



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



Hilltop Terrace Apartments - Phase II

4059 Martin Luther King Boulevard

55-unit apartment complex

Kingsland, Georgia

Date of Report: April 11, 2017

Prepared by

Crown Appraisal Group, Inc.

6797 N. High Street, Suite 325

Columbus, Ohio 43085

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

Prepared for

Debi Martin

Greystone Servicing Corporation, Inc.

419 Belle Air Lane

Warrenton, VA 20186

PRIVILEGED AND CONFIDENTIAL

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



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April 11, 2017

Greystone Servicing Corporation, Inc.

Attn: Debi Martin

419 Belle Air Lane

Warrenton, VA 20186

**Re: Hilltop Terrace Apartments - Phase II
4059 Martin Luther King Boulevard
Kingsland, Georgia**

Dear Debi Martin:

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

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>			
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>
As-is CRCU	Value 1 rents	605	625
Prospective (Renovated) CRCU	Value 4 rents	670	690

<i>Value Opinions</i>	<u>Date of Value</u>	<u>Value</u>
Value 1 - as conventional or unrestricted	January 25, 2017	\$3,105,000
Value 2-RD - subject to restricted rents	January 25, 2017	\$860,000
Value 3 - prospective, subject to restricted rents	February 1, 2019	\$3,595,000
Value 4 - prospective, as conventional or unrestricted	February 1, 2019	\$3,775,000
Value 5 - Interest Credit Subsidy Value from assuming the existing 515 Loan)	December 22, 2017	\$655,000
Value 5 - Interest Credit Subsidy Value (New 538 Loan)	February 1, 2019	\$260,000
Value 6 - LIHTC Value	February 1, 2019	\$990,232
Value 6 - State Tax Credit Value	February 1, 2019	\$536,873
Value 7 - Insurable Value	February 1, 2019	\$2,825,706
Value 8 - Land Value	January 25, 2017	\$110,000

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

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

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

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

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

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

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

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

Debi Martin
April 11, 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

A handwritten signature in blue ink, appearing to read "AJMoye", written over a faint, light blue grid background.

Andrew J. Moye, MAI, AI-GRS
Principal

AJM
Enclosure

Table of Contents

Introduction to Report

Title Page	
Letter of Transmittal	
Table of Contents	
Executive Summary	1

Premises of Appraisal

Parameters of Assignment.....	2
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Presentation of Data

Comments Regarding Appraisal.....	9
Apartment Housing	10
City Overview.....	11
Property Description.....	29

Analysis of Data

Highest and Best Use	36
Valuation.....	39
Market Valuation.....	40
Income Capitalization Approach	40
Sales Comparison Approach.....	52
Prospective Market Value	62
Income Capitalization Approach	62
Cost Approach	70
Reconciliation and Final Value Opinion	76
Interest Credit Subsidy Value Opinion.....	77
Low Income Housing Tax Credit Value Opinion.....	78
Insurable Value Opinion	80
Certification	81
Addendum.....	82
Subject Photographs	83
Rent Roll	84
Operating History/Budgets.....	89
Estimate and Certificate of Cost	104
Architectural Plans	110
Zoning Ordinance.....	125
Flood Map.....	136
Tax Plat Map.....	137
Deed/Legal Description.....	138
Survey	141
Engagement Letter.....	142
Professional Qualifications/License	149

Executive Summary

Subject Real Estate Identification: The subject is known as Hilltop Terrace Apartments - Phase II and has an address of 4059 Martin Luther King Boulevard in Kingsland, Georgia. The complex operates as a Class C, subsidized income, age restricted (62+) property. Hilltop Terrace Apartments - Phase II is on the north side of Martin Luther King Boulevard about 2 miles northeast of downtown Kingsland. The property is in Camden County. Kingsland is in southeast Georgia.

The subject improvements include a 55-unit apartment complex (housed in 9 single-story buildings). The property includes one and two bedroom units. The improvements were built in 1988. The property is in average physical and functional condition. The 55 units total 36,749 sf. The property is currently 98.2% occupied. The subject site is ±9.430 acres.

Existing Use of Real Estate: Apartment Complex
 Highest and Best Use: Intensive Residential (current use)
 Parcel Number/Legal Description: 094 001B / APT'S/LAND HILL TOP PH 2
 Zoning: R-3
 USPAP Report Option: Appraisal report

Pertinent dates:
 Date of valuation: see chart
 Prospective date of valuation: see chart
 Date of inspection: January 25, 2017
 Date of report: April 11, 2017

Values, interests appraised: see next page

Conclusions:

<i>Competitive Rent Comparable Unit Conclusions (CRCU)</i>			
		<u>1 Bed, 1 Bath</u>	<u>2 Bed, 1 Bath</u>
As-is CRCU	Value 1 rents	605	625
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Value 8 - Land Value		January 25, 2017	\$110,000

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 Hilltop Terrace Apartments - Phase II. A number of value opinions of a number of interests are provided. The value opinions, applicable notes (including discussion about the use of a hypothetical condition), and intended use, are detailed below:

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

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

Definitions

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

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

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

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

Comments from HB-1-3560

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

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

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

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

Comments from HB-1-3560

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

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

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

fee simple estate, subject to short term leases.

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

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

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

Prospective Value, Value Opinions 3, 4, 7

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

Comments from HB-1-3560

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

“As-Is” Value

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

Comments from HB-1-3560

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

Insurable Value, Value 7

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

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

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

Extraordinary Assumption:

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

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

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

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

Hypothetical Condition:

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

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

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

Intended Use, User

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

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

Scope

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

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

Note that:

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

Pertinent Dates

The various dates of valuation are noted in the charts on the first page of the letter of transmittal and the Executive Summary Page. The most recent inspection of the real estate was on January 25, 2017. It is noted that the term *inspection* is not intended to convey a complete, exhaustive examination of the real estate. Such an inspection is best suited for an engineer, architect, or building inspector formally educated and trained in such matters. Rather, the term denotes that the individual viewing the real estate was at the property on the date and observed the general condition and quality of the real estate at that time. The date of report--the date the report was written—is April 11, 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 Hilltop Terrace Apartments - Phase II and has an address of 4059 Martin Luther King Boulevard in Kingsland, Georgia. The property is a 55-unit apartment complex. The property includes one and two bedroom units. The complex operates as a Class C, restricted income, age restricted (62+) property. The improvements were built in 1988. 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 \$1,626,704. As the transfer is not arms-length no credence is given to this purchase price when determining the said values of the subject property. Subsequent to the sale, ownership plans to renovate the subject with funding from a combination of mortgage monies, sale proceeds of Section 42 Low Income Housing Tax Credits, and equity. Following the acquisition the existing Section 515 loan will remain at the property. (The loan is expected to be restated under new rates and terms.) Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. Among the items that will be replaced and/or renovated (depending upon the condition of the individual components) are air conditioning units, windows, roofs, plumbing and electric, parking areas, and kitchens and bathrooms. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate.
- **Property Location.** The property is on the north side of Martin Luther King Boulevard about 2 miles northeast of downtown Kingsland. The property is in Camden County. Kingsland is in southeast Georgia. Kingsland 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:

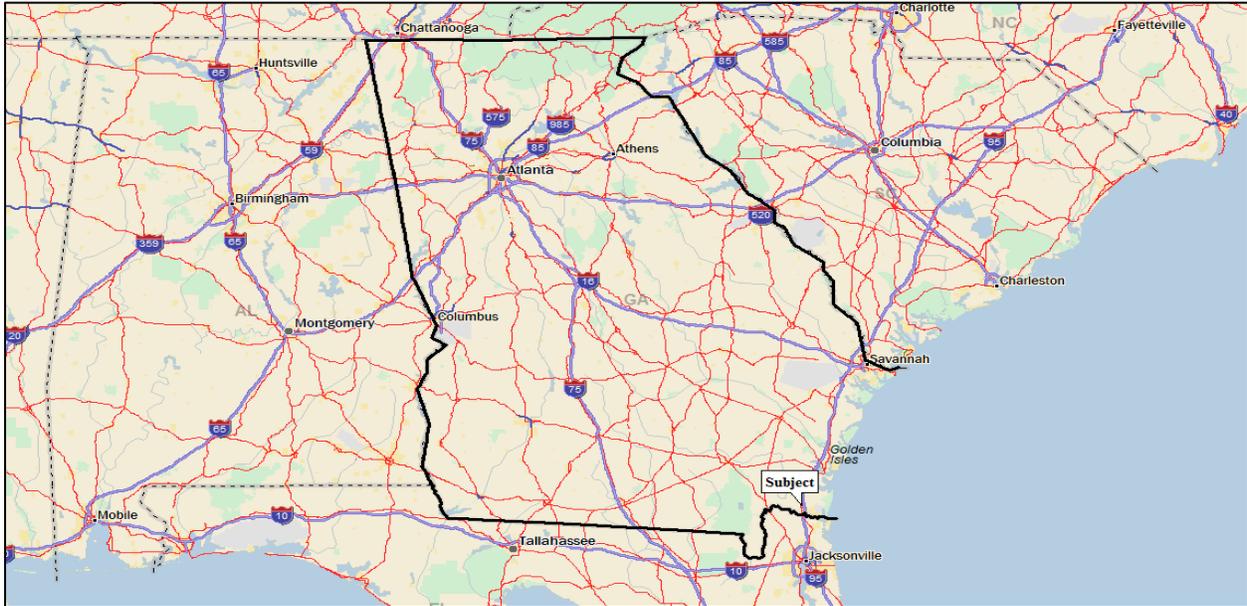
- Luxury, Class A, Class B, Class C - The type of property is designated by the year of construction and the amenities (unit and project). A luxury complex will have more amenities than a Class A property, while a Class A property has more amenities than Class B. A Class C property typically possesses 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, age restricted (62+) property.

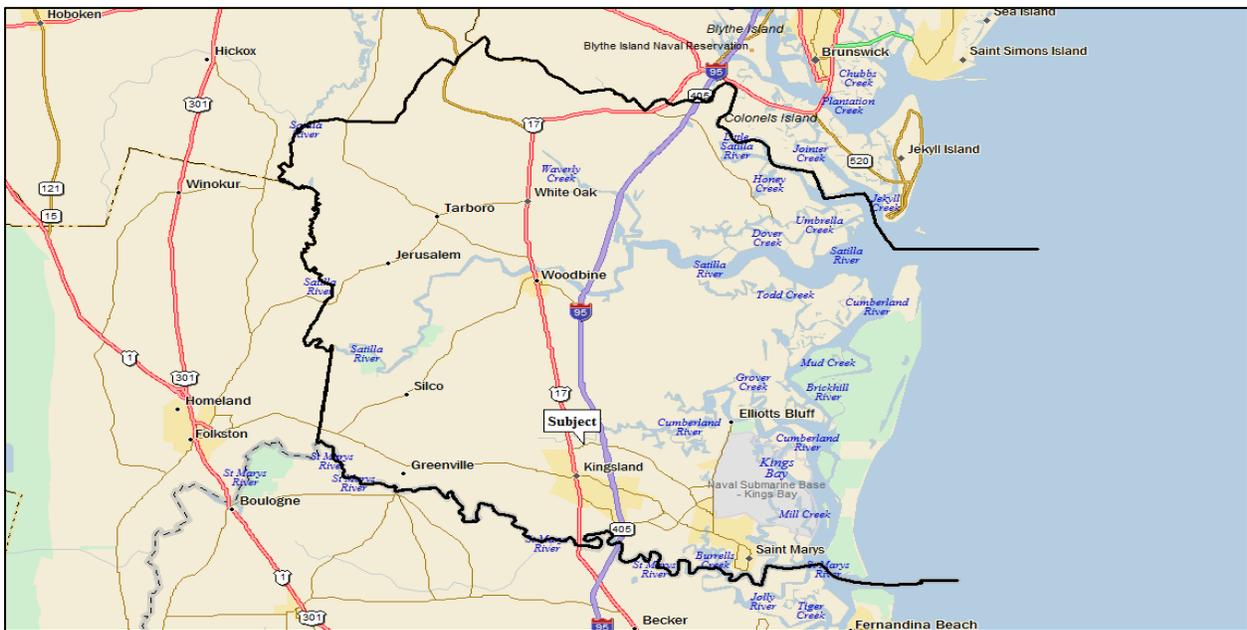
City Overview

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

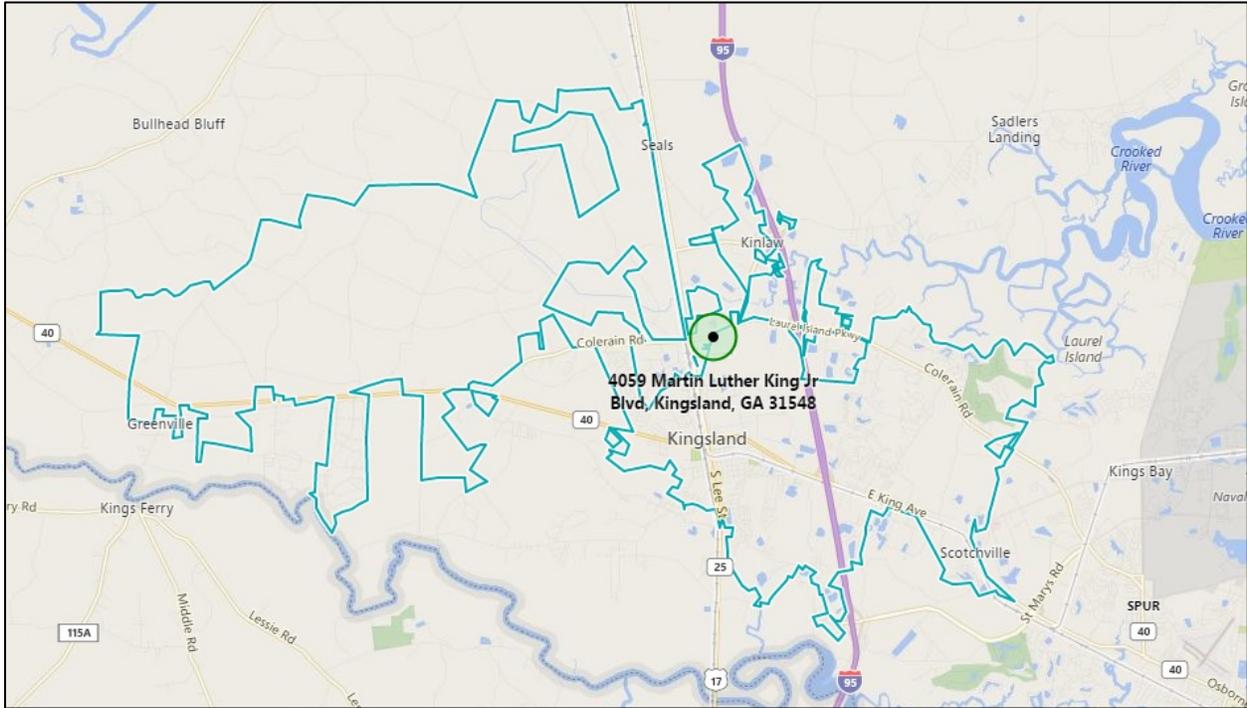
Georgia



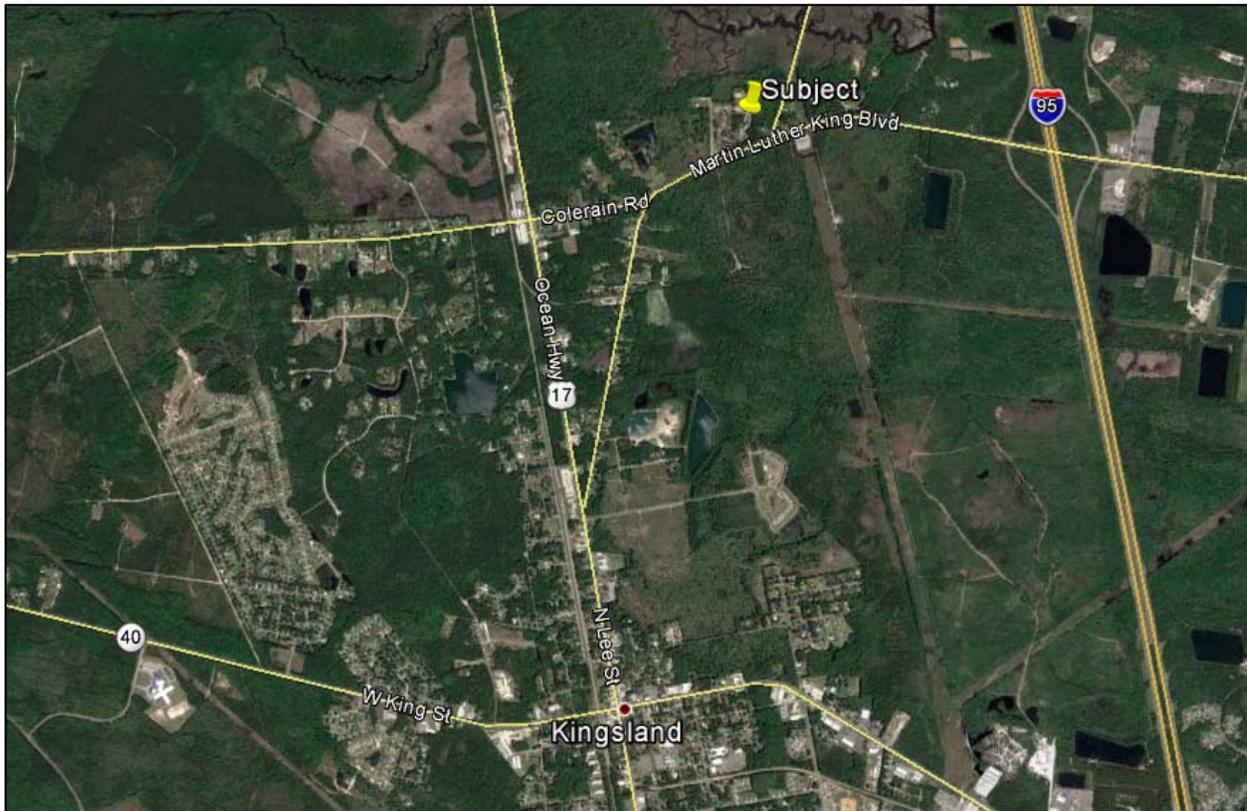
Camden County



Kingsland



Aerial



Physical Boundaries

Kingsland is roughly bordered by Laurel Island Parkway to the north, Dogwood Court to the east, Scrubby Bluff Boulevard to the south, and Woodbridge Road to the west.

Road Infrastructure

There are several roadways that service Kingsland. These include I-95, US 17, and SR 40.

I-95 and US 17 are the primary north/south roadways in Kingsland. I-95 provides three points of access to Kingsland – an interchange with SR 40, an interchange with Martin Luther King Boulevard outside the northern city limits, and an interchange with Saint Marys Road outside the southern city limits. US 17 passes directly through downtown Kingsland and intersects with SR 40. Both of these north/south roadways travel south into the state of Florida.

SR 40 is the primary east/west roadway in Kingsland. It intersects with US 17 in downtown Kingsland, and also intersects with I-95 on the east side of the city.

Population

The Kingsland population according to the 2000 census was 10,913. In 2010, the population was 15,946 (an increase of 3.9% compounded annual growth or CAG). The 2016 population estimation is 17,285 (population increase of 1.4% CAG from 2010). The population is expected to increase by 1.2% CAG in 2021 to 18,324.

History & Growth

The history of Kingsland began in 1788 when the King family bought significant tracts of land west of St. Marys, GA. This large area was known as “King’s Land”. In 1893, the first passenger train arrived in this area of Camden County, and more people started arriving in King’s Land and building on the land. William King mapped out the town and named it after himself. He was named the town’s mayor after several stores and businesses were opened. The city of Kingsland was incorporated in 1908, and it was presumably then that the name “King’s Land” was changed to “Kingsland”.

There was significant transportation construction in the years that followed. In 1908, the St. Marys-Kingsland Railroad was transporting passengers, although sometimes they had to share room with cargo. The Dixie Highway was still in the planning phase, but it didn’t pass through Kingsland until 1927.

There was steady growth for Kingsland in the 1950’s and 60’s. The population alone never saw a decreasing trend since 1910. The city and county saw immense growth with the buildup of the Naval Submarine Kings Bay Base. The Navy funded a four year construction program that cost \$125 million. This was the largest peacetime project that was even undertaken by the Navy. In 1980, the mission of the base changed and it announced that it would now be the home port for the Atlantic Fleet, and eventually 10 Ohio class submarines that would eventually carry the Trident II nuclear missile. This project cost \$1.3 billion and took 9 years to complete. The submarines arrived from 1989-1997. The citizens of Kingsland didn’t all embrace the growth of

nuclear submarines, but it continued to grow. In 1985, the city formed an official planning department to prepare for the inpouring of people and homes.

In 2007, the city announced that it annexed 15,900 acres, doubling the size of Kingsland. This would make it the 8th largest city in Georgia (from a land mass perspective). A developer made up a plan to put in residential, commercial, and industrial properties. This plan included over 40,000 homes. The city planned to implement this plan over the next 20-30 years. There is no known planned future development. According to the demographics of the area, the population is expected to increase and the viability of the area is stable.

Land Uses and Development

The city's primary users are residential and commercial. The north side of the city is primarily residential. Southbound on US 17, there are several smaller commercial users including Tire Mart, SP Food Mart, Culligan Water Services, and Salt Pepper Thyme. South of SR 40 there are more single family and multi-family residential users off US 17.

The primary commercial corridor in Kingsland is SR 40. SR 40 is heavily developed with commercial. Some of the users include Advance Auto Parts, Kingsbay Cleaners, Kingsland Mart, Katie's Best Pizza, Domino's Pizza, BOK Beauty, IHOP, Waffle House, Cracker Barrel, Denny's, Hampton Inn, and Springfield Inn & Suites. Still on SR 40, going further east on the other side of I-95 there are several more commercial users such as Dunkin Donuts, McDonald's, Malson Barbeque, Applebee's, Longhorn Steakhouse, Lowes, and Camden Corners Shopping Center. Hotels on the east side of I-95 are Fairfield Inn & Suites, Hawthorn Suites, Comfort Suites, Red Roof Inn, Country Inn & Suites, Days Inn, Motel 6, and Quality Inn. Further east on SR 40 finds more commercial, single family residential, and a few industrial users.

Institutional users are Matilda Harris Elementary School, Camden Middle School, Coastal Pines Technical College, Camden County High School, and Camden County Leisure Services Department. These are all on the east side of I-95, and north of SR 40.

There are several churches in Kingsland including King of Peace Episcopal, Church of Jesus Latter Day Saints, Kingspointe Fellowship Free Will Baptist, End Time Gospel Academy, Kingsland Church of Christ, Sons of God Ministry, Kingsland First United Methodist Church, First African Missionary Baptist, and New Life Body of Christ Christian Church.

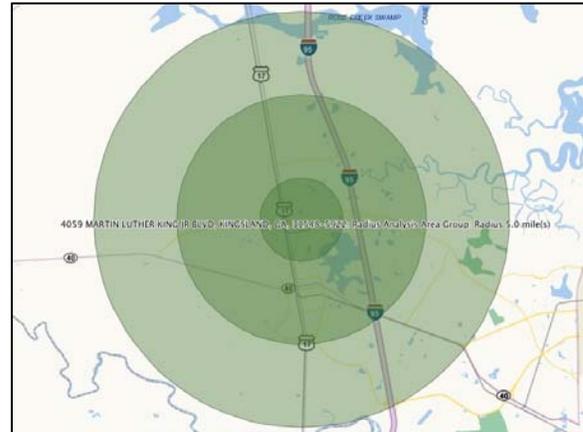
Immediate (Adjacent) Land Uses

North and South: To the north of the subject is undeveloped land and Fancy Bluff Creek; to the south is undeveloped land.

East and West: To the east and west of the subject is undeveloped land and single family residential.

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.

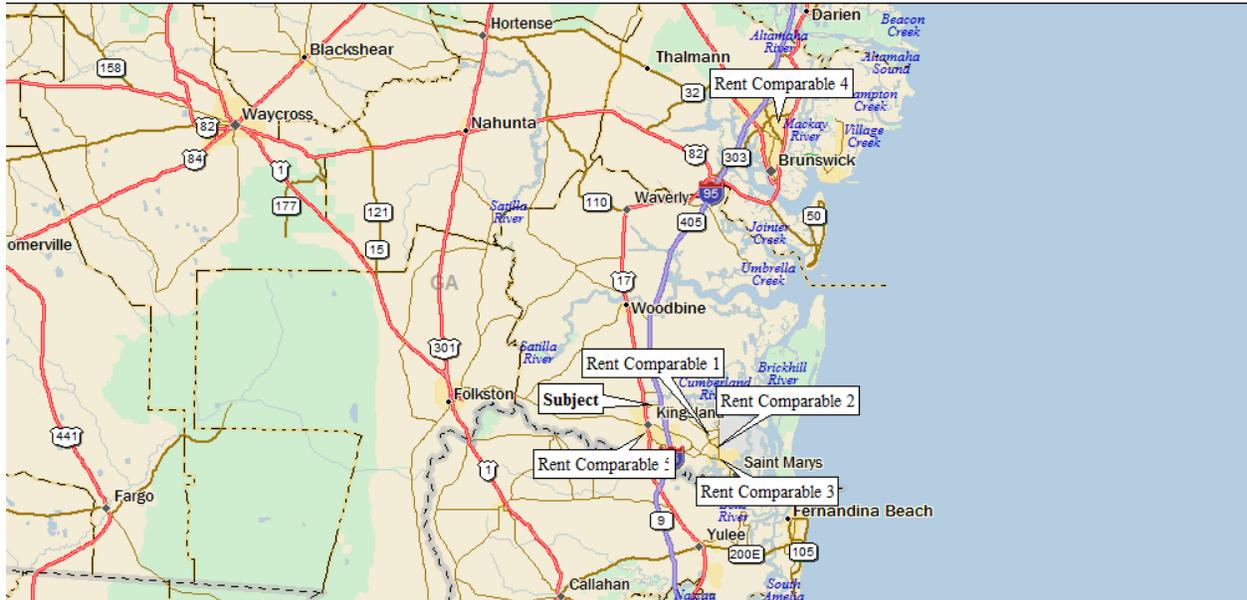


Hilltop Terrace Apartments - Phase II Demographic Profile: 1, 3 and 5-mile Radii										
	Kingsland		Radius from subject						Camden	
	City	CAG	1 Mile	CAG	3 Mile	CAG	5 Mile	CAG	County	CAG
Population										
2000	10,913		574		5,542		14,450		43,664	
2010	15,946	3.9%	670	1.6%	10,003	6.1%	19,611	3.1%	50,513	1.5%
2016 est.	17,285	1.4%	651	-0.5%	10,801	1.3%	20,667	0.9%	52,681	0.7%
2021 proj.	18,324	1.2%	654	0.1%	11,542	1.3%	21,796	1.1%	55,035	0.9%
Median Age	32.10		34.00		32.30		32.60		32.70	
Average Age	34.20		36.50		34.40		34.60		35.50	
Households										
2000	3,760		234		1,963		5,040		14,705	
2010	5,773	4.4%	268	1.3%	3,673	6.5%	7,113	3.5%	18,047	2.1%
2016 est.	6,248	1.3%	264	-0.3%	3,926	1.1%	7,515	0.9%	19,198	1.0%
2021 proj.	6,594	1.1%	266	0.2%	4,171	1.2%	7,908	1.0%	20,155	1.0%
Average Household Size										
2000	2.90		2.45		2.82		2.87		2.97	
2010	2.76	-0.5%	2.50	0.2%	2.72	-0.4%	2.76	-0.4%	2.80	-0.6%
2016 est.	2.77	0.0%	2.47	-0.2%	2.75	0.2%	2.75	0.0%	2.74	-0.3%
2021 proj.	2.78	0.1%	2.46	-0.1%	2.77	0.1%	2.76	0.0%	2.73	-0.1%
Owner Occupied (est.)	4,031	64.52%	140	53.15%	2,454	62.51%	4,924	65.52%	12,534	65.29%
Renter Occupied (est.)	2,217	35.48%	123	46.85%	1,472	37.49%	2,591	34.48%	6,664	34.71%
Est. Household Income										
\$0-\$14,999	13.78%		17.34%		15.01%		13.88%		12.65%	
\$15,000-\$24,999	8.99%		13.90%		10.52%		9.67%		10.89%	
\$25,000-\$34,999	6.03%		8.78%		7.21%		6.93%		7.77%	
\$35,000-\$49,999	13.57%		13.27%		13.61%		13.58%		14.64%	
\$50,000-74,999	23.35%		19.99%		22.81%		22.50%		21.53%	
\$75,000-\$99,000	17.64%		12.94%		15.85%		17.49%		15.24%	
\$100,000 +	16.63%		13.77%		15.00%		15.94%		17.30%	
	100.0%		100.0%		100.0%		100.0%		100.0%	
Average Household Income (est.)	\$63,744		\$54,139		\$59,427		\$62,560		\$63,936	
Median Household Income (est.)	\$58,156		\$46,271		\$54,011		\$56,596		\$54,718	

¹ Compounded Annual Growth
Source: The Nielsen Company

Supply Side Analysis - Competitive Properties Survey

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



Rent Comparable 1

General Data

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



Property Data

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

Landlord Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Tenant Paid Utilities

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

Other Comments

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

Property Contact: Megan (912) 673-6001

Rent Comparable 2

General Data

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



Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

Property Contact: Kim - (912) 267-9994

Rent Comparable 3

General Data

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



Property Data

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

Landlord Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Tenant Paid Utilities

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

Other Comments

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

Property Contact: Maureen (912) 882-4444

Rent Comparable 4

General Data

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



Property Data

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

Landlord Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Tenant Paid Utilities

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

Other Comments

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

Property Contact: Kathy (912) 673-6301

Rent Comparable 5

General Data

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



Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

Property Contact: Marci (912) 729-2751

Analysis

Hilltop Terrace Apartments - Phase II: The subject has 55-units, was built in 1988, 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.

Hilltop Terrace Apartments - Phase II												
Property and Unit Amenity Summary												
Street Address		4059 Martin Luther King Boulevard		Year Built		1988		Floors		1		
City		Kingsland		Total Units		55		Occupancy		98.2%		
Unit Types			# units		Size (sf)		Utilities (L-landlord, T-tenant, na-not applicable)					
1 Bed, 1 Bath			46		648		Water	Sewer	Electric	Heat	Trash	Cable
2 Bed, 1 Bath			8		755		L	L	T	T	L	T
2 Bed, 1 Bath (Manager's Unit)			1		901							
Complex Amenities (Y/N)												
Pool		N		Bus. Ctr.		N		Community Rm		Y		
Clubhouse		N		Laundry		Y		Gated		N		
Tennis		N		Det. Garages		N		Car Wash		N		
Jacuzzi		N		Cov. Storage		N		Elevators		N		
Fit. Ctr		N		Open Storage		N		Playground		N		
Unit Amenities (Y/N)												
Refrigerator		Y		Disposal		N		Fireplace		N		
Range		Y		Double Sink		Y		Patio		Y		
Microwave		N		Fan Hood		Y		Balcony		N		
Dishwasher		N		Att Garage		N		Bsmt		N		
								Central A/C		Y		
								Wall A/C		N		
								W/D hk ups		N		
								W/D		N		
								Ceil. Fans		N		
								Vlt Ceiling		N		
								Sec Sys		N		
								Storage		Y		

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

Market Rent Conclusions

Apartment Survey Ranges						
Hilltop Terrace Apartments - Phase II						
		Unit Size		Adj. Monthly Rent		Rent/sf
As-Is	1 Bed, 1 Bath	648		\$605		\$0.93
	Hilltop Terrace Apartments - Phase II					
	Comparable Properties	560 -	750	\$548 -	\$736	\$0.73 - \$1.05
	average of comparables	675		\$604		\$0.90
As-Is	2 Bed, 1 Bath	755		\$625		\$0.83
	Hilltop Terrace Apartments - Phase II					
	Comparable Properties	950 -	1,032	\$556 -	\$777	\$0.56 - \$0.82
	average of comparables	976		\$626		\$0.64
As Ren.	1 Bed, 1 Bath	648		\$670		\$1.03
	Hilltop Terrace Apartments - Phase II					
	Comparable Properties	560 -	750	\$613 -	\$801	\$0.82 - \$1.14
	average of comparables	675		\$669		\$1.00
As Ren.	2 Bed, 1 Bath	755		\$690		\$0.91
	Hilltop Terrace Apartments - Phase II					
	Comparable Properties	950 -	1,032	\$621 -	\$842	\$0.62 - \$0.89
	average of comparables	976		\$691		\$0.71

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 (648 sf)

The subject is comprised of 46 of these units. Comparable properties from the area are used to develop the unrenovated rent conclusion.

1 Bed, 1 Bath					
As is					
	Subject	Rent 1	Rent 2	Rent 3	Rent 4
Name	Hilltop Terrace Apartments - Phase II	Park Place	Camelia Apts	Mission Forest	Pelican Point
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
Unadjusted Rent		\$776	\$570	\$575	\$520
Location					
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
City	Kingsland	Saint Marys	Brunswick	Saint Marys	Saint Marys
Population	17,285	18,236	18,236	18,236	15,133
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Year Built	1988	1988	1990	1987	1987
Condition/Street Appeal		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Unit Size (sf)	648	700	690	750	560
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$10	-\$8	-\$20	\$18
Bedrooms	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Utilities (who pays?)					
Heat	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Tenant	Tenant	Tenant	Tenant
Sewer	Landlord	Tenant	Tenant	Tenant	Landlord
Trash	Landlord	Tenant	Tenant	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$25	\$25	\$20	\$15
Unit Amenities	<i>Ref, Range, A/C, Patio, Storage</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>
		<i>Superior</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>
		-\$20	\$0	-\$10	-\$5
Complex Amenities	<i>Laundry, Comm Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry, Playground, Picnic Area</i>	<i>Laundry, Grilling Area</i>
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		-\$35	-\$5	-\$15	\$0
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0
Net Adjustment		<u>-\$40</u>	<u>\$12</u>	<u>-\$25</u>	<u>\$28</u>
Adjusted Rent		\$736	\$582	\$550	\$548
Market Rent Conclusion	\$605				

Source: Crown Appraisal Group

The comparables range in size from 560 sf to 750 sf. After making the adjustments considered appropriate, the rent range is \$548 to \$736. Central tendencies are \$604 (average) and \$566 (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 \$605/month is concluded to be appropriate.

As Renovated Market Rent, 1 br-1 ba (648 sf)

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
Name	Hilltop Terrace Apartments - Phase II	Park Place	Camelia Apts	Mission Forest	Pelican Point
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
Unadjusted Rent		\$776	\$570	\$575	\$520
Location					
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr
City	Kingsland	Saint Marys	Brunswick	Saint Marys	Saint Marys
Population	17,285	18,236	18,236	18,236	15,133
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Year Built	1988/2019R	1988	1990	1987	1987
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$50	\$50	\$50	\$50
Unit Size (sf)	648	700	690	750	560
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$10	-\$8	-\$20	\$18
Bedrooms	1	1	1	1	1
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.0	1.0	1.0
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0
Utilities (who pays?)					
Heat	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Tenant	Tenant	Tenant	Tenant
Sewer	Landlord	Tenant	Tenant	Tenant	Landlord
Trash	Landlord	Tenant	Tenant	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$25	\$25	\$20	\$15
Unit Amenities	<i>Ref, Range, A/C, Patio, Storage, Micro</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>
		-\$15	\$5	-\$5	\$0
Complex Amenities	<i>Laundry, Comm Rm, Pavillion, Computer Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry, Playground, Picnic Area</i>	<i>Laundry, Grilling Area</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>
		-\$25	\$5	-\$5	\$10
Concessions	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>	<i>None</i>
		\$0	\$0	\$0	\$0
Net Adjustment		<u>\$25</u>	<u>\$77</u>	<u>\$40</u>	<u>\$93</u>
Adjusted Rent		\$801	\$647	\$615	\$613
Market Rent Conclusion	\$670				

Source: Crown Appraisal Group

The comparables range in size from 560 sf to 750 sf. After making the adjustments considered appropriate, the rent range is \$613 to \$801. Central tendencies are \$669 (average) and \$631 (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 \$670/month is concluded to be appropriate.

Unrenovated Market Rent, 2 br-1 ba (755 sf)

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

2 Bed, 1 Bath						
As is						
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5
Name	Hilltop Terrace Apartments - Phase II	Park Place	Camelia Apts	Mission Forest	Pelican Point	Ingleside Park Apts
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
Unadjusted Rent		\$846	\$670	\$675	\$620	\$565
Location						
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
City	Kingsland	Saint Marys	Brunswick	Saint Marys	Saint Marys	Kingsland
Population	17,285	18,236	18,236	18,236	15,133	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Year Built	1988	1988	1990	1987	1987	1980
Condition/Street Appeal		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior</i>
		\$0	\$0	\$0	\$0	\$5
Unit Size (sf)	755	950	1,032	950	1,000	950
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$39	-\$55	-\$39	-\$49	-\$39
Bedrooms	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.5	2.0	2.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		\$0	-\$15	-\$25	-\$25	\$0
Utilities (who pays?)						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Landlord	Tenant	Tenant	Tenant	Landlord	Tenant
Trash	Landlord	Tenant	Tenant	Landlord	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$30	\$30	\$25	\$15	\$25
Unit Amenities	Ref, Range, A/C, Patio, Storage	Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans, Storage	Ref, Range, DW, A/C, Bal/Pat	Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans	Ref, Range, DW, A/C, W/D HU, Bal/Pat	Ref, Range, DW, A/C, W/D HU, Ceil Fans
		<i>Superior</i>	<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$25	\$0	-\$10	-\$5	-\$5
Complex Amenities	Laundry, Comm Rm	Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry, Playground, Gilling Area	Pool, CH, Laundry	Pool, CH, Laundry, Playground, Picnic Area	Laundry, Grilling Area	None
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>	<i>Inferior</i>
		-\$35	-\$5	-\$15	\$0	\$10
Concessions	None	None	None	None	None	None
		\$0	\$0	\$0	\$0	\$0
Net Adjustment		-\$69	-\$45	-\$64	-\$64	-\$4
Adjusted Rent		\$777	\$625	\$611	\$556	\$561
Market Rent Conclusion	\$625					

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,032 sf. After making the adjustments considered appropriate, the rent range is \$556 to \$777. Central tendencies are \$626 (average) and \$611 (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 \$625/month is concluded to be appropriate.

As Renovated Market Rent, 2 br-1 ba (755 sf)

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

2 Bed, 1 Bath As Renovated						
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5
Name	Hilltop Terrace Apartments - Phase II	Park Place	Camelia Apts	Mission Forest	Pelican Point	Ingleside Park Apts
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
Unadjusted Rent		\$846	\$670	\$675	\$620	\$565
Location						
Address	4059 Martin Luther King Boulevard	11919 Colerain Rd	5800 Altama Ave	999 Mission Trace Dr	1 Pelican Point Dr	1078 Clarks Bluff Rd
City	Kingsland	Saint Marys	Brunswick	Saint Marys	Saint Marys	Kingsland
Population	17,285	18,236	18,236	18,236	15,133	17,285
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Year Built	1988	1988	1990	1987	1987	1980
Condition/Street Appeal		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$50	\$50	\$50	\$50	\$55
Unit Size (sf)	755	950	1,032	950	1,000	950
		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>
		-\$39	-\$55	-\$39	-\$49	-\$39
Bedrooms	2	2	2	2	2	2
		<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
		\$0	\$0	\$0	\$0	\$0
Bathrooms	1.0	1.0	1.5	2.0	2.0	1.0
		<i>Similar</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Similar</i>
		\$0	-\$15	-\$25	-\$25	\$0
Utilities (who pays?)						
Heat	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Electric	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
Water	Landlord	Tenant	Tenant	Tenant	Tenant	Tenant
Sewer	Landlord	Tenant	Tenant	Tenant	Landlord	Tenant
Trash	Landlord	Tenant	Tenant	Landlord	Landlord	Landlord
Cable	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant
		<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Inferior</i>
		\$30	\$30	\$25	\$15	\$25
Unit Amenities	<i>Ref, Range, A/C, Patio, Storage, Micro</i>	<i>Ref, Range, DW, Disp, A/C, W/D HU, Bal/Pat, Vlt Ceil, Ceil Fans, Storage</i>	<i>Ref, Range, DW, A/C, Bal/Pat</i>	<i>Ref, Range, DW, Disp, W/D HU, A/C, Ceil. Fans</i>	<i>Ref, Range, DW, A/C, W/D HU, Bal/Pat</i>	<i>Ref, Range, DW, A/C, W/D HU, Ceil Fans</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>
		-\$20	\$5	-\$5	\$0	\$0
Complex Amenities	<i>Laundry, Comm Rm, Pavillion, Computer Rm</i>	<i>Pool, CH, Fit Ctr, Lake, V-ball, Dog Prk, Laundry,</i>	<i>Pool, CH, Laundry</i>	<i>Pool, CH, Laundry,</i>	<i>Laundry, Grilling Area</i>	<i>None</i>
		<i>Superior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Inferior</i>	<i>Inferior</i>
		-\$25	\$5	-\$5	\$10	\$20
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		-\$4	\$20	\$1	\$1	\$61
Adjusted Rent		\$842	\$690	\$676	\$621	\$626
Market Rent Conclusion	\$690					

Source: Crown Appraisal Group

The comparables range in size from 950 sf to 1,032 sf. After making the adjustments considered appropriate, the rent range is \$621 to \$842. Central tendencies are \$691 (average) and \$676 (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 \$690/month is concluded to be appropriate.

Market Vacancy Conclusion

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

Apartment Vacancy				
Hilltop Terrace Apartments - Phase II				
<u>Name</u>	<u>Location</u>	<u>Total Units</u>	<u>Occ.</u>	<u>Vacancy</u>
Hilltop Terrace Apartments - Ph	4059 Martin Luther King Bc	55	98.2%	1.8%
Park Place	11919 Colerain Rd	200	95.0%	5.0%
Camelia Apts	5800 Altama Ave	111	99.0%	1.0%
Mission Forest	999 Mission Trace Dr	104	99.0%	1.0%
Pelican Point	1 Pelican Point Dr	56	100.0%	
Ingleside Park Apts	1078 Clarks Bluff Rd	86	95.0%	5.0%
	Minimum		95.0%	
	Maximum		100.0%	5.0%
Totals and average (excluding subject)		557	97.1%	2.9%

Source: *Area Managers; Crown Appraisal Group*

The subject has historically operated as a government subsidized property. Most of the units are available for rental assistance, with the tenant paying 30% of their income towards the rent figure. Historic vacancy at Hilltop Terrace Apartments - Phase II has been low. When inspected, there was 1 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 north side of Martin Luther King Boulevard about 2 miles northeast of downtown Kingsland. The property is in Camden County. Kingsland is located in southeast Georgia. The property has an address of 4059 Martin Luther King Boulevard, Kingsland, Georgia. The maps in the preceding section show the property's location.

Access, Ingress, Egress, Visibility

Overall, access is average from both a neighborhood (local) perspective, as well as a macro (regional) perspective. Ingress/egress to the property is from Martin Luther King Boulevard. 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 Hilltop Terrace Development Limited Partnership. The current owner has owned the property for more than 3 years. The property is part of a portfolio of apartment properties in Georgia that are to transfer ownership in the near term. While the sale price is in the final stages of negotiation, the price is expected to be about \$1,626,704. 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 \$32,167 per unit, or about \$1,769,186. Renovations will be extensive and will include interior unit renovation as well as exterior unit renovation. It is expected that the air conditioning units will be replaced, windows will be repaired/replaced, new roofs will be installed, parking areas will be repaired, and kitchens and bathrooms will be updated as needed. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex.

Fair Housing

There are no known violations of the Fair Housing Act of 1988, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990. There are 3 units that are UFAS (Uniform Federal Accessibility Standards) accessible, 1 unit that is equipped for the sight/hearing impaired and 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 13039C0383F, dated December 16, 2008, the subject is located in Zone X. Zone X is identified as not being in a flood plain.

Zoning

The property is zoned R-3. 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>Hilltop Terrace Apartments - Phase II</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 55-unit apartment complex (housed in 9 single-story buildings). The improvements were initially developed in 1988.

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

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

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

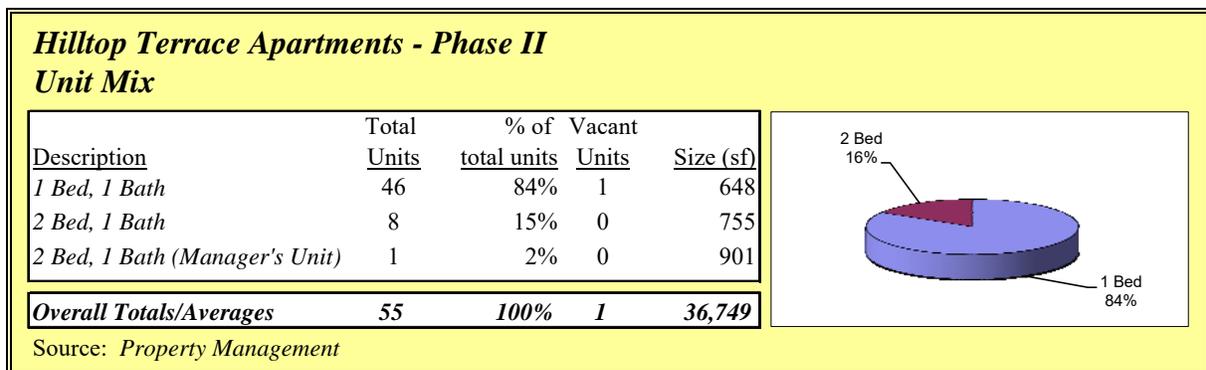
Each unit has an individual forced air furnace. The units have central air conditioning. The units have battery powered and hard wired smoke alarms.

Property amenities include a laundry room and community room. While not a property amenity per se, the units have 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 1988 and renovated periodically over time. The property has been maintained on an as needed basis.

The total building size is 37,968 sf. This is the sum of the apartment units (1 Bedroom - 648 sf/unit * 46 units – 29,808 sf plus 2 Bedroom – 755 sf/unit * 8 units – 6,040 sf plus 2 Bedroom (Manager’s Unit) – 901 sf/unit * 1 unit – 901 sf) plus the office/laundry/maintenance/community room (1,219 sf).

A major renovation is planned for the property improvements. Preliminary plans, completed by Wallace Architects, LLC, are include in the addendum of the report. Per the client, finalized plans will be provided to Rural Development and DCA for review and approval separately. Planned renovations include replacement of all existing flooring, replacement of kitchen cabinets and countertops, replacement of existing kitchen appliances, plumbing fixtures, lighting fixtures, bathroom cabinets and countertops, HVAC, repainting, re-roofing (new shingles), as well as exterior upgrades and improvements, and re-paving and re-striping of drive and parking areas. Microwaves will be added to each unit. In addition, a pavilion and computer room will be added to the complex. Furthermore, all Section 504 accessibility issues will be addressed and corrected as appropriate. The renovation is expected to cost about \$32,167 per unit, or about \$1,769,186.

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 25 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 (CRCU) conclusions are well below the maximum LIHTC rent figure. The as-renovated market rent (CRCU) conclusion for the one bedroom unit is above the maximum LIHTC rent figure while the as-renovated market rent conclusion for the two bedroom unit is below the maximum LIHTC rent figure.

Hilltop Terrace Apartments - Phase II													
Rent Parameters													
	Total Units	% of total	Vacant Units	% of unit type	Size (sf)	Total Size (sf)	Basic Rent	Note Rent	Gross LIHTC	Utility Costs	Net LIHTC	CRCU	
												As-Is	As-Renovated
1 Bed, 1 Bath	46	84%	1	2%	648	29,808	\$386	\$502	\$700	\$76	\$624	\$605	\$670
2 Bed, 1 Bath	8	15%	0	0%	755	6,040	\$421	\$543	\$840	\$116	\$724	\$625	\$690
2 Bed, 1 Bath (Manager's Unit)	1	2%	0	0%	901	901	--	--	Non-Revenue		Non-Revenue		
Overall Totals/Averages	55	100%	1	2%	668	36,749							

Source: Property Management

Operating History

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

Hilltop Terrace Apartments - Phase II										
Operating History										
55 units										
	2013	Per Unit	2014	Per Unit	2015	Per Unit	2016 Budget	Per Unit	2017 Budget	Per Unit
Revenue										
Apartment Rental Income	243,272	4,423	252,452	4,590	250,019	4,546	247,488	4,500	250,385	4,552
Plus: Other Income	6,586	120	5,710	104	6,813	124	5,840	106	5,535	101
Effective Gross Income	249,858	4,543	258,162	4,694	256,832	4,670	253,328	4,606	255,920	4,653
Operating Expenses										
Real Estate Taxes	14,993	273	13,604	247	10,831	197	13,265	241	13,017	237
Insurance	12,201	222	13,987	254	15,092	274	17,045	310	19,186	349
Repairs & Maintenance	21,055	383	20,497	373	19,000	345	23,220	422	30,128	548
General & Administrative	10,436	190	11,361	207	14,222	259	12,314	224	11,066	201
Management Fees	28,792	523	28,747	523	29,716	540	30,456	554	31,752	577
Utilities										
Electric	6,620	120	6,574	120	6,735	122	7,350	134	6,660	121
Water/Sewer	41,753	759	40,543	737	30,593	556	35,400	644	28,800	524
Total Utilities	48,374	880	47,117	857	37,328	679	42,750	777	35,460	645
Payroll	44,141	803	42,294	769	49,480	900	52,601	956	51,191	931
Marketing	48	1	72	1	88	2	210	4	200	4
Total Expenses	180,040	3,273	177,678	3,231	175,756	3,196	191,861	3,488	191,999	3,491
<i>operating expense ratio</i>		<i>72.1%</i>		<i>68.8%</i>		<i>68.4%</i>		<i>75.7%</i>		<i>75.0%</i>
Net Operating Income	69,818	1,269	80,484	1,463	81,076	1,474	61,467	1,118	63,921	1,162

Source: Property Management

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

Interest Appraised

Value 1

Market value, unrestricted rents

Comment

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

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

Value 2-RD

Market value, subject to restricted rents

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

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

Value 3

Prospective, subject to restricted rents.

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

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

Value 4

Prospective, as conventional or unrestricted.

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

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

Real Estate Taxes and Assessments

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

Real Estate Taxes		
Hilltop Terrace Apartments - Phase II		
Parcel Number	094 001A	
	<u>Appraised</u>	<u>Assessed</u>
Land	\$93,225	\$37,290
Improvements	<u>610,597</u>	<u>244,239</u>
Total	703,822	281,529
Real Estate Taxes	\$10,540	
Taxes/unit	\$192	

Source: *County Auditor*

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

Real Estate Taxes								
Hilltop Terrace Apartments - Phase II								
Year	Auditors Appraised Values			Assessed Values			Annual Taxes	Tax Rate
	Land	Building	Total	Land	Building	Total		
2016	93,225	610,597	703,822	37,290	244,239	281,529	10,540	37.43842
2015	93,225	610,597	703,822	37,290	244,239	281,529	10,414	36.99086
2014	215,850	504,545	720,395	86,340	201,818	288,158	10,622	36.86172
2013	88,313	739,120	827,433	35,325	295,648	330,973	11,700	35.35032

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.

Hilltop Terrace Apartments - Phase II									
Tax Comparables									
Name/Location	Parcel #	Effective Millage	Taxes/			Land Assessed Value	Improvements Assessed Value	Total Assessed Value	Assessed Value/unit
			Units	RE Taxes	unit				
Hilltop Terrace Apartments - Phase II 4059 Martin Luther King Boulevard	094 001A	37.4384	55	10,540	192	37,290	244,239	281,529	5,119
Kings Landing Apts 935 S Grove Blvd, Kingsland	095000022A	30.6109	48	9,806	204	33,600	286,744	320,344	6,674
Camden Way Apts 145 N Gross Rd, Kingsland	1070000016	29.9396	118	24,312	206	163,636	648,398	812,034	6,882
Pine Haven Apts 803 S Satilla St, Kingsland	K310050007	29.9387	27	4,996	185	20,000	146,874	166,874	6,181
Colerain Oaks Apts 306 Ryan Dr, St. Mary's	1210000006	29.9408	202	9,779	48	191,760	134,851	326,611	1,617

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. There are no negative market trends that would influence the value of the property.

Financial Feasibility		
Hilltop Terrace Apartments - Phase II		
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$3,595,000
Value 1, as-is, as conventional or unrestricted		<u>\$3,105,000</u>
	Incremental difference	\$490,000
Renovation Cost		<u>\$1,769,186</u>
Benefit (cost) of renovating <i>before</i> consideration of other benefits		-\$1,279,186
<u>Other Benefits</u>		
Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan)		\$655,000
Value 6 LIHTC Value		<u>\$990,232</u>
	Value of additional benefits of renovation	\$1,645,232
		<i>Net benefits, or added value, of renovation</i> \$366,046
<u>Initial Test of Financial Feasibility</u>		
Value 3, prospective, subject to restricted rents		\$3,595,000
Value 2-RD, as-is, subject to restricted rents		<u>\$860,000</u>
	Incremental difference	\$2,735,000
Renovation Cost		<u>\$1,769,186</u>
Benefit (cost) of renovating <i>before</i> consideration of other benefits		\$965,814
<u>Other Benefits</u>		
Value 5 Interest Credit Subsidy Value from assuming the existing 515 Loan)		\$655,000
Value 6 LIHTC Value		<u>\$990,232</u>
	Value of additional benefits of renovation	\$1,645,232
		<i>Net benefits, or added value, of renovation</i> \$2,611,046

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 Hilltop Terrace Apartments - Phase II, 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.

Hilltop Terrace Apartments - Phase II					Value 1			
Base Rent Revenue					as conventional or unrestricted			
	Total Units	% of total	Size (rsf)	Total rsf	Rent/Month	Market Rent		Yearly
						Rent/sf	Monthly	
1 Bed, 1 Bath	46	84%	648	29,808	\$605	\$0.93	\$27,830	\$333,960
2 Bed, 1 Bath	8	15%	755	6,040	\$625	0.83	5,000	60,000
2 Bed, 1 Bath (Manager's Unit)	1	2%	901	901			Non-Revenue	
Overall Totals/Averages	55	100%	668	36,749	597	0.89	32,830	393,960

Source: Crown Appraisal Group

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

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$105/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										
Hilltop Terrace Apartments - Phase II										
	1	2	3	4	5	6	7	8	9	10
Units	49	51	51	37	18	20	55	65	55	24
Year	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015
Per Unit Basis										
Real Estate Taxes	300	227	125	196	432	393	341	208	171	213
Insurance	209	166	499	173	154	222	189	316	400	296
Repairs and Maintenance	599	472	791	646	1,198	778	976	447	319	735
General and Administrative	329	253	242	284	527	368	283	204	211	306
Management Fees	533	528	506	477	524	520	500	529	529	337
Utilities										
Electric	110	98	155	90	111	190	162	101	108	95
Water/Sewer	<u>936</u>	<u>24</u>	<u>20</u>	<u>547</u>	<u>46</u>	<u>42</u>	<u>35</u>	<u>32</u>	<u>556</u>	<u>6</u>
Total Utilities	1,046	122	175	637	156	232	197	132	664	101
Payroll	923	1,096	457	879	636	1,066	1,245	768	955	1,331
Marketing	2	1	9	12	23	4	0	0	2	2
Total	3,941	2,865	2,803	3,305	3,649	3,582	3,731	2,603	3,251	3,321
Per Unit Basis										
Category	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>	<u>Median</u>						
Real Estate Taxes	125	432	261	220						
Insurance	154	499	263	216						
Repairs and Maintenance	319	1,198	696	691						
General and Administrative	204	527	300	283						
Management Fees	337	533	498	522						
Utilities										
Electric	90	190	122	109						
Water/Sewer	<u>6</u>	<u>936</u>	<u>224</u>	<u>38</u>						
Total Utilities	101	1,046	346	186						
Payroll	457	1,331	935	939						
Marketing	<u>0</u>	<u>23</u>	<u>5</u>	<u>2</u>						
Total	2,603	3,941	3,305	3,313						
Source: Apartment Management, Crown Appraisal Group										

Hilltop Terrace Apartments - Phase II										<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	261	avg	273	247	197	241	237	192	\$10,540
Insurance											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	216	med	263	avg	222	254	274	310	349	314	\$17,246
Repairs & Maintenance											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	691	med	696	avg	383	373	345	422	548	400	\$22,000
General & Administrative											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	283	med	300	avg	190	207	259	224	201	205	\$11,275
Management											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	522	med	498	avg	523	523	540	554	577	345	\$19,002
Electric Utilities											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	109	med	122	avg	120	120	122	134	121	122	\$6,710
Water & Sewer											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	38	med	224	avg	759	737	556	644	524	556	\$30,580
Total Utilities											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	186	med	346	avg	880	857	679	777	645	678	\$37,290
Payroll											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	939	med	935	avg	803	769	900	956	931	700	\$38,500
Marketing											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	2	med	5	avg	1	1	2	4	4	15	\$825
Total Operating Expenses (including consideration of Reserve)											
Source	Comparables				2013	2014	2015	2016 Budget	2017 Budget	Pro Forma	Amount
Cost/unit	3,313	med	3,305	avg	3,273	3,231	3,196	3,488		3,099	\$170,428
Source: <i>Property Management; Crown Appraisal Group</i>											

Hilltop Terrace Apartments - Phase II		Value 1
Operating Expense Estimates		as conventional or unrestricted
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	192	Based on the current real estate taxes of the subject as reported by the county.
Insurance	314	Based on historic with support from market.
Repairs & Maintenance	400	Below historic; property would not be as well maintained if it were to be operated as a market rate one.
General & Administrative	205	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	122 Electric	Based on historic with support from market.
	556 Water and sewer	Based on historic with support from market.
Payroll	700	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense is based on the probable cost if the property were operated as a market rate one.
Marketing	15	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes.

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

Pro Forma Operating Expense Estimate & Comparisons (per unit basis)					Value 1					
Hilltop Terrace Apartments - Phase II					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	125	432	261	220	273	247	197	241	237	192
Insurance	154	499	263	216	222	254	274	310	349	314
Repairs and Maintenance	319	1,198	696	691	383	373	345	422	548	400
General and Administrative	204	527	300	283	190	207	259	224	201	205
Management Fees	337	533	498	522	523	523	540	554	577	345
Utilities										
Electric	90	190	122	109	120	120	122	134	121	122
Water/Sewer	6	936	224	38	759	737	556	644	524	556
Total Utilities	101	1,046	346	186	880	857	679	777	645	678
Payroll	457	1,331	935	939	803	769	900	956	931	700
Marketing	0	23	5	2	1	1	2	4	4	15
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	250
Total Operating Expenses	2,603	3,941	3,305	3,313	3,273	3,231	3,196	3,488	3,491	3,099

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>Hilltop Terrace Apartments - Phase II</i>		<i>Value 1</i>	
55 units			
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	103.7%	\$7,163	\$393,960
Less: Vacancy and Collection Loss @ 5.0%	<u>-5.2%</u>	<u>-358</u>	<u>-19,698</u>
Effective Rent	98.5%	6,805	374,262
Plus Other Revenue:			
Other Income	1.5%	105	5,775
Effective Gross Income	100.0%	6,910	380,037
Less: Operating Expenses			
Real Estate Taxes	2.8%	192	10,540
Insurance	4.5%	314	17,246
Repairs and Maintenance	5.8%	400	22,000
General and Administrative	3.0%	205	11,275
Management Fees @ 5.0%	5.0%	345	19,002
Utilities			
Electric	1.8%	122	
Water/Sewer	<u>8.0%</u>	<u>556</u>	
Total Utilities	9.8%	678	37,290
Payroll	10.1%	700	38,500
Marketing	0.2%	15	825
Reserve	<u>3.6%</u>	<u>250</u>	<u>13,750</u>
Total Operating Expenses	44.8%	3,099	170,428
Net Operating Income	55.2%	3,811	209,609

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>
Douglas Pines Apts Douglas, GA	Oct-16	1987	48	1,925,100	40,106	7.02%
Spanish Mission Valdosta, GA	Sep-15	1976	150	7,000,000	46,667	7.36%
The Reserve at Altama Brunswick, GA	Jul-16	1972	108	6,300,000	58,333	6.75%
Ashley Park Apts Thomasville, GA	Oct-16	2013	84	8,000,000	95,238	5.70%
The Gables of St Augustine Valdosta, GA	May-15	1989	144	4,000,000	27,778	6.10%
Average, Median, Range		6.59%	6.75%	5.70% - 7.36%		

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 5.70% or a rate above 7.36%. If the sales were the only data source from which to select the overall capitalization rate, a rate near the middle of the range is most appropriate given the net operating income figure.

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

Financing Techniques

Debt Coverage Ratio

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

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>Hilltop Terrace Apartments - Phase II</i>	<i>as conventional or unrestricted</i>
Net Operating Income	\$209,609
Overall Capitalization Rate	<u>6.75%</u>
Value Conclusion	3,105,321
<i>Rounded To:</i>	<i>\$3,105,000</i>
Source: <i>Crown Appraisal Group</i>	

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.

Hilltop Terrace Apartments - Phase II					Value 2-RD			
Base Rent Revenue					subject to restricted rents			
	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	46	84%	648	29,808	\$386	\$0.60	\$17,756	\$213,072
2 Bed, 1 Bath	8	15%	755	6,040	\$421	0.56	3,368	40,416
2 Bed, 1 Bath (Manager's Unit)	1	2%	901	901	Non-Revenue			
Overall Totals/Averages	55	100%	668	36,749	384	0.57	21,124	253,488

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.

Hilltop Terrace Apartments - Phase II			Value 2-RD
Operating Expense Estimates			subject to restricted rents
<u>Operating Expense</u>	<u>Cost/unit</u>		<u>Discussion</u>
Real Estate Taxes	192		Based on the current real estate taxes of the subject as reported by the county.
Insurance	314		Based on historic with support from market.
Repairs & Maintenance	450		Near the recent historic figures with the recognition that some of the historic amounts have some costs better categorized as capital expenditures.
General & Administrative	205		Based on historic.
Management	49.00		Based on cost per occupied door per month.
Utilities	122	Electric	Based on historic with support from market.
	556	Water and sewer	Based on historic with support from market.
Payroll	900		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	
Hilltop Terrace Apartments - Phase II		as-is	
55 units			
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	100.7%	\$4,609	\$253,488
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.0%</u>	<u>-138</u>	<u>-7,605</u>
Effective Rent	97.7%	4,471	245,883
Plus Other Revenue:			
Other Income	2.3%	105	5,775
Effective Gross Income	100.0%	4,576	251,658
Less: Operating Expenses			
Real Estate Taxes	4.2%	192	10,540
Insurance	6.9%	314	17,246
Repairs and Maintenance	9.8%	450	24,750
General and Administrative	4.5%	205	11,275
Management Fees	12.5%	570	31,370
Utilities			
Electric	2.7%	122	
Water/Sewer	<u>12.2%</u>	<u>556</u>	
Total Utilities	14.8%	678	37,290
Payroll	19.7%	900	49,500
Marketing	0.1%	5	275
Reserve	<u>7.6%</u>	<u>350</u>	<u>19,250</u>
Total Operating Expenses	80.1%	3,664	201,496
Net Operating Income	19.9%	912	50,163

Source: *Crown Appraisal Group*

Capitalization Rate Discussion

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

Overall Capitalization Rate Selection			Value 2-RD	
Hilltop Terrace Apartments - Phase II			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	5	9.1%	6.75%	0.614%
Rental Assistance	50	90.9%	5.75%	5.227%
Total	55	100.0%		5.841%
Indicated OAR				5.84%

Source: Crown Appraisal Group

Pro Forma Technique Value Conclusion		Value 2-RD
Hilltop Terrace Apartments - Phase II		subject to restricted rents
Net Operating Income		\$50,163
Overall Capitalization Rate		5.84%
Value Conclusion		858,814
Rounded To:		\$860,000

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.

Sale Comparable 1

General Data

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



Sale and Economic Data

			<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
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

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

Tenant Paid Utilities

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

Other Comments

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

Sale Comparable 2

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Tenant Paid Utilities

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

Other Comments

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

Sale Comparable 3

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Tenant Paid Utilities

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

Other Comments

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

Sale Comparable 4

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

Sale Comparable 5

General Data

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



Sale and Economic Data

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

Property Data

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

Landlord Paid Utilities

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

Tenant Paid Utilities

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

Unit Amenities

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

Complex Amenities

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

Other Comments

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

Comparable Sales Data

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

<i>Hilltop Terrace Apartments - Phase II</i>							<i>Value 1</i>
<i>Improved Sales</i>							<i>as conventional or unrestricted</i>
Sale Name	Subject	1	2	3	4	5	
Name	Hilltop Terrace Apartments -	Douglas Pines Apts	Spanish Mission	The Reserve at Altama	Ashley Park Apts	The Gables of St Augustine	
Location	4059 Martin Luther King Bo	820 Bowens Mill Rd SE	422 Connell Rd	5801 Altama Ave	1 Ashley Park Pl	1415 N Saint Augustine Rd	
City or Township	Kingsland	Douglas	Valdosta	Brunswick	Thomasville	Valdosta	
County	Camden	Coffee	Lowndes	Glynn	Thomas	Lowndes	
MSA	St. Mary's	Not in a MSA	Valdosta	Brunswick	Not in a MSA	Valdosta	
Reference Number		9720	15990	16126	16127	16141	
Date of Sale		October-16	September-15	July-16	October-16	May-15	
Sale Price		\$1,925,100	\$7,000,000	\$6,300,000	\$8,000,000	\$4,000,000	
Building Size (units)	55	48	150	108	84	144	
Building Size (inc. community)	37,968	41,280	188,716	126,240	90,090	106,728	
Sale Price/Unit		\$40,106	\$46,667	\$58,333	\$95,238	\$27,778	
Sale Price/sf		\$46.64	\$37.09	\$49.90	\$88.80	\$37.48	
Year Built	1988	1987	1976	1972	2013	1989	
Site Size	9,430	7,590	12,000	10,220	25,610	26,990	
Coverage	9%	12%	36%	28%	8%	9%	
Average Unit Size (sf)	690	860	1,258	1,169	1,073	741	
Units per Acre	5.8	6.3	12.5	10.6	3.3	5.3	
EGI/unit	\$6,910						
EGIM							
Expenses/Unit	\$3,099						
NOI/unit	\$3,811	\$2,815	\$3,435	\$3,938	\$5,429	\$1,694	
OAR		7.02%	7.36%	6.75%	5.70%	6.10%	
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		\$40,106	\$46,667	\$58,333	\$95,238	\$27,778	
Property Adjustments							
Location	artin Luther King Bo	820 Bowens Mill Rd SE	422 Connell Rd	5801 Altama Ave	1 Ashley Park Pl	1415 N Saint Augustine Rd	
	Kingsland	Douglas	Valdosta	Brunswick	Thomasville	Valdosta	
	Camden	Coffee	Lowndes	Glynn	Thomas	Lowndes	
Population	17,285	12,002	55,754	15,133	18,413	55,754	
Comparison to subject		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Similar</i>	<i>Superior</i>	
		0%	-10%	0%	0%	-10%	
Physical							
Avg. Unit Size	690	860	1,258	1,169	1,073	741	
Comparison to subject		<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	<i>Superior</i>	
		-10%	-30%	-25%	-20%	-5%	
Age	1988	1987	1976	1972	2013	1989	
Quality/Condition	Average	Average	<i>Below Average</i>	<i>Below Average</i>	<i>Good</i>	Average	
Comparison to subject		<i>Similar</i>	<i>Inferior</i>	<i>Inferior</i>	<i>Superior</i>	<i>Similar</i>	
		0%	5%	5%	-10%	0%	
Total Property Adjustments		-10%	-35%	-20%	-30%	-15%	
Value Indication per Unit		\$36,096	\$30,333	\$46,667	\$66,667	\$23,611	

Source: Crown Appraisal Group

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

Douglas Pines Apartments (Comparable 1) - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. The adjustments total -10%. This results in a value indication of \$36,096/unit for Hilltop Terrace Apartments - Phase II.

Spanish Mission (Comparable 2) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -35%. This results in a value indication of \$30,333/unit for Hilltop Terrace Apartments - Phase II.

The Reserve at Altama (Comparable 3) - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were inferior to the subject, and an adjustment is made. Combined, the adjustments total -20%. This results in a value indication of \$46,667/unit for Hilltop Terrace Apartments - Phase II.

Ashley Park Apartments (Comparable 4) - On average, the unit size at the comparable is larger, which is considered to be a superior attribute, as compared to the average unit size at the subject, and the comparable is adjusted downward. At the time of sale, the general physical aspects of the comparable (such as age and quality/condition attributes) were superior to the subject, and an adjustment is made. Combined, the adjustments total -30%. This results in a value indication of \$66,667/unit for Hilltop Terrace Apartments - Phase II.

The Gables of St Augustine (Comparable 5) - The comparable has a superior (better) general location at the time of sale when compared to the subject, and the comparable is adjusted downward. 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. Combined, the adjustments total -15%. This results in a value indication of \$23,611/unit for Hilltop Terrace Apartments - Phase II.

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 be representative of the property's value as if operated under the hypothetical conventional, market rate scenario. **A value conclusion of \$54,000/unit is selected to represent the market value as of the date of valuation. This indicates an aggregate value of \$1,000,000.** The following summarizes the projections of value via the sales comparison approach.

<i>Sales Comparison Approach Summary</i>			<i>Value 1</i>
<i>Hilltop Terrace Apartments - Phase II</i>			<i>as conventional or unrestricted</i>
Unadjusted Value Range Per Unit	27,778	-	95,238
Indicated Value Range (rounded)	1,500,000	-	5,200,000
Adjusted Value Range Per Unit	23,611	-	66,667
Indicated Value Range (rounded)	1,300,000	-	3,700,000
Average, Median (adjusted)	40,675		36,096
<i>Indicated Value (rounded)</i>			<i>2,970,000</i>
<i>Value per Unit</i>			<i>54,000 /unit</i>
<i>Source: Crown Appraisal Group</i>			

Prospective Market Value

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

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

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

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

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

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

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

Pro Forma Capitalization

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

Hilltop Terrace Apartments - Phase II							Value 3		
Base Rent Revenue							prospective		
							subject to restricted rents		
	Rent Constraint	Total Units	% of total	Size (rsf)	Total rsf	Rent/Month	Market Rent		
							Rent/sf	Monthly	Yearly
1 Bed, 1 Bath	LIHTC	46	84%	648	29,808	624	\$0.96	\$28,704	\$344,448
2 Bed, 1 Bath	Market	8	15%	755	6,040	690	\$0.91	\$5,520	66,240
2 Bed, 1 Bath (Manager's Unit)		1	2%	901	901			Non-Revenue	
Overall Totals/Averages		55	100%	668	36,749	622	0.93	34,224	410,688

Source: Crown Appraisal Group

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

Other Income – Other revenues include laundry income, late/nsf charges, application fees, forfeited deposits, termination/restoration fees and other miscellaneous incomes. Other revenue is estimated at \$105/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.

Hilltop Terrace Apartments - Phase II		Value 3
Operating Expense Estimates		prospective
		subject to restricted rents
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	211	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	314	Based on historic with support from market.
Repairs & Maintenance	400	Lower end of the historic range reflecting the renovation.
General & Administrative	205	Based on historic.
Management	49.00	Based on cost per occupied door per month.
Utilities	122 Electric	Based on historic with support from market.
	556 Water and sewer	Based on historic with support from market.
Payroll	800	Near the lower end of historic range reflecting the renovation.
Marketing	5	Based on historic.
Reserve	350	Based on market participant attitudes recognizing the renovation.

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

Pro Forma Operating Expense Estimate & Comparisons (per unit basis)						Value 3				
Hilltop Terrace Apartments - Phase II						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	125	432	261	220	273	247	197	241	237	211
Insurance	154	499	263	216	222	254	274	310	349	314
Repairs and Maintenance	319	1,198	696	691	383	373	345	422	548	400
General and Administrative	204	527	300	283	190	207	259	224	201	205
Management Fees	337	533	498	522	523	523	540	554	577	570
Utilities										
Electric	90	190	122	109	120	120	122	134	121	122
Water/Sewer	6	936	224	38	759	737	556	644	524	556
Total Utilities	101	1,046	346	186	880	857	679	777	645	678
Payroll	457	1,331	935	939	803	769	900	956	931	800
Marketing	0	23	5	2	1	1	2	4	4	5
Reserve	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	350
Total Operating Expenses	2,603	3,941	3,305	3,313	3,273	3,231	3,196	3,488	3,491	3,533

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>	
Hilltop Terrace Apartments - Phase II		<i>prospective</i>	
		55 units	Value 3
	<u>% of EGI</u>	<u>Per Unit</u>	<u>Amount</u>
Potential Rental Revenue	101.6%	\$7,467	\$410,688
Less: Vacancy and Collection Loss @ 3.0%	<u>-3.0%</u>	<u>-224</u>	<u>-12,321</u>
Effective Rent	98.6%	7,243	398,367
Plus Other Revenue:			
Other Income	1.4%	105	5,775
Effective Gross Income	100.0%	7,348	404,142
Less: Operating Expenses			
Real Estate Taxes	2.9%	211	11,594
Insurance	4.3%	314	17,246
Repairs and Maintenance	5.4%	400	22,000
General and Administrative	2.8%	205	11,275
Management Fees	7.8%	570	31,370
Utilities			
Electric	1.7%	122	6,710
Water/Sewer	<u>7.6%</u>	<u>556</u>	30,580
Total Utilities	9.2%	678	37,290
Payroll	10.9%	800	44,000
Marketing	0.1%	5	275
Reserve	<u>4.8%</u>	<u>350</u>	<u>19,250</u>
Total Operating Expenses	48.1%	3,533	194,300
Net Operating Income	51.9%	3,815	209,843

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	5	9.1%	6.75%	0.614%
Rental Assistance	50	90.9%	5.75%	5.227%
Total	55	100.0%		5.841%
Indicated OAR				5.84%

Source: *Crown Appraisal Group*

Recognizing that about 91% of the units have RA, an overall rate of 5.84% 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
Hilltop Terrace Apartments - Phase II		prospective
		subject to restricted rents
Net Operating Income		\$209,843
Overall Capitalization Rate		5.84%
Value Conclusion		3,592,635
Rounded To:		\$3,595,000

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>Hilltop Terrace Apartments - Phase II</i>		<i>Value 4</i>
<i>Operating Expense Estimates</i>		<i>prospective</i>
		<i>as conventional or unrestricted</i>
<u>Operating Expense</u>	<u>Cost/unit</u>	<u>Discussion</u>
Real Estate Taxes	211	Based on the current real estate taxes of the subject as reported by the county, and increased to reflect the renovations.
Insurance	314	Based on historic with support from market.
Repairs & Maintenance	350	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	205	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	122	Electric
	556	Water and sewer
Payroll	600	Based on the size of the property, a total cost per year, or a cost per month, is the appropriate manner in which to develop this operating expense estimate. The expense recognizes the renovation and is based on the probable cost if the property were operated as a market rate one.
Marketing	15	Above historic; market rate properties require a higher cost for marketing.
Reserve	250	Based on market participant attitudes reflecting the renovation.

The pro forma and value conclusion are below.

Hilltop Terrace Apartments - Phase II								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	46	84%	648	29,808	\$670	\$1.03	\$30,820	\$369,840	
2 Bed, 1 Bath	8	15%	755	6,040	\$690	0.91	5,520	66,240	
2 Bed, 1 Bath (Manager's Unit)	1	2%	901	901	Non-Revenue				
Overall Totals/Averages	55	100%	668	36,749	661	0.99	36,340	436,080	

Source: Crown Appraisal Group

Pro Forma Operating Statement					prospective	
Hilltop Terrace Apartments - Phase II					as conventional or unrestricted	
					55 units	Value 4
		% of EGI	Per Unit		Amount	
Potential Rental Revenue		103.8%	\$7,929		\$436,080	
Less: Vacancy and Collection Loss @	5.0%	-5.2%	-396		-21,804	
Effective Rent		98.6%	7,532		414,276	
Plus Other Revenue:						
Other Income		1.4%	105		5,775	
Effective Gross Income		100.0%	7,637		420,051	
Less: Operating Expenses						
Real Estate Taxes		2.8%	211		11,594	
Insurance		4.1%	314		17,246	
Repairs and Maintenance		4.6%	350		19,250	
General and Administrative		2.7%	205		11,275	
Management Fees		5.0%	382		21,003	
Utilities						
Electric		1.6%	122	6,710		
Water/Sewer		7.3%	556	30,580		
Total Utilities		8.9%	678		37,290	
Payroll		7.9%	600		33,000	
Marketing		0.2%	15		825	
Reserve		3.3%	250		13,750	
Total Operating Expenses		39.3%	3,004		165,233	
Net Operating Income		60.7%	4,633		254,818	

Source: Crown Appraisal Group

Pro Forma Technique Value Conclusion		Value 4
Hilltop Terrace Apartments - Phase II		prospective
		as conventional or unrestricted
Net Operating Income		\$254,818
Overall Capitalization Rate		6.75%
Value Conclusion		3,775,088
Rounded To:		\$3,775,000

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.
- The improvement cost was projected using the Marshall Valuation Service.
- The amount of accrued depreciation or obsolescence (physical, functional and economic) has been projected and deducted from the replacement cost opinion.
- The depreciated replacement cost opinion is then added to the land value projected for the subject site.
- The sum of these opinions produces an indication of value by the cost approach.

Value 8, Land Value

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

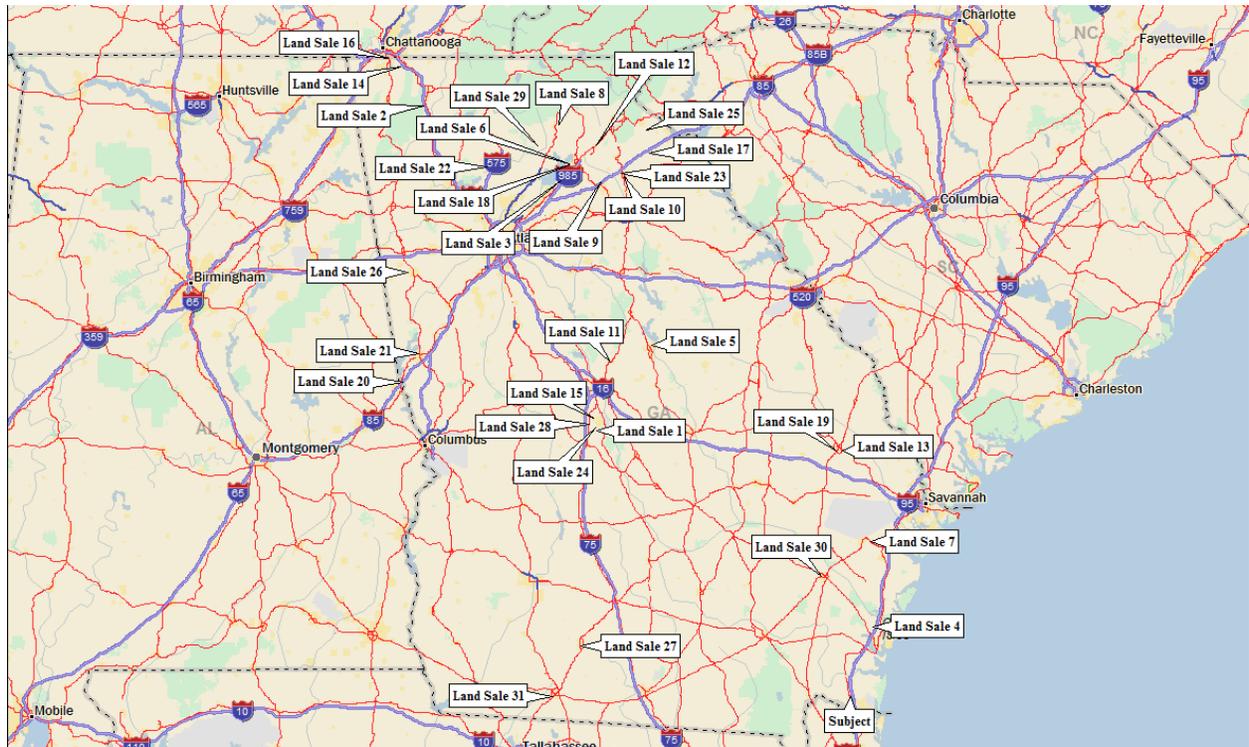
With the absence of comparable land sales, the appraiser is left with several alternative techniques. These include extraction, allocation, and a number of income capitalization methods such as land residual, ground rent capitalization, and discounted cash flow analysis.

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

Of the alternative techniques, allocation is left. As noted in The Appraisal of Real Estate, 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.



Georgia Land Sales
Rural Counties

Sale	County	Location	City	Sale Date	Sale Price	Size (ac)	Sale Price/ac	# of Units	Sale Price/unit	Location Adjustment	Adjusted Price/unit	Buyer	Seller	Identification	Comments
1	Houston	725 SR 96	Warner Robins	Nov-16	\$ 75,000	12,450	\$ 6,024	72	\$ 1,042	-10%	\$ 938	The Later Investment Group LLC	Sands East II Apartments Inc	0W0960159000	Multi-Family
2	Whitfield	3431 Dug Gap Rd SW	Dalton	Nov-16	\$ 200,000	22,950	\$ 8,715					All Environmental Services, LLC	Jeanette S Longley	13-103-03-000	Commercial
3	Hall	5941 Lights Ferry Rd	Flowers Branch	Oct-16	\$ 82,000	18,600	\$ 4,216					Southern Heritage Hm Bldg LLC	McGowan Family Farming Partnership	08118 001004A	Multi-Family-Commercial
4	Gwin	5999 SR 99	Branswick	Aug-16	\$ 280,000	26,000	\$ 10,769					LWD Properties LLC	Ameris Bank	03-23259	Multi-Family-Commercial
5	Baldwin	1963 N Jefferson St	Milledgeville	Aug-16	\$ 93,000	11,000	\$ 8,455					Dan Tonlin	First American Bank & Trust	088 003	Multi-Family-Commercial
6	Hall	2380 Spring Rd	Gainesville	Aug-16	\$ 645,000	10,120	\$ 63,735	101	\$ 6,386	-10%	\$ 5,748	Spring Road Group LLC	Henry B Humphries	08005 000042	Multi-Family-Commercial
7	Liberty	SEQ E Oglethorpe Hwy & McIntosh Lake Rd	Hinesville	May-16	\$ 299,000	5,660	\$ 52,827					Teramore Development LLC	Frier Land Holdings Inc	101-039	Multi-Family
8	Lumpkin	Rock House Rd	Dahlonega	Dec-15	\$ 115,000	14,450	\$ 7,958					Wilam Manson	RAD Enterprises 078-000-158-000		Multi-Family
9	Jackson	915 Bill Wright Rd	Pendergrass	Nov-15	\$ 90,000	15,000	\$ 6,000					CBD Investments LLC	Rocio Woody Almann	078-029	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 Senior Center Way	Gray	Aug-15	\$ 739,800	10,279	\$ 71,972	72	\$ 10,275	-25%	\$ 7,706	Water Tower Park Senior Village LP	Water Tower Park Investments	G07-00-037	Multi-Family
12	Hall	5108 Mountain View Pky	Lula	Aug-15	\$ 250,325	29,450	\$ 8,500					William N Turk	Dac Enterprises Inc	09-0053-00-009	Multi-Family-Commercial
13	Bulloch	1881 S&S Railroad Bed Rd	Statesboro	May-15	\$ 579,000	38,600	\$ 15,000	176	\$ 3,290	-25%	\$ 2,467	Beacon Place Statesboro LLC	NA	107 000005 007	Multi-Family
14	Catoosa	Summer Breeze & Sunny Ln	Summerville	Apr-15	\$ 325,000	7,030	\$ 46,230	72	\$ 4,514	0%	\$ 4,514	Summer Breeze Park LP	Johany Coots & Dan Bradford	0021A060	Multi-Family-Commercial
15	Houston	316 Bramley Rd	Warner Robins	Dec-14	\$ 280,000	5,500	\$ 50,909					Bramley MPH LLC	Georgia A Oliver	0C0260681000	Multi-Family-Commercial
16	Walker	Chickamauga Ave	Rossville	Oct-14	\$ 28,600	15,390	\$ 1,858					Daniel Bart	Stein Construction Co., Inc	2005-034	Multi-Family-Commercial
17	Franklin	SWQ Commerce Rd & Cross Roads Ln	Carnesville	Oct-14	\$ 55,000	17,610	\$ 3,123					Judy H Clay	CBNA-GA LLC	028-043	Multi-Family-Commercial
18	Hall	1263 McEver Rd	Gainesville	Sep-14	\$ 600,000	33,320	\$ 18,007					America's Home Place, Inc	BENJAMIN M Smith 08-00015-09-008		Multi-Family-Commercial
19	Bulloch	350 Rucker Ln	Statesboro	Jul-14	\$1,823,000	24,060	\$ 75,769	237	\$ 7,692	-25%	\$ 5,769	The Hamptons Statesboro LLC	Racker Holdings LLC MS2000004 000		Multi-Family
20	Troup	West St	Forest Park	Apr-14	\$ 515,400	8,590	\$ 60,000	80	\$ 6,443	-25%	\$ 4,832	Forest MB Apartments, LP	West Point Village, LLC	094-4C-007-088	Multi-Family
21	Troup	911 N Greenwood St	Lagrange	Apr-14	\$ 175,000	7,900	\$ 22,152					Knight LLC	Margaret Ann Maglin	0611A009013A	Multi-Family-Commercial
22	Cherokee	30 Laurel Canyon Village Cir	Canton	Mar-14	\$2,162,000	50,550	\$ 42,770	350	\$ 6,177	-10%	\$ 5,559	Lifestyle at Laurel Canyon LLC	Laurel Canyon GP LLC	14-0135-0001	Multi-Family-Office
23	Jackson	NWQ Mt Olive Rd & Harden Orchard Rd	Commerce	Mar-14	\$ 77,000	26,130	\$ 2,947					KRM Properties, LLC	CBNA-GA LLC	020 0099K	Multi-Family-Commercial
24	Houston	1131 S Houston Lake Rd	Warner Robins	Feb-14	\$ 145,000	13,370	\$ 10,845					KKLN Properties LLC	State Bank & Trust	0W1060 017000	Multi-Family-Commercial
25	Stephens	Turner Rd	Eatonsville	Feb-14	\$ 37,600	28,800	\$ 1,306						Chomper Real Estate, LLC	045B-053	Multi-Family-Commercial
26	Carroll	1321 Vovvern Rd	Carrollton	Jul-13	\$ 495,000	14,780	\$ 33,491	120	\$ 4,125	-10%	\$ 3,713	Haven Campus Communities - Carrollton LLC	Yves R Hestiant	C08-0330227	Multi-Family-Commercial
27	Colquitt	2001 Talokas Pointe Rd	Moultrie	May-13	\$ 325,000	9,130	\$ 35,597	68	\$ 4,779	0%	\$ 4,779	Talokas Pointe Apartments LP	Lynn W Lasserter	C046 113	Multi-Family-Commercial
28	Houston	200 Crestview Church Rd	Warner Robins	Nov-12	\$1,120,000	28,000	\$ 40,000	224	\$ 5,000	-10%	\$ 4,500	Ashbury Park Associates LLC	Houston Heathcare Properties Inc	0W1200 101000	Multi-Family-Commercial
29	Dawson	2201 Perimeter Church Rd	Dawsonville	Jul-12	\$ 488,000	15,520	\$ 31,443	72	\$ 6,778	-10%	\$ 6,100	Farmington Woods LP	Daniel Louis Centofanti	93041	Multi-Family
30	Wayne	1401 S 1st St	Jesop	May-12	\$ 284,200	11,660	\$ 24,374	44	\$ 6,459	-10%	\$ 5,813	Maria Senior Gardens LP	South Rincon Development Assoc	86A-9-1	Multi-Family
31	Thomas	1 Ashley Park Pl	Thomasville	Mar-12	\$ 293,750	25,610	\$ 11,470	84	\$ 3,497	0%	\$ 3,497	Ashley Park LLC	H & M Investment Group LLC	056 TH 022 N	Multi-Family

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

Source: County Records; Crown Appraisal Group

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

Analysis and Value Conclusion

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

The auditor's appraised land value is \$150,000 or \$2,727/unit. A value conclusion lower than the appraised value and between the low to middle of the comparable land sales is considered more appropriate.

A point value of \$2,000/unit is estimated for the subject land. This indicates an aggregate value of \$110,000 as of the date of valuation. This value is above the auditor's land value and between the low to middle of the range of the comparable sales.

Improvement Valuation

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

<i>Improvement Value</i>							<i>Value 3</i>	
<i>Hilltop Terrace Apartments - Phase II</i>							<i>prospective</i>	
							<i>subject to restricted rents</i>	
	Square feet	Unadjusted Cost/sf	Current Multiplier	Local Multiplier	Total Multiplier	Adjusted Cost/sf	Total Cost	
Multiple Residences, Sec. 12, Average/Good, Class D	36,749	84.55	1.04	0.86	0.89	75.62	2,779,015	
Additional buildings	1,219	84.55	1.04	0.86	0.89	75.62	92,183	
Total Cost Estimate							2,871,198	
Less: Depreciation								
Effective Age							5	
Economic Life							60	
Depreciation							8.3%	
Total Depreciation							239,266	
Improvement Cost							2,631,931	
Improvement Cost (rounded)							2,630,000	

Source: *Marshall Valuation; Crown Appraisal Group*

A base cost per square foot is developed. Adjustments are made for current and local multipliers; the adjusted cost is multiplied by the size of the improvements. After adjusting for the current and local cost multipliers, the undepreciated replacement cost estimate for the subject improvements is \$2,871,198.

Depreciation/Obsolescence Estimates for Improvements

A depreciated age-life method is used to estimate depreciation. There are two types of depreciation and/or obsolescence that need to be considered for the improvements. Physical deterioration and functional/economic obsolescence are considered. Following renovations, the improvements will be in good physical and functional condition. Marshall Valuation estimates the economic life of the improvements at 60 years. The effective age of the building (following renovations) is estimated at 5 years. Total depreciation of the subject improvements is estimated at 8.3% or \$239,266. The total depreciation is deducted from the undepreciated replacement cost opinion to arrive at a depreciated improvement cost opinion.

Entrepreneurial Incentive

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

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

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

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

Conclusion

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

<i>Cost Approach Summary</i>	<i>land value</i>	<i>Value 8</i>
<i>Hilltop Terrace Apartments - Phase II</i>	<i>cost approach total</i>	<i>Value 3</i>
Land Value		\$110,000
Depreciated Improvement Cost		<u>2,630,000</u>
<i>Cost Approach Value Estimate (rounded)</i>		<i>2,740,000</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 Hilltop Terrace Apartments - Phase II. 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				
Hilltop Terrace Apartments - Phase II				
	Value 1	Value 2-RD	Value 3	Value 4
	<u>as conventional or unrestricted</u>	<u>subject to restricted rents</u>	<u>prospective subject to restricted rents</u>	<u>prospective as conventional or unrestricted</u>
Income Capitalization Approach	3,105,000	860,000	3,595,000	3,775,000
Sales Comparison Approach	2,970,000	n/a	n/a	n/a
Cost Approach before entrepreneurial incentive	n/a	n/a	2,740,000	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 25, 2017	\$3,105,000
<i>Value 2-RD - subject to restricted rents</i>	January 25, 2017	\$860,000
<i>Value 3 - prospective, subject to restricted rents</i>	February 1, 2019	\$3,595,000
<i>Value 4 - prospective, as conventional or unrestricted</i>	February 1, 2019	\$3,775,000

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

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

Interest Credit Subsidy Valuation			
Existing Section 515 Loan/Restated 515 Loan Terms			
Hilltop Terrace Apartments - Phase II			
Value 5			
Existing/Restated 515 Loan		New 538 Loan	
Existing Lender's Terms (market rate)			
Principal Balance of	December 22, 2017	\$1,322,114	
Conventional Loan Interest Rate		5.250%	
Term of Existing Section 515 Loan (years)		30	
Loan Monthly Payment		\$7,301	
Restated Section 515 Loan Terms			
Principal Balance		\$1,322,114	
Interest Rate		1.000%	
Term (years)		50	
Section 515 Loan Monthly Payment		\$2,801	
Monthly Savings from Below Market Financing		\$4,500	
Present Value of Monthly Savings from Below Market Financing		\$814,870	
Note Rate		3.000%	
Monthly Payment at Note Rate		\$4,257	
Future Value of Balloon Payment		\$767,567	
Present Value of Balloon Payment		\$159,439	
Value of Interest Credit Subsidy		\$655,431	
Existing Section 515 Loan Interest Credit Subsidy Value (Rounded)		\$655,000	
Market Rate			
Principal Balance		\$1,405,000	
Conventional Loan Interest Rate		5.250%	
Term (years)		30	
Conventional Loan Monthly Payment		\$7,758	
Section 538 Loan Terms			
Principal Balance		\$1,405,000	
Interest Rate		4.500%	
Term (years)		40	
Section 538 Loan Monthly Payment		\$6,316	
Monthly Savings from Below Market Financing		\$1,442	
Present Value of Monthly Savings		\$261,154	
New Section 538 Loan Interest Credit Subsidy Value (Rounded)		\$260,000	

Source: Greystone; Crown Appraisal Group

LIHTC Value Opinion

Value 6

An annual LIHTC of \$119,317 is anticipated to be granted for the acquisition and rehabilitation of the subject. This low income housing tax credit will be granted annually over a 10-year term. The overall net sum of the LIHTC to the ownership entity of the subject over the 10-year term is \$1,193,170. The tax credits reduce the owner’s tax liability. Thus, they have value to the owner. The tax credits can be transferred if the seller guarantees that the transfer will still maintain the LIHTC requirements.

Current LIHTC Market

Not surprising, LIHTC pricing has not remained static. In this case, according to the seller’s representative, the purchase of the tax credits will be at \$0.83 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, \$0.83 per tax credit. The value is shown below.

<i>LIHTC Analysis</i>	<i>Hilltop Terrace Apartments - Phase II Value 6</i>
<u>Period</u>	
Annual Tax Credits	119,317
Years	<u>10</u>
Total Tax Credits	1,193,170
Total Pricing	0.83
Value of Tax Credits	990,232

Source: *Crown Appraisal Group*

State Tax Credits

An annual state tax credit of \$119,317 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 \$1,193,170. 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>Hilltop Terrace Apartments - Phase II</i>	
		<i>Value 6</i>	
<u>Period</u>			
Annual Tax Credits		119,317	
Years		<u>10</u>	
Total Tax Credits		1,193,170	
Total Pricing		0.45	
		Value of Tax Credits	536,873

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	Hilltop Terrace Apartments - Phase II		
Street Address	4059 Martin Luther King Boulevard		
City, County, State, Zip	Kingsland, Camden County, Georgia 31548		
Base Cost			
Main Structure/sf			84.55
Sprinkler/sf			0.00
Other/sf			0.00
Adjustments and/or Multipliers	1.04 current cost	0.86 local cost	0.89
Total Base Cost per square foot			75.62
Building Area square footage			37,968
Total Replacement Cost New			2,871,198
Exclusions			
	<u>per sf</u>	<u>percent</u>	
Excavations	0.00	0.0%	0
Foundations	2.65	3.5%	100,492
Site Work	0.00	0.0%	0
Site Improvements	0.00	0.0%	0
Architect's Fees	0.00	0.0%	0
Underground Piping	<u>0.00</u>	<u>0.0%</u>	<u>0</u>
Total Exclusions	2.65	3.5%	100,492
Inclusions			
	<u>per unit</u>	<u>units</u>	
Appliance Packages	750	55	41,250
Patios/Balconies	250	55	13,750
Total Inclusions			55,000
Concluded Insurable Value			
Total Replacement Cost New			2,871,198
Less Total Exclusions			100,492
Plus Total Inclusions			55,000
Concluded Insurable Value			2,825,706

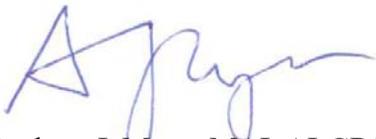
Source: *Marshall Valuation; Crown Appraisal Group*

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



Front



Front & Side



Family Room



Bedroom



Kitchen



Bathroom

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY)

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

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

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

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

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

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

30 . _____
Date

31 . _____
Signature - Borrower or Borrower's Representativ

*Includes previous Plan I S 8.

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

HILLTOP TERRACE II: HISTORICAL OPERATING EXPENSES

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget	Post Rehab Pro Forma
Maintenance & Repairs							
R & M Payroll	-	21,533.93	19,150.37	24,296.44	-	23,237.44	26,762.00
R & M Supply	-	5,802.22	5,153.54	5,054.46	-	6,560.00	2,669.00
R & M Contract	-	471.73	2,972.95	254.37	-	200.00	617.00
Decorating / TO Painting	-	1,080.55	1,533.30	1,752.18	-	2,053.33	876.00
Snow Removal	-	-	-	-	-	-	-
Elevator Maintenance	-	-	-	-	-	-	-
Grounds	-	379.40	351.17	271.40	-	733.33	1,350.00
Services / Extermination	-	6,349.52	4,163.31	5,779.96	-	6,006.67	5,780.00
Capital Improvements (Operations)	-	1,056.34	1,417.72	-	-	-	500.00
Other - R&M Expenses (DESCRIBE)	-	-	-	-	-	-	-
Subtotal	-	36,673.69	34,742.36	37,408.81	-	38,790.78	38,554.00
Utilities							
Electricity	-	6,620.34	6,574.00	6,735.30	-	7,366.67	6,735.00
Water	-	20,876.64	20,271.43	15,296.55	-	17,700.00	15,500.00
Sewer	-	20,876.64	20,271.39	15,296.57	-	17,700.00	15,500.00
Fuel	-	1,330.87	1,217.17	1,387.00	-	1,560.00	1,560.00
Trash Removal	-	5,915.04	4,904.56	5,887.63	-	6,420.00	9,876.00
Other - Utilities (DESCRIBE)	-	-	-	-	-	-	-
Subtotal	-	55,619.53	53,238.55	44,603.05	-	50,746.67	49,171.00
Administrative							
Site Management Payroll	-	13,503.15	13,927.69	13,836.69	-	14,535.42	16,261.00
Management Fee	-	28,791.50	28,747.00	29,716.00	-	30,456.00	31,752.00
Accounting	-	5,500.00	5,500.00	6,075.00	-	7,700.00	6,075.00
Audit	-	-	-	-	-	-	-
Legal	-	(25.00)	94.00	401.00	-	568.00	568.00
Advertising	-	48.14	71.71	87.53	-	160.00	160.00
Telephone	-	635.29	671.89	736.33	-	780.00	780.00
Office Supplies	-	1,398.34	1,529.35	3,384.57	-	1,760.00	3,385.00
Office Furniture & Equipment	-	-	-	-	-	-	-
Training	-	309.39	448.00	275.00	-	500.00	500.00
Health Insurance & Other Benefits	-	4,848.56	4,725.69	6,720.51	-	8,962.28	6,721.00
Payroll Taxes	-	3,124.78	2,972.81	3,540.28	-	3,762.18	3,850.00
Workman's Compensation	-	1,130.74	1,516.99	1,085.68	-	1,100.74	1,592.00
Other - Administrative (DESCRIBE)	-	945.33	975.13	1,220.54	-	986.67	1,221.00
Subtotal	-	60,210.22	61,180.26	67,079.13	-	71,271.29	72,865.00
Taxes & Insurance							
Real Estate Taxes	-	11,699.89	10,621.51	10,413.76	-	12,745.20	12,497.00
Special Assessments	-	3,293.20	2,982.70	417.00	-	493.33	520.00
Misc Taxes, Licenses & Permits	-	342.07	925.54	742.61	-	546.67	704.00
Property & Liability Insurance	-	12,201.00	13,987.00	15,091.80	-	16,853.10	19,186.00
Fidelity Coverage Insurance	-	-	-	-	-	-	-
Other - Insurance (DESCRIBE)	-	-	-	-	-	-	-
Subtotal	-	27,536.16	28,516.75	26,665.17	-	30,638.30	32,907.00
TOTAL OPERATING EXPENSES	-	180,039.60	177,677.92	175,756.16	-	191,447.03	193,497.00

HILLTOP TERRACE II: HISTORICAL OPERATING STATEMENT

	2012 Actual	2013A	2014 Actual	2015 Actual	2016 Actual (YTD)	2016 Budget
1. Rental Income	-	111,460.00	118,846.00	117,823.00	-	151,488.00
2. RHS Rental Assist. Received	-	131,812.00	133,606.00	132,196.00	-	96,000.00
3. Application Fees	-	255.00	315.00	270.00	-	-
4. Laundry and Vending Income	-	3,750.00	3,510.00	3,700.00	-	3,600.00
5. Interest Income	-	46.20	36.92	41.48	-	40.00
6. Tenant Charges	-	2,581.00	1,885.00	2,749.00	-	2,240.00
7. Other - Project Sources	-	-	-	94.00	-	-
8. Less (Vcncy @ Cntgncy Allw)	-	-	-	-	-	-
9. Less (Agncy Aprvd Incentv)	-	-	-	-	-	-
10. Sub-Ttl [(1 thru 7) - (8@9)]	-	249,904.20	258,198.92	256,873.48	-	253,368.00
11. Cash - Non Project	-	1,488.00	-	-	-	-
12. Authorized Loan (Non-RHS)	-	-	-	-	-	-
13. Transfer From Reserve	-	16,269.35	8,238.07	-	-	33,700.00
14. Sub-Total (11 thru 13)	-	17,757.35	8,238.07	-	-	33,700.00
15. Total Cash Sources (10+14)	-	267,661.55	266,436.99	256,873.48	-	287,068.00
16. Total O&M Exp (From Part II)	-	180,039.60	177,677.92	175,756.16	-	191,447.03
17. RHS Debt Payment	-	38,332.56	38,332.56	23,811.37	-	38,332.56
18. RHS Payment (Overage)	-	452.00	164.00	1,971.00	-	-
19. RHS Payment (Late Fee)	-	-	-	-	-	-
20. Reductn In Prior Yr Pybles	-	-	-	-	-	-
21. Tenant Utility Payments	-	740.00	720.00	865.00	-	-
22. Transfer to Reserve	-	32,113.69	20,241.60	-	-	-
23. RTN Owner / NP Asset Mgt Fee	-	6,312.00	6,312.00	6,312.00	-	8,416.00
24. Sub-Total (16 thru 23)	-	257,989.85	243,448.08	208,715.53	-	238,195.59
25. Authzd Debt Pymnt (NonRHS)	-	-	-	-	-	-
26. Capital Budget (III 4-6)	-	16,269.35	8,238.07	-	-	33,700.00
27. Miscellaneous	-	(15,558.54)	(5,218.00)	-	-	-
28. Sub-Total (25 thru 27)	-	710.81	3,020.07	-	-	33,700.00
29. Total Cash Uses (24+28)	-	258,700.66	246,468.15	208,715.53	-	271,895.59
30. Net (Deficit) (15-29)	-	8,960.89	19,968.84	48,157.95	-	15,172.41
31. Beginning Cash Balance	-	62,240.46	55,075.96	-	-	-
32. Accrual To Cash Adjustment	-	(16,125.39)	(5,708.59)	-	-	-
33. Ending Cash Balance	-	55,075.96	69,336.21	48,157.95	-	15,172.41



28

VIA EMAIL ONLY

October 26, 2016

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

RE: Hilltop Terrace Development, LP (Hilltop Terrace Apts.)
2017 Proposed Budget

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

The following items are noted:

1. The reserve account is on track.
2. Property appears to be maintained.
3. Management Fee is approved at \$49.00 POU/MONTH.

Please call our office if you have any questions.

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

Enclosures

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

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Project Name: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	253,458.00		253,458.00	
2. RRS Rental Assist. Received				
3. Application Fee Received				
4. Laundry And Vending	3,600.00		3,600.00	
5. Interest Income	40.00		25.00	
6. Tenant Charges	2,340.00		1,935.00	
7. Other - Project Sources	0.00		0.00	APP FREE
8. Less (Vandy @ Outgroup Allot)	-5,000.00		-5,000.00	
9. Less (Agency Agency Incentiv)	0.00		0.00	
10. Sub-Tot (11 thru 9) - (805)	253,398.00		253,948.00	
Non-Operational Cash Sources				
11. Cash - Non Project	0.00		0.00	
12. Authorized Loan (Non-RRS)	0.00		0.00	
13. Transfer From Reserve	25,875.00		33,220.00	
14. Sub-Total (11 thru 13)	25,875.00		33,220.00	
15. Total Cash Sources (10+14)	279,273.00		287,168.00	
Operational Cash Uses				
16. PFI Cash Exp (From Part II)	291,461.41		291,399.25	
17. RRS Debt Payment	38,312.56		38,332.55	
18. RRS Payment (Coverage)				
19. RRS Payment (Lease Fee)				
20. Reduction In prior Yr Payble				
21. Tenant Utility Payment				
22. Transfer to Reserve	14,351.00		14,351.00	
23. RIN Owner/RRS Asset Mgt Fee	6,312.00		6,312.00	
24. Sub-Total (16 thru 23)	350,436.97		350,634.05	
Non-Operational Cash Uses				
25. Authorized Debt Paymt (NonRRS)	0.00		0.00	
26. Capital Budget (11+6)	25,875.00		33,220.00	
27. Miscellaneous	0.00		0.00	
28. Sub-Total (25 thru 27)	25,875.00		33,220.00	
29. Total Cash Uses (24+28)	376,311.97		383,854.05	
30. Net (Deficit) (15-29)	1,038.03		2,113.15	
Cash Balance				
31. Beginning Cash Balance	68,021.00		36,265.21	
32. Accrual To Cash Adjustment				
33. Ending Cash Bal (30+31+32)	69,059.03		38,178.36	

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	23,424.08		25,487.57	
2. Maint. @ Repairs Supply	6,080.00		7,236.00	
3. Maint. @ Repairs Contract	150.00		150.00	
4. Painting	1,760.00		1,760.00	
5. Snow Removal	0.00		0.00	
6. Elevator Maint./Contract	0.00		0.00	
7. Grounds	550.00		1,350.00	
8. Services	5,085.00		4,741.00	
9. Cptl Bgt(Part V operating)	3,175.00		3,455.00	
10. Other Operating Expenses	0.00		0.00	
11. Sub-Ttl O&M (1 thru 10)	40,224.08		44,179.57	
12. Electricity	7,350.00		6,660.00	
13. Water	17,700.00		14,400.00	
14. Sewer	17,700.00		14,400.00	
15. Fuel (Oil/Coal/Gas)	1,560.00		1,560.00	
16. Garbage @ Trash Removal	6,420.00		9,876.00	
17. Other Utilities	0.00		0.00	
18. Sub-Ttl Util. (12 thru 17)	50,730.00		46,896.00	
19. Site Management Payroll	14,664.05		15,486.90	
20. Management Fee	30,456.00		31,752.00	
21. Project Auditing Expense	5,775.00		6,063.75	
22. Proj. Bookkeeping/Acconting	0.00		0.00	
23. Legal Expenses	520.00		426.00	
24. Advertising	210.00		200.00	
25. Phone @ Answering Service	780.00		744.00	
26. Office Supplies	1,744.00		2,018.00	
27. Office Furniture @ Equip.	0.00		0.00	
28. Training Expense	375.00		340.00	
29. Hlth Ins. @ Other Benefits	9,740.13		4,774.50	
30. Payroll Taxes	3,656.43		3,849.75	
31. Workmans Compensation	1,116.51		1,592.06	
32. Other Admin. Expenses	860.00		770.00	MILEDGE, BANK CHARGES, CREDIT CK
33. Sub-Ttl Admin (19 thru 32)	69,897.12		68,016.96	
34. Real Estate Taxes	12,745.20		12,496.51	
35. Special Assessments	520.00		520.00	
36. Othr Taxes, Lcnsees, Permts	700.40		704.07	BUSINESS SOFTWARE LIC
37. Property @ Liability Ins.	17,044.61		19,186.18	
38. Fidelity Coverage Ins.	0.00		0.00	
39. Other Insurance	0.00		0.00	
40. Sub-Ttl Tx/In (34 thru 39)	31,010.21		32,906.76	
41. Ttl O&M Exps (11+18+33+40)	191,861.41		191,999.29	

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	92,106.38		104,345.55	
2. Transfer to Reserve	14,991.00		14,991.00	
Transfer From Reserve				
3. Operating Deficit	0.00		0.00	
4. Cptl Bgt (Part V reserve)	25,875.00		33,220.00	
5. Building @ Equip Repair	0.00		0.00	
6. Othr Non-Operating Expenses	0.00		0.00	
7. Total (3 thru 6)	25,875.00		33,220.00	
8. Ending Balance [(1+2)-7]	81,222.38		86,116.55	
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	4,342.49	
Number of Applicants Needing RA		Amount Ahead/Behind	118,231.78	

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	2	All			8	421	543	0	40,416	52,128	0	116
N	1	All			46	386	502	0	213,072	277,104	0	76
CURRENT RENT TOTALS									253,488	329,232	0	

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

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			116	0	0	0	0	116
N	1	All			76	0	0	0	0	76

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

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	2	All			8	421	543	0	40,416	52,128	0	116
N	1	All			46	386	502	0	213,072	277,104	0	76
PROPOSED RENT TOTALS									253,488	329,232	0	

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

Unit Description					Utility Types					
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Other	Total Allow
N	2	All			116	0	0	0	0	116
N	1	All			76	0	0	0	0	76

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	2	880.00	0.00	0.00	0.00	0.00	0
Appliances - Refrigerator	2	1,140.00	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	2	1,390.00	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.	6	2,110.00	0.00	1,055.00	0.00	0.00	0
Carpet @ Vinyl - 2 Br.	6	2,700.00	0.00	1,350.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	0	0.00	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	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
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	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	4	8,400.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing							
Plumbing - Water Heater	5	700.00	0.00	1,050.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
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: HILLTOP TERRACE C/O HALLMARK MGMT State: 10 Servicing Office: 606 County: 20
 Borrower Name: HILLTOP TERRACE DEVELOPMENT LP Borr ID: 974297993 Prj Nbr: 01-1 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	9,000.00	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	3,200.00	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	3,000.00	0.00	0.00	0.00	0.00	0
List: ?	0	700.00	0.00	0.00	0.00	0.00	0
Total Capital Expenses	0	33,220.00	0.00	3,455.00	0.00	0.00	0

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT	State: 10	Servicing Office: 606	County: 20
Borrower Name: HILLTOP TERRACE DEVELOPMENT LP	Borr ID: 974297993	Prj Nbr: 01-1	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 TRANSMITD	Totals: By Project Analyzed: N

Part VI - SIGNATURES, DATES AND COMMENTS

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

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

	HALLMARK GROUP REAL ESTATE (Management Agency)	MA202860 (MA#)
--	---	-------------------

(Date)	(Signature of Borrower or Borrower's Representative)

<p style="text-align: center;">(Title)</p> <p style="font-size: 2em; font-family: cursive;">Sandra R. Bryant</p>	<p style="font-size: 1.5em; font-family: cursive;">10-25-16</p>
<p>Agency Approval (Rural Development Approval Official):</p> <p style="font-size: 2em; font-family: cursive;">area specialist</p>	<p>(Date)</p>

Project Name: HILLTOP TERRACE C/O HALLMARK MGMT	State: 10	Servicing Office: 606	County: 20
Borrower Name: HILLTOP TERRACE DEVELOPMENT LP	Borr ID: 974297993	Prj Nbr: 01-1	Paid Code: Active
Classification: C	Fiscal Year: 2017	Version: 01/01/2017 TRANSMITD	Totals: By Project Analyzed: N

SPVS Comment:
Batched/ II 092616

Narrative:

BUDGET NARRATIVE PROJECT NAME Hilltop Terrace Apartments, Phase II BORROWER NAME Hilltop Terrace Ltd. BORROWER ID AND PROJECT NO 10-20-974297993 01-1 Hilltop Terrace Apartments is a fifty-five unit elderly community located in Kingsland, Georgia. In 2016, the property has maintained a 98% average occupancy. The property remains in compliance and has no outstanding findings that have not been addressed by the management company. At this time, the property is financially sound and has not experienced any changes in project expenses that would contribute to any financial difficulties. The property has not experienced changes in project expenses or cash sources that would exceed the 10% tolerance threshold. Administrative Expenses exceed 23% of the gross rents due to expenses for Health Insurance & Other Employee Benefits, Payroll Taxes and Office Supplies. The costs are necessary to carry out administrative responsibilities associated with the property. We feel that these expenses are in line with other complexes, are not inflated and reflect the actual amounts needed to operate. We will continue to replace carpets, stoves, refrigerators, etc. on an as needed basis. It is expected the following will be replaced in 2017 The \$33,220 paid from the Reserve Account includes replacing 2 refrigerators, 2 stoves, 2 one bedroom carpets, 2 two-bedroom carpet, 4 HVAC units 2 water heaters, 2 one bedroom vinyl flooring, 2 two bedroom vinyl flooring, golf cart, pressure washer, firetops and cut out and replace asphalt patching in parking lot. The remaining \$3,455 will be paid from the Operating Account for 3 water heaters, 1 one bedroom carpet, 1 two bedroom carpet and 1 one bedroom, 1 two bedroom vinyl floor replacements. Replacements for 2018 through 2020 are as follows 2018 - 2 stove, 2 refrigerators 3 carpets, 2 HVAC units, and 3 water heaters. 2019 - 2 stove, 3 refrigerators, 4 carpets, 3 HVAC units and 2 water heaters. 2020 - 1 stoves, 2 refrigerators,

FORM APPROVED
OMB NO 0575-0189
MFL
Dec'd 10/5/16

**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: Hilltop Terrace Development Limited Partnership Borrower Case# /Project ID: 10-020-974297993
City/State: Kingsland, GA

Acting on behalf of Hilltop Terrace Development Limited Partnership, 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.

I. 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.

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 0575-0189. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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: Hilltop Terrace Development Limited Partnership
Hallmark Group Services of Georgia, 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:
Signature: *Sandra R. Bryant* *10/25/16*
Area Specialist

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)

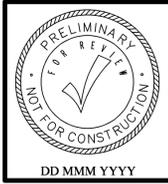
Title: _____

Title: _____

HILLTOP TERRACE II RENOVATION

Kingsland,

Georgia



HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA



WALLACE ARCHITECTS, L.L.C.

COPYRIGHT © 2017
1ST DRAFT ISSUE
XX XXX XXXX

REVISIONS	
△	_____
△	_____
△	_____
△	_____

SHEET NO.
0.0

JOB NO.
3433

PROJECT INFORMATION

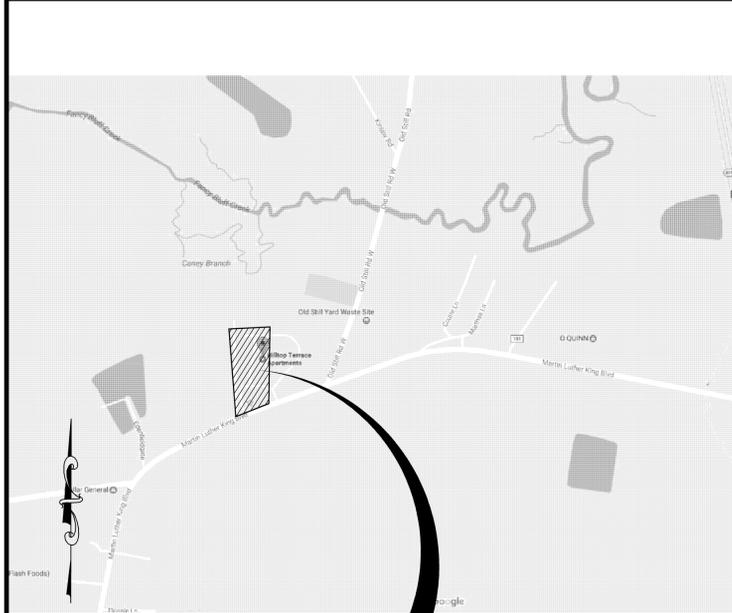
INDEX TO DRAWINGS

ARCHITECT'S JOB NO. 3433

SITE DATA	
SITE ZONING:	EXISTING TO REMAIN
SITE SIZE:	EXISTING TO REMAIN
SITE DENSITY:	EXISTING TO REMAIN
NO. OF PARKING SPACES:	(B4) TYPICAL + (3) ACC. + (2) VAN ACC. = (89) TOTAL
BUILDING DATA	
RENTAL UNITS BY BUILDING:	BLDG. N = (5) TYP. 1-BR UNITS, (2) UFAS 1-BR UNITS, (1) AUDIO/VISUAL 1-BR UNIT; BLDG. P = (2) TYP. 2-BR UNITS, (1) UFAS 2-BR UNIT, (1) AUDIO/VISUAL 2-BR UNIT; BLDG. Q = (6) TYP. 1-BR UNITS; BLDG. R = (8) TYP. 1-BR UNITS; BLDG. S = (8) TYP. 1-BR UNITS; BLDG. T = (8) TYP. 1-BR UNITS; BLDG. U = (8) TYP. 1-BR UNITS; BLDG. V = (4) TYP. 2-BR UNITS
RENTAL UNITS BY TYPE:	(43) TYP. 1-BR UNITS; (2) UFAS 1-BR UNIT; (1) AUDIO/VISUAL 1-BR UNIT; (8) TYP. 2-BR UNITS; (1) UFAS 2-BR UNIT; (1) AUDIO/VISUAL 2-BR UNIT; (1) TYP. 2-BR-MGR UNIT (MANAGER'S)
TOTAL RENTAL UNITS:	(55) TOTAL UNITS
NO. & MIX OF UNITS:	(46) 1-BR UNITS; (8) 2-BR UNITS; (1) 2-BR-MGR (MANAGER'S)
DWELLING UNIT AREA:	(43) TYP. 1-BR UNITS @ 648 SF = 27,864 SF; (2) UFAS 1-BR UNIT @ 648 SF = 1,296 SF; (1) AUDIO/VISUAL 1-BR UNIT @ 648 SF = 648 SF; (8) TYP. 2-BR UNITS @ 755 SF = 4,530 SF; (1) UFAS 2-BR UNIT @ 755 SF = 755 SF; (1) AUDIO/VISUAL 2-BR UNIT @ 755 SF = 755 SF; (1) 2-BR-MGR UNIT @ 901 SF = 901 SF; 36,749 TOTAL SF DWELLING AREA
NON-DWELLING UNIT AREA:	1,219 SF (OFFICE/LAUNDRY/MAINT. BUILDING)
TOTAL BUILDING AREA:	37,968 SF (GROSS)
TOTAL ACTUAL AREA:	BLDG. N = 5,184 SF; BLDG. O (OLM) = 2,120 SF; BLDG. P = 3,020 SF; BLDG. Q = 3,888 SF; BLDG. R = 5,184 SF; BLDG. S = 5,184 SF; BLDG. T = 5,184 SF; BLDG. U = 5,184 SF; BLDG. V = 3,020 SF;

0.0	COVER SHEET
A51.0	ARCHITECTURAL SITE PLAN
A1.0	BUILDING PLANS
A1.1	1-BR, 1-BR-UFAS AND 2-BR DEMO & RENO PLANS
A1.2	2-BR-UFAS AND OFFICE/LAUNDRY/MAINT. DEMO & RENO PLANS
A3.0	EXTERIOR ELEVATIONS
A3.1	EXTERIOR ELEVATIONS
A7.0	INTERIOR KITCHEN ELEVATIONS

PROJECT LOCATION MAP



SITE: 4059 Martin Luther King Jr.
Kingsland, GA 31548

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: _____

PM: ZW
PC: JL

PLAN SET NO. _____

REVIEW SET

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.

NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

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.

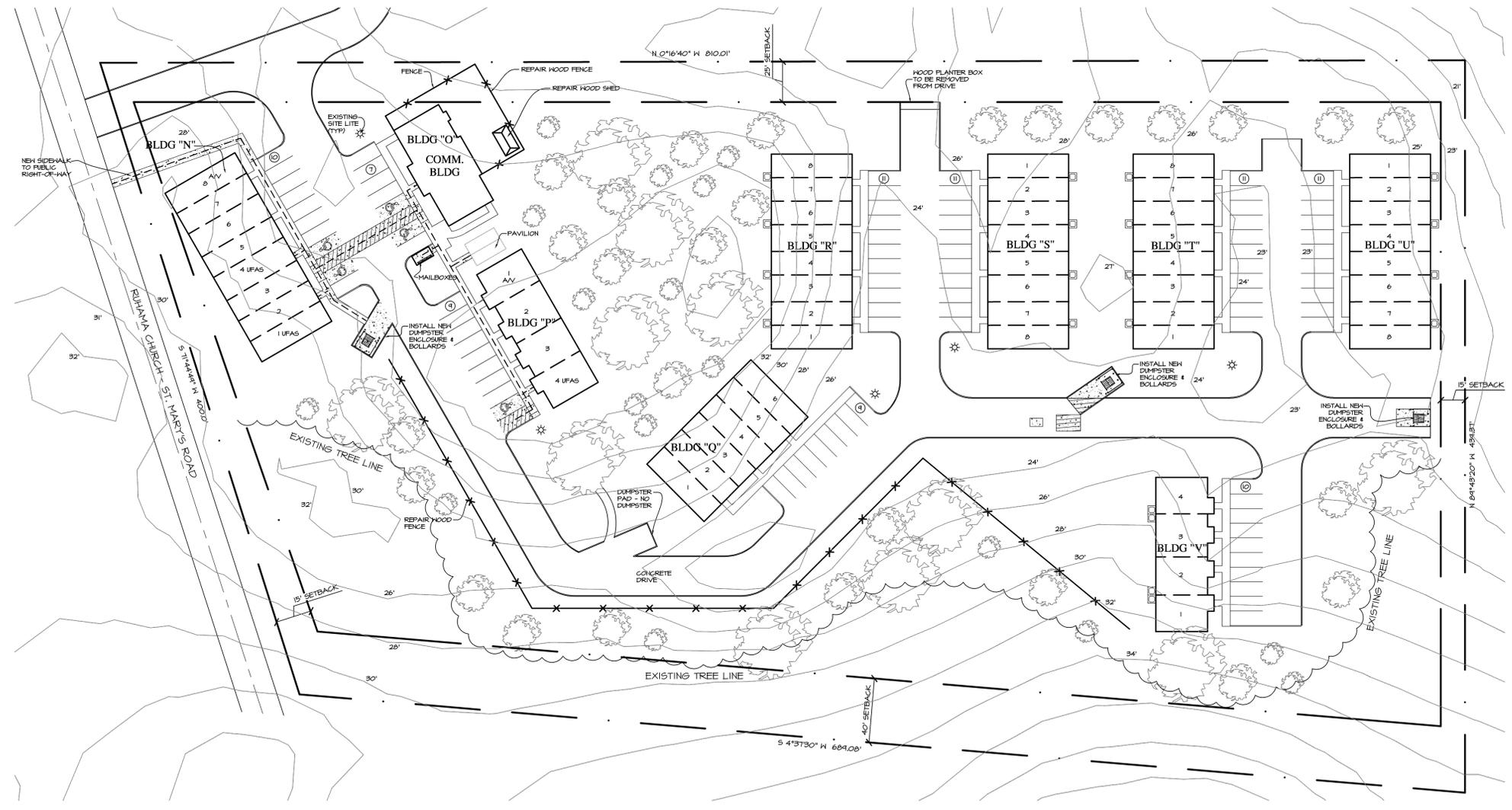
POLLUTION / EROSION CONTROL NOTES:

- 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 PROCEEDINGS.

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



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



REVIEW SET

HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA

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

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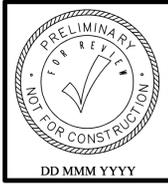
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SHEET NO.
AS1.0

JOB NO.
3433

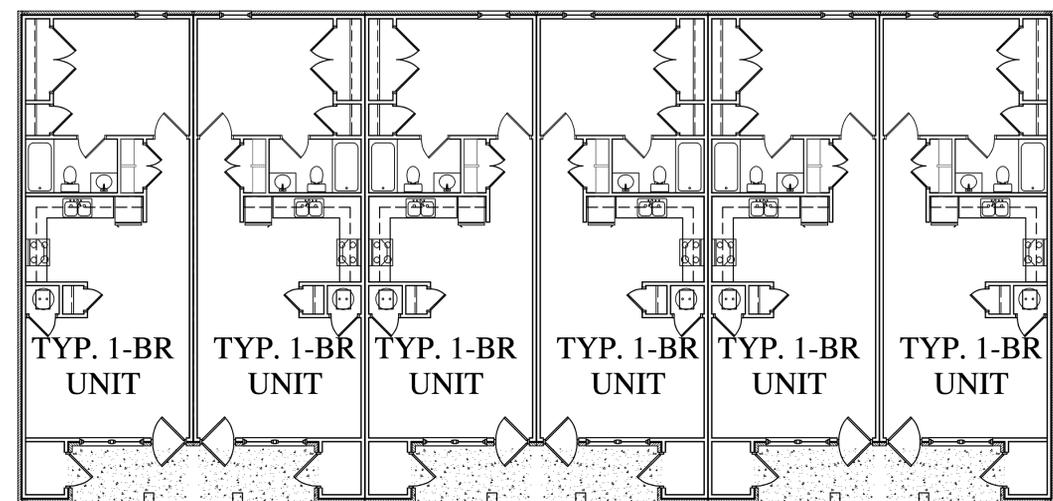
NOTE:
CONTRACTOR SHALL FIELD VERIFY ALL
DIMENSIONS AND MEASUREMENTS.



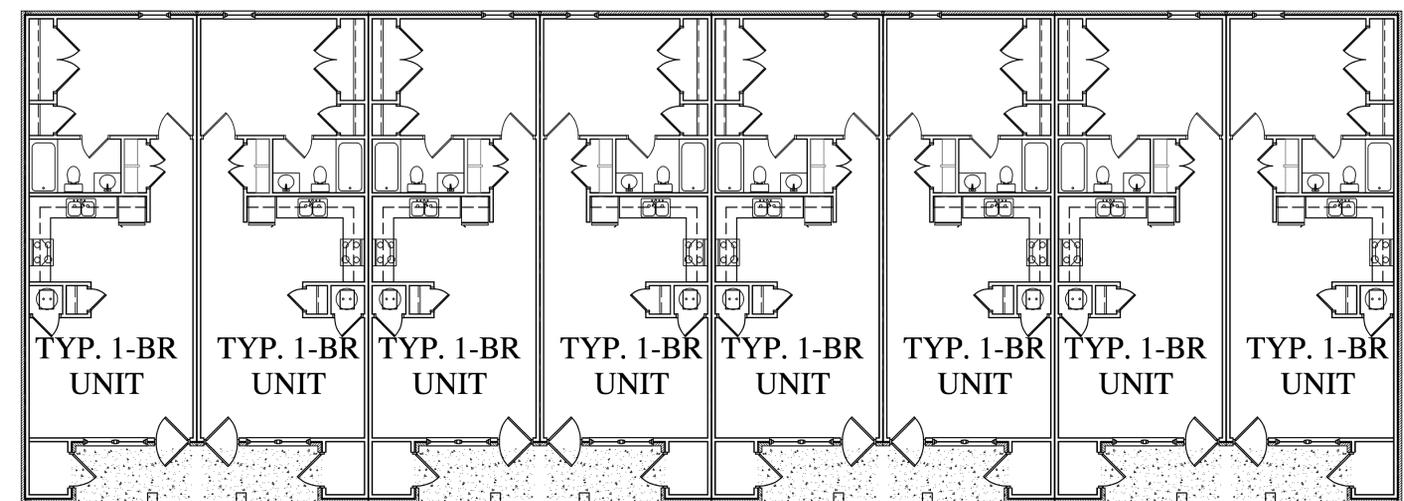
PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

PRELIMINARY NOT FOR CONSTRUCTION, RECORDING PURPOSES OR IMPLEMENTATION

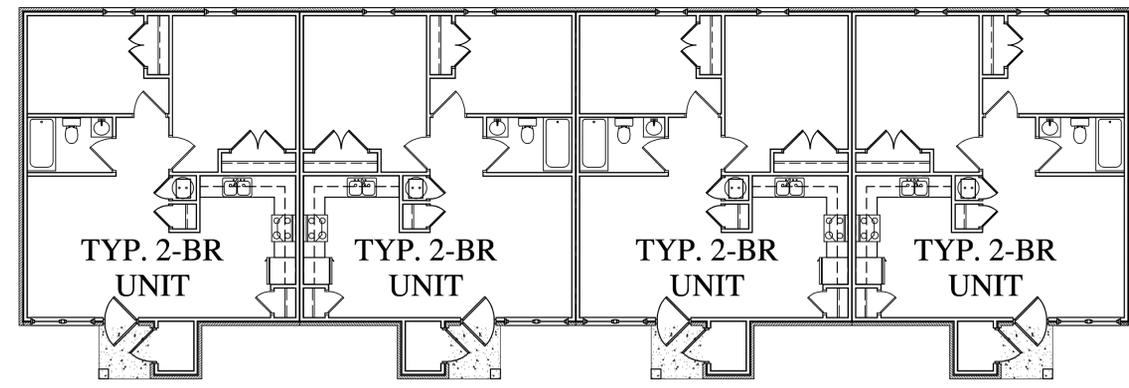
HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA



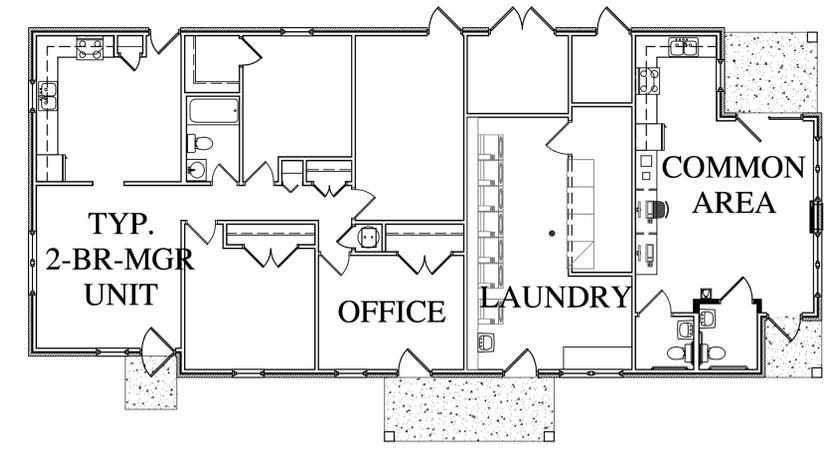
RENOVATED 1-BR 6-PLEX FLOOR PLAN
SCALE: 1/8" = 1'-0" (BLDG. Q) A1.0



RENOVATED 1-BR 8-PLEX FLOOR PLAN
SCALE: 1/8" = 1'-0" (BLDG. N, R, S, T, & U) A1.0



RENOVATED 2-BR 4-PLEX FLOOR PLAN
SCALE: 1/8" = 1'-0" (BLDG. P & V) A1.0



RENOVATED OFFICE/LAUNDRY/MAINT. FLOOR PLAN
SCALE: 1/8" = 1'-0" A1.0

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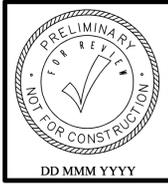
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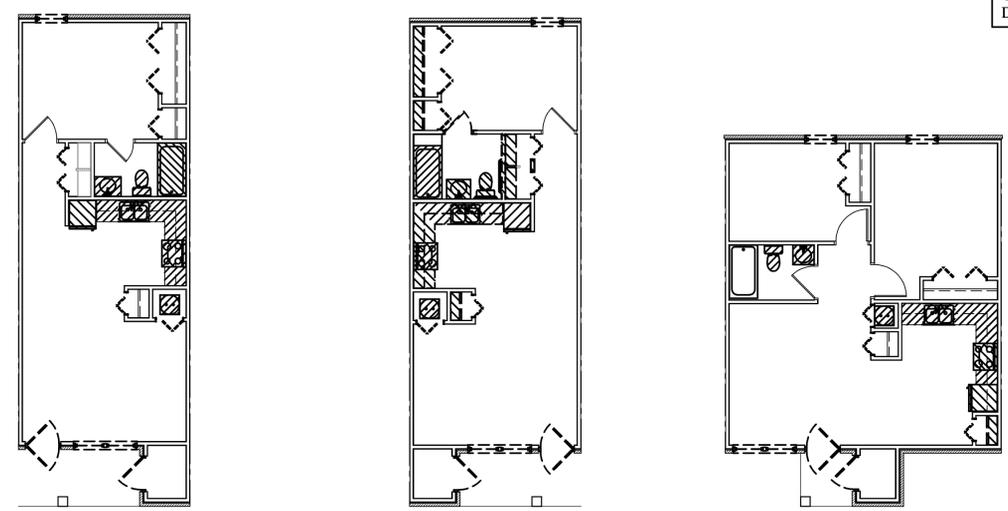
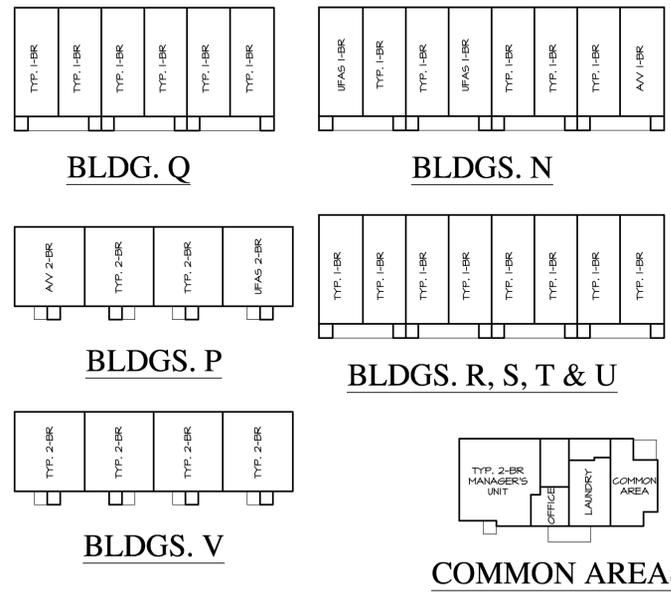
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3433

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NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.

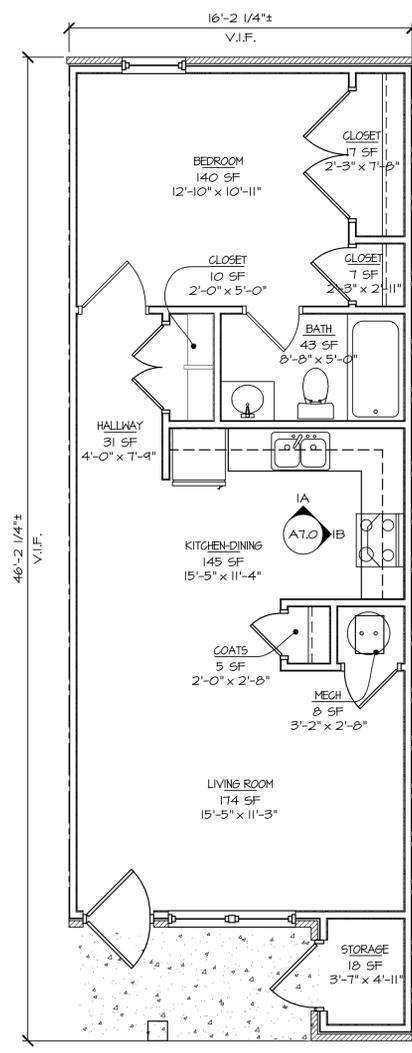
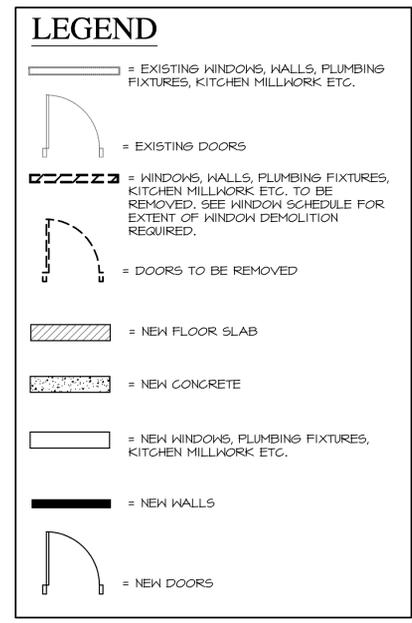


BLDG. KEY

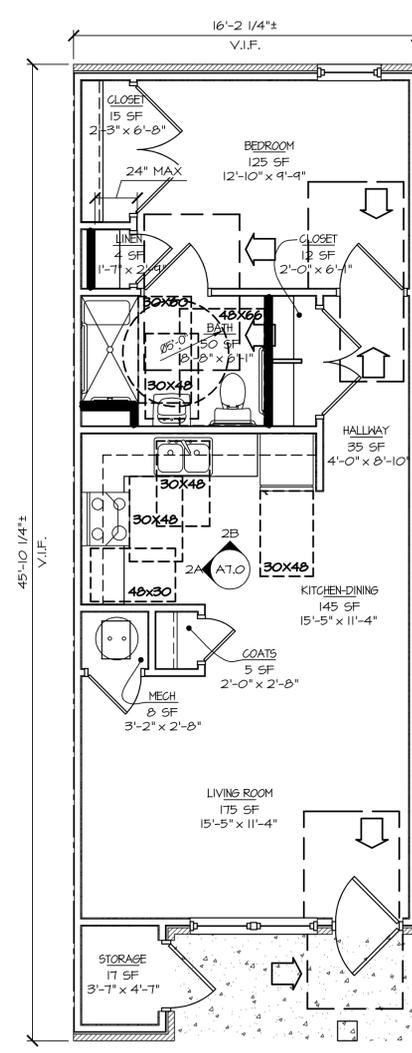


DEMO TYP. 1-BR FLOOR PLAN SCALE: 1/8" = 1'-0" (1) A1.1
DEMO UFAS 1-BR FLOOR PLAN SCALE: 1/8" = 1'-0" (2) A1.1
DEMO TYP. 2-BR FLOOR PLAN SCALE: 1/8" = 1'-0" (3) A1.1

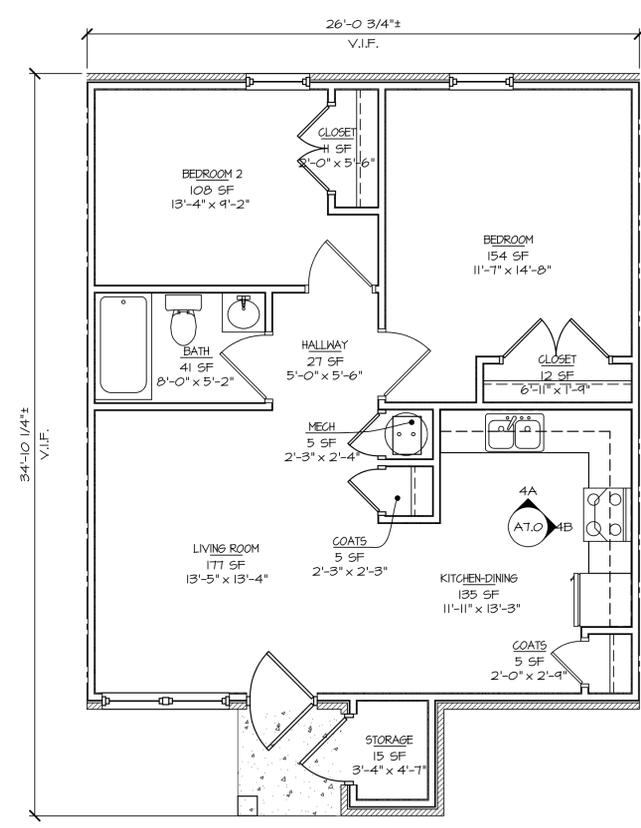
- NOTES**
- 1) INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
 - 2) WOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
 - 3) EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.



RENOVATED TYP. 1-BR FLOOR PLAN SCALE: 1/4" = 1'-0" (4) A1.1
NOTE: EXISTING NET RENTABLE AREA = 606 SF



RENOVATED UFAS 1-BR FLOOR PLAN SCALE: 1/4" = 1'-0" (5) A1.1
NOTE: EXISTING NET RENTABLE AREA = 606 SF



RENOVATED TYP. 2-BR FLOOR PLAN SCALE: 1/4" = 1'-0" (6) A1.1
NOTE: EXISTING NET RENTABLE AREA = 716 SF

REVIEW SET

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HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA



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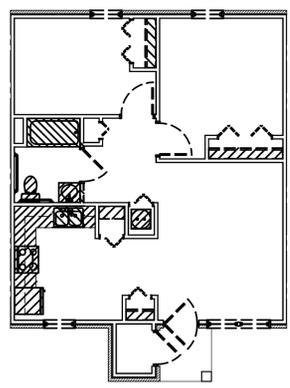
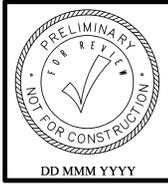
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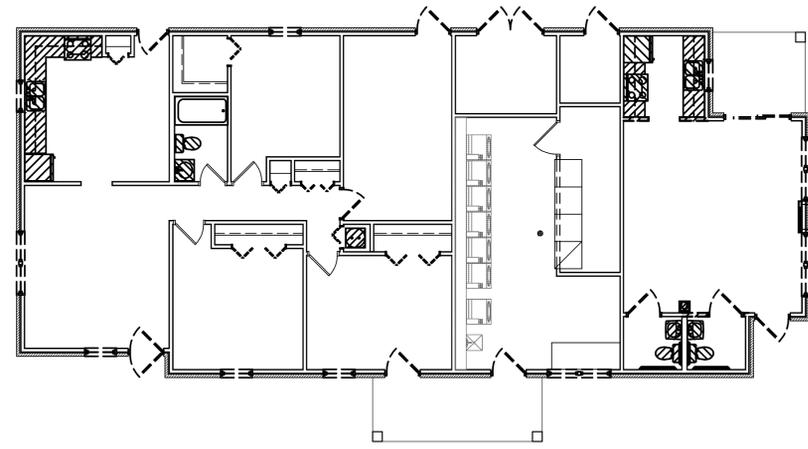
- NOTES**
- INTERIOR CASING TRIM TO BE REPLACED @ ALL REPLACED DOORS.
 - HOOD BASE TO BE INCLUDED AT ALL NEW AND/OR RELOCATED DOORS WALLS.
 - EXISTING BATHROOM VENT COVERS ARE TO BE REMOVED AND REPLACED THROUGHOUT.

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

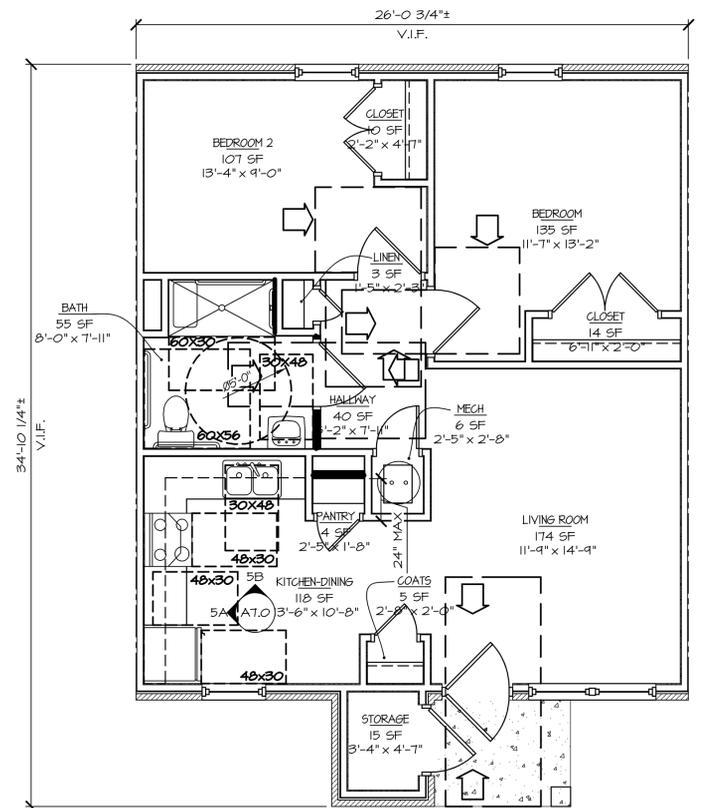
NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



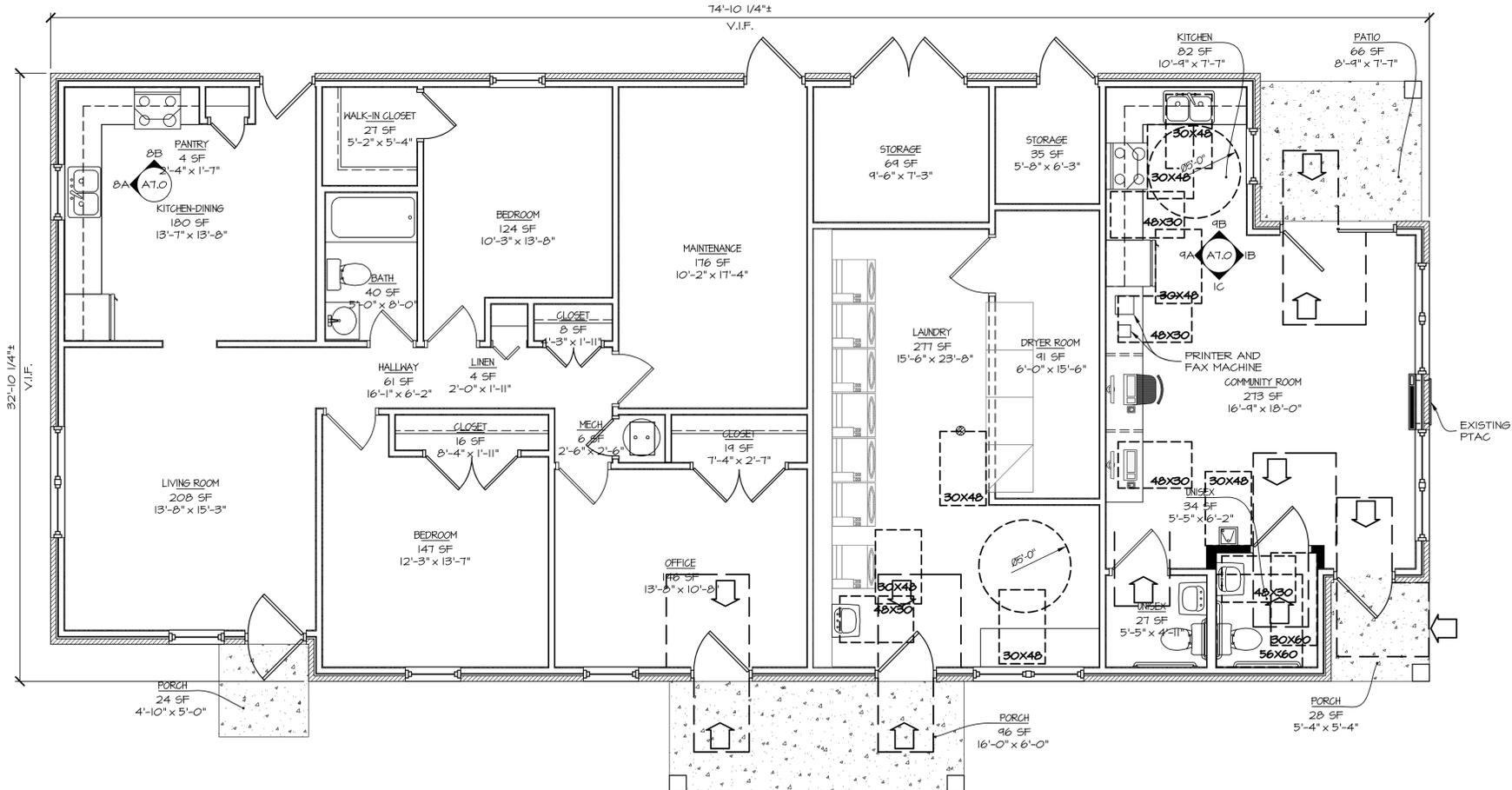
DEMO UFAS 2-BR FLOOR PLAN
SCALE: 1/8" = 1'-0"



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



RENOVATED UFAS 2-BR FLOOR PLAN
SCALE: 1/4" = 1'-0" NOTE: EXISTING NET RENTABLE AREA = 716 SF



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

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HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA

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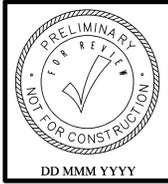
REVISIONS

SHEET NO.
A1.2

JOB NO.
3433

REVIEW SET

NOTE:
CONTRACTOR SHALL FIELD VERIFY ALL
DIMENSIONS AND MEASUREMENTS.



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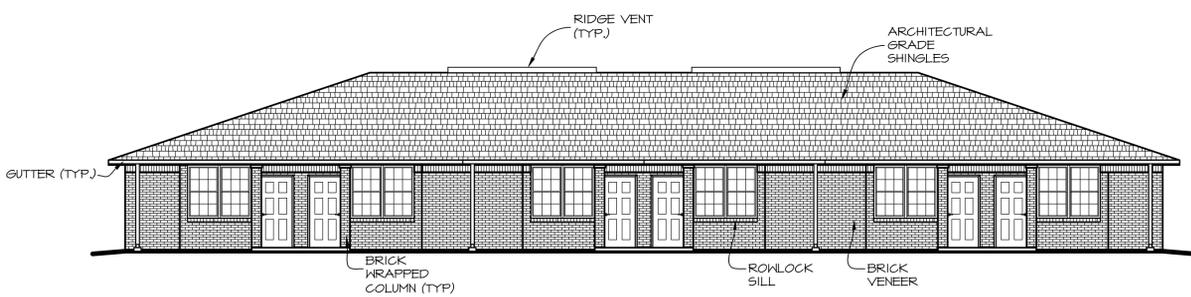
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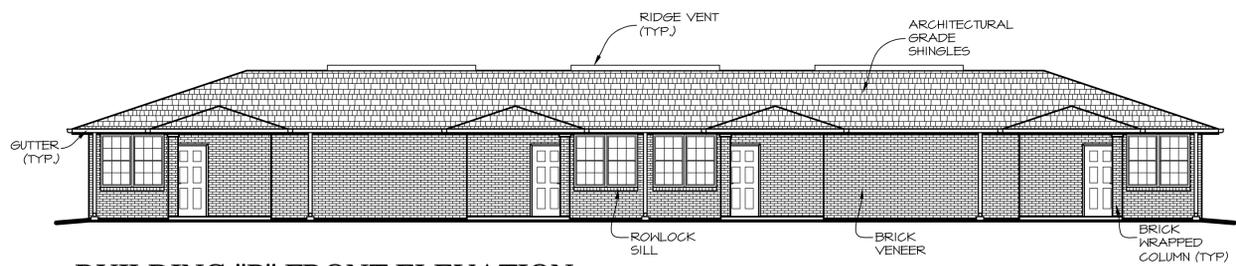
JOB NO.
3433



BUILDING "Q" FRONT ELEVATION

SCALE: 1/8" = 1'-0" (BUILDINGS: N,R,S,T & U SIM.)

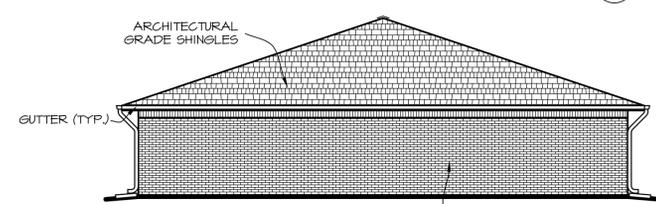
1
A3.0



BUILDING "P" FRONT ELEVATION

SCALE: 1/8" = 1'-0" (BUILDING "V" SIM.)

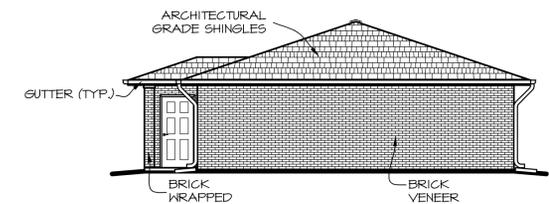
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A3.0



BUILDING "Q" SIDE ELEVATION

SCALE: 1/8" = 1'-0" (BUILDINGS: N,R,S,T & U SIM.)

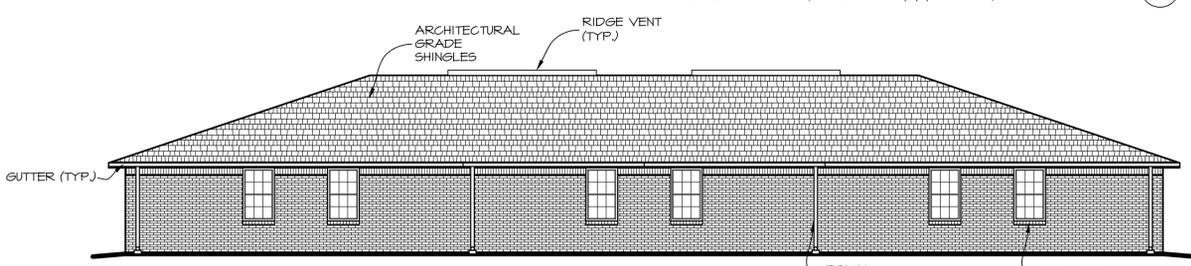
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A3.0



BUILDING "P" SIDE ELEVATION

SCALE: 1/8" = 1'-0" (BUILDING "V" SIM.)

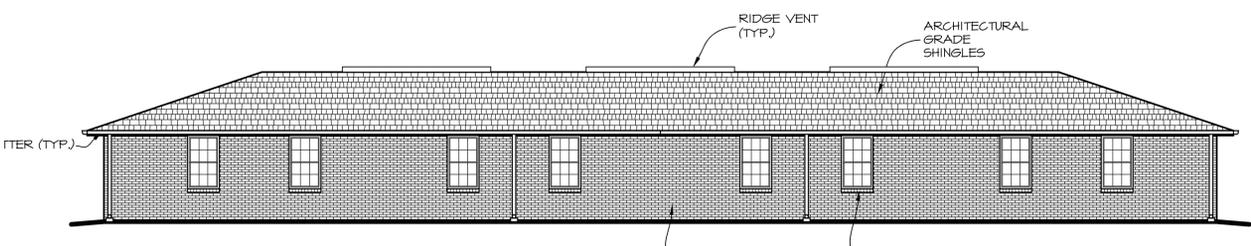
4
A3.0



BUILDING "Q" REAR ELEVATION

SCALE: 1/8" = 1'-0" (BUILDINGS: N,R,S,T & U SIM.)

5
A3.0

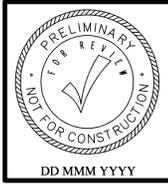


BUILDING "P" REAR ELEVATION

SCALE: 1/8" = 1'-0" (BUILDING "V" SIM.)

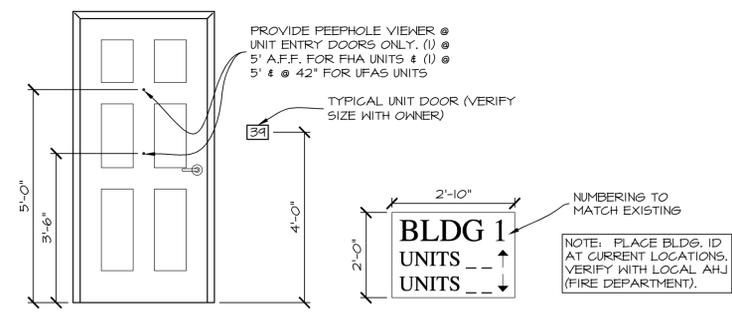
6
A3.0

NOTE:
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DIMENSIONS AND MEASUREMENTS.



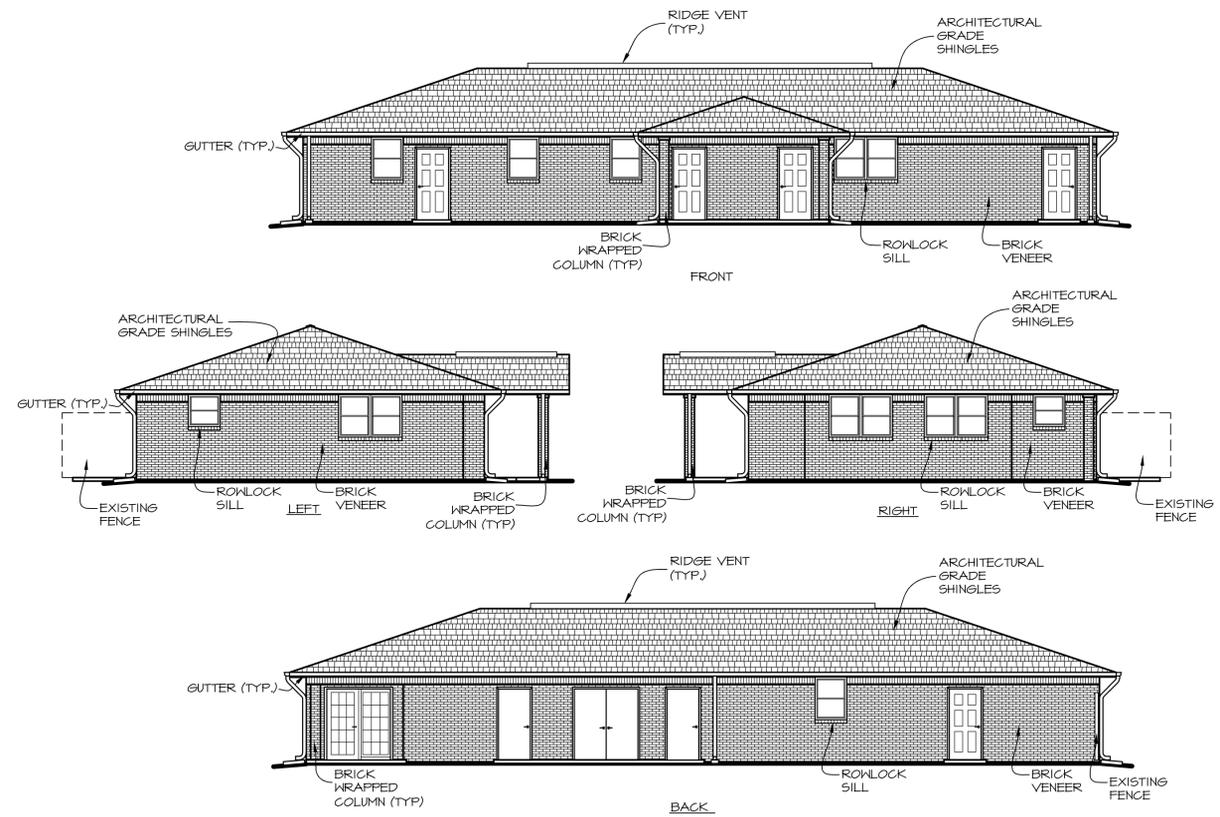
NOTE, EXISTING VENT COVERS AT ALL
EXTERIOR LOCATIONS ARE TO BE REPLACED.

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



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

1
A3.1



MANAGER APT. - OFFICE/ LAUNDRY/ COMMUNITY ROOM REAR ELEVATION
SCALE: 1/8" = 1'-0"

2
A3.1

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HILLTOP TERRACE II RENOVATION
KINGSLAND, CAMDEN COUNTY, GEORGIA

Wallace
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P 573-2567-200

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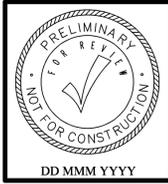
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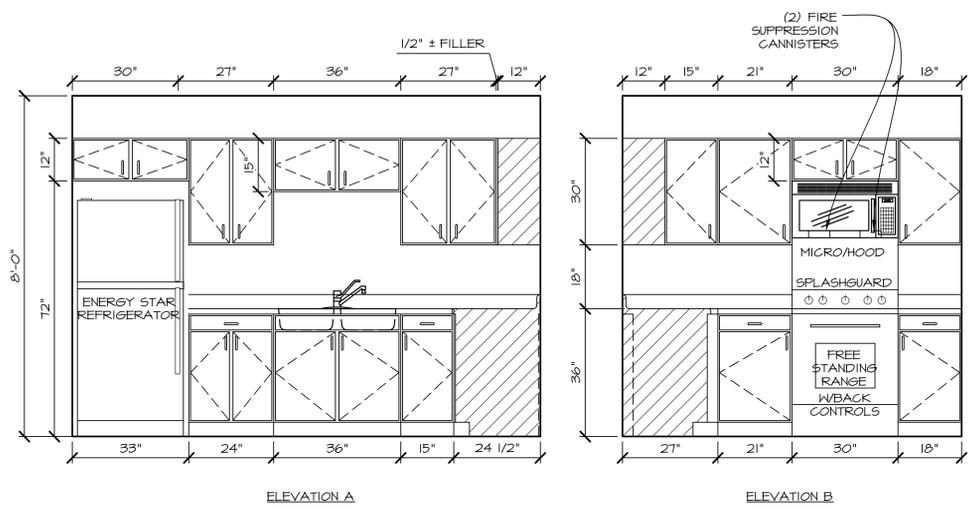
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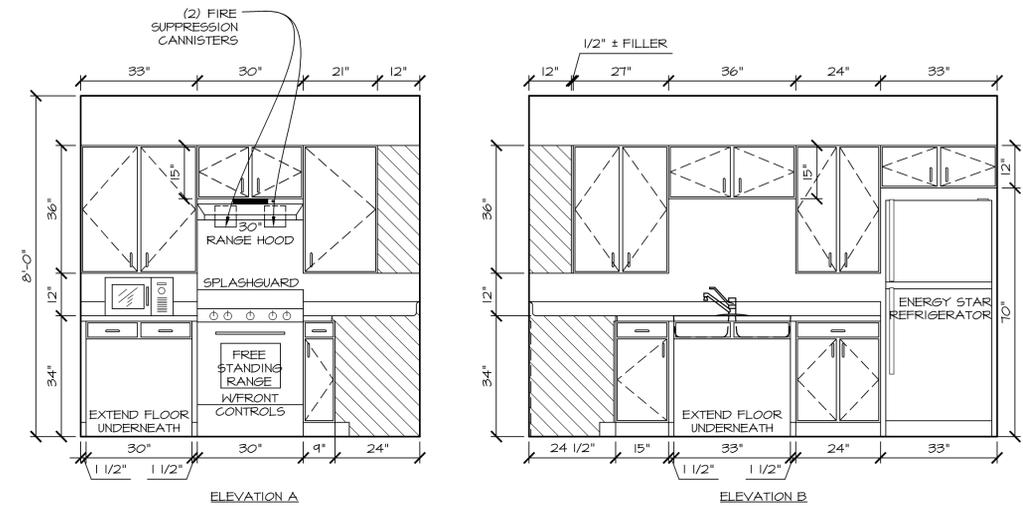


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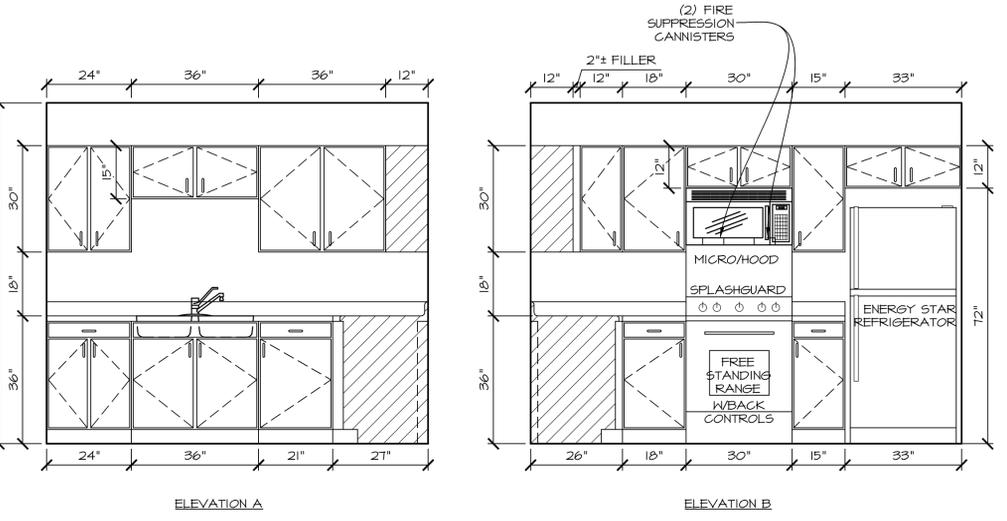
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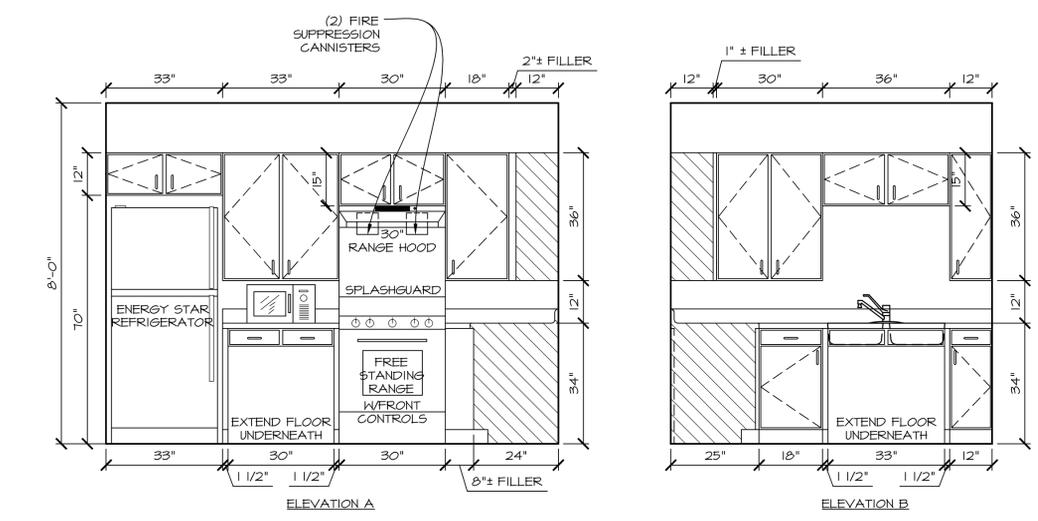
TYPICAL 1-BR UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"



UFAS 1-BR UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"

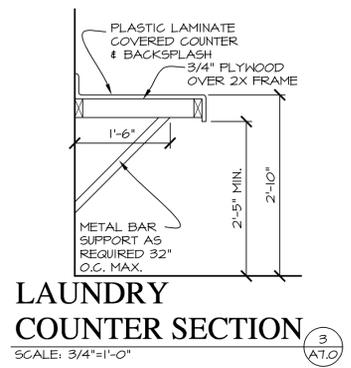


TYPICAL 2-BR UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"

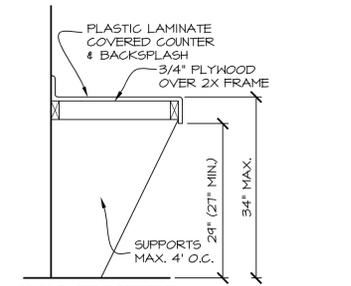


UFAS 2-BR UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"

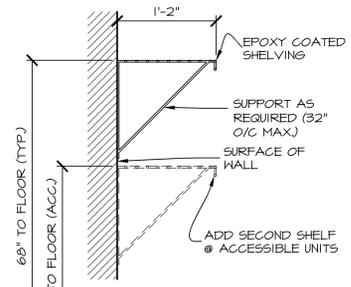
NOTE: CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AND MEASUREMENTS.



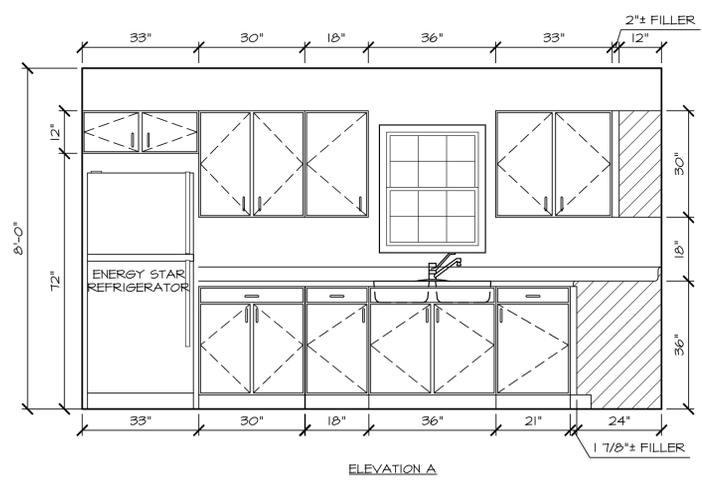
LAUNDRY COUNTER SECTION SCALE: 3/4" = 1'-0"



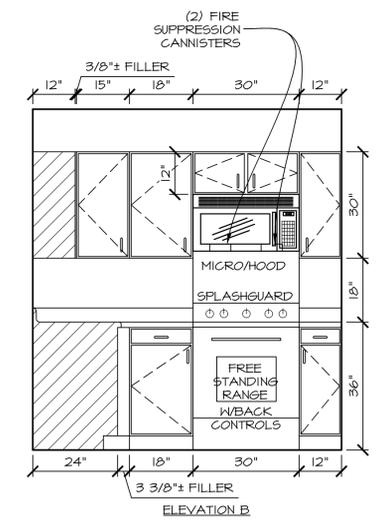
COMPUTER COUNTER SECTION SCALE: 3/4" = 1'-0"



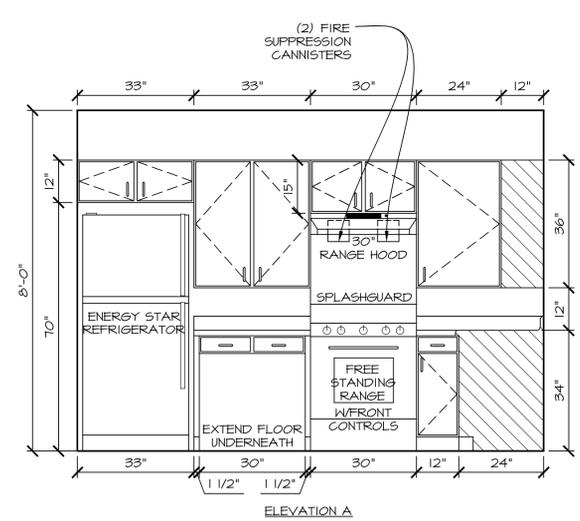
CLOSET SHELF DETAIL SCALE: 1" = 1'-0"



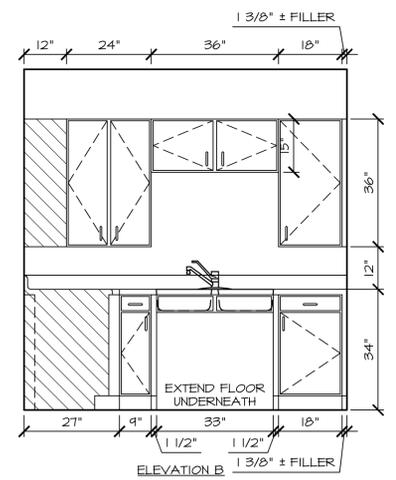
TYPICAL 2-BR-MANAGER UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"



UFAS OFFICELAUNDRY/MAINT. UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"



UFAS OFFICELAUNDRY/MAINT. UNIT KITCHEN ELEVATION SCALE: 1/2" = 1'-0"



REVIEW SET

HILLTOP TERRACE II RENOVATION KINGSLAND, CAMDEN COUNTY, GEORGIA

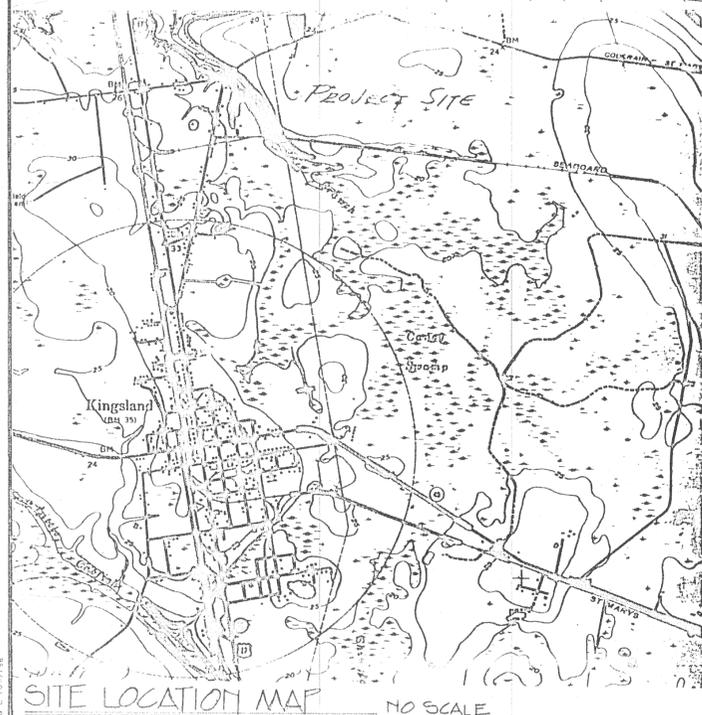
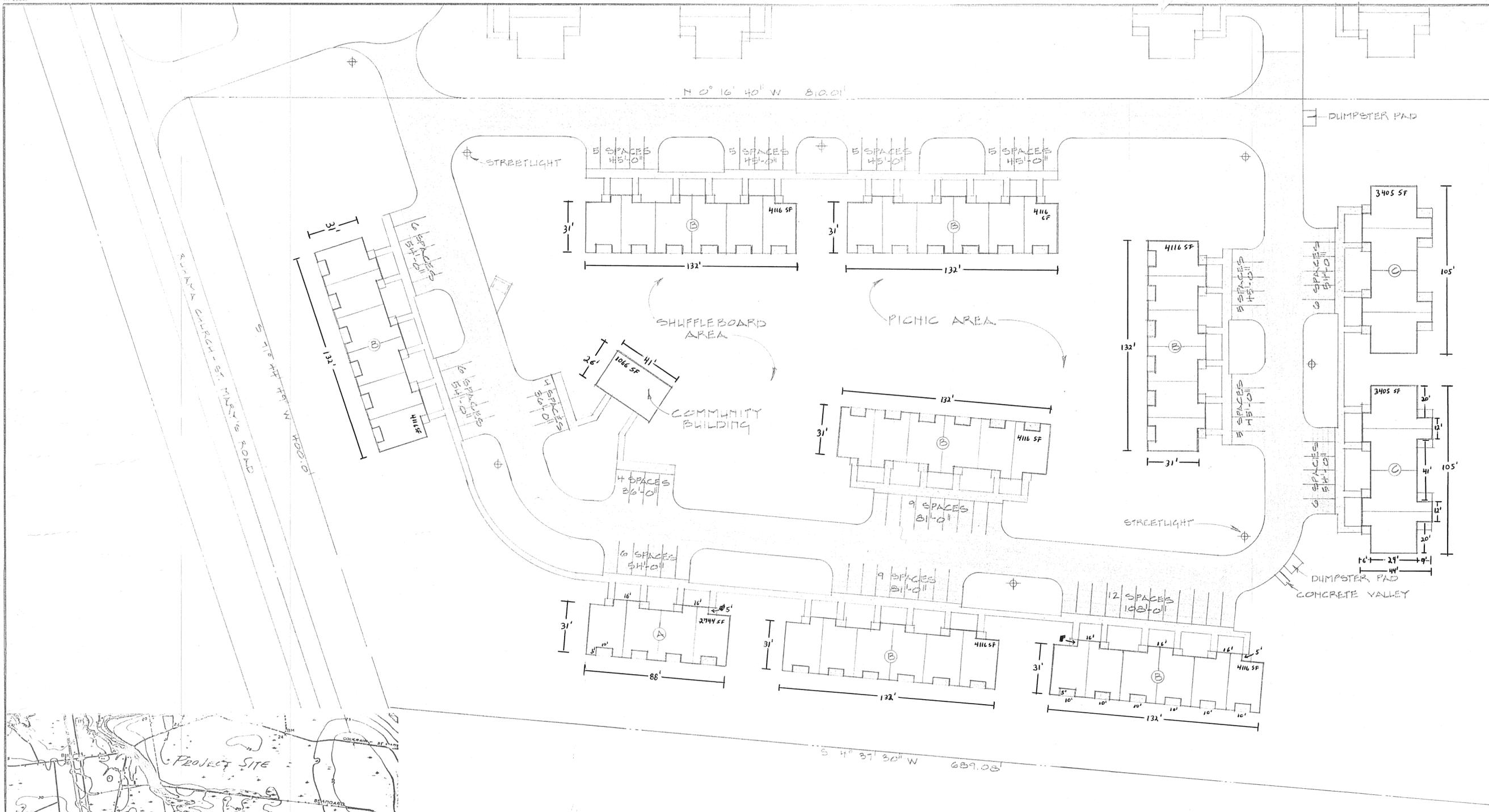


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Table with 2 columns: REVISIONS, and 2 rows of empty revision lines.

SHEET NO. A7.0

JOB NO. 3433



SITE PLAN 1" = 40'

BUILDING TYPE SUMMARY						
BUILDING DESIGNATION	NO. OF BLDGS.	APTS. PER BLDG.	1 BR -Elderly	2BR-Elderly	SF/BLDG	TOT. S.F.
A	1	4	4		2,744	2,744
B	7	6	42		4,116	28,812
C	2	4		8	3,405	6,810
Comm Bldg					1,066	1,066
TOTALS	10	-	46	8	-	39,432

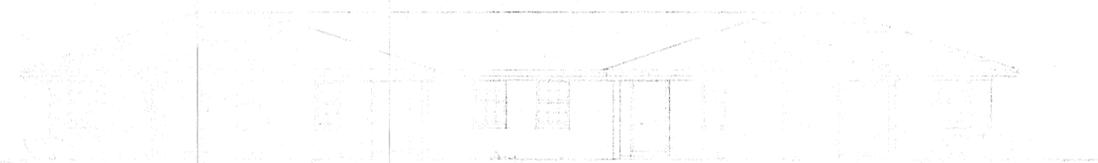
Total Rental Units = 54
Total Parking Spaces = 98

LEWIS BROWN JR. * ARCHITECT
 2233 NORTHWEST 41st STREET
 GAINESVILLE, FLORIDA 32606
 (904) 372-1378
 DRAFTSMAN: BUZZ BROWN
 PROJ. NO.: 8141
 DATE: 19 JANUARY 1984
 REVISION DATES:

HILLTOP TERRACE FOR GAINESVILLE, FLORIDA
 FINANCED THROUGH
THE FARMER'S HOME ADMINISTRATION



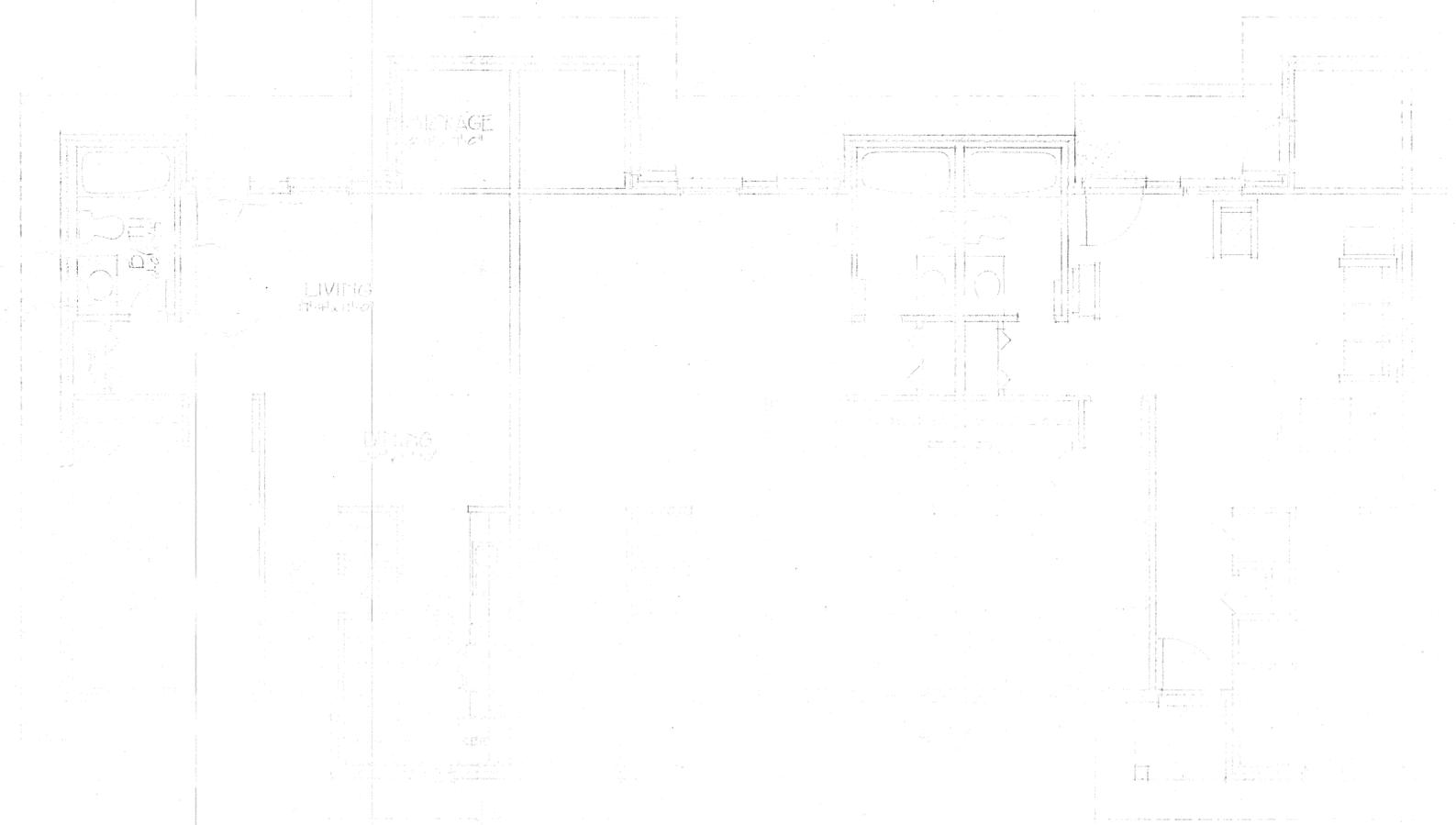
SCALE 1/4" = 1'-0"



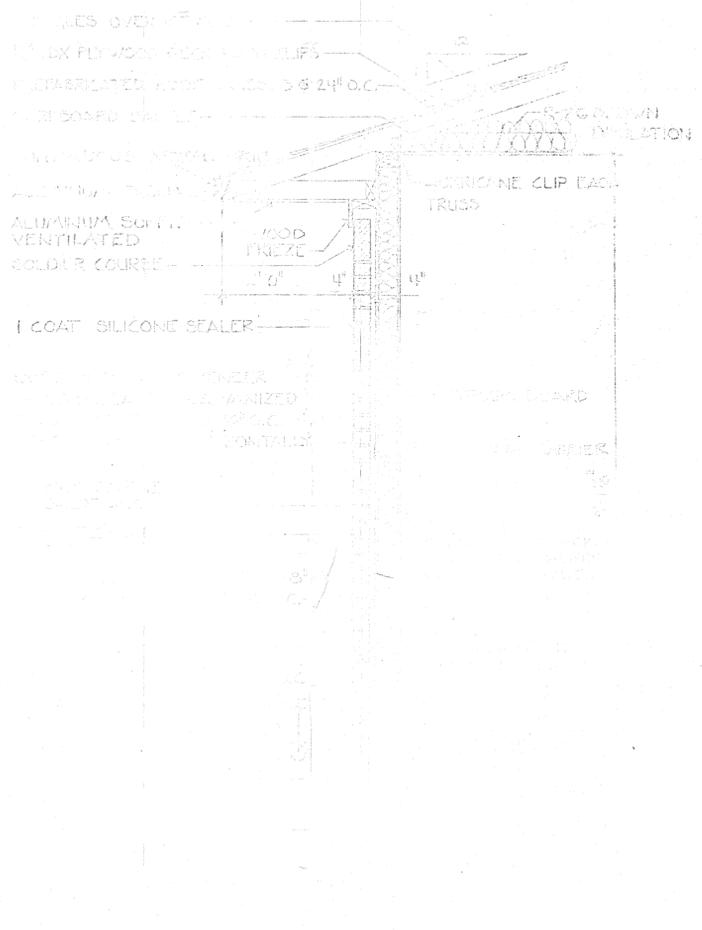
SCALE 1/4" = 1'-0"



RIGHT ELEVATION



FLOOR PLAN



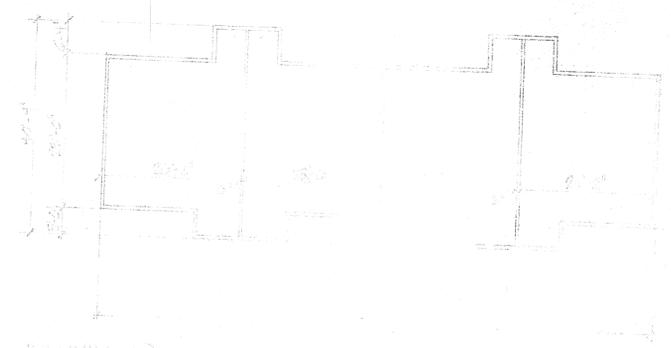
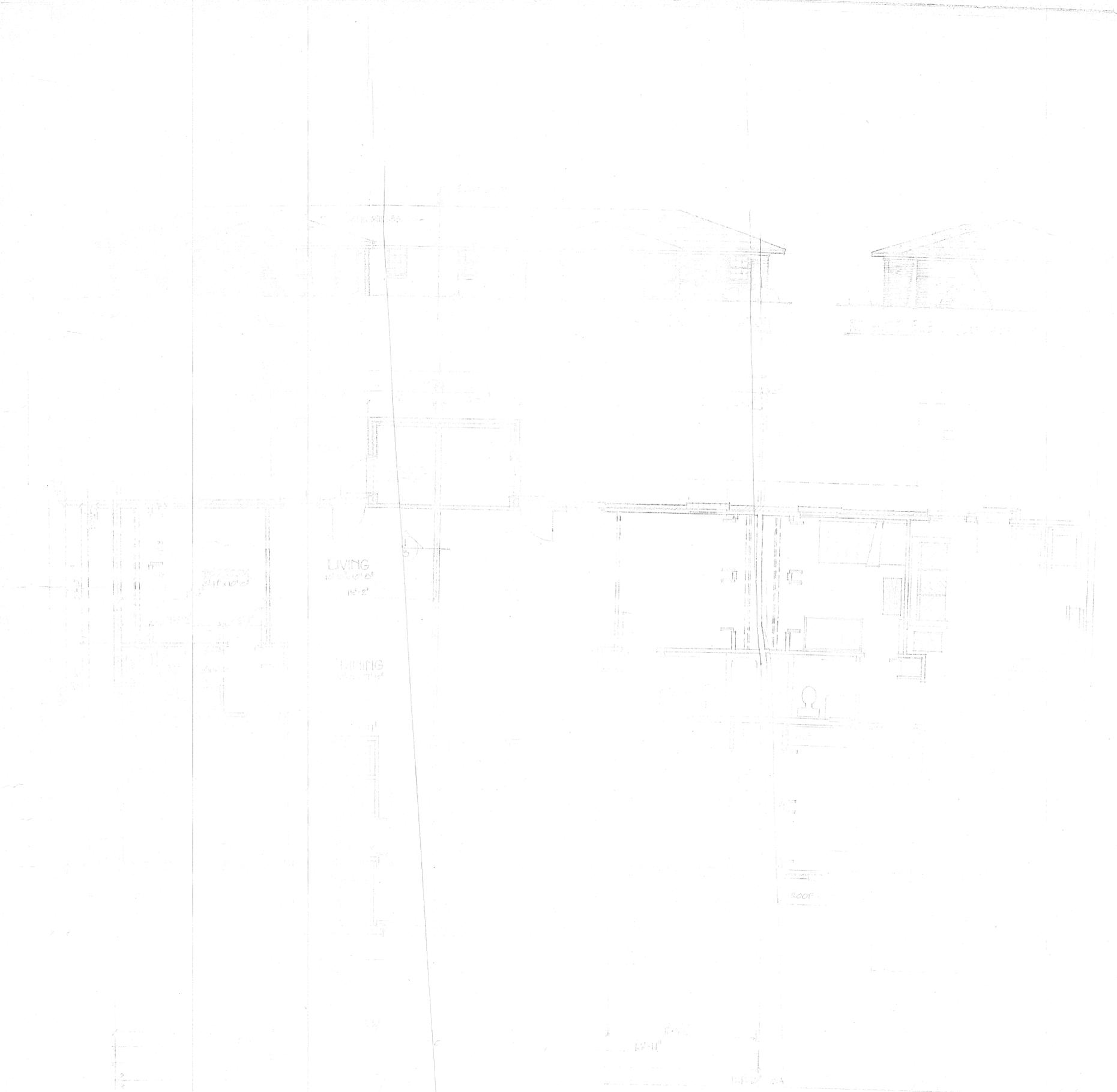
LEWIS BROWN JR. ARCHITECT
1500 BATHWEST AVENUE, GAINESVILLE, FLORIDA 32607
TELEPHONE 352-333-1111
FAX 352-333-1112

STARTING 2/1/80
PROJECT 5114
DATE 17 JUNE 1980
REVISED 01/81

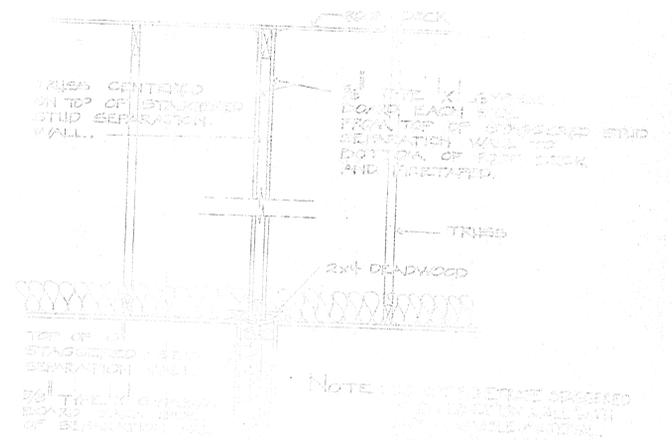
PROJECT: 5114
DATE: 17 JUNE 1980
REVISED: 01/81

BIRMINGHAM 02-2-2523

© 1961 LEWIS BROWN JR. ARCHITECTS
TOTAL FLOOR AREA 2,400 SQ. FT.
SWAP AREA, BUT WITH 2 UNITS



BUILDING (O) PLAN
BUILDING (O) SWAP AREA
BUT WITH 2 UNITS



TOP OF STAGGERED STUD SEPARATION WALL
DO NOT SET IN SPACED STUDS. WALL WITH STAGGERED STUDS IS NOT AVAILABLE

NOTE: DO NOT SET IN SPACED STUDS. WALL WITH STAGGERED STUDS IS NOT AVAILABLE

LEWIS BROWN JR. ARCHITECTS
1240 NORTHWEST 11th AVENUE, GAINESVILLE, FLORIDA 32608

DATE: 15 JUNE 1961
REVISED: 1961

PROJECT: FLEMING HOME
FLEMING HOME

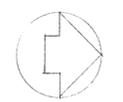
PRELIMINARY DRAWINGS

BRUNING-552E-15-63



SHEET NO. 01
 DATE: JUNE 1961
 REVISIONS:

ELLIS BROWN JR. ARCHITECT
 1240 NORTHWEST 1316 AVENUE, GAINESVILLE, FLORIDA 32608
 PHONE: 352-371-1578



SITE PLAN 1" = 40'

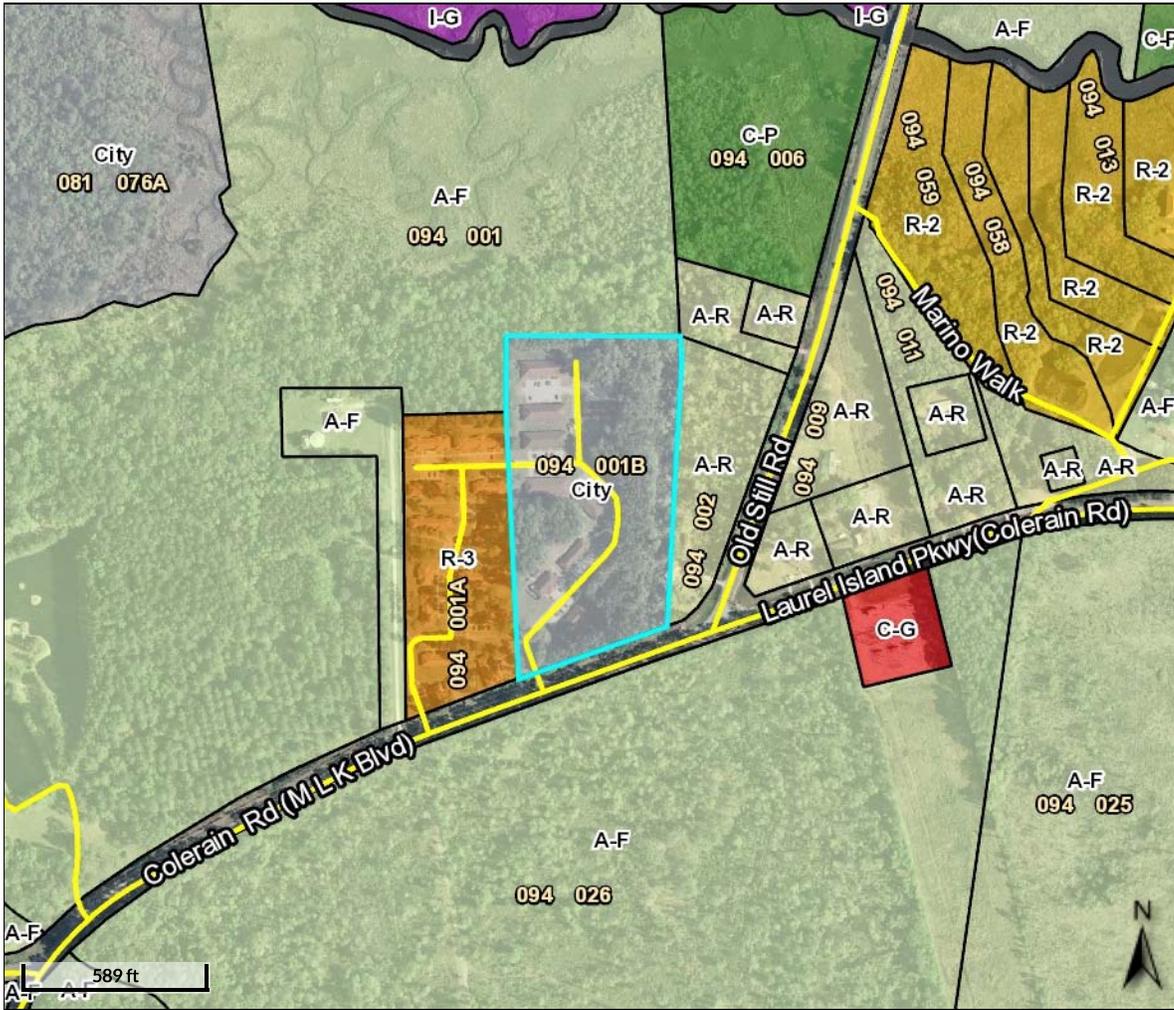
BUILDING DESIGNATION	NO. OF BLDGS.	APTS. PER BLDG.	BUILDING TYPE SUMMARY	
			1 BR -Elderly	2BR-Elderly
A	1	4	4	
B	7	6	42	8
C	2	4		
TOTALS	10		46	8

Total Rental Units = 54
Total Parking Spaces = 98

DRAFTSMAN: BUZZ
PROJ. NO.: 5111
DATE: 17 JANUARY 1987
REVISED DATES:

HILLTOP TERRACE FOR GAINESVILLE, FLORIDA
FINANCED THROUGH
THE FARMER'S HOME ADMINISTRATION

LEWIS BROWN JR. * ARCHITECT
2233 NORTHWEST 41st STREET
GAINESVILLE, FLORIDA 32606
(904) 372-1378



Overview



Legend

- Parcels
- Roads
- Zoning**
- Unknown
- ??
- A-F
- A-R
- C-G
- C-I
- C-N
- C-P
- City
- I-G
- I-R
- LC1
- MHP
- PD
- R-1
- R-2
- R-3

Parcel ID	094 001B	Owner	HILLTOP TERRACE LTD	Last 2 Sales			
Class Code	Commercial		C/O HALLMARK MANAGEMENT	Date	Price	Reason	Qual
Taxing District	KINGSLAND		ATTN; PROPERTY TAX EAGLE	4/1/1990	\$8896	NM	U
			3338-L1 COUNTRY CLUB RD., SUITE 236	4/1/1990	\$27540	NM	U
Acres	9.43		VALDOSTA GA 31605				
		Physical Address	360 E COLERAIN RD				
		Assessed Value	Value \$703822				

(Note: Not to be used on legal documents)

Date created: 2/1/2017
Last Data Uploaded: 2/1/2017 2:06:08 AM



Developed by
The Schneider Corporation



City of Kingsland

Post Office Box 250, Kingsland, Georgia 31548
Phone: (912) 729-8296 Fax: (912)729-4590

February 17, 2017

Greystone Affordable Housing Initiatives LLC
4025 Lake Boone Trail
Suite 209
Raleigh, NC 27607

Re: Hilltop Terrace II
Zoning Information

To whom it may concern:

The City of Kingsland is writing a letter to confirm the zoning of Hilltop Terrace II. Below are the zoning classification and other requirements.

Development Name: Hilltop Terrace II

Physical Location: 4059 Martin Luther King Blvd, Kingsland, Camden County, GA 31548, Parcel 094 001B

Proposed Intended Use: The acquisition and rehabilitation of Hilltop Terrace II, a 55-unit affordable multi-family rental community designated for elderly households.

Zoning and Land Development Regulations:

- a) Is this site appropriately zoned for the proposed Development? No _____ Yes X
- b) Indicate zoning designation(s) R-3
- c) Current zoning permits up to 22 units per acre, or over 100 for the site (PUD).
Per structure – 8,000 sq feet for first 2 units and then 2,000 sq ft for each additional unit.
- d) Total Number of Units in Development? 55
- e) Is the site appropriately zoned and consistent with local land use regulations regarding density and intended use? No _____ Yes X If no, please explain

- f) Does the current, applicable Future Land Use Map Designation and associated Local Government Comprehensive Plan Future Land Use Element provisions permit the proposed Development? No _____ Yes X

Outstanding zoning and/or building violations:

- a) Are there any outstanding zoning or building violations? No X Yes _____ If yes, please list in detail

Rebuild Ability Threshold:

- a) What is the threshold to rebuild the property should it be destroyed? 50% or must meet current building codes _____

Minimum Building Setbacks:

- a) What are the minimum setback requirements? 25' front, 10' side, 15' rear
b) Do setbacks meet current zoning ordinance or is the property grandfathered into ordinance?
c) Setbacks meet current ordinance
d) If setbacks do not meet current zoning ordinance and are not grandfathered, please provide the variance. (please attach to this document)

Maximum Building Height:

- a) What are the maximum building height requirements? 45'
b) Does height meet current zoning ordinance or is the property grandfathered into the ordinance?
Meets current
c) If height does not meet current zoning ordinance and is not grandfathered, please provide the variance. (please attach to this document)

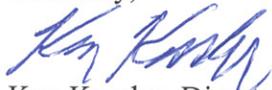
Parking Ratio:

- a) What are the parking requirements for the property? 1.5 spaces per dwelling unit
b) Does parking meet the current zoning ordinance or is the property grandfathered into the ordinance? Meets code
c) If parking does not meet current zoning ordinance and is not grandfathered, please provide the variance. (please attach to this document)

Legal Conforming or Legal Non-Conforming:

- a) Is the property a legal conforming or legal non-conforming use? (if parking, setbacks or height are grandfathered into ordinance please indicate legal non-conforming): conforming

Sincerely,



Ken Kessler, Director
Community Planning & Development

Sec. 60. - Residential districts.

60.1. *R-1, Single-Family Residential Districts.*

60.1.1. *Intent of District.* This district is intended to be used for single-family residential areas with low population density. Additional permitted uses, by special exception, include related noncommercial, recreational, religious, and educational facilities normally required to provide the basic elements of a balanced and attractive residential area. These areas are intended to be defined and protected from encroachment of uses not performing a function necessary to the residential environment.

60.1.2. Within R-1 Single-Family Residential Districts, the following uses are permitted:

- (1) Single-family dwelling.
- (2) Accessory building and uses when located on the same lot or parcel of land as the main structure and customarily incidental thereto and provided the requirements in Section 82 are met.
- (3) Fall-out shelters provided the requirements in Section 83 are met.
- (4) Home swimming pool provided the location is not closer than ten (10) feet to any property line and the pool is enclosed by a wall or fence of at least four (4) feet in height and provided approval from the Camden County Health Department has been obtained.
- (5) Public utility structures and building provided that the installation is properly screened. No office shall be permitted and no equipment shall be stored on the site.
- (6) Dogs, cats and other common pets provided the requirements in Section 107 are met.

60.1.3. The following uses may be permitted as special exceptions by the City Council in accordance with Section 60.1:

- (1) Churches and related accessory building, provided they are located on a lot fronting on an arterial or collector street and are placed not less than 50 feet from any property line.
- (2) Home occupations provided the requirements in Article XI are met.
- (3) Kindergarten, playschools and day care centers and homes.
- (4) Public and private schools, libraries, excluding business and trade schools.
- (5) Golf, swimming, tennis, or country clubs, privately owned and operated community clubs or associations, athletic fields, parks, and recreation areas, provided that no building for such purposes is located within 100 feet of any property line.

(6) Horses, ponies, and fowl provided the requirements in Section 107.1 are met.

(7) Agriculture, forestry, livestock and poultry production, provided that the area available for said operation is not less than ten (10) acres, and that no structure containing poultry or livestock and no storage of manure or odor or dust producing substance or use shall be located within 200 feet of a property line, provided any such structure existing at the time of passage of this Ordinance shall be allowed to extend to existing building line but no nearer the property line than any existing portion of such structure. All animals (except domestic animals, i.e. dog, cat) shall be kept in a structure or corral.

(8) Satellite Dish Antennas provided the requirements in Section 130.2 are met.

(9) Bed and Breakfast Inns provided the requirements of Section 130.3 are met.

60.1.4. Prohibited Uses

(1) Manufactured Housing

60.2. *R-2, Low Density Residential Districts.*

60.2.1 *Intent of District.* This is a residential district to provide for a medium population district. The district permits a mixture of dwelling types; and to situate these uses where they are well served by public and commercial services.

60.2.2. Within the R-2 Low Density Residential Districts, the following uses are permitted:

(1) Any use permitted in an R-1 District.

(2) Two-family dwelling (duplex).

(3) Townhouses, provided the requirements in Section 81 are met.

(4) Three family dwelling (triplex).

60.2.3. The following uses may be permitted as special exceptions by the City Council in accordance with the provisions of Article XXIV:

(1) Any use permitted by special exception in an R-1 District.

(2) Family personal care homes subject to the rules of the Georgia Department of Human Resources governing personal care comes.

60.2.4. Prohibited Uses

(1) Manufactured Housing

60.3. *R-3, Medium & High Residential District.*

60.3.1. *Intent of District.* This is a residential district to provide for high population density. The principal use of land may range from four family dwelling units to high density multiple family apartment uses. Certain uses which are more compatible functionally with intensive residential uses than with commercial uses are permitted.

60.3.2. Within the R-3 Medium-High Density Residential District, the following uses are permitted:

- (1) Any use permitted in R-2 except Single-Family Residences.
- (2) Multi-family dwellings including townhouses and apartments
- (3) Office buildings exclusively used for professional occupancy and of such character and nature that such use will not adversely affect adjacent and nearby residential properties.
- (4) Accessory uses and structures

60.3.3. The following uses may be permitted as special exceptions by the City Council in accordance with the provisions of Article XXIV:

- (1) Home Occupations provided the requirements in Section 110 are met.
- (2) Hospitals, sanitariums, clinics, convalescent or nursing homes, including assisted living facilities.
- (3) Clubs and lodges, provided that food service facilities are limited to their members and guests.
- (4) Churches and related accessory buildings, provided they are located on a lot fronting an arterial or collector street and are placed not less than 50 feet from any property line.
- (5) Kindergartens, playschools, and day care centers and homes.
- (6) Golf, swimming, tennis, or country clubs, privately owned and operated community clubs or associations, athletic fields, parks and recreation areas, provided that no building for such purpose is located within 100 feet of any property line.
- (7) Public and private schools and libraries.
- (8) Family personal care homes subject to the rules of the Georgia Department of Human Resources governing personal care homes.
- (9) Group personal care homes subject to the rules of the Georgia Department of Human Resources governing personal care homes.

(10) Agriculture, forestry, livestock and poultry production, provided that the area available for said operation is not less than ten (10) acres, and that no structure containing poultry or livestock and no storage of manure or odor or dust producing substance or use shall be located within 200 feet of a property line, provided any such structure existing at the time of passage of this Ordinance shall be allowed to extend to existing portion of such structure. All animals (except domestic animals, i.e. dog, cat) shall be kept in a structure or corral.

(11) Bed and Breakfast Inns provided the requirements in Section 130.3 are met.

60.3.4. Prohibited Uses

(1) Manufactured Housing

60.4. *R-4, Single Family - Mobile Home.*

60.4.1 *Intent of District.* The intent of this district is to provide permanent areas in the City exclusively for single-family residential mobile homes.

60.4.2 *Uses Permitted.* Property and buildings in R-4, Single-Family Mobile Home Districts, shall be used for the following purposes:

- (1) Conventional single-family homes.
- (2) Single-family mobile homes on individual lots.
- (3) Parks and playgrounds.
- (4) General purpose farm or garden, but not the keeping of poultry or non-domestic animals.
- (5) Accessory uses and structures.

60.4.3 *Special Permit Uses.* The following uses may be permitted in accordance with provisions contained in Article XXIV and if additional conditions which may be required are met:

- (1) Any special use permitted in the R-1, Single-Family Residential District.

60.5. *R-5, Mobile Home Park.*

60.5.1 *District Intent.* The intent of this district is to provide sound and healthy residential areas to meet the unique needs of mobile home residents; to encourage the consolidation of mobile homes into parks; to protect mobile home residential areas from encroachment by incompatible uses; and to enhance property values in the community by providing distinctive areas for mobile homes in parks.

60.5.2 *Uses Permitted*

(1) Mobile Home Parks

(2) Accessory uses and structures, including community centers and club house facilities, swimming pools, tennis courts, picnic areas, bike paths and other recreational facilities used to meet the needs of park residents.

60.5.3 *Special Permit Uses.* The following uses may be permitted in accordance with the provisions contained in Article VIII and Article XXIV, and if additional conditions which may be required are met.

(1) Uses in keeping with the intent of district and which serve exclusively the residents of a particular mobile home park.

60.6 *R-6, Single-Family Large Tract Residential.*

60.6.1 *Intent of District.* It is the intent of this section that the R-6 large tract residential be developed for low density population. The regulations which apply within this district are designed to encourage the formation and continuance of a quiet, compatible and un-congested environment. Commercial, industrial and small lot residential uses are prohibited in order to protect the natural amenities of the area, as well as suppress urban sprawl. It is the purpose of this R-6 district to promote a compatibility between uses and to encourage and provide an orderly transition from agricultural to urban uses.

60.6.2. Within R-6 Single-Family Large Tract Residential District, the following uses are permitted:

- (1) Single-family dwelling.
- (2) Accessory building and uses when located on the same lot or parcel of land as the main structure and customarily incidental thereto and provided the requirements in Section 82 are met.
- (3) Fall-out shelters provided the requirements in Section 83 are met.
- (4) Home swimming pool provided the location is not closer than ten (10) feet to any property line and the pool is enclosed by a wall or fence of at least four (4) feet in height and provided approval from the Camden County Health Department has been obtained.
- (5) Public utility structures and building provided that the installation is properly screened. No office shall be permitted and no equipment shall be stored on the site.
- (6) Dogs and cats provided the requirements in Section 107 are met.
- (7) Horses, ponies, and fowl provided the requirements in Section 107.1 are met.
- (8) Agriculture, forestry, livestock and poultry production, provided that the area available for said operation is not less than ten (10) acres, and that no structure containing poultry or livestock and no storage of manure or odor or dust producing substance or use shall be

located within 200 feet of a property line, provided any such structure existing at the time of passage of this Ordinance shall be allowed to extend to existing building line but no nearer the property line than any existing portion of such structure. All animals (except domestic animals, i.e. dog, cat) shall be kept in a structure or corral.

60.6.3. The following uses may be permitted as special exceptions by the City Council in accordance with Section 60.1:

- (1) Churches and related accessory building, provided they are located on a lot fronting on an arterial or collector street and are placed not less than 50 feet from any property line.
- (2) Home occupations provided the requirements in Article XI are met.
- (3) Kindergarten, playschools and day care centers and homes.
- (4) Public and private schools, libraries, excluding business and trade schools.
- (5) Golf, swimming, tennis, or country clubs, privately owned and operated community clubs or associations, athletic fields, parks, and recreation areas, provided that no building for such purposes is located within 100 feet of any property line.
- (6) Satellite Dish Antennas provided the requirements in Section 130.2 are met.
- (7) Bed and Breakfast Inns provided the requirements of Section 130.3 are met.
- (8) All other uses may be permitted as a special use approved by the City Council in accordance with the provisions of Article XXVI.

60.6.4 *Prohibited Uses.*

- (1) Manufactured Housing.

60.6.5 *Conditional Uses.* The following use may be permitted on a conditional basis in any R-6 Zoning District with approval by City Council. The applicant for R-6 zoning when requesting conditional uses shall submit a written report which shall explain the type, nature, intent and characteristics of the proposed development, and shall include, where applicable:

- (1) A general description of the proposal.
- (2) A legal description of the site.
- (3) Proposed standards for development, including:
 - (a) Restrictions on the use of property.
 - (b) Density, yard, and height requirement.

(c) Restrictive covenants.

(4) Proposed dedication or reservation of land for public use, including streets, easements, parks and school sites.

(5) Exceptions or variations from the requirements of the Zoning and Land Development Ordinance if any are being requested.

(6) Plans for the provision of utilities, including water, sewer, and storm drainage facilities.

(7) Descriptions of percentage of land within the development to be provided for various uses:

a) Residential

b) Commercial

c) Industrial

d) Open space

e) Utilities

f) Parking and storage

g) Others

60.6.6 Other requests: If any of the following three (3) exemptions are requested a written report must be submitted with reasoning for these exemptions:

1) Exemption from connecting to sewer provided extenuating circumstances are existing.

2) Exemption from paving of roads provided extenuating circumstances exist and provided the following conditions are met:

a. Swales must be engineered.

b. Right-of-Way shall be a minimum of 60 feet

c. Road width shall be no less than 20'

d. Canopy height shall be a minimum of 15 feet high.

e. Notes in the preliminary plat and final plat absolve the City of Kingsland from any maintenance of the roadways, ditches and/or swales and that they shall be maintained by the Home Owner's Association.

f. Covenants and Restrictions are submitted with the plat and are reviewed but not adopted by Kingsland.

3) Other conditions as the developer or Kingsland City Council deem relevant.

60.7. *R-7, Townhouse Residential District.*

60.7.1. *Intent of District.* This is a residential district to provide for high population density. The principal use of land may range from four family dwelling units to high density multiple family townhouses uses. Certain uses which are more compatible functionally with intensive residential uses than with commercial uses are permitted.

60.7.2. Within the R-7 Townhouse Residential District, the following uses are permitted:

(1) Condominiums.

(2) Townhouses.

(3) Office buildings exclusively used for professional occupancy and of such character and nature that such use will not adversely affect adjacent and nearby residential properties.

60.7.3. The following uses may be permitted as special exceptions by the City Council in accordance with the provisions of Article XXIV:

(1) Home Occupations provided the requirements in Section 110 are met.

(2) Golf, swimming, tennis, or country clubs, privately owned and operated community clubs or associations, athletic fields, parks and recreation areas, provided that no building for such purpose is located within 100 feet of any property line.

60.7.4. Prohibited Uses

(1) Manufactured Housing

(Amend. of 7-23-2007; Ord. No. 2008-28, 12-12-2008; Ord. No. 2009-09, 9-28-2009)



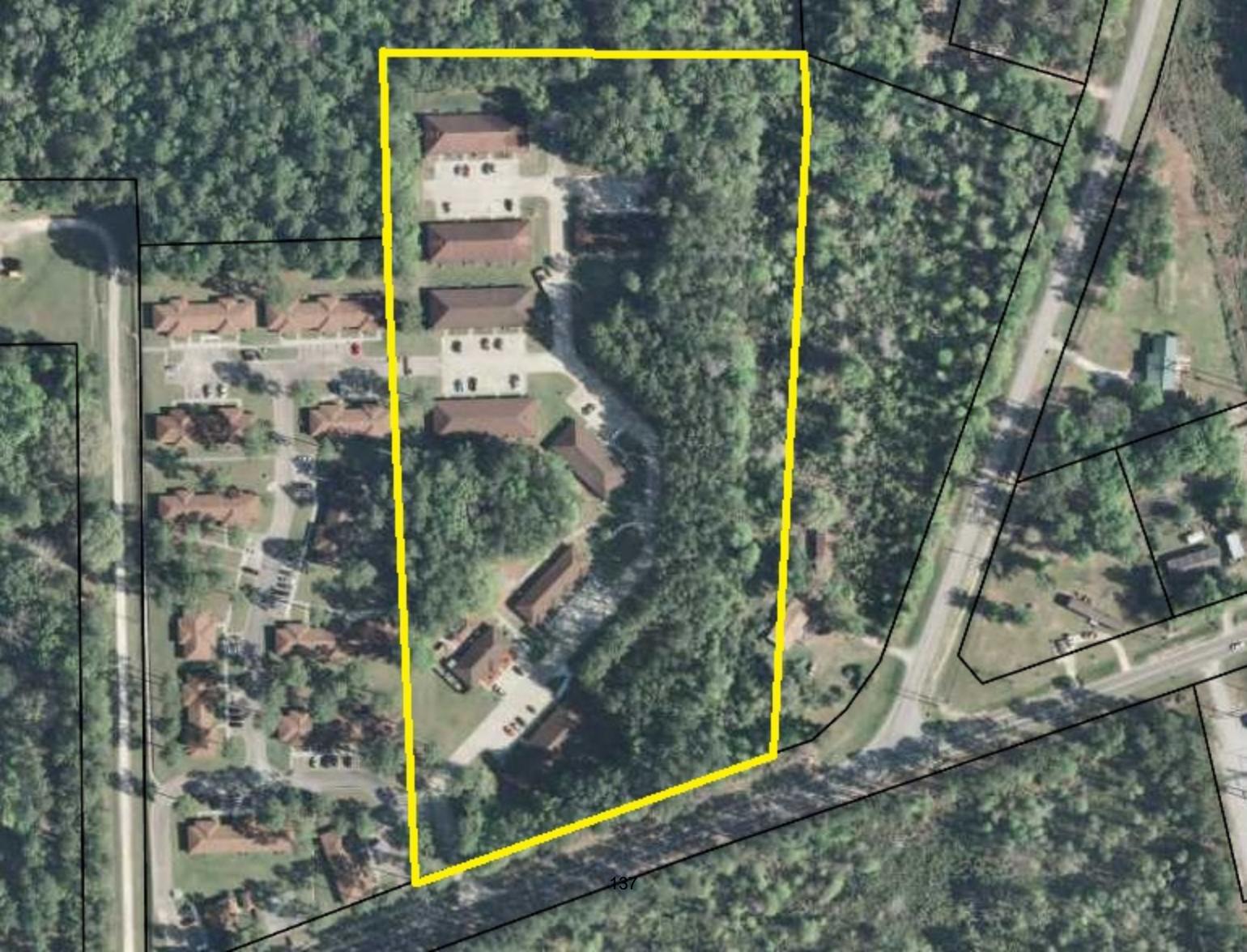
MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **13039C0383F**
 Zone: **X**
 Map Date: **December 16, 2008**
 FIPS: **13039**

MAP LEGEND

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

Powered by CoreLogic®



325 110

STATE OF GEORGIA
COUNTY OF CAMDEN

001827
Camden County, Georgia
Real Estate Transfer Tax
Paid \$ 105.00
Date March 25 1988
Charlene Williams
Deputy Clerk of Superior Court

WARRANTY DEED

THIS INDENTURE, made this 24th day of March, in the Year of Our Lord One Thousand Nine Hundred and Eighty-eight, between EDENFIELD ENTERPRISES, a general partnership under the laws of Georgia composed of Robert L. Edenfield, Homer R. Edenfield, and Gwendolyn S. Edenfield, of the first part, and HILLTOP TERRACE LTD., a limited partnership of Camden County, Georgia, of the second part.

WITNESSETH: that the said party of the first part, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto the said party of the second part, its successors and assigns, all that lot, tract or parcel of land lying and being in the 1606th G. M. District, Camden County, Georgia, more particularly described as follows:

TO ARRIVE AT A POINT OF BEGINNING, from a concrete monument at the point where the westerly right-of-way line of the Harriett's Bluff Road (an 80-foot right-of-way) intersects the northerly right-of-way line of the Coleraine-to-St. Marys Road (an 80-foot right-of-way), extend South 71° 44' 49" West along the northerly right-of-way line of the Coleraine-to-St. Marys Road 75.97 feet to an iron pin which is the point of beginning; AND FROM SAID POINT OF BEGINNING, running South 71° 44' 49" West along said northerly right-of-way line 400 feet to an iron pin; thence, running North 0° 16' 40" West along the easterly line of lands of Colerain Ltd 810.01 feet to an iron pin; thence, running North 89° 43' 20" East 439.37 feet to an iron pin; thence, running South 4° 37' 30" West 689.08 feet to an iron pin which is the point of beginning.

Together with an easement for drainage over, across, and through a parcel of land 40 feet in width extending from the northwesterly corner of the above-described property in a northerly direction to the low water mark of the nearest tributary of the Crooked River.

SMITH & FLOYD
Attorneys At Law
1815 Osborne Road
St. Marys, Ga. 31558
882-4348

TO HAVE AND TO HOLD the said bargained premises, together with all and singular the rights, members and appurtenances thereof, to the same being, belonging or in anywise appertaining, to the only proper use, benefit and behoof of the said party of the second part, its successors and assigns, forever, IN FEE SIMPLE.

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

IN WITNESS WHEREOF, the said party of the first part has executed this deed through the hands and seals of its partners, the day and year first above written.

EDENFIELD ENTERPRISES

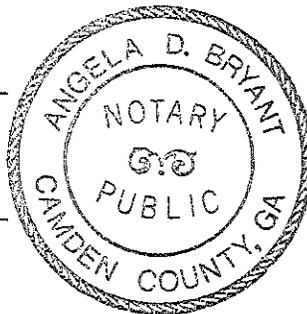
By: *Robert L. Edenfield* (SEAL)
Robert L. Edenfield, partner

Signed, sealed and delivered in the presence of:

Charl...
Witness

Angela D. Bryant
Notary Public

Notary Public, Camden County, Georgia
My Commission Expires Oct. 14, 1991



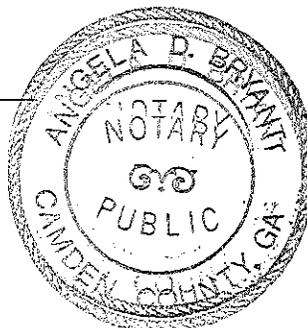
By: *Homer R. Edenfield* (SEAL)
Homer R. Edenfield, partner

Signed, sealed and delivered in the presence of:

Charl...
Witness

Angela D. Bryant
Notary Public

Notary Public, Camden County, Georgia
My Commission Expires Oct. 14, 1991



SMITH & FLOYD
Attorneys At Law
1815 Osborne Road
St. Marys, Ga. 31558
22/882-4348

CLERK'S NOTE: CONTINUED NEXT PAGE

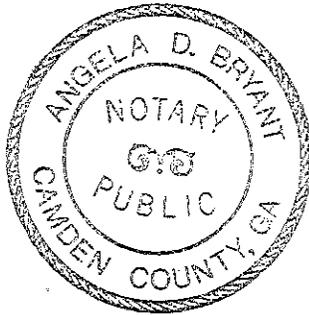
By: Gwendolyn S. Edenfield (SEAL)
Gwendolyn S. Edenfield, partner

Signed, sealed and delivered
in the presence of:

[Signature]
Witness

Angela D. Bryant
Notary Public

Notary Public, Camden County, Georgia
My Commission Expires Oct. 14, 1991



RECORDED MAR 25 1988

[Signature]
DEPUTY CLERK SUPERIOR COURT, CAMDEN COUNTY, GEORGIA

SURVEY

A survey is not currently available. A site plan has been included in the addendum. Due to the size of this portfolio transaction, and as surveys expire prior to closing, the ALTA Survey will be completed, submitted to the Agency, and approved closer to closing.



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@greyco.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.

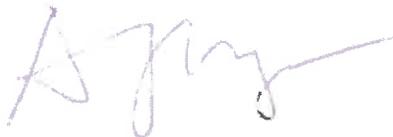
Authorization to Proceed

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	
					Total	\$184,500.00	\$166,050.00	

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

INITIAL DATA REQUEST

(for each Property)

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

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

Thank you,

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

Financial Acknowledgement

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

Assumptions and Limiting Conditions

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

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

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

PROFESSIONAL QUALIFICATIONS

ANDREW J. MOYE, MAI, AI-GRS

Business Experience

Crown Appraisal Group, Columbus, Ohio.

Principal

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

Vista Capital/Chemical Mortgage Company, Columbus, Ohio.

Vice President.

Appraisal assignments and market studies of commercial real property.

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

Assistant Vice President.

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

Education

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

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

Professional Education (partial list)

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

Professional Qualifications, testimony venues

MAI designation offered by Appraisal Institute

AI-GRS designation offered by Appraisal Institute

Young Advisory Council attendee, moderator, Appraisal Institute

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

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

STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD

ANDREW JOHN MOYE

5464

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

**CERTIFIED GENERAL REAL PROPERTY
APPRAISER**

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

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

46535506