



Crown Appraisal Group

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Gray Gardens Apartments

200 Eatonton Highway
56-unit apartment complex
Gray, Georgia

Date of Report: March 27, 2017

Prepared by

Crown Appraisal Group, Inc.
6797 N. High Street, Suite 325
Columbus, Ohio 43085
614-431-3332 (o), 614-431-3376 (f)

Prepared for

Debi Martin
Greystone Servicing Corporation, Inc.
419 Belle Air Lane
Warrenton, VA 20186

PRIVILEGED AND CONFIDENTIAL

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



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March 27, 2017

Greystone Servicing Corporation, Inc.

Attn: Debi Martin

419 Belle Air Lane

Warrenton, VA 20186

**Re: Gray Gardens Apartments
200 Eatonton Highway
Gray, Georgia**

Dear Debi Martin:

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

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1.5 Bath Townhouse</u>	<u>3 Bed, 1.5 Bath Townhouse</u>
As-is CRCU	Value 1 rents	470	590	650
Prospective (Renovated) CRCU	Value 4 rents	530	650	715
<i>Value Opinions</i>		<u>Date of Value</u>	<u>Value</u>	
Value 1 - as conventional or unrestricted		January 24, 2017	\$2,535,000	
Value 2-RD - subject to restricted rents		January 24, 2017	\$2,305,000	
Value 3 - prospective, subject to restricted rents		February 1, 2019	\$2,600,000	
Value 4 - prospective, as conventional or unrestricted		February 1, 2019	\$3,095,000	
Value 5 - Interest Credit Subsidy Value from assuming the existing 515 Loan)		December 22, 2017	\$580,000	
Value 7 - Interest Credit Subsidy Value (New 515 Loan)		February 1, 2019	\$205,000	
Value 6 - LIHTC Value		February 1, 2019	\$1,277,402	
Value 6 - State Tax Credit Value		February 1, 2019	\$475,067	
Value 7 - Insurable Value		February 1, 2019	\$3,284,583	
Value 8 - Land Value		January 24, 2017	\$270,000	

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

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

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

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

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

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

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

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

Debi Martin
March 27, 2017
Page Four

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

Sincerely,

CROWN APPRAISAL GROUP



Andrew J. Moye, MAI, AI-GRS
Principal

AJM/hrp
Enclosure

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Executive Summary

Subject Real Estate Identification: The subject is known as Gray Gardens Apartments and has an address of 200 Eatonton Highway in Gray, Georgia. The complex operates as a Class C, subsidized income, non-age restricted property. Gray Gardens Apartments is located on the east side of US 129 (Eastonton Highway), about 1/2 mile north of downtown Gray. This location is about 15 miles northeast of the I-75/I-475 interchange and about 12 miles northeast of Macon. The property is in Jones County. Gray is the county seat of Jones County and is located in central Georgia.

The subject improvements include a 56-unit apartment complex (housed in 11 one and two-story buildings). The property includes one, two, and three bedroom units. The improvements were built in 1981. The property is in average physical and functional condition. The 56 units total 49,128 sf. The property is currently 96.4% occupied. The subject site is ±11.58 acres.

Existing Use of Real Estate: Apartment Complex
 Highest and Best Use: Intensive Residential (current use)
 Parcel Number/Legal Description: J38 00 225/
 LT1&2 NORTHFOLK SUB PB 6/114 DB 175/759
 Zoning: R-3: Multi Family Residential
 USPAP Report Option: Appraisal report

Pertinent dates:
 Date of valuation: see chart
 Prospective date of valuation: see chart
 Date of inspection: January 24, 2017
 Date of report: March 27, 2017

Values, interests appraised: see next page

Conclusions:

Competitive Rent Comparable Unit Conclusions (CRCU)				
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1.5 Bath Townhouse</u>	<u>3 Bed, 1.5 Bath Townhouse</u>
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Value 8 - Land Value		January 24, 2017	\$270,000	

Parameters of Assignment

Purpose, Intended Use

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

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

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

Definitions

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

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

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

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

Comments from HB-1-3560

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

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

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

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

Comments from HB-1-3560

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

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

Real Property Interest Valued, Value Opinions 1, 2 (possible), 4, 8
fee simple estate, subject to short term leases.

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” Recognition is made that there are leases with tenants that are short term (no more than one year) in nature for the units in the apartment building improvements.

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

The 6th edition of the Dictionary of Real Estate Appraisal defines fee simple estate as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Prospective Value, Value Opinions 3, 4, 7

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

Comments from HB-1-3560

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

“As-Is” Value

The 6th edition of the Dictionary of Real Estate Appraisal defines value as is as follows. “Value as is: the value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.”

Comments from HB-1-3560

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

Insurable Value, Value 7

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

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

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

Extraordinary Assumption:

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

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

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

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

Hypothetical Condition:

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

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

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

Intended Use, User

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

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

Scope

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

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

Note that:

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

Pertinent Dates

The various dates of valuation are noted in the charts on the first page of the letter of transmittal and the Executive Summary Page. The most recent inspection of the real estate was on January 24, 2017. It is noted that the term *inspection* is not intended to convey a complete, exhaustive examination of the real estate. Such an inspection is best suited for an engineer, architect, or building inspector formally educated and trained in such matters. Rather, the term denotes that the individual viewing the real estate was at the property on the date and observed the general condition and quality of the real estate at that time. The date of report--the date the report was written—is March 27, 2017.

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

Comments Regarding Appraisal

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

- **Property.** The subject is known as Gray Gardens Apartments and has an address of 200 Eatonton Highway in Gray, Georgia. The property is a 56-unit apartment complex. The property includes one, two, and three bedroom units. The complex operates as a Class C, restricted income, non-age restricted property. The improvements were built in 1981. Overall, the property is in average physical and functional condition.

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

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

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

- **Near Term.** The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. There is a letter of intent on the subject property, proposing an option to purchase. The letter of intent was requested but not provided. The transfer is assumed to be between related parties and not one that is considered to be arms-length. The purchase price amount given to the appraisers is \$1,387,896. As the transfer is not arms-length no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. Among the items that will be replaced and/or renovated (depending upon the condition of the individual components) are air conditioning units, windows, roofs, plumbing and electric, parking areas, and kitchens and bathrooms. Microwaves will be added to each unit. In addition, a pavilion and basketball court will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate.
- **Property Location.** The property is on the east side of US 129 (Eastonton Highway), about ½ mile north of downtown Gray. This location is about 15 miles northeast of the I-75/I-475 interchange and about 12 miles northeast of Macon. The property is in Jones County. Gray is located in central Georgia. Gray is a relatively small Georgia town. There are few truly comparable properties in the area.
- **Value Opinions Developed and Reported.** There are a number of value opinions developed and reported in the appraisal report. In large part, this is due to the number of intended users – who have similar, but not identical – needs. The values that are not required by a specific intended user should be ignored.

Apartment Housing

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

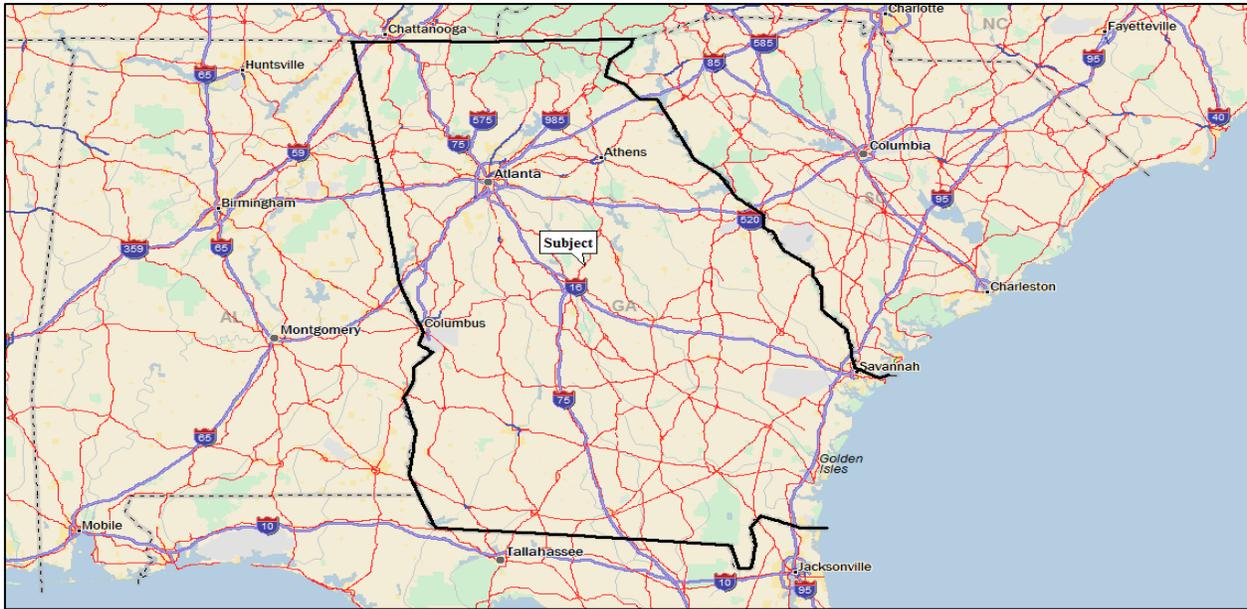
- Luxury, Class A, Class B, Class C - The type of property is designated by the year of construction and the amenities (unit and project). A luxury complex will have more amenities than a Class A property, while a Class A property has more amenities than Class B. A Class C property typically possesses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

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

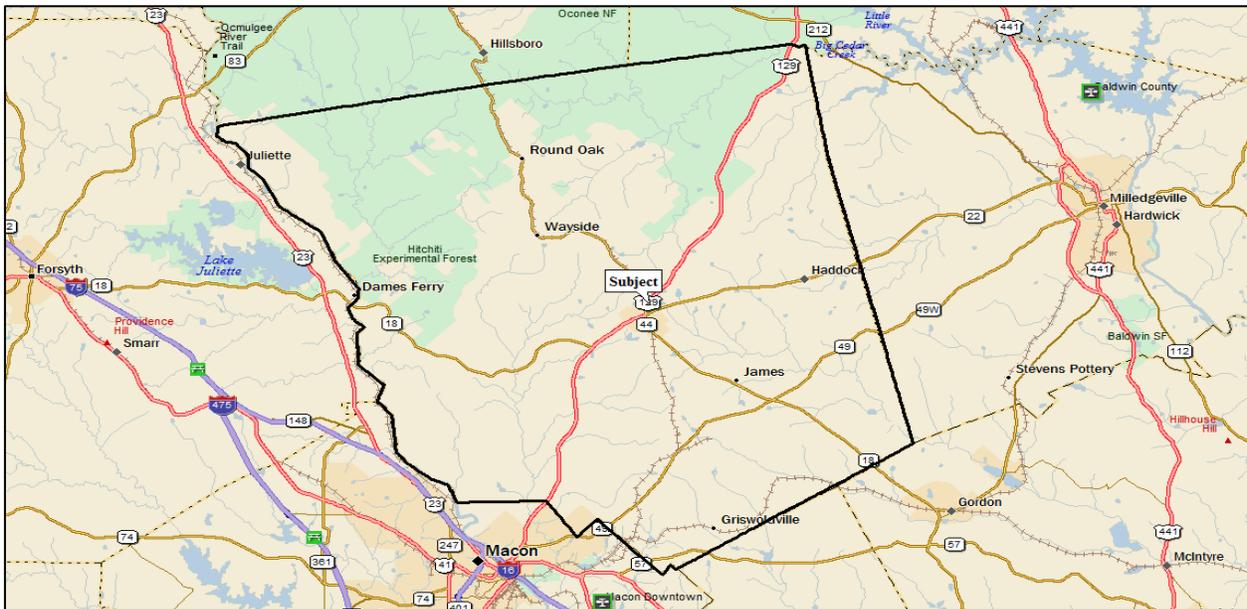
City Overview

Gray is in Jones County, in the state of Georgia. Jones County is within the Macon Metropolitan Statistical Area (MSA). This MSA contains 5 counties in Georgia – Jones, Bibb, Monroe, Crawford, and Twiggs. Jones County is located in the central portion of Georgia. The city of Gray is about 75 miles southeast of Atlanta, GA; about 95 miles northeast of Columbus, GA; and about 65 miles southwest of Athens, GA. The maps and aerial below locate the property relative to other cities in Georgia.

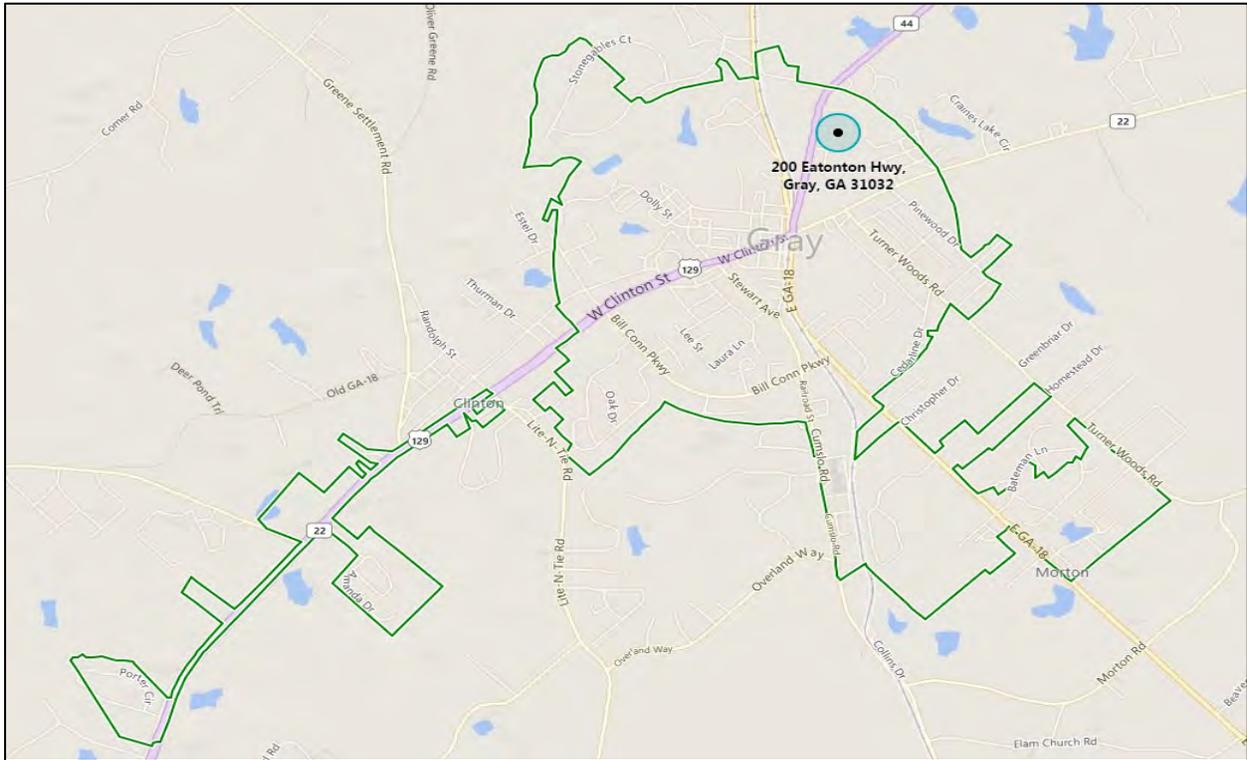
Georgia



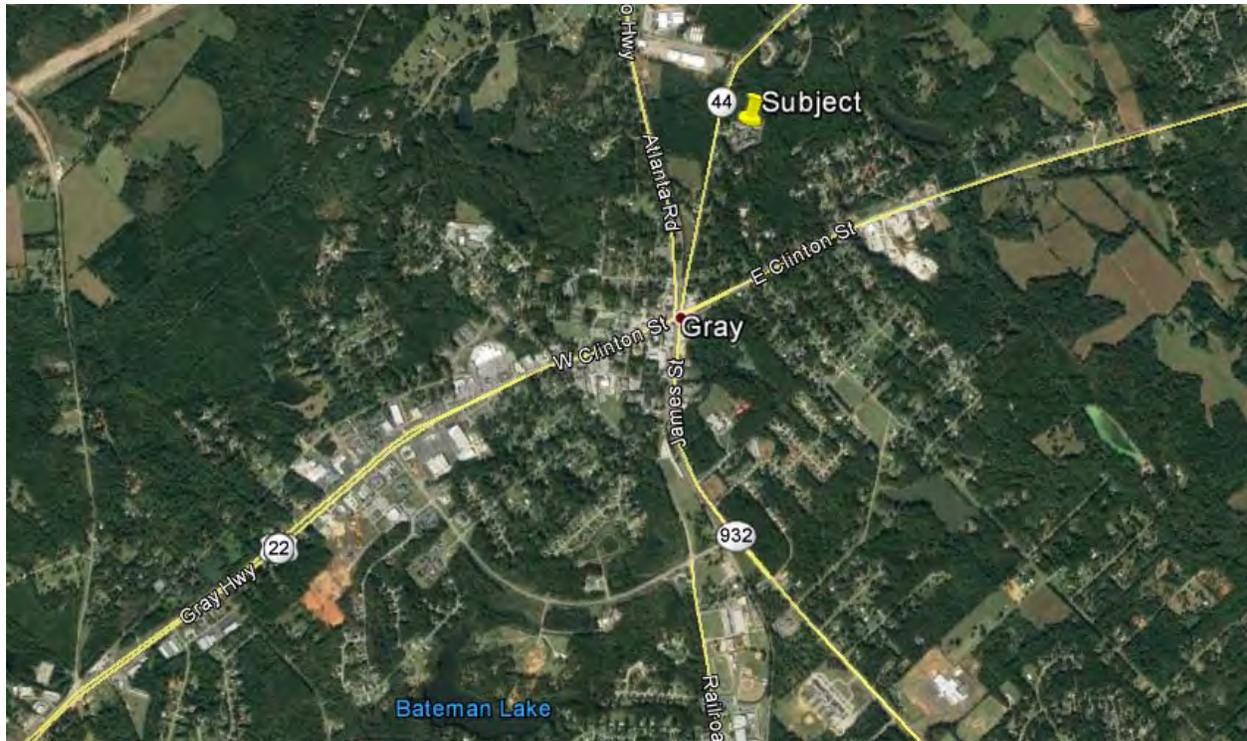
Jones County



Gray



Aerial



Physical Boundaries

Gray is roughly bordered by Industrial Boulevard to the north, Pinewood Drive to the east, SR 18 to the south, and Jackson Avenue to the west.

Road Infrastructure

There are several roadways that service Gray. These include US 129, SR 11, SR 18, and SR 22.

US 129, SR 11, and SR 18 are the primary north/south roadways in Gray. US 129 enters the city on the northeast side, travels through downtown Gray, and then exits the city on the southwest side. US 129 intersects with SR 11, SR 22, and SR 18. SR 11 enters the city on the north side and then terminates at US 129 in downtown Gray. SR 18 originates at US 129 in downtown Gray and then travels southeast to exit the city. SR 18 continues to travel through Jones County.

The primary east/west roadway is SR 22. It enters the city on the northeast side and then terminates at US 129 in downtown Gray.

Population

The Gray population according to the 2000 census was 2,017. In 2010, the population was 3,276 (an increase of 5.0%). The 2016 population estimation is 3,833 (population increase of 2.7% from 2010). The population is expected to increase by 0.9% in 2021 to 4,002.

History & Growth

Gray was founded in the 1850's. It was named after James M. Gray, a local resident. In 1905, Gray became the county seat of Jones County. There is no known planned future development. According to the demographics of the area, the population is expected to increase slightly and the viability of the area is stable.

Land Uses and Development

The primary uses in Gray are residential and commercial. The majority of commercial (retail and office) users are located in downtown Gray. These properties are local tenants which serve the local population. In addition, more significant retail development consisting of regional and national users is located about ½ mile west of the downtown area along US 129. Gray Station Shopping Center (±50,000 sf) is located on the north side of US 129 and is tenanted by Harvey's Supermarket, Rite Aid, and Party Stop with outparcels including Dollar General, Huddle House, Zaxby's, and Pickle Barrel Café & Sports Pub. Further west are Ace Hardware, Ingles Market, Walgreens, McDonald's, Waffle House, BP gas station, Dairy Queen, and a Marathon gas station.

Institutional users include Jones County High School, Gray Station Middle School Gray Elementary, Jones County Sheriff, Jones County 9th Grade Academy, and Jones County Probate Court.

Churches in Gray include St. Paul Ame Church, Gray United Methodist, Mt. Salem Baptist, Gray Church of Christ, and Central Baptist Association Mission Center. There are a few industrial users on the north side of the city.

A zoning map for the city of Gray was not available.

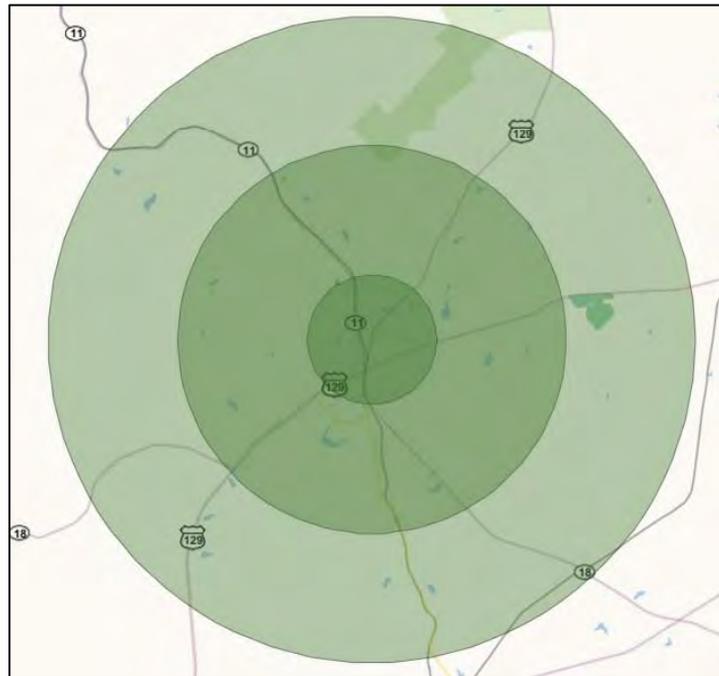
Immediate (Adjacent) Land Uses

North, East, and West: To the north, east, and west of the subject are single family residential properties and undeveloped land.

South: To the south of the subject are single family residential properties and the Jones County Farm Bureau.

Market Area Demographic Profile

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



Gray Gardens Apartments											
Demographic Profile: 1, 3 and 5-mile Radii											
	Gray		Radius from subject						Jones		
	City	CAG	1 Mile	CAG	3 Mile	CAG	5 Mile	CAG	County	CAG	
Population											
2000	2,017		1,622		4,507		7,214		23,639		
2010	3,276	5.0%	2,578	4.7%	7,061	4.6%	10,644	4.0%	28,669	1.9%	
2016 est.	3,833	2.7%	2,676	0.6%	7,389	0.8%	11,060	0.6%	28,788	0.1%	
2021 proj.	4,002	0.9%	2,777	0.7%	7,719	0.9%	11,508	0.8%	29,303	0.4%	
Median Age	36.70		36.10		38.10		39.10		40.10		
Average Age	37.50		37.10		38.50		39.20		39.70		
Households											
2000	726		587		1,629		2,616		8,659		
2010	1,142	4.6%	893	4.3%	2,523	4.5%	3,846	3.9%	10,586	2.0%	
2016 est.	1,308	2.3%	906	0.2%	2,590	0.4%	3,944	0.4%	10,654	0.1%	
2021 proj.	1,350	0.6%	931	0.5%	2,681	0.7%	4,077	0.7%	10,855	0.4%	
Average Household Size											
2000	2.78		2.76		2.77		2.76		2.73		
2010	2.87	0.3%	2.89	0.4%	2.80	0.1%	2.77	0.0%	2.71	-0.1%	
2016 est.	2.93	0.4%	2.95	0.4%	2.85	0.3%	2.80	0.2%	2.70	0.0%	
2021 proj.	2.96	0.2%	2.98	0.2%	2.88	0.2%	2.82	0.1%	2.70	0.0%	
Owner Occupied (est.)	900	68.81%	601	66.34%	1,901	73.39%	3,006	76.22%	8,588	80.61%	
Renter Occupied (est.)	408	31.19%	305	33.66%	689	26.61%	938	23.78%	2,066	19.39%	
Est. Household Income											
\$0-\$14,999	8.10%		8.80%		8.96%		9.60%		12.66%		
\$15,000-\$24,999	11.31%		11.86%		10.94%		10.86%		13.00%		
\$25,000-\$34,999	13.15%		14.41%		11.92%		11.44%		10.19%		
\$35,000-\$49,999	10.86%		11.09%		10.90%		11.50%		13.27%		
\$50,000-74,999	21.71%		20.94%		21.39%		20.81%		19.18%		
\$75,000-\$99,000	14.83%		13.98%		15.64%		15.97%		14.56%		
\$100,000 +	20.03%		18.93%		20.23%		19.82%		17.14%		
	100.0%		100.0%		100.0%		100.0%		100.0%		
Average Household Income (est.)	\$73,553		\$70,972		\$73,457		\$72,197		\$65,501		
Median Household Income (est.)	\$57,570		\$54,590		\$58,494		\$57,927		\$51,138		

¹ Compounded Annual Growth

Source: Claritas Inc.

Rent Comparable 1

General Data

Property Name:	Legacy Park Apts
Property Address:	153 E Clinton St
City:	Gray
County:	Jones
MSA:	Macon
State:	GA
Zip:	31032
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1985	1	1.0	Townhouse	580	\$480	\$0.83
Size (Number of Units):	70	2	1.0	Garden	1,180	\$580	\$0.49
Rentable Size (rsf):	66,760	3	1.5	Townhouse	1,300	\$680	\$0.52
Site Size (acres):	12.280						
Density (units/acre):	5.7						
Occ. At Time Of Survey:	95.0%						
Floors:	2						
Property Design:	Walk Up						
Exterior:	Siding						

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

The property is on the north side of Clinton Street just northeast of downtown Gray. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: John (478) 986-3270

Rent Comparable 2

General Data

Property Name:	49 West Apts
Property Address:	196 GA 49
City:	Milledgeville
County:	Baldwin
MSA:	Not in a MSA
State:	GA
Zip:	31061
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1973	1	1.0	Garden	500	14	\$455	\$0.91
Size (Number of Units):	102	2	1.0	Garden	750	36	\$520	\$0.69
Rentable Size (rsf):	85,800	2	1.5	Townhouse	1,000	48	\$595	\$0.60
Gross Size (gsf):	99,072	3	1.0	Garden	950	4	\$635	\$0.67
Site Size (acres):	4.800							
Density (units/acre):	21.2							
Occ. At Time Of Survey:	96.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Brick							

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

The property is on the south side of GA 49, just west of the US 441/GA 49 interchange and about 2 miles southeast of downtown Milledgeville. Washer/dryer hookups are in 2 and 3 bedroom units only. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Mendi (478) 387-0676

Rent Comparable 3

General Data

Property Name:	Pine Knoll Apts
Property Address:	2300 Sherry Cir
City:	Milledgeville
County:	Baldwin
MSA:	Not in a MSA
State:	GA
Zip:	31061
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1979	1	1.0	Garden	800	16	\$505	\$0.63
Size (Number of Units):	112	1	1.0	Garden	925	6	\$555	\$0.60
Rentable Size (rsf):	110,600	2	2.0	Garden	1,025	90	\$595	\$0.58
Gross Size (gsf):	112,100							
Site Size (acres):	13.500							
Density (units/acre):	8.3							
Occ. At Time Of Survey:	100.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Wood							

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Pine Knoll is located in the southwest quadrant of US 441 (North Columbia Street) and Melody Way NW, along Sherry Circle. This location is about 2 miles northwest of downtown Milledgeville. Additional amenities include a pet play area. Typical lease term is one year. Shorter lease terms (6 and 9 months) are available with management consent. There is minimal turnover.

Property Contact: Demetrice (478) 453-2570

Rent Comparable 4

General Data

Property Name:	Indian Springs Apts
Property Address:	480 Brownlee Rd
City:	Jackson
County:	Butts
MSA:	Atlanta-Sandy Springs-Roswell
State:	GA
Zip:	30233
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	2005	1	1.0	Garden	840	9	\$475	\$0.57
Size (Number of Units):	51	2	1.0	Garden	925	42	\$550	\$0.59
Rentable Size (rsf):	46,410							
Site Size (acres):	2.670							
Density (units/acre):	19.1							
Occ. At Time Of Survey:	100.0%							
Floors:	2							
Property Design:	Walk Up							
Exterior:	Siding							

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

The property is on the west side of Brownlee Road just south of downtown Jackson, and about 40 miles southeast of Atlanta. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Billy (844) 364-5409

Rent Comparable 5

General Data

Property Name:	Walker Street Apts
Property Address:	148 Walker St
City:	Jackson
County:	Butts
MSA:	Atlanta-Sandy Springs-Roswell
State:	GA
Zip:	30233
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1930	2	1.0	Garden	900	42	\$535	\$0.59
Size (Number of Units):	42							
Rentable Size (rsf):	37,800							
Site Size (acres):	3.350							
Density (units/acre):	12.5							
Occ. At Time Of Survey:	100.0%							
Floors:	1							
Property Design:	Single Story							
Exterior:	Brick							

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

The property is on the east side of Walker Street just northwest of downtown Jackson, and about 40 miles southeast of Atlanta. Units are equipped with window AC. Typical lease term is one year. Shorter lease terms are available with management consent. There is minimal turnover.

Property Contact: Emily (678) 774-8600

Rent Comparable 6

General Data

Property Name:	Walden Pointe Apts
Property Address:	701 Carver Rd
City:	Griffin
County:	Spalding
MSA:	Atlanta-Sandy Springs-Roswell
State:	GA
Zip:	30224
Renter Segmentation:	General
Rent Structure:	Market Rate



Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>	<u>Rent</u>	<u>Rent/rsf</u>
Year Built:	1998	1	1.0	Garden	998	72	\$660	\$0.63
Size (Number of Units):	216	2	2.0	Garden	1,280	112	\$750	\$0.60
Rentable Size (rsf):	262,576	3	2.0	Garden	1,480	32	\$890	\$0.57
Site Size (acres):	38.280							
Density (units/acre):	5.6							
Occ. At Time Of Survey:	100.0%							
Floors:	3							
Property Design:	Walk Up							
Exterior:	Siding							

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Walden Pointe is located on the west side of Carver Road just southwest of the US 19/Williamson Road interchange. This location is about 2 miles southwest of downtown Griffin and about 35 miles southeast of the Atlanta CBD. Additional amenities include a picnic/grilling area. Typical lease term is one year. Shorter lease terms (6 and 9 months) are available with management consent. There is minimal turnover.

Property Contact: Jenny (770) 228-3366

Analysis

Gray Gardens Apartments: The subject has 56 units, was built in 1981, and is in average physical and functional condition. It is more fully described and discussed in the Property Description section of the report. It is summarized below.

Gray Gardens Apartments										
Property and Unit Amenity Summary										
Street Address	200 Eatonton Highway			Year Built	1981		Floors	1 and 2		
City	Gray			Total Units	56		Occupancy	98.2%		
Unit Types	# units	Size (sf)		Utilities (L-landlord, T-tenant, na-not applicable)						
1 Bed, 1 Bath	7	636		<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Heat</u>	<u>Trash</u>	<u>Cable</u>	
1 Bed, 1 Bath (Non Revenue)	1	636		L	L	T	T	L	T	
2 Bed, 1.5 Bath Townhouse	24	831								
3 Bed, 1.5 Bath Townhouse	24	1,004								
Complex Amenities (Y/N)										
Pool	N		Bus. Ctr.	N		Lake	N			
Clubhouse	N		Laundry	N		Gated	N			
Tennis	N		Det. Garages	N		Car Wash	N			
Jacuzzi	N		Cov. Storage	N		Elevators	N			
Fit. Ctr	N		Open Storage	N		Basketball Court	Y			
Unit Amenities (Y/N)										
Refrigerator	Y	Disposal	N	Fireplace	N	Central A/C	Y	Ceil. Fans	N	
Range	Y	Double Sink	Y	Patio	Y	Wall A/C	N	Vlt Ceiling	N	
Microwave	N	Fan Hood	Y	Balcony	N	W/D hk ups	Y	Sec Sys	N	
Dishwasher	N	Att Garage	N	Bsmt	N	W/D	N	Storage	Y	

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

Market Rent Conclusions

Apartment Survey Ranges				
Gray Gardens Apartments				
		Unit Size	Adj. Monthly Rent	Rent/sf
As-Is	1 Bed, 1 Bath			
	Gray Gardens Apartments	636	\$470	\$0.74
	Comparable Properties	500 - 998	\$452 - \$513	\$0.51 - \$0.96
	average of comparables	473	\$473	\$0.68
As-Is	2 Bed, 1.5 Bath Townhouse			
	Gray Gardens Apartments	831	\$590	\$0.71
	Comparable Properties	750 - 1,280	\$490 - \$591	\$0.42 - \$0.73
	average of comparables	550	\$550	\$0.56
As-Is	3 Bed, 1.5 Bath Townhouse			
	Gray Gardens Apartments	1,004	\$650	\$0.65
	Comparable Properties	950 - 1,480	\$586 - \$705	\$0.45 - \$0.69
	average of comparables	649	\$649	\$0.54
As Ren.	1 Bed, 1 Bath			
	Gray Gardens Apartments	636	\$530	\$0.83
	Comparable Properties	500 - 998	\$517 - \$578	\$0.58 - \$1.09
	average of comparables	473	\$538	\$0.77
As Ren.	2 Bed, 1.5 Bath Townhouse			
	Gray Gardens Apartments	831	\$650	\$0.78
	Comparable Properties	750 - 1,280	\$555 - \$656	\$0.47 - \$0.81
	average of comparables	550	\$615	\$0.66
As Ren.	3 Bed, 1.5 Bath Townhouse			
	Gray Gardens Apartments	1,004	\$715	\$0.71
	Comparable Properties	950 - 1,480	\$651 - \$770	\$0.50 - \$0.76
	average of comparables	649	\$715	\$0.59

Source: Crown Appraisal Group

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

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

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

Unrenovated Market Rent, 1 br-1 ba (636 sf)

The subject is comprised of 8 of these units. One of the units is a non-revenue unit. Comparable properties from the area are used to develop the unrenovated rent conclusion.

<i>1 Bed, 1 Bath</i>						
<i>As is</i>						
	<u>Subject</u>	<u>Rent 1</u>	<u>Rent 2</u>	<u>Rent 3</u>	<u>Rent 4</u>	<u>Rent 6</u>
Name	Gray Gardens Apartments	Legacy Park Apts	49 West Apts	Pine Knoll Apts	Indian Springs Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Brownlee Rd	701 Carver Rd
Unadjusted Rent		\$480	\$455	\$505	\$475	\$660
<i>Location</i>						
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Brownlee Rd	701 Carver Rd
City	Gray	Gray	Milledgeville	Milledgeville	Jackson	Griffin
Population	3,833	3,833	19,341	19,341	4,831	24,016
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Superior</i>
		\$0	-\$10	-\$10	\$0	-\$10
<i>Year Built</i>	1981	1985	1973	1979	2005	1998
<i>Condition/Street Appeal</i>		<i>Similar</i>	<i>Inferior</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>
		\$0	\$5	\$0	-\$10	-\$10
<i>Unit Size (sf)</i>	636	580	500	800	840	998
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		\$11	\$27	-\$33	-\$41	-\$72
<i>Bedrooms</i>	1	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<i>Bathrooms</i>	1.0	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
<i>Utilities (who pays?)</i>						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Sewer	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Trash	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>	<i>Similar</i>
		-\$50	\$0	\$0	\$25	\$0
<i>Unit Amenities</i>	<i>Ref. Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, Patio, W/D HU</i>	<i>Ref. Range, DW, A/C, Ceil. Fans</i>	<i>Ref. Range, DW, Disp., A/C, Bal/Pat, W/D HU, Storage</i>	<i>Ref. Range, DW, A/C, W/D HU</i>	<i>Ref. Range, Micro., DW, Disp., A/C, Bal/Pat, W/D HU, Ceil. Fans, Storage, Security</i>
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>
		\$5	\$5	-\$10	\$5	-\$25
<i>Complex Amenities</i>	<i>Laundry, Basketball Court</i>	<i>None</i>	<i>Laundry, Playground</i>	<i>Clubhouse, Laundry</i>	<i>None</i>	<i>Pool, CH, Tennis, Fit Ctr, Bus Ctr, Laundry, Garage, Playground</i>
		<i>Inferior</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>	<i>Superior</i>
		\$10	\$0	\$0	\$10	-\$30
<i>Concessions</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
Net Adjustment		-\$24	\$27	-\$53	-\$11	-\$147
Adjusted Rent		\$456	\$482	\$452	\$464	\$513
Market Rent Conclusion	\$470					

Source: Crown Appraisal Group

The comparables range in size from 500 sf to 998 sf. After making the adjustments considered appropriate, the rent range is \$452 to \$513. Central tendencies are \$473 (average) and \$464 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$470/month is concluded to be appropriate.

As Renovated Market Rent, 1 br-1 ba

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

1 Bed, 1 Bath As Renovated						
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 6
Name	Gray Gardens Apartments	Legacy Park Apts	49 West Apts	Pine Knoll Apts	Indian Springs Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Brownlee Rd	701 Carver Rd
Unadjusted Rent		\$480	\$455	\$505	\$475	\$660
Location						
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Brownlee Rd	701 Carver Rd
City	Gray	Gray	Milledgeville	Milledgeville	Jackson	Griffin
Population		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Superior</i>
		\$0	-\$10	-\$10	\$0	-\$10
Year Built	1981/2017R	1985	1973	1979	2005	1998
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$50	\$55	\$50	\$40	\$40
Unit Size (sf)	636	\$80	\$00	\$80	\$40	\$98
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		\$11	\$27	-\$33	-\$41	-\$72
Bedrooms	1	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Utilities (who pays?)						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Sewer	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Trash	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant
Cable	Tenant	Landlord	Tenant	Tenant	Tenant	Tenant
		<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>	<i>Similar</i>
		-\$50	\$0	\$0	\$25	\$0
Unit Amenities	<i>Ref, Range, Micro., A/C, Patio, W/D HU, Storage</i>	<i>Ref, Range, DW, Patio, W/D HU</i>	<i>Ref, Range, DW, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, Disp., A/C, Bal/Pat, W/D HU, Storage</i>	<i>Ref, Range, DW, A/C, W/D HU</i>	<i>Ref, Range, Micro., DW, Disp., A/C, Bal/Pat, W/D HU, Ceil. Fans, Storage, Security</i>
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>
		\$10	\$10	-\$5	\$10	-\$20
Complex Amenities	<i>Laundry, Playground, Pavillion, Basketball Ct</i>	<i>None</i>	<i>Laundry, Playground</i>	<i>Clubhouse, Laundry</i>	<i>None</i>	<i>Pool, CH, Tennis, Ft Ctr, Bus Ctr, Laundry, Garages, Playground</i>
		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$20	\$10	\$10	\$20	-\$20
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0	\$0
Net Adjustment		\$41	\$92	\$12	\$54	-\$82
Adjusted Rent		\$521	\$547	\$517	\$529	\$578
Market Rent Conclusion	\$530					

Source: Crown Appraisal Group

The comparables range in size from 500 sf to 998 sf. After making the adjustments considered appropriate, the rent range is \$517 to \$578. Central tendencies are \$538 (average) and \$529 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$530/month is concluded to be appropriate.

Unrenovated Market Rent, 2 br-1.5 ba (1,004 sf)

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

2 Bed, 1.5 Bath Townhouse As is							
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6
Name	Gray Gardens Apartments	Legacy Park Apts	19 West Apts	Pine Knoll Apts	Indian Springs Apts	Walker Street Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Browlee Rd	148 Walker St	701 Carver Rd
Unadjusted Rent		\$580	\$520	\$595	\$550	\$535	\$750
Location							
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cir	480 Browlee Rd	148 Walker St	701 Carver Rd
City	Gray	Gray	Milledgeville	Milledgeville	Jackson	Jackson	Griffin
Population	3,833	3,833	19,341	19,341	4,831	4,831	24,016
		Similar	Superior	Superior	Similar	Similar	Superior
		\$0	-\$10	-\$10	-\$10	-\$10	-\$10
Year Built	1981	1983	1973	1979	2003	1930	1988
Condition/Street Appeal		Similar	Inferior	Similar	Superior	Inferior	Superior
		\$0	\$5	\$0	-\$10	\$10	-\$10
Unit Size (sq)	1,004	1,180	750	1,025	925	900	1,280
		Superior	Inferior	Superior	Inferior	Inferior	Superior
		-\$35	\$51	-\$4	\$16	\$21	-\$55
Bedrooms	2	2	2	2	2	2	2
		Similar	Similar	Similar	Similar	Similar	Similar
		\$0	\$0	\$0	\$0	\$0	\$0
Bathrooms	1.5	1.0	1.0	2.0	1.0	1.0	2.0
		Inferior	Inferior	Superior	Inferior	Inferior	Superior
		\$15	\$15	-\$15	\$15	\$15	-\$15
Utilities (who pays?)							
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Sever	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Cable	Tenant	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant
		Superior	Similar	Similar	Inferior	Inferior	Similar
		\$50	\$0	\$0	\$30	\$30	\$0
Unit Amenities	Ref. Range, A/C, Patio, W/D HU, Storage	Ref. Range, DH, Patio, W/D HU	Ref. Range, DH, A/C, W/D HU, Ceil. Fans	Ref. Range, DH, Disp., A/C, Bal. Pat, W/D HU, Storage	Ref. Range, A/C, DH, D, W/D HU, B/P, Ceil. Fans	Ref. Range, Patio, W/D HU, Ceil. Fans	Ref. Range, Micro., DH, Disp., A/C, Bal. Pat, W/D HU, Ceil. Fans, Storage, Security
		Inferior	Similar	Superior	Inferior	Inferior	Superior
		\$5	\$0	-\$10	\$5	\$5	\$25
Complex Amenities	Laundry, Basketball Court	None	Laundry, Playground	Clubhouse, Laundry	None	None	Pool, CH, Tennis, Fit Ctr, Bus Ctr, Laundry, Garage, Playground
		Inferior	Similar	Similar	Inferior	Inferior	Superior
		\$10	\$0	\$0	\$10	\$10	-\$30
Concessions	None	None	None	None	None	None	None
		\$0	\$0	\$0	\$0	\$0	\$0
Net Adjustment		-\$55	\$61	-\$39	\$66	\$91	-\$145
Adjusted Rent		\$525	\$581	\$556	\$616	\$626	\$605
Market Rent Conclusion	\$590						

Source: Crown Appraisal Group

The comparables range in size from 750 sf to 1,280 sf. After making the adjustments considered appropriate, the rent range is \$525 to \$626. Central tendencies are \$585 (average) and \$593 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$590/month is concluded to be appropriate.

As Renovated Market Rent, 2 br-1.5 ba

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

2 Bed, 1.5 Bath Townhouse As Renovated							
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6
Name	Gray Gardens Apartments	Legacy Park Apts	49 West Apts	Pine Knoll Apts	Indian Springs Apts	Walker Street Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cr	480 Brownlee Rd	148 Walker St	701 Carver Rd
Unadjusted Rent		\$580	\$520	\$595	\$550	\$535	\$750
Location							
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	2300 Sherry Cr	480 Brownlee Rd	148 Walker St	701 Carver Rd
City	Gray	Gray	Milledgeville	Milledgeville	Jackson	Jackson	Griffin
Population	3,833	3,833	19,341	19,341	4,831	4,831	24,016
		Similar	Superior	Superior	Similar	Similar	Superior
		\$0	-\$10	-\$10	\$0	\$0	-\$10
Year Built	1981/2017R	1985	1973	1979	2005	1930	1998
Condition/Street Appeal		Inferior	Inferior	Inferior	Inferior	Inferior	Inferior
		\$50	\$55	\$50	\$40	\$60	\$40
Unit Size (sq)	1,004	1,180	750	1,025	925	900	1,280
		Superior	Inferior	Superior	Inferior	Inferior	Superior
		-\$35	\$51	-\$4	\$16	\$21	-\$55
Bedrooms	2	2	2	2	2	2	2
		Similar	Similar	Similar	Similar	Similar	Similar
		\$0	\$0	\$0	\$0	\$0	\$0
Bathrooms	1.5	1.0	1.0	2.0	1.0	1.0	2.0
		Inferior	Inferior	Superior	Inferior	Inferior	Superior
		\$15	\$15	-\$15	\$15	\$15	-\$15
Utilities (who pays?)							
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Sewer	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Trash	Landlord	Landlord	Landlord	Landlord	Tenant	Tenant	Tenant
Cable	Tenant	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant
		Superior	Similar	Similar	Inferior	Inferior	Similar
		-\$50	\$0	\$0	\$30	\$30	\$0
Unit Amenities	Ref. Range, Micro, A/C, Patio, W/D HU, Storage	Ref. Range, DW, Patio, W/D HU	Ref. Range, DW, A/C, W/D HU, Ceil. Fans	Ref. Range, DW, Disp., A/C, Bal/Pat, W/D HU, Storage	Ref. Range, A/C, DW, D, W/D HU, B/P, Ceil. Fans	Ref. Range, Patio, W/D HU, Ceil. Fans	Ref. Range, Micro, DW, Disp., A/C, Bal/Pat, W/D HU, Ceil. Fans, Storage, Security
		Inferior	Inferior	Superior	Inferior	Inferior	Superior
		\$10	\$5	-\$5	\$10	\$10	-\$20
Complex Amenities	Laundry, Playground, Pavilion, Basketball Cr	None	Laundry, Playground	Clubhouse, Laundry	None	None	Pool, CH, Tennis, Fit Cr, Ice Cr, Laundry, Garage, Playground
		Inferior	Inferior	Inferior	Inferior	Inferior	Superior
		\$20	\$10	\$10	\$20	\$20	-\$20
Concessions	None	None	None	None	None	None	None
		\$0	\$0	\$0	\$0	\$0	\$0
Net Adjustment		\$10	\$126	\$26	\$131	\$156	-\$80
Adjusted Rent		\$590	\$646	\$621	\$681	\$691	\$670
Market Rent Conclusion	\$650						

Source: Crown Appraisal Group

The comparables range in size from 750 sf to 1,280 sf. After making the adjustments considered appropriate, the rent range is \$590 to \$691. Central tendencies are \$650 (average) and \$658 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$650/month is concluded to be appropriate.

Unrenovated Market Rent, 1 br-1 ba (636 sf)

The subject is comprised of 8 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

3 Bed, 1.5 Bath Townhouse				
<i>As is</i>				
	<u>Subject</u>	<u>Rent 1</u>	<u>Rent 2</u>	<u>Rent 6</u>
Name	Gray Gardens Apartments	Legacy Park Apts	49 West Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	701 Carver Rd
Unadjusted Rent		\$680	\$635	\$890
<i>Location</i>				
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	701 Carver Rd
City	Gray	Gray	Milledgeville	Griffin
Population	3,833	3,833	19,341	24,016
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>
		\$0	-\$10	-\$10
<i>Year Built</i>	1981	1985	1973	1998
<i>Condition/Street Appeal</i>		<i>Similar</i>	<i>Inferior</i>	<i>Superior</i>
		\$0	\$5	-\$10
<i>Unit Size (sf)</i>	1,004	1,300	950	1,480
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>
		-\$59	\$11	-\$95
<i>Bedrooms</i>	3	3	3	3
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0
<i>Bathrooms</i>	1.5	1.5	1.0	2.0
		<i>Similar</i>	<i>Inferior</i>	<i>Superior</i>
		\$0	\$15	-\$15
<i>Utilities (who pays?)</i>				
Heat	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Tenant
Sewer	Landlord	Landlord	Landlord	Tenant
Trash	Landlord	Landlord	Landlord	Tenant
Cable	Tenant	Landlord	Tenant	Tenant
		<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		-\$50	\$0	\$0
<i>Unit Amenities</i>	<i>Ref, Range, A/C, Patio, W/D HU, Storage</i>	<i>Ref, Range, DW, Patio, W/D HU</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref, Range, Micro., DW, Disp., A/C, Bal/Pat, W/D HU, Ceil. Fans, Storage, Security</i>
		<i>Inferior</i>	<i>Similar</i>	<i>Superior</i>
		\$5	\$0	-\$25
<i>Complex Amenities</i>	<i>Laundry, Basketball Court</i>	<i>None</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Tennis, Fit Ctr, Bus Ctr, Laundry, Garages, Playground</i>
		<i>Inferior</i>	<i>Similar</i>	<i>Superior</i>
		\$10	\$0	-\$30
<i>Concessions</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0
Net Adjustment		-\$94	\$21	-\$185
Adjusted Rent		\$586	\$656	\$705
Market Rent Conclusion	\$650			

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,480 sf. After making the adjustments considered appropriate, the rent range is \$586 to \$705. Central tendencies are \$649 (average) and \$656 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-is market rent of \$650/month is concluded to be appropriate.

As Renovated Market Rent, 1 br-1 ba

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

3 Bed, 1.5 Bath Townhouse				
As Renovated				
	Subject	Rent 1	Rent 2	Rent 6
Name	Gray Gardens Apartments	Legacy Park Apts	49 West Apts	Walden Pointe Apts
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	701 Carver Rd
Unadjusted Rent		\$680	\$635	\$890
Location				
Address	200 Eatonton Highway	153 E Clinton St	196 GA 49	701 Carver Rd
City	Gray	Gray	Milledgeville	Griffin
Population	3,833	3,833	19,341	24,016
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>
		\$0	-\$10	-\$10
Year Built	1981	1985	1973	1998
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$50	\$55	\$40
Unit Size (sf)	1,004	1,300	950	1,480
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>
		-\$59	\$11	-\$95
Bedrooms	3	3	3	3
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0	0	0
Bathrooms	1.5	1.5	1.0	2.0
		<i>Similar</i>	<i>Inferior</i>	<i>Superior</i>
		\$0	\$15	-\$15
Utilities (who pays?)				
Heat	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Landlord	Landlord	Tenant
Sewer	Landlord	Landlord	Landlord	Tenant
Trash	Landlord	Landlord	Landlord	Tenant
Cable	Tenant	Landlord	Tenant	Tenant
		<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		-\$50	\$0	\$0
Unit Amenities	<i>Ref. Range, Micro., A/C, Patio, W/D HU, Storage</i>	<i>Ref. Range, DW, Patio, W/D HU</i>	<i>Ref. Range, DW, A/C, W/D HU, Ceil. Fans</i>	<i>Ref. Range, Micro., DW, Disp., A/C, Bal/Pat, W/D HU, Ceil. Fans, Storage, Security</i>
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$10	\$10	-\$20
Complex Amenities	<i>Laundry, Playground, Pavillion, Basketball Ct</i>	<i>None</i>	<i>Laundry, Playground</i>	<i>Pool, CH, Tennis, Fit Ctr, Bus Ctr, Laundry, Garages, Playground</i>
		<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>
		\$20	\$10	-\$20
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0
Net Adjustment		-\$29	\$91	-\$120
Adjusted Rent		\$651	\$726	\$770
Market Rent Conclusion	\$715			

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,480 sf. After making the adjustments considered appropriate, the rent range is \$651 to \$770. Central tendencies are \$715 (average) and \$726 (median). No one property stands out as being more comparable than another – no one comparable is physically close, and all were adjusted. A point value near the mid-point is reasonable. An as-renovated market rent of \$715/month is concluded to be appropriate.

Market Vacancy Conclusion

Five market rate properties have been detailed. There are relatively few market rate rent comparables. Occupancy of the comparable properties ranges from 95.0%-100% with an average of 98.7%.

Apartment Vacancy				
Gray Gardens Apartments				
<u>Name</u>	<u>Location</u>	<u>Total Units</u>	<u>Occ.</u>	<u>Vacancy</u>
Gray Gardens Apartments	200 Eatonton Highway	56	98.2%	1.8%
Legacy Park Apts	153 E Clinton St	70	95.0%	5.0%
49 West Apts	196 GA 49	102	96.0%	4.0%
Pine Knoll Apts	2300 Sherry Cir	112	100.0%	
Indian Springs Apts	480 Brownlee Rd	51	100.0%	
Walker Street Apts	148 Walker St	42	100.0%	
Walden Pointe Apts	701 Carver Rd	216	100.0%	
	Minimum		95.0%	
	Maximum		100.0%	5.0%
Totals and average (excluding subject)		593	98.7%	1.3%

Source: Area Managers; Crown Appraisal Group

The subject has historically operated as a government subsidized property. Most of the units are available for rental assistance, with the tenant paying 30% of their income towards the rent figure. Historic vacancy at Gray Gardens Apartments has been low. When inspected, there was one vacant unit.

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

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

Value 1, as conventional or unrestricted –5%

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

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

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

Property Description

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

General Location

The subject is located on the east side of US 129 (Eastonton Highway), about 1/2 mile north of downtown Gray. This location is about 15 miles northeast of the I-75/I-475 interchange and about 12 miles northeast of Macon. The property is in Jones County. Gray is located in central Georgia. The property has an address of 200 Eatonton Highway, Gray, Georgia. The maps in the preceding section show the property's location.

Access, Ingress, Egress, Visibility

Primary access to the area is via Eatonton Highway/US 129. Overall, access is average from both a neighborhood (local) perspective, as well as a macro (regional) perspective. Ingress/egress to the property is via Eatonton Highway. The ingress and egress attributes are average. Visibility to the subject is considered average.

History of the Property

According to public records, the subject is owned by Gray Gardens Associates, Ltd. The current owner purchased the property in 1981 and subsequently developed the property. The subject has not been sold during the past three years. The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. While the sale price is in the final stages of negotiation, the price is expected to be about \$1,387,896. The transfer is assumed to be between related parties and not one that is considered to be arms-length. As the transfer is presumably not arms-length, no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) The developer estimates the renovation cost to be about \$33,727 per unit, or about \$1,888,721. Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. It is expected that the air conditioning units will be replaced, windows will be repaired/replaced, new roofs will be installed, parking areas will be repaired, and kitchens and bathrooms will be updated as needed. Microwaves will be added to each unit. In addition, a pavilion and basketball court will be added to the complex.

Fair Housing

There are no known violations of the Fair Housing Act of 1988, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990. There are 3 units that are UFAS (Uniform Federal Accessibility Standards) accessible or and 1 unit which is equipped for the sight/hearing impaired. There are 4 ADA (Americans with Disabilities Act) parking spaces at the subject. **Note: The appraisers are not experts in such matters. It is assumed that fair housing practices are implemented at the subject. The user of the report is instructed to seek the advice of an expert if further questions arise pertaining to fair housing issues.**

Easements

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

Environmental Hazards

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

Third Party Reports

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

Topography

The topography at the site is generally level.

Flood Plain

According to FEMA's flood insurance rate map community panel number 13169C0170D, dated May 4, 2009, the subject is located in Zone X. Zone X is identified as not being in a flood plain.

Zoning

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

Utilities

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

<i>Utility Details</i>	
<i>Gray Gardens Apartments</i>	
<u>Service</u>	<u>Paid by</u>
Heat	Tenant
Electric	Tenant
Water	Landlord
Sewer	Landlord
Trash	Landlord
Cable	Tenant

Source: *Management*

Improvements

The subject improvements include a 56-unit apartment complex (housed in 11, one and two-story buildings). The improvements were initially developed in 1981.

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

Each unit has a living room/living area, kitchen, one, two, or three bedrooms, and up to 1.5 bathrooms. The floors in the units are a combination of carpet and tile. Windows are double hung. Exterior doors are metal; interior doors are hollow core wood. Interior walls are painted drywall; ceilings are painted drywall. Ceiling height is generally 8 feet. Hot water is supplied via individual water heaters. Each unit includes a washer/dryer hook-up and a patio.

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

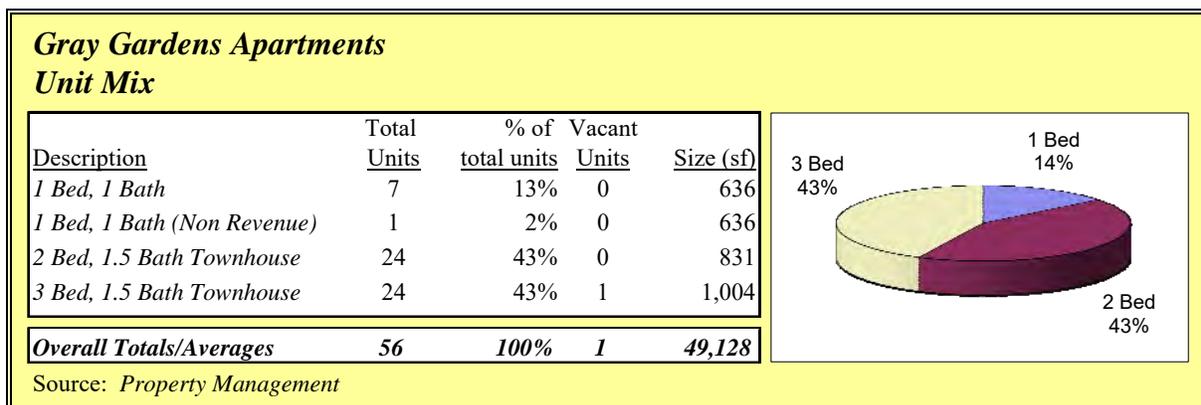
Each unit has an individual forced air furnace. The units have central air conditioning. The units have battery powered smoke alarms.

Property amenities at the subject include a laundry facility and basketball court. While not a property amenity per se, each unit has a small enclosed storage room to the rear of the units off of the patio.

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

Unit Mix

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



Physical and Functional Condition

The improvements were completed in 1981 and renovated periodically over time. The property has been maintained on an as needed basis.

The total building size is 49,876 sf. This is the sum of the apartment units (1 Bedroom - 636 sf/unit * 8 units – 5,088 sf plus 2 Bedroom – 831 sf/unit * 24 units – 19,944 sf plus 3 Bedroom – 1,004 sf/unit * 24 units – 24,096 sf plus the office/laundry/maintenance (748 sf).

A major renovation is planned for the property improvements. Preliminary plans, completed by Wallace Architects, LLC, are included in the addendum of the report. Per the client, finalized plans will be provided to Rural Development and DCA for review and approval separately. Planned renovations include replacement of all existing flooring, replacement of kitchen cabinets and countertops, replacement of existing kitchen appliances, plumbing fixtures, lighting fixtures, bathroom cabinets and countertops, HVAC, repainting, re-roofing (new shingles), as well as exterior upgrades and improvements, and re-paving and re-striping of drive and parking areas. Microwaves will be added to each unit. In addition, a pavilion and basketball court will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate. The renovation is expected to cost about \$33,727 per unit, or about \$1,888,721.

Upon completion of the renovations, the property’s marketability, overall quality, and aesthetic appeal will be increased and enhanced. Following the renovations, the subject is projected to have a remaining economic life – assuming normal maintenance and repairs - of 60 years. If the property were not renovated, the remaining economic life (the “remaining economic life”) is estimated at 20 years.

Current Rent Parameters/Rent Roll

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

Gray Gardens Apartments												
Rent Parameters												
	Total Units	% of total	Vacant Units	% of unit type	Size (sf)	Total Size (sf)	Contract Rent	Gross LIHTC	Utility Costs	Net LIHTC	CRCU As-Is	CRCU As-Renovated
1 Bed, 1 Bath	7	13%	0	0%	636	4,452	\$550	\$564	\$117	\$447	\$470	\$530
1 Bed, 1 Bath (Non Revenue)	1	2%	0	0%	636	636	---	Non Revenue			Non Revenue	
2 Bed, 1.5 Bath Townhouse	24	43%	0	0%	831	19,944	\$569	\$676	\$101	\$575	\$590	\$650
3 Bed, 1.5 Bath Townhouse	24	43%	1	4%	1,004	24,096	\$614	\$782	\$145	\$637	\$650	\$715
Overall Totals/Averages	56	100%	1	2%	877	49,128						

Source: Property Management

The HAP contract rents for the units are above the market rent and as-renovated market rent (CRCU) conclusions for the one bedroom units, but below the market rent and as-renovated market rent for the two and three bedroom units. The current HAP contract rents at the subject are needed to provide decent, safe, and sanitary housing to tenants. Tenants are only required to pay 30% of their adjusted gross income toward their monthly rent. Therefore, the HAP contract is used for the as-is and prospective restricted rent scenarios.

Operating History

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

Gray Gardens Apartments		56 units		units						
	2013	Per Unit	2014	Per Unit	2015	Per Unit	2016 Budget	Per Unit	2017 Budget	Per Unit
Revenue										
Apartment Rental Income	373,463	6,669	325,354	5,810	368,394	6,578	370,536	6,617	381,492	6,812
Plus: Other Income	3,053	55	2,092	37	10,235	183	3,360	60	2,695	48
Effective Gross Income	376,516	6,724	327,446	5,847	378,629	6,761	373,896	6,677	384,187	6,860
Operating Expenses										
Real Estate Taxes	16,128	288	141	3	22,165	396	18,014	322	22,537	402
Insurance	14,360	256	14,908	266	16,708	298	9,335	167	10,276	184
Repairs & Maintenance	37,282	666	39,595	707	79,757	1,424	41,707	745	43,160	771
General & Administrative	20,211	361	13,772	246	16,944	303	10,340	185	9,044	162
Management Fees	20,567	367	12,096	216	27,090	484	31,020	554	32,340	578
Utilities										
Electric	7,839	140	10,028	179	9,001	161	8,400	150	7,692	137
Water/Sewer	15,410	275	48,544	867	40,271	719	48,000	857	48,804	872
Total Utilities	23,249	415	58,572	1,046	49,271	880	56,400	1,007	56,496	1,009
Payroll	42,909	766	47,776	853	14,023	250	53,695	959	53,283	951
Marketing	257	5					133	2	100	2
Total Expenses	174,962	3,124	186,860	3,337	225,958	4,035	220,644	3,940	227,236	4,058
<i>operating expense ratio</i>		<i>46.5%</i>		<i>57.1%</i>		<i>59.7%</i>		<i>59.0%</i>		<i>59.1%</i>
Net Operating Income	201,554	3,599	140,586	2,510	152,671	2,726	153,252	2,737	156,951	2,803

Source: Property Management

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

Interest Appraised

Value 1

Market value, unrestricted rents

Comment

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

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

Value 2-RD

Market value, subject to restricted rents

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

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

Value 3

The effective gross income, which is comprised

Prospective, subject to restricted rents.

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

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

Value 4

Prospective, as conventional or unrestricted.

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

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

Real Estate Taxes and Assessments

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

<i>Real Estate Taxes</i>		
<i>Gray Gardens Apartments</i>		
Parcel Number	J38 00 225	
	<u>Appraised</u>	<u>Assessed</u>
Land	\$289,500	\$115,800
Improvements	932,580	373,032
Total	1,222,080	488,832
Real Estate Taxes	\$22,944	
Taxes/unit	\$410	
Source: County Auditor		

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

<i>Real Estate Tax History</i>					
<i>Gray Gardens Apartments</i>					
<u>Year</u>	<u>Assessed Values</u>			<u>Annual</u>	<u>Tax</u>
	<u>Land</u>	<u>Building</u>	<u>Total</u>	<u>Taxes</u>	<u>Rate</u>
2016	115,800	373,032	488,832	18,300	37.43701
2015	115,800	373,032	488,832	17,347	35.48663
2014	115,800	373,032	488,832	16,027	32.78632
2013	115,800	461,511	577,311	18,897	32.73278
Source: County Auditor					

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

<i>Gray Gardens Apartments</i>									
<i>Tax Comparables</i>									
<u>Name/Location</u>	<u>Parcel #</u>	<u>Effective Millage</u>	<u>Taxes/</u>			<u>Land</u>	<u>Improvement</u>	<u>Total</u>	<u>Assessed</u>
			<u>Units</u>	<u>RE Taxes</u>	<u>unit</u>	<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Assessed Value</u>	<u>Value/unit</u>
Gray Gardens Apartments 200 Eatonton Highway	J38 00 225	46.9370	56	22,944	410	115,800	373,032	488,832	8,729
231-285 Neptune Ct Address	M07A00 118	35.9849	12	5,168	431	22,404	121,212	143,616	11,968
Dulles Park Apts 220 Old Clinton Rd	G07 00 110	37.4375	68	27,651	407	124,400	614,190	738,590	10,862
Legacy Park 153 E Clinton St	G04 00 347	37.4370	70	18,114	259	122,800	361,040	483,840	6,912
Source: Crown Appraisal Group									

Highest and Best Use

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

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

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

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

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

As If Vacant:

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

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

As Improved:

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

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

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

Conclusion/Maximum Productivity: The existing improvements are considered to be financially feasible. The chart below demonstrates that the proposed renovation is appropriate and financially viable – when considering the inclusion of the additional value from the interest credit subsidy and LIHTC. As shown, the sum of the prospective market value, interest credit values, and LIHTC values are in excess of the property’s as is value plus renovation costs. Therefore, the proposed renovations provide a higher return to the property than if the property were not renovated, and the highest and best as improved is concluded to be with the renovations made to the property.

Financial Feasibility		
Gray Gardens Apartments		
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$2,600,000
Value 1, as-is, as conventional or unrestricted		<u>\$2,535,000</u>
	Incremental difference	\$65,000
Renovation Cost		<u>\$1,888,721</u>
	Benefit (cost) of renovating <i>before</i> consideration of other benefits	-\$1,823,721
<u>Other Benefits</u>		
Value 5	Interest Credit Subsidy Value from assuming the existing 515 Loan)	\$580,000
Value 6	LIHTC Value	<u>\$1,277,402</u>
	Value of additional benefits of renovation	\$1,857,402
Net benefits, or added value, of renovation		\$33,681
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$2,600,000
Value 2-RD, as-is, subject to restricted rents		<u>\$2,305,000</u>
	Incremental difference	\$295,000
Renovation Cost		<u>\$1,888,721</u>
	Benefit (cost) of renovating <i>before</i> consideration of other benefits	-\$1,593,721
<u>Other Benefits</u>		
Value 5	Interest Credit Subsidy Value from assuming the existing 515 Loan)	\$580,000
Value 6	LIHTC Value	<u>\$1,277,402</u>
	Value of additional benefits of renovation	\$1,857,402
Net benefits, or added value, of renovation		\$263,681

These thoughts are carried to the Valuation section.

Valuation

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

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

Market Valuation

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

Income Capitalization Approach Value 1, as conventional or unrestricted

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

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

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

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

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

Pro Forma Capitalization

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

Gray Gardens Apartments							Value 1	
Base Rent Revenue							as conventional or unrestricted	
	Total	% of	Size	Total	Market Rent			
	Units	total	(rsf)	rsf	Rent/Month	Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	7	13%	636	4,452	\$470	\$0.74	\$3,290	\$39,480
1 Bed, 1 Bath (Non Revenue)	1	2%	636	636		Non Revenue		
2 Bed, 1.5 Bath Townhouse	24	43%	831	19,944	\$590	0.71	14,160	169,920
3 Bed, 1.5 Bath Townhouse	24	43%	1,004	24,096	\$650	0.65	15,600	187,200
Overall Totals/Averages	56	100%	877	49,128	590	0.67	33,050	396,600

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 5.0%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$50/unit. This is a net income line item component, with vacancy inherently considered.

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

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

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

Operating Expense Comparables								
Gray Gardens Apartments								
	1	2	3	4	5	6	7	8
Units	51	55	53	58	30	31	24	37
Year	2015	2015	2015	2015	2015	2015	2015	2015
Per Unit Basis								
Real Estate Taxes	227	263	205	188	386	352	213	196
Insurance	166	179	212	219	267	239	296	173
Repairs and Maintenance	472	656	729	663	564	576	735	646
General and Administrative	253	254	284	293	361	415	306	284
Management Fees	528	529	517	527	521	533	337	477
Utilities								
Electric	98	136	73	119	76	158	95	90
Water/Sewer	<u>24</u>	<u>16</u>	<u>47</u>	<u>25</u>	<u>17</u>	<u>51</u>	<u>6</u>	<u>547</u>
Total Utilities	122	152	121	143	93	209	101	637
Payroll	1,096	740	526	677	744	903	1,331	879
Marketing	1	69	18	31	14	5	2	12
Total	2,865	2,843	2,612	2,742	2,950	3,233	3,321	3,305
Per Unit Basis								
<u>Category</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>	<u>Median</u>				
Real Estate Taxes	188	386	254	220				
Insurance	166	296	219	216				
Repairs and Maintenance	472	735	630	651				
General and Administrative	253	415	306	289				
Management Fees	337	533	496	524				
Utilities								
Electric	73	158	106	96				
Water/Sewer	<u>6</u>	<u>547</u>	<u>92</u>	<u>24</u>				
Total Utilities	93	637	197	133				
Payroll	526	1,331	862	811				
Marketing	<u>1</u>	<u>69</u>	<u>19</u>	<u>13</u>				
Total	2,612	3,321	2,984	2,907				
Source: Apartment Management, Crown Appraisal Group								

Gray Gardens Apartments											<i>as conventional or unrestricted</i>	
Operating Expense Estimates											<i>as-is</i>	
Real Estate Taxes												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	220	med	254	avg	288	3	396	322	402	410	\$22,944	
Insurance												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	216	med	219	avg	256	266	298	167	184	171	\$9,576	
Repairs & Maintenance												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	651	med	630	avg	666	707	1,424	745	771	600	\$33,600	
General & Administrative												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	289	med	306	avg	361	246	303	185	162	250	\$14,000	
Management												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	524	med	496	avg	367	216	484	554	578	339	\$18,979	
Electric Utilities												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	96	med	106	avg	140	179	161	150	137	160	\$8,960	
Water & Sewer												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	24	med	92	avg	275	867	719	857	872	720	\$40,320	
Total Utilities												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	133	med	197	avg	415	1,046	880	1,007	1,009	880	\$49,280	
Payroll												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	811	med	862	avg	766	853	250	959	951	800	\$44,800	
Marketing												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	13	med	19	avg	5			2	2	20	\$1,120	
Total Operating Expenses (including consideration of Reserve)												
Source	Comparables		2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount			
Cost/unit	2,907	med	2,984	avg	3,124	3,337	4,035	3,940	4,058	3,720	\$208,299	
Source: <i>Property Management; Crown Appraisal Group</i>												

Gray Gardens Apartments		Value 1
Operating Expense Estimates		as conventional or unrestricted
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	410	Based on the current real estate taxes of the subject as reported by the county.
Insurance	171	Based on historic with support from market.
Repairs & Maintenance	600	Below historic; property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	250	Below historic; market rate properties have lower general & administrative costs than subsidized properties.
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.
Utilities	160	Electric
	720	Water and sewer
Payroll	800	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense is based on the probable cost if the property were operated as a market rate one.
Marketing	20	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes.

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

Pro Forma Operating Expense Estimate & Comparisons (per unit basis)					Value 1					
Gray Gardens Apartments					as conventional or unrestricted					
	<u>Crown Appraisal Group Survey</u>				<u>Year End Historical</u>					<u>Subject Pro Forma</u>
	Low	High	Avg.	Med.	2013	2014	2015	2016 Budget	2017 Budget	
Real Estate Taxes	188	386	254	220	288	3	396	322	402	410
Insurance	166	296	219	216	256	266	298	167	184	171
Repairs and Maintenance	472	735	630	651	666	707	1,424	745	771	600
General and Administrative	253	415	306	289	361	246	303	185	162	250
Management Fees	337	533	496	524	367	216	484	554	578	339
Utilities										
Electric	73	158	106	96	140	179	161	150	137	160
Water/Sewer	6	547	92	24	275	867	719	857	872	720
Total Utilities	93	637	197	133	415	1,046	880	1,007	1,009	880
Payroll	526	1,331	862	811	766	853	250	959	951	800
Marketing	1	69	19	13	5			2	2	20
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	250
Total Operating Expenses	2,612	3,321	2,984	2,907	3,124	3,337	4,035	3,940	4,058	3,720

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

Source: Property Managers; Crown Appraisal Group

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

<i>Pro Forma Operating Statement</i>		<i>as conventional or unrestricted</i>		
<i>Gray Gardens Apartments</i>		<i>Value 1</i>		
56 units				
		<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue		104.5%	\$7,082	\$396,600
Less: Vacancy and Collection Loss @	5.0%	<u>-5.2%</u>	<u>-354</u>	<u>-19,830</u>
Effective Rent		99.3%	6,728	376,770
Plus Other Revenue:				
Other Income		0.7%	50	2,800
Effective Gross Income		100.0%	6,778	379,570
Less: Operating Expenses				
Real Estate Taxes		6.0%	410	22,944
Insurance		2.5%	171	9,576
Repairs and Maintenance		8.9%	600	33,600
General and Administrative		3.7%	250	14,000
Management Fees @	5.0%	5.0%	339	18,979
Utilities				
Electric		2.4%	160	
Water/Sewer		<u>10.6%</u>	<u>720</u>	
Total Utilities		13.0%	880	49,280
Payroll		11.8%	800	44,800
Marketing		0.3%	20	1,120
Reserve		<u>3.7%</u>	<u>250</u>	<u>14,000</u>
Total Operating Expenses		54.9%	3,720	208,299
Net Operating Income		45.1%	3,058	171,271

Source: *Crown Appraisal Group*

Capitalization Rate Discussion

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

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

Comparable Sales

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

Comparable Sales						
Overall Capitalization Rates						
<u>Name/Location</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>Units</u>	<u>Sale Price</u>	<u>Price/Unit</u>	<u>OAR</u>
The Reserve at Altama Brunswick, GA	Jul-16	1972	108	6,300,000	58,333	6.8%
Lanier Landing Apts Brunswick, GA	Aug-15	1985	128	5,470,700	42,740	6.7%
Pointe Lanier Gainesville, GA	May-15	1983	100	5,000,000	50,000	6.8%
Douglas Pines Apts Douglas, GA	Oct-16	1987	48	1,925,100	40,106	7.0%
Flint River Crossing Jonesboro, GA	Nov-16	1971	200	8,000,000	40,000	5.0%
Average, Median, Range		6.5%	6.8%	5.0% - 7.0%		

Source: *Crown Appraisal Group*

A number of differences between the properties and the specifics of transaction, however, make correlation to a specific rate within the range problematic. The sales do represent current market activity and characteristics of the properties that are similar to the subject. An overall rate near the range is appropriate. Certainly, the market data alone does not support the selection of a rate below 5.0% or a rate above 7.0%. If the sales were the only data source from which to select the overall capitalization rate, a rate near the low to middle of the range is most appropriate given the net operating income figure.

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

Financing Techniques

Debt Coverage Ratio

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

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

Source: Crown Appraisal Group

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

Band of Investment

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

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

Source: Crown Appraisal Group

Conclusion

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

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

<i>Pro Forma Technique Value Conclusion</i>	<i>Value 1</i>
<i>Gray Gardens Apartments</i>	<i>as conventional or unrestricted</i>
Net Operating Income	\$171,271
Overall Capitalization Rate	<u>6.75%</u>
Value Conclusion	2,537,351
<i>Rounded To:</i>	<i>\$2,535,000</i>

Source: *Crown Appraisal Group*

Value 2-RD, subject to restricted rents

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

Base Rent

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

<i>Gray Gardens Apartments</i>				<i>Value 2-RD</i>				
<i>Base Rent Revenue</i>				<i>subject to restricted rents</i>				
	Total	% of	Size	Total	Basic Rent			
	<u>Units</u>	<u>total</u>	<u>(rsf)</u>	<u>rsf</u>	<u>Rent/Month</u>	<u>Rent/sf</u>	<u>Monthly</u>	<u>Yearly</u>
1 Bed, 1 Bath	7	13%	636	4,452	\$550	\$0.86	\$3,850	\$46,200
1 Bed, 1 Bath (Non Revenue)	1	2%	636	636	Non Revenue			
2 Bed, 1.5 Bath Townhouse	24	43%	831	19,944	\$569	0.68	13,656	163,872
3 Bed, 1.5 Bath Townhouse	24	43%	1,004	24,096	\$614	0.61	14,736	176,832
Overall Totals/Averages	56	100%	877	49,128	576	0.66	32,242	386,904

Source: Crown Appraisal Group

Vacancy

Based on historic.

Operating Expenses

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

<i>Gray Gardens Apartments</i>			<i>Value 2-RD</i>
<i>Operating Expense Estimates</i>			<i>subject to restricted rents</i>
<u>Operating Expense</u>	<u>Cost/unit</u>		<u>Discussion</u>
Real Estate Taxes	410		Based on the current real estate taxes of the subject as reported by the county.
Insurance	171		Based on historic with support from market.
Repairs & Maintenance	750		Near the recent historic figures with the recognition that some of the historic amounts have some costs better categorized as capital expenditures.
General & Administrative	300		Based on historic.
Management	49.00		Based on cost per occupied door per month.
Utilities	160	Electric	Based on historic with support from market.
	720	Water and sewer	Based on historic with support from market.
Payroll	950		Based on historic.
Marketing	5		Based on historic.
Reserve	350		Based on market participant attitudes.

The pro forma is shown below.

Pro Forma Operating Statement		Value 2-RD	
Gray Gardens Apartments		as-is	
56 units			
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	102.3%	\$6,909	\$386,904
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.1%</u>	<u>-207</u>	<u>-11,607</u>
Effective Rent	99.3%	6,702	375,297
Plus Other Revenue:			
Other Income	0.7%	50	2,800
Effective Gross Income	100.0%	6,752	378,097
Less: Operating Expenses			
Real Estate Taxes	6.1%	410	22,944
Insurance	2.5%	171	9,576
Repairs and Maintenance	11.1%	750	42,000
General and Administrative	4.4%	300	16,800
Management Fees	8.4%	570	31,940
Utilities			
Electric	2.4%	160	
Water/Sewer	<u>10.7%</u>	<u>720</u>	
Total Utilities	13.0%	880	49,280
Payroll	14.1%	950	53,200
Marketing	0.1%	5	280
Reserve	<u>5.2%</u>	<u>350</u>	<u>19,600</u>
Total Operating Expenses	65.0%	4,386	245,620
Net Operating Income	35.0%	2,366	132,476

Source: *Crown Appraisal Group*

Capitalization Rate Discussion

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

Overall Capitalization Rate Selection			Value 2-RD	
Gray Gardens Apartments			subject to restricted rents	
<u>Lease Guarantor</u>	<u># of Units</u>	<u>% of Total</u>	<u>Selected OAR</u>	<u>Weighted Rate</u>
Tenant	0	0.0%	6.75%	0.000%
Rental Assistance	<u>56</u>	<u>100.0%</u>	5.75%	<u>5.750%</u>
Total	56	100.0%		5.750%
Indicated OAR				5.75%

Source: *Crown Appraisal Group*

Pro Forma Technique Value Conclusion		Value 2-RD
Gray Gardens Apartments		subject to restricted rents
Net Operating Income		\$132,476
Overall Capitalization Rate		<u>5.75%</u>
Value Conclusion		2,303,938
Rounded To:		\$2,305,000

Source: *Crown Appraisal Group*

Sales Comparison Approach

Value 1, as conventional or unrestricted

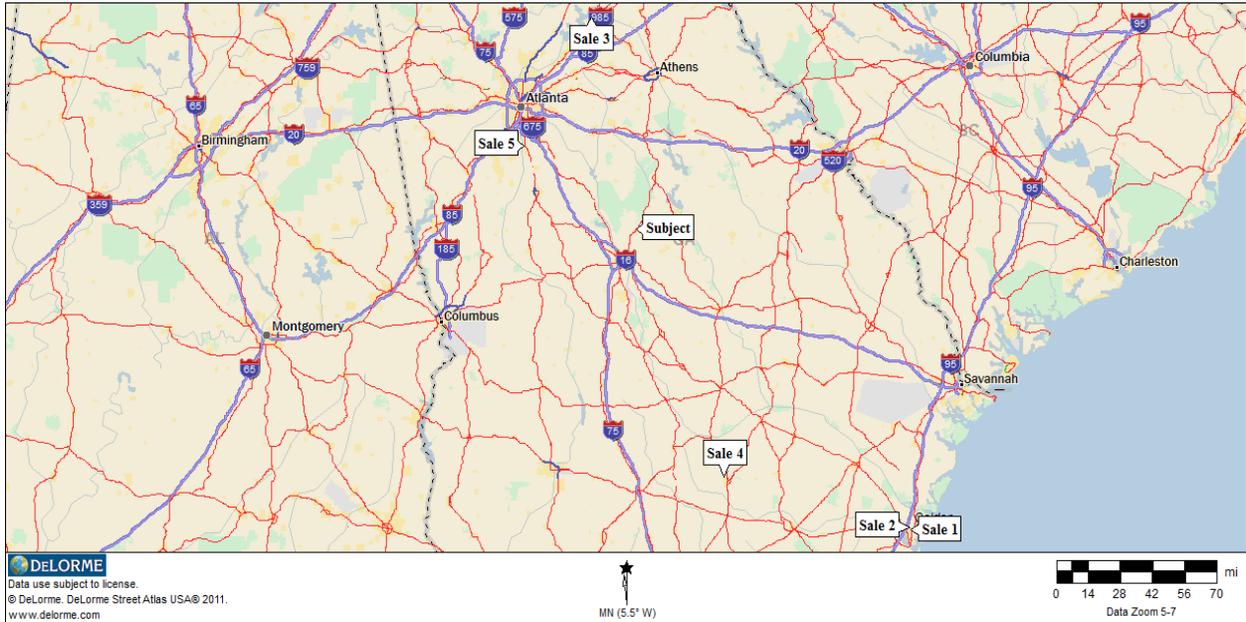
The sales comparison approach is based upon the theory that an informed purchaser will pay no more for a property than the cost of acquiring an equally desirable substitute property. The principle of substitution confirms that the maximum value of a property is set by the cost of acquisition of an equally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

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

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

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

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



Sale Comparable 1

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

Sale Comparable 2

General Data

Property Name:	Lanier Landing Apts
Property Address:	820 Scranton Rd
City:	Brunswick
County:	Glynn
MSA:	Brunswick
State:	GA
Zip:	31525
Renter Segmentation:	General
Rent Structure:	Market Rate



Sale and Economic Data

Sale Price:	\$5,470,700	Effective Gross Income:	<u>Total</u> 1,079,808	<u>Per Unit</u> 8,436	<u>Per rsf</u> 7.10	<u>% of EGI</u> 100.0%
Sale Price/unit:	42,740	Operating Expenses:	713,271	5,572	4.69	66.1%
Sale Price/rsf:	\$35.98	Net Operating Income:	366,537	2,864	2.41	33.9%
Sale Date:	8/17/2015	Overall rate:	6.70%			
Parcel Number:	03-13586	EGIM:	5.1			
Legal Description:	5-G GLYNN PLACE COMM PARK					
Buyer (Grantee):	Deancurt Brunswick LLC					
Seller (Grantor):	Glynn Place Apartments LP					
		Occupancy at time of sale:	100.0%			

Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>
Year Built:	1985	3	2.0	Garden	1,094
Size (Number of Units):	128	3	2.5	Townhouse	1,196
Rentable Size (rsf):	152,068	2	2.5	Townhouse	1,196
Site Size (acres):	13.380				
Density (units/acre):	9.6				
Floors:	2				
Property Design:	Walk Up				
Exterior:	Siding				

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Lanier Landing Apartments are located on the east side of Scranton Road, about 1 mile southeast of the I-95/SR 25 interchange. This location is about 5 miles north of downtown Brunswick.

Sale Comparable 3

General Data

Property Name:	Pointe Lanier
Property Address:	2460 Spring Rd
City:	Gainesville
County:	Hall
MSA:	Gainesville
State:	GA
Zip:	30504
Renter Segmentation:	General
Rent Structure:	Market Rate



Sale and Economic Data

Sale Price:	\$5,000,000		<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price/unit:	50,000	Net Operating Income:	342,000	3,420	3.58	100.0%
Sale Price/rsf:	\$52.38	Overall rate:	6.84%			
Sale Price/gsf:	\$51.51	EGIM:	14.6			
Sale Date:	5/29/2015	Occupancy at time of sale:	98.0%			
Parcel Number:	08-00005-00-056					
Legal Description:	2460 SPRING ROAD NW					
Buyer (Grantee):	Point Lanier 2015, LLC					
Seller (Grantor):	Lanier Apartment Ventures, LLC					

Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built:	1983	1	1.0	Garden	800	40
Size (Number of Units):	100	2	2.0	Garden	1,000	60
Rentable Size (rsf):	95,450					
Gross Size (gsf):	97,060					
Site Size (acres):	6.730					
Density (units/acre):	14.9					
Floors:	3					
Property Design:	Walk Up					
Exterior:	Siding					

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Pointe Lanier is located on the northeast corner of Spring Rd and McEver Rd in Gainesville, Georgia. It is 2 miles west of downtown Gainesville in Hall County.

Sale Comparable 4

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Douglas Pines Apartments are located in the northeast quadrant of SR 158 (East Baker Highway) and Bowens Mill Road SE, about two miles southeast of downtown Douglas. Douglas is the county seat of Coffee County.

Sale Comparable 5

General Data

Property Name:	Flint River Crossing
Property Address:	240 Flint River Rd
City:	Jonesboro
County:	Clayton
MSA:	Atlanta-Sandy Springs-Roswell
State:	GA
Zip:	30238
Renter Segmentation:	General
Rent Structure:	Market Rate



Sale and Economic Data

Sale Price:	\$8,000,000		<u>Total</u>	<u>Per Unit</u>	<u>Per rsf</u>	<u>% of EGI</u>
Sale Price/unit:	40,000	Net Operating Income:	400,000	2,000	2.32	100.0%
Sale Price/rsf:	\$46.45	Overall rate:	5.00%			
		EGIM:	20.0			
Sale Date:	11/18/2016	Occupancy at time of sale:				
Parcel Number:	05-0243A-00A-001					
Legal Description:	DISTRICT 8; COUNTY FIRE; AREA 222; C&I APPRAISER AREA 2; NBRHOOD APT01 APARTMENTS					
Buyer (Grantee):	Crown Bay Group, LLC					
Seller (Grantor):	PEM Real Estate Group					

Property Data

		<u>Bedrooms</u>	<u>Baths</u>	<u>Type</u>	<u>Size (rsf)</u>	<u>Units</u>
Year Built:	1971	2	1.0	Garden	880	34
Size (Number of Units):	200	2	1.0	Garden	757	107
Rentable Size (rsf):	172,239	2	1.5	Garden	960	20
		3	2.0	Garden	1,080	39
Site Size (acres):	30.000					
Density (units/acre):	6.7					
Floors:	2					
Property Design:	Walk Up					
Exterior:	Combination					

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

Flint River Crossing is located in the southwest quadrant of Flint River Road and Lexington Road, about one mile west of downtown Jonesboro. This location is about 5 miles south of the I-75/US 41 interchange and about 15 miles south of the Atlanta CBD.

Comparable Sales Data

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

<i>Gray Gardens Apartments</i>		<i>Value 1</i>				
<i>Improved Sales</i>		<i>as conventional or unrestricted</i>				
Sale	Subject	1	2	3	4	5
Name	Gray Gardens Apartments	The Reserve at Altama	Lanier Landing Apts	Pointe Lanier	Douglas Pines Apts	Flint River Crossing
Location	200 Eatonton Highway	5801 Altama Ave	820 Scranton Rd	2460 Spring Rd	820 BOWENS MILL RD SE	240 Flint River Rd
City or Township	Gray	Brunswick	Brunswick	Gainesville	Douglas	Jonesboro
County	Jones	Glynn	Glynn	Hall	Coffee	Clayton
MSA	Macon	Brunswick	Brunswick	Gainesville	Not in a MSA	Atlanta
Date of Sale		July-16	August-15	May-15	October-16	November-16
Sale Price		\$6,300,000	\$5,470,700	\$5,000,000	\$1,925,100	\$8,000,000
Building Size (units)	56	108	128	100	48	200
Building Size (inc. community)	49,876	126,240	152,068	95,450	41,280	172,239
Sale Price/Unit		\$58,333	\$42,740	\$50,000	\$40,106	\$40,000
Sale Price/sf		\$49.90	\$35.98	\$52.38	\$46.64	\$46.45
Year Built	1981	1972	1985	1983	1987	1971
Site Size	11.580	10.220	13.380	6.730	7.590	30.000
Coverage	10%	28%	26%	33%	12%	13%
Average Unit Size (sf)	891	1,169	1,188	955	860	861
Units per Acre	4.8	10.6	9.6	14.9	6.3	6.7
EGI/unit	\$6,874					
EGIM						
Expenses/Unit	\$3,724					
NOI/unit	\$3,149	\$3,938	\$2,864	\$3,420	\$2,815	\$2,000
OAR		6.75%	6.70%	6.84%	7.02%	5.00%
Sale Adjustments						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Financing Terms	<i>Market</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Conditions of Sale	<i>Arm's Length</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Market Conditions	<i>Current</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		0%	0%	0%	0%	0%
Total Sale Adjustments		0%	0%	0%	0%	0%
Adjusted Price per Unit		\$58,333	\$42,740	\$50,000	\$40,106	\$40,000
Property Adjustments						
Location	200 Eatonton Highway	5801 Altama Ave	820 Scranton Rd	2460 Spring Rd	820 BOWENS MILL RD SE	240 Flint River Rd
	Gray	Brunswick	Brunswick	Gainesville	Douglas	Jonesboro
	Jones	Glynn	Glynn	Hall	Coffee	Clayton
Population	3,833	15,133	15,133	33,804	12,002	4,724
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-10%	-10%	-25%	-10%	0%
Physical						
Avg. Unit Size	891	1,169	1,188	955	860	861
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		-10%	-10%	0%	0%	0%
Age	1981	1972	1985	1983	1987	1971
Quality/Condition	Average	Below Average	Average	Average	Average	Below Average
Comparison to subject		<i>Inferior</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>
		5%	0%	0%	0%	5%
Total Property Adjustments		-15%	-20%	-25%	-10%	5%
Value Indication per Unit		\$49,583	\$34,192	\$37,500	\$36,096	\$42,000

Source: Crown Appraisal Group

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

The Reserve at Altama (Comparable 1) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -15%. This results in a value indication of \$49,583/unit for Gray Gardens Apartments.

Lanier Landing Apartments (Comparable 2) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -20%. This results in a value indication of \$34,192/unit for Gray Gardens Apartments.

Pointe Lanier (Comparable 3) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. The comparable sale has similar visibility attributes as the subject and no adjustment is warranted. The comparable sale average unit size is similar to the subject's and no adjustment is warranted. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -25%. This results in a value indication of \$37,500/unit for Gray Gardens Apartments.

Douglas Pines Apartments (Comparable 4) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. The comparable sale has similar visibility attributes as the subject and no adjustment is warranted. The comparable sale average unit size is similar to the subject's and no adjustment is warranted. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were reasonably similar to the subject, and no adjustment is warranted. Combined, the adjustments total -10%. This results in a value indication of \$36,096/unit for Gray Gardens Apartments.

Flint River Crossing (Comparable 5) - The general location of the comparable is similar to that of the subject and no adjustment is warranted. The comparable sale has similar visibility attributes as the subject and no adjustment is warranted. The comparable sale average unit size is similar to the subject's and no adjustment is warranted. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total 5%. This results in a value indication of \$42,000/unit for Gray Gardens Apartments.

All of the sales were given credence when determining the value via this approach. This approach is used only as support for the primary approach, and the value conclusion reflects a hypothetical condition. This value indication is concluded to as representative of the property’s value as if operated under the hypothetical conventional, market rate scenario. **A value conclusion of \$45,000/unit or \$2,520,000 is selected to represent the market value as of the date of valuation.** The following summarizes the projections of value via the sales comparison approach.

Sales Comparison Approach Summary	Value 1		
Gray Gardens Apartments	as conventional or unrestricted		
Unadjusted Value Range Per Unit	40,000	-	58,333
Indicated Value Range (rounded)	2,200,000	-	3,300,000
Adjusted Value Range Per Unit	34,192	-	49,583
Indicated Value Range (rounded)	1,900,000	-	2,800,000
Average, Median (adjusted)	39,874		37,500
Indicated Value (rounded)			2,520,000
Value per Unit			45,000 /unit
Source: Crown Appraisal Group			

Prospective Market Value

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

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

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

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

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

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

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

Pro Forma Capitalization

Base Rent Revenue – is based on the market rent levels for the units at the subject. The annual market rent is shown in the chart below. The rent is typically based on the lesser of market rent or LIHTC restrictions. However, in this case the HAP contract rents for the one bedroom units are above the market rent and as-renovated market rent (CRCU) conclusions. The current HAP contract rents at the subject are needed to provide decent, safe, and sanitary housing to tenants. Tenants are only required to pay 30% of their adjusted gross income toward their monthly rent. Therefore, the HAP contract is used for the one bedroom units and the LIHTC rents are used for the two and three bedroom units.

Gray Gardens Apartments							Value 3			
Base Rent Revenue							prospective			
							subject to restricted rents			
	Rent	Total	% of	Size	Total	Market Rent				
	<u>Constraint</u>	<u>Units</u>	<u>total</u>	<u>(rsf)</u>	<u>rsf</u>	<u>Rent/Month</u>	<u>Rent/sf</u>	<u>Monthly</u>	<u>Yearly</u>	
1 Bed, 1 Bath	Contract	7	13%	636	4,452	550	\$0.86	\$3,850	\$46,200	
1 Bed, 1 Bath (Non Revenue)	---	1	2%	636	636	Non Revenue				
2 Bed, 1.5 Bath Townhouse	LIHTC	24	43%	831	19,944	575	\$0.69	\$13,800	165,600	
3 Bed, 1.5 Bath Townhouse	LIHTC	24	43%	1,004	24,096	637	\$0.63	\$15,288	183,456	
Overall Totals/Averages		56	100%	877	49,128	588	0.67	32,938	395,256	

Source: Crown Appraisal Group

Vacancy – Stabilized vacancy has been discussed in the Market Area Overview section. Vacancy is estimated at 3.0%, and is applied to base rent revenue.

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$50/unit. This is a net income line item component, with vacancy inherently considered.

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

Gray Gardens Apartments		Value 3
Operating Expense Estimates		prospective
		subject to restricted rents
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	451	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	171	Based on historic with support from market.
Repairs & Maintenance	650	Lower end of the historic range reflecting the renovation.
General & Administrative	300	Based on historic.
Management	49.00	Based on cost per occupied door per month.
Utilities	160	Based on historic with support from market.
	720	Based on historic with support from market.
Payroll	850	Near the lower end of historic range reflecting the renovation.
Marketing	5	Based on historic.
Reserve	350	Based on market participant attitudes recognizing the renovation.

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

Pro Forma Operating Expense Estimate & Comparisons (per unit basis)					Value 3					
Gray Gardens Apartments					prospective					
					subject to restricted rents					
	<u>Crown Appraisal Group Survey</u>				<u>Year End Historical</u>					<u>Subject Pro Forma</u>
	Low	High	Avg.	Med.	2013	2014	2015	2016 Budget	2017 Budget	
Real Estate Taxes	188	386	254	220	288	3	396	322	402	451
Insurance	166	296	219	216	256	266	298	167	184	171
Repairs and Maintenance	472	735	630	651	666	707	1,424	745	771	650
General and Administrative	253	415	306	289	361	246	303	185	162	300
Management Fees	337	533	496	524	367	216	484	554	578	570
Utilities										
Electric	73	158	106	96	140	179	161	150	137	160
Water/Sewer	6	547	92	24	275	867	719	857	872	720
Total Utilities	93	637	197	133	415	1,046	880	1,007	1,009	880
Payroll	526	1,331	862	811	766	853	250	959	951	850
Marketing	1	69	19	13	5			2	2	5
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350
Total Operating Expenses	2,612	3,321	2,984	2,907	3,124	3,337	4,035	3,940	4,058	4,227

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

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

Pro Forma Operating Statement		<i>subject to restricted rents</i>	
Gray Gardens Apartments		<i>prospective</i>	
		56 units	Value 3
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	102.3%	\$7,058	\$395,256
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.1%</u>	<u>-212</u>	<u>-11,858</u>
Effective Rent	99.3%	6,846	383,398
Plus Other Revenue:			
Other Income	0.7%	50	2,800
Effective Gross Income	100.0%	6,896	386,198
Less: Operating Expenses			
Real Estate Taxes	6.5%	451	25,239
Insurance	2.5%	171	9,576
Repairs and Maintenance	9.4%	650	36,400
General and Administrative	4.4%	300	16,800
Management Fees	8.3%	570	31,940
Utilities			
Electric	2.3%	160	8,960
Water/Sewer	<u>10.4%</u>	<u>720</u>	<u>40,320</u>
Total Utilities	12.8%	880	49,280
Payroll	12.3%	850	47,600
Marketing	0.1%	5	280
Reserve	<u>5.1%</u>	<u>350</u>	<u>19,600</u>
Total Operating Expenses	61.3%	4,227	236,715
Net Operating Income	38.7%	2,669	149,483

Source: *Crown Appraisal Group*

Capitalization Rate Discussion

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

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

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

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

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

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

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

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

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

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

Overall Capitalization Rate Selection				Value 3
				prospective
				subject to restricted rents
<u>Lease Guarantor</u>	<u># of Units</u>	<u>% of Total</u>	<u>Selected OAR</u>	<u>Weighted Rate</u>
Tenant	0	0.0%	6.75%	0.000%
Rental Assistance	56	100.0%	5.75%	5.750%
Total	56	100.0%		5.750%
Indicated OAR				5.75%

Source: *Crown Appraisal Group*

Recognizing that all of the units have RA through a HAP contract, an overall rate of 5.75% is selected as being appropriate to accurately reflect the risk characteristics arising from the subject income stream. Application of the rate to the pro forma net operating income is shown in the chart below.

Pro Forma Technique Value Conclusion		Value 3
Gray Gardens Apartments		prospective
		subject to restricted rents
Net Operating Income		\$149,483
Overall Capitalization Rate		<u>5.75%</u>
Value Conclusion		2,599,712
Rounded To:		\$2,600,000

Source: *Crown Appraisal Group*

Value 4, prospective, as conventional or unrestricted

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

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

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

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

<i>Gray Gardens Apartments Operating Expense Estimates</i>		<i>Value 4 prospective as conventional or unrestricted</i>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	451	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	171	Based on historic with support from market.
Repairs & Maintenance	550	Below historic; reflects the renovation as well as the recognition that the property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	250	Below historic; market rate properties have lower general & administrative costs than subsidized properties.
Management	5.00%	Percent of effective gross income rather than fee per occupied door per month.
Utilities	160 Electric 720 Water and sewer	Based on historic with support from market. Based on historic with support from market.
Payroll	800	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense recognizes the renovation and is based on the probable cost if the property were operated as a market rate one.
Marketing	20	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes reflecting the renovation.

The pro forma and value conclusion are below.

Gray Gardens Apartments					Value 4			
Base Rent Revenue					prospective			
					as conventional or unrestricted			
	Total	% of	Size	Total	Market Rent			
	Units	total	(rsf)	rsf	Rent/Month	Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	7	13%	636	4,452	\$530	\$0.83	\$3,710	\$44,520
1 Bed, 1 Bath (Non Revenue)	1	2%	636	636	Non Revenue			
2 Bed, 1.5 Bath Townhouse	24	43%	831	19,944	\$650	0.78	15,600	187,200
3 Bed, 1.5 Bath Townhouse	24	43%	1,004	24,096	\$715	0.71	17,160	205,920
Overall Totals/Averages	56	100%	877	49,128	651	0.74	36,470	437,640

Source: Crown Appraisal Group

Pro Forma Operating Statement				prospective	
Gray Gardens Apartments				as conventional or unrestricted	
				56 units	
				Value 4	
		% of EGI	Per Unit	Amount	
Potential Rental Revenue		104.6%	\$7,815	\$437,640	
Less: Vacancy and Collection Loss @	5.0%	-5.2%	-391	-21,882	
Effective Rent		99.3%	7,424	415,758	
Plus Other Revenue:					
Other Income		0.7%	50	2,800	
Effective Gross Income		100.0%	7,474	418,558	
Less: Operating Expenses					
Real Estate Taxes		6.0%	451	25,239	
Insurance		2.3%	171	9,576	
Repairs and Maintenance		7.4%	550	30,800	
General and Administrative		3.3%	250	14,000	
Management Fees		5.0%	374	20,928	
Utilities					
Electric		2.1%	160	8,960	
Water/Sewer		9.6%	720	40,320	
Total Utilities		11.8%	880	49,280	
Payroll		10.7%	800	44,800	
Marketing		0.3%	20	1,120	
Reserve		3.3%	250	14,000	
Total Operating Expenses		50.1%	3,745	209,743	
Net Operating Income		49.9%	3,729	208,815	

Source: Crown Appraisal Group

Pro Forma Technique Value Conclusion		Value 4
Gray Gardens Apartments		prospective
		as conventional or unrestricted
Net Operating Income		\$208,815
Overall Capitalization Rate		6.75%
Value Conclusion		3,093,561
Rounded To:		\$3,095,000

Source: Crown Appraisal Group

Cost Approach

Value 4, prospective, as conventional or unrestricted

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

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

Methodology

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

- Comparable land sales are typically analyzed and adjusted to provide an estimate of the subject's site as if vacant. However, although due to the size and location of Gray, minimal development has taken place and land rarely trades in the area. Given this, the appraised courthouse land value estimate for the subject is utilized.
- The improvement cost was projected using the Marshall Valuation Service.
- The amount of accrued depreciation or obsolescence (physical, functional and economic) has been projected and deducted from the replacement cost opinion.
- The depreciated replacement cost opinion is then added to the land value projected for the subject site.
- The sum of these opinions produces an indication of value by the cost approach.

Value 8, Land Value

Typically, land sales within the area are utilized to develop a land value. However, a search for comparable land sales in the subject's market area found insufficient results. The reality is that few properties have been acquired to construct new multi-family properties in this part of the state. This is understood through a review of the rent comparables – the newest of these was constructed in 2005 – 12 years ago.

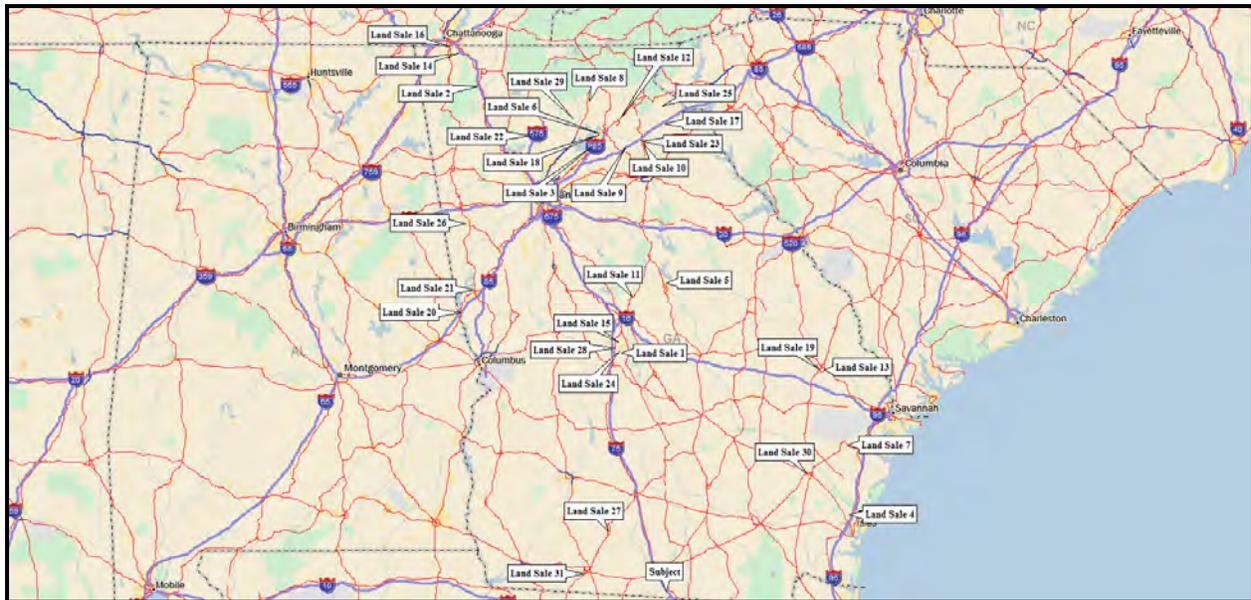
With the absence of comparable land sales, the appraiser is left with several alternative techniques. These include extraction, allocation, and a number of income capitalization methods such as land residual, ground rent capitalization, and discounted cash flow analysis.

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

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

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

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



Sale	County	Location	City	Sale Date	Sale Price	Size (ac)	Price/Ac	Units	Price/Unit	Location	Adjusted	Buyer	Seller	Identification	Comments	
1	Houston	725 SR 96	Wasser Robins	Nov-16	\$ 75,000	12.450	\$ 6,024	72	\$ 834	-10%	\$ 938	The Laser Investment Group LLC	Sandra East II Apartments	0W09015900	Multi-Family	
2	Wilkes	1432 Dog Gap Rd SW	Dalton	Nov-16	\$ 200,000	22.850	\$ 8,715					AI Environmental Services, LLC	Jeanette S Longley	13-103-03-000	Commercial	
3	Hall	4942 Light Ferry Rd	Elvers Branch	Oct-18	\$ 482,000	18,600	\$ 27,216					Southern Heritage Ho Bldg LLC	McGowan Family Farming Partnership	08118 00100A	Multi-Family-Commercial	
4	Gwin	4999 SR 99	Beavertick	Aug-18	\$ 280,000	28,000	\$ 10,769					LWD Properties LLC	America Bank	03-23259	Multi-Family-Commercial	
5	Bedford	1963 N Jefferson St	Milledgeville	Aug-16	\$ 91,000	11,000	\$ 8,257					Don Tomlin	First American Bank & Trust	088 003	Multi-Family-Commercial	
6	Hall	2380 Spring Rd	Gainesville	Aug-18	\$ 645,000	10,120	\$ 63,735	101	\$ 6386	-10%	\$ 7,740	Spring Road Group LLC	Henry B Hampton	08005 000042	Multi-Family-Commercial	
7	Liberty	56Q E Oglethorpe Hwy & McInnis Lake Rd	Hiram	May-16	\$ 299,000	8,860	\$ 32,827					Tommore Development LLC	First Land Holdings Inc	101-039	Multi-Family	
8	Lumpkin	Rock House Rd	Dekalbton	Dec-15	\$ 115,000	14,450	\$ 7,958					W Blue Manor	RAD Enterprises	076-009-156-000	Multi-Family	
9	Jackson	915 Mc Wight Rd	Praslergrove	Nov-15	\$ 90,000	15,000	\$ 6,000					CHD Investments LLC	Roco Woody Alham	978-029	Multi-Family-Commercial	
10	Jackson	970 State St	Commerce	Sep-15	\$ 350,000	12,000	\$ 29,167	48	\$ 7,292	-5%	\$ 6,927	Mason Manor LP	Olympic Construction Inc	009-007C	Multi-Family	
11	Jones	140 Sunset Center Way	Gray	Aug-15	\$ 799,800	10,279	\$ 71,972	72	\$ 10,276	24%	\$ 7,706	Water Tower Park Senior Village LP	Water Tower Park Investments	007-00-017	Multi-Family	
12	Hall	5108 Mountain View Pkwy	Lula	Aug-18	\$ 250,125	29,450	\$ 8,500					William N Tate	Dix Enterprises Inc	08-0055-05-006	Multi-Family-Commercial	
13	Bedford	1881 S&S Railroad Blvd Rd	Stamersboro	May-15	\$ 479,000	38,600	\$ 15,000	176	\$ 3,290	24%	\$ 4,247	Brecon Place Statesboro LLC		N/A	107-060054007	Multi-Family
14	Catoosa	Somerset Reser & Sunset Ln	Stamersboro	Apr-13	\$ 325,000	7,030	\$ 46,210	72	\$ 6514	0%	\$ 4,814	Somerset Reser Park LP	Johney Coos & Dan Bradford	0021A080	Multi-Family-Commercial	
15	Houston	316 Bradley Rd	Wasser Robins	Dec-14	\$ 280,000	5,500	\$ 50,909					Bradley MPH LLC	Georgia A Oben	0C026081000	Multi-Family-Commercial	
16	Walker	Chickamauga Ave	Rossville	Oct-14	\$ 25,600	15,390	\$ 1,657					Daniel Bart	Stee Construction Co., Inc	2005-014	Multi-Family-Commercial	
17	Franklin	98W Commerce Rd & Cross Roads Ln	Gainesville	Oct-14	\$ 55,000	17,610	\$ 3,123					Judy H Cho	CBNA GA LLC	028-043	Multi-Family-Commercial	
18	Hall	1263 McEwen Rd	Gainesville	Sep-14	\$ 600,000	33,320	\$ 18,007					America's Home Place, Inc	Benjamin M Smith 01-00015-09-008	Multi-Family-Commercial		
19	Bedford	350 Rucker Ln	Stamersboro	Jul-14	\$1,823,000	24,060	\$ 75,769	237	\$ 7,692	24%	\$ 5,769	The Hampton Statesboro LLC	Rucker Holdings LLC MS22006004 000		Multi-Family	
20	Troup	West St	Forest Park	Apr-14	\$ 515,400	8,590	\$ 60,000	80	\$ 8,443	24%	\$ 4,892	Forest MR Apartments LP	West Point Village, LLC	094-4C-007-018	Multi-Family	
21	Troup	913 N Greenwood St	Lagrange	Apr-14	\$ 175,800	7,900	\$ 22,132					Knigh LLC	Margaret Ann Madala	0611A096011A	Multi-Family-Commercial	
22	Cherokee	80 Laurel Canyon Village Cir	Conley	Mar-14	\$2,162,000	60,550	\$ 42,790	350	\$ 6,177	-10%	\$ 6,559	Lifestyle at Laurel Canyon LLC	Laurel Canyon GP LLC	14-0135-0001	Multi-Family-Office	
23	Jackson	NW 30th Olive Rd & Hardin Orchard Rd	Commerce	Mar-14	\$ 77,000	28,130	\$ 2,917					KRM Properties, LLC	CBNA GA LLC	020-0098	Multi-Family-Commercial	
24	Houston	1131 S Houston Lake Rd	Wasser Robins	Feb-14	\$ 145,000	13,370	\$ 10,845					State Bank & Trust	DW1060 017000	Multi-Family-Commercial		
25	Stephens	Tanner Rd	Eastman	Feb-14	\$ 37,600	28,800	\$ 1,306					Champer Road Estate, LLC	045B-053	Multi-Family-Commercial		
26	Carroll	1721 Lovens Rd	Carrollton	Jul-13	\$ 495,000	14,780	\$ 33,491	120	\$ 4,124	10%	\$ 3,713	Harco Campus Communities - Carrollton LLC	Yves F Hertzog	008-0330227	Multi-Family-Commercial	
27	Colquitt	2901 Talkas Pointe Rd	Moultrie	May-13	\$ 325,000	8,130	\$ 39,977	68	\$ 4,279	-9%	\$ 4,779	Talkas Pointe Apartments LP	Lynn W Lassette	0346-113	Multi-Family-Commercial	
28	Houston	200 Crestview Church Rd	Wasser Robins	Nov-12	\$1,120,000	28,000	\$ 40,000	224	\$ 5,000	10%	\$ 4,500	Anshy Parker Associates LLC	Houston Healthcare Properties Inc	0W1200 101000	Multi-Family-Commercial	
29	Dawson	2201 Penitentiary Rd	Dawsonville	Jul-12	\$ 488,000	15,520	\$ 31,443	72	\$ 6,778	10%	\$ 6,100	Flemingwood Woods LP	Daniel Louis Centofam	93041	Multi-Family	
30	Wayne	1401 S 1st St	Jessup	May-12	\$ 284,200	11,660	\$ 24,374	84	\$ 4,849	10%	\$ 5,313	Mania Senior Gardens LP	South Racoon Development Assoc	86A-9-1	Multi-Family	
31	Thomas	1 Ashby Park Pl	Thomasville	May-12	\$ 293,750	25,610	\$ 11,470	84	\$ 3,497	0%	\$ 3,497	Ashby Park LLC	W & M Investment Group, LLC	094 TH 0227X	Multi-Family	

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

Analysis and Value Conclusion

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

The auditor's appraised land value is \$289,500 or \$5,170/unit. This is between the middle and upper end of the range from the comparable land sales. A value conclusion near the middle of the range of the comparable land sales is considered more appropriate.

A point value of \$4,850/unit, near the average, is estimated for the subject land. This indicates an aggregate value of \$270,000 as of the date of valuation. This value is slightly below the auditor's land value and near the middle of the range of the comparable sales.

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

Conclusion

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

<i>Cost Approach Summary</i>	<i>land value</i>	<i>Value 8</i>
<i>Gray Gardens Apartments</i>	<i>cost approach total</i>	<i>Value 3</i>
Land Value		\$270,000
Depreciated Improvement Cost		<u>3,065,000</u>
<i>Cost Approach Value Estimate (rounded)</i>		<i>3,335,000</i>
<i>before entrepreneurial incentive</i>		

Source: *Crown Appraisal Group*

Reconciliation and Final Value Opinion

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

Reconciliation and Final Value Conclusions				
Gray Gardens Apartments				
	Value 1	Value 2-RD	Value 3	Value 4
	<u>as conventional or unrestricted</u>	<u>subject to restricted rents</u>	<u>prospective</u> <u>subject to restricted rents</u>	<u>prospective</u> <u>as conventional or unrestricted</u>
Income Capitalization Approach	2,535,000	2,305,000	2,600,000	3,095,000
Sales Comparison Approach	2,520,000	n/a	n/a	n/a
Cost Approach before entrepreneurial incentive	n/a	n/a	3,335,000	n/a

Source: Crown Appraisal Group

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

Value 1

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

Value 2-RD

The income capitalization approach is the only approach considered applicable.

Value 3

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

Value 4

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

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

Value Opinions	Date of Value	Value
<i>Value 1 - as conventional or unrestricted</i>	January 24, 2017	\$2,535,000
<i>Value 2-RD - subject to restricted rents</i>	January 24, 2017	\$2,305,000
<i>Value 3 - prospective, subject to restricted rents</i>	February 1, 2019	\$2,600,000
<i>Value 4 - prospective, as conventional or unrestricted</i>	February 1, 2019	\$3,095,000

Interest Credit Subsidy Value Opinion

Value 5

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

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

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

Existing/Restated 515 Loan		New 538 Loan	
Existing Lender's Terms (market rate)		Market Rate	
Principal Balance of	December 22, 2017	Principal Balance	\$1,116,000
Conventional Loan Interest Rate	5.250%	Conventional Loan Interest Rate	5.250%
Term of Existing Section 515 Loan (years)	30	Term (years)	30
Loan Monthly Payment	\$6,467	Conventional Loan Monthly Payment	\$6,163
Restated Section 515 Loan Terms		Section 538 Loan Terms	
Principal Balance	\$1,171,204	Principal Balance	\$1,116,000
Interest Rate	1.000%	Interest Rate	4.500%
Term (years)	50	Term (years)	40
Section 515 Loan Monthly Payment	\$2,481	Section 538 Loan Monthly Payment	\$5,017
Monthly Savings from Below Market Financing	\$3,986	Monthly Savings from Below Market Financing	\$1,145
Present Value of Monthly Savings from Below Market Financing	\$721,858	Present Value of Monthly Savings	\$207,437
Note Rate	3.000%		
Monthly Payment at Note Rate	\$3,771		
Future Value of Balloon Payment	\$679,955		
Present Value of Balloon Payment	\$141,240		
Value of Interest Credit Subsidy	\$580,618	Value of Interest Credit Subsidy	\$207,437
Existing Section 515 Loan Interest Credit Subsidy Value (Rounded)	\$580,000	New Section 538 Loan Interest Credit Subsidy Value (Rounded)	\$205,000

Source: Greystone; Crown Appraisal Group

LIHTC Value Opinion

Value 6

An annual LIHTC of \$87,266 is anticipated to be granted for the acquisition and rehabilitation of the subject. This low income housing tax credit will be granted annually over a 10-year term. The overall net sum of the LIHTC to the ownership entity of the subject over the 10-year term is \$872,658. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred if the seller guarantees that the transfer will still maintain the LIHTC requirements.

Current LIHTC Market

Not surprising, LIHTC pricing has not remained static. Specific to the subject, there is a contract to purchase the tax credits at \$1.21 per gross credit. This is the best evidence of the appropriate value of the tax credits. Please note, though, that the pricing is subject to change.

Value of Tax Credits

The value of the tax credits is a fairly simple calculation. The value is developed by taking the total tax credits and multiplying them by the appropriate pricing – in this case, \$1.21 per tax credit. The value is shown below.

<i>LIHTC Analysis</i>	<i>Gray Gardens Apartments Value 6</i>
<u>Period</u>	
Annual Tax Credits	105,581
Years	<u>10</u>
Total Tax Credits	1,055,810
Total Pricing	1.21
Value of Tax Credits	1,277,402

Source: *Crown Appraisal Group*

State Tax Credits

An annual state tax credit of \$105,581 is anticipated to be granted for the acquisition and rehabilitation of the subject. This state tax credit will be granted annually over a 10-year term. The overall net sum of the state tax credit to the ownership entity of the subject over the 10-year term is \$1,055,810. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred.

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

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

<i>State Tax Credit Analysis</i>	<i>Gray Gardens Apartments</i>
	<i>Value 6</i>
<u>Period</u>	
Annual Tax Credits	105,581
Years	<u>10</u>
Total Tax Credits	1,055,810
Total Pricing	0.45
	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Value of Tax Credits 475,067 </div>

Source: *Crown Appraisal Group*

Insurable Value Opinion

Value 7

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

<i>USDA Rural Development</i>		<i>Value 7</i>	
<i>Insurable Value Calculation</i>			
Property Name	Gray Gardens Apartments		
Street Address	200 Eatonton Highway		
City, County, State, Zip	Gray , Jones County, Georgia 31032		
Base Cost			
Main Structure/sf			75.00
Sprinkler/sf			0.00
Other/sf			0.00
Adjustments and/or Multipliers	1.04 current cost	0.86 local cost	0.89
Total Base Cost per square foot			67.08
Building Area square footage			49,876
Total Replacement Cost New			3,345,682
Exclusions			
	<u>per sf</u>	<u>percent</u>	
Excavations	0.00	0.0%	0
Foundations	2.35	3.5%	117,099
Site Work	0.00	0.0%	0
Site Improvements	0.00	0.0%	0
Architect's Fees	0.00	0.0%	0
Underground Piping	0.00	0.0%	0
Total Exclusions	2.35	3.5%	117,099
Inclusions			
	<u>per unit</u>	<u>units</u>	
Appliance Packages	750	56	42,000
Patios/Balconies	250	56	14,000
Total Inclusions			56,000
Concluded Insurable Value			
Total Replacement Cost New			3,345,682
Less Total Exclusions			117,099
Plus Total Inclusions			56,000
Concluded Insurable Value			3,284,583

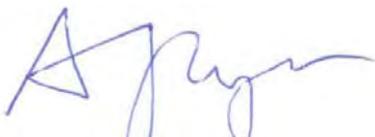
Source: *Marshall Valuation; Crown Appraisal Group*

Certification

Andrew J. Moye

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of the stipulated results, or the occurrence of a subsequent event directly related to the intended user of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person signing this certification.



Andrew J. Moye, MAI, AI-GRS

ADDENDUM

SUBJECT PHOTOGRAPHS



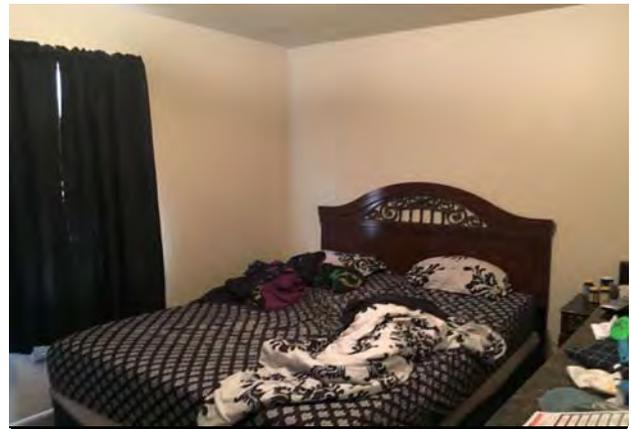
Front



Side & Rear



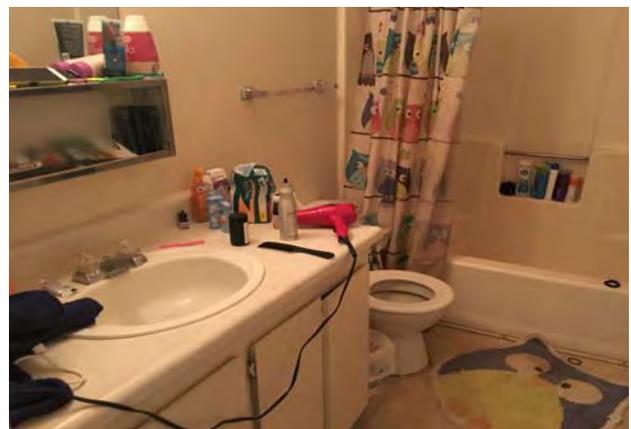
Family Room



Bedroom



Kitchen



Bathroom

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
A 1	3TH	N/A	500	Occupied	Phelps, Shanitria	03/28/2016	03/28/2016	03/31/2017	605.00	RESIDENT RENT	263.00	0.00	263.00	248.00	620.00
										SUBSIDY SUBRENT	342.00	0.00	342.00	0.00	0.00
A 2	3TH	N/A	500	Occupied	CARVER, MELANIE	11/19/2014	11/19/2014	10/31/2015	605.00	SUBSIDY SUBRENT	605.00	0.00	605.00	0.00	(420.00)
										RESIDENT	0.00	0.00		0.00	(33.00)
A 3	3TH	N/A	500	Occupied	JETT, CLIFFORD	12/04/2014	12/04/2014	11/30/2015	605.00	RESIDENT RENT	297.00	0.00	297.00	0.00	2,867.00
										SUBSIDY SUBRENT	308.00	0.00	308.00	0.00	0.00
A 4	3TH	N/A	500	Occupied	PITTS, SHANDRA	06/06/2014	06/01/2015	05/31/2016	605.00	RESIDENT UTILREIMB	0.00	(83.00)	(83.00)	0.00	(386.00)
										SUBSIDY SUBRENT	605.00	0.00	688.00	0.00	0.00
										SUBSIDY UTAC	0.00	83.00			
A 5	3TH	N/A	500	Occupied	JOHNSON, STACY	02/02/2012	02/01/2015	01/31/2016	605.00	RESIDENT RENT	394.00	0.00	394.00	159.00	329.00
										SUBSIDY SUBRENT	211.00	0.00	211.00	0.00	45.00
A 6	3TH	N/A	500	Occupied	DENNY, TRACY	10/05/2012	10/01/2014	09/30/2015	605.00	RESIDENT RENT	236.00	0.00	236.00	50.00	(613.00)
										SUBSIDY SUBRENT	369.00	0.00	369.00	0.00	0.00
B 1	2TH	N/A	500	Occupied	WOODS, COTELLA	04/16/2014	04/01/2015	03/31/2016	561.00	RESIDENT RENT	313.00	0.00	313.00	278.00	295.00
										SUBSIDY SUBRENT	248.00	0.00	248.00	0.00	0.00
B 2	2TH	N/A	500	Occupied	HARVEY, CONNIE	05/24/2006	05/01/2015	04/30/2016	561.00	RESIDENT RENT	50.00	0.00	50.00	191.00	117.00
										SUBSIDY SUBRENT	511.00	0.00	511.00	0.00	0.00
B 3	2TH	N/A	500	Occupied	Pitts, Latrenda	06/03/2008	06/01/2015	05/31/2016	561.00	RESIDENT UTILREIMB	0.00	(86.00)	(86.00)	209.00	(350.00)
										SUBSIDY SUBRENT	561.00	0.00	647.00	0.00	0.00
										SUBSIDY UTAC	0.00	86.00			
B 4	2TH	N/A	500	Occupied	Rushin, ReShanda	07/01/2009	07/01/2015	06/30/2016	561.00	RESIDENT RENT	294.00	0.00	294.00	309.00	439.50
										SUBSIDY SUBRENT	267.00	0.00	267.00	0.00	0.00
B 5	2TH	N/A	500	Occupied	Brown, Anthony Brown	08/17/2016	08/17/2016	08/31/2017	561.00	RESIDENT RENT	18.00	0.00	18.00	129.00	(16.00)
										SUBSIDY SUBRENT	543.00	0.00	543.00	0.00	(263.00)
B 6	2TH	N/A	500	Occupied	Loyd, Tommie	11/01/2010	11/01/2014	10/31/2015	561.00	RESIDENT RENT	85.00	0.00	85.00	202.00	311.00
										SUBSIDY SUBRENT	476.00	0.00	476.00	0.00	0.00
C 1	3TH	N/A	500	Occupied	Burney, ALyssa	08/03/2016	08/03/2016	07/31/2017	605.00	RESIDENT RENT	57.00	0.00	57.00	71.00	(75.00)
										SUBSIDY SUBRENT	548.00	0.00	548.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
C 2	3TH	N/A	500	Occupied	Lattimore, Shanita	08/20/2007	08/01/2015	07/31/2016	605.00	RESIDENT RENT	27.00	0.00	27.00	52.00	(2.00)
										SUBSIDY SUBRENT	578.00	0.00	578.00	0.00	0.00
C 3	3TH	N/A	500	Occupied	HART, CATHERINE	11/13/2003	11/01/2014	10/31/2015	605.00	RESIDENT RENT	9.00	0.00	9.00	59.00	(89.00)
										SUBSIDY SUBRENT	596.00	0.00	596.00	0.00	0.00
C 4	3TH	N/A	500	Vacant-Leased	VACANT				605.00		0.00 *	0.00 *			
		N/A		Applicant	Pitts, Deon	01/01/2017	01/01/2017	12/31/2017		RESIDENT RENT	272.00 *	0.00 *	272.00 *	0.00	0.00
										SUBSIDY SUBRENT	333.00 *	0.00 *	333.00 *	0.00	0.00
C 5	3TH	N/A	500	Occupied	Lattimore, Latonya	12/21/2007	12/01/2014	11/30/2015	605.00	RESIDENT RENT	9.00	0.00	9.00	290.00	(92.00)
										SUBSIDY SUBRENT	596.00	0.00	596.00	0.00	(7.00)
C 6	3TH	N/A	500	Occupied	PITTS, JAKERRA	12/23/2014	01/01/2015	12/31/2015	605.00	RESIDENT UTILREIMB	0.00	(43.00)	(43.00)	0.00	(250.00)
										SUBSIDY SUBRENT	605.00	0.00	648.00	0.00	(58.00)
										SUBSIDY UTAC	0.00	43.00			
D 1	3TH	N/A	500	Occupied	LATTIMORE, VICTORIA	01/02/2016	01/02/2016	12/31/2016	605.00	RESIDENT RENT	4.00	0.00	4.00	50.00	(50.00)
										SUBSIDY SUBRENT	601.00	0.00	601.00	0.00	0.00
D 2	3TH	N/A	500	Occupied	STEWART, CHRISTY	08/18/2006	08/01/2015	07/31/2016	605.00	RESIDENT RENT	45.00	0.00	45.00	25.00	(207.00)
										SUBSIDY SUBRENT	560.00	0.00	560.00	0.00	0.00
D 3	3TH	N/A	500	Occupied	TURNER, SHANNA	06/12/2015	06/12/2015	05/31/2016	605.00	RESIDENT RENT	51.00	0.00	51.00	202.00	(54.00)
										SUBSIDY SUBRENT	554.00	0.00	554.00	0.00	0.00
D 4	3TH	N/A	500	Occupied	Hambrick, Chandra	02/04/2010	02/01/2015	01/31/2016	605.00	RESIDENT UTILREIMB	0.00	(85.00)	(85.00)	36.00	(151.00)
										SUBSIDY SUBRENT	605.00	0.00	690.00	0.00	0.00
										SUBSIDY UTAC	0.00	85.00			
D 5	3TH	N/A	500	Occupied	HUDSON, CHAD	03/03/2015	03/03/2015	02/29/2016	605.00	RESIDENT RENT	59.00	0.00	59.00	220.00	0.00
										SUBSIDY SUBRENT	546.00	0.00	546.00	0.00	0.00
D 6	3TH	N/A	500	Occupied	JACKSON, BELINDA	12/17/2009	12/01/2014	11/30/2015	605.00	RESIDENT UTILREIMB	0.00	(126.00)	(126.00)	50.00	(1,097.00)
										SUBSIDY SUBRENT	605.00	0.00	731.00	0.00	192.00
										SUBSIDY UTAC	0.00	126.00			
E 1	3TH	N/A	500	Occupied	AXOM, KATIE	07/26/2013	07/01/2015	06/30/2016	605.00	RESIDENT RENT	114.00	0.00	114.00	223.00	(530.00)
										SUBSIDY SUBRENT	491.00	0.00	491.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
E 2	3TH	N/A	500	Occupied	SUTTON, MARY	12/22/2006	12/01/2014	11/30/2015	605.00	RESIDENT UTILREIMB	0.00	(121.00)	(121.00)	84.00	(627.00)
										SUBSIDY SUBRENT	605.00	0.00	726.00	0.00	90.00
										SUBSIDY UTAC	0.00	121.00			
E 3	3TH	N/A	500	Occupied	Pitts, Stacey	08/19/2016	08/19/2016	08/31/2017	605.00	RESIDENT UTILREIMB	0.00	(126.00)	(126.00)	356.00	(126.00)
										SUBSIDY SUBRENT	605.00	0.00	731.00	0.00	0.00
										SUBSIDY UTAC	0.00	126.00			
E 4	3TH	N/A	500	Occupied	BURNEY, KASHAITA	08/11/2006	08/01/2015	07/31/2016	605.00	RESIDENT UTILREIMB	0.00	(126.00)	(126.00)	122.00	(65.00)
										SUBSIDY SUBRENT	605.00	0.00	731.00	0.00	0.00
										SUBSIDY UTAC	0.00	126.00			
E 5	3TH	N/A	500	Occupied	GRISWOLD, ESTER	07/23/1990	07/01/2015	06/30/2016	605.00	RESIDENT RENT	17.00	0.00	17.00	102.00	(39.00)
										SUBSIDY SUBRENT	588.00	0.00	588.00	0.00	0.00
E 6	3TH	N/A	500	Occupied	Faulk, LISA	09/13/2013	09/01/2015	08/31/2016	605.00	RESIDENT RENT	198.00	0.00	198.00	140.00	9.00
										SUBSIDY SUBRENT	407.00	0.00	407.00	0.00	592.00
F 1	2TH	N/A	500	Occupied	Howell, Alicia	10/16/2008	10/01/2014	09/30/2015	561.00	RESIDENT RENT	67.00	0.00	67.00	243.00	(201.00)
										SUBSIDY SUBRENT	494.00	0.00	494.00	0.00	0.00
F 2	2TH	N/A	500	Occupied	PITTS, FELICIA	02/01/2012	02/01/2015	01/31/2016	561.00	RESIDENT RENT	87.00	0.00	87.00	209.00	(112.00)
										SUBSIDY SUBRENT	474.00	0.00	474.00	0.00	(110.00)
F 3	2TH	N/A	500	Occupied	HURT, SHAKURA	09/19/2014	09/01/2015	08/31/2016	561.00	RESIDENT UTILREIMB	0.00	(73.00)	(73.00)	0.00	(150.00)
										SUBSIDY SUBRENT	561.00	0.00	634.00	0.00	292.00
										SUBSIDY UTAC	0.00	73.00			
F 4	2TH	N/A	500	Occupied	Gibbs, Shametrics	02/01/2015	02/01/2015	01/31/2016	561.00	RESIDENT RENT	92.00	0.00	92.00	0.00	264.00
										SUBSIDY SUBRENT	469.00	0.00	469.00	0.00	(218.00)
F 5	2TH	N/A	500	Occupied	LUCAS, OLIVIA	04/02/2012	04/01/2015	03/31/2016	561.00	RESIDENT RENT	130.00	0.00	130.00	0.00	(12.00)
										SUBSIDY SUBRENT	431.00	0.00	431.00	0.00	0.00
F 6	2TH	N/A	500	Occupied	BOYER, RONISHA	09/12/2013	09/01/2015	08/31/2016	561.00	RESIDENT RENT	355.00	0.00	355.00	177.00	1,106.00
										SUBSIDY SUBRENT	206.00	0.00	206.00	0.00	0.00
G 1	2TH	N/A	500	Occupied	Stewart, Deandre	06/06/2016	06/06/2016	05/31/2017	561.00	RESIDENT RENT	96.00	0.00	96.00	207.00	119.00
										SUBSIDY SUBRENT	465.00	0.00	465.00	0.00	0.00
G 2	2TH	N/A	500	Occupied	LINDEMANN, BRITTANY	03/01/2016	03/01/2016	02/28/2017	561.00	RESIDENT UTILREIMB	0.00	(86.00)	(86.00)	326.00	311.00
										SUBSIDY SUBRENT	561.00	0.00	647.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
G 3	2TH	N/A	500	Occupied	Collins, Leandrea	04/05/2016	04/05/2016	03/31/2017	561.00	SUBSIDY UTAC	0.00	86.00			
										RESIDENT UTILREIMB	0.00	(86.00)	(86.00)	50.00	(78.00)
										SUBSIDY SUBRENT	561.00	0.00	647.00	0.00	8.00
										SUBSIDY UTAC	0.00	86.00			
G 4	2TH	N/A	500	Occupied	Mitchell, Roleeta	12/13/2015	12/13/2015	12/31/2016	561.00	RESIDENT UTILREIMB	0.00	(75.00)	(75.00)	0.00	(183.00)
										SUBSIDY SUBRENT	561.00	0.00	636.00	0.00	0.00
										SUBSIDY UTAC	0.00	75.00			
G 5	2TH	N/A	500	Occupied	Kelley, Karla	05/15/2013	05/01/2015	04/30/2016	561.00	RESIDENT RENT	483.00	0.00	483.00	297.00	493.00
										SUBSIDY SUBRENT	78.00	0.00	78.00	0.00	1,030.00
G 6	2TH	N/A	500	Occupied	Pitts, Markesha	12/21/2015	12/21/2015	12/31/2016	561.00	RESIDENT UTILREIMB	0.00	(44.00)	(44.00)	0.00	(69.00)
										SUBSIDY SUBRENT	561.00	0.00	605.00	0.00	2,383.00
										SUBSIDY UTAC	0.00	44.00			
H 1	1A	N/A	500	Occupied	PITTS, VALORIE	10/01/2013	10/01/2014	09/30/2015	542.00	RESIDENT RENT	81.00	0.00	81.00	203.00	(14.00)
										SUBSIDY SUBRENT	461.00	0.00	461.00	0.00	0.00
H 2	1A	N/A	500	Occupied	LATTIMORE, SUSAN	06/06/2003	06/01/2015	05/31/2016	542.00	RESIDENT RENT	93.00	0.00	93.00	223.00	(112.33)
										SUBSIDY SUBRENT	449.00	0.00	449.00	0.00	0.00
H 3	1A	N/A	500	Occupied	RUTHERFORD, AUSTIN	09/01/1998	09/01/2015	08/31/2016	542.00	RESIDENT RENT	129.00	0.00	129.00	138.00	(98.00)
										SUBSIDY SUBRENT	413.00	0.00	413.00	0.00	0.00
H 4	1A	N/A	500	Occupied	AVERY, MARY	05/16/2014	05/01/2015	04/30/2016	542.00	RESIDENT RENT	211.00	0.00	211.00	206.00	144.00
										SUBSIDY SUBRENT	331.00	0.00	331.00	0.00	0.00
I 1	1A	N/A	500	Occupied	May, Lisa	02/01/2016	02/01/2016	01/31/2017	542.00	RESIDENT UTILREIMB	0.00	(65.00)	(65.00)	52.00	(182.00)
										SUBSIDY SUBRENT	542.00	0.00	607.00	0.00	0.00
										SUBSIDY UTAC	0.00	65.00			
I 2	1A	N/A	500	Occupied	POUNDS, WILLIE	06/08/2015	06/08/2015	05/31/2016	542.00	RESIDENT RENT	162.00	0.00	162.00	279.00	80.00
										SUBSIDY SUBRENT	380.00	0.00	380.00	0.00	0.00
I 3	1A	N/A	500	Admin/Down	VACANT				542.00		0.00 *	0.00 *			
I 4	1A	N/A	500	Occupied	PITTS, WILLIE	03/01/2014	03/01/2015	02/29/2016	542.00	RESIDENT RENT	141.00	0.00	141.00	253.00	212.00
										SUBSIDY SUBRENT	401.00	0.00	401.00	0.00	0.00
J 1	2TH	N/A	500	Occupied	ROSS, BEVERLY	10/13/1992	01/01/2015	12/31/2015	561.00	RESIDENT RENT	167.00	0.00	167.00	52.00	356.00
										SUBSIDY SUBRENT	394.00	0.00	394.00	0.00	0.00
J 2	2TH	N/A	500	Occupied	RUSSELL, WHITNEY	09/19/2014	09/01/2015	08/31/2016	561.00	RESIDENT RENT	128.00	0.00	128.00	153.00	55.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance	
											433.00	0.00	433.00	0.00	0.00	
J 3	2TH	N/A	500	Occupied	Hogan, Andrea	01/30/2008	01/01/2015	12/31/2015	561.00	RESIDENT	UTILREIMB	0.00	(86.00)	(86.00)	59.00	211.00
											561.00	0.00	647.00	0.00	0.00	
											0.00	86.00				
J 4	2TH	N/A	500	Occupied	BILLINGS, KENYA	06/06/2006	06/01/2015	05/31/2016	561.00	RESIDENT	UTILREIMB	0.00	(86.00)	(86.00)	232.00	(304.00)
											561.00	0.00	647.00	0.00	0.00	
											0.00	86.00				
J 5	2TH	N/A	500	Occupied	Pitts, Teresa	06/03/2008	06/01/2015	05/31/2016	561.00	RESIDENT	UTILREIMB	0.00	(18.00)	(18.00)	28.00	(18.00)
											561.00	0.00	579.00	0.00	0.00	
											0.00	18.00				
J 6	2TH	N/A	500	Occupied	RUSSELL, BERNICE	10/09/1985	10/01/2014	09/30/2015	561.00	RESIDENT	RENT	561.00	0.00	561.00	50.00	1,025.00
Totals:									32,320.00			31,173.00	0.00	31,173.00	7,294.00	

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 12/31/2016

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 28,000 SQFT; Leased = 27,000 SQFT;

Floorplan	# Units	Average SQFT	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1A	8	500	542.00	1.08	542.00	7	87.50	0
2TH	24	500	561.00	1.12	561.00	24	100.00	0
3TH	24	500	605.00	1.21	605.00	23	95.83	0
Totals / Averages:	56	500	577.14	1.15	577.28	54	96.43	0

Occupancy and Rents Summary for Current Date

Unit Status	# Units	Potential Rent
Occupied, no NTV	54	31,173.00
Occupied, NTV	0	-
Occupied NTV Leased	0	-
Vacant Leased	1	605.00
Admin/Down	1	542.00
Vacant Not Leased	0	-
Totals:	56	32,320.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	4,108.00
SUBSIDY	27,065.00
Total:	31,173.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	5,523.00
SUBRENT	25,650.00
UTAC	1,415.00
UTILREIMB	(1,415.00)
Total:	31,173.00

NOTIFICATION OF SECTION 8 CONTRACT RENTS AND FUNDING

FOR (Check one): Initial Renewal Subsequent Renewal Amend Rent/BA Only

Section 8 Contract No. GA06R000027 Expires on 12/30/2016

Owner Name: Gray Gardens Associates, Ltd.

Project Name: Gray Gardens Apartments

Project Location: 200 Eatonton Hwy. Gray, 31032

FHA Project No.: _____

**IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE
AND APPLICABLE CONTRACT RENTS**

No. Of Units	No. Of Bedrooms	Contract Rent (\$)	Rent Effective Date
8	1BR	\$550	<u>2/1/2017</u>
24	2BR	\$569	
24	3BR	\$614	

FUNDING

BUDGET AUTHORITY INCREASE: \$350,138

Contract/Renewal Effective Date 12/31/2016

Expiration Date 12/31/2021

For HUD Use Only:

Notice to Owner executed by:
HUD or CONTRACT ADMINISTRATOR

By: Kimberly B. Lance (Signature)

Kimberly B. Lance (Printed Name)

Director, Asset Managers (Official Title)

12/12/16 (Date)

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

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: GA06R000027

Section 8 Project Number of Expiring Contract: _____

FHA Project Number (if applicable): _____

Project Name: Gray Gardens Apartments

Project Description:

200 Eatonton Hwy., Gray, Georgia 31032

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴
National Housing Compliance

Address of Contract Administrator

1975 Lakeside Parkway
Suite 310
Atlanta, Georgia 30084

Name of Owner⁵
Gray Gardens Associates, Ltd.

Address of Owner

3111 Paces Mill Road, Suite A250
Atlanta, Georgia 30339

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 12/31/2016⁶ and shall run for a period of five⁷ years and one day.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 350,138⁸, an amount sufficient to

provide housing assistance payments for approximately twelve⁹ months of the first annual increment of the Renewal Contract term.

- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No. 105-65, October 27, 1997, 111 Stat. 1384), as amended.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

National Housing Compliance

By: Kimberly B. Lance

Signature of authorized representative

Jeffery K. Wirrick, Chief Asset Management Officer

Name and official title

Date 12/12/16

U.S. Department of Housing and Urban Development

By: [Signature]

Signature of authorized representative

Authorized Agent

Name and official title

Date 12/15/16

Owner

Name of Owner

Gray Gardens Associates, Ltd.

By: Hollmark Group Services of GA II, LLC

By: Martin H. Petersen
Signature of authorized representative

Martin H. Petersen

Name and title Managing Member

Date 12/7/16

(HUD-9637)

Basic Renewal Contract
Multi-Year Term
REV-11-05-2007

EXHIBIT B
DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.

GRAY GARDENS: HISTORICAL OPERATING EXPENSES

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget	Post Rehab Pro Forma
Maintenance & Repairs							
R & M Payroll	-	17,154.00	17,416.00	-	-	20,020.00	21,651.00
R & M Supply	-	2,437.23	11,200.00	51,188.79	-	15,220.00	10,000.00
R & M Contract	-	6,353.76	11,971.00	6,726.92	-	666.67	550.00
Decorating / TO Painting	-	9,478.88	1,000.00	1,679.16	-	1,800.00	2,027.00
Snow Removal	-	-	-	-	-	-	-
Elevator Maintenance	-	-	-	-	-	-	-
Grounds	-	8,735.50	5,246.00	1,200.00	-	8,400.00	7,825.00
Services / Extermination	-	1,817.11	1,617.00	6,592.42	-	4,820.00	6,000.00
Capital Improvements (Operations)	-	813.17	-	-	-	-	500.00
Other - R&M Expenses (DESCRIBE)	-	-	-	-	-	-	-
Subtotal	-	46,789.65	48,450.00	67,387.29	-	50,926.67	48,553.00
Utilities							
Electricity	-	7,838.85	10,028.00	9,000.54	-	8,400.00	9,001.00
Water	-	15,409.70	22,003.00	18,487.05	-	20,400.00	20,400.00
Sewer	-	-	26,541.00	21,783.61	-	27,600.00	28,404.00
Fuel	-	-	-	-	-	-	-
Trash Removal	-	7,646.13	8,561.00	11,391.23	-	10,800.00	11,391.00
Other - Utilities (DESCRIBE)	-	-	-	978.48	-	-	-
Subtotal	-	30,894.68	67,133.00	61,640.91	-	67,200.00	69,196.00
Administrative							
Site Management Payroll	-	16,048.00	17,280.00	13,004.05	-	18,200.00	19,636.00
Management Fee	-	20,567.00	12,096.00	27,090.00	-	31,020.00	31,752.00
Accounting	-	5,752.00	5,888.00	5,700.00	-	3,333.33	6,075.00
Audit	-	-	-	-	-	-	-
Legal	-	-	-	485.50	-	720.00	375.00
Advertising	-	256.97	-	-	-	133.33	133.00
Telephone	-	2,825.87	3,408.00	888.73	-	2,100.00	2,374.00
Office Supplies	-	2,288.73	2,162.00	1,645.83	-	1,960.00	2,265.00
Office Furniture & Equipment	-	523.76	427.00	-	-	-	-
Training	-	105.28	-	87.44	-	440.00	638.00
Health Insurance & Other Benefits	-	4,510.00	7,521.00	280.43	-	10,894.05	9,064.00
Payroll Taxes	-	5,196.85	5,559.00	589.06	-	3,559.56	3,500.00
Workman's Compensation	-	-	-	149.53	-	1,021.57	1,397.00
Other - Administrative (DESCRIBE)	-	5,223.81	1,887.00	5,732.79	-	1,186.67	2,220.00
Subtotal	-	63,298.27	56,228.00	55,653.36	-	74,568.52	79,429.00
Taxes & Insurance							
Real Estate Taxes	-	16,127.62	141.00	22,164.55	-	17,347.18	22,165.00
Special Assessments	-	-	-	-	-	666.67	552.00
Misc Taxes, Licenses & Permits	-	3,491.70	-	2,403.85	-	600.00	1,500.00
Property & Liability Insurance	-	14,359.93	14,908.00	16,708.02	-	9,334.91	10,276.00
Fidelity Coverage Insurance	-	-	-	-	-	-	-
Other - Insurance (DESCRIBE)	-	-	-	-	-	-	-
Subtotal	-	33,979.25	15,049.00	41,276.42	-	27,948.76	34,493.00
TOTAL OPERATING EXPENSES	-	174,961.85	186,860.00	225,957.98	-	220,643.94	231,671.00

GRAY GARDENS: HISTORICAL OPERATING STATEMENT

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget
1. Rental Income	-	96,251.72	42,230.00	43,781.00	-	370,536.00
2. RHS Rental Assist. Received	-	277,211.00	283,124.00	324,613.00	-	-
3. Application Fees	-	-	-	-	-	720.00
4. Laundry and Vending Income	-	-	-	-	-	-
5. Interest Income	-	-	-	-	-	-
6. Tenant Charges	-	3,053.43	2,092.00	10,235.33	-	2,373.33
7. Other - Project Sources	-	-	-	-	-	266.67
8. Less (Vncy @ Cntgncy Allw)	-	-	-	-	-	-
9. Less (Agncy Aprvd Incentv)	-	-	-	-	-	-
10. Sub-Ttl [(1 thru 7) - (8@9)]	-	376,516.15	327,446.00	378,629.33	-	373,896.00
11. Cash - Non Project	-	-	-	-	-	-
12. Authorized Loan (Non-RHS)	-	-	-	-	-	-
13. Transfer From Reserve	-	-	-	-	-	9,133.33
14. Sub-Total (11 thru 13)	-	-	-	-	-	9,133.33
15. Total Cash Sources (10+14)	-	376,516.15	327,446.00	378,629.33	-	383,029.33
16. Total O&M Exp (From Part II)	-	174,961.85	186,860.00	225,957.98	-	220,643.94
17. RHS Debt Payment	-	141,064.36	139,390.00	114,610.91	-	139,389.00
18. RHS Payment (Overage)	-	-	-	-	-	-
19. RHS Payment (Late Fee)	-	-	1,675.00	-	-	-
20. Reductn In Prior Yr Pybles	-	-	-	-	-	-
21. Tenant Utility Payments	-	-	-	7,114.00	-	-
22. Transfer to Reserve	-	-	-	-	-	-
23. RTN Owner / NP Asset Mgt Fee	-	-	-	-	-	-
24. Sub-Total (16 thru 23)	-	316,026.21	327,925.00	347,682.89	-	360,032.94
25. Authzd Debt Pymnt (NonRHS)	-	-	-	-	-	-
26. Capital Budget (III 4-6)	-	-	-	-	-	9,133.33
27. Miscellaneous	-	-	-	-	-	-
28. Sub-Total (25 thru 27)	-	-	-	-	-	9,133.33
29. Total Cash Uses (24+28)	-	316,026.21	327,925.00	347,682.89	-	369,166.27
30. Net (Deficit) (15-29)	-	60,489.94	(479.00)	30,946.44	-	13,863.06
31. Beginning Cash Balance	-	10,047.40	2,280.00	-	-	-
32. Accrual To Cash Adjustment	-	(68,257.90)	-	-	-	-
33. Ending Cash Balance	-	2,279.44	1,801.00	30,946.44	-	13,863.06



NOTICE OF APPROVED RENT AND UTILITY ALLOWANCE

October 24, 2016

Mr. Martin H. Petersen
Hallmark Management Inc.
3111 Paces Mill Road, Suite A250
Atlanta, GA 30339

Dear Mr. Petersen:

You are hereby notified that Rural Development has reviewed the request for a change in shelter costs for the Gray Gardens Apts, and considered all justifications provided by project management [and comments provided by tenants]. The Rural Development has approved the following rent and utility rates listed below. The changes for all units will become effective on January 1, 2017 or later effective date in accordance with state or local laws. The change is needed for the following reasons:

Annual OCAF adjustment from Housing and Urban Development.

The approved changes are as follows:

Unit Size	Current Rent (Occupancy Charge)	Approved Rent (Occupancy Charge)
	Basic	Basic
1-Bedroom	\$542	\$551
2-Bedroom	\$561	\$571
3-Bedroom	\$605	\$620

The approved utility allowance changes are as follows:

Unit Size	Current Utility Allowance	Approved Utility Allowance
1-Bedroom	\$103	\$115
2-Bedroom	\$109	\$102
3-Bedroom	\$140	\$145

Should you have any question or concerns, you may contact Rural Development. The Rural Development Servicing Office address is USDA Rural Development, 231 Highway 41 North, Suite D, Barnesville, GA 30204.

Rural Development • Barnesville Sub-Area Office
231 Highway 41 North Suite D • Barnesville, GA 30204
Voice (770) 358.0787 • TDD (706) 546-2034 • Fax (855) 501-2461

USDA is an equal opportunity provider, employer, and lender.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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

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

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

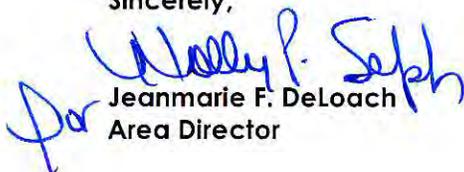
You may file an appeal regarding the rate and utility allowance charge as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of the adverse decision. The appeal should state what agency decision is being appealed and should include, if possible, a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

You must inform the tenants of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to State Director, USDA Rural Development, 355 East Hancock Avenue, Athens, Georgia 30601. All tenants are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

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

If for any reason HUD does not agree with this rent schedule, our office needs to be contacted and provided documentation immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeanmarie F. DeLoach". To the left of the signature is a large, stylized blue "for" written vertically.

Jeanmarie F. DeLoach
Area Director

Proposed Budget

Project Name:	GRAY GARDENS APTS
Borrower Name:	GRAY GARDENS LTD
Borrower ID and Project No:	833138266 01-0
Date of Operation:	03/26/1982

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$11,615.81

Reporting Period

Annual

Quarterly

Monthly

Budget Type

Initial

Regular Report

Rent Change

SMR

Other Servicing

Project Rental Type

Family

Elderly

Congregate

Group Home

Mixed LH

Profit Type

Full Profit

Limited Profit

Non-Profit

I hereby request units of RA. Current number of RA units .

The following utilities are master metered:

Gas

Electricity

Water

Sewer

Trash

Other

Borrower Accounting Method

Cash

Accrual

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
PART I - CASH FLOW STATEMENT				
Operational Cash Sources				
1. Rental Income	381,336.00		389,292.00	
2. RHS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	0.00		0.00	
5. Interest Income	0.00		0.00	
6. Tenant Charges	2,315.00		2,395.00	
7. Other - Project Sources	1,020.00		300.00	APP FEES
8. Less (Vcncy @ Cntgncy Allw)	-10,800.00		-7,800.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8@9)]	373,871.00		384,187.00	
Non-Operational Cash Sources				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RHS)	0.00		0.00	
13. Transfer From Reserve	5,250.00		39,000.00	
14. Sub-Total (11 thru 13)	5,250.00		39,000.00	
15. Total Cash Sources (10+14)	379,121.00		423,187.00	
Operational Cash Uses				
16. Ttl O@M Exp (From Part II)	223,135.00		229,830.00	
17. RHS Debt Payment	139,389.00		139,390.00	
18. RHS Payment (Overage)				
19. RHS Payment (Late Fee)				
20. Reductn In Prior Yr Pybles				
21. Tenant Utility Payments				
22. Transfer to Reserve	10,000.00		14,506.00	
23. RTN Owner/NP Asset Mgt Fee	0.00		0.00	
24. Sub-Total (16 thru 23)	372,524.00		383,726.00	
Non-Operational Cash Uses				
25. Authzd Debt Pymnt (NonRHS)	0.00		0.00	
26. Capital Budget (III 4-6)	5,250.00		39,000.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	5,250.00		39,000.00	
29. Total Cash Uses (24+28)	377,774.00		422,726.00	
30. Net (Deficit) (15-29)	1,347.00		461.00	
Cash Balance				
31. Beginning Cash Balance	0.00		3,795.00	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	1,347.00		4,256.00	

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
PART II - O@M EXPENSE SCHEDULE				
1. Maint. @ Repairs Payroll	20,020.00		20,621.00	
2. Maint. @ Repairs Supply	15,195.00		15,475.00	
3. Maint. @ Repairs Contract	550.00		550.00	
4. Painting	1,800.00		1,980.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	8,125.00		7,825.00	
8. Services	4,770.00		5,930.00	
9. Cptl Bgt (Part V operating)	3,119.00		0.00	
10. Other Operating Expenses	0.00		0.00	
11. Sub-Ttl O@M (1 thru 10)	53,579.00		52,381.00	
12. Electricity	8,400.00		7,692.00	
13. Water	20,400.00		20,400.00	
14. Sewer	27,600.00		28,404.00	
15. Fuel (Oil/Coal/Gas)	0.00		0.00	
16. Garbage @ Trash Removal	10,800.00		11,400.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	67,200.00		67,896.00	
19. Site Management Payroll	18,337.00		18,701.00	
20. Management Fee	31,020.00		32,340.00	
21. Project Auditing Expense	2,500.00		2,500.00	
22. Proj. Bookkeeping/Accnting	0.00		0.00	
23. Legal Expenses	648.00		374.00	
24. Advertising	100.00		100.00	
25. Phone @ Answering Service	2,100.00		2,160.00	
26. Office Supplies	1,935.00		2,265.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	380.00		638.00	
29. Hlth Ins. @ Other Benefits	11,695.00		9,064.00	
30. Payroll Taxes	3,426.00		3,500.00	
31. Workmans Compensation	1,026.00		1,397.00	
32. Other Admin. Expenses	1,210.00		2,220.00	MILEAGE, CREDIT CK , BANK CHG
33. Sub-Ttl Admin (19 thru 32)	74,377.00		75,259.00	
34. Real Estate Taxes	17,347.00		21,985.00	
35. Special Assessments	605.00		552.00	
36. Othr Taxes, Lcnses, Permts	586.00		1,481.00	SOFTWARE BUSINESS LIC
37. Property @ Liability Ins.	9,441.00		10,276.00	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	27,979.00		34,294.00	
41. Ttl O@M Exps (11+18+33+40)	223,135.00		229,830.00	

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	01/01/2016	01/01/2016	01/01/2017	
Ending Dates:	12/31/2016	12/31/2016	12/31/2017	
PART III - ACCT BUDGET/STATUS				
Reserve Account				
1. Beginning Balance	0.00		21,284.00	
2. Transfer to Reserve	10,000.00		14,506.00	
Transfer From Reserve				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	5,250.00		19,500.00	
5. Building @ Equip Repair	0.00		19,500.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	5,250.00		39,000.00	
8. Ending Balance [(1+2)-7]	4,750.00		-3,210.00	
General Operating Account				
Beginning Balance				
Ending Balance				
Real Estate Tax And Ins Escrow				
Beginning Balance				
Ending Balance				
Tenant Security Deposit Acct				
Beginning Balance				
Ending Balance				

Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance	87,564.58
Number of Applicants Needing RA		Amount Ahead/Behind	-8,447.07

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

PART IV RENT SCHEDULE

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	3	All	F		24	605	605	605	174,240	174,240	174,240	140
N	2	All	F		24	561	561	561	161,568	161,568	161,568	109
N	1	All	F		7	542	542	542	45,528	45,528	45,528	103
CURRENT RENT TOTALS									381,336	381,336	381,336	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	
N	3	All				140	0	0	0	0	140
N	2	All				109	0	0	0	0	109
N	1	All				103	0	0	0	0	103

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	3	All			24	620	620	620	178,560	178,560	178,560	145
N	1	All			7	551	551	551	46,284	46,284	46,284	115
N	2	All			24	571	571	571	164,448	164,448	164,448	102
PROPOSED RENT TOTALS									389,292	389,292	389,292	

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

Unit Description						Utility Types					Total Allow
Type	Size	HC	Rev	Unit		Elect	Gas	Sewer	Trash	Other	
N	3	All				145	0	0	0	0	145
N	1	All				115	0	0	0	0	115
N	2	All				102	0	0	0	0	102

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
ANNUAL CAPITAL BUDGET							
Appliances							
Appliances - Range	1	455.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	2	1,100.00	0.00	0.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
Carpet and Vinyl							
Carpet @ Vinyl - 1 Br.	1	750.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	3	2,200.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	2	1,975.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
Doors							
Doors - Exterior	2	400.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
Heat and Air Conditioning							
Heat @ Air - Heating	4	10,400.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing							
Plumbing - Water Heater	2	720.00	0.00	0.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	1	1,500.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
Structures							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	0.00	0.00	0.00	0.00	0.00	0

Project Name: GRAY GARDENS APTS State: 10 Servicing Office: 603 County: 84
 Borrower Name: GRAY GARDENS LTD Borr ID: 833138266 Prj Nbr: 01-0 Paid Code: Active
 Classification: C Fiscal Year: 2017 Version: 01/01/2017 TRANSMITD Totals: By Project Analyzed: N

Item	Proposed Number Units/Items	Proposed From Reserve	Actual From Reserve	Proposed From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	01/01/2016	01/01/2017	01/01/2016	01/01/2017	01/01/2016	01/01/2016	01/01/2016
Ending Dates:	12/31/2016		12/31/2016		12/31/2016	12/31/2016	12/31/2016
Paving							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
Landscape and Grounds							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features							
Accessibility Features - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equipment							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
Other							
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
Total Capital Expenses	0	19,500.00	0.00	0.00	0.00	0.00	0

Project Name: GRAY GARDENS APTS	State: 10	Servicing Office: 603	County: 84
Borrower Name: GRAY GARDENS LTD	Borr ID: 833138266	Prj Nbr: 01-0	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 TRANSMITD	Totals: By Project Analyzed: N

SPVS Comment:

Batched/ II 101816

Narrative:

BUDGET NARRATIVE PROJECT NAME Gray Gardens Apartments BORROWER NAME Gray Gardens Associates Ltd. BORROWER ID AND PROJECT NO 833138266-010 * Gray Gardens Apartments is a 56 unit family community located in Gray, Georgia. The property is currently 100% occupied and is now managed by Hallmark Management. * The property has outstanding findings in structural, accessibility, and reserve balances that will be addressed by the management company as funds allow. * Administrative expenses exceed 23% of the gross rents, however, the costs are necessary expenses to carry out the administrative responsibilities associated with the property and we feel that these expenses are in line with other complexes, are not inflated and reflect the actual amounts needed to operate. * The 10% threshold tolerance is exceeded in the taxes and insurance category due to increases in real estate taxes and hazard insurance. * We will continue to replace carpets, stoves, refrigerators, etc. on an as needed basis. It is expected the following will be replaced in 2017 - \$ 19,500 will be paid from the reserve account to include 2 refrigerators, 1 stove, 4 carpets, 4 HVAC units, 2 water heaters, and 2 vinyl, 2 Ext doors, 1 tub replacement. Replacements for 2018 thru 2020 are as follows- * 2018 -- 2 refrigerators, 1 stove, 3 carpets, 3 vinyl, 2 HVAC units, 2 water heaters. * 2019 -- 3 refrigerators, 1 stove, 2 carpets, 2 vinyl, 2 HVAC units, 1 water heater, and water heaters. * 2020 -- 3 refrigerators, 1 stove, 2 carpets, 2 vinyl, 2 HVAC units, 1 water heater, and parking lot overlay. * The rent increase of \$9.00 on 1 bedrooms, \$10.00 on 2 bedrooms, and \$15.00 on 3 bedrooms, is the HUD rent increase in accordance with HUD's Operating Cost Adjustment Factor (OCAF). Utility amounts were from the utility study performed by Zeffert. * There is no additional documentation necessary for the Agency to

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

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

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

Project Name: Gray Gardens Associates, Ltd. Borrower Case# /Project ID: 10-084-833138266
10-084-833138266 City/State: Gray, GA

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

1. We certify that:

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

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

(2) Fees:

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

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

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

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

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

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

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

3. We agree to:
 - a. Comply with this project's Mortgage and Promissory Note, and Loan Agreement/Resolution or Workout Agreement.
 - b. Comply with Rural Development Handbooks and other policy directives that relate to the management of the project.
 - c. Comply with Rural Development requirements regarding payment and reasonableness of the management fee and the project account.
 - d. Refrain from purchasing goods or services from entities that have identity of interest with us unless the requirements of 7C.F.R. §3560.102(g) are met.

4. The Agent agrees to:
 - a. Ensure that **all** expenses of the project are reasonable and necessary.
 - b. Exert reasonable effort to maximize project income and to take advantage of discounts, rebates and similar money-saving techniques.
 - c. Obtain contracts, materials, supplies and services including the preparation of the annual financial reports on terms most advantageous to the project.
 - d. Credit the housing project with all discounts, rebates or commissions including any sales or property tax relief granted by the State or local government received.
 - e. Obtain the necessary verbal or written cost estimates and document reasons for accepting other than the lowest bid.
 - f. Maintain copies of the documentation and make such documentation available for inspection during normal business hours.
 - g. Invest project funds that Rural Development policies require to be invested and take reasonable effort to invest other project funds unless the Borrower specifically directs the Agent not to invest those funds.

5. We certify that the types of insurance policies checked below are enforceable and will be maintained to the best of our ability at all times. Fidelity bonds and hazard insurance policies will name Rural Development as co-payee in the event of loss. Note: for any box not checked, Rural Development may require an explanation as to why a certain type of insurance was not obtained.
 - a. Fidelity bond or employee dishonesty coverage for:
 - (1) all principals of the Agent and
 - (2) all persons who participate directly or indirectly in the management or maintenance of the project and its assets, accounts and records.
 - b. Hazard insurance coverage required by 7 C.F.R. §3560.105.
 - c. Public liability insurance required by 7 C.F.R. §3560.105.
 - d. Other (specify) as may be required by 7 C.F.R. §3560.105.

6. The Agent agrees to:
 - a. Furnish a written response to Rural Development's supervisory visit review reports, physical inspection reports, and written inquiries regarding the project's annual financial statements or monthly accounting reports within 30 days after receipt of the report or inquiry.
 - b. Establish and maintain the project's accounts, books and records in accordance with:
 - (1) Rural Development's administrative requirements; and
 - (2) Accounting principles under 7 C.F.R. §3560.302(b).

7. We agree that:
 - a. All records related to the operation of the project, regardless of where they are housed, shall be considered the property of the project.
 - b. Rural Development, the Office of Inspector General (OIG), and those agencies' representatives may inspect:
 - (1) Any records which relate to the project's purchase of goods or services,
 - (2) The records of the Borrower and the Agent, and
 - (3) The records of companies having an identity-of-interest with the Borrower, Rural Development and the Agent.
 - c. The following clause will be included in any contract entered into with an identity-of-interest individual or business for the provision of goods or services to the project:

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

8. We agree to include the following provisions in the Agreement and to be bound by them:

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

Warnings:

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

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

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

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

**By Project Borrower: Gray Gardens Associates, Ltd.
Hallmark Group Services of GA II, LLC.**
Name/Title: By: Martin H. Petersen, Managing Member

Signature: *Martin H Petersen*

Date: 9/26/2016

By Management Agent: Hallmark Management, Inc.

Name/Title: Norine Lewis, Vice President

Signature: *Norine Lewis*

Date: 9/26/2016

By Servicing Official:

Name/Title: *Holly P. Sefph, CRA Specialist 10-24-16*

Signature: *Holly P. Sefph*

ESTIMATE AND CERTIFICATE OF ACTUAL COST

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

BORROWER/OWNER-BUILDER	CONTRACTOR
NAME OF PROJECT	LOCATION

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

Check and Complete Applicable Box:

A. ESTIMATE

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

B. ACTUAL COST

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

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

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

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

* Breakdown on page 4.

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

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

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

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

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

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

ESTIMATES:

Date _____

Date _____

Lines I through 44 *(Name of Contractor)*

Lines 44 through 58 *(Name of Mortgagor)*

By: _____
(Signature)

By: _____
(Signature)

Title: _____

Title: _____

ACTUAL

Date _____

Date _____

Lines I through 44 *(Name of Contractor)*

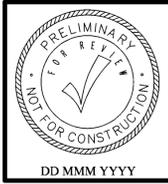
Lines 44 through 58 *(Name of Mortgagor)*

By: _____
(Signature)

By: _____
(Signature)

Title: _____

Title: _____



GRAY GARDENS RENOVATION

Gray,

Georgia

PROJECT INFORMATION

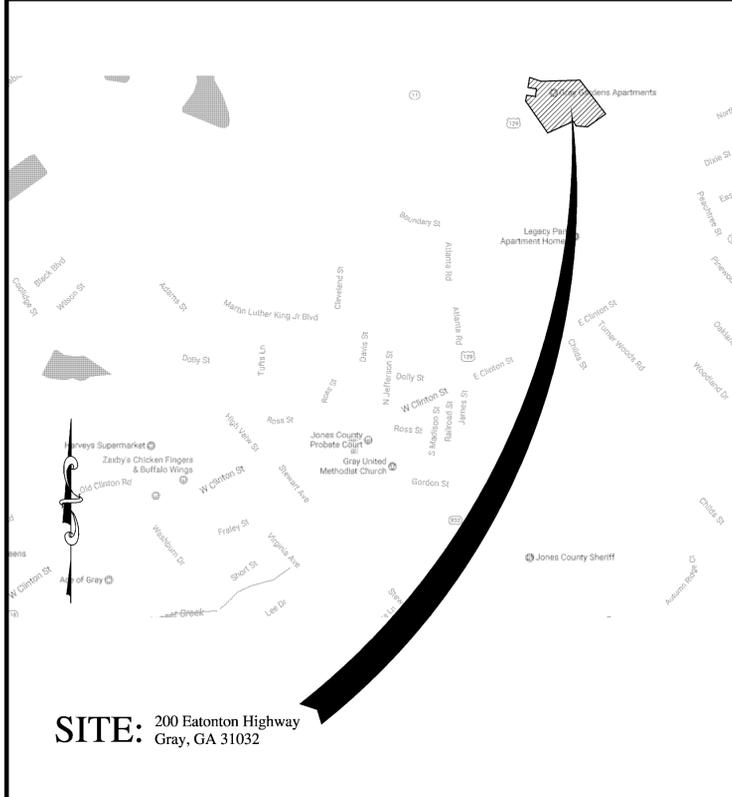
INDEX TO DRAWINGS

ARCHITECT'S JOB NO. 3430

SITE DATA	
SITE ZONING:	EXISTING TO REMAIN
SITE SIZE:	EXISTING TO REMAIN
SITE DENSITY:	EXISTING TO REMAIN
NO. OF PARKING SPACES:	(76) TYPICAL + (3) ACC. + (2) VAN ACC.= (81) TOTAL
BUILDING DATA	
RENTAL UNITS BY BUILDING:	BLDG. A = (6) TYP. 3-BR.-TH UNITS; BLDG. B = (6) TYP. 2-BR.-TH UNITS; BLDG. C = (6) TYP. 3-BR.-TH UNITS; BLDG. D = (6) TYP. 3-BR.-TH UNITS; BLDG. E = (6) TYP. 3-BR.-TH UNITS; BLDG. F = (6) TYP. 2-BR.-TH UNITS; BLDG. G = (6) TYP. 2-BR.-TH UNITS; BLDG. H = (2) TYP. 1-BR UNITS, (1) UFAS 1-BR UNIT, (1) AUDIOVISUAL 1-BR UNIT; BLDG. I = (1) TYP. 1-BR UNITS, (2) UFAS 1-BR UNITS, (1) AUDIOVISUAL 1-BR UNIT; BLDG. J = (6) TYP. 2-BR.-TH UNITS
RENTAL UNITS BY TYPE:	(3) TYP. 1-BR UNITS; (3) UFAS 1-BR UNITS; (2) AUDIOVISUAL 1-BR UNITS; (24) TYP. 2-BR.-TH UNITS; (24) TYP. 3-BR.-TH UNITS
TOTAL RENTAL UNITS:	(56) TOTAL UNITS
NO. & MIX OF UNITS:	(8) 1-BR UNITS; (24) 2-BR.-TH UNITS; (24) 3-BR.-TH UNITS
DWELLING UNIT AREA:	(3) TYP. 1-BR UNITS @ 636 SF = 1,908 SF; (3) UFAS 1-BR UNIT @ 636 SF = 1,908 SF; (2) AUDIOVISUAL 1-BR UNIT @ 636 SF = 1,272 SF; (24) TYP. 2-BR.-TH UNITS @ 831 SF = 19,944 SF; (24) TYP. 3-BR.-TH UNITS @ 1,004 SF = 24,096 SF 49,128 TOTAL SF DWELLING AREA
NON-DWELLING UNIT AREA:	748 SF (OFFICE/LAUNDRY/MAINT. BUILDING)
TOTAL BUILDING AREA:	49,876 SF (GROSS)
TOTAL ACTUAL AREA:	BLDG. A = 6,024 SF; BLDG. B = 4,986 SF; BLDG. C = 6,024 SF; BLDG. D = 6,024 SF; BLDG. E = 6,024 SF; BLDG. F = 4,986 SF; BLDG. G = 4,986 SF; BLDG. H = 2,544 SF; BLDG. I = 2,544 SF; BLDG. J = 4,986 SF

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

PROJECT LOCATION MAP



SIGNATURE AREAS

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

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

BY: _____ DATE: _____

OWNER: _____

BY: _____ DATE: _____

CONTRACTOR: _____

BY: _____ DATE: _____

BY: _____ DATE: _____

MATERIAL SQ. FT. DISCLAIMER:

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

PM: ZW
PC: JL

PLAN SET NO. _____

REVIEW SET

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 GRAY, JONES COUNTY, GEORGIA

Wallace
 ARCHITECTS, L.L.C.
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NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



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

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

ACCESSIBILITY NOTES

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

POLLUTION / EROSION CONTROL NOTES:

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

SITE UTILITY NOTES

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

LEGEND

- [Pattern] AREAS OF NEW CONCRETE SIDEWALK / SURFACE
- [Pattern] AREAS OF NEW BASE COURSE
- [Symbol] EXISTING LIGHT POLE
- [Line] ACCESSIBLE ROUTE (2% CROSS SLOPE MAX, 5% RUNNING SLOPE MAX, REPLACE AS REQUIRED.)
- [Symbol] EXISTING MANHOLE
- [Symbol] EXISTING FIRE HYDRANT
- [Line] DRAINAGE SHALE
- [Arrow] DIRECTIONAL FLOW ARROW
- [Symbol] SPOT ELEVATION
- [Symbol] DRAIN SYSTEM STRUCTURE

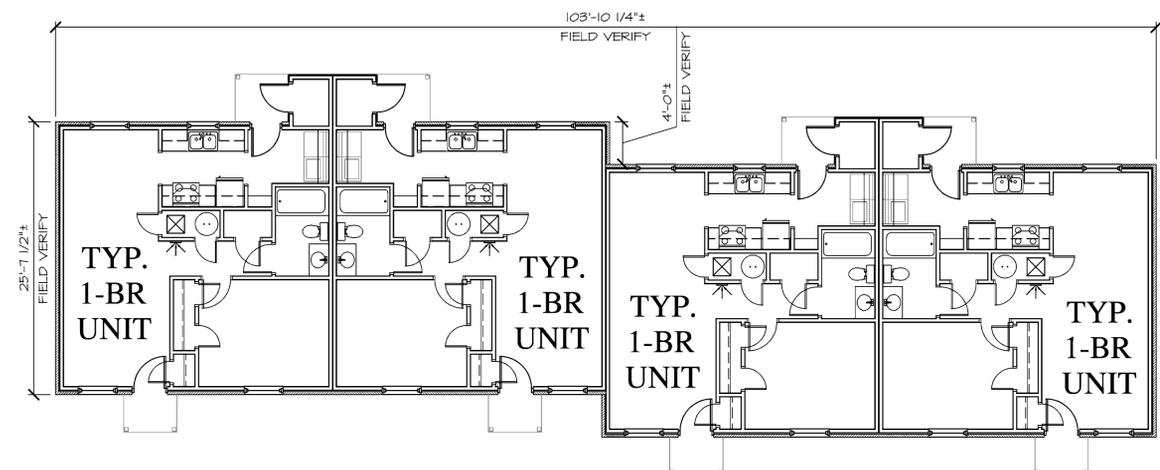
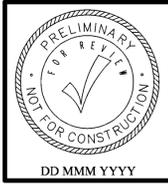


ARCHITECTURAL SITE PLAN
SCALE: 1" = 40'-0"



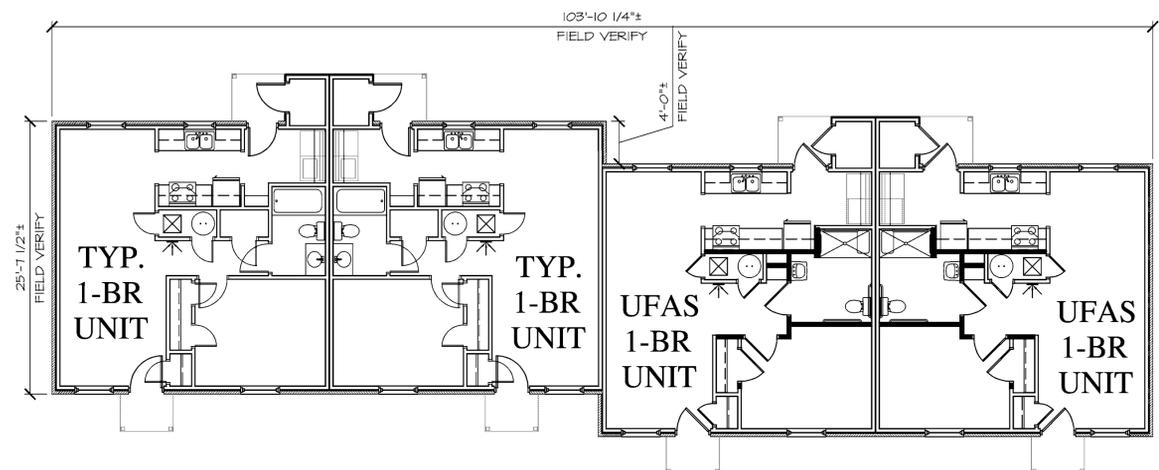
REVIEW SET

NOTE:
CONTRACTOR SHALL FIELD VERIFY ALL
DIMENSIONS AND MEASUREMENTS.



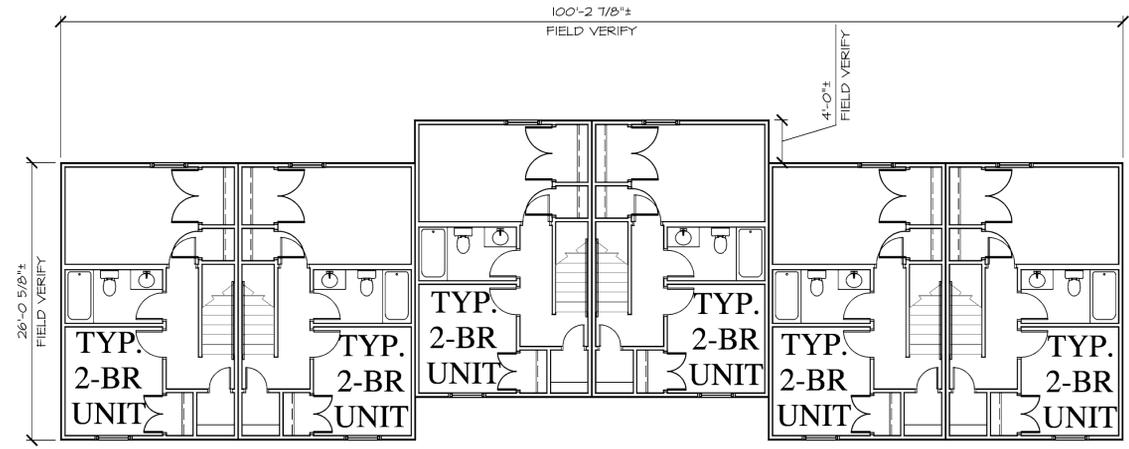
RENOVATED BUILDING "H" FLOOR PLAN
SCALE: 1/8" = 1'-0"

1
A1.0



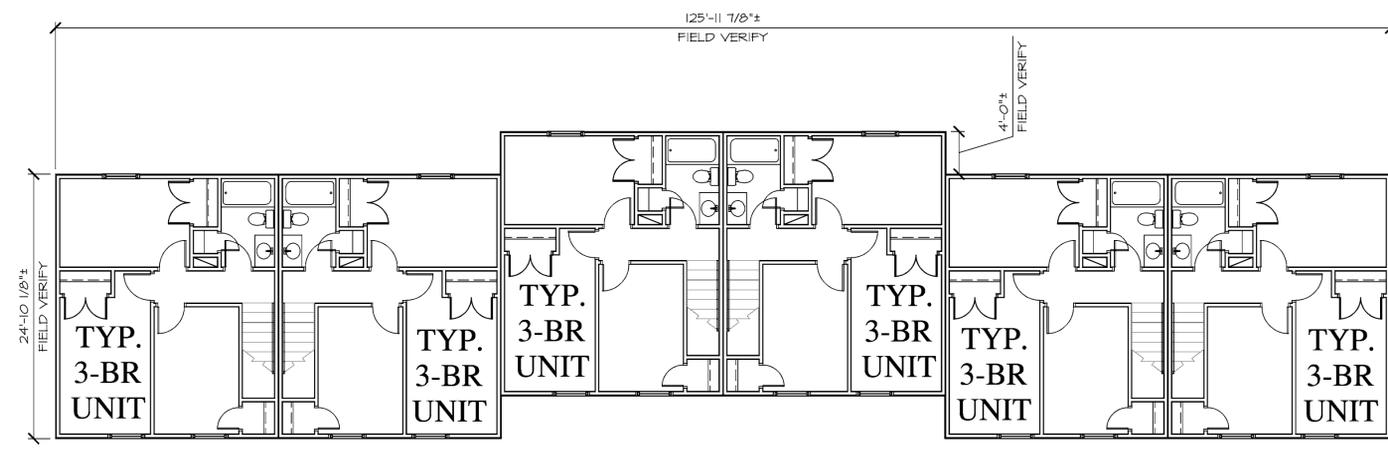
RENOVATED BUILDING "I" FLOOR PLAN
SCALE: 1/8" = 1'-0"

2
A1.0



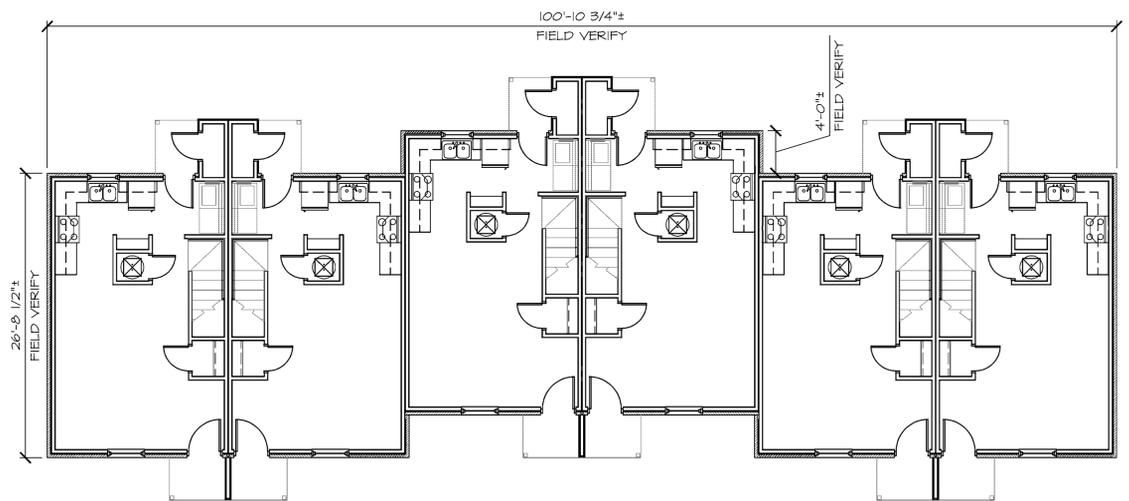
RENOVATED BUILDINGS "B, F, G, & J" 2ND FLOOR PLAN
SCALE: 1/8" = 1'-0"

3
A1.0



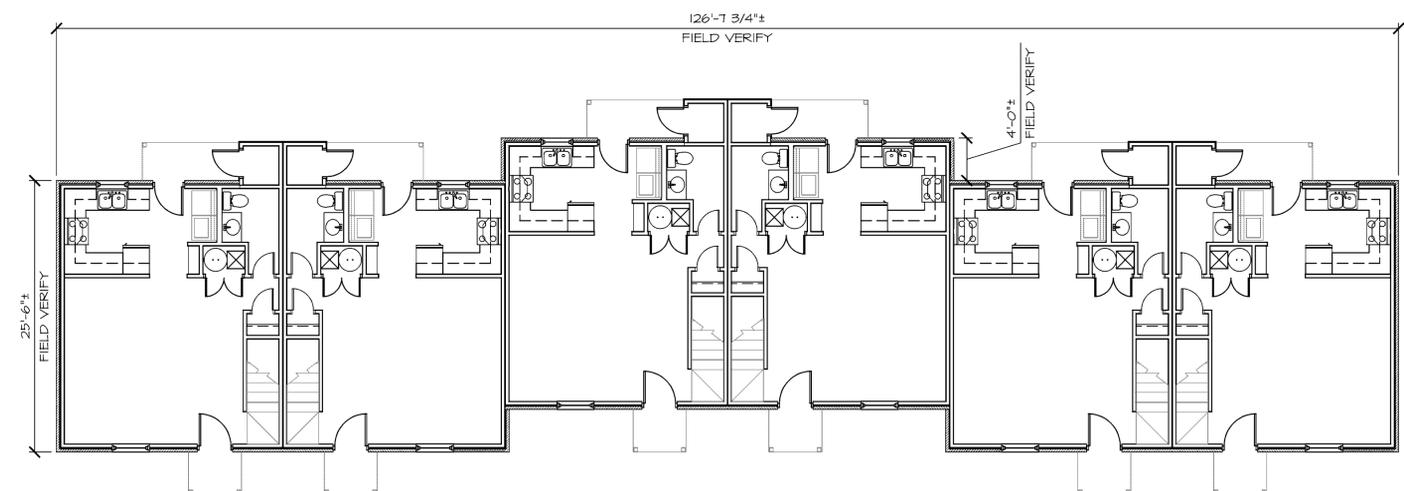
RENOVATED BUILDINGS "A, C, D, & E" 2ND FLOOR PLAN
SCALE: 1/8" = 1'-0"

4
A1.0



RENOVATED BUILDINGS "B, F, G, & J" 1ST FLOOR PLAN
SCALE: 1/8" = 1'-0"

5
A1.0



RENOVATED BUILDINGS "A, C, D, & E" 1ST FLOOR PLAN
SCALE: 1/8" = 1'-0"

6
A1.0

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Columbia, MO
P 573-2567-200

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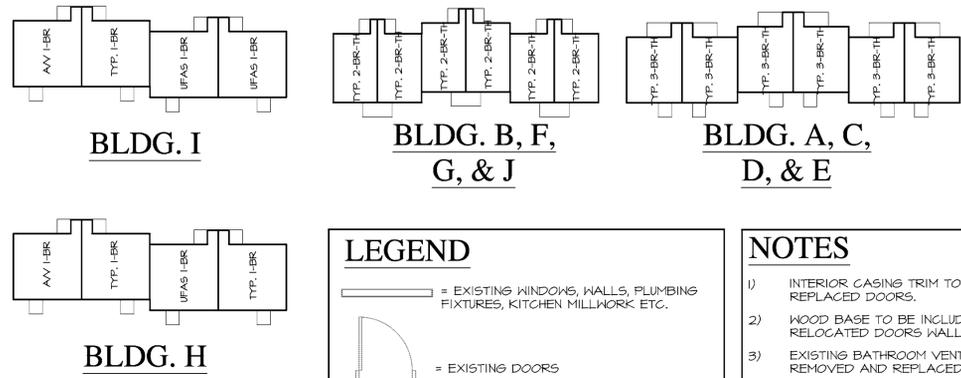
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BLDG. KEY

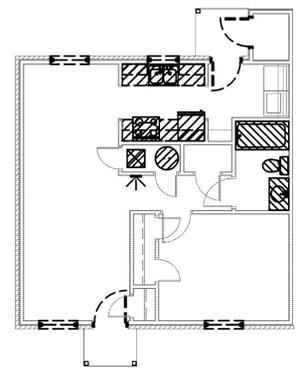
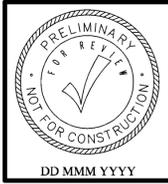


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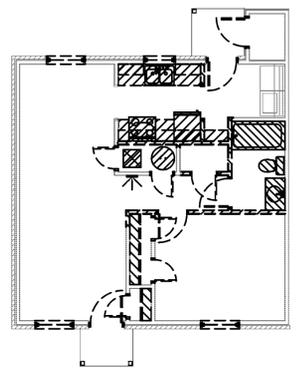
- = EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
- = EXISTING DOORS
- = WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
- - - = DOORS TO BE REMOVED
- ▨ = NEW FLOOR SLAB
- ▤ = NEW CONCRETE
- ▭ =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

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

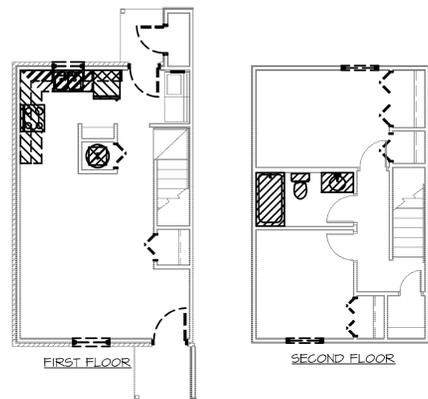
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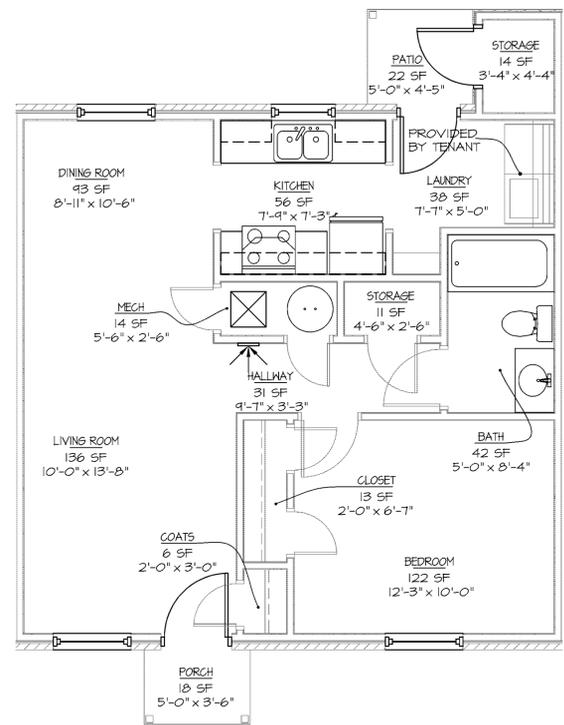
DEMO TYP. 1-BR FLOOR PLAN
SCALE: 1/8" = 1'-0"



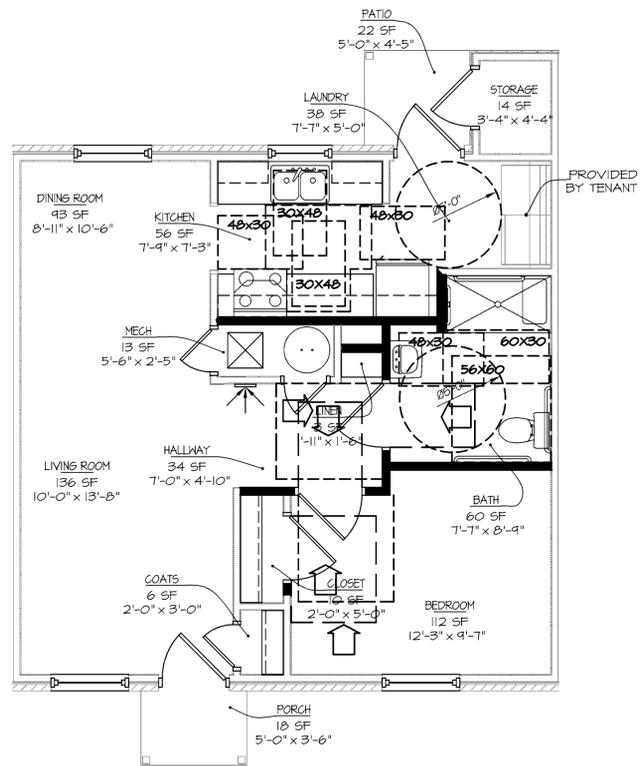
DEMO TYP. 1-BR FLOOR PLAN FOR UFAS
SCALE: 1/8" = 1'-0"



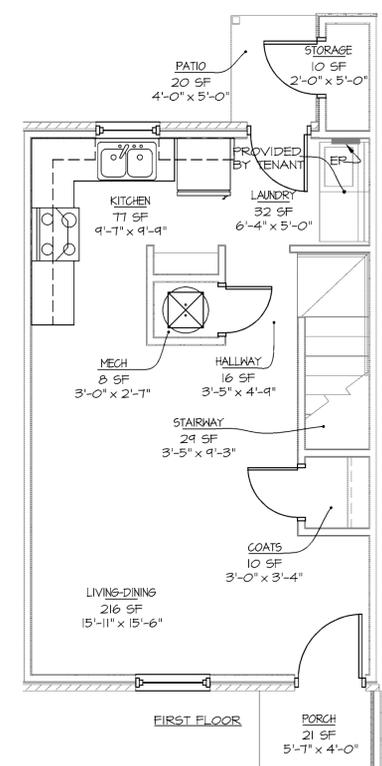
DEMO TYP. 2-BR-TH FLOOR PLAN
SCALE: 1/8" = 1'-0"



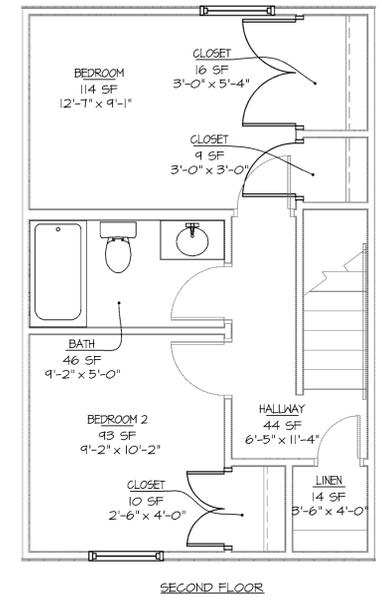
RENOVATED TYP. 1-BR FLOOR PLAN
SCALE: 1/4" = 1'-0"



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



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



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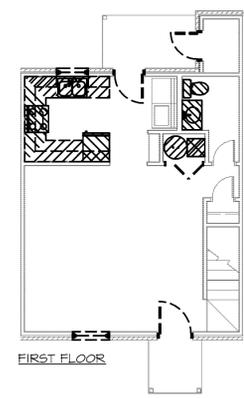
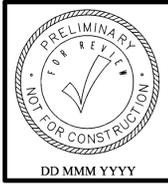
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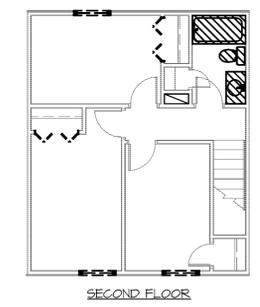
- NOTES**
- 1) INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
 - 2) WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
 - 3) EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

- LEGEND**
- [Solid line] = EXISTING WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
 - [Dashed line] = EXISTING DOORS
 - [Dashed line with diagonal hatching] = WINDOWS, WALLS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC. TO BE REMOVED. SEE WINDOW SCHEDULE FOR EXTENT OF WINDOW DEMOLITION REQUIRED.
 - [Dashed line with dots] = DOORS TO BE REMOVED
 - [Diagonal hatching] = NEW FLOOR SLAB
 - [Stippled pattern] = NEW CONCRETE
 - [Thin solid line] = NEW WINDOWS, PLUMBING FIXTURES, KITCHEN MILLWORK ETC.
 - [Thick solid line] = NEW WALLS
 - [Solid line with arc] = NEW DOORS

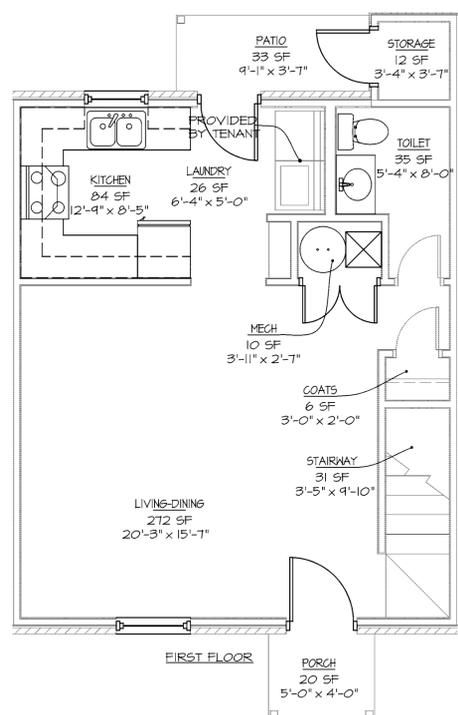
NOTE:
CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



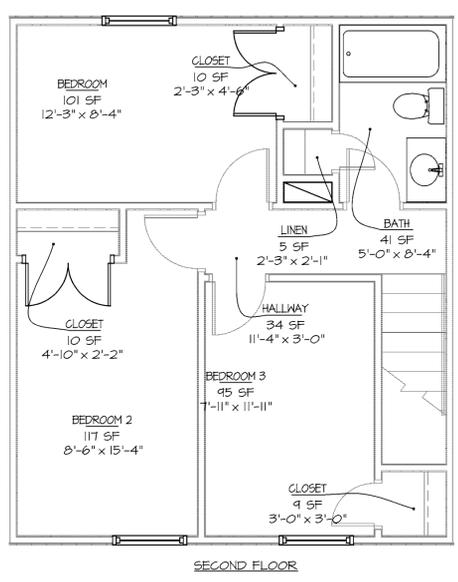
DEMO TYP.
3-BR-TH FLOOR PLAN
SCALE: 1/8" = 1'-0"



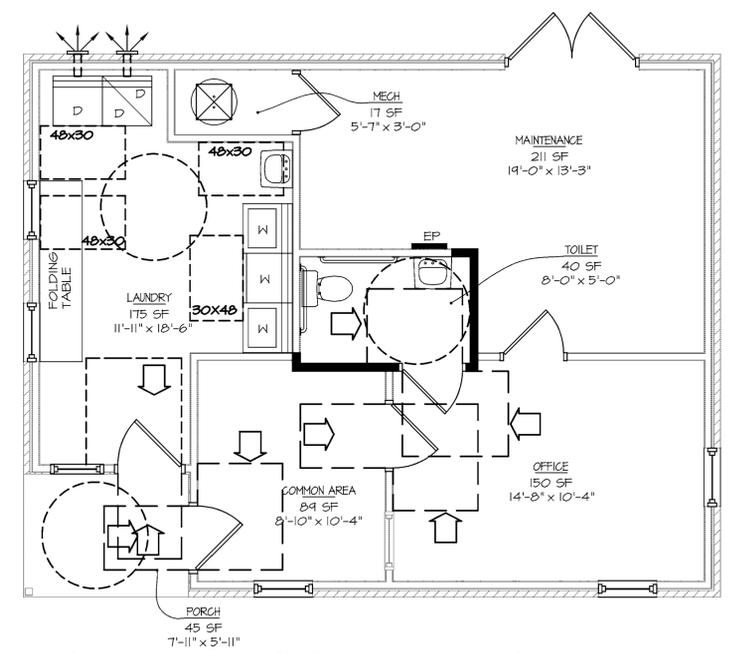
DEMO
OFFICE/MAINTENANCE
FLOOR PLAN
SCALE: 1/8" = 1'-0"



RENOVATED 3-BR-TH FLOOR PLAN
SCALE: 1/4" = 1'-0"



SECOND FLOOR



RENOVATED OFFICE/MAINTENANCE
FLOOR PLAN
SCALE: 1/4" = 1'-0"

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GRAY, JONES COUNTY, GEORGIA

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Columbia, MO
P 573-2567-200

WALLACE ARCHITECTS, L.L.C.

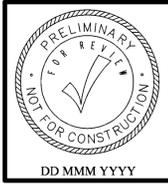
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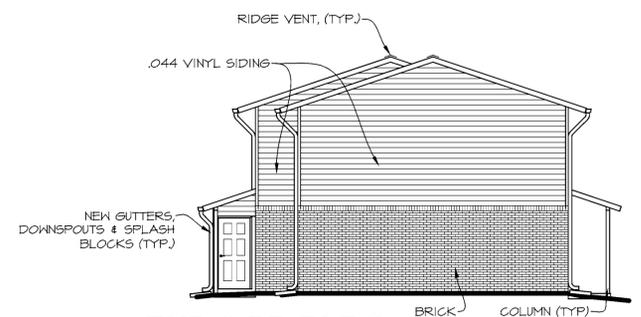
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JOB NO.
3430

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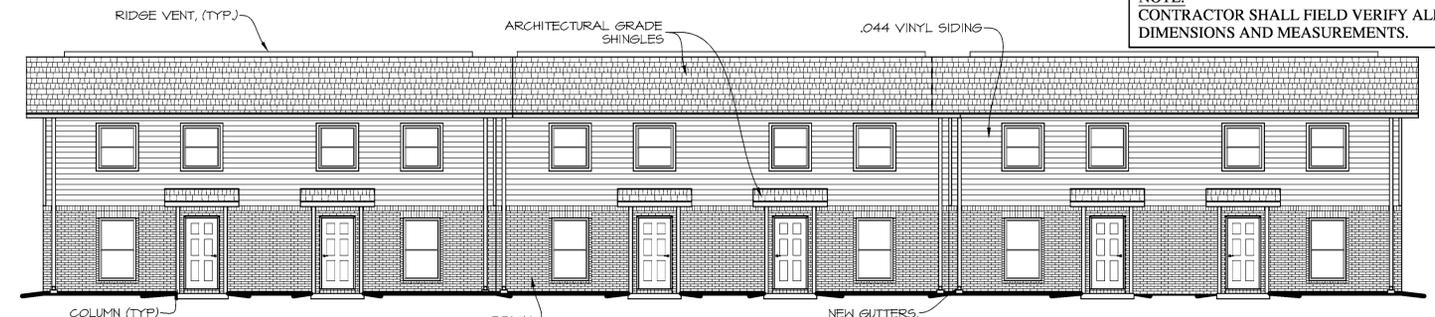


NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



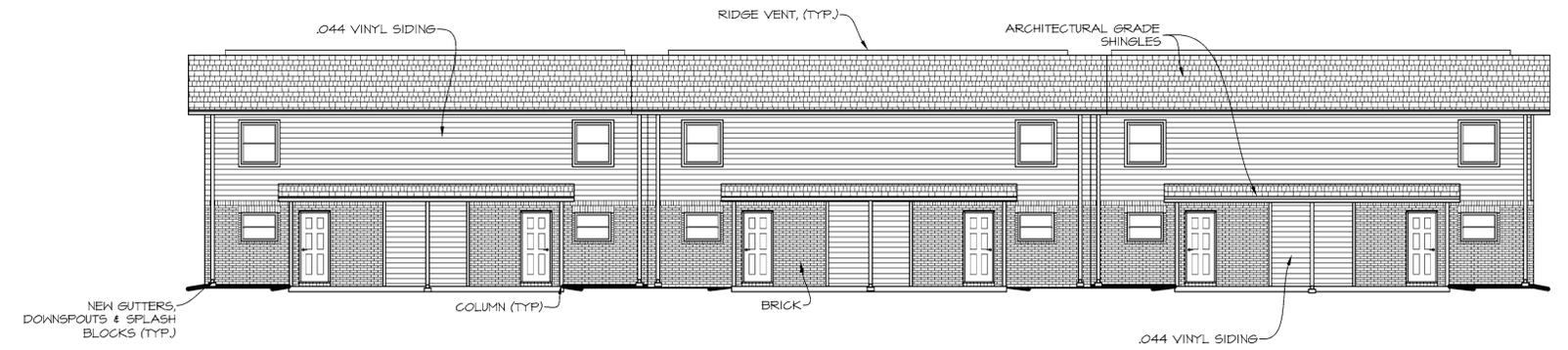
TYP. 3-BR-BLDG. SIDE ELEVATION
SCALE: 1/8" = 1'-0"

1
A3.0



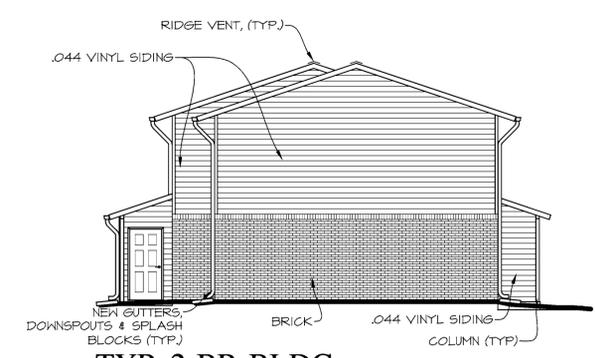
3-BR-BLDG. FRONT ELEVATION
SCALE: 1/8" = 1'-0"

2
A3.0



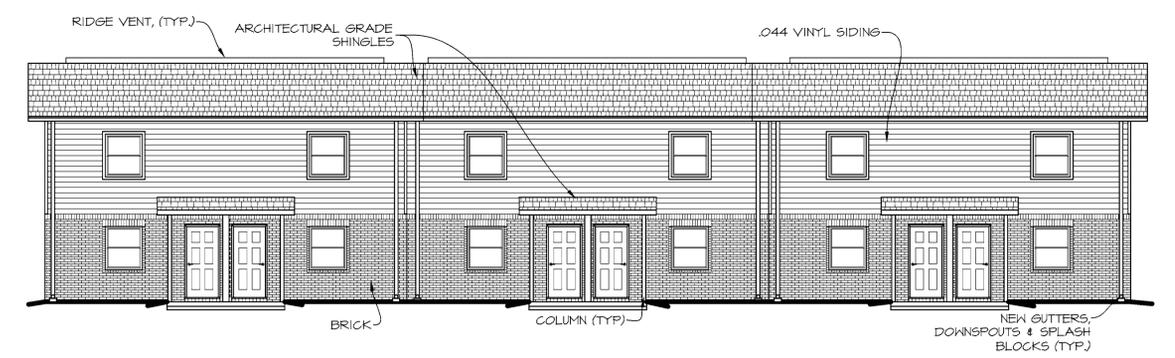
3-BR-BLDG. REAR ELEVATION
SCALE: 1/8" = 1'-0"

3
A3.0



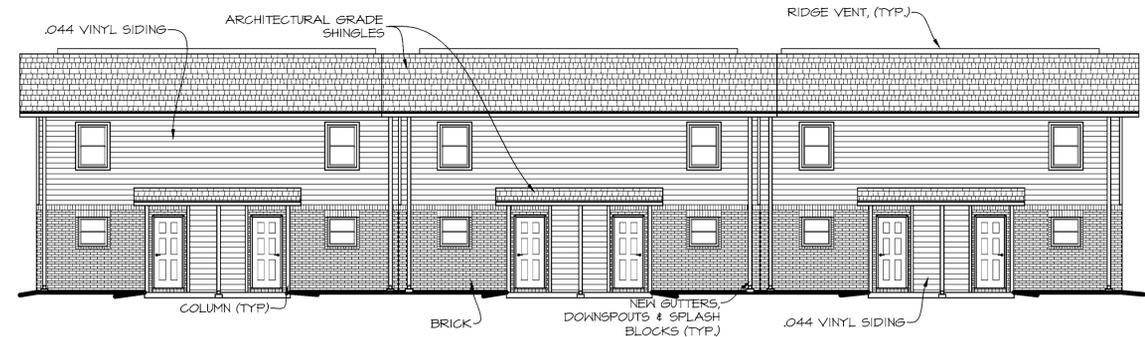
TYP. 2-BR-BLDG. SIDE ELEVATION
SCALE: 1/8" = 1'-0"

4
A3.0



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

5
A3.0



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

6
A3.0

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

GRAY GARDENS RENOVATION
GRAY, JONES COUNTY, GEORGIA

Wallace ARCHITECTS, L.L.C.
Columbia, MO
P. 572-2567-200

WALLACE ARCHITECTS, L.L.C.

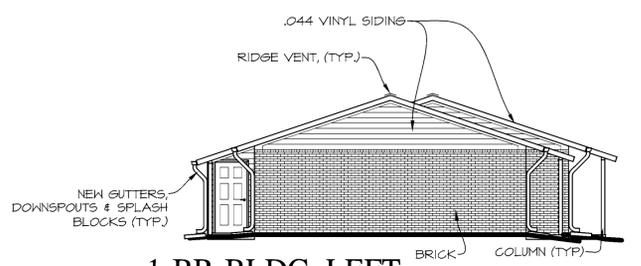
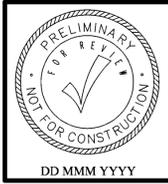
COPYRIGHT © 2017
1ST ISSUE
XX XXX XXXX

REVISIONS	
△	_____
△	_____
△	_____
△	_____

SHEET NO.
A3.0

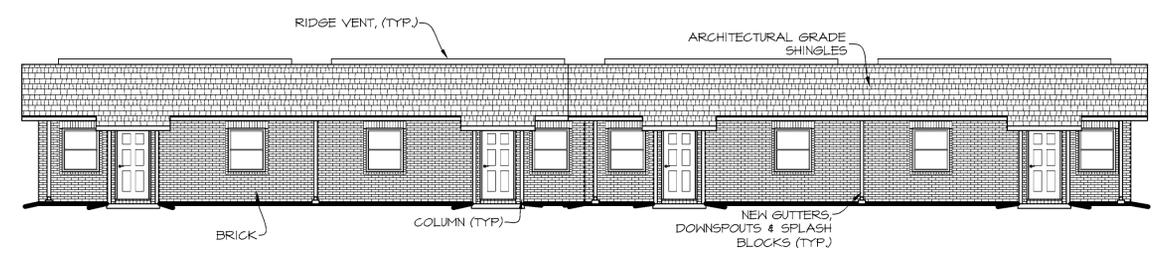
JOB NO.
3430

NOTE:
CONTRACTOR SHALL FIELD VERIFY ALL
DIMENSIONS AND MEASUREMENTS.



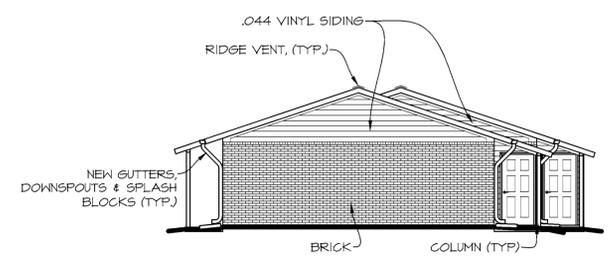
1-BR-BLDG. LEFT
SIDE ELEVATION
SCALE: 1/8" = 1'-0"

1
A3.1



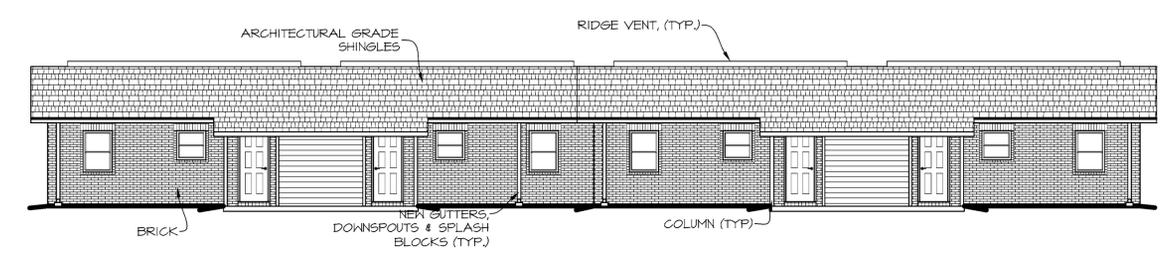
1-BR-BLDG. FRONT ELEVATION
SCALE: 1/8" = 1'-0"

2
A3.1



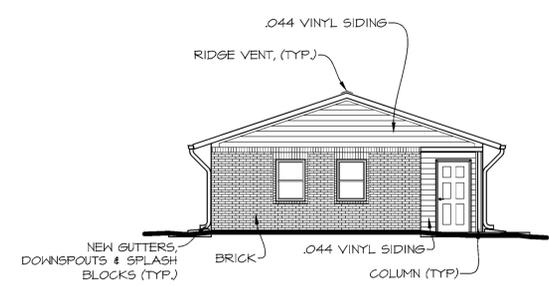
1-BR-BLDG. RIGHT
SIDE ELEVATION
SCALE: 1/8" = 1'-0"

3
A3.1



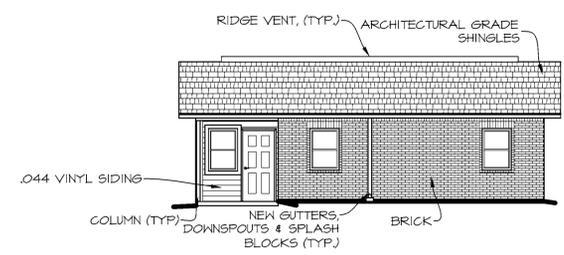
1-BR-BLDG. REAR ELEVATION
SCALE: 1/8" = 1'-0"

4
A3.1



OFFICE/MAINT. LEFT
SIDE ELEVATION
SCALE: 1/8" = 1'-0"

5
A3.1

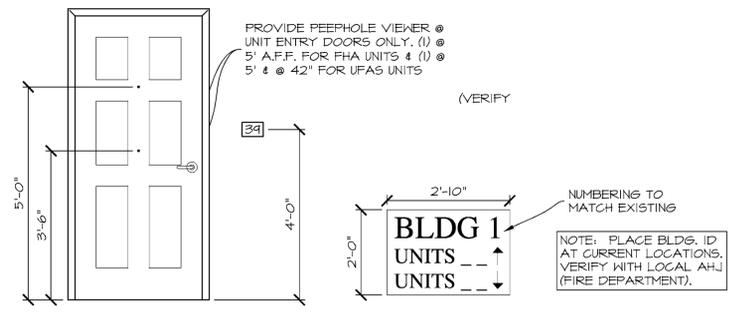


OFFICE/MAINT.
FRONT ELEVATION
SCALE: 1/8" = 1'-0"

6
A3.1

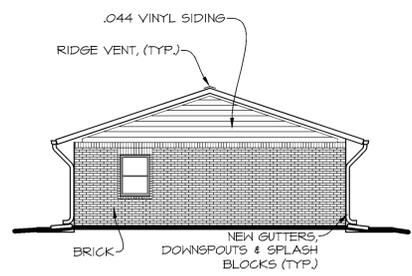
NOTE: EXISTING VENT COVERS AT ALL
EXTERIOR LOCATIONS ARE TO BE REPLACED.

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



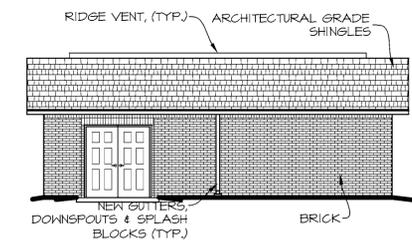
UNIT & BUILDING I.D. SIGN DETAILS
SCALE: 1/2" = 1'-0"

7
A3.1



OFFICE/MAINT. RIGHT
SIDE ELEVATION
SCALE: 1/8" = 1'-0"

8
A3.1



OFFICE/MAINT.
REAR ELEVATION
SCALE: 1/8" = 1'-0"

9
A3.1

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

GRAY GARDENS RENOVATION
GRAY, JONES COUNTY, GEORGIA



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1ST ISSUE
XX XXX XXXX

Table with 2 columns: REVISIONS, and 2 rows of empty revision lines.

SHEET NO.
A3.1

JOB NO.
3430

- (6) Cemeteries, mausoleums, crematories, provided the requirements of section 98 are met.
- (7) Other public buildings and uses.
- (8) Family personal care homes.

72.4. *R-3 multifamily residential district.* The purpose of this district is to encourage the orderly development of and protect residential areas containing multifamily and higher density one- and two-family residences, and to ensure that such development as occurs in these areas, including office, governmental, educational, religious, and recreational facilities allowed as conditional uses, is compatible with the higher density residential character of this district.

72.41. *Permitted uses.* The following uses are permitted within an R-3 district:

- (1) Single-family dwellings.
- (2) Single-family attached dwellings.
- (3) Two-family dwellings (duplexes).
- (4) Multifamily dwellings.
- (5) Home swimming pool, provided the location is not closer than ten feet to any property line and the pool is enclosed by a wall or fence at least four feet in height.
- (6) Agriculture, forestry, livestock, and poultry production, provided that the operation is conducted on a tract of land not less than ten acres in area, and that no storage of manure or odor or dust producing substance or use shall be located within 200 feet of a property line, provided, however, any such structure existing at the time of passage of this resolution shall be allowed to extend to the existing building line but no nearer the property line than any existing portion of this [such] structure. All animals, except those generally recognized as pets, shall be kept in a structure, pen or corral.
- (7) Accessory buildings and uses customarily incidental to any use allowed as a permitted or conditional use and located on the same lot as the principal structure or use, provided the requirements of section 93 are met.
- (8) Home occupations, provided the requirements of section 95 are met.
- (9) Gardening on land of one acre or less, when not otherwise existing as an accessory use. No zoning compliance permit is required for this use.

72.42. *Conditional uses.* The following uses may be allowed as conditional uses within an R-3 District:

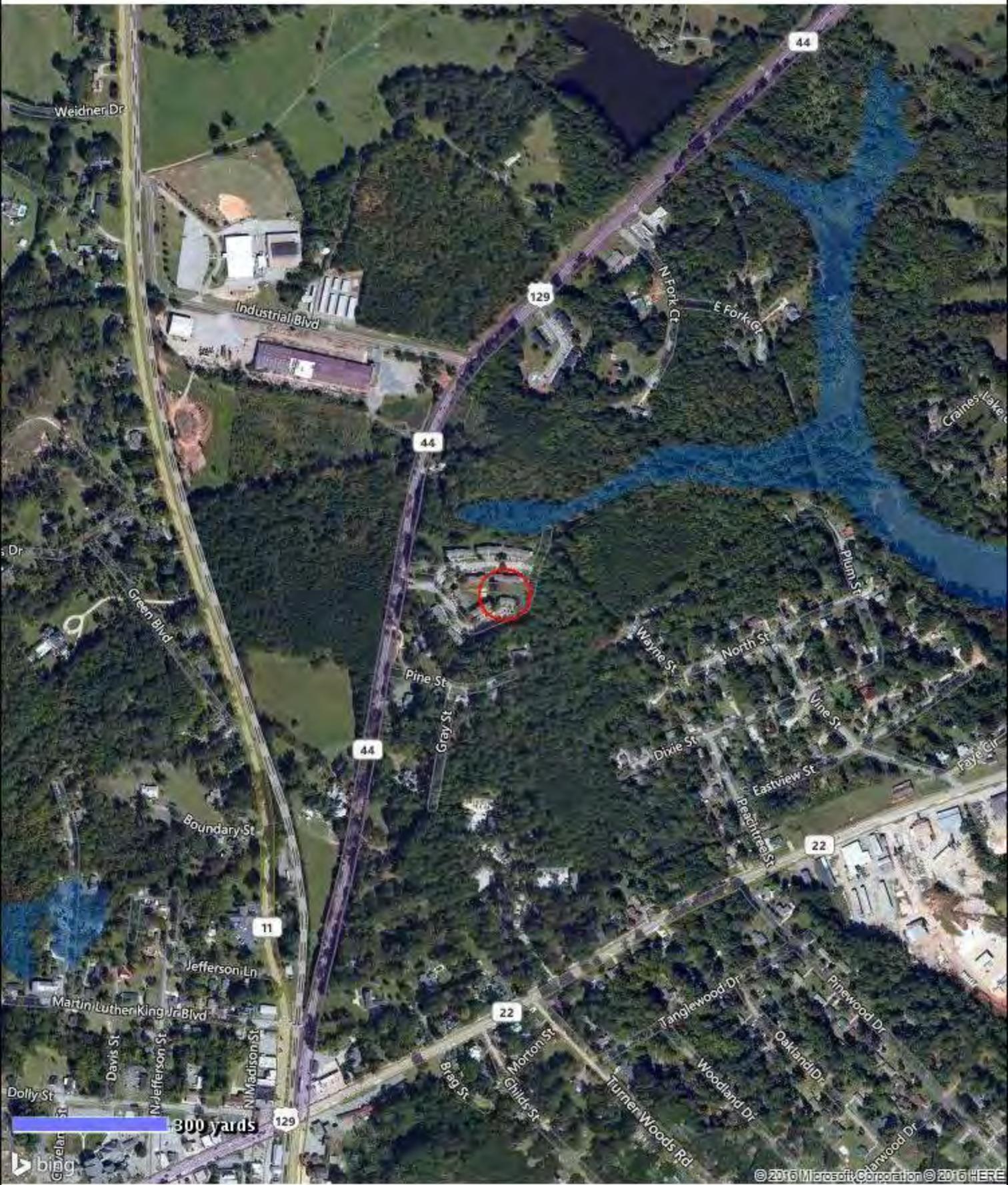
- (1) Churches and other places of worship, with attendant educational and recreational buildings, provided such use abuts a collector or arterial street and provided such buildings shall be placed not closer than 50 feet from any property line.
- (2) Kindergartens, playschools, and day care centers and homes.

- (3) Public and private schools, colleges, and libraries.
- (4) Public utility structures and buildings, provided that the structure is properly screened as required in section 67.
- (5) Publicly or privately owned and operated golf, swimming, tennis, or country clubs, community clubs or associations, athletic fields, parks, and similar recreational areas, provided that no buildings for such proposed use are located within 100 feet of any property line.
- (6) Cemeteries, mausoleums, and crematories, provided the requirements of section 98 are met.
- (7) Other public buildings and uses.
- (8) Family, group, and congregate personal care homes.
- (9) Residential child care facilities.
- (10) Boarding and rooming houses.
- (11) Professional offices or office buildings used exclusively for professional occupancy of such character as will not adversely affect adjacent and nearby residential properties.
- (12) Hospitals, sanitariums, clinics, and convalescent or nursing homes.
- (13) Drugstores, gift shops, florists, self-service laundries, newsstands, barber and beauty shops, dry cleaning and laundry pickup stations, and restaurants when included on the ground floor of a multifamily building or complex having 50 or more units. No business or advertising signs shall be displayed outside of enclosed buildings.

72.5. *R-MH manufactured home residential district.* The purpose of this district is to encourage the orderly development of and protect areas containing manufactured home residential uses, including manufactured home parks and manufactured homes on individual lots, and to ensure that such development as occurs in these areas, including governmental, educational, religious, and recreational facilities allowed as conditional uses, is compatible with the residential character of this district.

72.51. *Permitted uses.* The following uses are permitted within an R-MH district:

- (1) Single-family dwellings.
- (2) Type A or Type B manufactured homes, or a Type C manufactured home (if relocating within the county), as defined in section 91.1, on individual lots, and on permanent foundations, subject to the requirements of section 91.3. The manufactured home shall be 600 or more square feet in area.
- (3) Home swimming pool, provided the location is not closer than ten feet to any property line and the pool is enclosed by a wall or fence at least four feet in height.



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **13169C0170D**
 Zone: **X**
 Map Date: **May 04, 2009**
 FIPS: **13169**

MAP LEGEND

- | | | | |
|---|--------------------------------------|---|-----------------|
|  | Areas inundated by 500-year flooding |  | Protected Areas |
|  | Areas inundated by 100-year flooding |  | Floodway |
|  | 131
Velocity Hazard |  | Subject Area |



12
198/12

USDA-FmHA
Form FmHA 427-1 GA
(Rev. 4-2-79)

Position 5

DEED TO SECURE DEBT FOR GEORGIA

THIS DEED TO SECURE DEBT is made and entered into by the undersigned

GRAY GARDENS ASSOCIATES, LTD., a Georgia limited partnership

residing in Bibb County, Georgia, whose post office address

is P.O. Box 4908, 3184 Mercer University Drive, Macon, Georgia 31208,
herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory note(s) or assumption agreement(s), herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

I = 4.13
the same
2003?

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
March 26, 1982	\$1,450,650	11 1/2%	March 26, 2032

Why signed in
1985 after
the signed in
1982?

This deed is given as additional collateral for the indebtedness secured by that certain Deed to Secure Debt for Georgia from Borrower to Government dated March 26, 1982 and recorded in Deed Book 175, pages 760-766, Clerk's Office, Jones Superior Court.

Terms appear
to be the same

(If the interest rate is less than _____ % for farm ownership or operating loan(s) secured by this instrument, then the rate may be changed as provided in the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949 as amended, or any other statute administered by the Farmers Home Administration:

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured holder, this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance contract by reason of any default by Borrower:

It is pledged
Track 2

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a:

NOW THEREFORE, in consideration of the loan(s) and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance contract by reason of any default by Borrower, and (c) in any event and at all times, to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby grant, bargain, sell, convey, and assign unto the Government, with general warranty, the following property situated in the State of Georgia,

County(ies) of Jones

FmHA 427-1 GA (Rev. 4-2-79)

All that tract or parcel of land lying and being in Jones County, Georgia, described on Exhibit "A" attached hereto and made a part hereof by reference.

together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to, ranges, refrigerators, clothes washers, clothes dryers, or carpeting purchased or financed in whole or in part with loan funds, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance or condemnation of any part thereof or interest therein-all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except:

- 1) Building restriction line as shown on recorded plat of Northfork Estates prepared by Broxton & Associates dated August 17, 1979 and recorded in Plat Book 6, Page 114, Clerk's Office, Jones Superior Court.
- 2) Sanitary Sewer and Water Line Easements to the City of Gray dated September 18, 1974 and August 22, 1977, and recorded in Deed

(FOR CONTINUATION, SEE EXHIBIT "B" ATTACHED HERETO)

AND COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) Whether or not the note is issued by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any cost and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

- (6) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.
- (8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.
- (9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (10) To comply with all laws, ordinances, and regulations affecting the property.
- (11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs and expenses of advertising, selling, and conveying the property.
- (12) Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as grantee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured lender shall have any right, title or interest in or to the lien or any benefits hereof.
- (13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.
- (14) The Government may (a) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (b) release any party who is liable under the note or for the debt from liability to the Government, (c) release portions of the property and subordinate its lien, and (d) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.
- (15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.
- (16) Default hereunder shall constitute default under any other real estate, or under any personal property or other security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.
- (17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be declared a bankrupt or an insolvent, or make an assignment for the benefit of creditors to the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.
- (18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) holders of inferior liens of record who furnish proof of outstanding claims, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.
- (19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State laws. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on dwelling relating to race, color, religion, sex or national origin.

(21) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(22) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given in the case of the Government to Farmers Home Administration at Athens, Georgia 30601, and in the case of Borrower to Borrower at the address shown in the Farmers Home Administration Finance Office records (which normally will be the same as the post office address shown above).

(23) WAIVER: THE BORROWER ACKNOWLEDGES AND AGREES THAT IF BORROWER DEFAULTS A NON-JUDICIAL FORECLOSURE OF THE PROPERTY MAY BE CONDUCTED WITHOUT A HEARING OF ANY KIND. THE BORROWER HEREBY WAIVES ANY RIGHTS BORROWER MAY HAVE TO ANY SUCH HEARING. NEVERTHELESS THE REGULATIONS OF THE FARMERS HOME ADMINISTRATION IN EFFECT AT THE TIME SUCH FORECLOSURE IS STARTED MAY PROVIDE FOR A MEETING AND THE GOVERNMENT WILL FOLLOW THESE REGULATIONS.

(24) Upon Default By Borrower as aforesaid, the Government, its agents, and its assigns may, with or without taking possession of the property, foreclose this deed by selling the property as a whole or in parcels at public sale (which need not be on a legal sales day) before the courthouse door in the county where the property lies to the highest bidder for cash, after advertising the time, place, and terms of such sale once a week for four weeks immediately preceding such sale (but without regard to the number of days) in a newspaper in which the Sheriff's advertisements for such county are published, and if the land lies in more than one county, in a newspaper in which the Sheriff's advertisements for any one of such counties are published, all other notice being hereby waived by Borrower, and thereupon execute and deliver to the purchaser or purchasers at such sale a sufficient conveyance of the premises in fee simple, which conveyance shall contain recitals as to the happening of the default upon which the execution of the power of sale herein granted depends, and Borrower hereby constitutes and appoints the Government its agent and attorney-in-fact of Borrower to make such recitals, and hereby covenants and agrees that the recitals so made by the Government, or assigns, shall be binding and conclusive upon Borrower, and that the conveyance thereby made by the Government, or assigns, shall be binding and conclusive upon Borrower and effectual to bar all equity of redemption of Borrower in and to the premises; the power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise.

(25) This instrument is a deed and absolute conveyance passing title pursuant to the laws of the State of Georgia governing loan or security deeds and is not a mortgage.

(26) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

IN WITNESS WHEREOF, Borrower has hereunto set Borrower's hand(s) and seal(s) this 31 day of July, 19 85.

GRAY GARDENS ASSOCIATES, LTD., a Georgia limited partnership
By: Frank C. Anderson, Jr. (L.S.)
General Partner

By: The Amerson Company, a corporation
By: Frank C. Anderson, Jr. (SEAL)
President

Attest: Frank C. Anderson, Jr. (SEAL)
Asst. Secretary
General Partner

Signed, Sealed, and Delivered in the presence of:
Whiting E. Davis, Jr. date
Notary Public
MY COMMISSION EXPIRES AUGUST 24, 1985
(SEAL)
My commission expires:

15

EXHIBIT "A" TO DEED TO SECURE DEBT FOR GEORGIA

All of that tract or parcel of land lying and being in Land Lot 53 of the Ninth Land District of Jones County, Georgia, containing 3.53 acres, and being shown and designated as Tract 2 upon a plat of survey prepared by Tribble & Richardson, Inc. dated October 3, 1980, revised September 14, 1981, which is of record in Plat Book 7, page 22, Clerk's Office, Jones Superior Court. Said tract has such size, shape and dimensions as are shown on said plat which by reference thereto is made a part hereof for all purposes.

EXHIBIT "B" TO DEED TO SECURE DEBT FOR GEORGIA

Book 136, page 183, and Deed Book 152, page 376, respectively, said deed records.

3) All matters shown upon the plats of survey prepared by Broxton & Associates recorded in Plat Book 6, page 114 and Plat Book 6, page 172, aforesaid records, and upon the plat of survey prepared by Tribble & Richardson, Inc. recorded in Plat Book 7, page 22, aforesaid records.

4) Easement to Georgia Power Company dated April 26, 1982, and recorded in Book 176, page 384, said clerk's office.

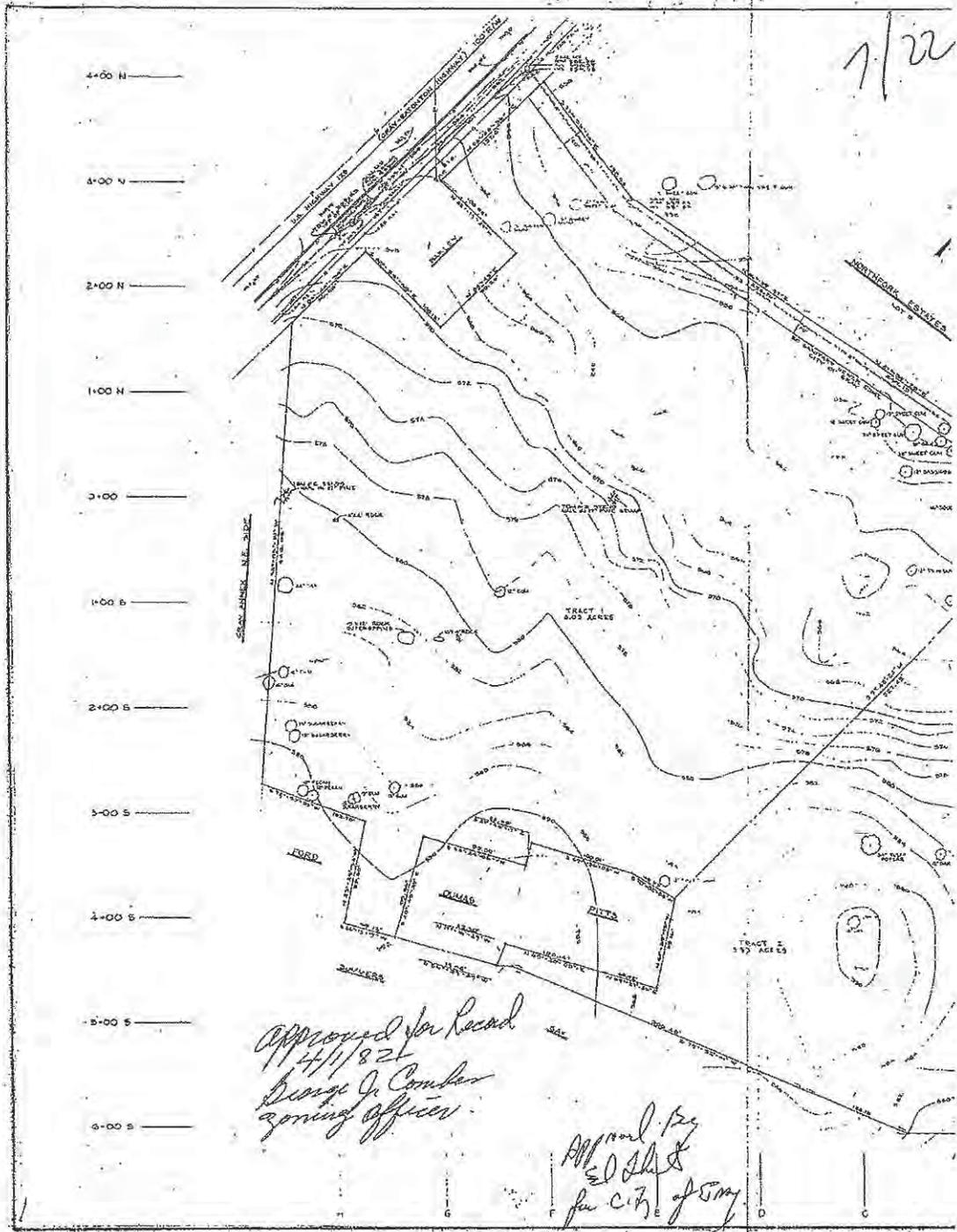
EXHIBIT "C" TO DEED TO SECURE DEBT FOR GEORGIA

The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and the regulations issued pursuant thereto for as long as the property continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the purchaser owns it, whichever is longer.

This instrument also secures the obligations and covenants of Borrower set forth in Borrower's Loan Agreement of June 18, 1981, which is hereby incorporated herein by reference.

The Borrower and any successors in interest agree to use the housing for the purpose of housing people eligible for occupancy as provided in section 515 of Title V of the Housing Act of 1949 and FmHA regulations then extant during this 20 year period beginning March 26, 1982. No person occupying the housing shall be required to vacate prior to the close of such 20 year period because of early repayment. The Borrower understands that should an unsubsidized project be converted to subsidized within fifteen years from the date the last loan on the project is closed, that the period will be increased by five years. The Borrower will be released during such period from these obligations only when the Government determines that there is no longer a need for such housing or that Federal or other financial assistance provided to the residents of such housing will no longer be provided. A tenant may seek enforcement of this provision as well as the Government.

Filed 10/11 day of Aug 1985 3:30pm
Recorded 11/11 day of Aug 1985
James L. Dean DEPUTY CLERK

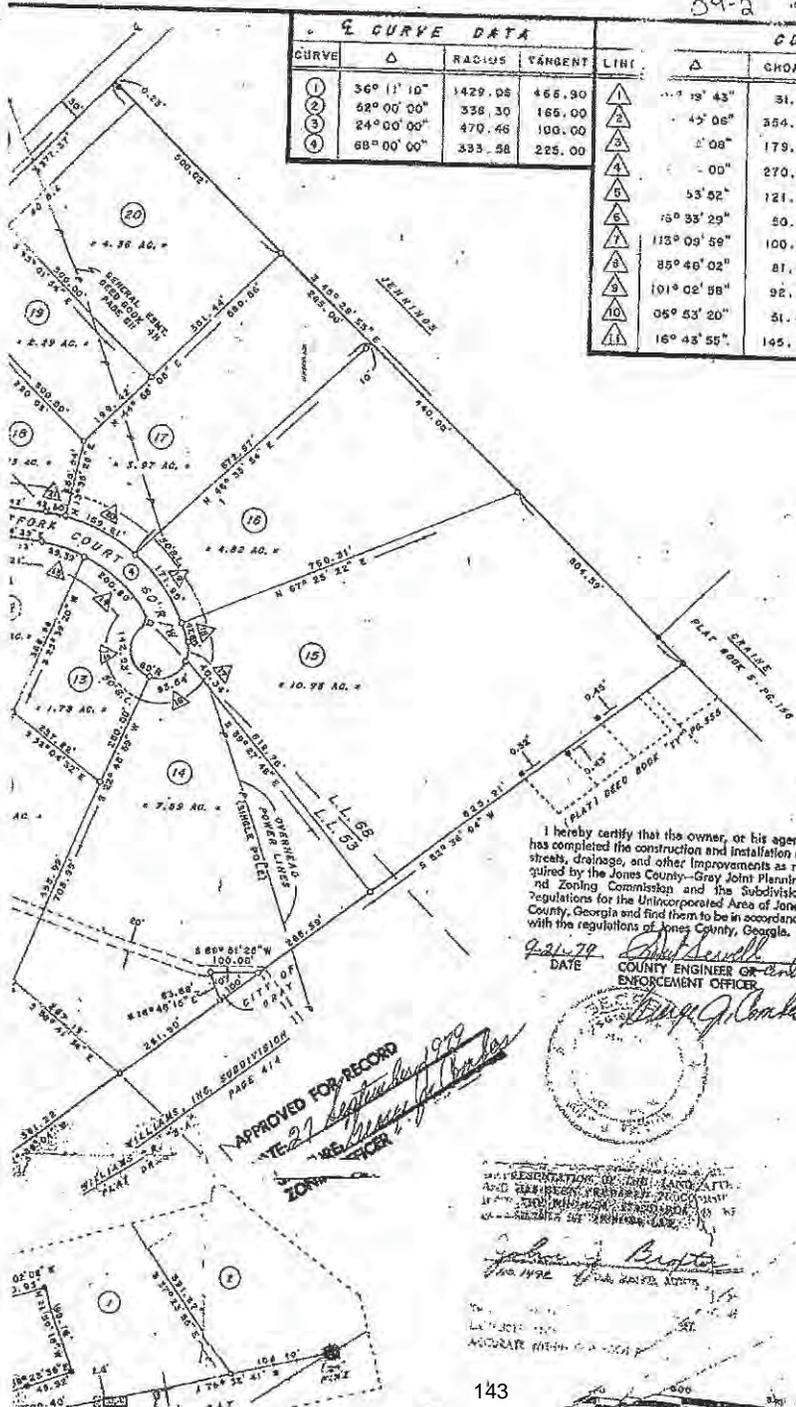


*Approved for Record
 7/1/82
 George G. Combs
 zoning officer*

*Approved by
 [Signature]
 for City of Smy.*

*27th St
 and 1st St
 [Signature]*

09-2-19



CURVE DATA			
CURVE	Δ	RADIUS	TANGENT
1	36° 11' 10"	1429.08	466.90
2	62° 00' 00"	338.30	166.00
3	24° 00' 00"	470.46	100.00
4	68° 00' 00"	333.58	225.00

CURVILINEAR LINE DATA			
Δ	CHORD	BEARING	LINE Δ
1	19' 43"	N 09° 30' 48" E	1
2	45' 06"	N 30° 02' 25" E	2
3	1' 08"	N 41° 14' 05" E	3
4	0' 00"	S 13° 04' 30" E	4
5	53' 52"	S 14° 52' 21" W	5
6	16° 33' 29"	S 26° 08' 02" W	6
7	113° 09' 59"	S 34° 09' 30" W	7
8	85° 40' 02"	S 66° 18' 11" E	8
9	101° 02' 58"	N 21° 17' 19" E	9
10	06° 53' 20"	N 26° 36' 00" E	10
11	16° 43' 55"	N 15° 19' 42" E	11

- NOTES**
- IRON MARKER FOUND
 - IRON MARKER SET
 - 28' RADII ON STREET CORNERS
 - DISTANCES ON CORNER LOTS, AS SECTION OF PROJECTED STREET
 - DISTANCES SHOWN ON CURVILINEAR DISTANCES

- REFERENCE**
- JONES COUNTY RECORDS
- DEED BOOK 181 - PAGE 458-46
 - DEED BOOK 152 - PAGE 376
 - DEED BOOK 136 - PAGE 183
 - DEED BOOK 117 - PAGE 148
 - PLAT BOOK 6 - PAGE 164
 - PLAT BOOK 4 - PAGE 220

I hereby certify that the owner, or his agent, has completed the construction and installation of streets, drainage, and other improvements as required by the Jones County-Gray Joint Planning and Zoning Commission and the Subdivision Regulations for the Unincorporated Area of Jones County, Georgia and find them to be in accordance with the regulations of Jones County, Georgia.

DATE 9-26-79
 COUNTY ENGINEER OF AND ENFORCEMENT OFFICER

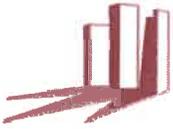


APPROVED FOR RECORD
 DATE 9-27-79
 WILLIAMS, INC. SUBDIVISION
 PAGE 414

OWNER'S CERTIFICATION:
 STATE OF GEORGIA, COUNTY OF JONES
 THE UNDERSIGNED CERTIFIES THAT:
 THE LAND SHOWN ON THIS PLAT AS
 THE LAND SHOWN ON THIS PLAT AS
 PLAT AND ALLOTMENT IS BEING
 DEDICATED TO PUBLIC USE FOREVER
 INDICATED ON THIS PLAT AS STREETS
 OR PARKS.
 DATE 9-27-79
 OWNER'S NAME Williams, Inc.

I CERTIFY THAT THE GENERAL LEGAL
 THIS PLAT HAS BEEN APPROVED BY
 HEALTH DEPARTMENT FOR DEVELOPMENT
 DATE 9-27-79
 DIRECTOR OF ENVIRONMENTAL HEALTH

I CERTIFY THAT THE OWNER OR
 AGENT HAS COMPLETED THE CONSTRUCTION AND INSTALLATION OF
 STREETS, DRAINAGE, UTILITIES AND
 OTHER IMPROVEMENTS IN ACCORDANCE WITH THE LAWS AND
 REGULATIONS OF THE STATE OF GEORGIA AND HAS POSTED
 THEREON.
 DATE _____
 FAIRMAN JOHN C. _____
 SUPERVISOR



Crown Appraisal Group

Corporate Office

6797 N. High Street

Suite 325

Columbus, OH 43085

tel 614.431.3332

fax 614.431.3376

www.crownappraisal.com

October 19, 2016

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

RE: Georgia Portfolio

Dear Amie:

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

Assignment

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

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

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

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

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

Timing and Fee

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

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

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

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

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

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

Authorization to Proceed

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

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

Sincerely,

CROWN APPRAISAL GROUP



Andrew J. Moye, MAI, AI-GRS
Principal

AJM/ed

AGREED TO AND AUTHORIZED BY:

Jany Eeshward, President
Signature, Caitlin Waldie

10/25/16

Date

Property Identification

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

INITIAL DATA REQUEST

(for each Property)

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

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

Thank you,

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

Financial Acknowledgement

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

Assumptions and Limiting Conditions

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

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

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

PROFESSIONAL QUALIFICATIONS ANDREW J. MOYE, MAI, AI-GRS

Business Experience

Crown Appraisal Group, Columbus, Ohio.

Principal

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

Vista Capital/Chemical Mortgage Company, Columbus, Ohio.

Vice President.

Appraisal assignments and market studies of commercial real property.

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

Assistant Vice President.

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

Education

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

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

Professional Education (partial list)

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

Professional Qualifications, testimony venues

MAI designation offered by Appraisal Institute

AI-GRS designation offered by Appraisal Institute

Young Advisory Council attendee, moderator, Appraisal Institute

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

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

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

ANDREW JOHN MOYE

5464

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

**CERTIFIED GENERAL REAL PROPERTY
APPRAISER**

THE PRIVILEGE AND RESPONSIBILITIES HEREWITH ARE CONTINGENT UPON THE REQUISITE FEES AND ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

46535506