Todd-

You did an appraisal for us on a 114-unit development in Eatonton, GA (Eatonton Housing Authority- 208 Lawson Street). As originally contemplated it was going to be a straight purchase/sale of the property. As we have gotten into it more, we may shift to a 75 or 99 year ground lease instead. The question then is, would this shift have an impact on the appraised value? Since it is a 75 or 99 year lease, my thought is the value of what we are receiving would be the same but would like confirmation. The appraised value was \$5,080,000.

Thanks!

Adam

Adam Templer

Vice President

Bear Development, LLC

4011 80th Street

Kenosha, WI 53142

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adam@beardevelopment.com

<http://beardevelopment.com>



**Eatonton Housing Authority
208 Lawson Street
Eatonton, Georgia 31024**

**Prepared For
Mr. Adam Templer
Bear Development, LLC
4011 80th Street
Kenosha, Washington 53142**

**Date of Appraisal
June 1, 2017**

**Effective Date of Appraisal
May 23, 2017**

Appraised By

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



512 North One Mile Road * Dexter, Missouri 63841

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

June 1, 2017

Mr. Adam Templer
Bear Development, LLC
4011 80th Street
Kenosha, Washington 53142

RE: Eatonton Housing Authority
208 Lawson Street
Eatonton, Georgia 31024
"As Is" Appraisal Report
As of May 23, 2017

Dear Mr. Templer:

In accordance with your request, I have personally appraised the existing Section 8 property targeted towards families known as Eatonton Housing Authority. The site contains approximately 25.50 acres. The subject is improved with 48 one-story buildings containing 114 units and an accessory building.

The purpose of the Appraisal Report is to estimate the "as is" market value of the fee simple estate of the property. The intended users of the appraisal are Bear Development, LLC, Citi Community Capital, Federal Home Loan Bank of NY, Federal Home Loan Bank of Chicago, Raymond James Financial and Eatonton Housing Authority.

This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.

A description of the property, together with information providing a basis for estimates, is presented in the accompanying report. This appraisal is subject to the definitions, assumptions, conditions and certification contained in the attached report. During the fieldwork, it has been determined the appraised property has no natural, cultural, scientific or recreational value.

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value, subject to restricted rents, of the subject property, as of May 23, 2017, is as follows.

FIVE MILLION EIGHTY THOUSAND DOLLARS

\$5,080,000

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 my 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.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel T. Gill".

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

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EXECUTIVE SUMMARY

Name of the Property Eatonton Housing Authority

Location 208 Lawson Street, Eatonton, Putnam County, Georgia 31024

Current Owner the Housing Authority of the City of Eatonton

Type of Report "As Is" Appraisal Report

Total Land Area 25.50 acres or 1,110,780+/- square feet

Floodplain Hazard According to RiskMeter, Flood Map Number 13237C0134C, dated September 26, 2008, 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 the City of Eatonton, the subject is zoned R-3, Multifamily Residential District. The subject is a legal, conforming use.

Property Description The subject is improved with 48 one-story buildings containing 114 units and an accessory building. The net rentable area is approximately 89,632 square feet. The gross building area, according to the Putnam County Assessor's Office, is 96,972 square feet.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	28	598	16,744
2/1	46	750	34,500
3/1	36	945	34,020
4/1	4	1,092	4,368
	114		89,632

Real Estate Taxes Exempt for 2016 **Parcel Number** E006257, E006546, E006403 and E006407

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

Date of Inspection May 23, 2017 **Date of Report** June 1, 2017

Sales History of Subject According to the Putnam County Assessor's Office, the property is owned by the Housing Authority of the City of Eatonton. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. At the time of the writing of this report, no information regarding the sales contract was available.

EXECUTIVE SUMMARY VALUES

Cost Approach	Not Developed
Income Approach	\$5,080,000
Sales Comparison Approach	Not Developed

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. We have performed a Phase I Environmental Site Assessment and Physical Needs Assessment in conjunction with this report.
- ◆ 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.
- ◆ Edwin E. Walker 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.
- ◆ Edwin E. Walker provided significant professional assistance to the person signing this report. His contribution is identified in the Scope of Work section of this report. Several trainee appraisers assisted in the collection of data.



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

June 1, 2017

SCOPE OF WORK

The appraisal development and reporting process required gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not preformed. The scope of work of this appraisal assignment is outlined below:

- ◆ Samuel T. Gill analyzed the regional and local area economic profiles including employment, population, household income and real estate trends. The local area was further studied to assess the general quality and condition and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- ◆ Samuel T. Gill confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, floodplain data, zoning, easements and encumbrances, access and exposure of the site and construction materials and condition of the improvements. This process also include estimating the remaining economic life of the improvements, analysis of the subject's site coverage compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- ◆ Samuel T. Gill completed an apartment market analysis that included market and sub-market overviews. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- ◆ Samuel T. Gill conducted a Highest and Best Use analysis, if required, determining the highest and best use of the subject property As-Vacant and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion and continued use "as-is".
- ◆ Samuel T. Gill confirmed and analyzed financial features of the subject property including budgeted income/expense data, if available and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- ◆ The appraisal report is intended to satisfy the scope of work and requirements agreed upon by Bear Development, LLC and the engaged appraiser. The client requested a full narrative appraisal in the engagement letter.
- ◆ I understand the Competency Rule of USPAP and the author of this report meets the standards.
- ◆ No one provided significant real property appraisal assistance to the appraiser signing this certification, except as noted on the following page.

- ◆ Samuel T. Gill, a State Certified General Real Estate Appraiser, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this appraisal.
 - The property was originally inspected on February 22, 2017. Edwin E. Walker, a Market Analyst, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics Edwin E. Walker inspected all common areas and at least one unit of each varying type. On May 23, 2017an exterior inspection of the subject property was made.
 - Edwin E. Walker and Samuel T. Gill researched comparable apartment rental activity in the subject market and competing locations. The research retrieve data from several of the following: internet sites, local newspapers and rental publications, town records, owners and managers of local apartment properties, local real estate brokers, fellow appraisers and the appraiser's office files.
 - During the week of May 23, 2017, Edwin E. Walker inspected the exterior of each comparable property used in the analysis. In addition, the report was written based on the extraordinary assumption that nothing of significance has changed to when they were originally inspected on February 22, 2017. As a result, the effective date of the valuation is May 23, 2017.
 - During the verification process, Edwin E. Walker or one of his associates talked with the managers or leasing agents of the comparable properties, to confirm all data and to collect additional information about each comparable, including size, age, amenities, occupancy rates and general market information. Whenever possible, floor plans and brochures were obtained, which describe the comparable properties unit size, feature and amenities.
 - Samuel T. Gill completed all data and adjustments on the analysis and determined all value conclusions determined in the appraisal.

INTRODUCTION

Identification of the Subject Property

The property appraised is the land and improvements known as Eatonton Housing Authority. The site is located at 208 Lawson Street, Eatonton, Putnam County, Georgia.

Legal Description

See Addendum A.

Past Five Years Sales History of the Subject

According to the Putnam County Assessor's Office, the property is owned by the Housing Authority of the City of Eatonton. The property has not transferred ownership within the past five years. The property is currently under contract to be sold. At the time of the writing of this report, no information regarding the sales contract was available.

Property Rights Appraised

The subject is an existing Section 8 property applying for an agency source loan. Section 8 facilities are typically subject to a restrictive-use agreement that places restriction on the property for a specified period of time. These restrictions pertain to the use, transfer and operation of the property, including rent limits and restriction on tenant eligibility based on income. Since the subject will be encumbered with restrictive-use agreements, the property rights appraised are the fee simple estate, subject to short-term leases and the fee simple estate, as restricted, subject to short term leases.

Purpose of the Appraisal

The purpose of the Appraisal Report is to estimate the "as is" market value of the fee simple estate of the property. The date of the inspection and the effective date of the as is value are both May 23, 2017.

Function of the Appraisal

The function of this appraisal is to aid the client, Bear Development, LLC and Citi Community Capital, Federal Home Loan Bank of NY, Federal Home Loan Bank of Chicago, Raymond James Financial and Eatonton Housing Authority in the decision-making process involved in evaluating the value of the subject property.

Client

Bear Development, LLC

Intended Use of Report

This appraisal report is intended for the sole purpose of assisting the client in the decision-making process involving financing.

Intended Users of Report

The intended users of the appraisal are Bear Development, LLC, Citi Community Capital, Federal Home Loan Bank of NY, Federal Home Loan Bank of Chicago, Raymond James Financial and Eatonton Housing Authority.

Extent of the Investigation (Scope)

As part of this appraisal, the appraiser made a number of independent investigations and analyses. The investigations undertaken and the major data sources used are as follows: City of Eatonton, the Putnam County Recorder; the Putnam County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; Walkscore.; ESRI Business Information Solutions; and Nielsen Claritas and Ribbon Demographics.

Area and Neighborhood Analyses

Primary data was gathered pertaining to the subject neighborhood and the area during the week of May 22, 2017, to May 25, 2017. This information was analyzed and summarized in this report. Area data was obtained from the City of Eatonton; the Putnam County Recorder; the Putnam County Assessor; United States Bureau of Labor Statistics; United States Census Bureau; ESRI Business Information Solutions; Walkscore; and 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.

Improvement and Description Analyses

Detailed descriptions of the site are included in this report. Interior and exterior photographs of the buildings at the subject are included in this report. Exterior photos of the rent comparables are also included in this report.

Statement of Competency

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

Market Data

Market data on land sales were obtained from the subject neighborhood in Eatonton and the surrounding area. Market data on improved sales and leased properties were obtained from Eatonton and the surrounding area. The improved sales were obtained from parties involved with the sales. Summaries of the sales and leases are included in this report.

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

Reasonable Exposure Time

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

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

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

Historical Evidence

Due to the scope of the assignment, there were no confirmed sales in the immediate market area.

Supply and Demand Relationships

A survey of apartment complexes in Eatonton, Georgia, and the surrounding area indicate that they are not owner-occupied. The Income Approach discusses similar apartment complexes in Eatonton, Putnam County, 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 2.80 percent for the first quarter of 2017. During the same period a year ago, the market rent change rate ranged from 0.00 to 6.00 percent, with an average of 3.18 percent.

The changes in expenses range from 2.00 to 4.00 percent, with an average of 2.73 percent (first quarter of 2017). The survey for a year ago indicated a range of expenses from 2.00 to 4.00 percent, with an average of 2.91 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 the comparables were on the market. The 2017 First Quarter National Apartment Market Survey conducted by PwC Real Estate Investor Survey indicated a range of one to nine months for marketing time. In accordance with the Uniform Standards of Professional Appraisal Practice, special financial arrangements and related special situations were not used in estimating the value of the property. In accordance with the Uniform Standards of Professional Appraisal Practice; the appraisal was completed using the current or anticipated use of the property as an apartment complex without regard to the highest and best use.

Estimated Marketing Time

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

Definition of Terms

Market Value

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

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

Market Value, Subject to Restricted Rents

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

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

It considers any rent limits, rent subsidies, expense abatements or restrictive-use conditions imposed by any government or non-government financing sources but does not consider any favorable financing involved in the development of the property.²

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015.

² Attachment 7-A of Chapter 7 of the USDA RD Handbook HB-1-3560

“As-Is” Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.³

Prospective Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.⁴

Investment Value

The specific value of an investment to a particular investor or class of investors based on individual requirements; as distinguished from market value, which is impersonal and detached.⁵ Investment value of the leased fee estate is determined utilizing the subject’s contract rents, historical and projected subject expenses and an overall capitalization rate based on the subject’s mortgage terms.

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.

Leased 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.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015.

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

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015.

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.

Special Limited 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. As noted in the Scope of Work section of the report, the appraiser inspected the exterior of the comparable properties. Our comparable database automatically includes pictures we have recently taken. The only time a comparable picture is replaced is when the inspection shows a material change. Otherwise, the pictures shown in the report are representative of how the comparables looked during the inspection.

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*

There are no hypothetical conditions for this appraisal.

20. Extraordinary Assumptions*

The value was determined under the extraordinary assumption that nothing of significance has changed since the inspection in February 2017.

*The use of a hypothetical condition or 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**

DESCRIPTIVE SECTION

Regional and Area Data and Area Maps

The following data on the City of Eatonton and Putnam 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 Eatonton is located in Putnam County which is located in the central portion of Georgia. Nearby cities include Greensboro, Covington, Milledgeville and Augusta. Putnam County has the following boundaries: North – Morgan County; East – Greene and Hancock Counties; South – Baldwin and Jones Counties; and West – Jasper County.

Utilities

The City of Eatonton provides water and natural gas services to the residents of the city. Electricity is provided by Georgia Power and Tri-County EMC. Basic phone service is provided by AT&T.

Health Care

Eatonton Health and Rehabilitation and Health Care Plus, LLC are health care centers located in Eatonton that serves the residents of the city and the surrounding area.

Transportation

Major highways in Putnam County include U.S. Highways 129 and 441 and State Highways 16, 44, 142 and 212. Middle Georgia Regional Airport is approximately 52 miles from the city Macon. Norfolk Southern is available in the area for passenger rail service. Putnam County Transit provides public bus transportation.

Population and Employment Statistics

CENSUS - 2015

	City	County	State
Population	6,486	21,247	10,006,693
Households	3,046	12,748	4,133,065
Renter Occupied	1,030	2,257	1,310,665

LABOR STATISTICS

COUNTY				
	Labor Force	Employment	Unemployment	Unemployment Rate
2010	9,053	7,883	1,170	12.9
2015	7,799	7,170	629	8.1
March 2017	8,049	7,558	491	6.1

STATE				
	Labor Force	Employment	Unemployment	Unemployment Rate
2010	4,696,676	4,202,052	494,624	10.5
2015	4,787,364	4,502,021	285,343	6.0
March 2017	5,015,061	4,774,174	240,887	4.8

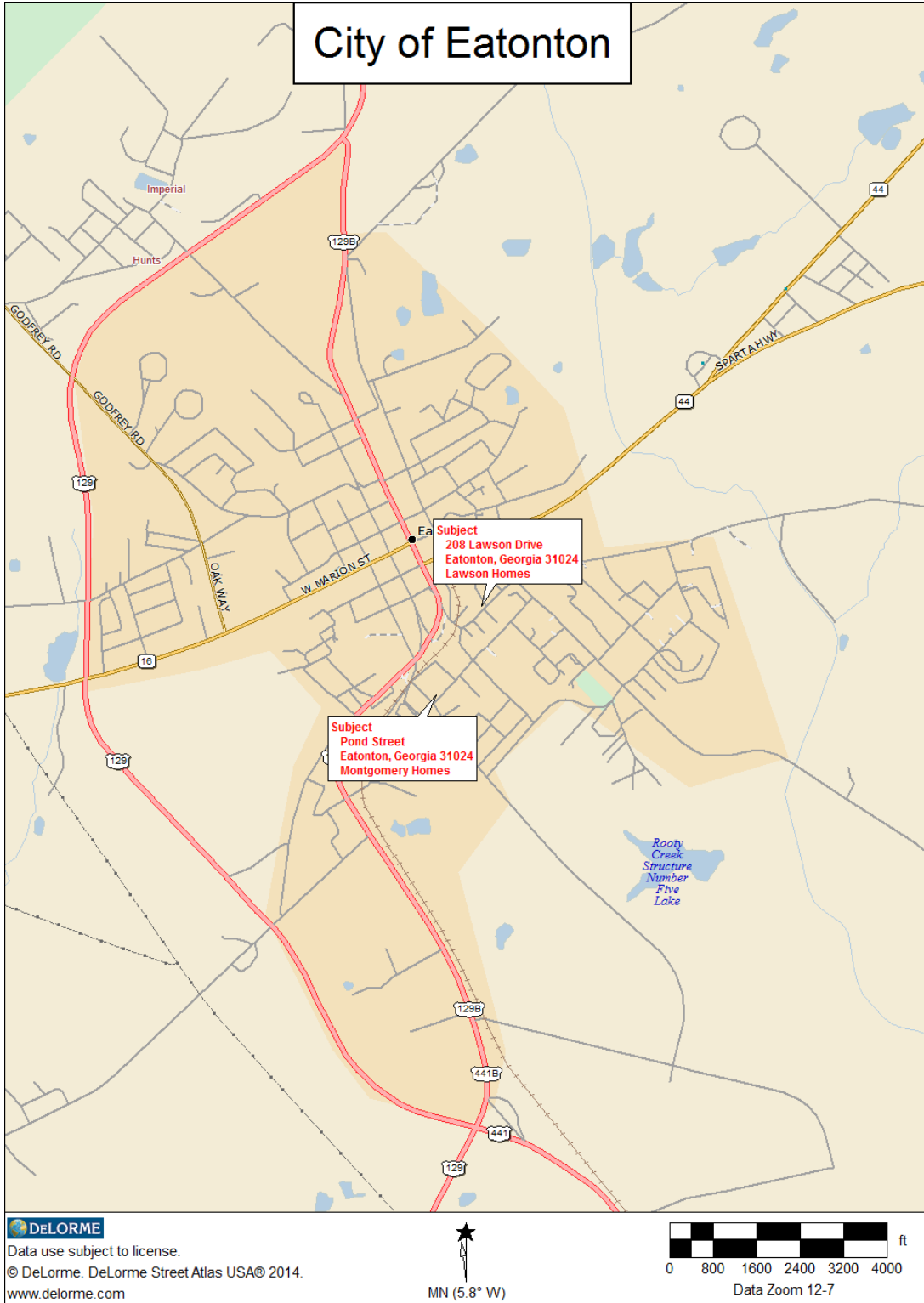
Major Employers

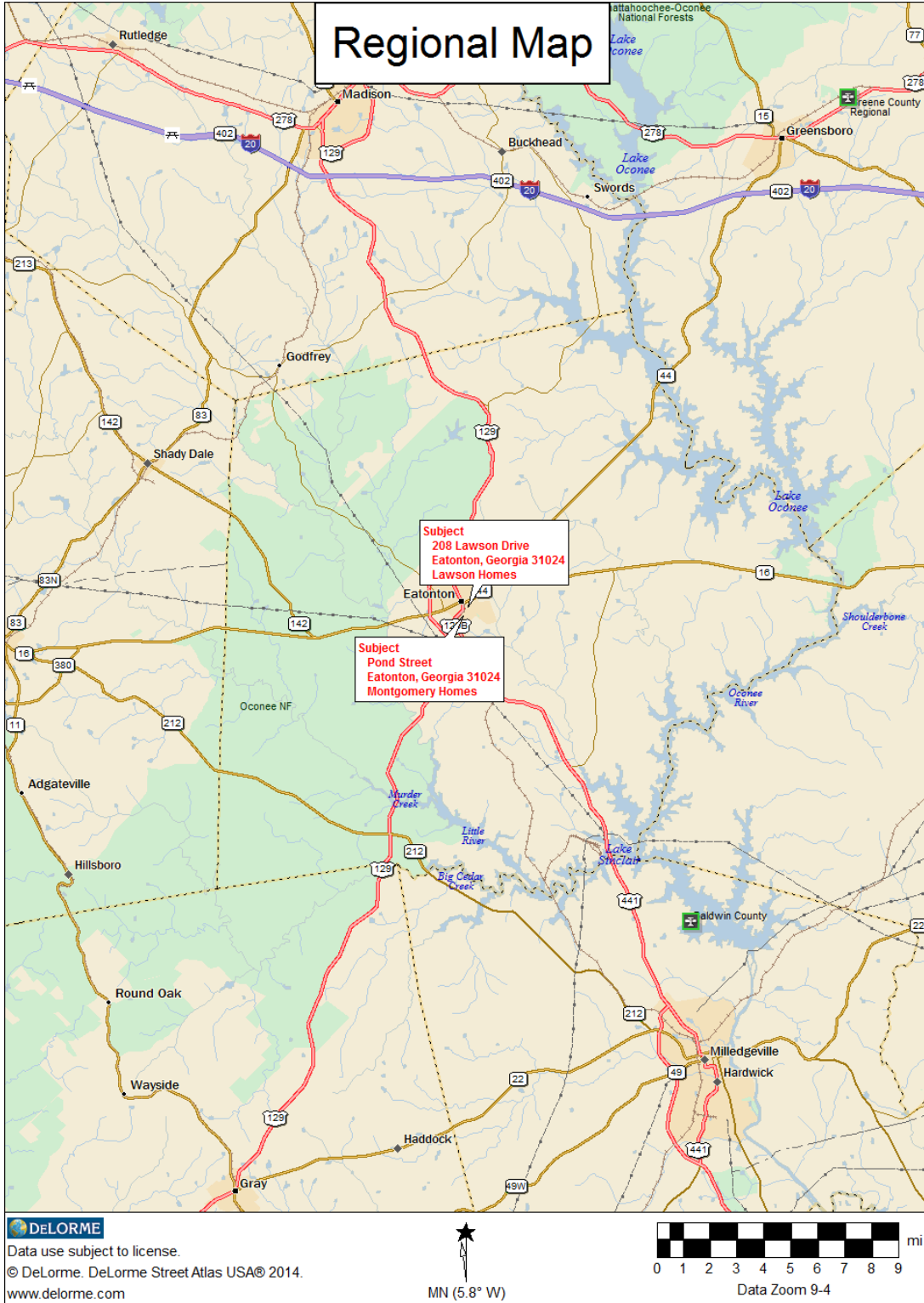
Major employers for the area, the product or industry and number of employees are shown in the following table:

Employer	Product/Industry	No. of Employees
Putnam County Charter School System	Education	460
Haband Company, Inc.	Distribution	281
Putnam County Government	Government	160
Legacy Housing Ltd.	Manufacturing	140
Interfor	Manufacturing	109
Rose Acre Farms	Agriculture	90
Aalto Scientific / AUDIT MicroControls	Manufacturing	88
Putnam General Hospital	Healthcare	88
OceanLink/Gemi Trucking	Distribution	86
Walmart Associates, Inc.	Retail	79
Eatonton Health & Rehabilitation	Healthcare	78
Health Care Plus / Harmony Hospice	Healthcare	70
Farmers & Merchants Bank	Finance	60
Gro Tec, Inc.	Manufacturing	60
City of Eatonton	Government	58
UFP Eatonton, Inc.	Manufacturing	58
Cuscowilla on Lake Oconee	Hospitality	52
Gatewood Schools, Inc.	Education	52

Summary and Conclusions

Eatonton is a city located in the central portion of Georgia. The unemployment rate for the county has lowered significantly since 2015. The economic outlook for future growth and development appears to be stable.





Neighborhood Data

Location

The subject property is located in the central portion of the City of Eatonton, Georgia. The neighborhood has good attractiveness and appeal. The neighborhood has the following boundaries: North – State Highway 44, Grand Avenue and Oconee Springs Road; South – New Street and Hogan Boulevard; East - New Street and West – Hogan Industrial, South Washington Street and U.S. Highway 441

Access

The neighborhood is accessed by State Highway 44, Grand Avenue, Oconee Springs Road, New Street, Hogan Boulevard, Hogan Industrial, South Washington Street and U.S. Highway 441. There are additional roads running north to south and west to east that provide access to the neighborhood as well. Street widths and patterns appear to be adequate for the surrounding uses.

Proximity to Services

Restaurants	
0.1 mi	Popeyes® Louisiana Kitchen
0.1 mi	Mc Donald's
0.2 mi	Wings & Things
0.3 mi	Cuco's Mexican Restaurant Inc
0.3 mi	Smith's Coastal Grill
0.8 mi	Pizza Hut
0.8 mi	Pronto Slice N Pasta
0.8 mi	Tastee Chick
1.5 mi	Huddle House
1.7 mi	Backyard Grill
1.8 mi	DQ Grill & Chill Restaurant
1.9 mi	KFC
1.9 mi	Zaxby's Chicken Fingers & Buffalo Wings
1.9 mi	Taco Bell

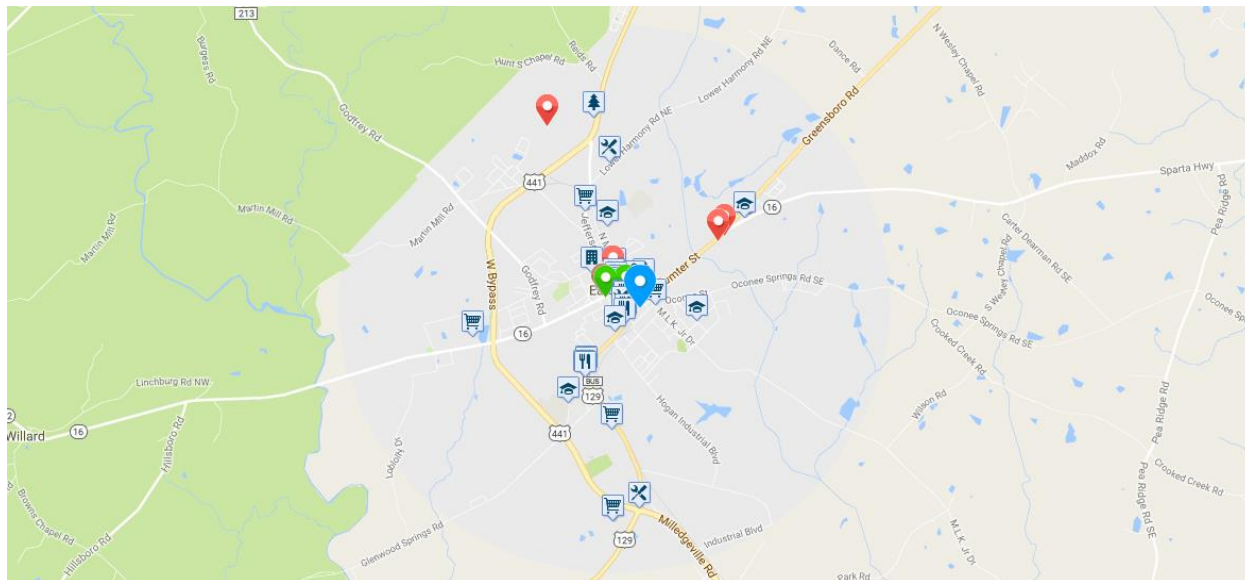
Groceries	
0.1 mi	Eatonton Hometown Foods
0.2 mi	Buster Pantry
0.4 mi	Piggly Wiggly
1 mi	Lucerito
1.1 mi	Edwards Produce
1.5 mi	Ingles Markets
2 mi	Walmart Supercenter

Schools	
0.3 mi	Putnam County Elementary School
0.6 mi	Putnam County Alternative Success School
0.8 mi	Gatewood Schools
1.1 mi	Putnam County Primary School
1.3 mi	Putnam County Middle School
6.3 mi	Putnam County High School
9.5 mi	Redeemer Episcopal Academy

Shopping	
0.2 mi	Y M Mart
0.2 mi	On Cloud 9 Boutique
0.2 mi	The Clothing Depot
0.3 mi	Pretty In Pink
0.3 mi	Scrub Up
9.4 mi	The Sew Zone USA
9.6 mi	Camille & Co
10 mi	Franks International Footwear, Inc.

Banks	
0.2 mi	The Peoples Bank
0.3 mi	Farmers & Merchants Bank

Medical Facilities	
1 mi	Eatonton Medical And Surgical Center
1.9 mi	Putnam County Health Department
9.6 mi	Lake Oconee Urgent & Specialty
9.7 mi	Absolute Medical
14 mi	Family Medical of Lake Oconee
16 mi	FastTrack Immediate Care



Land Use Pattern

The subject neighborhood is comprised primarily of single-family residences and is 95 percent built up. Approximately 70 percent of the land use is made up of single-family residences. About 15 percent is comprised of multifamily dwellings. Another 10 percent of the land use is made up of commercial properties. The remaining five percent is vacant land. The area is mostly suburban.

Neighborhood Characteristics

The subject is located in the City Center neighborhood, according to Neighborhood Scout. The median real estate price of the neighborhood is \$88,037, which is less expensive than 78.3 percent of the neighborhoods in Georgia and 78.3 percent of the neighborhoods in the United States. The average rental price in the neighborhood is \$676, according to Neighborhood Scout, which is lower than 91.2 percent of all Georgia neighborhoods.

The neighborhood has 40.2 percent of the working population employed in sales and service jobs. Another 28.4 percent of the residents are employed in manufacturing and laborer occupations. clerical, assistant, and tech support occupations make up 16.2 percent, and 14.4 percent are employed in executive, management, and professional occupations.

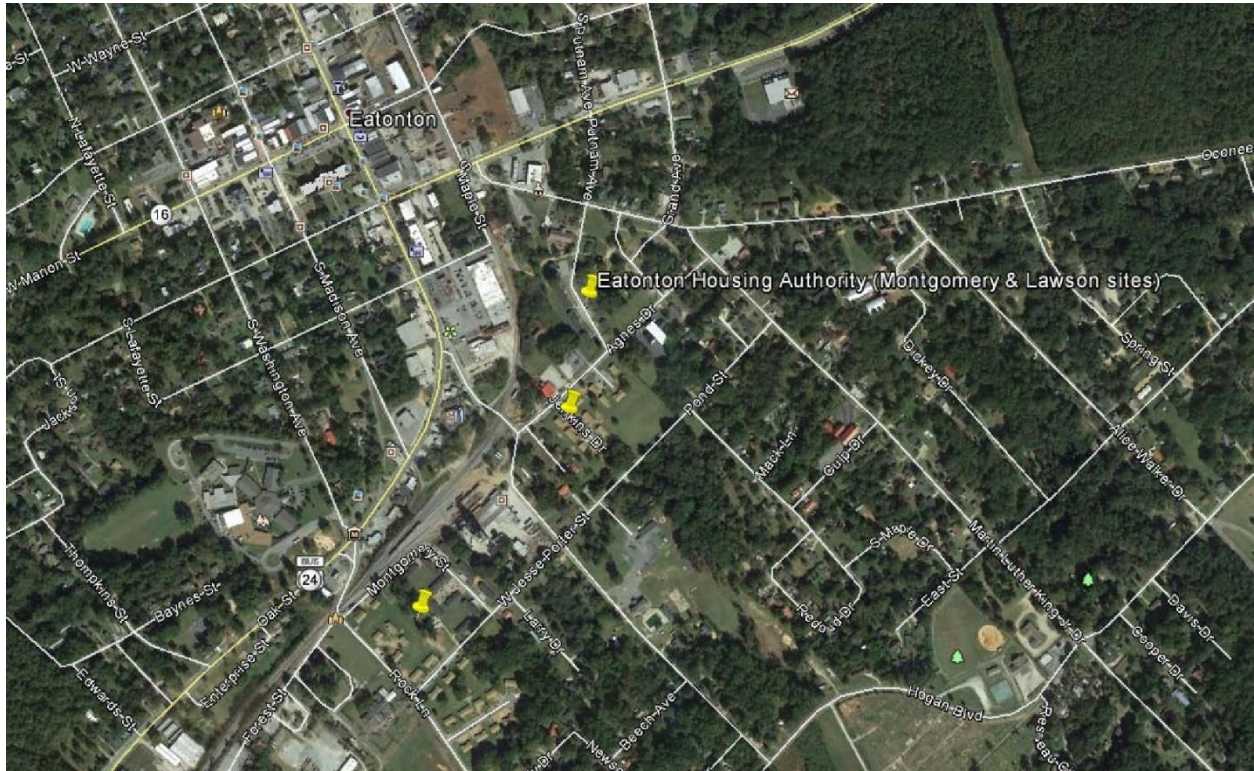
According to Neighborhood Scout, the school quality rating is 29 (100 is the best). The neighborhood is served by the Putnam County School District which contains five schools and approximately 2,795 students. The school district quality is considered better than 40.5 percent of Georgia school districts.

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 100 years. The subject

neighborhood is in good condition with good appeal. There are no rent controls affecting the marketability of the subject.

Neighboring Property Use

The neighborhood is comprised primarily of single-family residences. Single-family residences and commercial properties are located north of the site. Single-family residences and God of Peace Ministries are located south of the site. Single-family residences and commercial properties are located east of the subject. Single-family residences and commercial properties are located west of the subject.



Adverse Influences

There are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area. According to Neighborhood Scout, the crime index for the neighborhood is 20 (100 is the safest). There is a 1 in 91 chance of becoming a victim of a violent crime and a 1 in 27 chance of being a victim of property crime. The violent crime rate is higher than for the City of Eatonton and the state. The property crime rate is lower than for the City of Eatonton and higher than for the state. Of the 145 total crimes in the neighborhood within the past year, 33 were violent crimes and 112 were property crimes.

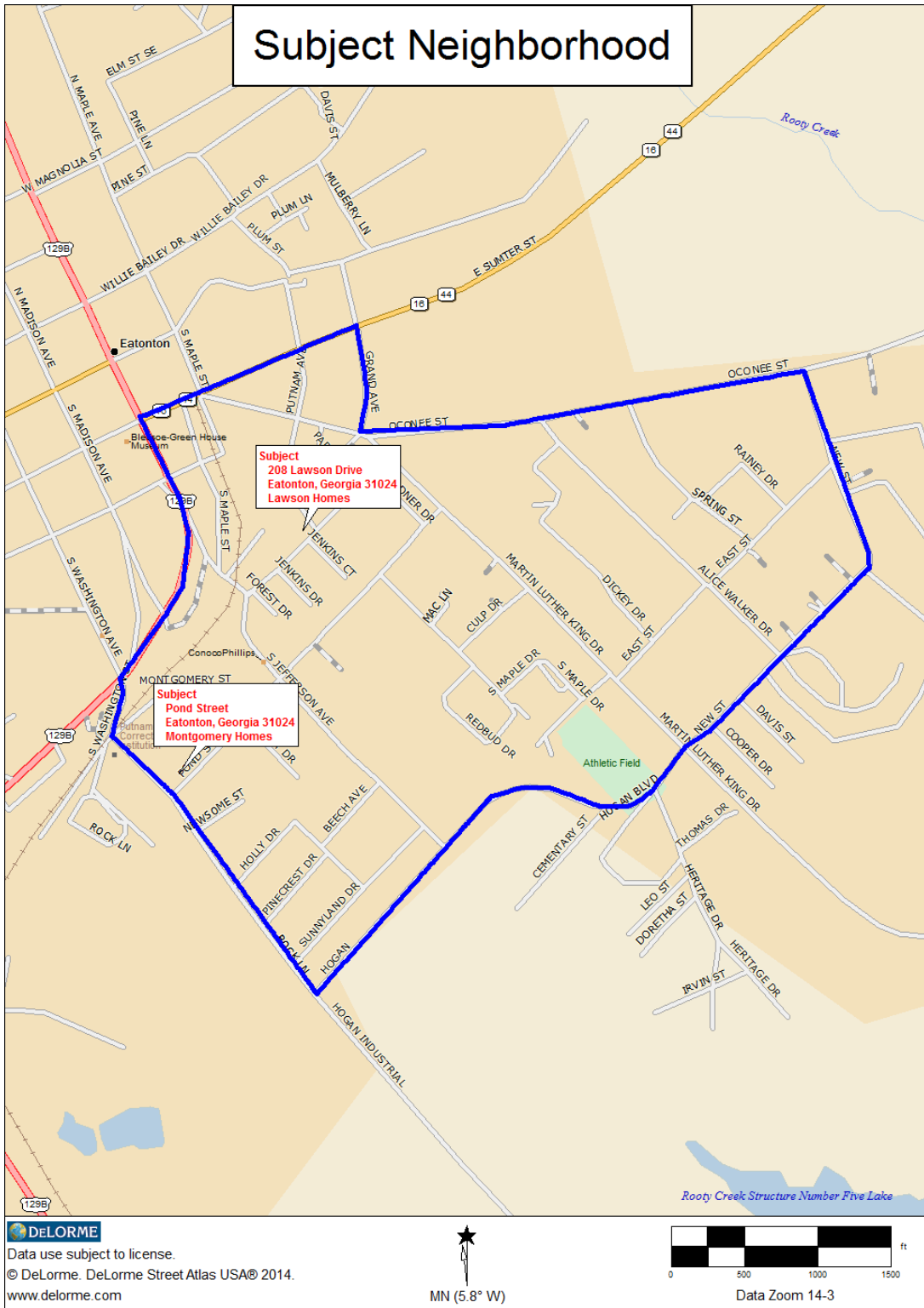
Utilities

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

Analysis/Comments

In conclusion, the subject is located in the central portion of the Eatonton, Georgia. The subject is considered to be compatible with the adjacent properties.

Neighborhood Map



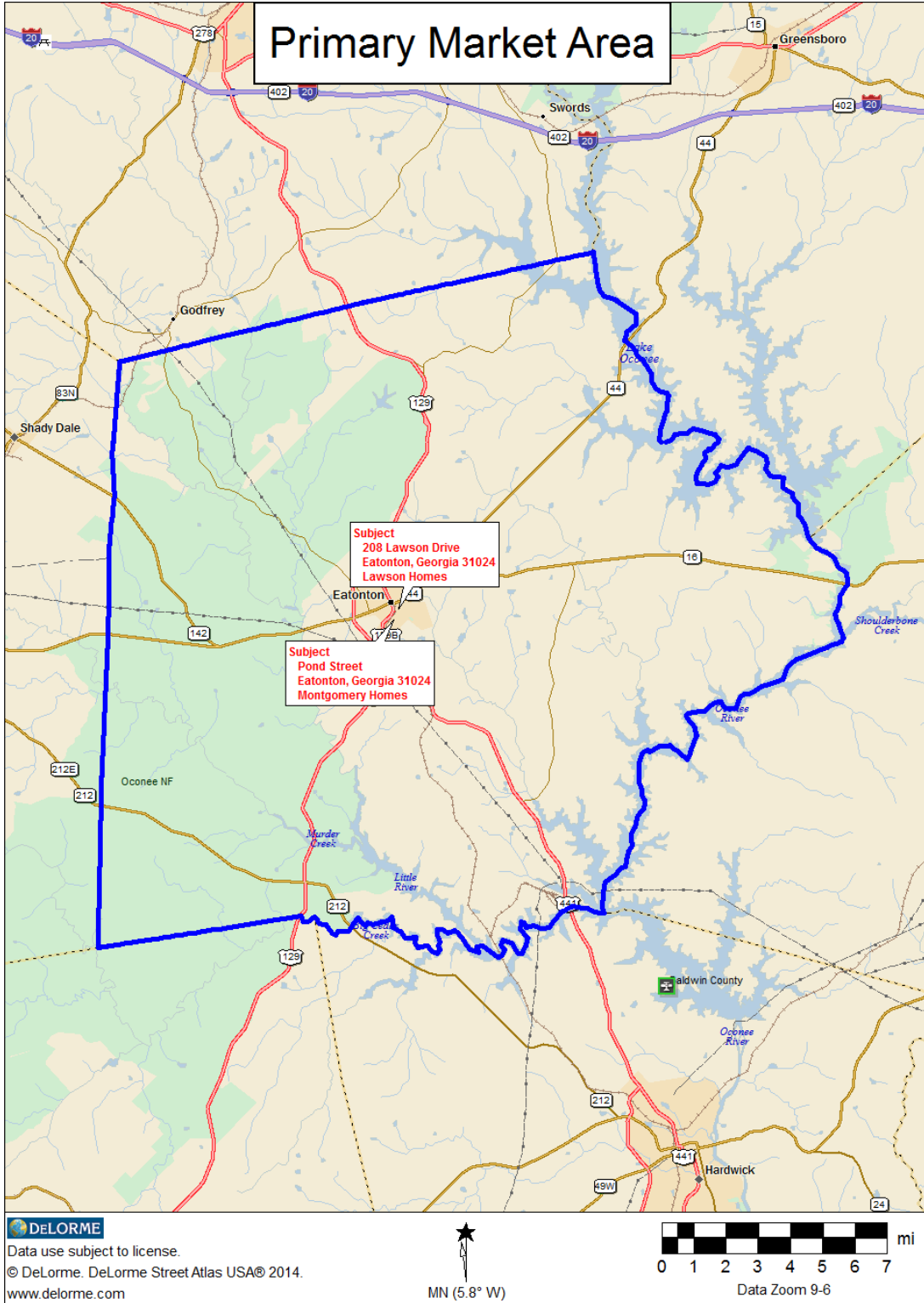
Defining the Market Area

The market area for the subject consists of Putnam County. The market area has the following boundaries: North – Morgan County; South – Baldwin and Jones Counties; East – Greene and Hancock Counties; and West – Jasper County.

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.

The field/phone survey was conducted in May 2017. In addition to the subject, three comparable affordable housing properties, responded to the survey. Of the apartments surveyed an overall vacancy rate of zero percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject's occupancy rate was not available. After considering the vacancy rate of the subject and the comparables, a vacancy rate of two percent was determined for the subject.

Market Area Vacancy by Development - Affordable			
Property Name	# of Units	# of Vacant Units	Vacancy Percentage
Eatonton Housing Authority (Subject)	114	0	0%
Hillside Apartments	50	0	0%
Heritage Villas	30	0	0%
TOTALS	194	0	0%



Subject Description

The area of the site and the site dimensions are based on the legal descriptions and site plans provided by the client.

Total Land Area 25.50 acres or 1,110,780+/- square feet

Shape/Dimensions Irregular

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

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 13237C0134C, dated September 26, 2008, 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 11.45;

Site Coverage Ratio - 8.73 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.

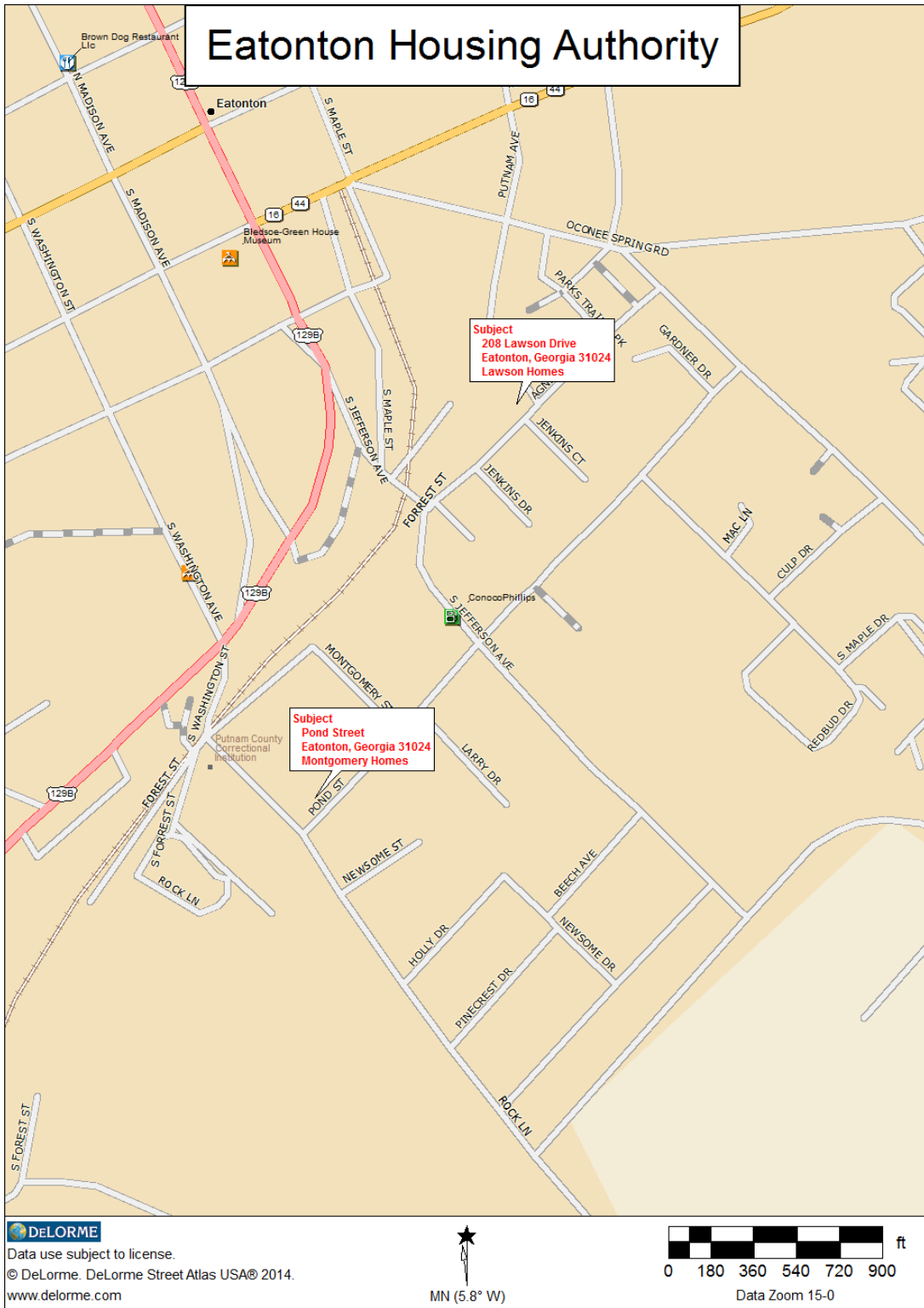
Utilities

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 the City of Eatonton, the subject is zoned R-3, Multifamily Residential District. The subject is a legal, conforming use A full copy of the zoning ordinances and permitted uses can be seen in Addendum C. 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.

Subject Map



Improvement Description

Number of Buildings	The subject contains 48 one-story buildings containing 114 units and an accessory building.
Net Rentable Building Area	89,632 square feet
Gross Building Area	96,972 square feet
Year Built/Year Renovated	1950's and 1996/1990s
Economic Life	55 Years
Effective Age	20 Years

The following table shows the unit mix for the subject property.

Unit Type	# of Units	Square Footage	Total Square Footage
1/1	28	598	16,744
2/1	46	750	34,500
3/1	36	945	34,020
4/1	4	1,092	4,368
	114		89,632

The property includes the following amenities:

Unit Amenities	Included	Fee	Project Amenities	Included	Fee
Refrigerator	x		Clubhouse		
Range/Oven	x		Meeting Room	x	
Garbage Disposal			Dining Room		
Dishwasher			Swimming Pool		
Microwave			Spa/Hot Tub		
Washer/Dryer			Exercise Room		
Washer/Dryer Hook-Ups	x (70%)		Picnic Area	x	
Carpet			Playground		
Vinyl	x		Tot Lot		
Wood			Volleyball Court		
Wood Composite			Basketball Court		
Ceramic Tile			Tennis Court		
Blinds			Exterior Storage		
Drapes/Shades			Housekeeping		
Ceiling Fans			Business Center		
Vaulted Ceilings			Educational Classes		
Fireplace			Transportation		
Walk-In Closet	x		Service Coordinator/HUD Paid		
Coat Closet	x		Concierge Services		
Balcony			Computer Room		
Patio	x		Car Wash Area		
Pull Cords	x		Laundry Facility		
Emergency Call			On-Site Management	x	
Safety Bars	x		On-Site Maintenance	x	
Parking	Included	Fee	Intercom/Electronic Entry		
Parking Lot/# of Spaces	x/115	\$0	Limited Access Gate		
Covered Parking/# of Spaces			Perimeter Fencing	x	
Garage/# of Spaces			Security Patrol		
Parking Garage/Underground/# of Spaces			Video Surveillance	x	

The subject is 100 percent Section 8 with Rental Assistance for 114 units. The unit types, current rents, utility allowances and square footages for the units are shown in the table below:

Unit Type	# of Units	Square Footage	Current Rent	Utility Allowance
1/1	28	598	\$387	\$71
2/1	46	750	\$508	\$101
3/1	36	945	\$737	\$139
4/1	4	1,092	\$759	\$138

CONSTRUCTION SUMMARY

Foundation	Concrete Slab on Grade
Construction	Masonry
Exterior Walls	Brick
Floors	Vinyl
Roof	Asphalt Shingle

UTILITIES

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

APPEAL

Landscaping	Grass, Trees, Shrubs
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Subject Photos



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Meeting Room



View of Meeting Room



View of Picnic Area



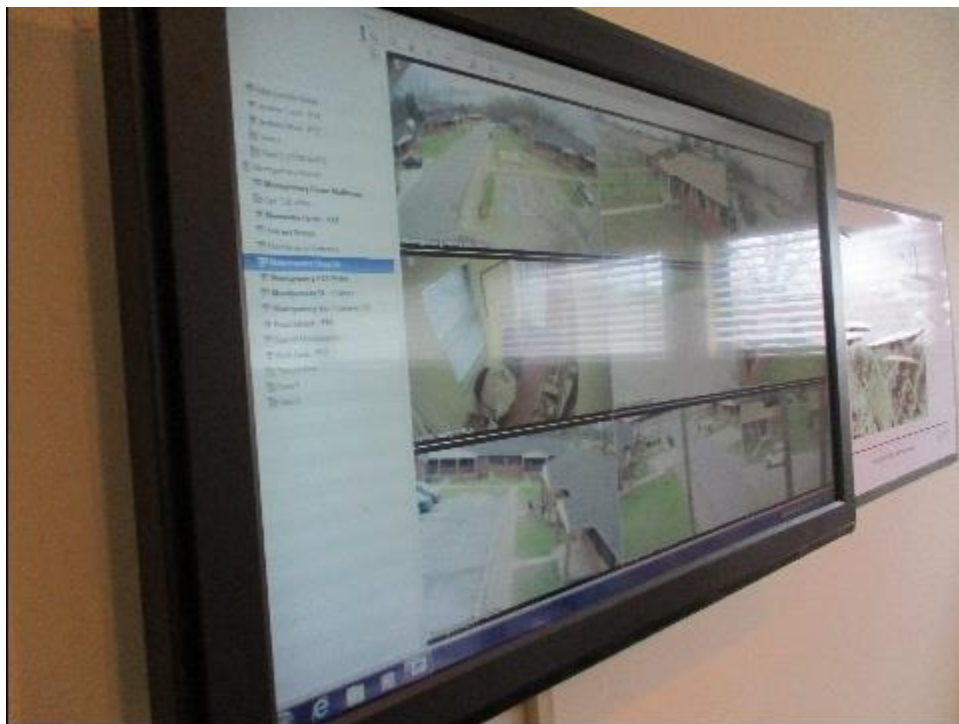
View of Office



View of Maintenance Area



View of Perimeter Fencing



View of Video Surveillance



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



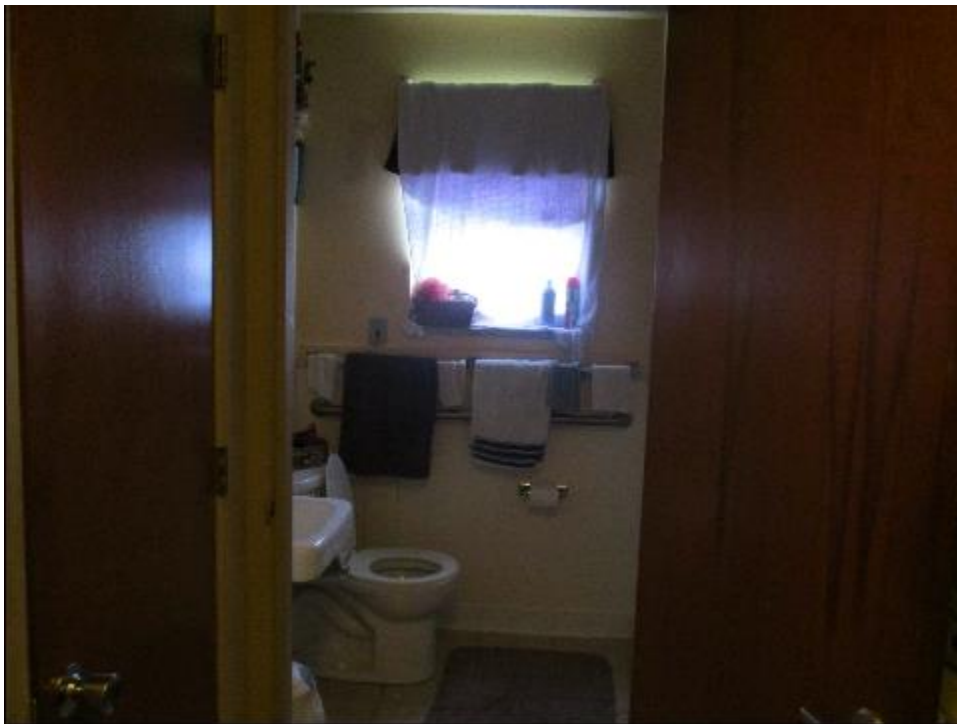
View of Living Area - Two-Bedroom Unit



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 Living Area - Four-Bedroom Unit



View of Kitchen - Four-Bedroom Unit



View of Bedroom - Four-Bedroom Unit



View of Bath - Four-Bedroom Unit



View of Street



View of Street



View of Street



View of Street

Assessments and Current Real Estate Taxes

The property is currently tax exempt.

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 follows:

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

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

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

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

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 criteria, so that by the time the last criteria is applied, only a single use is indicated. Hence, a property often will have numerous uses which are physically possible, a lesser number which are both physically possible and legally permissible; fewer still which are physically possible, legally permissible and financially feasible; and only a single use which meets all four criteria.

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

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

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

Highest and Best Use as though Vacant

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

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

What type of building or improvement, if any, should be constructed on the land and when?⁶

Physically Possible Use as Vacant

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

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

As noted in the Site Data section of this report, the subject site has a land area of 25.50 acres. Topographically, the site is nearly level. The subject is not located in a flood hazard area. No subsoil or drainage conditions are known that would adversely affect the development of the site. Public utilities available to the subject include electricity, water, sewer and telephone. The size of the subject and the adjacent properties suggest a number of possible uses for the subject site.

Legally Permissible Use As Vacant

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

⁶ 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 multifamily 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 multifamily development, most likely a multifamily use which could produce a higher return.

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.⁷

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 development with a gross building area of approximately 96,972 square feet. The subject does not appear to suffer from functional or external obsolescence. The subject is in average condition.

LEGALLY PERMISSIBLE AS IMPROVED

Based on the adjacent property uses and the zoning restrictions for the subject, the highest and best use of the subject site is considered to be 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 and residential properties.

⁷ 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.

Appraisal Procedures

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 Cost Approach is not applicable or necessary for a credible appraisal, in accordance to Uniform Standards of Professional Appraisal Practice Standard 2. As a result, the cost approach has not been developed.

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. The Scope of Work does not require the sales comparison approach to be developed; therefore, this approach was omitted.

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

VALUATION SECTION

Cost Approach

The Cost Approach 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 Cost Approach is not applicable or necessary for a credible appraisal, in accordance to Uniform Standards of Professional Appraisal Practice Standard 2. As a result, the cost approach has not been developed.

However a determination of land value is required. Therefore, a land value was determined on the following pages.

Site Value

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

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

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

Land Sale No. 1

Property Identification

Record ID 2298
Property Name 2443 Hancock Drive
Address 2443 Hancock Drive, Social Circle, Walton County, Georgia
30025
Tax ID C1580036

Sale Data

Grantor Newton Federal Bank
Grantee William H. and Nellie A. Bailey
Sale Date April 27, 2015
Deed Book/Page 3426/075
Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification Assessor; May 23, 2017

Sale Price \$50,000
Cash Equivalent \$50,000
Adjusted Price \$50,000

Land Data

Zoning O, Office/Institutional
Topography Nearly Level
Utilities E, G, W, S
Shape Irregular

Land Size Information

Gross Land Size 2.540 Acres or 110,642 SF
Front Footage Hancock Drive; State Highway 12

Indicators

Sale Price/Gross Acre \$19,685
Sale Price/Gross SF \$0.45

Remarks

None.

Land Sale No. 2

Property Identification

Record ID 2514
Property Name 7081 Peake Road North
Address 7081 Peake Road North, Macon, Georgia 31210
Market Type Market

Sale Data

Grantor Baptist Village Inc
Grantee Micro Technology Consultants, Inc.
Sale Date May 08, 2015
Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification May 23, 2017

Sale Price \$135,000
Cash Equivalent \$135,000
Adjusted Price \$135,000

Land Data

Zoning PDE, Planned Development
Topography Nearly Level
Utilities E,G,W,S
Shape Irregular

Land Size Information

Gross Land Size 3.520 Acres or 153,331 SF
Front Footage Peake Road North

Indicators

Sale Price/Gross Acre \$38,352
Sale Price/Gross SF \$0.88

Remarks

None.

Land Sale No. 3

Property Identification

Record ID 2415
Property Type Commercial
Property Name South Highway 81 and Post Master Drive
Address South Highway 81 and Post Master Drive, McDonough, Henry County, Georgia 30253
Tax ID 107-01032001

Sale Data

Grantor McIntosh State Bank
Grantee Zakki Corporation
Sale Date May 04, 2015
Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification May 23, 2017

Sale Price \$500,000
Cash Equivalent \$500,000
Adjusted Price \$500,000

Land Data

Zoning C-3, Commercial District
Topography Gently Sloping
Utilities E, W, S
Shape Rectangular

Land Size Information

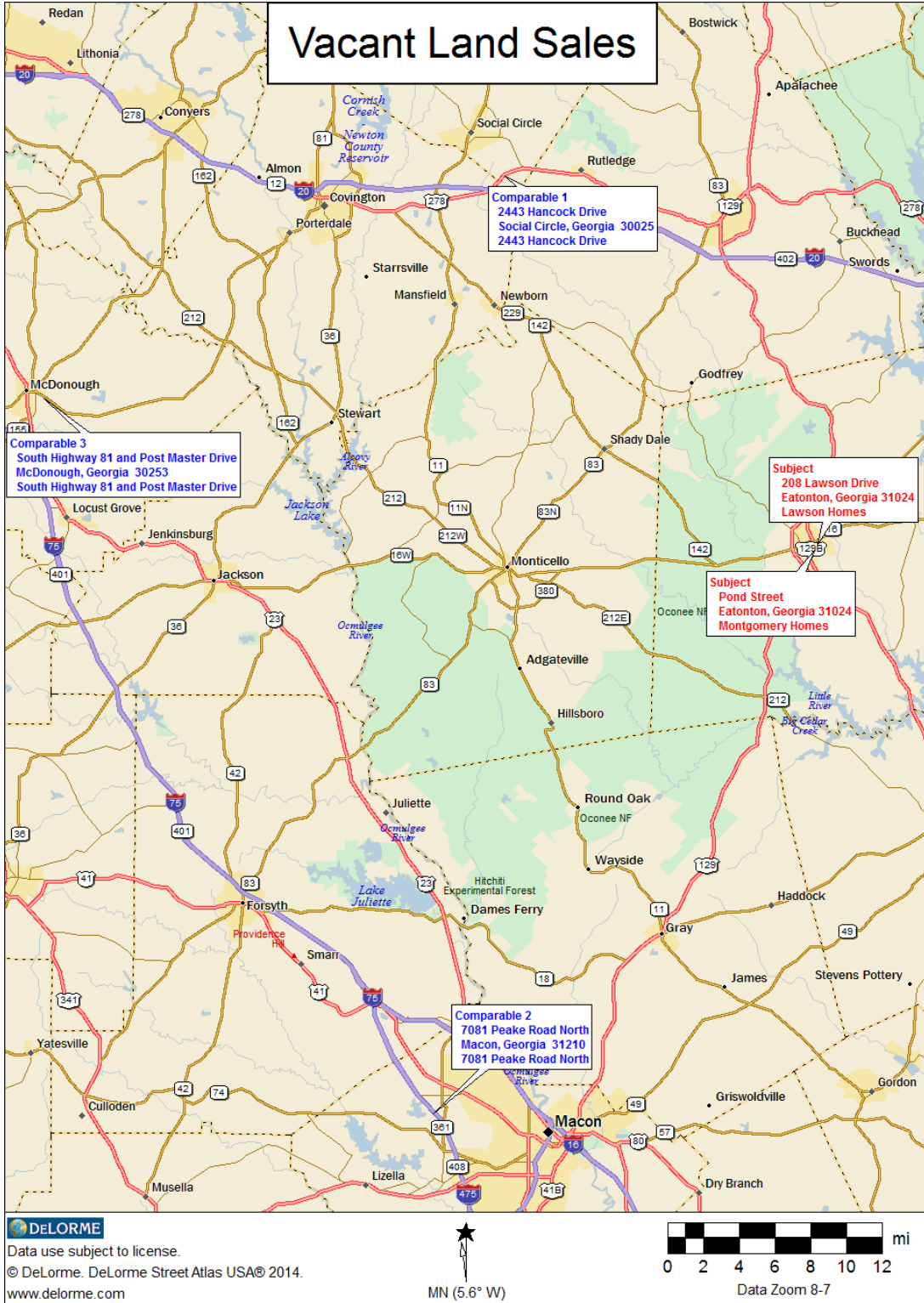
Gross Land Size 15.060 Acres or 656,014 SF
Front Footage South Highway 81 and Post Master Drive

Indicators

Sale Price/Gross Acre \$33,201
Sale Price/Gross SF \$0.76

Remarks

None.



Land Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	208 Lawson Street	2443 Hancock Drive		7081 Peake Road North		South Highway 81 and Post Master Drive	
City	Eatonton	Social Circle		Macon		McDonough	
State	GA	GA		GA		GA	
Date	5/23/2017	4/27/2015		5/8/2015		5/4/2015	
Price		\$50,000		\$135,000		\$500,000	
Acres	25.50	2.54		3.52		15.06	
Acre Unit Price		\$19,685		\$38,352		\$33,201	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Acre Unit Price		\$19,685		\$38,352		\$33,201	
Market Trends Through	05/23/17	0%		0%		0%	
Adjusted GBA Unit Price		\$19,685		\$38,352		\$33,201	
Location	Average	Similar		Similar		Similar	
% Adjustment		0%		-25%		-20%	
\$ Adjustment		\$0		-\$9,588		-\$6,640	
Acres	25.50	2.54		3.52		15.06	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Visibility/Access	Average	Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Topography	Nearly Level	Nearly Level		Nearly Level		Gently Sloping	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Zoning	R-3	O		PDE		C-3	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Utilities	E, G, W, S	E, G, W, S		E,G,W,S		E, W, S	
% Adjustment		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0	
Adjusted Acre Unit Price		\$19,685		\$28,764		\$26,560	
Net adjustments		0.0%		-25.0%		-20.0%	
Gross adjustments		0.0%		-25.0%		-20.0%	

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 May 23, 2017, is as follows:

25.50 acres x \$20,000 per acre = \$510,000

Rounded \$510,000

Summary of Vacant Land Sales

Comp	Address	Sale Date	Sale Price	Acre Unit Price	Acres	Land SF	Zoning
1	2443 Hancock Drive	4/27/2015	\$50,000	\$19,685	2.54	110,642	O
2	7081 Peake Road North	5/8/2015	\$135,000	\$38,352	3.52	153,331	PDE
3	South Highway 81 and Post Master Drive	5/4/2015	\$500,000	\$33,201	15.06	656,014	C-3

Adjustments

The prices of the comparable land sales range from \$19,685 to \$38,352 per acre before adjustments. Each of the comparables was adjusted for differences from the subject site. The adjustments are based on the following characteristics.

Location

The location of the subject property and the comparables relative to residential population, population wealth, traffic patterns, centers of employment, economic levels and other locational attributes was analyzed. Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential commercial or multifamily investor. These factors also include degree and quality of surrounding development and view. The subject is located in Eatonton. Comparable 1 is located in Social Circle. Comparable 2 is located in Macon. Comparable 3 is located in McDonough. Comparable 1 was not adjusted. Comparable 2 was adjusted downward 25 percent. Comparable 3 was adjusted downward 20 percent.

Size

Consideration was given to the size of the subject as compared to the comparables. The subject site consists of a total area of 25.50 acres. The comparables range in size from 2.54 acres to 15.06 acres. The market did not indicate a need for adjustment due to size. Therefore, no adjustments were made.

Visibility/Access

Consideration was given to the subject's visibility/access. The subject has average visibility/access. All comparables were considered similar. No adjustment was needed.

Topography

Consideration was given to the subject's topography. The subject is nearly level. Comparable 1 is nearly level. Comparable 2 is nearly level. Comparable 3 is gently sloping. No adjustment was needed.

Zoning

The adjustment for zoning reflects not only the zoning of the comparables relative to the subject property but also the potential utility of the sites. The subject is zoned R-3. Comparable 1 is zoned O. Comparable

2 is zoned PDE. The market did not indicate a need for adjustment due to zoning. Therefore, no adjustments were made.

Utilities

Consideration was given to the subject's utilities. The subject and all comparables have access to electric, gas, water and sewer. No adjustment was needed.

Summary Conclusions

The land sales analysis indicates the quantitative or qualitative adjustments. The comparable land sales range from \$19,685 to \$28,764 per acre after adjustments. All comparables were given consideration. The comparables indicated a reconciled value of \$20,000 per acre. These were considered to be the best comparables available after researching sales with local realtors and the county assessor's office.

25.50 acres x \$20,000 per Acre = \$510,000

Rounded \$510,000

Income Approach

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

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

Income Analysis

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

Since the value being determined is the market value, as restricted, it was not necessary to determine the market rent for the subject's units. The value was determined utilizing the subject's actual restricted rents.

Potential Gross Rental Income

Total Potential Gross Rental Income (Restricted Rent As Is)

# of Units	Unit Type	Unit SF	Contract Rent	Potential Gross Income
28	1/1	598	\$387	\$10,836
46	2/1	750	\$508	\$23,368
36	3/1	945	\$737	\$26,532
4	4/1	1,092	\$759	\$3,036
Total Potential Monthly Rental Income				\$63,772
				x 12
Total Potential Gross Rental Income				\$765,264
Miscellaneous Income				\$22,800
Total Potential Gross Income				\$788,064

Vacancy and Expense Explanations

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 40 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 firefighting, 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 building maintained on contract accounts with those of buildings that employ a permanent workforce to look after maintenance.

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

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

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

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

Operating Expenses & Restricted Projections

Property: Eatonton Housing Authority

of Rental Units: 164

of Rental Units at Subject: 114

Revenue and Expense Analysis

Historical and Proforma

% change compared to preceding year.

2016 is base year for % changes for YTD current year annualized and projections.

REVENUE - Annual	As Is									REVENUE - Annual		
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	Restricted Projections		PUPA	%
Residential & Ancillary Income												
Annual Gross Potential Rental Income	844,839	5,151	1,339,835	8,170	59%	1,026,183	6,257	-23%	765,264	6,713	-25%	Residential & Ancillary Income
Annual Ancillary Income	26,325	161	22,856	139	-13%	22,746	139	0%	22,800	200	0%	Annual Gross Potential Rental Income
Annual Gross Potential Income	871,164	5,312	1,362,691	8,309	56%	1,048,929	6,396	-23%	788,064	6,913	-25%	Annual Ancillary Income
Occupancy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	98.00%	138	0%	Annual Gross Potential Income
Effective Gross Income (EGI)	871,164	5,312	1,362,691	8,309	56%	1,048,929	6,396	-23%	772,303	6,775	-26%	Occupancy
												Effective Gross Income (EGI)

ITEMIZED EXPENSES - Annual Estimate of Annual Expense	As Is									ITEMIZED EXPENSES - Annual Estimate of Annual Expense		
	2014	PUPA	2015	PUPA	%	2016	PUPA	%	Restricted Projections		PUPA	%
Administrative												
Advertising	0	0	0	0	0	0	0	0	0	0	0	Administrative
Management Fee	0	0	0	0	0	0	0	0	38,615	339	0	Advertising
Other (Specify)	87,896	536	50,463	308	-43%	43,769	267	-13%	45,600	400	4%	5.000% Management Fee
Total Administrative	87,896	536	50,463	308	-43%	43,769	267	-13%	84,215	739	92%	Other (Specify)
												Total Administrative
Operating												
Elevator Maintenance Exp.	0	0	0	0	0	0	0	0	0	0	0	Operating
Fuel	0	0	0	0	0	0	0	0	0	0	0	Elevator Maintenance Exp.
Lighting and Misc. Power	71,774	438	74,090	452	3%	74,224	453	0%	51,300	450	-31%	Fuel - Heating
Water	39,592	241	40,859	249	3%	43,510	265	6%	28,500	250	-34%	Lighting and Misc. Power
Gas	0	0	0	0	0	0	0	0	0	0	0	Water
Garbage and Trash Removal	0	0	0	0	0	0	0	0	0	0	0	Gas
Payroll	286,015	1,744	302,344	1,844	6%	298,657	1,821	-1%	85,500	750	-71%	Garbage and Trash Removal
Other (Specify)	91,513	558	107,948	658	18%	126,900	774	18%	48,450	425	-62%	Payroll
Total Operating	488,894	2,981	525,241	3,203	7%	543,291	3,313	3%	213,750	1,875	-61%	Other (Specify)
												Total Operating
Maintenance												
Decorating	0	0	0	0	0	0	0	0	0	0	0	Maintenance
Repairs	43,807	267	27,794	169	-37%	44,789	273	61%	31,350	275	-30%	Decorating
Exterminating	0	0	0	0	0	0	0	0	0	0	0	Repairs
Insurance	43,213	263	37,674	230	-13%	47,556	290	26%	34,200	300	-28%	Exterminating
Ground Expense	0	0	0	0	0	0	0	0	0	0	0	Insurance
Other (specify)	0	0	0	0	0	0	0	0	0	0	0	Ground Expense
Total Maintenance	87,020	531	65,468	399	-25%	92,345	563	41%	65,550	575	-29%	Other (specify)
												Total Maintenance
Taxes												
Real Estate Tax	0	0	0	0	0	0	0	0	0	0	0	Taxes
Personal Property Tax	0	0	0	0	0	0	0	0	0	0	0	Real Estate Tax
Employee Payroll Tax	0	0	0	0	0	0	0	0	0	0	0	Personal Property Tax
Employee Benefits	123,423	753	127,534	778	3%	121,099	738	-5%	6,270	55	-95%	Employee Payroll Tax
Other	0	0	0	0	0	0	0	0	0	0	0	Employee Benefits
Total Taxes	123,423	753	127,534	778	3%	121,099	738	-5%	6,270	55	-95%	Other
												Total Taxes
Operating Exp. before RFR	787,233	4,800	768,706	4,687	-2%	800,504	4,881	4%	369,785	3,244	-54%	Operating Exp. before RFR
Reserve For Replacement	0	0	0	0	0	0	0	0	34,200	300	0	Reserve For Replacement
Operating Exp. Incl. RFR	787,233	4,800	768,706	4,687	-2%	800,504	4,881	4%	403,985	3,544	-50%	Operating Exp. Incl. RFR
NOI	83,931	512	593,985	3,622	608%	248,425	1,515	-58%	368,318	3,231	48%	NOI

Estimating Restricted Expenses Per Unit

Estimating Restricted Expenses Per Unit						
Subject As Is	Expenses	Comparable One	Comparable Two	Comparable Three	Comparable Four	IREM Region IV
\$0	Advertising	\$2	\$0	\$2	\$0	\$0
\$339	Management	\$519	\$527	\$486	\$522	\$631
\$400	Other Administrative Expenses	\$556	\$736	\$720	\$767	\$1,118
\$0	Elevator Maintenance Expense	\$0	\$0	\$0	\$0	\$0
\$0	Fuel	\$0	\$0	\$0	\$0	\$123
\$450	Lighting & Misc. Power	\$97	\$96	\$159	\$117	\$144
\$250	Water/Sewer	\$939	\$1,131	\$654	\$31	\$392
\$0	Gas	\$0	\$0	\$0	\$0	\$27
\$0	Garbage/Trash Removal	\$149	\$81	\$95	\$68	\$0
\$750	Payroll	\$236	\$165	\$175	\$374	\$551
\$425	Other Operating Expenses	\$254	\$213	\$425	\$249	\$350
\$0	Decorating	\$25	\$63	\$53	\$13	\$116
\$275	Repairs	\$0	\$0	\$0	\$0	\$364
\$0	Exterminating	\$43	\$101	\$50	\$73	\$0
\$300	Insurance	\$198	\$198	\$190	\$198	\$247
\$0	Ground Expenses	\$156	\$143	\$171	\$280	\$172
\$0	Other Maintenance	\$3	\$4	\$4	\$5	\$0
\$0	Real Estate Taxes	\$244	\$142	\$208	\$351	\$350
\$0	Payroll Taxes	\$58	\$51	\$48	\$77	\$0
\$55	Employee Benefits	\$18	\$17	\$17	\$18	\$0
\$0	Other Taxes	\$2	\$6	\$4	\$14	\$16
\$300	Replacement Reserves	\$300	\$1,001	\$383	\$704	\$0
\$3,544	Total Per Unit	\$3,799	\$4,675	\$3,844	\$3,861	\$4,601

Comments:

Subject expenses were estimated based on comparable apartments and industry norms. Comparable apartment expenses were estimated after discussions with area apartment managers. The comparable estimates were substantiated by the *2016 Income/Expense Analysis: Federally Assisted Apartments printed by the Institute of Real Estate Management*. No major fluctuations from the total expenses per unit are anticipated from the expenses provided above, although itemized expenses may deviate on the specific factors affecting the individual properties.

The expenses for the comparable apartments vary per unit but are consistently between 71 and 81 percent of the gross rent potential. The subject's expenses were estimated at 53 percent of the gross rent potential which is within the comparable range. Market expenses for the subject were categorized similar to the actual expenses as different properties categorize expenses in different ways. Explanations of specific itemized expenses are indicated on the following pages.

Itemized Expense Explanations - Restricted

Expense Numbers per Unit

Expense	Subject	Comp Range
1. Advertising	\$0	\$0- \$2
The property does not have this expense. Therefore, no expense was projected.		
2. Management	\$339	\$486-\$527
A management expense of \$339 per unit was projected. A comparable range of \$486 to \$527 was determined. The expense was projected based on five percent of the effective gross income.		
3. Other Administrative	\$400	\$556- \$767
An other administrative expense of \$400 per unit was projected. A comparable range of \$556 to \$767 was determined. Expenses such as other administrative are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.		
4. Elevator	\$0	\$0- \$0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
5. Fuel	\$0	\$0- \$0
The property does not have this expense. The expense is not typical in the market. Therefore, no expense was projected.		
6. Lighting & Misc. Power	\$450	\$96-\$159
A lighting and miscellaneous power expense of \$450 was projected for the subject. A comparable range of \$96 to \$159 per unit was determined. Due to properties having unique utility characteristics, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials.		
7. Water/Sewer	\$250	\$31- \$1,131
A water/sewer expense of \$250 per unit was projected for the subject. A comparable range of \$31 to \$1,131 per unit was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted</i>		

Apartments printed by Institute of Real Estate Management.

- | | | | |
|-----|--|-------|--------------|
| 8. | Gas | \$0 | \$0-\$0 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 9. | Garbage/Trash Removal | \$0 | \$68- \$149 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 10. | Payroll | \$750 | \$165-\$374 |
| | The payroll expense of \$750 per unit was projected. A comparable range of \$165 to \$374 was determined. Payroll expenses for a Housing Authority are typically much higher than other types of properties. Therefore, this expense was lowered to be more in line with the market. | | |
| 11. | Other Operating Expenses | \$425 | \$213-\$425 |
| | An other operating expense of \$425 per unit was projected. A comparable range of \$213 to \$425 was determined. The expense was projected considering the subject's historical financials, the comparable range and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management. | | |
| 12. | Decorating | \$0 | \$13- \$63 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 13. | Repairs | \$275 | \$0- \$0 |
| | A repairs expense of \$275 was projected for the as is scenario. A comparable range of \$0 to \$0 was determined. The expense was projected considering the subject's historical financials and the <i>2016 Income/Expense Analysis: Federally Assisted Apartments</i> printed by Institute of Real Estate Management. | | |
| 14. | Exterminating | \$0 | \$43- \$101 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 15. | Insurance | \$300 | \$190- \$198 |
| | An insurance expense of \$300 per unit was projected. A comparable range of \$190 to \$198 per unit was determined. Expenses such as insurance are typically based on unique property characteristics. Therefore, the subject's historical data was determined to be the most accurate indicator of this expense. The expense was projected using the subject's historical financials. | | |

- | | | | |
|-----|---|-------|---------------|
| 16. | Ground Expenses | \$0 | \$143-\$280 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 17. | Other Maintenance | \$0 | \$3- \$5 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 18. | Real Estate Taxes | \$0 | \$142- \$351 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 19. | Payroll Taxes | \$0 | \$48- \$77 |
| | The property does not have this expense. Therefore, no expense was projected. | | |
| 20. | Employee Benefits | \$55 | \$17-\$18 |
| | Employee benefits were projected at \$55 per unit. A comparable range of \$17 to \$18 was determined. Employee benefits are typically seen at seven percent of the total payroll expense. | | |
| 21. | Replacement Reserves | \$300 | \$300-\$1,001 |
| | A replacement reserves expense \$300 per unit was projected. This reserves expense is typical for restricted apartment complexes such as the subject. | | |

Expense Comparables

Multi-Family Expense No. 1



Property Identification

Record ID 89
Property Type Walk-Up/Townhouse
Property Name Rock Springs Apartments
Address 187 South Broad Street, Winder, Barrow County, Georgia 30680
Market Type Rural Development/LIHTC

Sale Data

Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification Shonda Edson; 770-867-8574

Land Data

Land Size 5.010 Acres or 218,236 SF
Front Footage South Broad Street
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	16	620	\$409	\$0.66
2/1.5 (TH)	32	886	\$428	\$0.48
Total Units	48			
Avg. Unit Size	797			
Avg. Rent/Unit	\$422			

Multi-Family Expense No. 1 (Cont.)

Avg. Rent/SF \$0.53

SF 38,272

General Physical Data

No. of Buildings 8
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Parking L/0
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Year Built 1990
Condition Good

Income Analysis

Potential Gross Income \$245,172
Vacancy \$5,522
Effective Gross Income \$239,650
Expenses \$182,385
Net Operating Income \$57,265

Indicators

Occupancy at Sale 100%
Expenses/SF \$4.77 Gross
Expenses/Unit \$3,800
Expenses as % of PGI 74.39%
Expenses as % of EGI 76.10%
NOI/SF \$1.50 Gross
NOI/Unit \$1,193

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet, Patio, Picnic Area, Playground, On-Site Management (part time), On-Site Maintenance (part time).

Remarks

None.

Multi-Family Expense No. 2



Property Identification

Record ID 8
Property Type Walk-Up/Townhouse
Property Name Fox Chase I Apartments
Address 11 Fox Chase Circle, Greensboro, Greene County, Georgia 30642
Market Type Rural Development/LIHTC

Sale Data

Verification Veronica Forest; 706-453-4690

Land Data

Front Footage Fox Chase Circle
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	2	608	\$445	\$0.73
2/1.5(TH)	18	838	\$485	\$0.58
3/1.5	4	862	\$515	\$0.60
Total Units	24			
Avg. Unit Size	823			
Avg. Rent/Unit	\$487			
Avg. Rent/SF	\$0.59			
SF	19,748			

Multi-Family Expense No. 2 (Cont.)

General Physical Data

No. of Buildings	3
Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1991
Condition	Good

Income Analysis

Potential Gross Income	\$136,979
Effective Gross Income	\$136,979
Expenses	\$101,391
Net Operating Income	\$35,588

Indicators

Occupancy at Sale	96%
Expenses/SF	\$5.13 Gross
Expenses/Unit	\$4,225
Expenses as % of PGI	74.02%
Expenses as % of EGI	74.02%
NOI/SF	\$1.80 Gross
NOI/Unit	\$1,483

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet, Patio, Pull Cords, Community Room, Exterior Storage, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

None.

Multi-Family Listing No. 3



Property Identification

Record ID 70
Property Type Walk-Up/Townhouse
Property Name Huntington Villas Apartments
Address 72 Huntington Lane, Crawford, Oglethorpe County, Georgia 30630
Market Type Rural Development/LIHTC

Sale Data

Grantor Investors Management Company
Property Rights Fee Simple
Conditions of Sale Normal
Financing Conventional
Verification Veronica Forest; 706-743-3090,

Land Data

Land Size 2.500 Acres or 108,900 SF
Front Footage Huntington Lane
Zoning None, 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	4	593	\$425	\$0.72
2/1.5(TH)	16	827	\$465	\$0.56
3/1.5	4	881	\$495	\$0.56
2/1	1	668		

Multi-Family Listing No. 3 (Cont.)

Total Units	25
Avg. Unit Size	792
Avg. Rent/Unit	\$445
Avg. Rent/SF	\$0.56

SF	19,796
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General Physical Data

No. of Buildings	4
Construction Type	Brick
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1991
Condition	Good

Income Analysis

Potential Gross Income	\$126,606
Effective Gross Income	\$126,606
Expenses	\$98,057
Net Operating Income	\$28,549

Indicators

Occupancy at Sale	96%
Expenses/SF	\$4.95 Gross
Expenses/Unit	\$3,922
Expenses as % of PGI	77.45%
Expenses as % of EGI	77.45%
NOI/SF	\$1.44 Gross
NOI/Unit	\$1,142

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Coat Closet, Patio, Pull Cords (handicap units), Community Room, Playground, Laundry Facility, On-Site Management (part time), On-Site Maintenance (part time)

Remarks

None.

Multi-Family Listing No. 4



Property Identification

Record ID	90
Property Type	Garden/Townhouse
Property Name	Rolling Hills Apartments
Address	104 Rolling Hills Drive, Newnan, Coweta County, Georgia 30263
Market Type	Rural Development

Sale Data

Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Conventional
Verification	Chasity Arnold; 770-251-1774

Land Data

Land Size	6.780 Acres or 295,337 SF
Front Footage	Rolling Hills Drive
Zoning	RM-L, Residential/Multifamily
Topography	Nearly Level
Utilities	E, G, W, S
Shape	Irregular

Multi-Family Listing No. 4 (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	16	561	\$415	\$0.74
2/1.5	34	910	\$455	\$0.50
Total Units	50			
Avg. Unit Size	798			
Avg. Rent/Unit	\$442			
Avg. Rent/SF	\$0.55			
SF	39,916			

General Physical Data

No. of Buildings	8
Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Parking	L/0
Stories	1,2
Utilities with Rent	Trash Collection
Year Built	1985
Condition	Good

Income Analysis

Potential Gross Income	\$270,735
Vacancy	\$5,977
Effective Gross Income	\$264,758
Expenses	\$192,983
Net Operating Income	\$71,775

Indicators

Occupancy at Sale	100%
Expenses/SF	\$4.83 Gross
Expenses/Unit	\$3,860
Expenses as % of PGI	71.28%
Expenses as % of EGI	72.89%
NOI/SF	\$1.80 Gross
NOI/Unit	\$1,436

Amenities

Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Tile, Blinds, Walk-In Closet, Coat Closet, Patio, On-Site Management, On-Site Maintenance (part time)

Remarks

None.

Net Operating Income Conclusions

Potential Gross Income

The potential gross income for the subject property was projected using the subject's actual rents.

Vacancy

Of the apartments surveyed an overall vacancy rate of zero percent was determined for the restricted vacancy. The subject is currently 100 percent occupied. Historically, the subject's occupancy rate was not available. After considering the vacancy rate of the subject and the comparables, a vacancy rate of two percent was determined for the subject.

Expenses after Reserves for Replacement

The subject's expenses were projected considering the subject's operating history, the expense data of the comparables and the information contained in the *2016 Income/Expense Analysis: Federally Assisted Apartments* printed by the Institute of Real Estate Management.

Direct Capitalization

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

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

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

A capitalization rate is typically expressed as a percentage. For example, if the net operating income to a comparable property was \$1.8 million and its value/price was \$20 million, the overall capitalization rate would be 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	150 Chateau Terrace Athens, Georgia	212	5/1/2015	\$546,000	\$10,000,000	5.46%
2	250 Creek Hollow Way Athens, Georgia	72	7/16/2013	\$150,900	\$3,000,000	5.03%
3	176 Georgia Avenue Athens, Georgia	15	12/17/2014	\$59,160	\$870,000	6.80%
4	700 Mitchell Bridge Road Athens, Georgia	160	6/13/2013	\$718,680	\$10,600,000	6.78%
5	156 Oak Bluff Drive Athens, Georgia	42	1/7/2015	\$275,500	\$2,900,000	9.50%
6	138 Welch Place Athens, Georgia	16	12/5/2014	\$61,940	\$760,000	8.15%

The comparables indicate a range of 5.03 to 9.50 percent for indicated capitalization rates, with a mean of 6.95 percent. All of the comparables are located in a much larger city than the subject. As a result, it was deemed necessary to select a capitalization rate at the higher end of the range. The appraiser selected a weighted capitalization rate of 7.25 percent.

Realty Rates Survey

The Realty Rates Market Survey was considered in this analysis. The RealtyRates.com Market Survey Second Quarter 2017 found that investors in apartments in the South Atlantic Region which includes the State of Georgia indicated an overall capitalization rate of 8.10 percent. The Realty Rates Investor Survey was also considered in this analysis. The RealtyRates.com Investor Survey Second Quarter 2017 indicates a range of 4.57 to 12.42 percent for capitalization rates, with a median capitalization rate of 7.67 percent.

PwC Real Estate Investor Survey

The PwC Real Estate Investor Survey was considered in this analysis. The National Apartment Market survey for the first quarter of 2017 found that investors in apartments indicate overall capitalization rates ranging from 3.50 percent to 8.00 percent, with an average of 5.33 percent.

Band of Investment – Conventional Terms

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		5.00%		Loan To Value Ratio	80%
Loan Term (Years)		30		Debt Coverage Ratio	1.20
				Equity Dividend Rate	10.00%
Band of Investment					
Mortgage Constant		Loan Ratio			
0.06442	x	80%	=	0.0515	Mortgage Component
Equity Dividend Rate		Equity Ratio			
10%	x	0.20	=	0.02	Equity Component
		Capitalization Rate		7.15%	
Debt Coverage Ratio Analysis					
Debt Coverage Ratio	x	LTV	x	Mortgage Constant	
1.20	x	80%	x	0.06442	= 0.061842
		Capitalization Rate		6.18%	

Mortgage financing from local lenders indicated that a typical interest rate is 5.00 percent. The typical loan term is 30 years and the loan-to-value ratio is 80 percent. Therefore, a capitalization rate of 7.15 percent was determined.

Determination of Capitalization Rate

The PwC Real Estate Investor Survey indicated an average capitalization rate of 5.33 percent. From the sales available in the area a capitalization rate of 7.25 percent was determined. The RealtyRates.com Market Survey indicated an average capitalization rate of 8.10 percent. The RealtyRates.com Investor Survey indicated a median capitalization rate of 7.67 percent. The comparable sales were determined to be the most accurate reflection of the market capitalization rate. Therefore, a capitalization rate of 7.25 percent was determined to be appropriate for the market values.

$$\begin{aligned} 368,318 / 7.25\% &= \$5,080,243 \\ \text{Market Value, Subject to Restricted Rents} &= \$5,080,000 \end{aligned}$$

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. The Scope of Work does not require the sales comparison approach to be developed; therefore, this approach was omitted.

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. The Cost Approach is not applicable or necessary for a credible appraisal, in accordance to Uniform Standards of Professional Appraisal Practice Standard 2. As a result, the cost approach has not been developed.

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 Eatonton 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 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. The Scope of Work does not require the sales comparison approach to be developed; therefore, this approach was omitted.

The indicated value of the subject would best be represented by a value within this range. The data utilized and the value indicated by the approach is considered appropriate in estimating the value of the subject property. Most weight is given to the Income Comparison Approaches and this value is considered to provide the best indication of value for the subject.

Based on the data, analyses and conclusions presented in the attached report, it is my opinion the market value, subject to restricted rents, of the subject property, as of May 23, 2017, is as follows.

FIVE MILLION EIGHTY THOUSAND DOLLARS

\$5,080,000

ADDENDUM A

TRACT I (Project GA72-2):

All that tract or parcel of land lying and being in the City of Eatonton, Putnam County, Georgia and containing an aggregate area of 4.3126 acres according to property line survey and plat of property of C. G. Washburn, Sr., dated April 9, 1951, made by T. J. Marshall, Surveyor and G. F. Ellis, Civil Engineer for the Housing Authority of the City of Eatonton, Georgia, on which said plat, said tract sold herein is laid off and described as Parcel No. 4 containing 4.0266 acres and Parcel No. 7 containing 0.2860 acres, composing site for Project No. GA-72-2. A copy of said plat is on file in the Office of the Housing Authority of the City of Eatonton, at its office in Eatonton, Georgia. Said entire tract being a portion of property purchased by C. G. Washburn, Sr. from G. K. Riley, by deed recorded in Book 2-R, page 562, Office of the Clerk of Putnam Superior Court. The part thereof herein conveyed being further described by metes and bounds, as follows: Beginning at Point of Beginning, which is located a distance of 99.30 feet in a reverse direction North 49 degrees 45 minutes East from property corner at intersection of Lost Lane Street and private roadway running parallel to Central of Georgia Railroad; thence from said Point of Beginning North 49 degrees 45 minutes East parallel to said private drive a distance of 306.16 feet to line angle; thence from said line angle North 45 degrees 32 minutes East a distance of 63.26 feet to project site corner; thence from said corner, and through said C. G. Washburn property South 47 degrees 46 minutes East a distance of 449.59 feet to project corner on Pond Street; thence along Pond Street South 42 degrees 14 minutes West a distance of 472.93 feet to corner of project site at intersection of Pond Street and Lot Lane; thence along Lost Lane North 46 degrees 52 minutes West a distance of 132.63 feet to corner of Lizzie Hood property; thence along Lizzie Hood property North 42 degrees 00 minutes East a distance of 94.49 feet to corner; thence North 46 degrees 12 minutes West along Lizzie Hood property a distance of 143.29 feet to corner of Gus Brown property; thence along Gus Brown property North 46 degrees 12 minutes West a distance of 217.10 feet to project site at corner of Gus Brown property, which is the Point of Beginning.

This being that same property conveyed in that Warranty Deed from C. G. Washburn, Sr. to the Housing Authority of the City of Eatonton, Georgia dated January 26, 1952 and recorded in Deed Book 2-U, page 388, Putnam County, Georgia Records.

TRACT II (Project GA72-1):

All that tract or parcel of land lying and being in the City of Eatonton, Putnam County, Georgia and containing an aggregate area of 2.8797 acres according to property line map and plat of property of H. B. Hearn, dated May 8, 1951, made by T. J. Marshall, Surveyor and G. F. Ellis, Civil Engineer for the Housing Authority of the City of Eatonton, Georgia, on which said plat said tract sought to be condemned is laid off and described as Parcel No. 2 containing 2.7411 acres and Parcel No. 5 containing 0.1386 acres, composing site for Project No. GA-72-1. A copy of said plat is on file in the Office of the Housing Authority of the City of Eatonton, at its office in Eatonton, Georgia. Said entire tract being the same property purchased by H. B. Hearn from Mrs. Mary L. Bozeman, by deed recorded in Book 2-V, page 339, Office of the Clerk of Putnam Superior Court, and is further described in plat thereof recorded in Plat Book 1, page 250, said Clerk's Office. Said entire tract being formerly a part of the estate of C. D. Leonard; and the part thereof now sought to be taken being described by metes and bounds, according to said Housing Authority plat, as follows: Beginning at corner on Forrest Street common to said Hearn tract and property of T. H. Resseau, Jr.; thence along Forrest Street North 45 degrees 11 minutes East a distance of 225.00 feet to corner of project site; thence North 30 degrees 26 minutes West a distance of 415.92 feet to line angle; thence North 11 degrees 06 minutes West a distance of 73.68 feet to project corner; thence South 72 degrees 15 minutes West a distance of 250 feet to corner on line between said site and property of C. A. McIntosh; thence along said McIntosh property South 28 degrees 01 minute East a distance of 219.50 feet to corner common thereto and property of T. H. Resseau, Jr.; thence along said Resseau property South 32 degrees 02 minutes East a distance of 389.10 feet to Point of Beginning on Forrest Street, in which said property the following have or may have an equity or interest: H. B.

Hearn, W. F. Williams, C. A. Whitten, E. V. Knight, H. H. Park, Francis Hearn, Mrs. Elizabeth Knight Hearn, Miss Elizabeth Hearn, Jane Hearn, sui juris, Carlton Hearn, minor, Lt. H. B. Hearn, III, Joyce Hearn Gay, Gaul P. Hearn, Rosa Hearn Varn, W. E. Chassereau, and persons unknown.

This being that same property conveyed to the Housing Authority of the City of Eatonton by Award of Assessors in that Condemnation Suit filed by the Housing Authority of the City of Eatonton against H. B. Hearn et al. & 2.8797 acres of land, Case No. 1609 in the Superior Court of Putnam County, Georgia, said Award being granted March 15, 1952 and recorded in Deed Book 2-U, page 449, Putnam County, Georgia Records; said Award of Assessors being confirmed and entered on March 22, 1952 by Order and Decree and Judgment and Decree by George S. Carpenter, Judge Putnam Superior Court.

The following release accepted and recorded in the Public Records of Putnam County on the 24th day of October, 1977:

All that lot or parcel of land, lying and being in the 368th G. M. District, City of Eatonton, Putnam County, Georgia, containing 0.3607 net acres and being more particularly described by a plat dated October 17, 1977, prepared by American Testing Laboratories, Inc., and recorded in Plat Book 8, page 115, Clerk's Office, Putnam County, Georgia. Said lot is more particularly described as commencing at the common corner of the property of H. B. Hearn, Housing Authority of City of Eatonton, William D. and Ruby R. Hallman and the lot herein conveyed; thence, North 84 degrees 20 minutes West 46.70 feet to the right of way of Lawson Apartments Drive; thence North 10 degrees 55 minutes East 82.51 feet to the property line of William D. and Ruby R. Hallman; thence South 11 degrees 06 minutes East 50.84 feet to a concrete monument; thence South 30 degrees 26 minutes East 41.55 feet to the Point of Beginning.

TRACT III (Composed of Projects GA72-3A and GA72-3B):

TRACT NO. 1 (Project GA72-3A): That certain lot or parcel of land in the City of Eatonton, Putnam County, Georgia, starting at the Northwest corner of property of James Newsome (formerly Mrs. M. A. Newsome), at its intersection of the Southward property line of Forrest Street and the Eastward property line of Jefferson Avenue, and running thence North 44 degrees 21 minutes East along Forrest Street, for a distance of 120 feet to a point, which said point is the Point of Beginning; thence South 45 degrees 39 minutes East through said Newsome property for a distance of 478 feet to Pond Street; thence North 42 degrees 50 minutes East along Pond Street for a distance of 195 feet to property of the C. B. Alford Estate, formerly H. A. Jenkins Estate; thence North 43 degrees 27 minutes West for a distance of approximately 474 feet to Forrest Street; thence South 44 degrees 21 minutes West along Forrest Street to the Point of Beginning, a distance of 213 feet.

TRACT NO. 2 (Project GA72-3B): That certain lot or parcel of land in the City of Eatonton, Putnam County, Georgia, fronting on Forrest Street, described as follows: Beginning at an Iron Man Railroad ROW marker at intersection of the Southward property line of Forrest Street and Eastward property line of Rock Lane, and running thence North 49 degrees 55 minutes East along Forrest Street for a distance of 212.4 feet to Lost Lane Street; thence South 46 degrees 23 minutes East along Lost Lane Street for a distance of 507.6 feet to intersection with Pond Street; thence South 43 degrees 01 minutes West along Pond Street for a distance of 221.4 feet to corner on Rock Lane; thence North 46 degrees 23 minutes West along Rock Lane for a distance of 507.6 feet to the Point of Beginning on Forrest Street.

TRACT NO. 3 (Project GA72-3B): That certain lot or parcel of land in the City of Eatonton, Putnam County, Georgia, described as follows: Beginning at intersection of Eastward property line of Rock Lane and Southward property line of Pond Street and running thence North 43 degrees 33 minutes East along Pond Street for a distance of 226.1 feet to line angle; thence continuing along Pond Street North 37 degrees 57 minutes East to another line angle for a distance of 29.1 feet; thence North 42 degrees 20 minutes East along Pond Street for a distance of 94.4 feet to corner of Les Farley's S. C. Gorley Lot; thence South 45 degrees 39 minutes East along Les Farley lot for a distance of 183.7 feet; thence North 42 degrees 28 minutes East along the rear of Les Farley lot for a distance of 237.1 feet to corner on line of George Hartwell Estate land; thence South 45 degrees 39 minutes East along George Hartwell line for a distance of 370.6 feet; thence through Newsome property

South 43 degrees 09 minutes West for a distance of 707 feet to Putnam County State Prison Branch lands; thence along said lands North 33 degrees 46 minutes West for a distance of 559 feet to Point of Beginning.

Said properties being conveyed in that Warranty Deed from James Newsome to the Housing Authority of the City of Eatonton, Georgia dated August 8, 1964 and recorded in Deed Book G-3, page 221, Putnam County, Georgia Records.

ADDENDUM B

4/27/2017
10:50:31AM

Eatonton Housing Authority Rent Roll 5/2017

Authority # 9
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Eatonton Project

Project / Unit	Tenant	Rm	Date Leased	Date Terminated	Days Vacant	YTD Vacant	Date Adjusted	Increase	Decrease	Balance
001 / 109	Andrews, Charquala Marquia	3	4/11/2016			0		0.00	0.00	-114.00
001 / 111	Buckner, Alexia R.	2	7/25/2016			0		0.00	0.00	-76.00
001 / 113	Humphries, Shenita L	3	8/1/2013			0		0.00	0.00	-114.00
001 / 114	Swain, Shantina	3	8/19/2013			0		0.00	0.00	65.00
001 / 116	Griffin, Camilya S.	2	4/26/2017		0	0	4/26/2017	0.00	41.00	-41.00
001 / 118	Nelson, Kachena Lasha	3	4/16/2014			0		0.00	0.00	-114.00
001 / 120	Griffin, Akeema S	3	4/7/2011			0	5/1/2017	136.00	0.00	225.00
001 / 122	Grant, Jasmine Lashon	3	10/15/2014			0		0.00	0.00	58.00
001 / 123	Williams, Moses	3	6/10/1987			0		0.00	0.00	625.00
001 / 124	Reid, Carolyn	3	2/1/2016			0		0.00	0.00	383.00
001 / 125	Reddish, Brenetha	2	1/9/2012			0	5/1/2017	0.00	0.00	496.00
001 / 126	Swain, Lakeisha	3	10/16/2012			0		0.00	0.00	493.00
001 / 127	Norman, Sterling C.	3	12/8/2016			0		0.00	0.00	69.00
001 / 129	Hill, Tiasia Lashawn	2	5/19/2014			0		0.00	0.00	-71.00
001 / 131	Mathis, Joann	3	8/1/1995			0		0.00	0.00	625.00
001 / 133	Davis, Vinchedia A	3	7/21/2015			0		0.00	0.00	-114.00
001 / 210	Hunt, Jemaira Q	3	11/7/2011			0	5/1/2017	624.00	0.00	539.00
001 / 211	White, Monique	3	9/11/2001			0		0.00	0.00	47.00
001 / 212	Butler, Bridgette	2	9/8/2016			0		0.00	0.00	233.00
001 / 213	Ellison, Tequonna	2	1/19/2017			0		0.00	0.00	-74.00
001 / 214	Monday, Nidia L	3	10/16/2001			0		0.00	0.00	89.00
001 / 215	Dunn, Mary	3	8/15/2016			0		0.00	0.00	-1.00
001 / 216	Farley, Mona Denise	3	8/13/2015			0		0.00	0.00	253.00
001 / 217	Smith, Natasha Yahrmarez	3	10/11/2016			0		0.00	0.00	107.00
001 / 218	Lewis, Lucberta	2	2/23/2009			0		0.00	0.00	97.00
001 / 219	Williams, Charlesia Chrisha	2	7/22/2015			0		0.00	0.00	170.00
001 / 220	Ellison, Candice N	3	4/3/2006			0		0.00	0.00	219.00
001 / 221	Little, Tammy Mason	3	9/17/2015			0		0.00	0.00	357.00
001 / 222	Lawrence, Laura Lee	2	4/14/2016			0		0.00	0.00	-50.00
001 / 223	Parks, Virginia	1	4/20/2011			0		0.00	0.00	350.00
001 / 224	Evans, Joann	2	10/1/2001			0		0.00	0.00	-65.00

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Eatonton Housing Authority Rent Roll 5/2017

Authority # 9
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Eatonton Project

Project / Unit	Tenant	Rm	Date Leased	Date Terminated	Days Vacant	YTD Vacant	Date Adjusted	Increase	Decrease	Balance
001 / 225	Little, Ashley Nichole	2	12/22/2015			0		0.00	0.00	-76.00
001 / 226	Stokes, Brittany A.	2	6/11/2013			0		0.00	0.00	242.00
001 / 227	Wynn, Rudy	1	12/7/2007			0		0.00	0.00	301.00
001 / 229	Washington, Elenora J	1	1/9/2006			0		0.00	0.00	145.00
001 / 231	Webb Sr., Jimmy L	1	9/26/2007			0		0.00	0.00	350.00
001 / 233	Griffin, Crystal Y	1	9/20/2016			0		0.00	0.00	226.00
001 / 235	Nash, Lizzie M	1	5/21/2004			0		0.00	0.00	139.00
001 / 237	Lewis II, Levi T	2	3/5/2010			0		0.00	0.00	260.00
001 / 239	Nash, Betty	2	6/1/1993			0		0.00	0.00	86.00
001 / 241	Webb, Ruby	1	9/8/2016			0		0.00	0.00	145.00
001 / 243	Davis, Delores	1	1/8/2004			0		0.00	0.00	145.00
001 / 245	Simmons, Mattie M	1	9/19/1956			0		0.00	0.00	71.00
001 / 247	Little, Sharon L.	1	10/17/2016			0		0.00	0.00	139.00
001 / 249	Farley, Shanoval Renee	2	2/23/2015			0	5/1/2017	0.00	130.00	-9.00
001 / 251	Hurt, Amber Nicole	2	7/28/2015			0		0.00	0.00	129.00
001 / 252	Adams, Michelle	1	2/4/2015			0		0.00	0.00	368.00
001 / 253	Scott, Stella L.	3	5/11/1999			0		0.00	0.00	123.00
001 / 254	Williams, Jacquelyn Yvonne	1	2/10/2015			0		0.00	0.00	146.00
001 / 255	Little, Rachel	3	9/10/1991			0		0.00	0.00	-114.00
001 / 256	Davis, Bobbie J	3	9/15/1997			0		0.00	0.00	325.00
001 / 257	Ramage, Monica	2	2/7/2017			0	5/1/2017	0.00	179.00	-76.00
001 / 258	Waller, Kimberly T	3	12/10/2009			0		0.00	0.00	625.00
001 / 259	Burke, Shalanda	2	11/6/2013			0		0.00	0.00	-76.00
001 / 260	Johnson, Krinshindra Marquis	2	8/17/2016			0		0.00	0.00	-76.00
001 / 262	McCarthy, Mindy Troy	2	8/26/2015			0		0.00	0.00	-76.00
001 / 500	Reid, Jermonica	1	11/15/2016			0		0.00	0.00	-14.00
001 / 501	Andrews, Lucinda	1	8/10/2001			0		0.00	0.00	245.00
001 / 502	Kelley, Sadaiya K.	2	7/11/2013			0		0.00	0.00	-21.00
001 / 503	Echols, Lillian Margaret	2	4/7/2016			0	5/1/2017	0.00	37.00	16.00
001 / 504	Mathis, Shurica	2	2/6/2013			0		0.00	0.00	377.00
001 / 505	Farley, Linda Ann	2	2/15/2017			0		0.00	0.00	193.00

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Eatonton Housing Authority Rent Roll 5/2017

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Eatonton Project

Project / Unit	Tenant	Rm	Date Leased	Date Terminated	Days Vacant	YTD Vacant	Date Adjusted	Increase	Decrease	Balance
001 / 506	Farley, Annie R	1	12/29/2014			0		0.00	0.00	244.00
001 / 507	Jackson, Grady Jr.	1	2/13/2012			0		0.00	0.00	150.00
001 / 508	Edwards, Malissa Rene	3	11/12/2015			0		0.00	0.00	170.00
001 / 509	Hatcher, Christopher C.	4	12/5/2013			0		0.00	0.00	486.00
001 / 510	Scott, Kesi L.	2	4/1/2014			0		0.00	0.00	-15.00
001 / 511	Smith, Shanicka	4	1/30/2013			0		0.00	0.00	428.00
001 / 512	Davis, Kaniya D.	3	12/5/2012			0		0.00	0.00	-114.00
001 / 513	Nelson, Tyeisha V	2	1/17/2017			0	5/1/2017	0.00	49.00	-76.00
001 / 514	Parham, Treonna Nichole	2	1/28/2015			0		0.00	0.00	-76.00
001 / 515	Rollins, Felicia A.	3	11/1/2016			0		0.00	0.00	-96.00
001 / 516	Ash, Nakia Shonte	4	1/6/2014			0		0.00	0.00	-113.00
001 / 517	Wesley, Trallis C.	2	9/5/2013			0		0.00	0.00	-71.00
001 / 518	Evans, Marquita A.	4	9/23/2013			0		0.00	0.00	46.00
001 / 519	Lawrence, Jaquill	3	2/11/2013			0		0.00	0.00	-67.00
001 / 520	Manning, Qiana D.	3	7/8/2015			0		0.00	0.00	57.00
001 / 522	Dunham, Shanise K	2	6/7/2011			0		0.00	0.00	213.00
001 / 524	Grant, Angela	3	5/11/1999			0		0.00	0.00	25.00
001 / 526	Andrews, Ericka D	3	8/11/2016			0		0.00	0.00	-114.00
001 / 528	Gross, Tiffany	2	9/22/2016			0		0.00	0.00	64.00
001 / 530	Daniels, Rudoiph	3	9/10/1993			0		0.00	0.00	625.00
001 / 601	Harden, Mauricia Tiajuana	1	10/17/2016			0		0.00	0.00	249.00
001 / 603	Andrews, Binisha J.	1	3/13/2017			0		0.00	0.00	98.00
001 / 605	Porter, Cerra T	3	1/12/2007			0		0.00	0.00	269.00
001 / 607	Crutchfield, Willie Aruthur	2	6/9/2016			0		0.00	0.00	230.00
001 / 609	Humphrey, Linda	1	1/8/2015			0		0.00	0.00	66.00
001 / 611	Jones, Ruby J.	1	1/14/2014			0		0.00	0.00	189.00
001 / 613	Evans, Verlie	1	1/3/2011			0		0.00	0.00	144.00
001 / 615	Ingram, Perry Lee	1	5/19/2015			0		0.00	0.00	145.00
001 / 617	Strickland, Lucinda	1	6/8/2007			0		0.00	0.00	226.00
001 / 619	Barnes, Katie F.	1	11/2/2016			0		0.00	0.00	163.00
001 / 621	Little, Willie M	2	11/2/2016			0		0.00	0.00	336.00

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Eatonton Housing Authority Rent Roll 5/2017

Authority # 9
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Eatonton Project

Project / Unit	Tenant	Rm	Date Leased	Date Terminated	Days Vacant	YTD Vacant	Date Adjusted	Increase	Decrease	Balance
001 / 623	Banks, Gainell H	2	9/8/2003			0		0.00	0.00	447.00
001 / 624	Thomas, Kimberly Sharee	2	12/18/2013			0		0.00	0.00	21.00
001 / 625	Nesbitt, Franshundra M.	2	9/17/2013			0		0.00	0.00	-2.00
001 / 626	Bynes, Julia B.	2	9/12/2013			0		0.00	0.00	155.00
001 / 627	Browning, Erica D	2	8/29/2011			0		0.00	0.00	215.00
001 / 628	Johnson, Te'Lisha T.	2	10/1/2013			0		0.00	0.00	-65.00
001 / 629	Scott, Tameca L	3	7/11/2012			0		0.00	0.00	-89.00
001 / 630	Hargrove, Linda	3	3/1/2017			0	5/1/2017	0.00	199.00	-74.00
001 / 631	Little, Alexis Vonshay	2	11/4/2014			0		0.00	0.00	-76.00
001 / 632	Trippe, Derrick	1	8/3/2010			0		0.00	0.00	292.00
001 / 633	Reid, William T	1	10/5/2001			0		0.00	0.00	304.00
001 / 634	Mcgullion, Billy	1	9/14/2001			0		0.00	0.00	145.00
001 / 635	Williams, Joann F	1	1/20/2009			0		0.00	0.00	-31.00
001 / 636	Smith, Yolanda F	2	5/9/2008			0		0.00	0.00	173.00
001 / 637	Monday, Yoketta	2	10/26/1998			0		0.00	0.00	-7.00
001 / 638	Borom, Shani Denise	2	8/1/2016			0		0.00	0.00	-76.00
001 / 639	Ellison, Shrika L.	2	4/16/2013			0		0.00	0.00	276.00
001 / 640	Crutchfield, Sandra Marie	2	1/11/2016			0		0.00	0.00	245.00
001 / 641	Turner, Sharon D	3	10/4/2004			0		0.00	0.00	29.00
001 / 642	Gorley, Chanter R.	2	4/7/2014			0		0.00	0.00	-74.00
001 / 643	Mathis, Krystal V	2	9/17/1999			0		0.00	0.00	189.00
SubTotal -	Tenants:	114	Average Rent:		129.86			760.00	635.00	14,804.00
Total -	Tenants:	114	Average Rent:		129.86			760.00	635.00	14,804.00

Part G – Information on Mortgagor Entity

Name of Entity

Housing Authority of the City of Eatonton

Type of Entity

Individual General Partnership Joint Tenancy/Tenants in Common Other (specify) Housing Authority
 Corporation Limited Partnership Trust

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

Name and Title

Thomas A. Rosseter, Chairman

Name and Title

Vonda Gibson, Secretary/Treasurer, Executive Director

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Vonda Gibson, Executive Director

Authorized Official's Signature

Vonda Gibson

4/18/2017
Date (mm/dd/yyyy)

Part I – HUD/Lender Approval

Addendum Number

HAP Contract Number
GA06RD00006

Exhibit Number

Loan Servicer Signature

Debra A. Newman

Date (mm/dd/yyyy)

04/26/2017

Branch Chief/Lender Official Signature

Debra A. Newman

04/26/2017

Date (mm/dd/yyyy)

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

HOUSING AUTHORITY OF THE CITY OF EATONTON
 208 LAWSON STREET
 EATONTON, GEORGIA

# OF PROJECT	NAME OF PROJECT	TOTAL UNITS	1BR	2BR	3BR	4BR
GA 72-1	LAWSON HOMES	18	2	8	8	0
6 Buildings	LAWSON STREET		223	212	210	
18 Apartments	MAINTENANCE BUILDING		227	213	211	
1 Office (2028 SQ. FT.)	ATTACHED TO GA 72-1			218	214	
1 Storage(Metal) 160 SQ. FT.	216 SQ. FT.			219	215	
1 BR. -609 SQ. FT.				222	216	
2 BR. -793 SQ. FT.				224	217	
3 BR. -951 SQ. FT.				225	220	
				226	221	
GA 72-2	MONTGOMERY HOMES	32	4	12	12	4
10 Buildings	POND STREET		500	111	109	509
32 Apartments	1 BR-609 SQ. FT.		501	116	113	511
	2 BR-793 SQ. FT.		506	502	114	516
	3 BR-994 SQ. FT.		507	503	118	518
	4 BR-1123 SQ. FT.			504	508	
				505	512	
				510	515	
				513	519	
				514	520	
				517	524	
				522	526	
				528	530	
GA 72-3A	LAWSON HOMES ANNEX	22	10	8	4	0
11 Buildings	FORREST STREET		229 ✓	237	253	
22 Apartments	1 BR-616 SQ. FT.		231 ✓	239	255	
	2 BR-798 SQ. FT.		233 ✓	249	256	
	3 BR-994 SQ. FT.		235 ✓	251	258	
			241 ✓	257		
			243 ✓	259		
			245 ✓	260		
			247 ✓	262		
			252			
			254			
GA 72-3B	MONTGOMERY HOMES ANNEX	42	12	18	12	0
21 Buildings	FORREST STREET		601	125	120	
42 Apartments	POND STREET		603	129	122	
	1 BR.-616 SQ. FT.		609	607	123	
	2 BR.-798 SQ. FT.		611	621	124	
	3 BR.-994 SQ. FT.		613	623	126	
			615	624	127	
			617	625	131	
			619	626	133	
			632	627	605	
			633	628	629	
			634	631	630	
			635	636	640	
			637		641	
			638			
			639			
			640			
			641			
			642			
			643			

Approximately 35 ft.
 between Buildings

Co. 72-1

Alone Springs Road

Office

388	288	388
210	212	214

388	288	388
216	218	220

288	288	288
222	224	226

Jensen Street

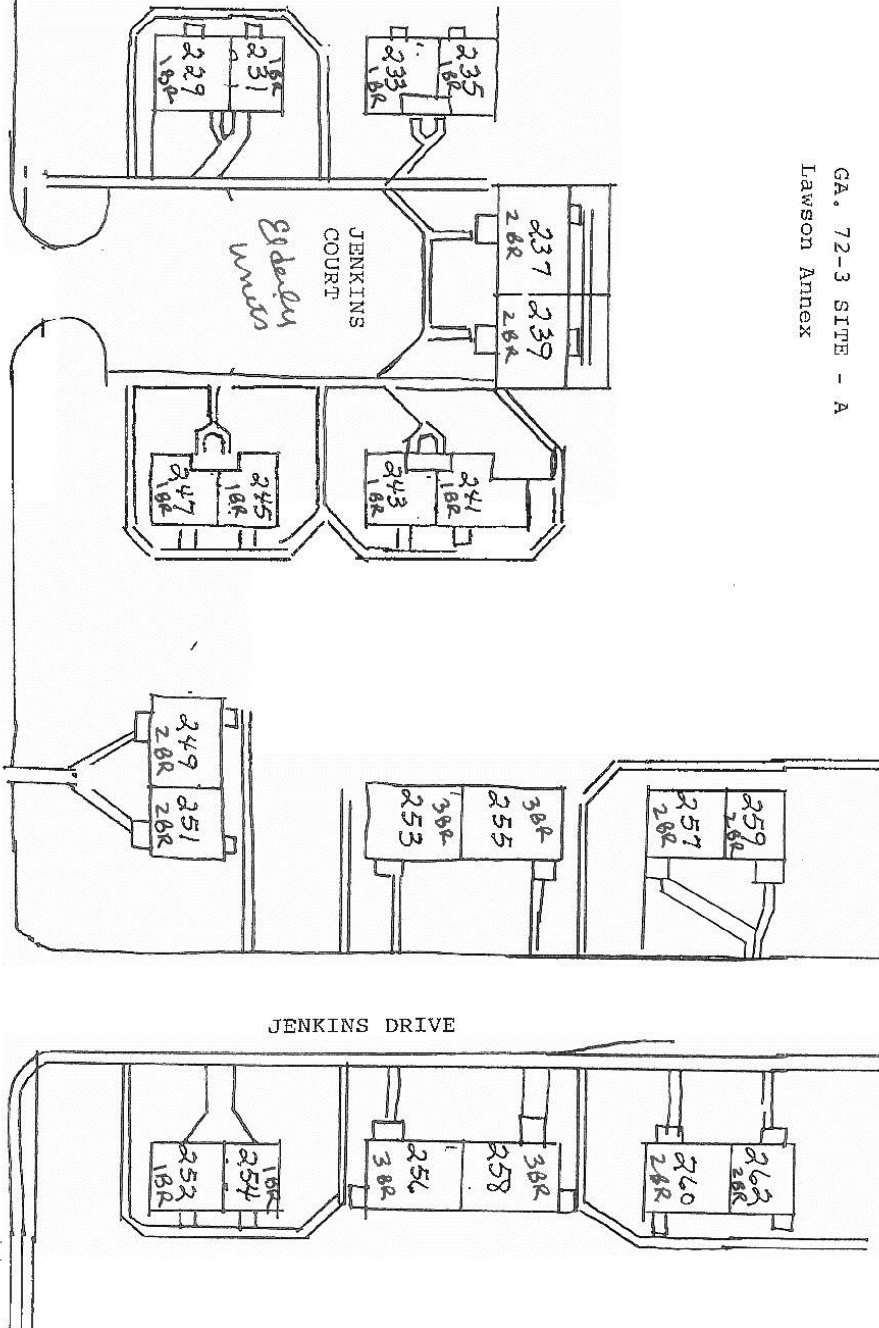
388	288	388
211	213	215

388	288	388
217	219	221

188	288	188
223	225	227

Forrest St.

GA. 72-3 SITE - A
Lawson Annex



Jesse Porter Street
Pond Street

~~Daniel's~~
 STORE

1000g

3BR	2BR	3BR
114	116	118

3BR	3BR
515	519
2BR	
517	

2BR	2BR
513	
4BR	
511	
4BR	
509	

1BR	1BR
507	
2BR	
505	
2BR	
503	
1BR	
501	

72-2

3BR	2BR	3BR
530	528	526

524	522	520
3BR	2BR	3BR

Parking

518	516	514
4BR	4BR	2BR

3BR	2BR	3BR
512	516	508

1BR	2BR	2BR	1BR
506	504	502	500

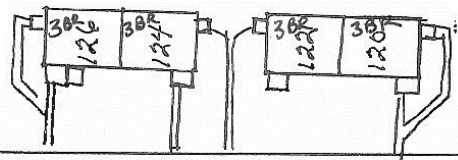
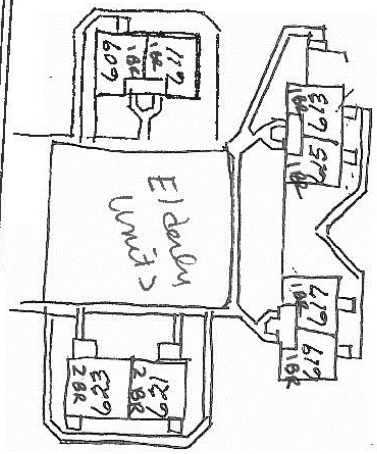
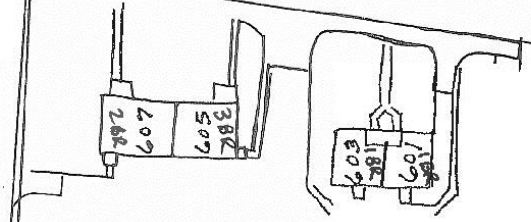
3BR	2BR	1BR
109	111	113

Garrett St. Railroad Trail

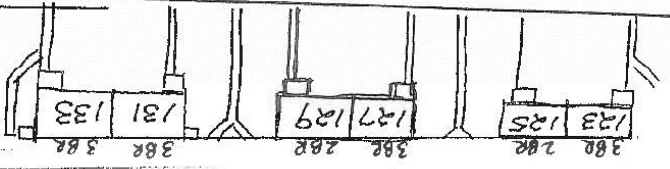
GA. 72-3 SITE -B
Montgomery Homes - Annex

ROCK LANE

FOREST AVENUE
Railroad Track



POND STREET
Jesse Ponds Street



ROCK LANE

NEWSOME CIRCLE

635	627
2BR	2BR

629	631
3BR	2BR

633	635
1BR	1BR

637	639
2BR	2BR

642	643
2BR	2BR

634	626
2BR	2BR

628	630
2BR	3BR

632	634
1BR	1BR

636	638
2BR	2BR

647	649
2BR	2BR

GA 72-3 SITE-B

Eatonton Housing Authority

Eatonton, GA

0

Expense Year

2014

Row Labels	Sum of Amount
Advertising	
Advertising and Marketing	
Annual Ancillary Income	\$26,325
Laundry and Vending Revenue	
Miscellaneous Revenue	
Tenant Charges	\$26,325
Annual Gross Potential Rental Income	\$844,839
Rent Revenue - Gross Potential	\$345,981
Tenant Assistance Payments	\$498,858
Annual Income (Commercial)	
Rent Revenue - Stores and Commercial	
Decorating	
Decorating	
Elevator Maintenance Expense	
Elevator Maintenance Expense	
Employee Benefits	\$123,423
Employee Benefits - Administrative	\$60,084
Employee Benefits - Maintenance	\$63,339
Employee Payroll Tax	
Payroll Taxes (Project's Share)	
Excluded Income	
Financial Revenue	
Interest Reduction Payments Revenue	
Retained Excess Income	
Special Claims Revenue	
Exterminating	
Exterminating	
Fuel	
Fuel	
Garbage and Trash Removal	
Garbage and Trash Removal	
Gas	
Gas	
Ground Expense	
Snow Removal	
Insurance	\$43,213
Fidelity Bond Insurance	
Property and Liability Insurance (Hazard)	\$43,213
Lighting and Miscellaneous Power	\$71,774
Electricity	\$71,774
Management Fee	

Management Fee	
Misc. Taxes/Licenses	
Miscellaneous Taxes, Licenses, Permits and Insurance	
Other Administrative	\$87,896
Administrative Rent Free Unit	
Audit Expense	\$5,000
Bad Debts	\$8,263
Legal Expense - Project	
Miscellaneous Administrative Expenses	\$46,620
Office Expenses	\$5,550
Other Renting Expenses	
Travel	\$4,602
Tenant Services	\$1,484
Compensated Absences	\$16,377
Other Maintenance	
Miscellaneous Operating and Maintenance Expense	
Other Operating	\$91,513
Supplies	\$45,938
Other Utilities	\$45,575
Payroll	\$286,015
Manager or Superintendent Salaries	
Office Salaries	\$139,832
Payroll	\$146,183
Personal Property Tax	
Personal Property Taxes	
Real Estate Tax	
Real Estate Taxes	
Repairs	\$43,807
Contracts	\$43,807
Heating/Cooling Repairs and Maintenance	
Replacement Reserves Releases Included as Expense	
Vehicle and Maintenance Equipment Operation and Repairs	
Reserves for Replacement	
Replacement Reserve Deposits	
Service Coordinator	\$0
Service Coordinator Expenses	
Service Coordinator Income	\$0
Vacancy (Apartments)	
Vacancies - Apartments	
Vacancies - Concessions	
Vacancy (Commercial)	
Vacancies - Stores and Commercial	
Water/Sewer	\$39,592
Sewer	
Water	\$39,592
(blank)	\$4,161,633
Net Rental Revenue	\$844,839

Operating Expenses	
Total Administrative Expenses	\$227,728
Total Operating and Maintenance Expenses	\$281,503
Total Operating Expenses	\$787,233
Total Other Revenue	\$26,325
Total Rent Revenue	\$844,839
Total Revenue	\$871,164
Total Taxes and Insurance	\$166,636
Total Utilities Expense	\$111,366
Total Vacancies	\$0
(blank)	
Excluded Expense	
Loss on Disposal of Assets	
Grand Total	\$5,820,030

Eatonton Housing Authority

Eatonton, GA

0

Expense Year

2015

Row Labels	Sum of Amount
Advertising	
Advertising and Marketing	
Annual Ancillary Income	\$22,856
Laundry and Vending Revenue	
Miscellaneous Revenue	\$22,769
Tenant Charges	\$87
Annual Gross Potential Rental Income	\$1,339,835
Rent Revenue - Gross Potential	\$336,623
Tenant Assistance Payments	\$1,003,212
Annual Income (Commercial)	
Rent Revenue - Stores and Commercial	
Decorating	
Decorating	
Elevator Maintenance Expense	
Elevator Maintenance Expense	
Employee Benefits	\$127,534
Employee Benefits - Administrative	\$57,637
Employee Benefits - Maintenance	\$61,691
Workmand Comp	\$8,206
Employee Payroll Tax	
Payroll Taxes (Project's Share)	
Excluded Income	\$5,197
Financial Revenue	\$5,197
Interest Reduction Payments Revenue	
Retained Excess Income	
Special Claims Revenue	
Exterminating	
Exterminating	
Fuel	
Fuel	
Garbage and Trash Removal	
Garbage and Trash Removal	
Gas	
Gas	
Ground Expense	
Snow Removal	
Insurance	\$37,674
Fidelity Bond Insurance	\$1,222
Property and Liability Insurance (Hazard)	\$36,452
Lighting and Miscellaneous Power	\$74,090
Electricity	\$74,090

Management Fee	
Management Fee	
Misc. Taxes/Licenses	
Miscellaneous Taxes, Licenses, Permits and Insurance	
Other Administrative	\$50,463
Audit Expense	\$6,500
Bad Debts	\$890
Legal Expense - Project	\$5,098
Management Consultants	
Miscellaneous Administrative Expenses	\$20,511
Office Expenses	
Other Renting Expenses	
Travel	\$9,152
Tenant Services	\$323
Compensated Absences	\$7,989
Other Maintenance	
Miscellaneous Operating and Maintenance Expense	
Other Operating	\$107,948
Supplies	\$61,534
Other Utility	\$46,414
Payroll	\$302,344
Manager or Superintendent Salaries	
Office Salaries	\$142,084
Payroll	\$160,260
Personal Property Tax	
Personal Property Taxes	
Real Estate Tax	
Real Estate Taxes	
Repairs	\$27,794
Contracts	\$27,794
Heating/Cooling Repairs and Maintenance	
Replacement Reserves Releases Included as Expense	
Vehicle and Maintenance Equipment Operation and Repairs	
Reserves for Replacement	
Replacement Reserve Deposits	
Service Coordinator	
Service Coordinator Expenses	
Service Coordinator Income	
Vacancy (Apartments)	
Vacancies - Apartments	
Vacancies - Concessions	
Vacancy (Commercial)	
Vacancies - Stores and Commercial	
Water/Sewer	\$40,859
Sewer	
Water	\$40,859
(blank)	\$5,607,826

Net Rental Revenue	\$1,339,835
Operating Expenses	
Total Administrative Expenses	\$192,547
Total Operating and Maintenance Expenses	\$296,002
Total Operating Expenses	\$768,706
Total Other Revenue	\$22,856
Total Rent Revenue	\$1,339,835
Total Revenue	\$1,367,888
Total Taxes and Insurance	\$165,208
Total Utilities Expense	\$114,949
Total Vacancies (blank)	\$0
Excluded Expense	
Loss on Disposal of Assets	
Grand Total	\$7,744,420

Eatonton Housing Authority

Eatonton, GA

0

Expense Year

2016

Row Labels	Sum of Amount
Advertising	
Advertising and Marketing	
Annual Ancillary Income	\$22,746
Laundry and Vending Revenue	
Miscellaneous Revenue	
Tenant Charges	\$22,746
Annual Gross Potential Rental Income	\$1,026,183
Rent Revenue - Gross Potential	\$336,155
Tenant Assistance Payments	\$690,028
Annual Income (Commercial)	
Rent Revenue - Stores and Commercial	
Decorating	
Decorating	
Elevator Maintenance Expense	
Elevator Maintenance Expense	
Employee Benefits	\$121,099
Employee Benefits - Administrative	\$56,954
Employee Benefits - Maintenance	\$64,145
Employee Payroll Tax	
Payroll Taxes (Project's Share)	
Excluded Income	\$6,085
Financial Revenue	\$6,085
Interest Reduction Payments Revenue	
Retained Excess Income	
Special Claims Revenue	
Exterminating	
Exterminating	
Fuel	
Fuel	
Garbage and Trash Removal	
Garbage and Trash Removal	
Gas	
Gas	
Ground Expense	
Snow Removal	
Insurance	\$47,556
Fidelity Bond Insurance	\$4,028
Property and Liability Insurance (Hazard)	\$25,512
Other Insurance	\$18,016
Lighting and Miscellaneous Power	\$74,224
Electricity	\$74,224

Management Fee	
Management Fee	
Misc. Taxes/Licenses	
Miscellaneous Taxes, Licenses, Permits and Insurance	
Other Administrative	\$43,769
Administrative Rent Free Unit	
Audit Expense	\$7,000
Bad Debts	\$3,206
Legal Expense - Project	
Miscellaneous Administrative Expenses	\$21,807
Office Expenses	
Other Renting Expenses	
Travel	\$2,474
Tenant Services	\$187
Compensated Absences	\$9,095
Other Maintenance	
Miscellaneous Operating and Maintenance Expense	
Other Operating	\$126,900
Supplies	\$77,498
Other Utility	\$49,402
Payroll	\$298,657
Manager or Superintendent Salaries	
Office Salaries	\$140,560
Payroll	\$158,097
Personal Property Tax	
Personal Property Taxes	
Real Estate Tax	
Real Estate Taxes	
Repairs	\$44,789
Contracts	\$44,789
Heating/Cooling Repairs and Maintenance	
Replacement Reserves Releases Included as Expense	
Vehicle and Maintenance Equipment Operation and Repairs	
Reserves for Replacement	
Replacement Reserve Deposits	
Service Coordinator	
Service Coordinator Expenses	
Service Coordinator Income	
Vacancy (Apartments)	
Vacancies - Apartments	
Vacancies - Concessions	
Vacancy (Commercial)	
Vacancies - Stores and Commercial	
Water/Sewer	\$43,510
Sewer	
Water	\$43,510
(blank)	\$4,731,134

Net Rental Revenue	\$1,026,183
Operating Expenses	
Total Administrative Expenses	\$184,329
Total Operating and Maintenance Expenses	\$329,786
Total Operating Expenses	\$800,504
Total Other Revenue	\$22,746
Total Rent Revenue	\$1,026,183
Total Revenue	\$1,055,014
Total Taxes and Insurance	\$168,655
Total Utilities Expense	\$117,734
Total Vacancies	\$0
(blank)	
Excluded Expense	
Loss on Disposal of Assets	
Grand Total	\$6,586,652

Eatonton Housing Authority

Eatonton, GA

0

Expense Year

2017

of Months

4

Row Labels	Sum of Amount
Advertising	
Advertising and Marketing	
Annual Ancillary Income	\$12,259
Laundry and Vending Revenue	
Miscellaneous Revenue	\$12,259
Tenant Charges	
Annual Gross Potential Rental Income	\$601,901
Rent Revenue - Gross Potential	\$155,625
Tenant Assistance Payments	\$446,276
Annual Income (Commercial)	
Rent Revenue - Stores and Commercial	
Decorating	
Decorating	
Elevator Maintenance Expense	
Elevator Maintenance Expense	
Employee Benefits	\$90,722
Health Insurance and Other Employee Benefits	
Employee Benefits	\$90,722
Employee Payroll Tax	
Payroll Taxes (Project's Share)	
Excluded Income	\$1,771
Financial Revenue	\$1,771
Interest Reduction Payments Revenue	
Retained Excess Income	
Special Claims Revenue	
Exterminating	
Exterminating	
Fuel	
Fuel	
Garbage and Trash Removal	
Garbage and Trash Removal	
Gas	
Gas	
Ground Expense	
Snow Removal	
Insurance	\$20,822
Fidelity Bond Insurance	
Property and Liability Insurance (Hazard)	\$20,822
Lighting and Miscellaneous Power	\$13,075
Electricity	\$13,075

Management Fee	
Management Fee	
Misc. Taxes/Licenses	
Miscellaneous Taxes, Licenses, Permits and Insurance	
Other Administrative	\$21,037
Administrative Rent Free Unit	
Audit Expense	\$8,500
Bad Debts	
Bookkeeping Fees/Accounting Services	
Legal Expense - Project	\$839
Miscellaneous Administrative Expenses	\$11,425
Office Expenses	
Travel	\$245
Collection Losses	-\$80
Tenant Services	\$108
Other Maintenance	
Miscellaneous Operating and Maintenance Expense	
Other Operating	\$66,064
Supplies	\$34,876
Other Utilities	\$31,188
Payroll	\$199,962
Manager or Superintendent Salaries	
Office Salaries	\$95,498
Payroll	\$104,464
Personal Property Tax	
Personal Property Taxes	
Real Estate Tax	
Real Estate Taxes	
Repairs	\$25,455
Contracts	\$25,455
Heating/Cooling Repairs and Maintenance	
Replacement Reserves Releases Included as Expense	
Vehicle and Maintenance Equipment Operation and Repairs	
Reserves for Replacement	
Replacement Reserve Deposits	
Service Coordinator	
Service Coordinator Expenses	
Service Coordinator Income	
Vacancy (Apartments)	
Vacancies - Apartments	
Vacancies - Concessions	
Vacancy (Commercial)	
Vacancies - Stores and Commercial	
Water/Sewer	\$27,361
Sewer	
Water	\$27,361
(blank)	\$2,760,988

Net Rental Revenue	\$601,901
Operating Expenses	
Total Administrative Expenses	\$116,535
Total Operating and Maintenance Expenses	\$195,983
Total Operating Expenses	\$464,498
Total Other Revenue	\$12,259
Total Rent Revenue	\$601,901
Total Revenue	\$615,931
Total Taxes and Insurance	\$111,544
Total Utilities Expense	\$40,436
Total Vacancies (blank)	\$0
Excluded Expense	
Loss on Disposal of Assets	
Grand Total	\$3,841,417

ADDENDUM C

RM-3 MULTI-FAMILY RESIDENTIAL DISTRICT

Sec. 66-95. - Purpose.

The primary purpose of this district is to facilitate, through a sensitive single design solution, the incorporation of a development into the natural environment by using an increased density as the reward. Properties in this district shall be developed as integrated whole with offering a variety of housing design solutions in one ownership.

(Res. of 7-17-2007(4))

Sec. 66-96. - Uses allowed.

The uses allowed in the RM-3 zoning district as a matter of right are subject to section 66-34, general requirements, of this article, to performance standards of article III, and to the requirements and development standards of this district. Uses not listed herein are not permitted in this district, except as provided in section 66-36, undefined uses, of this article. Consult article III, performance standards, or the other zoning districts if the use you seek is not listed in this district.

(a) Allowed uses.

Amusement, recreational and entertainment activities carried on wholly within a permanently enclosed building.

Churches.

Dwellings:

(1) Structural types:

Site-built.

Modular.

(2) Occupancy types:

Single-family dwelling.

Duplex.

Triplex.

Quadruplex.

Townhouse.

Mid-rise.

Hotel/inn.

Private schools.

(b) Commercial uses may be allowed subject to the following conditions:

(1) Maximum commercial land area is ten percent of total acreage not to exceed ten acres.

(2) May not be developed until at least 50 percent of the dwelling units are occupied.

- (3) May not have vehicular access directly from the existing public street from which the development derives its means of ingress and egress.
- (4) Uses are restricted to retail commercial (excluding an automobile service station), services, and professional offices.
- (c) Accessory uses as part of the development.
 - Athletic field.
 - Home occupation, general.
 - Marinas.
 - Parks and playgrounds.
 - Pedestrian system (includes walking trails and bicycle paths).
 - Restaurant (if commercial permitted).
 - Sewage treatment plant.
 - Swimming pools, clubs, tennis courts, golf courses and other recreation facilities.
 - Water treatment plant, private.

(Res. of 7-17-2007(4); Amend. of 4-17-2012(2))

Sec. 66-97. - Development standards.

- (a) Minimum parcel size: 20 acres (with community water and an approved EPD septic system or sewer).
- (b) Total parcel size, if commercial is included, must have a minimum of 50 acres.
- (c) Minimum lot width shall not be less than 500 feet, excluding the first 200 feet of lot depth from the road.
- (d) Minimum requirements are dependent on what can be determined from the concept plan with respect to how the proposed development relates to surrounding properties and what efforts and design solutions are in place to mitigate potential adverse effects on the natural environment, and how the development utilizes the topography to best achieve a harmonious design.
 - (1) A 50-foot-wide natural undisturbed buffer or a berm, replanted where sparsely vegetated, shall exist adjacent to all property lines.
 - (2) Minimum setback from lake or river: 100 feet.
 - (3) Environmentally sensitive areas, i.e. wetlands, flood zones, etc. These areas shall be demarcated in the field and shall remain undisturbed.
 - (4) All drainage courses shall remain pristine with 25-foot-wide buffers on each side.
 - (5) No vehicle parking areas shall exist between the proposed buildings and the boundary property lines.
 - (6) Maximum lot coverage by buildings: 35 percent.
- (e) Maximum density per lot is eight dwelling units per acre with 35 percent open space or ten units per acre with 50 percent open space.
- (f) Minimum heated floor area: 1,000 square feet.
- (g) Building height: Three stories.

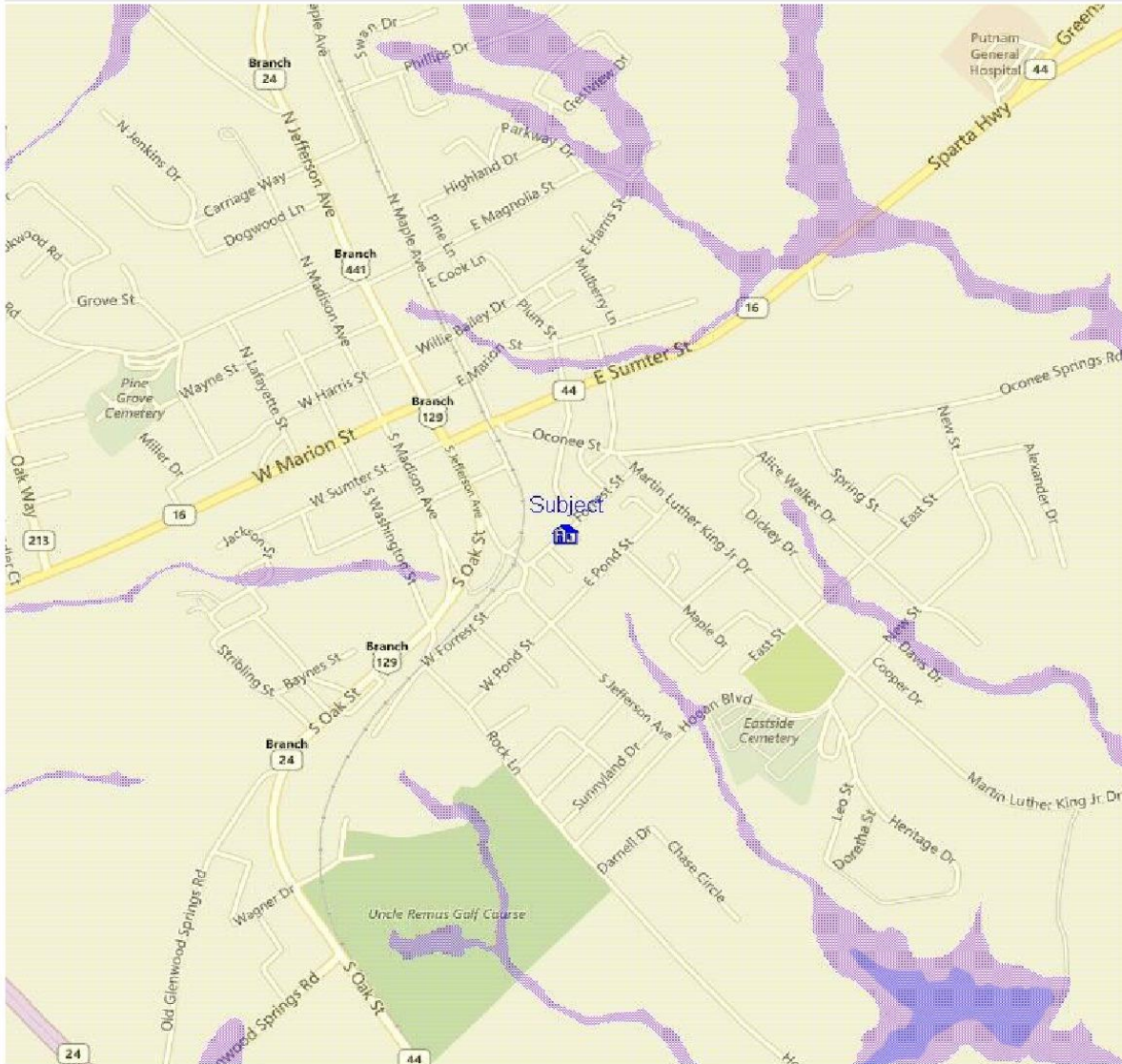
- (h) Minimum off-street parking space: Two spaces per dwelling unit. The director shall determine the number of off-street parking spaces necessary for any recreational facility, depending on the number of people the health department determines can be in the pool areas and the fire marshal determines the occupancy rating for any building. Parking for the commercial portion shall be one space for each 200 square feet of total commercial floor area. Parking shall be provided on the same lot as the use it serves.
- (i) Accessory buildings: Maximum of two per lot, excluding one garage, or carport and one well house.

(Res. of 7-17-2007(4); Amend. of 3-18-2008; Amend. of 4-17-2012(2); [Amend. of 9-17-2013\(2\)](#).)

ADDENDUM D

STDB

May 25, 2017
 Forrest Dr, Eatonton, GA, 31024
 Lat 33.32208 Long -83.385064



MAP DATA

Panel Date	September 26, 2008	FIPS Code	13237
Map Number	13237C0134C	Census Tract	9602.02
Geocoding Accuracy	S4 - single close match, point located at the center of shape point path		

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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ADDENDUM E

**STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD**

SAMUEL TODD GILL

258907

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

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

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

46665602

SAMUEL TODD GILL

258907
Status ACTIVE

ORIGINALLY LICENSED

02/06/2003

END OF RENEWAL
09/30/2017

**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

SAMUEL TODD GILL

258907
Status ACTIVE

ORIGINALLY LICENSED

02/06/2003

END OF RENEWAL
09/30/2017

**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

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

OVERVIEW

Extensive multifamily experience over the past 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
Maine State License Number: CG3635
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
Montana State License Number: REA-RAG-LIC-8530
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, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands 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 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 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 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 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 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

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

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Appraisal Trends

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