

Firm Commitment Appraisal

The Preserve at Chatham Parkway
A Proposed 144-Unit LIHTC Complex
1325 Chatham Parkway
Savannah, GA 31405

Prepared For:

Ms. Julie C. Tyler
Vice President | Deputy Chief
Grandbridge Real Estate Capital, LLC
5000 West 95th Street, Suite 250
Prairie Village, KS 66207

Prepared By:

Hodges & Pratt Company, P.C.
1528 Coleman Road
Knoxville, TN 37909

Effective Date of Appraisal: October 13, 2017

Date of Report: December 18, 2017



Hodges and Pratt Company, PC
1528 Coleman Road
Knoxville, Tennessee 37909
P: 865.673.4840 F: 865.673.0188
www.hodgesandpratt.com

December 18, 2017

Ms. Julie C. Tyler
Vice President | Deputy Chief
Grandbridge Real Estate Capital, LLC
5000 West 95th Street, Suite 250
Prairie Village, KS 66207

RE: HUD 221(d)(4) Firm Commitment Appraisal – Leasehold Estate
The Preserve at Chatham Parkway Apartments
A Proposed 144-unit LIHTC Multifamily Development
1325 Chatham Parkway
Savannah, GA 31405

Dear Ms. Tyler:

In accordance with your request, I have compiled the necessary data to complete a Firm Commitment Appraisal on the above referenced property. In preparing this assignment, I have inspected the subject site, reviewed plans and specifications for the subject improvements, assembled data relative to local economic trends, analyzed pertinent demographics, and surveyed the competitive multifamily market to gather information on rents, occupancies, and expenses for the local multifamily market.

The data and analyses herein represent an Appraisal Report communicating a Firm Commitment format. This report conforms to the requirements of the U.S. Department of Housing and Urban Development (HUD) Multifamily Accelerated Processing (MAP) program, particularly with regard to Chapter 7, Valuation Analysis. This Appraisal Report is prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Standards Board of the Appraisal Foundation along with the standards and ethics of the Appraisal Institute as well as Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989. This appraisal assignment requires my expertise in analyzing comparable market data to develop income and expense components of the Income Capitalization Approach and to estimate land value. In accordance with the MAP Guide, I have not estimated a market value for the subject property Upon Completion of Construction. An estimate of Replacement Cost New and Initial Operating Deficit has been included within the report.

The subject property is a proposed 144-unit Low Income Housing Tax Credit (LIHTC) multifamily development comprised within five residential buildings to be situated on a 15.907-acre site in Savannah, Chatham County, Georgia. The development is to be named The Preserve at Chatham Parkway and will offer twelve (12) one-bedroom/one-bath units, eighty-four (84) two-bedroom/one-bath units, and forty-eight (48) three-bedroom/two-bath garden units in four (3) three-story walk-up buildings and one (1) four-story elevator building. Project amenities will include a clubhouse with leasing office, community space/media room, fitness center, business center, laundry facility, and two outdoor patio spaces with picnic and recreation areas.

I appreciate this opportunity to be of service. If additional information or explanation is necessary, please contact me. I look forward to the opportunity of continuing to serve your appraisal needs in the future.

Respectfully submitted,

Nelson C. Pratt, MAI
Georgia Certified General
Real Estate Appraiser (338202)

TABLE OF CONTENTS

SUMMARY OF SIGNIFICANT FACTS.....	1
PROPERTY IDENTIFICATION.....	4
Ownership History	4
PURPOSE AND INTENDED USE OF APPRAISAL.....	5
PROPERTY RIGHTS APPRAISED.....	5
APPRAISAL SCOPE AND REPORTING	6
Dates of Appraisal	7
Extraordinary Assumptions and Hypothetical Conditions	7
Competency Provision.....	7
CONCEPT DEFINITIONS.....	8
AREA DATA AND ANALYSIS	9
HOUSING TRENDS	18
MULTIFAMILY MARKET OVERVIEW.....	22
NEIGHBORHOOD DESCRIPTION AND ANALYSIS.....	26
SITE DESCRIPTION	30
Utilities	30
Flood Map Information.....	31
Zoning.....	31
Real Estate Taxes	32
IMPROVEMENT DESCRIPTION	36
REMAINING ECONOMIC LIFE	38
HIGHEST AND BEST USE.....	40
Highest and Best Use as Vacant	41
Highest and Best Use as Improved	41
COMPARABLE RENTAL DATA.....	42
HUD 92273 Market-Rate Operations.....	43
Market Rent Analysis	47
OTHER INCOME	54
OCCUPANCY	54
ABSORPTION	55
PROJECTED OPERATING EXPENSES	56
HUD 92274 – Operating Expense Worksheet	57
Operating Expense Analysis.....	59
Expense Summary for the HUD-92264.....	62
INCOME AND EXPENSE STATEMENT	63
LAND VALUE.....	64
REPLACEMENT COST	66
Appraiser’s Cost Estimate.....	67
Section G-92264 – Estimate of Replacement Cost.....	68
HUD-2328 – Contractor’s Cost Breakdown	69
INITIAL OPERATING DEFICIT	71
HUD-92264 FORM	72
ESTIMATE OF AFFORDABLE NOI.....	80
HUD 92273 LIHTC Operations	81
Potential Gross Income Analysis – LIHTC	85
Occupancy Projection.....	90
Other Income	90
Absorption.....	91
HUD-92274 LIHTC Operations.....	93
Operating Expense Analysis – LIHTC Operations	95
Affordable Proforma Operating Statement.....	99
HUD-92264 – LIHTC Occupancy (pages 2-4)	100
LEASED FEE INTEREST	103
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS	104
CERTIFICATION	106
APPRAISER’S MAP CERTIFICATION.....	107
ADDENDA	108

Engagement Letter
Warranty Deed & Legal Description
Purchase & Sale Agreement
HUD Form 92264-T
Subject Photographs
Rental Comparables
Land Sales
ALTA Survey / Site Plan
Building Plans
Proforma
Construction Costs
Ground Lease
2017 IREM Survey
Qualifications of Appraiser

SUMMARY OF SIGNIFICANT FACTS

Property Identification

Name: The Preserve at Chatham Parkway Apartments
Property Address: 1325 Chatham Parkway
Savannah, Chatham County, GA 31405
Tax Identification Number: 2-0834 -01-013 (Chatham County)
Owner of Record: JCJH, LLC (under contract to Commonwealth Development Corporation of America)

Appraisal Report Information

Purpose of the Appraisal: Estimate Market Value; Projected Income/Expenses under both market-rate and affordable operations; Land Value, IOD, Costs
Report Format: Appraisal Report for compliance within a HUD 221(d)(4) Firm Commitment Application
Property Rights Appraised: Leasehold Estate
Client: Grandbridge Real Estate Capital, LLC
Intended User of the Appraisal: Grandbridge Real Estate Capital, LLC, and HUD
Intended Use of the Appraisal: As an aid in the estimation of market value of the subject property for use by the client and/or participants in conjunction with their firm commitment application

Appraisal Dates

Date of Inspection: October 13, 2017
Issuance of Report: December 18, 2017

Site Information

Site Area: 15.907 Acres (12.051 Net Acres)
Topography: Level to gently rolling, mostly wooded
Zoning: PUD-M-12, Planned Unit Development Multifamily
Flood Zone Information: According to Federal Emergency Management Agency (FEMA) flood insurance rate map #13051C0145F, dated September 26, 2008, the subject site is located in Zones AE-11 (inside the 100-year flood zone), X_500 (inside the 500-year flood zone), and X (outside the 500-year flood zone)

Improvement Information

Structure Design: Four (4) three-story walk-up buildings and one (1) four-story elevator building offering 144 units plus a one-story clubhouse
Construction Type: Wood-frame buildings with fiber cement siding and stone
Year Built: Proposed (2019 completion projected)
Project Amenities: Clubhouse with leasing office, community room, fitness center, business center, laundry facility, and two outdoor patio spaces with picnic and recreation areas
Unit Features: Balcony/patio with additional storage (garden units only), washer/dryer connections, equipped kitchens, central heat and air conditioning

Unit Mix

The Preserve at Chatham Parkway - Unit Mix & Square Footage -				
Unit Type	No. of Units	Unit Net SF	Total NSF	Unit Ratio
1BR / 1BA - Garden	12	751	9,012	8%
2BR / 1BA - Elevator	40	928	37,120	28%
2BR / 1BA - Elevator	8	928	7,424	6%
2BR / 1BA - Garden	36	912	32,832	25%
3BR / 2BA - Garden	48	1,097	52,656	33%
Total / Avg.	144	966	139,044	100%

Pertinent Monthly Rents

The Preserve at Chatham Parkway - Pertinent Monthly Rents -					
UnitType	Total Units	Max Allowable LIHTC Rents at 60% AMI	Developer's Proforma 60% LIHTC Rents	Estimated Achievable 60% LIHTC Rents	Appraiser's Estimated Market Rent
1BR / 1BA-G	12	\$685	\$650	\$675	\$1,035
2BR / 1BA-E	40	\$816	\$800	\$800	\$1,175
2BR / 1BA-E	8	\$816	\$800	\$800	\$1,175
2BR / 1BA-G	36	\$816	\$800	\$800	\$1,150
3BR / 2BA-G	48	\$936	\$925	\$935	\$1,300

Summary of Projected Market Rents – Market-Rate and LIHTC Operations

The Preserve at Chatham Parkway - Estimated Market Rents & Potential Gross Annual Income -							
Unit Mix	No. of Units	Unit Ratio	HUD Gross	Market Rent	Rent Per SF	Gross Annual Rental Income	
1BR / 1BA-G	12	8%	834	\$1,035	\$1.24	\$ 149,040	
2BR / 1BA-E	40	28%	963	\$1,175	\$1.22	\$ 564,000	
2BR / 1BA-E	8	6%	963	\$1,175	\$1.22	\$ 112,800	
2BR / 1BA-G	36	25%	1,019	\$1,150	\$1.13	\$ 496,800	
3BR / 2BA-G	48	33%	1,219	\$1,300	\$1.07	\$ 748,800	
Total / Average	144	100%	1,052	\$1,199	\$1.14	\$ 2,071,440	

The Preserve at Chatham Parkway - Achievable LIHTC Rents & Potential Gross Income -						
Unit Mix	No. of Units	Unit Ratio	HUD Gross	Achievable Rent	Rent Per SF	Gross Annual Rental Income
1BR / 1BA-G	12	8%	834	\$675	\$0.81	\$ 97,200
2BR / 1BA-E	40	28%	963	\$800	\$0.83	\$ 384,000
2BR / 1BA-E	8	6%	963	\$800	\$0.83	\$ 76,800
2BR / 1BA-G	36	25%	1,019	\$800	\$0.79	\$ 345,600
3BR / 2BA-G	48	33%	1,219	\$935	\$0.77	\$ 538,560
Total / Average	144	100%	1,052	\$835	\$0.79	\$ 1,442,160

Summary of Income & Expenses –Market-Rate and LIHTC Operations

The Preserve at Chatham Parkway - Summary of Projected Market Income & Expenses -		
Category	Amount	Per Unit
Potential Gross Rental Income	\$ 2,071,440	\$ 14,385
Other Income	\$ 61,200	\$ 425
Total Gross Income	\$ 2,132,640	\$ 14,810
Vacancy & Credit Loss @ 7%	\$ (149,285)	\$ (1,037)
Effective Gross Income	\$ 1,983,355	\$ 13,773
Total Expenses (incl. Reserves)	\$ (842,238)	\$ (5,849)
Operating Expense Ratio	42.5%	42.5%
Net Operating Income	\$ 1,141,117	\$ 7,924

The Preserve at Chatham Parkway - Summary of Projected LIHTC Income & Expenses -		
Category	Amount	Per Unit
Potential Gross Rental Income	\$ 1,442,160	\$ 10,015
Other Income	\$ 50,400	\$ 350
Total Gross Income	\$ 1,492,560	\$ 10,365
Vacancy & Credit Loss @ 7%	\$ (74,628)	\$ (518)
Effective Gross Income	\$ 1,417,932	\$ 9,847
Total Expenses (incl. Reserves)	\$ (734,267)	\$ (5,099)
Operating Expense Ratio	51.8%	51.8%
Net Operating Income	\$ 683,665	\$ 4,748

Land Value Estimate: \$1,150,000 (\$8,000 / Unit)

Initial Operating Deficit: \$176,263

PROPERTY IDENTIFICATION

The proposed development will be recognized as The Preserve at Chatham Parkway Apartments and will contain 144 units in five apartment buildings containing 151,428 HUD gross square feet and 139,044 HUD net rentable square feet. The development will be situated on a 15.907-acre site located along the west side of Chatham Parkway in Savannah, Chatham County, Georgia.

Proposed construction will reflect four (4) three-story, garden apartment buildings containing 96 units, and one (1) four-story, elevator building containing 48 units. The buildings will reflect wood frame construction with fiber cement siding and stone veneer exteriors. The proposed unit breakdown of the development will consist of twelve (12) one-bedroom/one-bath garden units, forty-eight (48) two-bedroom/one-bath elevator units, thirty-six (36) two-bedroom/one-bath garden units, and forty-eight (48) three-bedroom/two-bath garden units. Project amenities will include a clubhouse with leasing office, community room, fitness center, business center, laundry facility, and two outdoor patio spaces with picnic and recreation areas. The complex will offer 263 surface parking spaces which equates to 1.82 spaces per unit. Said amount is considered reasonable.

The Preserve at Chatham Parkway - Unit Mix & Square Footage -				
Unit Type	No. of Units	Unit Net SF	Total NSF	Unit Ratio
1BR / 1BA - Garden	12	751	9,012	8%
2BR / 1BA - Elevator	40	928	37,120	28%
2BR / 1BA - Elevator	8	928	7,424	6%
2BR / 1BA - Garden	36	912	32,832	25%
3BR / 2BA - Garden	48	1,097	52,656	33%
Total / Avg.	144	966	139,044	100%

The developer has been awarded Low Income Housing Tax Credits (LIHTC) and rents are to be restricted based upon 60% of Area Median Income (AMI). The specific property address is 1325 Chatham Parkway, Savannah, Chatham County, Georgia 31405. Further identification is provided by the Chatham County Property Assessor's Office as Parcel # 2-0834-01-013.

Ownership History

Appraisal standards require the analysis of any prior sales of the property within a three-year period preceding the date of appraisal. In addition, any current agreement of sale, option, or listing of the property must also be disclosed. According to Chatham County public records, the subject property is currently owned by JCJH, LLC, who acquired the property from Hendrix & Company, Inc., on August 21, 2013, for a recorded consideration of \$10. This transaction is recorded as Book 390X, Page 243 in the Chatham County Register of Deeds Office. A copy of the warranty deed is included in the addenda.

As per the purchase and sale agreement provided, the property is under contract between JCJH, LLC (Seller), and Commonwealth Development Corporation of America (Purchaser), for \$1,100,000 which equates to \$69,152 per acre or \$7,639 per planned unit. The contract of the sale is expected to be assigned to an entity affiliated with the Housing Authority of Savannah (set up for this transaction) and is a Limited Member of the Borrower organization (IOI ground lease). This entity will have the fee simple title to the subject land. The entity of the HAS (lessor) will then lease the land to the borrower entity (lessee/tenant).

It is my understanding that there is an initial ground lease payment at closing of the HUD loan, when the ground lease goes into effect, in the amount of \$1,100,000 (equal to the purchase price). Thereafter, the ground lease annual payment is \$0 during the term of the loan. This type of ground lease is common with Public Agencies for the promotion of affordable housing. As noted, the purchase price of the land site by the Housing Authority of Savannah, the fee simple owner/landlord of the subject site. Due to the IOI with the public agency, there is no adjustment or adverse impact to the projected NOI or Replacement Value. A copy of the purchase agreement is included in the Addenda.

PURPOSE AND INTENDED USE OF APPRAISAL

The purpose of this appraisal assignment is to analyze comparable market data to develop income and expense components of the Income Capitalization Approach along with estimation of the land value. I have not estimated a market value for the subject property Upon Completion. It is my understanding that this appraisal will be utilized in conjunction with the firm commitment stage of a MAP application for a HUD-insured mortgage under Section 221(d)(4) of the National Housing Act. Therefore, the conclusions in this report are applicable only to the site identified herein and only for the intended purpose identified herein. I have addressed the land value of the subject site within this Firm Commitment Appraisal process. The land value conclusion herein is reflective of the Fee Simple Interest of the property As-Is. I have also addressed the Replacement Cost New and Initial Operating Deficit. The client is Grandbridge Real Estate Capital, LLC, and the intended users of this report are Grandbridge Real Estate Capital, LLC, and HUD. Additional intended users of the report are Owner Preserve at Chatham Parkway Redevelopment, LLC and any of its current or future Members; Agency Partners: Georgia Department of Community Affairs (DCA) and Housing Authority of Savannah (Bond Issuer). Since my client is Grandbridge, any communication or questions regarding the document must be with them.

PROPERTY RIGHTS APPRAISED

Real estate refers to the physical land and any appurtenances attached to that land. The term *real property* refers to all interests, benefits, and rights inherent in the ownership of physical real estate. A right or interest in real estate is also referred to as an *estate*. Interests vary, so real property is said to include a “bundle of rights” which include the right to use real estate, to sell it, to lease it, to enter it, to give it away, or to choose to exercise all or none of these rights.

Below are definitions of the most common property rights held in real estate as utilized by the Appraisal Institute in *The Appraisal of Real Estate*, 14th Edition:

Fee Simple Estate: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Leased Fee Estate: "An ownership interest held by a landlord with the rights of use and occupancy transferred by lease to others. The rights of lessor (the leased fee owner) and the lessee (leaseholder) are specified by contract terms contained within the lease."

Leasehold Estate: "The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions."

In the appraisal of conventional apartment complexes, which are encumbered by tenants' monthly leases, the owner's marketable interest is the leased fee estate. However, due to the short-term nature of these leases, the leased fee estate is considered to be equivalent to the fee simple estate.

The estimated market value herein is of the subject property's **Leasehold Estate**. In the subject case, the Leasehold Interest comprises all the improvements made to the site. There will be a new ground lease for a term of 77 years with a base rent of \$1 per year during each year of the term of the lease.

Estimation of the Leasehold Interest for the subject property has been conducted by first determining the Fee Simple Value of the site and improvements, then deducting the value of the Leased Fee Estate (\$0 in this case). The Leased Fee Interest comprises the present value of the ground lease described herein.

APPRAISAL SCOPE AND REPORTING

The scope of this real estate appraisal assignment includes the following:

- A physical inspection of the subject property was made on October 13, 2017, with respect to physical characteristics, site characteristics, and surrounding land use patterns. As a result, this is the effective date of this report.
- Research of the subject's ownership history, taxation, zoning, legal description, and site and improvement data was undertaken. Ownership history of the subject and other parcels was researched through the Chatham County Register of Deeds Office. Research of local county and municipal building permits was completed through the U.S. Census Bureau. Tax information, including the current tax rates and values of the subject and competitors, was conducted via the Chatham County Assessor's Office.
- An analysis was made of the subject's overall market conditions, neighborhood and regional characteristics, and supply and demand factors.
- The Bureau of Labor and Workforce Development was the main sources for workforce, industry, and occupational information. The local Chamber of Commerce was another source for employment and wage data.
- The U.S. Census and STDB/ESRI provided historical and projected population and household data as well as income and renter-occupied percentages.
- Research of public records and interviews with real estate professionals, various property managers, and local appraisers was undertaken in order to locate and confirm comparable multifamily rental and absorption data. The 2Q17 REIS report for the Savannah market supplemented the appraiser's surveys of local rental data. The rental rate projections are based upon comparables from the competing submarket. This data set reflects the newest and most similar product to the proposed subject development. During my inspection, I went to each of the properties for an exterior inspection. Either a phone or in person interview was conducted with the managers of each location.
- Analysis of the subject property and comparable market data was completed using appropriate appraisal techniques. Only the income and expense components of the Income Capitalization Approach were developed as outlined by HUD's MAP requirements as they pertain to the firm commitment stage of loan processing for Section 221(d)(4) of the National Housing Act. An adequate number of rent comparables are available in the immediate market to implement into the HUD-92273 form for estimation of market rent. Four expense comparables were utilized on the HUD-92274. Each of these properties is located in the Southeast Region. Additional consideration has been given to the developer's proforma and 2017 IREM report.
- In accordance with the MAP Guide, a survey of competing LIHTC properties was conducted to project the achievable tax credit rents upon completion. These comparables were placed on HUD-92273 form and a 92264-T. A projection of the affordable net operating income was also included with support from the conventional expense comparables as well as the 2017 IREM report for Section 42 properties in Region IV.

- Research of vacant land sales purchased for the development of multifamily complexes was undertaken. All of the sales activity was taken from in or around the Savannah or Charleston market. The analysis herein includes five closed sales.
- An estimated absorption rate has been included based upon historical lease-up activity in the Savannah market for comparable properties.
- An estimate of the initial operating deficit has been included in accordance with the MAP Guide.
- The data was organized and the report was communicated as a Firm Application Appraisal in an Appraisal Report format.

Appraisal Reporting

USPAP appraisal standards provide for two types of appraisal reporting: an Appraisal Report, or a Restricted Appraisal Report. An Appraisal Report documents all pertinent information necessary to clearly and accurately communicate the appraisal in a manner that will not be misleading and to allow the intended user to understand the report properly. A Restricted Appraisal report contains only statements of information significant to the solution of the appraisal problem, and should only be used when a single intended user has a knowledgeable understanding of the subject property and the appraisal problem. This report was developed as an Appraisal Report consistent with the reporting requirements set forth under Standard Rule 2-2(a) of USPAP.

Dates of Appraisal

The effective date of the appraisal is the date at which the value estimate applies and establishes the market conditions that provide the context for the value opinion. The date of the report reflects the issuance date of the appraisal report and indicates the perspective of the appraiser on the market or property use conditions as of the effective date. The date of this report is December 18, 2017; the effective date of the appraisal is October 13, 2017, which corresponds with market conditions evident as of the date of my final property inspection.

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is an assumption, directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about the property. A hypothetical condition is a condition that is contrary to what exists, but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts.

For both cases, this information could include physical, legal, or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or the integrity of data used in the analysis. This report is made under no extraordinary assumptions, but the conclusions are based upon with the hypothetical condition assuming completion of construction in accordance with provided plans and specifications for the property as both conventional, market-rate and under affordable (LIHTC) operations.

Competency Provision

The *Competency Rule* of USPAP states that "prior to accepting or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and expertise to complete an assignment competently." Competency applies to factors such as, but not limited to, an appraiser's familiarity with a specific property type, a market, a geographic area, or an analytical method.

Hodges & Pratt Company, P.C., and the signatory hereto, has extensive expertise in the appraisal of properties similar to the subject, and the appraiser is deemed qualified by education, training and experience in the preparation of such reports to comply with the competency rule as required by USPAP. The analyst has completed a number of multifamily assignments in various Georgia markets. A list of markets worked in Georgia is listed below.

- Atlanta
- Marietta
- Kennesaw
- Smyrna
- Cumming
- Lithonia
- Canton
- Alpharetta
- Columbus
- Macon
- Jonesboro
- Lawrenceville
- Decatur
- Duluth
- Tifton
- McDonough
- West Point
- Warner Robins
- Pooler/Savannah
- Hinesville
- Fort Oglethorpe

CONCEPT DEFINITIONS

Market Rent

Market rent¹, as used in this report, is defined as follows:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

Market Value, as used in this report, is defined as follows:

“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:

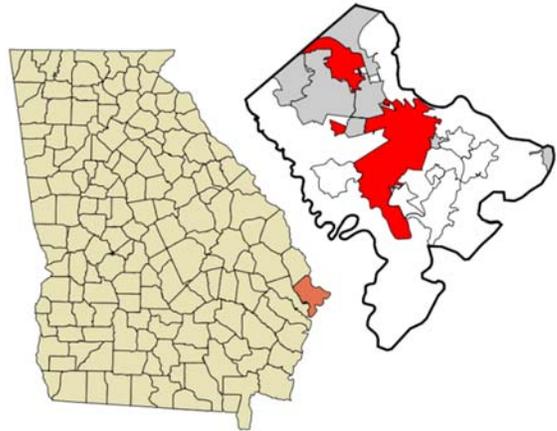
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements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

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th Edition (Chicago: Appraisal Institute, 2010).

² Office of the Comptroller of the Currency, 12 CFR Part 34 Section 34.42 (f).

AREA DATA AND ANALYSIS

The subject property is located in Savannah within Chatham County, Georgia. Chatham County is located in the southeastern region of Georgia and covers an area of approximately 632 square miles. Savannah is in the central portion of the county (see map) and is included in the Savannah MSA. Savannah is 108 miles south of Charleston, South Carolina, 122 miles southeast of Augusta, Georgia, and 158 miles south of Columbia, South Carolina.

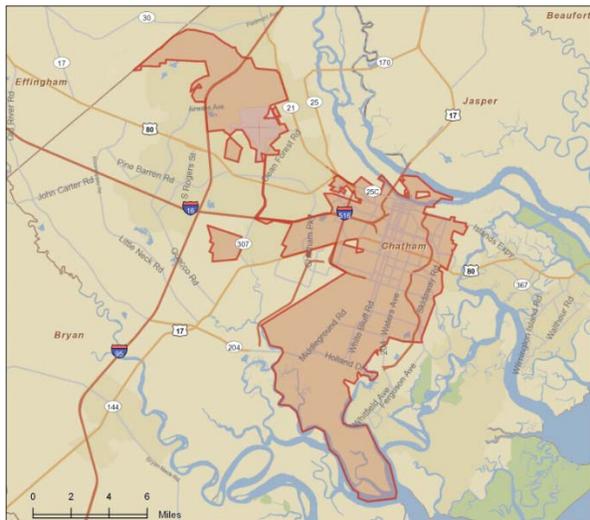


Population

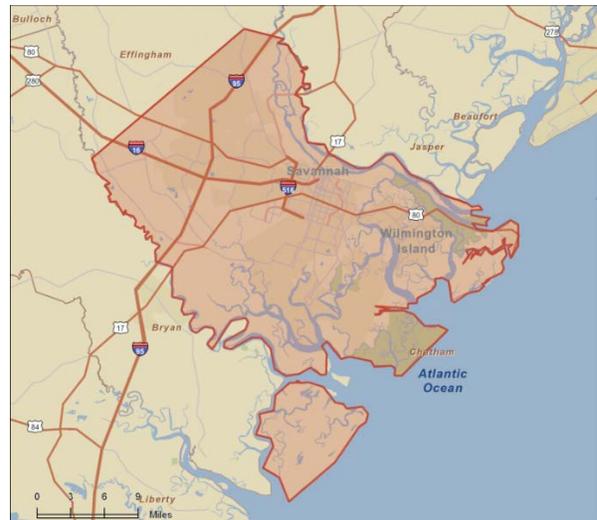
The city of Savannah reflects a 0.29% annual increase in population over the ten-year period between 2000 and 2010 followed by an estimated 1.24% annual rate from 2010 to 2017. The current population as of 2017 is 148,650 persons. Chatham County increased at a rate of 1.33% from 2000 to 2010 and is estimated to have increased at a rate of 1.41% over the seven-year period from 2010 to 2017. The Savannah MSA is estimated to have grown at a 1.67% annual rate over the seven-year period from 2010 to 2017, and the state grew at a lower annual rate of 1.00%. As can be seen in the table below, growth over the next five years is expected to exceed the statewide rate for the city, county, and MSA.

Population Growth								
Area	2000	2010	2017	Proj. 2022	Annual % Change	Annual % Change	Annual % Change	Gross % Change
					2000-2010	2010-2017	2017-2022	2017-2022
Savannah	132,330	136,286	148,650	157,166	0.29%	1.24%	1.11%	5.42%
Chatham County	232,048	265,128	292,686	312,334	1.33%	1.41%	1.30%	6.29%
Savannah MSA	293,000	347,611	390,757	422,926	2.88%	1.67%	1.58%	7.61%
Georgia	8,186,453	9,687,653	10,390,390	10,938,845	2.38%	1.00%	1.03%	5.01%

Source: U.S. Census Bureau/STDB Projections



City of Savannah



Chatham County

Economy

The chart below displays the largest manufacturing employers in Chatham County. Gulfstream Aerospace Corporation tops the list with a total of 9,878 employees to include both direct and contract workers. Said company has had their headquarters based in Savannah since 1967 and has a manufacturing plant, servicing center, and research and development center in the area. Other major manufacturing employers include International Paper (661 employees), JCB, Inc. (540 employees), Imperial Sugar (450 employees), Brasseler USA (405 employees), and Mitsubishi Hitachi (320 employees).

Leading Manufacturing Employers in Chatham County	
Company	Employment
1 Gulfstream Aerospace Corp	9,878
2 International Paper	661
3 JCB Inc	540
4 Imperial Sugar	450
5 Brasseler USA	405
6 Mitsubishi Hitachi Power Systems Americas, Inc.	320
7 Strength of Nature Global, LLC	300
8 Weyerhaeuser	285
9 Derst Baking Company	274
10 Diamond Crystal Brands	250
11 Kerry Ingredients and Flavours	230
12 Roger Wood Foods, Inc.	190
13 Arizona Chemical	188
14 Johnson Matthey Process Technologies, Inc.	160
15 Lummus Corporation	156
16 EMD Chemical	151
17 The Industrial Company (TIC) Southeast	136
18 Coastal Concrete SE, LLC	125
19 Fuji Vegetable Oil, Inc.	106
20 Precision Machine of Savannah	103
21 River Streets Sweets	100
Source: SEDA, 2016	

The following chart lists the leading non-manufacturing companies in Chatham County. Healthcare is a major component of the local economy as evidenced by the state-of-the-art facilities at the Memorial Health University Medical Center and St. Joseph's/Candler Health System that employ 4,775 and 3,400 persons, respectively. Railroad and electrical utilities also provide a source of employment in the area.

Leading Non-Manufacturing Employers in Chatham County	
Company	Employment
1 Memorial Health Medical Center	4,775
2 St. Joseph's/Candler Health System	3,400
3 Goodwill Industries of the Coastal Empire	800
4 Southcoast Medical Group	658
5 The Landings Club	480
6 Georgia Power Company - Coastal Region	455
7 TMX Finance	268
8 CSX (Savannah)	259
Source: SEDA, 2016	

Government, military, and education employers provide a base of public sector jobs in the area. There are 5,773 civilian personnel associated with the Ft. Stewart/Hunter Army Airfield followed by the public schools which employ 5,654 persons. Most of the military population in the region is located in Liberty County at the Ft. Stewart base.

Leading Government, Military, & Education Employers	
Company	Employment
1 Ft. Stewart/Hunter Army Airfield	5,773
2 Savannah-Chatham County Board of Education	5,654
3 City of Savannah	2,468
4 Savannah College of Art & Design	1,886
5 Chatham County	1,600
6 Georgia Ports Authority	1,080
6 Armstrong State University	886
7 Savannah State University	729
8 US Army Corps of Engineers	680
Source: SEDDA, 2016	

Industry sectors within Chatham County are diverse in that the area does not rely entirely or primarily upon a single industry. The largest industries are Government, Accommodation and Food Services, Health Care and Social Assistance and Retail Trade. Below is a chart showing employment by industry in 2015:

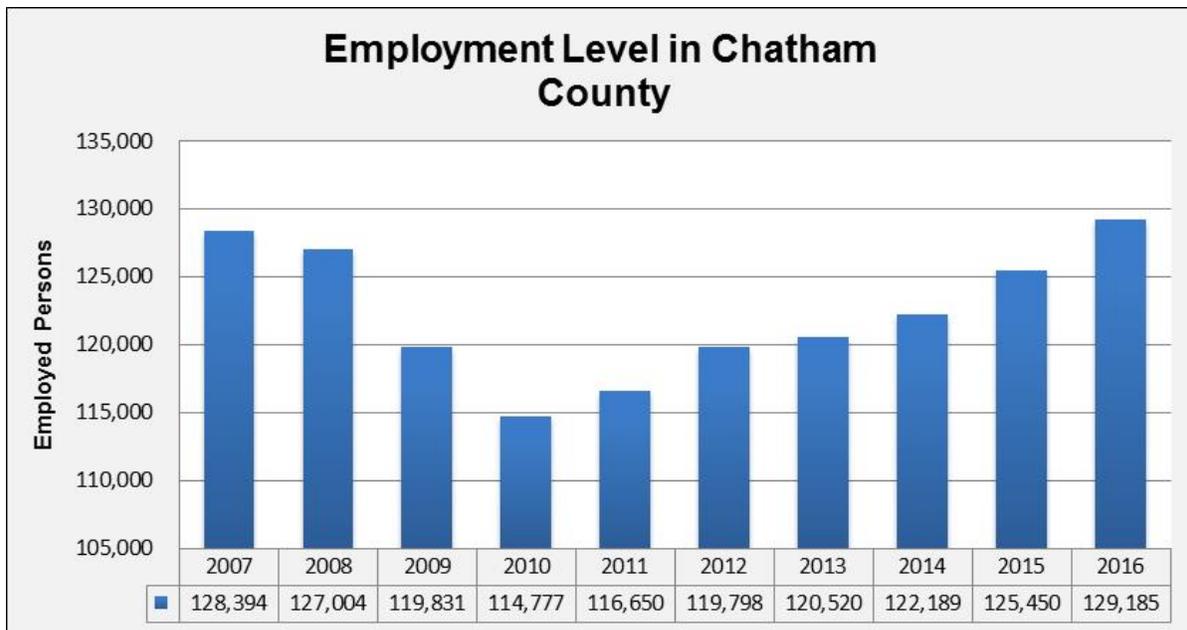
Chatham County Employment by Major Industry 2015	
Industry	Employment
Total nonfarm employment	195,396
Private nonfarm employment	170,917
Forestry, fishing, and related activities	*
Mining	*
Utilities	355
Construction	7,569
Manufacturing	16,071
Wholesale trade	6,266
Retail trade	20,775
Transportation and warehousing	13,079
Information	2,770
Finance and insurance	6,531
Real estate and rental and leasing	8,020
Professional, scientific and technical services	8,506
Management of companies and enterprises	1,156
Administrative and waste management services	14,130
Educational services	5,417
Health care and social assistance	21,881
Arts, entertainment, and recreation	4,118
Accommodation and food services	22,408
Other services	11,407
Government and government enterprises	24,479
Federal, civilian	2,606
Military	5,886
State and local	15,987
Source: U.S. Bureau of Economic Analysis	

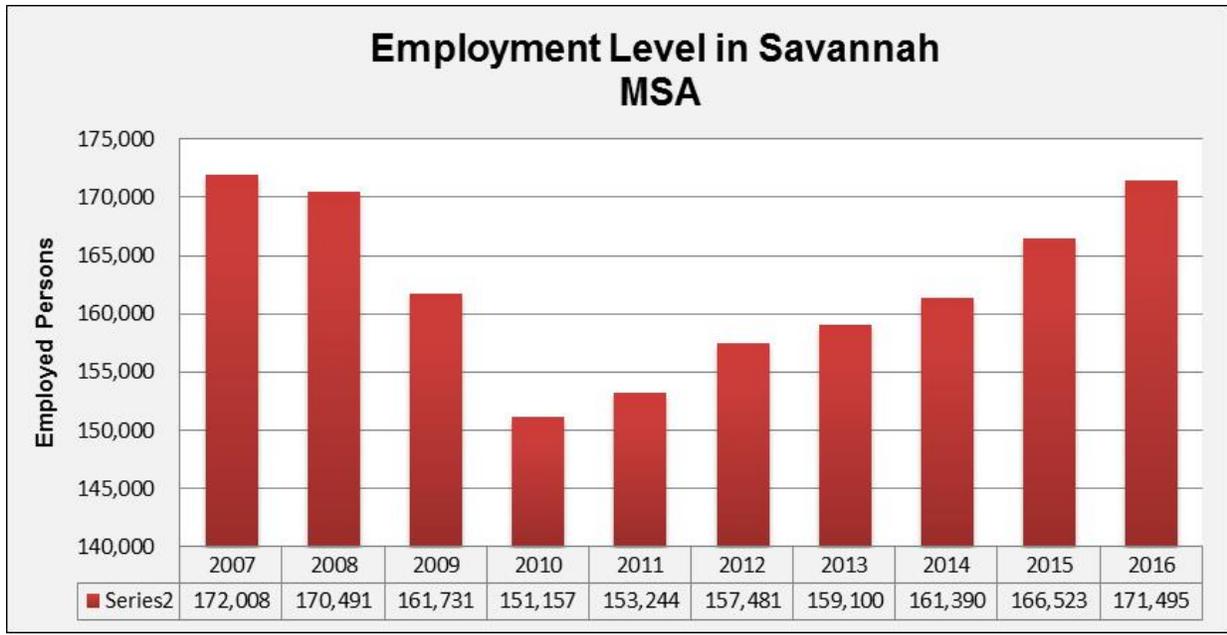
Downtown Savannah: Savannah's downtown area, which includes the Savannah Historic District, the Savannah Victorian Historic District and 22 park-like squares, is one of the largest National Historic Landmark Districts in the U.S. Savannah attracts millions of visitors each year and is home to the Telfair Academy of Arts and Sciences, the First African Baptist Church, Temple Mickve Israel and the Central of Georgia Railway roundhouse complex, the oldest standing antebellum rail facility in America.

Port of Savannah: The Port of Savannah is the largest single container terminal in North America. The port features two railroads (Norfolk Southern & CSX), 9,700 feet of contiguous berth space, over three million square feet of warehouse space available within 30 miles of the port, immediate access to two major interstates (I-16 and I-95), four-hour drive to major markets (Atlanta, Orlando, and Charlotte), and the largest concentration of import distribution centers on the East Coast.

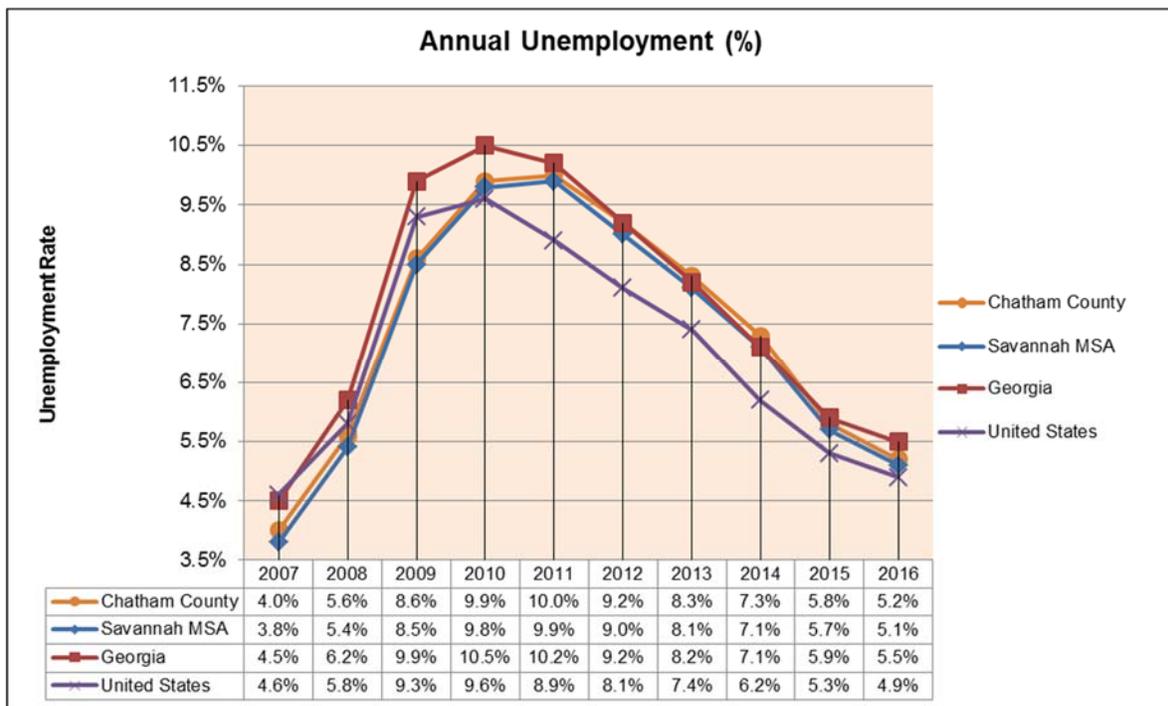
Employment

Employment in the Chatham County was 125,450 in 2015 and grew to 129,185 in 2016. The employment level has been increasing each year in Chatham County since 2010. The employment level in 2015 for the MSA was 166,523 and the level for 2016 was 171,495, also increasing each year since 2010. Please see the graphs below for employment numbers for the past ten years.

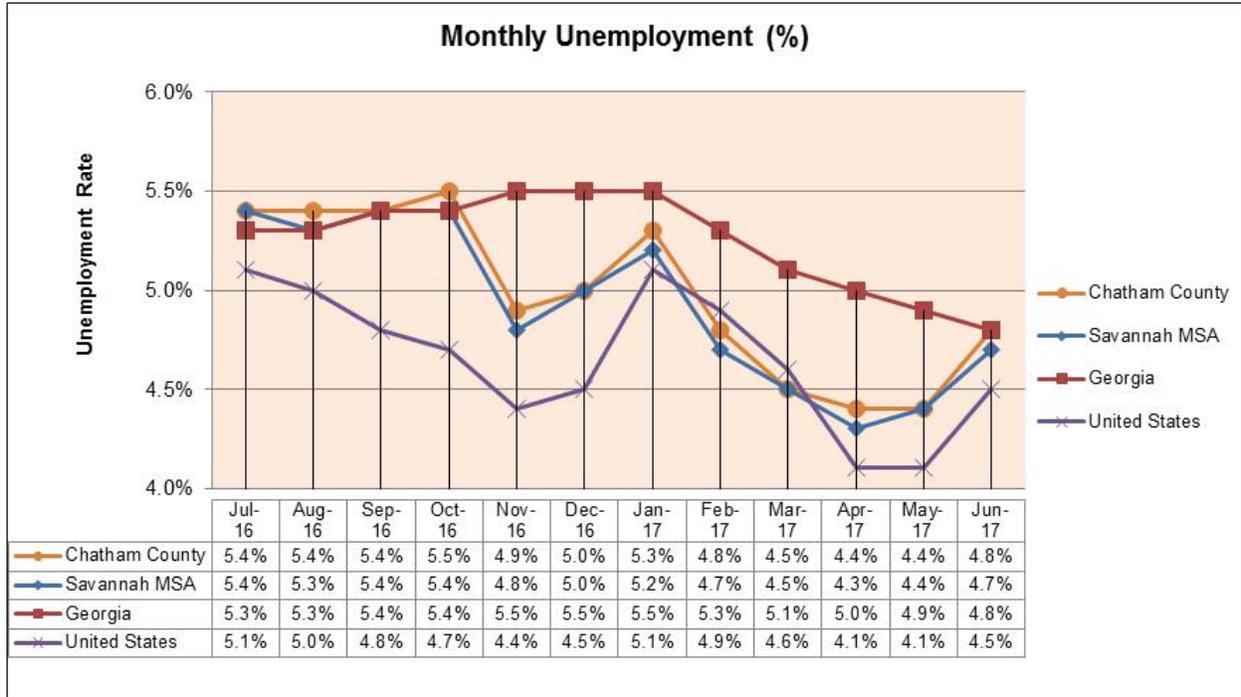




The following chart outlines the annual unemployment rates for Chatham County, the Savannah MSA, Georgia, and the nation.



The following chart outlines the unemployment rates for the twelve-month period from July 2016 to June 2017 (the most current data available from the Bureau of Labor Statistics). Over the past twelve months, unemployment rates have decreased 60 basis points in Chatham County, 70 basis points in the Savannah MSA, 50 basis points in Georgia, and 60 basis points in the nation. The MSA has the lowest rate of the geographic sectors at 4.7% in June 2017, not seasonally adjusted. Chatham County and the state have the highest rate at 4.8%.

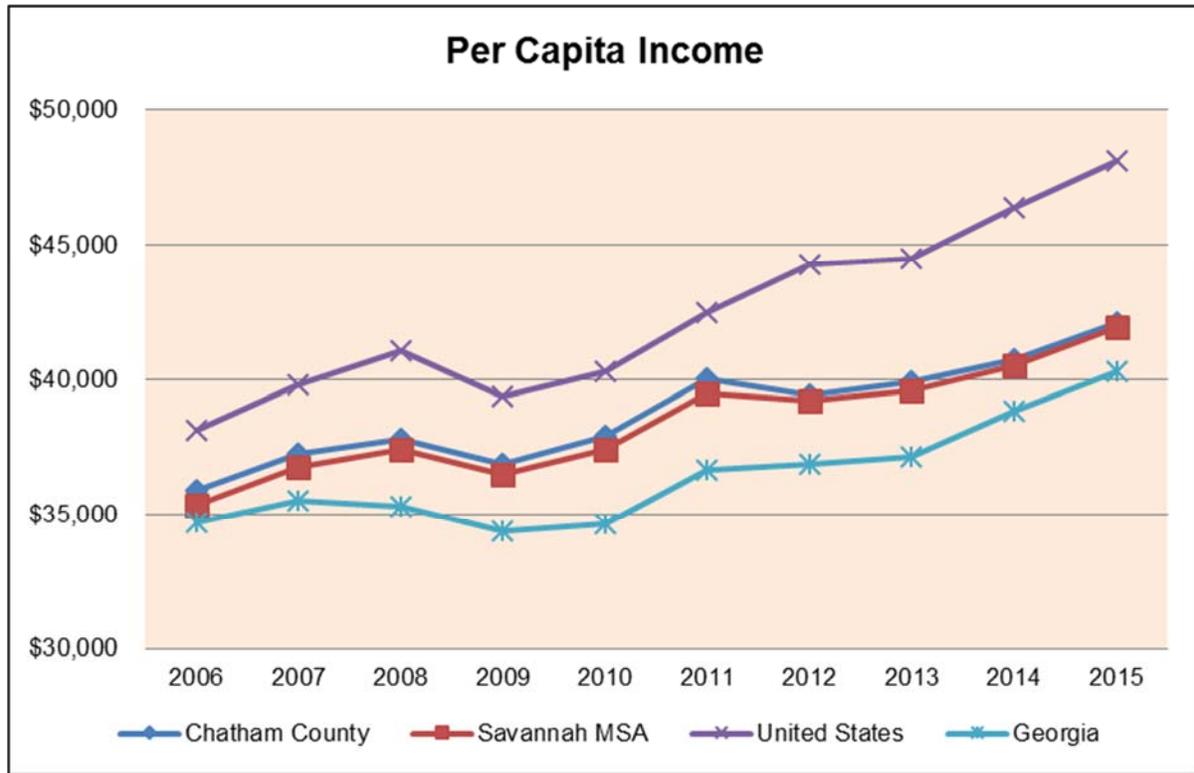


Income

Per capita income levels in Chatham County have historically been more than that of the Savannah MSA and the city in the ten-year period graphed below. Annual growth in the county (1.60%) is greater than the state (1.51%), and lower than the MSA (1.70%) and the nation (2.32%). The per capita income for 2015 is estimated at \$42,115 in Chatham County and \$41,915 in the MSA.

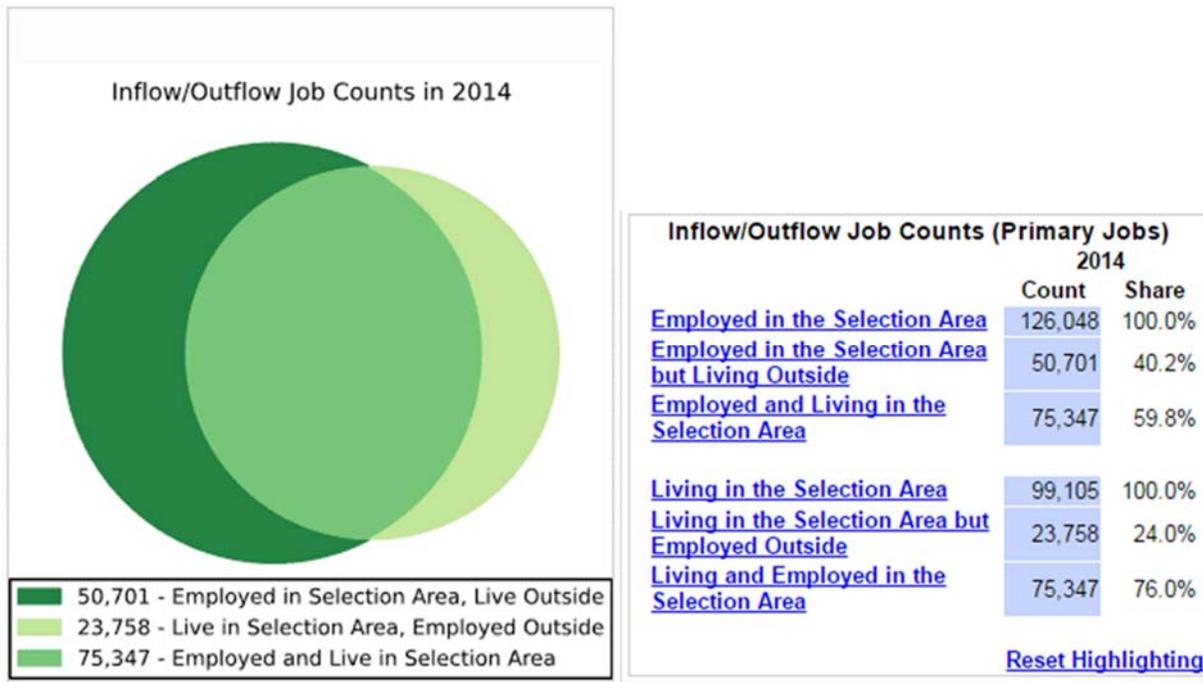
Area	Per Capita Income										% Change	
	Year										Gross	Annual
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Chatham County	\$35,897	\$37,267	\$37,802	\$36,851	\$37,886	\$40,043	\$39,430	\$39,898	\$40,711	\$42,115	17.32%	1.60%
Savannah MSA	\$35,347	\$36,779	\$37,398	\$36,503	\$37,411	\$39,503	\$39,199	\$39,609	\$40,505	\$41,915	18.58%	1.70%
Georgia	\$34,665	\$35,516	\$35,306	\$34,361	\$34,643	\$36,666	\$36,852	\$37,147	\$38,835	\$40,306	16.27%	1.51%
United States	\$38,144	\$39,821	\$41,082	\$39,376	\$40,277	\$42,453	\$44,267	\$44,462	\$46,414	\$48,112	26.13%	2.32%

Source: Bureau of Economic Analysis, U.S. Department of Commerce



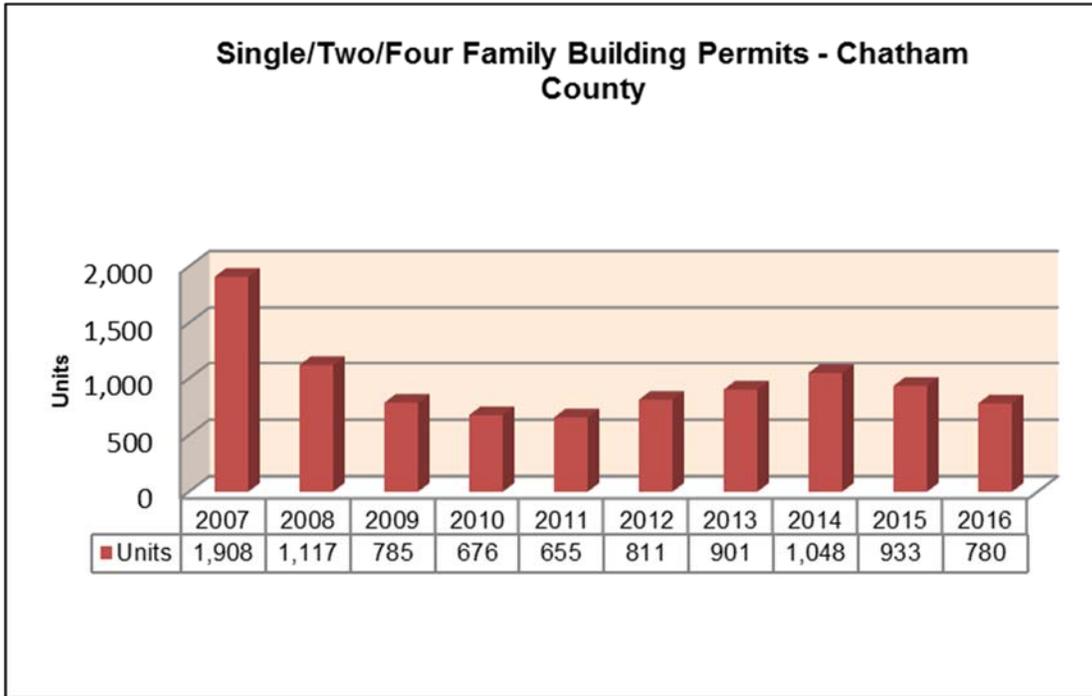
Commuting Patterns

The following illustrates commuting patterns in Chatham County in 2014. The majority of those employed in the county live there as well (59.8%) while 40.2% of those employed in the county live outside. Approximately 76.0% of those living in the county work there as well, while 24.0% are employed outside the county.



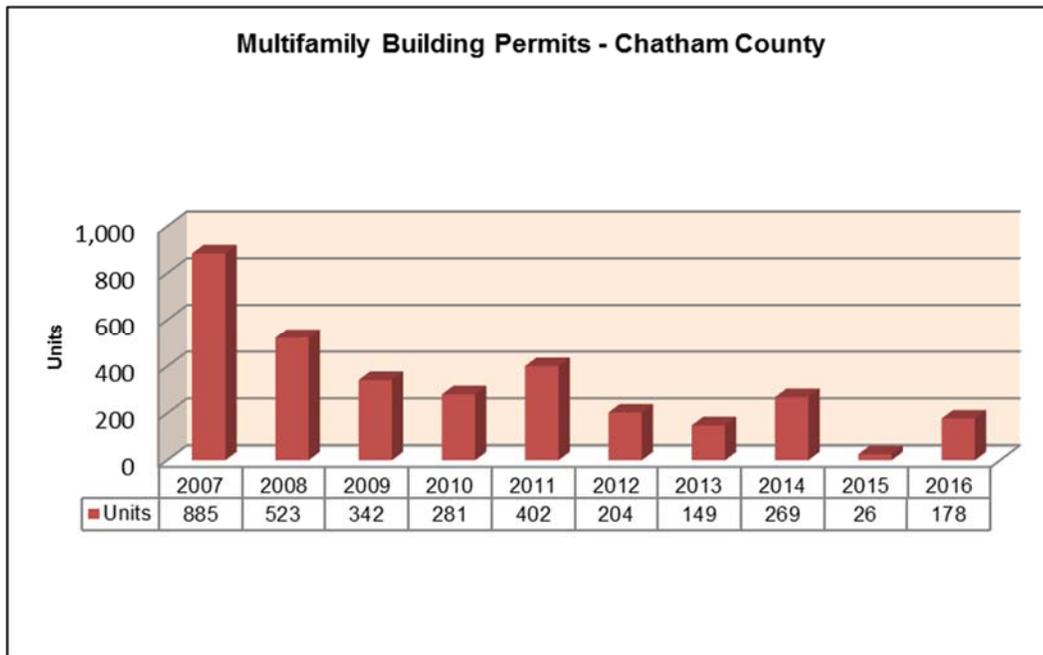
Building Permits

In the following charts, Chatham County building permit trends are graphed. The data is split between permits for the combined single/two/four family permits and multifamily permits, which constitute dwellings of five or more households.



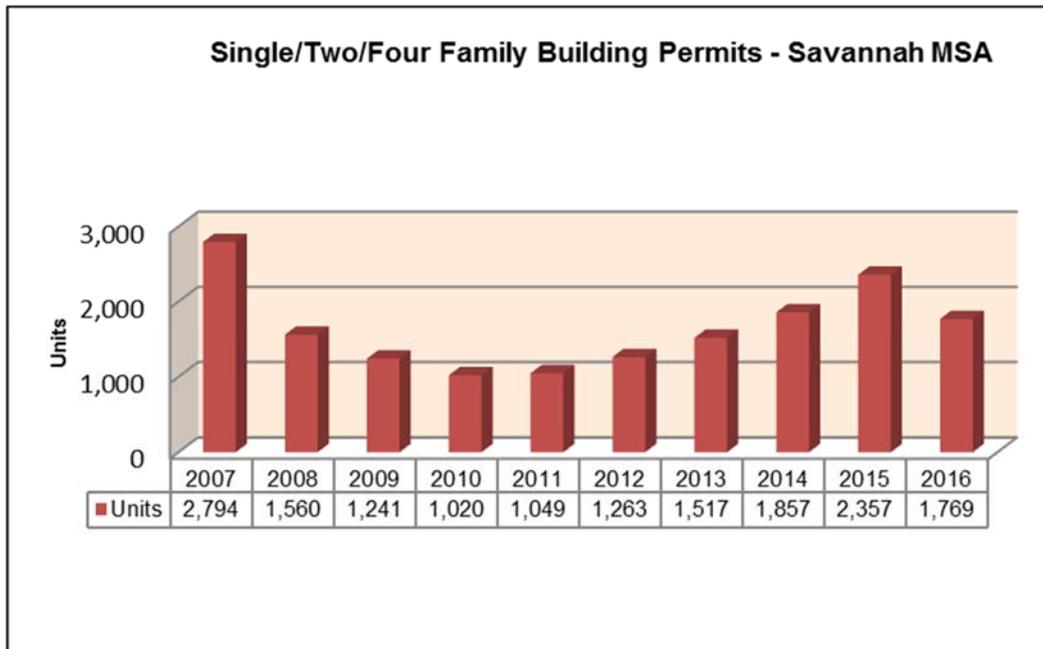
U.S. Census Bureau

Over the past ten years, approximately 3,259 multifamily units have been delivered to the area. The overall permit level reached its peak in 2007 with 885 units. There were 178 units delivered in 2016.



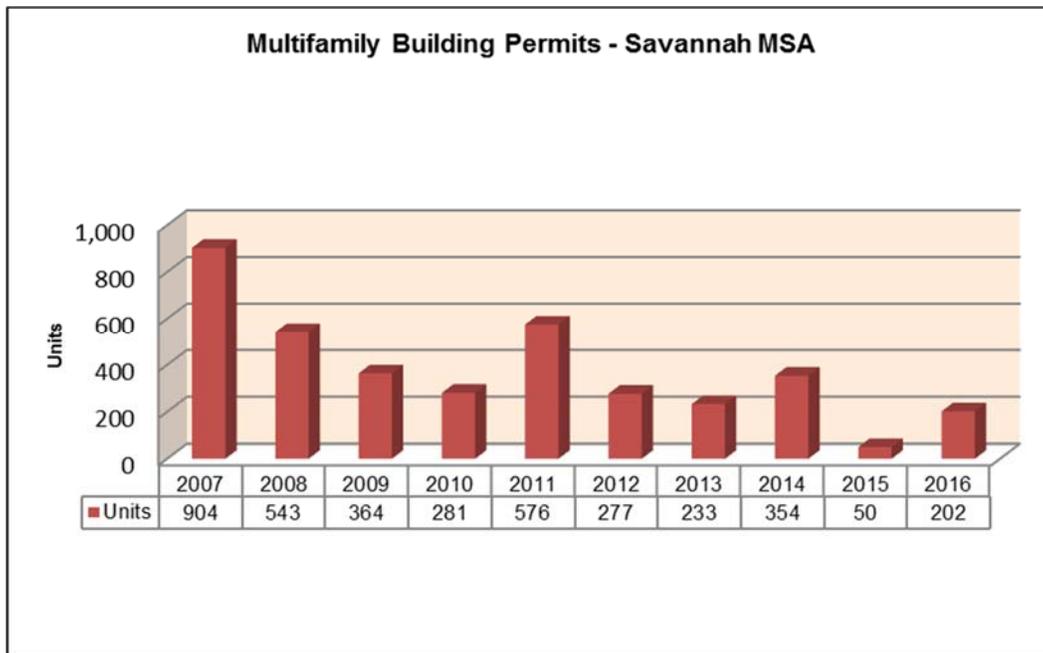
U.S. Census Bureau

In the following charts, the MSA building permit trends are graphed.



U.S. Census Bureau

Over the past ten years, approximately 3,784 multifamily units have been delivered to the area. The overall permit level reached its peak in 2007 with 904 units. There were 202 units delivered in 2016.



U.S. Census Bureau

HOUSING TRENDS

Households

As can be seen by the chart below, in 2017 there were approximately 56,632 households located in Savannah, approximately 112,699 households located in Chatham County, and approximately 146,854 households located in the Savannah MSA. It is estimated that between 2010 and 2017, the MSA had the highest annual increase of 1.54%, annually, while Savannah and Chatham County increased at annual rates of 1.07% and 1.28%, respectively, and the state increased at 0.96% annually. Annual projections show Savannah increasing by 1.10% and Chatham County increasing by 1.27% overall between 2017 and 2022. The state of Georgia is estimated to have positive growth between 2017 and 2022 at 1.01% annually, and the MSA is estimated to grow at 1.53% annually.

Households & Projected Growth								
Area	2000	2010	2017	2022 (Est.)	Ann. Change 2000-2010	Ann. Change 2010-2017	Ann. Change 2017-2022	Gross % Change 2017-2022
Savannah	51,607	52,545	56,632	59,829	0.18%	1.07%	1.10%	5.65%
Chatham County	89,865	103,038	112,699	120,098	1.37%	1.28%	1.27%	6.57%
Savannah MSA	111,105	131,868	146,854	158,547	2.79%	1.54%	1.53%	7.96%
Georgia	3,006,369	3,585,584	3,836,105	4,034,424	2.44%	0.96%	1.01%	5.17%

Source: U.S. Census Bureau/STDB Projections

Savannah's percentage of renter occupied housing has been consistently higher than the Chatham County, Georgia, and the MSA. Below is a breakdown of the housing distribution for 2017 as well as renter occupied housing by year.

Housing Distribution 2017			
Area	Owner Occupied	Renter Occupied	Vacant
Savannah	36.40%	49.00%	14.60%
Chatham County	46.60%	40.30%	13.10%
Savannah MSA	51.10%	36.80%	12.20%
Georgia	54.50%	33.60%	11.90%

Source: STDB Data

Renter Occupied Housing by Year			
Area	2010	2017	2022
Savannah	45.30%	49.00%	49.40%
Chatham County	36.50%	40.30%	40.60%
Savannah MSA	33.40%	36.80%	36.90%
Georgia	30.10%	33.60%	33.60%

Source: STDB Data

Household Income

Household income in Savannah is below the state of Georgia, the Savannah MSA, and Chatham County. The income level in Savannah for 2017 is estimated to be \$36,763. Projections for Savannah show an increase in annual growth from 2017 to 2022 at 1.30%. Chatham County and the MSA are projected to have a higher growth rates at 1.84% and 1.96% annually for the 2017 to 2022 period. Georgia has an annual growth rate for that time period of 2.03%.

Household Income & Projected Growth				
Area	2017	2022 (Est.)	Annual % Change 2017-2022	Gross % Change 2017-2022
Savannah	\$36,763	\$39,239	1.30%	6.74%
Chatham County	\$48,699	\$53,392	1.84%	9.64%
Savannah MSA	\$51,912	\$57,249	1.96%	10.28%
Georgia	\$52,336	\$57,934	2.03%	10.70%

Source: U.S. Census Bureau/STDB Projections

Median Home Value

Home value in Savannah is below the median level for Chatham County, the MSA, and Georgia. The projection for Savannah’s annual growth from 2017 to 2022 is 2.82%. Chatham County and the MSA are both projected to have a higher growth rates at 3.74% and 3.93% annually for the 2017 to 2022 period, respectively. Georgia is projected to have a slightly higher growth rate at 3.19% annually.

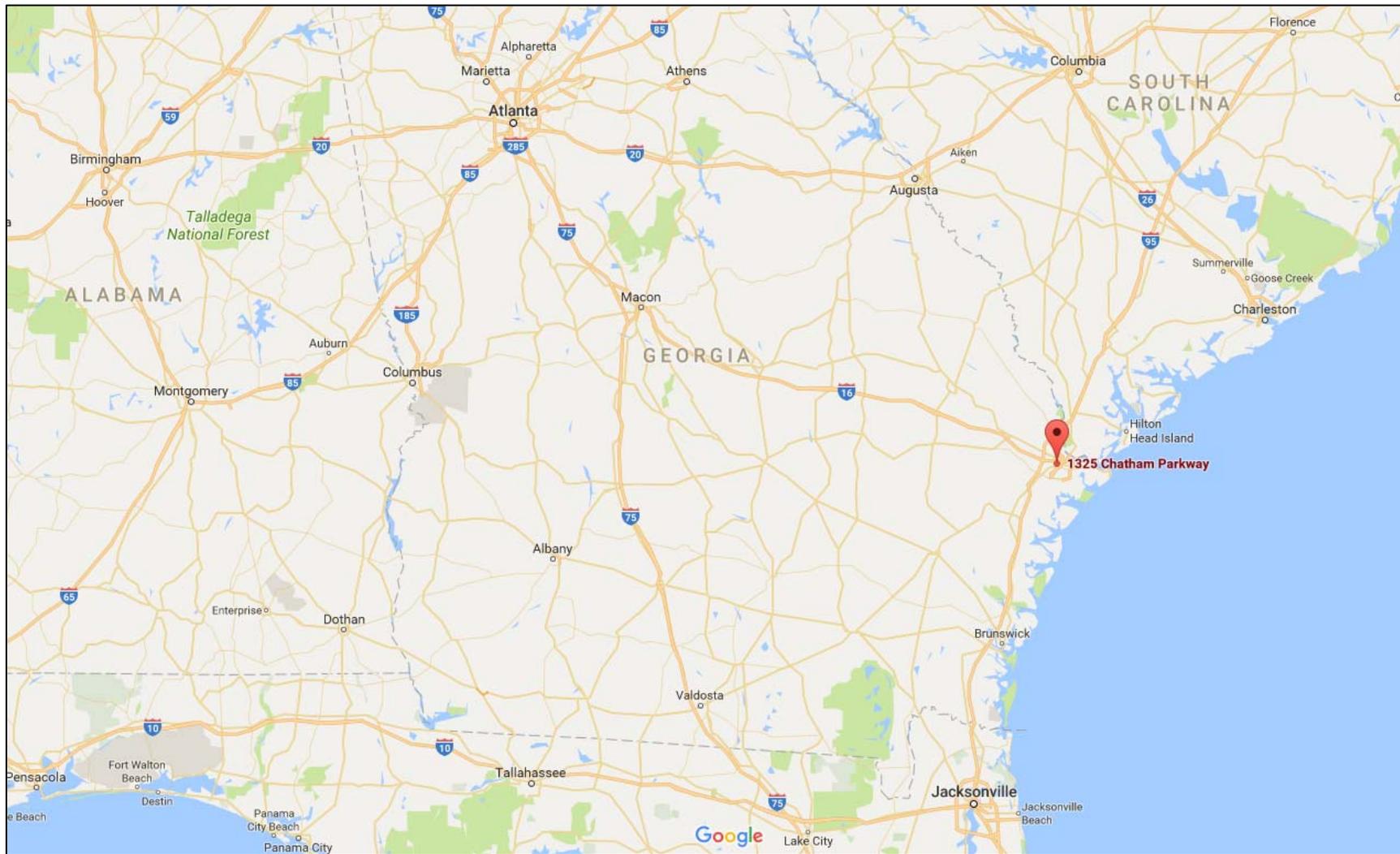
Median Home Value & Projected Growth				
Area	2017	2022 (Est.)	Annual % Change 2017-2022	Gross % Change 2017-2022
Savannah	\$150,587	\$173,403	2.82%	15.15%
Chatham County	\$192,379	\$231,994	3.74%	20.59%
Savannah MSA	\$189,769	\$230,999	3.93%	21.73%
Georgia	\$171,329	\$200,956	3.19%	17.29%

Source: U.S. Census Bureau/STDB Projections

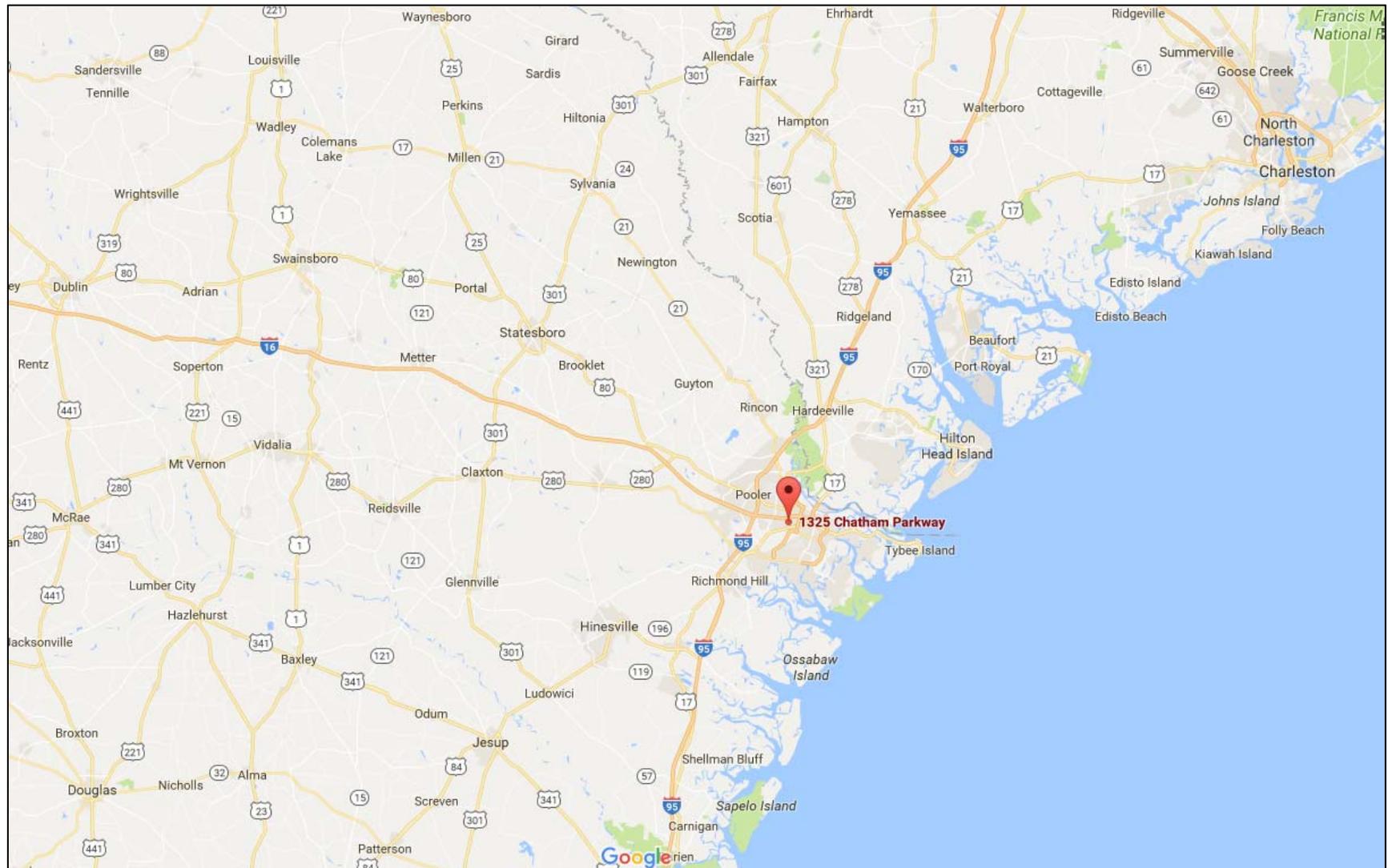
Conclusion

The overall market has experienced growth in recent years. The market is supported by the local port, tourism, education, and industry. Overall, the outlook for the market is considered positive. Both population and labor force are rising in the market.

REGIONAL LOCATION MAP



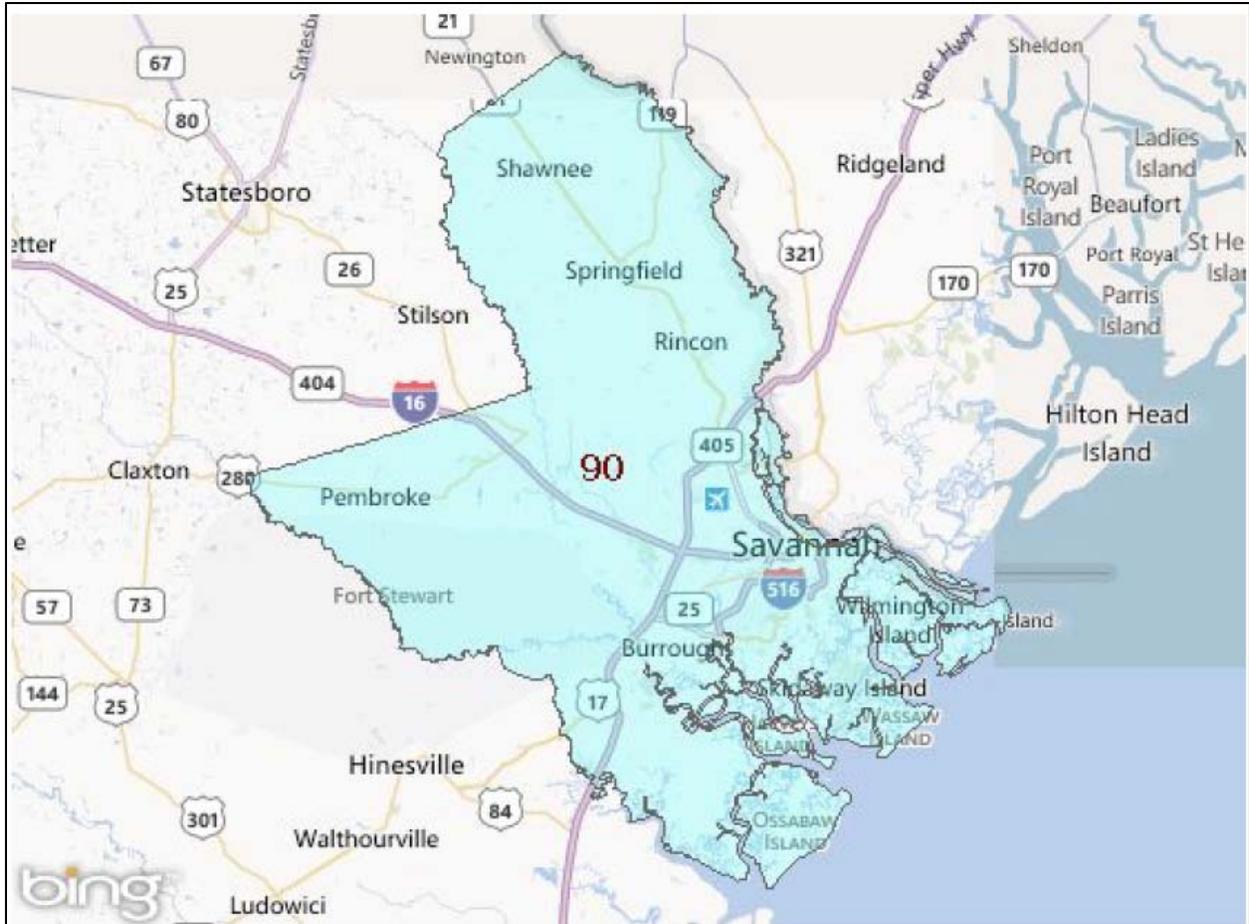
AREA LOCATION MAP



MULTIFAMILY MARKET OVERVIEW

My analysis of the local multifamily market is primarily based on direct polling research of the local market and on anecdotal data. Supporting information is provided by the most recently published *REIS* (2Q17). Additional information was obtained the analyst's personal field survey. Based on my research and on information from these reports, data relative to supply, demand, occupancy, and rental rates/trends are summarized as follows. The map below illustrates the boundaries of the Savannah Metro Area market.

MAP OF THE REIS MARKET



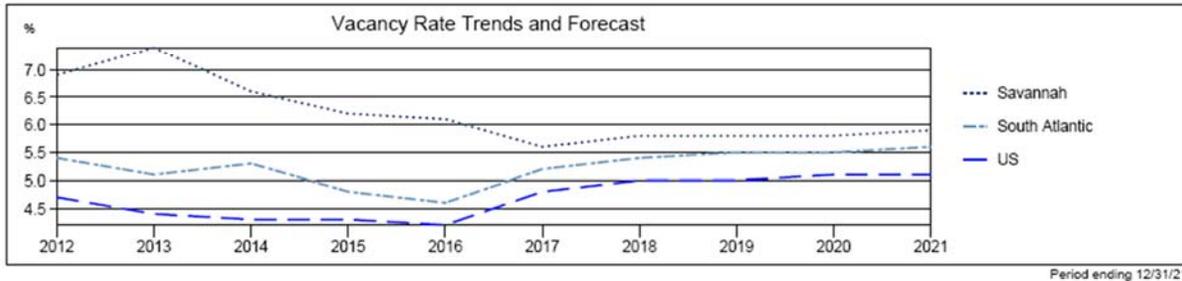
The following provides information pertaining to the current overall state of the market and its acceptability for future multifamily development. Explored are the number and trend of rental housing units, renter-occupied households, and household growth. These factors provide insight into the demographic growth patterns of the market. Market condition and potential is also judged by occupancy, absorption, building permits, and supply pipeline.

REIS Occupancy

According to the 2Q17 REIS report, occupancy in the Savannah market was 94.7% (vacancy rate of 5.3%). This occupancy is a slight increase from the 1Q17 rate of 94.5% and above the one-year annualized occupancy (93.8%).

Section 4 - Vacancy Rate Comparisons							
	Vacancy Rates						
	Quarterly			Annualized			
	2Q17	1Q17	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Savannah	5.3%	5.5%	5.4%	6.2%	6.6%	6.8%	5.9%
South Atlantic	4.6%	4.7%	4.6%	4.7%	4.9%	5.2%	5.4%
United States	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%	5.0%
Period Ending:	06/30/17	03/31/17	06/30/17	12/31/16	12/31/16	12/31/16	12/31/21

Metro Rank Compared to:	Total Metros	Metro Ranks						
		2Q17	1Q17	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	80	67	70	68	72	70	51	71
United States	275	233	242	236	246	252	190	234

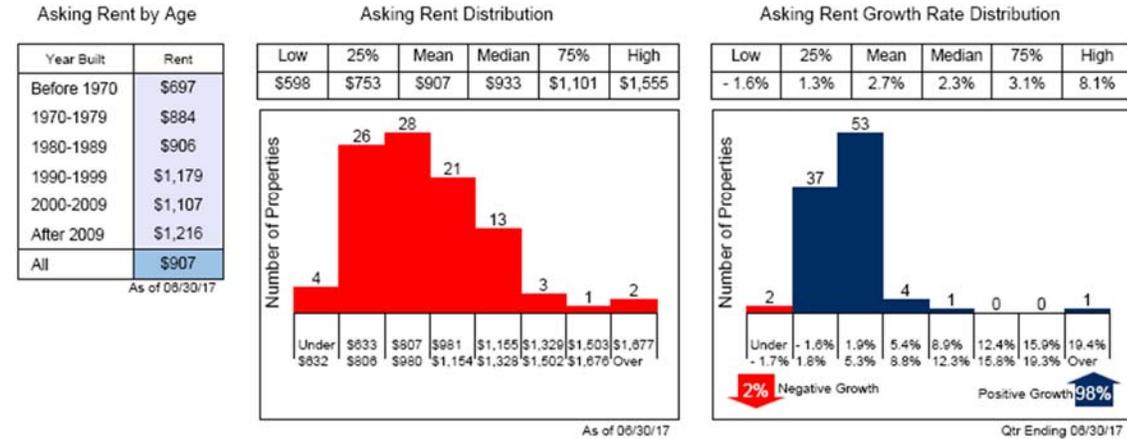


The above data includes a wide range of multifamily properties relative to location and to condition.

REIS Average Rent

Of the 98 properties surveyed by REIS in the Savannah market, 98% reported positive rental growth, while 2% reported negative rental growth. This is higher than reported for most markets. The mean and median rent for all properties surveyed by REIS was \$907 and \$933, respectively. Average rent for properties constructed after the year 2009 was \$1,216 per month, which is \$309 greater than the average of the overall market.

Section 1 - Current Metro Rent Details

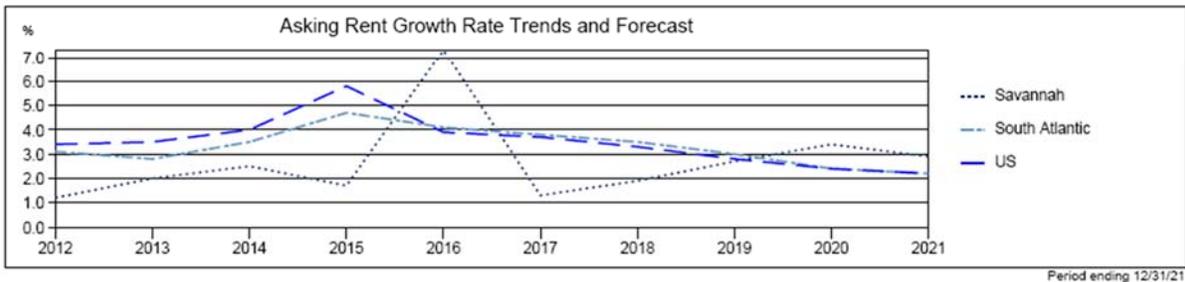


The tables and graph below illustrate the growth in asking rents in the market. Rent growth for the market was 2.7% for 2Q17. Rent growth for 1Q17 (2.2%) was weaker for the metro market. The Savannah one-year annualized (7.3%) is higher than that of the recent quarter. Five-year projections indicate a growth rate of 3.4% for the Savannah market; which is a reasonably strong projection.

Section 2 - Rent Growth Comparisons

	Asking Rent Growth						
	Quarterly			Annualized			
	2Q17	1Q17	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
Savannah	2.7%	2.2%	2.5%	7.3%	3.8%	2.9%	3.4%
South Atlantic	1.2%	0.7%	1.0%	4.1%	4.1%	3.6%	3.0%
United States	1.3%	0.5%	0.9%	3.9%	4.6%	4.1%	2.9%
Period Ending:	06/30/17	03/31/17	06/30/17	12/31/16	12/31/16	12/31/16	12/31/21

Metro Rank Compared to:	Total Metros	Metro Ranks						
		2Q17	1Q17	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
South Atlantic	80	3	2	1	2	22	26	2
United States	275	5	7	2	10	74	89	9



The following chart outlines average rents and rental growth by unit type in the overall market. Studio units average \$764 per month, one-bedroom units average \$830, two-bedroom units average \$913, and three-bedroom units average \$1,150.

Section 5 - Unit Mix Rent Details					
	Current Metro Average Rents and Sizes			Asking Rent Growth	
	2Q 2017	Avg. SF	Avg. Rent PSF	YTD	1 Year
Studio/Efficiency	\$764	508	\$ 1.50	5.4%	21.2%
One Bedroom	\$830	764	\$ 1.09	6.0%	8.0%
Two Bedroom	\$913	1054	\$ 0.87	4.1%	7.3%
Three Bedroom	\$1,150	1329	\$ 0.87	5.9%	4.8%
Average over period ending:				06/30/17	12/31/18

Conclusion

Overall, the market appears to be stable. Occupancy rates for new product, particularly Downtown, appear to be healthy. Absorption rates for new projects have also been strong. A majority of new product that has been delivered to the market has been higher end product. As such, the affordable nature of the subject project should be in high demand.

NEIGHBORHOOD DESCRIPTION AND ANALYSIS

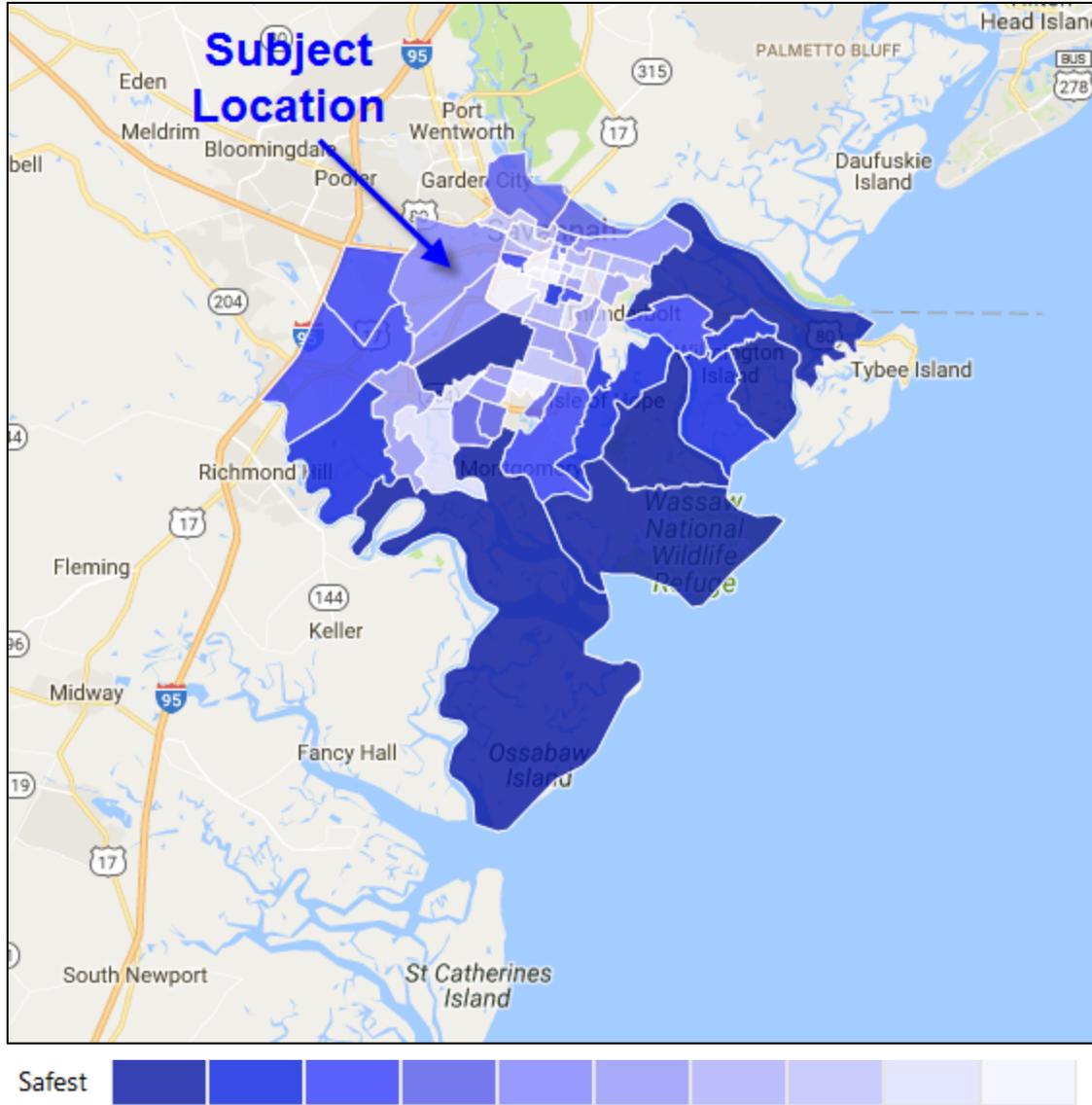
A neighborhood may be defined as “a group of complementary land uses.”³ Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, or a mixture of these uses. Analysis of the neighborhood in which a particular property is located is important due to the fact that the various economic, social, political, and physical forces which affect the neighborhood also directly influence the individual properties within it.

- A: *Analysis of Location.* The subject property is located along the west side of Chatham Parkway within the west sector of Savannah in Chatham County, Georgia.
- B: *Specific Location.* The subject address is 1325 Chatham Parkway, Savannah, Chatham County, Georgia 31405. The neighborhood generally follows Savannah/Hilton Head International Airport to the north, Hunter Army Airfield to the south, downtown Savannah to the east, and Interstate 95 to the west.
- C: *Surrounding Development.* The subject neighborhood is a well-established mixed-use area to include residential (single-family and multifamily), commercial, retail, institutional, and recreational uses. The subject is bordered by an office/warehouse building (Savannah Morning News) and Savannah Regional Detention facility to the south, vacant land and warehouse buildings to the north, and vacant land to the east and west.
- D: *Civic, Social and Commercial Centers.* The subject location is adequately served by schools, shopping centers, transportation, religious facilities, recreational facilities, libraries, hospitals, theaters, and other appropriate services.
1. *Schools.* The subject location is zoned for Carrie E. Gould Elementary School (2.5 miles southwest of the subject), West Chatham Middle School (8.5 miles southeast), and The School of Liberal Studies at Savannah High School (8.0 miles east of the subject).
 2. *Neighborhood Shopping Centers.* There is a Food Lion shopping center located approximately four miles northeast of the subject along August Road and a Kroger shopping center off of Ogeechee Road approximately five miles southwest of the subject. There are numerous restaurants, retail stores, commercial properties, etc. just south of the subject along Ogeechee Road, as well as north of the subject along Augusta Road.
 3. *Religious and Recreation Centers.* A variety of houses of worship are located within one mile of the subject. Several recreational properties are in the area to include Southbridge Golf Club, Mary Calder Golf Course, Fun Zone Amusement & Sports Park, as well as Forsyth Park and the numerous open squares in downtown Savannah.
 4. *Medical Facilities and Universities.* The St. Joseph's/Candler health system has two anchor hospitals in Savannah offering a total of 714 beds. Candler Hospital is located approximately 6.2 miles southeast of the subject and is a 384-bed health care facility. St. Joseph's Hospital is a 330-bed facility located approximately 9.8 miles south of the subject. St. Joseph's Hospital is located is located approximately 6.2 miles southeast of the subject and is a 384-bed health care facility.
- Memorial University Medical Center is located approximately 6.9 miles southeast of the subject and is a 604-bed academic medical center that serves a 35-county area in southeast Georgia and southern South Carolina.

³ *The Appraisal of Real Estate*, 14th Edition, Appraisal Institute, 2013.

Several colleges are located in the area to include Armstrong State University, Savannah Technical College, South University Savannah, University of Phoenix Savannah, Savannah College of Art and Design, Savannah State University, etc.

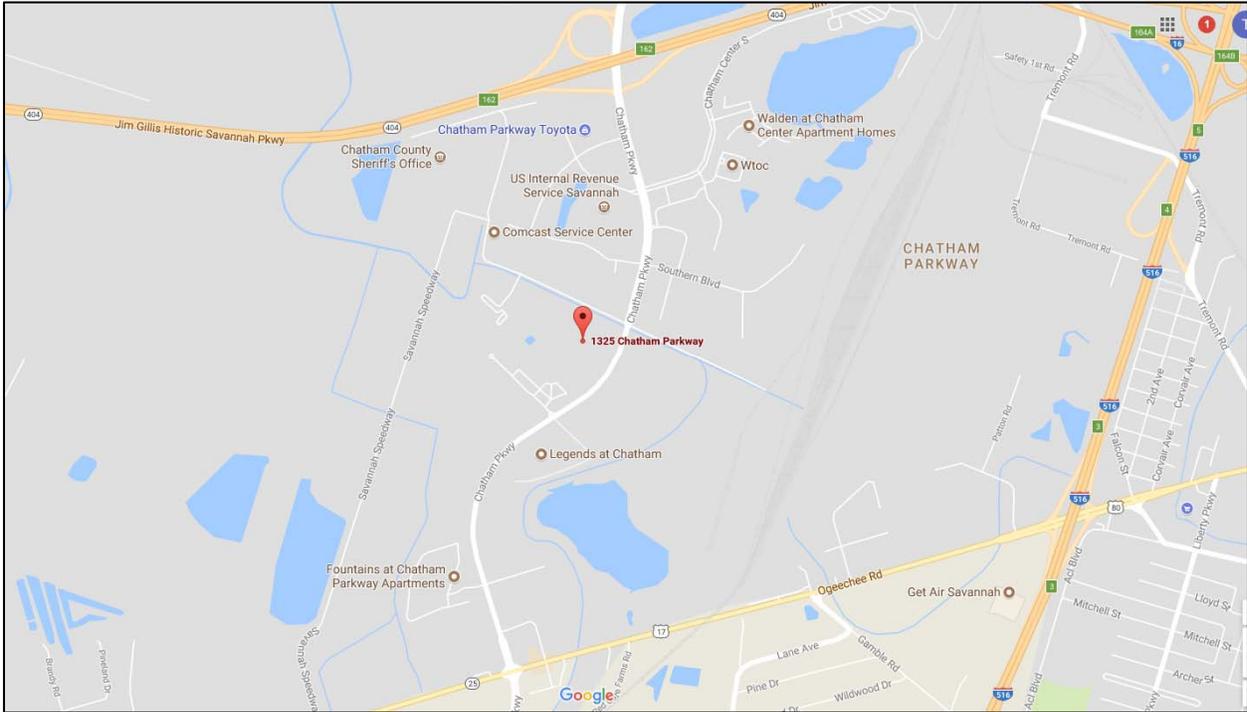
- E. *Transportation.* Accessibility to the neighborhood is considered good. The neighborhood is located within close proximity to primary traffic arteries as well as employment centers, shopping, schools, religious facilities, and recreational areas. Public transportation is available via Chatham Area Transit which provides daily local fixed route bus service. Bus stops are located at the Chatham Detention Center, just south of the subject, and the Probation Office, just east of the subject. Overall, the infrastructure within the neighborhood is in good condition and does not create any adverse effect on property values. Being located within close proximity to several major highways provides for convenient access to the various markets in Chatham County and surrounding areas.
- F. *Special Hazards and Nuisances.* None known or observed during the appraiser's onsite inspection.
- G. *Parking Facilities.* No public parking facilities were identified in the immediate subject neighborhood. It appears as though the subject project will contain adequate parking.
- H. *Site Suitability.* Overall, the residential area immediately surrounding the subject site and its adjacent uses includes moderately priced single family homes and multifamily properties. The residential character of the area enhances its overall appeal in conjunction with its convenience to necessary commercial goods and services. Accessibility to the neighborhood is considered good. The neighborhood is located within close proximity to several traffic arteries as well as city services. The neighborhood reflects a mixture of both residential and commercial uses. The surrounding land uses are outlined below:
- **North:** Vacant Land / Warehouses
 - **East:** Vacant Land
 - **South:** Savannah Morning News Office Warehouse / Savannah Regional Detention
 - **West:** Vacant Land
- I. *Crime.* According to Neighborhood Scout, the city of Savannah reports 6,650 total crimes, including 766 violent crimes and 5,884 property crimes. There are 45.65 annual crimes per 1,000 residents, including 5.26 violent crimes, which is higher than the state average of 3.78 annual violent crimes per 1,000 residents. Below is a map of Savannah neighborhoods indicating the safeness of each, based on crime rates. The subject is located within the Silk Hope / Alabama Junction neighborhood as seen below.



Summary

The neighborhood is located in a growing area with all the necessary private and public services to support multifamily development. Apartments would conform to the residential character of the surrounding neighborhood.

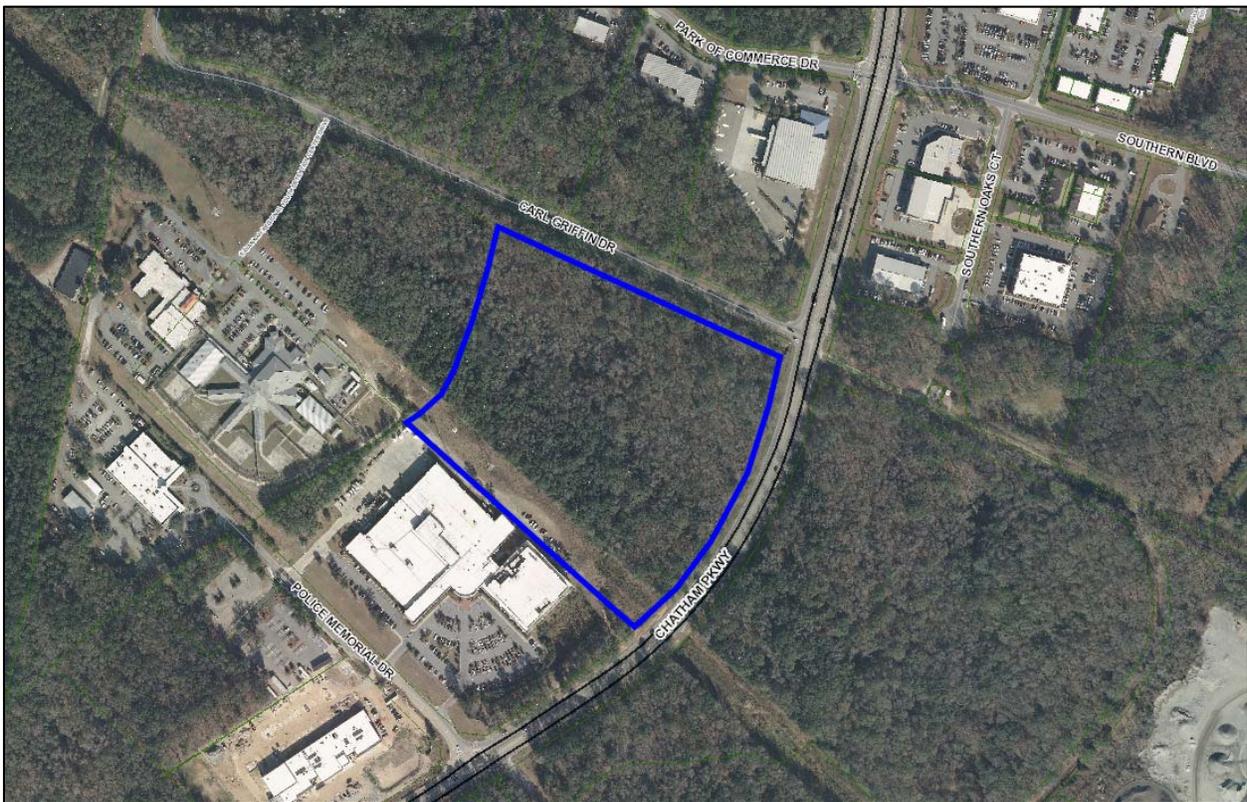
NEIGHBORHOOD MAPS



SITE DESCRIPTION

The subject property contains 15.907 acres located along the west side of Chatham Parkway in the west sector of Savannah. The site contains approximately 908 feet of road frontage along Chatham Parkway, the road from which the site will be accessed. The northern property line is bordered by a 60-foot canal right-of-way then Carl Griffin Drive. According to the site plan, the subject development will be situated in the south portion of the tract as the northern portion of the site is located in Zone AE, a special flood hazard area as determined by FEMA. The site plan indicates that there are 6.94 acres designated as wetlands and 8.97 acres designated as uplands. The subject reflects generally level to gently sloping, mostly wooded topography. Based on the site plan, the overall density for the site is 10.86 units per acre which excludes 115,584 square feet of streets, drives, walks, and parking). The southern boundary contains an overhead power line easement; refer to the Addenda for specifics.

GIS PROPERTY MAP



The subject property is being purchased for the development of a 144-unit Low Income Housing Tax Credit (LIHTC) apartment complex to be identified as *The Preserve at Chatham Parkway Apartments*. The subject parcel is identified by the Chatham County Property Assessor's Office as Parcel # 2-0834 -01-013.

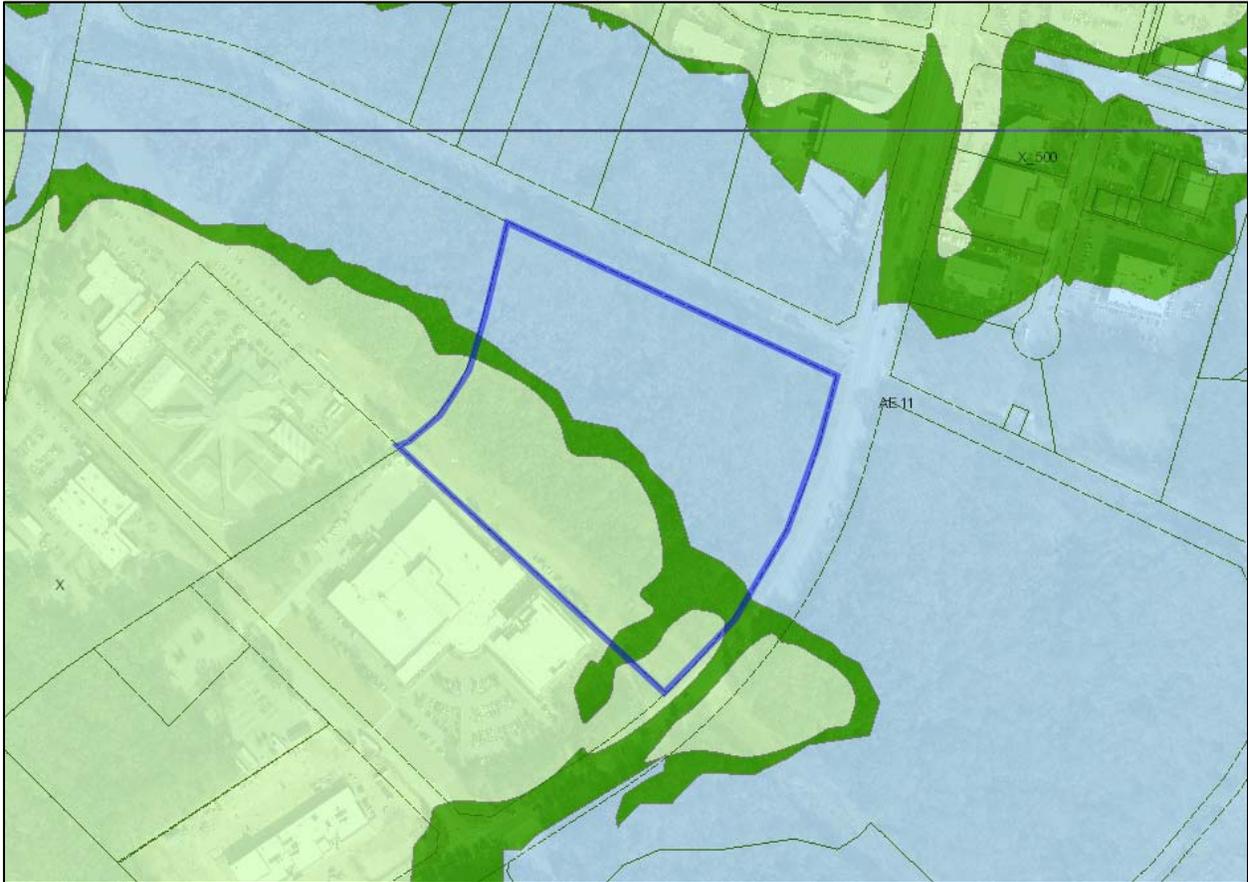
Utilities

Utilities available to the site include electricity, water, sanitary sewer, cable, and telephone service. Police and fire protection is provided by Chatham County and the City of Savannah.

Flood Map Information

According to Federal Emergency Management Agency (FEMA) flood insurance rate map #13051C0145F, dated September 26, 2008, the subject site is located in Zones AE-11 (inside the 100-year flood zone), X_500 (inside the 500-year flood zone), and X (outside the 500-year flood zone). Refer to the accompanying map below:

FLOOD MAP



Zoning

According to Gary Plumbley with the Chatham County-Savannah Metropolitan Planning Commission, the subject was rezoned PUD-M-12 (Planned Unit Development Multifamily District) earlier this year. Mr. Plumbley indicated that the subject proposed development is currently under review but has not received final approval yet.

Multifamily development is a permitted use within this district with a maximum density of 12 units per acre. The subject proposed development would reflect a density of 9.05 units per acre based on a total of 15.907 acres. However, based on the site plan, the overall density for the site is 10.86 units per acre which excludes 115,584 square feet of streets, drives, walks, and parking). In addition, this district requires a minimum of 1.5 parking spaces per unit; the subject will contain 236 spaces which yields a parking ratio of 1.82 parking spaces per unit.

It appears and is assumed that the proposed subject development will represent a legal, conforming use within the PUD-M-12 District. A copy of the PUD-M-12 District zoning regulations is included in the Addenda.

ZONING MAP



Real Estate Taxes

The subject property is located inside the city limits of Savannah in Chatham County. The combined tax rate for this area is 30.573 (2016) per \$1,000 of assessed value. It is the practice of the Chatham County Property Assessor’s Office to assess multifamily properties at 100 percent of the total appraised value. As of the appraisal date, the subject site is assessed as an undeveloped tract. The County underwent a full reassessment that went into effect January 1, 2016. The existing tax burden is shown in the following table.

Existing Real Estate Tax Burden - Assuming Conventional Operations -	
Parcel ID	2-0834-01-013
Tax Appraised Land	\$ 1,347,900
Tax Appraised Improvements	\$ -
Total Appraised Value	\$ 1,347,900
Assessment Rate	40%
Assessed Value	\$ 539,160
Millage Rate	30.57300
Annual Tax Burden	\$ 16,483.74
Less Sales Tax Credit	\$ (673.41)
Total Annual Tax Burden	\$ 15,810.33

In order to estimate the tax burden upon completion assuming conventional operations, the appraiser has researched the local market database for similar properties. These tax comparables are listed below.

Summary of Tax Comparables - Conventional									
Complex Name	City / County	Year Built	No. of Units	Land Value	Appraised Value / Unit	Building Value	Appraised Value / Unit	Total Appraisal	Appraised Value / Unit
Walden at Chatham Center	Savannah / Chatham	2003	236	N/A	N/A	\$22,692,344	\$96,154	\$22,692,344	\$96,154
The Fountains at Chatham Pkwy	Savannah / Chatham	2006	352	\$3,519,500	\$9,999	\$36,593,934	\$103,960	\$40,113,434	\$113,959
Legends at Chatham	Savannah / Chatham	2015	255	\$2,211,000	\$8,671	\$26,592,700	\$104,285	\$28,803,700	\$112,956
Grand Oak at Ogeechee River	Savannah / Chatham	2011	316	\$1,870,400	\$5,919	\$34,153,600	\$108,081	\$36,024,000	\$114,000
Mariner Grove	Savannah / Chatham	2016	320	\$2,757,300	\$8,617	\$28,106,600	\$87,833	\$30,863,900	\$96,450
Low		2003	236	\$1,870,400	\$5,919	\$22,692,344	\$87,833	\$22,692,344	\$96,154
High		2016	352	\$3,519,500	\$9,999	\$36,593,934	\$108,081	\$40,113,434	\$114,000
Mean		2010	296	\$2,589,550	\$8,301	\$29,627,836	\$100,063	\$31,699,476	\$106,704
Median		2011	316	\$2,484,150	\$8,644	\$28,106,600	\$103,960	\$30,863,900	\$112,956

The appraised values per unit show a range of \$87,833 to \$108,081 per unit with a mean of \$100,063 per unit and a median of \$103,960 per unit. The subject is believed to be situated within the mid-range of the comparables. The subject is believed to be situated at the upper end of the range due to its new age and quality.

Based on this information, a projection of \$110,000 per unit has been estimated for the subject development. This amount includes \$7,639 per unit for the land (based on contract price of \$1,100,000) and \$102,361 per unit for the improvements.

Application of the current tax rate to this assessment yields a projected tax burden of \$1,345.21 per unit, or \$193,710.53 annually. A breakdown of the projected real estate tax burden is shown below. This projection is higher than the proforma expense of \$972 per unit, but is considered reasonable given the comparable conventional tax data herein. According to the Chatham County Assessor's Office, new multifamily properties are appraised based on the Cost Approach until the property is stabilized at which point the Income Approach is given primary consideration.

Projected Real Estate Tax Burden - Assuming Conventional Operations -	
Parcel ID	2-0834-01-013
Tax Appraisal Per Unit	\$ 110,000
Number of Units	144
Total Appraised Value	\$ 15,840,000
Assessment Rate	40%
Assessed Value	\$ 6,336,000
Millage Rate	30.57300
Total Annual Tax Burden	\$ 193,710.53
Annual Tax Burden Per Unit	\$ 1,345.21

The following LIHTC comparables have been utilized in order to estimate a tax burden for the subject property under affordable operations.

Summary of Tax Comparables - LIHTC									
Complex Name	City / County	Year Built	No. of Units	Land Value	Appraised Value / Unit	Building Value	Appraised Value / Unit	Total Appraisal	Appraised Value / Unit
Sustainable Fellwood Ph. II	Savannah / Chatham	2012	56	\$322,900	\$5,766	\$5,200,000	\$92,857	\$5,522,900	\$98,623
Savannah Gardens Ph. III	Savannah / Chatham	2012	94	\$345,200	\$3,672	\$6,355,100	\$67,607	\$6,700,300	\$71,280
Montgomery Landing	Savannah / Chatham	2005	144	\$682,500	\$4,740	\$6,160,400	\$42,781	\$6,842,900	\$47,520
Bradley Pointe	Savannah / Chatham	2004	144	\$1,334,900	\$9,270	\$6,351,200	\$44,106	\$7,686,100	\$53,376
Low		2004	56	\$322,900	\$3,672	\$5,200,000	\$42,781	\$5,522,900	\$47,520
High		2012	144	\$1,334,900	\$9,270	\$6,355,100	\$92,857	\$7,686,100	\$98,623
Mean		2008	110	\$671,375	\$5,862	\$6,016,675	\$61,838	\$6,688,050	\$67,700
Median		2009	119	\$513,850	\$5,253	\$6,255,800	\$55,857	\$6,771,600	\$62,328

The affordable properties indicate a range in unit values from \$47,520 to \$98,623 per unit with a mean of \$67,700 per unit and a median of \$62,328 per unit. Given the quality, condition, and location of the subject development, a projection of \$80,000 per unit is considered reasonable for use in the affordable-operations scenario. Application of the current tax rate to this assessment yields a projected tax burden of \$978.34 per unit, or \$140,880.83 annually. A breakdown of the projected real estate tax burden is shown below. This projection is generally consistent with the proforma expense of \$972 per unit.

Projected Real Estate Tax Burden - Assuming LIHTC Operations -	
Parcel ID	2-0834-01-013
Tax Appraisal Per Unit	\$ 80,000
Number of Units	144
Total Appraised Value	\$ 11,520,000
Assessment Rate	40%
Assessed Value	\$ 4,608,000
Millage Rate	30.57300
Total Annual Tax Burden	\$ 140,880.38
Annual Tax Burden Per Unit	\$ 978.34

IMPROVEMENT DESCRIPTION

The proposed subject development will be known as The Preserve at Chatham Parkway Apartments and will reflect a 144-unit multifamily complex comprised of one-, two-, and three-bedroom units. The appraiser has reviewed building plans and specifications for the subject development. Pertinent pages have been reduced and included in the attached Addenda. Proposed construction will reflect four (4) three-story, garden apartment buildings containing 96 units, and one (1) four-story, elevator building containing 48 units. The buildings will reflect wood frame construction with fiber cement siding and stone veneer exteriors. The proposed unit breakdown of the development will consist of twelve (12) one-bedroom/one-bath garden units, forty-eight (48) two-bedroom/one-bath elevator units, thirty-six (36) two-bedroom/one-bath garden units, and forty-eight (48) three-bedroom/two-bath garden units. A breakdown of the subject's proposed unit mix and HUD square footage is exhibited as follows:

The Preserve at Chatham Parkway - Unit Mix, Paint to Paint & Gross Square Footages -					
Unit Type	No. of Units	HUD NRSF	Total NRSF	HUD GSF	Total GSF
1BR / 1BA - Garden	12	751	9,012	834	10,008
2BR / 1BA - Elevator	40	928	37,120	963	38,520
2BR / 1BA - Elevator	8	928	7,424	963	7,704
2BR / 1BA - Garden	36	912	32,832	1,019	36,684
3BR / 2BA - Garden	48	1,097	52,656	1,219	58,512
Total / Average	144	966	139,044	1,052	151,428
Community Areas			N/A		1,875
Business			N/A		706
Support Areas			N/A		257
Circulation			N/A		3,206
Total Square Footage:			Net SF: 139,044	Gross SF:	157,472

Summary of Unit Ratio				
Unit Type	Unit Ratio	No. of Units	Average Net SF	Total NRA
1BR	8.3%	12	751	9,012
2BR	58.3%	84	912	77,376
3BR	33.3%	48	1,097	52,656
	100%	144	966	139,044

Based on the questionnaire provided by the developer, the units will contain carpet in the living areas and vinyl flooring in the kitchens and bathrooms. Kitchens will be equipped frost-free refrigerator, stove/oven, dishwasher, double stainless steel sink with disposal, and laminate countertops. Additional features include blinds, central heat and air conditioning, laundry closet with washer/dryer connections, and balcony or patio with additional storage (in garden units only). All apartment buildings will be fully sprinklered.

The units will be individually metered for electricity. The units will also be wired for telephone and cable television. Included within the rent will be water, sewer, trash removal, and pest control. All electricity will be the responsibility of the tenant.

Project amenities will include a clubhouse with leasing office, community room, fitness center, business center, laundry facility, and two outdoor patio spaces with picnic and recreation areas. The complex will offer 263 surface parking spaces which equates to 1.82 spaces per unit.

Project Amenities			
Clubhouse	X	Playground	X
Fitness Center	X	B-ball/ Sports Court	
Business Center	X	Sand Volleyball Court	
Laundry Facility	X	Tanning Bed	
Community Room	X	Picnic Area	X
Swimming Pool		Walking Trail	
Whirlpool		Putting Green	

Unit Amenities			
Balcony/Patio	*	Dishwasher	X
Blinds	X	Disposal	X
Ceiling Fans		Range/Oven	X
Central A/C & Heat	X	Refrigerator	X
Fireplace		Icemaker	X
W/D Appliances		Microwave	
W/D Connections	X	Balcony Storage	*

*Garden units only.

Overall, the facility should be aesthetically pleasing and functional in design, competing with the newest tax credit product in the submarket. However, if there is some functional obsolescence associated with the two-bedroom units which contain only one bathroom for market rate projects. According to Commonwealth, all of their HUD financed, LIHTC properties with two bedroom one bath units, and have been successful with this type of unit. There are LIHTC comparables in the market that have only one bath units and those projects have stabilized occupancy levels.

REMAINING ECONOMIC LIFE

The Appraisal Institute defines the Remaining Economic Life as: “the estimated period during which improvements continue to contribute to property value.” To estimate Remaining Economic Life, it is necessary to estimate the total useful life of the improvements as well as the current effective age. Part of the analysis of estimating effective age involves estimating the amount of incurable physical depreciation, which refers to items that cannot be practically or economically corrected at the present time. These items typically represent major structural components of the building such as foundation, load-bearing walls, roof system, and mechanical systems. Physical incurable depreciation is determined by dividing the subject improvement’s useful life by its effective age, as determined by the appraiser. The economic life is based on a table published in the Marshall Valuation manual along with market-extracted depreciation calculations retained in the work file.

Per the MAP Guide, “the methodology and reference/data sources used by the appraiser must be clearly set-forth in the report and must consider all of the following factors”:

(1) The economic make-up of the community or region and the ongoing demand for accommodations of the type represented.

The location of the subject project is situated within a middle- to upper-income neighborhood. Occupancy rates and recent absorption patterns for new product has been strong.

(2) The relationship between the property and the immediate environment. Older properties may have legally non-conforming use if they pre-dated real property zoning for the neighborhood. Observations within the neighborhood in which the subject is situated may reveal a conflicting relationship. This should be fully explored to determine any potential external obsolescence.

The site is located immediately adjacent to various neighborhood residential land uses with reasonable access to supportive commercial uses. A majority of the surrounding development is in average to good condition. According to information provided on the plans, it is believed that the project will be in full conformance with the existing zoning regulations.

(3) To the extent possible, the appraiser should analyze architectural design, style and utility from a functional point of view and the likelihood of obsolescence attributable to new inventions, new materials, changes in building codes, and changes in tastes. The appraiser should indicate in the Scope of Work the steps taken to accomplish this requirement.

The overall quality of the project is generally consistent with newer, tax credit product that has been introduced in the local and regional market over the past several years. The exterior finishes will be of solid surfaces that would require minimal maintenance. The garden design will be consistent with a majority of the competing product; while the elevator building will be somewhat of a premium. Project amenities are considered acceptable for a project of this size and either meet or exceed that typically found in an affordable complex. The interior layout of the units is also considered functional as they compare to other projects in the market. However, there is some functional obsolescence associated with the two-bedroom units which contain only one bathroom.

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

Positive trending of multifamily values and rents are currently being experienced in this market.

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

Overall, the workmanship and quality of construction for this project appears to be on par or above with other new affordable developments in the region.

(6) Physical condition and the practice of owners and occupants with respect to maintenance, the use or abuse to which the improvements are subjected, the physical deterioration and functional obsolescence within the subject property.

This factor is not as applicable in a new construction project. According to *Marshall Valuation Service*, a Good Apartment Complex, Class D Construction, a typical structure should have an economic life of approximately 50 to 55 years. The remaining economic life of building improvements can be extended during the course of their use depending on the level of periodic maintenance. With adequate maintenance, management, and judicious use of the replacement reserves, we believe the improvements at HUD-insured properties will contribute to property value into the future. Unlike many conventional loans, FHA insured loans require critical and non-critical repairs to be completed, as well a substantial initial deposit and annual funding of the replacement reserves. The FHA-insured properties will be subject to HUD asset management oversight as well as REAC and mortgagee inspection for the life of the loan, and replacement reserves will be adjusted as inspections deem necessary. With the new requirements, a PCNA will be required every 10 years to ensure that the appropriate levels of reserves are being funded for the life of the loan. The project is also subject to annual audited financial statement review. Thus, the project is under federal scrutiny for the term of the loan, much more than typical financing, which supports an extended estimate of Total Economic Life. Given these factors, it is reasonable to project a Total Economic Life of approximately 55 years. Given the proposed condition of the development, the projection of the Remaining Economic Life is **55 years**.

HIGHEST AND BEST USE

The first step in the appraisal process is the determination of Highest and Best Use. Highest and best use may be defined as:

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

The validity of an appraisal is dependent upon the consideration and conclusion of highest and best use. The highest and best use of a property is shaped by the competitive forces within the market where the property is located. The analysis and interpretation of highest and best use is an economic study of market forces focused on the subject property. Thus, in-depth analysis of supply and demand characteristics, investor behavior, and physical characteristics of the site and improvements are essential.

Four tests are used to determine the highest and best use of a property. A proposed or existing use must meet all four of the following requirements: 1) legal permissibility; 2) physical possibility; 3) financial feasibility; and 4) maximum profitability.

These criteria are considered sequentially since the tests of legal permissibility and physically possible must be applied before the tests of financially feasible and maximally productive. These four criteria are described in greater detail below.

- *Legally Permissible:* Legally permissible factors include zoning regulations, private deed restrictions, local building codes, environmental regulations, and historic district regulations. A long-term lease can also affect a property's highest and best use in some situations.
- *Physically Possible:* Once a use has been determined to be legally permissible, it must be decided whether or not it is physically possible. Physically possible uses are shaped by size, area, shape, topography, flood possibilities and physical capacities. The use of the land may also be limited by accessibility, frontage, and depth. The capacity and availability of public utilities also have an effect on the use of the property.
- *Financially Feasible:* The next criterion is whether the use is financially feasible. Any potential use must be compatible with surrounding development patterns and must yield a reasonable profit in order to be considered financially feasible. If the net revenue capable of being generated from a use is sufficient to satisfy the required rate of return on the investment and provide a requisite return on the land, the use is financially feasible.
- *Maximally Productive:* The final criterion to determine the Highest & Best Use is the consideration of which of the use alternatives is the maximally productive. Of the financially feasible uses, the one which provides the highest residual land value consistent with the market rate of return for that use is the Highest & Best Use.

Using these four tests, the highest and best uses of the land as if vacant is analyzed below.

Highest and Best Use as Vacant

Legally Permissible

Legally permissible factors include zoning regulations, private restrictions, local building codes, environmental regulations, and historic district regulations. The subject property is zoned PUD-M-12, Planned Unit Development Multifamily. Multifamily development is permissible within this district. There are no other known legal restrictions on the use of the site.

Physically Possible

Physically possible uses are limited by size, area, shape, topography, flood possibilities and physical capacities. The use of the land may also be limited by access, frontage, and depth. The availability of public utilities also has an effect on the use of the property. The subject site contains approximately 15.907 acres with level to gently sloping, mostly wooded topography. According to the site plan, there are 8.97 acres of wetlands and 6.94 acres of uplands. The northern portion of the site is located in a flood zone. The southern boundary of the site is paralleled by an overhead transmission easement.

Based on surrounding land uses and on the subject site's location, the site is potentially suitable for some form of medium-density residential development. The subject site has all the necessary utility connections available and its size and access are considered adequate for most types of residential development. Although the appraiser is unable to render an opinion of the physical load-bearing capacity of the land or its freedom from hazardous materials, no nuisances were obvious at the time of inspection.

Financially Feasible

Reasonably probable uses are dictated by prevailing market conditions for different property types and land-use patterns in the area. This location is situated between within close proximity to numerous supportive services as outlined within the neighborhood description. In conjunction with the developers' application to both the Georgia Housing Finance Authority (GHFA) and HUD, a market study is performed. It is assumed that demand for the subject project is sufficient. Based on the specific location of the proposed asset, it is likely that demand for new units may require some form of subsidy (such as tax credits) in order for the project to be financially feasible.

Maximally Productive

As previously discussed, the appraiser is of the understanding that the property owner has received an allocation for 144 LIHTC units. Based on the legally permissible, physically possible, and financially feasible analysis of the subject tract and on surrounding land use patterns, it is concluded that the Highest and Best Use of the site "As Vacant" would be for multi-family residential development geared to an affordable target market. The site has some physical limitation with the wetlands and overhead easement.

Highest and Best Use as Improved

The subject property is scheduled to be improved with five apartment buildings providing 144 units and one clubhouse. Based on the recent success of other good quality projects in the subject's MSA, coupled with the immediate population and income demographics, renter-occupied household growth, and current occupancy and rent levels of comparable apartment properties in the area, there is adequate market demand for the subject project. Therefore, the Highest and Best Use as improved is for multifamily development targeting families that will qualify under the income limits noted herein.

COMPARABLE RENTAL DATA

The following complexes were considered most competitive to the proposed subject development and were surveyed for pertinent information relative to rents, occupancies, and absorption (where applicable). These comparables represent recently developed complexes in the market and are considered to provide strong support for estimating achievable market rents for the proposed subject development. The most comparable properties have been utilized on the 92273 grids. Several additional properties in the market were surveyed for rents, occupancy, absorptions, various line item adjustments, etc. and are retained in the work file. Details of the comparables are shown in the Addenda.

HUD 92273 Market-Rate Operations

Estimates of Market Rent by Comparison

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not conduct or collect this information if it does not display a currently valid OMB control number. This information is being collected under Public Law 101-425, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for market rate insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and to enforce a firm commitment. Confidentiality for respondents is assured if it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could limit on the ability of the Department's mission to provide housing under the various Sections of the National Housing Act.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
1BR/1BA - Garden	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Walden at Chatham Center 100 Walden Lane Savannah, GA 31405		The Fountains at Chatham Pkwy 1699 Chatham Parkway Savannah, GA 31405		Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405		Grand Oak at Ogeechee River 5806 Ogeechee Road Savannah, GA 31419		Mariner Grove 2010 E. President Street Savannah, GA 31404	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17	
4. Type of Project/Stories	WU-3	WU-3		WU-2		WU-283		WU-3		WU-3	
5. Floor of Unit in Building	All	All		All		All		All		All	
6. Project Occupancy %	93%	89%		93%		95%		94%		81% (lease-up)	
7. Concessions	N/A	No		Yes	-\$21	No		No		Yes	-\$167
8. Year Built	Proposed 2019	2003		2006 (ren. 2016)		2015		2011		2016	
9. SF Area	834	797	\$18	801	\$15	802	\$14	832	\$1	835	-\$1
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Bath	1	1		1		1		1		1	
12. Number of Rooms	4	4		4		4		4		4	
13. Balc/Terrace/Patio	Yes	Yes		Yes		Yes		Yes		Yes	
14. Garage or Carport	Surface	Available +\$125		Available +\$75		Available +\$120		Available +\$125		Available +\$200	
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central	
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes	
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
e) Microwave	No	Yes	-\$5	Yes	-\$5	Yes	-\$5	No		Yes	-\$5
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
g) Washer/Dryer	HU	HU		HU		HU		HU		WD	-\$40
h) Flooring	C/V	VP	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25
i) Pool/Rec Area	No/Yes	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10
j) Countertops	Laminate	Laminate		Granite	-\$20	Laminate		Laminate		Granite	-\$20
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E	
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E	
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E	
d) Water Cold/Hot	C	No	\$38	No	\$38	C		No	\$38	No	\$38
e) Internet/Cable	No	No		No		No		No		No	
f) Valet Trash	No	Additional		No		No		Additional		No	
17. Storage	Yes	Yes		Yes		Yes		No	\$5	Yes	
18. Project Location	Good	Good		Good		Good		Good		Good	
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good	
b) Sunroom	No	No		No		No		No		No	
20. Unit Rent per Month		\$1,117		\$1,030		\$1,005		\$1,033		\$1,270	
21. Total Adjustment			\$16		-\$28		-\$26		\$9		-\$230
22. Indicated Rent		\$1,133		\$1,002		\$979		\$1,042		\$1,040	
23. Correlated Subject Rent	\$1,035	If there are any Remarks, check here and add the remarks to the back of page.									

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

Appraiser's Signature: *A.L.C. Fink* Date: December 18, 2017

Reviewer's Signature: _____

Previous versions are obsolete

mean	\$1,039	median	\$1,040								
min	\$979	max	\$1,133								
Unadjusted Rent Per SF of the Comparables				\$1.40	\$1.29	\$1.25	\$1.24	\$1.52	\$1.34		
Adjusted Rent Per SF of the Comparables				\$1.42	\$1.25	\$1.22	\$1.25	\$1.25	\$1.28		
Correlated Rent Per SF		\$1.24								avg.	
Max LIHTC	\$685	\$0.82									
mean	\$714	median	\$724								
min	\$602	max	\$811								

**Estimates of Market Rent
by Comparison**

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not use this information to conduct a field audit of this firm, unless it displays a current valid OMB control number. This information is being collected under Public Law 101-425, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, ensure security deposits, and to enforce a firm commitment. Confidentiality is required and it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing Act.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
2BR/1BA - Elevator	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Walden at Chatham Center 100 Walden Lane Savannah, GA 31405			The Fountains at Chatham Pkwy 1699 Chatham Parkway Savannah, GA 31405			Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405			Grand Oak at Ogeechee River 5806 Ogeechee Road Savannah, GA 31419			Mariner Grove 2010 E. President Street Savannah, GA 31404		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		
4. Type of Project/Stories	E-4	WU-3	\$50	WU-2	\$50	WU-2&3	\$50	WU-3	\$50	WU-3	\$50	WU-3	\$50	WU-3	\$50	
5. Floor of Unit in Building	All	All		All		All		All		All		All		All		
6. Project Occupancy %	93%	89%		93%		95%		94%		81% (lease-up)		93%		81% (lease-up)		
7. Concessions	N/A	No		Yes	-\$21	No		No		No		No		No		
8. Year Built	Proposed 2019	2003		2006 (ren. 2016)		2015		2011		2016		2016		2016		
9. SF Area	963	1,131	-\$67	957	\$3	1,155	-\$74	1,115	-\$47	1,083	-\$69	1,083	-\$69	1,083	-\$69	
10. Number of Bedrooms	2	2		2		2		2		2		2		2		
11. Number of Bath	1	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	
12. Number of Rooms	5	6		6		6		6		6		6		6		
13. Balc/Terrace/Patio	No	Yes	-\$10	Yes	-\$10	Yes	-\$10	Yes	-\$10	Yes	-\$10	Yes	-\$10	Yes	-\$10	
14. Garage or Carport	Surface	Available +\$125		Available +\$75		Available +\$120		Available +\$125		Available +\$200		Available +\$125		Available +\$200		
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
e) Microwave	No	Yes	-\$5	Yes	-\$5	Yes	-\$5	Yes	-\$5	Yes	-\$5	Yes	-\$5	Yes	-\$5	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
g) Washer/Dryer	HU	HU		HU		HU		HU		HU		HU		WD	-\$40	
h) Flooring	C/V	VP	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	
i) Pool/Rec Area	No/Yes	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	
j) Countertops	Laminate	Laminate		Granite	-\$20	Laminate		Laminate		Laminate		Granite	-\$20	Laminate		
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
d) Water Cold/Hot	C	No	\$47	No / E	\$47	C		No	\$47	No	\$47	No	\$47	No	\$47	
e) Internet/Cable	No	No		No		No		No		No		No		No		
f) Valet Trash	No	Additional		No		No		No		No		No		No		
17. Storage	No	Yes	-\$5	Yes	-\$5	Yes	-\$5	Additional		Yes	-\$5	Yes	-\$5	Yes	-\$5	
18. Project Location	Good	Good		Good		Good		Good		Good		Good		Good		
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good		Good		Good		
b) Sunroom	No	No		No		No		No		No		No		No		
20. Unit Rent per Month		\$1,296		\$1,190		\$1,280		\$989		\$1,785		\$1,785		\$1,785		
21. Total Adjustment			-\$55		-\$26		-\$109		-\$25		-\$117		-\$117		-\$117	
22. Indicated Rent		\$1,241		\$1,164		\$1,171		\$964		\$1,668		\$1,668		\$1,668		
23. Correlated Subject Rent	\$1,175	If there are any Remarks, check here and add the remarks to the back of page.														

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

Appraiser's Signature: *M.H. C. Fink* Date: December 18, 2017 Reviewer's Signature: _____

Previous versions are obsolete

mean	\$1,242	median	\$1,171				
min	\$964	max	\$1,668				
Unadjusted Rent Per SF of the Comparables		\$1.15	\$1.24	\$1.11	\$0.89	\$1.65	\$1.21
Adjusted Rent Per SF of the Comparables		\$1.10	\$1.22	\$1.01	\$0.86	\$1.54	\$1.15
Correlated Rent Per SF	\$1.22						avg.
Max LIHTC	\$816	\$0.85					
mean	\$783	median	\$798				
min	\$657	max	\$871				

**Estimates of Market Rent
by Comparison**

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not use this information to conduct a firm commitment appraisal. This information is being collected under Public Law 101-625, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgage insured under Section 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rent, property appraisal, and to execute a firm commitment. Confidentiality is assured if it would result in some other harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department to provide housing units under the various Sections of the National Housing Act.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
2BR/1BA - Garden	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Walden at Chatham Center 100 Walden Lane Savannah, GA 31405			The Fountains at Chatham Pkwy 1699 Chatham Parkway Savannah, GA 31405			Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405			Grand Oak at Ogeechee River 5806 Ogeechee Road Savannah, GA 31419			Mariner Grove 2010 E. President Street Savannah, GA 31404		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		
4. Type of Project/Stories	WU-3	WU-3		WU-2		WU-2&3		WU-3		WU-3		WU-3		WU-3		
5. Floor of Unit in Building	All	All		All		All		All		All		All		All		
6. Project Occupancy %	93%	89%		93%		95%		94%		81% (lease-up)		81% (lease-up)		81% (lease-up)		
7. Concessions	N/A	No		Yes	-\$21	No		No		No		No		No		
8. Year Built	Proposed 2019	2003		2006 (ren. 2016)		2015		2011		2016		2016		2016		
9. SF Area	1,019	1,131	-\$45	1,055	-\$14	1,155	-\$53	1,115	-\$30	1,083	-\$37	1,083	-\$37	1,083	-\$37	
10. Number of Bedrooms	2	2		2		2		2		2		2		2		
11. Number of Bath	1	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	2	-\$30	
12. Number of Rooms	5	6		6		6		6		6		6		6		
13. Balc/Terrace/Patio	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
14. Garage or Carport	Surface	Available +\$125		Available +\$75		Available +\$120		Available +\$125		Available +\$200		Available +\$200		Available +\$200		
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
e) Microwave	No	Yes	-\$5	Yes	-\$5	Yes	-\$5	No		Yes	-\$5	Yes	-\$5	Yes	-\$5	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
g) Washer/Dryer	HU	HU		HU		HU		HU		HU		HU		WD	-\$40	
h) Flooring	C/V	VP	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	
i) Pool/Rec Area	No/Yes	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	
j) Countertops	Laminate	Laminate		Granite	-\$20	Laminate		Laminate		Granite	-\$20	Laminate		Granite	-\$20	
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
d) Water Cold/Hot	C	No	\$47	No	\$47	C		No	\$47	No	\$47	No	\$47	No	\$47	
e) Internet/Cable	No	No		No		No		No		No		No		No		
f) Valet Trash	No	Additional		No		No		No		No		No		No		
17. Storage	Yes	Yes		Yes		Yes		Additional	\$5	Yes		Yes		Yes		
18. Project Location	Good	Good		Good		Good		Good		Good		Good		Good		
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good		Good		Good		
b) Sunroom	No	No		No		No		No		No		No		No		
20. Unit Rent per Month		\$1,296		\$1,160		\$1,280		\$989		\$1,785		\$1,785		\$1,785		
21. Total Adjustment			-\$68		-\$78		-\$123		-\$43		-\$120		-\$120		-\$120	
22. Indicated Rent		\$1,228		\$1,082		\$1,157		\$946		\$1,665		\$1,665		\$1,665		
23. Correlated Subject Rent	\$1,150	If there are any Remarks, check here and add the remarks to the back of page.														

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

Appraiser's Signature

A. C. Pratt

Date

December 18, 2017

Reviewer's Signature

Previous versions are obsolete

mean	\$1,216	median	\$1,157				
min	\$946	max	\$1,665				
Unadjusted Rent Per SF of the Comparables		\$1.15	\$1.10	\$1.11	\$0.89	\$1.65	\$1.18
Adjusted Rent Per SF of the Comparables		\$1.09	\$1.03	\$1.00	\$0.85	\$1.54	\$1.10
Correlated Rent Per SF	\$1.13						avg.
Max LIHTC	\$816	\$0.80					
mean	\$782	median	\$797				
min	\$654	max	\$872				

**Estimates of Market Rent
by Comparison**

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not use this information to conduct a firm valuation. This form, unless it displays a current valid OMB control number. This information is being collected under Public Law 101-628, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgage insured under Section 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rent, property security, and to execute a firm commitment. Confidentiality is required and it is to be used only for the purposes stated in this notice. If you would like to comment on this notice, please write to the Director, Office of Management and Administration, Department of Housing and Urban Development, Washington, DC 20548.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)		
3BR/2BA - Garden	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Walden at Chatham Center 100 Walden Lane Savannah, GA 31405			The Fountains at Chatham Pkwy 1699 Chatham Parkway Savannah, GA 31405			Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405			Grand Oak at Ogeechee River 5806 Ogeechee Road Savannah, GA 31419			Mariner Grove 2010 E. President Street Savannah, GA 31404		
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		Aug-17		
4. Type of Project/Stories	WU-3	WU-3		WU-2		WU-283		WU-3		WU-3		WU-3		WU-3		
5. Floor of Unit in Building	All	All		All		All		All		All		All		All		
6. Project Occupancy %	93%	89%		93%		95%		94%		81% (lease-up)		94%		81% (lease-up)		
7. Concessions	N/A	No		Yes	-\$21	No		No		No		No		No		
8. Year Built	Proposed 2019	2003		2006 (ren. 2016)		2015		2011		2016		2016		2016		
9. SF Area	1,219	1,358	-\$53	1,361	-\$38	1,362	-\$51	1,455	-\$67	1,212	\$4	1,212	\$4	1,212	\$4	
10. Number of Bedrooms	3	3		3		3		3		2	\$50	3		2	\$50	
11. Number of Bath	2	2		2		2		2		2		2		2		
12. Number of Rooms	8	7		7		7		7		6		7		6		
13. Balc/Terrace/Patio	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
14. Garage or Carport	Surface	Available +\$125		Available +\$75		Available +\$120		Available +\$125		Available +\$200		Available +\$125		Available +\$200		
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central		
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O		R/O		R/O		
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
e) Microwave	No	Yes	-\$5	Yes	-\$5	Yes	-\$5	No		Yes	-\$5	No		Yes	-\$5	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes		Yes		Yes		
g) Washer/Dryer	HU	HU		HU		HU		HU		WD	-\$40	HU		WD	-\$40	
h) Flooring	C/V	VP	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	VP/C	-\$25	
i) Pool/Rec Area	No/Yes	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10	
j) Countertops	Laminate	Laminate		Granite	-\$20	Laminate		Laminate		Granite	-\$20	Laminate		Granite	-\$20	
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E		No / E		No / E		
d) Water Cold/Hot	C	No	\$57	No	\$57	C		No	\$57	No	\$57	No	\$57	No	\$57	
e) Internet/Cable	No	No		No		No		No		No		No		No		
f) Valet Trash	No	Additional		No		No		Additional		No		Additional		No		
17. Storage	Yes	Yes		No	\$5	Yes		No	\$5	Yes		No	\$5	Yes		
18. Project Location	Good	Good		Good		Good		Good		Good		Good		Good		
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good		Good		Good		
b) Sunroom	No	No		No		No		No		No		No		No		
20. Unit Rent per Month		\$1,471		\$1,030		\$1,400		\$1,183		\$1,785		\$1,183		\$1,785		
21. Total Adjustment			-\$36		-\$57		-\$91		-\$40		\$11		-\$40		\$11	
22. Indicated Rent		\$1,435		\$973		\$1,309		\$1,143		\$1,796		\$1,143		\$1,796		
23. Correlated Subject Rent	\$1,300	If there are any Remarks, check here and add the remarks to the back of page.														

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

Appraiser's Signature: *ML C. Felt* Date: December 18, 2017 Reviewer's Signature: _____

Previous versions are obsolete

mean	\$1,331	median	\$1,309				
min	\$973	max	\$1,796				
Unadjusted Rent Per SF of the Comparables	\$1.08		\$0.76	\$1.03	\$0.81	\$1.47	\$1.03
Adjusted Rent Per SF of the Comparables	\$1.06		\$0.71	\$0.96	\$0.79	\$1.48	\$1.00
Correlated Rent Per SF	\$1.07						avg.
Max LIHTC	\$936		\$0.77				
mean	\$956	median	\$943				
min	\$876	max	\$1,056				

Market Rent Analysis

The previous HUD-92273 forms show the subject in comparison to competitive market rentals with appropriate adjustments for varying feature characteristics. Specific comparable units were selected based on comparability within unit type, particularly relative to square footage. In analyzing the comparable rentals, it is noted that these comparables represent the most competitive projects to the proposed subject property relative to location, design, and targeted market.

Explanation of Adjustments and Market Rent Conclusions

Line 3. Effective Date of Rental. The grids show current rents with no adjustments necessary. All the properties were surveyed in August 2017. No adjustments warranted.

Line 4. Type of Project/Stories. The subject contains four walk-up buildings and one elevator building. All of the comparables utilized reflect two- or three-story walk-up buildings. A positive \$50 adjustment was applied to all comparables on the 2BR-elevator grid to account for the premium for elevator access.

Line 6. Project Occupancy %. The stabilized comparables reported a range from 89.4% to 94.9% with an average of 93.1%. *Walden at Chatham Center* indicated that the lower occupancy is due to several recent move-outs of students moving home. Given the projected stabilized occupancy for the subject, no adjustments are necessary.

Line 7. Concessions. Two of the comparables are currently offering concessions. *The Fountains at Chatham Parkway* is offering \$250 off of the first month's rent. Equated over a twelve-month period, the monthly concession is \$21. *Mariner Grove* is offering \$2,000 off for the one-bedroom units, which equates to \$167 per month over a twelve-month period. Adjustments have been applied accordingly.

Line 8. Year Built – The comparables range in year built from 2003 to 2016. Based on the continual maintenance at the comparable properties and their level of finishes as compared to the subject, no adjustments have been applied.

Line 9. Square Footage. To value the size differences between the subject and the comparables, I reviewed the rents quoted at several complexes within the Savannah market having several floor plans within the same unit type (e.g., having two or three 2BR/2BA floor plans where the primary difference was size). The following chart was put together from the dataset from the report. Overall variances ranged from \$0.05 to \$0.85 per square foot; largely due to daily pricing models which can skew the averages. In addition to these properties, consideration has been given to the overall rental rates per square foot and the adjustment being a reasonable ratio.

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF	
Walden at Chatham Center	1BR/1BA	883	241	\$974	\$13	\$0.05	5%	
	1BR/1BA	642		\$961				
Legends at Chatham	1BR/1BA	920	194	\$990	\$105	\$0.54	50%	
	1BR/1BA	726		\$885				
Grand Oak at Ogeechee River*	1BR/1BA	827	76	\$1,063	\$8	\$0.11	8%	
	1BR/1BA	751		\$1,055				
Mariner Grove	1BR/1BA	888	110	\$1,435	\$65	\$0.59	37%	
	1BR/1BA	778		\$1,370				
*Rents reflect averages quoted from daily pricing model.								
Mean						\$48	\$0.32	25%
Median						\$39	\$0.32	22%

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF	
Legends at Chatham	2BR/2BA	1,252	97	\$1,240	\$10	\$0.10	10%	
	2BR/2BA	1,155		\$1,230				
Grand Oak at Ogeechee River*	2BR/2BA	1,202	87	\$1,050	\$61	\$0.70	80%	
	2BR/2BA	1,115		\$989				
Mariner Grove	2BR/2BA	1,153	70	\$1,735	\$10	\$0.14	9%	
	2BR/2BA	1,083		\$1,725				
	2BR/2BA	1,212	59	\$1,785	\$50	\$0.85	58%	
	2BR/2BA	1,153		\$1,735				
	2BR/2BA	1,275	73	\$2,120	\$35	\$0.48	29%	
2BR/2BA	1,202		\$2,085					
*Rents reflect averages quoted from daily pricing model.								
Mean						\$33	\$0.45	37%
Median						\$35	\$0.48	29%

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF	
Walden at Chatham Center	3BR/2BA	1,418	60	\$1,491	\$20	\$0.33	32%	
	3BR/2BA	1,358		\$1,471				
Legends at Chatham	3BR/2BA	1,479	117	\$1,430	\$90	\$0.77	80%	
	3BR/2BA	1,362		\$1,340				
*Rents reflect averages quoted from daily pricing model.								
Mean						\$55	\$0.55	56%
Median						\$55	\$0.55	56%

Based on my analysis, I concluded that there is a value of roughly 35% of the rent per square foot is appropriate. Given the average rents per square foot in this survey, this equates to an approximate range of \$0.26 to \$0.58 per square foot; which is considered to be reasonable. The heated square feet figure provided appear to be the same methodology in which square footage is calculated for the rental comparables (to exclude patios, outside storage, etc.) – shown as the HUD gross square footage on the plans. Therefore, the subject net square feet is compared to the marketed square footage provided by the comparables. An adjustment is calculated based upon the square footage difference between the subject and the comparable that is then multiplied by the price per square foot cost variance. The following formula is used in the grids for SF adjustments, with the result rounded:

$$(\text{Comp SF} - \text{Subject SF}) \times (35\% \times \text{Rent/SF of the Comparable})$$

Line 10. # Bedrooms. The only variance is on the three-bedroom grid. *Mariner Grove* does not contain three-bedroom units so a two-bedroom was utilized on the three-bedroom grid. A positive \$50 adjustment was applied to account for the variance. Consideration is given to the market data below.

Bedroom Adjustment								
Complex	Unit Type	SF	Difference	Rent	Rent Difference	SF adj. @ 30% of \$/SF	Remaining BR Adj.	Rent/SF
Walden at Chatham Center	3BR/2BA	1,358	227	\$1,471	\$175	73.76664212	\$101	\$1.08
	2BR/2BA	1,131		\$1,296				
	3BR/2BA - SR	1,418	207	\$1,491	\$195	\$65	\$130	\$1.05
	2BR/2BA - SR	1,211		\$1,296				
The Fountains at Chatham Parkway	3BR/2BA	1,361	306	\$1,280	\$120	\$86	\$34	\$0.94
	2BR/2BA	1,055		\$1,160				
Legends at Chatham	3BR/2BA	1,362	207	\$1,340	\$110	\$61	\$49	\$0.98
	2BR/2BA	1,155		\$1,230				
Grand Oak at Ogeechee River*	3BR/2BA	1,455	253	\$1,183	\$133	\$62	\$71	\$0.81
	2BR/2BA	1,202		\$1,050				
Mariner Grove	1BR/1BA	888	152	\$1,435	\$90	\$74	\$16	\$1.62
	Studio	736		\$1,345				
Sustainable Fellwood Ph. II	2BR/1BA	1,060	237	\$874	\$81	\$59	\$22	\$0.82
	1BR/1BA	823		\$793				
Montgomery Landing	3BR/2BA	1,267	205	\$872	\$106	\$42	\$64	\$0.69
	2BR/2BA	1,062		\$766				
	4BR/2BA	1,428	161	\$959	\$87	\$32	\$55	\$0.67
	3BR/2BA	1,267		\$872				
Bradley Pointe	3BR/2BA	1,167	88	\$959	\$120	\$22	\$98	\$0.82
	2BR/2BA	1,079		\$839				
Mean							\$64	\$0.95
Median							\$59	\$0.88

*Rents reflect averages quoted from Yieldstar or LRO.

Line 11. # Baths. The subject two-bedroom units contain one full bathroom whereas all of the comparable two-bedroom units contain two full bathrooms. A downward \$30 adjustment was applied to each comparable on the two-bedroom grids to account for this variance.

Line 12. # of Rooms. Accounted for in Lines 10 and 11 above.

Line 13. Balcony/Terrace/Patio. The subject garden units all contain a balcony or patio, the subject elevator units do not. A \$10 adjustment was applied for any variances.

Line 14. Garage or Carport. The subject will not feature garages or carports. This amenity is not available within the rent at any of the comparables or the subject. No adjustments warranted.

Line 15a. AC: Central/Wall. The subject will have individual central electric heat and air conditioning systems, as do all of the comparables. No adjustments were necessary.

Line 15b-d. Range/Oven, Refrigerator, Disposal. The subject units will have a range/oven and a frost-free refrigerator with icemaker, and disposal, similar to all of the comparables. No adjustments are necessary.

Line 15e. Microwave. The subject units will not contain a built-in microwave. A downward \$5 adjustment was applied to each comparable containing this feature.

Line 15f. Dishwasher. The subject and all comparables include a dishwasher; no adjustments are necessary.

Line 15g. Washer/Dryer. The subject will provide a washer and dryer connections in all units as do four of the five comparables. *Mariner Grove* includes washer/dryer appliances. A negative adjustment of \$40 was applied. Consideration is given to the market data below.

HU and WD Premiums			
Complex	City	State	W/D
Bell Vinings	Atlanta	GA	\$40
Emory Square	Decatur	GA	\$50
The Atlantic North Decatur	Decatur	GA	\$35
Magnolia Pointe	Duluth	GA	\$45
Palisades Club	Duluth	GA	\$40
Herrington Woods	Lawrenceville	GA	\$40
Wembly at Overlook	Macon	GA	\$45
Mean			\$42
Median			\$40

Line 15h. Carpet/Drapes. The subject will contain carpet and vinyl flooring whereas all of the comparables feature faux wood flooring. A downward \$25 adjustment was applied to each comparable given this upgrade. Consideration is given to the market data below.

Wood Vinyl Flooring Premiums			
Complex	City	State	Premium
Amelia Apartments - 1BR	Tifton	GA	\$25
Amelia Apartments - 2BR	Tifton	GA	\$50
Sunnyside Apartments - Studio	Tifton	GA	\$20
Sunnyside Apartments - 1BR	Tifton	GA	\$20
Sunnyside Apartments - 2BR	Tifton	GA	\$45
The Gardens at Tifton	Tifton	GA	\$25
Avalon Shores	Bluffton	SC	\$30
Crowne at Old Carolina	Bluffton	SC	\$30
Woodfield South	Charleston	SC	\$50
Colonial Grand at Cypress Cove	Charleston	SC	\$25
Mean			\$32
Median			\$28

Line 15i. Pool/Recreation Areas. The subject will offer various project amenities but no swimming pool. All of the comparables contain a swimming pool; therefore, a downward \$10 adjustment was applied to each comparable.

Line 15j. Countertops. The subject and three of the comparables feature laminate countertops whereas the remaining two comparables contain granite countertops. A downward \$20 adjustment was applied to the comparables given this upgrade. Consideration is given to the market data below.

Granite Countertop Premiums			
Complex	City	State	Premium
The Reserve at Johnson City	Johnson City	TN	\$10
The Retreat at West Creek	Richmond	VA	\$45
Plantation at Horse Pen Creek	Greensboro	NC	\$60
Addison Park	Huntsville	AL	\$20
Springs at Chattanooga	Chattanooga	TN	\$50
Amberleigh Bluff	Knoxville	TN	\$20
Mean			\$34
Median			\$33

Line 16a-d. Services. The subject and each of the comparables are fully electric with electricity being the responsibility of the tenant. Basic services of trash disposal and exterminating are standard across the proposed subject and comparables. Water and sewer expenses are included in the rent at the subject and only one of the comparables (*Legends at Chatham*). Positive adjustments have been applied to the remaining four comparables based on the number of bedrooms. Adjustments of \$38 (1BR), \$47 (2BR), and \$57 (3BR) have been applied.

Line 17. Storage. The subject garden units will contain additional storage on the balcony/patio; the subject elevator units will not. A \$5 adjustment is applied to account for any variances between the subject and comparables.

Line 18. Project Location/Neighborhood. The subject's location considered to be good, similar to all of the comparables. Location was one of the leading characteristics utilized in the selection of the comparables. No adjustments are necessary.

Line 19.a) Overall Appeal. The subject's overall appeal considered to be good, similar to all of the comparables. No adjustments are necessary.

Line 23. Correlated Subject Rent. The adjusted range in rents for the four grids is outlined below.

Grid No.	Unit Type	Adjusted Comparable Rents				Developer's Original Proforma Rent*	Subject Estimated Market Rent
		Min	Mean	Median	Max		
1	1BR/1BA - Garden	\$979	\$1,039	\$1,040	\$1,133	\$630	\$1,035
2	2BR/1BA - Elevator	\$964	\$1,242	\$1,171	\$1,668	\$760	\$1,175
3	2BR/1BA - Garden	\$946	\$1,216	\$1,157	\$1,665	\$760	\$1,150
4	3BR/2BA - Garden	\$973	\$1,331	\$1,309	\$1,796	\$1,300	\$1,300

*We received the proforma before the final max rents were established.

As previously stated, the comparable rentals herein represent the most similar projects in the south/east Savannah market in location, design, and targeted market to the proposed subject units. Based on my analysis of the comparable rental data, market rents for the subject units are estimated at the high end of the adjusted comparables. Considering the subject's location and competitive rent level, the units should compete effectively in the local multifamily rental market.

Summary of Rent Comp Averages (not adjusted)						
Comp. No.	Identification	No. of Units	Year Built	Avg. Unit NRA	Avg. Rent Per Mo.	Avg. Rent Per NRA
1	Walden at Chatham Center	236	2003	1,041	\$1,213	\$1.17
2	The Fountains at Chatham Pkwy	352	2006	923	\$1,103	\$1.20
3	Legends at Chatham	255	2015	1,102	\$1,215	\$1.10
4	Grand Oak at Ogeechee River	316	2011	1,076	\$1,095	\$1.02
5	Mariner Grove*	320	2016	1,594	\$1,587	\$1.00
Subject	Appraiser's Projection	144	2018	1,052	\$1,199	\$1.14
	Mean	296	2010	1,147	\$1,243	\$1.10
	Median	316	2011	1,076	\$1,213	\$1.10
Subject	Developer's Original Proforma	144	2018	1,052	\$791	\$0.75

*Due to the lack of breakdown for the number of units per floor plan, the average rent, unit size, and rent per SF are unweighted.





The following chart outlines my estimate of market rents and the corresponding Potential Gross Annual Income. Please note that the square footages shown below are that of the HUD gross areas. These square footages were used on the preceding HUD-92273 forms; similar to the comparables.

The Preserve at Chatham Parkway						
- Estimated Market Rents & Potential Gross Annual Income -						
Unit Mix	No. of Units	Unit Ratio	HUD Gross	Market Rent	Rent Per SF	Gross Annual Rental Income
1BR / 1BA-G	12	8%	834	\$1,035	\$1.24	\$ 149,040
2BR / 1BA-E	40	28%	963	\$1,175	\$1.22	\$ 564,000
2BR / 1BA-E	8	6%	963	\$1,175	\$1.22	\$ 112,800
2BR / 1BA-G	36	25%	1,019	\$1,150	\$1.13	\$ 496,800
3BR / 2BA-G	48	33%	1,219	\$1,300	\$1.07	\$ 748,800
Total / Average	144	100%	1,052	\$1,199	\$1.14	\$ 2,071,440

OTHER INCOME

Other Income estimates herein include only regular income associated with typical, recurring fees required by the complex of the tenant. Examples of this type of income include pet fees, application fees, late charge, forfeited deposits, etc.

Revenue from these sources is estimated at **\$425** per unit which is reflective of **3.09%** of the EGI. The proforma reflects an amount of \$358 per unit. The IREM report for Savannah indicated median Other Income of \$506 per unit (5.8%). The market data indicates a range from \$419 to \$1,522 per unit with a mean of \$708 per unit and a median of \$517 per unit. The percentage of EGI reflects a mean and median of 5.61% and 5.35%, respectively. Given the location of the project and requirements outlined in the MAP Guide, a projection under conventional operations in the low to mid-range is considered appropriate. These projections are generally consistent with similar developments in the greater Savannah market excluding atypical revenue sources.

Other Income Support - Conventional						
No.	Location	Year Built	No. of Units	Reporting Year	Other Income Per Unit	Other Income as % of EGI
1	Charleston, SC	2001	200-250	2015	\$419	4.12%
2	Summerville, SC	2014	200-250	2015	\$430	4.90%
3	N. Charleston, SC	2008	250-300	2015	\$528	4.10%
4	Savannah, GA	2010-2013	300-350	2014	\$491	3.82%
	IREM - Savannah, GA Garden			2016	\$506	5.80%
	IREM - Charleston, SC Garden			2016	\$978	7.50%
	IREM - Region IV High-Rise Elevator			2016	\$1,522	7.50%
	IREM - Region IV Garden			2016	\$789	7.10%
Mean					\$708	5.61%
Median					\$517	5.35%
Subject Projection		2019	144		\$425	3.09%

OCCUPANCY

My analysis of the local multifamily market is based upon surveys of property owners and managers of local comparable complexes as well as area-wide data. Of the stabilized comparables surveyed, the weighted occupancy is 93.1% for the conventional properties.

Conventional Occupancy						
Complex Name	No. of Units	City	State	Date Surveyed	Original Year Built	Occupancy Rate
Walden at Chatham Center	236	Savannah	GA	August 10, 2017	2003	89.4%
The Fountains at Chatham Pkwy	352	Savannah	GA	August 7, 2017	2006	93.4%
Legends at Chatham	255	Savannah	GA	August 11, 2017	2015	94.9%
Grand Oak at Ogeechee River	316	Savannah	GA	August 14, 2017	2011	94.0%
Total / Averages	1,159				2009	93.1%
Mariner Grove (in lease-up)	320	Savannah	GA	August 10, 2017	2016	81.0%

According to the 2Q17 REIS report, occupancy in the Savannah market was 94.7% (vacancy rate of 5.3%). This occupancy is a slight increase from the 1Q17 rate of 94.5% and above the one-year annualized occupancy (93.8%).

Based on these comparisons, together with analysis of the demographics within the market area, it is projected that the subject complex would maintain an economic vacancy of **7%**, which includes **both** physical vacancies as well as credit losses, assuming conventional operations. Consideration has been given to the high level of supply that is entering the market as previously discussed.

ABSORPTION

Absorption, in this sense of the definition, refers to the difference in the number of units being occupied over a given time frame. This also takes into consideration the loss of units due to the demolition or conversion to for-sale condominiums. The three properties located in the immediate submarket that are currently in lease-up or recently stabilized are outlined below.

Summary of Recent Absorption Rates								
Identification	City	State	Date Surveyed	Date Opened	Status	Year Built	No. of Units	Units Per Month
Legends at Chatham	Savannah	GA	August 11, 2017	Sep-15	Stabilized	2015	255	18.6
Grand Oak at Ogeechee River	Savannah	GA	August 14, 2017	Apr-11	Stabilized	2011	316	16.7
Mariner Grove	Savannah	GA	August 10, 2017	Jul-16	Lease-up	2016	320	21.6
Mean						2014	297	19.0
Median						2015	316	18.6

With consideration to its location and high levels of new supply, it is my opinion that the subject should experience successful lease-up to stabilized occupancy (93%) within approximately 8 months of the beginning of the leasing period based on an anticipated absorption rate of approximately **15 units per month**. This estimate includes the preleasing of 10% or approximately 14 units. Calculations are shown in the enclosed table below.

Months to Stabilization - Conventional		
Total Units		144
Stabilized at	93%	134
Minus Preleasing at	10%	14
Units to be Leased-up		120
Projected Absorption Rate		15
Months to Stabilization		8.0

PROJECTED OPERATING EXPENSES

In deriving my estimate of operating expense components, I have analyzed four expense comparables as delineated on the following HUD Form 92274, the Operating Expense Analysis Worksheet. The comparables are market-rate properties located within the Southeast Region.

Due to the sensitive nature of this data, the names of the expense comparables are not published herein because the appraiser is bound by confidentiality. The HUD reviewer may contact the appraiser directly and I will provide the name and address of each specific expense comparable noted on the HUD-92274.

Additional reference is made to the 2017 IREM Income/Expense Report: Conventional Properties outlined in this section. A breakdown of the proforma provided is shown on the following page.

The Preserve at Chatham Parkway - Developer's Proforma -		
	Proforma	
Category	\$ Amount	\$/Unit
Income		
Rental Revenue	\$ 1,366,560	\$9,490
Vacancy	\$ (95,659)	-\$664
Total Rent Revenue	\$ 1,270,901	\$8,826
Total Other Income	\$ 69,120	\$480
Effective Gross Income	\$ 1,340,021	\$9,306
Expenses		
Advertising	\$ 18,000	\$125
Management	\$ 80,627	\$560
Office & Administrative	\$ 20,160	\$140
Utilities		
Electricity	\$ 36,000	\$250
Water/Sewer	\$ 129,600	\$900
Trash	\$ -	\$0
Gas	\$ 14,400	\$100
Other-Cable	\$ -	\$0
Subtotal Utilities	\$ 180,000	\$1,250
Payroll		
Payroll & Related Compensation	\$ 100,800	\$700
Payroll Taxes	\$ -	\$0
Subtotal Payroll	\$ 100,800	\$700
Repairs & Maintenance		
Decorating	\$ -	\$0
Repairs	\$ 72,000	\$500
Exterminating	\$ -	\$0
Snow Removal	\$ -	\$0
Security payroll/contract	\$ -	\$0
Elevator	\$ 5,760	\$40
Grounds Expense	\$ -	\$0
Subtotal Repairs/Maintenance	\$ 77,760	\$540
Insurance	\$ 50,400	\$350
Other Taxes/Licenses	\$ -	\$0
Real Estate Taxes	\$ 140,000	\$972
Total Expenses	\$ 667,747	\$4,637
Net Operating Income	\$ 672,274	\$4,669
Management as % of EGI	6.0%	
Operating Expense Ratio	49.8%	

HUD 92274 – Operating Expense Worksheet

Operating Expense Analysis Worksheet

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

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

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

Public reporting burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

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

Project Name	The Preserve at Chatham Parkway	Project Number	N/A
City	Savannah, GA	Date of Appraisal (mm/dd/yyyy)	10/13/2017
Signature of Processor	<i>Al C. Pratt</i>	Date (mm/dd/yyyy)	10/13/2017

Project Name	Comparable A					Comparable B				Comparable C				Comparable D				The Preserve at Chatham Parkway			
Project Number	05336056					N/A				N/A				05435787				N/A			
Location	Cary, NC					Mount Pleasant, SC				Savannah, GA				Charleston, SC				Savannah, GA			
Type of Construction	W/U-2 / Elevator-4					W/U - 2-story				W/U - 2-story				W/U & Elev. - 384-story				Garden/Elevator / 384-story			
No. of Living Units	248					142				329				209				144			
Age of Project	2014					2001				2010-2013				2008				2019			
Project Unit Composition	BRM (0)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)		
No. of Each Type Unit	133	110	5	65	62	15	n/a	n/a	n/a	88	121	0	0	N/A	12	84	48				
Sq. Ft. Each Type Unit	903	1,140	1,348	854	1,354	1,596	n/a	n/a	n/a	797	1,166	0	0	N/A	751	912	1,097				
Average Unit Area	960					1,151				N/A				1,011				966			
Same Tax Rate as Subject *	Similar					No				No				No							
Same Utility Rate *	Similar					No				Similar				Similar							
Effective Date/Updating Operating Yr./Percentage	2016					2015				2014				2014							
Equip. & Services Incl. Rent **	12,3,4,6,7,8,9,21					12,3,4,6,8				12,3,4,6,7,8,9,21				12,3,4,6,7,8,9				12,3,4,6,8,9,21			

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

Items of Expense by Units of Comparison ***	Exp.	Adj. + -	Ind. Exp.	Exp.	Updated Exp.	Adj. + -	Ind. Exp.	Exp.	Updated Exp.	Adj. + -	Ind. Exp.	Exp.	Updated Exp.	Adj. + -	Ind. Exp.	Exp.	Updated Exp.	Adj. + -	Ind. Exp.	Correlated Expense
1. Advertising	317		317	135	138		138	210	221		221	288	302		302					200
2. Management	371		371	435			435	431			431	538			538					413
3. Other	165		165	264	271		271	213	224		224	275	289		289					250
4. Total Admin.			853				844				875				1,129					863
5. Elevator	0		0	0			0	0			0	0			0					
6. Fuel	0		0	0			0	0			0	0			0					
7. Lighting & Misc. Power	229		229	31	32		32	192	202		202	165	173		173					225
8. Water	387		387	7	7		7	287	301		301	401	421		421					500
9. Gas	23		23	0			0	3	3		3	0			0					100
10. Trash Removal	184		184	0			0	51	54		54	101	106		106					75
11. Payroll	1,152		1,152	1,383	1,418		1,418	824	865		865	1,605	1,685		1,685					1,100
12. Other - Alarm/Cable	0		0	0			0	0			0	0			0					0
13. Total Operating			1,975				1,457				1,425				2,386					2,000

Previous editions are obsolete

form HUD-92274 (05/2003)

Items of Expense by Units of Comparison ***	Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Correlated Expense			
14. Decorating	322		322	0				282	296		296	0				200			
15. Repairs	93		93	411	421		421	163	171		171	722	758		758	250			
15. Elevators	19		19	0				0				0				50			
17. Exterminating	0			0				0				0				50			
18. Insurance	133		133	373	382		382	342	359		359	565	593		593	350			
19. Ground Expenses	274		274	0				211	222		222	185	194		194	200			
20. Other - Security	30		30	0				0				0				0			
20. Other - Service Coord.	0			0				0				0				0			
21. Total Maint.			871				804				1,048				1,546	1,100			
22a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 21)																3,963			
22b. Trend Adjustment (4.50% x 22a)																160			
															To (date) (mm/dd/yyyy)	10/13/2017	Annual Rate	2.50%	
23. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																250			
24. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 22a, 22b and 23)																4,373			
25. Taxes/Real Estate	1,215		1,215	1,275			1,275	1,552			1,552	496			496	1,345			
26. Personal Prop. Tax	0			0				0				0				0			
27. Emp. Payroll Tax	85		85	0				63	66		66	296	311		311	125			
28. Other - taxes	1		1	0				37	39		39	0				0			
29. Other	0			0				0				0				0			
30a. Total Taxes w/o Trend																1,470			
30b. Trend Adjustment (4.50% x 30a)																6			
															To (date) (mm/dd/yyyy)	10/13/2017	Annual Rate	2.50%	
31. Total Taxes (Including Time and Trend) (Sum of Lines 30a and 30b)																1,476			
32. Total Expense (Sum of Lines 24 and 31)																5,849			

*If "NO," reflect in adjustments.

**Enter appropriate numbers from table for subject and comparables and reflect in adjustments.

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

(Attach additional pages to Explain Adjustments as Needed)

Operating Expense Analysis

The following discussion outlines the subject's expense projections as delineated on the previous worksheet. The projections reflect *trended* figures based on a 2.5% annual inflation rate dating from January 2016, the beginning date of the operating year of the base year. **However, the management and the real estate tax categories are not trended upward. Management is estimated as a percentage of Effective Gross Income (EGI) and the property tax rate in Chatham County has historically been stable with any increases being offset by reappraisal adjustments.**

Advertising & Promotions – Advertising expenses reported by the comparables range from \$138 to \$317 per unit with an average of \$245 per unit. Proforma projections indicate \$125 per unit. Based on this information, a cost of **\$200** per unit is projected under conventional operations.

Management Fee – My management fee projection is estimated at **\$413** per unit, which is equivalent to 3% of effective gross income, consistent with local standards ranging from 3% to 5% for properties of the subject's size and character. The comparables, exhibit management fees ranging from \$371 to \$538 per unit with an average of \$444 per unit. The appraiser's per unit projection is generally supported by this data; however, this category is typically charged as a percentage of Effective Gross Income (EGI). The projection for this expense on the proforma provided is \$560 per unit or 6.02% of EGI under affordable operations. The 2017 IREM report for conventional properties in Savannah indicated a median expense of 3.6%.

Office & Administrative - The expense comparables' administrative costs range from \$165 to \$289 per unit with an average of \$237 per unit. Total Office/Administrative costs of **\$250** per unit are projected which is believed to be consistent with the comparables. The proforma has a projection of \$140 per unit. The 2017 IREM report for conventional properties in Savannah indicated a median expense of \$521 per unit.

Utilities – A total allocation of **\$900** per unit has been utilized herein for utilities based on all sources. The subject proforma indicates a total of \$1,250 per unit for electricity, water, and trash removal. The expense comparables' utilities costs range from \$39 to \$823 per unit with an average of \$530 per unit. Excluding the outlier of \$39 per unit, the remaining three comparables indicate an average of \$693 per unit. The subject's total Utilities expense is comprised as follows:

Electricity:	\$225/Unit
Water:	\$500/Unit
Gas:	\$100/Unit
Trash:	<u>\$ 75/Unit</u>
Total:	\$900/Unit

- **Electricity:** The expense comparables range from \$32 to \$229 per unit, averaging \$159 per unit. The 2017 IREM report for conventional properties in Savannah indicated a median expense of \$261 per unit. The proforma has a projection of \$250 per unit. Based on this information, a projection of **\$225** per unit is considered to be supported.
- **Water/Sewer:** The expense comparables range from \$7 to \$421 per unit, averaging \$279 per unit. Excluding the outlier of \$7 per unit, the remaining three comparables indicate an average of \$370 per unit. The proforma has a projection of \$900 per unit which is considered above market. Based on this information, the appraiser's projection is **\$500** per unit.

- **Gas:** Two of the expense comparables indicate a gas expense and range from \$3 to \$23 per unit. The proforma has a projection of \$100 per unit. Based on this information, a projection of **\$100** per unit is considered to be supported.
- **Trash:** Three of the expense comparables included a separate expense for trash removal. They reported expenses of \$54 to \$184 per unit, averaging \$115 per unit. The proforma does not itemize this expense. Based on this information, a projection of **\$75** per unit is considered reasonable since there is no valet trash service.

Salaries & Related Compensation - A cost of **\$1,100** per unit is projected for the subject. This amount incorporates management and maintenance personnel, but does not include Payroll Taxes. The comparables reported payroll expenses, to exclude Payroll Taxes, ranging from \$865 to \$1,685 per unit, averaging \$1,280 per unit.

The three comparables that reported a separate expense for payroll taxes range from \$66 to \$311 per unit with an average of \$154 per unit. Based on this information, an allocation of **\$125** per unit has been utilized herein for payroll taxes.

For the subject, this equates to a total payroll expense, inclusive of Payroll Taxes, of **\$1,225** per unit. Comparatively, the expense data indicated payroll and related compensation/costs ranging from \$931 to \$1,996 per unit with an average of \$1,395 per unit. The IREM report for Savannah indicated a median expense of \$1,265 per unit for Total Payroll. The subject proforma indicates a total of \$700 per unit which is considered below market.

Repairs & Maintenance – Total repairs and maintenance expenses of the comparables range from \$421 to \$952 per unit with an average of \$700 per unit. The proforma provided projects a total repairs and maintenance expense of \$540 per unit. With consideration to all sources, stabilized repair and maintenance expenses (to include decorating, repairs, elevators, extermination, and grounds) of **\$750** per unit have been utilized herein. This projection is comprised as follows:

Decorating:	\$200/Unit
Repairs:	\$250/Unit
Pest:	\$ 50/Unit
Elevator:	\$ 50/Unit
Grounds:	<u>\$200/Unit</u>
Total:	\$750/Unit

- **Decorating:** Although the subject will reflect new condition and is expected to be fully decorated when it receives its certificate of occupancy at completion of construction, on-going decorating expenses are anticipated to be incurred coinciding with turnover. Two of the comparables itemized decorating expenses ranging from \$296 to \$322 per unit, averaging \$309 per unit. The subject proforma does not itemize this expense. The 2017 IREM report for conventional properties in Savannah indicated a median expense of \$105 per unit. With emphasis on all sources, a projection of **\$200** per unit is considered to be supported.
- **Repairs:** The comparable data reported repairs expenses ranging from \$93 to \$758 per unit, averaging \$361 per unit. The developer has projected an expense of \$500 per unit within the proforma which is assumed to include other expenses. The 2017 IREM report for conventional properties in Savannah indicated a median expense of \$344 per unit. Based on this information, the appraiser's projection is **\$250** per unit.
- **Pest:** None of the comparables itemized this expense. Also, the subject proforma does not itemize this expense. The developer has projected an expense of \$139 per unit

within the proforma. Based on comparable data retained in the work file, I have projected a Pest Control expense of **\$50** per unit.

- **Elevator:** Only one comparable indicated an elevator expense at \$19 per unit. The developer has projected an expense of \$40 per unit within the proforma. Based on this information, the appraiser’s projection is **\$50** per unit.
- **Grounds:** The three comparables that itemize this expense range from \$194 to \$274 per unit, averaging \$230 per unit. The 2017 IREM report for conventional properties in Savannah indicated a median expense of \$270 per unit. The subject proforma does not itemize this expense. Based on this information, a projection of **\$200** per unit is considered reasonable.

Insurance - Insurance costs at the expense comparables range from \$133 to \$593 per unit with an average of \$367 per unit. The initial proforma has a projection of \$350 per unit. The 2017 IREM report indicated a median expense in Savannah of \$281 per unit. An Insurance expense of **\$350** per unit has been allocated for the subject based on all sources.

Real Estate Taxes - The projected real estate tax burden is **\$1,345** per unit based on the tax projected previously exhibited herein.

Operating Expense Summary – The expense comparables’ total operating expenses range from \$4,379 to \$5,867 per unit with an average of \$5,063 per unit. However, it is noted that the real estate taxes and utilities expense projections result in some disparities relative to the proposed subject complex. None of the comparables contain reserves.

Summary of Expenses - Conventional						
Expenses Included	Expense Comp 1	Expense Comp 2	Expense Comp 3	Expense Comp 4	Expense Averages	Subject Projection
Total Expenses (net of Reserves)	\$5,000	\$4,379	\$5,005	\$5,867	\$5,063	\$5,433
Excluding R.E. Taxes & Reserves	\$3,785	\$3,104	\$3,453	\$5,371	\$3,928	\$4,088
Excluding Utilities/R.E. Taxes/Reserves	\$2,962	\$3,065	\$2,893	\$4,671	\$3,398	\$3,188

*Not trended

My analysis reflects total *untrended* expenses of **\$3,188** per unit for the stabilized projection **excluding** Real Estate Taxes, Utilities and Reserves for Replacement. By comparison, the expense comparables average of \$3,398 per unit excluding the same items.

It is noted that the proforma provided (under affordable operations) indicates non-trended expenses of \$4,637 per unit excluding Reserves for Replacements versus the projected **\$5,433** per unit outlined herein. The primary difference is in the Total Payroll and Real Estate Tax projections. The indicated operating expense ratio is **42.5%** to **include** reserves and **40.7%** to **exclude** reserves. To include Trending and Reserves, the total expenses per unit are projected at **\$5,849**. These amounts are considered to be well supported by the market.

2017 Income/Expense Analysis: Conventional Apartments (IREM)

Additional reference is made to the 2017 Income/Expense Analysis: Conventional Apartments report published by the Institute of Real Estate Management (IREM). This report tracks historical income and expense information for complexes on national, regional, and local levels.

The correlating operating expense ratio for the subject is estimated at **40.7%** while the expenses per unit per annum are **\$5,599** per unit (**excluding reserves**) which is generally supported by the data below.

2017 IREM Survey - Conventional											
Area - Type	Mgmt. Fee	Admin.	Electricity	Water/ Sewer	Decorating	Repairs	Grounds	Insurance	Total Payroll	Total Expenses	Expense Ratio
Savannah, GA - Garden	3.6%	\$521	\$261	N/A	\$105	\$344	\$270	\$281	\$1,265	\$4,609	30.4%
Charleston, SC - Garden	2.7%	\$912	\$188	N/A	\$237	\$674	\$382	\$390	\$1,321	\$5,801	34.9%
Region IV - Garden	3.4%	\$621	\$161	\$550	\$175	\$488	\$206	\$260	\$1,265	\$4,664	37.9%
Region IV - High Rise Elevator	3.2%	\$1,170	\$359	\$528	\$198	\$442	\$174	\$236	\$1,167	\$7,701	37.1%
Average	3.2%	\$806	\$242	\$539	\$179	\$487	\$258	\$292	\$1,255	\$5,694	35.1%
Subject Projection*	3.0%	\$250	\$225	\$500	\$200	\$250	\$200	\$350	\$1,225	\$5,599	40.7%

* Excluding Reserves

Expense Summary for the HUD-92264

The expenses have been presented following the format from the HUD-92274, whereby the total trending adjustment is applied as two lump sum adjustments on Lines 20b. and 27b. As previously noted, two of the expenses were not trended: Management Fee and Real Estate Taxes. As shown on the 92274, the total trend adjustment is 4.5025%. This is based on a 2.5% annual increase in the expenses from the beginning of the base year of the most recent expense comparable. In this case, the base comparable reflects 2016 year-end data. In accordance with the MAP Guide, the trending adjustment would then begin on January 1, 2016; resulting in the adjustment of 4.5025%.

Each of the individual line-item expenses have been trended below so that they can be transferred to the HUD-92264; which does not have a line for total trending. Please note that the total expenses and net operating income are consistent throughout the report. A summary of the individual trended expenses is shown below.

Operating Expenses	Expense Projection	Trended Expenses for 92264
Advertising	\$28,800	\$30,097
Management	\$59,501	\$59,501 Not Trended
Office & Administrative	\$36,000	\$37,621
Electricity	\$32,400	\$33,859
Water	\$72,000	\$75,242
Gas	\$14,400	\$15,048
Garbage/Trash Removal	\$10,800	\$11,286
Cable	\$0	\$0
Salaries and Related Compensation	\$158,400	\$165,532
Payroll Taxes	\$18,000	\$18,810
Decorating	\$28,800	\$30,097
Repairs & Maintenance	\$36,000	\$37,621
Exterminating	\$7,200	\$7,524
Grounds Expense	\$28,800	\$30,097
Elevator	\$7,200	\$7,524
Security	\$0	\$0
Service Coordinator	\$0	\$0
Insurance	\$50,400	\$52,669
Real Estate Taxes	\$193,711	\$193,711 Not Trended
Total Expenses (excluding Reserves)	\$782,411	\$806,238
Per Unit	\$5,433	\$5,599

INCOME AND EXPENSE STATEMENT

The Preserve at Chatham Parkway - Proforma Operating Statement - Assuming Market Rents						
Potential Gross Rental Income						
<u>Unit Type</u>	<u>No.</u>	<u>Rent</u>				
1BR / 1BA - Garden	12 @	\$1,035	per month, annualized			\$ 149,040
2BR / 1BA - Elevator	40 @	\$1,175	per month, annualized			\$ 564,000
2BR / 1BA - Elevator	8 @	\$1,175	per month, annualized			\$ 112,800
2BR / 1BA - Garden	36 @	\$1,150	per month, annualized			\$ 496,800
3BR / 2BA - Garden	48 @	\$1,300	per month, annualized			\$ 748,800
Total Potential Gross Rental Income	144					\$ 2,071,440
Add Other Income:	(144 x	\$425	Per Unit Per Year) =		\$ 61,200
Total Potential Gross Income						\$ 2,132,640
Less Vacancy & Credit Loss		@ 7%				\$ (149,285)
Effective Gross Income (EGI)						\$ 1,983,355
Less Operating Expenses			Per Unit	\$ Amount	Trended	
Advertising			\$200	\$28,800	\$30,097	
Management			\$413	\$59,501	\$59,501	
Office & Administrative			\$250	\$36,000	\$37,621	
Electricity			\$225	\$32,400	\$33,859	
Water			\$500	\$72,000	\$75,242	
Gas			\$100	\$14,400	\$15,048	
Garbage/Trash Removal			\$75	\$10,800	\$11,286	
Cable			\$0	\$0	\$0	
Salaries and Related Compensation			\$1,100	\$158,400	\$165,532	
Payroll Taxes			\$125	\$18,000	\$18,810	
Decorating			\$200	\$28,800	\$30,097	
Repairs & Maintenance			\$250	\$36,000	\$37,621	
Exterminating			\$50	\$7,200	\$7,524	
Grounds Expense			\$200	\$28,800	\$30,097	
Elevator			\$50	\$7,200	\$7,524	
Security			\$0	\$0	\$0	
Service Coordinator			\$0	\$0	\$0	
Insurance			\$350	\$50,400	\$52,669	
Real Estate Taxes			\$1,345	\$193,711	\$193,711	
Subtotal of Operating Expenses			\$5,433	\$782,411		
Trending Adjustment (Lines 22b/30b on 92274)			\$165	\$23,827		
Total of Operating Expenses			\$5,599			
Less Operating Expenses						\$ 806,238
Reserves for Replacement		@ \$250	Per Unit			\$ 36,000
Less Total Expenses	(-42.5%	of EGI or	\$5,849	Per Unit)		\$ (842,238)
Net Operating Income (NOI)						\$ 1,141,117

LAND VALUE

In order to estimate the subject's land value as if vacant, the appraiser has searched the local market for recent comparable sales. The following sales represent location and physical features similar to the subject property and are "arms-length" market transactions between disinterested parties. Five sales have been summarized in the following table and included in the Item J of the 92264. Qualitative and quantitative analysis of the data is provided within the narrative. Detailed information regarding each sale is included in the Addenda.

SUMMARY OF LAND SALES DATA

Sale No.	Identification/Location	Sale Date	Sale Price	Size (Ac.)	No. of Units	Density	Price Per Acre	Price Per Unit
1	Sawgrass at Bolton's Landing, Phase II Roustabout Way, Charleston, SC	Jan-17	\$1,698,135	14.072	156	11.09	\$120,675	\$10,885
2	East Broad Street Lofts 1020 E. Broad St, Savannah, GA	May-16	\$1,500,000	1.630	69	42.33	\$920,245	\$21,739
3	17 South US 17 S at Carolina Bay, West Ashley, SC	May-16	\$3,261,600	9.539	220	23.06	\$341,923	\$14,825
4	Mariner Grove 2010 E. President St., Savannah, GA	Aug-15	\$4,080,000	16.220	320	19.73	\$251,541	\$12,750
5	Legends at Chatham 1426 Chatham Pkwy, Savannah, GA	Jul-13	\$2,162,700	22.108	255	11.53	\$97,824	\$8,481
	Minimum		\$1,500,000	1.630	69	11.09	\$97,824	\$8,481
	Maximum		\$4,080,000	22.108	320	42.33	\$920,245	\$21,739
	Mean		\$2,540,487	12.714	204	21.55	\$346,442	\$13,736
	Median		\$2,162,700	14.072	220	19.73	\$251,541	\$12,750

Land Value Analysis

The comparables represent five sales of vacant multi-family tracts in various markets of Savannah and Charleston. Sale dates range from July 2013 to January 2017. The data outlined herein is a combination of the most recent and most comparable data available in the market.

The sales range in size from 1.630 acres to 22.108 acres and range in unit values from \$97,824 to \$920,245 per acre and from \$8,481 to \$21,739 per unit. In many cases, the price per unit is the most heavily weighted unit of comparison for multi-family land. In analyzing the comparable sales, the appraiser gives consideration to the difference in location, topography at the time of sale, utility due to shape, size, zoning, exposure and access. Value fluctuation between the date of sale and the date of appraisal is also taken into consideration. The density of each development is considered in terms of both the price per acre and price per unit. Typically, high density transactions will result in lower unit prices, but higher price per acre.

	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	Sawgrass at Bolton's W/S of Roustabout Dr. Charleston, SC 29414	East Broad Street Lofts 1020 E. Broad Street Savannah, GA 31401	17 South 105 Ivy Green Road Charleston, SC 29414	Mariner Grove 2010 E. President Street Savannah, GA 31404	Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405
Date of Sale	January 4, 2017	May 9, 2016	May 13, 2016	August 11, 2015	July 29, 2013
Sales Price	\$1,698,135	\$1,500,000	\$3,261,600	\$4,080,000	\$2,162,700
No. of SF	612,976	71,003	415,519	706,543	963,024
Price per Square Foot	\$2.77	\$21.13	\$7.85	\$5.77	\$2.25
No. of Acres	14.072	1.630	9.539	16.220	22.108
Price per acre	\$120,675	\$920,245	\$341,923	\$251,541	\$97,824
No. of Planned Units	156	69	220	320	255
Price per Planned Unit	\$10,885	\$21,739	\$14,825	\$12,750	\$8,481
Adjustments (%)					
Time	0.00%	3.00%	3.00%	6.00%	10.00%
Location	-10.00%	-20.00%	-10.00%	0.00%	0.00%
Zoning	0.00%	0.00%	0.00%	0.00%	0.00%
Plottage	0.00%	0.00%	0.00%	0.00%	0.00%
Demolition	0.00%	0.00%	0.00%	0.00%	0.00%
Topo., Phys. Char.	-20.00%	-30.00%	-35.00%	-35.00%	-15.00%
Density	0.00%	0.00%	0.00%	0.00%	0.00%
Total Adjustment Factor	-30.00%	-47.00%	-42.00%	-29.00%	-5.00%
Adjusted Unit Price	\$7,620	\$11,522	\$8,599	\$9,053	\$8,057

Sale 1 (\$10,885 / Unit) is a similar-sized tract located north of the subject in the West Ashley submarket of Charleston. Said property is deemed superior with respect to location and overall topography. A lower unit value is estimated for the subject property.

Sale 2 (\$21,739 / Unit) is situated in downtown Savannah and is rated superior to the subject based on location and overall topography. In addition, the significantly smaller size of the comparable has been taken into consideration. A lower unit value is deemed reasonable for the subject property.

Sale 3 (\$14,825 / Unit) is located north of the subject in the West Ashley submarket of Charleston and is considered superior to the subject with regards to location and overall topography. A lower unit value is projected for the subject property.

Sale 4 (\$12,750 / Unit) is located on the fringe of downtown Savannah and is rated superior based on overall topography. A lower unit value than that indicated by this sale is estimated for the subject property.

Sale 5 (\$8,481 / Unit) is located just south of the subject and is considered superior with respect to overall topography. A slightly lower unit value is deemed appropriate for the subject property.

After adjustments, the five comparables reflected a range in price per unit of \$7,620 to \$11,522 with a mean of \$8,970 and a median of \$8,599. As previously noted, the subject is currently under contract for \$1,100,000 which equates to \$69,152 per acre or \$7,639 per unit. Based on the information herein, a value of \$8,000 per unit is considered reasonable for the subject site.

Land Value Calculation - Per Unit		
Units	Indicated \$/Unit	Indicated Market Value
144	x \$8,000	= \$1,152,000
Market Value Conclusion, rounded		\$1,150,000

The concluded land value of \$1,150,000 yields a price per acre of \$95,436 which is deemed reasonable based on the sales data herein.

Estimated Land Value
\$1,150,000

REPLACEMENT COST

The replacement cost of a building is defined as:

The total cost to construct, at current prices, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout.

In calculating building cost estimates, it is important to consider both direct costs (hard costs) and indirect costs (soft costs) as well as entrepreneurial profit since this is the primary incentive necessary to induce an entrepreneur to undertake the risks associated with building the project.

Within the scope of this appraisal, the appraiser has reviewed the Replacement Cost estimate shown on the enclosed HUD-2328 provided by the lender. In addition, I have developed my own estimate of replacement cost utilizing Marshall Valuation Service, a national cost service. My replacement cost estimate is exhibited on the next page, followed by the HUD Form 92264, Section G cost estimate prepared by the project's cost analyst.

In estimating the Replacement Cost, primary emphasis should be given to the cost analysis as the Marshall Valuation Services are not deemed to be as reliable or as detailed as those provided by the cost analyst.

Appraiser's Cost Estimate

COST ANALYSIS

Analyst:	Nelson Pratt	Number of Stories:	3 & 4
Building Type:	Multiple Residences	Height per Story:	9'
Year Built:	2019	Number of Apt. Buildings:	5
Cost Quality:	Average	Gross Building Area (Apts):	151,428
Exterior Wall:	Fiber cement siding and stone	Average Floor Area:	10,095

COST DATA

Cost Source	Manual Section / Page	Building Quality	Building Class	Base Sq. Ft. Cost
Marshall Valuation Service	Sec. 12 / Page 16	Average to good	D	\$84.55

SQUARE FOOT REFINEMENTS

Item	Unit Cost	Unit Type	Sq. Ft. Cost
Sprinkler	\$1.50	Sq. Ft.	\$1.50
Base Cost Adjusted for Square Foot Refinements			\$86.05

MULTIPLIERS & REFINEMENTS

Item	Description	Multiplier
# Stories Multiplier	N/A	1.000
Story Height Multiplier	9'	1.000
Area Multiplier - Multiple Res.	Typical	0.984
Current Cost Multiplier	Eastern	1.050
Local Multiplier	Savannah	0.870
Combined Multipliers		0.899
Base Cost Adjusted for Refinements		\$77.34

BUILDING IMPROVEMENTS

Item	Adjusted Base Cost	Unit Type	Quantity	Total
Apartment Buildings	\$77.34	Sq. Ft.	151,428	\$11,712,119
Community Areas	\$110.00	Sq. Ft.	1,875	\$206,250
Business	\$100.00	Sq. Ft.	706	\$70,600
Support Areas	\$55.00	Sq. Ft.	257	\$14,135
Circulation	\$55.00	Sq. Ft.	3,206	\$176,330
Total Building Improvement Costs				\$12,179,434

SITE IMPROVEMENTS

Item	Unit Cost	Unit Type	Quantity	Total
Earth Work	\$574,311	Lump Sum	1	\$574,311
Site Utilities	\$538,799	Lump Sum	1	\$538,799
Roads & Walks	\$564,931	Lump Sum	1	\$564,931
Site Improvements	\$71,351	Lump Sum	1	\$71,351
Lawns & Planting	\$124,435	Lump Sum	1	\$124,435
Total Site Improvement Costs				\$1,873,827
Subtotal: Building & Site Costs				\$14,053,261

INDIRECT COSTS AND ENTREPRENEURIAL INCENTIVE

Item	Percent Cost	Percent Type	Total
Soft Costs	5%	% Building & Site Cost	\$702,663
Entrepreneurial Incentive	11%	% Building & Site Cost	\$1,545,859
Total Soft Costs			\$2,248,522
Total Replacement Cost New (RCN)			\$16,301,783

Section G-92264 – Estimate of Replacement Cost (Per A/E Specialist)

G. Estimated Replacement Cost																																																																																																																																																																																																													
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">36a. Unusual Land Improvements</td> <td style="width: 5%; text-align: center;">\$</td> <td style="width: 10%; text-align: right;">0</td> <td style="width: 5%;"></td> </tr> <tr> <td> b. Other Land Improvements</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">1,873,827</td> <td></td> </tr> <tr> <td> c. Total Land Improvements</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">1,873,827</td> <td></td> </tr> <tr> <td colspan="4">Structures</td> </tr> <tr> <td>37. Main Buildings</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">11,832,649</td> <td></td> </tr> <tr> <td>38. Accessory Buildings</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">353,278</td> <td></td> </tr> <tr> <td>39. Garages</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>40. All Other Buildings</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>41. Total Structures</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">12,185,927</td> <td></td> </tr> <tr> <td>42. General Requirements</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">843,585</td> <td></td> </tr> <tr> <td colspan="4">Fees</td> </tr> <tr> <td>43. Builder's Gen. Overhead at 1.887%</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">281,195</td> <td></td> </tr> <tr> <td>44. Builder's Profit at 5.660%</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">843,585</td> <td></td> </tr> <tr> <td>45. Arch. Fee-Design at 1.070%</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">171,500</td> <td></td> </tr> <tr> <td>46. Arch. Fee - Supvr. at 0.373%</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">59,850</td> <td></td> </tr> <tr> <td>47. Bond Premium</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">130,420</td> <td></td> </tr> <tr> <td>48. Other Fees</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">559,620</td> <td></td> </tr> <tr> <td>49. Total Fees</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">2,046,170</td> <td></td> </tr> <tr> <td>50. Total All Improvements Lines 36c. plus 41 plus 42 plus 49)</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">16,949,509</td> <td></td> </tr> <tr> <td>51. Cost Per Gross Sq. Ft.</td> <td style="text-align: center;">\$</td> <td style="text-align: right;">94.67</td> <td></td> </tr> <tr> <td>52. Estimated Construction Time (Months)</td> <td></td> <td style="text-align: right;">14</td> <td></td> </tr> </table>	36a. Unusual Land Improvements	\$	0		b. Other Land Improvements	\$	1,873,827		c. Total Land Improvements	\$	1,873,827		Structures				37. Main Buildings	\$	11,832,649		38. Accessory Buildings	\$	353,278		39. Garages	\$	0		40. All Other Buildings	\$	0		41. Total Structures	\$	12,185,927		42. General Requirements	\$	843,585		Fees				43. Builder's Gen. Overhead at 1.887%	\$	281,195		44. Builder's Profit at 5.660%	\$	843,585		45. Arch. Fee-Design at 1.070%	\$	171,500		46. Arch. Fee - Supvr. at 0.373%	\$	59,850		47. Bond Premium	\$	130,420		48. Other Fees	\$	559,620		49. Total Fees	\$	2,046,170		50. Total All Improvements Lines 36c. plus 41 plus 42 plus 49)	\$	16,949,509		51. Cost Per Gross Sq. Ft.	\$	94.67		52. Estimated Construction Time (Months)		14		<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">Carrying Charges & Financing</td> </tr> <tr> <td style="width: 50%;">53. Interest: 16 Mos. at 4.250%</td> <td style="width: 5%;"></td> <td style="width: 10%;"></td> <td style="width: 35%;"></td> </tr> <tr> <td> on \$ 0</td> <td style="text-align: center;">\$</td> <td></td> <td style="text-align: right;">299,801</td> </tr> <tr> <td>54. Taxes</td> <td></td> <td></td> <td style="text-align: right;">55,000</td> </tr> <tr> <td>55. Insurance</td> <td></td> <td></td> <td style="text-align: right;">57,676</td> </tr> <tr> <td>56. FHA Mtg. Ins. Prem. (0.500%)</td> <td></td> <td></td> <td style="text-align: right;">105,812</td> </tr> <tr> <td>57. FHA Exam. Fee (0.300%)</td> <td></td> <td></td> <td style="text-align: right;">31,744</td> </tr> <tr> <td>58. FHA Inspec. Fee (0.500%)</td> <td></td> <td></td> <td style="text-align: right;">52,906</td> </tr> <tr> <td>59. Financing Fee (1.500%)</td> <td></td> <td></td> <td style="text-align: right;">158,718</td> </tr> <tr> <td>60. Non-Profit Developer's Fee (0.000%)</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>61. Permanent Placement Fee (0.542%)</td> <td></td> <td></td> <td style="text-align: right;">57,400</td> </tr> <tr> <td>61a. Mortgagable Bond Costs (3.260%)</td> <td></td> <td></td> <td style="text-align: right;">345,000</td> </tr> <tr> <td>62. Title & Recording</td> <td></td> <td></td> <td style="text-align: right;">55,000</td> </tr> <tr> <td>63. Total Carrying Charges & Financing</td> <td></td> <td></td> <td style="text-align: right;">\$ 1,219,056</td> </tr> <tr> <td colspan="4">Legal, Organization & Audit Fee</td> </tr> <tr> <td>64. Legal</td> <td></td> <td style="text-align: right;">180,000</td> <td></td> </tr> <tr> <td>65. Organization</td> <td></td> <td style="text-align: right;">82,965</td> <td></td> </tr> <tr> <td>66. Cost Certification Audit Fee</td> <td></td> <td style="text-align: right;">0</td> <td></td> </tr> <tr> <td>67. Total Legal, Organization & Audit Fees (64+65+66)</td> <td></td> <td></td> <td style="text-align: right;">\$ 262,965</td> </tr> <tr> <td>68. Sponsor Profit and Risk</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>69. Consultant Fee (N. P. only)</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>70. Initial Deposit to Reserve for Replacement</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>71a. Contingency Reserve & Relocation Expenses (Sec. 202 or Rehab only)</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>71b. Ground Rent During Construction (Leasehold only)</td> <td></td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>71c. FF&E</td> <td></td> <td></td> <td style="text-align: right;">50,340</td> </tr> <tr> <td>72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)</td> <td></td> <td></td> <td style="text-align: right;">\$ 18,481,870</td> </tr> <tr> <td>73a. Warranted Price of Land J-14(3)(New Constr) 692,909 sq. ft. @ \$ - sq. ft. \$ -</td> <td></td> <td></td> <td style="text-align: right;">* see note at left</td> </tr> <tr> <td>73b. As Is Property Value (Rehab only)</td> <td></td> <td></td> <td style="text-align: right;">* see note at left/below</td> </tr> <tr> <td>73c. Off-Site (if needed, Rehab only)</td> <td></td> <td></td> <td style="text-align: right;">* see note at left</td> </tr> <tr> <td>74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)</td> <td></td> <td></td> <td style="text-align: right;">\$ 18,481,870</td> </tr> </table>	Carrying Charges & Financing				53. Interest: 16 Mos. at 4.250%				on \$ 0	\$		299,801	54. Taxes			55,000	55. Insurance			57,676	56. FHA Mtg. Ins. Prem. (0.500%)			105,812	57. FHA Exam. Fee (0.300%)			31,744	58. FHA Inspec. Fee (0.500%)			52,906	59. Financing Fee (1.500%)			158,718	60. Non-Profit Developer's Fee (0.000%)			0	61. Permanent Placement Fee (0.542%)			57,400	61a. Mortgagable Bond Costs (3.260%)			345,000	62. Title & Recording			55,000	63. Total Carrying Charges & Financing			\$ 1,219,056	Legal, Organization & Audit Fee				64. Legal		180,000		65. Organization		82,965		66. Cost Certification Audit Fee		0		67. Total Legal, Organization & Audit Fees (64+65+66)			\$ 262,965	68. Sponsor Profit and Risk			0	69. Consultant Fee (N. P. only)			0	70. Initial Deposit to Reserve for Replacement			0	71a. Contingency Reserve & Relocation Expenses (Sec. 202 or Rehab only)			0	71b. Ground Rent During Construction (Leasehold only)			0	71c. FF&E			50,340	72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)			\$ 18,481,870	73a. Warranted Price of Land J-14(3)(New Constr) 692,909 sq. ft. @ \$ - sq. ft. \$ -			* see note at left	73b. As Is Property Value (Rehab only)			* see note at left/below	73c. Off-Site (if needed, Rehab only)			* see note at left	74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)			\$ 18,481,870
36a. Unusual Land Improvements	\$	0																																																																																																																																																																																																											
b. Other Land Improvements	\$	1,873,827																																																																																																																																																																																																											
c. Total Land Improvements	\$	1,873,827																																																																																																																																																																																																											
Structures																																																																																																																																																																																																													
37. Main Buildings	\$	11,832,649																																																																																																																																																																																																											
38. Accessory Buildings	\$	353,278																																																																																																																																																																																																											
39. Garages	\$	0																																																																																																																																																																																																											
40. All Other Buildings	\$	0																																																																																																																																																																																																											
41. Total Structures	\$	12,185,927																																																																																																																																																																																																											
42. General Requirements	\$	843,585																																																																																																																																																																																																											
Fees																																																																																																																																																																																																													
43. Builder's Gen. Overhead at 1.887%	\$	281,195																																																																																																																																																																																																											
44. Builder's Profit at 5.660%	\$	843,585																																																																																																																																																																																																											
45. Arch. Fee-Design at 1.070%	\$	171,500																																																																																																																																																																																																											
46. Arch. Fee - Supvr. at 0.373%	\$	59,850																																																																																																																																																																																																											
47. Bond Premium	\$	130,420																																																																																																																																																																																																											
48. Other Fees	\$	559,620																																																																																																																																																																																																											
49. Total Fees	\$	2,046,170																																																																																																																																																																																																											
50. Total All Improvements Lines 36c. plus 41 plus 42 plus 49)	\$	16,949,509																																																																																																																																																																																																											
51. Cost Per Gross Sq. Ft.	\$	94.67																																																																																																																																																																																																											
52. Estimated Construction Time (Months)		14																																																																																																																																																																																																											
Carrying Charges & Financing																																																																																																																																																																																																													
53. Interest: 16 Mos. at 4.250%																																																																																																																																																																																																													
on \$ 0	\$		299,801																																																																																																																																																																																																										
54. Taxes			55,000																																																																																																																																																																																																										
55. Insurance			57,676																																																																																																																																																																																																										
56. FHA Mtg. Ins. Prem. (0.500%)			105,812																																																																																																																																																																																																										
57. FHA Exam. Fee (0.300%)			31,744																																																																																																																																																																																																										
58. FHA Inspec. Fee (0.500%)			52,906																																																																																																																																																																																																										
59. Financing Fee (1.500%)			158,718																																																																																																																																																																																																										
60. Non-Profit Developer's Fee (0.000%)			0																																																																																																																																																																																																										
61. Permanent Placement Fee (0.542%)			57,400																																																																																																																																																																																																										
61a. Mortgagable Bond Costs (3.260%)			345,000																																																																																																																																																																																																										
62. Title & Recording			55,000																																																																																																																																																																																																										
63. Total Carrying Charges & Financing			\$ 1,219,056																																																																																																																																																																																																										
Legal, Organization & Audit Fee																																																																																																																																																																																																													
64. Legal		180,000																																																																																																																																																																																																											
65. Organization		82,965																																																																																																																																																																																																											
66. Cost Certification Audit Fee		0																																																																																																																																																																																																											
67. Total Legal, Organization & Audit Fees (64+65+66)			\$ 262,965																																																																																																																																																																																																										
68. Sponsor Profit and Risk			0																																																																																																																																																																																																										
69. Consultant Fee (N. P. only)			0																																																																																																																																																																																																										
70. Initial Deposit to Reserve for Replacement			0																																																																																																																																																																																																										
71a. Contingency Reserve & Relocation Expenses (Sec. 202 or Rehab only)			0																																																																																																																																																																																																										
71b. Ground Rent During Construction (Leasehold only)			0																																																																																																																																																																																																										
71c. FF&E			50,340																																																																																																																																																																																																										
72. Total Est. Development Cost (Excl. of Land or Off-site Cost) (50 plus 63 plus 67 thru 71)			\$ 18,481,870																																																																																																																																																																																																										
73a. Warranted Price of Land J-14(3)(New Constr) 692,909 sq. ft. @ \$ - sq. ft. \$ -			* see note at left																																																																																																																																																																																																										
73b. As Is Property Value (Rehab only)			* see note at left/below																																																																																																																																																																																																										
73c. Off-Site (if needed, Rehab only)			* see note at left																																																																																																																																																																																																										
74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)			\$ 18,481,870																																																																																																																																																																																																										
<p>* Note: Jurisdictional Exception: In HUD programs, land, and/or existing improvements are not valued for their "highest and best use," but instead, for their intended multifamily use (Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."</p>																																																																																																																																																																																																													

HUD-2328 – Contractor’s Cost Breakdown

Contractor's and/or Mortgagor's Cost Breakdown Schedule of Values

U.S. Department of Housing and OMB No. 2502-0044 (exp. 09/30/2014)
Urban Development
Office of Housing
Federal Housing Commissioner

Public reporting burden for this collection of information is estimated to average 4 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. Response to this request for information is required in order to receive the benefits to be derived. You may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Section 227 of the National Housing Act (Section 126 of the Housing Act of 1954, Public Law 560, 12 U.S.C., 1715r), authorizes the collection of this information. The information is required for a general contractor when an identity of interest exists between the general contractor and the mortgagor or when the mortgagor is a non-profit entity and a cost plus contract has been used. The information is used by HUD to facilitate the advances of mortgage proceeds and their monitoring.

Privacy Act Notice. The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Date 12/7/2017	Sponsor Preserve at Chatham Parkway Redevelopment, LLC
Project No. 061-35874	Building Identification New Construction of Apartment Complex
Name of Project Preserve at Chatham Parkway	Location 1325 Chatham Parkway Savannah, GA 31405

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

Line	Div.	Trade Item	Cost	Trade Description
1	3	Concrete	685,207	Building Foundations, lightweight concrete, Gypcrete
2	4	Masonry	745,018	Stone Veneer
3	5	Metals	324,838	Stairs, railings
4	6	Rough Carpentry	2,494,433	Rough Carpentry, Framing Material and Labor, Trusses
5	6	Finish Carpentry	302,815	Interior trim & Exterior trim, wire shelving, etc.
6	7	Waterproofing	856,817	Siding, Caulking
7	7	Insulation	151,368	Batt & Blown insulation
8	7	Roofing	423,725	Asph Shingles, TPO
9	7	Sheet Metal	16,125	Gutters
10	8	Doors	358,220	Int. & Ext. Doors
11	8	Windows	77,110	Ext Windows
12	8	Glass	0	None
13	9	Lath and Plaster	0	None
14	9	Drywall	948,944	Sheetrock & Finishes
15	9	Tile Work	0	Tile
16	9	Acoustical	0	None
17	9	Wood Flooring	0	None
18	9	Resilient Flooring	164,123	Vinyl Plank
19	9	Painting and Decorating	459,683	Interior & Exterior prep and paint
20	10	Specialties	139,404	Mailboxes, bathroom acc., signage, etc..
21	11	Special Equipment	0	None
22	11	Cabinets	375,093	Kitchen Cabinets, Vanities, tops & installation
23	11	Appliances	227,676	Residential Appliances
24	12	Blinds and Shades, Artwork	34,683	2" Blinds
25	12	Carpets	112,953	Carpet
26	13	Special Construction	281,651	Fire Sprinklers
27	14	Elevators	100,900	Elevator
28	15	Plumbing and Hot Water	826,667	Plumbing System
29	15	Heat and Ventilation	761,614	HVAC
30	15	Air Conditioning	0	Included in above line item 29
31	16	Electrical	963,582	Electrical systems, Fire alarm, int lights, phone & TV
32		Subtotal (Structures)	\$ 11,832,649	
33		Accessory Structures	\$ 353,278	Clubhouse/Maintenance Shed
34		Total (Lines 32 and 33)	\$ 12,185,927	

Previous edition is obsolete

Page 1 of 3

form HUD-2328 (5/95)
ref. Handbook 4450.1 & 4460.1

Line	Div.	Trade Item	Cost	Trade Description	
35	2	Earth Work	\$ 574,311	Earthwork, Roadway prep, Surveying	
36	2	Site Utilities	\$ 538,799	Site water, SS sewer, storm sewer, elec lights	
37	2	Roads and Walks	\$ 564,931	Paving, sidewalks, curbs, etc.	
38	2	Site Improvements	\$ 71,351	Site Furnishings, Gazebo, Monument Sign	
39	2	Lawns and Planting	\$ 124,435	Landscape & Irrigation	
40	2	Unusual Site Condition	\$ -	Nonresidential and Special Exterior Land Improvement (costs included in trade item breakdown) Offsite Costs (costs not included in trade item breakdown)	
41		Total Land Improvements	\$ 1,873,827		
42		Total Struct. & Land Imprvts.	\$ 14,059,754	Description	Est. Cost
43	1	General Requirements	\$ 843,585	\$ -	
44		Subtotal (Lines 42 and 43)	\$ 14,903,339	\$ -	
45		Builder's Overhead	\$ 281,195	P	
46		Builder's Profit	\$ 843,585	Total	\$ -
47		Subtotal (Lines 44 thru 46)	\$ 16,028,120	Other Fees	Total \$ \$ -
48					Demolition (costs not included in trade item breakdown)
49		Other Fees	\$ -	\$ -	
50		Bond Premium	130,420	\$ -	Description Est. Cost
51		Total for All Improvements	16,158,540	\$ -	\$ -
52		Builder's Profit Paid by Means Other than Cash	-	\$ -	\$ -
53		Total for All Improvements Less Line 52	16,158,540	Total \$ \$ -	Total \$ \$ -

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

Mortgagor	By	Date	
Preserve at Chatham Parkway Redevelopment, LLC	<i>[Signature]</i>	12/18/17	
Contractor	By	Date	
Weber Group, Inc.	<i>[Signature]</i>	12/14/17	
FHA (Processing Analyst)	Date	FHA (Chief, Cost Branch or Cost Analyst)	Date
FHA (Chief Underwriter)			Date

Instructions for Completing Form HUD-2328

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

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

- Date**-Date form was prepared.
- Sponsor**-Name of sponsor or sponsoring organization.
- Project No.**-Eight-digit assigned project number.
- Building Identification**-Number(s) or Letter(s) of each building as designated on plans.
- Name of Project**-Sponsors designated name of project.
- Location**-Street address, city and state.
- Division**-Division numbers and trade items have been developed from the cost accounting section of the uniform system.
- Accessory Structures**-This item reflects structures, such as: community, storage, maintenance, mechanical, laundry and project office buildings. Also included are garages and carports or other buildings.

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

When the amount shown on line 33 is \$20,000.00 or 2% of line 32 whichever is the lesser, a separate form HUD-2328 will be prepared through line 32 for Accessory Structures.

INITIAL OPERATING DEFICIT

As noted in the Absorption section of this report, the lease-up of the subject complex under affordable operations is projected to include an initial absorption of approximately 15 units per month. The monthly debt service was provided by the client and is assumed to be accurate as of the date of this report. Based on the projections and the operating information herein, my calculation of the Initial Operating Deficit (IOD) is estimated at \$173,263. It is noted that this amount may be low given the various underwriting criteria associated with this loan program. It is likely that a higher IOD may be required to provide more security to the initial lease-up of the project.

Months to Stabilization - Conventional		
Total Units		144
Stabilized at	93%	134
Minus Preleasing at	10%	14
Units to be Leased-up		120
Projected Absorption Rate		15
Months to Stabilization		8.0

Calculation of Initial Operating Deficit (IOD)

The Preserve at Chatham Parkway HUD Project N/A
Savannah, GA

Month	Cumultv Units		144 units		\$104.17 Var OE/mo		NOI	Interest and MIP	Debt Service	Reserve for Replacement	Deficit	Interval	
	Rented	Rented	Gross Income	Vacancy	EGI	Operating Expenses							
					Fixed	Variable (1)							
1	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
2	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
3	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
4	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
5	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
6	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
7	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
8	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
9	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
10	0	0	\$124,380	100%	\$0	\$0	\$0	\$0			\$0	One	
11	0	0	\$124,380	100%	\$0	\$24,892	\$0	(\$24,892)			(\$24,892)	One	
12	0	0	\$124,380	100%	\$0	\$24,892	\$0	(\$24,892)			(\$24,892)	One	
13	0	0	\$124,380	100%	\$0	\$24,892	\$0	(\$24,892)			(\$24,892)	One	
14	14	14	\$124,380	90%	\$12,093	\$24,892	\$1,458	(\$14,258)			(\$14,258)	One	
15	15	29	\$124,380	80%	\$25,049	\$24,892	\$3,021	(\$2,865)			(\$2,865)	One	
16	15	44	\$124,380	69%	\$38,005	\$24,892	\$4,583	\$8,529			\$8,529	One	
17	15	59	\$124,380	59%	\$50,961	\$24,892	\$6,146	\$19,923			\$19,923	One	
18	15	74	\$124,380	49%	\$63,918	\$24,892	\$7,708	\$31,317	\$79,359		(\$48,042)	Two	
19	15	89	\$124,380	38%	\$76,874	\$39,454	\$9,271	\$28,149		\$48,083	\$3,600	(\$23,534)	Three
20	15	104	\$124,380	28%	\$89,830	\$39,454	\$10,833	\$39,543		\$48,083	\$3,600	(\$12,140)	Three
21	15	119	\$124,380	17%	\$102,786	\$39,454	\$12,396	\$50,937		\$48,083	\$3,600	(\$746)	Three
22	15	134	\$124,380	7%	\$115,743	\$39,454	\$13,958	\$62,330		\$48,083	\$3,600	\$10,648	Stabilized
23	0	134	\$124,380	7%	\$115,743	\$39,454	\$13,958	\$62,330		\$48,083	\$3,600	\$10,648	Stabilized

Initial Operating Deficit: (\$176,263)

NOTES:

- 1.) Variable Expenses include management, electricity, and water.
- 2.) Insurance begins in Month 19 - after construction is completed and amortization begins.
- 3.) Real Estate Taxes begin in Month 19 - at the beginning of amortization.
- 4.) No operating expenses are included for the first 10 months. It is assumed that taxes/other expenses are included in the escrow account.
- 5.) Leasing costs are projected to begin in Month 11 with the income from the first units leased received in Month 14.
- 6.) Reserves are based upon an annual amount of \$43,200 or \$3,600 per month.
- 7.) The annual debt service is based upon an amount of \$10,581,200 with a 40-year amortization and 4.25% interest rate, 0.25% MIP, and 0.953% curtail rate for a total rate of 5.453% yielding a debt service of \$48,083 per month.

HUD-92264 FORM

Multifamily Summary Appraisal Report

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

OMB Approval 2502-0029
(exp. 09/30/2016)

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

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

Project Name: **The Preserve at Chatham Parkway** Project Number: **061-35874**

Purpose. This appraisal evaluates the subject property as security for a long-term insured mortgage. Included in the appraisal (consultation for Section 221) are the analyses of market need location, earning capacity, expenses, taxes, and warranted cost of the property.

Scope. The Appraiser has developed, and hereunder reports, conclusions with respect to: feasibility; suitability of improvements; extent, quality, and duration of earning capacity; the value of real estate proposed or existing as security for a long-term mortgage; and several other factors which have a bearing on the economic soundness of the subject property.

A. Location and Description of the Property

1. Street Nos. 1325		2. Street Chatham Parkway		3. Municipality Savannah	
4a. Census Tract No. 0105.01		4b. Placement Code	4c. Legal Description (optional)	5. County Chatham	6. State and Zip Code GA 31405
7. Type of Project <input checked="" type="checkbox"/> Elevator (s) <input type="checkbox"/> Detached		<input type="checkbox"/> Highrise <input type="checkbox"/> 2-5 sty. Elev. <input checked="" type="checkbox"/> Walkup <input type="checkbox"/> Row House <input type="checkbox"/> Semi-Detached <input type="checkbox"/> Town House		8. No. Stories 3 & 4	
		9a. Foundation <input checked="" type="checkbox"/> Slab on Grade <input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement <input type="checkbox"/> Crawl Space		9b. Basement Floor <input type="checkbox"/> Structural Slab <input checked="" type="checkbox"/> Slab on Grade	
10. <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing	11. Number of Units Revenue Non-Rev. 144		12. No. of Bldgs. 5	13a. List Accessory Bldgs. And Area Clubhouse (1,875 SF)	

13b. List Recreational Facilities and Area

Clubhouse with leasing office, community room, fitness center, business center, laundry facility, and two outdoor patio spaces with picnic and recreation areas

13c. Neighborhood Description				Present Land Use	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		<input type="checkbox"/> Fully Developed <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%		30 % 1 Family 5 % 2 to 4 Family	
Build Up <input type="checkbox"/> Fully Developed <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%		Growth Rate <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow		25 % Multifamily 5 % Condo/Coop	
Property Values <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining		Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply		15 % Commer. 5 % Industrial	
Rent Controls <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Likely				15 % Vacant	
				Change in Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely <input type="checkbox"/> Taking Place From _____ to _____	
				Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> % Vacant	

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

See attached appraisal narrative.

Site Information

14. Dimensions **15.907** Acres 15a. Zoning (If recently changed, submit evidence)
ft. by ft. or **692,909** Sq. ft. **PUD-M-12, Planned Unit Development Multifamily**

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

15c. Highest and Best Use as Improved Present Use Proposed Use Other use (explain)

15d. Intended MIF Use (summarize: e.g. Market Rent: Hi-Med. - Lo-End; Rent Subsidized; Rent Restricted with or without Subsidy; Applicable Percentages)

Multifamily rental housing, Family Low Income Housing Tax Credit (LIHTC) 60% AMI

Building Information

16a. Yr Built 2019 (proposed)	16.b <input type="checkbox"/> Manufactured Housing <input checked="" type="checkbox"/> Conventionally Built <input type="checkbox"/> Modules <input type="checkbox"/> Components		17a. Structural Systems Wood frame	17b. Floor System Wood frame	17c. Exterior Finish Fiber cement siding and stone	17 d. Heating-A/C System Central HVAC
---	---	--	--	--	--	---

Previous editions are obsolete.

Page 1 of 8

form HUD-92264 (8/95)
ref. Handbook 4465.1

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)

<p>37a. Unit Amenities</p> <p><input checked="" type="checkbox"/> Ranges (Gas or Electric) <input checked="" type="checkbox"/> Disposal/Compactor</p> <p><input checked="" type="checkbox"/> Refrig. (Gas or Electric) <input checked="" type="checkbox"/> Air Conditioning (central or window)</p> <p><input type="checkbox"/> Microwave <input checked="" type="checkbox"/> Dishwasher</p> <p><input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> Window treatment (blinds, drapes, shades)</p> <p><input checked="" type="checkbox"/> Balcony/Patio <input type="checkbox"/> Fireplace(s) No. _____</p> <p><input checked="" type="checkbox"/> Laundry Hookups (in units)</p> <p><input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____</p> <p><input type="checkbox"/> Wash/Dryer (in units) <input type="checkbox"/> Security System(s) (Describe) _____</p> <p><input type="checkbox"/> Other (Specify) _____</p>	<p>37b. Project Amenities</p> <p><input type="checkbox"/> Guestroom(s) No. <u>0</u> <input checked="" type="checkbox"/> Community Rooms No. <u>1</u></p> <p><input type="checkbox"/> Sauna/Stm rms No. <u>0</u> <input type="checkbox"/> Swimming Pool(s) No. <u>0</u></p> <p><input checked="" type="checkbox"/> Exercise rm(s) No. <u>1</u> <input type="checkbox"/> Racquetball Court(s) No. <u>0</u></p> <p><input type="checkbox"/> Tennis Court(s) No. <u>0</u> <input checked="" type="checkbox"/> Picnic/Play area(s) No. <u>2</u></p> <p><input checked="" type="checkbox"/> Laundry Fac. (coin) <u>1</u></p> <p><input type="checkbox"/> Project Security System(s) (Describe) _____</p> <p><input type="checkbox"/> Jacuzzis/Community Whirlpool(s) No. _____</p> <p><input type="checkbox"/> Other (specify) _____</p>
---	---

<p>37c. Unit Rating</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Good</th> <th style="text-align: center;">Average</th> <th style="text-align: center;">Fair</th> <th style="text-align: center;">Poor</th> </tr> </thead> <tbody> <tr><td>Condition of Improvement</td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Room Sizes and Layout</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Adequacy of Closets and Storage</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Kitchen Equip., Cabinets, Workspace</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Plumbing - Adequacy and Condition</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Electrical - Adequacy and Condition</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Soundproof. - Adequacy and Condition</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Insulation - Adequacy and Condition</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Overall Livability</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Appeal and Marketability</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> </tbody> </table>		Good	Average	Fair	Poor	Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Room Sizes and Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Closets and Storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kitchen Equip., Cabinets, Workspace	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plumbing - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Electrical - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproof. - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insulation - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>37d. Project Rating</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Good</th> <th style="text-align: center;">Average</th> <th style="text-align: center;">Fair</th> <th style="text-align: center;">Poor</th> </tr> </thead> <tbody> <tr><td>Location</td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>General Appearance</td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Amenities & Rec. Facil.</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Density (units/acre)</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Unit Mix</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Quality of Const. (matl. & finish)</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Condition of Exterior</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Condition of Interior</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Appeal to Market</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Soundproofing - Vertical</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> <tr><td>Soundproofing - Horiz.</td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input checked="" type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td><td style="text-align: center;"><input type="checkbox"/></td></tr> </tbody> </table>		Good	Average	Fair	Poor	Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Amenities & Rec. Facil.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Density (units/acre)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unit Mix	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quality of Const. (matl. & finish)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Vertical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Horiz.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Good	Average	Fair	Poor																																																																																																																
Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Room Sizes and Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Adequacy of Closets and Storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Kitchen Equip., Cabinets, Workspace	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Plumbing - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Electrical - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproof. - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Insulation - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
	Good	Average	Fair	Poor																																																																																																																
Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Amenities & Rec. Facil.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Density (units/acre)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Unit Mix	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Quality of Const. (matl. & finish)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Vertical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Horiz.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																

<p>38. Services</p> <p>Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning</p> <p>Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights/etc.</p> <p>Other: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Other (specify) trash, pest</p>	<p>39. Special Assessments</p> <p>a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable</p> <p>b. Principal Balance _____</p> <p>c. Annual Payment _____</p> <p>d. Remaining Term _____ Years</p>
---	---

E. Estimates of Annual Expense

Administrative		
1. Advertising	\$30,097	
2. Management	\$59,501	
3. Other	\$37,621	
4. Total Administrative		\$127,218
Operating		
5. Elevator Main. Exp.	\$7,524	
6. Fuel (Heat and Domestic Hot Water)	\$0	
7. Lighting & Misc. Power	\$33,859	
8. Water	\$75,242	
9. Gas	\$15,048	
10. Garbage & Trash Removal	\$11,286	
11. Payroll	\$165,532	
12. Other - Cable	\$0	
13. Total Operating		\$308,491
Maintenance		
14. Decorating	\$30,097	
15. Repairs	\$37,621	
16. Exterminating	\$7,524	
17. Insurance	\$52,669	
18. Ground Expense	\$30,097	
19a. Other-Security	\$0	
19b. Other-Service Coordinator	\$0	
20. Total Maintenance		\$158,008
21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. For Rehab)		\$36,000
22. Total Operating Expense		\$629,717
Taxes		
23. Real Estate: Est. Assessed Value at _____ per \$100		\$193,711
24. Personal Prop. Est. Assessed Value at <u>\$0</u> per \$1000	\$0	\$0
25. Empl. Payroll Tax		\$18,810
26. Other		\$0
27. Other		\$0
28. Total Taxes		\$212,521
29. Total Exp. (Attach form HUD-92274, as nec.)		\$842,238

F. Income Computations

<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">30a. Est. Residential Project Inc. (Line C28x12)</td> <td style="text-align: right;"><u>\$2,071,440</u></td> </tr> <tr> <td>b. Est. Ancillary Project Income (Line C29 x 12)</td> <td style="text-align: right;"><u>\$61,200</u></td> </tr> <tr> <td>c. Residential and Ancillary Occupancy Percentage*</td> <td style="text-align: right;"><u>93%</u></td> </tr> <tr> <td>d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))</td> <td style="text-align: right;"><u>\$1,983,355</u></td> </tr> <tr> <td>e. Total Residential and Ancillary Project Expenses (Line E29)</td> <td style="text-align: right;"><u>\$842,238</u></td> </tr> <tr> <td>31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)</td> <td style="text-align: right;"><u>\$1,141,117</u></td> </tr> <tr> <td>32a Est. Commercial Income (Line 30 x 12)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>b. Commercial Occupancy* (80% Maximum)</td> <td style="text-align: right;"><u>0%</u></td> </tr> </table>	30a. Est. Residential Project Inc. (Line C28x12)	<u>\$2,071,440</u>	b. Est. Ancillary Project Income (Line C29 x 12)	<u>\$61,200</u>	c. Residential and Ancillary Occupancy Percentage*	<u>93%</u>	d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))	<u>\$1,983,355</u>	e. Total Residential and Ancillary Project Expenses (Line E29)	<u>\$842,238</u>	31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)	<u>\$1,141,117</u>	32a Est. Commercial Income (Line 30 x 12)	<u>\$0</u>	b. Commercial Occupancy* (80% Maximum)	<u>0%</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">c. Effective Gross Commercial Income (Line 32a x Line 32b)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>d. Total Commercial Project Expenses (From Attached Analysis)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>34. Total Projected Net Income (Line 31 plus Line 33)</td> <td style="text-align: right;"><u>\$1,141,117</u></td> </tr> <tr> <td>35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)</td> <td style="text-align: right;"><u>42.5%</u></td> </tr> <tr> <td>35b. Commercial Expense Ratio (Line 32d divided by 32c)</td> <td style="text-align: right;"><u> </u></td> </tr> </table> <p>* Vacancy and collection loss rates and corresponding residential and commercial occupancy percentages are analyzed through market data, but subject by Jurisdictional Exception to overall HUD underwriting mandates.</p>	c. Effective Gross Commercial Income (Line 32a x Line 32b)	<u>\$0</u>	d. Total Commercial Project Expenses (From Attached Analysis)	<u>\$0</u>	33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)	<u>\$0</u>	34. Total Projected Net Income (Line 31 plus Line 33)	<u>\$1,141,117</u>	35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)	<u>42.5%</u>	35b. Commercial Expense Ratio (Line 32d divided by 32c)	<u> </u>
30a. Est. Residential Project Inc. (Line C28x12)	<u>\$2,071,440</u>																												
b. Est. Ancillary Project Income (Line C29 x 12)	<u>\$61,200</u>																												
c. Residential and Ancillary Occupancy Percentage*	<u>93%</u>																												
d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))	<u>\$1,983,355</u>																												
e. Total Residential and Ancillary Project Expenses (Line E29)	<u>\$842,238</u>																												
31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)	<u>\$1,141,117</u>																												
32a Est. Commercial Income (Line 30 x 12)	<u>\$0</u>																												
b. Commercial Occupancy* (80% Maximum)	<u>0%</u>																												
c. Effective Gross Commercial Income (Line 32a x Line 32b)	<u>\$0</u>																												
d. Total Commercial Project Expenses (From Attached Analysis)	<u>\$0</u>																												
33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)	<u>\$0</u>																												
34. Total Projected Net Income (Line 31 plus Line 33)	<u>\$1,141,117</u>																												
35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)	<u>42.5%</u>																												
35b. Commercial Expense Ratio (Line 32d divided by 32c)	<u> </u>																												

G. Estimated Replacement Cost

<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">36a. Unusual Land Improvements</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>b. Other Land Improvements</td> <td style="text-align: right;"><u>\$1,873,827</u></td> <td></td> </tr> <tr> <td>c. Total Land Improvements</td> <td style="text-align: right;"><u>\$1,873,827</u></td> <td></td> </tr> <tr> <td>Structures</td> <td></td> <td></td> </tr> <tr> <td>37. Main Buildings</td> <td style="text-align: right;"><u>\$11,832,649</u></td> <td></td> </tr> <tr> <td>38. Accessory Buildings</td> <td style="text-align: right;"><u>\$353,278</u></td> <td></td> </tr> <tr> <td>39. Garages</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>40. All Other Buildings</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>41. Total Structures</td> <td style="text-align: right;"><u>\$12,185,927</u></td> <td></td> </tr> <tr> <td>42. General Requirements</td> <td style="text-align: right;"><u>\$843,585</u></td> <td></td> </tr> <tr> <td>Fees</td> <td></td> <td></td> </tr> <tr> <td>43. Builder's Gen. Overhead at 1.89%</td> <td style="text-align: right;"><u>\$281,195</u></td> <td></td> </tr> <tr> <td>44. Builder's Profit at 5.66%</td> <td style="text-align: right;"><u>\$843,585</u></td> <td></td> </tr> <tr> <td>45. Arch. Fee-Design at 1.07%</td> <td style="text-align: right;"><u>\$171,500</u></td> <td></td> </tr> <tr> <td>46. Arch. Fee-Supvr. at 0.37%</td> <td style="text-align: right;"><u>\$59,850</u></td> <td></td> </tr> <tr> <td>47. Bond Premium</td> <td style="text-align: right;"><u>\$130,420</u></td> <td></td> </tr> <tr> <td>48. Other Fees</td> <td style="text-align: right;"><u>\$559,620</u></td> <td></td> </tr> <tr> <td>49. Total Fees</td> <td style="text-align: right;"><u>\$2,046,170</u></td> <td></td> </tr> <tr> <td>50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)</td> <td style="text-align: right;"><u>\$16,949,509</u></td> <td></td> </tr> <tr> <td>51. Cost Per Gross Square Foot</td> <td style="text-align: right;"><u>\$94.37</u></td> <td></td> </tr> <tr> <td>52. Estimated Construction Time (Months)</td> <td style="text-align: right;"><u>14+2</u></td> <td></td> </tr> </table> <p>Note 1: Jurisdictional Exception: In HUD programs, land and/or existing improvements are not valued for their "highest and best use" but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M 17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."</p>	36a. Unusual Land Improvements	<u>\$0</u>		b. Other Land Improvements	<u>\$1,873,827</u>		c. Total Land Improvements	<u>\$1,873,827</u>		Structures			37. Main Buildings	<u>\$11,832,649</u>		38. Accessory Buildings	<u>\$353,278</u>		39. Garages	<u>\$0</u>		40. All Other Buildings	<u>\$0</u>		41. Total Structures	<u>\$12,185,927</u>		42. General Requirements	<u>\$843,585</u>		Fees			43. Builder's Gen. Overhead at 1.89%	<u>\$281,195</u>		44. Builder's Profit at 5.66%	<u>\$843,585</u>		45. Arch. Fee-Design at 1.07%	<u>\$171,500</u>		46. Arch. Fee-Supvr. at 0.37%	<u>\$59,850</u>		47. Bond Premium	<u>\$130,420</u>		48. Other Fees	<u>\$559,620</u>		49. Total Fees	<u>\$2,046,170</u>		50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)	<u>\$16,949,509</u>		51. Cost Per Gross Square Foot	<u>\$94.37</u>		52. Estimated Construction Time (Months)	<u>14+2</u>		<table border="0" style="width: 100%;"> <tr> <td colspan="2">Carrying Charges & Financing</td> <td></td> </tr> <tr> <td>53. Interest: 16 Mos. At 4.25%</td> <td></td> <td style="text-align: right;"><u>\$299,801</u></td> </tr> <tr> <td>on *</td> <td></td> <td></td> </tr> <tr> <td>54. Taxes</td> <td></td> <td style="text-align: right;"><u>\$55,000</u></td> </tr> <tr> <td>55. Insurance</td> <td></td> <td style="text-align: right;"><u>\$57,676</u></td> </tr> <tr> <td>56. FHA Mtg. Ins. Premium</td> <td></td> <td style="text-align: right;"><u>\$105,812</u></td> </tr> <tr> <td>57. FHA Exam Fee</td> <td></td> <td style="text-align: right;"><u>\$31,744</u></td> </tr> <tr> <td>58. FHA Inspection Fee</td> <td></td> <td style="text-align: right;"><u>\$52,906</u></td> </tr> <tr> <td>59. Financing Fee</td> <td></td> <td style="text-align: right;"><u>\$158,718</u></td> </tr> <tr> <td>60. AMPO (N.P. only)</td> <td></td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>61. FNMA/GNMA Fee</td> <td></td> <td style="text-align: right;"><u>\$57,400</u></td> </tr> <tr> <td>61.a FNMA/GNMA Fee</td> <td></td> <td style="text-align: right;"><u>\$345,000</u></td> </tr> <tr> <td>62. Title and Recording</td> <td></td> <td style="text-align: right;"><u>\$55,000</u></td> </tr> <tr> <td>63. Total Carrying Charges & Financing</td> <td></td> <td style="text-align: right;">\$1,219,056</td> </tr> <tr> <td colspan="2">Legal, Organizational & Audit Fee</td> <td></td> </tr> <tr> <td>64. Legal</td> <td></td> <td style="text-align: right;"><u>\$180,000</u></td> </tr> <tr> <td>65. Organizational</td> <td></td> <td style="text-align: right;"><u>\$82,965</u></td> </tr> <tr> <td>66. Cost Certification Audit Fee</td> <td></td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>67. Total Legal, Organizational & Audit Fee (64+65+66)</td> <td></td> <td style="text-align: right;">\$262,965</td> </tr> <tr> <td>68. Builder and Sponsor Profit & Risk (221(d) (4) only)</td> <td></td> <td></td> </tr> <tr> <td>69. Consultant Fee (N.P. only)</td> <td></td> <td></td> </tr> <tr> <td>70. Supplemental Management Fund</td> <td></td> <td></td> </tr> <tr> <td>71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E</td> <td></td> <td style="text-align: right;"><u>\$50,340</u></td> </tr> <tr> <td>72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)</td> <td></td> <td style="text-align: right;">\$18,481,870</td> </tr> <tr> <td>73a. Warranted Price of Land J-143(3)(New Constr.)</td> <td></td> <td></td> </tr> <tr> <td>144 Units @ \$8,000 Per Unit</td> <td></td> <td style="text-align: right;"><u>\$1,150,000</u></td> </tr> <tr> <td>73b. As Is Property Value (Rehab only)</td> <td></td> <td></td> </tr> <tr> <td>73c. Off-Site (if needed, Rehab only)</td> <td></td> <td></td> </tr> <tr> <td>74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)</td> <td></td> <td style="text-align: right;">\$19,631,870</td> </tr> </table>	Carrying Charges & Financing			53. Interest: 16 Mos. At 4.25%		<u>\$299,801</u>	on *			54. Taxes		<u>\$55,000</u>	55. Insurance		<u>\$57,676</u>	56. FHA Mtg. Ins. Premium		<u>\$105,812</u>	57. FHA Exam Fee		<u>\$31,744</u>	58. FHA Inspection Fee		<u>\$52,906</u>	59. Financing Fee		<u>\$158,718</u>	60. AMPO (N.P. only)		<u>\$0</u>	61. FNMA/GNMA Fee		<u>\$57,400</u>	61.a FNMA/GNMA Fee		<u>\$345,000</u>	62. Title and Recording		<u>\$55,000</u>	63. Total Carrying Charges & Financing		\$1,219,056	Legal, Organizational & Audit Fee			64. Legal		<u>\$180,000</u>	65. Organizational		<u>\$82,965</u>	66. Cost Certification Audit Fee		<u>\$0</u>	67. Total Legal, Organizational & Audit Fee (64+65+66)		\$262,965	68. Builder and Sponsor Profit & Risk (221(d) (4) only)			69. Consultant Fee (N.P. only)			70. Supplemental Management Fund			71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E		<u>\$50,340</u>	72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)		\$18,481,870	73a. Warranted Price of Land J-143(3)(New Constr.)			144 Units @ \$8,000 Per Unit		<u>\$1,150,000</u>	73b. As Is Property Value (Rehab only)			73c. Off-Site (if needed, Rehab only)			74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)		\$19,631,870
36a. Unusual Land Improvements	<u>\$0</u>																																																																																																																																																						
b. Other Land Improvements	<u>\$1,873,827</u>																																																																																																																																																						
c. Total Land Improvements	<u>\$1,873,827</u>																																																																																																																																																						
Structures																																																																																																																																																							
37. Main Buildings	<u>\$11,832,649</u>																																																																																																																																																						
38. Accessory Buildings	<u>\$353,278</u>																																																																																																																																																						
39. Garages	<u>\$0</u>																																																																																																																																																						
40. All Other Buildings	<u>\$0</u>																																																																																																																																																						
41. Total Structures	<u>\$12,185,927</u>																																																																																																																																																						
42. General Requirements	<u>\$843,585</u>																																																																																																																																																						
Fees																																																																																																																																																							
43. Builder's Gen. Overhead at 1.89%	<u>\$281,195</u>																																																																																																																																																						
44. Builder's Profit at 5.66%	<u>\$843,585</u>																																																																																																																																																						
45. Arch. Fee-Design at 1.07%	<u>\$171,500</u>																																																																																																																																																						
46. Arch. Fee-Supvr. at 0.37%	<u>\$59,850</u>																																																																																																																																																						
47. Bond Premium	<u>\$130,420</u>																																																																																																																																																						
48. Other Fees	<u>\$559,620</u>																																																																																																																																																						
49. Total Fees	<u>\$2,046,170</u>																																																																																																																																																						
50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)	<u>\$16,949,509</u>																																																																																																																																																						
51. Cost Per Gross Square Foot	<u>\$94.37</u>																																																																																																																																																						
52. Estimated Construction Time (Months)	<u>14+2</u>																																																																																																																																																						
Carrying Charges & Financing																																																																																																																																																							
53. Interest: 16 Mos. At 4.25%		<u>\$299,801</u>																																																																																																																																																					
on *																																																																																																																																																							
54. Taxes		<u>\$55,000</u>																																																																																																																																																					
55. Insurance		<u>\$57,676</u>																																																																																																																																																					
56. FHA Mtg. Ins. Premium		<u>\$105,812</u>																																																																																																																																																					
57. FHA Exam Fee		<u>\$31,744</u>																																																																																																																																																					
58. FHA Inspection Fee		<u>\$52,906</u>																																																																																																																																																					
59. Financing Fee		<u>\$158,718</u>																																																																																																																																																					
60. AMPO (N.P. only)		<u>\$0</u>																																																																																																																																																					
61. FNMA/GNMA Fee		<u>\$57,400</u>																																																																																																																																																					
61.a FNMA/GNMA Fee		<u>\$345,000</u>																																																																																																																																																					
62. Title and Recording		<u>\$55,000</u>																																																																																																																																																					
63. Total Carrying Charges & Financing		\$1,219,056																																																																																																																																																					
Legal, Organizational & Audit Fee																																																																																																																																																							
64. Legal		<u>\$180,000</u>																																																																																																																																																					
65. Organizational		<u>\$82,965</u>																																																																																																																																																					
66. Cost Certification Audit Fee		<u>\$0</u>																																																																																																																																																					
67. Total Legal, Organizational & Audit Fee (64+65+66)		\$262,965																																																																																																																																																					
68. Builder and Sponsor Profit & Risk (221(d) (4) only)																																																																																																																																																							
69. Consultant Fee (N.P. only)																																																																																																																																																							
70. Supplemental Management Fund																																																																																																																																																							
71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E		<u>\$50,340</u>																																																																																																																																																					
72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)		\$18,481,870																																																																																																																																																					
73a. Warranted Price of Land J-143(3)(New Constr.)																																																																																																																																																							
144 Units @ \$8,000 Per Unit		<u>\$1,150,000</u>																																																																																																																																																					
73b. As Is Property Value (Rehab only)																																																																																																																																																							
73c. Off-Site (if needed, Rehab only)																																																																																																																																																							
74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)		\$19,631,870																																																																																																																																																					

H. Remarks

(Note 2: For Rehab only: Estimated Value of land without Improvements Estimated Value of land and improvements "As Is" by Residual Method, i.e., After Rehabilitation Correlated Value minus Line G 72 Cost of Rehabilitation Improvements equals _____; line G 73b is the lesser of this amount, and the amount estimated by Supplemental form HUD-92264 "As Is".)

I. Estimate of Operating Deficit

Periods	Gross Income	Occup %	Effective Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos.	\$2,132,640	93%	\$1,983,355	\$842,238	\$1,141,117	\$48,083	-\$176,263
2. 2nd Mos.							
3. Total Operating Deficit							-\$176,263

Previous editions are obsolete.

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

- | | | | |
|---|--|-----------------------------|--|
| 1. Is Location and Neighborhood Acceptable ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 2. Is Site adequate in Size for proposed Project? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 3. Is Site Zoning permissive for intended use? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 4. Are Utilities available now to serve the Site? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 5. Is there a market at this location for the Facility at the proposed Rents ? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 6. <input checked="" type="checkbox"/> Site Acceptable for type of Project proposed under Section | 221(d)(4) (If checked, acceptance subject to qualifications listed at bottom of Page 6.) | | |
| 7. <input type="checkbox"/> Site not acceptable (see reasons listed at bottom of page 6) | | | |

Date of Inspection **08/08/17** Note: The effective date of all land valuations is the date of inspection.

8. Value Fully Improved	Location of Project 1325 Chatham Parkway Savannah, GA 31405	Size of Subject Site (net area) 15.907
--------------------------------	---	--

	Comparable Sales Address No. 1	Comparable Sales Address No. 2	Comparable Sales Address No. 3	Comparable Sales Address No. 4	Comparable Sales Address No. 5
	Sawgrass at Bolton's W/S of Roustabout Dr. Charleston, SC 29414	East Broad Street Lofts 1020 E. Broad Street Savannah, GA 31401	17 South 105 Ivy Green Road Charleston, SC 29414	Mariner Grove 2010 E. President Street Savannah, GA 31404	Legends at Chatham 1426 Chatham Parkway Savannah, GA 31405
Date of Sale	January 4, 2017	May 9, 2016	May 13, 2016	August 11, 2015	July 29, 2013
Sales Price	\$1,698,135	\$1,500,000	\$3,261,600	\$4,080,000	\$2,162,700
No. of SF	612,976	71,003	415,519	706,543	963,024
Price per Square Foot	\$2.77	\$21.13	\$7.85	\$5.77	\$2.25
No. of Acres	14.072	1.630	9.539	16.220	22.108
Price per acre	\$120,675	\$920,245	\$341,923	\$251,541	\$97,824
No. of Planned Units	156	69	220	320	255
Price per Planned Unit	\$10,885	\$21,739	\$14,825	\$12,750	\$8,481
Adjustments (%)					
Time	0.00%	3.00%	3.00%	6.00%	10.00%
Location	-10.00%	-20.00%	-10.00%	0.00%	0.00%
Zoning	0.00%	0.00%	0.00%	0.00%	0.00%
Plottage	0.00%	0.00%	0.00%	0.00%	0.00%
Demolition	0.00%	0.00%	0.00%	0.00%	0.00%
Topo., Phys. Char.	-20.00%	-30.00%	-35.00%	-35.00%	-15.00%
Density	0.00%	0.00%	0.00%	0.00%	0.00%
Total Adjustment Factor	-30.00%	-47.00%	-42.00%	-29.00%	-5.00%
Adjusted Unit Price	\$7,620	\$11,522	\$8,599	\$9,053	\$8,057
Indicated Value by Comparison	\$1,097,256	\$1,659,130	\$1,238,222	\$1,303,560	\$1,160,225

9. Value of Site Fully Improved **\$1,150,000**

10.			
Date of Sale			
Sales Price			
Ft. / Acres			
Price per Sq. Ft.			
No. Acres			
Price per acre			
No. Units			
Price per unit			
Adjustments (%)			
Time			
Location			
Zoning			
Plottage			
Demolition			
Topo., Phys. Char.			
Density			
Total Adjustmt Factor			
Adjusted Sq. Ft. Price			
Indicated Value by C			

11. Value of Site "As Is" by Comparison

12. Acquisition Cost (Last Arms-Length Transaction)	
Buyer Commonwealth Development Corporation of America	Address
Seller JCJH, LLC	Address
Date Pending	Price \$1,100,000
Source Purchase Contract	

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

14. Value of Land and Cost Certification	
(1) Fair Market Value of land fully improved (from 9 above)	\$1,150,000
(2) Deduct unusual items from Section G, item 36a	
(3) Warranted price of land fully improved (Replacement Cost items excluded) (enter G-73)	
For Cost Certification Purposes	
(3a) Deduct cost of demol. _____ and required off-sites _____ to be paid by Mortgagor or by special assessments	
(4) Estimate of "As Is" by subtraction from improved value	
(5) Estimate of "As Is" by direct comparison with similar unimproved sites (from 11 above)	
(6) "As Is" based on acquisition cost to sponsor (from 13 above)	
(7) Commissioner's estimated value of land "As Is" (the lesser of [4] or [5] above)*	
* Where land is purchased from LPA or other Government authority for specific reuse, use the lesser of 4, 5, or 6	

K. Income Approach to Value	
(1) Estimated Remaining Economic Life	55 Years
(2) Capitalization Rate Determined By (See Chapter 7, Handbook 4465.1)	
<input checked="" type="checkbox"/> Overall Rate From Comparable Projects	
<input type="checkbox"/> Rate From Band of Investment	
<input type="checkbox"/> Cash Flow to Equity	
(3) Rate Selected	
(4) Net Income (Line F34)	\$1,141,117
(5) Capitalized Value (Line 4 divided by Line 3)	(rounded)
(6) Value of Leased Fee (See Chapter 3, Handbook 4465.1) Ground Rent _____ \$1 divided by Cap. Rate <u>n/a</u> equals Value of Leased Fee	\$1,100,000 (see comments below)

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

Given the nominal rent amount per year, it is believed that no investor would pay for the income stream associated with this ground lease. However, there will be a \$1,100,000 upfront payment for the ground lease at closing; which would serve as the Leased Fee Interest in the property. After deducting the estimated Lease Fee Estate (\$1,100,000) from the Fee Simple Interest (\$1,150,000), the residual value of the Leasehold Estate is equivalent to \$50,000.

L. Comparison Approach to Value

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

Item	Subject Property	Comparable Sale No. 1	Comparable Sale No. 2	Comparable Sale No. 3									
Address	The Preserve at Chatham 1325 Chatham Parkway Savannah, GA 31405												
Proximity to Subject													
Sales Price	N/A	<input type="checkbox"/> Unf. <input type="checkbox"/> furn	<input type="checkbox"/> Unf. <input type="checkbox"/> furn	<input type="checkbox"/> Unf. <input type="checkbox"/> furn									
Sales Price per NRA	N/A												
Effective Gross Income	N/A												
EGI Multiplier (1)*	N/A												
Sales Price / Unit	N/A												
Sales Price / Room	N/A												
Data Source	N/A												
Adjustments	Description	Description	+ (-) Adjust.	Description	+ (-) Adjust.	Description	+ (-) Adjust.						
Sales or Financing Concessions													
Date of Sale	N/A												
Location	Good												
Site / View	Good												
Design / Appeal	Good												
Construction Quality	Good												
Year Built	2019												
Condition	Excellent												
Net Building Area	137,244 Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.						
Unit Breakdown	No. of Units		Room Count			No. of Units	Room Count			No. of Units	Room Count		
	Tot.	Br	Ba	Vac	Tot.	Br	Ba	Vac	Tot.	Br	Ba	Vac	
	12	5	1	1									
	84	7	2	2									
	48	8	3	2									
	144		324										
Basement Description	N/A												
Functional Utility	Average												
Heating / Cooling	Central												
Parking on/off site	On-site												
Project Amenities and Fee (if applicable)	clubhouse, community room, fitness center, business center, laundry facility, picnic areas												
Other													
Net Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> -	<input type="checkbox"/> + <input type="checkbox"/> -	<input type="checkbox"/> + <input type="checkbox"/> -									
Adjusted Sales Price of Comparables													
8. Indicated Value by Sales Comparison Approach	Per Unit x Units =												

Reconciliation

Capitalization _____ Summation _____ Comparison _____ (based on \$/unit & EGM)

9. The market value (or replacement cost) of the property, as of the effective date of the appraisal, is _____ ** see note below

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

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

Comments on: (continue on separate page if necessary)

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

See additional discussion in attached narrative appraisal report.

M. To be Completed by Construction Cost Analyst			
Cost not Attributable to Dwelling Use		Total Est. Cost of Off-Site Requirements	
10. Parking		16. Off-Site	
11. Garage	_____	_____	_____
12. Commercial	_____	_____	_____
13. Special Ext. Land Improvements	_____	_____	_____
14. Other	_____	_____	_____
15. Total	_____	17. Total Off-Site Costs	_____

N. Signatures and Appraiser Certification			
Architectural Processor	Date	Architectural Reviewer	Date
Cost Processor	Date	Cost Reviewer	Date

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

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

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

Appraiser 	Date 12/18/2017	Review Appraiser	Date
State Certification Number 338202	State GA	State Certification Number	Date

The Review Appraiser certifies that he/she <input type="checkbox"/> Did <input type="checkbox"/> Did not inspect the subject property			
Chief, Housing Programs Branch	Date	Director, Housing Development	Date
Field Office Manager/Deputy		Date	

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

Public Reporting Burden for this collection of information is estimated to average 114 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

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

Previous editions are obsolete.

ESTIMATE OF AFFORDABLE NOI

As previously discussed, the units at the subject will operate in compliance with Low-Income Housing Tax Credits (LIHTC) received from the GHFA. Restricted LIHTC rents are based on HUD income limits for Chatham County (Savannah MSA) and are calculated based on 30% of the household income adjusted for family size. Rents assume an allocation of 1½ persons per bedroom. Based on the 2017 HUD income limits and unit size (number of bedrooms), maximum monthly rents under LIHTC guidelines (*excluding tenant-paid utilities based on utility allowances provided by the developer*) are outlined below based upon 60% of the Area Median Income (AMI).

The Preserve at Chatham Parkway									
- Applicable Income Limits & Rents -									
60% AMHI Limit									
UnitType	Area Median Income	Housing Ratio	Maximum Annual Rent	Maximum Monthly LIHTC Rent	Less Tenant-Paid Util. Allow.	Maximum LIHTC Rent After Util.	Developer's Proforma LIHTC Rents		
1BR / 1BA	\$29,250	x 30%	= \$8,775	\$731	\$46	= \$685	\$650		
2BR / 1BA	\$35,100	x 30%	= \$10,530	\$878	\$61	= \$816	\$800		
3BR / 2BA	\$40,500	x 30%	= \$12,150	\$1,013	\$76	= \$936	\$925		

Under LIHTC operations, the subject's rents are restricted to either the maximum tax credit rent (shown above) or the estimated achievable tax credit rent as evidenced by comparable LIHTC rental data. Apartment complexes operating under LIHTC restrictions often price their units below the maximum allowable to maximize competitiveness. Therefore we have researched the subject's competitive market for LIHTC rent comparables. Detailed write-ups of each comparable is included in the Addenda. The HUD 92273 grids are shown on the following pages.

HUD 92273 LIHTC Operations

Estimates of Market Rent
by Comparison

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits from HUD and not to send money to the collection. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing the burden, to Washington Headquarters Office, Paperwork Project (0182-0047), Washington, DC 20543-0182. This information is being collected under Public Law 99-192, which requires the Department of Housing and Urban Development to implement a system for minimizing the burden of reporting requirements for market rent surveys. The information will be used by HUD to determine the accuracy, timeliness, and cost of the firm commitment. Confidentiality is maintained in accordance with the Freedom of Information Act (FOIA) provisions, as if it could impact on the ability of the Department to provide housing units under the various provisions of the Housing Act.

1. Unit Type	2. Subject Property (Address) Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	A. Comparable Property No. 6 (address) Sustainable Fellwood Phase II 1401 Fellwood Drive Savannah, GA 31415		B. Comparable Property No. 7 (address) Savannah Gardens Ph. III 500 Pennsylvania Avenue Savannah, GA 31404		C. Comparable Property No. 8 (address) Montgomery Landing 714 W. 57th Street Savannah, GA 31405		D. Comparable Property No. 9 (address) Ashley Midtown 1518 East Park Avenue Savannah, GA 31404		E. Comparable Property No. 10 (address) Bradley Pointe 1355 Bradley Blvd. Savannah, GA 31419	
		Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +	Data	Adjustments - +
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17	
4. Type of Project/Stories	WU-3	WU-3		WU-3		WU-283		WU-2		WU-2	
5. Floor of Unit in Building	All	All		All		All		All		All	
6. Project Occupancy %	95%	91%		N/A		96%		97%		N/A	
7. Concessions	N/A	No		No		No		No		No	
8. Year Built	Proposed 2019	2012		2012		2005	\$25	2004	\$25	2004	\$25
9. SF Area	834	823	\$4	860	-\$6	792	\$12	1,187	-\$77	718	\$40
10. Number of Bedrooms	1	1		1		1		2	-\$50	1	
11. Number of Bath	1	1		1		1		1		1	
12. Number of Rooms	4	4		4		4		5		4	
13. Balc/Terrace/Patio	Yes	No	\$10	Yes		No	\$10	Yes		No	\$10
14. Garage or Carport	Surface	Surface		Surface		Surface		Surface		Surface	
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central	
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes	
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
e) Microwave	No	No		Yes	-\$5	No		No		No	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
g) Washer/Dryer	HU	HU		HU		HU		WD	-\$40	HU	
h) Flooring	CV	C/T		VPI/C	-\$25	C/T		C/V		C/V	
i) Pool/Rec Area	No/Yes	No/Yes		No/Yes		Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10
j) Countertops	Laminate	Laminate		Laminate		Laminate		Laminate		Laminate	
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E	
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E	
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E	
d) Water Cold/Hot	C	C		No	\$38	No	\$38	No	\$38	No	\$38
e) Internet/Cable	No	No		No		No		No		No	
f) Valet Trash	No	No		No		No		No		No	
17. Storage	No	No		No		No		No		No	
18. Project Location	Good	Good		Good		Good		Good		Good	
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good	
b) Sunroom	No	No		No		No		No		No	
20. Unit Rent per Month		\$793		\$600		\$649		\$739		\$708	
21. Total Adjustment		\$14		\$2		\$75		-\$114		\$103	
22. Indicated Rent		\$807		\$602		\$724		\$625		\$811	
23. Correlated Subject Rent	\$675	If there are any Remarks, check here and add the remarks to the back of page.									

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

Appraiser's Signature: *A. C. Pratt* Date: December 18, 2017
Reviewer's Signature: _____

Previous versions are obsolete

mean	\$714	median	\$724				
min	\$602	max	\$811				
Unadjusted Rent Per SF of the Comparables		\$0.96	\$0.70	\$0.82	\$0.62	\$0.99	\$0.82
Adjusted Rent Per SF of the Comparables		\$0.98	\$0.70	\$0.91	\$0.53	\$1.13	\$0.85
Correlated Rent Per SF	\$0.81						avg.
Max Rent	\$685						

**Estimates of Market Rent
by Comparison**

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits, HUD may not require it to comply with the requirements of a currently valid OMB control number. This information is being collected under Public Law 101-525, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgage insured under Section 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rent, property appraisal, and to execute a firm commitment. Confidentiality is not guaranteed if it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the National Housing Act.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 6 (address)	B. Comparable Property No. 7 (address)	C. Comparable Property No. 8 (address)	D. Comparable Property No. 9 (address)	E. Comparable Property No. 10 (address)					
2BR/1BA - Elevator	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Sustainable Fellwood Phase II 1401 Fellwood Drive Savannah, GA 31415	Savannah Gardens Ph. III 500 Pennsylvania Avenue Savannah, GA 31404	Montgomery Landing 714 W. 57th Street Savannah, GA 31405	Ashley Midtown 1518 East Park Avenue Savannah, GA 31404	Bradley Pointe 1355 Bradley Blvd. Savannah, GA 31419					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17	
4. Type of Project/Stories	E-4	WU-3	\$25	WU-3	\$25	WU-283	\$25	WU-2	\$25	WU-2	\$25
5. Floor of Unit in Building	All	All		All		All		All		All	
6. Project Occupancy %	95%	91%		N/A		96%		97%		N/A	
7. Concessions	N/A	No		No		No		No		No	
8. Year Built	Proposed 2019	2012		2012		2005	\$25	2004	\$25	2004	\$25
9. SF Area	963	1,060	-\$28	1,077	-\$25	1,062	-\$25	1,187	-\$49	1,079	-\$32
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Bath	1	1		2	-\$30	2	-\$30	1		2	-\$30
12. Number of Rooms	5	5		6		6		5		6	
13. Balc/Terrace/Patio	No	No		Yes	-\$10	No		Yes	-\$10	No	
14. Garage or Carport	Surface	Surface		Surface		Surface		Surface		Surface	
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central	
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes	
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
e) Microwave	No	No		Yes	-\$5	No		No		No	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
g) Washer/Dryer	HU	HU		HU		HU		WD	-\$40	HU	
h) Flooring	C/V	C/T		VP/C	-\$25	C/T		C/V		C/V	
i) Pool/Rec Area	No/Yes	No/Yes		No/Yes		Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10
j) Countertops	Laminate	Laminate		Laminate		Laminate		Laminate		Laminate	
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E	
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E	
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E	
d) Water Cold/Hot	C	C		No	\$47	No	\$47	No	\$47	No	\$47
e) Internet/Cable	No	No		No		No		No		No	
f) Valet Trash	No	No		No		No		No		No	
17. Storage	No	No		No		No		No		No	
18. Project Location	Good	Good		Good		Good		Good		Good	
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good	
b) Sunroom	No	No		No		No		No		No	
20. Unit Rent per Month		\$874		\$680		\$766		\$739		\$839	
21. Total Adjustment			-\$3		-\$23		\$32		-\$12		\$25
22. Indicated Rent		\$871		\$657		\$798		\$727		\$864	
23. Correlated Subject Rent	\$800	If there are any Remarks, check here and add the remarks to the back of page.									

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

Appraiser's Signature: *A.L.C. Pate* Date: December 18, 2017 Reviewer's Signature: _____

Previous versions are obsolete

mean	\$783	median	\$798				
min	\$657	max	\$871				
Unadjusted Rent Per SF of the Comparables		\$0.82	\$0.63	\$0.72	\$0.62	\$0.78	\$0.72
Adjusted Rent Per SF of the Comparables		\$0.82	\$0.61	\$0.75	\$0.61	\$0.80	\$0.72
Correlated Rent Per SF	\$0.83						avg.
Max Rent	\$816						

**Estimates of Market Rent
by Comparison**

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

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

Public reporting burden for this collection of information is estimated to average 24 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not use the information to conduct a firm commitment. Confidentiality is not guaranteed. This information is being collected under Public Law 101-525, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgage insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rent, property operations, and to execute a firm commitment. Confidentiality is not guaranteed if it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the National Housing Act.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 6 (address)	B. Comparable Property No. 7 (address)	C. Comparable Property No. 8 (address)	D. Comparable Property No. 9 (address)	E. Comparable Property No. 10 (address)					
2BR/1BA - Garden	Preserve at Chatham Parkway 1325 Chatham Parkway Savannah, GA 31405	Sustainable Fellwood Phase II 1401 Fellwood Drive Savannah, GA 31415	Savannah Gardens Ph. III 500 Pennsylvania Avenue Savannah, GA 31404	Montgomery Landing 714 W. 57th Street Savannah, GA 31405	Ashley Midtown 1518 East Park Avenue Savannah, GA 31404	Bradley Pointe 1355 Bradley Blvd. Savannah, GA 31419					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	Aug-17	Aug-17		Aug-17		Aug-17		Aug-17		Aug-17	
4. Type of Project/Stories	WU-3	WU-3		WU-3		WU-283		WU-2		WU-2	
5. Floor of Unit in Building	All	All		All		All		All		All	
6. Project Occupancy %	95%	91%		N/A		96%		97%		N/A	
7. Concessions	N/A	No		No		No		No		No	
8. Year Built	Proposed 2019	2012		2012		2005	\$25	2004	\$25	2004	\$25
9. SF Area	1,019	1,060	-\$12	1,077	-\$13	1,062	-\$11	1,187	-\$37	1,079	-\$16
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Bath	1	1		2	-\$30	2	-\$30	1		2	-\$30
12. Number of Rooms	5	5		6		6		5		6	
13. Balc/Terrace/Patio	Yes	No	\$10	Yes		No	\$10	Yes		No	\$10
14. Garage or Carport	Surface	Surface		Surface		Surface		Surface		Surface	
15. Equipment a) A/C	Yes-Central	Yes-Central		Yes-Central		Yes-Central		Yes-Central		Yes-Central	
b) Range/Oven	R/O	R/O		R/O		R/O		R/O		R/O	
c) Refrigerator	Yes	Yes		Yes		Yes		Yes		Yes	
d) Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
e) Microwave	No	No		Yes	-\$5	No		No		No	
f) Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
g) Washer/Dryer	HU	HU		HU		HU		WD	-\$40	HU	
h) Flooring	C/V	C/T		VP/C	-\$25	C/T		C/V		C/V	
i) Pool/Rec Area	No/Yes	No/Yes		No/Yes		Yes/Yes	-\$10	Yes/Yes	-\$10	Yes/Yes	-\$10
j) Countertops	Laminate	Laminate		Laminate		Laminate		Laminate		Laminate	
16. Services a) Heat/Type	No / E	No / E		No / E		No / E		No / E		No / E	
b) Cook/Type	No / E	No / E		No / E		No / E		No / E		No / E	
c) Electricity	No / E	No / E		No / E		No / E		No / E		No / E	
d) Water Cold/Hot	C	C		No	\$47	No	\$47	No	\$47	No	\$47
e) Internet/Cable	No	No		No		No		No		No	
f) Valet Trash	No	No		No		No		No		No	
17. Storage	No	No		No		No		No		No	
18. Project Location	Good	Good		Good		Good		Good		Good	
19. Other: a) Appeal	Good	Good		Good		Good		Good		Good	
b) Sunroom	No	No		No		No		No		No	
20. Unit Rent per Month		\$874		\$680		\$766		\$739		\$839	
21. Total Adjustment			-\$2		-\$26		\$31		-\$15		\$26
22. Indicated Rent		\$872		\$654		\$797		\$724		\$865	
23. Correlated Subject Rent	\$800	If there are any Remarks, check here and add the remarks to the back of page.									

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

Appraiser's Signature

A.L.C. Fink

Date

December 18, 2017

Reviewer's Signature

Previous versions are obsolete

mean	\$782	median	\$797				
min	\$654	max	\$872				
Unadjusted Rent Per SF of the Comparables		\$0.82	\$0.63	\$0.72	\$0.62	\$0.78	\$0.72
Adjusted Rent Per SF of the Comparables		\$0.82	\$0.61	\$0.75	\$0.61	\$0.80	\$0.72
Correlated Rent Per SF	\$0.79						avg.
Max Rent	\$816						

Potential Gross Income Analysis – LIHTC

The previous HUD-92273 forms show the subject in comparison to competitive LIHTC rentals with appropriate adjustments for varying feature characteristics. Specific comparable units were selected based on comparability within unit type, particularly relative to square footage. In analyzing the comparable rentals, it is noted that these comparables represent the most competitive projects to the proposed subject property relative to location, design, and targeted market.

Explanation of Adjustments and Market Rent Conclusions

Line 3. Effective Date of Rental. The grids show current rents with no adjustments necessary. All the properties were surveyed in August 2017. No adjustments warranted.

Line 4. Type of Project/Stories. The subject contains four walk-up buildings and one elevator building. All of the comparables utilized reflect two- or three-story walk-up buildings. A positive \$25 adjustment was applied to all comparables on the 2BR-elevator grid to account for the premium for elevator access.

Line 6. Project Occupancy %. The stabilized comparables reported a range from 91.1% to 97.0% with an average of 95.8%. No adjustments are necessary.

Line 7. Concessions. None of the comparables are currently offering concessions. No adjustments are warranted.

Line 8. Year Built – The comparables range in year built from 2004 to 2012. Positive adjustments of \$25 were applied to *Montgomery Landing*, *Ashley Midtown*, and *Bradley Pointe* given their inferior ages.

Line 9. Square Footage. To value the size differences between the subject and the comparables, I reviewed the rents quoted at several complexes within the Savannah market having several floor plans within the same unit type (e.g., having two or three 2BR/2BA floor plans where the primary difference was size). The following chart was put together from the dataset from the report. Overall variances ranged from \$0.05 to \$0.85 per square foot; largely due to daily pricing models which can skew the averages. In addition to these properties, consideration has been given to the overall rental rates per square foot and the adjustment being a reasonable ratio.

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF
Walden at Chatham Center	1BR/1BA	883	241	\$974	\$13	\$0.05	5%
	1BR/1BA	642		\$961			
Legends at Chatham	1BR/1BA	920	194	\$990	\$105	\$0.54	50%
	1BR/1BA	726		\$885			
Grand Oak at Ogeechee River*	1BR/1BA	827	76	\$1,063	\$8	\$0.11	8%
	1BR/1BA	751		\$1,055			
Mariner Grove	1BR/1BA	888	110	\$1,435	\$65	\$0.59	37%
	1BR/1BA	778		\$1,370			
*Rents reflect averages quoted from daily pricing model.							
Mean					\$48	\$0.32	25%
Median					\$39	\$0.32	22%

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF	
Legends at Chatham	2BR/2BA	1,252	97	\$1,240	\$10	\$0.10	10%	
	2BR/2BA	1,155		\$1,230				
Grand Oak at Ogeechee River*	2BR/2BA	1,202	87	\$1,050	\$61	\$0.70	80%	
	2BR/2BA	1,115		\$989				
Mariner Grove	2BR/2BA	1,153	70	\$1,735	\$10	\$0.14	9%	
	2BR/2BA	1,083		\$1,725				
	2BR/2BA	1,212	59	\$1,785	\$50	\$0.85	58%	
	2BR/2BA	1,153		\$1,735				
	2BR/2BA	1,275	73	\$2,120	\$35	\$0.48	29%	
	2BR/2BA	1,202		\$2,085				
*Rents reflect averages quoted from daily pricing model.								
Mean						\$33	\$0.45	37%
Median						\$35	\$0.48	29%

Complex	Unit Type	SF	Difference	Rent	Difference	Ren Per SF	% of Rent Per SF	
Walden at Chatham Center	3BR/2BA	1,418	60	\$1,491	\$20	\$0.33	32%	
	3BR/2BA	1,358		\$1,471				
Legends at Chatham	3BR/2BA	1,479	117	\$1,430	\$90	\$0.77	80%	
	3BR/2BA	1,362		\$1,340				
*Rents reflect averages quoted from daily pricing model.								
Mean						\$55	\$0.55	56%
Median						\$55	\$0.55	56%

Based on my analysis, I concluded that there is a value of roughly 35% of the rent per square foot is appropriate. Given the average rents per square foot in this survey, this equates to an approximate range of \$0.22 to \$0.35 per square foot; which is considered to be reasonable. The heated square feet figure provided appear to be the same methodology in which square footage is calculated for the rental comparables (to exclude patios, outside storage, etc.) – shown as the HUD gross square footage on the plans. Therefore, the subject net square feet is compared to the marketed square footage provided by the comparables. An adjustment is calculated based upon the square footage difference between the subject and the comparable that is then multiplied by the price per square foot cost variance. The following formula is used in the grids for SF adjustments, with the result rounded:

$$(\text{Comp SF} - \text{Subject SF}) \times (35\% \times \text{Rent/SF of the Comparable})$$

Line 10. # Bedrooms. The only variance is on the one-bedroom grid. *Ashley Midtown* does not contain one-bedroom units so a two-bedroom was utilized on the one-bedroom grid. A downward \$50 adjustment was applied to account for the variance. Consideration is given to the market data outlined below.

Bedroom Adjustment								
Complex	Unit Type	SF	Difference	Rent	Rent Difference	SF adj. @ 30% of \$/SF	Remaining BR Adj.	Rent/SF
Walden at Chatham Center	3BR/2BA	1,358	227	\$1,471	\$175	73.76664212	\$101	\$1.08
	2BR/2BA	1,131		\$1,296				
	3BR/2BA - SR	1,418	207	\$1,491	\$195	\$65	\$130	\$1.05
	2BR/2BA - SR	1,211		\$1,296				
The Fountains at Chatham Parkway	3BR/2BA	1,361	306	\$1,280	\$120	\$86	\$34	\$0.94
	2BR/2BA	1,055		\$1,160				
Legends at Chatham	3BR/2BA	1,362	207	\$1,340	\$110	\$61	\$49	\$0.98
	2BR/2BA	1,155		\$1,230				
Grand Oak at Ogeechee River*	3BR/2BA	1,455	253	\$1,183	\$133	\$62	\$71	\$0.81
	2BR/2BA	1,202		\$1,050				
Mariner Grove	1BR/1BA	888	152	\$1,435	\$90	\$74	\$16	\$1.62
	Studio	736		\$1,345				
Sustainable Fellwood Ph. II	2BR/1BA	1,060	237	\$874	\$81	\$59	\$22	\$0.82
	1BR/1BA	823		\$793				
Montgomery Landing	3BR/2BA	1,267	205	\$872	\$106	\$42	\$64	\$0.69
	2BR/2BA	1,062		\$766				
	4BR/2BA	1,428	161	\$959	\$87	\$32	\$55	\$0.67
	3BR/2BA	1,267		\$872				
Bradley Pointe	3BR/2BA	1,167	88	\$959	\$120	\$22	\$98	\$0.82
	2BR/2BA	1,079		\$839				
Mean							\$64	\$0.95
Median							\$59	\$0.88

*Rents reflect averages quoted from Yieldstar or LRO.

Line 11. # Baths. The subject two-bedroom units contain one full bathroom whereas all of the comparable two-bedroom units contain two full bathrooms. A downward \$30 adjustment was applied to each comparable on the two-bedroom grids to account for this variance.

Line 12. # of Rooms. Accounted for in Lines 10 and 11 above.

Line 13. Balcony/Terrace/Patio. The subject garden units all contain a balcony or patio, the subject elevator units do not. A \$10 adjustment was applied for any variances.

Line 14. Garage or Carport. The subject will not feature garages or carports. This amenity is not available within the rent at any of the comparables or the subject. No adjustments warranted.

Line 15a. AC: Central/Wall. The subject will have individual central electric heat and air conditioning systems, as do all of the comparables. No adjustments were necessary.

Line 15b-d. Range/Oven, Refrigerator, Disposal. The subject units will have a range/oven and a frost-free refrigerator with icemaker, and disposal, similar to all of the comparables. No adjustments are necessary.

Line 15e. Microwave. The subject units will not contain a built-in microwave. A downward \$5 adjustment was applied to each comparable containing this feature.

Line 15f. Dishwasher. The subject and all comparables include a dishwasher; no adjustments are necessary.

Line 15g. Washer/Dryer. The subject will provide a washer and dryer connections in all units as do four of the five comparables. *Mariner Grove* includes washer/dryer appliances. A negative adjustment of \$40 was applied. Consideration is given to the market data outlined below.

HU and WD Premiums			
Complex	City	State	W/D
Bell Vinings	Atlanta	GA	\$40
Emory Square	Decatur	GA	\$50
The Atlantic North Decatur	Decatur	GA	\$35
Magnolia Pointe	Duluth	GA	\$45
Palisades Club	Duluth	GA	\$40
Herrington Woods	Lawrenceville	GA	\$40
Wembly at Overlook	Macon	GA	\$45
Mean			\$42
Median			\$40

Line 15h. Carpet/Drapes. The subject will contain carpet and vinyl flooring whereas all of the comparables feature faux wood flooring. A downward \$25 adjustment was applied to each comparable given this upgrade. Consideration is given to the market data outlined below.

Wood Vinyl Flooring Premiums			
Complex	City	State	Premium
Amelia Apartments - 1BR	Tifton	GA	\$25
Amelia Apartments - 2BR	Tifton	GA	\$50
Sunnyside Apartments - Studio	Tifton	GA	\$20
Sunnyside Apartments - 1BR	Tifton	GA	\$20
Sunnyside Apartments - 2BR	Tifton	GA	\$45
The Gardens at Tifton	Tifton	GA	\$25
Avalon Shores	Bluffton	SC	\$30
Crowne at Old Carolina	Bluffton	SC	\$30
Woodfield South	Charleston	SC	\$50
Colonial Grand at Cypress Cove	Charleston	SC	\$25
Mean			\$32
Median			\$28

Line 15i. Pool/Recreation Areas. The subject will offer various project amenities but no swimming pool. All of the comparables contain a swimming pool; therefore, a downward \$10 adjustment was applied to each comparable.

Line 15j. Countertops. The subject and three of the comparables feature laminate countertops whereas the remaining two comparables contain granite countertops. A downward \$20 adjustment was applied to the comparables given this upgrade. Consideration is given to the market data outlined below.

Granite Countertop Premiums			
Complex	City	State	Premium
The Reserve at Johnson City	Johnson City	TN	\$10
The Retreat at West Creek	Richmond	VA	\$45
Plantation at Horse Pen Creek	Greensboro	NC	\$60
Addison Park	Huntsville	AL	\$20
Springs at Chattanooga	Chattanooga	TN	\$50
Amberleigh Bluff	Knoxville	TN	\$20
Mean			\$34
Median			\$33

Line 16a-d. Services. The subject and each of the comparables are fully electric with electricity being the responsibility of the tenant. Basic services of trash disposal and exterminating are standard across the proposed subject and comparables. Water and sewer expenses are included in the rent at the subject and only one of the comparables (*Legends at Chatham*). Positive adjustments have been applied to the remaining four comparables based on the number of bedrooms. Adjustments of \$38 (1BR), \$47 (2BR), and \$57 (3BR) have been applied.

Line 17. Storage. The subject garden units will contain additional storage on the balcony/patio; the subject elevator units will not. A \$5 adjustment is applied to account for any variances between the subject and comparables.

Line 18. Project Location/Neighborhood. The subject's location considered to be good, similar to all of the comparables. Location was one of the leading characteristics utilized in the selection of the comparables. No adjustments are necessary.

Line 19.a) Overall Appeal. The subject's overall appeal considered to be good, similar to all of the comparables. No adjustments are necessary.

Line 23. Correlated Subject Rent. The adjusted range in rents for the four grids is outlined below.

Grid No.	Unit Type	Adjusted Comparable Rents				Developer's Profoma Rent	Max Allowable Based on DCA Utility Allowances	Subject Estimated Market Rent
		Min	Mean	Median	Max			
1	1BR/1BA - Garden	\$602	\$714	\$724	\$811	\$650	\$685	\$675
2	2BR/1BA - Elevator	\$657	\$783	\$798	\$871	\$800	\$816	\$800
2	2BR/1BA - Garden	\$654	\$782	\$797	\$872	\$800	\$816	\$800
3	3BR/2BA - Garden	\$876	\$956	\$943	\$1,056	\$925	\$936	\$935

Based on the preceding HUD-92273 forms, the following achievable tax credit rents have been projected for the **60% AMI rents on the LITHC units**. Consideration is given to the amenity package and finishes, to include granite countertops, of the subject development.

The Preserve at Chatham Parkway - Achievable LIHTC Rents & Potential Gross Income -						
Unit Mix	No. of Units	Unit Ratio	HUD Gross	Achievable Rent	Rent Per SF	Gross Annual Rental Income
1BR / 1BA-G	12	8%	834	\$675	\$0.81	\$ 97,200
2BR / 1BA-E	40	28%	963	\$800	\$0.83	\$ 384,000
2BR / 1BA-E	8	6%	963	\$800	\$0.83	\$ 76,800
2BR / 1BA-G	36	25%	1,019	\$800	\$0.79	\$ 345,600
3BR / 2BA-G	48	33%	1,219	\$935	\$0.77	\$ 538,560
Total / Average	144	100%	1,052	\$835	\$0.79	\$ 1,442,160

Occupancy Projection

The following table outlines the physical occupancy levels of the LIHTC rent comparables utilized herein that were surveyed during the due diligence process.

LIHTC Occupancy					
Complex Name	No. of Units	City	State	Original Year Built	Occupancy Rate
Sustainable Fellwood II	56	Savannah	GA	2012	91.1%
Savannah Gardens Ph. III*	94	Savannah	GA	2012	N/A
Montgomery Landing	144	Savannah	GA	2005	96.0%
Ashley Midtown	206	Savannah	GA	2004	97.0%
Bradley Pointe*	144	Savannah	GA	2004	N/A
Total / Averages	406			2007	95.8%

*Unable to reach property; excluded from total and averages

The above comparables reflect strong occupancy characteristics, reporting occupancy rates ranging from 91.1% to 97.0% with an average of 95.8%.

Based on this information, together with an analysis of the demographics within the market area, I have deducted a total of **5%** for vacancy/collection loss – which includes both physical and economic loss.

Other Income

Other Income estimates herein include only regular income associated with typical, recurring fees required by the complex of the tenant. Examples of this type of income include pet fees, application fees, late charge, forfeited deposits, etc.

Revenue from these sources is estimated at **\$350** per unit which is reflective of **3.55%** of the EGI. The proforma reflects an amount of \$358 per unit. The IREM report for Section 42 properties in Region IV indicated median Other Income of \$197 per unit (2.40%). The conventional data indicates a range from \$419 to \$1,522 per unit with a mean of \$708 per unit and a median of \$517 per unit. The percentage of EGI reflects a mean and median of 5.61% and 5.35%, respectively, for the conventional data. Given the location of the project and requirements outlined in the MAP Guide, a projection under LIHTC operations in the low range is considered appropriate. These projections are generally consistent with similar developments in the greater Savannah market excluding atypical revenue sources.

Other Income Support - LIHTC						
No.	Location	Year Built	No. of Units	Reporting Year	Other Income Per Unit	Other Income as % of EGI
1	Charleston, SC	2001	200-250	2015	\$419	4.12%
2	Summerville, SC	2014	200-250	2015	\$430	4.90%
3	N. Charleston, SC	2008	250-300	2015	\$528	4.10%
4	Savannah, GA	2010-2013	300-350	2014	\$491	3.82%
	IREM - Savannah, GA Garden			2016	\$506	5.80%
	IREM - Charleston, SC Garden			2016	\$978	7.50%
	IREM - Region IV High-Rise Elevator			2016	\$1,522	7.50%
	IREM - Region IV Garden			2016	\$789	7.10%
	IREM - Region 42 Section 42			2016	\$197	2.40%
Mean					\$651	5.25%
Median					\$506	4.90%
Subject Projection		2019	144		\$350	3.55%

Absorption

Based on the conventional absorption rates previously noted, the projected absorption rate for the subject under LIHTC operations is approximately 15 units per month.

Months to Stabilization - LIHTC		
Total Units		144
Stabilized at	95%	137
Minus Preleasing at	10%	14
Units to be Leased-up		122
Projected Absorption Rate		15
Months to Stabilization		8.2

Subject Expense Projections – LIHTC operations

The next step in developing the Income Approach is that of estimating the typical property owner expenses. These expenses must be deducted from the gross income to produce a net income that a typical owner would anticipate receiving over the investment period, which is then capitalized into a present value indication.

Obviously, as proposed construction, the subject has no operating history from which to draw expense conclusions. In deriving my estimate of operating expense components, I have analyzed expense comparables for similar complexes located in the region. The conventional comparables utilized on the market-rate HUD-92274 were also used on the LIHTC HUD-92274 due to their similarities in location and physical characteristics. Consideration has also been given to the 2017 IREM report for Section 42 properties in Region IV. The following table summarizes the expense comparables and reflects total annual operating expenses ranging from \$4,379 to \$5,867 per unit with an average of \$5,063 per unit (excluding Reserves).

HUD-92274 LIHTC Operations

Operating Expense Analysis Worksheet

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

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

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

Public reporting burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collector displays a valid OMB control number.

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

Project Name	The Preserve at Chatham Parkway	Project Number	N/A
City	Savannah, GA	Date of Appraisal (mm/dd/yyyy)	10/13/2017
Signature of Processor	<i>A.L.C. Pratt</i>	Date (mm/dd/yyyy)	10/13/2017

Project Name	Comparable A				Comparable B				Comparable C				Comparable D				The Preserve at Chatham Parkway													
Project Number	05336056				N/A				N/A				05435787				N/A													
Location	Cary, NC				Mount Pleasant, SC				Savannah, GA				Charleston, SC				Savannah, GA													
Type of Project & No. of Stories	W/U-2 / Elevator-4				W/U-2-story				W/U-2-story				W/U & Elev.- 3&4-story				Garden/Elevator / 3&4-story													
Type of Construction	Frame - brick/fiber cement				Frame				Frame				Frame				Frame - stone/fiber cement													
No. of Living Units	248				142				329				209				144													
Age of Project	2014				2001				2010-2013				2008				2019													
Project Unit Composition	BRM (0)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (3)	BRM (1)	BRM (2)	BRM (2)	BRM (3)	BRM (0)	BRM (1)	BRM (2)	BRM (3)												
No. of Each Type Unit	133	110	5	65	62	15	n/a	n/a	n/a	88	121	0	0	N/A	12	84	48													
Sq. Ft. Each Type Unit	903	1,140	1,348	854	1,354	1,596	n/a	n/a	n/a	797	1,166	0	0	N/A	751	912	1,097													
Average Unit Area	960				1,151				N/A				1,011				966													
Same Tax Rate as Subject *	Similar				No				No				No																	
Same Utility Rate *	Similar				No				Similar				Similar																	
Effective Date/Updating Operating Yr./Percentage	2016				2015				2.50% n/a				2014				5.00% n/a				2014				5.00% n/a					
Equip. & Services Incl. Rent **	1,2,3,4,6,7,8,9,21				1,2,3,4,6,8				1,2,3,4,6,7,8,9,21				1,2,3,4,6,7,8,9				1,2,3,4,5,6,9,21													
Equipment Included in Rent	2 Carpet & Drapes		3 Disposal		4 Gas		10 Heat		11 Cooking		12 Hot Water		13 A/C		14 Dishwasher		5 Laundry Fac.		6 Air Cond.		14 Heat		15 Cooking		16 Hot Water		17 A/C		18 Lights	
	7 Microwave		8 Pool/Tennis		9 Other		19 Heat		20 Hot Water		21 Water		22 Other																	
Items of Expense by Units of Comparison ***	Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Correlated Expense										
1. Advertising	317		317	135	138		138	210	221		221	288	302		302					25										
2. Management	371		371	435			435	431			431	538			538					492										
3. Other	165		165	264	271		271	213	224		224	275	289		289					275										
4. Total Admin.			853				844				875				1,129					792										
5. Elevator	0			0				0				0								0										
6. Fuel	0			0				0				0								0										
7. Lighting & Misc. Power	229		229	31	32		32	192	202		202	165	173		173					225										
8. Water	387		387	7	7		7	287	301		301	401	421		421					500										
9. Gas	23		23	0				3	3		3	0								100										
10. Garbage Removal	184		184	0				51	54		54	101	106		106					75										
11. Payroll	1,152		1,152	1,383	1,418		1,418	824	865		865	1,605	1,685		1,685					875										
12. Other - Cable	0			0				0				0								0										
13. Total Operating			1,975				1,457				1,425				2,386					1,775										

Previous editions are obsolete

form HUD-92274 (05/2003)

Items of Expense by Units of Comparison ***	Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Exp.	Up-dated Exp.	Adj. + -	Ind. Exp.	Correlated Expense
14. Decorating	322		322	0				282	296		296	0				150
15. Repairs	93		93	411	421		421	163	171		171	722	758		758	300
15. Elevators	19		19	0				0				0				50
17. Exterminating	0			0				0				0				75
18. Insurance	133		133	373	382		382	342	359		359	565	593		593	225
19. Ground Expenses	274		274	0				211	222		222	185	194		194	200
20a. Other - Security	30		30	0				0				0				0
20b. Other - Service Coord.	0			0				0				0				0
21. Total Maint.			871				804				1,048				1,546	1,000
22a. Total Operating Expense Exclusive of Reserve Time and Trend (Sum of Lines 4, 13 and 21)																3,567
22b. Trend Adjustment (4.50% x 22a)	To (date) (mm/dd/yyyy) 10/13/2017 Annual Rate 2.50%															138
23. Replacement Reserve (Per Applicable Formula from Forms HUD-92264 or HUD-92264B)																300
24. Total Operating Expenses Including Reserve Time and Trend (Sum of Lines 22a, 22b and 23)																4,006
25. Taxes/Real Estate	1,215		1,215	1,275			1,275	1,552			1,552	496			496	978
26. Personal Prop. Tax	0			0				0				0				
27. Emp. Payroll Tax	85		85	0				63	66		66	296	311		311	110
28. Other - Misc. Taxes	1		1	0				37	39		39	0				
29. Other	0			0				0				0				
30a. Total Taxes w/o Trend																1,088
30b. Trend Adjustment (4.50% x 30a)	To (date) (mm/dd/yyyy) 10/13/2017 Annual Rate 2.50%															5
31. Total Taxes (Including Time and Trend) (Sum of Lines 30a and 30b)																1,093
32. Total Expense (Sum of Lines 24 and 31)																5,099

*If "NO," reflect in adjustments.

**Enter appropriate numbers from table for subject and comparables and reflect in adjustments.

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

(Attach additional pages to Explain Adjustments as Needed)

Operating Expense Analysis – LIHTC Operations

The following discussion outlines the subject's expense projections as delineated on the previous worksheet. The projections reflect *trended* figures based on a 2.5% annual inflation rate dating from January 2016, the beginning date of the operating year of the base year. **However, the management and the real estate tax categories are not trended upward. Management is estimated as a percentage of Effective Gross Income (EGI) and the property tax rate in Chatham County has historically been stable with any increases being offset by reappraisal adjustments.**

Advertising & Promotions – Advertising expenses reported by the comparables range from \$138 to \$317 per unit with an average of \$245 per unit. Proforma projections indicate \$125 per unit. Based on this information, a cost of **\$25** per unit is projected under affordable operations.

Management Fee – My management fee projection is estimated at **\$492** per unit, which is equivalent to 5% of effective gross income, consistent with local standards ranging from 3% to 5% for properties of the subject's size and character. The comparables exhibit management fees ranging from \$371 to \$538 per unit with an average of \$444 per unit. The appraiser's per unit projection is generally supported by this data; however, this category is typically charged as a percentage of Effective Gross Income (EGI). The projection for this expense on the proforma provided is \$560 per unit or 6.02% of EGI under affordable operations. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of 5.8%.

Office & Administrative – The expense comparables' administrative costs range from \$165 to \$289 per unit with an average of \$237 per unit. Total Office/Administrative costs of **\$275** per unit are projected which is believed to be consistent with the comparables. The proforma has a projection of \$140 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$639 per unit.

Utilities – A total allocation of **\$900** per unit has been utilized herein for utilities based on all sources. The subject proforma indicates a total of \$1,250 per unit for electricity, water, and trash removal. The expense comparables' utilities costs range from \$39 to \$823 per unit with an average of \$530 per unit. Excluding the outlier of \$39 per unit, the remaining three comparables indicate an average of \$693 per unit. The subject's total Utilities expense is comprised as follows:

Electricity:	\$225/Unit
Water:	\$500/Unit
Gas:	\$100/Unit
Trash:	<u>\$ 75/Unit</u>
Total:	\$900/Unit

- **Electricity:** The expense comparables range from \$32 to \$229 per unit, averaging \$159 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$175 per unit. The proforma has a projection of \$250 per unit. Based on this information, a projection of **\$225** per unit is considered to be supported.
- **Water/Sewer:** The expense comparables range from \$7 to \$421 per unit, averaging \$279 per unit. Excluding the outlier of \$7 per unit, the remaining three comparables indicate an average of \$370 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$559 per unit. The proforma has a projection of \$900 per unit which is considered above market. Based on this information, the appraiser's projection is **\$500** per unit.

- **Gas:** Two of the expense comparables indicate a gas expense and range from \$3 to \$23 per unit. The proforma has a projection of \$100 per unit. Based on this information, a projection of **\$100** per unit is considered to be supported.
- **Trash:** Three of the expense comparables included a separate expense for trash removal. They reported expenses of \$54 to \$184 per unit, averaging \$115 per unit. The proforma does not itemize this expense. Based on this information, a projection of **\$75** per unit is considered reasonable since there is no valet trash service.

Salaries & Related Compensation - A cost of **\$875** per unit is projected for the subject. This amount incorporates management and maintenance personnel, but does not include Payroll Taxes. The comparables reported payroll expenses, to exclude Payroll Taxes, ranging from \$865 to \$1,685 per unit, averaging \$1,280 per unit.

The three comparables that reported a separate expense for payroll taxes range from \$66 to \$311 per unit with an average of \$154 per unit. Based on this information, an allocation of **\$110** per unit has been utilized herein for payroll taxes.

For the subject, this equates to a total payroll expense, inclusive of Payroll Taxes, of **\$985** per unit. Comparatively, the expense data indicated payroll and related compensation/costs ranging from \$931 to \$1,996 per unit with an average of \$1,395 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$1,205 per unit for Total Payroll. The subject proforma indicates a total of \$700 per unit which is considered below market.

Repairs & Maintenance – Total repairs and maintenance expenses of the comparables range from \$421 to \$952 per unit with an average of \$700 per unit. The proforma provided projects a total repairs and maintenance expense of \$540 per unit. With consideration to all sources, stabilized repair and maintenance expenses (to include decorating, repairs, elevators, extermination, and grounds) of **\$775** per unit have been utilized herein. This projection is comprised as follows:

Decorating:	\$150/Unit
Repairs:	\$300/Unit
Pest:	\$ 75/Unit
Elevator:	\$ 50/Unit
Grounds:	<u>\$200/Unit</u>
Total:	\$775/Unit

- **Decorating:** Although the subject will reflect new condition and is expected to be fully decorated when it receives its certificate of occupancy at completion of construction, on-going decorating expenses are anticipated to be incurred coinciding with turnover. Two of the comparables itemized decorating expenses ranging from \$296 to \$322 per unit, averaging \$309 per unit. The subject proforma does not itemize this expense. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$105 per unit. With emphasis on all sources, a projection of **\$150** per unit is considered to be supported.
- **Repairs:** The comparable data reported repairs expenses ranging from \$93 to \$758 per unit, averaging \$361 per unit. The developer has projected an expense of \$500 per unit within the proforma which is assumed to include other expenses. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$309 per unit. Based on this information, the appraiser's projection is **\$300** per unit.
- **Pest:** None of the comparables itemized this expense. Also, the subject proforma does not itemize this expense. The developer has projected an expense of \$139 per unit

within the proforma. Based on comparable data retained in the work file, I have projected a Pest Control expense of **\$75** per unit.

- **Elevator:** Only one comparable indicated an elevator expense at \$19 per unit. The developer has projected an expense of \$40 per unit within the proforma. Based on this information, the appraiser's projection is **\$50** per unit.
- **Grounds:** The three comparables that itemize this expense range from \$194 to \$274 per unit, averaging \$230 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$206 per unit. The subject proforma does not itemize this expense. Based on this information, a projection of **\$200** per unit is considered reasonable.

Insurance - Insurance costs at the expense comparables range from \$133 to \$593 per unit with an average of \$367 per unit. The initial proforma has a projection of \$350 per unit. The 2017 IREM report for Section 42 properties in Region IV indicated a median expense of \$270 per unit. An Insurance expense of **\$225** per unit has been allocated for the subject based on all sources.

Real Estate Taxes - The projected real estate tax burden is **\$978** per unit based on the tax projected previously exhibited herein.

Operating Expense Summary – The expense comparables' total operating expenses range from \$4,379 to \$5,867 per unit with an average of \$5,063 per unit. However, it is noted that the real estate taxes and utilities expense projections result in some disparities relative to the proposed subject complex. None of the comparables contain reserves.

Summary of Expenses - LIHTC						
Expenses Included	Expense Comp 1	Expense Comp 2	Expense Comp 3	Expense Comp 4	Expense Averages	Subject Projection
Total Expenses (net of Reserves)	\$5,000	\$4,379	\$5,005	\$5,867	\$5,063	\$4,656
Excluding R.E. Taxes & Reserves	\$3,785	\$3,104	\$3,453	\$5,371	\$3,928	\$3,677
Excluding Utilities/R.E. Taxes/Reserves	\$2,962	\$3,065	\$2,893	\$4,671	\$3,398	\$2,777

*Not trended

My analysis reflects total *untrended* expenses of **\$2,777** per unit for the stabilized projection **excluding** Real Estate Taxes, Utilities and Reserves for Replacement. By comparison, the expense comparables average of \$3,398 per unit excluding the same items.

It is noted that the proforma provided (under affordable operations) indicates non-trended expenses of \$4,637 per unit excluding Reserves for Replacements versus the projected **\$4,656** per unit outlined herein. The indicated operating expense ratio is **51.8%** to **include** reserves and **48.7%** to **exclude** reserves. To include Trending and Reserves, the total expenses per unit are projected at **\$5,099**. These amounts are considered to be well supported by the market.

2017 Income/Expense Analysis: Conventional Apartments (IREM)

Additional reference is made to the 2017 Income/Expense Analysis: Conventional Apartments report published by the Institute of Real Estate Management (IREM). This report tracks historical income and expense information for complexes on national, regional, and local levels.

The correlating operating expense ratio for the subject is estimated at **48.7%** while the expenses per unit per annum are **\$4,799** per unit (**excluding reserves**) which is generally supported by the data below.

2017 IREM Survey - LIHTC											
Area - Type	Mngt. Fee	Admin.	Electricity	Water/ Sewer	Decorating	Repairs	Grounds	Insurance	Total Payroll	Total Expenses	Expense Ratio
Region IV - Section 42	5.8%	\$639	\$175	\$559	\$105	\$309	\$206	\$270	\$1,205	\$4,250	54.7%
Savannah, GA - Garden	3.6%	\$521	\$261	N/A	\$105	\$344	\$270	\$281	\$1,265	\$4,609	30.4%
Charleston, SC - Garden	2.7%	\$912	\$188	N/A	\$237	\$674	\$382	\$390	\$1,321	\$5,801	34.9%
Region IV - Garden	3.4%	\$621	\$161	\$550	\$175	\$488	\$206	\$260	\$1,265	\$4,664	37.9%
Region IV - High Rise Elevator	3.2%	\$1,170	\$359	\$528	\$198	\$442	\$174	\$236	\$1,167	\$7,701	37.1%
Minimum	2.7%	\$521	\$161	\$528	\$105	\$309	\$174	\$236	\$1,167	\$4,250	30.4%
Maximum	5.8%	\$1,170	\$359	\$559	\$237	\$674	\$382	\$390	\$1,321	\$7,701	54.7%
Average	3.7%	\$773	\$229	\$546	\$164	\$451	\$248	\$287	\$1,245	\$5,405	39.0%
Subject Projection*	5.00%	\$275	\$225	\$500	\$150	\$300	\$0	\$225	\$985	\$4,799	48.7%

* Excluding Reserves

Trending

The trending for the HUD-92264 is consistent with the previous explanation and is outlined below.

Operating Expenses	Expense Projection	Trended Expenses for 92264
Advertising	\$3,600	\$3,762
Management	\$70,897	\$70,897
Office & Administrative	\$39,600	\$41,383
Electricity	\$32,400	\$33,859
Water	\$72,000	\$75,242
Gas	\$14,400	\$15,048
Garbage/Trash Removal	\$10,800	\$11,286
Salaries and Related Compensation	\$126,000	\$131,673
Payroll Taxes	\$15,840	\$16,553
Decorating	\$21,600	\$22,573
Repairs & Maintenance	\$43,200	\$45,145
Exterminating	\$10,800	\$11,286
Grounds Expense	\$28,800	\$30,097
Elevator	\$7,200	\$7,524
Insurance	\$32,400	\$33,859
Real Estate Taxes	\$140,880	\$140,880
Total Expenses (excluding Reserves)	\$670,417	\$691,067
Per Unit	\$4,656	\$4,799

Based on the analysis herein, the following projected operating statement reflects my estimate of the subject's NOI under stabilized LIHTC operations.

Affordable Proforma Operating Statement

The Preserve at Chatham Parkway - Proforma Operating Statement - Assuming LIHTC Operations				
Potential Gross Rental Income				
<u>Unit Type</u>	<u>No.</u>	<u>Rent</u>		
1BR / 1BA-G	12 @	\$675 per month, annualized		\$ 97,200
2BR / 1BA-E	40 @	\$800 per month, annualized		\$ 384,000
2BR / 1BA-E	8 @	\$800 per month, annualized		\$ 76,800
2BR / 1BA-G	36 @	\$800 per month, annualized		\$ 345,600
3BR / 2BA-G	48 @	\$935 per month, annualized		\$ 538,560
Total Potential Gross Rental Income	144			\$ 1,442,160
Add Other Income:	(144 x	\$350 Per Unit Per Year) =	\$ 50,400
Total Potential Gross Income				\$ 1,492,560
Less Vacancy & Credit Loss	@ 5%			\$ (74,628)
Effective Gross Income (EGI)				\$ 1,417,932
Less Operating Expenses		Per Unit	\$ Amount	Trended
Advertising		\$25	\$3,600	\$3,762
Management		\$492	\$70,897	\$70,897
Office & Administrative		\$275	\$39,600	\$41,383
Electricity		\$225	\$32,400	\$33,859
Water		\$500	\$72,000	\$75,242
Gas		\$100	\$14,400	\$15,048
Garbage/Trash Removal		\$75	\$10,800	\$11,286
Salaries and Related Compensation		\$875	\$126,000	\$131,673
Payroll Taxes		\$110	\$15,840	\$16,553
Decorating		\$150	\$21,600	\$22,573
Repairs & Maintenance		\$300	\$43,200	\$45,145
Exterminating		\$75	\$10,800	\$11,286
Grounds Expense		\$200	\$28,800	\$30,097
Elevator		\$50	\$7,200	\$7,524
Insurance		\$225	\$32,400	\$33,859
Real Estate Taxes		\$978	\$140,880	\$140,880
Subtotal of Operating Expenses		\$4,656	\$670,417	
Trending Adjustment (Lines 22b/30b on 92274)		\$143	\$20,650	
Total of Operating Expenses		\$4,799		
Less Operating Expenses				\$ 691,067
Reserves for Replacement	@ \$300	Per Unit		\$ 43,200
Less Total Expenses	(-51.8% of EGI or	\$5,099 Per Unit)	\$ (734,267)
Net Operating Income (NOI)				\$ 683,665

Only pages 2 through 4 of the HUD-92264 LIHTC occupancy form are exhibited, as those are the only pages that differ from the conventional occupancy HUD-92264 form.

HUD-92264 – LIHTC Occupancy (pages 2-4)

B. Additional Information Concerning Land or Property					
19. Date Acquired	20. Purchase Price	21. Additional Costs Paid or Accrued	22. If Leasehold, Annual Ground Rent	23a. Total Cost	23b. Outstanding Balance
08/21/13	\$10		\$1		
24a. Relationship between (Business, Personal, or Other) Between Seller and Buyer		24b. Has the Subject Property been sold in the past 3 years? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" Explain			
Business		The subject property is currently owned by JCJH, LLC, who acquired the property from Hendrix & Company, Inc., on August 21, 2013, for a recorded consideration of \$10. This transaction is recorded as Book 390X, Page 243 in the Chatham County Register of Deeds Office. The property is under contract between JCJH, LLC (Seller), and Commonwealth Development Corporation of America (Purchaser), for \$1,100,000 which equates to \$69,152 per acre or \$7,639 per planned unit.			
25. Utilities	Public	Community	Distance from Site	26. Unusual Site Features	
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	at site	<input type="checkbox"/> Cuts <input type="checkbox"/> Fill <input type="checkbox"/> Rock Formations <input type="checkbox"/> Erosion <input type="checkbox"/> Poor Drainage <input checked="" type="checkbox"/> None <input type="checkbox"/> High Water Table <input type="checkbox"/> Retaining Walls <input type="checkbox"/> Off Site Improvements <input type="checkbox"/> Other (Specify)	
Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	at site		
C. Estimate of Income (Attach forms HUD-92273, 92264-T, as applicable)					
27. No. of Each Family Type Unit	Rentable Living Area (Sq. Ft.)	Composition of Units		Unit Rent per Mo. (\$)	Total Monthly Rent For Unit Type (\$)
(a) 12	834	1BR / 1BA-G		\$675	\$8,100
(b) 40	963	2BR / 1BA-E		\$800	\$32,000
(c) 8	963	2BR / 1BA-E		\$800	\$6,400
(d) 36	1019	2BR / 1BA-G		\$800	\$28,800
(d) 48	1219	3BR / 2BA-G		\$935	\$44,880
28. Total Estimated Rentals for All Family Units					\$120,180
29. Number of Parking Spaces		Off Street Parking and Other Non-Commercial Ancillary Income (Not Included in Unit Rent)			
<input type="checkbox"/> Attended	0	Other Income:	144	Units @	29.17 Per Month = \$4,200
<input type="checkbox"/> Self Park	263	Covered Spaces		Units @	Per Month = \$0
Total Spaces	263	Other		Units @	Per Month = \$0
		Trash	@		Per Month = \$0
		RUBS (W/S)	@		Per Month = \$0
			@		Per Month = \$0
			@		Per Month = \$0
Total Monthly Ancillary Income					\$4,200
30. Commercial Income (Attach Documentation)					
Area-Ground Level	0	Sq. ft. @	0.00	per sq. ft./month =	0 = Total Monthly
Other Levels	0	Sq. ft. @	0.00	per sq. ft./month =	0 Commercial Income \$0
31. Total Estimated Monthly Gross Income at 100 Percent Occupancy					\$124,380
32. Total Annual Rent (Item 31 X 12 Months)					\$1,492,560
33. Gross Floor Area (Apts. Only)		34. Net Rentable Residential Area		35. Net Rentable Commercial Area	
179,034 Sq. Ft.		139,044 Sq. Ft.		NA Sq. Ft.	
36. Non-Revenue Producing Space					
Type of Employee	No. Rms.	Composition of Unit		Location of Unit in Project	
36a. Personal Benefit Expense (PBE) (May produce additional revenue and expenses to be considered above and below.)					
Tenant Employee-Paid Utilities	Type(s)	None		Monthly Cost	\$0
Landlord Employer-Paid Utilities	Type(s)	None		Monthly Cost	\$0

D. Amenities and Services Included in Rent (Check and circle appropriate items; fill-in number where indicated)

<p>37a. Unit Amenities</p> <p><input checked="" type="checkbox"/> Ranges (Gas or Electric) <input checked="" type="checkbox"/> Disposal/Compactor <input checked="" type="checkbox"/> Refrig. (Gas or Electric) <input checked="" type="checkbox"/> Air Conditioning (central or window) <input type="checkbox"/> Microwave <input type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> Window treatment (blinds, drapes, shades) <input checked="" type="checkbox"/> Balcony/Patio <input type="checkbox"/> Fireplace(s) No. _____ <input checked="" type="checkbox"/> Laundry Hookups (in units) _____ <input type="checkbox"/> Upper level vaulted ceiling/Skylight(s) No. _____ <input type="checkbox"/> Wash/Dryer (in units) <input type="checkbox"/> Security System(s) (Describe) _____ <input type="checkbox"/> Other (Specify) _____</p>	<p>37b. Project Amenities</p> <p><input type="checkbox"/> Guestroom(s) No. <u>0</u> <input checked="" type="checkbox"/> Community Rooms No. <u>1</u> <input type="checkbox"/> Sauna/Stm rms No. <u>0</u> <input type="checkbox"/> Swimming Pool(s) No. <u>0</u> <input checked="" type="checkbox"/> Exercise rm(s) No. <u>1</u> <input type="checkbox"/> Racquetball Court(s) No. <u>0</u> <input type="checkbox"/> Tennis Court(s) No. <u>0</u> <input checked="" type="checkbox"/> Picnic/Play area(s) No. <u>2</u> <input checked="" type="checkbox"/> Laundry Fac. (coin) <u>1</u> <input type="checkbox"/> Project Security System(s) (Describe) _____ <input type="checkbox"/> Jacuzzis/Community Whirlpool(s) No. _____ <input type="checkbox"/> Other (specify) _____</p>
--	---

<p>37c. Unit Rating</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Good</td> <td style="text-align: center;">Average</td> <td style="text-align: center;">Fair</td> <td style="text-align: center;">Poor</td> </tr> <tr> <td>Condition of Improvement</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Room Sizes and Layout</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Adequacy of Closets and Storage</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Kitchen Equip., Cabinets, Workspace</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Plumbing - Adequacy and Condition</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Electrical - Adequacy and Condition</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Soundproof. - Adequacy and Condition</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Insulation - Adequacy and Condition</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Overall Livability</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Appeal and Marketability</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Good	Average	Fair	Poor	Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Room Sizes and Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Closets and Storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Kitchen Equip., Cabinets, Workspace	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Plumbing - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Electrical - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproof. - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Insulation - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>37d. Project Rating</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">Good</td> <td style="text-align: center;">Average</td> <td style="text-align: center;">Fair</td> <td style="text-align: center;">Poor</td> </tr> <tr> <td>Location</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>General Appearance</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Amenities & Rec. Facil.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Density (units/acre)</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Unit Mix</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Quality of Const. (matl. & finish)</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Condition of Exterior</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Condition of Interior</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Appeal to Market</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Soundproofing - Vertical</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Soundproofing - Horiz.</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		Good	Average	Fair	Poor	Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Amenities & Rec. Facil.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Density (units/acre)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unit Mix	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Quality of Const. (matl. & finish)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Vertical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Soundproofing - Horiz.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Good	Average	Fair	Poor																																																																																																																
Condition of Improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Room Sizes and Layout	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Adequacy of Closets and Storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Kitchen Equip., Cabinets, Workspace	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Plumbing - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Electrical - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproof. - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Insulation - Adequacy and Condition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Overall Livability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal and Marketability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
	Good	Average	Fair	Poor																																																																																																																
Location	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
General Appearance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Amenities & Rec. Facil.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Density (units/acre)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Unit Mix	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Quality of Const. (matl. & finish)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Exterior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Condition of Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Vertical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																
Soundproofing - Horiz.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																																																																																																

<p>38. Services</p> <p>Gas: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning Elec: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input type="checkbox"/> Cooking <input type="checkbox"/> Air Conditioning <input type="checkbox"/> Lights/etc. Other: <input type="checkbox"/> Heat <input type="checkbox"/> Hot Water <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Other (specify) <u>trash, pest</u></p>	<p>39. Special Assessments</p> <p>a. <input type="checkbox"/> Prepayable <input type="checkbox"/> Non-Prepayable b. Principal Balance _____ c. Annual Payment _____ d. Remaining Term _____ Years</p>
--	---

E. Estimates of Annual Expense

<p>Administrative</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td>1. Advertising</td> <td style="text-align: right;"><u>\$3,762</u></td> </tr> <tr> <td>2. Management</td> <td style="text-align: right;"><u>\$70,897</u></td> </tr> <tr> <td>3. Other</td> <td style="text-align: right;"><u>\$41,383</u></td> </tr> <tr> <td>4. Total Administrative</td> <td style="text-align: right;"><u>\$116,042</u></td> </tr> </table> <p>Operating</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td>5. Elevator Main. Exp.</td> <td style="text-align: right;"><u>\$7,524</u></td> </tr> <tr> <td>6. Fuel (Heat and Domestic Hot Water)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>7. Lighting & Misc. Power</td> <td style="text-align: right;"><u>\$33,859</u></td> </tr> <tr> <td>8. Water</td> <td style="text-align: right;"><u>\$75,242</u></td> </tr> <tr> <td>9. Gas</td> <td style="text-align: right;"><u>\$15,048</u></td> </tr> <tr> <td>10. Garbage & Trash Removal</td> <td style="text-align: right;"><u>\$11,286</u></td> </tr> <tr> <td>11. Payroll</td> <td style="text-align: right;"><u>\$131,673</u></td> </tr> <tr> <td>12. Other - Cable</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>13. Total Operating</td> <td style="text-align: right;"><u>\$274,633</u></td> </tr> </table>	1. Advertising	<u>\$3,762</u>	2. Management	<u>\$70,897</u>	3. Other	<u>\$41,383</u>	4. Total Administrative	<u>\$116,042</u>	5. Elevator Main. Exp.	<u>\$7,524</u>	6. Fuel (Heat and Domestic Hot Water)	<u>\$0</u>	7. Lighting & Misc. Power	<u>\$33,859</u>	8. Water	<u>\$75,242</u>	9. Gas	<u>\$15,048</u>	10. Garbage & Trash Removal	<u>\$11,286</u>	11. Payroll	<u>\$131,673</u>	12. Other - Cable	<u>\$0</u>	13. Total Operating	<u>\$274,633</u>	<p>Maintenance</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td>14. Decorating</td> <td style="text-align: right;"><u>\$22,573</u></td> </tr> <tr> <td>15. Repairs</td> <td style="text-align: right;"><u>\$45,145</u></td> </tr> <tr> <td>16. Exterminating</td> <td style="text-align: right;"><u>\$11,286</u></td> </tr> <tr> <td>17. Insurance</td> <td style="text-align: right;"><u>\$33,859</u></td> </tr> <tr> <td>18. Ground Expense</td> <td style="text-align: right;"><u>\$30,097</u></td> </tr> <tr> <td>19a. Other-Security</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>19b. Other-Service Coordinator</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>20. Total Maintenance</td> <td style="text-align: right;"><u>\$142,959</u></td> </tr> <tr> <td>21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. For Rehab)</td> <td style="text-align: right;"><u>\$43,200</u></td> </tr> <tr> <td>22. Total Operating Expense</td> <td style="text-align: right;"><u>\$576,834</u></td> </tr> </table> <p>Taxes</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td>23. Real Estate: Est. Assessed Value</td> <td style="text-align: right;"><u>\$140,880</u></td> </tr> <tr> <td> at _____ per \$100</td> <td></td> </tr> <tr> <td>24. Personal Prop. Est. Assessed Value</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td> at <u>\$0</u> per \$1000</td> <td></td> </tr> <tr> <td>25. Empl. Payroll Tax</td> <td style="text-align: right;"><u>\$16,553</u></td> </tr> <tr> <td>26. Other</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>27. Other</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>28. Total Taxes</td> <td style="text-align: right;"><u>\$157,434</u></td> </tr> <tr> <td>29. Total Exp. (Attach form HUD-92274, as nec.)</td> <td style="text-align: right;"><u>\$734,267</u></td> </tr> </table>	14. Decorating	<u>\$22,573</u>	15. Repairs	<u>\$45,145</u>	16. Exterminating	<u>\$11,286</u>	17. Insurance	<u>\$33,859</u>	18. Ground Expense	<u>\$30,097</u>	19a. Other-Security	<u>\$0</u>	19b. Other-Service Coordinator	<u>\$0</u>	20. Total Maintenance	<u>\$142,959</u>	21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. For Rehab)	<u>\$43,200</u>	22. Total Operating Expense	<u>\$576,834</u>	23. Real Estate: Est. Assessed Value	<u>\$140,880</u>	at _____ per \$100		24. Personal Prop. Est. Assessed Value	<u>\$0</u>	at <u>\$0</u> per \$1000		25. Empl. Payroll Tax	<u>\$16,553</u>	26. Other	<u>\$0</u>	27. Other	<u>\$0</u>	28. Total Taxes	<u>\$157,434</u>	29. Total Exp. (Attach form HUD-92274, as nec.)	<u>\$734,267</u>
1. Advertising	<u>\$3,762</u>																																																																
2. Management	<u>\$70,897</u>																																																																
3. Other	<u>\$41,383</u>																																																																
4. Total Administrative	<u>\$116,042</u>																																																																
5. Elevator Main. Exp.	<u>\$7,524</u>																																																																
6. Fuel (Heat and Domestic Hot Water)	<u>\$0</u>																																																																
7. Lighting & Misc. Power	<u>\$33,859</u>																																																																
8. Water	<u>\$75,242</u>																																																																
9. Gas	<u>\$15,048</u>																																																																
10. Garbage & Trash Removal	<u>\$11,286</u>																																																																
11. Payroll	<u>\$131,673</u>																																																																
12. Other - Cable	<u>\$0</u>																																																																
13. Total Operating	<u>\$274,633</u>																																																																
14. Decorating	<u>\$22,573</u>																																																																
15. Repairs	<u>\$45,145</u>																																																																
16. Exterminating	<u>\$11,286</u>																																																																
17. Insurance	<u>\$33,859</u>																																																																
18. Ground Expense	<u>\$30,097</u>																																																																
19a. Other-Security	<u>\$0</u>																																																																
19b. Other-Service Coordinator	<u>\$0</u>																																																																
20. Total Maintenance	<u>\$142,959</u>																																																																
21. Replacement Reserve (0.006 x total structures Line G41) or (0.004 x MTG. For Rehab)	<u>\$43,200</u>																																																																
22. Total Operating Expense	<u>\$576,834</u>																																																																
23. Real Estate: Est. Assessed Value	<u>\$140,880</u>																																																																
at _____ per \$100																																																																	
24. Personal Prop. Est. Assessed Value	<u>\$0</u>																																																																
at <u>\$0</u> per \$1000																																																																	
25. Empl. Payroll Tax	<u>\$16,553</u>																																																																
26. Other	<u>\$0</u>																																																																
27. Other	<u>\$0</u>																																																																
28. Total Taxes	<u>\$157,434</u>																																																																
29. Total Exp. (Attach form HUD-92274, as nec.)	<u>\$734,267</u>																																																																

F. Income Computations

<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">30a. Est. Residential Project Inc. (Line C28x12)</td> <td style="text-align: right;"><u>\$1,442,160</u></td> </tr> <tr> <td>b. Est. Ancillary Project Income (Line C29 x 12)</td> <td style="text-align: right;"><u>\$50,400</u></td> </tr> <tr> <td>c. Residential and Ancillary Occupancy Percentage*</td> <td style="text-align: right;"><u>95%</u></td> </tr> <tr> <td>d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))</td> <td style="text-align: right;"><u>\$1,417,932</u></td> </tr> <tr> <td>e. Total Residential and Ancillary Project Expenses (Line E29)</td> <td style="text-align: right;"><u>\$734,267</u></td> </tr> <tr> <td>31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)</td> <td style="text-align: right;"><u>\$683,665</u></td> </tr> <tr> <td>32a Est. Commercial Income (Line 30 x 12)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>b. Commercial Occupancy* (80% Maximum) (See Instructions)</td> <td style="text-align: right;"><u>0%</u></td> </tr> </table>	30a. Est. Residential Project Inc. (Line C28x12)	<u>\$1,442,160</u>	b. Est. Ancillary Project Income (Line C29 x 12)	<u>\$50,400</u>	c. Residential and Ancillary Occupancy Percentage*	<u>95%</u>	d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))	<u>\$1,417,932</u>	e. Total Residential and Ancillary Project Expenses (Line E29)	<u>\$734,267</u>	31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)	<u>\$683,665</u>	32a Est. Commercial Income (Line 30 x 12)	<u>\$0</u>	b. Commercial Occupancy* (80% Maximum) (See Instructions)	<u>0%</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">c. Effective Gross Commercial Income (Line 32a x Line 32b)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>d. Total Commercial Project Expenses (From Attached Analysis)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>34. Total Projected Net Income (Line 31 plus Line 33)</td> <td style="text-align: right;"><u>\$683,665</u></td> </tr> <tr> <td>35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)</td> <td style="text-align: right;"><u>51.8%</u></td> </tr> <tr> <td>35b. Commercial Expense Ratio (Line 32d divided by 32c)</td> <td style="text-align: right;"><u></u></td> </tr> </table> <p>* Vacancy and collection loss rates and corresponding residential and commercial occupancy percentages are analyzed through market data, but subject by Jurisdictional Exception to overall HUD underwriting mandates.</p>	c. Effective Gross Commercial Income (Line 32a x Line 32b)	<u>\$0</u>	d. Total Commercial Project Expenses (From Attached Analysis)	<u>\$0</u>	33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)	<u>\$0</u>	34. Total Projected Net Income (Line 31 plus Line 33)	<u>\$683,665</u>	35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)	<u>51.8%</u>	35b. Commercial Expense Ratio (Line 32d divided by 32c)	<u></u>
30a. Est. Residential Project Inc. (Line C28x12)	<u>\$1,442,160</u>																												
b. Est. Ancillary Project Income (Line C29 x 12)	<u>\$50,400</u>																												
c. Residential and Ancillary Occupancy Percentage*	<u>95%</u>																												
d. Effective Gross Residential and Ancillary Income (Line 30c x (Line 30a plus Line 30b))	<u>\$1,417,932</u>																												
e. Total Residential and Ancillary Project Expenses (Line E29)	<u>\$734,267</u>																												
31. Net Residential and Ancillary Income to Project (Line 30 minus Line 30e)	<u>\$683,665</u>																												
32a Est. Commercial Income (Line 30 x 12)	<u>\$0</u>																												
b. Commercial Occupancy* (80% Maximum) (See Instructions)	<u>0%</u>																												
c. Effective Gross Commercial Income (Line 32a x Line 32b)	<u>\$0</u>																												
d. Total Commercial Project Expenses (From Attached Analysis)	<u>\$0</u>																												
33. Net Commercial Income to Project (Line 32c. Minus Line 32d.)	<u>\$0</u>																												
34. Total Projected Net Income (Line 31 plus Line 33)	<u>\$683,665</u>																												
35a. Residential and Ancillary Project Expense Ratio (Line E29 divided by Line 30d)	<u>51.8%</u>																												
35b. Commercial Expense Ratio (Line 32d divided by 32c)	<u></u>																												

G. Estimated Replacement Cost

<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">36a. Unusual Land Improvements</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>b. Other Land Improvements</td> <td style="text-align: right;"><u>\$1,873,827</u></td> <td></td> </tr> <tr> <td>c. Total Land Improvements</td> <td style="text-align: right;"><u>\$1,873,827</u></td> <td></td> </tr> <tr> <td>Structures</td> <td></td> <td></td> </tr> <tr> <td>37. Main Buildings</td> <td style="text-align: right;"><u>\$11,832,649</u></td> <td></td> </tr> <tr> <td>38. Accessory Buildings</td> <td style="text-align: right;"><u>\$353,278</u></td> <td></td> </tr> <tr> <td>39. Garages</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>40. All Other Buildings</td> <td style="text-align: right;"><u>\$0</u></td> <td></td> </tr> <tr> <td>41. Total Structures</td> <td style="text-align: right;"><u>\$12,185,927</u></td> <td></td> </tr> <tr> <td>42. General Requirements</td> <td style="text-align: right;"><u>\$843,585</u></td> <td></td> </tr> <tr> <td>Fees</td> <td></td> <td></td> </tr> <tr> <td>43. Builder's Gen. Overhead at 1.89%</td> <td style="text-align: right;"><u>\$281,195</u></td> <td></td> </tr> <tr> <td>44. Builder's Profit at 5.66%</td> <td style="text-align: right;"><u>\$843,585</u></td> <td></td> </tr> <tr> <td>45. Arch. Fee-Design at 1.07%</td> <td style="text-align: right;"><u>\$171,500</u></td> <td></td> </tr> <tr> <td>46. Arch. Fee-Supvr. at 0.37%</td> <td style="text-align: right;"><u>\$59,850</u></td> <td></td> </tr> <tr> <td>47. Bond Premium</td> <td style="text-align: right;"><u>\$130,420</u></td> <td></td> </tr> <tr> <td>48. Other Fees</td> <td style="text-align: right;"><u>\$559,620</u></td> <td></td> </tr> <tr> <td>49. Total Fees</td> <td style="text-align: right;"><u>\$2,046,170</u></td> <td></td> </tr> <tr> <td>50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)</td> <td style="text-align: right;"><u>\$16,949,509</u></td> <td></td> </tr> <tr> <td>51. Cost Per Gross Square Foot</td> <td style="text-align: right;"><u>\$94.37</u></td> <td></td> </tr> <tr> <td>52. Estimated Construction Time (Months)</td> <td style="text-align: right;"><u>14+2</u></td> <td></td> </tr> </table> <p>Note 1: Jurisdictional Exception: In HUD programs, land and/or existing improvements are not valued for their "highest and best use" but instead, for their intended multifamily use (See Section J analysis below.) (Exception: Title II or VI Preservation). Offsite improvements are assumed completed in new construction land valuations (See Line M 17 for estimated cost.) Unusual costs of site preparation are deducted from the "Value of the Site Fully Improved" to determine "Warranted Price of Land Fully Improved."</p>	36a. Unusual Land Improvements	<u>\$0</u>		b. Other Land Improvements	<u>\$1,873,827</u>		c. Total Land Improvements	<u>\$1,873,827</u>		Structures			37. Main Buildings	<u>\$11,832,649</u>		38. Accessory Buildings	<u>\$353,278</u>		39. Garages	<u>\$0</u>		40. All Other Buildings	<u>\$0</u>		41. Total Structures	<u>\$12,185,927</u>		42. General Requirements	<u>\$843,585</u>		Fees			43. Builder's Gen. Overhead at 1.89%	<u>\$281,195</u>		44. Builder's Profit at 5.66%	<u>\$843,585</u>		45. Arch. Fee-Design at 1.07%	<u>\$171,500</u>		46. Arch. Fee-Supvr. at 0.37%	<u>\$59,850</u>		47. Bond Premium	<u>\$130,420</u>		48. Other Fees	<u>\$559,620</u>		49. Total Fees	<u>\$2,046,170</u>		50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)	<u>\$16,949,509</u>		51. Cost Per Gross Square Foot	<u>\$94.37</u>		52. Estimated Construction Time (Months)	<u>14+2</u>		<table border="0" style="width: 100%;"> <tr> <td colspan="2">Carrying Charges & Financing</td> </tr> <tr> <td>53. Interest: 16 Mos. At 4.25%</td> <td style="text-align: right;"><u>\$299,801</u></td> </tr> <tr> <td>54. Taxes</td> <td style="text-align: right;"><u>\$55,000</u></td> </tr> <tr> <td>55. Insurance</td> <td style="text-align: right;"><u>\$57,676</u></td> </tr> <tr> <td>56. FHA Mtg. Ins. Premium</td> <td style="text-align: right;"><u>\$105,812</u></td> </tr> <tr> <td>57. FHA Exam Fee</td> <td style="text-align: right;"><u>\$31,744</u></td> </tr> <tr> <td>58. FHA Inspection Fee</td> <td style="text-align: right;"><u>\$52,906</u></td> </tr> <tr> <td>59. Financing Fee</td> <td style="text-align: right;"><u>\$158,718</u></td> </tr> <tr> <td>60. AMPO (N.P. only)</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>61. FNMA/GNMA Fee</td> <td style="text-align: right;"><u>\$57,400</u></td> </tr> <tr> <td>61.a FNMA/GNMA Fee</td> <td style="text-align: right;"><u>\$345,000</u></td> </tr> <tr> <td>62. Title and Recording</td> <td style="text-align: right;"><u>\$55,000</u></td> </tr> <tr> <td>63. Total Carrying Charges & Financing</td> <td style="text-align: right;">\$1,219,056</td> </tr> <tr> <td colspan="2">Legal, Organizational & Audit Fee</td> </tr> <tr> <td>64. Legal</td> <td style="text-align: right;"><u>\$180,000</u></td> </tr> <tr> <td>65. Organizational</td> <td style="text-align: right;"><u>\$82,965</u></td> </tr> <tr> <td>66. Cost Certification Audit Fee</td> <td style="text-align: right;"><u>\$0</u></td> </tr> <tr> <td>67. Total Legal, Organizational & Audit Fee (64+65+66)</td> <td style="text-align: right;">\$262,965</td> </tr> <tr> <td>68. Builder and Sponsor Profit & Risk (221(d) (4) only)</td> <td style="text-align: right;"><u></u></td> </tr> <tr> <td>69. Consultant Fee (N.P. only)</td> <td style="text-align: right;"><u></u></td> </tr> <tr> <td>70. Supplemental Management Fund</td> <td style="text-align: right;"><u></u></td> </tr> <tr> <td>71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E</td> <td style="text-align: right;"><u>\$50,340</u></td> </tr> <tr> <td>72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)</td> <td style="text-align: right;">\$18,481,870</td> </tr> <tr> <td>73a. Warranted Price of Land J-143(3)(New Constr.)</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">144 Units @ \$8,000 Per Unit</td> <td style="text-align: right;"><u>\$1,150,000</u></td> </tr> <tr> <td>73b. As Is Property Value (Rehab only)</td> <td style="text-align: right;"><u></u></td> </tr> <tr> <td>73c. Off-Site (if needed, Rehab only)</td> <td style="text-align: right;"><u></u></td> </tr> <tr> <td>74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)</td> <td style="text-align: right;">\$19,631,870</td> </tr> </table>	Carrying Charges & Financing		53. Interest: 16 Mos. At 4.25%	<u>\$299,801</u>	54. Taxes	<u>\$55,000</u>	55. Insurance	<u>\$57,676</u>	56. FHA Mtg. Ins. Premium	<u>\$105,812</u>	57. FHA Exam Fee	<u>\$31,744</u>	58. FHA Inspection Fee	<u>\$52,906</u>	59. Financing Fee	<u>\$158,718</u>	60. AMPO (N.P. only)	<u>\$0</u>	61. FNMA/GNMA Fee	<u>\$57,400</u>	61.a FNMA/GNMA Fee	<u>\$345,000</u>	62. Title and Recording	<u>\$55,000</u>	63. Total Carrying Charges & Financing	\$1,219,056	Legal, Organizational & Audit Fee		64. Legal	<u>\$180,000</u>	65. Organizational	<u>\$82,965</u>	66. Cost Certification Audit Fee	<u>\$0</u>	67. Total Legal, Organizational & Audit Fee (64+65+66)	\$262,965	68. Builder and Sponsor Profit & Risk (221(d) (4) only)	<u></u>	69. Consultant Fee (N.P. only)	<u></u>	70. Supplemental Management Fund	<u></u>	71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E	<u>\$50,340</u>	72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)	\$18,481,870	73a. Warranted Price of Land J-143(3)(New Constr.)		144 Units @ \$8,000 Per Unit	<u>\$1,150,000</u>	73b. As Is Property Value (Rehab only)	<u></u>	73c. Off-Site (if needed, Rehab only)	<u></u>	74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)	\$19,631,870
36a. Unusual Land Improvements	<u>\$0</u>																																																																																																																							
b. Other Land Improvements	<u>\$1,873,827</u>																																																																																																																							
c. Total Land Improvements	<u>\$1,873,827</u>																																																																																																																							
Structures																																																																																																																								
37. Main Buildings	<u>\$11,832,649</u>																																																																																																																							
38. Accessory Buildings	<u>\$353,278</u>																																																																																																																							
39. Garages	<u>\$0</u>																																																																																																																							
40. All Other Buildings	<u>\$0</u>																																																																																																																							
41. Total Structures	<u>\$12,185,927</u>																																																																																																																							
42. General Requirements	<u>\$843,585</u>																																																																																																																							
Fees																																																																																																																								
43. Builder's Gen. Overhead at 1.89%	<u>\$281,195</u>																																																																																																																							
44. Builder's Profit at 5.66%	<u>\$843,585</u>																																																																																																																							
45. Arch. Fee-Design at 1.07%	<u>\$171,500</u>																																																																																																																							
46. Arch. Fee-Supvr. at 0.37%	<u>\$59,850</u>																																																																																																																							
47. Bond Premium	<u>\$130,420</u>																																																																																																																							
48. Other Fees	<u>\$559,620</u>																																																																																																																							
49. Total Fees	<u>\$2,046,170</u>																																																																																																																							
50. Total All Improvements (Lines 36c. Plus 41 plus 42 plus 49)	<u>\$16,949,509</u>																																																																																																																							
51. Cost Per Gross Square Foot	<u>\$94.37</u>																																																																																																																							
52. Estimated Construction Time (Months)	<u>14+2</u>																																																																																																																							
Carrying Charges & Financing																																																																																																																								
53. Interest: 16 Mos. At 4.25%	<u>\$299,801</u>																																																																																																																							
54. Taxes	<u>\$55,000</u>																																																																																																																							
55. Insurance	<u>\$57,676</u>																																																																																																																							
56. FHA Mtg. Ins. Premium	<u>\$105,812</u>																																																																																																																							
57. FHA Exam Fee	<u>\$31,744</u>																																																																																																																							
58. FHA Inspection Fee	<u>\$52,906</u>																																																																																																																							
59. Financing Fee	<u>\$158,718</u>																																																																																																																							
60. AMPO (N.P. only)	<u>\$0</u>																																																																																																																							
61. FNMA/GNMA Fee	<u>\$57,400</u>																																																																																																																							
61.a FNMA/GNMA Fee	<u>\$345,000</u>																																																																																																																							
62. Title and Recording	<u>\$55,000</u>																																																																																																																							
63. Total Carrying Charges & Financing	\$1,219,056																																																																																																																							
Legal, Organizational & Audit Fee																																																																																																																								
64. Legal	<u>\$180,000</u>																																																																																																																							
65. Organizational	<u>\$82,965</u>																																																																																																																							
66. Cost Certification Audit Fee	<u>\$0</u>																																																																																																																							
67. Total Legal, Organizational & Audit Fee (64+65+66)	\$262,965																																																																																																																							
68. Builder and Sponsor Profit & Risk (221(d) (4) only)	<u></u>																																																																																																																							
69. Consultant Fee (N.P. only)	<u></u>																																																																																																																							
70. Supplemental Management Fund	<u></u>																																																																																																																							
71. Contingency Reserve (Sec. 202 or Rehab only) - FF&E	<u>\$50,340</u>																																																																																																																							
72. Total Est. Development Cost (Excl. of Land or Off-Site Cost)(50 plus 63 plus 67 through 71)	\$18,481,870																																																																																																																							
73a. Warranted Price of Land J-143(3)(New Constr.)																																																																																																																								
144 Units @ \$8,000 Per Unit	<u>\$1,150,000</u>																																																																																																																							
73b. As Is Property Value (Rehab only)	<u></u>																																																																																																																							
73c. Off-Site (if needed, Rehab only)	<u></u>																																																																																																																							
74. Total Estimated Replacement Cost of Project (72 plus 73a or 73b and 73c)	\$19,631,870																																																																																																																							

H. Remarks

(Note 2: For Rehab only: Estimated Value of land without Improvements Estimated Value of land and improvements "As Is" by Residual Method, i.e., After Rehabilitation Correlated Value minus Line G 72 Cost of Rehabilitation Improvements equals _____; line G 73b is the lesser of this amount, and the amount estimated by Supplemental form HUD-92264 "As Is".)

I. Estimate of Operating Deficit

Periods	Gross Income	Occup %	Effective Gross	Expenses	Net Income	Debt Serv. Reqmt.	Deficit
1. 1st Mos.	<u>\$1,492,560</u>	<u>95%</u>	<u>\$1,417,932</u>	<u>\$734,267</u>	<u>\$683,665</u>	<u>\$48,083</u>	<u>-\$176,263</u>
2. 2nd Mos.							
3. Total Operating Deficit							-\$176,263

Previous editions are obsolete.

LEASED FEE INTEREST

The *Leased Fee Interest* of the subject property is determined by the proposed ground lease which has been summarized below. The original lease was dated May 28, 1998. A full copy of the lease is included in the addenda.

Ground Lease Summary

Lessor: The Housing Authority of Savannah
Lessee: Preserve at Chatham Parkway Redevelopment, LLC
Term: 77 years
Rent: \$1 per year

Given the nominal rent amount per year, it is believed that no investor would pay for the income stream associated with this ground lease. However, there will be a \$1,100,000 upfront payment for the ground lease at closing; which would serve as the Leased Fee Interest in the property.

Based on the information herein, it is concluded that the current market value of the Leased Fee Estate is \$1,100,000.

**Opinion of Current Market Value
- Leased Fee Estate -**

\$1,100,000

After deducting the estimated Lease Fee Estate (\$1,100,000) from the Fee Simple Interest (\$1,150,000), the residual value of the Leasehold Estate is equivalent to \$50,000 plus the costs of the improvements.

The Housing Authority of Savannah is a Principal in the organizational structure and is the land owner/lessor of the ground lease. As noted, the annual payment of \$1 would provide no additional value to the Leased Fee Interest, above that of the initial \$1,100,000 payment. Given the nominal rental amount (\$1/year), the ground lease has no bearing on the enclosed operating statements.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

1. The legal and/or metes and bounds description provided by the client or their representative is assumed to be correct.
2. No survey of the property has been made by the appraisers, and no responsibility is assumed in connection with such matters. Exhibits included in the market study are solely for the purpose of assisting the reader in visualizing the property.
3. 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 within the report.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, the appraiser assumes no responsibility for its accuracy.
5. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable but not necessarily owned in fee simple by the client as of the date of this study.
6. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated.
7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated. All values stated herein are contingent upon the proper zoning, either existing or proposed, granted by the local zoning authorities and adhered to regardless of the proposed use.
8. It is assumed that all required licenses and consents have been obtained from legislative or administrative authority for any use on which the value estimate contained in this appraisal is based.
9. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
10. While the appraisers are not qualified to detect such substances, no visible existence of such materials on or in the property was observed. The value estimate herein is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. The appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
11. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, the appraisers did

not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

12. If there are any improvements of value, the distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other use and are invalid if so used.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.

14. Neither all nor any part of the contents of this study, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organizations of which the analyst is a member be identified without written consent of the analyst.

15. Unless arrangements have been previously made, the appraisers will not be required to give testimony or appear in court, with reference to the property in question, because of having performed this study.

16. Current and historical market conditions have been analyzed in anticipating trends pertinent to the date of this study. It should be noted however that unforeseeable changes in economic and market factors could dramatically affect the value estimate and conclusions herein. It is assumed that the property will be efficiently managed and that ownership is in responsible hands.

17. Acceptance and/or use of this report constitutes acceptance of the foregoing general assumptions and general limiting conditions.

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- 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 a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have not conducted any real estate services on this property within the past three years.
- No one provided significant professional assistance to the person signing this report.
- Nelson C. Pratt, MAI, made a personal inspection of the property that is the subject of this report.
- I am fully qualified and competent by training, knowledge and experience to perform this appraisal, and I am properly certified by the appropriate state agency.
- I hereby certify under penalty of perjury that all of the information I have provided on this form and in any accompanying documentation is true and accurate. I acknowledge that if I knowingly have made any false, fictitious, or fraudulent statement, representation, or certification on this form or on any accompanying documents, I may be subject to criminal, civil, and/or administrative sanctions, including fines, penalties, and/or imprisonment under applicable federal law, including but not limited to 12 U.S.C. §1833a; 18 U.S.C. §§1001, 1006, 1010, 1012, and 1014; 12 U.S.C. §1708 and 1735f-14; and 31 U.S.C. §§3729 and 3802.



Nelson C. Pratt, MAI
Georgia Certified General
Real Estate Appraiser (338202)

APPRAISER'S MAP CERTIFICATION

**The Preserve at Chatham Parkway Apartments
A Proposed 144-Unit LIHTC Complex
1325 Chatham Parkway
Savannah, GA 31405**

I understand that my appraisal report will be used by **Grandbridge Real Estate Capital, LLC**, to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my appraisal report was in accordance with the HUD MAP requirements applicable on the date of my appraisal and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Borrower, the general contractor, any subcontractors, the buyer or seller of the proposed property or engage in any business that might present a conflict of interest. I also certify that the racial/ethnic composition of the neighborhood surrounding the property in no way affected the appraisal determination

I am employed under a contract with **Grandbridge Real Estate Capital, LLC**, for this specific assignment and I have no other side deals, agreements, or financial considerations with **Grandbridge Real Estate Capital, LLC**, or others in connection with this transaction.



Nelson C. Pratt, MAI
Georgia Certified General
Real Estate Appraiser (338202)

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

ADDENDA

ENGAGEMENT LETTER



Sent Via Email

July 18, 2017

Hodges & Pratt
Attn: Nelson C. Pratt, MAI
1528 Coleman Road
Knoxville, TN 37909
Email: nelson@hodgesandpratt.com

RE: Appraisal Engagement Letter
221(d) (4) – NC – 60% LIHTC/4% Bond transaction with Project Based Section 8 Contract
Mission Village of Chatham Parkway - 144 Units
1325 Chatham Parkway
Savannah, GA 31415

Dear Nelson:

In reference to the above, you are hereby employed by Grandbridge Real Estate Capital LLC ("Grandbridge") as our designated appraiser for the above referenced property. This assignment shall include preparation of an appraisal described herein (herein defined as the "Report") for submission to the United States Department of Housing and Urban Development ("HUD") with a Firm Application package. Your employment as Grandbridge's designated appraiser for this assignment is subject to the following:

Scope of Services:

- The Reports and all forms prepared in connection therewith should be prepared and signed by you as a HUD Multifamily Accelerated Processing (MAP) approved Appraiser. By signing this engagement letter, you are certifying that you have submitted similar assignment/s to the HUD office/s of similar multifamily developments.
- The Report is to be addressed to Grandbridge Real Estate Capital LLC and shall include a copy of this assignment letter as an addendum to the Report.
- The appraisal report is to be prepared in strict compliance with the MAP guide (the "Guide") and any Amendments thereto, FAQs, etc. and are to be formatted in accordance with the Guide, as amended from time to time, and is to include your executed Third party MAP Certification, which is included as an attachment. The most recent MAP Guide can be accessed via HUD's website as follows: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/hsg-GB4430

For this type of project, MAP application processing will be a straight to Firm. The Analyst will be required to complete the Appraisal report for the Firm Application stage, as set forth in the MAP Guide,

5000 West 95th Street, Suite 250 • Prairie Village, Kansas 66207 • 913-850-6379 • www.gbrecap.com

dated January 26, 2016 (Chapter 7 and any subsequent FAQs). Please refer to the most recent MAP Guide in effect, for complete HUD requirements.

- The appraisal report is to include your Certification in accordance with Chapter Eleven of the Guide. In addition, any HUD forms that you may require are accessible at <http://www.hudclips.org>.
- For this type of project, Grandbridge will require an appraisal report, along with completion of HUD Forms 92273, 92274 and 92264.
- Reference is made to Chapter 7.3 of the most recent updated MAP Guide for specific requirements which shall be followed.
- A NOI analysis subject to the restricted rents (60% of AMI) and the Project-based Section 8 contract shall be estimated.
- Include a Replacement Cost to Value in your appraisal report, as indicated in the HUD MAP Guide.
- Please discuss and support any shortfall in net operating income expected during lease up before breakeven occupancy. Also, this section should also address any potential reduction in vacancy of the existing units as repairs are being made. Reference is made to Chapter 7 of the HUD MAP Guide.

Site Inspection Date, Completion & Delivery:

Grandbridge will coordinate a site inspection date.

A complete draft of the Appraisal Report (to include all required HUD forms) is to be received by Grandbridge via e-mail within **30 days** after the signed date of engagement. The draft report is to be e-mailed as a pdf file to tyler@grandbridge.com and ggeier@grandbridge.com. Grandbridge will provide any comments it may have, with mutually agreed upon comments incorporated into the report. Upon approval of Grandbridge, five (5) final original reports are to be delivered within seven (3) days from Grandbridge's notification to the below address and a final pdf sent to the above e-mail address/s.

Grandbridge Real Estate Capital LLC
5000 West 95th Street, Suite 250
Prairie Village, KS 66207

It is understood and agreed by the Appraiser that for each day of unexcused delay in the delivery of the Report, Grandbridge reserves the right to deduct 5% of the fee specified below (the "Fee Reduction"). This Fee Reduction represents liquidated damages to cover the estimated losses incurred by Grandbridge by reason of delay in delivery of the required copies of the Report, such losses being difficult to determine. New or supplemental work requested by Grandbridge after the execution of this engagement letter may require a submission of a revised proposal from the Appraiser. The Appraiser understands and agrees that time is of the essence with respect to the performance of its obligations hereunder.

Please furnish Grandbridge by fax or e-mail a list of items needed to (1) commence the assignment and (2) complete the report. Under the Guide, the report's effective date is the site visit date, and the Report will be

accepted by HUD for a limited period of time. All necessary HUD forms must be completed and must accompany the Report draft; otherwise it will not be deemed complete.

All final Report copies are to be bound, and all signatures are to be in blue ink.

The Third Party A&E's determinations of construction costs components, unit measurements, site and gross living area, and replacement reserves are controlling. You may not finalize your Report until you have received this information. If you disagree with any items, you should reconcile the discrepancy with the engineer/architects.

Please advise Grandbridge immediately of any unanticipated delays, concerns, problems or unusual findings.

Compensation: The fee to prepare the Report is \$10,000 which includes all costs (including, but not limited to, any travel, printing and copying costs) the Appraiser may incur. A retainer of \$5,000 shall be paid after the signed engagement letter is received. Please provide an invoice to process the retainer. The remaining Appraisal Fee will be due upon receipt by Grandbridge of five (5) bound originals and one (1) electronic version of the final complete Report, including all HUD forms identified above under Scope of Services.

Distribution of Reports: It is understood and agreed by the Appraiser that a copy of the Report may be provided by Grandbridge to any member of the team involved in this transaction, at the discretion of Grandbridge.

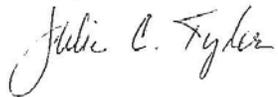
Identity-of-Interest: The Appraiser should include within the Report the required HUD Certification as to identity-of-interest, which is a requirement of the Guide. The Appraiser represents and warrants to Grandbridge that neither the Appraiser nor the individual conducting each of the appraisals is affiliated with any individual or entity involved in the Project or involved in any way with respect to the Project, other than the engagement by Grandbridge hereunder to conduct and prepare the Report.

Requested Amendments: It is agreed that the final Report provided to Grandbridge hereunder will not be amended or otherwise revised without the written consent and approval of Grandbridge, as evidenced in writing signed by an officer of Grandbridge.

Please acknowledge your acceptance of the terms of this engagement letter by executing below and returning via e-mail to jtyler@grandbridge.com and ggeier@grandbridge.com with the signed HUD Certification.

We look forward to working with you. Should you have any questions, please do not hesitate to contact me by phone at (410) 472-2149 or by email.

Sincerely,



Julie C. Tyler
Vice President/Deputy Chief Underwriter

Accepted and agreed to this 18 day of July, 2017

Hodges & Pratt

GA 338202

State Certification Number

By: Nelson Pratt

Date: 7-18-17

Name: Nelson Pratt

Title: President

Enclosures:

MAP Certification

HUD Certification
Appraisal Report

I understand that my Appraisal Report will be used by Grandbridge Real Estate Capital LLC to document to the U.S. Department of Housing and Urban Development that the MAP Lender's application for FHA multifamily mortgage insurance was prepared and reviewed in accordance with HUD requirements. I certify that my review was in accordance with the HUD requirements applicable on the date of my review and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Borrower or the Lender of the property or engage in any business that might present a conflict of interest.

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

Signature: ACH PRATT

Title: President

Date: July 18, 2017

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

WARRANTY DEED & LEGAL DESCRIPTION

GSCCCA.org - Image Index

http://search.gsccca.org/Imaging/HTML5Viewer.aspx?id=63259155&k...

Prepared by:
John Culham, Esq.
P.O. Box 7901
Wesley Chapel FL 33545
(813) 997 9025

Clock#: 1546355
FILED FOR RECORD
9/10/2013 10:02am
PAID: 12.00
Daniel W. Massey, Clerk
Superior Court of Chatham County
Chatham County, Georgia

Return to address shown above.

BOOK
390 X
PAGE
243

WARRANTY DEED

This Deed made, executed and delivered this 21st day of August, 2013, by HENDRIX & COMPANY, INC., a Georgia Corporation, as Grantor, to JCJH, LLC, a Georgia Limited Liability Company, as Grantee.

Grantor, in consideration of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration given by Grantee, grants and conveys to Grantee the following real property located in Chatham County, Georgia, and more particularly described as follows:

ALL of that certain tract of land lying in the City of Savannah in Chatham County Georgia, known as Lot 3, a subdivision of a tract being a part of parcels A&B of The Hendrix Machinery Company tract as shown in Subdivision Map book 17-S folio 43. Particular reference is made to said map for a more accurate description of the metes, bounds, courses, and distances of the boundaries of the described property, and its contents are incorporated into and made a part of this description by this reference. Said tract is comprised of 15.91 acres more or less, and is bounded as follows: On the Southeast by the right of way for Chatham Parkway; on the Northeast by the right of way for Carl Griffin Drive; On the Northwest by a tract of land known as Lot A; and on the Southwest by Lot 2 of said subdivision.

Said property is shown on Chatham County Georgia Tax Maps maintained by the Chatham County Board of Assessors and is identified thereon with Parcel identification Number 2-834-1-13.

The address of the property is 1325 Chatham Parkway, Savannah GA 31405.

TO HAVE AND TO HOLD the said above described tract or parcel of land and premises, together with all and singular the rights, members, hereditaments, improvements, easements, and appurtenances thereunto belonging or in any wise appertaining, unto second party, her heirs and assigns in as full and ample a manner as first party and Grantor will forever

warrant and defend its title to the property herein conveyed in favor of Grantee, its successors and assigns.

BOOK
390 X
PAGE
244

IN WITNESS WHEREOF, grantor hereunto sets its hand and seal the day and year first above written.

Grantor:

HENDRIX & COMPANY, INC.

By: Annz B. Hendrix, Pres.

Attest: Lisa Tamin ASST. SECT.
Lisa Tamin

Address: 616 Washington Ave., Savannah GA 31405



WITNESS:

Scott Coker
Witness Signature
(Print name) Scott Coker

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

The foregoing instrument was acknowledged before me, this 21 day of August, 2013, by the officers of Hendrix and Company, Inc., who are personally known to me or who have produced a State issued driver's license as identification.

Wendy D. Baker
NOTARY PUBLIC



GSCCCA.org - Image Index

<http://search.gsccca.org/Imaging/HTML5Viewer.aspx?key1=025201300...>

To be filed in **CHATHAM COUNTY** **PT-61 025-2013-008789**

SECTION A - SELLER'S INFORMATION (Do not use agent's information)				SECTION C - TAX COMPUTATION	
SELLER'S BUSINESS / ORGANIZATION / OTHER NAME Hendrix & Company Inc				Exempt Code If no exempt code enter NONE	NONE
MAILING ADDRESS (STREET & NUMBER) 413 Washington Avenue				1. Actual Value of consideration received by seller Complete Line 1A if actual value unknown	\$10.00
CITY, STATE / PROVINCE / REGION, ZIP CODE, COUNTRY Savannah, GA 31404 USA		DATE OF SALE 8/21/2013		1A. Estimated fair market value of Real and Personal property	\$0.00
SECTION B - BUYER'S INFORMATION (Do not use agent's information)				2. Fair market value of Personal Property only	\$0.00
BUYER'S BUSINESS / ORGANIZATION / OTHER NAME JCJH LLC				3. Amount of liens and encumbrances not removed by transfer	\$0.00
MAILING ADDRESS (Must use buyer's address for tax billing & notice purposes) P O Box 22338				4. Net Taxable Value (Line 1 or 1A less Lines 2 and 3)	\$10.00
CITY, STATE / PROVINCE / REGION, ZIP CODE, COUNTRY Savannah, GA 31403 USA		Check Buyers Intended Use () Residential () Commercial () Agricultural () Industrial		5. TAX DUE at .10 per \$100 or fraction thereof (Minimum \$1.00)	\$0.00
SECTION D - PROPERTY INFORMATION (Location of Property (Street, Route, Hwy, etc))					
HOUSE NUMBER & EXTENSION (ex 265A)		PRE-DIRECTION, STREET NAME AND TYPE, POST DIRECTION			SUITE NUMBER
COUNTY CHATHAM		CITY (IF APPLICABLE)		MAP & PARCEL NUMBER 2-0834-01-013	ACCOUNT NUMBER
TAX DISTRICT	GMD	LAND DISTRICT	ACRES	LAND LOT	SUB LOT & BLOCK
SECTION E - RECORDING INFORMATION (Official Use Only)					
DATE	DEED BOOK 390X	DEED PAGE 243	PLAT BOOK	PLAT PAGE	

ADDITIONAL BUYERS
None

PURCHASE & SALE AGREEMENT

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is made and entered into as of this 9th day of Dec, 2016, by and between JCJH, LLC, a Georgia limited liability company ("Seller") and Commonwealth Development Corporation of America, a Wisconsin corporation and/or its assigns ("Buyer").

RECITALS

Seller owns the property commonly marketed as **1325 Chatham Parkway Savannah, GA 31415** and which includes approximately 15.91 acres, and is further described on Exhibit A attached hereto and incorporated herein (the "Property").

Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property from Seller, pursuant to all of the covenants, provisions and other terms and conditions set forth in this Agreement.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained in this Agreement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **AGREEMENT TO SELL AND PURCHASE.** Seller shall sell the Property to Buyer, and Buyer shall purchase the Property from Seller, pursuant to the covenants, provisions and other terms and conditions contained in this Agreement. The Property shall include that certain parcel(s) of land described in Section A of the Recitals and the improvements, fixtures, easements, licenses, permits and all of Seller's other rights, title and interest appurtenant and otherwise relating thereto, as well as any personal property owned by Seller and used exclusively in the operation of the Property.

2. **PURCHASE PRICE; EARNEST MONEY.**

(a) Subject to prorations and adjustments pursuant to this Agreement, the purchase price shall be **One Million One Hundred Thousand Dollars (\$1,100,000.00)** (the "Purchase Price"). Buyer shall deposit earnest money in the amount of **Twenty-Five Thousand Dollars (\$25,000.00)** (the "Earnest Money") into the escrow described below within five (5) business days following the Acceptance Date (as defined below). The Earnest Money shall be increased by and additional **Twenty-Five Thousand Dollars (\$25,000.00)** for a total Earnest Money Deposit of **Fifty Thousand Dollars (\$50,000.00)** at the end of the Inspection Date and **Twenty-Five Thousand Dollars (\$25,000.00)** of said earnest money shall become non-refundable to Buyer at that time, subject only to approval of rezoning of the property, but applicable to the purchase price. The additional **Twenty-Five Thousand Dollars (\$25,000.00)** of said earnest money shall become non-refundable, but applicable to the purchase price, one hundred eighty (180) days after the Acceptance Date with all earnest money being non-refundable at this time. All earnest will be applied to the purchase price. The Earnest Money Deposit shall constitute liquidated damages in the event of default by the Buyer as Seller's sole remedy.

(b) The Earnest Money shall be deposited in escrow with **O&M Title Insurance Company** or another title insurance company selected by Buyer (the "Title Company")

32175146

to be held in accordance with this Agreement. All interest earned on the Earnest Money shall be credited to Buyer upon Closing.

3. **PROPERTY INFORMATION; CONTRACTS.** In addition to all other obligations of Seller under this Agreement, Seller shall provide Buyer, within fifteen (15) business days of the Acceptance Date, to the extent in Seller's possession or control, copies of any and all reports, contracts, leases, guaranties, warranties, information, correspondence, notes, memoranda and surveys relating to the Property or relevant to a reasonable Buyer's determination whether to purchase the Property (the "Property Information"). Seller further agrees to deliver promptly to Buyer copies of any additional Property Information that Seller obtains prior to Closing. Prior to Closing, Seller shall terminate any and all property management, maintenance, lawn care, snow plowing and other contracts and agreements relating to the Property.

4. **INVESTIGATION; COOPERATION; AND CONDITIONS PRECEDENT.**

(a) Seller acknowledges that Buyer contemplates acquiring the Property for the Intended Uses. From and after the Acceptance Date, Buyer and its agents shall have the right, but no obligation: (i) to enter upon the Property to conduct the tests, inspections, studies, assessments and investigations contemplated under this Agreement at any time and from time to time (collectively, "Tests"); and (ii) to make such Tests of the Property and information with respect to the Property, the Intended Uses (as defined below) and/or this Agreement, all as Buyer may deem desirable, including, without limitation: [a] any environmental assessment, evaluation or study (including "Phase I" assessments and "Phase II" assessments, including laboratory testing of soil, water and other substances); [b] soil, boring, percolation and other similar tests; and [c] topographic, engineering, traffic, parking and other feasibility studies. Notwithstanding the foregoing, Buyer will not conduct any invasive Tests, including, without limitation, Phase II environmental assessments or soil borings, without Seller's prior written consent, which consent shall not be unreasonably withheld. Buyer shall conduct all Tests at a time and in a manner as to reasonably minimize interference with Seller's and any tenants' of the Property operation on or about the Property. Buyer shall indemnify, defend and hold Seller, its employees, agents, contractors, lessees, licensees, invitees, successors and assigns harmless from any and all liabilities, claims, damages and expenses (including attorneys' fees, court costs, and costs of investigation) arising out of or in connection with the Tests or the entry on to the Property by Buyer or its agents. The indemnity and hold harmless provisions of this Section 4 shall survive the Closing or any termination of this Agreement.

(b) From and after the Acceptance Date, Seller agrees that Seller shall, at the request of Buyer and without cost to Seller, use commercially reasonable efforts to cooperate with Buyer in connection with any and all private and governmental approvals, rezoning, land subdivisions, historic approvals, tax credit applications and other matters relating to Buyer's intended uses of the Property as Multifamily (the "Intended Uses"), provided that Seller shall have no obligation to incur any out of pocket cost or expense in so doing.

(c) If at any time on or before ninety (90) days following the Acceptance Date (the "Inspection Date"), Buyer determines, for any reason or no reason, in Buyer's sole discretion, that the Property or the transaction described herein is unacceptable to Buyer, then Buyer shall have the right to terminate this Agreement by giving written notice of termination to

Seller at any time on or before the Inspection Date in which event, at Buyer's election, all Earnest Money shall be immediately returned to Buyer ("Buyer's Contingency"). Any failure by Buyer to give such notice shall constitute an election by Buyer to not so terminate, in which event (i) Buyer's right to terminate this Agreement pursuant to this Section 4(c) shall be deemed to have been waived, and (ii) Earnest Money shall become non-refundable, or as expressly provided herein, but shall be credited against the Purchase Price. Following any termination of this Agreement pursuant to this Section 4(c), the parties shall be relieved of any further obligations or liabilities under this Agreement, except those obligations that expressly survive termination hereof.

(d) In addition to any and all other conditions and contingencies in this Agreement, Buyer's obligations under this Agreement are hereby conditioned upon Buyer's receipt of tax exempt bonds ("TEB"), and low income housing tax credit ("LIHTC") reservation(s) from the Housing Authority of Savannah and the Georgia Department of Community Affairs respectively, ("AUTHORITIES") for the Intended Uses ("Condition Precedent"). If the TEB issuance and LIHTC reservation(s) is not received, Buyer shall have no continuing obligations pursuant to this Agreement. In the event Buyer fails to submit said application to AUTHORITIES by **One Hundred Fifty (150) days from the Acceptance Date**, for any reason other than a Seller default or the non-satisfaction of this Buyer's Contingency, Buyer or Seller shall have the right but not obligation to terminate this Agreement and Seller to keep Earnest Money paid by Buyer and in accordance with Section 2(a) herein as of the effective date of said termination.

(e) The existing zoning classification of the Property does not allow for said Intended Use. Before the expiration of the Inspection Date, Buyer, at its sole expense will file for rezoning of the property to a classification that allows Intended Use. Seller will cooperate and execute any necessary documents required for rezoning. Approval of rezoning of the Property will be a Condition Precedent, and if rezoning is not approved for any reason other than Buyer's withdrawal of the petition to rezone, Buyer will be relieved of its obligation under this agreement, and the Earnest Money will be refunded. If Buyer elects to terminate the Agreement by the Inspection Date, but after a rezoning petition has been filed, Seller will have the right to withdraw the zoning petition. Seller may delay the final hearing on the rezoning petition until after the due diligence period has expired. Once the property is rezoned, Buyer is obligated to purchase the Property, subject to the Section 4(d). All Earnest Money is non-refundable without conditions and is disburseable to Seller after the Property is rezoned. Section 4(d) does not alter this term.

5. TITLE INSURANCE; SURVEY. Buyer shall have the right and responsibility to obtain a written commitment of the Title Company to issue to Buyer a current ALTA Form owner's policy of title insurance with respect to the Property in the amount of the Purchase Price (the "Title Commitment"); and Buyer shall have the right and responsibility to obtain a new or updated survey, in a form determined by Buyer (the "Survey"). Seller's warranty of title set forth in the deed and Seller's other representations and warranties, if any, with respect to the Property shall be subject to all exceptions set forth elsewhere in this Agreement and all matters disclosed on the Title Commitment or Survey including, without limitation, all easements, covenants, conditions, restrictions, requirements, standard exceptions and special exceptions, except for monetary liens which will be paid out of Closing. If the Title Commitment or Survey discloses any matters unacceptable to Buyer, in Buyer's sole discretion, (the "Title Defects"),

Buyer shall notify Seller of such Title Defects on or before seventy (70) days after the Acceptance Date. If within fifteen (15) days after receiving notice from Buyer (regardless of whether such fifteen (15) day period ends after the Inspection Date), Seller fails to correct the Title Defects to Buyer's satisfaction, Buyer may elect any of the following: (a) terminate this Agreement upon written notice to Seller in which case, anything in this Agreement to the contrary notwithstanding, the Earnest Money shall be returned to Buyer, and thereupon this Agreement shall be terminated without further action of the parties and without any further liability to either Seller or Buyer except those obligation that expressly survive termination hereof, or (b) waive Buyer's objection to such Title Defects and take title subject to the same, with the right to have any definite, monetary liens paid from the Seller's proceeds. Any title exceptions contained on the Title Commitment and not objected to by Buyer, or a title exception that shall be objected to initially, but such objection thereto is later waived by Buyer, shall be deemed a "Permitted Exception" hereunder.

6. ADDITIONAL REPRESENTATIONS AND WARRANTIES OF SELLER.

(a) Seller hereby represents and warrants to Buyer that all of the following are true, correct and complete on and as of the date hereof, shall continue to be true, correct and complete as of the Closing Date and shall survive the Closing and delivery of the Warranty Deed (as defined below):

(i) Seller has no knowledge of: (a) any orders from or agreements with any governmental authority or private party or any judicial or administrative proceedings or investigations, whether pending or threatened, respecting any environmental, health or safety requirements under federal, state or local laws or regulations relating to the Property, or (b) any pending, asserted or threatened claims or matters involving material liabilities, obligations or costs arising from the existence, release or threatened or alleged release of any Hazardous Substances at, on or beneath the Property.

(ii) To the best of Seller's knowledge: (a) the Property has at all times been operated in accordance with all Environmental Laws; (b) no Hazardous Substances have been treated, recycled, transported, stored or disposed of (intentionally or unintentionally) on, under or at the Property; (c) the Property has never appeared on any federal or state registry of active or inactive hazardous waste sites; (d) there has been no release or threatened release of any Hazardous Substances from, at or to the Property; (e) there have not been nor are there now any Hazardous Substances present on, at, in, upon or migrating to or from the Property; (f) there have been no activities on the Property that would subject Buyer to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or common law theory of liability; (g) no property adjacent to the Property has ever been used for the treatment, recycling, transportation, storage or disposal (intentional or unintentional) of Hazardous Substances nor has there been a release or threatened release of any Hazardous Substances from such adjacent property; and (h) there are no, and have not ever been any, underground storage tanks or wells on, at or beneath the Property. "Environmental Laws" shall mean any international, federal, state or local statute, law, regulation, order, consent, decree, judgment, permit, license, code, covenant, deed restriction, ordinance or other requirement currently in effect and to which the Property and/or the Seller is subject relating to public health, safety or the environment, including, without limitation, those relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, or to the use and handling of

Hazardous Substances. "Hazardous Substances" shall mean any hazardous or toxic material, substance or waste, pollutant or contaminant which is defined as a hazardous substance or hazardous waste under any Environmental Laws.

(iii) Seller has no notice or knowledge of any violation of any law or any building, zoning, environmental, health or other ordinance, code, rule or regulation relating to the Property. No notice from any governmental body or other person has been served upon Seller or upon the Property claiming the violation of any such law, ordinance, code, rule or regulation. There are no legal actions, suits or administrative proceedings, including condemnation cases, eminent domain proceedings, historic designations or rezoning of all or any portion of the Property commenced, pending or threatened against the Property or any portion thereof. Seller has not received notice of any negotiations for purchase in lieu of condemnation relating to the Property or any portion thereof.

(iv) Seller is not a party to any agreement or commitment to sell, convey, assign, transfer, provide rights of first refusal or other similar rights with respect to, or otherwise dispose of, any part of the Property or any interest therein other than this Agreement. Neither Seller nor any person or entity claiming by, through or under Seller has done or suffered anything whereby any lien, encumbrance, claim or right of another has been created against the Property or any portion thereof or any interest therein other than this Agreement, the Permitted Exceptions and possible construction or materialmen's lien claims which will be removed at or before the Closing.

(v) There is no action, proceeding or investigation pending or to the best of Seller's knowledge, threatened against Seller or with respect to the Property or any portion thereof before any court or governmental or quasi-governmental department, commission, board, agency or instrumentality. Seller has no notice or knowledge of any basis for any such action, proceeding or investigation.

(vi) Seller has no actual knowledge of any existing special assessments, deferred water or sewer charges, deferred special assessments or special charges pertaining to the Property or planned, contemplated or commenced public improvements which may result in special assessments or special charges pertaining to the Property. Seller has not received notice of any contemplated special assessments relating to the Property or any portion thereof.

(vii) The signatories to this Agreement on behalf of Seller have full right, power and authority to enter into this Agreement and to consummate the transactions contemplated herein. Proof of Seller's authority will be provided contemporaneously with the execution of this Agreement. This Agreement is valid and enforceable against Seller in accordance with its terms. Each instrument to be executed by Seller pursuant hereto or in connection herewith will, when executed and delivered, be valid and enforceable in accordance with its terms.

(viii) To the best of Seller's actual knowledge and belief all documentation and information provided to Buyer by or on behalf of Seller pursuant to this Agreement is true, correct and complete in all material respects. Notwithstanding the foregoing, Seller shall have no obligation to and does not warrant or guaranty the accuracy of any

documentation and information provided to Seller by third parties and subsequently provided by Seller to Buyer ("Third Party Information"), and Buyer acknowledges Buyer's duty and obligation to conduct its own investigations and to confirm the accuracy of such Third Party Information.

(b) The accuracy of all Seller representations and warranties contained in this Agreement shall be a condition to Buyer's obligations under this Agreement. If any of the representations or warranties contained in this Agreement is untrue in any material respect and is not cured (at no cost to Buyer) prior to the scheduled Closing, then Buyer may elect to (i) purchase the Property as it then is or, (ii) terminate this Agreement and, anything in this Agreement to the contrary notwithstanding, receive a refund of all Earnest Money, paid hereunder and all accrued interest thereon. Buyer's rights set forth in the immediately preceding sentence shall be in addition to, not in lieu of, any other rights and remedies available to Buyer for default by Seller and shall include, without limitation, the right to recover from Seller any and the damages described in Section 10 (a) of this Agreement.

Notwithstanding the foregoing, except for such representations and warranties specifically made herein, Buyer acknowledges that the Property is being sold "as is, where is" and "with all faults" and with no representations or warranties of any kind, including but not limited to any warranty of fitness for a particular purpose or any warranty of merchantability.

7. CLOSING.

(a) Provided that all conditions of closing hereunder, including, without limitation, the Condition Precedent, have been satisfied or waived, the closing of the transaction described herein (the "Closing") shall occur at the offices of the Title Company on the Closing Date. At Buyer's option, the Closing shall take place as an escrow closing, with the Title Company acting as the closing escrow agent. Notwithstanding the foregoing, in accordance with Georgia Law, a Georgia licensed attorney shall oversee the Closing. The "Closing Date" shall occur no later than Two hundred seventy (270) days after the Acceptance Date. Buyer may extend the closing date for a thirty (30) day period by paying an additional Twenty-Five Thousand dollars (\$25,000.00) unconditional, non-refundable earnest money. Buyer may so extend for up to four additional thirty (30) day extensions, paying additional non-refundable earnest money as stated herein. The sale shall close on or before Three hundred ninety (390) days from the Acceptance Date.

(b) The following shall occur on or before the Closing Date:

(i) Seller shall deliver all of the following to Buyer, all of which shall be fully executed by Seller, as appropriate:

[a] A warranty deed in recordable form sufficient to convey and warrant to Buyer fee simple absolute title to the Property subject only to the Permitted Exceptions (the "Warranty Deed");

[b] An assignment of Seller's right, title and interest in and to all leases affecting the Property. The document accomplishing such assignment (the "Lease Assignment") shall include an assumption of the leases by Buyer as well as a reciprocal



indemnification whereby Seller indemnifies Buyer for any claims arising under the leases attributable to the period prior to the Closing Date and Buyer indemnifies Seller for any claims arising under the leases attributable to the period on or after the Closing Date;

[c] Tenant notice letter(s) prepared by Buyer for the purpose of informing each tenant of the Property of the transfer of the Property and assignment of each lease to Buyer, and including instructions for future rental payments;

[d] An affidavit of title in customary form covering the Closing Date and showing title in Seller, subject only to the Permitted Exceptions;

[e] Any required real estate transfer declarations and stamps, and Seller shall pay the amount of any state, county and local transfer taxes imposed;

[f] Four copies of the closing statement;

[g] a sworn affidavit stating Seller's Federal Employer Identification Number or Social Security Number and that Seller is not a foreign person for purposes of the Foreign Investors Real Property Tax Act of 1980, as amended, and as decided in Section 1445 of the United States Internal Revenue Code of 1986, as amended, and the regulations applicable thereto (the "FIRPTA Affidavit"); and if Seller fails to furnish a FIRPTA Affidavit, Buyer may withhold from the Purchase Price an amount sufficient to comply with the provisions of Section 1445 of the United States Internal Revenue Code of 1986, as amended, and the regulations applicable thereto;

[h] A general warranty bill of sale for any personal property included as part of the Property; and

[i] Such other documents as may be reasonably necessary or proper to comply with this Agreement or required (by the Title Company or otherwise) to carry out its terms.

(ii) Buyer shall deliver all of the following to Seller, all of which shall be fully executed by Buyer, as appropriate:

[a] The balance of the Purchase Price, plus or minus prorations, credits and other adjustments, by wire transfer or otherwise in immediately available funds;

[b] **The Lease Assignment, if applicable;**

[c] Any required real estate transfer declarations and stamps;

[d] Four copies of the closing statement; and

[e] Such other documents as may be necessary or proper to comply with this Agreement or required to carry out its terms.

(iii) Buyer shall cause the Title Company to issue to Buyer at Closing a current ALTA Form owner's policy of title insurance, with extended coverage, pursuant to the Title Commitment and containing all amendments and endorsements required by this Agreement or otherwise reasonably required by Buyer, which endorsements shall be at Buyer's cost, unless otherwise agreed.

(iv) Occupancy of the Property shall be delivered to Buyer, subject to the rights of current tenants of the Property.

8. PRORATIONS; REAL ESTATE TAXES AND ASSESSMENTS; CLOSING COSTS.

(a) At Closing, general real estate taxes shall be prorated on an accrual basis as of the Closing Date on the basis of one hundred percent (100%) of the then most recent ascertainable tax bill whether for the year of Closing or preceding year.

(b) Special assessments, if any, for work actually commenced or levied against the Property prior to the Closing Date shall be paid by Seller no later than the Closing Date. All other special assessments shall be paid by Buyer.

(c) Buyer shall receive at Closing a credit to the Purchase Price equal to any rents, operating charges or other similar amounts (other than real estate taxes prorated above) due to Landlord under any lease of the Property attributable to periods including or after the Closing Date, and any security deposits required by such Leases. All other rents and charges received from tenants after the Closing shall belong to Buyer, and Buyer shall have no obligation to collect rents on Seller's behalf that may have been delinquent at the time of Closing. The obligations under this Section 9 shall survive the Closing and delivery of the Warranty Deed.

(d) At Closing, Seller shall pay (i) the costs of releasing all liens, judgments, and other encumbrances that are to be released and of recording such releases, (ii) the cost of recording any documents relating to title cleanup, (iii) all recording fees for all conveyance documents to be recorded, or any state, county and local transfer taxes imposed, and (iv) all other costs to be paid by Seller under this Agreement.

At Closing, Buyer shall pay (i) all the fees and costs due Title Company for its closing and/or escrow services, (ii) the cost of all endorsements to the Title Policy, (iii) the cost of the Survey, (iv) the cost of any lender's policy of title insurance or endorsements thereto, (v) all intangibles taxes and all recording fees for any mortgage and loan documents to be recorded and (vi) all other costs to be paid by Buyer under this Agreement.

Except as otherwise provided for in this Agreement, Seller and Buyer will each be solely responsible for and bear all of their own respective expenses, including, without limitation, expenses of legal counsel, accountants, and other advisors incurred at any time in connection with pursuing or consummating the transaction contemplated herein. Any other closing costs not specifically designated as the responsibility of either party in this Agreement shall be paid by Seller and Buyer according to the usual and customary allocation of the same

for the county in which the Property is located. Except as provided in this Section 8(d), Seller and Buyer shall each bear their own costs in regard to this Agreement.

9. DEFAULT.

(a) If Seller defaults under this Agreement, Buyer shall have: (i) the right to sue for specific performance of this Agreement; or (ii) the right to terminate this Agreement at any time after such default by delivering written notice of termination to Seller and/or sue for Buyer's actual out-of-pocket due diligence costs, which shall not exceed \$50,000.00. In the event of any such termination, all Earnest Money and any and all interest accrued thereon shall be immediately returned to Buyer.

(b) If Buyer defaults under this Agreement, Seller agrees that Seller's sole remedy at law or in equity shall be to retain the Earnest Money and any and all accrued interest thereon. Such Earnest Money and any and all accrued interest thereon shall constitute liquidated damages due and payable to Seller, the amount thereof being the parties' good faith and reasonable estimate of the damages which Seller would suffer in the event of the termination of this Agreement by reason of Buyer's fault. Seller shall have no right to any other remedies at law or in equity, including the right to specific performance. Seller acknowledges Buyer will spend substantial sums of money in reliance on the enforceability of this Agreement and Seller waives the right to assert the defense of lack of mutuality in any action for specific performance instituted by Buyer.

10. CASUALTY, EMINENT DOMAIN, HISTORIC DESIGNATION OR REZONING.

(a) In the event, after the Acceptance Date, fire or other casualty damages or destroys any portion of the Property, an eminent domain action is commenced or threatened against any portion of the Property, a designation of the Property or any portion thereof as a historic structure or other historic designation is threatened, commenced or finalized, or there is a threatened, commenced or finalized rezoning of the Property, Buyer may elect to (i) terminate this Agreement (in which event Buyer and Seller shall be released from any further obligation or liability hereunder, and this Agreement shall be null and void and the Earnest Money and any and all accrued interest thereon shall be immediately returned to Buyer); or (ii) consummate this transaction and require Seller to deliver to Buyer a duly executed assignment of Seller's right, title and interest in and to any insurance proceeds (plus a credit toward the Purchase Price equal to the amount of Seller's deductible on such insurance policy) and any awards or compensation paid by the governmental authority in connection with an eminent domain action or rezoning of the Property or historic designation.

(b) Buyer shall have thirty (30) days from the date of its receipt of written notice of such casualty or institution of proceedings within which to exercise its rights under Section 11(a) hereof. If the Closing Date is scheduled to occur within such thirty (30) day period, the Closing shall be delayed until Buyer makes such election, and if Buyer elects to consummate the transaction, the Closing Date shall be adjusted accordingly and Buyer shall be entitled to settle the loss with the governmental entity and to participate in the eminent domain proceeding and receive awards as the case may be. Seller agrees to execute and deliver all

necessary proofs of loss and assignments of claims and other documents as reasonably requested by Buyer.

11. COVENANTS OF SELLER. Between the date of this Agreement and the Closing Date, Seller shall:

(a) not, without first obtaining the written consent of Buyer, enter into any leases, contracts or other agreements, nor grant or permit any rights to any other party, pertaining to the Property or any portion thereof;

(b) comply with all private and governmental laws, rules, ordinances, regulations, covenants, conditions, restrictions, easements, liens and agreements affecting the Property or any portion thereof including, without limitation, the use thereof;

(c) shall maintain the Property in the same condition as on the date of this Agreement, ordinary wear and tear excepted; and

(d) comply with all reasonable and customary requirements of the Title Company in connection with its insurance of fee simple title to the Property in Buyer as required under Section 5 hereof and elsewhere herein.

12. NOTICES.

(a) All notices, demands and communications required or which either party desires to give or make hereunder shall be effective (at the time set forth in Section 12(b)) if in writing signed by or on behalf of the party giving or making the same, and if served/delivered to the addresses and/or fax numbers set forth below and in any of the following manners: (i) personally; (ii) by United States registered or certified mail, return receipt requested; (iii) by a national courier service for next business day delivery; or (iv) by facsimile transmission.

To Seller: JCJH, LLC
% John Cullum
P.O. Box 7901
Wesley Chapel FL 33545
Fax 813 364 1739
JCullum1207@gmail.com

To Buyer: Commonwealth Development Corporation of
America
9 Sheboygan Street
Fond Du Lac, WI 54935
Attn: Louie A. Lange III
Telephone: 920-922-8170
Telefax: 920-922-8171
Email: L.lange@commonwealthco.net

(b) Notices given personally shall be deemed to have been given upon receipt. Notices mailed by United States mail shall be deemed to have been given on the third business day after the date of mailing or upon receipt by either party if a written receipt is signed

therefor. Notices sent by United States mail or national courier service for next day or next business day delivery shall be deemed to have been given on such next day or next business day, as the case may be, following deposit. Notices sent by facsimile transmission shall be deemed to have been given at the time of transmission. Any party hereto may change its address or fax number for the service as aforesaid by giving written notice to the other of such change of address in accordance with the provision of this Section 13.

13. MISCELLANEOUS.

(a) This written Agreement constitutes the entire agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements which can or will modify this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties.

(b) With respect to real estate brokers and agents, each party represents and warrants to the other party that, **other than Colliers International Savannah and its agent Cliff Dales ("Seller's Broker") and/or subagents of them**, neither party has engaged or dealt with any broker or other person who would be entitled to any brokerage fee or commission with respect to the finding, negotiation or execution of this Agreement or the consummation of the transactions contemplated hereby. Each party agrees to indemnify, defend and hold harmless the other with respect to any claim for any fee or commission from any person claiming to have been engaged by such party. **Seller agrees to pay Seller's Broker's fee or commission at Closing, and as may be set forth in a separate agreement. Buyer is not responsible to pay any Broker's fee or commission.**

(c) This Agreement shall be construed and enforceable in accordance with the laws of the state where the Property is located.

(d) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. Buyer shall not assign its rights and obligations under this Agreement without Seller's consent, provided that Buyer may assign its rights and obligations to another entity in which Buyer or the majority interest owning principal of Buyer also owns a majority or controlling interest. The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

(e) It is the intent of Buyer and Seller that this Agreement shall be binding on both parties and not illusory. Buyer and Seller acknowledge that Buyer will expend significant time, effort and expense in attempting to satisfy the Buyer's Contingencies and the Condition Precedent and that such time, effort and expense is full and adequate consideration for the Agreement and Buyer's right to terminate hereunder.

(f) In the event of a default under this Agreement, the nondefaulting party hereto shall be entitled to recover reasonable costs and attorneys' fees incurred by the nondefaulting party as a result of such default.

(g) This Agreement and any and all documents and signatures relating thereto may be transmitted by facsimile or electronic mail. All of such documents and

AV

signatures transmitted by facsimile or electronic mail shall be deemed to be originals. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same agreement.

(h) Time is of the essence as to all terms and conditions of this Agreement.

(i) This Agreement shall be binding upon Buyer and Seller only if each party delivers a signed copy hereof to the other party on or before 12/9, 2016. The "Acceptance Date" shall mean the latest date upon which all parties to this Agreement execute the Agreement and deliver such executed Agreement to all other parties hereto.

Signatures on the following page(s)

SELLER:
JCJH, LLC

Dated this 9th day of Dec, 2016.

By: 
John Cullum
Its: Member

BUYER:

COMMONWEALTH DEVELOPMENT
CORPORATION OF AMERICA

Dated this 9th day of Dec, 2016.

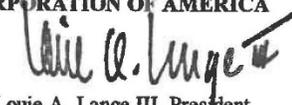
By: 
Louie A. Lange III, President

Exhibit A

Legal Description of Property

ALL of that certain tract of land lying in the City of Savannah in Chatham County Georgia, known as Lot 3, a subdivision of a tract being a part of parcels A&B of The Hendrix Machinery Company tract as shown in Subdivision Map book 17-S folio 43. Particular reference is made to said map for a more accurate description of the metes, bounds, courses, and distances of the boundaries of the described property, and its contents are incorporated into and made a part of this description by this reference. Said tract is comprised of 15.91 acres more or less, and is bounded as follows: On the Southeast by the right of way for Chatham Parkway; on the Northeast by the right of way for Carl Griffin Drive; On the Northwest by a tract of land known as Lot A; and on the Southwest by Lot 2 of said subdivision.

Said property is shown on Chatham County Georgia Tax Maps maintained by the Chatham County Board of Assessors and is identified thereon with Parcel identification Number 2-834-1-13.

The address of the property is 1325 Chatham Parkway, Savannah GA 31405.

ADDENDUM
PURCHASE AGREEMENT MODIFICATION

WHEREAS, JCJH, LLC ("Seller") and Commonwealth Development Corporation of America, a Wisconsin corporation and/or its assigns ("Buyer") entered in a certain REAL ESTATE PURCHASE AGREEMENT ("Agreement") dated December 9, 2016, with an Acceptance Date of December 9, 2016.

WHEREAS, Section 4(c) of the Agreement stipulates "If at any time on or before ninety (90) days following the Acceptance Date (the "Inspection Date"), Buyer determines, for any reason or no reason, in Buyer's sole discretion, that the Property or the transaction described herein is unacceptable to Buyer, then Buyer shall have the right to terminate this Agreement by giving written notice of termination to Seller at any time on or before the Inspection Date in which event, at Buyer's election, all Earnest Money shall be immediately returned to Buyer ("Buyer's Contingency"). Any failure by Buyer to give such notice shall constitute an election by Buyer to not so terminate, in which event (i) Buyer's right to terminate this Agreement pursuant to this Section 4(c) shall be deemed to have been waived, and (ii) Earnest Money shall become non-refundable, or as expressly provided herein, but shall be credited against the Purchase Price. Following any termination of this Agreement pursuant to this Section 4(c), the parties shall be relieved of any further obligations or liabilities under this Agreement, except those obligations that expressly survive termination hereof."

NOW THEREFORE, Buyer and Seller hereby agree to modify terms and conditions of the Agreement as follows:

Section 4(c) shall be replaced with "If at any time on or before One Hundred Fifty (150) calendar days following the Acceptance Date (the "Inspection Date"), Buyer determines, for any reason or no reason, in Buyer's sole discretion, that the Property or the transaction described herein is unacceptable to Buyer, then Buyer shall have the right to terminate this Agreement by giving written notice of termination to Seller at any time on or before the Inspection Date in which event, at Buyer's election, all Earnest Money shall be immediately returned to Buyer ("Buyer's Contingency"). Any failure by Buyer to give such notice shall constitute an election by Buyer to not so terminate, in which event (i) Buyer's right to terminate this Agreement pursuant to this Section 4(c) shall be deemed to have been waived, and (ii) Earnest Money shall become non-refundable, or as expressly provided herein, but shall be credited against the Purchase Price. Following any termination of this Agreement pursuant to this Section 4(c), the parties shall be relieved of any further obligations or liabilities under this Agreement, except those obligations that expressly survive termination hereof."

REST OF PAGE INTENTIONALLY LEFT BLANK

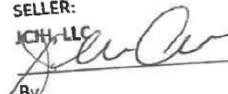
Modifications to the Agreement shall be binding upon Buyer and Seller as of the 1st day of March
~~February~~ 2017. All other covenants, provisions and other terms and conditions set forth in the
Agreement remain.

ACCEPTANCE OF MODIFICATIONS

SELLER:

JCH, LLC

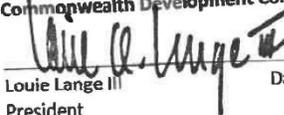
By
Its:

 3-1-17
Date

BUYER:

Commonwealth Development Corporation of America, a Wisconsin corporation

Louie Lange III
President

 3-1-17
Date

HUD 92264-T

**Rent Estimates for
Low/Moderate Income Units**
Non-Section 8 Projects
Involving Tax-Exempt Financing
or Low Income Housing Tax Credits

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

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

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

This information is being collected under Public Law 101-525, which requires the Department of Housing and Urban Development to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accordance with the Freedom of Information Act (FOIA) provisions, or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

	0 Bedrooms	1 Bedrooms	2 Bedrooms	3 Bedrooms	4 Bedrooms
1. Rent by Market Comparison		1,035.00	1,175.00	1,300.00	
2. Personal Benefit Expense (If any)		46.00	61.00	76.00	
3. The Percentage of Median Income (adjusted for family size) used for income limits 40%, 50%, <u>60%</u> (circle only one; then enter the applicable dollar income limit for each unit.)		29,250	35,100	40,500	
4. Estimated Maximum Affordable Monthly Rent for Restricted Units * [(0.30 x line 3) / 12] - line 2		685.00	816.00	936.00	
5. Estimated Obtainable Monthly Rent for Restricted Units **		675.00	800.00	935.00	
6. Monthly Rent Estimate for Restricted Units (least of lines 1, 4, or 5) ***		675.00	800.00	935.00	
7. Number of each unit type with income limits shown on line 3		12	84	48	
8. Number of each unit type shown on another form HUD-92264-T with other income limits					
9. Number of each unit type with no income limits using unsubsidized market rents from line 1					

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

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

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

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

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

SUBJECT PHOTOGRAPHS



Northern Boundary of Site from Carl Griffin Drive



Typical View of Site



Southern Boundary Along Transmission Easement – View East



Typical Character of the Site



Typical Character of the Site



Typical Character of the Site



View from Intersection of Carl Griffin Drive & Chatham Parkway



Typical View of Wetlands Area



Overall View of Site from Chatham Parkway



Overall View of Site from Chatham Parkway

RENTAL COMPARABLES

Multifamily Comp Number 1



Walden at Chatham Center

Location

Property ID	2788	State	Georgia
Property Name	Walden at Chatham Center	Zip Code	31405
Address	100 Walden Lane	MSA	Savannah
City/Municipality	Savannah	Property Use	Garden, Low-Rise
County	Chatham		

Building

Rentable Area	245,580	Absorption Rate	N/A
Year Built	2003	Average Unit SF	1,041
Number of Stories	3	Security	Gated
Number of Units	236	Parking/Storage Description	\$75 and \$125 det.; \$60 stg.; surface included

Building Finish

Building Condition	Average to Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Fiber cement and stone		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	0	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$1,213	Average Rent/Mo (\$/SF)	\$1.17
Tenant Pays Electricity	Yes	Tenant Pays Trash	Yes
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 1

Multifamily Comp Number 1

Multi-Family Unit Mix As of 08-10-2017										
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total	
1BR	1	1.0	24	642	15,408	\$961	\$23,064	\$1.50	10%	
1BR	1	1.0	44	797	35,068	\$1,117	\$49,148	\$1.40	19%	
1BR	1	1.0	8	883	7,064	\$974	\$7,792	\$1.10	3%	
1BR	1	1.0	16	1,013	16,208	\$959	\$15,344	\$0.95	7%	
2BR	2	2.0	82	1,131	92,742	\$1,296	\$106,272	\$1.15	35%	
2BR-SR	2	2.0	38	1,211	46,018	\$1,296	\$49,248	\$1.07	16%	
3BR	3	2.0	16	1,358	21,728	\$1,471	\$23,536	\$1.08	7%	
3BR-SR	3	2.0	8	1,418	11,344	\$1,491	\$11,928	\$1.05	3%	
* Totals *	404	380.0	236	1,041	245,580	\$1,213	\$286,332	\$1.17	100%	

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR	Yes	No	Yes	Yes	Yes	No	Yes	No
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
2BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
2BR-SR	No	No	Yes	Yes	Yes	No	Yes	No
3BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
3BR-SR	No	No	Yes	Yes	Yes	No	Yes	No

Survey Information			
Management Company	Olympus Property Management		
Survey Date	08-10-2017	High (\$/Unit/Mo)	\$1,491.00
Lease Occupancy %	89.4%	Average (\$/Unit/Mo)	\$1,213.27
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Deja - (912) 238-8596
Low (\$/Unit/Mo)	\$959.00		
Concessions and Fees	There are no concessions.		
Property Remarks	The property contact indicated that the lower occupancy is due to several recent move-outs of students moving back home. There is an additional \$21/month for valet trash that is not included in the quoted rents above. All units feature washer/dryer connections, ceiling fans, nine-foot ceilings with crown molding, maple cabinetry, laminate countertops, black appliances, and vinyl plank flooring. Project amenities include a clubhouse, fitness center, business center, car care are, swimming pool, playground, putting green, picnic area, and dog park.		

Multifamily Comp Number 1

Multifamily Comp Number 2



The Fountains at Chatham Parkway

Location

Property ID	2787	State	Georgia
Property Name	The Fountains at Chatham Parkway	Zip Code	31405
Address	1699 Chatham Parkway	MSA	Savannah
City/Municipality	Savannah	Property Use	Garden, Low-Rise
County	Chatham		

Building

Rentable Area	324,984	Absorption Rate	N/A
Year Built	2006	Average Unit SF	923
Last Renovation Year	2016	Security	Gated
Number of Stories	2	Parking/Storage Description	\$75 single & \$95 double garage; surface included
Number of Units	352		

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Fiber cement and stone		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	No	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$1,103	Average Rent/Mo (\$/SF)	\$1.20
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 2

Multifamily Comp Number 2

Multi-Family Unit Mix As of 08-07-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
Studio	0	1.0	44	575	25,300	\$875	\$38,500	\$1.52	12%
1BR	1	1.0	44	741	32,604	\$1,135	\$49,940	\$1.53	12%
1BR	1	1.0	88	801	70,488	\$1,030	\$90,640	\$1.29	25%
2BR	2	2.0	44	957	42,108	\$1,190	\$52,360	\$1.24	12%
2BR	2	2.0	88	1,055	92,840	\$1,160	\$102,080	\$1.10	25%
3BR-office	3	2.0	22	1,361	29,942	\$1,280	\$28,160	\$.94	6%
3BR	3	2.0	22	1,441	31,702	\$1,215	\$26,730	\$.84	6%
* Totals *	528	528.0	352	923	324,984	\$1,103	\$388,410	\$1.20	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
Studio	No	No	Yes	Yes	Yes	No	Yes	No
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
2BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
2BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
3BR-office	Yes	No	Yes	Yes	Yes	No	Yes	No
3BR	Yes	No	Yes	Yes	Yes	No	Yes	No

Survey Information			
Management Company	JRK Property Holdings		
Survey Date	08-07-2017	High (\$/Unit/Mo)	\$1,280.00
Lease Occupancy %	93.4%	Average (\$/Unit/Mo)	\$1,103.44
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Amanda - (912) 208-0446
Low (\$/Unit/Mo)	\$875.00		
Concessions and Fees	The property is currently offering \$250 off of the first month's rent. Equated over a 12-month period, the monthly concession is \$21. The rents above represent the market rents.		
Property Remarks	Trash and pest control are included in the monthly rents. There is an additional \$15/month amenity charge that is not included in the quoted rents. Unit amenities include washer/dryer connections, vinyl plank flooring, granite countertops, and stainless steel appliances, nine-foot ceilings with crown molding, ceiling fans, and carpet. Project amenities include a clubhouse, fitness center, business center, laundry facility, swimming pool, car care area, picnic area, dog park, and pet washing station.		

Multifamily Comp Number 2

Multifamily Comp Number 3



Legends at Chatham

Location

Property ID	2786	State	Georgia
Property Name	Legends at Chatham	Zip Code	31405
Address	1426 Chatham Parkway	MSA	Savannah
City/Municipality	Savannah	Property Use	Garden, Low-Rise
County	Chatham		

Building

Rentable Area	280,974	Absorption Rate	18.6 units/month
Year Built	2015	Average Unit SF	1,102
Number of Stories	2 and 3	Security	Gated
Number of Units	255	Parking/Storage Description	\$120 det.; \$40 stg.; surface included

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Stone and fiber cement		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$1,215	Average Rent/Mo (\$/SF)	\$1.10
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 3

Multifamily Comp Number 3

Multi-Family Unit Mix As of 08-11-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR	1	1.0	12	651	7,812	\$915	\$10,980	\$1.41	5%
1BR-SR	1	1.0	6	726	4,356	\$925	\$5,550	\$1.27	2%
1BR	1	1.0	21	792	16,632	\$995	\$20,895	\$1.26	8%
1BR	1	1.0	12	802	9,624	\$975	\$11,700	\$1.22	5%
1BR	1	1.0	12	802	9,624	\$1,005	\$12,060	\$1.25	5%
1BR-SR	1	1.0	12	920	11,040	\$1,030	\$12,360	\$1.12	5%
1BR-den/gar.	1	1.0	6	943	5,658	\$1,235	\$7,410	\$1.31	2%
2BR	2	2.0	72	1,155	83,160	\$1,280	\$92,160	\$1.11	28%
2BR-SR	2	2.0	66	1,252	82,632	\$1,290	\$85,140	\$1.03	26%
3BR	3	2.0	24	1,362	32,688	\$1,400	\$33,600	\$1.03	9%
3BR-SR	3	2.0	12	1,479	17,748	\$1,490	\$17,880	\$1.01	5%
* Totals *	465	429.0	255	1,102	280,974	\$1,215	\$309,735	\$1.10	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR-SR	No	No	Yes	Yes	Yes	No	Yes	Yes
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
1BR-SR	No	No	Yes	Yes	Yes	No	Yes	No
1BR-den/gar.	Yes	Yes	Yes	Yes	Yes	No	Yes	No
2BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
2BR-SR	No	No	Yes	Yes	Yes	No	Yes	No
3BR	Yes	No	Yes	Yes	Yes	No	Yes	Yes
3BR-SR	No	No	Yes	Yes	Yes	No	Yes	No

Survey Information			
Management Company	United Residential Properties		
Survey Date	08-11-2017	High (\$/Unit/Mo)	\$1,490.00
Lease Occupancy %	94.9%	Average (\$/Unit/Mo)	\$1,214.65
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Ashley - (912) 417-4788
Low (\$/Unit/Mo)	\$915.00		
Concessions and Fees	There are no concessions.		
Property Remarks	The property opened in September 2015 and stabilized in October 2016, resulting in absorption of 18.6 units/month. Trash and pest control are included in the monthly rents. There is a flat fee for water and sewer that is included in the quoted rents above; 1BR-\$40, 2BR-\$50, and 3BR-\$60. All units feature washer/dryer connections, black appliances, laminate countertops, espresso cabinetry, vinyl plank flooring, nine-foot ceilings with crown molding, ceiling fans, and carpet. Project amenities include a clubhouse, fitness center, business center, laundry facility, saltwater swimming pool, car care area, playground,		

Multifamily Comp Number 3

Multifamily Comp Number 3

picnic area, dog park, pet spa, and coffee bar.

Multifamily Comp Number 3

Multifamily Comp Number 4



Grand Oak at Ogeechee River

Location

Property ID	478	State	Georgia
Property Name	Grand Oak at Ogeechee River	Zip Code	31419
Address	5806 Ogeechee Road	MSA	Savannah
City/Municipality	Savannah	Submarket Area	South
County	Chatham	Property Use	Garden, Low-Rise

Land

Tax Parcel Number	1-1006-01-003
-------------------	---------------

Building

Rentable Area	340,041	Absorption Rate	16.7 units per month
Year Built	2011	Average Unit SF	1,076
Number of Stories	3	Security	Controlled access gates
Number of Units	316	Parking/Storage Description	\$125 detached; \$50 storage

Building Finish

Building Condition	Excellent	Air Conditioning Type	Central air conditioning
Exterior Walls	Brick and hardiboard		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	0	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$1,095	Average Rent/Mo (\$/SF)	\$1.02

Multifamily Comp Number 4

Multifamily Comp Number 4

Tenant Pays Electricity	Yes	Tenant Pays Trash	Yes
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multi-Family Unit Mix As of 08-14-2017

Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR-stack w/d	1	1.0	51	751	38,301	\$1,055	\$53,805	\$1.40	16%
1BR	1	1.0	27	827	22,329	\$1,063	\$28,701	\$1.29	9%
1BR	1	1.0	39	832	32,448	\$1,033	\$40,287	\$1.24	12%
2BR	2	2.0	12	1,115	13,380	\$989	\$11,868	\$.89	4%
2BR	2	2.0	78	1,163	90,714	\$1,128	\$87,984	\$.97	25%
2BR	2	2.0	54	1,202	64,908	\$1,050	\$56,700	\$.87	17%
2BR-carriage	2	2.0	16	1,326	21,216	\$1,264	\$20,224	\$.95	5%
3BR	3	2.0	15	1,455	21,825	\$1,213	\$18,195	\$.83	5%
3BR	3	2.0	24	1,455	34,920	\$1,183	\$28,392	\$.81	8%
* Totals *	554	515.0	316	1,076	340,041	\$1,095	\$346,156	\$1.02	100%

Multi-Family Unit Amenities

Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR-stack w/d	Yes	No	Yes	No	Yes	Yes	No	No
1BR	Yes	No	Yes	No	Yes	No	Yes	No
1BR	Yes	No	Yes	No	Yes	No	Yes	No
2BR	Yes	No	Yes	No	Yes	No	Yes	No
2BR	Yes	No	Yes	No	Yes	No	Yes	Yes
2BR	Yes	No	Yes	No	Yes	No	Yes	No
2BR-carriage	Yes	Yes	Yes	No	Yes	No	Yes	No
3BR	Yes	No	Yes	No	Yes	No	Yes	Yes
3BR	Yes	No	Yes	No	Yes	No	Yes	No

Survey Information

Management Company	Pegasus Residential		
Survey Date	08-14-2017	High (\$/Unit/Mo)	\$1,264.00
Lease Occupancy %	94.0%	Average (\$/Unit/Mo)	\$1,095.43
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Katie - (912) 925-5700
Low (\$/Unit/Mo)	\$989.00		
Concessions and Fees	There are no concessions.		

Property Remarks: There is a \$25/month fee for valet trash that is not included in the rents above. Only two floor plans feature balcony storage, the 1,163sf and the 1,455sf. All units contain washer and dryer connections with the exception of the smallest one-bedroom units, which have stackable washer and dryer appliances. The market rents are based on 2nd level units. There is a \$10 premium for 1st floor units and a \$5 premium for 3rd floor units. There is also a \$40 to \$50 premium based on views. The manager stated that one building contains a working elevator. All of the remaining buildings have elevator shafts that are currently rented as storage units for \$50/month. Leasing began in April 2011 and stabilized at 95% in January 2013. Units have been absorbed at a rate of 14.3 units per month.

Multifamily Comp Number 4

Multifamily Comp Number 5



Mariner Grove

Location

Property ID	2784	State	Georgia
Property Name	Mariner Grove	Zip Code	31404
Address	2010 E. President Street	MSA	Savannah
City/Municipality	Savannah	Property Use	Garden, Low-Rise
County	Chatham		

Building

Year Built	2016	Average Unit SF	1,594
Number of Stories	3	Security	Controlled access
Number of Units	320	Parking/Storage Description	\$200 det.; \$75 stg.; surface incl.
Absorption Rate	19.8 units/month		

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Stucco and wood siding		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	No	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$1,587	Average Rent/Mo (\$/SF)	\$1.00
Tenant Pays Electricity	Yes	Tenant Pays Trash	Yes
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 5

Multifamily Comp Number 5

Multi-Family Unit Mix As of 08-10-2017						
Unit Desc	No. of BR	No. of BA	Avg Unit SF	Avg Rent/Mo	Rent/SF	
Studio		0	1.0	676	\$1,365	\$2.02
Studio		0	1.0	681	\$1,455	\$2.14
Studio		0	1.0	713	\$1,350	\$1.89
Studio		0	1.0	736	\$1,345	\$1.83
1BR		1	1.0	778	\$1,370	\$1.76
1BR		1	1.0	835	\$1,270	\$1.52
1BR		1	1.0	888	\$1,435	\$1.62
2BR		2	2.0	1,083	\$1,725	\$1.59
2BR		2	2.0	1,153	\$1,735	\$1.50
2BR		2	2.0	1,202	\$2,085	\$1.73
2BR		2	2.0	1,212	\$1,785	\$1.47
2BR		2	2.0	1,275	\$2,120	\$1.66
* Totals *		0	.0	0	\$0	\$0.00

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
Studio	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Studio	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Studio	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Studio	Yes	No	Yes	Yes	Yes	Yes	No	Yes
1BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
1BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
1BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
2BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
2BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
2BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
2BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes
2BR	Yes	No	Yes	Yes	Yes	Yes	No	Yes

Survey Information			
Management Company	Greystar		
Survey Date	08-10-2017	High (\$/Unit/Mo)	\$2,120.00
Lease Occupancy %	81.0%	Average (\$/Unit/Mo)	\$1,587.00
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Joe - (912) 417-3142
Low (\$/Unit/Mo)	\$1,270.00		
Concessions and Fees	The property is currently offering \$2,000 off for the one-bedroom units, which equates to \$167/month over a 12-month period. New leases for the two-bedroom units are receiving a \$500 gift card.		
Property Remarks	The property opened in July 2016 and is currently in lease-up at 81 percent, resulting in absorption of 21.6 units/month. There is an additional \$25/month premium for valet trash that is not included in the quoted rents above. All units feature washer/dryer appliances,		

Multifamily Comp Number 5

Multifamily Comp Number 5

nine-foot ceilings, vinyl plank flooring, granite counters, stainless steel appliances, ceiling fans, tiled backsplash, and carpet. Project amenities include a clubhouse, fitness center, business center, laundry facility, saltwater swimming pool, picnic area, dog park, dog washing station, and concierge.

Due to the lack of breakdown for the number of units per floor plan, the average rent, unit size, and rent per SF are unweighted.

Multifamily Comp Number 5

Multifamily Comp Number 6



Sustainable Fellwood II

Location

Property ID	2878	State	Georgia
Property Name	Sustainable Fellwood Ph. II	Zip Code	31415
Address	1401 Fellwood Drive	MSA	Savannah
City/Municipality	Savannah	Property Use	LIHTC Tax Credits
County	Chatham		Multifamily

Building

Rentable Area	56,881	Absorption Rate	N/A
Year Built	2012	Average Unit SF	1,016
Number of Stories	3	Security	N/A
Number of Units	56	Parking/Storage Description	Surface

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Brick and vinyl		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	0
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$861	Average Rent/Mo (\$/SF)	\$.85
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	No

Multifamily Comp Number 6

Multifamily Comp Number 6

Multi-Family Unit Mix As of 08-02-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR	1	1.0	19	823	15,637	\$793	\$15,067	\$.96	34%
2BR	2	1.0	29	1,060	30,740	\$874	\$25,346	\$.82	52%
3BR	3	2.0	8	1,313	10,504	\$978	\$7,824	\$.74	14%
* Totals *	101	64.0	56	1,016	56,881	\$861	\$48,237	\$.85	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR	No	No	Yes	No	Yes	No	Yes	No
2BR	No	No	Yes	No	Yes	No	Yes	No
3BR	No	No	Yes	No	Yes	No	Yes	No

Survey Information			
Management Company	Woda Group		
Survey Date	08-02-2017	High (\$/Unit/Mo)	\$978.00
Lease Occupancy %	91.1%	Average (\$/Unit/Mo)	\$861.38
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	(912) 480-4611
Low (\$/Unit/Mo)	\$793.00		
Concessions and Fees	There are no concessions.		
Property Remarks	Numerous attempts were made to contact the property. The rents and occupancy above were taken from the REIS report dated 8/2/17. Water, sewer and trash are included in the monthly rents. Unit amenities include washer/dryer connections, laminate countertops, black appliances, carpet, and tile flooring. Project amenities include a clubhouse, fitness center, business center, laundry facility, playground, and picnic area.		

Multifamily Comp Number 6

Multifamily Comp Number 7



Savannah Gardens Ph. III

Location

Property ID	2879	State	Georgia
Property Name	Savannah Gardens Ph. III	Zip Code	31404
Address	500 Pennsylvania Avenue	MSA	Savannah
City/Municipality	Savannah	Property Use	LIHTC Tax Credits
County	Chatham		Multifamily

Building

Rentable Area	100,742	Absorption Rate	N/A
Year Built	2012	Average Unit SF	1,072
Number of Stories	3	Security	N/A
Number of Units	94	Parking/Storage Description	Surface

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Brick and fiber cement		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	0
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$728	Average Rent/Mo (\$/SF)	\$.68
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 7

Multifamily Comp Number 7

Multi-Family Unit Mix As of 08-11-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR-60percent	1	1.0	32	860	27,520	\$575	\$18,400	\$.67	34%
2BR-60percent	2	2.0	31	1,077	33,387	\$680	\$21,080	\$.63	33%
3BR-60percent	3	2.0	31	1,285	39,835	\$933	\$28,923	\$.73	33%
* Totals *	187	156.0	94	1,072	100,742	\$728	\$68,403	\$.68	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR-60percent	Yes	No	Yes	Yes	Yes	No	Yes	No
2BR-60percent	Yes	No	Yes	Yes	Yes	No	Yes	No
3BR-60percent	Yes	No	Yes	Yes	Yes	No	Yes	No

Survey Information			
Management Company	Mercy Housing		
Survey Date	08-11-2017	High (\$/Unit/Mo)	\$933.00
Typical Lease Options	12 month	Average (\$/Unit/Mo)	\$727.69
Rate Monthly or Annual?	Monthly	Survey Confirmed By	Misty
Low (\$/Unit/Mo)	\$575.00	Survey Confirmed With	(912) 335-4838*
Concessions and Fees	*Multiple attempts were made to contact the property . The rents for the one-bedroom floor plans were taken from a previous Real Data report in July 2013. The two- and three-bedroom rents were taken from the Georgia Department of Community Affairs website. All units feature washer/dryer connections, vinyl plank flooring, black appliances, laminate countertops, and carpet. Project amenities include a community room, fitness center, business center, laundry facility, playground, and picnic area.		

Multifamily Comp Number 7

Multifamily Comp Number 8



Montgomery Landing

Location

Property ID	2927	State	Georgia
Property Name	Montgomery Landing	Zip Code	31405
Address	714 W. 57th Street	MSA	Savannah
City/Municipality	Savannah	Property Use	LIHTC Tax Credits Multifamily
County	Chatham		

Building

Rentable Area	167,584	Absorption Rate	N/A
Year Built	2005	Average Unit SF	1,164
Number of Stories	2 and 3	Security	N/A
Number of Units	144	Parking/Storage Description	Surface

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Brick and vinyl		

Multi-Family Related

Clubhouse	No	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	No
Average Rent/Mo (\$/Unit)	\$669	Average Rent/Mo (\$/SF)	\$.58
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 8

Multifamily Comp Number 8

Multi-Family Unit Mix As of 08-11-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR-30percent	1	1.0	4	792	3,168	\$274	\$1,096	\$.35	3%
1BR-50percent	1	1.0	4	792	3,168	\$524	\$2,096	\$.66	3%
1BR-60percent	1	1.0	4	792	3,168	\$649	\$2,596	\$.82	3%
1BR-market	1	1.0	4	792	3,168	\$675	\$2,700	\$.85	3%
2BR-30percent	2	2.0	12	1,062	12,744	\$315	\$3,780	\$.30	8%
2BR-50percent	2	2.0	12	1,062	12,744	\$615	\$7,380	\$.58	8%
2BR-60percent	2	2.0	12	1,062	12,744	\$766	\$9,192	\$.72	8%
2BR-market	2	2.0	12	1,062	12,744	\$775	\$9,300	\$.73	8%
3BR-30percent	3	2.0	16	1,267	20,272	\$351	\$5,616	\$.28	11%
3BR-50percent	3	2.0	16	1,267	20,272	\$698	\$11,168	\$.55	11%
3BR-60percent	3	2.0	16	1,267	20,272	\$872	\$13,952	\$.69	11%
3BR-market	3	2.0	16	1,267	20,272	\$900	\$14,400	\$.71	11%
4BR-30percent	4	2.0	4	1,428	5,712	\$578	\$2,312	\$.40	3%
4BR-50percent	4	2.0	4	1,428	5,712	\$765	\$3,060	\$.54	3%
4BR-60percent	4	2.0	4	1,428	5,712	\$959	\$3,836	\$.67	3%
4BR-market	4	2.0	4	1,428	5,712	\$975	\$3,900	\$.68	3%
* Totals *	368	272.0	144	1,164	167,584	\$669	\$96,384	\$.58	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR-30percent	No	No	Yes	No	Yes	No	Yes	No
1BR-50percent	No	No	Yes	No	Yes	No	Yes	No
1BR-60percent	No	No	Yes	No	Yes	No	Yes	No
1BR-market	No	No	Yes	No	Yes	No	Yes	No
2BR-30percent	No	No	Yes	No	Yes	No	Yes	No
2BR-50percent	No	No	Yes	No	Yes	No	Yes	No
2BR-60percent	No	No	Yes	No	Yes	No	Yes	No
2BR-market	No	No	Yes	No	Yes	No	Yes	No
3BR-30percent	No	No	Yes	No	Yes	No	Yes	No
3BR-50percent	No	No	Yes	No	Yes	No	Yes	No
3BR-60percent	No	No	Yes	No	Yes	No	Yes	No
3BR-market	No	No	Yes	No	Yes	No	Yes	No
4BR-30percent	No	No	Yes	No	Yes	No	Yes	No
4BR-50percent	No	No	Yes	No	Yes	No	Yes	No
4BR-60percent	No	No	Yes	No	Yes	No	Yes	No
4BR-market	No	No	Yes	No	Yes	No	Yes	No

Survey Information			
Management Company	Royal American Property Management		
Survey Date	08-11-2017	High (\$/Unit/Mo)	\$975.00

Multifamily Comp Number 8

Multifamily Comp Number 8

Lease Occupancy %	96.0%	Average (\$/Unit/Mo)	\$669.33
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Tamika - (912) 495-0655
Low (\$/Unit/Mo)	\$274.00		
Concessions and Fees	There are no concessions.		
Property Remarks	Trash and pest control are included in the monthly rents. All units feature washer/dryer connections. Project amenities include a fitness center, laundry facility, swimming pool, and playground.		

Multifamily Comp Number 8

Multifamily Comp Number 9



Ashley Midtown

Location

Property ID	2928	State	Georgia
Property Name	Ashley Midtown	Zip Code	31404
Address	1518 East Park Avenue	MSA	Savannah
City/Municipality	Savannah	Property Use	LIHTC Tax Credits Multifamily
County	Chatham		

Building

Rentable Area	255,897	Absorption Rate	N/A
Year Built	2004	Average Unit SF	1,242
Number of Stories	2	Security	N/A
Number of Units	206	Parking/Storage Description	Surface

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Brick and vinyl		

Multi-Family Related

Clubhouse	Yes	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$992	Average Rent/Mo (\$/SF)	\$.80
Tenant Pays Electricity	Yes	Tenant Pays Trash	Yes
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 9

Multifamily Comp Number 9

Multi-Family Unit Mix As of 08-11-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
2BR-60percent	2	1.0	4	1,187	4,748	\$739	\$2,956	\$.62	2%
2BR-market	2	1.0	5	1,187	5,935	\$1,085	\$5,425	\$.91	2%
2BR-TH-60percent	2	1.5	4	1,146	4,584	\$739	\$2,956	\$.64	2%
2BR-TH-market	2	1.5	5	1,146	5,730	\$1,085	\$5,425	\$.95	2%
3BR-60percent	3	2.0	42	1,200	50,400	\$839	\$35,238	\$.70	20%
3BR-market	3	2.0	42	1,200	50,400	\$1,140	\$47,880	\$.95	20%
3BR-60percent	3	2.0	10	1,245	12,450	\$839	\$8,390	\$.67	5%
3BR-market	3	2.0	10	1,245	12,450	\$1,140	\$11,400	\$.92	5%
3BR-TH-60percent	3	2.5	42	1,300	54,600	\$839	\$35,238	\$.65	20%
3BR-TH-market	3	2.5	42	1,300	54,600	\$1,175	\$49,350	\$.90	20%
* Totals *	600	440.5	206	1,242	255,897	\$992	\$204,258	\$.80	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
2BR-60percent	Yes	No	Yes	No	Yes	Yes	No	No
2BR-market	Yes	No	Yes	No	Yes	Yes	No	No
2BR-TH-60percent	Yes	No	Yes	No	Yes	Yes	No	No
2BR-TH-market	Yes	No	Yes	No	Yes	Yes	No	No
3BR-60percent	Yes	No	Yes	No	Yes	Yes	No	No
3BR-market	Yes	No	Yes	No	Yes	Yes	No	No
3BR-60percent	Yes	No	Yes	No	Yes	Yes	No	No
3BR-market	Yes	No	Yes	No	Yes	Yes	No	No
3BR-TH-60percent	Yes	No	Yes	No	Yes	Yes	No	No
3BR-TH-market	Yes	No	Yes	No	Yes	Yes	No	No

Survey Information			
Management Company	Integral Group		
Survey Date	08-11-2017	High (\$/Unit/Mo)	\$1,175.00
Lease Occupancy %	97.0%	Average (\$/Unit/Mo)	\$991.54
Typical Lease Options	12 month	Survey Confirmed By	Misty
Rate Monthly or Annual?	Monthly	Survey Confirmed With	Divita - (912) 623-4137
Low (\$/Unit/Mo)	\$739.00		
Concessions and Fees	There are no concessions.		
Property Remarks	Unit amenities include washer/dryer appliances, vinyl flooring, laminate countertops, white appliances, and carpet. Project amenities include a clubhouse, fitness center, business center, laundry facility, swimming pool, playground, and picnic area.		

Multifamily Comp Number 9

Multifamily Comp Number 10



Bradley Pointe

Location

Property ID	2929	State	Georgia
Property Name	Bradley Pointe	Zip Code	31419
Address	1355 Bradley Blvd	MSA	Savannah
City/Municipality	Savannah	Property Use	LIHTC Tax Credits Multifamily
County	Chatham		

Building

Rentable Area	152,256	Absorption Rate	N/A
Year Built	2004	Average Unit SF	1,057
Number of Stories	2	Security	Gated
Number of Units	144	Parking/Storage Description	Surface

Building Finish

Building Condition	Good	Air Conditioning Type	Central air conditioning
Exterior Walls	Fiber cement and stone		

Multi-Family Related

Clubhouse	No	Swimming Pool	1
Playground	Yes	Fitness Center	Yes
Laundry Facility	1	Business Center	Yes
Average Rent/Mo (\$/Unit)	\$863	Average Rent/Mo (\$/SF)	\$.82
Tenant Pays Electricity	Yes	Tenant Pays Trash	No
Tenant Pays Cable T.V.?	Yes	Tenant Pays W/S?	Yes

Multifamily Comp Number 10

Multifamily Comp Number 10

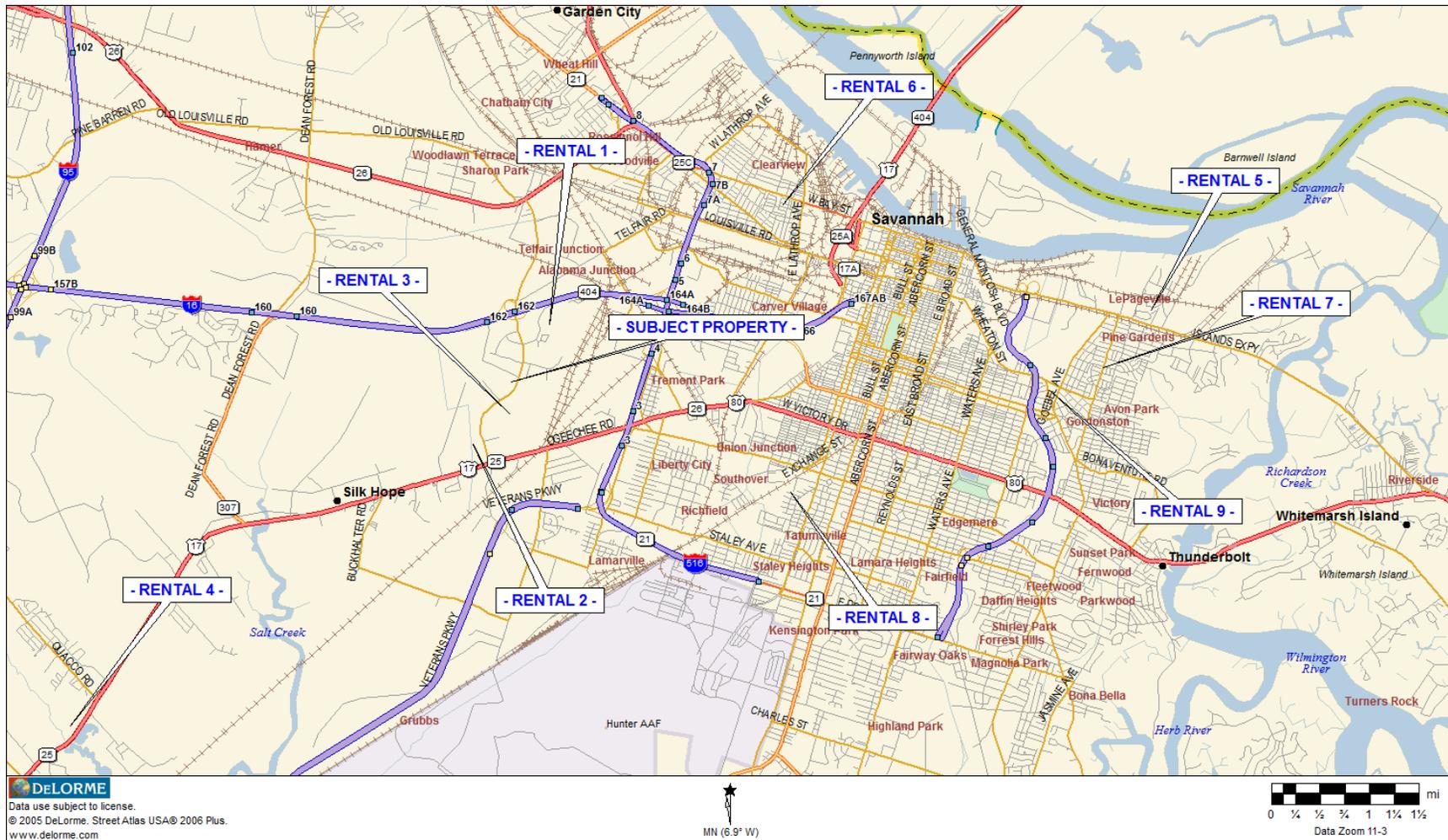
Multi-Family Unit Mix As of 08-11-2017									
Unit Desc	No. of BR	No. of BA	Units	Avg Unit SF	Total SF	Avg Rent/Mo	Total Rent	Rent/SF	% of Total
1BR-60percent	1	1.0	32	718	22,976	\$708	\$22,656	\$.99	22%
2BR-60percent	2	2.0	64	1,079	69,056	\$839	\$53,696	\$.78	44%
3BR-60percent	3	2.0	32	1,167	37,344	\$959	\$30,688	\$.82	22%
4BR-60percent	4	2.0	16	1,430	22,880	\$1,079	\$17,264	\$.75	11%
* Totals *	320	256.0	144	1,057	152,256	\$863	\$124,304	\$.82	100%

Multi-Family Unit Amenities								
Unit Desc	Patio	Garage	Disp.	Micro.	D/W	W/D	H/U	Storage
1BR-60percent	No	No	Yes	No	Yes	No	Yes	No
2BR-60percent	No	No	Yes	No	Yes	No	Yes	No
3BR-60percent	No	No	Yes	No	Yes	No	Yes	No
4BR-60percent	No	No	Yes	No	Yes	No	Yes	No

Survey Information			
Management Company	Concord Management		
Survey Date	08-11-2017	High (\$/Unit/Mo)	\$1,079.00
Typical Lease Options	12 month	Average (\$/Unit/Mo)	\$863.22
Rate Monthly or Annual?	Monthly	Survey Confirmed By	Misty
Low (\$/Unit/Mo)	\$708.00	Survey Confirmed With	(912) 920-2151*
Concessions and Fees	There are no concessions.		
Property Remarks	*Multiple attempts were made to contact the property. The rents above were taken from the property's website. Trash is included in the monthly rents. All units feature washer/dryer connections, white appliances, laminate countertops, gas ranges, carpet, and vinyl flooring. Project amenities include a fitness center, business center, laundry facility, car care area, swimming pool, playground, and picnic area.		

Multifamily Comp Number 10

RENTAL COMPARABLES MAP



LAND SALES

LAND SALE NO. 1



Property Identification

Property ID 2924
Property Type Multi-Family Land
Property Name Sawgrass at Bolton's Landing, Phase II
Address W/S of Roustabout Drive, Charleston, SC 29414
County Charleston
Tax ID 2860000458

Sale Data

Seller W-G Bolton, LLC
Buyer Sterling Charleston Apartments II, LLC
Sale Date 01-04-2017
Reference No. 0618-268
Property Rights Fee Simple

Sale Price \$1,698,135

Land Data

Land Size 14.07200 acres or 612,976 SF
Topography Level to gently sloping
Zoning SR-1, Neighborhood District
Planned Units 156
Density 9.14 Units per Acre

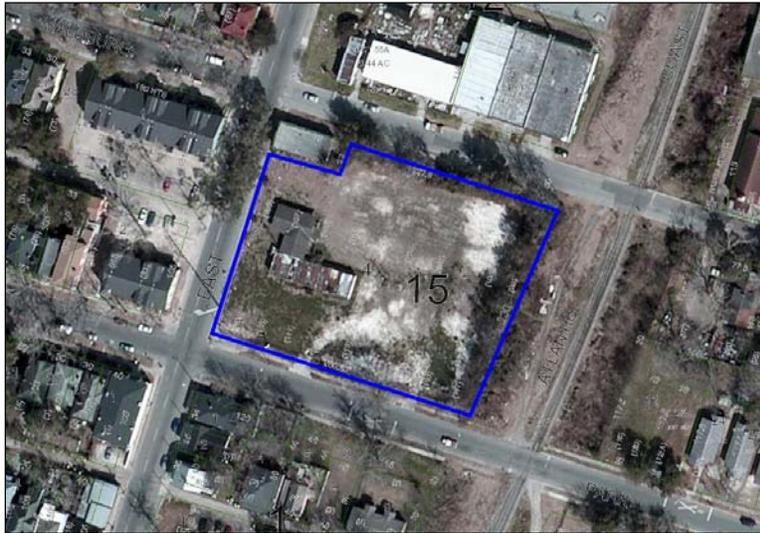
Indicators

Sale Price / Acre \$120,675 per Acre
Sale Price / SF \$2.77 per SF
Sale Price / Unit \$10,885 per Unit

Remarks

This is the sale of a 14.072-acre tract of land located just north of U.S. Highway 17 (Savannah Highway) in the West Ashley submarket of Charleston, South Carolina. Said tract was purchased for the development of Phase II of Sawgrass at Bolton's Landing which will contain 156 garden-style apartment units.

LAND SALE NO. 2



Property Identification

Property ID 2790
Property Type Multi-Family Land
Property Name East Broad Street Lofts
Address 1020 E. Broad Street, Savannah, GA 31401
County Chatham
Tax ID 2-0045-21-016

Sale Data

Seller 12 EBS Investments, LLC
Buyer CCC Park at Broad, LLC
Sale Date 05-09-2016
Reference No. 797 - 439
Property Rights Fee Simple
Sale Price \$1,500,000

Land Data

Land Size 1.63000 acres or 71,003 SF
Front Footage 281' N/S E. Park Ave, 198' E/S E. Broad St, 228' S/S E. Waldburg St
Zoning RIP-B
Topography Generally level
Planned Units 69
Density 42.33 Units per Acre

Indicators

Sale Price / Acre \$920,245 per Acre
Sale Price / SF \$21.13 per SF
Sale Price / Unit \$21,739 per Unit

Remarks

This is the sale of a 1.630-acre site located within the northeast quadrant of E. Park Avenue and E. Broad Street on the southeastern fringe of Downtown Savannah, Georgia. Said tract was purchased for the development of East Broad Street Lofts, a 69-unit, mid-rise apartment complex. The property sold in May 2016 for \$1,500,000 which equates to \$920,245 per acre or \$21,739 per planned unit.

LAND SALE NO. 3



Property Identification

Property ID 2925
Property Type Multi-Family Land
Property Name 17 South
Address 105 Ivy Green Road, Charleston, SC 29414
County Charleston
Tax ID 3070500013

Sale Data

Seller Pella Realty, LLC
Buyer 17 South Apartments, LLC
Sale Date 05-13-2016
Reference No. 0554-131
Property Rights Fee Simple

Sale Price \$3,261,600

Land Data

Land Size 9.53900 acres or 415,519 SF
Topography Generally level and at road grade
Zoning GB, General Business District
Planned Units 220
Density 23.06 Units per Acre

Indicators

Sale Price / Acre \$341,923 per Acre
Sale Price / SF \$7.85 per SF
Sale Price / Unit \$14,825 per Unit

Remarks

This is the sale of a 9.539-acre tract of land located within the northeast quadrant of U.S. Highway 17 (Savannah Highway) and Ponderosa Drive in the West Ashley District of Charleston, South Carolina. Said tract was purchased for the development of a 220-unit multifamily complex to be identified as 17 South Apartments.

LAND SALE NO. 4



Property Identification

Property ID 2793
Property Type Multi-Family Land
Property Name Mariner Grove
Address 2010 E. President Street, Savannah, GA 31404
County Chatham
Tax ID 2-0008-01-001

Sale Data

Seller G/S Brand Mariner Grove Manager
Buyer Mariner Grove Apartments, LP
Sale Date 08-11-2015
Reference No. 604 - 171
Property Rights Fee Simple
Sale Price \$4,080,000

Land Data

Land Size 16.22000 acres or 706,543 SF
Front Footage 569' N/S E. President Street and 368' E/S Wahlstrom Road
Zoning R-M-27
Topography Generally level
Planned Units 320
Density 19.73 Units per Acre

Indicators

Sale Price / Acre \$251,541 per Acre
Sale Price / SF \$5.77 per SF
Sale Price / Unit \$12,750 per Unit

Remarks

This is the sale of a 16.22-acre tract located on the north side of E. President Street and the east side of Wahlstrom Road just east of Downtown Savannah, Georgia. Said tract was purchased for the development of Mariner Grove, a 320-unit, garden apartment complex. This property sold in August 2015 for \$4,080,000 which equates to \$251,541 per acre or \$12,750 per unit.

LAND SALE NO. 5



Property Identification

Property ID	2794
Property Type	Multi-Family Land
Property Name	Legends at Chatham
Address	1426 Chatham Parkway, Savannah, GA 31405
County	Chatham
Tax ID	2-0834-01-022

Sale Data

Seller	Lewis Commercial Properties, LLC
Buyer	Legends at Chatham, LLC
Sale Date	07-29-2013
Reference No.	389R - 242
Property Rights	Fee Simple
Sale Price	\$2,162,700

Land Data

Land Size	22.10800 acres or 963,024 SF
Zoning	PUD-M-18
Topography	Level to gently sloping
Planned Units	255
Density	11.53 Units per Acre

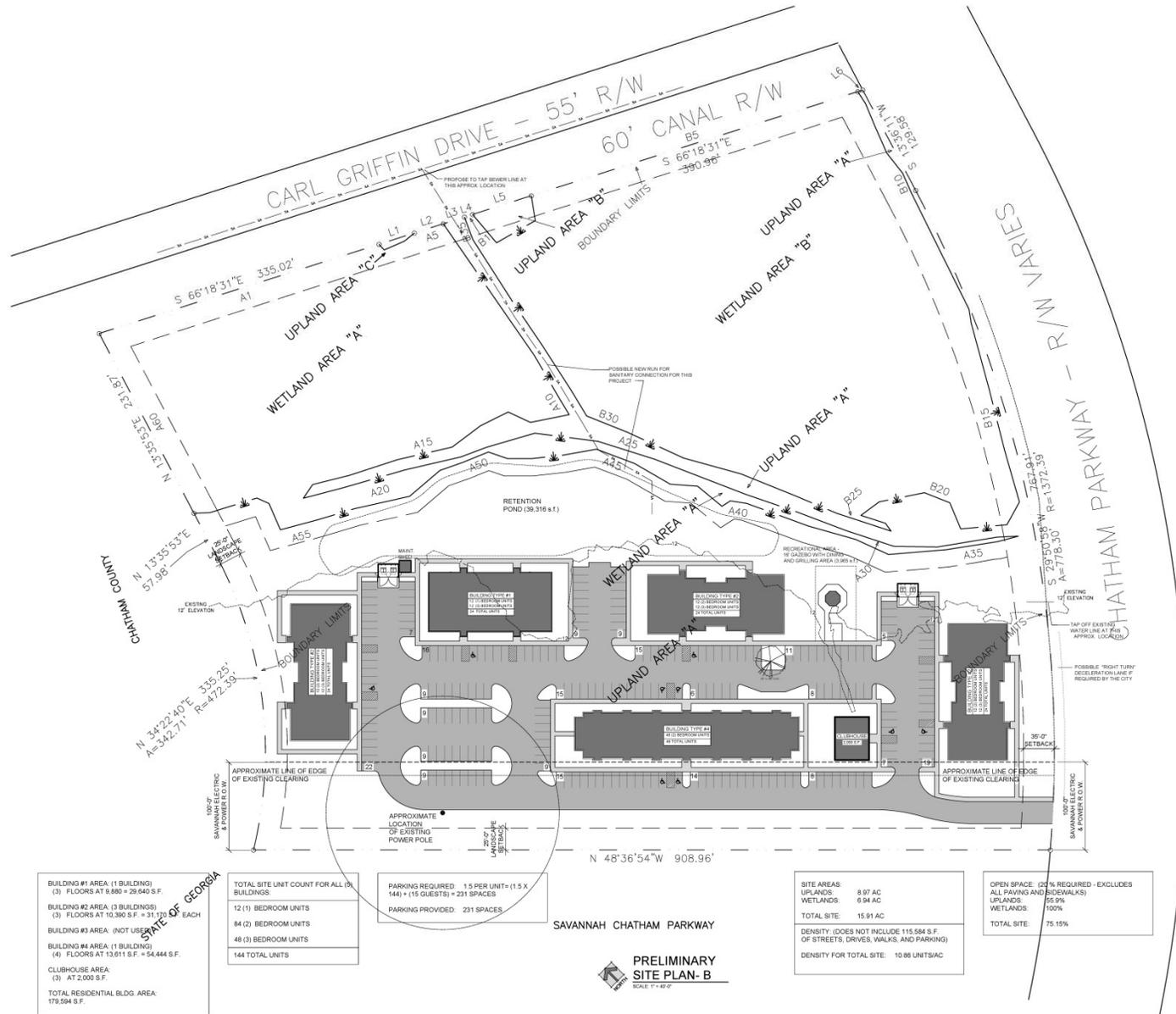
Indicators

Sale Price / Acre	\$97,824 per Acre
Sale Price / SF	\$2.25 per SF
Sale Price / Unit	\$8,481 per Unit

Remarks

This represents the sale of a 22.108-acre tract located off the south side of Chatham Parkway southwest of Downtown Savannah, Georgia. Said tract was purchased for the development of Legends at Chatham, a 255-unit, garden apartment complex. This property sold in July 2013 for \$2,162,700 which equates to \$97,824 per acre or \$8,481 per unit.

ALTA SURVEY / SITE PLAN



BUILDING #1 AREA (1 BUILDING) (3) FLOORS AT 9,880 = 29,640 S.F.
BUILDING #2 AREA (3 BUILDINGS) (3) FLOORS AT 10,360 S.F. = 31,120 S.F. EACH
BUILDING #3 AREA (NOT USED) (1) FLOOR AT 13,051 S.F. = 13,051 S.F.
BUILDING #4 AREA (1 BUILDING) (4) FLOORS AT 13,051 S.F. = 54,444 S.F.
CLUBHOUSE AREA (3) AT 2,000 S.F.
TOTAL RESIDENTIAL BLDG. AREA 179,594 S.F.

TOTAL SITE UNIT COUNT FOR ALL (3) BUILDINGS:
12 (1) BEDROOM UNITS
84 (2) BEDROOM UNITS
48 (3) BEDROOM UNITS
144 TOTAL UNITS

PARKING REQUIRED: 1.5 PER UNIT = (1.5 X 144) = (15 GUESTS) = 231 SPACES
PARKING PROVIDED: 231 SPACES

SITE AREAS:	8.97 AC
UPLANDS:	6.94 AC
WETLANDS:	1.93 AC
TOTAL SITE:	15.91 AC
DENSITY: (DOES NOT INCLUDE 115,584 S.F. OF STREETS, DRIVES, WALKS, AND PARKING)	
DENSITY FOR TOTAL SITE:	10.86 UNITS/AC

OPEN SPACE: (20% REQUIRED - EXCLUDES ALL PAVING AND SIDEWALKS)	75.9%
UPLANDS:	100%
WETLANDS:	100%
TOTAL SITE:	75.15%

PRELIMINARY SITE PLAN - B
 SCALE: 1" = 40'

PRELIMINARY DRAWING - NOT FOR CONSTRUCTION

PRELIMINARY SHEET DATES:
01-13-2017
01-17-2017

M A DESIGN, INC.
 25 South Main Street
 Forest Hill, Wisconsin 54935
 1.mad@madesigninc.net (920) 922-8170

COMMONWEALTH CONSULTANTS
 54 E. 1985 STREET, FOND DU LAC, WI 54605
 (920) 922-8170 FAX: (920) 922-8171



Mission Village of Chatham Pkwy
 1326 Chatham Parkway
 Savannah, GA 31405

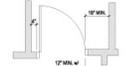
JOB NUMBER:	2016.66
SHEET:	C1.0

BUILDING PLANS



Studio A, llc
 2330 FRANKFORD AVE
 LOUISVILLE, KENTUCKY 40208
 502.888.8007 F 502.888.8004
 WWW.STUDIOAARCH.COM

NOTE:
 DOOR PLACEMENT
 UNLESS OTHERWISE INDICATED ON LABEL, METAL DOORS
 FOR THE FOLLOWING FRAMING DIMENSIONS (SEE ALSO FACE OF
 ONE TO FACE OF ONE)



- NOTE:**
- DIMENSIONS ON PLANS ARE FROM FACE OF STUDY FRAMING TO FACE OF STUDY
 - FRAMING WINDOW & EXTERIOR DOOR LOCATIONS ARE SHOWN FOR REFERENCE ONLY. FOR EXACT WINDOW & DOOR LOCATIONS PLEASE REFER TO FLOOR CONSTRUCTION PLANS
 - ON ROOF PLANS, ALL DOWNPOUT SIZES ARE TO BE 4" X 4"

CITY PLAN



NO.	REVISION/SUBMISSIONS	DATE

SEAL

OWNER

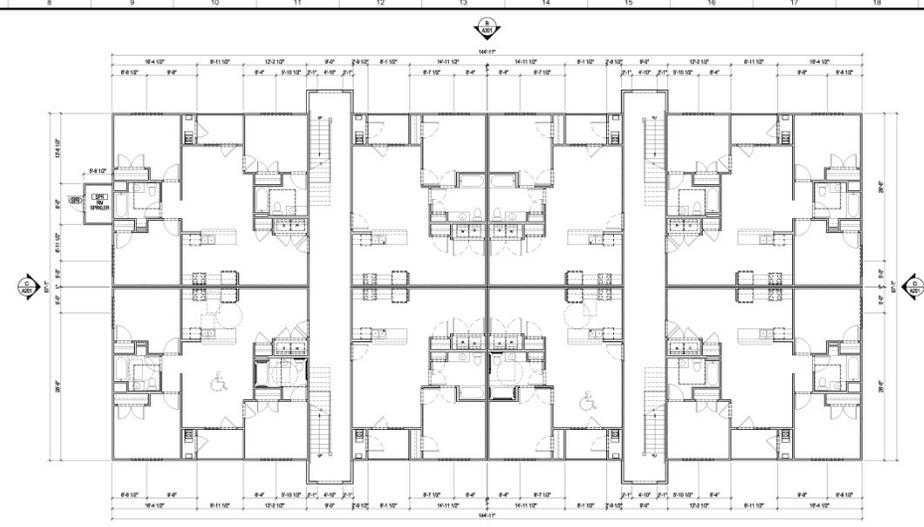
PROJECT TITLE
CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

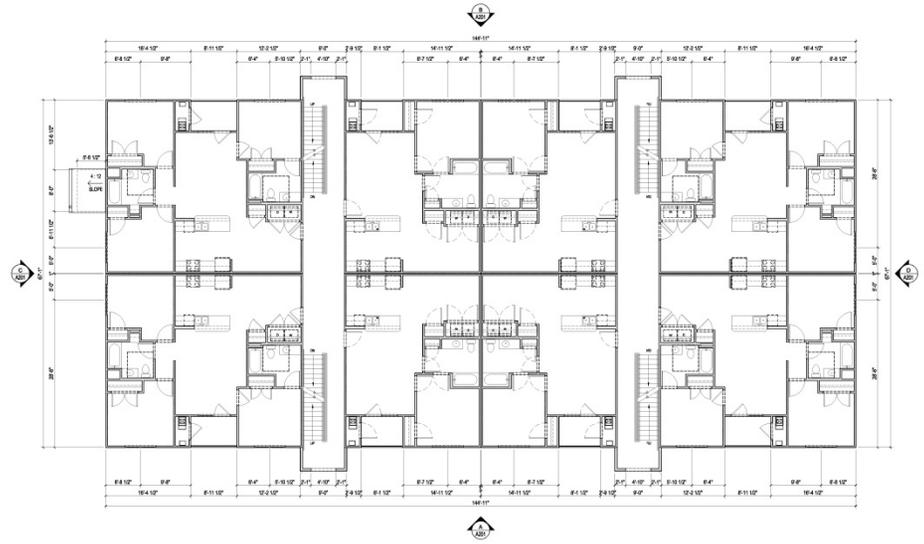
DATE TIME
 ARCHITECTURAL 07/11/2017

BRIEF TITLE
BLDG TYPE 1 - FLOOR PLANS

PROJECT NO. SHEET NO.
 17WB-07 **A101**



BLDG TYPE 1 - 1ST FLOOR PLAN
 SCALE: 1/8" = 1'-0"



BLDG TYPE 1 - 2ND FLOOR PLAN
 SCALE: 1/8" = 1'-0"

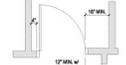
TYPE 1
 Note: All first floor units to be ADA A117.1 Type B - Unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	GSP per Unit	Total GSP	Porch Area	Mechanical	Net Rentable Area per Unit	Total Net Rentable Area	Total NRP	Unit Description
1 BR. UNIT	11	3	4	4	854	9,376	48	20	751	6,273	1 Br. 1 Bath	
1 BR. ACCESSIBLE	1	1	0	0	854	854	48	20	751	751	1 Br. 1 Bath, Accessible	
2 BR. UNIT	11	3	4	4	1,219	13,412	54	20	1,093	10,943	2 Br. 2 Bath	
2 BR. ACCESSIBLE	1	1	0	0	1,219	1,219	54	20	1,093	1,093	2 Br. 2 Bath, Accessible	
Total per bldg	34	8	8	8	-	24,641	1,221	-	-	23,171		
Total (11 bldg)	34	8	8	8	-	24,641	1,221	-	-	23,171		



Studio A, llc
 2330 FRANKFORD AVE
 LOUISVILLE, KENTUCKY 40208
 502.888.8007 F.502.888.8004
 WWW.STUDIOAARCH.COM

NOTE:
 DOOR PLACEMENT
 UNLESS OTHERWISE DIMENSIONED ON LABEL, METALL DOORS
 FOR THE FOLLOWING FRAM DIMENSION UNLESS NOTED ON FACE OF
 ONE TO FACE OF OTHER



NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUD
 FRAMING TO FACE OF STUD
 2. FRAMING WINDOW & EXTERIOR DOOR LOCATIONS
 AND SIZES FOR REFERENCE ONLY. FOR EXACT
 WINDOW & DOOR LOCATIONS PLEASE REFER TO
 FLOOR CONSTRUCTION PLANS
 3. ON ROOF PLANS, ALL DOWNPOUT SIZES ARE TO
 BE 6\"/>

CITY PLAN

NO.	REVISION/SUBMISSIONS	DATE

OWNER

PROJECT TITLE

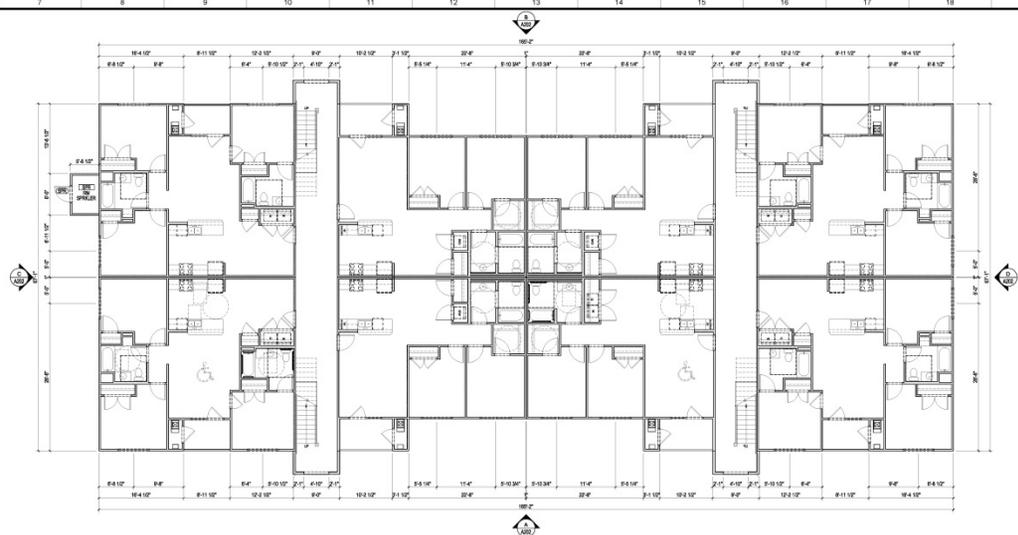
CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

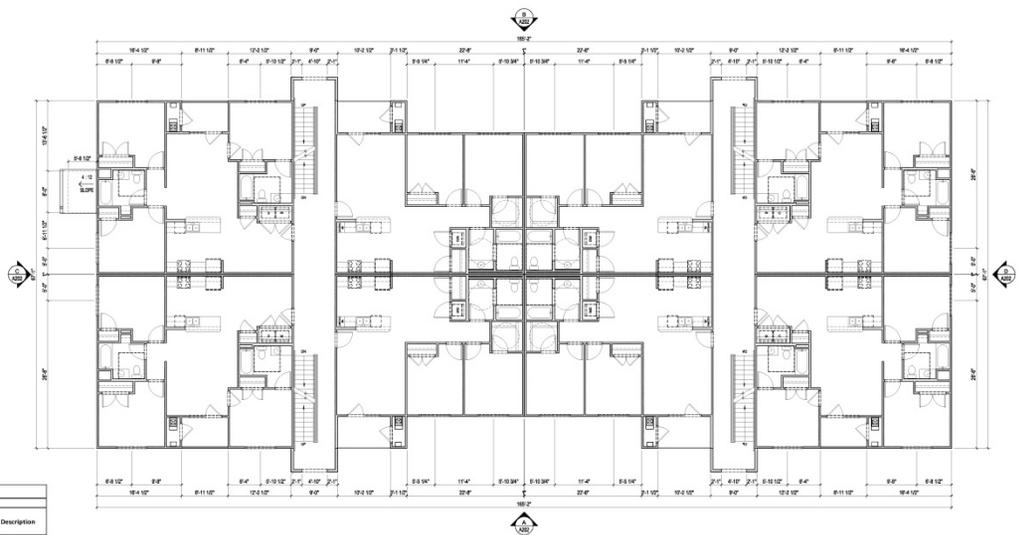
BLDG TYPE: ARCHITECTURAL DATE: 07/11/2017

SHEET TITLE: BLDG TYPE 2 - FLOOR PLANS

PROJECT NO: 17WB-07 SHEET NO: A103



BLDG TYPE 2 - 1ST FLOOR PLAN
 SCALE: 1/8" = 1'-0"



BLDG TYPE 2 - 2ND FLOOR PLAN
 SCALE: 1/8" = 1'-0"

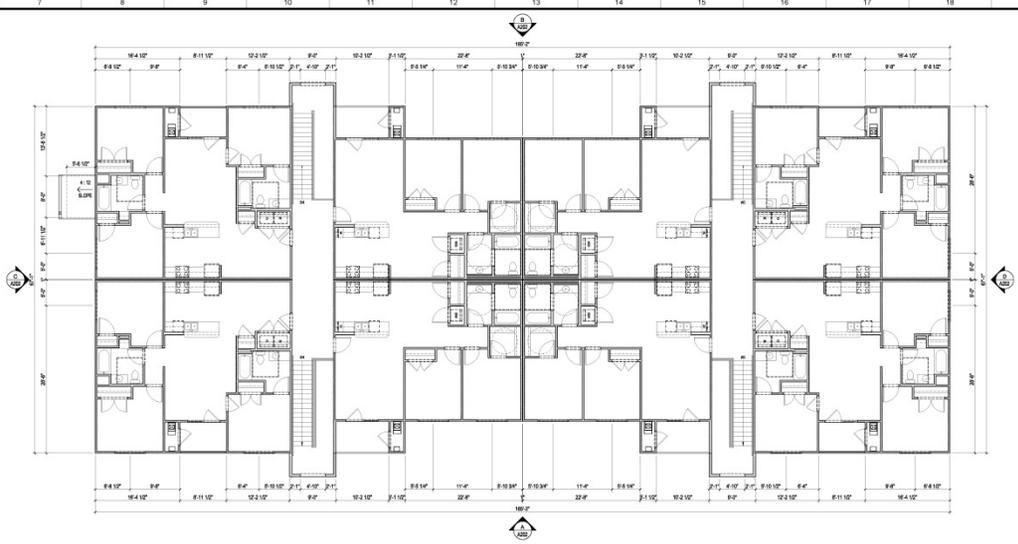
TYPE 2
 Note: All first floor units to be ADA A117.1 Type B, unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	GSF per Unit	Total GSF	Porch Area	Mechanical Closet Area	Net Rentable Area per Unit	Total NSF Rentable area	Unit Description
# BR. UNIT	31	3	4	4	1,053	33,090	63	162	912	30,015	3 BR., 1 Bath
# BR. ACCESSIBLE	1	1	0	0	1,053	1,053	64	20	912	912	1 BR., 1 Bath, Accessible
# BR. UNIT	21	3	4	4	2,251	47,262	54	20	1,077	22,853	2 BR., 2 Bath
# BR. ACCESSIBLE	1	1	0	0	2,251	2,251	54	20	1,077	1,077	2 BR., 2 Bath, Accessible
Total per bldg	24	8	8	8	-	26,854	1,091	-	-	24,138	
Total (3 Bldgs)	72	24	24	24	-	80,562	4,204	-	-	72,510	

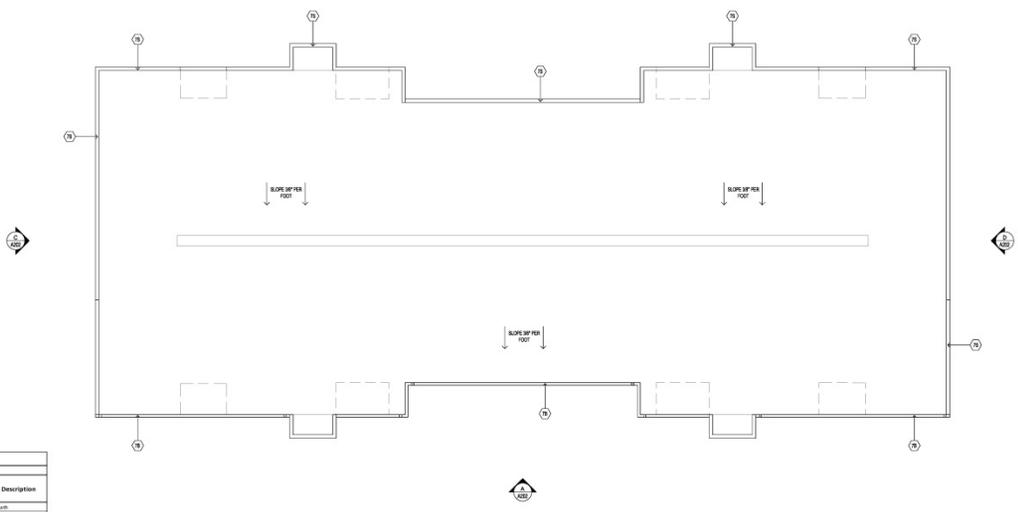


NOTE:
 DOOR PLACEMENT
 UNLESS OTHERWISE INDICATED ON LABEL, METALL SCISSOR
 FOR THE FOLLOWING DIMENSION UNLESS OTHERWISE INDICATED ON FACE OF
 ONE TO FACE OF OTHER

NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUDY
 FRAMING TO FACE OF STUDY
 2. FRAMING WINDOW & EXTERIOR DOOR LOCATIONS
 ARE SHOWN FOR REFERENCE ONLY. FOR EXACT
 WINDOW & DOOR LOCATIONS PLEASE REFER TO
 FLOOR CONSTRUCTION PLANS
 3. ON ROOF PLANS, ALL DOWNPOUT SIZES ARE TO
 BE 6" X 6"



BLDG TYPE 2 - 3RD FLOOR PLAN
 SCALE: 1/8" = 1'-0"



BLDG TYPE 2 - ROOF PLAN
 SCALE: 1/8" = 1'-0"

NO.	REVISION/SUBMISSIONS	DATE

OWNER
 PROJECT TITLE
CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET
 ARCHITECTURAL 07/11/2017
 BLDG TYPE 2 - FLOOR PLANS
 PROJECT NO. 17WB-07 SHEET NO. **A104**

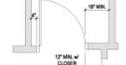
TYPE 2
 Note: All first floor units to be AND A17.1 Type B - Unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	GSF per Unit	Total GSF	Porch Area	Mechanical Closet Area per Unit	Net Rentable Area per Unit	Total NSF	Unit Description
2 BR - UNIT	11	3	4	4	1,819	19,205	81	20	922	13,072	2 Bdr, 1 Bath
2 BR - ACCESSIBLE	1	1	0	0	1,819	1,819	0	20	922	912	2 Bdr, 1 Bath, Accessible
3 BR - UNIT	12	3	4	5	2,219	26,628	14	20	1,090	13,963	3 Bdr, 2 Bath
3 BR - ACCESSIBLE	1	1	0	0	2,219	2,219	0	20	1,090	1,092	3 Bdr, 2 Bath, Accessible
Total per bldg	24	8	8	9	-	28,844	1,491	-	-	-	24,148
Total: (3 bldgs)	72	24	24	27	-	86,964	4,474	-	-	-	72,876



Studio A, llc
 2330 FRANKFORD AVE
 COLLETSVILLE, INDIANA 46034
 765-888-8000 • 765-888-8004
 WWW.STUDIOAARCH.COM

NOTE:
 DOOR PLACEMENT
 UNLESS OTHERWISE INDICATED ON PANEL, METALL DOORS
 FOR THE FOLLOWING FROM FINISH TO THE FACE OF THE
 ONE TO FACE OF OTHER



NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUDY
 FINISHING TO FACE OF STUDY
 2. FRAMING WINDOW & EXTERIOR DOOR LOCATIONS
 ARE SHOWN FOR REFERENCE ONLY. FOR EXACT
 WINDOW & DOOR LOCATIONS PLEASE REFER TO
 FLOOR CONSTRUCTION PLANS
 3. ON ROOF PLANS, ALL DOWNPOUT SIZES ARE TO
 BE 6" X 6"

KEY PLAN:



NO.	REVISION/SUBMISSIONS	DATE

SCALE:

OWNER:

PROJECT TITLE:

CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

DATE: 07/11/2017

ARCHITECTURAL

BLDG TYPE 3 - FLOOR PLANS

PROJECT NO: 17WB-07

SHEET NO: A105



BLDG TYPE 3 - 1ST FLOOR PLAN
 SCALE: 1/8" = 1'-0"



BLDG TYPE 3 - 2ND FLOOR PLAN
 SCALE: 1/8" = 1'-0"

TYPE 3
 Note: All Units to be ADA A111.1 Type B - Unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	4th Floor	GSP per Unit	Total GSP	Porch Area	Mechanical Closet Area	Net Rentable Area per Unit	Total NSF Rentable area	Unit Description
2 BR - C - UNIT	45	15	15	15	15	963	38,535	-	21	867	34,672.50 sq. ft. Rent. Accessible	
2 BR - C - ACCESSIBLE	5	5	5	5	5	963	4,815	-	21	868	4,815.00 sq. ft. Rent. Accessible	
2 BR - CS - ACCESSIBLE	1	1	1	1	1	963	963	-	21	869	869.00 sq. ft. Rent. Accessible	
Total per bldg	51	21	21	21	21	-	44,313	-	-	-	40,356.50	



NOTE:
 DOOR FACEBACK: UNLESS OTHERWISE DIMENSIONED ON PLANS, METAL DOORS FOR THE FOLLOWING PRE-PREORDERED UNITS SHALL BE 1/8" TO FACE OF GRS.

NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUDY FINISH TO FACE OF STUDY.
 2. FINISH WINDOW & EXTERIOR DOOR LOCATIONS ARE SHOWN FOR REFERENCE ONLY. FOR EXACT WINDOW & DOOR LOCATIONS PLEASE REFER TO FLOOR CONSTRUCTION PLAN.
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO BE 6" X 6".

1" = 1' PLAN



BLDG TYPE 3 - 3RD FLOOR PLAN
 SCALE: 1/8" = 1'-0"



BLDG TYPE 3 - 4TH FLOOR PLAN
 SCALE: 1/8" = 1'-0"

NO.	REVISION/SUBMISSIONS	DATE

REAL

OWNER

PROJECT TITLE

CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

BLDG CODE: ARCHITECTURAL 07/11/2017

SHEET TITLE: BLDG TYPE 3 - FLOOR PLANS

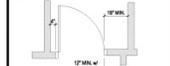
PROJECT NO: 17WB-07 SHEET NO: A106

TYPE 3
 Note: All Units to be ANSI A117.1 Type B - Unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	4th Floor	GSP per Unit	Total GSP	Porch Area	Mechanical Closet Area	Rte Rentable Area per Unit	Total NSF	Unit Description
2 BR - C - UNIT	40	10	10	10	10	993	39,720		21	897	34,823	2 BR, 2 Bath
2 BR - C - ACCESSIBLE	7	1	1	1	1	993	6,759		21	898	6,276	2 BR, 2 Bath, Accessible
2 BR - CS - ACCESSIBLE	1	0	0	0	0	993	993		21	899	993	2 BR, 2 Bath, Accessible
Total per bldg	48	11	11	11	11	993	48,471				42,092	



NOTE:
 DOOR FACEWIDTHS
 UNLESS OTHERWISE DIMENSIONED ON PLANS, METAL DOORS
 FOR THE FOLLOWING PERFORMING OPERATED FROM FACE OF
 (SIB) TO FACE OF (SIB)



NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUD
 FINISH TO FACE OF STUD
 2. FRAMING WINDOW & EXTERIOR DOOR LOCATIONS
 ARE SHOWN FOR REFERENCE ONLY. FOR EXACT
 WINDOW & DOOR LOCATIONS PLEASE REFER TO
 FLOOR CONSTRUCTION PLANS
 3. ON ROOF PLANS, ALL DOWNSPOUT SIZES ARE TO
 BE 4" X 4"

1" ET PLAN

BLDG TYPE 3 - ROOF PLAN
 SCALE: 1/8" = 1'-0"

NO.	REVISION/SUBMISSIONS	DATE

REAL

OWNER

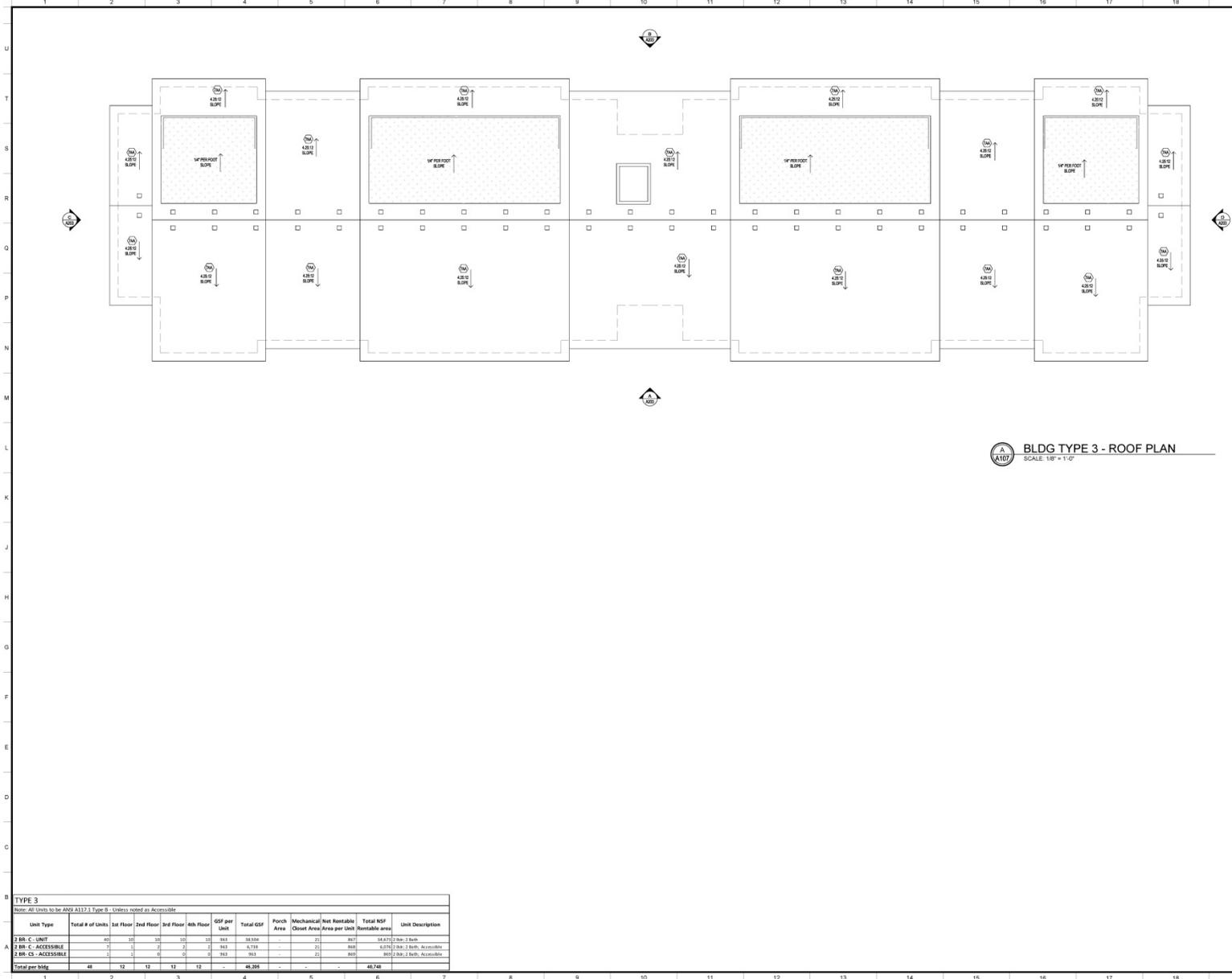
PROJECT TITLE
CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

BLDG CODE
 ARCHITECTURAL 07/11/2017

SHEET TITLE
BLDG TYPE 3 - ROOF PLAN

PROJECT NO. 17WB-07 SHEET NO. **A107**



TYPE 3
 Note: All Units to be ADA A117.1 Type B - Unless noted as Accessible

Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	4th Floor	GSF per Unit	Total GSF	Porch Area	Mechanical Closet Area	Rise Restable Area per Unit	Total NSF	Unit Description
2 BR - C - UNIT	40	10	10	10	10	993	39,720	21	897	34,812	34,812	2 BR, 2 Bath
2 BR - C - ACCESSIBLE	7	0	0	0	0	993	6,951	21	898	6,053	6,053	2 BR, Accessible
2 BR - CS - ACCESSIBLE	1	0	0	0	0	993	993	21	899	899	2 BR, 2 Bath, Accessible	
Total per bldg	48	10	10	10	10	-	47,664	-	-	-	46,744	



NOTE:
 DOOR FACEKIT
 UNLESS OTHERWISE DIMENSIONED ON PLAIN METAL DOORS
 FOR THE FOLLOWING PRE-PREHUNG UNITS: 1/2" BUSH FACE OF
 (MIN 1/2" OVER)

NOTE:
 1. DIMENSIONS ON PLANS ARE FROM FACE OF STUDY
 FINISH TO FACE OF STUDY
 2. FINISH WINDOW & EXTERIOR DOOR LOCATIONS
 ARE SHOWN FOR REFERENCE ONLY. FOR EXACT
 WINDOW & DOOR LOCATIONS PLEASE REFER TO
 FLOOR CONSTRUCTION PLAN
 3. ON ROOF PLANS ALL DOWNSPOUT SIZES ARE TO
 BE 6" X 6"

1" = 1/8" PLAN

NO.	REVISION/ISSUANCES	DATE

OWNER

PROJECT TITLE

CHATHAM PKWY
 SAVANNAH, GA

REVIEW SET

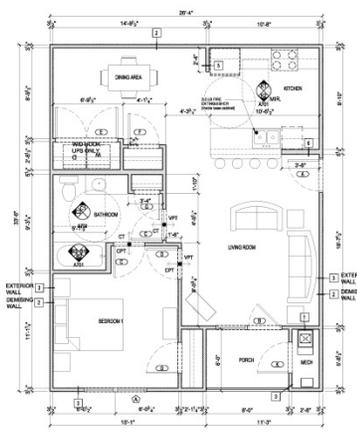
DATE: ARCHITECTURAL 07/11/2017

SHEET TITLE

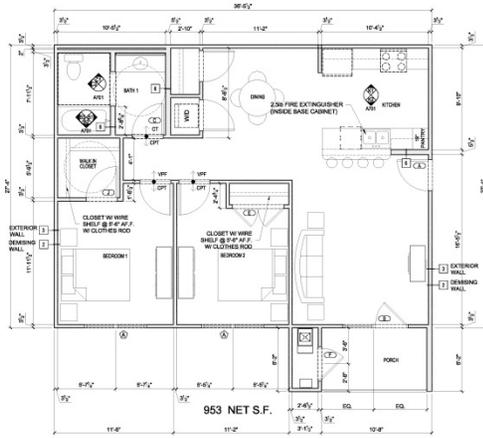
ENLARGED UNIT PLANS

PROJECT NO. 17WB-07

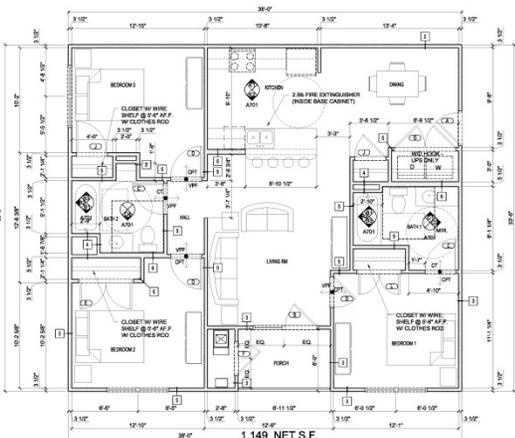
SHEET NO. **A111**



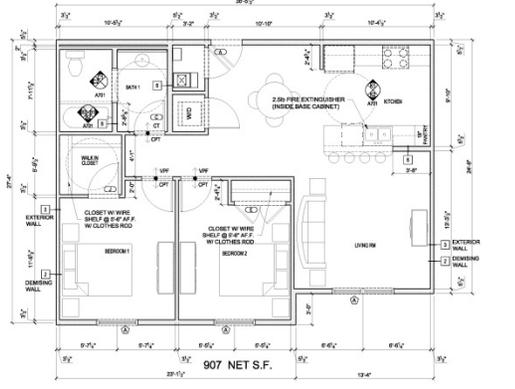
1BR UNIT
 SCALE: 1/4" = 1'-0"



2BR UNIT
 SCALE: 1/4" = 1'-0"



3BR UNIT
 SCALE: 1/4" = 1'-0"



2BR UNIT - CORRIDOR
 SCALE: 1/4" = 1'-0"

CHATHAM PARKWAY UNIT SCHEDULE											
Note: All first floor units to be ANSI A117.1 Type B - Unless noted as Accessible											
Unit Type	Total # of Units	1st Floor	2nd Floor	3rd Floor	GSF per Unit	Total GSF	Porch Area	Mechanical Closet Area	Net Rentable Area per Unit	Total NSF Rentable area	Unit Description
TYPE 1											
Note: All first floor units to be ANSI A117.1 Type B - Unless noted as Accessible											
1 BR. UNIT	31	3	4	4	850	33,76	48	20	75	8,023	861.1 1 Bed
1 BR. ACCESSIBLE	1	1	0	0	834	834	48	20	75	751	861.1 1 Bed, Accessible
2 BR. UNIT	31	3	4	4	1,219	13,812	54	20	100	1,287	12,862 2 Beds
2 BR. ACCESSIBLE	1	1	0	0	1,203	1,203	54	20	100	1,077	1,077 2 Beds, Accessible
Total per bldg	26	8	8	8	-	24,841	1,221	-	-	-	25,171
Total (1 bldg)	26	8	8	8	-	24,841	1,221	-	-	-	25,171
TYPE 2											
Note: All first floor units to be ANSI A117.1 Type B - Unless noted as Accessible											
2 BR. UNIT	31	3	4	4	1,005	13,055	48	20	75	10,073	861.1 2 Bed
2 BR. ACCESSIBLE	1	1	0	0	1,019	1,019	54	20	91	912	861.1 2 Bed, Accessible
3 BR. UNIT	31	3	4	4	1,219	13,812	54	20	100	1,287	12,862 3 Beds
3 BR. ACCESSIBLE	1	1	0	0	1,203	1,203	54	20	100	1,077	1,077 3 Beds, Accessible
Total per bldg	26	8	8	8	-	26,884	1,601	-	-	-	26,188
Total (1 bldg)	72	24	24	24	-	80,943	4,204	-	-	-	79,916
TYPE 3											
Note: All Units to be ANSI A117.1 Type B - Unless noted as Accessible											
2 BR. C. UNIT	40	10	10	10	963	38,520	-	-	85	862	34,712 2 Beds
2 BR. C. ACCESSIBLE	7	1	7	7	963	6,741	-	-	31	868	6,876 2 Beds, Accessible
2 BR. CS. ACCESSIBLE	1	1	0	0	963	963	-	-	25	868	869 2 Beds, Accessible
Total per bldg	48	12	17	17	-	46,224	-	-	-	-	46,748
Total (1 bldg)	48	12	17	17	-	46,224	-	-	-	-	46,748

PROFORMA

The Preserve at Chatham Pkwy	
Date	8/4/2017
Version	5 DR

Project Description	
1325 Chatham Parkway Savannah GA	
Acres	15.91
Building SF	177,334
Const. Cost / Unit	106,760
Const. Cost / SF	87
Total Cost / Unit	160,570
Total Units	144
Affordable Units	144
Market Rate Units	-
% Affordable	100%

Uses		
	per unit	total
Acquisition	7,639	1,100,000
Site	8,681	1,250,000
Construction	98,079	14,123,410
Design	8,090	1,165,000
Interim	9,177	1,321,494
Financing	1,545	222,500
Soft Cost	1,858	267,500
Agency	4,557	656,200
Developer	17,361	2,500,000
Reserves	3,583	516,000
Total	160,570	23,122,103

Tax Credits		
Fed. LIHTC	0.90	846,761
State LIHTC	0.60	846,761
Federal HTC	0.9	-
State HTC	0.70	-
Self Score	N/A	

Fee Stack		
Developer		
Total	100%	2,500,000
Deferred	17%	420,689
Paid	83%	2,079,311
Yr. 12 Cum. Cash		1,186,130

AMI	Unit Composition		Rent	
	BRs	Units	Monthly	Annual
30%	1		-	-
30%	2		-	-
30%	3		-	-
40%	1		-	-
40%	2		-	-
40%	3		-	-
50%	1		-	-
50%	2		-	-
50%	3		-	-
60%	1	12	630	90,720
60%	2	84	760	766,080
60%	3	48	885	509,760
MKT	2		-	-
MKT	3	0	-	-

	144		1,366,560
plus: laundry, fees		40	69,120
plus: comercial			

Annual Gross Potential 1,435,680

Permanent Sources		
	per unit	total
Federal LIHTC Equity	52,923	7,620,849
State LIHTC Equity	35,282	5,080,566
Federal HTC	-	-
State HTC	-	-
GP Equity	-	-
Bond/221 D4 Capitalized	65,972	9,500,000
Housing Authority of Savannah	3,472	500,000
Deferred Developer Fee	2,921	420,689
	-	-
Total	160,570	23,122,103

Permanent Debt		
First Mortgage: Grandbridge		
Principal		9,500,000
Rate		4.50%
Amortization		40
Annual Debt Service	42,708	512,502
Constant		5.39%
Loan to Cost		41.09%
Op Ex PUPA	4,637	DCR Yr. 1 1,185
R4R	450	DCR Yr. 15 1,288

Second Mortgage: Housing Authority of Savannah		
Principal		500,000
Rate		1.50%
Amortization		40
Annual Debt Service		20,000
Constant		3.33%

Construction Debt	
Equity	5,080,566
HAS	2,000,000
Deferred Fee	420,689
Bond Proceeds	15,620,849
	<u>23,122,103</u>

Bond 50% Test and Interest Calculation		
Rate		4.50%
Interest Calculation		820,095
Ave. Utilization	50%	7,810,424
Monthly Int. Rate		0.375%
Months		28
Bond 50% test		68%

The Preserve at Chatham Pkwy
Development Cost and Tax Credit Calculation
8/4/2017

	Unit	Cost	3% Basis	4% Basis	Fed Hst.	State Hst.
A. Land & Buildings						
Land	-	1,100,000	-	-	-	-
House & Lot	0%	-	-	-	-	-
Building	-	-	-	-	-	-
Subtotal	7,639	1,100,000	-	-	-	-
B. Site Work						
Site Work	-	1,100,000	1,100,000	1,100,000	1,100,000	-
Off-site improvements	-	50,000	-	50,000	-	-
Landscaping	-	100,000	-	-	-	-
Subtotal	8,681	1,250,000	1,100,000	1,150,000	1,100,000	-
C. Rehab & New Construction						
Rehab Construction Costs	-	-	-	-	-	-
New Construction	81,000	11,664,000	11,664,000	11,664,000	9,914,400	-
Contingency	3.87%	450,000	500,000	500,000	500,000	4,250,000
General Requirements	8.00%	804,940	804,940	804,940	804,940	684,114
Overhead	2.00%	284,377	284,377	284,377	241,720	-
Contractor P & L	6.00%	870,193	870,193	870,193	739,664	-
Subtotal	98,079	14,123,410	14,123,410	14,123,410	12,004,888	-
Construction Cost Subtotal	114,299	16,473,410	15,223,410	15,273,410	13,104,888	-
E. Architectural						
Architect - Studio A	1.77%	1,736	200,000	200,000	200,000	200,000
Architect - MHA owners rep	-	10,000	50,000	50,000	50,000	50,000
Legal	-	275,000	178,750	178,750	178,750	89,375
Surveying	-	20,000	20,000	20,000	-	-
Engineering	-	70,000	70,000	70,000	36,000	-
Plan Review	-	550,000	550,000	550,000	-	-
Subtotal	8,090.26	1,165,000	1,068,750	1,068,750	374,375	-
F. Interim Costs						
Construction Insurance	-	56,494	56,494	56,494	56,494	-
Construction Period Interest	-	900,000	540,000	540,000	540,000	-
Construction Loan Fee - Underwriter / Trustee	0.01	175,000	175,000	175,000	175,000	-
Neg Arb	-	150,000	-	-	-	-
Real Estate Taxes	-	40,000	40,000	40,000	40,000	-
LOC Fees	-	-	-	-	-	-
Subtotal	9,177.04	1,321,494	811,494	811,494	811,494	-
G. Financing Fees & Exp.						
Permanent Loan Fee	0.015	142,500	-	-	-	-
Recording	-	-	-	-	-	-
Title & Recording	-	55,000	41,250	41,250	30,938	-
Other Syndication Fees	-	25,000	-	-	-	-
Subtotal	1,546	222,500	41,250	41,250	30,938	-
H. Soft Costs						
Appraisal	-	12,500	12,500	12,500	-	-
Market Study	-	10,000	10,000	10,000	-	-
Environmental	-	75,000	75,000	75,000	75,000	-
Cost Certification	-	20,000	20,000	20,000	-	-
Furniture	-	100,000	100,000	100,000	-	-
Inspection	-	50,000	50,000	50,000	50,000	-
Subtotal	1,868	267,500	267,500	267,500	125,000	-
I. Agency						
Reservation + Fees	8.0%	87,500	-	-	-	-
Compliance	-	115,200	-	-	-	-
Insurance Fee	0.50%	85,000	85,000	85,000	-	-
FHA 221 (g)4	-	-	-	-	-	-
Working Capital	2.00%	190,000	190,000	190,000	-	-
Placement Fee	-	55,000	-	-	-	-
HUD MIP - 2 yrs	0.25%	47,500	-	-	-	-
HUD Exam Fee	0.30%	28,500	28,500	28,500	-	-
HUD Inspection Fee	0.50%	47,500	47,500	47,500	-	-
Subtotal	4,567	656,200	266,000	266,000	-	-
J. Developer's Fee						
Developer's Overhead	-	-	-	-	-	-
Developer's Profit	-	2,500,000	2,500,000	2,500,000	2,500,000	-
Other Consultant-	-	-	-	-	-	-
Subtotal	17,361	2,500,000	2,500,000	2,500,000	2,500,000	-
K. Development Reserves						
Noneligible Interest & Operations	-	-	-	-	-	-
Lease-up	1,500	216,000	-	-	-	-
Operating Reserve	-	300,000	-	-	-	-
Subtotal	3,583	516,000	-	-	-	-
Total Soft Costs		6,648,694	4,954,994	4,954,994	3,841,806	-
TOTAL DEVELOPMENT COST		160,570	23,122,103	20,178,403	20,228,403	16,946,704
Eligible Basis			20,178,403	20,228,403	-	16,946,704
Basis Boost			130.00%	130.0%	100.0%	0.0%
Bonus Basis			26,231,924	26,296,924	-	-
Rate			0.0000%	3.220%	20.000%	20.000%
Annual Credit Amount	5,880	846,761	\$ -	\$ 846,761	\$ -	\$ -

The Preserve at Chatham Pkwy Operational Expenses 8/4/2017

Expense	Unit	Annual
Office/Advertising	125	18,000
Personnel	700	100,800
Utilities: Sewer/Water	900	129,600
Utilities: Electric	250	36,000
Utilities: Gas	100	14,400
Tax or PILOT	972	140,000
Insurance	350	50,400
Other: Compliance Review	65	9,360
Repairs & Maint.	500	72,000
Elevator	40	5,760
Property Mgmt.	6%	80,627
Accounting/Audit	75	10,800
Agency Compliance		-
	<u>4,637</u>	<u>667,747</u>
Replacement Reserve	450	64,800
Total Operating Expenses	<u>5,087</u>	<u>732,547</u>
NET OPERATING INCOME		607,474
Debt Service (Hard)		512,502
Debt Coverage		1.19
Cash Flow		94,972
Cash Flow After Soft Payments		64,972
Propert Tax Calculation (Income Approach)		
Cap Rate		7.0%
Fair Market Value		8,678,197
Discount Rate		40.0%
Taxable value		3,471,279
Combined Millage (County 29.174 + City 12.48)		4.2190%
Tax		146,453
Tax Comp		
Oaks at Brandlewood		
Assessed Value		17,547,500
Discount	40%	7,019,000
Tax		296,132
Units total	324	914
Units Affordable	287	
Estimated based on per unit comp		131,614

The Preserve at Chatham Pkwy Rent Calculation 8/4/2017

Rent Summary							
AMI%	BRs	Units	Income Limit	Max Rent	Proforma Rent	Market Rent	Market Differential
30%	1			-98	0	0	
30%	2			-109	0	0	
30%	3			-122	0	0	
40%	1			-98	0	0	
40%	2			-109	0	0	
40%	3			-122	0	0	
50%	1			-98	0	0	
50%	2			-109	0	0	
50%	3			-122	0	0	
60%	1		26,700	633	630	850	74.12%
60%	2		34,320	768	760	1000	76.00%
60%	3		38,100	880	885	1300	68.08%
MKT	2			1000	0	1000	0.00%
MKT	3			1300	0	1300	0.00%
		0					

Utility Allowance			
	1 BR	2 BR	3 BR
Heating-G	6	7	8
Cooking-E	7	8	9
OE	28	33	40
AC	13	16	19
HW-G	4	5	6
Service Charge-G	10	10	10
Service Charge-E	30	30	30
	98	109	122

G = Gas; E = Electric
 Source: Housing Authority of Savannah UA - 06/1/2016

Max Rent - Calculation						
	1 BR		2 BR		3 BR	
AMI	Gross	Net	Gross	Net	Gross	Net
30%		-98		-109		-122
40%		-98		-109		-122
50%		-98		-109		-122
60%	731	633	877	768	1012	890

Source: Novogradac 2017

The Preserve at Chatham Pkwy
15 YEAR PRO FORMA
8/4/2017

Vacancy Rate	7%	PUPA	4,637	DCR Yr: 1	1.19
Income Inflation	2%	BAR	450	DCR Yr: 15	1.29
Expense Inflation	3%	Expense Ratio	50%		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Rental Income from Units	Annual Total														
Total Gross Rent Revenue	1,366,560	1,393,891	1,421,769	1,450,204	1,479,208	1,508,793	1,538,969	1,569,748	1,601,143	1,633,166	1,665,829	1,699,146	1,733,129	1,767,791	1,803,147
Laundry & Other Income	69,120	70,502	71,912	73,351	74,818	76,314	77,840	79,397	80,985	82,605	84,257	85,942	87,661	89,414	91,202
Less Vacancy	(95,859)	(97,572)	(99,524)	(101,514)	(103,545)	(105,615)	(107,728)	(109,882)	(112,080)	(114,322)	(116,608)	(118,940)	(121,319)	(123,745)	(126,220)
Less Operational Expenses	(667,747)	(687,779)	(708,413)	(729,665)	(751,556)	(774,102)	(797,325)	(821,245)	(845,862)	(871,268)	(897,396)	(924,318)	(952,048)	(980,609)	(1,010,027)
Net Operating Income Income	672,274	679,042	685,745	692,376	698,926	705,389	711,756	718,018	724,166	730,190	736,082	741,829	747,423	752,851	758,102
Less: First Mortgage payment 221 D4	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502	512,502
Less: Secong Mortgage payment HAS	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Less: Third Mortgage payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Fourth Mortgage payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Funded Reserves	450	64,800	66,744	68,746	70,809	72,933	75,121	77,375	79,696	82,087	84,549	87,086	89,698	92,389	95,161
Cash Flow	74,972	79,796	84,497	89,065	93,492	97,767	101,880	105,821	109,579	113,140	116,494	119,629	122,532	125,188	127,584
Hard DCR	1.19	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27	1.27	1.28	1.28	1.29
Combined DCR	1.14	1.15	1.16	1.17	1.18	1.18	1.19	1.20	1.21	1.21	1.22	1.22	1.23	1.24	1.24
Investor Assel Management Fee	4%	10,000	10,300	10,712	11,140	11,586	12,050	12,532	13,033	13,554	14,096	14,660	15,247	15,856	16,491
Less: Resident Services															
Less: Developer Fee Payment															
Net Cash Flow	64,972	69,496	73,785	77,925	81,906	85,717	89,348	92,788	96,024	99,043	101,834	104,383	106,675	108,698	110,434
Soft DCR	1.12	1.13	1.14	1.15	1.15	1.16	1.17	1.17	1.18	1.19	1.19	1.20	1.20	1.20	1.21

CONSTRUCTION COSTS

Grandbridge Real Estate Capital
 FHA 221(d) New Construction
 EXECUTIVE SUMMARY

16-Dec-17
 0
 Page 2 of 3

ESTIMATE OF REPLACEMENT COST

Land Improvements			
1. Unusual Land Improvements			0
2. Other Land Improvements			1,873,827
3. Total Land Improvements			1,873,827
Structures			
4. Main Buildings			11,832,649
5. Accessory Buildings			353,278
6. Asbestos Remediation			0
7. All Other Buildings			0
8. Total Structures			12,185,927
9. Subtotal (Line 3 plus Line 8)			14,059,754
10. General Requirements (Line 9 x	6.000%		843,585
11. Subtotal (Line 9 plus Line 10)			14,903,339
Fees			
12. Builder's General Overhead (Line 11 x	1.887%		281,195
13. Builder's Profit	5.680%		843,585
14. Subtotal (Sum of Lines 11 through 13)			16,028,119
15. Bond Premium			130,420
16. Other Fees		Bldg Permits, Engineering and Municipal Fees	483,820
17. Estimated Total Cost of Construction			16,642,359
18. Architect's Fee-Design (Line 14 x	4.342%		696,000
19. Architect's Fee - Supervisory (Line 14 x	1.086%		174,000
20. Total For All Improvements			17,512,359
21. Cost per Gross Square Foot		<u>97.82</u>	
22. Construction Time	<u>16</u> Months Plus 2 =	<u>18</u> months	
Charges and Financing During Construction			
23. Interest on	<u>10,401,608</u>	at 4.250%	
for	<u>18</u> months		331,551
24. Taxes			40,000
25. Insurance			57,676
26. HUD/FHA Mtg. Ins. Pre.	0.500%		52,008
27. HUD/FHA Exam. Fee	0.300%		31,205
28. HUD/FHA Insp. Fee based on cost	0.500%		87,562
29. Financing Fee	1.500%		158,024
30. Permanent Placement Fee	0.551%		57,300
30a. Mortgagable Bond Costs	2.974%		309,292
31. Non-Profit Developer's Fee	0.000%		-
32. Contingency (Sec. 202)	0.000%		-
33. Title and Recording			55,000
34. Total Charges and Financing			1,177,618
Legal, Organization and Audit Fee			
35. Legal			275,000
36. Organization & Third Party			77,565
37. Cost Certification Audit Fee			0
38. Total Legal, Organization and Audit Fee			352,565
39. SPRA			0
40. Consultant Fee (Nonprofit Only)			0
41. Initial Deposit Reserve for Replacement (Rehab only)			0
42. Contingency Reserve (Rehabilitation Only)			0
43. Relocation Expenses (Rehabilitation Only)			0
44a. Ground Rent During Construction (Leasehold only)			0
44b. FF&E			<u>50,340</u>
45. Total Estimated Development Cost			19,092,882
46a. Land (Estimated Market Price of Site)			
	696,960 sq. ft. @ \$	-	per sq. ft.
46b. As is Property Value (Rehab only)			0
46c. Off-Site (if needed, Rehab only)			0
47. Total Estimated Replacement Cost of Project			19,092,882
48. Average Cost per Living Unit			132,589

GROUND LEASE

GROUND LEASE

This GROUND LEASE ("Lease") is made and entered into as of _____, 2017 by and between THE HOUSING AUTHORITY OF SAVANNAH ("Landlord"), a public body corporate and politic, organized and existing under Title 8 of the Official Code of Georgia, and _____ a Georgia limited partnership, ("Tenant") upon the following terms and conditions:

RECITALS

Landlord and Tenant desire that Tenant lease certain property hereinafter described and develop a multi-family housing project thereon, all as hereinafter provided.

NOW, THEREFORE, in consideration of the premises hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I - DEFINITIONS

Unless the context otherwise specifies or requires, the following terms shall have the meanings specified herein:

- 1.1 **Base Rent.** The term "Base Rent" shall mean the sum of One Dollar (\$1.00) per year during each year of the Term of this Lease.
- 1.2 **Commencement Date.** The term "Commencement Date" shall be as of _____, 2017.
- 1.3 **Developer.** "Developer" means _____, a _____, its successors and assigns and any other entity that enters into an agreement with Tenant to act as developer of the Project.
- 1.4 **Event of Default.** The term "Event of Default" shall be as defined in Section 15.1.
- 1.5 **Expiration Date.** The term "Expiration Date" shall mean [77] years from the Commencement Date or _____.
- 1.6 **HAP Contract.** The term "HAP Contract" shall mean that certain Project-Based Housing Assistance Payments Contract by and between the Landlord and Tenant, applicable to the RAD Units, and any additional riders or amendments approved by HUD.
- 1.7 **Investment Limited Partner(s).** The term "Investment Limited Partner(s)" shall mean [TBD] and their successors and/or assigns.

Comment [U1]: If applicable.

- 1.8 **Investment Limited Partners Addresses For Notices.** The term “Investment Limited Partners’ Address for Notices” shall mean:

With a copy to: _____

- 1.9 **Landlord’s Address For Notices.** The term “Landlord’s Address for Notices” shall mean: Housing Authority of Savannah, 1407 Wheaton Street, Savannah, Georgia, 31402 Attention: Earline W. Davis, Executive Director, with copies to Dana F. Braun, Esq., Callaway, Braun, Riddle & Hughes, P.C., P.O. Box 9946, Savannah, Ga. 31412.

- 1.10 **Land Use Restrictive Covenants.** The term “Land Use Restrictive Covenants” means the Declaration of Land Use Restrictive Covenants entered into as of the Transaction Closing Date with the Georgia Housing and Finance Authority as a condition of the allocation of tax credits.

- 1.11 **Partnership Agreement.** The term “Partnership Agreement” means that [First] Amended and Restated Partnership Agreement of _____, a Georgia limited partnership, dated as of approximate even date herewith.

- 1.12 **PBRA Units** Those certain _____ () residential units contemplated to be constructed on the Premises, which are to be restricted for use solely by households eligible for housing assistance as defined in Section 8 of the United States Housing Act of 1937, as amended, in accordance with a Housing Assistance Payment Contract to be entered into by Landlord and Tenant.

Comment [U2]: If applicable

- 1.13 **Premises.** The term “Premises” or “Demised Premises” or “Leased Premises” shall mean that certain parcel of real property (which is a portion of the property owned by Landlord commonly known as the former _____) located in the City of Savannah, Chatham County, Georgia as more particularly described on Exhibit “A” and depicted on that site plan attached at Exhibit “B” hereto and incorporated herein by reference (the “Site Plan”).

- 1.14 **Project.** The term “Project” means the Preserve of Chatham Parkway.

- 1.15 **Reserved.**

- 1.16 **Reserved.**
- 1.17 **RAD Program.** The term “RAD Program” refers to the Rental Administration Demonstration (RAD) Program created by the Consolidated and Further Continuing Appropriations Act of 2012, and HUD Notice PIH 2012-32, as amended from time to time.
- 1.18 **RAD Redevelopment Agreement.** The term RAD Redevelopment Agreement means the agreement entered into _____ captioned “Agreement Between _____ and The Housing Authority Of Savannah For Rental Assistance Demonstration Redevelopment” pursuant to which the Master Developer is to be the developer of Project, a well-designed community which maintains affordability over the long term for low -income families, and which includes community facilities necessary to attract and support such families. Under the RAD Redevelopment Agreement, the Master Developer is engaged to renovate presently existing dwelling units and to form an entity to own and operate the Project which in turn will engage a management entity to manage the Project.
- 1.19 **RAD Requirements.** The term “RAD Requirements” shall mean all requirements applicable to the HUD Rental Assistance Demonstration Project, as provided in P.L. 12255 and HUD Notice PIH-2012-32(H) Rev-2 (June 15, 2016), including, without limitation, requirements as contained in the Rental Assistance Demonstration Use Agreement, by and Between HUD and Tenant, and all applicable Federal statutory, regulatory and executive order requirements, as those requirements may be amended from time to time, including but not limited to the requirements set forth in the HAP Contract, in accordance with Section 8 of the U.S. Housing Act of 1937 as amended as implemented by the regulations found at 24 CFR Part 880; and any successor law or regulation thereto.
- 1.20 **RAD Units.** The term “RAD Units” shall mean the [number] (#) residential units in the Project operated and maintained in accordance with the RAD Requirements.
- 1.21 **RAD Use Agreement.** The term “RAD Use Agreement” shall mean the Rental Assistance Demonstration Use Agreement, , by and between HUD and Tenant, and any riders thereto, recorded in the land records office of Chatham County, Georgia, dated as of approximate even date herewith.
- 1.22 **Second Priority Loan Agreement.** The term “Second Priority Loan Agreement” means that loan agreement entered into of even date herewith by Landlord as lender and Tenant as borrower which is subordinate to Tenant’s construction loan.
- 1.23 **Tenant's Address For Notices.** The term “Tenant's Address for Noticee” shall mean: _____, Attention: _____, with a copy to: Edward Henneman Jr., Hunter, Maclean, Exley and Dunn, P.C., 200 E. Saint Julian Street, Savannah, GA 31401

- 1.24 **Tenant's Permitted Uses.** The term "Tenant's Permitted Uses" shall mean the development and operation of the Project in a manner consistent with the RAD Use Agreement, the HAP Contract, and the Land Use Restrictive Covenants, and the marketing for lease and leasing of the residential units comprising the Project, including the RAD Units, in a manner consistent with the requirements of this Lease and the RAD Requirements.
- 1.25 **Transaction Closing Date.** The term "Transaction Closing Date" shall mean the date hereof.

ARTICLE II - PREMISES

2.1 **Lease of Premises.** Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon all of the terms, covenants and conditions contained in this Lease, subject to (i) any state of facts an accurate survey of the Premises would show; (ii) any state of facts a personal inspection would show; (iii) rights, easements and restrictions of record; (iv) present and future zoning laws, ordinances, resolutions and regulations of any governmental authority and all present and future ordinances, statutes, laws, regulations and orders of all boards, bureaus, departments, agencies, commissions and bodies of any municipal, county, state or federal sovereign; and (v) the effect of all present and future municipal, state or federal laws, orders and regulations relating to the Tenant, sub lessees or occupants of the Premises. On the Commencement Date described herein, Landlord shall deliver the Premises to Tenant.

2.2 **Acceptance of Premises.** Tenant acknowledges that, except to the extent otherwise set forth herein with respect to obligations of Landlord to make specific improvements to portions of the Premises (and as otherwise provided in Section 6.3(G) with respect to Claims as to Pre-Existing Conditions), Landlord has not made any representation or warranty with respect to the condition of the Premises or with respect to its suitability or fitness for the conduct of Tenant's Permitted Use or for any other purpose, and Tenant acknowledges that it is accepting the Premises "AS IS."

2.3 **Leasehold Title Insurance.** The term "Leasehold Title Insurance" means that certain leasehold title insurance policy for the Premises to be obtained by the Tenant on or about the Transaction Closing Date in form and substance satisfactory to Landlord and Tenant.

ARTICLE III - TERM

3.1 **Term.** Unless sooner terminated as provided in this Lease, the term of this Lease (the "Term" or "Lease Term") shall be for the period commencing on the Commencement Date described in Section 1.2 of this Lease and ending on the Expiration Date described in Section 1.5 of this Lease.

ARTICLE IV - RENTAL; PAYMENT OF TAXES, OPERATING EXPENSES AND OTHER CHARGES

4.1 **Base Rent.** During the Lease Term, Tenant shall pay to Landlord as rental for the Premises, the Base Rent, described in Section 1.1.

4.2 **Taxes, Expenses and Other Charges.** Tenant shall, during the term of this Lease, as additional rent, pay and discharge punctually, as and when the same shall become due and payable, and before any fine, penalty, interest or other charges may be added thereto for nonpayment, all property taxes, as hereafter defined, and all other governmental impositions and charges and obligations owed to governmental authorities of every kind and nature whatsoever, extraordinary as well as ordinary and each and every installment thereof which shall or may during the term of this Lease be charged, levied, laid, assessed, imposed, become due and payable or liens upon, or for, or with respect to, the Premises or any part thereof, the buildings and improvements appurtenances or equipment owned by Tenant thereon or therein or any part thereof, together with all interest and penalties thereon, under or by virtue of all present or future laws, ordinances, requirements, orders, directives, rules or regulations of the federal, state, and local governments and of all other governmental authorities whatsoever during the term of this Lease. In the event Tenant shall be required by the terms of any Leasehold Mortgage permitted hereunder to pay any funds into escrow with respect to Taxes (as hereinafter defined), Tenant agrees to make such payments in accordance with the terms of such Leasehold Mortgage. In the event Tenant shall fail to pay Taxes before they shall have become delinquent, Landlord, without prejudice to any other rights it may have, may, but shall not be required to, pay such Taxes and Tenant will remit the amount of such payment to Landlord upon demand together with interest thereon at the rate provided in Section 4.4 below. In the event that Tenant challenges any taxes, expenses or other charges, Landlord will reasonably cooperate in such challenge. Tenant shall promptly provide to Landlord proof of timely payment of all Property Taxes (as hereinafter defined) and other charges to be paid by Tenant hereunder. As used herein,

(A) "Property Taxes" or "Taxes" shall mean the aggregate amount of all ad valorem real and personal property taxes, payments in lieu of taxes, assessments (whether they be general or special), sewer rents and charges, transit taxes, taxes based upon the receipt of rent, general, special, ordinary or extraordinary taxes (but not including income or franchise taxes, capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's gross income or profits). Taxes for any calendar year shall be Taxes which are due for payment or are paid during such year. If at any time during the Lease Term the method of taxation then prevailing shall be altered so that any new tax, payment in lieu of taxes, assessment, levy, imposition or charge shall be imposed upon Landlord in place or partly in place of any such Taxes, or contemplated increase in any such Taxes and shall be measured by or be based in whole or in part upon the Premises or the rents or other income received by Tenant from the Premises, then all such new taxes, assessments, levies, impositions or charges, to the extent that they are so measured or based, shall be included in Taxes to the extent that such items would be payable if the Premises was the only property of Landlord subject to same. Taxes shall also include any personal property taxes imposed upon any furniture, fixtures, machinery, equipment, apparatus systems and appurtenances of Tenant used in connection with the Premises.

(B) Property Tax Exemption – Consistent with O.C.G.A. § 8-3-8, that portion of the Premises that is subject to a Private Enterprise Agreement, contemplated by O.C.G.A. § 8-3-3 (13.1)(C), consisting of the eligible housing units therein that are occupied or reserved for occupancy by persons of low income is declared to be public

property used for essential public and governmental purposes and not for purposes of private or corporate benefit or income and thus, shall be exempt from all taxes and special assessments of the city, the county, and the state or any political subdivision thereof, provided that, in lieu of such taxes there may be an agreement to make payments to the city or the county or any such political subdivision for improvements, services, and facilities furnished by such city, county, or political subdivision for the benefit of that portion of the Premises. This Agreement, the RAD Redevelopment Agreement, the HAP Contract, the Partnership Agreement, the Land Use Restriction Agreement, and all other agreements between the Landlord, the Developer and Tenant regarding the use and restrictions of the Premises constitute a private enterprise agreement as contemplated by O.C.G.A. § 8-3-3 (13.1).

4.3 **Payment.** The Base Rent for the entire Term described in Section 1.1, shall be paid contemporaneously with the execution of this Lease Agreement on the Transaction Closing Date and any other amounts payable to Landlord by Tenant pursuant to the provisions of this Lease, shall be paid to Landlord, without notice, demand, abatement, deduction or offset, in lawful money of the United States at Landlord's address for notice purposes, or to such other person or at such other place as Landlord may designate from time to time by written notice given to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the correct Rent due hereunder shall be deemed to be other than a payment on account; nor shall any endorsement or statement on any check or any letter accompanying any check or Payment be deemed to affect or evidence an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law or in equity provided.

4.4 **Late Charge; Interest.** Tenant acknowledges that the late payment of any amounts payable by Tenant to Landlord hereunder (all of which shall constitute additional rent to the same extent as Base Rent) will cause Landlord to incur administrative costs and other damages, the exact amount of which would be impracticable or extremely difficult to ascertain. Landlord and Tenant agree that if Landlord does not receive any such payment on or before five (5) business days after the date the payment is due, Tenant shall pay to Landlord, as additional rental, and without notice or demand (a) a late charge equal to five percent (5%) of the overdue amount to cover such additional administrative costs; and (b) interest on the delinquent amounts at the lesser of the maximum rate permitted by law, if any, or twelve percent (12%) per annum from the date due to the date paid.

4.5 **Additional Rent.** For purposes of this Lease, all amounts payable by Tenant to or for the benefit of Landlord pursuant to this Lease, whether or not denominated as such, shall constitute additional rent hereunder. Such additional rent, together with the Base Rent and Rent Adjustments, shall sometimes be referred to in this Lease as "Rent."

4.6 **Net Lease.** Notwithstanding anything to the contrary herein, the Base Rent hereunder shall be absolutely net to Landlord so that, subject to the subordination provision in Section 4.1, this Lease shall yield, net to Landlord, the Base Rent specified in Sections 1.1 and 4.1 hereof in each year of the Lease Term and that all taxes, impositions, insurance premiums, utility charges, maintenance, repair and replacement expenses, all expenses relating to

compliance with laws (including, without limitation, and except as otherwise provided herein, Environmental Laws), and all other costs, fees, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises which may arise or become due during the Lease Term or by reason of events occurring during the Lease Term shall be paid or discharged by Tenant as Rent hereunder.

**ARTICLE V – RENOVATION/CONSTRUCTION OF IMPROVEMENTS, TITLE,
INSPECTIONS**

5.1 **Construction of Improvements.** Tenant shall construct, or cause to be constructed, all buildings, fixtures, equipment and components thereof, of every kind, described in the final Site Plan as approved by applicable government authority (the “Buildings”), and all driveways, parking areas, utilities, landscaping, accessory buildings, parks, sidewalks, alleys and all other common areas of the Premises (collectively, the “Common Area Improvements”) necessary or appropriate to service the Buildings (the Buildings and Common Area Improvements, together with any alterations, changes or additions made during the Term of this Lease to the Buildings or Common Area Improvements are hereinafter collectively the “Improvements”). The construction of all such Improvements shall be done substantially in accordance with the plans and specifications therefor listed at Exhibit C hereto and incorporated herein by reference (“Plans and Specifications”) as approved by Landlord and in compliance with all applicable laws.

5.2 **Title to Improvements.** Until the expiration or termination of this Lease, the title to all Improvements situated or erected on the Premises by Tenant shall remain solely in Tenant, and Tenant alone shall be entitled to deduct all depreciation on Tenant's income tax returns for such Improvements. Notwithstanding the foregoing, in the event that any improvements are constructed upon areas, which are to become publicly dedicated streets, Landlord and Tenant shall, upon notice by Tenant that such improvements are complete, convey such improvements to the applicable municipal authority without compensation therefore. Upon the expiration or earlier termination of this Lease, all of Tenant's right, title and interest in and to the Premises and the Improvements shall automatically and without notice vest in Landlord and Tenant shall quit and surrender the Premises and all Improvements thereon to Landlord. Notwithstanding the foregoing, title to any moveable equipment and other personal property installed by Tenant and located upon the Premises not used by residential occupants of the Premises and not fixtures and which may be removed without damage to the Improvements and without impairing its value shall remain in Tenant provided that Tenant removes the same within a reasonable period of time, not to exceed thirty (30) days following the expiration or termination of this Lease.

ARTICLE VI - USE OF PREMISES

6.1 **Tenant's Permitted Use.** Tenant shall use the Premises only for Tenant's Permitted Use as set forth in Section 1.22 hereof, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant's Permitted Uses. Landlord disclaims any warranty that the Premises are suitable

for Tenant's use and Tenant acknowledges that it has had a full opportunity to make its own determination in this regard.

6.2 Compliance With Laws and Other Requirements.

(A) Tenant shall cause the Premises to comply with all laws, ordinances, regulations and directives of any governmental authority having jurisdiction, including without limitation, any certificate of occupancy and any law, ordinance, regulation, covenant, condition or restriction affecting the Premises which in the future may become applicable to the Premises (collectively "Applicable Laws").

(B) Tenant shall not use the Premises, or permit the Premises to be used in any manner which violates any Applicable Law.

6.3 Hazardous Materials.

(A) From and after the date of this Lease, Tenant shall not cause or permit any "Hazardous Materials" (as defined herein) to be "handled" (as defined herein) upon, about, above or beneath the Premises or any portion of the Improvements by or on behalf of a Responsible Party (as defined herein), except in compliance with Environmental Laws (as defined herein) and this Lease. Any such Hazardous Materials so handled during the Term of this Lease, or the presence of which is a result of the act or omission of a Responsible Party, shall be known as "Tenant's Hazardous Materials." Notwithstanding the foregoing, normal quantities of those Hazardous Materials customarily used in the development and operation of a multi-family residential development may be handled at the Premises. Tenant's Hazardous Materials shall be handled at all times in compliance with all applicable Environmental Laws.

(B) Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision, which requirement arises from the handling of Tenant's Hazardous Materials upon, about, above or beneath the Premises. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all actions necessary to satisfy any remediation requirements under applicable Environmental Laws, shall provide reasonably detailed notice to Landlord of any such actions (prior to the action being taken unless prior notice is not reasonably possible) and, if reasonably possible, provide Landlord with a reasonable opportunity to comment upon such proposed actions prior to their being undertaken (provided that in no event shall prior notice to Landlord or Landlord's approval be required before any such action may be taken in any event).

(C) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings, orders, decrees, directives, policies and requirements by any federal, state or local governmental authority

regulating, relating to or imposing liability or standards of conduct concerning hazardous materials or the environment, including, without limitation, the following:

The Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. §9601, et seq.) (together with the regulations promulgated thereunder, "CERCLA") the Resource Conservation and Recovery Act, as amended (42 U.S.C. §6901, et seq.) (together with the regulations promulgated thereunder, "RCRA"), the Federal Water Pollution Control Act, as amended (22 U.S.C. §1251, et seq.) (together with the regulations promulgated thereunder, "CWA"), the Clean Air Act, as amended (42 U.S.C. §7401, et seq.) the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801, et seq.) (together with the regulations promulgated thereunder, "HMTA"), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. §136, et seq.) (together with the regulations promulgated thereunder, "IRFA"), the Safe Drinking Water Act, as amended (42 U.S.C. §300f, et seq.) (together with the regulations promulgated thereunder, "SDWA"), the Toxic Substances Control Act, as amended (15 U.S.C. §2601, et seq.) (together with the regulations promulgated thereunder "TSCA"), the Georgia Hazardous Waste Management Act (O.C.G.A. §12-8-60, et seq.), the Georgia Water Quality Control Act (O.C.G.A. §12-5-20 et seq.), and the Georgia Air Quality Act (O.C.G.A. §12-9-1 et seq.).

(D) "Hazardous Materials" means (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; or (v) which is radioactive; (b) any other material or substance displaying toxic, reactive, ignitable, or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become defined by Environmental Laws; or (c) materials which cause a nuisance upon or waste to the Premises or any portion of the Improvements.

(E) "Handle," "handle," "Handled," "handled," "Handling" or "handling" shall mean any installation, handling, generation, storage, treatment, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials; excluding any Hazardous Materials existing on the Premises prior to the Commencement Date, and any migration of Hazardous Materials onto the Premises from a source not at the Premises.

(F) "Responsible Party" shall mean Tenant, its subtenants and its assignees, any occupants of all or any portion of the Premises, and their respective contractors, clients, officers, directors, employees, agents, customers, suppliers, guests and invitees, or any of them as the case may be during the Term of this Lease.

(G) Tenant shall expressly not be responsible for, and shall be entitled to seek contribution or other appropriate relief from the Landlord with respect to any liability and Landlord shall indemnify Tenant for claims relating to: (i) a violation of Environmental Laws or the presence of Hazardous Materials on, in or under all or any portion of the Leased Premises attributable to the period prior to the Commencement Date or after the end of the Lease Term, unless said violation of Environmental Laws, or the presence of Hazardous Materials, was caused by Tenant, Master Developer, Developer, their respective team members, their subcontractors or any other entity or person under the control and direction of the Tenant, Master Developer, Developer or their respective team members; or (ii) any Hazardous Materials on, in or under all or any portion of any parcels of land owned by Landlord that are adjacent to the Leased Premises (the term "adjacent" as used herein being deemed to mean parcels of land sharing a common boundary line with the Leased Premises or separated from the Leased Premises only by a public right-of-way), unless the presence of Hazardous Materials was caused by Tenant, Master Developer or Developer, their respective team members, subcontractors or any other entity or person under the control and direction of the Tenant, Master Developer, Developer or their team members; or (iii) any violation of Environmental Laws at or relating to the Leased Premises which is attributable to conditions existing on or prior to the Commencement Date, unless said violation of Environmental Laws was caused by Tenant, Master Developer or Developer, their respective team members, subcontractors or any other entity or person under the control and direction of the Tenant, Master Developer, Developer or their respective team members; or (iv) any underground storage tanks, abandoned utility lines or subsurface physical obstructions (collectively, "Claims as to Pre-Existing Environmental Conditions"), and further provided that said Pre-Existing Environmental Condition was unknown and not reasonably discoverable by Tenant, Master Developer or Developer through the exercise of due diligence prior to the Commencement Date. Landlord agrees that it shall not object to or resist being joined as a named party as to the adjudication of such Claims as to Pre-Existing Environmental Conditions; however, nothing herein precludes Landlord from asserting any defense to the Claims or asserting any counterclaim that Landlord may have or from seeking indemnification or contribution from third parties.

6.4 **Covenants Applicable to RAD Units.**

(A) The RAD Units are benefited by the terms and conditions of the HAP Contract. For so long as the HAP Contract is in effect, the RAD Requirements and RAD Use Agreement shall be binding upon Landlord and Tenant and each of their respective successors and assigns, including, without limitation, any entity that succeeds to Tenant's interest in the Premises by foreclosure or an instrument in lieu of foreclosure.

(B) The RAD Units shall be operated pursuant to the RAD Requirements and RAD Use Agreement for so long as the RAD Use Agreement is in effect.

(C) Notwithstanding any other clause or provision in this Lease, upon execution of the RAD Use Agreement and for so long as the RAD Use Agreement is in effect, the following provisions shall apply:

- i. This Lease shall in all respects be subordinate to the RAD Use Agreement. Such subordination continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or this Lease;
- ii. If any of the provisions of this Lease conflict with the terms of the RAD Use Agreement, the provisions of the RAD Use Agreement shall control;
- iii. The provisions in this Section 6.4(C) are required to be inserted into this Lease by HUD and may not be amended without HUD's prior written approval;
- iv. Violation of the RAD Use Agreement constitutes an Event of Default under this Lease;
- v. Notwithstanding any other contract, document or other arrangement, upon termination of this Lease, title to the real property leased herein shall remain vested in Landlord and title to the buildings, fixtures, improvements, trade fixtures and equipment that belong to Tenant shall vest in Landlord, all as further provided in Section 5.2 of this Lease; and
- vi. Neither the Tenant nor any of its partners shall have any authority to:
 - a. Take any action in violation of the RAD Use Agreement; or
 - b. Fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by the Landlord or HUD;
 - c. Except to the extent permitted by the HAP Contract or RAD Use Agreement and the normal operation of the Project, neither the Tenant nor any partner of Tenant shall have any authority without the consent of Landlord to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Project or any part thereof.

ARTICLE VII - UTILITIES AND SERVICES

7.1 **Services.** Landlord shall have no obligation to provide utility services or connections into the Premises, nor any other services or facilities of any kind or nature whatsoever. Tenant, at its sole expense, shall arrange with the appropriate utility company or governmental entity to install all necessary additional connections and shall, without fail, maintain in continuous operation during the entire term of the Lease, all such utility service, whether or not Tenant is in actual possession of the Premises. Landlord, with Tenant's and Investment Limited Partner's consent, not to be unreasonably withheld, reserves the right during the Term of this Lease to grant easements for public utility purposes on, over or below the Premises without any abatement in rent, and without the same being deemed an event of default of Landlord hereunder, provided that said easements do not unreasonably interfere with the

normal operation of the Premises by Tenant. Landlord shall not be required to pay for any service, supplies or upkeep in connection with the Premises.

7.2 **Interruption of Services.** Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in furnishing any of the services or utilities described in Section 7.1.

ARTICLE VIII - MAINTENANCE AND REPAIRS

8.1 **Landlord's Obligations.** During the Lease Term, except as may be otherwise provided herein, Landlord shall have no obligation to make or perform any repairs or maintenance of any kind whatsoever, all of which shall be Tenant's sole obligation.

8.2 **Tenant's Obligations.**

(A) During the Lease Term, Tenant shall, at its risk and at its own sole cost and expense, maintain the Premises and all Improvements located in or on the Premises in good repair and condition (including all necessary replacements), including, but not limited to the roof, outer walls and foundations of all Buildings, the drainage facilities and fire safety sprinkler systems, heating, ventilation and air conditioning systems, all glass elements and doors and regular removal of debris. Tenant shall take good care of the Premises and Improvements, including all Common Area Improvements, and suffer no waste.

(B) Tenant shall, at its own cost and expense, repair or replace any damage or injury to all or any part of the Premises and Improvements thereon.

(C) Except and only to the extent permitted by Section 6.3(A) above, Tenant shall not permit during the Lease Term, as extended from time to time, any Hazardous Materials to be released, brought upon, stored, produced, emitted, disposed of or used upon, about or beneath the Premises in violation of Environmental Law by a third party not acting on behalf of Landlord, except where Hazardous Materials have come to be present beneath the Premises solely as a result of subsurface migration from a source not at the Premises or property not owned or controlled by Tenant, except to the extent that Tenant fails to take commercially reasonable actions to prevent migration of Hazardous Materials known to Tenant or takes action that exacerbates the contamination resulting from such migration. The Tenant shall be liable for the consequences of, and responsible for removal thereof, at its sole expense, any Hazardous Materials on the site resulting from an Event of Default under this Section. Tenant's obligations under this Section 8.2 shall survive the expiration or earlier termination of this Lease. Nothing contained herein shall limit the Tenant's right or ability to seek contribution or other appropriate relief from the Landlord with respect to any liability for claims relating to: (i) a violation of Environmental Laws or the presence of Hazardous Materials on, in or under all or any portion of the Premises attributable to the period prior to the Commencement Date; or (ii) any Hazardous Materials on, in or under all or any portion of any parcels of land owned by Landlord that are adjacent to the Premises (the term "adjacent" as used herein being deemed to mean parcels of land sharing a common boundary line with the Premises or

separated from the Premises only by a public right-of-way); or (iii) any violation of Environmental Laws at or relating to the Premises which is attributable to conditions existing on or prior to the Commencement Date.

8.3 **Landlord's Rights.** Landlord and its contractors shall have the right, upon reasonable advance notice, at reasonable times, to enter upon the Premises to exercise any right reserved to Landlord hereunder; provided, that residents of the Improvements shall not be disturbed and any entry to residential units shall be in conformance with such residents' lease agreements.

ARTICLE IX - IMPROVEMENTS, ADDITIONS AND ALTERATIONS

9.1 **Amendments to Plans and Specifications.** Tenant shall take no action to effectuate any material amendments, modifications or any other alterations to the Plans and Specifications, except to the extent set forth in Section 9.2 herein (and except as otherwise permitted by Section 3.06 of the Second Priority Loan Agreement- MODIFY REFERENCE AS NECESSARY) unless Landlord and Investment Limited Partner has approved such, in writing and in advance, which approval shall not be unreasonably withheld, conditioned or delayed.

9.2 **Alterations.** Tenant may make any additions, alterations or changes (sometimes collectively referred to herein as "Alterations") in or to the Improvements subject, however, to the following conditions:

(A) No Alterations shall be made that would tend to impair the structural soundness of the Improvements;

(B) No Alterations shall be undertaken that are prohibited by, or would cause the Leased Premises, the Improvements, the Tenant or the Landlord to be in breach or violation of the RAD Use Agreement;

(C) No Alterations shall be undertaken until Tenant shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable governmental authorities and all required consents of any Leasehold Mortgagee. Landlord shall join in the application for such permits or authorizations whenever such action is necessary or helpful and is requested by Tenant, and shall use Landlord's reasonable efforts to obtain such permits or authorizations;

(D) Any Alterations shall be performed in good and workmanlike manner and in compliance with all applicable legal requirements and all applicable Insurance Requirements; and

(E) The Landlord must approve all substantial alterations prior to the commencement of work except as set forth in the annual budget ("substantial" meaning single alterations costing in excess of \$50,000.00 or alterations that affect the functional design or scope of the Improvements).

9.3 **Liens.** Tenant shall pay when due all costs for work performed and materials supplied to the Premises. Tenant shall not suffer nor permit any construction liens to be filed or exist against the Premises or any part thereof, by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or its agent, contractors, subcontractors and subtenants. If any such construction lien shall at any time be filed, Tenant shall within thirty (30) business days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. If Tenant fails to pay and remove or bond such lien, claim or encumbrance within such thirty (30) days, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, with interest from the date of payment at the rate set forth in Section 4.4 hereof for amounts owed Landlord by Tenant, shall be deemed to be additional rent due and payable by Tenant at once without notice or demand. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed and Tenant shall otherwise observe and comply with any and all requirements under Georgia Law, and shall indemnify, defend and hold Landlord harmless from any loss, cost, or damage incurred by Landlord as a result of the assertion of any construction lien claim.

9.4 **Lease Termination.** All Alterations shall become a part of the Premises and shall become the property of Landlord upon the expiration or earlier termination of this Lease.

ARTICLE X - INDEMNIFICATION AND INSURANCE

10.1 **Indemnification.** Tenant and Tenant's permitted assignees and subtenants (other than residential tenants of the units in the Improvements) agree to protect, indemnify, hold harmless, and defend Landlord, and its elected or appointed officials, directors, its officers, agents and employees, successors and assigns (collectively "Indemnitees") (except for any events arising out of the negligence, breach of contract, or willful acts of Landlord, its agents or employees) from and against:

(A) any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual reasonable attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by the use or occupancy of the Premises or any portion of the Improvements by Tenant or the acts or omissions of Tenant or its agents, employees, contractors, clients, invitees or subtenants relating to the Premises. Such loss or damage shall include, but not be limited to, any injury or damage to, or death of, Landlord's employees or agents or damage to the Premises or any portion of the buildings or improvements located thereon;

(B) any and all Environmental Damages which arise from (i) the Handling of any Tenant Hazardous Materials, as defined in Section 6.3 or (ii) the breach of any of the provisions of this Lease. For the purpose of this Lease, "Environmental Damages" shall mean (a) all claims, judgments, damages, penalties, fines, costs, liabilities, and losses,

(including, without limitation, diminution in the value of the Premises) (b) all reasonable sums paid for settlement of claims, reasonable actual attorneys' fees, consultants fees and experts fees; and (c) all costs incurred by Landlord in connection with investigation or remediation relating to the Handling of Tenant's Hazardous Materials to the extent Tenant does not perform all such investigation and remediation as is required by applicable Environmental Laws. Subject to the limitation in Tenant's liability for Environmental matters set forth in Section 6.3(G), to the extent that Landlord is strictly liable under any Environmental Laws as owner, Tenant's obligation to Landlord and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on Tenant's part with respect to the violation of any Environmental Law which results in liability to the indemnitees. Tenant's obligations and liabilities pursuant to this Section 10.1 shall survive the expiration or earlier termination of this Lease;

(C) any and all testing or investigation as may be required by any governmental agency for the purpose of investigating the presence of Tenant's Hazardous Materials that may not be in compliance with Environmental Laws;

(D) notwithstanding anything to the contrary contained herein, nothing shall be interpreted or used to in any way affect, limit, reduce or abrogate any insurance coverage provided by any insurers to either Tenant or Landlord; and

Nothing herein shall be construed to infer or imply that Tenant is a partner, joint venturer, agent, employee, or otherwise acting by or at the direction of Landlord.

10.2 **Insurance.**

(A) The Tenant shall maintain or shall cause to be maintained the following insurance coverages:

- i. **Commercial General Liability Insurance (Primary and Umbrella).** Commercial liability insurance or equivalent with limits of not less than [\$] per occurrence, and [\$] general aggregate for bodily injury, personal injury and property damage liability. The deductible or self-insured retention shall not be greater than [\$]. The commercial general liability insurance policy shall not contain exclusions for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms, unless the Tenant and Landlord both reasonably determine that such insurance without exclusions is unavailable or is unavailable at a commercially reasonable price. The Landlord is to be named as an additional insured on a primary non-contributory basis for any liability arising directly or indirectly for the services contemplated by this Agreement.
- ii. **Property/Casualty Insurance.** The Tenant shall procure and maintain, at its sole expense, "all-risk"/"special form" property insurance policy providing for in an amount not less than one hundred percent (100%) of

the replacement cost covering all Buildings and Improvements in and upon the Premises. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. The property/casualty insurance shall also provide for loss of rents greater than or equal to 12 months' rental income and full replacement cost of building contents on an "all risk" basis. The property/casualty insurance policy shall also include a waiver of terrorism exclusion providing, "terrorism coverage has no sublimit and includes both domestic (non-certified) and foreign (certified) acts of terrorism." The terrorism coverage should provide [\$] per occurrence and in the aggregate. The deductible or self-insured retention shall not be greater than [\$].

- iii. **Automobile Liability Insurance.** The Tenant shall procure and maintain, at its sole expense, automobile liability insurance with limits of not less than [\$] combined single limit for personal injury and property damage (including all hired and non-owned vehicles).
- iv. **Umbrella Insurance and Extended Coverage.** In addition to all insurance required herein, the Tenant shall obtain umbrella coverage of [\$]. Coverage extensions shall include the following: general liability, premises and operations, subcontractors, cross liability, products and completed operations, broad form property damage, blanket contractual liability, explosion, collapse and underground coverages (XCU), commercial auto liability, personal injury and errors and omissions.
- v. **Insurance Endorsement.** These policies shall be endorsed (a) to name the Landlord as an additional insured and as a loss payee (as applicable); and (b) to waive subrogation rights against the Landlord.
- vi. **Insurance Policy.** All insurance shall be carried with companies that are authorized to do business in the State of Georgia and rated not less than A-VIII in Best's Insurance Guide and a Standard and Poor's claims paying ability rating of not less than AA.
- vii. **Errors And Omissions Insurance.** The principal architect, other architects, engineers, and each of their subcontractors shall obtain and maintain errors and omissions/ professional liability coverage at their own expense in the amount of not less than [\$] per occurrence. The insurance company, form, and content of such coverage shall be subject to the reasonable approval of the Landlord; and
- viii. **Builder's Risk Insurance.** Builder's risk insurance, in a form to be submitted to and approved by the Landlord, insuring all work in place and all materials to be used for such work, with such insurance to be payable on a replacement cost basis, regardless of whether partial payment has been made by the Landlord. The builder's risk insurance need not be

carried on excavations, piers, footings, or foundations until such time as work on the super-structure is started, and need not be carried on landscape work. Such insurance shall insure the interests of contractors, sub-contractors and suppliers as well as the Tenant and the Landlord as their interests may appear. The builder's risk insurance shall not contain a deductible in excess of [\$] without the prior approval of the Landlord. The Tenant may cause this insurance to be terminated on buildings as of the date taken over for occupancy by the Tenant.

- (B) Applicable policies must be in place on or prior to the date hereof.
- i. The Tenant shall provide the Landlord with a certificate of insurance (or, at Landlord's option, copies of the applicable policies) as evidence of the limits and coverages described above, which shall be acknowledged and accepted by the Landlord by issuing a notice of acceptance and which shall affirmatively state that:
 - a. The coverage is written on an occurrence form;
 - b. The Landlord is named as an additional insured and loss payee (as applicable); and
 - c. Subrogation is waived.
 - ii. No such policy shall be subject to cancellation or modification without thirty (30) days prior written notice to Landlord. Tenant shall furnish Landlord with a replacement certificate with respect to any insurance not less than thirty (30) days prior to the expiration of the current policy. The Tenant shall require its contractors to comply with this provision.
 - iii. In the event that the Tenant's insurance, or the insurance required by any other entity under this Lease, is scheduled to expire during the Term of this Lease, the Tenant or the applicable contractor shall provide the Landlord with copies of renewal certificates thirty (30) days prior to the expiration date of the expiring coverage. The Tenant shall require its contractors to comply with this provision.
 - iv. The insurance contracts shall require the insurance company to notify the Landlord in the event of a substantial change in coverage during the policy term.

10.3 **Claims.** In the event of an insurance claim under the insurance policies contemplated by Section 10.2 hereof, the Tenant will notify the Landlord within sixty (60) days following discovery of the claim by the Tenant. In addition, the Tenant will investigate and furnish the Landlord with reports of all accidents, claims and known potential claims for damage or injury and will cooperate with its insurers and those of the Landlord.

10.4 **Restoration, Casualty, Condemnation**. If any act or occurrence of any kind or nature (including any taking by condemnation or any casualty) shall result in damage to or loss or destruction of the Improvements, in whole or in part, and without diminution of any obligation of the Tenant in respect thereof under the approved Leasehold Mortgages, the Tenant, to the extent that insurance proceeds or condemnation proceeds and other funds, if any, made available (including, without limitation, by further advance pursuant to the approved Leasehold Mortgages or Section 12.2 hereof) permit, shall promptly cause the restoration, reconstruction, and/or repair of the Improvements as nearly as possible to its value, condition and character immediately prior to such taking or casualty. To the extent required by the Leasehold Mortgagees, condemnation and casualty proceeds may be remitted directly to approved Leasehold Mortgagees, however, unless waived by Landlord, the approved Leasehold Mortgage loan documents shall contain provisions requiring restoration consistent with the foregoing if such restoration shall be reasonably determined feasible by the Leasehold Mortgagees. If such condemnation or insurance proceeds and other available funds are not sufficient or restoration is otherwise determined in accordance with the approved Leasehold Mortgage loan documents to be infeasible, such proceeds shall be applied as provided in the Leasehold Mortgage loan documents.

10.5 **Waiver of Subrogation**. Each party hereby waives any right of recovery against the other for injury or loss covered by insurance, to the extent of the injury or loss covered thereby. Any policy of insurance to be provided by Tenant pursuant to this Article X shall contain a clause denying the insurer any right of subrogation against Landlord.

10.6 **Failure to Insure**. If Tenant fails to maintain any insurance which Tenant is required to maintain pursuant to this Article X, Landlord may, but shall not be obligated to, upon notice to Tenant (said notice may be delivered via facsimile, e-mail, or by hand) promptly procure such policies of insurance, in which case Tenant shall reimburse Landlord upon demand for the cost thereof, together with interest thereon at the lesser of the maximum rate permitted by law, if any, or twelve percent (12%) per annum from the date due to the date paid, as additional rent and, in addition, Tenant shall be liable to Landlord for any loss or cost resulting from such failure to maintain. Tenant may not self-insure against any risks required to be covered by insurance.

ARTICLE XI - DAMAGE OR DESTRUCTION

11.1 **Continuation of Lease**. This Lease shall not terminate, nor shall there be any abatement of rent or any other charges to be paid by Tenant hereunder, or relief from any other obligations of Tenant hereunder as a result of the partial destruction of the Premises or any buildings or improvement located thereon, unless Tenant reasonably determines after such destruction that it is not economically practical to restore the Improvements in which event Tenant may terminate this Lease upon thirty (30) days prior notice to Landlord.

11.2 **Destruction of Premises**. If the Premises and/or any Improvements located thereon are damaged by any casualty, Tenant shall promptly and with due diligence reconstruct

and/or repair any damage to the Premises and the Improvements located thereon in the manner and as required by Sections 5.1, 8.2, and 10.4 above.

11.3 **Waiver.** The provisions contained in this Lease shall supersede any contrary laws now or hereafter in effect relating to damage or destruction.

ARTICLE XII - CONDEMNATION

12.1 **Condemnation.** If the entire Premises or a portion of the development or so much of the Premises or such portion as to render, in the Tenant's reasonable judgment (subject further to the requirements of any approved first priority Leasehold Mortgage), the balance unusable by Tenant shall be taken by condemnation, sale in lieu of condemnation or in any other manner for any public or quasi-public purpose (collectively "Condemnation"), this Lease shall terminate with respect to the entire Lease or to such portion, as the case may be, on the date that title or possession to the Premises is taken by the condemning authority, whichever is earlier; In the event that this Lease is not terminated in its entirety, the Lease shall continue in full force and effect and unmodified as to the remainder of the Premises.

Notwithstanding any provision contained herein, in the event of a partial taking, (i) the Improvements shall be rebuilt and restored, if feasible, unless the approved Leasehold Mortgagees consent to distribution of the Tenant's proceeds from such condemnation or casualty, (ii) Tenant's proceeds from any condemnation or casualty award distributed pursuant to clause (i) shall be distributed in accordance with the Leasehold Mortgages approved in accordance with Article XIII hereof. The approved Leasehold Mortgages may require that Tenant's proceeds be applied first to the reduction of the balance of the such Leasehold Mortgages.

12.2 **Apportionment of Award.** If there is a Condemnation, whether whole or partial, Landlord and Tenant shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Landlord's interest in the Leased Premises is limited to the land (exclusive of the Improvements), as encumbered by this Lease, and a reversionary interest in the Leased Premises (including the Improvements) upon the expiration of the Term. If the Leased Premises shall be restored as is contemplated in Section 10.4 above, Tenant shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award. Thereafter, if the condemning authority does not make separate awards the parties agree that any Net Condemnation Award will be allocated on a proportionate basis. As used herein, "Net Condemnation Award" means the net amounts owed or paid to the parties or to which either of the parties may be or become entitled by reason of any Condemnation pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a condemnation, less any costs and expenses incurred by the parties in collecting such award or payment. Notwithstanding the foregoing, any Condemnation Award payable to Tenant shall be directed or paid in the manner prescribed in any Leasehold Mortgage approved in accordance with Article XIII hereof.

12.3 **Temporary Taking.** No temporary taking of the Premises shall terminate this Lease or entitle Tenant to any abatement of the Rent payable to Landlord under this Lease; provided, further, that any award for such temporary taking shall belong to Tenant to the extent that the award applies to any time period during the Lease Term and to Landlord to the extent that the award applies to any time period outside the Lease Term.

ARTICLE XIII – LEASEHOLD MORTGAGES

13.1 **Right to Mortgage Leasehold.** The parties contemplate that Tenant will obtain financing for completion of the redevelopment of the Premises from lenders who will require security for repayment of the indebtedness. Tenant shall have the right to mortgage its leasehold interest in the Premises to a bank, insurance company, governmental or other bona fide lender (“Leasehold Mortgagee”).

13.2 **Notice to Leasehold Mortgagee.** If Tenant shall grant a leasehold deed to secure debt (“Leasehold Mortgage”) in accordance with Section 13.1, and if Tenant or the Leasehold Mortgagee shall have notified Landlord, in the manner hereinafter provided for the giving of notice by Tenant to Landlord, of the existence of such Leasehold Mortgage and of the address to which any notices to the Leasehold Mortgagee are to be mailed, then no notice by Landlord to Tenant under this Lease shall be effective unless and until a copy of such notice has been provided to each Leasehold Mortgagee of which Landlord has received notice from Tenant.

13.3 **Mortgagee Right to Cure.** The Leasehold Mortgagee shall have the right, but not the obligation, to remedy any default under this Lease which, with the passage of time, would be an Event of Default or cause the same to be remedied and Landlord shall accept such performance by or at the instance of such Leasehold Mortgagee as if the same had been made by Tenant. There shall be added to any grace period allowed by the terms of this Lease to Tenant for curing any default, an additional ten (10) days in the case of default in payment of Rent and an additional sixty (60) days in the case of all other defaults (except for notice of intent of cancellation of insurance for which the additional days allowed shall be limited to fifteen (15) days), for such Leasehold Mortgagee to cure the same beyond the time allowed to Tenant.

13.4 **Foreclosure Action.** In the case of a default which, with the passage of time would be an Event of Default, other than failure to pay Rent or any sum due hereunder, Landlord shall not be empowered to terminate this Lease by reason of the occurrence of such non-monetary default if Leasehold Mortgagee, (a) within sixty (60) days after the giving of notice of such event which, with the passage of time would be an Event of Default, as provided in Section 13.2, shall commence foreclosure or similar proceedings under the Leasehold Mortgage for the purpose of acquiring Tenant's interest in this Lease and thereafter diligently prosecutes the same, (b) shall bring current and continue to pay timely all payments of Rent or any sum due hereunder, and (c) shall cure such non-monetary default within sixty (60) days after the Leasehold Mortgagee or the purchaser at the foreclosure sale first obtains possession of the Premises, whether as mortgagee-in-possession, titleholder or otherwise.

13.5 **Holder through Foreclosure.** The Leasehold Mortgagee or its nominee may become the legal owner and holder of the leasehold estate under this Lease by foreclosure of its

Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure and, in the event that it does become the legal owner, it shall be required to assume the obligations of the Tenant under this Lease and it shall be subject to all of the terms hereof and be required to perform all of the obligations of Tenant hereunder.

13.6 **Foreclosure.** The term foreclosure, used in this lease, shall include both judicial foreclosure and the exercise of a power of sale.

13.7. **Right to New Lease.** Notwithstanding anything to the contrary contained herein, no termination of this Lease shall become effective until each Leasehold Mortgagee registered in accordance with Section 13.10 hereof shall have had the option, exercisable by giving Landlord written notice not more than thirty (30) days after Landlord has given such Leasehold Mortgagee notice of the occurrence of any event which, with the passage of time, would be an Event of Default by Tenant hereunder, to elect to receive from Landlord a new lease to such Leasehold Mortgagee (or to its nominee) covering the Leased Premises for the then unexpired balance of the Term, and otherwise on the same terms and conditions as set forth in this Lease. Upon termination of this Lease, Landlord agrees to execute such new lease with such Leasehold Mortgagee (or with its nominee), if such Leasehold Mortgagee:

- (a) shall cure immediately any monetary Event of Default by Tenant hereunder;
- (b) shall undertake immediately to remedy any non-monetary Event of Default by Tenant hereunder, excluding those which by their very nature are incapable of cure by any Person other than Tenant, and thereafter proceed with reasonable diligence to cure such Event of Default within a reasonable period of time; provided, however, that such period shall not extend for more than one hundred twenty (120) days after the date of such agreement; and
- (c) shall agree to perform thereafter all covenants and conditions contained in this Lease to be observed and performed by Tenant.

13.8. **Limitation on Liability of Leasehold Mortgagee.** No Leasehold Mortgagee shall be or become liable to Landlord as an assignee of this Lease or otherwise unless it expressly assumes by written instrument executed by Landlord and Leasehold Mortgagee such liability (in which event the Leasehold Mortgagee's liability shall be limited to the period of time during which it is the owner of the leasehold estate created hereby) and no assumption shall be inferred from or result from foreclosure or other appropriate proceedings in the nature thereof or as the result of any other action or remedy provided for by such Leasehold Mortgagee or other instrument or from a conveyance from Tenant pursuant to which the purchaser at foreclosure or grantee shall acquire the rights and interest of Tenant under the terms of this Lease.

13.9. **Estoppel Certificates.** Landlord and Tenant agree that at any time and from time to time upon not less than twenty (20) days' prior written notice by the other Party, or upon request from any Leasehold Mortgagee or a permitted assignee or other interested party, Landlord or Tenant will execute, acknowledge and deliver to the other Party or to such

Leasehold Mortgagee a statement in writing certifying (a) that this Lease is unmodified and in full force and effect; (b) the date through which the Rents have been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default, set-off, defense or other claim against Landlord or Tenant, as applicable, other than those, if any, so specified under the provisions of this Lease. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Landlord, Tenant or any Leasehold Mortgagee, as the case may be, in this Lease or by any prospective Leasehold Mortgagee or assignee of any Leasehold Mortgage.

13.10. **Registration of Leasehold Mortgages.** Tenant shall provide written notice to Landlord of the name and address of each Leasehold Mortgagee under this Lease.

13.11. **Rights of Investment Limited Partner.** The Investment Limited Partner, or its successors and assigns in such capacity, shall have the same notice and cure rights as any Leasehold Mortgagee for so long as it is a limited partner of Tenant. The address for any notices to the Investment Limited Partner is set forth in Section 1.9.

13.12. **Agreement to modify, cancel, terminate or surrender the Lease.** Until the Leasehold Mortgage is released and that certain loan from Leasehold Mortgagee to Tenant is indefeasibly paid in full, there shall be no agreement to modify, cancel, terminate or surrender the Lease or any interest of the Tenant without the prior written consent of Leasehold Mortgagee. Nothing in this Section 13.12 precludes the Landlord from terminating the Lease for an Event of Default which is not cured by Tenant or by Leasehold Mortgagee.

ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.1 **Restriction on Assignment.** Except to the extent specifically provided herein, Tenant shall not, without the prior written consent of Landlord, and to the extent necessary, HUD, either voluntarily or by operation of law, assign, or otherwise transfer this Lease or any interest herein, nor sublet (other than the residential units to individuals and families) or encumber all or any portion of the Premises. Any person to whom any Transfer is attempted without such consent shall have no claim, right or remedy whatsoever hereunder against Landlord, and Landlord shall have no duty to recognize any person claiming under or through the same. Any assignment, subletting or other action in violation of the foregoing shall be void and, at Landlord's option, shall constitute a material breach of this Lease. For purposes of this section 14.1 an assignment shall include any transfer of any interest in this Lease or the Premises by Tenant pursuant to mergers, division, consolidation or liquidation, or pursuant to a change in ownership of Tenant, involving transfer of voting control in Tenant (whether by transfer of partnership interests, membership interests, corporate stock or otherwise). Anything herein to the contrary notwithstanding, (i) Tenant shall have the right to sublease individual residential rental units to occupants thereof without Landlord's consent, provided that all such leases be done in the normal course of business, in compliance with the Leasehold Mortgage, and all other governmental requirements, and (ii) Tenant shall have the right to transfer limited partner interests within Tenant, or to transfer general partner interests pursuant to any removal provisions of Tenant's organizational documents, both without Landlord's consent.

14.2 **Prohibited Transfers.** Tenant agrees for itself and its successors and assigns in interest hereunder that it will not, other than by any Leasehold Mortgages that are approved by Landlord: (1) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises, or the Improvements, or (2) make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance (other than the permitted encumbrances listed on Exhibit D hereto) or other transfer of any or all of the Premises or the rest of the Improvements or the occupancy or use thereof, other than in accordance with RAD Requirements, the RAD Use Agreement, the Housing Assistance Payment Contract and this Lease (including but not limited to (i) any sale at foreclosure or by the execution of any judgment of any or all of Tenant's rights hereunder, or (ii) any Transfer by operation of law), without first obtaining Landlord's and HUD's (if required) express written consent thereto. Notwithstanding the foregoing, Tenant shall have the right to transfer limited partner interests within Tenant, or to transfer general partner interests pursuant to any removal provisions of Tenant's organizational documents, both without Landlord's consent.

14.3 **Landlord's Consent; Standards.** Except to the extent provided in Section 14.1 and Section 14.2, Landlord shall be free to withhold its consent to any assignment or sublease of all of the Premises in Landlord's sole and absolute discretion.

14.4 **Landlord's Costs.** If Tenant shall assign this Lease or shall sublet all of the Premises or shall request the consent of Landlord to any such assignment, subletting or other act, Tenant shall pay to Landlord as additional rent Landlord's costs related thereto, including Landlord's reasonable attorneys' fees. In addition, Tenant shall pay to Landlord, as additional rent, all sums received by it in connection with such transaction, whether designated as a fee or additional rent and whether payable at the time of the transaction or some time in the future.

14.5 **Continuing Liability of Tenant.** Notwithstanding any assignment or sublease, Tenant shall remain as fully and primarily liable for the payment of Rent and for the performance of all other obligations of Tenant contained in this Lease to the same extent as if the assignment or sublease had not occurred. Any act or omission of any assignee or subtenant, other than Landlord, that violates the terms of this Lease shall be deemed a violation of this Lease by Tenant.

14.6 **Non-Waiver.** The consent by Landlord to any assignment or subletting shall not relieve Tenant or any person claiming through or by Tenant, of the obligation to obtain the consent of Landlord, pursuant to this Article XIV, to any further assignment or subletting. In the event of an assignment or subletting, Landlord may collect rent from the assignee or the subtenant without waiving any rights hereunder and collection of the rent from a person other than Tenant shall not be deemed a waiver of any of Landlord's rights under this Article XIV, an acceptance of assignee or subtenant as Tenant, or a release of Tenant from the performance of Tenant's obligations under this Lease.

14.7 **No Surrender of Lease.** Landlord agrees, and Tenant acknowledges that Landlord shall not accept a voluntary surrender of Premises and/or the leasehold estate granted hereunder without the written consent of any first priority Leasehold Mortgagee.

ARTICLE XV - DEFAULT AND REMEDIES

15.1 **Events of Default By Tenant.** An Event of Default shall, at Lessor's option, be deemed to have occurred hereunder following the expiration of all applicable notice and cure periods, if:

(A) The failure by Tenant to pay Rent or make any other payment required to be made by Tenant hereunder as and when due and the continuation of such failure for ten (10) days following written notice from Landlord.

(B) The making by Tenant of an assignment of this Lease or any sublease of all or part of the Premises except as expressly permitted under Article XIV of this Lease.

(C) A notice of intent to cancel insurance coverage by an insurer that is not cured within fifteen (15) days of written notice from Landlord.

(D) The making by Tenant of any general assignment for the benefit of creditors (except as provided in Article XIII) or the filing by or against Tenant of a petition under any federal or state bankruptcy or insolvency laws (unless in the case of a petition filed against Tenant the same is dismissed within sixty (60) days after filing) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Premises or Tenant's interest in this Lease or the Premises when possession is not restored within sixty (60) days; or the attachment, execution or other seizure of substantially all of such assets located at the Premises or Tenant's interest in this Lease or the Premises if such seizure is not discharged within sixty (60) days.

(E) Subject to Section 15.9, with respect to any Regulatory Default, the failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant other than those described in Sections 15.1(A), 15.1(B), 15.1(C) or 15.1(D) above, if such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that it cannot be cured within the thirty (30) day period, no default shall be deemed to exist if Tenant commences the curing of the default promptly within such thirty (30) day period and thereafter diligently prosecutes the same to completion. The thirty (30) day notice described herein shall be in lieu of, and not in addition to, any notice required under law now or hereafter in effect requiring that notice of default be given prior to the commencement of an unlawful detainer or other legal proceeding.

15.2 **Landlord's Right To Terminate Upon Tenant Default.** Subject to any Leasehold Mortgagee's and/or Investment Limited Partner's rights to cure as set forth in Article XIII hereof and subject to any further limitations set forth in Section 15.9 below, in the event of any event of Default by Tenant (after applicable notice and cure periods, as provided in Section 15.1 above), Landlord shall have the right without further notice or demand to Tenant except as provided in Section 13.3 and except as provided in Section 15.1 (Tenant hereby irrevocably

waiving all notices and demands except as provided in Section 15.1), statutory or otherwise, to terminate this Lease and Tenant's right to possession of the Premises without terminating Tenant's liabilities under this Lease, in which event ownership of all of the Improvements shall immediately vest in Landlord and Landlord shall be entitled to receive from Tenant such amounts as may be permitted from time to time by applicable law.

15.3 **Landlord's Additional Remedies.** In the event of an Event of Default of this Lease by Tenant, whether or not Landlord elects to terminate this Lease as provided in Section 15.2 above, Landlord may from time to time enforce all of its rights and remedies under this Lease, at law or in equity.

15.4 **Right of Landlord to Perform.** All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord, upon advance written notice to Tenant and reasonable opportunity to cure may, but shall not be obligated to, make any payment on Tenant's behalf without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord and all necessary incidental out-of-pocket costs, together with interest thereon at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum, from the date of such payment shall be payable to Landlord as additional rent on demand and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of an Event of Default by Tenant in the payment of Rent.

15.5 **Non-Waiver.** Nothing in this article shall be deemed to affect Landlord's rights to indemnification for liability or liabilities arising prior to termination of this Lease for personal injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in the Lease provided.

15.6 **Cumulative Remedies.** The specific remedies to which Landlord may resort under the terms of the Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of the Lease. In addition to the other remedies provided in the Lease, including the right to terminate Tenant's right of possession of the Premises and Landlord shall be entitled to a restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of the Lease or to a decree compelling specific performance of any such covenants, conditions or Provisions.

15.7 **Standstill.** Notwithstanding any other provision herein to the contrary, the Landlord hereby agrees not to enforce any rights and/or remedies hereunder in the event that the Landlord, or an affiliate thereof, is in a control/management position of the managing member of the Tenant. Further, also notwithstanding any other provision herein to the contrary, the Landlord

hereby agrees not to enforce any rights and/or remedies hereunder during the Compliance Period (as such term is defined in the Partnership Agreement), except in the event if Tenant is in default as a result of a notice of intent to cancel insurance coverage by an insurer has been issued and Tenant has not cured that default within fifteen (15) days of written notice from Landlord, as per Section 15.1 (C) above and the Leasehold Mortgagee and Investment Partners have failed to cure this default within thirty (30) days of written notice from Landlord, notwithstanding any other cure period provided to Leasehold Mortgagee and Investment Partners herein.

15.8 **Default by Landlord.** Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of sixty (60) days (or the additional time, if any, that is reasonably necessary promptly and diligently to cure the failure) after Landlord receives written notice from Tenant specifying the default. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s). If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may pursue any remedies available to it under the law and this Lease.

15.9 **Force Majeure.** No default in the performance of the terms, covenants or conditions of this Lease on the part of the Tenant or the Landlord (other than in the payment of any Rent) shall be deemed to continue if and so long as the Landlord or the Tenant, as the case may be, shall be delayed in or prevented from remedying the same due to Force Majeure; but if and when the occurrence or condition which delayed or prevented the remedying of such default shall cease or be removed, it shall be the obligation of the Landlord or the Tenant, as the case may be, without further delay, to commence the correction of such default or to continue and complete the correction thereof.

15.10 **Regulatory Default.** Notwithstanding anything herein to the contrary, the following shall apply to any failure by Tenant to observe or perform any other provision of this Lease to which would otherwise constitute an Event of Default under Section 15.1 hereof if not cured within the time period specified therein:

- (A) Upon a determination by Landlord that Tenant has breached or defaulted under this Lease in a manner which due to a failure to comply with any obligations to operate the property in a manner consistent with the RAD Requirements (a "Regulatory Default"), Landlord shall notify Tenant of (i) the nature of the Regulatory Default, (ii) the actions required to be taken by Tenant in order to cure the Regulatory Default, and (iii) the time, (a minimum of thirty (30) days or such additional time period as may be reasonable under the circumstances but in no event longer than 120 days), within which Tenant shall respond with reasonable evidence to Landlord that all such required actions have been taken.
- (B) If Tenant, Tenant's management agent (if applicable) and the Leasehold Mortgagee (if applicable) shall have failed to respond or take the appropriate corrective

action with respect to a Regulatory Default to the reasonable satisfaction of Landlord within the applicable time period, then Landlord shall have the right to seek appropriate equitable remedies (such as specific performance, injunctive relief, or the appointment of a receiver to take over and operate the Property), in order to cause the Property to once again be in compliance with the RAD Requirements.

(C) In addition to and not in limitation of the foregoing, if Landlord shall determine that a Regulatory Default shall have occurred by reason of a default by Tenant's management agent, and that corrective action to the reasonable satisfaction of Landlord within the applicable cure period has not been taken, then Landlord may require Tenant to take such actions as are necessary in order to terminate the appointment of management agent pursuant to the terms of its management agreement and to appoint a successor management agent of the Property, subject to any requirements of any Leasehold Mortgagee.

(D) The provisions of the foregoing clauses (A) through (C) shall constitute the exclusive remedies of Landlord hereunder in the event of any such Regulatory Default. Accordingly, notwithstanding any provision to the contrary contained in this Agreement, the rights and remedies of Landlord by reason of the occurrence of any such Regulatory Default, shall be limited to those expressly set forth in the foregoing clauses (A) through (C) and shall not constitute an Event of Default under Section 15.1, provided, however, that nothing contained herein shall relieve Tenant from liability for an uncured Regulatory Default caused by Tenant's fraud, waste or mismanagement.

ARTICLE XVI - ATTORNEYS FEES; COSTS OF SUIT

16.1 **Attorneys' Fees.** If either Landlord or Tenant shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, its reasonable attorneys' fees. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent or otherwise seeking enforcement against Tenant, its sublessees and assigns, of Tenant's obligations under this Lease.

ARTICLE XVIII - QUIET ENJOYMENT

17.1 Provided that Tenant performs all of its obligations hereunder, Tenant shall have and peaceably enjoy the Premises during the Lease Term, subject to all of the terms and conditions contained in this Lease.

ARTICLE XVIII - ACCESS TO BOOKS & RECORDS

18.1 **HUD's & Landlord's Right of Access to Books & Records.** Tenant grants a right of access to the Landlord, HUD, the Comptroller General of the United States, or any of their authorized representatives, with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts.

ARTICLE XIX - LIMITATION ON LANDLORD'S LIABILITY

19.1 **Landlord's Lease Undertakings.** Notwithstanding anything to the contrary contained in this Lease or in any exhibits or addenda hereto attached (collectively the "Lease Documents"), it is expressly understood and agreed by and between the parties hereto that: (a) the recourse of Tenant or its successors or assigns against Landlord with respect to the alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in the Lease ("Landlord's Lease Undertakings") shall extend only to Landlord's interest in the Premises and not to any other assets of Landlord; and (b) except to the extent of Landlord's interest in the Premises, no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against Landlord, or any affiliate, subsidiary or agency, or against any of their respective officers, directors, officers, employees, agents, trustees or representatives.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of Landlord while in form purporting to be the representations, warranties, covenants, undertakings and agreements of Landlord are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings and agreements by Landlord or for the purpose or with the intention of binding Landlord personally, but are made and intended for the purpose only of subjecting Landlord's interest in the Premises to the terms of this Lease and for no other purpose whatsoever, and in case of default hereunder by Landlord (or default through, under or by any of Its beneficiaries, or agents or representatives of said beneficiaries), the Tenant shall look solely to the Landlord's interest in the Premises.

19.2 **Transfer of Landlord's Interest.** Landlord and each successor to Landlord shall be fully released from the performance of Landlord's obligations subsequent to their transfer of Landlord's interest in the Premises only if (1) the transfer is not to an affiliate of Landlord, and (2) the transferee assumes in writing the performance of all of Landlord's obligations hereunder arising on or after the date of such transfer.

ARTICLE XX- HOLDOVER TENANCY

20.1 **Holdover Tenancy.** If Tenant holds possession of the Premises after the expiration or termination of the Lease Term, by lapse of time or otherwise, Tenant shall become a tenant at sufferance upon all of the terms contained herein except as to Lease Term and Rent. During such holdover period, Tenant shall pay to Landlord a rental equal to one hundred twenty percent (120%) of the fair market rental payable by Tenant hereunder on a monthly basis in advance. The monthly rent payable for such holdover period shall in no event be construed as a penalty or as liquidated damages for such retention of possession. Without limiting the foregoing, Tenant hereby agrees to indemnify, defend and hold harmless Landlord, and its agents contractors and employees, from and against any and all claims, liabilities, actions, losses, damages (including without limitation, direct, indirect, incidental and consequential) and expenses (including, without limitation court costs and reasonable attorneys' fees) asserted

against or sustained by any such party and arising from or by reason of such retention of possession, which obligations shall survive the expiration or termination of the Lease Term.

ARTICLE XXI - NOTICES

21.1 **Notices.** All notices, demands and requests which are required to be given by the Landlord or Tenant shall be in writing and shall be served by personal service on the recipient or as an alternative to personal service, by mailing the same by registered or certified mail, postage prepaid, or may be sent by overnight courier, addressed to the Landlord at the address for Landlord set forth in Section 1.9 above and to Tenant at the address for Tenant set forth in Section 1.24 above, unless a request for a change in this address has been sent to the party giving the notice by registered or certified mail or by overnight courier prior to the time when such notice is given. Any notice shall be deemed to have been given and served when actually received or receipt is refused as evidenced by written verification. All notices, demands and requests to Tenant from Landlord shall also be served by the same required method to the Investment Limited Partner(s) at the address set forth in Section 1.8 above. ANY NOTICE OF DEFAULT TO TENANT THAT IS NOT SERVED UPON THE INVESTMENT LIMITED PARTNER(S), AS LONG AS IT IS A LIMITED PARTNER OF TENANT, SHALL RENDER SUCH NOTICE AS INSUFFICIENT AND VOID AND UNENFORCEABLE.

ARTICLE XXII - BROKERS

22.1 **Brokers.** The parties each represent to the other that they have not engaged any broker in connection with this Lease. If Tenant has dealt with any person or real estate broker in respect to leasing, subleasing or renting space in the Premises, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall protect, indemnify, hold harmless and defend Landlord from any liability in respect thereto.

ARTICLE XXIII - MISCELLANEOUS

23.1 **Amendments.** This Lease may be amended by mutual agreement of the Landlord and Tenant, subject to any required written approval of HUD, the Investment Limited Partner and Leasehold Mortgagee, and provided that all amendments must be in writing and signed by both parties and that no amendment shall impair the obligations of the Tenant to develop and operate the Project in accordance with the RAD Requirements. Landlord shall not have waived or released any of its rights hereunder unless in writing and executed by the Landlord.

23.2 **Successors.** Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind and benefit the successors and assigns of the parties hereto.

23.3 **Disclaimer of Partnership Status.** (a) Tenant and Landlord acknowledge that the proposed transfer to Tenant, or to any other participating party in the Project, of public housing funds for the development and operation of the RAD Units covered under this Lease

shall not be deemed to be an assignment of such funds. Accordingly, neither Tenant, nor any other participating party, shall succeed to any rights or benefits of the Landlord. Tenant further agrees to include this disclaimer in each of its agreements or contracts with any partner, participating party, or any other party involving the use of public housing funds for the Project.

(b) Nothing contained in any agreement between Landlord and Tenant, nor any act of HUD or Landlord, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture involving HUD.

23.4 **Third Party Beneficiary.** The Investment Limited Partner is hereby deemed and recognized by Landlord and Tenant as a third party beneficiary to this Ground Lease.

23.5 **Force Majeure.** Neither Landlord nor Tenant shall incur any liability with respect to and shall not be responsible for any failure to perform, any of its obligations hereunder if such failure is caused by any reason beyond its control including, but not limited to act of God, strike, labor trouble, governmental rule, regulations, ordinance, statute or interpretation, fire, earthquake, civil commotion, or failure or disruption of utility services. The amount of time for a party to perform any of its obligations hereunder shall be extended by the amount of time such party is delayed in performing such obligation by reason of any force majeure occurrence whether similar to or different from the foregoing types of occurrences.

23.6 **Survival of Obligations.** Any obligations of Tenant accruing prior to the expiration of the Lease shall survive the termination of the Lease, and Tenant shall promptly perform all such obligations whether or not this Lease has expired.

23.7 **Governing Law.** This Lease shall be governed by, and construed in accordance with, the laws of the State of Georgia.

23.8 **Severability.** In the event any provision of this Lease is found to be unenforceable the remainder of this Lease shall not be affected, and any provision found to be invalid shall be enforceable to the extent permitted by law. The parties agree that in the event two different interpretations may be given to any provision hereunder, one of which will render the provision unenforceable, and one of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

23.9 **Conflicts.** In the event of a conflict or inconsistency between any requirement contained in this Lease and the RAD Requirements, the RAD Requirements shall in all instances be controlling.

23.10 **Captions.** All captions, headings, titles, numerical references and computer highlighting are for convenience only and shall have no effect on the interpretation of this Lease.

23.11 **Interpretation.** Tenant acknowledges that it has read and reviewed this Lease and that it has had the opportunity to confer with counsel in the negotiation of this Lease. Accordingly, this Lease shall be construed neither for nor against Landlord or Tenant, but shall

be given a fair and reasonable interpretation in accordance with the meaning of its terms and the intent of the parties.

23.12 **Independent Covenants.** Each covenant, agreement, obligation or other provision of this Lease to be performed by Tenant are separate and independent covenants of Tenant, and not dependent on any other provision of the Lease.

23.13 **Number and Gender.** All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include the appropriate number and gender, as the context may require.

23.14 **Time is of the Essence.** Time is of the essence of this Lease and the performance of all obligations hereunder.

23.15 **Exhibits and Schedules.** Exhibit "A" (Legal Description) and Exhibit "B" (Premises Depiction) are incorporated into this Lease by reference and made a part hereof.

23.16 **Jurisdiction; Choice of Laws.** The Tenant hereby consents and submits to personal jurisdiction in Chatham County, Georgia. The Tenant and Landlord consent, agree and stipulate that the exclusive forums for maintaining any civil action between the parties shall be the Superior Court of Chatham County, Georgia, the State Court of Chatham County, Georgia and the U.S. District Court for the Southern District of Georgia.

23.17 **No Merger of Title.** There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Premises by reason of the fact that the same person may acquire or hold (a) the leasehold estate created by this Lease or any interest in such leasehold estate, and (b) the fee estate in the Premises or any interest in such fee estate; and no such merger shall occur unless and until all persons, including any mortgagee, having any interest in (i) the leasehold estate created by this Lease, and (ii) the fee estate in the Premises, shall join in a written instrument effecting such merger and shall duly record the same.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the date first above written.

LANDLORD:

HOUSING AUTHORITY OF SAVANNAH

By: _____
Name: Earline Wesley Davis
Its: Executive Director

[Tenant's Signature on Next Page]

TENANT:

_____, a Georgia limited liability
Company

By: _____

By: _____

By: _____

By: _____

Name:

Title:

EXHIBIT "A"
LEGAL DESCRIPTION OF PREMISES

EXHIBIT “B”

SITE PLAN

[Attached]

EXHIBIT "C"
LIST OF PLANS AND SPECIFICATIONS
[Attached]

EXHIBIT "D"
PERMITTED ENCUMBRANCES

ZONING REGULATIONS

Sec. 8-3035. Planned unit development multifamily (PUD-M).

A. *Purpose.* The PUD-M district is intended to allow a variety of residential development including single-family residential, two-family residential, multifamily residential (including townhomes, apartments and condominiums), senior congregate housing, and university or college dormitories as well as supportive but limited commercial uses. A PUD-M district must contain a minimum of three acres.

B. *Development standards.* In addition to this section and where elsewhere provided, the PUD-M district shall adhere to the general requirements for all planned unit developments as provided in section 8-3033 (planned unit development regulations).

Where the PUD-M district is located within a planned neighborhood conservation (P-N-C) area, the approved P-N-C design guidelines are hereby adopted as an addendum to the zoning ordinance. Of the PUD-M and the P-N-C districts, the P-N-C district shall be the more restrictive district and govern should a conflict in the zoning ordinance arise. The following P-N-C districts are zoned PUD-M:

1. Cuyler-Brownsville planned neighborhood conservation (P-N-C) district-phase I (section 8-3029).

C. *Allowed uses.*

1. *Residential uses.*

a. *For PUD-M districts not within a P-N-C district.* The following residential uses shall be allowed:

- (1) Single-family detached dwellings in accordance with the R-6 (one-family residential) zoning district, provided however, the maximum lot coverage for single family detached lots shall be 40 percent based on a minimum lot size of 6,000 square feet. For single family detached lots less than 6,000 square feet in size, the maximum lot area coverage may be increased by the percentage difference between 6,000 square feet and the smaller lot.
- (2) Single-family semiattached dwellings;
- (3) Two-family dwellings or duplexes;
- (4) Multifamily dwellings, including townhomes, apartments and condominiums;
- (5) Senior citizen congregate housing, including nursing home facilities, provided that:

- (a) The number of nursing home beds shall not exceed 25 percent of the total number of units, including nursing homes beds;
 - (b) The nursing home facility is an integral part of the total facility, controlled and managed by the same entity;
 - (c) Parking for the nursing home facility conforms to parking requirements for nursing homes;
 - (d) Vehicular access to or from the nursing home facility section of the development is provided from a collector or arterial street; and
 - (e) The exterior design of the nursing home facility portion of the development is visually compatible with the remainder of the development as shown in the approved development plan.
- (6) University or college dormitories, provided that:
- 1. Such units shall be adjacent to or directly across a collector or greater classified street or an approved private vehicular access easement from a private or governmentally operated college or university. Dormitories located adjacent to a college or university shall have their pedestrian and vehicular access only from such institution and not from other adjacent streets or properties;
 - 2. The parking area to serve a dormitory shall be located on the campus of the institution which it is intended to serve;
 - 3. All buildings shall be set back a minimum of 75 feet from an exterior property line where the adjacent property is zoned so as to allow residential use;
 - 4. In addition to other requirements of the PUD review process, the master plan submitted to the MPC shall identify the detailed layout of the dormitory development, improvements on the adjacent properties and any easements or proposed fencing or landscaping on the site. The number of dormitory units shall be identified for each phase of the

development, and a floor plan for each typical dormitory structure and unit shall be made a part of the master plan. The final plat shall conform with the approved master plan and shall be recorded;

5. Along with the approved final plat, an approved dormitory conversion plan, a signed dormitory lease and/or legal agreement executed between an existing private or governmentally operated college or university and the developer of the proposed dormitory facilities, and deed restrictions or protective covenants that apply to the proposed development, shall be recorded in accordance with the PUD final plat recording requirements; and
6. The MPC may require a solid, architecturally designed fence to be installed around the perimeter or portions of the perimeter of the site where it is determined that additional visual separation or protection is necessary to protect adjacent properties.

b. *For PUD-M districts within a P-N-C district.*

- (1) *Cuyler-Brownsville P-N-C district.* Only the following residential uses shall be allowed within a PUD-M district located within the Cuyler-Brownsville P-N-C district:
 - (a) Single-family detached dwellings;
 - (b) Single-family semiattached dwellings;
 - (c) Two-family dwellings or duplexes; and
 - (d) Multifamily dwellings, including townhomes, apartments and condominiums, provided that no multifamily dwelling shall exceed more than four dwelling units per lot.

Where the proposed number of senior citizen congregate units, nursing care beds, or college or university dormitory or elderly congregate dormitory units exceed the number of conventional dwelling units which are permitted under the base zoning density for the site, a conversion plan shall be submitted to and approved by the MPC as an integral part of the initial master site plan.

Such plan shall show how the approved number of congregate units, nursing care beds, or dormitory units will be converted into dwelling units if the congregate use, nursing or dormitory use is terminated in the future. A detailed floor plan for each typical converted dwelling structure and unit, deed restrictions and protective covenants shall be made a part of the conversion plan.

The conversion of a senior citizen congregate housing development, nursing or personal care facility, or of a college or university dormitory or elderly congregate dormitory structure to a multifamily residential use shall be permitted only in compliance with an approved conversion plan subject to the following conditions:

- a. *Conversion from senior citizen congregate housing, elderly congregate dormitory units or nursing care homes.* Such conversions shall occur only in compliance with the base zoning density standard established for the particular PUD-M district and as shown on an approved, recorded conversion plan which is a part of the approved master plan.
 - b. *Conversion of college or university dormitories.* Such conversion shall be a result of a reduction in the number of units and/or an increase in the net land area through the purchase of adjacent property which can be utilized as open space and required support services. In all cases, the following conditions shall be met:
 - (1) The dormitory units shall have been actually utilized for dormitory purposes pursuant to the provisions of these regulations; and
 - (2) The post-conversion dwelling unit density shall not exceed 25 dwelling units per net acre, or be no greater than ten dwelling units per acre above the base zoning density, whichever is the most restrictive.
2. *Nonresidential and mixed uses for PUD-M districts not within a P-N-C district.*
- a. Within PUD-M districts containing not less than 500 dwelling units, nonresidential uses intended to meet the daily convenience needs of the residents of the development are allowed as set forth in this subsection. However, no construction permit for such activities shall be issued until after the minimum required 500 dwelling units are under construction.

- (1) Foodstores.
 - (2) Drugstores.
 - (3) Barbershop and beauty shop.
 - (4) Restaurants.
 - (5) Gift shops.
 - (6) Floral shops.
 - (7) Professional offices.
 - (8) Laundromats.
 - (9) Or similar uses approved by the mayor and aldermen. A request for a special use shall follow the procedure for a map amendment in accordance with section 8-3182.
- b. Within PUD-M districts containing less than 500 dwelling units, churches and other places of worship shall be allowed if all of the following conditions are met:
- (1) The use abuts a collector or arterial street;
 - (2) The use is at least 100 feet from any conforming residence; and
 - (3) The use is approved by the mayor and aldermen, following a recommendation by the MPC. A request for a special use shall follow the procedure for a map amendment in accordance with Section 8-3132. Review criteria shall be in accordance with Section 8-3123(b)(1-11), provided however that the required findings shall be made by the MPC and the mayor and aldermen
- c. *For PUD-M districts within a P-N-C district.*
- (1) *Cuyler-Brownsville P-N-C district.* Only the following nonresidential uses shall be allowed within a PUD-M district located within the Cuyler-Brownsville P-N-C district:

- (a) Foodstores, provided that such establishments shall not sell alcoholic beverages;
- (b) Drugstores, provided that such establishments shall not sell alcoholic beverages;
- (c) Barbershop and beauty shop;
- (d) Sit-down restaurants, provided that such establishments shall not sell alcoholic beverages without a meal;
- (e) Gift shops;
- (f) Floral shops;
- (g) Professional offices;
- (h) Laundromats;
- (i) Churches and other places of worship; and
- (j) Or similar uses approved by the mayor and aldermen. A request for a special use shall follow the procedure for a map amendment in accordance with section 8-3182. Review criteria shall be in accordance with section 8-3163(b), provided, however, that the required findings shall be made by the MPC and the mayor and aldermen.

D. *General development standards.* Within the PUD-M district, the following general development standards shall apply to all development except as noted in this subsection:

- 1. *Density.* The net dwelling unit density for the development shall be established at the time the property is rezoned. The density to be established shall be recommended by the MPC, but shall not be more than 25 units per net acre, with the following exceptions:
 - a. Provided the MPC may approve an increase in the number of units permitted within the development of up to 100 percent of the net density as shown on the zoning map for the property in question, where the development is to consist solely of senior citizen

congregate housing, including nursing home facilities, provided that no more than 15 percent of the total units have two or more bedrooms and that no efficiency or one-bedroom units have greater than 600 square feet of livable floor area. In senior congregate housing, nursing home beds will not be considered as living units for density purposes. Rather, the conversion plan to either senior citizen congregate units or conventional dwelling units will be used to calculate total density.

- b. Where the development is to consist solely of dormitory development, the MPC may approve an increase in the number of allowed units above the net density as shown on the zoning map for the property in question, as follows:
 - (1) College and university dormitories. An increase up to an additional 80 percent; and
 - (2) Senior citizen congregate housing dormitories. An increase up to an additional 150 percent.
- c. Where a development plan for a PUD-M district is approved for any of the above types of dwellings, including townhomes, apartments, condominiums, or other multifamily development, the density for the PUD-M district established at the time the property was rezoned shall apply only to the area designated for multifamily development as shown on the approved specific development plan for such PUD-M district.
- d. In establishing a density standard for the PUD-M development, the metropolitan planning commission shall consider the following conditions among others:
 - (1) The traffic that shall be generated if the development is compared to another zoning classification; and
 - (2) The capacity of the water and sewer system to accommodate the development.
- e. The approved density shall be stated on the official zoning map at the time the property is rezoned.
- f. Net density per acre calculations shall not include streets, drives or parking areas.

2. *Street frontage.* The following street frontage standards shall apply to all PUD-M districts except within the Cuyler-Brownsville P-N-C district. Within the Cuyler-Brownsville P-N-C district, the setbacks for PUD-M development shall be established by section 8-3029:
 - a. *Number and location of curb cuts.* The number and location of curb cuts along arterial and collector streets shall be determined by the traffic analysis study for the proposed development and approved by the city traffic engineer. In no case shall any street intersection be within 250 linear feet of another intersection.
 - b. *Minimum development setback requirements.* The minimum building setback requirements shall be as set forth elsewhere in this chapter for the various types of development, provided that along arterial and collector streets, the following minimum setbacks shall prevail:
 1. *Arterials.* 35 feet from the right-of-way.
 2. *Collectors.* 20 feet from the right-of-way.
 3. *Spacing of units.* Front and rear faces of buildings must be a minimum of 50 feet from the front or rear of another building.
 4. *Alignment.* No dwelling unit shall be situated so as to face the rear of another unit within the development unless there is a terrain difference or sufficient vegetation to provide an effective visual buffer or unless the rear facade is architecturally designed to eliminate the "rear facade" appearance.
 5. *Parking.* Except as noted within this section, off-street parking and loading shall meet the requirements of article D (off-street parking and service requirements), section 8-3089 (minimum space requirements for off-street parking areas), section 8-3091 (minimum requirements for off-street loading space), and other standards as required by the zoning ordinance, local, state and federal agencies except where noted in this subsection; provided, that for university or college dormitory developments, one parking space per bedroom shall be required.

a. *Location.*

- (1) Parking for townhouse, apartment, condominium and other multifamily development may be provided for individual units or in a common lot with a maximum walking distance of 200 feet from the nearest parking space to the main entrance of the building intended to be served.
- (2) Parking lots shall be designed so that vehicles are not required to back into a street, and shall be separated from the street by a landscaped area of not less than ten feet. Within the Cuyler-Brownsville P-N-C district, the separation between the street and the parking area shall not be less than eight feet.
- (3) Parking areas for nonresidential and mixed uses shall be appropriately screened and set back at least 75 feet from residential structures.
- (4) Parking for nonresidential and mixed uses located in the Cuyler-Brownsville P-N-C shall be located in the rear yard. Off-street parking shall be allowed in a side yard only where the abutting property is zoned for nonresidential or mixed uses.

b. *Number of parking spaces required.*

- (1) One parking space per bedroom shall be required for senior citizen congregate housing and university or college dormitory developments.
- (2) One and a half parking spaces per dwelling unit shall be required for multifamily housing developments.

6. *Preservation of common areas.* A developer, homeowners' association established by the developer, by recorded covenants and restrictions running with the land, shall preserve and maintain for the owners and occupants of the units, and land set aside for open space, buffers, parks or recreational use, water retention areas, and common off-street parking spaces established for the development unless such responsibility is legally assumed by a unit of government.

E. *Specific development standards.*

1. *Residential uses.*

- a. *For PUD-M districts not within a P-N-C district.* The following residential standards shall apply within PUD-M districts not located within a P-N-C district:
 - (1) *Single-family detached dwellings.* Such development shall comply with the development standards for the R-6 (one-family residential) zoning district.
 - (2) *Single-family patio lot development.* Such development shall comply with the development standards for the R-6 (one-family residential) zoning district; however, a zero side yard setback shall be permitted on one side of a lot, provided that the spacing between buildings required by this section is maintained.
 - (3) *Single-family semiattached dwellings.* Such development shall comply with the development standards for the R-6 (one-family residential) zoning district; however, a zero side yard setback shall be allowed on one side of a lot, provided that the dwelling on the lot abuts another semiattached dwelling.
 - (4) *Two-family dwellings (duplexes).* Such development shall comply with the development standards for the R-6-B (one-family semiattached residential) zoning district, provided that such development shall not face across a street into single-family development or property zoned solely for single-family development.

- (5) *Multifamily dwellings, including townhomes, apartments and condominiums.* The minimum development standards for such development shall be as follows:
- (a) *Open space.* Common open spaces, excluding streets, driveways and parking areas, shall not be less than 20 percent of the total development.
 - (b) *Recreation facilities.* Common recreational areas are to be provided and equipped in scale with the residential needs of the residents of the development. Such areas are to be a part of the required common open space. A minimum of 135 square feet of developed recreational space shall be provided for each dwelling unit identified in the development plan, provided that no required recreational space shall be less than 4,000 square feet. Recreational space is to be aggregated and located in readily accessible sites and shall be identified on the approved development plan.
 - (c) *Buffers and screening.* A 25-foot natural or landscaped buffer shall be provided adjacent to every exterior property line excluding portions of the abutting street right-of-way. Where the development property line abuts a residential use or zoning district which permits single-family and two-family residential uses, this buffer shall not be less than 50 feet. This buffer is to be maintained as part of the common open space area for the development. However, where like-kind or similar type of development adjoins, a buffer shall not be required. No development or utilities, except for a fence approved by the metropolitan planning commission, shall be located within a required buffer area.
 - (d) *Minimum spacing between buildings.* Minimum spacing between the sides of buildings shall not be less than 20 feet.
 - (e) *Maximum density.* Maximum density for townhouse, apartment, condominium or other multifamily developments shall not exceed the PUD-M density established for the district at the time of rezoning.

- b. *For PUD-M districts within a P-N-C district.* The following residential standards shall apply within PUD-M districts located within the Cuyler-Brownsville P-N-C district:
 - (1) *Single-family detached dwellings.* Such development shall comply with the development standards for the Cuyler-Brownsville P-N-C zoning district (section 8-3029).
 - (2) *Single-family semiattached dwellings.* Such development shall comply with the development standards for the Cuyler-Brownsville P-N-C zoning district (section 8-3029); however, a zero side yard setback shall be allowed on one side of a lot, provided that the dwelling on the lot abuts another semiattached dwelling.
 - (3) *Two-family dwellings (duplexes).* Such development shall comply with the development standards for the zoning Cuyler-Brownsville P-N-C district (section 8-3029).
 - (4) *Multifamily dwellings, including townhomes, apartments and condominiums.* Such development shall comply with the development standards for the zoning Cuyler-Brownsville P-N-C district (section 8-3029). In addition, the following development standards shall apply:
 - a. *Maximum density.* Multifamily units shall not contain more than four dwelling units per structure.

2. *Nonresidential and mixed uses.*

- a. *For PUD-M districts not within a P-N-C district.* The following nonresidential and mixed use development standards shall apply within PUD-M districts not located within the Cuyler-Brownsville P-N-C district:
 - (1) *Location of allowed uses.*
 - (a) Nonresidential and mixed use structures shall be set back not less than 150 feet from residential structures, except as provided in C.2.(b) of this section.
 - (b) Parking areas shall be appropriately screened and set back at least 75 feet from residential structures.

- (2) *Design standards.*
 - (a) The total commercial floor area for the district shall not exceed ten square feet per dwelling unit within the PUD.
 - (b) Building area, including building coverage, landscaping and parking areas, shall not amount to more than three percent of the PUD-M developable area; provided, however, that this requirement shall not apply to churches and other places of worship established in compliance with C.2.(b) of this section.
 - (3) *Street frontage.* Areas designated for commercial uses shall front onto an arterial or collector street within the development. Such uses shall not be established across a street from property lying outside the boundaries of the PUD or to adjacent properties lying outside the PUD.
 - (4) *Signage.*
 - (a) One sign shall be allowed for each business establishment. Illumination shall be of interior, nonflashing design or indirectly lighted.
 - (b) Signs shall not be more than 20 square feet in size.
 - (5) *Off-street parking.* Off street parking shall meet the requirements of section 8-3081, article D (off-street parking and loading requirements).
 - (6) *Outdoor storage or displays.* There shall be no outdoor storage or displays.
- b. *For PUD-M districts within a P-N-C district.* The following commercial development standards shall apply to PUD-M districts located within the Cuyler-Brownsville P-N-C district:
- (1) *Location of allowed uses.*
 - a. Areas designated for nonresidential uses shall front onto an arterial or collector street.

- (2) *Design standards.* New development, exterior repairs, renovations or rehabilitation within this district shall be in accordance with section 8-3029 (Cuyler-Brownsville planned neighborhood conservation district).
- (3) *Outdoor storage or displays.* There shall be no outdoor storage and displays.

2017 IREM SURVEY

Conventional Apartments by Metro - SAVANNAH, GA - GARDEN BUILDINGS						
Expense Year	2016		2015		2014	
Line Item	Per Unit	%	Per Unit	%	Per Unit	%
No. of Buildings		6		4		4
RENTS-APARTMENTS	\$10,586	94.6	\$8,591	96.8	\$8,421	97.1
RENTS-GARAGE/PARKING	\$76	0.8	None	None	None	None
RENTS-STORES/OFFICES	None	None	None	None	None	None
GROSS POSSIBLE RENTS	\$10,593	94.6	\$8,591	96.8	\$8,421	97.1
CONCESSIONS	\$17	0.2	\$35	0.4	\$70	0.8
VACANCIES/RENT LOSS	\$1,289	11	\$616	7.3	\$899	8.7
TOTAL RENTS COLLECTED	\$8,316	84.9	\$7,887	90.1	\$7,237	88.3
OTHER INCOME	\$506	5.8	\$311	4.4	\$287	4.2
GROSS POSSIBLE INCOME	\$11,287	100	\$8,776	100	\$8,669	100
TOTAL COLLECTIONS	\$8,822	91	\$8,072	94.5	\$7,460	91.1
MANAGEMENT FEE	\$415	3.6	\$560	7.7	\$483	7.1
OTHER ADMINISTRATIVE.**	\$521	4.2	\$907	12.7	\$891	12.1
SUBTOTAL ADMINIST.	\$1,227	7.4	\$1,649	19.8	\$1,392	16.1
SUPPLIES	\$41	0.5	\$286	3.4	\$250	3.7
HEATING FUEL-CA ONLY*	None	None	None	None	None	None
CA & APTS.*	None	None	None	None	None	None
ELECTRICITY--CA ONLY*	\$261	2.4	\$223	2.3	\$249	2.7
CA & APTS.*	None	None	None	None	None	None
WATER/SEWER--CA ONLY*	\$64	0.6	\$73	0.6	\$36	0.4
CA & APTS.*	None	None	None	None	None	None
GAS-----CA ONLY*	None	None	None	None	None	None
CA & APTS.*	None	None	None	None	None	None
BUILDING SERVICES	\$38	0.3	\$47	0.6	\$64	0.7
OTHER OPERATING	None	None	\$3	0	\$31	0.3
SUBTOTAL OPERATING	\$574	4.7	\$529	6.3	\$556	6.8
SECURITY**	None	None	None	None	\$0	0
GROUNDS MAINTENANCE**	\$270	2.8	\$300	2.7	\$287	3.3
MAINTENANCE-REPAIRS	\$344	3.6	\$310	3.7	\$368	4.5
PAINTING/DECORATING**	\$105	1.2	\$100	1.2	\$74	0.9
SUBTOTAL MAINTENANCE	\$868	8.6	\$738	8.8	\$778	8.3
REAL ESTATE TAXES	\$617	6.4	\$597	6.8	\$541	6.3
OTHER TAX/FEE/PERMIT	\$9	0.1	None	None	None	None
INSURANCE	\$281	3.6	\$499	5.9	\$482	5.9
SUBTOTAL TAX-INSURANCE	\$966	10.4	\$1,086	14	\$1,087	13.3
RECREATNL/AMENITIES**	\$155	1.8	\$129	1.7	\$111	1.5
OTHER PAYROLL	None	None	\$1,325	15.8	\$1,310	16
TOTAL ALL EXPENSES	\$4,609	30.4	\$5,378	61.3	\$5,129	60.3
NET OPERATING INCOME	\$5,638	58.6	\$2,998	35.6	\$2,812	34.4
PAYROLL RECAP**	\$1,265	9.2	\$1,605	19.1	\$1,573	19.2

© Copyright Institute of Real Estate Management.

Conventional Apartments by Metro - CHARLESTON, SC - GARDEN BUILDINGS						
Expense Year	2016		2015		2014	
Line Item	Per Unit	%	Per Unit	%	Per Unit	%
No. of Buildings		8		8		7
RENTS-APARTMENTS	\$ 14,477	92.5	\$ 14,771	91.6	\$ 12,654	91.6
RENTS-GARAGE/PARKING	\$ 179	1.2	\$ 210	1.2	\$ 179	1.1
RENTS-STORES/OFFICES	None	None	None	None	None	None
GROSS POSSIBLE RENTS	\$ 14,593	93.3	\$ 14,935	92.3	\$ 12,882	92.2
CONCESSIONS	\$ 26	0.2	\$ 62	0.4	\$ 64	0.8
VACANCIES/RENT LOSS	\$ 1,518	8	\$ 1,673	10	\$ 1,507	11.4
TOTAL RENTS COLLECTED	\$ 13,763	86.2	\$ 13,132	84.5	\$ 11,289	80.8
OTHER INCOME	\$ 978	7.5	\$ 1,391	8	\$ 1,089	7.8
GROSS POSSIBLE INCOME	\$ 16,604	100	\$ 16,809	100	\$ 14,215	100
TOTAL COLLECTIONS	\$ 14,693	93.8	\$ 15,006	94.4	\$ 12,378	88.6
MANAGEMENT FEE	\$ 495	2.7	\$ 437	2.6	\$ 357	2.6
OTHER ADMINISTRATIVE.**	\$ 912	5.2	\$ 687	3.8	\$ 535	3.8
SUBTOTAL ADMINIST.	\$ 1,307	7.8	\$ 1,126	6.3	\$ 962	6.5
SUPPLIES	\$ 27	0.2	\$ 29	0.2	\$ 12	0.1
HEATING FUEL-CA ONLY*	\$ 32	0.3	None	None	None	None
CA & APTS.*	None	None	None	None	None	None
ELECTRICITY--CA ONLY*	\$ 188	1.2	\$ 230	1.4	\$ 190	1.6
CA & APTS.*	None	None	None	None	None	None
WATER/SEWER--CA ONLY*	\$ 372	2.1	\$ 342	2.3	None	None
CA & APTS.*	None	None	\$ 463	2.6	\$ 455	3.5
GAS-----CA ONLY*	\$ 6	0.1	\$ 5	0.1	\$ 4	0
CA & APTS.*	None	None	None	None	None	None
BUILDING SERVICES	\$ 124	0.8	\$ 93	0.7	\$ 49	0.3
OTHER OPERATING	None	None	None	None	None	None
SUBTOTAL OPERATING	\$ 788	4.8	\$ 735	4.9	\$ 776	5.1
SECURITY**	\$ 47	0.3	None	None	None	None
GROUNDS MAINTENANCE**	\$ 382	2.5	\$ 538	3.4	\$ 387	2.7
MAINTENANCE-REPAIRS	\$ 674	4	\$ 570	3.3	\$ 484	3.6
PAINTING/DECORATING**	\$ 237	1.2	\$ 274	1.6	\$ 226	1.6
SUBTOTAL MAINTENANCE	\$ 1,230	9.4	\$ 1,515	8.9	\$ 872	9.4
REAL ESTATE TAXES	\$ 1,540	9.9	\$ 1,562	10.5	\$ 839	7.6
OTHER TAX/FEE/PERMIT	\$ 52	0.3	\$ 13	0.1	\$ 13	0.1
INSURANCE	\$ 390	2.5	\$ 323	1.6	\$ 244	2.5
SUBTOTAL TAX-INSURANCE	\$ 1,848	11.5	\$ 2,025	12.6	\$ 1,456	10.3
RECREATNL/AMENITIES**	\$ 19	0.1	\$ 21	0.1	\$ 18	0.2
OTHER PAYROLL	None	None	None	None	None	None
TOTAL ALL EXPENSES	\$ 5,801	34.9	\$ 5,251	31.4	\$ 3,397	32.8
NET OPERATING INCOME	\$ 9,272	58.8	\$ 9,754	58	\$ 7,477	54.9
PAYROLL RECAP**	\$ 1,321	8.7	\$ 1,318	8.9	\$ 1,297	9

© Copyright Institute of Real Estate Management.

Conventional Apartments by Region/Country - REGION 4 - GARDEN BUILDINGS						
Expense Year	2016		2015		2014	
Line Item	Per Unit	%	Per Unit	%	Per Unit	%
No. of Buildings		586		567		572
RENTS-APARTMENTS	\$ 10,208	92.7	\$ 9,400	93.8	\$ 9,388	93.4
RENTS-GARAGE/PARKING	\$ 130	0.9	\$ 113	0.8	\$ 118	1
RENTS-STORES/OFFICES	\$ 92	0.8	\$ 84	0.8	\$ 81	0.9
GROSS POSSIBLE RENTS	\$ 10,208	93	\$ 9,400	94	\$ 9,413	94
CONCESSIONS	\$ 32	0.3	\$ 44	0.4	\$ 61	0.6
VACANCIES/RENT LOSS	\$ 755	6.9	\$ 657	6.2	\$ 695	6.9
TOTAL RENTS COLLECTED	\$ 9,244	84.4	\$ 8,652	85.8	\$ 8,459	84.4
OTHER INCOME	\$ 789	7.1	\$ 663	6.1	\$ 659	6.4
GROSS POSSIBLE INCOME	\$ 10,972	100	\$ 10,209	100	\$ 10,129	100
TOTAL COLLECTIONS	\$ 9,893	92.3	\$ 9,244	92.9	\$ 8,995	91.4
MANAGEMENT FEE	\$ 400	3.4	\$ 382	3.7	\$ 377	3.7
OTHER ADMINISTRATIVE.**	\$ 621	4.9	\$ 650	6.5	\$ 555	5.8
SUBTOTAL ADMINIST.	\$ 1,063	8.3	\$ 1,068	10.2	\$ 948	9
SUPPLIES	\$ 23	0.2	\$ 30	0.3	\$ 24	0.3
HEATING FUEL-CA ONLY*	\$ 33	0.3	\$ 43	0.4	\$ 52	0.5
CA & APTS.*	\$ 212	2.2	\$ 255	2.3	\$ 258	2.1
ELECTRICITY--CA ONLY*	\$ 161	1.4	\$ 161	1.5	\$ 165	1.5
CA & APTS.*	\$ 271	3.1	\$ 221	2.8	\$ 211	2.9
WATER/SEWER--CA ONLY*	\$ 327	2.3	\$ 278	2.4	\$ 331	2.5
CA & APTS.*	\$ 550	5	\$ 498	4.7	\$ 509	4.9
GAS-----CA ONLY*	\$ 7	0.1	\$ 7	0.1	\$ 9	0.1
CA & APTS.*	\$ 18	0.1	\$ 23	0.2	\$ 19	0.2
BUILDING SERVICES	\$ 114	1.1	\$ 106	1.1	\$ 99	1
OTHER OPERATING	\$ 66	0.7	\$ 91	1.2	\$ 81	0.9
SUBTOTAL OPERATING	\$ 872	7.5	\$ 854	8.1	\$ 823	8.3
SECURITY**	\$ 29	0.2	\$ 33	0.3	\$ 37	0.4
GROUNDS MAINTENANCE**	\$ 206	1.9	\$ 193	1.9	\$ 200	2
MAINTENANCE-REPAIRS	\$ 488	4	\$ 407	4	\$ 389	3.9
PAINTING/DECORATING**	\$ 175	1.5	\$ 190	1.7	\$ 186	1.8
SUBTOTAL MAINTENANCE	\$ 899	8.3	\$ 848	8.6	\$ 855	8.3
REAL ESTATE TAXES	\$ 785	7.3	\$ 696	6.7	\$ 689	6.8
OTHER TAX/FEE/PERMIT	\$ 12	0.1	\$ 11	0.1	\$ 12	0.1
INSURANCE	\$ 260	2.2	\$ 248	2.3	\$ 271	2.6
SUBTOTAL TAX-INSURANCE	\$ 1,057	9.9	\$ 971	9.5	\$ 990	10
RECREATNL/AMENITIES**	\$ 26	0.2	\$ 22	0.2	\$ 20	0.2
OTHER PAYROLL	\$ 682	6.5	\$ 628	6.1	\$ 639	6.6
TOTAL ALL EXPENSES	\$ 4,664	37.9	\$ 4,438	41.8	\$ 4,372	42.2
NET OPERATING INCOME	\$ 5,640	52.4	\$ 4,972	49.5	\$ 4,762	47.9
PAYROLL RECAP**	\$ 1,265	11	\$ 1,227	11.7	\$ 1,252	11.9

© Copyright Institute of Real Estate Management.

Conventional Apartments by Region/Country - REGION 4 - HIGH RISE ELEVATOR						
Expense Year	2016		2015		2014	
Line Item	Per Unit	%	Per Unit	%	Per Unit	%
No. of Buildings		37		35		28
RENTS-APARTMENTS	\$19,434	92.3	\$15,244	92	\$13,975	91.5
RENTS-GARAGE/PARKING	\$60	0.2	\$54	0.4	\$301	2.6
RENTS-STORES/OFFICES	\$255	1	\$189	0.8	\$173	0.9
GROSS POSSIBLE RENTS	\$19,444	92.8	\$15,244	92.2	\$13,975	91.9
CONCESSIONS	\$152	0.7	\$68	0.7	\$29	0.3
VACANCIES/RENT LOSS	\$1,505	6.5	\$933	5.5	\$804	4.7
TOTAL RENTS COLLECTED	\$16,036	83.3	\$12,706	83	\$12,361	86.1
OTHER INCOME	\$1,522	7.5	\$1,392	7.8	\$1,377	8.3
GROSS POSSIBLE INCOME	\$20,563	100	\$16,977	100	\$15,258	100
TOTAL COLLECTIONS	\$17,487	92.5	\$14,115	93.5	\$13,792	95.1
MANAGEMENT FEE	\$551	3.2	\$441	2.9	\$492	3.3
OTHER ADMINISTRATIVE. **	\$1,170	6.2	\$876	6.3	\$818	6.5
SUBTOTAL ADMINIST.	\$1,730	9.5	\$1,308	8.5	\$1,401	9.4
SUPPLIES	\$37	0.2	\$71	0.4	\$32	0.3
HEATING FUEL-CA ONLY*	\$15	0.2	\$50	0.3	\$60	0.4
CA & APTS.*	\$51	0.1	\$56	0.2	\$73	0.3
ELECTRICITY--CA ONLY*	\$359	1.7	\$392	2.1	\$293	2
CA & APTS.*	\$1,163	7.3	\$719	5.9	\$708	5.8
WATER/SEWER--CA ONLY*	\$453	1.9	\$469	2.5	\$479	2.2
CA & APTS.*	\$528	3.5	\$361	3.7	\$354	3.9
GAS-----CA ONLY*	\$10	0.1	\$8	0.1	\$8	0.1
CA & APTS.*	None	None	None	None	None	None
BUILDING SERVICES	\$174	1.3	\$127	1	\$148	1.3
OTHER OPERATING	\$66	0.4	\$151	0.8	\$63	0.7
SUBTOTAL OPERATING	\$1,057	6.5	\$1,108	8.7	\$1,031	9.2
SECURITY**	\$27	0.1	\$8	0.1	\$18	0.1
GROUNDS MAINTENANCE**	\$174	1	\$122	0.8	\$154	1.3
MAINTENANCE-REPAIRS	\$442	2.2	\$363	2.2	\$355	1.9
PAINTING/DECORATING**	\$198	1	\$152	1	\$166	1.1
SUBTOTAL MAINTENANCE	\$889	3.5	\$679	4.3	\$799	5.5
REAL ESTATE TAXES	\$2,736	11.9	\$2,184	10.8	\$1,831	9.8
OTHER TAX/FEE/PERMIT	\$33	0.2	\$25	0.2	\$40	0.3
INSURANCE	\$236	1.3	\$242	1.6	\$276	2.5
SUBTOTAL TAX-INSURANCE	\$2,937	14.1	\$2,314	12.7	\$2,042	11.9
RECREATNL/AMENITIES**	\$14	0.1	\$15	0.1	\$22	0.1
OTHER PAYROLL	\$730	3.5	\$619	3.8	\$565	3.4
TOTAL ALL EXPENSES	\$7,701	37.1	\$5,984	36.8	\$5,975	38.8
NET OPERATING INCOME	\$10,891	53	\$8,501	53.1	\$7,850	51.9
PAYROLL RECAP**	\$1,167	6.4	\$1,244	7.4	\$1,269	8.5

© Copyright Institute of Real Estate Management.

Conventional Apartments Section 42 - REGION 4 - SECTION 42						
Expense Year	2016		2015		2014	
Line Item	Per Unit	%	Per Unit	%	Per Unit	%
No. of Buildings		145		165		156
RENTS-APARTMENTS	\$ 7,812	97.7	\$ 7,351	97.6	\$ 7,316	97.6
RENTS-GARAGE/PARKING	\$ 38	0.3	\$ 1	0	\$ 1	0
RENTS-STORES/OFFICES	None	None	\$ 108	1.4	\$ 72	1
GROSS POSSIBLE RENTS	\$ 7,812	97.7	\$ 7,351	97.6	\$ 7,316	97.7
CONCESSIONS	\$ 20	0.3	\$ 31	0.4	\$ 46	0.5
VACANCIES/RENT LOSS	\$ 319	4.4	\$ 362	5.7	\$ 535	7.2
TOTAL RENTS COLLECTED	\$ 7,078	92.7	\$ 6,743	90.1	\$ 6,585	90.7
OTHER INCOME	\$ 197	2.4	\$ 185	2.4	\$ 178	2.4
GROSS POSSIBLE INCOME	\$ 7,916	100	\$ 7,532	100	\$ 7,578	100
TOTAL COLLECTIONS	\$ 7,362	95.5	\$ 7,030	94.2	\$ 6,838	93.3
MANAGEMENT FEE	\$ 446	5.8	\$ 440	6	\$ 429	5.6
OTHER ADMINISTRATIVE.**	\$ 639	7.8	\$ 524	6.3	\$ 521	5.8
SUBTOTAL ADMINIST.	\$ 1,122	13.4	\$ 998	13.4	\$ 888	12.4
SUPPLIES	\$ 170	1.9	\$ 127	2	\$ 117	1.6
HEATING FUEL-CA ONLY*	\$ 16	0.2	\$ 39	0.4	\$ 19	0.2
CA & APTS.*	\$ 675	13.4	\$ 707	14.4	\$ 118	1.7
ELECTRICITY-CA ONLY*	\$ 175	2.2	\$ 169	2.3	\$ 186	2.5
CA & APTS.*	\$ 264	3.6	\$ 251	3.3	\$ 233	3.4
WATER/SEWER-CA ONLY*	\$ 60	0.9	\$ 51	1.1	\$ 76	1.4
CA & APTS.*	\$ 559	7.1	\$ 517	6.2	\$ 499	6.2
GAS-----CA ONLY*	\$ 19	0.3	\$ 25	0.3	\$ 19	0.2
CA & APTS.*	None	None	\$ 169	1.7	None	None
BUILDING SERVICES	\$ 160	2.1	\$ 144	2	\$ 143	2
OTHER OPERATING	\$ 111	2.3	\$ 111	2.2	\$ 107	2.2
SUBTOTAL OPERATING	\$ 934	12.9	\$ 882	13	\$ 934	13.1
SECURITY**	\$ 74	0.9	\$ 56	0.8	\$ 50	0.7
GROUNDS MAINTENANCE**	\$ 206	2.6	\$ 199	2.6	\$ 184	2.5
MAINTENANCE-REPAIRS	\$ 309	3.6	\$ 311	4	\$ 287	3.7
PAINTING/DECORATING**	\$ 105	1.2	\$ 107	1.2	\$ 95	1.2
SUBTOTAL MAINTENANCE	\$ 745	9.4	\$ 706	9.7	\$ 637	9.2
REAL ESTATE TAXES	\$ 410	5.2	\$ 402	5.5	\$ 424	5.5
OTHER TAX/FEE/PERMIT	\$ 11	0.1	\$ 8	0.1	\$ 5	0.1
INSURANCE	\$ 270	4.1	\$ 267	4.1	\$ 254	4.1
SUBTOTAL TAX-INSURANCE	\$ 693	9.4	\$ 665	9.5	\$ 669	9.5
RECREATNL/AMENITIES**	\$ 62	0.8	\$ 85	0.9	\$ 80	0.9
OTHER PAYROLL	\$ 750	8.8	\$ 750	9.8	\$ 718	9.3
TOTAL ALL EXPENSES	\$ 4,250	54.7	\$ 4,199	54.2	\$ 3,933	52.1
NET OPERATING INCOME	\$ 2,789	41.1	\$ 2,629	38.7	\$ 2,541	39
PAYROLL RECAP**	\$ 1,205	15.5	\$ 1,114	15	\$ 1,183	15.3

© Copyright Institute of Real Estate Management.

**QUALIFICATIONS
OF APPRAISER**

Appraiser Qualifications – Nelson C. Pratt, MAI

Nelson C. Pratt, MAI
nelson@hodgesandpratt.com

Hodges & Pratt Co.
1528 Coleman Road
Knoxville, Tennessee 37909
P: 865.673.4840 | F: 865.673.0188
www.hodgesandpratt.com

Education

- The University of Tennessee
 - Bachelor of Science in Business Administration (2000)
Major in Finance with an emphasis in Real Estate

Professional and Technical Courses

- Currently certified in the program of continuing education as required by the state
- Attended numerous professional courses and seminars relative to real estate appraisal to include the following:
 - Principals of Real Estate Appraisal
 - Procedures of Real Estate Appraisal
 - Basic Income Capitalization
 - Advanced Income Capitalization
 - Highest & Best Use and Market Analysis
 - Advanced Cost and Sales Comparison Approach
 - Report Writing and Valuation Analysis
 - Advanced Applications
 - Business Practice & Ethics
 - Standards of Professional Practice – USPAP
 - 7-hour USPAP Update (every two years)
 - State of the Profession
 - Evaluating Commercial Construction
 - Litigation Skills for Appraisers
 - Supervising Appraisal Trainees
 - Complex Litigation Case Studies
 - Comparative Analysis
 - Current Issues in Real Estate Development
 - Cool Tools
 - TDOT Plans Reading Course
 - HUD MAP Training
 - HUD MAP Tune-up Workshop
 - Associate Member Guidance & Experience Workshop
 - Mortgage Fraud
 - Appraisal of Local Retail Properties
 - Site To Do Business Training
 - Feasibility Analysis-Market Value-and Investment Timing
 - Appraisal Challenges: Declining Market & Sales Concessions
 - Introduction to Valuing Green Buildings
 - HP12-C Online Seminar
 - Marketability Studies: Advanced Considerations & Applications
 - General Demonstration Report Writing

Real Estate Experience

- 2009 to Present: *President* – Hodges & Pratt Company, PC
- 2005 to 2009: *Partner* – Hodges & Pratt Company, PC (formerly Bob F. Hodges Company, PC)
- 2000 to 2004: *Associate Appraiser* – Bob F. Hodges Company, PC
- 1998 to 1999: *Assistant* – Knox County Property Assessor's Office

Professional Affiliations

- MAI Designated member of the Appraisal Institute
- Professional Member of the National Council of Housing Market Analysts (NCHMA)
- Associate member of the Southeast Mortgage Advisory Council (SMAC); I have attended the annual multifamily conference each year since 2007
- Currently licensed to perform real estate appraisals in nine states as outlined below:
 - TN Certified General License No. CG-2754
 - MS Certified General License No. GA-866
 - SC Certified General License No. CG-6521
 - GA Certified General License No. 338202
 - AR Certified General License No. CG 3404N
 - NC Certified General License No. A7285
 - AL Certified General License No. G00912
 - VA Certified General License No. 4001 01492
 - KY Certified General License No. 004552

Appraiser Qualifications – Nelson C. Pratt, MAI

- 2007: Recipient of the Roscoe Jackson Award from the Greater Tennessee Chapter of the Appraisal Institute for leadership and involvement in the Chapter and industry
- 2007/08: Education Chair / Regional Representative, Greater Tennessee Chapter of the Appraisal Institute
- 2005/06: Bylaws Committee Chair for the Greater Tennessee Chapter of the Appraisal Institute
- Served for three years on the Board of the Greater Tennessee Chapter of the Appraisal Institute
- Two-time participant in the Appraisal Institute's Leadership Development and Advisory Council (LDAC)
- Former Ambassador Volunteer for the Knoxville Area Chamber Partnership
- Selected by the *Greater Knoxville Business Journal* as one of the 2010 '40 under 40' for east Tennessee business leaders

Appraisal Assignments Completed

- Completed appraisal assignments including, but not limited to, the following property types:
 - Apartments – Affordable / Conventional
 - Automobile Dealerships
 - Convenience Stores
 - Fitness Centers
 - Industrial Facilities
 - Lodging – Hotel / Motel / B&B
 - Mixed-Use Developments
 - Offices – Professional / Medical
 - Restaurant Facilities
 - Retail Buildings
 - Self-Storage Facilities
 - Shopping Centers
 - Special-Purpose Properties
 - Subdivisions
 - Vacant Land
- Involved with multiple state and federal right-of-way projects
- Performed numerous market studies and appraisals of multifamily projects for conventional financing and for various housing agencies
- Utilized in a variety of consulting capacities for new multifamily construction and rehabilitation projects

Territory

Hodges and Pratt Company, P.C. is based in Knoxville, Tennessee and has completed assignments throughout the southeastern United States. My concentration over the past ten years has been in the multifamily sector with numerous assignments completed for both conventional and affordable housing properties. Other appraisers in the firm have concentrated on typical commercial transactions in Tennessee over the past five years.

In regards to multifamily projects, I have worked on assignments in Tennessee, Mississippi, Ohio, Alabama, Georgia, Arkansas, Kentucky, Virginia, North Carolina, and South Carolina. The following is a list of HUD offices in which our firm has worked prior to the consolidation of field offices.

- Knoxville, TN
- Columbia, SC
- Little Rock, AR
- Louisville, KY
- Nashville, TN
- Greensboro, NC
- Columbus, OH
- Jackson, MS
- Atlanta, GA
- Birmingham, AL

Our firm conducts Right-of-Way appraisals for the Tennessee Department of Transportation (TDOT) and local municipalities. On the following page is a list of multifamily markets of which I have performed either appraisal and/or consulting assignments along with a list of Counties with Right-of-Way experience in Tennessee.

Client List of Map-Approved Lenders

- Amerisouth Financial
- Arbor
- Beech Street Capital / Capital One
- Bellwether Enterprise
- Berkadia Commercial Mortgage
- Berkeley Point Capital
- Capmark Financial
- Centennial Mortgage
- Centerline Capital Group
- CWCcapital
- Evanston Financial
- Forbix Financial
- Grandbridge Capital
- Greystone Funding
- Highland Commercial Mortgage
- Johnson Capital
- Love Funding
- Oppenheimer
- Prudential
- Red Mortgage Capital
- Red Stone Partners
- Reilly Mortgage
- Rockport Mortgage
- Wachovia
- Walker & Dunlop
- Wells Fargo Bank
- PR Mortgage

Appraiser Qualifications – Nelson C. Pratt, MAI

Markets with Multifamily Experience

Georgia

- Alpharetta
- Atlanta
- Canton
- Columbus
- Cumming
- Fort Oglethorpe
- Hinesville
- Jonesboro
- Kennesaw
- Lawrenceville
- Lithonia
- Tifton
- Macon
- McDonough
- Midland
- Moultrie
- Pooler
- Rincon
- Roswell
- Saint Mary's
- Savannah
- Smyrna
- Warner Robins
- West Point

North Carolina

- Asheville
- Camden
- Cary
- Charlotte
- Columbus
- Davidson
- Durham
- Fayetteville
- Fletcher
- Fuquay-Varina
- Garner
- Gastonia
- Goldsboro
- Greensboro
- King
- Wilkesboro
- Marion
- High Point
- Knightdale
- Laurinburg
- Mebane
- New Bern
- Newton
- Raleigh
- Roanoke Rapids
- Salisbury
- Sneads Ferry
- Wake Forest
- Wilmington
- Winston Salem
- Mount Airy
- Raeford
- Yadkinville

Arkansas

- Maumelle
- Jonesboro

Ohio

- Dayton

Alabama

- Albertville
- Auburn
- Birmingham
- Florence
- Foley
- Guntersville
- Mobile
- Prattville
- Demopolis
- Montgomery
- Northport
- Odenville
- Scottsboro
- Spanish Fort
- Troy
- Tuscaloosa
- Huntsville

South Carolina

- Beaufort
- Bluffton
- Charleston
- Columbia
- Dillon
- Greenwood
- Greenville
- Johns Island
- Manning
- Port Royal
- Summerville
- Sumter

Kentucky

- Hopkinsville
- Shelbyville
- Louisville
- Richmond
- Crestwood
- Vine Grove
- Elizabethtown
- Lexington
- Paris

Virginia

- Bristol
- Ettrick
- Lynchburg
- Portsmouth
- Gate City
- Marion
- Richmond

Mississippi

- Cleveland
- Columbus
- Hattiesburg
- Jackson
- Long Beach
- Meridian
- Biloxi
- Pascagoula
- Senatobia
- Starkville
- Tupelo
- Vicksburg
- West Point

Tennessee

- Chattanooga
- Knoxville
- Nashville
- Memphis
- 50+ other markets

Appraiser Qualifications – Nelson C. Pratt, MAI

Tennessee Counties with Right-of-Way Experience

- Blount
- Bradley
- Carter
- Claiborne
- Clay
- Cocke
- Greene
- Hamilton
- Hawkins
- Johnson
- Knox
- Lawrence
- Loudon
- Marion
- McMinn
- Monroe
- Montgomery
- Polk
- Putnam
- Roane
- Sevier
- Sullivan
- Sumner
- Union
- Van Buren
- Washington
- White

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

NELSON CHARLES PRATT

338202

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

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

D. SCOTT MURPHY
Chairperson

JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

37442634

NELSON CHARLES PRATT

ORIGINALLY LICENSED

338202

07/06/2009

Status ACTIVE

**END OF RENEWAL
07/31/2018**

**CERTIFIED GENERAL REAL PROPERTY
APPRAISER**

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

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



LYNN DEMPSEY
Real Estate Commissioner

37442634