



# Crown Appraisal Group

Corporate Office

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## Cumberland Village Apartments

300 Martha Drive

65-unit apartment complex

St. Marys, Georgia

Date of Report: April 5, 2017

### Prepared by

Crown Appraisal Group, Inc.

6797 N. High Street, Suite 325

Columbus, Ohio 43085

614-431-3332 (o), 614-431-3376 (f)

### Prepared for

Debi Martin

Greystone Servicing Corporation, Inc.

419 Belle Air Lane

Warrenton, VA 20186

### **PRIVILEGED AND CONFIDENTIAL**

This document, and all of the statements, opinions, contents, and all attachments and addendums are privileged and confidential to the client (the addressee), and are not intended to be disclosed to or relied upon by any third party without the express written consent of the appraiser(s).



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April 5, 2017

Greystone Servicing Corporation, Inc.

Attn: Debi Martin

419 Belle Air Lane

Warrenton, VA 20186

**Re: Cumberland Village Apartments  
300 Martha Drive  
St. Marys, Georgia**

Dear Debi Martin:

At your request, Andy Moye has completed an inspection and analysis of the referenced property for the purpose of developing and reporting an opinion of value for the property. The specific real property interest, real estate, type of report, and type of value are detailed within the body of the accompanying report. The accompanying report has been prepared in conformance with the requirements established by the Appraisal Institute. The appraisal is in conformance with USPAP requirements. The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to any third party. Based on discussions with market participants, the marketing period and exposure period for the property is estimated at 12 months. The following summarizes the interest being appraised, types of values, effective dates of values, and value opinions.

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>	<u>3 Bed, 1 Bath</u>
As-is CRCU	Value 1 rents	580	615	710
Prospective (Renovated) CRCU	Value 4 rents	645	680	775

<i>Value Opinions</i>	<u>Date of Value</u>	<u>Value</u>
Value 1 - as conventional or unrestricted	January 25, 2017	\$3,925,000
Value 2-RD - subject to restricted rents	January 25, 2017	\$740,000
Value 3 - prospective, subject to restricted rents	February 1, 2019	\$3,875,000
Value 4 - prospective, as conventional or unrestricted	February 1, 2019	\$4,670,000
Value 5 - Interest Credit Subsidy Value from assuming the existing 515 Loan)	December 22, 2017	\$475,000
Value 5 - Interest Credit Subsidy Value (New 538 Loan)	February 1, 2019	\$200,000
Value 6 - LIHTC Value	February 1, 2019	\$1,599,484
Value 6 - State Tax Credit Value	February 1, 2019	\$506,879
Value 7 - Insurable Value	February 1, 2019	\$3,740,958
Value 8 - Land Value	January 25, 2017	\$130,000

The opinion of value contained in the attached appraisal report is based upon the following extraordinary assumptions:

- The units and other improvements at the property that were viewed during the inspection (defined within the body of the report) are representative of all the units and other improvements at the property.
- The prospective value conclusions incorporate the extraordinary assumptions that the improvements are renovated as described, that the renovation is complete as of the prospective valuation date, and that the property is operating at a stabilized level as of the prospective valuation date.

The opinion of value contained in the attached appraisal report is based upon the following hypothetical condition:

- Hypothetical conditions are stated within the Parameters of Assignment section of the report.

The opinion of value contained in the attached appraisal report is based upon the following assumptions and limiting conditions:

- The information furnished by others is believed to be reliable. No warranty is given for its accuracy, though.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the report.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations, laws, and license requirements unless otherwise stated in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- The value opinions, and the costs used, are as of the date of the value opinion.
- All engineering is assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
- The proposed improvements, if any, on or off-site, as well as any repairs required, are considered, for purposes of the appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser.
- Responsible ownership and competent property management are assumed.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that make it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering or environmental studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- All mechanical components are assumed to be in good, operable condition unless otherwise noted.
- Our opinion of value does not consider the effect (if any) of possible noncompliance with the requirements of the ADA.
- Crown Appraisal Group, Inc. and its employees accept no responsibility for changes in market conditions or the inability of the client, intended user, or any other party to achieve desired outcomes.
- Projections or estimates of desired outcomes by the client, intended user, or any other party may be affected by future events. The client, intended user, or any other party using this report acknowledges and accepts that Crown Appraisal Group, Inc. and its employees have no liability arising from these events.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to purchase, sell, or retain the property at the value(s) stated.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to provide financing (mortgage, equity, or other) for the property at the value(s) stated.
- Greystone Servicing Corporation, Inc., or its representative(s), agrees to indemnify and hold Crown Appraisal Group, Inc., its officers and employees, harmless from and against any loss, damages, claims, and expenses (including costs and reasonable attorney fees) sustained as a result of negligence or intentional acts or omissions by Greystone Servicing Corporation, Inc., or its representative(s) arising from or in any way connected with the use of or purported reliance upon, the appraisal report or any part of the appraisal report.
- The contents of the appraisal report, and all attachments and information that will be contained within the report, is proprietary and confidential. Greystone Servicing Corporation, Inc., or its representative(s) will not release or provide the report, in any form, in whole or in part, to any third party, including any borrower, potential borrower, buyer or potential buyer, without the signing appraiser's express written authorization.

**ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

Debi Martin  
April 5, 2017  
Page Four

The attached appraisal report contains the results of the investigation and opinion of value. We appreciate this opportunity to serve you and your firm. Should you or anyone authorized to use this report have any questions, contact us at your convenience.

Sincerely,

**CROWN APPRAISAL GROUP**



Andrew J. Moye, MAI, AI-GRS  
Principal

AJM  
Enclosure

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## Executive Summary

**Subject Real Estate Identification:** The subject is known as Cumberland Village Apartments and has an address of 300 Martha Drive in St. Marys, Georgia. The complex operates as a Class C, subsidized income, non-age restricted property. Cumberland Village Apartments is on the east side of Martha Drive just west of St. Marys Airport and about 1 mile south of Kings Bay Naval Base. The property is in Camden County. St. Marys is in southeast Georgia.

The subject improvements include a 65-unit apartment complex (housed in 13 single-story buildings). The property includes one, two, and three bedroom units. The improvements were built in 1980. The property is in average physical and functional condition. The 65 units total 50,373 sf. The property is currently 93.8% occupied. The subject site is ±6.640 acres.

Existing Use of Real Estate: Apartment Complex  
Highest and Best Use: Intensive Residential (current use)

Parcel Number/Legal Description: 135 058D / Comm (Apts)/L Martha Dr  
Zoning: R-3: High Density Multi-Family

USPAP Report Option: Appraisal report

Pertinent dates:

Date of valuation: see chart  
Prospective date of valuation: see chart  
Date of inspection: January 25, 2017  
Date of report: April 5, 2017

Values, interests appraised: see next page

Conclusions:

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>	<u>3 Bed, 1 Bath</u>
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Value 7 - Insurable Value		February 1, 2019		\$3,740,958
Value 8 - Land Value		January 25, 2017		\$130,000

# Parameters of Assignment

## Purpose, Intended Use

The purpose of this assignment is to arrive at an opinion of the market value of the property known as Cumberland Village Apartments. A number of value opinions of a number of interests are provided. The value opinions, applicable notes (including discussion about the use of a hypothetical condition), and intended use, are detailed below:

Value 1	<p>Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon A Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i).</p> <p><i>Note - using the hypothetical condition “as unsubsidized conventional housing” according to 7 CFR Part 3560.656(c)(1)(i) means that when the appraiser develops their highest and best use analysis they will not recognize any Rural Development restrictions or subsidies and must only consider the property as continued use as housing.</i></p> <p>The intended use of this appraised value is to determine the value of the property that qualifies for an Incentive Offer within 7 CFR Part 3560.656 for sale/purchase and to determine the amount and availability of any equity.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Value 1, as conventional or unrestricted”.</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
Value 2-RD	<p>Market Value, within 7 CFR Part 3560.752(b)(1)(ii).</p> <p><i>Note – this value opinion must consider all existing restrictions and prohibitions including Restrictive-Use Provisions (RUPs).</i></p> <p>The intended use of this appraised value is to determine the value of the property for sale/purchase and to determine the amount and availability of any equity.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Market Value, Subject to Restricted Rents within 7 CFR Part 3560.752(b)(1)(i)”.</p> <p><i>Comment: basic rent, historic vacancy, historic expenses, market-based overall rate (with recognition of “safeness” of RA units) used.</i></p>
Value 3	<p>Prospective Market Value, Subject To Restricted Rents within 7 CFR Part 3560.752(b)(1)(i).</p> <p><i>Note – this value opinion must consider any rent limits, rent subsidies, expense abatements, and restrict-use conditions that will affect the property. All intangible assets must be evaluated individually and separately from real estate.</i></p> <p>The intended use of this appraised value for a new or subsequent loan is to assist the underwriter with calculating the security value for the basis of a loan or loan guarantee.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or “Value 3, prospective, subject to restricted rents”.</p>

	<i>Comment: lesser of LIHTC or market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate (with recognition of "safeness" of RA) units used.</i>
Value 4	<p>The intended use of the appraised value "Market Value within 7 CFR Part 3560.752(b)(1)(ii), Premised Upon a Hypothetical Condition As-If Unsubsidized Conventional Housing in compliance with 7 CFR Part 3560.656(c)(1)(i)." is to determine the value of the property that qualifies for an Incentive Offer within 7 CFR Part 3560.656 for sale/purchase and to determine the amount and availability of any equity.</p> <p><i>Note – this value opinion is based upon a highest and best use analysis as-if not encumbered by USDA program provisions.</i></p> <p>The intended use of this appraised value is for reasonable analysis and comparison as to how the USDA restrictions affect the property. It should not be used as the basis of a loan or loan guarantee.</p> <p>For ease of communication throughout the report, every effort is made to identify this value either by the complete definition or "Value 4, prospective, as conventional or unrestricted".</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
Value 5	Value of the interest credit subsidy from assumed 515 loan and new 538 loan.
Value 6	Market Value of LIHTC (tax credits).
Value 7	Insurable Value.
Value 8	Market Value of Underlying Land

## Definitions

### ***Market Value, incorporated in Value Opinions 1, 2, 5, 6, 8***

The 6th edition of The Dictionary of Real Estate Appraisal includes several definitions for *market value*. The following definition from the dictionary is used by the federal agencies that regulate insured financial institutions in the United States.

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

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

*Comments from HB-1-3560*

Most appraisers and users of Agency Multi-Family Housing appraisals understand the definition of *market value* to mean the value as a conventional or unrestricted or market property. However, to avoid confusion when requesting or reporting this value type, the term “as conventional or unrestricted” should be added to the term *market value* (i.e. “market value, as conventional or unrestricted”).

***Market Value, subject to restricted rents – incorporated in Value Opinions 2 (possible), 3***

A definition of market value, subject to restricted rents, as the term is used by RHS, derived from the definition of market value above, is stated as follows. Market value, subject to restricted rents: the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

*Comments from HB-1-3560*

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.

Market value, subject to restricted rents, refers only to the value of the subject real estate, as restricted, and excludes the value of any favorable financing. The market value, subject to restricted rents, is based on a pro forma that projects income, vacancy, operating expenses, and reserves for the property under a restricted (subsidized) scenario. This restricted pro forma includes the scheduled restricted rents, a vacancy and collection loss factor that reflects any rental assistance (RA) or Section 8, and operating expenses and reserves projected for the subject as a subsidized property. Subsidized apartments typically experience higher management, auditing, and bookkeeping expenses, relative to similar conventional apartments, but often have lower real estate tax expenses.

***Real Property Interest Valued, Value Opinions 1, 2 (possible), 4, 8***

*fee simple estate, subject to short term leases.*

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “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.” Recognition is made that there are leases with tenants that are short term (no more than one year) in nature for the units in the apartment building improvements.

***Real Property Interest Valued, Value Opinions 2 (possible), 3***  
*fee simple estate, as restricted, subject to short-term leases.*

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “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.”

***Prospective Value, Value Opinions 3, 4, 7***

The term *prospective value* is defined by the 6th edition of The Dictionary of Real Estate Appraisal as follows. “*Prospective value: a forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.*”

*Comments from HB-1-3560*

As used in Agency regulations and instructions, the term “as-improved value” refers to the value of real property after completion of proposed improvements. The Agency’s intended meaning of “as-improved value” is the same as the definition of *prospective value*. However, use of the term “as-improved value” can cause confusion for two reasons, as follows. 1) The term “as improved”, as used in a Highest and Best Use analysis, refers to the subject real estate as it has already been improved at the time of the appraisal, not as it is proposed to be improved. Therefore, “as-improved value” could be interpreted to refer to the value of the subject property as it has already been improved at the time of the appraisal. 2) There is a common misconception with the use of the term “as-improved value” that this is a value based on a hypothetical condition; that is, the value of the property as if it were improved, as proposed, as of the date of inspection. Since this scenario is impossible, an “as-improved value”, as of appraisal date (inspection date), is not useful. The term *prospective value* is better understood than the terms “as-improved value” and “as-complete value” by appraisers and users of appraisals and has replaced these terms in appraisal literature and common usage. Therefore, the term *prospective value* should be used when requesting or reporting a forecasted value, and the associated date of value should be the projected date of completion of construction.

***“As-Is” Value***

The 6th edition of the Dictionary of Real Estate Appraisal defines value as is as follows. “Value as is: 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.”

*Comments from HB-1-3560*

HB-1-3560, Attachment 7-A, Page 5 of 8 notes that, “...the term ‘As-Is’ should not be used with the term *market value* unless the property is a conventional or market property at the time of the appraisal. The term ‘As-Is’ should precede the term *market value, subject to restricted rents*, when the *market value, subject to restricted rents*, of the project at the time of the appraisal is required.” In this assignment, the appraisers have tried to not use of the term “as-is”.

***Insurable Value, Value 7***

A definition of *insurable value* acceptable for use in Agency Multi-Family Housing appraisals is as follows: *Insurable value: the value of the destructible portions of a property which determines*

*the amount of insurance that may, or should, be carried to indemnify the insured in the event of loss. The estimate is based on replacement cost new of the physical improvements that are subject to loss from hazards, plus allowances for debris removal or demolition. It should reflect only direct (hard) construction costs, such as construction labor and materials, repair design, engineering, permit fees, and contractor's profit, contingency, and overhead. It should not include indirect (soft) costs, such as administrative costs, professional fees, and financing costs.*

The term “insurable cost” is sometimes used instead of the term *insurable value* because it is based strictly on a cost estimate, not a value concluded in an appraisal. However, the term *insurable value* is more commonly used. Attachment 7-I, *Insurable Value Calculation*, is a worksheet that should be used as a guide by State Appraisers and fee appraisers contracted by the Agency in calculating *insurable value*.

### **Extraordinary Assumption:**

*An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusion.*

Source: *Uniform Standards of Professional Appraisal Practice (USPAP)*

For those reports that incorporate an extraordinary assumption, USPAP requires that the appraiser provide notice to the user of the report that the use of the extraordinary assumption might affect the assignment results. The appraiser(s) is not required to report on the impact of the extraordinary assumption on assignment results. The following extraordinary assumptions are incorporated:

- The units and other improvements at the property that were viewed during the inspection (defined within the body of the report) are representative of all the units and other improvements at the property.
- The prospective value conclusions incorporate the extraordinary assumptions that the improvements are renovated as described, that the renovation is complete as of the prospective valuation date, and that the property is operating at a stabilized level as of the prospective valuation date.

### **Hypothetical Condition:**

*That which is contrary to what exists but is supposed for the purpose of analysis.*

Source: *Uniform Standards of Professional Appraisal Practice (USPAP)*

For those reports that incorporate a hypothetical condition, USPAP requires that the appraiser provide notice to the user of the report that the use of the hypothetical condition might affect the assignment results. The appraiser(s) is not required to report on the impact of the hypothetical condition on assignment results. Applicable hypothetical conditions have been identified earlier in this section.

## Intended Use, User

The intended use for most of the values developed and reported have been shown in the prior section. For those values that do not have an intended use, the use is to assist the client in their understanding and analysis of the property. Unless otherwise identified within this report, the intended use of the report has not been more fully described to the appraiser(s). The client, or intended user, for whom the report is prepared is identified in the letter of transmittal, Debi Martin of Greystone Servicing Corporation, Inc. Other known intended users are representatives from the USDA, Georgia Department of Community Affairs, and other lenders. Unless otherwise identified within this report, no other intended users have been identified to the appraiser(s).

The Uniform Standards of Professional Appraisal Practice (USPAP) have a number of rules, comments, advisory opinions, and frequently asked questions relating to control or use of reports. The signatory(ies) of this report is/are bound by USPAP. Therefore, as noted in the letter of transmittal, no party other than the intended user may use this report without receiving written consent from the signing appraiser(s). Further, no part of the report shall be published or made available to the general public, nor shall any part of the report be published or made available for public or private offering memorandum or prospectus, without the written consent of the signing appraiser(s) of this report.

## Scope

The scope of services was focused on reviewing issues considered relevant and appropriate by the appraisers based on their knowledge of the subject's real estate market. The appraisers believe that the scope was sufficient to arrive at an accurate value opinion. A summary of the scope of work is presented below. Additional explanatory comments regarding the scope undertaken can be found throughout the report. The scope included the following:

- Review and analysis of the subject market area, economic and demographic issues.
- Review of existing and planned comparable and/or competitive properties located within the subject area.
- Analysis of economic, demographic and development factors within the subject market area.
- Physical inspection of the real estate; specifically, observation of the above ground attributes of the site was made, observation of representative exterior facades of building(s) on site was made, observation of representative property amenities on site was made, and interior viewing of a sufficient number of representative living units within the building(s) was made in a manner considered sufficient to comprehend and analyze the physical and functional adequacy and appropriateness of the real estate in light of market conditions as of the date of valuation.
- Evaluation of the highest and best use of the property.
- Consideration of all applicable and appropriate valuation approaches.
- Reconciliation of the above opinions to a point value opinion.

### Note that:

- Crown Appraisal Group, Inc. employees are not engineers and are not competent to judge matters of an engineering nature.
- Inspection of 100% of the units or other improvements at the real estate was not made.

## **Pertinent Dates**

The various dates of valuation are noted in the charts on the first page of the letter of transmittal and the Executive Summary Page. The most recent inspection of the real estate was on January 25, 2017. It is noted that the term *inspection* is not intended to convey a complete, exhaustive examination of the real estate. Such an inspection is best suited for an engineer, architect, or building inspector formally educated and trained in such matters. Rather, the term denotes that the individual viewing the real estate was at the property on the date and observed the general condition and quality of the real estate at that time. The date of report--the date the report was written—is April 5, 2017.

Events subsequent to these dates may have an impact on the opinions developed through the course of the assignment, and on the opinions contained within this report. All such subsequent events are beyond the control of the appraiser(s), and any consequences thereof are beyond the scope of this assignment.

## Comments Regarding Appraisal

A number of comments regarding the subject and appraisal assignment are discussed below:

- **Property.** The subject is known as Cumberland Village Apartments and has an address of 300 Martha Drive in St. Marys, Georgia. The property is a 65-unit apartment complex. The property includes one, two, and three bedroom units. The complex operates as a Class C, restricted income, non-age restricted property. The improvements were built in 1980. Overall, the property is in average physical and functional condition.

The unit size is based on the best information provided. Crown was given floor plans, square foot summary pages, and building plans. The information was generally consistent, but not identical.

Tenancy at the subject property is restricted to households with incomes of less than the area median household income. The units at the subject have long maintained a high level of occupancy. Demand for subsidized rental units is high locally.

Historical operating information for the subject was available for 2013, 2014, and 2015. In addition, the budget for 2016 and 2017 were also provided. In general the information provided indicated that the property is being run in an efficient manner. Historical information will be used when developing expenses and for valuation purposes, while market data will be used as support.

- **Near Term.** The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. There is a letter of intent on the subject property, proposing an option to purchase. The letter of intent was requested but not provided. The transfer is assumed to be between related parties and not one that is considered to be arms-length. The purchase price amount given to the appraisers is \$1,161,899. As the transfer is not arms-length no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. Among the items that will be replaced and/or renovated (depending upon the condition of the individual components) are air conditioning units, windows, roofs, plumbing and electric, parking areas, and kitchens and bathrooms. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate.
- **Property Location.** The property is on the east side of Martha Drive just west of St Marys Airport and about 1 mile south of Kings Bay Naval Base. The property is in Camden County. St. Marys is in southeast Georgia. St. Marys is a relatively small Georgia town. There are few truly comparable properties in the area.
- **Value Opinions Developed and Reported.** There are a number of value opinions developed and reported in the appraisal report. In large part, this is due to the number of intended users – who have similar, but not identical – needs. The values that are not required by a specific intended user should be ignored.

## Apartment Housing

There is a continual change in the definition and implications of various apartment types. A number of the more prevalent apartment classifications include *luxury*, *Class A*, *Class B*, *conventional*, *LIHTC*, *HUD*, and *affordable*. With respect to the senior market, there are classifications such as *independent* or *assisted*. Some terms have specific definitions, while some can be used interchangeably (upscale or luxury, etc.). In some cases, the terms are meant to suggest a specific resident profile or income level (LIHTC or affordable are examples). To minimize confusion, the following definitions and comments are presented:

- Luxury, Class A, Class B, Class C - The type of property is designated by the year of construction and the amenities (unit and project). A luxury complex will have more amenities than a Class A property, while a Class A property has more amenities than Class B. A Class C property typically possesses few amenities. An *upscale* property could be either a luxury or a Class A property. A Class B property could be new. A Class B property does not possess all the amenities of a Class A or luxury property.
- Market rate, LIHTC, HUD - Refers to the rent limits, or rent payment structure. A market rate property has no rent constraints (other than the market) while a LIHTC (Low-Income Housing Tax Credit) property is (or could be) constrained by income levels as well as the market. A market rate property is also known as a *conventional* property. Low-income, subsidized, or affordable (such as HUD Section 8 and/or Section 236) are designations used to denote subsidy programs other than the LIHTC program, and refer to the entity (or entities) that make the rent payment to the property owner.
- Independent, assisted - Refers to the level of service offered, particularly with respect to the senior housing/care market. An independent complex has few, if any, services (such as meals, housekeeping). An assisted living facility offers more ADL (Activities of Daily Living) services. This classification also has implications as to the typical design of apartment units within a complex – an independent complex generally has apartments with full kitchens and exterior entries, while the units at an assisted living complex typically have a small kitchenette, many common areas, and interior enclosed hallways.
- Elderly Only (Age Restricted) - Refers to the minimum age of at least one of the residents of a unit. Depending upon the specific nature of a given program, the typical minimum age limit is within the 55 to 65 range.

Based on the above, the complex operates as a Class C, restricted income, non-age restricted property.

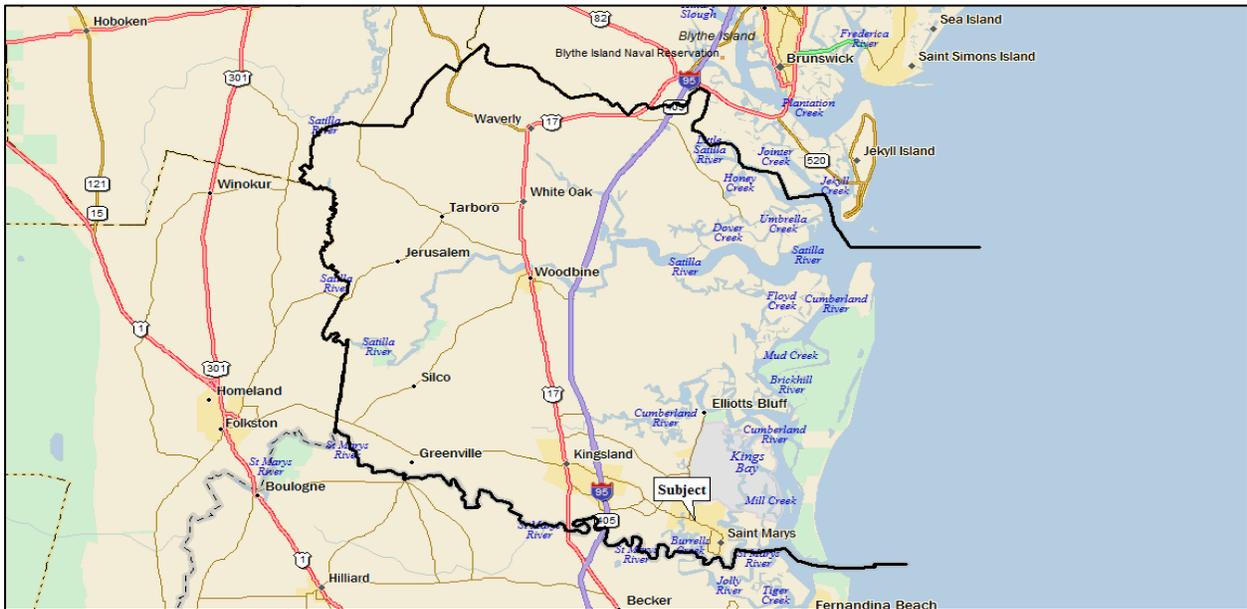
# City Overview

St. Marys is in Camden County, in the state of Georgia. Camden County is in the far southeastern portion of Georgia. The city of St. Marys is about 30 miles northwest of Jacksonville, FL; about 155 miles northeast of Tallahassee, FL; and about 250 miles southeast of Atlanta, GA. The maps below show the subject's location within the state of Georgia, Camden County and St. Marys. The aerial below locates the property relative to downtown St. Marys.

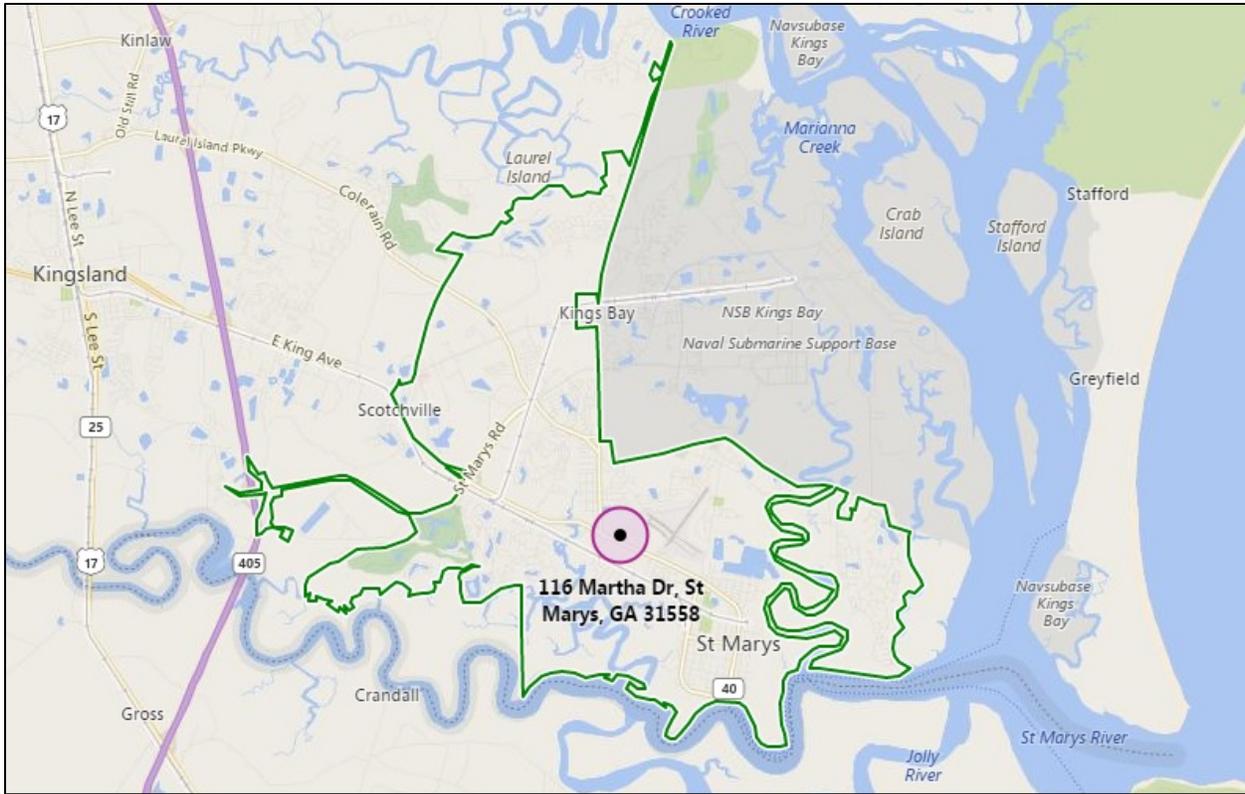
## Georgia



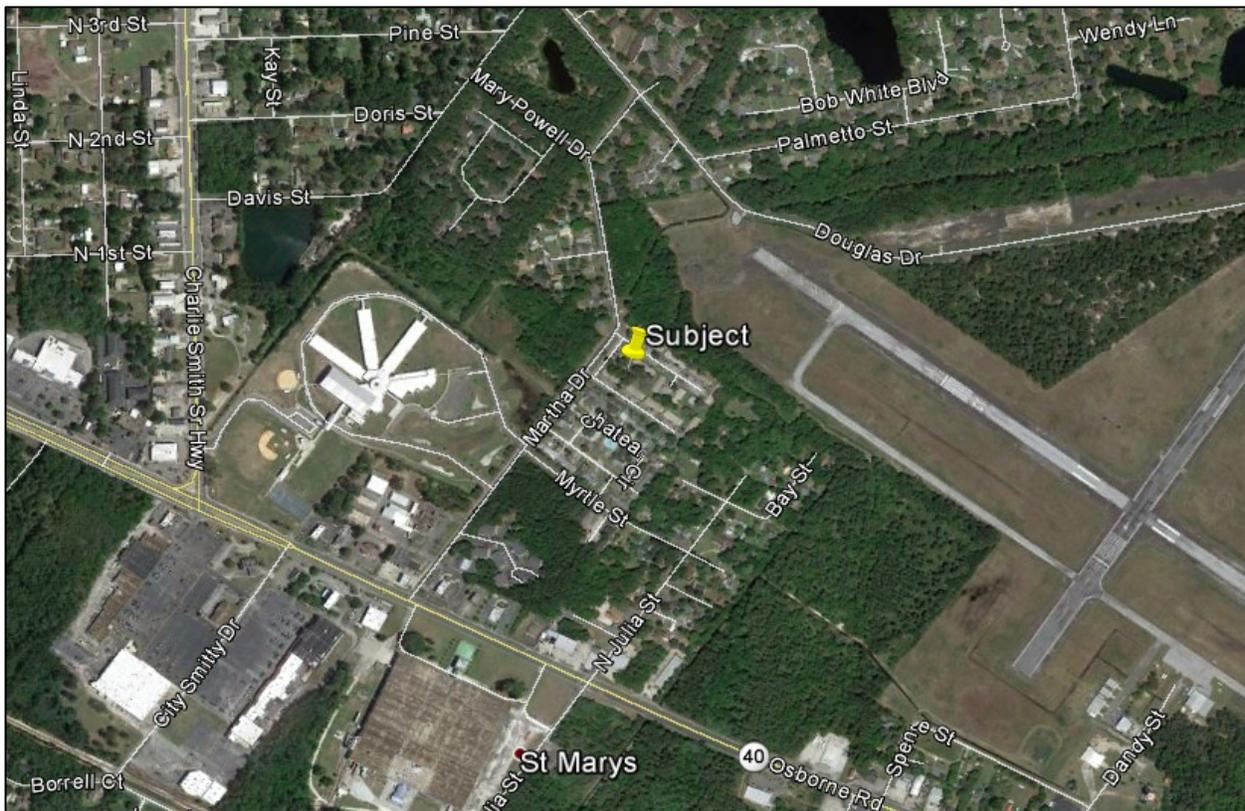
## Camden County



St. Marys



Aerial



### Physical Boundaries

St. Marys is roughly bordered by the Crooked River to the north, Point Peter Creek to the east, the St. Marys River to the south, and I-95 to the west.

### Road Infrastructure

There are several roadways that service St. Marys. These include I-95 St. Marys Road, and SR 40. I-95 is the primary north/south route in the area. It serves as the western border of St. Marys. I-95 shares an interchange with St. Marys Road, which travels east towards the city and then turns north to terminate at SR 40 on the north side of the city. SR 40's southern terminus is at the GA/FL state line. It travels north, through downtown St. Marys and then splits, both routes named SR 40. One route travels west, past I-95 and into Kingsland. The second route travels north and terminates at Elliott's Bluff, about 8 miles northwest of St. Marys.

### Population

The St. Marys population according to the 2000 census was 11,806. In 2010, the population was 17,121 (an increase of 3.8% compounded annual growth or CAG). The 2016 population estimation is 18,236 (population increase of 1.1% CAG from 2010). The population is expected to increase by 1.1% CAG in 2021 to 19,274.

### History

St. Marys provides a gateway to Cumberland Island National Seashore, the largest of the barrier islands on the Georgia Coast. The area that is now St. Marys was first explored in the 16<sup>th</sup> century as part of the settlement of Spanish Florida. Residents of Camden County came together and signed a charter for "a town on the St. Marys" in 1787. These 20 founders are named on a marker in downtown St. Marys. There are conflicting opinions of how the city was named. One theory is that it was named for the St. Marys river, another theory is that it was named for Santa Maria, a 17<sup>th</sup> century Spanish mission. The Santa Maria was nearby on Amelia Island, FL. St. Marys was officially incorporated in 1802.

St. Marys has a large tourism base. There are several events that the city hosts such as the Mardi Gras Festival, the Independence Day Festival, the Rock Shrimp Festival, and several sunset cruises. There is no known planned future development. According to the demographics of the area, the population is expected to increase and the viability of the area is stable.

### Land Uses and Development

Commercial users are primarily located on SR 40. Going west on SR 40 from downtown St. Marys finds users such as Kings Bay Village Shopping Center, Arby's, Taco Bell, Winn-Dixie, and CVS. Going further west on SR 40 finds some single family residential and some smaller commercial users. Going east on SR 40 from downtown St. Marys are small commercial users and single family residential. North of SR 40, off Point Peter Road, are mostly industrial users.

The St. Marys Airport (4J6) is centrally located in the city. It has two runways and does about 4,000 aircraft operations per year.

The city and county saw immense growth with the buildup of the Naval Submarine Kings Bay Base. The Navy funded a four year construction program that cost \$125 million. This was the largest peacetime project that was even undertaken by the Navy. In 1980, the mission of the base changed and it announced that it would now be the home port for the Atlantic Fleet, and eventually 10 Ohio class submarines that would eventually carry the Trident II nuclear missile. This project cost \$1.3 billion and took 9 years to complete. The submarines arrived from 1989-1997. The citizens of St. Marys and adjacent city Kingsland didn't all embrace the growth of nuclear submarines, but it continued to grow. In 1985, the city Kingsland formed an official planning department to prepare for the inpouring of people and homes.

#### Immediate (Adjacent) Land Uses

North: to the north of the subject is the St. Marys Airport and single-family residential.

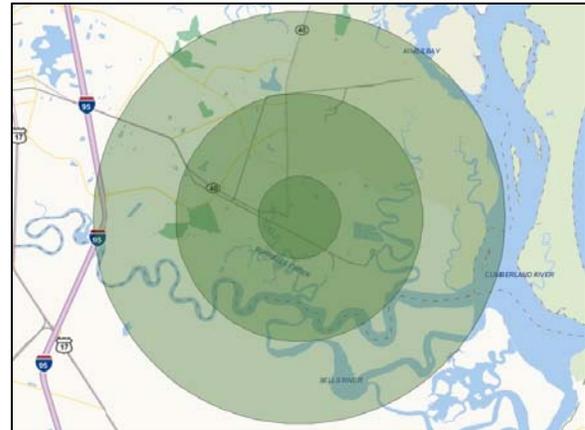
East: to the east of the subject is the St. Marys Airport and single family residential.

South: to the south of the subject is Chateau Gardens Recreation Association and single-family residential.

West: to the west of the subject is undeveloped land, and St. Marys Middle School.

## Market Area Demographic Profile

The chart below shows demographic data for the subject market for a number of identified areas. The map depicts the areas covered.

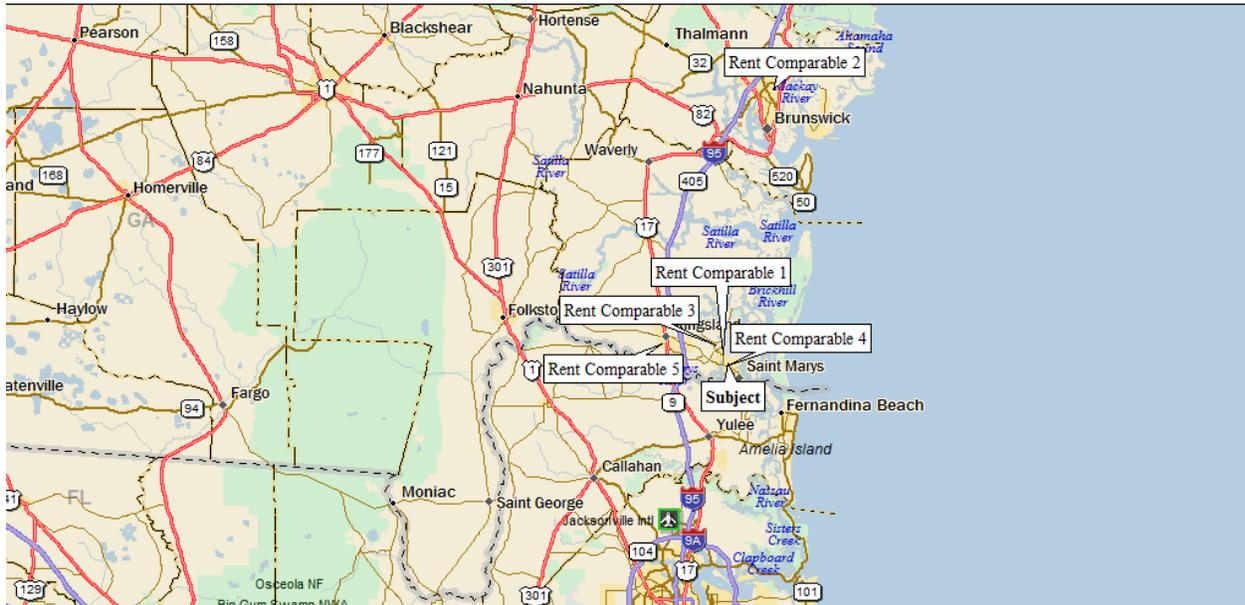


<b>Cumberland Village Apartments Demographic Profile: 1, 3 and 5-mile Radii</b>											
	<b>St. Marys</b>		<b>Radius from subject</b>						<b>Camden</b>		
	<b>City</b>	<b>CAG</b>	<b>1 Mile</b>	<b>CAG</b>	<b>3 Mile</b>	<b>CAG</b>	<b>5 Mile</b>	<b>CAG</b>	<b>County</b>	<b>CAG</b>	
<b>Population</b>											
2000	11,806		2,718		12,538		19,348		43,664		
2010	17,121	3.8%	3,340	2.1%	15,604	2.2%	23,524	2.0%	50,513	1.5%	
2016 est.	18,236	1.1%	3,422	0.4%	16,583	1.0%	24,862	0.9%	52,681	0.7%	
2021 proj.	19,274	1.1%	3,515	0.5%	17,438	1.0%	26,091	1.0%	55,035	0.9%	
Median Age	32.90		32.60		31.10		30.70		32.70		
Average Age	35.40		35.90		34.70		34.30		35.50		
<b>Households</b>											
2000	4,214		1,027		4,162		6,149		14,705		
2010	6,455	4.4%	1,348	2.8%	5,527	2.9%	8,131	2.8%	18,047	2.1%	
2016 est.	6,991	1.3%	1,427	1.0%	5,997	1.4%	8,794	1.3%	19,198	1.0%	
2021 proj.	7,411	1.2%	1,487	0.8%	6,344	1.1%	9,287	1.1%	20,155	1.0%	
<b>Average Household Size</b>											
2000	2.80		2.65		3.01		3.15		2.97		
2010	2.65	-0.5%	2.48	-0.7%	2.82	-0.6%	2.89	-0.8%	2.80	-0.6%	
2016 est.	2.61	-0.3%	2.40	-0.5%	2.77	-0.3%	2.83	-0.4%	2.74	-0.3%	
2021 proj.	2.60	-0.1%	2.36	-0.3%	2.75	-0.1%	2.81	-0.1%	2.73	-0.1%	
<b>Owner Occupied (est.)</b>	4,052	57.96%	651	45.61%	3,382	56.39%	5,110	58.11%	12,534	65.29%	
<b>Renter Occupied (est.)</b>	2,939	42.04%	776	54.39%	2,615	43.61%	3,684	41.89%	6,664	34.71%	
<b>Est. Household Income</b>											
\$0-\$14,999	11.53%		13.18%		11.85%		11.02%		12.65%		
\$15,000-\$24,999	11.31%		19.53%		12.39%		10.69%		10.89%		
\$25,000-\$34,999	6.41%		8.31%		6.43%		6.93%		7.77%		
\$35,000-\$49,999	16.08%		16.25%		16.04%		16.44%		14.64%		
\$50,000-74,999	22.19%		16.66%		20.73%		22.38%		21.53%		
\$75,000-\$99,000	13.82%		11.52%		13.58%		14.00%		15.24%		
\$100,000 +	<u>18.67%</u>		<u>14.54%</u>		<u>18.99%</u>		<u>18.53%</u>		<u>17.30%</u>		
	100.0%		100.0%		100.0%		100.0%		100.0%		
Average Household Income (est.)	\$65,225		\$56,041		\$64,907		\$65,715		\$63,936		
Median Household Income (est.)	\$55,263		\$43,289		\$53,979		\$55,492		\$54,718		

<sup>1</sup> Compounded Annual Growth  
Source: The Nielsen Company

## Supply Side Analysis - Competitive Properties Survey

A survey of multi-family complexes is detailed on the following pages. The map below shows the locations of the rent comparables and the subject. Given the relatively small population in the market area, there are few apartment properties, and it was necessary to use properties that are somewhat geographically distant.



**Rent Comparable 1**

**General Data**

Property Name:	Park Place
Property Address:	11919 Colerain Rd
City:	Saint Marys
County:	Camden
MSA:	Not in a MSA
State:	GA
Zip:	31558
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1988	1	1.0	Garden	700	\$776	\$1.11
Size (Number of Units):	200	2	1.0	Garden	950	\$846	\$0.89
Rentable Size (rsf):	188,800	2	2.0	Garden	950	\$868	\$0.91
		3	2.0	Garden	1,100	\$975	\$0.89
Site Size (acres):	14.250						
Density (units/acre):	14.0						
Occ. At Time Of Survey:	95.0%						
Floors:	2						
Property Design:	Walk Up						
Exterior:	Siding						

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
- Gas	N Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
Y Garbage Disposal	N Basement
Y Air Conditioning	Y Ceiling Fans
N Washer/Dryer	Y Vaulted Ceiling
Y W/D Hookups	N Security System

**Complex Amenities**

Y Pool	Y Laundry
Y Clubhouse	N Det. Garages
N Tennis	Y Cov. Storage
N Jacuzzi	N Open Storage
Y Fit. Center	N Car Wash
Y Lake	N Elevators
N Gated	Y Playground
N Bus. Center	N Racquetball

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	Y Trash
- Gas	Y Water

**Other Comments**

Park Place is located on the north side of Colerain Road, west of Charlie Smith Sr Highway in St Mary's, Georgia. It is in southeastern Camden County. Two and three bedroom units have storage. Additional amenities include a grilling area, volleyball court, and dog park. Lease terms include 3 to 13 months. Turnover is minimal.

Property Contact: Megan (912) 673-6001

**Rent Comparable 2**

**General Data**

Property Name:	Camelia Apts
Property Address:	5800 Altama Ave
City:	Brunswick
County:	Glynn
MSA:	Brunswick
State:	GA
Zip:	31525
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1990	1	1.0	Garden	690	40	\$570	\$0.83
Size (Number of Units):	111	2	1.5	Townhouse	1,032	53	\$670	\$0.65
Rentable Size (rsf):	104,886	3	1/2	Townhouse	1,255	18	\$775	\$0.62
Gross Size (gsf):	114,000							
Site Size (acres):	6.750							
Density (units/acre):	16.4							
Occ. At Time Of Survey:	99.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Brick							

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
- Gas	N Water

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	Y Trash
- Gas	Y Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	N Ceiling Fans
N Washer/Dryer	N Vaulted Ceiling
N W/D Hookups	N Security System

**Complex Amenities**

Y Pool	Y Laundry
Y Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	N Playground
N Bus. Center	N Racquetball

**Other Comments**

Camelia Apartments is located on the east side of Altama Avenue, north of Glynnmarsh Drive in Brunswick, Georgia. It is in central Glynn County. Trash collection and pest control is billed to the tenants at an extra \$3-5 per month. The 3 bedroom units have 1 full bath and 2 half baths. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Kim - (912) 267-9994

**Rent Comparable 3**

**General Data**

Property Name:	Mission Forest
Property Address:	999 Mission Trace Dr
City:	Saint Marys
County:	Camden
MSA:	Not in a MSA
State:	GA
Zip:	31558
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1987	1	1.0	Garden	750	\$575	\$0.77
Size (Number of Units):	104	2	2.0	Garden	950	\$675	\$0.71
Rentable Size (rsf):	101,346						
Site Size (acres):	25.000						
Density (units/acre):	4.2						
Occ. At Time Of Survey:	99.0%						
Floors:	2						
Property Design:	Walk Up						
Exterior:	Siding						

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	Y Trash
- Gas	N Water

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	N Trash
- Gas	Y Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	N Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
Y Garbage Disposal	N Basement
Y Air Conditioning	Y Ceiling Fans
N Washer/Dryer	N Vaulted Ceiling
Y W/D Hookups	N Security System

**Complex Amenities**

Y Pool	Y Laundry
Y Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	Y Playground
N Bus. Center	N Racquetball

**Other Comments**

Mission Forest is located on the west side of Mission Trace Drive, south of Kings Bay Road in Saint Marys, Georgia. It is in southeastern Camden County. Section 8 vouchers are accepted, however no units are currently using them. Additional amenities include picnic area. Lease terms include 6 months and 12 months. Turnover is minimal.

Property Contact: Maureen (912) 882-4444

**Rent Comparable 4**

**General Data**

Property Name:	Pelican Point
Property Address:	1 Pelican Point Dr
City:	Saint Marys
County:	Camden
MSA:	Not in a MSA
State:	GA
Zip:	31558
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1987	1	1.0	Garden	560	\$520	\$0.93
Size (Number of Units):	56	2	2.0	Garden	1,000	\$620	\$0.62
Rentable Size (rsf):	45,440						
Site Size (acres):	4.770						
Density (units/acre):	11.7						
Occ. At Time Of Survey:	100.0%						
Floors:	2						
Property Design:	Walk Up						
Exterior:	Siding						

**Landlord Paid Utilities**

N Cable	Y Sewer
N Electric	Y Trash
- Gas	N Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	N Ceiling Fans
N Washer/Dryer	N Vaulted Ceiling
Y W/D Hookups	N Security System

**Complex Amenities**

N Pool	Y Laundry
N Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	N Playground
N Bus. Center	N Racquetball

**Tenant Paid Utilities**

Y Cable	N Sewer
Y Electric	N Trash
- Gas	Y Water

**Other Comments**

Pelican Pointe is located on the east of Martha Drive, north of Osborne Road in St. Mary's, Georgia. It is in southeastern Camden County. Additional amenities include a grilling area. Typical lease term is 1 year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Kathy (912) 673-6301

**Rent Comparable 5**

**General Data**

Property Name:	Ingleside Park Apts
Property Address:	1078 Clarks Bluff Rd
City:	Kingsland
County:	Camden
MSA:	Not in a MSA
State:	GA
Zip:	31548
Renter Segmentation:	General
Rent Structure:	Market Rate



**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1980	2	1.0	Garden	950	\$565	\$0.59
Size (Number of Units):	86	3	1.0	Garden	1,073	\$615	\$0.57
Rentable Size (rsf):	87,626						
Occ. At Time Of Survey:	95.0%						
Floors:	1						
Property Design:	Single Story						
Exterior:	Combination						

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	Y Trash
- Gas	N Water

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	N Trash
- Gas	Y Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	N Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	Y Ceiling Fans
N Washer/Dryer	N Vaulted Ceiling
Y W/D Hookups	N Security System

**Complex Amenities**

N Pool	N Laundry
N Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	N Playground
N Bus. Center	N Racquetball

**Other Comments**

Ingleside Park Apartments are located on the north side of Vacuna Road, west of Clark Bluffs Road in Kingsland, Georgia. Lease terms include 6 months and 12 months. Turnover is minimal.

Property Contact: Marci (912) 729-2751

**Analysis**

Cumberland Village Apartments: The subject has 65-units, was built in 1980, and is in average physical and functional condition. It is more fully described and discussed in the Property Description section of the report. It is summarized below.

<b>Cumberland Village Apartments</b>												
<b>Property and Unit Amenity Summary</b>												
Street Address		116 Martha Drive		Year Built		1980		Floors		1		
City		St. Marys		Total Units		65		Occupancy		93.8%		
<b>Unit Types</b>			<b># units</b>		<b>Size (sf)</b>		<b>Utilities (L-landlord, T-tenant, na-not applicable)</b>					
							<b>Water</b>	<b>Sewer</b>	<b>Electric</b>	<b>Heat</b>	<b>Trash</b>	<b>Cable</b>
1 Bed, 1 Bath			30		652		T	T	T	T	T	T
2 Bed, 1 Bath			30		845							
3 Bed, 1 Bath			4		940							
2 Bed, 1 Bath (Manager's Unit)			1		877							
<b>Complex Amenities (Y/N)</b>												
Pool		N		Bus. Ctr.		N		Lake		N		
Clubhouse		N		Laundry		Y		Gated		N		
Tennis		N		Det. Garages		N		Car Wash		N		
Jacuzzi		N		Cov. Storage		N		Elevators		N		
Fit. Ctr		N		Open Storage		N		Playground		Y		
<b>Unit Amenities (Y/N)</b>												
Refrigerator		Y		Disposal		N		Fireplace		N		
Range		Y		Double Sink		Y		Patio		Y		
Microwave		N		Fan Hood		Y		Balcony		N		
Dishwasher		N		Att Garage		N		Bsmt		N		
								Central A/C		Y		
								Wall A/C		N		
								W/D hk ups		Y		
								W/D		N		
								Ceil. Fans		N		
								Vlt Ceiling		N		
								Sec Sys		N		
								Storage		Y		

During the renovations, microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex.

**Market Rent Conclusions**

<b>Apartment Survey Ranges</b>						
<b>Cumberland Village Apartments</b>						
		Unit Size		Adj. Monthly Rent		Rent/sf
<b>As-Is</b>	<b>1 Bed, 1 Bath</b>					
	Cumberland Village Apartments	652		\$580		\$0.89
	Comparable Properties	560 -	750	\$523 -	\$711	\$0.70 - \$1.02
	average of comparables	675		\$579		\$0.86
<b>As-Is</b>	<b>2 Bed, 1 Bath</b>					
	Cumberland Village Apartments	845		\$615		\$0.73
	Comparable Properties	950 -	1,032	\$544 -	\$765	\$0.54 - \$0.81
	average of comparables	976		\$614		\$0.63
<b>As-Is</b>	<b>3 Bed, 1 Bath</b>					
	Cumberland Village Apartments	940		\$710		\$0.76
	Comparable Properties	1,073 -	1,255	\$593 -	\$858	\$0.54 - \$0.78
	average of comparables	1,143		\$709		\$0.62
<b>As Ren.</b>	<b>1 Bed, 1 Bath</b>					
	Cumberland Village Apartments	652		\$645		\$0.99
	Comparable Properties	560 -	750	\$588 -	\$776	\$0.79 - \$1.11
	average of comparables	675		\$644		\$0.96
<b>As Ren.</b>	<b>2 Bed, 1 Bath</b>					
	Cumberland Village Apartments	845		\$680		\$0.80
	Comparable Properties	950 -	1,032	\$609 -	\$835	\$0.61 - \$0.88
	average of comparables	976		\$680		\$0.70
<b>As Ren.</b>	<b>3 Bed, 1 Bath</b>					
	Cumberland Village Apartments	940		\$775		\$0.82
	Comparable Properties	1,073 -	1,255	\$658 -	\$928	\$0.59 - \$0.84
	average of comparables	1,143		\$776		\$0.68

Source: Crown Appraisal Group

The chart above details the current (not renovated) and as renovated market-derived rents for the subject as well as the range of rents offered at the comparable properties.

Adjustments are made to the comparables for perceived, material differences. (For example, while a given comparable unit might be 3 square feet larger than a given subject unit, there is no material difference in the unit size, so no adjustment is warranted, nor made.) Adjustments are considered for property attributes such as location (specific or general), condition/street appeal, or complex amenities, as well as unit attributes such as unit size, configuration (number of bedrooms or bathrooms, style), utility payment structure, unit amenities, and any concessions. If no adjustment is made, it is because there is no perceived difference between the comparable and the subject.

The charts that follow detail the analysis, and show the adjustments considered appropriate.

**Unrenovated Market Rent, 1 br-1 ba (652 sf)**

The subject is comprised of 30 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>1 Bed, 1 Bath</b>					
<b>As is</b>					
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Mission Forest	Pelican Point
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
Unadjusted Rent		\$776	\$570	\$575	\$520
<b>Location</b>					
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
City	St. Marys	Saint Marys	Brunswick	Saint Marys	Saint Marys
Population	18,236	18,236	15,133	18,236	18,236
		Similar	Similar	Similar	Similar
		\$0	\$0	\$0	\$0
<b>Year Built</b>	1980	1988	1990	1987	1987
<b>Condition/Street Appeal</b>		Superior	Superior	Superior	Superior
		-\$5	-\$5	-\$5	-\$5
<b>Unit Size (sf)</b>	652	700	690	750	560
		Superior	Superior	Superior	Inferior
		-\$10	-\$8	-\$20	\$18
<b>Bedrooms</b>	1	1	1	1	1
		Similar	Similar	Similar	Similar
		\$0	\$0	\$0	\$0
<b>Bathrooms</b>	1.0	1.0	1.0	1.0	1.0
		Similar	Similar	Similar	Similar
		\$0	\$0	\$0	\$0
<b>Utilities (who pays?)</b>					
Heat	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant	Landlord
Trash	Tenant	Tenant	Tenant	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant
		Similar	Similar	Superior	Superior
		\$0	\$0	-\$5	-\$10
<b>Unit Amenities</b>	Ref, Range, A/C, Patio, W/D HU, Storage	Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans	Ref, Range, DW, A/C, Bal/Pat	Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans	Ref, Range, DW, A/C, W/D HU, Bal/Pat
		Superior	Inferior	Superior	Similar
		-\$15	\$5	-\$5	\$0
<b>Complex Amenities</b>	Laundry, Playground	Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area	Pool, CH, Laundry	Pool, CH, Laundry, Playground, Picnic Area	Laundry, Grilling Area
		Superior	Superior	Superior	Similar
		-\$35	-\$5	-\$15	\$0
<b>Concessions</b>	None	None	None	None	None
		\$0	\$0	\$0	\$0
<b>Net Adjustment</b>		-\$65	-\$13	-\$50	\$3
<b>Adjusted Rent</b>		\$711	\$557	\$525	\$523
<b>Market Rent Conclusion</b>	<b>\$580</b>				

Source: Crown Appraisal Group

The comparables range in size from 560 sf to 750 sf. After making the adjustments considered appropriate, the rent range is \$523 to \$711. Central tendencies are \$579 (average) and \$541 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$580/month is concluded to be appropriate.

**As Renovated Market Rent, 1 br-1 ba (652 sf)**

Comparable properties from the area are used to develop the as-renovated rent conclusion.

<b>1 Bed, 1 Bath As Renovated</b>					
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Mission Forest	Pelican Point
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
Unadjusted Rent		\$776	\$570	\$575	\$520
<b>Location</b>					
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
City	St. Marys	Saint Marys	Brunswick	Saint Marys	Saint Marys
Population	18,236	18,236	15,133	18,236	18,236
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Year Built	1980/2019R	1988	1990	1987	1987
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$45	\$45	\$45	\$45
Unit Size (sf)	652	700	690	750	560
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$10	-\$8	-\$20	\$18
Bedrooms	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
<b>Utilities (who pays?)</b>					
Heat	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant	Landlord
Trash	Tenant	Tenant	Tenant	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>
		\$0	\$0	-\$5	-\$10
Unit Amenities	<i>Ref, Range, A/C, Patio, W/D HU, Storage, Micro</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vit Ceil, Ceil Fans</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>
		-\$10	\$10	\$0	\$5
Complex Amenities	<i>Laundry, Playground, Pavillion, Computer Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry, Playground, Picnic Area</i>	<i>Laundry, Grilling Area</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$25	\$5	-\$5	\$10
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0
Net Adjustment		<u>\$0</u>	<u>\$52</u>	<u>\$15</u>	<u>\$68</u>
Adjusted Rent		\$776	\$622	\$590	\$588
<b>Market Rent Conclusion</b>	<b>\$645</b>				

Source: Crown Appraisal Group

The comparables range in size from 560 sf to 750 sf. After making the adjustments considered appropriate, the rent range is \$588 to \$776. Central tendencies are \$644 (average) and \$606 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$645/month is concluded to be appropriate.

**Unrenovated Market Rent, 2 br-1 ba (845 sf)**

The subject is comprised of 30 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>2 Bed, 1 Bath</b>						
<b>As is</b>						
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Mission Forest	Pelican Point	Ingleside Park Apts
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
Unadjusted Rent		\$846	\$670	\$675	\$620	\$565
<b>Location</b>						
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
City	St. Marys	Saint Marys	Brunswick	Saint Marys	Saint Marys	Kingsland
Population	18,236	18,236	15,133	18,236	18,236	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Year Built	1980	1988	1990	1987	1987	1980
Condition/Street Appeal		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-\$5	-\$5	-\$5	-\$5	\$0
Unit Size (sf)	845	950	1,032	950	1,000	950
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$21	-\$37	-\$21	-\$31	-\$21
Bedrooms	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.5	2.0	2.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		\$0	-\$15	-\$25	-\$25	\$0
<b>Utilities (who pays?)</b>						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant	Landlord	Tenant
Trash	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		\$0	\$0	-\$5	-\$15	-\$5
Unit Amenities	<i>Ref, Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans, Storage</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil Fans</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		-\$20	\$5	-\$5	\$0	\$0
Complex Amenities	<i>Laundry, Playground</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry, Playground, Picnic Area</i>	<i>Laundry, Grilling Area</i>	<i>None</i>
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Inferior</i>
		-\$35	-\$5	-\$15	\$0	\$10
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
Net Adjustment		-\$81	-\$57	-\$76	-\$76	-\$16
Adjusted Rent		\$765	\$613	\$599	\$544	\$549
<b>Market Rent Conclusion</b>	<b>\$615</b>					

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,032 sf. After making the adjustments considered appropriate, the rent range is \$544 to \$765. Central tendencies are \$614 (average) and \$599 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$615/month is concluded to be appropriate.

**As Renovated Market Rent, 2 br-1 ba (845 sf)**

Comparable properties from the area are used to develop the as-renovated rent conclusion.

<b>2 Bed, 1 Bath As Renovated</b>						
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Mission Forest	Pelican Point	Ingleside Park Apts
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
Unadjusted Rent		\$846	\$670	\$675	\$620	\$565
<i>Location</i>						
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
City	St. Marys	Saint Marys	Brunswick	Saint Marys	Saint Marys	Kingsland
Population	18,236	18,236	15,133	18,236	18,236	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<i>Year Built</i>	1980/2019R	1988	1990	1987	1987	1980
<i>Condition/Street Appeal</i>		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$45	\$45	\$45	\$45	\$50
<i>Unit Size (sf)</i>	845	950	1,032	950	1,000	950
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$21	-\$37	-\$21	-\$21	-\$21
<i>Bedrooms</i>	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<i>Bathrooms</i>	1.0	1.0	1.5	2.0	2.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		\$0	-\$15	-\$25	-\$25	\$0
<i>Utilities (who pays?)</i>						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant	Landlord	Tenant
Trash	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		\$0	\$0	-\$5	-\$15	-\$5
<i>Unit Amenities</i>	<i>Ref, Range, A/C, Patio, W/D HU, Storage, Micro</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans, Storage</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil Fans</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$10	\$10	\$0	\$5	\$5
<i>Complex Amenities</i>	<i>Laundry, Playground, Pavillion, Computer Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry, Playground, Picnic Area</i>	<i>Laundry, Grilling Area</i>	<i>None</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$25	\$5	-\$5	\$10	\$20
<i>Concessions</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
<i>Net Adjustment</i>		<u>-\$11</u>	<u>\$8</u>	<u>-\$11</u>	<u>-\$11</u>	<u>\$49</u>
<b>Adjusted Rent</b>		<b>\$835</b>	<b>\$678</b>	<b>\$664</b>	<b>\$609</b>	<b>\$614</b>
<b>Market Rent Conclusion</b>	<b>\$680</b>					

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,032 sf. After making the adjustments considered appropriate, the rent range is \$609 to \$830. Central tendencies are \$679 (average) and \$664 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$680/month is concluded to be appropriate.

**Unrenovated Market Rent, 3 br-1 ba (940 sf)**

The subject is comprised of 4 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<b>3 Bed, 1 Bath</b>				
<b>As is</b>				
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 5</b>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Ingleside Park Apts
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	1078 Clarks Bluff Rd
Unadjusted Rent		\$975	\$775	\$615
<b>Location</b>				
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	1078 Clarks Bluff Rd
City	St. Marys	Saint Marys	Brunswick	Kingsland
Population	18,236	18,236	15,133	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0
<b>Year Built</b>	1980	1988	1990	1980
<b>Condition/Street Appeal</b>		<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-\$5	-\$5	\$0
<b>Unit Size (sf)</b>	940	1,100	1,255	1,073
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$32	-\$63	-\$27
<b>Bedrooms</b>	3	3	3	3
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0
<b>Bathrooms</b>	1.0	2.0	1 Full, 2 Half	1.0
		<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-\$25	-\$30	\$0
<b>Utilities (who pays?)</b>				
Heat	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant
Trash	Tenant	Tenant	Tenant	Landlord
Cable	Tenant	Tenant	Tenant	Tenant
		<i>Similar</i>	<i>Similar</i>	<i>Superior</i>
		\$0	\$0	-\$5
<b>Unit Amenities</b>	<i>Ref, Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans, Storage</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil Fans</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Similar</i>
		-\$20	\$5	\$0
<b>Complex Amenities</b>	<i>Laundry, Playground</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>None</i>
		<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$35	-\$5	\$10
<b>Concessions</b>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0
<b>Net Adjustment</b>		<u>-\$117</u>	<u>-\$98</u>	<u>-\$22</u>
<b>Adjusted Rent</b>		<b>\$858</b>	<b>\$677</b>	<b>\$593</b>
<b>Market Rent Conclusion</b>	<b>\$710</b>			

Source: Crown Appraisal Group

The comparables range in size from 1,073 sf to 1,255 sf. After making the adjustments considered appropriate, the rent range is \$593 to \$858. Central tendencies are \$709 (average) and \$677 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$710/month is concluded to be appropriate.

**As Renovated Market Rent, 3 br-1 ba (940 sf)**

Comparable properties from the area are used to develop the as-renovated rent conclusion.

<b>3 Bed, 1 Bath As Renovated</b>				
	<u>Subject</u>	<u>Rent 1</u>	<u>Rent 2</u>	<u>Rent 5</u>
Name	Cumberland Village Apartments	Park Place	Camelia Apts	Ingleside Park Apts
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	1078 Clarks Bluff Rd
Unadjusted Rent		\$975	\$775	\$615
<i>Location</i>				
Address	300 Martha Drive	11919 Colerain Rd	5800 Altama Ave	1078 Clarks Bluff Rd
City	St. Marys	Saint Marys	Brunswick	Kingsland
Population	18,236	18,236	15,133	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0
<i>Year Built</i>	1980/2019R	1988	1990	1980
<i>Condition/Street Appeal</i>		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$45	\$45	\$50
<i>Unit Size (sf)</i>	940	1,100	1,255	1,073
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$32	-\$63	-\$27
<i>Bedrooms</i>	3	3	3	3
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0	0	0
<i>Bathrooms</i>	1.0	2.0	1 Full, 2 Half	1.0
		<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-\$25	-\$30	\$0
<i>Utilities (who pays?)</i>				
Heat	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant
Water	Tenant	Tenant	Tenant	Tenant
Sewer	Tenant	Tenant	Tenant	Tenant
Trash	Tenant	Tenant	Tenant	Landlord
Cable	Tenant	Tenant	Tenant	Tenant
		<i>Similar</i>	<i>Similar</i>	<i>Superior</i>
		\$0	\$0	-\$5
<i>Unit Amenities</i>	<i>Ref, Range, A/C, Patio, W/D HU, Storage, Micro</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil Fans</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$10	\$10	\$5
<i>Complex Amenities</i>	<i>Laundry, Playground, Pavillion, Computer Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>None</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$25	\$5	\$20
<i>Concessions</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0
Net Adjustment		<u>-\$47</u>	<u>-\$33</u>	<u>\$43</u>
Adjusted Rent		<b>\$928</b>	<b>\$742</b>	<b>\$658</b>
<b>Market Rent Conclusion</b>	<b>\$775</b>			

Source: Crown Appraisal Group

The comparables range in size from 1,073 sf to 1,255 sf. After making the adjustments considered appropriate, the rent range is \$658 to \$928. Central tendencies are \$776 (average) and \$742 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$775/month is concluded to be appropriate.

**Market Vacancy Conclusion**

Five market rate properties have been detailed. There are relatively few market rate rent comparables. Occupancy of the comparable properties ranges from 95.0%-100.0%.

<b>Apartment Vacancy Cumberland Village Apartments</b>				
<u>Name</u>	<u>Location</u>	<u>Total Units</u>	<u>Occ.</u>	<u>Vacancy</u>
Cumberland Village Apartments	300 Martha Drive	65	93.8%	6.2%
Park Place	11919 Colerain Rd	200	95.0%	5.0%
Camelia Apts	5800 Altama Ave	111	99.0%	1.0%
Mission Forest	999 Mission Trace Dr	104	99.0%	1.0%
Pelican Point	1 Pelican Point Dr	56	100.0%	
Ingleside Park Apts	1078 Clarks Bluff Rd	86	95.0%	5.0%
	Minimum		95.0%	
	Maximum		100.0%	5.0%
Totals and average (excluding subject)		557	97.1%	2.9%

Source: *Area Managers; Crown Appraisal Group*

The subject has historically operated as a government subsidized property. Thirteen of the units are available for rental assistance, with the tenant paying 30% of their income towards the rent figure. Historic vacancy at Cumberland Village Apartments has been low. When inspected, there were 4 vacant units.

Therefore, in recognizing the economic benefit due to the governmental assistance as well as historic vacancy, a vacancy below 5% is reasonable when developing the value opinions for the **restricted rent** scenarios. However, additional consideration is given the possible uncertainty of increased vacancy when considering the **prospective restricted** valuation as a function of the as renovated rent conclusions.

*After consideration of the market vacancy and the area supply/demand components, the following vacancy conclusions are drawn:*

**Value 1, as conventional or unrestricted –5%**

**Value 2-RD, subject to restricted rents within 7 CFR Part 3560.752(b)(1)(i) – 3%**

**Value 3, prospective, subject to restricted rents – 3%**

**Value 4, prospective, as conventional or unrestricted - 5%**

## Property Description

This section will present a description of the physical and economic characteristics of the site and building improvements. The description is based upon an inspection of the property, discussions with local municipal authorities, and data provided by the client and management.

### General Location

The subject is located on the east side of Martha Drive just west of St Marys Airport and about 1 mile south of Kings Bay Naval Base. The property is in Camden County. St. Marys is located in southeast Georgia. The property has an address of 300 Martha Drive, St. Marys, Georgia. The maps in the preceding section show the property's location.

### Access, Ingress, Egress, Visibility

Overall, access is average from both a neighborhood (local) perspective, as well as a macro (regional) perspective. Ingress/egress to the property is from Martha Drive. The ingress and egress attributes are average. Visibility to the subject is considered average.

### History of the Property

According to public records, the subject is owned by St. Mary's Ltd., LP. The current owner has owned the property for more than 3 years. The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. While the sale price is in the final stages of negotiation, the price is expected to be about \$1,161,899. The transfer is assumed to be between related parties and not one that is considered to be arms-length. As the transfer is presumably not arms-length, no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) The developer estimates the renovation cost to be about \$33,643 per unit, or about \$2,186,773. Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. It is expected that the air conditioning units will be replaced, windows will be repaired/replaced, new roofs will be installed, parking areas will be repaired, and kitchens and bathrooms will be updated as needed. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex.

### Fair Housing

There are no known violations of the Fair Housing Act of 1988, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990. There are 3 units that are UFAS (Uniform Federal Accessibility Standards) accessible, 1 unit that is equipped for the sight/hearing impaired and 6 ADA (Americans with Disabilities Act) parking spaces at the subject. **Note: The appraisers are not experts in such matters. It is assumed that fair housing practices are implemented at the subject. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to fair housing issues.**

Easements

No detrimental easements that would substantially deter development are known to exist. Others, such as utility easements, allow for development of the site and are considered beneficial to the tract.

Environmental Hazards

Soil conditions are assumed to be adequate. The site appears to be well drained. No engineering or soil testing has been performed to the knowledge of the appraisers, and no further conclusion as to the condition of the foundation or soil condition is made. There is no reason to suspect that hazardous materials are on the property such as discolored vegetation, oil residue, asbestos-containing materials, and lead-based paint. **Note: The appraisers are not experts in environmental matters. It is assumed that the site is clean from an environmental standpoint. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to environmental issues.**

Third Party Reports

No third party reports (such as market studies, environmental or physical condition) have been reviewed, and, unless noted, no warranty is made for any such reports that may exist.

Topography

The topography at the site is generally level.

Flood Plain

According to FEMA's flood insurance rate map community panel number 13039C0414F, dated December 16, 2008, the subject is located in Zone X. Zone X is identified as not being in a flood plain.

Zoning

The property is zoned R-3: High Density Multi-Family. According to local government officials, the current use is a legal, conforming use under this zoning classification and if damaged or destroyed the improvements could be rebuilt.

Utilities

The subject site is serviced by the following utilities (the payor of the utilities is also shown):

<i>Utility Details</i>	
<i>Cumberland Village Apartments</i>	
<u>Service</u>	<u>Paid by</u>
Heat	Tenant
Electric	Tenant
Water	Tenant
Sewer	Tenant
Trash	Tenant
Cable	Tenant

Source: *Management*

**Improvements**

The subject improvements include a 65-unit apartment complex (housed in 13 single-story buildings). The improvements were initially developed in 1980.

The buildings have a poured concrete foundation. The buildings have a combination brick and siding exterior, and a pitched roof covered with shingles.

Each unit has a living room/living area, kitchen, one, two, or three bedrooms, and one bathroom. The floors in the units are a combination of carpet and tile. Windows are double hung. Exterior doors are metal; interior doors are hollow core wood. Interior walls are painted drywall; ceilings are painted drywall. Ceiling height is generally 8 feet. Hot water is supplied via individual water heaters. Each unit includes a washer/dryer hook-up.

Kitchens have vinyl flooring. They are equipped with a refrigerator, double sink, fan hood, and range.

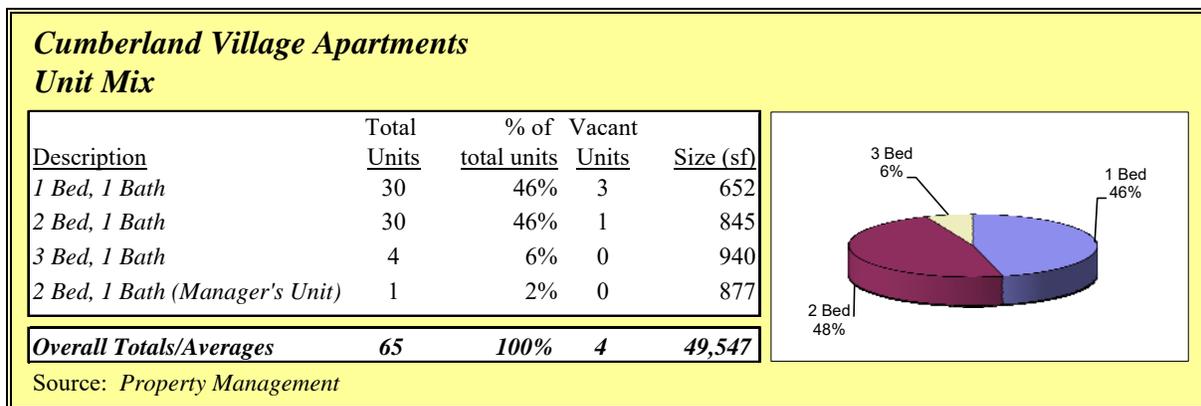
Each unit has an individual forced air furnace. The units have central air conditioning. The units have battery powered and hard wired smoke alarms.

Property amenities include a laundry room and playground. While not a property amenity per se, the units have a small enclosed storage room at the front of each unit.

Parking areas are in average condition. There appears to be sufficient parking for the property. Overall parking at the subject is adequate.

Unit Mix

The composition of the property is shown in the chart below.



Physical and Functional Condition

The improvements were completed in 1980 and renovated periodically over time. The property has been maintained on an as needed basis.

The total building size is 50,373 sf. This is the sum of the apartment units (1 Bedroom - 652 sf/unit \* 30 units – 19,560 sf plus 2 Bedroom – 845 sf/unit \* 30 units – 25,350 sf plus 3 Bedroom – 940 sf/unit \* 4 units – 3,760 sf plus 2 Bedroom (Manager’s Unit) – 877 sf/unit \* 1 unit – 877 sf) plus the office/laundry/maintenance (826 sf).

A major renovation is planned for the property improvements. Preliminary plans, completed by Wallace Architects, LLC, are include in the addendum of the report. Per the client, finalized plans will be provided to Rural Development and DCA for review and approval separately. Planned renovations include replacement of all existing flooring, replacement of kitchen cabinets and countertops, replacement of existing kitchen appliances, plumbing fixtures, lighting fixtures, bathroom cabinets and countertops, HVAC, repainting, re-roofing (new shingles), as well as exterior upgrades and improvements, and re-paving and re-striping of drive and parking areas. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate. The renovation is expected to cost about \$33,643 per unit, or about \$2,186,773.

Upon completion of the renovations, the property’s marketability, overall quality, and aesthetic appeal will be increased and enhanced. Following the renovations, the subject is projected to have a remaining economic life – assuming normal maintenance and repairs - of 60 years. If the property were not renovated, the remaining economic life (the “remaining economic life”) is estimated at 30 years.

Current Rent Parameters/Rent Roll

The chart below illustrates the current rent parameters. As has been discussed, there are LIHTC restrictions applicable to the units at the property. The market rent and as-renovated market rent (CRCU) conclusions for the one bedroom units are well above the maximum LIHTC rent figure. The as-is market rent for the two and three bedroom units are below the maximum LIHTC rent figure while the as-renovated conclusions are above the maximum LIHTC rent figure.

<b>Cumberland Village Apartments</b>													
<b>Rent Parameters</b>													
	Total Units	% of total	Vacant Units	% of unit type	Size (sf)	Total Size (sf)	Basic Rent	Note Rent	Gross LIHTC	Utility Costs	Net LIHTC	CRCU	
												As-Is	As-Renovated
1 Bed, 1 Bath	30	46%	3	10%	652	19,560	\$330	\$445	\$700	\$148	\$552	\$580	\$645
2 Bed, 1 Bath	30	46%	1	3%	845	25,350	\$350	\$495	\$840	\$190	\$650	\$615	\$680
3 Bed, 1 Bath	4	6%	0	0%	940	3,760	\$370	\$525	\$970	\$211	\$759	\$710	\$775
2 Bed, 1 Bath (Manager's Unit)	1	2%	0	0%	877	877	--	--	Non-Revenue			Non-Revenue	
<b>Overall Totals/Averages</b>	<b>65</b>	<b>100%</b>	<b>4</b>	<b>6%</b>	<b>762</b>	<b>49,547</b>							

Source: Property Management

## Operating History

The chart below shows the recent operating history for the subject. Repairs and maintenance expenses also include capital improvements.

<b>Cumberland Village Apartments</b>											
<b>Operating History</b>											
65 units											
	2013	Per Unit	2014	Per Unit	2015	Per Unit	2016 Budget	Per Unit	2017 Budget	Per Unit	
Revenue											
Apartment Rental Income	263,759	4,058	268,817	4,136	248,147	3,818	250,080	3,847	249,432	3,837	
Plus: Other Income	6,036	93	7,752	119	10,496	161	5,225	80	5,120	79	
<b>Effective Gross Income</b>	<b>269,795</b>	<b>4,151</b>	<b>276,569</b>	<b>4,255</b>	<b>258,643</b>	<b>3,979</b>	<b>255,305</b>	<b>3,928</b>	<b>254,552</b>	<b>3,916</b>	
Operating Expenses											
Real Estate Taxes	16,156	249	14,885	229	13,502	208	16,351	252	14,904	229	
Insurance	16,752	258	19,282	297	20,525	316	23,065	355	26,615	409	
Repairs & Maintenance	40,047	616	43,100	663	29,051	447	48,975	753	27,175	418	
General & Administrative	12,427	191	12,841	198	13,233	204	12,949	199	13,906	214	
Management Fees	33,286	512	33,331	513	34,362	529	36,096	555	37,632	579	
Utilities											
Electric	6,219	96	6,166	95	6,547	101	7,080	109	6,468	100	
Water/Sewer	2,155	33	1,852	28	2,055	32	2,316	36	2,160	33	
Total Utilities	8,373	129	8,018	123	8,602	132	9,396	145	8,628	133	
Payroll	50,637	779	54,769	843	49,905	768	55,851	859	54,971	846	
Marketing	151	2	51	1	25	0	430	7	305	5	
<b>Total Expenses</b>	<b>177,829</b>	<b>2,736</b>	<b>186,277</b>	<b>2,866</b>	<b>169,205</b>	<b>2,603</b>	<b>203,114</b>	<b>3,125</b>	<b>184,136</b>	<b>2,833</b>	
<b>operating expense ratio</b>		<b>65.9%</b>		<b>67.4%</b>		<b>65.4%</b>		<b>79.6%</b>		<b>72.3%</b>	
<b>Net Operating Income</b>	<b>91,966</b>	<b>1,415</b>	<b>90,292</b>	<b>1,389</b>	<b>89,438</b>	<b>1,376</b>	<b>52,191</b>	<b>803</b>	<b>70,416</b>	<b>1,083</b>	

Source: Property Management

While individual line items will vary depending upon the specific valuation developed later in the report, the following generally holds true:

### Interest Appraised

#### Value 1

Market value, unrestricted rents

### Comment

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be constrained by market rent levels.

The total operating expense estimate will be less than historic primarily due to reduced Repairs & Maintenance, General & Administrative, Management Fee, and Payroll expenses. The Marketing expense will be higher than historic, and there will be an explicit Reserve expense.

#### Value 2-RD

Market value, subject to restricted rents

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be constrained by basic rent levels.

The total operating expense estimate will be similar to historic expenses at the subject. There will be an explicit Reserve expense.

**Value 3**

Prospective, subject to restricted rents.

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be constrained by the lesser of market rent or LIHTC constraints

With respect to operating expense line items, Real Estate Taxes, Insurance, General & Administrative, Management Fee, Utilities, and Marketing should be near historic. Repairs & Maintenance should be lower due to the renovations. Payroll should also be lower, also due to the renovation. An explicit Reserve will be recognized.

**Value 4**

Prospective, as conventional or unrestricted.

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be based on the (prospective) market rent figures.

The total operating expense estimate should be lower due to renovation (reduced Repairs & Maintenance as well as Payroll) as well as reduced General & Administrative and Management expenses. The Marketing expense should be higher than historic, and there will be an explicit Reserve expense.

Real Estate Taxes and Assessments

The chart below shows the tax details. The assessor’s land and improvement values are shown for informational purposes only. Actual land sales are used in order to develop the value of the subject’s site while Marshall Valuation service has been used to develop the replacement cost of the improvements.

<b>Real Estate Taxes</b>		
<b>Cumberland Village Apartments</b>		
Parcel Number		135 058D
	<u>Appraised</u>	<u>Assessed</u>
Land	\$132,550	\$53,020
Improvements	831,873	332,749
Total	964,423	385,769
Real Estate Taxes		\$13,833
Taxes/unit		\$213

Source: County Auditor

The chart below shows the recent assessed values and taxes for the subject for the past few years.

<b>Real Estate Tax History</b>								
<b>Cumberland Village Apartments</b>								
Year	Auditors Appraised Values			Assessed Values			Annual Taxes	Tax Rate
	Land	Building	Total	Land	Building	Total		
2016	132,550	831,873	964,423	53,020	332,749	385,769	13,833	35.85752
2015	119,295	831,873	951,168	47,718	332,749	380,467	12,970	34.08998
2014	167,013	1,345,519	1,512,532	66,805	538,208	605,013	13,016	21.51388
2013	200,668	811,221	1,011,889	80,267	324,488	404,756	13,236	32.70104

Source: County Auditor

The following chart notes area tax comparables. The reader is referred to the assessed value per unit column, which is the best indicator of comparability. Properties with higher real estate taxes per unit than others also have higher assessed values per unit than others. The tax comparables confirm the reasonableness of the real estate taxes.

<b>Cumberland Village Apartments</b>									
<b>Tax Comparables</b>									
Name/Location	Parcel #	Effective Millage	Taxes/unit			Land	Improvements	Total	Assessed Value/unit
			Units	RE Taxes	unit	Assessed Value	Assessed Value	Assessed Value	
Cumberland Village Apartments 116 Martha Drive	135 058D	35.8575	65	13,833	213	53,020	332,749	385,769	5,935
Hictory Plantation 900 Dilworth St, St. Marys	S280010005	29.9397	100	46,886	469	75,075	1,490,937	1,566,012	15,660
Kings Landing Apts 935 S Grove Blvd, Kingsland	0950000022A	30.6109	48	9,806	204	33,600	286,744	320,344	6,674
Camden Way Apts 145 N Gross Rd, Kingsland	1070000016	29.9396	118	24,312	206	163,636	648,398	812,034	6,882

Source: Crown Appraisal Group

## Highest and Best Use

Highest and best use is defined in The Appraisal of Real Estate, 14<sup>th</sup> Edition, Appraisal Institute, as follows:

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

Some of the more germane comments from this publication regarding highest and best use are noted in the following bullet points:

- If, however, the market value of the property with the existing improvements is greater than the market value of the land as though vacant less costs to demolish the existing improvements, then the highest and best use of the property as improved is to keep the improvements for residential or commercial use.
- The use that a site or improved property is put to until it is ready for its highest and best use has traditionally been known as the interim use. An interim use is not the highest and best use of the property at the present time, and it should not be represented as the subject property's current highest and best use. Rather, the current highest and best use of a property with an interim use would be to leave the property as is until land value rises to a level for modification of the interim use (or demolition of the improvements and redevelopment for some other use) is financially feasible.
- These criteria [legally permissible, physically possible, financially feasible, maximally productive] are generally considered sequentially.

After consideration of the data, the following conclusions are drawn:

### ***As If Vacant:***

Physically Possible Uses:	Physical constraints include site area, shape, and adjacent uses. The site has all public utilities available. Noted easements are typical, and soil conditions are assumed to be adequate. There are acceptable access and visibility attributes. Based on location and site constraints, the most probable physically possible uses would be an intensive use. The existing improvements are such a use, and effectively utilize the site.
Legally Permissible Uses:	According to government officials, the current multi-family use is a permissible use.
Financially Feasible Uses:	The subject has a good location and is convenient to major traffic arteries. The surrounding area has been developed with a number of properties, including single-family residential properties, multi-family properties, retail properties, office and institutional uses (churches, schools, parkland). The residential users in the immediate area appear to have met with market acceptance. If vacant, a similar use is appropriate. The existing improvements develop a return in excess of that if the property were not improved.

**Conclusion/Maximum Productivity:** Of those uses that are physically possible, legally permissible, and financially supported, a residential development is concluded to be the highest and best use of the site as if vacant. Given the area demographics, development should not be speculative – rather, development should only occur with an identified end user in place.

**As Improved:**

Physically Possible Uses: The presence of the improvements demonstrate their physical possibility.

Legally Permissible Uses: The current multi-family use is a permissible use.

Financially Feasible Uses: As is shown in the valuation, the existing improvements develop a return well in excess of that if the property were not improved.

**Conclusion/Maximum Productivity:** The existing improvements are considered to be financially feasible. The chart below demonstrates that the proposed renovation is appropriate and financially viable – when considering the inclusion of the additional value from the interest credit subsidy and LIHTC. As shown, the sum of the prospective market value, interest credit values, and LIHTC values are in excess of the property’s as is value plus renovation costs. Therefore, the proposed renovations provide a higher return to the property than if the property were not renovated, and the highest and best as improved is concluded to be with the renovations made to the property. There are no negative market trends that would influence the value of the property.

<i>Financial Feasibility</i>		
<i>Cumberland Village Apartments</i>		
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$3,875,000
Value 2-RD, as-is, subject to restricted rents		<u>\$740,000</u>
	Incremental difference	\$3,135,000
Renovation Cost		<u>\$2,186,773</u>
	Benefit (cost) of renovating <i>before</i> consideration of other benefits	\$948,227
<u>Other Benefits</u>		
Value 5	Interest Credit Subsidy Value from assuming the existing 515 Loan)	\$475,000
Value 6	LIHTC Value	<u>\$1,599,484</u>
	Value of additional benefits of renovation	\$2,074,484
		<u>\$3,022,711</u>
		<i>Net benefits, or added value, of renovation</i>

These thoughts are carried to the Valuation section.

# Valuation

The valuation process involves the gathering of data in order to develop opinions of value for the subject. A number of value opinions are provided; the value opinions are identified and the applicable approaches to value are also identified.

<p><b>Value 1</b> as conventional or unrestricted</p>	<p>The income capitalization and sales comparison approaches are used.</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
<p><b>Value 2-RD</b> subject to restricted rents</p>	<p>The income capitalization approach is used.</p> <p><i>Comment: basic rent, historic vacancy, historic expenses, market-based overall rate (with recognition of "safeness" of RA units) used.</i></p>
<p><b>Value 3</b> prospective, subject to restricted rents</p>	<p>The income capitalization approach is used.</p> <p><i>Comment: lesser of LIHTC or market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
<p><b>Value 4</b> prospective, as conventional or unrestricted</p>	<p>The income capitalization and cost approaches are used.</p> <p><i>Comment: market-based rent, market-based vacancy, market-based operating expenses, market-based overall rate used.</i></p>
<p><b>Value 5</b> Market value of the interest credit subsidy from assumed loan and new loan</p>	<p>The income capitalization approach is used.</p>
<p><b>Value 6</b> Market value of LIHTC (tax credits)</p>	<p>The income capitalization approach is used.</p>
<p><b>Value 7</b> Insurable value</p>	<p>The cost approach is used.</p>
<p><b>Value 8</b> Market value of underlying land</p>	<p>This value is developed within the cost approach valuation used for Value 4.</p>

# Market Valuation

An opinion of the market value, unrestricted rents (fee simple estate, as conventional or unrestricted, as of the date of valuation) is subject to the hypothetical condition that the subject property is operated as a conventional, market rate property. Historically, the subject property has been operated as a subsidized property. Both the income capitalization approach and the sales comparison approach are utilized to arrive at opinions of the market value of Cumberland Village Apartments, as conventional or unrestricted (Value 1). The income capitalization approach is used to arrive at the market value, subject to restricted rents (Value 2).

## Income Capitalization Approach Value 1, as conventional or unrestricted

The income capitalization approach to value opinion is based on the economic principle of anticipation--that the value of an income producing property is the present value of anticipated future net benefits. Other appraisal principles and concepts upon which this approach is based include supply and demand, change, substitution, and externalities.

Net operating income projections (future net benefits) are translated into a present value indication using a capitalization process. In this appraisal, a pro forma technique is explicitly used. Market value is developed through the use of market derived financial opinions and return parameters. More specifically, the capitalization process steps in the pro forma technique are as follows:

- The effective gross revenue is estimated by the sum of the market rents on the units less an allowance for vacancy, plus other income.
- Expenses inherent in the operation of the property, including real estate taxes, insurance, repairs and maintenance, general and administrative, management, utilities, payroll, marketing, and reserve are estimated.
- The net operating income is derived by deducting the operating expenses from the effective gross revenue.
- The net operating income is then capitalized to obtain an indication of value.

With respect to this valuation, the effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will be based on market rent figures.

The total operating expense estimate will be less than historic primarily due to reduced Repairs & Maintenance, General & Administrative, Management Fee, and Payroll expenses. The Marketing expense will be higher than historic, and there will be an explicit Reserve expense.

## Pro Forma Capitalization

Base Rent Revenue – is based on the market rent levels for the units at the subject. The annual market rent is shown in the chart below.

<b>Cumberland Village Apartments</b>							<b>Value 1</b>	
<b>Base Rent Revenue</b>							<b>as conventional or unrestricted</b>	
	Total Units	% of total	Size (rsf)	Total rsf	Rent/Month	Market Rent		Yearly
						Rent/sf	Monthly	
1 Bed, 1 Bath	30	46%	652	19,560	\$580	\$0.89	\$17,400	\$208,800
2 Bed, 1 Bath	30	46%	845	25,350	\$615	0.73	18,450	221,400
3 Bed, 1 Bath	4	6%	940	3,760	\$710	0.76	2,840	34,080
2 Bed, 1 Bath (Manager's Unit)	1	2%	877	877			Non-Revenue	
<b>Overall Totals/Averages</b>	<b>65</b>	<b>100%</b>	<b>762</b>	<b>49,547</b>	<b>595</b>	<b>0.78</b>	<b>38,690</b>	<b>464,280</b>

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 5%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$80/unit. This is a net income line item component, with vacancy inherently considered.

Operating Expenses – are those costs necessary to maintain the property at or near a maximum level of economic performance. These expenses are categorized as real estate taxes, insurance, repairs and maintenance, general and administrative, management fees, utilities, payroll, and marketing. In addition, reserves are also considered. Estimated operating expenses are based on historical figures, and support from market data. The market data information is of properties similar in size, age, condition, and location relative to the subject that have been appraised by Crown Appraisal Group. All of these properties are RD properties – none are market rate ones. Like the subject, the operating histories reflect the benefits – and costs – associated with operating as a rural property subject to various RD operating costs.

With respect to operating expense line items, Real Estate Taxes, Insurance, and Utilities should be near historic. Repairs & Maintenance, General & Administrative, Management Fees and Payroll should be lower than historic due to the nature of market rate operations as compared to subsidized operations. Marketing should be above historic, also due to the nature of market rate operations. An explicit Reserve will be recognized.

The line item operating expenses are presented in the chart below. The chart details the median and average operating expenses by the operating expense comparables, the historic operating expenses at the subject, and the pro forma operating expense projections.

<b>Operating Expense Comparables</b>										
<b>Cumberland Village Apartments</b>										
	1	2	3	4	5	6	7	8	9	10
Units	49	51	51	55	18	20	55	55	55	24
Year	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
<b>Per Unit Basis</b>										
Real Estate Taxes	300	227	125	197	432	393	341	197	171	213
Insurance	209	166	499	274	154	222	189	274	400	296
Repairs and Maintenance	599	472	791	345	1,198	778	976	345	319	735
General and Administrative	329	253	242	259	527	368	283	259	211	306
Management Fees	533	528	506	540	524	520	500	540	529	337
Utilities										
Electric	110	98	155	122	111	190	162	122	108	95
Water/Sewer	<u>936</u>	<u>24</u>	<u>20</u>	<u>556</u>	<u>46</u>	<u>42</u>	<u>35</u>	<u>556</u>	<u>556</u>	<u>6</u>
Total Utilities	1,046	122	175	679	156	232	197	679	664	101
Payroll	923	1,096	457	900	636	1,066	1,245	900	955	1,331
Marketing	2	1	9	2	23	4	0	2	2	2
<b>Total</b>	<b>3,941</b>	<b>2,865</b>	<b>2,803</b>	<b>3,196</b>	<b>3,649</b>	<b>3,582</b>	<b>3,731</b>	<b>3,196</b>	<b>3,251</b>	<b>3,321</b>
<b>Per Unit Basis</b>										
<u>Category</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>	<u>Median</u>						
Real Estate Taxes	125	432	260	220						
Insurance	154	499	269	248						
Repairs and Maintenance	319	1,198	656	667						
General and Administrative	211	527	303	271						
Management Fees	337	540	506	526						
Utilities										
Electric	95	190	127	116						
Water/Sewer	<u>6</u>	<u>936</u>	<u>278</u>	<u>44</u>						
Total Utilities	101	1,046	405	215						
Payroll	457	1,331	951	939						
Marketing	<u>0</u>	<u>23</u>	<u>4</u>	<u>2</u>						
<b>Total</b>	<b>2,803</b>	<b>3,941</b>	<b>3,353</b>	<b>3,286</b>						
Source: Apartment Management, Crown Appraisal Group										

<b>Cumberland Village Apartments</b>				<b>as conventional or unrestricted</b>							
<b>Operating Expense Estimates</b>				<b>as-is</b>							
<b>Real Estate Taxes</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	220	med	260	avg	249	229	208	252	229	213	\$13,833
<b>Insurance</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	248	med	269	avg	258	297	316	355	409	368	\$23,924
<b>Repairs &amp; Maintenance</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	667	med	656	avg	616	663	447	753	418	500	\$32,500
<b>General &amp; Administrative</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	271	med	303	avg	191	198	204	199	214	215	\$13,975
<b>Management</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	526	med	506	avg	512	513	529	555	579	343	\$22,313
<b>Electric Utilities</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	116	med	127	avg	96	95	101	109	100	101	\$6,565
<b>Water &amp; Sewer</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	44	med	278	avg	33	28	32	36	33	32	\$2,080
<b>Total Utilities</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	215	med	405	avg	129	123	132	145	133	133	\$8,645
<b>Payroll</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	939	med	951	avg	779	843	768	859	846	750	\$48,750
<b>Marketing</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	2	med	4	avg	2	1	0	7	5	15	\$975
<b>Total Operating Expenses (including consideration of Reserve)</b>											
Source	Comparables			2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount	
Cost/unit	3,286	med	3,353	avg	2,736	2,866	2,603	3,125	2,833	2,787	\$181,165
Source: <i>Property Management; Crown Appraisal Group</i>											

<b>Cumberland Village Apartments</b>		<b>Value 1</b>
<b>Operating Expense Estimates</b>		<b>as conventional or unrestricted</b>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	213	Based on the current real estate taxes of the subject as reported by the county.
Insurance	368	Based on historic with support from market.
Repairs & Maintenance	500	Below historic; property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	215	Below historic; market rate properties have lower general & administrative costs than subsidized properties.
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.
Utilities	101	Electric
	32	Water and sewer
Payroll	750	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense is based on the probable cost if the property were operated as a market rate one.
Marketing	15	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes.

**Total Operating Expenses** – The chart below compares historical and market derived operating expense data with the pro forma. Notice the market estimates are lower than the historical figures as government subsidized properties typically cost more to operate than market rate.

<b>Pro Forma Operating Expense Estimate &amp; Comparisons (per unit basis)</b>					<b>Value 1</b>					
<b>Cumberland Village Apartments</b>					<b>as conventional or unrestricted</b>					
	<u>Crown Appraisal Group Survey</u>				<u>Year End Historical</u>					<u>Subject Pro Forma</u>
	<u>Low</u>	<u>High</u>	<u>Avg.</u>	<u>Med.</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 Budget</u>	<u>2017 Budget</u>	
Real Estate Taxes	125	432	260	220	249	229	208	252	229	213
Insurance	154	499	269	248	258	297	316	355	409	368
Repairs and Maintenance	319	1,198	656	667	616	663	447	753	418	500
General and Administrative	211	527	303	271	191	198	204	199	214	215
Management Fees	337	540	506	526	512	513	529	555	579	343
Utilities										
Electric	95	190	127	116	96	95	101	109	100	101
Water/Sewer	6	936	278	44	33	28	32	36	33	32
Total Utilities	101	1,046	405	215	129	123	132	145	133	133
Payroll	457	1,331	951	939	779	843	768	859	846	750
Marketing	0	23	4	2	2	1	0	7	5	15
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	250
<b>Total Operating Expenses</b>	<b>2,803</b>	<b>3,941</b>	<b>3,353</b>	<b>3,286</b>	<b>2,736</b>	<b>2,866</b>	<b>2,603</b>	<b>3,125</b>	<b>2,833</b>	<b>2,787</b>

Note: columns with low, high, average, and median figures may not add to total  
 Source: Property Managers; Crown Appraisal Group

The net operating income is estimated by deducting the operating expenses from the effective gross income. The pro forma is shown below.

<b><i>Pro Forma Operating Statement</i></b>		<b><i>as conventional or unrestricted</i></b>		
<b><i>Cumberland Village Apartments</i></b>		<b><i>Value 1</i></b>		
65 units				
		<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue		104.0%	\$7,143	\$464,280
Less: Vacancy and Collection Loss @	5.0%	<u>-5.2%</u>	<u>-357</u>	<u>-23,214</u>
Effective Rent		98.8%	6,786	441,066
Plus Other Revenue:				
Other Income		1.2%	80	5,200
<b>Effective Gross Income</b>		<b>100.0%</b>	<b>6,866</b>	<b>446,266</b>
Less: Operating Expenses				
Real Estate Taxes		3.1%	213	13,833
Insurance		5.4%	368	23,924
Repairs and Maintenance		7.3%	500	32,500
General and Administrative		3.1%	215	13,975
Management Fees @	5.0%	5.0%	343	22,313
Utilities				
Electric		1.5%	101	
Water/Sewer		<u>0.5%</u>	<u>32</u>	
Total Utilities		1.9%	133	8,645
Payroll		10.9%	750	48,750
Marketing		0.2%	15	975
Reserve		<u>3.6%</u>	<u>250</u>	<u>16,250</u>
Total Operating Expenses		40.6%	2,787	181,165
<b>Net Operating Income</b>		<b>59.4%</b>	<b>4,078</b>	<b>265,101</b>

Source: *Crown Appraisal Group*

## Capitalization Rate Discussion

Capitalization is the process by which net operating income is converted into a value indication. A capitalization rate is utilized that most accurately represents the risk associated with receiving the property's net operating income. A property that has a "safer" income stream is one that has less risk.

In order to arrive at an appropriate range, emphasis was put on data provided by comparable sales and analysis of financing techniques.

**Comparable Sales**

The comparable sales utilized in the Sales Comparison Approach section indicate an overall capitalization rate range as shown below. Other data is shown, including the dates of the sales. Overall, the sales properties are comparable in the sense that they are recent sales of similar apartment complexes in the greater market area.

<b>Comparable Sales</b>						
<b>Overall Capitalization Rates</b>						
<u>Name/Location</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>Units</u>	<u>Sale Price</u>	<u>Price/Unit</u>	<u>OAR</u>
Douglas Pines Apts Douglas, GA	Oct-16	1987	48	1,925,100	40,106	7.02%
Spanish Mission Valdosta, GA	Sep-15	1976	150	7,000,000	46,667	7.36%
The Reserve at Altama Brunswick, GA	Jul-16	1972	108	6,300,000	58,333	6.75%
Ashley Park Apts Thomasville, GA	Oct-16	2013	84	8,000,000	95,238	5.70%
The Gables of St Augustine Valdosta, GA	May-15	1989	144	4,000,000	27,778	6.10%
<b>Average, Median, Range</b>		<b>6.59%</b>	<b>6.75%</b>	<b>5.70% - 7.36%</b>		
Source: <i>Crown Appraisal Group</i>						

A number of differences between the properties and the specifics of transaction, however, make correlation to a specific rate within the range problematic. The sales do represent current market activity and characteristics of the properties that are similar to the subject. An overall rate near the range is appropriate. Certainly, the market data alone does not support the selection of a rate below 5.70% or a rate above 7.36%. If the sales were the only data source from which to select the overall capitalization rate, a rate near the middle of the range is most appropriate given the net operating income figure.

Final consideration of an appropriate rate is through an analysis of lender requirements. After all, properties such as the subject are usually transferred only after financing has been arranged. The debt coverage ratio technique calculates an overall rate by multiplying the mortgage constant by the loan-to-value ratio and then by the debt coverage figure.

**Financing Techniques**

**Debt Coverage Ratio**

The debt coverage ratio technique places emphasis on lender requirements while inherently providing for a reasonable equity return. Rather than developing an explicit equity dividend, the equity position is left with a residual dividend return. This has good applicability for properties such as the subject. Using current parameters, development of the overall rate can be seen in the following chart.

<b>Overall Rate Derivation</b>					
<b>Debt Coverage Ratio Technique</b>					
<u>Mtg. Rate</u>	<u>Term of Mtg.</u>	<u>Mtg. Constant</u>	<u>Loan to Value</u>	<u>DCR</u>	<u>OAR</u>
5.00%	30	0.0644	70.0%	1.25	5.64%
5.00%	30	0.0644	75.0%	1.20	5.80%
5.25%	30	0.0663	70.0%	1.25	5.80%
5.25%	30	0.0663	75.0%	1.20	5.96%
5.50%	30	0.0681	70.0%	1.25	5.96%
5.50%	30	0.0681	75.0%	1.20	6.13%
				<b>rounded to 5.6% - 6.1%</b>	

Source: Crown Appraisal Group

Given the specific characteristics of the property, the overall capitalization rate range derived from the debt coverage ratio appears to be reasonable.

**Band of Investment**

There are two primary components utilized in the band of investment technique. These are the debt and equity components. Both are explicitly developed. A weighted average, which combines these two components, is used to capitalize the net operating income. The strength of the band of investment is that it has long been used by real estate market participants in developing an overall rate. The band of investment technique quantifies the appropriate overall rate as follows:

<b>Overall Rate Derivation</b>				
<b>Band of Investment Technique</b>				
<u>Interest Rate</u>	<u>Amort.</u>		<u>Constant</u>	<u>Weighted Average</u>
5.00%	30	75% (loan to value)	x 0.0644	= 4.831%
		25% (equity to value)	x 6.0%	= 1.500%
				Overall Rate = 6.331%
				<b>Rounded To: 6.3%</b>

Source: Crown Appraisal Group

## Conclusion

In summarizing, most of the market-based indicators suggest that a rate toward the middle of the range is most appropriate. The weakness in the rates indicated by the comparable sales is that the figures are historic. The overall rates from the comparable sales are also suspect to relatively wide fluctuations when relatively minor changes are made (as an example, an change to the net operating income of only \$1,000 on a \$1,000,000 sale impacts the overall rate by 10 basis points). The strength in the debt coverage and the band of investment techniques, is that they are based on real participants and real mortgage rates. The information from the latter analysis suggests that the appropriate rate is in the upper 6.0% range.

In the final analysis, an overall rate that lies between the comparable sale and financing technique analysis of 6.75% is selected as being appropriate to accurately reflect the risk characteristics arising from the income stream. The rate selected falls within the ranges indicated by comparable sales, and the quantitative overall rate derivation techniques (band of investment and debt coverage ratio). Application of the rate to the pro forma net operating income is shown in the chart below.

<i><b>Pro Forma Technique Value Conclusion</b></i>	<i><b>Value 1</b></i>
<i><b>Cumberland Village Apartments</b></i>	<i><b>as conventional or unrestricted</b></i>
Net Operating Income	\$265,101
Overall Capitalization Rate	<u>6.75%</u>
Value Conclusion	3,927,422
<b><i>Rounded To:</i></b>	<b><i>\$3,925,000</i></b>

Source: *Crown Appraisal Group*

## Value 2-RD, subject to restricted rents

A pro forma is used. Much of the valuation is based on the analysis previously presented. Major differences (and similarities) are detailed below.

### Base Rent

The appropriate unit rent to use is the basic rent figure.

<i>Cumberland Village Apartments</i>					<i>Value 2-RD</i>			
<i>Base Rent Revenue</i>					<i>subject to restricted rents</i>			
	Total	% of	Size	Total	Basic Rent			
	Units	total	(rsf)	rsf	Rent/Month	Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	30	46%	652	19,560	\$330	\$0.51	\$9,900	\$118,800
2 Bed, 1 Bath	30	46%	845	25,350	\$350	0.41	10,500	126,000
3 Bed, 1 Bath	4	6%	940	3,760	\$370	0.39	1,480	17,760
2 Bed, 1 Bath (Manager's Unit)	1	2%	877	877	Non-Revenue			
<b>Overall Totals/Averages</b>	<b>65</b>	<b>100%</b>	<b>762</b>	<b>49,547</b>	<b>337</b>	<b>0.44</b>	<b>21,880</b>	<b>262,560</b>

Source: Crown Appraisal Group

### Vacancy

Based on historic.

### Operating Expenses

The operating expenses are largely based on recent history at the subject. Figures used are shown below.

<i>Cumberland Village Apartments</i>			<i>Value 2-RD</i>
<i>Operating Expense Estimates</i>			<i>subject to restricted rents</i>
<u>Operating Expense</u>	<u>Cost/unit</u>		<u>Discussion</u>
Real Estate Taxes	213		Based on the current real estate taxes of the subject as reported by the county.
Insurance	368		Based on historic with support from market.
Repairs & Maintenance	550		Near the recent historic figures with the recognition that some of the historic amounts have some costs better categorized as capital expenditures.
General & Administrative	215		Based on historic.
Management	49.00		Based on cost per occupied door per month.
Utilities	101	Electric	Based on historic with support from market.
	32	Water and sewer	Based on historic with support from market.
Payroll	850		Based on historic.
Marketing	5		Based on historic.
Reserve	350		Based on market participant attitudes.

The pro forma is shown below.

<b>Pro Forma Operating Statement</b>		<b>Value 2-RD</b>	
<b>Cumberland Village Apartments</b>		<b>as-is</b>	
65 units			
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	101.0%	\$4,039	\$262,560
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.0%</u>	<u>-121</u>	<u>-7,877</u>
Effective Rent	98.0%	3,918	254,683
Plus Other Revenue:			
Other Income	2.0%	80	5,200
<b>Effective Gross Income</b>	<b>100.0%</b>	<b>3,998</b>	<b>259,883</b>
Less: Operating Expenses			
Real Estate Taxes	5.3%	213	13,833
Insurance	9.2%	368	23,924
Repairs and Maintenance	13.8%	550	35,750
General and Administrative	5.4%	215	13,975
Management Fees	14.3%	570	37,073
Utilities			
Electric	2.5%	101	
Water/Sewer	<u>0.8%</u>	<u>32</u>	
Total Utilities	3.3%	133	8,645
Payroll	21.3%	850	55,250
Marketing	0.1%	5	325
Reserve	<u>8.8%</u>	<u>350</u>	<u>22,750</u>
Total Operating Expenses	81.4%	3,254	211,525
<b>Net Operating Income</b>	<b>18.6%</b>	<b>744</b>	<b>48,358</b>

Source: *Crown Appraisal Group*

**Capitalization Rate Discussion**

The appropriate rate selected should recognize two primary characteristics. There is a need for affordable housing in the area. Second, the net operating income developed is within the range at that seen during the prior three years. In that sense, the net operating income is one that is relatively “safe”. The conclusion is that the appropriate overall rate should be less than that selected for the market, unrestricted. The question is, of course, how much lower. There is some information available from RD that helps answer this. The consensus is that, for properties that are comprised of all (or mostly all) RA units, the appropriate rate should be about 100 basis points less than the market rate conclusion (the rate used for market unrestricted). For properties that do not have a high percentage of RA units, the overall rate should not be significantly different than the overall rate used in the unrestricted valuation. The chart quantifying this is shown below, with the value opinion shown after.

<b>Overall Capitalization Rate Selection</b>			<b>Value 2-RD</b>	
<b>Cumberland Village Apartments</b>			<b>subject to restricted rents</b>	
<u>Lease Guarantor</u>	<u># of Units</u>	<u>% of Total</u>	<u>Selected OAR</u>	<u>Weighted Rate</u>
Tenant	52	80.0%	6.75%	5.400%
Rental Assistance	13	20.0%	5.75%	1.150%
Total	65	100.0%		6.550%
<b>Indicated OAR</b>				<b>6.55%</b>

Source: Crown Appraisal Group

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 2-RD</b>
<b>Cumberland Village Apartments</b>		<b>subject to restricted rents</b>
Net Operating Income		\$48,358
Overall Capitalization Rate		6.55%
Value Conclusion		738,291
<b>Rounded To:</b>		<b>\$740,000</b>

Source: Crown Appraisal Group

# **Sales Comparison Approach**

## **Value 1, as conventional or unrestricted**

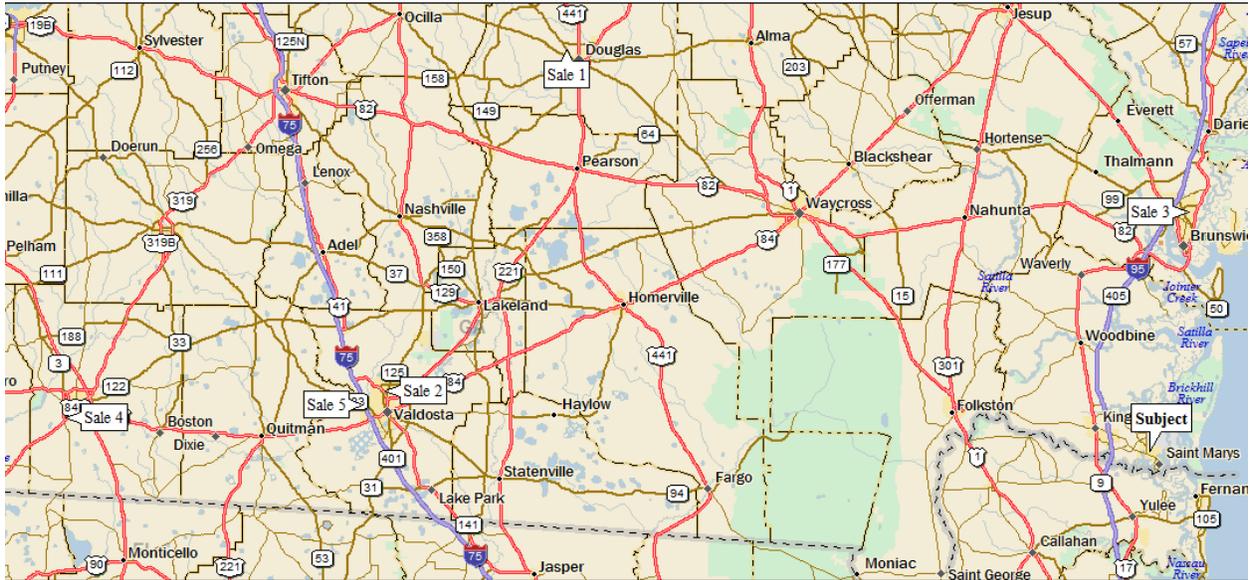
The sales comparison approach is based upon the theory that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute property. The principle of substitution confirms that the maximum value of a property is set by the cost of acquisition of an equally desirable and valuable substitute property, assuming that substitution can be made without costly delay. Other appraisal principles and concepts relating to the approach include supply and demand, balance, and externalities.

In order to obtain an indication of value from the sales comparison approach, recent sales of similar properties have been analyzed and the sales prices adjusted to reflect dissimilarities between these properties and the subject. From these sales prices an indication of market value for the subject has been developed.

One of the fundamental considerations in the sales comparison approach is defining substitute or comparable properties. Issues that are involved in this consideration involve determination of physically similar properties as well as similarly located properties. Sales properties analyzed involve small to medium-sized multi-family properties. All are located in the regional area.

The accuracy of this approach relies upon the similarities, or lack thereof, between the sales properties and the subject. The greater the differences, the more subjective this valuation technique becomes. Multi-family properties, like any specialized real estate product, are complex and involve a variety of considerations. A comparison of sales properties includes reviewing size, location, financing and date of transaction. In essence, these categories are all tied to one over-riding factor--the financial aspects and implications arising from the improvements.

The initial sales search was limited to sales of similar size properties, built during the same time period as the subject, having the same general economic characteristics, and having occurred within the immediate market area during the past six months. There were no sales meeting these criteria. When expanding the time frame and geographical area, a sufficient number of comparable sales were uncovered. While the research uncovered several sales properties which share similar attributes with the subject, dissimilarities do exist. The map below locates the comparable sales that were utilized. A detailed write up page and photograph of each sale can be found after the map.



**Sale Comparable 1**

**General Data**

Property Name:	Douglas Pines Apts
Property Address:	820 Bowens Mill Rd SE
City:	Douglas
County:	Coffee
MSA:	Not in a MSA
State:	GA
Zip:	31533
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

Sale Price:	\$1,925,100		<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price/unit:	\$40,106	Net Operating Income:	135,142	2,815	3.27	100.0%
Sale Price/rsf:	\$46.64	Overall rate:	7.02%			
Sale Date:	10/21/2016	Occupancy at time of sale:	95.0%			
Parcel Number:	0117C-131					
Legal Description:	LL 222 6LD SPRING LAKE APTS.PH I					
Buyer (Grantee):	Bpp Douglas Pines Llc					
Seller (Grantor):	Reef Properties Of Georgia Llc					

**Property Data**

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built:	1987	2	2.0	Garden	841	48
Size (Number of Units):	48					
Rentable Size (rsf):	41,280					
Site Size (acres):	7.590					
Density (units/acre):	6.3					
Floors:	2					
Property Design:	Walk Up					
Exterior:	Siding					

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	N Trash
N Gas	N Water

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	Y Trash
N Gas	Y Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	Y Ceiling Fans
N Washer/Dryer	N Vaulted Ceilings
Y W/D Hookups	N Security Systems

**Complex Amenities**

Y Pool	N Laundry
N Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
Y Lake	N Elevators
N Gated	N Playground
N Bus. Center	N Racquetball

**Other Comments**

Douglas Pines Apartments consists of five two-story buildings. The property is situated on SR-206 (Bowens Mill Road), 1.5 miles west of SR-441, and a mile north of SR-32 and two miles northwest of downtown Douglas.

**Sale Comparable 2**

**General Data**

Property Name:	Spanish Mission
Property Address:	422 Connell Rd
City:	Valdosta
County:	Lowndes
MSA:	Valdosta
State:	GA
Zip:	31602
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

			<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price:	\$7,000,000					
Sale Price/unit:	\$46,667	Net Operating Income:	515,200	3,435	2.73	100.0%
Sale Price/rsf:	\$37.09	Overall rate:	7.36%			
Sale Price/gsf:	\$35.00					
Sale Date:	9/9/2015	Occupancy at time of sale:	93.0%			
Parcel Number:	0112A-113					
Legal Description:	SPANISH MISSION APTS					
Buyer (Grantee):	Magnolia Mission Partners LLC					
Seller (Grantor):	Valdosta Associates LTD					

**Property Data**

	<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>
Year Built:	1976	1	Garden	890
Size (Number of Units):	150	2	Garden	1,213
Rentable Size (rsf):	188,716	2	Townhouse	1,125
Gross Size (gsf):	200,000	3	Townhouse	1,456
Site Size (acres):	12.000			
Density (units/acre):	12.5			
Floors:	2			
Property Design:	Walk Up			
Exterior:	Stucco			

**Landlord Paid Utilities**

N Cable	N Sewer
N Electric	Y Trash
N Gas	N Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
Y Garbage Disposal	N Basement
Y Air Conditioning	N Ceiling Fans
Y Washer/Dryer	N Vaulted Ceilings
Y W/D Hookups	N Security Systems

**Complex Amenities**

Y Pool	N Laundry
Y Clubhouse	N Det. Garages
Y Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
Y Fit. Center	Y Car Wash
N Lake	N Elevators
N Gated	Y Playground
N Bus. Center	N Racquetball

**Tenant Paid Utilities**

Y Cable	Y Sewer
Y Electric	N Trash
Y Gas	Y Water

**Other Comments**

Spanish Mission Apartments is located on the northeast corner of Connell Road and Tara Drive in Valdosta, Georgia. It is 3 miles north of downtown Valdosta in Lowndes County.

**Sale Comparable 3**

**General Data**

Property Name:	The Reserve at Altama
Property Address:	5801 Altama Ave
City:	Brunswick
County:	Glynn
MSA:	Brunswick
State:	GA
Zip:	31525
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

Sale Price:	\$6,300,000		<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price/unit:	\$58,333	Net Operating Income:	425,250	3,938	3.37	100.0%
Sale Price/rsf:	\$49.90	Overall rate:	6.75%			
Sale Price/gsf:	\$46.71	EGIM:	14.8			
Sale Date:	7/5/2016	Occupancy at time of sale:	98.2%			
Parcel Number:	03-00925					
Legal Description:	10.45 AC ALTAMA					
Buyer (Grantee):	Reserve at Altama, LLC					
Seller (Grantor):	South Shore, LLC					

**Property Data**

	<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	
Year Built:	1972	1	1.0	Garden	960	20
Size (Number of Units):	108	2	1.5	Garden	1,160	72
Rentable Size (rsf):	126,240	3	2.0	Garden	1,470	16
Gross Size (gsf):	134,886					
Site Size (acres):	10.220					
Density (units/acre):	10.6					
Floors:	2					
Property Design:	Walk Up					
Exterior:	Combination					

**Landlord Paid Utilities**

N Cable	Y Sewer
N Electric	Y Trash
N Gas	Y Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
Y Microwave	N Att. Garage
N Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	N Ceiling Fans
N Washer/Dryer	N Vaulted Ceilings
Y W/D Hookups	N Security Systems

**Complex Amenities**

Y Pool	Y Laundry
Y Clubhouse	N Det. Garages
N Tennis	Y Cov. Storage
N Jacuzzi	N Open Storage
Y Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	Y Playground
N Bus. Center	N Racquetball

**Tenant Paid Utilities**

Y Cable	N Sewer
Y Electric	N Trash
Y Gas	N Water

**Other Comments**

The Reserve at Altama is located on the west side of Altama Ave south of Chapel Crossing Rd about 5 miles north of downtown Brunswick.

**Sale Comparable 4**

**General Data**

Property Name:	Ashley Park Apartments
Property Address:	1 Ashley Park Pl
City:	Thomasville
County:	Thomas
MSA:	Not in a MSA
State:	GA
Zip:	31792
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

			<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price:	\$8,000,000					
Sale Price/unit:	95,238	Net Operating Income:	456,000	5,429	5.06	100.0%
Sale Price/rsf:	\$88.80	Overall rate:	5.70%			
Sale Price/gsf:	\$54.24					
Sale Date:	10/28/2016	Occupancy at time of sale:	99.0%			
Parcel Number:	2051-317					
Legal Description:	25.61 AC/ W BYPASS @ SUNSET DR/Ashley Park					
Buyer (Grantee):	Young America Property, LLC					
Seller (Grantor):	Ashley Park Llc					

**Property Data**

	<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	
Year Built:	2013	1	1.0	Garden	644	6
Size (Number of Units):	84	1	1.0	Garden	751	6
Rentable Size (rsf):	90,090	2	2.0	Garden	1,047	48
Gross Size (gsf):	147,480	3	2.0	Garden	1,311	24
Site Size (acres):	25.610					
Density (units/acre):	3.3					
Floors:	4					
Property Design:	Walk Up					
Exterior:	Combination					

**Landlord Paid Utilities**

N Cable	Y Sewer
N Electric	Y Trash
N Gas	Y Water

**Tenant Paid Utilities**

Y Cable	N Sewer
Y Electric	N Trash
Y Gas	N Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	Y Balcony/Patio
Y Microwave	N Att. Garage
Y Dishwasher	N Carport
Y Garbage Disposal	N Basement
Y Air Conditioning	Y Ceiling Fans
N Washer/Dryer	N Vaulted Ceilings
N W/D Hookups	Y Security Systems

**Complex Amenities**

N Pool	Y Laundry
Y Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
Y Fit. Center	N Car Wash
N Lake	N Elevators
Y Gated	Y Playground
N Bus. Center	N Racquetball

**Other Comments**

Ashley Park Apartments is located on the north side of Sunset Dr east of US 319 about 2 miles southwest of downtown Thomasville. This property is in Thomas County.

**Sale Comparable 5**

**General Data**

Property Name:	The Gables of St Augustine
Property Address:	1415 N Saint Augustine Rd
City:	Valdosta
County:	Lowndes
MSA:	Valdosta
State:	GA
Zip:	31602
Renter Segmentation:	General
Rent Structure:	Market Rate



**Sale and Economic Data**

			<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price:	\$4,000,000					
Sale Price/unit:	\$27,778	Net Operating Income:	244,000	1,694	2.29	100.0%
Sale Price/rsf:	\$37.48	Overall rate:	6.10%			
Sale Price/gsf:	\$30.28	EGIM:	N/A			
Sale Date:	5/29/2015	Occupancy at time of sale:	96.5%			
Parcel Number:	0081A-003					
Legal Description:	LL 14 & 15 LD 12 TRACT 1					
Buyer (Grantee):	Hi-lo Investments Llc					
Seller (Grantor):	Benton Properties Inc					

**Property Data**

	<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built: 1989	0	1.0	Garden	360	20
Size (Number of Units): 144	1	1.0	Garden	480	25
Rentable Size (rsf): 106,728	1	2.0	Garden	500	5
Gross Size (gsf): 132,080	2	2.0	Garden	792	34
Site Size (acres): 26.990	2	2.0	Garden	800	20
Density (units/acre): 5.3	3	2.0	Garden	1,040	35
Floors: 3	3	2.0	Garden	1,140	5
Property Design:	Walk Up				
Exterior:	Combination				

**Landlord Paid Utilities**

N Cable	Y Sewer
N Electric	Y Trash
N Gas	Y Water

**Tenant Paid Utilities**

Y Cable	N Sewer
Y Electric	N Trash
Y Gas	N Water

**Unit Amenities**

Y Refrigerator	N Fireplace
Y Range	N Balcony/Patio
N Microwave	N Att. Garage
Y Dishwasher	N Carport
N Garbage Disposal	N Basement
Y Air Conditioning	N Ceiling Fans
N Washer/Dryer	N Vaulted Ceilings
Y W/D Hookups	N Security Systems

**Complex Amenities**

Y Pool	Y Laundry
N Clubhouse	N Det. Garages
N Tennis	N Cov. Storage
N Jacuzzi	N Open Storage
N Fit. Center	N Car Wash
N Lake	N Elevators
N Gated	N Playground
N Bus. Center	N Racquetball

**Other Comments**

The Gables of St Augustine is located on the northeast side of N Saint Augustine Rd west of I-75 about 4 miles northwest of downtown Valdosta. This property is in Lowndes County.

**Comparable Sales Data**

The sales that were utilized to develop the value of the subject are detailed in the chart that follows. The sale price per unit of comparison is used to develop the value of the subject. To arrive at a value conclusion, the comparables are adjusted for dissimilarities to the subject with respect to property rights conveyed, financing terms, conditions of sale, date of sale, location, physical and economic attributes. Adjustments are made based on a comparison with one another as well as the appraisers' knowledge about the sales as they relate to the subject. Based on discussions with market participants, the marketing period and exposure period for each of the sales is estimated at 12 months. The chart also notes the adjustments.

<b>Cumberland Village Apartments</b>							<i>Value 1</i>
<b>Improved Sales</b>							<i>as conventional or unrestricted</i>
Sale Name	Subject	1	2	3	4	5	
Location	Cumberland Village Apartments	Douglas Pines Apts	Spanish Mission	The Reserve at Altama	Ashley Park Apts	The Gables of St Augustine	
City or Township	300 Martha Drive	820 Bowens Mill Rd SE	422 Connell Rd	5801 Altama Ave	1 Ashley Park Pl	1415 N Saint Augustine Rd	
County	St. Marys	Douglas	Valdosta	Brunswick	Thomasville	Valdosta	
MSA	Camden	Coffee	Lowndes	Glynn	Thomas	Lowndes	
Date of Sale	St. Marys	Not in a MSA	Valdosta	Brunswick	Not in a MSA	Valdosta	
		October-16	September-15	July-16	October-16	May-15	
Sale Price		\$1,925,100	\$7,000,000	\$6,300,000	\$8,000,000	\$4,000,000	
Building Size (units)	65	48	150	108	84	144	
Building Size (inc. community)	50,373	41,280	188,716	126,240	90,090	106,728	
Sale Price/Unit		\$40,106	\$46,667	\$58,333	\$95,238	\$27,778	
Sale Price/sf		\$46.64	\$37.09	\$49.90	\$88.80	\$37.48	
Year Built	1980	1987	1976	1972	2013	1989	
Site Size	6.640	7.590	12.000	10.220	25.610	26.990	
Coverage	17%	12%	36%	28%	8%	9%	
Average Unit Size (sf)	775	860	1,258	1,169	1,073	741	
Units per Acre	9.8	6.3	12.5	10.6	3.3	5.3	
EGI/unit	\$6,866						
EGIM							
Expenses/Unit	\$2,787						
NOI/unit	\$4,078	\$2,815	\$3,435	\$3,938	\$5,429	\$1,694	
OAR		7.02%	7.36%	6.75%	5.70%	6.10%	
<b>Sale Adjustments</b>							
Property Rights Conveyed	<i>Fee Simple</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	
		0%	0%	0%	0%	0%	
Financing Terms	<i>Market</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	
		0%	0%	0%	0%	0%	
Conditions of Sale	<i>Arm's Length</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	
		0%	0%	0%	0%	0%	
Market Conditions	<i>Current</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	
		0%	0%	0%	0%	0%	
Total Sale Adjustments		0%	0%	0%	0%	0%	
<b>Adjusted Price per Unit</b>		<b>\$40,106</b>	<b>\$46,667</b>	<b>\$58,333</b>	<b>\$95,238</b>	<b>\$27,778</b>	
<b>Property Adjustments</b>							
Location	300 Martha Drive	820 Bowens Mill Rd SE	422 Connell Rd	5801 Altama Ave	1 Ashley Park Pl	1415 N Saint Augustine Rd	
	St. Marys	Douglas	Valdosta	Brunswick	Thomasville	Valdosta	
	Camden	Coffee	Lowndes	Glynn	Thomas	Lowndes	
Population	18,236	12,002	55,754	15,133	18,413	55,754	
Comparison to subject		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	
		0%	-10%	0%	0%	-10%	
<b>Physical</b>							
Avg. Unit Size	775	860	1,258	1,169	1,073	741	
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	
		-5%	-25%	-20%	-15%	0%	
Age	1980	1987	1976	1972	2013	1989	
Quality/Condition	Average	<i>Above Average</i>	<i>Below Average</i>	<i>Below Average</i>	<i>Good</i>	<i>Above Average</i>	
Comparison to subject		<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	
		-5%	5%	5%	-20%	-5%	
Total Property Adjustments		-10%	-30%	-15%	-35%	-15%	
<b>Value Indication per Unit</b>		<b>\$36,096</b>	<b>\$32,667</b>	<b>\$49,583</b>	<b>\$61,905</b>	<b>\$23,611</b>	

Source: Crown Appraisal Group

As shown, no sale adjustments are indicated as appropriate for property rights conveyed, financing terms, conditions of sale, and market conditions, as they are considered to be the same as the subject. With respect to property adjustments, all location, physical, and economic attributes were reviewed – the analysis of each comparable sale is below.

**Douglas Pines Apartments (Comparable 1)** - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were superior to the subject, and an adjustment is made. Combined, the adjustments total -10%. This results in a value indication of \$36,096/unit for Cumberland Village Apartments.

**Spanish Mission (Comparable 2)** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -30%. This results in a value indication of \$32,667/unit for Cumberland Village Apartments.

**The Reserve at Altama (Comparable 3)** - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -15%. This results in a value indication of \$49,583/unit for Cumberland Village Apartments.

**Ashley Park Apartments (Comparable 4)** - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were superior to the subject, and an adjustment is made. Combined, the adjustments total -35%. This results in a value indication of \$61,905/unit for Cumberland Village Apartments.

**The Gables of St Augustine (Comparable 5)** - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were superior to the subject, and an adjustment is made. Combined, the adjustments total -15%. This results in a value indication of \$23,611/unit for Cumberland Village Apartments.

All of the sales were given credence when determining the value via this approach. This approach is used only as support for the primary approach, and the value conclusion reflects a hypothetical condition. This value indication is concluded to as representative of the property's value as if operated under the hypothetical conventional, market rate scenario. **A value conclusion of \$60,000/unit is selected to represent the market value as of the date of valuation. This indicates an aggregate value of \$1,000,000.** The following summarizes the projections of value via the sales comparison approach.

<i>Sales Comparison Approach Summary</i>	<i>Value 1</i>		
<i>Cumberland Village Apartments</i>	<i>as conventional or unrestricted</i>		
Unadjusted Value Range Per Unit	27,778	-	95,238
Indicated Value Range (rounded)	1,800,000	-	6,200,000
Adjusted Value Range Per Unit	23,611	-	61,905
Indicated Value Range (rounded)	1,500,000	-	4,000,000
Average, Median (adjusted)	40,772		36,096
<b>Indicated Value (rounded)</b>		<b>3,900,000</b>	
<b>Value per Unit</b>		<b>60,000 /unit</b>	
Source: <i>Crown Appraisal Group</i>			

## Prospective Market Value

The prospective market value subject to restricted rents is projected under the extraordinary assumption that the proposed renovations to the subject property are complete. This valuation also assumes that the subject is operated as a subsidized, rural housing property. The income capitalization approach is utilized to project the prospective market value, subject to restricted rents (Value 3). The income capitalization approach and cost approach are used to arrive at the prospective market value, as conventional or unrestricted (Value 4).

### Income Capitalization Approach Value 3, prospective, subject to restricted rents

The income capitalization approach to value opinion is based on the economic principle of anticipation--that the value of an income producing property is the present value of anticipated future net benefits. Other appraisal principles and concepts upon which this approach is based include supply and demand, change, substitution, and externalities.

Net operating income projections (future net benefits) are translated into a present value indication using a capitalization process. In this appraisal, a pro forma technique is explicitly used. A discounted case flow technique is not considered appropriate. Market value is projected through the use of market derived financial projections and return parameters. More specifically, the capitalization process steps in the pro forma technique are as follows:

- The effective gross revenue is projected by the rents on the units less an allowance for vacancy, plus other income.
- Expenses inherent in the operation of the property, including real estate taxes, insurance, repairs and maintenance, general and administrative, management, utilities, payroll, marketing, and reserve are projected.
- The net operating income is derived by deducting the operating expenses from the effective gross revenue.
- The net operating income is then capitalized to obtain an indication of value.

With respect to this valuation, the effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be constrained by the lesser of market rent or LIHTC constraints.

With respect to operating expense line items, Real Estate Taxes, Insurance, General & Administrative, Management Fee, Utilities, and Marketing should be near historic. Repairs & Maintenance should be lower due to the renovations. Payroll should also be lower, also due to the renovation. An explicit Reserve will be recognized.

### Pro Forma Capitalization

Base Rent Revenue – is based on the market rent levels for the units at the subject. The annual market rent is shown in the chart below. The rent is based on the lesser of market rent or LIHTC restrictions.

<b>Cumberland Village Apartments</b>							<b>Value 3</b>			
<b>Base Rent Revenue</b>							<b>prospective</b>			
							<b>subject to restricted rents</b>			
	Rent Constraint	Total Units	% of total	Size (rsf)	Total rsf	Rent/Month	Market Rent			
							Rent/sf	Monthly	Yearly	
1 Bed, 1 Bath	LIHTC	30	46%	652	19,560	552	\$0.85	\$16,560	\$198,720	
2 Bed, 1 Bath	LIHTC	30	46%	845	25,350	650	\$0.77	\$19,500	234,000	
3 Bed, 1 Bath	LIHTC	4	6%	940	3,760	759	\$0.81	\$3,036	36,432	
2 Bed, 1 Bath (Manager's Unit)		1	2%	877	877			Non-Revenue		
<b>Overall Totals/Averages</b>		<b>65</b>	<b>100%</b>	<b>762</b>	<b>49,547</b>	<b>601</b>	<b>0.79</b>	<b>39,096</b>	<b>469,152</b>	

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 3%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$80/unit. This is a net income line item component, with vacancy inherently considered.

Operating Expenses – are based on historic and comparable data. The comparable data has been presented previously. As noted, Real Estate Taxes, Insurance, General & Administrative, Management Fee, Utilities, and Marketing should be near historic. Repairs & Maintenance should be lower due to the renovations. Payroll should also be lower, also due to the renovation. An explicit Reserve will be recognized.

<b>Cumberland Village Apartments Operating Expense Estimates</b>		<b>Value 3 prospective subject to restricted rents</b>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	234	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	368	Based on historic with support from market.
Repairs & Maintenance	500	Lower end of the historic range reflecting the renovation.
General & Administrative Management	215	Based on historic.
Utilities	49.00	Based on cost per occupied door per month.
	101 Electric	Based on historic with support from market.
	32 Water and sewer	Based on historic with support from market.
Payroll	800	Near the lower end of historic range reflecting the renovation.
Marketing	5	Based on historic.
Reserve	350	Based on market participant attitudes recognizing the renovation.

Total Operating Expenses – The chart below compares historical and market derived operating expense data with the pro forma.

<b>Pro Forma Operating Expense Estimate &amp; Comparisons (per unit basis)</b>					<b>Value 3 prospective subject to restricted rents</b>					
<b>Cumberland Village Apartments</b>										
	<u>Crown Appraisal Group Survey</u>				<u>Year End Historical</u>					<u>Subject Pro Forma</u>
	Low	High	Avg.	Med.	2013	2014	2015	2016 Budget	2017 Budget	
Real Estate Taxes	125	432	260	220	249	229	208	252	229	234
Insurance	154	499	269	248	258	297	316	355	409	368
Repairs and Maintenance	319	1,198	656	667	616	663	447	753	418	500
General and Administrative Management Fees	211	527	303	271	191	198	204	199	214	215
Utilities	337	540	506	526	512	513	529	555	579	570
Electric	95	190	127	116	96	95	101	109	100	101
Water/Sewer	6	936	278	44	33	28	32	36	33	32
Total Utilities	101	1,046	405	215	129	123	132	145	133	133
Payroll	457	1,331	951	939	779	843	768	859	846	800
Marketing	0	23	4	2	2	1	0	7	5	5
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350
<b>Total Operating Expenses</b>	<b>2,803</b>	<b>3,941</b>	<b>3,353</b>	<b>3,286</b>	<b>2,736</b>	<b>2,866</b>	<b>2,603</b>	<b>3,125</b>	<b>2,833</b>	<b>3,176</b>

Note: columns with low, high, average, and median figures may not add to total

Source: *Property Managers; Crown Appraisal Group*

The net operating income is estimated by deducting the operating expenses from the effective gross income. The pro forma is shown below.

<b>Pro Forma Operating Statement</b>		<i>subject to restricted rents</i>	
<b>Cumberland Village Apartments</b>		<i>prospective</i>	
		65 units	Value 3
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	101.9%	\$7,218	\$469,152
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.1%</u>	<u>-217</u>	<u>-14,075</u>
Effective Rent	98.9%	7,001	455,077
Plus Other Revenue:			
Other Income	1.1%	80	5,200
<b>Effective Gross Income</b>	<b>100.0%</b>	<b>7,081</b>	<b>460,277</b>
Less: Operating Expenses			
Real Estate Taxes	3.3%	234	15,216
Insurance	5.2%	368	23,924
Repairs and Maintenance	7.1%	500	32,500
General and Administrative	3.0%	215	13,975
Management Fees	8.1%	570	37,073
Utilities			
Electric	1.4%	101	6,565
Water/Sewer	<u>0.5%</u>	<u>32</u>	2,080
Total Utilities	1.9%	133	8,645
Payroll	11.3%	800	52,000
Marketing	0.1%	5	325
Reserve	<u>4.9%</u>	<u>350</u>	<u>22,750</u>
Total Operating Expenses	44.8%	3,176	206,408
<b>Net Operating Income</b>	<b>55.2%</b>	<b>3,906</b>	<b>253,869</b>

Source: Crown Appraisal Group

## Capitalization Rate Discussion

Capitalization is the process by which net operating income is converted into a value indication. A capitalization rate is utilized that most accurately represents the risk associated with receiving the property's net operating income. A property that has a "safer" income stream is one that has less risk.

In order to arrive at an appropriate range, emphasis was put on data provided by comparable sales and analysis of financing techniques.

It is noted that Attachment 7-A of Chapter 7 of the USDA Rural Development handbook states the following:

*Use of an overall rate from the conventional market, which reflects conventional financing, is appropriate because all favorable financing will be valued separately from the market value, subject to restricted rents, of the real estate.*

The handbook also notes that there is additional value of RA (rental assistance) to the net operating income stream through reducing the risk of investment by improving the durability of the [rental] income stream (through the assistance of the rent subsidy). The handbook further recognizes that the overall rate can be adjusted downward to account for the reduced risk due to RA.

Before consideration of the ramifications of the RA units, an overall rate of 6.75% is selected as being appropriate to accurately reflect the risk characteristics arising from the income stream. The rate selected falls within the ranges indicated by comparable sales, and the quantitative overall rate derivation techniques (band of investment and debt coverage ratio).

Attachment 7-A of Chapter 7 of the USDA Rural Development handbook states the following:

*When the subject property has RA, the appraisal must include a discussion of the Section 521 Rental Assistance Program, the number of RA units at the subject, and how RA affects the market value, subject to restricted rents, of the property. Rental assistance is a rent subsidy provided to owners of 514/515 projects. The renter of an RA unit is required to pay a tenant contribution toward the approved shelter cost (rent plus tenant based utilities) of the unit that is equal to no more than 30 percent of his/her income. RA is the portion of the approved shelter cost paid by the Agency to compensate a borrower for the difference between the approved shelter cost and the tenant contribution. RA usually adds value to a 514/515 project in three ways: 1) it guarantees that the scheduled base rate rent for all occupied RA units will be attained; 2) it usually increases demand for the subject's units and consequently decreases the vacancy rate; and 3) it reduces the risk of investment in the subject project by improving the durability of the income stream. Rental assistance need not be separately valued; the value of RA can be incorporated within the market value, subject to restricted rents. This can be accomplished within the Income Approach by taking into account the three ways that RA increases value, listed above, as follows. 1) Base rate rents should be included as Potential Gross Income (PGI) in the restricted pro forma; 2) a vacancy and collection loss factor that reflects the amount of RA at the property should be included; and 3) a capitalization rate for the subject may be adjusted downward to account for the reduced risk to the investor due to RA.*

Based on market participant attitudes and prior experience in the valuation of subsidized properties, overall capitalization rates for properties that have 100% subsidized tenancy typically are  $\pm 100$  basis points lower than the overall capitalization rates of similar properties than are market rate properties. This is due to market participant attitudes that view the income that is provided by a government funded source to be “safer” than income that is provided from market rate tenants.

When arriving at an opinion of the *Market Value of the fee simple estate, as conventional or unrestricted, subject to the short term leases as of the date of valuation* a weighted average technique is utilized to arrive at an overall capitalization rate conclusion. The weighted average technique take the relative “safeness” of the income streams attributable to the rental assistance and non rental assistance units at the property into consideration. The chart below summarizes the technique utilized to arrive at a final overall capitalization rate opinion.

<b>Overall Capitalization Rate Selection</b>				<b>Value 3</b>
				<b>prospective</b>
				<b>subject to restricted rents</b>
<u>Lease Guarantor</u>	<u># of Units</u>	<u>% of Total</u>	<u>Selected OAR</u>	<u>Weighted Rate</u>
Tenant	52	80.0%	6.75%	5.400%
Rental Assistance	13	20.0%	5.75%	1.150%
Total	65	100.0%		6.550%
<b>Indicated OAR</b>				<b>6.55%</b>

Source: *Crown Appraisal Group*

Recognizing that about 20% of the units have RA, an overall rate of 6.55% is selected as being appropriate to accurately reflect the risk characteristics arising from the subject income stream. Application of the rate to the pro forma net operating income is shown in the chart below.

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 3</b>
<b>Cumberland Village Apartments</b>		<b>prospective</b>
		<b>subject to restricted rents</b>
Net Operating Income		\$253,869
Overall Capitalization Rate		<u>6.55%</u>
Value Conclusion		3,875,863
<b>Rounded To:</b>		<b>\$3,875,000</b>

Source: *Crown Appraisal Group*

### Value 4, prospective, as conventional or unrestricted

As has been discussed, the prospective market value market value upon completion and as stabilized (unrestricted rents) assumes that the subject is operated as a conventional, market rate property.

The effective gross income, which is comprised primarily of apartment rent, should be above historic levels. The apartment rent will recognize the economic benefits of the renovation as the units will be in better physical (and functional) condition. The apartment rent will be constrained by market rent.

The total operating expense estimate should be lower due to renovation (reduced Repairs & Maintenance as well as Payroll) as well as reduced General & Administrative and Management expenses. The Marketing expense should be higher than historic, and there will be an explicit reserve expense.

Many of the parameters used in this valuation have been extensively discussed and analyzed. A summary of them follows.

<i>Cumberland Village Apartments</i>		<i>Value 4</i>	
<i>Operating Expense Estimates</i>		<i>prospective as conventional or unrestricted</i>	
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>	
Real Estate Taxes	234	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.	
Insurance	368	Based on historic with support from market.	
Repairs & Maintenance	450	Below historic; reflects the renovation as well as the recognition that the property would not be as well maintained if it were to be operated as a market rate one.	
General & Administrative	215	Below historic; market rate properties have lower general & administrative costs than subsidized properties.	
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.	
Utilities	101	Electric	Based on historic with support from market.
	32	Water and sewer	Based on historic with support from market.
Payroll	700	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense recognizes the renovation and is based on the probable cost if the property were operated as a market rate one.	
Marketing	15	Above historic; market rate properties require a higher cost for marketing.	
Reserve	250	Based on market participant attitudes reflecting the renovation.	

The pro forma and value conclusion are below.

<b>Cumberland Village Apartments</b>					<b>Value 4</b>			
<b>Base Rent Revenue</b>					<b>prospective</b>			
					<b>as conventional or unrestricted</b>			
	Total	% of	Size	Total	Market Rent			
	Units	total	(rsf)	rsf	Rent/Month	Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	30	46%	652	19,560	\$645	\$0.99	\$19,350	\$232,200
2 Bed, 1 Bath	30	46%	845	25,350	\$680	0.80	20,400	244,800
3 Bed, 1 Bath	4	6%	940	3,760	\$775	0.82	3,100	37,200
2 Bed, 1 Bath (Manager's Unit)	1	2%	877	877	Non-Revenue			
<b>Overall Totals/Averages</b>	<b>65</b>	<b>100%</b>	<b>762</b>	<b>49,547</b>	<b>659</b>	<b>0.86</b>	<b>42,850</b>	<b>514,200</b>

Source: Crown Appraisal Group

<b>Pro Forma Operating Statement</b>		<b>prospective</b>		
<b>Cumberland Village Apartments</b>		<b>as conventional or unrestricted</b>		
		65 units		Value 4
		% of EGI	Per Unit	Amount
Potential Rental Revenue		104.2%	\$7,911	\$514,200
Less: Vacancy and Collection Loss @	5.0%	-5.2%	-396	-25,710
Effective Rent		98.9%	7,515	488,490
Plus Other Revenue:				
Other Income		1.1%	80	5,200
<b>Effective Gross Income</b>		<b>100.0%</b>	<b>7,595</b>	<b>493,690</b>
Less: Operating Expenses				
Real Estate Taxes		3.1%	234	15,216
Insurance		4.8%	368	23,924
Repairs and Maintenance		5.9%	450	29,250
General and Administrative		2.8%	215	13,975
Management Fees		5.0%	380	24,685
Utilities				
Electric		1.3%	101	6,565
Water/Sewer		0.4%	32	2,080
Total Utilities		1.8%	133	8,645
Payroll		9.2%	700	45,500
Marketing		0.2%	15	975
Reserve		3.3%	250	16,250
Total Operating Expenses		36.1%	2,745	178,419
<b>Net Operating Income</b>		<b>63.9%</b>	<b>4,850</b>	<b>315,271</b>

Source: Crown Appraisal Group

<b>Pro Forma Technique Value Conclusion</b>		<b>Value 4</b>
<b>Cumberland Village Apartments</b>		<b>prospective</b>
		<b>as conventional or unrestricted</b>
Net Operating Income		\$315,271
Overall Capitalization Rate		6.75%
Value Conclusion		4,670,674
<b>Rounded To:</b>		<b>\$4,670,000</b>

Source: Crown Appraisal Group

# Cost Approach

## Value 4, prospective, as conventional or unrestricted

The cost approach aggregates land value as if vacant, plus the cost to replace the existing improvements, less any accrued depreciation. The cost approach reflects value by recognizing that participants relate value to cost. Appraisal principles and concepts relating to this approach include substitution, supply and demand, balance, externalities, and highest and best use. Land valuation concepts and principles include anticipation, change, supply and demand, substitution, and balance. This approach provides an opinion of value principally based on the principle of substitution that states that:

*No rational person would pay more for a property than that amount by which he or she can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and utility.*

### Methodology

The cost approach involves several steps (presented below) that have been employed to project the value of the subject:

- Comparable land sales are typically analyzed and adjusted to provide an estimate of the subject's site as if vacant.
- The improvement cost was projected using the Marshall Valuation Service.
- The amount of accrued depreciation or obsolescence (physical, functional and economic) has been projected and deducted from the replacement cost opinion.
- The depreciated replacement cost opinion is then added to the land value projected for the subject site.
- The sum of these opinions produces an indication of value by the cost approach.

## Value 8, Land Value

Typically, land sales within the area are utilized to develop a land value. However, a search for comparable land sales in the subject's market area found insufficient results. The reality is that few properties have been acquired to construct new multi-family properties in this part of the state. This is understood through a review of the rent comparables – the newest of these was constructed in 1990 – 27 years ago.

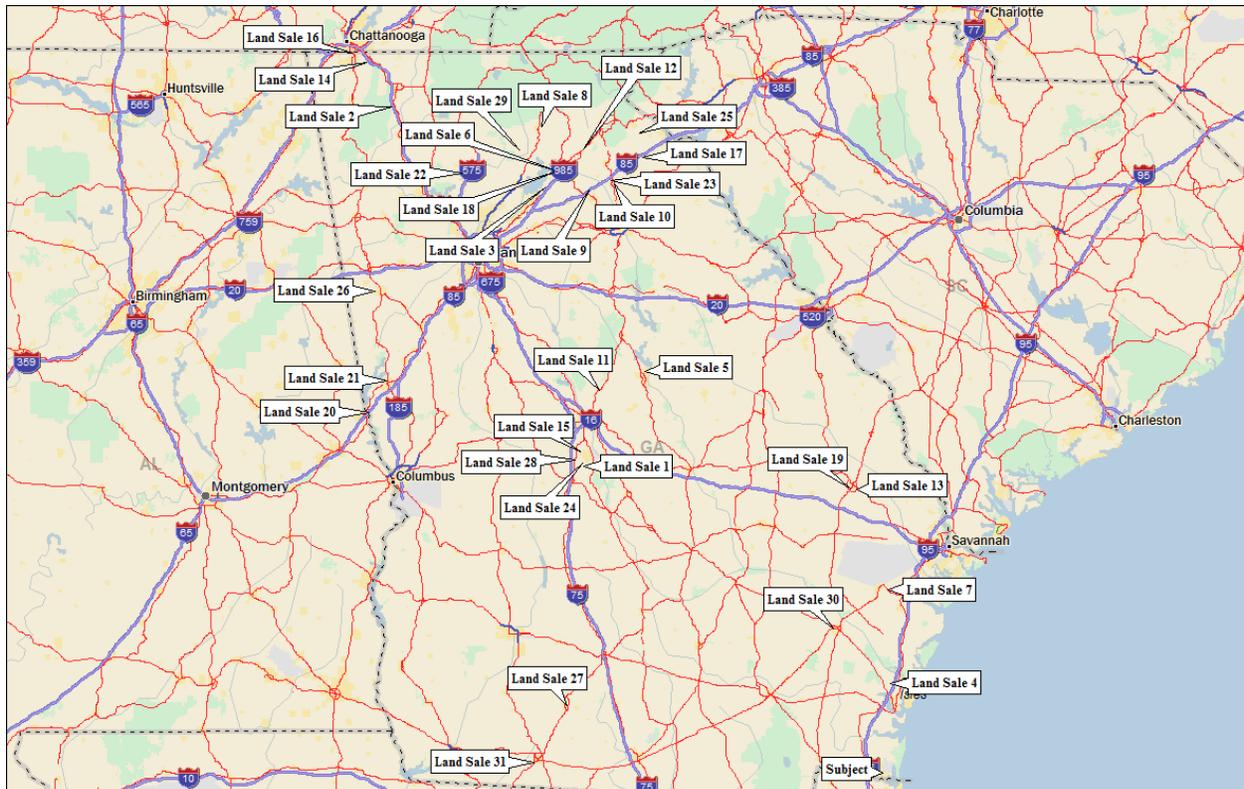
With the absence of comparable land sales, the appraiser is left with several alternative techniques. These include extraction, allocation, and a number of income capitalization methods such as land residual, ground rent capitalization, and discounted cash flow analysis.

Extraction and land residual methods have too many variables to be of use. (In part, improved sales are required, with an accurate knowledge of the contributory improvement value to those sales.) Ground rent capitalization is often used for properties that are ground leased. The discounted cash flow analysis is appropriate for subdivision development valuation. Neither of these are appropriate in this case.

Of the alternative techniques, allocation is left. As noted in The Appraisal of Real Estate, 14<sup>th</sup> edition, this technique is applicable when relatively few sales are available, which is certainly the case here. However, the same text notes that the allocation method does not produce credible value indications unless ample sales data is available. This commentary is somewhat ironic – after all, if ample sales data was available, the allocation method would not even be considered by the appraiser.

Allocation, though, incorporates the principles of balance and contribution. That is, market participants recognize there is a land value for property that is based on typical ratios that translates to specific value conclusions. To that end, the appraiser has worked on many multi-family developments and had discussion with many developers of those properties. In major MSA locations, developers are willing to pay \$10,000 per unit to \$15,000 per unit for sites to develop multifamily. For smaller MSAs, land costs are somewhat less. In rural settings, the appraiser has observed and developers have indicated prices of  $\pm$ \$1,000 up to  $\pm$ \$8,000 per unit. The range is understandably large due to the variables inherent in the specific attributes of the particular site in question.

The subject is part of a number of properties that were appraised at the same time period. The properties that comprise this portfolio share similar locational features as the subject. The majority of the properties are located in rural Georgia areas. In the course of valuing these properties, a number of land sales were uncovered. Though the sales are not all in the same county, they share a number of attributes similar to the subject. They are generally recent and they are in a generally similar (non-urban) locale. The map and sales are summarized below.



Georgia Land Sales													
Rural Counties													
Sale	County	Location	City	Sale Date	Sale Price	Size (ac)	Sale Price/Unit	Location Adjustment	Adjusted Price/Unit	Buyer	Seller	Identification	Comments
1	Houston	725 SR 96	Warner Robins	Nov-16	\$ 75,000	12,450	\$ 6,024	72	\$ 1,042	The Laser Investment Group LLC	Sandra East II Apartments Inc.	0W0980159000	Multi-Family
2	Whitfield	3432 Dag Gap Rd SW	Dalton	Nov-16	\$ 200,000	22,950	\$ 8,715			All Environmental Services, LLC	Jeanette S Longley	13-103-03-000	Commercial
3	Hall	5941 Lights Ferry Rd	Flowers Branch	Oct-16	\$ 882,000	18,680	\$ 47,216			Southern Heritage Hm Bldgs LLC	McGowan Family Farming Partnership	08118 001004A	Multi-Family/Commercial
4	Glynn	5999 SR 99	Branswick	Aug-16	\$ 280,000	26,000	\$ 10,769			LWD Properties LLC	Ameris Bank	03-23259	Multi-Family/Commercial
5	Baldwin	1963 N Jefferson St	Milledgeville	Aug-16	\$ 93,000	11,000	\$ 8,455			Dan Tomlin	First American Bank & Trust	088 003	Multi-Family/Commercial
6	Hall	2380 Spring Rd	Gainesville	Aug-16	\$ 645,000	10,120	\$ 63,735	101	\$ 6,386	Spring Road Group LLC	Henry B Humphries	08005 000042	Multi-Family/Commercial
7	Liberty	SEQ E Ogleshorpe Hwy & Mcintosh Lake Rd	Hinesville	May-16	\$ 299,000	5,660	\$ 52,827			Terramore Development LLC	Frer Land Holdings Inc.	101-039	Multi-Family
8	Lumpkin	Rock House Rd	Dahlonega	Dec-15	\$ 115,000	14,450	\$ 7,958			William Manon	RAD Enterprises	078-000-158-000	Multi-Family
9	Jackson	915 Bill Wright Rd	Pendergrass	Nov-15	\$ 90,000	15,000	\$ 6,000			CBD Investments LLC	Rocio Woody Altmann	078-029	Multi-Family/Commercial
10	Jackson	970 State St	Commerce	Sep-15	\$ 350,000	12,000	\$ 29,167	48	\$ 7,292	Mason Mason LP	Olympic Construction Inc.	009-007C	Multi-Family
11	Jones	140 Senior Center Way	Gray	Aug-15	\$ 739,800	10,279	\$ 71,972	72	\$ 10,275	Water Tower Park Senior Village LP	Water Tower Park Investments	G07-00-037	Multi-Family
12	Hall	5108 Mountain View Pkwy	Lula	Aug-15	\$ 250,325	29,450	\$ 8,500			William N Turk	Dac Enterprises Inc.	09-0053-00-009	Multi-Family/Commercial
13	Bulloch	1881 S&S Railroad Bed Rd	Statesboro	May-15	\$ 579,000	38,600	\$ 15,000	176	\$ 3,290	Beacon Place Statesboro LLC	N/A	107 000005 007	Multi-Family
14	Catoosa	Summer Breeze & Sunny Ln	Summerville	Apr-15	\$ 325,000	7,030	\$ 46,230	72	\$ 4,514	Summer Breeze Park LP	Johany Coats & Dan Bradford	0023A080	Multi-Family/Commercial
15	Houston	316 Brantley Rd	Warner Robins	Dec-14	\$ 280,000	5,500	\$ 50,909			Brantley MPH LLC	Georgia A Oliver	0C0260081000	Multi-Family/Commercial
16	Walker	Chickamauga Ave	Rossville	Oct-14	\$ 28,600	15,390	\$ 1,858			Daniel Bart	Stein Construction Co., Inc.	2005-034	Multi-Family/Commercial
17	Franklin	SWQ Commerce Rd & Cross Roads Ln	Carnesville	Oct-14	\$ 55,000	17,610	\$ 3,123			Judy H Clay	CBNA-GA LLC	028-043	Multi-Family/Commercial
18	Hall	1263 McEver Rd	Gainesville	Sep-14	\$ 600,000	33,320	\$ 18,007			America's Home Place, Inc.	Benjamin M Smith	08-00015-09-008	Multi-Family/Commercial
19	Bulloch	350 Rucker Ln	Statesboro	Jul-14	\$ 1,823,000	24,060	\$ 75,769	237	\$ 7,692	The Hampton Statesboro LLC	Rucker Holdings LLC	M552000004 000	Multi-Family
20	Troup	West St	Forest Park	Apr-14	\$ 518,400	8,590	\$ 60,000	80	\$ 4,443	Forest Hill Apartments, LP	West Point Village, LLC	094-4C-007-088	Multi-Family
21	Troup	911 N Greenwood St	Lagrange	Apr-14	\$ 175,000	7,900	\$ 22,152			Knight LLC	Margaret Ann Maple	0611A000013A	Multi-Family/Commercial
22	Cherokee	30 Laurel Canyon Village Cir	Canton	Mar-14	\$ 2,162,000	50,550	\$ 42,770	350	\$ 6,177	Lifestyle at Laurel Canyon LLC	Laurel Canyon GP LLC	14-0135-0001	Multi-Family/Office
23	Jackson	NWQ Mt Olive Rd & Harden Orchard Rd	Commerce	Mar-14	\$ 77,000	26,130	\$ 2,947			KRM Properties, LLC	CBNA-GA LLC	020 0090K	Multi-Family/Commercial
24	Houston	1131 S Houston Lake Rd	Warner Robins	Feb-14	\$ 145,000	13,370	\$ 10,845			KKLN Properties LLC	State Bank & Trust	0W1060 017000	Multi-Family/Commercial
25	Stephens	Turner Rd	Eastman	Feb-14	\$ 37,600	28,800	\$ 1,306			Haven Campus Communities - Carrollton LLC	Chomper Real Estate, LLC	045B-053	Multi-Family/Commercial
26	Carroll	1321 Vovoren Rd	Carrollton	Jul-13	\$ 495,000	14,780	\$ 33,491	120	\$ 4,125	Taloukas Pointe Apartments LP	Yves R Henzlin	C08-0330227	Multi-Family/Commercial
27	Colquitt	2001 Taloukas Pointe Rd	Moultrie	May-13	\$ 325,000	9,130	\$ 35,597	68	\$ 4,779	Ashbury Parke Associates LLC	Lynn W Lasseret	C046 113	Multi-Family/Commercial
28	Houston	220 Crestview Church Rd	Warner Robins	Nov-12	\$ 1,120,000	28,000	\$ 40,000	224	\$ 5,000	Farmington Woods LP	Houston Healthcare Properties Inc.	0W1200 101000	Multi-Family/Commercial
29	Dawson	2201 Perimeter Rd	Dawsonville	Jul-12	\$ 488,000	15,520	\$ 31,443	72	\$ 6,778	Maria Senior Gardens LP	Daniel Louis Centofanti	93041	Multi-Family
30	Wayne	1401 S 1st St	Jensp	May-12	\$ 284,200	11,660	\$ 24,374	44	\$ 6,459	Ashley Park LLC	South Racon Development Assoc	86A-9-1	Multi-Family
31	Thomas	1 Ashley Park Pl	Thomasville	Mar-12	\$ 293,750	25,610	\$ 11,470	84	\$ 3,497		H & M Investment Group LLC	056 TH 022 N	Multi-Family

minimum	Mar-12	\$ 28,600	5.50	\$ 1,306	44	\$ 1,042	\$ 938
median	Oct-14	\$ 293,750	15.00	\$ 22,152	80	\$ 6,177	\$ 4,832
average	Nov-14	\$ 446,054	18.37	\$ 27,375	121	\$ 5,583	\$ 4,857
maximum	Nov-16	\$ 2,162,000	50.55	\$ 75,769	350	\$ 10,275	\$ 7,706

Source: County Records; Crown Appraisal Group

As can be seen, fifteen of the sales are proposed for multi-family development. The number of proposed units is shown in the chart above.

## **Analysis and Value Conclusion**

As shown, the unadjusted comparable land sales indicate a sale price per unit of \$1,042 to \$10,275. The low end range is for a property is a rural town in central Georgia that is located to the rear of commercial properties with limited visibility. The upper end of the range is for a property located in close proximity to the Atlantic Ocean. These comparable sales have been adjusted for location. This narrows the adjusted sale price per unit range to \$938 - \$7,706 with an average of \$4,857. Due to the subject's location, a value near the low to middle of the range is considered appropriate.

The auditor's appraised land value is \$132,550 or \$2,039/unit. This is between the low to middle of the range from the comparable land sales. There is justification for using a value near the auditor's value conclusion, as the comparable land sales supports this figure.

*A point value of \$2,000/unit is estimated for the subject land. This indicates an aggregate value of \$130,000 as of the date of valuation. This value is near the auditor's land value and between the low to middle of the range of the comparable sales.*

## Improvement Valuation

The Marshall Valuation service has been used to develop the replacement cost of the improvements. The chart below develops the improvement replacement cost, and the value via the cost approach.

<i>Improvement Value</i>							<i>Value 3</i>	
<i>Cumberland Village Apartments</i>							<i>prospective</i>	
							<i>subject to restricted rents</i>	
	Square feet	Unadjusted Cost/sf	Current Multiplier	Local Multiplier	Total Multiplier	Adjusted Cost/sf	Total Cost	
Multiple Residences, Sec. 12, Average/Good, Class D	49,547	84.55	1.04	0.86	0.89	75.62	3,746,819	
Additional buildings	826	84.55	1.04	0.86	0.89	75.62	<u>62,463</u>	
Total Cost Estimate							3,809,283	
Less: Depreciation								
Effective Age						5		
Economic Life						60		
Depreciation						8.3%		
Total Depreciation							<u>317,440</u>	
Improvement Cost							3,491,843	
<b>Improvement Cost (rounded)</b>							<b>3,490,000</b>	

Source: *Marshall Valuation; Crown Appraisal Group*

A base cost per square foot is developed. Adjustments are made for current and local multipliers; the adjusted cost is multiplied by the size of the improvements. After adjusting for the current and local cost multipliers, the undepreciated replacement cost estimate for the subject improvements is \$3,809,283.

### Depreciation/Obsolescence Estimates for Improvements

A depreciated age-life method is used to estimate depreciation. There are two types of depreciation and/or obsolescence that need to be considered for the improvements. Physical deterioration and functional/economic obsolescence are considered. Following renovations, the improvements will be in good physical and functional condition. Marshall Valuation estimates the economic life of the improvements at 60 years. The effective age of the building (following renovations) is estimated at 5 years. Total depreciation of the subject improvements is estimated at 8.3% or \$317,440. The total depreciation is deducted from the undepreciated replacement cost opinion to arrive at a depreciated improvement cost opinion.

### Entrepreneurial Incentive

Entrepreneurial incentive is defined in The Appraisal of Real Estate, 14<sup>th</sup> Edition, Appraisal Institute, as follows:

*A market derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project and risk.*

Typically, properties like the subject are constructed as investment properties. Entrepreneurs, or developers/builders, of these properties usually seek profit margins of 12% to 25%. Rather than develop an explicit opinion of entrepreneurial incentive, this item is considered in the Reconciliation and Final Value Opinion section of the report. The reasoning for the treatment of entrepreneurial incentive in this manner is that entrepreneurial incentive is, in reality, only realized as a result of how

well a particular property meets market [participant] attitudes. The reality is that the incentive may be less than anticipated by a developer, or may be more, depending upon the circumstances.

### **Conclusion**

The cost approach value opinion is reached by adding the land value and depreciated improvement cost opinions. *The following value indication, before entrepreneurial incentive, is reached for the subject.*

<i>Cost Approach Summary</i>	<i>land value</i>	<i>Value 8</i>
<i>Cumberland Village Apartments</i>	<i>cost approach total</i>	<i>Value 3</i>
Land Value		\$130,000
Depreciated Improvement Cost		<u>3,490,000</u>
<b><i>Cost Approach Value Estimate (rounded)</i></b>		<b><i>3,620,000</i></b>
<i>before entrepreneurial incentive</i>		
Source: <i>Crown Appraisal Group</i>		

## Reconciliation and Final Value Opinion

The purpose of this assignment is to develop and report an opinion of value for Cumberland Village Apartments. The specific real property interest, real estate, and type of value have been detailed within the body of this report. The values developed by the approaches are summarized as follows:

<b>Reconciliation and Final Value Conclusions</b> <b>Cumberland Village Apartments</b>				
	Value 1	Value 2-RD	Value 3	Value 4
	<u>as conventional or unrestricted</u>	<u>subject to restricted rents</u>	<u>prospective subject to restricted rents</u>	<u>prospective as conventional or unrestricted</u>
Income Capitalization Approach	3,925,000	740,000	3,875,000	4,670,000
Sales Comparison Approach	3,900,000	n/a	n/a	n/a
Cost Approach before entrepreneurial incentive	n/a	n/a	3,620,000	n/a

Source: *Crown Appraisal Group*

The methodology and applicability of each approach has been previously explained.

### **Value 1**

The income capitalization approach is the primary approach, with support from the sales comparison approach.

### **Value 2-RD**

The income capitalization approach is the only approach considered applicable.

### **Value 3**

The income capitalization approach is the primary approach, with support from the cost approach.

### **Value 4**

The income capitalization approach is the primary approach, with support from the cost approach.

Therefore, based upon the analyses and conclusions contained within this report and subject to the assumptions and limiting conditions contained herein, the value opinions, as of the respective dates of valuation are:

<b>Value Opinions</b>	<b>Date of Value</b>	<b>Value</b>
<i>Value 1 - as conventional or unrestricted</i>	January 25, 2017	<b>\$3,925,000</b>
<i>Value 2-RD - subject to restricted rents</i>	January 25, 2017	<b>\$740,000</b>
<i>Value 3 - prospective, subject to restricted rents</i>	February 1, 2019	<b>\$3,875,000</b>
<i>Value 4 - prospective, as conventional or unrestricted</i>	February 1, 2019	<b>\$4,670,000</b>

# Interest Credit Subsidy Value Opinion

## Value 5

*Interest credit* is a form of federal assistance available to eligible borrowers that reduces the effective interest rate of a loan. The USDA Rural Housing Service (RHS or RD) offers direct loans with favorable terms for affordable housing in the Rural Rental Housing Program and the Farm Labor Housing Program. The 515 loan falls within this program. In this case, Section 515 permanent loans for new construction and subsequent loans for rehabilitation include interest rates as low as 1 percent. These loans are made at a “note rate” of interest, but a “basic rate” of interest to the borrower is typically 1 percent. A monthly mortgage payment is calculated at the note rate of interest, and the loan is amortized at the note rate of interest, but the borrower's actual mortgage payment is based on the basic rate of 1 percent. The difference between the note rate payment and the basic rate payment is the *interest credit*. The borrower is effectively subsidized with an income stream represented by the monthly *interest credit* that is available for the term of the loan.

In appraisals of Section 515 and Section 538 funded properties, valuation of the *interest credit subsidy* (favorable financing) is part of the assignment when the *market value, subject to restricted rents*, must be concluded. When *interest credit subsidy* is the only favorable financing involved, the security value, on which the loan is based, has two components: 1) the *market value, subject to restricted rents*, of the real estate, and 2) the value of the *interest credit subsidy*.

The value of the *interest credit subsidy* from RD direct loans on most existing properties can be calculated by subtracting the monthly debt service at the below-market rate of interest from the monthly payment at the current rate offered for conventional loans and discounting the difference by the current conventional interest rate over the remaining loan term. For the subject, interest credit subsidy values are calculated for the existing Section 515 loan, the subsequent “new” 515 loan (the existing 515 loan that is rewritten with new terms), and the new Section 538 loan. These calculations are as of the [unrenovated] date of valuation and are summarized in the following chart:

<b>Interest Credit Subsidy Valuation</b>			
<b>Existing Section 515 Loan/Restated 515 Loan Terms</b>			
<b>Cumberland Village Apartments</b>			
<b>Value 5</b>			
<b>Existing/Restated 515 Loan</b>		<b>New 538 Loan</b>	
<b>Existing Lender's Terms (market rate)</b>			
Principal Balance of	December 22, 2017	\$960,399	
Conventional Loan Interest Rate		5.250%	
Term of Existing Section 515 Loan (years)		30	
Loan Monthly Payment		\$5,303	
<b>Restated Section 515 Loan Terms</b>			
Principal Balance		\$960,399	
Interest Rate		1.000%	
Term (years)		50	
Section 515 Loan Monthly Payment		\$2,035	
Monthly Savings from Below Market Financing		\$3,269	
Present Value of Monthly Savings from Below Market Financing		\$591,931	
Note Rate		3.000%	
Monthly Payment at Note Rate		\$3,092	
Future Value of Balloon Payment		\$557,570	
Present Value of Balloon Payment		\$115,818	
Value of Interest Credit Subsidy		\$476,113	
<b>Existing Section 515 Loan Interest Credit Subsidy Value (Rounded)</b>		<b>\$475,000</b>	
<b>Market Rate</b>			
Principal Balance		\$1,064,000	
Conventional Loan Interest Rate		5.250%	
Term (years)		30	
Conventional Loan Monthly Payment		\$5,875	
<b>Section 538 Loan Terms</b>			
Principal Balance		\$1,064,000	
Interest Rate		4.500%	
Term (years)		40	
Section 538 Loan Monthly Payment		\$4,783	
Monthly Savings from Below Market Financing		\$1,092	
Present Value of Monthly Savings		\$197,771	
<b>Value of Interest Credit Subsidy</b>		<b>\$197,771</b>	
<b>New Section 538 Loan Interest Credit Subsidy Value (Rounded)</b>		<b>\$200,000</b>	
Source: Greystone; Crown Appraisal Group			

# LIHTC Value Opinion

## Value 6

An annual LIHTC of \$112,651 is anticipated to be granted for the acquisition and rehabilitation of the subject. This low income housing tax credit will be granted annually over a 10-year term. The overall net sum of the LIHTC to the ownership entity of the subject over the 10-year term is \$1,126,510. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred if the seller guarantees that the transfer will still maintain the LIHTC requirements.

### Current LIHTC Market

Not surprising, LIHTC pricing has not remained static. In this case, according to the seller’s representative, the purchase of the tax credits will be at \$1.42 per gross credit. This is the best evidence of the appropriate value of the tax credits. Please note, though, that the pricing is subject to change.

### Value of Tax Credits

The value of the tax credits is a fairly simple calculation. The value is developed by taking the total tax credits and multiplying them by the appropriate pricing – in this case, \$1.42 per tax credit. The value is shown below.

<i>LIHTC Analysis</i>	<i>Cumberland Village Apartments Value 6</i>
<u>Period</u>	
Annual Tax Credits	112,651
Years	<u>10</u>
Total Tax Credits	1,126,510
Total Pricing	1.42
	Value of Tax Credits 1,599,484

Source: *Crown Appraisal Group*

State Tax Credits

An annual state tax credit of \$112,651 is anticipated to be granted for the acquisition and rehabilitation of the subject. This state tax credit will be granted annually over a 10-year term. The overall net sum of the state tax credit to the ownership entity of the subject over the 10-year term is \$1,126,510. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred.

In this case, according to the seller’s representative, the purchase of the tax credits will be at \$0.45 per gross credit. This is the best evidence of the appropriate value of the tax credits. Please note, though, that the pricing is subject to change.

The value of the tax credits is a fairly simple calculation. The value is developed by taking the total tax credits and multiplying them by the appropriate pricing – in this case, \$0.45 per tax credit. The value is shown below.

<i>State Tax Credit Analysis</i>		<i>Cumberland Village Apartments</i>	
		<i>Value 6</i>	
<u>Period</u>			
Annual Tax Credits		112,651	
Years		<u>10</u>	
Total Tax Credits		1,126,510	
Total Pricing		0.45	
		Value of Tax Credits	506,879

Source: *Crown Appraisal Group*

# Insurable Value Opinion

## Value 7

The insurable value opinion is shown below. The insurable value opinion is based on Marshall Valuation Service figures. The reported cost is the opinion to replace the improvements described within this report with improvements of generally similar utility (physical condition, quality, and functionality), under the assumption that the improvements need to be completely replaced for insurance coverage purposes.

<i>USDA Rural Development</i>				<i>Value 7</i>
<i>Insurable Value Calculation</i>				
Property Name		Cumberland Village Apartments		
Street Address		300 Martha Drive		
City, County, State, Zip		St. Marys, Camden County, Georgia 31558		
<b>Base Cost</b>				
Main Structure/sf				84.55
Sprinkler/sf				0.00
Other/sf				0.00
Adjustments and/or Multipliers	1.04 current cost	0.86 local cost		0.89
Total Base Cost per square foot				75.62
Building Area square footage				50,373
<b>Total Replacement Cost New</b>				<b>3,809,283</b>
<b>Exclusions</b>				
	<u>per sf</u>	<u>percent</u>		
Excavations	0.00	0.0%		0
Foundations	2.65	3.5%		133,325
Site Work	0.00	0.0%		0
Site Improvements	0.00	0.0%		0
Architect's Fees	0.00	0.0%		0
Underground Piping	<u>0.00</u>	<u>0.0%</u>		<u>0</u>
<b>Total Exclusions</b>	<b>2.65</b>	<b>3.5%</b>		<b>133,325</b>
<b>Inclusions</b>				
	<u>per unit</u>	<u>units</u>		
Appliance Packages	750	65		48,750
Patios/Balconies	250	65		16,250
<b>Total Inclusions</b>				<b>65,000</b>
<b>Concluded Insurable Value</b>				
Total Replacement Cost New				3,809,283
Less Total Exclusions				133,325
Plus Total Inclusions				65,000
<b>Concluded Insurable Value</b>				<b>3,740,958</b>

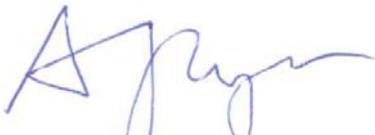
Source: *Marshall Valuation; Crown Appraisal Group*

# Certification

## Andrew J. Moye

The undersigned hereby certifies that, to the best of his knowledge and belief, or as otherwise noted in the report:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this 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 the stipulated results, or the occurrence of a subsequent event directly related to the intended user 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.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.



Andrew J. Moye, MAI, AI-GRS

# **ADDENDUM**

SUBJECT PHOTOGRAPHS



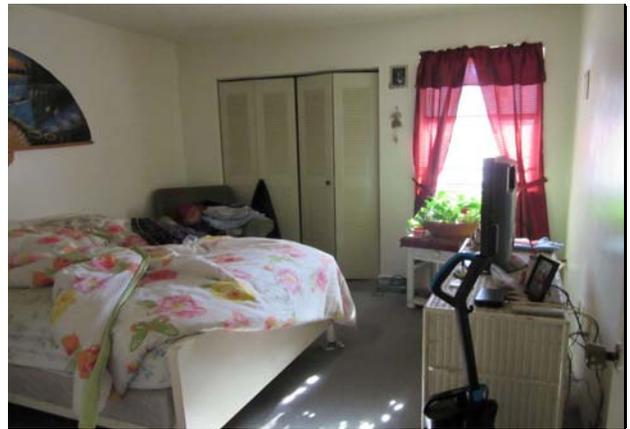
Front & Side



Rear



Family Room



Bedroom



Kitchen



Bathroom

**PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE**

(SERVICING OFFICE USE ONLY)

<b>PART I</b>	<b>1. Date Received in the Servicing Office:</b>	
<b>2. Borrower Name:</b>	<b>3. Case Number :</b>	<b>4. Project Number :</b>
<b>5. Location of Project:</b>	<b>6. Report for the month of :</b>	
<b>7. Kind of Loan :</b>	<b>8. Plan of Operation:</b>	
RRH	Full Profit	Plan II
RCH	Plan I	Plan II RA
LH	Section 8*	Plan RA
Direct RRH	Plan II (w/Sec. 8)	

9. Loan No.:	10. Loan Paymt.:	11. Overage/ Surcharge:	12. Total Due:	RENTAL ASSISTANCE	
				<b>18. RA Agreement Number(s):</b>	<b>19. No. of Units Receiving RA This Month:</b>
		Late Fees :	13.	<b>20. Obligation Balance Brought Forward:</b>	
		Total Payment Due:	14.		
		Less #21:	15.	<b>21. Rental Assistance Requested this month:</b>	
		Net Payment Due:	16.		
		Net Payment Remitted:	17.	<b>22. Remaining Obligation Balance :</b>	

Use Only for Projects with New Construction	<b>23.</b>		Section 8 Units x	<b>24.</b>		=	<b>25.</b>		
Section 8 Units when HUD rent exceeds note rate rent .	<b>26.</b>		Section 8 Units x :	<b>27.</b>		=	<b>28.</b>		
				<i>HUD Rent</i>					
				<i>RHS Note Rate Rent</i>			<b>29.</b>		
ADDITIONAL PAYMENT TO RESERVE ACCOUNT									

In accordance with Rural Housing Service formula and procedures, all rental units are occupied by households who have executed Form 1944-8 , "Tenant Certification" and are farm workers if this is the Labor Housing Project or if this is the Rental Housing Project, have incomes within the limitations as set forth in Rural Development regulations or the Project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and in Part II are true to the best of my knowledge and belief and are made in good faith.

WARNING: Section 1001 of Title 18, United States code provides; "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same or contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.

**30.** \_\_\_\_\_  
**Date**

**31.** \_\_\_\_\_  
**Signature - Borrower or Borrower's Representativ**

\*Includes previous Plan I S 8.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection is 0575-0033. The time required to complete this information collection is estimated to average 40 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.











**CUMBERLAND VILLAGE: HISTORICAL OPERATING EXPENSES**

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget	Post Rehab Pro Forma
<b>Maintenance &amp; Repairs</b>							
R & M Payroll	-	27,656.75	29,588.53	27,859.91	-	27,427.07	28,250.00
R & M Supply	-	9,869.03	11,832.26	10,577.93	-	10,600.00	5,380.00
R & M Contract	-	21.65	160.00	44.40	-	200.00	38.00
Decorating / TO Painting	-	1,689.10	1,744.73	1,948.23	-	2,133.33	974.00
Snow Removal	-	-	-	-	-	-	-
Elevator Maintenance	-	-	-	-	-	-	-
Grounds	-	1,099.27	1,124.99	455.36	-	2,666.67	2,350.00
Services / Extermination	-	6,464.32	5,761.74	5,523.99	-	8,080.00	5,917.00
Capital Improvements (Operations)	-	10,918.98	12,256.95	-	-	-	500.00
Other - R&M Expenses (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>57,719.10</b>	<b>62,469.20</b>	<b>46,409.82</b>	-	<b>51,107.07</b>	<b>43,409.00</b>
<b>Utilities</b>							
Electricity	-	6,218.65	6,165.58	6,547.01	-	7,080.00	6,547.00
Water	-	1,322.95	1,083.62	1,198.71	-	1,260.00	1,260.00
Sewer	-	831.81	768.62	856.19	-	1,056.00	1,056.00
Fuel	-	1,032.57	1,060.47	1,042.97	-	1,200.00	1,200.00
Trash Removal	-	8,952.44	9,159.30	9,458.27	-	9,480.00	9,708.00
Other - Utilities (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>18,358.42</b>	<b>18,237.59</b>	<b>19,103.15</b>	-	<b>20,076.00</b>	<b>19,771.00</b>
<b>Administrative</b>							
Site Management Payroll	-	12,110.22	13,896.88	10,647.62	-	14,096.62	16,402.00
Management Fee	-	33,286.00	33,330.50	34,362.00	-	36,096.00	37,632.00
Accounting	-	5,500.00	5,750.00	6,075.00	-	7,700.00	6,075.00
Audit	-	-	-	-	-	-	-
Legal	-	539.00	508.00	94.00	-	568.00	568.00
Advertising	-	150.62	51.08	25.00	-	426.67	305.00
Telephone	-	1,525.07	1,682.33	1,695.64	-	1,800.00	2,124.00
Office Supplies	-	2,025.07	1,846.97	2,600.80	-	2,320.00	2,601.00
Office Furniture & Equipment	-	-	-	-	-	-	-
Training	-	500.00	448.00	275.00	-	566.67	567.00
Health Insurance & Other Benefits	-	6,997.03	5,776.03	6,846.60	-	8,305.05	6,847.00
Payroll Taxes	-	3,301.99	3,545.77	3,443.63	-	3,909.76	3,972.00
Workman's Compensation	-	570.96	1,961.33	1,107.06	-	1,259.73	1,671.00
Other - Administrative (DESCRIBE)	-	2,061.43	1,900.25	2,066.55	-	1,846.67	1,604.00
<b>Subtotal</b>	-	<b>68,567.39</b>	<b>70,697.14</b>	<b>69,238.90</b>	-	<b>78,895.16</b>	<b>80,368.00</b>
<b>Taxes &amp; Insurance</b>							
Real Estate Taxes	-	13,235.93	13,016.17	12,970.12	-	15,619.20	14,904.00
Special Assessments	-	2,919.76	1,869.11	532.20	-	776.00	485.00
Misc Taxes, Licenses & Permits	-	276.07	705.77	425.82	-	693.33	520.00
Property & Liability Insurance	-	16,752.00	19,282.00	20,524.76	-	22,806.30	26,615.00
Fidelity Coverage Insurance	-	-	-	-	-	-	-
Other - Insurance (DESCRIBE)	-	-	-	-	-	-	-
<b>Subtotal</b>	-	<b>33,183.76</b>	<b>34,873.05</b>	<b>34,452.90</b>	-	<b>39,894.83</b>	<b>42,524.00</b>
<b>TOTAL OPERATING EXPENSES</b>	-	<b>177,828.67</b>	<b>186,276.98</b>	<b>169,204.77</b>	-	<b>189,973.06</b>	<b>186,072.00</b>

**CUMBERLAND VILLAGE: HISTORICAL OPERATING STATEMENT**

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget
1. Rental Income	-	222,615.42	225,883.00	202,370.00	-	220,080.00
2. RHS Rental Assist. Received	-	41,144.00	42,934.00	45,777.00	-	30,000.00
3. Application Fees	-	915.00	675.00	645.00	-	-
4. Laundry and Vending Income	-	2,131.43	2,535.75	2,120.00	-	2,160.00
5. Interest Income	-	30.11	109.83	29.63	-	40.00
6. Tenant Charges	-	2,129.96	2,938.00	6,572.00	-	3,253.33
7. Other - Project Sources	-	859.16	1,603.20	1,159.20	-	-
8. Less (Vcncy @ Cntgncy Allw)	-	-	-	-	-	-
9. Less (Agncy Aprvd Incentv)	-	-	-	-	-	-
<b>10. Sub-Ttl [(1 thru 7) - (8@9)]</b>	-	<b>269,825.08</b>	<b>276,678.78</b>	<b>258,672.83</b>	-	<b>255,533.33</b>
11. Cash - Non Project	-	-	-	-	-	-
12. Authorized Loan (Non-RHS)	-	-	-	-	-	-
13. Transfer From Reserve	-	31,929.70	16,611.21	-	-	23,966.67
<b>14. Sub-Total (11 thru 13)</b>	-	<b>31,929.70</b>	<b>16,611.21</b>	<b>-</b>	<b>-</b>	<b>23,966.67</b>
<b>15. Total Cash Sources (10+14)</b>	-	<b>301,754.78</b>	<b>293,289.99</b>	<b>258,672.83</b>	<b>-</b>	<b>279,500.00</b>
<b>16. Total O&amp;M Exp (From Part II)</b>	-	<b>177,828.67</b>	<b>186,276.98</b>	<b>169,204.77</b>	<b>-</b>	<b>189,973.06</b>
17. RHS Debt Payment	-	36,654.48	36,654.48	10,048.16	-	36,654.48
18. RHS Payment (Overage)	-	18,956.00	17,953.00	17,962.00	-	-
19. RHS Payment (Late Fee)	-	-	-	-	-	-
20. Reductn In Prior Yr Pybles	-	-	-	-	-	-
21. Tenant Utility Payments	-	154.00	1,532.00	1,510.00	-	-
22. Transfer to Reserve	-	47,183.58	50,391.94	-	-	-
23. RTN Owner / NP Asset Mgt Fee	-	-	9,630.00	-	-	12,840.00
<b>24. Sub-Total (16 thru 23)</b>	-	<b>280,776.73</b>	<b>302,438.40</b>	<b>198,724.93</b>	<b>-</b>	<b>239,467.54</b>
25. Authzd Debt Pymnt (NonRHS)	-	-	-	-	-	-
26. Capital Budget (III 4-6)	-	31,929.70	16,611.21	-	-	23,966.67
27. Miscellaneous	-	(26,570.52)	(39,443.00)	-	-	-
<b>28. Sub-Total (25 thru 27)</b>	-	<b>5,359.18</b>	<b>(22,831.79)</b>	<b>-</b>	<b>-</b>	<b>23,966.67</b>
<b>29. Total Cash Uses (24+28)</b>	-	<b>286,135.91</b>	<b>279,606.61</b>	<b>198,724.93</b>	<b>-</b>	<b>263,434.21</b>
<b>30. Net (Deficit) (15-29)</b>	-	<b>15,618.87</b>	<b>13,683.38</b>	<b>59,947.90</b>	<b>-</b>	<b>16,065.79</b>
31. Beginning Cash Balance	-	81,733.16	71,246.08	-	-	-
32. Accrual To Cash Adjustment	-	(26,105.95)	(12,427.57)	-	-	-
33. Ending Cash Balance	-	71,246.08	72,501.89	59,947.90	-	16,065.79



United States Department of Agriculture

December 8, 2015

Mr. Martin H. Petersen  
Hallmark Management Inc.  
3111 Paces Mill Rd., Suite A-250  
Atlanta, GA 30339

RE: St. Mary's Ltd. (Cumberland Village Apts.)  
2016 Proposed Budget

The above document has been reviewed and approved by our office. This is effective January 1, 2016.

The following items are noted:

1. The reserve account is on track.
2. Property appears to be maintained.
3. Management Fee is approved at \$47.00 POU/MONTH.

Please call our office if you have any questions.

SANDRA R. BRYANT, Area Specialist  
For: Ricky P. Sweat, Area Manager  
USDA/Rural Development

Enclosures

Rural Development • Douglas Service Center  
703 East Ward St., Douglas, GA 31533  
sandra.bryant@ga.usda.gov, <http://www.rurdev.usda.gov/ga/>  
Voice (478) 934-6392, Ext 111 • TDD (770) 253-2555 • Fax (478) 934-2597

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December 8, 2015

Mr. Martin H. Petersen  
Hallmark Mgmt. Inc.  
3111 Paces Mill Rd., Suite A-250  
Atlanta, GA 30339

RE: RENT INCREASE

You are hereby notified **ST. MARY'S LTD.; D/B/A CUMBERLAND VILLAGE APTS** project(s), and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on **JANUARY 1, 2016** or later effective date in accordance with state or local laws.

The change is needed for the following reasons: Change in actual utility costs.

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		Approved Rent (Occupancy Charge)	
	Basic	Note Rate	Basic	Note Rate
1-Bedroom	\$330	\$445	NO CHANGE	
2-Bedroom	\$350	\$495	NO CHANGE	
3-Bedroom	\$370	\$525	NO CHANGE	

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	Approved Utility Allowance
1-Bedroom	\$142	\$132
2-Bedroom	\$167	\$175
3-Bedroom	\$190	NO CHANGE

Should you have any questions or concerns, you may contact Rural Development. The Rural Development Servicing Office address is: 703 East Ward St., Douglas, GA 31533.

Rural Development • Douglas Service Center  
703 East Ward St., Douglas, GA 31533  
sandra.bryant@ga.usda.gov, <http://www.rurdev.usda.gov/ga/>  
Voice (478) 934-6392, Ext 111 • TDD (770) 253-2555 • Fax (478) 934-2597

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You must notify the tenants (members) of Rural Development's approval of the rent (occupancy charge) and utility allowance changes by posting this letter in the same manner as the "NOTICE TO TENANTS (MEMBERS) OR PROPOSED RENT (OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE." This notification must be posted in a conspicuous place and cannot be substituted for the usual written notice to each individual tenant (member).

This approval does not authorize you to violate the terms of any lease (occupancy agreement) you currently have with your tenants (members).

For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their costs for rent and utilities will be determined by the current HUD formula.

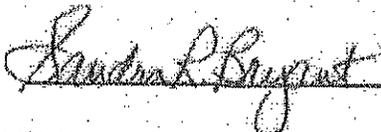
You may file an appeal regarding the rate and utility allowance change as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of the adverse decision. The appeal should state what agency decision is being appealed and should include, if possible, a copy of the adverse decision and a brief statement of why the decision is wrong. A copy of the appeal request should be sent to the agency.

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to (Ricky P. Sweat, A.D., USDA/RD, 703 East Ward St., Douglas, GA 31533). All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

Any tenant who does not wish to pay the Rural Development approved rent changes may give the owner a 30-day notice that they will vacate. The tenant will suffer no penalty as a result of this decision to vacate, and will not be required to pay the changed rent.

However, if the tenant later decides to remain in the unit, the tenant will be required to pay the changed rent from the effective date of the changed rent.

Sincerely,



SANDRA R. BRYANT, Area Specialist  
For: Ricky P. Sweat, Area Director  
USDA/Rural Development

Proposed Budget

Project Name:	CUMBERLAND VILLAGE
Borrower Name:	ST MARYS LTD
Borrower ID and Project No:	811308257 01-9
Date of Operation:	11/20/1980

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$3,054.54

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SMR

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

I hereby request \_\_\_ units of RA. Current number of RA units 13

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART I - CASH FLOW STATEMENT</b>				
<b>Operational Cash Sources</b>				
1. Rental Income	262,560.00		262,560.00	
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	2,100.00		2,180.00	
5. Interest Income	165.00		30.00	
6. Tenant Charges	2,730.00		3,045.00	
7. Other - Project Sources	0.00		0.00	
8. Less (Vcnyc @ Cntgncy Allw)	-10,080.00		-12,480.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8+9)]	257,475.00		255,335.00	
<b>Non-Operational Cash Sources</b>				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	19,000.00		17,975.00	
14. Sub-Total (11 thru 13)	19,000.00		17,975.00	
15. Total Cash Sources (10+14)	276,475.00		273,310.00	
<b>Operational Cash Uses</b>				
16. Ttl O&M Exp (From Part II)	197,816.07		203,113.91	
17. RHS Debt Payment	36,654.48		36,654.48	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	10,920.00		10,920.00	
23. RTN Owner/NP Asset Mgt Fee	9,630.24		9,630.00	
24. Sub-Total (16 thru 23)	255,020.79		260,318.39	
<b>Non-Operational Cash Uses</b>				
25. Authzrd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	19,000.00		17,975.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	19,000.00		17,975.00	
29. Total Cash Uses (24+28)	274,020.79		278,293.39	
30. Net (Deficit) (15-29)	2,454.21		-4,983.39	
<b>Cash Balance</b>				
31. Beginning Cash Balance	60,150.00		72,513.00	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	62,604.21		67,529.61	

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART II - O&amp;M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	27,152.14		27,647.83	
2. Maint. @ Repairs Supply	9,360.00		10,825.00	
3. Maint. @ Repairs Contract	150.00		150.00	
4. Painting	1,600.00		2,050.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	950.00		2,000.00	
8. Services	6,606.00		6,820.00	
9. Cptl Bgt(Part V operating)	17,680.00		16,450.00	
10. Other Operating Expenses	0.00		0.00	
11. Sub-Ttl O&M (1 thru 10)	63,498.14		65,942.83	
12. Electricity	6,792.00		7,080.00	
13. Water	1,200.00		1,260.00	
14. Sewer	1,020.00		1,056.00	
15. Fuel (Oil/Coal/Gas)	1,200.00		1,200.00	
16. Garbage @ Trash Removal	9,960.00		9,480.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	20,172.00		20,076.00	
19. Site Management Payroll	14,005.93		14,257.08	
20. Management Fee	35,328.00		36,096.00	
21. Project Auditing Expense	5,775.00		5,775.00	
22. Proj. Bookkeeping/Acconting	0.00		0.00	
23. Legal Expenses	990.00		614.00	
24. Advertising	510.00		430.00	
25. Phone @ Answering Service	1,740.00		1,800.00	
26. Office Supplies	2,054.00		2,160.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	350.00		425.00	
29. Hlth Ins. @ Other Benefits	7,770.81		8,864.35	
30. Payroll Taxes	3,802.18		3,807.32	
31. Workmans Compensation	1,373.64		1,274.67	
32. Other Admin. Expenses	1,175.00		1,655.00	MILEAGE, CREDIT CK, BANK CHG
33. Sub-Ttl Admin (19 thru 32)	74,874.56		77,158.42	
34. Real Estate Taxes	15,883.12		15,619.20	
35. Special Assessments	645.00		732.00	
36. Othr Taxes, Lcnsses, Permts	620.00		520.00	SOFTWARE BUSINESS LIC
37. Property @ Liability Ins.	22,123.25		23,065.46	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	39,271.37		39,936.66	
41. Ttl O&M Exps (11+18+33+40)	197,816.07		203,113.91	

Project Name: CUMBERLAND VILLAGE      State: 10      Servicing Office: 606      County: 20  
 Borrower Name: ST MARYS LTD      Borr ID: 811308257      Prj Nbr: 01-9      Paid Code: Active  
 Classification: C      Fiscal Year: 2016      Version: 01/01/2016 APPROVED      Totals: By Project      Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2015	01/01/2015	01/01/2016	
Ending Dates:	12/31/2015	12/31/2015	12/31/2016	
<b>PART III - ACCT BUDGET/STATUS</b>				
<b>Reserve Account</b>				
1. Beginning Balance	48,269.70		87,375.83	
2. Transfer to Reserve	10,920.00		10,920.00	
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	19,000.00		17,975.00	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	19,000.00		17,975.00	
8. Ending Balance [(1+2)-7]	40,189.70		80,320.83	
<b>General Operating Account</b>				
Beginning Balance				
Ending Balance				
<b>Real Estate Tax And Ins Escrow</b>				
Beginning Balance				
Ending Balance				
<b>Tenant Security Deposit Acct</b>				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance		-63,388.02
Number of Applicants Needing RA		Amount Ahead/Behind		151,443.85

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

**PART IV RENT SCHEDULE**

**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2015**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			30	350	495	0	126,000	178,200	0	167
N	3	All			4	370	525	0	17,760	25,200	0	190
N	1	All			30	330	445	0	118,800	160,200	0	140
<b>CURRENT RENT TOTALS</b>									<b>262,560</b>	<b>363,600</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2015**

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	
N	2	All				94	0	29	15	0	167
N	3	All				109	0	33	15	0	190
N	1	All				73	0	26	15	0	140

**B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			30	350	495	0	126,000	178,200	0	175
N	3	All			4	370	525	0	17,760	25,200	0	190
N	1	All			30	330	445	0	118,800	160,200	0	132
<b>PROPOSED RENT TOTALS</b>									<b>262,560</b>	<b>363,600</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	
N	2	All				104	0	28	15	0	175
N	3	All				115	0	30	15	0	190
N	1	All				67	0	25	15	0	132

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2015	01/01/2016	01/01/2015	01/01/2016	01/01/2015	01/01/2015	01/01/2015
Ending Dates:	12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
<b>ANNUAL CAPITAL BUDGET</b>							
<b>Appliances</b>							
Appliances - Range	4	475.00	0.00	1,425.00	0.00	0.00	0
Appliances - Refrigerator	3	675.00	0.00	1,350.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	1	0.00	0.00	1,500.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet and Vinyl</b>							
Carpet @ Vinyl - 1 Br.	6	925.00	0.00	1,850.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	6	1,100.00	0.00	2,200.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	6	1,600.00	0.00	3,200.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets</b>							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	3	0.00	0.00	825.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	3	5,200.00	0.00	2,600.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	3	0.00	0.00	900.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	8,000.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2016 Version: 01/01/2016 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2015	01/01/2016	01/01/2015	01/01/2016	01/01/2015	01/01/2015	01/01/2015
Ending Dates:	12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
<b>Paving</b>							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Landscap and Grounds</b>							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Accessibility Features</b>							
Accessibility Features - Detail	0	0.00	0.00	600.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Automation Equipment</b>							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Other</b>							
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>17,975.00</b>	<b>0.00</b>	<b>16,450.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>

Project Name: CUMBERLAND VILLAGE	State: 10	Servicing Office: 606	County: 20
Borrower Name: ST MARYS LTD	Borr ID: 811308257	Prj Nbr: 01-9	Paid Code: Active
Classification: C	Fiscal Year: 2016	Version: 01/01/2016 APPROVED	Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."
---------	---

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

10/01/2015  
(Date Submitted)

HALLMARK GROUP REAL ESTATE  
(Management Agency)

MA202860  
(MA#)

(Date)

(Signature of Borrower or Borrower's Representative)

(Title)

*Sandra K Bryant*  
 Agency Approval (Rural Development Approval Official):  
*Area Specialist*

11-25-15  
(Date)

---

Project Name: CUMBERLAND VILLAGE	State: 10	Servicing Office: 606	County: 20
Borrower Name: ST MARYS LTD	Borr ID: 811308257	Prj Nbr: 01-9	Paid Code: Active
Classification: C	Fiscal Year: 2016	Version: 01/01/2016 APPROVED	Totals: By Project Analyzed: Y

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SPVS Comment:  
Batched/ II 092815/ II 102215

Narrative:



United States Department of Agriculture

**VIA EMAIL ONLY**

December 6, 2016

Mr. Martin H. Petersen  
Hallmark Mgmt. Inc.  
3111 Paces Mill Rd., Suite A-250  
Atlanta, GA 30339

RE: St. Mary's Ltd., LP (Cumberland Village Apts.)  
2017 Proposed Budget

The above document has been reviewed and approved by our office. This is effective January 1, 2017.

The following items are noted:

1. The reserve account is on track and ahead of schedule.
2. The property is maintained but has some maintenance issues noted from the inspection report in FY 2016.
3. Management Fee is approved at **\$49.00 POU/Month.**

Please call our office if you have any questions.

SANDRA R. BRYANT, Area Specialist  
For: Ricky P. Sweat, Area Manager  
USDA/Rural Development

Enclosures

Rural Development • Douglas Service Center  
703 East Ward St., Douglas, GA 31533  
sandra.bryant@ga.usda.gov, <http://www.rurdev.usda.gov/ga/>  
Voice (912)384-4811, Ext 127 • TDD (770) 253-2555 • Fax (855)546-2690

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).



**VIA EMAIL ONLY**

December 6, 2016

Mr. Martin H. Petersen  
Hallmark Mgmt. Inc.  
3111 Paces Mill Rd., Suite A-250  
Atlanta, GA 30339

RE: UTILITY ALLOWANCE CHANGE

You are hereby notified **ST. MARYS LTD., LP; D/B/A CUMBERLAND VILLAGE APTS** project(s), and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on **JANUARY 1, 2017** or later effective date in accordance with state or local laws.

The change is needed for the following reasons:

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		Approved Rent (Occupancy Charge)	
	Basic	Note Rate	Basic	Note Rate
1-Bedroom	\$330	\$445	NO CHANGE	
2-Bedroom	\$350	\$495	NO CHANGE	
3-Bedroom	\$370	\$525	NO CHANGE	

Rural Development • Douglas Service Center  
703 East Ward St., Douglas, GA 31533  
sandra.bryant@ga.usda.gov, <http://www.rurdev.usda.gov/ga/>  
Voice (912) 384-4811, Ext 127 • TDD (770) 253-2555 • Fax (855) 546-2690

USDA is an equal opportunity provider and employer.  
If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

The approved utility allowance changes are as follows:

Utility Allowance is based on actual usage.

Unit Size	Present Utility Allowance	Approved Utility Allowance
1-Bedroom	\$132	\$148
2-Bedroom	\$175	\$190
3-Bedroom	\$190	\$211

Should you have any questions or concerns, you may contact Rural Development. The Rural Development Servicing Office address is: 703 East Ward St., Douglas, GA 31533.

You must notify the tenants (members) of Rural Development's approval of the rent (occupancy charge) and utility allowance changes by posting this letter in the same manner as the "NOTICE TO TENANTS (MEMBERS) OR PROPOSED RENT (OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE." This notification must be posted in a conspicuous place and cannot be substituted for the usual written notice to each individual tenant (member).

This approval does not authorize you to violate the terms of any lease (occupancy agreement) you currently have with your tenants (members).

For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their costs for rent and utilities will be determined by the current HUD formula.

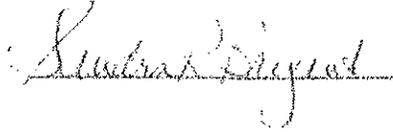
You may file an appeal regarding the rate and utility allowance change as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of the adverse decision. The appeal should state what agency decision is being appealed and should include, if possible, a copy of the adverse decision and a brief statement of why the decision is wrong. A copy of the appeal request should be sent to the agency.

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to (Ricky P. Sweat, A.D., USDA/RD, 703 East Ward St., Douglas, GA 31533). All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

Any tenant who does not wish to pay the Rural Development approved rent changes may give the owner a 30-day notice that they will vacate. The tenant will suffer no penalty as a result of this decision to vacate, and will not be required to pay the changed rent.

However, if the tenant later decides to remain in the unit, the tenant will be required to pay the changed rent from the effective date of the changed rent.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sandra R. Bryant". The signature is written in dark ink and is positioned above the typed name.

SANDRA R. BRYANT, Area Specialist  
For: Ricky P. Sweat, Area Director  
USDA/Rural Development

Proposed Budget

Project Name:	CUMBERLAND VILLAGE
Borrower Name:	ST MARYS LTD
Borrower ID and Project No:	811308257 01-9
Date of Operation:	11/20/1980

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$3,054.54

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SMR

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

I hereby request \_\_\_ units of RA. Current number of RA units \_\_\_ 13 \_\_\_ .

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART I - CASH FLOW STATEMENT</b>				
<b>Operational Cash Sources</b>				
1. Rental Income	262,560.00		262,560.00	
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	2,180.00		2,280.00	
5. Interest Income	30.00		25.00	
6. Tenant Charges	3,045.00		2,815.00	
7. Other - Project Sources	0.00		25.00	APP FEES
8. Less (Vncy @ Cntgncy Allw)	-12,480.00		-13,128.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8@9)]	255,335.00		254,577.00	
<b>Non-Operational Cash Sources</b>				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	17,975.00		18,760.00	
14. Sub-Total (11 thru 13)	17,975.00		18,760.00	
15. Total Cash Sources (10+14)	273,310.00		273,337.00	
<b>Operational Cash Uses</b>				
16. Ttl O&M Exp (From Part II)	203,113.91		195,395.84	
17. RHS Debt Payment	36,654.48		36,654.48	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	10,920.00		10,920.00	
23. RTN Owner/NP Asset Mgt Fee	9,630.00		9,630.00	
24. Sub-Total (16 thru 23)	260,318.39		252,600.32	
<b>Non-Operational Cash Uses</b>				
25. Authzhd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	17,975.00		18,760.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	17,975.00		18,760.00	
29. Total Cash Uses (24+28)	278,293.39		271,360.32	
30. Net (Deficit) (15-29)	-4,983.39		1,976.68	
<b>Cash Balance</b>				
31. Beginning Cash Balance	72,513.00		29,654.81	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	67,529.61		31,631.49	

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART II - O&amp;M EXPENSE SCHEDULE</b>				
1. Maint. @ Repairs Payroll	27,547.83		26,950.50	
2. Maint. @ Repairs Supply	10,825.00		7,375.00	
3. Maint. @ Repairs Contract	150.00		75.00	
4. Painting	2,050.00		1,100.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Groceries	2,000.00		2,350.00	
8. Services	5,820.00		5,525.00	
9. Optl Bgt (Part M operating)	16,450.00		11,160.00	
10. Other Operating Expenses	0.00		0.00	
11. Sub-Ttl O&M (1 thru 10)	65,942.83		54,537.56	
12. Electricity	7,000.00		6,468.00	
13. Water	1,300.00		1,200.00	
14. Sewer	1,850.00		560.00	
15. Fuel (Oil/Coal/Gas)	1,100.00		1,130.00	
16. Garbage @ Trash Removal	3,400.00		9,708.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	20,076.00		19,476.00	
19. Site Management Payroll	11,457.00		15,621.41	
20. Management Fee	36,096.00		37,632.00	
21. Project Auditing Expense	5,775.00		5,053.75	
22. Proj. Bookkeeping/Accounting	0.00		0.00	
23. Legal Expenses	614.00		238.00	
24. Advertising	470.00		305.00	
25. Phone @ Answering Service	1,000.00		2,124.00	
26. Office Supplies	2,160.00		2,456.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	420.00		415.00	
29. Hlth Ins. @ Other Benefits	8,064.35		5,755.05	
30. Payroll Taxes	3,807.32		5,971.00	
31. Workman's Compensation	1,274.67		2,570.56	
32. Other Admin. Expenses	1,658.00		1,584.00	MELRICE, BRUN ENG, CREDIT CLK
33. Sub-Ttl Admin (19 thru 32)	77,150.47		70,857.73	
34. Real Estate Taxes	12,519.20		14,964.00	
35. Special Assessments	732.00		425.00	
36. Other Taxes, Licenses, Permits	520.00		520.00	BUSINESS REGISTER FEE
37. Property @ Disability Ins.	23,065.46		26,515.45	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	34,936.66		47,534.45	
41. Ttl O&M Exps (11+18+33+40)	203,113.91		193,195.86	

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
<b>PART III - ACCT BUDGET/STATUS</b>				
<b>Reserve Account</b>				
1. Beginning Balance	87,375.83		144,770.98	
2. Transfer to Reserve	10,920.00		10,920.00	
<b>Transfer From Reserve</b>				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	17,975.00		18,760.00	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	17,975.00		18,760.00	
8. Ending Balance [(1+2)-7]	80,320.83		136,930.98	
<b>General Operating Account</b>				
Beginning Balance				
Ending Balance				
<b>Real Estate Tax And Ins Escrow</b>				
Beginning Balance				
Ending Balance				
<b>Tenant Security Deposit Acct</b>				
Beginning Balance				
Ending Balance				
Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance		-54,607.59
Number of Applicants Needing RA		Amount Ahead/Behind		173,403.57

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

**PART IV RENT SCHEDULE**

**A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			30	350	495	0	126,000	178,200	0	175
N	3	All			4	370	525	0	17,760	25,200	0	190
N	1	All			30	330	445	0	118,800	160,200	0	132
<b>CURRENT RENT TOTALS</b>									<b>262,560</b>	<b>363,600</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2016**

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			104	0	28	15	0	175
N	3	All			115	0	30	15	0	190
N	1	All			67	0	25	15	0	132

**B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 01/01/2017**

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			30	350	495	0	126,000	178,200	0	190
N	3	All			4	370	525	0	17,760	25,200	0	211
N	1	All			30	330	445	0	118,800	160,200	0	148
<b>PROPOSED RENT TOTALS</b>									<b>262,560</b>	<b>363,600</b>	<b>0</b>	

**EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2017**

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			107	0	29	25	0	190
N	3	All			122	0	32	25	0	211
N	1	All			71	0	26	25	0	148

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
<b>ANNUAL CAPITAL BUDGET</b>							
<b>Appliances</b>							
Appliances - Range	3	930.00	0.00	465.00	0.00	0.00	0
Appliances - Refrigerator	3	1,150.00	0.00	575.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Carpet and Vinyl</b>							
Carpet @ Vinyl - 1 Br.	6	1,175.00	0.00	1,600.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	6	1,420.00	0.00	1,940.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	6	3,400.00	0.00	1,700.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Cabinets</b>							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Doors</b>							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Window Coverings</b>							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Heat and Air Conditioning</b>							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	4	10,400.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Plumbing</b>							
Plumbing - Water Heater	4	285.00	0.00	855.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Major Electrical</b>							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Structures</b>							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: CUMBERLAND VILLAGE State: 10 Servicing Office: 606 County: 20  
 Borrower Name: ST MARYS LTD Borr ID: 811308257 Prj Nbr: 01-9 Paid Code: Active  
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 APPROVED Totals: By Project Analyzed: Y

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
<b>Paving</b>							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Landscape and Grounds</b>							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	425.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Accessibility Features</b>							
Accessibility Features - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Automation Equipment</b>							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
<b>Other</b>							
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	2,500.00	0.00	0.00	0
List: ?	0	0.00	0.00	1,200.00	0.00	0.00	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>18,760.00</b>	<b>0.00</b>	<b>11,260.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>

Project Name: CUMBERLAND VILLAGE	State: 10	Servicing Office: 606	County: 20
Borrower Name: ST MARYS LTD	Borr ID: 811308257	Prj Nbr: 01-9	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 APPROVED	Totals By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.
---------	--

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

10/05/2016  
(Date Submitted)

HALLMARK GROUP REAL ESTATE  
(Management Agency)

MA202860  
(MA#)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Borrower or Borrower's Representative)

\_\_\_\_\_  
(Title)

*Sandra R. Bryant*  
 Agency Approval (Rural Development Approval Official):  
*Area Specialist*

12-6-16  
(Date)

Project Name: CUMBERLAND VILLAGE	State: 10	Servicing Office: 606	County: 20
Borrower Name: ST MARYS LTD	Borr ID: 811308257	Prj Nbr: 01-9	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 APPROVED	Totals: By Project Analyzed: Y

## SPVS Comment:

Batched/ II 092616; APPR CONTINGENT ON REC'ING CORRECT TEN LETTER

## Narrative:

BUDGET NARRATIVE PROJECT NAME Cumberland Village Apartments BORROWER NAME St. Mary's, Ltd. BORROWER ID AND PROJECT NO 09-001-549773893-019 [Cumberland Village Apartments is a sixty-four unit family community located in St. Mary's, Georgia. In 2016, the property has maintained a 94% average occupancy. [The property remains in compliance and has no outstanding findings that have not been addressed by the management company. [At this time the property is financially sound and has not experienced any changes in project expenses that would contribute to any financial difficulties. [The property has experienced changes in project expenses or cash sources that would exceed the 23% tolerance threshold in the category of administration expense due to the rising cost of healthcare. In the category of maintenance and operating expenses exceed 10% tolerance due to increased repairs. We will continue to replace carpets, stoves, refrigerators, etc. on an as needed basis. It is expected the following will be replaced in 2017- The \$18,760 paid from the Reserve Account includes 4 HVAC unit, 2 refrigerator, 2 stove 1 one bedroom carpet, 1 two bedroom carpet, 2 three bedroom carpet, 2 one bedroom vinyl floor, 2 two bedroom vinyl floor, 2 three bedroom vinyl floor, 1 water heater, and fencing around dumpster. The \$11,260 paid from the Operating Account includes replacing 1 refrigerator, 1 stove, 3 water heaters, 2 - one bedroom carpets, 2 - two bedroom carpets, 1 - three bedroom carpet, 1 - one bedroom vinyl floors, 1 - two bedroom vinyl floors, 1 - three bedroom vinyl floors, hedge trimmers, additional fencing at dumpsters & firestops. Replacements for 2018 through 2020 are as follows 2018 - 1 stoves, 2 refrigerators 5 carpets, 4 vinyl floors, 4 HVAC units, and 4 hot water heaters. 2019 - 2 stove, 3 refrigerators, 6 carpets, 3 vinyl floors, 2 HVAC units, 3 hot water heaters and parking lot overlay. 2020 - 2 stove, 3 refrigerators, 5 carpets, 5 vinyl floors, 3 HVAC units, and 6 hot water heaters.

**MULTI-FAMILY PROJECT BORROWER'S/MANAGEMENT AGENT'S  
MANAGEMENT CERTIFICATION**

Borrowers of multifamily housing loans are required by 7 C.F.R. §3560.102 (j) to submit certain data for review by the Servicing Official for approval of a new management agent. These requirements apply to all multifamily projects.

Effective Date (xx-xx-20xx): 01-01-2017

Project Name: St. Marys Ltd. L. P. Borrower Case# /Project ID: 10-020-811308257

City/State: St. Marys, GA

Acting on behalf of St. Marys Ltd. L. P., the project borrower (Borrower), and Hallmark Management, Inc., the management agent (Agent), make the following certifications and agreements to the United States Department of Agriculture regarding management of the above project.

1. We certify that:

- a. We will comply with Rural Development requirements and contract obligations, and agree that no payments have been made to the Borrower in return for awarding the management contract to the Agent, and that no such payments will be made in the future.
- b. We have executed or will execute, within 30 days a management agreement (Agreement) for this project. The Agreement provides that the Agent will manage the project for the term and for the Per Unit Per Month (PUPM) management fee described below. Changes in the management fee will be implemented only in accordance with Rural Development's requirements.

(1) Term of Agreement (xx-xx-20xx through xx-xx-20xx): 01-01-2017 until nullified

(2) Fees:

- a)  PUPM fee as specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only).
- b)  PUPM fee is below the PUPM fee specified in HB-2-3560, Attachment 3-F, as revised, for the term specified above (applied to revenue producing occupied units only)  
Fee Amount: \$ \_\_\_\_\_
- c)  Add-On Fees as specified in HB-2-3560, Check all that apply. Include total add-on fees below. (applied to all revenue producing units regardless of occupancy)
  - Management of properties with 15 units or less.
  - One project that has buildings located on different noncontiguous parcels of land (i.e. across town or in another town).
  - Management of properties in a remote location.
  - Troubled properties with workout plans and new management only.

c. We will disburse management fees from project income only after:

- (1) We have submitted this certification to Rural Development:
- (2) Rural Development has approved the Agent to manage this project

d. We understand that no fees may be earned or paid after Rural Development has terminated the Agreement

e. If Rural Development notifies me of a management fee above that listed in HB-2-3560; Attachment 3-F the Agent will within 30 days of the notice either:

- (1) Reduce the compensation to an amount Rural Development determines to be reasonable and
- (2) Require the Agent to refund to the project all excessive fees collected, or
- (3) Appeal the decision and abide by the results of the appeal process, making any required reductions and refunds within 30 days after the date of the decision letter on the appeal.

2. We will select and admit tenants, compute tenant rents and assistance payments, recertify tenants and carry out other subsidy contract administrative responsibilities in accordance with HB-2-3560 and Rural Development regulations.

3. We agree to:
  - a. Comply with this project's Mortgage and Promissory Note, and Loan Agreement/Resolution or Workout Agreement.
  - b. Comply with Rural Development Handbooks and other policy directives that relate to the management of the project.
  - c. Comply with Rural Development requirements regarding payment and reasonableness of the management fee and the project account.
  - d. Refrain from purchasing goods or services from entities that have identity of interest with us unless the requirements of 7C.F.R. §3560.102(g) are met.
  
4. The Agent agrees to:
  - a. Ensure that all expenses of the project are reasonable and necessary.
  - b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
  - c. Obtain contracts, materials, supplies and services including the preparation of the annual financial reports on terms most advantageous to the project.
  - d. Credit the housing project with all discounts, rebates or commissions including any sales or property tax relief granted by the State or local government received.
  - e. Obtain the necessary verbal or written cost estimates and document reasons for accepting other than the lowest bid.
  - f. Maintain copies of the documentation and make such documentation available for inspection during normal business hours.
  - g. Invest project funds that Rural Development policies require to be invested and take reasonable effort to invest other project funds unless the Borrower specifically directs the Agent not to invest those funds.
  
5. We certify that the types of insurance policies checked below are enforceable and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name Rural Development as co-payee in the event of loss. Note: for any box not checked, Rural Development may require an explanation as to why a certain type of insurance was not obtained.
  - a.  Fidelity bond or employee dishonesty coverage for:
    - (1) all principals of the Agent and
    - (2) all persons who participate directly or indirectly in the management or maintenance of the project and its assets, accounts and records.
  - b.  Hazard insurance coverage required by 7 C.F.R. §3560.105.
  - c.  Public liability insurance required by 7 C.F.R. §3560.105.
  - d.  Other (specify) as may be required by 7 C.F.R. §3560.105.
  
6. The Agent agrees to:
  - a. Furnish a written response to Rural Development's supervisory visit review reports, physical inspection reports, and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
  - b. Establish and maintain the project's accounts, books and records in accordance with:
    - (1) Rural Development's administrative requirements; and
    - (2) Accounting principles under 7 C.F.R. §3560.302(b).
  
7. We agree that:
  - a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
  - b. Rural Development, the Office of Inspector General (OIG), and those agencies' representatives may inspect:
    - (1) Any records which relate to the project's purchase of goods or services,
    - (2) The records of the Borrower and the Agent, and
    - (3) The records of companies having an identity-of-interest with the Borrower, Rural Development and the Agent.
  - c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project:
 

"Upon request by Rural Development, the Borrower or Agent, the contractor or the supplier will make available to Rural Development at a reasonable time and place, its records and records of identity-of-interest companies which relate to goods and services charged to the project. Records and information will be sufficient to permit Rural Development to determine the services performed, the dates the services were performed, the location at which the services were performed, the time consumed in providing the services, the charges made for materials, and the per unit and total charges levied for said services." **The Borrower agrees to request from the contractor or supplier such records within seven (7) days of receipt of Rural Development's request.**
  
8. We agree to include the following provisions in the Agreement and to be bound by them:

- a. Rural Development has the right to terminate the Agreement for failure to comply with the provisions of this Certification, or other good cause.
  - b. If Rural Development exercises this right of termination, I, the Borrower, agree to promptly make arrangements for providing management to the property that is satisfactory to Rural Development.
  - c. If there is a conflict between the Agreement and Rural Development's rights and requirements, Rural Development's rights and requirements will prevail.
  - d. If the Agreement is terminated, I, the Agent, will give to the Borrower all of the project's cash, trust accounts, investments and records within 30 days of the date the Agreement is terminated.
9. I, the Borrower, agree to submit a new management certification to Rural Development before taking any of the following actions:
- a. Authorizing the agent to collect a fee different from the fees specified in Paragraph 1 of this Certification.
  - b. Changing the expiration date of the Agreement;
  - c. Renewing the Agreement;
  - d. Permitting a new Agent to operate the project;
  - e. Permitting a new Agent to collect a fee;
  - f. Undertaking self-management of the project.
10. We agree to:
- a. Comply with all Federal, State, or local laws prohibiting discrimination against any persons on grounds of race, color, creed, familial status, handicap, sex or national origin, including Title VI of the Civil Rights Act of 1964, Fair Housing Act, Executive Order 11063 and all regulations implementing those laws.
  - b. When the head of household or spouse is otherwise eligible, give families with children equal consideration for admission.
  - c. Give handicapped persons priority for subsidized units that were built and equipped specifically for the handicapped.
  - d. The project will comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975 and all regulations and administrative instructions implementing these laws. The Agent understands that these laws and regulations prohibit discrimination against applicants or tenants who are handicapped or of a certain age.
  - e. Furnish Rural Development any reports and information required to monitor the project's compliance with Rural Development's fair housing and affirmative marketing requirements.
  - f. Not discriminate against any employee, applicant for employment or contractor because of race, color, handicap, religion, sex or national origin.
  - g. Provide minorities, women, and socially and economically disadvantaged firms equal opportunity to participate in the project's procurement and contracting activities.
11. We certify that we have read and understand Rural Development's definition of "identity-of-interest" as defined in 7 C.F.R. §3560.11 and that the statement(s) checked and information entered below is true.
- a.  No identity-of-interest exists among the Borrower, the Agent and any individuals or companies that regularly do business with the project, or
  - b.  Only the individuals and companies listed on Form RD 3560-31 have an identity-of-interest with the Borrower or the Agent.
12. The items checked below are attached:
- a.  Management Plan
  - b.  Identity-of-Interest (IOI) Disclosure Qualification Certificate or Certification of No Identity-of-Interest (IOI)
  - c.  Other (Specify):

**Warnings:**

There are fines and imprisonment for anyone who makes false, fictitious, or fraudulent statements or entries in any matter within the jurisdiction of the Federal Government (18 U.S.C. 1001).

There are fines and imprisonment for anyone who misuses rents and proceeds in violation of Rural Development regulations relative to this project. (Section 543 of the Housing Act of 1949).

Rural Development may seek a "double damages" civil money damages remedy for the use of assets or income in violation of any Loan Agreement/Resolution or any applicable Rural Development regulations.

Rural Development may seek additional civil money penalties to be paid by the mortgagor through personal funds pursuant to 7 C.F.R. §3560.461(b). The penalties could be as much as \$50,000 per violation (Section 543 (b) of the Housing Act of 1949).

<b>By Project Borrower: St. Marys Ltd. L. P.</b> <b>Hallmark Group Services of Georgia, LLC.</b>	
Name/Title: By: Martin H. Petersen, Managing Member	
Signature: <i>Martin H. Petersen</i>	Date: 9/26/2016

<b>By Management Agent: Hallmark Management, Inc.</b>	
Name/Title: Norine Lewis, Vice President	
Signature: <i>Norine Lewis</i>	Date: 9/26/2016

<b>By Servicing Official:</b>	
Name/Title:	
Signature: <i>Sandra L. Bryant</i>	<i>12/6/16*</i>

*Area Specialist*

*\* additional info rec'd 11/7/16.*

**ESTIMATE AND CERTIFICATE OF ACTUAL COST**

**This form is to be used by the contractor and borrower to estimate the cost of construction and total PROJECT NUMBER (Borrower ID Number) development cost, or to certify the actual cost of project construction and development.**

BORROWER/OWNER-BUILDER	CONTRACTOR
NAME OF PROJECT	LOCATION

This certificate is made pursuant to existing regulations of the United States of America acting through the Rural Development in order to induce the Government to provide or extend assistance. As part of that inducement, the following certifications are made:

Check and Complete Applicable Box:

A. ESTIMATE

I certify that the estimates of costs as set forth through line 44 in the ESTIMATED COST column are true and correct as computed by me \_\_\_\_\_ or as given to me by the subcontractors or payees named, as general contractor or owner-builder for the development of the project described above, as determined from the plans and specifications accepted, signed and dated by the Rural Development State Director of Rural Development or the State Directors's delegated representative, on \_\_\_\_\_ 20\_\_\_\_. As borrower or owner-builder for the development of the project described above, I certify that the estimates of cost as set forth from line 44 in the ESTIMATED COST column are true and correct as computed by me or as given to me by the subcontractors or payees named. Subsequent to this estimate and prior to final payment, when directed by Rural Development, I agree to furnish a certification of actual cost. The estimate and the final certification will be in accordance with Rural Development regulations requiring estimates and certifications.

B. ACTUAL COST

I certify that the actual cost of labor, materials, and necessary services for the construction of the physical improvements in connection with the project described above, after deduction of all rebates, adjustments, or discounts made or to be made to the undersigned borrower or general contractor, or any corporation, trust partnership, joint venture, or other legal or business entity in which the undersigned borrower or general contractor, or any of their members, stockholders, officers, directors, beneficiaries, or partners hold any interest, is as represented herein. The deduction of such rebates, adjustments, or discounts from actual hard costs will not be used to increase builder's profit over and above the final estimated amount. I further certify that all soft costs associated with construction of the project as set forth on lines 45 through 57 are correct as represented herein.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*



Line	Div	Trade Item	Estimated Cost	Actual Cost		Name of Subcontractor or Payee	101 *
				Paid	To Be Paid		
1	3	Concrete					
2	4	Masonry					
3	5	Metals					
4	6	Rough Carpentry					
5	6	Finish Carpentry					
6	7	Waterproofing					
7	7	Insulation					
8	7	Roofing					
9	7	Sheet Metal					
10	8	Doors					
11	8	Windows					
12	8	Glass					
13	9	Drywall					
14	9	Tile Work					
15	9	Acoustical					
16	9	Resilient Flooring					
17	9	Painting and Decorating					
18	10	Specialties					
19	11	Special Equipment					
20	11	Cabinets					
21	11	Appliances					
22	12	Blinds and Shades, Artwork					
23	12	Carpets					
24	13	Special Construction					
25	14	Elevators					
26	15	Plumbing and Hot Water					
27	15	Heat and Ventilation					
28	15	Air Conditioning					
29	16	Electrical					
30	2	Earth Work					
31	2	On-Site Utilities					
32	2	Roads and Walks					
33	2	On-Site Improvements					
34	2	Lawns and Planting					
35	2	Unusual On-Site Conditions					
36	2	Off-Site Development					
37		Miscellaneous (Labor and Materials)					
38		Total Hard Costs					
39	1	General Requirements	*				
40		General Overhead	*				
41		Other Fees Paid By Contractor	*				
42		Total Costs					

NOTE: (If additional space is required for these other items, append Rider thereto, with references and initial. When more than one subcontractor is performing a trade item, the attached work sheet must be completed giving the information indicated.) Form RD 1924-13 (Rev. 12-98)

\* Breakdown on page 4.

CONTRACTOR'S AND BORROWER'S ESTIMATE AND CERTIFICATE OF ACTUAL COST						
Line	Trade Item	Estimated Cost	Paid	Actual Cost To Be Paid	Total	Name of Subcontractor or Payee
	Balance Brwt. Forward (line 42)					
43	Builder's Profit					
44	Total Construction Cost					
45	Architectural Fees					
46	Survey and Engineering					
47	Financing Costs Loan Fees					
48	Interest During Construction					
49	Closing Costs & Legal Fees					
50	Land Cost or Value					
51	Nonprofit O&M Capital					
52	Tap and or Impact Fees					
53	Tax Credit Fees					
54	Environmental Fees					
55	Market Study Cost					
56						
57						
58	Total Development Cost					

"Whoever, in any matter, with the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations; or makes or uses any false writing or statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

**WARNING: Section 1001 of Title 18, United States Code provides: Furthermore, submission of false information relating to the content of this Estimate and Certificate of Actual Cost will subject the submitter to any and all administrative remedies available to USDA. Such remedies may include suspension and debarment from participating in any Rural Development or other Federal program.**



The undersigned hereby certifies that: *(check as appropriate)*

There has not been and is not now any identity of interest between or among the borrower and/or general contractor on the one hand and any subcontractor, material supplier, equipment lessor, or payee on the other (including any of their members, officers, directors, beneficiaries, or partners).

Attached to and made part of this certificate is a signed statement fully describing any rebates, adjustments, discounts, or any other devices which may have or have had the effect of reducing cost, and all amounts shown above as "to be paid in cash" will be so paid within forty-five (45) days.

ESTIMATES:

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Lines I through 44 *(Name of Contractor)*

\_\_\_\_\_  
Lines 44 through 58 *(Name of Mortgagor)*

By: \_\_\_\_\_  
*(Signature)*

By: \_\_\_\_\_  
*(Signature)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_

ACTUAL

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Lines I through 44 *(Name of Contractor)*

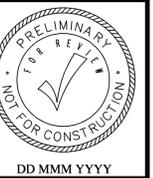
\_\_\_\_\_  
Lines 44 through 58 *(Name of Mortgagor)*

By: \_\_\_\_\_  
*(Signature)*

By: \_\_\_\_\_  
*(Signature)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_



# CUMBERLAND VILLAGE RENOVATION

## St. Marys,

## Georgia

### PROJECT INFORMATION

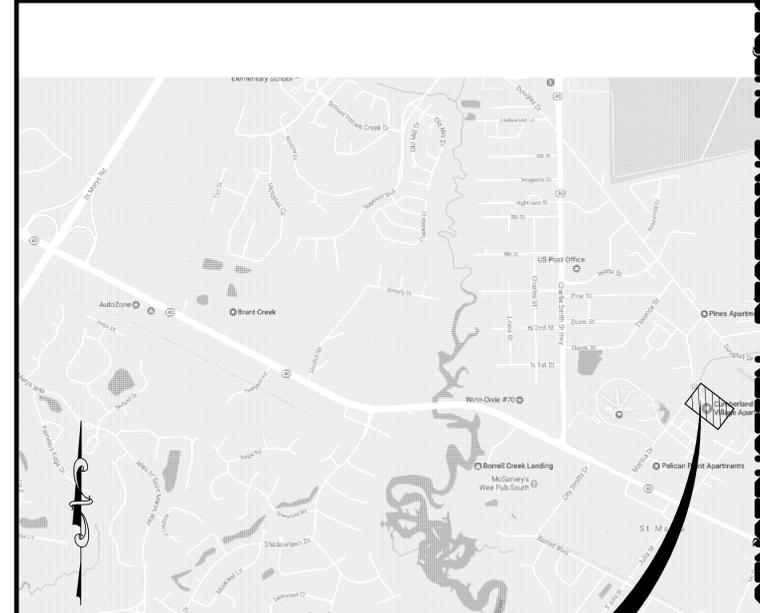
### INDEX TO DRAWINGS

### ARCHITECT'S JOB NO. 3429

SITE DATA	
SITE ZONING:	EXISTING TO REMAIN
SITE SIZE:	EXISTING TO REMAIN
SITE DENSITY:	EXISTING TO REMAIN
NO. OF PARKING SPACES:	(141) TYPICAL + (4) ACC. + (2) VAN ACC.= (147) TOTAL
BUILDING DATA	
RENTAL UNITS BY BUILDING:	BLDG. A (OLM) = (1) 2-BR-MGR UNIT (MANAGER'S) BLDG. B = (6) TYP. 1-BR UNITS; BLDG. C = (4) TYP. 1-BR UNITS, (2) UFAS 1-BR UNIT; BLDG. D = (6) TYP. 1-BR UNITS; BLDG. E = (3) TYP. 3-BR UNITS, (1) UFAS 3-BR; BLDG. F = (2) TYP. 2-BR UNITS; BLDG. G = (3) TYP. 2-BR UNITS, (1) AUDIOVISUAL 2-BR UNIT; BLDG. H = (3) TYP. 2-BR UNITS, (1) UFAS 2-BR; BLDG. I = (6) TYP. 1-BR UNITS; BLDG. J = (4) TYP. 2-BR UNITS; BLDG. K = (5) TYP. 1-BR UNITS, (1) AUDIOVISUAL 1-BR UNIT; BLDG. L = (4) TYP. 2-BR UNITS; BLDG. M = (4) TYP. 2-BR UNITS; BLDG. N = (4) TYP. 2-BR UNITS; BLDG. O = (4) TYP. 2-BR UNITS
RENTAL UNITS BY TYPE:	(27) TYP. 1-BR UNITS; (2) UFAS 1-BR UNIT; (1) AUDIOVISUAL 1-BR UNIT; (28) TYP. 2-BR UNITS; (1) UFAS 2-BR UNIT; (1) AUDIOVISUAL 2-BR UNIT; (3) TYP. 3-BR UNITS; (1) UFAS 3-BR UNIT; (1) TYP. MANAGERS 2-BR UNIT;
TOTAL RENTAL UNITS:	(65) TOTAL UNITS
NO. & MIX OF UNITS:	(30) 1-BR UNITS; (30) 2-BR UNITS; (4) 3-BR UNITS; (1) 2-BR-MGR (MANAGER'S)
DWELLING UNIT AREA:	(27) TYP. 1-BR UNITS @ 652 SF = 17,604 SF; (2) UFAS 1-BR UNIT @ 652 SF = 1,304 SF; (1) AUDIOVISUAL 1-BR UNIT @ 652 SF = 652 SF; (28) TYP. 2-BR UNITS @ 845 SF = 23,660 SF; (1) UFAS 2-BR UNIT @ 845 SF = 845 SF; (1) AUDIOVISUAL 2-BR UNIT @ 845 SF = 845 SF; (3) TYP. 3-BR UNITS @ 940 SF = 2,820 SF; (1) UFAS 3-BR UNIT @ 940 SF = 940 SF; (1) 2-BR-MGR UNIT @ 877 SF = 877 SF; 49,547 TOTAL SF DWELLING AREA
NON-DWELLING UNIT AREA:	826 SF (OFFICE/LAUNDRY/MAINT. BUILDING)
TOTAL BUILDING AREA:	50,373 SF (GROSS)
TOTAL ACTUAL AREA:	BLDG. A (OLM) = 1,703 SF; BLDG. B = 3,912 SF; BLDG. C = 3,912 SF; BLDG. D = 3,912 SF; BLDG. E = 3,760 SF; BLDG. F = 1,690 SF; BLDG. G = 3,380 SF; BLDG. H = 3,380 SF; BLDG. I = 3,912 SF; BLDG. J = 3,380 SF; BLDG. K = 3,912 SF; BLDG. L = 3,380 SF; BLDG. M = 3,380 SF; BLDG. N = 3,380 SF; BLDG. O = 3,380 SF

0.0	COVER SHEET
A51.0	ARCHITECTURAL SITE PLAN
A1.0	BUILDING PLANS
A1.1	TYP. 1-BR AND UFAS 1-BR DEMO & RENO PLANS
A1.2	TYP. 2-BR AND UFAS 2-BR DEMO & RENO PLANS
A1.3	OFFICE/LAUNDRY/MAINT. DEMO & RENO PLANS
A3.0	EXTERIOR ELEVATIONS
A3.1	EXTERIOR ELEVATIONS

### PROJECT LOCATION MAP



**SITE:** 300 Martha Drive  
St. Marys, GA 31558

### SIGNATURE AREAS

NOTE: PROJECT CONSTRUCTION MUST BE IN COMPLIANCE WITH ALL APPLICABLE CODES, ORDINANCES, LAWS, AND REGULATIONS AS ENUMERATED ELSEWHERE IN THE PLANS AND SPECIFICATIONS.

ARCHITECT: WALLACE ARCHITECTS, L.L.C.  
302 CAMPUS VIEW DRIVE SUITE 208, COLUMBIA, MO 65201

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

OWNER: NAME \_\_\_\_\_ DATE: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
BY: \_\_\_\_\_

CONTRACTOR: NAME \_\_\_\_\_ DATE: \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
BY: \_\_\_\_\_

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

### MATERIAL SQ. FT. DISCLAIMER:

SQUARE FOOTAGE CALCULATION OF FINISH MATERIALS ARE BASED ON EXISTING LAYOUTS & INFORMATION IN PART AS PROVIDED BY OTHERS. THESE NUMBERS ARE NOT TO BE UTILIZED FOR BIDDING PURPOSES. WHILE THIS INFORMATION IS BELIEVED TO BE RELIABLE THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY. CONTRACTORS SHALL PERFORM INDEPENDENT FIELD VERIFICATION FOR SITUATIONAL DEPENDANT ACCURACY.

PM: ZW  
PC: JL  
PLAN SET NO. \_\_\_\_\_

REVIEW SET

CUMBERLAND VILLAGE RENOVATION  
ST. MARYS, CAMDEN COUNTY, GEORGIA

**Wallace**  
ARCHITECTS, L.L.C.  
Columbia, MO  
P 573-2567-200

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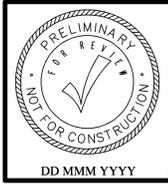
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SHEET NO.  
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JOB NO.  
3429

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



CUMBERLAND VILLAGE RENOVATION  
ST. MARYS, CAMDEN COUNTY, GEORGIA

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**LEGEND**

	AREAS OF NEW CONCRETE SIDEWALK / SURFACE
	AREAS OF NEW ASPHALT OVERLAY
	AREAS OF NEW BASE COURSE
	EXISTING LIGHT POLE
	ACCESSIBLE ROUTE (2% GROSS SLOPE MAX, 5% RUNNING SLOPE MAX, REPLACE AS REQUIRED)
	EXISTING MANHOLE
	EXISTING FIRE HYDRANT
	DRAINAGE SHALE
	DIRECTIONAL FLOW ARROW
	SPOT ELEVATION
	DRAIN SYSTEM STRUCTURE

NOTE: INSTALL NEW HANDRAILS AS NOTED AND ON ACCESSIBLE ROUTES EXCEEDING 5% BUT LESS THAN 8.33% SLOPE. 5'-0" LANDING REQUIRED AT TOP AND BOTTOM OF RAMPS.

NOTE: APARTMENT NUMBERS ARE TO BE FIELD VERIFIED BY GENERAL CONTRACTOR. ARCHITECT TO BE NOTIFIED OF ANY DISCREPANCY PRIOR TO FINAL PRODUCTION / INSTALLATION

**ACCESSIBILITY NOTES**

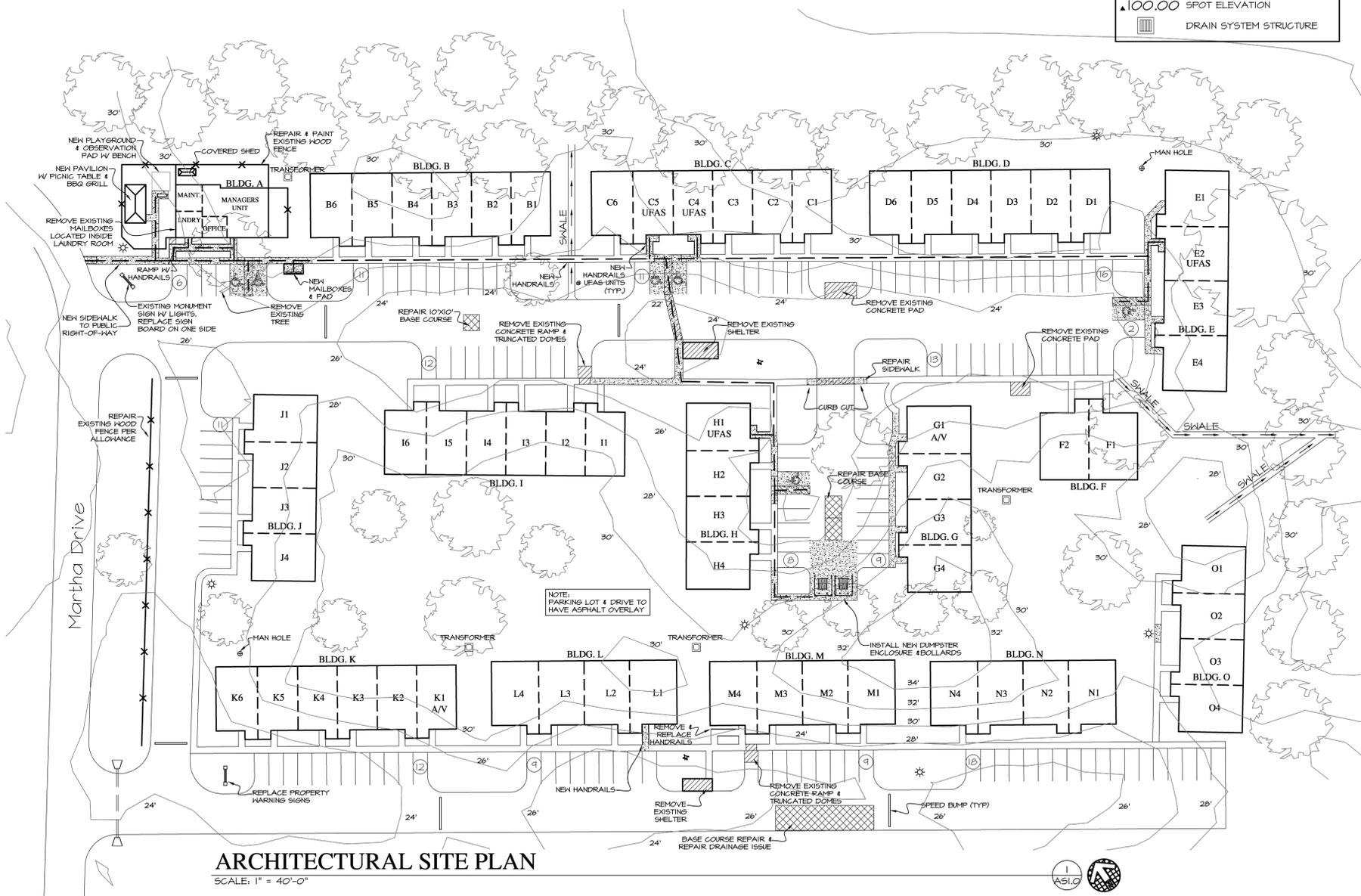
1. SIDEWALK SHALL NOT EXCEED 5% (1'-0" IN 20'-0") SLOPE WITH A 2% (1'-0" IN 50'-0") CROSS-SLOPE AND SHALL BE 4' WIDE EXCEPT AS NOTED ON SITE PLAN. PROVIDE STAIRS, RAMPS, CURBS, ETC., AS NOTED AND DETAILED.
2. PARKING AREAS AND ACCESSIBLE SPACES AND ACCESS AISLES SHALL NOT EXCEED A 2% (1'-0" IN 50'-0") SLOPE IN ANY DIRECTION. OTHER PORTIONS OF THE ACCESSIBLE ROUTE SHALL NOT EXCEED A 5% (1'-0" IN 20'-0") LONGITUDINAL SLOPE NOR A 2% (1'-0" IN 50'-0") CROSS-SLOPE.

**POLLUTION / EROSION CONTROL NOTES:**

1. DUST ON SITE SHALL BE CONTROLLED. THE USE OF MOTOR OILS AND OTHER PETROLEUM BASED OR TOXIC LIQUIDS FOR DUST SUPPRESSION OPERATIONS IS PROHIBITED.
2. SUFFICIENT OIL AND GREASE ABSORBING MATERIALS AND FLOATATION BOOMS SHALL BE MAINTAINED ON SITE OR READILY AVAILABLE TO CONTAIN AND CLEAN-UP FUEL OR CHEMICAL SPILLS AND LEAKS.
3. ACTIVE UNDERGROUND PIPES, CONDUITS, OR OTHER UTILITIES OF ANY TYPE, WHETHER INDICATED ON THE DOCUMENTS OR NOT, MUST BE PROTECTED BY THE CONTRACTOR DURING THE COURSE OF THE WORK AND REMAIN ACTIVE, UNLESS OTHERWISE NOTED.
4. CONTRACTOR SHALL PROTECT ALL EXISTING ON-SITE STORMWATER INLET STRUCTURES AND SHALES. A THROUGHOUT THE CONSTRUCTION PHASE WITH TEMPORARY STORMWATER SEDIMENT COLLECTION BAGS ON ALL INLET SIDES OR SEDIMENT BARRICADE AT PROPERTY LINE WHERE SHALES CONNECT TO EXISTING CITY DRAINAGE. STORM WATER PROTECTION SHALL REMAIN IN PLACE AND BE MONITORED TO MAINTAIN QUALITY OF PROTECTION MEASURES THROUGHOUT THE CONSTRUCTION PHASE.
5. ALL MATERIALS SPILLED, DROPPED, WASHED, OR TRACKED FROM VEHICLES ONTO ROADWAYS OR INTO STORM DRAINS MUST BE REMOVED IMMEDIATELY. CONTRACTORS OR SUBCONTRACTORS WILL BE RESPONSIBLE FOR REMOVING SEDIMENT THAT MAY HAVE COLLECTED IN ANY STORM SEWER DRAINAGE SYSTEM IN CONJUNCTION WITH THE STABILIZATION OF THE SITE.
6. ALL CONSTRUCTION SHALL BE STABILIZED AT THE END OF EACH WORKING DAY. THIS INCLUDES BACKFILLING OF TRENCHES FOR UTILITY CONSTRUCTION AND PLACEMENT OF GRAVEL OR BITUMINOUS PAVING FOR ROADS.
7. CONTRACTOR SHALL IMPLEMENT BEST MANAGEMENT PRACTICES AND SHALL CONFORM TO THE FEDERAL, STATE AND LOCAL REQUIREMENTS AND MANUALS OF PRACTICE. AS APPLICABLE CONTRACTOR SHALL IMPLEMENT ADDITIONAL CONTROLS AS DIRECTED BY PERMITTING AGENCY OR OWNER.
8. CONFLICTING AND / OR UNFORESEEN FIELD CONDITIONS SHALL BE BROUGHT TO THE ATTENTION OF THE GENERAL CONTRACTOR - WHO SHALL NOTIFY THE ARCHITECT IMMEDIATELY FOR RESOLUTION PRIOR TO PROCEEDING.

**SITE UTILITY NOTES**

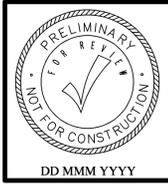
- 1) ALL EXISTING SITE UTILITIES ARE PRESUMED TO BE FUNCTIONING PROPERLY AND ARE FREE OF LEAKS, BLOCKAGES, DEBRIS, ETC.
- 2) ALL EXISTING UNITS AND/OR BUILDINGS ARE PRESUMED TO HAVE PROPERLY SEALED, CONNECTED, AND WORKING VALVES, SHUT-OFFS, MANIFOLDS, ETC.
- 3) THE EXISTING WATER PRESSURE IS PRESUMED TO BE AT AN ACCEPTABLE LEVEL AND/OR PRESSURE REDUCING VALVES (PRV'S) HAVE BEEN PREVIOUSLY INSTALLED WHERE NECESSARY. THESE ITEMS WILL BE INSPECTED DURING THE COURSE OF THE REHAB AND ANY NECESSARY REPAIRS, REPLACEMENTS, AND/OR ADDITIONS WILL BE COMPLETED AND REFLECTED ON A CHANGE ORDER.
- 4) BACKFLOW PREVENTION DEVICES AND/OR PRESSURE REDUCING VALVES ARE PRESUMED TO BE EXISTING, FUNCTIONING PROPERLY, AND ARE NOT INCLUDED IN THIS SCOPE OF WORK.
- 5) SANITARY SEWER MAINS AND LATERALS ARE PRESUMED TO BE FREE OF OBSTRUCTIONS AND CURRENTLY FUNCTIONING PROPERLY. ANY DISCOVERED ISSUES SHALL BE INSPECTED AND REQUIRED MEASURES WILL BE PERFORMED TO RESTORE PROPER DRAINAGE AND WILL BE REFLECTED ON A CHANGE ORDER.



ARCHITECTURAL SITE PLAN  
SCALE: 1" = 40'-0"

REVIEW SET

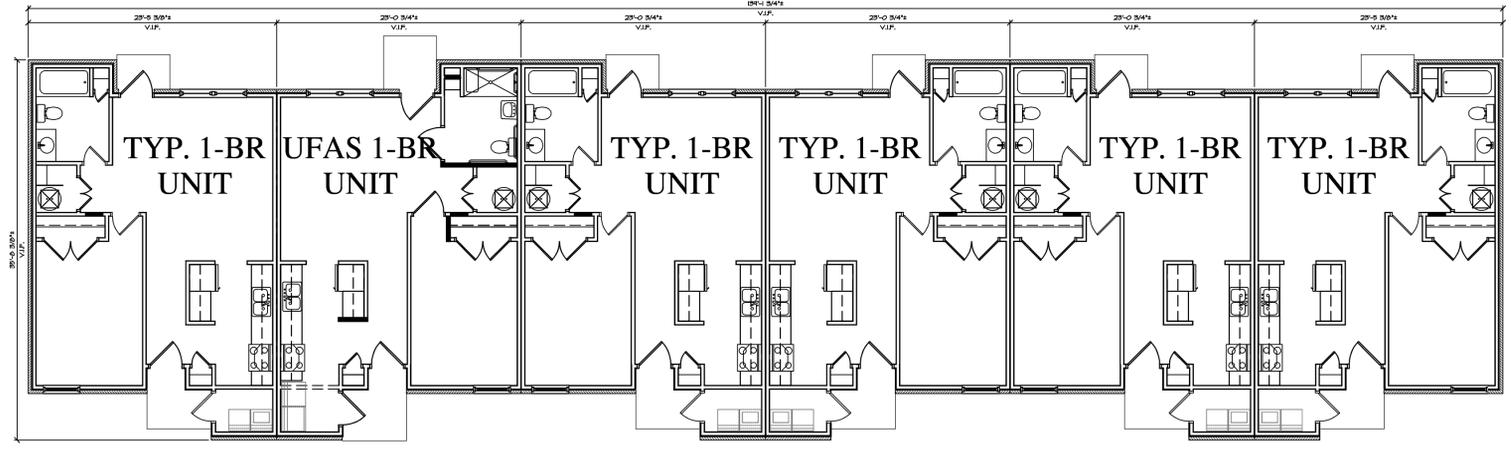
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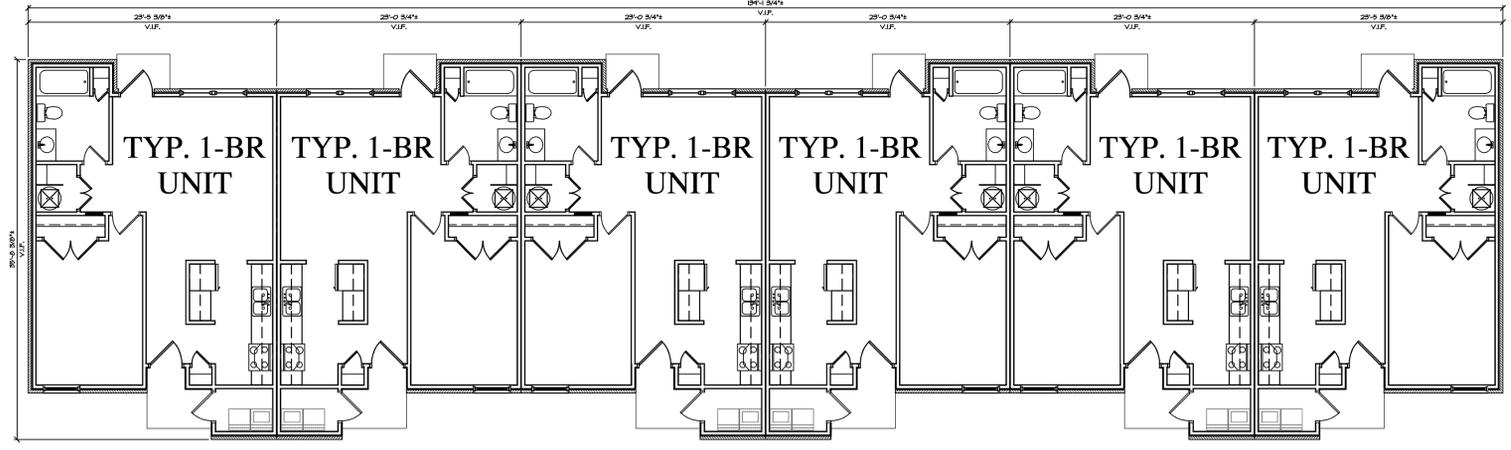
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CUMBERLAND VILLAGE RENOVATION  
ST. MARYS, CAMDEN COUNTY, GEORGIA



RENOVATED BUILDINGS "B & C" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

1  
A1.0



RENOVATED BUILDINGS "D, I & K" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

2  
A1.0

REVIEW SET

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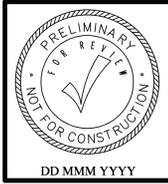
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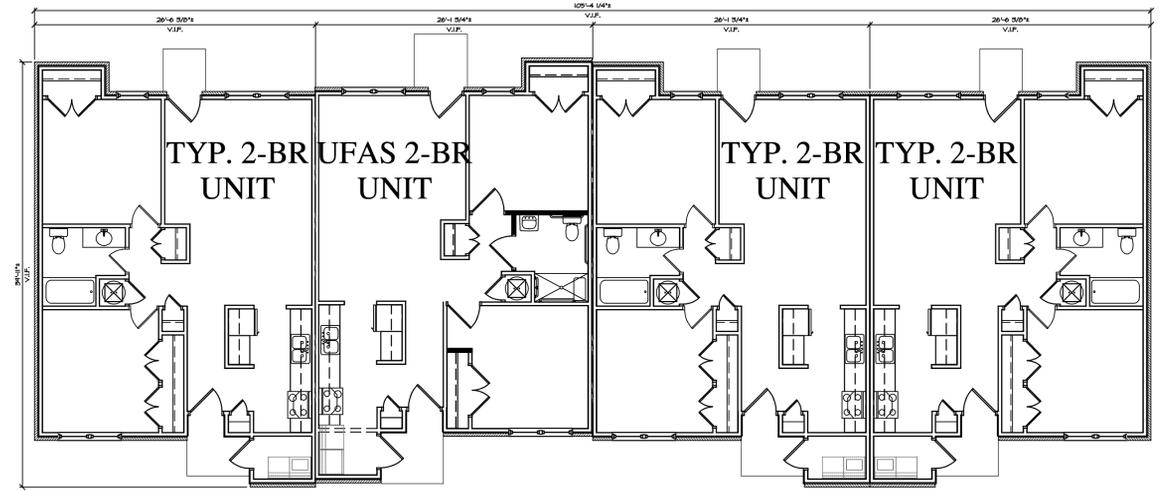
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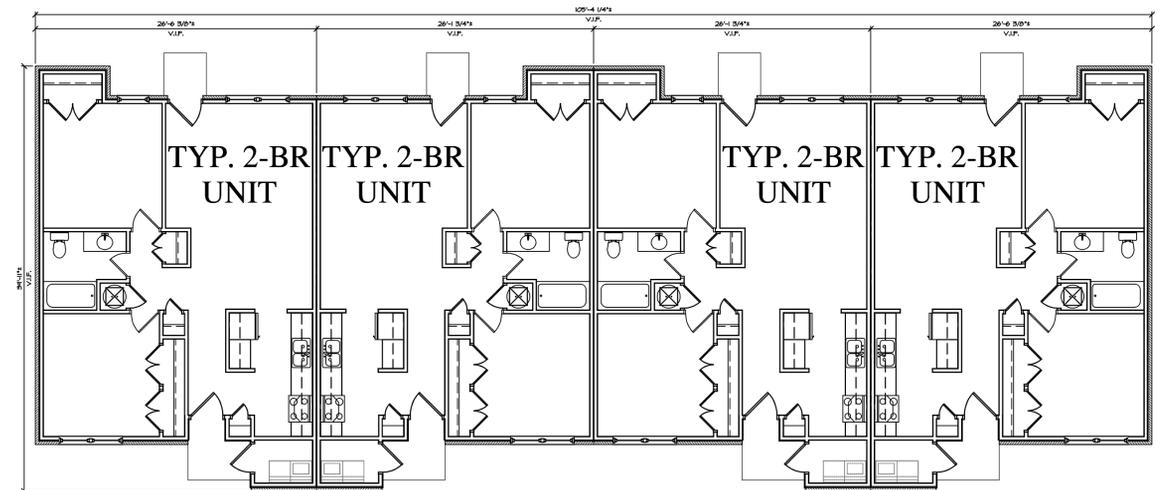
SHEET NO.  
**A1.1**

JOB NO.  
3429



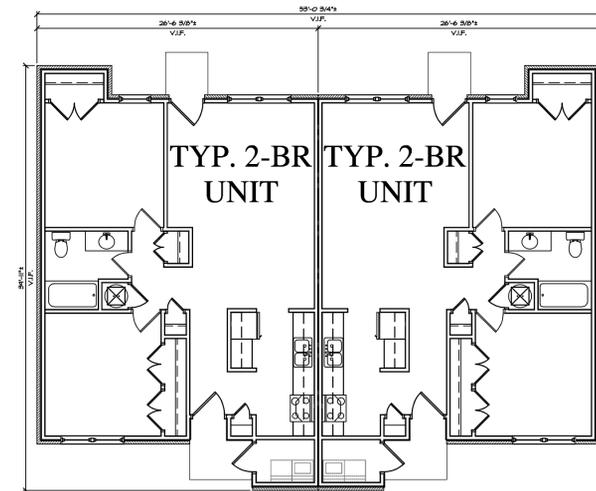
RENOVATED BUILDING "J" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

2 ALL



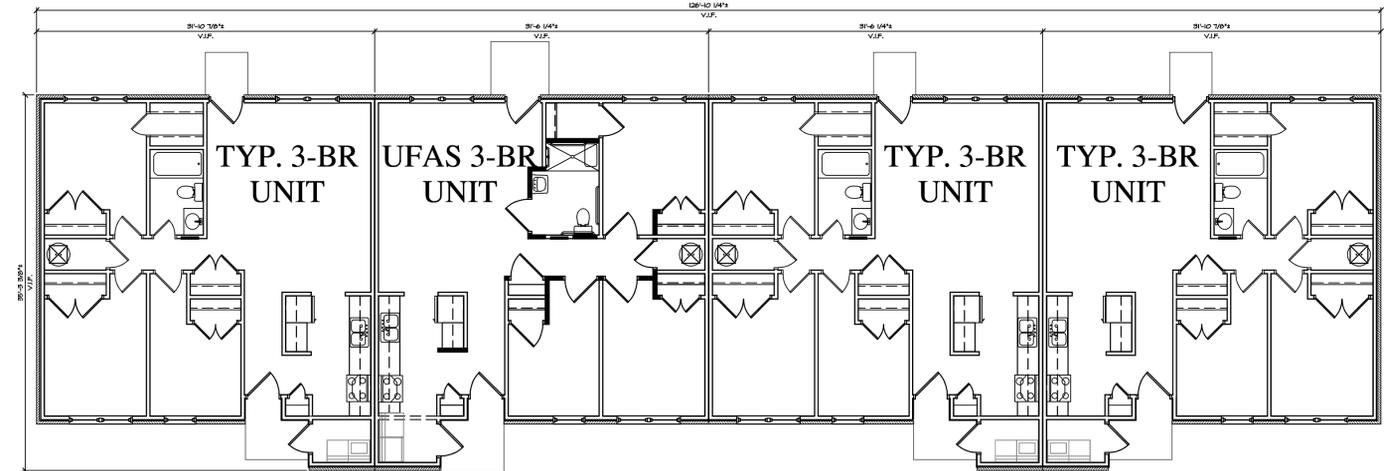
RENOVATED BUILDINGS "G, H, L, M, N & O" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

2 ALL



RENOVATED BUILDING "F" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

3 ALL

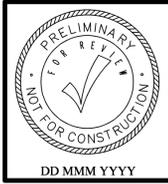


RENOVATED BUILDING "E" FLOOR PLAN  
SCALE: 1/8" = 1'-0"

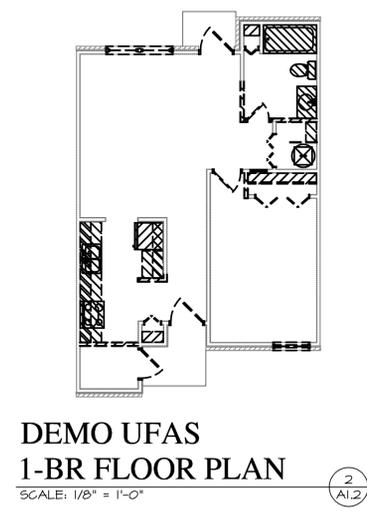
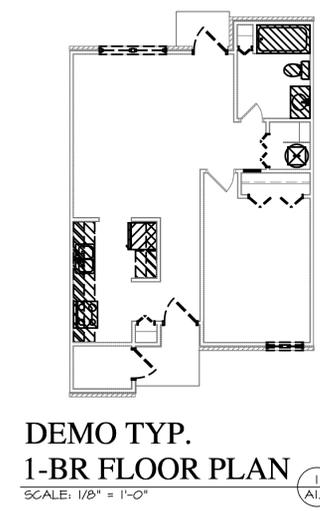
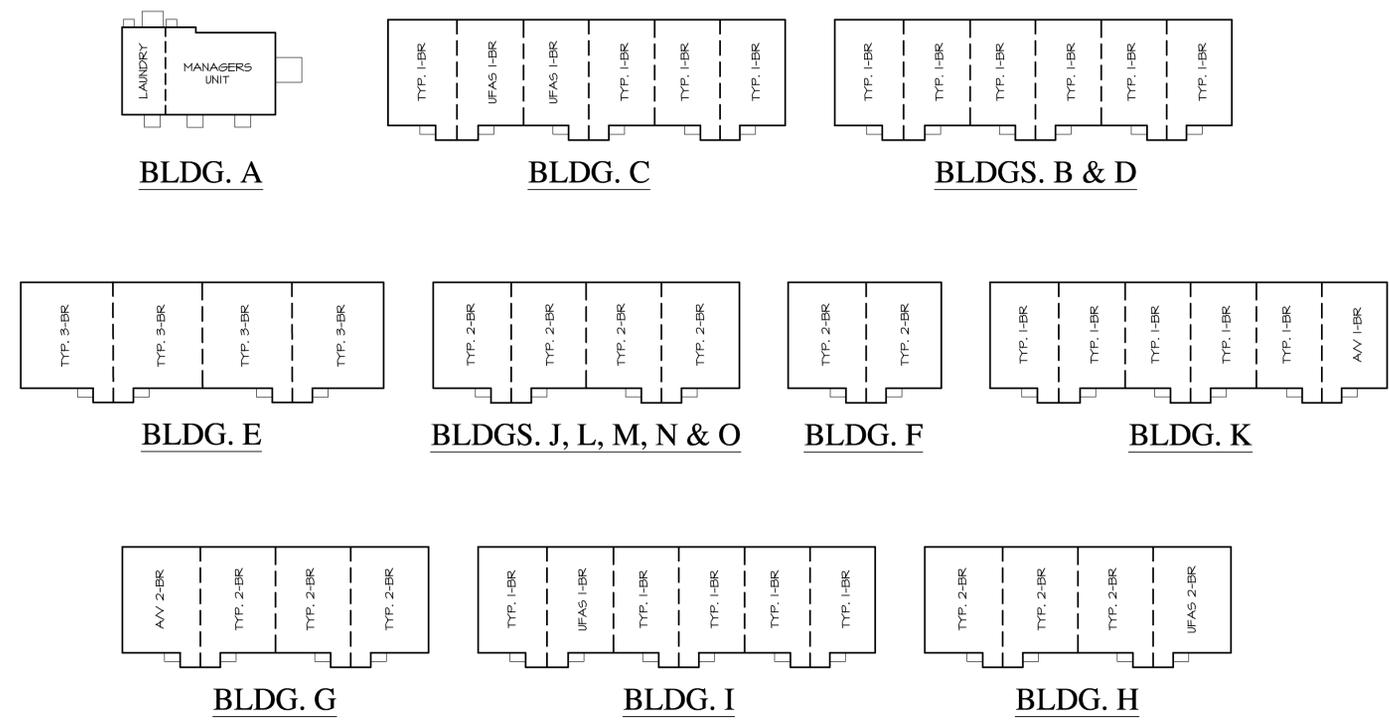
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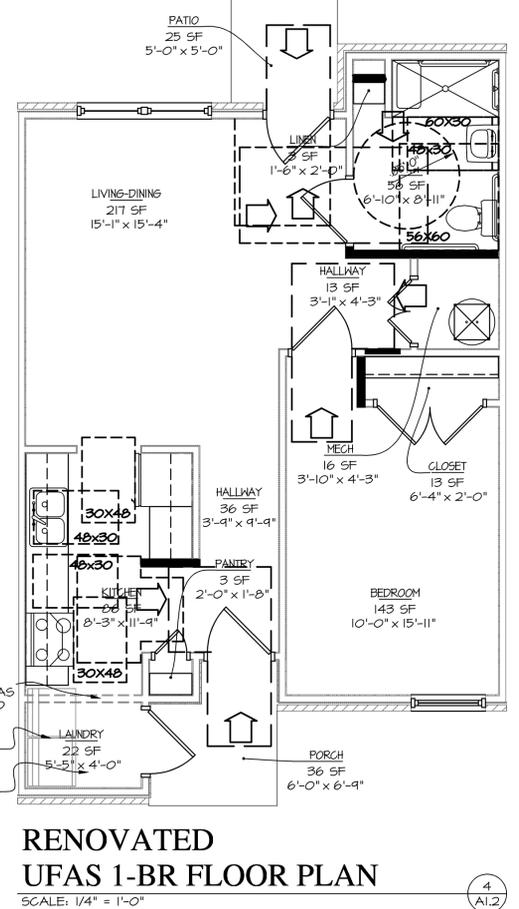
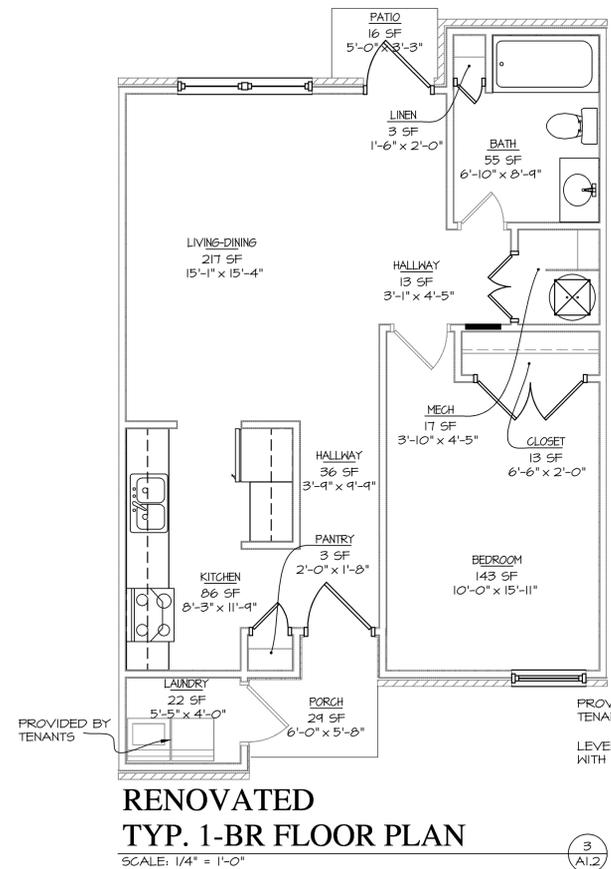


BLDG. KEY



- NOTES**
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
  - WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
  - EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

- LEGEND**
- EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - EXISTING DOORS
  - WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
  - DOORS TO BE REMOVED
  - NEW FLOOR SLAB
  - NEW CONCRETE
  - NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - NEW WALLS
  - NEW DOORS



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CUMBERLAND VILLAGE RENOVATION  
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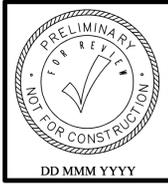

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3429

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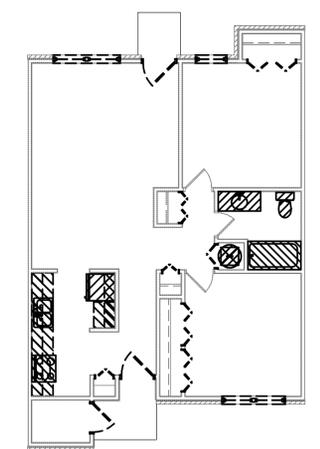
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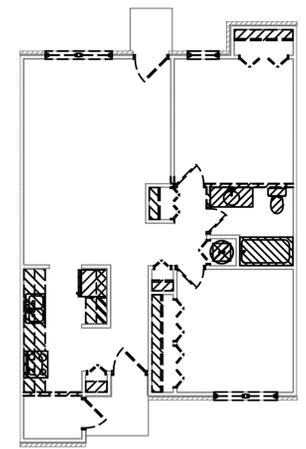


- NOTES**
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
  - WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
  - EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

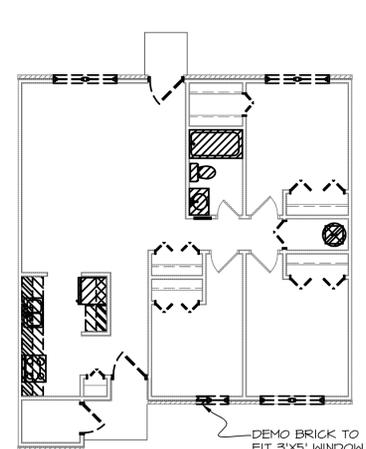
- LEGEND**
- EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - EXISTING DOORS
  - WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
  - DOORS TO BE REMOVED
  - NEW FLOOR SLAB
  - NEW CONCRETE
  - NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - NEW WALLS
  - NEW DOORS



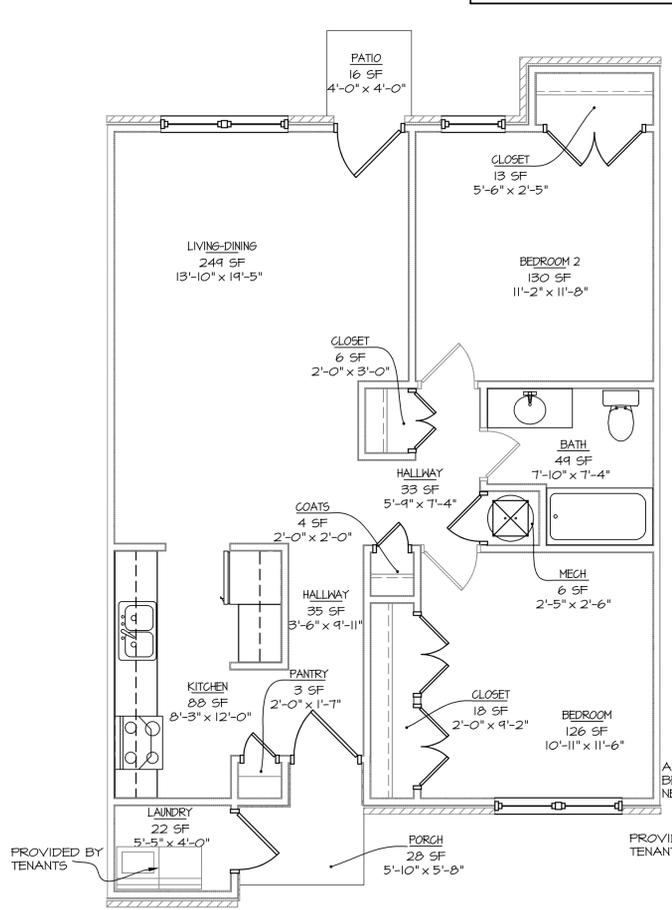
**DEMO TYP. 2-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"



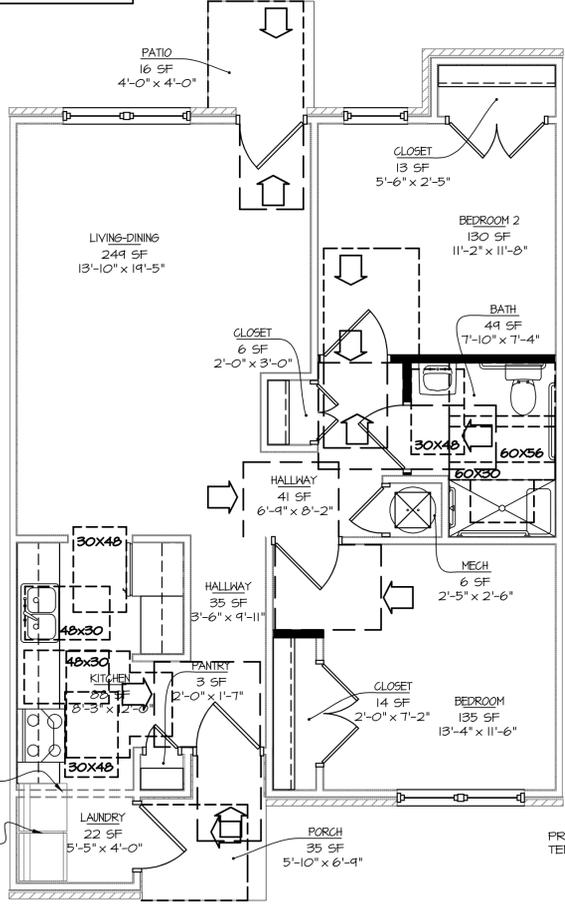
**DEMO UFAS 2-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"



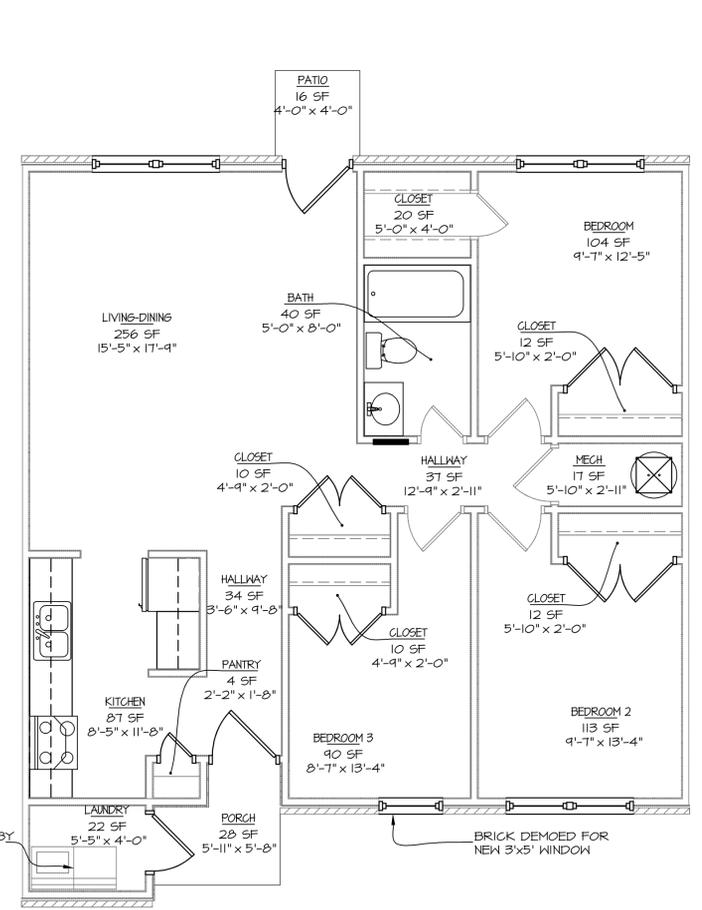
**DEMO TYP. 3-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"



**RENOVATED TYP. 2-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"



**RENOVATED UFAS 2-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"



**RENOVATED TYP. 3-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"

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CUMBERLAND VILLAGE RENOVATION  
ST. MARYS, CAMDEN COUNTY, GEORGIA

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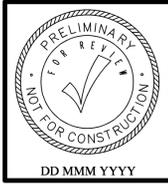
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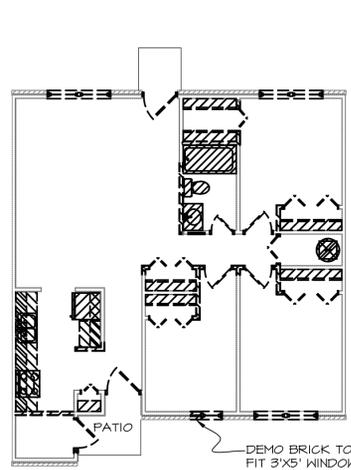
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NOTE:  
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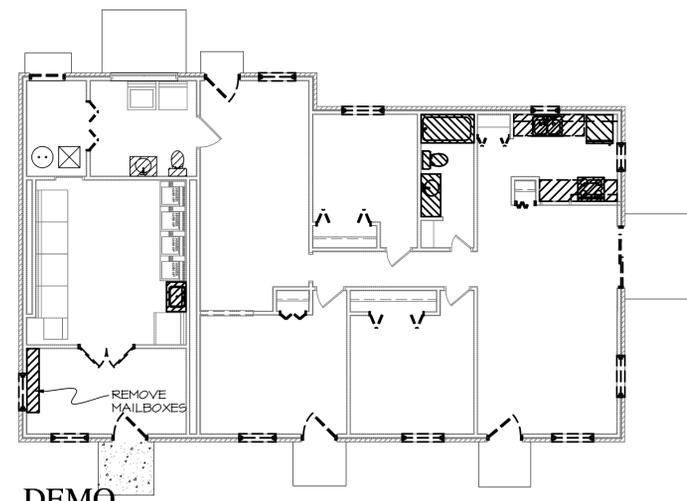


- NOTES**
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
  - WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
  - EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

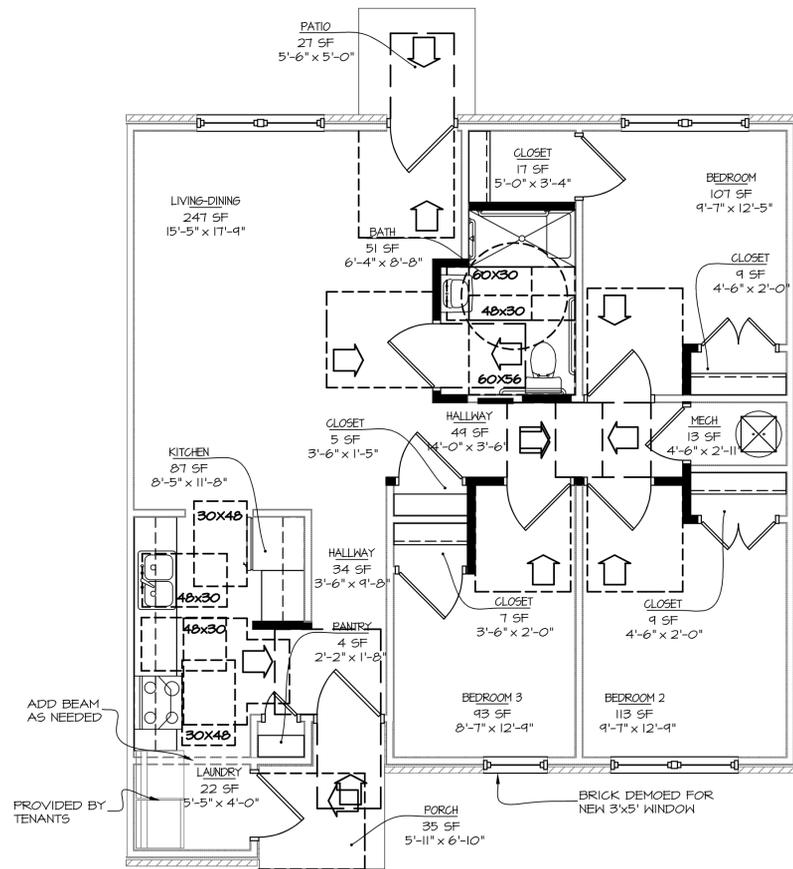
- LEGEND**
- [Symbol] = EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - [Symbol] = EXISTING DOORS
  - [Symbol] = WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
  - [Symbol] = DOORS TO BE REMOVED
  - [Symbol] = NEW FLOOR SLAB
  - [Symbol] = NEW CONCRETE
  - [Symbol] = NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
  - [Symbol] = NEW WALLS
  - [Symbol] = NEW DOORS



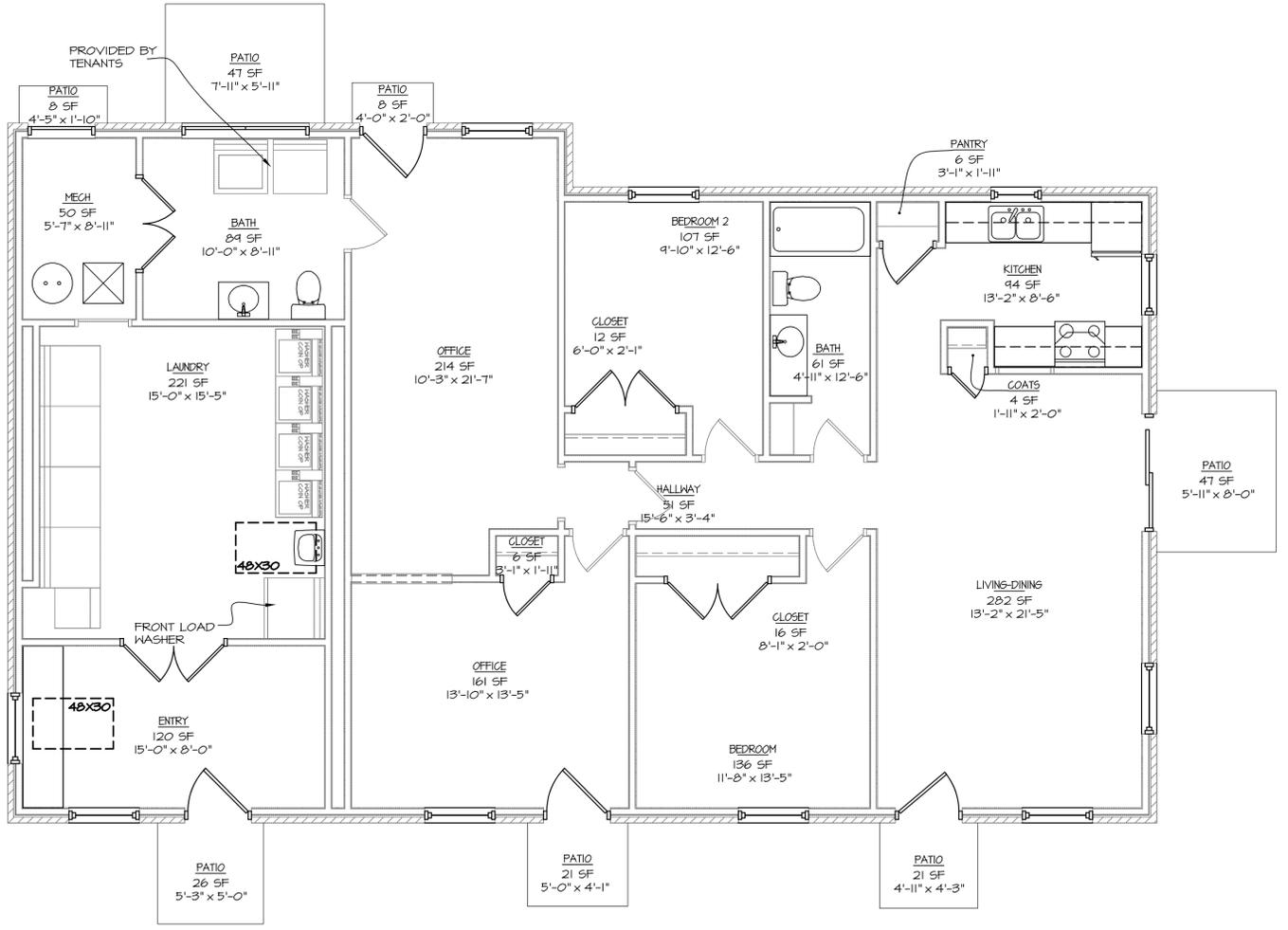
**DEMO UFAS  
3-BR FLOOR PLAN**  
SCALE: 1/8" = 1'-0"  
1  
A1.4



**DEMO  
OFFICE/LAUNDRY/MAINT. FLOOR PLAN**  
SCALE: 1/8" = 1'-0"  
2  
A1.4



**RENOVATED  
UFAS 3-BR FLOOR PLAN**  
SCALE: 1/4" = 1'-0"  
3  
A1.4



**RENOVATED OFFICE/LAUNDRY/MAINT. FLOOR PLAN**  
SCALE: 1/4" = 1'-0"  
4  
A1.4

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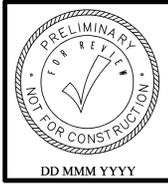
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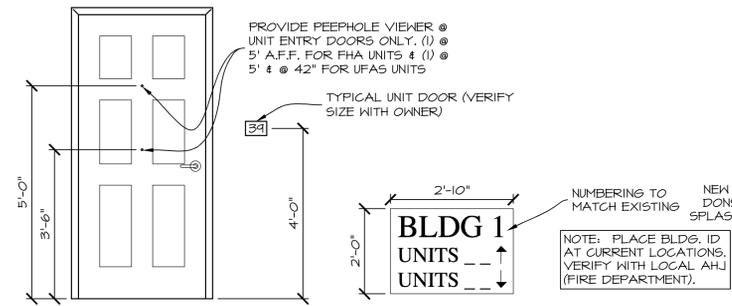
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3429

NOTE:  
CONTRACTOR SHALL FIELD VERIFY ALL  
DIMENSIONS AND MEASUREMENTS.



NOTE: EXISTING VENT COVERS AT ALL  
EXTERIOR LOCATIONS ARE TO BE REPLACED.

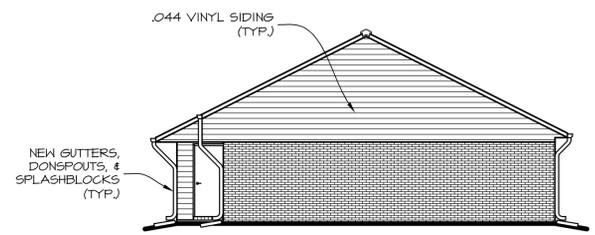
NOTE: REPLACE ALL EXTERIOR BUILDING  
SIGNAGE FOR UNITS AND COMMUNITY SPACES  
(SIGNAGE TO BE SELECTED BY OWNER).



UNIT & BUILDING I.D. SIGN DETAILS  
SCALE: 1/2" = 1'-0"



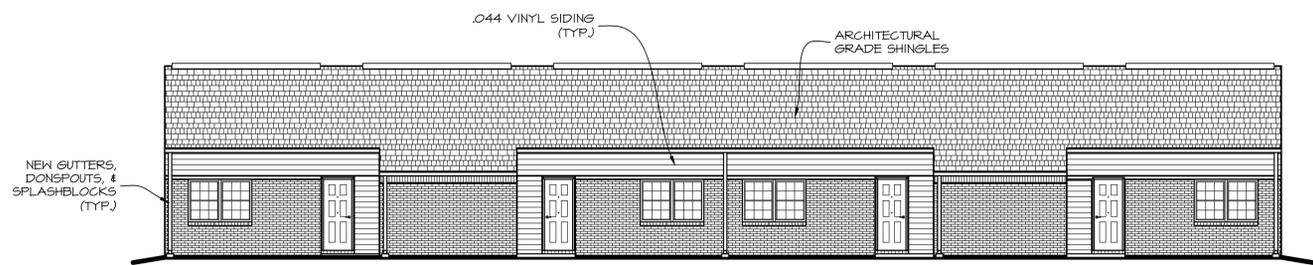
BLDGS. "B, C, D, I & K" FRONT ELEVATION  
SCALE: 1/8" = 1'-0"



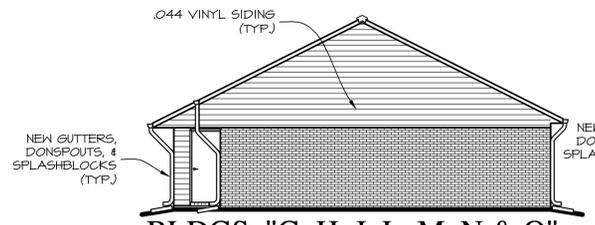
BLDGS. "B, C, D, I & K" TYP. SIDE ELEVATION  
SCALE: 1/8" = 1'-0"



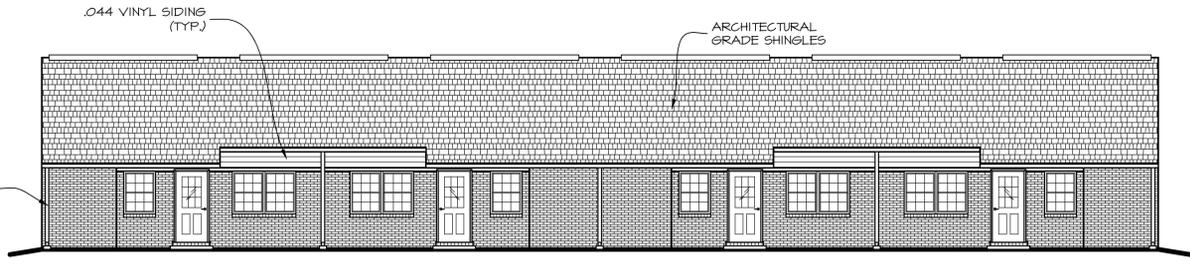
BLDGS. "B, C, D, I & K" REAR ELEVATION  
SCALE: 1/8" = 1'-0"



BLDGS. "G, H, J, L, M, N & O" FRONT ELEVATION  
SCALE: 1/8" = 1'-0"



BLDGS. "G, H, J, L, M, N & O"  
TYP. SIDE ELEVATION  
SCALE: 1/8" = 1'-0"



BLDGS. "G, H, J, L, M, N & O" REAR ELEVATION  
SCALE: 1/8" = 1'-0"

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P 573-2567-200

WALLACE ARCHITECTS, L.L.C.

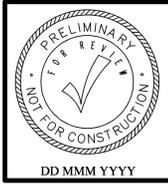
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1ST ISSUE  
XX XXX XXXX

REVISIONS table with 4 rows and 2 columns.

SHEET NO.  
A3.0

JOB NO.  
3429

NOTE:  
CONTRACTOR SHALL FIELD VERIFY ALL  
DIMENSIONS AND MEASUREMENTS.



PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

CUMBERLAND VILLAGE RENOVATION  
ST. MARYS, CAMDEN COUNTY, GEORGIA

Wallace  
ARCHITECTS, L.L.C.  
Columbia, MO  
P. 573-2567-200

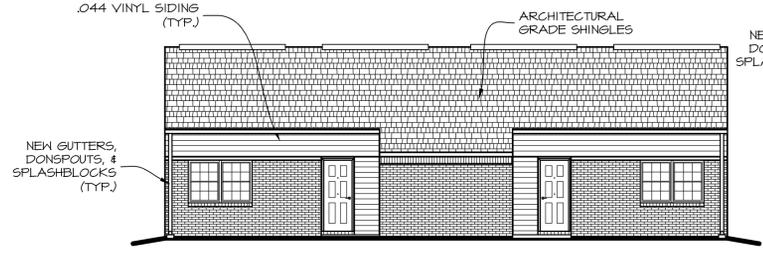
WALLACE ARCHITECTS, L.L.C.

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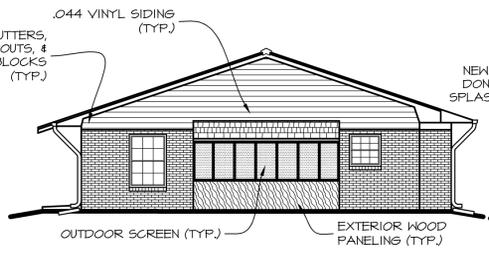
SHEET NO.  
**A3.1**

JOB NO.  
3429



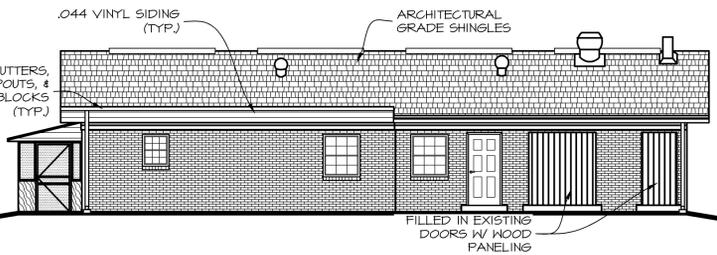
BLDG. "F" FRONT ELEVATION  
SCALE: 1/8" = 1'-0"

1  
A3.1



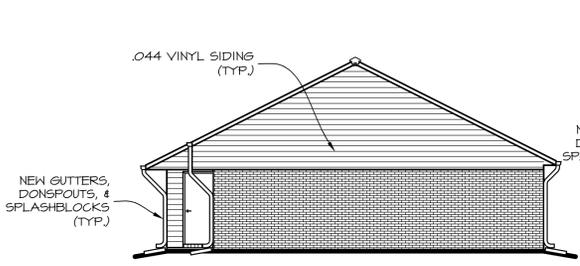
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SCALE: 1/8" = 1'-0"

2  
A3.1



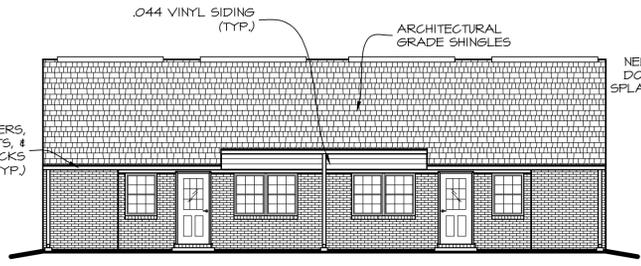
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3  
A3.1



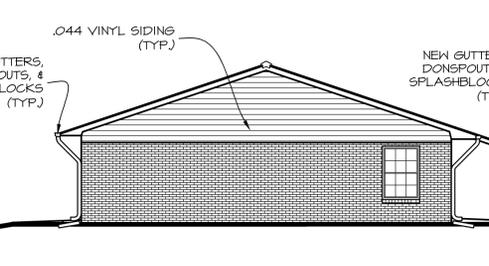
BLDG. "F" TYP. SIDE ELEVATION  
SCALE: 1/8" = 1'-0"

4  
A3.1



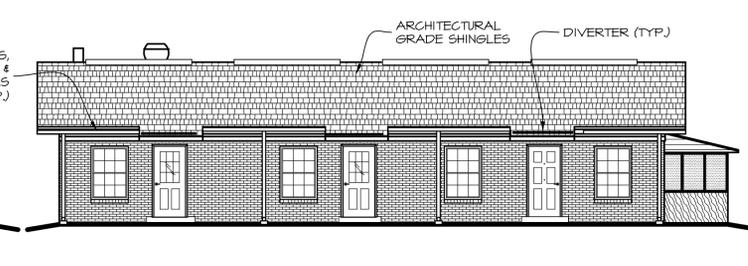
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SCALE: 1/8" = 1'-0"

5  
A3.1



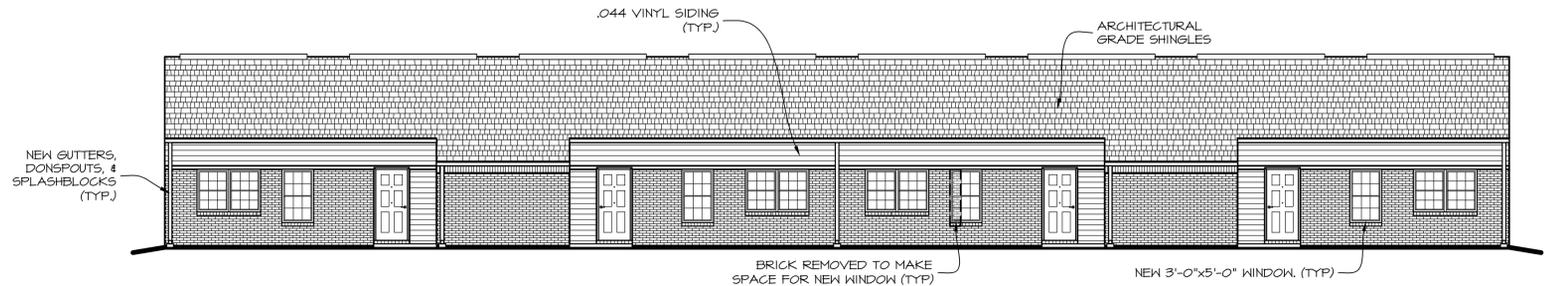
BLDG. "A" LEFT ELEVATION  
SCALE: 1/8" = 1'-0"

6  
A3.1



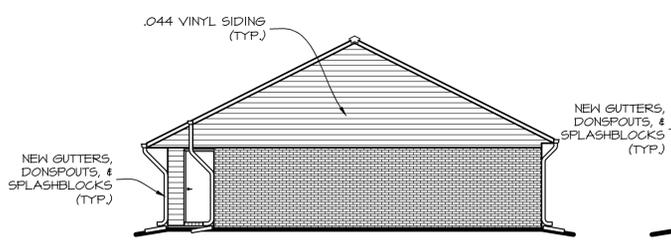
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7  
A3.1



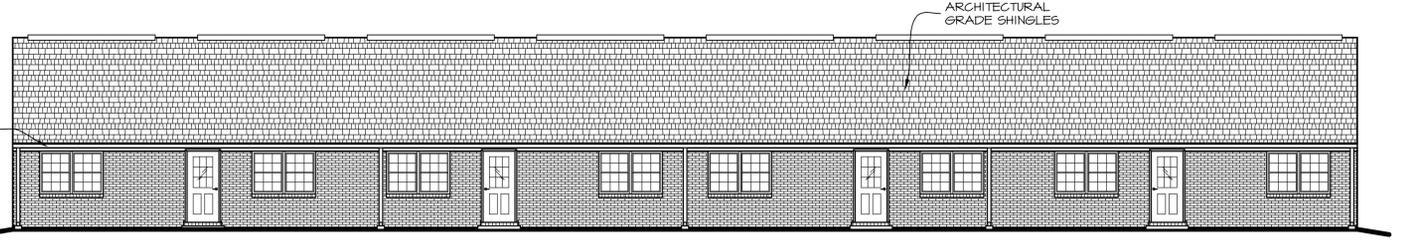
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SCALE: 1/8" = 1'-0"

8  
A3.1



BLDG. "E" TYP. SIDE ELEVATION  
SCALE: 1/8" = 1'-0"

9  
A3.1



BLDG. "E" REAR ELEVATION  
SCALE: 1/8" = 1'-0"

10  
A3.1

Sec. 110-51. - Establishment of land use districts.

For the purposes of these regulations, St. Marys, Georgia, is hereby divided into the following land use districts:

R-1 Single-family Residential

R-2 Low Density Multifamily Residential

R-3 Medium and High Density Multifamily Residential

R-4 Single-family Residential

M-H Manufactured Housing

R-5 Townhouse

PD Planned Development

C-1 Central Business

C-2 Highway Commercial

C-3 Office-Apartment

I-L Light Industrial

I-G General Industrial

I-A Airport Industrial

CP Conservation-Preservation

WD Waste Disposal

*(Ord. of 9-12-94, § 501)*

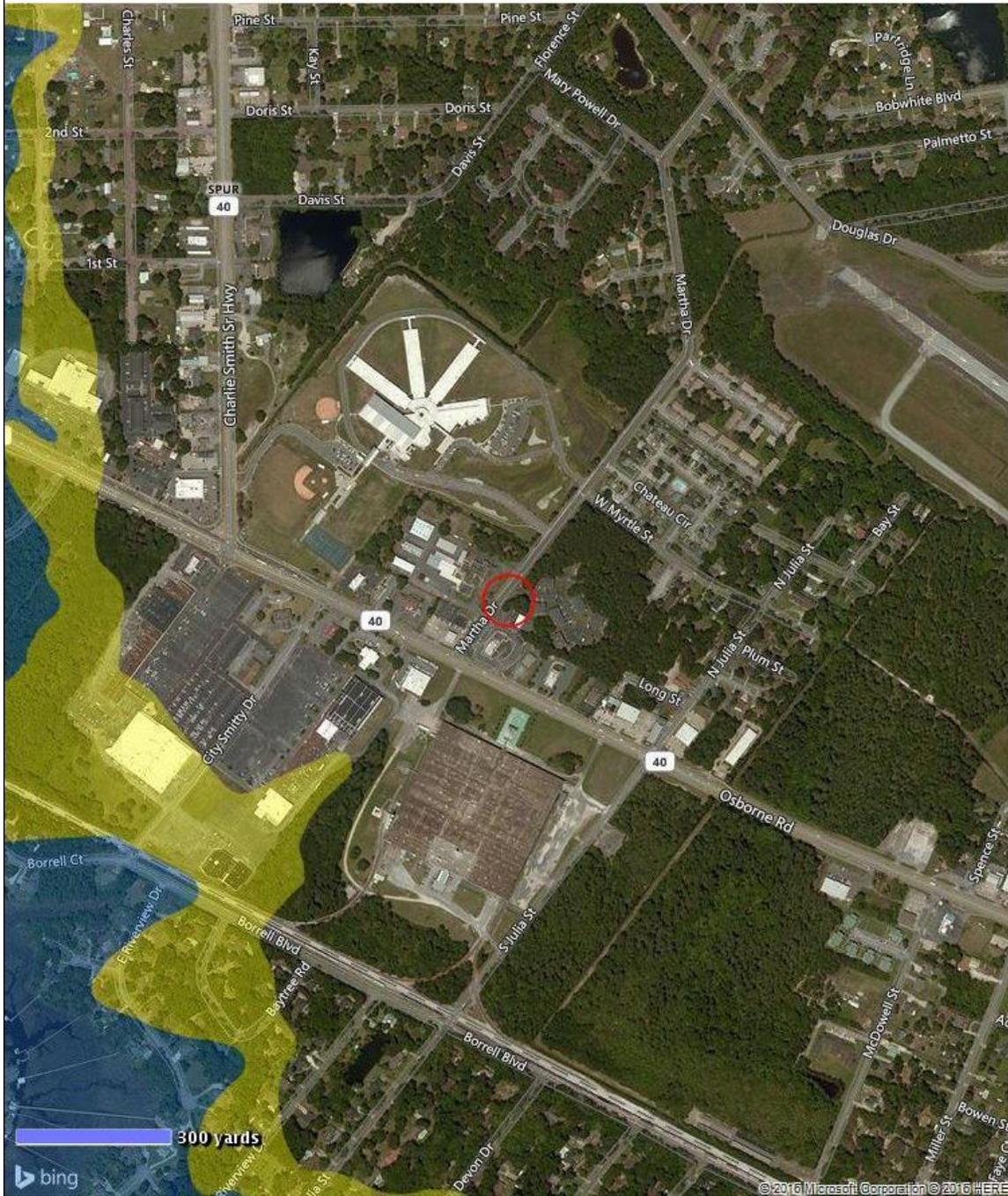
## Sec. 110-64. - R-3, Medium and High Density Multifamily Residential District.

*District intent.* To provide for development of condominium dwelling units and medium to high density residential development. This district's regulations are designed to encourage the formation and continuance of a stable and healthy residential environment while discouraging the encroachment of uses capable of adversely affecting the district's character.

- (a) *Uses permitted.* Property and buildings in R-3, Medium and High Density Multifamily Residential Districts shall be used for the following purposes:
- (1) All uses permitted in the R-1, Single-Family Residential and R-2, Low Density Multifamily Residential except that single-family residences are not required to meet the standard listed in subsection 110-62(d)(5);
  - (2) Multiple-family dwellings and apartments;
  - (3) Single-family condominium dwellings;
  - (4) Accessory uses and structures.
- (b) *Special permit uses.* The following uses may be permitted in accordance with the provisions contained in section 110-145, and if additional conditions which may be required are met:
- (1) Any special use permitted in the R-1, Single-family Residential District or R-2, Low Density Multifamily Residential District.
- (c) *Area regulations.* Unless otherwise specified in this chapter, uses permitted in R-3, Medium and High Density Multifamily Residential Districts shall conform to the following requirements:
- (1) Minimum lot area:
    - a. Single-family detached dwellings: 10,000 square feet;
    - b. Two- and three-family dwellings: 10,000 square feet for the first two units and 4,000 square feet for each additional unit;
    - c. Condominiums and multifamily dwellings of more than three units: 8,000 square feet for the first two units; plus 2,000 square feet for each additional unit;
  - (2) Minimum lot width at building line: 16 feet for condominium dwellings; 70 feet for all other uses;
  - (3) Minimum front yard setback from street: 25 feet;
  - (4) Minimum side yard, setback from street: 25 feet; setback from other property line: Ten feet; provided, that condominium dwellings which are not end units may have 0 feet side yards on each side adjoining another unit.
  - (5) Minimum rear yard, setback from street: 25 feet; setback from other property line: 15 feet;
  - (6) Maximum percentage of lot coverage: 55 percent for condominiums; 35 percent for all other permitted uses;
  - (7) Maximum building height: 45 feet;
  - (8) Minimum dwelling unit size:

- a. Single-family dwellings, and condominium dwellings: (heated and cooled area) 800 square feet;
- b. Two- and three-family dwellings: 600 square feet per unit;
- c. Multifamily dwelling of more than three units: 600 square feet for the first six units; 500 square feet for the next six units; and 400 square feet per unit in addition to the first 12 units.

*(Ord. of 9-12-94, § 603)*



**MAP DATA**

FEMA Special Flood Hazard Area: **No**  
 Map Number: **13039C0414F**  
 Zone: **X**  
 Map Date: **December 16, 2008**  
 FIPS: **13039**

**MAP LEGEND**

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

Powered by CoreLogic®



141

STATE OF GEORGIA  
COUNTY OF CAMDEN

WARRANTY DEED

THIS INDENTURE, Made this 1st day of February in the Year of Our Lord One Thousand Nine Hundred and Eighty between ST. MARYS PROPERTIES, INC., a Georgia corporation, of the first part, and ST. MARYS, LTD., a general partnership of the State of Georgia having as its general partner Ronnie C. Davis d/b/a Davis and Sons Construction, of the second part.

WITNESSETH: That the said party of the first part, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, in hand paid, at and before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said party of the second part, its successors and assigns, all that tract or parcel of land lying and being in the City of St. Marys, 29th District G.M., Camden County, Georgia, more particularly described as follows:

Beginning at an iron pin in the Easterly right-of-way line of Martha Drive (a 70 foot right-of-way) located 1534.6 feet North of the Northerly right-of-way line of Osborne Road (Georgia Highway 40, a 100 foot right-of-way), as measured along the Easterly right-of-way line of Martha Drive; AND FROM SAID POINT OF BEGINNING, running North 36° 08' East along the Easterly right-of-way line of Martha Drive 430.17 feet to an iron pin; thence, running South 55° 27' East along the Southerly line of the St. Marys Airport 671.3 feet to an iron pin; thence, running South 35° 53' West 430.12 feet to an iron pin; thence, running North 55° 27' West 673.2 feet to an iron pin which is the point of beginning. Being more fully and accurately shown and described as a 6.63 acre tract of land on that certain plat of survey by Ben Brandon, Jr., Georgia Registered Land Surveyor No. 2053, dated October 3, 1979, a copy of which is attached hereto and made a part hereof.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said party of the

SMITH & PERRY  
Attorneys At Law  
1709 Osborne Road  
St. Marys, Ga. 31558  
912/882-4348

Camden County, Georgia  
Real Estate Transfer Tax  
Paid \$ 89.60  
Date February 1, 1980  
Michael W. Johnson  
Agent  
Clerk of Superior Court

second part, its successors and assigns, forever, in FEE SIMPLE.

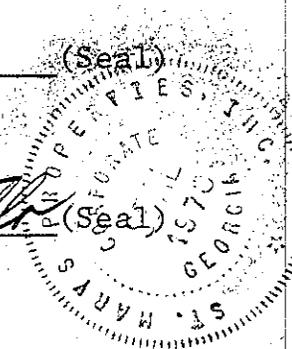
AND THE SAID party of the first part, for itself, its successors and assigns, will warrant and forever defend the right and title to the above described property unto the said party of the second part, its successors and assigns, against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and affixed its seal, the day and year first above written.

ST. MARYS PROPERTIES, INC.

BY: *[Signature]*  
Its President

ATTEST: *[Signature]*  
Its Secretary

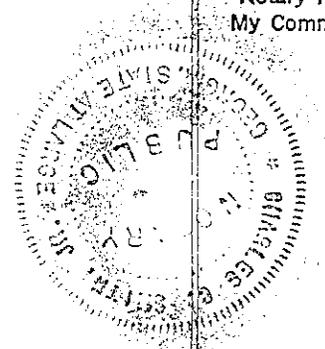


Signed, sealed and delivered in the presence of:

*[Signature]*

*[Signature]*

Notary Public, Georgia, State at Large  
My Commission Expires Aug. 18, 1980



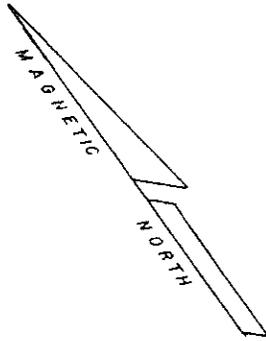
CLERK'S NOTE: CONTINUED NEXT PAGE

153 106

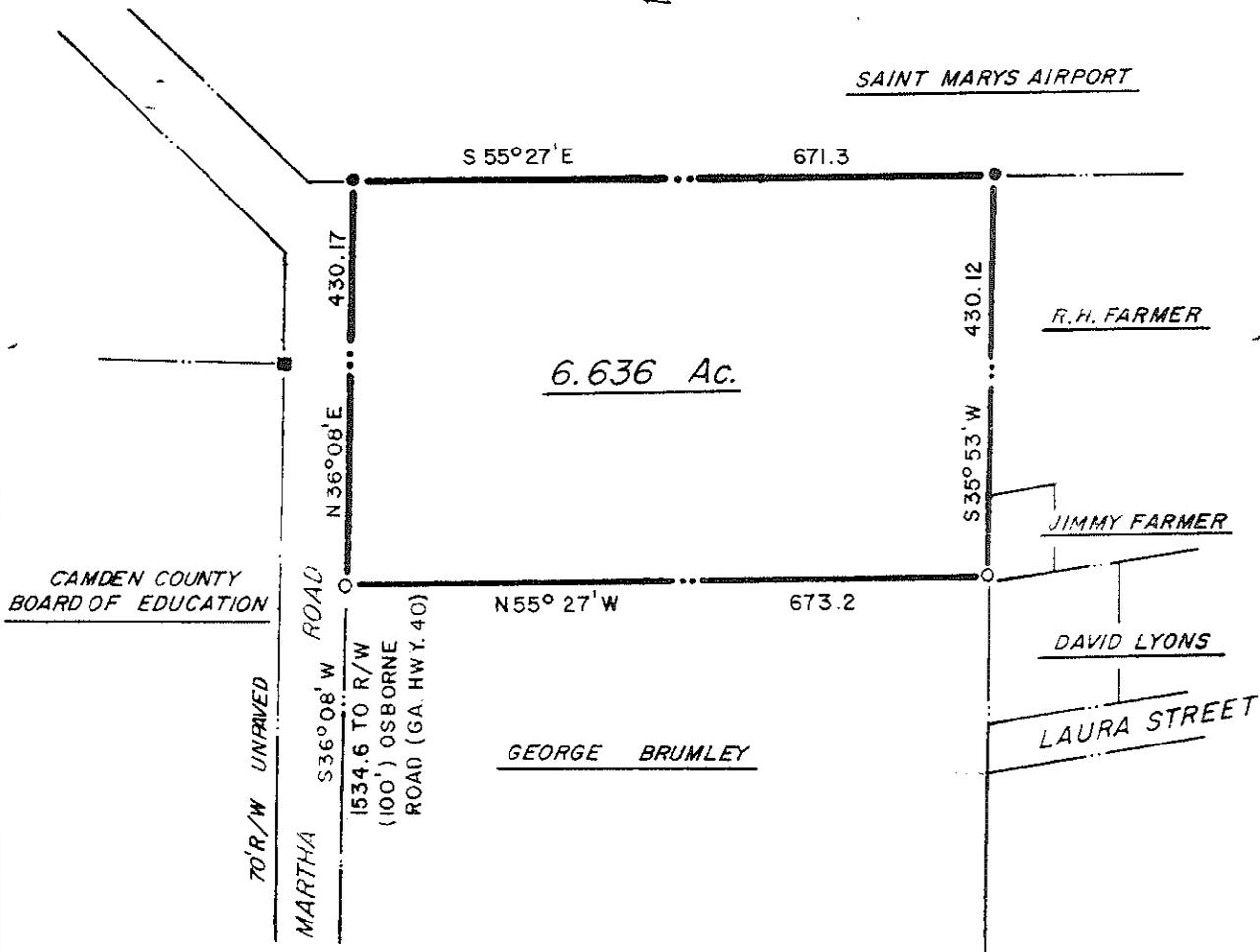
● — IRON PIN FOUND

■ — CONC. MON. FOUND

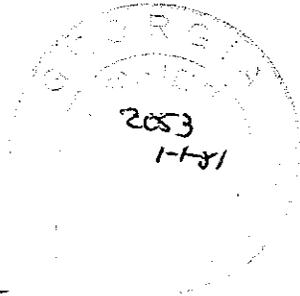
TAX MAP 135, SM-9, 13



REF: (1) OUR SURVEY FOR PETE DENIGRIS DATED FEB 15, 1978.  
(2) OUR SURVEY FOR SAINT MARYS PROP, INC. DATED FEB. 5 1979.



NOTE: THIS TRACT IS SHOWN NOT TO BE IN A FLOOD HAZARD ZONE ON F.I.A. MAP H-01.



SURVEY FOR

**SAINT MARYS, LTD.**

ST. MARYS CAMDEN COUNTY GEORGIA  
OCT 3, 1979 G.M.D. 29 1" = 200'

BY

**BRANDON ASSOCIATES**

BOX 563 HWY 17 N.  
KINGSLAND, GA 31548  
912-729-3419

RECORDED FEB 8 1980 *Yvonne W. Johnson* 238

DEPUTY CLERK SUPERIOR COURT, CAMDEN COUNTY, GEORGIA

STATE OF GEORGIA

COUNTY OF CAMDEN

WARRANTY DEED

THIS INDENTURE, Made this 1st day of February in the Year of Our Lord One Thousand Nine Hundred and Eighty between ST. MARYS PROPERTIES, INC., a Georgia corporation, of the first part, and ST. MARYS, LTD., a general partnership of the State of Georgia having as its general partner Ronnie C. Davis d/b/a Davis and Sons Construction, of the second part.

WITNESSETH: That the said party of the first part, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, in hand paid, at and before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said party of the second part, its successors and assigns, all that tract or parcel of land lying and being in the City of St. Marys, 29th District G.M., Camden County, Georgia, more particularly described as follows:

Beginning at an iron pin in the Easterly right-of-way line of Martha Drive (a 70 foot right-of-way) located 1534.6 feet North of the Northerly right-of-way line of Osborne Road (Georgia Highway 40, a 100 foot right-of-way), as measured along the Easterly right-of-way line of Martha Drive; AND FROM SAID POINT OF BEGINNING, running North 36° 08' East along the Easterly right-of-way line of Martha Drive 430.17 feet to an iron pin; thence, running South 55° 27' East along the Southerly line of the St. Marys Airport 671.3 feet to an iron pin; thence, running South 35° 53' West 430.12 feet to an iron pin; thence, running North 55° 27' West 673.2 feet to an iron pin which is the point of beginning. Being more fully and accurately shown and described as a 6.63 acre tract of land on that certain plat of survey by Ben Brandon, Jr., Georgia Registered Land Surveyor No. 2053, dated October 3, 1979, a copy of which is attached hereto and made a part hereof.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said party of the

second part, its successors and assigns, forever, in FEE SIMPLE.

AND THE SAID party of the first part, for itself, its successors and assigns, will warrant and forever defend the right and title to the above described property unto the said party of the second part, its successors and assigns, against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and affixed its seal, the day and year first above written.

ST. MARYS PROPERTIES, INC.

BY: *R. L. Liginis* (Seal)  
Its President

ATTEST: *Mary J. Latella* (Seal)  
Its Secretary

Signed, sealed and delivered in the presence of:

*James W. Smith*

*William C. Smith*

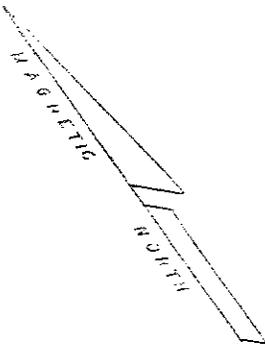
Notary Public, Georgia, State at Large  
My Commission Expires Aug. 18, 1980

— IRON PIN SET

— IRON PIN FOUND

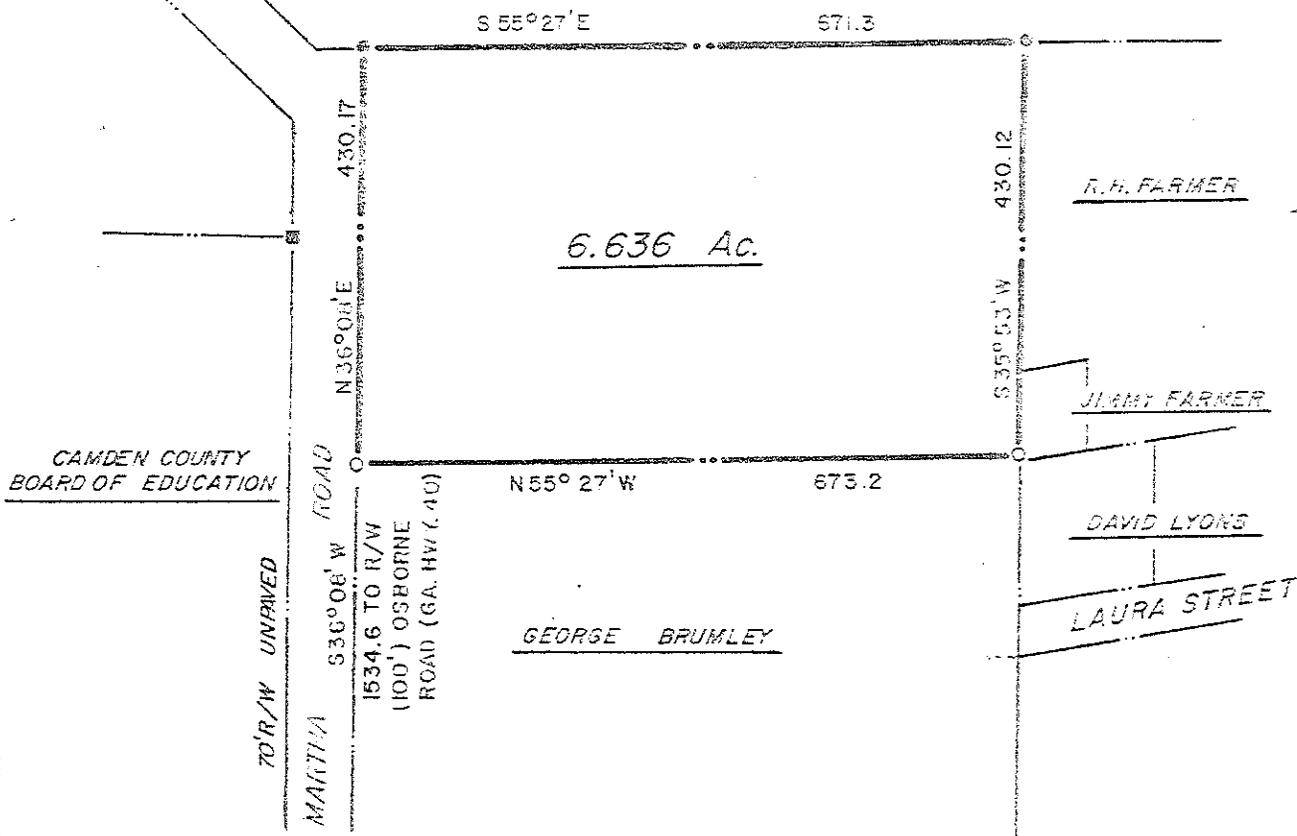
— CONC. MONUMENT

TAX MAP 153, SW-9, 13



REF: (1) OUR SURVEY FOR PETE DENIGRO DATED FEB 15, 1976  
 (2) OUR SURVEY FOR SAINT MARYS PROP. INC. DATED FEB. 8, 1979.

SAINT MARYS AIRPORT



NOTE: THIS TRACT IS SHOWN NOT TO BE IN A FLOOD HAZARD ZONE ON F.L.A. MAP #101

SURVEY FOR

SAINT MARYS, LTD.

ST. MARYS CAMDEN COUNTY GEORGIA  
 OCT 3, 1979 G.M.D. 29 1" = 200'

BY

BRANDON ASSOCIATES

BOX 583 HWY 17 N  
 KINGSLAND, GA 31546

912-729-7419

2053  
 1-1-81

25

STATE OF GEORGIA  
COUNTY OF CAMDEN

PROPERTY OWNERS AFFIDAVIT

Personally appeared before me, the undersigned attesting officer, duly authorized by law to administer oaths,

PETE DENIGRIS

President of St. Marys Properties, Inc.

who being first duly sworn, deposes and upon oath states:

That St. Marys Properties, Inc. is the owner in fee simple of the following described real estate, known as 6.63 acres on Martha Drive, City of St. Marys, County of Camden, Georgia, as more particularly described in deed of even date herewith from St. Marys Properties, Inc. to St. Marys, Ltd., a General Partnership of the State of Georgia.

Deponent further states that the above described property is the same that was inspected by St. Marys, Ltd. a General Partnership of the State of Georgia, or agents; that the improvements on said property are within the limits of said described property, and that there has been no violation of any restrictions that may have been imposed on said land, nor has any interest in same been sold or conveyed, or any change been made in the improvements thereon since said lands were inspected as aforesaid.

Deponent further says that St. Marys Properties, Inc. is in indisputable possession of the said described lands and knows of no one claiming under any unrecorded deed, or instrument of any nature; or claiming any interest in said lands whatsoever, except as may be set forth below.

Deponent further says that there are no suits, judgments, bankruptcies, executions, or liens of any kind, pending against St. Marys Properties, Inc. in any court whatsoever that could in any way affect the title to said lands, or constitute a lien thereon, and that St. Marys Properties, Inc. is not surety on the bond of any county or county official, or any other bond that through the default of the principal therein a lien would be

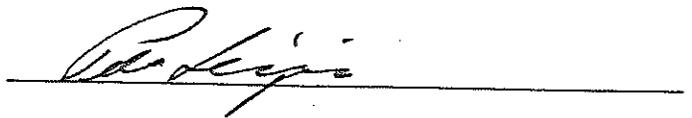
created superior to the deed mentioned above, nor are there any loan deeds, trust deeds, mortgages or liens of any nature whatsoever unsatisfied against said lands.

Deponent further says that there are no unpaid bills of any nature, either for labor or material, for any recent improvements that may have been placed on said lands either in the construction or repair of any of the improvements thereon, or the land itself.

Deponent further says that said property is free and clear of all liens of every character, except the following which are the only liens against said lands, to-wit:

1979 Camden County ad valorem taxes in the amount of \$992.76, Tax Bill No. 5140-002. This bill includes other property.

1979 City of St. Marys ad valorem taxes in the amount of \$312.79, Tax Bill No. 5140-002. This bill includes other property.



Sworn to and subscribed before me this

STATE OF GEORGIA

COUNTY OF CAMDEN

RIGHT-OF-WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar (\$1.00) and other good and valuable consideration paid to ST. MARYS PROPERTIES, INC., a Georgia Corporation, hereinafter referred to as Grantor, by ST. MARYS, LTD., a General Partnership of the State of Georgia having as its general partner Ronnie C. Davis d/b/a Davis and Sons Construction, hereinafter referred to as Grantee, the receipt of which is hereby acknowledged, the Grantor does hereby grant, bargain, sell, transfer, and convey unto the Grantee, its successors and assigns, a perpetual easement with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove pipelines used in connection with the wastewater and/or sewer collection and treatment system of the City of St. Marys, Georgia, over, across and through the land of the Grantor lying and being in the City of St. Marys, 29th District G.M., Camden County, Georgia, more particularly described as follows:

Beginning at the point where the Southerly right-of-way line of Laura Street intersects the Easterly line of lands of Grantor, formerly lands of George Brumley, AND FROM SAID POINT OF BEGINNING, running North 35° 53' East along the Easterly line of lands of Grantor 200 feet, more or less, to an iron pin in the Southeasterly corner of lands of Grantee; thence, running North 55° 27' West along the Southerly line of lands of Grantee 20 feet to a point; thence, running South 35° 53' West 200 feet, more or less, to a point in the extension of the Southerly right-of-way line of Laura Street; thence, running South 64° 30' East 20 feet, more or less, to the point of beginning.

The consideration hereinabove recited shall constitute payment in full for any damages to the <sup>above-described</sup> ~~land~~ of the Grantor, its successors and assigns, by reason of the installation, operation, and maintenance of the structures or improvements referred to herein. The Grantee covenants to maintain the easement in good repair so that no unreasonable damage will result from its use

to the adjacent land of the Grantor, its successors and assigns.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the Grantee, its successors and assigns.

IN WITNESS WHEREOF, the Grantor has executed this instrument this 1st day of February, 1980.

ST. MARYS PROPERTIES, INC.

BY: *R. DeJin* (Seal)  
Its President

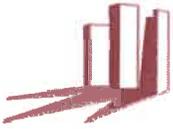
ATTEST: *Mario Totella* (Seal)  
Its Secretary

Signed, sealed and delivered in the presence of:

*James W. Smith*

*[Signature]*

Notary Public, Georgia, State at Large  
My Commission Expires Aug. 18, 1980



## Crown Appraisal Group

Corporate Office

6797 N. High Street

Suite 325

Columbus, OH 43085

tel 614.431.3332

fax 614.431.3376

[www.crownappraisal.com](http://www.crownappraisal.com)

October 19, 2016

Caitlin Waldie  
Development Coordinator  
Greystone Affordable Housing Initiatives, LLC  
4025 Lake Boone Trail, Suite 209  
Raleigh, NC 27607-2986

**RE: Georgia Portfolio**

Dear Amie:

Thank you for considering Crown Appraisal Group (“Crown”) for the appraisal of the referenced property portfolio (“portfolio”). The following details my understanding of your needs and presents our proposal.

### *Assignment*

Crown Appraisal Group will prepare and deliver (scope of analysis as noted in Attachment 7-D to HB-1-3560) individual appraisal reports that provide the specific and separate value types as required. The reports will certify a number of entities – the lender, housing agency, USDA/RD, and the LIHTC syndicator – may rely upon our findings. The reports will also be prepared in compliance with USPAP standards and requirements.

As part of the assignment, we will identify the CRCU (Competitive Rents for Comparable Units) on the Executive Summary page for ease of location. The reports will be prepared in a manner similar to previous work product prepared by Crown for Greystone on other assignments.

Values that will be developed and reported (not all values will be developed and reported) are identified are below.

Value	USDA/RD Value	Comments
1	Market within 7 CFR Part 3560.752(b)(1)(ii) (all properties)	As is market value
2	Market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if unsubsidized conventional housing in compliance with 7 CFR Part 3560.636(c)(1)(i) (if applicable)	Prospective market value using market rents at stabilized occupancy
3	Prospective market value within 7 CFR Part 3560.752(b)(1)(ii), premised upon a hypothetical condition as-if-conventional housing	Prospective market value at stabilized occupancy, as by the restricted rents (combined with the market rents, if mixed), incorporating a market cap rate
4	Prospective market value, subject to restricted rents within CFR Part 3560.752(b)(1)(i)	7 Prospective market value at stabilized occupancy, as by the restricted rents (combined with the market rents, if mixed), assuming existing (or proposed) bond financing, and incorporating below-market capitalization rate (band of investment method). (If applicable)
5	Market value of underlying land (if applicable)	As is land only value
6	Market value of the interest credit subsidy from assumed 514/515 loan (with new terms)	
7	Market value of the tax credits (if applicable)	
8	Prospective insurable value	

The reports will be addressed and delivered to you at the address noted above. You will be the initial contact for getting information about the properties. You can be reached at the above address, and at 919.882.2384 (o), 919.902.0938 (c), or [caitlin.waldie@greycoco.com](mailto:caitlin.waldie@greycoco.com).

**Timing and Fee**

We anticipate that the first report(s) will be delivered within three weeks of receipt of the requested information (we recognize that not all requested information will be available). We anticipate that all reports will be sent within 60 days. Should any revisions be required, these will be made as expediently as possible. Subsequent draft reports will be delivered as completed. The final report can be delivered within five business days of approval of the draft copy.

The fee for the multi-property assignment is \$166,050.00. This assumes electronic (PDF) reports, not hard copies. If hard copies are needed, an additional fee of \$400 per report per property will be billed. The property listing at the end of letter breaks down the fee on a property by property basis. The fee is on a gross basis, with all expenses incurred by Crown. Invoices will be delivered concurrent with delivery of the individual draft reports. Payment of the fee is as follows: 10% as an initial deposit and 90% upon delivery of the initial draft reports. As in prior assignments, Crown recognizes that report revisions might be required, and Crown will make those revisions. Of course, should “updates” due to the age of the reports be required, additional compensation arrangements will be made.

Should the assignment be cancelled during any phase, the fee will be pro-rated based upon the time and cost incurred.

As part of the terms and conditions of the assignment, the signatory and any users agree that Crown’s services are and will be subject to the standard statements, limiting conditions, and other terms set forth in the appraisal report(s). The standard statements and limiting conditions include, but are not limited to, recognition of financial liability limitations as well as limitations

as to parties that may rely upon the appraisal report. It is also recognized and acknowledged that during the course of the assignment, Crown may determine additional conditions and terms affecting the appraisal assignment which may be identified in the appraisal report(s). A copy of the standard statements and limiting conditions are at the end of this engagement proposal.

Crown Appraisal Group adds 1.0% per month for delinquent accounts and charges an additional administrative fee of \$500.00 for accounts that are more than three months delinquent. All costs, including legal fees incurred in the recovery of accounts that are delinquent, are also payable by the client. The terms of the agreement shall be governed by and construed under the laws of the state of Ohio.

***Authorization to Proceed***

This proposal can serve as our agreement and understanding of the assignment. The signature at the bottom of this letter and receipt of the 10% initial deposit serves as our authorization to proceed. After signing, please return one copy to me. You may mail the copy, email it to me ([amoye@crownappraisal.com](mailto:amoye@crownappraisal.com), or [edegood@crownappraisal.com](mailto:edegood@crownappraisal.com)). By signing, the signatory is acknowledging that they have the authority to authorize engagement of our services.

Again, thank you for selecting Crown Appraisal Group for this assignment. If you have any questions, please do not hesitate to call me at 614-431-3332.

Sincerely,

**CROWN APPRAISAL GROUP**



Andrew J. Moye, MAI, AI-GRS  
Principal

AJM/ed

AGREED TO AND AUTHORIZED BY:

Jany Eeshward, President  
Signature, Caitlin Waldie

10/25/16

Date

Property Identification

GA Portfolio								
Name	Address	City	County	Units	Fee before Discount	Discount	Net Fee	
1 Academy Village	203 Hillsboro Street	Monticello	Jasper	10	\$6,100.00	10.0%	\$5,490.00	
2 Arrowhead	369 Broad Street	Hawkinsville	Pulaski	51	\$6,100.00	10.0%	\$5,490.00	
3 Chester	400 Wynne Avenue	Chester	Dodge	24	\$6,100.00	10.0%	\$5,490.00	
4 Chickasaw	18158 Morgan Road NE	Arlington	Calhoun	18	\$6,100.00	10.0%	\$5,490.00	
5 Colonial Homes	319 Keller Street	Blackshear	Pierce	20	\$6,100.00	10.0%	\$5,490.00	
6 Country Manor	310 Pomeroy Street	Blackshear	Pierce	55	\$6,100.00	10.0%	\$5,490.00	
7 Cumberland Village	116 Martha Drive	St Marys	Camden	65	\$6,100.00	10.0%	\$5,490.00	
8 Gray Gardens	200 Eatonton Highway	Gray	Jones	55	\$6,100.00	10.0%	\$5,490.00	
9 Heritage Villas of Alma	234 Floyd Street	Alma	Bacon	24	\$6,100.00	10.0%	\$5,490.00	
10 Hilltop Terrace I	4059 Martin Luther King Jr Blvd	Kingsland	Camden	55	\$6,100.00	10.0%	\$5,490.00	
11 Hilltop Terrace II	4059 Martin Luther King Jr Blvd	Kingsland	Camden	55	\$3,800.00	10.0%	\$3,420.00	
12 Hunters Run	701 Lupo Lane	Douglas	Coffee	51	\$6,100.00	10.0%	\$5,490.00	
13 Meadow Crossing	408 Spinks Drive	Omega	Tift	37	\$6,100.00	10.0%	\$5,490.00	
14 Piedmont Hills	1001 West Main Street	Forsyth	Monroe	50	\$6,100.00	10.0%	\$5,490.00	
15 Plantation I, Plantation II, Plantation III	201 Casey Drive	Richmond Hill	Bryan	165	\$10,000.00	10.0%	\$9,000.00	
16 Quail Hollow I	888 Carswell Street	Homerville	Clinch	55	\$6,100.00	10.0%	\$5,490.00	
17 Quail Hollow II	962 Carswell Street	Homerville	Clinch	41	\$3,800.00	10.0%	\$3,420.00	
18 Quail Village	199 Memorial Drive	Reidsville	Tattnall	30	\$6,100.00	10.0%	\$5,490.00	
19 Sandalwood Terrace	23 Fourth Street Northwest	Ludowici	Long	31	\$6,100.00	10.0%	\$5,490.00	
20 Satilla Villas	1100 Medonald Avenue	Woodbine	Camden	59	\$6,100.00	10.0%	\$5,490.00	
21 Sawgrass Cove	534 McIntosh Road	Darien	McIntosh	51	\$6,100.00	10.0%	\$5,490.00	
22 Spring Hollow	800 Ash Street Extension	Springfield	Effingham	53	\$6,100.00	10.0%	\$5,490.00	
23 The Forest I & The Forest II	582 26th Avenue SE	Moultrie	Colquitt	119	\$6,100.00	10.0%	\$5,490.00	
24 The Forest III	2701 5th Street S E	Moultrie	Colquitt	53	\$3,600.00	10.0%	\$3,240.00	
25 The Grove	303 Jerriel Street	Vidalia	Toombs	55	\$6,100.00	10.0%	\$5,490.00	
26 Wildwood Villas I	50 Wildwood Circle	Statesboro	Bulloch	53	\$6,100.00	10.0%	\$5,490.00	
27 Wildwood Villas II	54 Wildwood Circle	Statesboro	Bulloch	58	\$3,800.00	10.0%	\$3,420.00	
28 Yester Oaks	51 Yester Oaks Drive	Lafayette	Walker	44	\$7,000.00	10.0%	\$6,300.00	
29 Charlton Court	38 Charlton Court	Folkston	Charlton	41	\$6,100.00	10.0%	\$5,490.00	
30 Hillcrest	1503 John Collins Road NE	Pelham	Mitchell	49	\$6,100.00	10.0%	\$5,490.00	
31 Hillmont	7069 Lakes Boulevard	Lake Park	Lowndes	43	\$6,100.00	10.0%	\$5,490.00	
					Total	\$184,500.00		\$166,050.00

Plantation I, II, III will be consolidated and presented in a single report - individual market values, consolidated prospective values  
 The Forest I and II will be consolidated and presented in a single report - individual market values, consolidated prospective values

## **INITIAL DATA REQUEST**

**(for each Property)**

**This list details the items we will need to commence the appraisal report:**

- Property contact name and telephone number.
- Current rent roll.
- Current rental subsidy contract
- Property Operating Statements for 2013, 2014, 2015, 2016 ytd.
- Completed market studies (it is Crown's understanding that there are no current market studies)
- Details regarding expected tax credits
- Details regarding expected financing (dollar amount, term, interest rate)
- Unit Floor Plans
- Detail re: improvements
  - Units - sizes (square feet and bedrooms), current rental rates, proposed rental rates etc.
  - Amenities—pool, exercise facilities, club house, etc.
- Site plan.
- Legal description and survey.
- Most recent real estate tax bills for the parcels that comprise the subject site.
- Details regarding the capital expenditures (dollar amount, scope of renovations) that are planned to be completed to the property.

Thank you,

**Crown Appraisal Group**  
6797 N. High Street, Suite 325  
Columbus, OH 43085  
Phone: 614-431-3332  
Fax: 614-431-3376

#### Financial Acknowledgement

The liability of Crown Appraisal Group, Inc. and its employees is limited to the fee collected for the preparation of the appraisal report. There is no accountability or liability to anyone not specifically identified as an intended user.

#### Assumptions and Limiting Conditions

- The information furnished by others is believed to be reliable. No warranty is given for its accuracy, though.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in the report.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations, laws, and license requirements unless otherwise stated in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- The value opinions, and the costs used, are as of the date of the value opinion.
- All engineering is assumed to be correct. The plot plans and other illustrative material in this report are included only to assist the reader in visualizing the property.
- The proposed improvements, if any, on or off-site, as well as any repairs required, are considered, for purposes of the appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser.
- Responsible ownership and competent property management are assumed.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that make it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering or environmental studies that may be required to discover them.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on or in the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- All mechanical components are assumed to be in good, operable condition unless otherwise noted.

- The appraiser is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Our opinion of value does not consider the effect (if any) of possible noncompliance with the requirements of the ADA.
- This appraisal is to be used only in its entirety. Possession of the report or any copy does not carry with it the right of publication. The report may not be used for any purpose by any person or corporation other than the client or the party to whom it is addressed or copied without the written consent of the signing appraiser(s).
- Crown Appraisal Group, Inc. and its employees accept no responsibility for changes in market conditions or the inability of the client, intended user, or any other party to achieve desired outcomes.
- Projections or estimates of desired outcomes by the client, intended user, or any other party may be affected by future events. The client, intended user, or any other party using this report acknowledges and accepts that Crown Appraisal Group, Inc. and its employees have no liability arising from these events.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to purchase, sell, or retain the property at the value(s) stated.
- Unless specifically set forth, nothing contained herein shall be construed to represent any direct or indirect recommendation of Crown Appraisal Group, Inc., its officers or employees to provide financing (mortgage, equity, or other) for the property at the value(s) stated.
- Greystone Affordable Housing Initiatives, LLC, or its representative(s), agrees to indemnify and hold Crown Appraisal Group, Inc., its officers and employees, harmless from and against any loss, damages, claims, and expenses (including costs and reasonable attorney fees) sustained as a result of negligence or intentional acts or omissions by Greystone Affordable Housing Initiatives, LLC, or its representative(s) arising from or in any way connected with the use of or purported reliance upon, the appraisal report or any part of the appraisal report.
- The contents of the appraisal report, and all attachments and information that will be contained within the report, is proprietary and confidential. Greystone Affordable Housing Initiatives, LLC, or its representative(s) will not release or provide the report, in any form, in whole or in part, to any third party, including any borrower, potential borrower, buyer or potential buyer, without the signing appraiser's express written authorization.

**ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**

## **PROFESSIONAL QUALIFICATIONS**

### **ANDREW J. MOYE, MAI, AI-GRS**

### **Business Experience**

*Crown Appraisal Group*, Columbus, Ohio.

Principal

Real estate consulting, including appraisal, appraisal review, business valuation, and market study assignments for commercial and residential real estate.

*Vista Capital/Chemical Mortgage Company*, Columbus, Ohio.

Vice President.

Appraisal assignments and market studies of commercial real property.

*Landauer Associates, Inc.*, West Palm Beach, Florida.

Assistant Vice President.

Valuation and evaluation of real property, and development of land use studies for large commercial and residential PUDs.

### **Education**

Masters of Business Administration (Finance), The Ohio State University, Columbus, Ohio.

Bachelor of Science in Business Administration (Real Estate), The Ohio State University, Columbus, Ohio.

### **Professional Education (partial list)**

Basic Valuation Procedures	Residential Valuation
Capitalization Theory, Part 1	Standards of Professional Practice
Capitalization Theory, Part 2	Case Studies in Real Estate Valuation
Capitalization Theory and Techniques, Part B	Valuation Analysis and Report Writing
Advanced Applications	Advanced Sales Comparison & Cost Approaches
Basic Income Capitalization	Litigation Appraising: Specialized Topics and Applications
Advanced Income Capitalization	General Appraiser Market Analysis and Highest & Best Use
The Appraiser as Expert Witness: Preparation and Expert Testimony	Market Analysis
Review Theory – General	Condemnation Appraising: Principles and Applications

### **Professional Qualifications, testimony venues**

MAI designation offered by Appraisal Institute

AI-GRS designation offered by Appraisal Institute

Young Advisory Council attendee, moderator, Appraisal Institute

Certified General Appraiser (permanent certification): AL, AZ, CO, FL, GA, IL, IN, KY, MI, NC, NY, OH, SC, VA, WV

Expert witness in Federal Bankruptcy Court, Common Pleas Courts throughout Ohio, various Boards of Revision, State Board of Tax Appeal

STATE OF GEORGIA  
REAL ESTATE APPRAISERS BOARD

**ANDREW JOHN MOYE**

**5464**

IS AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF GEORGIA IN THE CAPACITY AS

**CERTIFIED GENERAL REAL PROPERTY  
APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. 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

46535506